

TO: Finance and Personnel Committee

DT: February 26, 2010

FM: Herbert Pike, Finance Director

Re: Financial Reports  
--January 2010

The following are highlights of the financial reports for January 2010.

Cash on Hand (Figure 1)

Cash on hand increased to \$1.47 million on January 31st from \$0.94 million on December 31. The increase is largely attributed to the receipt of some \$500 thousand of Bay Trail funds that have yet to be expended. The January balance includes approximately \$1.04 million invested in the Local Agency Investment Fund (LAIF). Currently, ABAG does not hold any other investments. The January 31st cash balance is approximately \$230 thousand more than the prior year, the latter being attributed to more timely reimbursement from granting agencies, especially the State.

Receivables (Figure 2)

Receivables from grant and service programs amounted to about \$3.68 million on January 31, an increase of \$406 thousand from the month prior. Upwards of half the increase is attributed to the pending approval by CalTrans of ABAG's indirect overhead rate, until which time the billed overhead reimbursements are suspended. The balance of the increase results from more personnel time committed to grant-reimbursable projects (following the holiday season). Compared to December 31 of the year prior, the total reflects an increase of approximately \$253 thousand.

Actual vs. Budgeted Expenses (Figure 9)

Total expenses through January 31 amounted to about \$9.92 million, or 43.10 percent, of projected annual expenses of \$23.01 million for FY 09-10.

Actual vs. Budgeted Revenues (Figure 10)

As of January 31st, total revenues amounted to about \$9.57 million, or 41.77 percent, of projected annual revenue of \$22.91 million for FY 09-10.

As of January 31st, both revenues and expenses are below "projected" annual totals. While revenues and expenditures might be expected to be 58.3 percent after the first seven months of the new fiscal year, they are less than projections, largely due to the timing of consultant and sub-contractor expenses that lag in getting the billings in for the work performed and, consequently, getting billed and reimbursed for completed work. Consultant and sub-contractor expenses may be expected to accelerate during the balance of the fiscal year.

Fund Equity (Figure 5)

As of January 31st, general fund equity was approximately \$706 thousand, a decrease of \$99 thousand from December 31st. The Agency's restricted fund equity, consisting of capital, self-insurance and building maintenance, remained unchanged at \$510 thousand.

#### Indirect Cost (Figure 6)

The agency's actual indirect cost (overhead) rate was 43.79 percent of direct labor cost as of January 31, or about 0.84% above the budgeted rate of 42.95 percent for FY 09-10. Most of the excess charges are due to revised allocations of employees' time between Agency Administration/Communications and General Overhead. These issues have been identified and rates are expected to further converge toward the expected rate over the next several months.

#### Overall (Figures 3, 4, 7 & 8)

At January 31, the Agency's net financial position is reasonably close to forecast with a deficit of roughly \$347 thousand, or 3.63 percent of year-to-date revenues. While the cash balance was temporarily relieved by the receipt of Bay Trail RDP funds, it is committed to Bay Trail construction projects that will need to be paid. The rebound of the Agency's financial position should occur during the balance of the fiscal year as the relative reduction in vacation and holiday leave results in higher percentage of labor costs to be charged against grant reimbursable activities.

