

TO: Finance and Personnel Committee

DT: September 30, 2010

FM: Herbert Pike, Finance Director

Re: Financial Reports
--August 2010

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

Cash on Hand (Figure 1)

Cash on hand increased to \$2.56 million on August 31st from \$1.96 million on July 31st. The increase is attributed primarily to working down accounts receivable by \$750 thousand. The August balance includes approximately \$1.86 million invested in the Local Agency Investment Fund (LAIF). Currently, ABAG does not hold any other investments. The August 31st cash balance is approximately \$593 thousand less than the prior year, the latter being largely attributed to some pre-funded grants in the prior year that have since been spent down.

Receivables (Figure 2)

Receivables from grant and service programs amounted to about \$2.43 million on August 31st, a decrease of \$750 thousand from the month prior. The decrease is primarily attributable to getting the billings processed, the unbilled receivables being reduced \$957 thousand, primarily grant billings, from the previous month while the grants receivables went up only \$248 thousand. August receivables are about \$214 thousand less than the year prior.

Actual vs. Budgeted Expenses (Figure 9)

Total expenses through August 31st amounted to about \$2.51 million, or 10.9 percent, of the budgeted annual expense of \$23.09 million for FY 10-11.

Actual vs. Budgeted Revenues (Figure 10)

As of August 31st, total revenues amounted to about \$2.44 million, or 10.6 percent, of the budgeted annual revenue of \$23.09 million for FY 10-11.

As of August 31st, both revenues and expenses are below pro rated (16.7 percent) "projected" annual totals. While revenues and expenditures might be expected to be 16.7 percent after the first two 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 August 31st, general fund equity was approximately \$954 thousand, an increase of \$65 thousand from July 31st. The increase is primarily attributed to the reduced use of accrued leave, thereby providing a higher percentage of payroll costs to be charged to projects and more project labor charges against which to earn administrative overhead recovery. 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 47.62 percent of direct labor cost as of August 31st, or about 4.67% 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 50.43 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 August 31st, the Agency's net financial position is somewhat askew from the forecast with a deficit of roughly \$68 thousand, or about 2.8 percent of year-to-date revenues, it is down significantly from the 12.8 percent deficit noted at the end of July. Thus, while August mitigated much of the deficit reflected in July, the remaining deficit reflects the July impacts attributed primarily to the draw down of leave accruals and some one-time annual expenditures. The variance will need to be closely monitored as we head into the holiday periods of November and December when paid leave is expected to escalate again.

