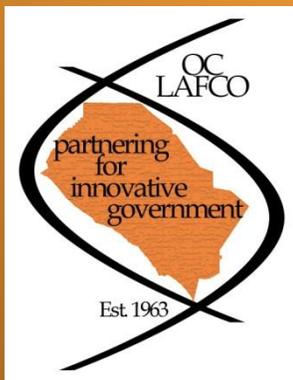


# Orange County LAFCO Comprehensive Quarterly Report

**FY 2013-2014**

**(January - March  
2014)**



## **INSIDE LOOK:**

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## **Introduction**

The May 2014 Comprehensive Quarterly Report (CQ report) presents information for the third quarter of fiscal year 2013-2014. This report provides the Commission an overview of the projects and meetings completed in the months of January, February, and March of 2014. An assessment of the agency's current budget and investment portfolio performance for the third quarter is also contained in this report.

The final CQ report for the fourth quarter is scheduled to be presented to the Commission on August 13, 2014.

## **Proposed Changes of Organization**

During the third quarter, OC LAFCO participated in meetings and discussions on routine to complex changes of organization involving city and district annexations and detachments, activation of latent powers, and extraterritorial provision of retail water. The following section provides an update on activities involving boundary change applications and potential LAFCO proposals that occurred during the third quarter.

### **Orange County Water District Annexation**

In early December 2013, the Orange County Water District (OCWD) filed an application to annex various non-contiguous territories located in the City of Anaheim, Irvine Ranch Water District, and Yorba Linda Water District. OCWD holds rights to the Santa Ana River water flows and is responsible for managing the groundwater basin that underlies northern and central Orange County. The District's groundwater management policies and programs help to maintain the groundwater as a sustainable resource for the 19 retail water agencies serving 2.4 million residents within the District's boundaries. The annexation application represents a multi-year effort that involved the collaboration of multiple affected agencies, development of mutual agency agreements, environmental review, and numerous meetings and discussions involving OC LAFCO staff about the annexation process and requirements. The proposed annexation would allow OCWD to manage the groundwater basin underlying the subject territories, would provide Anaheim, IRWD, and YLWD additional access to groundwater for retail water service within their respective service territories, and is in line with the OCWD sphere of influence first adopted by the Commission in 1977. During the third quarter, staff completed the analysis of the proposed annexation and prepared the staff report for Commission consideration at the May 14, 2014 meeting.

### **Orange County Sanitation District Detachment**

During the third quarter, OC LAFCO staff reviewed and processed an application filed by OCSD to detach approximately 172 acres of uninhabited territory from its service boundary. The area is currently located within the City limits of Laguna Woods and includes open space with no plans for future development. OCSD's jurisdictional

boundary currently overlaps with the service territory of the South Orange County Wastewater Authority (SOCWA) within the proposed detachment area. LAFCO plays an important role in reviewing and addressing service territory redundancies and eliminating service responsibility confusion. If future uses in the subject territory, such as park amenities or facilities, create a new demand for sewer services, the proposed detachment would clarify that SOCWA is the regional wastewater transportation and treatment provider for the area, with IRWD serving as the local sewer provider. LAFCO staff reviewed the proposal with representatives from the affected agencies, including OCSD, SOCWA, IRWD, and the City of Laguna Woods, to ensure that the proposed detachment promotes logical boundaries, clarifies service responsibilities, and eliminates the duplication of service territories. During the third quarter, staff completed the analysis of the proposed detachment and prepared the staff report for Commission consideration at the Commission on May 14, 2014.

#### East Orange County Water District Reorganization

On March 27, 2014, the East Orange County Water District (EOCWD) formally filed an application for the “East Orange County Water District Reorganization for Local Sewer Service” (RO 14-01). The reorganization proposal would allow Orange County Sanitation District (OCSD) to divest itself of its local retail sewer service responsibilities and facilities in the territory referred to as OCSD Service Area 7, and transfer those facilities and service responsibilities to EOCWD. Since EOCWD does not currently provide local sewer service, LAFCO approval of the activation of EOCWD’s latent power to provide that service is required. The application and accompanying Plan for Service request OC LAFCO to initiate proceedings to:

- Activate EOCWD’s latent power to provide local retail sewer service to OCSD Service Area 7;
- Annex territory to EOCWD, solely for local sewer service, located in OCSD Service Area 7 but not currently in EOCWD’s boundary; and
- Concurrently amend EOCWD’s sphere of influence to include the annexation territories.

