

TO: Finance and Personnel Committee

DT: October 29, 2010

FM: Herbert Pike, Finance Director

Re: Financial Reports
--September 2010

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

Cash on Hand (Figure 1)

Cash on hand decreased to \$1.72 million on September 30th from \$2.56 million on August 31st. The decrease is attributed primarily to an increase in billed grants receivable. The August balance includes approximately \$1.41 million invested in the Local Agency Investment Fund (LAIF). Currently, ABAG does not hold any other investments. The September 30th cash balance is approximately \$917 thousand less than the prior year, the latter being attributed to less timely reimbursement from granting agencies.

Receivables (Figure 2)

Receivables from grant and service programs amounted to about \$3.06 million on September 30th, an increase of \$628 thousand from the month prior. The increase is primarily attributable to delays in recovering billed grant expenses, the billed grants receivables increasing by \$431 thousand from the previous month while the unbilled receivables went up \$211 thousand. September receivables are just \$2,000 less than less than the year prior.

Actual vs. Budgeted Expenses (Figure 9)

Total expenses through September 30th amounted to about \$4.06 million, or 17.6 percent, of the budgeted annual expense of \$23.09 million for FY 10-11.

Actual vs. Budgeted Revenues (Figure 10)

As of September 30th, total revenues amounted to about \$4.01 million, or 17.4 percent, of the budgeted annual revenue of \$23.09 million for FY 10-11.

As of September 30th, both revenues and expenses are below pro rated (25 percent) "projected" annual totals. While revenues and expenditures might be expected to be 25 percent after the first three 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 September 30th, general fund equity was approximately \$964 thousand, an increase of \$10 thousand from August 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 45.53 percent of direct labor cost as of September 30th, or about 2.58% 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 46.26 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 September 30th, the Agency's net financial position is slightly askew from the forecast with a deficit of roughly \$56 thousand, or about 1.4 percent of year-to-date revenues, it is down \$12 thousand from the deficit noted at the end of July. Thus, while September continued to mitigate the deficit accrued 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.

