



VENTURA LOCAL AGENCY FORMATION COMMISSION

COUNTY GOVERNMENT CENTER • HALL OF ADMINISTRATION

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FINAL BUDGET

**Fiscal Year
2019-2020**

ADOPTED: May 15, 2019

**RESOLUTION OF THE
VENTURA LOCAL AGENCY FORMATION COMMISSION
ADOPTING A FINAL BUDGET FOR FISCAL YEAR 2019-20**

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 17, 2019 the Commission adopted a Proposed Budget for Fiscal Year 2019-20; 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 2019-20 on May 15, 2019.

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

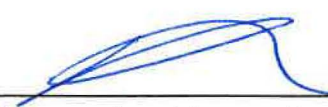
- (1) Adopts the Recommended Final Budget as the Final Budget for the 2019-20 Fiscal Year as set forth in Exhibit A attached hereto; and
- (2) Finds that the Recommended Final Budget as set forth in Exhibit A attached hereto will not result in reductions in staffing or program costs to such an extent that the Commission would be impeded from fulfilling the purpose and programs of the Cortese-Knox-Hertzberg Local Government Reorganization Act; and
- (3) Directs the Executive Officer to forward the Final Budget, as adopted, to all the independent special districts, cities and the County.

This resolution was passed and adopted on May 15, 2019.

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

5-15-19

Date


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

BUDGET MESSAGE **Final Budget - Fiscal Year 2019-2020**

Adopted: May 15, 2019

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 at a hearing on April 17, 2019 and will consider this Final Budget for Fiscal Year (FY) 2019-20 on May 15, 2019. 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 2019-20 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 2019-20 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 2018-19, sets forth a basic work plan for FY 2019-20, and provides background and explanatory information about the anticipated expenditures and revenues in this Adopted Final FY 2019-20 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 2018-19 in Review

Based on information through the end of February 2019, total projected actual expenditures for FY 2018-19 are expected to be approximately:

Description	FY 18-19 Adopted	FY 18-19 Projected	Estimated Savings
Total Salaries and Benefits	\$ 548,700	\$ 544,000	\$ 4,700
Total Services and Supplies	147,750	139,050	8,700
Contingencies	69,646	0	69,646
Total Expenditures	766,096	683,050	83,046

As shown above, staff does not anticipate the need to use the Contingencies appropriation of \$69,646. The anticipated savings in Salaries and Benefits, Services/Supplies and Contingencies are projected to be \$83,046 for FY 2018-19.

Actual revenue for FY 2018-19 is projected to be approximately:

Account Code	Description	FY 18-19 Adopted	FY 18-19 Projected	Estimated Increases/ (Deficit)
8911	Interest Earnings	\$ 8,500	\$ 8,500	\$ 0
9790	Other Revenue (from Fees)	20,000	15,000	(5,000)
9371	Other Govt. Agencies	622,596	622,596	0
	Total Revenue	651,096	645,596	(5,000)

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

The projected \$83,046 savings in Salaries/Benefits and Services/Supplies and Contingencies along with the projected \$5,000 of revenue deficit results in a total projected unappropriated Fund Balance of \$78,046, which is \$36,954 less than the \$115,000 appropriated Fund Balance adopted as a part of the FY 2018-19 Final Budget.

The following bullet points are the work plan that was adopted as a part of the FY 2018-19 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 22 water and wastewater districts, was to be initiated in 2019. The review for most of these districts commenced in late 2018. Though not formally part of the Work Plan, for the current fiscal year, LAFCo has also completed, or is currently processing, nine 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 fourteen CEQA notices/documents, general plan updates, and development proposals. These include development proposals within cities and the unincorporated County area.

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

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

Staff routinely monitors the budget. An external audit of LAFCo's financial statements for the year ended June 30, 2018 was performed.

This fiscal year, LAFCo staff attended the CALAFCO Annual Conference in October 2018. Staff also attended the CALAFCO Staff Workshop in early April 2019. 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 regarding the Commission's legislative platform, as well as 13 minor policy revisions, were adopted during the current fiscal year. On an ongoing basis, staff identifies potential policy updates/revisions for Commission consideration, as needed.

