

**RESOLUTION OF THE
VENTURA LOCAL AGENCY FORMATION COMMISSION
ADOPTING A FINAL BUDGET FOR FISCAL YEAR 2017-18**

WHEREAS, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code Section 56000 et seq.) requires each Local Agency Formation Commission (LAFCo) to adopt an annual budget; and

WHEREAS, at a minimum, the proposed and final budget must be equal to the budget adopted for the previous fiscal year unless the Commission finds that reduced staffing or program costs will nevertheless allow the Commission to fulfill the purposes and programs of the Cortese-Knox-Hertzberg Local Government Reorganization Act; and

WHEREAS, on April 19, 2017 the Commission adopted a Proposed Budget for Fiscal Year 2017-18; and

WHEREAS, the Recommended Final Budget was made available to the public and transmitted to other governmental agencies which had an opportunity to comment prior to the adoption of the Final Budget for Fiscal Year 2017-18 on May 17, 2017.

NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED that pursuant to Government Code Section 56381, the Ventura Local Agency Formation Commission hereby:

- (1) Adopts the Recommended Final Budget as the Final Budget for the 2017-18 Fiscal Year as set forth in Exhibit A attached hereto; and
- (2) Finds that the Recommended Final Budget as set forth in Exhibit A attached hereto will not result in reductions in staffing or program costs to such an extent that the Commission would be impeded from fulfilling the purpose and programs of the Cortese-Knox-Hertzberg Local Government Reorganization Act; and
- (3) Adopts the work plan for the 2017-18 Fiscal Year set forth in the Recommended Final Budget; and
- (4) Directs the Executive Officer to forward the Final Budget, as adopted, to all the independent special districts, cities and the County.

This resolution was passed and adopted on May 17, 2017.

	AYE	NO	ABSTAIN	ABSENT
Commissioner Freeman	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Commissioner Parks	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Commissioner Parvin	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Commissioner Ramirez	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Commissioner Rooney	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Commissioner Ross	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Commissioner Zaragoza	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Alt. Commissioner Bennett	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Alt. Commissioner Bill-de la Peña	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Alt. Commissioner Richards	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

5-17-17
Date

Linda Parks
Linda Parks, Vice Chair, Ventura Local Agency Formation Commission

Attachment: Exhibit A

c: County of Ventura
Ventura County Cities
Ventura County Independent Special Districts



VENTURA LOCAL AGENCY FORMATION COMMISSION

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**FINAL
BUDGET**

**Fiscal Year
2017-2018**

ADOPTED: May 17, 2017



VENTURA LOCAL AGENCY FORMATION COMMISSION

BUDGET MESSAGE

Final Budget - Fiscal Year 2017-2018¹

Adopted May 17, 2017

Introduction

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code Section 56000 *et seq.*) (CKH) requires each Local Agency Formation Commission (LAFCo) to adopt a Proposed Budget by May 1 of each year and a Final Budget by June 15 of each year. The Ventura LAFCo adopted a Proposed Budget for Fiscal Year (FY) 2017-18 at a hearing on April 19, 2017 and will consider this Final Budget for FY 2017-18 on May 17, 2017. The Final Budget will be used by the County Auditor-Controller's Office to collect revenues as necessary from the County, cities and independent special districts.

The Ventura LAFCo Commissioner's Handbook, the compendium of the Ventura LAFCo's policies and procedures, contains budget policies in Section 2.3.1 *et seq.* The Adopted Final Budget for FY 2017-18 was prepared in accordance with these policies. Budget goals continue to be minimizing expenditures while fulfilling basic functions, and providing for effective and efficient compliance with mandates.

LAFCo and the County of Ventura entered into a Memorandum of Agreement effective July 1, 2001. While LAFCo is an independent agency, the Memorandum of Agreement provides for the County to provide personnel, support services, offices and materials as requested by LAFCo. All of the personnel, support services, offices and materials to be requested of the County for FY 2017-18 are part of this Adopted Final Budget. Budget information is formatted using County of Ventura account descriptions and codes.

This Budget Message highlights LAFCo's key responsibilities, reviews the notable work accomplishments and budget information for the first three quarters of FY 2016-17, sets forth a basic work plan for FY 2017-18, and provides background and explanatory information about the anticipated expenditures and revenues in this Adopted Final FY 2017-18 Budget.

¹ **With the exception of non-substantive language revisions in the Budget Message, the Adopted Final Budget is unchanged from the Proposed Budget adopted by the Ventura LAFCo on April 19, 2017.**

Major LAFCo Responsibilities

- Act on proposals for incorporation of cities; formation, dissolution, consolidation and merger of special districts; and annexation and detachment of territory to and from cities and special districts.
- Determine and establish spheres of influence for cities and special districts.
- Review and, as necessary, update spheres of influence for cities and special districts every five years.
- Conduct municipal service reviews prior to or in conjunction with the determination or update of spheres of influence.
- Perform special studies relating to services and make recommendations about consolidation, mergers or other governmental changes to improve services and reduce operational costs.
- Serve as the conducting authority for the determination of protests relating to proposals for incorporation, formation, and subsequent boundary changes.
- Act on requests for out-of-agency contracts for extensions of services.
- Function as either a responsible or lead agency pursuant to the California Environmental Quality Act (CEQA).
- Review and comment on draft changes/updates to city and county general plans.
- Review and comment on draft environmental documents prepared pursuant to CEQA.
- Provide public information about LAFCo and public noticing of pending LAFCo actions.
- Maintain a website.
- Adopt and update, as necessary, written policies and procedures.
- Adopt an annual budget.

