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, and education.

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

The basic financial statements include both blended and discretely presented component units. The blended component units, although legally separate entities, are, in substance, part of the County's operations and 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* and Statement No. 61, *The Financial Reporting Entity: Omnibus*, 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 Districts, County Service Areas, Fire Protection District and the In-Home Supportive Services Public Authority;

- Enterprise Fund – Waterworks Districts including the Lake Sherwood Community Services District, Camarillo Sewer, and Camarillo Roads and Lighting;

- Debt Service Funds – Ventura County Public Financing Authority (PFA) and County Service Area #34;

- Capital Project Funds – the PFA;

- Pension Trust Fund – The County's Supplemental Retirement Plan (SRP).

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.

The Ventura County Employees' Retirement Association (VCERA) is not included in the County's Comprehensive Annual Financial Report. The VCERA is a separate legal entity controlled and governed by the Board of Retirement, which is independent of the County Board of Supervisors. The VCERA publishes a separately audited Comprehensive Annual Financial Report. According to the criteria established in Governmental Accounting Standards Board Statement No. 14, *The Financial Reporting Entity,* as amended by GASB Statement No. 39*, Determining Whether Certain Organizations are Component Units* and Statement No. 61, *The Financial Reporting Entity: Omnibus*, the VCERA was determined not to be a component unit of the County of Ventura. Audited financial statements of the VCERA may be obtained at 1190 South Victoria Avenue, Suite 200, Ventura, CA 93003.

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. 65, *Items Previously Reported As Assets and Liabilities*, effective for periods beginning after December 15, 2012, establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. The County implemented the new requirements for the fiscal year 2013-14 financial statements.

GASB Statement No. 66, *Technical Corrections - 2012 – an amendment of GASB Statements No. 10 and No. 62*, effective for periods beginning after December 15, 2012, improves accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, and No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. The County implemented the new requirements for the fiscal year 2013-14 financial statements.

GASB Statement No. 67, *Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25*, effective for periods beginning after June 15, 2013, improves financial reporting by state and local governmental pension plans. The County implemented the new requirements as applicable to the Supplemental Retirement Plan for the fiscal year 2013-14 financial statements.

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, effective for periods beginning after June 15, 2014, improves accounting and financial reporting by state and local governments for pensions. The County intends to implement the new requirements for the fiscal year 2014-15 financial statements.

GASB Statement No. 69, *Government Combinations and Disposals of Government Operations*, effective for periods beginning after December 15, 2013, establishes accounting and financial reporting standards related to government combinations and disposals of government operations and improves financial reporting by requiring that certain disclosures be made about combination arrangements and disposals of government operations. The County intends to implement the new requirements for the fiscal year 2014-15 financial statements.

GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, effective for periods beginning after June 15, 2013, improves accounting and financial reporting by state and local governments that extend and receive nonexchange financial guarantees by requiring consistent reporting and enhanced disclosure about a government's obligations and risk exposure from extending nonexchange guarantees. The new requirements are not applicable to the County of Ventura.

GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*, effective simultaneously with the provisions of Statement 68, eliminates the source of a potential significant understatement of restated beginning net position and expense in the first year of implementation of Statement 68 in the accrual-basis financial statements of employers. The County intends to implement the new requirements for the fiscal year 2014-15 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 accumulated depreciation.

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, except agency funds which have no measurement focus. They provide information about the County's funds, including fiduciary funds and blended component units. Separate statements for each fund category – *governmental, proprietary and fiduciary* – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds; each is displayed in a separate column. All remaining governmental and enterprise funds are separately aggregated and reported as non-major governmental and non-major enterprise funds.

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

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

The County reports the following major governmental funds:

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

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

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

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

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

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

The County reports the following additional funds and fund types:

- *Internal Service* Funds account for the County's fleet maintenance; engineering, construction, and maintenance services; telecommunication 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.

- The *Supplemental Retirement Plan (SRP) Pension Trust* Fund accounts for the assets, contributions, and benefit payments of the SRP established January 1, 1992, under provisions of the Internal Revenue Code Section 401(a).

- The *Investment Trust* Fund (a single cash pool managed by the Treasury) accounts for the assets of legally separate entities that deposit cash with the County Treasurer. The entities include school and community college districts and special districts governed by local boards. These funds represent the assets, primarily cash and investments, and the related liability of the County to disburse these monies on demand. The County follows procedures of GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools.* Detailed information about the major legal entities included in the Investment Trust Fund is provided in the Schedule of Fiduciary Net Position and Schedule of Changes in Fiduciary Net Position in the Supplementary Information section.

- The *Private-purpose Trust* Fund is a fiduciary fund type used by the County to report trust arrangements under which principal and income benefit other governments. This fund reports the assets, liabilities, and activities of the Ventura County Redevelopment Successor Agency (Successor Agency).

- The *County Agency* Fund accounts for assets held for distribution by the County as an agent for various local tax entities.

D) Measurement Focus and Basis of Accounting

The government-wide, proprietary, pension, investment trust, and private-purpose trust fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Agency funds are reported using the accrual basis of accounting.

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

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

E) Cash and Investments

For purposes of reporting cash flows, cash and investments 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. In accordance with GASB No. 31, investments are stated at fair value. County fair value is determined annually based on market values provided by its investment custodian (Wells Fargo Bank) as of June 30, 2014. 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. For SRP, investment income components (interest, dividends, and net increase or decrease in fair value) are determined at year-end as reported by the various trustees and custodians on the accrual basis.

F) Inventories and Other Assets

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

G) Capital Assets

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

The capitalization level and estimated useful lives are as follows:

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

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

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

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

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

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

H) 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.

I) 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.

J) 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. In addition, a General Reserve governed by Government Code 29127, which may only be used for legally declared emergencies, is maintained at 1 percent of General Fund appropriations and is included as part of restricted fund balance.

K) Estimates

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

L) Reclassifications

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

NOTE 2 - CHANGE IN ACCOUNTING PRINCIPLE

GASB Statement No. 65, *Items Previously Reported As Assets and Liabilities*, established accounting and financial reporting standards that reclassified certain items that were previously reported as assets and liabilities and recognizes them as outflows or inflows of resources. The requirements of this Statement are effective for the FY 2013-14 financial statements. Prior year balances have been restated as follows (in thousands):

Governmental Activities:	June 30, 2013, as previously presented	Restatement	June 30, 2013, as restated
Deferred charges	$ 324	$ (324)	$ -
Net position, unrestricted	273,145	(324)	272,821
Interest on long-term debt	7,574	50	7,624
Change in net position	47,679	(50)	47,629
Net position	1,639,535	(324)	1,639,211
Business-type Activities:			
Deferred charges	971	(971)	-
Deferred gain on refunding	-	587	587
Long-term liabilities			
Due within one year	21,023	(205)	20,818
Due beyond one year	387,003	(382)	386,621
Net position, unrestricted	92,582	(971)	91,611
Medical Center expenses	332,606	971	333,577
Change in net position	22,407	(971)	21,436
Net position	370,925	(971)	369,954
Medical Center:			
Deferred charges	971	(971)	-
Deferred gain on refunding	-	587	587
Certificates of participation, tax-exempt commercial paper, and loans and capital leases payable, current	8,273	(205)	8,068
Certificates of participation, tax-exempt commercial paper, and loans and capital leases payable, noncurrent	369,683	(382)	369,301
Net position, unrestricted	41,149	(971)	40,148
Interest expense	2,907	971	3,878
Change in net position	16,299	(971)	15,328
Net position	135,641	(971)	134,670

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 and SRP.

The Investment Pool is comprised of internal and external pool participants. The internal pool participants include the funds and component units of the reporting entity and are reported in the various County funds. The external pool participants include legally separate entities, which are not part of the sponsor's reporting entity. The external investment component of the Investment Pool is reported in the accompanying financial statements as an investment trust 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, 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.

Total cash and investments at fair value as reported at June 30, 2014, are as follows (in thousands):

Governmental activities	$ 855,348
Business-type activities	339,904
Primary government	1,195,252
Component unit	30,047
Total government-wide	1,225,299
Fiduciary funds:	
Pension trust fund	18,809
Investment trust fund	940,173
Private-purpose trust fund	420
Agency fund	10,471
Total cash and investments	$ 2,195,172

Cash and investments at fair value for County funds, including those funds managed separately from the Treasury, at June 30, 2014, are summarized as follows (in thousands):

	Treasury	Fiscal Agents	SRP Pension Trust	Total
Cash:				
Cash on hand	$ 4	$ 24	$ -	$ 28
Deposits (net outstanding checks)	60,846	278,640	669	340,155
Total cash (net outstanding checks)	60,850	278,664	669	340,183
Investments:				
In Treasurer's pool	1,836,849	-	-	1,836,849
In pension portfolios	-	-	18,140	18,140
Total investments	1,836,849	-	18,140	1,854,989
Total cash and investments	$ 1,897,699	$ 278,664	$ 18,809	$ 2,195,172

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

At June 30, 2014, the carrying amount of the County's cash was $340,183,000, and the bank balance per various institutions was $357,115,000. Treasury cash of $60,850,000 reflects outstanding checks of $16,932,000. Treasurer's pool investments are managed daily to maximize earnings and provide cash as needed. Of the bank balance in financial institutions, $842,000 is covered by federal depository insurance and $356,273,000 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 Moneys.

Restricted cash and investments in the amount of $263,278,000 are held in the proprietary funds and include $261,778,000 that is restricted by trust agreements for funding capital projects and debt service. Of this, $261,563,000 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 amounts of $215,000 for Waterworks Districts and $1,500,000 for Health Care Plan are 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, 2014, amounted to a decrease of $3,949,000. The net change in fair value from June 30, 2013 to June 30, 2014, was a decrease of $1,026,000.

The Investment Pool maintains investments in two investment pools regulated by the California Government Code: (1) the State of California Local Agency Investment Fund (LAIF) and (2) CalTRUST. At June 30, 2014, the County's investments in LAIF and CalTRUST were $7,000,000 and $15,000,000, respectively. Each investment approximates fair value and is the same as the value of the pool shares, which is determined on an amortized cost basis.

