



VENTURA LOCAL AGENCY FORMATION COMMISSION

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FINAL BUDGET

**Fiscal Year
2023-2024**

ADOPTED: May 17, 2023

**RESOLUTION OF THE
VENTURA LOCAL AGENCY FORMATION COMMISSION
ADOPTING A FINAL BUDGET FOR FISCAL YEAR 2023-24**

WHEREAS, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code Section 56000 et seq.) requires the Ventura Local Agency Formation Commission (Commission) to adopt annually a Proposed Budget by May 1 and a Final Budget by June 15; and

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

WHEREAS, on April 19, 2023, the Commission adopted a Proposed Budget for Fiscal Year 2023-24 that is higher than the adopted Fiscal Year 2022-23 Final Budget; and

WHEREAS, the public and other governmental agencies had an opportunity to comment and the Commission considered adoption of a Final Budget for Fiscal Year 2023-24 on May 17, 2023.

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 Final Budget for the 2023-24 fiscal year as set forth in Exhibit A attached hereto; and
- (2) Finds that the Final Budget as set forth in Exhibit A attached hereto will not result in reductions in staffing or program costs to such an extent that the Commission would be impeded from fulfilling the purpose and programs of the Cortese-Knox-Hertzberg Local Government Reorganization Act; and
- (3) Directs the Executive Officer to forward the Final Budget, as adopted, to all the independent special districts, cities and the County.

This resolution was passed and adopted on May 17, 2023.

	AYE	NO	ABSTAIN	ABSENT
Commissioner Avila	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Commissioner Crosswhite	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Commissioner Gorell	<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 Rooney	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Commissioner Richards	<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 Hasan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Alt. Commissioner LaVere	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Alt. Commissioner Ross	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Alt. Commissioner Santangelo	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

5-17-23

Date

Pat Richards

Chair, Ventura Local Agency Formation Commission

Attachment: Exhibit A

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

Resolution Adopting a Final Budget for FY 2023-24

May 17, 2023

Page 2 of 2



BUDGET MESSAGE

Final Budget - Fiscal Year 2023-2024

Adopted: May 17, 2023

Introduction

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code Section 56000 *et seq.*) (CKH) directs that each Local Agency Formation Commission (LAFCo) 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) 2023-24 on April 19, 2023, and this Final Budget for FY 2023-24 on May 17, 2023. The Final Budget will be used by the County Auditor-Controller's Office to collect revenues as necessary from the County, cities and independent special districts.

The Ventura LAFCo Commissioner's Handbook, the compendium of the Ventura LAFCo's policies and procedures, contains budget policies in Section 2.3.1 *et seq.* The Adopted Final Budget for FY 2023-24 was prepared in accordance with these policies. Budget goals continue to be minimizing expenditures while fulfilling basic functions and to provide 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 2023-24 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 2022-23, sets forth a basic work plan for FY 2023-24, and provides background and explanatory information about the anticipated expenditures and revenues in the Adopted Final FY 2023-24 Budget.

Major LAFCo Responsibilities

- Act on proposals for incorporation of cities; formation, dissolution, consolidation and merger of special districts; and annexation and detachment of territory to and from cities and special districts.
- 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 2022-23 in Review

Based on information through the end of February 2023, total projected actual expenditures for FY 2022-23 are expected to be approximately:

Description	FY 22-23 Adopted	FY 22-23 Adjusted	FY 22-23 Projected	Estimated Savings
Total Salaries and Benefits	\$ 705,650	\$ 726,650	\$ 726,650	\$ 0.00
Total Services and Supplies	155,200	155,200	137,000	18,200
Contingencies	43,042	22,042	0.00	22,042
Total Expenditures	903,892	903,892	863,650	40,242

As shown above, the Commission authorized the transfer of \$21,000 from Contingencies to Salaries and Benefits in January 2023 in order to fund a general salary increase for LAFCo staff, leaving an unappropriated balance of \$22,042. As shown above, the anticipated savings in Salaries and Benefits, Services/Supplies and Contingencies are projected to total \$40,242 for FY 2022-23.

