



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

**5C**

**AGENDA REPORT**  
 Consent | Action

August 1, 2022

**TO:** Commissioners

**FROM:** Keene Simonds, Executive Officer  
 Erica Blom, Executive Assistant

**SUBJECT: Budget Report for 2021-2022 |  
 4<sup>th</sup> Quarter Actuals and Close of Year Budget 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 identifies the Commission finished June 30th in positive standing with a net balance of \$0.024 million or 1.2% and largely aided by the collection of additional applicant fees. This net surplus reduces – notably – the otherwise budgeted reduction in reserve usage in 2021-2022 by one-fourth and limits the overall change to the unrestricted fund balance to (3.7%) from \$1.579 million to \$1.521 million. The report is being presented to the Commission to accept and file as well as approve close-of-year budget amendments to provide all expenses units finish with positive balances.

**BACKGROUND**

San Diego LAFCO’s adopted budget for 2021-2022 totaled \$1.941 million. This amount represents the total approved expenses for the fiscal year and divided between \$1.237 million in employee costs and \$0.703 in non-employee costs. A matching revenue total was also budgeted with most of the funding tied to appropriations collected from local agencies per a formula provided in statute. Subsequent amendments to expense units were approved mid-year but did not affect the overall budget amounts. LAFCO’s beginning unrestricted fund balance was \$1.579 million.

<b>Administration</b> Keene Simonds, Executive Officer 2550 Fifth Avenue, Suite 725 San Diego, California 92103 T 619.321.3380 www.sdlafco.org lafco@sdcountry.ca.gov	<b>Chair Jim Desmond</b> County of San Diego	<b>Vice Chair Paul McNamara</b> City of Escondido	<b>Chris Cate</b> City of San Diego	<b>Jo MacKenzie</b> Vista Irrigation	<b>Andy Vanderlaan</b> General Public
	<b>Joel Anderson</b> County of San Diego	<b>Mary Casillas Salas</b> City of Chula Vista	<b>Marni von Wilpert, Alt.</b> City of San Diego	<b>Barry Willis</b> Alpine Fire Protection	<b>Harry Mathis, Alt.</b> General Public
	<b>Nora Vargas, Alt.</b> County of San Diego	<b>Kristi Becker, Alt.</b> City of Solana Beach		<b>David Drake, Alt.</b> 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 2021-2022 and ahead of an outside audit review. The report 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 as well as consider correcting amendments for accounting purposes as further discussed.

**Summary of Expenses**

LAFCO’s budgeted expense total for 2021-2022 as of June 30<sup>th</sup> was \$1.941 million. Actual expenses totaled \$1.999 million, which equals 103.0% of the budgeted total with a resulting shortfall of (\$57,320) before any additional amendments are made by the Commission. A breakdown of budget to actual expenses as currently booked follows.

<b>Budgeted to Actual Expenses</b> (Before Any Closing Amendments)				
<b>Expense Units</b>	<b>Adopted with Amendments</b>	<b>Actuals Through 6/30</b>	<b>Percent Expended</b>	<b>Remaining Balance</b>
Salaries & Benefits	1,237,364	1,144,609	92.5	92,755
Services & Supplies	698,984	854,059	122.2	(155,075)
Other – Non Operating	5,000	0	0	0
<b>TOTAL</b>	<b>1,941,348</b>	<b>1,998,668</b>	<b>103.0</b>	<b>(57,320)</b>

An expanded discussion on budgeted and actual expenses follows.

**Expense Unit | Salaries and Benefits**

LAFCO’s budgeted expense total for salaries and benefits in 2021-2022 as of June 30<sup>th</sup> was \$1.237 million and includes mid-year amendments approved by the Commission. Actual expenses were \$1.144 million, which equals 92.5% of the budgeted total with a resulting surplus of \$92,755. The surplus is largely attributed to the extended vacancy of one of the four budgeted analyst positions.

