REPORT

DATE: April 7, 2005

TO: Regional Council, Administration Committee

FROM: Heather Copp, CFO copp@scag.ca.gov (213) 236-1804 HC

SUBJECT: Amend General Fund Budget

EXECUTIVE DIRECTOR'S APPROVAL:

RECOMMENDED ACTION:
Amend FY 04-05 General Fund budget as attached.

SUMMARY:
The purpose of this action is to reconcile the general fund expenditures and forecast remaining expenditures through the end of the fiscal year.

BACKGROUND:
In February the Regional Council amended the Indirect Cost budget to reflect changes that had taken place since the budget was originally created in the spring of 2004.

We are asking the RC to take a similar action on the General Fund budget. Attached is a schedule that displays the General Fund budget as it stands today and changes staff is proposing consistent with actions already taken this fiscal year and anticipated actions during the remainder of the fiscal year.

There are three significant changes in the proposed budget presentation:

1. We are displaying the beginning and projected year-end balances in the General fund. Note that the presentation indicates the minimum balance required by the Bank in order to meet our L.O.C. covenant.

2. Due to improved cash management and position the interest expenditure budget is proposed to be reduced by nearly $200,000 from July 1.

3. We have significantly increased the budget for the contributions to projects line item. These funds may be required to pay for prior years programs that were not fully reimbursed by grantors due to IC rates subsequently disallowed by Caltrans audits in FY 01-02 and FY 02-03. We are making second attempts to collect these funds, but want to be able to transfer funds from the General Fund to eliminate the under-recoveries if we are not successful in our collection efforts. We will inform the RC of the final resolution.

FISCAL IMPACT:
Potentially increases General Fund expenditures in FY 04-05 while maintaining General Fund reserves greater than required by our Letter of Credit. HC

SOUTHERN CALIFORNIA
ASSOCIATION of GOVERNMENTS

Proposed Revision - FY 2004-2005 General Fund Budget

Inflows	Current Budget	Actual + Comm Feb '05	Proposed Budget	Change From Current
Counties	243,279	243,279	243,279	
Cities	1,044,247	1,038,507	1,038,507	(5,740)
Commissions	55,000	50,000	50,000	(5,000)
	1,342,526	**1,331,786**		
Less Provision for unpaid dues	(50,000)			
	1,292,526	**1,331,786**	**1,331,786**	**(10,740)**
Capital Outlay Recovery	117,700	53,855	80,742	(36,958)
Interest & Other	20,000	10,123	15,000	(5,000)
	137,700	**63,978**	**95,742**	**(41,958)**
Total General Fund Revenue	**1,430,226**	**1,395,764**	**1,427,528**	
General Fund 6/30/04 Balance			**999,181**	
Total General Fund Available			**2,426,709**	

Outflows				
Staff	9,152	2,020	9,152	0
Fringe Burden	5,050	1,233	5,050	0
IC burden	15,797	3,618	15,797	0
Legal	200,000	200,000	200,000	0
Professional services	280,000	280,800	290,800	10,800
Office supplies	0	746	1,000	1,000
SCAG memberships	13,500	12,313	12,500	(1,000)
Capital outlay	100,000	0	100,000	0
RC / Commmittee meetings	20,000	26,064	25,000	5,000
RC retreat	15,000	0	15,000	0
RC General Assembly *	15,000	0	15,000	0
Miscellaneous	0	762	1,000	1,000
RC stipends	130,000	62,550	130,000	0
Bank interest on LOC	250,000	9,788	40,000	(210,000)
Rapid pay fees	2,000	675	2,000	0
Contributions to projects	6,500	75,102	654,000	647,500
Travel	21,000	6,541	37,000	16,000
Travel - Registration	3,000	2,373	13,000	10,000
AMPO board expense	1,000	0	0	(1,000)
RC special projects	40,000	15,999	20,000	(20,000)
RC Sponsorships		18,850	37,350	37,350
Totals	**1,126,999**	**719,434**	**1,623,649**	**496,650**
For LOC Reduction	55,000			
For reserves	248,226			
Less LOC required reserves				
	303,226			
Total Outflow	**1,430,225**	**719,434**	**1,623,649**	
General Fund 6/30/05 Balance **			**803,060**	

* This represents the General fund contribution to the General Assembly. The current General Assembly budget is approximately $76,000.

** Includes $700,000 minimum balance required by Letter of Credit M.O.U.

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