FY 2016-17 in Review

Based on information through the end of February 2017, total projected actual expenditures for FY 2016-17 are expected to be approximately:

Description	FY 16-17 Adopted	FY 16-17 Projected	Estimated Savings
Total Salaries and Benefits	\$ 506,750	\$ 499,250	\$ 7,500
Total Services and Supplies	162,800	140,635	22,165
Contingencies	33,478	0	33,478
Total Expenditures	703,028	639,885	63,143

As shown above, staff does not anticipate the need to use the Contingency appropriation of \$33,478. The anticipated savings in Salaries and Benefits, Services/Supplies and Contingency are projected to be \$63,143 for FY 2016-17.

Actual revenue for FY 2016-17 is projected to be approximately:

Account Code	Description	FY 16-17 Adopted	FY 16-17 Projected	Estimated Savings/ (Deficit)
8911	Interest Earnings	\$ 1,000	\$ 2,000	\$ 1,000
9790	Other Revenue (from Fees)	20,000	18,000	(2,000)
9371	Other Govt. Agencies	617,028	617,028	0
	Total Revenue	638,028	637,028	(1,000)

As noted in the table above, a projected total revenue shortfall of \$1,000 is anticipated as part of the current budget.

The projected \$63,143 savings in Salaries/Benefits and Services/Supplies and Contingency along with the projected \$1,000 of revenue shortfall results in a total projected unappropriated Fund Balance of \$62,143, which is \$2,857 less than the \$65,000 appropriated Fund Balance adopted as a part of the FY 2016-17 Final Budget.

The following bullet points are the work plan that was adopted as a part of the FY 2016-17 Adopted Final Budget. Substantial progress has been made on each of these work plan items, as discussed below:

- *Continue municipal service reviews and sphere of influence reviews/updates in accordance with the approved 2013-2017 work plan.*

In May 2013, LAFCo approved a Work Plan for the 2013-2017 sphere of influence review/update and municipal service review cycle. The Work Plan specifies that the spheres of influence of five agencies were to be reviewed in 2016, and 17 agencies (including nine cities) are to be reviewed in 2017. The sphere reviews for 2016 have been completed and those for 2017 are in progress. Though not formally part of the Work Plan, for the current fiscal year, LAFCo has also:

- Completed, or is currently processing, seven applications (e.g., reorganizations, sphere of influence amendments, and out of agency service agreements).
 - Begun preparation of 13 municipal service reviews (e.g., for nine cities, three cemetery districts, and one library district).
- *Continue to review and comment on draft environmental documents and general plan updates as they may be prepared by the cities and the County.*

Over the course of the current fiscal year, LAFCo staff has thus far reviewed and/or commented on a total of eight CEQA notices/documents, general plan updates, and development proposals. These include development proposals within cities and the unincorporated County area.

- *Maintain and enhance operations with a focus on communication with the Commission, the County, cities, districts and the public; budget monitoring and information; staff training and development; and enhanced records management.*

Staff continues to keep the Commission informed of notable events/items through monthly update memos, email correspondence, and regularly scheduled meetings. Positive communications and working relationships have been maintained with all cities and districts. Staff continues to attend and participate in meetings with staff and consultants representing cities, special districts and other local public agencies as well as individual members of the public and community groups. As time allows, staff continues to attend meetings of the Ventura Special Districts Association, the Association of Water Agencies, the City and County Planning Association and other local and regional associations.

Staff routinely monitors the budget. An external audit of LAFCo's financial statements for the year ended June 30, 2016 was performed.

This fiscal year, LAFCo staff attended the CALAFCO Annual Conference in October and participated in the Program Committee for the Conference. Staff also attended the CALAFCO Staff Workshop in early April. Staff continues to participate in training sessions offered by the County.

- *Update and revise the Commissioner's Handbook and consider policy additions consistent with the mission and purpose of LAFCo.*

Development of potential guidelines pertaining to agricultural mitigation (which included holding two special meetings/workshops) and the Joint Land Use Study Naval Base Ventura County are progressing. On an ongoing basis, staff identifies potential policy updates/revisions for Commission consideration, as needed.

- *Increase public awareness about the mission, purpose and function of LAFCo.*

Staff routinely meets with members of the public to discuss LAFCo's role in development. Staff also routinely meets with the staff of the County, cities, and special districts to discuss anticipated proposals, sphere of influence reviews, environmental documents, and other LAFCo-related activities. Staff also welcomes opportunities to discuss the mission of LAFCo with the public or other agencies. For instance, in December staff was invited to make a presentation to the Board of the El Rancho Simi Cemetery District to discuss LAFCo's role and authority over the District.

Work Plan

The Ventura LAFCo Commissioner's Handbook provides that LAFCo will annually review and adopt a work plan as a part of the budget development process. For FY 2017-18, the adopted work plan maintains the focus on municipal service reviews and sphere of influence reviews/updates and is otherwise similar to the work plan for this fiscal year.

FY 2017-18 Work Plan

- Continue municipal service reviews and sphere of influence reviews/updates in accordance with the approved 2013-2017 work plan.
- Continue to review and comment on draft environmental documents and general plan updates as they may be prepared by the cities and the County.
- Maintain and enhance operations with a focus on communication with the Commission, the County, cities, districts, and the public; budget monitoring and information; staff training and development; and enhanced records management.
- Update and revise the Commissioner’s Handbook and consider policy additions that are consistent with the mission and purpose of LAFCo.
- Increase public awareness about the mission, purpose and function of LAFCo.

Staff believes that the items listed above are realistic provided the number and/or complexity of proposals filed do not increase significantly.

