



Orange County Local Agency Formation Commission
Final Budget
Fiscal Year 2026/27

	FY 25/26 Adopted Budget	FY 26/27 Final Budget	\$ Budget Variance	% Budget Variance
1 Revenue				
2 Apportionment	\$ 1,692,010	\$ 1,505,890	\$ (186,120)	-11.0%
3 Investment Income	35,640	50,015	14,375	40.3%
4 Total Revenue	1,727,650	1,555,905	(171,745)	-9.9%
5 Expenses				
6 Salaries and Benefits				
7 Salaries	671,000	465,400	(205,600)	-30.6%
8 Hourly Wages	20,800	20,800	-	0.0%
9 Retirement	274,700	154,600	(120,100)	-43.7%
10 Health Insurance	78,500	61,300	(17,200)	-21.9%
11 Dental Insurance	5,600	5,600	-	0.0%
12 Life Insurance	420	350	(70)	-16.7%
13 Unemployment Insurance	540	480	(60)	-11.1%
14 Health Reimbursement Arrangement	8,200	6,730	(1,470)	-17.9%
15 Optional Benefit Plan	18,500	14,000	(4,500)	-24.3%
16 Deferred Compensation	19,400	14,000	(5,400)	-27.8%
17 Medicare	10,300	7,300	(3,000)	-29.1%
18 Worker's Compensation	6,760	12,700	5,940	87.9%
19 Salary Continuance	1,750	1,210	(540)	-30.9%
20 Accidental Death Insurance	120	110	(10)	-8.3%
21 Executive Car Allowance	7,200	7,200	-	0.0%
22 Retiree Health Benefit Contributions	6,200	4,300	(1,900)	-30.6%
23 Total Salaries and Benefits	1,129,990	776,080	(353,910)	-31.3%
24 Operations and Professional Services				
25 Operations				
26 Rents, Improvements, and Maintenance	118,700	122,100	3,400	2.9%
27 Equipment Leases and Maintenance	8,100	8,100	-	0.0%
28 Insurance	15,100	16,610	1,510	10.0%
29 Educational and Legislative Partnerships	16,000	21,000	5,000	31.3%
30 Unincorporated Areas Program	11,000	10,000	(1,000)	-9.1%
31 Mapping	4,000	4,300	300	7.5%
32 Public Noticing and Communications	14,400	14,400	-	0.0%
33 Commission Stipends, Taxes, and Fees	15,750	15,900	150	1.0%
34 Commission Meeting Expenses	10,000	7,700	(2,300)	-23.0%
35 Commission and Staff Expenses	5,000	10,000	5,000	100.0%
36 Information Technology	21,600	27,640	6,040	28.0%
37 Internet and Electronic Services	21,500	21,700	200	0.9%
38 County Charges	13,100	13,100	-	0.0%
39 Memberships and Subscriptions	28,600	29,600	1,000	3.5%
40 Professional Development	20,000	20,000	-	0.0%
41 Travel and Training	5,000	5,000	-	0.0%
42 Office Equipment and Supplies	28,400	24,300	(4,100)	-14.4%
43 Investment Fees	850	850	-	0.0%
44 Professional Services				
45 Legal	60,000	60,000	-	0.0%
46 Audit and Accounting	60,900	70,200	9,300	15.3%
47 Human Resources	30,000	25,000	(5,000)	-16.7%
48 Other Consulting	200,000	200,000	-	0.0%
49 Total Operations and Professional Services	708,000	727,500	19,500	2.8%
50 Total Expenses	1,837,990	1,503,580	(334,410)	-18.2%
51 Net Revenue / (Expenses)	(110,340)	52,325	162,665	-147%
52 Use Of / (Addition To) Reserves	\$ 110,340	\$ (52,325)	\$ (162,665)	
53 Net Balance	-	-		



