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 has 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 and OPEB Trust Funds – Ventura County Employees' Retirement Association (VCERA), the County of Ventura Supplemental Retirement Plan (SRP), and the Retiree Medical Expense Reimbursement Plan (RMERP).

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 RMERP, 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. 99, *Omnibus 2022,* effective for reporting periods beginning after June 15, 2023, except for those requirements related to leases, public-private partnerships (PPPs), and subscription-based information technology agreements (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 implemented the remaining requirements for the fiscal year 2023-24 financial statements.

GASB Statement No. 100, *Accounting Changes and Error Corrections - an amendment of GASB Statement No.62,* effective for reporting periods 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 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 implemented the new 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. 101, *Compensated Absences,* effective for reporting periods 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.

GASB Statement No. 102, *Certain Risk Disclosures*, effective for reporting periods beginning after June 15, 2024, provides essential information about risks related to government vulnerabilities. This statement requires a government to assess whether a concentration or constraint makes the primary government reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact to have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. The County intends to implement the new requirements for the fiscal year 2024-25 financial statements.

GASB Statement No. 103, *Financial Reporting Model Improvements*, effective for reporting periods beginning after June 15, 2025, provides information that is essential for decision making and assessing a government's accountability. The requirements for MD&A will improve the quality of the analysis of changes from the prior year, which will enhance the relevance of that information. They also will provide clarity regarding what information should be presented in MD&A. The requirements for the separate presentation of unusual or infrequent items will provide clarity regarding which items should be reported separately from other inflows and outflows of resources. The requirement for presentation of major component unit information will improve comparability. And budgetary comparison information to be presented as RSI will improve comparability. The County intends to implement the new requirements for the fiscal year 2025-26 financial statements.

GASB Statement No. 104, *Disclosure of Certain Capital Assets*, effective for reporting periods beginning after June 15, 2025, provides guidance of required certain types of capital assets to be disclosed separately in the capital assets note disclosures. The requirements of this Statement will improve financial reporting by providing users of financial statements with essential information about certain types of capital assets to make informed decisions and assess accountability. Additionally, the disclosure requirements will improve consistency and comparability between governments. The County intends to implement the new requirements for the fiscal year 2025-26 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 and amortization, accumulated depreciation and amortization, 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 and amortization, 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 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 System (VCMS) and is licensed for 49 acute beds. VCMS 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 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, SRP, established on January 1, 1992, under provisions of the Internal Revenue Code Section 401(a), and RMERP, whose Trust was established on July 1, 2023, under provisions of the Internal Revenue Code Section 115.

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 and RMERP, 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, developments 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. Developments in progress include constructions in progress and subscription software in development.

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/amortized on the government-wide and the proprietary funds statements. Land, easements, developments 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 recorded 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 lease 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 are 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 at 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 develoment 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 REPORTING ENTITY

As of July 1, 2023, the Watershed Protection District fund, which was previously reported as a major governmental fund is no longer a major fund due to not meeting the quantitative threshold to be classified as a major fund. The Department of Airports fund, which was previously reported as a major enterprise fund is no longer a major fund due to not meeting the quantitative threshold to be classified as a major fund.

As of July 1, 2023, the Nyeland Acres Community Center Community Facilities District (CFD) fund is maintained as a special revenue for budgetary purposes. Under GAAP, this fund does not meet the criteria to be reported as a separate special revenue fund and is reported in the General Fund.

This resulted in adjustments and restatements of beginning fund balance and net position as follows (in thousands):

	June 30, 2023, as previously presented	Change within the Reporting Entity	June 30, 2023, as restated
Governmental Funds:			
General Fund	$ 870,180	$ 54	$ 870,234
Nonmajor Funds	184,597	118,371	302,968
Watershed Protection District Fund	118,425	(118,425)	Not Applicable
Enterprise Funds:			
Nonmajor Funds	66,123	80,522	146,645
Department of Airports Fund	80,522	(80,522)	Not Applicable

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, SRP, and RMERP.

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, 2024, are as follows (in thousands):

Governmental activities	$ 1,780,672
Business-type activities	111,540
Primary government	1,892,212
Component unit	21,256
Total government-wide	1,913,468
Fiduciary funds:	
Pension and OPEB trust funds	8,368,973
Investment trust fund	2,460,637
Private-purpose trust funds	11,672
Custodial-external investment pool	157,030
Custodial-other custodial funds	51,973
Total cash and investments	$ 12,963,753

Cash and investments at fair value for County funds, including those funds managed separately from the Treasury, at June 30, 2024, are summarized as follows (in thousands):

	Treasury	Fiscal Agents	Pension and OPEB Trusts	Total
Cash:				
Cash on hand	$ 9	$ 25	$ -	$ 34
Cash equivalents and demand deposits (net outstanding checks)	297,202	5,754	152,229	455,185
Total cash	297,211	5,779	152,229	455,219
Investments:				
In Treasurer's pool	4,291,790	-	-	4,291,790
In pension and OPEB portfolios	-	-	8,216,744	8,216,744
Total investments	4,291,790	-	8,216,744	12,508,534
Total cash and investments	$ 4,589,001	$ 5,779	$ 8,368,973	$ 12,963,753

Cash

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

At June 30, 2024, the carrying amount of the County's cash was $455,219,000, and the bank balance per various institutions was $532,613,000. Treasury cash of $297,211,000 is net of outstanding checks of $77,393,000. Treasurer's pool investments are managed daily to maximize earnings and provide cash as needed. Of the bank balance in financial institutions, $484,000 is covered by federal depository insurance and $532,129,000 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 $1,813,000 are held in the proprietary funds and include $313,000 that is restricted by trust agreements for funding capital projects and debt service. Of this, $98,000 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, 2024, amounted to an increase of $14,177,000. The net change in fair value from June 30, 2023 to June 30, 2024, was an increase of $52,320,000.

The Investment Pool maintains investments in three investment pools regulated by the California Government Code: (1) the State of California Local Agency Investment Fund (LAIF), (2) CalTRUST and (3) California Asset Management Program (CAMP). 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. CAMP is a joint powers authority regulated by Code Section 53601(p) and directed by a Board of Trustees of local government finance directors and treasurers. At June 30, 2024, the County's investments in LAIF, CalTRUST and CAMP were $55,000,000, $25,000,000 and $20,000,000, 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, 2024, 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	0.410-5.050	7/25/24-11/17/26	$ 374,228	$ 371,003	0.353	AA	Aaa	NR	8.644%
FFCB Bonds	4.125-5.000	2/7/25-6/11/27	319,830	318,883	1.782	AA	Aaa	AA	7.430%
FHLM Bonds	3.050-5.200	7/11/24-9/29/25	146,954	145,741	0.761	AA	Aaa	AA	3.396%
FHLB Bonds	5.230-5.290	12/26/24-1/10/25	70,000	69,969	0.511	A-1	P-1	NR	1.630%
FNMA Bonds	0.500-4.125	4/22/25-11/7/25	33,330	33,815	1.169	AA	Aaa	AA	0.788%
FNMA Bonds	5.040	9/27/24	24,398	24,672	0.244	A-1	P-1	F1	0.575%
FFCB Bonds	4.550	12/19/24	23,866	24,388	0.471	A-1	P-1	F1	0.568%
U.S. Treasury Bills:									
U.S. Treasury Bills	0.750-4.625	9/30/24-4/15/27	753,674	758,685	1.622	AA	Aaa	AA	17.678%
U.S. Treasury Bills	4.840	1/23/25	24,284	24,298	0.567	A-1	P-1	F1	0.566%
Yankee Certificates of Deposits:									
Yankee Certificates of Deposits	5.190-5.960	7/5/24-2/27/25	935,165	934,731	0.285	A-1	P-1	F1	21.780%
Yankee Certificates of Deposits	5.100-5.380	7/26/24-12/27/24	200,034	199,911	0.271	A-1	P-1	NR	4.658%
Medium-Term Corporate Notes:									
Corporate Bonds	0.700-5.050	11/21/24-5/11/27	101,271	102,789	1.193	AA	Aaa	NR	2.395%
Corporate Bonds	1.000-4.600	8/22/24-5/12/26	95,125	96,120	1.121	AA	A1	AA	2.240%
Corporate Bonds	1.554-3.900	11/15/24-11/17/25	70,003	70,218	0.861	AA	Aa2	NR	1.636%
Corporate Bonds	2.450-3.300	1/15/25-2/6/27	38,714	38,934	1.420	AAA	Aaa	NR	0.907%
Corporate Bonds	3.500-4.900	12/5/24-2/26/26	34,280	34,425	1.029	AA	A1	AA	0.802%
Corporate Bonds	1.050-4.000	9/9/25-9/17/26	32,711	33,214	1.864	AA	Aa2	AA	0.774%
Corporate Bonds	0.500-2.750	8/9/24-3/19/25	26,177	26,400	0.601	A	A1	NR	0.615%
Corporate Bonds	2.400	7/30/24	21,179	19,944	0.082	A	A3	N/A	0.465%
Corporate Bonds	3.150	12/14/25	9,757	9,725	1.458	AA	Aa3	NR	0.227%
Corporate Bonds	3.400	6/6/25	5,231	5,264	0.934	A	A1	A	0.123%
Commercial paper:									
Commercial paper	5.210-5.460	7/3/24-1/9/25	294,640	301,871	0.191	A-1	P-1	F1	7.034%
Commercial paper	5.040-5.420	7/1/24-1/2/25	62,705	64,310	0.198	A-1	P-1	NR	1.498%
Municipal Bonds:									
Municipal Bonds	0.350-2.932	7/1/24-8/1/25	26,197	26,317	0.068	AAA	Aaa	N/A	0.613%
Municipal Bonds	0.502-2.125	8/1/24-5/15/25	21,627	22,071	0.663	AA	Aa2	N/A	0.514%
Municipal Bonds	0.575-5.010	8/1/24-6/1/25	12,231	12,156	0.196	AA	NR	N/A	0.283%
Municipal Bonds	0.396-3.365	8/1/24-11/1/25	5,901	6,139	0.182	AA	Aa1	N/A	0.142%
Municipal Bonds	0.645-2.085	8/1/24-10/1/25	4,192	4,327	0.697	AAA	NR	N/A	0.101%
Municipal Bonds	0.561-2.325	8/1/24-4/1/25	911	910	0.319	AA	Aa3	N/A	0.021%
Municipal Bonds	0.790-2.199	8/1/24-12/1/25	652	682	1.058	AAA	Aa1	N/A	0.016%
Municipal Bonds	0.632-3.608	7/1/24-8/1/24	629	630	0.020	AA	A1	N/A	0.015%
Municipal Bonds	0.743	5/1/25	181	193	0.836	AAA	Aa2	N/A	0.004%
Municipal Bonds	3.000	8/1/24	107	100	0.088	AA	A2	N/A	0.002%
LAIF	4.360		55,000	55,000	0.003	NR	NR	NR	1.282%
CalTRUST	5.419		25,000	25,000	0.003	AAA	NR	NR	0.583%
Camp Cash Reserve	5.435		20,000	20,000	0.003	AAA	NR	NR	0.466%
Supranationals:									
Supranationals	0.875-4.500	7/1/24-5/15/26	239,785	241,807	1.347	AAA	Aaa	AAA	5.634%
Supranationals	0.470-5.100	9/3/24-10/8/26	152,079	151,701	1.428	AAA	Aaa	NR	3.535%
Supranationals	1.000-2.500	11/25/24-7/29/25	15,565	15,447	0.653	AAA	Aaa	AAA	0.360%
Total investments in Investment Pool			$4,277,613	$ 4,291,790					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, 2024 (in thousands):

Statement of Net Position	Total
Net position held for pool participants	$ 4,589,001
Equity of internal pool participants	$ 1,870,256
Equity of external pool participants	2,697,489
Equity of discretely presented component unit	21,256
Total equity	$ 4,589,001
Statement of Changes in Net Position	
Net position at July 1, 2023	$ 4,260,381
Increase in investment by pool participants, net	328,620
Net position at June 30, 2024	$ 4,589,001

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 53 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 and OPEB 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 and RMERP adopt investment policies, which emphasizes safety, diversification, and yield, and follow the “prudent investor rule” as required by the Employment Retirement Income Security Act of 1974. Investments permitted by the policies include fixed income and equity mutual funds. Fair value calculations at fiscal year-end are based on market values provided by the custodians of the SRP and RMERP.