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

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

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 2019-20, 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 2019-20 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). Including a 10% contingency, the Adopted Final Budget reflects an overall expenditure increase of approximately 8.4% compared to the FY 2018-19 Adopted Final Budget, as indicated in the following table:

Description	FY 18-19 Adopted	FY 19-20 Adopted	Increase / (Decrease)	Percent Change
Total Expenditures	\$ 766,096	\$ 830,225	\$ 64,129	8.4%

Salary and Employee Benefits (1000 series of account codes)

Salaries and Employee Benefits continue to be the greatest expense, comprising approximately 71% of the total expenditures (more if contingencies are not included). Expenditures for Salaries and Benefits are proposed to increase by approximately 6.9% as compared to FY 2018-19 as indicated in the following table:

Description	FY 18-19 Adopted	FY 19-20 Adopted	Increase / (Decrease)	Percent Change
Total Salaries and Benefits	\$ 548,700	\$ 586,450	\$ 37,750	6.9%

The increase comes primarily from an anticipated increase to Regular Salaries (account code 1101) and related increases in the various benefit accounts, Retirement Contributions (account code 1121), and Group Insurance (account code 1141):

Description	Acct Code	FY 18-19 Adopted	FY 19-20 Adopted	Increase / (Decrease)	Percent Change
Regular Salaries	1101	\$ 368,500	\$ 390,000	\$ 21,500	5.8%
Retirement Contributions	1121	80,500	93,500	13,000	16.1%
Group Insurance	1141	31,000	35,000	4,000	12.9%

The increase in salary reflects anticipated merit increases as provided for under the terms of the County of Ventura Management, Confidential Clerical and Other Unrepresented Employees Resolution. The increase in Retirement Contributions includes an approximately 2% increase to the percentage of salaries and related benefit accounts that is used to determine the contribution for full-time County employees. The increase in Group Insurance reflects an increase to the amount of contributions toward health insurance for County employees pursuant to the County's Management Resolution.

The increase in salaries and employee benefits is partially offset by the reduction of funding to the Terminations (Buydowns) (account code 1107), under which County employees can cash out vacation time:

Description	Acct Code	FY 18-19 Adopted	FY 19-20 Adopted	Increase / (Decrease)	Percent Change
Terminations (Buydowns)	1107	\$ 9,500	\$ 5,000	(\$ 4,500)	-47%

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

Title	FY 2018-19	FY 2019-20
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 18-19 Adopted	FY 19-20 Adopted	Increase / (Decrease)	Percent Change
Total Services and Supplies	\$ 147,750	\$ 168,300	\$ 20,550	13.9%

The increase in total Services and Supplies is due, in part, to a significant increase in Other Maintenance ISF (account code 2116). This charge is to cover the technology support services associated with broadcasting/recording Commission meetings and posting them on the LAFCo website. This charge is new to LAFCo and the result of a policy change by the County. Based on charges for Commission meetings in the current fiscal year, LAFCo staff estimates that the cost for an average LAFCo meeting would be approximately \$1,000. Multiplied by 10 regular meetings scheduled each year, the total expense is estimated at \$10,000.

New to the LAFCo budget is account code 2241 - Building Leases/Rentals Non-County Owned. This account code covers the costs associated with the sublease between LAFCo and the County for the new LAFCo office space to be located in a non-County-owned building. Pursuant to the terms of the sublease, the first year's lease rate is just under \$28,000. The relocation of the LAFCo office will result in the reduction and/or elimination of some costs associated with the current location of the LAFCo office in the County Hall of Administration, which will help to offset the sublease cost. The costs associated with the Facilities and Materials SQ. FT. Allocation ISF (account code 2114) (\$16,400 for the current fiscal year and estimated to be \$17,435 for next fiscal year) will no longer be charged to LAFCo beginning next fiscal year. In addition, two charges associated with Cost Allocation Plan Charges (account code 2158) will no longer be charged to LAFCo beginning in Fiscal Year 2021-22. These two charges (Building Use and GSA Required Maintenance) are based on actual costs from the previous two years. The estimated cost for next fiscal year is \$19,122 and includes an estimated approximately \$7,000 charge for future years. However, the CEO has agreed to waive the \$7,000 charges to LAFCo for the next two fiscal years. This will result in a savings of approximately \$7,000 for next fiscal year.

Contingencies

In accordance with the Commission's budget policies, the budget should provide for contingencies equaling 10% of total expenditures, unless the Commission deems that a different amount is appropriate. It is recommended that the FY 2019-20 Adopted Final Budget include a contingency appropriation of 10% of total expenditures, or \$75,475. The contingency amount for the current fiscal year is \$69,646.

