

**SACRAMENTO LOCAL AGENCY FORMATION COMMISSION**

*1112 I Street, Suite #100  
Sacramento, California 95814  
(916) 874-6458*

October 1, 2008

**TO:** Sacramento Local Agency Formation Commission  
**FROM:** Peter Brundage, Executive Officer *PB*  
**RE:** Request for Authorization to Transfer Surplus Fund Balance to General Reserves

**RECOMMENDATION:**

Authorize the Executive Officer to transfer surplus FY 2007-08 Year End Fund Balance (carryover) in the amount of \$122,060 to General Reserves as follows: \$64,815 (unrestricted) and \$57,245 restricted for the Arden Arcade Incorporation. Based on the current project timeline the Arden Arcade funds will not be needed until FY 2009-10. Therefore, they should be transferred to General Reserves and restricted specifically for this project.

**DISCUSSION:**

**Summary of Year-End Fund Balance:**

Actual FY 2007-08 Year-End Fund Balance	\$250,060
Estimated Year-End Balance	<u>(128,000)</u>
Proposed Transfer to General Reserves	\$122,060
Restricted Year-End Fund Balance (Arden Arcade)	<u>(50,000)</u>
Total Fund Balance Betterment	\$ 72,060
Less: Additional Amount to Cover Arden Arcade	<u>(7,245)</u>
Net Unrestricted Fund Balance Betterment	\$64,815

The FY 2007-08 Fund Balance was estimated to be \$178,000. This estimate included \$50,000 which had not been expended for the Arden Arcade incorporation during FY 2007-08 because of the revised project schedule. The actual Year-End Fund Balance

came in at \$250,060 or \$72,060 better than budgeted. \$7,245 of the \$72,060 will be used to cover the additional funds for the Arden Arcade Incorporation that were not included in the estimated Year-End Fund Balance in the FY 2008-09 Final Budget. The Arden Arcade estimated restricted Fund Balance of \$50,000 did not include the Burr Adjustment in the amount of \$5,174 approved by the Commission on June 4, 2008 and it was rounded downward and therefore did not reflect the difference in the amount of \$2,071. ( $\$5,174 + \$2,071 = \$7,245$ ).

The actual remaining LAFCo restricted funds for Arden Arcade is summarized as follows:

Balance of LAFCo Matching Funds	\$36,811
Burr Adjustment	5,174
Proponent's Deposit not spent	7,630
LAFCo's match of Proponent's Deposit	<u>7,630</u>
Total Year-End Funds	\$57,245

Note: The \$57,245 includes all funds deposited by the proponents that were not spent and the balance of LAFCo's remaining match or share of cost.

These unexpended funds will only be used if the proponents deposit the remaining funds as approved by the Commission on June 4, 2008.

### **Recommended General Reserve Transfer**

It is recommended that the Commission direct the Executive Officer to transfer \$122,060 into General Reserves to be allocated as follows:

General Reserves-Restricted for Arden Arcade	\$57,245
General Reserves-Unrestricted	<u>64,815</u>
Total Transfer to General Reserves	\$122,060

### **Summary of General Reserve Account Balance**

Currently, LAFCo has \$100,000 in General Reserve (Unrestricted). The following transfer will create a Total General Reserve Fund Balance of \$222,060 allocated as follows:

General Reserve-Unrestricted	\$164,815
General Reserve-Restricted for Arden Arcade	<u>57,245</u>
Total General Reserves (7-1-2008)	\$222,060