

# **\*\*AGENDA\*\***

## **AMADOR LOCAL AGENCY FORMATION COMMISSION**

**6:00 P.M. – THURSDAY APRIL 21, 2016  
810 COURT STREET, JACKSON  
BOARD OF SUPERVISORS CHAMBERS**

**Please Note: All LAFCO meetings are recorded. Anyone who wishes to address the Commission must speak from the podium and should print their name on the Meeting Speaker list, which is located on the podium.**

In compliance with the Americans with Disabilities Act, if you are a disabled person and you need a disability-related modification or accommodation to participate in this meeting, please contact the LAFCO staff, at (209) 418-9377, by e-mail to [amador.lafco@gmail.com](mailto:amador.lafco@gmail.com). Requests must be made as early as possible, and at least two full business days before the start of the meeting.

Meeting Materials are available for Public Review at the LAFCO desk, located at the County Planning Department, 810 Court Street, Jackson, and may be posted on the Amador LAFCO website.

- 1. CALL TO ORDER AND PLEDGE OF ALLEGIANCE**
- 2. ROLL CALL**
- 3. APPROVAL OF AGENDA**
- 4. APPROVAL OF THE MINUTES OF JANUARY 21, 2016**
- 5. APPROVAL OF CLAIMS TO APRIL 21, 2016**
- 6. PUBLIC FORUM –PUBLIC COMMENT**

Any person may address the Commission on any subject within the jurisdiction of LAFCO which is not on the agenda. No action may be taken at this meeting. There is a five (5) minute limit.

- 7. WASTEWATER TREATMENT PLANT REORGANIZATION TO CITY OF JACKSON; LAFCO PROJECT #288**

Reorganization of approximately 3.64 acres of city owned land containing the city's existing wastewater treatment plant and concurrent detachment from Amador Fire Protection District, Amador Resource Conservation District and County Service Areas 5,6,7; CEQA: Lead Agency City of Jackson, exempt section 1506(b)(3). (Exempt from the requirements for notice and public hearing)

- 8. ADOPTION OF THE PROPOSED BUDGET FOR FISCAL YEAR 2016-17 (Public Hearing)**

The Commission will consider the staff draft proposed budget, make any desired changes, direct staff to transmit the proposed budget to agencies and set the hearing for adoption of the final budget for May 19, 2014.

## 9. AMADOR LAFCO AUDIT REPORT, JUNE 30 2015

Final report of independent audit of LAFCO financial statements for fiscal year 2014-15, completed March 18, 2016.

## 10. OTHER BUSINESS, REPORTS

- a. Correspondence
- b. Commissioner Announcements
- c. Executive Officer's Report
- d. Budget Reports
- e. Legislation update

## 11. ADJOURNMENT

Note: The next regular LAFCO meeting is planned for May 19, 2016.



Roseanne Chamberlain  
Executive Officer

All persons are invited to testify and submit written comments to the Commission. If you challenge a LAFCO action in court you may be limited to issues raised at the public hearing or submitted as written comments prior to the close of the public hearing. All written materials received by staff 48 hours before the hearing will be distributed to the Commission. If you wish to submit written material at the hearing, please supply 10 copies.

NOTE: State law requires that a participant in LAFCO proceedings who has a financial interest in the decision and who has made a campaign contribution of more than \$390 to any Commissioner in the past year must disclose the contribution. If you are affected, please notify commission staff before the hearing.

PLEASE DO NOT REMOVE POSTING BEFORE:  
April 22, 2015

# AMADOR LAFCO



## LOCAL AGENCY FORMATION COMMISSION

810 COURT STREET ♦ JACKSON, CA 95642 ♦ (209) 223-6380

### MINUTES

January 21, 2016

 **DRAFT**

This meeting was available via live audio streaming and was digitally recorded.

1. **Call to Order, Pledge of Allegiance & Roll Call**

The January 21, 2016, meeting of the Amador Local Agency Formation Commission (LAFCO), held at the County Administration Center, 810 Court Street, Jackson, California, was called to order by Chairman Boitano at 6:02 p.m.

2. **Roll Call**

Members Present:

Louis Boitano, Chairman  
Jim Vinciguerra, Vice-Chairman  
Brian Oneto, County Member  
Patrick Crew, City Member  
Tim Murphy, City Member

Staff Present:

Roseanne Chamberlain, Executive Officer  
Nancy Mees, Clerk to the Commission  
William Chamberlain, Legal Counsel

3. **Approval of Agenda for January 21, 2016**

**Motion:** It was moved by Commissioner Crew, seconded by Commissioner Vinciguerra, and carried unanimously to approve the agenda.

4. **Approval of the Minutes of November 19, 2015**

**Motion:** It was moved by Commissioner Vinciguerra, seconded by Commissioner Crew, and carried unanimously to approve the Minutes for November 19, 2015.

5. **Approval of Claims to January 21, 2016**

**Motion:** It was moved by Commissioner Murphy, seconded by Commissioner Vinciguerra, and carried unanimously to approve the Approval of Claims – Meeting Final as submitted.

6. **Public Forum – Public Comment**

There were no comments.

7. **Jackson Valley Irrigation District Exercise of Latent Power and Extension of New Service (Treated Water); LAFCO Project #280; Resolution #2016-01.**

Executive Officer Chamberlain gave a brief review of the staff report for this proposal and the Resolutions in Agenda Items 8 and 9. She also explained the conducting authority proceedings that will need to occur.

Two representatives of Jackson Valley Irrigation District were present. Steven Frederick reported that the District is currently complying with the Proposition 218 process and that it should be completed about the end of March. He also stated the Oaks Service Agreement should be completed around the same time.

Chairman Boitano opened the Public Hearing. There was no public comment.

**Motion:** It was moved by Commissioner Oneto, seconded by Commissioner Crew, and carried unanimously to close the public hearing.

**Motion:** It was moved by Commissioner Crew, seconded by Commissioner Oneto, and carried unanimously to approve Resolution #2016-01, accepting all findings and determinations, and directing staff to prepare/perform all documents and proceedings necessary.

8. **Jackson Valley Irrigation District Adoption of Sphere of Influence (SOI) for Treated Water; LAFCO Project #286; Resolution #2016-02.**

Chairman Boitano opened the Public Hearing. There was no public comment.

**Motion:** It was moved by Commissioner Crew, seconded by Commissioner Vinciguerra, and carried unanimously to closer the public hearing.

**Motion:** It was moved by Commissioner Oneto, seconded by Commissioner Vinciguerra, and carried unanimously to approve Resolution #2016-02, accepting all determinations.

