

**RESOLUTION OF THE  
VENTURA LOCAL AGENCY FORMATION COMMISSION  
ADOPTING A FINAL BUDGET FOR FISCAL YEAR 2012-13**

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, the Commission desires to adopt a Final Budget for Fiscal Year 2012-13 that is lower than the adopted Fiscal Year 2011-12 Final Budget; and

WHEREAS, the public and other governmental agencies had an opportunity to comment and the Commission considered adoption of a Final Budget for Fiscal Year 2012-13.

NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED that the Ventura Local Agency Formation Commission hereby:

- (1) Adopts the Recommended Final Budget for the 2012-2013 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) Directs the Executive Officer to forward the Final Budget, as adopted, to all the independent special districts, cities and the County pursuant to Government Code Section 56381.

This resolution was passed and adopted on May 16, 2012.

	AYE	NO	ABSTAIN	ABSENT
Commissioner Cunningham	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Commissioner Long	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Commissioner Freeman	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Commissioner Morehouse	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input 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 Pringle	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Alternate Commissioner Bennett	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Alternate Commissioner Dandy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Alternate Commissioner Smith	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Alternate Commissioner Ford-McCaffrey	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Dated: 5/16/12

  
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  
2012-2013**

**ADOPTED MAY 16, 2012**





## **BUDGET MESSAGE**

### **Final Budget - Fiscal Year 2012-2013**

#### **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 on April 18, 2012 and a Final Budget for Fiscal Year (FY) 2012-13 on May 16, 2012. The Adopted Final Budget will be used by the County Auditor-Controller 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 2012-13 Adopted Final Budget was prepared in accordance with these policies. Major 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 2012-13 are part of the Adopted Final Budget. Budget information is formatted using County of Ventura account descriptions and codes.

This Budget Message highlights LAFCo's major responsibilities, reviews the major work accomplishments and budget information for the first three quarters of FY 2011-12, sets forth a basic work plan for FY 2012-13, and provides background and explanatory information about the anticipated expenditures and revenues in the Adopted Final Budget.

## **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.
- Establish spheres of influence for cities and special districts.
- Review and, as necessary, update spheres of influence for cities and special districts every 5 years.
- Conduct municipal service reviews prior to or in conjunction with the establishment 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 the California Environmental Quality Act.
- Provide public information about LAFCo and public noticing of pending LAFCo actions.
- Establish and maintain a web site.
- Adopt and update, as necessary, written policies and procedures.
- Adopt an annual budget.

## **FY 2011-2012 in Review**

Based on information through the end of March, 2012, total projected actual expenditures for FY 2011-12 should be approximately \$118,691 (15.5%) less than the Adopted Final Budget. Salaries and employee benefits are projected to be approximately \$20,000 (4.0%) less than the Adopted Final Budget. Actual services and supplies expenditures are projected to be approximately \$29,000 (15.2%) less than the Adopted Final Budget. In addition, we anticipate not using the contingency appropriation of \$69,691. The anticipated savings in salaries/benefits and services/supplies and contingency will contribute to a projected available Fund Balance for FY 2012-13 of \$85,191 which is \$37,622 (30.6%) less than the Fund Balance adopted as a part of the FY 2011-12 Final Budget (\$122,813).

Actual revenue for FY 2011-12 is projected to be approximately \$33,500 (5.2%) less than that reflected in the Adopted Final Budget. The County, the cities and the independent special districts all paid their respective shares of the net operating expenditures as apportioned by the County Auditor-Controller pursuant to the CKH (account code 9372). Actual interest revenue (account code 8911) is projected to be approximately \$5,000, which

is \$3,000 (37.5%) less than the Adopted Final Budget (\$8,000). Based on applications filed as of the end of March, projected actual revenues from application filing fees (account code 9772) are approximately \$30,000 (45.8%) less than the \$65,500 Adopted Final Budget.

The following work plan was adopted as a part of the FY 2011-12 Final Budget:

- Complete municipal service reviews and sphere of influence reviews/updates consistent with the time table in the 2008 – 2013 Service Review and Sphere of Influence Update Work Plan approved by the Commission on May 21, 2008.
- 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 consistent with the mission and purpose of LAFCo.
- Increase public awareness about the mission, purpose and function of LAFCo.