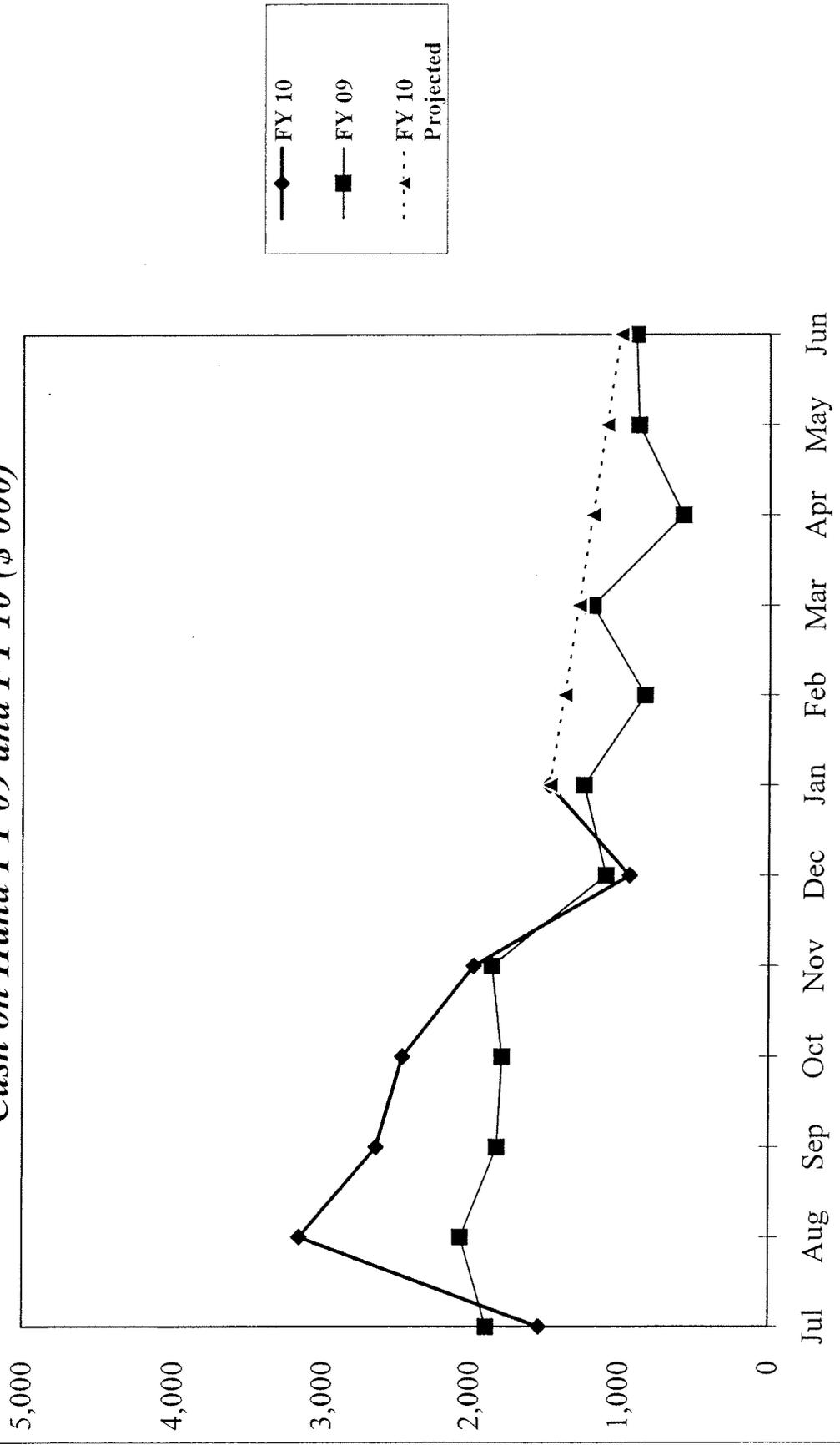
# ABAG FINANCIAL REPORTS

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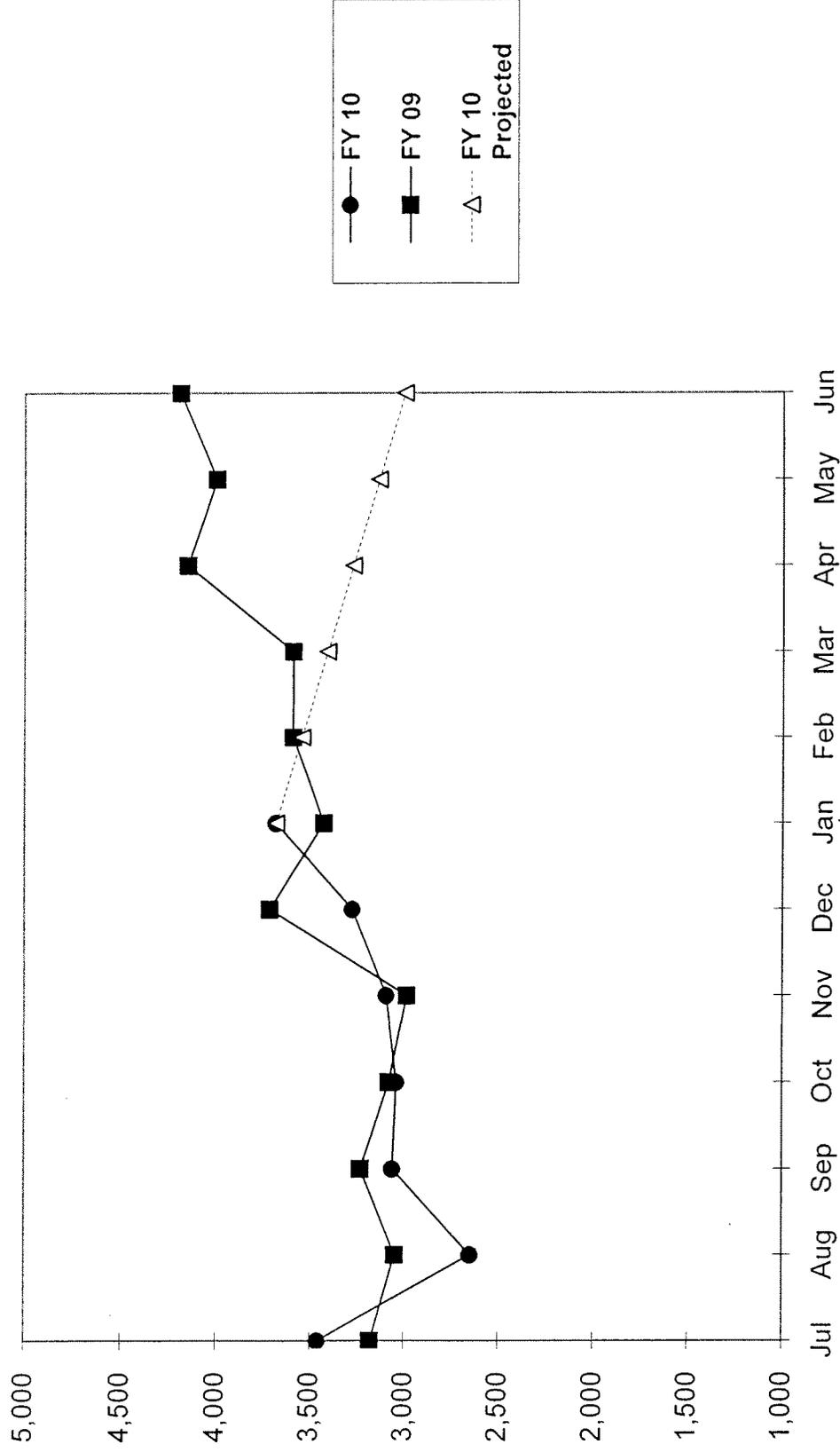
# ABAG Financial Indices

