

**RESOLUTION OF THE
VENTURA LOCAL AGENCY FORMATION COMMISSION
ADOPTING A FINAL BUDGET FOR FISCAL YEAR 2014-15**

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 16, 2014 the Commission adopted a Proposed Budget for Fiscal Year 2014-15; and

WHEREAS, the Commission desires to adopt a Final Budget for Fiscal Year 2014-15 that is lower than the adopted Fiscal Year 2013-14 Final Budget; 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 2014-15 on May 21, 2014.

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 2014-15 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 2014-15 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 21, 2014.

	AYE	NO	ABSTAIN	ABSENT
Commissioner Dandy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Commissioner Ford-McCaffrey	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input 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 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 checked="" type="checkbox"/>
Alt. Commissioner Cunningham	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Alt. Commissioner Freeman	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Alt. Commissioner Smith	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Dated: 5/21/14



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

COUNTY GOVERNMENT CENTER • HALL OF ADMINISTRATION

800 S. VICTORIA AVENUE • VENTURA, CA 93009-1850

TEL (805) 654-2576 • FAX (805) 477-7101

WWW.VENTURA.LAFCO.CA.GOV

EXHIBIT A

FINAL BUDGET

**Fiscal Year
2014-2015**

ADOPTED: May 21, 2014



VENTURA LOCAL AGENCY FORMATION COMMISSION

BUDGET MESSAGE

Final Budget - Fiscal Year 2014-2015¹

ADOPTED: May 21, 2014

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 2014-15 on April 16, 2014 and this Final Budget on May 21, 2014. This adopted 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.* This Adopted Final Budget for 2014-15 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 2014-15 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 major responsibilities, reviews the major work accomplishments and budget information for the first three quarters of FY 2013-14, sets forth a basic work plan for FY 2014-15, and provides background and explanatory information about the anticipated expenditures and revenues in this Final FY 2014-15 Budget.

¹ With the exception of nonsubstantive language revisions in the Budget Message, the Adopted Final Budget is unchanged from the Proposed Budget adopted by the Ventura LAFCo on April 16, 2014. It should be noted that after adoption of the Proposed Budget in April, the State issued an updated Cities Report for FY 2011-12. For this Final Budget, the County Auditor-Controller's Office will use the most recent Report as the basis for calculating revenue to be collected from the cities for FY 2014-15 (see Attachment 1).

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 five 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 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 2013-14 in Review

Based on information through the end of March 2014, total projected actual expenditures for FY 2013-14 should be approximately:

Description	FY 13-14 Adopted	FY 13-14 Projected	Estimated Savings
Total Salaries and Benefits	511,970	456,580	55,390
Total Services and Supplies	150,550	126,870	23,680
Contingencies	13,249	0	13,249
Total Expenditures	675,769	583,450	92,319

As shown above, we anticipate not using the Contingency appropriation of \$13,249. The anticipated savings in Salaries and Benefits and Services/Supplies and Contingency is projected to be \$92,319 for FY 2013-14.

Actual revenue for FY 2013-14 is projected to be approximately:

Account Code	Description	FY 13-14 Adopted	FY 13-14 Projected	Estimated Savings/ (Deficit)	Percent Change
8911	Interest Earnings	4,000	2,700	(1,300)	-32.5%
9772	Other Revenue (from Fees)	30,000	38,000	8,000	26.6%
9372	Other Govt. Agencies	573,636	573,636	0	0
	Total Revenue	607,636	614,336	6,700	1.1%

As noted in the table above, projected revenue exceeds that adopted as part of the current budget by \$6,700.

The projected \$92,319 savings in Salaries/Benefits and Services/Supplies and Contingency along with the projected \$6,700 in excess revenue result in a total projected unappropriated Fund Balance of \$99,019, which is \$30,886 more than the appropriated Fund Balance adopted as a part of the FY 2013-14 Budget (\$68,133).

