

**RESOLUTION OF THE
VENTURA LOCAL AGENCY FORMATION COMMISSION
ADOPTING A FINAL BUDGET FOR FISCAL YEAR 2016-17**

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 20, 2016 the Commission adopted a Proposed Budget for Fiscal Year 2016-17; 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 2016-17 on May 18, 2016.

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 2016-17 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 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 2016-17 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 18, 2016.

	AYE	NO	ABSTAIN	ABSENT
Commissioner Cunningham	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Commissioner Dandy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" 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 Zaragoza	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Alt. Commissioner Bennett	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Alt. Commissioner Ramirez	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Alt. Commissioner Rooney	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Alt. Commissioner Ross	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

<u>5/18/2016</u>	<u>Carl Morehouse</u>
Date	Carl Morehouse, 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

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EXHIBIT A

FINAL BUDGET

**Fiscal Year
2016-2017**

ADOPTED: May 18, 2016



VENTURA LOCAL AGENCY FORMATION COMMISSION

BUDGET MESSAGE **Final Budget - Fiscal Year 2016-2017¹**

Adopted May 18, 2016

Introduction

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code Section 56000 *et seq.*) (CKH) requires each Local Agency Formation Commission (LAFCo) to adopt a Proposed Budget by May 1 of each year and a Final Budget by June 15 of each year. The Ventura LAFCo adopted a Proposed Budget for Fiscal Year (FY) 2016-17 on April 20, 2016 and will consider this Final Budget for FY 2016-17 on May 18, 2016. The 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.* The Adopted Final Budget for FY 2016-17 was prepared in accordance with these policies. Budget goals continue to be minimizing expenditures while fulfilling basic functions, and providing for effective and efficient compliance with mandates.

LAFCo and the County of Ventura entered into a Memorandum of Agreement effective July 1, 2001. While LAFCo is an independent agency, the Memorandum of Agreement provides for the County to provide personnel, support services, offices and materials as requested by LAFCo. All of the personnel, support services, offices and materials to be requested of the County for FY 2016-17 are part of this Adopted Final Budget. Budget information is formatted using County of Ventura account descriptions and codes.

This Budget Message highlights LAFCo's key responsibilities, reviews the notable work accomplishments and budget information for the first three quarters of FY 2015-16, sets forth a basic work plan for FY 2016-17, and provides background and explanatory information about the anticipated expenditures and revenues in this Adopted Final FY 2016-17 Budget.

¹ With the exception of non-substantive language revisions in the Budget Message, the Adopted Final Budget is unchanged from the Proposed Budget adopted by the Ventura LAFCo on April 20, 2016.

Major LAFCo Responsibilities

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

FY 2015-16 in Review

Based on information through the end of February 2016, total projected actual expenditures for FY 2015-16 are expected to be approximately:

Description	FY 15-16 Adopted	FY 15-16 Projected	Estimated Savings
Total Salaries and Benefits	\$ 496,950	\$ 474,950	\$ 22,000
Total Services and Supplies	162,250	145,825	16,425
Contingencies	19,777	0	19,777
Total Expenditures	678,977	620,775	58,202

As shown above, staff does not anticipate the need to use the Contingency appropriation of \$19,777. The anticipated savings in Salaries and Benefits, Services/Supplies and Contingency is projected to be \$58,202 for FY 2015-16.

Actual revenue for FY 2015-16 is projected to be approximately:

Account Code	Description	FY 15-16 Adopted	FY 15-16 Projected	Estimated Savings/ (Deficit)	Percent Change
8911	Interest Earnings	\$ 2,500	\$ 2,500	\$ 0	0
9790	Other Revenue (from Fees)	25,000	20,000	(5,000)	-20%
9371	Other Govt. Agencies	576,477	576,477	0	0
	Total Revenue	603,977	598,977	(5,000)	- 0.8%

As noted in the table above, a projected total revenue shortfall of \$5,000 is anticipated as part of the current budget.

The projected \$58,202 savings in Salaries/Benefits and Services/Supplies and Contingency along with the projected \$5,000 of revenue shortfall results in a total projected unappropriated Fund Balance of \$53,202, which is \$21,798 less than the appropriated Fund Balance adopted as a part of the FY 2015-16 Final Budget (\$75,000).

