

Information

BACKGROUND

There are no irregularities or issues in the financial statements to report. Staff are available to answer any questions about these reports if desired.

Statement of Net Position

The Statement of Net Position and the Statement of Activities present financial data on a full accrual basis and includes balances that affect the agency over the long-term. The variances to these accounts from year-to-year can vary significantly due to changes in actuarial assumptions, plan changes, actual earnings on plan investments, demographic changes, etc. Therefore, LAFCo does not use these statements for budget purposes.

Governmental Fund Statements

The Governmental Funds statements (Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance on Page 5) present financial data which focus on short-term balances. These are the balances used for budget purposes.

As authorized in LAFCo's budget, revenues of \$591,000 and expenditures of \$566,983 increased over the previous year, with the overall fund balance increasing by \$24, 017. Salaries and benefits were \$52,038 higher in 2025 due to increasing our FTE from 2.0 to 2.3 by hiring a full-time LAFCo Principal Planner and paying Extra Help for admin services post-retirement. Professional Services increased \$35,799 mostly due to our 3-year audit (\$15,900) and other professional services mostly attributable to the Elkhorn FPD Reorganization (\$19,899). LAFCo's Fund Balance at the beginning of the year was \$208,652 and ended at \$232,669.

YOLO LOCAL AGENCY FORMATION COMMISSION

NOTES TO THE FINANCIAL STATEMENTS FOR FISCAL YEARS ENDED JUNE 30, 2025, JUNE 30, 2024 AND JUNE 30, 2023

Statement of Net Position and Statement of Activities

The Statement of Net Position and the Statement of Activities present financial data on a full accrual basis. As such, it includes balances that affect the agency over the long-term while the Balance Sheet – Governmental Fund and the Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Fund present balances that are short-term in nature and are used in the annual budgets.

The additional account balances presented in the Statement of Net Position are as follows:

- **Compensated absences** – The balance in this account represents the estimated value of banked vacation and sick leave hours that are earned as payrolls are processed. Governmental Accounting Standards Board (GASB) Statement No. 101, “Compensated Absences”, was implemented during the 2024-25 fiscal year and changed how banked leave is recorded. In general, this standard now requires Yolo LAFCo to consider recording sick leave as a compensated absence liability and to restate the fiscal year beginning net position. The analysis and compilation of these balances were done by Yolo County Department of Financial Services. An analysis of these balances has not yet been conducted by LAFCo staff. As a result of the implementation of GASB 101 the net position as of 7/1/2024 was decreased (restated) by \$40,973, and the total compensated balance liability increased by \$31,548 from 2024 to 2025. However, the accounting and reporting changes required as a result of the implementation of GASB 101 has no impact on the accounting and reporting of fund balances used for budgetary purposes.
- **Net pension liability** – This balance is the difference between the present value of projected benefit payments and the assets set aside in a trust restricted to paying these benefits. (This amount has been audited and provided by the County)
- **OPEB liability** – This balance is the difference between the present value of projected benefit payments and the assets set aside in a trust restricted to paying these benefits. (This amount has been audited and provided by the County)
- **Deferred inflows of resources and deferred outflow of resources for pension and OPEB** are actuarial balances that arise from the differences between expected and actual experience, net difference between projected and actual earnings on plan investments, and from changes in plan assumptions. These balances are amortized over time to either pension or OPEB expense. (These amounts have been audited and provided by the County)

The variances to the net pension liability, OPEB liability and related deferred inflow and outflows can vary significantly from year-to-year due to changes in actuarial assumptions, plan changes, actual earnings on plan investments, demographic changes, etc. The net liability change from FY 2024 to FY 2025 was a decrease of \$67,363 for pension balances, a decrease of \$20,925 for OPEB. The changes in these balances and for accrued compensated absences, are reflected as increases/decreases in the salaries and benefits expense line-item in the Statement of Activities.

Governmental Fund Statements

The Governmental Funds statements, the Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance, present financial data on the modified accrual basis which focuses on short-term balances. These are the balances used for budget purposes.

Summary

Cash and investments increased by \$37,722 mostly due revenue exceeding expenditures by \$24,017. Overall fund balance increased by \$24,017.

Revenue:

FY 2025 total revenues of \$591,000 were \$67,403 more than the prior year due to a \$66,734 increase in the County and City's annual contribution. LAFCo fees decreased by \$6,787 and interest increased by \$7,456.