Actual revenue for FY 2022-23 is projected to be approximately:

Account Code	Description of Revenue	FY 22-23 Adopted	FY 22-23 Projected	Estimated Surplus/ (Deficit)
8911	Interest Earnings	\$ 1,500	\$ 8,000	\$ 6,500
9790	Other Revenue (from Fees)	6,000	20,000	14,000
9371	Other Govt. Agencies	769,392	769,392	0
	Total Revenue	776,892	797,392	20,500

As shown in the table above, a projected total revenue increase of \$20,500 is anticipated as part of the current budget due to an increase in anticipated revenue from fees combined with higher interest earnings than anticipated.

The projected \$40,242 savings in Salaries/Benefits and Services/Supplies and Contingencies along with the projected \$20,500 of revenue surplus results in a total projected unappropriated Fund Balance of \$60,742, which is \$66,258 less than the \$127,000 appropriated Fund Balance adopted as a part of the FY 2022-23 Final Budget.

The following bullet points comprise the work plan that was adopted as a part of the FY 2022-23 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 work plan.*

In April 2018, LAFCo approved a Work Plan for the 2018-2022 sphere of influence review/update and municipal service review cycle. The Work Plan was revised in October 2018 and specifies that the review of the spheres of influence for 32 special districts, which will include the preparation of a municipal service review for 28 water and wastewater districts, was to be initiated in 2019. Of these 28 districts, MSRs and sphere of influence reviews/updates for six were completed and accepted by the Commission so far this fiscal year (seven if the MSR for Metropolitan Water District of Southern California is included) and an additional one is anticipated to be completed before the end of the fiscal year (16 were completed in FY 2021-22 and the remaining six are anticipated to be completed during FY 2023-24). Though not formally part of the Work Plan, for the current fiscal year, LAFCo has also completed, or is currently processing, 11 applications (e.g., reorganizations, sphere of influence amendments, and out of agency service agreements).

- *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 12 CEQA notices/documents, general plan updates, and development

proposals. These include development proposals within cities and the unincorporated County area.

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

Staff continues to keep the Commission informed of notable events/items through regular 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 local and regional associations. In addition, staff continues to enhance the LAFCo website making it more user friendly with enhanced features and the ability to access city and district maps and is pursuing the addition of short videos to better convey to the public the role and mission of LAFCo.

Staff routinely monitors the budget. An external audit of LAFCo's financial statements for the year ended June 30, 2022 is currently being performed.

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

On an ongoing basis and as needed, staff identifies potential policy updates/revisions for Commission consideration.

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

Staff routinely meets with members of the public to discuss LAFCo's role in development. Staff also routinely meets with the staff of the County, cities, and special districts to discuss anticipated proposals, sphere of influence reviews, environmental documents, and other LAFCo-related activities. Staff also welcomes opportunities to discuss the mission of LAFCo with the public or other agencies.

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 2023-24, 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 2023-24 Work Plan

- Continue municipal service reviews and sphere of influence reviews/updates in accordance with the approved 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) (see tables on pages 13-14). Including a 5.0% contingency, the Adopted Final Budget reflects an overall expenditure increase of approximately 7.8% compared to the FY 2022-23 Adopted/Adjusted Final Budget, as indicated in the following table:

Description	FY 22-23 Adopted/ Adjusted	FY 23-24 Adopted	Increase / (Decrease)	Percent Change
Total Expenditures	\$ 903,892	\$ 974,242	\$ 70,350	7.8%

Salary and Employee Benefits (1000 series of account codes)

Salaries and Employee Benefits continue to be the greatest expense, comprising approximately 80.0% of the total expenditures (more if contingencies are not included). Expenditures for Salaries and Benefits are proposed to increase by approximately 3.4% as compared to FY 2022-23, as adjusted, as indicated in the following table:

Description	FY 22-23 Adjusted	FY 23-24 Adopted	Increase / (Decrease)	Percent Change
Total Salaries and Benefits	\$ 726,650	\$ 751,450	\$ 24,800	3.4%

The increase comes primarily from an anticipated increase to Regular Salaries (account code 1101), however, this increase is partially offset by a substantial decrease in Retirement Contributions (account code 1121):

