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COUNTY OF VENTURA  
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April 29, 2025

To the honorable members of the Board of Supervisors and Citizens of Ventura County:

The Annual Comprehensive Financial Report (ACFR) of the County of Ventura (County) for the fiscal year ended June 30, 2024, is hereby submitted in compliance with Sections 25250 and 25253 of the Government Code of the State of California.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Eide Bailly, LLP has issued an unmodified ("clean") opinion on the County of Ventura's financial statements for the year ended June 30, 2024. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

### **Profile of the Government**

The County, approved by the State Legislature on March 22, 1872, effective January 1, 1873, was created out of the southeasterly portion of Santa Barbara County and covers an area of 1,843 square miles. It is bordered on the north by Kern County, on the northwest by Santa Barbara County, on the east by Los Angeles County, and on the south and southwest by the Pacific Ocean along 42 miles of coastline. There are ten incorporated cities within its borders: Camarillo, Fillmore, Moorpark, Ojai, Oxnard, Port Hueneme, Santa Paula, Simi Valley, Thousand Oaks, and Ventura with a combined population including the unincorporated area of 823,119. The largest employment segments comprising 80 percent of the total employment distribution include professional and business services, educational and health services, retail, government, leisure and hospitality, manufacturing, and agriculture and food production. With its mild climate, geographical diversity including beaches and pristine and rugged wilderness, year-round recreational and cultural opportunities, and a reputation as one of the safest populated areas in the country, the County is a popular tourist destination.

The County is a General Law County with policymaking, budget approval, and legislative authority, vested in a five-member Board of Supervisors (Board). The supervisors are elected on a nonpartisan basis by geographic districts for four-year staggered terms. Two or three supervisors are elected in alternating two year elections. The Board appoints the County Executive Officer who generally appoints the non-elected department heads that are not otherwise appointed by law. The County's elected department heads are the Assessor, Auditor-Controller, Clerk and Recorder, District Attorney, Sheriff, and Treasurer-Tax Collector. An organizational chart and a listing of elected and appointed department heads are provided in the introductory section of this report.

With 10,126 full-time employees in June 2024, the County provides a full range of services, including general government (administration, central services, elections, and plant acquisition), public protection, (law enforcement, fire protection, watershed protection, County portion of judicial, and detention), public ways and facilities (construction and maintenance of roads), health and sanitation (public, behavioral, and environmental health), public assistance, education (libraries), and recreation and cultural services. In addition, enterprise funds account for the operations of the Medical System (Ventura County Medical Center, the Santa Paula Hospital, and clinics), Health Care Plan, two airports, Channel Islands Harbor, Waterworks Districts (sanitation and water services), and Parks (recreational activities). The financial reporting entity includes all funds of the primary government (County of Ventura as legally defined), as well as all of its legally separate component units. The component units are reported as blended when they are in substance part of the primary government or discretely presented in a separate column on the government-wide financial statements to emphasize that they are legally separate from the primary government. Note 1 of the Notes to the Basic Financial Statements provides more information on the reporting entity.

As required by state law, the County adopts a final budget no later than October 2 each year, generally in June. This annual budget serves as the foundation for the County's financial planning and control. Budgets are adopted for governmental and proprietary funds. The legal level of budgetary control is maintained at the department/budget unit and object level of expenditures, except capital assets which are controlled at the sub-object or project level. Appropriation transfers between departments must be approved by the Board. Supplemental appropriations normally financed by unanticipated revenues during the year must also be approved by the Board. The Board has delegated authority to the County Executive Officer to approve appropriation transfers between object levels within the same budget unit.

Unencumbered and unexpended appropriations lapse at the end of each fiscal year and become available to finance the next year's budget. Encumbered appropriations are reappropriated in the next year's budget. Encumbrances outstanding at year-end are included in restricted, committed, or assigned fund balance in the governmental funds.

