



December 28, 2023

To the Honorable Board of Supervisors
County of Ventura, California

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of Ventura, California (County) for the year ended June 30, 2023 and have issued our report thereon dated December 28, 2023. Professional standards require that we advise you of the following matters relating to our audit.

We did not audit the financial statements of the Ventura County Employees Retirement Association, Ventura County Public Financing Authority and the Children and Families First Commission of Ventura County. Those financial statements were audited by other auditors as stated in our report on the County's financial statements. This communication does not include the results of those audits.

Our Responsibility in Relation to the Financial Statement Audit under Generally Accepted Auditing Standards and Government Auditing Standards

As communicated in our letter dated December 19, 2023, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the County solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided our comments regarding internal controls during our audit in our 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* dated December 28, 2023.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm, and other firms utilized in the engagement, if applicable, have complied with all relevant ethical requirements regarding independence.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by County is included in Note 1 to the financial statements. As discussed in Note 1 to the financial statements, the County has changed accounting policies related to accounting for PPP assets/liabilities to adopt the provisions of Government Accounting Standards Board (GASB) Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. As described in Note 2, the County changed accounting policies related to accounting for right-to-use subscription assets to adopt the provisions of GASB Statement No. 96, *Subscription-Based Information Technology Agreements*. Accordingly, the accounting change has been retrospectively applied to the financial statements beginning July 1, 2022. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are amounts related to allowance for contractual adjustments and uncollectible accounts, supplemental revenues and receivables, third party settlement liabilities, risk management claims liabilities, the net pension liability and related deferred inflows/outflows of resources and pension expense and the net other postemployment benefits (OPEB) liabilities, assets, and related deferred inflows/outflows of resources and OPEB expense.

We evaluated the key factors and assumptions used to develop the estimates and determined that they are reasonable in relation to the basic financial statements taken as a whole.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the County's financial statements relate to:

As disclosed in Note 15 to the County's financial statements, the County disclosed the net pension liabilities, pension expense, and deferred inflows and outflows of resources associated with the County's pension plans.

As disclosed, a 1 percent increase or decrease in the discount rate has a material effect on the County's net pension liabilities.

As disclosed in Note 16 to the County's financial statements, the County disclosed the net OPEB liabilities, OPEB expense, and deferred inflows and outflows of resources associated with the County's OPEB plans. As disclosed, a 1 percent increase or decrease in the discount rate or the healthcare costs trend rates has a material effect on the County's net OPEB liabilities.

As disclosed in Note 1 to the financial statements, the County has adopted the provisions of Government Accounting Standards Board (GASB) Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, and No. 96, *Subscription-Based Information Technology Arrangements*, which has resulted in restatements of the net position and fund balance as of July 1, 2022.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole. Uncorrected misstatements or matters underlying those uncorrected misstatements could potentially cause future-period financial statements to be materially misstated, even though the uncorrected misstatements are immaterial to the financial statements currently under audit. There were no uncorrected or corrected misstatements identified as a result of our audit procedures.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the County's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Circumstances that Affect the Form and Content of the Auditor's Report

For purposes of this letter, professional standards require that we communicate any circumstances that affect the form and content of our auditor's report.

As described in Notes 1 and 2 to the financial statements, due to the adoption of GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, and No. 96, *Subscription-Based Information Technology Arrangements*, the County restated opening balances as of July 1, 2022. We have included an emphasis of matter in our report regarding this restatement.

Representations Requested from Management

We have requested certain written representations from management which are included in the management representation letter dated December 28, 2023.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the County, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating conditions affecting the entity, and operating plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the County's auditors.

Other Information Included in Annual Reports

Pursuant to professional standards, our responsibility as auditors for other information, whether financial or nonfinancial, included in the County's annual reports does not extend beyond the financial information identified in the audit report, and we are not required to perform any procedures to corroborate such other information. However, in accordance with such standards, we have read the information and considered whether such information, or the manner of its presentation, was materially inconsistent with its presentation in the financial statements.

Our responsibility also includes communicating to you any information which we believe is a material misstatement of fact. Nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially inconsistent with the information, or manner of its presentation, appearing in the financial statements.

Group Audit

The basic financial statements include the financial statements of the Ventura County Employee's Retirement Association, the Children and Families First Commission of Ventura County and the Ventura County Public Financing Authority, component units of the County (component units), which we consider to be significant components of the financial statements. The financial statements of the component units are audited by other auditors, and we will not assume responsibility for the audit performed by the other auditors, rather we referred to their audits in our report. Our decision to refer to the reports of the other auditors was based upon (1) our evaluation of the materiality of the component units with respect to the basic financial statements as a whole; (2) the ability for group management to provide necessary audit evidence with respect to the component units; (3) our consideration of the timing requirements of the engagement. Our planned audit procedures with respect to the component units included required correspondence with the other auditors, obtaining and reading their auditor's reports and the related financial statements, and other procedures as considered necessary. Our planned audit procedures with respect to the component units included obtaining an understanding of the component units and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements of the component units and to design the nature, timing, and extent of further audit procedures.

