

**BUDGET SUMMARY
FISCAL YEAR 2020-2021**

	2018-2019 AUDITED ACTUAL	2019-2020 ADOPTED BUDGET	2019-2020 ESTIMATED ACTUAL	2020-2021 ADOPTED BUDGET	
REVENUES					
Fee Revenue	3,328	5,000	5,000	5,000	
Refunds		(500)	(500)	(500)	
Interest	8,374	1,800	4,000	1,800	
Cost Recovery	-	300	-	300	
Apportionment from Funding Agencies	336,343	391,620	391,620	409,027	4%
TOTAL	348,045	398,220	400,120	415,627	4%
EXPENDITURES					
Supplies and Services	61,351	61,210	62,320	65,507	
Personnel	241,741	227,563	227,563	227,065	
Professional Services	92,703	90,485	126,675	103,264	
Depreciation	1,200				
Contingency	-	18,963	-	19,792	
TOTAL	396,995	398,221	416,558	415,627	4%
Increase (Decrease) in Net Assets	(48,950)	(1)	(16,438)	-	

Amount to be funded from Net Assets:

\$1

16,438

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Note: The FYE 2019 Personnel Expenditures stated here were adjusted in the FYE 2019 Annual Audit to recognize expenditures of \$217,405 for payroll & benefits, and \$24336 toward LAFCo's proportionate share of CalPERS Pension Liability. As of FYE 2019, CalPERS calculated LAFCo's net pension liability to be \$212,805.

2020-2021 Expenditures Budget

	2018-2019 ACTUAL	2019-2020 ADOPTED BUDGET	2019-2020 ESTIMATED ACTUAL	2020-2021 ADOPTED BUDGET
SUPPLIES & SERVICES				
Information Technology (phone, computers, software)	13,139	13,400	13,330	13,802
Memberships	2,302	2,374	2,521	3,849
Office Supplies & Services	1,187	1,200	1,172	1,200
Postage and Copying	4,951	4,000	4,400	4,400
Rent	20,465	21,386	20,976	21,605
Notices and Publications	1,733	1,000	1,000	1,000
Stipends - Commission (\$75)	3,529	3,600	4,000	5,400
Mileage, Development & Travel	10,067	14,250	11,900	14,250
Equipment Expenses - Durable Goods		-	3,021	-
Depreciation Expense - noncash	1,200	1,222		1,222
Total Supplies & Services	58,573	61,210	62,320	65,507
PERSONNEL				
Executive Officer				
Clerk/Analyst				
Asst. Clerk				
Benefits, Taxes, Adjustments	241,741	227,563	227,563	227,065
Total Personnel	241,741	227,563	227,563	227,065
PROFESSIONAL SERVICES				
Consulting Contracts	55,187	38,935	79,796	45,000
CPA	-	300	300	300
Audit	7,725	7,601	7,155	8,175
Project Professional Services	76	1,200	300	1,200
Legal Services - Projects & Administration	18,026	19,800	19,800	19,800
Legal Services - Litigation	-	9,200	-	9,200
Administrative Support (County Auditor Services)	11,689	9,270	15,144	15,200
Insurance - Liability	3,978	4,179	4,180	4,389
Total Professional Services	96,680	90,485	126,675	103,264
CONTINGENCY				
Contingency		18,963	-	19,792
Total Contingency	-	18,963	-	19,792
Total Expenditures	396,994	398,221	416,558	415,627

2020-2021 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.	\$4,800
<u>Interest</u>	\$1,800
<u>Appropriations:</u> Revenue from the County, cities, and districts, collected by the Auditor according to statutory formula.	\$409,027

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).	\$13,802
<u>Membership & Dues:</u> Membership in California Association of LAFCos and California Special Districts Association (through which LAFCo obtains liability insurance).	\$3,849
<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.	\$4,400
<u>Rent:</u> Annual rent charged by County for office space. Adjusted per annual CPI.	\$21,605
<u>Notices & Publications:</u> Advertisement of public hearings, availability of documents for review, and vacancies; occasional purchase of publications.	\$1,000
<u>Stipends:</u> \$75 per meeting; half stipend for committee meetings.	\$5,400
<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.	\$14,250
<u>Equipment Expenses:</u> Durable goods.	\$0
<u>Depreciation Expense:</u> Non-cash item; effects value of capital assets.	\$1,222

PERSONNEL

Compensation, benefits, and payroll taxes.	\$227,065
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The FY 2019-2020 budget includes funding for staff compensation and benefits in the following proportions:

Executive Officer (1.0 FTE) –net cost = \$149,338

Clerk/Analyst (0.50 FTE) –net cost = \$43,642

Assistant Clerk (0.50 FTE) –net cost = \$32,994

The costs listed above include payments toward LAFCo's Net Pension Liability. As of FYE 2019, the California Public Employees Retirement System (CalPERS) calculated the liability to be \$212,805.