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, 2024, 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 S&P'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 S&P'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 S&P. 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, 2024:

Investment	Percentage of Investment Pool
U. S. Treasury	18.24 %
Federal Home Loan Bank	10.28 %
Federal Farm Credit Bank	8.00 %
Inter-American Development Bank	5.63 %
Swedbank	5.24 %
Combined Individual Issuers less than 5% of Portfolio:	
Yankee Certificate of Deposits	21.20 %
Medium-Term Corporate Notes	10.18 %
Commercial Paper	8.53 %
Supranationals	3.90 %
Federal Home Loan Mortgage Corporation	3.40 %
Municipal Bonds	1.71 %
Federal National Mortgage Association	1.36 %
LAIF	1.28 %
CalTRUST	0.58 %
Camp Reserve	0.47 %
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, 2024, the weighted average maturity of the Investment Pool was 304 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, 2024, VCERA had the following cash and short-term investments (in thousands):

State Street Bank and Trust	$ 135,400
County of Ventura Treasurer's Investment Pool	16,327
Total	$ 151,727

Credit Risk

VCERA requires its overall weighted fixed income holdings to be rated at a minimum AA by S&P, Aa by Moody's, or AA by Fitch Rating. Aggregated amounts by rating category using S&P ratings at June 30, 2024, are as follows (in thousands):

Separate Holdings	
AAA	$ 22,870
AA	28,514
A	54,576
BBB	110,262
BB	44,709
B	11,832
CCC	5,167
No Rating	99,280
Total Separate Holdings	377,210
Pooled Investments	
AAA	320,596
AA	119,574
A	43,383
BBB	101,480
BB	32,445
B	6,035
CCC	2,200
CC	1,952
No Rating	2,920
Total Pooled Investments	630,585
Total Portfolio	$ 1,007,795

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, VCERA's fixed income holdings were rated A at June 30, 2024.

Concentration of Credit Risk

VCERA had no single issuer that exceeds 5 percent of total investments per GASB Statement No. 40 disclosure requirements or any one issuer which represents 5 percent 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 percent 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 percent 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, 2024, are as follows (in thousands):

Category	Amount	Duration (Years)
Treasury	$ 155,510	8.20
Agency	182,051	1.20
Mortgage-Backed	236,461	3.80
Asset-Backed	49,743	4.70
Credit	315,378	5.20
Foreign	8,905	-
Other	59,747	0.20
Total	$ 1,007,795	4.70

Notes - The duration of the Bloomberg Barclays Aggregate Bond Index as of June 30, 2024 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, 2024 (in thousands):

Currency	Fixed Income	Equities
Australian Dollar	$ 845	$ 62,146
British Pound	7,171	203,832
Canadian Dollar	9,687	109,437
Danish Krone	747	40,151
Euro	12,897	416,925
Hong Kong Dollar	6	38,123
Japanese Yen	1,738	233,110
Mexican Peso	4,317	5,629
New Zealand Dollar	-	1,625
Norwegian Krone	1,152	10,374
South African Rand	435	7,939
Singapore Dollar	1,402	27,900
South Korean Won	-	6,713
Swedish Krona	364	37,165
Swiss Franc	697	116,344
Other/Emerging Markets	47,630	426,890
Total Securities Subject to Foreign Currency Risk	$ 89,088	$ 1,744,303

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, 2024, 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, 2024, VCERA had securities on loan with a fair value of $120.4 million, with collateral of $107.0 million.

VCERA's net securities lending income for the fiscal year ended June 30, 2024, was as follows (in thousands):

Gross Income	$	2,721
Expenses:		
Borrower Rebates		2,355
Management Fees		108
Net Securities Lending Income	$	258

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, 2024 (in thousands):

		Currency Forward Contracts			
Currency	Options	Net Receivables	Net Payables	Swap Agreement	Net Exposure
Australian Dollar	$ -	$ -	$ (9)	$ -	$ (9)
Euro Currency Unit	-	(1)	3	-	2
British Pound Sterling	-	-	(5)	-	(5)
Japanese Yen	-	-	9	-	9
Mexican Peso	-	-	22	-	22
Subtotal	-	(1)	20	-	19
U.S. Dollar	90	-	-	1,080	1,170
Total	$ 90	$ (1)	$ 20	$ 1,080	$ 1,189

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, 2024, 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	$ -	$ -	$ 8,469	$ -
Credit Default Swaps Written	-	-	1,260	-
Fixed Income Futures Long	(5,953)	-	232,399	-
Fixed Income Futures Short	6,687	-	(148,865)	-
Fixed Income Futures Bought	-	-	2,790	-
Fixed Income Futures Written	-	-	(10,118)	-
Foreign Currency Futures Long	-	-	200	-
Futures Options Bought	(2,400)	-	517	-
Futures Options Written	1,052	-	(1,009)	-
FX Forwards	-	-	2,569	-
Index Futures Long	39,169	-	-	-
Index Futures Short	(3,325)	-	-	-
Pay Fixed Interest Rate Swaps	1,688	1,385	51,897	-
Receive Fixed Interest Rate Swaps	-	(172)	11,966	-
Total	$ 36,918	$ 1,213	$ 152,075	$ -

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, 2024 (in thousands):

Counterparty Name	Fair Value	S&P Rating	Fitch Rating	Moody's Rating
Goldman Sachs CME	$ 653	BBB+	A	A2
JPMorgan Chase Bank N.A.	-	A+	AA	Aa2
UBS CME	1,080	A+	A+	Aa2
UBS ICE	-	A+	A+	Aa2
Total	$ 1,733			

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 are 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, 2024 (in thousands):

Derivative Type	Notional Value (Dollar)	Fair Value	Less than 1	1 - 5	6 - 10	More than 10
Credit Default Swaps Bought	$ 8,468	$ (212)	$ -	$ (212)	$ -	$ -
Credit Default Swaps Written	1,260	79	-	79	-	-
Fixed Income Options Long	232,399	-	-	-	-	-
Fixed Income Options Short	(148,865)	-	-	-	-	-
Fixed Income Options Bought	2,790	40	40	-	-	-
Fixed Income Options Written	(10,118)	(37)	(37)	-	-	-
Pay Fixed Interest Rate Swaps	51,897	1,385	-	106	(256)	1,535
Receive Fixed Interest Rate Swaps	11,966	(172)	(52)	-	(120)	-
Total	$ 149,797	$ 1,083	$ (49)	$ (27)	$ (376)	$ 1,535

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, 2024, the SRP was not exposed to concentration of credit risk and 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 $10,387,000, or 39 percent, of its investments in bond mutual funds.

Risk Disclosures – RMERP

Concentration of Credit Risk

RMERP. Investments in mutual funds are excluded from the requirement to disclose concentration of credit risk. As of June 30, 2024, the RMERP was not exposed to concentration of credit risk and 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 RMERP has exposure to interest rate risk by investing $2,474,000, or 36 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. As of June 30, 2024, the County's investments and external investments by fair value level are as follows (in thousands):

		Fair Value Measurement Using		
Investments in Investment Pool	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments not subject to fair value hierarchy:				
CalTRUST	$ 25,000			
CAMP	20,000			
LAIF	55,000			
Total investments not subject to fair value hierarchy	100,000			
Investments subject to fair value hierarchy:				
U.S. Government Agency Bonds	988,471	$ 49,059	$ 939,412	$ -
U.S. Treasury Bills and Notes	782,983	782,983	-	-
Yankee Certificate of Deposit	1,134,642	-	1,134,642	-
Medium Term Corporate Notes	437,033	-	437,033	-
Commercial Paper	366,181	-	366,181	-
Municipal Bonds	73,525	-	73,525	-
Supranational Instruments	408,955	-	408,955	-
Total investments subject to fair value hierarchy	4,191,790	$ 832,042	$ 3,359,748	$ -
Total investments in investment pool	4,291,790			
Investments outside Investment Pool				
Investments by fair value level:				
VCERA Pension Trust:				
Debt Securities:				
Asset Backed Securities	36,963	$ 500	$ 36,463	$ -
Commercial Mortgage-Backed Securities	45,138	-	45,138	-
Corporate and Other Credit	227,052	-	227,052	-
U.S. Government Agency	164,102	-	164,102	-
Total Debt Securities	473,255	$ 500	$ 472,755	$ -
Equity Securities:				
U.S. Equity	48,493	$ -	$ 48,493	$ -
Limited Partnerships	362,013	128,913	-	233,100
Preferred Stock	85	85	-	-
Total Equity Securities	410,591	$ 128,998	$ 48,493	$ 233,100
Collateral from Securities Lending	35,298	$ -	$ 35,298	$ -
SRP Pension Trust and RMERP OPEB Trust:				
Cash Equivalents	340	$ 340	$ -	$ -
Bond Mutual Funds	12,861	-	12,861	-
Equity Mutual Funds	20,215	-	20,215	-
Total SRP Pension and RMERP OPEB Trust	33,416	$ 340	$ 33,076	$ -
Total investments subject to fair value hierarchy	952,560			
Investments measured at net asset value (NAV):				
Fixed Income	481,434			
Private Credit	656,485			
Equity:				
U.S.	2,054,825			
Non-U.S.	1,215,015			
Global	786,500			
Real Assets	567,742			
Private Equity	1,502,183			
Total investments measured at NAV	7,264,184			
Total investments outside investment pool	8,216,744			
Total investments	$ 12,508,534			
Investment derivative instruments:				
Forward Exchange Contracts	$ 19	$ 19	$ -	$ -
Future Options Contracts	89	89	-	-
Credit Default Swaps	(133)	-	(133)	-
Interest Rate Swaps	1,213	-	1,213	-
Total investment derivative instruments	$ 1,188	$ 108	$ 1,080	$ -

