CAMARILLO HEALTH CARE DISTRICT

Financial Statements for the Years
Ended June 30, 2021 and 2020 and
Independent Auditor's Report

Fanning & Karrh

Certified Public Accountants

A Professional Corporation

CAMARILLO HEALTH CARE DISTRICT
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CAMARILLO HEALTH CARE DISTRICT
Governing Board of Directors and Management
June 30, 2021

Name	Position
Governing Board of Directors:	
Christopher Loh, MD	President
Thomas Doria, MD	Vice President
Richard Loft, MD	Clerk of the Board
Mark O. Hiepler, Esq	Director
Martin Daly	Director
Management:	
Kara Ralston	Chief Executive Officer
Sonia Amezcua	Chief Administrative Officer

FINANCIAL SECTION

F&K Fanning & Karrh
Certified Public Accountants
A Professional Corporation

PO Box 7464
Ventura, California 93006
Telephone (805) 654-0450

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Camarillo Health Care District:

We have audited the accompanying financial statements of Camarillo Health Care District (District) as of and for the years ended June 30, 2021 and 2020, 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 misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion 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 State Controller's Minimum Audit Requirements for California Special Districts. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of 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 entity'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 purposes of expressing an opinion on the effectiveness of the entity'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 that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Camarillo Health Care District as of June 30, 2021 and 2020 and the changes in its financial position and its cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 7, the Schedules of Proportionate Share of the Net Pension Liability and of Contributions for the Cost Sharing Defined Benefit Pension Plan on page 28, the Schedule of Changes in the Net OPEB Liability and Related Ratios on page 29 to 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 Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 22, 2022, on our consideration of the Camarillo Health Care District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 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 Camarillo Health Care District's internal control over financial reporting and compliance.

Fanning & Karrh

Ventura, California
March 22, 2022

Camarillo HEALTH CARE DISTRICT

CAMARILLO HEALTH CARE DISTRICT
Management's Discussion and Analysis
For year ending June 30, 2021

This discussion and analysis of the Camarillo Health Care District's ("District") financial performance during the stated period provides an overview of the District's operational activities that had an impact on the financial performance of the District.

This report consists of a series of financial statements with accompanying notes. The Statements of Net Position reflects the financial position of the District at June 30, 2021 and 2020. The Statements of Revenues, Expenses and Changes in Net Position provide the results from operations through the fiscal years ended June 30, 2021 and 2020, and reflect how the operating results for the fiscal years affected the Statements of Net Position.

The District uses a single enterprise fund for accounting and reporting the results of all operations. The statements referenced above include all assets and liabilities using the accrual basis of accounting, which is similar to accounting used by most private-sector companies. Accrual of current year's revenues and expenses are taken into account regardless of when cash is received or paid.

As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen which are likely to negatively impact revenues. Other financial impact could occur, though such potential impact is unknown at this time.

This is a challenging time not only for our country but also for the community. The District takes the safety and health of our community and staff very seriously. The District has chosen to take actions to limit the spread of this virus. Therefore, the District has made the tough decision to cancel or postpone programs in several areas.

The notes that follow the financial statements provide additional information that is essential to a full understanding of the data provided in the financial statements.

CAMARILLO HEALTH CARE DISTRICT
Management's Discussion and Analysis
For year ending June 30, 2021

The District is operated and reported as a single enterprise fund; there are no subsidiary fund statements presented as part of this report. The following is a summary of the net position of the District and the change in the net positions from the prior fiscal year.

	2021	2020
Assets		
• Current Assets	$5,626,050	$4,717,196
• Restricted Assets	6,484	5,599
• Capital Assets	1,156,595	1,259,480
Total Assets	6,789,129	5,982,275
Deferred Outflows of Resources	559,454	574,282
Total Assets and Deferred	$7,348,583	$6,556,557
Liabilities		
• Current Liabilities	$314,276	$360,306
• Long-term Liabilities	2,243,175	2,019,001
Total Liabilities	2,557,451	2,379,307
Deferred Inflow of Resources	446,602	619,650
Net Position	4,344,530	3,557,600
Total Liabilities, Deferred and Net Position	$7,348,583	$6,556,557

The net position of the Camarillo Health Care District increased 22.11% ($786,930) as follows:

- Current assets increased by 19.7% ($908,854) from the prior year due to an increase in the property tax allocation and a decrease in operating expenses due in most part to the second round of COVID-19 restrictions.
- A decrease in capital assets of 8.2% ($102,885) is primarily due to current year depreciation expense.
- A decrease in current liabilities of 12.8% ($46,030) in prior year due to a reduction in accounts payable and deferred revenue release.
- A increase in total long-term liabilities of 11.1% ($224,174) consists of two factors: 1) the paydown of the construction loan, and 2) increases in the actuarially determined net pension liability and Other Post Employment Benefits (OPEB) liability.
- The decrease in both the deferred outflows and deferred inflows of resources, are due to pension and other postemployment actuarially determined activities.

Camarillo
HEALTH CARE DISTRICT

CAMARILLO HEALTH CARE DISTRICT
Management's Discussion and Analysis
For year ending June 30, 2021

	2021	2020
Operating Revenues		
• Program Revenues	$149,726	$342,536
• Operating Grants	327,180	312,347
• Bequest Distribution - Care-A-Van	143,708	142,958
• Other Operating Revenue	9,288	18,555
Total Operating Revenues	$629,902	816,396
Non-Operating Revenues (Expenses)		
• Property Taxes	2,997,962	2,765,567
• Investment Income	22,897	62,586
• Other Non-Operating Revenue	54,368	70,688
• Gain (Loss) on Sale of Assets	-	4,300
• Interest Expense	(3,274)	(9,030)
Total Non-Operating Revenues	$3,071,953	2,894,111
Program Expenses		
• Salaries, wages and benefits	1,685,664	1,707,231
• Professional fees	150,259	191,269
• Depreciation	93,337	114,584
• Other	362,804	486,054
Total Program Expenses	2,292,064	2,499,138
Administration Expenses	622,861	652,969
Change in Net Position	$786,930	$558,400

- Total Operating Revenues reflect a decrease of 22.8% ($186,494), primarily due to loss of program revenue caused by the COVID 19 pandemic, with resulting facility and program closures for a second fiscal year.
- Total Non-Operating Revenues increased by 6.1% ($177,842) due primarily to an increase in property tax revenue.
- Total Program Expenses decreased by 8.3% ($207,074) due primarily to a continuing year of COVID-19 program restrictions which affected program supplies and materials, professional fees, contractors, maintenance and repairs, and similar.
- Administration Expenses had a decrease of 4.6% ($30,108), due primarily to a savings in election costs, and reduced need for legal expenses.

