SUPPLEMENT DATED OCTOBER 30, 2019 TO
OFFICIAL STATEMENT DATED OCTOBER 2, 2019

$115,180,000
VENTURA COUNTY COMMUNITY COLLEGE DISTRICT
(Ventura County, California)
2019 General Obligation Refunding Bonds
(Federally Taxable)

This Supplement (the "Supplement") to the final Official Statement dated October 30, 2019, supplements the final Official Statement dated October 2, 2019 (the "Original Official Statement" and, together with this Supplement, the "Official Statement") of Ventura County Community College District (the "District") related to the above-referenced bonds (the "Bonds"). Capitalized terms used but not defined in this Supplement have the meanings ascribed thereto in the Original Official Statement.

The Original Official Statement is hereby supplemented to replace in its entirety, the table appearing under the heading "THE BONDS – Debt Service Schedule" on or around page 4 of the Original Official Statement with the following:

Debt Service Schedule

The following table summarizes the debt service requirements of the District for all of its outstanding general obligation bonds and the Bonds, assuming no optional redemptions:

Bond Year Ending August 1	Debt Service for Existing Bonds[1]	The Bonds Principal	The Bonds Interest	Total Debt Service
2020	$ 17,875,450.00	$ 2,990,000	$ 1,886,814.92	$ 22,752,264.92
2021	18,954,250.00	2,250,000	2,457,613.40	23,661,863.40
2022	16,592,237.50	5,650,000	2,420,398.40	24,662,635.90
2023	17,797,737.50	5,710,000	2,326,777.90	25,834,515.40
2024	19,108,987.50	5,780,000	2,226,852.90	27,115,840.40
2025	15,159,487.50	10,865,000	2,122,812.90	28,147,300.40
2026	16,224,237.50	11,345,000	1,906,490.76	29,475,728.26
2027	19,210,487.50	10,155,000	1,666,997.80	31,032,485.30
2028	26,087,987.50	5,650,000	1,441,861.46	33,179,848.96
2029	3,847,050.00	26,405,000	1,310,950.96	31,563,000.96
2030	3,847,050.00	28,380,000	685,944.60	32,912,994.60
2031	35,567,050.00	--	--	35,567,050.00
2032	37,080,800.00	--	--	37,080,800.00
2033	38,656,800.00	--	--	38,656,800.00
Total	$286,009,612.50	$115,180,000	$20,453,516.00	$421,643,128.50

[1] Figures exclude the debt service for the bonds to be refunded.

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NEW ISSUE – BOOK ENTRY ONLY

RATINGS: S&P: "AA+"
Moody's: "Aa1"
(See "RATINGS" herein.)

Interest on the Bonds will be included in gross income for federal income purposes. See "TAX MATTERS." In the opinion of Bond Counsel, under existing law interest on the Bonds is exempt from personal income taxes of the State of California.

$115,180,000
VENTURA COUNTY COMMUNITY COLLEGE DISTRICT
(Ventura County, California)
2019 General Obligation Refunding Bonds
(Federally Taxable)

Dated: Date of Delivery **Due: August 1, as shown on inside cover.**

The Ventura County Community College District (the "District") is issuing its 2019 General Obligation Refunding Bonds (the "Bonds"). The Bonds are payable from *ad valorem* taxes upon all property subject to taxation within the District, which the Board of Supervisors of Ventura County (the "County") is empowered and obligated to levy without limitation as to rate or amount (except for certain personal property which is taxable at limited rates) all as more fully described herein. The Bonds are being issued to (i) effect the advance refunding of a portion of certain general obligation bonds issued by the District and (ii) pay certain costs of issuance associated therewith. See the caption "PLAN OF REFUNDING" herein. The Bonds are dated the date of delivery. The Bonds will mature on the dates and in the amounts and bear interest at the rates shown on the inside cover herein. The Bonds will be issued in denominations of $5,000 principal amount or integral multiples thereof, and are payable as to principal amount or redemption price at the office of U.S. Bank National Association, Paying Agent for the Bonds (the "Paying Agent"). The Bonds will be issued as current interest bonds payable semiannually on February 1 and August 1 of each year, commencing February 1, 2020.

The Bonds are issued in fully registered form and, when delivered, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository of the Bonds as described herein under the caption "THE BONDS – Book-Entry Only System."

The Bonds are not subject to redemption prior to their respective stated maturity dates.

The Bonds are general obligations of the District, secured and payable solely from *ad valorem* property taxes collected against taxable properties within the boundaries of the District. The Bonds are general obligations of the District only and are not obligations of the County, the State of California or any of its other political subdivisions. The Board of Supervisors of the County has the power and is obligated to levy and collect *ad valorem* property taxes for each fiscal year upon the taxable property of the District in an amount at least sufficient, together with other moneys available for such purpose, to pay the principal of, and premium, if any, and interest on each Bond as the same becomes due and payable.

MATURITY SCHEDULE
On Inside Cover

THIS COVER PAGE CONTAINS CERTAIN INFORMATION FOR QUICK REFERENCE ONLY. IT IS NOT A SUMMARY OF THIS ISSUE. INVESTORS MUST READ THE ENTIRE OFFICIAL STATEMENT TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED INVESTMENT DECISION.

The Bonds will be offered when, as and if issued and received by the Underwriter subject to the approval of legality by Norton Rose Fulbright US LLP, Los Angeles, Bond Counsel, and certain other conditions. Norton Rose Fulbright US LLP, Los Angeles is also acting as Disclosure Counsel for the issue. Certain legal matters will be passed upon for the Underwriter by their counsel, Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California. It is anticipated that the Bonds will be available through the facilities of DTC on or about October 31, 2019.

RBC Capital Markets

Dated: October 2, 2019

MATURITY SCHEDULE

$115,180,000
VENTURA COUNTY COMMUNITY COLLEGE DISTRICT
(Ventura County, California)
2019 General Obligation Refunding Bonds
(Federally Taxable)

Maturity Date (August 1)	Principal Amount	Interest Rate	Yield	CUSIP[(1)] (923040)
2020	$ 2,990,000	1.634%	1.634%	GQ6
2021	2,250,000	1.654	1.654	GR4
2022	5,650,000	1.657	1.657	GS2
2023	5,710,000	1.750	1.750	GT0
2024	5,780,000	1.800	1.800	GU7
2025	10,865,000	1.991	1.991	GV5
2026	11,345,000	2.111	2.111	GW3
2027	10,155,000	2.217	2.217	GX1
2028	5,650,000	2.317	2.317	GY9
2029	26,405,000	2.367	2.367	GZ6
2030	28,380,000	2.417	2.417	HA0

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(1) CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by S&P Capital IQ on behalf of The American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Services. Neither the District nor the Underwriter take any responsibility for the accuracy of the CUSIP numbers, which are being provided for reference only. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

No dealer, broker, salesperson or other person has been authorized by the Ventura County Community College District (the "District") to provide any information or to make any representations other than as contained herein and, if given or made, such other information or representation must not be relied upon as having been authorized by this Official Statement does not constitute an offer to sell, the solicitation of an offer to buy, nor shall there be any sale of the Bonds by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

This Official Statement is not to be construed as a contract with the purchasers of the Bonds. Statements contained in this Official Statement which involve estimates, forecasts or matters of opinion, whether or not expressly described herein, are intended solely as such and are not to be construed as a representation of facts.

The District maintains a website and social media accounts. However, the information presented on such website or through such social media accounts is not part of this Official Statement and should not be relied upon in making investment decisions with respect to the Bonds. The references to internet websites in this Official Statement are shown for reference and convenience only; unless explicitly stated to the contrary, the information contained within the websites is not incorporated herein by reference and does not constitute part of this Official Statement.

The information set forth herein has been obtained from official sources which are believed to be reliable. The information and expressions of opinion herein are subject to change without notice and neither delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the District since the date hereof. Although certain information set forth in this Official Statement has been provided by the County of Ventura, the County of Ventura has not approved this Official Statement and is not responsible for the accuracy or completeness of the statements contained in this Official Statement except for the information set forth under the caption "THE VENTURA COUNTY POOLED SURPLUS INVESTMENTS" herein.

The Underwriter has provided the following sentence for inclusion in this Official Statement. The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, their respective responsibility to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or the completeness of such information.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVER ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS OFFERED HEREBY AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED MAY BE DISCONTINUED AT ANY TIME. THE UNDERWRITER MAY OFFER AND SELL THE BONDS TO CERTAIN DEALERS, INSTITUTIONAL INVESTORS, BANKS OR OTHERS AT PRICES LOWER OR HIGHER THAN THE PUBLIC OFFERING PRICES STATED ON THE COVER PAGE HEREOF AND SAID PUBLIC OFFERING PRICES MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITER.

Certain statements included or incorporated by reference in this Official Statement constitute "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended (the "Exchange Act"), and Section 27A of the United States Securities Act of 1933, as amended (the "Securities Act"). Such statements are generally identifiable by the terminology used such as "plan," "expect," "estimate," "budget" or other similar words.

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THE DISTRICT DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THOSE FORWARD-LOOKING STATEMENTS IF OR WHEN ITS EXPECTATIONS, OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR.

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT
Ventura County, State of California

SPECIAL SERVICES

Municipal Advisor

Keygent LLC
El Segundo, California

Bond Counsel and Disclosure Counsel

Norton Rose Fulbright US LLP
Los Angeles, California

Paying Agent

U.S. Bank National Association
Los Angeles, California

Verification Agent

Causey Demgen & Moore, P.C.
Denver, Colorado

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$115,180,000
VENTURA COUNTY COMMUNITY COLLEGE DISTRICT
(Ventura County, California)
2019 General Obligation Refunding Bonds
(Federally Taxable)

INTRODUCTION

The Ventura County Community College District (the "District") will issue $115,180,000 aggregate principal amount of 2019 General Obligation Refunding Bonds (the "Bonds"). The Bonds are being issued pursuant to the provisions of Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the of the California Government Code (commencing with Sections 53550 and 53580, respectively) (the "Refunding Act") and other applicable laws and regulations of the State, and pursuant to a resolution adopted by the Board of Trustees (the "Board") on September 10, 2019 (the "Resolution").

The proceeds of the Bonds will be used to (i) advance refund a portion of the District's 2011 General Obligation Refunding Bonds (the "2011 Bonds"), (ii) advance refund a portion of the District's 2014 General Obligation Refunding Bonds (the "2014 Bonds") (iii) advance refund a portion of the District's 2015 General Obligation Refunding Bonds (the "2015 Bonds"), and (iv) pay the costs of issuance of the Bonds. The 2011 Bonds, the 2014 Bonds and the 2015 Bonds to be refunded with proceeds of the Bonds are referred to herein as the "Refunded Bonds." See "PLAN OF REFUNDING."

The Ventura County Community College District, a community college district of the State of California (the "State"), was established in 1962. The District provides public community college education over an 882-square-mile area in Ventura County (the "County"). The District is the only community college district in Ventura County. The District currently operates three community colleges: Ventura College, Moorpark College, and Oxnard College. Each college provides collegiate level instruction across a wide spectrum of subjects for grades 13 and 14, including general education, pre-professional training, occupational and vocational training, and technical, general, adult and community education.

The District's full-time equivalent student load for 2019-20 is projected at 25,700 residents and 180 non-residents. The local secured assessed valuation of the District for 2019-20 is $136,511,562,495 and the total assessed valuation for 2019-20 is $141,161,207,836. The District's audited financial statements for the fiscal year ended June 30, 2018, are attached hereto as APPENDIX C. For further information concerning the District, see "APPENDIX A – FINANCIAL AND DEMOGRAPHIC INFORMATION RELATING TO THE DISTRICT."

THE BONDS

Authority for Issuance and Security for the Bonds

The Bonds are being issued under the provisions of the Refunding Act and other applicable laws and regulations of the State, and pursuant to the Resolution. Pursuant to the Refunding Act, general obligation bonds issued for the purpose of refunding outstanding general obligation bonds previously authorized by the voters that do not increase the debt service obligation of taxpayers do not require additional voter approval, either for issuance of such refunding general obligation bonds or the levy of an *ad valorem* property tax sufficient to pay principal of and interest as due on the refunding general obligation bonds.

Description of the Bonds

The Bonds shall be issued in fully registered form, in denominations of $5,000 or any integral multiple thereof and shall be dated and shall mature on the dates, in the years and in the Principal Amounts, and interest shall be computed at the rates, set forth in the Contract of Purchase. Interest on each Bond shall accrue from its dated date as set forth in the Contract of Purchase. Interest on Bonds shall be computed using a year of 360 days comprising twelve 30-day months and shall be payable on each Interest Payment Date to the Owner thereof appearing on the Bond Register as of the close of business on the Record Date. Interest on each Bond will be payable from the Interest Payment Date next preceding the date of registration thereof, unless it is registered after the close of business on any Record Date and before the close of business on the immediately following Interest Payment Date, in which event interest thereon shall be payable from such following Interest Payment Date; or it is registered prior to the close of business on the first Record Date, in which event interest shall be payable from its dated date; *provided, however,* that if at the time of registration of any Bond, interest thereon is in default, interest with respect thereto shall be payable from the Interest Payment Date to which interest has previously been paid or made available for payment. Payments of interest on the Bonds will be made on each Interest Payment Date by check or draft of the Paying Agent sent by first-class mail, postage prepaid, to the Owner thereof appearing on the Bond Register on the Record Date, or by wire transfer to any Owner of $1,000,000 aggregate principal amount or more of such Bonds, to the account specified by such Owner in a written request delivered to the Paying Agent on or prior to the Record Date for such Interest Payment Date; *provided, however*, that payments of defaulted interest shall be payable to the person in whose name such Bond is registered at the close of business on a special record date fixed therefor by the Paying Agent which shall not be more than fifteen days and not less than ten days prior to the date of the proposed payment of defaulted interest.

Principal on the Bonds shall be due and payable on August 1 in each of the years as set forth on the inside cover of this Official Statement

The principal of the Bonds is payable when due upon surrender of the Bonds at the office of the Paying Agent. As long as DTC (defined below) is the registered owner of the Bonds and DTC's book-entry method is used for the Bonds, the Paying Agent will send any notice of prepayment or other notices to owners only to DTC. The Bonds mature on August 1 in the years indicated on the inside cover page hereof.

The Bonds will be issued in fully registered form and, when issued, will be registered in the name of Cede & Co., as registered owner and nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Bonds. So long as Cede & Co. is the registered owner of the Bonds, as nominee of DTC, references herein to the Owners or registered owners shall mean Cede & Co. as aforesaid, and shall not mean the Beneficial Owners (as defined herein) of the Bonds.

So long as Cede & Co. is the registered owner of the Bonds, principal of and interest or premium, if any, on the Bonds are payable by wire transfer or New York Clearing House or equivalent next-day funds or by wire transfer of same day funds by U.S. Bank National Association, as paying agent (the "Paying Agent"), to Cede & Co., as nominee for DTC. DTC is obligated, in turn, to remit such amounts to the DTC Participants (as defined herein) for subsequent disbursement to the Beneficial Owners. Payments of principal and premium, if any, for any Bonds shall be made only upon the surrender of such Bonds to the Paying Agent. See "APPENDIX E – BOOK-ENTRY ONLY SYSTEM" herein.

No Optional Redemption

The Bonds are not subject to redemption prior to their respective stated maturity dates.

Transfer and Exchange

Any Bond may be exchanged for Bonds of like tenor, maturity and principal amount and transferred upon the bond registrar upon presentation and surrender of such Bond at the principal office of the Paying Agent, together with an assignment executed by the Owner or a person legally empowered to do so in a form satisfactory to the Paying Agent. Upon exchange or transfer, the Paying Agent shall complete, authenticate and deliver a new Bond or Bonds of like tenor and of any authorized denomination or denominations requested by the Owner equal to the principal amount of the Bond surrendered and bearing interest at the same rate and maturing on the same date.

The registration of any Bond may be transferred upon the Bond Register upon surrender of such Bond to the Paying Agent. Such Bond shall be endorsed or accompanied by delivery of the written instrument of transfer, duly executed by the Owner or such Owner's duly authorized attorney, and payment of such reasonable transfer fees as the Paying Agent may establish. Upon such registration of transfer, a new Bond or Bonds, of like tenor, series and maturity in the same Principal Amount and in authorized denominations, will be executed and delivered to the transferee in exchange therefor.

The Paying Agent shall deem and treat the person in whose name any Outstanding Bond shall be registered upon the Bond Register as the absolute owner of such Bond, whether the Principal of and premium, if any, or interest on such Bond shall be overdue or not, for the purpose of receiving payment of Principal of and premium, if any, and interest on such Bond and for all other purposes, and any such payments so made to any such Owner or upon such Owner's order shall be valid and effective to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and the District or the Paying Agent shall not be affected by any notice to the contrary.

Bonds may be exchanged at the office of the Paying Agent for Bonds of like series, tenor and maturity of other authorized denominations. All Bonds surrendered in any such exchange shall thereupon be cancelled by the Paying Agent. The Paying Agent may charge the Owner a reasonable sum for each new Bond executed and delivered upon any exchange (except in the case of the first exchange of any Bond in the form in which it is originally delivered, for which no charge shall be imposed) and the Paying Agent may require the payment by the Owner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange.

The Paying Agent shall not be required to register the transfer or exchange of any Bond during the period beginning at the close of business on any Record Date through the close of business on the immediately following Interest Payment Date, or that has been called or is subject to being called for redemption, during a period beginning at the opening of business 15 days before any selection of Bonds to be redeemed through the close of business on the applicable redemption date, except for the unredeemed portion of any Bond to be redeemed only in part.

Discharge and Defeasance

All or any portion of the outstanding Bonds shall be paid and discharged in any one of the following ways:

1. by paying or causing to be paid the principal of, premium, if any, and interest on such Bonds outstanding, and when the same become due and payable;

2. by depositing with the Paying Agent, or with a duly appointed escrow agent, at or before maturity, cash which, together with the amounts then on deposit in the applicable Debt Service Fund plus the interest to accrue thereon without the need for further investment, is fully sufficient to pay all Bonds outstanding at maturity thereof, including any premium and all interest thereon, notwithstanding that any Bonds shall not have been surrendered for payment; or

3. by depositing with an institution which meets the requirements for acting as a successor Paying Agent pursuant to the Resolution selected by the District, in trust, lawful money or noncallable direct obligations issued by the United States Treasury (including State and Local Government Series Obligations) or obligations which are unconditionally guaranteed by the United States of America and permitted under Section 149(b) of the Code and Regulations which, in the opinion of nationally recognized bond counsel, will not impair the exclusion from gross income for federal income tax purposes of interest on the Bonds, in such amount as will, together with the interest to accrue thereon without the need for further investment, be fully sufficient to pay and discharge all Bonds outstanding at maturity thereof, including any premium and all interest thereon, for which notice has been given or provided for, notwithstanding that any Bonds shall not have been surrendered for payment;

then all obligations of the District and the Paying Agent under the applicable resolution with respect to the affected Bonds shall cease and terminate, except only the obligation of the Paying Agent to pay or cause to be paid to the Owners of the Bonds all sums due thereon, and the obligation of the District to pay the Paying Agent amounts owing to the Paying Agent under the applicable resolution.

Debt Service Schedule

The following table summarizes the debt service requirements of the District for all its outstanding general obligation bonds and the Bonds, assuming no optional redemptions:

Bond Year Ending August 1	Debt Service for Existing Bonds[1]	The Bonds Principal	The Bonds Interest	Total Debt Service
2020	$ 26,506,325.00	$ 2,990,000	$ 1,886,814.92	$ 31,383,139.92
2021	27,585,125.00	2,250,000	2,457,613.40	32,292,738.40
2022	25,223,112.50	5,650,000	2,420,398.40	33,293,510.90
2023	26,428,612.50	5,710,000	2,326,777.90	34,465,390.40
2024	27,739,862.50	5,780,000	2,226,852.90	35,746,715.40
2025	23,790,362.50	10,865,000	2,122,812.90	36,778,175.40
2026	24,855,112.50	11,345,000	1,906,490.76	38,106,603.26
2027	27,841,362.50	10,155,000	1,666,997.80	39,663,360.30
2028	34,718,862.50	5,650,000	1,441,861.46	41,810,723.96
2029	34,212,925.00	26,405,000	1,310,950.96	61,928,875.96
2030	35,352,500.00	28,380,000	685,944.60	64,418,444.60
2031	75,108,650.00	--	--	75,108,650.00
2032	78,303,750.00	--	--	78,303,750.00
2033	81,637,500.00	--	--	81,637,500.00
Total	$549,304,062.50	$115,180,000	$20,453,516.00	$684,937,578.50

[1] Figures exclude the debt service for the bonds to be refunded.

Book-Entry Only System

The Bonds will be issued in fully registered form and, when issued, will be registered in the name of Cede & Co., as registered owner and nominee of DTC. DTC will act as securities depository for the Bonds. So long as Cede & Co. is the registered owner of the Bonds, as nominee of DTC, references herein to the Owners or registered owners shall mean Cede & Co. as aforesaid, and shall not mean the Beneficial Owners of the Bonds. For further information regarding DTC and the book-entry system, see "APPENDIX E – BOOK-ENTRY ONLY SYSTEM" hereto.

PLAN OF REFUNDING

The net proceeds of the Bonds will be applied to: (i) advance refund a portion of the 2011 Bonds, (ii) advance refund a portion of the 2014 Bonds, (iii) advance refund a portion of the 2015 Bonds and (iv) pay the costs of issuance of the Bonds.

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SUMMARY OF THE REFUNDED BONDS

2011 General Obligation Refunding Bonds
Redemption Date: August 1, 2021

Maturity Date (August 1)	Principal Amount	Interest Rate	CUSIP Number[1] (923040)
2022	$3,515,000	5.00%	DZ9
2023	3,660,000	5.00	EA3
2024	2,210,000	5.00	EC9
2024	1,600,000	4.00	EB1
2025	3,955,000	5.00	ED7
2026	4,205,000	5.00	EE5
2027	4,545,000	5.00	EF2

2014 General Obligation Refunding Bonds
Redemption Date: February 1, 2024

Maturity Date (August 1)	Principal Amount	Interest Rate	CUSIP Number[1] (923040)
2025	$5,240,000	5.00%	FP9
2026	5,765,000	5.00	FQ7
2027	4,465,000	5.00	FR5
2028	4,495,000	5.00	FS3
2029	5,110,000	5.00	FT1
2030	5,760,000	4.00	FU8

2015 General Obligation Refunding Bonds
Redemption Date: August 1, 2025

Maturity Date (August 1)	Principal Amount	Interest Rate	CUSIP Number[1] (923040)
2029	$21,240,000	5.00%	GK9
2030	23,325,000	5.00	GL7

(1) CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by S&P Capital IQ on behalf of The American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Services. Neither the District, the Municipal Advisor, nor the Underwriter takes any responsibility for the accuracy of the CUSIP numbers, which are being provided for reference only. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

On the date of delivery of the Bonds, a portion of the net proceeds of sale of the Bonds shall be transferred to U.S. Bank National Association, in the capacity of Escrow Agent (the "Escrow Agent") for deposit into the escrow fund (the "Escrow Fund"), established pursuant to that certain Escrow Agreement, dated as of October 1, 2019 (the "Escrow Agreement"), in an amount, which will be held as uninvested cash and invested in Defeasance Securities, that will be sufficient to pay and redeem the Refunded Bonds on the respective date selected for the redemption thereof.

The sufficiency of the amounts on deposit in the Escrow Fund, together with realizable interest and earnings thereon, to refund the Refunded Bonds as described above will be verified by Causey Demgen & Moore P.C., as the verification agent (the "Verification Agent"). See "VERIFICATION AGENT" herein.

ESTIMATED SOURCES AND USES OF FUNDS

The estimated sources and uses of funds in connection with the Bonds are as follows:

Sources of Funds	
Principal Amount	$115,180,000.00
Total Sources	$115,180,000.00
Uses of Funds	
Deposit to Escrow Fund	$114,511,447.81
Costs of Issuance[1]	668,552.19
Total Uses	$115,180,000.00

[1] Costs of issuance includes, but is not limited to, Underwriter's discount, printing and rating costs, demographics, fees and expenses of the Paying Agent, Fiscal Agent, Escrow Agent, Municipal Advisor, Bond and Disclosure Counsel and the Verification Agent.

SECURITY AND SOURCES OF PAYMENT FOR THE BONDS

General

The Bonds are general obligations of the District, and the Board of Supervisors of the County has the power and is obligated to levy and collect *ad valorem* taxes upon all property within the District subject to taxation by the County, without limitation as to rate or amount (except certain personal property which is taxable at limited rates) for payment of both principal of and interest on the Bonds. See " – Assessed Valuations" herein for further information regarding the assessed valuation and property tax collection information within the District.

Assessed Valuations – Constitutional and Statutory Initiatives

Article XIIIA of the California Constitution. Article XIIIA of the California Constitution limits the amount of any *ad valorem* tax on real property, to 1% of the full cash value thereof, except that additional *ad valorem* taxes may be levied to pay debt service on indebtedness approved by the voters prior to July 1, 1978, and on bonded indebtedness for the acquisition or improvement of real property which has been approved on or after July 1, 1978 by two-thirds of the voters on such indebtedness or 55% of voters voting on the proposition. Article XIIIA defines full cash value to mean "the county assessor's valuation of real property as shown on the 1975-76 tax bill under "full cash value," or thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership have occurred after the 1975 assessment." The full cash value may be increased at a rate not to exceed 2% per year to account for inflation.

Article XIIIA has subsequently been amended to permit reduction of the "full cash value" base in the event of declining property values caused by damage, destruction or other factors, to provide that there would be no increase in the "full cash value" base in the event of reconstruction of property damaged or destroyed in a disaster and in other minor or technical ways.

Legislation Implementing Article XIIIA. Legislation has been enacted and amended a number of times since 1978 to implement Article XIIIA. Under current law, local agencies are no longer permitted to levy directly any property tax (except to pay voter-approved indebtedness). The 1% property tax is automatically levied by the county and distributed according to a formula among taxing agencies. The formula apportions the tax roughly in proportion to the relative shares of taxes levied prior to 1979.

Increases of assessed valuation resulting from reappraisals of property due to new construction, change in ownership or from the 2% annual adjustment are allocated among the various jurisdictions in the "taxing area" based upon their respective "situs." Any such allocation made to a local agency continues as part of its allocation in future years.

All taxable property value included in this Official Statement is shown at 100% of market value (unless noted differently) and all general tax rates reflect the $1 per $100 of taxable value.

Assessed Valuations

The assessed valuation of property in the District is established by the County Assessor, except for public utility property which is assessed by the State Board of Equalization. Assessed valuations are reported at 100% of the full value of the property, as defined in Article XIIIA of the California Constitution.

The State-reimbursed exemption currently provides a credit of $7,000 of the full value of an owner-occupied dwelling for which application has been made to the County Assessor. The revenue estimated to be lost to local taxing agencies due to the exemption is reimbursed from State sources. Reimbursement is based upon total taxes due upon such exempt value and is not reduced by any amount for estimated or actual delinquencies.

In addition, certain classes of property such as churches, colleges, not-for-profit hospitals and charitable institutions are exempt from property taxation and do not appear on the tax rolls. No reimbursement is made by the State for such exemptions.

For fiscal year 2019-20, the District's total assessed valuation is $141,161,207,836. Shown in the following tables is information relating to the assessed valuation of property in the District during the current and past five fiscal years, assessed valuation by jurisdiction for 2019-20, assessed valuation and parcels by land use, and per parcel 2019-20 assessed valuation of single family homes.

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT
Summary of Assessed Valuations
Fiscal Years 2015-16 through 2019-20

Fiscal Year	Local Secured	Utilities	Unsecured	Total
2015-16	$114,398,009,881	$125,015,375	$4,199,578,492	$118,722,603,748
2016-17	118,837,141,752	82,506,062	4,200,575,755	123,120,223,569
2017-18	125,012,964,228	69,104,298	4,104,468,961	129,186,537,487
2018-19	130,495,534,244	53,487,840	4,312,923,769	134,861,945,853
2019-20	136,511,562,495	24,499,415	4,625,145,926	141,161,207,836

Source: California Municipal Statistics, Inc.

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT
2019-20 Assessed Valuation by Jurisdiction

Jurisdiction:	Assessed Valuation in District	% of District[(1)]	Assessed Valuation of Jurisdiction	% of Jurisdiction in District
City of Camarillo	$14,008,816,863	9.92%	$14,008,816,863	100.00%
City of Fillmore	1,346,271,398	0.95	1,346,271,398	100.00
City of Moorpark	6,503,707,257	4.61	6,503,707,257	100.00
City of Ojai	1,682,829,558	1.19	1,682,829,558	100.00
City of Oxnard	21,220,536,454	15.03	21,220,536,454	100.00
City of Port Hueneme	2,118,491,528	1.50	2,118,491,528	100.00
City of San Buenaventura	17,149,629,230	12.15	17,149,629,230	100.00
City of Santa Paula	2,267,599,170	1.61	2,267,599,170	100.00
City of Simi Valley	19,714,938,380	13.97	19,714,938,380	100.00
City of Thousand Oaks	31,691,055,411	22.45	31,691,055,411	100.00
Unincorporated Ventura County	23,457,332,587	16.62	23,508,607,477	99.78
Total District	$141,161,207,836	100.00%		
Ventura County	$141,161,207,836	100.00%	$141,212,482,726	99.96%

(1) Totals may not add due to rounding.
Source: California Municipal Statistics, Inc.

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT
2019-20 Assessed Valuation and Parcels by Land Use

	2019-20 Assessed Valuation[1]	% of Total	No. of Parcels	% of Total
Non-Residential:				
Agricultural	$ 4,561,534,740	3.34%	5,248	1.97%
Commercial/Office	12,584,078,092	9.22	5,664	2.13
Vacant Commercial	339,496,244	0.25	516	0.19
Industrial	8,584,799,645	6.29	3,289	1.24
Vacant Industrial	350,984,577	0.26	533	0.20
Oil & Gas	702,623,707	0.51	802	0.30
Recreational/Open Space	333,448,971	0.24	1,164	0.44
Government/Social/Institutional	180,126,056	0.13	4,346	1.63
Miscellaneous	448,545,833	0.33	5,176	1.94
Subtotal Non-Residential	$28,085,637,865	20.57%	26,738	10.04%
Residential:				
Single Family Residence	$ 83,437,464,256	61.12%	169,204	63.55%
Condominium/Townhouse	14,829,032,564	10.86	42,736	16.05
Hotel/Motel	832,268,144	0.61	152	0.06
Timeshare Parcels	723,269	0.00	1,647	0.62
Mobile Home	523,063,460	0.38	11,529	4.33
Mobile Home Park	364,564,787	0.27	1,289	0.48
2-4 Residential Units	2,029,871,938	1.49	5,152	1.94
5+ Residential Units/Apartments	5,378,512,429	3.94	1,255	0.47
Vacant Residential	1,030,423,783	0.75	6,540	2.46
Subtotal Residential	$108,425,924,630	79.43%	239,504	89.96%
Total	$136,511,562,495	100.00%	266,242	100.00%

(1) Local Secured Assessed Valuation; excluding tax-exempt property.
Source: California Municipal Statistics, Inc.

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT
Per Parcel 2019-20 Assessed Valuation of Single Family Homes

	No. of Parcels	2019-20 Assessed Valuation	Average Assessed Valuation	Median Assessed Valuation
Single Family Residential	169,204	$83,437,464,256	$493,118	$421,945

2019-20 Assessed Valuation	No. of Parcels[1]	% of Total	Cumulative % of Total	Total Valuation	% of Total	Cumulative % of Total
$0 - $49,999	2,990	1.767%	1.767%	$ 98,790,482	0.118%	0.118%
$50,000 - $99,999	11,894	7.029	8.796	869,297,439	1.042	1.160
$100,000 - $149,999	7,085	4.187	12.984	878,686,286	1.053	2.213
$150,000 - $199,999	7,564	4.470	17.454	1,333,446,993	1.598	3.812
$200,000 - $249,999	10,838	6.405	23.859	2,456,458,548	2.944	6.756
$250,000 - $299,999	13,247	7.829	31.688	3,641,698,281	4.365	11.120
$300,000 - $349,999	13,349	7.889	39.578	4,336,991,392	5.198	16.318
$350,000 - $399,999	12,337	7.291	46.869	4,623,466,027	5.541	21.859
$400,000 - $449,999	11,821	6.986	53.855	5,020,178,613	6.017	27.876
$450,000 - $499,999	11,938	7.055	60.910	5,666,916,123	6.792	34.668
$500,000 - $549,999	10,509	6.211	67.121	5,515,399,335	6.610	41.278
$550,000 - $599,999	9,819	5.803	72.924	5,637,958,775	6.757	48.035
$600,000 - $649,999	8,118	4.798	77.722	5,068,889,667	6.075	54.110
$650,000 - $699,999	6,550	3.871	81.593	4,412,491,275	5.288	59.399
$700,000 - $749,999	5,228	3.090	84.683	3,785,965,603	4.537	63.936
$750,000 - $799,999	4,174	2.467	87.150	3,232,147,151	3.874	67.810
$800,000 - $849,999	3,615	2.136	89.286	2,978,175,856	3.569	71.379
$850,000 - $899,999	2,918	1.725	91.011	2,550,262,824	3.056	74.436
$900,000 - $949,999	2,339	1.382	92.393	2,160,303,997	2.589	77.025
$950,000 - $999,999	1,708	1.009	93.403	1,663,141,592	1.993	79.018
$1,000,000 and greater	11,163	6.597	100.000	17,506,797,997	20.982	100.000
Total	169,204	100.000%		$83,437,464,256	100.000%	

(1) Improved single family residential parcels. Excludes condominiums and parcels with multiple family units.
Source: California Municipal Statistics, Inc.

Teeter Plan

The County has formally adopted the alternative method of apportioning secured property taxes which is authorized by California Revenue and Taxation Code Sections 4701 *et seq.* This method is commonly referred to as the "Teeter Plan." Generally, the Teeter Plan provides for a simplified tax distribution procedure in which taxes levied on the secured roll are distributed to participating agencies, including the District, on the basis of their levy, rather than on the basis of actual tax collections. In consideration for the County funding the "buy-out" (difference between tax levy and actual receipts), the County is entitled to receive all future delinquent tax payments, penalties and interest collected.

The *ad valorem* property tax to be levied to pay the principal of and interest on the Bonds will be subject to the Teeter Plan, beginning in the first year of such levy. The District will receive 100% of the *ad valorem* property tax levied to pay the Bonds irrespective of actual delinquencies in the collection of the tax by the County.

The Teeter Plan is to remain in effect unless the Board of Supervisors of the County orders its discontinuance or unless, prior to the commencement of any fiscal year of the County (which commences on July 1), the Board of Supervisors receives a petition for its discontinuance joined in by a resolution adopted by at least two-thirds of the participating revenue districts in the County. In the event the Board of Supervisors decides to order discontinuance of the Teeter Plan subsequent to its implementation, only those secured property taxes actually collected would be allocated to political subdivisions (including the District) for which the County acts as the tax-levying or tax-collecting agency.

In addition, if the delinquency rate for all *ad valorem* property taxes levied within the District exceeds 3%, the Board of Supervisors can terminate the Teeter Plan with respect to the District. In the event that the Teeter Plan were terminated with regard to the secured tax roll, the amount of the levy of *ad valorem* property taxes would depend upon the collection of *ad valorem* property taxes and delinquency rates experienced with respect to the parcels within the District.

Tax Rates, Levies, Collections and Delinquencies

Taxes are levied for each fiscal year on taxable real and personal property which is situated in the County as of the preceding January 1. However, upon a change in ownership of property or completion of new construction, State law permits an accelerated recognition and taxation of increases in real property assessed valuation (known as a "floating lien date"). For assessment and collection purposes, property is classified either as "secured" or "unsecured" and is listed accordingly on separate parts of the assessment roll. The "secured roll" is that part of the assessment roll containing State assessed property secured by a lien which is sufficient, in the opinion of the assessor, to secure payment of the taxes. Other property is assessed on the "unsecured roll."

The County levies a 1% property tax on behalf of all taxing agencies in the County. The taxes collected are allocated on the basis of a formula established by State law enacted in 1979. Under this formula, the County and all other taxing entities receive a base year allocation plus an allocation on the basis of "situs" growth in assessed value (new construction, change of ownership, inflation) prorated among the jurisdictions which serve the tax rate areas within which the growth occurs. Tax rate areas are specifically defined geographic areas which were developed to permit the levying of taxes for less than county-wide or less than city-wide special and school districts and community college districts. In addition, the County levies and collects additional approved property taxes and assessments on behalf of any taxing agency within the County.

Property taxes on the secured roll are due in two installments, on November 1 and February 1. If unpaid, such taxes become delinquent after December 10 and April 10, respectively, and a 10% penalty attaches to any delinquent payment. In addition, property on the secured roll with respect to which taxes are delinquent is declared tax-defaulted on or about June 30. Such property may thereafter be redeemed by payment of the delinquent taxes and the delinquency penalty, plus costs and redemption penalty of one and ½% per month to the time of redemption. If taxes are unpaid for a period of five years or more, the tax-defaulted property is subject to sale by the County Treasurer (the "Treasurer").

Property taxes on the unsecured roll are currently due as of the January 1 lien date prior to the commencement of a fiscal year and become delinquent, if unpaid, on August 31. A 10% penalty attaches to delinquent taxes on property on the unsecured roll and an additional penalty of 1 ½% per month begins to accrue on November 1. The taxing authority has four ways of collecting unsecured personal property taxes: (1) a civil action against the taxpayer; (2) filing a certificate in the office of the County Clerk specifying certain facts in order to obtain a judgment lien on certain property of the taxpayer; (3) filing a certificate of delinquency for recordation in the County Recorder's office in order to obtain a lien on certain property of the taxpayer; and (4) seizure and sale of personal property, improvements, bank accounts or possessory interests belonging or assessed to the taxpayer.

The County levies and collects all property taxes for property falling within its taxing boundaries. The County has adopted the Teeter Plan. Under the Teeter Plan local taxing entities receive 100% of their tax levies net of delinquencies, but do not receive interest or penalties on delinquent taxes collected by the County. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Teeter Plan" herein.

The following tables set forth secured tax charges levied and delinquencies in the District for fiscal years 2014-15 through 2018-19.

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT
Secured Tax Charges and Delinquencies

	Secured Tax Charge(1)	Amt. Del. June 30	% Del. June 30(2)
2014-15	$58,438,663.59	$483,212.55	0.83%
2015-16	61,265,559.88	836,503.62	1.37
2016-17	63,367,358.51	513,860.08	0.81
2017-18	66,414,859.40	501,025.42	0.75
2018-19	69,409,344.25	506,301.02	0.73

	Secured Tax Charge(3)	Amt. Del. June 30	% Del. June 30(2)
2014-15	$19,186,902.96	$485,467.85	2.53%
2015-16	14,837,629.94	435,373.84	2.93
2016-17	18,302,875.93	664,023.15	3.63
2017-18	18,734,743.49	508,856.28	2.72
2018-19	19,690,825.50	545,188.67	2.77

(1) 1% General Fund apportionment.
(2) Ventura County utilizes the Teeter Plan for assessment levy and distribution. This method guarantees distribution of 100% of the assessments levied to the taxing entity, with the County retaining all penalties and interest. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Teeter Plan."
(3) General obligation bonds debt service levy only.
Source: California Municipal Statistics, Inc.

Tax Rates

Representative tax rate areas ("TRA") located within the District appear in the tables below. The tables demonstrate the total *ad valorem* tax rates levied by all taxing entities in these TRAs during the five-year period from 2014-15 through 2018-19.

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT
Typical Total Tax Rates per $100 Assessed Valuation

	2014-15	2015-16	2016-17	2017-18	2018-19
TRA 5-001/ 2018-19 Assessed Valuation: $2,215,388,297					
General	1.000000%	1.000000%	1.000000%	1.000000%	1.000000%
Ventura Community College District	.017600	.013000	.015500	.015100	.015200
Ventura Unified School District	.028000	.027100	.026000	.024500	.023400
Casitas Municipal Water District	.004672	.007083	.001200	.003369	.006307
Total Tax Rate	1.050272%	1.047183%	1.042700%	1.042969%	1.044907%
TRA 5-011/ 2018-19 Assessed Valuation: $5,238,519,202					
General	1.000000%	1.000000%	1.000000%	1.000000%	1.000000%
Ventura Community College District	.017600	.013000	.015500	.015100	.015200
Ventura Unified School District	.028000	.027100	.026000	.024500	.023400
Total Tax Rate	1.045600%	1.040100%	1.041500%	1.039600%	1.038600%
TRA 3-001/ 2018-19 Assessed Valuation: $3,743,993,123					
General	1.000000%	1.000000%	1.000000%	1.000000%	1.000000%
Oxnard School District	.106500	.099200	.092100	.083700	.110900
Oxnard Union High School District	.017800	.028200	.022100	.028700	.047500
Ventura Community College District	.017600	.013000	.015500	.015100	.015200
Metropolitan Water District	.003500	.003500	.003500	.003500	.003500
City of Oxnard	.076637	.067563	.047429	.068774	.062796
Total Tax Rate	1.222037%	1.211463%	1.180629%	1.199774%	1.239896%
TRA 8-058/ 2018-19 Assessed Valuation: $2,439,600,148					
General	1.000000%	1.000000%	1.000000%	1.000000%	1.000000%
Conejo Valley Unified School District	.032900	.031800	.032000	.021300	.020900
Ventura Community College District	.017600	.013000	.015500	.015100	.015200
Metropolitan Water District	.003500	.003500	.003500	.003500	.003500
Total Tax Rate	1.054000%	1.048300%	1.051000%	1.039900%	1.039600%
TRA 9-006/ 2018-19 Assessed Valuation: $2,748,026,333					
General	1.000000%	1.000000%	1.000000%	1.000000%	1.000000%
Simi Valley Unified School District	.061800	.054100	.052800	.079100	.077100
Ventura Community College District	.017600	.013000	.015500	.015100	.015200
Metropolitan Water District	.003500	.003500	.003500	.003500	.003500
Total Tax Rate	1.082900%	1.070600%	1.071800%	1.097700%	1.095800%

Source: California Municipal Statistics, Inc.

Largest Taxpayers

The 20 largest local secured taxpayers in the District and their assessed valuations for 2019-20 are shown in the following table.

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT
2019-20 Local Secured Taxpayers

	Property Owner	Primary Land Use	2019-20 Assessed Valuation	% of Total[1]
1.	Amgen Inc.	Industrial	$1,502,190,572	1.10%
2.	Macerich Company	Shopping Center/Mall	478,676,846	0.35
3.	Essex Portfolio	Apartments	428,205,262	0.31
4.	Procter-Gamble Paper Products	Industrial	329,824,285	0.24
5.	CA Resources Petroleum Corp.	Oil & Gas	300,347,978	0.22
6.	Baxalta US Inc.	Industrial	282,808,952	0.21
7.	Duesenberg Investment Co.	Office Building	243,076,295	0.18
8.	Los Robles Hospital	Hospital	234,535,524	0.17
9.	Chelsea GCA Realty Partnership	Shopping Center	206,580,559	0.15
10.	Aera Energy LLC	Oil & Gas	205,355,957	0.15
11.	ROIC California LLC	Commercial	186,638,161	0.14
12.	University Village to CCRC LLC	Retirement Community	174,731,851	0.13
13.	Tishman Speyer Archstone & Smith	Apartments	166,375,846	0.12
14.	Ovis LLC	Hotel	138,416,385	0.10
15.	PEGH Investments LLC	Industrial	130,604,029	0.10
16.	BOP Camarillo LLC	Apartments	126,866,777	0.09
17.	Limoneira Company	Industrial	118,615,357	0.09
18.	Knolls Apartments LLC	Apartments	116,615,552	0.09
19.	SOCM I LLC	Shopping Center	115,191,157	0.08
20.	Serenade Apts Prop Owner LLC	Apartments	113,725,656	0.08
			$5,599,383,001	4.10%

[1] 2019-20 Local Secured Assessed Valuation:$136,511,562,495.
Source: California Municipal Statistics, Inc.

District Debt

The following table is a statement of the District's direct and estimated overlapping bonded debt as of September 1, 2019. The debt report is included for general information purposes only. The District has not reviewed the debt report for completeness or accuracy and makes no representation in connection therewith.

The Debt Report generally includes long-term obligations sold in the public credit markets by public agencies whose boundaries overlap the boundaries of the District in whole or in part. Such long term obligations generally are not payable from revenues of the District (except as indicated) nor are they necessarily obligations secured by land within the District. In many cases long-term obligations issued by a public agency are payable only from the general fund or other revenues of such public agency.

Column 1 in the table names each public agency which has outstanding debt as of the date of the report and whose territory overlaps the District in whole or in part. Column 2 shows the percentage of each overlapping agency's assessed value located within the boundaries of the District. This percentage, multiplied by the total outstanding debt of each overlapping agency (which is not shown in the table) produces the amount shown in Column 3, which is the apportionment of each overlapping agency's outstanding debt to taxable property in the District.

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VENTURA COUNTY COMMUNITY COLLEGE DISTRICT
DIRECT AND OVERLAPPING BONDED INDEBTEDNESS

2019-20 Assessed Valuation:$141,161,207,836

DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:	% Applicable	Debt 9/1/19
Metropolitan Water District	3.500%	$ 1,681,879
Ventura County Community College District	**100.000**	**266,371,353**[1]
Conejo Valley Unified School District	100.000	87,199,279
Oak Park Unified School District	100.000	64,058,694
Simi Valley Unified School District	100.000	220,995,588
Ventura Unified School District	100.000	42,070,000
Other Unified School Districts	100.000[2]	137,678,525
High School Districts	100.000	285,176,434
Oxnard School District	100.000	257,129,093
Other School Districts	100.000	212,143,615
Community Facilities Districts	100.000	201,270,395
1915 Act Bonds	37.887-100.000	14,209,074
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		$1,789,983,929
OVERLAPPING GENERAL FUND DEBT:		
Ventura County General Fund Obligations	99.964	$324,663,079
Ventura County Superintendent of Schools Certificates of Participation	99.964	9,216,681
School District Certificates of Participation	100.000[3]	54,251,934
City of Oxnard General Fund Obligations	100.000	73,758,704
City of Simi Valley General Fund Obligations	100.000	37,562,373
City of Ventura General Fund Obligations	100.000	27,070,000
Other City General Fund Obligations	100.000	20,531,683
Pleasant Valley Recreation and Park District Certificates of Participation	100.000	12,600,000
Carpinteria Sanitary District General Fund Obligations	1.628	102,401
Triunfo County Water District General Fund Obligations	100.000	10,115,522
TOTAL GROSS OVERLAPPING GENERAL FUND DEBT		$569,872,377
Less: Carpinteria Sanitary District supported obligations		102,401
TOTAL NET OVERLAPPING GENERAL FUND DEBT		$569,769,976
OVERLAPPING TAX INCREMENT DEBT (Successor Agencies):		$186,111,047
GROSS COMBINED TOTAL DEBT		$2,545,967,353[4]
NET COMBINED TOTAL DEBT		$2,545,864,952[4]

(1) Excludes general obligation bonds to be sold; includes the Refunded Bonds.
(2) All 100% except El Tejon Joint Unified School District (8.014%) and Las Virgenes Joint Unified School District (3.593%).
(3) All 100% except Las Virgenes Joint Unified School District (3.593%).
(4) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Ratios to 2019-20 Assessed Valuation:
District Debt($266,371,353)..0.19%
Total Direct and Overlapping Tax and Assessment Debt 1.27%
Gross Combined Total Debt 1.80%
Net Combined Total Debt..1.80%

Ratios to Redevelopment Incremental Valuation($13,715,473,223):
Total Overlapping Tax Increment Debt 1.36%

Source: California Municipal Statistics, Inc.

Debt Service Fund

The County will establish a fund designated as the "Ventura County Community College District 2019 General Obligation Refunding Bonds Debt Service Fund" (the "Debt Service Fund"), which will be kept separate and apart from other funds of the District and the County.

Accrued interest, if any, and except as shall otherwise be directed by the District in accordance with applicable law, any original issue premium received by the District from the sale of the Bonds, will deposited in the Debt Service Fund. All revenues from the property taxes collected from the levy by the County Board of Supervisors for the payment of the Bonds will be deposited upon collection by the County into the Debt Service Fund and used for the payment of the Principal of, premium, if any, and interest on the Bonds.

Pursuant to the Resolution, the District pledges all revenues from the property taxes collected from the levy by the County Board of Supervisors for the payment of the Bonds and amounts on deposit in the Debt Service Fund to the payment of the principal or redemption price of and interest on the Bonds. Amounts in the Debt Service Fund may be used only for payment of Principal of and interest on the Bonds. Any excess proceeds of the Bonds not needed for the authorized purposes set forth in the Resolution for which the Bonds are being issued will be transferred to the Debt Service Fund and applied to the payment of the Principal of and interest on the Bonds. Interest earned on the investment of monies held in the Debt Service Fund will be retained in the Debt Service Fund and used to pay the Principal of and interest on the Bonds when due.

On or before the Business Day immediately preceding each Interest Payment Date, the District will transfer, or cause to be transferred, from the Debt Service Fund to the Paying Agent, an amount, in immediately available funds, sufficient to pay all the Principal of, premium, if any, and interest on the Bonds coming due on such payment date.

Any amounts on deposit in the Debt Service Fund when there are no longer any Bonds outstanding will be transferred to the General Fund of the District, subject to any conditions set forth in the Resolution.

District Investments

The Treasurer manages, in accordance with California Government Code Section 53600 *et seq.*, funds deposited with the Treasurer by County school and community college districts, various special districts, and some cities within the State. State law generally requires that all moneys of the County, school and community college districts and certain special districts be held in the County's pooled investment fund (the "County Treasury Pool"). Moneys in the Debt Service Fund are expected to be invested through the County Treasury Pool.

The composition and value of investments under management in the County Treasury Pool vary from time to time depending on cash flow needs of the County and public agencies invested in the pool, maturity or sale of investments, purchase of new securities, and due to fluctuations in interest rates generally.

For a further discussion of the County Treasury Pool, see "APPENDIX F – VENTURA COUNTY INVESTMENT POLICY AND REPORT" hereto.

Pledge of Tax Revenues

Pursuant to the Resolution, the District pledges all revenues from the property taxes collected from the levy by the County Board of Supervisors for the payment of the Bonds and amounts on deposit in the debt service fund of the District to the payment of the principal or redemption price of and interest on the Bonds.

This pledge is valid and binding from the date of adoption of the Resolution for the benefit of the owners of the Bonds and successors thereto. The Resolution provides that the property taxes and amounts held in the debt service fund of the District are immediately subject to this pledge, and the pledge constitutes a lien and security interest which immediately attaches to the property taxes and amounts held in the debt service fund of the District to secure the payment of the Bonds and is effective, binding, and enforceable against the District, its successors, creditors and all others irrespective of whether those parties have notice of the pledge and without the need of any physical delivery, recordation, filing, or further act. "Bonds" for purpose of this pledge means all bonds of the District heretofore or hereafter issued pursuant to voter approved measures of the District, including any refunding bonds thereof, as all such Bonds are required by State law to be paid from the respective debt service fund of the District.

The Resolution provides that the pledge is an agreement between the District and the bondholders to provide security for the Bonds in addition to any statutory lien that may exist, and the Bonds and each of the other bonds secured by the pledge are or were issued to finance one or more of the projects specified in the applicable voter-approved measure or to refinance outstanding general obligation bonds.

Statutory Lien for General Obligation Bonds

Pursuant to Senate Bill 222 (2015) ("SB 222") codified at State Government Code Section 53515 provides that all general obligation bonds issued by local agencies on or after January 1, 2016, including the Bonds, will be secured by a statutory lien on all revenues received pursuant to the levy and collection of the *ad valorem* taxes. SB 222 provides that the lien will automatically arise, without the need for any action or authorization by the District or its governing board, and will be valid and binding from the time the bonds are executed and delivered. See also "LEGAL MATTERS – Possible Limitations on Remedies; Bankruptcy – *Statutory Lien*" herein.

***Ad Valorem* Property Tax Collection**

Factors Affecting Assessed Valuation. The annual tax rate will be based on the assessed value of taxable property in the District. Changes in the annual debt service on the District's outstanding general obligation bonds and the assessed value of taxable property in the District may cause the annual tax rate to fluctuate. Economic and other factors beyond the District's control, such as economic recession, deflation of land values, relocation of businesses out of the District or financial difficulty or bankruptcy by one or more major property taxpayers, or the complete or partial destruction of taxable property caused by, among other eventualities, earthquake, flood, mudslide, drought, fire or other natural disaster, could cause a reduction in the assessed value of taxable property in the District and, all other factors being equal, necessitate a corresponding increase in the annual tax rate. Conversely, factors such as increased assessed value of taxable property and/or an increase in the numbers of property taxpayers within the District could, all other factors being equal, cause a corresponding decrease in the annual tax rate.

Effect of Natural Disaster on Assessed Valuation. Assessed valuations are subject to change in each year, and such changes may result from a variety of factors, including natural disasters.

In recent years, there have been several notable natural disasters throughout the State. These include drought conditions throughout the State, which led to a State-wide drought State of Emergency issued in January, 2014, and certain executive orders issued in 2015 and 2016 aimed to reduce water usage in local communities. The drought was declared to have ended in 2017 due to record-level precipitation in late 2016 and early 2017, with the exception of Fresno, Kings, Tulare and Tuolumne counties, where emergency drinking water projects are currently in place to address diminished groundwater supplies.

In addition, wildfires have occurred in recent years in different regions of the State. The District did not sustain any serious property losses as a result of these recent fires. However, serious and significant property damage has resulted in other areas of the State due to fire damage. On September 21, 2018, Governor Brown signed a number of measures into law addressing issues related to increased wildfire risk in the State, including forest management, mutual aid for fire departments, emergency alerts and safety mandates. In December 2017, the Thomas Fire burned approximately 282,000 acres throughout the County and Santa Barbara County. In November 2018, the Hill and Woolsey Fires burned over 100,000 acres in the County and Los Angeles County. In the County, a total of 185 structures were destroyed and 116 structures were damaged.

On August 27, 2018, the California Natural Resources Agency released its Fourth Climate Change Assessment, which included as key findings that the frequency of drought and the amount of acres burned by wildfire in the State would both increase in the future. This report details significant economic impact to the State as a result of these and other natural disasters. The report is publicly available at http://www.climateassessment.ca.gov/. The reference to this internet website is shown for reference and convenience only; the information contained within the website may not be current, has not been reviewed by the District and is not incorporated herein by reference.

The District cannot predict or make any representations regarding the effects that natural disasters, such as fire, drought or extended drought conditions, earthquakes, or other related natural or man-made conditions, have or may have on the value of taxable property within the District, or to what extent the effects said natural disasters might have had on economic activity in the District or throughout the State.

Proposition 50 and Proposition 171. On June 3, 1986, the voters of the State approved Proposition 50. Proposition 50 amends Section 2 of Article XIIIA of the State Constitution to allow owners of property that was "substantially damaged or destroyed" by a disaster, as declared by the Governor (the "Damaged Property"), to transfer their existing base year value (the "Original Base Year Value") to a comparable replacement property within the same county, which is acquired or constructed within five years after the disaster. At the time of such transfer, the Damaged Property will be reassessed at its full cash value immediately prior to damage or destruction (the "Original Cash Value"); however, such property will retain its base year value notwithstanding such a transfer. Property is substantially damaged or destroyed if either the land or the improvements sustain physical damage amounting to more than 50% of either the land or improvements full cash value immediately prior to the disaster. There is no filing deadline, but the assessor can only correct four years of assessments when the owner fails to file a claim within four years of acquiring a replacement property.

Under Proposition 50, the base year value of the replacement property (the "Replacement Base Year Value") depends on the relation of the full cash value of the replacement property (the "Replacement Cash Value") to the Original Cash Value: if the Replacement Cash Value exceeds 120% of the Original Cash Value, then the Replacement Base Year Value is calculated by combining the Original Base Year Value with such excessive Replacement Cash Value; if the Replacement Cash Value does not exceed 120% of the Original Cash Value, then the Replacement Base Year Value equals the

Original Base Year Value; if the Replacement Cash Value is less than the Original Cash Value, then the Replacement Base Year Value equals the Replacement Cash Value. The replacement property must be comparable in size, utility, and function to the Damaged Property.

