

County of Ventura

Office of the Auditor-Controller



Budget Digest 2006-2007

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Auditor-Controller**

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BUDGETARY OVERVIEW

The FY 2006-07 County budget was adopted by the Board of Supervisors on June 12, 2006. The State budget was signed by the governor on June 30, 2006.

Unlike prior years, the State budget did not include any additional shifts of property taxes from local governments to the State. However, previous State shifts of local property tax funds from fiscal years 1992-93 through 2005-06 have cost the County General Fund approximately \$789 million in property tax revenue. Countywide, the cumulative loss of this discretionary revenue was partially offset by Proposition 172, which was passed by voters in 1993, increasing sales tax by one-half percent - \$61 million is budgeted this year. However, unlike property tax revenue, this revenue is restricted to public safety.

With the passage of Proposition 1A in November 2004, future property tax shifts from local governments to the State were restricted. However, County operations are still heavily dependent on State and Federal funding and any disruption in funding can impact local delivery of services to the public.

The County budget includes an increase in retirement contributions of approximately \$13 million resulting from an increase in the composite employer rate primarily attributable to actuarial experience and demographic changes.

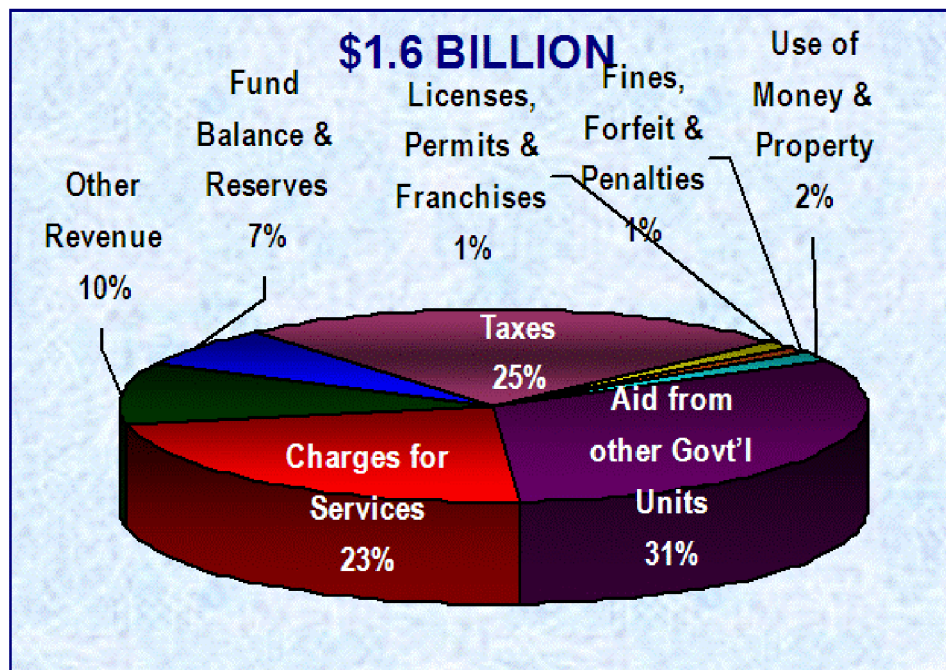
Revenues from the Tobacco Settlement Program Master Settlement Agreement (MSA) are expected to decrease by 10% due to participating manufacturers withholding disputed amounts. The County's potential share of this claim is \$1.5 million.

Although the budget is balanced, there are a number of issues that can negatively impact future budgets including medical costs, an increasing jail population, seismic retrofitting of the hospital, future State and Federal audits, and various facilities maintenance projects.

If you have any questions, comments, or suggestions regarding the finances of the County of Ventura, please contact us at (805) 654-3151.

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COUNTY FINANCING SOURCES **(All Funds)**



TOTAL AVAILABLE FINANCING

Taxes	\$379,140,168
Licenses, Permits & Franchises	19,457,372
Fines, Forfeitures & Penalties	18,716,767
Use of Money & Property	25,932,340
Aid from other Gov't Units	485,709,545
Charges for Services	360,165,251
Other Revenue	<u>155,977,930</u>
Subtotal	1,445,099,373
Fund Balance & Reserves	<u>105,325,382</u>
Total	<u>\$1,550,424,755</u>

Ventura County's revenue sources can be divided into discretionary and non-discretionary categories, depending on whether the use of the revenue is restricted to a specific activity.

