

SONOMA LOCAL AGENCY FORMATION COMMISSION

111 SANTA ROSA AVENUE, SUITE 240, SANTA ROSA, CA 95404
(707) 565-2577
www.sonomalafco.org

Item 4

Staff Report

Meeting Date: September 7, 2022

Agenda No. Item 4

Agenda Item Title: FY 2021-22 Year End Actuals

Environmental Determination: Not a project under CEQA

Staff Contacts: Mark Bramfitt and Cynthia Olson

ANALYSIS

Attached for the Commission's review is a spreadsheet showing the Commission's actual expenditures and revenues for the fiscal year beginning July 1, 2021 through June 30, 2022.

Summary:

The Expenditures for FY 2021-22 totaled \$589,258, 63% of the Adopted Budget of \$933,836. Revenues totaled \$818,396, 109% of the Adopted Budget of \$751,882. This amount includes \$64,358 in fees for services that is accounted for but not included in the budget.

In adopting the FY 2021-22 budget, the Commission limited the increase in agency apportionments to 3% over the 2020-21 budget by using Fund Balance monies to balance the level of projected expenditures. The final figures show that the increase in the apportionments together with the lower than projected actual expenditures and the amount of funds from the fees for services eliminated the need to use monies from the Fund Balance.

Salaries and Benefits

The Administrative Analyst I-III position (0.8 FTE) and the Administrative Aide position (1.0 FTE) were included in the 2021-22 budget but not filled. This resulted in an 43% reduction in the expenditures from the Adopted Budget.

In 2020, the County Administrator's staff had suggested that we include a onetime Unfunded Actuarial Accrued Liability (UAAL) for pensions in the amount of \$7,935 as a result of determinations by the County that it expects full cost recovery of full future retirement costs of County employees who act as employees for outside entities, such as LAFCO. For reasons unexplained, the onetime charge was not expended. Instead, included in the County Retirement costs are charges for unfunded liability collected for each employee. Although these charges are included in the County's Salary and Benefits retirement expenses, we have displayed them as a separate line item for informational purposes.

Expenditures:

Due to the continued concerns related to Covid, all CALAFCO events were canceled and no funds were expended for travel.

The cost for services provided by the County (Account 51916) was lower than estimated at the time of the budget adoption. This amount varies each year based on the County's estimate of our proportional share of indirect County departmental expenses.

The cost for website support was higher than budgeted due to the use of County staff to maintain the Commission's website after the resignation of the Commission Clerk. This cost should be lower in the coming year as existing staff is now trained to maintain the website.

Each year the Commission contributes a fixed amount to a prepaid expense account for the replacement of desktop computer equipment (Account 57015). This year there is a one-time charge, offset by a deposit to revenue, for the replacement of three desktop computers. The fourth computer, purchased for the Commission Clerk in 2018, is on a different replacement schedule.

Revenues:

The apportionments were slightly less than budgeted due to a small underpayment by one of the special districts.

The interest on pooled funds was substantially lower than projected due to the decrease of investment returns reflective of the world economy.

Overall, the revenues were sufficient to cover the costs of the expenditures without the use of the Commission's fund balance.

Fund Balance:

The beginning fund balance as of July 1, 2022 was \$763,792, of which \$182,107 is committed to balance the FY 2022-23 Budget. This leaves an estimated balance of \$581,685, approximately 61% of the current year budget.

ATTACHMENTS

1. FY 2021-22 Year End Actuals