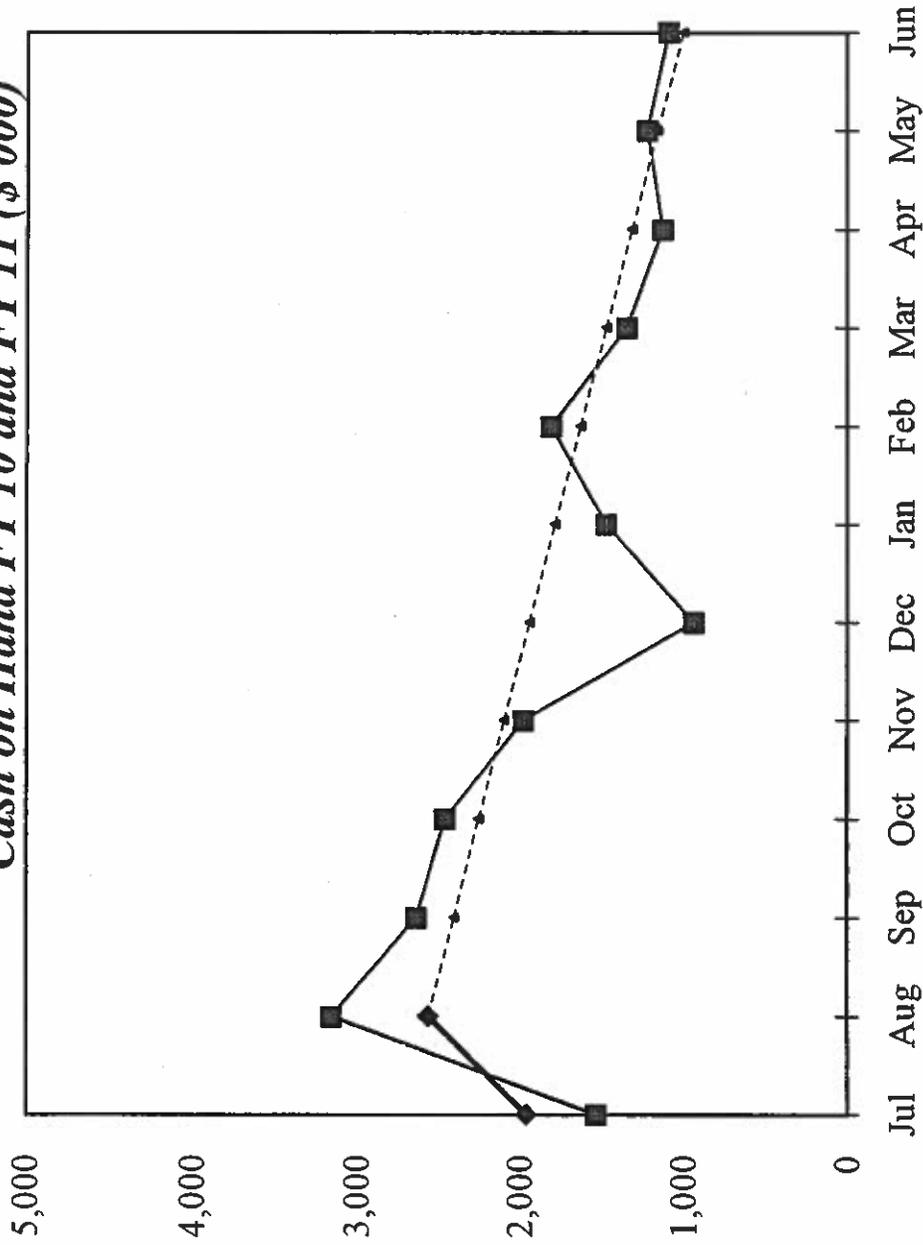
ABAG FINANCIAL REPORTS

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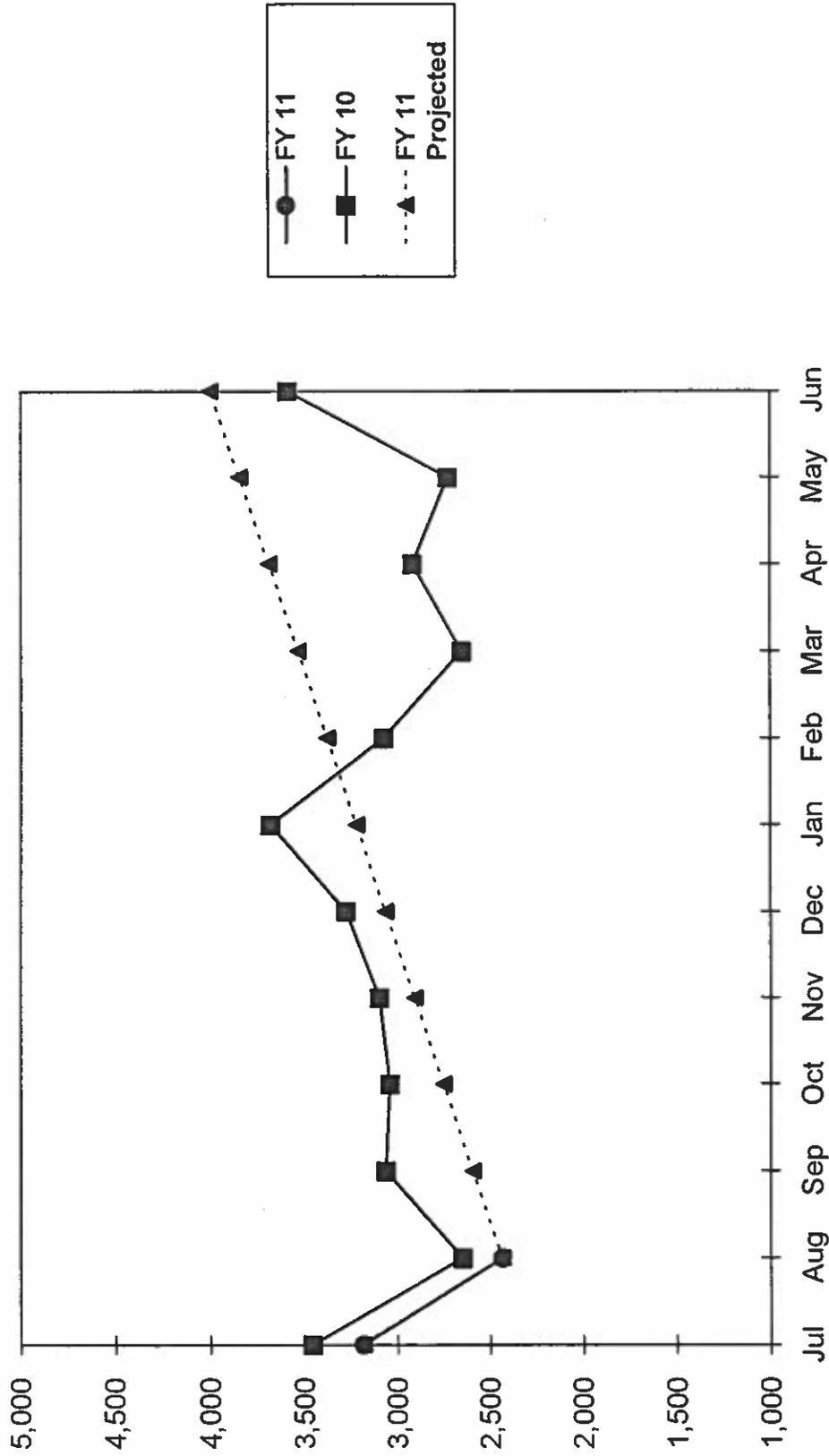
ABAG Financial Indices

