NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A) Reporting Entity

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

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

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

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

Blended Component Units

Using the criteria established by Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity,* as amended by GASB Statement No. 39*, Determining Whether Certain Organizations are Component Units* and GASB 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 District, County Service Areas, Fire Protection District, and the In-Home Supportive Services Public Authority;
- Enterprise Fund – Waterworks Districts and Camarillo Utility Enterprise;
- Debt Service Funds – Ventura County Public Financing Authority (PFA) and County Service Area #34;
- Capital Project Funds – the PFA;
- 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.

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. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance,* effective immediately, is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. This is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, by one (1) or one-and-a-half (1.5) years from the original published effective dates. This Statement will provide governments enough time to apply the authoritative guidance addressed in these Statements and will help safeguard the reliability of the financial statements. The County implemented the new requirement for fiscal year 2019-20 financial statements.

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

GASB Statement No. 84, *Fiduciary Activities,* effective for reporting periods beginning after December 15, 2019*, enhances consistency and comparability of financial statements by establishing specific criteria for identifying activities that should be reported as fiduciary. It also clarifies whether and how business-type activities should report their fiduciary activities. The County intends to implement the new requirements for the fiscal year 2020-21 financial statements.

GASB Statement No. 87, *Leases,* effective for reporting periods beginning after June 15, 2021*, improves accounting and financial reporting for leases and requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about the governments' leasing activities. The County intends to early implement the new requirements for the fiscal year 2020-21 financial statements.

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

* Date as modified by GASB Statement No. 95.

GASB Statement No. 90, *Majority Equity Interests-an Amendment of GASB Statements No. 14 and No. 61,* effective for reporting periods beginning after December 15, 2019*, improves financial reporting by providing users of financial statements with essential information related to presentation of majority equity interest in legally separate organizations that previously was reported inconsistently. In addition, requires reporting of information about component units if the government acquires a 100 percent equity interest and provides information about the cost of services to be provided by the component unit in relation to the consideration provided to acquire the component unit. The County intends to implement the new requirements for the fiscal year 2020-21 financial statements.

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

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

GASB Statement No. 93 *Replacement of Interbank Offered Rates,* effective for reporting periods beginning after June 15, 2021*, except for the removal of LIBOR as an appropriate benchmark interest rate which is effective for reporting periods ending December 31, 2022. The objective of this Statement is to address accounting and financial reporting implications that result from the replacement of an interbank offered rate (IBOR). The requirements of this Statement will enhance the comparability in the application of accounting and financial reporting requirements and will improve the consistency of authoritative literature. The County intends to implement the new requirements for the fiscal year 2021-22 financial statements.

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

* Date as modified by GASB Statement No. 95.

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

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

C) Government-wide and Fund Financial Statements

Government-wide Financial Statements

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

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

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

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

Fund Financial Statements
The governmental fund financial statements are prepared under the modified accrual basis of accounting and the current financial resources measurement focus. The proprietary and fiduciary fund financial statements are prepared using the accrual basis of accounting and the economic resources measurement focus, 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 District* 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, Santa Paula, Simi Valley, and Thousand Oaks. Support is principally from property taxes and aid from other governmental units. These funds are restricted for the purpose of the fund.

The County reports the following major enterprise funds:

- The *Medical 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 nineteen community-based clinics and nine specialty clinics located throughout the County. It also provides support services to related public and mental health programs administered by the Health Care Agency. The fund provides indigent care which is subsidized, in part, by transfers from the General Fund for such services.

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

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

The County reports the following additional funds and fund types:

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

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

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

F) Inventories and Other Assets

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

G) Capital Assets

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

The capitalization level and estimated useful lives are as follows:

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

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

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

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

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

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

H) Deferred Outflow of Resources

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

I) Pensions and Other Postemployment Benefits (OPEB)

Net Pension and Related Balances – VCERA and SRP

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

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

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

Net OPEB and Related Balances – VCDSA and VCPFA

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

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

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

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

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

L) Deferred Inflow of Resources
A deferred inflow of resources represents an acquisition of net position by the government that is applicable to a future reporting period.

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

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

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

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NOTE 2 - 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, Supranationals rated AAA by S&P, bankers' acceptances, repurchase agreements, corporate notes, negotiable certificates of deposit and Yankee certificates of deposit, obligations of the State of California, and obligations of any local agency within California.

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

Total cash and investments, including restricted, at fair value as reported at June 30, 2020, are as follows (in thousands):

Governmental activities	$ 1,319,236
Business-type activities	153,844
Primary government	1,473,080
Component unit	13,184
Total government-wide	1,486,264
Fiduciary funds:	
Pension trust fund	28,591
Investment trust fund	1,439,644
Private-purpose trust fund	435
Agency fund	10,585
Total cash and investments	$ 2,965,519

Cash and investments at fair value for County funds, including those funds managed separately from the Treasury, at June 30, 2020, are summarized as follows (in thousands):

	Treasury	Fiscal Agents	SRP Pension Trust	Total
Cash:				
Cash on hand	$ 5	$ 24	$ -	$ 29
Deposits (net outstanding checks)	92,753	24,271	525	117,549
Total cash (net outstanding checks)	92,758	24,295	525	117,578
Investments:				
In Treasurer's pool	2,819,875	-	-	2,819,875
In pension portfolios	-	-	28,066	28,066
Total investments	2,819,875	-	28,066	2,847,941
Total cash and investments	$ 2,912,633	$ 24,295	$ 28,591	$ 2,965,519

Cash

The cash portion of cash and investments includes demand deposits.

At June 30, 2020, the carrying amount of the County's cash was $117,578,000, and the bank balance per various institutions was $170,029,000. Treasury cash of $92,758,000 is net of outstanding checks of $52,451,000. Treasurer's pool investments are managed daily to maximize earnings and provide cash as needed. Of the bank balance in financial institutions, $536,000 is covered by federal depository insurance and $169,493,000 was uninsured. The uninsured deposits were held by financial institutions, which are legally required by the California Government Code (GC) to collateralize the County's deposits by pledging government securities or first trust deed mortgage notes. In accordance with GC 53652, the market value of the pledged securities and first trust deed mortgage notes must be at least 110 percent and 150 percent of the County's deposits, respectively, as provided for in the County's Contract for Deposit of Monies.

Restricted cash and investments in the amount of $20,139,000 are held in the proprietary funds and include $18,639,000 that is restricted by trust agreements for funding capital projects and debt service. Of this, $18,424,000 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, 2020, amounted to an increase of $11,394,000. The net change in fair value from June 30, 2019 to June 30, 2020, was a decrease of $4,531,000.

The Investment Pool maintains investments in two investment pools regulated by the California Government Code: (1) the State of California Local Agency Investment Fund (LAIF) and (2) CalTRUST. LAIF is regulated by Code Section 16429 under the oversight of the Treasurer of the State of California. CalTRUST is a joint powers authority governed by a Board of Trustees of investment officers and policy-makers of the public agency members. At June 30, 2020, the County's investments in LAIF and CalTRUST were $55,000,000 and $25,000,000, respectively. Each investment approximates fair value and is the same as the value of the pool shares, which is determined on a full cost basis.

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

As of June 30, 2020, 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)	Credit Rating (Fitch)	Percent of Portfolio
Investments in Investment Pool									
U.S. Government Agencies:									
FFCB Bonds	0.480-1.850	11/13/20-6/15/23	$ 230,792	$ 231,920	2.037	AA+	Aaa	AAA	8.224%
FHLMC Bonds	0.300-1.700	1/21/22-6/16/23	86,201	86,249	2.208	AA+	Aaa	AAA	3.059%
FHLB Bonds	1.625-2.920	9/16/20-11/4/22	60,474	60,957	1.108	AA+	Aaa	NR	2.162%
FNMA Bonds	0.500-1.800	7/30/20-5/25/23	42,707	42,816	2.391	AA+	Aaa	AAA	1.518%
Yankee Certificates of Deposits:									
Yankee Certificates of Deposits	0.240-2.550	7/1/20-6/16/21	435,049	435,858	0.202	A-1+	P-1	F1+	15.457%
Yankee Certificates of Deposits	0.350-2.080	7/2/20-10/23/20	170,011	170,093	0.130	A-1	P-1	F1+	6.032%
Yankee Certificates of Deposits	0.810-2.070	7/8/20-10/28/20	30,005	30,044	0.163	A-1	P-1	F1	1.065%
Yankee Certificates of Deposits	0.330-1.260	8/13/20-8/31/20	30,002	30,022	0.137	A-1	P-1	NR	1.065%
Medium-Term Corporate Notes:									
Corporate Notes	1.875-4.375	8/5/20-4/8/22	67,010	67,506	1.077	A+	A1	A	2.394%
Corporate Notes	1.550-2.850	11/13/20-8/4/21	58,661	59,131	0.823	AA+	Aa1	NR	2.097%
Corporate Notes	2.100-2.498	11/17/20-3/3/22	52,540	52,640	0.964	AA	Aa2	NR	1.867%
Corporate Notes	1.550-3.000	10/1/20-2/12/22	49,094	49,378	1.063	AAA	Aaa	AA+	1.751%
Corporate Notes	1.800-3.300	4/8/21-1/12/22	33,413	33,679	1.321	A+	A1	A+	1.194%
Corporate Notes	2.500-3.125	1/19/21-4/26/21	33,018	33,118	0.633	A+	Aa3	AA-	1.174%
Corporate Notes	2.050-2.500	11/27/20-5/3/21	30,795	31,179	0.686	A	A1	AA-	1.106%
Corporate Notes	2.200	2/28/21	22,106	22,209	0.666	AA-	A1	NR	0.788%
Corporate Notes	1.900	12/15/20	20,257	20,343	0.460	AA	Aa2	AA	0.721%
Corporate Notes	2.125-2.700	8/19/20-6/1/21	16,090	16,194	0.551	AA-	Aa3	A+	0.574%
Corporate Notes	1.608-3.625	1/15/21-10/22/21	12,840	12,873	0.983	A+	Aa2	AA-	0.457%
Corporate Notes	1.900-2.200	10/23/20-12/14/20	10,838	10,818	0.443	AA-	Aa3	NR	0.384%
Corporate Notes	1.800-2.050	10/23/20-1/21/22	8,129	8,215	1.085	AA-	A1	AA-	0.291%
Corporate Notes	2.222	3/1/21	7,195	7,237	0.668	AA	Aa1	NR	0.257%
Corporate Notes	2.350-4.125	1/29/21-5/24/21	6,110	6,094	0.876	A+	A1	AA-	0.216%
Corporate Notes	1.950	6/3/21	5,584	5,586	0.926	AA-	A1	A	0.198%
Corporate Notes	2.000	8/7/20	3,499	3,506	0.104	A+	A1	NR	0.124%
Corporate Notes	1.650-3.550	11/10/20-12/5/21	2,890	2,890	0.676	AAA	Aaa	NR	0.102%
Corporate Notes	2.300	11/1/20	2,737	2,738	0.340	A	A2	A	0.097%
Corporate Notes	3.875	1/15/21	2,615	2,603	0.545	AA-	A1	A+	0.092%
Corporate Notes	2.800	7/8/21	2,486	2,518	1.022	A	A3	A-	0.089%
Corporate Notes	3.150	1/8/21	2,002	2,002	0.526	A-	A3	NR	0.071%
Corporate Notes	2.150	9/17/20	1,853	1,856	0.216	A-	A2	A-	0.066%
Corporate Notes	2.450	11/5/20	998	1,005	0.351	A	A2	A+	0.036%
Commercial paper:									
Commercial paper	0.370-2.020	7/8/20-3/19/21	342,234	344,667	0.326	A-1+	P-1	F1	12.223%
Commercial paper	0.240-2.100	7/24/20-2/26/21	152,608	153,116	0.228	A-1+	P-1	NR	5.430%
Commercial paper	0.370-1.680	7/16/20-3/12/21	120,510	120,898	0.276	A-1+	P-1	F1+	4.287%
Commercial paper	0.330-1.480	7/29/20-2/22/21	79,661	79,955	0.220	A-1	P-1	F1	2.835%
Municipal Bonds:									
Municipal Bonds	0.860-4.000	8/27/20-3/15/23	41,299	41,314	1.420	AAA	Aaa	N/A	1.465%
Municipal Bonds	1.066-3.000	8/1/20-1/15/22	17,095	17,089	0.934	AA	Aa1	N/A	0.606%
Municipal Bonds	1.473-3.900	8/1/20-8/1/22	13,680	13,697	0.854	AA-	Aa2	N/A	0.486%
Municipal Bonds	1.184-5.000	8/1/20-8/1/22	13,214	13,314	1.145	AA-	Aa3	N/A	0.472%
Municipal Bonds	1.634-2402	8/1/20-8/1/22	6,438	6,477	0.920	AA+	Aa1	N/A	0.230%
Municipal Bonds	0.850-4.000	8/1/20-7/1/22	4,542	4,557	0.842	AA	N/A	N/A	0.162%
Municipal Bonds	0.962-3.450	8/1/20-9/1/21	2,510	2,515	0.596	AA+	Aaa	N/A	0.089%
Municipal Bonds	1.786-4.000	8/1/20-8/1/21	2,433	2,433	0.559	AA-	N/A	N/A	0.086%
Municipal Bonds	0.800-3.300	8/1/20-12/1/21	1,822	1,851	1.017	AA	A1	N/A	0.066%
Municipal Bonds	1.100-1950	6/1/21-4/1/23	1,755	1,768	1.268	AA+	N/A	N/A	0.063%
Municipal Bonds	0.820-2.004	8/1/20-8/1/22	1,475	1,490	1.368	AA	Aa3	N/A	0.053%
Municipal Bonds	1.803-1.853	8/1/20-8/1/21	1,500	1,506	0.421	AA-	Aa1	N/A	0.053%
Municipal Bonds	1.492-2.553	8/1/20-8/1/22	1,383	1,397	1.163	AA	Aa2	N/A	0.050%
Municipal Bonds	2.813	1/1/21	1,000	1,006	0.507	A	A1	N/A	0.036%
Municipal Bonds	3.000	8/1/20-8/1/21	841	846	0.690	A+	Aa2	N/A	0.030%
Municipal Bonds	0.490-1.300	9/1/20-9/1/22	560	562	1.786	AAA	N/A	N/A	0.020%
Municipal Bonds	5.000	3/1/21	207	206	0.668	A+	Aa3	N/A	0.007%
LAIF	2.021		55,000	55,000	0.520	NR	NR	N/A	1.950%
CalTRUST	1.422		25,000	25,215	0.840	AA	NR	N/A	0.894%
Supranationals:									
Supranationals	1.126-2.750	8/10/20-12/17/22	257,007	258,690	0.816	AAA	Aaa	AAA	9.174%
Supranationals	0.500-2.635	7/16/20-7/20/21	106,754	107,032	0.364	AAA	Aaa	NR	3.796%
Supranationals	0.150-1.100	7/28/20-8/24/20	19,952	19,997	0.114	A-1+	P-1	F1+	0.709%
Total investments in Investment Pool			2,808,481	2,819,875					100.000%
Investments outside Investment Pool									
SRP Pension Trust:									
Bond mutual funds			9,335	10,952	8.530	NR	NR	NR	
Equity mutual funds			10,719	17,114	-	NR	NR	NR	
Total investments outside Investment Pool			20,054	28,066					
Total fair value				$2,847,941					