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, CAMP, 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 2,508 tax rate areas, which are unique combinations of various jurisdictions serving a specific geographic area. In fiscal year 2023-24, the rates levied within each tax rate area varied from a low of 1.000000 to a high of 1.621247 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	Fire Protection District	Non-major Governmental Funds	Internal Service Funds	Total Governmental Activities
Receivables:					
Accounts	$ 229,301	$ 18,595	$ 44,615	$ 3,298	$ 295,809
Interest	12,206	2,464	5,271	5,827	25,768
Lease	275	12	23	13	323
Gross Receivables	241,782	21,071	49,909	9,138	321,900
Long-term receivables:					
Lease	2,057	112	1,100	304	3,573
Medi-Cal	24,037	-	15,158	-	39,195
SB90 revenue	6,672	-	-	-	6,672
Neighborhood Stabilization Program	2,551	-	-	-	2,551
HUD programs	291	-	13,940	-	14,231
National Opioid Settlement	59,762	-	-	-	59,762
Special assessments	-	-	6,144	-	6,144
County Affordable Housing Program	5,000	-	-	-	5,000
Other long-term receivables	3,031	-	2,295	97	5,423
Total long-term receivables	103,401	112	38,637	401	142,551
Total receivables	$ 345,183	$ 21,183	$ 88,546	$ 9,539	$ 464,451

Proprietary Funds	Medical System	Waterworks Districts	Non-major Enterprise Funds	Total Enterprise Funds and Business-type Activities
Receivables:				
Accounts	$ 825,404	$ 6,467	$ 13,629	$ 845,500
Interest	63	449	1,140	1,652
Lease	-	121	2,852	2,973
Other	50	-	313	363
Gross Receivables	825,517	7,037	17,934	850,488
Less: Allow./Uncollectible Acct	(516,570)	(51)	(20)	(516,641)
Total Receivables - fund statements	308,947	6,986	17,914	333,847
Long-term receivables:				
Lease	-	4,205	87,044	91,249
Public-private arrangement	-	-	3,659	3,659
Total long-term receivables	-	4,205	90,703	94,908
Total receivables	$ 308,947	$ 11,191	$ 108,617	$ 428,755

NOTE 6 - INTERFUND TRANSACTIONS

Interfund Receivables/ Payables (Short-Term):

The composition of interfund balances as of June 30, 2024, is as follows (in thousands):

Receivable Fund	Payable Fund	Amount	
General Fund			
	Fire Protection District	$ 546	
	Non-major Governmental Funds	14,855	
	Medical System	872	
	Waterworks Districts	509	
	Non-major Enterprise Funds	35	
	Internal Service Funds	724	
			$ 17,541
Fire Protection District			
	General Fund	5,114	
	Medical System	3	
	Internal Service Funds	50	
			5,167
Non-major Governmental Funds			
	General Fund	13,547	
	Non-major Governmental Funds	280	
	Medical System	224	
	Internal Service Funds	5	
			14,056
Medical System			
	General Fund	1,701	
	Fire Protection District	2	
	Non-major Governmental Funds	242	
	Non-major Enterprise Funds	89	
	Internal Service Funds	63	
			2,097
Waterworks Districts			
	General Fund	58	
	Non-major Governmental Funds	14	
	Internal Service Funds	10	
			82
Non-major Enterprise Funds			
	General Fund	$ 239	
			239
Internal Service Funds			
	General Fund	14,438	
	Fire Protection District	409	
	Non-major Governmental Funds	1,335	
	Medical System	1,593	
	Waterworks Districts	432	
	Non-major Enterprise Funds	375	
	Internal Service Funds	852	
			19,434
Total Due To/Due From			$ 58,616

The balance of $14,855,000 due to the General Fund from Non-major Governmental Funds includes a short-term loan for construction of the Todd Road Jail and a short-term cash flow loan to the In-Home Supportive Services Public Authority.

The balance of $5,114,000 due to the Fire Protection District from the General Fund is primarily the transfer of property tax and investment revenue.

The balance of $13,547,000 due to Non-major Governmental Funds from the General Fund includes the reimbursement to the Mental Health Services Fund.

The balance of $14,438,000 due to Internal Service Funds from the General Fund is primarily due to Transportation and General Services Funds.

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	$ 685
	Medical System	231,000
	Waterworks Districts	977
	Internal Service Funds	156
Total Advances		$ 232,818

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 $231,000,000. 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, 2025. On June 18, 2024, the County Board of Supervisors authorized the Medical System to carry over a loan balance to the General Fund as of June 30, 2024, through the fiscal year end of June 30, 2025.

In fiscal year 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, 2024 the balance stands at $977,000.

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, 2024 the balance stands at $156,000.

In March 2024, the Board approved a revolving line of credit for the County Service Area Fund not to exceed $1,500,000 from the General Fund. This loan serves three purposes: repayment of outstanding loan amounts, funding the Caltrans pipeline replacement project, and financing a study for the sewer system's modernization. The loan is for a 15-year term and interest accrues at the County Treasury Pool rate.

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	$ 9,358	Subsidy for operating expenses
	Non-major Governmental Funds	7,685	Transfer funds for scheduled debt service
	Non-major Governmental Funds	4,525	Subsidy for capital projects
	Non-major Governmental Funds	2,766	Health and welfare realignment
	Medical System	22,698	Subsidy for operating expenses
	Medical System	3,409	Tobacco settlement revenues
	Waterworks Districts	1,961	Subsidy for capital projects
	Non-major Enterprise Funds	1,428	Subsidy for operating expenses
	Non-major Enterprise Funds	886	Subsidy for capital projects
	Internal Service Funds	9,734	Subsidy for capital asset purchase
	Internal Service Funds	7,002	Subsidy for operating expenses
	Internal Service Funds	810	Subsidy for capital projects
		72,262	
Fire Protection District	Non-major Enterprise Funds	114	Subsidy for capital asset purchase
Non-major Governmental Funds	General Fund	1,964	Transfer of HUD and HOME grant funding
	General Fund	23	Subsidy for operating expenses
	Non-major Governmental Funds	574	Transfer funds for capital projects
	Non-major Governmental Funds	133	Transfer funds for scheduled debt service
	Non-major Governmental Funds	14	Transfer of HUD and HOME grant funding
	Non-major Governmental Funds	9	Transfer of endowment interest
	Medical System	1,626	Transfer of HUD and HOME grant funding
	Medical System	166	Subsidy for operating expenses
	Internal Service Funds	1,946	Subsidy for operating expenses
	Internal Service Funds	8	Subsidy for capital asset purchase
		6,463	
Waterworks Districts	Internal Service Funds	149	Subsidy for capital asset purchase
Non-major Enterprise Funds	General Fund	40	Subsidy for operating expenses
	Internal Service Funds	44	Subsidy for capital asset purchase
		84	
Internal Service Funds	General Fund	100	Subsidy for operating expenses
	Internal Service Funds	224	Subsidy for capital asset purchase
		324	
Total		$ 79,396	

NOTE 7 - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2024, was as follows (in thousands):

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024
Governmental Activities:				
Capital assets, nondepreciable:				
Land	$ 53,053	$ 690	$ -	$ 53,743
Easements	200,451	-	-	200,451
Development in progress	212,562	67,172	110,577	169,157
Total capital assets, nondepreciable	466,066	67,862	110,577	423,351
Capital assets, depreciable/amortizable:				
Land improvements	58,524	2,197	-	60,721
Structures and improvements	617,371	99,727	77	717,021
Equipment	173,964	11,550	3,738	181,776
Vehicles	142,080	23,381	8,252	157,209
Software	85,558	583	1,704	84,437
Infrastructure	609,118	16,209	-	625,327
Right-to-use lease structures and improvements	48,272	4,991	2,127	51,136
Right-to-use lease equipment	6,518	-	-	6,518
Right-to-use subscription assets	20,655	33,264	6,150	47,769
Total capital assets, depreciable/amortizable	1,762,060	191,902	22,048	1,931,914
Less accumulated depreciation/amortization for:				
Land improvements	18,365	2,005	-	20,370
Structures and improvements	310,284	19,858	6	330,136
Equipment	97,717	11,589	3,249	106,057
Vehicles	76,042	9,476	7,205	78,313
Software	76,403	3,609	3,147	76,865
Infrastructure	166,388	6,793	-	173,181
Right-to-use lease structures and improvements	19,866	11,005	2,046	28,825
Right-to-use lease equipment	1,666	809	-	2,475
Right-to-use subscription assets	6,130	7,869	2,814	11,185
Total accumulated depreciation/amortization	772,861	73,013	18,467	827,407
Total capital assets, depreciable/amortizable, net	989,199	118,889	3,581	1,104,507
Governmental activities capital assets, net	$ 1,455,265	$ 186,751	$ 114,158	$ 1,527,858
Business-type Activities (Enterprise):				
Medical System:				
Capital assets, nondepreciable:				
Land	$ 2,054	$ -	$ -	$ 2,054
Development in progress	26,935	15,983	2,045	40,873
Total capital assets, nondepreciable	28,989	15,983	2,045	42,927
Capital assets, depreciable/amortizable:				
Structures and improvements	476,141	703	-	476,844
Equipment	82,067	5,801	(3,241)	91,109
Software	46,290	-	-	46,290
Right-to-use lease structures and improvements	21,992	624	-	22,616
Right-to-use lease equipment	5,559	-	3,245	2,314
Right-to-use subscription assets	4,365	7,250	-	11,615
Total capital assets, depreciable/amortizable	636,414	14,378	4	650,788
Less accumulated depreciation/amortization for:				
Structures and improvements	126,610	12,100	-	138,710
Equipment	66,833	6,016	(2,390)	75,239
Software	46,231	52	-	46,283
Right-to-use lease structures and improvements	9,612	4,939	-	14,551
Right-to-use lease equipment	4,412	29	2,390	2,051
Right-to-use subscription assets	1,933	3,146	-	5,079
Total accumulated depreciation/amortization	255,631	26,282	-	281,913
Total capital assets, depreciable/amortizable, net	380,783	(11,904)	4	368,875
Medical System capital assets, net	$ 409,772	$ 4,079	$ 2,049	$ 411,802