Expenditures

Fiscal year 2025 expenditures were \$94,466 higher than the prior year primarily due to the following:

- Salaries and benefits increased by \$52,038 due to hiring a full-time analyst and paying extra help for board clerk services.
- Professional fees increased by \$35,799 due to the following:
 - \$15,900 for audit
 - \$8,120 increase in legal fees due to the fire districts reorganization.
 - \$11,779 increase in other professional services was mostly attributable to hiring consultants for work related to the fire districts reorganization.

YOLO COUNTY LOCAL AGENCY FORMATION COMMISSION
STATEMENT OF NET POSITION
JUNE 30, 2025, JUNE 30, 2024 AND JUNE 30, 2023
(UNAUDITED)

	Governmental Activities		
	2025	2024	2023
ASSETS			
Current Assets:			
Cash and investments	\$ 261,195	\$ 223,473	\$ 169,396
Prepaid expenses	3,139	2,919	2,716
Total Assets	264,334	226,392	172,112
DEFERRED OUTFLOW OF RESOURCES			
Pension plan	44,817	180,792	198,483
OPEB plan	2,927	24,345	28,733
	47,744	205,137	227,216
LIABILITIES			
Current Liabilities:			
Accounts payable	320	515	89
Accrued payroll	31,345	17,225	14,451
Compensated absences - current	17,307	3,837	5,113
Total current liabilities	48,972	21,577	19,653
Noncurrent liabilities:			
Compensated absences - noncurrent	21,915	3,837	5,110
Net pension liability	562,277	629,640	623,371
OPEB liability	56,189	76,019	92,431
Total noncurrent liabilities	640,381	709,496	720,912
Total Liabilities	689,353	731,073	740,565
DEFERRED INFLOWS OF RESOURCES			
Pensions	95,394	24,632	6,012
OPEB	17,889	27,652	36,553
Total Deferred Inflows of Resources	113,283	52,284	42,565
NET POSITION			
Unrestricted (deficit)	(490,558)	(351,828)	(383,802)
Total Net Position	\$ (490,558)	\$ (351,828)	\$ (383,802)

YOLO COUNTY LOCAL AGENCY FORMATION COMMISSION
STATEMENT OF ACTIVITIES
FOR THE THREE YEARS ENDED JUNE 30, 2025, JUNE 30, 2024 AND JUNE 30, 2023

	Governmental Activities		
	2025	2024	2023
<u>Program Expenses</u>			
Salaries and benefits	\$ 593,195	\$ 438,489	\$ 391,989
Information technology	14,997	16,360	14,110
Professional services	51,314	15,515	11,040
Office expense	11,156	8,370	6,895
General and administration	8,875	8,054	13,582
Training, transportation and travel	9,220	4,491	8,042
Miscellaneous	-	344	-
	688,757	491,623	445,658
<u>Program Revenues</u>			
Operating grants and contributions:			
County of Yolo	276,117	242,749	225,678
City of West Sacramento	96,415	83,755	78,983
City of Woodland	85,695	72,666	65,369
City of Winters	8,987	7,869	7,283
City of Davis	85,021	78,462	74,043
Total operating grants and contributions	552,235	485,501	451,356
Charges for Services	16,482	23,269	3,633
Total program revenues	568,717	508,770	454,989
Net Program (Expenses) Revenues	(120,040)	17,147	9,331
<u>General Revenues</u>			
Interest income	22,283	14,827	6,442
Total general revenues	22,283	14,827	6,442
Change in net position	(97,757)	31,974	15,773
Net Position, Beginning of Year	(351,828)	(383,802)	(399,575)
Restatement (GASB 101 Acc Comp Abs)	(40,973)	-	-
Net Position, Beginning of Year, restated	(392,801)	(383,802)	(399,575)
Net Position, End of Year	\$ (490,558)	\$ (351,828)	\$ (383,802)

YOLO COUNTY LOCAL AGENCY FORMATION COMMISSION
BALANCE SHEET - GOVERNMENTAL FUND
JUNE 30, 2025, JUNE 30, 2024 AND JUNE 30, 2023

