



**Local Agency Formation Commission of Napa County**  
Subdivision of the State of California

1754 Second Street, Suite C  
Napa, California 94559  
Phone: (707) 259-8645  
[www.napa.lafco.ca.gov](http://www.napa.lafco.ca.gov)

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*We Manage Local Government Boundaries, Evaluate Municipal Services, and Protect Agriculture*

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**Agenda Item 7a (Action)**

**TO:** Local Agency Formation Commission

**PREPARED BY:** Tracy A. Schulze, County of Napa Auditor-Controller

**MEETING DATE:** December 4, 2023

**SUBJECT:** Financial Audit for Fiscal Year Ending June 30, 2023

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**RECOMMENDATION**

Receive and file the financial audit report for the fiscal year ending June 30, 2023.

**SUMMARY**

Brown Armstrong was retained to conduct an independent audit of the agency's financial statements for the 2022-23 fiscal year. Brown Armstrong completed their audit in November 2023 and found no material misstatements. The audit also found no instances of significant or unusual changes in reporting practices and does not include any suggestions for improvements (Attachments 1 and 2).

Brown Armstrong's audit provides an unqualified opinion that the Commission's financial statements are reliable representations of the agency's financial position as of June 30, 2023. This "clean" opinion affirms the Commission maintains an effective level of internal control in managing its financial records and transactions which helps to ensure maximum accountability with respect to the agency's use of public funds. The audit also affirms that the Commission is in relatively strong financial position given it finished the fiscal year with an available/unrestricted fund balance of \$411,957; an amount representing approximately 73.8% of the agency's actual expenditures for the 2022-23 fiscal year and 50.6% of the fiscal year 2023-24 adopted budget.

A financial summary chart (Attachment 3) depicts changes in the Commission's audited fund balance for the past 15 fiscal years, beginning with 2008-09.

**ATTACHMENTS**

- 1) LAFCO Financial Audit Report for the Fiscal Year Ended June 30, 2023
- 2) Communications Letter from Brown Armstrong to the Commissioners
- 3) LAFCO Financial Summary Chart Fiscal Years 2008-09 to 2022-23

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Margie Mohler, Chair  
Councilmember, Town of Yountville

Beth Painter, Commissioner  
Councilmember, City of Napa

Mariam Aboudamous, Alternate Commissioner  
Councilmember, City of American Canyon

Anne Cottrell, Vice Chair  
County of Napa Supervisor, 3rd District

Belia Ramos, Commissioner  
County of Napa Supervisor, 5th District

Joelle Gallagher, Alternate Commissioner  
County of Napa Supervisor, 1st District

Kenneth Leary, Commissioner  
Representative of the General Public

Eve Kahn, Alternate Commissioner  
Representative of the General Public

Brendon Freeman  
Executive Officer

**LOCAL AGENCY FORMATION  
COMMISSION OF NAPA COUNTY**

**FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITOR'S REPORT**

**FOR THE YEAR ENDED  
JUNE 30, 2023**

**LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY  
JUNE 30, 2023**

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**LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY  
COMMISSION MEMBERSHIP  
FOR THE YEAR ENDED JUNE 30, 2023**

<u>Name</u>	<u>Title</u>	<u>Term Expiration</u>
Margie Mohler	Chair City Selection Committee	May 2025
Anne Cottrell	Vice Chair Napa County Board of Supervisors	May 2024
Belia Ramos	Commissioner Napa County Board of Supervisors	May 2026
Kenneth Leary	Commissioner Public Member	May 2026
Beth Painter	Commissioner City Selection Committee	May 2027
Mariam Aboudamous	Alternate Commissioner City Selection Committee	May 2027
Joelle Gallagher	Alternate Commissioner Napa County Board of Supervisors	May 2025
Eve Kahn	Alternate Commissioner Public Member	May 2024

**FINANCIAL SECTION**



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661-324-4971

## INDEPENDENT AUDITOR'S REPORT

Board of Commissioners  
Local Agency Formation Commission of Napa County  
Napa, California

### Report on the Audit of the Basic Financial Statements

#### **Opinions**

We have audited the accompanying basic financial statements of the governmental activities and the major fund of the Local Agency Formation Commission of Napa County (the Commission), as of and for the year ended June 30, 2023, and the related notes to the basic financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Commission, as of June 30, 2023, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinions**

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Basic Financial Statements section of our report. We are required to be independent of the Commission and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### **Responsibilities of Management for the Basic Financial Statements**

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

In preparing the basic financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Commission's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

***Auditor's Responsibilities for the Audit of the Basic Financial Statements***

Our objectives are to obtain reasonable assurance about whether the basic financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the basic financial statements.