The following represents a condensed statement of net position and changes in net position for the pool (internal and external) as of June 30, 2020 (in thousands):

Statement of Net Position	Total
Net position held for pool participants	$ 2,912,633
Equity of internal pool participants	$ 1,455,623
Equity of external pool participants	1,443,826
Equity of discretely presented component unit	13,184
Total equity	$ 2,912,633
Statement of Changes in Net Position	
Net position at July 1, 2019	$ 2,842,276
Increase in investment by pool participants, net	70,357
Net position at June 30, 2020	$ 2,912,633

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 43 percent. Legal provisions require certain special districts to maintain surplus cash in the Investment Pool including public school districts, cemetery districts, recreation and park districts, and the Air Pollution Control District.

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

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, 2020, 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 A2 by Moody's Investors Service; the IPS limits the short term ratings to A-1 or higher by Standard 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, 2020:

Investment	Percentage of Investment Pool
Toyota Motor Credit Corporation	9.16 %
Federal Farm Credit Bank	8.23 %
Korea Development Bank	7.84 %
International Bank for Reconstruction & Development	6.44 %
National Bank of Kuwait	6.03 %
Exxon Mobil Corporation	5.69 %
Combined Individual Issuers less than 5% of Portfolio:	
Medium-Term Corporate Notes	14.70 %
Yankee Certificate of Deposits	13.68 %
Commercial Paper	7.44 %
Supranationals	7.24 %
U.S. Government Agencies	6.74 %
Municipal Bonds	3.97 %
LAIF	1.95 %
CalTRUST	0.89 %
Total	100.00 %

SRP. Investments in mutual funds are excluded from the requirement to disclose concentration of credit risk. As of June 30, 2020, 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, 2020, the weighted average maturity of the Investment Pool was 249 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 $10,952,000, or 39 percent, of its investments in bond mutual funds.

Fair Value Measurements

The County categorizes its fair value measurements within the fair value hierarchy established by GASB 72, *Fair Value Measurement and Application*.

The County's investments by fair value level as of June 30, 2020 include the following (in thousands):

		Fair Value Measurement Using		
Investments in Investment Pool	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments subject to fair value hierarchy:				
U.S. Government agency bonds	$ 421,942	$ -	$ 421,942	$ -
Yankee certificate of deposit	666,017	-	666,017	-
Medium term corporate notes	455,318	-	455,318	-
Commercial Paper	698,636	-	698,636	-
Municipal Bonds	112,028	-	112,028	-
Supranational instruments	385,719	-	385,719	-
Total investments subject to fair value hierarchy	2,739,660	-	2,739,660	-
Investments not subject to fair value hierarchy:				
CalTRUST	25,215			
LAIF	55,000			
Total investments not subject to fair value hierarchy	80,215			
Total investments in investment pool	2,819,875			
Investments outside Investment Pool				
SRP Pension Trust:				
Bond mutual funds	10,952	1,141	9,811	-
Equity mutual funds	17,114	792	16,322	-
Total investments outside investment pool	28,066	1,933	26,133	-
Total investments	$ 2,847,941			

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

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

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

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

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

NOTE 3 - 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 2,493 tax rate areas, which are unique combinations of various jurisdictions serving a specific geographic area. In fiscal year 2019-20, the rates levied within each tax rate area varied from a low of 1.000000 to a high of 1.571904 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 4 - RECEIVABLES

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

Governmental Funds	General Fund	Roads	Watershed Protection District	Fire Protection District	Non-major Governmental Funds	Internal Service Funds	Total Governmental Activities
Receivables:							
Taxes	$ 13	$ -	$ -	$ -	$ -	$ -	$ 13
Accounts	109,889	3,631	3,887	8,519	15,551	4,008	145,485
Interest	3,060	160	309	431	365	1,066	5,391
Gross Receivables	112,962	3,791	4,196	8,950	15,916	5,074	150,889
Loans and other long-term receivables	27,715	-	349	-	35,543	97	63,704
Total receivables	$ 140,677	$ 3,791	$ 4,545	$ 8,950	$ 51,459	$ 5,171	$ 214,593

Proprietary Funds	Medical Center	Department of Airports	Waterworks Districts	Non-major Enterprise Funds	Total Enterprise Funds and Business-type Activities
Receivables:					
Accounts	$ 524,586	$ 926	$ 5,244	$ 4,259	$ 535,015
Interest	58	70	111	108	347
Other	50	-	-	270	320
Gross Receivables	524,694	996	5,355	4,637	535,682
Less: Allow./Uncollectible Acct	(283,708)	(20)	(44)	-	(283,772)
Total Receivables - fund statements	240,986	976	5,311	4,637	251,910
Loans and other long-term receivables	-	-	-	2,159	2,159
Total receivables	$ 240,986	$ 976	$ 5,311	$ 6,796	$ 254,069

The balance of loans and other long-term receivables at year-end for governmental activities includes Short-Doyle Medi-Cal (SDMC) administration and Cost Settlement recoupment of $18,700,000, SB90 revenue of $5,893,000 and $2,551,000, in the Neighborhood Stabilization Program in the General Fund. Non-major governmental funds had long-term receivables related to SDMC administration and Cost Settlement recoupment of $12,570,000, in the Mental Health Service Act Fund, Housing and Urban Development (HUD) and Home Buyers Assistance Program (HOME) loan receivables in the HUD Grants Fund of approximately $14,834,000, and special assessment receivables of $7,599,000, in County Service Area #34 Fund. Proprietary Funds activities include long-term receivables of $2,159,000 for the Parks Department Fund Service Concession Arrangement.

NOTE 5 - INTERFUND TRANSACTIONS

Interfund Receivables/ Payables (Short-Term):

The composition of interfund balances as of June 30, 2020, is as follows (in thousands):

Receivable Fund	Payable Fund	Amount	
General Fund			
	Roads Fund	$ 12	
	Watershed Protection District	460	
	Fire Protection District	497	
	Non-major Governmental Funds	1,783	
	Medical Center	5,085	
	Department of Airports	15	
	Waterworks Districts	34	
	Non-major Enterprise Funds	23	
	Internal Service Funds	1,658	
			$ 9,567
Roads Fund			
	General Fund	101	
			101
Watershed Protection District			
	General Fund	525	
			525
Fire Protection District			
	General Fund	2,183	
	Non-major Enterprise Funds	54	
	Internal Service Funds	77	
			2,314
Non-major Governmental Funds			
	General Fund	2,429	
	Non-major Governmental Funds	157	
	Medical Center	580	
			3,166
Medical Center			
	General Fund	566	
	Fire Protection District	15	
	Non-major Governmental Fund	1	
	Non-major Enterprise Funds	1	
	Internal Service Funds	27	
			610
Department of Airports			
	General Fund	84	
	Internal Service Funds	21	
			105
Waterworks Districts			
	General Fund	71	
			71

Receivable Fund	Payable Fund	Amount	
Non-major Enterprise Funds			
	General Fund	$ 150	
	Watershed Protection District	4	
	Medical Center	1	
			$ 155
Internal Service Funds			
	General Fund	6,435	
	Roads Fund	247	
	Watershed Protection District	124	
	Fire Protection District	354	
	Non-major Governmental Funds	503	
	Medical Center	1,095	
	Department of Airports	134	
	Waterworks Districts	353	
	Non-major Enterprise Funds	243	
	Internal Service Funds	754	
			10,242
Total Due To/Due From			$ 26,856

The balance of $1,783,000 due to the General Fund from Non-major Governmental Funds includes the reimbursement of capital projects expenditures from Public Financing Authority.

The balance of $5,085,000 due to the General Fund from the Medical Center is primarily the return of Coronavirus Relief Funds for reimbursement of COVID-19 expense. The expenses were subsequently determined to be reimbursed by Provider Relief Funds.

The balance of $1,658,000 due to the General Fund from the Internal Service Funds is primarily the short term portion of a cash flow loan to the Transportation Fund.

The balance of $2,183,000 due to the Fire Protection District from the General Fund is primarily the transfer of property tax and Proposition 172 revenue.

The balance of $2,429,000 due to Non-major Governmental Funds from the General Fund is primarily the transfer of 1991 Realignment to IHSS and the reimbursement of COVID-19 expenditures.

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	$ 4,135
	Medical Center	124,000
	Waterworks Districts	1,737
	Internal Service Funds	1,408
Total Advances		$ 131,280

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

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

- Todd Road Jail Expansion (TRJ) in the amount of $4,100,000 to provide timely payments to contractors while grant claims are processed by the State. This advance was authorized for up to $17,000,000.
- Workforce Development Fund (WDD) in the amount of $35,000. WDD receives funding after the expenditures have been incurred. This advance was authorized for up to $35,000.
- Ventura County Medical Center (VCMC) in the amount of $124,000,000. 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, 2021.