On November 2, 1993, the voters of the State approved Proposition 171. Proposition 171 amends subdivision (e) of Section 2 of Article XIIIA of the State Constitution to allow owners of Damaged Property to transfer their Original Base Year Value to a "comparable replacement property" located within another county in the State, which is acquired or newly constructed within three years after the disaster.

Intra-county transfers under Proposition 171 are more restrictive than inter-county transfers under Proposition 50. For example, Proposition 171 (1) only applies to (a) structures that are owned and occupied by property owners as their principal place of residence and (b) land of a "reasonable size that is used as a site for a residence;" (2) explicitly does not apply to property owned by firms, partnerships, associations, corporations, companies, or legal entities of any kind; (3) only applies to replacement property located in a county that adopted an ordinance allowing Proposition 171 transfers; (4) claims must be timely filed within three years of the date of purchase or completion of new construction; and (5) only applies to comparable replacement property, which has a full cash value that is of "equal or lesser value" than the Original Cash Value.

Within the context of Proposition 171, "equal or lesser value" means that the amount of the Replacement Cash Value does not exceed either (1) 105% of the Original Cash Value when the replacement property is acquired or constructed within one year of the destruction, (2) 110% of the Original Cash Value when the replacement property is acquired or constructed within two years of the destruction, or (3)115% of the Original Cash Value when the replacement property is acquired or constructed within three years of the destruction.

TAX MATTERS

General. The delivery of the Bonds is subject to the receipt of an opinion of Bond Counsel, based upon existing provisions of the laws of the State, that interest on the Bonds is exempt from personal income taxes of the State.

The following is a general summary of the United States federal income tax consequences of the purchase and ownership of the Bonds. The discussion is based upon laws, Treasury Regulations, rulings and decisions now in effect, all of which are subject to change or possibly differing interpretations. No assurances can be given that future changes in the law will not alter the conclusions reached herein. The discussion below does not purport to deal with United States federal income tax consequences applicable to all categories of investors. Further, this summary does not discuss all aspects of United States federal income taxation that may be relevant to a particular investor in the Bonds in light of the investor's particular personal investment circumstances or to certain types of investors subject to special treatment under United States federal income tax laws (including insurance companies, tax exempt organizations, financial institutions, brokers-dealers, and persons who have hedged the risk of owning the Bonds). The summary is therefore limited to certain issues relating to initial investors who will hold the Bonds as "capital assets" within the meaning of section 1221 of the Internal Revenue Code of 1986, as amended to the date of initial delivery of the Bonds (the "Code"), and acquire such Bonds for investment and not as a dealer or for resale. This summary addresses certain federal income tax consequences applicable to beneficial owners of the Bonds who are United States persons within the meaning of Section 7701(a)(30) of the Code ("U.S. persons") and, except as discussed below, does not address any consequences to persons other than U.S. persons. Prospective investors should note that no rulings have been or will be sought from the Internal Revenue Service ("IRS") with respect to any of the U.S. federal income tax consequences discussed below, and no assurance can be given that the IRS will not take contrary positions.

INVESTORS SHOULD CONSULT THEIR OWN TAX ADVISORS IN DETERMINING THE FEDERAL, STATE, LOCAL, FOREIGN AND ANY OTHER TAX CONSEQUENCES TO THEM FROM THE PURCHASE, OWNERSHIP AND DISPOSITION OF THE BONDS.

Payments of Stated Interest on the Bonds. The stated interest paid on the Bonds will be included in the gross income, as defined in section 61 of the Code, of the beneficial owners thereof and be subject to U.S. federal income taxation when received or accrued, depending on the tax accounting method applicable to the beneficial owners thereof.

Original Issue Discount. If a substantial amount of the Bonds of any stated maturity is purchased at original issuance for a purchase price (the "Issue Price") that is less than their face amount by more than one quarter of one percent times the number of complete years to maturity, the Bonds of such maturity will be treated as being issued with "original issue discount." The amount of the original issue discount will equal the excess of the principal amount payable on such Bonds at maturity over its Issue Price, and the amount of the original issue discount on the Bonds will be amortized over the life of the Bonds using the "constant yield method" provided in the Treasury Regulations. As the original issue discount accrues under the constant yield method, the beneficial owners of the Bonds, regardless of their regular method of accounting, will be required to include such accrued amount in their gross income as interest. This can result in taxable income to the beneficial owners of the Bonds that exceeds actual cash distributions to the beneficial owners in a taxable year.

The amount of the original issue discount that accrues on the Bonds each taxable year will be reported annually to the IRS and to the beneficial owners. The portion of the original issue discount included in each beneficial owner's gross income while the beneficial owner holds the Bonds will increase the adjusted tax basis of the Bonds in the hands of such beneficial owner.

Premium. If a beneficial owner purchases a Bond for an amount that is greater than its stated redemption price at maturity, such beneficial owner will be considered to have purchased the Bond with "amortizable bond premium" equal in amount to such excess. A beneficial owner may elect to amortize such premium using a constant yield method over the remaining term of the Bond and may offset interest otherwise required to be included in respect of the Bond during any taxable year by the amortized amount of such excess for the taxable year. Bond premium on a Bond held by a beneficial owner that does not make such an election will decrease the amount of gain or increase the amount of loss otherwise recognized on the sale, exchange, redemption or retirement of a Bond. However, if the Bond may be optionally redeemed after the beneficial owner acquires it at a price in excess of its stated redemption price at maturity, special rules would apply under the Treasury Regulations which could result in a deferral of the amortization of some bond premium until later in the term of the Bond. Any election to amortize bond premium applies to all taxable debt instruments held by the beneficial owner on or after the first day of the first taxable year to which such election applies and may be revoked only with the consent of the IRS.

Medicare Contribution Tax. Pursuant to Section 1411 of the Code, as enacted by the Health Care and Education Reconciliation Act of 2010, an additional tax is imposed on individuals beginning January 1, 2013. The additional tax is 3.8% of the lesser of (i) net investment income (defined as gross income from interest, dividends, net gain from disposition of property not used in a trade or business, and certain other listed items of gross income), or (ii) the excess of "modified adjusted gross income" of the individual over $200,000 for unmarried individuals ($250,000 for married couples filing a joint return and a surviving spouse). Holders of the Bonds should consult with their tax advisor concerning this additional tax, as it may apply to interest earned on the Bonds as well as gain on the sale of a Bond.

Disposition of Bonds and Market Discount. A beneficial owner of Bonds will generally recognize gain or loss on the redemption, sale or exchange of a Bond equal to the difference between the redemption or sales price (exclusive of the amount paid for accrued interest) and the beneficial owner's adjusted tax basis in the Bonds. Generally, the beneficial owner's adjusted tax basis in the Bonds will be the beneficial owner's initial cost, increased by the original issue discount previously included in the beneficial owner's income to the date of disposition. Any gain or loss generally will be capital gain or loss and will be long-term or short-term, depending on the beneficial owner's holding period for the Bonds.

Under current law, a purchaser of a Bond who did not purchase the Bonds in the initial public offering (a "subsequent purchaser") generally will be required, on the disposition of the Bonds, to recognize as ordinary income a portion of the gain, if any, to the extent of the accrued "market discount." Market discount is the amount by which the price paid for the Bonds by a subsequent purchaser is less than the sum of Issue Price and the amount of original issue discount previously accrued on the Bonds. The Code also limits the deductibility of interest incurred by a subsequent purchaser on funds borrowed to acquire Bonds with market discount. As an alternative to the inclusion of market discount in income upon disposition, a subsequent purchaser may elect to include market discount in income currently as it accrues on all market discount instruments acquired by the subsequent purchaser in that taxable year or thereafter, in which case the interest deferral rule will not apply. The re-characterization of gain as ordinary income on a subsequent disposition of Bonds could have a material effect on the market value of the Bonds.

Legal Defeasance. If the District elects to defease the Bonds by depositing in escrow sufficient cash and/or obligations to pay when due outstanding Bonds (a "legal defeasance"), under current tax law, a beneficial owner of Bonds may be deemed to have sold or exchanged its Bonds. In the event of such a legal defeasance, a beneficial owner of Bonds generally would recognize gain or loss in the manner described above. Ownership of the Bonds after a deemed sale or exchange as a result of a legal defeasance may have tax consequences different from those described above, and each beneficial owner should consult its own tax advisor regarding the consequences to such beneficial owner of a legal defeasance of the Bonds.

Backup Withholding. Under section 3406 of the Code, a beneficial owner of the Bonds who is a U.S. person, as defined in section 7701(a)(30) of the Code, may, under certain circumstances, be subject to "backup withholding" on payments of current or accrued interest on the Bonds. This withholding applies if such beneficial owner of Bonds: (i) fails to furnish to payor such beneficial owner's social security number or other taxpayer identification number ("TIN"); (ii) furnishes the payor an incorrect TIN; (iii)fails to report properly interest, dividends, or other "reportable payments" as defined in the Code; or (iv) under certain circumstances, fails to provide the payor with a certified statement, signed under penalty of perjury, that the TIN provided to the payor is correct and that such beneficial owner is not subject to backup withholding.

Backup withholding will not apply, however, with respect to payments made to certain beneficial owners of the Bonds. Beneficial owners of the Bonds should consult their own tax advisors regarding their qualification for exemption from backup withholding and the procedures for obtaining such exemption.

Withholding on Payments to Nonresident Alien Individuals and Foreign Corporations. Under sections 1441 and 1442 of the Code, nonresident alien individuals and foreign corporations are generally subject to withholding at the rate of 30% on periodic income items arising from sources within the United States, provided such income is not effectively connected with the conduct of a United States trade or business. Assuming the interest received by the beneficial owners of the Bonds is not treated as effectively connected income within the meaning of section 864 of the Code, such interest will be subject to 30% withholding, or any lower rate specified in an income tax treaty, unless such income is treated as portfolio interest. Interest will be treated as portfolio interest if: (i) the beneficial owner provides a statement to the payor certifying, under penalties of perjury, that such beneficial owner is not a U.S. person and providing the name and address of such beneficial owner; (ii) such interest is treated as not effectively connected with the beneficial owner's United States trade or business; (iii) interest payments are not made to a person within a foreign country which the IRS has included on a list of countries having provisions inadequate to prevent United States tax evasion; (iv) interest payable with respect to the Bonds is not deemed contingent interest within the meaning of the portfolio debt provision; (v) such beneficial owner is not a controlled foreign corporation, within the meaning of section 957 of the Code; and (vi) such beneficial owner is not a bank receiving interest on the Bonds pursuant to a loan agreement entered into in the ordinary course of the bank's trade or business.

Assuming payments on the Bonds are treated as portfolio interest within the meaning of sections 871 and 881 of the Code, then no backup withholding under section 1441 and 1442 of the Code and no backup withholding under section 3406 of the Code is required with respect to beneficial owners or intermediaries who have furnished Form W-8BEN, Form W-8BEN-E, Form W-8EXP or Form W-8IMY, as applicable, provided the payor does not have actual knowledge that such person is a U.S. person.

Foreign Account Tax Compliance Act. Sections 1471 through 1474 of the Code impose a 30% withholding tax on certain types of payments made to a foreign financial institution, unless the foreign financial institution enters into an agreement with the U.S. Treasury to, among other things, undertake to identify accounts held by certain U.S. persons or U.S.-owned entities, annually report certain information about such accounts, and withhold 30% on payments to account holders whose actions prevent it from complying with these and other reporting requirements, or unless the foreign financial institution is otherwise exempt from those requirements. In addition, the Foreign Account Tax Compliance Act ("FATCA") imposes a 30% withholding tax on the same types of payments to a non-financial foreign entity unless the entity certifies that it does not have any substantial U.S. owners or the entity furnishes identifying information regarding each substantial U.S. owner. Failure to comply with the additional certification, information reporting and other specified requirements imposed under FATCA could result in the 30% withholding tax being imposed on payments of interest and principal under the Bonds and sales proceeds of Bonds held by or through a foreign entity. Prospective investors should consult their own tax advisors regarding FATCA and its effect on them.

Reporting of Interest Payments. Subject to certain exceptions, interest payments made to beneficial owners with respect to the Bonds will be reported to the IRS. Such information will be filed each year with the IRS on Form 1099 which will reflect the name, address, and TIN of the beneficial owner. A copy of Form 1099 will be sent to each beneficial owner of a Bond for U.S. federal income tax purposes.

LEGAL OPINION

The validity of the Bonds and certain other legal matters are subject to the approving opinions of Norton Rose Fulbright US LLP, Bond Counsel to the District. A complete copy of the proposed form of Bond Counsel opinion is contained in Appendix B herein. Bond Counsel undertakes no responsibility for the accuracy, completeness or fairness of this Official Statement. Compensation to be paid to Bond Counsel, Disclosure Counsel, the Municipal Advisor and the Underwriter is contingent upon the issuance of the Bonds.

LEGALITY FOR INVESTMENT

Under provisions of the California Financial Code, the Bonds are legal investments for commercial banks in California to the extent that the Bonds, in the informed opinion of the investing bank, are prudent for the investment of funds of depositors. Under provisions of the California Government Code, the Bonds are eligible to secure deposits of public moneys in California.

VERIFICATION AGENT

The arithmetical accuracy of certain computations included in the schedules provided by the Underwriter relating to the computation of the projected payments of principal and interest (i) to pay debt service coming due on the Bonds and (ii) to retire the Refunded Bonds will be verified by Causey Demgen & Moore, P.C., as Verification Agent. Such computations will be based solely on assumptions and information supplied by the District and the Underwriter. The Verification Agent will restrict its procedures to verifying the arithmetical accuracy of certain computations and will not make any study to evaluate the assumptions and information on which the computations are based, and will express no opinion on the data used, the reasonableness of the assumptions or the achievability of the projected outcome. See "PLAN OF REFUNDING" herein.

RATINGS

S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P"), and Moody's Investors Service, Inc. ("Moody's") have assigned their municipal bond ratings of "AA+" and "Aa1" to the Bonds, respectively. Such ratings reflect only the views of S&P and Moody's, respectively, and an explanation of the significance of such ratings may be obtained as follows: S&P at Municipal Finance Department, 55 Water Street, New York, New York 10041, tel. (212) 208-8000 and Moody's, at 7 World Trade Center at 250 Greenwich Street, New York, New York 10007, tel. (212) 553-0300. The District furnished each rating agency with certain information and materials relating to the Bonds that may not be included in this Official Statement. Generally, rating agencies base their ratings on the information and materials so furnished and on investigations, studies and assumptions by rating agencies. A rating may be changed, suspended or withdrawn as a result of changes in, or unavailability of, information. There is no assurance that such ratings will continue for any given period of time or that they will not be revised downward or withdrawn entirely if, in the judgment of the rating agencies, circumstances so warrant. The District has not undertaken any responsibility to bring to the attention of the owners of the Bonds any proposed revision or withdrawal of a rating of the Bonds or to oppose any such proposed revision or withdrawal. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Bonds.

LEGAL MATTERS

Continuing Disclosure

Current Undertakings. In accordance with the requirements of Rule 15c2-12 (the "Rule") promulgated by the SEC, the District will enter into a Continuing Disclosure Undertaking (the "Continuing Disclosure Undertaking") in the form of APPENDIX D hereto, on or prior to the sale of the Bonds in which the District will undertake, for the benefit of the Beneficial Owners of the Bonds, to provide certain financial information and operating data relating to the District (the "Annual Reports") by not later than nine months following the end of the District's fiscal year (which currently ends June 30), commencing with the report for fiscal year 2018-19, and to provide notices of the occurrence of certain listed events, as set forth therein. The covenants contained in the Continuing Disclosure Undertaking have been made to assist the Underwriter in complying with the Rule. See "APPENDIX D – FORM OF CONTINUING DISCLOSURE UNDERTAKING" hereto.

Prior Undertakings. The District has retained Keygent LLC to assist it with its filings under the Continuing Disclosure Undertaking for the Bonds and the District's previous continuing disclosure undertakings.

Possible Limitations on Remedies; Bankruptcy

General. Following is a discussion of certain considerations in the event that the District should become a debtor in a bankruptcy proceeding. It is not an exhaustive discussion of the potential application of bankruptcy law to the District. The discussion is based on the United States Bankruptcy Code ("the Bankruptcy Code") as now in effect and the few relevant judicial decisions to date. The Bankruptcy Code could be amended or construed differently in future judicial decisions (including as a result of possible future decisions in the pending analogous insolvency proceedings for the Commonwealth of Puerto Rico). Any such action could affect the possible application of bankruptcy law to the District.

State law contains a number of safeguards to protect the financial solvency of community college districts. See "APPENDIX A – FINANCIAL AND DEMOGRAPHIC INFORMATION RELATING TO THE DISTRICT." If the safeguards are not successful in preventing a community college district from becoming insolvent, the Chancellor of the California Community Colleges (the "State Chancellor"), operating through a special trustee appointed by the State Chancellor, may be authorized under State law to file a petition under Chapter 9 of the United States Bankruptcy Code (the "Bankruptcy Code") on behalf of the District for the adjustment of its debts, assuming that the District meets certain other requirements contained in the Bankruptcy Code necessary for filing such a petition. Under current State law, the District is not itself authorized to file a bankruptcy proceeding, and it is not subject to an involuntary bankruptcy proceeding.

Bankruptcy courts are courts of equity and as such have broad discretionary powers. If the District were to become the debtor in a proceeding under Chapter 9 of the Bankruptcy Code, bondholders may be prohibited from taking any action to collect any amount from the District (including *ad valorem* tax revenues) or to enforce any obligation of the District, without the bankruptcy court's permission, except possibly as described below in the case of pledged "special revenues." In such a proceeding, as part of its plan of adjustment in bankruptcy, the District may be able to alter the priority, interest rate, principal amount, payment terms, collateral, maturity dates, payment sources, covenants (including tax-related covenants), and other terms or provisions of the Bonds and other transaction documents related to the Bonds, including the obligation of the County and the District to raise taxes if necessary to pay the Bonds, if the bankruptcy court determines that the plan is fair, equitable, not unfairly discriminatory to creditors as a whole, is in the best interests of creditors and otherwise complies with the Bankruptcy Code. There also may be other possible effects of a District bankruptcy proceeding that could result in delays or reductions in payments on the Bonds. Regardless of any specific adverse determinations in any District bankruptcy proceeding, the fact of a District bankruptcy proceeding could have an adverse effect on the liquidity and market price of the Bonds.

Limitations on Plans of Adjustments. Chapter 9 of the Bankruptcy Code does not limit or impair the power of a state to control, by legislation or otherwise, a political subdivision of the state in the exercise of its political or governmental powers, including expenditures for the exercise. In addition, Chapter 9 prevents a bankruptcy court from interfering with the political or governmental powers of a political subdivision debtor, any of its property or revenues or the use or enjoyment of its income producing property, unless the political subdivision debtor confirms a plan of adjustment to that effect or consents to that action. State law provides that *ad valorem* taxes may be levied to pay the principal of and interest on the Bonds and other voted general obligation bonds of the District in an unlimited amount, and that proceeds of such a levy must be used for the payment of principal of and interest on the District's general obligation bonds, including the Bonds, and for no other purpose. Under State law, the District's share of the 1% limited tax imposed by the County is the only *ad valorem* tax revenue that may be raised and expended to pay liabilities and expenses of the District other than its voter-approved debt, such as its general obligation bonds. If the District should become a debtor in a Chapter 9 proceeding, then it must propose a plan of adjustment of its debts. The plan may not become effective until confirmed by the bankruptcy court.

The court may not confirm a plan unless it finds, among other conditions, that the District is not prohibited by law from taking any action necessary to carry out the plan, and that the plan is fair, equitable, does not unfairly discriminate among creditors as a whole, is in the best interests of creditors, and is feasible. If the State law restriction on the levy and expenditure of *ad valorem* taxes is respected in a bankruptcy case, then *ad valorem* tax revenue levied by the County for prepayment of the Bonds could not be used by the District for any purpose under its plan other than to make payments on the Bonds and its other voted general obligation bonds. It is possible, however, that a bankruptcy court could conclude that the restriction is not required to be respected in a confirmed plan.

Statutory Lien. Pursuant to Senate Bill 222 (2015) ("SB 222") that became effective on January 1, 2016, all general obligation bonds issued by local agencies, including the Bonds, are secured by a statutory lien on all revenues received pursuant to the levy and collection of the *ad valorem* taxes. SB 222 provides that the lien will automatically arise, without the need for any action or authorization by the local agency or its governing board, and will be valid and binding from the time the bonds are issued. As a result, the lien on debt service taxes will continue to be valid with respect to post-petition receipts of debt service taxes, should the District become a Chapter 9 debtor. The automatic stay provisions of the Bankruptcy Code would apply, however, thereby preventing bondholders from enforcing their rights to payment from such taxes (with the result that any payments becoming due and owing on the Bonds during the pendency of the Chapter 9 proceeding could be delayed), except as described under "--Special Revenues" below. It is also possible that the bankruptcy court could approve an alternate use of such taxes, if the bondholders are afforded protection that the court determines to be adequate.

Special Revenues. If the *ad valorem* tax revenues that are pledged to the payment of the Bonds are determined to be "special revenues" within the meaning of the Bankruptcy Code, then the application by the County (or others with possession) of pledged *ad valorem* tax revenues that are collected after the date of the bankruptcy filing should not be subject to the automatic stay, and bondholders may be able to compel their immediate use to pay debt service, subject to the matters discussed below, including a recent decision by the United States Court of Appeals for the First Circuit.

"Special revenues" are defined to include, among others, taxes specifically levied to finance one or more projects or systems of the debtor, but excluding receipts from general property, sales, or income taxes levied to finance the general purposes of the debtor. The District has specifically pledged the *ad valorem* taxes for payment of the Bonds. The Bonds and the District's other general obligation bonds were approved at elections held on propositions that described the projects for which such bonds may be issued. As noted above, State law prohibits the use of the proceeds of the District's debt service tax for any purpose other than payment of its general obligation bonds, and the bond proceeds may only be used to fund the acquisition or improvement of real property and other capital expenditures included in the proposition, so such tax revenues appear to fit the definition of special revenues. However, there is no binding judicial precedent dealing with the treatment in bankruptcy proceedings of *ad valorem* tax revenues collected for the payment of general obligation bonds in California, so no assurance can be given that a bankruptcy court would not hold otherwise.

Even if the *ad valorem* tax revenues that are pledged to the payment of the Bonds are determined to be "special revenues" within the meaning of the Bankruptcy Code, bondholders may not be able to compel that they be used to pay debt service during the pendency of a Chapter 9 proceeding. While the application of special revenues is exempt from the automatic stay by Section 922(d) of the Bankruptcy Code, the United States Court of Appeals for the First Circuit recently interpreted that section to exempt only voluntary applications by the debtor and voluntary applications by creditors or others of property in their possession, and not to exempt actions by creditors to compel an application by others. *In re: The Financial Oversight and Management Board for Puerto Rico,* 919 F.3d 121 (1st Cir. 2019). The First Circuit subsequently refused to review the decision *en banc*. If the interpretation is upheld and applied by courts in the Ninth Circuit and the State Chancellor (or State-appointed administrator) were to file a petition to initiate a Chapter 9 proceeding in respect of the District, the bondholders would be stayed from seeking to compel the application of pledged *ad valorem* taxes to pay debt service on the Bonds during the pendency of the proceeding (in either federal or state court), if the County failed to do so as required by State law or was instructed not to do so by the District. Even if bondholder action is not stayed, a bankruptcy court may lack authority or decline to compel the application of such tax revenue, which would leave bondholders with only state court remedies. The First Circuit also recently ruled that the bankruptcy court lacked the authority to compel the application of special revenues. Accordingly, even if the *ad valorem* tax revenues that are pledged to the payment of the Bonds are determined to be "special revenues," a Chapter 9 proceeding could result in a substantial delay in the payment of debt service, if the County failed to apply pledged *ad valorem* taxes to pay debt service on the Bonds.

In addition, the Bankruptcy Code provides that any consensual lien on special revenues "derived" from a project or system is subject to necessary operating expenses of the project or system. This rule applies regardless of the provisions of transaction documents. If a bankruptcy court were to conclude that the District's tax collections are "derived" from a District project or system, then even if pledged *ad valorem* tax revenues are determined to be "special revenues," the court could determine that such revenues may not be ordered (by itself or a state court) to pay debt service to the extent that they are needed to pay necessary operating expenses of the District and may lawfully be applied for that purpose.

Possession of Tax Revenues; Remedies. If the County or the District goes into bankruptcy and has possession of tax revenues (whether collected before or after commencement of the bankruptcy), and if the County or the District, as applicable, does not voluntarily pay such tax revenues to the owners of the Bonds, it is not clear what procedures the owners of the Bonds would have to follow to attempt to obtain possession of such tax revenues, how much time it would take for such procedures to be completed, or whether such procedures would ultimately be successful.

Amounts Held in County Treasury Pool. The County on behalf of the District is expected to be in possession of the annual *ad valorem* property taxes and certain funds to repay the Bonds and may invest these funds in the County's Treasury Pool, as described in "SECURITY FOR AND SOURCES OF PAYMENT FOR THE BONDS" and "APPENDIX F – VENTURA COUNTY INVESTMENT POLICY AND REPORT" Should those investments suffer losses, there may be delays or reductions in payments on the Bonds.

Opinion of Bond Counsel Qualified. The proposed form of opinion of Bond Counsel, attached hereto as APPENDIX B, is qualified by reference to bankruptcy, insolvency and other laws relating to or affecting creditor's rights.

UNDERWRITING

RBC Capital Markets, LLC (the "Underwriter" or "RBC CM") has agreed to purchase the Bonds from the District at the purchase price of $114,799,906.00 (being the aggregate principal amount of the Bonds, $115,180,000.00 less an Underwriter's discount of $380,094.00), at the rates and yields shown on the inside cover hereof.

The Underwriter and its respective affiliates are full-service financial institutions engaged in various activities, that may include securities trading, commercial and investment banking, municipal advisory, brokerage, and asset management. In the ordinary course of business, the Underwriter and its respective affiliates may actively trade debt and, if applicable, equity securities (or related derivative securities) and provide financial instruments (which may include bank loans, credit support or interest rate swaps). The Underwriter and its respective affiliates may engage in transactions for their own accounts involving the securities and instruments made the subject of this securities offering or other offerings of the District. The Underwriter and its respective affiliates may make a market in credit default swaps with respect to municipal securities in the future. The Underwriter and its respective affiliates may also communicate independent investment recommendations, market color or trading ideas and publish independent research views in respect of the offering of the Bonds or other offerings of the District; provided, however, that potential investors are advised that the offering of the Bonds is made only by means of the Official Statement. No dealer, broker, salesperson or other person has been authorized by the District to give any information or to make any representation other than as contained in the Official Statement.

RBC CM made a voluntary contribution to the committee that was formed to support the election that authorized the issuance of the bonds that are being refunded.

MUNICIPAL ADVISOR

Keygent LLC is employed as Municipal Advisor to the District in connection with the issuance of the Bonds. The Municipal Advisor's compensation for services rendered with respect to the sale of the Bonds is contingent upon the issuance and delivery of the Bonds. Keygent LLC, in its capacity as Municipal Advisor, does not assume any responsibility for the information, covenants and representations contained in any of the legal documents with respect to the federal income status of the Bond, or the possible impact of any present, pending or future actions taken by any legislative or judicial bodies.

The Municipal Advisor to the District has provided the following sentence for inclusion in this Official Statement. The Municipal Advisor has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to the District and, as applicable, to investors under the federal securities laws as applied to the facts and circumstance of this transaction, but the Municipal Advisor does not guarantee the accuracy or completeness of such information.

NO LITIGATION

No litigation is pending or threatened concerning the validity of the Bonds. The District is not aware of any litigation pending or threatened questioning the political existence of the District or contesting the District's ability to receive *ad valorem* property taxes or to collect other revenues or contesting the District's ability to issue the Bonds.

OTHER INFORMATION

References are made herein to certain documents and reports which are brief summaries thereof which do not purport to be complete or definitive and reference is made to such documents and reports for full and complete statements of the contents thereof. Copies of the Resolution are available upon request from the offices of the Vice-Chancellor, Business & Administrative Services, Ventura County Community College District, 761 East Daily Drive, Camarillo, California 93010. A fee may be charged for copying and handling.

Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not be construed as a contract or agreement between the District and the purchasers or owners of any of the Bonds.

The execution and delivery of this Official Statement has been duly authorized by the District.

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

By: /s/ Dr. Greg Gillespie
Chancellor

APPENDIX A

FINANCIAL AND DEMOGRAPHIC INFORMATION RELATING TO THE DISTRICT

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APPENDIX A

FINANCIAL AND DEMOGRAPHIC INFORMATION RELATING TO THE DISTRICT

This Appendix A provides information concerning the operations and finances of the Ventura County Community College District (the "District"). The Bonds are general obligation bonds of the District, secured and payable from ad valorem property taxes assessed on taxable properties within the District. The Bonds are not an obligation of the County, the State of California or any of its other political subdivisions or of the general fund of the District. Prospective purchasers of the Bonds should be aware that the following discussion of the financial condition of the District, its fund balances, budgets and obligations, is intended as general information only, and no implication is made that the payment of principal of or interest on the Bonds is dependent in any way upon the District's financial condition. The District neither receives nor accounts for ad valorem tax revenues collected by Ventura County (the "County") to pay debt service on the Bonds (or its other general obligation bonds) in the following tables or in its annual financial statements. Pursuant to Section 15251 of the California Education Code, all tax revenues collected for payment of debt service on the Bonds must be deposited into the County treasury to the credit of the debt service fund of the District. The Bonds are and will continue to be payable solely from ad valorem taxes levied and collected by the County within the boundaries of the District. See the body of this Official Statement under the caption "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS."

THE DISTRICT

District General Information

The District was established in 1962. The District provides public community college education over an 882 square mile area in the County. The District is the only community college district in Ventura County. The District provides credit classes for approximately 35,000 (unduplicated) students.

The District currently operates three community colleges in the County: Ventura College, Moorpark College and Oxnard College. Each College provides collegiate level instruction across a wide spectrum of subjects for grades 13 and 14 including general education, pre-professional training, and vocational, technical, general, adult and community education.

Ventura College was founded in 1925 and is one of the oldest community colleges in California. The 112-acre campus, set in the rolling hills of Ventura, has a student enrollment of approximately 13,500 students. Ventura College offered a Fall 2019 full curriculum of approximately 1,300 course sections in 74 disciplines.

Moorpark College was founded in 1967 in response to the high technology industries growth at the eastern end of the County. The Moorpark campus, located on 150 rolling acres in the foothills between Moorpark and Simi Valley, is the largest campus with a student enrollment of approximately 14,000 students. The Moorpark campus offered a Fall 2019 full curriculum with approximately 1,600 course sections in 65 disciplines.

Oxnard College was founded in 1975 to serve the residents of the Oxnard Plain. The Oxnard Campus is the newest campus of the District. The 118-acre campus, two miles from the Pacific Ocean, has an enrollment of 7,500 students. Oxnard College offered a Fall 2019 full curriculum with approximately 750 course sections in 55 disciplines.

Unless otherwise indicated, the following financial, statistical and demographic data has been provided by the District. Additional information concerning the District and copies of the most recent and subsequent audited financial statements of the District may be obtained by contacting: Ventura County Community College District, 761 East Daily Drive, Camarillo, California 93010, Attention: Vice-Chancellor, Business & Administrative Services.

District Organization

The District is governed by a five-member Board of Trustees (the "Board"), each member of which is elected to a four-year term. Elections for positions to the Board are held on even-numbered years, alternating between two and three available positions. Current members of the Board, together with their offices and the dates their terms expire, are listed below. The years in which the current terms for each member of the Board expire are set forth below:

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT
BOARD OF TRUSTEES

Name	Office	Term Expires
Dianne McKay	Chair	December 2022
Larry Kennedy	Vice-Chair	December 2020
Joshua Chancer	Trustee	December 2022
Bernardo M. Perez	Trustee	December 2020
Gabriela Torres	Trustee	December 2022

Key Personnel

The following is a listing of the key administrative personnel of the District:

Name	Title
Greg Gillespie, Ph.D.	Chancellor
Dr. David El Fattal	Vice-Chancellor, Business & Administrative Services
Emily Day	Director of Fiscal Services

The Chancellor of the District is appointed by the Board and reports to the Board. The Chancellor is responsible for management of the District's day-to-day operations and supervises the work of other key administrators.

Brief biographies of the Chancellor and the Vice-Chancellor, Business and Administrative Services follow:

Greg Gillespie, Ph.D., Chancellor. Dr. Gillespie has served the District for six years. He began his work in the District as the President of Ventura College. Dr. Gillespie has worked for more than 23 years in the community college system and has served in faculty, director, dean, vice president and president positions at four different community colleges in Arizona, California and Washington. Dr. Gillespie earned a Doctor of Philosophy and Master of Science in Agronomy (Crop Science) from North Dakota State University. He attended Yakima Valley Community College, then transferred and received a Bachelor of Science in Agronomy from Washington State University. He conducted agricultural research in the public and private sectors for ten years prior to beginning community college work as an agriculture faculty member.

Dr. David El Fattal, Vice-Chancellor, Business and Administrative Services. Dr. El Fattal joined the District on June 6, 2016. Dr. El Fattal has 30 years of executive-level experience in California within community colleges, K-12 schools, and private industry; 16 of these years have been in service as an educational leader at three districts in the southern California region. Dr. El Fattal received his Associate of Arts degree from Azusa Pacific University, his Bachelor of Science degree in Business Administration from the University of Redlands, his Master of Business Administration degree from Pepperdine University, and his Doctoral degree in Educational Leadership/Community College Leadership from California State University, Fullerton.

Emily Day, Director, Fiscal Services. Ms. Day has 9 years of experience in higher education and joined the District as Director of Fiscal Services in 2014. Ms. Day's career in education began in 2010 at California State University, Northridge as Financial Accounting Supervisor. Prior to her career in education, Ms. Day provided audit services at a CPA firm for publicly traded, privately held, and not-for-profit organizations. Ms. Day received her Bachelor of Arts degree in Business Economics with a minor in Accounting from the University of California, Los Angeles. She has an active California CPA license.

Accreditation

The Ventura County Community College District colleges are fully accredited by the Accrediting Commission for Community and Junior Colleges ("ACCJC") of the Western Association of Schools and Colleges ("WASC"). ACCJC is one of seven institutional accrediting bodies recognized by the Commission on Recognition of Postsecondary Accreditation and the U.S. Department of Education. Accreditation is a voluntary system of self-regulation developed to evaluate overall educational quality and institutional effectiveness and to provide public assurance of the quality of education based upon such evaluation. Each institution affiliated with ACCJC voluntarily accepts the obligation to participate in a seven year cycle of evaluation that requires a comprehensive evaluation visit by an external team of peers. The cycle includes a mandatory midterm report in the third year as well as any other reports requested by ACCJC.

The District received its initial accreditation from the ACCJC in 1952 for Ventura College, 1969 for Moorpark College, and 1978 for Oxnard College. Its last comprehensive review was in 2016, and the next comprehensive review is scheduled for 2023.

District Employees

As of Spring 2019, the District employed approximately 427 full-time and 817 part-time certificated professionals, 483 full-time and part-time classified employees, 36 supervisors and 63 managerial employees. These employees, except supervisors, management and some part-time employees, are represented by two bargaining units as noted below:

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BARGAINING UNITS

Ventura County Community College District

Labor Organization	Number of Employees In Organization	Contract Expiration Date
Service Employees International Union	289	June 30, 2019
Ventura County Federation of College Teachers	1,375	June 30, 2019

Source: Ventura County Community College District.

The District is in the process of negotiating its labor agreements with both bargaining units.

Insurance

The District maintains insurance or self-insurance in such amounts and with such retentions and other terms providing coverages for property damage, fire and theft, general public liability and worker's compensation as are adequate, customary and comparable with such insurance maintained by similarly situated community college districts. In addition, based upon prior claims experience, the District believes that the recorded liabilities for self-insured claims are adequate.

The District is a member of the Statewide Association of Community Colleges Joint Powers Authority ("JPA"). Settled claims have not exceeded this commercial coverage in any of the past three years. There has not been a significant reduction in coverage from the prior year. The District pays annual premiums for its property liability health and worker's compensation coverage. The relationship between the District and the JPA is such that it is not a component unit of the District for financial reporting purposes.

Based upon prior claims experience, the District believes it has adequate insurance coverage through the JPAs and its own self-insurance.

District Enrollment

The District has experienced slight population and student growth in the past several years. The table below sets forth the enrollment for Full-Time Equivalent Students ("FTES") for the District for the Fiscal Years ending June 30, 2015 through 2020 (budgeted).

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VENTURA COUNTY COMMUNITY COLLEGE DISTRICT
Full-Time Equivalent Students
Fiscal Years Ending 2014-15 through 2019-20[1]

Fiscal Year Ending June 30	FTES
2015	26,025
2016	26,467
2017	26,467
2018	26,668
2019	26,668
2020[1]	26,668

[1] Budgeted FTES.

Financial Statements of the District

The District's General Fund finances the legally authorized activities of the District. General Fund revenues are derived from such sources as State fund apportionments, taxes, use of money and property, charges for current services, aid from other governmental agencies and other revenue. The General Fund of the District is a combined fund comprising moneys which are unrestricted and available to finance the legally authorized activities of the District and restricted funds and moneys which are restricted to specific types of programs or purposes. Certain information from the District's financial statements follows. The District's audited financial statements for fiscal year ended June 30, 2018 are attached hereto as APPENDIX C. The District has not requested and its auditor has not provided any review or update of such statements in connection with the inclusion thereof in this Official Statement.

The financial statements included herein were prepared by the District using information from the Annual Financial Reports which are prepared by the District and audited by independent certified public accountants each year. The data included in this Official Statement for the District beyond fiscal year 2017-18 is unaudited and has not been reviewed by the District's independent certified public accountants.

Accounting Practices

The accounting policies of the District conform to generally accepted accounting principles in accordance with policies and procedures of the California Community Colleges Budget and Accounting Manual. Revenues are recognized in the period in which they become both measurable and available to finance expenditures of the current fiscal period. Expenditures are recognized in the period in which the liability is incurred.

The financial resources of the District are divided into separate funds for which separate accounts are maintained for recording cash, other resources and all related liabilities, obligations and equities. The major fund classification is the general fund, which accounts for all financial resources not required to be accounted for in another fund. The District's fiscal year begins on July 1 and ends on June 30. All governmental funds and fiduciary funds are maintained on the accrual basis of accounting, and so revenues are recognized when earned, and expenses are recorded when an obligation has been incurred. For more information on the District's accounting method, see "APPENDIX C – AUDITED

FINANCIAL STATEMENTS OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2018" hereto.

The Governmental Accounting Standards Board ("GASB") published its Statement No. 34 "Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments" on June 30, 1999. GASB No. 34 provides guidelines to auditors, state and local governments and special purpose governments such as school districts, community college districts and public utilities, on new requirements for financial reporting for all governmental agencies in the United States. Generally, the basic financial statements and required supplementary information should include (i) Management's Discussion and Analysis; (ii) financial statements prepared using the economic measurement focus and the accrual basis of accounting; (iii) fund financial statements prepared using the current financial resources measurement focus and the modified accrual method of accounting; and (iv) required supplementary information.

The District's Audited Financial Statements for fiscal year ended June 30, 2018 were prepared by Vavrinek, Trine, Day & Co., LLP, Rancho Cucamonga, California and are attached as APPENDIX C.

The District considers its audited financial statements to be public information, and accordingly, no consent has been sought or obtained from the auditor in connection with the inclusion of such statements in this Official Statement. The auditor has made no representation in connection with inclusion of the audit in this Official Statement.

Budgets of District; State Chancellor Oversight

The fiscal year of the District begins on the first day of July of each year and ends on the 30th day of June of the following year. On or before July 1 of each year the District adopts a fiscal line-item budget setting forth expenditures in priority sequence so that appropriations during the fiscal year can be adjusted if revenues do not meet projections.

The District is required by provisions of the California Education Code to maintain a balanced budget each year, where the sum of expenditures plus the ending fund balance cannot exceed the revenues plus the carry-over fund balance from the previous year. The State Chancellor imposes a uniform budgeting format for each community college district in the State.

State law grants to the Board of Governors of the California Community Colleges and to the State Chancellor certain oversight with respect to the budget development process and financial reporting of community college districts. Pursuant to California Education Code Section 84040 *et seq.* and the California Code of Regulations Section 58310 *et seq*., the chief executive officer or other designee of the governing board of each community college district is required to regularly report the financial condition of such community college district to the governing board thereof. Further, the chief executive officer or other designee is required to submit reports showing the financial and budgetary conditions of its community college district, including outstanding obligations, to the governing board at least once every three months. Each community college district is also required to submit a copy of a certified quarterly report to the appropriate county office of education and the State Chancellor no later than forty-five days following the completion of such quarter. The State Chancellor is required to develop and maintain procedures for the administration of fiscal monitoring of community colleges districts pursuant to the California Education Code Section 84040 *et seq.*

In the event that a community college district's financial information indicates to the State Chancellor a high probability that, absent corrective actions, the district will need an emergency apportionment within three years or that the district is not in compliance with the principles of sound fiscal management as set forth in the California Code of Regulations, the State Chancellor has the authority to further intervene in the affairs of the district. The State Chancellor may, among other things, require additional reports from a community college district, require such community college district to respond to specific concerns or direct the community college district to adopt a detailed plan for fiscal stability and an educational plan which shows the impact of the fiscal plan on such community college district's educational program.

The California Code of Regulations grants the State Chancellor the authority to take certain actions if the State Chancellor determines that a community college district's plans are inadequate to solve the financial problems or to implement the principles of sound fiscal management, such community college district substantially fails to implement the plans, or if a college operated by such community college district is in imminent jeopardy of losing its accreditation which would create severe fiscal problems. The State Chancellor may, among other thing, (i) conduct a comprehensive management review of a community college district and its educational programs and an audit of the financial condition of such community college district; (ii) direct a community college district to amend and readopt the fiscal and educational plans based on the findings of the comprehensive audits; (iii) review and monitor the implementation of the plans and direct a community college district to make any further modifications to the fiscal and educational plans he or she deems necessary for such community college district's achievement of fiscal stability; (iv) appoint or assign a special trustee (a "Special Trustee"). The Special Trustee, if appointed, may review and monitor plans, reports, and other financial material, and may modify the fiscal and educational plans, review and prioritize expenditures in order to further the community college district's achievement of fiscal stability, approve or disapprove actions of such community college district which affect or relate to the implementation of the fiscal and educational plans. The Special Trustee may assume management and control of a community college district if authorized by the Board of Governors based on the recommendation of the State Chancellor. The State Chancellor may authorize the Special Trustee to exercise such powers as are approved by the Board of Governors for a period of no more than one year, unless the Board of Governors approves one or more one-year extensions.

In the event the State Chancellor deems that the aforementioned procedures have not stabilized the financial condition of a community college district, the State Chancellor may seek an appropriation for an emergency apportionment to be repaid over a period of three years. However, the State Chancellor is not authorized to approve any diversion of revenue from *ad valorem* taxes levied to pay debt service on district general obligation bonds.

In the event the State elects to provide an emergency appropriation to a community district, such appropriation may be accomplished through the issuance of "State School Fund Apportionment Lease Revenue Bonds" to be issued by the California Infrastructure and Economic Development Bank, on behalf of the community college district. State law provides that so long as such bonds are outstanding, the recipient community college district cannot file for bankruptcy.

District Finances

The following table describe the District's Statement of Revenues, Expenses and Changes in Net Position for the District's Primary Government Fund for the Fiscal Years ended June 30, 2014 through June 30, 2018.

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE PRIMARY GOVERNMENT FUND
Fiscal Years 2013-14 through 2017-18

OPERATING REVENUES	2013-14	2014-15	2015-16	2016-17	2017-18
Tuition and Fees	$36,319,498	$36,997,579	$35,871,291	$28,106,485	$28,488,678
Less: Scholarship discount and allowance	(17,607,926)	(18,240,725)	(18,419,987)	(10,552,251)	(11,447,406)
Net tuition and fees	18,711,572	18,756,854	17,451,304	17,554,234	17,041,272
Grants and Contracts, Noncapital[(1)]					
Federal	-	-	-	-	4,215,006
State	-	-	-	-	32,946,993
Local	-	-	-	-	2,185,426
Total grants and contracts, noncapital	-	-	-	-	39,347,425
Auxiliary Enterprise Sales and Charges					
Bookstore	6,093,137	-	-	-	-
Cafeteria	164,745	133,988	122,205	117,689	100,513
Other Operating Revenues	338,733	368,155	389,453	361,379	410,873
TOTAL OPERATING REVENUES	25,308,187	19,258,997	17,962,962	18,033,302	56,900,083
OPERATING EXPENSES					
Salaries	91,808,398	97,377,594	105,020,474	110,397,239	113,114,287
Employee benefits	37,289,805	41,165,579	44,924,522	57,763,702	48,497,668
Supplies, materials, and other operating expenses and services	25,711,006	22,517,743	26,205,451	27,210,363	26,843,231
Student financial aid	41,406,454	43,892,572	43,079,623	41,836,012	47,710,873
Equipment, maintenance, and repairs	2,641,965	1,294,129	5,545,138	3,650,813	4,228,539
Depreciation	14,441,764	14,138,318	14,670,867	17,473,254	18,259,847
TOTAL OPERATING EXPENSES	213,299,392	220,385,935	239,446,075	258,331,383	258,654,445
OPERATING LOSS	(187,991,205)	(201,126,938)	(221,483,113)	(240,298,081)	(201,754,362)
NONOPERATING REVENUES (EXPENSES)					
State apportionments, noncapital	67,349,928	68,936,016	72,756,041	71,618,281	76,255,104
Local property taxes, levied for general purposes	50,908,034	52,867,173	62,431,463	65,013,561	68,449,531
Taxes levied for other specific purposes	18,619,001	20,808,384	16,492,811	19,999,772	20,664,203
Federal Grants	43,963,344	45,403,677	42,966,820	40,796,083	40,636,960
State Grants	10,643,982	20,274,834	27,855,719	34,632,488	3,954,737
State taxes and other revenues	5,066,216	6,367,373	20,418,418	8,640,973	7,494,828
Investment income	424,603	409,743	737,273	1,088,938	1,826,338
Interest expense on capital related debt	(17,555,539)	(14,447,718)	(15,082,881)	(15,297,713)	(15,235,235)
Investment income on capital asset-related debt	48,569	44,375	72,860	108,398	221,696
Loss on disposal of capital assets	(62,329)	-	-	-	-
Transfer from fiduciary funds	172,215	74,325	755,261	-	46,000
Transfer to fiduciary funds	(265,637)	(401,927)	(488,200)	(545,265)	(61,633)
Other nonoperating revenue	6,900,487	5,051,262	4,690,182	7,298,151	3,522,858
TOTAL NONOPERATING REVENUES (EXPENSES)	186,212,874	205,387,517	233,605,767	233,353,667	207,775,387
INCOME (LOSS) BEFORE OTHER REVENUES	(1,778,331)	4,260,579	12,122,654	(6,944,414)	6,021,025
State revenues, capital	955,436	2,369,038	1,303,106	2,325,163	2,709,232
Local revenues, capital	816,157	979,968	995,185	1,193,935	1,996,716
Loss on disposal of capital assets	-	-	-	(200,955)	(1,214,111)
TOTAL OTHER REVENUES AND EXPENSES	1,771,593	3,349,006	2,298,291	3,318,143	3,491,837
CHANGE IN NET POSITION	(6,738)	7,609,585	14,420,945	(3,626,271)	9,512,862
NET POSITION, BEGINNING OF YEAR	351,848,956	242,793,592[(2)]	250,403,177	257,792,839	67,924,044[(3)]
NET POSITION, END OF YEAR	$351,842,218	$250,403,177	$264,824,122	$254,166,568	$77,436,906

(1) Beginning with fiscal year 2017-18, the District presented contracts and grants unrelated to student financial aid as operating revenues and operating expenses. While contracts and grants related to student financial aid remain as nonoperating revenues and nonoperating expenses, this change in presentation was completed to facilitate comparability with the financial statements of other community college districts.

(2) Reflects a net restatement to the District's beginning position of $109,048,626 as a result of the implementation of GASB Statement No. 68.

(3) Reflects a net restatement to the District's beginning position of $182,242,524 as a result of the implementation of GASB Statement No. 75.

Source: Ventura County Community College District.

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT
Comparison of General Fund Budgets (Unrestricted & Restricted) to Unaudited Actual Financial Results
Fiscal Years 2016-17, 2017-18, 2018-19 and 2019-20 Budget

	Fiscal Year 2016-17		Fiscal Year 2017-18		Fiscal Year 2018-19		Fiscal Year 2019-20
	Budgeted	Unaudited	Budgeted	Unaudited	Budgeted	Unaudited	Budgeted
REVENUES:							
Federal	$6,258,878	$4,040,085	$6,646,269	$4,215,006	$7,490,154	$4,636,133	$7,182,944
State	192,658,086	109,840,950	205,284,133	119,249,300	213,410,098	125,659,536	214,938,009
Local	12,014,792	87,744,158	12,691,580	91,881,737	13,767,693	100,277,301	14,362,955
TOTAL REVENUES	210,931,756	201,625,193	224,621,982	215,346,043	234,667,945	230,572,970	236,483,908
EXPENDITURES:							
Academic Salaries	72,543,566	70,097,106	72,999,025	71,235,415	73,943,564	72,478,729	73,473,944
Classified Salaries	42,105,070	39,650,435	46,048,721	41,081,345	49,565,860	42,269,207	50,150,090
Employee Benefits	51,161,125	52,182,006	61,175,374	57,770,646	62,932,081	61,420,943	67,385,878
Supplies & Materials	9,452,359	4,260,191	9,204,813	4,035,547	10,479,551	4,167,018	13,107,926
Services and Other Operating Expenditures	35,053,490	20,080,987	34,707,356	21,698,212	33,901,997	19,429,018	27,570,123
Capital Outlay	15,039,294	4,330,261	15,113,696	4,382,609	15,598,080	4,135,422	8,849,882
TOTAL EXPENDITURES	$225,354,904	190,600,986	239,248,985	200,203,774	246,421,133	203,900,337	240,537,843
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(14,423,148)	11,024,207	(14,627,003)	15,142,269	(11,753,188)	26,672,633	(4,053,935)
OTHER FINANCING SOURCES (USES)							
Other Financing Sources	1,413,767	2,779,934	10,282,242	10,636,296	2,000	1,180	1,581,835
Other Outgo	(13,585,171)	(19,893,920)	(17,903,857)	(9,487,526)	(17,961,080)	(20,430,469)	(18,143,481)
TOTAL	$(12,171,404)	$(17,113,986)	$(7,621,615)	$1,148,770	$(17,959,080)	$(20,429,289)	$(16,561,646)
NET INCREASE (DECREASE) IN FUND BALANCES	(26,594,552)	(6,089,778)	(22,248,618)	16,291,039	(29,712,268)	6,243,344	(20,615,581)
BEGINNING FUND BALANCE	66,909,625	66,909,625	60,819,847	60,819,847	77,110,886	77,110,886	83,354,230
ENDING FUND BALANCE	$40,315,073	$60,819,847	$38,571,229	$77,110,886	$47,398,618	$83,354,230	$62,738,649

Sources: CCFS-311 reports filed with the California Community Colleges Chancellor's Office and the Ventura County Community College District.

Certain Existing Obligations

The changes in the District's long-term obligations during the 2017-18 fiscal year consisted of the following:

Bonds and Notes Payable	Balance Beginning of Year	Additions	Deductions	Balance End of Year	Due in One Year
General Obligation Bonds, 2002 Series C	$55,262,912	$4,057,681	$2,315,000	$57,005,593	$3,035,000
2011 Refunding Bonds	39,620,000	-	2,910,000	36,710,000	3,045,000
2014 Refunding Bonds	57,730,000	-	2,145,000	55,585,000	2,445,000
2015 Refunding Bonds	162,850,000	-	970,000	161,880,000	1,010,000
Premium on refunding bonds	23,782,522	-	1,638,851	22,143,671	-
Total Bonds Payable	$339,245,434	$4,057,681	$9,978,851	$333,324,264	$9,535,000
Other Liabilities					
Compensated Absences	$3,105,476	353,509	-	3,458,985	864,746
Load Banking	725,408	11,506	-	736,914	-
Aggregate net OPEB liability	175,957,114	16,387,163	16,566,610	175,777,667	-
Aggregate net-pension obligations	139,036,082	25,626,017	-	164,662,099	-
Total Other Liabilities	318,824,080	42,378,195	16,566,610	344,635,665	864,746
Total Long-Term Obligations	$658,069,514	$46,435,876	$26,545,461	$677,959,929	$10,399,746

For more information on the District's existing general obligations, see "APPENDIX C - AUDITED FINANCIAL STATEMENTS OF THE DISTRICT FOR FISCAL YEAR ENDED JUNE 30, 2018" hereto**.**

Retirement System

Qualified employees are covered under multiple-employer defined benefit pension plans maintained by agencies of the State of California. Academic employees are members of the State Teacher's Retirement System ("STRS") and classified employees are members of the State Public Employees' Retirement System ("PERS").

For the fiscal year ended June 30, 2018, the District reported the net pension liabilities, pension expense, deferred outflows of resources and deferred inflows of resources for each of the plans as follows:

Pension Plan	Collective Net Pension Liability	Collective Deferred Outflows of Resources	Collective Deferred Inflows of Resources	Collective Pension Expense
STRS	$101,906,025	$32,024,886	$7,382,033	$10,614,963
PERS	62,756,074	20,497,716	1,396,059	11,420,078
Total	$164,662,099	$52,522,602	$8,778,092	$22,035,041

Source: Ventura County Community College District.

STRS. The District participates in the State Teachers' Retirement System. The plan provides retirement and disability benefits, annual cost-of-living adjustments, and survivor benefits to beneficiaries. Benefit provisions are established by State statutes, as legislatively amended, within the State Teachers' Retirement Law.

Prior to fiscal year 2014-15, unlike typical defined benefit programs, neither the employee, employer or State contribution rate to the STRS Defined Benefit Program varied annually to make up funding shortfalls or assess credits for actuarial surpluses. In recent years, the combined employer, employee and State contributions to the STRS Defined Benefit Program have not been sufficient to pay actuarially required amounts. As a result, and due to significant investment losses, the unfunded actuarial liability of the STRS Defined Benefit Program has increased significantly. In September 2013, STRS projected that the STRS Defined Benefit Program would be depleted in 31 years assuming existing contribution rates continued, and other significant actuarial assumptions were realized. In an effort to reduce the unfunded actuarial liability of the STRS Defined Benefit Program, the State recently passed legislation to increase contribution rates.

Prior to July 1, 2014, K-14 school districts were required by statute to contribute 8.25% of eligible salary expenditures, while participants contributed 8% of their respective salaries. On June 24, 2014, the Governor signed Assembly Bill 1469 ("AB 1469") into law as a part of the 2014-15 State Budget. A.B. 1469 seeks to fully fund the unfunded actuarial obligation with respect to service credited to members of the STRS Defined Benefit Program before July 1, 2014 (the "2014 Liability"), within 32 years, by increasing member, K-14 school district and State contributions to STRS. Beginning July 1, 2014, the employee contribution rates increased over a three-year period in accordance with the following schedule:

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MEMBER CONTRIBUTION RATES
STRS (Defined Benefit Program)

Effective Date	STRS Members Hired Prior to January 1, 2013	STRS Members Hired After January 1, 2013
July 1, 2014	8.150%	8.150%
July 1, 2015	9.200	8.560
July 1, 2016	10.250	9.205

Source: STRS and California Assembly Bill 1469

The employee contribution rate for STRS members first hired prior to January 1, 2013 to perform STRS creditable activities was 10.25% for fiscal year 2018-19 and will remain 10.25% for fiscal year 2019-20. The employee contribution rate for STRS members first hired on or after January 1, 2013 to perform STRS creditable activities was 10.205% for fiscal year 2018-19 and will remain 10.205% for fiscal year 2019-20.

