Agenda Item Number
13.d.

Mid-Year Financial Report

Presenter: George Kloeppel

Action Recommended: None. Information Only.

Background:

The attached report compares LCOG's actual cash experience to the adopted FY 2010-2011 Budget. The report covers the six-month period from July through December 2010. 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 (40 percent) by $5,677,406.

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—224 percent of budget. While $51,668 was budgeted in this category for FY 2010-11, the expenditure pattern has for several years been closer to $100,000. Two necessary expenditures in the S&DS division account for the skewing: A new $51,000 truck (meal service vehicle) was purchased, as was a $13,000 copier. The two purchases, while appropriate and necessary, substantially exceeded the division's capital budget appropriation. Increased costs, when justified and authorized, will be reflected in the revised budget, expected to come before the Budget Committee and Board in April.

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.