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

In May 2017, the Board approved a revolving line of credit for the Transportation Fund not to exceed $3,800,000 for the purpose of replacing Sheriff Office and Probation Department vehicles. The loan was established with interest at the Investment Pool rate and will be repaid over the useful lives of the vehicles, which is typically three to eight years. The first draw down occurred in May 2017, and at June 30, 2020 the balance stands at $1,408,000.

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

Transfers

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

Transfer From	Transfer To	Amount	Purpose
General Fund	Roads Fund	$ 2,650	Subsidy for infrastructure project
	Roads Fund	1,812	Subsidy for capital projects
	Watershed Protection District	800	Subsidy for software project
	Fire Protection District	5,412	Subsidy for unreimbursed Thomas and Woolsey fire costs
	Non-major Governmental Funds	8,226	Transfer funds for scheduled debt service
	Non-major Governmental Funds	2,049	Subsidy for capital projects
	Non-major Governmental Funds	7,647	Subsidy for operating expenses
	Non-major Governmental Funds	2,667	Health and welfare realignment
	Non-major Governmental Funds	14	Subsidy for unreimbursed Thomas and Woolsey fire costs
	Medical Center	26,698	Subsidy for operating expenses
	Medical Center	4,241	Subsidy for unreimbursed Thomas and Woolsey fire costs
	Medical Center	3,409	Tobacco settlement revenues
	Medical Center	1,250	Subsidy for capital asset purchase
	Medical Center	13	Reimbursement for capital assets
	Waterworks Districts	90	Subsidy for unreimbursed Thomas and Woolsey fire costs
	Non-major Enterprise Funds	1,198	Subsidy for operating expenses
	Non-major Enterprise Funds	166	Subsidy for lost revenue from Thomas and Woolsey fire
	Internal Service Funds	2,770	Subsidy for capital asset purchase
	Internal Service Funds	813	Subsidy for capital projects
	Internal Service Funds	430	Subsidy for operating expenses
	Internal Service Funds	145	Subsidy for unreimbursed Thomas and Woolsey fire costs and equipment
		72,500	
Roads Fund	Internal Service Funds	872	Subsidy for capital asset purchase
		872	
Watershed Protection District	Internal Service Funds	299	Subsidy for capital asset purchase
		299	
Non-major Governmental Funds	General Fund	2,166	Transfer of HUD and Home grant funding
	General Fund	51	Transfer of investment earnings
	General Fund	6	Subsidy for operating expenses
	Non-major Governmental Funds	133	Transfer funds for scheduled debt service
	Non-major Governmental Funds	43	Transfer of endowment interest
	Internal Service Funds	253	Subsidy for capital asset purchase
		2,652	
Waterworks Districts	Internal Service Funds	19	Subsidy for capital asset purchase
		19	
Non-major Enterprise Funds	General Fund	43	Subsidy for operating expenses
	Fire Protection Districts	54	Subsidy for capital asset purchase
	Internal Service Funds	39	Subsidy for capital asset purchase
		136	
Internal Service Funds	General Fund	100	Subsidy for operating expenses
	Internal Service Funds	8	Subsidy for operating expenses
		108	
Total		$ 76,586	

NOTE 6 - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2020, was as follows (in thousands):

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020
Governmental Activities:				
Capital assets, nondepreciable:				
Land	$ 52,157	$ -	$ -	$ 52,157
Easements	200,264	50	-	200,314
Construction in progress	73,706	46,036	24,729	95,013
Total capital assets, nondepreciable	326,127	46,086	24,729	347,484
Capital assets, depreciable/amortizable:				
Land improvements	51,675	2,047	-	53,722
Structures and improvements	564,181	18,089	18	582,252
Equipment	110,900	14,190	1,809	123,281
Vehicles	111,149	9,972	2,936	118,185
Software	97,092	6,126	267	102,951
Infrastructure	581,576	3,536	-	585,112
Total capital assets, depreciable/amortizable	1,516,573	53,960	5,030	1,565,503
Less accumulated depreciation/amortization for:				
Land improvements	11,118	1,617	-	12,735
Structures and improvements	246,918	16,144	15	263,047
Equipment	75,533	7,889	1,648	81,774
Vehicles	62,138	7,880	2,431	67,587
Software	63,923	8,163	248	71,838
Infrastructure	141,925	5,922	-	147,847
Total accumulated depreciation/amortization	601,555	47,615	4,342	644,828
Total capital assets, depreciable/amortizable, net	915,018	6,345	688	920,675
Governmental activities capital assets, net	$ 1,241,145	$ 52,431	$ 25,417	$ 1,268,159
Business-type Activities (Enterprise):				
Medical Center:				
Capital assets, nondepreciable:				
Land	$ 2,054	$ -	$ -	$ 2,054
Construction in progress	7,209	2,369	-	9,578
Total capital assets, nondepreciable	9,263	2,369	-	11,632
Capital assets, depreciable/amortizable:				
Land improvements	23	-	-	23
Structures and improvements	470,586	831	-	471,417
Equipment	77,122	1,632	-	78,754
Software	45,385	190	-	45,575
Total capital assets, depreciable/amortizable	593,116	2,653	-	595,769
Less accumulated depreciation/amortization for:				
Land improvements	23	-	-	23
Structures and improvements	77,161	12,372	-	89,533
Equipment	47,205	6,233	-	53,438
Software	44,197	494	-	44,691
Total accumulated depreciation/amortization	168,586	19,099	-	187,685
Total capital assets, depreciable/amortizable, net	424,530	(16,446)	-	408,084
Medical Center capital assets, net	$ 433,793	$ (14,077)	$ -	$ 419,716

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020
Department of Airports:				
Capital assets, nondepreciable:				
Land	$ 9,362	$ -	$ -	$ 9,362
Easements	849	-	-	849
Construction in progress	2,839	5,407	529	7,717
Total capital assets, nondepreciable	13,050	5,407	529	17,928
Capital assets, depreciable/amortizable:				
Land improvements	50,655	266	-	50,921
Structures and improvements	18,143	256	-	18,399
Equipment	1,163	45	-	1,208
Vehicles	990	-	-	990
Total capital assets, depreciable/amortizable	70,951	567	-	71,518
Less accumulated depreciation/amortization for:				
Land improvements	28,488	1,935	-	30,423
Structures and improvements	14,634	354	-	14,988
Equipment	852	50	-	902
Vehicles	750	64	-	814
Total accumulated depreciation/amortization	44,724	2,403	-	47,127
Total capital assets, depreciable/amortizable, net	26,227	(1,836)	-	24,391
Department of Airports capital assets, net	$ 39,277	$ 3,571	$ 529	$ 42,319
Waterworks Districts:				
Capital assets, nondepreciable:				
Land	$ 2,490	$ -	$ -	$ 2,490
Easements	326	-	-	326
Construction in progress	5,589	1,793	395	6,987
Total capital assets, nondepreciable	8,405	1,793	395	9,803
Capital assets, depreciable/amortizable:				
Land improvements	2,074	-	-	2,074
Structures and improvements	147,864	1,279	-	149,143
Equipment	2,953	27	-	2,980
Vehicles	93	-	-	93
Software	87	-	-	87
Total capital assets, depreciable/amortizable	153,071	1,306	-	154,377
Less accumulated depreciation/amortization for:				
Land improvements	500	42	-	542
Structures and improvements	45,171	2,787	-	47,958
Equipment	1,976	106	-	2,082
Vehicles	88	2	-	90
Software	22	9	-	31
Total accumulated depreciation/amortization	47,757	2,946	-	50,703
Total capital assets, depreciable/amortizable, net	105,314	(1,640)	-	103,674
Waterworks Districts capital assets, net	$ 113,719	$ 153	$ 395	$ 113,477

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020
Non-major Enterprise Funds:				
Capital assets, nondepreciable:				
Land	$ 9,052	$ -	$ -	$ 9,052
Easements	122	-	-	122
Construction in progress	1,670	809	385	2,094
Total capital assets, nondepreciable	10,844	809	385	11,268
Capital assets, depreciable/amortizable:				
Land improvements	31,348	-	-	31,348
Structures and improvements	37,628	374	-	38,002
Equipment	2,418	23	69	2,372
Software	6,748	-	-	6,748
Total capital assets, depreciable/amortizable	78,142	397	69	78,470
Less accumulated depreciation/amortization for:				
Land improvements	20,642	999	-	21,641
Structures and improvements	19,925	835	-	20,760
Equipment	1,906	125	58	1,973
Software	5,747	360	-	6,107
Total accumulated depreciation/amortization	48,220	2,319	58	50,481
Total capital assets, depreciable/amortizable, net	29,922	(1,922)	11	27,989
Non-major Enterprise Funds capital assets, net	$ 40,766	$ (1,113)	$ 396	$ 39,257
Business-type activities capital assets, net	$ 627,555	$ (11,466)	$ 1,320	$ 614,769

Depreciation/amortization

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

General government general administration		$ 9,477
Public protection:		
Judicial	$ 717	
Police protection	2,105	
Detention and correction	4,658	
Fire protection	6,735	
Flood control and soil and water conservation	4,014	
Protective inspection	36	
Other	1,706	
Total public protection		19,971
Public ways and facilities		2,245
Health and sanitation services		794
Public assistance		1,198
Education		279
Recreation and cultural services		5
Capital assets held by the internal service funds		13,646
Total depreciation/amortization expense - governmental activities		$ 47,615

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

Medical Center	$	19,099
Department of Airports		2,403
Waterworks Districts		2,946
Parks Department		1,060
Channel Islands Harbor		852
Health Care Plan		371
Oak View District		36
Total depreciation/amortization expense - business-type activities	$	26,767

Construction in Progress and Capital Projects Commitments

Construction in progress for governmental activities represents work being performed on General Fund projects, Fire Protection District projects, infrastructure, Watershed Protection District projects, El Rio Sewer project, Information Technology Services Department, 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 Airport projects.

Construction in progress and capital projects commitments as of June 30, 2020, are as follows (in thousands):

	Construction in Progress	Additional Committed Funds
Governmental activities	$ 95,013	$ 56,371
Business-type activities:		
Medical Center	$ 9,578	$ 745
Department of Airports	7,717	213
Waterworks Districts	6,987	1,237
Parks Department	292	-
Channel Islands Harbor	1,298	-
Ventura County Health Care Plan	504	-
Total business-type activities	$ 26,376	$ 2,195

Long-term commitments for infrastructure construction contracts totaled $1,040,429 (principally for road and flood control projects) at June 30, 2020.

NOTE 7 - ACCRUED LIABILITIES

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

Governmental Funds	General Fund	Roads	Watershed Protection District	Fire Protection District	Non-major Governmental Funds	Internal Service Funds	Total Governmental Activities
Accrued liabilities:							
Accrued salaries, benefits, and other payroll liabilities	$ 31,631	$ -	$ -	$ 6,434	$ 2,500	$ 4,948	$ 45,513
Audit disallowances:							
Mental Health Short Doyle	28,959	-	-	-	-	-	28,959
Other audit disallowances	711	-	-	-	-	-	711
Accrued interest on tax and revenue anticipation notes	7,711	-	-	-	-	-	7,711
Money managed for others by Public Administrator/Public Guardian	6,500	-	-	-	-	-	6,500
Property tax clearing	2,975	-	-	-	-	-	2,975
Public assistance benefits payable	7,505	-	-	-	-	-	7,505
Civil judgments and holdings	569	-	-	-	-	-	569
Seized money pending release	2,819	-	-	-	-	-	2,819
Pay for Success Grant Program	1,490	-	-	-	-	-	1,490
Thomas Fire Debris Removal Program	10,117	-	-	-	-	-	10,117
Building Homes and Jobs Act	3,163	-	-	-	-	-	3,163
Clearing and other liabilities	5,294	1,654	1,861	-	348	2,100	11,257
Total accrued liabilities	$ 109,444	$ 1,654	$ 1,861	$ 6,434	$ 2,848	$ 7,048	$ 129,289

Proprietary Funds	Medical Center	Department of Airports	Non-major Enterprise Funds	Total Business-type Activities
Accrued liabilities:				
Accrued salaries and benefits	$ 8,379	$ 154	$ 571	$ 9,104
Medicare, Medi-Cal, and SB1100 reserves	86,975	-	-	86,975
Clinic liabilities	2,880	-	-	2,880
Clearing and other liabilities	4,097	-	-	4,097
Total accrued liabilities	$ 102,331	$ 154	$ 571	$ 103,056

NOTE 8 - LEASES

Operating Leases as Lessee

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

Year ending June 30:	Governmental Activities	Business-type Activities
2021	$ 9,665	$ 4,409
2022	7,474	4,397
2023	6,019	4,263
2024	5,566	3,241
2025	4,862	1,859
2026-2030	7,746	1,713
2031-2035	680	-
2036-2040	384	-
Total minimum payments required	$ 42,396	$ 19,882

Rental expense for County-wide operating leases was $37,664,000 for the year ended June 30, 2020.