In performing an audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the basic financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the basic financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Commission's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the basic financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Commission's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

***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 on pages 4–7 and 20–21 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 29, 2023, on our consideration of the 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 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 Commission'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 Commission's internal control over financial reporting and compliance.

BROWN ARMSTRONG  
ACCOUNTANCY CORPORATION

*Brown Armstrong  
Accountancy Corporation*

Bakersfield, California  
November 29, 2023



**LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2023**

The Local Agency Formation Commission of Napa County (the Commission) administers a section of California Government Code known as the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000. The Commission is delegated regulatory and planning responsibilities to coordinate the logical formation and development of local agencies in a manner preserving agricultural and open-space resources, promoting the orderly extension of municipal services, and discouraging urban sprawl. Key duties include regulating boundary changes through annexations or detachments; approving city incorporations or disincorporations; and forming, consolidating, or dissolving special districts. The Commission is also responsible for preparing studies in order to knowledgeably perform its regulatory activities, including establishing and updating spheres of influence for all cities and special districts within its jurisdiction. Spheres are planning tools used by the Commission to designate the territory it believes represents the appropriate and probable future service area of the affected agency. All jurisdictional changes, such as annexations, must be consistent with the spheres of the affected agencies with limited exceptions. As of June 30, 2023, there are currently 23 total cities and special districts subject to Commission jurisdiction in Napa County (the County).

The Commission was first established in 1963 as an office within the County. From 1963 to 2000, 100% of the Commission's annual budget was funded by the County. On July 1, 2001, in conjunction with the enactment of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, the Commission became autonomous of the County in terms of fulfilling its statutory duties and responsibilities. This transition was highlighted by the Commission appointing its own executive officer and counsel as well as altering its funding to include contributions from the cities of American Canyon, Calistoga, Napa, and St. Helena and the Town of Yountville. The County is now responsible for funding 50% of the Commission's annual budget with the remaining portion divided among the four cities and town based on a locally adopted formula as provided under Government Code Section 56381.

This narrative overview and analysis of the financial activities for the fiscal year ending June 30, 2023, is offered by the Commission's manager, the Executive Officer, to provide greater context to the audit performed by the Commission's independent auditor, Brown Armstrong Accountancy Corporation. Please read it in conjunction with the Commission's basic financial statements, which follow this section.

### **OVERVIEW OF THE BASIC FINANCIAL STATEMENTS**

This discussion and analysis are intended to serve as an introduction to the Commission's basic financial statements. The following Statement of Net Position and Governmental Fund Balance Sheet, and the Statement of Activities and Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balance, provide information about the activities of the Commission. The financial statements also include various note disclosures, which further describe the Commission's activities.

#### **Government-Wide Statements**

The government-wide financial statements are designed to provide readers with a broad overview of the Commission's finances, in a manner similar to a private sector business.

The Statement of Net Position presents information on all of the Commission's assets and liabilities, with the difference between the two reported as net position.

The Statement of Activities presents information showing how the Commission's net position changed during the most recent 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 related cash flows. Thus, revenues and expenses are reported in the statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused vacation leave).

## Fund Financial Statements

A fund is a grouping of related accounts used to maintain control over resources segregated for specific activities or objectives. The Commission, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Fund financial statements report essentially the same functions as those reported in the government-wide financial statements. However, unlike the government-wide financial statements, 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.

Because the focus of governmental funds is narrower than government-wide financial statements, it is useful to compare the information presented. Both the Governmental Fund Balance Sheet and the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balance provide reconciliations to facilitate the comparison between governmental funds and government-wide statements.

## Notes to the Basic Financial Statements

The notes provide additional information essential to a full understanding of the data provided in the government-wide and fund financial statements.

## Required Supplementary Information (RSI)

RSI is presented concerning the Commission's General Fund budgetary comparison schedule. The Commission adopts an annual appropriated budget for its General Fund. A budgetary comparison schedule has been provided for the General Fund to demonstrate compliance with this budget.

## FINANCIAL ANALYSIS OF THE COMMISSION

### Net Position

The Commission has presented its basic financial statements under the reporting model required by Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis (MD&A) – for State and Local Governments*.