The following bullet points are the work plan that was adopted as a part of the FY 2015-16 Adopted Final Budget. Substantial progress has been made on each of these work plan items, as discussed below:

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

In May 2013, LAFCo approved a Work Plan for the 2013-2017 sphere of influence review/update and municipal service review cycle. The spheres of influence for 18 special districts were scheduled to be reviewed by the end of 2016. All 18 reviews were completed by March 2016. Though not formally part of the Work Plan, for the current fiscal year, LAFCo has also:

- Completed, or is currently processing, seven reorganizations and out of agency service agreements.
- Determined, or is in the process of determining, spheres of influence for the Gold Coast Transit District, County Waterworks District No. 38, and the Blanchard/Santa Paula Library District.
- Prepared, or is in the process of preparing, three municipal service reviews for the aforementioned three special districts.
- Reaffirmed the sphere of influence for the City of Santa Paula.

- *Continue to review and comment on draft environmental documents and general plan updates as they may be prepared by the cities and the County.*

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

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

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

Staff routinely monitors the budget. An external audit of LAFCo's financial statements for the year ended June 30, 2015 was performed.

This fiscal year, staff attended the CALAFCO Annual Conference in September and the CALAFCO Staff Workshop in late March. The Executive Officer attended a communication workshop in November. LAFCo staff continues to participate in training sessions offered by the County.

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

Policies pertaining to the recordation of Commission meetings and the terms of the public member and alternate public member were added to the Commissioner's Handbook this fiscal year. Development of potential policies pertaining to agricultural mitigation (which included holding two special meetings/workshops) and the Joint Land Use Study Naval Base Ventura County are progressing. In addition, preparation to allow for Commission meetings to be live-streamed on the LAFCo website is nearly complete. The Commission also considered the advantages/disadvantages of moving the LAFCo office. On an ongoing basis, staff identifies potential policy updates/revisions for Commission consideration, as needed.

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

In August, staff made a presentation to the Civil Grand Jury regarding the purposes and functions of LAFCo. Staff has made two presentations to the County's Agricultural Policy Advisory Committee. Staff routinely meets with the staff of the County, cities, and special districts.

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 2016-17, the adopted work plan maintains the focus on municipal service reviews and sphere of influence reviews/updates and is otherwise similar to the work plan for this fiscal year.

FY 2016-17 Work Plan

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

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

ADOPTED FINAL BUDGET

Expenditures

The expense portion of the budget is divided into three main sections, the Salary and Employee Benefits section (1000 series account codes), the Services and Supplies section (2000 series account codes), and Contingencies (account code 6101). Including a 5% contingency, the Adopted Final Budget reflects an overall expenditure increase of approximately 3.5% compared to the FY 2015-16 Adopted Final Budget, as indicated in the following table:

Description	FY 15-16 Adopted	FY 16-17 Proposed	Increase / (Decrease)	Percent Change
Total Expenditures	\$ 678,977	\$ 703,028	\$ 24,051	3.5%

Salary and Employee Benefits (1000 series of account codes)

Salaries and Employee Benefits continue to be the greatest expense, comprising approximately 72% of the total expenditures (more if contingencies are not included). Expenditures for Salaries and Benefits are to increase by approximately 2.0% as compared to FY 2015-16 as indicated in the following table:

Description	FY 15-16 Adopted	FY 16-17 Proposed	Increase / (Decrease)	Percent Change
Total Salaries and Benefits	\$ 496,950	\$ 506,750	\$ 9,800	2.0%

Ventura LAFCo

Final Budget FY 2016-17

Adopted: May 18, 2016

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The increase comes primarily from an anticipated increase to regular salaries (account code 1101) and related increases in the various benefit accounts (especially account code 1121, Retirement Contribution). The increase in salary reflects anticipated merit increases for LAFCo staff as provided for under the terms of the Executive Officer employment contract and the County of Ventura Management, Confidential Clerical and Other Unrepresented Employees Resolution.

