



Basic Financial Statements
for the Fiscal Year Ended June 30, 2019
Ventura Council of Governments

VENTURA COUNCIL OF GOVERNMENTS

**Basic Financial Statements
For the Year Ended June 30, 2019**

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Independent Auditor's Report

Board of Directors
Ventura Council of Governments
Ventura, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the general fund of the Ventura Council of Governments (Council), as of and for the year ended June 30, 2019, 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 opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the general fund of the Council as of June 30, 2019, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and 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.

Prior-Year Comparative Information

The financial statements include partial or summarized prior year comparative information. Such information does not include all of the information required to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Council's financial statements for the year ended June 30, 2018, from which such partial or summarized information was derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 30, 2020, on our consideration of the Council'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 solely 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 the effectiveness of the Council's 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 the Council's internal control over financial reporting and compliance.



Rancho Cucamonga, California
April 30, 2020

VENTURA COUNCIL OF GOVERNMENTS

Management's Discussion and Analysis

As management of the Ventura Council of Governments (VCOG), we offer readers of VCOG's financial statements this narrative overview and analysis of VCOG's financial activities for the fiscal year ended June 30, 2019.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to VCOG's basic financial statements. The basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required supplementary information.

Government-wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of VCOG's finances in a manner similar to a private-sector business.

The statement of net position presents information on all of VCOG's assets and liabilities, with the difference between assets and liabilities reported as net position. Over time, increases or decreases in net position may serve as a useful indication on whether the financial position of VCOG is improving or deteriorating.

The statement of activities presents information showing how VCOG's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this same statement for some items that will only result in cash flows in future fiscal periods. The government-wide financial statements may be found on pages 6-7.

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. VCOG, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. Governmental fund financial statements focus on near-term inflows and outflows of spendable resources as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. VCOG consists of a single governmental fund. The fund financial statements may be found on page 8-9.

VENTURA COUNCIL OF GOVERNMENTS
Management's Discussion and Analysis
June 30, 2019

Government-wide Financial Analysis

The total net position of VCOG was \$97,312 at June 30, 2019 (as noted in Table 1). In comparison, the total net position of VCOG at June 30, 2018 was \$110,208. VCOG's net position at June 30, 2019 was unrestricted, meaning there are no external restrictions placed on the future use of the organization's net position.

Table 1
VENTURA COUNCIL OF GOVERNMENTS
Net Position at June 30:

| | <u>Governmental Activities</u> | | <u>Percent Change</u> |
|----------------------|--------------------------------|--------------------------|---------------------------|
| | <u>2019</u> | <u>2018</u> | |
| Assets: | | | |
| Current assets | \$ 103,420 | \$ 110,265 | |
| Total Assets | <u>103,420</u> | <u>110,265</u> | -6.2% |
| Liabilities: | | | |
| Current liabilities | <u>6,108</u> | <u>57</u> | |
| Total Liabilities | <u>6,108</u> | <u>57</u> | 10616% |
| Net Position: | | | |
| Unrestricted | <u>97,312</u> | <u>110,208</u> | |
| Total Net Position | <u><u>\$ 97,312</u></u> | <u><u>\$ 110,208</u></u> | -11.7% |

The total net position of VCOG decreased by \$12,896, or 11.7%, during fiscal year 2018-2019. This means that expenses exceeded revenues, on a full accrual basis, by \$12,896 for the year. Charges for services were 86.2% higher than in fiscal year 2017-18, and expenses were 29.1% higher. The increase in Charges for services was due to an increase in sponsorship funds received for the Annual Dinner and sales of tickets for the Annual Dinner. The increase in expenses can be attributed to increased spending for the June 2019 Annual Dinner and increased legal expense to obtain advice concerning the Dynamex Operations West, Inc. v. Superior Court of Los Angeles Decision, where expenses were \$3,292 higher in fiscal year 2018-19 compared to fiscal year 2017-18. During the current year liabilities increased due to two transactions (Executive Admin: \$5,875 and Printing and Copying: \$86) that were incurred in June 2019 but paid in July 2019.