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024
Waterworks Districts:				
Capital assets, nondepreciable:				
Land	$ 2,490	$ -	$ -	$ 2,490
Easements	326	-	-	326
Development in progress	23,100	4,253	808	26,545
Total capital assets, nondepreciable	25,916	4,253	808	29,361
Capital assets, depreciable/amortizable:				
Land improvements	2,074	-	-	2,074
Structures and improvements	154,040	582	-	154,622
Equipment	3,118	153	-	3,271
Vehicles	93	-	-	93
Software	87	-	-	87
Total capital assets, depreciable/amortizable	159,412	735	-	160,147
Less accumulated depreciation/amortization for:				
Land improvements	666	42	-	708
Structures and improvements	56,494	3,045	-	59,539
Equipment	2,394	97	-	2,491
Vehicles	93	-	-	93
Software	57	9	-	66
Total accumulated depreciation/amortization	59,704	3,193	-	62,897
Total capital assets, depreciable/amortizable, net	99,708	(2,458)	-	97,250
Waterworks Districts capital assets, net	$ 125,624	$ 1,795	$ 808	$ 126,611
Non-major Enterprise Funds:				
Capital assets, nondepreciable:				
Land	$ 18,644	$ -	$ -	$ 18,644
Easements	971	-	250	721
Development in progress	36,658	18,209	14,237	40,630
Total capital assets, nondepreciable	56,273	18,209	14,487	59,995
Capital assets, depreciable/amortizable:				
Land improvements	82,416	14,311	7,927	88,800
Structures and improvements	56,470	890	6,443	50,917
Equipment	4,010	1,169	463	4,716
Vehicles	990	15	-	1,005
Software	7,482	-	676	6,806
Right-to-use subscription assets	343	-	-	343
Total capital assets, depreciable/amortizable	151,711	16,385	15,509	152,587
Less accumulated depreciation/amortization for:				
Land improvements	60,371	2,687	7,830	55,228
Structures and improvements	39,247	1,128	6,342	34,033
Equipment	3,168	153	439	2,882
Vehicles	935	29	-	964
Software	7,271	44	524	6,791
Right-to-use subscription assets	94	78	-	172
Total accumulated depreciation/amortization	111,086	4,119	15,135	100,070
Total capital assets, depreciable/amortizable, net	40,625	12,266	374	52,517
Non-major Enterprise Funds capital assets, net*	$ 96,898	$ 30,475	$ 14,861	$ 112,512

*Beginning balances for the Non-major Enterprise Funds were adjusted to add the Airport Fund, which does not qualify for a major fund as of July 1, 2023. See Note 2.

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024
Business-type Activities (Enterprise) Totals:				
Capital assets, nondepreciable:				
Land	$ 23,188	$ -	$ -	$ 23,188
Easements	1,297	-	250	1,047
Development in progress	86,693	38,445	17,090	108,048
Total capital assets, nondepreciable	111,178	38,445	17,340	132,283
Capital assets, depreciable/amortizable:				
Land improvements	84,490	14,311	7,927	90,874
Structures and improvements	686,651	2,175	6,443	682,383
Equipment	89,195	7,123	(2,778)	99,096
Vehicles	1,083	15	-	1,098
Software	53,859	-	676	53,183
Right-to-use lease structures and improvements	21,992	624	-	22,616
Right-to-use lease equipment	5,559	-	3,245	2,314
Right-to-use subscription assets	4,708	7,250	-	11,958
Total capital assets, depreciable/amortizable	947,537	31,498	15,513	963,522
Less accumulated depreciation/amortization for:				
Land improvements	61,037	2,729	7,830	55,936
Structures and improvements	222,351	16,273	6,342	232,282
Equipment	72,395	6,266	(1,951)	80,612
Vehicles	1,028	29	-	1,057
Software	53,559	105	524	53,140
Right-to-use lease structures and improvements	9,612	4,939	-	14,551
Right-to-use lease equipment	4,412	29	2,390	2,051
Right-to-use subscription assets	2,027	3,224	-	5,251
Total accumulated depreciation/amortization	426,421	33,594	15,135	444,880
Total capital assets, depreciable/amortizable, net	521,116	(2,096)	378	518,642
Business-type activities capital assets, net	$ 632,294	$ 36,349	$ 17,718	$ 650,925

Depreciation/amortization

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

General government:		$ 11,518
Public protection:		
Judicial	2,710	
Police protection	4,276	
Detention and correction	6,711	
Fire protection	11,769	
Flood control and soil and water conservation	4,854	
Protective inspection	47	
Other	1,398	
Total public protection		31,765
Public ways and facilities		2,394
Health and sanitation services		5,897
Public assistance:		5,433
Education		799
Recreation and cultural services		5
Capital assets held by the internal service funds		15,202
Total depreciation/amortization expense - governmental activities		$ 73,013

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

Medical System	$ 26,282
Waterworks Districts	3,193
Department of Airports	2,168
Parks Department	880
Channel Islands Harbor	904
Health Care Plan	133
Oak View District	34
Total depreciation/amortization expense - business-type activities	$ 33,594

Development in Progress and Capital Projects Commitments
Development in progress for governmental activities represents work being performed in Government projects, Ventura County Integrated Justice Information System (VCIJIS) project, infrastructure, Watershed Protection District projects, Fire Protection District projects, SBITAs in process, and a number of smaller projects. Development 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.

Development in progress and capital projects commitments as of June 30, 2024, are as follows (in thousands):

	Development in Progress	Additional Committed Funds
Governmental activities	$ 169,157	$ 53,611
Business-type activities:		
Medical System	$ 40,873	$ 2,304
Waterworks Districts	26,545	1,620
Department of Airports	37,355	6,671
Parks Department	2,097	35
Channel Islands Harbor	1,154	86
Oak View District	24	-
Total business-type activities	$ 108,048	$ 10,716

Long-term commitments for infrastructure construction contracts totaled $14,618,000 (principally for road and flood control projects) at June 30, 2024.

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	Fire Protection District	Non-major Governmental Funds	Internal Service Funds	Total Governmental Activities
Accrued liabilities:					
Accrued salaries, benefits, and other payroll liabilities	$ 28,914	$ 3,787	$ 1,452	$ 3,649	$ 37,802
Audit reserves:					
SB90	982	-	-	-	982
Mental Health Short Doyle	37,986	-	19,352	-	57,338
Accrued interest on tax and revenue anticipation notes	4,609	-	-	-	4,609
Property tax clearing	9,480	-	-	-	9,480
Public assistance benefits payable	7,685	-	-	-	7,685
Held for grant repayment	8,173	-	-	-	8,173
Courthouse Construction Fund	3,823	-	-	-	3,823
Debris Removal Program	13,382	-	-	-	13,382
Building Homes and Jobs Act	1,293	-	-	-	1,293
Clearing and other liabilities	14,606	2	2,625	66	17,299
Total accrued liabilities	$ 130,933	$ 3,789	$ 23,429	$ 3,715	$ 161,866

Proprietary Funds	Medical System	Waterworks Districts	Non-major Enterprise Funds	Total Business-type Activities
Accrued liabilities:				
Accrued salaries and benefits	$ 7,462	$ -	$ 468	$ 7,930
Medicare, Medi-Cal, and SB1100 reserves	24,913	-	-	24,913
Accounts receivable credit balances	7,983	-	-	7,983
Clearing and other liabilities	2,329	175	3,001	5,505
Total accrued liabilities	$ 42,687	$ 175	$ 3,469	$ 46,331

NOTE 9 - LEASES

Leases as Lessee

The County has entered a variety of noncancellable leases as lessee for various structures and improvements, 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 1 to 14 years. As of June 30, 2024, the lease liability for governmental activities and business-type activities was $26,020,000 and $7,828,000, respectively. The imputed interest rate ranges from 0.085 to 3.212 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, 2024. The agreement results in a lease receivable and deferred inflow of $317,000 as of June 30, 2024, which is included in the lease receivables tables below.

In addition, the County maintains lease agreements as the lessee for the use of equipment, such as medical equipment and copiers. The County is required to make periodic principal and interest payments ranging from approximately $600 to $82,100 per month and the agreements vary in remaining terms from 1 to 5 years. As of June 30, 2024, the lease liability for governmental activities and business-type activities was $3,706,000 and $402,000, 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, 2024, are as follows (in thousands):

	Governmental Activities		Business-Type Activities	
Year ending June 30,	Principal	Interest	Principal	Interest
2025	$ 9,540	$ 315	$ 4,600	$ 63
2026	7,643	214	2,225	31
2027	5,057	129	1,285	12
2028	3,616	76	120	-
2029	2,291	39	-	-
2030-2034	1,327	67	-	-
2035-2039	252	15	-	-
Total	$ 29,726	$ 855	$ 8,230	$ 106

For governmental activities and business-type activities, principal expense related to leases was $10,925,000 and $5,915,000, respectively, for the year ended June 30, 2024. Variable payments previously not included in the measurement of the lease liability for the year ended June 30, 2024 were $1,215,000 and $219,000 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, 2024.

The following is a schedule of right-to-use lease assets by major classes at June 30, 2024 (in thousands):

	Governmental Activities	Business-type Activities
Right-to-use structures and improvements	$ 51,136	$ 22,616
Right-to-use equipment	6,518	2,314
Right-to-use accumulated amortization	(31,300)	(16,602)
Total	$ 26,354	$ 8,328

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 $250 to $145,000. As of June 30, 2024, the County's receivable and the associated deferred inflow was $98,118,000. The imputed interest rate ranges from 2.13 to 6.43 percent.

The following is a summary of future minimum lease receipts on noncancellable leases as of June 30, 2024 (in thousands):

Year ending June 30,	Governmental Activities Principal	Governmental Activities Interest	Business-type Activities Principal	Business-type Activities Interest
2025	$ 323	$ 152	$ 2,973	$ 4,201
2026	334	139	2,807	3,857
2027	315	127	2,890	3,736
2028	286	115	2,897	3,612
2029	229	105	2,650	3,488
2030-2034	866	407	12,991	15,758
2035-2039	568	252	14,623	12,889
2040-2044	398	165	13,166	9,867
2045-2049	447	75	9,800	7,379
2050-2054	130	11	8,092	5,513
2055-2059	-	-	6,396	3,886
2060-2064	-	-	5,351	2,534
2065-2069	-	-	3,127	1,614
2070-2074	-	-	1,982	1,097
2075-2079	-	-	1,087	772
2080-2084	-	-	590	634
2085-2089	-	-	724	501
2090-2094	-	-	887	338
2095-2099	-	-	1,088	137
2100-2104	-	-	101	1
Total	$ 3,896	$ 1,548	$ 94,222	$ 81,814

Lease revenue is as follows for the year ended June 30, 2024 (in thousands):

	Governmental Activities	Business-type Activities
Minimum lease payments	$ 401	$ 2,341
Interest lease payments	182	2,916
Variable lease payments	64	112
Total	$ 647	$ 5,369

NOTE 10 - SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

The County has noncancellable SBITAs with various software vendors for purposes such as budgeting, accounting, marketing, online conferencing, and other general office duties. The County enters into 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 the County and SBITA vendor are reasonably certain to exercise. The County makes annual payments ranging from approximately $33,000 to $4,202,000 and the arrangements typically vary in terms from 3 to 10 years. As of June 30, 2024, the subscription liability for governmental activities and business-type activities was $30,055,000 and $3,642,000, respectively. The imputed interest rate ranges from 1.86 to 3.09 percent.