Operating Leases as Lessor

The Channel Islands Harbor, Parks Department, and Department of Airports Enterprise funds lease properties to others under operating leases with terms of up to 85 years. The following is a summary of future minimum rental revenues on noncancelable leases at June 30, 2020 (in thousands):

Year ending June 30:	Amounts
2021	$ 7,971
2022	7,754
2023	7,381
2024	6,684
2025	5,735
2026-2030	26,412
2031-2035	22,742
2036-2040	18,959
2041-2045	17,190
2046-2050	11,790
2051-2055	8,283
2056-2060	4,361
2061-2065	2,913
2066-2070	2,640
2071-2075	2,410
2076-2080	1,200
2081-2085	1,200
2086-2090	1,200
2091-2095	1,200
2096-2100	1,080
Total	$ 159,105

Contingent rental revenues under operating leases are based on percentages of lease sales and totaled approximately $1,930,000 for the year ended June 30, 2020.

Capital Leases

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

The following is a schedule of property leased under capital lease by major class in the business-type activities at June 30, 2020 (in thousands):

	Business-type Activities
Equipment	$ 38,971
Less: Accumulated amortization	(15,814)
Total net of amortization	$ 23,157

As of June 30, 2020, capital lease annual amortization in the business-type activities is as follows (in thousands):

Year ending June 30:	Business-type Activities
2021	$ 8,099
2022	7,121
2023	1,554
2024	421
2025	147
Total requirements	17,342
Less: amount representing interest	(556)
Present value of remaining payments	$ 16,786

NOTE 9 - LONG-TERM LIABILITIES

Long-term obligations of the County consist of lease revenue bonds, certificates of participation, revolving credit agreement notes, loans payable, capital leases, compensated absences, and other liabilities. Capitalized lease obligations are described further in Note 8.

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

Changes in long-term obligations for the year ended June 30, 2020, are as follows (in thousands):

Type of indebtedness/liabilities	Outstanding July 1, 2019	Additions and Transfers	Reductions and Transfers	Outstanding June 30, 2020	Amount Due Within One Year
Governmental Activities:					
Lease Revenue Bonds:					
Governmental Funds	$ 25,819	$ 3,107	$ 6,353	$ 22,573	$ 2,711
Unamortized Premium Governmental Funds	3,064	-	846	2,218	347
Internal Service Funds	4,514	3,825	4,514	3,825	1,074
Unamortized Premium Internal Service Funds	746	-	746	-	-
Total Lease Revenue Bonds	34,143	6,932	12,459	28,616	4,132
Revolving Credit Agreement Notes from Direct Borrowings:					
Governmental Funds	22,453	2,500	3,213	21,740	21,740
Internal Service Funds	1,802	-	197	1,605	1,605
Total Revolving Credit Agreement Notes from Direct Borrowings	24,255	2,500	3,410	23,345	23,345
Loans from Direct Borrowings:					
Governmental Funds	7,809	-	296	7,513	302
Total Loans from Direct Borrowings	7,809	-	296	7,513	302
Other Liabilities:					
Compensated Absences Liability	75,908	48,964	41,062	83,810	42,958
Net Pension Liabilities (VCERA and SRP)	621,446	209,524	243,344	587,626	-
Medical Malpractice (General Fund)	791	-	11	780	-
Total Pension Liability (Mgmt. Retiree Health Benefit)	14,531	1,378	1,583	14,326	1,637
Net Other Postemployment Benefits (OPEB) Liability	73,278	34,387	4,529	103,136	-
Total OPEB Liability (Subsidized Retiree Health Plan)	24,908	5,484	1,829	28,563	2,233
Claims Liabilities (General Insurance and Employee Benefit Insurance)	174,357	45,395	31,964	187,788	44,829
Other Long-term Liabilities (Information Technology Services)	12,283	3,758	381	15,660	4,359
Total Other Liabilities	997,502	348,890	324,703	1,021,689	96,016
Total Governmental Activities	$ 1,063,709	$ 358,322	$ 340,868	$ 1,081,163	$ 123,795
Business-type Activities:					
Lease Revenue Bonds	$ 294,445	$ 280,175	$ 266,552	$ 308,068	$ 11,392
Unamortized Premium	29,194	-	25,559	3,635	706
Total Lease Revenue Bonds	323,639	280,175	292,111	311,703	12,098
Certificates of Participation from Direct Placements	2,671	-	72	2,599	74
Revolving Credit Agreement Notes from Direct Borrowings	3,045	-	590	2,455	2,455
Loans from Direct Borrowings	4,462	-	249	4,213	252
Capital Lease Obligations from Direct Borrowings	22,518	1,691	7,423	16,786	7,742
Other Liabilities:					
Compensated Absences Liability	11,058	8,201	7,073	12,186	7,291
Net Pension Liabilities (VCERA and SRP)	81,997	23,904	30,681	75,220	-
Medical Malpractice (Medical Center)	2,826	-	332	2,494	-
Claims Liabilities (Health Care Plan)	9,187	66,007	67,872	7,322	7,322
Other Long-term Liabilities	605	308	201	712	305
Total Other Liabilities	105,673	98,420	106,159	97,934	14,918
Total Business-type Activities	$ 462,008	$ 380,286	$ 406,604	$ 435,690	$ 37,539

Lease Revenue Bonds

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

On March 7, 2013, the PFA issued $302,060,000 of Lease Revenue Bonds (LRBs Series 2013A) used to finance a new replacement wing of the Ventura County Medical Center, and to retire $20,656,000 of tax-exempt commercial paper. The bonds were issued for both governmental and business-type activities. Interest is payable semiannually with remaining coupon rates ranging between 4.00 percent and 5.00 percent. The bonds mature serially each year through November 2043. On June 11, 2020, PFA completed an advance refunding, which resulted in the legal defeasance of the LRBs Series 2013A bonds. At June 30, 2020, $266,380,000 of the LRB's Series 2013A were defeased and remain outstanding.

On December 19, 2013, the PFA issued $34,100,000 of Lease Revenue Bonds (LRBs Series 2013B) used to prefund the 2003 Certificates of Participations and finance the acquisition of an office building located at 1911 Williams Drive, Oxnard, California. The bonds were issued for governmental activities. Interest is payable semiannually with remaining coupon rates ranging between 4.00 percent and 5.00 percent. The bonds mature serially each year through November 2027. The LRBs Series 2013B outstanding balance at June 30, 2020 was $16,655,000, excluding unamortized premium.

On July 6, 2016, PFA issued $40,880,000 of Lease Revenue Refunding Bonds (LRRBs Series 2016A) used to advance refund PFA III COPs. The bonds were issued for both governmental and business-type activities. Interest is payable semiannually with remaining coupon rates ranging between 3.00 percent and 5.00 percent. The bonds mature serially each year through November 2029. The LRRBs Series 2016A outstanding balance at June 30, 2020 was $30,705,000, excluding unamortized premium.

On June 11, 2020, PFA issued $287,105,000 of Lease Revenue Refunding Bonds (LRRBs Series 2020A) with an average coupon rate of 2.77 percent, which was used to advance refund $266,380,000 of outstanding LRBs Series 2013A with an average coupon rate of 4.70 percent. The net proceeds of $285,901,000 (after payment of $1,204,000 in underwriter's discount and cost of issue) plus an additional $9,907,000 in LRBs Series 2013A funds were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the LRBs Series 2013A. Of the combined funds of $295,808,000 deposited in the irrevocable trust $294,393,000 was used to defease the LRBs Series 2013A and $1,415,000 was used to pay accrued interest on the LRBs Series 2013A.

Since the $295,808,000 placed in escrow exceeded the $292,599,000 carry value of the LRBs Series 2013A, a deferred loss on refunding of $2,508,000 was recognized in business-type activities and $701,000 in governmental activities. As of June 30, 2020, the unamortized portion of the deferred loss was $3,194,000. The LRBs Series 2013A are considered defeased and the liability for those bonds have been removed from the financial statements. As a result of the refunding, PFA reduced its aggregate debt payments by $45,916,000 over the next 24 years and obtained an economic gain (the difference between the present value of the old and the new debt service payments) of $33,848,000.

Certificate of Participation from Direct Placements

On December 1, 2013, the PFA entered into a purchase agreement with the Ventura County Waterworks District No. 19 (District) 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 (USDA) agreed to purchase COPs in an aggregate amount not to exceed $5,000,000 evidencing the right to receive installment payments made to the PFA pursuant to the Installment Sale Agreement dated December 1, 2013, between the PFA and the District. As of June 30, 2020, the United States Department of Agriculture, Rural Development had purchased COPs of $2,997,000. The COPs were issued for business-type activities.

The installment sale agreement and trust agreement contain certain covenants of the District including but not limited to (i) maintaining the tax-exempt status of the COPs, (ii) maintaining certain insurance coverage, (iii) payment by the District from net revenue of installment payments, required reserve fund and capital replacement fund deposits; and (iv) not incur parity debt unless the District net revenues exceed 1.20 times the installment payments due in any future fiscal year and the maximum annual debt service of the parity debt. Failure by the District to observe and comply with these provisions could result in an event of default and all outstanding principal and interest of the installment sale agreement to become due and payable. The trust agreement contains a subjective acceleration clause that allows the USDA to require the district to refinance the certificates, in whole or in part, if it appears to USDA that refinancing is available to the district with reasonable rates and terms.

Interest is payable semiannually at 3.375 percent. The certificates mature serially each year through December 2043. The COPs outstanding balance at June 30, 2020 was $2,599,000. Provisions of the COPs limit annual debt service payments to net revenues of the District.

Revolving Credit Agreement Notes from Direct Borrowing

On February 22, 2018, PFA entered into a revolving credit agreement with Wells Fargo Bank, National Association to issue up to $51,000,000 of RCA and issued $23,400,000 to currently refund all outstanding and maturing tax-exempt commercial paper related to governmental and business-type activities. The County may issue additional notes, such that the aggregate principal amount of the notes does not exceed $51,000,000, for acquisition of or improvements of capital projects. In fiscal year 2020, an additional $2,500,000 of RCA was issued and used to fund governmental activities related to an upgrade of the Ventura County Human Resources / Payroll System, and the development of the Property Tax Assessment and Collection System software.

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

The RCAs have a variable interest rate calculated monthly as 80 percent of LIBOR index plus a spread, based on the County's then current credit rating. The RCA outstanding balance at June 30, 2020 was $25,800,000 with a current interest rate of 0.458 percent and an unused balance of $25,200,000. The notes mature February 19, 2021 with interest payable monthly. The maturity date and any extended maturity date of the notes may be extended by mutual agreement of the County and lender. The intent is to extend the maturity date of the notes.

Loans from Direct Borrowings

On March 21, 2003, the County and the California State Water Resources Control Board (SWRCB) entered a direct borrowing project finance agreement that funded $1,363,000 for an upgrade to the Camarillo Airport Wastewater Collection System. The financing agreement was issued for business-type activities. The Camarillo Utility Enterprise Sanitation Fund (CUE) has pledged net revenues to repay the financing agreement. Principal and interest at 2.40 percent are payable annually through June 2023 and are payable solely from the net revenues of the CUE. The total principal and interest remaining to be paid on the finance agreement at June 30, 2020 was $264,000, including a $252,000 principal balance. Principal and interest paid for the current year and total CUE's net revenues were $88,000 and $47,000 respectively. Available prior year net revenues from the CUE fund balance was used to cover the difference between current year net revenues and principal and interest paid in the current year.

