

TO: Finance and Personnel Committee

DT: August 31, 2010

FM: Herbert Pike, Finance Director

Re: Financial Reports  
--July 2010

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

Cash on Hand (Figure 1)

Cash on hand increased to \$1.96 million on July 31st from \$1.09 million on June 30th. The increase is attributed primarily to the annual influx of dues. The July balance includes approximately \$1.26 million invested in the Local Agency Investment Fund (LAIF). Currently, ABAG does not hold any other investments. The July 31st cash balance is approximately \$425 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 \$3.18 million on July 31st, a decrease of \$410 thousand from the month prior. The decrease is primarily attributable to delay of billing for new fiscal year expense in deference to concentrating on prior fiscal year (June) billing activity and the delayed billing by contractors until the end of the quarter. July receivables are about \$272 thousand less than the year prior.

Actual vs. Budgeted Expenses (Figure 9)

Total expenses through July 31st amounted to about \$1.16 million, or 5.0 percent, of the budgeted annual expense of \$23.09 million for FY 10-11.

Actual vs. Budgeted Revenues (Figure 10)

As of July 31st, total revenues amounted to about \$1.03 million, or 4.5 percent, of the budgeted annual revenue of \$23.09 million for FY 10-11.

As of July 31st, both revenues and expenses are below pro rated (8.3 percent) "projected" annual totals. While revenues and expenditures might be expected to be 8 percent after the first month 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 July 31st, general fund equity was approximately \$889 thousand, a decrease of \$132 thousand from June 30th. The decrease is primarily attributed to the extensive use of accrued leave; when staff is working on a project, leave accrual costs are charged, while the actual use of leave is charged against the leave accrued. The Agency's restricted fund equity, consisting of capital, self-insurance and building maintenance, remained unchanged at \$510 thousand.

**AGENDA ITEM 4-B**

Indirect Cost (Figure 6)

The Agency's actual indirect cost (overhead) rate was 47.38 percent of direct labor cost as of July 31st, or about 4.43% above the budgeted rate of 42.95 percent for FY 10-11. Much of the overage is attributed to the high percentage of non-chargeable personnel expense (leave usage) and the concentration of various administrative activities necessary in transitioning between fiscal years. For the same month in the prior year, the rate was 51.81 percent but ended at 42.95 percent for the year. Likewise, the current rate is expected to converge toward the budgeted rate as the year progresses.

Overall (Figures 3, 4, 7 & 8)

At July 31st, the Agency's net financial position is somewhat askew from the forecast with a deficit of roughly \$132 thousand, or about 12.8 percent of year-to-date revenues. This is attributed primarily to the draw down of leave accruals and some one-time annual expenditures. The variance will need to be closely monitored. If the anticipated convergence of revenues and expenditures is not realized over the next several months, corrective actions will be needed.