Description	Acct Code	FY 22-23 Adjusted	FY 23-24 Adopted	Increase / (Decrease)	Percent Change
Regular Salaries	1101	\$ 475,451	\$ 505,000	\$ 29,549	6.2%
Retirement Contribution	1121	99,383	88,000	(11,383)	-11.5%

The proposed increase to regular salaries includes merit increases for the Deputy Executive Officer and Office Manager/Clerk to the Commission, and also reflects a 4.0% general salary increase (GSI) for most County employees covered by the Management, Confidential Clerical, and Other Unrepresented Employees Resolution (Management Resolution), which includes LAFCo staff, to become effective in December 2023. The County Board of Supervisors approved the GSI in December 2022.

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

Title	FY 2022-23	FY 2023-24
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 greater than that in the Adopted Final Budget for the current fiscal year, as indicated in the following table:

Description	FY 22-23 Adopted/ Adjusted	FY 23-24 Adopted	Increase / (Decrease)	Percent Change
Total Services and Supplies	\$ 155,200	\$ 176,400	\$ 21,200	13.7%

The increase comes primarily from anticipated increases to Cost Allocation Plan Charges (account code 2158) and Other Professional and Specialized Non ISF (account code 2199);

Description	Acct Code	FY 22-23 Adopted/ Adjusted	FY 23-24 Adopted	Increase / (Decrease)	Percent Change
Cost Allocation Plan charges	2158	\$ -8,000	\$ 7,000	\$ 15,000	n/a
Other Professional and Specialized Non ISF	2199	20,000	32,500	12,500	62.5%

- Cost Allocation Plan Charges (account code 2158) are set by the County and pertain to costs for County services provided primarily by the General Services Agency, the Auditor-Controller's Office, County Counsel, and the County Executive Office, including Human Resources. For the current fiscal year, LAFCo will receive an approximately \$8,000 credit as a result of an overcharge that occurred in previous years. This \$8,000 credit is considered revenue. For next fiscal year, the County estimates costs of approximately \$7,000.
- Other Professional and Specialized Non ISF (account code 2199) includes costs for professional services, such as for the annual audit. The costs for the annual audit increased by approximately \$4,000 to \$13,000. This account also reflects the costs associated with the

production of 2-3 short videos for the LAFCo website, recommended to be budgeted at \$12,000.

Contingencies

In accordance with the Commission's budget policies, the budget should provide for contingencies equaling 10.0% of total expenditures, unless the Commission deems that a different amount is appropriate. To reduce the amount of revenue necessary from other governmental agencies for the current fiscal year, the Commission reduced the amount of contingency appropriation to 5.0%, or \$43,042. The Adopted Final Budget also reflects a 5.0% contingency appropriation, or \$46,392. Should there be a need for any unanticipated expenditures which might exceed the contingency amount, an appropriation could be made from the unappropriated/unassigned fund balance (which is projected to be approximately \$336,000 at the end of the current fiscal year).

Financing Sources

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 (consisting of the revenue to be collected from the County, cities and independent special districts (account code 9371)).

Fund Balance

Section 56381(c) of 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 2022-23 in Review" section above, approximately \$60,742 is projected to be available at the end of the current fiscal year to appropriate for the FY 2022-23 Budget.

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. The total unassigned fund balance for the current year is estimated to be \$335,701. Pursuant to Commission policies, an unassigned (and unappropriated) fund balance of approximately 60 days' working capital must be maintained. Based on the projected actual expenditures for FY 2022-23 (\$797,392), 60 days' working capital would be approximately \$143,942, leaving another \$ 191,759 in unassigned fund balance. The Adopted Final Budget includes an appropriated fund balance of \$100,000.

Miscellaneous Revenue

Miscellaneous revenue includes interest earnings and other revenue, primarily application filing fees. The Adopted Final Budget for Miscellaneous Revenue is \$11,000, which is more than the Adopted Budget amount of \$7,500 for the current fiscal year. This reflects a \$3,500 increase in anticipated Interest Income (account 8911).

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 re-adopted by the Commission in April 2021. The Commission reviewed the fee schedule at its April 19, 2023, meeting and approve an increase in the hourly composite rate for next fiscal year.