On June 9, 2008, the County and the SWRCB entered a direct borrowing project finance agreement, subsequently amended, that funded $6,599,000 towards phase 5A of the El Rio Sewer System project. The financing agreement was issued for governmental activities. The purchase agreement contains a covenant to establish a connection fee reserve fund and pledges all service connection fees collected by the County Service Area 34 be deposited in the reserve fund to be used to pay the financing agreement installment payments, with excess monies held in the reserve to pay future installments. Principal and interest at 2.60 percent are payable annually through June 2040 and are payable from the reserve fund. The total principal and interest remaining to be paid on the finance agreement at June 30, 2020 is $6,475,000, including a $5,000,000 principal balance. Principal and interest paid for the current year and service connection fees were $324,000 and $441,000 respectively. The reserve fund balance for future installment payments of the finance agreement at June 30, 2020 was $1,500,000.

On June 3, 2009, the County of Ventura Waterworks District 16 (WW16) and the SWRCB entered a direct borrowing project finance agreement that funded $5,399,000 towards an upgrade and expansion of the Piru wastewater treatment plant. The loan was issued for business type-type activities. WW16 has pledged net revenues to repay the financing agreement. Principal and interest at 1.00 percent are payable annually through July 2040 and are payable solely from WW16's net revenues. The total principal and interest remaining to be paid on the finance agreement at June 30, 2020 was $4,411,000, including a $3,961,000 principal balance. Principal and interest paid for the current year and total WW16 net revenues were $210,000 and $382,000 respectively.

On September 30, 2009, the County and the SWRCB entered a direct borrowing project finance agreement, subsequently amended, that funded $3,463,000 towards phases 5B, 5C and 5D of the El Rio Sewer System project. The loan was issued for governmental activities. The County Service Area 34 (CSA 34) has pledged net revenues to repay the financing agreement. Principal and interest at 1.0 percent are payable annually through June 2041 and are payable solely from the CSA 34's net revenues. The total principal and interest remaining to be paid on the finance agreement at June 30, 2020 was $2,799,000, including a $2,513,000 principal balance. Principal and interest paid for the current year and total net revenues were $133,000 and $170,000 respectively. The purchase agreement also contains a provision that requires the County to maintain a reserve fund equal to one year's debt service for the term of the financing. The reserve balance at June 30, 2020 was $133,000.

Debt service requirements at June 30, 2020 are as follows:

Governmental Activities

Year Ending June 30:	Lease Revenue Bonds Principal	Lease Revenue Bonds Interest	Revolving Credit Agreement Notes from Direct Borrowings Principal	Revolving Credit Agreement Notes from Direct Borrowings Interest	Loans from Direct Borrowings Principal	Loans from Direct Borrowings Interest
2021	$ 3,785	$ 945	$ 23,345	$ 68	$ 302	$ 155
2022	3,631	828	-	-	308	149
2023	3,644	697	-	-	314	143
2024	3,764	559	-	-	321	136
2025	3,574	414	-	-	327	130
2026-2030	8,000	490	-	-	1,740	545
2031-2035	-	-	-	-	1,929	357
2036-2040	-	-	-	-	2,140	145
2041-2045	-	-	-	-	132	1
Total requirements	26,398	$ 3,933	$ 23,345	$ 68	$ 7,513	$ 1,761
Unamortized bond premium	2,218					
Total	$ 28,616					

Business-Type Activities

Year Ending June 30:	Lease Revenue Bonds Principal	Lease Revenue Bonds Interest	Certificates of Participation from Direct Placement Principal	Certificates of Participation from Direct Placement Interest	Revolving Credit Agreement Notes from Direct Borrowings Principal	Revolving Credit Agreement Notes from Direct Borrowings Interest	Loans from Direct Borrowings Principal	Loans from Direct Borrowings Interest
2021	$ 11,392	$ 7,084	$ 74	$ 86	$ 2,455	$ 7	$ 252	$ 46
2022	11,093	7,642	77	84	-	-	256	41
2023	11,401	7,449	79	81	-	-	260	38
2024	11,621	7,234	82	79	-	-	176	34
2025	12,186	6,993	85	76	-	-	177	33
2026-2030	67,590	30,554	470	333	-	-	914	137
2031-2035	59,640	22,853	554	247	-	-	961	90
2036-2040	68,350	14,149	654	145	-	-	1,009	41
2041-2045	54,795	3,244	524	32	-	-	208	2
Total requirements	308,068	$ 107,202	$ 2,599	$ 1,163	$ 2,455	$ 7	$ 4,213	$ 462
Unamortized bond premium	3,635							
Total	$ 311,703							

Other Liabilities

Other liabilities include compensated absences, the net pension liability, the liability for medical malpractice insurance claims incurred but not reported (tail coverage) for General Fund health departments and the Medical Center, the total pension liability relating to the Management Retiree Health Benefit, the net other postemployment benefits (OPEB) obligation, the total OPEB liability for the subsidized retiree health plan, claims liabilities relating to the self-insurance of certain risks in the General Insurance and Employee Benefit Insurance Internal Service Funds, and the Health Care Plan. Governmental activities other liabilities are typically liquidated in the General Fund, and certain special revenue funds and internal service funds.

Legal Debt Limit

The County's legal annual debt limit as of June 30, 2020, is approximately $1,815,050,000. The County's legal debt limit is set by statute at 1.25 percent of total assessed valuation. The general obligation bonded debt per capita is $0.00.

Arbitrage

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

Management believes that as of June 30, 2020, there is no arbitrage liability. The activities of tax-exempt debt issues will continue to be monitored and appropriate analysis made to determine any future obligations.

NOTE 10 - SERVICE CONCESSION ARRANGEMENTS (SCA)

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

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

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

The 2020 COVID-19 pandemic, stay-at-home order and closing of non-essential businesses had an impact on the ability of both lessees to perform the obligations under their respective lease agreements for the Rustic Canyon Golf Course and KOA Ventura Ranch Resort. At the request of the lessees, due to loss of revenue as a result of the golf course and campground closures and reduced permittable patronage, the General Services Agency Director partially abated rents for both lessees as authorized by action of the County Board of Supervisors on May 19, 2020. This triggered a reassessment of the deferred inflows of resources and net present value of the installment payments over the lives of the agreements. These adjustments were recognized in fiscal year 2019-20.

Capital asset balances and related accumulated depreciation for each SCA for the year ended June 30, 2020 are as follows (in thousands):

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020
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	6,322	-	-	6,322
Structures and improvements	919	58	-	977
Total accumulated depreciation/amortization	7,241	58	-	7,299
Total capital assets, depreciable/amortizable, net	804	(58)	-	746
Steckel Park - Ventura Ranch KOA:				
Capital assets, depreciable/amortizable:				
Land improvements	663	-	-	663
Structures and improvements	337	-	-	337
Total capital assets, depreciable/amortizable	1,000	-	-	1,000
Less accumulated depreciation/amortization for:				
Land improvements	360	41	-	401
Structures and improvements	225	20	-	245
Total accumulated depreciation/amortization	585	61	-	646
Total capital assets, depreciable/amortizable, net	415	(61)	-	354
SCA capital assets, net	$ 1,219	$ (119)	$ -	$ 1,100

The deferred inflows of resources activity for each SCA for the year ended June 30, 2020 are as follows (in thousands):

	Balance July 1, 2019	Additions	Deletions/ Amortization	Balance June 30, 2020
Present Value of Installment Payments (1)				
Rustic Canyon Golf Course	$ 2,246	$ -	$ 170	$ 2,076
Steckel Park - Ventura Ranch KOA	391	-	39	352
Sub-total Present Value of Installment Payments	2,637	-	209	2,428
SCA Capital Assets (2)				
Rustic Canyon Golf Course	5,353	-	168	5,185
Steckel Park - Ventura Ranch KOA	709	-	35	674
Sub-total SCA Capital Assets	6,062	-	203	5,859
Total deferred inflows	$ 8,699	$ -	$ 412	$ 8,287

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

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

NOTE 11 - NET POSITION/FUND BALANCES

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

- *Net Investment In Capital Assets* – This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation, the outstanding balances of debt, and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of these assets reduce the balance in this category.
- *Restricted* – This category reflects the component of net position that is subject to constraints either by creditors (such as debt covenants), grantors, contributors or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. At June 30, 2020, restricted net position for governmental activities totaled $436,346,000, of which $419,299,000, was restricted by enabling legislation.
- *Unrestricted* – This category represents the net position of the County not restricted for any project or other purpose. Outstanding liabilities and deferred inflows of resources that are attributable to this component reduce the balance of this category.

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. When restricted and unrestricted (committed, assigned, or unassigned) resources are available, restricted resources are generally considered to be used first, followed by committed, assigned and unassigned resources as they are needed.

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

Restricted fund balance - includes amounts with constraints on their use that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

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

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

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

At June 30, 2020, fund balance for governmental funds is made up of the following (in thousands):

Fund Balances	General Fund	Roads	Watershed Protection District	Fire Protection District	Non-major Governmental Funds	Total
Nonspendable:						
Inventory and prepaid amounts	$ 808	$ -	$ -	$ 1,697	$ 37	$ 2,542
Long term loans and notes receivable	131,280	-	-	-	-	131,280
Permanent fund principal	-	-	-	-	1,133	1,133
Total Nonspendable	132,088	-	-	1,697	1,170	134,955
Restricted for:						
Teeter tax loss reserve	5,767	-	-	-	-	5,767
Law enforcement programs and capital projects	47,688	-	-	-	3,318	51,006
District attorney programs and services	10,023	-	-	-	-	10,023
Automation improvements	17,273	-	-	-	-	17,273
Health care programs	8,081	-	-	-	-	8,081
Behavioral health programs	20,083	-	-	-	-	20,083
Public assistance programs	34,770	-	-	-	242	35,012
Roads administration, maintenance, and projects	-	19,515	-	-	-	19,515
Watershed protection	-	-	77,652	-	-	77,652
Fire protection	-	-	-	110,169	-	110,169
County service areas	-	-	-	-	4,257	4,257
Mental Health Services Act (MHSA)	-	-	-	-	47,825	47,825
MHSA prudent reserve	-	-	-	-	8,492	8,492
Special assessment debt	-	-	-	-	1,667	1,667
Education	-	-	-	-	1,787	1,787
Recreation	-	-	-	-	87	87
Debt service	-	-	-	-	2,798	2,798
Capital projects	-	-	-	-	8,070	8,070
Other governmental purposes	3,107	-	-	-	-	3,107
Total Restricted	146,792	19,515	77,652	110,169	78,543	432,671
Committed to:						
Waste management	6,774	-	-	-	-	6,774
Roads administration, maintenance, and projects	-	335	-	-	-	335
Traffic impact mitigation fees	-	17,157	-	-	-	17,157
Watershed protection	-	-	164	-	-	164
Facility ordinance fees	-	-	-	5,276	-	5,276
Capital projects	-	-	-	-	159	159
County service areas	-	-	-	-	3,438	3,438
Other governmental purposes	132	-	-	-	-	132
Total Committed	6,906	17,492	164	5,276	3,597	33,435
Assigned to:						
Purchase contracts	37,597	-	-	-	-	37,597
Fixed asset acquisitions	4,839	-	-	-	-	4,839
Stormwater management	2,480	-	-	-	-	2,480
Public assistance programs	2,222	-	-	-	-	2,222
Attrition and program mitigation	54,884	-	-	-	-	54,884
Audit disallowances	1,000	-	-	-	-	1,000
Law enforcement programs	1,190	-	-	-	-	1,190
Roads administration, maintenance, and projects	-	5,479	-	-	-	5,479
Watershed protection	-	-	5,220	-	-	5,220
County service areas	-	-	-	-	22	22
Education	-	-	-	-	4,595	4,595
Bicycle lane projects	6,000	-	-	-	-	6,000
Other governmental purposes	1,225	-	-	-	-	1,225
Total Assigned	111,437	5,479	5,220	-	4,617	126,753
Unassigned	108,689	-	-	-	-	108,689
Total fund balances	$ 505,912	$ 42,486	$ 83,036	$ 117,142	$ 87,927	$ 836,503

NOTE 12 - 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, 2020, the Medi-Cal and Medicare programs represented approximately 73 percent of the Medical Center's net revenue.

