



July 8, 2020

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COUNTY MEMBER

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CITY MEMBER

**JAMES FISLER**  
SPECIAL DISTRICT MEMBER

**DONALD P. WAGNER**  
COUNTY MEMBER

**ALTERNATES**

**KATHRYN FRESHLEY**  
SPECIAL DISTRICT MEMBER

**LOU PENROSE**  
PUBLIC MEMBER

**MIKE POSEY**  
CITY MEMBER

**MICHELLE STEEL**  
COUNTY MEMBER

**STAFF**

**CAROLYN EMERY**  
EXECUTIVE OFFICER

**TO:** Local Agency Formation Commission

**FROM:** Executive Officer  
Policy Analyst

**SUBJECT:** Fiscal Year 2019-2020 Final Comprehensive Quarterly Report

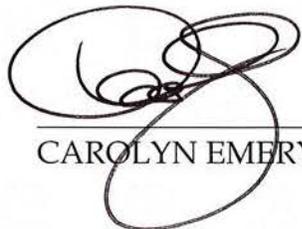
The attached Comprehensive Quarterly Report provides a year-end review of the FY 2019-20 Work Plan accomplishments and an assessment of the agency's budget and investment portfolio (Attachment A).

**RECOMMENDATION**

Staff recommends that the Commission:

1. Receive and file the Fiscal Year 2019-20 Final Comprehensive Quarterly Report.

Respectfully submitted,

  
\_\_\_\_\_  
CAROLYN EMERY

  
\_\_\_\_\_  
GAVIN CENTENO

ATTACHMENT A: Fiscal Year 2019-2020 Final Comprehensive Quarterly Report

# Year-End Comprehensive Quarterly Report



**Fiscal Year 2019-2020**

## INSIDE LOOK:

- FY 2019-20 Work Plan Year-End Report– Page 1
- Board Member Appointments – Page 6
- External Relations and Outreach Efforts – Page 7
- FY 2019-20 Budget Year-End Wrap Up – Page 7
- FY 2020-21 Budget Snapshot – Page 10

## INTRODUCTION

The Year-End Comprehensive Quarterly Report presents an overview of the Commission's FY 2019-20 Work Plan accomplishments and an assessment of the agency's budget and investment portfolio performance for the fiscal year. This report also provides a review of the board member appointments and a snapshot of the FY 2020-21 budget.

## FY 2019-20 WORK PLAN YEAR-END REPORT

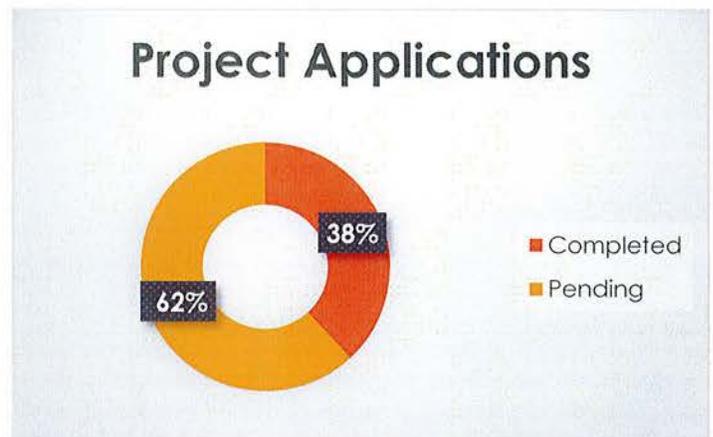
This section highlights the progress the Commission has made toward completing the milestones identified in the FY 2019-20 Work Plan. The Work Plan is divided into five strategic focus areas: (1) Project Applications; (2) the Fourth Cycle of Sphere of Influence (SOI) Reviews and Updates & Municipal Service Reviews (MSRs); (3) the OC LAFCO Unincorporated Areas Program; (4) South Orange County Future Governance and, (5) OC LAFCO Communications Plan.

### Strategic Area One: Project Applications

Of the eight mandated projects identified in the FY 2019-20 Work Plan, three were approved by the Commission and five are currently pending due to outstanding application requirements. Additional details on this strategic area are provided below.

Completed:

- Annexation of the Portola Hills and Baker Ranch areas located in the City of Lake Forest to the Orange County Sanitation District.
- Annexation of the 17<sup>th</sup> Street and Tustin unincorporated island to the City of Santa Ana.
- Annexation of the Cielo Vista development to the City of Yorba Linda.

