MEMO

DATE: February 1, 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 December 2006

BACKGROUND:

Accounting:

During the month of December 2006, the Accounting division further analyzed its options with respect to various enhancements to Treasury Operations, i.e., electronic deposit and lockbox, improving investment returns, and employing anti-fraud measures. Staff priced and evaluated bank products designed to address these issues and management is reviewing the recommendations.

Use of a check signing machine for checks up to $10,000 will commence in January 2007. We have developed, and will be implementing, the related procedural changes and internal controls. These controls have been reviewed and approved by SCAG's independent accountants, Vasquez and Co.

Our current payroll processing service, ADP, has provided us with a reduced pricing structure. We are in the process of comparing that with alternative providers. One has submitted a price sheet while another is pending.

Construction of a new Position Control system in SAP is complete. A review by management is pending.

Staff have determined that setting up encumbrances on a multi-year basis is technically feasible. Implementation work will commence shortly.

There will be a joint meeting of the Audit and Personnel Committees in February to consider GASB 45 issues. Staff will present further information on the retiree medical benefit and the actuarial cost of alternative benefit and funding level options.

MEMO

Budget and Grants:

During the month of December, the Budget and Grants section accomplished the following: Received Amendment #2 approval from Caltrans to the FY07 OWP; completed Amendment #3 and submitted to Caltrans for concurrence; conducted internal review with department managers and finalized the prioritized draft proposal for the FY07-08 work program and comprehensive budget.

Contracts:

During December the Contracts Division posted 4 RFP's, executed 6 contracts, executed 8 contract amendments, and executed 1 License Agreement. Those included execution of the FlexCar contract, a Sole Source contract to Susan Desantis for the RHNA Pilot Program, and posting of a RFP for a new color printing system and a new 12th floor copier. The Contracts Division also submitted SCAG's "Uniform Report of DBE Awards or Commitments and Payments" to the FAA and to Caltrans (for FTA and FHWA funded contracts). SCAG also posted a recruitment for a Contracts/Purchasing Administrative Assistant.

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 Six Months Ending December 31, 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	$17,080	$ 236,377	$15,546,909	$6,467,229	$ 179,881	$8,899,799	57%
Consultants & Professional Services	17,799,082	(166,285)	$ 44,500	17,677,297	2,356,406	13,548,045	$1,772,846	10%
Sub Region Consultants & Staff Projects	4,268,112	(175,000)	$ 22,592	4,115,704	57,367	3,828,120	$230,217	6%
Direct & Indirect Costs	5,379,519	(283,381)	$ -	5,096,138	1,892,451	1,232,357	$1,971,330	39%
All Other	3,875,094	259,556	$ -	4,134,650	497,439	-	$3,637,211	88%
Total	**$ 46,615,259**	**$ (348,030)**	**$ 303,469**	**$ 46,570,698**	**$ 11,270,892**	**$ 18,788,403**	**$ 16,511,403**	**35%**

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 Six Months Ending December 31, 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	$ 265,000	$ -	$ 365,000	$216,738	$ -	$148,262	41%
Consultant and Professional Services	513,050	25,000	-	538,050	111,616	294,013	$132,421	25%
Regional Council (RC) Support	304,800	35,000	-	339,800	77,592	9,820	$252,388	74%
RC Special Projects and Sponsorships	109,800	-	-	109,800	21,012	73,449	$15,339	14%
All other Budget Categories	493,953	(325,000)	-	168,953	10,312	10,000	$148,641	88%
Total	**$ 1,521,603**	**$ -**	**$ -**	**$ 1,521,603**	**$ 437,270**	**$ 387,282**	**$ 697,051**	**46%**

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.

