

**BUDGET SUMMARY
FISCAL YEAR 2018-2019**

	2016-2017 AUDITED ACTUAL	2017-2018 ADOPTED BUDGET	2017-2018 ESTIMATED ACTUAL	2018-2019 ADOPTED BUDGET	
REVENUES					
Fee Revenue	6,098	5,000	5,000	5,000	
Refunds		(500)	(500)	(500)	
Interest	4,667	1,800	2,800	1,800	
Cost Recovery	-	300	-	300	
Apportionment from Funding Agencies	320,796	325,556	325,556	336,343	0.033
TOTAL	331,561	332,156	332,856	342,943	0.032
EXPENDITURES					
Supplies and Services	53,123	56,265	53,154	56,697	
Personnel	210,023	222,789	222,789	222,421	
Professional Services	38,504	99,190	88,451	99,875	
Contingency	-	18,912	-	18,950	
TOTAL	301,650	397,156	364,394	397,943	0.002
Increase (Decrease) in Net Assets	29,911	(65,000)	(31,538)	(55,000)	
Amount to be funded from Net Assets:		\$65,000	31,538	55,000	

Note: The FYE 2017 Personnel Expenditures stated here were adjusted in the FYE 2017 Annual Audit to recognize expenditures of \$194,981 for payroll & benefits, and \$15,042 toward LAFCo's proportionate share of CalPERS Pension Liability. As of FYE 2017, CalPERS calculated LAFCo's net pension liability to be \$200,393.

2018-2019 Expenditures Budget

	2016-2017 ACTUAL	2017-2018 ADOPTED BUDGET	2017-2018 ESTIMATED ACTUAL	2018-2019 ADOPTED BUDGET
SUPPLIES & SERVICES				
Information Technology (phone, computers, software)	13,082	13,000	13,000	13,891
Memberships	2,071	2,215	2,200	2,305
Office Supplies & Services	914	1,400	1,100	1,200
Postage and Copying	2,992	5,000	3,800	4,000
Rent	19,216	19,600	19,754	20,346
Notices and Publications	964	2,000	1,000	1,000
Stipends - Commission (\$50)	2,100	3,300	3,300	3,300
Mileage, Development & Travel	10,584	9,750	9,000	10,655
Capital Expenses - Durable Goods		-	-	-
Depreciation Expense - noncash	1,200	2,505		1,200
Total Supplies & Services	53,123	56,265	53,154	56,697
PERSONNEL				
Executive Officer				
Clerk/Analyst				
Asst. Clerk				
Benefits, Taxes, Adjustments	210,023	222,789	222,789	222,421
Total Personnel	210,023	222,789	222,789	222,421
PROFESSIONAL SERVICES				
Consulting Contracts	730	50,000	50,000	50,000
CPA	1,374	1,500	300	300
Audit	5,737	7,580	7,120	7,339
Payroll Accounting	585	-	-	-
Project Professional Services	(212)	1,500	1,200	1,200
Legal Services - Projects & Administration	18,994	18,000	18,000	19,800
Legal Services - Litigation	-	9,000	-	9,200
Administrative Support (County Auditor Services)	8,374	8,400	8,400	8,400
Insurance - Liability	2,916	3,210	3,431	3,636
Total Professional Services	38,498	99,190	88,451	99,875
CONTINGENCY				
Contingency		18,912	-	18,950
Total Contingency	-	18,912	-	18,950
Total Expenditures	301,644	397,156	364,394	397,943

2018-2019 Budget Narrative Summary

REVENUES

<u>Fee Deposits, Cost Recovery Charges, etc.:</u> Revenues from deposits toward project processing costs (less refunds); administrative cost recovery (e.g., copies); and charges passed through to other agencies for special activities.	\$4,500
<u>Interest</u>	\$1,800
<u>Appropriations:</u> Revenue from the County, cities, and districts, collected by the Auditor according to statutory formula.	\$336,343