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 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 2018-19 in Review” section above, approximately \$78,046 is projected to be available at the end of the current fiscal year to appropriate for the FY 2019-20 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 \$347,230. 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 2018-19 (\$683,050), 60 days’ working capital would be approximately \$113,842, leaving another \$233,388 in unassigned fund balance. The adopted budget includes an appropriated fund balance of \$150,000.

Miscellaneous Revenue

Miscellaneous revenue includes interest earnings and other revenue, primarily application filing fees. The Adopted Final Budget for Miscellaneous Revenue is \$23,000, which is less than the Adopted Budget amount of \$28,500 for the current fiscal year. This decrease reflects a \$5,500 reduction in anticipated Miscellaneous Revenue (application fees) (account 9790).

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 that 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 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.

The revenue projected to be collected from the County, cities, and independent special districts is proposed to increase by \$34,629, or 5.6%, from \$622,596 to \$657,225 for next fiscal year. This represents an \$11,543 increase to \$219,075 per each of the County, the 10 cities, and the 30 independent special districts. 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 2019-20 is slightly below the average over the previous five years (83.8%).

Year	Adopted Budget –Total Finance Sources	Amount of Revenue from Other Governmental Agencies	Percent of Total Revenue from Other Governmental Agencies
FY 2001-02	\$548,737	\$468,737	85%
FY 2002-03	\$719,130	\$568,502	79%
FY 2003-04	\$641,215	\$390,699	61%
FY 2004-05	\$702,503	\$473,067	67%
FY 2005-06	\$723,226	\$361,874	50%
FY 2006-07	\$830,154	\$621,617	75%
FY 2007-08	\$949,269	\$715,957	75%
FY 2008-09	\$735,422	\$488,684	66%
FY 2009-10	\$783,101	\$587,084	75%
FY 2010-11	\$772,892	\$590,055	76%
FY 2011-12	\$766,598	\$570,285	74%
FY 2012-13	\$659,706	\$550,515	83%
FY 2013-14	\$675,769	\$573,636	85%
FY 2014-15	\$641,949	\$519,249	81%
FY 2015-16	\$678,977	\$576,477	85%
FY 2016-17	\$703,028	\$617,028	88%
FY 2017-18	\$743,490	\$626,991	84%
FY 2018-19	\$766,096	\$622,596	81%
FY 2019-20 ¹	\$830,225	\$657,225	79%

¹ Based on FY 2019-20 Adopted Final Budget

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 2016-17 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 2017-18 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 2019-20. 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, 2016-17, 2017-18, 2018-19 and proposed for FY 2019-20.

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. 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 17 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 2019-20 was prepared and is being recommended consistent with the Commission's policies and the knowledge and experience gained from prior years.

Respectfully submitted,



Kai Luoma
Executive Officer

ATTACHMENTS:

1. Other Governmental Agencies-Cities Allocation Amounts
2. Other Governmental Agencies-Independent Special District Allocation Amounts
3. Agency Revenue Allocation Percentages
4. Agency Allocations for FYs 2013-14, 2014-15, 2015-16, 2016-17, 2017-18, 2018-19, and 2019-20

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 2019-2020						
	Acct Code	Final Adopted/ Adjusted FY 2018-19	Projected Actuals FY 2018-19	Recommended Proposed Budget FY 2019-20 April 17, 2019	Recommended Final Budget FY 2019-20 May 15, 2019	Final Budget FY 2019-20 Adopted May 15, 2019
EXPENDITURES						
Salaries and Employee Benefits						
Regular Salaries	1101	368,500	368,500	390,000	390,000	390,000
Supplemental Payments	1106	15,000	15,000	15,500	15,500	15,500
Terminations (Buydowns)	1107	9,500	4,800	5,000	5,000	5,000
Retirement Contribution	1121	80,500	80,500	93,500	93,500	93,500
OASDI Contribution	1122	20,500	20,500	22,000	22,000	22,000
FICA Medicare	1123	6,000	6,000	6,500	6,500	6,500
Retiree Health Payment 1099 (Mgmt. Retiree Health)	1128	0	0	0	0	0
Group Insurance	1141	31,000	31,000	35,000	35,000	35,000
Life Insurance for Department Heads and Management	1142	150	150	150	150	150
State Unemployment Insurance	1143	300	300	300	300	300
Management Disability Insurance	1144	3,000	3,000	3,000	3,000	3,000
Workers Compensation Insurance	1165	2,750	2,750	3,300	3,300	3,300
401k Plan	1171	11,500	11,500	12,200	12,200	12,200
Total Salaries and Employee Benefits		548,700	544,000	586,450	586,450	586,450