9. **Jackson Valley Irrigation District Authorization of Service Extension Outside of District Boundaries (Treated Water); LAFCO Project #285; Resolution #2016-03.**

Executive Officer Chamberlain reported that the JVID board has been excellent to work with, thereby making this process much more smooth.

Chairman Boitano opened the Public Hearing. There was no public comment.

**Motion:** It was moved by Commissioner Murphy, seconded by Commissioner Crew, and carried unanimously to approve Resolution #2016-03, accepting all determinations and staff recommendations.

**10. Jackson Rancheria Development Corporation Reorganization to City of Jackson; LAFCO Project #287; Resolution #2016-04. (Continued from November 19, 2015.)**

Executive Officer Chamberlain reported that the City of Jackson has approved the AB8 Resolution but the County Board of Supervisors has not. The City is therefore determining whether to request mediation. Since the Certificate of Completion thus cannot be written, LAFCO can do nothing further with this project, and consequently it is being postponed by the applicant.

Ms. Chamberlain stated she has already written a draft analysis with several possible directions the LAFCO Commission can take if and when this project comes before them again. The chairman continued the item.

**11. Election of Officers: Chairman & Vice-Chairman**

Motion: It was moved by Commissioner Vinciguerra and seconded by Commissioner Oneto to nominate Chairman Boitano to the position of Chairman for another year. It was moved by Commissioner Crew and seconded by Commissioner Oneto to nominate Commissioner Vinciguerra to the position of Vice-Chairman for another year. Both motions were carried unanimously.

**12. Designation of Signature Authority for 2016**

Since there will be no change of officers for 2016, the signature authority will remain the same.

**13. Meeting Schedule for 2016**

The schedule as presented (every third Thursday at 6:00 p.m.) was approved by consensus.

**14. Other Business, Reports**

- a. Correspondence – none.
- b. Commissioner Announcements – none.
- c. Executive Officer's Report – It was the consensus of the Commission that Executive Officer Chamberlain should write a letter of appreciation on their behalf to the Jackson Valley Irrigation District Board.
- d. Budget Reports – Executive Officer Chamberlain reported that, to date, LAFCO is ahead of budget due to savings in her time because of fewer meetings in 2015 and many of the clerical duties she used to perform being taken over by Commission Clerk Mees.

**15. Adjournment**

The next regular LAFCO meeting is scheduled for February 18, 2016.

Chairman Boitano adjourned the meeting at 6:31 p.m.

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Louis Boitano, Chair  
LOCAL AGENCY FORMATION COMMISSION

ATTEST: \_\_\_\_\_  
Nancy Mees, Clerk to the Commission

# APPROVAL OF CLAIMS - PACKET DRAFT

AGENDA OF April 21, 2016

APPROVAL OF CLAIMS TO      April 21, 2016      Agenda Item 5

<u>VENDOR</u>	<u>DESCRIPTION</u>	<u>INV.DATE</u>	<u>AMOUNT</u>
<b>Nancy Mees**</b> 1/19/16-2/11/16	Clerical & Admin**	2/11/2016	\$ 503.00
<b>R Chamberlain **</b> 1/19/16-3/17/16	Consulting Services Labor** Expense Total, includes ATT	3/17/2016	\$ 5,197.50 \$ 567.65
<b>Nancy Mees**</b> 2/12/16-3/3/16	Clerical & Admin**	3/3/2016	\$ 93.00
<b>R Chamberlain</b> 3/18/16-4/20/16	Consulting Services Labor Expense Total, includes ATT		estimate \$ 3,870.00 estimate \$ 350.00
<b>Nancy Mees</b> 3/4/16-4/20/16	Clerical & Admin		estimate \$ 438.00
<b>William Chamberlain</b>	Legal Consulting Services Labor		estimate \$ 135.00
<b>Ledger Dispatch**</b>	Notice for Feb. 5, 2016**		\$ 102.68
<b>Amador County Services**</b>	Surveying printing Jan-March 2016**		\$41.25
<b>LAFCO Board</b>	Meeting Stipends (Maximum of 5 @ \$50.00)		\$ 250.00
<b>TOTAL</b>			<b>\$ 11,548.08</b>

\*\* Note: Denotes any invoices paid prior to Commission Approval, per Policy 2.3.7

CHAIR:

\_\_\_\_\_  
*Louis Boitano, Chariman*

ATTEST:

\_\_\_\_\_  
*Nancy Mees*  
CLERK TO THE COMMISSION

## AGENDA ITEM # 7

**TO:** ALL COMMISSIONERS, ALTERNATES  
**FROM:** ROSEANNE CHAMBERLAIN, EXECUTIVE OFFICER  
**SUBJECT:** EXECUTIVE OFFICER'S REPORT AND RECOMMENDATION - WASTEWATER TREATMENT PLANT REORGANIZATION TO CITY OF JACKSON  
LAFCO PROJECT #288; RESOLUTION #2016-05  
**DATE:** MEETING OF APRIL 21, 2016

### **DESCRIPTION OF PROJECT**

This proposal for annexation of APN 044-180-007 is made by resolution of the City of Jackson. The proposal consists of annexation to the City of Jackson and detachment from Amador Fire Protection District, Amador Resource Conservation District and County Service Areas 5, 6 and 7. The reorganization has the consent of 100% of the landowners of the affected territory. The project is exempt from the requirements for notice and public hearing pursuant to Government Code Section 56663.

### **LOCATION**

The area proposed for annexation is generally located west of Busi Municipal Parking Lot off Highway 49/88 and is southeast of the end of Blue Oak Lane. Descriptive maps are attached.

### **PURPOSE**

The proposal would annex one parcel of city owned land used for municipal purposes into the city. The property is contiguous to the city boundaries.

### **BACKGROUND and LAND USE**

For many years the wastewater treatment site was thought to be part of the city boundaries. The County Assessor's information shows the parcel as tax exempt. County Planning department has no county land use designation or zoning on the property. Resolutions confirming the AB-8 negotiations are scheduled for approval by the City on April 11 and by the Board of Supervisors on April 12, 2016. The agreement provides for any future change in the tax exempt parcel status.

### **CEQA**

The City of Jackson as lead agency found the annexation to be categorically exempt. Their Notice of Exemption notes Section 1506(b)(3) of the CEQA Guidelines (Title 14 of the California Code of Regulations, sections 15000 et seq.). In addition, the Council's resolution notes that the reorganization is exempt under Section 15319 of the Guidelines for annexation of



existing facilities and lots for exempt facilities and 15320, reorganizations where previous powers were exercised.