	<u>2023</u>	<u>2022</u>	<u>Variance</u>
<b>Assets</b>			
Current Assets	\$ 413,711	\$ 301,290	\$ 112,421
Noncurrent assets	82,961	110,019	(27,058)
<b>Total Assets</b>	<u>496,672</u>	<u>411,309</u>	<u>85,363</u>
<b>Liabilities</b>			
Current Liabilities	1,754	432	1,322
Long-Term Liabilities	87,755	113,770	(26,015)
<b>Total Liabilities</b>	<u>89,509</u>	<u>114,202</u>	<u>(24,693)</u>
<b>Net Position</b>			
Net Investment in Capital Assets (Leased Assets)	(4,794)	(3,751)	(1,043)
Unrestricted	411,957	300,858	111,099
<b>Total Net Position</b>	<u>\$ 407,163</u>	<u>\$ 297,107</u>	<u>\$ 110,056</u>

Net position may serve over time as a useful indicator of a government's financial position. In the case of the Commission, total assets exceeded total liabilities by \$407,163 as of June 30, 2023, due to revenues exceeding projected expenses.

### Changes in Net Position

The government-wide financial statement presented below represents an analysis of the Commission's governmental activities.

#### Condensed Statement of Activities For the Year Ended June 30, 2023

	2023	2022	Variance
<b>Revenues:</b>			
Intergovernmental	\$ 627,588	\$ 509,670	\$ 117,918
Charges for Services	32,777	31,599	1,178
Interest Income	7,243	5,418	1,825
<b>Total Revenues</b>	<b>667,608</b>	<b>546,687</b>	<b>120,921</b>
<b>Expenses:</b>			
Contracted Administrative Services	442,964	444,598	(1,634)
Services and Supplies	112,651	93,224	19,427
Debt Service:			
Interest	1,937	2,001	(64)
<b>Total Expenses</b>	<b>557,552</b>	<b>539,823</b>	<b>17,729</b>
<b>Change in Net Position</b>	<b>110,056</b>	<b>6,864</b>	<b>103,192</b>
<b>Net Position - Beginning of Year</b>	<b>297,107</b>	<b>290,243</b>	<b>6,864</b>
<b>Net Position - End of Year</b>	<b>\$ 407,163</b>	<b>\$ 297,107</b>	<b>\$ 110,056</b>

### Financial Analysis of the Commission's Governmental Fund

As noted earlier, fund accounting is used by the Commission to ensure and demonstrate compliance with finance-related legal requirements.

For the year ending June 30, 2023, the Commission reported an ending fund balance of \$411,957, for an increase of \$111,099 from the prior year.

### BUDGETARY HIGHLIGHTS

The Commission practices bottom-line accounting, giving management the discretion to use excess funds in one account to offset deficits in other accounts. This allows management to minimize the fiscal impact of unanticipated increases in contracted administrative services by controlling spending in other accounts.

State law requires that the County, and the four cities and town within the County, fund the Commission's budget each year. The Commission is also authorized to establish and collect fees for purposes of offsetting agency contributions. It is also the practice of the Commission to make use of its unrestricted fund balance to help cover operating costs to help minimize the fiscal impact on local agencies as long as the balance does not fall below the equivalent of four months of operating expenses. This practice of using the unrestricted fund balance to help cover operating costs occasionally results in budgeting an

operating shortfall. For the year ending June 30, 2023, the Commission budgeted an operating shortfall of \$0. The actual change in fund balance was a surplus of \$111,099, primarily due to the increase in charges for services and decrease in contracted administrative expenditures (most notably an extended vacancy in the Commission Clerk position), legal expenditures, rent and lease expenditures, and training expenditures.

It should be noted that Intergovernmental Revenues represent the amount each agency was required to contribute to the Commission's budget.

### **CAPITAL ASSETS**

During fiscal year 2008-09, the Commission purchased an electronic document management system with a cost of \$19,657. This asset was depreciated over an estimated useful life of 5 years, using the straight-line depreciation method, and therefore, was fully depreciated as of fiscal year 2013-14.

The Commission has an assigned fund balance of \$19,657 for the eventual replacement of the document management system.

During fiscal year 2021-22, the Commission implemented GASB Statement No. 87, *Leases*. The Commission recognized two (2) right-to-use leased assets for a building lease and a Xerox copier machine. Right-to-use leased assets totaled \$82,961 (net of accumulated amortization) as of June 30, 2023. Refer to Note 3 for additional details.

### **DEBT ADMINISTRATION**

The Commission's long-term obligations were for lease liabilities. The Commission's obligations totaled \$87,755 as of June 30, 2023. Refer to Note 4 for additional details.

### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

The Commission is committed to fulfilling its state-mandated mission with as little fiscal impact on local agencies as possible. In preparing the budget for fiscal year 2023-24, the Commission used a spending baseline to estimate how much it would cost to continue the level of its activities and services at next year's price for labor and supplies. The Commission's adopted fiscal year 2023-24 budget is \$812,946, an overall percentage increase of 22.5% from prior year's original adopted budget. This increase is due to administrative cost increases involving the new full-time Clerk/Jr. Analyst staff position, expenses related to a countywide study of fire and emergency medical services, a half-day strategic planning workshop with an outside facilitator, increased legal service needs, and anticipated conference attendance.

### **CONTACTING THE COMMISSION**

These financial statements are designed to provide a general overview of the Commission's finances for all those interested. Through a memorandum of understanding, the County provides certain management and administrative functions, including financial management and accounting. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Local Agency Formation Commission of Napa County  
1754 Second Street, Suite C  
Napa, California 94559

**BASIC FINANCIAL STATEMENTS**

**LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY  
STATEMENT OF NET POSITION  
JUNE 30, 2023**

<b>Assets</b>	
Cash in County Treasury	\$ 411,425
Deposits with Others	2,200
Prepays	86
Leased Assets	
Right-to-Use Assets, Net of Accumulated Amortization	<u>82,961</u>
<b>Total Assets</b>	<u>496,672</u>
<b>Liabilities</b>	
Accounts Payable	966
Accrued Salaries and Benefits	788
Long-Term Liabilities	
Due Within One Year:	
Lease Liability	27,301
Due in More Than One Year:	
Lease Liability	<u>60,454</u>
<b>Total Liabilities</b>	<u>89,509</u>
<b>Net Position</b>	
Net Investment in Capital Assets (Leased Assets)	(4,794)
Unrestricted	<u>411,957</u>
<b>Total Net Position</b>	<u><u>\$ 407,163</u></u>

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

**LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2023**

<b>Program Expenses</b>	
Contracted Administrative Services	\$ 442,964
Services and Supplies	112,651
Debt Service:	
Interest	<u>1,937</u>
<b>Total Program Expenses</b>	<u>557,552</u>
<b>Program Revenues</b>	
Intergovernmental Revenues:	
County of Napa	313,794
Other Governmental Agencies	313,794
Charges for Services	<u>32,777</u>
<b>Total Program Revenues</b>	<u>660,365</u>
Net Program Revenue	102,813
<b>General Revenues</b>	
Interest Income	<u>7,243</u>
<b>Change in Net Position</b>	110,056
<b>Net Position - Beginning of Year</b>	<u>297,107</u>
<b>Net Position - End of Year</b>	<u><u>\$ 407,163</u></u>

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

**LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY  
BALANCE SHEET  
GOVERNMENTAL FUND  
JUNE 30, 2023**

<b>Assets</b>	
Cash in County Treasury	\$ 411,425
Deposits with Others	2,200
Prepays	<u>86</u>
<b>Total Assets</b>	<b><u>\$ 413,711</u></b>
<b>Liabilities</b>	
Accounts Payable	\$ 966
Accrued Salaries and Benefits	<u>788</u>
<b>Total Liabilities</b>	<b><u>1,754</u></b>
<b>Fund Balance</b>	
Assigned	19,657
Unassigned	<u>392,300</u>
<b>Total Fund Balance</b>	<b><u>411,957</u></b>
<b>Total Liabilities and Fund Balance</b>	<b><u>\$ 413,711</u></b>

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



**LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY  
RECONCILIATION OF THE GOVERNMENTAL FUND  
BALANCE SHEET TO THE STATEMENT OF NET POSITION  
JUNE 30, 2023**

**Reconciliation of the Balance Sheet to the Statement of Net Position**

Total fund balance - governmental fund (page 10)	\$ 411,957
Amounts reported for governmental activities in the statement of net position are different because:	
Right-to-use leased assets used for governmental activities are not reported as assets in the governmental fund.	82,961
Lease liability is not reported in the governmental fund.	<u>(87,755)</u>
Net position of governmental activities (page 8)	<u><u>\$ 407,163</u></u>

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

**LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUND  
FOR THE YEAR ENDED JUNE 30, 2023**

**Revenues**

## Intergovernmental Revenues:

County of Napa	\$ 313,794
Other Governmental Agencies	313,794
Charges for Services	32,777
Interest Income	7,243

**Total Revenues**


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 667,608
**Expenditures**

Contracted Administrative Services	442,964
Services and Supplies	85,593
Debt Service:	
Principal	26,015
Interest	1,937

**Total Expenditures**


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 556,509
**Change in Fund Balance**

