

## MEMORANDUM

TO : President,  
Constitutional Convention

FROM : Public Auditor

SUBJECT: Request to amend Committee  
Recommendation No. 34

DATE: 07/11/85

Please amend line #10 of Committee Recommendation No. 34 to read:

"...and any unencumbered fund balance  
in a fiscal year shall be available  
for general reappropriation."

I feel that the above amendment clearly implements the  
intention of the delegates.

"Unexpended surplus" does not take into consideration  
encumbered fund balance. Encumbered fund balance is usually  
comprised of open purchase orders and other financial  
commitments which are not invoiced as of the end of the fiscal  
year. The fact that these were not invoiced as of the end of  
the fiscal year does not make the funds available for general  
appropriation.

The phrase "...revert to the general fund" is technically  
incorrect as the Public Auditor's Office is part of the general  
fund for budgetary purposes.



Rex I. Palacios

cc: RF:OF:MF:CCF

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