**SUMMARY OF STATUTORY AND POLICY CONSIDERATIONS**

Government Code §56668 and LAFCO Policies require that the review of a proposal shall consider the factors listed below. The review is presented below for the commission’s consideration.

<b><i>FACTOR TO CONSIDER</i></b>	<b><i>POLICY/STATUTE CONSISTENCY</i></b>	<b><i>COMMENT</i></b>
<i>1. NEED FOR SERVICES, FUTURE NEEDS</i>	Consistent	No change in services; city owned property used for municipal purposes
<i>2. ABILITY TO SERVE, TIMING, CONDITIONS</i>	Consistent	No change in services, no new service
<i>3. WATER SUPPLY</i>	Consistent	No change in water services
<i>4. SERVICE ALTERNATIVES</i>	Consistent	No change in services; city owned property used for wastewater treatment
<i>5. SERVICE IMPACTS</i>	Consistent	No negative impacts noted; No change in services
<i>6. COORDINATION OF APPLICATIONS</i>	Consistent	No other changes identified; includes detachments
<i>7. COST/ADEQUACY OF SERVICES, FACILITIES</i>	Consistent	No change in services, no new service
<i>8. EFFECT IN AREA AND ADJACENT AREAS</i>	Consistent	No changes anticipated; no significant effects noted
<i>9. ALTERNATIVES, COST &amp; ADEQUACY</i>	Consistent	No feasible alternatives, No change in services, no new service
<i>10. SUFFICIENCY OF REVENUES, A.V.</i>	Consistent	Tax exempt parcel; AB-8 provisions included
<i>11. "BEST INTEREST"</i>	Consistent	Adds parcel thought to be within district boundaries, consistent with other cities’ WWTP property
<i>12. BOUNDARIES: LOGICAL, CONTIGUOUS</i>	Consistent	Follows parcel line
<i>13. TOPOGRAPHY</i>	Consistent	No significant or relevant topographic features
<i>14. SPHERES OF INFLUENCE</i>	Consistent	Within SOI (updated 2013)
<i>15. EFFECT ON ADJACENT AREAS, COMMUNITIES</i>	Consistent	No change anticipated; no significant untoward effects
<i>16. COMMENTS FROM LANDOWNER OR OWNERS</i>	Consistent	100% landowner consent; none received

<i>17. EFFECT ON OTHER COMMUNITY SERVICES</i>	Consistent	None; no change anticipated
<i>18. OTHER AGENCY COMMENTS, OBJECTIONS</i>	Consistent	No substantive comments received to date
<i>19. FAIR SHARE OF REGIONAL HOUSING</i>	Consistent	No change or effect anticipated
<i>20. LAND USE, ZONING DESIGNATIONS</i>	Consistent	No County zoning in place; city pre-zoning is 'public/institutional'
<i>21. POPULATION</i>	Consistent	No change
<i>22. CONSISTENCY WITH GENERAL PLANS, SPECIFIC PLANS, ZONING</i>	Consistent	No change anticipated; allows zoning of 'public/institutional'
<i>23. AGRICULTURE LANDS AND OPEN SPACE LANDS</i>	Consistent	No change; no effect on agriculture foreseen
<i>24. ENVIRONMENTAL JUSTICE</i>	Consistent	No effect noted; no change

**DETERMINATIONS**

The Commission should review the factors summarized above, then make its own determinations regarding the project. Staff recommends the following determinations based on project research, state law and local policies:

1. The subject territory is “uninhabited” per Government Code §54046. Application for this reorganization is made subject to Government Code §56650 et. seq. by resolution of the City Council. All landowners (100%) have consented to the reorganization.
2. The territory proposed for annexation is within the Sphere of Influence of the City of Jackson, and is contiguous to the existing boundary.
3. The boundaries are definite and certain and conform to lines of ownership and parcel lines.
4. The annexation will provide a logical and orderly boundary.
5. The annexation will not result in negative impacts to the cost and adequacy of service otherwise provided in the area, and is in the best interests of the affected area.
6. The annexation will not have an adverse effect on agriculture and open space lands, will not have an adverse effect on environmental justice, and will not affect the county’s ability to achieve its fair share of the regional housing needs.
7. The entirety of the territory to be annexed is owned by the City of Jackson and is currently developed to provide municipal wastewater treatment services.
8. The annexation is found to be exempt under Sections 15061(b), 15319, and 15320 of the CEQA Guidelines.

**RECOMMENDATIONS**

Staff recommends that the Commission take the following actions:

1. Adopt Resolution #2016-05, making determinations, adding conditions and approving the Wastewater Treatment Plant Reorganization to City of Jackson.
2. Direct the Executive Officer to prepare a Notice of Exemption pursuant to Title 14, Article 19, Class 19 & 20 of the California Code of Regulations (the CEQA Guidelines).
3. Waive the Conducting Authority proceedings in compliance with Resolution #2016-05, and Government Code Section 57000 et. seq.
4. Direct the executive officer to complete the necessary filings and transmittals as required by statute and policy.

Attachments:

Resolution #2016-05

Exhibit A – Descriptive Map (final map to follow approval)

Exhibit B – Conditions

Notice of Exemption

**AMADOR LAFCO**  
**LOCAL AGENCY FORMATION COMMISSION**

 **DRAFT**

810 COURT STREET ♦ JACKSON, CA 95642-95334 ♦ (209) 418-9377

**LAFCO RESOLUTION NO. 2016-05**  
**RESOLUTION MAKING DETERMINATIONS, ADDING CONDITIONS AND**  
**APPROVING THE WASTEWATER TREATMENT PLANT REORGANIZATION TO**  
**CITY OF JACKSON**  
**LAFCO PROJECT #288**

*WHEREAS*, a resolution making application for the proposed reorganization of certain territory in the County of Amador was heretofore filed with the Executive Officer of this Local Agency Formation Commission pursuant to the Cortese/Knox/Hertzberg Local Government Reorganization Act, commencing with Section §56000, et seq. of the Government Code by the City of Plymouth; and

*WHEREAS*, the Executive Officer has examined the resolution and certified that it is complete and has accepted the proposal for filing; and

*WHEREAS*, the Executive Officer, pursuant to Government Code §56665 has reviewed this proposal and prepared a report including her recommendations, and has furnished a copy of this report to each person entitled to a copy; and