Camarillo
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CAMARILLO HEALTH CARE DISTRICT
Management's Discussion and Analysis
For year ending June 30, 2021

Actual Results Compared to Budget

The Board of Directors adopts an annual budget in June for the following fiscal year, beginning on July 1. Performance to budget is monitored by the Board throughout the year. Following is a summary of actual results in comparison to budget.

	Actual	Budget
Total Operating Revenue	$629,902	$794,598
Less Operating Expenses:		
• Salaries and Benefits	2,111,677	2,341,012
• Depreciation	118,646	116,538
• Other Operating Expenses	684,602	966,098
Net Operating Loss	($2,285,023)	($2,629,050)
Non-Operating Revenues and Expenses:		
• Property Taxes	2,997,962	2,741,713
• Investment Income	22,897	30,000
• Other Non-Operating Revenue	54,368	5,010
• Other Non-Operating Expenses	(3,274)	(7,233)
Net Non-Operating Revenue	$3,071,953	$2,769,490
Change in Net Position	$786,930	$140,440

Requests for information:
This report is designed to provide a general overview of the District's finances. Questions concerning any of the information provided in this report should be addressed to the CEO, Camarillo Health Care District, 3639 East Las Posas Road, Suite 117, Camarillo, CA 93010.

CAMARILLO HEALTH CARE DISTRICT
STATEMENTS OF NET POSITION
June 30, 2021 and 2020

ASSETS	NOTES	2021	2020
CURRENT ASSETS			
Cash and cash equivalents	2	$ 5,445,491	$ 4,539,444
Receivables:			
Accounts		1,104	108
Property taxes		87,329	63,220
Grants and other reimbursements		86,838	95,723
Interest		3,319	13,018
Prepaid expenses		1,969	5,683
Total current assets		5,626,050	4,717,196
RESTRICTED ASSETS - cash and cash equivalents	2	6,484	5,599
CAPITAL ASSETS, net of accumulated depreciation	3	1,156,595	1,259,480
TOTAL ASSETS		6,789,129	5,982,275
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources related to other postemployment benefits	7	86,743	79,348
Deferred outflows of resources related to pensions	6	472,711	494,934
Total deferred outflows of resources		559,454	574,282

CAMARILLO HEALTH CARE DISTRICT
STATEMENTS OF NET POSITION - concluded
June 30, 2021 and 2020

LIABILITIES	NOTES	2021	2020
CURRENT LIABILITIES			
Accounts payable		37,861	56,314
Accrued expenses		154,641	158,590
Accrued interest payable		2,685	6,441
Deferred revenue		23,625	46,947
Current portion of long-term debt	5	95,464	92,014
Total current liabilities		314,276	360,306
LONG-TERM LIABILITIES			
Long-term debt, net of current portion	5	-	95,464
Net other postemployment benefit liability	7	469,896	326,777
Net pension liability	6	1,773,279	1,596,760
Total long-term liabilities		2,243,175	2,019,001
TOTAL LIABILITIES		2,557,451	2,379,307
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources related to other postemployment benefits	7	324,496	432,661
Deferred inflows of resources related to pensions	6	122,106	186,989
Total deferred inflows of resources		446,602	619,650
NET POSITION			
Net investment in capital assets		1,061,131	1,072,002
Unrestricted net position		3,283,399	2,485,598
TOTAL NET POSITION		$ 4,344,530	$ 3,557,600

The notes to the financial statements are an integral part of this statement.

CAMARILLO HEALTH CARE DISTRICT
STATEMENTS OF REVENUES AND EXPENSES AND CHANGES IN NET POSITION
For the Years Ended June 30, 2021 and 2020

	NOTES	2021	2020
OPERATING REVENUES			
Program revenue		$ 149,726	$ 342,536
Operating grants	10	327,180	312,347
Distribution from Ventura County Community Foundation	9	143,708	142,958
Other operating revenues		9,288	18,555
TOTAL OPERATING REVENUES		629,902	816,396
OPERATING EXPENSES			
Program Expenses:			
Salaries, wages and benefits		1,685,664	1,707,231
Professional fees		150,259	191,269
Postage and printing		67,021	90,540
Supplies and activities		34,312	84,422
Dues and subscriptions		8,722	12,306
Continuing education - staff		6,394	14,717
Depreciation		93,337	114,584
Insurance		63,113	54,019
Advertising and promotion		3,980	20,177
Utilities and telephone		91,389	87,838
Repairs and maintenance		45,167	77,413
Other		42,706	44,622
Total program expenses		2,292,064	2,499,138
Administration Expenses:			
Salaries, wages and benefits		426,013	396,189
Professional fees		65,627	93,968
Postage and printing		143	3,641
Supplies and activities		10,350	9,679
Dues and subscriptions		17,584	21,023
Continuing education - staff		2,372	5,065
Depreciation		25,309	23,256
Insurance		7,991	7,360
Advertising and promotion		10	1,598
Board expenses		30,152	33,380
Utilities and telephone		19,568	18,819
Repairs and maintenance		4,226	21,182
Other		13,516	17,809
Total administration expenses		622,861	652,969
TOTAL OPERATING EXPENSES		2,914,925	3,152,107
OPERATING LOSS		(2,285,023)	(2,335,711)

CAMARILLO HEALTH CARE DISTRICT
STATEMENTS OF REVENUES AND EXPENSES AND CHANGES IN NET POSITION - concluded
For the Years Ended June 30, 2021 and 2020

	NOTES	2021	2020
NON-OPERATING REVENUES AND EXPENSES			
Property taxes		2,997,962	2,765,567
Donations		19,600	6,776
Investment income		22,897	62,586
Other non-operating revenue		34,768	63,912
Gain (loss) on disposal of capital assets		-	4,300
Interest expense		(3,274)	(9,030)
TOTAL NON-OPERATING REVENUES AND EXPENSES		3,071,953	2,894,111
CHANGE IN NET POSITION		786,930	558,400
NET POSITION - Beginning of year		3,557,600	2,999,200
NET POSITION - End of year		$ 4,344,530	$ 3,557,600

The notes to the financial statements are an integral part of this statement.