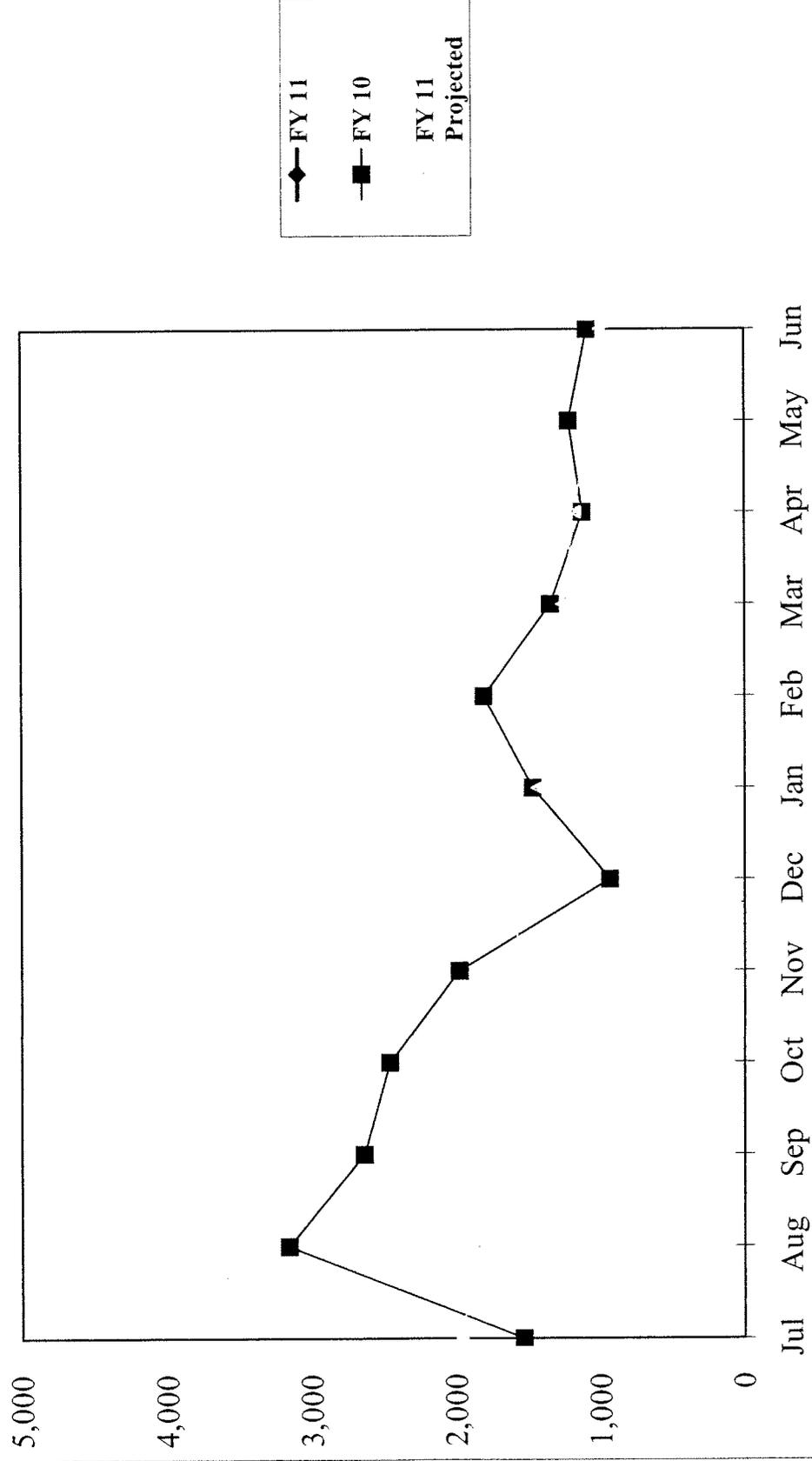
# ABAG FINANCIAL REPORTS

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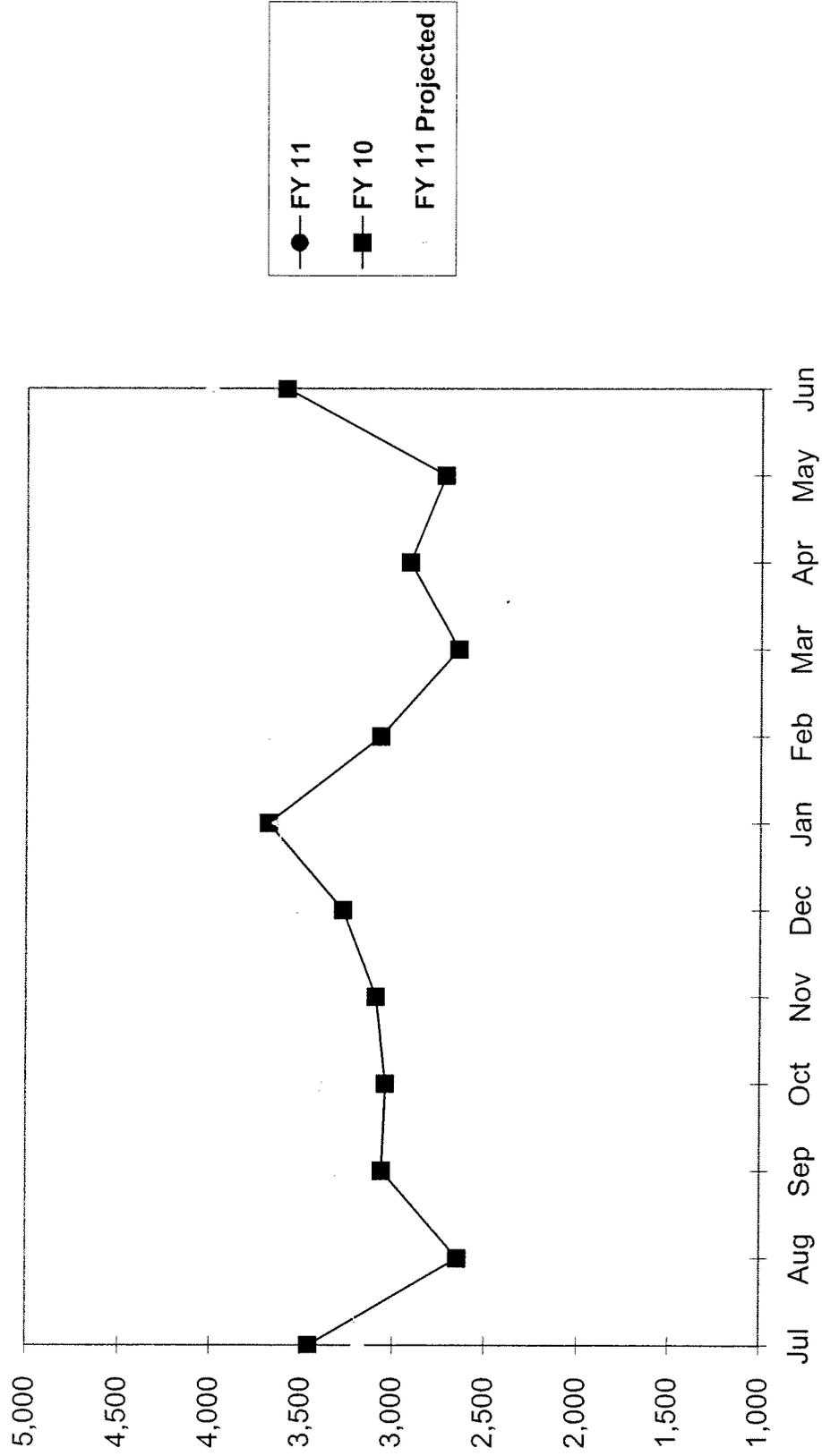
# ABAG Financial Indices