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

Medicare inpatient services are reimbursed based upon pre-established rates for diagnostic-related groups. Medicare outpatient services and certain defined capital and medical education costs related to Medicare beneficiaries are paid based on a cost-reimbursement methodology. Final reimbursement is determined as a result of audits by the intermediary of annual cost reports submitted by the Medical Center. Reports on the results of such audits have been received through June 30, 2017 for Medicare and June 30, 2018 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 $86,975,000, 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 2019-20. In accordance with the California Medi-Cal 2020 Waiver, the Medical Center receives an interim per diem payment in Medi-Cal revenue under Fee-for-Service program (FFS), Public Hospital Redesign and Incentive in Medi-Cal program (PRIME) a Medi-Cal incentive program aimed for improvement activities for specific delivery system for the hospitals, and a Global Payment Program (GPP) to provide support for the delivery of more cost effective and higher value care for indigent, uninsured individuals. In addition, it also includes a Whole Person Care Pilot (WPC), a competitive grant awarded to the Medical Center effective 2016 to improve and coordinate care for health, behavioral health, and social services, for the high risk population through more efficient and effective use of resources. For the fiscal year ended June 30, 2020, the Medical Center has recorded $39,839,000 of PRIME revenue, $19,404,000 of GPP revenue, and $12,234,000 of WPC revenue. Medicare revenue represented 17 percent and Medi-Cal revenue represented 56 percent of the net revenue.

NOTE 13 - PENSION PLANS

Ventura County participates in the VCERA and SRP which are subject to GASB Statement No. 68. Ventura County also participates in Management Retiree Health Benefits Program which is subject to GASB Statement No. 73. A summary of the pension amounts for the County's plans at June 30, 2020 is as follows (in thousands):

	VCERA	SRP	Management Retiree Health Benefits Program	Total
Total pension liability	$ 6,158,813	$ 32,023	$ 14,326	$ 6,205,162
Net pension assets	5,500,152	27,838	-	5,527,990
Net pension liability	658,661	4,185	14,326	677,172
Deferred outflows related to pensions	315,286	1,452	1,974	318,712
Deferred inflows related to pensions	104,946	-	66	105,012
Pension expense	206,420	175	1,415	208,010

VCERA

Plan Description

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

VCERA is governed by the Board of Retirement. The Plan's benefit provisions and contribution requirements are established and may be amended by state law and resolutions and ordinances adopted by the Board of Retirement and Board of Supervisors. VCERA issues an independently audited 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, CA, 93003.

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

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

Retirement Benefits

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

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

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

Contributions

The County of Ventura and contracting districts contribute to VCERA based upon actuarially determined contribution rates adopted by the Board of Retirement. Members are required to make contributions to VCERA regardless of the retirement plan or tier in which they are included. Employer contribution rates are adopted annually based upon recommendations received from VCERA's actuary after the completion of the annual actuarial valuation. Employer contributions to VCERA from the County were $205,019,000 for the year ended June 30, 2020. Contribution rates, based on pensionable payroll, are as follows:

	Employer Contribution Rates	Employee Contribution Rates
General Tier 1	25.75%	9.98%
General PEPRA Tier 1	N/A	N/A
General Tier 2	17.04%	7.45%
General PEPRA Tier 2	17.09%	7.50%
General Tier 2C*	23.13%	10.08%
General PEPRA Tier 2C*	23.23%	10.13%
Safety	55.20%	13.77%
Safety PEPRA	52.89%	14.42%

*2C (with COLA)

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

At June 30, 2020, the County reported a liability of $658,661,000 for its proportionate share of the Net Pension Liability (NPL). The NPL was measured as of June 30, 2019. The Plan's fiduciary net position was valued as of the measurement date while the Total Pension Liability (TPL) was determined based upon rolling forward the TPL from the actuarial valuation as of June 30, 2018. The County's proportion of the NPL was based on the ratio of the County's compensation by tier to the total compensation for the tier. This ratio was then applied to the NPL for the tier. The County's NPL is the sum of the NPL for each tier. At June 30, 2019, the County's proportion was 95.899 percent, which was a decrease of 0.322 from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the County recognized pension expense of $206,420,000. At June 30, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 22,305	$ 36,932
Changes of assumptions	87,228	-
Net difference between projected and actual earnings on pension plan investments	-	64,842
Changes in proportion and differences between County contributions and proportionate share of contributions	734	3,172
County contributions subsequent to the measurement date	205,019	-
Total	$ 315,286	$ 104,946

$205,019,000 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the NPL in the year ended June 30, 2021.

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

Year Ending June 30,	Amount
2021	$ 16,923
2022	(43,039)
2023	12,884
2024	18,065
2025	488
Total	$ 5,321

Actuarial Assumptions

The TPL was determined by an actuarial valuation as of June 30, 2018, which was rolled forward to June 30, 2019, using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

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

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

Discount Rate

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

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

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

	1% Decrease (6.25 %)	Current Discount Rate (7.25%)	1% Increase (8.25%)
County's proportionate share of the net pension liability	$ 1,484,395	$ 658,661	$ (20,412)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued VCERA financial report.

Supplemental Retirement Plan

Plan Description

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

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

The following disclosures are related to the plan reporting requirements of GASB Statement No. 67, and use a measurement date of June 30, 2020:

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

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

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.

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

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

The actuarially determined contribution rate/contributions for the County for the fiscal year ending June 30, 2020, was $1,146,000, or 11.97 percent for Part B, $45,000 for Part C, and $139,000 for Part D.

Investment Policy
The Plan's investment policy in regard to the allocation of invested assets is established and may be amended by the Board of Supervisors by a majority vote of its members. It is the policy of the Board to pursue an investment strategy that emphasizes safety, diversification and yield and follows the "prudent investor rule". Fair value calculations are based on market values provided by the Plan's investment custodian. The following was the Board's adopted asset allocation policy as of June 30, 2020:

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

As of June 30, 2020, the Plan held the following investments that represent 5 percent or more of the plans fiduciary net position:

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

Rate of Return
For the year ended June 30, 2020, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 3.64 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net Pension Liability
The components of the NPL at June 30, 2020, were as follows (in thousands):

Total pension liability	$ 33,279
Plan fiduciary net position	(28,545)
Plan's net pension liability	$ 4,734
Plan fiduciary net position as a percentage of the total pension liability	85.8 %

The actuarial liabilities and assets are valued as of June 30, 2020.

Actuarial Assumptions

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

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

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

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

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

Discount Rate

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

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

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

Employer Reporting
The following disclosures are related to the employer reporting requirements of GASB Statement No. 68, and use a measurement date of June 30, 2019:

Employees covered by benefit terms
Plan participants at June 30, 2019, were as follows:

Participant Classification	Number of Participants
Retirees and beneficiaries currently receiving benefits:	
Supplemental retirement participants (Safe Harbor)	494
Early retirement participants (Early Retirement Incentive Plan)	27
Elected department head participants	7
Current employee participants:	
Supplemental retirement participants (Safe Harbor)	413
Elected department head participants	2
Terminated participants not yet receiving benefits:	
Supplemental retirement participants (Safe Harbor)	10,451
Total	11,394

Contributions
The required contributions were determined as part of the June 30, 2019 actuarial valuation. The actuarially determined contributions for the fiscal year ending June 30, 2019, were $1,183,000 for the employer and $344,000 for employees for Part B, $66,000 for Part C, and $129,000 for Part D.

Net Pension Liability
The County's NPL was measured as of June 30, 2019, and the TPL used to calculate the NPL was determined by an actuarial valuation as of that date.

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

	Assumptions
• Actuarial cost method	Entry age normal for Parts B and D, not applicable for Part C
• Amortization method	Level Dollar
• Remaining amortization period	6-15 years for Part B, 1 years for Part C, 6 years for Part D, closed
• Rate of return on investment	7.25% net of expense
• Payroll Growth	3.00% for Parts B and D, not applicable for Part C
• Projected salary increases	4.00% for Parts B and D; not applicable for Part C
Amount attributable to inflation	2.75% for Parts B , C and D
• Annual cost of living increases after retirement	3.00% for Part D; none for Parts B and C
• Mortality	Headcount-Weighted RP-2014 Employee Mortality Table for Parts B & D and Headcount-Weighted RP-2014 Healthy Annuitant Mortality Table for Parts B, C and D

An experience study has not been conducted for the SRP. However, the County participates in VCERA and utilizes the assumptions used by VCERA where appropriate and reasonable. The VCERA experience study used was conducted in 2018 for the period of July 1, 2014 through June 30, 2017. Based on the experience study, the assumption used in the actuarial valuation changed from Level Percentage of Pay to Level Dollar for the amortization method.

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

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

Discount Rate

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

Changes in Net Pension Liability (in thousands):

	Total Pension Liability (a)	Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances at June 30, 2019 *for measurement date of June 30, 2018*	$ 31,518	$ 26,147	$ 5,371
Changes for the year:			
Service Cost	720	-	720
Interest	2,237	-	2,237
Difference between expected and actual experience	(1,139)	-	(1,139)
Changes of assumptions	-	-	-
Contributions - employer	-	1,378	(1,378)
Contributions - employee	-	344	(344)
Net investment income	-	1,604	(1,604)
Benefit payments, including refunds of employee contributions	(1,313)	(1,313)	-
Administrative expense	-	(322)	322
Net changes	505	1,691	(1,186)
Balances at June 30, 2020 *for measurement date of June 30, 2019*	$ 32,023	$ 27,838	$ 4,185

Plan fiduciary net position as a percentage of the total pension liability 86.93 %

Sensitivity of the Net Pension Liability to change in the discount rate
The following table presents the NPL of the Plan as of June 30, 2019 measurement date, calculated using the discount rate of 7.25 percent, as well as what the Plan's NPL would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate (in thousands):

	1% Decrease (6.25 %)	Current Discount Rate (7.25%)	1% Increase (8.25%)
County's net pension liability	$ 9,066	$ 4,185	$ 310

Pension Expense and Deferred Outflows of Resources related to pensions
For the year ended June 30, 2020, the County recognized pension expense of $175,000. At June 30, 2020, the County reported deferred outflows of resources related to pensions from the following sources (in thousands):

	Deferred Outflows of Resources
Net difference between projected and actual earnings on retirement plan investments	$ 122
County contributions subsequent to the measurement date	1,330
Total	$ 1,452

$1,330,000 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the NPL in the year ended June 30, 2021.

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

Year Ending June 30,	Amount
2021	$ 124
2022	(121)
2023	60
2024	59
Total	$ 122

Management Retiree Health Benefits Program

Plan Description

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

Plan Membership

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

Participant Classification	Number of Participants
Inactive members currently receiving benefits	127
Inactive members entitled to but not yet receiving benefits	63
Active members	190
Total	380

Benefits

Participants receive one year of payments for every five years of service, up to a maximum of five years of payments. Payments of approximately $1,114 per month were equivalent to premiums for the Ventura County Health Care Plan.

Contributions

Employer contributions in fiscal year 2019-20 were $1,637,000.

Funding Policy

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

Actuarial Assumptions
The Total Pension Liability (TPL) was determined by an actuarial valuation as of June 30, 2019, using the following actuarial assumptions; applied to all periods included in the measurement:

	Assumptions
• Actuarial cost method	Entry age normal
• Inflation	2.75%
• Real wage growth	0.50%
• Wage inflation	3.25%
• Projected salary increases (including wage inflation)	3.75% - 10.25%
• Subsidy cost trends	6.50% decreasing to an ultimate rate of 4.75% by 2025
• Mortality	RP-2014 Headcount-Weighted Mortality Table and RP-2014 Disabled Headcount-Weighted Mortality Table

The demographic actuarial assumptions in the June 30, 2019 valuation were based on the VCERA economic and demographic experience study covering period July 1, 2014 through June 30, 2017. The remaining actuarial assumptions including subsidy cost trends were based on a review of recent plan experience done concurrently with the June 30, 2019 valuation.