CAMARILLO HEALTH CARE DISTRICT
STATEMENTS OF CASH FLOWS
For the Years Ended June 30, 2021 and 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from user charges	$ 149,615	$ 344,699
Operating grant revenue received	311,858	317,698
Distribution from Ventura County Community Foundation	143,708	142,958
Other operating receipts	9,288	18,555
Cash payments to employees for services, including benefits	(1,954,208)	(2,166,935)
Cash payments for operating expenses	(699,341)	(917,611)
NET CASH USED FOR OPERATING ACTIVITIES	(2,039,080)	(2,260,636)
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment income	32,596	70,357
Other non-operating income	54,368	70,688
NET CASH PROVIDED BY INVESTING ACTIVITIES	86,964	141,045
CASH FLOWS FROM CAPITAL ACTIVITIES		
Purchase of capital assets	(15,761)	(10,218)
Proceeds from sale of capital assets	-	4,300
Interest payments on long-term debt	(7,030)	(10,356)
Repayment of long-term debt	(92,014)	(88,688)
NET CASH USED FOR CAPITAL ACTIVITIES	(114,805)	(104,962)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Property taxes collected	2,973,853	2,769,835
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	2,973,853	2,769,835
NET INCREASE IN CASH AND CASH EQUIVALENTS	906,932	545,282
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	4,545,043	3,999,761
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 5,451,975	$ 4,545,043
CASH AND CASH EQUIVALENTS CONSISTS OF THE FOLLOWING:		
Unrestricted cash and cash equivalents	$ 5,445,491	$ 4,539,444
Restricted cash and cash equivalents	6,484	5,599
TOTAL CASH AND CASH EQUIVALENTS	$ 5,451,975	$ 4,545,043

CAMARILLO HEALTH CARE DISTRICT
STATEMENTS OF CASH FLOWS - concluded
For the Years Ended June 30, 2021 and 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating loss	$ (2,285,023)	$ (2,335,711)
Adjustments to reconcile operating loss to net cash used for operating activities:		
Depreciation	118,646	137,840
Changes in assets, deferred outflows, liabilities, and deferred outflows:		
Accounts receivable	(996)	1,879
Grants and other reimbursements	8,885	504
Prepaid expenses	3,714	(3,213)
Deferred outflows of resources	14,828	(9,899)
Accounts payable	(18,453)	(3,551)
Accrued expenses	(3,949)	(9,377)
Deferred revenue	(23,322)	5,131
Net other postemployment benefit liability	143,119	(93,747)
Net pension liability	176,519	173,340
Deferred inflows of resources	(173,048)	(123,832)
NET CASH USED FOR OPERATING ACTIVITIES	$ (2,039,080)	$ (2,260,636)

SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES

None	$ -	$ -

The notes to the financial statements are an integral part of this statement.

CAMARILLO HEALTH CARE DISTRICT

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization – Camarillo Health Care District (District) is a political subdivision of the State of California, classified as a public not-for-profit local government special district. The District encompasses the greater Camarillo area which includes Somis, the Las Posas Valley and a portion of the Santa Rosa Valley. The District's overall goal is to provide quality health and wellness related services to meet the needs of all District residents. The District's five-member Board of Directors comprises representatives who were elected at large and serve four-year terms. The District amended its Bylaws in April 2020 to provide for election by zone beginning in 2020.

Reporting Entity – The District's reporting entity includes all significant operations and revenue sources which the District Board of Directors exercises oversight responsibility. Oversight responsibility is determined on the basis of selection of the governing board, designation of management, ability to significantly influence operations, accountability for fiscal matters, and the scope of public service. There are no component units included within the reporting unit.

Basis of Accounting – The Camarillo Health Care District is accounted for as a proprietary fund in accordance with generally accepted accounting principles as applied to governmental units. Proprietary funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises – where the expenses, including depreciation, of providing goods or services to the general public are recovered through user charges, or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and net income is appropriate for capital maintenance, public policy, management control, and other purposes. Because the District is accounted for as a proprietary fund, the District uses the economic resources measurement focus and the accrual basis of accounting is used for financial statement reporting purposes. Revenues are recognized when they are earned, and expenses are recognized when they are incurred. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the Statement of Net Position. Net position is segregated into investment in capital assets and unrestricted.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing goods and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District are program fees charged to clients for services and grants received from other governmental agencies and private enterprises for operating purposes. Operating expenses include the cost of providing services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Principles of Presentation – The accompanying financial statements are presented utilizing the accrual method of accounting.

Use of Estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Significant estimates used in preparing these financial statements include:

- Depreciation expense
- Compensated absences
- Allowance for uncollectible receivables
- Investments
- Accrual of net pension liability
- Accrual of other postemployment benefits

Cash and Cash Equivalents – For the purpose of the Statement of Cash Flows, the District considers all highly liquid investments with original maturities of 90 days or less to be cash and cash equivalents. The District considers funds in the Local Agency Investment Fund and the Ventura County Treasury Fund to be cash equivalents.

Investments – Investments are carried at fair value.

The District's Investment Policy authorizes investments in obligations of the U. S. Treasury, U. S. Agencies, certificates of deposit, money market checking accounts, the Local Agency Investment Fund and the Ventura County Treasury Fund.

Capital Assets – Capital assets that are acquired and/or constructed are capitalized at historical cost. District policy has set the capitalization threshold for reporting capital assets at $3,000. Depreciation is calculated using the straight-line method of depreciation over the estimated useful lives of the assets ranging from two to thirty-nine years.

