

May 6, 2010

To: LCOG Executive Committee

From: Bob Swank

Subject: Financial Review of the LCOG Owned Real Estate

At the April Executive Committee meeting Greg James requested a review of the LCOG owned real estate. An operating revenue and expense summary for the last two fiscal years, and the Adopted Budget for FY10 and the Proposed Budget for FY11 for each of the three buildings is attached.

This presentation of the revenue and expense is different than the format in the LCOG Annual Financial Statements. In the Annual Financial Statements the refinanced debt on the Schaefers Building and the Springfield Building are not included in the Enterprise Fund for the buildings, but in the LCOG Board fund.

All three buildings have consistent expense in most categories. The Schaefers Building and the Springfield have long term leases that result in full occupancy for the buildings. The Park Place Building has about ten tenants so there is more frequent change in revenue and vacancy. All three buildings require some cash on an annual basis, but they all increase in equity each year.

More information can be provided if needed.