Pursuant to A.B. 1469, K-14 school district contribution rates will increase over a seven-year phase-in period in accordance with the following schedule:

K-14 SCHOOL DISTRICT CONTRIBUTION RATES
STRS (Defined Benefit Program)

Effective Date	K-14 School District Employer Contributions
July 1, 2014	8.88%
July 1, 2015	10.73
July 1, 2016	12.58
July 1, 2017	14.43
July 1, 2018	16.28
July 1, 2019	18.13
July 1, 2020	19.10

Source: STRS and California Assembly Bill 1469

Based upon the recommendation from its actuary, for fiscal year 2021-22 and each fiscal year thereafter the STRS Teachers' Retirement Board (the "STRS Board"), is required to increase or decrease the K-14 school districts' contribution rate to reflect the contribution required to eliminate the remaining 2014 Liability by June 30, 2046; provided that the rate cannot change in any fiscal year by more than 1% of creditable compensation upon which members' contributions to the STRS Defined Benefit Program are based; and provided further that such contribution rate cannot exceed a maximum of 20.25%. In addition to the increased contribution rates discussed above, A.B. 1469 also requires the STRS Board to report to the State legislature every five years (commencing with a report due on or before July 1, 2019) on the fiscal health of the STRS Defined Benefit Program and the unfunded actuarial obligation with respect to service credited to members of that program before July 1, 2014. The reports are also required to identify adjustments required in contribution rates for K-14 school districts and the State in order to eliminate the 2014 Liability.

On June 27, 2019, the Governor signed SB 90 ("SB 90") into law as a part of the 2019-20 State Budget (as defined herein). Pursuant to SB 90, the State Legislature appropriated $2.246 billion to be transferred to the Teacher's Retirement Fund for the STRS Defined Benefit Program to pay in advance, on behalf of employers, part of the contributions required for fiscal years 2019-20 and 2020-21, resulting in K-14 school districts having to contribute 1.03% less in fiscal year 2019-20 and 0.70% less in fiscal year 2020-21. As a result, the District's employer contribution rate for Fiscal Year 2019-20 is 17.10% of covered payroll. The remainder of the payment not committed for the reduction in employer contribution rates described above, is required to be allocated to reduce the employer's share of the unfunded actuarial obligation determined by the STRS Board upon recommendation from its actuary. See also "FUNDING OF COMMUNITY COLLEGE DISTRICTS IN CALIFORNIA – State Assistance – 2019-20 State Budget" herein.

The State also contributes to STRS, currently in an amount equal to 7.828% for fiscal year 2019-20. The State's contribution reflects a base contribution rate of 2.017%, and a supplemental contribution rate that will vary from year to year based on statutory criteria. Based upon the recommendation from its actuary, for fiscal year 2017-18 and each fiscal year thereafter, the STRS Board is required, with certain limitations, to increase or decrease the State's contribution rates to reflect the contribution required to eliminate the unfunded actuarial accrued liability attributed to benefits in effect before July 1, 1990.

In addition, the State is currently required to make an annual general fund contribution up to 2.5% of the fiscal year covered STRS member payroll to the Supplemental Benefit Protection Account (the "SBPA"), which was established by statute to provide supplemental payments to beneficiaries whose purchasing power has fallen below 85% of the purchasing power of their initial allowance.

The District's employer contributions to STRS for fiscal years ended June 30, 2015 through June 30, 2018 (together with the projection for fiscal year ended June 30, 2019) are set forth in the table below, and equal 100 percent of the required contributions for each year. See "APPENDIX C – AUDITED FINANCIAL STATEMENTS OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2018" for additional information.

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT
STRS CONTRIBUTIONS

Fiscal Years Ended June 30	District Employer Contributions
2015	$4,575,609
2016	5,883,098
2017	7,147,226
2018	8,327,416
2019(1)	9,354,415

(1) Projected.
Source: Ventura County Community College District.

Based on the STRS Actuarial Valuation dated as of June 30, 2018 (the "2018 STRS Actuarial Valuation"), STRS continues to make progress toward fully funding the system by June 30, 2046. The 2018 STRS Actuarial Valuation reflects that the funding ratio increased from 62.6% in 2017 ($107.3 billion unfunded actuarial obligation) to 64.0% in 2018 ($107.2 billion unfunded actuarial obligation). The increase in funded status was due primarily to salary increases that were less than assumed and actuarial asset gains recognized from the current and prior fiscal years.

The actuarial assumptions set forth in the 2018 STRS Actuarial Valuation use the "Entry Age Normal Cost Method" and, among other things, a 7.00% investment rate of return for measurements as of June 30, 2017 and an assumed 7.00% investment rate of return for measurements as of June 30, 2018, 3.00% interest on member accounts, projected 3.50% wage growth, projected 2.75% inflation, and demographic assumptions relating to mortality rates, length of service, rates of disability, rates of withdrawal, probability of refund, and merit salary increases. The actuarial assumptions and methods used in the 2018 STRS Actuarial Valuation were based on the STRS Experience Study and Review of Actuarial Assumptions for the period from July 1, 2010 to June 30, 2015 adopted by the Teacher's Retirement Board in February 2017. STRS' unfunded liability will vary from time to time depending upon actuarial assumptions, actual rates of return on investment, salary scales and levels of contribution.

PERS. The District also participates in the State Public Employees' Retirement System ("PERS"). PERS is a defined benefit plan that covers classified personnel who work four or more hours per day. Benefit provisions are established by State legislation in accordance with the Public Employees' Retirement Law. The contribution requirements of the plan members are established by State statute. The actuarial methods and assumptions used for determining the rates are based on those adopted by Board of Administration of PERS (the "PERS Board").

Qualified employees of the District are eligible to participate in the Schools Pool Plan (the "Schools Pool Plan"), a cost-sharing multiple employer public employee retirement system defined benefit pension plan administered by PERS. The Schools Pool Plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries as established by State statutes, as legislatively amended, set forth in the California Public Employees' Retirement Law (the "Public Employees' Retirement Law"). The Schools Pool Plan is a component of PERS' Public Employees' Retirement Fund ("PERF"), which also includes an agent multiple-employer plan for the State and most public agencies rate plan with more than 100 active members and a plan for public agencies with generally less than 100 active members.

Employees, who were hired prior to January 1, 2013, are eligible for retirement at the age of 50 and are entitled to a monthly benefit of 1.1% of final compensation for each year of service credit. The rate is increased if retirement is deferred beyond the age of 50, up to age 63. The Schools Pool Plan also provides death and disability benefits. Retirement benefits fully vest after five years of credited service. Upon separation from the fund, members' accumulated contributions and interest earned on those funds are refundable through the date of separation. Under the provisions of PEPRA (as herein defined), all miscellaneous (non-safety) member hired on or after January 1, 2013 will be under a new defined benefit formula of a monthly benefit of 2% of their final compensation at age 62, with an early retirement age of 52 and a maximum benefit factor of 2.418% at age 67. Final compensation means the monthly average of a member's highest 12 consecutive months' full-time equivalent monthly pay for employees hired prior to January 1, 2013. For PEPRA members, final compensation is based on the monthly average of the member's highest 36 consecutive months' full-time equivalent monthly pay, up to a certain cap, which may be adjusted annually.

Contributions by employers to the Schools Pool are based upon an actuarial rate determined annually and contributions by plan members vary based upon their date of hire. For fiscal year 2019-20, the District is currently required to contribute to PERS at rate is 19.721% of eligible salary expenditures, as provided in an Actuarial Circular Letter, released by PERS on June 27, 2019. The rate represents a reduction of 1.012% in the employer contribution rate from the 20.733% adopted by the Board of Administration of PERS on April 17, 2019. The reduction was due to contributions to PERS included in the 2019-20 State Budget pursuant to SB 90 as described below. Participants enrolled in PERS prior to January 1, 2013 contribute at a rate established by statute, which is 7% of their respective salaries in fiscal year 2019-20, while participants enrolled after January 1, 2013 contribute at an actuarially determined rate, which is 7% in fiscal year 2019-20. See "—California Public Employees' Pension Reform Act of 2013" herein.

Pursuant to SB 90, the State Legislature appropriated $144 million for fiscal year 2019-20 and $100 million for fiscal year 2020-21 to be transferred to the Public Employees' Retirement Fund, to pay in advance, on behalf of K-14 school district employers, part of the contributions required for K-14 school district employers for such fiscal years. In addition, the State Legislature appropriated $660 million to be applied toward certain unfunded liabilities for K-14 school district employers. See also "FUNDING OF COMMUNITY COLLEGE DISTRICTS IN CALIFORNIA – State Assistance – 2019-20 State Budget" herein.

The District's employer contribution to PERS for fiscal years ended June 30, 2015 through June 30, 2018 (together with the projection for fiscal year ended June 30, 2019) are set forth in the table below, and equal 100 percent of the required contributions for each year. See "APPENDIX C – AUDITED FINANCIAL STATEMENTS OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2018" for additional information.

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT
PERS CONTRIBUTIONS

Fiscal Years Ended June 30	District Employer Contributions
2015	$3,366,998
2016	3,565,126
2017	4,654,775
2018	5,491,092
2019[1]	6,573,824

[1] Projected.
Source: Ventura County Community College District.

On April 17, 2013 the PERS Board approved new actuarial policies aimed to fully fund the pension system's obligations within 30 years. The new policies included a rate-smoothing method with a 30-year fixed amortization period for gains and losses, a five-year increase of public agency contribution rates, including the contribution rate at the onset of such amortization period, and a five year reduction of public agency contribution rates at the end of such amortization period. The new actuarial policies were first included in the June 30, 2014 actuarial valuation and were implemented in respect of the State, K-14 school district and all other public agencies in Fiscal Year 2015-16.

In 2014, PERS completed a 2-year asset liability management study incorporating actuarial assumptions and strategic asset allocation. On February 19, 2014, the PERS Board adopted relatively modest changes to the current asset allocation that will reduce the expected volatility of returns. The adopted asset allocation is expected to have a long-term blended return that continues to support a discount rate assumption of 7.5 percent. On November 17, 2015, the PERS Board approved a new funding risk mitigation policy to incrementally lower the PERS discount rate by establishing a mechanism whereby such rate is reduced by a minimum of 0.05% to a maximum of 0.25% in years when investment returns outperform the existing PERS discount rate by at least four percentage points. On December 21, 2016, the PERS Board voted to lower the PERS discount rate to 7.0% over the next three years in accordance with the following schedule: 7.375% in fiscal year 2017-18, 7.25% in fiscal year 2018-19 and 7.00% in fiscal year 2019-20. The new discount rate will go into effect July 1, 2017 for the State and July 1, 2018 for K-14 school districts and other public agencies. Lowering the PERS discount rate means employers that contract with PERS to administer their pension plans will see increases in their normal costs and unfunded actuarial liabilities. Active members hired after January 1, 2013, under the

Reform Act will also see their contribution rates rise. The three-year reduction of the discount rate to 7.0% is expected to result in average employer rate increases of approximately 1-3% of normal cost as a percent of payroll for most miscellaneous retirement plans and a 2-5% increase for most safety plans. The PERS Board also approved several changes to the demographic assumptions that more closely align with actual experience. The most significant of these changes is the inclusion of mortality improvement to acknowledge the greater life expectancies among PERS membership and expected continued improvements.

Pursuant to the PERS Board's decision in February 2014, the new actuarial assumptions will be incorporated in the June 30, 2015 valuation for the schools portion of the PERS pool (the "School's Pool"). The increase in liability due to the new actuarial assumptions will be amortized over 20 years and phased in over 5 years in accordance with PERS Board policy, beginning with the contribution requirement for fiscal year 2016-17. The projected impact of the assumption change on the Schools Pool rate is estimated to be an increase of 1.6 percent of payroll in 2016-17 with approximate annual increases of 0.8 percent of payroll in each of the next 4 years with an estimated total increase of 4.8 percent of payroll by 2020-21.

In February 2018, the PERS Board voted to shorten the period over which PERS amortized actuarial gains and losses from 30 years to 20 years for new pension liabilities, effective for the June 30, 2019 actuarial valuations. Amortization payments for all unfunded accrued liability bases will be computed to remain at a level dollar amount throughout the amortization period, and certain 5-year ramp-up and ramp-down periods will be eliminated. As a result of the shorter amortization period, the contribution required to be made by employers may increase beginning in fiscal year 2020-21.

On April 16, 2019, the PERS Board established the employer contribution rates for fiscal year 2019-20 and released certain information from the Schools Pool Actuarial Valuation as of June 30, 2018, ahead of its summer of 2019 release date. Based on the changes in the discount rate, inflation rate, payroll growth rate and demographic assumptions, along with the expected reductions in normal cost due to the continuing transition of active members from those employees hired prior to the Implementation Date (defined below), to those hired after such date, the projected contribution rate for 2020-21 is projected to be 23.6%, with annual increases thereafter, resulting in a projected 26.5% employer contribution rate for fiscal year 2025-26. The PERS Board stated that these employer contribution rates reflect not only the new demographic assumptions, but also changes in the discount rate, inflation rate and payroll growth rate, along with expected reductions in normal cost due to the continuing transition of active members from those employees hired prior to the Implementation Date, to those hired after such date. The PERS Board anticipates that information about the risks associated with the funding of these plans will be included in the PERS valuation report expected to be released during summer 2019.

Both PERS and STRS are operated on a Statewide basis and, based on available information, both PERS and STRS have unfunded actuarial accrued liabilities. (Additional funding of STRS by the State and the inclusion of adjustments to such State contributions based on consumer price changes were provided for in 1979 Statutes, Chapter 282.) The amounts of the pension/award benefit obligation (PERS) or actuarially accrued liability (STRS) will vary from time to time depending upon actuarial assumptions, rates of return on investments, salary scales, and levels of contribution. See " – State Pension Trusts" below. The District is unable to predict what the amount of liabilities will be in the future, or the amount of the contributions which the District may be required to make.

California Public Employees' Pension Reform Act of 2013. The Governor signed the California Public Employee's Pension Reform Act of 2013 (the "Reform Act") into law on September 12, 2012. The Reform Act affects both STRS and PERS, most substantially as they relate to new employees hired after January 1, 2013 (the "Implementation Date"). As it pertains to STRS participants hired after the Implementation Date, the Reform Act changes the normal retirement age, increasing the eligibility for the 2% "age factor" (the percent of final compensation to which an employee is entitled to for each year of service) from age 60 to 62 and increasing the eligibility of the maximum age factor of 2.4% from age 63 to 65. For non-safety PERS participants hired after the Implementation Date, the Reform Act changes the normal retirement age by increasing the eligibility for the 2% age factor from age 55 to 62 and also increases the eligibility requirement for the maximum age factor of 2.5% to age 67.

The Reform Act also implements certain other changes to PERS and STRS including the following: (a) all new participants enrolled in PERS and STRS after the Implementation Date are required to contribute at least 50% of the total annual normal cost of their pension benefit each year as determined by an actuary, (b) STRS and PERS are both required to determine the final compensation amount for employees based upon the highest annual compensation earnable averaged over a consecutive 36-month period as the basis for calculating retirement benefits for new participants enrolled after the Implementation Date (currently 12 months for STRS members who retire with 25 years of service), and (c)"pensionable compensation" is capped for new participants enrolled after the Implementation Date at 100% of the federal Social Security contribution and benefit base for members participating in Social Security or 120% for STRS and PERS members not participating in social security.

State Pension Trusts

The following information on the State Pension Trusts has been obtained from publicly available sources and has not been independently verified by the District, is not guaranteed as to the accuracy or completeness of the information and is not to be construed as a representation by the District or the Underwriter. Furthermore, the summary data below should not be read as current or definitive, as recent losses on investments made by the retirement systems generally may have increased the unfunded actuarial accrued liabilities stated below.

Both STRS and PERS have substantial Statewide unfunded liabilities. The amount of these unfunded liabilities will vary depending on actuarial assumptions, returns on investments, salary scales and participant contributions. The PERS Schools Pool had an unfunded liability, based on the market value of assets, of $21.7 billion as of June 30, 2016, and STRS had unfunded actuarial liabilities of $96.7 billion as of June 30, 2016. The amount of unfunded actuarially accrued liability will vary from time to time depending upon actuarial assumptions, rates of return on investments, salary scales, and levels of contribution.

STRS and PERS each issue separate comprehensive annual financial reports that include financial statements and required supplementary information. Copies of the STRS annual financial report may be obtained from STRS, P.O. Box 15275, Sacramento, California 95851-0275 and copies of the PERS annual financial report and actuarial valuations may be obtained from the PERS Financial Services Division, P.O. Box 942703, Sacramento, California 94229-2703. The information presented in these reports is not incorporated by reference in this Official Statement.

For information related to the District's proportionate share of unfunded liabilities for STRS and PERS, see Note 12 in "APPENDIX C – AUDITED FINANCIAL STATEMENTS OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2018."

GASB Statement Nos. 67 and 68

On June 25, 2012, the Governmental Accounting Standards Board ("GASB") approved two new standards ("Statements") with respect to pension accounting and financial reporting standards for state and local governments and pension plans. The new Statements, No. 67 and No. 68, replace GASB Statement No. 27 and most of Statements No. 25 and No. 50. The changes impact the accounting treatment of pension plans in which state and local governments participate. Major changes include:(1) the inclusion of unfunded pension liabilities on the government's balance sheet (currently, such unfunded liabilities are typically included as notes to the government's financial statements); (2) more components of full pension costs being shown as expenses regardless of actual contribution levels; (3) lower actuarial discount rates being required to be used for underfunded plans in certain cases for purposes of the financial statements; (4) closed amortization periods for unfunded liabilities being required to be used for certain purposes of the financial statements; and (5) the difference between expected and actual investment returns being recognized over a closed five-year smoothing period. In addition, according to GASB, Statement No. 68 means that, for pensions within the scope of the Statement, a cost-sharing employer that does not have a special funding situation is required to recognize a net pension liability, deferred outflows of resources, deferred inflows of resources related to pensions and pension expense based on its proportionate share of the net pension liability for benefits provided through the pension plan. Because the accounting standards do not require changes in funding policies, the full extent of the effect of the new standards on the District is not known at this time. The reporting requirements for pension plans took effect for the fiscal year beginning July 1, 2013 and the reporting requirements for government employers, including the District, took effect for the fiscal year beginning July 1, 2014.

For more information, see the fiscal year 2017-18 audited financial statements of the District included in Appendix C hereto.

Post-Employment Benefits

Plan Description. The District operates a single employer defined benefit plan that provides medical, dental, and vision insurance coverage to eligible retirees and their spouses, as prescribed in various employee union contracts (the "Post-Employment Benefits"). Membership in the plan consists of retirees and beneficiaries currently receiving Post-Employment Benefits and active plan members. As of June 30, 2019, the District had 710 retirees and 468 dependent beneficiaries currently receiving benefits and 176 active plan members eligible for, but not yet receiving the Post-Employment Benefits. See "APPENDIX C – AUDITED FINANCIAL STATEMENTS OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2018."

Contribution Information. The contribution requirements of plan members and the District are established by agreements between the District and the bargaining units and may be amended from time to time. The required contribution is based on projected pay-as-you-go financing. For fiscal year 2018-19, the District's estimated contribution was $15,477,560 to the plan, of which all were used for current insurance premiums. For fiscal year 2019-20, the District's budgeted contribution towards the plan is $18.5 million, of which $16.4 million will go towards current insurance premiums and $2.1 million will be available to be deposited in the OPEB Trust. See Note 10 to the District's most recent audit in "APPENDIX C – AUDITED FINANCIAL STATEMENTS OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2018."

The Ventura County Community College District Futuris Trust (the "Trust") is an irrevocable governmental trust pursuant to Section 115 of the Code for the purpose of funding certain postemployment benefits other than pensions. The Trust is administered by the Ventura County Community College District Retirement Board of Authority as directed by the investment alternative choice selected by the District. The District retains the responsibility to oversee the management of the Trust, including the requirement that investments and assets held within the Trust continually adhere to the requirements of the California Government Code 53600.5 which specifies that the trustee's primary role is to preserve capital, to maintain investment liquidity, and to protect investment yield. As such, the District acts as the fiduciary to the Trust.

In June 2004, the Governmental Accounting Standards Board ("GASB") pronounced Statement No. 45, Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions. The pronouncement required public agency employers providing other postemployment benefits ("OPEB") to retirees to recognize and account for the costs for providing these benefits on an accrual basis and provide footnote disclosure on the progress toward funding the benefits ("GASB 45"). In June 2015, GASB issued Statement Nos. 74 and 75, respectively, *Financial Reporting for Post-Employment Benefits Other Than Pension Plans and Pensions,* and *Accounting and Financial Reporting For Postemployment Benefits Other Than Pensions,* respectively. The objectives of these statements are to (i) improve the usefulness of information related to postemployment benefits other than pensions (other postemployment benefits or "OPEB") included in the general purpose external financial reports of State and local governmental OPEB plans for making decisions and assessing accountability and (ii) improve accounting and financial reporting by State and local governments for OPEB, respectively. GASB Statement No. 74 replaces Statements No. 43 and 57 and Statement No. 75 replaces GASB Statement No. 45.

Most of GASB 74 applies to plans administered through trusts, contributions in which contributions are irrevocable, trust assets are dedicated to providing other post –employment benefits to plan members and trust assets are legally protected from creditors. GASB Statements No. 74 and No. 75 will require a liability for OPEB obligations, known as the Net OPEB Liability, to be recognized on the balance sheet of the plan and the participating employer's financial statements. In addition, an OPEB expense (service cost plus interest on total OPEB liability plus current-period benefit changes minus member contributions minus assumed earning on plan investments plus administrative expenses plus recognition of deferred outflows minus recognition of deferred inflows) will be recognized in the income statement of the participating employers. In the notes to its financial statements, employers providing other post-employment benefits will also have to include information regarding the year-to-year change in the Net OPEB Liability and a sensitivity analysis of the Net OPEB Liability to changes in the discount rate and healthcare trend rate. The required supplementary information will also be required to show a 10-year schedule of the plan's net OPEB liability reconciliation and related ratios, and any actuarially determined contributions and investment returns.

Under GASB 74, the measurement date must be the same as the plan's fiscal year end, but the actuarial valuation date may be any date up to 24 months prior to the measurement date. For the Total OPEB Liability, if the valuation date is before the measurement date, the results must be projected forward from the valuation date to the measurement date using standard actuarial roll-forward techniques. For plans that are unfunded or have assets insufficient to cover the projected benefit payments, a discount rate reflecting a 20-year tax-exempt municipal bond yield or index rate must be used. For plans with assets that meet the GASB 74 requirements, a projection of the benefit payments and future Fiduciary Net Position is performed based on the funding policy and assumptions of the plan, along with the methodology specified in GASB. The Fiduciary Net Position measures the value of trust assets, adjusted for payees and receivables.

GASB No. 74 has an effective date for plan fiscal years beginning after June 15, 2016, and was first recognized in the District's financial statements for fiscal year 2016-17. GASB Statement No. 75 has an effective date for employer fiscal years beginning after June 15, 2017, and the District first recognized GASB No. 75 in their financial statements for fiscal year 2017-18. For fiscal year 2017-18, the District reported a Total OPEB Liability of $194,715,076, a Fiduciary Net Position of $19,744,170 and a Net OPEB Liability of $174,970,906. See also "APPENDIX C – AUDITED FINANCIAL STATEMENTS OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2018 – Note 10" attached hereto.

Medicare Premium Payment Program. The District participates in the Medicare Premium Payment ("MPP") Program, a cost-sharing multiple-employer other postemployment benefit plan. STRS administers the MPP Program through the Teachers' Health Benefit Fund (the "THBF"). The MPP Program pays Medicare Part A premiums and Medicare Parts A and B late enrollment surcharges for eligible members of the STRS Defined Benefit Program who were retired or began receiving a disability allowance prior to July 1, 2012, and were not eligible for premium free Medicare Part A. The MPP Program is now closed to new entrants.

The MPP Program is funded on a pay-as-you-go basis from a portion of the monthly District contributions. Contributions that would otherwise be credited to the STRS Defined Benefit Program each month are instead credited to the MPP Program to fund monthly program and administrative costs.

An actuarial study of the liability of the MPP Program has been prepared pursuant to GASB statements No. 74 and No. 75. The District's proportionate share of the net MPP Program liability as of June 30, 2018 was $806,671. See also "APPENDIX C – AUDITED FINANCIAL STATEMENTS OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2018 – Note 10" attached hereto.

FUNDING OF COMMUNITY COLLEGE DISTRICTS IN CALIFORNIA

Major Revenues

General. California community college districts (other than community-funded community college districts, as described below) receive operating income from the State, from local sources derived from the community college district's share of the county-wide property tax, revenues generated from the community college district's operations, consisting of student fees and miscellaneous sources, and federal government grants and transfers. State funds include general apportionment, categorical funds, capital construction, the State lottery, and other minor sources.

SB 361. California community college districts apportionments were previously funded pursuant to a system established by Senate Bill 361, which was signed by the Governor on September 29, 2006 ("SB 361"). SB 361 reformed the formulas for allocating general-purpose apportionments to California community college districts beginning fiscal year 2006-07. The system included allocation of State general apportionment revenues to community college districts based on criteria developed by the Board of Governors of the California Community Colleges (the "Board of Governors") in accordance with prescribed statewide minimum requirements. In establishing these minimum requirements, the Board of Governors was required to acknowledge community college districts' need to receive an annual allocation based on the number of colleges and comprehensive centers in each district, plus funding received based on the number of credit, noncredit and enhanced noncredit FTES in each district. SB 361 also specified that the minimum funding per FTES would be:(a) not less than $4,367 per credit FTES (subject to cost of living adjustments funded through the budget act in subsequent fiscal years); (b) at a uniform rate of $2,626 per noncredit FTES (adjusted for the change in cost of living provided in the budget act in subsequent fiscal years); and (c) set at $3,092 per enhanced noncredit FTES (adjusted for the change in cost of living provided in the budget act in subsequent fiscal years) for a new instructional category of "career development and college preparation."

The major local revenue source is local property taxes that are collected from within district boundaries. Student enrollment fees from the local community college district generally account for the remainder of local revenues of the district. Property taxes and student enrollment fees are applied towards fulfilling the District's financial need. Once these sources are exhausted, State funds are used. State aid is subject to the appropriation of funds in the State's annual budget. Decreases in State revenues may affect appropriations made by the State legislature to the District. The sum of the property taxes, student enrollment fees, and State aid generally constitutes the District's funding allocation. Community-funded community college districts are those districts whose local property tax and student enrollment fee collections exceed the revenue allocation determined by the program-based model. Community-funded community college districts do not receive any funds from the general State appropriation. See also, "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Proposition 30 and Proposition 55." The implication for community-funded community college districts is that the legislatively determined annual cost of living adjustment and other politically determined factors are less significant in determining such districts' primary funding sources. Rather, property tax growth and the local economy become the determinant factors. The District is not a community-funded community college districts.

A small part of a community college district's budget is from local sources other than property taxes and student enrollment fees, such as interest income, donations and sales of property. Every community college district receives the same amount of lottery funds per pupil from the State; however, a majority of these are not categorical funds as they are not for particular programs or students. The initiative authorizing the lottery does require a portion of the funds to be used for instructional purposes, and prohibits their use for capital purposes.

New Community College Funding Formula. As part of the 2018-19 State Budget, a new "Student-Centered Funding Formula" ("SCFF") was adopted for California community colleges pursuant to a higher education trailer bill, Assembly Bill 1809, passed by the State legislature and subsequently codified in Title 3, Division 7, Part 50, Chapter 5, Article 2 of the California Education Code. The SCFF is intended by the State legislature to provide encouragement for under-represented students to access the system, and also, in recognition of the need to provide additional support for low-income students, to provide additional funding to California community colleges. In addition, the SCFF is designed to improve overall equity and predictability so that California community colleges may more readily plan and implement instructions and programs, and also rewards the progress of individual community colleges for improvement to their student success metrics.

The SCFF includes three specific components: first, a "Base Allocation" which is calculated primarily based on by enrollment, secondly, a "Supplemental Allocation" which is funded based on the number of certain types of low-income students, and, thirdly, a "Student Success Allocation" which is calculated based upon achievement-based metrics.

Each *Base Allocation* is composed of (i) the Base Allocation, determined consistent with the prior funding formula, as well as (ii) funding for credit, non-credit and Career Development College Preparation ("CDCP") FTES. In fiscal year 2018-19, the Base Allocation is expected to constitute approximately 70% of Statewide funding for community college districts, then 65% of Statewide funding for community college districts in fiscal year 2019-20, and 60% of Statewide funding for community college districts in fiscal years 2020-21 and onward. The SCFF provides minimum funding levels for credit FTES for the first three fiscal years, as follows: (a) $3,727 for fiscal year 2018-19, (b) $3,387 for fiscal year 2019-20, adjusted for COLAs and other base adjustments, and (c) $3,046 for fiscal year 2020-21, adjusted for COLAs and other base adjustments in both the then-current and prior fiscal year. The SCFF provides higher credit FTES funding rates for certain community college districts, notwithstanding the Base Allocation formula. These districts do not include the District.

Commencing in fiscal year 2021-22, each annual State budget will provide for COLAs and other adjustments to be subject to appropriation. Accordingly, total funding for credit FTES will be based on a rolling three-year average of funded FTES from the current year, the prior year, and the year prior to that. The determination of funding levels for non-credit and CDCP FTES will be consistent with the prior funding formula and the total funding for these categories will be based on actual non-credit and CDCP FTES for the most recent fiscal year. See the table herein under "APPENDIX A – FINANCIAL AND DEMOGRAPHIC INFORMATION RELATING TO THE DISTRICT – THE DISTRICT – District Enrollment" for the District's FTES figures, including a projection for fiscal year 2019-20.

Each *Supplemental Allocation* is to be distributed to community college districts based on the number of students served by each district that is a recipients of: (i) a Federal Pell Grant, (ii) an exemption from nonresident tuition pursuant to California Education Code 68130.5, or (iii) student fee waivers under Section 76300 of the California Education Code. The Supplemental Allocation is expected to account for approximately 20% of Statewide funding.

While the SCFF provides $919 per qualifying student for fiscal year 2018-19, beginning in fiscal year 2019-20, the provision of COLAs and other adjustments to this amount will be subject to appropriation in the annual State budget. For this purpose, headcounts of students will be duplicated, so that community college districts will receive twice the supplemental funding for students falling into more than one of the above-referenced categories.

Each *Student Success Allocation* is to be distributed to community college districts based on performance in a number of student "outcome metrics," including (i) obtaining various degrees and certificates, (ii) completing transfer-level math and English courses within a student's first year, (iii) successfully transferring students to four-year universities, and (iv) students obtaining a regional living wage within a year of completing community college. Each of these metrics is assigned a point value, with some being assigned more weight than others and a single student outcome with higher points will result in an increase in funding. The outcome metrics for students receiving Federal Pell Grant program aid or who receive a fee waiver pursuant to Section 76300 of the California Education Code are also eligible for additional funding.

In fiscal year 2018-19, the Student Success Allocation is expected to account for 10% of Statewide funding for community college districts, then 15% of statewide funding for community college districts in fiscal year 2019-20, and 20% of Statewide funding for community college districts in fiscal year 2020-21 and thereafter. The SCFF provides a rate for all students of $440 per point For fiscal year 2018-19, plus an additional $111 per point for students that received financial aid under the Federal Pell Grant program or received a fee waiver pursuant to Section 76300 of the California Education Code. In fiscal year 2019-20, subject to COLAs and other base adjustments, these rates increase to $660 per point and $167 per point, respectively, and for fiscal year 2020-21, subject to COLAs and other base adjustments, the rates increase to $880 per point and $222 per point, respectively.

In addition, the SCFF includes hold-harmless provisions which are intended to provide increased financial stability to California community colleges in the transition to the SCFF formula. As a minimum, all community college districts will receive in fiscal years 2018-19 and 2019-20, the total computational revenue such district received in fiscal year 2017-18. This amount is defined as a community college district's final entitlement for general apportionment purposes based on FTES and the number of colleges and comprehensive centers the community college district operates. Beginning with fiscal year 2020-21 and for each year thereafter, community college districts will receive the higher of the following: (i) the funding level determined by the formula established by the SCFF, or (ii) the level of funding determined by multiplying the community college district's FTES by the associated credit, noncredit, and career development and college preparation rate received by the community college district in fiscal year 2017-18. The funding level is to be adjusted to include a basic allocation which is based on the number of colleges and comprehensive centers in the community college district consistent with the basic allocation rates used in fiscal year 2017-18 for such community college.

Ad Valorem Property Taxes

Taxes are levied for each fiscal year on taxable real and personal property which is situated in the County as of the preceding January 1. However, upon a change in ownership of property or completion of new construction, State law permits an accelerated recognition and taxation of increases in real property assessed valuation (known as a "floating lien date"). For assessment and collection purposes, property is classified either as "secured" or "unsecured" and is listed accordingly on separate parts of the assessment roll. The "secured roll" is that part of the assessment roll containing State assessed property and locally assessed property secured by a lien which is sufficient, in the opinion of the assessor, to secure payment of the taxes. Other property is assessed on the "unsecured roll."

The County levies a 1% property tax on behalf of all taxing agencies in the County. The taxes collected are allocated on the basis of a formula established by State law enacted in 1979. Under this formula, the County and all other taxing entities receive a base year allocation plus an allocation on the basis of "situs" growth in assessed value (new construction, change of ownership, inflation) prorated among the jurisdictions which serve the tax rate areas within which the growth occurs. Tax rate areas are specifically defined geographic areas which were developed to permit the levying of taxes for less than county-wide or less than city-wide special and school districts. In addition, the County levies and collects additional voter-approved property taxes and assessments on behalf of any taxing agency within the County.

Property taxes on the secured roll are due in two installments, on November 1 and February 1. If unpaid, such taxes become delinquent after December 10 and April 10, respectively, and a ten percent penalty attaches to any delinquent payment. In addition, property on the secured roll secured by the assessee's fee ownership of land with respect to which taxes are delinquent is declared tax-defaulted on or about June 30. Those properties on the secured roll that become tax-defaulted on June 30 of the fiscal year that are not secured by the assessee's fee ownership of land are transferred to the unsecured roll and are then subject to the Treasurer's enforcement procedures (*i.e.*, seizures of money and property, liens and judgments). Such property may thereafter be redeemed by payment of the delinquent taxes and the delinquency penalty, plus costs and redemption penalty of one and one-half percent per month to the time of redemption. If taxes are unpaid for a period of five years or more, the tax-defaulted property is subject to sale by the Treasurer.

Property taxes on the unsecured roll are currently due as of the January 1 lien date prior to the commencement of a fiscal year and become delinquent, if unpaid, on August 31. A ten percent penalty attaches to delinquent taxes on property on the unsecured roll and an additional penalty of one and one-half percent per month begins to accrue on November 1. The taxing authority has four ways of collecting unsecured personal property taxes:(6) a civil action against the taxpayer; (7) filing a certificate in the office of the County Clerk specifying certain facts in order to obtain a judgment lien on certain property of the taxpayer; (8) filing a certificate of delinquency for recordation in the County Recorder's office in order to obtain a lien on certain property of the taxpayer; and (9) seizure and sale of personal property, improvements, bank accounts or possessory interests belonging or assessed to the taxpayer.

The County levies and collects all property taxes for property falling within its taxing boundaries. The County has adopted the Teeter Plan. Under the Teeter Plan local taxing entities receive 100% of their tax levies net of delinquencies, but do not receive interest or penalties on delinquent taxes collected by the county. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Teeter Plan" herein.

State Assistance

The District's principal funding formulas and revenue sources are derived from the budget of the State of California. ***The following information concerning the State of California's budgets has been obtained from publicly available information which the District believes to be reliable; however, the State has not entered into any contractual commitment with the District, the County, the Underwriter, Bond and Disclosure Counsel nor the Owners of the Bonds to provide State budget information to the District or the owners of the Bonds. Although they believe the State sources of information listed above are reliable, none of the District, the County, Bond and Disclosure Counsel nor the Underwriter assume any responsibility for the accuracy of the State budget information set forth or referred to herein or incorporated by reference herein. Additional information regarding State budgets is available at various State-maintained websites including www.ebudget.ca.gov, which website is not incorporated herein by reference.***

2019-20 State Budget. On June 27, 2019, Governor Newsom signed a final State budget for Fiscal Year 2019-20 (the "2019-20 State Budget") in the total amount of $214.8 billion, including $147.8 billion from the State General Fund. The 2019-20 State Budget projects that the State will end Fiscal Year 2018-19 with total reserves of $19.2 billion, of which $16.5 billion is in the Rainy Day Fund, $1.4 billion in the Special Fund for Economic Uncertainties, $900 million in the Safety Net Reserve, and approximately $380 million in the Public School System Stabilization Account. See "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS CONSTITUTIONAL AND STATUTORY INITIATIVES – Proposition 2" herein. The 2019-20 State Budget makes an additional payment of $9 billion over the four succeeding fiscal years to pay down unfunded pension liabilities, including $3 billion to PERS, $2.9 billion to STRS on behalf of the State, and $3.15 billion to STRS and PERS on behalf of schools. The 2019-20 State Budget also invests $4.5 billion to eliminate the so-called 'Wall of Debt' and reverses the debt deferral undertaken during the last recession. With respect to K-12 education, the 2019-20 State Budget sets the minimum funding guarantee at $81.1 billion, including $55.9 billion from the State general fund, reflecting an increase of $2.7 billion from the prior-year level.

Significant features of the 2019-20 State Budget pertaining to community colleges include the following:

- *Settle-Up Payment* - An increase of $686.6 million for K-14 school districts to pay the balance of past-year Proposition 98 funding owed through Fiscal Year 2017-18.

- *Student Centered Funding Formula* – An ongoing increase of $254.7 million in Proposition 98 funding to support the SCFF, including (i) an increase of $230 million to support a 3.26% COLA for total apportionment growth, and (ii) an increase of $24.7 million to fund 0.55% of enrollment growth.

- *Pension Costs* – A $3.15 billion payment from non-Proposition 98 funds to STRS and PERS, to reduce long-term liabilities for K-14 school districts. Of this amount, $850 million would be provided to buy down employer contribution rates in Fiscal Years 2019-20 and 2020-21. With these payments, STRS employer contributions will be reduced from 18.13% to 17.1%

in Fiscal Year 2019-20, and from 19.1% to 18.4% in Fiscal Year 2020-21. The PERS employer contribution will be reduced from 20.7% to 19.7% in Fiscal Year 2019-20, and the projected PERS employer contribution is expected to be reduced from 23.6% to 22.9 % in Fiscal Year 2020-21. The remaining $2.3 billion would be paid towards employers' long-term unfunded liability.

- *Enrollment Fee Waiver* - $42.6 million in ongoing Proposition 98 funding to support a second academic year of the California College Promise to waive enrollment fees for fist-time, full-time students.

- *Deferred Maintenance* – A one-time increase of $13.5 million in Proposition 98 funding for deferred maintenance, instructional equipment and specified water conservation projects.

- *Student Support* – An ongoing increase of $9 million in Proposition 98 funding to provide support to community college students who are homeless or are experiencing housing insecurity. The 2019-20 State Budget also provides a one-time increase of $3.9 million in Proposition 98 funding to address student basic needs, including housing and food insecurity.

- *Veterans Resources* – An ongoing increase of $5 million in Proposition 98 funding for the establishment or enhancement of veterans resource centers at community colleges. In addition, the 2019-20 State Budget also provides an increase of $2.25 million in Proposition 98 settle-up funds to expand veterans resource centers at specified colleges.

- *Workforce Development* – A one-time increase of $4.75 million in one-time, Proposition 98 settle-up funds to support the improvement of workforce development programs at specified community colleges.

- Proposition 51 – The Kindergarten Through Community College Public Education Facilities Bond Act of 2016 (also known as Proposition 51) is a voter initiative approved at the November 8, 2016 election that authorizes the sale and issuance of $9 billion in State general obligation bonds for the new construction and modernization of K-14 facilities. See "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Proposition 51." The 2019-20 State Budget allocates $535.3 million of Proposition 51 bond proceeds to critical fire and life safety projects at campuses statewide.

Future Budgets. The District cannot predict how State income or State education funding will vary over the term of the Bonds, and the District takes no responsibility for informing owners of the Bonds as to actions the State Legislature or Governor may take affecting the current year's budget after its adoption. Future State budgets will be affected by national and State economic conditions, over which the District has no control, and other factors over which the District will have no control. To the extent that the State budget process results in reduced revenues deferred revenues or increased expenses for the District, the District will be required to make adjustments to its budget and cash management practices. In the event current or future State Budgets decrease the District's revenues or increase required expenditures by the District from the levels assumed by the District, the District will be required to generate additional revenues, curtail programs or services, or use its reserve funds to ensure a balanced budget.

Information about the State budget and State spending for education is regularly available at various State-maintained websites. Text of proposed and adopted budgets may be found at the website of the Department of Finance, www.dof.ca.gov, under the heading "California Budget" or www.ebudget.ca.gov. An impartial analysis of the budget is posted by the Office of the Legislative Analyst at www.lao.ca.gov. The information referred to is prepared by the respective State agency maintaining each website and not by the District, and the District can take no responsibility for the continued accuracy of these internet addresses or for the accuracy, completeness or timeliness of information posted there, and such information is not incorporated herein by these references.

CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS

Article XIIIA of the California Constitution

On June 6, 1978, California voters approved Proposition 13, which added Article XIIIA to the California Constitution ("Article XIIIA"). Article XIIIA limits the amount of any *ad valorem* tax on real property to one percent of the full cash value thereof, except that additional *ad valorem* taxes may be levied to pay debt service on indebtedness approved by the voters prior to July 1, 1978 and (as a result of an amendment to Article XIIIA approved by California voters on June 3, 1986) on bonded indebtedness for the acquisition or improvement of real property that has been approved on or after July 1, 1978 by two-thirds of the voters voting on such indebtedness and (as a result of a constitutional amendment approved by California voters on November 7, 2000) on bonded indebtedness for school facilities and equipment approved by 55 percent of the voters voting on the bond measure. See "Proposition 39" below. Article XIIIA defines full cash value to mean "the county assessor's valuation of real property as shown on the 1975-1976 tax bill under full 'cash value,' or thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership have occurred after the 1975 assessment." This full cash value may be increased at a rate not to exceed two percent per year to account for inflation. This system results in widely varying amounts of tax on similarly situated properties based on differences in the taxpayer's date of acquisition of the property. On June 18, 1992, the United States Supreme Court issued a decision upholding the constitutionality of Article XIIIA (Nordlinger v. Hahn, 112 S. Ct. 2326, 120 L. Ed. 2d 1 (1992)).

Article XIIIA has subsequently been amended to permit reduction of the "full cash value" base in the event of declining property values caused by damage, destruction or other factors, to provide that there would be no increase in the "full cash value" base in the event of reconstruction of property damaged or destroyed in a disaster and in other minor or technical ways.

Split Roll Property Tax Ballot Measure

On October 15, 2018, a proposed ballot initiative became eligible for the November 2020 Statewide ballot (the "2020 Ballot Measure"). If approved by a majority of voters casting a ballot at the November 2020 Statewide election, the 2020 Ballot Measure would amend Article XIIIA such that the "full cash value" of commercial and industrial real property that is not zoned for commercial agricultural production, for each lien date, would be equal to the fair market value of that property. If passed, the 2020 Ballot Measure would not affect the "full cash value" of residential property or real property used for commercial agricultural production, which would continue to be subject to annual increases not to exceed 2%. After compensating the State General Fund for resulting reductions in State personal income tax and corporate tax revenues, and compensating cities, counties and special districts for the cost of implementing the 2020 Ballot Measure, approximately 40% of the remaining additional tax revenues generated as a result of the 2020 Ballot Measure would be deposited into a fund created pursuant to the 2020 Ballot Measure called the Local School and Community College Property Tax Fund, with such funds being used to supplement, and not replace, existing funding school districts and community college districts receive under the State's constitutional minimum funding requirement. The District cannot predict whether the 2020 Ballot Measure will appear on the Statewide ballot at the November 2020 election or, if it does, whether the 2020 Ballot Measure will be approved by a majority of voters casting a ballot. If approved, the District cannot make any assurance as to what effect the implementation of the 2020 Ballot Measure will have on District revenues or the assessed valuation of real property in the District.

Legislation Implementing Article XIIIA

Legislation has been enacted and amended a number of times since 1978 to implement Article XIIIA. Under current law, local agencies are no longer permitted to levy directly any property tax (except to pay voter-approved indebtedness). The one percent property tax is automatically levied by the county and distributed according to a formula among taxing agencies. The formula apportions the tax roughly in proportion to the relative shares of taxes levied prior to 1979.

Increases of assessed valuation resulting from reappraisals of property due to new construction, change in ownership or from the two percent annual adjustment are allocated among the various jurisdictions in the "taxing area" based upon their respective "situs." Any such allocation made to a local agency continues as part of its allocation in future years.

Article XIIIB of the California Constitution

An initiative to amend the California Constitution entitled "Limitation of Government Appropriations" was approved on September 6, 1979 thereby adding Article XIIIB to the California Constitution ("Article XIIIB"). Under Article XIIIB state and local governmental entities have an annual "appropriations limit" and are not permitted to spend certain moneys which are called "appropriations subject to limitation" (consisting of tax revenues, state subventions and certain other funds) in an amount higher than the appropriations limit. Article XIIIB does not affect the appropriations of moneys which are excluded from the definition of "appropriations subject to limitation," including debt service on indebtedness existing or authorized as of January 1,1979, or bonded indebtedness subsequently approved by the voters. In general terms, the appropriations limit is to be based on certain 1978-1979 expenditures, and is to be adjusted annually to reflect changes in consumer prices, populations, and services provided by these entities. Among other provisions of Article XIIIB, if these entities' revenues in any year exceed the amounts permitted to be spent, the excess would have to be returned by revising tax rates or fee schedules over the subsequent two years.

Article XIIIC and Article XIIID of the California Constitution

On November 5, 1996, the voters of the State approved Proposition 218, the so-called "Right to Vote on Taxes Act." Proposition 218 added Articles XIIIC and XIIID to the State Constitution, which contain a number of provisions affecting the ability of local agencies, including school districts, to levy and collect both existing and future taxes, assessments, fees and charges. Among other things, XIIIC establishes that every tax is either a "general tax" (imposed for general governmental purposes) or a "special tax" (imposed for specific purposes); prohibits special purpose government agencies such as school districts from levying general taxes; and prohibits any local agency from imposing, extending or increasing any special tax beyond its maximum authorized rate without a two-thirds vote. Article XIIIC also provides that no tax may be assessed on property other than ad valorem property taxes imposed in accordance with Articles XIII and XIIIA of the California Constitution and special taxes approved by a two-thirds vote under Article XIIIA, Section 4.

Article XIIIC also provides that the initiative power shall not be limited in matters of reducing or repealing local taxes, assessments, fees and charges. Legislation adopted in 1997 provides that Article XIIIC shall not be construed to mean that any owner or beneficial owner of a municipal security assumes the risk of or consents to any initiative measure that would constitute an impairment of contractual rights under the contracts clause of the U.S. Constitution.

Article XIIID deals with assessments and property-related fees and charges. Article XIIID explicitly provides that nothing in Article XIIIC or XIIID shall be construed to affect existing laws relating to the imposition of fees or charges as a condition of property development; however it is not clear whether the initiative power is therefore unavailable to repeal or reduce developer and mitigation fees imposed by the District.

Proposition 62

In 1986, California voters adopted Proposition 62, a statutory initiative which amended the California Government Code by the addition of Sections 53720-53730. Proposition 62 requires that (i) any local tax for general governmental purposes (a "general tax") must be approved by a majority vote of the electorate; (ii) any local tax for specific purposes (a "special tax") must be approved by a two-thirds vote of the electorate; (iii) any general tax must be proposed for a vote by two-thirds of the legislative body; and (iv) proceeds of any tax imposed in violation of the vote requirements must be deducted from the local agency's property tax allocation. Provisions applying Proposition 62 retroactively from its effective date to 1985 are unlikely to be of any continuing importance; certain other restrictions were already contained in the Constitution.

Most of the provisions of Proposition 62 were affirmed by the 1995 California Supreme Court decision in Santa Clara County Local Transportation Authority v. Guardino, which invalidated a special sales tax for transportation purposes because fewer than two-thirds of the voters voting on the measure had approved the tax. Following the California Supreme Court's decision upholding Proposition 62, several actions were filed challenging taxes imposed by public agencies since the adoption of Proposition 62, which was passed in November 1986. On June 4, 2001, the California Supreme Court released its decision in one of these cases, Howard Jarvis Taxpayers Association v. City of La Habra, et al. ("La Habra"). In this case, the court held that public agency's continued imposition and collection of a tax is an ongoing violation, upon which the statute of limitations period begins anew with each collection. The court also held that, unless another statute or constitutional rule provided differently, the statute of limitations for challenges to taxes subject to Proposition 62 is three years. Accordingly, a challenge to a tax subject to Proposition 62 may only be made for those taxes received within three years of the date the action is brought.

Proposition 98

In 1988, California voters approved Proposition 98, a combined initiative, constitutional amendment and statute called the "Classroom Instructional Improvement and Accountability Act" (the "Accountability Act"). The Accountability Act changed State funding of public education below the university level, and the operation of the State's Appropriations Limit, primarily by guaranteeing State funding for K-12 school districts and community college districts (collectively, "K-14 districts").

Under Proposition 98 (as modified by Proposition 111, which was enacted on June 5, 1990), K-14 districts are guaranteed the greater of (b) in general, a fixed percent of the State's General Fund (the "State General Fund") revenues ("Test 1"), (c) the amount appropriated to K-14 schools in the prior year, adjusted for changes in the cost-of-living (measured as in Article XIIIB by reference to State per capita personal income) and enrollment ("Test 2"), or (d) a third test, which would replace Test 2 in any year when the percentage growth in per capita State General Fund revenues from the prior year plus one-half of one percent is less than the percentage growth in State per capita personal income ("Test 3"). Under Test 3, schools would receive the amount appropriated in the prior year adjusted for changes in enrollment and per capita State General Fund revenues, plus an additional small adjustment factor. If Test 3 is used in any year, the difference between Test 3 and Test 2 would become a "credit" to schools which would be the basis of payments in future years when per capita State General Fund revenue growth exceeds per capita personal income growth. Legislation adopted prior to the end of the 1988-89 fiscal year, implementing Proposition 98, determined the K-14 districts' funding guarantee under Test 1 to be 40.3% of the State General Fund tax revenues, based on 1986-87 appropriations. However, that percentage has been adjusted to 35% to account for a subsequent redirection of local property taxes whereby a greater proportion of education funding now comes from local property taxes.

Proposition 98 permits the State Legislature by a two-thirds vote of both houses, with the Governor's concurrence, to suspend the K-14 districts' minimum funding formula for a one-year period. In the fall of 1989, the Legislature and the Governor utilized this provision to avoid having 40.3% of revenues generated by a special supplemental sales tax enacted for earthquake relief go to K-14 districts. Proposition 98 also contains provisions transferring certain State tax revenues in excess of the Article XIIIB limit to K-14 districts.

The 2018-19 Budget revises the Proposition 98 minimum funding guarantees for both fiscal years 2016-17 and 2017-18, as a result of higher general fund revenues. The 2018-19 Budget sets the Proposition 98 minimum funding guarantee for fiscal year 2016-17 at $71.6 billion, an increase of $252 million from the prior year. The 2018-19 Budget revises the minimum funding guarantee for fiscal year 2017-18 at $75.6 billion reflecting an increase of $1.1 billion from the prior year. As part of the 2017-18 increase, the State is making an additional maintenance factor payment of $789 million, on top of a previous $536 million payment. After making the approximately $1.3 billion total payment, the State will have eliminated all remaining maintenance factor for the first time since 2005-06. In both 2016-17 and 2017-18, the State is spending at the calculated minimum guarantee.

Application of Proposition 98

The application of Proposition 98 and other statutory regulations has become increasingly difficult to predict accurately in recent years. One major reason is that Proposition 98 minimum funding levels under Test 1 and Test 2 are dependent on State General Fund revenues. In past fiscal years, the State made actual allocations to K-14 districts based on an assumption of State General Fund revenues at a level above that which was ultimately realized. In such years, the State has considered the amounts appropriated above the minimum as a loan to K-14 districts, and has deducted the value of these loans from future years' estimated Proposition 98 minimum funding levels. The State determined that there were loans to K-14 districts of $1.3 billion during fiscal year 1990-91, $1.1 billion during fiscal year 1991-92, $1.3 billion during fiscal year 1992-93 and $787 million during fiscal year 1993-94. These loans have been combined with the K-14 1992-93 loans into one loan totaling $1.760 billion. The State proposed that repayment of this loan would be from future years' Proposition 98 entitlements, and would be conditioned on maintaining current funding levels per pupil for K-12 schools.

In 1992, a lawsuit, California Teachers' Association et al. v. Gould, was filed, which challenged the validity of the off-budget loans. As part of the negotiations leading to the 1995-96 Budget Act, an agreement was reached to settle this case. The agreement provides that both the State and K-14 districts share in the repayment of prior years' emergency loans to schools. Of the total $1.76 billion in loans, the State will repay $935 million, while K-14 districts will repay $825 million. The State share of the repayment will be reflected as expenditures above the current Proposition 98 base calculation. The K-14 districts' share of the repayment will count as appropriations that count toward satisfying the

Proposition 98 guarantee, and thus are treated as from "below" the current base. Repayments are spread over the eight-year period of 1994-95 through 2001-02 to mitigate any adverse fiscal impact. In April 1996, a court settlement was reached and $360 million in appropriations from the 1995-96 fiscal year was disbursed to districts in August 1996.

Substantially increased State General Fund revenues, above initial budget projections, in the fiscal years 1994-95 and thereafter have resulted or will result in retroactive increases in Proposition 98 appropriations from subsequent fiscal years' budgets. Because of the State's increasing revenues, per-pupil funding at the K-12 level has increased by about 42% from the level in place from 1991-92 through 1993-94. A significant amount of the "extra" Proposition 98 moneys in the last few years has been allocated to special programs, most particularly an initiative to allow each classroom from grades K-3 to have no more than 20 pupils by the end of the 1997-98 school year. There are also new initiatives to improve reading skills and to upgrade technology in high schools, as well as numerous programs approved by the State Budget Act for Fiscal Year 1999-2000 and proposed for Fiscal Year 2001-02. The economy of the State has slowed and the State is experiencing severe budget shortfalls. For a discussion of State funding of the District, see "FUNDING OF COMMUNITY COLLEGE DISTRICTS IN CALIFORNIA."

Proposition 39

On November 7, 2000, voters approved Proposition 39 called the "Smaller Classes, Safer Schools and Financial Accountability Act" (the "Smaller Classes Act"). The Smaller Classes Act amends Section 1 of Article XIIIA, Section 18 of Article XVI of the California Constitution and Section 47614 of the California Education Code. With respect to school districts, community colleges and county offices of education and effective upon its passage, Section 18(b) of Article XVI allows an alternative means of seeking voter approval for bonded indebtedness by 55 percent of the vote, rather than the two-thirds majority required under Section 18 of Article XVI of the Constitution. The reduced 55 percent voter requirement applies only if the bond measure submitted to the voters includes, among other items: 1) a restriction that the proceeds of the bonds may be used for "the construction, reconstruction, rehabilitation, or replacement of school facilities, including the furnishing and equipping of school facilities, or the acquisition or lease of real property for school facilities," 2) a list of projects to be funded and a certification that the school district board has evaluated "safety, class size reduction, and information technology needs in developing that list"; and 3) that annual, independent performance and financial audits will be conducted regarding the expenditure and use of the bond proceeds.

Section 1(b)(3) of Article XIIIA has been added to except from the one percent *ad valorem* tax limitation under Section 1(a) of Article XIIIA of the Constitution levies to pay bonds approved by the 55 percent of the voters, subject to the restrictions explained above.

