



# Quarterly Financial Report

*Fiscal Year 2021-22 (1<sup>st</sup> Quarter)*

## HIGHLIGHTS:

Majority of Apportionments for FY 2021-22 Received

First Quarter Expenditures slightly under Target

Minimal Expenditures during 1<sup>st</sup> Quarter

## INTRODUCTION

The First Quarter Financial Report provides an assessment of the agency's budget and investment portfolio performance for July through September 30, 2021.

## FY 2021-22 BUDGET OVERVIEW

This quarter marked the beginning of a new fiscal cycle and annual work plan. Many efforts of the previous work plan were continued, while several other new projects and activities were also started. The Fiscal Year 2021-22 budget of approximately \$1.3 million supports the operations of the Commission and the resources needed to accomplish the work plan.

The following provides an overview of LAFCO revenues and expenditures, including balances of the agency's reserve and investment accounts. (see page 3).<sup>1</sup>

### Revenues

The majority of LAFCO's revenues are from the \$1,158,240 collected in apportionments from the funding agencies. This revenue source was at 99% at the end of the first quarter, with majority of apportionments received from the agencies. LAFCO also earns interest from its investment portfolio. At the end of the first quarter, the agency earned \$503 in interest, which is 5% of the interest revenues anticipated for the fiscal year.

Another source of LAFCO revenue is application filing fees. These filing fees are not used for budgeting purposes as they are used to offset the costs associated with the processing of the respective applications. The filing fees are shown in the financial overview as revenue within the Special Fund column. The Special Fund column in the chart on page 4 includes an accounting of application revenues and expenses incurred during the first quarter of the 2021-22 fiscal year.

### Expenditures

The total General Fund expenditures as of September 30, 2021, are \$302,218 or 22.5% of the total budget. The following table provides a comparison of the percentage of actual funds used and the target levels for the current fiscal year.<sup>2</sup>

Total Funds Used				
	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>	22.5%	NA	NA	NA

Expenditures during the first quarter are within target levels with most expenses attributed to operational costs, such as salaries, benefits and the office lease. Similar to the previous fiscal year, it is expected that line items, such as travel and transportation and commission meeting expenses will be lower than normal due to the continued circumstances of the pandemic.

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

<sup>2</sup> Actual expenditures for the first quarter are unaudited and subject to change.

## Balances and Investment Report

The following table illustrates the balance of LAFCO's bank accounts as of September 30, 2021:

As of 9/30/21	Balance
770-Payroll Account	\$449,214
Wells Fargo Checking	\$206,765
Wells Fargo Savings	<u>\$213,241</u>
<b>Total</b>	<b><u>\$869,220</u></b>

To maximize the interest accrued on the agency's revenues, apportionment fees are deposited in the Local Agency Investment Fund (LAIF) and OC Fund accounts. Throughout the fiscal year, funds are transferred from the investment accounts to the bank accounts to cover the agency's operational expenses.

The following table illustrates the balance of LAFCO's investment portfolio as of September 30, 2021.

As of 9/30/21	Balance
OC Fund	\$498,590
LAIF	<u>\$1,085,613</u>
<b>Total</b>	<b><u>\$ 1,584,203</u></b>

