

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