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Projected Cash Reserves				
Reserves				
Contingency Reserve	100,000	\$ 100,000		
Litigation Reserve	75,000	75,000		
Unfunded Liability Reserve	30,000	30,000		
Operating Reserve (25% Budgeted Expenses)	459,498	375,895		
Total Reserves	664,498	580,895		
Restricted Cash				
PARS Trust	119,940	119,940		
Total Reserves and Restricted Cash	784,438	700,835		
Unrestricted Cash				
Beginning Balance	924,639	1,293,322		
Addition / (Drawdown) to Unrestricted	(110,340)	52,325		
Total Unrestricted Cash	814,299	1,345,647		
Total Cash and Investments	\$ 1,598,736	\$ 2,046,482		

REVENUES

The following summarizes the revenue categories of the OC LAFCO Budget:

Apportionment

These funds are provided by the County, independent special districts, and cities. The County pays 1/3 of the total apportionment cost. The cost allocation formulas for the cities and special districts are in accordance with the alternative formulas adopted by the City Selection Committee and the Independent Special Districts Selection Committee respectively.

Filing Fees

These funds are provided by incoming project applications, including but not limited to annexations, reorganizations, incorporations, dissolutions, and consolidations. Filing fees vary with each project received and are not budgeted as revenue due to the uncertainty of when applications will be filed. Filing fees are collected to offset OC LAFCO salaries, benefits and other expenditures associated with applications.

Miscellaneous Revenue

These funds are incurred by nonoperational income including but not limited to reimbursements.

Investment Income

These funds are the interest earned from the agency's bank and County payroll accounts and investment portfolio, including the Local Agency Investment Fund (LAIF) and the Public Agency Retirement Services (PARS) account.

EXPENDITURES

The following summarizes the expenditure categories of the OC LAFCO Budget:

SALARIES AND BENEFITS

These categories include costs incurred for OC LAFCO employee salaries and benefits, including retirement, life, accidental and disability insurance, worker's compensation, health and dental insurance, and Medicare. OC LAFCO contracts with the County of Orange for payroll and benefit services.

- Workers' Compensation – Includes coverage for employees involving work-related injuries.

OPERATIONS

Rents, Improvements, and Maintenance

This category includes costs for leasing, improvements, and maintenance of OC LAFCO office space.

Equipment Leases and Maintenance

This category includes costs for leasing and maintenance of the OC LAFCO copier and printers. **(TOSHIBA/WELLS FARGO – XEROX PRINTER/AVACOM)**

Insurance

This category includes costs incurred for insurance coverage. OC LAFCO contracts with the joint powers authority for the following coverages for instances that occur during the general operation of the agency. **(JPRIMA – CAL MUTUALS)**

- General Liability – Includes coverage for personal injury (including bodily injury and property damage), non-owned auto liability, public officials' errors and omissions and employment practices liability.
- Crime – Includes coverage for employee or non-employee theft, burglary, forgery or alteration, computer fraud, funds transfer fraud.
- Property – Includes per occurrence, all perils coverage for damage to property including personal property and business interruption coverage.

Educational and Legislative Partnerships

This category includes costs incurred for educational partnerships, legislative engagement efforts and registration expenses to attend workshops and business-related meetings and activities. **(ISDOC – OCCMA – ICMA – MMASC – EDUCATIONAL PARTNERSHIPS & LEG. ENGAGEMENT)**

Unincorporated Areas Program

This category includes costs incurred for the processing of applications under the Commission's Unincorporated Areas Program. **(MAILING AND PUBLIC NOTICE)**

Mapping

OC LAFCO's Geographic Information System (GIS) and other mapping programs. **(ARCGIS CONTRACT & LICENSES)**

Public Noticing and Communications

This category includes costs incurred for required legal notices and other communications for Commission-initiated and other projects (e.g., spheres of influence reviews and updates, municipal service reviews, and annual budget adoption) that are not reimbursable through application fees. **(BUDGET – MSRs – PUBLIC MEMBER SEAT)**

Commission Stipends, Taxes, and Fees

This category includes Commissioner meeting stipends and related employment taxes and fees. **(COMMISSION MEETINGS – EXEC COMMITTEE MEETINGS – PAYCORE TAXES & FEES)**