The Legislature enacted AB 1908, Chapter 44, which became effective upon passage of Proposition 39. AB 1908 amends various sections of the Education Code. Under amendments to Sections 15268 and 15270 of the Education Code, the following limits on *ad valorem* taxes apply in any single election: 1) for a school district, indebtedness shall not exceed $30 per $100,000 of taxable property; 2) for a unified school district, indebtedness shall not exceed $60 per $100,000 of taxable property; and, 3) for a community college district, indebtedness shall not exceed $25 per $100,000 of taxable property. Finally, AB 1908 requires that a citizens' oversight committee must be appointed who will review the use of the bond funds and inform the public about their proper usage.

Jarvis v. Connell

On May 29, 2002, the California Court of Appeal for the Second District decided the case of *Howard Jarvis Taxpayers Association, et al. v. Kathleen Connell* (as Controller of the State of California). The Court of Appeal held that a final budget bill, an emergency appropriation, a self-executing authorization pursuant to state statutes (such as continuing appropriations) or the California Constitution or a federal mandate is necessary for the State Controller to disburse funds. The foregoing requirement could apply to amounts budgeted by the District as being received from the State. To the extent the holding in such case would apply to State payments reflected in the District's budget, the requirement that there be either a final budget bill or an emergency appropriation may result in the delay of such payments to the District if such required legislative action is delayed, unless the payments are self-executing authorizations or are subject to a federal mandate. On May 1, 2003, the California Supreme Court upheld the holding of the Court of Appeal, stating that the Controller is not authorized under State law to disburse funds prior to the enactment of a budget or other proper appropriation, but under federal law, the Controller is required, notwithstanding a budget impasse and the limitations imposed by State law, to timely pay those State employees who are subject to the minimum wage and overtime compensation provisions of the federal Fair Labor Standards Act.

Proposition 1A and Proposition 22

Beginning in fiscal year 1992-93, the State satisfied a portion of its Proposition 98 obligations by shifting part of the property tax revenues otherwise belonging to cities, counties, special districts, and redevelopment agencies, to school and community college districts through a local Educational Revenue Augmentation Fund ("ERAF") in each county. Local agencies, objecting to invasions of their local revenues by the State, sponsored a Statewide ballot initiative intended to eliminate the practice. In response, the Legislature proposed an amendment to the State Constitution, which the State's voters approved as Proposition 1A at the November 2004 election. That measure was generally superseded by the passage of an initiative constitutional amendment at the November 2010 election, known as "Proposition 22."

The effect of Proposition 22 is to prohibit the State, even during a period of severe fiscal hardship, from delaying the distribution of tax revenues for transportation, redevelopment, or local government projects and services. It prevents the State from redirecting or diverting revenues to any other local government, including school and community college districts, or from temporarily shifting property taxes from cities, counties and special districts to K-14 schools, as in the ERAF program. This is intended to, among other things, stabilize local government revenue sources by restricting the State's control over local property taxes. One effect of this amendment is to deprive the State of fuel tax revenues to pay debt service on most State bonds for transportation projects, reducing the amount of State general fund resources available for other purposes, including education.

Prior to the passage of Proposition 22, the State invoked Proposition 1A to divert \$1.935 billion in local property tax revenues in 2009-10 from cities, counties, and special districts to the State to offset State general fund spending for education and other programs, and included another diversion in the adopted 2009-10 State budget of \$1.7 billion in local property tax revenues from local redevelopment agencies. Redevelopment agencies, through the California Redevelopment Association ("CRA") engaged in litigation to block the transfer of payments and recoup certain payments already made under certain legislation passed in July 2009 that is beyond the reach of Proposition 22, known as "ABX4 26." Because Proposition 22 reduced the State's authority to use or reallocate certain revenue sources, fees and taxes for State general fund purposes, the State has to take other actions to balance its budget, such as reducing State spending or increasing State taxes, and school and college districts that receive Proposition 98 or other funding from the State are more directly dependent upon the State's general fund.

Redevelopment Agency Dissolution. On December 30, 2011, the California Supreme Court issued its decision in the case of *California Redevelopment Association v. Matosantos*, finding ABx1 26, a trailer bill to the 2011-12 State budget, to be constitutional. As a result, all redevelopment agencies in California were dissolved as of February 1, 2012, and all net tax increment revenues, after payment of redevelopment bonds debt service and administrative costs, will be distributed to cities, counties, special districts and K-14 school districts. The Court also found that ABx1 27, a companion bill to ABx1 26, violated the California Constitution, as amended by Proposition 22. ABx1 27 would have permitted redevelopment agencies to continue operations provided their establishing cities or counties agreed to make specified payments to K-14 school districts and county offices of education, totaling $1.7 billion statewide. The District is unable to predict what affect the implementation of ABx1 26 will have on the District's future receipt of tax increment revenues. As a result of the dissolution of California redevelopment agencies and ABx1 26, the tax increment previously paid to redevelopment agencies shall first be used to pay pass-through payments to other taxing entities and second to pay the redevelopment agencies enforceable obligations; with the remaining revenue (if any) paid to the taxing entities by the County Auditor-Controller in the same proportion as other tax revenue.

Proposition 30 and Proposition 55

The passage of the Governor's November Tax Initiative ("Proposition 30") on November 6, 2012 ballot resulted in an increase in the State sales tax by a quarter-cent for four years and, for seven years, raising taxes on individuals after their first $250,000 in income and on couples after their first $500,000 in earnings. These increased tax rates affect approximately 1 percent of California personal income tax filers and became effective in the 2012 tax year, ending at the conclusion of the 2018 tax year. The LAO estimates that, as a result of Proposition 30, additional State tax revenues of about $6 billion annually from 2012–13 through 2016–17 will be received by the State with lesser amounts of additional revenue available in fiscal years 2011–12, 2017–18, and 2018–19. These additional monies were available to fund programs in the 2012-13 State Budget and prevented certain "trigger cuts" included in the 2012-13 State Budget from going into effect. Proposition 30 also placed into the State Constitution certain requirements related to the transfer of certain State program responsibilities to local governments, mostly counties, including incarcerating certain adult offenders, supervising parolees, and providing substance abuse treatment services.

Revenues generated by Proposition 30 accounted for an increase of approximately 14 percent over fiscal year 2011–12 in funding for schools and community colleges as set forth in the 2012–13 State Budget. Almost all of this increase was used to pay K–14 expenses from the previous year and reduce delays in certain State K–14 payments. Proposition 30 also provides for additional tax revenues aimed at balancing the State's budget through 2018–19, providing several billion dollars annually through fiscal year 2018–19 available for purposes including funding existing State programs, ending K–14 education payment delays, and paying other State debts. Future actions of the State Legislature and the Governor will determine the use of these funds. According to the LAO, revenues raised by Proposition 30 could be subject to multibillion-dollar swings, above or below the revenues projections, due to the majority of the additional revenue coming from the personal income tax rate increases on upper-income taxpayers. These fluctuations in incomes of upper-income taxpayers could impact potential State revenue and complicate State budgeting in future years. After the proposed tax increases expire, the loss of the associated tax revenues could also create additional budget pressure in subsequent years.

The California Children's Education and Health Care Protection Act of 2016, also known as Proposition 55, was approved by State voters on November 8, 2016. Proposition 55 extends the increase to personal income tax rates for high-income taxpayers that were approved as part of Proposition 30 through the year 2030. Tax revenues received under Proposition 55 are allocated as follows: 89% to K-12 schools and 11% to community colleges. Proposition 55 did not extend the sales tax rate increase enacted under Proposition 30.

Proposition 2

Proposition 2, also known as The Rainy Day Budget Stabilization Fund Act ("Proposition 2") was approved by California voters on November 4, 2014. Proposition 2 provides for changes to State budgeting practices, including revisions to certain conditions under which transfers are made into and from the State's Budget Stabilization Account (the "Stabilization Account") established by the California Balanced Budget Act of 2004 (also known as Proposition 58). Commencing in Fiscal Year 2015-16 and for each fiscal year thereafter, the State is required to make an annual transfer to the Stabilization Account in an amount equal to 1.5% of estimated State general fund revenues (the "Annual Stabilization Account Transfer"). For a Fiscal Year in which the estimated State general fund revenues allocable to capital gains taxes exceed 8% of the total estimated general fund tax revenues, supplemental transfers to the Stabilization Account (a "Supplemental Stabilization Account Transfer") are also required. Such excess capital gains taxes, which are net of any portion thereof owed to K-14 school districts pursuant to Proposition 98, are required to be transferred to the Stabilization Account.

In addition, for each fiscal year, Proposition 2 increases the maximum size of the Stabilization Account to 10% of estimated State general fund revenues. Such excess amounts are to be expended on State infrastructure, including deferred maintenance, in any Fiscal Year in which a required transfer to the Stabilization Account would result in an amount in excess of the 10% threshold. For the period from Fiscal Year 2015-16 through Fiscal Year 2029-30, Proposition 2 requires that half of any such transfer to the Stabilization Account (annual or supplemental), shall be appropriated to reduce certain State liabilities, including repaying State interfund borrowing, reimbursing local governments for State mandated services, making certain payments owed to K-14 school districts, and reducing or prefunding accrued liabilities associated with State-level pension and retirement benefits. After Fiscal Year 2029-30, the Governor and the Legislature are given discretion to apply up to half of any required transfer to the Stabilization Account to the reduction of such State liabilities and any amount not so applied shall be transferred to the Stabilization Account or applied to infrastructure, as set forth above.

Accordingly, the conditions under which the Governor and the Legislature may draw upon or reduce transfers to the Stabilization Account are impacted by Proposition 2. Unilateral discretion to suspend transfers to the Stabilization Account are not retained by the Governor. Neither does the Legislature retain discretion to transfer funds from the Stabilization Account for any reason, as was previously provided by law. Instead, the Governor must declare a "budget emergency" (defined as an emergency within the meaning of Article XIIIB of the Constitution) or a determination that estimated resources are inadequate to fund State general fund expenditure, for the current or ensuing fiscal year, at a level equal to the highest level of State spending within the three immediately preceding fiscal years, and any such declaration must be followed by a legislative bill providing for a reduction or transfer. Draws on the Stabilization Account are limited to the amount necessary to address the budget emergency, and no draw in any fiscal year may exceed 50% of the funds on deposit in the Stabilization Account, unless a budget emergency was declared in the preceding fiscal year.

Proposition 2 also provides for the creation of a Public School System Stabilization Account (the "Public School System Stabilization Account") into which transfers will be made in any fiscal year in which a Supplemental Stabilization Account Transfer is required, requiring that such transfer will be equal to the portion of capital gains taxes above the 8% threshold that would otherwise be paid to K-14 school districts as part of the minimum funding guarantee. Transfers to the Public School System Stabilization Account are only to be made if certain additional conditions are met, including that: (i) the minimum funding guarantee was not suspended in the immediately preceding Fiscal Year, (ii) the operative Proposition 98 formula for the Fiscal Year in which a Public School System Stabilization Account transfer might be made is "Test 1," (iii) no maintenance factor obligation is being created in the budgetary legislation for the Fiscal Year in which a Public School System Stabilization Account transfer might be made, (iv) all prior maintenance factor obligations have been fully repaid, and (v) the minimum funding guarantee for the Fiscal Year in which a Public School System Stabilization Account transfer might be made is higher than the immediately preceding Fiscal Year, as adjusted for ADA growth and cost of living. Under Proposition 2, the size of the Public School System Stabilization Account is capped at 10% of the estimated minimum guarantee in any fiscal year, and any excess funds must be paid to K-14 school districts. Any reductions to a required transfer to, or draws upon, the Public School System Stabilization Account, are subject to the budget emergency requirements as described above. However, in any Fiscal Year in which the estimated minimum funding guarantee is less than the prior year's funding level, as adjusted for ADA growth and cost of living, Proposition 2 also mandates draws on the Public School System Stabilization Account.

Proposition 51

The Kindergarten Through Community College Public Education Facilities Bond Act of 2016 (also known as Proposition 51) is a voter initiative that was approved by voters on November 8, 2016. Proposition 51 authorizes the sale and issuance of $9 billion in general obligation bonds for the new construction and modernization of K-14 facilities.

K-12 School Facilities. Proposition 51 includes $3 billion for the new construction of K-12 facilities and an additional $3 billion for the modernization of existing K-12 facilities. K-12 school districts will be required to pay for 50% of the new construction costs and 40% of the modernization costs with local revenues. If a school districts lack sufficient local funding, it may apply for additional state grant funding, up to 100% of the project costs. In addition, a total of $1 billion will be available for the modernization and new construction of charter school ($500 million) and technical education ($500 million) facilities. Generally, 50% of modernization and new construction project costs for charter school and technical education facilities must come from local revenues. However, schools that cannot cover their local share for these two types of projects may apply for state loans. State loans must be repaid over a maximum of 30 years for charter school facilities and 15 years for career technical education facilities. For career technical education facilities, state grants are capped at $3 million for a new facility and $1.5 for a modernized facility. Charter schools must be deemed financially sound before project approval.

Community College Facilities. Proposition 51 includes $2 billion for community college district facility projects, including buying land, constructing new buildings, modernizing existing buildings, and purchasing equipment. In order to receive funding, community college districts must submit project proposals to the Chancellor of the community college system, who then decides which projects to submit to the State legislature and Governor based on a scoring system that factors in the amount of local funds contributed to the project. The Governor and State legislature will select among eligible projects as part of the annual State budget process.

The District makes no guarantees that it will either pursue or qualify for Proposition 51 State facilities funding.

Sanctuary Jurisdictions and Federal Funding

On January 25, 2017, President Trump issued an Executive Order (the "Executive Order") aimed at enhancing public safety in the interior of the United States. The Executive Order includes a provision directing the Attorney General and the Secretary of Homeland Security, in their discretion, to ensure that state and local jurisdictions that willfully refuse to comply with 8 U.S.C. 1373 (a federal law concerning the provision of information on individuals' immigration status), will not be eligible to receive federal grants except as deemed necessary for law enforcement purposes. Although the District has neither adopted, nor plans to adopt, a resolution declaring itself a sanctuary jurisdiction, it could, nevertheless, be deemed to be a sanctuary jurisdiction if an agent of the federal government determines that the District willfully refuses to comply with any provision of 8 U.S.C. 1373, for example, if the District or an official of the District were to restrict the sending to or receipt from the United States Citizenship and Immigration Services ("USCIS") of any information regarding the citizenship or immigration status of a student or employee. The Executive Order states that it is the policy of the executive branch to ensure that jurisdictions that fail to comply with applicable federal law do not receive federal funds, except as mandated by law. The District is unable to predict the extent to which this threat will be enforced by the federal government, the extent of the impact that enforcement of the Executive Order would have on the District's financial condition, or what other actions, if any, the District might take in response to the Executive Order or any action under it.

Federal funding comprises a portion of the District's general fund revenue. Although the general fund is not a pledged source of repayment for general obligation bonds, including the Bonds, a loss of all federal revenues may have a material effect on the overall fiscal health of the District and on the District's ability to meet its financial obligations in each budget year.

Future Initiatives

Article XIIIA, Article XIIIB, Article XIIIC and Article XIIID of the California Constitution and Propositions 1A, 22, 26, 30, 39, 98, 51 and 55 were each adopted as measures that qualified for the ballot pursuant to the State's initiative process. From time to time other initiative measures could be adopted further affecting District revenues or the District's ability to expend revenues. The nature and impact of these measures cannot be anticipated by the District.

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APPENDIX B

FORM OF BOND COUNSEL OPINION

Upon issuance and delivery of the Bonds, Norton Rose Fulbright US LLP, Bond Counsel, proposes to deliver its final approving opinion with respect to the Bonds substantially in the following form:

[Closing Date]

Board of Trustees
Ventura County Community College District
761 East Daily Drive, Suite 200
Camarillo, California 93010

Re: Ventura County Community College District 2019 General Obligation Refunding Bonds (Federally Taxable)

Ladies and Gentlemen:

We have acted as Bond Counsel to the Ventura County Community College District (the "District"), in connection with the issuance by the District of $115,180,000 aggregate principal amount of its 2019 General Obligation Refunding Bonds (Federally Taxable) (the "Bonds"). The Bonds are issued pursuant to Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (commencing with Sections 53550 and 53580, respectively) (the "Refunding Act"), and the resolution adopted by the Board of Trustees of the District on September 10, 2019 (the "Resolution"). All terms used herein and not otherwise defined shall have the meanings given to them in the Resolution.

As bond counsel, we have examined copies certified to us as being true and complete copies of the proceedings of the District for the authorization and issuance of the Bonds, including the Resolution. Our services as such bond counsel were limited to an examination of such proceedings and to the rendering of the opinions set forth below. In this connection we have also examined such certificates of public officials and officers of the District as we have considered necessary for the purposes of this opinion.

Certain agreements, requirements and procedures contained or referred to in the Resolution and other relevant documents may be changed and certain actions (including, without limitation, the defeasance of the Bonds) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents. No opinion is expressed herein as to the effect on any Bond or the interest thereon if any such change occurs or action is taken or omitted upon the advice or approval of counsel other than ourselves.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions or events are taken or do occur. Our engagement with respect to the Bonds has concluded with their issuance, and we disclaim any obligation to update this letter. We have assumed the genuineness of all documents and signatures presented to us (whether as originals or as copies) and the due and legal execution and delivery thereof by any parties other than the District. We have not undertaken to verify independently, and have assumed, the accuracy of the factual matters represented, warranted or certified in the documents referred to in the second paragraph hereof. We call attention to the fact that the rights and obligations under the Bonds, the Resolution and the Tax Certificate may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against public entities in the State of California. We express no opinion with respect to any indemnification, contribution, choice of law, choice of forum or waiver provisions contained in the foregoing documents. We express no opinion and make no comment with respect to the sufficiency of the security or the marketability of the Bonds. Finally, we undertake no responsibility for the accuracy, completeness or fairness of the Official Statement or other offering material relating to the Bonds and express no opinion with respect thereto.

Based on and subject to the foregoing and in reliance thereon, as of the date hereof, we are of the following opinions:

1. The Bonds constitute valid and binding obligations of the District, payable as to principal and interest from the proceeds of a levy of *ad valorem* taxes on all property subject to such taxes in the District, which taxes are unlimited as to rate or amount.

2. The Resolution has been duly adopted and constitutes a valid and binding obligation of the District.

3. In our opinion, under existing law, interest on the Bonds is exempt from personal income taxes of the State of California.

We express no other opinion with respect to any other federal, state, or local tax consequences under present law or any proposed legislation resulting from the receipt or accrual of interest on, or the acquisition or disposition of, the Bonds.

Our opinions are based on existing law, which is subject to change. Such opinions are further based on our knowledge of facts as of the date hereof. We assume no duty to update or supplement our opinions to reflect any facts or circumstances that may thereafter come to our attention or to reflect any changes in any law that may thereafter occur or become effective. Moreover, our opinions are not a guarantee of result and are not binding on the Internal Revenue Service or the State of California; rather, such opinions represent our legal judgment based upon our review of existing law that we deem relevant to such opinions and in reliance upon the representations and covenants referenced above.

Respectfully submitted,

APPENDIX C

AUDITED FINANCIAL STATEMENTS
OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2018

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VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

ANNUAL FINANCIAL REPORT

JUNE 30, 2018

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

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FINANCIAL SECTION

VAVRINEK, TRINE, DAY & CO., LLP
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Ventura County Community College District
Camarillo, California

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and the aggregate remaining fund information of Ventura County Community College District (the District) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the 2017-2018 *Contracted District Audit Manual*, issued by the California Community Colleges Chancellor's Office. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate remaining fund information of the District as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter - Change in Accounting Principles

As discussed in Note 2 and Note 15 to the financial statements, in 2018, the District adopted new accounting guidance, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.* Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require the Management's Discussion and Analysis on pages 5 through 13, the Schedule of Changes in the District's Net OPEB Liability and Related Ratios on page 61, the Schedule of OPEB Investment Returns on page 62, the Schedule of the District's Proportionate Share of the Net OPEB Liability - MPP Program on page 63, the Schedule of the District's Proportionate Share of the Net Pension Liability on page 64, and the Schedule of District Contributions for Pensions on page 65 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying supplementary information listed in the Table of Contents, including the Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the other supplementary information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 3, 2018, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Vavrinek, Trine, Day & Co, LLP

Rancho Cucamonga
December 3, 2018

USING THIS ANNUAL REPORT

The purpose of this annual report is to provide readers with information about the activities, programs, and financial condition of the Ventura County Community College District (the District) as of June 30, 2018. The report consists of three basic financial statements: the Statements of Net Position, Statements of Revenues, Expenses, and Changes in Net Position, and Statements of Cash Flows and provides information about the District's Primary Government and its Fiduciary Funds. This section of the annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2018. Please read it in conjunction with the District's financial statements, which immediately follow this section. Responsibility for the completeness and accuracy of this information rests with the District management.

OVERVIEW OF THE FINANCIAL STATEMENTS

The District's financial statements are presented in accordance with Governmental Accounting Standards Board (GASB) Statements No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments* and No. 35, *Basic Financial Statements - and Management Discussion and Analysis - for Public College and Universities.* These statements allow for the presentation of financial activity and results of operations which focuses on the District as a whole. The government-wide financial statements present the overall results of operations whereby all of the District's activities are consolidated into one total versus the traditional presentation by fund type. The focus of the Statement of Net Position is designed to be similar to the bottom line results of the District. This statement combines and consolidates current financial resources with capital assets and long-term obligations. The Statement of Revenues, Expenses, and Changes in Net Position focuses on the costs of the District's operational activities with revenues and expenses categorized as operating and nonoperating, and expenses are reported by natural classification. The Statement of Cash Flows provides an analysis of the sources and uses of cash within the operations of the District.

The District follows the Business-Type Activity (BTA) model for financial statement reporting purposes as recommended by the California Community Colleges Systems Office for all State community colleges.

FINANCIAL HIGHLIGHTS

- The District's primary funding source is based upon apportionment received from the State of California. The primary basis of this apportionment is the calculation of Full-Time Equivalent Students (FTES). During the 2017-2018 fiscal year, the reported FTES were 26,668 as compared to 25,407 in the 2016-2017 fiscal year. The District expects to be fully funded for fiscal year 2017-2018 and 2016-2017.

- The District is continuing several construction and modernization projects at our three college campuses resulting in completed building and improvements to sites of approximately $5.1 million in the 2017-2018 fiscal year. These projects are funded from local resources and from our voter approved general obligation bond.

- Costs for employee salaries increased by 2.5 percent or $2.7 million in the 2017-2018 fiscal year and costs associated with employee benefits decreased by 16 percent or $9.3 million. Benefits decreased due to the District's implementation of GASB Statement No. 75 where $14.4 million in current year OPEB contributions are deferred.

- During the 2017-2018 fiscal year, the District provided $59.2 million in financial aid to students attending classes at the three colleges. This aid was provided in the form of grants, scholarships, loans, and tuition reductions funded through the Federal government, State Chancellor's Office, and local funding.

The District issued $85 million in general obligation bonds on August 12, 2002, with an additional $80 million on October 26, 2005, and $191.3 million on October 28, 2008, which represents the last issuance of the $356.3 million approved by the voters in the March 2002 local election for construction and renovation projects and equipment throughout the District. These projects were approved by the voters within the District's boundaries and will be completed over the next year.

THE DISTRICT AS A WHOLE

Net Position

Table 1

(Amounts in thousands)

	2018	(As restated) 2017
ASSETS		
Current Assets		
Cash and investments	$ 162,733	$ 148,598
Accounts receivable (net)	18,871	8,268
Other current assets	447	274
Total Current Assets	182,051	157,140
Capital assets (net)	541,514	564,155
Total Assets	723,565	721,295
DEFERRED OUTFLOWS OF RESOURCES		
Deferred charges on refunding	23,636	25,248
Deferred outflows of resources related to OPEB	14,422	-
Deferred outflows of resources related to pensions	52,523	34,296
Total Deferred Outflows of Resources	90,581	59,544
Total Assets and Deferred Outflows	$ 814,146	$ 780,839
LIABILITIES		
Current Liabilities		
Accounts payable and accrued liabilities	$ 49,971	$ 46,764
Current portion of long-term obligations	10,400	9,116
Total Current Liabilities	60,371	55,880
Long-Term Obligations	667,560	648,953
Total Liabilities	727,931	704,833
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows of resources related to pensions	8,778	8,082
NET POSITION		
Net investment in capital assets	233,700	252,435
Restricted	50,325	45,944
Unrestricted	(206,588)	(230,455)
Total Net Position	77,437	67,924
Total Liabilities, Deferred Inflows and Net Position	$ 814,146	$ 780,839

Cash and investments consist primarily of funds held in the Ventura County Treasury. Funds are invested in accordance with Board Policy, which emphasizes prudence, safety, liquidity, and return on investment. The Statement of Cash Flows contained with these financial statements provides greater detail regarding the sources and uses of cash, and the net change in cash during fiscal years 2017-2018 and 2016-2017.

The majority of the accounts receivable balance is from the State for general apportionment, which totaled approximately $7.3 million at June 30, 2018.

Capital assets had a net decrease of $22.6 million. The District had additions of $6.3 million related to construction in progress. Depreciation expense of $18.3 million was recognized during 2017-2018. The District also sold a parcel of land with historical costs of $10.2 million. The capital asset section of this discussion and analysis provides greater detail.

In 2011, 2014, and 2015, the District issued refunding bonds. The refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt. This difference, which totaled $23.6 million at June 30, 2018, is deferred and amortized to interest expense.

Accounts payable and accrued liabilities consist of amounts due as of the fiscal year-end for received goods and services, incurred interest, and unearned revenue. The current portion of long-term obligations is the amount due on the outstanding general obligation bonds within one year.

The majority of long-term obligations consist of bonds payable related to the issuance of the District's general obligations bonds, which totaled $333.3 million at June 30, 2018.

Much of the unrestricted net position has been designated by the Board or by contracts for such purposes as the required general reserve for ongoing financial health, budget rollover, and revenue shortfall contingency.

Operating Results for the Year

The results of this year's operations for the District as a whole are reported in the Statement of Revenues, Expenses, and Changes in Net Position on page 15.

Table 2

(Amounts in thousands)

	2018	2017
Operating Revenues		
Net tuition and fees	$ 17,041	$ 17,554
Total grants and contracts, noncapital	39,348	35,247
Auxiliary sales and charges/Other operating	511	479
Total Operating Revenues	56,900	53,280
Operating Expenses		
Salaries and benefits	161,612	168,161
Supplies and maintenance	31,071	30,861
Student financial aid	47,711	41,836
Depreciation	18,260	17,473
Total Operating Expenses	258,654	258,331
Loss on Operations	(201,754)	(205,051)
Nonoperating Revenues (Expenses)		
State apportionments	76,255	71,618
Property taxes	89,114	85,013
Federal and State financial aid grants, noncapital	44,591	40,182
State revenues	7,495	8,641
Net interest expense	(13,187)	(14,100)
Other nonoperating revenues	3,507	6,753
Total Nonoperating Revenues (Expenses)	207,775	198,107
Other Revenues and (Losses)		
State and local capital income	4,706	3,519
Loss on disposal of capital assets	(1,214)	(201)
Total Other Revenues and (Losses)	3,492	3,318
Change in Net Position	$ 9,513	$ (3,626)

The primary components of tuition and fees are the $46 per unit enrollment fee that is charged to students registering for classes and the additional $240 per unit fee that is charged to non-resident students.

Auxiliary revenue consists of bookstore and foods service sales. After years of declining sales, the Board took action in January 2014 to contract with Barnes and Nobles College Bookstores, Inc. for bookstore services at all campuses. This transition occurred April 1, 2014. The District receives a percentage of net sales. After many years of operating losses, the Board took action in March 2012 to close the cafeterias. The colleges have expanded vending operations and, at Oxnard College, the Culinary and Restaurant Management (CRM) program provides food service during lunch periods as an outlet of their CRM instruction labs.

The principal components of the District's nonoperating revenue are State apportionment, property taxes, and grants and contracts. The amount of State general apportionment received by the District is dependent upon the number of FTES generated and reported to the State, less amounts received from enrollment fees and local property taxes. We noted an increase in State apportionment of $4.6 million or 6.5 percent from prior year. Property tax revenue increased $3.4 million or 5.3 percent from the prior year.

Grant and contract revenues relate primarily to student financial aid, as well as to specific Federal and State grants received for programs serving the students and programs of the District. These grant and program revenues are restricted as to the allowable expenses related to the programs.

Interest income of $1.8 million was offset by interest expense of $15.2 million. The interest income is primarily the result of cash held in the Ventura County Treasury. Interest expense closely follows the District's debt service schedule.

Expenses are reported by their functional categories as follows:

Table 3

(Amounts in thousands)

	Salaries	Employee Benefits	Supplies and Materials	Student Financial Aid	Equipment and Repairs	Depreciation	Total
Academic support	$ 18,171	$ 6,600	$ 727	$ -	$ 46	$ -	$ 25,544
Administrative support	15,578	10,508	12,404	-	685	-	39,175
Ancillary and auxiliary	1,593	426	2,139	-	11	-	4,169
Community services	489	144	215	-	2	-	850
Instructional	57,428	23,575	3,180	-	818	-	85,001
Instructional support	2,311	837	689	-	153	-	3,990
Plant operations	5,655	2,611	5,447	-	528	-	14,241
Student aid	-	-	-	47,711	-	-	47,711
Student services	11,888	3,797	1,869	-	97	-	17,651
Physical property	1	-	173	-	1,888	-	2,062
Depreciation	-	-	-	-	-	18,260	18,260
Total	$ 113,114	$ 48,498	$ 26,843	$ 47,711	$ 4,228	$ 18,260	$ 258,654

Changes in Cash Position

Table 4

(Amounts in thousands)

	2018	2017
Cash Provided by (Used in)		
Operating activities	$ (190,864)	$ (219,563)
Noncapital financing activities	193,890	224,972
Capital financing activities	9,283	(14,347)
Investing activities	1,826	1,089
Net Increase in Cash	14,135	(7,849)
Cash, Beginning of Year	148,598	156,447
Cash, End of Year	$ 162,733	$ 148,598

The Statement of Cash Flows on pages 16 and 17 provides information about our cash receipts and payments during the year. This statement also assists users in assessing the District's ability to meet its obligations as they come due and its need for external financing. Our primary operating receipts are student tuition and fees and Federal, State, and local grants and contracts. The primary operating expense of the District is the payment of salaries and benefits to instructional and classified support staff.

While State apportionment revenues and property taxes are the primary source of noncapital related revenue, the GASB accounting standards require that this source of revenue is shown as nonoperating revenue as it comes from the general resources of the State and not from the primary users of the college's programs and services – our students. The District depends upon this funding to continue the current level of operations.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2018, the District had $541.5 million in a broad range of capital assets, including land, buildings, and furniture and equipment. At June 30, 2017, net capital assets were $564.2 million. The District is currently completing a major capital improvement program with construction ongoing throughout the college campuses. These projects are primarily funded through our general obligation bonds. These projects are accounted for within our Construction in Progress account until the project is completed at which time the cost of the buildings and/or improvements will be brought in to the depreciable Buildings and Improvements category.

Capital projects are continuing through the 2018-2019 fiscal year with primary funding through our general obligation bond.

Note 6 in the financial statements provides additional information on capital assets. A summary of capital assets is presented below.

Table 5

(Amounts in millions)

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018
Land and construction in progress	$ 129.8	$ 6.3	$ (16.4)	$ 119.7
Buildings and improvements	587.8	5.1	-	592.9
Equipment and vehicles	27.1	1.1	(1.0)	27.2
Subtotal	744.7	12.5	(17.4)	739.8
Accumulated depreciation	(180.5)	(18.3)	0.5	(198.3)
	$ 564.2	$ (5.8)	$ (16.9)	$ 541.5

Obligations

At the end of the 2017-2018 fiscal year, the District had $333.3 million in general obligation bonds outstanding. These bonds are repaid annually in accordance with the obligation requirements through an increase in the assessed property taxes on property within the Ventura County Community College District boundaries.

In addition to the above obligations, the District is obligated to employees of the District for vacation, load banking, and postemployment benefits.

Note 10 in the financial statements provides additional information on long-term obligations. A summary of long-term obligations is presented below.

Table 6

(Amounts in millions)

	(As restated) Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018
General obligation bonds	$ 339.3	$ 4.0	$ (10.0)	$ 333.3
Aggregate net OPEB liability	176.0	16.4	(16.6)	175.8
Aggregate net pension obligation	139.0	25.7	-	164.7
Other liabilities	3.8	0.4	-	4.2
Total Long-Term Obligations	$ 658.1	$ 46.5	$ (26.6)	$ 678.0
Amount due within one year				$ 10.4

GENERAL FUND BUDGETARY HIGHLIGHTS

Over the course of the year, the District revises its budget as it attempts to deal with unexpected changes in revenues and expenditures. The Board of Trustees adopted the final amendment to the budget for the 2017-2018 fiscal year on September 11, 2018.

Within the Unrestricted General Fund, operating costs have continually increased. The State Budget has not kept pace with the increased operating costs, primarily in health and welfare benefits, especially in regards to the need to recognize postretirement benefits.

ECONOMIC FACTORS AFFECTING THE FUTURE OF THE VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

The economic position of the District is closely tied to the State of California as State apportionments and property taxes allocated to the District represent approximately 85 percent of the total unrestricted sources of revenue received within the General Fund.

In fiscal year 2017-2018, the District served 26,668 FTES. There were no unfunded FTES. The District continues to emphasize enrollment management to help reduce the risks associated with unfunded FTES while continuing to meet our primary mission.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, students, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need any additional financial information, contact the Ventura County Community College District, 761 E. Daily Drive, Suite 200, Camarillo, CA 93010.

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

STATEMENT OF NET POSITION - PRIMARY GOVERNMENT
JUNE 30, 2018

ASSETS	
CURRENT ASSETS	
Cash and cash equivalents - unrestricted	$ 60,700
Investments - unrestricted	90,585,240
Investments - restricted	72,087,209
Accounts receivable	14,981,345
Student receivable, net	3,889,028
Prepaid expenses	447,165
Total Current Assets	182,050,687
NONCURRENT ASSETS	
Nondepreciable capital assets	119,689,255
Capital assets, net of depreciation	421,825,073
Total Noncurrent Assets	541,514,328
TOTAL ASSETS	723,565,015
DEFERRED OUTFLOWS OF RESOURCES	
Deferred charges on refunding	23,636,580
Deferred outflows of resources related to OPEB	14,422,111
Deferred outflows of resources related to pensions	52,522,602
Total Deferred Outflows of Resources	90,581,293
LIABILITIES	
CURRENT LIABILITIES	
Accounts payable	11,370,094
Accrued interest payable	4,660,000
Unearned revenue	33,912,247
Other current liabilities	29,040
Accrued compensated absences	864,746
Bonds payable	9,535,000
Total Current Liabilities	60,371,127
NONCURRENT LIABILITIES	
Accrued compensated absences payable	2,594,239
Bonds payable	323,789,264
Other long-term obligations	736,914
Aggregate net other postemployment benefits (OPEB) liability	175,777,667
Aggregate net pension obligation	164,662,099
Total Noncurrent Liabilities	667,560,183
TOTAL LIABILITIES	727,931,310
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources related to pensions	8,778,092
NET POSITION	
Net investment in capital assets	233,700,044
Restricted for:	
Debt service	15,532,388
Capital projects	29,405,812
Educational programs	5,040,407
Other activities	346,512
Unrestricted	(206,588,257)
Total Net Position	$ 77,436,906

The accompanying notes are an integral part of these financial statements.

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION - PRIMARY GOVERNMENT FOR THE YEARS ENDED JUNE 30, 2018

OPERATING REVENUES	
Student Tuition and Fees	$ 28,488,678
Less: Scholarship discount and allowance	(11,447,406)
Net tuition and fees	17,041,272
Grants and Contracts, Noncapital	
Federal	4,215,006
State	32,946,993
Local	2,185,426
Total grants and contracts, noncapital	39,347,425
Auxiliary Enterprise Sales and Charges	
Food service	100,513
Other Operating Revenues	410,873
TOTAL OPERATING REVENUES	56,900,083
OPERATING EXPENSES	
Salaries	113,114,287
Employee benefits	48,497,668
Supplies, materials, and other operating expenses and services	26,843,231
Student financial aid	47,710,873
Equipment, maintenance, and repairs	4,228,539
Depreciation	18,259,847
TOTAL OPERATING EXPENSES	258,654,445
OPERATING LOSS	(201,754,362)
NONOPERATING REVENUES (EXPENSES)	
State apportionments, noncapital	76,255,104
Local property taxes, levied for general purposes	68,449,531
Taxes levied for other specific purposes	20,664,203
Federal financial aid grants, noncapital	40,636,960
State financial aid grants, noncapital	3,954,737
State taxes and other revenues	7,494,828
Investment income	1,826,338
Interest expense on capital related debt	(15,235,235)
Investment income on capital asset-related debt	221,696
Transfer from fiduciary funds	46,000
Transfer to fiduciary funds	(61,633)
Other nonoperating revenue	3,522,858
TOTAL NONOPERATING REVENUES (EXPENSES)	207,775,387
INCOME BEFORE OTHER REVENUES AND (LOSSES)	6,021,025
OTHER REVENUES AND (LOSSES)	
State revenues, capital	2,709,232
Local revenues, capital	1,996,716
Loss on disposal of capital assets	(1,214,111)
TOTAL OTHER REVENUES AND (LOSSES)	3,491,837
CHANGE IN NET POSITION	9,512,862
NET POSITION, BEGINNING OF YEAR, AS RESTATED	67,924,044
NET POSITION, END OF YEAR	$ 77,436,906

The accompanying notes are an integral part of these financial statements.

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

STATEMENT OF CASH FLOWS - PRIMARY GOVERNMENT
FOR THE YEARS ENDED JUNE 30, 2018

CASH FLOWS FROM OPERATING ACTIVITIES	
Tuition and fees	$ 22,278,156
Federal, State, and local operating grants and contracts	32,674,271
Payments to vendors for supplies and services	(31,604,745)
Payments to or on behalf of employees	(167,012,411)
Payments for scholarships and grants	(47,710,873)
Auxiliary enterprise sales and charges	511,386
Net Cash Flows From Operating Activities	(190,864,216)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
State apportionments	71,600,422
Federal and State Financial Aid Grants	44,591,697
Property taxes - nondebt related	68,449,531
State taxes and other apportionments	7,494,828
Other nonoperating	1,753,646
Net Cash Flows From Noncapital Financing Activities	193,890,124
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES	
Net change in capital assets	3,338,470
State revenue - capital projects	2,709,232
Local revenue - capital projects	1,996,716
Property taxes - related to capital debt	20,664,203
Proceeds from capital debt	4,057,681
Principal paid on capital debt	(9,978,851)
Interest paid on capital debt	(13,726,555)
Interest received on capital asset-related debt	221,696
Net Cash Flows From Capital Financing Activities	9,282,592
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received from investments	1,826,338
NET CHANGE IN CASH AND CASH EQUIVALENTS	14,134,838
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	148,598,311
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 162,733,149

The accompanying notes are an integral part of these financial statements.

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

STATEMENT OF CASH FLOWS - PRIMARY GOVERNMENT, CONTINUED
FOR THE YEARS ENDED JUNE 30, 2018

RECONCILIATION OF NET OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES	
Operating Loss	$ (201,754,362)
Adjustments to Reconcile Operating Loss to Net Cash Flows From Operating Activities	
Depreciation expense	18,259,847
Changes in Assets, Deferred Outflows, Liabilities and Deferred Inflows	
Receivables, net	(5,019,328)
Prepaid expenses	(173,048)
Accounts payable and accrued liabilities	380,737
Unearned revenue	3,583,058
Deferred outflows of resources related to OPEB	(14,422,111)
Deferred outflows of resources related to pensions	(18,226,645)
Deferred inflows of resources related to pensions	696,051
Aggregate net OPEB liability	(179,447)
Aggregate net pension obligation	25,626,017
Compensated absences/Load banking	365,015
Total Adjustments	10,890,146
Net Cash Used By Operating Activities	$ (190,864,216)
CASH AND CASH EQUIVALENTS CONSIST OF THE FOLLOWING:	
Cash in banks	$ 60,700
Cash in county treasury	162,672,449
Total Cash and Cash Equivalents	$ 162,733,149
NONCASH TRANSACTIONS	
On behalf payments for benefits	$ 4,346,355

The accompanying notes are an integral part of these financial statements.

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

FIDUCIARY FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2018

	Retiree OPEB Trust	Other Trust Funds
ASSETS		
Investments	$ 21,110,529	$ 9,727,465
Accounts receivable	-	31,632
Student receivable	-	327,861
Fixed assets	-	10,136
Total Assets	21,110,529	10,097,094
LIABILITIES		
Accounts payable	-	61,027
Unearned revenue	-	538,711
Total Liabilities	-	599,738
NET POSITION		
Restricted for postemployment benefits other than pensions	21,110,529	-
Unrestricted	-	9,497,356
Total Net Position	$ 21,110,529	$ 9,497,356

The accompanying notes are an integral part of these financial statements.

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

FIDUCIARY FUNDS
STATEMENT OF CHANGES IN NET POSITION
FOR THE YEARS ENDED JUNE 30, 2018

	Retiree OPEB Trust	Other Trust Funds
ADDITIONS		
State revenues	$ -	$ 79
Local revenues	-	2,833,787
Interest and investment income	798,451	
District contributions	14,422,111	-
Realized gain on sale of investments	158,687	-
Unrealized gain on investments	487,079	-
Total Additions	15,866,328	2,833,866
DEDUCTIONS		
Academic salaries	-	1,772
Classified salaries	-	174,484
Employee benefits	14,422,111	13,980
Books and supplies	-	616,092
Services and operating expenditures	-	708,031
Administrative expenses	77,858	-
Capital outlay	-	129,550
Total Deductions	14,499,969	1,643,909
OTHER FINANCING SOURCES (USES)		
Transfers from primary government	-	61,633
Transfers to primary government	-	(46,000)
Other uses	-	(430,628)
Total Other Financing Sources (Uses)	-	(414,995)
CHANGE IN NET POSITION	1,366,359	774,962
NET POSITION - BEGINNING OF YEAR	19,744,170	8,722,394
NET POSITION - END OF YEAR	$ 21,110,529	$ 9,497,356

The accompanying notes are an integral part of these financial statements.

NOTE 1 - ORGANIZATION

The Ventura County Community College District (the District) was established in 1962 as a political subdivision of the State of California and is a comprehensive, public, two-year institution offering educational services to residents of Ventura County. The District operates under a locally elected five-member Board of Trustees form of government which establishes the policies and procedures by which the District operates. The Board must approve the annual budgets for the General Fund, special revenue funds, and capital project funds, but these budgets are managed at the department level. Currently, the District operates three colleges located within Ventura County. While the District is a political subdivision of the State of California, it is legally separate and is independent of other State and local governments, and it is not a component unit of the State in accordance with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 61. The District is classified as a Public Educational Institution under Internal Revenue Code Section 115 and is, therefore, exempt from Federal taxes. The District has considered all potential component units in determining how to define the reporting entity using criteria set forth in accounting principles generally accepted in the United States of America. The basic criteria for including a component unit are (1) the economic resources held or received by the other entity are entirely or almost entirely for the direct benefit of the District, (2) the District is entitled to, or has the ability to otherwise access, a majority of the economic resources held or received by the other entity, and (3) the other entity's resources to which the District is entitled or has the ability to otherwise access are significant to the District. If any of these criteria are not met, the final criterion for including a component unit is whether the other entity is closely related to, or financially integrated with, the District. The District identified no component units.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

For financial reporting purposes, the District is considered a special-purpose government engaged only in business-type activities as defined by GASB Statements No. 34 and No. 35 as amended by GASB Statements No. 37, No. 38, and No. 39. This presentation provides a comprehensive government-wide perspective of the District's assets, liabilities, activities, and cash flows and replaces the fund group perspective previously required. Accordingly, the District's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. The significant accounting policies followed by the District in preparing these financial statements are in accordance with accounting principles generally accepted in the United States of America as prescribed by GASB. Additionally, the District's policies comply with the California Community Colleges Chancellor's Office *Budget and Accounting Manual*. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred. All material intra-agency and intra-fund transactions have been eliminated.

Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value, are classified as operating revenues. These transactions are recorded on the accrual basis when the exchange takes place. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, operating revenues consist primarily of student fees, noncapital grants and contracts, and auxiliary activities through the food service.

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include State apportionments, property taxes, Federal and State financial aid grants, entitlements, and donations. Property tax revenue is recognized in the fiscal year received. State apportionment revenue is earned based upon criteria set forth from the Community Colleges Chancellor's Office and includes reporting of full-time equivalent students (FTES) attendance. The corresponding apportionment revenue is recognized in the period the FTES are generated. Revenue from Federal and State financial aid grants are recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements may include time and/or purpose requirements.

Operating expenses are costs incurred to provide instructional services including support costs, auxiliary services, and depreciation of capital assets. All other expenses not meeting this definition are reported as nonoperating. Expenses are recorded on the accrual basis as they are incurred, when goods are received, or services are rendered.

The financial statements are presented in accordance with the reporting model as prescribed in GASB Statement No. 34, *Basic Financial Statements and Management's Discussions and Analysis for State and Local Governments,* and GASB Statement No. 35, *Basic Financial Statements and Management's Discussions and Analysis for Public Colleges and Universities,* as amended by GASB Statements No. 37, No. 38, No. 39, and No. 61. The business-type activities model followed by the District requires the following components of the District's financial statements:

- Management's Discussion and Analysis
- Basic Financial Statements for the District as a whole including:
    - Statement of Net Position - Primary Government
    - Statement of Revenues, Expenses, and Changes in Net Position - Primary Government
    - Statement of Cash Flows - Primary Government
    - Financial Statements for the Fiduciary Funds including:
        - Statement of Fiduciary Net Position
        - Statement of Changes in Fiduciary Net Position
- Notes to the Financial Statements

Cash and Cash Equivalents

The District's cash and cash equivalents are considered to be unrestricted cash on hand, demand deposits, and short-term unrestricted investments with original maturities of three months or less from the date of acquisition. Cash equivalents also include unrestricted cash with county treasury balances for purposes of the Statement of Cash Flows. Restricted cash and cash equivalents represent balances restricted by external sources such as grants and contracts or specifically restricted for the repayment of capital debt.

Investments

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and External Investment Pools*, investments held at June 30, 2018, are stated at fair value. Fair value is estimated based on quoted market prices at year-end. Short-term investments have an original maturity date greater than three months, but less than one year at time of purchase. Long-term investments have an original maturity of greater than one year at the time of purchase.

Restricted Assets

Restricted assets arise when restrictions on their use change the normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments or imposed by enabling legislation. Restricted assets represent investments required by debt covenants to be set aside by the District for the purpose of satisfying certain requirements of the bonded debt issuance.

Accounts Receivable

Accounts receivable include amounts due from the Federal, State and/or local governments, or private sources, in connection with reimbursement of allowable expenditures made pursuant to the District's grants and contracts. Accounts receivable also consist of tuition and fee charges to students and auxiliary enterprise services provided to students, faculty, and staff, the majority of each residing in the State of California. The District provides for an allowance for uncollectable accounts as an estimation of amounts that may not be received. This allowance is based upon management's estimates and analysis. The allowance was at $2,029,281 for the year ended June 30, 2018.

Prepaid Expenses

Prepaid expenses represent payments made to vendors and others for services that will benefit periods beyond June 30, 2018.

Capital Assets and Depreciation

Capital assets are long-lived assets of the District as a whole and include land, construction in progress, buildings, leasehold improvements, and equipment. The District maintains an initial unit cost capitalization threshold of $5,000 and an estimated useful life greater than one year. Assets are recorded at historical cost, or estimated historical cost, when purchased or constructed. The District does not possess any infrastructure. Donated capital assets are recorded at estimated fair market value at the date of donation. Improvements to buildings and land that significantly increase the value or extend the useful life of the asset are capitalized; the costs of routine maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are charged as an operating expense in the year in which the expense was incurred. Major outlays for capital improvements are capitalized as construction in progress as the projects are constructed.

Depreciation of capital assets is computed and recorded utilizing the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows: buildings, 20 to 50 years; improvements, 5 to 20 years; and equipment and vehicles, 2 to 15 years.

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements.

Debt Issuance Premiums

Debt premiums are amortized over the life of the bonds using the straight-line method.

Deferred Charges on Refunding

Deferred charges on refunding is amortized using the straight-line method over the remaining life of the new or old debt, whichever is shorter.

Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position also reports deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The District reports deferred outflows of resources for the deferred charges on refunding of general obligation bonds, for pension related items, and for OPEB related items.

In addition to liabilities, the Statement of Net Position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The District reports deferred inflows of resources for pension related items.

Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions and pension expense, information about the fiduciary net position of the California State Teachers' Retirement System (CalSTRS) and the California Public Employees' Retirement System (CalPERS) plan for schools (the Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalSTRS and CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Member contributions are recognized in the period in which they are earned. Investments are reported at fair value.

Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources, and OPEB expense, information about the District's OPEB Plan and the CalSTRS Medicare Premium Payment (MPP) Program fiduciary net position and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported by the District's OPEB Plan and MPP. For this purpose, the District's OPEB Plan and MPP recognize benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

Compensated Absences

Accumulated unpaid employee vacation benefits are accrued as a liability as the benefits are earned. The entire compensated absence liability is reported on the government-wide financial statements. The current portion of unpaid compensated absences is recognized upon the occurrence of relevant events. The District also participates in "load-banking" with eligible academic employees whereby the employee may teach extra courses in one period in exchange for time off in another period. The liability for this benefit is reported on the government-wide financial statements.

Sick leave is accumulated without limit for each employee based upon negotiated contracts. Leave with pay is provided when employees are absent for health reasons; however, the employees do not gain a vested right to accumulated sick leave. Employees are never paid for any sick leave balance at termination of employment or any other time. Therefore, the value of accumulated sick leave is not recognized as a liability in the District's financial statements. However, retirement credit for unused sick leave is applicable to all classified school members who retire after January 1, 1999. At retirement, each member will receive .004 year of service credit for each day of unused sick leave. Retirement credit for unused sick leave is applicable to all academic employees and is determined by dividing the number of unused sick days by the number of base service days required to complete the last school year, if employed full time.

Unearned Revenue

Unearned revenue arises when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period or when resources are received by the District prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, the liability for unearned revenue is removed from the combined balance sheet and revenue is recognized. Unearned revenue includes (1) amounts received for tuition and fees prior to the end of the fiscal year that are related to the subsequent fiscal year and (2) amounts received from Federal and State grants received before the eligibility requirements are met.

Noncurrent Liabilities

Noncurrent liabilities include bonds payable, compensated absences, load banking, aggregate net OPEB liability, and the aggregate net pension obligation with maturities greater than one year.

Net Position

GASB Statements No. 34 and No. 35 report equity as "Net Position" and represent the difference between assets and liabilities. The net position is classified according to imposed restrictions or availability of assets for satisfaction of District obligations according to the following net asset categories:

Net Investment in Capital Assets consists of capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets. To the extent debt has been incurred, but not yet expended for capital assets, such accounts are not included as a component invested in capital assets.

Restricted: Net position is reported as restricted when there are limitations imposed on their use, either through enabling legislation adopted by the District, or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted resources are available.

Unrestricted: Net position that is not subject to externally imposed constraints. Unrestricted net position may be designated for specific purposes by action of the Board of Trustees or may otherwise be limited by contractual agreements with outside parties.

When both restricted and unrestricted resources are available for use, it is the District's practice to use restricted resources first and the unrestricted resources when they are needed. The government-wide financial statements report $50,325,119 of restricted net position.

Operating Revenues and Expenses

Classification of Revenues - The District has classified its revenues as either operating or nonoperating. Certain significant revenue streams relied upon for operation are classified as nonoperating as defined by GASB Statements No. 34 and No. 35. Classifications are as follows:

> **Operating revenues -** Operating revenues include activities that have the characteristics of exchange transactions, such as student tuition and fees, net of scholarship discounts and allowances, Federal, State, and local grants and contracts, and sales and services of auxiliary enterprises.
>
> **Nonoperating revenues -** Nonoperating revenues include activities that have the characteristics of nonexchange transactions such as State apportionments, property taxes, investment income, gifts and contributions, and other revenue sources defined in GASB Statements No. 34 and No. 35.

Classification of Expenses - Nearly all of the District's expenses are from exchange transactions and are classified as either operating or nonoperating according to the following criteria:

> **Operating expenses -** Operating expenses are necessary costs to provide the services of the District and include employee salaries and benefits, supplies, operating expenses, and student financial aid.
>
> **Nonoperating expenses -** Nonoperating expenses include interest expense and other expenses not directly related to the services of the District

State Apportionments

Certain current year apportionments from the State are based on financial and statistical information of the previous year. Any corrections due to the recalculation of the apportionment are made in February of the subsequent year. When known and measurable, these recalculations and corrections are accrued in the year in which the FTES are generated.

Property Taxes

Secured property taxes attach as an enforceable lien on property as of January 1. The County Assessor is responsible for assessment of all taxable real property. Taxes are payable in two installments on November 1 and February 1 and become delinquent on December 10 and April 10, respectively. Unsecured property taxes are payable in one installment on or before August 31. The County of Ventura bills and collects the taxes on behalf of the District. Local property tax revenues are recorded when received.

The voters of the District passed a general obligation bond in March 2002 for the acquisition, construction, and rehabilitation of facilities on the three community college campuses and the Camarillo site of District capital assets. As a result of the passage of the bond, property taxes are assessed on the property within the District specifically for the repayment of the debt incurred. The taxes are assessed, billed, and collected as noted above.

Scholarships, Discounts, and Allowances

Student tuition and fee revenue is reported net of allowances and fee waivers approved by the Board of Governors in the Statement of Revenues, Expenses, and Changes in Net Position. Scholarship discounts and allowances represent the difference between stated charges for enrollment fees and the amount that is paid by students or third parties making payments on the students' behalf. To the extent that fee waivers have been used to satisfy tuition and fee charges, the District has recorded a scholarship discount and allowance.

Federal Financial Assistance Programs

The District participates in federally funded Pell Grants, FSEOG Grants, Federal Work-Study programs, and Direct Student Loan programs, as well as other programs funded by the Federal government. Financial aid to students is either reported as operating expenses or scholarship allowances, which reduce revenues. The amount reported as operating expense represents the portion of aid that was provided to the student in the form of cash. Scholarship allowances represent the portion of aid provided to students in the form of reduced tuition. These programs are audited in accordance with Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.

Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Interfund Activity

Interfund transfers and interfund receivables and payables are eliminated during the consolidation process in the Primary Government and Fiduciary Funds' financial statements, respectively.

Change in Accounting Principles

In June 2015, the GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.* The primary objective of this Statement is to improve accounting and financial reporting by State and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by State and local governmental employers about financial support for OPEB that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency.

This Statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, for OPEB. Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, establishes new accounting and financial reporting requirements for OPEB plans.

The District has implemented the provisions of this Statement as of June 30, 2018.

In March 2017, the GASB issued Statement No. 85, *Omnibus 2017*. The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]). Specifically, this Statement addresses the following topics:

- Blending a component unit in circumstances in which the primary government is a business-type activity that reports in a single column for financial statement presentation;
- Reporting amounts previously reported as goodwill and "negative" goodwill;
- Classifying real estate held by insurance entities;
- Measuring certain money market investments and participating interest-earning investment contracts at amortized cost;
- Timing of the measurement of pension or OPEB liabilities and expenditures recognized in financial statements prepared using the current financial resources measurement focus;
- Recognizing on behalf payments for pensions or OPEB in employer financial statements;
- Presenting payroll-related measures in required supplementary information for purposes of reporting by OPEB plans and employers that provide OPEB;
- Classifying employer-paid member contributions for OPEB;
- Simplifying certain aspects of the alternative measurement method for OPEB; and
- Accounting and financial reporting for OPEB provided through certain multiple-employer defined benefit OPEB plans.

The District has implemented the provisions of this Statement as of June 30, 2018.

In May 2017, the GASB issued Statement No. 86, *Certain Debt Extinguishment Issues.* The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance.