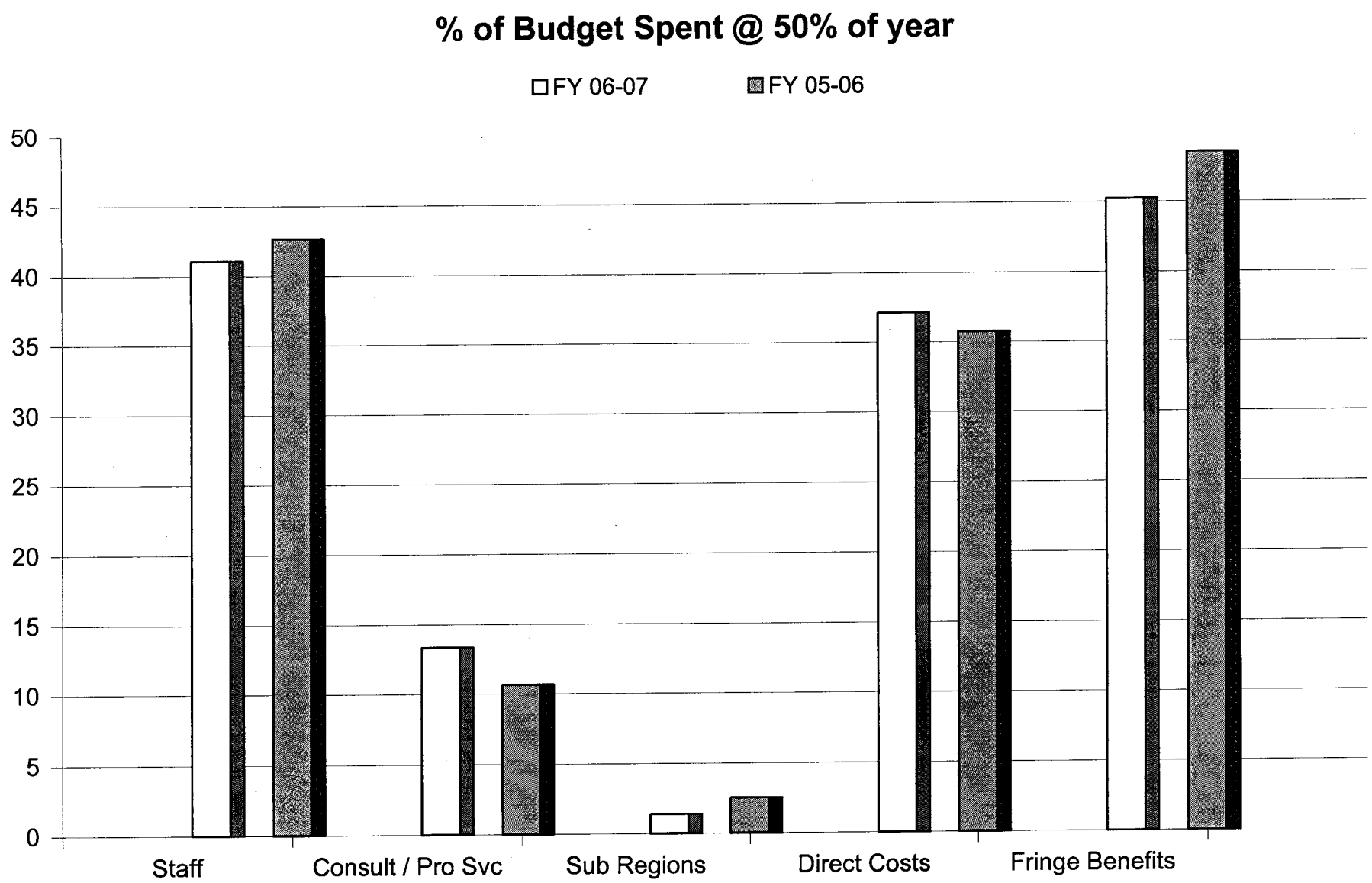
Budget v. Actual and Encumbrances
Through December - 50% of Year