EXPENDITURES

SUPPLIES & SERVICES

<u>Information Technology:</u> Includes contract and periodic charges for Communications, Information Systems and Geographic Information Services services (phone and fax, internet access, computer maintenance, mapping, and software).	\$13,891
<u>Membership & Dues:</u> Membership in California Association of LAFCos and California Special Districts Association (through which LAFCo obtains liability insurance).	\$2,305
<u>Office Supplies & Services:</u> Expendable supplies, small equipment items and incidental services.	\$1,200
<u>Postage & Copying Costs:</u> Document printing and mailing costs.	\$4,000
<u>Rent:</u> Annual rent charged by County for office space. Adjusted per annual CPI.	\$20,346
<u>Notices & Publications:</u> Advertisement of public hearings, availability of documents for review, and vacancies; occasional purchase of publications.	\$1,000
<u>Stipends:</u> \$50 per meeting; no stipend for committee meetings.	\$3,300
<u>Mileage, Development & Travel:</u> Commissioner and staff education and development, including attendance at CALAFCo conferences and workshops; mileage to LAFCo meetings and LAFCo events; air fare, shuttle and parking fees; registration, food and lodging.	\$10,655
<u>Capital Expenses:</u> Durable goods.	\$0
<u>Depreciation Expense:</u> Non-cash item; effects value of capital assets.	\$1,200

PERSONNEL

Compensation, benefits, and payroll taxes. In FY 2016-2017, Commission restored the furlough measures that had been applied to the Executive Officer position and provided a COLA.

The FY 2018-2019 budget includes funding for staff compensation and benefits in the following proportions:

Executive Officer (1.0 FTE) –net cost = \$146,049

Clerk/Analyst (0.50 FTE) –net cost = \$40,016

Assistant Clerk (0.50 FTE) –net cost = \$36,356

The costs listed above include payments toward LAFCo's Net Pension Liability. As of FYE 2017, the California Public Employees Retirement System (CalPERS) calculated the liability to be \$200,393.

PROFESSIONAL SERVICES

<u>Consulting Contracts</u> : Funding required for implementation of the FY 2018-2019 work program, specifically for assistance with the preparation of environmental analysis of sphere of influence updates.	\$50,000
<u>CPA</u> : Services of a Certified Public Accountant (assists with budget set-up, bookkeeping, year-end closing).	\$300
<u>Audit</u> : Annual audit of LAFCo's financial statements. Includes funding for the GASB 68 Accounting Valuation Report, now required for preparation of each annual audit.	\$7,339
<u>Payroll Accounting</u> : Payroll calculations and tax reporting will now be done by LAFCo staff.	\$0
<u>Project Professional Services</u> : Professional and technical services utilized in the processing of applications (e.g., review of maps; compilation of owner/voter addresses for noticing; legal advice on specific proposals). Reduced in consideration of lower activity the last several years.	\$1,200
<u>Legal Services, Projects & Administration</u> : Routine legal services of LAFCo counsel (e.g., attendance at meetings, research on issues), pursuant to Counsel's contract with LAFCo.	\$19,800
<u>Legal Services, Litigation</u> : Legal services required for litigation; while none is anticipated, the Commission may wish to assign a base amount to this category. (Litigation costs relating to projects are generally covered by indemnification agreements with project proponents.)	\$9,200
<u>Administrative Support, Auditor</u> : County Auditor's charges for administration of LAFCo's funds (preparation of checks and processing of journal entries), and for apportionment of LAFCo's costs to the County, cities and special districts.	\$8,400
<u>Insurance, Liability</u> : Liability insurance obtained through participation in CSDA Risk Management Authority.	\$3,636

CONTINGENCY

<u>Contingency</u> : Provides for unanticipated expenses authorized by the Commission; 5% of expenditure budget.	\$18,950
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PROFORMA BALANCE SHEET FISCAL YEAR 2018-2019

	6/30/2017 AUDITED ACTUAL	6/30/2018 ESTIMATED ACTUAL	6/30/2019 ADOPTED BUDGET
ASSETS			
Cash	\$ 294,408	\$ 255,300	\$ 200,600
Prepaid Expenses	0	680	500
Accounts Receivable	0	2,000	6,000
Total Current Assets	294,408	257,980	207,100
Non-Current Assets			
Capital Assets - net of depreciation	3,600	2,801	1,200
Total Assets	\$ 298,008	\$ 260,781	\$ 208,300
LIABILITIES AND NET ASSETS			
Current Liabilities			
Accounts Payable	\$ 5,570	\$ 2,500	\$ 2,500
Accrued Payroll		6,600	6,600
Accrued Vacation	24,419	12,714	12,726
Deferred Revenue		2,500	5,000
Total Current Liabilities	29,989	24,314	26,826
Net Assets			
Invested in Capital Assets	3,600	2,801	1,200
Fund Balance (unrestricted) - allocated (see schedule)	183,904	171,657	157,479
Fund Balance (unrestricted) - undesignated	80,515	62,009	22,795
Total Net Assets	268,019	236,467	181,474
Total Liabilities and Net Assets	\$ 298,008	\$ 260,781	\$ 208,300
Schedule of Allocated Net Assets			
MSR & Sphere Updates (includes estimated interest earnings)	\$ 77,280	\$ 27,680	\$ 17,880
Equipment Replacement	4,862	4,000	4,000
In-force Contracts	-	-	-
CEQA & Other Studies	20,000	20,000	20,000
Litigation Reserve	50,000	50,000	50,000
PERS Liability Reserve		5,314	7,091
General Reserve	31,762	64,663	58,508
Total Allocated Net Assets	\$ 183,904	\$ 171,657	\$ 157,479
Remaining to allocate	0	0	0
Balance check	0	0	0

