MEMO

DATE: December 1, 2006

TO: Administration Committee and Regional Council

FROM: Wayne Moore, Chief Financial Officer, (213) 236-1804, moore@scag.ca.gov

SUBJECT: CFO Monthly Report for September/October 2006

BACKGROUND:

Accounting: In addition to its day-to-day accounting responsibilities in September, the Accounting section devoted significant time to the start of the annual FY06 fiscal audit. Meetings, schedules, procedures and due dates for documentation requested by the external auditor were established and completed. The firm of Vasquez & Co. is a new firm engaged to perform the external audit. The firm completed its field audit work and is currently preparing the financial statements.

A preliminary actuarial report was presented to the CFO and staff by Bartel & Associates. Their work pertains to certain accounting changes required to be implemented by FY09. Bartel was engaged to estimate unfunded actuarial accrued liabilities for post-retirement employee benefits. An updated report is expected in mid November. The accounting staff is also re-examining the supplemental defined benefit retirement plan for 11 retirees established by the Regional Council in 2001. Funding and investment strategies are being examined as a pre-requisite to prepare a final recommendation to the RC.

Budget and Grants: During September and October the Budget and Grants section accomplished the following: Prepared and submitted FY07 OWP Amendment 2 to Caltrans; began preparation of FY07 OWP Amendment #3; initiated the 07-08 OWP development process including: analyzing current year project activity to identify carryover work; refining the project request format; conducting training with SCAG and sub-regional staff; beginning the project request process; and providing technical support to staff and sub-regions. Additional activities: coordinated preparation of 06-07 1st Quarterly Progress Report and submitted it to Caltrans; coordinated preparation and review of Caltrans Planning Grants and submitted to Caltrans; assisted in the completion of a Twelve Month Policy Agenda for the RC and Committees; assisted in completion and submittal of Year Two Blueprint Planning Grant applications to Caltrans; provided financial and grant compliance support to program staff for several discretionary grant projects including Blueprint and Goods Movement; continued work on MOUs for various special grant projects in consultation with legal and program staff

Contracts: During the month of October, 2006, the Contracts Division executed three Continuing Cooperative Agreements (CCA's); with Arroyo Verdugo Cities, City of Los Angeles, and with SANBAG. Subsequent to these CCA's being executed, one contract and four contract amendments were issued to various Consultants. Contracts for the Federal and the State Lobbyists were funded through their respective contract completion dates. A Pre-Award Audit of Systems Metrics, Inc was completed for additional scope to be added to the existing RTP development

contract. A Proposal Review Committee selected System Metrics, Inc. for award of the I-405/I-210 Template Study. Members of the Contracts Division Staff attended two Federal Acquisition training seminars, California Multiple Award Schedule (CMAS) training, and a Disadvantaged Business Enterprise (DBE) a Cluster meeting.

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 Three Months Ended September 30, 2006

Line Item Description	Annual Budget	Three Month Expenditures	% Budget Expended	Budget Balance	% Budget Remaining	Encumbrances (1) Contracts & Purchasing
Salaries and Fringe Benefits	$15,315,193	$2,913,052	19%	$12,402,141	81%	$197,870
Consultants & Professional Services	17,794,082	574,335	3%	17,219,747	97%	14,829,181
Sub Region Consultants & Staff Projects	4,268,112	-	0%	4,268,112	100%	3,980,478
Direct & Indirect Costs	5,297,219	967,902	18%	4,329,317	82%	1,534,952
All Other	3,968,279	-	0%	3,968,279	100%	-
Total	**$46,642,885**	**$4,455,289**	**10%**	**$42,187,596**	**90%**	**$20,542,481**

1. Encumbrances are the remaining balances of contracts or purchase orders, which have been committed. The encumbrance is used for project budget purposes and not for accounting.

Southern California Association of Governments
General Fund Budget vs. Actual Expenditures and Encumbrances
For the Three Months Ended September 30, 2006

Line Item Description	Annual GF Budget	Three Month Expenditures	% Budget Expended	Budget Balance	% Budget Remaining	Encumbrances (1.) Contracts & Purchasing
Salaries and Fringe Benefits	$190,001	$13,961	7%	$176,040	93%	$0
Consultant and Professional Services	513,050	-	0%	513,050	100%	347,227
Regional Council (RC) Support	332,700	39,882	12%	292,818	88%	15,881
RC Special Projects and Sponsorships	109,800	162	0%	109,638	100%	83,949
All other Budget Categories	393,953	8,906	2%	385,047	98%	10,000
Total	**$1,539,504**	**$62,911**	**4%**	**$1,476,593**	**96%**	**$457,057**