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



ABAG Financial Indices

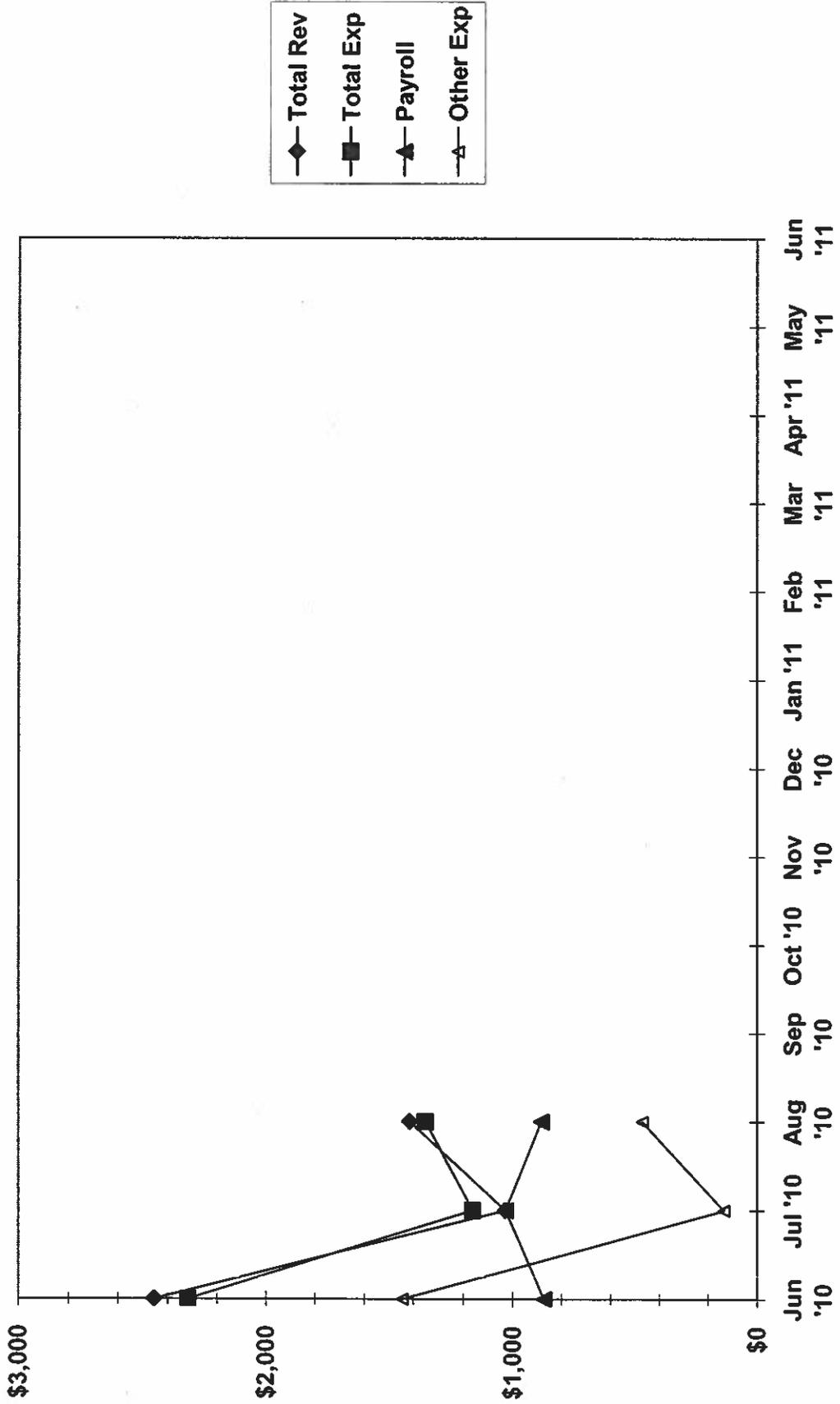
Accounts Receivable FY 10 and FY 11 (\$'000)



