

SONOMA LOCAL AGENCY FORMATION COMMISSION

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Staff Report

Meeting Date: November 6, 2024

Agenda No. Item 3.3

Agenda Item Title: FY 2023-24 Year End Actuals

**Environmental
Determination:** Not a project under CEQA

Staff Contacts: 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, 2023, through June 30, 2024.

Summary

The Expenditures for FY 2023-24 totaled \$915,984, just less than the Adopted Budget of \$994,237. The Commission, at its June 2024 meeting, approved a budget adjustment increasing the budget to \$1,066,224. Staff anticipated that expenditures might exceed revenues and requested an adjustment to several accounts. Although the amount expensed in those accounts did exceed the amount budgeted, the overall expenditures did not exceed revenues.

Revenues totaled \$917,058, \$106,713 over the Adopted Budget of \$810,345. This amount includes \$78,155 in fees for services that is accounted for but not included in the budget and \$37,306 in interest accrued on pooled cash.

In adopting the FY 2023-24 budget, the Commission limited the increase in agency apportionments to 5% over the 2022-23 budget by using Fund Balance monies to balance the level of projected expenditures. The final figures show that the fees for services and interest on pooled cash together with the lower than projected actual expenditures eliminated the need to use monies from the Fund Balance.

Salaries and Benefits

The Administrative Analyst I-III position (0.7 FTE) was included in the 2023-24 budget but not filled. This resulted in an 18% reduction in the Salaries and Benefits expenditures from the Adopted Budget.

Services and Supplies

The cost for Legal Services (51211) was higher than budgeted due to extensive legal support in areas associated with complex fire district reorganizations as well as unanticipated litigation on one of those proposals. Staff also receives assistance from Counsel with regards to the review and drafting of documents related to the California Environmental Quality Act (CEQA).

The costs for Accounting Services (51207) from the County Auditor were higher due in large part to the additional work by the Auditor in the completion of a biannual audit for years ending June 30, 2021, and June 30, 2022.

Professional Services (51249) were higher due to additional studies and municipal service reviews approved by the Commission for preparation in FY 2023-24 but not budgeted.

Revenues

The apportionments were less than budgeted due North Sonoma Healthcare District's dispute of the charge. Staff is working with the District to resolve the issue. The interest on pooled funds was substantially higher than projected due to the increase in investment returns reflective of the improving 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, 2023, was \$825,072, of which \$183,892 was committed to balance the FY 2023-24 Budget. As no funds were needed to cover expenditures, \$1,074 was added to the fund balance for a total of \$826,146. As per Commission policy, 50% or \$413,073 is to be held in reserve for unforeseen expenses including employee severances, insurance deductibles, and legal proceedings.

RECOMMENDATIONS

None

ATTACHMENTS

1. FY 2023-24 Year End Actuals