NOTES TO THE BALANCE SHEET:

Liabilities – This Proforma Balance Sheet depicts estimated current liabilities; it does not include a statement of Nevada LAFCo's proportionate share of CalPERS long-term Pension Liability, which is identified for the first time in the audit of Fiscal Year 2014-2015. Note that the Commission's expenditure budget includes payments toward retiring the long-term Pension Liability, in accordance with the requirements of the Public Employees Retirement System (PERS).

Cash – Prior year ending cash balance adjusted by adding the expected revenues, subtracting expected expenses, and adjusting for **Capital Assets Net of Depreciation** – Carried forward from Capital Assets worksheet, which tracks depreciation of equipment,

Accounts Payable – Estimate of current year budgeted expenses which will be unpaid at the end of the FY.

Accrued Payroll – Estimate of current year budgeted payroll which will be unpaid at the end of the FY.

Accrued Vacation – at mid-way thru current FY

Deferred Revenue – Estimate of unexpended deposits at end of the fiscal year.

Capital Assets – Carried from net amount above in asset section; required component of net asset balance.

Total Net Assets – Total Assets less Total Liabilities

Apportionment Spreadsheet constructed by Nevada County Auditor's Office

Notes:

Cities revenue data is based on the 2013-14 State Controller's report.
 Special districts revenue data is based on 2013-14 State Controller's Report
 This spreadsheet demonstrates how each category's one-third portion of LAFCo's budget are apportioned.

Agency	Share of LAFCo Budget	Apportionment Factor	LAFCO Services	Prior Year	Agency Revenues	Reference
County:	33.3333%		FYE 2019 Estimate	FYE 2018		
County of Nevada			112,114			
			112,114	108,519		
Cities:	33.3333%					
6314 City of Grass Valley		35.301%	39,577	41,488	12,749,261	p94
6313 City of Nevada City		11.054%	12,393	12,087	3,992,184	P154
6345 Town of Truckee		53.645%	60,144	54,944	19,374,490	p231
			112,114		36,115,935	Total Cities
Special Districts:	33.3333%		112,114			
6708 Nevada Cemetery District		0.3591%	403	362	451,502	p633
6709 Truckee Cemetery District		0.1438%	161	129	180,759	p721
6782 Beyers Lane Community Service District		0.0102%	11	12	12,875	p440
6737 Kingsbury Green Community Service District		0.0194%	22	22	24,441	p295
6781 Lake of the Pines Ranchos Road Community Service District		0.0426%	48	46	53,530	p595
6780 Mystic Mine Road Community Service District		0.0094%	11	11	11,837	p632
6348 Higgins Fire District		1.0342%	1,159	1,107	1,300,383	p581
6722 Nevada County Consolidated Fire District		4.5665%	5,120	4,582	5,741,942	p633
6720 North San Juan Fire District		0.2925%	328	200	367,786	p638
6751 Oak Tree Park and Recreation District		0.0301%	34	33	37,830	
6721 Ophir Hill Fire District		0.4924%	552	503	619,133	p643
6723 Peardale-Chicago Park Fire District		0.3398%	381	364	427,280	p649
6745 Penn Valley Fire District		1.5422%	1,729	1,753	1,939,110	p650
6724 Rough and Ready Fire District		0.2624%	294	259	329,949	p681
6705 Truckee Fire District		7.8289%	8,777	8,497	9,844,106	p721
6726 Truckee-Donner Recreation and Park District		5.5957%	6,274	5,982	7,036,093	p721
6746 Western Gateway Regional Recreation and Park District		0.1161%	130	128	146,005	p733
6775 Bear River Recreation and Park District		0.1017%	114	138	127,818	p438
6707 Truckee Sanitary		5.7899%	6,491	6,311	7,280,181	p320
6710 Nevada County Resource Conservation District		0.1690%	189	188	212,516	p633
6250 Truckee Donner Public Utility District		27.6254%	30,972	31,553	34,736,251	p246, 403
6711 San Juan Ridge County Water		0.0174%	20	17	21,940	p689
6713 Washington County Water		0.0861%	97	96	108,309	p407,729
6302 Nevada Irrigation District		43.5252%	48,798	46,226	54,728,637	p243,379
		100.000%	112,114		125,740,213	Total Districts
			336,343	325,556		
LAFCo FY 2018-2019 net budget.			336,343			

