

Agenda Report

March 8, 2004

TO: City Council
FROM: Cynthia J. Kurtz, City Manager
SUBJECT: Project D.A.Y. Financial Information

INFORMATION ONLY

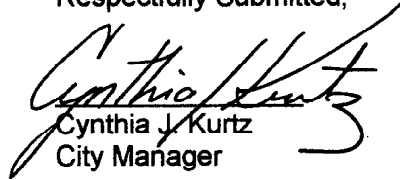
Attached for your information is the balance sheet and income statement for Project Day as of March 3, 2004. Please note the following:

1. Through March 3, 2004, Project Day had an operating loss of \$6,789.14. This loss reflects the receipt of the full \$22,880.00 from Pasadena Unified School District. While the City has only received \$9,165, the PUSD Board has approved the full payment and the City expects to receive the balance of \$13,715.00 within the next week or two.
2. Because the County only pays for services rendered, there is \$6,250.00 in County funds that will not be received by Project D.A.Y. that was included in the original budget. Given the fact that monthly expenses average over \$8,500.00, the organization was better off financial to shut its doors and forego the remaining County funding.
3. The accumulated fund balance of Project D.A.Y. as of March 3, 2004 is a negative \$43,096.21. Of this amount, \$36,307.07 has been carried over from the previous year, while \$6,789.14 is the result of this year's operations. The current year loss, as well as the accumulated deficit is expected to be reduced by approximately \$1,000.00 after the receipt of a refund for workers' compensation insurance. This \$1,000.00 has not been incorporated into the financial data because of the uncertainty of its receipt.
4. The City is in receipt of a letter dated March 3, 2004 from the Project D.A.Y. Foundation. In this letter, the Foundation has indicated that it will turn over the balance in its account to the City. This balance is projected to be \$2,383.99 and is reflected in the attached balance sheet and income statement.
5. The accumulated cash balance is a negative \$59,195.20; however, this will be reduced to \$43,096.21 once PUSD's payment is received, as well as the final payment from the Project D.A.Y. Foundation payment. It will be further reduced by the amount of the workers' compensation refund.

6. All known obligation, with perhaps final phone expenses have been paid, including accrued vacation.

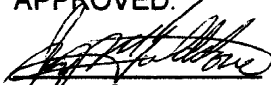
Staff will be available on Monday night to respond to any question the Council may have.

Respectfully Submitted,



Cynthia J. Kurtz
City Manager

APPROVED:



Jay M. Goldstone
Director of Finance

**PROJECT DAY
BALANCE SHEET
(As of March 3, 2004)**

ASSETS:

Cash and investments	(59,195.20)
Accounts Receivable - PUSD	13,715.00
Accounts Receivable - Project D.A.Y. Foundation	2,383.99
Total Assets	(43,096.21)

LIABILITIES:

Accounts Payable	0.00
Accrued Vacation Liability	0.00
Total Liabilities	0.00

FUND BALANCE:

Beginning Fund Balance (7-1-03)	(36,307.07)
Gain/(Loss) Current Fiscal Year	(6,789.14)
Current Fund Balance	(43,096.21)
Total Liabilities & Fund Balance	(43,096.21)

**PROJECT DAY
INCOME STATEMENT
(As of March 3, 2004)**

REVENUES:

Joint Power Agreement (City/PUSD)	41,360.00
LA County	8,750.00
LA County Altadena CDBG	2,472.00
Other Contributions - Private	4,665.99
Total Revenues	57,247.99

Add'l Rev. not Avail.
Based Upon Services
Not Rendered
6,250.00
3.00
Unknown

EXPENSES:

Salaries	34,572.57
Benefits & Taxes	13,226.42
Materials and Supplies	183.14
Lease Payments	4,673.00
Contract Services	7,935.00
Miscellaneous	3,447.00
Total Expense	64,037.13

NET INCOME (LOSS)	(6,789.14)
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CITY OF PASADENA

MEMORANDUM

TO: Honorable Mayor and Members of the City Council
FROM: Michele Beal Bagneris, City Attorney *MB*
DATE: November 20, 2003
RE: Withdrawal from Project D.A.Y. Joint Powers Authority

The City is a member of the Project D.A.Y. Joint Powers Authority (“the Authority”) as established in Agreement No. 10,333, approved in 1978. The other members are the cities of South Pasadena and Sierra Madre and the Pasadena and South Pasadena Unified School Districts. The Authority has operated a project for the diversion of juveniles from the criminal justice system to community based treatment services, and I have been asked by Councilmember Paul Little, who serves as the City Council’s representative to the Authority, to provide information on steps to be taken by the City to withdraw from the Authority. It appears that withdrawal from the Authority is appropriate since it is anticipated that the Authority will be dissolving by the end of this calendar year due to lack of financial resources and lack of requests for services.