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

As of June 30, 2014, the major classes of the County's investments, including those managed outside the Treasury, 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)	Percent of Portfolio
Investments in Investment Pool								
U.S. Government Agencies:								
FAMC Bonds	0.850	3/10/2017	$ 9,993	$ 10,012	2.696	NR	NR	0.545%
FFCB Bonds	0.600 - 4.300	12/15/14 - 12/19/16	70,201	69,385	2.073	AA+	Aaa	3.777%
FHLB Bonds	0.800 - 1.100	12/27/16 - 5/22/17	17,000	17,004	2.543	AA+	Aaa	0.926%
FHLMC Bonds	0.450 - 1.000	8/20/14 - 12/30/16	246,883	246,542	1.901	AA+	Aaa	13.422%
FNMC Bonds	0.266 - 5.250	7/05/14 - 4/20/17	214,336	213,708	1.945	AA+	Aaa	11.630%
Negotiable Certificates of Deposit:								
Negotiable Certificates of Deposit	0.150	7/28/2014	10,000	10,001	0.077	NR	P-1	0.544%
Negotiable Certificates of Deposit	0.210 - 0.310	7/2/14 - 10/15/14	250,006	250,012	0.107	A-1	P-1	13.611%
Negotiable Certificates of Deposit	0.190 - 0.215	8/22/14 - 10/21/14	60,400	60,400	0.260	A+1	P-1	3.288%
Medium-Term Corporate Notes:								
Corporate Notes	3.500 - 4.875	1/15/15 - 3/23/15	22,584	22,133	0.712	A	A1	1.205%
Corporate Notes	0.800 - 5.000	11/15/14 - 4/23/15	34,644	33,758	0.537	A	A3	1.229%
Corporate Notes	2.875 - 4.950	10/30/14 - 3/04/15	9,777	9,672	0.609	A+	A1	0.526%
Corporate Notes	0.700 - 4.750	11/24/14 - 3/04/16	35,361	35,020	0.646	AA-	Aa2	1.907%
Corporate Notes	1.250 - 4.750	2/09/15 - 2/13/15	94,998	94,510	0.618	AA-	Aa3	5.754%
Corporate Notes	1.625 - 6.900	9/15/14 - 5/09/16	39,033	38,453	0.902	AA+	A1	2.093%
Commercial paper	0.130 - 0.441	7/01/14 - 12/15/14	655,246	656,273	0.187	A-1	P-1	35.728%
Municipal Bonds:								
Municipal Bonds	1.050 - 5.450	10/01/14 - 2/01/16	25,483	25,102	1.015	A	AA3	1.367%
Municipal Bonds	0.528 - 4.000	8/01/14 - 5/15/16	7,255	7,270	1.062	AA	AA2	0.396%
Municipal Bonds	0.342	7/01/2014	500	500	0.003	AA-	AA3	0.030%
Municipal Bonds	0.546 - 1.963	11/01/14 - 11/01/16	1,625	1,624	1.315	AA-	NR	0.090%
Municipal Bonds	3.128	11/01/16	1,373	1,370	2.342	NR	AA3	0.075%
Municipal Bonds	0.380	7/31/2014	12,100	12,100	0.085	SP-1+	NR	0.659%
Local agency investment fund	0.228		7,000	7,000	0.003	AA	NR	0.381%
CalTRUST	0.40		15,000	15,000	0.003	AA	NR	0.817%
Total investments in Investment Pool			1,840,798	1,836,849	0.795			100.00%
Investments outside Investment Pool								
SRP Pension Trust:								
Bond mutual funds			4,716	5,363	7.710	NR	NR	
Equity mutual funds			7,346	12,777	-	NR	NR	
Subtotal			12,062	18,140	2.280			
Total investments outside Investment Pool			12,062	18,140				
Total fair value				$ 1,854,989				

The Investment Pool does not issue financial statements separate from the County's Comprehensive Annual Financial Report. The following represents a condensed statement of net position and changes in net position for the pool (internal and external) as of June 30, 2014 (in thousands):

	Total
Statement of Net Position	
Net position held for pool participants	$ 1,897,699
Equity of internal pool participants	$ 930,091
Equity of external pool participants	937,561
Equity of discretely presented component unit	30,047
Total equity	$ 1,897,699
Statement of Changes in Net Position	
Net position at July 1, 2013	$ 1,893,249
Increase in investment by pool participants, net	4,450
Net position at June 30, 2014	$ 1,897,699

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 41 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.

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

Risk Disclosures

Custodial Credit Risk
Investment Pool. 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, 2014, is provided in the section "Cash." For investments, the County utilizes third party delivery versus payment to mitigate risk. Further, all securities owned by the County are held by a third party bank trust department.

Credit Risk

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

Concentration of Credit Risk

Investment Pool. 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, 2014:

Investment	Percentage of Investment Pool
Federal Home Loan Mortgage Corporation	13.42 %
Federal National Mortgage Corporation	11.63 %
Bank of Tokyo-Mitsubishi	7.51 %
Deutsche Bank Fin	7.40 %
Credit Suisse AG	7.35 %
Societe Gen No Amer	6.69 %
Wells Fargo Bank	5.75 %
National Bank of Kuwait	5.72 %
BNP Paribas Fin Inc	3.84 %
Federal Farm Credit Bank	3.78 %
Korea Development Bank	2.45 %
Credit Suisse AG Cert	2.18 %
Standard Chartered Bank New York	2.18 %
General Electric Capital Corporation	2.09 %
BNP Paribas NY	1.91 %
J.P. Morgan Chase Securities	1.85 %
Bank of New York Mellon	1.53 %
Deutsche Bank AG	1.36 %
J.P. Morgan Chase & Co.	1.23 %
California State Taxable America	1.22 %
Credit Suisse New York	1.21 %
CalTRUST	0.82 %
Local Agency Investment Fund	0.38 %
Combined Individual Issuers less than 1% of Portfolio:	
Negotiable Certificates of Deposit	1.66 %
U.S Government Agencies	1.45 %
Municipal Bonds	1.40 %
Commercial Paper	1.09 %
Medium-Term Corporate Notes	0.90 %
Total	100.00 %

SRP. Investments in mutual funds are excluded from the requirement to disclose concentration of credit risk. As of June 30, 2014, the SRP was not exposed to concentration of credit risk.

Interest Rate Risk

Investment Pool. 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, 2014, the weighted average maturity of the Investment Pool was 290 days.

SRP. The SRP does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The SRP has exposure to interest rate risk by investing $5,363,000, or 30 percent, of its investments in bond mutual funds.

Foreign Currency Risk

Investment Pool. The Investment Pool is precluded from investing in foreign currency by the IPS; therefore, it is not subject to foreign currency risk.

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 2,495 tax rate areas, which are unique combinations of various jurisdictions serving a specific geographic area. In fiscal year 2013-14, the rates levied within each tax rate area varied from a low of 1.000000 to a high of 1.206500 per $100 of assessed valuation. Property taxes are levied on both real and personal property. Secured property taxes are levied July 1, and payable in two equal installments: the first is generally due November 1, and delinquent with penalties after December 10; the second is generally due on February 1, and delinquent with penalties after April 10. Unsecured property taxes become delinquent with penalties after August 31. Secured property taxes become a lien on the property on January 1, or the date on which title to the property transfers or improvements to the property are completed. Supplemental property tax assessments/refunds associated with changes in assessed valuations due to transfers of title and completed property improvements are levied in two equal installments and have variable due dates based on the date of title transfer and/or completion of the property improvements.

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

NOTE 5 - RECEIVABLES

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

Governmental Funds	General Fund	Roads	Watershed Protection Districts	Fire Protection District	Non-major Governmental Funds	Internal Service Funds	Total Governmental Activities
Receivables:							
Taxes	$ 261	$ -	$ 21	$ 126	$ 9	$ -	$ 417
Accounts	97,771	2,698	3,386	7,766	15,218	3,184	130,023
Interest	-	-	-	-	12	-	12
Gross Receivables	98,032	2,698	3,407	7,892	15,239	3,184	130,452
Loans and other long-term receivables	46,779	516	9	-	11,634	191	59,129
Total receivables	$ 144,811	$ 3,214	$ 3,416	$ 7,892	$ 26,873	$ 3,375	$ 189,581

Proprietary Funds	Medical Center	Department of Airports	Waterworks Districts	Non-major Enterprise Funds	Total Enterprise Funds and Business-type Activities
Receivables:					
Accounts	$ 397,416	$ 403	$ 6,403	$ 3,422	$ 407,644
Interest	-	-	-	-	-
Other	50	-	-	244	294
Gross Receivables	397,466	403	6,403	3,666	407,938
Less: Allow./Uncollectible Acct	(296,569)	(20)	(106)	-	(296,695)
Total Receivables - fund statements	100,897	383	6,297	3,666	111,243
Loans and other long-term receivables	-	-	-	2,147	2,147
Total receivables	$ 100,897	$ 383	$ 6,297	$ 5,813	$ 113,390

The balance of loans and other long-term receivables at year-end for governmental activities include a Short-Doyle Medi-Cal (SDMC) admin and Cost Settlement recoupment of $10,441,000, a loan to Gold Coast Health Plan of $7,200,000, and SB90 revenue of $28,828,000 in the General Fund. Also included are special assessment receivables of $10,456,000, primarily in County Service Area #34.

NOTE 6 - INTERFUND TRANSACTIONS

Interfund Receivables/ Payables (Short-Term):
The composition of interfund balances as of June 30, 2014, is as follows (in thousands):

Receivable Fund	Payable Fund	Amount	
General Fund			
	Roads Fund	$ 45	
	Watershed Protection Districts	108	
	Fire Protection District	34	
	Non-major Governmental Funds	7,670	
	Medical Center	4,237	
	Department of Airports	2	
	Waterworks Districts	30	
	Non-major Enterprise Funds	17	
	Internal Service Funds	470	
			$ 12,613
Roads Fund			
	General Fund	46	
	Watershed Protection Districts	1	
	Internal Service Funds	3	
			50
Watershed Protection Districts			
	General Fund	277	
	Roads Fund	2	
	Internal Service Funds	1	
			280
Fire Protection District			
	General Fund	949	
	Internal Service Funds	172	
			1,121
Non-major Governmental Funds			
	General Fund	16,290	
	Non-major Governmental Funds	203	
	Medical Center	238	
	Non-major Enterprise Funds	1	
	Internal Service Funds	3	
			16,735
Medical Center			
	General Fund	758	
	Non-major Governmental Funds	199	
	Non-major Enterprise Funds	44	
			1,001
Department of Airports			
	General Fund	9	
	Internal Service Funds	4	
			13
Waterworks Districts			
	General Fund	28	
	Internal Service Funds	1	
			29

Receivable Fund	Payable Fund	Amount	
Non-major Enterprise Funds			
	General Fund	$ 56	
	Internal Service Funds	3	
			$ 59
Internal Service Funds			
	General Fund	872	
	Roads Fund	1,585	
	Watershed Protection Districts	1,832	
	Fire Protection District	250	
	Non-major Governmental Funds	2,537	
	Medical Center	410	
	Department of Airports	21	
	Waterworks Districts	1,579	
	Non-major Enterprise Funds	297	
	Internal Service Funds	960	
			10,343
Total Due To/Due From			$ 42,244

The balance of $7,670,000 due to the General Fund from Non-major Governmental Funds is primarily services paid to the General Fund for Early and Periodic Screening, Diagnosis and Treatment Supplemental Services, and the reimbursement of capital project expenditures from Public Financing Authority.

The balance of $4,237,000 due to the General Fund from the Medical Center is primarily administrative expenditures due to the Health Care Agency.

