

**SACRAMENTO LOCAL AGENCY FORMATION COMMISSION**  
**1112 I Street, Suite #100**  
**Sacramento, California 95814**  
**(916) 874-6458**

October 1, 2003

TO: Sacramento Local Agency Formation Commission  
FROM: Peter Brundage, Executive Officer  
RE: **FY 2002-03 Budget vs. Actual Funds and Expenditures**

**RECOMMENDATION**

Receive and file this report.

**DISCUSSION**

This report updates the proposed Budget for FY 2003-04 and provides information on year end carryover for FY 2002-03.

**Summary of FY 2002-03**  
**Annual Revenue and Expenditures**

FY 2002-03 Beginning Fund Balance	\$244,428
Share of Cost Revenue	<u>\$480,297</u>
	\$724,725
Actual Expenditure	<u>\$550,039</u>
FY 2002-03 Ending Fund Balance	\$174,686

**Year End Fund Balance Analysis**

The year end FY 02-03 carryover was estimated to be \$105,000. The year end actual carryover was \$105,366. The actual carryover was \$16,686 more than projected, however, the following expenditures were not paid prior to June 30, 2003.

These expenses were incurred during FY 02-03, however, invoices were not received until mid-July. (It would have been appropriate to accrue these expenses.) After adjusting for these expenses and reflecting the use of a portion of the fund balance to provide a one-time transition fund for special districts, the Fund Balance was very close to the year end estimate. These expenses will be paid from the higher fund balance. As a result, there is no need, at this time, to adjust the Adopted Budget for FY 2003-04.

**Fund Balance Adjustments**

FY 2002-03 Year End Fund Balance	\$174,686
Less Expenses Incurred but not Paid:	
Audit	\$ 9,000
Salary & Benefits	<u>\$ 7,000</u>
Adjusted Year End Fund Balance	\$158,686
Less: Special District Stabilizing Amount	<u>\$ 53,320<sup>1</sup></u>
Actual FY 2002-03 Year End Fund Balance	\$105,366

**Estimated Year End Fund Balance**  
**For FY 2003-04 (July 1, 2004)**

The following analysis estimates FY 2003-04 year end and fund balance by assuming expenditure level to be the same as FY 2002-03.

Fund Balance	\$105,366
Special District Share of Fund Balance	\$ 53,320
Revenue	\$ 20,000
Interest	\$ 5,000
Cities' Contribution	\$165,000
County Contribution	\$165,000
SMUD Contribution	\$ 82,500
Special Districts' Contribution	<u>\$ 29,180</u>
Total Funds	\$625,366
 Estimated Expenditures (FY 2002-03 Actual)	 <u>\$550,000</u>
 Estimated FY 2003-04 Year End Fund Balance	 <u>\$ 75,366</u>

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<sup>1</sup> \$53,320 of the year-end 2002-03 fund balance was allocated as a one-time transition share of cost for special districts.

Based on these assumptions, fund balance on June 30, 2004 is estimated to be \$75,000. This results in a projected assessment of about \$175,000 for cities, special districts and the County of Sacramento, as shown in the following table.

**Estimated Assessments for FY 2004-05**

Proposed Expenditures	\$625,000
Less Fund Balance	\$ 75,366
Interest	\$ 4,000
Revenue	<u>\$ 21,000</u>
Share of Cost	\$524,634
 One-Third Share of Cost	 <u>\$174,878</u>

It is estimated that the FY 2004-05 assessment for each funding category will increase by \$10,000 from FY 2003-04. This increase results in a larger increase for special districts because the one time transition reserve has been used.