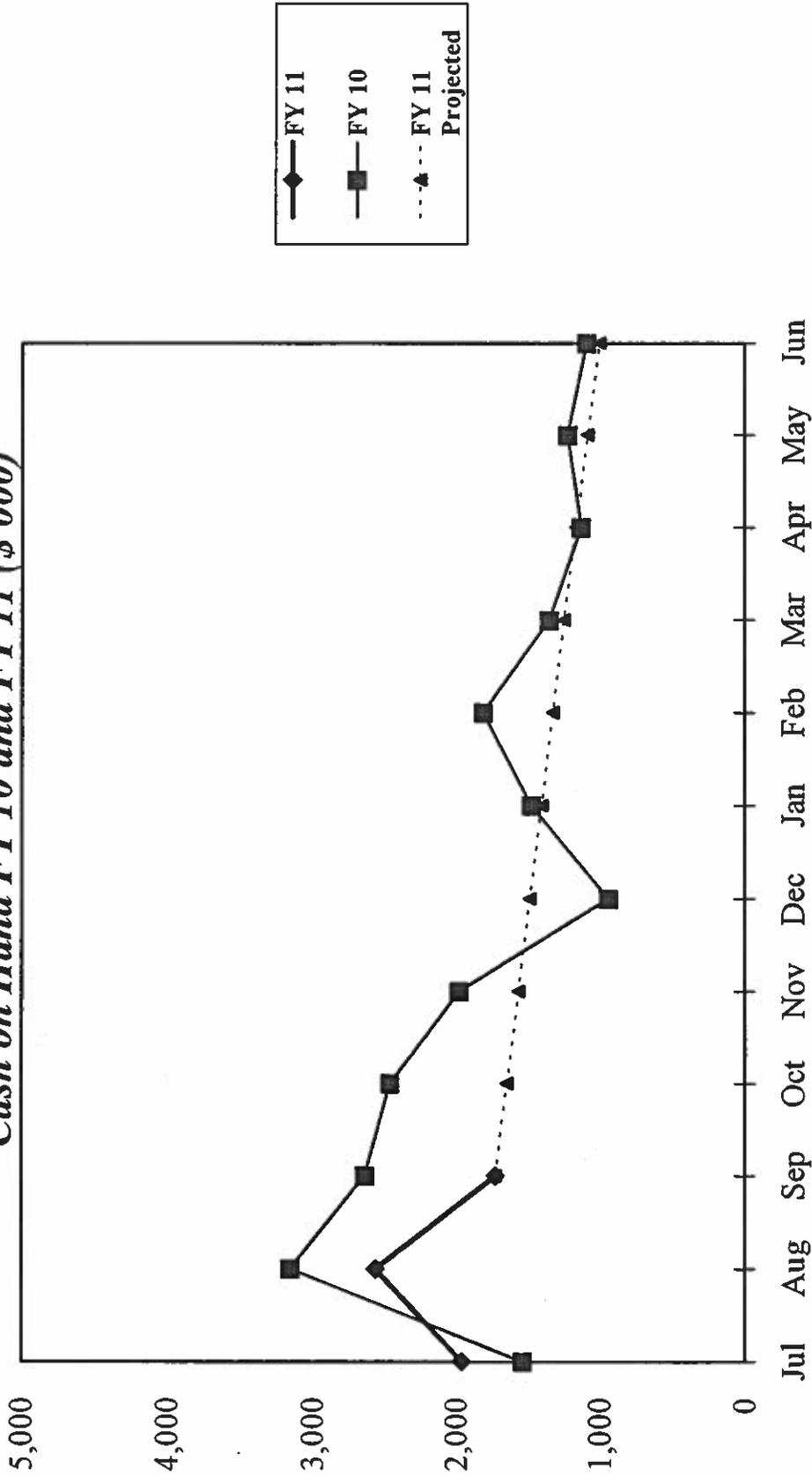
ABAG FINANCIAL REPORTS

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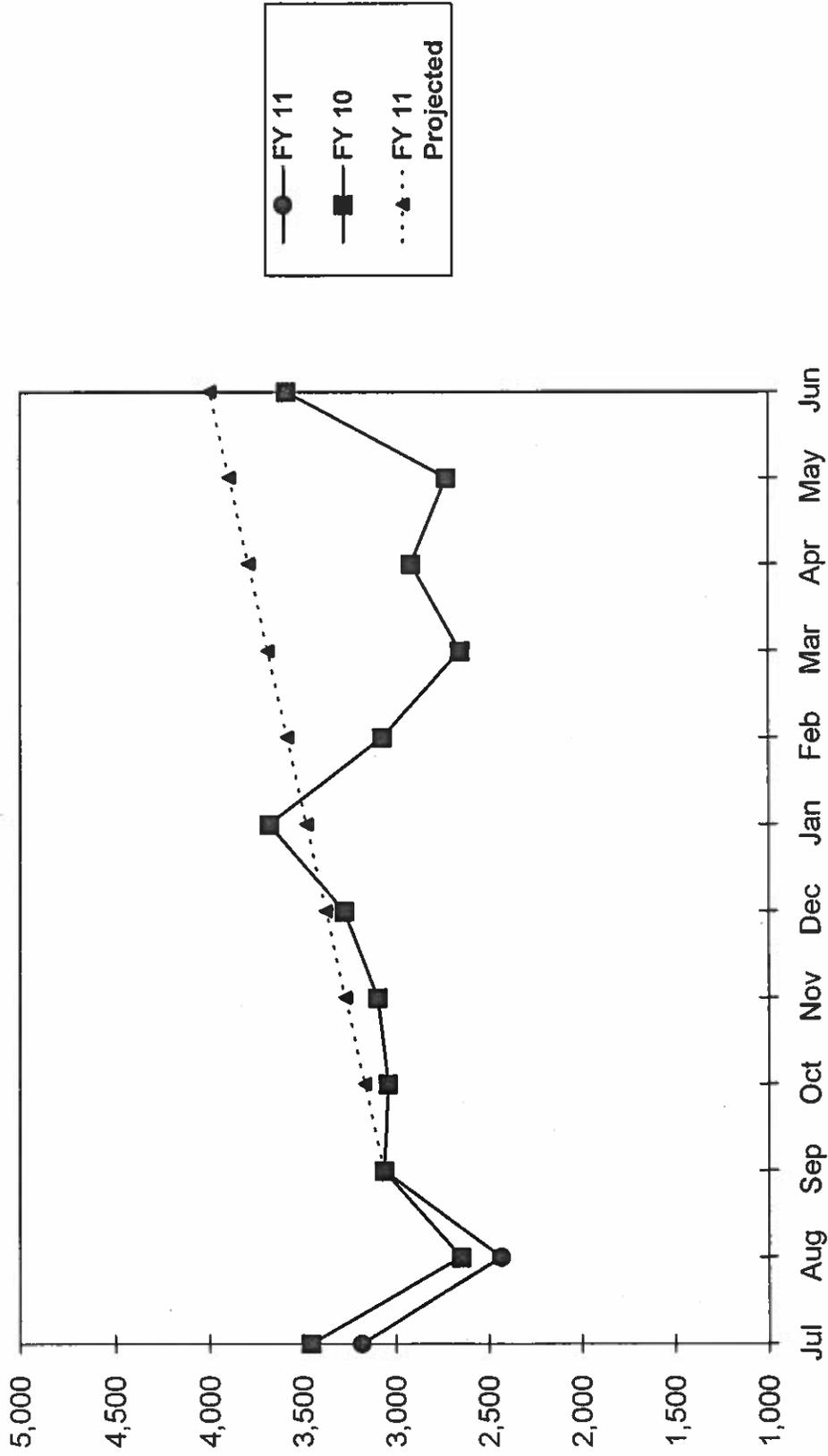
ABAG Financial Indices