**Expense Unit | Services and Supplies**

LAFCO’s budgeted expense total for services and supplies in 2021-2022 as of June 30<sup>th</sup> was \$0.699 million and includes mid-year amendments approved by the Commission. Actual expenses were \$0.854 million, which equals 122.2 % of the budgeted total with a resulting shortfall of (\$155,075). This shortfall is attributed to additional consultant services utilized during the fiscal year to assist staff with scheduled municipal services. Staff also booked \$34,768 in this unit to cover vendor payments associated with an unbudgeted grant award and is discussed further in the proceeding section.

**Expense Unit | Non-Operating**

---

LAFCO’s budgeted expense total for equipment depreciation and potential fixed asset purchases in 2021-2022 as of June 30<sup>th</sup> was \$5,000. No expenses were made.

**Summary of Revenues**

LAFCO’s budgeted revenue total for 2021-2022 as of June 30<sup>th</sup> was \$1.941 million. Actual revenues totaled \$2.023 million, which equals 104.2% of the budgeted total with a resulting surplus of \$81,437 before any additional amendments are made by the Commission. A breakdown of budget to actual revenues as currently booked follows.

<b>Budgeted to Actual Revenues</b> (Before Any Closing Amendments)				
<b>Revenue Units</b>	<b>Adopted with Amendments</b>	<b>Actuals Through 6/30</b>	<b>Percent Expended</b>	<b>Outstanding Balance</b>
Intergovernmental	1,693,700	1,693,700	100.0	0
Applicant Charges + Fees	150,000	241,232	160.8	(91,232)
Interest Earnings	15,000	5,205	34.7	9,795
Other - Non Operating	82,648	82,648	100.0	0
<b>TOTAL</b>	<b>1,941,348</b>	<b>2,022,785</b>	<b>104.2</b>	<b>(81,437)</b>

An expanded discussion on budgeted and actual revenues follows.

**Revenue Unit | Intergovernmental Fees**

---

LAFCO’s budgeted revenue total from intergovernmental fees in 2021-2022 as of June 30<sup>th</sup> was \$1.694 million with no amendments made during the year. This total budgeted amount was divided between LAFCO’s four agency membership categories based on statutory formula. All apportionments were collected.

**Revenue Unit | Service Charges**

---

LAFCO’s budgeted revenue from application fees in 2021-2022 as of June 30<sup>th</sup> was \$0.150 million with no amendments made during the year. Actual revenues were \$0.241 million, which equals 160.8% of the budget with a resulting surplus of \$91,232.

**Revenue Unit | Interest**

---

LAFCO’s budgeted revenue from interest earnings in 2021-2022 as of June 30<sup>th</sup> was \$0.015 million with no amendments made during the year. Actual revenues were \$0.005 million, which equals 34.7% of the budget with a resulting shortfall of (\$9,795).

**Revenue Unit | Non-Operating**

---

LAFCO’s budgeted revenue from non-operating sources in 2021-2022 as of June 30<sup>th</sup> was \$0.083 million and entirely tied to using monies within the fund balance. No amendments were made during the year. A full transfer was made as budgeted.

## ANALYSIS

San Diego LAFCO finished 2021-2022 favorably relative to budgeted expectations with a net surplus of \$0.024 million or 1.2% and – among other outcomes – recovers one-quarter of the budgeted use of reserves during the fiscal year. This surplus is further distinguished given the overall absorption of several notable and otherwise unplanned expenses incurred over the 12 months. This includes relocating the LAFCO office and ancillary costs, implementing an early retirement program, and using additional consultants to accommodate turnover (planned and unplanned) in staffing. Additional application fees and employee cost-savings are credited with absorbing these expenses and generating the end of year surplus.

A copy of the general ledger showing budgeted to actual expenses and revenues before any closing amendments are made is shown in Attachment One.