## *Cash on Hand FY 10 and FY 11 (\$'000)*



# ABAG Financial Indices

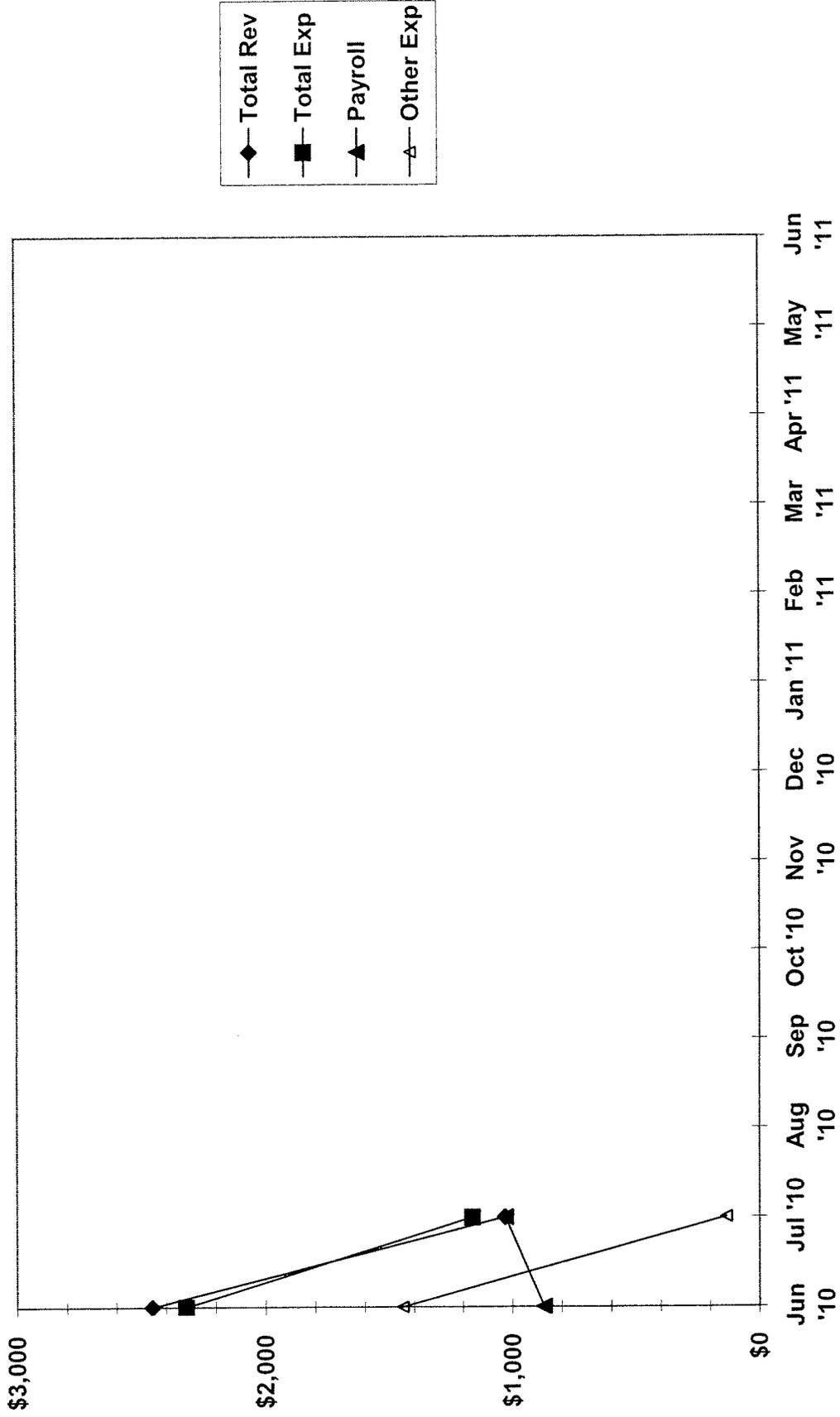
## Accounts Receivable FY 10 and FY 11 (\$'000)



