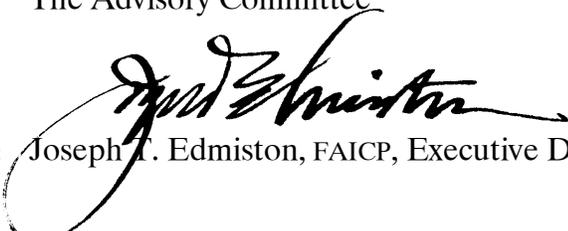


# Memorandum

To : The Conservancy  
 The Advisory Committee

Date: June 14 , 2004

From :   
 Joseph T. Edmiston, FAICP, Executive Director

Subject: **Agenda Item 19: Consideration of resolution adopting the FY 03-04 preliminary budget of the Mountains Recreation and Conservation Authority.**

Staff Recommendation:

Staff recommends that the Conservancy adopt the attached resolution approving the FY 2004/05 Preliminary Budget of the Mountains Recreation and Conservation Authority (MRCA).

Legislative Authority:

MRCA Joint Exercise of Powers Agreement, Section 11.2.  
 Joint Exercise of Powers Act, Section 6500 *et. seq.* of the Government Code.

Background:

The total available revenue for FY 2004/05 is comprised of the available cash balance of the MRCA, all outstanding receivable items, and the anticipated amount off revenue items expected to be received during the upcoming fiscal year. The total available revenue is \$ 22.7 million, whereas the budgeted expenditures represent a total of \$18.9 million, indicating that the MRCA expects to have \$3.8 million more revenue than expenditures during the upcoming fiscal year. A summary of each line item is represented in the following table.

	<b>Preliminary Budget</b>
Cash Balance a/o 6/9/04	\$3.9 million
Outstanding Receivable Items	\$6.4 million
FY 04/05 Budgeted Revenue	<u>\$12.4 million</u>
<b>Total Available Revenue</b>	<b>\$22.7 million</b>
<b>FY 04/05 Budgeted Expenditures</b>	<b>\$18.9 million</b>

The MRCA budgets each project separately, and the total budgeted revenue is a compilation of those projects. The Preliminary Management Budget by Project attached with this budget details the amount of revenue expected to be received in Fiscal Year 2004/05 by project, the amount of expenses by project for this fiscal year, and the amount of revenue expected in future fiscal years for projects included in this fiscal year budget.

In order to provide a detailed breakdown of the budget, the following three documents were prepared and are included in this budget submittal:

1. Preliminary Official Budget by Account Class Category - listing which categorizes the preliminary budget by revenue and expenditure account classes.
2. Preliminary Management Budget by Account Class – listing which categorizes the preliminary budget by discrete accounts and account classes.
3. Preliminary Management Budget by Project – listing which categorizes the preliminary budget – including revenue and expenditures, by project.

### ***Budget Management***

The preliminary FY 2004/05 budget was prepared using information available in grant and contract files, current and prior year actual revenue receipts and expenditures, and information regarding future project funding. Project Managers were able to directly input into the MRCA financial management system (AS400) the amount of revenue and expenditures they anticipated will be received in the upcoming 12 month period starting July 1, 2004. All staff positions are accounted for in each project budget, as are all project related expenses and overhead costs. Further, projects are identified in the AS400 system as reimbursable or advance funds, which aids in the accounts receivable process. All reimbursable grants will be billed out by the MRCA on a monthly basis, or as allowed for in the grant agreements.

Project Managers are issued monthly Budget Performance Reports (BPRs), which track actual performance relative to the budgeted figures. These reports assist Project Managers in making necessary spending adjustments and help in the identification of other potential fiscal problem areas. Additionally, this fiscal year, the budget and BPRs are formatted to provide cash flow management information, thus providing continual information on the status of revenue, expenditures, and receivables.

### ***Revenue***

Total fiscal year budgeted revenue is estimated at \$12.4 million. Revenue sources include grants and government agency contracts, and MRCA generated revenue. Additionally, some projects budgeted for the upcoming fiscal year include revenue received in prior fiscal periods.

A complete listing by project of how the revenue will be received can be viewed in the Preliminary Management Budget by Project Report included in this budget submittal.

Other revenue sources such as available cash balance and outstanding receivable items are included in the total available revenue figure of \$22.7 million for the upcoming fiscal year.

The following represents a more comprehensive view, by account and type of revenue, of the composition of the \$12.4 million FY 2004/05 Budgeted Revenue:

<b>Preliminary FY Budgeted Revenue:</b>	<b>\$12.4 million</b>
Fees-Garden Tours	\$50K
Fees-Conference/Meetings	96K
Fees-Special Events	494K
Fees-Filming	202K
Fees-Parking	60K
Leases-Building	506K
Leases-Antenna	210K
Citations	400K
Forfeitures & Penalties	20K
SMMC Grants	1,507K
Government Grants	6,321K
Grants/Settlements	80K
Government Agency Contracts	2,140K
Benefit Assessment District (Brushing)	233K
Miscellaneous Revenue	105K

***Expenditures***

Total Fiscal Year Expenditures are budgeted at \$18.9 million. A summarized breakdown by account class is presented below:

<u>Account Class</u>	<u>Amount</u>
Personnel	\$ 4,419K
Contract Services	2,445K
Operating Expenses	2,739K
MRCA Grants	318K
Land & Improvement	8,695K
Equipment	334K