



Western Riverside Council of Governments

WRCOG Executive Committee

Staff Report

Subject: Fiscal Activities Update and Mid-Year Budget Amendment
Contact: Andrew Ruiz, Chief Financial Officer, aruiz@wrcog.us, (951) 405-6741
Date: February 3, 2025

Recommended Action(s):

1. Approve the Fiscal Year 2024/2025 Mid-Year Budget Amendment.

Summary:

The Finance Department has completed the Fiscal Year 2023/2024 audit with an unmodified opinion, indicating no findings or concerns. Additionally, the mid-year budget review identified four budget items with revenue or expenditure levels different from the adopted levels, primarily due to new funding sources and lower-than-expected activity in the Inland Regional Energy Network (I-REN) Program. To ensure the budget accurately reflects our most current estimates of revenues and expenditures, a series of budget amendments are recommended. The combined revenue decreases equal \$1,482,865 and the combined expenditure decreases equal \$1,505,555 for a net decrease in expenditures of \$22,690.

Purpose / WRCOG 2022-2027 Strategic Plan Goal:

The purpose of this item is to provide information regarding Finance Department activities and to request approval of a mid-year budget amendment. This effort aligns with WRCOG's 2022-2027 Strategic Plan Goal #3 (Ensure fiscal solvency and stability of the Western Riverside Council of Governments).

Discussion:

Background

The Finance Department provides regular updates to WRCOG Committees regarding the financial status of WRCOG and also provides summaries of on-going activities that might be of interest to member agencies. The financial reports document Agency revenues and expenditures through the current fiscal year, as reported by various programs, funds, and other administrative divisions. On-going activities include the preparation of the Agency audit, budget amendments, and preparation of the WRCOG budget for consideration and approval by WRCOG Committees.

The WRCOG annual budget is adopted prior to the start of each fiscal year. It reflects the anticipated revenue and spending levels of each fund based on information known at the time. Throughout the year,

staff tracks actual revenues and expenditures and compares them to the levels projected when the budget was adopted. The mid-year budget amendment process reflects updated assumptions for each fund.

Present Situation

Mid-year Budget Amendment:

Inland Regional Energy Network (I-REN) Program: The I-REN budget is fully funded by the California Public Utilities Commission for a 6-year total of \$65,577,932. Each fiscal year, some portion of that total is budgeted with the balance carrying forward throughout the 6-year period. For Fiscal Year 2024/2025, I-REN had a budget of approximately \$10.5M, spread across three sectors: 1) Public, 2) Workforce, Education & Training, and 3) Codes & Standards. Through December 2024, approximately \$2.6M in expenses have been incurred. The rate of spending continues to increase as the Program matures; however, the anticipated expenses across several categories in the current fiscal year budget are expected to be less than the budgeted amount by \$2,120,300. The deferred funds must be spent by 2027.

Clean Cities Program: The Clean Cities Program is projected to increase revenues by \$42,690, primarily due to the addition of the Cities of Norco and Riverside. Additionally, the Department of Energy has increased its funding by \$1,750 beyond the originally budgeted amount. On the expenditure side, legal costs associated with the California Air Resources Board grant are estimated to be approximately \$15,000, while consulting costs related to the grant are expected to add another \$5,000, for a total of \$20,000.

Regional Energy Pathways (REP) Program: The Regional Energy Pathways (REP) Program will see an increase in both revenues and expenditures by \$43,999, reflecting a rollover of unspent funds from Fiscal Year 2023/2024. The agreement with SoCal Gas is scheduled to conclude at the end of Fiscal Year 2024/2025.

Regional Early Action Planning (REAP) Program: In January 2024, Governor Newsom released the State budget proposal, which included several cuts to housing programs, including REAP 2.0. Due to the uncertainty at the time, REAP 2.0 funding was excluded from the Fiscal Year 2024/2025 budget. However, funding has since been restored, and WRCOG will proceed with providing assistance to the subregion's local jurisdictions beginning this fiscal year. A total of \$1.6M will be awarded to WRCOG for the grant, with \$550,746 in revenues and expenditures allocated for Fiscal Year 2024/2025 and the remainder for Fiscal Year 2025/2026.

In total, the proposed amendment package includes a \$594,745 increase in revenues and expenditures to WRCOG's General Fund (110). It also includes an increase of \$42,690 in revenues and \$20,000 expenditures in the Clean Cities Fund (120). There would be a decrease of \$2,120,300 in revenues and expenditures in the I-REN Fund (180). In total, the Agency budget will have a combined decrease in revenues of \$1,482,865 and the combined expenditure decreases equal \$1,505,555 for a net decrease in expenditures of \$22,690.