Substantial progress has been made on each of these work plan items. In May, 2008 LAFCo approved a Work Plan for the 2008-2013 sphere of influence review/update and municipal service review cycle. Between July 1, 2011 and the present time, sphere of influence (SOI) reviews/updates have been completed for the Casitas Municipal Water District, Channel Islands Beach Community Services District, United Water Conservation District, Oxnard Drainage District Nos. 1 and 2, the Bardsdale Cemetery District, the Camarillo Health Care District and Ventura County Service Area No. 33. In addition, the Montalvo Municipal Improvement District was reorganized as a community services district and the Ahmanson Ranch Community Services District was dissolved. Further, the Commissioner's Handbook was updated, an external audit of LAFCo's financial statements for the year ended 2011 was performed and the LAFCo website was completely redesigned. Over the course of the current fiscal year, LAFCo staff has thus far reviewed and commented on a total of 9 CEQA notices/documents, general plan updates, and development proposals during the current fiscal year.

Positive communications 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 & County Planning Association, Southern California Association of Governments (SCAG) and other local and regional associations.

Opportunities for ongoing training and professional development, including CALAFCo University courses and annual CALAFCo staff workshops, are pursued as time and budget permit. The process to convert LAFCo's administrative records to digital format will be completed by the end of the current fiscal year.

## **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 2012-13, the work plan maintains the focus on municipal service reviews and sphere of influence updates, carries forward the update and possible revisions to the Commissioner's Handbook and is otherwise similar to the work plan for this year.

### **FY 2012- 13 Work Plan**

- Complete remaining municipal service reviews and sphere of influence reviews/updates in accordance with the approved 2008 – 2013 Service Review and Sphere of Influence Update Work Plan and establish a work plan for sphere review mandates for the 2013 – 2017 cycle.
- 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 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.

## **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 2% contingency, the FY 2012-13 Adopted Final Budget reflects an overall expenditure decrease of approximately 13.9% compared to the FY 2011-12 Adopted Final Budget. This is due to decreases in both the Salary/Employee benefits and Services/Supplies portions of the budget. The rationale for decreasing expenditures to such a significant extent is based primarily on significant decreases in projected revenue from application filing fees (account code 9772) in the current year and FY 2012-13. Further details regarding revenue projections are detailed in the 'Miscellaneous Revenue' section below.

Although it is impossible to accurately predict future revenue from LAFCo service charges, data from the past several years suggest that it appears to correlate with statewide economic conditions. As the economy lags, the pace of new development slows which, in turn, tends to reduce the demand for annexations of land to cities and/or other urban services providers. Since the recession ended in 2009, the economy continues to recover but is doing so at a relatively slow pace. As such, staff anticipates that revenue from LAFCo service charges will remain relatively low for at least the next two years.

Given that revenue from service charges directly offsets the amount of apportionment revenue that must be collected from the LAFCo funding agencies, apportionments must be increased as other revenue sources decrease unless expenditures are correspondingly reduced. This presents an extremely difficult challenge. LAFCo funding agencies have been significantly impacted by the lingering results of the recession as well as from State actions to raid local government revenues and options for further reducing LAFCo expenditures are very limited. Nevertheless, the present economic climate makes it incumbent on LAFCo to do all that it can to further reduce operational costs.

Salary and Employee Benefits

Expenditures for salaries and benefits reflect a decrease of approximately 2.9% (\$506,150 to \$491,670) as compared to the FY2011-12 Adopted Final Budget. This decrease is primarily due to a decrease in the expenditures associated with regular salaries (account code 1101) and related decreases in the various benefit accounts (e.g., account code 1122, OASDI Contribution; account code 1123, FICA Medicare; account code 1124, Safe Harbor; and account code 1141, Group Insurance) resulting from the elimination of the half-time Office Assistant II-Confidential position effective July 1, 2012. As this position is currently filled, this will result in the layoff of a staff member.