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

Pursuant to 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. CKH describes how the County Auditor-Controller is to make this apportionment and collect revenues once LAFCo adopts a Final Budget.

Though the Adopted Final Budget represents a 7.8% (\$70,680) increase over the current budget, the revenue projected to be collected from the County, the 10 cities, and the 29 independent special districts will increase 12.2% from the current fiscal year (an increase of \$31,283 for each of three funding categories). This is due to the increase in anticipated expenditures and decrease in the amount of appropriated fund balance, as discussed above. 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 2022-23 is slightly above the average over the previous five years (83%).

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%

Ventura LAFCo

Adopted Final Budget FY 2023-24

Adopted: May 17, 2023

Page 8

Year	Adopted Budget –Total Finance Sources	Amount of Revenue from Other Governmental Agencies	Percent of Total Revenue from Other Governmental Agencies
FY 2013-14	\$675,769	\$573,636	85%
FY 2014-15	\$641,949	\$519,249	81%
FY 2015-16	\$678,977	\$576,477	85%
FY 2016-17	\$703,028	\$617,028	88%
FY 2017-18	\$743,490	\$626,991	84%
FY 2018-19	\$766,096	\$622,596	81%
FY 2019-20	\$830,225	\$657,225	79%
FY 2020-21	\$857,431	\$718,431	84%
FY 2021-22	\$875,963	\$763,962	87%
FY 2022-23	\$903,892	\$769,392	85%
FY 2023-24 ¹	\$974,242	\$863,242	89%

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 2020-21 State Controller Reports. These are the most current reports available at this time. Should the State issue Cities and Special District Reports for FY 2021-22 before the end of June, the County Auditor-Controller's Office will use those reports as the basis for collecting revenue from the cities and special districts for FY 2023-24. 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 2017-18 through the current proposed allocations for FY 2023-24.

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 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. 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 2023-24 was prepared and is being recommended consistent with the Commission's policies and the knowledge and experience gained from prior years.

¹ Based on FY 2023-24 Adopted Final Budget

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Kai Luoma', with a stylized flourish at the end.

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 2018-19, 2019-20, 2020-21, 2021-22, 2022-23, and 2023-24