Fiscal Year 2023/2024 Year-End Close: The Fiscal Year 2023/2024 audit was successfully completed in December 2024 and received an unmodified opinion, indicating no findings or issues of concern were identified. Completing the audit within six months after the fiscal year-end is considered "on time" by the

Government Finance Officers Association (GFOA), marking the first time in five years that the Agency has achieved this milestone. The Agency has also applied for the GFOA Award for Excellence in Financial Reporting.

Financial Documents

All of WRCOG's most recent financial statements, budget, monthly financials, amendments, etc., are located on the Agency's Fiscal Department's webpage [here](#).

Prior Action(s):

None.

Financial Summary:

Fiscal Department activities are included in the Agency's adopted Fiscal Year 2024/2025 Budget under the Finance Department under Fund 110. With respect to the budget amendment, in total, there will be a \$594,745 increase in revenues and expenditures to WRCOG's General Fund (110). It also includes an increase of \$42,690 in revenues and \$20,000 in expenditures in the Clean Cities Fund (120). There would be a decrease of \$2,120,300 in revenues and expenditures in the I-REN Fund (180). In total, the Agency budget will have a combined decrease in revenues of \$1,482,865 and the combined expenditure decreases equal \$1,505,555, for a net decrease in expenditures of \$22,690.

Attachment(s):

[Attachment 1 - Fiscal Year 2024/2025 Mid-Year Budget Amendment](#)

Attachment 1

WRCOG Fiscal Year
2024/2025 Mid Year Budget
Amendment

Western Riverside Council of Governments
Fiscal Year 2024/2025 Mid-Year Budget Amendment
As of December 31, 2024

Fund	Dept	Account	Project	Description	Actual	FY 25 Budget	Variance	Amendment	New Budget
					Clean Cities				
					Revenues				
120	80	41402	1010	Air Quality - Other Reimburse	\$ 314,642	\$ 491,120	\$ 176,478	\$ 42,690	\$ 533,810
Total Revenues					\$ 314,642	\$ 491,120	\$ 176,478	\$ 42,690	\$ 533,810
					Expenses				
120	80	60001	1010	Salaries & Wages - Fulltime	\$ 95,395	\$ 233,873	\$ 138,478	\$ -	\$ 233,873
120	80	61000	1010	Fringe Benefits	44,062	106,138	62,076	-	106,138
120	80	63000	1010	Overhead Allocation	69,673	86,119	16,446	-	86,119
120	80	65101	1010	General Legal Services	6,936	-	(6,936)	15,000	15,000
120	80	73107	1010	Event Support	279	15,000	14,721	-	15,000
120	80	73115	1010	Meeting Support Services	-	1,000	1,000	-	1,000
120	80	73204	1010	Communications - Cellular Phones	321	2,000	1,679	-	2,000
120	80	73601	1010	Seminars/Conferences	-	2,000	2,000	-	2,000
120	80	73611	1010	Travel - Mileage Reimbursement	23	306	284	-	306
120	80	73612	1010	Travel - Ground Transportation	153	2,087	1,934	-	2,087
120	80	73613	1010	Travel - Airfare	518	7,046	6,528	-	7,046
120	80	73620	1010	Travel - Lodging	519	7,060	6,541	-	7,060
120	80	73630	1010	Travel - Meals	-	-	-	-	-
120	80	85101	1010	Consulting Labor	9,061	25,000	15,939	5,000	30,000
Total Expenses					\$ 226,939	\$ 487,630	\$ 260,691	\$ 20,000	\$ 507,630

Western Riverside Council of Governments
Fiscal Year 2024/2025 Mid-Year Budget Amendment
As of December 31, 2024