ABAG Financial Indices

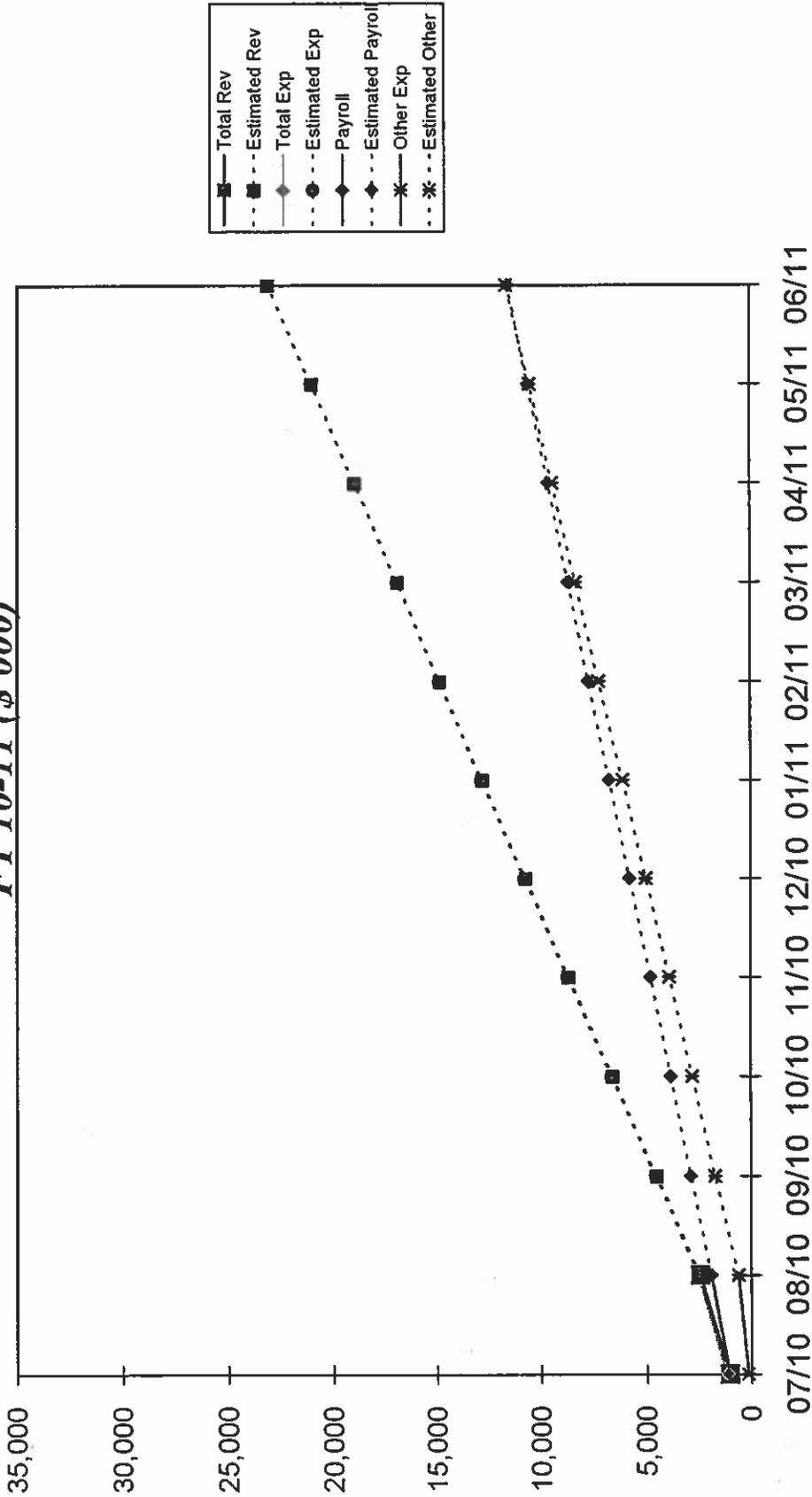
Current Month Revenues & Expenses

FY 10-11 (\$'000)