With respect to closing the fiscal year, amendments are needed to retroactively authorize the total overrun of (\$57,320) in budgeted expenses in the Services and Supplies Unit as of June 30<sup>th</sup>. Amendments are also needed to accommodate unbudgeted transactions associated with implementing a grant award from the Department of Conservation to track agricultural trends in San Diego County. All proposed amendments follows.

- Amend and decrease the overall budget for the Salaries and Benefits Expense Unit by (\$80,000) and divided between reductions in the retirement (\$60,000) and group insurance (\$20,000) line item accounts.
- Amend and increase the overall budget for the Services and Supplies Expense Unit by \$80,000 and entirely within the professional services line item account.
- Amend and increase the overall budget for the Non-Operating Expense Unit by \$34,768 and entirely within the addition of a grant award payments line item account.
- Amend and increase the overall budget for the Non-Operating Revenue Unit by \$19,011 and entirely within the addition of a grant award payments line item account.

A copy of the general ledger showing the above amendments along with ancillary adjustments in booking line-item expenses and revenues is shown Attachment Two.

## RECOMMENDATION

It is recommended San Diego LAFCO accept and file the fourth quarter budget report and approve the closing budget amendments for 2021-2022 as outlined in the preceding section. 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):

Accept and file the budget report and approve the amendments as outlined for 2021-2022 and shown in Attachment Two:

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. Accordingly, 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

Attachments:

- 1) 2021-2022 Budget: Fourth Quarter Budget to Actuals – Without Additional Amendments
- 2) 2021-2022 Budget: Fourth Quarter Budget to Actuals – With Additional/Proposed Amendments