The balance of $16,290,000 due to Non-major Governmental Funds from the General Fund is primarily the transfer of Short Doyle Medi-Cal, and mental health services revenue related to 2011 Realignment.

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	$ 1,985
	Medical Center	18,600
	Waterworks Districts	1,237
		21,822
Internal Service Funds	Medical Center	20,000
Total Advances		$ 41,822

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 a long-term advance, interest free, for cash flow purposes, to:

- In-Home Supportive Services Public Authority (IHS) in the amount of $1,950,000. IHS receives funding after the expenditures have been incurred. This advance was authorized for up to $3,250,000.

- Workforce Development Fund (WDD) in the amount of $35,000. WDD receives funding after the expenditures have been incurred. This advance was authorized for up to $35,000.

- Ventura County Medical Center (VCMC) in the amount of $18,600,000. The VCMC 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, 2015.

The General Fund extended a loan in the amount of $1,237,000 to the Waterworks Districts for the Piru Wastewater Treatment Plant (Piru WWTP) in FY 2012-13. In addition, in FY 2012-13 a loan in the amount of $3,000,000 to the Waterworks Districts for the Piru WWTP Tertiary Project was authorized. Both of these loans are with interest at the Investment Pool rate with repayment within four years of the first draw down on the Tertiary Project loan. Due to the delay in the construction of the project, first draw down is projected to be in FY 2015-16.

The General Insurance Internal Service Fund extended a loan to the Medical Center in FY 2012-13 in the amount of $20,000,000. This loan was authorized for a period of up to three years, effective June 25, 2013, and is expected to be repaid, with interest calculated at the Investment Pool rate, before the end of FY 2015-16.

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

Transfers

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

Transfer From	Transfer To	Amount	Purpose
General Fund	Roads	$ 8	Subsidy for capital projects
	Non-major Governmental Funds	7,535	Transfer funds for scheduled debt service
	Non-major Governmental Funds	2,861	Subsidy for operating expenses
	Non-major Governmental Funds	805	Health and welfare realignment
	Medical Center	12,267	Health and welfare realignment and tobacco settlement revenues
	Medical Center	27,716	Subsidy for operating expenses
	Department of Airports	15	Subsidy for operating expenses
	Non-major Enterprise Funds	1,765	Subsidy for operating expenses
	Internal Service Funds	325	Subsidy for operating expenses
	Internal Service Funds	713	Subsidy for capital projects
		54,010	
Roads Fund	Internal Service Funds	226	Subsidy for capital asset purchase
Watershed Protection Districts	Internal Service Funds	233	Subsidy for capital asset purchase
Fire Protection District	General Fund	823	Subsidy for capital asset purchase
Non-major Governmental Funds	General Fund	23	Subsidy for prosecution costs
	Non-major Governmental Funds	3	Transfer of endowment interest
		26	
Medical Center	General Fund	462	Transfer ACE administrative cost
	Internal Service Funds	10	Subsidy for capital asset purchase
		472	
Waterworks Districts	Internal Service Funds	103	Subsidy for capital projects
Internal Service Funds	Internal Service Funds	32	Subsidy for capital asset purchase
	Non-major Enterprise Funds	1	Subsidy for capital asset purchase
		33	
Total		$ 55,926	

NOTE 7 - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2014, was as follows (in thousands):

	Balance July 1, 2013	Additions	Deletions	Balance June 30, 2014
Governmental Activities:				
Capital assets, nondepreciable:				
Land	$ 31,801	$ 6,840	$ -	$ 38,641
Easements	200,607	288	17	200,878
Construction in progress	55,215	58,498	59,364	54,349
Total capital assets, nondepreciable	287,623	65,626	59,381	293,868
Capital assets, depreciable/amortizable:				
Land improvements	40,312	1,788	-	42,100
Structures and improvements	475,965	27,483	-	503,448
Equipment	96,261	5,192	2,558	98,895
Vehicles	83,082	3,694	3,866	82,910
Software	58,527	6,052	301	64,278
Infrastructure	496,224	28,150	194	524,180
Total capital assets, depreciable/amortizable	1,250,371	72,359	6,919	1,315,811
Less accumulated depreciation/amortization for:				
Land improvements	3,348	988	-	4,336
Structures and improvements	167,997	11,784	-	179,781
Equipment	60,857	6,646	2,409	65,094
Vehicles	39,521	5,983	3,210	42,294
Software	42,093	2,915	155	44,853
Infrastructure	109,411	5,117	188	114,340
Total accumulated depreciation/amortization	423,227	33,433	5,962	450,698
Total capital assets, depreciable/amortizable, net	827,144	38,926	957	865,113
Governmental activities capital assets, net	$ 1,114,767	$ 104,552	$ 60,338	$ 1,158,981
Business-type Activities (Enterprise):				
Medical Center:				
Capital assets, nondepreciable:				
Land	$ 2,047	$ -	$ -	$ 2,047
Construction in progress	72,305	50,176	34,458	88,023
Total capital assets, nondepreciable	74,352	50,176	34,458	90,070
Capital assets, depreciable/amortizable:				
Land improvements	1,084	-	-	1,084
Structures and improvements	124,396	5,999	-	130,395
Equipment	37,722	35,677	-	73,399
Software	8,376	-	22	8,354
Total capital assets, depreciable/amortizable	171,578	41,676	22	213,232
Less accumulated depreciation/amortization for:				
Land improvements	1,084	-	-	1,084
Structures and improvements	39,933	3,844	-	43,777
Equipment	29,261	7,949	-	37,210
Software	7,598	593	6	8,185
Total accumulated depreciation/amortization	77,876	12,386	6	90,256
Total capital assets, depreciable/amortizable, net	93,702	29,290	16	122,976
Medical Center capital assets, net	$ 168,054	$ 79,466	$ 34,474	$ 213,046

COUNTY OF VENTURA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(Continued)

	Balance July 1, 2013	Additions	Deletions	Balance June 30, 2014
Department of Airports:				
Capital assets, nondepreciable:				
Land	$ 9,721	$ -	$ -	$ 9,721
Easements	399	-	-	399
Construction in progress	2,508	2,880	2,339	3,049
Total capital assets, nondepreciable	12,628	2,880	2,339	13,169
Capital assets, depreciable/amortizable:				
Land improvements	45,240	2,403	1,948	45,695
Structures and improvements	17,030	195	7	17,218
Equipment	1,043	9	-	1,052
Vehicles	990	-	-	990
Total capital assets, depreciable/amortizable	64,303	2,607	1,955	64,955
Less accumulated depreciation/amortization for:				
Land improvements	17,562	1,999	1,279	18,282
Structures and improvements	11,876	551	7	12,420
Equipment	513	81	-	594
Vehicles	364	64	-	428
Total accumulated depreciation/amortization	30,315	2,695	1,286	31,724
Total capital assets, depreciable/amortizable, net	33,988	(88)	669	33,231
Department of Airports capital assets, net	$ 46,616	$ 2,792	$ 3,008	$ 46,400
Waterworks Districts:				
Capital assets, nondepreciable:				
Land	$ 2,537	$ -	$ -	$ 2,537
Easements	285	-	-	285
Construction in progress	7,548	3,159	-	10,707
Total capital assets, nondepreciable	10,370	3,159	-	13,529
Capital assets, depreciable/amortizable:				
Land improvements	2,074	-	-	2,074
Structures and improvements	123,646	2	395	123,253
Equipment	2,924	-	-	2,924
Vehicles	99	-	-	99
Total capital assets, depreciable/amortizable	128,743	2	395	128,350
Less accumulated depreciation/amortization for:				
Land improvements	251	41	-	292
Structures and improvements	30,467	2,241	189	32,519
Equipment	1,394	102	-	1,496
Vehicles	74	4	-	78
Total accumulated depreciation/amortization	32,186	2,388	189	34,385
Total capital assets, depreciable/amortizable, net	96,557	(2,386)	206	93,965
Waterworks Districts capital assets, net	$ 106,927	$ 773	$ 206	$ 107,494

	Balance July 1, 2013	Additions	Deletions	Balance June 30, 2014
Non-major Enterprise Funds:				
Capital assets, nondepreciable:				
Land	$ 8,879	$ -	$ -	$ 8,879
Easements	103	-	-	103
Construction in progress	2,533	7,028	3,100	6,461
Total capital assets, nondepreciable	11,515	7,028	3,100	15,443
Capital assets, depreciable/amortizable:				
Land improvements	24,365	2,194	-	26,559
Structures and improvements	35,973	1,043	94	36,922
Equipment	2,143	186	17	2,312
Vehicles	48	-	-	48
Software	2,939	1,472	-	4,411
Total capital assets, depreciable/amortizable	65,468	4,895	111	70,252
Less accumulated depreciation/amortization for:				
Land improvements	12,651	1,263	-	13,914
Structures and improvements	15,919	837	38	16,718
Equipment	1,625	119	17	1,727
Vehicles	47	-	-	47
Software	219	899	-	1,118
Total accumulated depreciation/amortization	30,461	3,118	55	33,524
Total capital assets, depreciable/amortizable, net	35,007	1,777	56	36,728
Non-major Enterprise Funds capital assets, net	$ 46,522	$ 8,805	$ 3,156	$ 52,171
Business-type activities capital assets, net	$ 368,119	$ 91,836	$ 40,844	$ 419,111

Depreciation/amortization

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

General government:		
General administration	$ 6,025	
Total general government		$ 6,025
Public protection:		
Judicial	683	
Police protection	1,988	
Detention and correction	3,854	
Fire protection	5,003	
Watershed protection and soil & water conservation	3,245	
Protective inspection	3	
Other	1,071	
Total public protection		15,847
Public ways and facilities		1,958
Health and sanitation services		606
Public assistance:		
Administration	435	
Other	72	
Total public assistance		507
Education		188
Capital assets held by the internal service funds		8,302
Total depreciation/amortization expense - governmental activities		$ 33,433

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

Medical Center	$	12,386
Department of Airports		2,695
Waterworks Districts		2,388
Parks Department		1,496
Channel Islands Harbor		690
Health Care Plan		904
Oak View District		28
Total depreciation/amortization expense - business-type activities	$	20,587

Construction in Progress and Capital Projects Commitments
Construction in progress for governmental activities represents work being performed on Fire Protection District projects, infrastructure, Watershed Protection District projects, Information Technology Services projects, and a number of smaller projects. Construction in progress for the business-type activities represents work being performed on the Medical Center and Clinics, Waterworks District projects, Harbor Department projects, and information technology projects.

Construction in progress and capital projects commitments as of June 30, 2014, are as follows (in thousands):

	Construction in Progress		Additional Committed Funds	
Governmental activities	$	54,349	$	11,510
Business-type activities:				
Medical Center	$	88,023	$	218,183
Department of Airports		3,049		415
Waterworks Districts		10,707		1,014
Parks Department		9		-
Channel Islands Harbor		5,735		732
Ventura County Health Care Plan		717		-
Total business-type activities	$	108,240	$	220,344

Long-term commitments for infrastructure construction contracts totaled $8,708,042 (principally for road and watershed protection projects) at June 30, 2014.