## Cash on Hand FY 09 and FY 10 (\$'000)



# ABAG Financial Indices

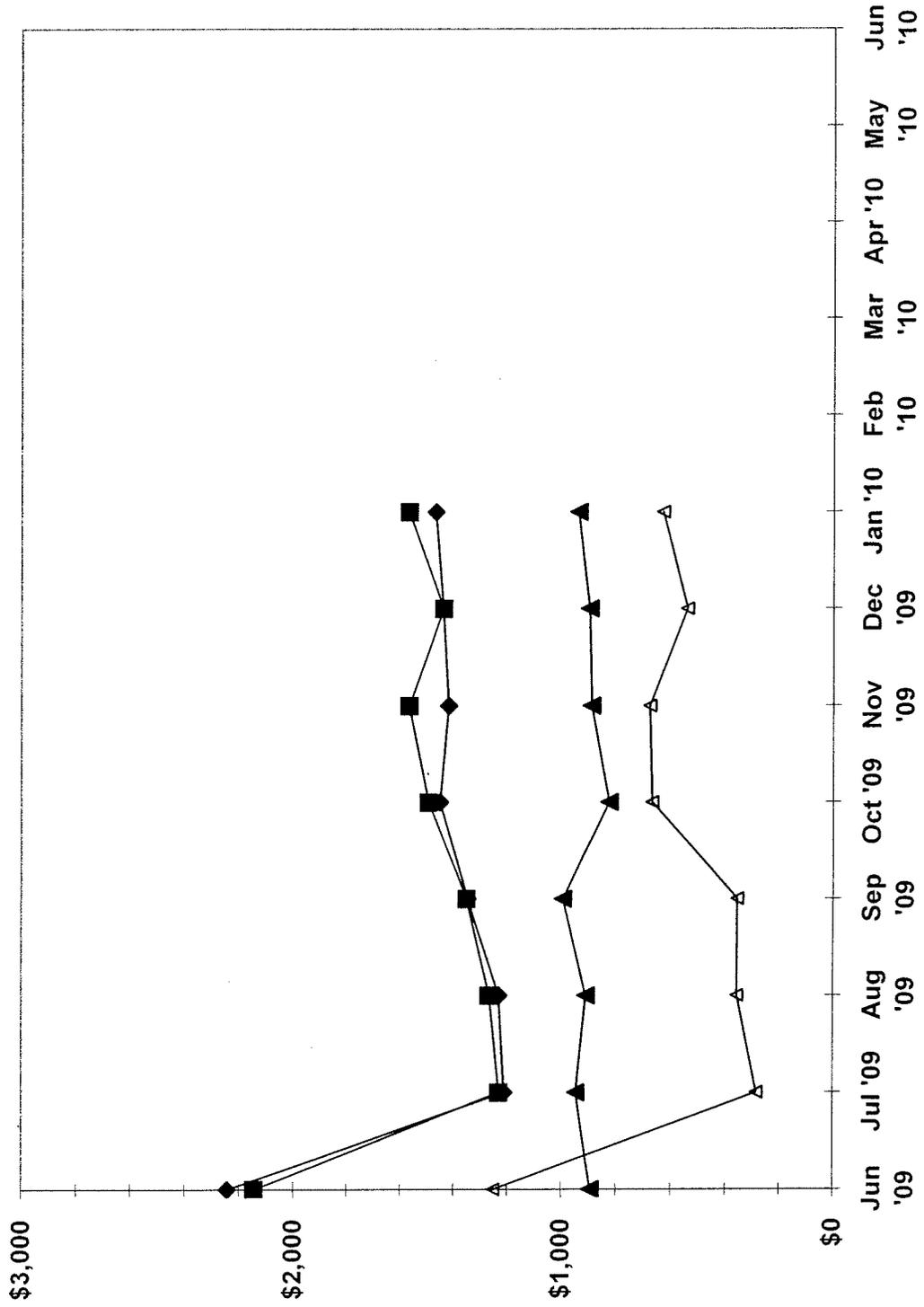
*Accounts Receivable FY 09 and FY 10 (\$'000)*