*WHEREAS*, the proposal is exempt from the requirements for notice and hearing pursuant to Government Code §56663, because it consists of annexations and detachments only, and 100% of landowners have given their written consent to the proposal; and

*WHEREAS*, the City, as lead agency found the reorganization to be exempt from the requirements of the California Environmental Quality Act (CEQA) and the project is also found by LAFCO to be exempt from the requirements of CEQA and there is no possibility that the reorganization could have an effect on the environment; and

*WHEREAS*, the Commission has received, heard, discussed and considered all oral and written testimony related to the proposal, including but not limited to comments and objections, the Executive Officer's report and recommendation, the environmental document and findings, plans for providing service, spheres of influence and applicable General and specific plans;

*WHEREAS*, the Commission does hereby make the following determinations regarding the proposal:

1. The subject territory is "uninhabited" per Government Code §54046. Application for this reorganization is made subject to Government Code §56650 et. seq. by resolution of the City Council. All landowners (100%) have consented to the reorganization.
2. The territory proposed for annexation is within the Sphere of Influence of the City of Jackson, and is contiguous to the existing boundary.
3. The boundaries are definite and certain and conform to lines of ownership and parcel lines.
4. The annexation will provide a logical and orderly boundary.

5. The annexation will not result in negative impacts to the cost and adequacy of service otherwise provided in the area, and is in the best interests of the affected area.
6. The annexation will not have an adverse effect on agriculture and open space lands, will not have an adverse effect on environmental justice, and will not affect the county's ability to achieve its fair share of the regional housing needs.
7. The entirety of the territory to be annexed is owned by the City of Jackson and is currently developed to provide municipal wastewater treatment services.

NOW, THEREFORE, BE IT HEREBY RESOLVED, DETERMINED AND ORDERED as follows:

1. The Commission has fulfilled its obligations as a responsible agency as defined by the California Environmental Quality Act and finds that the environmental impacts of the reorganization have been disclosed and adequately addressed by the lead agency.
2. The Wastewater Treatment Plant Reorganization (LAFCO Project #288), is approved, subject to conditions listed below and attached as "Exhibit B" to this resolution.
3. Said territory is reorganized, as set forth and described in the attached descriptive map and legal description marked "Exhibit A" and by this reference incorporated herein.
4. Said territory includes approximately 3.64 +/- acres and is found to be uninhabited, and the territory is assigned the following short form designation:

Wastewater Treatment Plant Reorganization  
LAFCO Project #288

5. The following changes of organization or reorganization are approved:  
Annexation to the City of Jackson  
Detachment from the Amador Fire Protection District  
Detachment from Amador County Resource Conservation District  
Detachment from County Service Areas #5, 6 and 7
6. All subsequent proceedings in connection with this annexation shall be conducted only in compliance with the approved boundaries and conditions set forth in the attachments and any terms and conditions specified in this resolution.
7. Conducting Authority proceedings are waived.
8. The Executive Officer is hereby directed to file a Notice of Determination in compliance with the California Environmental Quality Act and local ordinances implementing the same.
9. The effective date shall be the date of recordation.

The foregoing resolution was duly passed and adopted by the Local Agency Formation Commission of the County of Amador at a regular meeting thereof, held on the 21<sup>th</sup> day of April 2016, by the following vote:

AYES:

NOES:

ABSENT:

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Presiding Officer  
Louis Boitano , Chairman

ATTEST:

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Nancy Mees, Clerk to the Commission  
Amador Local Agency Formation Commission  
Amador County, California

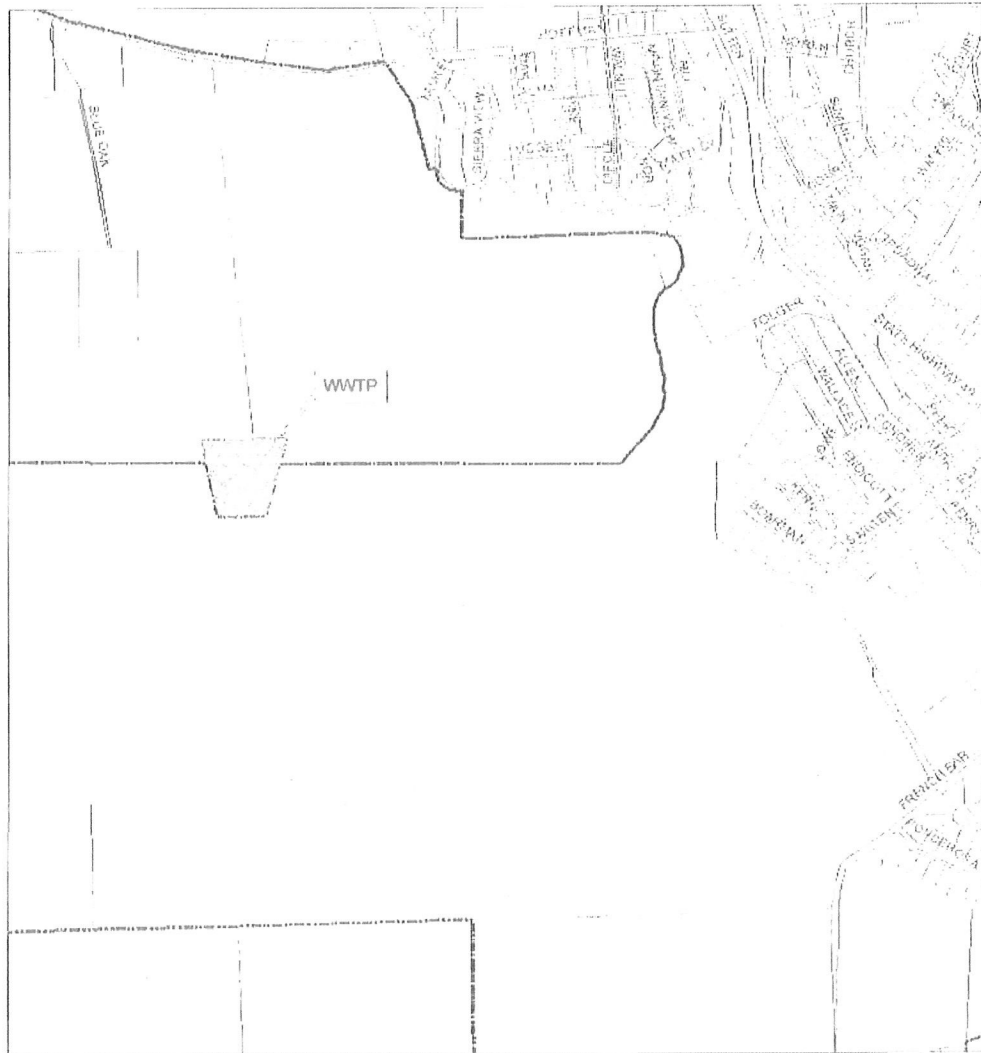
Attachments: Exhibit A – Map and Legal Description  
Exhibit B – Terms and Conditions