OC LAFCO staff has notified key stakeholders of the application and that, as part of LAFCO’s review of EOCWD’s Plan for Service, LAFCO will be requiring the preparation of a focused municipal service review (MSR) to evaluate local sewer service delivery alternatives in and around OCSD Service Area 7. The activation of a special district’s latent power to provide a new or different function or class of service is, in principle, akin to the formation of a new agency to provide that service. For that reason, in 2001, CALAFCO, including OC LAFCO staff, worked cooperatively with the Association of California Water Agencies (ACWA) to develop a new application

process specific to the activation of special district latent powers. AB 948 (Chapter 667, Statutes of 2001) was sponsored by ACWA and enacted the latent power application procedures contained in Government Code Sections 56824.10 through 56824.14, including the requirement to submit a specialized Plan for Service justifying the need to activate the latent power.

AB 948 recognized that, through the activation of latent powers, existing service providers can gain efficiencies through economies of scope. The statutes, however, also recognize that, typically, those service providers do not already possess the expertise, capacity, personnel, vehicles, equipment, and assets needed to provide the new service. Acquiring and developing the assets, resources, and ability to provide a new service can be costly and time-intensive. As such, Government Code Section 56824.12 requires LAFCO to comprehensively evaluate a detailed Plan for Service that contains the district's financing plan to establish and provide the new service, the estimated cost to provide the service, the estimated cost to the customers, the potential fiscal impacts to customers of existing service providers, and alternatives to activating the latent power, including alternative service providers. LAFCO's review of the Plan for Service is critical because LAFCO is statutorily prohibited from approving the activation of a latent power unless the Commission determines that the special district will have sufficient revenues to carry out the new service.

Consistent with state law, OC LAFCO staff will comprehensively review EOCWD's Plan for Service to ensure that it is complete and addresses the statutory requirements outlined in the Cortese-Knox-Hertzberg Act, including alternatives to the activation of EOCWD's latent power to provide local sewer service. LAFCO's review will also address OCSD's current operations and the proposed transfer of OCSD assets, revenues, liabilities, and debt obligations to EOCWD to assume the local sewer service functions. Given the depth and scope of LAFCO's review of the Plan for Service, and the required review of EOCWD's sphere of influence for both the latent power activation and sphere amendments, an MSR is the logical and natural vehicle for fulfilling LAFCO's requirements under state law. Past MSRs prepared by OC LAFCO have also been effective in establishing a solid technical foundation for subsequent special district reorganizations and other proposals that improve municipal service delivery efficiencies and cost-effectiveness. Similarly, the MSR and Plan for Service review for the EOCWD Reorganization will conjunctively and comprehensively evaluate key factors impacting the efficiency, cost, and reliability of services to affected customers within the geographic study area.

OC LAFCO staff will be meeting with key stakeholders, including, but not limited to, EOCWD, OCSD, Irvine Ranch Water District (IRWD), City of Tustin, and City of

Orange, to discuss the scope and timing of the MSR. Based on the scope, staff will determine whether the MSR can be fully or partially prepared in-house, or if outside consulting resources will be required.

#### Transfer of Retail Water System to the City of La Habra

During the third quarter, OC LAFCO continued interagency discussions with affected stakeholders involving the proposed transfer of retail water service and facilities from California Domestic Water Company to the City of La Habra. More recent discussions have been more focused on municipal service provision to the six unincorporated areas located in Orange County and within the City of La Habra's sphere of influence. OC LAFCO staff and legal counsel are working jointly with the City and California Domestic on development of agreements that include an out-of-area service agreement and the future annexation of these areas to the City. Staff will continue to work with stakeholders and carry out a Commission priority to transition unincorporated areas to adjacent cities.