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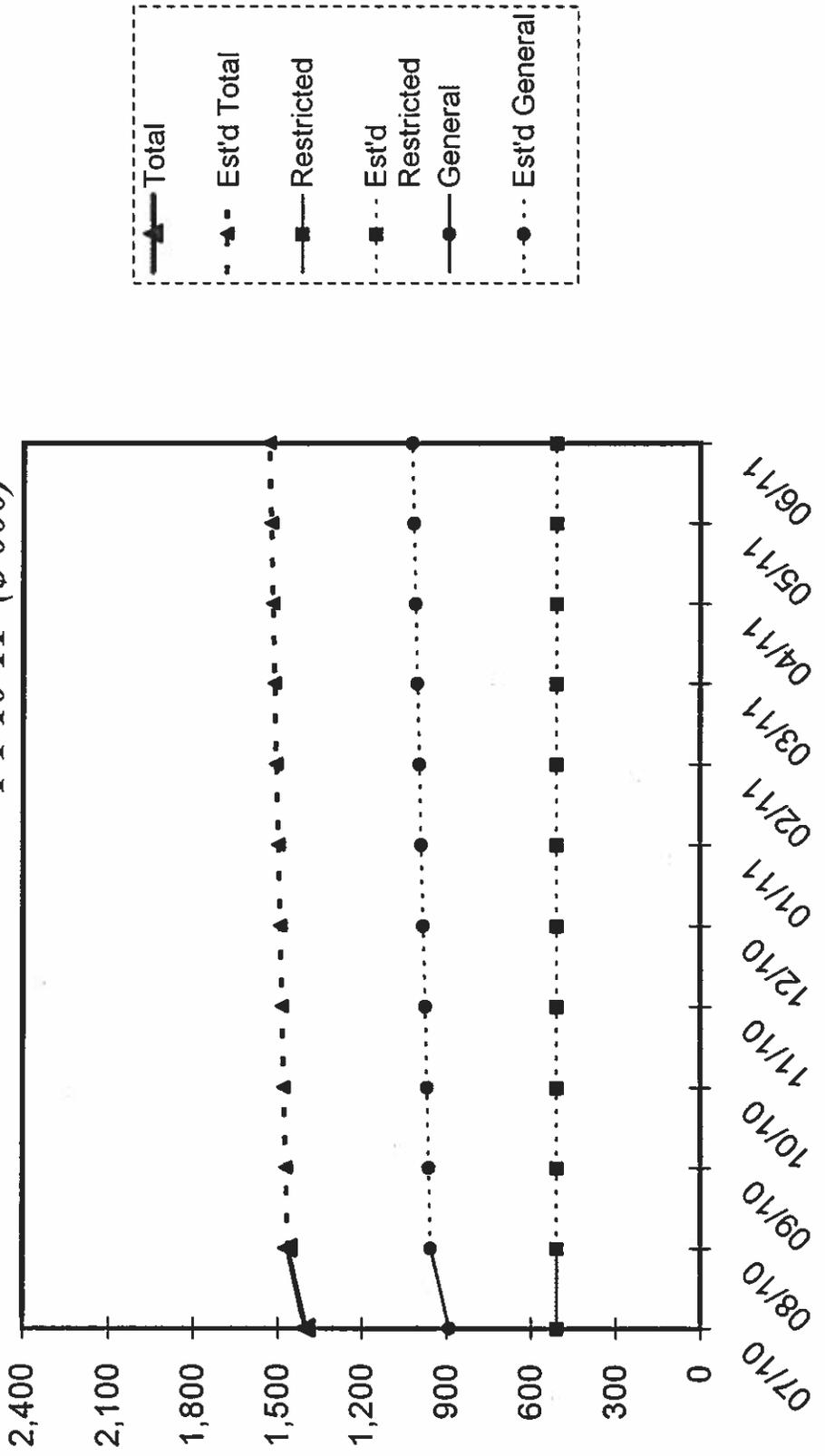
Year-to-date Revenues & Expenses FY 10-11 (\$'000)



ABAG Financial Indices

Fund Equity

FY 10-11 (\$'000)