Compensated Absences – The District accrues the estimated obligation for vacation pay as earned. Sick leave is not included in the accrual as the District does not pay for unused sick leave upon employee termination.

Deferred Outflows of Resources and Deferred Inflows of Resources – Deferred outflows of resources is a consumption of net position by the District that is applicable to a future period and deferred inflows of resources is an acquisition of net position by the District that is applicable to a future reporting period. Both deferred outflows and inflows are reported in the Statements of Net Position, but are not recognized in the financial statements as revenue and expenses until the period(s) to which they relate. Deferred outflows of resources and deferred inflows of resources are related to pensions and other postemployment benefits.

Pensions – For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the District's California Public Employees' Retirement System (CalPERS) cost-sharing multiple-employer defined benefit plan and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. 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 deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Camarillo Health Care District Retiree Benefits Plan (Plan) and the additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes 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.

Net Position – Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources on the financial statements. Net position is classified in the following categories:

- Net investment in capital assets – This category includes capital assets, net of accumulated depreciation and reduced by any outstanding debt related to the acquisition, construction or improvement of those assets.
- Restricted – This category consists of net position with legal limitations imposed on their use by external restrictions by other governments, creditors, grantors, contributors, laws or regulations, or through constitutional provision, or enabling legislation. As of June 30, 2021 and 2020, the District did not have restricted net position.
- Unrestricted net position – This category consists of all other net position that does not meet the definition of restrict or invested in capital assets.

The District's reserve policy provides for the designation of unrestricted net position to fund replacement and major repairs for District physical assets; fund replacement and upgrades of IT performance systems, hardware and software; fund designated projects/programs, or other special uses, requiring additional monetary support; fund capital improvements; and maintain standard operational sustainability in periods of economic uncertainty.

Budgets – The District annually adopts a budget prior to and for the upcoming fiscal year, which includes anticipated expenditures and their means of financing.

Property Taxes – Tax revenues are received by the District pursuant to its status as an Independent Special District as part of a subdivision of the State of California.

Reclassifications – Certain reclassifications have been made to the prior year financial statements in order to conform to the presentation of the current year financial statements for comparative purposes. There is no material effect on the financial statements.

2. DEPOSITS AND INVESTMENTS

The District's carrying value of deposits was $1,411,248 and $933,267 at June 30, 2021 and 2020, respectively. The corresponding bank balances were $1,424,815 and $944,758, respectively. Of the bank balances, $500,000 was covered by Federal deposit insurance. The California Government Code requires all financial institutions to secure a local government agency's deposits by pledging governmental securities as collateral. The market value of pledged securities must equal 110% of an agency's deposits. California law also allows financial institutions to secure an agency's deposits by pledging first trust deed mortgage notes having a value of 150% of an agency's total deposits, and collateral is considered to be held in the name of the District. All cash held by financial institutions is, therefore, entirely insured or collateralized.

At June 30, the District had the following investments (all of which are considered cash equivalents):

	2021	2020
State of California Local Agency Investment Fund	$ 4,034,012	$ 3,605,316
Ventura County Treasury Investment Fund	5,560	5,304
Total	$ 4,039,572	$ 3,610,620

The District is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code Section 16429 under the oversight of the Treasurer of the State of California. LAIF is managed by the Local Agency Investment Advisory Board, which consists of 5 members, in accordance with State Statute. The State Treasurer's Office audits the fund annually. The fair value of the position in the investment pool is the same as the value of the pool shares. The fair value of the District's investment in this pool is reported at amounts based upon the District's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio. The share value of the District's investment in LAIF is $4,034,347 and $3,623,028 at June 30, 2021 and 2020, respectively.

The County of Ventura Treasurer maintains a cash investment pool for all funds of the County and other agencies for which the County treasury is the depository. Interest earned on the pooled funds is allocated and credited to these funds quarterly. Interest is apportioned to the District based on the average daily balances on deposit with the County Treasurer. Investment earnings are accrued at year-end. The County Treasurer invests District funds in accordance with the County's investment policy as approved by the Treasury Oversight Committee and the County Board of Supervisors. The policy emphasizes safety, liquidity, and yield and follows the "prudent investor rule". The County Treasurer is authorized by Government Code Section to invest in U.S. Government Treasury and Agency Securities, certain commercial paper, bankers' acceptances, corporate bonds and notes, repurchase agreements and the State of California Local Agency Investment Fund. The fair value of the District's investment in the pool approximates cost.

To address credit risk, the District invests its funds in accordance with state statutes and the District's investment policy. The criteria for selecting investments are, in order of priority, (1) safety – consideration of the potential loss of principal or interest, (2) liquidity – the ability to have funds available at any moment in time with a minimal potential loss and (3) yield – the optimum rate of return while preserving capital.

Restricted assets of $6,484 and $5,599 as of June 30, 2021 and 2020, respectively, are amounts received that are designated for program scholarship awards.

3. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2021 was as follows:

	Balance June 30, 2020	Increases	Decreases	Balance June 30, 2021
Capital assets being depreciated:				
Buildings and building improvements	$ 3,128,471	$ 8,200	$ (37,565)	$ 3,099,106
IS equipment	102,123	-	-	102,123
Equipment and furnishings	254,911	7,561	(23,702)	238,770
Transportation vehicles	214,215	-	-	214,215
Total capital assets	3,699,720	15,761	(61,267)	3,654,214
Less accumulated depreciation	(2,440,240)	(118,646)	61,267	(2,497,619)
Total capital assets, net	$ 1,259,480	$ (102,885)	$ -	$ 1,156,595

Capital assets activity for the year ended June 30, 2020 was as follows:

	Balance June 30, 2019	Increases	Decreases	Balance June 30, 2020
Capital assets being depreciated:				
Buildings and building improvements	$ 3,128,471	$ -	$ -	$ 3,128,471
IS equipment	98,723	3,400	-	102,123
Equipment and furnishings	250,161	6,818	(2,068)	254,911
Transportation vehicles	263,737	-	(49,522)	214,215
Total capital assets	3,741,092	10,218	(51,590)	3,699,720
Less accumulated depreciation	(2,353,990)	(137,840)	51,590	(2,440,240)
Total capital assets, net	$ 1,387,102	$ (127,622)	$ -	$ 1,259,480

4. LINE OF CREDIT

The District has a line of credit with a bank secured by inventory, chattel paper, account, equipment and general intangibles. The line of credit has a maximum borrowing amount of $300,000, bears interest at .9% over the lender's base rate (Bank of the West prime rate), but not less than 4%. The line of credit does not have a maturity date. There were no borrowings on the line of credit during the years ended June 30, 2021 and 2020. There was no interest expense associated with the line of credit during 2021 or 2020.