VENTURA LOCAL AGENCY FORMATION COMMISSION EXPENDITURES AND REVENUE DETAIL ADOPTED FINAL BUDGET FY 2019-2020						
	Acct Code	Final Adopted/ Adjusted FY 2018-19	Projected Actuals FY 2018-19	Recommended Proposed Budget FY 2019-20 April 17, 2019	Recommended Final Budget FY 2019-20 May 15, 2019	Final Budget FY 2019-20 Adopted May 15, 2019
EXPENDITURES						
Services and Supplies						
Voice Data ISF	2032	3,000	3,000	3,000	3,000	3,000
General Insurance Allocation ISF	2071	1,800	1,800	1,900	1,900	1,900
Facilities and Materials SQ FT Allocation ISF	2114	16,400	16,400	0	0	0
Facilities Projects ISF	2115	0	0	0	0	0
Other Maintenance ISF	2116	500	5,600	10,000	10,000	10,000
Memberships and Dues	2131	8,100	8,100	9,250	9,250	9,250
Cost Allocation Plan Charges	2158	12,000	12,000	12,200	12,200	12,200
Books and Publications	2163	500	400	500	500	500
Mail Center ISF	2164	2,500	2,000	2,000	2,000	2,000
Purchasing Charges ISF	2165	100	100	100	100	100
Graphics Charges ISF	2166	500	0	500	500	500
Copy Machine Chgs ISF	2167	2,000	1,000	1,000	1,000	1,000
Stores ISF	2168	50	50	50	50	50
Miscellaneous Office Expenses	2179	4,500	1,800	2,500	2,500	2,500
Board and Commission Member Compensation 1099	2181	5,000	2,500	5,000	5,000	5,000
Attorney Services (County Counsel)	2185	20,000	20,000	20,000	20,000	20,000
Other Professional and Specialized Non ISF (Auditors and County Accounting Services)	2199	14,500	14,500	15,000	15,000	15,000
Information Tech ISF	2202	2,000	2,000	3,600	3,600	3,600
County Geographical Information Systems Expense ISF	2203	14,000	14,000	15,000	15,000	15,000
Public Works ISF Charges	2205	3,000	2,000	3,000	3,000	3,000
Special Services ISF	2206	100	100	100	100	100
Publications and Legal Notices	2221	3,000	2,000	3,000	3,000	3,000
Building Leases/Rentals Non-County Owned	2241	0	2,500	28,000	28,000	28,000
Storage Charges ISF	2244	500	500	500	500	500
Computer Equipment < \$5,000	2261	2,000	2,400	0	0	0
Furniture and Fixtures < \$5,000	2262	500	500	2,000	2,000	2,000
Conferences/ Seminars ISF (Training ISF)	2272	500	100	500	500	500
Education Conference and Seminars	2273	500	0	0	0	0
Private Vehicle Mileage	2291	9,000	8,100	9,000	9,000	9,000
Travel Expense (Conferences / Seminars)	2292	20,600	15,000	20,000	20,000	20,000
Motorpool ISF	2303	600	600	600	600	600
Total Services and Supplies		147,750	139,050	168,300	168,300	168,300
Contingencies *	6101	69,646	0	75,475	75,475	75,475
Total Contingencies		69,646	0	75,475	75,475	75,475
TOTAL EXPENDITURES		766,096	683,050	830,225	830,225	830,225