Resolution No. 2015-31  
A Resolution of the Jackson City Council  
Making Application to Amador County LAFCO  
For the Sewer Plant Annexation  
To the City of Jackson  
Page 2 of 3

**EXHIBIT "A"**

**DESCRIPTION OF TERRITORY**

City of Jackson  
Amador County, California



**Exhibit B to LAFCO Resolution 2016-05****WASTEWATER TREATMENT PLANT REORGANIZATION TO THE CITY OF JACKSON; LAFCO PROJECT #288****Terms and Conditions of Approval**

1. The City of Jackson shall complete all map and legal description requirements for final recording and filing, including documents required by the State Board of Equalization, within 180 days of the adoption of this resolution.
2. The Certificate of Completion shall be issued and recorded subsequent to final payment of all LAFCO fees, costs and charges associated with the project and necessary to complete the required filings and transmittals.
3. Upon and after the effective date of said reorganization, the affected territory, all future inhabitants within such territory, and all persons entitled to vote by reasons of residing or owning land within the territory:
  - (a) shall be subject to the jurisdiction of the City of Jackson;
  - (b) shall have the same rights and duties as if the affected territory has been a part of the city upon its original incorporation;
  - (c) shall be liable for the payment of any authorized or existing taxes, fees, assessments and any bonded indebtedness of the city and districts continuing to serve within the affected territory, including amounts which shall become due on account of any outstanding or then authorized but thereafter issued obligations of the city and districts continuing to serve within the affected territory;
  - (d) shall be subject to the collection of all taxes, assessments, service charges, rentals or rates as may be necessary to provide for such payment;
  - (e) shall be subject to all of the rules, regulations, ordinances of the city and any districts continuing to serve within the affected territory, as now existing or hereafter amended.



# AMADOR LAFCO

 **DRAFT**

## LOCAL AGENCY FORMATION COMMISSION

### Notice of Exemption

**TO:**  Office of Planning and Research  
1400 Tenth Street, Room 121  
Sacramento, CA 95814  
 County Clerk  
County of Amador

**FROM:** Public Agency:  
Amador LAFCO  
810 Court Street, Jackson, 95642

**Project Title:** Wastewater Treatment Plant Reorganization to City of Jackson; LAFCO Project #288

**Applicant:** City of Jackson

**Project Location - Specific:** West of Busi Muni. Parking Lot off Highway 49/88; Southeast of Blue Oak Ln.

**Project Location - City:** NA **Project Location - County:** Amador

**Description of Project:** Reorganization of 3.64 +/- acres containing the existing city wastewater treatment plant, annexing into the City Jackson and detaching from AFPD, ARCD and County Service Areas 5,6, 7.

**Name of Public Agency Approving Project:** Amador LAFCO

**Name of Person or Agency Carrying out Project:** Amador LAFCO

**Exempt Status:** (check one)

- Categorical Exemption. State type and selection number:** 15319, 15320, 15061(b)(3)  
 **Statutory Exemptions. State code number:**

**Reasons why project is exempt:** Annexation of existing facilities (city owned wastewater treatment plant and parcel)

**Lead Agency Contact Person:** Roseanne Chamberlain , Executive Officer (209) 418-9377

**If filed by applicant:** NA

1. Attach certified document of exemption finding.
2. Has a notice of exemption been filed by the public agency approving the project?  Yes  No

Signature: \_\_\_\_\_

Date: 4-21-16 Title: Executive Officer

Signed by Lead Agency  
 Signed by Applicant

Date received for filing at OPR: \_\_\_\_\_

POSTED ON:

## AGENDA ITEM # 8

**TO:** ALL COMMISSIONERS, ALTERNATES  
**FROM:** ROSEANNE CHAMBERLAIN, EXECUTIVE OFFICER  
**SUBJECT:** PROPOSED FISCAL YEAR BUDGET 2016-17  
**DATE:** MEETING OF APRIL 21, 2016

### BACKGROUND & SUMMARY:

Government Code §56381 provides that the Commission shall annually adopt a proposed budget at a public hearing no later than May 1. The proposed budget is then transmitted to the county, cities, districts and others. The statutes specify that the final budget shall be no less than the previous year unless the Commission makes certain findings. The staff recommended proposed budget for 2016-17 is slightly less than the previous year's budget appropriation.

LAFCO's projected Fund Balance of \$55,877 from cost savings in operating expenses will again significantly reduce agency contributions. Staff recommends that \$56,000 be carried forward to reduce agency payments. This is \$6,000 more than last year. Staff recommends the remaining fund balance be carried over as a general reserve. This will be a slightly larger general reserve amount than last year. The Proposed Budget will reduce agency cost share of LAFCO by about \$10,000 compared to last year.

Proposed Budget includes the following work plan:

- Continue to process applications expediently and accurately
- Continue to adopt, update and/or affirm the spheres of influence for all agencies
- Complete boundary research and verification for all agencies
- Continue to update the LAFCO website to enhance public access and reduce staff time for public inquiries
- Shift an increased amount of administration work to trained clerical staff to decrease cost of the Executive Officer
- Continue the effort to write clear procedures for LAFCO processes, i.e. budget, claims annexations, notice, meetings, etc.
- Purge and organize records as
- Continue to assist special districts and others with operational and organizational information on a limited basis

The budget provides funding for 10 LAFCO meetings. One meeting will be cancelled during the holidays. Based on the recent past at least one other meeting will be canceled.

However, as the economy continues to improve, staff expects additional projects to be submitted. Two commissioners and staff are budgeted to attend the CALAFCO annual conference in Santa Barbara (October 26-28). If additional commissioners are available to attend, money is available to cover the expense from operating contingency. Limited legal services are funded.

#### REVENUES AVAILABLE AND FUND BALANCES:

The year-end fund balance calculations are attached and are based on account balances as of March 22, 2016.

The fund balance reflects all LAFCO accounts, but the reserves held for legal defense are not included as an available funding source for next year. The accounts include the LAFCO general fund and LAFCO Projects fund (current and prior fee revenue). The fund balance revenues are available for LAFCO to appropriate into next year's budget. The total maximum projected to be available from fund balance is almost \$89,000.