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

OPERATING EXPENSES

		FY 2022-2023			FY 2023-2024			
		Adopted	Adjusted	Projected	Approved Proposed	Adopted Final	Difference from FY 2022-23 Adjusted Budget	Percentage Difference from FY 2022-23 Adjusted Budget
Salaries and Benefits								
Account	Description							
1101	Regular Salaries	459,000	475,451	475,451	505,000	505,000	29,549	6.2%
1106	Supplemental Payments	18,000	18,509	18,509	20,000	20,000	1,491	8.1%
1107	Terminations (Buydowns)	25,000	25,000	25,000	25,000	25,000	0	0.0%
1121	Retirement Contribution	97,000	99,383	99,383	88,000	88,000	(11,383)	-11.5%
1122	OASDI Contribution	27,000	27,544	27,544	30,000	30,000	2,456	8.9%
1123	FICA Medicare	8,500	8,698	8,698	9,000	9,000	302	3.5%
1141	Group Insurance	48,000	48,000	48,000	50,000	50,000	2,000	4.2%
1142	Life Insurance for Department Heads and Management	150	150	150	150	150	0	0.0%
1143	State Unemployment Insurance	700	700	700	0	0	(700)	-100.0%
1144	Management Disability Insurance	3,400	3,497	3,497	3,800	3,800	303	8.7%
1165	Workers Compensation Insurance	4,600	5,009	5,009	4,700	4,700	(309)	-6.2%
1171	401k Plan	14,300	14,709	14,709	15,800	15,800	1,091	7.4%
	Total Salaries and Employee Benefits	705,650	726,650	726,650	751,450	751,450	24,800	3.4%
EXPENDITURES								
Services and Supplies								
Account	Description							
2032	Voice Data ISF	4,300	4,300	4,300	3,700	3,700	(600)	-14.0%
2033	Radio Communications ISF	5,050	5,050	5,050	2,000	2,000	(3,050)	-60.4%
2071	General Insurance Allocation ISF	3,500	3,500	3,500	4,000	4,000	500	14.3%
2114	Facilities and Materials SQ.FT Allocation ISF	0	0	0	0	0	0	0.0%
2115	Facilities Projects ISF	0	0	0	0	0	0	0.0%
2116	Other Maintenance ISF	10,000	10,000	7,000	10,000	10,000	0	0.0%
2131	Memberships and Dues	12,000	12,000	12,000	13,000	13,000	1,000	8.3%
2158	Cost Allocation Plan Charges	-8,000	-8,000	-8,000	7,000	7,000	15,000	-187.5%
2163	Books and Publications	500	500	150	500	500	0	0.0%
2164	Mail Center ISF	2,000	2,000	2,000	2,000	2,000	0	0.0%
2165	Purchasing Charges ISF	100	100	100	150	150	50	50.0%
2166	Graphics Charges ISF	500	500	500	500	500	0	0.0%
2167	Copy Machine Chgs ISF	1,000	1,000	1,000	2,000	2,000	1,000	100.0%
2168	Stores ISF	50	50	50	50	50	0	0.0%
2179	Miscellaneous Office Expenses	2,500	2,500	2,500	2,500	2,500	0	0.0%
2181	Board and Commission Member Compensation 1099	5,000	5,000	3,700	4,000	4,000	(1,000)	-20.0%
2185	Attorney Services (County Counsel)	20,000	20,000	20,000	20,000	20,000	0	0.0%
	Other Professional and Specialized Non ISF (Auditors, County Accounting Services, and CAPS Media)	20,000	20,000	17,000	32,500	32,500	12,500	62.5%
2202	Information Tech ISF	4,000	4,000	4,000	7,000	7,000	3,000	75.0%
2203	County Geographical Information Systems Expense ISF	2,500	2,500	2,500	2,500	2,500	0	0.0%
2205	Public Works ISF Charges	5,000	5,000	8,500	1,000	1,000	(4,000)	-80.0%
2206	Special Services ISF	250	250	0	300	300	50	20.0%
2221	Publications and Legal Notices	5,000	5,000	2,000	3,700	3,700	(1,300)	-26.0%
2241	Building Leases/Rentals Non-County Owned	29,000	29,000	29,000	29,500	29,500	500	1.7%
2244	Storage Charges ISF	650	650	650	700	700	50	7.7%
2261	Computer Equipment < \$5,000	2,000	2,000	1,500	2,000	2,000	0	0.0%
2262	Furniture and Fixtures < \$5,000	2,000	2,000	0	0	0	(2,000)	-100.0%
2272	Conferences/ Seminars ISF (Training ISF)	500	500	0	0	0	(500)	-100.0%
2273	Education Conference and Seminars	0	0	0	0	0	0	0.0%
2291	Private Vehicle Mileage	9,000	9,000	8,000	8,500	8,500	(500)	-5.6%
2292	Travel Expense (Conferences / Seminars)	16,500	16,500	9,700	17,000	17,000	500	3.0%
2303	Motorpool ISF	300	300	300	300	300	0	0.0%
	Total Services and Supplies	155,200	155,200	137,000	176,400	176,400	21,200	13.7%
6101	Contingencies *	43,042	22,042	0	46,392	46,392	24,350	110.5%
	Total Contingencies	43,042	22,042	0	46,392	46,392	24,350	110.5%
	TOTAL EXPENDITURES	903,892	903,892	863,650	974,242	974,242	70,350	7.8%

* Pursuant to the VenturaLAFCo 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.

