



San Diego County
Local Agency Formation Commission
 Regional Service Planning | Subdivision of the State of California

5C

AGENDA REPORT
 Consent | Action

August 5, 2024

TO: Commissioners

FROM: Keene Simonds, Executive Officer
 Erica Sellen, Commission Clerk

SUBJECT: 4th Quarter Budget Report for 2023-2024 |
 Administrative Close of the Fiscal Year and Corrective Amendments

SUMMARY

The San Diego County Local Agency Formation Commission (LAFCO) will review a report comparing budgeted and actual transactions through the fourth quarter as part of the administrative close of the fiscal year. The report details the Commission finished June 30th in positive standing with an overall net balance of \$0.0.32 million or 1.3%. The overall net reconciles an operating surplus of \$97,744 with a non-operating loss of (\$66,142) with the latter largely tied to delays in State grant reimbursements. The report is being presented to the Commission to accept and file as well as approve close-of-year budget amendments to ensure all expense units finish with authorized balances.

BACKGROUND

San Diego LAFCO’s adopted budget for 2023-2024 totals \$2.745 million in matching expenses and revenues. The operating portion of the adopted budget totals \$2.261 million in costs and \$2.249 million in revenues with the difference covered by drawing down on reserves. LAFCO’s unrestricted fund balance at the start of the fiscal year totals \$1.613 million with \$0.800 million involving unassigned monies.

Administration Keene Simonds, Executive Officer 2550 Fifth Avenue, Suite 725 San Diego, California 92103 T 619.321.3380 www.sdlafco.org lafco@sdcountry.ca.gov	Joel Anderson County of San Diego	Kristi Becker City of Solana Beach	Chair Stephen Whitburn City of San Diego	Vice Chair Barry Willis Alpine Fire Protection	Harry Mathis General Public
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	Nora Vargas, Alt. County of San Diego	John McCann, Alt. City of Chula Vista		David Drake, Alt. Rincon del Diablo	

DISCUSSION

This item is for San Diego LAFCO to receive a comparison of (a) budget to (b) actual expenses and revenues as part of the administrative close of 2023-2024 and ahead of an outside audit review. The comparison is detailed in Attachment One and provides the Commission the opportunity to review expense and revenue trends relative to recent years and provide follow-up with staff as needed. The report is being presented to the Commission to formally accept and file along with approving correcting amendments for accounting purposes to ensure all units finish the fiscal year with authorized amounts. Additional discussion follows.

Operating Budget

LAFCO's adopted operating budget for 2023-2024 totals \$2.261 million in expenses and \$2.249 million in revenues and collectively supports day-to-day activities. Operating actuals through the end of the year produce an overall surplus with revenues exceeding expenses by \$97,744 or 4.3%. The surplus ties to cost-savings in the salaries/benefits unit resulting from no less than two of the eight budgeted full-time positions remaining unfilled throughout the year.

Non-Operating Budget

LAFCO's adopted non-operating budget for 2023-2024 totals \$0.484 million in expenses and \$0.496 million in revenues. Non-operating actuals through the end of the year produce an overall shortfall with expenses exceeding revenues by (\$66,142) or 57.5%. This actual shortfall entirely ties to covering State grant expenses for SALC 2.0 in the third and fourth quarters ahead of receiving reimbursements.

Correcting Amendments

While LAFCO finished the fiscal year with an overall budget surplus of \$0.032 million, amendments are needed to ensure all operating units finish with authorized balances. Specifically, this involves transferring excess monies remaining in the salaries/benefit unit to retroactively cover the overrun of (\$148,500) in the services/supplies unit with the latter the result of additional consultant usage to help cover for staff shortages.

ANALYSIS

San Diego LAFCO finished 2023-2024 favorably relative to budgeted expectations as reflected in an overall ending surplus of 1.3%. The proposed amendments serve as an internal true-up to the operating budget and reflect actuals generated during the fiscal year involving staffing shortages to take unexpected savings in the salaries/benefits unit to cover unexpected costs in the services/supplies unit.

RECOMMENDATION

It is recommended San Diego LAFCO accept and file the final quarterly budget report for 2023-2024 and approve the correcting amendment as proposed. This recommendation is consistent with Alternative One outlined below.