Future principal and interest payments on the SBITAs as of June 30, 2024, are as follows (in thousands):

	Governmental Activities		Business-type Activities	
Year ending June 30	Principal	Interest	Principal	Interest
2025	$ 6,959	$ 758	$ 1,418	$ 127
2026	7,031	585	1,278	85
2027	5,427	414	489	44
2028	5,136	271	457	16
2029	4,953	135	-	-
2030-2034	549	26	-	-
Total	$ 30,055	$ 2,189	$ 3,642	$ 272

For governmental activities and business-type activities, principal expense related to the SBITAs was $8,571,000 and $1,385,000, respectively, for the year ended June 30, 2024. During the year ended June 30, 2024, 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, 2024. As of June 30, 2024, the right-to-use subscription asset net of accumulated amortization for governmental activities and business-type activities was $36,584,000 and $6,707,000, respectively.

Right-to-use subscription assets at June 30, 2024, are as follows (in thousands):

	Governmental Activities	Business-type Activities
Right-to-use subscription assets	$ 47,769	$ 11,958
Right-to-use accumulated amortization	(11,185)	(5,251)
Total	$ 36,584	$ 6,707

As of June 30, 2024, the County has approximately $2,157,000 of prepaid subscription costs or initial implementation costs related to SBITAs not commenced yet, that are recorded to development-in-progress for business-type activities on the accompanying balance sheet. As of June 30, 2024, SBITA commitments amounted to approximately, $21,570,000.

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, 2024, are as follows (in thousands):

Type of indebtedness/liabilities	Outstanding July 1, 2023	Additions and Transfers	Reductions and Transfers	Outstanding June 30, 2024	Amount Due Within One Year
Governmental Activities:					
Lease Revenue Bonds:					
Governmental Funds	$ 14,145	$ -	$ 3,045	$ 11,100	$ 3,181
Unamortized Premium Governmental Funds	1,224	-	300	924	281
Internal Service Funds	1,192	-	718	474	393
Total Lease Revenue Bonds	16,561	-	4,063	12,498	3,855
Revolving Credit Agreement Notes from Direct Borrowings:					
Governmental Funds	18,227	-	3,430	14,797	1,425
Internal Service Funds	994	-	198	796	185
Total Revolving Credit Agreement Notes from Direct Borrowings	19,221	-	3,628	15,593	1,610
Loans from Direct Borrowings:					
Governmental Funds	6,589	-	321	6,268	327
Total Loans from Direct Borrowings	6,589	-	321	6,268	327
Structure and Improvement Leases (Note 9)*:*					
Governmental Funds	27,249	4,309	8,947	22,611	7,752
Internal Service Funds	3,851	600	1,042	3,409	1,006
Total Structure and Improvement Leases	31,100	4,909	9,989	26,020	8,758
Equipment Leases (Note 9)*:*					
Internal Service Funds	4,642	-	936	3,706	782
Total Equipment Leases	4,642	-	936	3,706	782
Other Liabilities:					
Compensated Absences Liability	99,703	53,524	50,404	102,823	52,348
Net Pension Liabilities (VCERA and SRP)	349,948	3,477	168,650	184,775	-
Medical Malpractice (General Fund)	698	103	-	801	-
Total Pension Liability (Mgmt. Retiree Health Benefit)	13,407	1,628	2,168	12,867	1,836
Net Other Postemployment Benefits (OPEB) Liability	106,037	32,778	6,414	132,401	2,523
Total OPEB Liability (Subsidized Retiree Health Plan)	29,302	3,138	2,521	29,919	2,325
Claims Liabilities (General Insurance and Employee Benefit Insurance)	230,609	44,692	35,436	239,865	44,125
Subscription Liabilities (General Fund and Information Technology Services) (Note 10)	11,478	30,515	11,938	30,055	6,959
Total Other Liabilities	841,182	169,855	277,531	733,506	110,116
Total Governmental Activities	$ 919,295	$ 174,764	$ 296,468	$ 797,591	$ 125,448
Business-type Activities:					
Lease Revenue Bonds	$ 274,182	$ -	$ 11,621	$ 262,561	$ 12,186
Unamortized Premium	1,728	-	489	1,239	408
Total Lease Revenue Bonds	275,910	-	12,110	263,800	12,594
Revolving Credit Agreement Notes from Direct Borrowings	3,579	-	372	3,207	390
Loans from Direct Borrowings	3,445	-	176	3,269	177
Structure and Improvement Leases (Note 9)	12,565	647	5,384	7,828	4,344
Equipment Leases (Note 9)	933	-	531	402	256
Other Liabilities:					
Compensated Absences Liability	18,980	12,877	11,558	20,299	12,628
Net Pension Liabilities (VCERA and SRP)	75,373	1,395	35,989	40,779	-
Medical Malpractice (Medical System)	2,677	364	-	3,041	-
Claims Liabilities (Health Care Plan)	10,576	68,367	67,921	11,022	11,022
Subscription Liabilities (Medical System and Health Care Plan) (Note 10)	1,828	4,295	2,481	3,642	1,419
Total Other Liabilities	109,434	87,298	117,949	78,783	25,069
Total Business-type Activities	$ 405,866	$ 87,945	$ 136,522	$ 357,289	$ 42,830

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, 2024 was $9,135,000, 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, 2024 was $18,525,000, 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 1.22 percent and 3.24 percent. The bonds mature serially each year through November 2043. The LRRBs Series 2020A outstanding balance on June 30, 2024 was $246,475,000.

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 RCA notes 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 RCA notes were amended to replace the LIBOR index with the Secured Overnight Financing Rate (SOFR) index. On February 14, 2024, the RCA notes were renegotiated to mature on April 16, 2024. On April 12, 2024, the RCA notes were renegotiated to mature on April 9, 2027 and assigned to Wells Fargo Municipal Capital Strategics, LLC (New Lender), among other things.

The RCA 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 2024, there were no issuances of RCA notes to fund governmental activities or business-type activities. The RCA outstanding balance at June 30, 2024 was $18,800,000 with an interest rate of 4.96 percent and an unused balance of $32,200,000.

Loans from Direct Borrowings

On June 9, 2008, the County and the State Water Resources Control Board (SWRCB) entered into 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, 2024 is $5,180,000, including a $4,194,000 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, 2024 was $2,098,000.

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, 2024 was $3,572,000, including a $3,269,000 principal balance. Principal and interest paid for the current year and total net revenues were $210,000 and $2,376,000, 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, 2024 was $2,266,000, including a $2,074,000 principal balance. Principal and interest paid for the current year and total net revenues were $133,000 and $404,000, 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, 2024 was $133,000.

Debt service requirements at June 30, 2024 are as follows:

Governmental Activities

Year Ending June 30,	Lease Revenue Bonds Principal	Lease Revenue Bonds Interest	Revolving Credit Agreement Notes from Direct Borrowings Principal	Revolving Credit Agreement Notes from Direct Borrowings Interest	Loans from Direct Borrowings Principal	Loans from Direct Borrowings Interest
2025	$ 3,574	$ 414	$ 1,610	$ 755	$ 327	$ 130
2026	2,730	281	1,691	677	334	123
2027	2,820	160	12,292	1,656	341	116
2028	2,450	49	-	-	348	109
2029	-	-	-	-	355	102
2030-2034	-	-	-	-	1,889	396
2035-2039	-	-	-	-	2,096	189
2040-2044	-	-	-	-	578	13
Total requirements	11,574	$ 904	$ 15,593	$ 3,088	$ 6,268	$ 1,178
Unamortized bond premium	924					
Total	$ 12,498					

Business-type Activities

Year Ending June 30,	Lease Revenue Bonds Principal	Lease Revenue Bonds Interest	Revolving Credit Agreement Notes from Direct Borrowings Principal	Revolving Credit Agreement Notes from Direct Borrowings Interest	Loans from Direct Borrowings Principal	Loans from Direct Borrowings Interest
2025	$ 12,186	$ 6,993	$ 390	$ 155	$ 177	$ 33
2026	12,600	6,731	409	136	179	31
2027	12,900	6,448	2,408	324	181	29
2028	13,695	6,130	-	-	183	27
2029	14,030	5,792	-	-	185	25
2030-2034	61,450	24,358	-	-	951	99
2035-2039	66,415	16,083	-	-	1,000	51
2040-2044	69,285	5,257	-	-	413	7
Total requirements	262,561	$ 77,792	$ 3,207	$ 615	$ 3,269	$ 302
Unamortized bond premium	1,239					
Total	$ 263,800					

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 net pension liabilities for the Ventura County Employees Retirement Association and the Supplemental Retirement Plan, 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, the Health Care Plan, and subscription liabilities.

Legal Debt Limit

The County's legal annual debt limit as of June 30, 2024 is approximately $2,235,935,000. 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.

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, 2024, 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, 2024 are as follows (in thousands):

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024
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	6,328	2	-	6,330
Structures and improvements	1,150	58	-	1,208
Total accumulated depreciation/amortization	7,478	60	-	7,538
Total capital assets, depreciable/amortizable, net	600	(60)	-	540
Steckel Park - Ventura Ranch KOA:				
Capital assets, depreciable/amortizable:				
Land improvements	663	178	-	841
Structures and improvements	337	213	-	550
Total capital assets, depreciable/amortizable	1,000	391	-	1,391
Less accumulated depreciation/amortization for:				
Land improvements	524	41	-	565
Structures and improvements	306	20	-	326
Total accumulated depreciation/amortization	830	61	-	891
Total capital assets, depreciable/amortizable, net	170	330	-	500
PPP capital assets, net	$ 770	$ 270	$ -	$ 1,040

The deferred inflows of resources activity for each PPP for the year ended June 30, 2024 are as follows (in thousands):

	Balance July 1, 2023	Additions	Deletions/ Amortization	Balance June 30, 2024
Present Value of Installment Payments (1)				
Rustic Canyon Golf Course	$ 3,789	$ -	$ 249	$ 3,540
Steckel Park - Ventura Ranch KOA	472	-	42	430
Sub-total Present Value of Installment Payments	4,261	-	291	3,970
PPP Capital Assets (2)				
Rustic Canyon Golf Course	4,711	-	169	4,542
Steckel Park - Ventura Ranch KOA	567	391	35	923
Sub-total PPP Capital Assets	5,278	391	204	5,465
Total deferred inflows	$ 9,539	$ 391	$ 495	$ 9,435

(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, 2024, restricted net position for governmental activities totaled $782,615,000, of which $766,857,000, 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, 2024, fund balance for governmental funds is made up of the following (in thousands):