#### Bolsa Chica Lowlands Annexation to the City of Huntington Beach

During the third quarter, OC LAFCO staff continued to participate in discussions with County and City of Huntington Beach staffs about the potential annexation of the Bolsa Chica Lowlands area to the City. On February 18, 2014, the Huntington Beach City Council directed its staff to prepare the necessary LAFCO application documents for annexation and continue discussions with the County on key issues involving long term maintenance of Harriett M. Weider Regional Park and responsibilities involving the conservancy project. City staff is currently working the staff from the Second Supervisorial District and County Harbors, Beaches, and Parks on these issues. An application is expected to be filed in Summer2014.

#### Annexation to the City of Rancho Santa Margarita

In August 2013, the Roman Catholic Bishop of Orange, owner of the Santa Margarita High School, submitted an application for annexation of an unincorporated portion of the school parking lot to bring the entire property and the adjacent street intersection (Plano Trabuco and Dove Canyon) within the City's boundary. During the third quarter, OC LAFCO staff coordinated discussions with the applicant, the City of Rancho Santa Margarita, and the County to address remaining LAFCO application items, including the required agreements for exchange of future property taxes and zoning of the subject territory by the City. Once the application is deemed complete, it will be scheduled for consideration by the Commission.

### Santa Ana/Colleen Island Annexation

On January 7, 2014, the City of Costa Mesa filed an annexation application for the Santa Ana/Colleen Island. The City has been responsive to questions and concerns from island residents and held two community workshops (most recently on April 2, 2014) have been held to provide residents additional annexation and land use related information. OC LAFCO staff attended and actively participated in the workshops. OC LAFCO staff continues to assist City staff with the annexation application process.. The City is expected to complete pre-zoning and CEQA review during the fourth quarter. The proposal will subsequently scheduled for consideration by the Commission.

### Fostering Partnerships

The Commission continues to foster partnerships and enhance communications with local government agencies and communities through LAFCO's projects and activities. The following section provides an update on LAFCO communication and outreach efforts conducted during the third quarter.

### CALAFCO Legislative Committee

OC LAFCO staff continues to participate as a member of the CALAFCO Legislative Committee. During the third quarter, staff participated in a quarterly Committee meeting held on March 21, 2014 in Ontario to discuss and review current CALAFCO legislative priorities including: (1) annual review and updates to the Cortese-Knox-Hertzberg Act; and (2) pending legislation - SB 69 (Roth) and AB 1521 (Fox) - to address the loss of VLF in-lieu revenues for future incorporations and inhabited annexations. Other 2014 legislation reviewed by the Committee involved a broad range of policy topics:

- AB 1527 (Perea) - Consolidations of small community water systems serving disadvantaged communities;
- AB 1729 (Logue) - State subvention payments to cities/counties in-lieu of property tax revenues for properties with Williamson Act contracts;
- AB 1961 (Eggman) - New requirement for counties to develop sustainable farmland strategies and coordinate with LAFCO on their development; and
- AB 2156 (Achadjian) - Inclusion of joint powers authorities as entities LAFCO can request data/information from for the preparation of studies.

The Committee also discussed possible legislative fixes to the property tax transfer provisions identified by the Committee's Revenue & Taxation Code Working Group. Although CALAFCO will not be sponsoring legislation on this issue due to resource constraints, OC LAFCO staff recommended that CALAFCO reach out to the Property

Tax Managers Group of the California State Association of County Auditors (CSACA) to possibly sponsor cleanup legislation. OC LAFCO staff provided contacts from Orange County who also actively participate in CSACA. OC LAFCO staff is also an active participating member of the Disincorporation Subcommittee of the CALAFCO Legislative Committee. The Subcommittee is charged with preparing and reviewing proposed legislative amendments involving the disincorporation process. The next Legislative Committee meeting will take place on May 9, 2014.

The Legislative Quarterly Report, which provides additional details on pending 2014 legislation, will be presented to the Commission on May 14, 2014.

#### Coalition of California LAFCOs

The Coalition of California LAFCOs (CCL), comprised of Commissioners and staff of all southern LAFCOs (Imperial, Los Angeles, Orange, Riverside, San Bernardino, and San Diego), continues to meet quarterly to discuss and collaborate on regional and local issues. As a spin-off of the CCL board, subgroups to discuss GIS and clerking opportunities formed three years and continue regularly meet. During the third quarter, the CCL Board hosted its annual summit on January 27, 2014. The retirement of Ed Snively, Public Member from Imperial LAFCO, required the appointment of a new CCL member and Commissioner Cheryl Brothers was appointed as the CCL Treasurer at the Summit. The Summit also included an update on coordinated legislative efforts, discussion of methods of addressing water availability for LAFCO proposals, and a presentation from CALAFCO Executive Director, Pamela Miller.