VENTURA COUNCIL OF GOVERNMENTS
Management's Discussion and Analysis
June 30, 2019

Table 2
Changes in Net Position
For the Year Ended:

| | <u>Governmental Activities</u> | | <u>Percent Change</u> |
|------------------------------------|--------------------------------|--------------------------|-----------------------|
| | <u>2019</u> | <u>2018</u> | |
| Revenues: | | | |
| Program revenues: | | | |
| Charges for Services | \$ 7,167 | \$ 3,850 | 86.2% |
| Operating Grants and Contributions | 64,992 | 64,992 | 0% |
| General Revenues: | | | |
| Investment earnings | <u>20</u> | <u>25</u> | -20% |
| Total revenues | <u>72,179</u> | <u>68,867</u> | 5% |
| Expenses: | | | |
| General government | 85,075 | 65,888 | 29% |
| Change in Net Position | (12,896) | 2,979 | -533% |
| Net position - beginning of year | <u>110,208</u> | <u>107,229</u> | 2.8% |
| Net position - end of year | <u><u>\$ 97,312</u></u> | <u><u>\$ 110,208</u></u> | -11.7% |

Financial Analysis of the General Operating Fund

VCOG maintains a single government fund called the General Operating Fund. As of June 30, 2019, total revenues, assets, liabilities and expenditures of the General Operating Fund are the same as total assets, liabilities, revenues and expenses as shown on the government-wide financial statements.

VCOG's revenues for fiscal year 2018-2019 came from membership dues as well as a Southern California Association of Governments and Southern California Edison Sponsorships of \$3,000 each for the Annual Dinner and sales of tickets for the Annual Dinner. There were no changes in the dues structure from fiscal year 2017-18 to fiscal year 2018-19.

General Operating Fund Budgetary Highlights

The VCOG Board of Directors adopted a formal budget for the fiscal year ended June 30, 2019 on May 10, 2018. The new budget featured several changes including subsequent amendments in reaction to unanticipated costs:

- Transfer of \$8,000 from Reserve Fund for Safe Passages Research Grant to CLU.
- Increase (by amendment) in Annual Dinner Expense from \$6,000 FY 2017-18 to \$7,500 in FY 2018-19.
- Increase (by amendment) in Website Expense from \$550 to \$3,645 to update VCOG's Website.
- Increase (by amendment) in Legal Service Expense from \$400 to 4,000 to address Dynamex Decision Issues.

Contacting VCOG Management

Questions concerning any of the information provided in this report or requests for additional information should be addressed to the VCOG Executive Director, 33 East High Street, Suite 200, Moorpark, CA 93021, P.O. Box 157, Moorpark, California 93020.

VENTURA COUNCIL OF GOVERNMENTS
Statement of Net Position
June 30, 2019
(With Comparative Totals for June 30, 2018)

| | Governmental Activities | |
|------------------------------------|----------------------------|------------|
| | 2019 | 2018 |
| Assets: | | |
| Cash and Cash Equivalents (note 2) | \$ 99,546 | \$ 110,265 |
| Accounts Receivable | 3,874 | - |
| Total Assets | 103,420 | 110,265 |
| Liabilities: | | |
| Accounts Payable | 6,108 | 57 |
| Net Position: | | |
| Unrestricted | 97,312 | 110,208 |
| Total Net Position | \$ 97,312 | \$ 110,208 |

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

VENTURA COUNCIL OF GOVERNMENTS

**Statement of Activities
Year Ended June 30, 2019
(With Comparative Totals for June 30, 2018)**

| | Program Revenues | | Governmental Activities | |
|--|----------------------------|--|--------------------------|--------------------------|
| | Charges for Services | Operating Grants and Contributions | 2019 | 2018 |
| Expenses | | | Net (Expense) Revenue | Net (Expense) Revenue |
| Governmental Activities: | | | | |
| General Government | \$ 85,075 | \$ 7,167 | \$ (12,916) | \$ 2,954 |
| General Revenues: | | | | |
| Unrestricted Investment Earnings | | | 20 | 25 |
| Change in Net Position | | | (12,896) | 2,979 |
| Net Position at Beginning of Year | | | 110,208 | 107,229 |
| Net Position at End of Year | | | \$ 97,312 | \$ 110,208 |

