MEMO

DATE: January 4, 2007

TO: Administration Committee and Regional Council

FROM: Wayne Moore, Chief Financial Officer, (213) 236-1804, moore@scag.ca.gov

SUBJECT: CFO Monthly Report for November/December 2006

BACKGROUND:

Accounting:

During the months of November and December, the Accounting division initiated the following improvement projects:

1. Treasury Operations:
   a. Utilizing "Check 21" (i.e., scanning incoming checks on site and transmitting them electronically to the bank);
   b. Employing a check signing machine for checks less than $10,000;
   c. Improving investment returns by using a sweep account at Bank of the West and moving surplus cash more frequently to the LAC pool; and
   d. Developing anti-fraud measures by using "Positive Pay," (i.e., providing the bank with a list of check numbers and amounts issued so they can stop any check presented for payment that is not on the list).

2. Investigation of alternative payroll processing services. We are comparing our current provider, ADP, with alternative providers.

3. Exploring our options with respect to SAP, (i.e., upgrade, go on extended maintenance, or get a new software system).

The Audit Committee will be provided more information at the February 2007 meeting regarding our analysis of GASB 45 reporting and funding issues. We are developing policies and proposals with respect to retiree medical benefits and fine-tuning the actuarial study.

The CAFR was distributed the week of December 18, 2006 for the January 4, 2007 meeting.

We submitted an application to the GFOA this month for the Certificate of Achievement for Excellence in Financial Reporting for our FY06 CAFR.

MEMO

Budget and Grants:

During November and December, the Budget and Grants division accomplished the following: Amendment #2 to the FY07 OWP was approved by Caltrans and submitted to FHWA for final authorization; continued preparation of Amendment #3 scheduled for a late, January submittal; finalized the Blueprint Planning Grant resolution authorizing the new grant award; completed compilation of the FY07-08 OWP draft submittals, conducted internal review to further refine the FY07-08 program work proposals; and began preparation of the FY06-07 2nd Quarterly Progress Report.

Contracts:

During the month of November the Contracts division executed and issued a Notice to Proceed for five contracts, executed two Contract Amendments, executed three Continuing Cooperative Agreements and one Amendment for the Subregions, and posted six RFP's. We also began the transition of Purchasing activities from the Business Operations Division for the multi-year Photo Copier re-procurement and the Records Retention Implementation Project.

FISCAL IMPACT:

There is no fiscal impact.

Reviewed by:

Chief Financial Officer

Southern California Association of Governments
Total Budget vs. Actual Expenditures and Encumbrances
For the Five Months Ending November 30, 2006

Line Item Description	a Original Budget	b Approved Changes	c Pending Changes	(a+b+c) d Forecasted Budget	e Expenditures	f Encumbrances	(d-e-f) g Budget Balance	h % Budget Remaining
Salaries and Fringe Benefits	$15,293,452	($46,371)	$ 436,377	$15,683,458	$5,351,884	$ 226,676	$10,104,898	64%
Consultants & Professional Services	17,799,082	(191,285)	$ 44,500	17,652,297	1,762,401	14,172,913	$1,716,983	10%
Sub Region Consultants & Staff Projects	4,268,112	(175,000)	$ 22,592	4,115,704	16,542	3,840,099	$259,063	6%
Direct & Indirect Costs	5,379,519	(87,300)	$ (200,000)	5,092,219	1,602,788	1,351,542	$2,137,889	42%
All Other	3,875,094	118,707	$ -	3,993,801	272,312	-	$3,721,489	93%
Total	**$ 46,615,259**	**$ (381,249)**	**$ 303,469**	**$ 46,537,479**	**$ 9,005,927**	**$ 19,591,230**	**$ 17,940,322**	**39%**

1) Encumbrances are the remaining balances of contracts or purchase orders and are used for project budgeting purposes only.
2) OWP Admin Amend 1 approved by Caltrans on August 15, 2006.
3) OWP Admin Amend 2 approved by Caltrans on December 7, 2006, awaiting FHWA approval.
4) General Fund budget changes due to RHNA staff and travel.