Discount Rate
Discount rate of 3.50 percent was used to measure the TPL. This was a change from 3.89 percent, the rate used on the prior measurement date. The discount rate was based upon the June average of the Bond Buyer General Obligation 20-year Municipal Bond Index published weekly by the Board of Governors of the Federal Reserve System.

Changes in Total Pension Liability (in thousands):

	Total Pension Liability
Balances at June 30, 2019 *for measurement date of June 30, 2018*	$ 14,531
Changes for the year:	
Service Cost	432
Interest	535
Difference between expected and actual experience	270
Changes of assumptions	141
Benefit payments	(1,583)
Net changes	(205)
Balances at June 30, 2020 *for measurement date of June 30, 2019*	$ 14,326

Sensitivity of the Total Pension Liability to changes in the discount rate
The following table presents the TPL of the Plan, calculated using the discount rate of 3.50 percent, as well as what the Plan's TPL would be if it were calculated using a discount rate that is 1-percentage-point lower (2.50 percent) or 1-percentage-point higher (4.50 percent) than the current rate (in thousands):

	1% Decrease (2.50%)	Current Discount Rate (3.50%)	1% Increase (4.50%)
Plan's total pension liability	$ 14,923	$ 14,326	$ 13,742

Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to pensions
For the year ended June 30, 2020, the County recognized pension expense of $1,415,000. At June 30, 2020, the County reported deferred outflows of resources related to pensions from the following sources (in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 180	$ 66
Changes in assumptions	157	-
County contributions subsequent to the measurement date	1,637	-
Total	$ 1,974	$ 66

$1,637,000 reported as deferred outflows of resources related to pension benefits resulting from County contributions subsequent to the measurement date will be recognized as reduction of the TPL in the year ended June 30, 2021.

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

Year Ending June 30,	Amount
2021	$ 140
2022	131
2023	-
2024	-
Total	$ 271

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, 2020, there were six participants in the plan.

NOTE 14 - OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Ventura County manages the Subsidized Retiree Health Benefits Program which is subject to GASB Statement No. 75 (GASB 75). In addition, as described in more detail below, in accordance with memorandums of agreement the County makes contributions to the Ventura County Deputy Sheriffs' Association (VCDSA) Retiree Medical Reimbursement Plan and the Ventura County Professional Firefighters' Association (VCPFA) Medical Premium Reimbursement Plan for the purpose of reimbursing health insurance premiums for future eligible retirees. Under GASB 75, this is considered a constructive obligation that must be reported in the County's financial statements even though the County has no control over these plans and has no legal obligation to make contributions to fund the plans' unfunded OPEB liability, other than to make the contributions agreed to in collective bargaining. A summary of the OPEB amounts for the plans at June 30, 2020 is as follows (in thousands):

	Subsidized Retiree Health Benefits Program	VCDSA Retiree Medical Reimbursement Plan	VCPFA Medical Premium Reimbursement Plan	Total
Total OPEB liability	$ 28,563	$ 138,036	$ 12,512	$ 179,111
Net OPEB assets	-	34,900	14,225	49,125
Net OPEB liability (asset)	28,563	103,136	(1,713)	129,986
Deferred outflows related to OPEB	7,595	24,940	1,509	34,044
Deferred inflows related to OPEB	-	15,987	-	15,987
OPEB expense	3,213	7,200	174	10,587

Subsidized Retiree Health Benefits Program

Plan Description

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

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

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

Plan Membership

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

Participant Classification	Number of Participants
Inactive members currently receiving benefits	353
Active members	
General Employees	7,074
Firefighters	405
Total	7,832

Benefits

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

Contributions

Employer contributions in fiscal year 2019-20 were $2,223,000.

Funding Policy

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

Actuarial Assumptions

The Total OPEB Liability (TOL) was determined by an actuarial valuation as of June 30, 2019, using the following actuarial assumptions; applied to all periods included in the measurement:

	Assumptions
• Actuarial funding method	Entry age normal
• Inflation	2.75%
• Real wage growth	0.50%
• Wage inflation	3.25%
• Projected salary increases (including wage inflation)	3.75% - 11.75%
• Discount rate	3.50%
• Health care cost trends	
Ventura County Health Care Plan	6.50% decreasing to an ultimate rate of 4.75% by 2025
All other coverage options	7.00% decreasing to an ultimate rate of 4.75% by 2025
• Mortality	RP-2014 Headcount-Weighted Mortality Table RP-2014 Disabled Headcount-Weighted Mortality Table

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

Discount Rate

Discount rate of 3.50 percent was used to measure the TOL.This was a change from 3.89 percent, the rate used on the prior measurement date. The discount rate was based upon the June average of the Bond Buyer General Obligation 20-year Municipal Bond Index published weekly by the Board of Governors of the Federal Reserve System.

Changes in Total OPEB Liability (in thousands):

	Total OPEB Liability
Balances at June 30, 2019	
for measurement date of June 30, 2018	$ 24,908
Changes for the year:	
Service Cost	1,602
Interest	933
Difference between expected and actual experience	2,606
Changes of assumptions	343
Benefit payments	(1,829)
Net changes	3,655
Balances at June 30, 2020	
for measurement date of June 30, 2019	$ 28,563

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

The following table presents the TOL of the Plan, calculated using the discount rate of 3.50 percent, as well as what the Plan's TOL would be if it were calculated using a discount rate that is 1-percentage-point lower (2.50 percent) or 1-percentage-point higher (4.50 percent) than the current rate (in thousands):

	1% Decrease (2.50%)	Current Discount Rate (3.50%)	1% Increase (4.50%)
Plan's total OPEB liability	$ 30,395	$ 28,563	$ 26,812

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

The following table presents the TOL of the Plan, as well as what the Plan's TOL would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (5.50 and 6.00 percent decreasing to 3.75 percent) or 1-percentage-point higher (7.50 and 8.00 percent decreasing to 5.75 percent) than the current healthcare cost trend rates (in thousands):

	1% Decrease (5.50%/6.00% decreasing to 3.75%)	Current Healthcare Cost Trend Rates (6.50%/7.00% decreasing to 4.75%)	1% Increase (7.50%/8.00% decreasing to 5.75%)
Plan's total OPEB liability	$ 25,791	$ 28,563	$ 31,828

OPEB Expense and Deferred Outflows of Resources Related to OPEB

For the year ended June 30, 2020, the County recognized OPEB expense of $3,213,000. At June 30, 2020, the County reported deferred outflows of resources related to OPEB from the following sources (in thousands):

	Deferred Outflows of Resources
Differences between expected and actual experience	$ 4,245
Changes in assumptions	1,117
County contributions subsequent to the measurement date	2,233
Total	$ 7,595

$2,233,000 reported as deferred outflows of resources related to OPEB benefits resulting from County contributions subsequent to the measurement date will be recognized as reduction of the TOL in the year ended June 30, 2021.

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

Year Ending June 30,	Amount
2021	$ 677
2022	677
2023	677
2024	677
2025	677
Thereafter	1,977
Total	$ 5,362

VCDSA Retiree Medical Reimbursement Plan

Plan Description

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

The County is not legally liable for the plan's unfunded OPEB liability of $103,136,000. The County is only legally responsible for the contributions agreed to in the Memorandum of Agreement between the County and VCDSA. However, under GASB 75 the OPEB benefit to the employees is considered a constructive obligation that must be reported in the County's financial statements.

Plan Membership

Plan participants at June 30, 2018, the valuation date, were as follows:

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

Benefits

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

Contributions

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

Net OPEB Liability

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

Actuarial Assumptions

The TOL was determined by an actuarial valuation as of June 30, 2019, using the following actuarial assumptions; applied to all periods included in the measurement:

	Assumptions
• Actuarial funding method	Entry age normal
• Inflation	3.00%
• Real wage growth	0.50%
• Wage inflation	3.50%
• Projected salary increases (including wage inflation)	3.95% - 11.75%
• Discount rate	3.71%
• Annual Increase in Maximum Annual Benefit	5.75%
• Mortality	RP-2014 Headcount Weighted Mortality Table

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

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

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

Discount Rate

Discount rate of 3.71 percent was used to measure the TOL. This was a change from 4.21 percent, the rate used on the prior measurement date. The projection of cashflows used to determine the discount rate assumed that employer contributions will be made at the contractually required rate and that any member contributions will be made in accordance to the plan document. Based on that assumption, the OPEB plan's fiduciary net position was not projected to provide all projected future benefit payments for current members for all future years. Therefore, the 6.00 percent assumed long-term expected rate of return on plan investments was applied to periods up to 2040 where the plan's fiduciary net position was projected to be sufficient to make projected benefit payments. The June average of the Bond Buyer General Obligation 20-year Municipal Bond Index published weekly by the Board of Governors of the Federal

Reserve System, 3.50 percent, was used for all periods subsequent to 2040 where the plan's fiduciary net position was not projected to be sufficient to make projected benefit payments resulting in a single equivalent interest rate of 3.71 percent.

Changes in Net OPEB Liability

	Total OPEB Liability	Fiduciary Net Position	Net OPEB Liability
Balances at June 30, 2019 *for measurement date of June 30, 2018*	$ 105,177	$ 31,899	$ 73,278
Changes for the year:			
Service cost	4,263	-	4,263
Interest	4,399	-	4,399
Difference between expected and actual experience	11,263	-	11,263
Changes of assumptions	14,345	-	14,345
Contributions - employer	-	2,493	(2,493)
Contributions - employee	-	46	(46)
Contributions - self-pay member	-	1,990	(1,990)
Benefit payments	(1,411)	(1,411)	-
Administrative expense	-	(117)	117
Net changes	32,859	3,001	29,858
Balances at June 30, 2020 *for measurement date of June 30, 2019*	$ 138,036	$ 34,900	$ 103,136

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

The following table presents the NOL of the Plan, calculated using the discount rate of 3.71 percent, as well as what the Plan's NOL would be if it were calculated using a discount rate that is 1-percentage-point lower (2.71 percent) or 1-percentage-point higher (4.71 percent) than the current rate (in thousands):

	1% Decrease (2.71%)	Current Discount Rate (3.71%)	1% Increase (4.71%)
Plan's net OPEB liability	$ 139,170	$ 103,136	$ 76,382

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

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

	1% Decrease (4.75%)	Healthcare Cost Trend Rates (5.75%)	1% Increase (6.75%)
Plan's net OPEB liability	$ 103,136	$ 103,136	$ 103,136

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

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB
For the year ended June 30, 2020, the County recognized OPEB expense of $ 7,200,000. At June 30, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources (in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 9,862	$ -
Differences between projected and actual earnings on plan investments		540
Changes in assumptions	12,562	15,447
County contributions subsequent to the measurement date	2,516	-
Total	$ 24,940	$ 15,987

$2,516,000 reported as deferred outflows of resources related to OPEB benefits resulting from County contributions subsequent to the measurement date will be recognized as reduction of the NOL in the year ended June 30, 2021.

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

Year Ending June 30,	Amount
2021	$ 412
2022	412
2023	595
2024	641
2025	650
Thereafter	3,727
Total	$ 6,437

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

The plan currently has a net OPEB asset of $1,713,000, which does not legally belong to the County. The County is only legally responsible for the contributions agreed to in the Memorandum of Agreement between the County and VCPFA. However, under GASB 75 the OPEB benefit to the employees is considered a constructive obligation that must be reported in the County's financial statements.