	Original Budget	Budget Changes	Revised Budget	Yr to Date Expenditures Thru Dec	Balance	Pct of Bud	Encum-brances	YTD Expenditures Plus Encumbrs	Balance	Pct of Bud
Staff										
Salaries	10,605,287	75,080	10,680,367	4,225,663	6,454,704	40%	-	4,225,663	6,454,704	40%
Temporary Help	395,920	(58,000)	337,920	300,219	37,701	89%	179,881	480,100	(142,180)	142%
	11,001,207	**17,080**	**11,018,287**	**4,525,882**	**6,492,405**	**41%**	**179,881**	**4,705,763**	**6,312,524**	**43%**
Consultant / Professional Services										
SCAG Consultant	17,254,082	(161,785)	17,092,297	2,267,610	14,824,687	13%	13,367,123	15,634,733	1,457,564	91%
Legal Services	535,000	-	535,000	86,796	448,204	16%	173,422	260,218	274,782	49%
Professional Services	10,000	(4,500)	5,500	2,000	3,500	36%	7,500	9,500	(4,000)	173%
	17,799,082	**(166,285)**	**17,632,797**	**2,356,406**	**15,276,391**	**13%**	**13,548,045**	**15,904,451**	**1,728,346**	**90%**
Sub Regions										
Subregional Consultant	3,021,696	(73,000)	2,948,696	23,075	2,925,621	1%	2,716,052	2,739,127	209,569	93%
Subregional Staff Projects	1,246,416	(102,000)	1,144,416	34,292	1,110,124	3%	1,112,068	1,146,360	(1,944)	100%
	4,268,112	**(175,000)**	**4,093,112**	**57,367**	**4,035,745**	**1%**	**3,828,120**	**3,885,487**	**207,625**	**95%**
Direct Costs										
Internet Access Fees	3,000	-	3,000	1,067	1,933	36%	1,963	3,030	(30)	101%
Software Support	506,363	(22,000)	484,363	60,951	423,412	13%	15,846	76,797	407,566	16%
Hardware Support	57,000	-	57,000	17,670	39,330	31%	21,411	39,081	17,919	69%
Repair - Maintenance	0	-	0	0	0	0%	-	0	0	0%
Software Purchases	30,000	-	30,000	24,459	5,541	82%	7,155	31,614	(1,614)	105%
Office Rent - Main Office	1,200,807	-	1,200,807	626,753	574,054	52%	447,591	1,074,344	126,463	89%
Office Rent - Satellite Office	56,000	-	56,000	30,507	25,493	54%	20,655	51,162	4,838	91%
Equipment Leases	511,247	-	511,247	229,633	281,614	45%	218,057	447,690	63,557	88%
Equipment Repairs	34,730	-	34,730	5,845	28,885	17%	9,012	14,857	19,873	43%
Insurance	183,985	-	183,985	178,626	5,359	97%	-	178,626	5,359	97%
Payroll and Bank Process Fee	34,500	-	34,500	11,677	22,823	34%	4,200	15,877	18,623	46%
Office Supplies	115,500	-	115,500	54,688	60,812	47%	57,114	111,802	3,698	97%
Office Maintenance	-	-	-	-	-	0%	-	-	0	0%
Small Office Purchase	496,095	2,700	498,795	79,237	419,558	16%	22,651	101,888	396,907	20%
Telephone Charges	90,526	-	90,526	31,341	59,185	35%	419	31,760	58,766	35%
Postage and Delivery	82,000	-	82,000	30,664	51,336	37%	39,714	70,378	11,622	86%
SCAG Memberships	97,814	-	97,814	65,104	32,710	67%	10,000	75,104	22,710	77%
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	22,703	20,847	52%	69,640	92,343	(48,793)	212%
Depreciation - Furniture	5,000	-	5,000	5,797	(797)	116%	-	5,797	(797)	116%
Depreciation - Computer	40,000	-	40,000	22,660	17,340	57%	-	22,660	17,340	57%
Amortization Lease	0	-	0	1,148	(1,148)	0%	-	1,148	(1,148)	0%
Capital Outlay	44,000	-	44,000	-	44,000	0%	-	0	44,000	0%
Recruitment Notices	25,000	-	25,000	8,080	16,920	32%	13,260	21,340	3,660	85%
Public Notices	65,000	-	65,000	1,022	63,978	2%	-	1,022	63,978	2%
Staff Training	181,000	37,500	218,500	101,439	117,061	46%	175,772	277,211	(58,711)	127%
RC & Committee Meetings	22,000	-	22,000	6,364	15,636	29%	9,403	15,767	6,233	72%
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 December - 50% of Year