### **Local Economy**

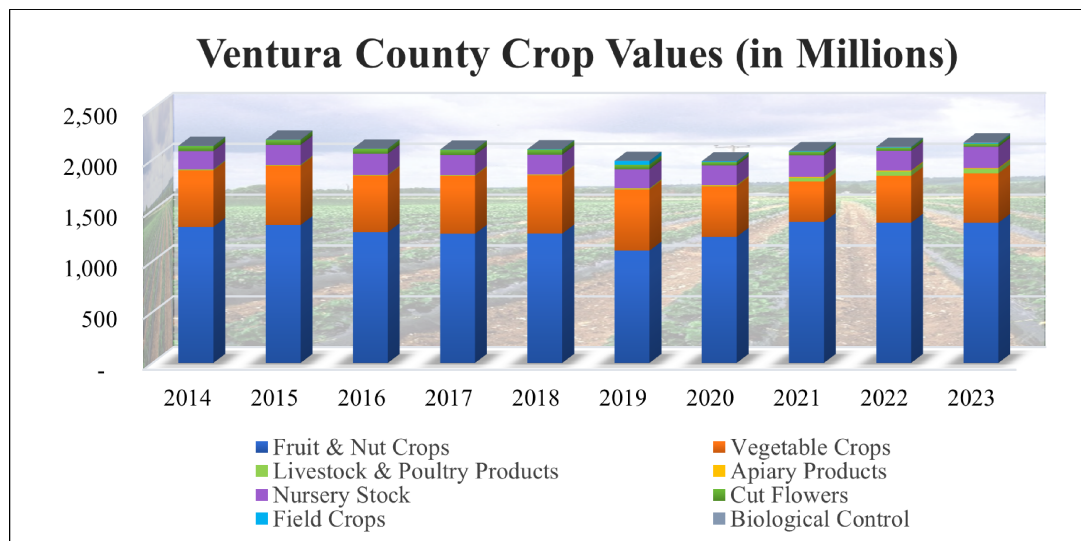
Historically, Ventura County has been closely aligned with the economy of Southern California, and for the fiscal year 2023-24, growth continues at a slow rate as the county continues to recover from the COVID-19 pandemic and from a shrinking population. The County's traditional economic strength in agriculture, food processing, and mineral production is supplemented by the prominence of the service industry, construction, small manufacturing businesses, the electronics industry, tourism, the biotechnology giant, Amgen, and the military presence of the Naval Base Ventura County at Port Hueneme and Point Mugu.

### • Commercial and Agricultural Activity

Taxable sales in calendar year 2023 was \$19.5 billion, an increase of 2.8 percent over 2022. Heading into 2024, retail sales for the County as a whole remained steady, posting a slight increase of 1.4 percent and a decrease of 0.2 percent in the first and second quarter of 2024 respectively, as compared with the same periods in 2023. In contrast, taxable sales in the Southern California region posted an increase of 1.3 percent in the first quarter, and a decrease of 0.9 percent in the second quarter of 2024.

The Port of Hueneme is one of Southern California's critical hubs and the only deep-water harbor between Los Angeles and the San Francisco Bay. The total tonnage for fiscal year 2023-24 was 2,212,267 metric tons, an 8.1 percent decrease from the prior year of 2,406,648 metric tons. Automobile imports and exports increased by 8.8 percent to 409,642 autos. Other import and export niche markets including general and shallow draft cargo, heavy equipment, fruits and vegetables, bananas, fertilizers, and domestic offshore oil had a combined net decrease of 5.4 percent as compared to the prior year.

Farmers use Science, Technology, Engineering, and Math (STEM) for efficient and effective fertilization and irrigation management programs to achieve quality and optimum yields while maintaining sustainable farming practices. The region's crop increased to \$2.2 billion in 2023. Strawberries, lemons, celery, nursery stock, raspberries, and avocados were the leading crops for the year 2023.



Source: Ventura County Crop and Livestock Report

### • Academic Activity

California State University, Channel Islands (CSUCI) opened in 2002 and is accredited by the Accrediting Commission for Senior Colleges and Universities of the Western Association of Schools and Colleges (WASC). It is located on over 1,200 acres and has undergone more than \$233 million in building and renovation projects. CSUCI offers twenty-six undergraduate majors, six graduate, four teaching credential programs and seven centers and institutes that support regional prosperity and the University mission. During the 2023 fall term, CSUCI had 5,127 students, a decrease of 9.1 percent from the prior year.

