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December 30, 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, 2025, 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, 2025. 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 829,005. 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 10,127 full-time employees in June 2025, 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 next year's budget. Encumbrances outstanding at year-end are included in restricted, committed, or assigned fund balance in the governmental funds.

Local Economy

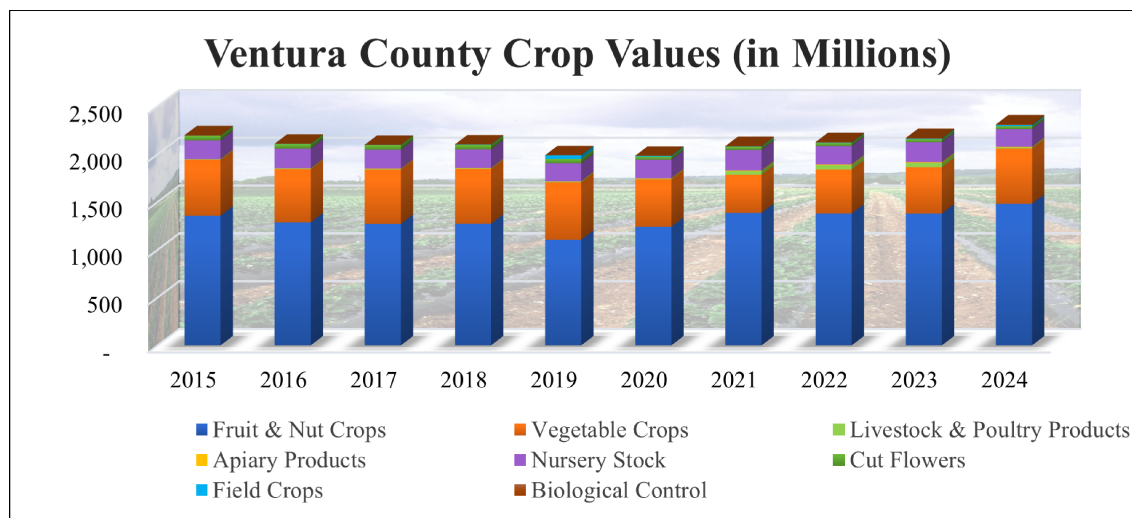
Historically, Ventura County has been closely aligned with the economy of Southern California, and for the fiscal year 2024-25, the County's population continues to shrink, and the local economy continues to grow at a slow rate. The County's traditional economic strength in agriculture, food processing, 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 2024 were \$20.2 billion, an increase of 3.6 percent over 2023. Heading into 2025, retail sales for the County as a whole remained steady, posting a slight increase of 1.4 percent and an increase of 2.4 percent in the first and second quarter of 2025 respectively, as compared with the same periods in 2024. In contrast, taxable sales in the Southern California region posted a slight decrease of 0.1 percent in the first quarter, and an increase of 1.2 percent in the second quarter of 2025.

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 2024-25 was 2,248,882 metric tons, a 1.7 percent increase from the prior year of 2,212,267 metric tons. Automobile imports and exports decreased by 1.5 percent to 403,681 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 increase of 2.4 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 value increased to \$2.3 billion in 2024. Strawberries, avocados, lemons, nursery stock, celery, and raspberries 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-seven undergraduate majors, eight graduate programs, four teaching credential programs and seven centers and institutes that support regional prosperity and the University mission. During the 2024 fall term, CSUCI had 4,880 students, a decrease of 4.8 percent from the prior year.