Description	Acct Code	FY 15-16 Adopted	FY 16-17 Proposed	Increase / (Decrease)	Percent Change
Regular Salaries	1101	\$ 320,000	\$ 330,000	\$ 10,000	3.1%

The increase in regular salaries is partially offset by a decrease to Management Retiree Health Benefit (account code 1128). Pursuant to the County Management Resolution, this benefit is provided to retired staff who were employed by the County prior to July 2005. One year of the retirement benefit is provided for each five years of County employment. Though this benefit will continue for the previous Office Manager/Clerk to the Commission through 2017, the benefit is no longer provided to the previous Executive Officer, resulting in the following decrease:

Description	Acct Code	FY 15-16 Adopted	FY 16-17 Proposed	Increase / (Decrease)	Percent Change
Management Retiree Health Benefit	1128	14,500	10,000	(4,500)	-31%

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

Title	FY 2015-16	FY 2016-17
Executive Officer	1	1
Analyst/Deputy Executive Officer	1	1
Office Manager/Clerk of the Commission	1	1
Total Authorized Positions	3	3

Services and Supplies (2000 series of account codes)

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

Description	FY 15-16 Adopted	FY 16-17 Proposed	Increase / (Decrease)	Percent Change
Total Services and Supplies	\$ 162,250	\$ 162,800	\$ 550	0.3%

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

- An increase in Cost Allocation Plan Charges (account code 2158). These charges are set by the County and pertain to costs for County services provided primarily by the General Services Agency, the Auditor-Controller's Office and the County Executive Office, including Human Resources. The current fiscal year charge is \$15,800. For FY 2016-17 the total charges for this account will be approximately \$18,250.
- An increase in County Geographical Information Systems (GIS) Expense (account code 2203). The increase from \$21,500 for the current fiscal year to \$24,500 for FY 2016-17 is to partially cover a substantial increase (approximately \$5,300) in the amount that the County's Information Technology Services Department charges for GIS services. The remainder of the increase is offset by an anticipated reduction in the amount of mapping services and related GIS staff time.
- A decrease in Furniture and Fixtures (account code 2262) and Education and Conference and Seminars (account code 2273) of \$1,000 each.
- A decrease in the Travel Expense (account code 2292) associated with conferences and seminars from \$19,000 in the current fiscal year to \$15,500 for FY 2016-17. This decrease is primarily due to lower anticipated travel costs to attend the 2016 CALAFCO Annual Conference to be held in Santa Barbara (the 2015 conference was held in Sacramento resulting in higher travel expenses). Due to the proximity of the Annual Conference to Ventura County, it is anticipated that most, if not all, commissioners and staff may desire to attend. The amount budgeted would allow for all commissioners, alternate commissioners, and staff to attend.

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 2016-17 Adopted Final Budget include a contingency appropriation of \$33,478 which is equivalent to approximately 5.0% of total expenditures of \$669,550. 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 \$254,071 at the beginning of FY 2016-17 and includes \$103,463 to cover 60 days working capital and \$150,608 unassigned).

Financing Sources

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

Fund Balance

Section 56381(c) of the CKH Act provides, “If, at the end of the fiscal year, the commission has funds in excess of what it needs, the commission may retain those funds and calculate them into the following fiscal year’s budget.” As indicated in the “FY 2015-16 in Review” section above, approximately \$53,202 is projected to be available at the end of the current fiscal year to appropriate for the FY 2016-17 Budget. However, because this is only a projection, the Adopted Final budget includes an appropriated fund balance of \$65,000.

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 2015-16 (\$620,775), 60 days’ working capital would be approximately \$103,463. The total unassigned fund balance for the current year is \$254,071, which is equivalent to approximately 147 days’ working capital.

Miscellaneous Revenue

Miscellaneous revenue includes interest earnings and other revenue, primarily application filing fees. The Adopted Final Budget for Miscellaneous Revenue is \$21,000, which is approximately 23.6% less than the Adopted Budget amount for the current fiscal year (\$27,500). This decrease is reflected in the \$1,000 budgeted for Investment Income (account code 8911), which is lower than the \$2,500 budgeted for the current year, and in the \$20,000 budgeted for Miscellaneous Revenue (account 9790), which is lower than the \$25,000 budgeted for the current fiscal year.

The Commission has a policy to annually review the LAFCo fee schedule as a part of the budget process. The existing fee schedule has been in effect since July 2010. It was updated and adopted by the Commission in April 2015 as part of the budget process for the current fiscal year. No changes to the fee schedule are recommended as part of this budget process.

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

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

The revenue projected to be collected from the County, cities and independent special districts is proposed to increase from \$576,477 to \$617,028 for the next year (\$40,551 or 7.0%). 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 2016-17 is higher than it has been in the previous eight years. This is due to an overall anticipated increase of \$24,051 in expenditures, a \$6,500 decrease in application fees/interest earnings, and a \$10,000 decrease in the appropriated fund balance for FY 2016-17.