ADOPTED FINAL BUDGET

Expenditures

The expense portion of the budget is divided into three main sections, the Salary and Employee Benefits section (1000 series account codes), the Services and Supplies section (2000 series account codes), and Contingencies (account code 6101). Including a 10% contingency, the Adopted Final Budget reflects an overall expenditure increase of approximately 5.8% compared to the FY 2016-17 Adopted Final Budget, as indicated in the following table:

Description	FY 16-17 Adopted	FY 17-18 Proposed	Increase / (Decrease)	Percent Change
Total Expenditures	\$ 703,028	\$ 743,491	\$ 40,463	5.8%

Salary and Employee Benefits (1000 series of account codes)

Salaries and Employee Benefits continue to be the greatest expense, comprising approximately 71% of the total expenditures (more if contingencies are not included). Expenditures for Salaries and Benefits are proposed to increase by approximately 3.8% as compared to FY 2016-17 as indicated in the following table:

Description	FY 16-17 Adopted	FY 17-18 Proposed	Increase / (Decrease)	Percent Change
Total Salaries and Benefits	\$ 506,750	\$ 525,850	\$ 19,100	3.8%

The increase comes primarily from an anticipated increase to regular salaries (account code 1101) and related increases in the various benefit accounts. The increase in salary also reflects two general salary increases of 1.5% approved by the County Board of Supervisors², and anticipated

² The first general salary increase became effective in January 2017. The second increase will become effective in January 2018.

merit increases as provided for under the terms of the Executive Officer employment contract and the County of Ventura Management, Confidential Clerical and Other Unrepresented Employees Resolution:

Description	Acct Code	FY 16-17 Adopted	FY 17-18 Proposed	Increase / (Decrease)	Percent Change
Regular Salaries	1101	\$ 330,000	\$ 350,500	\$ 20,500	6.2%

The increase in regular salaries is partially offset by decreases to Management Retiree Health Benefit and Terminations (Buydowns) (account codes 1128 and 1107). Pursuant to the County Management Resolution, the Management Retiree Health Benefit is provided to retired staff who were employed by the County prior to July 2005. One year of the retirement benefit is provided for each five years of County employment. This benefit has been provided to the previous Office Manager/Clerk to the Commission since her retirement in 2015. The benefit will end next fiscal year. The Terminations (Buydown) account code reflects a program under which staff may “cash out” accrued vacation time. Staff anticipates cashing out less vacation time next fiscal year. The following table reflects these two decreases:

Description	Acct Code	FY 16-17 Adopted	FY 17-18 Proposed	Increase / (Decrease)	Percent Change
Management Retiree Health Benefit	1128	10,000	7,100	(2,900)	-29%
Terminations (Buydown)	1107	15,500	8,500	(7,000)	-45%

The currently authorized and recommended classifications are reflected in the following table:

Title	FY 2016-17	FY 2017-18
Executive Officer	1	1
Analyst/Deputy Executive Officer	1	1
Office Manager/Clerk of the Commission	1	1
Total Authorized Positions	3	3

Services and Supplies (2000 series of account codes)

The Adopted Final Budget for Services and Supplies is less than that in the Adopted Final Budget for the current fiscal year, as indicated in the following table:

Description	FY 16-17 Adopted	FY 17-18 Proposed	Increase / (Decrease)	Percent Change
Total Services and Supplies	\$ 162,800	\$ 150,050	\$ (12,750)	-7.8%

Though two account codes reflect substantial decreases from the current fiscal year adopted budget, these decreases are partially offset by increases in others, as follows:

- A substantial decrease in Cost Allocation Plan Charges (account code 2158). These charges are set by the County and pertain to costs for County services provided primarily by the General Services Agency, the Auditor-Controller's Office and the County Executive Office, including Human Resources. The current fiscal year charge is \$18,250. For FY 2017-18 the total charges for this account will be approximately \$4,500. The current year charges are estimated based on two prior years' actual charges. A comparison to the actual charges is done after two years. The decrease for next fiscal year is a result of an overcharge that occurred two years ago.
- A decrease in County Geographical Information Systems (GIS) Expense (account code 2203). The decrease from \$24,500 for the current fiscal year to \$18,000 for FY 2017-18 is due to an anticipated reduction in the amount of mapping services and related GIS staff time.
- An increase in the Travel Expense (account code 2292) associated with conferences and seminars from \$15,500 in the current fiscal year to \$21,500 for FY 2017-18. This increase is primarily due to higher anticipated travel costs to attend the October 2017 CALAFCO Annual Conference to be held in San Diego (the 2016 conference was held in Santa Barbara resulting in lower travel expenses). The amount budgeted would allow for all commissioners, alternate commissioners, and staff to attend.
- An increase in the Private Vehicle Mileage (account code 2291) from \$7,000 for the current fiscal year to \$9,300 for FY 2017-18. This increase reflects an action by the County Board of Supervisors to increase the monthly amount of auto allowance from \$375 to \$575 for certain positions designated to receive the allowance in the County of Ventura Management, Confidential Clerical and Other Unrepresented Employees Resolution. This allowance is provided to the Executive Officer.

Contingencies

In accordance with the Commission's budget policies, the budget should provide for contingencies equaling 10% of total expenditures, unless the Commission deems that a different amount is appropriate. It is recommended that the FY 2017-18 Adopted Final Budget include a contingency appropriation of 10% of total expenditures, or \$67,591. The contingency amount for the current fiscal year is 5%, or \$33,478. To offset the \$34,113 increase, it is recommended that the budget include a \$95,000 appropriation of anticipated unassigned fund balance, estimated to be \$265,482 at the beginning of FY 2017-18 (consisting of \$106,648 to cover 60 days' working capital and \$158,834 unassigned).

Financing Sources

Potential financing sources consist of Fund Balance and Miscellaneous Revenues, including interest earnings and application filing fees (e.g. account codes 8911 and 9790), and Other Governmental Agencies, the revenue to be collected from the County, cities and independent special districts (account code 9371).

Fund Balance

Section 56381(c) of the CKH Act provides, "If, at the end of the fiscal year, the commission has funds in excess of what it needs, the commission may retain those funds and calculate them into the following fiscal year's budget." As indicated in the "FY 2016-17 in Review" section above, approximately \$62,143 is projected to be available at the end of the current fiscal year to appropriate for the FY 2017-18 Budget. The adopted budget includes an appropriated fund balance of \$95,000.