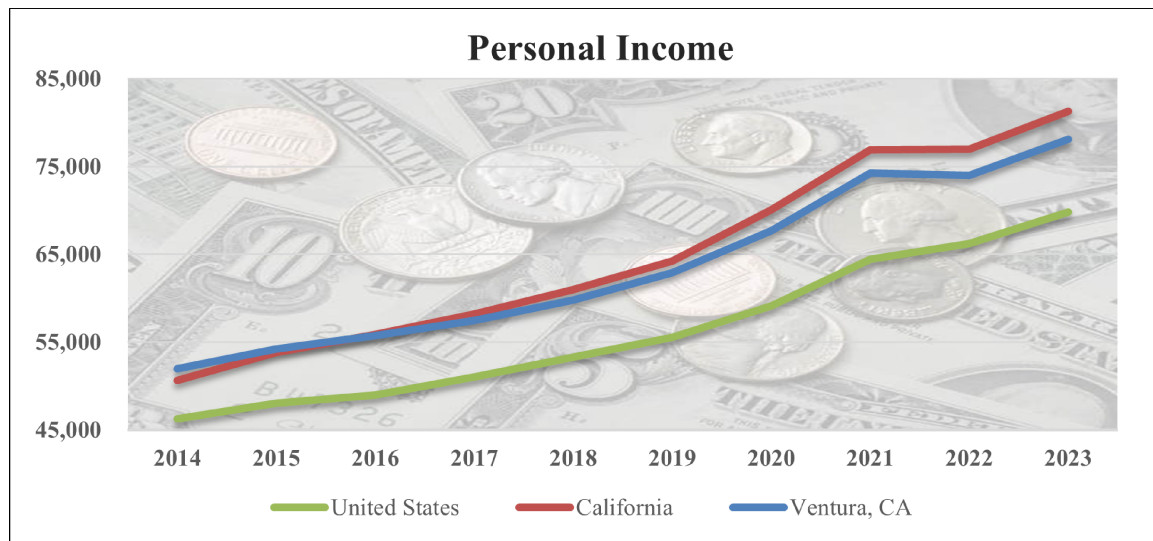
California Lutheran University, (CLU) opened in 1961, is accredited by the Accrediting Commission for Senior Colleges and Universities of the WASC. Forty majors and forty-three minors are offered in the traditional undergraduate program. The Bachelor's Degree for Professionals program offers degrees in eight majors. Graduate programs include doctorates in educational leadership, higher education leadership, clinical psychology and theology; and master's degrees in education, psychology, business, economics, information technology, public policy and administration, and divinity studies. Enrollment for fall term 2023 was 3,410, a decrease of 5.7 percent from the prior year. Classes are offered at the 225-acre main campus in Thousand Oaks, as well as four off-campus centers throughout California.

The three Ventura County Community College campuses, Moorpark, Oxnard and Ventura, had a fall 2023 enrollment of 52,096 students, an increase of 11.5 percent from the prior year's unadjusted number, and approximately 1,918 faculty, staff, and administrators in fall of 2023. The colleges are accredited by the Accrediting Commission for Community and Junior Colleges of the WASC. The three two-year colleges offer programs to transfer to four-year colleges and universities, career technical training, and basic skills instruction as well as community service, economic development, and continuing education for cultural growth, life enrichment, and skills improvement.