111,099

**Fund Balance - Beginning of Year**


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 300,858
**Fund Balance - End of Year**


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 \$ 411,957
 

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

**LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY  
RECONCILIATION OF THE GOVERNMENTAL FUND STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2023**

**Reconciliation of Statement of Revenues, Expenditures, and  
Changes in Fund Balance to the Statement of Activities**

Net change in fund balance - governmental fund (page 12)	\$ 111,099
Amounts reported for governmental activities in the statement of activities are different because:	
Lease amortization expense does not use current financial resources but has an effect on net position.	(27,058)
Lease principal payments on long-term debt use current financial resources but have no effect on net position.	<u>26,015</u>
Change in net position of governmental activities (page 9)	<u><u>\$ 110,056</u></u>

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

**LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The Local Agency Formation Commission of Napa County (the 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 Napa (the County). As of June 30, 2023, there are 23 cities and special districts under the jurisdiction of the Commission in the County.

The Board of Commissioners is comprised of five regular and three 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. These members are members of the County Board of Supervisors. Appointments are made by the Board of Supervisors.
- **City Members:** Two regular and one alternate member represent the four cities and town in the 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 and amended by Statement No. 61, 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 Financial Statements*

The Statement of Net Position and Statement of Activities display information about the primary government (the 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's governmental activity. 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.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)****B. Basis of Presentation and Accounting (Continued)***Government-Wide Financial Statements (Continued)*

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 when the related cash flows take place. Nonexchange transactions are those in which the Commission gives (or receives) value without directly receiving (or giving) equal value in exchange, including grants. Revenues from grants are recognized in the fiscal year in which all eligible requirements have been satisfied. No grants have been received or are anticipated to be received in the near future.

When both restricted and unrestricted net position are available, restricted resources are used before non-restricted resources.

*Fund Financial Statements*

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when measurable and available ("susceptible to accrual"). Taxes, interest, certain state and federal grants, and charges for services revenues are accrued when their receipt occurs within sixty days after the end of the accounting period so as to be measurable and available. Expenditures are generally recorded when a liability is incurred, as under the accrual basis of accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

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

**C. Capital Assets**

Capital assets are recorded at historical cost or estimated historical cost if actual historical cost is not available. Contributed capital assets are valued at their estimated fair market value on the date contributed. The Commission defines capital assets as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Capital assets used in operations are depreciated using the straight-line method over their estimated useful lives in the government-wide statements. Depreciation begins on the first day of the fiscal year following the period the asset is placed in service and ends in the fiscal year that it is retired from service or is fully depreciated.

**D. Use of Estimates**

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

**E. Lease Assets**

Right-to-use leased assets are recorded at the amount of the initial measurement of the lease liabilities and modified by any lease payment made to the lessor at or before the commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease term along with any direct costs that are ancillary charges necessary to place the leased assets into service in accordance with GASB Statement No. 87, *Leases*.

Right-to-use leased assets are amortized using the straight-line method over the shorter of the lease term or the useful life on the underlying asset, unless the lease contains a purchase option that the Commission has determined is reasonably certain of being exercised.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)**F. New Accounting Pronouncements Implemented**

**GASB Statement No. 91 – *Conduit Debt Obligations*.** The requirements of this statement are effective for fiscal years beginning after December 15, 2021. Earlier application is encouraged. This statement does not impact the financial statements or disclosures of the Commission as the Commission does not have these types of transactions.

**GASB Statement No. 94 – *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*.** The requirements of this statement are effective for fiscal years beginning after June 15, 2022, and all fiscal years thereafter. This statement does not impact the financial statements or disclosures of the Commission as the Commission does not have these types of transactions.

**GASB Statement No. 96 – *Subscription-Based Information Technology Arrangements*.** The requirements of this statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. This statement does not impact the financial statements or disclosures of the Commission as the Commission does not have these types of transactions.

**GASB Statement No. 99 – *Omnibus 2022*.** The requirements of this statement are effective as follows:

- The requirements related to extension of the use of the London Interbank Offered Rate (LIBOR), accounting for Supplemental Nutrition Assistance Program (SNAP) distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in GASB Statement No. 34, as amended, and terminology updates related to GASB Statement No. 53 and GASB Statement No. 63 are effective upon issuance.
- The requirements related to leases, public-private and public-public partnerships (PPPs), and subscription-based information technology arrangements (SBITAs) are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.
- The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of GASB Statement No. 53 are effective for fiscal years beginning after June 15, 2023, and all fiscal years thereafter.

This statement does not impact the financial statements or disclosures of the Commission as the Commission does not have these types of transactions.