The currently authorized classifications are reflected in the following table:

<b>Title</b>	<b>FY 2011 – 12</b>	<b>FY 2012 - 13</b>
Executive Officer	1	1
Analyst/Deputy Executive Officer	1	1
Office Manager/Clerk of the Commission	1	1
Office Assistant II	.5	0
<b>Total Authorized Positions</b>	<b>3.5</b>	<b>3</b>

It should also be noted that the amount budgeted for regular salaries (account code 1101) includes merit increases for the Executive Officer and Deputy Executive Officer as provided for under the terms of their employment contracts and the County of Ventura Management, Confidential Clerical and Other Unrepresented Employees Resolution. Based on information provided by the County Executive Office, it is unlikely that the Board of Supervisors will grant any general salary increases or cost of living adjustments for County employees during FY 2012-13. Therefore, no such increases are included.

The Term/Buydown account code (account code 1107) includes costs for pay in lieu of accrued annual leave up to a specified number of hours each year, which is a benefit LAFCo staff members are entitled to receive as employees of the County of Ventura. This account code also includes costs associated with termination pay, which includes payment of any unused accrued annual leave upon termination of employment. Of the total amount budgeted (\$22,500), \$20,000 is for employee buy downs and \$2,500 is for termination pay due to layoff. Similar to last year, the amount budgeted for employee buy downs is less than LAFCo’s full cost liability in the event that all LAFCo staff members were to redeem the maximum allowable number of hours in their annual leave bank. This is due to the unlikelihood that all staff will exercise the full redemption option. However, it should be

noted that actual redemptions could exceed the budgeted amount. If this were to occur, the contingency appropriation and/or unassigned fund balance could be used.

### Services and Supplies

The Adopted Final Budget for Services and Supplies is approximately 18.7% less than the Adopted Final Budget for the current fiscal year. Many of the Services and Supplies account codes are based on County charges and are unchanged or decreasing either due to decreases in the County's charges or decreases in utilization by LAFCo. For those Services and Supplies account codes that reflect discretionary expenditures, most of the proposed budget amounts have been decreased in an effort to maximize fiscal efficiency. The major Services and Supplies expenditures are proposed to change as follows:

- A decrease in internal service fund charges for Voice/Data services (account code 2033) from \$5,000 in the current year to \$3,500 for FY 2012-13. This is due to decreases in rates for voice mail and telephone services charged by the County and the decrease in projected service needs which will result from the elimination of the Office Assistant position.
- A decrease in internal service fund charges for the use of County office space and other facilities (account code 2125). For FY 2012-13 the County has estimated that the total charges for this account will be approximately \$15,500.
- A decrease in Indirect Cost Recovery charges (account code 2158). These cost recovery charges are for County services provided primarily by the General Services Agency, Auditor-Controller and Chief Executive Office, including Human Resources. The current fiscal year charge is \$20,107. For FY 2012-13 the total charges for this account will be approximately \$3,000.
- A decrease in internal service fund charges for Graphics charges (account code 2177) from \$5,500 in the current year to \$4,000 for FY 2012-13. Based on a decrease in the number of LAFCo applications that have been filed over the past three years as well as projections for the upcoming year, the monthly meeting packets are smaller and thus more amenable to being produced internally by LAFCo staff. As such, the decrease in charges for County Graphics charges reflects a reduction in the number of anticipated printing jobs. Likewise, the budgeted amount for Copy Machine internal service fund (account code 2178) charges is being increased to reflect a greater number of internally produced meeting packets.
- A decrease in the amount budgeted for Miscellaneous Office Expenses (account code 2179) from \$7,000 in the current year to \$6,000 for FY 2012-13 to more closely reflect the current year projected actual amount.
- A decrease in the amount budgeted for Information Technology – ISF Data Center/Service Contracts (account code 2192) from \$13,500 in the current year to \$3,000 for FY 2012-13. Typically, the services charged to this account consist of access to the County server, e-mail network and tech support. Last year, the budgeted amount was increased to include expenses associated with the planned re-design the LAFCo website, which has since been completed.
- A decrease in the Public Works charges (account code 2197) from \$6,000 in the current year to \$5,000 for FY 2012-13. This amount is more consistent with actual

current year charges by the Surveyor's Office staff for services not otherwise reimbursable through LAFCo applications fees.