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

VENTURA LOCAL AGENCY FORMATION COMMISSION EXPENDITURES AND REVENUE DETAIL ADOPTED FINAL BUDGET FY 2019-2020						
	Acct Code	Final Adopted/ Adjusted FY 2018-19	Projected Actuals FY 2018-19	Recommended Proposed Budget FY 2019-20 April 17, 2019	Recommended Final Budget FY 2019-20 May 15, 2019	Final Budget FY 2019-20 Adopted May 15, 2019
FINANCING SOURCES						
Appropriation of Fund Balance		115,000		150,000	150,000	150,000
Investment Income (Interest Earnings)	8911	8,500	8,500	8,000	8,000	8,000
Miscellaneous Revenue (LAFCo application fees)	9790	20,000	15,000	15,000	15,000	15,000
Total Miscellaneous Revenue		28,500	23,500	23,000	23,000	23,000
Other Governmental Agencies						
Other Government Agencies (County of Ventura)	9371	207,532	207,532	219,075	219,075	219,075
Other Government Agencies (Cities)	9371	207,532	207,532	219,075	219,075	219,075
Other Government Agencies (Ind. Special Districts)	9371	207,532	207,532	219,075	219,075	219,075
Total Other Government Agencies Revenue		622,596	622,596	657,225	657,225	657,225
TOTAL REVENUE		651,096	646,096	680,225	680,225	680,225
TOTAL FINANCING SOURCES		766,096	646,096	830,225	830,225	830,225
NET INCOME / (LOSS) [PROJECTED USE OF APPROPRIATED FUND BALANCE]			(36,954)			

Preliminary Fund Balance and Estimated Ending Fund Balance at June 30, 2019

FUND BALANCES	Actual Fund Balance 6/30/18	Projected Fund Balance 6/30/19	Estimated Fund Balance 06/30/20	
Assigned:				
Appropriated	115,000	150,000	0	
Committed:				
Litigation	100,000	100,000	100,000	
Unassigned:				
60 Days' Working Capital	94,830	113,842	138,371	
Unassigned	324,354	233,388	208,859	
TOTAL UNASSIGNED	419,184	347,230	347,230	
TOTAL FUND BALANCE	634,184	597,230	447,230	

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

ADOPTED FINAL BUDGET FOR FISCAL YEAR 2019-20

ALLOCATION - CITIES

SOURCE: STATE OF CALIFORNIA, CITIES ANNUAL REPORT, FY 16/17

	CITY	TOTAL REVENUE PER REPORT	PERCENTAGE	ALLOCATION \$
				\$ 219,075
1	Camarillo	\$ 78,421,185	7.49%	\$ 16,411
2	Fillmore	19,606,333	1.87%	4,103
3	Moorpark	34,154,618	3.26%	7,146
4	Ojai	11,790,977	1.13%	2,467
5	Oxnard	361,095,108	34.49%	75,563
6	Port Hueneme	38,832,508	3.71%	8,125
7	San Buenaventura	211,696,772	20.22%	44,300
8	Santa Paula	19,413,660	1.85%	4,062
9	Simi Valley	105,286,506	10.06%	22,032
10	Thousand Oaks	166,619,304	15.92%	34,866
	TOTAL	\$ 1,046,916,971	100.00%	\$ 219,075

- (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 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) & C1, (F)2

ADOPTED FINAL BUDGET FOR FISCAL YEAR 2019-20

ALLOCATION - SPECIAL DISTRICTS

SOURCE: STATE OF CALIFORNIA, SPECIAL DISTRICTS ANNUAL REPORT, FY 16/17

	NAME	TOTAL REVENUE PER REPORT	PERCENTAGE (See Note 2)	ALLOCATION \$ 219,075
1	Bardsdale Cemetery District	\$ 222,961	0.067%	\$ 146
2	Bell Canyon Comm. Services District	562,328	0.168%	368
3	Blanchard / Santa Paula Public Library District	849,052	0.253%	554
4	Calleguas Municipal Water District	133,254,653	39.761%	87,106
5	Camarillo Health Care District	3,352,005	1.000%	2,191
6	Camrosa Water District	19,875,099	5.930%	12,991
7	Casitas Municipal Water District	18,055,902	5.387%	11,802
8	Channel Islands Beach Comm. Serv. Dist.	4,371,546	1.304%	2,857
9	Conejo Recreation & Park District	26,067,832	7.778%	17,040
10	El Rancho Simi Pioneer Cemetery District	164,169	0.049%	107
11	Fillmore-Piru Memorial District	219,999	0.066%	145
12	Fox Canyon Groundwater Mgmt. Agency	3,781,180	1.128%	2,471
13	Hidden Valley Municipal Water District	66,849	0.020%	44
14	Meiners Oaks Water District	1,521,454	0.454%	995
15	Montalvo Comm. Services District	860,290	0.257%	563
16	Ojai Valley Sanitary District	9,905,572	2.956%	6,476
17	Ojai Water Conservation District	9,214	0.003%	6
18	Oxnard Drainage District No. 1	37,327	0.011%	25
19	Oxnard Drainage District No. 2	155,601	0.046%	101
20	Oxnard Harbor District	15,756,655	4.701%	10,299
21	Piru Public Cemetery District	45,065	0.013%	29
22	Pleasant Valley Co. Water District	4,461,235	1.331%	2,916
23	Pleasant Valley Rec & Park District	11,984,427	3.576%	7,834
24	Rancho Simi Rec & Park District	23,533,274	7.022%	15,383
25	Saticoy Sanitary District	656,102	0.196%	429
26	Triunfo Sanitation District	16,756,237	5.000%	10,954
27	United Water Conservation District	25,904,109	7.729%	16,932
28	Ventura Co. Resource Conserv. District	174,432	0.052%	114
29	Ventura Port District	10,371,666	3.095%	6,780
30	Ventura River County Water District	2,166,808	0.647%	1,417
	TOTAL	\$ 335,143,043	100.000%	\$ 219,075