NOTE 8 - ACCRUED LIABILITIES

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

Governmental Funds	General Fund	Roads	Watershed Protection Districts	Fire Protection District	Non-major Governmental Funds	Internal Service Funds	Total Governmental Activities
Accrued salaries, benefits, and other payroll liabilities	$ 12,920	$ -	$ -	$ 2,610	$ 1,104	$ 2,224	$ 18,858
Audit disallowances:							
Mental Health Short Doyle	6,997	-	-	-	-	-	6,997
Other audit disallowances	1,112	-	-	-	-	-	1,112
Accrued interest on tax and revenue anticipation notes	1,732	-	-	-	-	-	1,732
Money managed for others by Public Administrator/Public Guardian	2,280	-	-	-	-	-	2,280
Property tax clearing	3,346	-	-	-	-	-	3,346
Public assistance benefits payable	5,600	-	-	-	-	-	5,600
Civil judgments and holdings	1,054	-	-	-	-	-	1,054
Seized money pending District Attorney release	1,915	-	-	-	-	-	1,915
Clearing and other liabilities	5,916	855	1,800	3	224	3,473	12,271
Total	$ 42,872	$ 855	$ 1,800	$ 2,613	$ 1,328	$ 5,697	$ 55,165

Proprietary Funds	Medical Center	Department of Airports	Waterworks Districts	Non-major Enterprise Funds	Total Business-type Activities
Accrued salaries and benefits	$ 3,351	$ 57	$ -	$ 232	$ 3,640
Medicare, Medi-Cal, and SB1100 reserves	7,092	-	-	-	7,092
Clinic liabilities	4,394	-	-	-	4,394
Catastrophic claims liability	-	-	-	3,000	3,000
Clearing and other liabilities	63	-	1,567	618	2,248
Total	$ 14,900	$ 57	$ 1,567	$ 3,850	$ 20,374

NOTE 9 - LEASES

Operating Leases

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

Year ending June 30:	Governmental Activities	Business-type Activities
2015	$ 4,715	$ 3,976
2016	4,392	3,895
2017	3,499	3,798
2018	2,676	3,387
2019	2,465	3,423
2020-2024	7,853	15,875
Total minimum payments required	$ 25,600	$ 34,354

Rental expense for County-wide operating leases was $29,088,000 for the year ended June 30, 2014. Contingent rental revenues under operating leases are based on percentages of lessee sales and totaled approximately $1,116,000 for the year ended June 30, 2014.

The Channel Islands Harbor, Parks Department, and Department of Airports Enterprise funds lease properties to others under operating leases with terms of up to 86 years. The following is a summary of future minimum rental revenues on noncancelable leases at June 30, 2014 (in thousands):

Year ending June 30:	Amounts
2015	$ 6,668
2016	6,308
2017	5,492
2018	5,160
2019	4,993
2020-2024	22,259
2025-2029	17,311
2030-2034	14,649
2035-2039	10,952
2040-2044	9,390
2045-2049	7,275
2050-2054	5,360
2055-2059	1,979
2060-2064	1,168
2065-2069	859
2070-2074	859
2075-2079	859
2080-2084	859
2085-2089	859
2090-2094	859
2095-2099	859
2100-2104	86
Total	$ 125,063

Capital Leases

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

The following is a schedule of property leased under the capital lease by major class in the business-type activities at June 30, 2014 (in thousands):

	Business-type Activities
Equipment	180
Less: Accumulated amortization	(3)
Total net of amortization	$ 177

As of June 30, 2014, capital lease annual amortization in the business-type activities is as follows (in thousands):

Year ending June 30:		Business-type Activities
2015	$	212
Total requirements		212
Less: amount representing interest		(32)
Present value of remaining payments	$	180

NOTE 10 - LONG-TERM LIABILITIES

Long-term obligations of the County consist of certificates of participation, lease revenue bonds, tax-exempt commercial paper, loans payable, capital leases, compensated absences, and other liabilities. Capitalized lease obligations are described further in Note 9.

Certificates of participation (COPs) and lease revenue bonds are obligations of a public entity based on a lease agreement and are paid by lease payments from County departments/funds for use of the facilities or equipment constructed or purchased from the debt proceeds. Tax-exempt commercial paper (TECP) is unsecured short-term promissory notes issued with maturities ranging from 2 to 270 days.

The Public Facilities Corporation (PFC) provided five separate issues of debt securities. The last remaining PFC issue, PFC V, was defeased on July 15, 2009, in part with proceeds from a new Public Financing Authority issue, PFA III. The PFC was dissolved in fiscal year 2010-11.

The Public Financing Authority (PFA) was formed in August of 1998. TECP is used for the acquisition and renovation of facilities and the acquisition and upgrade of information systems. A current project funded by TECP is the Upgrade of the Ventura County Financial Management System.

On October 30, 2003, the PFA issued $27,110,000 of 2003 Certificates of Participation (PFA II COPs) used to finance the building at 2220 Gonzales Road and construction of a Juvenile Justice Complex Court Facility located at the Juvenile Justice Detention Facility.

On July 14, 2009, the PFA issued $89,720,000 of 2009 Certificates of Participation (PFA III COPs) used to currently refund PFC V, PFA I, and reimburse advances from TECP for the Fillmore office building, and the VCMC clinic and its continuing construction costs.

On March 7, 2013, the PFA issued $302,060,000 of Lease Revenue Bonds, Series 2013A used to finance a new replacement wing of the Ventura County Medical Center and to retire $20,656,000 of TECP.

On December 19, 2013, the PFA issued $34,100,000 of Lease Revenue Bonds, Series 2013B, with an average coupon rate of 4.78 percent, of which $8,670,000 plus a premium of $975,000 was used to refund $11,880,000 of outstanding PFA II COPs with an average coupon rate of 5.09 percent. The net proceeds of $8,671,000 (after payment of $974,000 in underwriter discount, cost of issue and funding of the reserve) plus an additional $3,453,000 in PFA II COPS funds were used for the call of the COPS on January 21, 2014. Of the combined funds of $12,124,000 used to call the PFA II COPs, $11,880,000 was used to reacquire the PFA II COPs and $244,000 was used to pay accrued interest on the PFA II COPs.

Because the carrying value of the PFA II COPs $12,118,000 exceeded the reacquisition price $11,880,000, a deferred gain on refunding of $238,000 was recognized. As of June 30, 2014, the unamortized portion of the deferred gain was $217,000. The PFA II COPS are considered defeased and the liability for those COPS have been removed from the financial statements. As a result of the refunding, the PFA in effect reduced its aggregate debt service payments by $3,954,000 over the next six years and obtained an economic gain (the difference between the present value of the old and the new debt service payments) of $1,229,000.

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

On January 22, 2014, the United States Department of Agriculture, Rural Development agreed to purchase Certificates of Participation in an aggregate amount not to exceed $5,000,000 evidencing the right to receive installment payments made to the PFA pursuant to the Installment Sale Agreement dated December 1, 2013, between the PFA and the District. As of June 30, 2014, the United States Department of Agriculture, Rural Development had purchased Certificates of Participation of $114,000.

Compensated absences are liabilities for vacation, vested sick leave benefits, and compensatory time reported as required by GASB Statement Nos. 16 and 34 in the proprietary fund financial statements and the governmental and business-type activities of the government-wide financial statements. A liability for these amounts is reported in the governmental fund financial statements only if they have matured due to employee resignations and retirements. Governmental fund liabilities are typically liquidated in the General Fund and certain special revenue funds.

Other liabilities include the liability for medical malpractice insurance claims incurred but not reported (tail coverage) for General Fund health departments and the Medical Center, the net pension obligation relating to the Management Retiree Health Benefit, the net other postemployment benefits (OPEB) obligation, claims liabilities relating to the self-insurance of certain risks in the General Insurance and Employee Benefit Insurance Internal Service Funds, and the Health Care Plan.

Summaries of long-term indebtedness and liabilities incurred by the governmental and business-type activities, outstanding as of June 30, 2014, are as follows (in thousands):

Type of indebtedness/liabilities	Maturity	Interest Rates	Original Issue Amount
Governmental Activities:			
Certificates of Participation/Lease Revenue Bonds:			
Public Financing Authority II (net of premiums/discounts)	Refunded 1/21/14	See LRB 2013B	$ 27,110
Public Financing Authority III:			
General Fund (net of premiums)	08/15/14-08/15/29	3.00 - 6.00%	20,663
General Services - Facilities	08/15/14-08/15/29	3.00 - 6.00%	1,845
Public Financing Authority			
Lease Revenue Bonds (Series 2013A):			
General Fund (net of premiums)	11/01/14-11/01/43	2.00 - 5.00%	4,975
Information Technology Services			
- Telecommunications (net of premiums)	11/01/14-11/01/43	2.00 - 5.00%	9,735
Lease Revenue Bonds (Series 2013B):			
General Fund (net of premiums)	11/01/14-11/01/27	3.00 - 5.00%	34,100
Total Certificates of Participation/Lease Revenue			98,428
Tax-Exempt Commercial Paper:			
Public Financing Authority:			
General Fund	Rolling	0.07 - 0.12%	34,537
Transportation	Rolling	0.07 - 0.12%	300
General Services - Facilities	Rolling	0.07 - 0.12%	2,386
JJC Traffic Signal	Rolling	0.07 - 0.12%	250
Total Tax-Exempt Commercial Paper			37,473
Loans Payable:			
County Service Areas - 34 El Rio (SWRCB 09)	06/30/15-06/30/40	2.60%	6,869
County Service Areas - 34 El Rio (SWRCB 10)	06/23/15-06/23/41	1.0%	4,564
Total Loans Payable			11,433
Compensated Absences Liability	N/A	N/A	-
Other Liabilities:			
Medical malpractice (General Fund)	N/A	N/A	-
Net Pension Obligation (Mgmt Retiree Health Benefit)	N/A	N/A	-
Net Other Postemployment Benefits (OPEB)	N/A	N/A	-
Claims liabilities (General Insurance and Employee Benefit Insurance)	N/A	N/A	-
Total Other Liabilities			-
Total Governmental Activities			$ 147,334