**APPENDIX A**  
**OC LAFCO - Quarterly Budget Overview<sup>3</sup>**  
**July 1, 2021 – September 30, 2021**

	1st Qtr. General Fund	YTD General Fund	YTD Special Revenue Funds	TOTAL FY 21/22 Budget	General Fund %
<b>Revenue:</b>					
Addition/(Use) of Unreserved Equity	\$ -	\$ -	\$ -	\$ 177,040	0.0%
LAFCO Apportionment	1,153,958	1,153,958	-	1,158,240	99.6%
Filing Fees	-	-	122,102	-	0.0%
Misc Revenue	464	464	-	-	0.0%
Interest & Dividends	503	503	-	10,000	5.0%
<b>Total Revenue</b>	<b>\$ 1,154,925</b>	<b>\$ 1,154,925</b>	<b>\$ 122,102</b>	<b>\$ 1,345,280</b>	<b>85.9%</b>
<b>Expenditures:</b>					
Salaries	\$ 134,824	\$ 134,824	\$ 8,575	\$ 532,630	25.3%
Hourly Employees	4,659	4,659	-	18,000	25.9%
<b>Benefits &amp; Insurance</b>					
Optional Benefit Plan	-	-	-	18,500	0.0%
Deferred Compensation	4,030	4,030	-	16,200	24.9%
Retirement Benefits	57,089	57,089	-	193,820	29.5%
Health Insurance	15,558	15,558	-	67,230	23.1%
Retiree Health Benefits	4,937	4,937	-	18,370	26.9%
Dental Insurance	702	702	-	5,320	13.2%
Life Insurance	104	104	-	500	20.7%
Workers Compensation	-	-	-	2,370	0.0%
Medicare	2,108	2,108	-	8,260	25.5%
Unemployment Insurance	150	150	-	-	0.0%
Salary Continuance	358	358	-	1,400	25.6%
Accidental Death Insurance	25	25	-	150	16.9%
Executive Car Allowance	1,800	1,800	-	7,200	25.0%
<b>Total - Benefits &amp; Insurance</b>	<b>86,861</b>	<b>86,861</b>	<b>-</b>	<b>339,320</b>	<b>25.6%</b>
Information Technology	918	918	-	12,700	7.2%
Telephone & Internet	2,241	2,241	-	14,500	15.5%
County of Orange	630	630	-	11,000	5.7%
General Liability Insurance	1,826	1,826	-	7,600	24.0%
Memberships	8,762	8,762	-	35,600	24.6%
Office Equipment/Supplies	1,675	1,675	-	19,400	8.6%
<b>Professional Services:</b>					
Legal	4,095	4,095	15,772	60,000	6.8%
Accounting/Audit	6,000	6,000	-	43,500	13.8%
Human Resources	-	-	-	9,500	0.0%
Mapping/Archiving	850	850	-	7,300	11.6%
Other Professional Services	11,100	11,100	-	60,000	18.5%
<b>Total - Professional Services</b>	<b>22,045</b>	<b>22,045</b>	<b>15,772</b>	<b>180,300</b>	<b>12.2%</b>
Investment Admin Fees	76	76	-	830	9.1%
Public Noticing	-	-	1,680	11,500	0.0%
Unincorporated Areas Program	-	-	-	8,000	0.0%
Rents/Maintenance	32,640	32,640	-	100,600	32.4%
Equipment Leases	1,409	1,409	-	7,700	18.3%
Comm. & Staff Expense	85	85	-	7,000	1.2%
Comm. Stipends & Taxes/Fees	3,400	3,400	-	15,500	21.9%
Professional Development	-	-	-	5,000	0.0%
Transportation/Travel	-	-	-	11,600	0.0%
Commission Meeting Expense	165	165	-	6,500	2.5%
Refund of Deposit	-	-	-	-	0.0%
<b>Total Expenditures</b>	<b>302,218</b>	<b>302,218</b>	<b>26,027</b>	<b>1,345,280</b>	<b>22.5%</b>
<b>Total Net Income (Loss)</b>	<b>\$ 852,707</b>	<b>\$ 852,707</b>	<b>\$ 96,075</b>	<b>\$ -</b>	

\*Financial data represents pre-audited amounts, which does not include all year end

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

## Balance Sheet and Reserves Balance Analysis

This report includes the balance sheet to provide an understanding of LAFCO's financial status. The financial document on this page summarizes the agency's assets and liabilities as of September 30, 2021. 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 6.

### APPENDIX B OC LAFCO BALANCE SHEET As of September 30, 2021

	<u>Sep 30, 21</u>
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Cash and Investments</b>	
County Acct-Payroll	\$ 449,214
Wells Fargo Checking	206,765
Wells Fargo Savings	213,241
OC Fund	498,590
Investment Acct - LAIF	1,085,613
Fair Market Value Adjustments	1,080
<b>Total Cash and Investments</b>	<u>2,454,504</u>
<b>Other Current Asset</b>	
Prepaid Expenses - Other	17,644
Retirement Prepaid Expense	173,976
<b>Total Other Current Asset</b>	<u>191,619</u>
<b>Total Current Assets</b>	<u>2,646,123</u>
<b>Fixed Assets</b>	17,068
<b>Other Assets</b>	
Def. Outflows Pension Related	450,602
Deferred OPEB Contributions	9,771
Deferred Outflows OPEB Related	2,079
Security Deposit	10,235
<b>Total Other Assets</b>	<u>472,687</u>
<b>TOTAL ASSETS</b>	<u><u>3,135,878</u></u>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
Salaries Payable	29,484
Compensated Absences	37,861
<b>Total Current Liabilities</b>	<u>67,345</u>
<b>Long Term Liabilities</b>	
Deferred Inflows OPEB Related	14,009
Net OPEB Liability	110,973
Net Pension Liability	1,248,133
Def. Inflows Pension Related	561,923
Deferred Lease Incentive	42,872
<b>Total Long Term Liabilities</b>	<u>1,977,910</u>
<b>Total Liabilities</b>	<u>2,045,256</u>
<b>Equity</b>	1,090,623
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u><u>\$ 3,135,878</u></u>

\*Financial data was prepared in advance of September 30, 2021. Figures are subject to change as they have been projected through September 30, 2021 and represent pre-audited amounts.

**APPENDIX C**  
**OC LAFCO RESERVE BALANCE**  
**As of September 30, 2021**

<b>Cash &amp; Investments Description</b>	<b>Sept 30, 2021 Balance</b>	<b>Commission Approved Balances</b>	<b>Balance Excess / (Deficiency)</b>
County Payroll	\$ 449,214	\$ 222,488 <sup>1</sup>	\$ 226,726
Checking - Wells Fargo	206,765	113,833 <sup>1</sup>	92,932
Savings - Wells Fargo	213,241	205,000 <sup>1</sup>	8,241
OC Fund Investment	498,590	-	498,590
LAIF Investment	1,085,613	-	1,085,613
<b>Total</b>	<b>\$ 2,453,423</b>	<b>\$ 541,321</b>	<b>\$ 1,912,102</b> <sup>2</sup>

**Footnotes:**

*1 - Per the Cash and Cash Management Policy, the Commission must maintain \$541,321 during fiscal year 2021/22 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.*