Year	Adopted Budget –Total Finance Sources	Amount of Revenue from Other Governmental Agencies	Percent of Total Revenue from Other Governmental Agencies
FY 2001-02	\$548,737	\$468,737	85%
FY 2002-03	\$719,130	\$568,502	79%
FY 2003-04	\$641,215	\$390,699	61%
FY 2004-05	\$702,503	\$473,067	67%
FY 2005-06	\$723,226	\$361,874	50%
FY 2006-07	\$830,154	\$621,617	75%
FY 2007-08	\$949,269	\$715,957	75%
FY 2008-09	\$735,422	\$488,684	66%
FY 2009-10	\$783,101	\$587,084	75%
FY 2010-11	\$772,892	\$590,055	76%
FY 2011-12	\$766,598	\$570,285	74%
FY 2012-13	\$659,706	\$550,515	83%
FY 2013-14	\$675,769	\$573,636	85%
FY 2014-15	\$641,949	\$519,249	81%
FY 2015-16	\$678,977	\$576,477	85%
FY 2016-17 ²	\$703,028	\$617,028	88%

Not formally part of the budget, but included for general information are the percentage shares of the Other Governmental Agencies revenue for each of the cities (Attachment 1) and the independent special districts (Attachment 2). City revenues and Special District revenues are based on the FY 2013-14 State Controller Reports. These are the most current Reports available at this time. Should the State issue updated Cities and Special District Reports for FY 2014-15 before the end of June, the County Auditor-Controller's Office will use those Reports as the basis for collecting revenue from the cities for FY 2016-17. As a further means of comparison, Attachment 3 shows individual agency revenue allocation amounts as a percentage of each agency's total revenue. Attachment 4 is a comparison of each city's and district's allocation that was adopted for FYs 2013-14, 2014-15, 2015-16 and proposed for FY 2016-17.

² Based on FY 2016-17 Adopted Final Budget

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

Conclusion

The Ventura LAFCo is continuing to exercise fiscal prudence. The Commission and its staff understand the economic realities of the time and the constraints on local government revenues. The Commission's budgeting process has improved in the last 15 years. Systems and policies are in place to ensure best practices and proper oversight. Mandates are being met and basic services provided with a highly trained staff that seeks to limit discretionary expenditures. The Adopted Final Budget for FY 2016-17 was prepared and is being recommended consistent with the Commission's policies and the knowledge and experience gained from prior years.

Respectfully submitted,



Kai Luoma
Executive Officer

ATTACHMENTS:

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

Glossary of Terms

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

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

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

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

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

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

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

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

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

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

DEFICIT: An excess of expenditures or expenses over revenues.

EXPENDITURES: Under the current financial resources measurement focus, decreases in net financial resources not 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 is intended to communicate an entity's financial position at a point in time and its results of operations for a period then ended.

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

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

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

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

GIS: Geographic Information System.

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

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

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

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

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

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

OBJECT: An individual expenditure account.

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

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

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

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

**VENTURA LOCAL AGENCY FORMATION COMMISSION
EXPENDITURES AND REVENUE DETAIL
ADOPTED FINAL BUDGET
FY 2016 - 2017**

	Acct Code	Final Adopted/ Adjusted FY 15-16	Projected Actuals FY 15-16	Recommended Proposed Budget FY 16-17 4/20/16	Recommended Final Budget FY 16-17 5/18/16	Final Budget FY 16-17 Adopted 05/18/16
EXPENDITURES						
Salaries and Employee Benefits						
Regular Salaries	1101	320,000	320,000	330,000	330,000	330,000
Supplemental Payments	1106	13,000	13,000	13,500	13,500	13,500
Terminations (Buydowns)	1107	15,000	500	15,500	15,500	15,500
Retirement Contribution	1121	66,500	66,500	70,500	70,500	70,500
OASDI Contribution	1122	20,500	20,500	20,000	20,000	20,000
FICA Medicare	1123	5,500	5,500	5,500	5,500	5,500
Retiree Health Payment 1099 (Mgmt. Retiree Health)	1128	14,500	14,500	10,000	10,000	10,000
Group Insurance	1141	23,500	23,500	23,500	23,500	23,500
Life Insurance for Department Heads and Management	1142	150	150	150	150	150
State Unemployment Insurance	1143	400	400	350	350	350
Management Disability Insurance	1144	2,500	2,500	2,750	2,750	2,750
Workers Compensation Insurance	1165	2,900	2,900	2,500	2,500	2,500
401k Plan	1171	12,500	5,000	12,500	12,500	12,500
Total Salaries and Employee Benefits		496,950	474,950	506,750	506,750	506,750