- A decrease in Legal Counsel charges (account code 2304) from \$25,000 in the current year to \$22,500 for FY 2012-13 to more closely reflect the current year projected actual amount.
- A decrease in internal service fund charges for Transportation Charges (account code 2521) from \$1,000 in the current year Adopted Budget to zero and an increase in County Motor Pool charges (account code 2528) from zero in the current year Adopted Budget to \$1,000. This is due to changes in accounting practices implemented by the County GSA Transportation Division regarding charges for the use of non-assigned County vehicles.

### 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. To reduce the amount of revenue necessary from other governmental agencies, the Adopted Final Budget includes a contingency appropriation of \$12,936 which is equivalent to approximately 2.0% of total expenditures. Should there be a need for any unanticipated expenditures which might exceed the contingency amount, an appropriation could be made from the unappropriated/unassigned fund balance (which is currently \$157,025).

### **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 9772), and Other Governmental Agencies, the revenue to be collected from the County, cities and independent special districts (account code 9372).

### Fund Balance

Section 56381(c) of the CKH 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 2011-12 in Review' section above, approximately \$85,191 is now projected to be available at the end of the current fiscal year as appropriated fund balance. This amount is \$37,622 (30.6%) less than the appropriated fund balance adopted as a part of the FY 2011-12 Budget (\$122,813).

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 GASB requirements and 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. That total is currently \$157,025, which is equivalent to more than 60 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 \$24,000, which is approximately 67.3% less than the Adopted Budget amount for the current fiscal year (\$73,500). Although this is a significantly lower amount than that reflected in previous budgets, projected actual fee revenue for the current year (\$35,000) is significantly less than budgeted and economic forecasts for the next one to two years indicate that growth will continue to be sluggish. Accordingly, the amount budgeted for Interest Earnings (account code 8911) is \$4,000, which is 20% less than projected actual interest as of the end of March 2012.

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. In conjunction with the adoption of the Proposed Budget for FY 2012-13 on April 18, 2012, the Commission readopted the existing fee schedule with no changes.

#### 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 Other Revenue. The CKH describes how the County Auditor-Controller is to make this apportionment and collect revenues once LAFCo has adopted a Final Budget.

The revenue projected to be collected from the County, cities and independent special districts will decrease to \$550,515 from \$570,285 for the current year (3.5%). As a share of the total budget, it is within the range reflected in the budgets for the last several years as shown in the table below. This table 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:

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	\$719,131	\$568,503	79%
FY 2003-04	\$641,215	\$390,699	61%
FY 2004-05	\$702,503	\$472,997	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%

Not formally a 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) based on the most current State Controller Reports available. The information for cities and districts is based on the FY 2009-10 State Controller Report, which will be used by the County Auditor-Controller as the basis for collecting revenue from cities for FY 2012-13. A comparison of each funding agency's apportionment amount as a percentage of total revenue is shown in Attachment 3.

The CKH 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 largest 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 come a long way in the last eleven years. Systems and policies are now 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 2012-13 was prepared and is being recommended consistent with the Commission's policies and the knowledge and experience gained from prior years.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Kim Uhlich". The signature is fluid and cursive, with a large initial "K" and "U".

Kim Uhlich  
Executive Officer

## **Appendix 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:** Used to balance the budget, that portion of fund balance appropriated to bridge the gap between expenditure appropriations and estimated revenues. The portion of fund balance thus appropriated for the following year would properly be classified as assigned fund balance.

**ASSET:** Anything owned, including money, investments and property.

**ASSIGNED FUND BALANCE:** Comprises amounts intended to be used by the government for specific purposes. 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:** 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, also known as a statement of financial condition.

**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.

**EXPENDITURE:** Disbursements of cash for the cost of a service, supply or asset.

**FINANCIAL STATEMENT:** Presentation of financial data including balance sheets, income statements and statements of cash flow, 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.

**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:** Amounts owed for items received, services rendered, expenses incurred, assets acquired, and amounts received but as yet unearned.

**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, fund transfers and beginning fund balances.

**UNAPPROPRIATED FUND BALANCE:** The portion of unassigned fund balance remaining, following a budget appropriation of fund balance that has been approved (used to bridge the gap between expenditure appropriations and estimated revenues).

**UNASSIGNED FUND BALANCE:** The residual classification of the general fund and includes all amounts not constrained in other fund balance classifications for specific purposes. Unassigned amounts are technically available for any purpose.

