



Smithsonian Institution

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Proceedings of the Board of Regents Meeting held on February 1, 1988

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Net income from Auxiliary Activities was \$1.4 million, or 5.5%, higher than previously projected. Increases from Smithsonian Magazine, Business Management Activities, and the Smithsonian Press more than offset additional losses of \$295,000 incurred by the Air and Space magazine. Increases in income, coupled with decreases in spending in both programmatic and administrative areas, allowed the Institution to restore its General Unrestricted Trust Fund balance to \$5.2 million a year earlier than planned and to establish needed reserves for 1988.

As proposed in writing to the Executive Committee, three reserves were set up in the process of closing out the Trust Funds for fiscal year 1987. First, an amount of \$2.0 million was set aside at year end as a contingency for Quadrangle construction costs (should there be delays in the settlement of the sale of African Art Museum properties on Capitol Hill). Secondly, \$1.5 million was added to the reserve for the construction of the National Air and Space Museum Restaurant, allowing the Institution the flexibility of accelerating payment of construction and interest costs and, in so doing, freeing up future concession revenues for programmatic needs. And finally, \$200,000 was set aside to complete the implementation and documentation of the first phase of the new Payroll/Personnel System which was implemented on November 5, 1987. After consulting with the independent auditors, the Executive Committee concluded that the establishment of these reserves was both necessary and prudent. Accordingly, it was

VOTED that the Executive Committee, acting on behalf of the Board of Regents, approves amending the fiscal year 1987 Trust Fund budget to permit the establishment of reserves for Quadrangle construction, National Air and Space Museum terrace restaurant initial costs, and additional work on the Personnel/Payroll system.

Coopers and Lybrand completed the audit of the Institution's fiscal year 1987 financial activity on December 24 and gave the Institution an unqualified opinion.

Fiscal Year 1988 - Budget

Federal Appropriation: Final Federal appropriations total \$230,151,000 or some \$1,415,000 over the amount requested and \$19.6 million over the fiscal year 1987 level of funding. Detail by appropriation account is presented in the following chart:

FY 1988

[[5 columns]]

(\$1,000's) | Request to Congress | House Action | Senate Action | Appropriations

Salaries and Expenses | \$204,862 | 203,635 | \$200,946 | \$201,432

Construction: Whipple Observatory Base Camp | 4,470 | 1,315 | 1,000 | 1,315

Other | -0- | -0- | 1,585 | -0-

-v-

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Total	FY 1988			
	Request to Congress	House Action	Senate Action	Appropriations
Salaries and Expenses	\$204,862	\$203,635	\$200,946	\$201,432
Construction:				
Whipple Observatory Base Camp	4,470	1,315	1,000	1,315
Other	-0-	-0-	1,585	-0-
National Zoological Park	5,150	7,440	8,150	8,150
Restoration & Renovation of Buildings	14,254	14,254	17,440	15,254
Special Foreign Currency Program	-0-	-0-	-0-	-0-
Total	\$229,736	\$229,854	\$229,550	\$230,151

National Zoological Park | 5,150 | 7,650 | 8,150 | 8,150

Restoration & Renovation of Buildings | 14,254 | 19,254 | 17,669 |
19,254

Special Foreign Currency Program | -0- | -0- | -0- | -0-

Total | \$228,736 | \$231,854 | \$229,350 | \$230,151

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