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

VENTURA COUNCIL OF GOVERNMENTS

**Governmental Funds
Balance Sheet – General Fund
June 30, 2019
(With Comparative Totals for June 30, 2018)**

| | <u>2019</u> | <u>2018</u> |
|--------------------------------------|-------------------|-------------------|
| Assets: | | |
| Cash and Cash Equivalents (note 2) | \$ 99,546 | \$ 110,265 |
| Accounts Receivable | 3,874 | - |
| Total Assets | <u>\$ 103,420</u> | <u>\$ 110,265</u> |
| | | |
| Liabilities and Fund Balances | | |
| Liabilities: | | |
| Accounts Payable | <u>6,108</u> | <u>57</u> |
| | | |
| Fund Balances: | | |
| Committed | 67,000 | 67,000 |
| Unassigned | <u>30,312</u> | <u>43,208</u> |
| Total Fund Balances | <u>97,312</u> | <u>110,208</u> |
| Total Liabilities and Fund Balances | <u>\$ 103,420</u> | <u>\$ 110,265</u> |

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

VENTURA COUNCIL OF GOVERNMENTS

**Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances – General Fund
Year Ended June 30, 2019
(With Comparative Totals for June 30, 2018)**

| | 2019 | 2018 |
|------------------------------------|-----------|------------|
| Revenues: | | |
| Charges for Services | \$ 7,167 | \$ 3,850 |
| Contributions | 64,992 | 64,992 |
| Investment Income | 20 | 25 |
| Total Revenues | 72,179 | 68,867 |
| Expenditures: | | |
| Current: | | |
| General Government: | | |
| Professional Services | 68,787 | 51,381 |
| Operations | 4,499 | - |
| Travel and Meetings | 10,076 | - |
| Other | 1,713 | 14,507 |
| Total Expenditures | 85,075 | 65,888 |
| Net Change in Fund Balances | (12,896) | 2,979 |
| Fund Balance, Beginning of Year | 110,208 | 107,229 |
| Fund Balance, End of Year | \$ 97,312 | \$ 110,208 |

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

VENTURA COUNCIL OF GOVERNMENTS

Notes to the Basic Financial Statements Year Ended June 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity: The Ventura Council of Governments (Council) was established by a voluntary joint powers agreement on December 1, 1992 representing the 10 cities within Ventura County as well as the County. This Joint Powers Agency was established under Organization of Title 1, Division 7, Chapter 5 of the California Government Code Section 6503.5. The purpose of the Council is to facilitate cooperative sub-regional and regional planning, coordination and technical assistance on issues of mutual concern.

There are many other governmental agencies, including the County of Ventura and the Ventura County Transportation Commission, providing services within the area served by the Council. These other governmental agencies have independently elected governing boards and consequently are not under the direction of the Council. Financial information for these agencies is not included in the accompanying financial statements.

Financial Statement Presentation: The Council's basic financial statements consist of government-wide financial statements, including a statement of net position and statement of activities, and fund financial statements.

The accompanying financial statements are presented in conformity with accounting principles generally accepted in the United States of America for governmental units as prescribed by the Governmental Accounting Standards Board (GASB).

Government-Wide Financial Statements: The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the activities of the Council. These statements report governmental activities, which normally are supported by general and intergovernmental revenues.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. For the Council, contributions represent member agency dues. Investment earnings and other items not properly included among program revenues are reported instead as *general revenues*.

In the fiscal year ended June 30, 2019, the government-wide financial statements under full accrual were the same as the fund financial statements under modified accrual.

Fund Financial Statements: The underlying accounting system of the Council is organized and operated on the basis of separate funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Fund financial statements for the Council's governmental funds are presented after the government-wide financial statements. The emphasis on fund financial statements is on major governmental funds, each displayed in a separate column. The Council has only one fund, the General Fund. The General Fund is the general operating fund of the Council.

VENTURA COUNCIL OF GOVERNMENTS

Notes to the Basic Financial Statements Year Ended June 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus and Basis of Accounting: The government-wide financial statements are reported 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 the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Council considers revenues to be available if they are collected within 180 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred.

Revenues susceptible to accrual include member agency dues and interest revenue.

Cash and Cash Equivalents: The Council maintains cash and cash equivalents in accordance with its investment policy. The investment policy complies with, or is more restrictive than, applicable state statutes.

The cash of the Council is deposited in an interest bearing bank account.

Fund Balance: The Council maintains its equity in accordance with the fund balance policy.

In the fund financial statements, governmental funds report nonspendable, restricted, committed, assigned and unassigned fund balances to identify the extent to which the Council is bound to honor constraints on the specific purposes for which amounts can be spent.

Nonspendable fund balance: includes assets that are not in spendable form (i.e. prepaid items) or are legally or contractually required to be maintained intact (i.e. permanent endowments).