**G. Future Accounting Pronouncements**

**GASB Statement No. 100 – *Accounting Changes and Error Corrections—An Amendment of GASB Statement No. 62*.** For fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged. The Commission has not fully judged the impact of implementation of this standard on the financial statements.

**GASB Statement No. 101 – *Compensated Absences*.** The requirements of this statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged. The Commission has not fully judged the impact of implementation of this standard on the financial statements.

**NOTE 2 – CASH**

Cash at June 30, 2023, consisted of the following:

Cash in County Treasury	\$ 411,425
	\$ 411,425

**NOTE 2 – CASH** (Continued)

The Commission maintains all of its cash and investments with the 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's financial statements may be obtained by contacting the County's Auditor-Controller's Office at 1195 Third Street, Room B-10, Napa, California 94559. The County Treasury Oversight Committee oversees the Treasurer's investments and policies.

Required disclosures for the Commission's deposit and investment risks at June 30, 2023, were as follows:

Credit risk	Not rated
Custodial risk	Not applicable
Concentration of credit risk	Not applicable
Interest rate risk	Not available

Investments held in the County's investment pool are available on demand and are stated at cost plus accrued interest, which approximates fair value. The Commission has no deposit or investment policy that addresses a specific type of risk.

**NOTE 3 – CAPITAL ASSETS AND RIGHT-TO-USE LEASED ASSETS**

Capital assets and right-to-use leased assets activity at June 30, 2023, were as follows:

	Balance July 1, 2022	Additions	Retirements	Balance June 30, 2023
Capital assets being depreciated:				
Equipment	\$ 19,657	\$ -	\$ -	\$ 19,657
Total capital assets being depreciated	19,657	-	-	19,657
Less accumulated depreciation:				
Equipment	(19,657)	-	-	(19,657)
Total accumulated depreciation	(19,657)	-	-	(19,657)
Capital assets, net	-	-	-	-
Right-to-use leased assets being amortized:				
Building	125,943	-	-	125,943
Equipment	9,033	-	-	9,033
Total right-to-use leased assets being amortized	134,976	-	-	134,976
Less accumulated amortization:				
Building	(23,090)	(25,189)	-	(48,279)
Equipment	(1,867)	(1,869)	-	(3,736)
Total accumulated amortization	(24,957)	(27,058)	-	(52,015)
Right-to-use leased assets, net	110,019	(27,058)	-	82,961
Total capital assets and right-to-use leased assets, net	\$ 110,019	\$ (27,058)	\$ -	\$ 82,961

Amortization for right-to-use leased assets (see Note 4) for the fiscal year ended June 30, 2023, was \$27,058.

**NOTE 4 – LONG-TERM LIABILITIES**

The Commission has entered into two (2) lease agreements as follows:

The Commission has entered into a lease agreement, with a recognized inception date of August 1, 2021, as lessee for the use of 1754-C 2<sup>nd</sup> St. The lease term ends on July 31, 2026. An initial lease liability of \$125,943 was recorded on August 1, 2021. As of June 30, 2023, the value of the lease liability was \$82,360. The Commission recorded \$24,179 as the principal portion of the lease payments for the year ended June 30, 2023. The Commission has a fixed base rent schedule, ranging from \$1,850 a month on August 1, 2021, to \$2,350 a month ending July 1, 2026. The Commission is utilizing the County's incremental borrowing rate of 1.9%.

The Commission has entered into a lease agreement, with a recognized inception date of July 1, 2021, as lessee for the use of a Xerox copier machine. The lease term ends on April 28, 2026. An initial lease liability of \$9,033 was recorded on July 1, 2021. As of June 30, 2023, the value of the lease liability was \$5,395. The Commission recorded \$1,836 as the principal portion of the lease payments for the year ended June 30, 2023. The Commission has a fixed base rent of \$163 a month through the end of the term on April 28, 2026. The Commission is utilizing the County's incremental borrowing rate of 1.9%.

Principal and interest payments to maturity are as follows:

Year Ending June 30,	Principal	Interest
2024	\$ 27,301	\$ 1,432
2025	28,626	902
2026	29,485	346
2027	2,343	4
Total	<u>\$ 87,755</u>	<u>\$ 2,684</u>

**NOTE 5 – NET POSITION/FUND BALANCE****Net Position**

Net position comprises the various net earnings from operating and nonoperating revenues, expenses, and capital contributions. Net position is classified in the following three components: net investment in capital assets, net position – restricted, and net position – unrestricted. The Commission reports net investment in capital assets and net position – unrestricted balances. Net investment in capital assets consists of all capital and right-to-use leased assets, net of accumulated depreciation/amortization and reduced by outstanding debt that is attributable to the acquisition, construction, and improvement of those assets. Unrestricted net position consists of all other net position not included in the above categories.