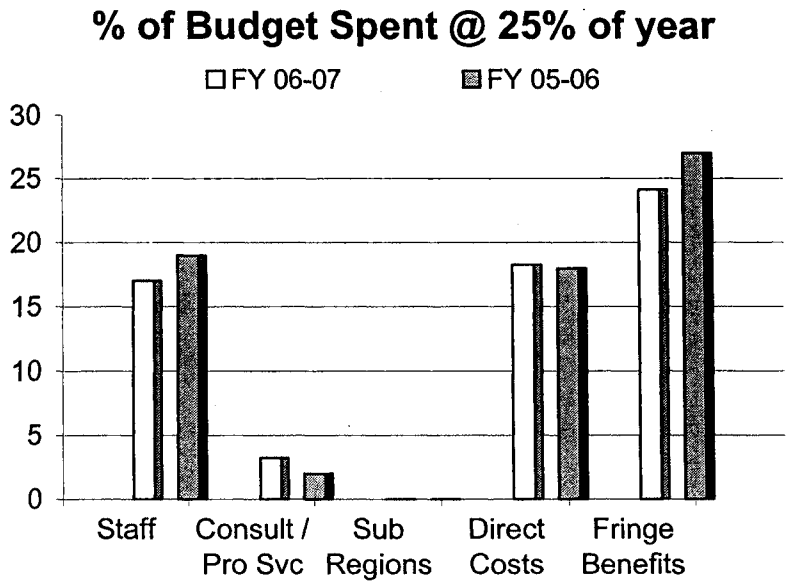
1. Encumbrances are the remaining balances of contracts or purchase orders, which have been committed. The encumbrance is used for project budget purposes and not for accounting.