Outstanding July 1, 2013	Additions and Transfers	Maturities and Transfers	Outstanding June 30, 2014	Amount Due Within One Year	Type of indebtedness/liabilities
					Governmental Activities:
					Certificates of Participation/Lease Revenue Bonds:
$ 13,944	$ -	$ 13,944	$ -	$ -	Public Financing Authority II (net of premiums)
					Public Financing Authority III:
14,811	4	2,172	12,643	2,129	General Fund (net of premiums)
1,067	-	248	819	261	General Services - Facilities
					Public Financing Authority
					Lease Revenue Bonds (Series 2013A):
5,854	-	341	5,513	346	General Fund (net of premiums)
					Information Technology Services
11,216	-	923	10,293	952	- Telecommunications (net of premiums)
					Lease Revenue Bonds (Series 2013B):
-	37,910	138	37,772	2,910	General Fund (net of premiums)
46,892	37,914	17,766	67,040	6,598	Total Certificates of Participation/Lease Revenue
					Tax-Exempt Commercial Paper:
					Public Financing Authority:
9,986	-	5,245	4,741	930	General Fund
221	-	20	201	19	Transportation
2,386	358	158	2,586	167	General Services - Facilities
145	-	36	109	36	JJC Traffic Signal
12,738	358	5,459	7,637	1,152	Total Tax-Exempt Commercial Paper
					Loans Payable:
6,225	-	162	6,063	166	County Service Areas - 34 El Rio (SWRCB 09)
3,241	-	101	3,140	102	County Service Areas - 34 El Rio (SWRCB 10)
9,466	-	263	9,203	268	Total Loans Payable
60,944	32,365	31,140	62,169	31,181	*Compensated Absences Liability*
					Other Liabilities:
821	-	443	378	-	Medical malpractice (General Fund)
825	28	-	853	-	Net Pension Obligation (Mgmt Retiree Health Benefit)
3,967	536	-	4,503	-	Net Other Postemployment Benefits (OPEB)
150,642	16,223	24,113	142,752	15,658	Claims liabilities (General Insurance and Employee Benefit Insurance)
156,255	16,787	24,556	148,486	15,658	Total Other Liabilities
$ 286,295	$ 87,424	$ 79,184	$ 294,535	$ 54,857	Total Governmental Activities

Type of indebtedness/liabilities	Maturity	Interest Rates	Original Issue Amount
Business-type Activities - Major Funds:			
Medical Center:			
Public Financing Authority III	08/15/14 - 08/15/29	3.00 - 6.00%	$ 67,130
Public Financing Authority Lease Revenue Bonds (Series 2013A) (net of premium)	11/01/14 - 11/01/43	2.00 - 5.00%	283,465
Public Financing Authority/Tax-Exempt Commercial Paper	Rolling	0.07 - 0.12%	3,753
Capital Lease Obligation - PACS	Monthly to 10/13	3.44%	2,214
Capital Lease Obligation - Stryker	Semi-Annual to 1/19	7.76%	180
Total Medical Center			356,742
Department of Airports:			
Department of Transportation Loan	08/13/14-08/13/15	4.987%	240
Department of Transportation Loan	05/13/14	4.635%	260
Total Department of Airports			500
Waterworks Districts:			
State Water Loan	04/01/15	3.371%	260
Revolving Fund Loan (Maximum Commitment of $1,769)	06/11/15-06/11/23	2.40%	1,364
Revolving Fund Loan (Maximum Commitment of $5,555)	07/01/14 - 07/01/40	1.00%	3,532
Waterworks District No. 19 USDA Loan (Maximum Commitment of $5,000)	12/01/14 - 12/01/53	3.375	114
Total Waterworks Districts			5,270
Business-type Activities - Non-major Funds:			
Channel Islands Harbor:			
Public Financing Authority III - Fuel Dock	08/15/14 - 08/15/29	3.00 - 6.00%	82
Public Financing Authority Lease Revenue Bonds (Series 2013A) (net of premium) Harbor Revetment Project	11/01/14-11/01/43	2.00 - 5.00%	3,885
Total Channel Islands Harbor			3,967
Oak View District:			
Public Financing Authority/Tax-Exempt Commercial Paper	Rolling	0.07 - 0.12%	1,200
Compensated Absences Liability	N/A	N/A	-
Other Liabilities:			
Claims liabilities (Health Care Plan)	N/A	N/A	-
Medical malpractice (Medical Center)	N/A	N/A	-
Total Other Liabilities			-
Total Business-type Activities			$ 367,679

Outstanding July 1, 2013, as restated	Additions and Transfers	Maturities and Transfers	Outstanding June 30, 2014	Amount Due Within One Year	Type of indebtedness/liabilities
					Business-type Activities - Major Funds:
					Medical Center:
$ 57,551	$ -	$ 3,431	$ 54,120	$ 3,163	Public Financing Authority III
314,178	-	4,203	309,975	4,268	Public Financing Authority Lease Revenue Bonds Bonds (Series 2013A) (net of premium)
5,603	71	430	5,244	522	Public Financing Authority/Tax-Exempt Commercial Paper
37	-	37	-	-	Capital Lease Obligation - PACS
-	180	-	180	36	Capital Lease Obligation - Stryker
377,369	251	8,101	369,519	7,989	Total Medical Center
					Department of Airports:
51	-	20	31	20	Department of Transportation Loan
17	-	17	-	-	Department of Transportation Loan
68	-	37	31	20	Total Department of Airports
					Waterworks Districts:
30	-	15	15	15	State Water Loan
773	-	69	704	71	Revolving Fund Loan (Maximum Commitment of $1,769)
5,108	-	158	4,950	161	Revolving Fund Loan (Maximum Commitment of $5,555)
-	114	-	114	61	Waterworks District No. 19 USDA Loan (Maximum Commitment of $5,000)
5,911	114	242	5,783	308	Total Waterworks Districts
					Business-type Activities - Non-major Funds:
					Channel Islands Harbor:
22	-	22	-	-	Public Financing Authority III - Fuel Dock
4,413	-	438	3,975	448	Public Financing Authority Lease Revenue Bonds (Series 2013A) (net of premium) Harbor Revetment Project
4,435	-	460	3,975	448	Total Channel Islands Harbor
					Oak View District:
759	-	39	720	35	Public Financing Authority/Tax-Exempt Commercial Paper
7,814	5,121	4,652	8,283	4,983	*Compensated Absences Liability*
					Other Liabilities:
7,325	42,834	42,343	7,816	7,816	Claims liabilities (Health Care Plan)
3,758	-	1,940	1,818	-	Medical malpractice (Medical Center)
11,083	42,834	44,283	9,634	7,816	Total Other Liabilities
$ 407,439	$ 48,320	$ 57,814	$ 397,945	$ 21,599	Total Business-type Activities

As of June 30, 2014, annual debt service requirements of governmental activities to maturity are as follows (in thousands):

Year Ending June 30:	Certificates of Participation		Lease Revenue Bonds		Tax-Exempt Commercial Paper		Loans Payable	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2015	$ 2,337	$ 570	$ 3,745	$ 2,102	$ 1,152	$ 115	$ 268	$ 189
2016	2,436	459	4,000	1,971	1,012	93	273	183
2017	2,557	336	4,140	1,820	550	78	279	178
2018	565	259	4,305	1,641	522	70	284	172
2019	595	230	4,505	1,434	521	62	290	167
2020-2024	3,435	663	16,180	4,530	2,694	192	1,539	744
2025-2029	795	21	10,859	973	1,186	34	1,705	580
2030-2034	-	-	-	-	-	-	1,889	396
2035-2039	-	-	-	-	-	-	2,097	190
2040-2044	-	-	-	-	-	-	579	12
Total requirements	12,720	$ 2,538	47,734	$ 14,471	$ 7,637	$ 644	$ 9,203	$ 2,811
Bond premium	742		5,844					
Total	$ 13,462		$ 53,578					

Interest payments and certificate of participation retirements are serviced by revenues generated from lease payments made by the General Fund on leased facilities.

As of June 30, 2014, annual debt service requirements of business-type activities for major funds and non-major funds to maturity are as follows (in thousands):

	MEDICAL CENTER						**DEPARTMENT OF AIRPORTS**		**WATERWORKS DISTRICTS**	
Year Ending June 30:	Certificates of Participation		Lease Revenue Bonds		Tax-Exempt Commercial Paper		Loans Payable		Loans Payable	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2015	$ 3,163	$ 2,768	$ 3,255	$ 13,071	$ 522	$ 79	$ 20	$ 1	$ 308	$ 63
2016	3,294	2,619	3,355	12,971	530	71	11	1	288	58
2017	3,463	2,454	3,460	12,869	538	63	-	-	238	54
2018	2,470	2,305	3,585	12,746	546	55	-	-	241	52
2019	2,600	2,176	3,730	12,599	555	46	-	-	245	49
2020-2024	15,085	8,744	24,060	59,874	1,972	119	-	-	1,193	200
2025-2029	19,465	4,202	38,730	52,078	581	13	-	-	905	146
2030-2034	4,580	132	51,550	41,098	-	-	-	-	950	100
2035-2039	-	-	65,530	27,122	-	-	-	-	1,000	50
2040-2044	-	-	83,020	9,635	-	-	-	-	415	6
Total requirements	$ 54,120	$ 25,400	280,275	$ 254,063	$ 5,244	$ 446	$ 31	$ 2	$ 5,783	$ 778
Bond premium			29,700							
Total			$ 309,975							

	NON-MAJOR FUNDS			
Year Ending June 30:	Lease-Revenue Bonds		Tax-Exempt Commercial Paper	
	Principal	Interest	Principal	Interest
2015	$ 385	$ 137	$ 35	$ 11
2016	395	126	36	10
2017	410	113	36	10
2018	425	99	37	9
2019	440	82	37	9
2020-2024	1,455	111	195	34
2025-2029	-	-	344	20
Total requirements	3,510	$ 668	$ 720	$ 103
Bond premium	465			
Total	$ 3,975			

Legal Debt Limit
The County's legal annual debt limit as of June 30, 2014, is approximately $1,380,268,000. 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. Certificates of participation (COPs), lease revenue bonds, TECP, and loans payable subject to the debt limit total $463,728,000 at June 30, 2014.

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 COPs.

Management believes that as of June 30, 2014, 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 obligation.

Special Assessment Debt
As of June 30, 2014, tax-exempt commercial paper was outstanding in the amount of $720,000 for the Oak View School Preservation and Maintenance District (Oak View District). On August 2, 2002, the Oak View District was formed to purchase and rehabilitate the Oak View School for a community park and family resource center. The initial funding was provided by a loan from tax-exempt commercial paper partially offset by grant funds. The cost of debt payments over the thirty year period and operations will be paid solely from benefit assessments.

The County acts as an agent for the property owners in collecting assessments for the Oak View District and initiating foreclosure proceedings, if appropriate. The County directly administers the Oak View School project and the related PFA debt; therefore, the debt, along with other PFA issued County debt, is included in the accompanying financial statements.