The following work plan was adopted as a part of this FY 2013-14 Adopted Final Budget:

- Establish a work plan for sphere review mandates for the 2013-2017 cycle and begin 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 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 2013 LAFCo approved a Work Plan for the 2013-2017 sphere of influence review/update and municipal service review cycle. All sphere reviews scheduled for 2013 were completed in March 2013. Staff has begun to review those spheres of influence scheduled for 2014. Further, an external audit of LAFCo's financial statements for the year ended June 30, 2013 was performed. Over the course of the current fiscal year, LAFCo staff has thus far reviewed and/or commented on a total of 9 CEQA notices/documents, general plan updates, and development proposals.

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 and County Planning Association and other local and regional associations.

Opportunities for ongoing training and professional development, including California Association of Local Agency Formation Commissions (CALAFCO) University courses, annual staff workshops and conferences, and classes offered by the County of Ventura are pursued as time and budget permit.

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 2014-15, the adopted work plan maintains the focus on municipal service reviews and sphere of influence updates and is otherwise similar to the work plan for this year.

FY 2014-15 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 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.

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 3% contingency, this Adopted Final Budget reflects an overall expenditure decrease of approximately 5.0% compared to the FY 2013-14 Adopted Final Budget.

Salary and Employee Benefits

Salaries and Employee Benefits continue to be the major expense, comprising approximately 74.2% of the total expenditures (more if contingencies are not included). Expenditures for Salaries and Benefits will decrease by approximately 7.0% as compared to the FY 2013-14 as indicated in the following table:

Description	FY 13-14 Adopted	FY 14-15 Adopted	Increase / (Decrease)	Percent Change
Total Salaries and Benefits	511,970	476,200	(35,770)	-7.0%

The decrease comes primarily from reductions in regular salaries (account code 1101) due to staffing changes and related decreases in the various benefit accounts (especially account code 1121, Retirement Contribution), offset by an increase in Management Retiree Health Benefit (account code 1128). The decrease in expenditures for Salaries and Benefits is also partly due to a decrease in the anticipated expenditures associated with the redemption of accrued annual leave by the Executive Officer, Analyst, and Commission Clerk (account code 1107, Term/Buydown) as indicated in the following table:

Description	Acct Code	FY 13-14 Adopted	FY 14-15 Adopted	Increase / (Decrease)	Percent Change
Term/Buydown	1107	31,500	24,500	(7,000)	-22.2%

The Term/Buydown account code 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.

It should also be noted that the amount budgeted for regular salaries (account code 1101) reflects two salary increases for all employees covered by the County of Ventura Management, Confidential Clerical and Other Unrepresented Employees Resolution. These increases were adopted by the Board of Supervisors in August 2013 and include:

- An estimated 4.14% increase to offset an increase to the amount each employee must contribute to his/her retirement. The intent is for each employee to cover half of his/her retirement contribution, which is equivalent to 7.14% of salary. Currently, employees contribute 3% of their salary to retirement. The 4.14% increase will become effective in July 2014.
- A 1.0% general salary increase that takes effect in August 2014.

The amount budgeted also includes prospective merit increases within the existing salary ranges of the Executive Officer and Analyst 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.

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

Title	FY 2013 – 14	FY 2014 – 15
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

The Adopted Final Budget for Services and Supplies is approximately 2.3% less than the Adopted Final Budget for the current fiscal year, as indicated in the following table:

Description	FY 13-14 Adopted	FY 14-15 Adopted	Increase / (Decrease)	Percent Change
Services and Supplies	150,550	147,050	(3,500)	-2.3%

For those Services and Supplies account codes that reflect discretionary expenditures, most of the budget amounts are either unchanged or lower as compared to the current fiscal year. The major Services and Supplies expenditures will change as follows:

- An increase in the amount budgeted for education allowance (account code 2154) from \$0.00 in the current year to \$1,000 for FY 2014-15. The increase will allow for the recently hired Analyst to receive GIS mapping training.
- An increase in Indirect Cost Recovery charges (account code 2158). These cost recovery charges are 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 \$5,500. For FY 2014-15 the total charges for this account will be approximately \$12,200.
- A decrease in internal service fund charges for Graphics charges (account code 2177) from \$2,000 in the current year to \$500 for FY 2014-15. All monthly meeting packets are currently being produced internally by LAFCo staff. As such, the decrease in County Graphics charges reflects a reduction in the number of anticipated external printing jobs.
- A decrease in the amount budgeted for Miscellaneous Office Expenses (account code 2179) from \$7,000 in the current year to \$4,000 for FY 2014-15. The decrease reflects the one-time purchases made in FY 2013-14 of replacement signage in the hallway outside of the LAFCo office and replacement of worn out and/or nonfunctioning conference room furniture.
- A decrease in the County GIS Expense (account code 2214) from \$23,000 in the current year to \$21,500 for FY 2014-15. This account code includes LAFCo's share of Countywide GIS charges as well as specialized costs including that for maintaining/updating digital sphere of influence maps and printing maps in conjunction with the mandate to review and update spheres of influence for each city and special district. The budgeted amount reflects the anticipated number of sphere reviews that are planned to be completed in FY 2014-15.
- A decrease in the Conference and Seminars Expense (account code 2523) from \$13,000 in the current year to \$12,000 for FY 2014-15. This reduction is due to lower anticipated travel costs to attend the 2014 CALAFCO Annual conference to be held in Ontario.

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, it is recommended that the FY 2014-15 Final Budget

include a contingency appropriation of \$18,699 which is equivalent to approximately 3.0% 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 unassigned fund balance (which is estimated to be \$229,338 at the beginning of FY 2014-15 and includes \$97,242 to cover 60 days working capital, \$30,886 net income, and \$101,210 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 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 2013-14 in Review' section above, approximately \$99,019 is projected to be available at the end of the current fiscal year to appropriate for the FY 2014-15 Budget. However, because this is only a projection, this Adopted Final Budget includes an appropriated fund balance of \$90,000.

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 2013-14 (\$583,450), 60 days working capital would be approximately \$97,242. The total unassigned fund balance for the current year is \$229,338 which is equivalent to approximately 142 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 \$32,700, which is approximately 3.8% less than the Adopted Budget amount for the current fiscal year (\$34,000). This decrease is reflected in the \$2,700 budgeted for Interest Earnings (account code 8911), which is 32.5% lower than the \$4,000 budgeted for the current year and consistent with the projected actual amount for FY 2013-14.

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 2014-15 on April 16, 2014 the Commission re-adopted the 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 adopts a Final Budget.

The revenue to be collected from the County, cities and independent special districts will decrease from \$573,636 to \$519,249 for the current year (9.5%). 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 2014-15 is lower than it has been in the previous 5 years. This is due to an overall decrease in anticipated expenditures for FY 2014-15, primarily as a result of salary savings, and the appropriation of \$90,000 of fund balance.

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%
FY 2013-14	\$675,769	\$573,636	85%
FY 2014-15	\$641,949	\$519,249	81%

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). In the Adopted Proposed Budget, City revenues and Special District revenues were based on the FY 2010-11 and FY 2011-12 State Controller Reports, respectively, which were the most

current Reports available at the time. After adoption of the Proposed Budget in April, the State issued an updated Cities Report for FY 2011-12. The County Auditor-Controller's Office used this more recent Report as the basis for calculating revenue to be collected from the cities for FY 2014-15 as shown in Attachment 1. As a further means of comparison, Attachment 3 shows individual agency revenue allocation amounts as a percentage of each agency's total revenue.

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 thirteen 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. This Adopted Final Budget for FY 2014-15 was prepared and is 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

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: 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 Handbook 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 properly 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 are 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 2014 - 2015**

	Acct Code	Final Adopted/ Adjusted FY 13-14	Projected Actuals FY 13-14	Recommended Proposed Budget FY 14-15 Adopted 04/16/14	Recommended Final Budget FY 14-15 Adopted 5/21/14	Final Budget FY 14-15 Adopted 05/21/14
EXPENDITURES						
Salaries and Employee Benefits						
Regular Salaries	1101	328,000	297,500	310,000	310,000	310,000
Supplemental Payments	1106	12,600	11,100	11,500	11,500	11,500
Term/Buydown	1107	31,500	17,500	24,500	24,500	24,500
Retirement Contribution	1121	77,500	70,500	63,000	63,000	63,000
OASDI Contribution	1122	19,000	19,000	18,500	18,500	18,500
FICA-Medicare	1123	5,100	5,000	4,700	4,700	4,700
Mgmt. Retiree Health Benefit	1128	-	-	5,300	5,300	5,300
Group Insurance	1141	21,400	20,500	23,000	23,000	23,000
Life Ins/Dept Heads/Mgt	1142	150	130	150	150	150
State Unemployment	1143	400	400	400	400	400
Management Disability Ins	1144	820	750	750	750	750
Workers Compensation	1165	3,000	2,700	2,900	2,900	2,900
401k Plan	1171	12,500	11,500	11,500	11,500	11,500
Total Salaries and Employee Benefits		511,970	456,580	476,200	476,200	476,200