The next CCL Board's quarterly meeting will be held on May 12, 2014 at the Santa Ana Train Station. CCL Deputy Executive Officer Ben Legbandt, is working closely with other CCL staff to plan for the May 12 meeting. OC LAFCO staff coordinated a presentation by Tony Cardenas, Orange County Public Affairs Regional Manager for the League of California Cities at the meeting. His presentation will include discussion on enhanced opportunities for regional coordination on key policy issues. Other May 12 CCL agenda items will include the selection of new CCL officers and the upcoming CALAFCO Board elections that will take place in October at the annual conference in Ontario. An update of the May 12 CCL meeting will be presented to the Commission on May 14, 2014.

#### South Orange County Governance Visioning Process

During the third quarter, LAFCO staff continued to work closely with County staff and the Rancho Mission Viejo Company to ensure that LAFCO's financial consultant, Stanley R. Hoffman Associates, obtained complete and accurate financial data and development assumptions needed to prepare revenue and cost projections for County

services to the unincorporated South Orange County Governance Study Area. OC LAFCO staff will synthesize and format the baseline data to facilitate dialogue in the South Orange County Governance Visioning Process. An overview of the financial data will be presented to the Commission at the June 11, 2014 regular meeting. Staff has also been actively coordinating with Sharon Browning of Sharon Browning & Associates to plan for the visioning process and stakeholder meetings which are anticipated to kick off in late May 2014. Additional milestones for this project are provided in the work plan staff report.

### **OC LAFCO Meetings and Outreach Efforts**

The table below depicts meetings and outreach efforts that occurred during the third quarter.

<b>THIRD QUARTER MEETINGS &amp; OUTREACH EFFORTS</b>
<b>January Meetings</b>
Conduct AEO Final Interviews
OC Legislative Coordinators Meeting
ISDOC Executive Committee Meeting
Second Supervisorial District to discuss prioritization of islands
Fifth Supervisorial District to discuss South OC Governance
Women Leading Government Conference Call
LAFCO Fiscal Consultant to discuss South OC Fiscal Modeling
Center for Demographic Research (CDR) Committee Meeting
First Supervisorial District to discuss prioritization of islands
Meet-and-greet with new MWDOC GM, Rob Hunter
Conference call with OCTA Deputy CEO to discuss leasing office space
OCERS Plan Sponsor Meeting
South Orange County Association of Mayors
Center for Demographic Research Executive Director to discuss membership benefits
OCERS Board of Directors Meeting
CALAFCO Legislative Committee
LAFCO Facilitation Consultant to discuss South OC Governance Visioning
Orange County Council of Governments Board Meeting
OC CEO/IT presentation of upcoming IT changes/costs
CCL Annual Strategic Planning Meeting
Serrano WD Update from GM and Board Members
ISDOC Quarterly Meeting
Training Partners for ongoing staff development
<b>February Meetings</b>
South Coast WD Assistant General Manager regarding Shared Services, OCLS
ISDOC Executive Committee
County IT to discuss immediate increase in IT costs
Conference call with San Leandro staff to discuss Shared Services Program
LAFCO Accountant to discuss retirement plan options research
Urban Counties Caucus quarterly meeting by conference call
Orange County City Managers Association meeting
Site visit to explore office lease options
LAFCO 101 Presentation to Auditor-Controller Property Tax Group
LAFCO Facilitation Consultant to discuss South OC Governance Visioning