The District has implemented the provisions of this Statement as of June 30, 2018.

In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period.

This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5–22 of Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements,* which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund.

This Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles.

The District has implemented the provisions of this Statement as of June 30, 2018.

New Accounting Pronouncements

In November 2016, the GASB issued Statement No. 83, *Certain Asset Retirement Obligations.* This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement.

This Statement establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for AROs. This Statement requires that recognition occur when the liability is both incurred and reasonably estimable. The determination of when the liability is incurred should be based on the occurrence of external laws, regulations, contracts, or court judgments, together with the occurrence of an internal event that obligates a government to perform asset retirement activities. Laws and regulations may require governments to take specific actions to retire certain tangible capital assets at the end of the useful lives of those capital assets, such as decommissioning nuclear reactors and dismantling and removing sewage treatment plants. Other obligations to retire tangible capital assets may arise from contracts or court judgments. Internal obligating events include the occurrence of contamination, placing into operation a tangible capital asset that is required to be retired, abandoning a tangible capital asset before it is placed into operation, or acquiring a tangible capital asset that has an existing ARO.

The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. Early implementation is encouraged.

In January 2017, the GASB issued Statement No. 84, *Fiduciary Activities.* The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported.

This Statement establishes criteria for identifying fiduciary activities of all State and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities.

The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Early implementation is encouraged.

In June 2017, the GASB issued Statement No. 87, *Leases.* The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. 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 governments' leasing activities.

The requirements of this Statement are effective for the reporting periods beginning after December 15, 2019. Early implementation is encouraged.

In April 2018, the GASB issued Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt.

This Statement defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established.

This Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses.

For notes to financial statements related to debt, this Statement also requires that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt.

The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. Early implementation is encouraged.

NOTE 3 - DEPOSITS AND INVESTMENTS

Policies and Practices

The District is authorized under California Government Code to make direct investments in local agency bonds, notes, or warrants within the State; U.S. Treasury instruments; registered State warrants or treasury notes; securities of the U.S. Government, or its agencies; bankers acceptances; commercial paper; certificates of deposit placed with commercial banks and/or savings and loan companies; repurchase or reverse repurchase agreements; medium term corporate notes; shares of beneficial interest issued by diversified management companies, certificates of participation, obligations with first priority security; and collateralized mortgage obligations.

Investment in County Treasury - The District is considered to be an involuntary participant in an external investment pool as the District is required to deposit all receipts and collections of monies with their County Treasurer (*Education Code* Section (ECS) 41001). The fair value of the District's investment in the pool is reported in the accounting financial statements at amounts based upon the District's pro-rata share of the fair value provided by the County Treasurer for the entire portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the County Treasurer, which is recorded on the amortized cost basis.

General Authorizations

Limitations as they relate to interest rate risk, credit risk, and concentration of credit risk are indicated in the schedule below:

Authorized Investment Type	Maximum Remaining Maturity	Maximum Percentage of Portfolio	Maximum Investment In One Issuer
Local Agency Bonds, Notes, Warrants	5 years	None	None
Registered State Bonds, Notes, Warrants	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Securities	5 years	None	None
Banker's Acceptance	180 days	40%	30%
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposit	5 years	30%	None
Repurchase Agreements	1 year	None	None
Reverse Repurchase Agreements	92 days	20% of base	None
Medium-Term Corporate Notes	5 years	30%	None
Mutual Funds	N/A	20%	10%
Money Market Mutual Funds	N/A	20%	10%
Mortgage Pass-Through Securities	5 years	20%	None
County Pooled Investment Funds	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None
Joint Powers Authority Pools	N/A	None	None

Authorized Under Debt Agreements

Investments of debt proceeds held by bond trustees are governed by provisions of the debt agreements rather than the general provisions of the California Government Code. These provisions allow for the acquisition of investment agreements with maturities of up to 30 years.

Summary of Deposits and Investments

Deposits and investments as of June 30, 2018, consist of the following:

Primary government	$ 162,733,149
Fiduciary funds	30,837,994
Total Deposits and Investments	$ 193,571,143
Cash on hand and in banks	$ 35,700
Cash in revolving	25,000
Investments	193,510,443
Total Deposits and Investments	$ 193,571,143

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The District manages its exposure to interest rate risk by investing in the Ventura County Investment Pool and mutual funds. The Ventura County Investment Pool purchases shorter term investments and attempts to time cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Specific Identification

Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuation is provided by the following schedule that shows the distribution of the District's investments by maturity:

Investment Type	Book Value	Fair Value	Weighted Average Maturity in Days
Ventura County Investment Pool	$ 172,399,914	$ 172,773,374	148
Mutual Funds	21,110,529	21,110,529	N/A
Total	$ 193,510,443	$ 193,883,903	

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The District's investment in the Ventura County Investment Pool is not required to be rated. However, as of June 30, 2018, the County portfolio was rated AAAf/S1+ by Standard and Poor's.

Custodial Credit Risk - Deposits

This is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a policy for custodial credit risk for deposits. However, the California Government Code requires that a financial institution secure deposits made by State or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under State law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agencies. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105 percent of the secured deposits. As of June 30, 2018, the District did not have any deposits exposed to custodial credit risk because all balances were insured by the Federal Deposit Insurance Corporation (FDIC).

NOTE 4 - FAIR VALUE MEASUREMENTS

The District categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value. The following provides a summary of the hierarchy used to measure fair value:

Level 1 - Quoted prices in active markets for identical assets that the District has the ability to access at the measurement date. Level 1 assets may include debt and equity securities that are traded in an active exchange market and that are highly liquid and are actively traded in over-the-counter markets.

Level 2 - Observable inputs, other than Level 1 prices, such as quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, or other inputs that are observable, such as interest rates and curves observable at commonly quoted intervals, implied volatilities, and credit spreads. For financial reporting purposes, if an asset has a specified term, a Level 2 input is required to be observable for substantially the full term of the asset.

Level 3 - Unobservable inputs should be developed using the best information available under the circumstances, which might include the District's own data. The District should adjust that data if reasonably available information indicates that other market participants would use different data or certain circumstances specific to the District are not available to other market participants.

Uncategorized - Investments in the Ventura County Investment Pool are not measured using the input levels above because the District's transactions are based on a stable net asset value per share. All contributions and redemptions are transacted at $1.00 net asset value per share.

The District's fair value measurements are as follows at June 30, 2018:

Investment Type	Fair Value	Level 1 Inputs	Uncategorized
Ventura County Investment Pool	$ 172,773,374	$ -	$ 172,773,374
Mutual Funds	21,110,529	21,110,529	-
Total	$ 193,883,903	$ 21,110,529	$ 172,773,374

All assets have been valued using a market approach, with quoted market prices.

NOTE 5 - ACCOUNTS RECEIVABLES

Accounts receivables at June 30, 2018, consisted primarily of intergovernmental grants, entitlements, interest, and other local sources.

	Primary Government
Federal Government	
Categorical aid	$ 1,949,427
State Government	
Apportionment	7,320,394
Categorical aid	1,836,156
Lottery - restricted and unrestricted	1,354,010
Other State sources	144,892
Local Sources	
Interest	990,979
Foundation	330,455
Other local sources	1,055,032
Accounts receivable	$ 14,981,345
Student receivables	$ 5,918,309
Less reserve	(2,029,281)
Student receivables, net	$ 3,889,028

	Fiduciary Funds
Local Sources	
Interest	$ 31,511
Other local sources	121
Total	$ 31,632
Student receivables	$ 327,861

NOTE 6 - CAPITAL ASSETS

Capital asset activity for the District for the fiscal year ended June 30, 2018, was as follows:

	Balance July 1, 2017	Additions	Deductions	Balance June 30, 2018
Nondepreciable Capital Assets				
Land	$123,075,827	$ -	$ 10,189,889	$112,885,938
Construction in progress	6,697,964	6,275,426	6,170,073	6,803,317
Total Nondepreciable Capital Assets	129,773,791	6,275,426	16,359,962	119,689,255
Depreciable Capital Assets				
Buildings and improvements	515,788,503	3,572,128	-	519,360,631
Site improvements	72,038,806	1,494,256	-	73,533,062
Furniture and equipment	23,925,487	997,007	892,203	24,030,291
Vehicles	3,187,665	114,318	70,795	3,231,188
Total Depreciable Capital Assets	614,940,461	6,177,709	962,998	620,155,172
Total Capital Assets	744,714,252	12,453,135	17,322,960	739,844,427
Less Accumulated Depreciation				
Buildings and improvements	124,796,035	13,390,761	-	138,186,796
Site improvements	31,820,238	3,709,317	-	35,529,555
Furniture and equipment	21,086,770	1,007,988	421,283	21,673,475
Vehicles	2,855,985	151,781	67,493	2,940,273
Total Accumulated Depreciation	180,559,028	18,259,847	488,776	198,330,099
Net Capital Assets	$564,155,224	$ (5,806,712)	$ 16,834,184	$541,514,328

Depreciation expense for the year was $18,259,847.

NOTE 7 - ACCOUNTS PAYABLE

Accounts payable at June 30, 2018, consisted of the following:

	Primary Government
Accrued payroll and benefits	$ 3,585,919
Construction	902,197
Student liabilities	3,697,038
Federal categorical aid	66,278
State categorical aid	155,444
Local	2,963,218
Total	$ 11,370,094

	Fiduciary Funds
Student liabilities	$ 4,968
Local	56,059
Total	$ 61,027

NOTE 8 - UNEARNED REVENUE

Unearned revenue at June 30, 2018, consisted of the following:

	Primary Government
State categorical aid	$ 7,561,022
Scheduled maintenance	4,354,354
Lottery - restricted	2,873,536
Other State	24,366
RDA	2,959,760
Enrollment/student fees	16,109,451
Local	29,758
Total	$ 33,912,247

	Fiduciary Funds
Enrollment/student fees	$ 538,711

NOTE 9 - INTERFUND TRANSACTIONS

Interfund Receivables and Payables (Due To/Due From)

Interfund receivable and payable balances arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. Interfund activity within the primary government funds and fiduciary funds has been eliminated respectively in the consolidation process of the basic financial statements. Balances owing between the primary government and the fiduciary funds are not eliminated in the consolidation process. As of June 30, 2018, there were no interfund receivable and payable balances between the primary government and the fiduciary funds.

Interfund Operating Transfers

Operating transfers between funds of the District are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use restricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. Operating transfers within the funds of the District have been eliminated in the consolidation process. Transfers between the primary government and the fiduciary funds are not eliminated in the consolidation process. During the 2018 fiscal year, the amount transferred to the primary government from the fiduciary funds amounted to $46,000, and the amount transferred to the fiduciary funds from the primary government amounted to $61,633.

NOTE 10 - LONG-TERM OBLIGATIONS

Long-Term Obligations Summary

The changes in the District's long-term obligations during the 2018 fiscal year consisted of the following:

	(As restated) Balance July 1, 2017	Additions	Deductions	Balance June 30, 2018	Due in One Year
Bonds Payable					
General obligation bonds, 2002 Series C	$ 55,262,912	$ 4,057,681	$ 2,315,000	$ 57,005,593	$ 3,035,000
2011 Refunding Bonds	39,620,000	-	2,910,000	36,710,000	3,045,000
2014 Refunding Bonds	57,730,000	-	2,145,000	55,585,000	2,445,000
2015 Refunding Bonds	162,850,000	-	970,000	161,880,000	1,010,000
Premium on refunding bonds	23,782,522	-	1,638,851	22,143,671	-
Total Bonds Payable	339,245,434	4,057,681	9,978,851	333,324,264	9,535,000
Other Liabilities					
Compensated absences	3,105,476	353,509	-	3,458,985	864,746
Load banking	725,408	11,506	-	736,914	-
Aggregate net OPEB liability	175,957,114	16,387,163	16,566,610	175,777,667	-
Aggregate net pension obligation	139,036,082	25,626,017	-	164,662,099	-
Total Other Liabilities	318,824,080	42,378,195	16,566,610	344,635,665	864,746
Total Long-Term Obligations	$ 658,069,514	$ 46,435,876	$ 26,545,461	$ 677,959,929	$ 10,399,746

Description of Debt

Payments on the general obligation bonds are to be made by the Bond Interest and Redemption Fund with local property tax collections. The compensated absences, load banking, aggregate net OPEB liability, and aggregate net pension obligation will be paid by the fund for which the employee worked.

General obligation bonds were approved by a local election in March 2002. The total amount approved by the voters was $356,347,814. At June 30, 2018, $356,347,814 had been issued and $311,180,593 was outstanding. Interest rates on the bonds range from 2.0 percent to 7.5 percent.

Bonded Debt

The outstanding general obligation bonded debt is as follows:

Issue Date	Series	Maturity Date	Interest Rate	Original Issue	Bonds Outstanding July 1, 2017	Issued	Accreted Interest Addition	Redeemed	Bonds Outstanding June 30, 2018
10/28/2008	2002 C	8/1/2028	3.77 - 7.50%	$ 191,347,814	$ 55,262,912	$ -	$ 4,057,681	$ 2,315,000	$ 57,005,593
7/14/2011	2011 Refunding	8/1/2027	2.50 - 5.00%	49,905,000	39,620,000	-	-	2,910,000	36,710,000
1/16/2014	2014 Refunding	8/1/2030	3.00 - 5.00%	61,860,000	57,730,000	-	-	2,145,000	55,585,000
3/18/2015	2015 Refunding	8/1/2033	2.00 - 5.00%	166,100,000	162,850,000	-	-	970,000	161,880,000
					$ 315,462,912	$ -	$ 4,057,681	$ 8,340,000	$ 311,180,593

The general obligation bonds mature through 2029 as follows:

2002 Series C

Fiscal Year	Principal Including Accreted Interest to Date	Accreted Interest	Total
2019	$ 2,951,750	$ 83,250	$ 3,035,000
2020	3,402,634	397,366	3,800,000
2021	3,847,399	777,601	4,625,000
2022	4,242,782	1,247,218	5,490,000
2023	4,691,934	1,843,066	6,535,000
2024-2028	28,381,318	21,703,682	50,085,000
2029	9,487,776	11,067,224	20,555,000
Total	$ 57,005,593	$ 37,119,407	$ 94,125,000

In July 2011, the District issued $49,905,000 of general obligation refunding bonds. The net proceeds from the issuance provided for the partial refunding of $51,675,000 of the 2002 Series A bonds.

As of June 30, 2018, the principal balance outstanding is $36,710,000. The general obligation refunding bonds mature through 2028 as follows:

2011 Refunding Bonds

Fiscal Year	Principal	Current Interest to Maturity	Total
2019	$ 3,045,000	$ 1,651,563	$ 4,696,563
2020	3,180,000	1,527,062	4,707,062
2021	3,330,000	1,390,863	4,720,863
2022	3,465,000	1,245,881	4,710,881
2023	3,515,000	1,080,625	4,595,625
2024-2028	20,175,000	2,606,125	22,781,125
Total	$ 36,710,000	$ 9,502,119	$ 46,212,119

In January 2014, the District issued $61,860,000 of general obligation refunding bonds. The net proceeds from the issuance provided for the refunding of the remaining 2002 Series A bonds in the amount of $6,825,000 and the partial refunding of $57,725,000 of the 2002 Series B bonds.

The economic gain calculated as the sum of the project funds proceeds and the net present value savings was approximately $5,308,000.

As of June 30, 2018, the principal balance outstanding is $55,585,000. The general obligation refunding bonds mature through 2031 as follows:

2014 Refunding Bonds

Fiscal Year	Principal	Current Interest to Maturity	Total
2019	$ 2,445,000	$ 2,660,525	$ 5,105,525
2020	2,770,000	2,530,150	5,300,150
2021	3,120,000	2,382,900	5,502,900
2022	3,490,000	2,217,650	5,707,650
2023	3,875,000	2,033,525	5,908,525
2024-2028	24,520,000	6,685,500	31,205,500
2029-2031	15,365,000	1,071,625	16,436,625
Total	$ 55,585,000	$ 19,581,875	$ 75,166,875

In March 2015, the District issued $166,100,000 of general obligation refunding bonds. The net proceeds from the issuance provided for the partial refunding of $156,925,000 of the 2002 Series C bonds.

This was an advance refunding of the 2002 Series C bonds resulting in a legal defeasance of the previously issued bonds. An Escrow Fund was established to fund continued payment of the principal and interest as it becomes due. The Escrow Agreement provided for the redemption of the partial outstanding principal of the 2002 Series C bonds on August 1, 2018.

Because the transaction qualifies as a legal defeasance, the obligation for the defeased bonds has been removed from the District's financial statements. The economic gain calculated as the sum of the project funds proceeds and the net present value savings was approximately $20,629,000.

As of June 30, 2018, the principal balance outstanding is $161,880,000. The general obligation refunding bonds mature through 2034 as follows:

2015 Refunding Bonds

Fiscal Year	Principal	Current Interest to Maturity	Total
2019	$ 1,010,000	$ 6,734,687	$ 7,744,687
2020	1,050,000	6,688,237	7,738,237
2021	1,100,000	6,634,487	7,734,487
2022	1,155,000	6,578,112	7,733,112
2023	1,215,000	6,518,863	7,733,863
2024-2028	7,045,000	31,596,065	38,641,065
2029-2033	112,135,000	21,602,969	133,737,969
2034	37,170,000	743,400	37,913,400
Total	$ 161,880,000	$ 87,096,820	$ 248,976,820

Compensated Absences

At June 30, 2018, the liability for compensated absences was $3,458,985.

Load Banking

At June 30, 2018, the liability for load banking was $736,914.

Aggregate Net Other Postemployment Benefits (OPEB) Liability

For the fiscal year ended June 30, 2018, the District reported an aggregate net OPEB liability, deferred outflows of resources, and OPEB expense for the following plans:

OPEB Plan	Aggregate Net OPEB Liability	Deferred Outflows of Resources	OPEB Expense
District Plan	$174,970,906	$ 14,422,111	$ (106,058)
Medicare Premium Payment (MPP) Program	806,761	-	(73,389)
Total	$175,777,667	$ 14,422,111	$ (179,447)

The details of each plan are as follows:

District Plan

Plan Administration

The District's governing board administers the Postemployment Benefits Plan (the Plan). The Plan is a single-employer defined benefit plan that is used to provide postemployment benefits other than pensions (OPEB) for eligible retirees and their spouses.

Management of the plan is vested in the District management. Management of the trustee assets is vested with the Benefit Trust Company.

Plan Membership

At June 30, 2017, the Plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefits payments	703
Active employees	534
	1,237

Ventura County Community College District Futuris Trust

The Ventura County Community College District Futuris Trust (the Trust) is an irrevocable governmental trust pursuant to Section 115 of the IRC for the purpose of funding certain postemployment benefits other than pensions. The Trust is administered by the Ventura County Community College District Retirement Board of Authority as directed by the investment alternative choice selected by the District. The District retains the responsibility to oversee the management of the Trust, including the requirement that investments and assets held within the Trust continually adhere to the requirements of the California Government Code Section 53600.5 which specifies that the trustee's primary role is to preserve capital, to maintain investment liquidity, and to protect investment yield. As such, the District acts as the fiduciary of the Trust. The financial activity of the Trust has been discretely presented. Separate financial statements are not prepared for the Trust.

Benefits Provided

The Plan provides medical, dental, and vision insurance benefits to eligible retirees and their spouses.

Contributions

The contribution requirements of Plan members and the District are established by agreements between the District and the bargaining units and may be amended. The required contribution is based on projected pay-as-you-go financing requirements. For fiscal year 2016-2017, the District contributed $14,261,582 to the Plan, all of which was used for current premiums.

Investment

Investment Policy

The Plan's policy in regard to the allocation of invested assets is established and may be amended by the governing board by a majority vote of its members. It is the policy of the District to pursue an investment strategy that reduces risks through the prudent diversification for the portfolio across a broad selection of distinct asset classes. The Plan's investment policy discourages the use of cash equivalents, expect for liquidity purposes, and aims to refrain from dramatically shifting asset class allocation over short time spans. The following was the governing board's adopted asset allocation policy as of June 30, 2017:

Asset Class	Target Allocation
Domestic equity	23%
Fixed income	50%
International equity	20%
Real estate	7%

Rate of Return

For the year ended June 30, 2017, the annual money-weighed rate of return on investments, net of investment expense, was 12.33 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net OPEB Liability of the District

The District's net OPEB liability of $174,970,906 was measured as of June 30, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The components of the net OPEB liability of the District at June 30, 2017, were as follows:

Total OPEB liability	$ 194,715,076
Plan fiduciary net position	19,744,170
District's net OPEB liability	$ 174,970,906
Plan fiduciary net position as a percentage of the total OPEB liability	10%

Actuarial Assumptions

The total OPEB liability in the June 30, 2017 actuarial valuation was determined using the following assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.75 percent
Salary increases	2.75 percent
Investment rate of return	7.00 percent
Healthcare cost trend rates	4.00 percent

The discount rate was based on the Bond Buyer 20-Bond General Obligation Index.

Mortality rates were based on the 2009 CalSTRS Mortality Table for certificated employees and the 2014 CalPERS Active Mortality for Miscellaneous Employees Table for classified employees. Mortality rates vary by age and sex. (Unisex mortality rates are not often used as individual OPEB benefits do not depend on the mortality table used.) If employees die prior to retirement, past contributions are available to fund benefits for employees who live to retirement. After retirement, death results in benefit termination or reduction. Although higher mortality rates reduce service costs, the mortality assumption is not likely to vary from employer to employer.

The actual assumptions used in the June 30, 2017 valuation were based on the results of an actual experience study as of October 2016.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of June 30, 2017, (see the discussion of the Plan's investment policy) are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
Domestic equity	9.3%
Fixed income	4.8%
International equity	8.8%
Real estate	8.0%
Cash	1.0%

Discount Rate

The discount rate used to measure the total OPEB liability was 7.0 percent. The projection of cash flows used to determine the discount rate assumed that the District contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB lability.

Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance at June 30, 2017	$ 192,659,487	$ 17,582,523	$ 175,076,964
Service cost	3,218,645	-	3,218,645
Interest	13,098,526	-	13,098,526
Contributions - employer	-	14,261,582	(14,261,582)
Net investment income	-	2,231,639	(2,231,639)
Benefit payments	(14,261,582)	(14,261,582)	-
Administrative expense	-	(69,992)	69,992
Net change in total OPEB liability	2,055,589	2,161,647	(106,058)
Balance at June 30, 2018	$ 194,715,076	$ 19,744,170	$ 174,970,906

There were no changes of assumptions or changes to benefit terms since the previous valuation.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using a discount rate that is one percent lower or higher than the current rate:

Discount Rate	Net OPEB Liability
1% decrease (6.0%)	$ 195,784,859
Current discount rate (7.0%)	174,970,906
1% increase (8.0%)	157,473,029

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using healthcare cost trend rates that are one percent lower or higher than the current healthcare costs trend rates:

Healthcare Cost Trend Rates	Net OPEB Liability
1% decrease (3.0%)	$ 156,969,947
Current healthcare cost trend rate (4.0%)	174,970,906
1% increase (5.0%)	196,008,188

Deferred Outflows of Resources Related to OPEB

At June 30, 2018, the District reported deferred outflows of resources for OPEB contributions subsequent to measurement date of $14,422,111.

Medicare Premium Payment (MPP) Program

Plan Description

The Medicare Premium Payment (MPP) Program is administered by the California State Teachers' Retirement System (CalSTRS). The MPP Program is a cost-sharing multiple-employer other postemployment benefit plan (OPEB) established pursuant to Chapter 1032, Statutes 2000 (SB 1435). CalSTRS administers the MPP Program through the Teachers' Health Benefits Fund (THBF).

A full description of the MPP Program regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2016 annual actuarial valuation report, Medicare Premium Payment Program Actuarial Valuation. This report and CalSTRS audited financial information are publicly available reports that can be found on the CalSTRS website under Publications at: http://www.calstrs.com/member-publications.

Benefits Provided

The MPP Program pays Medicare Part A premiums and Medicare Parts A and B late enrollment surcharges for eligible members of the State Teachers Retirement Plan (STRP) Defined Benefit (DB) Program who were retired or began receiving a disability allowance prior to July 1, 2012 and were not eligible for premium free Medicare Part A. The payments are made directly to the Centers for Medicare and Medicaid Services (CMS) on a monthly basis.

The MPP Program is closed to new entrants as members who retire after July 1, 2012, are not eligible for coverage under the MPP Program.

Contributions

The MPP Program is funded on a pay-as-you go basis from a portion of monthly District contributions. In accordance with California *Education Code* Section 25930, contributions that would otherwise be credited to the DB Program each month are instead credited to the MPP Program to fund monthly program and administrative costs. Total redirections to the MPP Program are monitored to ensure that total incurred costs do not exceed the amount initially identified as the cost of the program.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources Related to the OPEB

At June 30, 2018, the District reported a liability of $806,761 for its proportionate share of the net OPEB liability for the MPP Program. The net OPEB liability was measured as of June 30, 2016, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The District's proportion of the net OPEB liability was based on a projection of the District's long-term share of contributions to the OPEB Plan relative to the projected contributions of all participating community college districts, actuarially determined. The District's proportionate share for the measurement periods of June 30, 2017 and June 30, 2016, was 0.1918 percent and 0.1881, respectively, resulting in a net increase in the proportionate share of 0.0037 percent.

For the year ended June 30, 2018, the District recognized OPEB expense of $(73,389).

Actuarial Methods and Assumptions

The total OPEB liability for the MPP Program as of June 30, 2016, was determined based on a financial reporting actuarial valuation that used the June 30, 2016 assumptions presented in the table below. The June 30, 2017 total OPEB liability was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2016, and rolling forward the total OPEB liability to June 30, 2017, using the assumptions listed in the following table:

Measurement Date	June 30, 2017	June 30, 2016
Valuation Date	June 30, 2016	June 30, 2016
Experience Study	July 1, 2010 through June 30, 2016	July 1, 2010 through June 30, 2015
Actuarial Cost Method	Entry age normal	Entry age normal
Investment Rate of Return	3.58%	2.85%
Medicare Part A Premium Cost Trend Rate	3.70%	3.70%
Medicare Part B Premium Cost Trend Rate	4.10%	4.10%

For the valuation as of June 30, 2016, CalSTRS used custom mortality tables based on RP2000 Series tables issued by the Society of Actuaries, adjusted to fit CalSTRS specific experience through June 30, 2015. For the valuation as of June 30, 2017, CalSTRS changed the mortality assumptions based on the July 1, 2010 through June 30, 2015, experience study adopted by the board in February 2017. CalSTRS now uses a generational mortality assumption, which involves the use of a base mortality table and projection scales to reflect expected annual reductions in mortality rates at each age, resulting in increases in life expectancies each year into the future. The base mortality tables are CalSTRS custom tables derived to best fit the patterns of mortality among the members. The projection scale was set equal to 110 percent of the ultimate improvement factor from the Mortality Improvement Scale (MP-2016) table, issued by the Society of Actuaries.

Assumptions were made about future participation (enrollment) into the MPP Program because CalSTRS is unable to determine which members not currently participating meet all eligibility criteria for enrollment in the future. Assumed enrollment rates were derived based on past experience and are stratified by age with the probability of enrollment diminishing as the members' age increases. This estimated enrollment rate was then applied to the population of members who may meet criteria necessary for eligibility and are not currently enrolled in the MPP Program. Based on this, the estimated number of future enrollments used in the financial reporting valuation was 571 or an average of 0.32 percent of the potentially eligible population (177,763).

The MPP Program is funded on a pay-as-you-go basis with contributions generally being made at the same time and in the same amount as benefit payments and expenses coming due. Any funds within the MPP Program as of June 30, 2017 and 2016, were to manage differences between estimated and actual amounts to be paid and were invested in the Surplus Money Investment Fund, which is a pooled investment program administered by the State Treasurer.

Discount Rate

The discount rate used to measure the total OPEB liability as of June 30, 2017 and 2016 was 3.58 percent and 2.85 percent, respectively. The MPP Program is funded on a pay-as-you-go basis as described in Note 2, and under the pay-as-you-go method, the OPEB Plan's fiduciary net position was not projected to be sufficient to make projected future benefit payments. Therefore, a discount rate of 3.58 percent and 2.85 percent, which is the Bond Buyer 20-Bond GO Index from Bondbuyer.com as of June 30, 2017 and 2016, respectively, was applied to all periods of projected benefit payments to measure the total OPEB liability.

Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the net OPEB liability calculated using the current discount rate, as well as what the net pension liability would be if it were calculated using a discount rate that is one percent lower or higher than the current rate:

Discount Rate	Net OPEB Liability
1% decrease (2.58%)	$ 893,141
Current discount rate (3.58%)	806,761
1% increase (4.58%)	722,738

Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Medicare Costs Trend Rates

The following presents the District's proportionate share of the net OPEB liability calculated using the current discount rate, as well as what the net pension liability would be if it were calculated using a discount rate that is one percent lower or higher than the current rate:

Medicare Costs Trend Rate	Net OPEB Liability
1% decrease (2.7% Part A and 3.1% Part B)	$ 729,032
Current Medicare costs trend rate (3.7% Part A and 4.1% Part B)	806,761
1% increase (4.7% Part A and 5.1% Part B)	883,714

NOTE 11 - RISK MANAGEMENT

Property and Liability Insurance Coverages

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District purchases commercial insurance for property with coverages of $250,000,000, subject to various policy limits. The District also purchases commercial insurance for general liability claims with coverage up to $25,000,000 per occurrence, all subject to various deductibles.

Joint Powers Authority Risk Pools

During fiscal year ended June 30, 2018, the District contracted with the Statewide Association of Community Colleges Joint Powers Authority (JPA) for property and liability insurance coverage. Settled claims have not exceeded this commercial coverage in any of the past three years. There has not been a significant reduction in coverage from the prior year.

Workers' Compensation

The District is a member of Protected Insurance Program for Schools and Community Colleges (PIPS), a finite risk-sharing program for workers' compensation coverage. PIPS was created to provide an alternative for workers' compensation coverage normally provided utilizing traditional self-insurance, guarantee cost, deductible or other available programs. Each year the PIPS Board of Directors reviews and approves the subsequent program year structure which can consist of purchased or retained layers of excess coverage.

NOTE 12 - EMPLOYEE RETIREMENT SYSTEMS

Qualified employees are covered under multiple-employer defined benefit pension plans maintained by agencies of the State of California. Academic employees are members of the California State Teachers' Retirement System (CalSTRS) and classified employees are members of the California Public Employees' Retirement System (CalPERS).

For the fiscal year ended June 30, 2018, the District reported the net pension liabilities, deferred outflows of resources, deferred inflows of resources, and pension expense for each of the above plans as follows:

Pension Plan	Collective Net Pension Liability	Collective Deferred Outflows of Resources	Collective Deferred Inflows of Resources	Collective Pension Expense
CalSTRS	$ 101,906,025	$ 32,024,886	$ 7,382,033	$ 10,614,963
CalPERS	62,756,074	20,497,716	1,396,059	11,420,078
Total	$ 164,662,099	$ 52,522,602	$ 8,778,092	$ 22,035,041

The details of each plan are as follows:

<u>California State Teachers' Retirement System (CalSTRS)</u>

Plan Description

The District contributes to the State Teachers' Retirement Plan (STRP) administered by CalSTRS. STRP is a cost-sharing multiple-employer public employee retirement system defined benefit pension plan. Benefit provisions are established by State statutes, as legislatively amended, within the State Teachers' Retirement Law. A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2016, annual actuarial valuation report, Defined Benefit Program Actuarial Valuation. This report and CalSTRS audited financial information are publicly available reports that can be found on the CalSTRS website under Publications at: http://www.calstrs.com/member-publications.

Benefits Provided

The STRP provides retirement, disability, and survivor benefits to beneficiaries. Benefits are based on members' final compensation, age, and years of service credit. Members hired on or before December 31, 2012, with five years of credited service are eligible for the normal retirement benefit at age 60. Members hired on or after January 1, 2013, with five years of credited service are eligible for the normal retirement benefit at age 62. The normal retirement benefit is equal to 2.0 percent of final compensation for each year of credited service.

The STRP is comprised of four programs: Defined Benefit Program, Defined Benefit Supplement Program, Cash Balance Benefit Program, and Replacement Benefits Program. The STRP holds assets for the exclusive purpose of providing benefits to members and beneficiaries of these programs. CalSTRS also uses plan assets to defray reasonable expenses of administering the STRP. Although CalSTRS is the administrator of the STRP, the State is the sponsor of the STRP and obligor of the trust. In addition, the State is both an employer and nonemployer contributing entity to the STRP.

The District contributes exclusively to the STRP Defined Benefit Program, thus disclosures are not included for the other plans.

The STRP provisions and benefits in effect at June 30, 2018, are summarized as follows:

	STRP Defined Benefit Program	
	On or before	On or after
Hire date	December 31, 2012	January 1, 2013
Benefit formula	2% at 60	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	60	62
Monthly benefits as a percentage of eligible compensation	2.0% - 2.4%	2.0% - 2.4%
Required employee contribution rate	10.25%	9.205%
Required employer contribution rate	14.43%	14.43%
Required State contribution rate	9.328%	9.328%

Contributions

Required member, District, and State of California contribution rates are set by the California Legislature and Governor and detailed in Teachers' Retirement Law. The contribution rates are expressed as a level percentage of payroll using the entry age normal actuarial method. In accordance with AB 1469, employer contributions into the CalSTRS will be increasing to a total of 19.1 percent of applicable member earnings phased over a seven-year period. The contribution rates for each plan for the year ended June 30, 2018, are presented above, and the District's total contributions were $8,327,416.

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

At June 30, 2018, the District reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

Total net pension liability, including State share:	
District's proportionate share of net pension liability	$ 101,906,025
State's proportionate share of net pension liability associated with the District	60,286,743
Total	$ 162,192,768

The net pension liability was measured as of June 30, 2017. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating college districts and the State, actuarially determined. The District's proportionate share for the measurement periods of June 30, 2017 and June 30, 2016, was 0.1102 percent and 0.1106 percent, respectively, resulting in a net decrease in the proportionate share of 0.0004 percent.

For the year ended June 30, 2018, the District recognized pension expense of $10,614,963. In addition, the District recognized pension expense and revenue of $6,068,440 for support provided by the State. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 8,327,416	$ -
Net change in proportionate share of net pension liability	4,441,331	2,890,586
Differences between projected and actual earnings on the pension plan investment	-	2,714,042
Differences between expected and actual experience in the measurement of the total pension liability	376,858	1,777,405
Changes in assumptions	18,879,281	-
Total	$ 32,024,886	$ 7,382,033

The deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year.

The deferred outflows/(inflows) of resources related to the difference between projected and actual earnings on pension plan investments will be amortized over a closed five-year period and will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2019	$ (2,256,283)
2020	1,707,340
2021	246,187
2022	(2,411,286)
Total	$ (2,714,042)

The deferred outflows of resources related to the net change in proportionate share of net pension liability, differences between expected and actual experience in the measurement of the total pension liability, and changes of assumptions will be amortized over the Expected Average Remaining Service Life (EARSL) of all members that are provided benefits (active, inactive, and retirees) as of the beginning of the measurement period. The EARSL for the measurement period is seven years and will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows of Resources
2019	$ 3,352,586
2020	3,352,586
2021	3,352,586
2022	3,352,585
2023	2,448,864
Thereafter	3,170,272
Total	$ 19,029,479

Actuarial Methods and Assumptions

Total pension liability for STRP was determined by applying update procedures to a financial reporting actuarial valuation as of June 30, 2016, and rolling forward the total pension liability to June 30, 2017. The financial reporting actuarial valuation as of June 30, 2016, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2016
Measurement date	June 30, 2017
Experience study	July 1, 2010 through June 30, 2015
Actuarial cost method	Entry age normal
Discount rate	7.10%
Investment rate of return	7.10%
Consumer price inflation	2.75%
Wage growth	3.50%

CalSTRS uses a generational mortality assumption, which involves the use of a base mortality table and projection scales to reflect expected annual reductions in mortality rates at each age, resulting in increases in life expectancies each year into the future. The base mortality tables are CalSTRS custom tables derived to best fit the patterns of mortality among its members. The projection scale was set equal to 110 percent of the ultimate improvement factor from the Mortality Improvement Scale (MP-2016) table, issued by the Society of Actuaries.

The long-term expected rate of return on pension plan investments was determined using a building-block method 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. The best estimate ranges were developed using capital market assumptions from CalSTRS general investment consultant (Pension Consulting Alliance-PCA) as an input to the process. The actuarial investment rate of return assumption was adopted by the board in February 2017 in conjunction with the most recent experience study. For each future valuation, CalSTRS consulting actuary (Milliman) reviews the return assumption for reasonableness based on the most current capital market assumptions. Best estimates of 20-year geometrically-linked real rates of return and the assumed asset allocation for each major asset class for the year ended June 30, 2017, are summarized in the following table:

Asset Class	Assumed Asset Allocation	Long-Term Expected Real Rate of Return
Global equity	47%	6.30%
Fixed income	12%	0.30%
Real estate	13%	5.20%
Private equity	13%	9.30%
Absolute Return/Risk Mitigating Strategies	9%	2.90%
Inflation sensitive	4%	3.80%
Cash/liquidity	2%	-1.00%

Discount Rate

The discount rate used to measure the total pension liability was 7.10 percent. The projection of cash flows used to determine the discount rate assumed the contributions from plan members and employers will be made at statutory contribution rates. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.10 percent) and assuming that contributions, benefit payments, and administrative expense occurred midyear. Based on these assumptions, the STRP's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term assumed investment rate of return was applied to all periods of projected benefit payments to determine total pension liability.

The following presents the District's proportionate share of the net pension liability calculated using the current discount rate, as well as what the net pension liability would be if it were calculated using a discount rate that is one percent lower or higher than the current rate:

Discount Rate	Net Pension Liability
1% decrease (6.10%)	$ 149,630,397
Current discount rate (7.10%)	101,906,025
1% increase (8.10%)	63,174,463

California Public Employees' Retirement System (CalPERS)

Plan Description

Qualified employees are eligible to participate in the School Employer Pool (SEP) under CalPERS, a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalPERS. Benefit provisions are established by State statutes, as legislatively amended, within the Public Employees' Retirement Law.

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2016, annual actuarial valuation report, Schools Pool Actuarial Valuation. This report and CalPERS audited financial information are publicly available reports that can be found on the CalPERS website under Forms and Publications at: https://www.calpers.ca.gov/page/forms-publications.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members who must be public employees and beneficiaries. Benefits are based on years of service credit, a benefit factor, and the member's final compensation. Members hired on or before December 31, 2012, with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. Members hired on or after January 1, 2013, with five years of total service are eligible to retire at age 52 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after five years of service. The Basic Death Benefit is paid to any member's beneficiary if the member dies while actively employed. An employee's eligible survivor may receive the 1957 Survivor Benefit if the member dies while actively employed, is at least age 50 (or age 52 for members hired on or after January 1, 2013), and has at least five years of credited service. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The CalPERS provisions and benefits in effect at June 30, 2018, are summarized as follows:

	School Employer Pool (CalPERS)	
Hire date	On or before December 31, 2012	On or after January 1, 2013
Benefit formula	2% at 55	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	55	62
Monthly benefits as a percentage of eligible compensation	1.1% - 2.5%	1.0% - 2.5%
Required employee contribution rate	7.00%	6.50%
Required employer contribution rate	15.531%	15.531%

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on July 1 following notice of a change in the rate. Total plan contributions are calculated through the CalPERS annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The contribution rates are expressed as a percentage of annual payroll. The contribution rates for each plan for the year ended June 30, 2018, are presented above, and the total District contributions were $5,491,092.

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

As of June 30, 2018, the District reported net pension liabilities for its proportionate share of the CalPERS net pension liability totaling $62,756,074. The net pension liability was measured as of June 30, 2017. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating college districts, actuarially determined. The District's proportionate share for the measurement periods of June 30, 2017 and June 30, 2016, was 0.2629 percent and 0.2512 percent, respectively, resulting in a net increase in the proportionate share of 0.0117 percent.

For the year ended June 30, 2018, the District recognized pension expense of $11,420,078. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 5,491,092	$ -
Net change in proportionate share of net pension liability	1,420,890	657,184
Differences between projected and actual earnings on the pension plan investments	2,170,931	-
Differences between expected and actual experience in the measurement of the total pension liability	2,248,291	-
Changes of assumptions	9,166,512	738,875
Total	$ 20,497,716	$ 1,396,059

The deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year.

The deferred outflows/(inflows) of resources related to the difference between projected and actual earnings on pension plan investments will be amortized over a closed five-year period and will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2019	$ (58,824)
2020	2,504,784
2021	913,773
2022	(1,188,802)
Total	$ 2,170,931

The deferred outflows/(inflows) of resources related to the net change in proportionate share of net pension liability, differences between expected and actual experience in the measurement of the total pension liability, and changes of assumptions will be amortized over the Expected Average Remaining Service Life (EARSL) of all members that are provided benefits (active, inactive, and retirees) as of the beginning of the measurement period. The EARSL for the measurement period is 3.9 years and will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2019	$ 3,804,787
2020	4,023,669
2021	3,611,178
Total	$ 11,439,634

Actuarial Methods and Assumptions

Total pension liability for the SEP was determined by applying update procedures to a financial reporting actuarial valuation as of June 30, 2016, and rolling forward the total pension liability to June 30, 2017. The financial reporting actuarial valuation as of June 30, 2016, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2016
Measurement date	June 30, 2017
Experience study	July 1, 1997 through June 30, 2011
Actuarial cost method	Entry age normal
Discount rate	7.15%
Investment rate of return	7.15%
Consumer price inflation	2.75%
Wage growth	Varies by entry age and services

The mortality table used was developed based on CalPERS-specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations, as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first ten years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses. The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Assumed Asset Allocation	Long-Term Expected Real Rate of Return
Global equity	47%	5.38%
Global debt securities	19%	2.27%
Inflation assets	6%	1.39%
Private equity	12%	6.63%
Real estate	11%	5.21%
Infrastructure and Forestland	3%	5.36%
Liquidity	2%	-0.90%

Discount Rate

The discount rate used to measure the total pension liability was 7.15 percent. The projection of cash flows used to determine the discount rate assumed the contributions from plan members and employers will be made at statutory contribution rates. Based on these assumptions, the School Employer Pool fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term assumed investment rate of return was applied to all periods of projected benefit payments to determine total pension liability.

The following presents the District's proportionate share of the net pension liability calculated using the current discount rate, as well as what the net pension liability would be if it were calculated using a discount rate that is one percent lower or higher than the current rate:

Discount Rate	Net Pension Liability
1% decrease (6.15%)	$ 92,334,295
Current discount rate (7.15%)	62,756,074
1% increase (8.15%)	38,218,463

On Behalf Payments

The State of California makes contributions to CalSTRS and CalPERS on behalf of the District. These payments consist of State General Fund contributions to CalSTRS in the amount of $4,346,355 (9.328 percent) of salaries subject to CalSTRS. Contributions are no longer appropriated in the annual *Budget Act* for the legislatively mandated benefits to CalPERS. Therefore, there is no on behalf contribution rate for CalPERS. No contributions were made for CalPERS for the year ended June 30, 2018. Under accounting principles generally accepted in the United States of America, these amounts are to be reported as revenues and expenditures. These amounts have been reflected in the basic financial statements as a component of operating revenue and employee benefit expense.

Deferred Compensation

The District offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all permanent District employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to the employees until termination, retirement, death, or an unforeseeable emergency.

NOTE 13 - PARTICIPATION IN PUBLIC ENTITY RISK POOLS AND JOINT POWERS AUTHORITIES

The District is a member of the Statewide Association of Community Colleges Joint Powers Authority (JPA). The District pays annual premiums for its property liability health and worker's compensation coverage. The relationship between the District and the JPA is such that it is not a component unit of the District for financial reporting purposes.

The JPA has budgeting and financial reporting requirements independent of member units and their financial statements are not presented in these financial statements; however, transactions between the JPA and the District are included in these statements. Audited financial statements are available from the entity.

The District's share of year-end assets, liabilities, or fund equity has not been calculated.

NOTE 14 - COMMITMENTS AND CONTINGENCIES

Grants

The District receives financial assistance from Federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the District. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2018.

Litigation

The District is involved in various litigation arising from the normal course of business. In the opinion of management and legal counsel, the disposition of all litigation pending is not expected to have a material adverse effect on the overall financial position of the District at June 30, 2018.

Construction Commitments

As of June 30, 2018, the District had the following commitments with respect to the unfinished capital projects:

CAPITAL PROJECT	Remaining Construction Commitment	Expected Date of Completion
Moorpark College Gym Renovation	$ 477,785	June 2019
Oxnard College Library and Learning Resource Center Renovation	1,253	October 2018
Ventura College Maintenance and Operations Renovation	22,345	June 2019
Ventura College Studio Arts Building	4,100	January 2019
	$ 505,483	

The projects are funded through a combination of general obligation bonds and capital project apportionments from the California State Chancellor's Office.

NOTE 15 - RESTATEMENT OF PRIOR YEAR NET POSITION

The District adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, in the current year. As a result, the effect on the current fiscal year is as follows:

Primary Government	
Net Position - Beginning	$ 254,166,568
Inclusion of aggregate net OPEB liability from the adoption of GASB Statement No. 75	(186,242,524)
Net Position - Beginning, as Restated	$ 67,924,044

REQUIRED SUPPLEMENTARY INFORMATION

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

SCHEDULE OF CHANGES IN THE DISTRICT'S NET OPEB LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED JUNE 30, 2018

	2018
Total OPEB Liability	
Service cost	$ 3,218,645
Interest	13,098,526
Benefit payments	(14,261,582)
Net changes in total OPEB liability	2,055,589
Total OPEB Liability - beginning	192,659,487
Total OPEB Liability - ending (a)	$ 194,715,076
Plan fiduciary net position	
Contributions - employer	$ 14,261,582
Net investment income	2,231,639
Benefit payments	(14,261,582)
Administrative expense	(69,992)
Net change in plan fiduciary net position	2,161,647
Plan fiduciary net position - beginning	17,582,523
Plan fiduciary net position - ending (b)	$ 19,744,170
District's net OPEB liability - ending (a) - (b)	$ 174,970,906
Plan fiduciary net position as a percentage of the total OPEB liability	10.14%
Covered-employee payroll	$ 90,330,722
District's net OPEB liability as a percentage of covered-employee payroll	193.7%

Note : In the future, as data becomes available, ten years of information will be presented.

See accompanying note to required supplementary information.

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

SCHEDULE OF OPEB INVESTMENT RETURNS
FOR THE YEAR ENDED JUNE 30, 2018

	2018
Annual money-weighted rate of return, net of investment expense	12.33%

Note: In the future, as data becomes available, ten years of information will be presented.

See accompanying note to required supplementary information.

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY - MPP PROGRAM
FOR THE YEAR ENDED JUNE 30, 2018

Year ended June 30,[1]	2018
District's proportion of the net OPEB liability	0.1918%
District's proportionate share of the net OPEB liability	$ 806,761
District's covered-employee payroll	N/A[1]
District's proportionate share of the net OPEB liability as a percentage of it's covered-employee payroll	N/A[1]
Plan fiduciary net position as a percentage of the total OPEB liability	0.01%

[1] As of June 30, 2012, active members are no longer eligible for future enrollment in the MPP Program; therefore, the covered payroll disclosure is not applicable.

Note: In the future, as data becomes available, ten years of information will be presented.

See accompanying note to required supplementary information.

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FOR THE YEAR ENDED JUNE 30, 2018

	2018	2017
CalSTRS		
District's proportion of the net pension liability	0.1102%	0.1106%
District's proportionate share of the net pension liability	$ 101,906,025	$ 89,414,449
State's proportionate share of the net pension liability associated with the District	60,286,743	50,902,051
Total	$ 162,192,768	$ 140,316,500
District's covered-employee payroll	$ 56,814,197	$ 54,828,500
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	179.37%	163.08%
Plan fiduciary net position as a percentage of the total pension liability	69%	70%
CalPERS		
District's proportion of the net pension liability	0.2629%	0.2512%
District's proportionate share of the net pension liability	$ 62,756,074	$ 49,621,633
District's covered-employee payroll	$ 33,516,525	$ 30,093,070
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	187.24%	164.89%
Plan fiduciary net position as a percentage of the total pension liability	72%	74%

Note : In the future, as data becomes available, ten years of information will be presented.

See accompanying note to required supplementary information.

2016	2015
0.1156%	0.1049%
$ 77,813,038	$ 61,304,866
41,154,519	37,018,525
$ 118,967,557	$ 98,323,391
$ 51,527,128	$ 49,030,897
151.01%	125.03%
74%	77%
0.2578%	0.2626%
$ 38,000,018	$ 29,810,138
$ 28,604,180	$ 27,545,954
132.85%	108.22%
79%	83%

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

SCHEDULE OF DISTRICT CONTRIBUTIONS FOR PENSIONS
FOR THE YEAR ENDED JUNE 30, 2018

	2018	2017
CalSTRS		
Contractually required contribution	$ 8,327,416	$ 7,147,226
Contributions in relation to the contractually required contribution	8,327,416	7,147,226
Contribution deficiency (excess)	$ -	$ -
District's covered-employee payroll	$ 57,709,051	$ 56,814,197
Contributions as a percentage of covered-employee payroll	14.43%	12.58%
CalPERS		
Contractually required contribution	$ 5,491,092	$ 4,654,775
Contributions in relation to the contractually required contribution	5,491,092	4,654,775
Contribution deficiency (excess)	$ -	$ -
District's covered-employee payroll	$ 35,355,689	$ 33,516,525
Contributions as a percentage of covered-employee payroll	15.531%	13.888%

Note : In the future, as data becomes available, ten years of information will be presented.

See accompanying note to required supplementary information.

	2016	2015
	$ 5,883,098	$ 4,575,609
	5,883,098	4,575,609
	$ -	$ -
	$ 54,828,500	$ 51,527,128
	10.73%	8.88%
	$ 3,565,126	$ 3,366,998
	3,565,126	3,366,998
	$ -	$ -
	$ 30,093,070	$ 28,604,180
	11.847%	11.771%

NOTE 1 - PURPOSE OF SCHEDULES

Schedule of Changes in the District's Net OPEB Liability and Related Ratios

This schedule presents information on the District's changes in the net OPEB liability, including beginning and ending balances, the Plan's fiduciary net position, and the net OPEB liability. In the future, as data becomes available, ten years of information will be presented.

Changes in Benefit Terms **-** There were no changes in benefit terms since the previous valuation.

Changes of Assumptions **-** There were no changes of assumptions since the previous valuation.

Schedule of OPEB Investment Returns

This schedule presents information on the annual money-weighted rate of return on OPEB plan investments. In future years, as data becomes available, ten years of information will be presented.

Schedule of the District's Proportionate Share of the Net OPEB Liability - MPP Program

This schedule presents information on the District's proportionate share of the net OPEB liability **-** MPP program and the Plans' fiduciary net position. In the future, as data becomes available, ten years of information will be presented.

Changes in Benefit Terms **-** There were no changes in the benefit terms since the previous valuation.

Changes of Assumptions **-** The plan rate of investment return assumption was changed from 2.85 percent to 3.58 percent since the previous valuation.

Schedule of the District's Proportionate Share of the Net Pension Liability

This schedule presents information on the District's proportionate share of the net pension liability (NPL), the Plans' fiduciary net positions and, when applicable, the State's proportionate share of the NPL associated with the District. In the future, as data becomes available, ten years of information will be presented.

Changes in Benefit Terms **-** There were no changes in benefit terms since the previous valuations for both CalSTRS and CalPERS.

Changes of Assumptions **-** The CalSTRS plan rate of investment return assumption was changed from 7.60 percent to 7.10 percent since the previous valuation. The CalPERS plan rate of investment return assumption was changed from 7.65 percent to 7.15 percent since the previous valuation.

Schedule of District Contributions for Pensions

This schedule presents information on the District's required contribution, the amounts actually contributed, and any excess or deficiency related to the required contribution. In the future, as data becomes available, ten years of information will be presented.

SUPPLEMENTARY INFORMATION

DISTRICT ORGANIZATION
JUNE 30, 2018

The Ventura County Community College District was established in 1962 and is comprised of an area of approximately 882 square miles located in Ventura County. There were no changes in the boundaries of the District during the current year. The District's colleges are accredited by the Accrediting Commission for Community and Junior Colleges, Western Association of Schools and Colleges, which is one of six regional associations that accredit public and private schools, colleges, and universities in the United States.

BOARD OF TRUSTEES

MEMBER	OFFICE	TERM EXPIRES
Mr. Arturo D. Hernández	Chair	2018
Mr. Stephen P. Blum	Vice Chair	2018
Mr. Larry Kennedy	Member	2020
Ms. Dianne B. McKay	Member	2018
Mr. Bernardo M. Perez	Member	2020

ADMINISTRATION

Dr. Greg Gillespie	Chancellor
Dr. David El Fattal	Vice Chancellor, Business and Administrative Services
Vacant	Vice Chancellor, Educational Services and Institutional Effectiveness
Mr. Michael Shanahan	Vice Chancellor, Human Resources
Vacant	Associate Vice Chancellor, Information Technology

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2018

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures	Amount Passed Through to Subrecipients
U.S. DEPARTMENT OF EDUCATION				
HIGHER EDUCATION ACT				
Title V, Hispanic Serving Institutions - CCRAA STEM Pathways	84.031C		$ 879,175	$ 221,721
Passed through from California State University Northridge				
Title V, Hispanic Serving Institutions - CCRAA STEM Pathways	84.031C	A17-0013-S003	66,272	-
Title V, Hispanic Serving Institutions	84.031S		853,314	121,313
Passed through from California State University Channel Islands				
Title V, Hispanic Serving Institutions - CSUCI Project	84.031C	1516.0072.01, 1516.0072.002	36,539	-
Title V, Hispanic Serving Institutions - CSUCI Project	84.031S	1314.0049.01, 1314.0049.02, 1314.0049.03	125,178	-
Total Higher Education Act			1,960,478	343,034
TRIO - Upward Bound	84.047A		121,348	-
ADULT EDUCATION AND FAMILY LITERACY ACT				
Passed through from California Department of Education				
Workforce Innovation and Opportunity Act - Title II	84.002A	17-7266-00	166,893	-
STUDENT FINANCIAL ASSISTANCE CLUSTER				
Federal Supplemental Educational Opportunity Grants (FSEOG)	84.007		544,068	-
Federal Direct Student Loans (Direct Loans)	84.268		2,883,779	-
Federal Work-Study Program (FWS)	84.033		458,012	-
Federal Pell Grant Program (PELL)	84.063		37,209,113	-
Student Financial Aid Administrative Costs	84.063		121,449	-
Total Student Financial Assistance Cluster			41,216,421	-
CAREER AND TECHNICAL EDUCATION ACT				
Passed through from California Community College Chancellor's Office				
Perkins Title I, Part C	84.048A	17-C01-065	744,042	-
Career Technical Education (CTE) Transitions	84.048A	17-C01-065	124,041	-
Total Career and Technical Education Act			868,083	-
VOCATIONAL REHABILITATION ACT				
Passed through from Department of Rehabilitation				
Workability III	84.126A	29919	183,858	-
TOTAL U.S. DEPARTMENT OF EDUCATION			44,517,081	343,034
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Passed through from California Community College Chancellor's Office				
Foster Kinship Care Education	93.658	[1]	112,339	-
Passed through from California Community College Chancellor's Office				
Temporary Assistance for Needy Families (TANF)	93.558	[1]	134,933	-

[1] Pass-Through Entity Identifying Number not available.
* Research and Development Grant

See accompanying note to supplementary information.

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2018

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures	Amount Passed Through to Subrecipients
CHILD CARE DEVELOPMENT FUND (CCDF) CLUSTER				
Passed through from Yosemite Community College District				
Child Care and Development Grant	93.575	17-18-609571	$ 54,755	$ -
Passed through from Chabot-Las Positas Community College District				
CA Early Childhood Mentor Program	93.575	CN160169, CN170146	9,165	-
Total CCDF Cluster			63,920	-
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			311,192	-
U.S. DEPARTMENT OF LABOR				
Veteran's Employment and Training Services	17.804		6,452	-
NATIONAL SCIENCE FOUNDATION				
Passed through from Sinclair Community College District				
The STEM Guitar Project*	47.076	SCC-1700531	8,150	-
TOTAL EXPENDITURES OF FEDERAL AWARDS			$ 44,842,875	$ 343,034

[1] Pass-Through Entity Identifying Number not available.
* Research and Development Grant

See accompanying note to supplementary information.

