

Agenda Item Number 12.

Third Quarter Financial Report

Presenter: George Kloeppel

Action Recommended: None. Information and Discussion Only

Background:

The attached report compares LCOG's actual cash experience to the Revised FY 2002-2003 Budget, recommended for Board approval this month. The report covers the nine-month period from July 2003 through March 2004. With one three-quarters of the fiscal year completed, a reasonable target for both expenses and revenues would be 75 percent. However, as has been noted previously, 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 March 31 than it does the agency's overall financial situation.

At the end of the third quarter, revenues (at 73 percent of budget) exceeded expenses (62 percent) by \$2,293,069. Revenue in the form of "reserves"—designated and undesignated—totaled \$4,244,677. Obviously, our positive cash position is made possible by budgeted reserves, and this underscores the importance of reserves to an operation such as ours.

Overall, the financial situation reflected in this Report is positive and healthy. The most telling line-item marker for LCOG's expenditures is always "Personal Services" (staff costs). Through nine months of the year, 73 percent of the budgeted appropriation in this category was paid to meet staffing expenses.

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