Southern California Association of Governments
General Fund Budget vs. Actual Expenditures and Encumbrances
For the Five Months Ending November 30, 2006

Line Item Description	a Original Budget	b Approved Changes	c Pending Changes	(a+b+c) d Forecasted Budget	e Expenditures	f Encumbrances	(d-e-f) g Budget Balance	h % Budget Remaining
Salaries and Fringe Benefits	$100,000	$ 90,000	$ 200,000	$ 390,000	$166,437	$ -	$223,563	57%
Consultant and Professional Services	513,050	-	-	513,050	65,491	302,400	$145,159	28%
Regional Council (RC) Support	304,800	35,000	-	339,800	63,055	10,377	$266,368	78%
RC Special Projects and Sponsorships	109,800	-	-	109,800	512	73,949	$35,339	32%
All other Budget Categories	493,953	(125,000)	(200,000)	168,953	10,081	10,000	$148,872	88%
Total	**$ 1,521,603**	**$ -**	**$ -**	**$ 1,521,603**	**$ 305,576**	**$ 396,726**	**$ 819,301**	**54%**

1) Encumbrances are the remaining balances of contracts or purchase orders and are used for project budgeting purposes only.

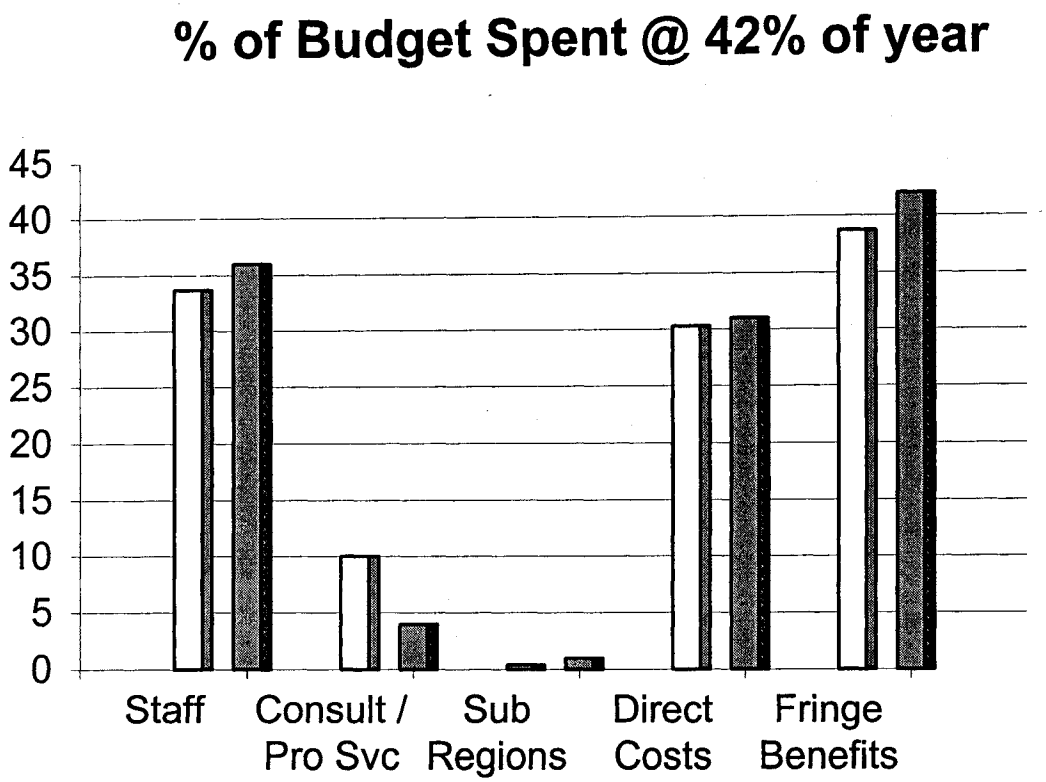
2) General Fund budget changes due to RHNA staff and travel.