Fund Balances	General Fund	Fire Protection District	Non-major Governmental Funds	Total
Nonspendable:				
Inventory and prepaid amounts	$ -	$ 2,010	$ 24	$ 2,034
Long term loans and notes receivable	232,818	-	-	232,818
Permanent fund principal	-	-	1,133	1,133
Total Nonspendable	232,818	2,010	1,157	235,985
Restricted for:				
Law enforcement programs and capital projects	113,147	-	3,449	116,596
District attorney programs and services	14,873	-	-	14,873
Automation improvements	18,715	-	-	18,715
Health care programs	45,562	-	-	45,562
Behavioral health programs	50,724	-	-	50,724
Public assistance programs	73,541	-	40	73,581
Roads administration, maintenance, and projects	-	-	19,766	19,766
Watershed protection	-	-	126,459	126,459
Fire protection	-	178,068	-	178,068
Library services	-	-	2,587	2,587
County service areas	-	-	5,774	5,774
Mental Health Services Act (MHSA)	-	-	104,841	104,841
MHSA prudent reserve	-	-	8,492	8,492
Special assessment debt	-	-	3,038	3,038
Education	-	-	2,104	2,104
Recreation	54	-	-	54
Capital projects	-	-	4,397	4,397
Other governmental purposes	3,819	-	-	3,819
Total Restricted	320,435	178,068	280,947	779,450
Committed to:				
Waste management	11,097	-	-	11,097
Watershed protection	-	-	19,678	19,678
Capital projects	-	3,853	-	3,853
County service areas	-	-	109	109
Education	-	-	4,626	4,626
Other governmental purposes	78	-	212	290
Total Committed	11,175	3,853	24,625	39,653
Assigned to:				
Purchase contracts	45,251	-	-	45,251
Fixed asset acquisitions	43,000	-	-	43,000
Stormwater management	3,727	-	-	3,727
Public assistance programs	9,814	-	-	9,814
Attrition and program mitigation	42,641	-	-	42,641
Pension mitigation	40,000	-	-	40,000
Audit disallowances	10,000	-	-	10,000
Fiscal recovery projects	89,213	-	-	89,213
Law enforcement programs	1,553	-	-	1,553
Roads administration, maintenance, and projects	-	-	7,549	7,549
Watershed protection	-	-	4,105	4,105
County service areas	-	-	16	16
Capital projects	-	-	19,928	19,928
Education	-	-	10,162	10,162
PTRAF	60,519	-	-	60,519
Other governmental purposes	1,140	-	-	1,140
Total Assigned	346,858	-	41,760	388,618
Unassigned (deficit)	53,020	-	(5,774)	47,246
Total fund balances	$ 964,306	$ 183,931	$ 342,715	$ 1,490,952

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, 2024, the Medi-Cal and Medicare programs represented approximately 76 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, 2019 for Medicare and June 30, 2022 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 $24,913,000, for settlement included in the line item "Accrued Liabilities" for cost report settlement reserves covering the period from fiscal year 2018-19 through fiscal year 2023-24. 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, 2024, the Medical System has recorded $86,975,000 of QIP revenue, $24,917,000 of GPP revenue, $1,922,000 of WPC/CALAIM revenue and $24,231,000 of EPP revenue. Medicare revenue represented 17 percent and Medi-Cal revenue represented 59 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, 2024 is as follows (in thousands):

	VCERA	SRP	Management Retiree Health Benefits Program	Total
Net pension liability	$ 222,504	$ 3,049	$ 12,867	$ 238,420
Deferred outflows related to pensions	240,041	2,426	2,215	244,682
Deferred inflows related to pensions	37,886	-	190	38,076
Pension expense (credit)	113,079	36	978	114,093

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	2.35% @ 62
General Tier 2	2.1% @ 62
Safety Tier 1	2% @ 50
PEPRA General	2% @ 62
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 $152,615,000 for the year ended June 30, 2024. Contribution rates, based on pensionable payroll, are as follows:

	Employer Contribution Rates	Employee Contribution Rates
General Tier 1	22.64%	12.21%
General Tier 2	10.91%	7.72%
PEPRA General Tier 2	10.92%	7.73%
General Tier 2C*	17.91%	10.35%
PEPRA General Tier 2C*	17.84%	10.36%
General Combined	14.53%	N/A
Safety	31.74%	15.27%
PEPRA Safety	29.04%	15.41%
Safety Combined	31.00%	N/A

*2C (with COLA)

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

At June 30, 2024, the County reported a liability of $222,504,000 for its proportionate share of the Net Pension Liability (NPL). The NPL was measured as of June 30, 2023. 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, 2022. 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, 2023, the County's proportion was 97.049 percent, which was an increase of 1.097 percent from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the County recognized a pension expense of $113,079,000. At June 30, 2024, 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	$ 31,911	$ 13,973
Changes of assumptions	50,626	-
Net difference between projected and actual earnings on pension plan investments	-	22,067
Changes in proportion and differences between County contributions and proportionate share of contributions	4,889	1,846
County contributions subsequent to the measurement date	152,615	-
Total	$ 240,041	$ 37,886

$152,615,000 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, 2025.

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
2025	$ (30,801)
2026	(73,242)
2027	182,576
2028	(30,017)
2029	1,024
Total	$ 49,540

Actuarial Assumptions

The TPL was determined by an actuarial valuation as of June 30, 2022, which was rolled forward to June 30, 2023, 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, 2022 valuation, were updated as of the measurement date and rolled forward to June 30, 2023, 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)	$ 1,220,041	$ 222,504	$ (601,748)

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	$ 26,916
Interest receivables	2
Total assets	26,918
Accounts payable	46
Amount due to other governmental agencies	44
Total liabilities	90
Net position held in trust for pension benefits	$ 26,828

Statement of Changes in Fiduciary Net Position

Contributions	$ 788
Net investment income	2,802
Total additions	3,590
Total deductions	2,986
Change in net position	604
Net position - beginning	26,224
Net position - ending	$ 26,828

The following disclosures are related to the plan reporting requirements of GASB Statement No. 67, and use a measurement date of June 30, 2024:

Plan Membership

Plan participants at June 30, 2024, were as follows:

Participant Classification	Number of Participants
Retirees and beneficiaries currently receiving benefits:	
Supplemental retirement participants (Safe Harbor)	709
Early retirement participants (Early Retirement Incentive Plan)	21
Elected department head participants	7
Current employee participants:	
Supplemental retirement participants (Safe Harbor)	13
Terminated participants not yet receiving benefits:	
Supplemental retirement participants (Safe Harbor)	5,008
Total	5,758

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, 2024, was $729,000, or 5.26 percent for Part B, $0 for Part C, and $33,000 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, 2024:

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

As of June 30, 2024, 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, 2024, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 11.26 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, 2024, were as follows (in thousands):

Total pension liability	$ 28,498
Plan fiduciary net position	(26,828)
Plan's net pension liability	$ 1,670
Plan fiduciary net position as a percentage of the total pension liability	94.14 %

The actuarial liabilities and assets are valued as of June 30, 2024.

Actuarial Assumptions

The TPL was determined by an actuarial valuation as of June 30, 2024, 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 Pub-2010 General Contingent Survivor 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 2020-2023 VCERA experience study used was conducted on June 5, 2024 for the period of July 1, 2020 through June 30, 2023.

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, 2024, 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	$ 5,184	$ 1,670	$ (1,209)

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, 2023:

Employees covered by benefit terms

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
Elected department head participants	-
Terminated participants not yet receiving benefits:	
Supplemental retirement participants (Safe Harbor)	5,463
Total	6,204

Contributions

The required contributions were determined as part of the June 30, 2023 actuarial valuation. The actuarially determined contributions for the fiscal year ending June 30, 2023, were $439,000 for the employer and $30,000 for employees for Part B, $0 for Part C, and $82,000 for Part D.

Net Pension Liability

The County's NPL was measured as of June 30, 2023, 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, 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 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, 2023 *for measurement date of June 30, 2022*	$ 34,498	$ 29,542	$ 4,956
Changes for the year:			
Service Cost	83	-	83
Interest	2,194	-	2,194
Difference between expected and actual experience	(1,186)	-	(1,186)
Contributions - employer	-	521	(521)
Contributions - employee	-	30	(30)
Net investment income	-	2,784	(2,784)
Benefit payments, including refunds of employee contributions	(6,316)	(6,316)	-
Administrative expense	-	(337)	337
Net changes	(5,225)	(3,318)	(1,907)
Balances at June 30, 2024 *for measurement date of June 30, 2023*	$ 29,273	$ 26,224	$ 3,049

Plan fiduciary net position as a percentage of the total pension liability 89.58 %

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

Pension Expense (Credit) and Deferred Outflows of Resources related to pensions
For the year ended June 30, 2024, the County recognized a debit to pension expense of $36,000. At June 30, 2024, 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	$ 1,721
County contributions subsequent to the measurement date	705
Total	$ 2,426

$705,000 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, 2025.

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
2025	$ 434
2026	235
2027	1,239
2028	(187)
Total	$ 1,721

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, 2023, the measurement date, were as follows:

Participant Classification	Number of Participants
Inactive members currently receiving benefits	119
Inactive members entitled to but not yet receiving benefits	72
Active members	90
Total	281

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 $1,428 per month were equivalent to premiums for the Ventura County Health Care Plan.

Contributions and Funding Policy
Employer contributions in fiscal year 2023-24 were $1,836,000. The County currently funds the management retiree health benefits on a pay-as-you-go basis.

Total Pension Liability
The County's total pension liability was measured as of June 30, 2023, and the total pension liability (TPL) used to calculate the County's total pension liability was determined by an actuarial valuation as of that date.

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
Inflation	2.50%
Discount rate	3.65%
Real wage growth	0.50%
Wage inflation	3.00%
Projected salary increases (including wage inflation)	3.50% - 10.00%
Subsidy cost trends	6.50% decreasing to an ultimate rate of 4.00% by 2033
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, 2023 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, 2023 valuation.

Discount Rate

Discount rate of 3.65 percent was used to measure the TPL. This was a change from 3.37 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, 2023	
for measurement date of June 30, 2022	$ 13,407
Changes for the year:	
Service Cost	299
Interest	430
Difference between expected and actual experience	899
Changes of assumptions	(286)
Benefit payments	(1,882)
Net changes	(540)
Balances at June 30, 2024	
for measurement date of June 30, 2023	$ 12,867

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 3.65 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 (2.65 percent) or 1-percentage-point higher (4.65 percent) than the current rate (in thousands):

	1% Decrease (2.65%)	Current Discount Rate (3.65%)	1% Increase (4.65%)
Plan's total pension liability	$ 13,300	$ 12,867	$ 12,442

Pension Expense, Deferred Outflows, and Deferred Inflows of Resources Related to pensions

For the year ended June 30, 2024, the County recognized pension expense of $978,000. At June 30, 2024, 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	$ 379	$ 58
Changes in assumptions	-	132
County contributions subsequent to the measurement date	1,836	-
Total	$ 2,215	$ 190

$1,836,000 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, 2025.