# ABAG Financial Indices

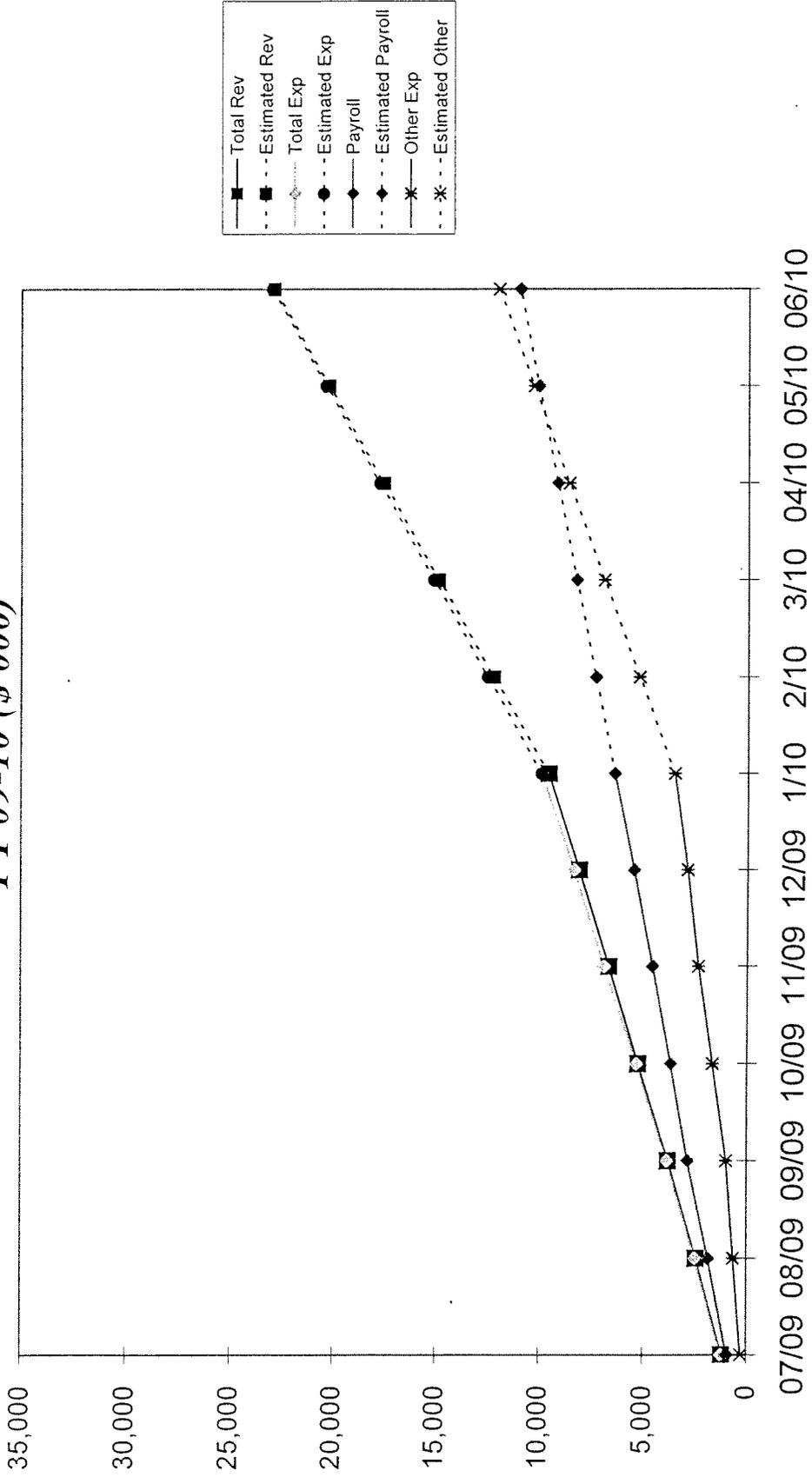
## Current Month Revenues & Expenses

### FY 09-10 (\$'000)



# ABAG Financial Indices

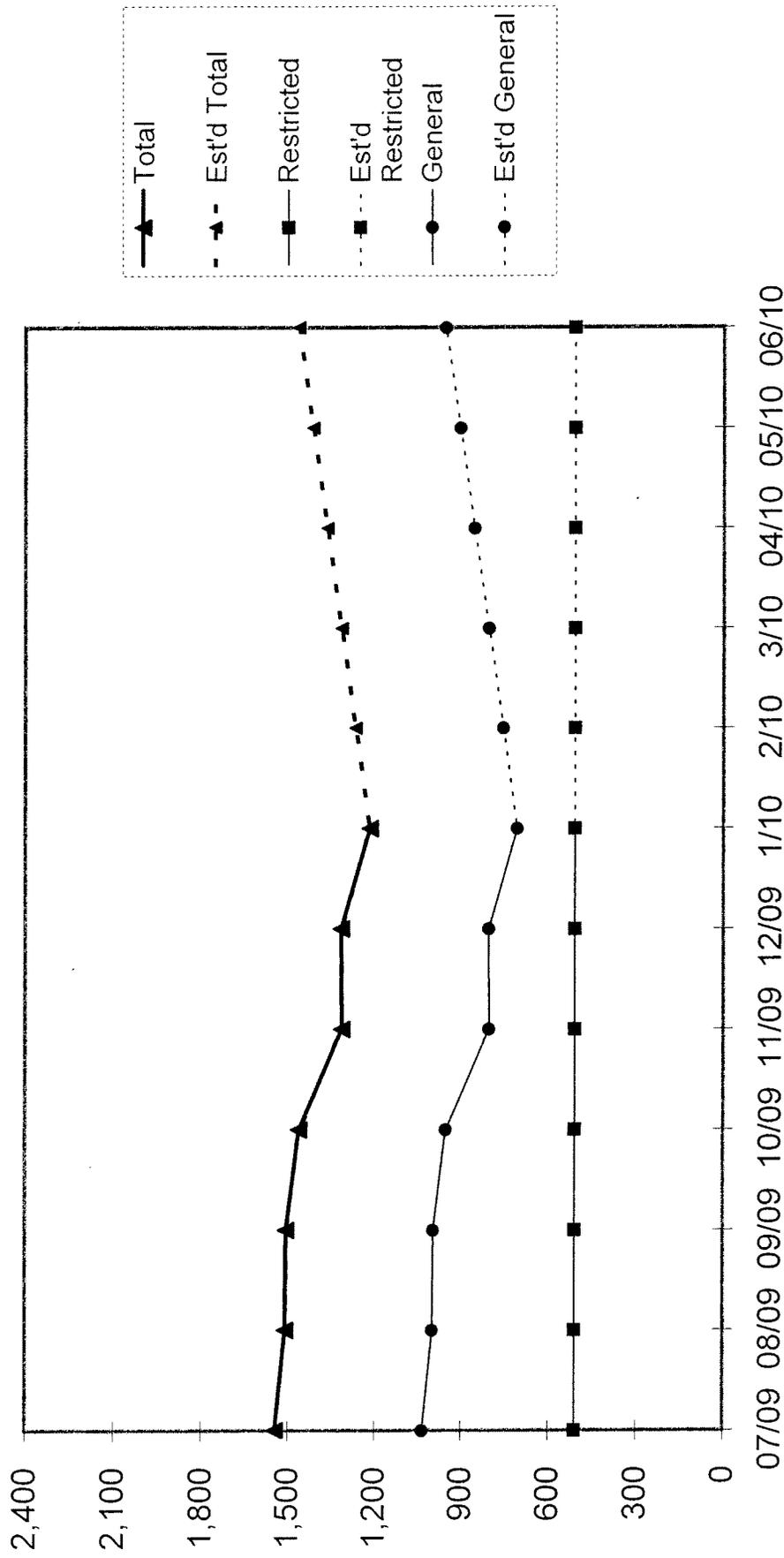
## Year-to-date Revenues & Expenses FY 09-10 (\$'000)