REVENUE LEDGER

		FY 2022-2023			FY 2023-2024			
		Adopted		Projected	Approved Proposed	Adopted Final	Difference from FY 2022-23 Adjusted Budget	Percentage Difference from FY 2022-23 Adjusted Budget
Appropriation of Fund Balance		127,000	127,000		100,000	100,000	(27,000)	-21.3%
Account	Description							
8911	Investment Income (Interest Earnings) **	1,500	1,500	8,000	5,000	5,000	3,500	233.3%
9790	Miscellaneous Revenue (LAFCo application fees)	6,000	6,000	20,000	6,000	6,000	0	0.0%
	Total Miscellaneous Revenue	7,500	7,500	28,000	11,000	11,000	3,500	46.7%
Other Governmental Agencies								
9371	Other Government Agencies (County of Ventura)	256,464	256,464	256,464	287,747	287,747	31,283	12.2%
9371	Other Government Agencies (Cities)	256,464	256,464	256,464	287,747	287,747	31,283	12.2%
9371	Other Government Agencies (Independent Special Districts)	256,464	256,464	256,464	287,747	287,747	31,283	12.2%
	Total Other Government Agencies Revenue	769,392	769,392	769,392	863,242	863,242	93,850	12.2%
	TOTAL REVENUE	776,892	776,892	797,392	874,242	874,242	97,350	12.5%
	TOTAL FINANCING SOURCES	903,892	903,892	797,392	974,242	974,242	70,350	7.8%
	NET INCOME/(LOSS) [PROJECTED USE OF APPROPRIATED FUND BALANCE]			(66,258)				

** Interest earnings are generated from LAFCo's cash balance which is part of the Ventura County Treasury Investment Pool.

PRELIMINARY FUND Balance as of June 30, 2022

	Actual Fund Balance 6/30/22	Projected Fund Balance 6/30/23	Estimated Fund Balance 6/30/24
Assigned:			
Appropriated	127,000	100,000	0
Committed:			
5700 Litigation	100,000	100,000	100,000
Unassigned:			
60 days' Working Capital	130,568	143,942	162,374
Unassigned	244,391	191,759	173,327
TOTAL UNASSIGNED	374,959	335,701	335,701
TOTAL FUND BALANCE	601,959	535,701	435,701

LAFCo Net Operating Expenses Government Code 56381 (b) (1) (A) & (B)¹

Fiscal Year 2023-24 Adopted Final Budget - Allocation for Cities

Source: State of California, Cities Annual Report FY 20/21

CITY	TOTAL REVENUE PER REPORT	PERCENTAGE	ALLOCATION \$
			287,747
1 Camarillo	\$ 119,446,957	8.40%	\$ 24,159
2 Fillmore	29,896,115	2.10%	\$ 6,048
3 Moorpark	33,065,566	2.32%	\$ 6,687
4 Ojai	16,604,527	1.17%	\$ 3,358
5 Oxnard	479,188,116	33.68%	\$ 96,926
6 Port Hueneme	49,804,840	3.50%	\$ 10,074
7 San Buenaventura	248,088,848	17.44%	\$ 50,181
8 Santa Paula	46,991,202	3.30%	\$ 9,504
9 Simi Valley	193,605,093	13.61%	\$ 39,160
10 Thousand Oaks	205,906,536	14.47%	\$ 41,650
TOTAL	\$ 1,422,597,800	100.00%	\$ 287,747

¹In 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 State 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' population.

LAFCo Net Operating Expenses Government Code 56381 (b) (1) (A) & (C)¹, (F)²

Fiscal Year 2023-24 Adopted Final Budget - Allocation for Independent Special Districts