**Fund Balance**

Governmental funds report fund balance in classifications based primarily on the extent to which the Commission is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. As of June 30, 2023, fund balances for governmental funds are made up of the following:

- *Nonspendable fund balance* – amounts that are not in spendable form (such as inventory) or are required to be maintained intact.
- *Restricted fund balance* – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.



**NOTE 5 – NET POSITION/FUND BALANCE** (Continued)**Fund Balance** (Continued)

- *Committed fund balance* – amounts constrained to specific purposes by the Commission itself, using its highest level of decision-making authority. To be reported as committed, amounts cannot be used for any other purpose unless the Commission takes the same highest level of action to remove or change the constraint.
- *Assigned fund balance* – amounts the Commission intends to use for a specific purpose. Intent can be expressed by the Board of Commissioners or by an official or body to which the Board of Commissioners delegates the authority.
- *Unassigned fund balance* – amounts that are available for any purpose. Positive amounts are reported only in the General Fund.

The Board of Commissioners establishes (and modifies or rescinds) fund balance commitments by adopting a final budget no later than June 15th and approving amendments as needed throughout the year. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives).

In circumstances when an expenditure is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is generally depleted in the order of restricted, committed, assigned, and unassigned.

The Commission strives to maintain an unassigned fund balance to be used for unanticipated emergencies of approximately four months of expenditures.

**NOTE 6 – RELATED PARTY TRANSACTIONS**

During the year ended June 30, 2023, the Commission paid the County, a related party, \$458,718 for personnel and other support services.

In addition, the Commission received \$313,794 during the year ended June 30, 2023, from the County, a related party, pursuant to Government Code Section 56381. The County provides half of the intergovernmental revenue to the Commission. The other half is funded by the City of Napa, City of St. Helena, City of American Canyon, City of Calistoga, and Town of Yountville.

**NOTE 7 – 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. The Commission participates in the County's risk pool. Information about coverage can be found in the County's basic financial statements.

**NOTE 8 – SUBSEQUENT EVENTS**

Subsequent events have been evaluated through November 29, 2023, which is the date the basic financial statements were available to be issued. No events have occurred that would require disclosure.

**REQUIRED SUPPLEMENTARY INFORMATION**

**LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED JUNE 30, 2023**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>Revenues</b>				
Intergovernmental Revenues	\$ 627,588	\$ 627,588	\$ 627,588	\$ -
Charges for Services	26,000	26,000	32,777	6,777
Interest Income	6,000	6,000	7,243	1,243
Miscellaneous	4,000	4,000	-	(4,000)
Total Revenues	<u>663,588</u>	<u>663,588</u>	<u>667,608</u>	<u>4,020</u>
<b>Expenditures</b>				
Contracted Administrative Services	525,794	525,794	442,964	82,830
Services and Supplies	109,842	109,842	85,593	24,249
Debt Service:				
Principal	27,952	27,952	26,015	1,937
Interest	-	-	1,937	(1,937)
Total Expenditures	<u>663,588</u>	<u>663,588</u>	<u>556,509</u>	<u>107,079</u>
Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	111,099	<u>\$ 111,099</u>
Fund Balance - Beginning of Year			<u>300,858</u>	
Fund Balance - End of Year			<u>\$ 411,957</u>	

See accompanying note to the required supplementary information.

**LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY  
NOTE TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2023**

**BUDGET AND BUDGETARY REPORTING**

The Local Agency Formation Commission of Napa County (the Commission) prepares and legally adopts a final budget on or before June 15th of each fiscal year.

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

An operating budget is adopted each fiscal year on the modified accrual basis of accounting. Additionally, encumbrance accounting is utilized to assure effective budgetary control. Encumbrances outstanding at year-end represent the estimated amount of the 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 accounting principles generally accepted in the United States of America.

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 other charges.