The staff proposed budget allocates the fund balance based on policy direction given in past years as follows:

- Offset and reduce the agencies' cost share
- Provide for a general reserve to help even out the cities' and county's cost for LAFCO over future years.
- Provide an operating contingency and general reserve for emergencies or extraordinary work
- Augment the Legal Defense Fund (101738) with \$10K, the same amount as last year, to bring the total from about approximately \$50K to \$60K
- Allow those who are available to attend the CALAFCO annual conference for training

A long range planning session to identify a work program and goals beyond the annual work plan would be desirable. While this is not included in the budget such an effort may be possible without significant expenditure or it may be feasible in a future year.

#### PLANNED BUDGET SCHEDULE:

The LAFCO budget process has 4 steps: adoption of a proposed budget, distribution to agencies, second hearing for adoption of final budget, formal transmittal of final budget to the agencies and to the Auditor for apportionment. Unless the Commission directs otherwise, I will follow the successful process used each year since 2007, as shown below.

- Adopt of the proposed budget on April 21, 2016
- Transmit the proposed budget to agencies the week of April 25<sup>th</sup> and post to the LAFCO Web site

- Review by the cities, counties, public
- Adopt the final budget May 19th at the LAFCO regular meeting
- Transmit to Auditor and Agencies week of May 23, 2016

**EXECUTIVE OFFICER'S RECOMMENDATIONS:**

1. Review, make any desired changes, and approve a Proposed Budget for Fiscal Year 2016-17
2. Approve the proposed work plan and give additional direction to staff as needed.
3. Direct staff to transmit the budget materials to cities, districts and others as specified in Government Code Section 56381.
4. Direct staff to schedule adoption of the final budget on May 19<sup>th</sup> agenda.

**Attachments: Staff Draft Proposed Budget  
Calculation of Projected Fund Balance**

**Amador LAFCO - Draft Proposed Budget  
FY 2016-17 Agenda of April 21, 2016**

Budget Code	Expense Category	Approved 15-16	Proposed 16-17	Difference
Revenues				from Prior Year
44100	Interest	\$600	\$600	\$0
46930	Project Fees	\$25,000	\$25,000	\$0
47890	Misc Fees	\$0	\$0	\$0
	From General Fund Balance	\$50,000	\$56,000	\$6,000
Subtotal Non-Agency Revenues		\$75,600	\$81,600	\$6,000
45640	Agency Cost Share	\$62,378	\$53,058	-\$9,320
<b>Revenue Subtotal</b>		<b>\$137,978</b>	<b>\$134,658</b>	<b>-\$3,320.00</b>
Operating Expense				
50310	FICA (stipends)	\$100.00	\$100	\$0
50400	Emp Insurance	\$85.00	\$85	\$0
51200	Communications	\$600.00	\$600	\$0
51504	Liability Insurance	\$3,350.00	\$3,000	-\$350
52000	Membership	\$800	\$880	\$80
52200	Office Expense (total)	\$950	\$950	\$0
	Postage 140	140	0	0
	Supplies 280	280	0	0
	Printing/copies 52205 480	480	0	0
	Publications, Ref Maps 50	50	0	0
52300	Prof & Spec Serv Total	\$103,550	\$99,500	-\$4,050
	Legal Services 10,000	10,000	0	0
	Executive Officer 45,500	40,000	-5,500	-5,500
	Project Support 25,000	25,000	0	0
	Clerical/Support 6,300	12,000	5,700	5,700
	Meeting Exp/Stipend 2,750	2,500	-250	-250
	Audit 4,000	0	-4,000	-4,000
	Web Maint & Development added to clerical sup	added to clerical sup		
	GIS, mapping 8,000	8,000		\$0
	Other County Services (Inc. Rent) 2,000	2,000		\$0
101738	Legal Defense Reserve	\$10,000.00	\$10,000.00	\$0
52400	Public Notice	\$750	\$1,000	\$250
52900	Mileage/travel	\$2,000	\$2,000	\$0
52910	Conference/Meetings	\$3,000	\$3,000	\$0
	Conference Travel	\$250	\$1,000	\$750
Operating Expense Sub-total		\$125,435	\$122,115	-\$3,320
59500	Operating Contingency	\$12,543	\$12,543	
<b>Total Budget Appropriation</b>		<b>\$137,978</b>	<b>\$134,658</b>	<b>\$3,320</b>

**Amador LAFCO - Fund Balance Projection**  
**FY 2015-16 for FY 2016-17 Budget**  
**Based on Actuals As of March 22, 2016**

 **DRAFT**

Budget Code	Expense Category	Budget 2015-16	Actual rev/exp as of 3/22/16	Projected Total rev/exp to year end	Projected Year End/Difference from Budget	Projected Add'l cost/revenue
<b>Revenues</b>						
44100	Interest	\$400	\$437	\$500	\$100	
46930	Project Fees	\$25,000	\$1,000	\$10,500	-\$14,500	\$9,500
	From Fund Balance	\$50,000	\$50,000	\$50,000	\$0	
<b>Subtotal Non-Agency Revenues</b>		<b>\$75,600</b>	<b>\$51,437</b>	<b>\$61,000</b>	<b>\$14,400</b>	
45640	Agency Cost Share	\$62,378	\$31,188	\$62,378	\$0	\$31,188
<b>Revenue Subtotal</b>		<b>\$137,978</b>	<b>\$82,625</b>	<b>\$123,378</b>		
<b>Operating Expense</b>						
50300	Salaries/Retirement		\$1.91	\$1.91		0
50310	FICA (stipends)	\$100.00	\$18.69	\$38.69	\$61.31	\$20.00
50400	Emp Insurance	\$85.00	\$66.89	\$84.89	\$0.11	\$18.00
51200	Communications	\$600.00	\$388.37	\$588.37	\$11.63	\$200.00
51504	Liability Insurance	\$3,350.00	\$2,793.63	\$2,793.63	\$556.37	\$0.00
52000	Membership	\$800	\$0	\$840	-\$40.00	\$840
52200	Office Expense	\$950	\$290	\$490	\$459.83	\$200
52300	Prof & Spec Serv Total	\$103,550	\$23,407	\$49,407	\$54,143.50	\$26,000
	Legal Defense Reserve	\$10,000	\$10,000	\$10,000	\$0.00	\$0
52400	Public Notice	\$750	\$327	\$567	\$183	\$240
52900	Mileage/travel	\$2,000	\$880	\$1,880	\$120.08	\$1,000
52910	Conference/Meetings	\$3,250	\$810	\$810	\$2,440	\$0
<b>Operating Expense Sub-total</b>		<b>\$125,435</b>	<b>\$38,983</b>	<b>\$67,501</b>	<b>\$57,935.57</b>	
59500	Operating Contingency	\$12,543	\$0	\$0	\$12,543	\$0
<b>Expense Subtotals</b>		<b>\$137,978</b>	<b>\$38,983</b>	<b>\$67,501</b>	<b>\$70,478.57</b>	<b>\$28,518</b>