Budget v. Actual and Encumbrances
Through November - 42% of Year

	Original Budget	Budget Changes	Revised Budget	Yr to Date Expenditures Thru Nov	Balance	Pct of Bud	Encum-brances	YTD Expenditures Plus Encumbrs	Balance	Pct of Bud
Staff										
Salaries	10,605,287	11,629	10,616,916	3,488,355	7,128,561	33%	-	3,488,355	7,128,561	33%
Temporary Help	395,920	(58,000)	337,920	202,930	134,990	60%	226,676	429,606	(91,686)	127%
	11,001,207	**(46,371)**	**10,954,836**	**3,691,285**	**7,263,551**	**34%**	**226,676**	**3,917,961**	**7,036,875**	**36%**
Consultant / Professional Services										
SCAG Consultant	17,254,082	(186,785)	17,067,297	1,720,272	15,347,025	10%	13,988,732	15,709,004	1,358,293	92%
Legal Services	535,000	-	535,000	40,129	494,871	8%	176,681	216,810	318,190	41%
Professional Services	10,000	(4,500)	5,500	2,000	3,500	36%	7,500	9,500	(4,000)	173%
	17,799,082	**(191,285)**	**17,607,797**	**1,762,401**	**15,845,396**	**10%**	**14,172,913**	**15,935,314**	**1,672,483**	**91%**
Sub Regions										
Subregional Consultant	3,021,696	(73,000)	2,948,696	16,542	2,932,154	1%	2,722,585	2,739,127	209,569	93%
Subregional Staff Projects	1,246,416	(102,000)	1,144,416	0	1,144,416	0%	1,117,514	1,117,514	26,902	98%
	4,268,112	**(175,000)**	**4,093,112**	**16,542**	**4,076,570**	**0%**	**3,840,099**	**3,856,641**	**236,471**	**94%**
Direct Costs										
Internet Access Fees	3,000	-	3,000	917	2,083	31%	1,963	2,880	120	96%
Software Support	506,363	(22,000)	484,363	60,951	423,412	13%	28,969	89,920	394,443	19%
Hardware Support	57,000	-	57,000	14,939	42,061	26%	22,491	37,430	19,570	66%
Repair - Maintenance	0	-	0	0	0	0%	-	0	0	0%
Software Purchases	30,000	-	30,000	24,020	5,980	80%	5,503	29,523	477	98%
Office Rent - Main Office	1,200,807	-	1,200,807	537,433	663,374	45%	557,666	1,095,099	105,708	91%
Office Rent - Satellite Office	56,000	-	56,000	23,472	32,528	42%	25,493	48,965	7,035	87%
Equipment Leases	511,247	-	511,247	193,976	317,271	38%	274,046	468,022	43,225	92%
Equipment Repairs	34,730	-	34,730	4,840	29,890	14%	9,612	14,452	20,278	42%
Insurance	183,985	-	183,985	178,626	5,359	97%	-	178,626	5,359	97%
Payroll and Bank Process Fee	34,500	-	34,500	9,664	24,836	28%	4,200	13,864	20,636	40%
Office Supplies	115,500	-	115,500	39,776	75,724	34%	71,379	111,155	4,345	96%
Office Maintenance	-	-	-	-	-	0%	-	-	0	0%
Small Office Purchase	496,095	2,700	498,795	79,237	419,558	16%	21,385	100,622	398,173	20%
Telephone Charges	90,526	-	90,526	24,584	65,942	27%	419	25,003	65,523	28%
Postage and Delivery	82,000	-	82,000	30,108	51,892	37%	40,067	70,175	11,825	86%
SCAG Memberships	97,814	-	97,814	65,104	32,710	67%	-	65,104	32,710	67%
Professional Memberships	10,980	-	10,980	2,811	8,169	26%	849	3,660	7,320	33%
Resource Materials and Subs	43,550	-	43,550	20,662	22,888	47%	66,595	87,257	(43,707)	200%
Depreciation - Furniture	5,000	-	5,000	4,831	169	97%	-	4,831	169	97%
Depreciation - Computer	40,000	-	40,000	18,883	21,117	47%	-	18,883	21,117	47%
Amortization Lease	0	-	0	956	(956)	0%	-	956	(956)	0%
Capital Outlay	44,000	-	44,000	-	44,000	0%	-	0	44,000	0%
Recruitment Notices	25,000	-	25,000	6,863	18,137	27%	24,203	31,066	(6,066)	124%
Public Notices	65,000	-	65,000	1,022	63,978	2%	-	1,022	63,978	2%
Staff Training	181,000	37,500	218,500	83,038	135,462	38%	68,077	151,115	67,385	69%
RC & Committee Meetings	22,000	-	22,000	5,786	16,214	26%	9,940	15,726	6,274	71%
RC Retreat	17,500	-	17,500	-	17,500	0%	-	-	17,500	0%
RC General Assembly	17,500	-	17,500	-	17,500	0%	-	-	17,500	0%