**VENTURA LOCAL AGENCY FORMATION COMMISSION
EXPENDITURES AND REVENUE DETAIL
ADOPTED FINAL BUDGET
FY 2016 - 2017**

	Acct Code	Final Adopted/ Adjusted FY 15-16	Projected Actuals FY 15-16	Recommended Proposed Budget FY 16-17 4/20/16	Recommended Final Budget FY 16-17 5/18/16	Final Budget FY 16-17 Adopted 05/18/16
EXPENDITURES						
Services and Supplies						
Voice Data ISF	2032	2,500	3,100	2,500	2,500	2,500
General Insurance Allocation ISF	2071	2,000	2,000	2,000	2,000	2,000
Facilities and Materials SQ FT Allocation ISF	2114	15,000	15,000	15,600	15,600	15,600
Facilities Projects ISF	2115	0	550	0	0	0
Other Maintenance ISF	2116	1,000	150	500	500	500
Memberships and Dues	2131	7,100	7,000	7,300	7,300	7,300
Cost Allocation Plan Charges	2158	15,800	15,800	18,250	18,250	18,250
Books and Publications	2163	500	500	500	500	500
Mail Center ISF	2164	2,500	2,500	2,500	2,500	2,500
Purchasing Charges ISF	2165	100	100	100	100	100
Graphics Charges ISF	2166	500	500	500	500	500
Copy Machine Chgs ISF	2167	500	0	500	500	500
Stores ISF	2168	50	25	50	50	50
Miscellaneous Office Expenses	2179	5,500	5,500	5,500	5,500	5,500
Board and Commission Member Compensation 1099	2181	5,000	4,600	5,000	5,000	5,000
Attorney Services (County Counsel)	2185	22,500	22,500	22,500	22,500	22,500
Other Professional and Specialized Non ISF (VTD Auditors and County Accounting Services)	2199	15,000	16,200	16,000	16,000	16,000
Information Tech ISF	2202	2,500	1,500	1,800	1,800	1,800
County Geographical Information Systems Expense ISF	2203	21,500	17,000	24,500	24,500	24,500
Public Works ISF Charges	2205	3,000	1,000	3,000	3,000	3,000
Special Services ISF	2206	100	100	100	100	100
Publications and Legal Notices	2221	5,000	5,000	5,000	5,000	5,000
Storage Charges ISF	2244	500	500	500	500	500
Computer Equipment < \$5,000	2261	3,100	1,000	3,100	3,100	3,100
Furniture and Fixtures < \$5,000	2262	2,000	0	1,000	1,000	1,000
Conferences/ Seminars ISF (Training ISF)	2272	500	500	500	500	500
Education Conference and Seminars	2273	2,000	200	1,000	1,000	1,000
Private Vehicle Mileage	2291	7,000	7,000	7,000	7,000	7,000
Travel Expense (Conferences / Seminars)	2292	19,000	15,500	15,500	15,500	15,500
Motorpool ISF	2303	500	500	500	500	500
Total Services and Supplies		162,250	145,825	162,800	162,800	162,800
*Contingencies	6101	19,777	0	33,478	33,478	33,478
Total Contingencies		19,777	0	33,478	33,478	33,478
TOTAL EXPENDITURES		678,977	620,775	703,028	703,028	703,028

* Pursuant to the Ventura LAFCo Commissioner's Handbook Section 2.3.1.4(a), the annual budget shall include a contingency appropriation of 10% of total operating expenses, unless the Commission deems a different amount appropriate. The adopted final budget for FY 16-17 includes a contingency appropriation of 5% of total operating expenses.