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



ABAG Financial Indices

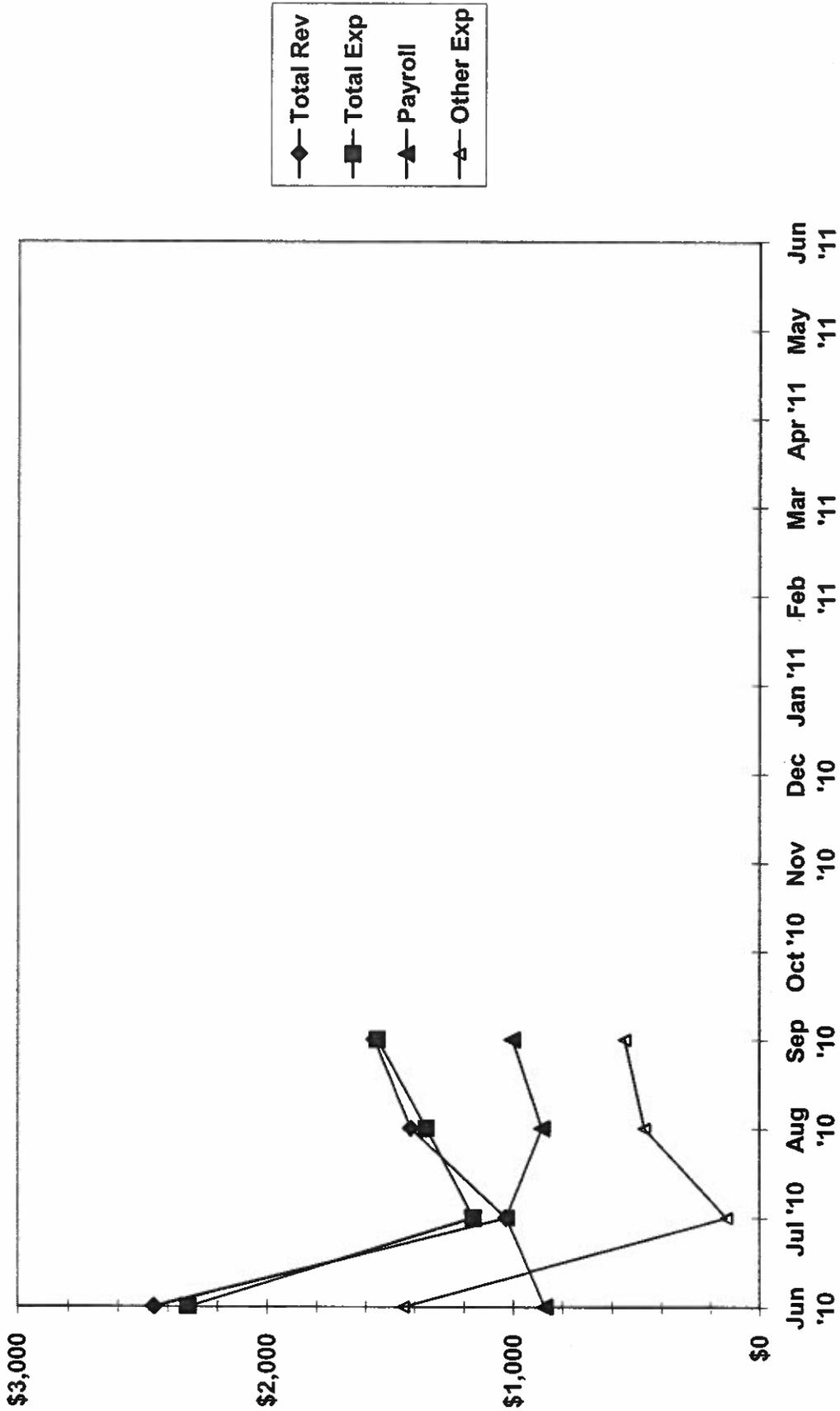
Accounts Receivable FY 10 and FY 11 (\$'000)