# ABAG Financial Indices

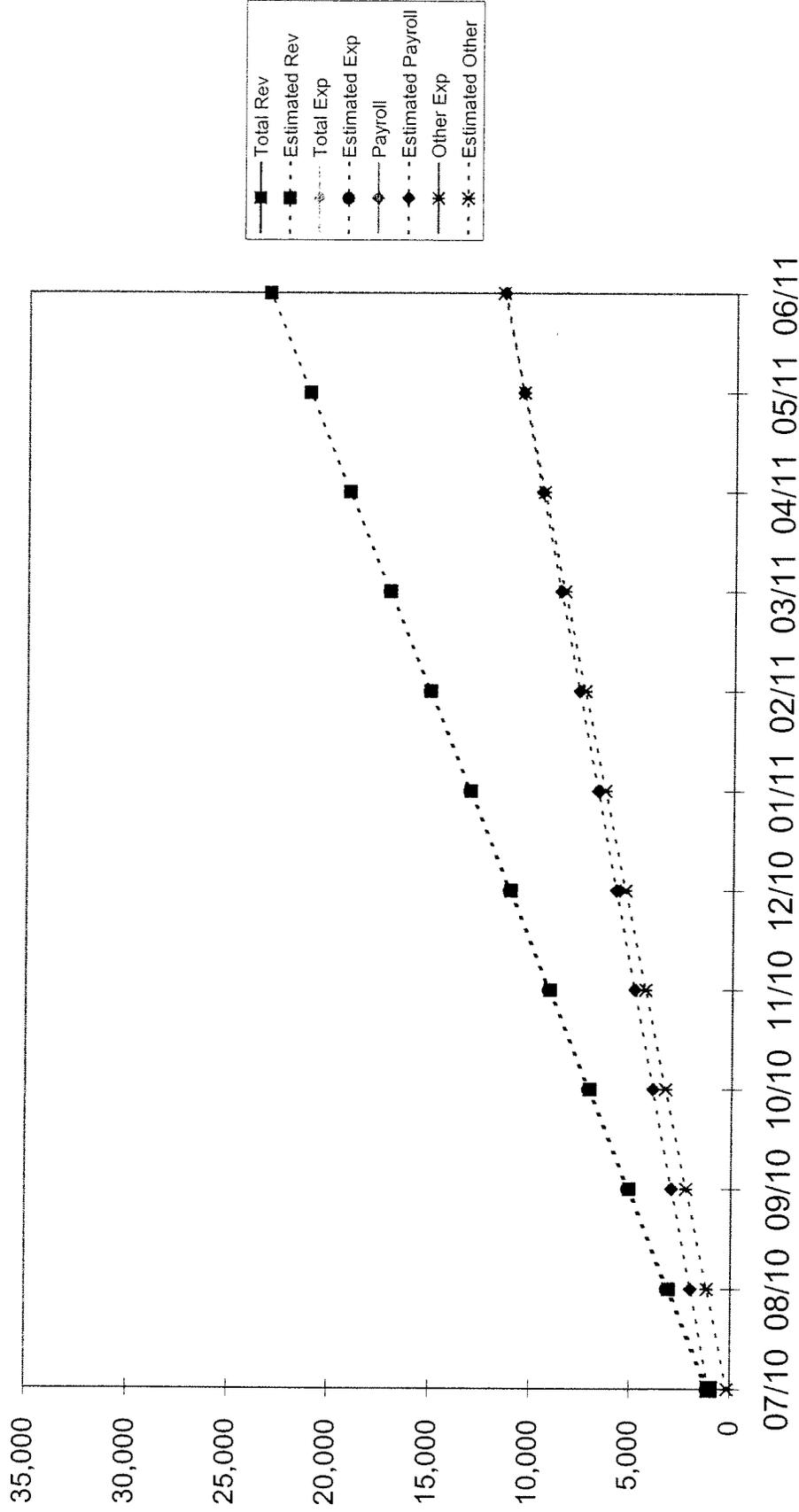
## Current Month Revenues & Expenses

### FY 10-11 (\$'000)



# ABAG Financial Indices

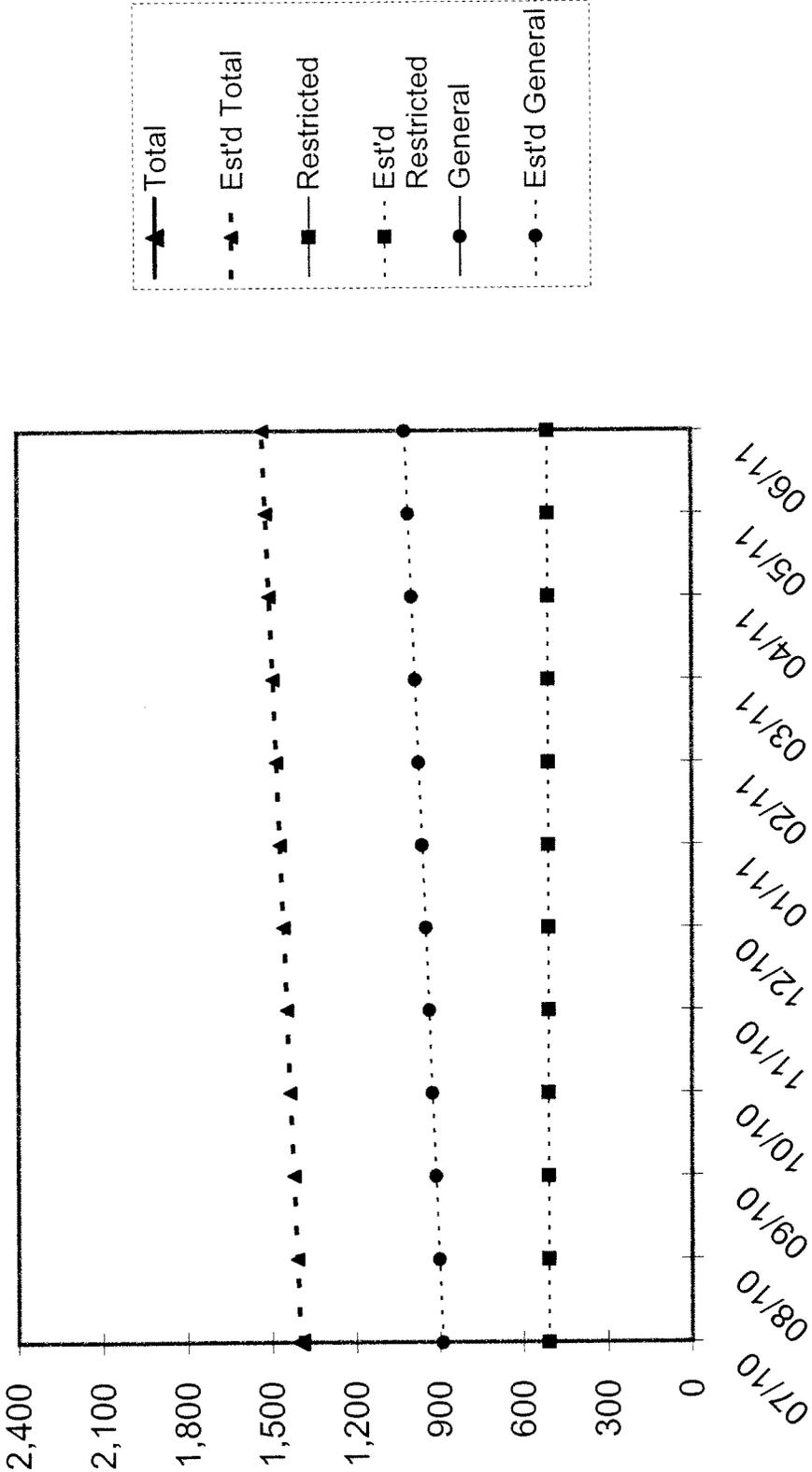
## Year-to-date Revenues & Expenses FY 10-11 (\$'000)