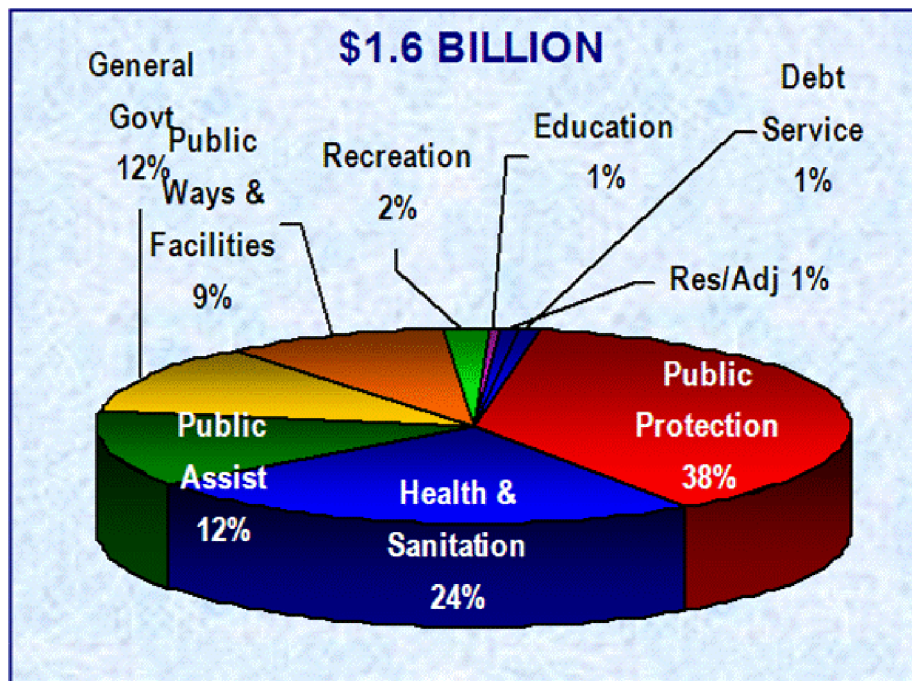
Discretionary revenue sources, which can be used for any legal purpose, include general fund property taxes, general sales tax, and interest earnings. These types of revenue sources have declined in past years, primarily due to the State's

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decision to balance its budget by reducing the County's share of local property taxes.

The majority of County revenues is not discretionary and must be used only for State and Federal mandated programs. The costs of mandated programs are not generally covered one-hundred percent by the State or Federal governments. This requires the County to use discretionary General Fund revenues to cover the costs not paid by the State or Federal governments.

FINANCING USES
(All Funds)



COUNTY FINANCING REQUIREMENTS

Public Protection	\$586,328,974
Health & Sanitation	378,154,641
Public Assistance	190,180,288
General Government	184,685,104
Public Ways & Facilities	145,603,941
Recreation & Cultural	30,079,666
Debt Service	14,690,000
Education	11,490,953
Subtotal	1,541,213,567
Reserves/Other Adjustments	9,211,188
Total	\$1,550,424,755

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Public Protection:

Sheriff, Fire, District Attorney, Probation Agency, Resource Management, Watershed Protection District

Health & Sanitation:

Health Care Agency, Environmental Health, Ventura County Medical Center

Public Assistance:

CalWORKS, Foster Care, Workforce Development, Community Development Block Grants

General Government:

Legislative/Administrative, Finance, County Counsel, Elections, Capital Projects

Public Ways and Facilities:

Road Fund, Oxnard & Camarillo Airports, Waterworks Districts

Recreation:

County Parks, Harbor

Education:

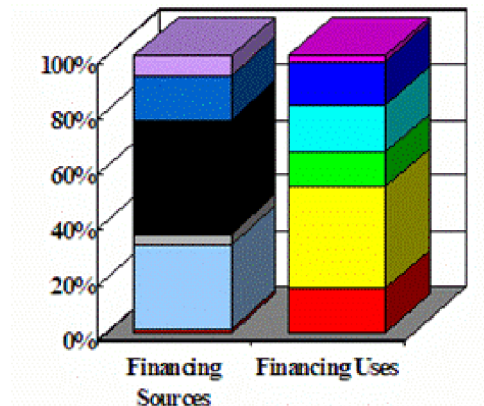
Library Services, Farm Advisor













(Note: above is a sample listing of activities only)

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GENERAL FUND BUDGET

General Fund FY 2006-2007 Adopted Budget Summary



	Other Revenues		Provisions for Reserves
	Charges for Services		Education/Other
	Intergovernmental Revenue		Public Assistance
	Fines, Forfeitures & Penalties		Health and Sanitation
	Taxes		Public Protection
	Fund Balance/Reserve Cancellation		General

- General Fund (GF) budget balanced without using prior year ending fund balance.
- Total budgeted reserves and designations of \$98.6 million – an increase of 35% from prior year adopted budget.
- Budget includes funding for negotiated salary increases as well as estimated increases for contracts under negotiation.
- \$2 million is included in the Contingency account.

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- Total General Fund Full-Time Equivalent (FTE) positions increased by 57, an increase of 1.2 % compared to prior year adopted budget.
- Total general purpose revenues estimated to increase by 11.4% over prior year adopted amounts and 10.5% over prior year actual amounts.
- All tax revenues estimated to increase by 20.7% over prior year adopted budget and 11.7% over prior year actual receipts.
- Total GF appropriations increased 7.5% over prior year adopted figures and 9.3% over prior year actuals.

ALLOCATION OF PROPERTY TAXES

Reallocation of property taxes by the State has resulted in significant decreases in County and district revenues. Approximately \$972 million in property taxes will be available in 2006-07 for allocation.