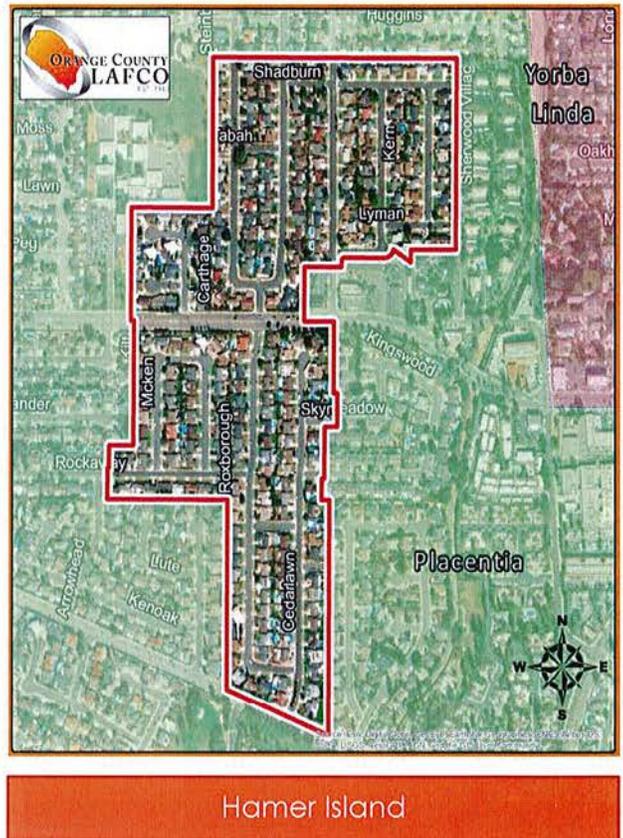


Pending:

- Annexation of non-contiguous areas located in the City of Newport Beach to the Costa Mesa Sanitary District.
- Reorganization of municipal boundaries involving the cities of Laguna Woods and Laguna Hills.
- Annexation of areas within the cities of Anaheim and Yorba Linda to the Orange County Sanitation District Annexation.
- Sphere of Influence Update and Annexation of City of San Juan Capistrano Water and Wastewater Utilities to Santa Margarita Water District.

As significant pre-application work has been completed for the pending projects and the filing of these applications are anticipated, the five applications have been incorporated into 2020-21 Work Plan.

Additionally, a new application filed in late June was added to the FY 2019-20 Work Plan and efficiently processed. When new projects are added subsequent to the approval of the work plan, they are processed in accordance with State law and take precedence over other agency activities and projects. During this quarter, staff participated in discussions with the City of Placentia and the County of Orange regarding annexation and the provision of fire protection and emergency medical services to an unincorporated area located within the City's sphere of influence. Subsequent to those discussions, the City filed an application seeking authorization to extend fire protection and emergency medical services to the island. The purpose of the application was to ensure that the residents of the area referred to as the "Hamer island" receive rapid response from the City for these critical services. In accordance with State law and Commission policy, the agreement was reviewed and approved by the Executive Officer on June 29. This agreement is effective July 1, 2020 and also indicates the City's intention to file an application with OC LAFCO to annex the Hamer Island within one year.



## Strategic Area Two: 4<sup>th</sup> Cycle of Sphere of Influence Updates and Municipal Service Reviews

The 2019-20 Work Plan identifies three components within this strategic area:

1) Development of MSR Dashboard, 2) Reactivate and complete enhancements to the Shared Services Web Program, and 3) Preparation of five regional MSRs. The MSR Dashboard and Shared Services Web Program have been completed and will be integrated with the OC LAFCO website redesign expected to unveil in the Winter. Additionally, the preparation of MSRs for two of the County's regional providers, the Municipal Water District of Orange County and Orange County Sanitation District, are underway. The final draft reports will be distributed to affected stakeholders and presented to the Commission in late Summer. MSRs for the South Orange County region and the County Service Areas will continue to the FY 2020-2021 Work Plan.

## Strategic Area Three: County Unincorporated Areas Program

The Unincorporated Areas Program includes a proactive multi-year effort that focuses on unincorporated areas of high interest for potential annexation. During this past fiscal year, staff has collaborated with the County and cities on the preparation of analyses of service costs and the infrastructure for three County islands: Anaheim, Buena Park and Huntington Beach. Part of this collaborative effort has included discussions on the challenges of past annexation attempts and how to address issues in order to move annexations forward. The recent assessment of those challenges is indicated in the chart below.