# ABAG Financial Indices

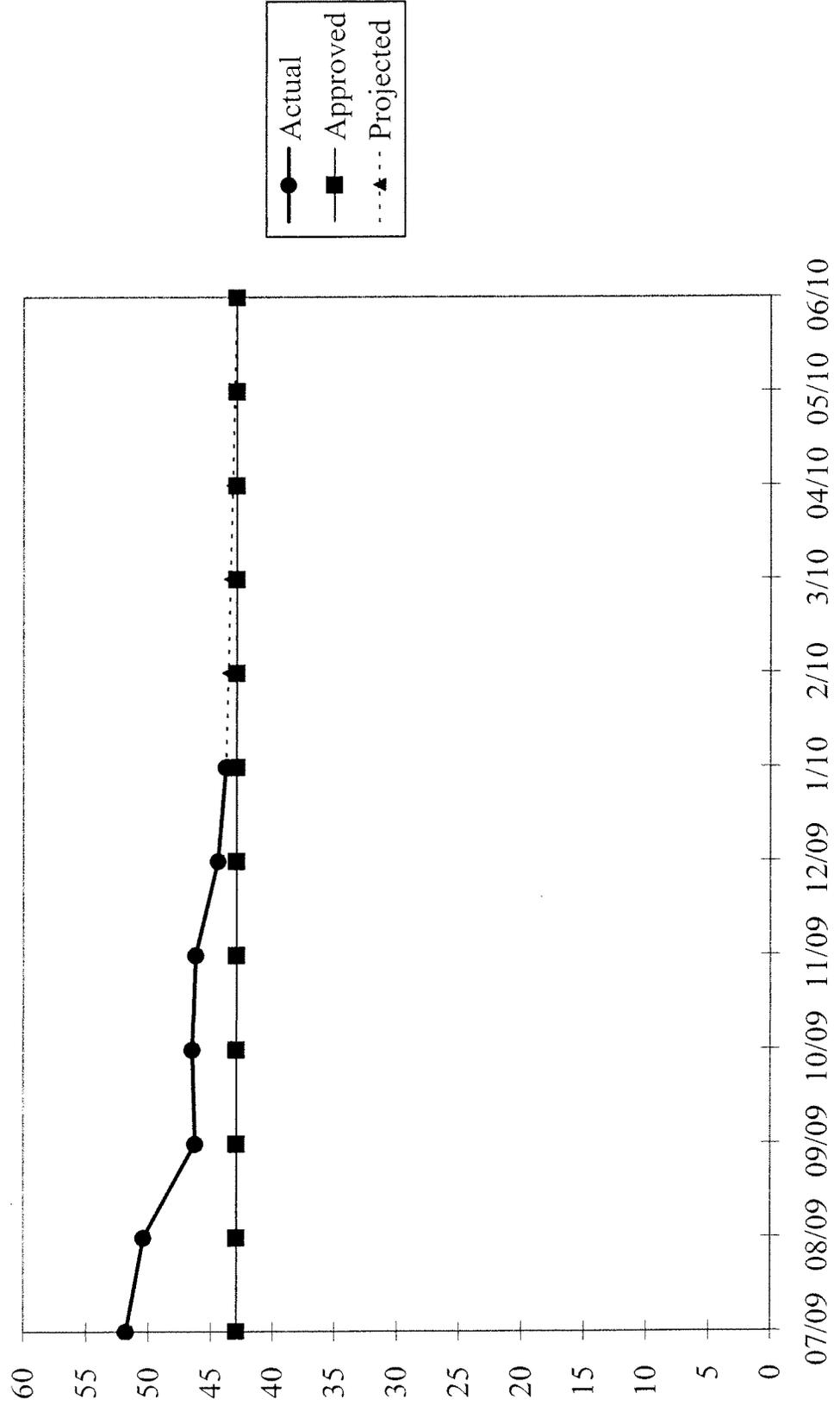
## Fund Equity

### FY 09-10 (\$'000)



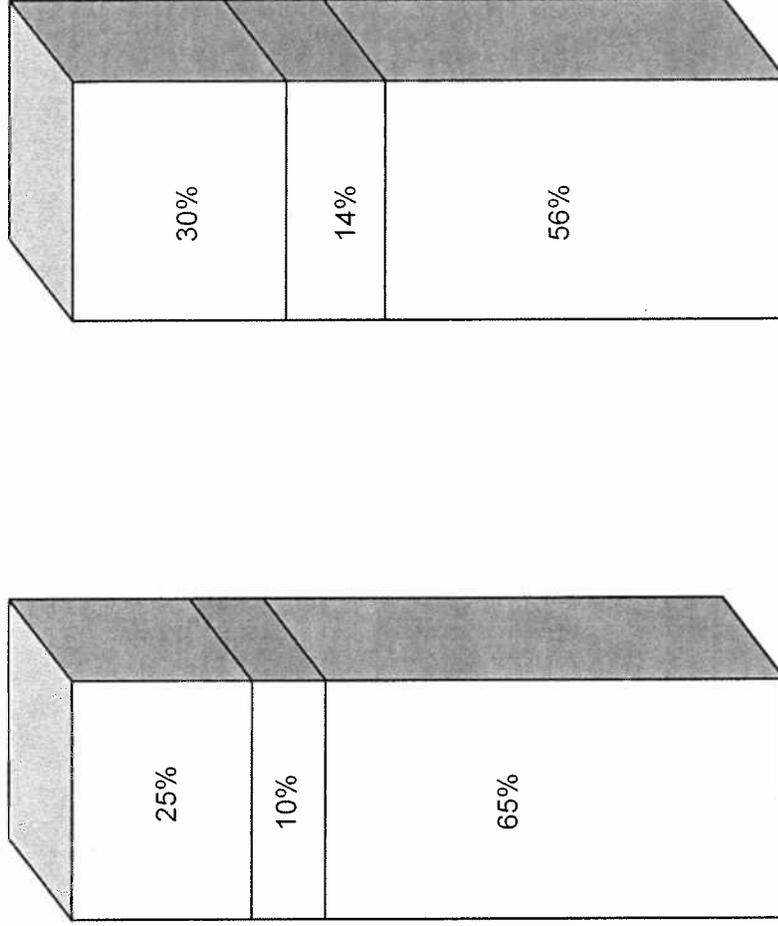
# ABAG Financial Indices

## Indirect Cost Rate (% of Direct Labor Cost) FY 09-10



# ABAG Financial Indices

## Composition of Expenses FY 