** Multiple Function Utilities	Water Utility	Electric Utility	Fire Protection	Ambulance	Total
Truckee Donner Public Utility District	11,183,388	24,222,757			35,406,145
Washington County Water	75,020		32,174		107,194
Penn Valley Fire Prot. District			952,070	1,014,580	1,966,650
Nevada Irrigation District	31,165,826	20,706,180			51,872,006

	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019
	AUDITED	AUDITED	AUDITED	AUDITED	AUDITED	AUDITED	AUDITED	AUDITED	AUDITED	AUDITED	AUDITED	ADOPTED	ADOPTED
	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	BUDGET	BUDGET
REVENUES													
Fee Revenue													
Direct Billings													
Refunds	73,487	9,092	21,634	12,684	206	19,967	27,913	10,760	3,671	5,753	6,098	4,800	4,800
Cost Recovery													
Other													
Apportionment from Funding Agencies	328,600	323,294	305,087	258,652	231,699	214,870	387,711	299,103	299,103	320,796	320,796	325,556	336,343
TOTAL	402,087	332,386	326,721	271,336	231,905	234,837	415,624	309,863	302,774	326,549	326,894	330,356	341,143
EXPENDITURES													
Supplies and Services	63,208	52,680	66,727	58,169	57,542	59,886	50,754	53,458	55,985	45,299	53,123	56,265	56,697
Personnel	192,343	201,775	214,148	196,286	188,190	197,962	184,855	189,229	175,620	196,689	210,023	222,789	222,421
Professional Services	42,249	33,050	21,061	26,696	76,706	72,843	101,937	58,002	97,313	39,763	38,498	99,190	99,875
Other							64	-	-	-	-	-	-
Contingency (as budgeted)												18,912	18,950
TOTAL	297,800	287,505	301,936	281,151	322,438	330,691	337,610	300,689	328,918	281,751	301,644	397,156	397,943
Increase (Decrease) in Net Assets	117,777	61,993	32,926	(8,133)	(89,076)	(94,004)	80,358	11,000	(24,282)	47,862	29,917	(65,000)	(55,000)
Interest	13,490	17,112	8,141	1,682	1,457	1,850	2,344	1,826	1,862	3,064	4,667	1,800	1,800
EOY Net Assets (including long term Pension Liability, beginning in FYE 2015)	259,532	321,525	354,451	346,318	257,242	163,238	243,596	254,596	53,714	101,576	131,493	66,493	11,493
Percentage Change Apportionment from prior year	-10%	-2%	-6%	-15%	-10%	-7%	80%	-23%	0%	7%	0%	1%	3%
Percentage Change Expenditures from prior year	-21%	-3%	5%	-7%	15%	3%	2%	-11%	9%	-14%	7%	32%	0%

Beginning in FYE 2015, EOY Net Assets include LAFCo's Unfunded Pension Liability, as calculated by PERS

Nevada LAFCo 2018-2019 Proposed Work Program

Summary

Relative to significant annexation proposals, there have been initial discussions between a developer and the City of Nevada City regarding a proposed development project located just west of Nevada City off Providence Mine Road. If this project moves forward, the City would work with the developer to prepare a specific plan, and would be Lead Agency for the project. Timing is not determined at this point, and the project may or may not be ready for Commission's consideration in FY 2018-2019.

Two other significant annexation proposals originally anticipated for FY 2015-2016 have not yet been submitted. These are the Grass Valley Southern Sphere Annexation project and the Town of Truckee Canyon Springs project. The Grass Valley proposal will likely come forward in FYE 2019 or 2020; the Town of Truckee project's schedule is uncertain. Several additional proposals are generally submitted each year.

Relative to sphere of influence activities, work on the sphere of influence update for the Nevada Irrigation District has been initiated following the completion of the Western County Water Municipal Service Review in 2015. The district also plans to apply for a sphere amendment; consequently, the district has taken the lead on preparation of an Environmental Impact Report for the project. This effort is also being closely coordinated with Placer LAFCo, as the District's boundaries and sphere include major portions of western Placer County. The district expects to complete the environmental review sometime in FYE 2019.