# ABAG Financial Indices

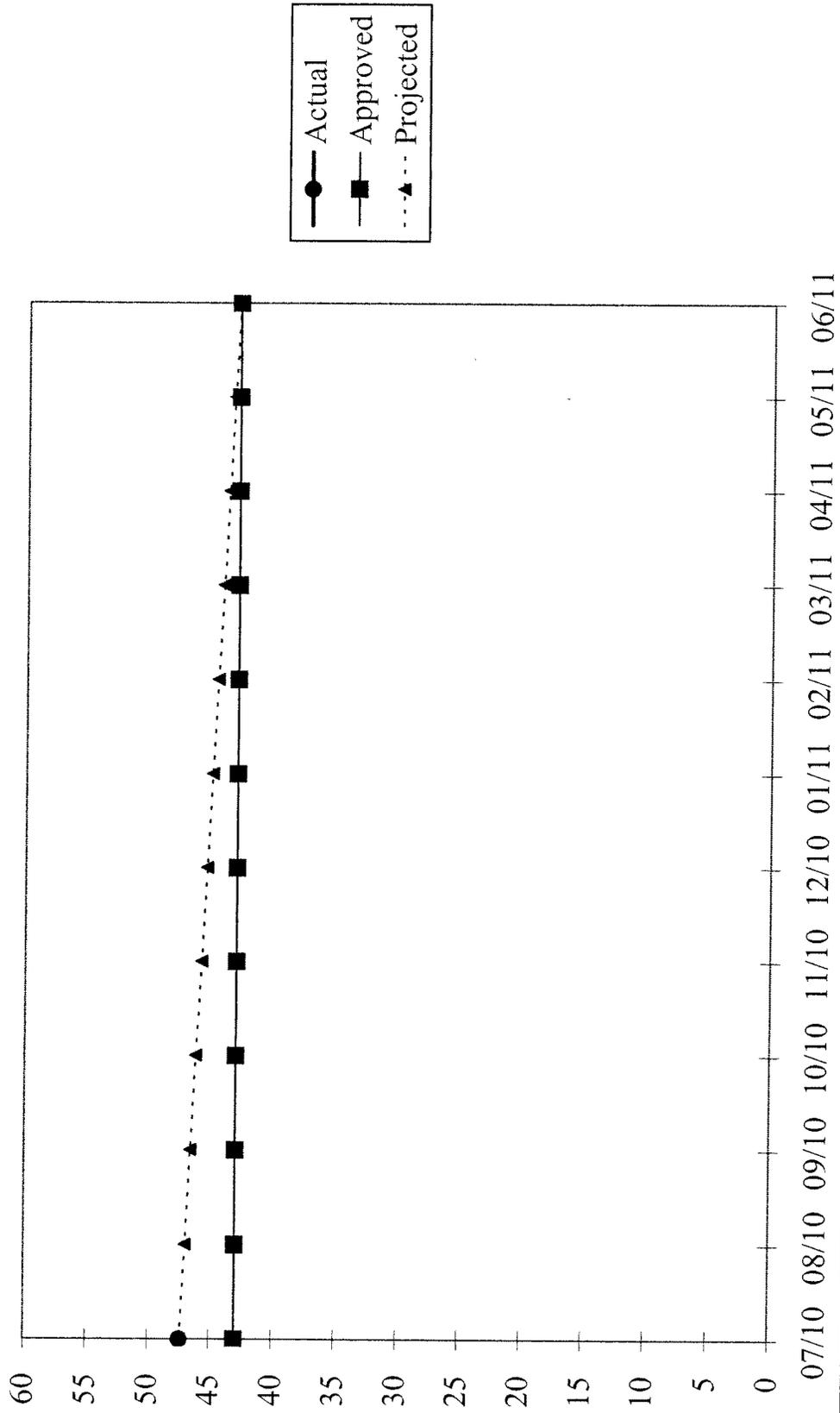
## Fund Equity

### FY 10-11 (\$'000)



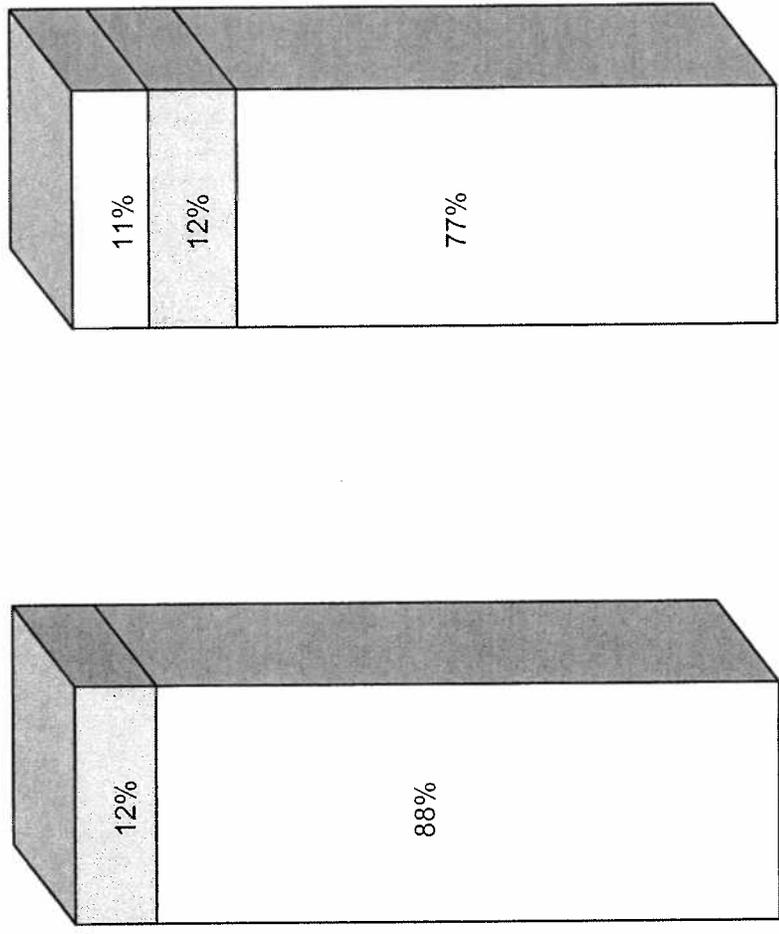
# ABAG Financial Indices

## Indirect Cost Rate (% of Direct Labor Cost) FY 10-11



# ABAG Financial Indices

## Composition of Expenses FY 10--FY 11 Year to Date (\$'000)



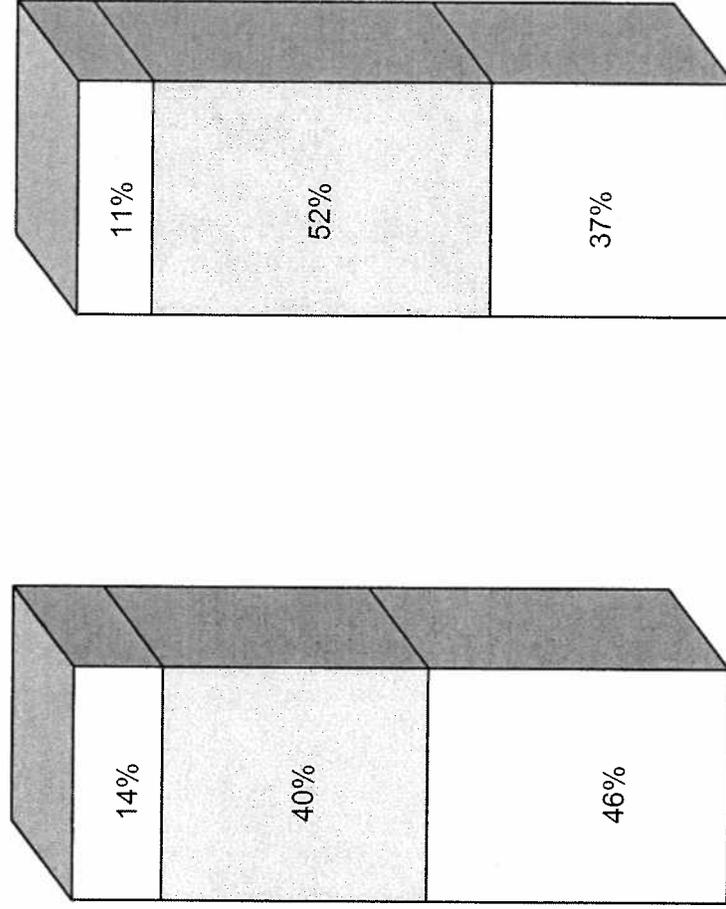
	FY10-11 Expenses (Total \$1,162)	FY09-10 Expenses (Total \$1,231)
<input type="checkbox"/> Consultants	\$-	\$134
<input type="checkbox"/> Others	\$134	\$151
<input type="checkbox"/> Payroll	\$1,028	\$946

# ABAG Financial Indices

## Composition of Revenues FY 10--FY 11

### Year to Date

(\$'000)