The Commission's budget policies provide for the maintenance of a Litigation Reserve Account balance in the amount of \$100,000 with the intent of limiting its use for unanticipated expenditures resulting from litigation against the Commission that does not occur routinely and would not be reimbursed by another party. This amount is classified as "committed" fund balance with respect to the Governmental Accounting Standards Board (GASB) requirements and the Commission's fund balance policies.

The policies also provide that excess fund balance remaining over and above the committed and assigned fund balances should be classified as unassigned. Currently the LAFCo General Fund does not include any assigned fund balance. Further, the policies provide that an unassigned (and unappropriated) fund balance of approximately 60 days' working capital must be maintained. Based on the Projected Actual Expenditures for FY 2016-17 (\$639,885), 60 days' working capital would be approximately \$106,648. The total unassigned fund balance for the current year is \$265,482, which is equivalent to approximately 149 days' working capital.

Miscellaneous Revenue

Miscellaneous revenue includes interest earnings and other revenue, primarily application filing fees. The Adopted Final Budget for Miscellaneous Revenue is \$21,500, which is slightly more than the Adopted Budget amount for the current fiscal year (\$21,000). This increase reflects a \$500 increase in the \$1,000 budgeted for Investment Income (account code 8911). No changes to the \$20,000 budgeted for Miscellaneous Revenue (application fees) (account 9790) are recommended.

The Commission has a policy to annually review the LAFCo fee schedule as a part of the budget process. The existing fee schedule has been in effect since July 2010. It was updated and adopted by the Commission in April 2016 as part of the budget process for the current fiscal year. No changes to the fee schedule are recommended as part of this budget process.

Revenues from Other Governmental Agencies (the County, Cities and Independent Special Districts)

Pursuant to the CKH, the LAFCo net operating expenses are to be apportioned one-third to the County, one-third to the cities, and one-third to the independent special districts. The Ventura LAFCo determines net operating expenses as the cost for LAFCo operations net of those funds appropriated for budget purposes plus Miscellaneous Revenue. The CKH describes how the County Auditor-Controller is to make this apportionment and collect revenues once LAFCo adopts a Final Budget.

The revenue projected to be collected from the County, cities and independent special districts is proposed to increase from \$617,028 to \$626,990 for the next year (\$9,962 or 1.6%). The table below shows how the amount of revenue from Other Governmental Agencies (the County, cities and independent special districts) has fluctuated since LAFCo first adopted an independent budget in June, 2001. As shown in the table, the amount of projected total revenue from Other Governmental Agencies for FY 2017-18 is about equal to the average over the previous five years (84.4%).

Year	Adopted Budget –Total Finance Sources	Amount of Revenue from Other Governmental Agencies	Percent of Total Revenue from Other Governmental Agencies
FY 2001-02	\$548,737	\$468,737	85%
FY 2002-03	\$719,130	\$568,502	79%
FY 2003-04	\$641,215	\$390,699	61%
FY 2004-05	\$702,503	\$473,067	67%
FY 2005-06	\$723,226	\$361,874	50%
FY 2006-07	\$830,154	\$621,617	75%
FY 2007-08	\$949,269	\$715,957	75%
FY 2008-09	\$735,422	\$488,684	66%
FY 2009-10	\$783,101	\$587,084	75%
FY 2010-11	\$772,892	\$590,055	76%
FY 2011-12	\$766,598	\$570,285	74%
FY 2012-13	\$659,706	\$550,515	83%
FY 2013-14	\$675,769	\$573,636	85%
FY 2014-15	\$641,949	\$519,249	81%
FY 2015-16	\$678,977	\$576,477	85%
FY 2016-17	\$703,028	\$617,028	88%
FY 2017-18 ³	\$743,490	\$626,991	84%

Not formally part of the budget, but included for general information are the percentage shares of the Other Governmental Agencies revenue for each of the cities (Attachment 1) and the independent special districts (Attachment 2). City revenues and Special District revenues are based on the FY 2014-15 State Controller Reports. These are the most current Reports available at this time. Should the State issue updated Cities and Special District Reports for FY 2015-16 before the end of June, the County Auditor-Controller’s Office will use those Reports as the basis for collecting revenue from the cities for FY 2017-18. As a further means of comparison, Attachment 3 shows individual agency revenue allocation amounts as a percentage of each agency’s total revenue. Attachment 4 is a comparison of each city’s and district’s allocation that was adopted for FYs 2013-14, 2014-15, 2015-16, FY 16-17, and proposed for FY 2017-18.

³ Based on FY 2017-18 Adopted Final Budget

The CKH Act continues to provide the ability for the cities and independent special districts in each County to determine an alternate apportionment method. To date, however, neither the cities nor the special districts have agreed on any alternate apportionment methodology. This means that the City of Oxnard, as the city with the highest gross revenue, and Calleguas Municipal Water District, the largest special district in terms of gross revenue, will continue to pay the largest respective shares of the city and special district portion of LAFCo revenue.

Conclusion

The Ventura LAFCo is continuing to exercise fiscal prudence. The Commission and its staff understand the economic realities of the time and the constraints on local government revenues. The Commission's budgeting process has improved in the last 15 years. Systems and policies are in place to ensure best practices and proper oversight. Mandates are being met and basic services provided with a highly-trained staff that seeks to limit discretionary expenditures. The Adopted Final Budget for FY 2017-18 was prepared and is being recommended consistent with the Commission's policies and the knowledge and experience gained from prior years.

Respectfully submitted,



Kai Luoma
Executive Officer

ATTACHMENTS:

1. Other Governmental Agencies-Cities Allocation Amounts
2. Other Governmental Agencies-Independent Special District Allocation Amounts
3. Agency Revenue Allocation Percentages
4. Agency Allocations for FYs 2013-14, 2014-15, 2015-16, 2016-17, and 2017-18

Glossary of Terms

ANNUAL (OPERATING) BUDGET: A financial plan that outlines proposed expenditures for the coming fiscal year and estimated revenues which will be used to finance them.