NOTE 11 - SERVICE CONCESSION ARRANGEMENTS (SCA)

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

Rustic Canyon Golf Course

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

Steckel Park – Ventura Ranch KOA

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

Capital asset balances and related accumulated depreciation for each SCA for the year ended June 30, 2014 are as follows (in thousands):

	Balance July 1, 2013	Additions	Deletions	Balance June 30, 2014
Rustic Canyon Golf Course:				
Capital assets, depreciable/amortizable:				
Land improvements	$ 6,321	$ -	$ -	$ 6,321
Structures and improvements	1,724	-	-	1,724
Total capital assets, depreciable/amortizable	8,045	-	-	8,045
Less accumulated depreciation/amortization for:				
Land improvements	4,237	423	-	4,660
Structures and improvements	573	61	-	634
Total accumulated depreciation/amortization	4,810	484	-	5,294
Total capital assets, depreciable/amortizable, net	3,235	(484)	-	2,751
Steckel Park - Ventura Ranch KOA:				
Capital assets, depreciable/amortizable:				
Land improvements	490	140	-	630
Structures and improvements	636	216	-	852
Total capital assets, depreciable/amortizable	1,126	356	-	1,482
Less accumulated depreciation/amortization for:				
Land improvements	105	46	-	151
Structures and improvements	151	86	-	237
Total accumulated depreciation/amortization	256	132	-	388
Total capital assets, depreciable/amortizable, net	870	224	-	1,094
SCA capital assets, net	$ 4,105	$ (260)	$ -	$ 3,845

The deferred inflows of resources activity for each SCA for the year ended June 30, 2014 was as follows (in thousands):

	Balance July 1, 2013	Additions	Deletions/ Amortization	Balance June 30, 2014
Present Value of Installment Payments (1)				
Rustic Canyon Golf Course	$ 2,288	$ -	$ 176	$ 2,112
Steckel Park - Ventura Ranch KOA	311	-	32	279
Sub-total Present Value of Installment Payments	2,599	-	208	2,391
SCA Capital Assets (2)				
Rustic Canyon Golf Course	6,362	-	168	6,194
Steckel Park - Ventura Ranch KOA	1,018	357	56	1,319
Sub-total SCA Capital Assets	7,380	357	224	7,513
Total deferred inflows	$ 9,979	$ 357	$ 432	$ 9,904

(1) Installment payments present values calculated using a discount rate of 7.57% for Rustic Canyon Golf Course and 9.46% for Ventura Ranch KOA with deferred inflows recognized in accordance with the amortization schedules.

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

NOTE 12 - NET POSITION/FUND BALANCES

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

- *Net Investment In Capital Assets* – This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation, the outstanding balances of debt, and deferred inflows 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, 2014, restricted net position for governmental activities totaled $323,619,000, of which $291,434,000, 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 that are attributable to this component reduce the balance of this category.

Fund Statement - 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.

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.

At June 30, 2014, fund balance for governmental funds is made up of the following (in thousands):

Fund Balances	General Fund	Roads	Watershed Protection Districts	Fire Protection District	Non-major Governmental Funds	Total
Nonspendable:						
Inventory and prepaid amounts	$ 707	$ -	$ -	$ 1,154	$ 37	$ 1,898
Advances to other funds	21,822	-	-	-	-	21,822
Permanent fund principal	-	-	-	-	1,133	1,133
Restricted for:						
General reserve	9,000	-	-	-	-	9,000
Teeter tax loss reserve	17,898	-	-	-	-	17,898
Law enforcement programs and capital projects	30,499	-	-	-	1,702	32,201
District attorney programs	8,705	-	-	-	-	8,705
Automation improvements	15,037	-	-	-	-	15,037
Health care	4,729	-	-	-	-	4,729
Gold Coast Health Plan loan	7,200	-	-	-	-	7,200
Behavioral health programs	5,460	-	-	-	-	5,460
Public assistance programs	12,760	-	-	-	128	12,888
Roads administration, maintenance, and projects	-	33,547	-	-	-	33,547
Watershed protection	-	-	45,291	-	-	45,291
Fire protection	-	-	-	88,205	-	88,205
Library services	-	-	-	-	1,939	1,939
County service areas	-	-	-	-	2,780	2,780
Mental Health Services Act (MHSA)	-	-	-	-	17,881	17,881
MHSA prudent reserve	-	-	-	-	9,339	9,339
Special assessment debt	-	-	-	-	552	552
Debt service	-	-	-	-	3,966	3,966
Capital projects	-	-	-	-	1,433	1,433
Other governmental purposes	1,945	-	-	-	-	1,945
Committed to:						
Solid waste programs	3,373	-	-	-	-	3,373
Roads administration, maintenance, and projects	-	348	-	-	-	348
Traffic impact mitigation fees	-	21,183	-	-	-	21,183
Watershed protection	-	-	92	-	-	92
Facility ordinance fees	-	-	-	838	-	838
County service areas	-	-	-	-	2,908	2,908
Other governmental purposes	351	-	-	-	6	357
Assigned to:						
Purchase contracts	14,351	-	-	-	-	14,351
Stormwater management	2,323	-	-	-	-	2,323
Public assistance programs	1,167	-	-	-	-	1,167
Attrition and program mitigation	9,966	-	-	-	-	9,966
Audit disallowances	1,000	-	-	-	-	1,000
Law enforcement programs	595	-	-	-	-	595
Roads administration, maintenance, and projects	-	1,223	-	-	-	1,223
Watershed protection	-	-	1,451	-	-	1,451
Library services	-	-	-	-	4,337	4,337
County service areas	-	-	-	-	96	96
Other governmental purposes	843	-	-	-	-	843
Unassigned	154,044	-	-	-	-	154,044
Total fund balances	$ 323,775	$ 56,301	$ 46,834	$ 90,197	$ 48,237	$ 565,344

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.

NOTE 13 - MEDICARE AND MEDI-CAL PROGRAMS

The Medical Center provides services to eligible patients under Medi-Cal and Medicare programs. For the fiscal year ended June 30, 2014, the Medi-Cal and Medicare programs represented approximately 55 percent of the Medical Center's net revenue.

Medi-Cal inpatient services are reimbursed through the guidelines and methodology covered under California's Section 1115 Medi-Cal Hospital/Uninsured Care Demonstration (SB1100). 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.

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 Center. Reports on the results of such audits have been received through June 30, 2010, for Medicare and June 30, 2010, 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 Center has established liability reserves in the aggregate amount of $7,092,000, for settlement included in the line item "Accrued Liabilities" for cost report settlement reserves covering the period from fiscal year 2005-06 through fiscal year 2013-14. In accordance with SB1100, the Medical Center receives an interim per diem payment in Medi-Cal revenue under Fee-for-Service program (FFS), Disproportionate Share Hospital program (DSH), and Safety Net Care Pool program (SNCP). This also covers the annual grant amount for the Health Care Coverage Initiative Program, a competitive grant designed as a demonstration project to provide health coverage for the qualified uninsured patients. The amount received/allocated to the Medical Center is based on the state budget and the financial performance of the designated public hospitals statewide. Accordingly, the amounts allocated to the Medical Center for any of the specific programs are subject to revision and reconciliation by the State. For the fiscal year ended June 30, 2014, the Medical Center has recorded $97,187,000 of DSH, Delivery System Reform Incentive Pool, SNCP and supplemental revenues. Medi-Cal revenue represented 17.32 percent of the net revenue.

NOTE 14 - PENSION PLANS

VCERA Plan

(a) 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. The information presented is for all VCERA participants and includes non-County participants. Membership in the VCERA is mandatory for all regular employees who are scheduled to work 64 hours or more biweekly.

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 Comprehensive Annual Financial Report. A copy of this report can be obtained by contacting the Retirement Association at 1190 South Victoria Avenue, Suite 200, Ventura, California, 93003.

Plan members are classified as either General or Safety. General members employed prior to or on June 29, 1979, and certain other employees before June 30, 2002, are designated as Tier I members. General members employed after June 29, 1979, are designated as Tier II members. All Safety members are classified as Tier I regardless of date of hire and primarily include eligible Sheriff's Department, Fire Department, District Attorney, and Probation employees.

*(b) Retirement Benefit*s
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. The basic retirement allowance is based upon the member's age, years of retirement service credit, and final average compensation.

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 Tier I employees.

*(c) Actuarially Determined Contribution Requirement*s
The funding policy provides for periodic employer and employee contributions at actuarially determined rates, expressed as level percentages of annual covered payroll, that are sufficient to accumulate the required assets to pay benefits when due. The smoothing of market value method is used to determine the actuarial value of assets. In accordance with various employee collective bargaining agreements, the County subsidizes the employees' regular contributions in various amounts, depending on the classification of the employee. Contribution rates for employees range from 5.78 percent to 12.35 percent of covered payroll. Contribution rates are determined using the "entry age normal cost" method. Under this method, normal cost is the level amount that would fund the projected benefit if it was paid annually from the date of employment until retirement.

Employer and employee contribution rates in effect during fiscal year 2013-14 were based on the actuarial valuation performed as of June 30, 2012. The significant actuarial assumptions in the June 30, 2012, actuarial valuation are summarized as follows:

	Assumptions
• Rate of return on investment	7.75%
• Projected salary increases	4.50% - 12.50%
Amount attributable to inflation	3.25%
Amount attributable to merit and longevity	0.50% - 8.50%
Amount attributable to real "across the board"	0.75%
• 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%

The unfunded actuarial accrued liability (UAAL) is being amortized as a level percentage of payroll on a closed basis.

(d) *Contributions and Transfers Made*

As a condition of participation, employees are required to contribute a percentage of their annual compensation to the Plan. The balance of member contributions, General and Safety, on deposit at June 30, 2014, was $611,921,000. The County's contribution to the Plan, based on actuarially determined percentages of payroll costs, together with employees' contributions, are intended to provide the defined benefits of the Plan. The balance of employer contributions on deposit at June 30, 2014, was $997,206,000.

Actuarially determined employer contributions of $132,386,000 in 2011-12, $142,370,000 in 2012-13, and $161,247,000 were made in 2013-14. These contributions represent 100 percent of the annual pension cost required for fiscal years 2012, 2013, and 2014. Therefore, in accordance with GASB Statement No. 27, there is no net pension obligation for fiscal years 2012, 2013, and 2014.

The County also made other employer contributions. Payments were made on behalf of employees as a result of employer-employee negotiations for fiscal years 2011-12, 2012-13, and 2013-14, in the amounts of $8,387,000, $8,318,000, and $8,456,000 respectively. The negotiated amounts are credited to the County Advance Reserves of VCERA and do not vest with the employee.

The employees contributed $34,131,000, including $1,440,000, for the purchase of service credits in fiscal year 2013-14. In addition, the County contributed $11,103,000 on behalf of the employees as a "pickup" of employee contributions as a result of the employer-employee negotiations. This was credited to the individual employee accounts.

(e) Funded Status and Funding Progress

As of June 30, 2013, the most recent actuarial valuation date, the plan was 79.2 percent funded. The actuarial accrued liability for benefits was $4,575,063,000 and the actuarial value of assets was $3,621,709,000, resulting in a UAAL of $953,354,000. The covered payroll (annual payroll of active employees covered by the plan) was $638,763,000, and the ratio of the UAAL to the covered payroll was 149.3 percent.

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

Supplemental Retirement Plan

(a) 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, and May 15, 2012. 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.