5. LONG-TERM DEBT

The following is a summary of changes in long-term debt for the year ended June 30, 2021:

	Balance June 30, 2020	Retirement	Balance June 30, 2021	Current	Long-term
Installment Sale Agreement	$ 187,478	$ (92,014)	$ 95,464	$ 95,464	$ -

The following is a summary of changes in long-term debt for the year ended June 30, 2020:

	Balance June 30, 2019	Retirement	Balance June 30, 2020	Current	Long-term
Installment Sale Agreement	$ 276,166	$ (88,688)	$ 187,478	$ 92,014	$ 95,464

The District entered into an installment sale agreement on September 1, 2014, with the Municipal Finance Corporation, to finance the renovation of the Adult Day Care Center. The District received $600,000 under the agreement, which is to be repaid over a seven-year period, including interest at 3.75%. The District's net revenue, as defined by the installment agreement, is pledged for the payment of the installment payment. The installment sale agreement was assigned to Citizens Business Bank on September 26, 2014.

Future debt service payments through maturity are as follows:

Fiscal Year Ending June 30:	Principal	Interest	Total
2022	$ 95,464	$ 895	$ 96,359

6. DEFINED BENEFIT PENSION PLAN

A. General Information about the Pension Plan

Plan Descriptions, Benefits Provided and Employees Covered – All qualified permanent and probationary employees are eligible to participate in the District's Miscellaneous Employee Pension Plan (Plan). The Plan is a cost-sharing multiple-employer defined benefit pension plan administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plan are established by State statute and Local Government resolution. The Plan provides retirement, death and disability benefits to plan members and beneficiaries. The benefit provisions of the plan's employees are established by statute. CalPERS issues publicly available reports that include a full description regarding number of employees covered, benefit provisions, assumptions, and membership information that can be found on the CalPERS website.

The Plan's provisions and benefits in effect at June 30, 2021, are summarized as follows:

Hire date	Prior to January 1, 2013	On or after January 1, 2013
Benefit formula	2% @ 60	2% @ 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life
Retirement age	60	62
Required employee contribution rates	7.000%	6.750%
Required employer contributions rates	9.281%	7.732%

Contributions – Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in rate. The Plan's actuarially determined rate is based on the estimated amount necessary to pay the Plan's allocated share of the risk pool's costs of benefits earned by employees during the year. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

Beginning for the year ended June 30, 2016, CalPERS collected employer contributions towards unfunded liability as a dollar amount instead of the prior method of a contribution rate. The pool's unfunded liability is allocated to each individual plan based on the plan's total liability rather than by plan individual payroll. The District's unfunded liability payment for the year ended June 30, 2021 was $108,121.

For the year ended June 30, 2021, the contributions recognized by the plan from the employer were as follows:

Contributions – employer	$216,387
Contributions – employee	$ 87,717

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

As of June 30, 2021, the District's reported net liability for its proportionate share of the net pension liability was $1,773,279.

The District's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019 rolled forward to June 30, 2020 using standard update procedures. 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 employers, actuarially determined.

The District's proportionate share of the net pension liability as of June 30, 2021 and 2020 was as follows:

Proportion - June 30, 2020	0.03987%
Proportion - June 30, 2021	0.04204%
Change - Increase (Decrease)	0.00217%

For the year ended June 30, 2021, the District recognized pension expense of $349,996. At June 30, 2021, 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	$ 216,138	$ -
Net differences between projected and actual earnings on plan investments	52,678	-
Difference between expected and actual experiences	91,382	-
Changes in assumptions	-	12,648
Differences between actual contributions and proportionate share of contributions	-	109,458
Change in employer's proportion	112,513	-
Total	$ 472,711	$ 122,106

The $216,138 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Measurement Period Ending June 30:	Deferred Outflows (Inflows) of Resources, Net
2022	$ 18,112
2023	50,910
2024	40,180
2025	25,265
Total	$ 134,467

Actuarial Methods and Assumptions - For the measurement period ended June 30, 2020 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2019 total pension liability determined in the June 30, 2019 actuarial accounting valuation. The June 30, 2020 total pension liability was based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Projected Salary Increases	Varies by Entry Age and Service
Investment Rate of Return	7.50%
Mortality	Derived using CalPERS Membership Data
Post Retirement Benefit Increses	COLA up to 2.50% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.50% thereafter

The underlying mortality assumption and all other actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period 1997 to 2015, including updates to salary increase, mortality and retirement rates. The Experience Study can be found on the CalPERS' website under Forms and Publications.

Discount Rate – The discount rate used to measure the total pension liability was 7.15%. To determine whether the municipal bond rate should be used in the calculation of a discount rate for the plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.15% discount rate is deemed adequate and the use of the municipal bond rate calculation is not necessary. The long-term expected discount rate of 7.15% is applied to all plans in the Public Employees Retirement Fund. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained from the CalPERS' website under the GASB 68 section.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates 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.

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. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11–60 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 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 equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

Asset Class	New Strategic Allocation	Real Return Years 1 – 10 (a)	Real Return Years 11 + (b)
Global Equity	50.0%	4.80%	5.98%
Fixed Income	28.0%	1.00%	2.62%
Inflation Assets	0.0%	.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real Estate	13.0%	3.75%	4.93%
Liquidity	1.0%	0.00%	-.92%

(a) An expected inflation of 2.0% used for this period
(b) An expected inflation of 2.92% used for this period

Amortization of Deferred Outflows and Deferred Inflows of Resources – Under GASB 68, actuarial gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time.