<b>Projected Year End Actual Revenues</b>	<b>\$123,378</b>
<b>Less Projected Actual Expenses</b>	<b>\$67,501</b>
<b>Projected Fund Balance/Budget Calculation</b>	<b>\$55,877</b>

<i>Fund Balance/Balance Sheet By Fund as of 3/22/16</i>		
101739	LAFCO General Fund	\$50,619
101737	LAFCO Project Fund (includes general reserve)	\$26,192
	Plus Revenue (Fee, Interest, Co Cost Share)	\$40,688
	Less Projected Add'l Expenses to year end	-\$28,518
<b>Projected Fund Balance All Accounts</b>		<b>\$88,981</b>

101738	Legal Defense Fund	\$50,663
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**Agenda Item #9**

**AMADOR LAFCO AUDIT REPORT,  
JUNE 30, 215**



**AMADOR LOCAL AGENCY  
FORMATION COMMISSION**

**AUDIT REPORT**

**JUNE 30, 2015**



AMADOR LOCAL AGENCY FORMATION COMMISSION

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**AMADOR LOCAL AGENCY FORMATION COMMISSION**

Commission Membership

<u>Name</u>	<u>Position</u>
Louis Boitano	Chairman Amador County Board of Supervisors
Brian Oneto	Amador County Board of Supervisors
Richard Forster	Alternate Amador County Board of Supervisors
Patrick Crew	City of Jackson City Council
Tim Murphy	City of Sutter Creek City Council
Dominic Atlan	Alternate City of Lone City Council
Jim Vinciguerra	Vice Chairman Public Member
Byron Damiani	Alternate Public Member



## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Amador Local Agency Formation Commission  
Jackson, CA

### Report on the Financial Statements

We have audited the accompanying financial statements of the Amador Local Agency Formation Commission (Commission), as of and for the year ended June 30, 2015, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Amador Local Agency Formation Commission, as of June 30, 2015, and the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Board of Directors  
Amador Local Agency Formation Commission

**Other Matters**

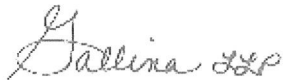
*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that budgetary comparison information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 18, 2016 on our consideration of the Amador Local Agency Formation Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Amador Local Agency Formation Commission's internal control over financial reporting and compliance.



Roseville, California  
March 18, 2016

AMADOR LOCAL AGENCY FORMATION COMMISSION

Statement of Net Position  
June 30, 2015

<u>ASSETS</u>	
Cash in County Treasury	\$ 122,316
Total Assets	<u>122,316</u>
<u>NET POSITION</u>	
Unrestricted	<u>122,316</u>
Total Net Position	<u>\$ 122,316</u>

The accompanying notes are an integral part of these financial statements.

AMADOR LOCAL AGENCY FORMATION COMMISSION

Statement of Activities  
For the Year Ended June 30, 2015

<u>EXPENSES</u>	
Services and supplies	\$ 59,428
<u>PROGRAM REVENUES</u>	
Member agency contributions	64,177
Annexation fees	1,888
Total program revenues	66,065
Net Program Revenue (Expenses)	6,637
<u>GENERAL REVENUES</u>	
Interest income	432
Change in Net Position	7,069
Net Position, Beginning of the Year	115,247
Net Position, End of the Year	\$ 122,316

The accompanying notes are an integral part of these financial statements.

AMADOR LOCAL AGENCY FORMATION COMMISSION

Balance Sheet  
Governmental Fund  
June 30, 2015

	<u>General Fund</u>
<u>ASSETS</u>	
Cash in county treasury	\$ 122,316
Total Assets	<u>\$ 122,316</u>
<u>FUND BALANCE</u>	
Unrestricted	\$ 122,316
Total Fund Balance	<u>\$ 122,316</u>

The accompanying notes are an integral part of these financial statements.

**AMADOR LOCAL AGENCY FORMATION COMMISSION**

Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Fund  
For the Year Ended June 30, 2015

	<u>General Fund</u>
<u>REVENUES</u>	
Member agency contributions	\$ 64,177
Annexation fees	1,888
Interest income	<u>432</u>
Total Revenues	<u>66,497</u>
<u>EXPENDITURES</u>	
Services and supplies	<u>59,428</u>
Total Expenditures	<u>59,428</u>
Change in Fund Balance	7,069
Fund Balance, Beginning of the Year	<u>115,247</u>
Fund Balance, End of the Year	<u>\$ 122,316</u>

The accompanying notes are an integral part of these financial statements.



## AMADOR LOCAL AGENCY FORMATION COMMISSION

Notes to Financial Statements  
June 30, 2015

### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### A. Reporting Entity

The Amador Local Agency Formation Commission (Commission) was created in 1963 by the California Legislature to encourage the orderly formation and development of local agencies, promote the efficient extension of municipal services, and protect against the premature conversion of agricultural and open-space lands. In 2001, following the enactment of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, the Commission became an independent agency separate from the County of Amador. As of June 30, 2015 there are five cities and districts under the Commission in Amador County.

The Commission is comprised of five regular and two alternate members. Each member is appointed pursuant to California Government Code Section 56000 et. Seq. and represents one of the following three interests:

- County Members: Two regular and one alternate member represent the County of Amador. These members are Board of Supervisors. Appointments are made by the Board of Supervisors.
- City Members: Two regular and one alternate member represent five cities in Amador County. The members are mayors or council members. Appointments are made by the City Selection Committee.
- Public Members: One regular and one alternate member represent the general public. Appointments are made by the County and City members on the Commission.

The Commission includes all activities (operations of its administrative staff and commission officers) considered to be a part of the Commission. The Commission reviewed the criteria developed by the Governmental Accounting Standards Board (GASB) in its issuance of Statement No. 14, relating to the financial reporting entity to determine whether the Commission is financially accountable for other entities. The Commission has determined that no other outside entity meets the above criteria, and therefore, no agency has been included as a component unit in the financial statements. In addition, the Commission is not aware of any entity that would be financially accountable for the Commission that would result in the Commission being considered a component unit of that entity.