This report is intended solely for the information and use of the Board of Supervisors, and management of the County and is not intended to be, and should not be, used by anyone other than these specified parties.

Eide Sully LLP

Rancho Cucamonga, California



March 26, 2024

To the Honorable Board of Supervisors
County of Ventura, California

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of Ventura, California (County) as of and for the year ended June 30, 2023, and have issued our report thereon dated December 28, 2023.

We did not audit the financial statements of the Ventura County Employees' Retirement Association, Ventura County Public Financing Authority and the Families First Commission of Ventura County. Those financial statements were audited by other auditors as stated in our report on the County's basic financial statements. This communication does not include the results of those audits.

We have previously provided our communication in accordance with professional standards on the audit of the financial statements in our letter dated December 28, 2023. Professional standards require that we advise you of the following matters relating to our audit of compliance under the Uniform Guidance.

Our Responsibility in Relation to the Financial Statement Audit under Generally Accepted Auditing Standards and *Government Auditing Standards*, and our Compliance Audit under the Uniform Guidance

As communicated in our letter dated December 19, 2023, our responsibility, as described by professional standards, is to form and express opinions about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America and to express an opinion on whether the County complied with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs. Our audit of the financial statements and major program compliance does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards as it relates to the audit of the County's major federal program compliance, is to express an opinion on the compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. An audit of major program compliance includes consideration of internal control over compliance with the types of compliance requirements referred to above as a basis for designing audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, as a part of our major program compliance audit, we consider internal control over compliance for these purposes and not to provide any assurance on the effectiveness of the County's internal control over compliance.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided our comments regarding internal controls during our audit in our 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* dated December 28, 2023.

We have also provided our comments regarding compliance with the types of compliance requirements referred to above and internal controls over compliance during our audit in our Independent Auditor's Report on Compliance with Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance dated March 26, 2023.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm, and other firms utilized in the engagement, if applicable, have complied with all relevant ethical requirements regarding independence.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the County as it relates to the Single Audit are included in the notes to the Schedule of Expenditures of Federal Awards (SEFA). There have been no initial selection of accounting policies and no changes in significant accounting policies as it relates to the Single Audit. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates were disclosed in our letter dated December 28, 2023, and there are no changes as of March 26, 2024.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the County's financial statements were described in our letter dated December 28, 2023, and there are no changes as of March 26, 2024.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole. We previously communicated such items in our letter dated December 28, 2023, and there are no changes as of March 26, 2024.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the County's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Circumstances that Affect the Form and Content of the Auditor's Report

For purposes of this letter, professional standards require that we communicate any circumstances that affect the form and content of our auditor's report. As described in Notes 1 and 2 to the financial statements, due to the adoption of GASB Statement No. 94, *Public- Private and Public-Public Partnerships and Availability Payment Arrangements*, and No. 96, *Subscription-Based Information Technology Arrangements*, the County restated opening balances as of July 1, 2022. We have included an emphasis of matter in our report regarding this restatement.

In addition, we modified our auditor's report over the County's compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on the County's major federal programs. Based on our testing, the County did not comply with requirements regarding Assistance Listing 93.224 Health Centers Cluster as described in finding number 2023-004 for Special Tests and Provisions. As a result of the noncompliance, we modified our opinion on compliance and issued a qualified opinion on compliance with the program requirements.

Representations Requested from Management

We have requested certain written representations from management on the audit of compliance under the Uniform Guidance which are included in the management representation letter dated March 26, 2024.

Management’s Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the County, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the County’s auditors.

Other Information Included in Annual Reports

Pursuant to professional standards, our responsibility as auditors for other information in documents containing the County’s audited financial statements does not extend beyond the financial information identified in the audit report, and we are not required to perform any procedures to corroborate such other information.

However, in accordance with such standards, we will review the information inputted into the data collection form and will consider whether such information, or the manner of its presentation, is materially consistent with the financial statements.

Group Audits

We have previously communicated our responsibilities as it relates to the financial activity of the County’s component units in our letter dated December 28, 2023, and there are no changes as of March 26, 2024.

This report is intended solely for the information and use of the Board of Supervisors and management of the County and is not intended to be, and should not be, used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Eide Sully LLP". The signature is written in a cursive, flowing style.

Rancho Cucamonga, California