The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflow and deferred inflows of resources related to pension and are to be recognized in future pension expense.

The amortization period differs depending on the source of the gain or loss:

Net difference between projected and actual earnings on pension plan investments	5 year straight-line amortization
All other amounts	Straight-line amortization over the expected average remaining services lifetime (EARSL) of all members that are provided with pensions (active, inactive, and retired) as of the beginning of the measurement period

The net difference between projected and actual investment earnings on pension plan investments is amortized over a five-year period on a straight-line basis. One-fifth is recognized in pension expense during the measurement period, and the remaining net difference between projected and actual investment earnings on pension plan investments at the measurement date is to be amortized over the remaining four-year period. The net difference between projected and actual investment earnings on pension plan investments in the schedule of collective pension amounts represents the unamortized balance relating to the current measurement period and the prior measurement period on a net basis.

Deferred outflows of resources and deferred inflows of resources relating to differences between expected and actual experience, changes of assumptions and employer-specific amounts should be amortized over EARSL of members provided with pensions through the plan.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.15%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.15%) or 1 percentage point higher (8.15%) higher than the current year:

	1% Decrease 6.15%	Current Discount Rate 7.15%	1% Increase 8.15%
District's proportionate share of the net pension liability	$ 2,831,783	$ 1,773,279	$ 898,671

Pension Plan Fiduciary Net Position – The plan's fiduciary net position disclosed in the District's GASB 68 accounting valuation report may differ from the plan assets reported in the District's funding actuarial valuation report due to several reasons. For the accounting valuations, CalPERS must keep items such as deficiency reserves, fiduciary self-insurance and OPEB expense included in fiduciary net position. These amounts are excluded for rate setting purposes in the District's funding actuarial valuation. Detailed information about the pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

C. Payable to the Pension Plan

At June 30, 2021, the District reported a payable of $5,105 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2021.

7. OTHER POST EMPLOYMENT BENEFITS

A. General Information about the OPEB Plan

Plan Description – The District's defined benefit OPEB plan (Plan) provides lifetime post-employment medical insurance to eligible retirees and their spouses through the California Public Employees Retirement System (CalPERS). The Plan is a single-employer defined benefit OPEB plan administered by the CalPERS Board of Administration. The Plan does not issue a publicly available financial report.

Benefits Provided – Employees may retire and receive District-paid contributions towards healthcare upon attainment of age 50 and completion of 5 years of service. Annually, the District establishes a maximum monthly premium that the District will contribute to the cost of current-year health insurance premiums. For calendar year 2019 and 2020, the maximum monthly contribution by the District was $790 per retiree.

Employees covered by benefit terms – As of the June 30, 2019 actuarial valuation, the following current and former employees were covered by the benefit terms under the Plan:

Inactive employees or beneficiaries currently receiving benefit payments	6
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	25
Total	31

Contributions - The contribution requirements of the Plan are established by the District's Board of Directors. During the year ended June 30, 2011, the Districted entered into an agreement and election to prefund OPEB through CalPERS in the California Employer's Retiree Benefit Program (CERBT). For the fiscal years ended June 30, 2021 and 2020, the District did not make cash contributions to the trust.

B. Net OPEB Liability

The District's net OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2019. Standard actuarial update procedures were used to project/discount from valuation to measurement dates.

Actuarial assumptions – The total OPEB liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate	6.75%

Inflation	3.00%
Salary Increase	3.00%
Investment Rate of Return	6.75%, net of OPEB plan investment expenses
Medical Cost Trend Rate	5.80% for 2020 decreasing by 0.10 percent each year to an ultimate rate of 5.00% for 2028 and later years

Pre-retirement mortality rates were based on the RP-2014 Employee Mortality Table for Males or Females, as appropriate, without projection. Post-retirement mortality rates were based on the RO-2017 Health Annuitant Mortality Table for Males or Females, as appropriate, without projection.

Discount Rate – GASB 75 requires the use of a discount rate that considers the availability of the OPEB plan's fiduciary net position associated with the OPEB of current active and inactive employees and the investment horizon of those resources.

OPEB plans with irrevocable trust accounts can utilize a discount rate equal to the long-term expected rate of return to the extent that the OPEB plan's fiduciary net position is projected to be sufficient to make projected benefit payments and the OPEB plan assets are expected to be invested using a strategy to achieve that return. To determine if the OPEB plan assets are sufficient, a calculation of the projected fiduciary net position and the amount of projected benefit payments is compared in each period. When OPEB plan assets are determined to not be sufficient, a blended rate is calculated. For OPEB plans that do not have irrevocable trust accounts, GASB 75 required a discount rate equal to the yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

The District has an irrevocable trust account for prefunding OPEB liabilities. Plan assets are expected to be sufficient. The discount rate used to measure the total OPEB liability is equal to the long-term expected rate of return.

The long-term 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 OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The assumed allocation and best estimates of real rates of return for each major asset class are summarized in the following table:

Asset Class	Assumed Asset Allocation	Real Rate of Return
Global ex-U.S. Equity	59%	5.5%
U.S. Fixed	25%	1.5%
TIPS	5%	1.2%
Real Estate	8%	3.7%
Commodities	3%	.6%

Investment Policy – The policy regarding the allocation of the plan's invested assets is established by CERBT Strategy 1. The primary objective is to maximize total Plan return, subject to the risk and quality constraints set forth in the investment guidelines. The asset allocation ranges for this objective, as of 2021, are listed below:

Asset Class	Target Allocations	Target Range	Benchmark
Global Equity	59%	± 5%	MSCI All County World Index IMI (net)
Fixed Income	25%	± 5%	Bloomberg Barclays Long Liability Index
Treasury Inflation-Projected Securities	5%	± 3%	Bloomberg Barclays US TIPS Index, Series L
Real Estate Investment Trusts	8%	± 5%	FTSE EPRA/NAREIT Developed Liquid Index (net)
Commodities	3%	± 3%	S&P GSCI Total Return Index
Cash	0%	± 2%	91 Day Treasury Bill

Rate of Return – For the year ended on the measurement date, the annual-money-weighted rate of return on investments, net of investment expense, was 3.57 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts invested.