Source: State of California, Special Districts Annual Report FY 20/21

INDEPENDENT SPECIAL DISTRICT	TOTAL REVENUE PER REPORT	PERCENTAGE (See Note 2)	ALLOCATION \$ 287,747
1 Bardsdale Cemetery District	\$ 324,657	0.078%	\$ 224
2 Bell Canyon Comm. Services District	648,789	0.155%	446
3 Blanchard / Santa Paula Public Library District	924,934	0.221%	636
4 Calleguas Municipal Water District	168,549,886	40.281%	115,910
5 Camarillo Health Care District	3,686,469	0.881%	2,535
6 Camrosa Water District	26,337,569	6.294%	18,111
7 Casitas Municipal Water District	27,951,740	6.680%	19,222
8 Channel Islands Beach Comm. Serv. Dist.	5,283,004	1.263%	3,634
9 Conejo Recreation & Park District	30,864,767	7.376%	21,224
10 El Rancho Simi Pioneer Cemetery District	298,392	0.071%	204
11 Fillmore-Piru Memorial District	175,833	0.042%	121
12 Fox Canyon Groundwater Mgmt. Agency	4,356,647	1.041%	2,995
13 Hidden Valley Municipal Water District	123,972	0.030%	86
14 Meiners Oaks Water District	1,884,918	0.450%	1,295
15 Ojai Valley Sanitary District	10,076,421	2.408%	6,929
16 Ojai Water Conservation District	12,210	0.003%	9
17 Oxnard Drainage District No. 1	34,295	0.008%	23
18 Oxnard Drainage District No. 2	177,892	0.043%	124
19 Oxnard Harbor District	23,191,092	5.542%	15,947
20 Piru Public Cemetery District	58,000	0.014%	40
21 Pleasant Valley Co. Water District	5,273,570	1.260%	3,626
22 Pleasant Valley Rec & Park District	9,944,385	2.377%	6,840
23 Rancho Simi Rec & Park District	24,764,047	5.918%	17,029
24 Saticoy Sanitary District	891,904	0.213%	613
25 Triunfo Sanitation District	24,263,581	5.799%	16,686
26 United Water Conservation District	34,486,027	8.242%	23,716
27 Ventura Co. Resource Conserv. District	14,115	0.003%	9
28 Ventura Port District	10,959,551	2.619%	7,536
29 Ventura River County Water District	2,875,801	0.687%	1,977
TOTAL	\$ 418,434,468	100.000%	\$ 287,747

¹In 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 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.

²No 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.

Apportionment of Net Operating Expenses Expressed as Percentage of each Agency's Total Revenue

	TOTAL REVENUE PER REPORT*	ALLOCATION	PERCENTAGE OF TOTAL REVENUE
COUNTY OF VENTURA	\$ 2,040,488,042	\$ 287,747	0.01%
CITIES			
Camarillo	\$ 119,446,957	\$ 24,159	0.02%
Fillmore	29,896,115	6,048	0.02%
Moorpark	33,065,566	6,687	0.02%
Ojai	16,604,527	3,358	0.02%
Oxnard	479,188,116	96,926	0.02%
Port Hueneme	49,804,840	10,074	0.02%
San Buenaventura	248,088,848	50,181	0.02%
Santa Paula	46,991,202	9,504	0.02%
Simi Valley	193,605,093	39,160	0.02%
Thousand Oaks	205,906,536	41,650	0.02%
TOTAL	\$ 1,422,597,800	287,747	0.02%
INDEPENDENT SPECIAL DISTRICTS			
Bardsdale Cemetery District	\$ 324,657	\$ 224	0.07%
Bell Canyon Comm. Services District	648,789	446	0.07%
Blanchard / Santa Paula Public Library Dist.	924,934	636	0.07%
Calleguas Municipal Water District	168,549,886	115,910	0.07%
Camarillo Health Care District	3,686,469	2,535	0.07%
Camrosa Water District	26,337,569	18,111	0.07%
Casitas Municipal Water District	27,951,740	19,222	0.07%
Channel Islands Beach Comm. Serv. Dist.	5,283,004	3,634	0.07%
Conejo Recreation & Park District	30,864,767	21,224	0.07%
El Rancho Simi Pioneer Cemetery District	298,392	204	0.07%
Fillmore-Piru Memorial District	175,833	121	0.07%
Fox Canyon Groundwater Mgmt. Agency	4,356,647	2,995	0.07%
Hidden Valley Municipal Water District	123,972	86	0.07%
Meiners Oaks Water District	1,884,918	1,295	0.07%
Ojai Valley Sanitary District	10,076,421	6,929	0.07%
Ojai Water Conservation District	12,210	9	0.07%
Oxnard Drainage District No. 1	34,295	23	0.07%
Oxnard Drainage District No. 2	177,892	124	0.07%
Oxnard Harbor District	23,191,092	15,947	0.07%
Piru Public Cemetery District	58,000	40	0.07%
Pleasant Valley Co. Water District	5,273,570	3,626	0.07%
Pleasant Valley Rec & Park District	9,944,385	6,840	0.07%
Rancho Simi Rec & Park District	24,764,047	17,029	0.07%
Saticoy Sanitary District	891,904	613	0.07%
Triunfo Sanitation District	24,263,581	16,686	0.07%
United Water Conservation District	34,486,027	23,716	0.07%
Ventura Co. Resource Conserv. District	14,115	9	0.06%
Ventura Port District	10,959,551	7,536	0.07%
Ventura River County Water District	2,875,801	1,977	0.07%
TOTAL	\$ 418,434,468	\$ 287,747	0.07%