APPROPRIATED FUND BALANCE: A portion of existing fund balance that is incorporated into the subsequent year's budget to "balance" expected expenditures in excess of expected revenues.

ASSET: Resources with present service capacity that the government presently controls; for example, money, investments and property.

ASSIGNED FUND BALANCE: Comprises amounts intended to be used by the government for specific purposes; for example, appropriated fund balance. Intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority to assign amounts to be used for specific purposes.

AUDIT: A systematic collection of the sufficient, competent evidential matter needed to attest to the fairness of management's assertions in its financial statements or to evaluate whether management has efficiently and effectively carried out its responsibilities.

BALANCE SHEET: Also known as a statement of net position, a basic financial statement, and presentation of an entity's net assets and liabilities on a specified date. A balance sheet is usually accompanied by appropriate disclosures that describe the basis of accounting used in its preparation.

BUDGET: A plan of financial operation including an estimate of proposed expenditures for a given period and the proposed means of financing them.

BUDGET MESSAGE: A written overview of the budget from the LAFCo Executive Officer that discusses the major budget items and LAFCo's present and future financial condition.

COMMITTED FUND BALANCE: Includes amounts that can be used only for the specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority. Commitments may be changed or removed only by the same decision-making authority taking the same formal action that imposed the constraint originally.

CONTINGENCY: A budgetary expenditure allowance (appropriation) to cover unanticipated expenditures or revenue shortfalls during the fiscal year (LAFCo Budget Account Code 6101). The Ventura LAFCo Commissioner's policies provide that the annual budget include an allocation of 10% of total operating expenses for contingencies, unless the Commission deems a different amount appropriate. Transfers from the contingency account require prior approval of the Commission.

DEFICIT: An excess of expenditures or expenses over revenues.

EXPENDITURES: Under the current financial resources measurement focus, decreases in net financial resources not property classified as *other financing uses*; for example, disbursements of cash for the cost of salaries, benefits, services or supplies.

FINANCIAL STATEMENT: Presentation of financial data including balance sheets, income statements or any supporting statement that is intended to communicate an entity's financial position at a point in time and its results of operations for a period then ended.

FISCAL YEAR: The 12-month period to which the annual operating budget applies and at the end of which a government determines its financial position and the results of its operations.

FUND BALANCE: The difference between a fund's assets and its liabilities. With regard to a LAFCo budget, Government Code Section 56381(c) provides, "If, at the end of the fiscal year, the commission has funds in excess of what it needs, the commission may retain those funds and calculate them into the following fiscal year's budget."

FUND: A complete accounting entity reflecting financial transactions, both receipts and expenditures, of money that is set up to carry out a special function or attain objectives in accordance with established laws, policies, and regulations. The fund concept also applies to budget activities.

GASB: The Governmental Accounting Standards Board (GASB) is the ultimate authoritative accounting and financial reporting standard-setting body for state and local governments. The GASB was established in June 1984 to replace the NCGA (National Council on Governmental Accounting).

GIS: Geographic Information System.

INCOME STATEMENT: Summary of the effect of revenues and expenses over a period of time.

INTEREST: Interest income earned as idle funds are invested with a goal of protecting each investment while achieving the highest rate of return.

INTERNAL CONTROL: Process designed to provide reasonable assurance regarding achievement of various management objectives such as the reliability of financial reports.

INTERNAL SERVICE FUND: A fund that accounts for the provision of services by various County departments on a cost reimbursement basis.

LIABILITIES: Present obligations to sacrifice resources that the government has little or no discretion to avoid; for example, amounts owed for items received, services rendered, expenses incurred and assets acquired.

LINE-ITEM BUDGET: A budget that lists each expenditure category (salary, materials, telephone service, travel, etc.) separately, along with the dollar amount budgeted for each.

OBJECT: An individual expenditure account.

FINANCING SOURCES: Total amounts available during the fiscal year for appropriation including estimated revenues and appropriated fund balances.

UNAPPROPRIATED FUND BALANCE: The portion of fund balance remaining, following an approved budget appropriation of fund balance and any commitments.

UNASSIGNED FUND BALANCE: The difference between total fund balance in a governmental fund and its non-spendable, restricted, committed and assigned components.

UNRESTRICTED FUND BALANCE: The difference between total fund balance in a governmental fund and its non-spendable and restricted components.

**VENTURA LOCAL AGENCY FORMATION COMMISSION
EXPENDITURES AND REVENUE DETAIL
ADOPTED FINAL BUDGET
FY 2017-2018**

	Acct Code	Final Adopted/ Adjusted FY 16-17	Projected Actuals FY 16-17	Recommended Proposed Budget FY 17-18 4/19/17	Recommended Final Budget FY 17-18 05/17/17	Final Budget FY 17-18 Adopted 05/17/17
EXPENDITURES						
Salaries and Employee Benefits						
Regular Salaries	1101	330,000	330,000	350,500	350,500	350,500
Supplemental Payments	1106	13,500	13,500	14,000	14,000	14,000
Terminations (Buydowns)	1107	15,500	15,500	8,500	8,500	8,500
Retirement Contribution	1121	70,500	70,500	76,000	76,000	76,000
OASDI Contribution	1122	20,000	20,000	21,000	21,000	21,000
FICA Medicare	1123	5,500	5,500	5,500	5,500	5,500
Retiree Health Payment 1099 (Mgmt. Retiree Health)	1128	10,000	10,000	7,100	7,100	7,100
Group Insurance	1141	23,500	23,500	26,500	26,500	26,500
Life Insurance for Department Heads and Management	1142	150	150	150	150	150
State Unemployment Insurance	1143	350	350	350	350	350
Management Disability Insurance	1144	2,750	2,750	2,750	2,750	2,750
Workers Compensation Insurance	1165	2,500	2,500	2,500	2,500	2,500
401k Plan	1171	12,500	5,000	11,000	11,000	11,000
Total Salaries and Employee Benefits		506,750	499,250	525,850	525,850	525,850