**UNRESTRICTED FUND BALANCE:** Includes committed, assigned and unassigned fund balance.

**VENTURA LOCAL AGENCY FORMATION COMMISSION**

	<b>Acct Code</b>	<b>Final Adopted FY 11-12</b>	<b>Adjusted FY 11-12</b>	<b>Projected Actuals FY 11-12</b>	<b>Proposed Budget FY 12-13 <small>Adopted 4/18/12</small></b>	<b>Recommended Final Budget FY 12-13 <small>Adopted 5/16/12</small></b>	<b>FINAL BUDGET FY 12-13 <small>Adopted 5/16/12</small></b>
<b>EXPENDITURES</b>							
<b>Salaries and Employee Benefits</b>							
Regular Salaries	1101	337,000	337,000	332,000	323,550	323,550	323,550
Overtime	1105	-	-	-	-	-	-
Supplemental Payments	1106	13,000	13,000	12,500	12,400	12,400	12,400
Term/Buydown	1107	17,000	17,000	11,000	22,500	22,500	22,500
Retirement Contribution	1121	66,000	66,000	63,000	72,000	72,000	72,000
OASDI Contribution	1122	20,000	20,000	19,250	18,300	18,300	18,300
FICA-Medicare	1123	5,200	5,200	5,200	5,000	5,000	5,000
Safe Harbor	1124	1,750	1,750	1,700	-	-	-
Group Insurance	1141	27,100	27,100	26,500	21,400	21,400	21,400
Life Ins/Dept Heads/Mgt	1142	400	400	200	150	150	150
State Unemployment	1143	700	700	700	700	700	700
Management Disability Ins	1144	2,400	2,400	800	820	820	820
Workers Compensation	1165	2,600	2,600	2,550	2,850	2,850	2,850
401k Plan	1171	13,000	13,000	10,750	12,000	12,000	12,000
<b>Total Salaries and Emp. Benefits</b>		<b>506,150</b>	<b>506,150</b>	<b>486,150</b>	<b>491,670</b>	<b>491,670</b>	<b>491,670</b>

Ventura LAFCo  
 Final Budget FY 2012-13  
 Adopted May 16, 2012

**VENTURA LOCAL AGENCY FORMATION COMMISSION**

	<b>Acct Code</b>	<b>Final Adopted FY 11-12</b>	<b>Adjusted FY 11-12</b>	<b>Projected Actuals FY 11-12</b>	<b>Proposed Budget FY 12-13 Adopted 4/18/12</b>	<b>Recommended Final Budget FY 12-13 Adopted 5/16/12</b>	<b>FINAL BUDGET FY 12-13 Adopted 5/16/12</b>
<b>EXPENDITURES</b>							
<b>Services and Supplies</b>							
Voice/Data -ISF	2033	5,000	5,000	5,000	3,500	3,500	3,500
General Insurance Allocation	2071	2,500	2,500	2,500	2,250	2,250	2,250
Facilities/Materials Sq Ft Alloc-ISF	2125	17,000	17,000	15,000	15,500	15,500	15,500
Other Maintenance	2128	500	500	500	500	500	500
Memberships & Dues	2141	6,300	6,300	6,300	6,500	6,500	6,500
Education Allowance	2154	2,000	2,000	2,000	1,350	1,350	1,350
Indirect Cost Recovery (Co. Cost Allocation Plan Charges)	2158	20,107	20,107	20,107	3,000	3,000	3,000
Books & Publications	2172	700	700	500	500	500	500
Mail Center-ISF	2174	3,000	3,000	3,000	3,000	3,000	3,000
Purchasing Charges-ISF	2176	500	500	300	500	500	500
Graphics Charges-ISF	2177	5,500	5,500	4,000	4,000	4,000	4,000
Copy Machine Charges-ISF	2178	400	400	400	1,000	1,000	1,000
Misc Office Expenses	2179	7,000	5,236	4,000	6,000	6,000	6,000
Stores-ISF	2181	50	50	50	50	50	50
Board Member Fees	2191	5,000	5,000	4,000	5,000	5,000	5,000
Info Tech-ISF Data Ctr/Service Contracts	2192	13,500	13,500	5,000	3,000	3,000	3,000
Specialized Services/Software	2195	1,850	1,850	1,500	1,500	1,500	1,500
Public Works Charges	2197	6,000	6,000	3,500	5,000	5,000	5,000
Other Professional & Special	2199	9,000	10,764	11,000	9,000	9,000	9,000
Accounting and Auditing Services	2203	5,000	5,000	5,000	5,500	5,500	5,500
GSA Special Services ISF	2205	100	100	50	100	100	100
County GIS Expense	2214	25,000	25,000	25,000	25,000	25,000	25,000
Public And Legal Notices	2261	5,000	5,000	4,000	5,000	5,000	5,000
Records Storage Charges	2283	250	250	300	350	350	350
Computer Equip <\$5000	2293	3,500	3,500	500	4,000	4,000	4,000
Spec Dept xo4 (Legal Counsel)	2304	25,000	25,000	20,000	22,500	22,500	22,500
Transportation Charges -ISF	2521	1,000	-	-	-	-	-
Private Vehicle Mileage	2522	6,500	6,500	6,500	7,000	7,000	7,000
Conference & Seminars Exp.	2523	13,000	13,000	10,250	13,000	13,000	13,000
Conference & Seminars ISF	2526	500	500	500	500	500	500
County Motor Pool	2528	-	1,000	1,000	1,000	1,000	1,000
<b>Total Services and Supplies</b>		<b>190,757</b>	<b>190,757</b>	<b>161,757</b>	<b>155,100</b>	<b>155,100</b>	<b>155,100</b>
Contingencies	6101	69,691	69,691	-	12,936	12,936	12,936
<b>Total Contingencies</b>		<b>69,691</b>	<b>69,691</b>	<b>-</b>	<b>12,936</b>	<b>12,936</b>	<b>12,936</b>
<b>TOTAL EXPENDITURES</b>		<b>766,598</b>	<b>766,598</b>	<b>647,907</b>	<b>659,706</b>	<b>659,706</b>	<b>659,706</b>