**Table 1: FY 2019-2020 Unincorporated Areas of Interest**

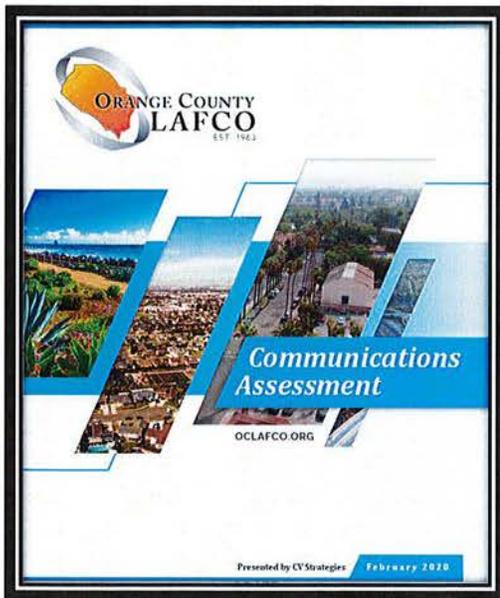
| AREA   | CITY SPHERE      | CHALLENGES   |
|--|------------------|--|
| <b>Southwest Anaheim Island</b><br>(494 acres) | Anaheim          | <ul style="list-style-type: none"> <li>Resident opposition</li> <li>Variance between County and city regarding land use, code enforcement and fees</li> <li>Short term rentals</li> <li>Service infrastructure, delivery, and costs</li> <li>Perception of loss of community identity</li> </ul> |
| <b>Andora/Fairhope Island</b><br>(39 acres)    | Buena Park       | <ul style="list-style-type: none"> <li>Resident opposition</li> <li>Service infrastructure, delivery, and costs</li> </ul>   |
| <b>Bolsa Chica</b><br>(1,484 acres)            | Huntington Beach | <ul style="list-style-type: none"> <li>Liability and costs to assume responsibility for wetlands area</li> <li>Existing lease and ownership within the area</li> <li>Assuming responsibility for regional park (Harriet Weider)</li> </ul>   |

The City of Buena Park has indicated that it is not interested in exploring annexation of the Andora/Fairhope Island at this time due to an internal assessment of the costs associated with assuming service responsibility for the area. Additionally, current local circumstances and changes in staffing may also affect future discussions and annexation timing for the Southwest Anaheim and Bolsa Chica unincorporated areas.

## Strategic Area Four: South Orange County Unincorporated Communities (SOCUC)

During this fiscal year, staff participated in quarterly meetings with the Rancho Mission Viejo (RMV) development representatives. These ongoing meetings have been valuable and assist OC LAFCO with staying apprised of the status and build-out schedule of the development. Additionally, the outreach effort involving the SOCUC communities was initiated. While the effort was impacted by the pandemic, staff plans to reengage on this project in late-Summer, and this effort has been included in the 2020-2021 Work Plan.

## Strategic Area Five: OC LAFCO Communication Plan



Strategic Area Five contains key milestones to meet the Communication Plan objectives: 1) selection of a professional consultant to assist staff on enhancing existing communication vehicles and identifying new ones; and, 2) implementation of new communication vehicles that support the enhancement of agency communication. The first milestone was completed through the hiring of CV Strategies to complete an assessment of the agency's communication resources. Over the past several months, the Executive Committee, staff and the consultant have met to complete the next milestone of preparing a communication plan and identifying implementation strategies. The plan and strategies will be presented to the Commission in August 2020. The Communications Assessment is available on the agency's website at [www.oclafco.org](http://www.oclafco.org).

## Administrative Projects

The following administrative projects were completed during this fiscal year:

- Independent preparation of annual audited financial statements for FY 2018-2019, with no material issues noted.
- Continued participation on the CALAFCO Legislative and Advisory Committees and adopted positions on bills of LAFCO-interest.
- Update of the key agency policies and procedures:
  - Personnel Policies and Procedures
  - Accounting and Financial Policies
  - Policy for Inspection and Copying of Public Records
  - Records Retention and Destruction Policy
- Completed significant phases of the Archival and Digitizing Records multi-year project.

## BOARD MEMBER APPOINTMENTS

During the final quarter of fiscal year 2019-2020, James Fisler was re-appointed by the Independent Special District Selection Committee to the Special District Regular Member seat. Commissioner Fisler was the only candidate nominated during the appointment process. He is a member of the Mesa Water District Board of Directors and the Immediate Past President of the Independent Special Districts of Orange County. This new term begins July 1.



Commissioner James Fisler



On June 11, 2020, current Alternate City Member, Wendy Bucknum was appointed to the City Regular Member seat by the City Selection Committee. She has served as the City Alternate Member since 2015. Commissioner Bucknum is a council member of the City of Mission Viejo and currently serves as the Vice Chair of the Orange County Council of Governments and a member of the Southern California Association of Governments Governing Board. This new term begins July 1.

Commissioner Wendy Bucknum

On June 11, 2020, Mike Posey was appointed to the Alternate City Member seat by the City Selection Committee. Commissioner Posey is a council member of the City of Huntington Beach. He previously served as the City's Mayor and on the Planning Commission. This new term begins July 1.