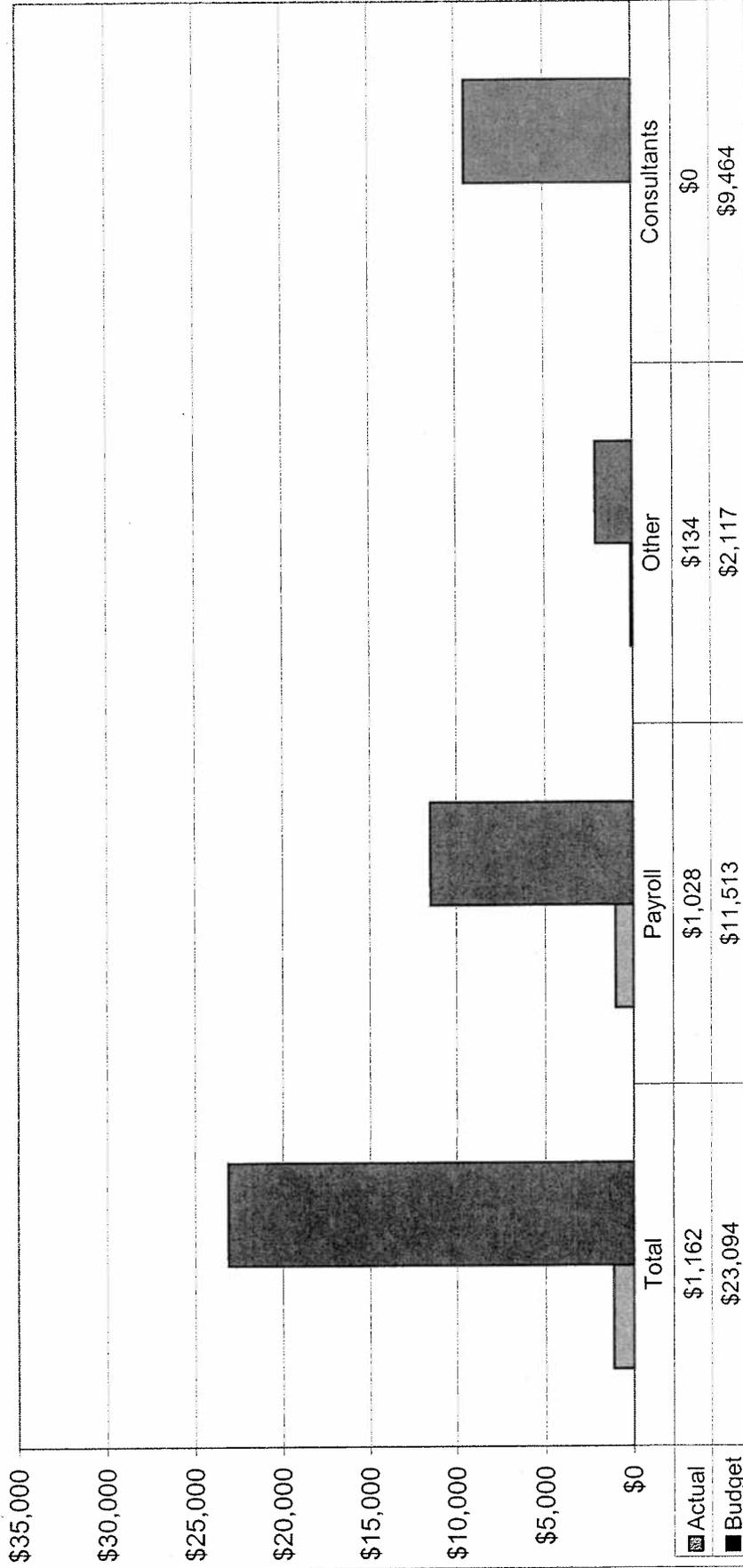


	FY 10-11 Revenue (Total \$1,030)	FY 09-10 Revenue (Total \$1,211)
<input type="checkbox"/> Membership	\$141	\$139
<input type="checkbox"/> Grants	\$415	\$624
<input type="checkbox"/> Services & Others	\$474	\$448