	Original Budget	Budget Changes	Revised Budget	Yr to Date Expenditures Thru Dec	Balance	Pct of Bud	Encum-brances	YTD Expenditures Plus Encumbrs	Balance	Pct of Bud
Other Meeting Expense	46,500	5,000	51,500	6,212	45,288	12%	2,006	8,218	43,282	16%
Miscellaneous	168,583	3,219	171,802	13,806	157,996	8%	3,880	17,686	154,116	10%
RC Meeting Stipends	130,000	-	130,000	51,965	78,035	40%	-	51,965	78,035	40%
Letter of Credit Interest	75,000	-	75,000	0	75,000	0%	-	0	75,000	0%
Caltrans Rapid Pay Fees	1,000	-	1,000	525	475	53%	-	525	475	53%
Cash Contributions to Projects	346,839	(325,000)	21,839	0	21,839	0%	-	0	21,839	0%
Printing	190,000	4,500	194,500	52,031	142,469	27%	8,310	60,341	134,159	31%
Travel	305,400	10,700	316,100	99,268	216,832	31%	-	99,268	216,832	31%
Travel - Lod > Per Diem	3,000	-	3,000	1,282	1,718	43%	-	1,282	1,718	43%
Travel - Event Registration	28,800	-	28,800	26,104	2,696	91%	-	26,104	2,696	91%
NARC BOARD EXPENSE	3,500	-	3,500	-	3,500	0%	-	-	3,500	0%
RC Special Projects	18,000	-	18,000	10,662	7,338	59%	50,000	60,662	(42,662)	337%
RC Sponsorships	91,800	-	91,800	10,350	81,450	11%	23,449	33,799	58,001	37%
	5,379,519	**(283,381)**	**5,096,138**	**1,892,451**	**3,203,687**	**37%**	**1,232,357**	**3,124,808**	**1,971,330**	**61%**
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	863,981	1,094,968	44%	-	863,981	1,094,968	44%
Retirement - PARS	58,045	-	58,045	29,605	28,440	51%	-	29,605	28,440	51%
Health Insurance	1,185,855	(260,000)	925,855	351,475	574,380	38%	-	351,475	574,380	38%
Dental Insurance	117,067	-	117,067	45,666	71,401	39%	-	45,666	71,401	39%
Vision Insurance	39,159	-	39,159	12,742	26,417	33%	-	12,742	26,417	33%
Life Insurance	95,000	-	95,000	42,310	52,690	45%	-	42,310	52,690	45%
Medical & Dental Cash Rebate	240,000	260,000	500,000	251,237	248,763	50%	-	251,237	248,763	50%
Medicare Tax	157,977	-	157,977	63,626	94,351	40%	-	63,626	94,351	40%
Tuition Reimbursements	5,000	-	5,000	1,000	4,000	20%	-	1,000	4,000	20%
Bus Passes	23,250	(12,500)	10,750	5,887	4,863	55%	-	5,887	4,863	55%
Carpool Reimbursements	4,120	-	4,120	1,330	2,790	32%	-	1,330	2,790	32%
Bus Passes - Taxable	54,000	12,500	66,500	31,391	35,109	47%	-	31,391	35,109	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	(10,359)	22,282	-87%	-	(10,359)	22,282	-87%
Unemployment Insurance	25,000	-	25,000	0	25,000	0%	-	0	25,000	0%
Deferred Comp Match	76,500	-	76,500	15,692	60,808	21%	-	15,692	60,808	21%
Benefit Administration Fees	3,500	-	3,500	1,042	2,458	30%	-	1,042	2,458	30%
	4,292,245	**-**	**4,292,245**	**1,941,347**	**2,350,898**	**45%**	**-**	**1,941,347**	**2,350,898**	**45%**
Other										
Soft Match Contributions	4,025,853	10,452	4,036,305	486,718	3,549,587	12%	-	486,718	3,549,587	12%
Exp - Local cash	165,625	5,000	170,625	10,721	159,904	6%	-	10,721	159,904	6%
Reconcile to Burden	(316,384)	244,104	(72,280)	0	(72,280)	0%	-	0	(72,280)	0%
	3,875,094	**259,556**	**4,134,650**	**497,439**	**3,637,211**	**12%**	**0**	**497,439**	**3,637,211**	**12%**
Grand totals:	**46,615,259**	**(348,030)**	**46,267,229**	**11,270,892**	**34,996,337**	**24%**	**18,788,403**	**30,059,295**	**16,207,934**	**65%**