Ventura LAFCo  
 Final Budget FY 2012-13  
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**VENTURA LOCAL AGENCY FORMATION COMMISSION**

	<b>Acct Code</b>	<b>Final Adopted FY 11-12</b>	<b>Adjusted FY 11-12</b>	<b>Projected Actuals FY 11-12</b>	<b>Proposed Budget FY 12-13 Adopted 4/18/12</b>	<b>Recommended Final Budget FY 12-13 Adopted 5/16/12</b>	<b>FINAL BUDGET FY 12-13 Adopted 5/16/12</b>
<b>FINANCING SOURCES</b>							
<b>Appropriation of Fund Balance</b>		<b>122,813</b>	<b>122,813</b>	<b>122,813</b>	<b>85,191</b>	<b>85,191</b>	<b>85,191</b>
Interest Earnings	8911	8,000	8,000	5,000	4,000	4,000	4,000
Other Revenue - Misc. (LAFCo application fees)	9772	65,500	65,500	35,000		20,000	20,000
Cost Allocation Plan Reimbursement)	9411	-	-	-	-	-	-
<b>Total Miscellaneous Revenue</b>		<b>73,500</b>	<b>73,500</b>	<b>40,000</b>	<b>4,000</b>	<b>24,000</b>	<b>24,000</b>
<b>Other Governmental Agencies</b>							
Other Government Agencies (County of Ventura)	9372	190,095	190,095	190,095	190,172	183,505	183,505
Other Government Agencies (Cities)	9372	190,095	190,095	190,095	190,172	183,505	183,505
Other Government Agencies (Independent Special Districts)	9372	190,095	190,095	190,095	190,172	183,505	183,505
<b>Total Other Government Agencies Revenue</b>		<b>570,285</b>	<b>570,285</b>	<b>570,285</b>	<b>570,515</b>	<b>550,515</b>	<b>550,515</b>
<b>TOTAL REVENUE</b>		<b>643,785</b>	<b>643,785</b>	<b>610,285</b>	<b>574,515</b>	<b>574,515</b>	<b>574,515</b>
<b>TOTAL FINANCING SOURCES</b>		<b>766,598</b>	<b>766,598</b>	<b>733,098</b>	<b>659,706</b>	<b>659,706</b>	<b>659,706</b>
<b>PROJECTED INCREASE TO FUND BALANCE</b>				<b>85,191</b>			