Changes in the Net OPEB Liability

The changes in the net OPEB liability for the Plan are as follows:

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (Asset) (a) - (b)
Balances at 6/30/2020	$ 1,949,574	$ 1,622,797	$ 326,777
Changes for the year:			
Service cost	108,302	-	108,302
Interest	137,381	-	137,381
Contributions - employer	-	45,957	(45,957)
Net investment income	-	58,003	(58,003)
Benefit payments	(45,957)	(45,957)	-
Administrative expenses	-	(1,396)	1,396
Net changes	199,726	56,607	143,119
Balances at 6/30/2021	$ 2,149,300	$ 1,679,404	$ 469,896

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 percentage point lower or one percentage point higher than the current rate:

	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
Net OPEB Liability	$ 706,471	$ 469,896	$ 271,666

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 percentage point lower or one percentage point higher that then current rate:

	1% Decrease (4.8% current, 4.00% ultimate, 3.00% Medicare)	Healthcare Cost Trend Rate (5.80% current, 5.00% ultimate, 4.00% Medicare)	1% Increase (6.80% current, 6.00% ultimate, 5.00% Medicare)
Net OPEB Liability	$ 246,778	$ 469,896	$ 738,024

OPEB Plan Experience

Reporting period	July 1, 2020 to June 30, 2021
Measurement period	July 1, 2019 to June 30, 2020

OPEB plan fiduciary net position – CalPERS issues a publicly available CERBT financial report that may be obtained from the CalPERS website at www.calpers.ca.gov.

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

For the year ended June 30, 2021, the District recognized OPEB expense of $85,029. For the reporting year ended June 30, 2021, the District recognized deferred outflows of resources and deferred inflows of resources related OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to measurement date	$ 56,685	$ -
Difference between expected and actual experience	-	215,359
Change in assumptions or other inputs	-	109,137
Differences between projected and actual return on investments	30,058	-
Total	$ 86,743	$ 324,496

The $56,685 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized as pension expense as follows:

Measurement Period Ending June 30:	Deferred Outflows (Inflows) of Resources, Net
2022	$ (95,742)
2023	(95,742)
2024	(104,613)
2025	1,661
Total	$ (294,436)

8. RISK MANAGEMENT

The District is exposed to potential losses from claims arising from its business operations including, torts, theft, errors and omissions, injuries to employees, and natural disasters. The District maintains insurance coverage through independent carriers for property and equipment and employee dishonesty. There have been no significant reductions in insured coverage.

The District participates in the workers' compensation program organized by the Beta Risk Management Authority (BETA). BETA is a Joint Powers Authority (JPA) organized pursuant to the California Government Code. The purpose of the JPA is to arrange and administer programs of insurance for the pooling of self-insured losses and to purchase excess insurance coverage, whereby the risk of loss is mitigated by the public entity pool. The Fund currently has $1,000,000 of workers' compensation coverage. The JPA is not a component unit of the District for financial purposes, as explained below.

BETA provides workers' compensation insurance for the District. Periodic deposits paid by each participant for the workers' compensation joint protection are computed based on independent actuarial computations taking into account factors such as the participants' number of employees, types of employees, annual budget, all relevant loss experience and rates established through the California Inspection Ratings Bureau. The Fund may assess the participants in order to eliminate any deficiency in the fund balance of the Fund.

Under the terms of the JPA, withdrawing or terminated member districts owe their pro-rata share of the fund deficiency. A withdrawing or terminated member district's pro-rata share contributions are based on its total contributions during its membership in the Fund as a percentage of the total contributions by all member districts during the same period.

The District also participates in the Beta Healthcare Group Joint Powers Agreement (BETA). BETA is a Joint Powers Authority (JPA) which is comprised of local health care districts, counties, other governmental entities and qualified nonprofits which operate hospitals, clinics and other health-related facilities and is organized pursuant to the California Government Code. The purpose of the JPA is to arrange and administer programs of insurance for the pooling of self-insured losses and to purchase excess insurance coverage, whereby the risk of loss is mitigated by the public entity pool. BETA currently has $5,000,000 of auto liability, $5,000,000 per occurrence and $15,000,000 aggregate of comprehensive liability and $3,000,000 of directors, officers and trustee liability coverage.

BETA provides automobile, comprehensive liability and directors' and officers' liability insurance for the District. Periodic deposits paid by each participant for the insurance joint protection are computed based on individual coverage contracts.

9. DISTRIBUTION FROM VENTURA COUNTY COMMUNITY FOUNDATION

In 2006, the District was named as a beneficiary recipient of a permanent endowment now managed by the Ventura County Community Foundation (VCCF). The District has a current beneficial interest of 100%. However, VCCF has variance power which allows the Foundation to modify the donor's stipulations under certain rare circumstances and as the Foundation monitors the changing needs of the community.

Each year, VCCF distributes a portion of the earnings based on its distribution policies, which are subject to change based on VCCF's investment management performance. The amounts received in 2021 and 2020, were $143,708 and $142,958 respectively. The distribution amounts are to be used only for the Care-a-Van service in Camarillo. At June 30, 2021 and 2020, the market value of the fund held by VCCF on behalf of the District was $3,420,299 and $2,827,746, respectively.