**VENTURA LOCAL AGENCY FORMATION COMMISSION
EXPENDITURES AND REVENUE DETAIL
ADOPTED FINAL BUDGET
FY 2014 - 2015**

	Acct Code	Final Adopted/ Adjusted FY 13-14	Projected Actuals FY 13-14	Recommended Proposed Budget FY 14-15 Adopted 04/16/14	Recommended Final Budget FY 14-15 Adopted 5/21/14	Final Budget FY 14-15 Adopted 05/21/14
EXPENDITURES						
Services and Supplies						
Voice/Data -ISF	2033	3,500	3,500	2,500	2,500	2,500
General Insurance Allocation	2071	2,000	2,000	2,000	2,000	2,000
Facilities/Materials Sq Ft Alloc-ISF	2125	15,500	15,500	15,000	15,000	15,000
Other Maintenance	2128	500	200	500	500	500
Memberships & Dues	2141	6,550	6,570	7,100	7,100	7,100
Education Allowance	2154	0	0	1,000	1,000	1,000
Indirect Cost Recovery (Co. Cost Allocation Plan Charges)	2158	5,500	5,500	12,200	12,200	12,200
Books & Publications	2172	500	300	300	300	300
Mail Center-ISF	2174	2,500	2,500	2,500	2,500	2,500
Purchasing Charges-ISF	2176	500	75	100	100	100
Graphics Charges-ISF	2177	2,000	250	500	500	500
Copy Machine Charges-ISF	2178	1,000	500	750	750	750
Misc Office Expenses	2179	7,000	7,000	4,000	4,000	4,000
Stores-ISF	2181	50	25	50	50	50
Board Member Fees	2191	4,500	3,700	4,500	4,500	4,500
Info Tech-ISF Data Ctr/Service Contracts	2192	3,000	3,000	2,500	2,500	2,500
Specialized Services/Software	2195	1,500	750	1,500	1,500	1,500
Public Works Charges	2197	3,000	3,000	3,000	3,000	3,000
Other Professional & Special Service	2199	10,000	8,000	10,000	10,000	10,000
Accounting and Auditing Services	2203	5,000	3,300	4,500	4,500	4,500
GSA Special Services ISF	2205	100	0	100	100	100
County GIS Expense	2214	23,000	12,000	21,500	21,500	21,500
Public And Legal Notices	2261	5,000	2,200	5,000	5,000	5,000
Records Storage Charges	2283	350	250	350	350	350
Computer Equip <\$5000	2293	4,000	4,000	3,100	3,100	3,100
Spec Dept x04 (Legal Counsel)	2304	22,500	22,500	22,500	22,500	22,500
Private Vehicle Mileage	2522	7,000	7,000	7,000	7,000	7,000
Conference & Seminars Exp.	2523	13,000	13,000	12,000	12,000	12,000
Conference & Seminars ISF	2526	500	100	500	500	500
County Motor Pool	2528	1,000	150	500	500	500
Total Services and Supplies		150,550	126,870	147,050	147,050	147,050
Contingencies	6101	13,249	0	18,699	18,699	18,699
Total Contingencies		13,249	0	18,699	18,699	18,699
TOTAL EXPENDITURES		675,769	583,450	641,949	641,949	641,949