Fund	Dept	Account	Project	Description	Actual	FY 25 Budget	Variance	Amendment	New Budget
Inland Regional Energy Network - Public Sector									
Revenues									
180	67	41480	2080	IREN - Public Sector	\$ 1,969,292	\$ 6,244,237	\$ 4,274,945	\$ (1,038,000)	\$ 5,221,084
Total Revenues					\$ 1,969,292	\$ 6,244,237	\$ 4,274,945	\$ (1,038,000)	\$ 5,221,084
Expenses									
180	67	60001	2080	Salaries & Wages - Fulltime	\$ 321,381	\$ 787,162	\$ 465,781	\$ -	\$ 787,162
180	67	61000	2080	Fringe Benefits	102,275	327,056	224,781	-	327,056
180	67	63000	2080	Overhead Allocation	211,659	543,519	331,860	-	543,519
180	67	65101	2080	General Legal Services	1,832	20,000	18,168	(10,000)	10,000
180	67	73102	2080	Parking Validations	120	2,000	1,880	(1,500)	500
180	67	73107	2080	Event Support	18,168	50,000	31,832	20,000	70,000
180	67	73108	2080	Program/Office Supplies	89	6,000	5,911	(5,500)	500
180	67	73109	2080	Computer Equipment/Supplies	-	8,000	8,000	(8,000)	-
180	67	73113	2080	Membership Dues	1,000	25,000	24,000	(20,000)	5,000
180	67	73117	2080	Other Household Exp	180	-	(180)	500	500
180	67	73120	2080	Printing Services	-	5,000	5,000	(5,000)	-
180	67	73204	2080	Communications - Cellular Phones	1,023	5,000	3,977	(2,500)	2,500
180	67	73206	2080	Communications - Computer Services	-	-	-	-	-
180	67	73209	2080	Communications - Web Site	-	-	-	-	-
180	67	73601	2080	Seminars/Conferences	3,000	10,000	7,000	(5,000)	5,000
180	67	73611	2080	Travel - Mileage Reimbursement	1,335	37,109	35,773	(34,000)	3,109
180	67	73612	2080	Travel - Ground Transportation	112	3,118	3,006	(2,000)	1,118
180	67	73613	2080	Travel - Airfare	769	21,366	20,598	(15,000)	6,366
180	67	73620	2080	Travel - Lodging	3,181	88,407	85,226	(80,000)	8,407
180	67	73630	2080	Travel - Meals	-	-	-	-	-
180	67	85100	2080	Direct Costs	-	400,000	400,000	(320,000)	80,000
180	67	85101	2080	Consulting Labor	1,112,860	2,905,500	1,792,640	(150,000)	2,755,500
180	67	85182	2080	COG REN Reimbursement	186,895	1,000,000	813,105	(400,000)	600,000
Total Expenses					\$ 1,965,880	\$ 6,244,237	\$ 4,278,357	\$ (1,038,000)	\$ 5,206,237

Western Riverside Council of Governments
Fiscal Year 2024/2025 Mid-Year Budget Amendment
As of December 31, 2024

Fund	Dept	Account	Project	Description	Actual	FY 25 Budget	Variance	Amendment	New Budget
Inland Regional Energy Network - Workforce Education and Training									
Revenues									
180	67	41480	2080	IREN - Workforce Education and Training	\$ 354,129	\$ 2,797,670	\$ 2,443,541	\$ (646,800)	\$ 2,150,870
Total Revenues					\$ 354,129	\$ 2,797,670	\$ 2,443,541	\$ (646,800)	\$ 2,150,870
Expenses									
180	67	60001	2080	Salaries & Wages - Fulltime	58,257	\$ 171,317	\$ 113,060	\$ -	\$ 171,317
180	67	61000	2080	Fringe Benefits	21,133	72,894	51,761	-	72,894
180	67	63000	2080	Overhead Allocation	39,663	133,292	93,629	-	133,292
180	67	65101	2080	General Legal Services	1,832	20,000	18,168	(10,000)	10,000
180	67	73107	2080	Event Support	26,425	50,000	23,575	-	50,000
180	67	73108	2080	Program/Office Supplies	-	5,000	5,000	(5,000)	-
180	67	73113	2080	Membership Dues	29,709	302,000	272,291	(100,000)	202,000
180	67	73601	2080	Seminars/Conferences	-	5,000	5,000	-	5,000
180	67	73611	2080	Travel - Mileage Reimbursement	385	13,651	13,265	(12,000)	1,651
180	67	73612	2080	Travel - Ground Transportation	30	1,062	1,032	(800)	262
180	67	73613	2080	Travel - Airfare	209	7,413	7,204	(6,000)	1,413
180	67	73620	2080	Travel - Lodging	-	-	-	-	-
180	67	73630	2080	Travel - Meals	476	16,874	16,397	(15,000)	1,874
180	67	73650	2080	Training	-	70,000	70,000	(5,000)	65,000
180	67	73703	2080	Supplies/Materials	3,413	-	(3,413)	7,000	7,000
180	67	85101	2080	Consulting Labor	95,247	1,679,167	1,583,920	(500,000)	1,179,167
180	67	85182	2080	COG REN Reimbursement	77,350	250,000	172,650	-	250,000
Total Expenses					\$ 354,129	\$ 2,797,670	\$ 2,443,541	\$ (646,800)	\$ 2,150,870
Inland Regional Energy Network - Codes and Standards									
Revenues									
180	67	41480	2080	IREN - Codes and Standards	\$ 295,498	\$ 1,468,890	\$ 1,173,392	\$ (435,500)	\$ 1,033,390
Total Revenues					\$ 295,498	\$ 1,468,890	\$ 1,173,392	\$ (435,500)	\$ 1,033,390
Expenses									
180	67	60001	2080	Salaries & Wages - Fulltime	37,123	92,837	55,714	\$ -	\$ 92,837
180	67	61000	2080	Fringe Benefits	11,875	36,071	24,196	-	36,071
180	67	63000	2080	Overhead Allocation	24,480	61,482	37,002	-	61,482
180	67	65101	2080	General Legal Services	1,832	20,000	18,168	(10,000)	10,000
180	67	73107	2080	Event Support	-	25,000	25,000	(25,000)	-
180	67	73108	2080	Program/Office Supplies	-	5,000	5,000	(5,000)	-
180	67	73611	2080	Travel - Mileage Reimbursement	-	-	-	-	-
180	67	73612	2080	Travel - Ground Transportation	-	-	-	-	-
180	67	73613	2080	Travel - Airfare	209	-	(209)	500	500
180	67	73620	2080	Travel - Lodging	-	-	-	-	-
180	67	73630	2080	Travel - Meals	-	-	-	-	-
180	67	73703	2080	Supplies/Materials	3,413	-	(3,413)	4,000	4,000
180	67	85101	2080	Consulting Labor	197,259	978,500	781,241	(200,000)	778,500
180	67	85182	2080	COG REN Reimbursement	19,307	250,000	230,693	(200,000)	50,000
Total Expenses					\$ 295,498	\$ 1,468,890	\$ 1,173,392	\$ (435,500)	\$ 1,033,390