ALTERNATIVES FOR ACTION

The following alternatives are available to San Diego LAFCO through a single motion:

Alternative One (recommended):

- (a) Accept and file the quarterly report as presented.
- (b) Approve amendments to the operating budget to concurrently decrease the expense line for Account No. 51110 (Salaries) by \$148,500 and increase the expense line for Account No. 52370 (Professional Services) by \$148,500.

Alternative Two:

Continue to a future meeting and provide direction to staff as needed.

PROCEDURES

This item has been placed on the agenda as part of the consent calendar. A successful motion to approve the consent calendar will include taking affirmative action on the staff recommendation as provided unless otherwise specified by the Commission.

Respectfully,



Keene Simonds
Executive Officer

Attachment:

- 1) 2023-2024 Budget with Actuals Through June 30, 2024

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San Diego County Local Agency Formation Commission

Regional Service Planning | Subdivision of the State of California

		FY2022-2023			FY2023-2024			
EXPENSES		Adopted	Amended	Actuals	Adopted	Actuals as of June 30	% Expended	\$ Balance
Salaries and Benefits Unit								
<u>Account No.</u>	<u>Description</u>							
51110-51310	Salaries and Per Diems	786,510	786,510	715,968	891,455	715,861	80.3%	175,594
51410	Retirement - SDCERA	275,694	275,694	255,990	318,295	303,876	95.5%	14,419
51415	Retirement - OPEB	9,030	9,030	8,155	10,273	8,779	85.5%	1,494
51421	Retirement - OPEB Bonds	-	-	-	-	-	-	-
51450	Payroll Taxes	55,537	55,537	49,377	64,840	51,279	79.1%	13,561
51510-51550	Group Insurance	125,476	125,476	102,010	150,033	96,389	64.2%	53,644
51560	Unemployment Insurance	2,000	2,000	1,000	1,000	258	25.8%	742
		1,254,248	1,254,248	1,132,500	1,435,895	1,176,442	81.9%	259,453
Services and Supplies Unit								
<u>Account No.</u>	<u>Description</u>							
52074	Communications	12,961	12,961	6,327	43,824	37,385	85.3%	6,439
52138	General Liability Insurance	12,402	12,402	12,737	12,737	14,194	111.4%	(1,457)
52178	Vehicle - Maintenance	980	980	1,051	980	2,580	263.2%	(1,600)
52182	Vehicle - Fuel	500	500	497	500	539	107.7%	(39)
52270	Memberships	30,248	30,248	27,037	28,994	23,077	79.6%	5,917
52304	Miscellaneous	50	50	50	50	30	60.3%	20
52330	Office: General Support	8,211	8,211	11,461	8,211	9,636	117.4%	(1,425)
52332	Office: Postage USPS	250	250	200	250	314	125.6%	(64)
52334	Office: Design + Printing	15,000	15,000	15,000	22,500	17,211	76.5%	5,289
52336	Office: Books and Guidelines	2,000	2,000	42	-	-	0.0%	-
52338	Office: Drafting/Engineering	50	50	-	-	-	0.0%	-
52344	Office: Supplies and Furnishings	14,600	14,600	11,318	14,600	8,348	57.2%	6,252
52354	Office: County Mail Services	10,000	10,000	9,201	10,000	12,401	124.0%	(2,401)
52370	Professional Services	270,960	270,960	379,047	296,170	518,671	175.1%	(222,500)
52490	Publications and Legal Notices	4,650	4,650	12,500	8,150	11,221	137.7%	(3,071)
52504	Leases: Equipment	6,600	6,600	6,600	6,600	3,955	59.9%	2,645
52530	Leases: Office Space	137,868	137,868	142,239	144,743	149,217	103.1%	(4,474)
52550	Special Expenses: County Overhead	72,466	72,466	30,624	40,000	32,366	80.9%	7,634
52562	Special Expenses: New Hire Checks	-	-	469	-	198	-	(198)
52566	Special Expenses: Minor Equipment	500	500	-	-	413	-	(413)
52602	Computer Training	500	500	-	-	-	0.0%	-
52610	Travel and Training In County	2,700	2,700	4,500	2,700	5,930	219.6%	(3,230)
52612	Employee Auto	8,700	8,700	7,890	8,700	8,201	94.3%	499
52622	Travel and Training Out of County	16,050	16,050	13,436	15,050	18,038	119.9%	(2,988)
52721	IT Reimbursements: Network	26,553	26,553	16,748	20,000	15,553	77.8%	4,447
52723	IT Reimbursements: Data Center	29,015	29,015	26,621	33,000	24,254	73.5%	8,746
52725+28	IT Reimbursements: Financial Systems	40,146	40,146	23,881	35,000	23,984	68.5%	11,016