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SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2018

	Program Entitlements		
Program	Current Year	Prior Year	Total Entitlement
ADN Enroll. Growth	$ 296,600	$ -	$ 296,600
ADN A+R+R	114,000	-	114,000
Biotech Supply Chain Project	20,000	-	20,000
Cal Grant B	3,845,002	51,820	3,896,822
Cal Grant C	57,505	410	57,915
CalWorks	736,394	-	736,394
CA Apprenticeship Initiative	343,947	-	343,947
Community College Completion Grant	640,500	-	640,500
Cooperative Agency Resource Education (CARE)	356,508	-	356,508
Student Success and Support (Credit) 16-17	-	1,715,143	1,715,143
Student Success and Support (Credit) 17-18	6,016,819	-	6,016,819
Disabled Students Programs and Services (DSPS)	3,021,751	-	3,021,751
Prior Year Categorical (DSPS)	-	180,786	180,786
ESL/Basic Skills 16-17	-	179,158	179,158
ESL/Basic Skills 17-18	796,457	-	796,457
Basic Skills and Stdt Outcms Trnsfrm Pgm (BSSOTP)	-	3,575,735	3,575,735
Education Futures Initiative	30,000	-	30,000
Emergency Aid for Dreamers	119,439	-	119,439
Extended Opportunity Prog and Svc (EOPS)	2,518,371	-	2,518,371
Foster Kinship Care Education	146,280	-	146,280
Foster Youth Success Init	8,500	-	8,500
FSS Mesa	74,515	-	74,515
Campus Safety	59,646	-	59,646
Guided Pathways Grant	755,467	-	755,467
Hunger Free Campus	56,567	-	56,567
Full-Time Student Success Grant (FTSSG) 16-17	-	171,230	171,230
Full-Time Student Success Grant (FTSSG) 17-18	1,923,000	-	1,923,000
IELM - 15-16	-	48,745	48,745
IELM - 16-17	-	433,888	433,888
IELM - 17-18	369,634	-	369,634
Restricted Lottery	1,175,843	2,581,684	3,757,527
CA Career Pathways VCOE Round 2	-	436,019	436,019
CA Career Pathways VCOE Round 2 Yr 2	-	209,000	209,000
Self Employment Pathways GIG Grant	30,000	-	30,000
SCCRC Culinary Arts	12,000	-	12,000
SCCRC Career Strategist Badge Proj	4,000	-	4,000
Staff Diversity 16-17	-	21,691	21,691
Staff Diversity 17-18	50,000	-	50,000
Student Equity 16-17	-	714,546	714,546

See accompanying note to supplementary information.

	Program Revenues				
Cash Received	Accounts Receivable	Accounts Payable	Unearned Revenue	Total Revenue	Program Expenditures
$ -	$ 292,224	$ -	$ -	$ 292,224	$ 292,224
-	113,456	-	-	113,456	113,456
20,000	-	-	10,000	10,000	10,000
3,890,665	6,157	-	-	3,896,822	3,896,822
57,915	-	-	-	57,915	57,915
736,394	-	15,933	-	720,461	720,461
-	10,298	-	-	10,298	10,298
640,500	-	-	179,429	461,071	461,071
383,508	-	30,740	-	352,768	352,768
1,715,143	-	1,431	-	1,713,712	1,713,712
6,016,819	-	-	741,006	5,275,813	5,275,813
3,021,751	-	43,041	-	2,978,710	2,978,710
180,786	-	-	155,425	25,361	25,361
179,158	-	61	-	179,097	179,097
1,007,397	-	-	891,771	115,626	115,626
950,644	453,991	-	59,293	1,345,342	1,345,342
-	-	-	-	-	-
119,439	-	-	-	119,439	119,439
2,518,371	-	7,283	-	2,511,088	2,511,088
124,905	2,500	-	-	127,405	127,405
8,500	-	81	-	8,419	8,419
29,806	36,904	-	-	66,710	66,710
59,646	-	-	59,646	-	-
755,467	-	-	755,467	-	-
56,567	-	-	45,749	10,818	10,818
170,900	-	1,200	-	169,700	169,700
1,923,000	-	-	180,500	1,742,500	1,742,500
48,745	-	-	2,189	46,556	46,556
433,888	-	-	78,138	355,750	355,750
369,634	-	-	234,696	134,938	134,938
3,603,860	614,467	-	2,873,536	1,344,791	1,344,791
-	171,570	-	-	171,570	171,570
-	31,562	-	-	31,562	31,562
10,000	-	-	9,572	428	428
-	4,761	-	-	4,761	4,761
-	-	-	-	-	-
21,691	-	-	-	21,691	21,691
50,000	-	-	50,000	-	-
714,546	-	635	-	713,911	713,911

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

SCHEDULE OF EXPENDITURES OF STATE AWARDS, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2018

	Program Entitlements		
Program	Current Year	Prior Year	Total Entitlement
Student Equity 17-18	$ 2,508,046	$ -	$ 2,508,046
Student Financial Aid Administration Allowance	1,217,611	-	1,217,611
Tech Asst Prvdr COE Labor Mkt Rsrch	-	197,949	197,949
Tech Asst Prvdr COE Labor Mkt FY18	70,000	-	70,000
CTE Data Unlocked	-	121,632	121,632
CCC Innovation Maker 3 Grant	-	12,028	12,028
Maker Implementation Grant	250,000	-	250,000
Prop 39 Clean Energy Workforce Program Grant-KCCD	106,970	-	106,970
CDE- CA Career Pathways Trust Yr 1	-	1,435,764	1,435,764
CDE- CA Career Pathways Trust Yr 2	-	1,912,726	1,912,726
CDE- CA Career Pathways Trust Yr 3	-	841,712	841,712
CDE- CA Career Pathways Trust Yr 4	1,099,737	-	1,099,737
CTE Enhancement Fund 40% Regional Share	-	-	-
CTE Enhancement Fund 60% Local Shr	-	-	-
IEPI PRT Grant	-	33,130	33,130
Strong Workforce Program FY17	-	1,945,665	1,945,665
Strong Workforce Program FY18	2,502,136	-	2,502,136
SWP Regional Share w/SCCRC FY17	-	971,193	971,193
SWP Regional Share w/SCCRC FY18	956,193	-	956,193
Veteran Resource Center	174,736	-	174,736
Total	$32,464,174	$17,791,654	$50,255,828

See accompanying note to supplementary information.

Program Revenues					
Cash Received	Accounts Receivable	Accounts Payable	Unearned Revenue	Total Revenue	Program Expenditures
$ 2,508,046	$ -	$ -	$ 875,298	$ 1,632,748	$ 1,632,748
1,217,611	-	835	-	1,216,776	1,216,776
77,949	119,424	-	-	197,373	197,373
-	11,044	-	-	11,044	11,044
121,632	-	-	79,821	41,811	41,811
12,028	-	-	-	12,028	12,028
42,672	185,794	-	359	228,107	228,107
-	58,971	-	-	58,971	58,971
1,435,764	-	23,429	-	1,412,335	1,412,335
1,912,726	-	18,935	-	1,893,791	1,893,791
841,712	-	3,661	-	838,051	838,051
1,099,737	-	4,712	-	1,095,025	1,095,025
706	-	-	-	706	706
9,008	-	324	-	8,684	8,684
33,130	-	3,143	-	29,987	29,987
1,945,665	-	-	519,646	1,426,019	1,426,019
2,647,025	-	-	1,981,552	665,473	665,473
627,693	337,500	-	485,379	479,814	479,814
-	-	-	-	-	-
174,736	-	-	166,086	8,650	8,650
$ 44,527,485	$ 2,450,623	$ 155,444	$ 10,434,558	$ 36,388,106	$ 36,388,106

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

SCHEDULE OF WORKLOAD MEASURES FOR STATE GENERAL APPORTIONMENT ANNUAL (ACTUAL) ATTENDANCE FOR THE YEAR ENDED JUNE 30, 2018

CATEGORIES	*Revised Reported Data	Audit Adjustments	Audited Data
A. Summer Intersession (Summer 2017 only)			
1. Noncredit	6.45	-	6.45
2. Credit	1,830.52	-	1,830.52
B. Summer Intersession (Summer 2018 - Prior to July 1, 2018)			
1. Noncredit	-	-	-
2. Credit	1,414.27	-	1,414.27
C. Primary Terms Exclusive of Summer Intersessions			
1. Census Procedure Courses			
(a) Weekly Census Contact Hours	17,692.07	-	17,692.07
(b) Daily Census Contact Hours	1,252.99	-	1,252.99
2. Actual Hours of Attendance Procedure Courses			
(a) Noncredit	112.21	-	112.21
(b) Credit	611.77	-	611.77
3. Alternative Attendance Accounting Procedure			
(a) Weekly Census Procedure Courses	2,510.07	-	2,510.07
(b) Daily Census Procedure Courses	1,237.35	-	1,237.35
(c) Noncredit Independent Study/Distance Education Courses	-	-	-
D. Total FTES	26,667.70	-	26,667.70
Supplemental Information			
E. In-Service Training Courses (FTES)	79.72	-	79.72
F. Basic Skills courses and Immigrant Education (FTES)			
1. Noncredit	54.03	-	54.03
2. Credit	666.22	-	666.22
	720.25	-	720.25
CCFS-320 Addendum			
CDCP Noncredit FTES	1.69	-	1.69

* The 320 report was revised on October 4, 2018.

See accompanying note to supplementary information.

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

RECONCILIATION OF *EDUCATION CODE* SECTION 84362 (50 PERCENT LAW) CALCULATION
FOR THE YEAR ENDED JUNE 30, 2018

		ECS 84362 A Instructional Salary Cost AC 0100 - 5900 and AC 6110			ECS 84362 B Total CEE AC 0100 - 6799		
	Object/TOP Codes	Reported Data	Audit Adjustments	Reported Data	Reported Data	Audit Adjustments	Reported Data
<u>Academic Salaries</u>							
Instructional Salaries							
Contract or Regular	1100	$ 27,419,185	$ -	$ 27,419,185	$ 29,432,650	$ -	$ 29,432,650
Other	1300	23,651,422	-	23,651,422	24,113,586	-	24,113,586
Total Instructional Salaries		51,070,607	-	51,070,607	53,546,236	-	53,546,236
Noninstructional Salaries							
Contract or Regular	1200	-	-	-	8,792,907	-	8,792,907
Other	1400	-	-	-	617,501	-	617,501
Total Noninstructional Salaries		-	-	-	9,410,408	-	9,410,408
Total Academic Salaries		51,070,607	-	51,070,607	62,956,644	-	62,956,644
<u>Classified Salaries</u>							
Noninstructional Salaries							
Regular Status	2100	-	-	-	22,722,586	-	22,722,586
Other	2300	-	-	-	2,215,252	-	2,215,252
Total Noninstructional Salaries		-	-	-	24,937,838	-	24,937,838
Instructional Aides							
Regular Status	2200	2,104,289	-	2,104,289	2,111,838	-	2,111,838
Other	2400	-	-	-	-	-	-
Total Instructional Aides		2,104,289	-	2,104,289	2,111,838	-	2,111,838
Total Classified Salaries		2,104,289	-	2,104,289	27,049,676	-	27,049,676
Employee Benefits	3000	24,837,729	-	24,837,729	44,757,946	-	44,757,946
Supplies and Material	4000	-	-	-	1,781,549	-	1,781,549
Other Operating Expenses	5000	-	-	-	12,803,986	-	12,803,986
Equipment Replacement	6420	-	-	-	-	-	-
Total Expenditures Prior to Exclusions		78,012,625	-	78,012,625	149,349,801	-	149,349,801

See accompanying note to supplementary information.

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

RECONCILIATION OF *EDUCATION CODE* SECTION 84362 (50 PERCENT LAW) CALCULATION, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2018

		ECS 84362 A Instructional Salary Cost AC 0100 - 5900 and AC 6110			ECS 84362 B Total CEE AC 0100 - 6799		
	Object/TOP Codes	Reported Data	Audit Adjustments	Reported Data	Reported Data	Audit Adjustments	Reported Data
Exclusions							
Activities to Exclude							
Instructional Staff - Retirees' Benefits and Retirement Incentives	5900	$ 4,479,893	$ -	$ 4,479,893	$ 8,662,302	$ -	$ 8,662,302
Student Health Services Above Amount Collected	6441	-	-	-	-	-	-
Student Transportation	6491	-	-	-	-	-	-
Noninstructional Staff - Retirees' Benefits and Retirement Incentives	6740	-	-	-	-	-	-
Activities to Exclude							
Instructional Staff-Retirees' Benefits and Retirement Incentives	5900	-	-	-	-	-	-
Objects to Exclude							
Rents and Leases	5060	-	-	-	200,587	-	200,587
Lottery Expenditures							
Academic Salaries	1000	-	-	-	-	-	-
Classified Salaries	2000	-	-	-	-	-	-
Employee Benefits	3000	-	-	-		-	-
Supplies and Materials	4000	-	-	-		-	-
Software	4100	-	-	-	-	-	-
Books, Magazines, and Periodicals	4200	-	-	-	-	-	-
Instructional Supplies and Materials	4300	-	-	-	4,222,787	-	4,222,787
Noninstructional Supplies and Materials	4400	-	-	-	-	-	-
Total Supplies and Materials		-	-	-	4,222,787	-	4,222,787

See accompanying note to supplementary information.

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

RECONCILIATION OF *EDUCATION CODE* SECTION 84362 (50 PERCENT LAW) CALCULATION, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2018

		ECS 84362 A Instructional Salary Cost AC 0100 - 5900 and AC 6110			ECS 84362 B Total CEE AC 0100 - 6799		
	Object/TOP Codes	Reported Data	Audit Adjustments	Revised Data	Reported Data	Audit Adjustments	Revised Data
Other Operating Expenses and Services	5000	$ -	$ -	$ -	$ -	$ -	$ -
Capital Outlay							
Library Books	6000	-	-	-	-	-	-
Equipment	6300	-	-	-	-	-	-
Equipment - Additional	6400	-	-	-	-	-	-
Equipment - Replacement	6410	-	-	-	-	-	-
Total Equipment		-	-	-	-	-	-
Total Capital Outlay							
Other Outgo	7000	-	-	-	-	-	-
Total Exclusions		4,479,893	-	4,479,893	13,085,676	-	13,085,676
Total for ECS 84362, 50 Percent Law		$ 73,532,732	$ -	$ 73,532,732	$ 136,264,125	$ -	$ 136,264,125
Percent of CEE (Instructional Salary Cost/Total CEE)		53.96%		53.96%	100.00%		100.00%
50% of Current Expense of Education					$ 68,132,062		$ 68,132,062

See accompanying note to supplementary information.

RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT (CCFS-311) WITH AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

There were no adjustments to the Annual Financial and Budget Report (CCFS-311) which required reconciliation to the audited financial statements at June 30, 2018.

See accompanying note to supplementary information.

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

PROPOSITION 30 EDUCATION PROTECTION ACCOUNT (EPA) EXPENDITURE REPORT
FOR THE YEAR ENDED JUNE 30, 2018

Activity Classification	Object Code				Unrestricted
EPA Proceeds:	8630				$ 19,881,177
Activity Classification	**Activity Code**	**Salaries and Benefits (Obj 1000-3000)**	**Operating Expenses (Obj 4000-5000)**	**Capital Outlay (Obj 6000)**	**Total**
Instructional Activities	1000-5900	$ 19,881,177	$ -	$ -	$ 19,881,177
Total Expenditures for EPA		$ 19,881,177	$ -	$ -	$ 19,881,177
Revenues Less Expenditures					$ -

See accompanying note to supplementary information.

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

RECONCILIATION OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION FOR THE YEAR ENDED JUNE 30, 2018

Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because:		
Total Fund Balance:		
General Fund	$ 77,110,886	
Special Revenue Funds	528,324	
Capital Project Funds	31,279,212	
Debt Service Funds	20,192,388	
Enterprise Funds	1,066,898	
Internal Service Funds	4,959,495	
Fiduciary Funds	30,608,328	
Total Fund Balance - All District Funds		**$ 165,745,531**
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds.		
The cost of capital assets is	739,844,427	
Accumulated depreciation is	(198,330,099)	541,514,328
The District has refunded its general obligation bonds. The difference between the amounts that were sent to escrow agents for the payment of the old debt and the actual remaining debt obligations will be amortized as an adjustment to interest expense.		23,636,580
Amounts held in trust on behalf of others (Trust and Agency Funds).		(30,607,885)
In governmental funds, unmatured interest on long-term obligations is recognized in the period when it is due. On the government-wide financial statements, unmatured interest on long-term obligations is recognized when it is incurred.		(4,660,000)
Deferred outflows of resources related to pensions represent a consumption of net position in a future period and is not reported in the District's funds.		
Deferred outflows of resources related to pensions at year-end consist of:		
Pension contributions subsequent to measurement date	13,818,508	
Net change in proportionate share of net pension liability	5,862,221	
Differences between projected and actual earnings on pension plan investments	2,170,931	
Differences between expected and actual experience in the measurement of the total pension liability	2,625,149	
Changes of assumption	28,045,793	
Total Deferred Outflows of Resources Related to Pensions		52,522,602

See accompanying note to supplementary information.

RECONCILIATION OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION, CONTINUED FOR THE YEAR ENDED JUNE 30, 2018

Deferred inflows of resources related to pensions represent an acquisition of net position that applies to a future period and is not reported in the District's funds. Deferred inflows of resources related to pensions at year-end consist of:		
Net change in proportionate share of net pension liability	$ (3,547,770)	
Differences between projected and actual earnings on the pension plan investment	(2,714,042)	
Differences between expected and actual experience in the measurement of the total pension liability	(1,777,405)	
Changes of assumptions	(738,875)	
Total Deferred Inflows of Resources Related to Pensions		$ (8,778,092)
Deferred outflows of resources related to OPEB represent a consumption of net position in a future period and is not reported in the District's funds. Deferred outflows of resources related to OPEB at year-end consist of OPEB contributions made subsequent to the measurement date.		14,422,111
Long-term obligations at year-end consist of:		
Bonds payable	311,180,593	
Premium on refunding bonds	22,143,671	
Load banking	736,914	
Compensated absences	3,458,985	
Less load banking already recorded in funds	(736,914)	
Less compensated absences already recorded in funds	(864,746)	
Aggregate net OPEB liability	175,777,667	
Aggregate net pension obligation	164,662,099	(676,358,269)
Total Net Position		**$ 77,436,906**

See accompanying note to supplementary information.

NOTE TO SUPPLEMENTARY INFORMATION
JUNE 30, 2018

NOTE 1 - PURPOSE OF SCHEDULES

District Organization

This schedule provides information about the District's governing board members and administration members.

Schedule of Expenditures of Federal Awards

The accompanying Schedule of Expenditures of Federal Awards includes the Federal grant activity of the District and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (Part 200), *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements. The District has not elected to use the ten percent de minimis cost rate as covered in Section 200.414 Indirect (F&A) costs of the Uniform Guidance.

Schedule of Expenditures of State Awards

The accompanying Schedule of Expenditures of State Awards includes the State grant activity of the District and is presented on the modified accrual basis of accounting. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements. The information in this schedule is presented to comply with reporting requirements of the California State Chancellor's Office.

Schedule of Workload Measures for State General Apportionment Annual (Actual) Attendance

FTES is a measurement of the number of pupils attending classes of the District. The purpose of attendance accounting from a fiscal standpoint is to provide the basis on which apportionments of State funds, including restricted categorical funding, are made to community college districts. This schedule provides information regarding the annual attendance measurements of students throughout the District.

Reconciliation of *Education Code* Section 84362 (50 Percent Law) Calculation

ECS 84362 requires the District to expend a minimum of 50 percent of the unrestricted General Fund monies on salaries of classroom instructors. This is reported annually to the State Chancellor's Office. This schedule provides a reconciliation of the amount reported to the State Chancellor's Office and the impact of any audit adjustments and/or corrections noted during the audit.

Reconciliation of Annual Financial and Budget Report (CCFS-311) With Audited Financial Statements

This schedule provides the information necessary to reconcile the fund balance of all funds reported on the Form CCFS-311 to the audited financial statements.

Proposition 30 Education Protection Account (EPA) Expenditure Report

This schedule provides the District's summary of receipts and uses of the monies received through the EPA.

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

NOTE TO SUPPLEMENTARY INFORMATION
JUNE 30, 2018

Reconciliation of Governmental Funds to the Statement of Net Position

This schedule provides a reconciliation of the adjustments necessary to bring the District's internal fund financial statements, prepared on a modified accrual basis, to the government-wide full accrual basis financial statements required under GASB Statements No. 34 and No. 35 business-type activities reporting model.

Reconciliation of Expenditures of Grant Activity With the District's Schedule of Expenditures of Federal Awards

The following is a list of the grants and the differences between the District's accounting records and the Schedule of Expenditures of Federal Awards:

Description	CFDA Number	Amount
Total Federal Revenues from the Statement of Revenues, Expenses, and Changes in Net Position:		$ 44,851,966
Student Financial Aid Administrative Costs	84.063	(11,484)
Veterans' Employment and Training Service	17.804	522
Foster Kinship Care Education	93.658	1,871
Total Expenditures of Federal Awards		$ 44,842,875

INDEPENDENT AUDITOR'S REPORTS

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Trustees
Ventura County Community College District
Camarillo, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the aggregate remaining fund information of Ventura County Community College District (the District) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 3, 2018.

Emphasis of Matter - Change in Accounting Principles

As discussed in Note 2 and Note 15 to the financial statements, in 2018, the District adopted new accounting guidance, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.* Our opinion is not modified with respect to this matter.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the District in a separate letter dated December 3, 2018.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Vavrinek, Trine, Day & Co, LLP

Rancho Cucamonga, California
December 3, 2018

VAVRINEK, TRINE, DAY & CO., LLP
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Trustees
Ventura County Community College District
Camarillo, California

Report on Compliance for Each Major Federal Program

We have audited Ventura County Community College District's (the District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major Federal programs for the year ended June 30, 2018. The District's major Federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with Federal statutes, regulations, and the terms and conditions of its Federal awards applicable to its Federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major Federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major Federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major Federal program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major Federal programs for the year ended June 30, 2018.

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Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major Federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major Federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a Federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a Federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a Federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Vavrinek, Trine, Day & Co., LLP

Rancho Cucamonga, California
December 3, 2018

VAVRINEK, TRINE, DAY & CO., LLP
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON STATE COMPLIANCE

Board of Trustees
Ventura County Community College District
Camarillo, California

Report on State Compliance

We have audited Ventura County Community College District's (the District) compliance with the types of compliance requirements as identified in the 2017-2018 California Community Colleges Chancellor's Office *District Audit Manual* that could have a direct and material effect on each of the District's State programs as noted below for the year ended June 30, 2018.

Management's Responsibility

Management is responsible for compliance with State laws and regulations, and the terms and conditions of its State awards applicable to its State programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance of each of the District's State programs based on our audit of the types of compliance requirements referred to above. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the standards and procedures identified in the 2017-2018 California Community Colleges Chancellor's Office *District Audit Manual*. These standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above could have a material effect on the applicable programs noted below. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such procedures as we consider necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinions. Our audit does not provide a legal determination of the District's compliance with those requirements.

Unmodified Opinion

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that are applicable to the State programs noted below that were audited for the year ended June 30, 2018.

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In connection with the audit referred to above, we selected and tested transactions and records to determine the District's compliance with State laws and regulations applicable to the following:

Section 421	Salaries of Classroom Instructors (50 Percent Law)
Section 423	Apportionment for Instructional Service Agreements/Contracts
Section 424	State General Apportionment Funding System
Section 425	Residency Determination for Credit Courses
Section 426	Students Actively Enrolled
Section 427	Dual Enrollment (CCAP and Non-CCAP)
Section 428	Student Equity
Section 429	Student Success and Support Program (SSSP) Funds
Section 430	Scheduled Maintenance Program
Section 431	Gann Limit Calculation
Section 435	Open Enrollment
Section 439	Proposition 39 Clean Energy Fund
Section 440	Intersession Extension Programs
Section 444	Apprenticeship Related and Supplemental Instruction (RSI) Funds
Section 475	Disabled Student Programs and Services (DSPS)
Section 479	To Be Arranged Hours (TBA)
Section 490	Proposition 1D and 51 State Bond Funded Projects
Section 491	Education Protection Account Funds

The District does not offer Intersession Extension Programs; therefore, the compliance tests within this section were not applicable.

The District reports no Apprenticeship Related and Supplemental Instruction (RSI) Funds program; therefore, the compliance tests within this section were not applicable.

The District reports no To Be Arranged (TBA) Hours for Apportionment Funding; therefore, the compliance tests within this section were not applicable.

The District did not receive any funding through Proposition 1D and 51 State Bond Funded Projects; therefore, the compliance tests within this section were not applicable.

Vavrinek, Trine, Day & Co, LLP

Rancho Cucamonga, California
December 3, 2018

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

SUMMARY OF AUDITOR'S RESULTS
FOR THE YEAR ENDED JUNE 30, 2018

FINANCIAL STATEMENTS	
Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	No
Significant deficiencies identified?	None reported
Noncompliance material to financial statements noted?	No
FEDERAL AWARDS	
Type of auditor's report issued on compliance for major Federal programs:	Unmodified
Internal control over major Federal programs:	
Material weaknesses identified?	No
Significant deficiencies identified?	None reported
Any audit findings disclosed that are required to be reported in accordance with Section 200.516(a) of the Uniform Guidance?	No

Identification of major Federal programs:

CFDA Numbers	Name of Federal Program or Cluster
84.007, 84.033, 84.063, 84.268	Student Financial Assistance Cluster

Dollar threshold used to distinguish between Type A and Type B programs:	$ 1,345,286
Auditee qualified as low-risk auditee?	Yes
STATE AWARDS	
Type of auditor's report issued on compliance for State programs:	Unmodified

FINANCIAL STATEMENT FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED JUNE 30, 2018

None reported.

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2018

None reported.

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

STATE AWARDS FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2018

None reported.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2018

Except as specified in previous sections of this report, summarized below is the current status of all audit findings reported in the prior year's Schedule of Findings and Questioned Costs.

Financial Statement Findings

None reported.

Federal Awards Findings

None reported.

State Awards Findings

2017-001 SECTION 426 - STUDENTS ACTIVELY ENROLLED

Criteria or Specific Requirement

- Student Attendance Accounting Manual and related advisories (SAAM), California Community Colleges. (page 1.04 and 3.3)
- Title 5 Section 58004 (application of census procedures)

Background

For attendance accounting purposes, districts are required to clear the rolls of all inactive students as of each course section's drop date. The drop date shall be no later than the end of business of the day immediately preceding the beginning of the census week in weekly census procedure courses, or the day immediately preceding census day in daily census procedure courses, and is the date used to clear the rolls of the inactive enrollment for attendance accounting purposes. For noncredit distance learning courses, the drop date to clear the rolls of inactive students shall be the day prior to each of the two census dates.

Condition

It appears that the colleges are claiming student drops on census day. Further investigation revealed that the District did not have affirmative confirmation that steps were taken by the instructors to clear their rolls of inactive enrollment before the census day. Therefore, the FTES for these students is ineligible for apportionment.

Questioned Costs

The District did a 100 percent audit of all students who dropped on census day. The outcome of this audit revealed the following FTES, which the District removed from their attendance by submitting a revised 320 attendance report. The 320 Recalc noted the following reduction of FTES:

Moorpark:	4.48
Oxnard:	1.95
Ventura:	1.90
TOTAL	8.33 FTES

Context

A sample of 40 drops on various days were selected for testing, with two exceptions identified for students who dropped on census day. There were a total of 613 students identified who dropped on census day. The District then did a 100 percent audit of all students who dropped on census day for fiscal year-end June 30, 2017. The Registrars at the campus had back up for all but 77 students to verify they were in class up to census day. Therefore, the 77 students totaling 8.33 FTES were removed from the District's FTES at the time the District submitted the Recalc of the 320 attendance report.

Effect

By the District not having proper attendance procedures for clearing the roll of inactive students before census day and instructors not properly taking roll, the attendance of the college was overstated.

Cause

The oversight controls within the campus' admissions and records process were not operating effectively, resulting in the attendance errors.

Recommendation

The District should update their attendance procedures for clearing the rolls of inactive students on census day in order to prevent any errors from occurring in the future.

Current Status

Implemented.

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APPENDIX D

FORM OF CONTINUING DISCLOSURE UNDERTAKING

This Continuing Disclosure Undertaking (this "Disclosure Undertaking") is executed and delivered by Ventura County Community College District (the "District") as of October 31, 2019 in connection with the execution and delivery of its 2019 General Obligation Refunding Bonds (Federally Taxable) (the "Bonds"). The Bonds are being issued pursuant to a Resolution adopted by the Board of Trustees of the District on September 10, 2019 (the "Resolution"). Capitalized terms used but not defined herein shall have the meanings ascribed thereto in the Resolution.

In consideration of the execution and delivery of the Bonds by the District and the purchase of such Bonds by the Underwriter described below, the District hereby covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Undertaking. This Disclosure Undertaking is being executed and delivered by the District for the benefit of the Bondholders and in order to assist RBC Capital Markets, LLC (the "Underwriter") in complying with Rule 15c2-12(b)(5) (the "Rule") adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended.

SECTION 2. Additional Definitions. In addition to the above definitions and the definitions set forth in the Resolution, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the District pursuant to, and as described in, Sections 4 and 5 of this Disclosure Undertaking.

"Bondholder" or "Holder" means any holder of the Bonds or any beneficial owner of the Bonds so long as they are immobilized with DTC.

"Commission" means the Securities and Exchange Commission.

"Dissemination Agent" shall Keygent LLC, or, any alternate or successor dissemination agent, designated in writing by the Chancellor or the Vice-Chancellor, Business & Administrative Services (or otherwise by the District), which Dissemination Agent has evidenced its acceptance in writing.

"Financial Obligation" as used in this Disclosure Undertaking is defined in the Rule as (i) a debt obligation; (ii) derivative instrument entered into in connection with, or pledged as a security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term "Financial Obligation" shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

"Listed Event" means any of the events listed in Section 6 of this Disclosure Undertaking.

"MSRB" shall mean the Municipal Securities Rulemaking Board, through its Electronic Municipal Market Access ("EMMA") website located at http://emma.msrb.org, or any other entity designated or authorized by the Commission.

SECTION 3. CUSIP Numbers and Final Official Statement. The CUSIP Numbers for the Bonds have been assigned. The Final Official Statement relating to the Bonds is dated October 2, 2019.

SECTION 4. Provision of Annual Reports.

(a) The District shall, or shall cause the Dissemination Agent (if other than the District), not later than nine months after the end of the District's Fiscal Year (currently ending June 30), commencing on or prior to March 30, 2020 with the report for the fiscal year ending June 30, 2019, to provide to the MSRB, in a format prescribed by the MSRB, an Annual Report that is consistent with the requirements of Section 5 of this Disclosure Undertaking. As of the date of this Certificate, the format prescribed by the MSRB is the Electronic Municipal Market Access system. Information regarding requirement for submissions to EMMA is available at http://emma.msrb.org.

The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 5 of this Disclosure Undertaking; provided that the audited financial statements of the District may be submitted, when and if available, separately from the balance of the relevant Annual Report. If the District does not have audited financial statements available when it submits the relevant Annual Report, it shall submit unaudited financial statements, as described in Section 5(a) below.

(b) Not later than 15 Business Days prior to the filing date required in paragraph (a) above for providing the Annual Report to the MSRB, the District shall provide the Annual Report to the Dissemination Agent (if other than the District). If the District is unable to provide to the MSRB an Annual Report by the date required in paragraph (a) above, the District shall send a notice to the MSRB in substantially the form attached as Exhibit A.

(c) The Dissemination Agent (if other than the District) shall:

(i) determine each year prior to the date for providing the Annual Report the format for filing with the MSRB; and

(ii) file a report with the District certifying that the Annual Report has been provided pursuant to this Disclosure Undertaking, stating the date it was provided to the MSRB.

SECTION 5. Content of Annual Report. The District's Annual Report shall contain or incorporate by reference the following:

(a) Financial information including the general purpose financial statements of the District for the preceding fiscal year, prepared in conformity with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board and the American Institute of Certified Public Accountants. If audited financial information is not available by the time the Annual Report is required to be filed pursuant to Section 4(a) hereof, the financial information included in the Annual Report may be unaudited, and the District will provide audited financial information to the MSRB as soon as practical after it has been made available to the District.

(b) Operating data, including the following information with respect to the District's preceding fiscal year (to the extent not included in the audited financial statements described in paragraph (a) above):

(i) State funding received by the District for the last completed fiscal year;

(ii) Full time equivalent student counts of the District for the last completed fiscal year;

(iii) Outstanding indebtedness;

(iv) Summary financial information on revenues, expenditures, and fund balances for the District's general fund reflecting adopted budget for the current fiscal year; and

(v) Assessed valuations of taxable property within the District for the current year.

(c) Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the District or related public entities, which have been submitted to the MSRB or to the Commission. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The District shall clearly identify each other document so incorporated by reference.

SECTION 6. Reporting of Designated Listed Events.

(a) The District agrees to provide or cause to be provided to the MSRB notice of the occurrence of any of the following events with respect to the Bonds not later than ten (10) Business Days after the occurrence of the event:

(i) Principal and interest payment delinquencies;

(ii) Unscheduled draws on any debt service reserves reflecting financial difficulties;

(iii) Unscheduled draws on any credit enhancements reflecting financial difficulties;

(iv) Substitution of credit or liquidity providers, or their failure to perform;

(v) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability or of a Notice of Proposed Issue (IRS Form 5701 TEB);

(vi) Tender offers;

(vii) Defeasances;

(viii) Rating changes;

(ix) Bankruptcy, insolvency, receivership or similar event of the District; or

(x) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the District, any of which reflect financial difficulties.

For purposes of item (ix) above, the described event shall be deemed to occur when any of the following shall occur: the appointment of a receiver, fiscal agent or similar officer for the District in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or other governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority have supervision or jurisdiction over substantially all of the assets or business of the District.

(b) The District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds, if material, not later than ten (10) business days after the occurrence of the event:

(i) Unless described in paragraph 6(a)(v) hereof, other material notices or determinations with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds;

(ii) Modifications to rights of Owners;

(iii) Optional, unscheduled or contingent Bond calls;

(iv) Release, substitution or sale of property securing repayment of the Bonds, if applicable;

(v) Non-payment related defaults;

(vi) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms;

(vii) Appointment of a successor or additional Paying Agent or the change of name of a Paying Agent; or

(viii) Incurrence of a Financial Obligation, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation, any of which affect security holders.

(c) The District shall give, or cause to be given, in a timely manner, notice of a failure to provide the annual financial information on or before the date specified in Section 4 hereof, as provided in Section 4(b) hereof.

(d) If the District determines that the occurrence of a Listed Event described in Section 6(b) hereof is material under applicable federal security laws, the District shall within ten (10) business days of occurrence file a notice of such occurrence with the MSRB in electronic format, accompanied by such identifying information as is prescribed by the MSRB. Notwithstanding the foregoing, notice of the Listed Event described in subsections (a)(vii) or (b)(iii) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to Holders of affected Bonds pursuant to the Resolution.

SECTION 7. Termination of Reporting Obligation. The District's obligations under this Disclosure Undertaking shall terminate when the District is no longer an obligated person with respect to the Bonds, as provided in the Rule, upon the defeasance, prior redemption or payment in full of all of the Bonds.

SECTION 8. Dissemination Agent. The Chancellor or Vice-Chancellor, Business & Administrative Services may, from time to time, appoint or engage an alternate or successor Dissemination Agent to assist in carrying out the District's obligations under this Disclosure Undertaking, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. If at any time there is no other designated Dissemination Agent in place, the District shall act as the Dissemination Agent.

The Dissemination Agent, if other than the District, shall be paid compensation for its services provided hereunder, and reimbursement for its costs and expenses. The Dissemination Agent shall not be responsible for the form or content of any document provided by the District hereunder.

SECTION 9. Amendment. Notwithstanding any other provision of this Disclosure Undertaking, the District may amend this Disclosure Undertaking under the following conditions, provided no amendment to this Disclosure Undertaking shall be made that affects the rights, duties or obligations of the Dissemination Agent without its written consent:

(a) The amendment may be made only in connection with a change in circumstances that arises from a change in legal requirements, change in law or change in the identity, nature or status of the obligated person, or type of business conducted;

(b) This Disclosure Undertaking, as amended, would have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment does not materially impair the interests of Holders, as determined either by parties unaffiliated with the District or another obligated person (such as the Bond Counsel) or by the written approval of the Bondholders; provided, that the Annual Report containing the amended operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

SECTION 10. Additional Information. If the District chooses to include any information from any document or notice of occurrence of a Material Event in addition to that which is specifically required by this Disclosure Undertaking, the District shall have no obligation under this Disclosure Undertaking to update such information or to include it in any future disclosure or notice of occurrence of a Designated Material Event.

Nothing in this Disclosure Undertaking shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Undertaking or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Designated Material Event, in addition to that which is required by this Disclosure Undertaking.

SECTION 11. Default. The District shall give notice to the MSRB of any failure to provide the Annual Report when the same is due hereunder, which notice shall be given prior to July 1 of that year. In the event of a failure of the District to comply with any provision of this Disclosure Undertaking, any Bondholder may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Disclosure Undertaking. A default under this Disclosure Undertaking shall not be deemed an event of default under the Resolution, and the sole remedy under this Disclosure Undertaking in the event of any failure of the District to comply with this Disclosure Undertaking shall be an action to compel performance.

SECTION 12. Beneficiaries. This Disclosure Undertaking shall inure solely to the benefit of the District, the Dissemination Agent, the Underwriter and Holders from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 13. Record Keeping. The District shall maintain records of all Annual Reports and notices of material Listed Events including the content of such disclosure, the names of the entities with whom the such disclosure were filed and the date of filing such disclosure.

SECTION 14. Governing Law. This Disclosure Undertaking shall be governed by the laws of the State of California, applicable to contracts made and performed in such State of California.

[*Remainder of page intentionally left blank.*]

IN WITNESS WHEREOF, Ventura County Community College District has executed this Continuing Disclosure Undertaking as of the date first set forth herein.

VENTURA COUNTY COMMUNITY COLLEGE DISTRICT

By:____

Vice-Chancellor, Business &
Administrative Services

EXHIBIT A

NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: Ventura County Community College District

Name of Issue: $115,180,000 2019 General Obligation Refunding Bonds (Federally Taxable)

Date of Issuance: October 31, 2019

NOTICE IS HEREBY GIVEN that the above-named Issuer has not provided an Annual Report with respect to the above-named Bonds as required by Section 4(a) of the Disclosure Undertaking dated as of October 31, 2019. The Issuer anticipates that the Annual Report will be filed by _______________.

Dated: ______________________________

[ISSUER/DISSEMINATION AGENT]

By:_______________________________________

APPENDIX E

BOOK-ENTRY ONLY SYSTEM

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy or completeness thereof. The District cannot and does not give any assurances that DTC, DTC Participants or Indirect Participants will distribute to the Beneficial Owners (a) payments of interest, principal or premium, if any, with respect to the Bonds, (b) Bonds representing ownership interest in or other confirmation or ownership interest in the Bonds, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Bonds, or that they will so do on a timely basis or that DTC, DTC Participants or DTC Indirect Participants will act in the manner described in this Official Statement. The current "Rules" applicable to DTC are on file with the Securities and Exchange Commission and the current "Procedure" of DTC to be followed in dealing with DTC Participants are on file with DTC.

General

The Depository Trust Company ("DTC") will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.6 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation, and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a S&P Global Ratings' rating of "AA+". The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com. *The foregoing internet address is included for reference only, and the information on this internet site is not incorporated by reference herein.*

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District (or the Paying Agent on behalf thereof) as soon as possible after the Record Date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the Record Date (identified in a listing attached to the Omnibus Proxy).

Principal, premium, if any and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District or Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, premium, if any, and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the District or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, certificates for the Bonds are required to be printed and delivered in such principal amount or amounts, in authorized denominations, and registered in whatever name or names DTC shall designate.

The District may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository).Discontinuance of use of the system of book-entry transfers through DTC may require the approval of DTC Participants under DTC's operational arrangements. In that event, printed certificates for the Bonds will be printed and delivered in such principal amount or amounts, in authorized denominations, and registered in whatever name or names DTC shall designate.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy thereof.

Discontinuation of Book-Entry Only System; Payment to Beneficial Owners

In the event that the book-entry system described above is no longer used with respect to the Bonds, the following provisions will govern the payment, transfer and exchange of the Bonds.

The principal of the Bonds and any premium and interest upon the redemption thereof prior to maturity will be payable in lawful money of the United States of America upon presentation and surrender of the Bonds at the office of the Paying Agent, initially located in Los Angeles, California. Interest on the Bonds will be paid by the Paying Agent by check or draft mailed to the person whose name appears on the registration books of the Paying Agent as the registered owner, and to that person's address appearing on the registration books as of the close of business on the Record Date. At the written request of any registered owner of at least $1,000,000 in aggregate principal, payments shall be wired to a bank and account number on file with the Paying Agent as of the Record Date.

Any Bond may be exchanged for a Bond of any authorized denomination of like tenor upon presentation and surrender at the office of the Paying Agent, initially located in Los Angeles, California, together with a request for exchange signed by the registered owner or by a person legally empowered to do so in a form satisfactory to the Paying Agent. A Bond may be transferred only on the Bond registration books upon presentation and surrender of the Bond at such office of the Paying Agent together with an assignment executed by the registered owner or by a person legally empowered to do so in a form satisfactory to the Paying Agent. Upon exchange or transfer, the Paying Agent shall complete, authenticate and deliver a new Bond or Bonds of any authorized denomination or denominations requested by the owner equal in the aggregate to the unmatured principal amount of the Bond surrendered and bearing interest at the same rate and maturing on the same date.

Neither the District nor the Paying Agent will be required to exchange or transfer any Bond during the period from the Record Date through the next Interest Payment Date.

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APPENDIX F

VENTURA COUNTY INVESTMENT POLICY AND REPORT

The following information concerning the Ventura County Investment Pool has been provided by the Treasurer and has not been confirmed or verified by the District. No representation is made herein as to the accuracy or adequacy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof or that the information contained or incorporated hereby by reference is correct as of any time subsequent to its date.

[See attached.]

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VENTURA COUNTY

STATEMENT OF INVESTMENT POLICY

AS APPROVED DECEMBER 4, 2018

BOARD OF SUPERVISORS

SUPERVISOR PETER C. FOY, DISTRICT 4, CHAIR
SUPERVISOR STEVE BENNETT, DISTRICT 1
SUPERVISOR LINDA PARKS, DISTRICT 2,
SUPERVISOR KELLY LONG, DISTRICT 3
SUPERVISOR JOHN C. ZARAGOZA, DISTRICT 5

Judge Steven Hintz
Treasurer-Tax Collector

Sue Horgan
Assistant Treasurer-Tax Collector

Ventura County Treasurer-Tax Collector's Office
800 South Victoria Avenue, L#1290
Ventura, CA 93009-1290
E-mail helpinghand@ventura.org
Website: www.ventura.org/ttc

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STATEMENT OF INVESTMENT POLICY

This Statement of Investment Policy ("Policy") provides the guidelines for prudent investment of public funds in a manner which will provide the highest investment return with optimal security and liquidity. The Policy and practices of the County Treasurer are based on prudent money management principles and California State Law, specifically Government Code Sections 27000 - 27000.5; 27130 - 27137; and 53600 - 53686. Furthermore, it outlines the policies essential to ensuring the safety and financial strength of the County's investment portfolio.

This Policy is based on the principles of prudent money management and conforms to all applicable Federal and State laws governing the investment of public funds. In instances in which the Policy is more restrictive than Federal or State law, the Policy will supersede.

The Policy shall be reviewed annually and any modifications made thereto must be approved by the Board of Supervisors.

Introduction

The Treasurer-Tax Collector of Ventura County manages pooled cash under the prudent investor rule. This rule states that:

> "Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived."

This rule allows the County the option to operate over a broad spectrum of investment opportunity defined within Section 53601 *et seq* of the California Government Code. Therefore, the County's portfolio will be made up of a selection of investments that ensure diversification and meet the liquidity needs of the organization. The major overriding premise underlying the County's investment objective is always to ensure that funds are available when needed.

Investment Objective

It is the policy of the County to invest public funds in a manner which will provide for the preservation of capital while meeting the daily cash flow requirements of the County and other participants, while attaining a market average yield within an acceptable and defined level of risk.

The Policy has three primary objectives, in order of priority:

1) The safety of principal.

2) Maintenance of liquidity to meet cash flow needs.

3) To earn a competitive rate of return (i.e., yield) within the confines of the California Government Code, this policy, and procedural structure.

In order to accomplish the objectives of safety, liquidity, and yield, the economy and various financial markets are monitored daily in order to assess the probable course of interest rates and thus maximize yield on the County's temporarily idle funds. In a market with increasing interest rates, the Treasury will attempt to invest in securities with shorter maturities. This strategy allows funds to be available for other investments when interest rates are at higher levels. Conversely, when interest rates appear to be near a plateau, the Treasury will attempt to lock in a higher rate of return. The length of term for all investments shall be commensurate with the short, medium, and long-term cash flow needs of the County and other investment pool participants.

Investment and the Notion of Risk

In order to accomplish the investment philosophy outlined above, the concept of risk must be clearly defined as it relates to the investment of public funds. This concept of risk finds its ultimate translation into a structured and well-diversified portfolio.

The County shall ensure the safety of its idle funds by limiting credit and interest rate risk. These are the two types of risk that can clearly damage a public sector portfolio.

Credit risk is defined as the risk of loss due to the failure of the issuer of a security and shall be mitigated by:

1) Pre-qualifying financial institutions with which it will do business through the utilization of Moody's Investors Service, Standard and Poor's Ratings Services, and Fitch Ratings.

2) Diversifying the portfolio so that the failure of any one issuer or backer will not place any undue financial burden on the County.

3) Monitor all County investments on a daily basis to anticipate and respond appropriately to a significant reduction in the credit worthiness of a depository.

Interest rate risk is defined as the risk that the market value of portfolio securities will fall due to an increase in interest rates. This risk shall be mitigated by:

1) Structuring the portfolio so that securities mature at times to meet the ongoing cash needs of the County.

2) Restructure of the portfolio to minimize the loss of market value or cash flow.

3) Limit the weighted average maturity of the portfolio holdings to 375 days.

The investment program of Ventura County shall be managed with a degree of professionalism that is worthy of the public trust and adheres to the tenets of modern portfolio theory.

The Treasury is very cognizant of past losses of public funds by local agencies throughout California. Those losses resulted in a loss of confidence by the public in public sector investment expertise. This policy seeks to ensure that proper controls are maintained by the Treasurer-Tax Collector and subordinate staff.

There are times when it becomes necessary for losses to be taken:

A) Interest rates appear to be rising and the funds can be invested shorter term at higher rates.

B) When opportunities arise that will result in an increase in overall interest income to the County.

C) When cash needs are greater than expected.

Therefore, in order to mitigate these event risks to the County's portfolio all investment losses shall be approved by the Treasurer-Tax Collector, exclusively. This authority shall not be delegated.

Liquidity

The County's portfolio will be structured so that securities will mature at or about the same time as cash is needed to meet demand and in accordance with the economic projections mentioned above.

The Treasury will construct a portfolio that will consist of securities with active secondary and resale markets. Any investments for which no secondary market exists, such as time deposits, shall not exceed 375 days and no investment will have a maturity of more than 1150 days.

Yield

The Treasurer-Tax Collector shall always attempt to obtain a competitive rate of return on any investment type consistent with the required safety, liquidity, and other parameters of this policy, departmental procedures, and the laws of the State of California.

INTERNAL CONTROLS

The Treasurer-Tax Collector shall establish a system of internal controls, which shall be documented in writing. The controls will be designed to prevent losses of public funds arising from fraud, employee error, misrepresentation by third parties, and unanticipated changes in financial markets.

Except for declared emergencies, the County Treasurer-Tax Collector's Office shall observe the following procedures on a daily basis:

- All investment transactions shall be entered into the accounting system.
- County investments shall be transacted, confirmed, accounted for, and audited by different people.

Safekeeping of Securities

To protect against potential losses caused by the collapse of individual securities dealers, all securities owned by the County, including collateral on repurchase agreements, shall be held in safekeeping by a third party bank trust department, acting as agent for the County under the terms of a custody agreement executed by the bank and the Treasurer-Tax Collector. All trades executed between the County and a dealer will settle on a delivery vs. payment basis with a custodial bank. All security transactions engaged in by the Treasurer-Tax Collector shall be countersigned by another authorized treasury department employee.

Security Custody & Deliveries

All securities purchased shall be deposited for safekeeping with the custodial bank that has contracted to provide the County Treasurer with custodial security clearance services.

All security holdings shall be reconciled monthly by the County Treasurer-Tax Collector's Office and audited at least quarterly by the Auditor-Controller's Office.

All security transactions are to be conducted on a "delivery-versus-payment basis". Confirmation receipts on all investments are to be reviewed immediately for conformity with County transaction documentation. Confirmations resulting from securities purchased under repurchase agreements should clearly state the exact and complete nomenclature of the underlying securities purchased, that these securities have been sold to the County under a repurchase agreement, and the stipulated date and amount of the resale by the County back to the seller of the securities.

SECURITY INSTRUMENTS

Qualifications of Brokers, Dealers, and Financial Institutions

The Treasurer-Tax Collector will maintain a list of approved financial institutions authorized to provide investment services. Additionally, the Treasurer-Tax Collector shall transact business only with approved direct issuers; security brokers/dealers selected by credit worthiness that licensed by the State of California and licensed by the Financial Industry Regulatory Authority (FINRA); National or State chartered bank or savings institutions; and primary government dealers designated by the Federal Reserve.

Any broker/dealer interested in conducting business with the County must have an office within the State of California and is required to fill out an extensive questionnaire maintained by the Treasurer-Tax Collector. This questionnaire is then reviewed by the Treasurer-Tax Collector and upon acceptance permits the County to deal with the broker/dealer.

The Treasurer-Tax Collector views the relationship of the firm and its representatives to the County as being a long-term mutually beneficial business relationship. The Treasurer-Tax Collector expects the firm and its staff to act with integrity and trust. The firm must ensure that its staff is aware of the County Treasurer's Investment Policy as well as California Government Code sections 53601 and 53635 that govern the securities transactions of the County. The firm will be required to annually issue written acknowledgment that it has read and will comply with the County's Investment Policy.

No broker/dealer may have made political contributions greater than the limits expressed in Rule G-37 of the Municipal Securities Rule Making Body to the Treasurer-Tax Collector, Board of Supervisors, or candidate for those offices, or Treasury Oversight Committee members.

The Treasury staff shall investigate dealers with which it will conduct business in order to determine: if the firm is adequately capitalized and meets the Federal Reserve's minimum capital requirements for broker/dealer operations, makes markets in securities appropriate to the County's investment policy, the individual covering the account has a minimum of three years dealing with large institutional accounts, and receives three favorable recommendations from other short term cash portfolio managers.

Upon application, all firms will provide a copy of their most recent published annual report; quarterly reports issued since the last annual report; Financial and Operational Combined Uniform Single (FOCUS) Report; organization chart; and any financial information regarding credit lines and debt support provided by the parent firm.

Furthermore, no later than July 31 of each calendar year, in addition to the required annual written acknowledgment of the Investment Policy compliance, only as requested by the Treasurer-Tax Collector, all firms will provide a copy of their most recent published annual report; FOCUS Report; organization chart; and any financial information regarding credit lines and debt support provided by the parent firm.

Ratings
With the exception of LAIF, insured deposits, and U.S. Treasury and Government Agency issues, investments shall be placed only in those instruments and institutions rated favorably as determined by the Treasurer-Tax Collector in accordance with this Statement and with the assistance of Moody's Investors Service, Standard and Poor's Ratings Services, and Fitch Ratings.

If the rating of any security drops below the minimum acceptable rating for that security class, the investment will be sold if no significant loss of principal is involved or matured at the earliest possible convenience. These sales must be individually approved by the Treasurer-Tax Collector. A rating of "NR" by one rating service is not a split rating and does not bar the purchase of the security.

U.S. Agencies
The purchase of U.S. agency securities shall be limited to issues of the Federal Farm Credit Banks (FFCB), Federal Home Loan Banks (FHLB), Federal Home Loan Mortgage Corp. (Freddie Mac/FHLMC), the Federal National Mortgage Corporation (Fannie Mae/FNMA), Federal Agricultural Mortgage Corporation (Farmer Mac/FAMCA), or in obligations, participations, or other instruments of, or issued by, a federal agency or a United States government-sponsored or backed entity. The fund's holdings of any one federal agency security shall not exceed 25% of the total fund at the time of purchase. The maximum maturity of any one agency investment shall not exceed three years or 1150 days.

U. S. Government
United States Treasury Bills, Notes, and Bonds are backed by the full faith and credit of the United States Government. There shall be no limitation as to the percentage of the portfolio which can be invested in this category. The maturity of a security is limited to a maximum of three years or 1150 days.

Commercial Paper
Commercial Paper is a short term unsecured promissory note issued to finance short term credit needs. Commercial Paper eligible for investment must be of "prime" quality of the highest ranking or of the highest short-term letter and numerical rating as provided for by Standard and Poor's Ratings Services, Moody's Investors Service, and Fitch Ratings (S&P A-1+, A-1; Moody's P-1; Fitch F1+, F1). Eligible paper is further limited to issuing corporations that are organized and operating within the United States and have total assets in excess of $500 million and an "A" or higher rating for the issuer's debt, other than commercial paper, if any, as provided for by S&P (A or higher), Moody's (A2 or higher) and Fitch (A or higher). Purchases of eligible Commercial Paper may not exceed 270 days to maturity. Purchases of Commercial Paper may not exceed 40 percent of the investment portfolio at the time of the purchase. No more than 10 percent of the total assets of the pool at the time of the purchase may be invested in the outstanding paper of any single issuing corporation. The Treasurer-Tax Collector shall establish a list of approved Commercial Paper issuers in which investments may be made.

Medium-Term Notes and Deposit Notes
Medium-Term Notes eligible for investment must be rated in the same categories described in **Commercial Paper**, above, to wit: Short-term ratings by S&P A-1 or higher; Moody's P-1; and Fitch F1 or higher; and long-term ratings of S&P A or higher, Moody's A2 or higher, and Fitch A or higher. Medium-Term Notes may not exceed 20 percent of the investment portfolio at the time of the purchase and may not have a maturity of longer than 2 years or 735 days.

Municipal Notes, Bonds and Other Obligations
Municipal notes, bonds, and other obligations eligible for investment are registered securities issued by the State of California and local California government agencies as well as registered securities issued by any of the other 49 states to finance capital and operating expenses. The characteristics of a municipal bond or note often are similar to the characteristics of corporate bonds and notes or the U.S. government and federal agency bonds and notes. Municipal notes normally have a specific maturity date, and bear interest that is scheduled to be paid at specific intervals. Municipal notes, bonds and other obligations may not exceed 30 percent of the investment portfolio at the time of purchase and the maturity may not exceed three years or 1150 days. Municipal notes must meet the minimum debt rating described above in Medium Term Notes and Deposit Notes.

Bankers Acceptances
A Bankers Acceptance is a draft or bill of exchange accepted by a bank or trust company and brokered to investors in the secondary market. Bankers Acceptances may be purchased for a period of up to 180 days and in an amount not to exceed 40 percent of the investment portfolio at the time of the purchase, with no more than 30 percent of the investment portfolio at the time of the purchase in the Bankers Acceptances of any one commercial bank. The Treasurer-

Tax Collector shall establish a list of those banks deemed most credit worthy for the investment in Bankers Acceptances, limited to those institutions rated as noted in **Commercial Paper** and **Medium-Term Notes**, above.

