

**EXECUTIVE OFFICER'S AGENDA REPORT
JANUARY 27, 2016**

TO: LAFCO Commissioners

FROM: Sara Lytle-Pinhey, Executive Officer *SLP*

SUBJECT: MID-YEAR BUDGET REPORT FOR FISCAL YEAR 2015-2016

RECOMMENDATION

It is recommended that the Commission accept this financial update.

DISCUSSION

The Mid-Year Budget Report provides an overview of LAFCO's expenses and revenues through the second quarter for the Commission's information. The Commission's adopted budget for the current fiscal year is \$440,150. At mid-year, expenditures totaled \$186,831 which represents approximately 42% of the adopted budget. Below is an overview of LAFCO's expenses and revenues:

LAFCO FY 2015-2016 Mid-Year Comparison: Budget vs. Actual

	Adopted Budget (2015-2016)	Actual (Mid- Year)	% of Budget
EXPENDITURES			
Salaries & Benefits	\$375,906	\$161,259	43%
Services & Supplies	\$61,044	\$25,106	41%
Other Charges	\$3,200	\$467	15%
Total Expenditures	\$440,150	\$186,831	42%
REVENUES			
City/County Contributions	\$377,210	\$377,210	100%
Applications / LAFCO Services	--	\$10,885	--
Rebates & Refunds	--	\$35	--
Miscellaneous Reimbursements (incl. CALAFCO Stipend)	--	\$3,029	--
Interest Earnings	--	\$1,968	--
Total Revenues	\$377,210	\$393,127	104%
<i>Prior Years' Carry-Over</i>	<i>\$62,940</i>		
<i>TOTAL</i>	<i>\$440,150</i>		

A more detailed listing of individual accounts is attached for the Commission's information. The following highlights the expense and revenue categories through mid-year:

➤ **Salaries and Benefits:**

Through the end of the second quarter, \$161,259 has been expended on Salaries and Benefits. This amount included the cash-out for the prior Executive Officer. Expenditures in this budget category represent approximately 43% of the total amount budgeted for the fiscal year. Staff estimates that at year-end, this category will be well within the budgeted amount.

➤ Services and Supplies:

At the end of the second quarter, expenditures under the “Services and Supplies” category totaled \$25,106. These expenditures represent 41% of the total amount budgeted. Of note is the following:

- Expenditures for Commission General Liability Insurance and Membership costs (including SDRMA, CALAFCO and CSDA dues) are billed as one-time costs early in the fiscal year.
- Expenses under the “Other Travel” line item have exceeded the budget by \$575. This overage is due to costs associated with the former Executive Officer’s travel to various out-of-county CALAFCO Board meetings in July and August. The former Executive Officer served as a CALAFCO Executive Officer, a “volunteer” staff position. Stanislaus LAFCO received a stipend of \$3,000 to offset these CALAFCO-related costs, which is reflected as Miscellaneous Reimbursement.
- Charges for legal services are typically billed on a quarterly basis following the completion of the quarter. Legal service charges are trending lower this year, primarily due to the number of out-of-boundary service applications and municipal service review updates, which require little to no legal review.

➤ Other Charges:

This budget category contains expenses associated with shared copier/leasing costs. At Mid-Year, expenditures under this budget category were \$467 or just 15% of the amount budgeted.

➤ Revenues:

The County and nine cities have paid their apportionment shares totaling \$377,210. Additionally, revenue received from LAFCO application fees and services thus far totals \$10,885. Staff anticipates that this will increase by year-end, as additional out-of-boundary and annexation applications are expected to be submitted in the coming months.

CONCLUSION

The Commission continues to be financially sound. All budget categories are projected to be well within budget by year-end. Any funds remaining at the end of the fiscal year will be considered as part of the following year’s budget. No budget adjustments are recommended at this time; however, if future modifications are needed, Staff will bring those requests to the Commission for consideration.

EXPENSE AND REVENUE SUMMARY
JULY 1, 2015 - DECEMBER 31, 2015

Account	Line Item	Adopted FY 15-16 Budget	Actuals 12-31-15	% of Budget
Salaries & Benefits				
50000	Salaries	\$258,008	\$123,704	47.95%
	Non-Productive salaries-vac			
	Non-Productive salaries-sick			
	Non-Productive salaries-other			
	Termination cash-out			
52000	Retirement (STANCERA)	\$50,686	\$15,437	30.46%
52010	FICA	\$19,064	\$8,839	46.36%
53000	Group Health Insurance	\$39,412	\$10,093	25.61%
53009	OPEB Hlth Post Retirement	\$1,108	\$0	0.00%
53020	Unemployment Insurance	\$150	\$72	48.00%
53051	Employee Benefit Adm Fee	\$215	\$41	19.07%
53081	Long Term Disability	\$402	\$134	33.33%
54000	Worker's Compensation	\$860	\$427	49.65%
55000	Auto Allowance	\$2,400	\$1,218	50.75%
55130	Deferred Comp (includes PT)	\$3,601	\$1,294	35.94%
Total Salaries & Benefits		\$375,906	\$161,259	42.90%
Services and Supplies				
60400	Communications (SBT)	\$1,005	\$502	49.29%
61000	Insurance (SDRMA)	\$2,750	\$2,662	96.80%
61030	Fiduciary Liability Insurance (CEO)	\$30	\$8	26.67%
62200	Memberships (CSDA, CALAFCO)	\$5,000	\$4,978	99.56%
62400	Miscellaneous Expense	\$3,000	\$585	19.50%
62450	Indirect Costs (Bldg Maint, Janitorial)	\$1,176	\$584	49.49%
62600	Office Supplies	\$1,500	\$321	21.40%
62730	Postage/Mailings	\$1,200	\$475	31.51%
62750	Other Mailroom Expense (GSA)	\$325	\$153	28.00%
63000	Prof & Special Serv (Utilities, CEO, RM)	\$5,400	\$2,963	62.97%
63090	Auditing & Accounting (AUD)	\$2,108	\$835	25.75%
63400	Engineering Servs (PW-Survey, GIS)	\$2,150	\$0	0.00%
63640	Legal Services	\$16,000	\$2,198	13.74%
63990	Data Processing Services (SBT)	\$4,889	\$2,375	48.42%
65000	Publications & Legal Notices	\$800	\$407	50.88%
65780	Education & Training	\$5,000	\$3,362	67.24%
65810	Other Supportive Services (Messenger)	\$250	\$51	20.40%
65890	Commission Expense	\$6,100	\$1,540	25.25%
67040	Other Travel Expenses	\$500	\$1,075	215.00%
67200	Utilites (GSA/TSP)--Moved to: 63000	\$1,786	\$0	0.00%
67201	Salvage Disposal (GSA)	\$75	\$31	44%
Total Services & Supplies		\$61,044	\$25,105	41.13%

**EXPENSE AND REVENUE SUMMARY
JULY 1, 2015 - DECEMBER 31, 2015**

Account	Line Item	Adopted FY 15-16 Budget	Actuals 12-31-15	% of Budget
	Other Charges			
73024	Planning Dept Servs (Shared Copier)	\$3,200	\$467	14.59%
	Total Other Charges	\$3,200	\$467	14.59%
	TOTAL EXPENSE	\$440,150	\$186,831	42.45%

REVENUE	JUL-DEC 2015
17000 Interest-pool income	\$1,968
36414 LAFCO Services (Application Fees)	\$10,885
40445 Rebates & refunds	\$35
40590 County Contribution	\$188,605
40680 City Contributions	\$188,605
40860 Misc. Reimbursements (CALAFCO)	\$3,029
TOTAL REVENUE	\$393,127