Plan participants at June 30, 2014, were as follows:

Participant Classification	Number of Participants
Retirees and beneficiaries currently receiving benefits:	
Supplemental retirement participants (Safe Harbor)	339
Early retirement participants (Early Retirement Incentive Plan)	37
Elected department head participants	7
Current employees participants:	
Supplemental retirement participants (Safe Harbor)	678
Elected department head participants	2
Terminated participants not yet receiving benefits:	
Supplemental retirement participants (Safe Harbor)	9,349
Total	10,412

(b) 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.
- 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.

(c) 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. The balance of participant contributions at fair value on deposit at June 30, 2014, was $5,275,000.
- 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 required contributions were determined as part of the June 30, 2014 actuarial valuation. The actuarially determined contributions for the fiscal year ending June 30, 2014, were $1,209,000 for the employer and $409,000 for employees for Part B, $58,000 for Part C, and $208,000 for Part D.

(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, 2014:

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

As of June 30, 2014, the Plan held the following investments that represent 5 percent or more of the plans fiduciary net position:

Investment	Percentage of Fiduciary Net Position
Wells Fargo/Blackrock Large Cap Value Index CIT F	25 %
Wells Fargo/Blackrock Large Cap Growth Index CIT F	25 %
Wells Fargo Core Bond CIT F	21 %
Wells Fargo/Blackrock Russell 2000 Index CIT F	10 %
Wells Fargo/Blackrock U.S. Aggregate Bond Index CIT F	8 %
Wells Fargo/Blackrock International Equity Index CIT F	7 %

For the year ended June 30, 2014, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 17.14 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

(e) Net Pension Liability

The components of the net pension liability at June 30, 2014, were as follows (in thousands):

Total pension liability	$ 24,630
Plan fiduciary net position	(18,744)
County's net pension liability	$ 5,886
Plan fiduciary net position as a percentage of the total pension liability	76.1 %

The actuarial liabilities and assets are valued as of June 30, 2014.

(f) Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2014, 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 percentage of pay, Parts B and D, Level dollar amount, Part C
• Remaining amortization period	11-15 years for Part B, 6 years for Part C, 11 years for Part D, closed
• Asset valuation method	5 years smoothed market value
• Rate of return on investment	7.75% net of expense
• Payroll Growth	3.25% for Part B, 4.00% for Part D, not applicable for Part C
• Projected salary increases	4.00% for Part B and 4.50% for Part D; not applicable for Part C
Amount attributable to inflation	3.25% 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	RP-2000 Combined Healthy 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 most recent VCERA experience study was conducted in 2012 for the period of July 1, 2008 through June 30, 2014.

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	Long-Term Expected Real Rate of Return
Domestic equity - Large Cap	6.00 %
Domestic equity - Small Cap	7.75 %
International equity	6.89 %
Fixed income	1.00 %
Cash	0.25 %

The discount rate used to measure the total pension liability was 7.75 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 7.75 percent assumed long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following table presents the net pension liability of the Plan, calculated using the discount rate of 7.75 percent, as well as what the Plan's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.75 percent) or 1-percentage-point higher (8.75 percent) than the current rate:

	1% Decrease (6.75 %)	Current Discount Rate (7.75%)	1% Increase (8.75%)
Plan's net pension liability	$ 9,551,218	$ 5,886,429	$ 2,940,173

The following disclosures are related to the employer reporting requirements of GASB Statement No. 27.

Annual pension cost, contributions, percent of annual pension cost contributed, and net pension obligation for the current and preceding two fiscal years is presented below for Parts B, C, and D (in thousands):

Fiscal Year Ending June 30:	Annual Pension Cost (APC)	Actual Contribution	Percent of APC Contributed	Net Pension Obligation	Part
2012	$ 1,058	$ 1,058	100%	$ -	B
2013	1,199	1,199	100%	-	B
2014	1,209	1,209	100%	-	B
2012	47	47	100%	-	C
2013	50	50	100%	-	C
2014	58	58	100%	-	C
2012	165	165	100%	-	D
2013	188	188	100%	-	D
2014	208	208	100%	-	D

Actuarial assumptions are the same as those described for the development of the total pension liability.

The following is the funded status information for each part as of June 30, 2014, the most recent actuarial valuation date (in thousands):

Part	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((b-a)/c)
B	$ 15,609	$ 21,348	$ 5,739	73.1 %	$ 12,977	44.2 %
C	250	551	301	45.4 %	N/A	N/A
D	1,200	2,731	1,531	43.9 %	373	410.6 %

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

Management Retiree Health Benefits Program

(a) Plan Description

The Management Retiree Health Benefits Program is a cost-sharing, multiple-employer defined benefit plan administered by the County of Ventura. Substantially all participants are included in the County's primary government reporting entity. Due to the relative insignificance of the non-County employers participating in the plan, the County has elected to include financial statement disclosures required for a single-employer plan. The information presented is for all participants and includes non-County participants.

Adopted by the Board of Supervisors on June 8, 1999, employees covered by the Management Resolution who retired after July 1, 1999, became eligible to receive one year of payments for five years of service, up to a maximum of five years of coverage. Payments of approximately $698 per month were equivalent to premiums for the Ventura County Health Care Plan. Total payments in fiscal year 2013-14 were $1,357,000. The payments do not constitute any guarantee of medical care benefits. On June 21, 2005, the Board of Supervisors approved the elimination of this benefit for employees covered after July 2, 2005.

A separate financial statement is not issued for the plan. The schedule of funding progress is included in the required supplementary information section of this report.

(b) Funding Policy
The County currently funds the management retiree health benefits on a pay-as-you-go basis.

(c) Annual Pension Cost and Net Pension Obligation
For 2013-14, the annual pension cost consists of the annual required contribution plus interest on the net pension obligation less the adjustment to the annual required contribution as presented below (in thousands):

Annual required contribution	$ 1,397
Interest on the net pension obligation	43
Adjustment to the annual required contribution	(55)
Annual pension cost	1,385
Contributions made	(1,357)
Increase (decrease) in net pension obligation	28
Net pension obligation - beginning	825
Net pension obligation - ending	$ 853

The County's annual pension cost, the percentage of annual pension cost contributed to the plan, and the net pension obligation for the current and the preceding two fiscal years were as follows (in thousands):

Fiscal Year Ending June 30:	Annual Pension Cost (APC)	Percent of APC Contributed	Net Pension Obligation
2012	$ 1,465	94.5 %	$ 751
2013	1,465	95.0 %	825
2014	1,385	98.0 %	853

(d) Funded Status and Funding Progress
As of June 30, 2014, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits and the UAAL was $13,388,000. The annual covered payroll for all employees covered by the Management Retiree Health Benefits Program is $37,134,000, and the ratio of the UAAL to the covered payroll was 36.1 percent.

The schedule of funding progress is presented as required supplementary information following the notes to the financial statements. This schedule presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

(e) Actuarial Methods and Assumptions
In the County's June 30, 2014, actuarial valuation, the entry age normal actuarial cost method was used. The actuarial assumptions included a 5.25 percent investment rate of return, based on the rate of return over time of the County's Investment Pool since the plan is funded on a pay-as-you-go basis, projected salary increases of 4.0 percent, and inflation rates that start at 6.5 percent and decline to 5.0 percent over 4 years. The UAAL is being amortized as a level dollar amount on an open basis. The remaining amortization period at June 30, 2014, was 30 years.

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, 2014, there was one participant in the plan.

NOTE 15 - OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Subsidized Retiree Health Benefits Program
(a) Plan Description
The Subsidized Retiree Health Benefits Program is a cost-sharing, multiple-employer defined benefit plan administered by the County of Ventura. Substantially all participants are included in the County's primary government reporting entity. Due to the relative insignificance of the non-County employers participating in the plan, the County has elected to include financial statement disclosures required for a single-employer plan. The information presented is for all participants and includes non-County participants.

Eligible employees (age 50 with 10 years of County Service) who retire 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 45.

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

A separate financial statement is not issued for the plan. The schedule of funding progress is included in the Required Supplementary Information section of this report.

(b) Funding Policy
The County currently funds postemployment health benefits on a pay-as-you-go basis.

(c) Annual OPEB Cost and Net OPEB Obligation
For 2013-14, the annual OPEB cost consists of the annual required contribution plus interest on the net OPEB obligation less the adjustment to the annual required contribution as presented below (in thousands):

Annual required contribution	$ 1,548
Interest on the net OPEB obligation	208
Adjustment to the annual required contribution	(158)
Annual OPEB cost	1,598
Contributions made	(1,062)
Increase (decrease) in net OPEB obligation	536
Net OPEB obligation - beginning	3,967
Net OPEB obligation - ending	$ 4,503

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the current and the preceding two fiscal years were as follows (in thousands):

Fiscal Year Ending June 30:	Annual OPEB Cost (AOC)	Percent of AOC Contributed	Net OPEB Obligation
2012	$ 1,614	73.5%	$ 3,346
2013	1,755	64.6%	3,967
2014	1,598	66.5%	4,503

(d) Funded Status and Funding Progress
As of June 30, 2014, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits and the UAAL was $16,232,000. The annual covered payroll for all employees covered by the Subsidized Retiree Health Benefits Program is $442,944,000 and the ratio of the UAAL to the covered payroll was 3.7 percent.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The schedule of funding progress, is presented as required supplementary information following the notes to the financial statements. This schedule presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

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

In the County's June 30, 2014, actuarial valuation, the entry age normal actuarial cost method was used. The actuarial assumptions included a 3.25 percent inflation rate, a 5.25 percent investment rate of return, based on the rate of return of the County's Investment Pool over time, since the plan is funded on a pay-as-you-go basis, and healthcare cost trend rates that vary by plan starting at 6.5 to 7.75 percent and declining to 5.0 percent over 5 to 6 years. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at June 30, 2014, was 30 years.

NOTE 16 - TAX AND REVENUE ANTICIPATION NOTES PAYABLE

On July 1, 2013, the County issued $138,525,000 in Tax and Revenue Anticipation Notes (Notes) at a 1.25 percent interest rate, priced to yield 0.18 percent, to meet current year cash flow requirements for operational needs. At June 30, 2014, the outstanding principal was $138,525,000. Principal and interest for fiscal year 2013-14 was paid on July 1, 2014, 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 2013-14 taxes and other revenues, which are legally available for payment thereof.

The summary of the notes transactions for the fiscal year ended June 30, 2014, is as follows (in thousands):

Beginning Balance June 30, 2013	Additions	Reductions	Ending Balance June 30, 2014	Due Within One Year
$ 136,870	$ 138,525	$ (136,870)	$ 138,525	$ 138,525

NOTE 17 - RISK MANAGEMENT

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

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

The Ventura County Health Care Plan (VCHCP), administered by the Health Care Agency, provides a County self-insured medical plan for County employees. In addition, a separate self-insured plan is offered to certain other County employees and to related clinic employees through their employers. A state Healthy Families plan is also available from VCHCP. Excess commercial coverage is also purchased for 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 $1,000,000 per occurrence, as of July 1, 2014, thereafter, covered by excess commercial liability insurance up to $32 million per occurrence.