**Preliminary Fund Balance and Estimated Ending Fund Balance at June 30, 2013**

Description	Fund Balance at FY 11-12 Adopted Budget	Fund Balance at FY 11-12 Adjusted Budget	Projected Fund Balance at 6/30/12	Estimated Fund Balance at 6/30/13
<b>Committed:</b>				
Litigation	100,000	100,000	100,000	100,000
<b>Assigned:</b>				
Appropriated Fund Balance	-	-	85,191	-
<b>Unassigned</b>	<b>157,025</b>	<b>157,025</b>	<b>157,025</b>	<b>157,025</b>
<b>Total</b>	<b>257,025</b>	<b>257,025</b>	<b>342,216</b>	<b>257,025</b>

Ventura LAFCo  
 Final Budget FY 2012-13  
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**LAFCO NET OPERATING EXPENSES  
GOV'T CODE 56381 (b) (1) (A) & (B)<sup>1</sup>**

**ATTACHMENT 1**

PROPOSED BUDGET FOR FISCAL YEAR 2012 - 2013

ALLOCATION - CITIES

SOURCE: STATE OF CALIFORNIA, CITIES ANNUAL REPORT, FY 09/10

CITY	TOTAL REVENUE PER REPORT	PERCENTAGE	ALLOCATION \$	183,505
1 Camarillo	\$ 57,436,152	6.80%	\$ 12,479	
2 Fillmore	12,744,262	1.51%	2,771	
3 Moorpark	23,111,537	2.74%	5,028	
4 Ojai	9,371,738	1.11%	2,037	
5 Oxnard	280,520,910	33.20%	60,923	
6 Port Hueneme	35,656,354	4.22%	7,744	
7 San Buenaventura	135,294,807	16.01%	29,379	
8 Santa Paula	68,897,039	8.15%	14,956	
9 Simi Valley	83,951,361	9.94%	18,240	
10 Thousand Oaks	137,878,964	16.32%	29,948	
<b>TOTAL</b>	<b>\$ 844,863,124</b>	<b>100.00%</b>	<b>\$ 183,505</b>	

(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)<sup>1</sup>, (F)<sup>2</sup>**

**ATTACHMENT 2**

**PROPOSED BUDGET FOR FY 2012- 2013**

**ALLOCATION - SPECIAL DISTRICTS**

**SOURCE: STATE OF CALIFORNIA, SPECIAL DISTRICTS ANNUAL REPORT, FY 09/10**

NAME	TOTAL		ALLOCATION \$ 183,505
	REVENUE PER REPORT	PERCENTAGE (See Note 2)	
1 Bardsdale Public Cemetery	\$ 170,696	0.069%	\$ 127
2 Bell Canyon Comm. Services District	458,018	0.184%	338
3 Calleguas Municipal Water District	99,452,069	39.977%	73,360
4 Camarillo Health Care District	3,758,567	1.511%	2,773
5 Camrosa Water District	15,041,331	6.046%	11,095
6 Casitas Municipal Water District	15,621,744	6.280%	11,524
7 Channel Island Beach CSD	3,681,596	1.480%	2,716
8 Conejo Recreation & Park District	17,986,674	7.230%	13,267
9 El Rancho Simi Public Cemetery District	80,467	0.032%	59
10 Fillmore-Piru Memorial District	163,694	0.066%	121
11 Fox Canyon Groundwater Mgmt. Agency	1,617,567	0.650%	1,193
12 Hidden Valley Municipal Water District	8,853	0.004%	7
13 Meiners Oaks Water District	1,001,296	0.402%	738
14 Montalvo Municipal Impv. District	737,581	0.296%	543
15 Ojai Valley Sanitary District	8,688,705	3.493%	6,410
16 Ojai Water Conservation District	7,073	0.003%	6
17 Oxnard Drainage District No. 1	48,143	0.019%	35
18 Oxnard Drainage District No. 2	161,417	0.065%	119
19 Oxnard Harbor District	11,233,804	4.516%	8,287
20 Piru Public Cemetery District	16,389	0.007%	13
21 Pleasant Valley Co. Water District	2,830,734	1.138%	2,088
22 Pleasant Valley Rec & Parks District	7,710,180	3.099%	5,687
23 Rancho Simi Rec & Park District	18,426,115	7.407%	13,592
24 Saticoy Sanitary District	281,672	0.113%	207
25 Triunfo Sanitation District	12,735,893	5.120%	9,395
26 United Water Conservation District	16,826,496	6.764%	12,412
27 Ventura Co. Resource Conserv. District	72,315	0.029%	53
28 Ventura Port District	8,559,102	3.441%	6,314
29 Ventura River County Water District	1,391,512	0.559%	1,026
<b>TOTAL</b>	<b>\$ 248,769,703</b>	<b>100.000%</b>	<b>\$ 183,505</b>