Southern California Association of Governments
Agency Wide Comparison



Agencywide Year over Year Comp

Budget v. Actual and Encumbrances
General Fund Only
Through December - 50% of Year

	Original Budget	Budget Changes	Revised Budget	Yr to Date Expenditures Thru Dec	Balance	Pct of Bud	Encum-brances	YTD Expenditures Plus Encumbrs	Balance	Pct of Bud
Staff										
Salaries	31,264	82,097	113,361	67,713	45,648	60%	-	67,713	45,648	60%
Fringe Burden	17,239	45,269	62,508	36,719	25,789	59%	-	36,719	25,789	59%
Indirect Burden	51,497	137,634	189,131	112,306	76,825	59%	-	112,306	76,825	59%
	100,000	**265,000**	**365,000**	**216,738**	**148,262**	**59%**	**-**	**216,738**	**148,262**	**59%**
Consultant / Professional Services										
SCAG Consultant	313,050	25,000	338,050	100,263	237,787	30%	205,365	305,628	32,422	90%
Legal Services	200,000	-	200,000	11,353	188,647	6%	88,648	100,001	99,999	50%
Professional Services	-	-	-	-	-	0%	-	-	-	0%
	513,050	**25,000**	**538,050**	**111,616**	**426,434**	**21%**	**294,013**	**405,629**	**132,421**	**75%**
Regional Council Support										
TRAINING	25,000	25,000	50,000	-	50,000	0%	-	-	50,000	0%
RC & Committee Meetings	22,000	-	22,000	6,281	15,719	29%	9,383	15,664	6,336	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	5,033	16,467	23%	396	5,429	16,071	25%
RC Meeting Stipends	130,000	-	130,000	51,965	78,035	40%	-	51,965	78,035	40%
Travel	40,800	10,000	50,800	10,482	40,318	21%	-	10,482	40,318	21%
Travel - Lod. > Per Diem	3,000	-	3,000	1,282	1,718	43%	-	1,282	1,718	43%
Travel - Event Registration	4,000	-	4,000	1,140	2,860	29%	-	1,140	2,860	29%
AMPO Board Expense	-	-	-	-	-	0%	-	-	-	0%
NARC BOARD EXPENSE	3,500	-	3,500	-	3,500	0%	-	-	3,500	0%
	304,800	**35,000**	**339,800**	**77,592**	**262,208**	**23%**	**9,820**	**87,412**	**252,388**	**26%**
RC Special Projects and Sponsorships										
RC Special Projects	18,000	-	18,000	10,662	7,338	59%	50,000	60,662	(42,662)	337%
RC Sponsorships	91,800	-	91,800	10,350	81,450	11%	23,449	33,799	58,001	37%
	109,800	**-**	**109,800**	**21,012**	**88,788**		**73,449**	**94,461**	**15,339**	
All Other Budget Categories										
Payroll Bank Fees	4,500	-	4,500	2,173	2,327	48%	-	2,173	2,327	48%
Office Supplies	-	-	-	-	-	0%	-	-	-	0%
SCAG Memberships	22,614	-	22,614	7,614	15,000	34%	10,000	17,614	5,000	78%
Capital Outlay	44,000	-	44,000	-	44,000	0%	-	-	44,000	0%
Recruitment Notice	-	-	-	-	-	0%	-	-	-	0%
Letter of Credit Interest	75,000	-	75,000	-	75,000	0%	-	-	75,000	0%
Caltrans Rapid Pay Fees	1,000	-	1,000	525	475	53%	-	525	475	53%
Cash Contributions to Projects	346,839	(325,000)	21,839	-	21,839	0%	-	-	21,839	0%
	493,953	**(325,000)**	**168,953**	**10,312**	**158,641**	**6%**	**10,000**	**20,312**	**148,641**	**12%**
Grand totals:	**1,521,603**	**-**	**1,521,603**	**437,270**	**1,084,333**	**29%**	**387,282**	**824,552**	**697,051**	**54%**