**VENTURA LOCAL AGENCY FORMATION COMMISSION
EXPENDITURES AND REVENUE DETAIL
ADOPTED FINAL BUDGET
FY 2014 - 2015**

	Acct Code	Final Adopted/ Adjusted FY 13-14	Projected Actuals FY 13-14	Recommended Proposed Budget FY 14-15 Adopted 04/16/14	Recommended Final Budget FY 14-15 Adopted 5/21/14	Final Budget FY 14-15 Adopted 05/21/14
FINANCING SOURCES						
Appropriation of Fund Balance		68,133	-	90,000	90,000	90,000
Interest Earnings	8911	4,000	2,700	2,700	2,700	2,700
Other Revenue-Misc. (LAFCo application fees)	9772	30,000	38,000	30,000	30,000	30,000
Total Miscellaneous Revenue		34,000	40,700	32,700	32,700	32,700
Other Governmental Agencies						
Other Government Agencies (County of Ventura)	9372	191,212	191,212	173,083	173,083	173,083
Other Government Agencies (Cities)	9372	191,212	191,212	173,083	173,083	173,083
Other Government Agencies (Independent Special Districts)	9372	191,212	191,212	173,083	173,083	173,083
Total Other Government Agencies Revenue Revenue		573,636	573,636	519,249	519,249	519,249
TOTAL REVENUE		607,636	614,336	551,949	551,949	551,949
TOTAL FINANCING SOURCES		675,769	614,336	641,949	641,949	641,949
PROJECTED UNAPPROPRIATED FUND BALANCE (Net Income)			30,886			

**Preliminary Fund Balance and Estimated
Ending Fund Balance at June 30, 2015**

FUND BALANCES	Actual Fund Balance 6/30/13	Projected Fund Balance 6/30/14	Estimated Fund Balance 06/30/15
Assigned:			
Appropriated	68,133	90,000	0
Committed:			
Litigation	100,000	100,000	100,000
Unassigned:			
60 Days' Working Capital	98,697	97,242	106,991
Unassigned	121,623	132,096	122,348
TOTAL UNASSIGNED	220,319	229,338	229,338
TOTAL FUND BALANCE	388,452	419,338	329,338

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

Attachment 1

ADOPTED BUDGET FOR FISCAL YEAR 2014 - 2015

ALLOCATION - CITIES

SOURCE: STATE OF CALIFORNIA, CITIES ANNUAL REPORT, FY 11/12

CITY	TOTAL REVENUE		ALLOCATION	
	PER REPORT	PERCENTAGE	\$	173,083
1 Camarillo	\$ 73,361,211	8.28%	\$	14,338
2 Fillmore	14,362,356	1.62%	\$	2,807
3 Moorpark	24,908,774	2.81%	\$	4,869
4 Ojai	10,447,576	1.18%	\$	2,042
5 Oxnard	314,633,554	35.53%	\$	61,496
6 Port Hueneme	38,646,518	4.36%	\$	7,553
7 San Buenaventura	139,862,793	15.80%	\$	27,338
8 Santa Paula	37,663,749	4.25%	\$	7,361
9 Simi Valley	82,016,244	9.26%	\$	16,031
10 Thousand Oaks	149,632,453	16.91%	\$	29,248
TOTAL	\$ 885,535,228	100.00%	\$	173,083