* Source: State of California Annual Reports FY 20/21

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

Allocation Comparisons

CITIES	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24
Camarillo	\$ 16,341	\$ 16,411	\$ 20,839	\$ 21,131	\$ 21,415	\$ 24,159
Fillmore	4,485	4,103	4,646	4,681	4,950	6,048
Moorpark	8,096	7,146	6,928	6,748	6,668	6,687
Ojai	2,393	2,467	2,464	2,638	2,385	3,358
Oxnard	67,211	75,563	83,199	87,159	84,582	96,926
Port Hueneme	7,836	8,125	7,759	8,185	8,976	10,074
San Buenaventura	37,119	44,300	47,910	48,406	49,215	50,181
Santa Paula	3,939	4,062	5,336	4,306	4,591	9,504
Simi Valley	22,171	22,032	23,327	32,764	34,007	39,159
Thousand Oaks	37,941	34,866	37,069	38,636	39,675	41,650
TOTAL	\$ 207,532	\$ 219,075	\$ 239,477	\$ 254,654	\$ 256,464	\$ 287,747

INDEPENDENT SPECIAL DISTRICTS	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24
Bardsdale Cemetery District	\$ 141	\$ 147	\$ 153	\$ 130	\$ 141	\$ 224
Bell Canyon Comm. Services District	349	368	383	415	423	446
Blanchard / Santa Paula Library District	600	554	620	601	618	636
Calleguas Municipal Water District	86,136	87,106	99,151	96,869	101,549	115,910
Camarillo Health Care District	2,167	2,191	2,534	2,447	2,413	2,535
Camrosa Water District	13,994	12,991	15,425	15,297	15,839	18,111
Casitas Municipal Water District	11,223	11,804	13,188	14,431	13,947	19,222
Channel Islands Beach Comm. Serv. Dist.	2,704	2,857	3,130	3,680	3,378	3,634
Conejo Recreation & Park District	14,544	17,040	17,568	18,195	20,166	21,224
El Rancho Simi Pioneer Cemetery District	108	107	120	115	144	204
Fillmore-Piru Memorial District	125	145	139	158	141	121
Fox Canyon Groundwater Mgmt. Agency	1,658	2,471	1,691	2,078	2,044	2,995
Hidden Valley Municipal Water District	60	44	36	28	41	86
Meiners Oaks Water District	874	995	1,205	1,128	1,126	1,295
Montalvo Comm. Services District	515	563	558	n/a	n/a	-
Ojai Valley Sanitary District	6,799	6,476	6,092	6,794	7,066	6,929
Ojai Water Conservation District	6	6	7	8	8	9
Oxnard Drainage District No. 1	33	22	24	25	23	23
Oxnard Drainage District No. 2	104	100	117	107	136	124
Oxnard Harbor District	10,642	10,299	11,515	12,714	12,055	15,947
Piru Public Cemetery District	35	30	44	37	35	40
Pleasant Valley Co. Water District	2,434	2,916	3,128	2,429	2,593	3,626
Pleasant Valley Rec & Park District	5,514	7,834	6,241	6,496	7,345	6,840
Rancho Simi Rec & Park District	13,973	15,383	16,117	29,851	19,235	17,029
Saticoy Sanitary District	361	429	460	486	467	613
Triunfo Sanitation District	10,028	10,954	12,800	13,262	13,934	16,686
United Water Conservation District	14,839	16,932	18,755	18,431	23,615	23,716
Ventura Co. Resource Conserv. District	58	114	280	135	13	9
Ventura Port District	6,095	6,780	6,380	6,738	6,389	7,536
Ventura River County Water District	1,413	1,417	1,616	1,569	1,580	1,977
TOTAL	\$ 207,532	\$ 219,075	\$ 239,477	\$ 254,654	\$ 256,464	\$ 287,747