The update of the Nevada City sphere of influence began in 2016 following the completion of the Western County Wastewater and Western County Water MSRs. Completion of this update has been delayed and discussions between City staff and LAFCo staff have been ongoing. It is anticipated that an EIR for the update will be initiated in FY 2017-2018. In eastern Nevada County, initial discussions with Town staff in 2017 regarding the Town of Truckee sphere update indicated the Town may also have an interest in amending the sphere boundary to include lands belonging to the Truckee Tahoe Airport District. Finally, updates to the spheres of influence for the West County Wastewater Group (County Sanitation District and Kingsbury Greens Community Service District), the Road Community Service Group (includes three CSDs that provide road maintenance services) and the County Service Area Group (14 CSAs that provide road maintenance and serve as a vehicle for solid waste funding) will be initiated in FY 2017-2018 and completed in FY 2018-2019.

In 2007 the Commission developed a multi-year plan, schedule, and savings program for preparing, repeating and/or updating MSRs and sphere updates. The schedule, updated and adjusted, is attached. The level of LAFCo administrative activity is not expected to change in any significant respect.

Applications

Proposals (including city and district annexations) 5-10

Planning

Sphere Updates 6

- Nevada Irrigation District (initiated 2016)
- Nevada City (initiated 2016)
- Town of Truckee (initial discussions in 2016)
- Western County Wastewater Group (two districts: County Sanitation and the Kingsbury Greens CSD) (initiated 2016)
- Road CSD Group (3 Community Service Districts)
- County Service Area Group (14 CSAs)

Municipal Service Reviews

- Eastern County Water and Eastern County Wastewater MSRs will be completed in FY 2017-2018; no further MSRs are anticipated at this time.

Administrative Projects and Operational Activity

Communication

- Conduct annual organizational LAFCo workshops (including annual Ethics Training sessions for public officials and Best Practices sessions for small agencies)
- Conduct project-oriented and related subject workshops, as appropriate

Commissioner and Staff Development

- CALAFCo Conference (proposed budget includes funding for two attendees in addition to staff)
- CALAFCo Staff Workshop
- Seminars and classes, as offered

Public Education

- Utilize media and speaking opportunities
- Submit articles to journals and newspapers
- Issue press releases on substantive actions
- Update agencies on LAFCo Commission membership
- Encourage agencies to request regular LAFCo meeting agendas

Budget Development and Control

Resource Development

- Monitor relevant legislation

Comprehensive Schedule

Agency	Sphere Plan		Related MSRs	MSR Updates	
	Current	Next		Current	Next
Nevada Irrigation District	2007	2017-18	West Co. Water	2015	2020-21
Nevada City	2008	2017-18	West Co. Water	2015	2020-21
			West Co Wastewater	2015	2020-21
			West Co. Roads	2008*	2017-18*
			West Co. Gen. Gov't Services	2008*	2017-18*
			Countywide Fire	2008*	2017-18*
			Countywide Recreation	2008*	2017-18*
Grass Valley	2011	2019-20	West Co. Water	2015	2020-21
			West Co Wastewater	2015	2020-21
			West Co. Roads	2011*	2018-19*
			West Co. General Gov't Services	2011*	2018-19*
			Countywide Fire	2011*	2018-19*
			Countywide Recreation	2011*	2018-19*
Town of Truckee	2010	2017-18	East Co. General Gov't Services	2010*	2017-18*
Truckee Sanitary District	2013	2019-20	East Co. Wastewater	2003	2017-18
Truckee Donner PUD	2013	2019-20	East Co. Water	2005	2017-18
			East Co. Electric	2013*	2018-19*
Resource Conservation District	2014	2020-21	Countywide Resource Conservation	2014*	2019-20*
Cemetery Districts Group (2 districts)	2014	2020-21	Countywide Cemetery	2014*	2019-20*
Countywide Fire/Emergency Group (9 districts)	2014	2020-21	Countywide Fire	2014*	2019-20*
West Co. Water Group (2 districts)	2016	2021-22	West Co. Water	2015	2020-21
West Co Wastewater (Co. San. Dist., 1 CSD)	2009	2017-18	West Co. Wastewater	2015	2020-21
Road CSDs Group (3 CSDs)	2012	2017-18	West Co. Roads	2012*	2017-18*
County Service Area Group (14 CSAs) – Roads and Solid Waste	2009	2017-18	West Co. General Gov't Services	2009*	2017-18*
			East Co. General Gov't Services	2009*	2017-18*
Recreation Group (4 districts)	2014	2019-20	Countywide Recreation	2014*	2019-20*

* MSR Determinations updated during Sphere update