(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

ADOPTED BUDGET FOR FY 2014- 2015

ALLOCATION - SPECIAL DISTRICTS

SOURCE: STATE OF CALIFORNIA, SPECIAL DISTRICTS ANNUAL REPORT, FY 11/12

	TOTAL		
NAME	REVENUE	PERCENTAGE	ALLOCATION
	PER REPORT	(See Note 2)	\$ 173,083
1 Bardsdale Cemetery District	\$ 170,401	0.060%	\$ 104
2 Bell Canyon Comm. Services District	458,552	0.162%	280
3 Calleguas Municipal Water District	124,398,906	44.072%	76,281
4 Camarillo Health Care District	3,615,186	1.281%	2,217
5 Camrosa Water District	16,199,700	5.739%	9,933
6 Casitas Municipal Water District	15,660,766	5.549%	9,604
7 Channel Islands Beach Comm. Serv. Dist.	3,981,748	1.411%	2,442
8 Conejo Recreation & Park District	19,500,060	6.908%	11,957
9 El Rancho Simi Pioneer Cemetery District	130,078	0.046%	80
10 Fillmore-Piru Memorial District	172,027	0.061%	106
11 Fox Canyon Groundwater Mgmt. Agency	1,248,118	0.442%	765
12 Hidden Valley Municipal Water District	7,176	0.003%	5
13 Meiners Oaks Water District	1,191,831	0.422%	730
14 Montalvo Comm. Services District	719,452	0.255%	441
15 Ojai Valley Sanitary District	8,842,277	3.133%	5,423
16 Ojai Water Conservation District	7,328	0.003%	5
17 Oxnard Drainage District No. 1	47,614	0.017%	30
18 Oxnard Drainage District No. 2	165,095	0.058%	100
19 Oxnard Harbor District	12,208,234	4.325%	7,486
20 Piru Public Cemetery District	34,954	0.012%	21
21 Pleasant Valley Co. Water District	3,187,554	1.129%	1,954
22 Pleasant Valley Rec & Park District	7,753,621	2.747%	4,755
23 Rancho Simi Rec & Park District	18,560,158	6.575%	11,380
24 Saticoy Sanitary District	330,154	0.117%	203
25 Triunfo Sanitation District	14,095,113	4.994%	8,644
26 United Water Conservation District	19,860,339	7.036%	12,178
27 Ventura Co. Resource Conserv. District	63,447	0.022%	38
28 Ventura Port District	8,167,365	2.894%	5,009
29 Ventura River County Water District	1,486,915	0.527%	912
TOTAL	\$ 282,264,169	100.000%	\$ 173,083

- (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 2014-15
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			
	\$ 961,545,694	\$ 173,083	0.02%
CITIES			
Camarillo	\$ 73,361,211	\$ 14,338	0.02%
Fillmore	14,362,356	2,807	0.02%
Moorpark	24,908,774	4,869	0.02%
Ojai	10,447,576	2,042	0.02%
Oxnard	314,633,554	61,496	0.02%
Port Hueneme	38,646,518	7,553	0.02%
San Buenaventura	139,862,793	27,338	0.02%
Santa Paula	37,663,749	7,361	0.02%
Simi Valley	82,016,244	16,031	0.02%
Thousand Oaks	149,632,453	29,248	0.02%
TOTAL	\$ 885,535,228	173,083	0.02%
SPECIAL DISTRICTS			
Bardsdale Cemetery District	\$ 170,401	\$ 104	0.06%
Bell Canyon Comm. Services District	458,552	280	0.06%
Calleguas Municipal Water District	124,398,906	76,281	0.06%
Camarillo Health Care District	3,615,186	2,217	0.06%
Camrosa Water District	16,199,700	9,933	0.06%
Casitas Municipal Water District	15,660,766	9,604	0.06%
Channel Islands Beach Comm. Serv. Dist.	3,981,748	2,442	0.06%
Conejo Recreation & Park District	19,500,060	11,957	0.06%
El Rancho Simi Pioneer Cemetery District	130,078	80	0.06%
Fillmore-Piru Memorial District	172,027	106	0.06%
Fox Canyon Groundwater Mgmt. Agency	1,248,118	765	0.06%
Hidden Valley Municipal Water District	7,176	5	0.07%
Meiners Oaks Water District	1,191,831	730	0.06%
Montalvo Comm. Services District	719,452	441	0.06%
Ojai Valley Sanitary District	8,842,277	5,423	0.06%
Ojai Water Conservation District	7,328	5	0.07%
Oxnard Drainage District No. 1	47,614	30	0.06%
Oxnard Drainage District No. 2	165,095	100	0.06%
Oxnard Harbor District	12,208,234	7,486	0.06%
Piru Public Cemetery District	34,954	21	0.06%
Pleasant Valley Co. Water District	3,187,554	1,954	0.06%
Pleasant Valley Rec & Park District	7,753,621	4,755	0.06%
Rancho Simi Rec & Park District	18,560,158	11,380	0.06%
Saticoy Sanitary District	330,154	203	0.06%
Triunfo Sanitation District	14,095,113	8,644	0.06%
United Water Conservation District	19,860,339	12,178	0.06%
Ventura Co. Resource Conserv. District	63,447	38	0.06%
Ventura Port District	8,167,365	5,009	0.06%
Ventura River County Water District	1,486,915	912	0.06%
TOTAL	\$ 282,264,169	\$ 173,083	0.06%

Source: State of California Annual Reports FY 11/12.

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