	91-92	92-93	93-94 to 02-03	03-04 And 05-06
Schools	40%	46%	55%	54%
County	29%	26%	18%	18%
Districts	22%	20%	19%	19%
Cities	9%	8%	8%	9%

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ECONOMIC INDICATORS

Source: UCSB Economic Forecast Project, 2006

- Ventura County's gross county product per capita growth rate was 3.1% for 2005, higher than California's 2.4% and Tri-Counties 2.6%.
- Taxable retail sales reported for 2004 increased approximately 7.7% over 2003. Source: State Board of Equalization.
- Sales growth rate is projected to remain strong through 2007 due to new shopping opportunities.
- Median Family Household Income for Ventura County is estimated at \$77,400, higher than California's estimated median family income of \$62,500.
- Earnings per worker in Ventura County averaged \$51,800 in 2005 up 4.9% from the prior year.
- Ventura County ranks 10th in total agricultural crop value among counties in California. Source: 2004 Ventura County Agricultural Commissioner Annual Crop Report

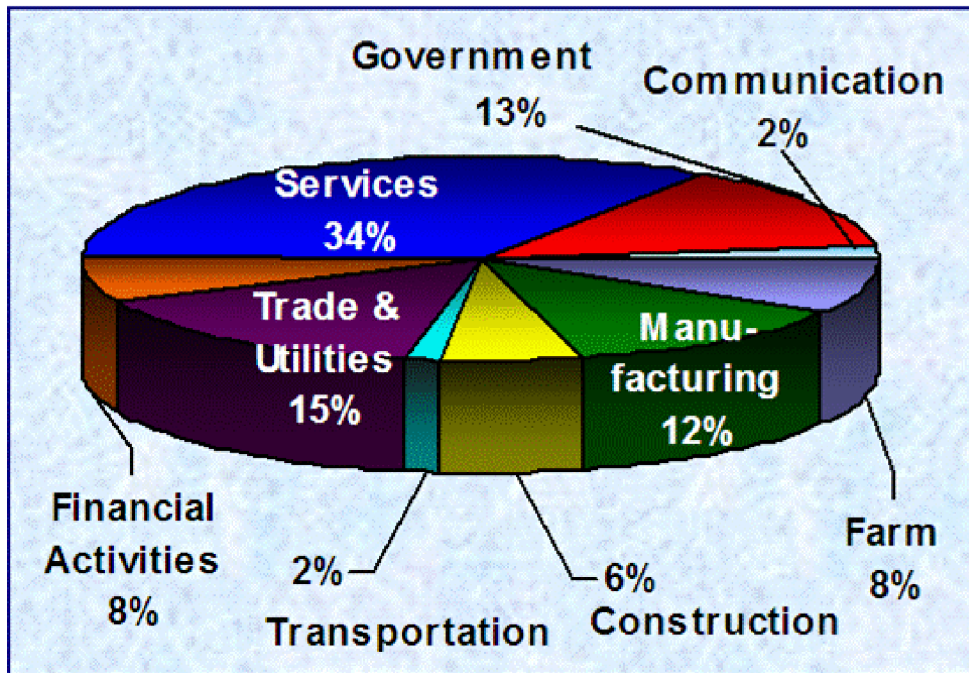
PROPERTY VALUES

Source: UCSB Economic Forecast Project 2006

- Existing single-family home sales in Ventura County increased 5.5% in 2005 from 2004.
- The County's median sales price for an existing single family home rose 11.9% to \$670,500 in 2005.
- Ventura County home price affordability is estimated at 14.0% for 2006, higher than most other coastal markets. Source: Ventura County Auditor-Controller (July 2006)
- Assessed valuation (AV) increased 12.0% from prior year, due to a strong real estate market.
- Assessed valuation in 2006-07 increased to 91 billion.

INDUSTRY EMPLOYMENT

Source: California State Employment Development
Dept., July, 2006



- Employment in the County continues to be strong. The unemployment rate in June 2006 was 4.4%, below that of the United States (4.8%) and California (4.9%).

GEOGRAPHIC CHARACTERISTICS

- Ventura County covers an area of 1,873 square miles and is twenty-sixth in size among California's fifty-eight counties.
- Ten cities - San Buenaventura is County seat.
- Mild climate, forty-two miles of picturesque coastline and many recreational facilities contribute to the County's residential and tourist appeal.

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COUNTY POPULATION

- 817,300 (January 1, 2006) .8% increase over prior year. Source: California Dept. of Finance
- 382,748 Registered voters (July, 2006)
Source: Ventura County Elections Division
- 11th most populous county in the State.

COUNTY EMPLOYEES (All Funds)

	05-06	06-07
	Adopted	Adopted
	Budget	Budget
Public Protection	3,161	3,173
Health and Sanitation	1,960	2,100
Public Assistance	1,052	1,056
General Government	353	373
Public Ways & Facilities	32	32
Recreation	53	56
Education	104	106
Internal Service Funds	<u>816</u>	<u>829</u>
Totals	<u>7,531</u>	<u>7,725</u>