Commissioner Mike Posey

## EXTERNAL RELATIONS AND OUTREACH EFFORTS

Throughout the fiscal year, staff participated in several outreach and external relations efforts. Additionally, staff has participated in multiple activities to support the ongoing operations of the agency relative and in response to the preventative measures of the COVID-19 pandemic.

| <b>Final Quarter FY 19-20 EXTERNAL RELATIONS &amp; OUTREACH EFFORTS<br/>March 2020 through June 2020</b> |
|--|
| <b>Independent Special Districts of Orange County Executive Committee</b>                                |
| <b>CALAFCO Legislative Committee</b>   |
| <b>Center for Demographic Research Technical Advisory Committee</b>                                      |
| <b>CALAFCO- Executive Officer and Clerks</b>   |
| <b>Orange County Council of Governments</b>  |
| <b>Orange County Business Council Infrastructure Committee</b>   |
| <b>Orange County Employee Retirement System</b>  |
| <b>Center for Demographic Research Management Oversight Committee</b>                                    |
| <b>El Toro Community Advisory Group</b>  |
| <b>California Special District Association</b>   |
| <b>CALAFCO Southern Region</b>   |
| <b>Southern Region LAFCO Executive Officers</b>  |
| <b>“Special Districts Communication and Meetings During a Crisis” Webinar</b>                            |
| <b>“Brown Act Compliance During a Pandemic” Webinar</b>  |
| <b>“Staying Connected for Effective External Communication” Webinar</b>                                  |
| <b>“Using Zoom Webinar to Host a Public Meeting” Webinar</b>   |
| <b>“Transparency, Public Access and Trust” Webinar</b>   |
| <b>“Managing Human Resources During a Public Health Crisis” Webinar</b>                                  |
| <b>“Strategies for Managing Financial Implications” Webinar</b>  |
| <b>“Integrated Resources Plan” Webinar</b>   |
| <b>“Resetting the Local Economy after COVID-19” Webinar</b>  |

## FY 2019-20 BUDGET YEAR-END WRAP UP

The year-end budget review provides the Commission with a comprehensive overview of OC LAFCO revenues and expenditures for the 2019-20 fiscal year, (see Appendix A on pages 11-12.<sup>1</sup>) It is important to note that the figures provided in the overview are unaudited and subject to change. This report also provides a year-end update on the bank account and investment balances. The agency's independent auditor will begin the annual audit for the fiscal year ending June 30, 2020 in September.

### Revenues

The total budget for FY 2019-20 was \$1,258,650. The majority of the revenue was from the \$1,124,500 collected in apportionments from the funding agencies during the first two quarters of the fiscal year. In addition to the apportionments, the agency earns interest from its investment portfolio. During the year, OC LAFCO accrued approximately \$28,549 in interest, which is 58.6 percent above the interest earnings projected for the fiscal year.

<sup>1</sup> All financial statements contained in the CQ report are on an accrual accounting basis.

Another source of OC LAFCO revenue includes application filing fees. Filing fees are not used for General Fund budgeting purposes but are shown in the quarterly overview. This quarterly report includes a year-to-date accounting of application expenses for FY 2019-20. As detailed in the Year End Overview on pages 11-12, the Commission collected \$31,025 in application fee deposits and expended \$23,531 in FY 2019-20. Although the filing fees and expenditures do not directly affect the approved budget, this information is included within the quarterly report to inform the Commission of the cost recovery for fee-related projects.

## Expenditures

The total expenditures projected for the end of the year are approximately 81.2 percent of the total budget of \$1,258,650. The following table displays the actual funds used and the target levels for the 2019-20 fiscal year:

| Total Funds Used |                           |                           |                           |
|------------------|---------------------------|---------------------------|---------------------------|
|                  | 1 <sup>st</sup><br>Period | 2 <sup>nd</sup><br>Period | 3 <sup>rd</sup><br>Period |
| <b>Target</b>    | 33%                       | 66%                       | 100%                      |
| <b>Actual</b>    | 26%                       | 54%                       | 81%                       |

A combination of factors resulted in the agency expenditures being approximately 19 percent below the total budgeted amount. A significant portion of the savings were experienced in several line items within the categories of Office Operations and Professional Services. In Office Operations, the agency experienced lower than anticipated expenditures in transportation and travel, professional development, and costs related to Commissioner meetings. A reduction in these costs were due in large part to the impact of the preventative measures of the pandemic.