### • Income and Unemployment

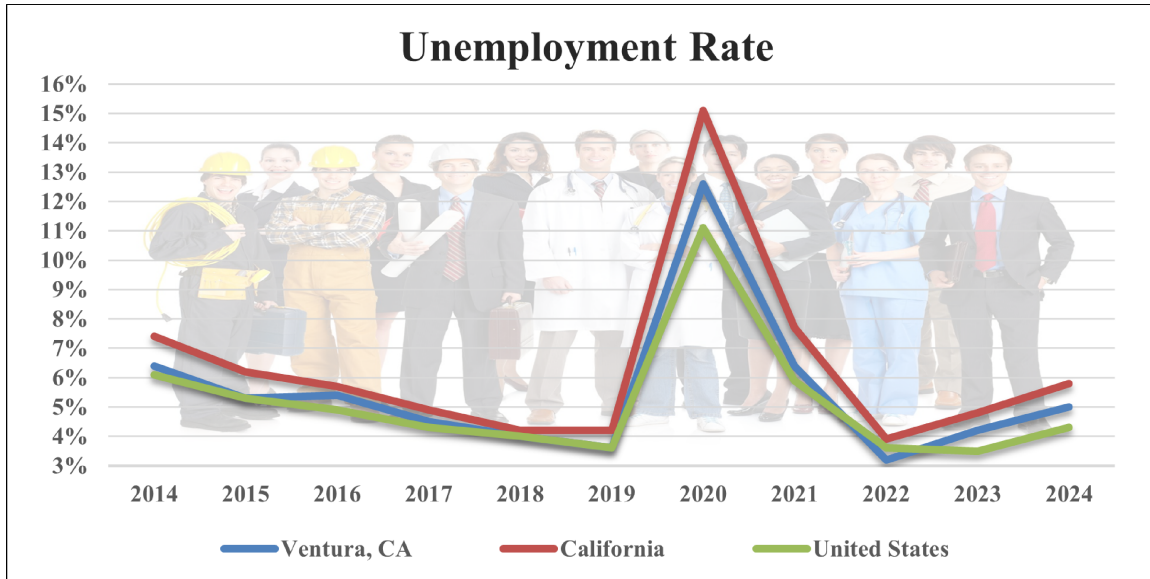
When comparing June 2024 to revised June 2023 figures, total farm jobs decreased by 700 (2.5 percent) to 27,800, while total nonfarm jobs increased by 3,000 (1.0 percent) to 318,400. Increases for nonfarm jobs were combinations of modest increases in private education and health services 2,100, professional, other services and government 1,800. Information about the County's principal employers and workforce sizes is provided in the statistical section of this report.

Personal income in the County increased 5.5 percent from 2022 numbers to \$78,091, while the State's personal income decreased 4.9 percent to \$81,255 and the nation decreased 0.7 percent to \$69,810.



Source: U.S Department of Labor, Bureau of Labor Statistics

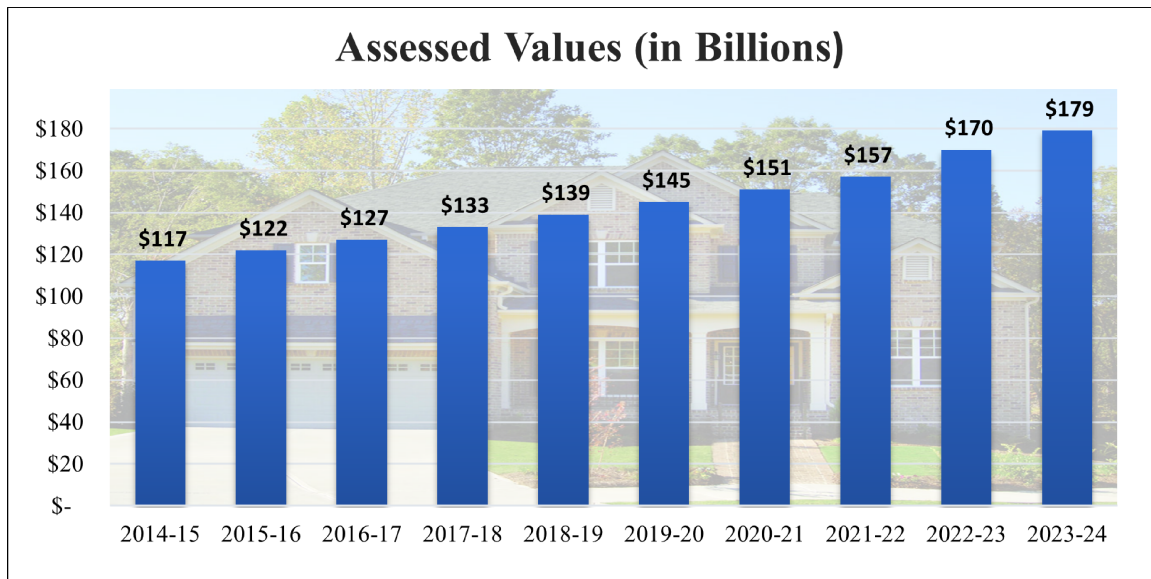
Reflecting headwinds due to higher interest rates and inflation related costs, the County's unemployment rate in 2024 of 5.0 percent was up from 4.2 percent from prior year and compares with California and the nation at 5.8 percent and 4.3 percent, respectively.