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

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

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

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

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

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

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

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

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

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

Discount Rate

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

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

	Total OPEB Liability	Fiduciary Net Position	Net OPEB Liability (Asset)
Balances at June 30, 2019			
for measurement date of June 30, 2018	$ 11,883	$ 13,530	$ (1,647)
Changes for the year:			
Service Cost	214	-	214
Interest	689	-	689
Difference between expected and actual experience	525	-	525
Contributions - employer	-	975	(975)
Contributions - self-pay member	-	10	(10)
Net investment income	-	582	(582)
Benefit payments	(799)	(799)	-
Administrative expense	-	(73)	73
Net changes	629	695	(66)
Balances at June 30, 2020			
for measurement date of June 30, 2019	$ 12,512	$ 14,225	$ (1,713)

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

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

	1% Decrease (5.00%)	Current Discount Rate (6.00%)	1% Increase (7.00%)
Plan's net OPEB liability (asset)	$ (290)	$ (1,713)	$ (2,910)

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

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

	1% Decrease (5.50% decreasing to 4.00%)	Healthcare Cost Trend Rates (6.50% decreasing to 5.00%)	1% Increase (7.50% decreasing to 6.00%)
Plan's net OPEB liability (asset)	$ (1,732)	$ (1,713)	$ (1,697)

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

For the year ended June 30, 2020, the County recognized OPEB expense of $174,000. At June 30, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources (in thousands):

	Deferred Outflows of Resources
Differences between expected and actual experience	$ 472
Differences between projected and actual earnings on plan investments	34
County contributions subsequent to the measurement date	1,003
Total	$ 1,509

$1,003,000 reported as deferred outflows of resources related to OPEB benefits resulting from County contributions subsequent to the measurement date will be recognized as reduction of the NOL (asset) in the year ended June 30, 2021.

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

Year Ending June 30,	Amount
2021	$ 22
2022	22
2023	99
2024	99
2025	52
Thereafter	212
Total	$ 506

NOTE 15 - TAX AND REVENUE ANTICIPATION NOTES PAYABLE

On July 1, 2019, the County issued $154,220,000 in Tax and Revenue Anticipation Notes (Notes) at a 5.00 percent interest rate, priced to yield 1.20 percent, to meet current year cash flow requirements for operational needs. At June 30, 2020, the outstanding principal was $154,220,000. Principal and interest for fiscal year 2019-20 was paid on July 1, 2020, 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 2019-20 taxes and other revenues, which are legally available for payment thereof.

The summary of the notes transactions for the fiscal year ended June 30, 2020, is as follows (in thousands):

Beginning Balance July 1, 2019	Additions	Reductions	Ending Balance June 30, 2020	Due Within One Year
$ 143,515	$ 154,220	$ 143,515	$ 154,220	$ 154,220

NOTE 16 - RISK MANAGEMENT

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

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

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

The Risk Management Department within the General Insurance ISF administers the commercial and self-insurance aspects of the County's casualty risk programs. General liability is self-insured to $1,000,000 per occurrence, and thereafter covered by excess commercial liability insurance up to $42 million per occurrence. The Worker's Compensation Program in the Risk Management Workers' Compensation ISF funds is fully self-insured and is administered by a third-party administrator.

In October 2004, the County joined the California State Association of Counties (CSAC) Excess Insurance Authority, a joint powers authority, 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 $50,000,000 per incident for the County, and $3,000,000 per occurrence for individually named physicians, with a $100,000 per occurrence deductible. Medical malpractice claims made coverage includes a retroactive date of October 1, 1986. Tail coverage for events that occurred prior to October 1, 1986 but have not yet been reported is self-insured. In March 2004, the County began participating in the BETA Healthcare Group, a joint powers authority, for the purpose of purchasing medical malpractice insurance. This risk-sharing pool program, established as a cost effective alternative to the commercial insurance market, is structured like a traditional insurer in that members are not assessed for excess pool losses. Coverage was renewed in July 2020.

The unpaid claims liabilities included in the General Insurance fund are based on actuarial studies and include amounts for claims incurred but not reported including loss adjustment expenses. The discount rate for the General Insurance liability is 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 $1,650,000 in expenses and the County took over further administration of the claims as of April 2011. As a result, the claims are now once again administered by, and claims costs borne by the County, along with the post July 1, 2002, self-insured claims. As of June 30, 2020, the expected liability on the pre-1995 claims, at the 80 percent confidence level, discounted at 4.0 percent, was actuarially estimated to be $5,455,000.

The unpaid claims liabilities in the Workers' Compensation fund for losses prior to 1995 and subsequent to 2002 included in the self-insurance fund are based on actuarial studies and include amounts for claims incurred but not reported including loss adjustment expenses. The discount rate for the Workers' Compensation fund is 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 2018-19 and 2019-20 are as follows (in thousands):

	Claims Fiscal Year		Medical Malpractice Fiscal Year	
	2019-20	2018-19	2019-20	2018-19
Liabilities, beginning	$ 183,544	$ 181,626	$ 2,826	$ 2,346
Incurred losses and adjustments	111,402	101,129	(332)	480
Claim payments	(99,836)	(99,211)	-	-
Liabilities, ending	$ 195,110	$ 183,544	$ 2,494	$ 2,826

Medical malpractice liability for public and mental health functions in the General Fund of $780,000, a decrease of $11,000 from the prior year, is reported in the governmental activities portion of the government-wide financial statements.

NOTE 17 - UNEARNED REVENUE

Unearned revenue is revenue that has been received but has not met all eligibility requirements, such as qualifying expenditures being incurred. Unearned revenue as of June 30, 2020, are summarized as follows (in thousands):

Governmental Funds	General Fund	Watershed Protection District	Non-major Governmental Funds	Internal Service Funds	Total Governmental Activities
Unearned revenue:					
Coronavirus Relief Fund	$ 98,326	$ -	$ -	$ -	$ 98,326
Deposits	4,404	646	-	43	5,093
Juvenile probation and camps funding	2,857	-	-	-	2,857
Title IV-E Entitlement Program	2,423	-	-	-	2,423
Community Corrections Performance Incentives Fund	2,232	-	-	-	2,232
Maddy Emergency Medical Services Fund	1,484	-	-	-	1,484
State Custody Credit Fund	1,164	-	-	-	1,164
Homeless Housing Assistance and Prevention Program	-	-	4,420	-	4,420
Homeless Emergency Assistance Program	-	-	944	-	944
Other unearned revenue	3,672	-	1,075	451	5,198
Total unearned revenue	$ 116,562	$ 646	$ 6,439	$ 494	$ 124,141

Proprietary Funds	Medical Center	Department of Airports	Waterworks Districts	Non-major Enterprise Funds	Total Business-Type Funds
Unearned revenue:					
Provider Relief Fund	$ 41,808	$ -	$ -	$ -	$ 41,808
Other unearned revenue	-	231	358	1,074	1,663
Total unearned revenue	$ 41,808	$ 231	$ 358	$ 1,074	$ 43,471

NOTE 18 - DEFERRED INFLOWS OF RESOURCES - UNAVAILABLE REVENUE

Deferred inflows of resources to the County's governmental funds relate to unavailable revenue as of June 30, 2020. Unavailable revenue is revenue that is earned, however is not available for use on current or near-term expenditures. The year-end unavailable revenue balances are summarized as follows (in thousands):

Governmental Funds	General Fund	Watershed Protection District	Fire Protection District	Non-major Governmental Funds	Total Governmental Activities
Unavailable revenue:					
Medi-Cal	$ 18,700	$ -	$ -	$ 12,570	$ 31,270
H.U.D. and H.O.M.E. Programs	2,883	-	-	14,834	17,717
Special Assessments	-	-	-	7,955	7,955
SB 90 Revenue	5,893	-	-	-	5,893
Behavioral Health Federal Financial Participation and Other Grants	2,818	-	-	-	2,818
Courthouse temporary construction	793	-	-	-	793
CalFire and US Forest Service Revenue	-	-	4,186	-	4,186
Watershed Protection Grants	-	1,178	-	-	1,178
Other	1,887	795	197	1,476	4,355
Total unavailable revenue	$ 32,974	$ 1,973	$ 4,383	$ 36,835	$ 76,165

Non-major governmental funds had unavailable revenue related to the Mental Health Services Act Fund of approximately $12,570,000, the Housing and Urban Development (H.U.D.) Grants Fund of approximately $14,834,000, and the County Service Area #34 Debt Service Fund of approximately $7,955,000.

NOTE 19 - COMMITMENTS AND CONTINGENCIES

Medical Center

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

Grants

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

Federal Assistance

The County received $147,622,000 of Coronavirus Aid, Relief, and Economic Security Act (CARES) funds as a prime recipient in April 2020. The Medical Center also received $47,761,000 in federal Provider Relief Funds (PRF) between April and June 2020. As of June 30, 2020, an estimated $49,718,000 of expenditures deemed to be eligible from CARES Act and $6,011,000 eligible from PRF were recorded as revenue on the fund and government-wide financial statements. The remaining unspent balances, including interest earnings of $422,000 and $58,000 respectively, are reported as unearned revenue. In addition, expenditures of approximately $14,970,000 were incurred during fiscal year ending June 30, 2020 and are expected to be reimbursed in full or in part from the Federal Emergency Management Agency (FEMA) and/or the California Governor's Office of Emergency Services (Cal OES).

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, 2020, encumbrances of $37,597,000 were reported in the General Fund, $2,995,000 in the Road Fund, $7,149,000 in the Watershed Protection District, $30,085,000 in the Fire Protection District, and $50,771,000 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 20 - SUBSEQUENT EVENTS

Tax and Revenue Anticipation Notes

On July 1, 2020, the County issued $120,450,000 of 4.00 percent fixed-rate, priced to yield 0.19 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 2020-21 expenditures and the discharge of other obligations of the County. The maturity date of the notes is June 30, 2021.

Ventura County Public Financing Authority Revolving Credit Agreement Notes
On February 19, 2021, the County and PFA executed the First Amendment to the Revolving Credit Agreement (Agreement). The Agreement, among other modifications, extends the notes maturity date to February 16, 2024.

Medical Center Accelerated and Advance Payment
On September 15, 2020 the Medical Center received $19,871,000 under the Center for Medicare and Medicaid Services (CMS), Expanded Accelerated and Advance Payments (APP) Program. The payments were issued to ease financial strain due to a disruption of claims submission and processing related to the COVID-19 pandemic. The repayment process begins automatically one year after the advance payments were issued. After the first year, CMS will reduce the monthly Medicare payments otherwise due to the Medical Center by 25 percent for the next 11 months, followed by a reduction of 50 percent during the succeeding six months. If an APP balance remains at that time, a letter will be issued for the balance due, which will accrue interest at 4 percent until paid.

NOTE 21 - 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 shall 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.

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. In accordance with the Bill all capital assets were disposed of during fiscal year 2013-14. Accordingly there are no capital assets as of June 30, 2020.

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.

On September 22, 2015, the Governor signed Senate Bill 107 adding section 34191.6 to the Health and Safety Code. Section 34191.6 authorized Successor Agencies to submit a Last and Final Recognized Obligation Payment Schedule (ROPS) beginning January 1, 2016. On March 25, 2016, the DOF approved the Last and Final ROPS for the Successor Agency to the former redevelopment agency. The Last and Final ROPS authorizes payments on Successor Agency obligations and administrative costs until July 1, 2038, when all Successor Agency obligations have been fully discharged.

On May 10, 2018, the Board of Supervisors approved Board Resolution 18-01, directing all Successor Agency staff to transfer all files and records of the County Oversight Board to the Consolidated Oversight Board upon its formation on July 1, 2018.

Long-Term Debt

Tax revenues for the Successor Agency for the current year were $65,000.

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

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

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

Summary of long-term indebtedness as of June 30, 2020, are as follows (in thousands):

Obligation	Outstanding July 1, 2019	Additions	Maturities	Outstanding June 30, 2020	Amount Due Within One Year
Bonds from Direct Placement	$ 593	$ -	$ 20	$ 573	20
Totals	$ 593	$ -	$ 20	$ 573	$ 20

Deficit Net Position
As a result of the transfer of the assets to the County of Ventura in fiscal year 2013-14, the RDA County Successor Agency had a deficit net position as of June 30, 2020. The deficit will continue to be reduced over the years as the related debt is paid off with funds received from the Redevelopment Property Tax Trust Fund, which is administered by the County Auditor-Controller.

NOTE 22 - EXTRAORDINARY ITEM

Southern California Edison Settlement

In November 2019, the County reached a settlement with Southern California Edison to resolve claims resulting from the 2017 Thomas Fire and the 2018 Woolsey Fire. On December 19, 2019, the County received settlement amounts totaling $16,321,000, net of costs and attorney's fees, which was recorded in the General Fund.