PROFESSIONAL SERVICES

<u>Consulting Contracts</u> : Funding required for implementation of the FY2020 – 2021 work program, specifically for assistance with the preparation of environmental analysis of sphere of influence updates.	\$45,000
<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 Reports, now required for preparation of each annual audit.	\$8,175
<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.	\$15,200
<u>Insurance, Liability</u> : Liability insurance obtained through participation in CSDA Risk Management Authority.	\$4,389

CONTINGENCY

<u>Contingency</u> : Provides for unanticipated expenses authorized by the Commission; 5% of expenditure budget.	\$19,792
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PROFORMA BALANCE SHEET FISCAL YEAR 2020-2021

	6/30/2019 AUDITED ACTUAL	6/30/2020 ESTIMATED ACTUAL	6/30/2021 ADOPTED BUDGET
ASSETS			
Cash	\$ 300,815	\$ 257,900	\$ 255,600
Prepaid Expenses	0	700	500
Accounts Receivable	0	1,000	6,000
Total Current Assets	<u>300,815</u>	<u>259,600</u>	<u>262,100</u>
Non-Current Assets			
Capital Assets - net of depreciation	<u>1,200</u>	<u>64</u>	<u>42</u>
Total Assets	<u>\$ 302,015</u>	<u>\$ 259,664</u>	<u>\$ 262,142</u>
LIABILITIES AND NET ASSETS			
Current Liabilities			
Accounts Payable	\$ 33,628	\$ 2,500	\$ 2,500
Accrued Payroll		6,600	6,600
Accrued Vacation	12,309	8,467	8,479
Deferred Revenue		2,500	5,000
Total Current Liabilities	45,937	<u>20,067</u>	<u>22,579</u>
Net Assets			
Invested in Capital Assets	1,200	64	42
Fund Balance (unrestricted) - allocated (see schedule)	157,479	204,113	217,242
Fund Balance (unrestricted) - undesignated	97,399	35,420	22,279
Total Net Assets	<u>256,078</u>	<u>239,597</u>	<u>239,563</u>
Total Liabilities and Net Assets	<u>\$ 302,015</u>	<u>\$ 259,664</u>	<u>\$ 262,142</u>
Schedule of Allocated Net Assets			
MSR & Sphere Updates (includes estimated interest earnings)	\$ 17,880	\$ 58,080	\$ 58,280
Equipment Replacement	4,000	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	7,091	7,785	10,520
General Reserve	58,508	64,248	74,443
Total Allocated Net Assets	<u>\$ 157,479</u>	<u>\$ 204,113</u>	<u>\$ 217,242</u>
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 was 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 2016-17 State Controller's report.(Cities Local Agency Formation Committee report)

Special districts revenue data is based on 2016-17 State Controller's Report

This spreadsheet demonstrates how each category's one-third portion of LAFCo's

Agency	Share of LAFCo Budget	Apportionment Factor	LAFCO Services	Prior Year	Agency Revenues	Reference
County:	33.3333%		FYE 2020-21 Estimate	FYE 2020		
County of Nevada			136,342			
			136,342	130,540		
Cities:	33.3333%					
6314 City of Grass Valley		31.913%	43,511	41,660	23,529,071	pg 82
6313 City of Nevada City		11.863%	16,174	15,485	8,746,086	pg 142
6345 Town of Truckee		56.224%	76,657	73,395	41,452,827	pg 219
			136,342		73,727,984	Total Cities
Special Districts:	33.3333%		136,342			
6708 Nevada Cemetery District		0.4159%	567	543	566,260	no page # reference -
6709 Truckee Cemetery District		0.1295%	177	169	176,245	"ByTheNumbers"
6782 Beyers Lane Community Service District		0.0095%	13	12	12,977	
6737 Kingsbury Green Community Service District		0.0190%	26	25	25,899	
6781 Lake of the Pines Ranchos Road Community Service District		0.0410%	56	53	55,791	
6780 Mystic Mine Road Community Service District		0.0087%	12	11	11,841	
6348 Higgins Fire District		1.0791%	1,471	1,409	1,469,096	
6722 Nevada County Consolidated Fire District		4.9473%	6,745	6,458	6,735,409	
6720 North San Juan Fire District		0.2163%	295	282	294,502	
6751 Oak Tree Park and Recreation District		0.0368%	50	48	50,088	
6721 Ophir Hill Fire District		0.4807%	655	628	654,497	
6723 Peardale-Chicago Park Fire District		0.4620%	630	603	628,920	
6745 Penn Valley Fire District		1.5967%	2,177	2,084	2,173,743	
6724 Rough and Ready Fire District		0.1614%	220	211	219,695	
6705 Truckee Fire District		8.3844%	11,431	10,945	11,414,864	
6726 Truckee-Donner Recreation and Park District		5.7731%	7,871	7,536	7,859,762	
6746 Western Gateway Regional Recreation and Park District		0.1314%	179	172	178,936	
6775 Bear River Recreation and Park District		0.1454%	198	190	197,922	
6707 Truckee Sanitary		5.9440%	8,104	7,760	8,092,960	
6710 Nevada County Resource Conservation District		0.1786%	244	233	243,172	
6250 Truckee Donner Public Utility District		27.5460%	37,557	35,959	37,502,126	
6711 San Juan Ridge County Water		0.0184%	25	24	25,030	
6713 Washington County Water		0.0773%	105	101	105,246	
6302 Nevada Irrigation District		42.1971%	57,532	55,084	57,448,643	
		100.000%	136,342		136,143,624	Total Districts
			409,026	391,620		
LAFco FY 2020-2021 net budget.			409,027			