Negotiable Certificates of Deposit and Yankee Certificates of Deposit
Negotiable Certificates of Deposit (NCD) are issued by commercial banks, foreign banks, and thrift institutions against funds deposited for a specified period of time and earn specified or variable rates of interest. The Treasurer-Tax Collector may invest up to 30 percent of the investment portfolio at the time of the purchase in NCD's. Negotiable certificates of deposit shall be limited to those institutions rated as noted in **Commercial Paper** and **Medium-Term Notes**, above.

NCD's differ from other Certificates of Deposit in that they are illiquid instruments which are traded in secondary markets. The maximum term to maturity of any NCD shall be one year or 365 days. The Treasurer-Tax Collector shall establish a list of eligible domestic commercial banks, thrifts and state licensed foreign banks (Yankee Certificates of Deposit) which will be eligible for investment.

Yankee Certificates of Deposit (YCD) are issued in the United States by a branch or agency of a foreign bank. They are negotiable instruments, and most have a minimum face value of $100,000, making them appropriate for large investors. The maximum term to maturity of any YCD shall be one year or 365 days.

Certificates of Deposit
Certificates of Deposit are deposits by the Treasurer-Tax Collector in commercial banks or savings and loan associations within the State of California and shall be limited to those institutions rated as noted above in **Negotiable Certificates of Deposit**. Local institutions shall receive preference for deposits up to $250,000 if competitive rates are offered. These investments are non-negotiable. The maximum term to maturity shall not exceed one year or 365 days and shall be fully insured by the FDIC.

Repurchase Agreements
The County may invest in repurchase agreements with banks and dealers of primary dealer status recognized by the Federal Reserve with which the County has entered into a repurchase contract which specifies terms and conditions of repurchase agreements. The maturity of repurchase agreements shall not exceed 90 days. The market value of securities used as collateral for repurchase agreements shall be monitored daily by the Treasurer-Tax Collector and will not be allowed to fall below 102% of the value borrowed against those funds. The value is adjusted quarterly based on the value of the repurchase agreement.

In order to conform with provisions of the Federal Bankruptcy Code which provide for the liquidation of securities held as collateral for repurchase agreements, the only securities acceptable as collateral shall be certificates of deposit, commercial paper, eligible bankers' acceptances, or securities that are direct obligations of, or that are fully guaranteed as to principal and interest by the United States or any agency of the United States. Furthermore, this collateral shall not exceed three years or 1150 days to maturity.

There shall be a $75 million limitation in repurchase agreements entered into with any one institution.

Securities Lending

Securities Lending is permissible as an agreement to lend securities to a borrower who provides collateral to the local agency. The local agency retains ownership and continues to receive all interest, dividends, and capital appreciation. Both securities and collateral are held by a third party. At the conclusion of the agreement, the securities are transferred back to the local agency in return for the collateral.

Local Agency Investment Fund

The Treasurer-Tax Collector may invest in the Local Agency Investment Fund (LAIF) established by the State Treasurer for the benefit of local agencies up to the maximum permitted by State law.

CalTrust and California Asset Management Program (CAMP)

The Treasurer-Tax Collector may invest in The Investment Trust of California, doing business as CalTRUST, and in California Asset Management Program (CAMP), California joint powers authorities in which local agencies may invest funds pursuant to Government Code section 53601(p). The combined investment in CalTrust and CAMP shall not exceed $25,000,000 at the time of the purchase. The Treasurer-Tax Collector shall withdraw its entire investment in a program if the S&P rating falls below AAf/S-1+ for CalTrust or AAAm for CAMP.

Local Agency Debt and State Warrants

The Treasurer-Tax Collector may invest in bonds, notes, warrants, or other evidences of indebtedness of any local agency within this state, including bonds payable solely out of revenues from a revenue-producing property owned, controlled, or operated by the local agency, or by a department, board, agency, or authority of the local agency.

The Treasurer-Tax Collector may invest in registered state warrants or treasury notes or bonds of this state, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the state, or by a department, board, agency, or authority of the state.

Supranationals

The Treasurer-Tax Collector may invest surplus funds to include United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development (IBRD), International Finance Corporation (IFC), or Inter-American Development Bank (IADB).

These instruments must have a maximum remaining maturity of three years (1150 days) or less, be eligible for purchase and sale within the United States, be S&P rated "AAA" and shall not exceed 30% of the investment pool.

Prohibited Transactions and Asset-Backed Securities

At the time of purchase, all permitted investments shall conform in all respects with this Investment Policy Statement and with applicable provisions of the California Government Code.

The Treasurer-Tax Collector may not invest in asset backed securities such as Collateralized Mortgage Obligations.

Apportionment of Interest and Costs
Interest shall be apportioned to all pool participants quarterly, based upon the ratio of the average daily balance of each individual fund to the average daily balance of all funds in the Investment Pool. The amount of interest apportioned shall be determined using the accrual method of accounting, whereby interest will be apportioned for the quarter in which it was actually earned. The Treasurer-Tax Collector may deduct from the gross interest earnings those administrative costs relating to the management of the Treasury, including salaries and other compensation, banking costs, equipment costs, supplies, the cost of information services, cashiering, accounting, reporting remittance processing, depositing of public funds, audit, and any other costs as provided by Section 27013, 27133(f), and 27135.

AUTHORITY AND RESPONSIBILITIES OF THE TREASURER-TAX COLLECTOR

Delegation to Authority to Invest
The Treasurer-Tax Collector's authority to invest is delegated by the Board of Supervisors in accordance with the California Government Code Sections 27000.1 and 53607. Statutory authority for the investment and safekeeping functions are found in Sections 53600 et seq., and 53630 et seq., of the California Government Code.

The Treasurer-Tax Collector has the authority to react to unstable market conditions in order to preserve the safety, liquidity or yield of the portfolio. The Treasurer-Tax Collector's reaction may temporarily change the investment parameters or investment practices of the County until the market has stabilized or until the Board of Supervisors has approved a revised Investment Policy.

The Treasurer-Tax Collector shall immediately notify the Treasury Oversight Committee members and the Board of Supervisors at their next scheduled meeting of any changes to the investment parameters or practices that were precipitated by the unstable market conditions.

Authority to Execute Investment Transactions
The authority to execute investment transactions on a daily basis is limited to the Treasurer-Tax Collector. This function may be delegated to the Assistant Treasurer-Tax Collector and/or other Treasury personnel at the discretion of the Treasurer-Tax Collector.

Competitive Bidding
All purchase/sales shall be made only after a process of competitive bidding, unless information provided on electronic market quotation services, faxes, or email transmissions show current market rates. A minimum of three offer/bids should be obtained before an investment is purchased or sold. Exceptions to the above would involve transactions in U.S. Treasury or agency obligations, repurchase agreements, securities possessing unique characteristics which would make competitive bidding impractical, or market circumstances in which competitive bidding could be adverse to the best interest of the Treasurer-Tax Collector's investment program.

Place and Time for Conducting Business
Investment transactions shall not be conducted from any place other than the office of the Treasurer-Tax Collector during normal business hours established for Treasury operations. Exceptions must have the approval of the Treasurer-Tax Collector.

Conflict of Interest
No agency employee nor Treasury Oversight Committee member may directly or indirectly accept or solicit from any persons, corporations, or group having a business relationship with this Agency anything of economic value as a gift, gratuity, or favor which would be in conflict with the County Administrative Policy.

No agency employee nor Treasury Oversight Committee member shall, outside of regular working hours, engage in any profession, trade, business, or occupation which is incompatible or involves a conflict of interest with his duties as a county officer or employee, or which in any way may reflect unfavorably on this Agency, the appointing authority, or his fellow employees.

Portfolio Reporting
The Treasurer-Tax Collector shall prepare a monthly Investment Report to be presented at a regularly scheduled meeting of the Board of Supervisors, including a succinct management summary that provides a clear picture of the status of the current investment portfolio, market conditions and strategy for the coming months. The report will also include a listing of all investments by type, name of issuer, date of maturity, par and dollars amount invested in each security, investment, and the money within the Treasury. There will be a separate statement advising the Board of the longest maturity of a security in the portfolio. The report will contain a statement assuring the Board that the anticipated cash flow needs of the participants will be met. The report will also include a statement that the investment practices and portfolio holdings are in compliance with the investment policy or an explanation as to why there is a condition which exists outside of the investment policy. The Treasurer-Tax Collector will also provide a copy of the Investment Report to the Treasury Oversight Committee members at scheduled meetings.

Disaster Recovery Program
The Treasurer-Tax Collector's Disaster Plan includes critical phone numbers and addresses of key Treasury and investment personnel, as well as, currently approved bankers and broker/dealers. The plan provides for an offsite location to be communicated at the time of readiness if the Treasurer-Tax Collector's offices are uninhabitable. In the event the Treasurer or authorized staff is unable to invest the portfolio, the Treasurer has an agreement with the custodian for a daily sweep of all uninvested cash with the custody bank into an interest-bearing account.

Until normal operations of the Treasurer's office have been restored, the limitations on the size of an Individual issuer and the percentage restrictions by investment type would be allowed to exceed those approved in this Investment Policy Statement and would be required to be reported to the Board of Supervisors and Pool Participants in a timely manner.

Extraordinary Withdrawals

The Treasurer-Tax Collector will maintain a schedule of seasonal deposits into and withdrawals from the investment pool by participating districts. Constant contact with the pool participants will be maintained to ascertain any cash needs beyond the anticipated cash-flow patterns. Our investment strategy is based upon the known cash-flow patterns, which allow the Treasurer-Tax Collector to maximize interest earnings for the County and other pool participants.

Extraordinary withdrawals could create a liquidity problem and negatively impact the earnings of the remaining pool participants if the Treasurer-Tax Collector is forced to liquidate securities before their scheduled maturity date. A pool participant who wishes to withdraw from the pool or make an extraordinary withdrawal, will be encouraged to work with the Treasury to arrange a withdrawal schedule that would prevent losses to the withdrawing district or the remaining pool participants. Losses experienced by the County investment pool, which were precipitated by the unnoticed extraordinary withdrawal of funds, will be borne by the district who caused such losses to occur. The Treasurer-Tax Collector reserves the right to choose which securities to liquidate and could choose to sell the securities that have the lowest earnings.

Terms and Conditions that a Local Agency May Participate in the Pool

Local agencies may, by resolution of their governing bodies and the approval of the Treasurer-Tax Collector, deposit excess funds in the County Treasury for the purpose of investment by the Treasurer-Tax Collector. The procedures for this process are contained in the Treasury Procedural Manual.

INVESTMENT GLOSSARY

Accrued Interest – Interest that has accumulated but has not yet been paid from the most recent interest payment date or issue date to a certain date.

Agency Issues – Securities issued by federal agencies, those chartered by the federal government or Government Sponsored Enterprises that are considered to be backed by the federal government. See also Government Sponsored Enterprises.

Amortized Cost – The original cost of the principal adjusted for the periodic reduction of any discount or premium from the purchase date until a specific date (also called "Book Value").

Bankers Acceptance – Money market instrument created from transactions involving foreign trade. In its simplest and most traditional form, a bankers' acceptance is merely a check, drawn on a bank by an importer or exporter of goods.

Basis Point – A unit of measurement equal to 1/100 of 1 percent. As an example, the difference between a security yielding 3.25% and one yielding 3.20% is five basis points.

Benchmark – An index or security used to compare the performance of a portfolio.

Bond – A long-term debt instrument of a government or corporation promising payment of the original investment plus interest by a specified future date.

Bullet – A colloquial term for a bond that cannot be redeemed, or called, prior to maturity.

Callable Bond – A bond in which all or a portion of its outstanding principal may be redeemed prior to maturity by the issuer under specified conditions.

Collateralization – Process by which a borrower pledges securities, property or other deposits for the purpose of securing the repayment of a loan and/or security.

Collateralized Certificate of Deposit – An instrument representing a receipt from a bank for a deposit at a specified rate of interest for a specified period of time that is collateralized by the bank with securities at a minimum of 110% of the deposit amount.

Commercial Paper – Money Market instrument representing an unsecured short-term promissory note of a corporation at a specified rate of return for a specified period of time.

Coupon – The stated interest rate on a debt security that an issuer promises to pay.

Credit Quality – An indication of risk that an issuer of a security will fulfill its obligation, as rated by a rating agency.

Credit Rating – A standardized assessment, expressed in alphanumeric characters, of a company's creditworthiness.

Credit Risk – The risk to an investor that an issuer will default in the payment of interest and/or principal on a security.

Derivatives – Securities which derive their value from that of another security or an underlying index, currency or other measure. Floating rate notes (also "floaters") are not considered derivatives.

Discount Instruments – Securities that are sold at a discount to face value.

Diversification – The practice or concept of investing in a range of securities by sector, maturity, asset class or credit quality in order to reduce and spread financial risk.

Dollar Weighted Average Maturity – The sum of the amount of each security investment multiplied by the number of days to maturity, divided by the total amount of security investments.

Duration – Is a measure of the price volatility of a portfolio and reflects an estimate of the projected increase or decrease in the value of that portfolio based upon a decrease or increase in the interest rates. A duration of 1.0 means that for every one percent increase in interest rates, the market value of the Portfolio would decrease by 1.0 percent.

Earnings Apportionment – Is the quarterly interest distribution to the Pool Participants where the actual investment costs incurred by the Treasurer are deducted from the interest earnings of the Pool.

Government Obligations – Securities issued by the U.S. Treasury and Federal Agencies. U.S. Treasuries are direct obligations of the Federal Government. Agencies are not direct obligations of the Federal Government, but involve Federal sponsorship or guarantees.

Government Sponsored Enterprises (GSE'S) – Private, shareholder-owned companies with a relationship with government agencies. These agencies generally are viewed to have an implied guarantee of the U.S. government.

Highly Liquid – The most eminent type of security that is easily converted to cash because there are many interested buyers and sellers to trade large quantities at a reasonable price.

Illiquid – A security that is difficult to buy or sell or has a wide spread between the bid price and offer price in the secondary market. There are few buyers and sellers willing to trade large quantities at a reasonable price.

Interest Rate Risk – The risk associated with declines or rises in interest rates which cause an investment in a fixed-income security to increase or decrease in value. Also called "Market Risk".

Liquid – A security that is easily bought and sold because of the willingness of interested buyers and sellers to trade large quantities at a reasonable price.

Local Agency Obligation – An indebtedness issued by a local agency, department, board, or authority within the State of California.

Long-Term – The term used to describe a security when the maturity is greater than one year.

Market Value – An estimate of the value of a security at which the principal would be sold from a willing seller to a willing buyer at the date of pricing.

Medium-Term Notes – These are Corporate Notes and Bank Notes that are debt obligations of banks, corporations, and insurance companies. They are issued at a specific rate of return for a specific period of time.

Money Market Mutual Fund – A mutual fund with investments directed in short-term money market instruments only, which can be withdrawn daily without penalty.

Municipal Notes, Bonds and Other Obligations - Municipal notes, bonds, and other obligations are securities issued by state and local government agencies to finance capital and operating expenses. The characteristics of a municipal bond or note often are similar to the characteristics of corporate bonds and notes or the U.S. government and federal agency bonds and notes. Municipal notes normally have a specific maturity date, and bear interest that is scheduled to be paid at specific intervals. Municipal notes, bonds and other obligations may not exceed a maximum of three years or 1150 days. Municipal notes must meet the minimum debt rating described above in Medium Term Notes and Deposit Notes.

Negotiable Certificate of Deposit – A Money Market instrument representing a receipt from a bank for a deposit at a specified rate of interest for a specified period of time that is traded in secondary markets.

Par – The stated maturity value, or face value, of a security.

Pass-Through Securities – A debt instrument that reflects an interest in a mortgage pool, consumer receivables pool and equipment lease-backed pool that serves as collateral for a bond.

Pool – In this context, the pooled monies of different government agencies administered by the County Treasurer. Each pool member owns a fractional interest in the securities held in the Pool.

Portfolio Value – The total book value amount of all the securities held in the Treasurer's Pooled Money Fund.

Primary Dealer – A group of dealers and banks that can buy and sell securities directly with the Federal Reserve Bank of New York.

Private Placements – Securities that do not have to be registered with the Securities and Exchange Commission because they are offered to a limited number of sophisticated investors.

Range Notes – Notes which pay interest only if the underlying index upon which it is benchmarked, falls within a certain range.

Repurchase Agreement – A repurchase agreement consists of two simultaneous transactions. One is the purchase of securities by an investor (i.e., the County), the other is the commitment by the seller (i.e. a broker/dealer) to repurchase the securities at the same price, plus interest, at some mutually agreed future date.

Reverse Repurchase Agreement – The mirror image of Repurchase Agreements. In this instance the County Pool is the seller of securities to an investor (i.e. brokers).

Safekeeping – A custodian bank's action to store and protect an investor's securities by segregating and identifying the securities.

Securities Lending – A transaction wherein the Treasurer's Pool transfers its securities to broker/dealers and other entities for collateral which may be cash or securities and simultaneously agrees to return the collateral for the same securities in the future.

Short-Term – The term used to describe a security when the maturity is one year or less.

Supranationals – Senior unsecured unsubordinated obligations that are issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank. They are eligible for purchase and sale within the United States and approved for investments by local agencies in California as of January 1, 2015.

Total Return – The sum of all investment income plus changes in the capital value of a portfolio for a given period.

Voluntary Participants – Local agencies that are not required to deposit their funds with the County Treasurer.

Weighted Average Maturity – The remaining average maturity of all securities held in a portfolio.

Yankee Certificates of Deposit - Yankee Certificates of Deposit (YCD) are issued in the United States by a branch or agency of a foreign bank. They are negotiable instruments, and most have a minimum face value of $100,000, making them appropriate for large investors.

Yield – The gain, expressed as a percentage that an investor derives from a financial asset.

Yield to Maturity – The percentage rate of return paid if the security is held to its maturity date. The calculation is based on the coupon rate, length of time to maturity, and market price. It assumes that coupon interest paid over the life of the security is reinvested at the same rate.

APPENDIX A: INVESTMENT INSTRUMENTS

Investment Instruments	Maximum Maturity	Maximum Specified Percentage of Portfolio	Approved Selected Agencies
U.S. Agencies	3 years or 1150 days	N/A	Yes
Commercial Paper (CP)	270 days	40%	Yes
Medium Term Notes (MTN)	2 years or 735 days	20%	Yes
Supranationals	3 years (1150 days) or less	30%	Yes
U.S. Government Treasury Bills, Notes, and Bonds	3 years or 1150 days	N/A	
Yankee Certificates of Deposit (YCD)	1 year or 365 days	30%	Yes
Negotiable Certificates of Deposit (NCD)	1 year or 365 days	30%	Yes
Certificates of Deposits (CD)	1 year or 365 days	30%	Yes
Local Agency Investment Fund (LAIF)	N/A	Maximum As Permitted by State Law	
CalTrust/CAMP		$25 MM	
Munis	3 years or 1150 days	30%	

TREASURER-TAX COLLECTOR
VENTURA COUNTY

STEVEN HINTZ
TREASURER
TAX COLLECTOR

Sue Horgan
Assistant Treasurer-Tax Collector

September 10, 2019

Ventura County Board of Supervisors
800 South Victoria Avenue
Ventura, CA 93009

SUBJECT: Receive and File Report of Investments, Including Market Values for Investments for the Month Ending July 31, 2019.

RECOMMENDATION: Receive and File

FISCAL/MANDATES IMPACT: None

DISCUSSION:

This report covers the one-month period ending July 31, 2019.

The **average daily portfolio balance** for July was $2.660 Billion. The portfolio continues to be at the highest level ever for matching months, by $340 Million. The balance will continue to decline in August and September, based on the historical pattern shown in Exhibit 3

The **annualized percentage yield** for July was 2.639%, a slight decrease from June. The yields in our sectors of the interest rate market continue to decline, albeit at a slower rate than I thought. The most frequently expressed prediction is that there will be two more 25 basis point cuts in 2019. I am sure there will be at least one more cut this year.

In July we returned to our pattern of **exceeding all three benchmarks**, shown at the far right of Exhibit 5. We are in a challenging market. The usual method of dealing with declining interest rates is to purchase longer-term investments. However, the yield curve has inverted, which means that yields are actually lower for longer-term investments than for short-term investments, as investors predict lower rates in the future. We are mixing the purchases of three-month maturities with one-year maturities to hold off what looks like an inevitable decline in our annualized percentage yield.

Going forward, if the current portfolio investments were all held to maturity, the portfolio's **approximate yield to maturity** is 2.59%, a decline of eight basis points from June. Since no current investments (shown in Exhibit 2) reach that yield, the portfolio's yield will necessarily drop.

The **total net earnings** for July were $5.963 Million. Although earnings will stay over $5 Million for the next two months, they will decline as the portfolio balance declines, based on the historical pattern shown in Exhibit 7. The monthly changes in that exhibit will be more pronounced because of the decline in the interest rate market.

The **weighted average days to maturity** rose to 208 days because we purchased longer-term investments to maintain the yield. The interest-rate sensitivity measure of **effective duration** rose to 0.355, in part because of the longer-term investments but also because we bought some lower-rated investments to maintain yield. Buying those lower-rated investments caused the **points on our monthly Standard & Poor's report** to increase as well, an example of the difficult balancing act among the several forces operating on the daily choice of investments.

The **three largest sectors**, by percentage, were: Commercial Paper (26.86%); Yankee Certificates of Deposit (23.37%); and Government Agencies (21.34%). The **three largest individual issuers**, by percentage, were: Toyota Motor Credit Corporation (8.68%); Federal Home Loan Bank (8.29%); and Federal Home Loan Mortgage Corporation (7.33%).

The portfolio has been managed with the stated objectives of safety, liquidity, and earning a competitive return, as outlined in the Statement of Investment Policy. In striving to maintain **the primary objective, safety of principal**, the County portfolio has for several years received a rating of AAAf/S1+ by Standard & Poor's, the highest rating given by that agency, re-affirmed on January 16, 2019. The rating reflects S&P's opinion that the portfolio is well-managed, credit-worthy, well-diversified, and has a low sensitivity to interest rate variations. Regarding **the secondary objective of maintaining sufficient liquidity** to meet cash flow needs, the portfolio maintains significant cash reserves in the County's bank, as well as significant holdings in LAIF and CalTrust. The portfolio has the ability to meet its participants' expenditure requirements for the next six months, pursuant to a daily study of projected cash flows. All of the portfolio's assets have a well-developed resale market, although of course it is our policy not to sell. **Earning a competitive rate of return** is reflected by our performance against our benchmarks, even though they each have less restrictive investment policies than ours.

The portfolio has been managed for several months on the assumption that monthly yields will decline. The Investment Work Group has already switched its focus to the challenges of investing in a declining market without approaching the boundaries imposed by our Statement of Investment Policy and by the Standard and Poor's ratings team, which we expect will visit us in September to perform an on-site due diligence ratings review.

This letter has been reviewed and approved as to form by the County Executive Office, the Auditor-Controller's Office, and County Counsel.

Please contact me at 805-654-3726 if you have any questions or require further information regarding this item.

Sincerely,

Steven Hintz

STEVEN HINTZ
Treasurer-Tax Collector

Exhibit 1 – Wells Fargo Market/Cost Value Comparison Report – Month End 07/31/2019
Exhibit 2 – Monthly Transactions Report – July 2019
Exhibit 3 – Portfolio Average Monthly Balance Graph – July 2017-2019
Exhibit 4 – Average Maturity Graph – July 2017-2019
Exhibit 5 – Yield Comparison Graph – July 2018-2019
Exhibit 6 – Rolling 2-Year % Yield Graph – July 2017-2019 (Ventura)
Exhibit 7 – Rolling 2-Year $ Yield Graph – July 2017-2019
Exhibit 8 – Portfolio Holdings by Class Graph – July 2019

WELLS FARGO
Market/Cost Value Comparison Report
By Account By Industry Class
COUNTY OF VENTURA

General Reporting
From Month End With Pricing 07/31/2019
08/07/2019 11:18:32 AM PDT

ACCOUNT: All Accounts Selected
* = Trade or Other Activity Pending

Asset ID	Units	Maturity Date	Market Value	Fed Tax Cost	Gain/Loss Amount	%	S & P Rating	Moody's Rating	Units in Transition	Encumbrd Units
ACCOUNT: 11435100 COUNTY OF VENTURA										
NET CASH										
NET CASH										
	.0000		$.00	$.00	$.00	.00			.0000	.00
	U.S. DOLLARS									
SUBTOTAL	**.0000**		**$.00**	**$.00**	**$.00**	**.00**			**.0000**	**.00**
US GOVERNMENT SHORT-TERM										
GOVERNMENT AGENCY DISCOUNT										
313384LF4	5,000,000.0000	09/03/2019	$4,990,300.00	$4,913,887.50	$76,412.50	1.56	N/A	N/A	.0000	.00
	FED HOME LN BK DISC NOTE DTD 09/04/18 09/03/2019									
313384LQ0	20,000,000.0000	09/12/2019	$19,950,600.00	$19,578,863.50	$371,736.50	1.90	N/A	N/A	.0000	.00
	FED HOME LN BK DISC NOTE DTD 09/12/18 09/12/2019									
313396JX2	20,000,000.0000	08/02/2019	$19,998,800.00	$19,652,111.11	$346,688.89	1.76	N/A	N/A	.0000	.00
	FED HOME LN MTG CORP DISC NOTE DTD 08/02/18 08/02/2019									
313396PL1	10,000,000.0000	11/19/2019	$9,936,400.00	$9,820,819.44	$115,580.56	1.18	N/A	N/A	.0000	.00
	FED HOME LN MTG CORP DISC NOTE DTD 11/19/18 11/19/2019									
SUBTOTAL	**55,000,000.0000**		**$54,876,100.00**	**$53,965,681.55**	**$910,418.45**	**1.69**			**.0000**	**.00**
SAVINGS & CERTIFICATES OF DEPOSIT										
MARKETABLE CERTIFICATES OF DEPOSIT										
05971XLA7	10,000,000.0000	08/30/2019	$10,004,100.00	$10,001,202.02	$2,897.98	.03	N/A	N/A	.0000	.00
	BANCO DEL ESTA DE CHLE CERT OF DEPOSIT									
05971XNL1	10,000,000.0000	05/29/2020	$10,029,800.00	$10,000,988.00	$28,812.00	.29	N/A	N/A	.0000	.00
	BANCO DEL ESTA DE CHLE CERT OF DEPOSIT									
06370RQ44	10,000,000.0000	10/07/2019	$10,000,700.00	$10,000,000.00	$700.00	.01	N/A	N/A	.0000	.00
	BANK OF MONTREAL CERT OF DEPOSIT									
48668MC43	10,000,000.0000	01/10/2020	$9,997,700.00	$10,001,532.11	($3,832.11)	(.04)	N/A	N/A	.0000	.00
	KOOKMIN BANK NY BRCH CERT OF DEPOSIT									
50066BPW5	20,000,000.0000	10/07/2019	$20,021,000.00	$20,003,571.36	$17,428.64	.09	N/A	N/A	.0000	.00
	KOREA DEVELOPMENT BK CERT OF DEPOSIT									
50066BQG9	10,000,000.0000	11/01/2019	$10,009,500.00	$10,001,624.27	$7,875.73	.08	N/A	N/A	.0000	.00
	KOREA DEVELOPMENT BK CERT OF DEPOSIT									
50066BQH7	10,000,000.0000	11/12/2019	$10,011,000.00	$10,001,677.89	$9,322.11	.09	N/A	N/A	.0000	.00

Exhibit 1

WELLS FARGO
Market/Cost Value Comparison Report
By Account By Industry Class
COUNTY OF VENTURA

General Reporting
From Month End With Pricing 07/31/2019
08/07/2019 11:18:32 AM PDT

ACCOUNT: All Accounts Selected
* = Trade or Other Activity Pending

Asset ID	Units	Maturity Date	Market Value	Fed Tax Cost	Gain/Loss Amount	%	S & P Rating	Moody's Rating	Units in Transition	Encumbrd Units
	KOREA DEVELOPMENT BK CERT OF DEPOSIT									
50066BQJ3	5,000,000.0000	12/30/2019	$5,008,750.00	$5,001,191.05	$7,558.95	.15	N/A	N/A	.0000	.00
	KOREA DEVELOPMENT BK CERT OF DEPOSIT									
50066BQM6	10,000,000.0000	12/16/2019	$10,015,000.00	$10,002,166.39	$12,833.61	.13	N/A	N/A	.0000	.00
	KOREA DEVELOPMENT BK CERT OF DEPOSIT									
50066BQS3	10,000,000.0000	04/29/2020	$10,029,600.00	$10,001,970.22	$27,629.78	.28	N/A	N/A	.0000	.00
	KOREA DEVELOPMENT BK CERT OF DEPOSIT									
63375P2C2	10,000,000.0000	04/09/2020	$10,034,200.00	$10,001,966.93	$32,233.07	.32	N/A	N/A	.0000	.00
	NATIONAL BANK OF KUWAI CERT OF DEPOSIT									
63375P2Q1	10,000,000.0000	05/01/2020	$10,037,900.00	$10,000,983.37	$36,916.63	.37	N/A	N/A	.0000	.00
	NATIONAL BANK OF KUWAI CERT OF DEPOSIT									
63375P2R9	10,000,000.0000	05/01/2020	$10,038,000.00	$10,000,975.49	$37,024.51	.37	N/A	N/A	.0000	.00
	NATIONAL BANK OF KUWAI CERT OF DEPOSIT									
63375P2Y4	10,000,000.0000	05/19/2020	$10,034,600.00	$10,001,973.74	$32,626.26	.33	N/A	N/A	.0000	.00
	NATIONAL BANK OF KUWAI CERT OF DEPOSIT									
63375P3A5	20,000,000.0000	05/07/2020	$20,060,000.00	$20,001,863.57	$58,136.43	.29	N/A	N/A	.0000	.00
	NATIONAL BANK OF KUWAI CERT OF DEPOSIT									
63375P3E7	10,000,000.0000	01/17/2020	$10,013,000.00	$10,001,246.30	$11,753.70	.12	N/A	N/A	.0000	.00
	NATIONAL BANK OF KUWAI CERT OF DEPOSIT									
63375P3H0	10,000,000.0000	10/11/2019	$10,002,900.00	$10,000,330.56	$2,569.44	.03	N/A	N/A	.0000	.00
	NATIONAL BANK OF KUWAI CERT OF DEPOSIT									
63375P3J6	10,000,000.0000	10/08/2019	$10,002,300.00	$10,000,000.00	$2,300.00	.02	N/A	N/A	.0000	.00
	NATIONAL BANK OF KUWAI CERT OF DEPOSIT									
63375P3U1	10,000,000.0000	10/24/2019	$10,001,000.00	$10,000,295.13	$704.87	.01	N/A	N/A	.0000	.00
	NATIONAL BANK OF KUWAI CERT OF DEPOSIT									
63375P3W7	25,000,000.0000	10/25/2019	$25,005,750.00	$25,001,810.00	$3,940.00	.02	N/A	N/A	.0000	.00
	NATIONAL BANK OF KUWAI CERT OF DEPOSIT									
63375P4E6	10,000,000.0000	10/24/2019	$9,999,900.00	$10,000,497.10	($597.10)	(.01)	N/A	N/A	.0000	.00
	NATIONAL BANK OF KUWAI CERT OF DEPOSIT									
63375PT66	10,000,000.0000	08/06/2019	$10,001,100.00	$10,002,199.52	($1,099.52)	(.01)	N/A	N/A	.0000	.00
	NATIONAL BANK OF KUWAI CERT OF DEPOSIT									

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COUNTY OF VENTURA

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63375PV30	10,000,000.0000	09/03/2019	$10,006,200.00	$10,001,402.67	$4,797.33	.05	N/A	N/A	.0000	.00
	NATIONAL BANK OF KUWAI CERT OF DEPOSIT									
63375PW62	10,000,000.0000	08/30/2019	$10,004,800.00	$10,000,619.00	$4,181.00	.04	N/A	N/A	.0000	.00
	NATIONAL BANK OF KUW CERT OF DEPOSIT									
63375PW96	10,000,000.0000	08/01/2019	$10,000,100.00	$10,000,533.23	($433.23)	.00	N/A	N/A	.0000	.00
	NATIONAL BANK OF KUWAI CERT OF DEPOSIT									
69033MEN3	20,000,000.0000	10/11/2019	$20,019,800.00	$20,003,011.96	$16,788.04	.08	N/A	N/A	.0000	.00
	OVERSEA-CHINESE BANKING CERT OF DEPOSIT									
69033MEQ6	10,000,000.0000	08/30/2019	$10,003,700.00	$10,001,271.16	$2,428.84	.02	N/A	N/A	.0000	.00
	OVERSEA-CHINESE BANKING CERT OF DEPOSIT									
69033MER4	20,000,000.0000	08/30/2019	$20,007,400.00	$20,003,797.64	$3,602.36	.02	N/A	N/A	.0000	.00
	OVERSEA-CHINESE BANKING CERT OF DEPOSIT									
69033MES2	10,000,000.0000	01/10/2020	$10,030,900.00	$10,001,964.42	$28,935.58	.29	N/A	N/A	.0000	.00
	OVERSEA-CHINESE BANKING CERT OF DEPOSIT									
69033MET0	10,000,000.0000	09/23/2019	$10,006,300.00	$10,001,373.08	$4,926.92	.05	N/A	N/A	.0000	.00
	OVERSEA-CHINESE BANKING CERT OF DEPOSIT									
69033MEU7	10,000,000.0000	09/17/2019	$10,005,600.00	$10,001,335.65	$4,264.35	.04	N/A	N/A	.0000	.00
	OVERSEA-CHINESE BANKING CERT OF DEPOSIT									
69033MHA8	10,000,000.0000	01/07/2020	$10,015,500.00	$10,001,471.74	$14,028.26	.14	N/A	N/A	.0000	.00
	OVERSEA-CHINESE BANKING CERT OF DEPOSIT									
69033MHB6	20,000,000.0000	01/09/2020	$20,029,200.00	$20,004,384.40	$24,815.60	.12	N/A	N/A	.0000	.00
	OVERSEA-CHINESE BANKING CERT OF DEPOSIT									
78012UKY0	10,000,000.0000	12/10/2019	$10,029,700.00	$10,000,000.00	$29,700.00	.30	N/A	N/A	.0000	.00
	ROYAL BK OF CANADA CERT OF DEPOSIT									
78012UMQ5	20,000,000.0000	12/18/2019	$20,034,600.00	$20,000,000.00	$34,600.00	.17	N/A	N/A	.0000	.00
	ROYAL BK OF CANADA CERT OF DEPOSIT									
78012UNL5	10,000,000.0000	01/07/2020	$10,018,600.00	$10,000,000.00	$18,600.00	.19	N/A	N/A	.0000	.00
	ROYAL BK OF CANADA CERT OF DEPOSIT									
78012UNP6	10,000,000.0000	04/15/2020	$10,034,300.00	$10,000,000.00	$34,300.00	.34	N/A	N/A	.0000	.00
	ROYAL BK OF CANADA CERT OF DEPOSIT									
78012UNR2	10,000,000.0000	04/21/2020	$10,033,700.00	$10,000,000.00	$33,700.00	.34	N/A	N/A	.0000	.00

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	ROYAL BK OF CANADA CERT OF DEPOSIT									
78012UNY7	10,000,000.0000	01/16/2020	$10,017,000.00	$10,000,000.00	$17,000.00	.17	N/A	N/A	.0000	.00
	ROYAL BK OF CANADA CERT OF DEPOSIT									
78012UPF6	10,000,000.0000	05/01/2020	$10,033,200.00	$10,000,000.00	$33,200.00	.33	N/A	N/A	.0000	.00
	ROYAL BK OF CANADA CERT OF DEPOSIT									
85325TT96	10,000,000.0000	11/06/2019	$10,022,900.00	$10,001,473.40	$21,426.60	.21	N/A	N/A	.0000	.00
	STANDARD CHRTRD BNK NY CERT OF DEPOSIT									
85325TZ57	10,000,000.0000	09/06/2019	$10,004,600.00	$10,001,251.44	$3,348.56	.03	N/A	N/A	.0000	.00
	STANDARD CHRTRD BNK NY CERT OF DEPOSIT									
89114MFW2	10,000,000.0000	09/25/2019	$10,008,300.00	$10,002,958.28	$5,341.72	.05	N/A	N/A	.0000	.00
	TORONTO-DOMINION CERT OF DEPOSIT									
89114MPV3	25,000,000.0000	12/02/2019	$25,068,250.00	$25,007,219.85	$61,030.15	.24	N/A	N/A	.0000	.00
	TORONTO-DOMINION CERT OF DEPOSIT									
89114MQB6	5,000,000.0000	12/11/2019	$5,014,550.00	$5,001,475.50	$13,074.50	.26	N/A	N/A	.0000	.00
	TORONTO-DOMINION CERT OF DEPOSIT									
89114MSB4	10,000,000.0000	01/02/2020	$10,032,000.00	$10,001,968.30	$30,031.70	.30	N/A	N/A	.0000	.00
	TORONTO-DOMINION CERT OF DEPOSIT									
89114MSV0	10,000,000.0000	08/30/2019	$10,004,400.00	$10,000,633.06	$3,766.94	.04	N/A	N/A	.0000	.00
	TORONTO-DOMINION CERT OF DEPOSIT									
89114MXA0	10,000,000.0000	03/11/2020	$10,028,900.00	$10,000,989.80	$27,910.20	.28	N/A	N/A	.0000	.00
	TORONTO-DOMINION CERT OF DEPOSIT									
89114MYZ4	10,000,000.0000	12/17/2019	$10,014,300.00	$10,001,450.00	$12,850.00	.13	N/A	N/A	.0000	.00
	TORONTO-DOMINION CERT OF DEPOSIT									
89114MZE0	10,000,000.0000	03/27/2020	$10,027,100.00	$10,000,990.48	$26,109.52	.26	N/A	N/A	.0000	.00
	TORONTO-DOMINION CERT OF DEPOSIT									
89114MZK6	25,000,000.0000	12/18/2019	$25,035,000.00	$25,003,611.75	$31,388.25	.13	N/A	N/A	.0000	.00
	TORONTO-DOMINION CERT OF DEPOSIT									
SUBTOTAL	**605,000,000.0000**		**$605,948,700.00**	**$605,075,251.83**	**$873,448.17**	**.14**			**.0000**	**.00**
COMMERCIAL PAPER										
COMMERCIAL PAPER DISCOUNT										
22533UV18	10,000,000.0000	08/01/2019	$10,000,000.00	$9,785,722.20	$214,277.80	2.19			.0000	.00

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CREDIT AGRICOLE CRP&IN CPDN DTD 11/08/18 08/01/2019										
22533UVU4	10,000,000.0000	08/28/2019	$9,983,400.00	$9,830,891.67	$152,508.33	1.55			.0000	.00
CREDIT AGRICOLE CRP&IN CPDN DTD 12/28/18 08/28/2019										
22533UVW0	10,000,000.0000	08/30/2019	$9,982,200.00	$9,835,611.11	$146,588.89	1.49			.0000	.00
CREDIT AGRICOLE CRP&IN CPDN DTD 12/06/18 08/30/2019										
22533UW33	15,000,000.0000	09/03/2019	$14,969,700.00	$14,705,350.05	$264,349.95	1.80			.0000	.00
CREDIT AGRICOLE CRP&IN CPDN DTD 12/28/18 09/03/2019										
2254EAAU7	10,000,000.0000	01/28/2020	$9,892,000.00	$9,815,933.30	$76,066.70	.77			.0000	.00
CREDIT SUISSE AG CPDN DTD 05/03/19 01/28/2020										
2254EBV16	25,000,000.0000	08/01/2019	$25,000,000.00	$24,572,027.75	$427,972.25	1.74			.0000	.00
CREDIT SUISSE AG CPDN DTD 12/27/18 08/01/2019										
2254EBV99	25,000,000.0000	08/09/2019	$24,987,500.00	$24,445,081.75	$542,418.25	2.22			.0000	.00
CREDIT SUISSE AG CPDN DTD 11/13/18 08/09/2019										
25214PMY6	10,000,000.0000	08/01/2019	$10,000,000.00	$9,806,516.67	$193,483.33	1.97			.0000	.00
DEXIA CREDIT LOCAL CPDN DTD 11/27/18 08/01/2019										
39136SXQ1	14,240,000.0000	10/24/2019	$14,166,948.80	$14,160,612.00	$6,336.80	.04			.0000	.00
GREAT WEST LIFE CPDN DTD 07/26/19 10/24/2019										
46640PAF0	10,000,000.0000	01/15/2020	$9,899,800.00	$9,862,483.33	$37,316.67	.38			.0000	.00
J.P. MORGAN SECURITIES CPDN DTD 05/20/19 01/15/2020										
46640PAM5	15,000,000.0000	01/21/2020	$14,844,300.00	$14,715,375.00	$128,925.00	.88			.0000	.00
J.P. MORGAN SECURITIES CPDN DTD 04/26/19 01/21/2020										
46640QW31	30,000,000.0000	09/03/2019	$29,939,400.00	$29,408,700.00	$530,700.00	1.80			.0000	.00
J.P. MORGAN SECURITIES CPDN DTD 12/07/18 09/03/2019										
48306BWC5	10,000,000.0000	09/12/2019	$9,974,300.00	$9,940,597.22	$33,702.78	.34			.0000	.00
KAISER FOUNDATION CPDN DTD 06/06/19 09/12/2019										
5006E1YN8	10,000,000.0000	11/22/2019	$9,930,900.00	$9,818,866.70	$112,033.30	1.14			.0000	.00
KOREA DEVELOPMENT BK CPDN DTD 03/20/19 11/22/2019										
5006E1Z23	44,250,000.0000	12/02/2019	$43,919,010.00	$43,393,352.24	$525,657.76	1.21			.0000	.00
KOREA DEVELOPMENT BK CPDN DTD 03/06/19 12/02/2019										
5006E1ZH0	20,000,000.0000	12/17/2019	$19,832,200.00	$19,631,633.40	$200,566.60	1.02			.0000	.00
KOREA DEVELOPMENT BK CPDN DTD 04/04/19 12/17/2019										

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5006E1ZJ6	20,000,000.0000	12/18/2019	$19,830,800.00	$19,628,766.60	$202,033.40	1.03			.0000	.00
	KOREA DEVELOPMENT BK CPDN DTD 04/03/19 12/18/2019									
54444VYD8	36,955,000.0000	11/13/2019	$36,719,966.20	$36,671,144.58	$48,821.62	.13			.0000	.00
	DEPARTMENT OF APT CPDN DTD 07/12/19 11/13/2019									
62479LB38	65,000,000.0000	02/03/2020	$64,285,000.00	$63,854,783.33	$430,216.67	.67			.0000	.00
	MUFG BANK LTD NY BRA CPDN DTD 05/21/19 02/03/2020									
62479LBQ7	10,000,000.0000	02/24/2020	$9,877,500.00	$9,811,750.00	$65,750.00	.67			.0000	.00
	MUFG BANK LTD NY BRAN CPDN DTD 05/30/19 02/24/2020									
62479MV18	20,000,000.0000	08/01/2019	$20,000,000.00	$19,755,394.44	$244,605.56	1.24			.0000	.00
	MUFG BANK LTD NY BRAN CPDN DTD 11/08/18 08/01/2019									
62479MX73	10,000,000.0000	10/07/2019	$9,959,100.00	$9,941,861.11	$17,238.89	.17			.0000	.00
	MUFG BANK LTD NY BRAN CPDN DTD 05/07/19 10/07/2019									
89233GA22	10,000,000.0000	01/02/2020	$9,907,600.00	$9,810,875.00	$96,725.00	.99			.0000	.00
	TOYOTA MOTOR CREDIT CO CPDN DTD 04/09/19 01/02/2020									
89233GA63	10,000,000.0000	01/06/2020	$9,905,200.00	$9,808,750.00	$96,450.00	.98			.0000	.00
	TOYOTA MOTOR CREDIT CO CPDN DTD 04/11/19 01/06/2020									
89233HW91	20,000,000.0000	09/09/2019	$19,952,400.00	$19,612,500.00	$339,900.00	1.73			.0000	.00
	TOYOTA MOTOR CREDIT CO CPDN DTD 12/14/18 09/09/2019									
89233HXR0	20,000,000.0000	10/25/2019	$19,896,200.00	$19,663,827.77	$232,372.23	1.18			.0000	.00
	TOYOTA MOTOR CREDIT CO CPDN DTD 01/28/19 10/25/2019									
89233HY81	25,000,000.0000	11/08/2019	$24,848,750.00	$24,553,529.16	$295,220.84	1.20			.0000	.00
	TOYOTA MOTOR CREDIT CO CPDN DTD 02/13/19 11/08/2019									
89233HYC2	20,000,000.0000	11/12/2019	$19,874,200.00	$19,656,105.56	$218,094.44	1.11			.0000	.00
	TOYOTA MOTOR CREDIT CO CPDN DTD 02/15/19 11/12/2019									
89233HYN8	10,000,000.0000	11/22/2019	$9,930,900.00	$9,808,711.11	$122,188.89	1.25			.0000	.00
	TOYOTA MOTOR CREDIT CO CPDN DTD 02/26/19 11/22/2019									
89233HZD9	10,000,000.0000	12/13/2019	$9,918,500.00	$9,806,469.44	$112,030.56	1.14			.0000	.00
	TOYOTA MOTOR CREDIT CO CPDN DTD 03/18/19 12/13/2019									
89233HZH0	20,000,000.0000	12/17/2019	$19,832,200.00	$19,642,988.89	$189,211.11	.96			.0000	.00
	TOYOTA MOTOR CREDIT CPDN DTD 04/08/19 12/17/2019									
89233HZJ6	10,000,000.0000	12/18/2019	$9,915,400.00	$9,817,966.67	$97,433.33	.99			.0000	.00

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	TOYOTA MOTOR CREDIT CPDN DTD 04/04/19 12/18/2019									
89233HZT4	15,000,000.0000	12/27/2019	$14,865,000.00	$14,715,375.00	$149,625.00	1.02			.0000	.00
	TOYOTA MOTOR CREDIT CO CPDN DTD 04/01/19 12/27/2019									
8923A0AA1	10,000,000.0000	01/10/2020	$9,902,800.00	$9,808,711.11	$94,088.89	.96			.0000	.00
	TOYOTA CDT DE PR CORP CPDN DTD 04/16/19 01/10/2020									
8923A1V16	20,000,000.0000	08/01/2019	$20,000,000.00	$19,606,750.00	$393,250.00	2.01			.0000	.00
	TOYOTA CDT DE PR CORP CPDN DTD 11/26/18 08/01/2019									
8923A1V99	15,000,000.0000	08/09/2019	$14,992,500.00	$14,679,516.67	$312,983.33	2.13			.0000	.00
	TOYOTA CDT DE PR COR CPDN DTD 11/14/18 08/09/2019									
8923A1W49	10,000,000.0000	09/04/2019	$9,979,200.00	$9,818,411.11	$160,788.89	1.64			.0000	.00
	TOYOTA CDT DE PR CORP CPDN DTD 01/11/19 09/04/2019									
8923A1X48	10,000,000.0000	10/04/2019	$9,960,900.00	$9,945,488.89	$15,411.11	.15			.0000	.00
	TOYOTA CDT DE PR CORP CPDN DTD 01/08/19 10/04/2019									
8923A1XQ9	10,000,000.0000	10/24/2019	$9,948,700.00	$9,945,500.00	$3,200.00	.03			.0000	.00
	TOYOTA CDT DE PR CORP CPDN DTD 07/26/19 10/24/2019									
8923A1YC9	10,000,000.0000	11/12/2019	$9,937,100.00	$9,818,700.00	$118,400.00	1.21			.0000	.00
	TOYOTA CDT DE PR CORP CPDN DTD 03/05/19 11/12/2019									
8923A1ZJ3	10,000,000.0000	12/18/2019	$9,915,400.00	$9,815,833.33	$99,566.67	1.01			.0000	.00
	TOYOTA CDT DE PR CORP CPDN DTD 04/02/19 12/18/2019									
SUBTOTAL	**695,445,000.0000**		**$691,476,975.00**	**$683,728,464.16**	**$7,748,510.84**	**1.13**			**.0000**	**.00**
CORPORATE BONDS										
CORPORATE BONDS										
02665WBZ3	1,768,000.0000	11/13/2019	$1,765,949.12	$1,763,403.20	$2,545.92	.14	A	A2	.0000	.00
	AMERICAN HONDA FINANCE MED TERM NOTE									
02665WCS8	1,975,000.0000	01/08/2021	$1,997,969.25	$2,001,692.13	($3,722.88)	(.19)	A	A2	.0000	.00
	AMERICAN HONDA FINANCE DTD 01/15/19 3.150 01/08/2021									
037833BD1	519,000.0000	05/06/2020	$518,216.31	$516,788.54	$1,427.77	.28	AA+	AA1	.0000	.00
	APPLE INC DTD 05/13/15 2.000 05/06/2020									
037833CB4	3,347,000.0000	08/02/2019	$3,347,000.00	$3,328,457.62	$18,542.38	.56	AA+	AA1	.0000	.00
	APPLE INC DTD 08/04/16 1.100 08/02/2019									
037833CZ1	7,840,000.0000	09/12/2019	$7,833,257.60	$7,807,132.14	$26,125.46	.33	AA+	AA1	.0000	.00

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	APPLE INC DTD 09/12/17 1.500 09/12/2019									
05253JAT8	6,380,000.0000	11/09/2020	$6,378,596.40	$6,353,331.60	$25,264.80	.40	AA-	AA3	.0000	.00
	AUST & NZ BANKING GRP NY MED TERM NOTE									
06406FAA1	20,000,000.0000	04/15/2021	$20,074,000.00	$19,970,100.00	$103,900.00	.52	A	A1	.0000	.00
	BANK OF NY MELLON CORP DTD 02/19/16 2.500 04/15/2021									
06406FAB9	2,000,000.0000	05/03/2021	$1,992,780.00	$1,980,780.00	$12,000.00	.61	A	A1	.0000	.00
	BANK OF NY MELLON CORP MED TERM NOTE									
06406HCW7	18,266,000.0000	09/11/2019	$18,263,808.08	$18,217,958.88	$45,849.20	.25	A	A1	.0000	.00
	BANK OF NEW YORK MELLON MED TERM NOTE									
084664CK5	19,737,000.0000	08/15/2019	$19,729,697.31	$19,547,213.03	$182,484.28	.93	AA	AA2	.0000	.00
	BERKSHIRE HATHAWAY FIN DTD 08/15/16 1.300 08/15/2019									
166764AG5	1,000,000.0000	06/24/2020	$1,001,380.00	$995,450.00	$5,930.00	.60	AA	AA2	.0000	.00
	CHEVRON CORP DTD 06/24/13 2.427 06/24/2020									
166764AR1	3,520,000.0000	03/03/2020	$3,516,128.00	$3,503,248.32	$12,879.68	.37	AA	AA2	.0000	.00
	CHEVRON CORP DTD 03/03/15 1.961 03/03/2020									
166764BP4	1,093,000.0000	03/03/2020	$1,091,633.75	$1,087,819.18	$3,814.57	.35	AA	AA2	.0000	.00
	CHEVRON CORP DTD 03/03/17 1.991 03/03/2020									
17275RAX0	10,000,000.0000	06/15/2020	$10,017,500.00	$10,032,200.00	($14,700.00)	(.15)	AA-	A1	.0000	.00
	CISCO SYSTEMS INC DTD 06/17/15 2.450 06/15/2020									
17275RBG6	14,890,000.0000	09/20/2019	$14,872,132.00	$14,712,340.00	$159,792.00	1.09	AA-	A1	.0000	.00
	CISCO SYSTEMS INC DTD 09/20/16 1.400 09/20/2019									
24422ETJ8	5,250,000.0000	10/09/2019	$5,239,605.00	$5,171,040.00	$68,565.00	1.33	A	A2	.0000	.00
	JOHN DEERE CAPITAL CORP MED TERM NOTE									
30231GAG7	21,725,000.0000	03/06/2020	$21,687,198.50	$21,582,855.63	$104,342.87	.48	AA+	AAA	.0000	.00
	EXXON MOBIL CORPORATION DTD 03/06/15 1.912 03/06/2020									
4581X0BG2	8,428,000.0000	09/17/2019	$8,444,687.44	$8,525,815.37	($81,127.93)	(.95)	N/A	AAA	.0000	.00
	INTER-AMERICAN DEVEL BK DTD 09/17/09 3.875 09/17/2019									
4581X0BL1	2,763,000.0000	02/14/2020	$2,786,319.72	$2,796,545.58	($10,225.86)	(.37)	AAA	AAA	.0000	.00
	INTER-AMERICAN DEVEL BK DTD 02/17/10 3.875 02/14/2020									
4581X0BY3	1,595,000.0000	09/12/2019	$1,593,054.10	$1,583,547.90	$9,506.20	.60	N/A	AAA	.0000	.00
	INTER-AMERICAN DEVEL BK DTD 09/12/12 1.125 09/12/2019									

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Asset ID	Units	Maturity Date	Market Value	Fed Tax Cost	Gain/Loss Amount	%	S & P Rating	Moody's Rating	Units in Transition	Encumbrd Units
4581X0CR7	38,173,000.0000	10/15/2019	$38,079,094.42	$37,600,189.03	$478,905.39	1.27	AAA	AAA	.0000	.00
	INTER-AMERICAN DEVEL BK DTD 10/15/15 1.250 10/15/2019									
4581X0CX4	9,510,000.0000	05/12/2020	$9,471,864.90	$9,380,293.11	$91,571.79	.98	AAA	AAA	.0000	.00
	INTER-AMERICAN DEVEL BK DTD 04/12/17 1.625 05/12/2020									
459058DW0	5,000,000.0000	10/07/2019	$4,995,400.00	$4,958,500.00	$36,900.00	.74	AAA	AAA	.0000	.00
	INTL BK RECON & DEVELOP DTD 10/07/14 1.875 10/07/2019									
459058FA6	5,000,000.0000	03/30/2020	$4,972,950.00	$4,950,050.00	$22,900.00	.46	AAA	AAA	.0000	.00
	INTL BK RECON & DEVELOP DTD 03/30/16 1.375 03/30/2020									
459058FK4	37,281,000.0000	08/15/2019	$37,260,495.45	$36,872,758.27	$387,737.18	1.05	AAA	AAA	.0000	.00
	INTL BK RECON & DEVELOP DTD 07/13/16 0.875 08/15/2019									
459058FS7	10,000,000.0000	11/27/2019	$9,963,300.00	$9,845,000.00	$118,300.00	1.20	AAA	AAA	.0000	.00
	INTL BK RECON & DEVELOP DTD 10/27/16 1.125 11/27/2019									
459058FZ1	10,000,000.0000	04/21/2020	$9,978,000.00	$9,938,900.00	$39,100.00	.39	AAA	AAA	.0000	.00
	INTL BK RECON & DEVELOP DTD 03/21/17 1.875 04/21/2020									
45905U2V5	20,000,000.0000	04/12/2022	$20,019,000.00	$19,997,800.00	$21,200.00	.11	AAA	AAA	.0000	.00
	INTL BK RECON & DEVELOP DTD 04/12/19 2.750 04/12/2022									
45905UP32	5,000,000.0000	09/12/2020	$4,968,350.00	$4,945,305.00	$23,045.00	.47	N/A	AAA	.0000	.00
	INTL BK RECON & DEVELOP DTD 09/19/17 1.561 09/12/2020									
45905UP73	2,060,000.0000	10/16/2020	$2,053,881.80	$2,041,975.00	$11,906.80	.58	AAA	AAA	.0000	.00
	INTL BK RECON & DEVELOP DTD 10/16/17 1.950 10/16/2020									
45905UZT4	13,925,000.0000	11/22/2021	$13,820,284.00	$13,590,521.50	$229,762.50	1.69	AAA	AAA	.0000	.00
	INTL BK RECON & DEVELOP DTD 11/22/16 1.750 11/22/2021									
459200HM6	5,550,000.0000	05/15/2020	$5,519,419.50	$5,513,630.85	$5,788.65	.10	A	A2	.0000	.00
	IBM CORP DTD 05/07/13 1.625 05/15/2020									
45950KCL2	40,000,000.0000	03/30/2020	$39,881,200.00	$39,738,470.00	$142,730.00	.36	AAA	AAA	.0000	.00
	INTL FINANCE CORP DTD 03/30/17 1.750 03/30/2020									
45950VMZ6	10,000,000.0000	01/25/2020	$9,997,800.00	$10,000,000.00	($2,200.00)	(.02)	N/A	N/A	.0000	.00
	INTL FINANCE CORP DTD 01/25/19 2.630 01/25/2020									
46632FPV1	10,000,000.0000	04/22/2021	$10,014,200.00	$10,000,000.00	$14,200.00	.14	A+	AA2	.0000	.00
	JP MORGAN CHASE BANK NA MED TERM NOTE									
46632FPZ2	20,000,000.0000	06/03/2021	$20,000,000.00	$20,000,000.00	$.00	.00	A+	AA2	.0000	.00