**VENTURA LOCAL AGENCY FORMATION COMMISSION
EXPENDITURES AND REVENUE DETAIL
ADOPTED FINAL BUDGET
FY 2016 - 2017**

	Acct Code	Final Adopted/ Adjusted FY 15-16	Projected Actuals FY 15-16	Recommended Proposed Budget FY 16-17 4/20/16	Recommended Final Budget FY 16-17 5/18/16	Final Budget FY 16-17 Adopted 05/18/16
FINANCING SOURCES						
Appropriation of Fund Balance		75,000	-	65,000	65,000	65,000
Investment Income (Interest Earnings)	8911	2,500	2,500	1,000	1,000	1,000
Miscellaneous Revenue (LAFCo application fees)	9790	25,000	20,000	20,000	20,000	20,000
Total Miscellaneous Revenue		27,500	22,500	21,000	21,000	21,000
Other Governmental Agencies						
Other Government Agencies (County of Ventura)	9371	192,159	192,159	205,676	205,676	205,676
Other Government Agencies (Cities)	9371	192,159	192,159	205,676	205,676	205,676
Other Government Agencies (Ind. Special Districts)	9371	192,159	192,159	205,676	205,676	205,676
Total Other Government Agencies Revenue		576,477	576,477	617,028	617,028	617,028
TOTAL REVENUE		603,977	598,977	638,028	638,028	638,028
TOTAL FINANCING SOURCES		678,977	598,977	703,028	703,028	703,028
NET INCOME / (LOSS) [PROJECTED USE OF APPROPRIATED FUND BALANCE]			(21,798)			

**Preliminary Fund Balance and Estimated Ending Fund
Balance at June 30, 2016**

FUND BALANCES	Actual Fund Balance 6/30/15	Projected Fund Balance 6/30/16	Estimated Fund Balance 06/30/17	
Assigned:				
Appropriated	75,000	65,000	0	
Committed:				
Litigation	100,000	100,000	100,000	
Unassigned:				
60 Days' Working Capital	97,497	103,463	117,172	
Unassigned	168,372	150,608	136,899	
TOTAL UNASSIGNED	265,869	254,071	254,071	
TOTAL FUND BALANCE	440,869	419,071	354,071	

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

Attachment 1

FINAL BUDGET FOR FISCAL YEAR 2016 - 2017

ALLOCATION - CITIES

SOURCE: STATE OF CALIFORNIA, CITIES ANNUAL REPORT, FY 13/14

	CITY	TOTAL REVENUE PER REPORT	PERCENTAGE	ALLOCATION \$
				205,676
1	Camarillo	\$ 84,904,927	8.61%	\$ 17,709
2	Fillmore	20,893,957	2.12%	\$ 4,360
3	Moorpark	34,998,771	3.55%	\$ 7,301
4	Ojai	11,283,424	1.14%	\$ 2,345
5	Oxnard	316,575,281	32.11%	\$ 66,043
6	Port Hueneme	38,043,408	3.86%	\$ 7,939
7	San Buenaventura	163,542,179	16.59%	\$ 34,122
8	Santa Paula	38,049,722	3.86%	\$ 7,939
9	Simi Valley	94,871,037	9.62%	\$ 19,786
10	Thousand Oaks	182,816,341	18.54%	\$ 38,132
	TOTAL	\$ 985,979,047	100.00%	\$ 205,676

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

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

Attachment 2

FINAL BUDGET FOR FY 2016- 2017

ALLOCATION - SPECIAL DISTRICTS

SOURCE: STATE OF CALIFORNIA, SPECIAL DISTRICTS ANNUAL REPORT, FY 13/14

	NAME	TOTAL REVENUE	PERCENTAGE (See Note 2)	ALLOCATION
		PER REPORT		\$ 205,676
1	Bardsdale Cemetery District	\$ 175,481	0.053%	\$ 109
2	Bell Canyon Comm. Services District	460,949	0.138%	284
3	Blanchard / Santa Paula Public Library District	810,839	0.244%	502
4	Calleguas Municipal Water District	155,437,134	46.699%	96,049
5	Camarillo Health Care District	3,362,698	1.010%	2,077
6	Camrosa Water District	20,385,855	6.125%	12,598
7	Casitas Municipal Water District	17,947,050	5.392%	11,090
8	Channel Islands Beach Comm. Serv. Dist.	4,121,764	1.238%	2,546
9	Conejo Recreation & Park District	19,656,487	5.905%	12,145
10	El Rancho Simi Pioneer Cemetery District	145,377	0.044%	91
11	Fillmore-Piru Memorial District	201,069	0.060%	123
12	Fox Canyon Groundwater Mgmt. Agency	1,304,731	0.392%	806
13	Hidden Valley Municipal Water District	8,115	0.002%	4
14	Meiners Oaks Water District	1,424,391	0.428%	880
15	Montalvo Comm. Services District	670,748	0.202%	416
16	Ojai Valley Sanitary District	9,191,639	2.762%	5,681
17	Ojai Water Conservation District	7,943	0.002%	4
18	Oxnard Drainage District No. 1	48,241	0.014%	29
19	Oxnard Drainage District No. 2	163,234	0.049%	101
20	Oxnard Harbor District	14,293,866	4.294%	8,832
21	Piru Public Cemetery District	44,068	0.013%	27
22	Pleasant Valley Co. Water District	3,994,544	1.200%	2,468
23	Pleasant Valley Rec & Park District	7,758,482	2.331%	4,794
24	Rancho Simi Rec & Park District	19,777,749	5.943%	12,223
25	Saticoy Sanitary District	446,061	0.134%	276
26	Triunfo Sanitation District	16,442,322	4.940%	10,160
27	United Water Conservation District	24,211,586	7.274%	14,961
28	Ventura Co. Resource Conserv. District	17,985	0.005%	10
29	Ventura Port District	8,216,843	2.469%	5,078
30	Ventura River County Water District	2,123,416	0.638%	1,312
	TOTAL	\$ 332,850,667	100.000%	\$ 205,676