#### B. Basis of Presentation and Accounting

##### *Government-Wide Statements*

The statement of net position and statement of activities display information about the primary government (Commission). These statements include the financial activities of the overall Commission.

The statement of activities presents a comparison between direct expenses and program revenues for the Commission's governmental activity. Direct expenses are those that are specifically associated with the Commission. Program revenues include grants and contributions that are restricted to meeting the operational or capital requirements of the Commission. Revenues that are not classified as program revenues, including all taxes and investment income, are presented as general revenues.

**AMADOR LOCAL AGENCY FORMATION COMMISSION**

Notes to Financial Statements  
June 30, 2015

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (CONTINUED)

**B. Basis of Presentation and Accounting** (continued)

*Government-Wide Statements* (continued)

The government-wide financial statements are reporting using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of when the related cash flows take place.

When both restricted and unrestricted net assets are available, restricted assets are used first.

*Fund Financial Statements*

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available ("susceptible to accrual"). Member agency contributions and interest are accrued when their receipt occurs within sixty days after the end of the accounting period so as to be measurable and available. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

The General Fund is the Commission's primary operating fund. It accounts for all financial resources of the general government.

**C. Use of Estimates**

The preparation of basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

## AMADOR LOCAL AGENCY FORMATION COMMISSION

Notes to Financial Statements  
June 30, 2015

### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### D. Fund Balances – Governmental Fund Financial Statements

Beginning with the fiscal year 2011, the Commission implemented Governmental Accounting Standards Board Statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions." This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable fund balance – amounts that cannot be spent because they are either not spendable in form or legally or contractually required to remain intact.
- Restricted fund balance – amounts with constraints placed on their use by those external to the Commission, including creditors, grantors, contributors or laws and regulations of other governments. It also includes constraints imposed by law through constitutional provisions or enabling legislation.
- Committed fund balance – amounts that can only be used for specific purposes determined by formal action of the Commission's highest level of decision-making authority (the Commission) and that remain binding unless removed in the same manner. The underlying action that imposed the limitation needs to occur no later than the close of the reporting period.
- Assigned fund balance – amounts that are constrained by the Commission's intent to be used for specific purposes. The intent can be established at either the highest level of decision making or by a body or an official designed for that purpose.
- Unassigned fund balance – the residual classification that includes amounts not contained in the other classifications.

The Commission's governing board establishes, modifies or rescinds fund balance commitments and assignments by passage of a resolution. When restricted and unrestricted resources are available for use, it is the Commission's policy to use restricted resources first, followed by unrestricted committed, assigned and unassigned resources as they are needed.

**AMADOR LOCAL AGENCY FORMATION COMMISSION**

Notes to Financial Statements  
June 30, 2015

**NOTE 2: CASH AND INVESTMENTS**

Cash and investments at June 30, 2015 consisted of the following:

Cash in County Treasury	<u>\$ 122,316</u>
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The Commission maintains all of its cash and investments with the Amador County Treasurer in an investment pool. On a quarterly basis the Treasurer allocates interest to participants based upon their average daily balances. Required disclosure information regarding categorization of investments and other deposit and investment risk disclosures can be found in the County's financial statements.

The County of Amador's financial statements may be obtained by contacting the County of Amador's Auditor-Controller's office at 810 Court Street, Jackson, CA 95642. The Amador County Treasury Oversight Committee oversees the Treasurer's investments and policies.

Required disclosures for the Commission's deposit and investment risks at June 30, 2015, were as follows:

Credit risk	Not rated
Custodial risk	Not applicable
Concentration of credit risk	Not applicable
Interest rate risk	1.12 years

Investments held in the County's investment pool are available on demand and are stated at cost plus accrued interest, which approximates fair value.

**NOTE 3: RISK MANAGEMENT**

The Commission is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets, errors and omissions; injuries to employees; and natural disasters. During the year ended June 30, 2015, the Commission carried insurance through a commercial carrier to cover all risks of losses. The Commission has had no settled claims resulting from these risks that exceeded its commercial coverage in any of the past two fiscal years.

**REQUIRED SUPPLEMENTARY INFORMATION**

**AMADOR LOCAL AGENCY FORMATION COMMISSION**

Budgetary Comparison Schedule - General Fund  
Budget and Actual  
For the Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	<u>Variance With Final Budget Positive (Negative)</u>
<u>REVENUES:</u>				
Member agency contributions	\$ 114,177	\$ 114,177	\$ 64,177	\$ (50,000)
Annexation fees	25,000	25,000	1,888	(23,112)
Interest income	400	400	432	32
	<u>139,577</u>	<u>139,577</u>	<u>66,497</u>	<u>(73,080)</u>
<u>EXPENDITURES:</u>				
Services and supplies	<u>139,577</u>	<u>139,577</u>	<u>59,428</u>	<u>80,149</u>
	<u>139,577</u>	<u>139,577</u>	<u>59,428</u>	<u>80,149</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	--	--	7,069	7,069
Fund Balance, Beginning of the Year	<u>115,247</u>	<u>115,247</u>	<u>115,247</u>	--
Fund Balance, End of the Year	<u>\$ 115,247</u>	<u>\$ 115,247</u>	<u>\$ 122,316</u>	<u>\$ 7,069</u>

## **BUDGET AND BUDGETARY REPORTING**

The Board of Directors acting in accordance with the Joint Exercise of Powers Agreement is required to formally adopt a budget for the Commission prior to July 1<sup>st</sup> of each fiscal year. Operations of the Commission generally parallel the level of activity on which the budget was predicated. The budget is used as a control over the financial operations over the Commission.

After the budget is approved, the appropriations can be added to, subtracted from or changed only by Commission resolution. All such changes must be within the revenues and reserves estimated as available in the final budget or within the revised revenue estimates as approved by the Commission.

An operating budget is adopted each year on the modified accrual basis. Additionally, encumbrance accounting is utilized to assure effective budgetary control. Encumbrances outstanding at year end represent the estimated amount of expenditures ultimately to result if the unperformed contracts in process at year end are completed or purchase commitments satisfied. Such year end encumbrances are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year and included in the subsequent year's budget. Unencumbered appropriations lapse at year end. Budgets are prepared using generally accepted accounting principles.

The legal level of budgetary control (the level on which expenditures may not legally exceed appropriations) is at the object level. Object levels of expenditures are as follows: salaries and benefits, services and supplies, and capital outlay.