**VENTURA LOCAL AGENCY FORMATION COMMISSION
EXPENDITURES AND REVENUE DETAIL
ADOPTED FINAL BUDGET
FY 2017-2018**

	Acct Code	Final Adopted/ Adjusted FY 16-17	Projected Actuals FY 16-17	Recommended Proposed Budget FY 17-18 4/19/17	Recommended Final Budget FY 17-18 05/17/17	Final Budget FY 17-18 Adopted 05/17/17
EXPENDITURES						
Services and Supplies						
Voice Data ISF	2032	2,500	2,500	2,500	2,500	2,500
General Insurance Allocation ISF	2071	2,000	2,000	1,500	1,500	1,500
Facilities and Materials SQ FT Allocation ISF	2114	15,600	15,600	16,100	16,100	16,100
Facilities Projects ISF	2115	0	0	0	0	0
Other Maintenance ISF	2116	500	0	500	500	500
Memberships and Dues	2131	7,300	7,300	7,800	7,800	7,800
Cost Allocation Plan Charges	2158	18,250	18,200	4,500	4,500	4,500
Books and Publications	2163	500	350	500	500	500
Mail Center ISF	2164	2,500	2,500	2,500	2,500	2,500
Purchasing Charges ISF	2165	100	100	100	100	100
Graphics Charges ISF	2166	500	0	500	500	500
Copy Machine Chgs ISF	2167	500	0	500	500	500
Stores ISF	2168	50	10	50	50	50
Miscellaneous Office Expenses	2179	5,500	5,000	5,500	5,500	5,500
Board and Commission Member Compensation 1099	2181	5,000	3,000	5,000	5,000	5,000
Attorney Services (County Counsel)	2185	22,500	22,500	22,500	22,500	22,500
Other Professional and Specialized Non ISF (VTD Auditors and County Accounting Services)	2199	16,000	14,000	15,000	15,000	15,000
Information Tech ISF	2202	1,800	3,000	2,500	2,500	2,500
County Geographical Information Systems Expense ISF	2203	24,500	16,500	18,000	18,000	18,000
Public Works ISF Charges	2205	3,000	2,500	3,000	3,000	3,000
Special Services ISF	2206	100	100	100	100	100
Publications and Legal Notices	2221	5,000	2,500	5,000	5,000	5,000
Storage Charges ISF	2244	500	500	500	500	500
Computer Equipment < \$5,000	2261	3,100	2,800	2,500	2,500	2,500
Furniture and Fixtures < \$5,000	2262	1,000	0	500	500	500
Conferences/ Seminars ISF (Training ISF)	2272	500	25	500	500	500
Education Conference and Seminars	2273	1,000	1,000	1,000	1,000	1,000
Private Vehicle Mileage	2291	7,000	7,300	9,300	9,300	9,300
Travel Expense (Conferences / Seminars)	2292	15,500	11,000	21,500	21,500	21,500
Motorpool ISF	2303	500	350	600	600	600
Total Services and Supplies		162,800	140,635	150,050	150,050	150,050
Contingencies	6101	33,478	0	67,591	67,591	67,591
Total Contingencies		33,478	0	67,591	67,591	67,591
TOTAL EXPENDITURES		703,028	639,885	743,491	743,491	743,491

* Pursuant to the Ventura LAFCo Commissioner's Handbook Section 2.3.1.4(a), the annual budget shall include a contingency appropriation of 10% of total operating expenses, unless the Commission deems a different amount appropriate.

**VENTURA LOCAL AGENCY FORMATION COMMISSION
EXPENDITURES AND REVENUE DETAIL
ADOPTED FINAL BUDGET
FY 2017-2018**

	Acct Code	Final Adopted/ Adjusted FY 16-17	Projected Actuals FY 16-17	Recommended Proposed Budget FY 17-18 4/19/17	Recommended Final Budget FY 17-18 05/17/17	Final Budget FY 17-18 Adopted 05/17/17
FINANCING SOURCES						
Appropriation of Fund Balance		65,000	-	95,000	95,000	95,000
Investment Income (Interest Earnings)	8911	1,000	2,000	1,500	1,500	1,500
Miscellaneous Revenue (LAFCo application fees)	9790	20,000	18,000	20,000	20,000	20,000
Total Miscellaneous Revenue		21,000	20,000	21,500	21,500	21,500
Other Governmental Agencies						
Other Government Agencies (County of Ventura)	9371	205,676	205,676	208,997	208,997	208,997
Other Government Agencies (Cities)	9371	205,676	205,676	208,997	208,997	208,997
Other Government Agencies (Ind. Special Districts)	9371	205,676	205,676	208,997	208,997	208,997
Total Other Government Agencies Revenue		617,028	617,028	626,991	626,991	626,991
TOTAL REVENUE		638,028	637,028	648,491	648,491	648,491
TOTAL FINANCING SOURCES		703,028	637,028	743,491	743,491	743,491
NET INCOME / (LOSS) [PROJECTED USE OF APPROPRIATED FUND BALANCE]			(2,857)			

**Preliminary Fund Balance and Estimated Ending Fund
Balance at June 30, 2017**

FUND BALANCES	Actual Fund Balance 6/30/16	Projected Fund Balance 6/30/17	Estimated Fund Balance 06/30/18
Assigned:			
Appropriated	65,000	95,000	0
Committed:			
Litigation	100,000	100,000	100,000
Unassigned:			
60 Days' Working Capital	96,970	106,648	123,915
Unassigned	201,368	158,834	141,567
TOTAL UNASSIGNED	298,339	265,482	265,482
TOTAL FUND BALANCE	463,339	460,482	365,482