**Blank for Photocopying**



# San Diego County Local Agency Formation Commission

## Regional Service Planning | Subdivision of the State of California

### EXPENSES

		FY 2020-2021			FY 2021-2022				
		Adopted	Amended	Actuals	Adopted	Amended	Actuals	% Budget	\$ Balance
<b>Salaries and Benefits Unit</b>									
<u>Account No.</u>	<u>Description</u>								
51110-51310	Salaries and Wages	763,339	841,000	851,062	756,365	701,365	710,875	101.4%	(9,510)
51410	Retirement - SDCERA	272,668	316,593	293,416	301,077	301,077	238,521	79.2%	62,556
51415	Retirement - OPEB	10,977	10,977	9,944	9,164	9,164	7,744	84.5%	1,420
51421	Retirement - OPEB Bonds	41,998	41,998	38,804	37,655	37,655	31,780	84.4%	5,875
51450	Payroll Taxes	55,613	55,613	61,062	55,934	55,934	50,568	90.4%	5,366
51510-51550	Group Insurance	103,116	103,116	116,261	130,169	130,169	104,715	80.4%	25,454
51560	Unemployment Insurance	2,000	2,000	239	2,000	2,000	406	20.3%	1,594
		<b>1,249,711</b>	<b>1,371,297</b>	<b>1,370,788</b>	<b>1,292,364</b>	<b>1,237,364</b>	<b>1,144,609</b>	<b>92.5%</b>	<b>92,755</b>
<b>Services and Supplies Unit</b>									
<u>Account No.</u>	<u>Description</u>								
52074	Communications	3,636	3,636	6,937	6,336	6,336	7,562	119.3%	(1,226)
52138	General Liability Insurance	-	-	10,576	10,788	10,788	12,402	115.0%	(1,614)
52178	Vehicle - Maintenance	980	980	646	980	980	1,251	127.7%	(271)
52182	Vehicle - Fuel	1,000	1,000	112	500	500	128	25.6%	372
52270	Memberships	25,413	18,182	17,261	25,510	25,510	21,989	86.2%	3,521
52304	Miscellaneous	50	50	25	50	50	34,914	69828.0%	(34,864)
52330	Office: General	7,420	7,420	6,064	6,420	6,420	13,519	210.6%	(7,099)
52332	Office: Postage	500	500	22	250	250	219	87.6%	31
52334	Office: Printing	10,000	10,000	7,916	8,000	8,000	20,124	251.6%	(12,124)
52336	Office: Books and Guidelines	2,000	2,000	437	2,000	2,000	-	0.0%	2,000
52338	Office: Drafting/Engineering	50	50	-	50	50	-	0.0%	50
52344	Office: Supplies and Furnishings	15,800	15,800	6,692	14,300	69,300	59,726	86.2%	9,574
52354	Office: County Mail Services	10,000	10,000	7,156	10,000	10,000	8,095	81.0%	1,905
52370	Professional Services: Consultants	190,094	190,094	192,297	199,740	199,740	326,659	163.5%	(126,919)
52490	Publications and Legal Notices	4,650	4,650	15,118	4,650	4,650	17,437	375.0%	(12,787)
52504	Leases: Equipment	6,600	6,600	6,477	6,600	6,600	6,520	98.8%	80
52530	Leases: Office Space	84,764	84,764	109,094	89,764	89,764	100,303	111.7%	(10,539)
52550	Special: County Overhead	91,507	50,904	40,739	75,346	75,346	36,865	48.9%	38,481
52562	Special: New Hire Backgrounds	-	-	1,112	-	-	49	-	(49)
52566	Special: Minor Equipment	1,000	1,000	-	500	500	1,485	297.0%	(985)
52602	Computer Training	2,000	2,000	-	500	500	-	0.0%	500
52610	Travel and Training   In County	4,500	4,500	2,364	3,000	3,000	4,502	150.1%	(1,502)
52612	Employee Auto	9,700	9,700	7,200	8,700	8,700	7,766	89.3%	934
52622	Travel and Training   Out of County	19,925	-	-	5,000	5,000	-	0.0%	5,000
52704-52722	Reimbursements: Network	30,000	30,000	31,162	30,000	30,000	36,411	121.4%	(6,411)
52723	Reimbursements: Data Center	45,000	29,006	28,752	40,000	40,000	27,761	69.4%	12,239
52725	Reimbursements: Financial Systems	20,000	20,000	19,575	20,000	20,000	18,973	94.9%	1,027
52726-52732	Reimbursements: Desktop Computing	25,000	43,000	46,459	25,000	25,000	71,257	285.0%	(46,257)
52734	Reimbursements: Help Desk	3,000	3,000	2,274	3,000	3,000	2,218	73.9%	782
52750-52754	Reimbursements: Catalog Equipment	45,000	10,532	8,776	45,000	45,000	13,938	31.0%	31,062
52758	Reimbursements: Vehicle Lease	2,000	2,000	1,986	2,000	2,000	1,986	99.3%	14
		<b>661,589</b>	<b>561,368</b>	<b>559,716</b>	<b>643,984</b>	<b>698,984</b>	<b>854,059</b>	<b>122.2%</b>	<b>(155,075)</b>