- (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 2016-17

Apportionment of Net Operating Expenses Expressed As Percentage Of Each Agency's Total Revenue

Attachment 3

NAME	TOTAL REVENUE PER REPORT*	ALLOCATION	PERCENTAGE OF TOTAL REVENUE
COUNTY OF VENTURA	\$ 1,052,973,082	\$ 205,676	0.02%
CITIES			
Camarillo	\$ 84,904,927	\$ 17,709	0.02%
Fillmore	20,893,957	4,360	0.02%
Moorpark	34,998,771	7,301	0.02%
Ojai	11,283,424	2,345	0.02%
Oxnard	316,575,281	66,043	0.02%
Port Hueneme	38,043,408	7,939	0.02%
San Buenaventura	163,542,179	34,122	0.02%
Santa Paula	38,049,722	7,939	0.02%
Simi Valley	94,871,037	19,786	0.02%
Thousand Oaks	182,816,341	38,132	0.02%
TOTAL	\$ 985,979,047	205,676	0.02%
SPECIAL DISTRICTS			
Bardsdale Cemetery District	\$ 175,481	\$ 109	0.06%
Bell Canyon Comm. Services District	460,949	284	0.06%
Blanchard / Santa Paula Public Library Dist.	810,839	502	0.06%
Calleguas Municipal Water District	155,437,134	96,049	0.06%
Camarillo Health Care District	3,362,698	2,077	0.06%
Camrosa Water District	20,385,855	12,598	0.06%
Casitas Municipal Water District	17,947,050	11,090	0.06%
Channel Islands Beach Comm. Serv. Dist.	4,121,764	2,546	0.06%
Conejo Recreation & Park District	19,656,487	12,145	0.06%
El Rancho Simi Pioneer Cemetery District	145,377	91	0.06%
Fillmore-Piru Memorial District	201,069	123	0.06%
Fox Canyon Groundwater Mgmt. Agency	1,304,731	806	0.06%
Hidden Valley Municipal Water District	8,115	4	0.05%
Meiners Oaks Water District	1,424,391	880	0.06%
Montalvo Comm. Services District	670,748	416	0.06%
Ojai Valley Sanitary District	9,191,639	5,681	0.06%
Ojai Water Conservation District	7,943	4	0.05%
Oxnard Drainage District No. 1	48,241	29	0.06%
Oxnard Drainage District No. 2	163,234	101	0.06%
Oxnard Harbor District	14,293,866	8,832	0.06%
Piru Public Cemetery District	44,068	27	0.06%
Pleasant Valley Co. Water District	3,994,544	2,468	0.06%
Pleasant Valley Rec & Park District	7,758,482	4,794	0.06%
Rancho Simi Rec & Park District	19,777,749	12,223	0.06%
Saticoy Sanitary District	446,061	276	0.06%
Triunfo Sanitation District	16,442,322	10,160	0.06%
United Water Conservation District	24,211,586	14,961	0.06%
Ventura Co. Resource Conserv. District	17,985	10	0.06%
Ventura Port District	8,216,843	5,078	0.06%
Ventura River County Water District	2,123,416	1,312	0.06%
TOTAL	\$ 332,850,667	\$ 205,676	0.06%

Source: State of California Annual Reports FY 13/14.

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

Ventura LAFCo Budget FY 2016-17

City and District Allocations

Attachment 4

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

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