**LAFCO NET OPERATING EXPENSES
GOV'T CODE 56381 (b) (1) (A) & (B)¹**

Attachment 1

FINAL BUDGET FOR FISCAL YEAR 2017 - 2018

ALLOCATION - CITIES

SOURCE: STATE OF CALIFORNIA, CITIES ANNUAL REPORT, FY 14/15

CITY	TOTAL REVENUE PER REPORT	PERCENTAGE	ALLOCATION \$
1 Camarillo	\$ 85,177,820	8.35%	\$ 17,451
2 Fillmore	21,737,283	2.13%	4,452
3 Moorpark	42,630,161	4.18%	8,736
4 Ojai	11,335,593	1.11%	2,320
5 Oxnard	309,059,607	30.30%	63,326
6 Port Hueneme	41,098,004	4.03%	8,422
7 San Buenaventura	204,473,611	20.04%	41,883
8 Santa Paula	36,913,548	3.62%	7,566
9 Simi Valley	103,170,188	10.11%	21,130
10 Thousand Oaks	164,523,911	16.13%	33,711
TOTAL	\$ 1,020,119,726	100.00%	\$ 208,997

- (1) In counties in which there is city and independent special district representation on the commission, the county, cities, and independent special districts shall each provide a one-third share of the commission's operational costs. The cities' share shall be apportioned in proportion to each city's total revenues, as reported in the most recent edition of the Cities Annual Report published by the Controller, as a percentage of the combined city revenues within a county, or by an alternative method approved by a majority of cities representing the majority of the combined cities' populations.

LAFCO NET OPERATING EXPENSES
GOV'T CODE 56381 (b) (1) (A) & (C)¹, (F)²

Attachment 2

FINAL BUDGET FOR FY 2017- 2018

ALLOCATION - SPECIAL DISTRICTS

SOURCE: STATE OF CALIFORNIA, SPECIAL DISTRICTS ANNUAL REPORT, FY 14/15

	NAME	TOTAL		ALLOCATION
		REVENUE PER REPORT	PERCENTAGE (See Note 2)	
1	Bardsdale Cemetery District	\$ 244,401	0.076%	\$ 159
2	Bell Canyon Comm. Services District	499,464	0.156%	326
3	Blanchard / Santa Paula Public Library District	799,699	0.250%	522
4	Calleguas Municipal Water District	141,044,406	44.078%	92,122
5	Camarillo Health Care District	3,404,249	1.064%	2,224
6	Camrosa Water District	19,226,853	6.008%	12,556
7	Casitas Municipal Water District	17,669,103	5.522%	11,541
8	Channel Islands Beach Comm. Serv. Dist.	4,041,957	1.263%	2,640
9	Conejo Recreation & Park District	20,620,647	6.444%	13,468
10	El Rancho Simi Pioneer Cemetery District	134,327	0.042%	88
11	Fillmore-Piru Memorial District	184,493	0.058%	121
12	Fox Canyon Groundwater Mgmt. Agency	1,141,051	0.356%	744
13	Hidden Valley Municipal Water District	51,091	0.016%	33
14	Meiners Oaks Water District	1,577,922	0.493%	1,030
15	Montalvo Comm. Services District	701,493	0.219%	458
16	Ojai Valley Sanitary District	9,483,325	2.964%	6,195
17	Ojai Water Conservation District	8,281	0.002%	5
18	Oxnard Drainage District No. 1	50,247	0.016%	33
19	Oxnard Drainage District No. 2	159,051	0.050%	104
20	Oxnard Harbor District	16,229,141	5.072%	10,600
21	Piru Public Cemetery District	57,593	0.018%	38
22	Pleasant Valley Co. Water District	3,160,819	0.988%	2,065
23	Pleasant Valley Rec & Park District	10,816,289	3.380%	7,064
24	Rancho Simi Rec & Park District	20,135,758	6.293%	13,152
25	Saticoy Sanitary District	547,727	0.171%	357
26	Triunfo Sanitation District	15,168,590	4.740%	9,906
27	United Water Conservation District	22,818,952	7.131%	14,904
28	Ventura Co. Resource Conserv. District	41,930	0.013%	27
29	Ventura Port District	8,238,903	2.575%	5,382
30	Ventura River County Water District	1,733,239	0.542%	1,133
TOTAL		\$ 319,991,001	100.000%	\$ 208,997

- (1) In counties in which there is city and independent special district representation on the commission, the county, cities, and independent special districts shall each provide a one-third share of the commission's operational costs. The independent special districts' share shall be apportioned in proportion to each district's total revenues as a percentage of the combined total district revenues within a county. An independent special district's total revenue shall be calculated for nonenterprise activities as total revenues for general purpose transactions less aid from other governmental agencies and for enterprise activities as total operating and nonoperating revenues less revenue category other governmental agencies, as reported in the most recent edition of the "Special Districts Annual Report" published by the Controller, or by an alternative method approved by a majority of the agencies, representing a majority of their combined populations.
- (2) No independent special district shall be apportioned a share of more than 50 percent of the total independent special districts' share of the commission's operational costs, without the consent of the district. The share of the remaining districts shall be increased on a proportional basis so that the total amount for all districts equal the share apportioned by the auditor to independent special districts.

Ventura LAFCo Budget FY 2017-18
Apportionment of Net Operating Expenses Expressed As Percentage Of Each Agency's Total Revenue