# San Diego County Local Agency Formation Commission

## Regional Service Planning | Subdivision of the State of California

### EXPENSES

		FY 2020-2021			FY 2021-2022				
		Adopted	Amended	Actuals	Adopted	Amended	Actuals	% Budget	\$ Balance
<b>Salaries and Benefits Unit</b>									
<u>Account No.</u>	<u>Description</u>								
51110-51310	Salaries and Wages	763,339	841,000	851,062	756,365	701,365	710,875	101.4%	(9,510)
51410	Retirement - SDCERA	272,668	316,593	293,416	301,077	241,077	238,521	98.9%	2,556
51415	Retirement - OPEB	10,977	10,977	9,944	9,164	9,164	7,744	84.5%	1,420
51421	Retirement - OPEB Bonds	41,998	41,998	38,804	37,655	37,655	31,780	84.4%	5,875
51450	Payroll Taxes	55,613	55,613	61,062	55,934	55,934	50,568	90.4%	5,366
51510-51550	Group Insurance	103,116	103,116	116,261	130,169	110,169	104,715	95.0%	5,454
51560	Unemployment Insurance	2,000	2,000	239	2,000	2,000	406	20.3%	1,594
		<b>1,249,711</b>	<b>1,371,297</b>	<b>1,370,788</b>	<b>1,292,364</b>	<b>1,157,364</b>	<b>1,144,609</b>	<b>98.9%</b>	<b>12,755</b>
<b>Services and Supplies Unit</b>									
<u>Account No.</u>	<u>Description</u>								
52074	Communications	3,636	3,636	6,937	6,336	6,336	7,562	119.3%	(1,226)
52138	General Liability Insurance	-	-	10,576	10,788	10,788	12,402	115.0%	(1,614)
52178	Vehicle - Maintenance	980	980	646	980	980	1,251	127.7%	(271)
52182	Vehicle - Fuel	1,000	1,000	112	500	500	128	25.6%	372
52270	Memberships	25,413	18,182	17,261	25,510	25,510	21,989	86.2%	3,521
52304	Miscellaneous	50	50	25	50	50	146	292.0%	(96)
52330	Office: General	7,420	7,420	6,064	6,420	6,420	13,519	210.6%	(7,099)
52332	Office: Postage	500	500	22	250	250	219	87.6%	31
52334	Office: Printing	10,000	10,000	7,916	8,000	8,000	20,124	251.6%	(12,124)
52336	Office: Books and Guidelines	2,000	2,000	437	2,000	2,000	-	0.0%	2,000
52338	Office: Drafting/Engineering	50	50	-	50	50	-	0.0%	50
52344	Office: Supplies and Furnishings	15,800	15,800	6,692	14,300	69,300	59,726	86.2%	9,574
52354	Office: County Mail Services	10,000	10,000	7,156	10,000	10,000	8,095	81.0%	1,905
52370	Professional Services: Consultants	190,094	190,094	192,297	199,740	321,740	326,659	101.5%	(4,919)
52490	Publications and Legal Notices	4,650	4,650	15,118	4,650	4,650	17,437	375.0%	(12,787)
52504	Leases: Equipment	6,600	6,600	6,477	6,600	6,600	6,520	98.8%	80
52530	Leases: Office Space	84,764	84,764	109,094	89,764	89,764	100,303	111.7%	(10,539)
52550	Special: County Overhead	91,507	50,904	40,739	75,346	75,346	36,865	48.9%	38,481
52562	Special: New Hire Backgrounds	-	-	1,112	-	-	49	-	(49)
52566	Special: Minor Equipment	1,000	1,000	-	500	500	1,485	297.0%	(985)
52602	Computer Training	2,000	2,000	-	500	500	-	0.0%	500
52610	Travel and Training   In County	4,500	4,500	2,364	3,000	3,000	4,502	150.1%	(1,502)
52612	Employee Auto	9,700	9,700	7,200	8,700	8,700	7,766	89.3%	934
52622	Travel and Training   Out of County	19,925	-	-	5,000	5,000	-	0.0%	5,000
52704-52722	Reimbursements: Network	30,000	30,000	31,162	30,000	30,000	36,411	121.4%	(6,411)
52723	Reimbursements: Data Center	45,000	29,006	28,752	40,000	40,000	27,761	69.4%	12,239
52725	Reimbursements: Financial Systems	20,000	20,000	19,575	20,000	20,000	18,973	94.9%	1,027
52726-52732	Reimbursements: Desktop Computing	25,000	43,000	46,459	25,000	25,000	71,257	285.0%	(46,257)
52734	Reimbursements: Help Desk	3,000	3,000	2,274	3,000	3,000	2,218	73.9%	782
52750-52754	Reimbursements: Catalog Equipment	45,000	10,532	8,776	45,000	45,000	13,938	31.0%	31,062
52758	Reimbursements: Vehicle Lease	2,000	2,000	1,986	2,000	2,000	1,986	99.3%	14
		<b>661,589</b>	<b>561,368</b>	<b>559,716</b>	<b>643,984</b>	<b>820,984</b>	<b>819,291</b>	<b>99.8%</b>	<b>1,693</b>