10. OPERATING GRANTS

The District is the recipient of grants from government agencies and the private sector. The grants received for the year ended June 30, 2021 are:

Funding Source	Program	Purpose	Amount
Ventura County Area Agency on Aging (VCAAA)	Wellness & Caregiver Center	Caregiver Support	$ 45,023
Ventura County Area Agency on Aging (VCAAA)	Senior Lunch Program	Senior Meals	95,858
Ventura County Area Agency on Aging (VCAAA)	Wellness & Caregiver Center	Senior Support Line	48,100
City of Camarillo	Senior Nutrition Program	Senior Meals	37,000
City of Camarillo	Care-A-Van Program	Transportation	57,000
Arthur N. Rupe Foundation	Wellness & Caregiver Center	Caregiver Support for Veterans	30,000
Hospital Collaboration	Wellness & Caregiver Center	Caregiver Support	10,600
Johns Hopkins	Adult Day Center	Caregiver Support	240
The Scan Foundation	Wellness & Caregiver Center	Community of Constituents	3,359
Total Grant Funds			$327,180

11. CONTINGENCIES

In March 2020, the COVID-19 virus was characterized as a global health pandemic by the World Health Organization, with continuing closures and restrictions into current day, causing economic uncertainties that continue to impact the District's financial position. During the year ended June 30, 2021, the State of California remained under emergency orders with continuing COVID-19 response mandates. The full extent of the impact on operations and financial performance remains unknown at this time.

12. SUBSEQUENT EVENTS

The District has evaluated subsequent events through March 22, 2022, the date which the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

CAMARILLO HEALTH CARE DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
California Public Employees' Retirement System
30-Jun-20
Last 10 years *

Schedule of Proportionate Share of the Net Pension Liability

Year Ended *	Proportion of the Net Pension Liability	Proportionate Share (Amount) of Net Pension Liability	Actual Covered Member Payroll	Net Pension Liability as a Percentage of Covered Payroll	Fiduciary Net Position as a Percentage of Total Pension Liability
6/30/15	0.01542%	$ 959,515	$ 1,457,087	65.85%	87.79%
6/30/16	0.02995%	$ 821,635	$ 1,372,378	59.87%	83.66%
6/30/17	0.03465%	$ 1,203,554	$ 1,288,882	93.38%	80.46%
6/30/18	0.03676%	$ 1,449,033	$ 1,267,253	114.34%	78.80%
6/30/19	0.03777%	$ 1,423,420	$ 1,352,844	105.22%	80.16%
6/30/20	0.03987%	$ 1,596,760	$ 1,386,653	115.15%	78.60%
6/30/21	0.04204%	$ 1,773,279	$ 1,470,935	120.55%	77.71%

* The data provided in the schedule is based as of the measurement date of CalPERS net pension liability, which is as of the beginning of the District's fiscal year.

Schedule of Contributions

Year Ending	Statutorily Required Contributions	Actual Employer Contributions	Contribution Excess/ (Deficiency)	Actual Covered Member Payroll	Contributions as a Percentage of Covered Payroll
6/30/14	$ 122,887	$ 122,887	$ -	$ 1,457,087	8.43%
6/30/15	$ 122,375	$ 122,375	$ -	$ 1,372,978	8.91%
6/30/16	$ 82,913	$ 82,913	$ -	$ 1,288,882	6.43%
6/30/17	$ 92,770	$ 92,770	$ -	$ 1,267,253	7.32%
6/30/18	$ 96,725	$ 96,725	$ -	$ 1,352,844	7.15%
6/30/19	$ 105,158	$ 105,158	$ -	$ 1,386,653	7.58%
6/30/20	$ 114,565	$ 114,565	$ -	$ 1,470,935	7.79%
6/30/21	$ 108,266	$ 108,266	$ -	$ 1,276,331	8.48%

These schedules are intended to show information for ten years. Additional years will be displayed as they become available.

CAMARILLO HEALTH CARE DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
Schedule of Changes in the Net OPEB Liability and Related Ratios
Last Ten Years*

	Measurement Date 6/30/20	Measurement Date 6/30/19	Measurement Date 6/30/18	Measurement Date 6/30/17
Total OPEB Liability				
Service cost	$ 108,302	$ 105,148	$ 112,245	$ 242,042
Interest	137,381	117,886	117,178	161,216
Changes of benefit terms	-	-	(218,274)	-
Differences between expected and actual experience	-	-	(430,717)	-
Changes of assumptions	-	-	-	-
Actuarial adjustment	-	(183,831)	-	-
Benefit payments	(45,957)	(39,203)	(31,131)	(30,629)
Net change in total OPEB liability	199,726	-	(450,699)	372,629
Total OPEB liability - beginning	1,949,574	1,949,574	2,400,273	2,027,644
Total OPEB liability - ending	$ 2,149,300	$ 1,949,574	$ 1,949,574	$ 2,400,273
Plan Fiduciary Net Position				
Contribution - employer	$ 45,957	$ 39,203	$ 531,131	$ -
Net investment income	58,003	95,050	39,820	66,832
Benefit payments	(45,957)	(39,203)	(31,131)	(30,629)
Administrative expense	(1,398)	(1,303)	(870)	-
Net change in plan fiduciary net position	56,607	93,747	538,950	36,203
Plan fiduciary net position - beginning	1,622,797	1,529,050	990,100	990,100
Plan fiduciary net position - ending	$ 1,679,404	$ 1,622,797	$ 1,529,050	$ 1,026,303
Net OPEB liability - ending	$ 469,896	$ 326,777	$ 420,524	$ 1,373,970
Plan fiduciary net position as a percentage of the total OPEB liability	78.14%	83.24%	78.43%	42.76%
Covered employee payroll	$ 1,276,331	$ 1,470,935	$ 1,386,653	$ 1,352,844
Net OPEB liability as a percentage of covered employee payroll	36.82%	22.22%	30.33%	101.56%

Notes to Schedule:
Changes in assumptions: none
Benefit changes - none

* Historical information is required only for measurement period for which GASB 75 is applicable. Future years' information will be displayed up to 10 years as information becomes available. Fiscal year 2017-2018 was the first year of implementation.

OTHER REPORT

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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*

To the Board of Directors of
Camarillo Health Care District:

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 Camarillo Health Care District as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Camarillo Health Care District's basic financial statements, and have issued our report thereon dated March 22, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Camarillo Health Care District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Camarillo Health Care District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Camarillo Health Care 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 entity'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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Camarillo Health Care District's financial statements are free of 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 financial statements. 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*.

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 entity's internal control or compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Fanning & Karrh

Ventura, California
March 22, 2022