(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 2019-20
Apportionment of Net Operating Expenses Expressed As Percentage Of Each Agency's Total Revenue

NAME	TOTAL REVENUE PER REPORT*	ALLOCATION	PERCENTAGE OF TOTAL REVENUE
COUNTY OF VENTURA	\$ 1,112,504,794	\$ 219,075	0.02%
CITIES			
Camarillo	\$ 78,421,185	\$ 16,411	0.02%
Fillmore	19,606,333	4,103	0.02%
Moorpark	34,154,618	7,146	0.02%
Ojai	11,790,977	2,467	0.02%
Oxnard	361,095,108	75,563	0.02%
Port Hueneme	38,832,508	8,125	0.02%
San Buenaventura	211,696,772	44,300	0.02%
Santa Paula	19,413,660	4,062	0.02%
Simi Valley	105,286,506	22,032	0.02%
Thousand Oaks	166,619,304	34,866	0.02%
TOTAL	\$ 1,046,916,971	219,075	0.02%
SPECIAL DISTRICTS			
Bardsdale Cemetery District	\$ 222,961	\$ 146	0.07%
Bell Canyon Comm. Services District	562,328	368	0.07%
Blanchard / Santa Paula Public Library Dist.	849,052	554	0.07%
Calleguas Municipal Water District	133,254,653	87,106	0.07%
Camarillo Health Care District	3,352,005	2,191	0.07%
Camrosa Water District	19,875,099	12,991	0.07%
Casitas Municipal Water District	18,055,902	11,802	0.07%
Channel Islands Beach Comm. Serv. Dist.	4,371,546	2,857	0.07%
Conejo Recreation & Park District	26,067,832	17,040	0.07%
El Rancho Simi Pioneer Cemetery District	164,169	107	0.07%
Fillmore-Piru Memorial District	219,999	145	0.07%
Fox Canyon Groundwater Mgmt. Agency	3,781,180	2,471	0.07%
Hidden Valley Municipal Water District	66,849	44	0.07%
Meiners Oaks Water District	1,521,454	995	0.07%
Montalvo Comm. Services District	860,290	563	0.07%
Ojai Valley Sanitary District	9,905,572	6,476	0.07%
Ojai Water Conservation District	9,214	6	0.07%
Oxnard Drainage District No. 1	37,327	25	0.07%
Oxnard Drainage District No. 2	155,601	101	0.07%
Oxnard Harbor District	15,756,655	10,299	0.07%
Piru Public Cemetery District	45,065	29	0.07%
Pleasant Valley Co. Water District	4,461,235	2,916	0.07%
Pleasant Valley Rec & Park District	11,984,427	7,834	0.07%
Rancho Simi Rec & Park District	23,533,274	15,383	0.07%
Saticoy Sanitary District	656,102	429	0.07%
Triunfo Sanitation District	16,756,237	10,954	0.07%
United Water Conservation District	25,904,109	16,932	0.07%
Ventura Co. Resource Conserv. District	174,432	114	0.07%
Ventura Port District	10,371,666	6,780	0.07%
Ventura River County Water District	2,166,808	1,417	0.07%
TOTAL	\$ 335,143,043	\$ 219,075	0.07%

* Source: State of California Annual Reports FY 16/17.

