



AGENDA ITEM 6B

MEETING: September 19, 2018
TO: Humboldt LAFCo Commissioners
FROM: Colette Metz, Executive Officer
SUBJECT: **Year-End Financial Report for Fiscal Year 2017-18**
The Commission will review a year-end financial report of revenues and expenses for FY 2017-18. The report is being presented for information only.

BACKGROUND

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 mandates LAFCo operating costs shall be annually funded by affected counties, cities, and independent special districts on a one-third apportionment process. Apportionments for cities and special districts are further divided and proportional to each agency's total revenues as a percentage of the overall revenue amount collected in the county. LAFCOs are also authorized to establish and collect fees to offset agency contributions.

DISCUSSION

Humboldt LAFCo's adopted final FY 2017-18 budget for staffing and services/supplies totaled \$164,360. Budgeted revenues from intergovernmental contributions, service charges, and investments totaled \$149,100, with an additional \$15,260 budgeted from reserves. The county, cities and independent special districts allocations are collected by the Auditor.

Staffing services are allocated for legal fees, Task Order 1 (general staffing services), Task Order 2 (MSRs & SOI Updates); Application Review; and Special Department Expense. Year-end actuals for 2017-18 are presented in the budget attachment. An operating expenditures comparison is provided below:

Year-End Expense Comparison	Adopted	Actual	Under/(Over)
Staffing (Task Orders 1 & 2)	\$104,000.00	\$104,768.00	(\$768.00)
Staffing (Legal Fees)*	\$5,000.00	\$ 6,593.00	(\$1,593.00)
Application review**	\$30,000.00	\$74,115.72	(\$44,115.72)
Special Dept Expense***	\$2,000.00	\$1,933.00	\$63.00
Services/Supplies	\$23,360.00	\$23,801.81	(\$441.81)

*Legal Counsel is consistently under budget, however the overage this year was due solely to Executive Officer recruitment costs authorized by the commission.

** All application expenses are tracked separately on a 100% cost-recovery basis. When costs exceed the initial deposit, additional deposit requests are submitted to applicants; however, there is often a payment time lag. For example, after the fiscal year closing

(June 30), LAFCo has received over \$30,000 in application deposits that were pending in FY 2017-18.

***Special Department Expense corresponds to staff time associated with reestablishing the Rohner Community Recreation and Park District Board of Directors, in cooperation with the City of Fortuna. This was tracked separately from applications due to the absence of any cost recovery.

Services/supplies were over budget largely due to unforeseen Legal Notice costs associated with the Executive Officer recruitment.

RECOMMENDATION

Staff recommends the Commission receive and file this report as presented. The Commission is invited to discuss the item and provide direction to staff as needed.

Attachments

Attachment A: FY 2017-18 Year-End Operating Budget

Humboldt LAFCo Operating Budget

ATTACHMENT A

		FY 2017-18			FY 2018-19
		AMENDED	ACTUAL	Difference Under/ (Over)	ADOPTED
Revenues:					
<u>Account</u>	<u>Title</u>				
Intergovernmental					
671181	Cities	39,500.00	39,500.00	-	40,685.00
671182	Special Districts	39,500.00	39,441.47	58.53	40,685.00
671183	County	39,500.00	39,500.00	-	40,685.00
	Intergovernmental Total	\$ 118,500.00	\$ 118,441.47		\$ 122,055.00
Service Charges					
631100	Professional Services (Application Fees)	30,000.00	49,725.82	(19,725.82)	30,000.00
682238	Charges for Services	-	-	-	-
707010	Miscellaneous	-	-	-	-
707590	Cancelled Checks (prior year)	-	20.00	(20.00)	-
	Service Charges Total	\$ 30,000.00	\$ 49,745.82		\$ 30,000.00
Investments					
401000	Interest	600.00	1,272.85	(672.85)	800.00
	Interest Total	\$ 600.00	\$ 1,272.85		\$ 800.00
	Revenue Total	\$ 149,100.00	\$ 169,460.14		\$ 152,855.00

		FY 2017-18			FY 2018-19
		AMENDED	ACTUAL	Difference Under/ (Over)	ADOPTED
Expenses:					
<u>Account</u>	<u>Title</u>				
Staffing					
2255	Legal Fees	5,000.00	6,593.00	(1,593.00)	5,000.00
2118	Professional & Special Services (Task Order 1 - MSRs/SOIs)	49,000.00	48,881.50	118.50	49,000.00
2118	Professional & Special Services (Task Order 2 - Staffing)	55,000.00	55,886.50	(886.50)	55,000.00
2118	Professional & Special Services (Application Review)	30,000.00	74,115.72	(44,115.72)	30,000.00
2323	Special Dept Expense	2,000.00	1,933.00	67.00	-
2325	Contract Services	-	-	-	-
	Staffing Total	\$ 141,000.00	\$ 187,409.72		\$ 139,000.00
Services and Supplies					
2106	Communications	160.00	155.40	4.60	160.00
2107	Duplicating	300.00	214.19	85.81	300.00
2110	Insurance	2,200.00	2,178.63	21.37	2,200.00
2115	Memberships	4,000.00	4,025.00	(25.00)	4,100.00
2116	Postage	300.00	118.86	181.14	100.00
2117	Office Supplies	-	0.10	(0.10)	-
2119	Publications & Legal Notices	1,000.00	1,479.98	(479.98)	1,000.00
2121	Rents & Leases - Structures	5,400.00	5,400.00	-	5,400.00
2123	Special Departmental Expense	600.00	660.00	(60.00)	700.00
2125	Transportation & Travel	800.00	800.14	(0.14)	800.00
2147	Media	200.00	121.20	78.80	200.00
2225	Transportation Out of County	5,800.00	6,048.31	(248.31)	6,200.00
2614	Staff Development & Training	2,600.00	2,600.00	-	2,600.00
	Services and Supplies Total	\$ 23,360.00	\$ 23,801.81		\$ 23,760.00
	Expense Total	\$ 164,360.00	\$ 211,211.53		\$ 162,760.00

Operating Difference \$ (15,260.00) \$ (41,751.39) \$ (9,905.00)
(Negative Balance Indicates Use of Reserves)

Unreserved/Unrestricted Fund Balance	FY 2017-18	FY 2018-19
Beginning	\$ 91,708.71	\$ 49,957.32
Ending	\$ 49,957.32	