**EXPENSES CONTINUED...**

		FY 2020-2021		
		Adopted	Amended	Actuals
<b>Non Operating Unit</b>				
<u>Account No.</u>	<u>Description</u>			
53585	Equipment Depreciation	2,500	2,500	2,500
TBD	Grant Award Payments	-	-	-
54955-54961	Fixed Assets	2,500	2,500	-
		<u>5,000</u>	<u>5,000</u>	<u>2,500</u>
	EXPENSE TOTALS	1,916,300	1,937,665	1,933,004

		FY 2021-2022				
		Adopted	Amended	Actuals	% Budget	\$ Balance
		2,500	2,500	-	0.0%	2,500
		-	34,768	34,768	100.0%	-
		2,500	2,500	-	0.0%	2,500
		<u>5,000</u>	<u>39,768</u>	<u>34,768</u>	<u>87.4%</u>	<u>5,000</u>
	EXPENSE TOTALS	1,941,348	2,018,116	1,998,668	99.0%	19,448

**REVENUES**

		FY 2020-2021		
		Adopted	Amended	Actuals
<b>Intergovernmental Unit</b>				
<u>Account No.</u>	<u>Description</u>			
45918.1	Apportionments   County	483,914	483,914	483,914
45918.2	Apportionments   Cities (less SD)	483,914	483,914	483,914
45918.3	Apportionments   City of San Diego	241,957	241,957	241,957
45918.4	Apportionments   Special Districts	483,914	483,914	483,914
		<u>1,693,700</u>	<u>1,693,700</u>	<u>1,693,700</u>
<b>Service Charges Unit</b>				
<u>Account No.</u>	<u>Description</u>			
46234	Application Fees + Charges	130,000	130,000	223,585
		<u>130,000</u>	<u>130,000</u>	<u>223,585</u>
<b>Earnings Unit</b>				
<u>Account No.</u>	<u>Description</u>			
44105	Interest and Dividends	20,000	20,000	8,132
		<u>20,000</u>	<u>20,000</u>	<u>8,132</u>
<b>Non Operating Unit</b>				
<u>Account No.</u>	<u>Description</u>			
TBD	Grant Award Payments	-	-	-
47540	Fund Balance	72,600	72,600	72,600
		<u>72,600</u>	<u>72,600</u>	<u>72,600</u>
	REVENUE TOTALS	1,916,300	1,916,300	1,998,017

		FY 2021-2022				
		Adopted	Amended	Actuals	% Budget	\$ Balance
		483,914	483,914	483,914	100.0%	-
		483,914	483,914	483,914	100.0%	-
		241,957	241,957	241,957	100.0%	-
		483,914	483,914	483,914	100.0%	-
		<u>1,693,700</u>	<u>1,693,700</u>	<u>1,693,700</u>	<u>100.0%</u>	<u>-</u>
		150,000	150,000	222,221	148.1%	72,221
		<u>150,000</u>	<u>150,000</u>	<u>222,221</u>	<u>148.1%</u>	<u>72,221</u>
		15,000	15,000	5,205	34.7%	(9,795)
		<u>15,000</u>	<u>15,000</u>	<u>5,205</u>	<u>34.7%</u>	<u>(9,795)</u>
		-	19,011	19,011	100.0%	-
		82,648	82,648	82,648	100.0%	(0)
		<u>82,648</u>	<u>101,659</u>	<u>101,659</u>	<u>100.0%</u>	<u>(0)</u>
	REVENUE TOTALS	1,941,348	1,960,359	2,022,785	103.2%	62,426

**OPERATING NET**

**FUND BALANCE (unrestricted)**

Committed  
 ... Stabilization  
 ... Opportunity  
 Assigned by EO  
 Unassigned

65,013	-	(57,757.00)	24,117
	audited		unaudited
250,000	300,000	125,000	904,086
250,000	300,000	100,437	870,118
1,579,086			1,520,555