In the Professional Services category, there were savings in the appropriations for legal, mapping, and other professional services line items. Legal costs were lower than the budget amount due to costs being applied to deposits received for applications and the mapping savings is relative to software that was not purchased. The remaining savings experienced in the Professional Services category include anticipated expenditures for consultants to assist with the completion of the fourth round of Municipal Service Reviews and Sphere Updates and the Fiscal indicators Web-based Program. These two projects are currently underway and will continue into the next fiscal cycle.

Although the total FY 2019-20 projected expenditures are below the budgeted amounts, there were two budget categories that exceeded their allocations. These line items include Office Equipment and Supplies and Public Noticing. For each of these areas, unanticipated expenses to meet ergonomic standards within the office and the increased costs for publishing of legally required notices resulted in exceeding the budgeted amounts for these areas.

## Year-End Balances and Investment Report

The following table illustrates the estimated balance of OC LAFCO's bank accounts at the end of the fiscal year:

| As of 6/30/20        | Balance                 |
|----------------------|-------------------------|
| 770-Payroll Account  | \$286,588               |
| Wells Fargo Checking | \$121,863               |
| Wells Fargo Savings  | \$210,716               |
| <b>Total</b>         | <b><u>\$619,167</u></b> |

To maximize funds, apportionment fees are deposited in the Local Agency Investment Fund (LAIF) and OC Fund accounts. Throughout the fiscal year, the accountant instructs designated staff members to withdraw from the accounts to cover the agency's operational expenses. The following table illustrates the estimated balance of OC LAFCO's investment portfolio at the end of the fiscal year:

| As of 6/30/20 | Balance           |
|---------------|-------------------|
| OC Fund       | \$492,657         |
| LAIF          | \$265,885         |
| <b>Total</b>  | <b>\$ 758,542</b> |

## Year-End Balance Sheet and Reserves Balance Analysis

To provide a better understanding of OC LAFCO's financial status, this report includes the year-end balance sheet (Appendix B on pages 13-14). This financial document summarizes the agency's assets and liabilities estimated as of June 30, 2020. Please note that the figures provided in this balance sheet are unaudited and subject to change. Additionally, an analysis of the agency's reserve balances is provided on page 15.

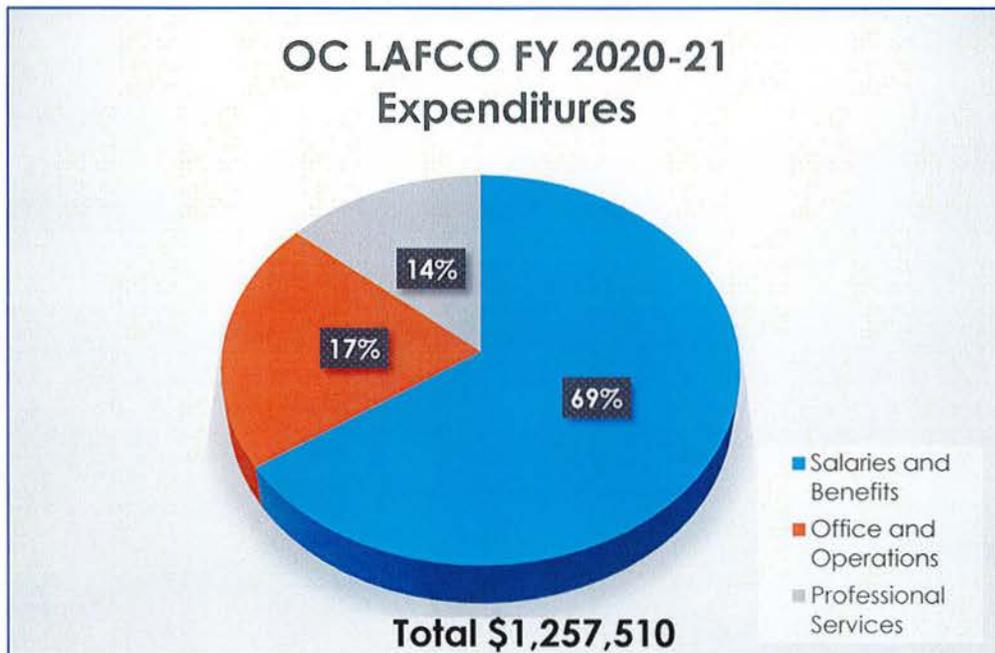
# BUDGET SNAPSHOT FOR FISCAL YEAR 2020-2021

On May 13, 2020, the Commission adopted the final budget for fiscal year 2020-21. In light of the impacts of COVID-19 to OC LAFCO's funding agencies, the total budget of \$1,257,510 maintains the total apportionment paid by the County, cities and special districts at the same level of funding as the FY 2019-2020 budget. The final budget also includes modest reductions to other agency expenditures.



