

SACRAMENTO LOCAL AGENCY FORMATION COMMISSION

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August 6, 2008

TO: Sacramento Local Agency Formation Commission
FROM: Peter Brundage, Executive Officer *PR*
RE: Fiscal Year 2008-09 Final Budget – Update on FY 2007-08 Year End Fund Balance

RECOMMENDATION:

Receive and File Budget Update Report for FY 2008-09 Final Budget

DISCUSSION:

The Final FY 2008-09 Budget was based on an estimated FY 2007-08 Year End Fund Balance in the amount of \$178,000. This amount included carryover for LAFCo's Share of Cost to complete the Arden Arcade Incorporation studies in the amount of \$50,000.

The actual year end fund is approximately \$247,000 based on Period 13 Budget Report. Therefore, it appears that no adjustment will be required for the FY 2008-09 Budget adopted by the Commission on June 6, 2008. *I am still in the process of reviewing and confirming this amount to determine that all entries were posted correctly. I will report back to the Commission in October if this is not accurate.*

Actual Fund Balance	\$247,000
Estimated Fund Balance	<u>\$178,000</u>
Projected Improvement	\$ 69,000

Based on this information, there appears to be a carryover surplus of approximately \$69,000. I will make a recommendation to the Commission in October. At this time, I believe it would be prudent to put these funds in to the General Reserve Account. It is likely that it will be necessary to use reserves next year to offset baseline cost increases for rent, salary and benefits, and other allocated cost increases in order to avoid increases in assessments to the County, cities, and special districts in light of the current economic climate.

Increase Reserve Account as follows:

Arden Arcade	\$50,000
General Reserve	<u>69,000</u>
Total	\$119,000