In October 2004, the County joined the California State Association of Counties (CSAC) Excess Insurance Authority, a joint powers authority, 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 Comprehensive Annual 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 million 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 2014.

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. Beginning with fiscal year 1994-95, the General Insurance liabilities were discounted at 5.5 percent. Due to decline of the economy and interest rates, for the actuarial report as of June 30, 2011, the discount rate for the General Insurance liability has been lowered to 3.0 percent. The revenue received, including interest, and contribution funded liabilities, and net position are sufficient to meet liabilities as they come due.

Workers' compensation occurrences are self-insured effective July 1, 2002, with coverage for all employees. Injuries occurring from July 1, 1995 to June 30, 2002, are fully covered by the prior commercial insurer without a maximum. Injuries occurring prior to July 1, 1995, were originally self-insured and self-administered. Beginning in April 1997, these claims were adjusted and funded through a loss portfolio transfer policy with limits of liability of $22,800,000, and the insurance carrier's right to reimbursement for claims expenses in excess of the policy limit. The limit of liability was exceeded in July 2007. Litigation ensued against the carrier, resulting in a settlement in March 2011, whereby the carrier waived reimbursement of $1.65 million 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, 2014, the expected liability on the pre-1995 claims, at the 80 percent confidence level, discounted at 4.0 percent, was actuarially estimated to be $10,705,000.

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. Due to persistently low investment rates, as of the June 30, 2014 actuarial study, the discount rate for the Workers' Compensation fund has been reduced from 5.5 percent to 4.0 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 Center during fiscal years 2012-13 and 2013-14 are as follows (in thousands):

	Claims Fiscal Year		Medical Malpractice Fiscal Year	
	2013-14	2012-13	2013-14	2012-13
Liabilities, beginning	$ 157,967	$ 154,052	$ 3,758	$ 4,233
Incurred losses and adjustments	59,057	77,976	(1,940)	(475)
Claim payments	(66,456)	(74,061)	-	-
Liabilities, ending	$ 150,568	$ 157,967	$ 1,818	$ 3,758

Medical malpractice liability for public and mental health functions in the General Fund of $378,000, a decrease of $443,000 from the prior year, is reported in the governmental activities portion of the government-wide financial statements.

NOTE 18 - 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 requirements of the Single Audit Act and OMB Circular A-133 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 included in fund balance. As of June 30, 2014, encumbrances of $14,351,000 were reported in the General Fund, $1,428,000 in the Road Fund, $13,472,000 in the Watershed Protection Districts, $5,255,000 in the Fire Protection District, and $3,862,000 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 19 - SUBSEQUENT EVENTS

Tax and Revenue Anticipation Notes

On July 1, 2014, the County issued $138,110,000 of 1.50 percent fixed-rate, priced to yield 0.125 percent, tax and revenue anticipation notes. The notes received SP-1+ and MIG 1 ratings from Standard and Poor's Ratings Services (S & P) and Moody's Investors Services (Moody's), respectively. Proceeds from the notes will be used to meet fiscal year 2014-15 expenditures including capital expenditures and the discharge of other obligations of the County. The maturity date of the notes is July 1, 2015.

Public Financing Authority (PFA)

On September 8, 2014, the PFA issued an additional $1,564,000 of Waterworks District No. 19 Certificates of Participation for additional costs of constructing improvements to the water system.

On October 7, 2014, the Ventura County Board of Supervisors, the Lake Sherwood Community Services District Board of Directors, and the Ventura County Fire Protection District Board of Directors adopted the Third Supplemental Joint Exercise of Powers Agreement adding the Ventura Fire Protection District as a member agency of the Ventura County Public Financing Authority.

NOTE 20 - SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY

On December 29, 2011, the California Supreme Court upheld Assembly Bill 1X 26 (Bill) that provides for the dissolution of all redevelopment agencies in the State of California. This action impacted the reporting entity of the County of Ventura that previously had reported a redevelopment agency within the reporting entity of the County as a blended component unit.

The Bill provides that upon dissolution of a redevelopment agency, either the County or another unit of local government will agree to serve as the "successor agency" to hold the assets until they are distributed to other units of state and local government. Effective February 1, 2012, the County became the Successor Agency for the former redevelopment agency in accordance with the Bill.

After enactment of the law, which occurred on June 28, 2011, redevelopment agencies in the State of California cannot enter into new projects, obligations, or commitments. Subject to the control of a newly established oversight board, remaining assets can only be used to pay enforceable obligations in existence at the date of dissolution (including the completion of any unfinished projects that were subject to legally enforceable contractual commitments).

In future fiscal years, 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.

The Bill directs the State Controller of the State of California to review the propriety of any transfers of assets between redevelopment agencies and other public bodies that occurred after January 1, 2011. If the public body that received such transfers is not contractually committed to a third party for the expenditure or encumbrance of those assets, the State Controller is required to order the available assets to be transferred to the public body designated as the successor agency by the Bill.

In accordance with the timeline set forth in the Bill (as modified by the California Supreme Court on December 29, 2011) all redevelopment agencies in the State of California were dissolved and ceased to operate as a legal entity as of February 1, 2012.

The transfer of the assets and liabilities of the former redevelopment agency as of February 1, 2012, (effectively the same date as January 31, 2012) from governmental funds of the County to fiduciary funds was reported in the governmental funds as an extraordinary loss in the governmental fund financial statements. The receipt of these assets and liabilities as of January 31, 2012, was reported in the private-purpose trust fund as an extraordinary gain.

Pursuant to Health and Safety Code 34179.6(c), the County of Ventura Successor Agency submitted to the California Department of Finance (DOF) the Low and Moderate Income Housing Due Diligence Review (DDR) on October 12, 2012, and the Other Funds and Accounts DDR on January 10, 2013. After completion of the two required DDRs, a Finding of Completion Request was granted on April 26, 2013 by the DOF.

Capital Assets
Capital Asset activity for the period ended June 30, 2014, was as follows (in thousands):

	Balance June 30, 2013	Additions	Deletions	Balance June 30, 2014
Capital assets, depreciable/amortizable:				
Structures and improvements	$ 2,680	$ -	$ 2,680	$ -
Total capital assets, depreciable/amortizable	2,680	-	2,680	-
Less accumulated depreciation/amortization for:				
Structures and improvements	911	75	986	-
Total accumulated depreciation/amortization	911	75	986	-
Total capital assets, depreciable/amortizable, net	1,769	(75)	1,694	-
Capital assets, net	$ 1,769	$ (75)	$ 1,694	$ -

Under the dissolution provisions of the Bill, effective February 1, 2012, all assets, properties, contracts, leases, records, buildings, and equipment of the former Redevelopment Agency were transferred to the control of the Successor Agency with an Oversight Board overseeing the actions of the Successor Agency.

The Oversight Board for the County's Successor Agency at its May 11, 2012, meeting authorized the Successor Agency to transfer the construction in progress for the Skate Park Project from the Successor Agency to the County of Ventura. On August 7, 2012, the County of Ventura Board of Supervisors accepted the transfer of the Skate Park Project from the Successor Agency to the County of Ventura and for it to be managed by General Services Agency Parks Department.

At its May 8, 2014 meeting, the Oversight Board for the County of Ventura's Successor Agency authorized the transfer of two assets, The Piru Town Square Depot and the Piru Storm Drain, to the County of Ventura at no cost to either the County or the Successor Agency. On June 24, 2014, the County of Ventura Board of Supervisors accepted the transfer of the Piru Town Square Depot from the Successor Agency to the General Services Agency - Parks Department and the Piru Storm Drain to the Public Works Agency - Transportation Department.

The Oversight Board for the County's Successor Agency at its June 12, 2014 meeting adopted the resolution approving the sale of the Piru Bank Building.

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

Community Development Block Grant (CDBG) Loan
An interest-free, unsecured loan from the County’s CDBG Supplemental Earthquake funds was obtained in July 1996. The original loan was approved for $150,000, with $50,000 drawn down on September 23, 1996, and $100,000 drawn down on June 17, 1997. The initial repayment date was set for 1999. The County approved an extension for the repayment dates to June 2005 and June 2010. In 2007, the County forgave $30,000 of the outstanding balance of $65,000 and further extended the repayment dates for the remaining balance of $35,000 to June 2011 and June 2016. In fiscal year 2010-11, the Agency made a payment of $17,500, leaving a remaining balance of $17,500.

U.S. Department of Agriculture (USDA) Loan #1

On October 9, 2001, the Successor Agency applied for a USDA Rural Development Community Facilities Direct Low Interest Loan, in the amount of $750,000. The loan was offered to and accepted by the Agency in August 2002. The loan was secured through the purchase of tax allocation bonds issued by the Agency. To repay the tax allocation bonds, the Agency pledged property tax increment revenues consistent with the term and outstanding amount of the tax allocation bonds issued. The loan documents stipulated loan proceeds would not be distributed to the Agency until the Town Square project was completed, and project completion occurred in fiscal year 2002-03. The total loan proceeds received in fiscal year 2002-03 were $676,636; the remaining balance of $73,364 was received in fiscal year 2003-04. The first principal payment was made in fiscal year 2003-04. Tax revenues for the Successor Agency for the current year were $460,967. Bond payments are at a fixed rate not to exceed 4.75 percent for a term not to exceed 15 years.

USDA Loan #2

On May 8, 2007, the Agency applied for a second USDA Rural Development Community Facilities Direct Low Interest Loan, in the amount of $750,000. 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 in the same manner as USDA Loan #1 described above. On July 24, 2008, the tax allocation bonds were delivered to the USDA. The first principal payment was made in fiscal year 2009-10. Bond payments are at a fixed rate not to exceed 4.125 percent for a term not to exceed 30 years.

On February 1, 2012, the CDBG Loan and the USDA Loans #1 and #2 were transferred from the County of Ventura Redevelopment Agency to the Successor Agency.

Summaries of long-term indebtedness outstanding as of June 30, 2014, are as follows (in thousands):

Loan/ Bonds	Outstanding June 30, 2013	Additions	Maturities	Outstanding June 30, 2014	Amount Due Within One Year
CDBG	$ 18	$ -	$ -	$ 18	$ -
USDA Loan #1	308	-	56	252	59
USDA Loan #2	694	-	15	679	16
Totals	$ 1,020	$ -	$ 71	$ 949	$ 75

Negative Net Position (Net Deficit)

As a result of the transfer of two assets to the County of Ventura, the RDA County Successor Agency had a negative net position (or net deficit) as of June 30, 2014. The deficit will be reduced over the years as the related debt is paid off with funds received from the Redevelopment Property Tax Trust Fund, which is administered by the County Auditor-Controller.