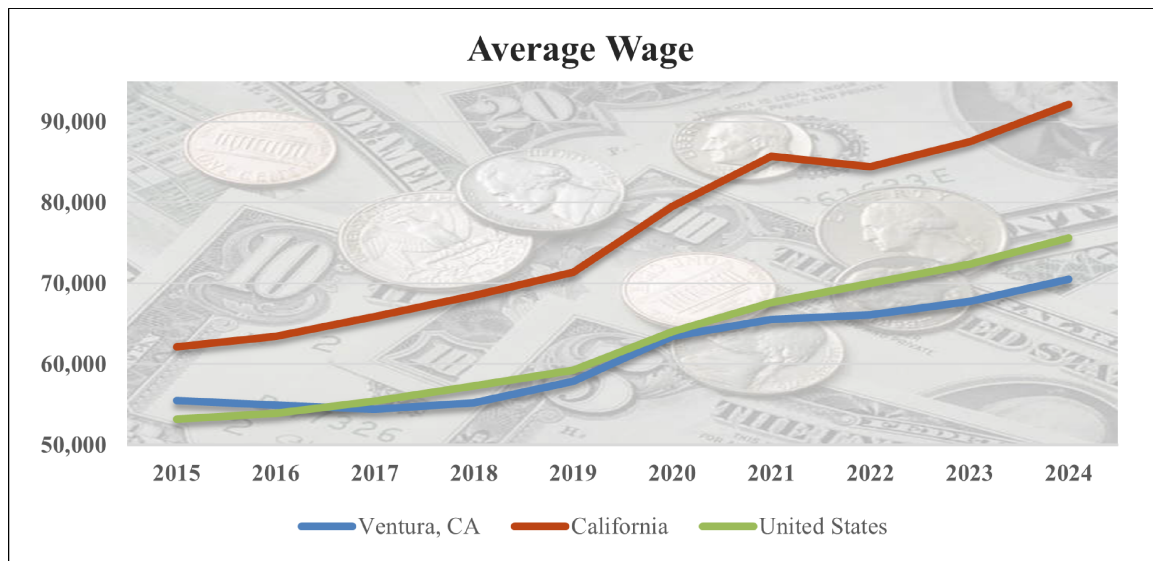
California Lutheran University (CLU) opened in 1961, and is accredited by the Accrediting Commission for Senior Colleges and Universities of the WASC. Forty-four majors and forty-six minors are offered in the traditional undergraduate program. The Bachelor's Degree for Professionals program offers degrees 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 2024 was 3,410, a decrease of 7.8 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 2024 enrollment of 52,096 students, an increase of 6.3 percent from the prior year's unadjusted number, and approximately 1,955 faculty, staff, and administrators in fall of 2024. The colleges are accredited by the Accrediting Commission for Community and Junior Colleges of the WASC. The three two-year colleges offer programs that allow students 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

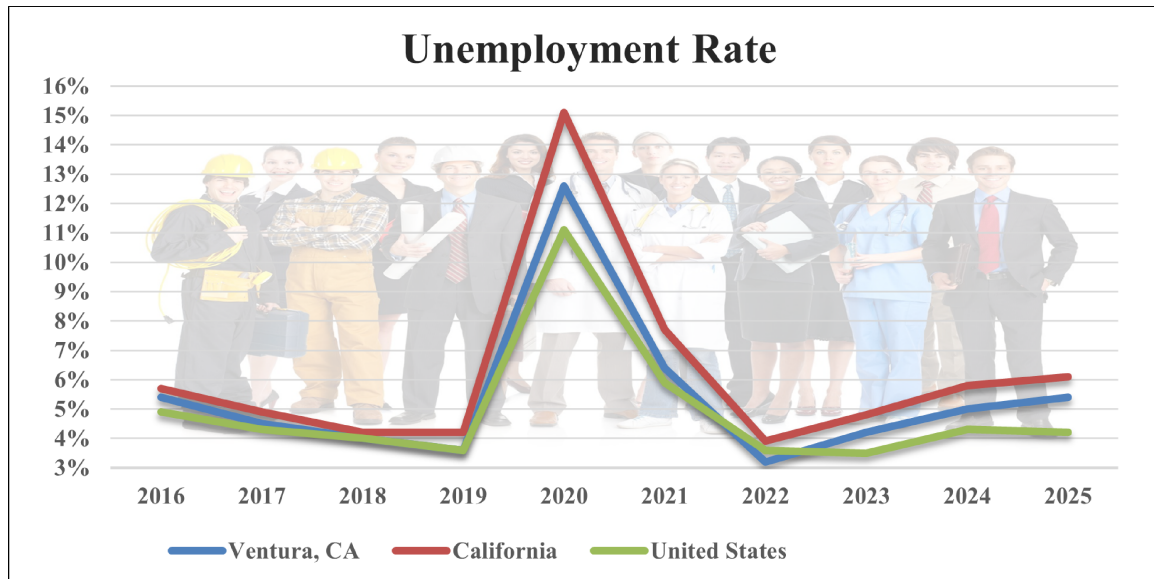
When comparing June 2025 to revised June 2024 figures, total farm jobs decreased by 1,000 (3.4 percent) to 28,000, while total nonfarm jobs increased by 2,000 (0.6 percent) to 317,500. Increases for nonfarm jobs were combinations of modest increases in private education and health services 2,900, professional, other services and government 900. Information about the County's principal employers and workforce sizes is provided in the statistical section of this report.