The revenues for FY 2020-21 include \$1,124,500 in apportionments and approximately \$133,000 from the agency's unreserved equity and expected interest earnings for a total budget of \$1,257,510.

OC LAFCO operates on a fiscal year basis and to provide transparency of the agency's financial operations, an overview and status of the budget revenues and expenditures are provided on a quarterly basis through the Comprehensive Quarterly Reports. The Strategic Plan, Work Plan, Budget and Quarterly Reports are available on the OC LAFCO website.



**APPENDIX A**  
**OC LAFCO - Year End Budget Overview<sup>2</sup>**  
**July 1, 2019 – June 30, 2020**

|   | 1st Period          | 2nd Period       | 3rd Period      | YTD                 | YTD                   | TOTAL               | General Fund |
|---|---------------------|------------------|-----------------|---------------------|-----------------------|---------------------|--------------|
|   | General Fund        | General Fund     | General Fund    | General Fund        | Special Revenue Funds | FY 19/20 Budget     | %            |
| <b>Revenue:</b>                         |                     |                  |                 |                     |                       |                     |              |
| Addition/(Use) of Unreserved Equity     | \$ -                | \$ -             | \$ -            | \$ -                | \$ -                  | \$ 116,150          | 0.0%         |
| LAFCO Apportionment                     | 1,124,500           | -                | -               | 1,124,500           | -                     | 1,124,500           | 100.0%       |
| Filing Fees                             | -                   | -                | -               | -                   | 31,025                | -                   | 0.0%         |
| Misc Revenue                            | 156                 | -                | -               | 156                 | -                     | -                   | 0.0%         |
| Interest & Dividends                    | 7,197               | 14,600           | 6,753           | 28,549              | -                     | 18,000              | 158.6%       |
| <b>Total Revenue</b>                    | <b>\$ 1,131,853</b> | <b>\$ 14,600</b> | <b>\$ 6,753</b> | <b>\$ 1,153,205</b> | <b>\$ 31,025</b>      | <b>\$ 1,258,650</b> | <b>91.6%</b> |
| <b>Expenditures:</b>                    |                     |                  |                 |                     |                       |                     |              |
| Salaries                                | \$ 162,962          | \$ 168,878       | \$ 143,872      | \$ 475,712          | \$ 10,646             | \$ 498,500          | 95.4%        |
| Hourly Employees                        | 5,221               | 4,002            | 3,515           | 12,738              | -                     | 10,000              | 127.4%       |
| Benefits & Insurance                    | -                   | -                | -               | -                   | -                     | -                   | -            |
| Optional Benefit Plan                   | -                   | 18,500           | -               | 18,500              | -                     | 18,500              | 100.0%       |
| Deferred Compensation                   | 4,753               | 4,896            | 4,225           | 13,874              | -                     | 15,400              | 90.1%        |
| Retirement Benefits                     | 57,254              | 58,845           | 50,545          | 166,644             | -                     | 176,900             | 94.2%        |
| Health Insurance                        | 18,177              | 18,731           | 16,236          | 53,143              | -                     | 56,700              | 93.7%        |
| Retiree Health Benefits                 | 6,631               | 6,613            | 5,005           | 18,249              | -                     | 20,200              | 90.3%        |
| Dental Insurance                        | 1,849               | 1,867            | 1,588           | 5,304               | -                     | 5,600               | 94.7%        |
| Life Insurance                          | 194                 | 160              | 113             | 467                 | -                     | 600                 | 77.9%        |
| Workers Compensation                    | -                   | 3,756            | -               | 3,756               | -                     | 3,800               | 98.8%        |
| Medicare                                | 2,464               | 2,772            | 2,219           | 7,456               | -                     | 7,400               | 100.8%       |
| Salary Continuance                      | 585                 | 603              | 507             | 1,694               | -                     | 1,800               | 94.1%        |
| Accidental Death Insurance              | 39                  | 36               | 28              | 102                 | -                     | 150                 | 68.3%        |
| Executive Car Allowance                 | 3,000               | 2,400            | 1,800           | 7,200               | -                     | 7,200               | 100.0%       |
| <b>Total - Benefits &amp; Insurance</b> | <b>94,947</b>       | <b>119,179</b>   | <b>82,265</b>   | <b>296,391</b>      | <b>-</b>              | <b>314,250</b>      | <b>94.3%</b> |
| Information Technology                  | 2,838               | 2,861            | 2,576           | 8,275               | -                     | 10,000              | 82.7%        |
| Telephone & Internet                    | 5,068               | 3,429            | 3,884           | 12,381              | -                     | 16,200              | 76.4%        |
| County of Orange                        | 1,153               | 761              | 1,924           | 3,839               | -                     | 5,500               | 69.8%        |
| General Liability Insurance             | 4,684               | 5,163            | 4,885           | 14,732              | -                     | 16,000              | 92.1%        |
| Memberships                             | 13,875              | 9,967            | 5,898           | 29,740              | -                     | 33,800              | 88.0%        |
| Office Equipment/Supplies               | 2,001               | 4,712            | 5,306           | 12,019              | -                     | 10,000              | 120.2%       |
| Professional Services:                  | -                   | -                | -               | -                   | -                     | -                   | -            |
| Legal                                   | 6,516               | 3,347            | 6,836           | 16,699              | 1,271                 | 60,000              | 27.8%        |
| Accounting/Audit                        | 10,735              | 16,416           | 6,445           | 33,596              | -                     | 43,100              | 77.9%        |
| Human Resources                         | -                   | -                | 7,000           | 7,000               | -                     | 9,000               | 77.8%        |
| Mapping/Archiving                       | 1,133               | 1,133            | 1,133           | 3,400               | -                     | 7,200               | 47.2%        |
| Other Professional Services             | -                   | -                | 5,000           | 5,000               | -                     | 60,000              | 8.3%         |
| <b>Total - Professional Services</b>    | <b>18,384</b>       | <b>20,896</b>    | <b>26,415</b>   | <b>65,695</b>       | <b>1,271</b>          | <b>179,300</b>      | <b>36.6%</b> |