# ABAG Financial Indices

## Actual vs Budgeted Expenses--FY 10-11

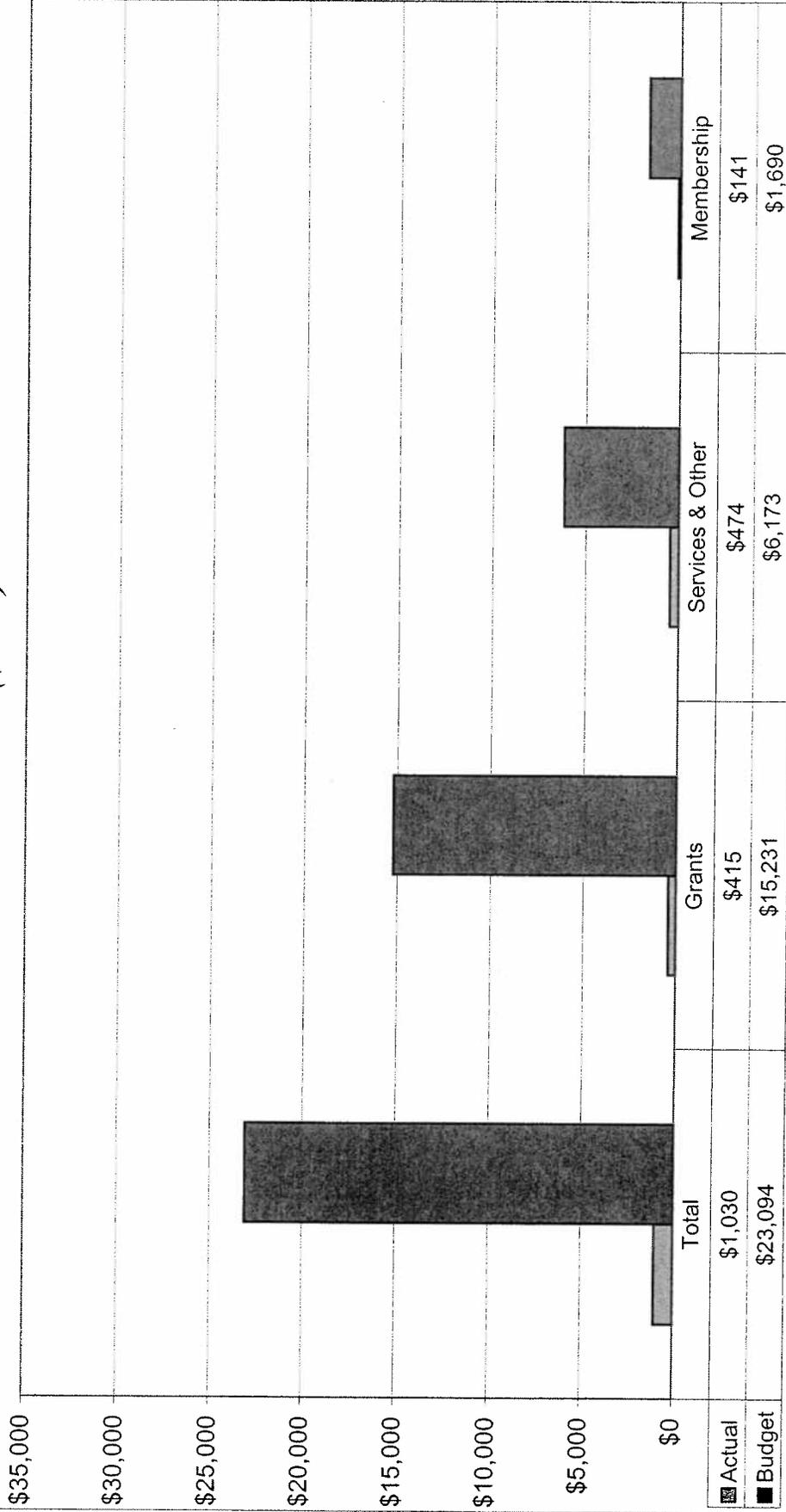
### Year to Date (\$'000)



# ABAG Financial Indices

## Actual vs Budgeted Revenues--FY 10-11

### 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.