Restricted fund balance: includes amounts that are constrained by the specific purpose stipulated by external resource providers and/or imposed constitutionally or by enabling legislation.

Committed fund balance: includes amounts that can be used for specific purposes determined by formal action of the government's highest level of decision-making authority by resolution or formal board action. The Board of Directors, as the Council's highest level of decision-making authority, may commit fund balance for specific purposes pursuant to constraints imposed by formal actions taken. Committed amounts cannot be used for any other purpose unless the Council removes or changes the specific use through the same type of formal action taken to establish the commitment. As of June 30, 2019, total committed fund balance was \$67,000.

Assigned fund balance: includes amounts that are intended by the government to be used for specific purposes, but are neither committed nor restricted. The Council has designated the authority to assign amounts used for specific purposes to the Executive Director.

Unassigned fund balance: includes the residual funds for the General Fund and all amounts not contained in the other classifications.

VENTURA COUNCIL OF GOVERNMENTS

Notes to the Basic Financial Statements Year Ended June 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

When both restricted and unrestricted resources are available for use, it is the Council's policy to use restricted resources first and then unrestricted resources in the following manner: committed, assigned and unassigned.

Net Position: In the government-wide financial statements, net position represents the difference between assets and liabilities and is classified as unrestricted net position.

Unrestricted net position represents those assets that are available for general use.

When both restricted and unrestricted resources are available for use, it is the Council's policy to use restricted resources first and then unrestricted resources, as they are needed.

Use of Estimates: The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates.

Prior Year Data: Selected information regarding the prior year has been included in the accompanying financial statements. This information has been included for comparison purposes only and does not represent a complete presentation in accordance with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Council's prior year financial statements for the year ended June 30, 2018, from which this selected financial data was derived.

Implementation of New GASB Pronouncements:

Adopted in the Current Year: The Council has determined that the requirements of these statements do not have a material impact to the financial statements:

GASB Statement No. 83 – In November 2016, GASB issued Statement No. 83, *Certain Asset Retirement Obligations*. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018, or the 2018-2019 fiscal year.

GASB Statement No. 88 – In April 2018, GASB issued Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*. The Statement is effective for the reporting periods beginning after June 15, 2018, or the 2018-2019 fiscal year.

Effective in Future Fiscal Years: The Governmental Accounting Standards Board (GASB) has issued the following pronouncements prior to June 30, 2019, that have effective dates which may impact future financial statement presentation. The effect of these statements is currently under review by the Council:

GASB Statement No. 84, *Fiduciary Activities*

GASB Statement No. 87, *Leases*

GASB Statement No. 89, *Accounting For Interest Cost Incurred Before the End of a Construction Period*

GASB Statement No. 90, *Majority Equity Interests – an amendment of GASB Statements No. 14 and No. 61*

GASB Statement No. 91, *Conduit Debt Obligations*

GASB Statement No. 92, *Omnibus 2020*

GASB Statement No. 93, *Replacement of Interbank Offered Rates*

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*

VENTURA COUNCIL OF GOVERNMENTS

Notes to the Basic Financial Statements Year Ended June 30, 2019

NOTE 2 – CASH AND CASH EQUIVALENTS

The unexpended cash of the Council is deposited in an interest bearing bank account. The carrying value of cash as of June 30, 2019 was \$99,546.

Investments Authorized by the Council’s Investment Policy: The table below identifies the investment types that are authorized for the Council by the California Government Code and the Council’s investment policy. The table also identifies certain provisions of the California Government Code (or the Council’s investment policy, if more restrictive) that addresses interest rate risk, credit risk, and concentration of credit risk.

| Investment Types Authorized by State Law | Maximum Maturity | Maximum Investment of Portfolio | Maximum in One Issuer |
|---|---------------------|---------------------------------------|-----------------------------|
| Local Agency Bonds | 5 years | None | None |
| U.S. Treasury Obligations | 5 years | None | None |
| U.S. Agency Securities | 5 years | None | None |
| Banker's Acceptances | 180 days | 40% | 30% |
| Negotiable Certificates of Deposit | 5 years | 30% | None |
| County Pooled Investment Fund | N/A | None | None |
| Local Agency Investment Fund | N/A | None | None |

Custodial Credit Risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the Council’s investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure Council deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. The first \$250,000 of the deposit balance is federally insured and the remaining balance is collateralized in accordance with the California Government Code.