Average wages in the County increased 4.0 percent from 2023 numbers to \$70,487, while the State's Average wage increased 5.3 percent to \$92,145 and the nation increased 4.5 percent to \$75,585.



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

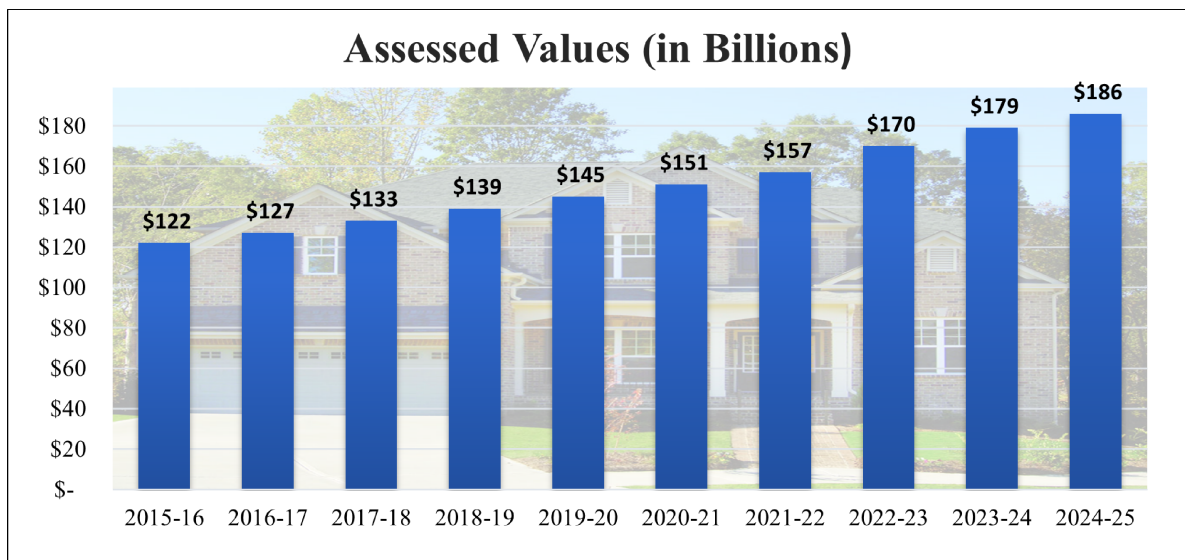
Reflecting headwinds due to continued increases in inflation-related costs, the County's unemployment rate in 2025 of 5.4 percent was up from 5.0 percent from the prior year and compared with California and the nation at 6.1 percent and 4.2 percent, respectively.



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

• Real Estate

Assessed values continue to trend upward. Fiscal year 2024-25 assessed values of \$186.3 billion represented a 4.1 percent increase compared to the prior year of \$178.9 billion.



Source: County of Ventura Auditor-Controller

The number of single-family home sales in the County increased 9.1 percent from the prior year. The composite median sales price for existing homes increased 1.1 percent from \$964,500 in June 2024 to \$975,000 in June 2025. The June 2025 median single-family home sales price in California was slightly down by 0.1 percent to \$899,790, and the national median for all housing types was up 1.7 percent to \$429,400, when compared to the prior year.