OC Deputy CEO to discuss LAFCO projects
OC CEO/IT to discuss IT changes/costs
Meeting with Laguna Woods staff to discuss potential annexation
LAFCO Special Projects Consultant to discuss OCLS
Center for Demographic Research Committee Meeting
LAFCO Fiscal Consultant to discuss South OC Fiscal Modeling
CALAFCO University Course (Protest Provisions)
Women Leading Government Conference Call
Transportation Corridor Agency CEO to discuss OCLS
Southern California Association of Governments Technical Working Group
OCERS Plan Sponsor Meeting
OCSD General Manager to discuss OCLS
OCFA Fire Chief to discuss OCLS
LAFCO Update to City of La Palma, City Manager
LAFCO Facilitation Consultant to discuss South OC Governance Visioning
OCTA CEO to discuss OCLS
<b>March Meetings</b>
LAFCO Fiscal Consultant to discuss South OC Fiscal Modeling
Meet-and-greet with South Coast WD new General Manager
ISDOC Executive Committee
Meeting with IT Consultant to discuss proposal related to office lease analysis
Orange County City Managers Association meeting
Pioneer Institute to discuss Better Government Competition Award application for Shared Services Program
OC CEO to discuss OCLS
WACO Monthly Meeting
OCSD staff regarding shared services program
LAFCO Accountant regarding proposed budget
LAFCO Facilitation Consultant to discuss South OC Governance Visioning
Rancho Mission Viejo staff regarding South OC governance
South OC Economic Coalition consultant regarding LAFCO presentation
Orange County Publishing Services to discuss Shared Services Program
CALAFCO Annual Conference Planning Committee meeting
OC League of Cities to discuss Shared Services Program
Women Leading Government Luncheon
Michael Coleman training session on Municipal Fiscal Health Diagnostic Tool
Southern California Association of Governments Technical Working Group
City of Huntington Beach conference call to discuss Bolsa Chica annexation
OCERS Plan Sponsor Meeting
CALAFCO Legislative Committee
Orange Resident to discuss incorporation process
ICMA Webinar – Civic Engagement
LAFCO Facilitation Consultant to discuss South OC Governance Visioning / stakeholder meetings
LAFCO Fiscal Consultant to discuss South OC Fiscal Modeling
South OC Economic Coalition LAFCO presentation
Commercial property managers to view prospective office space

### OC LAFCO Annual Strategic Planning Session

On March 14, 2014, the Commission held its 2014 Annual Strategic Planning Session at the Santa Ana Police Department Community Room. At the session, the Commission received an overview of mid-year accomplishments from the current FY 2013-2014 Work Plan and a special presentation by Michael Coleman, guest speaker and principal

fiscal policy advisor to the League of California Cities and the California Society of Municipal Finance Officers. Mr. Coleman’s presentation provided an important backdrop to the 2014 Strategic Plan which was presented at the April 9, 2014 Commission meeting. Based on the Strategic Plan, the Commission’s proposed fiscal year 2014-2015 annual Work Plan and proposed budget are being presented for Commission review and consideration at the May 14, 2014 Commission meeting.

**FY 2013-2014 Budget Overview**

This CQ report includes the third quarterly budget update for Fiscal Year 2013-2014. The following budget review of this report provides the Commission with the third quarter bank account balances (see table below) and a comprehensive overview of LAFCO revenues and expenditures from January 1, 2014 through March 31, 2014 (see page 11).

As of 3/31/14	Balance
<b>Wells Fargo Checking</b>	\$ 91,449
<b>Wells Fargo Savings</b>	\$210,421
<b>770-Payroll Account</b>	<u>\$140,833</u>
<b>Total</b>	<b><u>\$442,703</u></b>

**Revenues**

The majority of LAFCO’s FY 2013-2014 revenues (\$945,881) is from the funding agencies’ apportionments (\$926,682) and was received during the first (July-September) quarter. In addition to the apportionments, LAFCO also earns interest from its investment portfolio. In the third quarter, LAFCO earned approximately \$610 in interest.

**Financial Statements**

The CQ report includes additional financial statements to better understand LAFCO’s financial status throughout the fiscal year. The following two financial statements provide a snapshot of LAFCO’s performance and details on the agency’s assets, liabilities, and equity.

**Balance Sheet<sup>1</sup>**

This financial document (see pages 12-13) summarizes the agency’s assets and liabilities during the month of March on an accrual basis, or when earnings and expenses are incurred.

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<sup>1</sup> Unaudited – Subject to Change

### Cash Flow Statement

This financial document (see page 14) provides information on the cash inflow and outflow the agency endured during the third quarter (January - March).