52732	IT Reimbursements: Desktop Computing	21,488	21,488	24,382	28,000	26,759	95.6%	1,241
52734	IT Reimbursements: Help Desk	2,331	2,331	2,002	2,331	1,632	70.0%	699
52750	IT Reimbursements: Catalog Equipment	3,748	3,748	25,937	40,000	5,498	13.7%	34,502
52758	Fleet Reimbursements: Vehicle Lease	2,000	2,000	2,000	2,000	1,986	99.3%	14
		753,528	753,528	813,798	825,091	973,591	118%	(148,500)
	OPERATING EXPENSE TOTAL	2,007,776	2,007,776	1,946,298	2,260,986	2,150,033	95.1%	110,954

EXPENSES CONTINUED...

		FY2022-2023			FY2023-2024			
		Adopted	Amended	Actuals	Adopted	Actuals as of June 30	% Expended	\$ Balance
Non Operating Unit								
<u>Account No.</u>	<u>Description</u>							
51421	Debt Service: OPEB Obligation Bonds	37,388	37,388	32,781	34,092	30,780	90.3%	3,312
53585	Equipment Depreciation	-	-	-	-	-	-	-
TBD	Grant Award Payments	-	215,500	215,500	450,000	150,462	33.4%	299,538
54955-54961	Fixed Assets	-	-	-	-	-	-	-
		37,388	252,888	248,281	484,092	181,242	37.4%	302,850
	EXPENSE TOTALS (Operating + Non Operating)	2,045,163	2,260,664	2,194,579	2,745,079	2,331,275	84.9%	413,804

REVENUES

		FY2022-2023			FY2023-2024			
		Adopted	Amended	Actuals	Adopted	Actuals as of June 30	% Collected	\$ Balance
Intergovernmental Unit								
<u>Account No.</u>	<u>Description</u>							
45918.1	Apportionments County	515,479	515,479	515,479	581,074	581,074	100%	-
45918.2	Apportionments Cities (less SD)	515,479	515,479	515,479	581,074	581,074	100%	-
45918.3	Apportionments City of San Diego	257,830	257,830	257,830	290,639	290,639	100%	-
45918.4	Apportionments Special Districts	515,479	515,479	515,479	581,074	581,074	100%	-
		1,804,265	1,804,266	1,804,266	2,033,861	2,033,861	100.0%	-
Service Charges Unit								
<u>Account No.</u>	<u>Description</u>							
46234	Application Fees	170,000	170,000	250,000	200,000	194,596	97.3%	(5,404)
		170,000	170,000	250,000	200,000	194,596	97.3%	(5,404)
Earnings Unit								
<u>Account No.</u>	<u>Description</u>							
44105	Interest and Dividends	15,000	15,000	5,000	15,000	19,321	128.8%	4,321
		15,000	15,000	5,000	15,000	19,321	128.8%	4,321

	OPERATING REVENUE TOTAL	1,989,265	1,989,266	2,059,266	2,248,861	2,247,777	99.95%	(1,084)
Non-Operating Unit								
<u>Account No.</u>	<u>Description</u>							
45281	Grant Awards	-	215,500	215,500	450,000	68,882	15.3%	(381,118)
47540	Transfer from Fund Balance	55,898	55,898	55,898	46,218	46,218	100.0%	-
		55,898	271,398	271,398	496,218	115,100	23.2%	(381,118)
	REVENUE TOTALS (Operating + Non Operating)	2,045,163	2,260,664	2,330,664	2,745,079	2,362,877	86.1%	(382,201)
OPERATING NET				112,968		97,744		
TOTAL NET				136,085		31,602		

LAFCO FUND BALANCE (unrestricted)	2023 End of Year	2024 Start of Year	2024 End of Year
Committed			
... Stabilization	250,000	250,000	250,000
... Opportunity	500,000	500,000	500,000
Assigned by EO	62,500	125,000	95,927
Unassigned	800,810	738,310	752,767
	<u>1,613,310</u>	<u>1,613,310</u>	<u>1,598,694</u>
% of unassigned balance to operating expenses:	41%	38%	33%
	Audited	Unaudited	Unaudited

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