

**AGENDA
ITEM
NO. 7.f**

LAFCO *of Monterey County*

LOCAL AGENCY FORMATION COMMISSION
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KATE McKENNA, AICP
Executive Officer

DATE: February 22, 2010
TO: Chair and Members of the Formation Commission
FROM: Kate McKenna, AICP, Executive Officer
SUBJECT: **MID-YEAR BUDGET REVIEW**

SUMMARY OF RECOMMENDATION:

The Budget and Finance Committee recommends that the Commission accept this mid-year status report.

EXECUTIVE OFFICER'S REPORT:

On January 20, the Budget and Finance Committee conducted a mid-year review of the adopted LAFCO budget. The review was based on draft financial statements dated December 31, 2009, a profit/loss budget vs. actuals worksheet dated January 8, and anticipated actual expenses and income through June 30. Executive Officer McKenna and Stephanie Gonzales of Hayashi and Wayland took part in the discussion. This report summarizes the findings of the Committee.

Income Review

As of December 31, paid annual contributions to LAFCO totaled \$667,041, and unpaid contributions totaled \$46,650. A newly adopted Commission policy on annual contributions will ensure that the unpaid balance is received by the 4th quarter.

Project fee revenue and interest revenue are below projections. However, more than \$4,000 was received and recorded as a one-time gain from LAFCO's share of the County's 2008 investment losses. One other unanticipated income source will be received -- a CALAFCO stipend in support of minor Executive Officer expenses for volunteer duties as a CALAFCO Staff Officer.

Expenses Review

Mid-year actual expenses are at or below the budgeted level of expenses. This is the result of a combination of accurate budgeting, spending controls, cost-cutting actions, and some lower than expected costs for services and CALPERS retirement benefits. No budget amendment is necessary.

Respectfully Submitted,

Kate McKenna, AICP
Executive Officer