### Expenditures

The total expenditures at the end of the third quarter are approximately fifty-three percent (53%) or \$541,968 of the total balance (\$1,015,965). The following table shows the actual funds used and the target levels for the current fiscal year.

Total funds used by Quarter				
	1 <sup>st</sup> Qtr.	2 <sup>nd</sup> Qtr.	3 <sup>rd</sup> Qtr.	4 <sup>th</sup> Qtr.
<b>Target</b>	25%	50%	75%	100%
<b>Actual</b>	17%	36%	53%	TBD

### Investment Report

To maximize funds, LAFCO deposits apportionment fees in the Local Agency Investment Fund (LAIF) and OC Fund accounts. Throughout the fiscal year, the bookkeeper and designated staff members withdraw from the accounts to cover the agency's operational expenses.

The following table illustrates the balance of LAFCO's investment portfolio at the end of the third quarter:

As of 3/31/14	Balance
<b>LAIF</b>	\$150,224
<b>OC Fund</b>	<u>\$505,481</u>
<b>Total</b>	<u><b>\$655,705</b></u>

During the third quarter, LAFCO earned approximately \$610 in interest. As of March 31, 2014, LAFCO has earned approximately \$2,027 in interest, which is approximately eighty-one percent (81%) of the projected interest earnings for fiscal year 2013-2014.

