

**STAFF REPORT**  
**City of Lancaster, California**

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Date: July 24, 2007

To: Mayor Hearn and City Council Members

From: Lyle W. Norton, Director, Parks, Recreation and Arts

Subject: **Sponsorship Funds Carry Forward**

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**Recommendation:**

Appropriate \$70,973.40 to account 101-4640-225 in sponsorship revenues from FY 06-07 to support FY 07-08 special events.

**Fiscal Impact:**

The Parks, Recreation & Arts Department raised \$70,973.40 above what it expended in sponsorship funds in FY 2006/07. These funds should be carried forward to 2007/08 to support the events for which the donations were made.

**Background:**

For the past several years, the Parks, Recreation and Arts Department has been encouraged to solicit sponsorships to cover event costs above and beyond the general fund allocated budget. Sponsorship funds enable the Department to create the caliber of events the public has come to expect and enjoy.

Sponsorship funds are used to cover entertainment costs, as well as promote the sponsor through banners and advertising. Due to the advance planning needed to implement special events, sponsorship revenue is often collected in one fiscal year for an event in the following fiscal year.

For several years, the Department has generated more sponsorship dollars than expended; these funds have been carried forward from year to year so that we have the funding to follow-through on sponsor commitments.

In accordance with sponsorship contracts, all funds raised will be utilized to support special events, therefore, total expenditures for FY 2007/08 will be \$132,473.40 (101-4640-225). The amount is equal to the surplus sponsorship revenue generated in FY 2006/07 (\$70,973.40), plus the \$61,500 the department will generate in FY 2007/08.