Commission Meeting Expenses

This category includes costs incurred for communications, room rental, parking and miscellaneous expenses for Commission meetings. **(COUNTY PARKING – COUNTY HEARING ROOM – ZOOM SUBSCRIPTION – STRATEGIC PLAN)**

Commission and Staff Expenses

This category includes miscellaneous business expenses incurred by Commissioners and staff. **(BUSINESS MTGS – OTHER EXPENSES FOR STAFF/COMM (I.E. MILEAGE))**

Information Technology

This category includes costs incurred for the technical support for regular maintenance and upgrades to the OC LAFCO computer systems and website. OC LAFCO contracts with independent consultants for IT and website services. **(RESPOND TECH – GOOGLE/MICROSOFT – WEBSITE DOMAIN – WORD PRESS ENGINE – WEBSITE PLUGINS – ADA – WP ROCKET PLUGIN – CHASE DESIGN – ACCESSIBLE)**

Internet and Electronic Services

This category includes costs for the usage, technical support, equipment, leasing and maintenance of business electronic devices and internet services. **(SPECTRUM – VERIZON – ADT/EVERON)**

County Charges

This category includes costs incurred for payroll processing, records archiving and storage, billing, collection and intranet services provided by the County of Orange. **(VPN/FOB – PAYROLL PROCESSING – A/C APPORTIONMENT – OC TIME – OC RECORDS STORAGE)**

Memberships and Subscriptions

This category includes membership and subscription fees to CSDA, OCBC, CDR and other applicable memberships. **(CDR – OCBC – CSDA – MMASC – ICMA – CLERK ASSN – WLG – CAL MUTUALS)**

Professional Development

This category includes costs related to employee professional development (e.g., college/university degree programs and courses, certificate programs, leadership seminars). **(STAFF PROFESSIONAL DEVELOPMENT/TRAINING)**

Travel and Training

This category includes costs incurred for transportation and travel expenses for commissioners and staff to attend workshops and business-related meetings and activities. **(CONFERENCE)**

Office Equipment and Supplies

This category includes costs incurred for the purchase of office supplies and equipment, computers, and software that support agency operations. **(OFFICE SUPPLIES – EQUIP REPLACEMENT – ADOBE – MAVENLINK – SURVEY MONKEY – LASERFICHE – DROPBOX – QUICKBOOKS – WORDSHARE – SPARKLETTS – POSTAGE – STAPLES – SHUTTERSTOCK – CANVA – AMAZON – COPY X - BUSINESS CARDS & ENVELOPES)**

Investment Fees

This category includes costs incurred for administrative fees charged by the County of Orange for financial services related to the payroll account.

PROFESSIONAL SERVICES

Legal

This category includes costs incurred for OC LAFCO general counsel services.

Auditing and Accounting

This category includes costs for bookkeeping, accounting and auditing services. Audited financial statements are prepared by an independent auditor. **(EIDE BAILLY – DAVIS FARR)**

Human Resources

This category includes costs for personnel services that may be provided by an independent consultant for assistance with recruitment, employment labor, professional development and other human resource areas. **(EO EVAL – HR/EMPLOYMENT LABOR SERVICES – RECRUITMENT)**

Other Consulting

This category includes costs for consulting and professional services for meeting facilitation, peer reviews, and preparation of municipal service and sphere reviews, fiscal studies and other studies, reports and projects. **(MSR AND OTHER)**

RESERVES

Contingency Reserve

Restricted funds used to cover any unforeseen future agency loss and/or urgency (i.e., property or equipment damage, loss or theft).

Litigation Reserve

Restricted funds used for costs related to agency litigation not covered by application fees and deposits.

Unfunded Liability Reserve

Restricted funds used to offset anticipated agency liabilities (i.e., employee compensated absences).

Operating Reserve

Funds available to meet the agency's expenditures for a 3-month period.