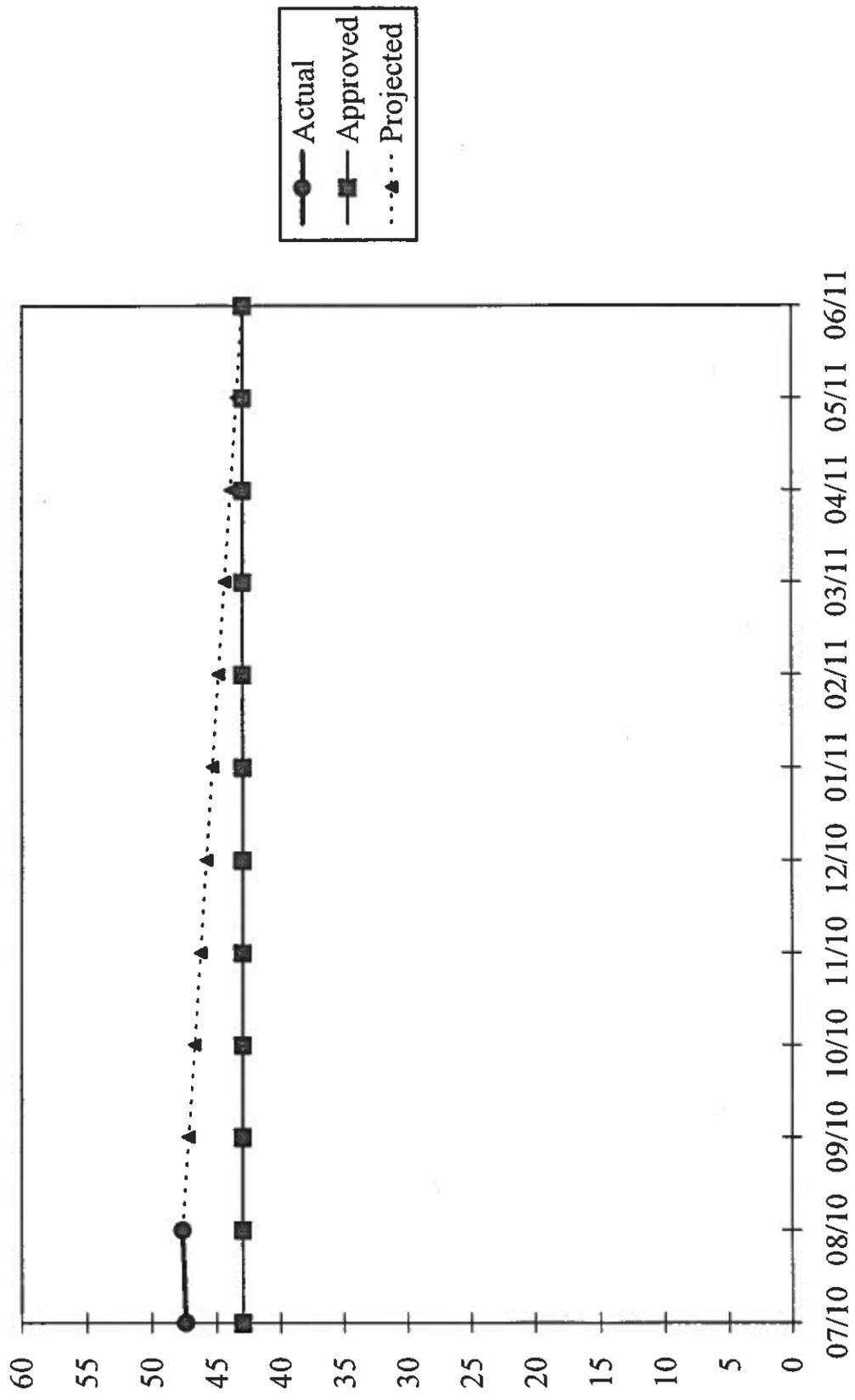


Source: ABAG - INDICES 2010-08

FIGURE 5

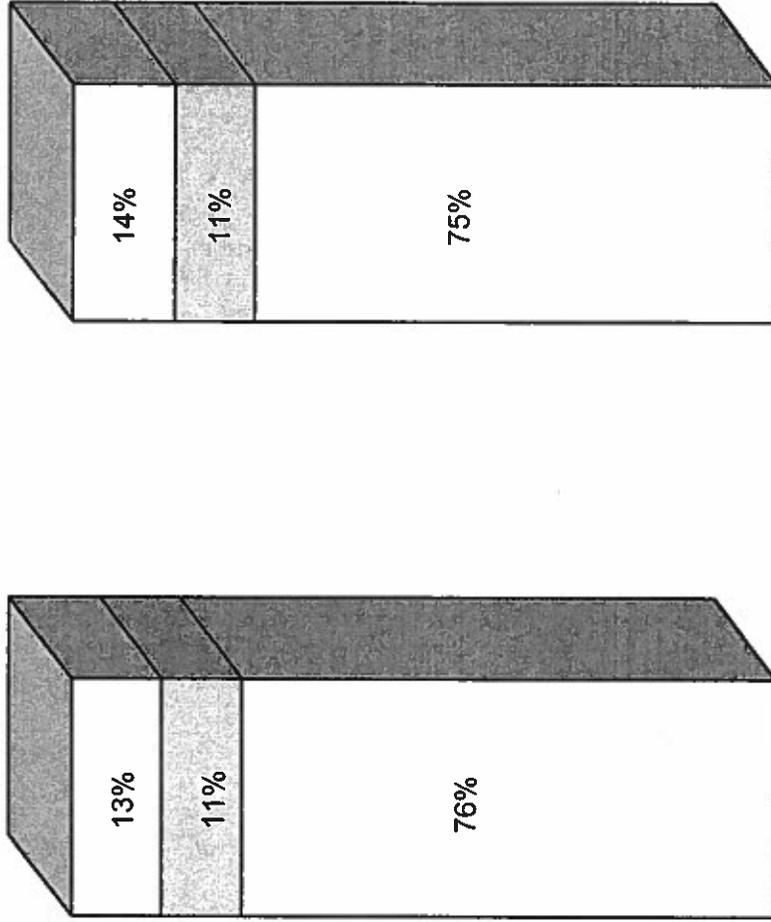
ABAG Financial Indices

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



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