<sup>2</sup> The figures in this chart are unaudited and subject to change

**APPENDIX A**  
**OC LAFCO - Year End Budget Overview<sup>3</sup> (Continued)**  
**July 1, 2019 – June 30, 2020**

|                                | 1st Period<br>General<br>Fund | 2nd Period<br>General<br>Fund | 3rd Period<br>General<br>Fund | YTD<br>General<br>Fund | YTD<br>Special<br>Revenue<br>Funds | TOTAL<br>FY 19/20<br>Budget | General Fund<br>% |
|--------------------------------|-------------------------------|-------------------------------|-------------------------------|------------------------|------------------------------------|-----------------------------|-------------------|
| Investment Admin Fees          | 242                           | 171                           | 120                           | 534                    | -                                  | 600                         | 88.9%             |
| State Board of Equalization    | -                             | -                             | -                             | -                      | 6,000                              | -                           | -                 |
| Public Noticing                | -                             | 1,856                         | 1,856                         | 3,712                  | 5,614                              | 2,000                       | 185.6%            |
| Unincorporated Areas Program   | -                             | 1,856                         | -                             | 1,856                  | -                                  | 6,000                       | 30.9%             |
| Rents/Maintenance              | 25,970                        | 8,126                         | 6,788                         | 40,883                 | -                                  | 79,800                      | 51.2%             |
| Equipment Leases               | 2,129                         | 2,349                         | 1,409                         | 5,887                  | -                                  | 7,200                       | 81.8%             |
| Comm. & Staff Expense          | 1,825                         | 2,969                         | 833                           | 5,627                  | -                                  | 7,000                       | 80.4%             |
| Comm. Stipends & Taxes/Fees    | 2,141                         | 1,871                         | 4,095                         | 8,107                  | -                                  | 16,200                      | 50.0%             |
| Professional Development       | 6,817                         | 50                            | -                             | 6,867                  | -                                  | 22,000                      | 31.2%             |
| Transportation/Travel          | 9,182                         | 4,946                         | 286                           | 14,413                 | -                                  | 18,300                      | 78.8%             |
| Commission Meeting Expense     | 919                           | 504                           | 839                           | 2,262                  | -                                  | 6,000                       | 37.7%             |
| <b>Total Expenditures</b>      | <b>360,357</b>                | <b>364,547</b>                | <b>296,767</b>                | <b>1,021,671</b>       | <b>23,531</b>                      | <b>1,258,650</b>            | <b>81.2%</b>      |
| <b>Total Net Income (Loss)</b> | <b>\$ 771,495</b>             | <b>\$ (349,947)</b>           | <b>\$ (290,014)</b>           | <b>\$ 131,534</b>      | <b>\$ 7,494</b>                    | <b>\$ -</b>                 |                   |

<sup>3</sup> The figures in this chart are unaudited and subject to change

**APPENDIX B**  
**OC LAFCO BALANCE SHEET**  
**June 30, 2020**

**ASSETS**

**Current Assets**

**Cash and Investments**

|                               |            |
|-------------------------------|------------|
| County Acct-Payroll           | \$ 286,588 |
| Wells Fargo Checking          | 121,863    |
| Wells Fargo Savings           | 210,716    |
| OC Fund                       | 492,657    |
| Investment Acct - LAIF        | 265,885    |
| Fair Market Value Adjustments | 513        |

|                                   |                  |
|-----------------------------------|------------------|
| <b>Total Cash and Investments</b> | <b>1,378,224</b> |
|-----------------------------------|------------------|