	<u>2025</u>	<u>2024</u>	<u>2023</u>
ASSETS			
Cash and investments	\$ 261,195	\$ 223,473	\$ 169,396
Prepaid expenses	\$ 3,139	\$ 2,919	\$ 2,716
Total Assets	<u>264,334</u>	<u>226,392</u>	<u>172,112</u>
LIABILITIES			
Accounts payable	\$ 320	\$ 515	\$ 89
Accrued payroll	31,345	17,225	14,451
Total Liabilities	<u>31,665</u>	<u>17,740</u>	<u>14,540</u>
FUND BALANCE			
Nonspendable	3,139	2,919	2,716
Assigned - Other	20,000	10,000	5,000
Assigned - General reserve	75,000	-	-
Unassigned	134,530	195,733	149,856
Total Fund Balance	<u>232,669</u>	<u>208,652</u>	<u>157,572</u>
Total Fund Balance and Liabilities	<u>\$ 264,334</u>	<u>\$ 226,392</u>	<u>\$ 172,112</u>

YOLO COUNTY AGENCY FORMATION COMMISSION
RECONCILIATION OF THE BALANCE SHEET TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION
JUNE 30, 2025, JUNE 30, 2024 AND JUNE 30, 2023

	Governmental Activities		
	2025	2024	2023
Fund Balance - Governmental Fund	\$ 232,669	\$ 208,652	\$ 157,572
Amounts reported for governmental activities in the statement of net position are different because:			
Deferred outflows and inflows of resources related to pensions and OPEB are applicable to future periods and therefore are not reported in governmental funds:			
Deferred outflows related to pensions	44,817	180,792	198,483
Deferred outflows related to OPEB	2,927	24,345	28,733
Deferred inflows related to pensions	(95,394)	(24,632)	(6,012)
Deferred inflows related to OPEB	(17,889)	(27,652)	(36,553)
Long-term liabilities are not due and payable in the current period, and therefore are not reported in governmental funds:			
Net pension liability	(562,277)	(629,640)	(623,371)
OPEB liability	(56,189)	(76,019)	(92,431)
Compensated absences	(39,222)	(7,674)	(10,223)
Net position (deficit) of Governmental Activities	\$ (490,558)	\$ (351,828)	\$ (383,802)

**YOLO COUNTY LOCAL AGENCY FORMATION COMMISSION
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - GOVERNMENTAL FUND
FOR THE THREE YEARS ENDED JUNE 30, 2025, JUNE 30, 2024 AND JUNE 30, 2023**

	<u>2025</u>	<u>2024</u>	<u>2023</u>
<u>Revenues</u>			
Intergovernmental revenues:			
County of Yolo	\$ 276,117	\$ 242,749	\$ 225,678
City of West Sacramento	96,415	83,755	78,983
City of Woodland	85,695	72,666	65,369
City of Winters	8,987	7,869	7,283
City of Davis	85,021	78,462	74,043
LAFCo fees	16,482	23,269	3,633
Interest	22,283	14,827	6,442
	<u>591,000</u>	<u>523,597</u>	<u>461,431</u>
<u>Expenditures</u>			
Salaries and benefits	471,421	419,383	404,714
Information technology	14,997	16,360	14,110
Professional services	51,314	15,515	11,040
Office expense	11,156	8,370	6,895
General and administrative	8,875	8,054	13,582
Training, travel and transportation	9,220	4,491	8,042
Miscellaneous	-	344	-
	<u>566,983</u>	<u>472,517</u>	<u>458,383</u>
Net Change in Fund Balance	24,017	51,080	3,048
Fund Balance, Beginning of Year	<u>208,652</u>	<u>157,572</u>	<u>154,524</u>
Fund Balance, End of Year	<u><u>\$ 232,669</u></u>	<u><u>\$ 208,652</u></u>	<u><u>\$ 157,572</u></u>

YOLO COUNTY AGENCY FORMATION COMMISSION
RECONCILIATION OF THE GOVERNMENTAL FUND STATEMENTS OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE TO THE GOVERNMENT-WIDE STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2025, JUNE 30, 2024 AND JUNE 30, 2023

	2025	2024	2023
Change in fund balances - Governmental Fund	\$ 24,017	\$ 51,080	\$ 3,048
Amounts reported for governmental activities in the statement of activities are different because:			
Some expenses reported in the statement of activities do not require the use of current financial resources, and therefore are not reported as expenditures in governmental funds:			
Change in pension liability	(139,374)	(42,580)	(4,085)
Change in OPEB liability	8,175	20,925	10,646
Change in compensated absences	9,425	2,549	6,164
Change in net position of Governmental Activities	\$ (97,757)	\$ 31,974	\$ 15,773