



LAFCO - San Luis Obispo - Local Agency Formation Commission

SLO LAFCO - Serving the Area of San Luis Obispo County

TO: MEMBERS OF THE COMMISSION

FROM: ROB FITZROY, EXECUTIVE OFFICER

DATE: APRIL 21, 2022

SUBJECT: THIRD QUARTER FISCAL YEAR 2021-2022 LAFCO BUDGET STATUS REPORT

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BRIAN A. PIERIK
Legal Counsel

IMELDA MARQUEZ
Analyst

RECOMMENDATION

It is respectfully recommended that the Commission consider taking the following actions:

Action 1: Receive and file this third quarter financial report for fiscal year (FY) 21-22 and direct the Executive Officer to file it with the County Auditor.

SUMMARY

This is the third FY 21-22 quarterly report for the San Luis Obispo Local Agency Formation Commission (SLO LAFCO). The SLO LAFCO operating budget is comprised of four components: 1) salaries, payroll taxes, and benefits, 2) services and supplies, 3) revenues, and 4) fund balance and reserves. Day-to-day management of the budget is based on “bottom-line” principles that allow for variation within individual line-item accounts as long as the overall expenditures remain within the approved budgeted.

LAFCO’s budget is funded primarily by the County, Cities and Independent Special Districts. Each agency group pays one-third of the LAFCO budget. City and District shares are pro-rated based on general revenues reported to the State Controller’s Office on an annual basis. LAFCO also receives revenue from application fees and interest earnings.

LAFCO is contracted with the County Auditor for various financial services. Every LAFCO financial transaction is processed through the County Auditor’s financial system. This approach ensures accuracy, transparency and accountability. The County Auditor’s Office also provides LAFCO with claims processing, invoicing and financial review services. The Auditor’s financial tracking system assists LAFCO in monitoring the budget and compiling budget report data, as well as provide independent review of the budget.

Expenditures. Overall, third quarter expenditures are at 70% with 75% of the fiscal year complete, as such we are currently 5% under budget. The detailed budget report is contained in Attachment A. Below is a brief summary of line-item expenditures:

- Salaries are 74% expended, while benefits are 63% expended.
- Services and Supplies are 71% expended.
- LAFCO uses a credit card from Umpqua Bank through a program implemented by the Special District Risk Management Association (SDRMA) for public agencies. LAFCO has a credit card policy with regard to use and pays the bill in full each month. The statements for January, February and March 2022 are found in Attachment B.
 - **January:** Included charges of \$34.77 for Staples and FedEx purchases, \$98.50 for Zoom subscription charges, and \$50 for Clerk Recorder filings.
 - **February:** Included charges \$98.50 for Zoom subscription charges, and \$19.17 for GoDaddy (website/email host services).
 - **March:** Included charges \$98.50 for Zoom subscription charges, \$400 for ESRI GIS Subscription, \$25.01 to Trophy Hunters for new Commissioner name plates, and \$50 for Clerk Recorder filings.

Revenues. Overall, revenues are 100% realized through the third quarter. The jurisdictions (Cities, Special Districts and County) have paid 100% of the LAFCO charges billed in the first quarter by the County Auditor. Application fees have been submitted in the amount of \$19,510.

Fund Balance and Designated Fund Balance (Reserves). Fund Balance is the difference between the total expenses and revenues in the fiscal year. Fund Balance expenditure requires Commission approval. The current fund balance available is \$262,579.

Attachment A: Quarterly Budget Status Report

Attachment B: Credit Card Statements