**Other Current Asset**

|                            |        |
|----------------------------|--------|
| Prepaid Expenses - Other   | 19,349 |
| Retirement Prepaid Expense | 17,752 |

|                                  |               |
|----------------------------------|---------------|
| <b>Total Other Current Asset</b> | <b>37,101</b> |
|----------------------------------|---------------|

|                             |                  |
|-----------------------------|------------------|
| <b>Total Current Assets</b> | <b>1,415,325</b> |
|-----------------------------|------------------|

|                     |               |
|---------------------|---------------|
| <b>Fixed Assets</b> | <b>31,640</b> |
|---------------------|---------------|

**Other Assets**

|                                |         |
|--------------------------------|---------|
| Pension Deposit                | 179,912 |
| Def. Outflows Pension Related  | 469,088 |
| Deferred OPEB Contributions    | 10,852  |
| Deferred Outflows OPEB Related | 3,274   |
| Security Deposit               | 10,235  |

|                           |                |
|---------------------------|----------------|
| <b>Total Other Assets</b> | <b>673,361</b> |
|---------------------------|----------------|

|                     |                  |
|---------------------|------------------|
| <b>TOTAL ASSETS</b> | <b>2,120,326</b> |
|---------------------|------------------|

**APPENDIX B**  
**OC LAFCO BALANCE SHEET (Continued)**  
**June 30, 2020**

**LIABILITIES & EQUITY**

**Liabilities**

**Current Liabilities**

|                       |        |
|-----------------------|--------|
| Accrued Liability     | 25,706 |
| Salaries Payable - OC | 16,369 |
| Compensated Absences  | 38,443 |

|                                  |               |
|----------------------------------|---------------|
| <b>Total Current Liabilities</b> | <b>80,517</b> |
|----------------------------------|---------------|

**Long Term Liabilities**

|                               |           |
|-------------------------------|-----------|
| Deferred Inflows OPEB Related | 6,546     |
| Net OPEB Liability            | 126,448   |
| Net Pension Liability         | 1,582,703 |
| Def. Inflows Pension Related  | 259,339   |
| Deferred Lease Incentive      | 13,909    |

|                                    |                  |
|------------------------------------|------------------|
| <b>Total Long Term Liabilities</b> | <b>1,988,945</b> |
|------------------------------------|------------------|

|                          |                  |
|--------------------------|------------------|
| <b>Total Liabilities</b> | <b>2,069,462</b> |
|--------------------------|------------------|

|               |               |
|---------------|---------------|
| <b>Equity</b> | <b>50,864</b> |
|---------------|---------------|

|                                       |                     |
|---------------------------------------|---------------------|
| <b>TOTAL LIABILITIES &amp; EQUITY</b> | <b>\$ 2,120,326</b> |
|---------------------------------------|---------------------|

\*Financial data was prepared in advance of June 30, 2020. Figures are subject to change as they have been projected through June 30, 2020 and represent pre-audited amounts.

**OC Local Agency Formation Commission  
Reserves Balance Analysis**

| <b>Cash &amp; Investments<br/>Description</b> | <b>Jun 18, 20<br/>Balance</b> | <b>Commission<br/>Approved<br/>Balances</b> | <b>Balance<br/>Excess /<br/>(Deficiency)</b> |
|---|-------------------------------|---|--|
| County Payroll                                | \$ 286,588                    | \$ 205,688 <sup>1</sup>                     | \$ 80,900                                    |
| Checking - Wells Fargo                        | 121,863                       | 108,975 <sup>1</sup>                        | 12,888                                       |
| Savings - Wells Fargo                         | 210,716                       | 205,000 <sup>1</sup>                        | 5,716  |
| OC Fund Investment                            | 492,657                       | -   | 492,657                                      |
| LAIF Investment                               | 265,885                       | -   | 265,885                                      |
| <b>Total</b>                                  | <b>\$ 1,377,710</b>           | <b>\$ 519,663</b>                           | <b>\$ 858,047 <sup>2</sup></b>               |

**Footnotes:**

*1 - Per the Cash and Cash Management Policy, the Commission must maintain \$519,663 during fiscal year 2019/20 in order to cover three months of payroll costs (County Payroll), 3 months of operational expenses (Checking - Wells Fargo) and a minimum of \$205,000 (Savings - Wells Fargo) to cover contingency, litigation and unfunded liabilities.*

*2 - Remaining Available Cash to fund Operations and Reserves.*