09--FY 10 Year to Date (\$'000)



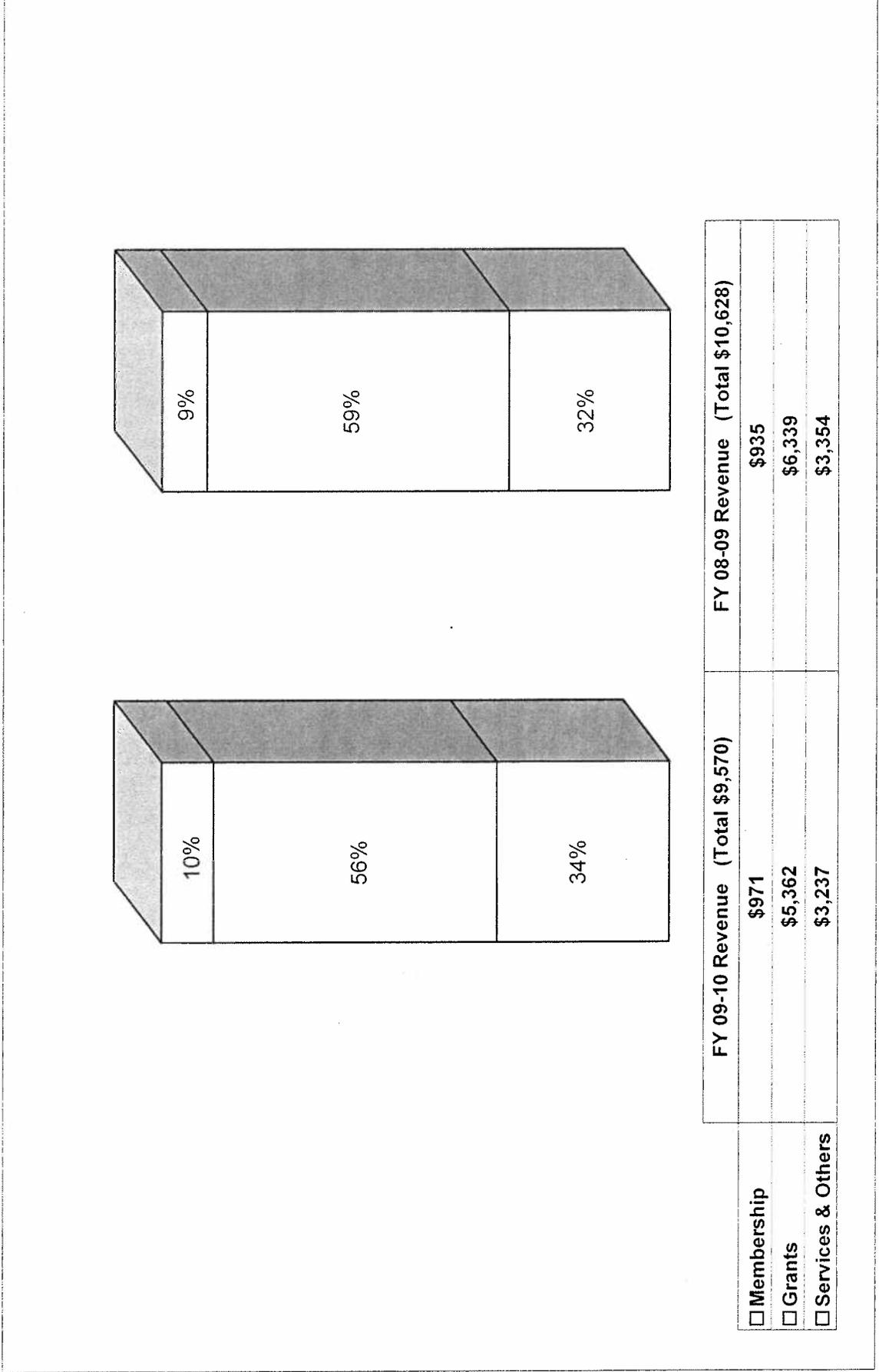
	FY09-10 Expenses (Total \$9,917)	FY08-09 Expenses (Total \$10,811)
<input type="checkbox"/> Consultants	\$2,487	\$3,215
<input type="checkbox"/> Others	\$1,027	\$1,510
<input type="checkbox"/> Payroll	\$6,403	\$6,085