NOTE 3 – RISK MANAGEMENT

The Council has general liability insurance coverage. Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. There have been no claims or insurance settlements for the past three years and the Council has no liability at June 30, 2019 for unpaid claims.

VENTURA COUNCIL OF GOVERNMENTS

**Notes to the Basic Financial Statements
Year Ended June 30, 2019**

NOTE 4 – SUPPORT SERVICES

The Council has no employees. The Council contracts with its current Executive Director. During the fiscal year ended June 30, 2019, the Council paid \$50,550 for Executive Director support services to perform management and administrative services. The expenditures for the Council are included in professional services in the fund financial statements.

NOTE 5 – COMMITMENTS AND CONTINGENCIES

The Council's management is not aware of any outstanding claims or litigation. The Council has limited revenue sources from member dues. It is dependent on continued available funding.

REQUIRED SUPPLEMENTARY INFORMATION

VENTURA COUNCIL OF GOVERNMENTS

**General Fund
Budgetary Comparison Schedule
Year Ended June 30, 2019**

| | 2019 | | 2019 Actual | Variances with Final Budget Positive (Negative) |
|------------------------------------|-------------------|-------------------|------------------|--|
| | Budgeted Amounts | | | |
| | Original | Final | | |
| Revenues: | | | | |
| Charges for Services | \$ 3,500 | \$ 6,500 | \$ 7,167 | \$ 667 |
| Contributions | 64,992 | 64,992 | 64,992 | - |
| Investment Income | 8 | 18 | 20 | 2 |
| Safe Passages Appropriation | 8,000 | 8,000 | - | (8,000) |
| Total Revenues | <u>76,500</u> | <u>79,510</u> | <u>72,179</u> | <u>(7,331)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| General Government: | | | | |
| Professional Services | 51,700 | 63,400 | 68,787 | (5,387) |
| Operations | 1,500 | 5,310 | 4,499 | 811 |
| Travel and Meetings | 13,500 | 8,900 | 10,076 | (1,176) |
| Other | 9,800 | 1,900 | 1,713 | 187 |
| Total Expenditures | <u>76,500</u> | <u>79,510</u> | <u>85,075</u> | <u>(5,565)</u> |
| Net Change in Fund Balances | - | - | (12,896) | (12,896) |
| Fund Balance, Beginning of Year | <u>110,208</u> | <u>110,208</u> | <u>110,208</u> | <u>-</u> |
| Fund Balance, End of Year | <u>\$ 110,208</u> | <u>\$ 110,208</u> | <u>\$ 97,312</u> | <u>\$ (12,896)</u> |

See accompanying notes to the required supplementary information.

VENTURA COUNCIL OF GOVERNMENTS

Notes to Required Supplementary Information Year Ended June 30, 2019

NOTE 1 – BUDGETARY DATA

The annual budget serves the fiscal period from July 1 through June 30 and is a vehicle that accurately and openly communicates the Council's priorities to the community, businesses, vendors and other public agencies. Also, the budget provides the foundation of financial planning by providing resources planning and controls that permit the evaluation and adjustment of the Council's performance.

Budgets are prepared in accordance with generally accepted accounting principles using the modified accrual basis of accounting. Budgeted amounts are as originally adopted, or as amended in accordance with prescribed procedures throughout the fiscal year.

The adopted budget can be amended by the Council to change both appropriations and estimated revenues as unforeseen circumstances come to management's attention. Increases and decreases in revenue and appropriations require approval by the Council Board. Expenditures may not exceed total appropriations at the individual object level. Any transfer of appropriations between object levels is delegated by the Council to the Executive Director. It is the practice of the Council's management to review the budget quarterly and, if necessary, recommend changes to the Board.

The legal level for budgetary control (the level at which expenditures may not legally exceed appropriations) is at the object level: Professional Services and Other Expenditures. Any transfer of appropriations between object levels within the same budget unit must be authorized by the Council.

NOTE 2 – EXPENDITURES IN EXCESS OF APPROPRIATIONS

Expenditures for the year ended June 30, 2019, exceeded appropriation in the following categories:

- Professional Services expenditures exceeded the legal level for budgetary control by \$5,387 due to additional administrative services provided by the Executive Director.
- Travel and Meeting expenditures exceeded the legal level for budgetary control by \$1,176 due to additional expenses associated with the Annual Dinner Meeting.