



January 5, 2012

**To:** LCOG Executive Committee

**From:** George Kloeppe

**Subject:** Mid-Year Financial Report

Attached is the initial version of the report, slated to go to the Board of Directors in February. As noted below, the revenue and expense data for the second quarter in the real estate enterprise fund is not available as yet. We expect it to be included in a modified version of this report when it goes to the Board. This is presented for the Committee's review.

The report compares LCOG's actual cash experience to the adopted FY 2011-2012 Budget. It covers the six-month period from July through December 2011. 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, this 2<sup>nd</sup> Quarter Report does not include all of the transactions (income and expense) through mid-year for the real estate enterprise fund. Finally, please note that 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 54 percent of budget) exceeded expenses (37 percent) by \$5,720, 309.

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, 46 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—122 percent of budget. While \$120,171 was budgeted in this category for FY 2011-12 and \$146,905 was spent, the expenditure pattern during the first half of the year included a new walk-in freezer for the Senior Meals Program kitchen and more "government access" video equipment for Eugene-Springfield Fire and Emergency Services. Increased costs, when justified and authorized, will be reflected in the revised budget, expected to come before the Budget Committee and Board in April.