# ABAG Financial Indices

## Composition of Revenues FY 09--FY 10

### Year to Date

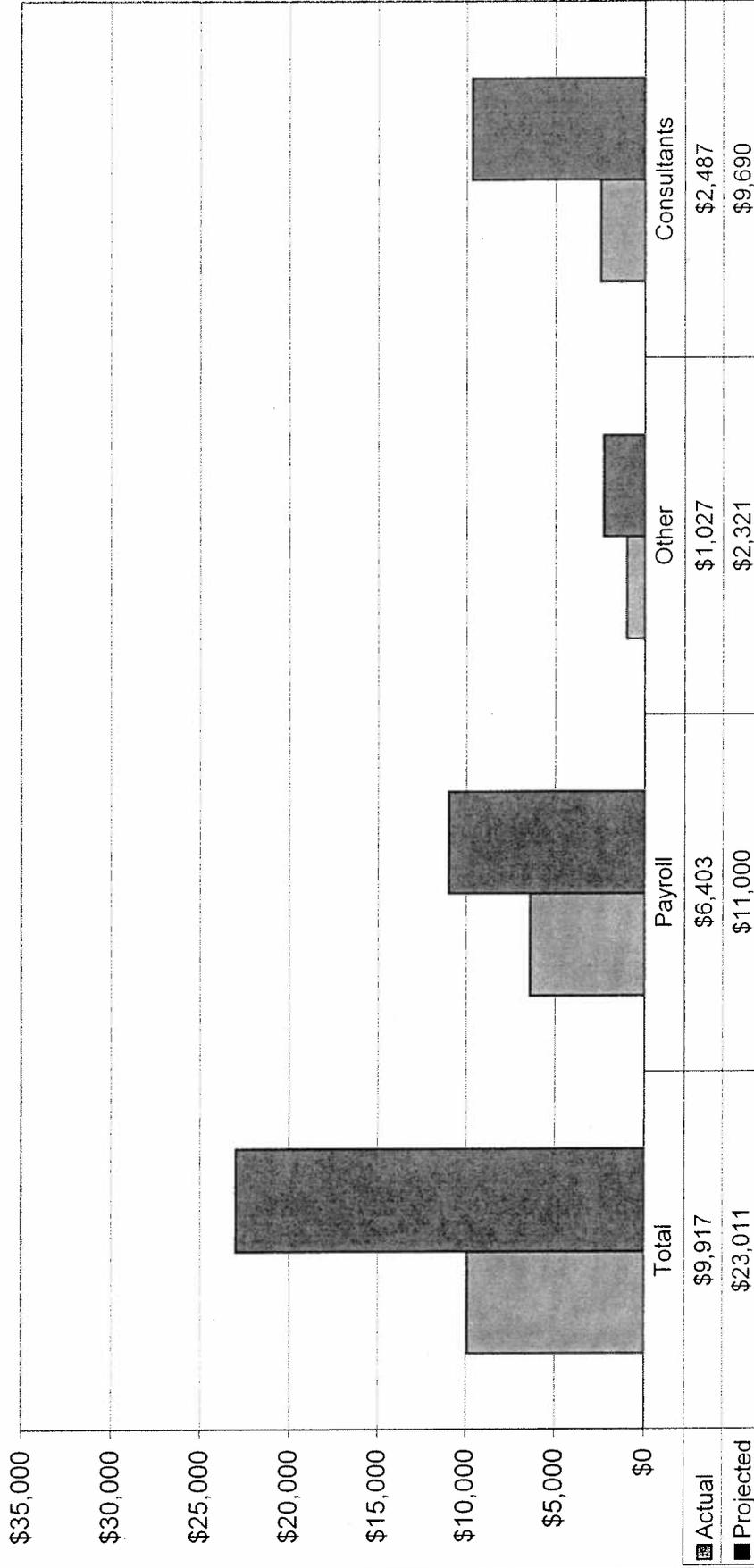
(\$'000)