Budget v. Actual and Encumbrances
Through November - 42% of Year

	Original Budget	Budget Changes	Revised Budget	Yr to Date Expenditures Thru Nov	Balance	Pct of Bud	Encum-brances	YTD Expenditures Plus Encumbrs	Balance	Pct of Bud
Other Meeting Expense	46,500	5,000	51,500	5,969	45,531	12%	2,195	8,164	43,336	16%
Miscellaneous	168,583	-	168,583	8,816	159,767	5%	4,055	12,871	155,712	8%
RC Meeting Stipends	130,000	-	130,000	42,655	87,345	33%	-	42,655	87,345	33%
Letter of Credit Interest	75,000	-	75,000	0	75,000	0%	-	0	75,000	0%
Caltrans Rapid Pay Fees	1,000	-	1,000	450	550	45%	-	450	550	45%
Cash Contributions to Projects	346,839	(125,000)	221,839	0	221,839	0%	-	0	221,839	0%
Printing	190,000	4,500	194,500	6,153	188,347	3%	38,486	44,639	149,861	23%
Travel	305,400	10,000	315,400	80,216	235,184	25%	-	80,216	235,184	25%
Travel - Lod > Per Diem	3,000	-	3,000	813	2,187	27%	-	813	2,187	27%
Travel - Event Registration	28,800	-	28,800	24,705	4,095	86%	-	24,705	4,095	86%
NARC BOARD EXPENSE	3,500	-	3,500	-	3,500	0%	-	-	3,500	0%
RC Special Projects	18,000	-	18,000	162	17,838	1%	60,500	60,662	(42,662)	337%
RC Sponsorships	91,800	-	91,800	350	91,450	0%	13,449	13,799	78,001	15%
	5,379,519	**(87,300)**	**5,292,219**	**1,602,788**	**3,689,431**	**30%**	**1,351,542**	**2,954,330**	**2,337,889**	**56%**
Fringe Benefits										
Vacation Accrual Reconciliatio	-	-	-	0	0	0%	-	0	0	0%
Severance Pay	-	-	-	0	0	0%	-	0	0	0%
Sick Leave Payback	-	-	-	0	0	0%	-	0	0	0%
Compensation Awards	-	-	-	0	0	0%	-	0	0	0%
Retirement - PERS	1,958,949	-	1,958,949	724,087	1,234,862	37%	-	724,087	1,234,862	37%
Retirement - PARS	58,045	-	58,045	29,605	28,440	51%	-	29,605	28,440	51%
Health Insurance	1,185,855	-	1,185,855	293,150	892,705	25%	-	293,150	892,705	25%
Dental Insurance	117,067	-	117,067	37,152	79,915	32%	-	37,152	79,915	32%
Vision Insurance	39,159	-	39,159	10,454	28,705	27%	-	10,454	28,705	27%
Life Insurance	95,000	-	95,000	27,269	67,731	29%	-	27,269	67,731	29%
Medical & Dental Cash Rebate	240,000	-	240,000	202,514	37,486	84%	-	202,514	37,486	84%
Medicare Tax	157,977	-	157,977	53,081	104,896	34%	-	53,081	104,896	34%
Tuition Reimbursements	5,000	-	5,000	1,000	4,000	20%	-	1,000	4,000	20%
Bus Passes	23,250	-	23,250	5,081	18,169	22%	-	5,081	18,169	22%
Carpool Reimbursements	4,120	-	4,120	1,085	3,035	26%	-	1,085	3,035	26%
Bus Passes - Taxable	54,000	-	54,000	25,180	28,820	47%	-	25,180	28,820	47%
Workers Comp Insurance	236,900	-	236,900	234,722	2,178	99%	-	234,722	2,178	99%
Misc. Employee Benefits	11,923	-	11,923	1,870	10,053	16%	-	1,870	10,053	16%
Unemployment Insurance	25,000	-	25,000	0	25,000	0%	-	0	25,000	0%
Deferred Comp Match	76,500	-	76,500	13,517	62,983	18%	-	13,517	62,983	18%
Benefit Administration Fees	3,500	-	3,500	832	2,668	24%	-	832	2,668	24%
	4,292,245	**-**	**4,292,245**	**1,660,599**	**2,631,646**	**39%**	**-**	**1,660,599**	**2,631,646**	**39%**
Other										
Soft Match Contributions	4,025,853	10,452	4,036,305	272,312	3,763,993	7%	-	272,312	3,763,993	7%
Exp - Local cash	165,625	5,000	170,625	0	170,625	0%	-	0	170,625	0%
Reconcile to Burden	(316,384)	103,255	(213,129)	0	(213,129)	0%	-	0	(213,129)	0%
	3,875,094	**118,707**	**3,993,801**	**272,312**	**3,721,489**	**7%**	**0**	**272,312**	**3,721,489**	**7%**
Grand totals:	**46,615,259**	**(381,249)**	**46,234,010**	**9,005,927**	**37,228,083**	**19%**	**19,591,230**	**28,597,157**	**17,636,853**	**62%**