Pursuant to Section 2 of the Joint Powers Agreement, any party may withdraw from the Agreement by giving thirty days’ written notice to the Pasadena Regional Juvenile Diversion Authority. Pursuant to Section 6 of the Agreement, upon termination of the Agreement, any property acquired by the Authority must be disposed in accordance with applicable law, and if property may be distributed to the parties, it is to be distributed in proportion to the contribution made by each. Since the Government Code (Sections 6510, 6511) provides that the joint powers agreement is to provide for the disposition of property and surplus money, upon termination, each party will get a pro-rata share of any property and surplus money, if any. I have been informed that the Authority is operating in a negative cash position, which suggests that there is no surplus money, and I am unaware of any property or other assets of the Authority.

Councilmember Little will present an oral report providing additional background information during the City Council discussion of this item at the Council meeting on November 24, 2003.

If the Council desires to withdraw from the Authority, the appropriate action would be a motion to withdraw from the Authority, terminating the Agreement effective December 31, 2003, and directing the City Manager to give thirty days’ written notice to the Pasadena Regional Juvenile Diversion Authority of such withdrawal.

~~12/08/2003~~
~~3.A.~~

01/12/2004
3.A.

~~11/24/2003~~
~~7.A.(4)~~
03/08/2004
3.A.

Project Day Financial Information
Fiscal Analysis

1. Through December 31, 2003, Project Day had an operating loss of \$2,467.16. This loss assumes the City receives the full \$22,880 from Pasadena Unified School District. While the City has been assured that a check in the amount of \$10,000 has been prepared for the City, to nothing has been received from PUSD.
2. There is approximately \$2,500 still owed to the City from the County based upon services rendered to date. This has not been accrued on the City's books.
3. The average monthly expenses are approximately \$8,500.
4. The accumulated fund balance of Project Day is a negative \$38,774.23. Of this amount, \$36,307.07 has been carried over from the previous year, while \$2,467.16 is the result of this year's operations.
5. The accumulated cash balance is a negative \$55,486.27; however, this would be reduced to \$32,606.27 should PUSD make its full payment.
6. Currently, Project Day can expect approximately \$11,800 in additional revenues. This includes the \$2,500 owed by the County. Since the County only makes monthly payments, it is highly unlikely that Project Day will receive these funds should operations be shut down.
7. Should Project Day cease operations today, the JPA would still have an obligation to pay \$6,069.41 for accrued vacation. At this time, there may be also a small amount owed to contractors for services provided but not yet billed.

01/12/2004
3.A.

0207-005-00

PROJECT DAY
BALANCE SHEET
(As of December 31, 2003)

ASSETS:

Cash and investments	(55,486.27)
Accounts Receivable - PUSD	<u>22,880.00</u>
Total Assets	<u><u>(32,606.27)</u></u>

LIABILITIES:

Accounts Payable	98.55
Accrued Vacation Liability	<u>6,069.41</u>
Total Liabilities	<u><u>6,167.96</u></u>

FUND BALANCE:

Beginning Fund Balance (7-1-03)	(36,307.07)
Gain/(Loss) Current Fiscal Year	<u>(2,467.16)</u>
Current Fund Balance	<u><u>(38,774.23)</u></u>
Total Liabilities & Fund Balance	<u><u>(32,606.27)</u></u>

PROJECT DAY
INCOME STATEMENT
(As of December 31, 2003)

REVENUES:

Joint Power Agreement (City/PUSD)	41,360.00
LA County	5,000.00
LA County Altadena CDBG	684.00
Other Contributions - Private	<u>2,082.00</u>
Total Revenues	<u><u>49,126.00</u></u>

Possible Add'l Rev.
Based Upon Services
To Be Rendered
10,000.00
1,791.00
Unknown

EXPENSES:

Salaries	29,228.83
Benefits & Taxes	9,258.21
Materials and Supplies	183.14
Lease Payments	3,614.00
Contract Services	4,830.00
Miscellaneous	<u>4,478.98</u>
Total Expense	<u><u>51,593.16</u></u>

NET INCOME (LOSS)	<u><u>(2,467.16)</u></u>
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