- (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 2012-13

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
<b>COUNTY OF VENTURA</b>	<b>\$ 971,967,744</b>	<b>\$ 183,505</b>	<b>0.02%</b>
<b>CITIES</b>			
Camarillo	\$ 57,436,152	\$ 12,479	0.02%
Fillmore	12,744,262	2,771	0.02%
Moorpark	23,111,537	5,028	0.02%
Ojai	9,371,738	2,037	0.02%
Oxnard	280,520,910	60,923	0.02%
Port Hueneme	35,656,354	7,744	0.02%
San Buenaventura	135,294,807	29,379	0.02%
Santa Paula	68,897,039	14,956	0.02%
Simi Valley	83,951,361	18,240	0.02%
Thousand Oaks	137,878,964	29,948	0.02%
<b>TOTAL</b>	<b>\$ 844,863,124</b>	<b>\$ 183,505</b>	<b>0.02%</b>
<b>SPECIAL DISTRICTS</b>			
Bardsdale Public Cemetery	\$ 170,696	\$ 127	0.07%
Bell Canyon Comm. Services District	\$ 458,018	338	0.07%
Calleguas Municipal Water District	\$ 99,452,069	73,360	0.07%
Camarillo Health Care District*	\$ 3,758,567	2,773	0.07%
Camrosa Water District	\$ 15,041,331	11,095	0.07%
Casitas Municipal Water District	\$ 15,621,744	11,524	0.07%
Channel Islands Beach Comm. Serv. Dist.	\$ 3,681,596	2,716	0.07%
Conejo Recreation & Park District	\$ 17,986,674	13,267	0.07%
El Rancho Simi Public Cemetery District	\$ 80,467	59	0.07%
Fillmore-Piru Memorial District	\$ 163,694	121	0.07%
Fox Canyon Groundwater Mgmt. Agency	\$ 1,617,567	1,193	0.07%
Hidden Valley Municipal Water District	\$ 8,853	7	0.07%
Meiners Oaks Water District	\$ 1,001,296	738	0.07%
Montalvo Comm. Services District	\$ 737,581	543	0.07%
Ojai Valley Sanitary District	\$ 8,688,705	6,410	0.07%
Ojai Water Conservation District	\$ 7,073	6	0.09%
Oxnard Drainage District No. 1	\$ 48,143	35	0.07%
Oxnard Drainage District No. 2	\$ 161,417	119	0.07%
Oxnard Harbor District	\$ 11,233,804	8,287	0.07%
Piru Public Cemetery District	\$ 16,389	13	0.08%
Pleasant Valley Co. Water District	\$ 2,830,734	2,088	0.07%
Pleasant Valley Rec & Park District	\$ 7,710,180	5,687	0.07%
Rancho Simi Rec & Park District	\$ 18,426,115	13,592	0.07%
Saticoy Sanitary District	\$ 281,672	207	0.07%
Triunfo Sanitation District	\$ 12,735,893	9,395	0.07%
United Water Conservation District	\$ 16,826,496	12,412	0.07%
Ventura Co. Resource Conserv. District	\$ 72,315	53	0.07%
Ventura Port District	\$ 8,559,102	6,314	0.07%
Ventura River County Water District	\$ 1,391,512	1,026	0.07%
<b>TOTAL</b>	<b>\$ 248,769,703</b>	<b>\$ 183,505</b>	<b>0.07%</b>

\* Source: State of California Annual Reports FY 09/10. For special districts, total revenue excludes aid from other governments.