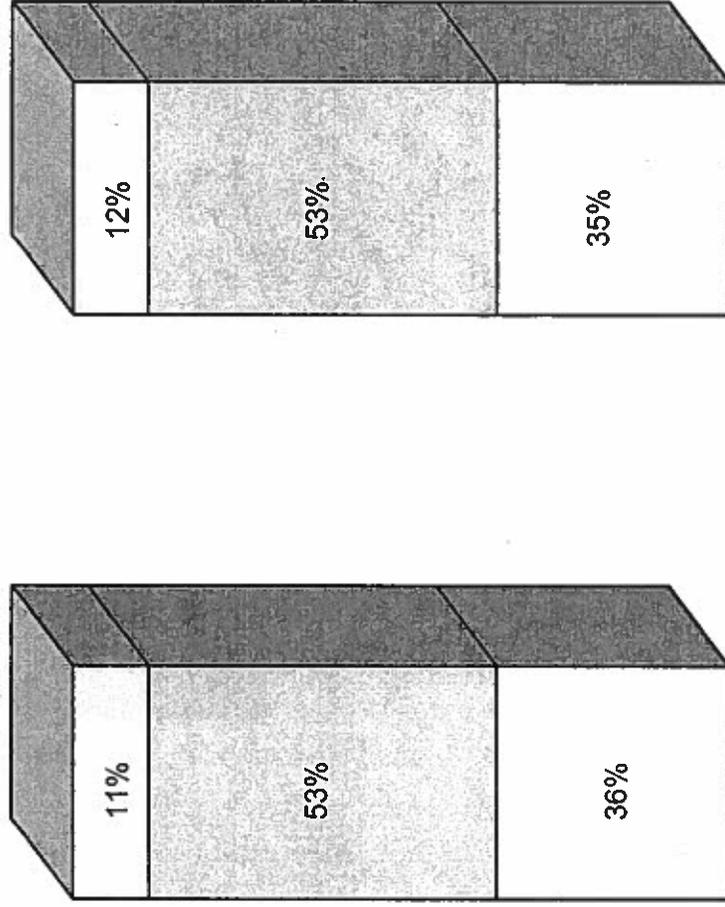
Composition of Expenses FY 10--FY 11 Year to Date (\$'000)



	FY10-11 Expenses (Total \$2,513)	FY09-10 Expenses (Total \$2,498)
□ Consultants	\$318	\$360
□ Others	\$285	\$282
□ Payroll	\$1,910	\$1,856