County housing affordability for the second quarter of 2025 increased to 14 percent from 12 percent in the second quarter of 2024. 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 2025-26 State Budget was signed into law by Governor Newsom on June 27, 2025. The \$321.1 billion spending plan includes \$228.4 billion for the General Fund. Overall, the budget commits to increasing funding for universal transitional kindergarten, K-12 schools, and higher education, while continuing efforts to address housing affordability, homelessness, climate impacts, healthcare access, and public safety. At the same time, the State continues to face fiscal pressures that may result in future program and funding adjustments.
- The County's 2025-26 Secured Assessment Roll closed with an overall increase of 4.2 percent, reflecting Ventura County's continued strength in property values and marking the fourteenth consecutive year of growth. For fiscal year 2024-25, the total assessed value increased \$7.4 billion to \$186.3 billion, representing the highest total assessed value in County history.
- The actuarially determined composite employer contribution rate for retirement benefits decreased from 18.56 percent to 16.56 percent of covered payroll for fiscal year 2025-26. The lower contribution rate, applied to a higher payroll base, results in an estimated \$16.6 million reduction in Countywide retirement costs, providing budgetary relief while maintaining strong pension funding levels and supporting the County's long-term financial sustainability.
- California Advancing and Innovating Medi-Cal (CalAIM) continues to represent a significant, multi-year transformation of the State's Medi-Cal program. The County's Behavioral Health Department is implementing several CalAIM-related initiatives, including modernization of electronic health record systems and service delivery models to support payment reform and integration with other social services. The County has entered into participation agreements to support these efforts over the next five years.
- The County continues implementation of its opioid response strategy using settlement funds received from nationwide opioid litigation. These funds are restricted for opioid-related prevention, treatment, and recovery activities and are subject to expenditure, encumbrance, and reporting requirements. As of fiscal year 2025-26, the County has received \$31.1 million from opioid settlement agreements and continues to allocate these resources in accordance with program requirements.
- Proposition 1, approved by California voters in March 2024, includes statutory and bond components intended to restructure behavioral health funding and expand behavioral health infrastructure statewide. The measure modifies the Mental Health Services Act and authorizes funding for behavioral health treatment facilities and supportive housing. Implementation of Proposition 1 will require counties to adjust program funding allocations and service delivery models over time, while continuing to meet existing behavioral health service demands.
- The County established the Retiree Medical Expense Reimbursement Plan to provide a monthly healthcare subsidy for eligible retirees impacted by the Alameda Resolution. The plan is funded through an IRS Section 115-approved trust and was initially funded in October 2023. Alternative funding scenarios have been evaluated to support the plan's long-term sustainability.

- The County occupies and operates more than 100 buildings totaling over 3.4 million square feet. Annual funding of approximately \$10.5 million to \$11.0 million is dedicated to deferred maintenance for 26 County-owned facilities through the Capital Renewal program. As County facilities continue to age, deferred maintenance needs and associated costs are expected to increase over time.
- The County continues to monitor the implementation of State zero-emission vehicle mandates that require the phased transition of medium- and heavy-duty vehicle fleets to zero-emission alternatives. Compliance with these mandates is expected to require significant long-term planning related to fleet replacement, supporting infrastructure, and operational readiness. The County continues to evaluate timing, cost considerations, and available funding opportunities as implementation requirements evolve.
- Federal trade policies, including the potential expansion of tariffs, may increase the cost of vehicles, equipment, and technology purchases used in County operations. Because many supply chains are global and subject to change, the full impact of tariffs on County expenditures and revenues remains uncertain. Management continues to monitor market conditions and procurement impacts as part of ongoing financial planning.

Long-term Planning

- General Fund fund balance in the fiscal year 2025-26 adopted budget totaled \$444.3 million, an increase of \$69.4 million from the prior year adopted budget, based on estimated year-end fund balance. Obligated fund balance (nonspendable, restricted, committed, and assigned) continues to play a critical role in preserving the County's financial health by supporting liquidity, maintaining strong credit ratings, preparing for future capital needs, and mitigating risks associated with litigation, audit disallowances, and revenue volatility.
- The County's estimated unassigned General Fund balance of \$197.5 million represents approximately 13.1 percent of estimated appropriations, exceeding the County's recommended minimum reserve level of 10 percent, though remaining below the long-term target of 15 percent.
- The 2026-30 Five-Year Capital Improvement Plan (CIP) was updated through a Countywide review of capital and major equipment needs. Project requests are evaluated and prioritized by the Capital Planning Committee using criteria such as life-safety considerations, regulatory compliance, asset preservation, and service delivery needs. Projects included in the CIP remain subject to Board authorization for funding, administration, and managerial oversight. The plan is available online: <https://publicworks.venturacounty.gov/cip/>

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.

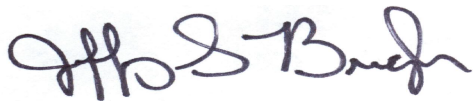
Awards and Acknowledgments

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, 2024. This was the thirty-ninth 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 letters of the first and last names being capitalized and prominent.

JEFFERY S. BURGH
Auditor-Controller