% of Budget Spent @ 42% of year
45
40
35
30
25
20
15
10
5
0
Staff
Consult / Pro Svc
Sub Regions
Direct Costs
Fringe Benefits

Budget v. Actual and Encumbrances
General Fund Only
Through November - 42% of Year

	Original Budget	Budget Changes	Revised Budget	Yr to Date Expenditures Thru Nov	Balance	Pct of Bud	Encum-brances	YTD Expenditures Plus Encumbrs	Balance	Pct of Bud
Staff										
Salaries	31,264	27,746.00	59,010	51,678	7,332	88%	-	51,678	7,332	88%
Fringe Burden	17,239	15,299.00	32,538	28,517	4,021	88%	-	28,517	4,021	88%
Indirect Burden	51,497	46,955.00	98,452	86,242	12,210	88%	-	86,242	12,210	88%
	100,000	**90,000**	**190,000**	**166,437**	**23,563**	**88%**	**-**	**166,437**	**23,563**	**88%**
Consultant / Professional Services										
SCAG Consultant	313,050	-	313,050	60,263	252,787	19%	213,752	274,015	39,035	88%
Legal Services	200,000	-	200,000	5,228	194,772	3%	88,648	93,876	106,124	47%
Professional Services	-	-	-	-	-	0%	-	-	-	0%
	513,050	**-**	**513,050**	**65,491**	**447,559**	**13%**	**302,400**	**367,891**	**145,159**	**72%**
Regional Council Support										
TRAINING	25,000	25,000.00	50,000	-	50,000	0%	-	-	50,000	0%
RC & Committee Meetings	22,000	-	22,000	5,702	16,298	26%	9,940	15,642	6,358	71%
RC Retreat	17,500	-	17,500	-	17,500	0%	-	-	17,500	0%
RC General Assembly	17,500	-	17,500	-	17,500	0%	-	-	17,500	0%
Other Meeting Expense	20,000	-	20,000	1,409	18,591	7%	41	1,450	18,550	7%
Miscellaneous	21,500	-	21,500	1,739	19,761	8%	396	2,135	19,365	10%
RC Meeting Stipends	130,000	-	130,000	42,655	87,345	33%	-	42,655	87,345	33%
Travel	40,800	10,000.00	50,800	9,652	41,148	19%	-	9,652	41,148	19%
Travel - Lod. > Per Diem	3,000	-	3,000	813	2,187	27%	-	813	2,187	27%
Travel - Event Registration	4,000	-	4,000	1,085	2,915	27%	-	1,085	2,915	27%
AMPO Board Expense	-	-	-	-	-	0%	-	-	-	0%
NARC BOARD EXPENSE	3,500	-	3,500	-	3,500	0%	-	-	3,500	0%
	304,800	**35,000**	**339,800**	**63,055**	**276,745**	**19%**	**10,377**	**73,432**	**266,368**	**22%**
RC Special Projects and Sponsorships										
RC Special Projects	18,000	-	18,000	162	17,838	1%	60,500	60,662	(42,662)	337%
RC Sponsorships	91,800	-	91,800	350	91,450	0%	13,449	13,799	78,001	15%
	109,800	**-**	**109,800**	**512**	**109,288**		**73,949**	**74,461**	**35,339**	
All Other Budget Categories										
Payroll Bank Fees	4,500	-	4,500	2,017	2,483	45%	-	2,017	2,483	45%
Office Supplies	-	-	-	-	-	0%	-	-	-	0%
SCAG Memberships	22,614	-	22,614	7,614	15,000	34%	-	7,614	15,000	34%
Capital Outlay	44,000	-	44,000	-	44,000	0%	-	-	44,000	0%
Recruitment Notice	-	-	-	-	-	0%	10,000	10,000	(10,000)	0%
Letter of Credit Interest	75,000	-	75,000	-	75,000	0%	-	-	75,000	0%
Caltrans Rapid Pay Fees	1,000	-	1,000	450	550	45%	-	450	550	45%
Cash Contributions to Projects	346,839	(125,000.00)	221,839	-	221,839	0%	-	-	221,839	0%
	493,953	**(125,000)**	**368,953**	**10,081**	**358,872**	**3%**	**10,000**	**20,081**	**348,872**	**5%**
Grand totals:	**1,521,603**	**-**	**1,521,603**	**305,576**	**1,216,027**	**20%**	**396,726**	**702,302**	**819,301**	**46%**