

**ALBANY OVERSIGHT BOARD  
BOARD AGENDA STAFF REPORT**

Agenda Date: February 24, 2014

**SUBJECT:** Preliminary Financial Report July 1, 2013 Through January 31, 2014

**REPORT BY:** Paul S. Rankin, Interim Finance Director, City of Albany

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**STAFF RECOMMENDATION**

Staff recommends that the Albany Oversight Board receive this informational report.

**BACKGROUND**

The financial activities of the Successor Agency are relatively limited to administrative tasks. The Agency cannot make payments against outstanding obligations until the Department of Finance issues a Finding of Completion. The Preliminary Financial Report which covers the first seven months of the Fiscal Year, as well as a projection through June 30, 2014. The projected expenditures are below the maximum authorized amount.

**DISCUSSION & ANALYSIS**

The Successor Agency funds are maintained as a separate Trust Fund in the City accounting records. The Agency prepares an estimate of administrative expenditures as part of the Recognized Obligation Payment Schedule (ROPS), which must be approved by the Oversight Board and the State Department of Finance. The ROPS administrative costs are approved in six month increments.

The Agency has an approved ROPS that provides for a maximum of \$190,000 in administrative expenses. At the September 24, 2013 Oversight Board meeting, Staff informed the Board of Department of Finance (DOF) comments on the ROPS 13-14A budget. The DOF commented that the \$125,000 administrative costs claimed appeared excessive given the outstanding items, however they were approved.

As shown on Attachment 1, the projected administrative costs for the entire year are projected to be \$134,480 less than the authorized amount for the year. The total projected expenses total \$55,520. Because the Agency still holds funds previously distributed but unspent on administrative costs, no revenue is anticipated to be received from the Redevelopment Property Tax Trust Fund in the current Year.

**FINANCIAL IMPACT**

The Trust Fund expenditures are below the authorized maximum.

**Attachment**

1. Albany Successor Agency Trust Fund Preliminary Financial Report - January 31, 2014

**CITY OF ALBANY  
SUCCESSOR AGENCY TRUST FUND  
(Preliminary Financial Report)  
As of January 31, 2014**

	<u>Preliminary July 1, 2013 - Jan. 31, 2014</u>	<u>Estimate Feb. 2014 - June 2014</u>	<u>TOTAL FISCAL YEAR PROJECTED</u>	<u>Budget ROPS 2013-2014</u>	<u>Over / (Under) Budget</u>
<u>Authorized Administrative ROPS Budget</u>					
ROPS 13-14A (July - December 2013)				\$ 125,000	
ROPS 13-14B (January - June 2014)				65,000	
<b>TOTAL AUTHORIZED ROPS ADMINISTRATIVE BUDGET</b>				<b>190,000</b>	
 <b>REVENUE</b>					
Revenue from taxes	\$ -	\$ -	\$ -		
Total additions	-	-	-		
Investment income:					
Interest	-	1,000	1,000		
Total investment income (loss)	-	1,000	1,000		
<b>Total Revenue</b>	<b>-</b>	<b>1,000</b>	<b>1,000</b>		
 <b>EXPENDITURES</b>					
<u>Administrative expenses</u>					
Staff Support Costs (Salaries & Benefits)	6,319	3,000	9,319		
Contract Management Services	6,380	3,500	9,880		
Contract Agency Counsel Services	10,555	3,000	13,555		
Professional Services - Audit	1,854	209	2,063		
Professional Services Litigation	5,703	15,000	20,703		
Sub-total administrative expenses	30,811	24,709	55,520		
<u>Other expenses</u>	-	-	-		
<b>Total Expenditures</b>	<b>30,811</b>	<b>24,709</b>	<b>55,520</b>	<b>190,000</b>	<b>(134,480)</b>

**ANALYSIS:**

Expenditures are less than the maximum amount Authorized in the approved ROPS.

Agency has available cash balance from previous distributions, due to actual expenditures being less than the "Authorized" maximum administrative expense. Therefore, additional revenue will not be received from the Redevelopment Property Tax Trust Fund (RPTTF).

In the future, Agency will have expenses for repayment of outstanding obligations for funds advanced. These repayments cannot occur until the California Department of Finance (DOF) makes a "Finding of Completion."

That matter is pending the outcome of a lawsuit brought to resolve preliminary DOF decisions on transfers completed prior to the formal dissolution of the Community Reinvestment Agency.