Attachment 3

NAME	TOTAL REVENUE PER REPORT*	ALLOCATION	PERCENTAGE OF TOTAL REVENUE
COUNTY OF VENTURA	\$ 1,113,371,354	\$ 208,997	0.02%
CITIES			
Camarillo	\$ 85,177,820	\$ 17,451	0.02%
Fillmore	21,737,283	4,452	0.02%
Moorpark	42,630,161	8,736	0.02%
Ojai	11,335,593	2,320	0.02%
Oxnard	309,059,607	63,326	0.02%
Port Hueneme	41,098,004	8,422	0.02%
San Buenaventura	204,473,611	41,883	0.02%
Santa Paula	36,913,548	7,566	0.02%
Simi Valley	103,170,188	21,130	0.02%
Thousand Oaks	164,523,911	33,711	0.02%
TOTAL	\$ 1,020,119,726	208,997	0.02%
SPECIAL DISTRICTS			
Bardsdale Cemetery District	\$ 244,401	\$ 159	0.07%
Bell Canyon Comm. Services District	499,464	326	0.07%
Blanchard / Santa Paula Public Library Dist.	799,699	522	0.07%
Calleguas Municipal Water District	141,044,406	92,122	0.07%
Camarillo Health Care District	3,404,249	2,224	0.07%
Camrosa Water District	19,226,853	12,556	0.07%
Casitas Municipal Water District	17,669,103	11,541	0.07%
Channel Islands Beach Comm. Serv. Dist.	4,041,957	2,640	0.07%
Conejo Recreation & Park District	20,620,647	13,468	0.07%
El Rancho Simi Pioneer Cemetery District	134,327	88	0.07%
Fillmore-Piru Memorial District	184,493	121	0.07%
Fox Canyon Groundwater Mgmt. Agency	1,141,051	744	0.07%
Hidden Valley Municipal Water District	51,091	33	0.06%
Meiners Oaks Water District	1,577,922	1,030	0.07%
Montalvo Comm. Services District	701,493	458	0.07%
Ojai Valley Sanitary District	9,483,325	6,195	0.07%
Ojai Water Conservation District	8,281	5	0.06%
Oxnard Drainage District No. 1	50,247	33	0.07%
Oxnard Drainage District No. 2	159,051	104	0.07%
Oxnard Harbor District	16,229,141	10,600	0.07%
Piru Public Cemetery District	57,593	38	0.07%
Pleasant Valley Co. Water District	3,160,819	2,065	0.07%
Pleasant Valley Rec & Park District	10,816,289	7,064	0.07%
Rancho Simi Rec & Park District	20,135,758	13,152	0.07%
Saticoy Sanitary District	547,727	357	0.07%
Triunfo Sanitation District	15,168,590	9,906	0.07%
United Water Conservation District	22,818,952	14,904	0.07%
Ventura Co. Resource Conserv. District	41,930	27	0.06%
Ventura Port District	8,238,903	5,382	0.07%
Ventura River County Water District	1,733,239	1,133	0.07%
TOTAL	\$ 319,991,001	\$ 208,997	0.07%

Source: State of California Annual Reports FY 14/15.

For special districts, total revenue excludes aid from other governments.

Ventura LAFCo Budget FY 2017-18

City and District Allocations

Attachment 4

CITIES	FY 13-14	FY 14-15	FY 15-16	FY 16-17	FY 17-18
Camarillo	\$ 17,305	\$ 14,338	\$ 14,085	\$ 17,709	\$ 17,451
Fillmore	4,130	2,807	3,324	4,360	4,452
Moorpark	4,819	4,869	5,227	7,301	8,736
Ojai	2,983	2,042	2,191	2,345	2,320
Oxnard	71,647	61,496	61,126	66,043	63,326
Port Hueneme	7,438	7,553	6,706	7,939	8,422
San Buenaventura	30,479	27,338	43,178	34,122	41,883
Santa Paula	7,515	7,361	7,321	7,939	7,566
Simi Valley	16,750	16,031	18,121	19,786	21,130
Thousand Oaks	28,146	29,248	30,880	38,132	33,711
TOTAL	\$ 191,212	\$ 173,083	\$ 192,159	\$ 205,676	\$ 208,997

SPECIAL DISTRICTS	FY 13-14	FY 14-15	FY 15-16	FY 16-17	FY 17-18
Bardsdale Cemetery District	\$ 128	\$ 104	\$ 131	\$ 109	\$ 159
Bell Canyon Comm. Services District	333	280	307	284	326
Blanchard / Santa Paula Library District	n/a	n/a	n/a	502	522
Calleguas Municipal Water District	81,397	76,281	88,562	96,049	92,122
Camarillo Health Care District	2,610	2,217	2,252	2,077	2,224
Camrosa Water District	11,387	9,933	11,816	12,598	12,556
Casitas Municipal Water District	11,184	9,604	10,084	11,090	11,541
Channel Islands Beach Comm. Serv. Dist	2,721	2,442	2,231	2,546	2,640
Conejo Recreation & Park District	13,371	11,957	11,593	12,145	13,468
El Rancho Simi Pioneer Cemetery District	86	80	90	91	88
Fillmore-Piru Memorial District	119	106	108	123	121
Fox Canyon Groundwater Mgmt. Agency	583	765	811	806	744
Hidden Valley Municipal Water District	17	5	0	4	33
Meiners Oaks Water District	801	730	824	880	1,030
Montalvo Comm. Services District	528	441	430	416	458
Ojai Valley Sanitary District	6,325	5,423	5,796	5,681	6,195
Ojai Water Conservation District	6	5	6	4	5
Oxnard Drainage District No. 1	36	30	33	29	33
Oxnard Drainage District No. 2	119	100	102	101	104
Oxnard Harbor District	7,823	7,486	8,467	8,832	10,600
Piru Public Cemetery District	11	21	35	27	38
Pleasant Valley Co. Water District	2,013	1,954	2,579	2,468	2,065
Pleasant Valley Rec & Park District	6,092	4,755	4,800	4,794	7,064
Rancho Simi Rec & Park District	13,436	11,380	11,489	12,223	13,152
Saticoy Sanitary District	216	203	221	276	357
Triunfo Sanitation District	9,735	8,644	9,556	10,160	9,906
United Water Conservation District	13,366	12,178	13,714	14,961	14,904
Ventura Co. Resource Conserv. District	46	38	25	10	27
Ventura Port District	5,759	5,009	4,942	5,078	5,382
Ventura River County Water District	964	912	1,155	1,312	1,133
TOTAL	\$ 191,212	\$ 173,083	\$ 192,159	\$ 205,676	\$ 208,997