ABAG Financial Indices

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

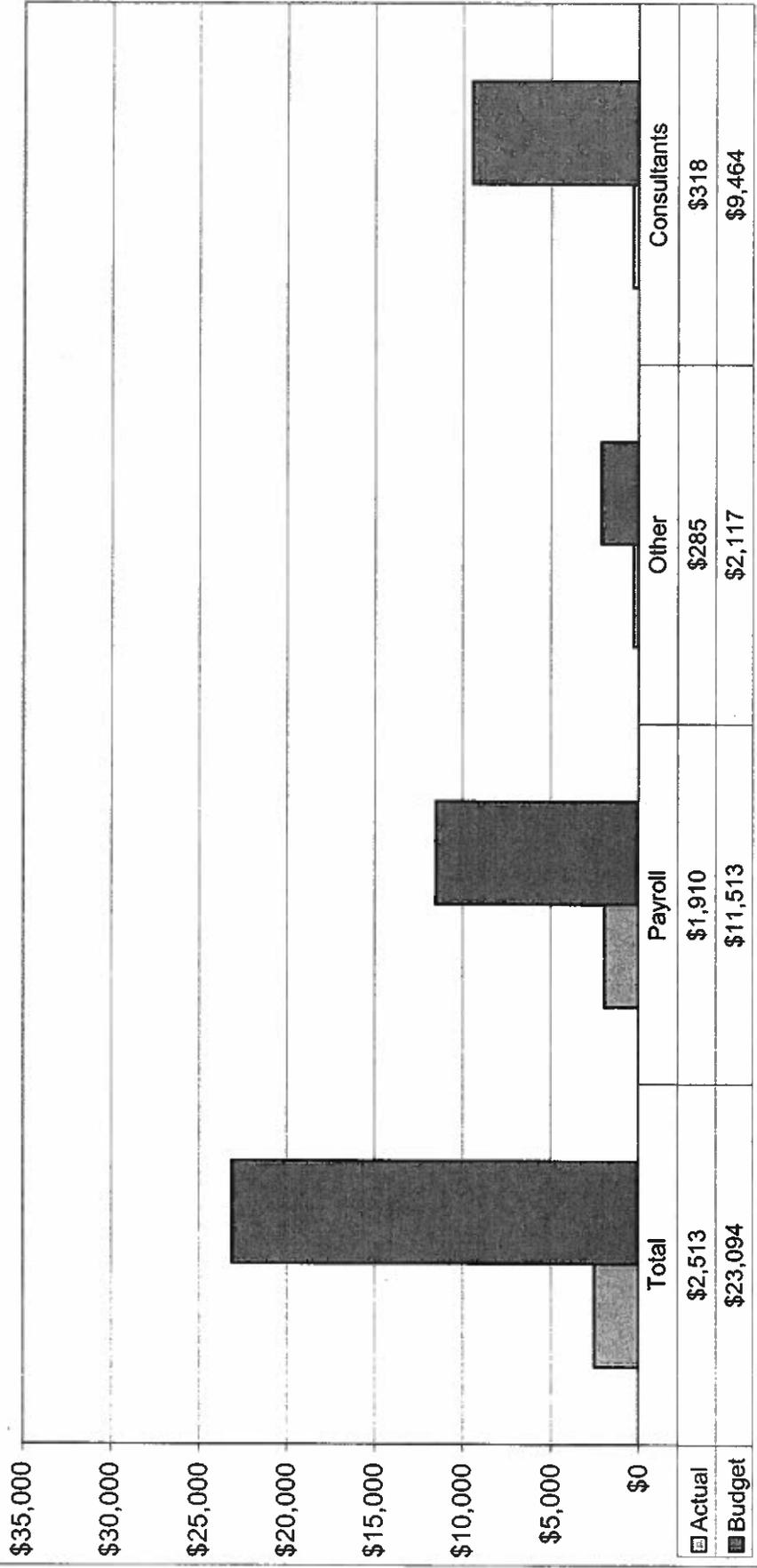


	FY 10-11 Revenue (Total \$2,445)	FY 09-10 Revenue (Total \$2,443)
□ Membership	\$281	\$278
□ Grants	\$1,295	\$1,298
□ Services & Others	\$869	\$867

ABAG Financial Indices

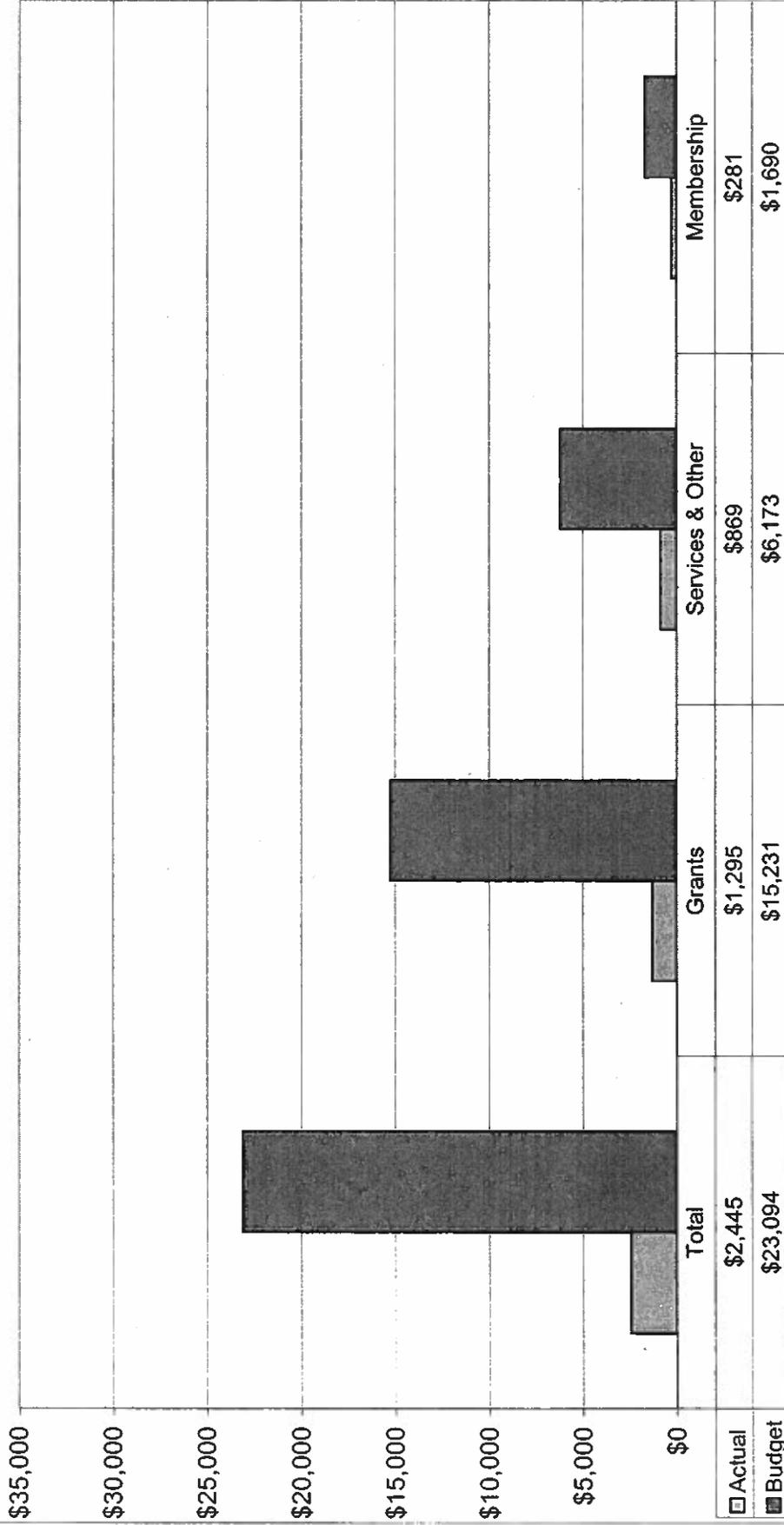
Actual vs Budgeted Expenses--FY 10-11

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.