# ABAG Financial Indices

## Actual vs Projected Expenses--FY 09-10

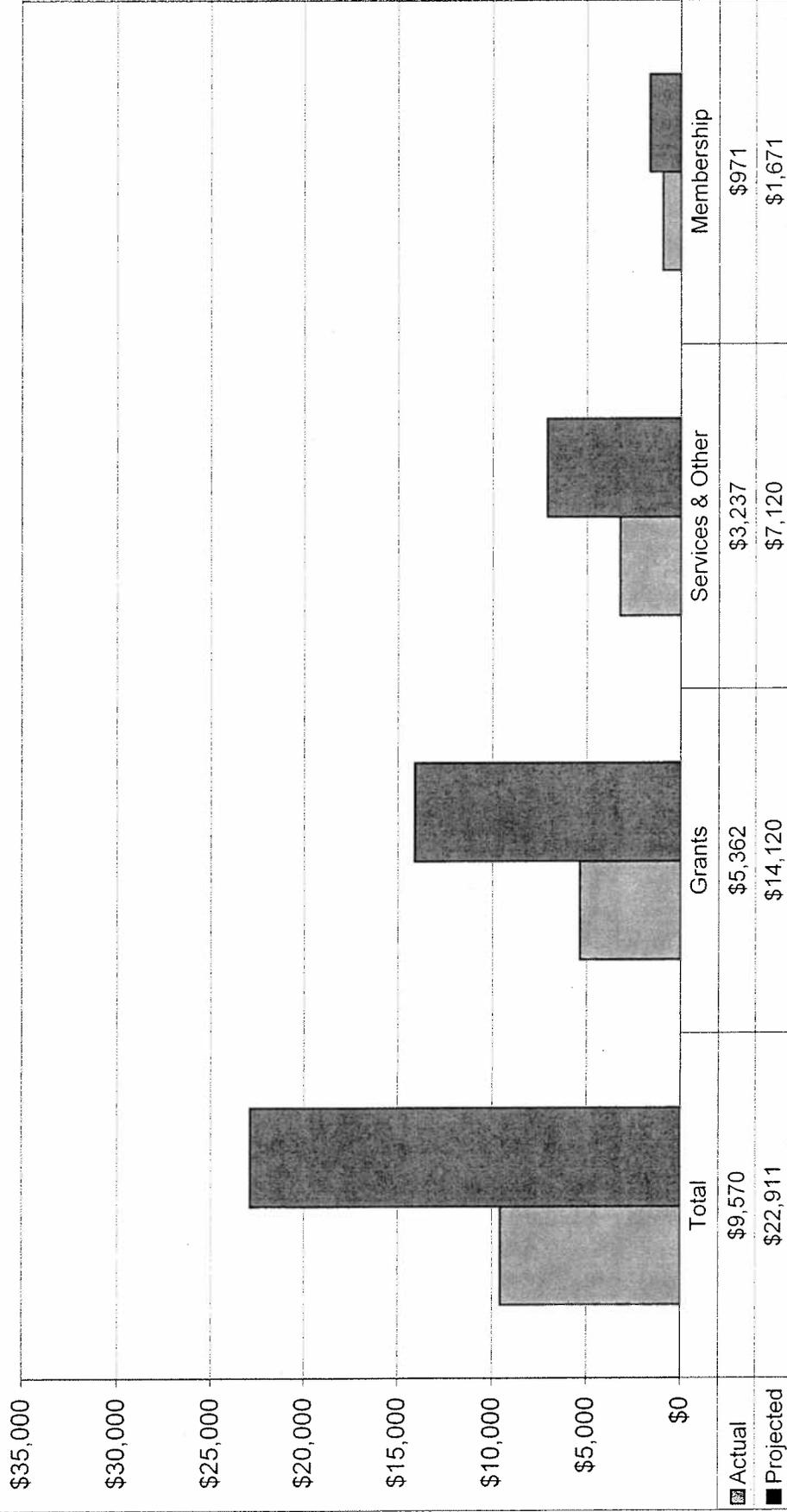
### Year to Date (\$'000)



## ABAG Financial Indices

### Actual vs Projected Revenues--FY 09-10

#### Year to Date (\$'000)



## Description of Charts

### Figure 1 -- Cash on Hand

Cash on hand represents the sum total of cash deposited at our bank and the Local Agency Investment Fund (LAIF). This chart shows fluctuation patterns of cash on hand for the current and last fiscal years.

### Figure 2 -- Accounts Receivable

Accounts receivable tracked by this chart include receivables generated by grants and service programs over two fiscal years. This chart reflects the reasonableness of our receivable levels. We usually have about six weeks' worth of our annual revenues in receivables.

### Figure 3 -- Current Month Revenues and Expenses

Presents month by month total revenues, total expenses, payroll and other expenses for the current fiscal year. The difference between total revenues and total expenses lines represents the overall current month net surplus (or deficit) for the agency.

### Figure 4 -- Year-to-date Revenues and Expenses

Presents year-to-date total revenues, total expenses, payroll and other expenses for the current fiscal year. The difference between total revenues and total expenses lines represents the overall year-to-date net surplus (or Deficit) for the agency.

### Figure 5 --Fund Equity

Presents general, restricted and total fund equities for the current fiscal year. General fund equity represents unrestricted equity. Restricted equities include building bond interest, building maintenance, self-insurance and capital. These restricted equities represent the agency's equities set aside for specific purposes as approved by the Finance and Personnel Committee. Total equity is the sum total of general and restricted equities.

### Figure 6 -- Indirect Cost Rate (% of Direct Labor Cost)

This chart shows a comparison between the actual indirect cost rate and the approved rate. The approved indirect cost rate is computed by dividing total estimated overhead expenses by total projected direct labor cost for a fiscal year. This rate is used as a standard overhead cost rate to allocate indirect costs to all projects. This process is performed in accordance with an indirect cost plan, which is prepared annually in accordance with OMB A-87.

### Figure 7 – Composition of Expenses

This chart compares expenses for current and last fiscal years. It groups expenses into two broad categories -- payroll costs and other expenses.

### Figure 8 -- Composition of Revenues

Presents a break down of total revenues into four main sources -- membership, grants, services and others. This chart compares revenue sources between current and last fiscal years.

### Figure 9 -- Actual vs. Budgeted Expenses

Presents a comparison of actual and budgeted total expenses as well as component categories: payroll costs, consultants and other expenses.

### Figure 10 -- Actual vs. Budgeted Revenues)

Presents a comparison of actual and budgeted total revenues as well as component categories: membership dues, grants, services and other.