** Multiple Function Utilities	Water Utility	Electric Utility	Fire Protection	Ambulance	Total
Truckee Donner Public Utility District	12,329,871	25,172,255			37,502,126
Washington County Water	100,943		4,303		105,246
Penn Valley Fire Prot. District			1,088,897	1,084,846	2,173,743
Nevada Irrigation District	34,972,340	22,476,303			57,448,643

	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	2019-2020	2020-2021	
	AUDITED	AUDITED	AUDITED	AUDITED	AUDITED	AUDITED	AUDITED	AUDITED	AUDITED	AUDITED	AUDITED	AUDITED	AUDITED	ADOPTED	ADOPTED	
	ACTUAL	ACTUAL	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	4,834	3,328	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	391,620	409,027	
TOTAL	402,087	332,386	326,721	271,336	231,905	234,837	415,624	309,863	302,774	326,549	326,894	330,390	339,671	396,420	413,827	
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	53,408	62,551	62,410	65,507	
Personnel	192,343	201,775	214,148	196,286	188,190	197,962	184,855	189,229	175,620	196,689	210,023	230,653	241,741	227,563	227,065	
Professional Services	42,249	33,050	21,061	26,696	76,706	72,843	101,937	58,002	97,313	39,763	38,498	66,136	92,703	90,485	103,264	
Other							64									
Contingency (as budgeted)														18,963	19,792	
TOTAL	297,800	287,505	301,936	281,151	322,438	330,691	337,610	300,689	328,918	281,751	301,644	350,197	396,995	399,421	415,627	
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	(13,586)	(48,950)	(1,201)	-	
Interest	13,490	17,112	8,141	1,682	1,457	1,850	2,344	1,826	1,862	3,064	4,667	6,221	8,374	1,800	1,800	
EOY Net Assets (exclusive of long-term Pension Liability, as calculated beginning FYE 2015)	259,532	321,525	354,451	346,318	257,242	163,238	243,596	254,596	230,314	278,176	308,093	294,507	245,557	244,356	244,356	
Percentage Change Apportionment from prior year	-10%	-2%	-6%	-15%	-10%	-7%	80%	-23%	0%	7%	0%	1%	3%	16%	4%	
Percentage Change Expenditures from prior year	-21%	-3%	5%	-7%	15%	3%	2%	-11%	9%	-14%	7%	16%	13%	1%	4%	

2020-2021 Projects and Staff Activity

Summary

Relative to significant annexation proposals, the Nevada Irrigation District indicates it will be submitting a proposal for annexation of several ‘island’ areas in the vicinity of Grass Valley, likely before the end of the 2020 calendar year.

City of Grass Valley is working with landowners in the area south of the City on an annexation proposal; the City prepared an EIR for this project several years ago and will prepare a supplement prior to moving forward with an annexation proposal. This process is anticipated to take at least a year, so it is more likely to be ready for Commission consideration in FYE 2022.

Although Nevada City has been involved in discussions with a landowner/developer regarding a proposed development project located just west of Nevada City off Providence Mine Road, it is unknown at this point when these discussions might result in a proposal.

Additional annexation proposals are generally submitted each year.

Relative to sphere of influence activities, efforts on the sphere of influence update for the Nevada Irrigation District will be delayed until completion of the District’s Raw Water Master Plan. NID plans to apply to LAFCo for a sphere amendment; consequently, the District will take the lead on preparation of an Environmental Impact Report for the project. The sphere update is also being coordinated with Placer LAFCo, as the District’s boundaries and sphere include major portions of western Placer County.

Activity on the update of the Nevada City sphere of influence, which began in 2016, should accelerate in FYE 2020 as the Environmental Impact Report for this project nears completion. Following extensive discussions between City staff and LAFCo staff, a consensus proposed sphere boundary was identified, and the EIR for the update will review the consensus as well as several alternative boundaries. The DEIR is expected to be released in 2020, and will support the completion of the sphere update process.

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 4

- Nevada City (initiated 2016)
- Recreation and Park District Group (4 Recreation Districts) (initiate 2020, complete in FYE 2021)
- Resource Conservation District (initiate in 2020, complete in FYE 2021)
- City of Grass Valley (multi-year project, initiate in FYE 2021)

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 seven 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

- Monitor budget activity on a quarterly basis
- Annual audit of LAFCo financial statements
- Prepare annual work program and funding proposal for Commission consideration

Resource Development

- Monitor relevant legislation