Source: State of California Employment Development Department and U.S. Department of Labor & Statistics

#### • Real Estate

Assessed values continue to trend upward. Fiscal year 2023-24 assessed values of \$178.9 billion represented a 5.1 percent increase compared to the prior year of \$170.2 billion.



Source: County of Ventura Auditor-Controller

The number of single-family home sales in the County decreased 5.7 percent from the prior year. The composite median sales price for existing homes increased 4.0 percent from \$927,500 in June 2023, to \$964,500 in June 2024. The June 2024 median single-family home sales price in California was up 7.5 percent to \$900,720, and the nation for all housing types was up 2.9 percent to \$428,700, when compared to the prior year.

County housing affordability for the second quarter of 2024 decreased to 12 percent from 14 percent, in the second quarter of 2023. Availability of affordable housing continues to be a critical economic factor, which may affect future job growth. Some mitigating factors are the desirability of living in Ventura County due to its strong public safety presence, quality of life, climate, relatively clean air, and proximity to the Los Angeles metropolitan area.

### **Major Initiatives**

- The fiscal year 2024-25 State Budget was signed into law by Governor Newsom on June 26, 2024. The \$297.9 billion spending plan includes \$211.6 billion for the General fund. Overall, the budget commits to increasing funding for K-12 schools and higher education, while also fostering increased availability and affordability of housing, tackling homelessness, and mitigating the effects of climate change. Simultaneously, efforts will focus on extending and enriching healthcare, upholding services for Californians facing the greatest challenges, and allocating resources to various programs aimed at reducing crime and enhancing public safety.
- The County's 2024-25 Secured Assessment Roll closed with an overall increase of 5.4 percent, reflecting Ventura County's continued strength in property values, and marking the thirteenth consecutive year that the roll has increased. Total assessed value increased \$8.7 billion, resulting in \$178.9 billion of taxable property, the County's highest total assessed value.
- The actuarially determined composite contribution rate for retirement contributions increased from 18.23 percent to 18.56 percent of covered payroll in fiscal year 2024-25. The increased rates, applied to a higher payroll, resulted in a \$16.0 million increase for the entire County payroll which includes enterprise funds and special districts.
- California Advancing and Innovating Medi-Cal (CalAIM) is a far-reaching, multiyear plan to transform California's Medi-Cal program and enable it to work more seamlessly with other social services. The County's Behavioral Health Department has several CalAIM related initiatives including transforming the Electronic Health Record System to support payment reform under CalAIM. Behavioral Health has entered into a participation agreement with the California Mental Health Services Authority to support this and other CalAIM initiatives over the next 5 years.
- In August 2019, the County filed a federal lawsuit against several opioid manufacturers, distributors, and pharmacies. Thousands of other state and local governments filed similar claims resulting in multi-billion-dollar nationwide settlements. These funds, paid out annually with the number of years varying by settlement, are earmarked for opioid-related activities including prevention, treatment, and recovery. Funds must be expended or encumbered within five years of receipt, or seven years if used toward capital projects. The County may roll over funds from the previous year and/or encumber funds for future eligible purchases. Additionally, the County must report annually on fund use, overseen by the Department of Health Care Services. To date, the County has received \$22.6 million from the Distributors and Janssen settlements, as well as from the bankruptcy of opioid defendant Mallinckrodt.
- The County of Ventura established the Retiree Medical Expense Reimbursement Plan (HRA Plan) to provide a monthly healthcare subsidy for eligible retirees impacted by the Alameda Resolution, which reduced pension benefits for certain legacy (non-PEPRA) retirement plan members. The plan is funded through an IRS Section 115-approved trust with an initial \$6 million investment in October 2023, and alternative funding scenarios have been analyzed to ensure long-term financial sustainability. Eligible participants must be represented by a union or association that accepted the plan, have been employed by the County before April 17, 2023, retired on or after July 30, 2020, and experienced a pension reduction due to the resolution.