**Orange County Local Agency Formation Commission**  
**Quarterly Overview**  
**July 1, 2013 through March 31, 2014**

	1st Qtr Jul-Sep	2nd Qtr Oct-Dec	3rd Qtr Jan-Mar	TOTAL FY 13-14 Budget	Funds Used (%)	Funds Comparison (\$) Revenue (-) means funds over expected  Expense (+) funds remaining (-) underbudgeted
Ordinary Income/Expense						
Income						
Revenue						
4000 - LAFCO Apportionment	\$926,682.00	\$0.00	\$0.00	\$926,683.00	100.0%	
4050 - Filing Fees**	\$9,200.00	\$10,200.00	-\$3,282.00	\$0.00		
4150 - Misc Revenue	\$1,054.00	\$0.00	\$0.00	\$0.00		
4200 - Interest & Dividends	\$584.00	\$833.00	\$610.00	\$2,500.00	81.1%	\$473.00
<b>Total Revenue**</b>	<b>\$937,520.00</b>	<b>\$11,033.00</b>	<b>-\$2,672.00</b>	<b>\$929,183.00</b>	<b>101.8%</b>	<b>-\$16,698.00</b>
<b>Total Income**</b>	<b>\$937,520.00</b>	<b>\$11,033.00</b>	<b>-\$2,672.00</b>	<b>\$929,183.00</b>	<b>101.8%</b>	<b>-\$16,698.00</b>
Expense						
Expenditures						
5000 - Salaries	\$75,376.00	\$72,224.00	\$64,819.00	\$405,400.00	52.4%	\$192,981.00
5100 - Benefits & Insurance						
5102 - Optional Benefit Plan	\$500.00	\$0.00	\$11,500.00	\$18,500.00	64.9%	\$6,500.00
5104 - Executive Deferred Comp	\$869.00	\$883.00	\$1,031.00	\$6,900.00	40.3%	\$4,117.00
5106 - Retirement Benefits	\$24,654.00	\$18,246.00	\$24,102.00	\$116,400.00	57.6%	\$49,398.00
5108 - Health Care Insurance	\$10,836.00	\$9,988.00	\$12,095.00	\$46,800.00	70.3%	\$13,881.00
5109 - Retiree Health Benefits	\$0.00	\$5,023.00	\$2,839.00	\$13,000.00	60.5%	\$5,138.00
5110 - Dental Insurance	\$1,073.00	\$910.00	\$911.00	\$5,800.00	49.9%	\$2,906.00
5112 - Life Insurance	\$216.00	\$185.00	\$196.00	\$1,200.00	49.8%	\$603.00
5114 - Workers Compensation	\$0.00	\$0.00	\$1,589.00	\$2,100.00	75.7%	\$511.00
5116 - Medicare	\$904.00	\$929.00	\$1,143.00	\$5,900.00	50.4%	\$2,924.00
5118 - Unemployment Insur	-\$31.00	\$0.00	\$0.00	\$1,100.00	-2.8%	\$1,131.00
5120 - Salary Continuance	\$221.00	\$210.00	\$244.00	\$1,400.00	48.2%	\$725.00
5122 - Accidental Death Insur	\$21.00	\$18.00	\$19.00	\$120.00	48.3%	\$62.00
5125 - Executive Employee Insur	\$1,800.00	\$1,800.00	\$1,800.00	\$7,200.00	75.0%	\$1,800.00
<b>Total 5100 - Benefits &amp; Insurance</b>	<b>\$41,063.00</b>	<b>\$38,192.00</b>	<b>\$57,469.00</b>	<b>\$226,420.00</b>	<b>60.4%</b>	<b>\$89,696.00</b>
5150 - Information Technology	\$1,424.00	\$466.00	\$258.00	\$8,000.00	26.9%	\$5,852.00
5151 - Telephone	\$170.00	\$1,300.00	\$1,264.00	\$8,000.00	34.2%	\$5,266.00
5200 - County of Orange	\$239.00	\$534.00	\$0.00	\$5,625.00	13.7%	\$4,852.00
5250 - General Liability Insur	\$3,169.00	\$3,441.00	\$3,605.00	\$14,000.00	73.0%	\$3,785.00
5300 - Maintenance-Building	\$0.00	\$266.00	\$156.00	\$510.00	82.7%	\$88.00
5350 - Membership	\$3,347.00	\$10,994.00	\$7,107.00	\$29,000.00	74.0%	\$7,552.00
5450 - Office Equipment/Supplies	\$1,141.00	\$2,180.00	\$780.00	\$15,000.00	27.3%	\$10,899.00
5490 - Office Contract Labor	\$0.00	\$0.00	\$0.00	\$8,200.00	0.0%	\$8,200.00
5500 - Professional Services						
5510 - Legal	\$3,821.00	\$15,781.00	\$2,046.00	\$56,100.00	38.6%	\$34,452.00
5520 - Accounting/Audit	\$7,710.00	\$13,312.00	\$4,275.00	\$37,200.00	68.0%	\$11,903.00
5530 - Human Resource	\$0.00	\$612.00	\$169.00	\$1,000.00	78.1%	\$219.00
5535 - Mapping/Archiving	\$3,536.00	\$0.00	\$0.00	\$8,000.00	44.2%	\$4,464.00
5540 - Other Professional Service	\$5,290.00	\$11,138.00	\$19,777.00	\$75,000.00	48.3%	\$38,795.00
<b>Total 5500 - Professional Services</b>	<b>\$20,357.00</b>	<b>\$40,843.00</b>	<b>\$26,267.00</b>	<b>\$177,300.00</b>	<b>49.3%</b>	<b>\$89,833.00</b>
5550 - Investment Admin Fees	\$149.00	\$172.00	\$120.00	\$610.00	72.3%	\$169.00
5580 - SBE	\$0.00	\$350.00	\$0.00	\$0.00		-\$350.00
5600 - Public Noticing	\$452.00	\$254.00	\$0.00	\$10,000.00	7.1%	\$9,294.00
5625 - Postage	\$490.00	\$910.00	\$620.00	\$3,200.00	63.1%	\$1,180.00
5650 - Office Lease	\$9,889.00	\$10,085.00	\$10,085.00	\$40,100.00	75.0%	\$10,041.00
5675 - Equipment Leases/Maint	\$1,037.00	\$1,121.00	\$1,121.00	\$7,800.00	42.0%	\$4,521.00
5700 - Commission & Staff Expense	\$667.00	\$1,994.00	\$983.00	\$8,000.00	45.6%	\$4,356.00
5710 - Commission Stipends & Taxes/Fees	\$3,049.00	\$3,761.00	\$3,861.00	\$16,000.00	66.7%	\$5,329.00
5750 - Staff Training	\$0.00	\$340.00	\$116.00	\$5,300.00	8.6%	\$4,844.00
5800 - Transportation/Travel	\$7,610.00	\$2,538.00	\$511.00	\$25,000.00	42.6%	\$14,341.00
5850 - Commission Meeting Exp	\$0.00	\$660.00	\$572.00	\$2,500.00	49.3%	\$1,268.00
<b>Total Expenditures</b>	<b>\$169,629.00</b>	<b>\$192,625.00</b>	<b>\$179,714.00</b>	<b>\$1,015,965.00</b>	<b>53.3%</b>	<b>\$473,997.00</b>

