



## 2010 BUDGET AMENDMENT NARRATIVE

Members of the East Baton Rouge Redevelopment Authority Board of Commissioners:

The East Baton Rouge Redevelopment Authority ("RDA"), a political subdivision of the State of Louisiana, is subject to the Local Government Budget Act of Louisiana (R.S. 39: 1301-1315) and, therefore, is required to approve a budget amendment if actual revenues and/or expenditures fail to meet the budget projections by a margin of plus/minus five percent. The applicable statute requires that any increase, decrease, addition or deletion of allocations be made through a formal amendment to the adopted budget, and the amendment be adopted in an open meeting.

In 2010, the RDA's first full year of operation, actual revenues and expenditures varied from the budget projections by plus/minus five percent. Thus, the Board of Commissioners must adopt an amendment to the 2010 budget in order to comply with Louisiana law. I offer the attached proposed 2010 Budget Amendment for your consideration. This proposed amendment provides the necessary adjustments to bring the RDA budget into compliance for 2010, as well as more accurately account for actual revenues and expenditures.

The primary reason for this amendment is the lack of operational history when the 2010 Budget was initially projected and proposed to the Board of Commissioners. This concern will be mitigated in 2011 due to RDA having a full year in 2010 in which to operate and more accurately project revenues and expenses. Additionally, the RDA will begin accounting for day-to-day operations separately from grants/programs, to improve the accuracy and legibility of financial reporting. Further explanations for 2010 budget adjustments are detailed below.

Revenue: Explanations for the most substantial revenue adjustments are:

- an inaccurate projection of 2009 carry-forward (shown as beginning of year fund balance);
- the majority of grant payments are to be realized as reimbursements (e.g. – the RDA could only be reimbursed for actual expenses paid up front);
- the Baton Rouge Area Foundation provided most of its budgeted support in-kind;
- the receipt of unbudgeted donations, primarily to support the Lincoln Theater project; and
- the receipt of unbudgeted management fees from East Baton Rouge Community Development Entity, LLC ("EBRCDE").

Expenditures: Explanations for the most substantial expenditures adjustments are:

- Outside Contract Services exceeded budgeted amounts due to start-up legal and accounting needs, as well as the outsourcing of Property Evaluation Tool surveys to a local firm;
- Payroll Expenditures were significantly lower than originally budgeted because the RDA did not add as many staff members in 2010 as originally projected; and

- Program Expenditures were significantly lower than budgeted due to additional state and local government time requirements for program approvals and launches, as well as the lack of advance funding from most grants (payments are made as reimbursements).

We have attempted to present a budget amendment to you that is clear and explanatory. I will be available for any information or help that you may need in interpreting specific items of the amendment. Additionally, should your consideration and the public hearing result in adjustments to this document, I am prepared to incorporate those into this document.

Sincerely,



Walter Monsour  
President & CEO

# East Baton Rouge Redevelopment Authority

## Amended Budget

January 1, 2010 through December 31, 2010

	<u>APPROVED</u>	<u>ADJUSTMENTS</u>	<u>AMENDED</u>
<b>Revenue</b>			
Donations	\$ -	\$ 31,000.00	\$ 31,000.00
Grants Revenue	7,465,227.00	(5,997,642.51)	1,467,584.49
Management Fees	-	400,000.00	400,000.00
BRAF	-	31,744.44	31,744.44
Application Fees	-	700.00	700.00
Interest	811.00	(17.00)	794.00
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<b>Total Revenue</b>	<b>7,466,038.00</b>	<b>(5,534,215.07)</b>	<b>1,931,822.93</b>
<b>Expenditures</b>			
<b>Operating Expenditures</b>			
Bank Service Charges	9,000.00	(6,093.50)	2,906.50
Computers and Software	8,000.00	123.26	8,123.26
Outside Contract Services	66,000.00	19,225.10	85,225.10
Professional & Legal Services	935,000.00	(423,216.34)	511,783.66
Rent	36,000.00	6,000.00	42,000.00
Postage, Mailing Service	2,600.00	(2,017.00)	583.00
Printing and Copying	2,400.00	3,120.00	5,520.00
Supplies	9,600.00	5,090.00	14,690.00
Telephone, Telecommunications	13,200.00	587.00	13,787.00
Travel, Meetings & Events	30,000.00	(500.00)	29,500.00
Insurance - Liability, D and O	6,613.00	1,819.30	8,432.30
Other Costs	-	5,180.00	5,180.00
<b>Salaries &amp; Benefits</b>			
Payroll-Other	3,200.00	(2,822.00)	378.00
Salaries & Benefits	943,842.00	(140,842.00)	803,000.00
<b>Program Expenditures</b>			
Loan to EBRCD E	50,000.00	(48,125.09)	1,874.91
Land Acquisition	750,000.00	(749,253.00)	747.00
Materials	30,000.00	(23,263.59)	6,736.41
Small Biz Façade Grants	150,000.00	(150,000.00)	-
Afordable Rental Programs	3,000,000.00	(3,000,000.00)	-
Public/Private Improvements	150,000.00	(150,000.00)	-
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<b>Total Expenditures</b>	<b>6,195,455.00</b>	<b>(4,654,987.86)</b>	<b>1,540,467.14</b>
<b>Revenue Over Expenditures</b>	<b>\$ 1,270,583.00</b>	<b>\$ (879,227.21)</b>	<b>391,355.79</b>
<b>Fund Balance at beginning of year</b>			<b>250,671.00</b>
<b>Fund Balance at end of year</b>			<b>\$ 642,026.79</b>