Budget v. Actual and Encumbrances
Through September - 25% of Year

	Budget	Yr to Date Expenditures Thru Sep	Balance	Pct of Bud	Encum-brances	YTD Expenditures Plus Encumbrs	Balance	Pct of Bud
Staff								
Salaries	10,627,028	1,749,382	8,877,645	16%	-	1,749,382	8,877,645	16%
Temporary Help	395,920	127,924	267,996	32%	197,870	325,794	70,126	82%
	11,022,948	**1,877,306**	**9,145,641**	**17%**	**197,870**	**2,075,176**	**8,947,771**	**19%**
Consultant / Professional Services								
SCAG Consultant	17,249,082	567,144	16,681,938	3%	14,571,162	15,138,305	2,110,777	88%
Legal Services	535,000	7,191	527,809	1%	250,519	257,710	277,290	48%
Professional Services	10,000	0	10,000	0%	7,500	7,500	2,500	75%
	17,794,082	**574,335**	**17,219,747**	**3%**	**14,829,181**	**15,403,515**	**2,390,567**	**87%**
Sub Regions								
Subregional Consultant	3,021,696	0	3,021,696	0%	2,745,585	2,745,585	276,111	91%
Subregional Staff Projects	1,246,416	0	1,246,416	0%	1,234,893	1,234,893	11,523	99%
	4,268,112	**-**	**4,268,112**	**0%**	**3,980,478**	**3,980,478**	**287,634**	**93%**
Direct Costs								
Internet Access Fees	3,000	618	2,382	21%	1,815	2,433	567	81%
Software Support	506,363	57,467	448,896	11%	210	57,677	448,686	11%
Hardware Support	57,000	9,131	47,869	16%	25,206	34,337	22,663	60%
Repair - Maintenance	0	0	0	0%	-	0	0	0%
Software Purchases	30,000	5,656	24,344	19%	8,193	13,849	16,151	46%
Office Rent - Main Office	1,200,807	319,521	881,286	27%	649,717	969,239	231,568	81%
Office Rent - Satellite Office	56,000	13,797	42,203	25%	32,528	46,325	9,675	83%
Equipment Leases	511,247	112,282	398,965	22%	293,587	405,869	105,378	79%
Equipment Repairs	34,730	559	34,171	2%	10,133	10,693	24,037	31%
Insurance	183,985	178,626	5,359	97%	-	178,626	5,359	97%
Payroll and Bank Process Fee	34,500	5,794	28,706	17%	4,200	9,994	24,506	29%
Office Supplies	115,500	19,060	96,440	17%	78,689	97,748	17,752	85%
Office Maintenance	-	-	-	0%	-	-	0	0%
Small Office Purchase	498,795	35,636	463,159	7%	64,647	100,283	398,512	20%
Telephone Charges	90,526	11,949	78,577	13%	419	12,368	78,158	14%
Postage and Delivery	82,000	12,571	69,429	15%	40,788	53,359	28,641	65%
SCAG Memberships	97,814	65,104	32,710	67%	-	65,104	32,710	67%
Professional Memberships	10,980	1,091	9,889	10%	584	1,675	9,305	15%
Resource Materials and Subs	43,550	8,526	35,024	20%	64,833	73,359	(29,809)	168%
Depreciation - Furniture	5,000	2,898	2,102	58%	-	2,898	2,102	58%
Depreciation - Computer	40,000	11,330	28,670	28%	-	11,330	28,670	28%
Amortization Lease	0	574	(574)	0%	-	574	(574)	0%
Capital Outlay	44,000	-	44,000	0%	-	0	44,000	0%
Recruitment Notices	25,000	4,968	20,032	20%	23,451	28,419	(3,419)	114%
Public Notices	65,000	1,022	63,978	2%	-	1,022	63,978	2%
Staff Training	181,000	10,268	170,732	6%	82,478	92,746	88,254	51%
RC & Committee Meetings	22,000	2,676	19,324	12%	10,107	12,783	9,217	58%
RC Retreat	17,500	-	17,500	0%	-	-	17,500	0%
RC General Assembly	17,500	-	17,500	0%	-	-	17,500	0%
Other Meeting Expense	51,500	410	51,090	1%	673	1,083	50,417	2%
Miscellaneous	168,583	6,468	162,115	4%	9,316	15,784	152,799	9%
RC Meeting Stipends	130,000	23,365	106,635	18%	-	23,365	106,635	18%
Letter of Credit Interest	75,000	0	75,000	0%	-	0	75,000	0%
Caltrans Rapid Pay Fees	1,000	225	775	23%	-	225	775	23%
Cash Contributions to Projects	246,839	0	246,839	0%	-	0	246,839	0%
Printing	190,000	25	189,975	0%	49,429	49,454	140,546	26%
Travel	315,400	38,472	276,928	12%	-	38,472	276,928	12%
Travel - Lod > Per Diem	3,000	224	2,776	7%	-	224	2,776	7%
Travel - Event Registration	28,800	7,427	21,373	26%	-	7,427	21,373	26%
NARC BOARD EXPENSE	3,500	-	3,500	0%	-	-	3,500	0%
RC Special Projects	18,000	162	17,838	1%	60,500	60,662	(42,662)	337%
RC Sponsorships	91,800	0	91,800	0%	23,449	23,449	68,351	26%
	5,297,219	**967,902**	**4,329,317**	**18%**	**1,534,952**	**2,502,855**	**2,794,364**	**47%**

Budget v. Actual and Encumbrances
Through September - 25% of Year

	Budget	Yr to Date Expenditures Thru Sep	Balance	Pct of Bud	Encum-brances	YTD Expenditures Plus Encumbrs	Balance	Pct of Bud
Fringe Benefits								
Vacation Accrual Reconciliatic	-	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	393,958	1,564,991	20%	-	393,958	1,564,991	20%
Retirement - PARS	58,045	14,803	43,242	26%	-	14,803	43,242	26%
Health Insurance	1,185,855	179,243	1,006,612	15%	-	179,243	1,006,612	15%
Dental Insurance	117,067	22,409	94,658	19%	-	22,409	94,658	19%
Vision Insurance	39,159	6,221	32,939	16%	-	6,221	32,939	16%
Life Insurance	95,000	19,858	75,142	21%	-	19,858	75,142	21%
Medical & Dental Cash Rebat	240,000	109,770	130,230	46%	-	109,770	130,230	46%
Medicare Tax	157,977	29,266	128,711	19%	-	29,266	128,711	19%
Tuition Reimbursements	5,000	0	5,000	0%	-	0	5,000	0%
Bus Passes	23,250	2,909	20,341	13%	-	2,909	20,341	13%
Carpool Reimbursements	4,120	525	3,595	13%	-	525	3,595	13%
Bus Passes - Taxable	54,000	14,474	39,526	27%	-	14,474	39,526	27%
Workers Comp Insurance	236,900	234,722	2,178	99%	-	234,722	2,178	99%
Misc. Employee Benefits	11,923	1,034	10,889	9%	-	1,034	10,889	9%
Unemployment Insurance	25,000	0	25,000	0%	-	0	25,000	0%
Deferred Comp Match	76,500	6,142	70,358	8%	-	6,142	70,358	8%
Benefit Administration Fees	3,500	412	3,088	12%	-	412	3,088	12%
	4,292,245	**1,035,746**	**3,256,500**	**24%**	**-**	**1,035,746**	**3,256,500**	**24%**
Other								
Soft Match Contributions	4,025,853	0	4,025,853	0%	-	0	4,025,853	0%
Exp - Local cash	170,625	0	170,625	0%	-	0	170,625	0%
Reconcile to Burden	(228,199)	0	(228,199)	0%	-	0	(228,199)	0%
	3,968,279	**0**	**3,968,279**	**0%**	**0**	**0**	**3,968,279**	**0%**
Grand totals:	**46,642,885**	**4,455,289**	**42,187,596**	**10%**	**20,542,481**	**24,997,770**	**21,645,115**	**54%**



