

# Agenda Item Number 12.A.

## Second Quarter Financial Report

**Presenter:** George Kloeppe

**Action Recommended:** None. Information Only.

### Background:

The attached report compares LCOG's actual cash experience to the adopted FY 2007-2008 Budget. The report covers the six-month period from July through December 2007. 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 70 percent of budget) exceeded expenses (45 percent) by \$6,598,748. The higher proportional revenue amounts are primarily the result of the refinancing of real estate—Local Revenue.

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—348 percent of budget. Improvements in the Springfield building for the benefit of our tenant, the Oregon Department of Transportation, and the acquisition of a new delivery vehicle for the Senior Meals Program account for the bulk of the higher-than-projected expenditures. Such increased costs will be reflected in the revised budget.

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.