## **Long-term Planning**

- General Fund fund balance in the 2024-25 adopted budget totaled \$374.9 million, an increase of \$18.4 million from the prior year adopted budget, based on estimated year-end fund balance. Obligated fund balance (Nonspendable, Restricted, Committed, and Assigned) plays an important role in preserving the County's overall financial health including: strengthening the County's overall financial position (including cash) with an emphasis toward maintaining the highest debt rating and consequently lowering our borrowing costs; preparing the County for future capital needs; establishing the ability to fund expenses such as litigation costs and audit disallowances without affecting operations; and shield the County against extraordinary events and significant fluctuations in revenues. Unassigned fund balance can be used to monitor fund balance as a percent of General Fund appropriations/revenue. The County's recommended minimum level is 10 percent of total appropriations/revenue. The estimated Unassigned fund balance of \$185.0 million is approximately 12.8 percent of estimated appropriations, which is above our minimum of 10 percent but less than our long-term goal of 15 percent.
- The fiscal year ended 2025-29 Five-Year Capital Improvement Plan (Plan) was updated through a process involving the review by all County departments of capital and major equipment needs and includes project requests pending identification of funding sources. Requests are submitted to the Capital Planning Committee for review and prioritization. Projects are prioritized by a ranking system that uses various criteria such as life and safety concerns, compliance with legal or regulatory requirements, and preservation of existing assets. Among the projects included in the Plan are the Adaptive re-use of Property at 1400 Vanguard Dr. in Oxnard for Permanent Supportive Housing, Lewis Road Campus project for upgrading the current mental health rehabilitation center, Sheriff's Advanced Real Time Intelligence Center addition to the Calle Tecate project, Fire Regional Training Facility, and develop a countywide 700Mhz regional radio network. The plan is available on-line: <https://vcpublishworks.org/fiveyearplan/>.

## **Relevant Financial Policies**

The Board of Supervisors approved a Capital Planning Policy and Five-Year Capital Improvement Plan which includes evaluation of plans for acquisition, maintenance, replacement, and retirement of capital assets and serves as the basis for long-range planning to meet the County's capital asset needs. A Capital Planning Committee comprised of the County Executive Officer, Auditor-Controller, General Services Agency Director, and Public Works Agency Director, is responsible for evaluating capital planning matters and providing recommendations to the Board of Supervisors regarding the prioritization of capital projects, major equipment purchases, long-term lease administration, lease versus purchase options, and other capital planning and expenditure issues.

The Financial Planning Committee of the County, comprised of the Chair and Vice Chair of the Board of Supervisors, Auditor-Controller, County Treasurer, County Executive Officer, and County Counsel, reviews all financial planning matters. The Committee provides recommendations to the Board regarding levels of debt service, debt balances, financing of planned capital asset acquisitions, and any proposal utilizing public finance methods.



The Information Technology Committee (ITC) is responsible for planning and reviewing project proposals to ensure consistency with the goals, guidelines and policies of the County's technology strategy, compatibility with other systems and infrastructure, and conformance with other County priorities. The ITC is comprised of two members of the Board of Supervisors, the County Executive Officer, Auditor-Controller, Sheriff, Fire Protection District Chief, Human Services Agency Director, Resource Management Agency Director, Health Care Agency Director, and the IT Services Department Director.

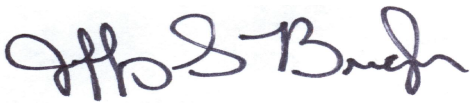
### **Awards and Acknowledgments**

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County for its ACFR for the fiscal year ended June 30, 2023. This was the thirty-eighth consecutive year that the County has received this prestigious award. In order to be awarded a Certificate of Achievement, the County had to publish an easily readable and efficiently organized ACFR that satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current ACFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the efficient and dedicated services of the staff of the Auditor-Controller's Office. I wish to express my appreciation to the members of the Auditor-Controller's Office and our independent auditors, Eide Bailly, LLP, who assisted in and contributed to the preparation of this report. I also thank the Board of Supervisors and the County Executive Office for their interest and support in planning and conducting the financial operations of the County in a responsive and effective manner.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Jeff S Burgh". The signature is fluid and cursive, with the first name "Jeff" and last name "Burgh" clearly distinguishable.

JEFFERY S. BURGH  
Auditor-Controller