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
2025	$ 189
Total	$ 189

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, 2024, 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). 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. The County also makes contributions to the RMERP (Note 1) for the purpose of reimbursing eligible healthcare expenses to eligible members.

RMERP is subject to the reporting requirements of GASB Statement No. 74 starting with the fiscal year ending June 30, 2024, and GASB 75 beginning with the fiscal year ending June 30, 2025.

Under GASB 75, VCDSA and VCPFA are considered constructive obligations 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 in accordance with GASB 75 for the plans at June 30, 2024 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)	$ 29,919	$ 132,401	$ (1,120)	$ 161,200
Deferred outflows related to OPEB	8,004	57,137	2,551	67,692
Deferred inflows related to OPEB	5,485	61,891	238	67,614
OPEB expense	3,570	8,830	701	13,101

Subsidized Retiree Health Benefits Program

Plan Description

The Subsidized Retiree Health Benefits Program is a single-employer defined benefit plan administered by the County 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, 2023, the measurement date, were as follows:

Participant Classification	Number of Participants
Inactive members currently receiving benefits	358
Active members	
General Employees	7,755
Firefighters	440
Total	8,553

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 75.

Contributions and Funding Policy

Employer contributions in fiscal year 2023-24 were $2,325,000. The County currently funds the subsidized retiree health benefits on a pay-as-you-go basis.

Total OPEB Liability

The County's total OPEB liability of $29,919,000 was measured as of June 30, 2023, and the total OPEB liability (TOL) used to calculate the County's total OPEB liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The TOL 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 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	3.65%
Health care cost trends	
Ventura County Health Care Plan	6.00% decreasing to an ultimate rate of 4.50% by 2029
All other coverage options	7.00% decreasing to an ultimate rate of 4.50% by 2033
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, 2023 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, 2023 valuation.

Discount Rate

Discount rate of 3.65 percent was used to measure the TOL. This was a change from 3.37 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, 2023 *for measurement date of June 30, 2022*	$ 29,302
Changes for the year:	
Service cost	2,112
Interest	1,026
Difference between expected and actual experience	(559)
Changes of assumptions	(45)
Benefit payments	(1,917)
Net changes	617
Balances at June 30, 2024 *for measurement date of June 30, 2023*	$ 29,919

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 3.65 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 (2.65 percent) or 1-percentage-point higher (4.65 percent) than the current rate (in thousands):

	1% Decrease (2.65%)	Current Discount Rate (3.65%)	1% Increase (4.65%)
Plan's total OPEB liability	$ 31,908	$ 29,919	$ 28,028

Sensitivity of the Total OPEB Liability to changes in the healthcare cost trend rates

The following table presents the TOL of the Plan, as well as what the Plan's TOL would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (5.00 and 6.00 percent decreasing to 3.50 percent) or 1-percentage-point higher (7.00 and 8.00 percent decreasing to 5.50 percent) than the current healthcare cost trend rates (in thousands):

	1% Decrease (5.00%/6.00% decreasing to 3.50%)	Current Healthcare Cost Trend Rates (6.00%/7.00% decreasing to 4.50%)	1% Increase (7.00%/8.00% decreasing to 5.50%)
Plan's total OPEB liability	$ 26,911	$ 29,919	$ 33,463

OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2024, the County recognized OPEB expense of $3,570,000. At June 30, 2024, 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	$ 3,019	$ 3,486
Changes in assumptions	2,660	1,999
County contributions subsequent to the measurement date	2,325	-
Total	$ 8,004	$ 5,485

$2,325,000 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, 2025.

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
2025	$ 431
2026	431
2027	319
2028	260
2029	(16)
Thereafter	(1,231)
Total	$ 194

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 $132,401,000. 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, 2023, the valuation date, were as follows:

Participant Classification	Number of Participants
Inactive members or beneficiaries currently receiving benefits	531
Inactive members entitled to but not yet receiving benefits	36
Active members	764
Total	1,331

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 2023-24 were $2,523,000.

Net OPEB Liability (Asset)

The County's Net OPEB Liability (NOL) was measured as of June 30, 2023, and the TOL used to calculate the NOL was determined by an actuarial valuation as of that date.

Actuarial Assumptions
The TOL 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 funding method	Entry age normal
Inflation	2.50%
Real wage growth	0.50%
Wage inflation	3.00%
Projected salary increases (including wage inflation)	4.00% - 12.00%
Discount rate	3.85%
Annual Increase in Maximum Annual Benefit	5.75%
Mortality	Pub-2010 General 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, 2023 valuation were based on the VCERA economic and demographic experience study for the period July 1, 2020 through June 30, 2023. The assumed increase of 5.75 percent per annum for the benefit cap was based on the following formula: investment rate of return of 6.00 percent plus the wage growth of 3.00 percent to calculate the assumption of ((6.00 + 3.00) * 0.75) – 1.00 = 5.75 percent. The remaining actuarial assumptions were based on a review of recent plan experience done concurrently with the June 30, 2023 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
U.S. Stocks	52.00 %	
Common Stocks	8.00 %	
Mutual Funds	40.00 %	
Total	100.00 %	6.00 %

Discount Rate
Discount rate of 3.85 percent was used to measure the TOL. This was a change from 3.75 percent, the rate used on the prior measurement date. The projection of cash flows used to determine the discount rate was performed in accordance with GASB 75. 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 2043 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, 3.65 percent, was used for all periods subsequent to 2043 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 3.85 percent.

Changes in Net OPEB Liability

	Total OPEB Liability	Fiduciary Net Position	Net OPEB Liability
Balances at June 30, 2023			
for measurement date of June 30, 2022	$ 147,596	$ 41,559	$ 106,037
Changes for the year:			
Service cost	6,054	-	6,054
Interest	5,493	-	5,493
Difference between expected and actual experience	898	-	898
Changes of assumptions	20,196	-	20,196
Contributions - employer	-	2,418	(2,418)
Contributions - self-pay member	-	72	(72)
Net investment income	-	3,924	(3,924)
Benefit payments	(2,277)	(2,277)	-
Administrative expense	-	(137)	137
Net changes	30,364	4,000	26,364
Balances at June 30, 2024			
for measurement date of June 30, 2023	$ 177,960	$ 45,559	$ 132,401

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 3.85 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 (2.85 percent) or 1-percentage-point higher (4.85 percent) than the current rate (in thousands):

	1% Decrease (2.85%)	Current Discount Rate (3.85%)	1% Increase (4.85%)
Plan's net OPEB liability	$ 174,565	$ 132,401	$ 100,373

Sensitivity of the Net OPEB Liability to changes in the healthcare cost trend rate
Since the maximum reimbursement amount is based on investment return and active salary increases rather than health care costs, the health care trend rate sensitivity is not applicable.

OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB
For the year ended June 30, 2024, the County recognized OPEB expense of $8,830,000. At June 30, 2024, 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	$ 5,036	$ 11,223
Differences between projected and actual earnings on plan investments	1,200	-
Changes in assumptions	48,378	50,668
County contributions subsequent to the measurement date	2,523	-
Total	$ 57,137	$ 61,891

$2,523,000 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, 2025.

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
2025	$ (279)
2026	(17)
2027	2,835
2028	(1,223)
2029	(6,948)
Thereafter	(1,645)
Total	$ (7,277)

VCPFA Medical Premium Reimbursement Plan

Plan Description

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

The plan currently has a net OPEB asset of $1,120,000, 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, 2023, the valuation date, were as follows:

Participant Classification	Number of Participants
Inactive members or beneficiaries currently receiving benefits	271
Inactive members entitled to but not yet receiving benefits	1
Active members	429
Total	701

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 2023-24 were $1,052,000.

Net OPEB Liability (Asset)

The County's Net OPEB liability (asset) was measured as of June 30, 2023, and the TOL used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The TOL was determined by an actuarial valuation as of June 30, 2023 measurement date, 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)	4.25% - 12.00%
Discount Rate	6.00%
Health Care Cost Trends	7.00% decreasing to an ultimate rate of 4.50% by 2033
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, 2023 valuation were based on the VCERA economic and demographic experience study for the period July 1, 2020 through June 30, 2023. The remaining actuarial assumptions were based on a review of recent plan experience done concurrently with the June 30, 2023 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 cash flows used to determine the discount rate was performed in accordance with GASB 75. 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, 2023			
for measurement date of June 30, 2022	$ 15,951	$ 16,540	$ (589)
Changes for the year:			
Service Cost	351	-	351
Interest	926	-	926
Difference between expected			
and actual experience	608	-	608
Changes of assumptions or other inputs	(243)	-	(243)
Contributions - employer	-	1,041	(1,041)
Contributions - self-pay member	-	9	(9)
Net investment income	-	1,215	(1,215)
Benefit payments	(1,061)	(1,061)	-
Administrative expense	-	(92)	92
Net changes	581	1,112	(531)
Balances at June 30, 2024			
for measurement date of June 30, 2023	$ 16,532	$ 17,652	$ (1,120)

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)	$ 686	$ (1,120)	$ (2,651)

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)	$ (1,140)	$ (1,120)	$ (1,103)

OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB
For the year ended June 30, 2024, the County recognized OPEB expense of $701,000. At June 30, 2024, 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	$ 1,216	$ -
Differences between projected and actual earnings on plan investments	283	-
Changes in assumptions	-	238
County contributions subsequent to the measurement date	1,052	-
Total	$ 2,551	$ 238

$1,052,000 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, 2025.

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
2025	$ 285
2026	137
2027	408
2028	122
2029	167
Thereafter	142
Total	$ 1,261

Retiree Medical Expense Reimbursement Plan
Plan Description
The Retiree Medical Expense Reimbursement Plan (RMERP) is a single-employer defined benefit healthcare plan that is used to provide postemployment benefits other than pensions (OPEB). RMERP provides a monthly healthcare subsidy to eligible members, which are credited to their individual Health Reimbursement Arrangement (HRA) to reimburse eligible healthcare expenses when the member begins receiving VCERA annuity payments. RMERP was adopted on June 27, 2023. There is no separate report issued by the plan.

The Alameda Resolution, approved by the VCERA Board of Retirement on April 17, 2023, stipulates that significant portions of the County's Flexible Credit Allowance will no longer be factored into the retirement compensation calculation for legacy (non-PEPRA) retirement plan participants. Because of this, members hired before January 1, 2013, or who have attained reciprocity with VCERA due to service prior to January 1, 2013, will have a reduction in their pension benefits. To mitigate the impact of this Resolution, the Board of Supervisors approved the implementation of RMERP. Under RMERP, a monthly healthcare subsidy will be placed in a trust and made available to eligible members through payments to their individual HRA accounts.

The County Board of Supervisors has appointed a committee to administer RMERP. The committee consists of the County Executive Officer, Director of Human Resources, Auditor-Controller, County Counsel, and Treasurer Tax-Collector. The County has delegated the trustee of the OPEB trust to Principal, and has delegated P and G Group, LLC, as the third-party administrator of RMERP.