\*\* Negative income due to refund in 3rd Qtr of unexpended filing fees to applicant for "Mission Viejo Dog Park Reorganization to the City of Mission Viejo (RO 12-05)"

**LOCAL AGENCY FORMATION COMMISSION ORANGE COUNTY  
BALANCE SHEET  
MARCH 31, 2014**

	<b>Mar. 31, 14</b>
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Checking/Savings</b>	
<b>Cash and Investments</b>	
1000 · County Acct-Payroll	140,833.20
1025 · Wells Fargo Checking	91,449.19
1030 · Wells Fargo Savings	210,421.29
1040 · OC Fund	505,481.18
1050 · Investment Acct - LAIF	150,223.73
<b>Total Cash and Investments</b>	1,098,408.59
<b>Total Checking/Savings</b>	1,098,408.59
<b>Accounts Receivable</b>	
<b>Accounts Receivable</b>	
1200 · Accounts Receivable	0.01
<b>Total Accounts Receivable</b>	0.01
<b>Total Accounts Receivable</b>	0.01
<b>Other Current Assets</b>	
<b>Other Current Asset</b>	
1300 · Interest Receivable - Other	0.00
1375 · Prepaid Expenses - Other	18,211.15
1376 · Retirement Prepaid Expense	64,092.78
1550 · Due from Other Governments	0.10
<b>Total Other Current Asset</b>	82,304.03
<b>Total Other Current Assets</b>	82,304.03
<b>Total Current Assets</b>	1,180,712.63
<b>Other Assets</b>	
<b>Other Assets</b>	
1575 · Pension Deposit	105,864.80
<b>Total Other Assets</b>	105,864.80
<b>Total Other Assets</b>	105,864.80
<b>TOTAL ASSETS</b>	<b>1,286,577.43</b>

**LIABILITIES & EQUITY**

**Liabilities**

**Current Liabilities**

**Other Current Liabilities**

**Current Liabilities**

2050 · Salaries Payable - OC (9050) 14,350.41

**Total Current Liabilities** 14,350.41

**Total Other Current Liabilities** 14,350.41

**Total Current Liabilities** 14,350.41

**Total Liabilities** 14,350.41

**Equity**

3000 · Unrestricted Net Assets 754,809.01

**3050 · Restricted Net Assets**

3950 · Reserve for Contingency 100,000.00

3960 · Reserve for Litigation 75,000.00

3970 · Reserve for Unfunded Liability 30,000.00

3980 · Reserve for Special Projects 31,503.00

**Total 3050 · Restricted Net Assets** 236,503.00

3900 · Retained Earnings -122,998.26

**Net Income** 403,913.27

**Total Equity** 1,272,227.02

**TOTAL LIABILITIES & EQUITY** **1,286,577.43**

**LOCAL AGENCY FORMATION COMMISSION ORANGE COUNTY  
STATEMENT OF CASH FLOWS  
JANUARY TO MARCH 2014**

	<b>Jan - Mar 14</b>
<b>OPERATING ACTIVITIES</b>	
Net Income	-182,386.16
Adjustments to reconcile Net Income to net cash provided by operations:	
Other Current Asset:1300 - Interest Receivable - Other	105.50
Other Current Asset:1375 - Prepaid Expenses - Other	2,819.80
Other Current Asset:1376 - Retirement Prepaid Expense	16,394.20
Current Liabilities:2050 - Salaries Payable - OC (9050)	-4,992.75
Net cash provided by Operating Activities	-168,059.41
 <b>INVESTING ACTIVITIES</b>	
Other Assets:1575 - Pension Deposit	0.00
Net cash provided by Investing Activities	0.00
 Net cash increase for period	 -168,059.41
 Cash at beginning of period	 1,266,468.00
Cash at end of period	<b>1,098,408.59</b>