

# **Agenda Item Number 12.B.**

## **Third Quarter Financial Report**

**Presenter:** George Kloeppe

**Action Recommended:** Information Only

### **Background:**

The attached report compares LCOG's actual cash experience to the adopted FY 2005-2006 Budget. The report covers the nine-month period from July 2005 through March 2006. With three-quarters of the fiscal year completed, a reasonable target for both expenses and revenues would be 75 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. Hence, the report offers a better picture of LCOG's cash position on March 30 than it does the agency's overall financial situation. Finally, the comparisons between transactions (receipts and expenditures) and the Budget are tied to the original FY 2005-06 Budget, adopted in June 2005. This month, the Board will receive a recommendation from its Budget Committee to revise the current year's budget, incorporating the changes which have come to light on both the revenue and expenditure sides of the agency's operation over the first ten months of the year.

At the nine-month point in the fiscal year, revenues (at 79 percent of budget) exceeded expenses (66 percent) by \$3,105,218.

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 75 percent milestone in our journey through the fiscal year, 70 percent of the appropriation in that line item had been expended to meet staffing expenses.

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.