Budget v. Actual and Encumbrances
General Fund Only
Through September - 25% of Year

	Budget	Yr to Date Expenditures Thru Sep	Balance	Pct of Bud	Encum-brances	YTD Expenditures Plus Encumbrs	Balance	Pct of Bud
Staff								
Salaries	59,011	4,128	54,883	7%	-	4,128	54,883	7%
Fringe Burden	32,538	2,599	29,939	8%	-	2,599	29,939	8%
Indirect Burden	98,452	7,234	91,218	7%	-	7,234	91,218	7%
	190,001	**13,961**	**176,040**	**7%**	**-**	**13,961**	**176,040**	**7%**
Consultant / Professional Services								
SCAG Consultant	313,050	-	313,050	0%	247,227	247,227	65,823	79%
Legal Services	200,000	-	200,000	0%	100,000	100,000	100,000	50%
Professional Services	-	-	-	0%	-	-	-	0%
	513,050	**0**	**513,050**	**0%**	**347,227**	**347,227**	**165,823**	**68%**
Regional Council Support								
TRAINING	25,000	-	25,000	0%	-	-	25,000	0%
RC & Committee Meetings	22,000	2,676	19,324	12%	10,107	12,783	9,217	58%
RC Retreat	17,500	-	17,500	0%	-	-	17,500	0%
RC General Assembly	17,500	-	17,500	0%	-	-	17,500	0%
Other Meeting Expense	25,000	-	25,000	0%	117	117	24,883	0%
Miscellaneous	21,500	869	20,631	4%	5,657	6,526	14,974	30%
RC Meeting Stipends	130,000	23,365	106,635	18%	-	23,365	106,635	18%
Travel	63,700	12,748	50,952	20%	-	12,748	50,952	20%
Travel - Lod. > Per Diem	3,000	224	2,776	7%	-	224	2,776	7%
Travel - Event Registration	4,000	-	4,000	0%	-	-	4,000	0%
AMPO Board Expense	-	-	-	0%	-	-	-	0%
NARC BOARD EXPENSE	3,500	-	3,500	0%	-	-	3,500	0%
	332,700	**39,882**	**292,818**	**12%**	**15,881**	**55,763**	**276,937**	**17%**
RC Special Projects and Sponsorships								
RC Special Projects	18,000	162	17,838	1%	60,500	60,662	(42,662)	337%
RC Sponsorships	91,800	-	91,800	0%	23,449	23,449	68,351	26%
	109,800	**162**	**109,638**		**83,949**	**84,111**	**25,689**	
All Other Budget Categories								
Payroll Bank Fees	4,500	1,067	3,433	24%	-	1,067	3,433	24%
Office Supplies	-	-	-	0%	-	-	-	0%
SCAG Memberships	22,614	7,614	15,000	34%	-	7,614	15,000	34%
Capital Outlay	44,000	-	44,000	0%	-	-	44,000	0%
Recruitment Notice	-	-	-	0%	10,000	10,000	(10,000)	0%
Letter of Credit Interest	75,000	-	75,000	0%	-	-	75,000	0%
Caltrans Rapid Pay Fees	1,000	225	775	23%	-	225	775	23%
Cash Contributions to Projects	246,839	-	246,839	0%	-	-	246,839	0%
	393,953	**8,906**	**385,047**	**2%**	**10,000**	**18,906**	**375,047**	**5%**
Grand totals:	**1,539,504**	**62,911**	**1,476,593**	**4%**	**457,057**	**519,968**	**1,019,536**	**34%**