Western Riverside Council of Governments
Fiscal Year 2024/2025 Mid-Year Budget Amendment
As of December 31, 2024

Fund	Dept	Account	Project	Description	Actual	FY 25 Budget	Variance	Amendment	New Budget
Regional Energy Pathways (REP) - Gas Co Partnership									
Revenues									
110	67	40605	2400	Gas Co Partnership Revenue	\$ 41,033	\$ 75,000	\$ 48,350	\$ 43,999	\$ 118,999
Total Revenues					\$ 41,033	\$ 75,000	\$ 48,350	\$ 43,999	\$ 118,999
Expenses									
110	67	60001	2400	Salaries & Wages	\$ 21,038	\$ 29,952	\$ 8,914	\$ 23,810	\$ 53,762
110	67	61000	2400	Fringe Benefits	5,893	11,122	5,229	12,797	23,919
110	67	63000	2400	Overhead Allocation	13,455	25,581	12,126	13,228	38,809
110	67	65101	2400	General Legal Services	455	2,500	2,045	(1,600)	900
110	67	73102	2400	Parking Validations	-	100	100	-	100
110	67	73107	2400	Event Support	-	2,000	2,000	(2,000)	-
110	67	73108	2400	Program/Office Supplies	-	500	500	(400)	100
110	67	73115	2400	Meeting Support Services	-	1,500	1,500	(900)	600
110	67	73116	2400	Postage	-	100	100	(100)	-
110	67	73601	2400	Seminars/Conferences	-	350	350	(350)	-
110	67	73611	2400	Travel - Mileage Reimbursement	84	1,295	1,211	(486)	809
110	67	73612	2400	Travel - Ground Transportation	-	-	-	-	-
110	67	73613	2400	Travel - Airfare	-	-	-	-	-
110	67	73620	2400	Travel - Lodging	-	-	-	-	-
110	67	73630	2400	Travel - Meals	-	-	-	-	-
Total Expenses					\$ 40,925	\$ 75,000	\$ 34,075	\$ 43,999	\$ 118,999

Western Riverside Council of Governments
Fiscal Year 2024/2025 Mid-Year Budget Amendment
As of December 31, 2024

Fund	Dept	Account	Project	Description	Actual	FY 25 Budget	Variance	Amendment	New Budget
Regional Early Action Planning (REAP) 2.0									
Revenues									
110	65	41606	2036	REAP Revenue	\$ -	\$ -	\$ -	\$ 550,746	\$ 550,746
				Total Revenues	\$ -	\$ -	\$ -	\$ 550,746	\$ 550,746
Expenses									
110	65	60001	2036	Salaries & Wages - Fulltime	\$ -	\$ -	\$ -	\$ 129,806	\$ 129,806
110	65	61000	2036	Fringe Benefits	-	-	-	6,386	6,386
110	65	63000	2036	Overhead Allocation	-	-	-	64,554	64,554
110	65	65101	2036	General Legal Services	-	-	-	5,000	5,000
110	65	85101	2036	Consulting Labor	-	-	-	345,000	345,000
				Total Expenses	\$ -	\$ -	\$ -	\$ 550,746	\$ 550,746

Summary

General Fund (110) Revenue Increase (Decrease)	\$ 594,745
General Fund (110) Expenditure Increase (Decrease)	\$ 594,745
Clean Cities Fund (120) Revenue Increase (Decrease)	\$ 42,690
Clean Cities Fund (120) Expenditure Increase (Decrease)	\$ 20,000
I-REN Fund (180) Revenue Increase (Decrease)	\$ (2,120,300)
I-REN Fund (180) Expenditure Increase (Decrease)	\$ (2,120,300)
Total Agency Revenue Increase (Decrease)	\$ (1,482,865)
Total Agency Expenditure Increase (Decrease)	\$ (1,505,555)