A separate financial statement is not issued by RMERP. In lieu of separately issued financial statements for RMERP, condensed financial statements at June 30, 2024 are presented below (in thousands):

Statement of Fiduciary Net Position

Cash and investments	$	6,952
Interest receivables		2
Total Assets		6,954
Accounts payable		21
Other liabilities		1
Total Liabilities		22
Net position held in trust for OPEB benefits	$	6,932

Statement of Changes in Fiduciary Net Position

Contributions	$	6,039
Net investment income		1,001
Total additions		7,040
Total deductions		108
Change in net position		6,932
Net position - beginning		-
Net position - ending	$	6,932

The following disclosures are related to the plan reporting requirements of GASB Statement No. 74 and use a measurement date of June 30, 2024:

Plan Membership

Plan participants at June 30, 2024, were as follows:

Participant Classification	Number of Participants
Inactive members or beneficiaries currently receiving benefit payments	1,381
Inactive members entitled to but not yet receiving benefit payments	418
Active members	3,178
Total	4,977

Benefits
RMERP provides a monthly healthcare subsidy for members, which will be credited to their individual HRA. This subsidy can be used to reimburse eligible healthcare expenses when the member begins receiving VCERA annuity payments. The benefit provided, with the exception of VCPFA, will be based on the age and years of service at the time of retirement.

Eligible safety and non-safety members who retire will have an HRA created and receive a monthly HRA contribution based on the retiree's age and number of County years of service at the time of retirement.

For VCPFA, the County will make contributions on behalf of eligible retirees to an existing VCPFA administered medical trust which has previously been established to pay for member health-related expenses. Under the VCPFA agreement, the County will contribute a flat rate per month for each eligible safety and non-safety retiree to the VCPFA administered trust regardless of age and service.

Each member's HRA balance will roll over and remain available every Plan Year.

Upon death of an eligible retiree, if the retiree has a surviving beneficiary that receives a pension payment from VCERA, the surviving beneficiary will be able to access the balance of the HRA and will receive monthly benefits until death. However, once both the retiree and their eligible beneficiary are deceased, their remaining HRA funds will be forfeited and returned to RMERP general assets after the end of the one-year (12-month) Claim Run-Out Period.

Contributions
The contribution requirements of the County are established and may be amended by the Board of Supervisors. The Board establishes rates based on an actuarially determined rate. The actuarially determined contributions for the County for the fiscal year ended June 30, 2024 were approximately $20,988,000. The benefit is funded solely by employer contributions. For year ended June 30, 2024, the County contributed $6,039,000 to RMERP.

Investment Policy
RMERP's investment policy in regard to the allocation of invested assets is established and may be amended by RMERP committee. It is the policy of RMERP committee 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 RMERP's investment custodian. The following was the committee's adopted asset allocation policy as of June 30, 2024:

Asset Class	Target Allocation
Fixed Income	39 %
U.S. Equity	45 %
Non U.S. Equity	15 %
Cash and Cash Equivalents	1 %
Total	100 %

Concentrations
As of June 2024, RMERP held the following investments that represent 5 percent or more of the plan's 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, 2024, the annual money-weighted rate of return on investments, net of OPEB plan investment expense, including price inflation, was 24.67 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

*Net OPEB Liabili*ty
The components of the NOL at June 30, 2024, were as follows (in thousands):

Total OPEB liability	$ 170,518
Plan fiduciary net position	(6,932)
Plan's net OPEB liability	$ 163,586
Plan fiduciary net position as a percentage of the total OPEB liability	4.07 %

The actuarial liabilities and asset are valued as of June 30, 2024.

Actuarial Assumptions

The TOL was determined by an actuarial valuation as of June 30, 2024, using the following actuarial assumptions, applied to all periods included in the measurement:

	Assumptions
Actuarial cost method	Entry age normal
Long-term investment rate of return	7.00%
Municipal bond index rate	3.93%
Inflation	2.50%
Real wage growth	0.50%
Wage inflation	3.00%
Projected salary increases (including wage inflation)	
General members	1.00% - 7.00%
Safety members	1.25% - 9.00%
Discount rate	7.00%
Health care cost trends	2.50%
Mortality	Pub-2010 General Employee Amount-Weighted Above-Median Mortality Table Pub-2010 Safety Employee Amount-Weighted Above-Median Mortality Table Pub-2010 General Healthy Retiree Amount-Weighted Above-Median Mortality Table Pub-2010 Safety Healthy Retiree Amount-Weighted Above-Median Mortality Table Pub-2010 General Contingent Survivor Amount-Weighted Above-Median Mortality Table
Retirement Age	60 for General and 55 for Safety

An experience study has not been conducted for RMERP. However, the County participates in VCERA and utilizes the assumptions used by VCERA where appropriate and reasonable. The 2020-2023 VCERA experience study used was conducted on June 5, 2024 for the period of July 1, 2020 through June 30, 2023.

The long-term expected rate of return assumption on RMERP investments was evaluated using several factors, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of 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 for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed Income	39.00 %	
U.S. Equity	45.00 %	
Non U.S. Equity	15.00 %	
Cash and Cash Equivalents	1.00 %	
Total	100.00 %	7.00 %

Discount Rate

Discount rate of 7.00 percent was used to measure the TOL. The discount rate was based upon the long-term expected rate of return. The projection of cash flows used to determine the discount rate assumed that future County contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Sensitivity of Net OPEB Liability to changes in the discount rate

The following table presents the NOL of RMERP, calculated using the discount rate of 7.00 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 (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 OPEB liability	$ 191,061	$ 163,586	$ 141,282

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

The following table presents the NOL of RMERP, determined using the current healthcare cost trend rate of 2.50 percent, 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 (1.50 percent) or 1-percentage-point higher (3.50 percent) than the current healthcare cost trend rates (in thousands):

	1% Decrease (1.50%)	Healthcare Cost Trend Rates (2.50%)	1% Increase (3.50%)
Plan's net OPEB liability	$ 138,327	$ 163,586	$ 195,263

NOTE 17 - TAX AND REVENUE ANTICIPATION NOTES PAYABLE

On July 1, 2023, the County issued $90,000,000 in Tax and Revenue Anticipation Notes (Notes) at a 5.150 percent interest rate, priced to yield 5.150 percent, to meet current year cash flow requirements for operational needs. At June 30, 2024, the outstanding principal was $90,000,000. Principal and interest for fiscal year 2023-24 was paid on July 1, 2024, 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 2023-24 taxes and other revenues, which are legally available for payment thereof.

The summary of the notes transactions for the fiscal year ended June 30, 2024, is as follows (in thousands):

Beginning Balance July 1, 2023	Additions	Reductions	Ending Balance June 30, 2024	Due Within One Year
$ -	$ 90,000	$ -	$ 90,000	$ 90,000

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, 2024, 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 2024.

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, 2024, the expected liability on the pre-1995 claims, at the 80 percent confidence level, discounted at 3.5 percent, was actuarially estimated to be $3,668,000.

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 2022-23 and 2023-24 are as follows (in thousands):

	Claims Fiscal Year		Medical Malpractice Fiscal Year	
	2023-24	2022-23	2023-24	2022-23
Liabilities, beginning	$ 241,185	$ 223,816	$ 2,677	$ 2,940
Incurred losses and adjustments	113,059	119,262	364	(263)
Claim payments	(103,357)	(101,893)	-	-
Liabilities, ending	$ 250,887	$ 241,185	$ 3,041	$ 2,677

Medical malpractice liability for public and mental health functions in the General Fund of $801,000, an increase of $103,000 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	Fire Protection District	Non-major Governmental Funds	Internal Service Funds	Total Governmental Activities
Unearned revenue:					
State and Local Fiscal Recovery Funds	$ 1,687	$ -	$ -	$ -	$ 1,687
Advances for Human Services Agency Programs	3,393	-	-	-	3,393
Deposits	34,607	-	-	25	34,632
Public Health Lead Abatement Program	2,285	-	-	-	2,285
Homeless Housing Assistance and Prevention Program	-	-	6,487	-	6,487
Juvenile probation and camps funding	3,082	-	-	-	3,082
Stand-By Time for Fire Suppression Assets	-	4,850	-	-	4,850
Title IV-E Entitlement Program	1,458	-	-	-	1,458
Community Corrections Performance Incentives Fund	1,989	-	-	-	1,989
Maddy Emergency Medical Services Fund	353	-	-	-	353
State Building Forward Grant	-	-	5,501	-	5,501
State Custody Credit Fund	678	-	-	-	678
Knoll Drive Recuperative Care Project	9,928	-	-	-	9,928
Other unearned revenue	4,087	-	1,010	330	5,427
Total unearned revenue	$ 63,547	4,850	$ 12,998	$ 355	$ 81,750

Business-Type Activities	Medical System	Waterworks Districts	Non-major Enterprise Funds	Total Business-Type Funds
Unearned revenue:				
Quality Incentive Pool Program	$ 7,800	$ -	$ -	$ 7,800
California Hospital Facilities Financing Authority Grant	1,191	-	-	1,191
Deposits	-	-	2,880	2,880
Other unearned revenue	-	529	723	1,252
Total unearned revenue	$ 8,991	$ 529	$ 3,603	$ 13,123

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, 2024. 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	Fire Protection District	Non-major Governmental Funds	Total Governmental Activities
Unavailable revenue:				
Medi-Cal	$ 28,203	$ -	$ 19,271	$ 47,474
HUD and HOME programs	3,828	-	13,940	17,768
Special assessments	-	-	6,506	6,506
Todd Road Jail construction funding	-	-	6,448	6,448
SB 90 revenue	6,672	-	-	6,672
Public Health programs	7,868	-	-	7,868
California Advancing and Innovating Medi-Cal	3,134	-	-	3,134
Disaster assistance	4,813	-	-	4,813
National Opioids Settlement	59,686	-	-	59,686
Other unavailable revenue	4,179	8,513	2,243	14,935
Total unavailable revenue	$ 118,383	$ 8,513	$ 48,408	$ 175,304

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, 2024, encumbrances of $85,281,000 were reported in the General Fund, $51,559,000 in the Fire Protection District, and $48,650,000 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 - SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY

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

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

Long-Term Debt

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

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

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

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

Summary of long-term indebtedness as of June 30, 2024, are as follows (in thousands):

Obligation	Outstanding July 1, 2023	Additions	Maturities	Outstanding June 30, 2024	Amount Due Within One Year
Bonds from Direct Placement	$ 509	$ -	$ 23	$ 486	$ 24

NOTE 23 - DEFICIT FUND BALANCE

The Todd Road Jail Expansion fund, a capital projects fund, had a deficit fund balance of approximately $5,774,000 as of June 30, 2024. This resulted from assets not available to pay for current-period expenditures and, therefore, were not recognized as revenues.