

Agenda Item Number 12.C

Second Quarter Financial Report

Presenter: George Kloeppe

Action Recommended: Accept Report, Consent Agenda

Background:

The attached report compares LCOG's actual cash experience to the adopted FY 2006-2007 Budget. The report covers the six-month period from July through December 2006. With one half of the fiscal year completed, a reasonable target for both expenses and revenues would be 50 percent. However, this report does not reflect accruals, such as accounts receivable and accounts payable. In addition, not all of the agency's revenues and expenses occur in a monthly or quarterly cycle. Consequently, the report offers a better picture of LCOG's cash position on December 31 than it does the agency's overall financial situation.

At the mid-year point, revenues (at 57 percent of budget) exceeded expenses (46 percent) by \$2,841,703.

The agency's financial situation reflected in this Report is positive. Because the "Personal Services" (staff cost) line item is a large element of LCOG's total budget, it is useful to note that, at the mid-point in the fiscal year, 48 percent of the appropriation in that line item had been expended to meet staffing expenses. The most visible deviation from the 50 percent target on the expense side of this report lies in the Capital Outlay line item—129 percent of budget. Higher than anticipated, but entirely appropriate, capital costs were incurred for carpeting in making the third floor of the Schaefers Building ready for new long term tenants. Such increased costs will be reflected in the revised budget and will be recouped through rental revenue over time.

Staff will be prepared to respond to any questions, which Board members may have regarding the financial experience during the first half of this fiscal year.