**OTHER REPORT**



**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
 FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
 BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
 ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Commissioners  
 Local Agency Formation Commission of Napa County  
 Napa, California

We have audited, in accordance with the 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, the basic financial statements of the governmental activities and the major fund of the Local Agency Formation Commission of Napa County (the Commission), as of and for the year ended June 30, 2023, and the related notes to the basic financial statements, which collectively comprise the Commission's basic financial statements, and have issued our report thereon dated November 29, 2023.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the basic financial statements, we considered the Commission's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Commission's basic financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Commission's basic financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the basic financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Commission's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

BROWN ARMSTRONG  
ACCOUNTANCY CORPORATION

*Brown Armstrong*  
*Accountancy Corporation*

Bakersfield, California  
November 29, 2023



Board of Commissioners  
 Local Agency Formation Commission of Napa County  
 Napa, California

We have audited the financial statements of the governmental activities and the major fund of the Local Agency Formation Commission of Napa County (the Commission) for the year ended June 30, 2023. Professional standards require that we provide you with information about our responsibilities under auditing standards generally accepted in the United States of America and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated July 5, 2023. Professional standards also require that we communicate to you the following information related to our audit.

### **Significant Audit Matters**

#### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Commission are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into by the Commission during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the County's financial statements were:

Management's estimate of the discount rate for the purpose of calculating the right-to-use leased assets and lease liabilities relating to leases. We evaluated the key factors and assumptions used to develop the estimate of the discount rate for the purpose of calculating the right-to-use leased assets and lease liabilities relating to leases in determining that it is reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

- The disclosure of right-to-use leased assets and long-term liabilities in Notes 3 and 4, respectively, to the financial statements.

The financial statement disclosures are neutral, consistent, and clear.

#### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.



*Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. No such misstatements were identified.

*Disagreements with Management*

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

*Management Representations*

We have requested certain representations from management that are included in the management representation letter dated November 29, 2023.

*Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Commission's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

*Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Commission's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

**Other Matters**

We applied certain limited procedures to Management's Discussion and Analysis and the Budgetary Comparison Schedule, which are required supplementary information (RSI) that supplement the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

**Restriction on Use**

This information is intended solely for the information and use of the Board of Commissioners and management of the Commission and is not intended to be, and should not be, used by anyone other than these specified parties.

BROWN ARMSTRONG  
ACCOUNTANCY CORPORATION

*Brown Armstrong*  
*Accountancy Corporation*

Bakersfield, California  
November 29, 2023

LAFCO Financial Summary  
For the Past 15 Years

ATTACHMENT THREE

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues	\$ 379,499	\$ 330,942	\$ 386,070	\$ 394,658	\$ 435,317	\$ 452,727	\$ 483,743	\$ 479,137	\$ 459,555	\$ 443,870	\$ 503,137	\$ 514,135	\$ 530,167	\$ 546,687	\$ 667,608
Expenses	389,688	373,993	385,677	404,358	414,578	424,924	430,146	387,701	407,207	403,630	526,982	616,203	559,686	536,072	556,509
Surplus/Deficit	\$ (10,189)	\$ (43,051)	\$ 393	\$ (9,700)	\$ 20,739	\$ 27,803	\$ 53,597	\$ 91,436	\$ 52,348	\$ 40,240	\$ (23,845)	\$ (102,068)	\$ (29,519)	\$ 10,615	\$ 111,099
Fund Balance:															
Beginning Fund Balance	\$ 222,059	\$ 211,870	\$ 168,819	\$ 169,212	\$ 159,512	\$ 180,251	\$ 208,054	\$ 261,651	\$ 353,087	\$ 405,435	\$ 445,675	\$ 421,830	\$ 319,762	\$ 290,243	\$ 300,858
Surplus/Deficit 6/30	(10,189)	(43,051)	393	(9,700)	20,739	27,803	53,597	91,436	52,348	40,240	(23,845)	(102,068)	(29,519)	10,615	111,099
Ending Fund Balance	\$ 211,870	\$ 168,819	\$ 169,212	\$ 159,512	\$ 180,251	\$ 208,054	\$ 261,651	\$ 353,087	\$ 405,435	\$ 445,675	\$ 421,830	\$ 319,762	\$ 290,243	\$ 300,858	\$ 411,957
Breakdown of Fund Balance:															
Petty Cash Reserve	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100
Equipment Replacement Reserve	-	3,931	7,862	11,793	15,724	19,557	19,557	19,557	19,557	19,557	19,557	19,557	19,557	19,557	19,557
Available Fund Balance	211,870	164,788	161,250	147,619	164,427	188,397	241,994	333,430	385,778	426,018	402,173	300,105	270,586	281,201	392,300
Total Fund Balance	\$ 211,970	\$ 168,819	\$ 169,212	\$ 159,512	\$ 180,251	\$ 208,054	\$ 261,651	\$ 353,087	\$ 405,435	\$ 445,675	\$ 421,830	\$ 319,762	\$ 290,243	\$ 300,858	\$ 411,957