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

Ventura LAFCo Budget FY 2019-20
City and District Allocations

CITIES	FY 13-14	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19	FY 19-20
Camarillo	\$ 17,305	\$ 14,338	\$ 14,085	\$ 17,709	\$ 17,451	\$ 16,341	\$ 16,411
Fillmore	4,130	2,807	3,324	4,360	4,452	4,485	4,103
Moorpark	4,819	4,869	5,227	7,301	8,736	8,096	7,146
Ojai	2,983	2,042	2,191	2,345	2,320	2,393	2,467
Oxnard	71,647	61,496	61,126	66,043	63,326	67,211	75,563
Port Hueneme	7,438	7,553	6,706	7,939	8,422	7,836	8,125
San Buenaventura	30,479	27,338	43,178	34,122	41,883	37,119	44,300
Santa Paula	7,515	7,361	7,321	7,939	7,566	3,939	4,062
Simi Valley	16,750	16,031	18,121	19,786	21,130	22,171	22,032
Thousand Oaks	28,146	29,248	30,880	38,132	33,711	37,941	34,866
TOTAL	\$ 191,212	\$ 173,083	\$ 192,159	\$ 205,676	\$ 208,997	\$ 207,532	\$ 219,075

SPECIAL DISTRICTS	FY 13-14	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19	FY 19-20
Bardsdale Cemetery District	\$ 128	\$ 104	\$ 131	\$ 109	\$ 159	\$ 141	\$ 146
Bell Canyon Comm. Services District	333	280	307	284	326	349	368
Blanchard / Santa Paula Library District	n/a	n/a	n/a	502	522	600	554
Calleguas Municipal Water District	81,397	76,281	88,562	96,049	92,122	86,136	87,106
Camarillo Health Care District	2,610	2,217	2,252	2,077	2,224	2,167	2,191
Camrosa Water District	11,387	9,933	11,816	12,598	12,556	13,994	12,991
Casitas Municipal Water District	11,184	9,604	10,084	11,090	11,541	11,223	11,802
Channel Islands Beach Comm. Serv. Dist	2,721	2,442	2,231	2,546	2,640	2,704	2,857
Conejo Recreation & Park District	13,371	11,957	11,593	12,145	13,468	14,544	17,040
El Rancho Simi Pioneer Cemetery District	86	80	90	91	88	108	107
Fillmore-Piru Memorial District	119	106	108	123	121	125	145
Fox Canyon Groundwater Mgmt. Agency	583	765	811	806	744	1,658	2,471
Hidden Valley Municipal Water District	17	5	0	4	33	60	44
Meiners Oaks Water District	801	730	824	880	1,030	874	995
Montalvo Comm. Services District	528	441	430	416	458	515	563
Ojai Valley Sanitary District	6,325	5,423	5,796	5,681	6,195	6,799	6,476
Ojai Water Conservation District	6	5	6	4	5	6	6
Oxnard Drainage District No. 1	36	30	33	29	33	33	25
Oxnard Drainage District No. 2	119	100	102	101	104	104	101
Oxnard Harbor District	7,823	7,486	8,467	8,832	10,600	10,642	10,299
Piru Public Cemetery District	11	21	35	27	38	35	29
Pleasant Valley Co. Water District	2,013	1,954	2,579	2,468	2,065	2,434	2,916
Pleasant Valley Rec & Park District	6,092	4,755	4,800	4,794	7,064	5,514	7,834
Rancho Simi Rec & Park District	13,436	11,380	11,489	12,223	13,152	13,973	15,383
Saticoy Sanitary District	216	203	221	276	357	361	429
Triunfo Sanitation District	9,735	8,644	9,556	10,160	9,906	10,028	10,954
United Water Conservation District	13,366	12,178	13,714	14,961	14,904	14,839	16,932
Ventura Co. Resource Conserv. District	46	38	25	10	27	58	114
Ventura Port District	5,759	5,009	4,942	5,078	5,382	6,095	6,780
Ventura River County Water District	964	912	1,155	1,312	1,133	1,413	1,417
TOTAL	\$ 191,212	\$ 173,083	\$ 192,159	\$ 205,676	\$ 208,997	\$ 207,532	\$ 219,075