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		JP MORGAN CHASE BANK NA MED TERM NOTE								
594918AY0	10,000,000.0000	02/12/2020	$9,977,400.00	$9,928,600.00	$48,800.00	.49	AAA	AAA	.0000	.00
		MICROSOFT CORP DTD 02/12/15 1.850 02/12/2020								
594918BN3	28,338,000.0000	08/08/2019	$28,331,198.88	$28,041,951.34	$289,247.54	1.03	AAA	AAA	.0000	.00
		MICROSOFT CORP DTD 08/08/16 1.100 08/08/2019								
594918BV5	34,771,000.0000	02/06/2020	$34,701,110.29	$34,528,239.24	$172,871.05	.50	AAA	AAA	.0000	.00
		MICROSOFT CORP DTD 02/06/17 1.850 02/06/2020								
637432MU6	1,180,000.0000	06/15/2020	$1,180,802.40	$1,181,085.60	($283.20)	(.02)	A	A1	.0000	.00
		NATIONAL RURAL UTIL COOP DTD 06/06/13 2.350 06/15/2020								
68389XBA2	2,456,000.0000	07/08/2021	$2,482,426.56	$2,485,675.12	($3,248.56)	(.13)	A+	A1	.0000	.00
		ORACLE CORP DTD 07/08/14 2.800 07/08/2021								
69353REU8	1,000,000.0000	11/05/2020	$1,001,490.00	$998,380.00	$3,110.00	.31	A	A2	.0000	.00
		PNC BANK NA DTD 11/03/15 2.450 11/05/2020								
69353REC7	10,000,000.0000	05/19/2020	$9,973,200.00	$9,960,400.00	$12,800.00	.13	A	A2	.0000	.00
		PNC BANK NA DTD 05/19/17 2.000 05/19/2020								
89236TCF0	15,000,000.0000	03/12/2020	$14,983,200.00	$14,939,490.00	$43,710.00	.29	AA-	AA3	.0000	.00
		TOYOTA MOTOR CREDIT CORP MED TERM NOTE								
89236TCZ6	5,000,000.0000	04/08/2021	$4,975,350.00	$4,950,850.00	$24,500.00	.49	AA-	AA3	.0000	.00
		TOYOTA MOTOR CREDIT CORP MED TERM NOTE								
89236TDU6	10,838,000.0000	04/17/2020	$10,812,855.84	$10,776,548.54	$36,307.30	.34	AA-	AA3	.0000	.00
		TOYOTA MOTOR CREDIT CORP DTD 04/17/17 1.950 04/17/2020								
89236TFV2	23,890,000.0000	03/26/2021	$23,916,756.80	$23,890,000.00	$26,756.80	.11	AA-	AA3	.0000	.00
		TOYOTA MOTOR CREDIT CORP MED TERM NOTE								
90331HML4	14,950,000.0000	10/28/2019	$14,944,468.50	$14,829,958.00	$114,510.50	.77	AA-	A1	.0000	.00
		US BANK NA CINCINNATI DTD 10/28/14 2.125 10/28/2019								
CORPORATE STRIPPED/ZERO COUPON										
459052RN8	10,000,000.0000	01/08/2020	$9,909,800.00	$9,801,411.00	$108,389.00	1.11	N/A	N/A	.0000	.00
		IBRD DISCOUNT NOTE ZERO CPN DTD 01/08/19 01/08/2020								
459516NY2	20,000,000.0000	11/07/2019	$19,886,800.00	$19,654,277.80	$232,522.20	1.18	N/A	N/A	.0000	.00
		IFC DISCOUNT NOTE ZERO CPN DTD 11/07/18 11/07/2019								
459516NZ9	10,000,000.0000	11/08/2019	$9,942,800.00	$9,827,138.90	$115,661.10	1.18	N/A	N/A	.0000	.00

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	IFC DISCOUNT NOTE ZERO CPN DTD 11/08/18 11/08/2019									
459516PG9	5,000,000.0000	11/15/2019	$4,969,400.00	$4,913,229.15	$56,170.85	1.14	N/A	N/A	.0000	.00
	IFC DISCOUNT NOTE ZERO CPN DTD 11/15/18 11/15/2019									
SUBTOTAL	**596,018,000.0000**		**$595,135,211.92**	**$591,558,346.57**	**$3,576,865.35**	**.60**			**.0000**	**.00**
FEDERAL AGENCY										
GOVERNMENT AGENCIES										
3130ADHJ4	2,000,000.0000	01/29/2021	$2,007,400.00	$2,008,580.00	($1,180.00)	(.06)	AA+	AAA	.0000	.00
	FED HOME LN BK SER 0002									
3130AERW2	8,145,000.0000	08/09/2019	$8,145,162.90	$8,137,482.17	$7,680.73	.09	N/A	AAA	.0000	.00
	FED HOME LN BK DTD 08/09/18 2.375 08/09/2019									
3130AFB89	5,000,000.0000	11/30/2020	$5,059,600.00	$4,994,975.00	$64,625.00	1.29	AA+	AAA	.0000	.00
	FED HOME LN BK DTD 10/22/18 2.920 11/30/2020									
3130AFMR5	5,000,000.0000	01/02/2020	$5,011,700.00	$5,002,200.00	$9,500.00	.19	N/A	AAA	.0000	.00
	FED HOME LN BK DTD 01/02/19 2.625 01/02/2020									
3130AG5T8	23,780,000.0000	03/27/2020	$23,818,999.20	$23,774,911.00	$44,088.20	.19	N/A	AAA	.0000	.00
	FED HOME LN BK DTD 03/27/19 2.375 03/27/2020									
3130AG5V3	25,000,000.0000	04/01/2020	$25,012,500.00	$25,000,000.00	$12,500.00	.05	N/A	AAA	.0000	.00
	FED HOME LN BK DTD 04/01/19 2.480 04/01/2020									
3130AGAD7	50,000,000.0000	04/09/2020	$50,028,500.00	$50,000,000.00	$28,500.00	.06	N/A	AAA	.0000	.00
	FED HOME LN BK DTD 04/09/19 2.480 04/09/2020									
3130AGBE4	5,050,000.0000	10/22/2020	$5,054,444.00	$5,050,000.00	$4,444.00	.09	AA+	AAA	.0000	.00
	FED HOME LN BK DTD 04/22/19 2.520 10/22/2020									
3130AGBR5	4,750,000.0000	01/22/2021	$4,753,087.50	$4,750,000.00	$3,087.50	.07	AA+	AAA	.0000	.00
	FED HOME LN BK DTD 04/22/19 2.550 01/22/2021									
3130AGCH6	15,830,000.0000	01/29/2021	$15,843,297.20	$15,830,000.00	$13,297.20	.08	AA+	AAA	.0000	.00
	FED HOME LN BK DTD 04/30/19 2.540 01/29/2021									
3130AGDT9	10,000,000.0000	11/16/2020	$10,001,100.00	$10,000,000.00	$1,100.00	.01	AA+	AAA	.0000	.00
	FED HOME LN BK DTD 05/16/19 2.500 11/16/2020									
3130AGES0	10,000,000.0000	04/16/2021	$10,000,600.00	$10,000,000.00	$600.00	.01	AA+	AAA	.0000	.00
	FED HOME LN BK DTD 05/16/19 2.600 04/16/2021									
3130AGGJ8	5,000,000.0000	11/23/2020	$4,995,000.00	$5,000,000.00	($5,000.00)	(.10)	AA+	AAA	.0000	.00

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FED HOME LN BK DTD 05/23/19 2.450 11/23/2020

Asset ID	Units	Maturity Date	Market Value	Fed Tax Cost	Gain/Loss Amount	%	S & P Rating	Moody's Rating	Units in Transition	Encumbrd Units
3130AGGW9	10,000,000.0000	05/28/2020	$9,997,000.00	$10,000,900.00	($3,900.00)	(.04)	N/A	AAA	.0000	.00
	FED HOME LN BK DTD 05/28/19 2.495 05/28/2020									
3130AGT47	10,000,000.0000	01/25/2021	$9,994,900.00	$10,000,000.00	($5,100.00)	(.05)	AA+	AAA	.0000	.00
	FED HOME LN BK DTD 07/25/19 2.150 01/25/2021									
3133EGGY5	500,000.0000	09/21/2020	$497,140.00	$486,075.00	$11,065.00	2.28	AA+	AAA	.0000	.00
	FED FARM CREDIT BK DTD 06/21/16 1.490 09/21/2020									
3133EJ6B0	10,000,000.0000	04/24/2020	$10,039,700.00	$9,997,760.00	$41,940.00	.42	AA+	AAA	.0000	.00
	FED FARM CREDIT BK DTD 01/24/19 2.600 04/24/2020									
3133EJJ91	5,000,000.0000	10/22/2019	$5,005,900.00	$5,000,000.00	$5,900.00	.12	N/A	AAA	.0000	.00
	FED FARM CREDIT BK DTD 10/22/18 2.700 10/22/2019									
3133EJXR5	12,500,000.0000	08/22/2019	$12,502,375.00	$12,500,000.00	$2,375.00	.02	N/A	AAA	.0000	.00
	FED FARM CREDIT BK DTD 08/22/18 2.450 08/22/2019									
3133EKJW7	10,000,000.0000	04/30/2021	$10,006,100.00	$10,000,000.00	$6,100.00	.06	AA+	AAA	.0000	.00
	FED FARM CREDIT BK DTD 04/30/19 2.500 04/30/2021									
3133EKLH7	5,000,000.0000	05/14/2021	$5,003,650.00	$4,998,000.00	$5,650.00	.11	AA+	AAA	.0000	.00
	FED FARM CREDIT BK DTD 05/14/19 2.440 05/14/2021									
3133EKMJ2	15,000,000.0000	08/23/2021	$15,001,200.00	$14,996,250.00	$4,950.00	.03	AA+	AAA	.0000	.00
	FED FARM CREDIT BK DTD 05/23/19 2.470 08/23/2021									
3133EKQZ2	5,375,000.0000	12/17/2021	$5,366,346.25	$5,373,656.25	($7,310.00)	(.14)	AA+	AAA	.0000	.00
	FED FARM CREDIT BK DTD 06/17/19 2.370 12/17/2021									
3133EKTL0	10,000,000.0000	01/08/2021	$9,982,500.00	$9,995,000.00	($12,500.00)	(.13)	AA+	AAA	.0000	.00
	FED FARM CREDIT BK DTD 07/08/19 2.140 01/08/2021									
3133EKTM8	15,000,000.0000	04/08/2021	$14,973,000.00	$14,992,500.00	($19,500.00)	(.13)	AA+	AAA	.0000	.00
	FED FARM CREDIT BK DTD 07/08/19 2.190 04/08/2021									
3133EKUQ7	8,435,000.0000	10/15/2021	$8,421,082.25	$8,434,156.50	($13,074.25)	(.16)	AA+	AAA	.0000	.00
	FED FARM CREDIT BK DTD 07/15/19 2.220 10/15/2021									
3134GSU78	10,000,000.0000	01/29/2021	$10,026,600.00	$10,000,000.00	$26,600.00	.27	AA+	AAA	.0000	.00
	FED HOME LN MTG CORP MED TERM NOTE									
3134GTF40	15,000,000.0000	07/16/2021	$15,008,700.00	$15,000,000.00	$8,700.00	.06	AA+	AAA	.0000	.00
	FED HOME LN MTG CORP MED TERM NOTE									

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3134GTF65	20,000,000.0000	01/18/2022	$20,014,800.00	$20,000,000.00	$14,800.00	.07	AA+	AAA	.0000	.00
	FED HOME LN MTG CORP MED TERM NOTE									
3134GTHC0	10,000,000.0000	04/15/2020	$10,002,800.00	$10,000,000.00	$2,800.00	.03	N/A	AAA	.0000	.00
	FED HOME LN MTG CORP DTD 04/15/19 2.520 04/15/2020									
3134GTJM6	2,050,000.0000	10/22/2021	$2,054,141.00	$2,050,000.00	$4,141.00	.20	AA+	AAA	.0000	.00
	FED HOME LN MTG CORP MED TERM NOTE									
3134GTMX8	20,000,000.0000	11/23/2020	$20,004,000.00	$20,000,000.00	$4,000.00	.02	AA+	AAA	.0000	.00
	FED HOME LN MTG CORP MED TERM NOTE									
3134GTNP4	6,900,000.0000	05/27/2021	$6,905,865.00	$6,900,000.00	$5,865.00	.09	AA+	AAA	.0000	.00
	FED HOME LN MTG CORP MED TERM NOTE									
3134GTRU9	16,875,000.0000	12/03/2021	$16,876,687.50	$16,875,000.00	$1,687.50	.01	AA+	AAA	.0000	.00
	FED HOME LN MTG CORP MED TERM NOTE									
3134GTRX3	10,000,000.0000	06/04/2020	$10,000,000.00	$10,003,000.00	($3,000.00)	(.03)	N/A	AAA	.0000	.00
	FED HOME LN MTG CORP DTD 06/04/19 2.495 06/04/2020									
3134GTUJ0	15,000,000.0000	06/17/2022	$14,988,900.00	$15,000,000.00	($11,100.00)	(.07)	AA+	AAA	.0000	.00
	FED HOME LN MTG CORP DTD 06/17/19 2.500 06/17/2022									
3134GTVJ9	5,000,000.0000	12/24/2020	$4,996,700.00	$5,000,000.00	($3,300.00)	(.07)	AA+	AAA	.0000	.00
	FED HOME LN MTG CORP MED TERM NOTE									
3134GTXW8	9,083,000.0000	07/02/2021	$9,067,195.58	$9,083,000.00	($15,804.42)	(.17)	AA+	AAA	.0000	.00
	FED HOME LN MTG CORP MED TERM NOTE									
3134GTZD8	20,000,000.0000	07/08/2021	$19,964,600.00	$20,000,000.00	($35,400.00)	(.18)	AA+	AAA	.0000	.00
	FED HOME LN MTG CORP DTD 07/08/19 2.300 07/08/2021									
3135G0N33	40,000,000.0000	08/02/2019	$39,998,400.00	$39,514,800.00	$483,600.00	1.22	AA+	AAA	.0000	.00
	FED NATL MTG ASSN DTD 08/02/16 0.875 08/02/2019									
3135G0P49	5,000,000.0000	08/28/2019	$4,995,500.00	$4,951,130.00	$44,370.00	.90	AA+	AAA	.0000	.00
	FED NATL MTG ASSN SER *									
3135G0ZY2	6,290,000.0000	11/26/2019	$6,281,319.80	$6,231,182.21	$50,137.59	.80	AA+	AAA	.0000	.00
	FED NATL MTG ASSN DTD 11/07/14 1.750 11/26/2019									
SUBTOTAL	**497,563,000.0000**		**$497,708,493.18**	**$496,930,558.13**	**$777,935.05**	**.16**			**.0000**	**.00**
MUNICIPAL BONDS										
MUNICIPAL TAXABLE										
13063DFZ6	16,000,000.0000	04/01/2020	$16,071,040.00	$16,022,880.00	$48,160.00	.30	AA-	AA3	.0000	.00

Exhibit 1

WELLS FARGO

Market/Cost Value Comparison Report
By Account By Industry Class
COUNTY OF VENTURA

General Reporting
From Month End With Pricing 07/31/2019
08/07/2019 11:18:32 AM PDT

ACCOUNT: All Accounts Selected
* = Trade or Other Activity Pending

Asset ID	Units	Maturity Date	Market Value	Fed Tax Cost	Gain/Loss Amount	%	S & P Rating	Moody's Rating	Units in Transition	Encumbrd Units
	CALIFORNIA ST TXBL									
13063DGM4	21,900,000.0000	08/01/2019	$21,900,000.00	$22,031,059.00	($131,059.00)	(.59)	AA-	AA3	.0000	.00
	CALIFORNIA ST TXBL-VARIOUS PURPOSE-CONSTRUCT									
13077DBJ0	560,000.0000	11/01/2019	$559,277.60	$560,000.00	($722.40)	(.13)	AA-	AA2	.0000	.00
	CALIFORNIA ST UNIV REVENUE TXBL-REF-SYSTEMWIDE-SER B									
221623XF3	575,000.0000	08/01/2019	$575,000.00	$575,000.00	$.00	.00	AA	A1	.0000	.00
	COTATI-ROHNERT PARK CA UNIF SC TXBL-ELECTION 2016-SER B									
357172B20	8,700,000.0000	08/01/2019	$8,700,000.00	$8,700,000.00	$.00	.00	AAA	AAA	.0000	.00
	FREMONT CA UNION HIGH SCH DIST TXBL-SER C									
697364DU8	180,000.0000	11/01/2019	$180,257.40	$180,000.00	$257.40	.14	AA+	N/A	.0000	.00
	PALO ALTO CA COPS TXBL-REF-CAPITAL IMPT PROJ-GRE									
797330AD9	3,060,000.0000	06/01/2020	$3,067,435.80	$3,060,000.00	$7,435.80	.24	A	N/A	.0000	.00
	SAN DIEGO CA TOBACCO SETTLEMEN TXBL-REF-SER A									
7976464Z6	445,000.0000	06/15/2021	$449,454.45	$445,000.00	$4,454.45	1.00	AAA	AAA	.0000	.00
	SAN FRANCISCO CITY & CNTY CA TXBL-SOCIAL BONDS-AFFORDABLE H									
79766DNU9	1,000,000.0000	01/01/2021	$1,008,040.00	$1,000,000.00	$8,040.00	.80	A	A1	.0000	.00
	SAN FRANCISCO CALIF CITY &CNTY TXBL-REF-SPL FACS LEASE-SFO FU									
798339GP6	300,000.0000	08/01/2019	$300,000.00	$300,000.00	$.00	.00	AAA	N/A	.0000	.00
	SAN JUAN CAPISTRANO CA TXBL-REF-OPEN SPACE MEASURE									
798455BJ9	635,000.0000	09/01/2019	$635,133.35	$635,000.00	$133.35	.02	AA-	N/A	.0000	.00
	SAN LEANDRO CA REDEV AGY SUCCE TXBL-REF-REDEV PROJ-SER B									
80136PCY7	955,000.0000	12/01/2021	$977,366.10	$955,000.00	$22,366.10	2.34	AA	A1	.0000	.00
	SANTA BARBARA CNTY CA SOLID WA TXBL-SER C									
899154AS7	5,000,000.0000	06/01/2020	$5,021,900.00	$5,000,000.00	$21,900.00	.44	AA-	A1	.0000	.00
	TULARE CNTY CA PENSN OBLG TXBL									
91412HEV1	800,000.0000	05/15/2021	$807,128.00	$800,000.00	$7,128.00	.89	AA	AA2	.0000	.00
	UNIV OF CALIFORNIA CA REVENUES TXBL-REF-GEN-SER BC									
SUBTOTAL	**60,110,000.0000**		**$60,252,032.70**	**$60,263,939.00**	**($11,906.30)**	**(.02)**			**.0000**	**.00**
OTHER ASSETS										
OTHER ASSETS										
MS6232818	55,000,000.0000		$55,000,000.00	$55,000,000.00	$.00	.00			.0000	.00

Exhibit 1

WELLS FARGO
Market/Cost Value Comparison Report
By Account By Industry Class
COUNTY OF VENTURA

General Reporting
From Month End With Pricing 07/31/2019
08/07/2019 11:18:32 AM PDT

ACCOUNT: All Accounts Selected
* = Trade or Other Activity Pending

Asset ID	Units	Maturity Date	Market Value	Fed Tax Cost	Gain/Loss Amount	%	S & P Rating	Moody's Rating	Units in Transition	Encumbrd Units
		CA LAIF STATE OF CALIFORNIA INVESTMENT FD								
MS6615459	25,000,000.0000		$25,014,975.00	$25,000,000.00	$14,975.00	.06			.0000	.00
		CALTRUST SHORT TERM ACCT								
SUBTOTAL	**80,000,000.0000**		**$80,014,975.00**	**$80,000,000.00**	**$14,975.00**	**.02**			**.0000**	**.00**
ACCOUNT 11435100 TOTAL	**2,589,136,000.0000**		**$2,585,412,487.80**	**$2,571,522,241.24**	**$13,890,246.56**	**.54**			**.0000**	**.00**
GRAND TOTAL	**2,589,136,000.0000**		**$2,585,412,487.80**	**$2,571,522,241.24**	**$13,890,246.56**	**.54**			**.0000**	**.00**

END OF REPORT

Exhibit 1

MONTHLY TRANSACTIONS REPORT - JULY 2019

Transaction Date	Purchase/ Sale		Par Amount	Security Type	Security Name	Maturity Date	Yield
07/08/19	Purchase	$	10,000,000.00	MTN	CISCO SYSTEMS INC	06/15/20	2.100
07/08/19	Purchase	$	10,000,000.00	YCD	BANK OF MONTREAL CHICAGO	10/07/19	2.290
07/08/19	Purchase	$	10,000,000.00	CP	TOYOTA CREDIT PUERTO RICO	10/04/19	2.242
07/08/19	Purchase	$	10,000,000.00	CP	MUFG BANK LTD NY	10/07/19	2.313
07/08/19	Purchase	$	10,000,000.00	GA	FFCB	01/08/21	2.174
07/08/19	Purchase	$	15,000,000.00	GA	FFCB	04/08/21	2.220
07/08/19	Purchase	$	10,000,000.00	YCD	KOOKMIN BANK NEW YORK	01/10/20	2.260
07/09/19	Purchase	$	9,083,000.00	GA	FHLMC	07/02/21	2.250
07/09/19	Purchase	$	10,000,000.00	YCD	NATL BANK OF KUWAIT NY	10/24/19	2.390
07/12/19	Purchase	$	36,955,000.00	CP	LOS ANGELES DEPT AIRPORT	11/13/19	2.247
07/12/19	Purchase	$	25,000,000.00	YCD	NATL BANK OF KUWAIT NY	10/25/19	2.430
07/12/19	Purchase	$	20,000,000.00	GA	FHLMC	07/08/21	2.300
07/15/19	Purchase	$	8,435,000.00	GA	FFCB	10/15/21	2.225
07/16/19	Purchase	$	1,000,000.00	MTN	ORACLE CORP	07/08/21	2.186
07/16/19	Purchase	$	1,975,000.00	MTN	AMERICAN HONDA FINANCE	01/08/21	2.215
07/16/19	Purchase	$	15,000,000.00	GA	FHLMC	07/16/21	2.250
07/16/19	Purchase	$	20,000,000.00	GA	FHLMC	01/18/22	2.300
07/24/19	Purchase	$	10,000,000.00	CP	TOYOTA CREDIT PUERTO RICO	07/25/19	2.329
07/25/19	Purchase	$	10,000,000.00	CP	CREDIT AGRICOLE CIB NY	07/26/19	2.350
07/26/19	Purchase	$	10,000,000.00	CP	TOYOTA CREDIT PUERTO RICO	10/24/19	2.192
07/26/19	Purchase	$	10,000,000.00	YCD	NATL BANK OF KUWAIT NY	10/24/19	2.330
07/26/19	Purchase	$	14,240,000.00	CP	GREAT-WEST LIFE & ANNUITY	10/24/19	2.243
07/26/19	Purchase	$	10,000,000.00	GA	FHLB	01/25/21	2.150
07/29/19	Purchase	$	2,000,000.00	GA	FHLB	01/29/21	1.958
07/30/19	Purchase	$	1,456,000.00	MTN	ORACLE CORP	07/08/21	2.150

PORTFOLIO AVERAGE MONTHLY BALANCE

EXHIBIT 3

07-19 INV.PPT

AVERAGE MATURITY

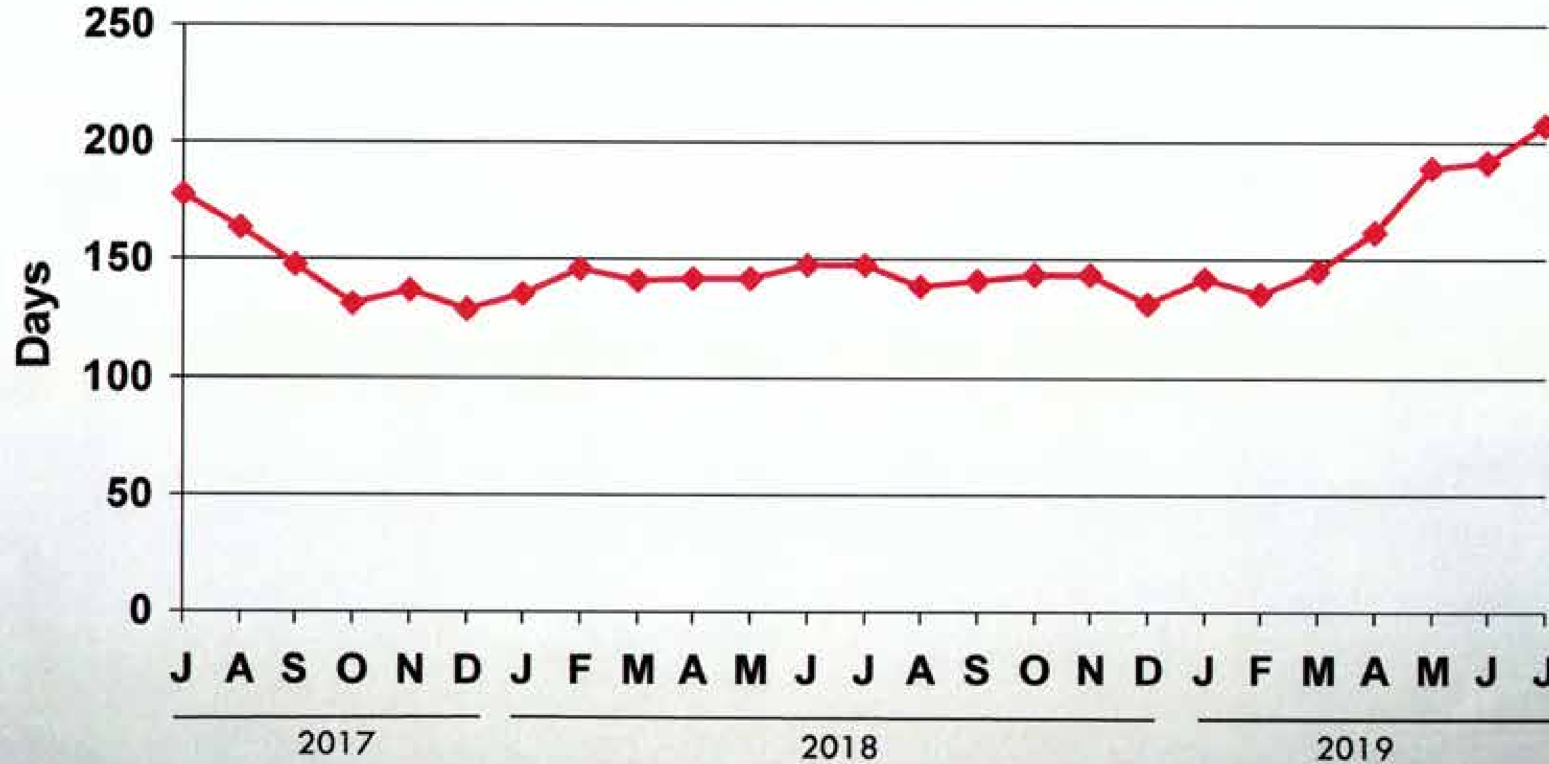


EXHIBIT 4

++++YIELD COMPARISON

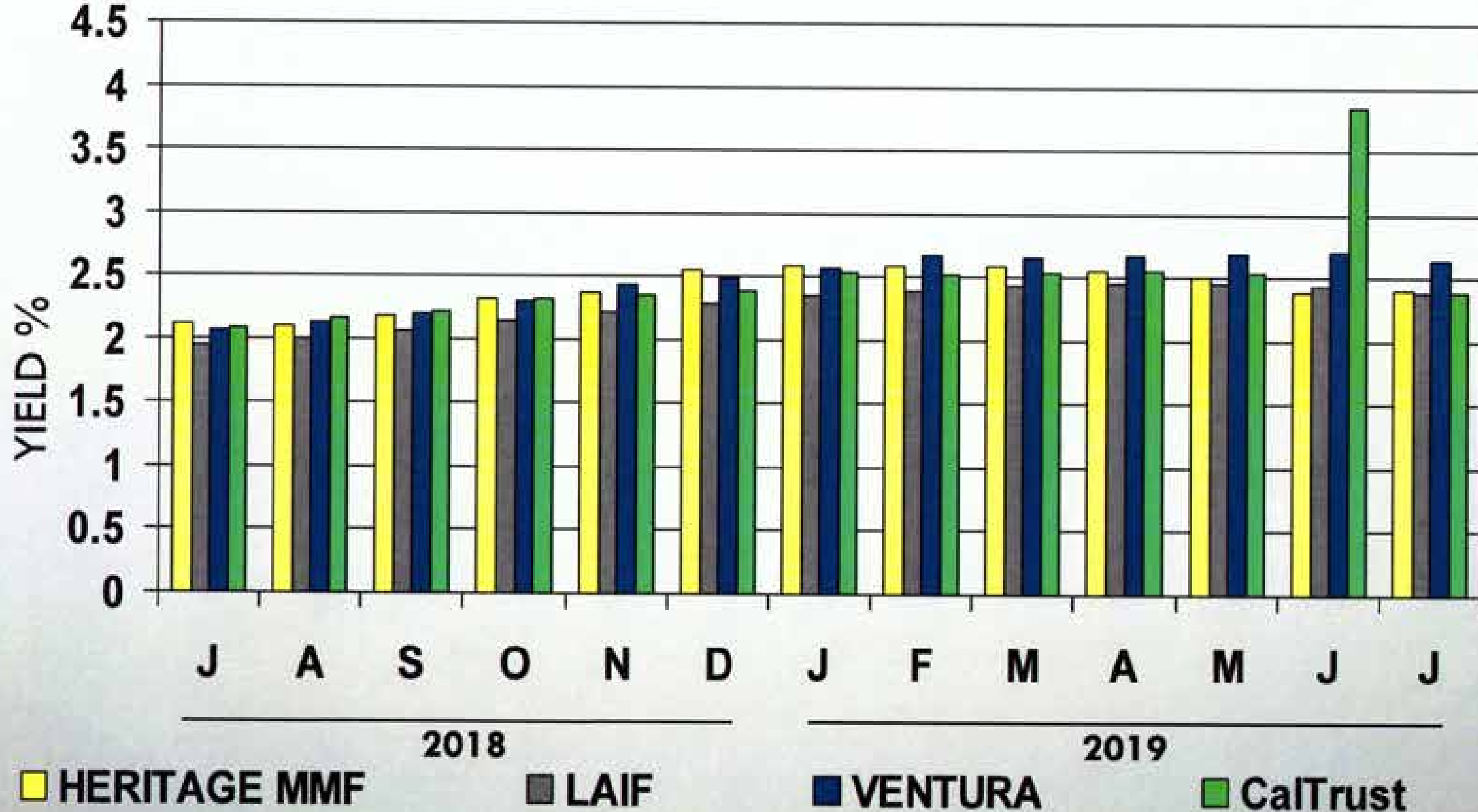


EXHIBIT 5

07-19 INV.PPT

ROLLING 2-YEAR % YIELD

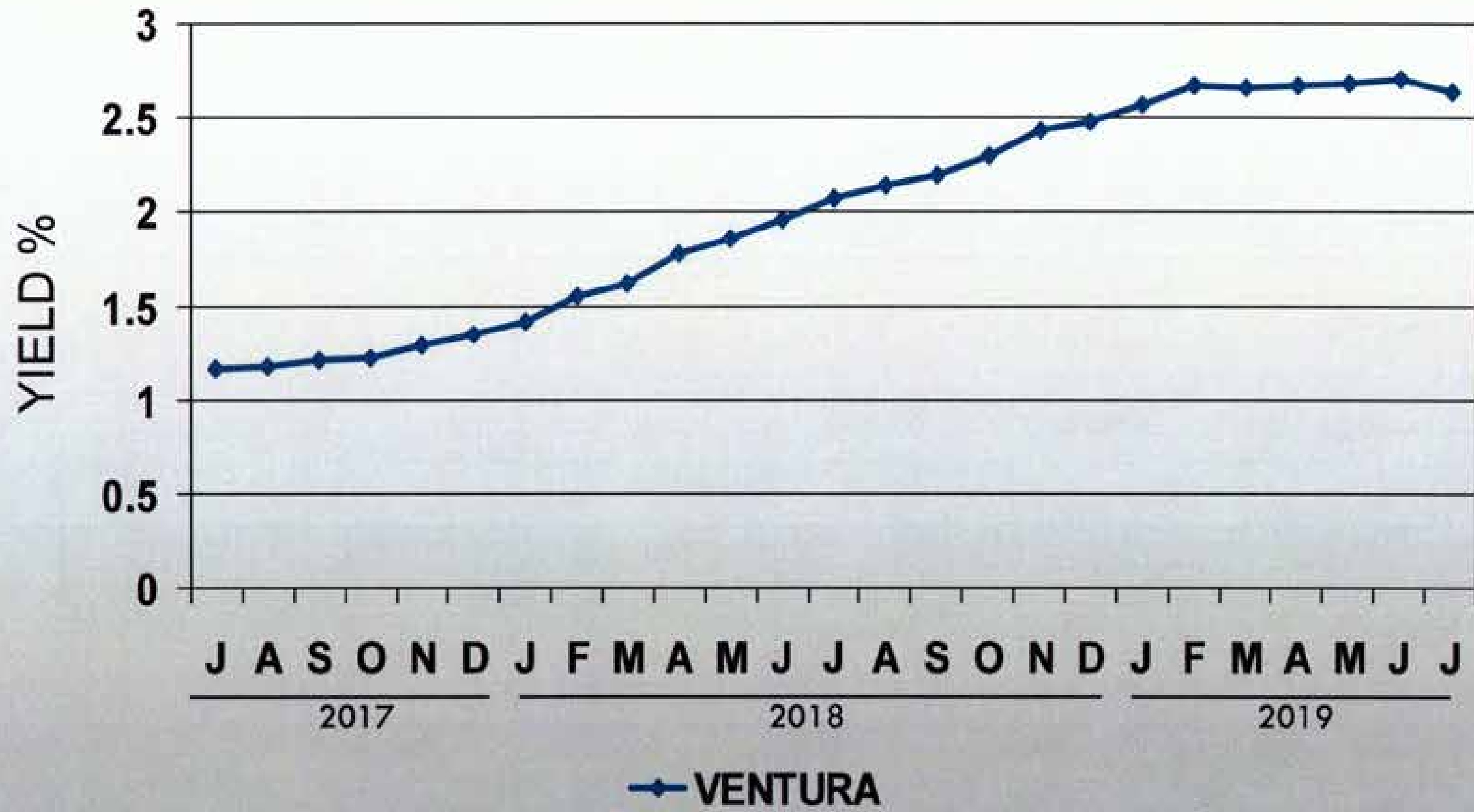
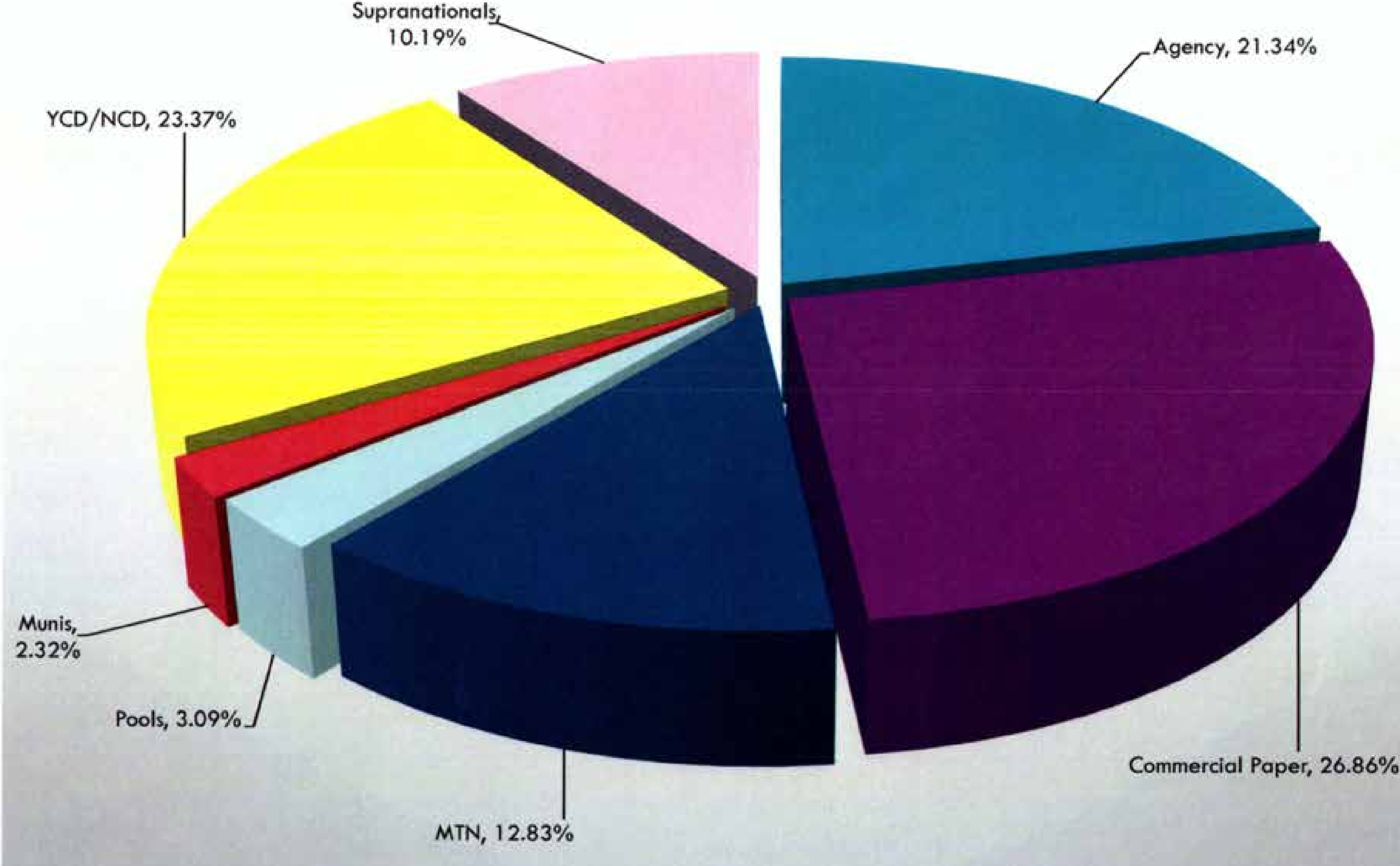


EXHIBIT 6

ROLLING 2-YEAR $ YIELD

EXHIBIT 7

PORTFOLIO HOLDINGS BY CLASS



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APPENDIX G

GENERAL ECONOMIC AND DEMOGRAPHIC INFORMATION FOR

THE COUNTY OF VENTURA

The following information regarding the County of Ventura (the "County") is included for the purposes of supplying general information regarding the local community and economy. The Bonds are not a debt of the County or the Cities within the County. This information has been prepared from the sources noted herein and has not been reviewed for accuracy by the District or Bond Counsel.

Population

The following table shows a history of the County's population since 2015. Data was estimated as of January 1 of the respective year.

POPULATION ESTIMATES
(As of January 1)

City/Area	2015	2016	2017	2018	2019
Camarillo	67,428	68,026	68,207	68,452	69,880
Fillmore	15,525	15,580	15,701	15,840	15,925
Moorpark	35,911	36,376	36,550	36,828	37,020
Ojai	7,702	7,703	7,717	7,741	7,769
Oxnard	207,471	208,603	208,987	209,269	209,879
Port Hueneme	22,858	23,185	23,182	23,370	23,526
San Buenaventura	109,946	109,946	110,092	110,125	108,170
Santa Paula	30,901	31,004	30,915	30,931	30,779
Simi Valley	127,253	127,069	127,166	127,421	127,716
Thousand Oaks	130,205	129,949	129,949	130,283	129,557
Unincorporated	97,305	97,445	97,507	97,155	96,377
Total County	852,505	854,886	855,973	857,415	856,598
Change from Prior Year	0.46%	0.30%	0.13%	0.17%	-0.10%
California	38,952,462	39,214,803	39,504,609	39,740,508	39,927,315
Change from Prior Year	0.85%	0.67%	0.73%	0.60%	0.47%

Source: California Department of Finance, Demographic Research Unit.

The population centers in the County first developed in the Cities of Ventura, Santa Paula, Oxnard, Fillmore and Ojai. Agriculture and mineral production provided the major impetus for population growth. The spread of subdivisions and industries in the western San Fernando Valley area of Los Angeles stimulated growth in the Cities of Thousand Oaks, Simi Valley, Camarillo and Moorpark. The Cities of Camarillo, Thousand Oaks, Oxnard and Simi Valley grew rapidly during the period from the 1960's to the 1990's.

The State's population growth of 0.47% in 2018 was the slowest in the State's history. The County experienced a decrease of 0.10% in its population in 2018. The County believes that the decrease is likely attributable to the impact of the Thomas, Woolsey and Hills fires. The County expects any decreases in population to be temporary and expects growth in the County to resume once homes and structures in the impacted areas have been rebuilt.

The City of Oxnard is the County's largest in terms of population. Oxnard is the regional financial, industrial and commercial center for the surrounding area. Many food processing, retail outlets, electronics and other light industrial firms are located in Oxnard. The Channel Islands Harbor, one of two inland recreation waterways in the County, offers excellent boating and ocean sport fishing.

The City of Ventura is situated approximately 70 miles northwest of Los Angeles and approximately 25 miles southeast of Santa Barbara. The City of Ventura's economy revolves chiefly around the County government facilities, financial services, retail operations and a well-developed food processing industry.

In the central portion of the County, north of the City of Ventura, lies the scenic Ojai Valley. This prosperous region is characterized by tourist and resort activity, an expanding residential base as well as oil production facilities. The City of Ojai is situated at the foot of the Los Padres National Forest, in a valley surrounded by 6,000-foot mountains. Ojai is a long-established, high-quality suburban and retired residential area noted for its fashionable resorts and private schools.

The fertile Santa Clara River Valley is the major economic resource of the south-central and eastern area northeast of Ventura and Oxnard. The City of Santa Paula, in the heart of the valley, is the location of major oil producing activities and is the birthplace of the Union Oil Company. Santa Paula is also an important wholesale center for citrus products packing and shipping operations.

The Conejo Valley area, in the southeastern portion of the County, has been characterized by a high rate of growth in residential and industrial development. This area, a fully integrated community of homes, industries and related facilities, has attracted a large number of electronics and medical research firms, particularly in the City of Thousand Oaks.

Thousand Oaks, the County's largest city in terms of assessed valuation and second largest in population, typifies the changing character that has taken place in the County during the last fifteen years. The city has evolved from a semi-rural area into an urbanized center of master-planned communities such as Westlake Village and Newbury Park and is noted for its diverse residential areas, major shopping center, industrial centers and commercial facilities.

Industry and Employment

The U.S. Navy is the County's largest employer and the County's largest employer of civilian workers. Naval Base Ventura County ("NBVC") supports approximately 80 tenant commands with a base population of more than 19,000 personnel. Tenant commands encompass an extremely diverse set of specialties that support both Fleet and Fighter, including three warfare centers: Naval Air Warfare Center Weapons Division, Naval Surface Warfare Center Port Hueneme Division and Naval Facilities Engineering and Expeditionary Warfare Center. NBVC is also home to deployable units, including the Pacific Seabees and the West Coast E-2C Hawkeyes.

As the following table indicates, four major industry categories provide approximately 75% of the employment in the County: services, government, retail trade and manufacturing.

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INDUSTRY EMPLOYMENT
As of June 30
(in thousands)

Industry[1]	**2014**	**2015**	**2016**	**2017**	**2018**
Mining and Logging	1.3	1.0	0.9	0.9	0.9
Construction	13.7	14.2	14.6	15.7	16.8
Manufacturing					
Nondurables	6.3	7.0	7.1	7.0	6.7
Durables	18.6	18.8	18.6	18.6	19.5
Trade, Transportation & Utilities					
Wholesale Trade	12.8	12.6	13.0	13.2	13.2
Retail Trade	39.2	39.9	40.0	40.1	39.6
Transport, Warehousing & Utilities	6.0	6.0	6.0	6.1	6.4
Information	5.3	5.1	5.0	5.0	5.0
Financial Activities	18.7	17.7	17.4	16.9	16.5
Professional & Business Services	35.1	35.8	40.9	42.2	42.9
Educational & Health Services	41.6	42.9	44.4	45.9	47.6
Leisure & Hospitality	34.8	35.7	36.4	37.2	37.7
Other Services	9.8	9.7	9.6	9.6	9.4
Government[2]	44.0	45.4	46.6	46.9	46.9
Agriculture	26.5	26.5	25.2	23.8	24.4
Totals[3]	320.2	322.8	325.7	329.2	333.3

(1) Industry employment is reported by place of work, rather than place of residence. It does not include self-employed persons, volunteer workers, unpaid family workers, farmers, private household workers or persons involved in labor-management disputes.
(2) Includes all civilian employees regardless of the activity in which the employee is engaged.
(3) Totals may not add due to rounding.
Source: State Department of Employment Development, Labor Market Information Division.

Large manufacturing employers, some of which are identified in the following table, are located throughout the County. They include companies involved in electronic and scientific research and design, aerospace systems and support and other manufacturing. Other large employers are local governmental entities, insurance services and providers of health care.

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TEN LARGEST EMPLOYERS
(January 2019)

Firm Name	Product/Service	Employment
United States Naval Base	U.S. Navy Installation Support Services	18,776
County of Ventura	County Government	8,435
Amgen, Inc.	Biotechnology	5,500
Wellpoint	Insurance	2,860
Simi Valley Unified School District	Education	2,737
Community Memorial Hospital	Healthcare	2,300
Conejo Valley Unified School District	Education	2,050
Dignity Health	Healthcare	2,016
Ventura Unified School District	Education	1,835
Oxnard Union School District	Education	1,654

Source: California Economic Forecast, 2019 Los Angeles County and Ventura County Economic Outlook.

The County's unemployment rate in 2018 of 3.8 percent, down from 4.5 percent in the prior year, compared with California at 4.2 percent and the nation at 3.9 percent. The following table provides a historical view of employment within the County, the State and the United States of America for the period from 2014 through 2018.

COUNTY, STATE AND UNITED STATES OF AMERICA
LABOR FORCE, EMPLOYMENT AND UNEMPLOYMENT RATES
Yearly Average for Years 2014 to 2018

	2014	2015	2016	2017	2018
County					
Unemployment Rate	6.6%	5.7%	5.2%	4.5%	3.8%
Employment	403,900	405,300	405,600	407,100	409,700
Unemployment	28,700	24,400	22,100	19,100	16,100
Civilian Labor Force	432,600	429,800	427,800	426,200	425,700
State of California					
Unemployment Rate	7.5%	6.2%	5.4%	4.8%	4.2%
Employment	17,418,000	17,798,600	18,065,000	18,393,100	18,582,800
Unemployment	1,669,000	1,183,200	1,037,700	918,900	815,400
Civilian Labor Force	18,557,400	18,981,800	19,102,700	19,312,000	19,398,200
United States of America					
Unemployment Rate	6.2%	5.3%	4.9%	4.4%	3.9%
Employment	146,305,000	148,834,000	152,111,000	153,602,000	156,945,000
Unemployment	9,617,000	8,296,000	7,529,000	6,278,000	6,294,000
Civilian Labor Force	155,922,000	157,130,000	159,640,000	159,880,000	163,240,000

Source: State of California Employment Development Department; United States Bureau of Labor Statistics.

Commercial Activity

Commercial activity is an important part of the County's economy. Commencing in 2015, the number of categories for which taxable transactions data is available has been reduced, as further described in footnote number (1) below. Annual figures for 2016 include totals for the Retail and Food Services category of $9,774,879,703, an increase of over $150 million from 2015, and a total for all outlets of $13,745,950,224, an increase of almost $100 million from 2015. Annual 2017 and 2018 figures are not available.

TAXABLE TRANSACTIONS
2012 through 2016(1)
(in thousands)

	2012	2013	2014	2015(1)	2016
Motor Vehicle and Parts Dealers	$ 1,711,680	$1,838,611	$1,985,028	$2,164,303	$2,219,585
Furniture/Home Furnishings Stores	182,384	194,787	205,148	536,773	553,806
Electronics and Appliance Stores	278,023	284,528	292,429	N/A	N/A
Bldg. Matrl./Garden Equip./Supplies	641,660	684,286	718,975	774,857	780,831
Food and Beverage Stores	548,619	573,416	586,114	627,855	612,454
Health and Personal Care Stores	235,123	245,121	246,803	N/A	N/A
Gasoline Stations	1,248,682	1,208,107	1,175,226	997,949	918,265
Clothing/Clothing Accessories Stores	863,178	907,629	917,802	939,280	979,664
Sporting Goods, Book, Music Stores	287,960	296,249	294,158	N/A	N/A
General Merchandise Stores	1,112,454	1,136,487	1,136,469	1,036,797	1,020,719
Miscellaneous Store Retailers	282,115	301,383	304,445	N/A	N/A
Nonstore Retailers	114,840	179,892	207,274	N/A	N/A
Food Services and Drinking Places	1,193,290	1,250,941	1,331,182	1,434,389	1,492,701
Total Retail and Food Services	8,700,010	9,101,436	9,401,053	9,615,370	9,774,879
All Other Outlets	3,258,250	3,722,859	3,965,575	4,168,975	3,971,070
Total All Outlets(2)	$11,958,260	$12,824,296	$13,366,628	$13,784,346	$13,745,950

(1) As a result of a re-evaluation of the sample and universe coverage for the industries covered by the Current Employment Statistics for industries analyzed by the Bureau of Labor Statistics (based on North American Industry Classification System industries), in 2015 certain employment categories have been collapsed or discontinued. For example, the Furniture and Home Appliance Stores and Electronics and Appliance Stores categories have been collapsed and certain other categories, as reflected in the table above, have been discontinued.
(2) Detail may not compute to total due to rounding.
Source: California State Board of Equalization, Taxable Sales in California.

Much of the County's commercial activity is concentrated in central retail centers or in small neighborhood commercial centers in the cities within the County including the City of Thousand Oaks, the City of Oxnard and the City of Ventura.

Agriculture

The County has rich soil, enjoys a year-round growing season and currently ranks 8th among California counties in agricultural production. The major crops are strawberries, raspberries, lemons and nursery stock. The table on the following page shows estimated County crop values by crop category for the calendar years 2013 to 2017. Figures for 2018 are not yet available.

AGRICULTURE PRODUCTION
(in millions)

	2013	2014	2015	2016	2017
Beekeeping Products	$ 1.4	$ 0.5	$ 2.1	$ 2.8	$ 3.7
Field Crops	.5	1.4	1.0	1.6	1.6
Flowers (cut)	43.1	47.6	48.5	48.0	49.9
Fruit and Nut Crops	1,280.3	1,338.0	1,357.1	1,286.5	1,270.4
Livestock and Poultry	6.5	7.8	6.9	5.7	4.6
Nursery Products	190.9	180.5	195.8	206.8	197.9
Vegetable Crops	568.7	557.6	583.3	556.7	569.4
Sustainable Agriculture	3.6	3.4	3.8	2.0	2.3
Total	$2,094.9	$2,137.0	$2,198.6	$2,110.2	$2,099.8

Source: Ventura County Crop and Livestock Report.

Construction Activity

The following table provides a five-year summary of building permit calculations and number of new dwelling units authorized in the County for the years shown.

BUILDING PERMIT VALUATIONS AND NEW DWELLINGS AUTHORIZED

	2014	2015	2016	2017	2018
Valuations (In Millions)					
Residential	$344.6	$374.0	$448.4	$698.8	$648.1
Non-residential	150.1	189.9	202.7	230.3	357.9
Total	$494.7	$564.0	$651.1	$928.1	$1,006.0
New Dwelling Units:					
Single Family	450	615	144	198	637
Multiple Family	632	394	579	482	612
Total Units	1,082	1,009	723	680	1,249

Source: Construction Industry Research Board Annual Building Permit Summaries, Calendar Years 2014-2018.

Transportation

Access to job opportunities in Los Angeles and Santa Barbara Counties has been one of the major factors in the County's employment and population growth. Several major freeways and highways provide access between the County and all parts of Southern California. U.S. Highway 101 extends through the southwestern portion of the County and links the major cities in the County to the Los Angeles metropolitan area and to Santa Barbara County. Running easterly from U.S. 101, State Highway 126 passes through Santa Paula and Fillmore to connect with Interstate 5 in Los Angeles County. State Highway 118 extends between U.S. 101 and Interstate 5 and provides access between Simi Valley and the San Fernando Valley. The Pacific Coast Highway (State Highway 1) follows the coastline from Oxnard south towards Los Angeles.

Currently, the County has two intercity bus lines that provide a transit alternative to the auto. Gold Coast Transit ("GCT"), a regional public agency funded by participating cities and the County, provides service from Ventura to and from Oxnard, Ojai and Port Hueneme (the "Port"). Another publicly-funded service, Vista, operates along Highways 101, 118 and 126, with stops at major cities in between. The line is designed to tie into Los Angeles County Metropolitan Transportation Authority bus service at Thousand Oaks and Woodland Hills, which then transports passengers to other Los Angeles County destinations.

Regional bus service is provided by GCT in participating cities including Oxnard, Ventura, Ojai and Port Hueneme. Local bus service is provided by the Cities of Thousand Oaks, Moorpark, Ojai, Simi Valley and Camarillo. Additionally, private bus service is provided from Ventura to Los Angeles International Airport with stops at major cities in between.

Passenger service is also provided by (i) AMTRAK, (ii) Metrolink, a commuter rail service linking portions of the County with downtown Los Angeles and (iii) Greyhound Lines, which has a stop at the Oxnard Transportation Center. Union Pacific Railroad handles most of the freight train movement in the County. The Ventura County Railway Company is a local railroad, which provides services between the Union Pacific Line and the Port and intermediate industrial parks.

The County seat in the City of Ventura is within a 90-minute drive of Santa Barbara Airport, the Bob Hope Airport in Burbank and the Los Angeles International Airport ("LAX"). The County itself has three smaller airports. The County operates two of these: Oxnard Airport, which serves as a general aviation field, and Camarillo Airport, which serves as a general aviation field. The Santa Paula Airport is a privately-owned facility.

The Port is the gateway for the U.S. Customs Port of Entry serving the California Central Coast, a Foreign Trade Zone under the U.S. Department of Defense and Transportation and is the only commercial deep-draft harbor between Los Angeles and San Francisco. The Port is owned and operated by the Oxnard Harbor District (the "District"), an independent special district that was formed for the purpose of developing and operating the commercial terminal facilities at the Port. The District is also the local World Trade Center license holder. Port operations are self-sustaining and are supported by revenues derived from operations and tenant activities. Major imports through the Port include automobiles, bananas and other fresh fruit and liquid fertilizers.

Major truck lines serve the County, making available overnight delivery service to major California cities.