ABAG Financial Indices

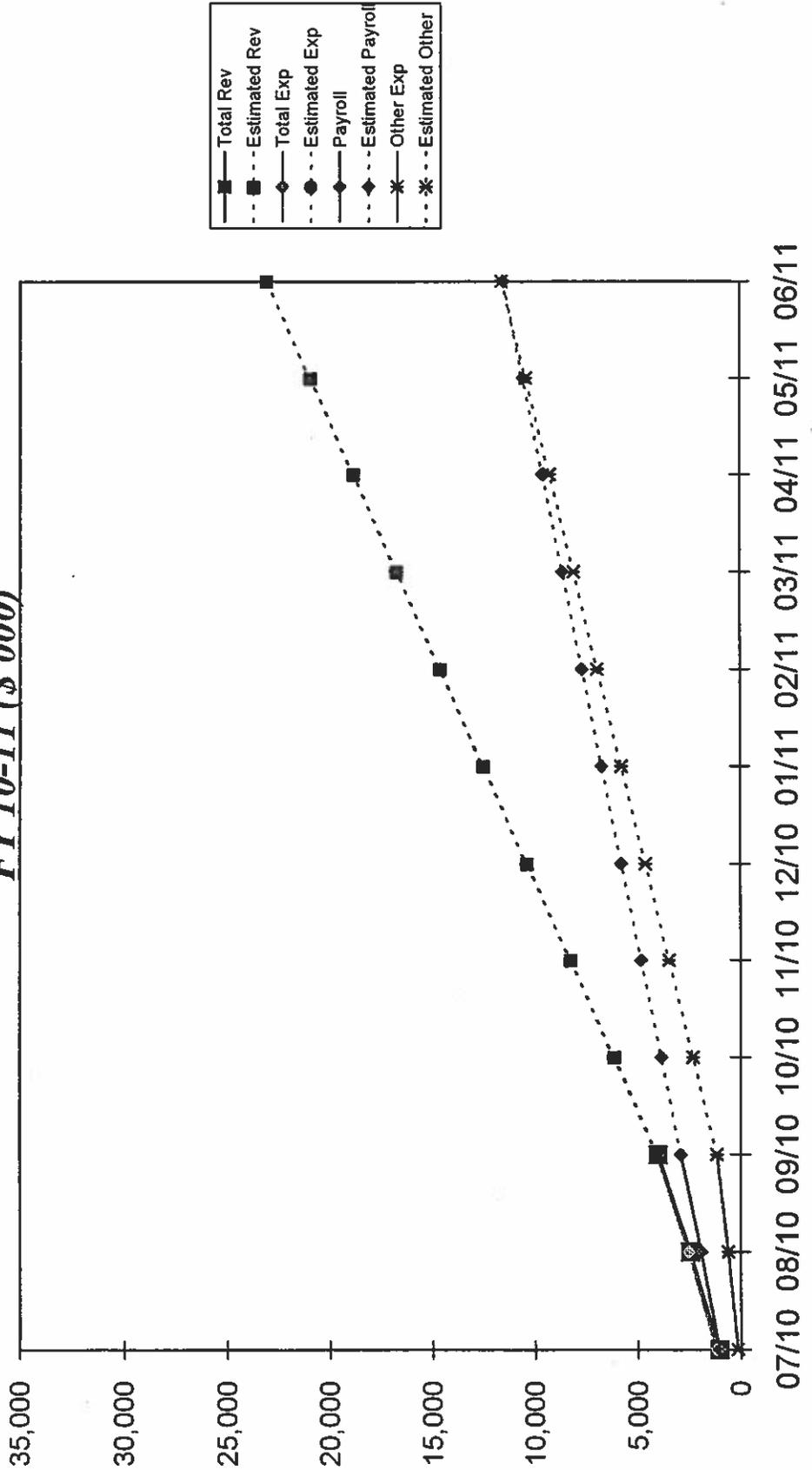
Current Month Revenues & Expenses

FY 10-11 (\$'000)



ABAG Financial Indices

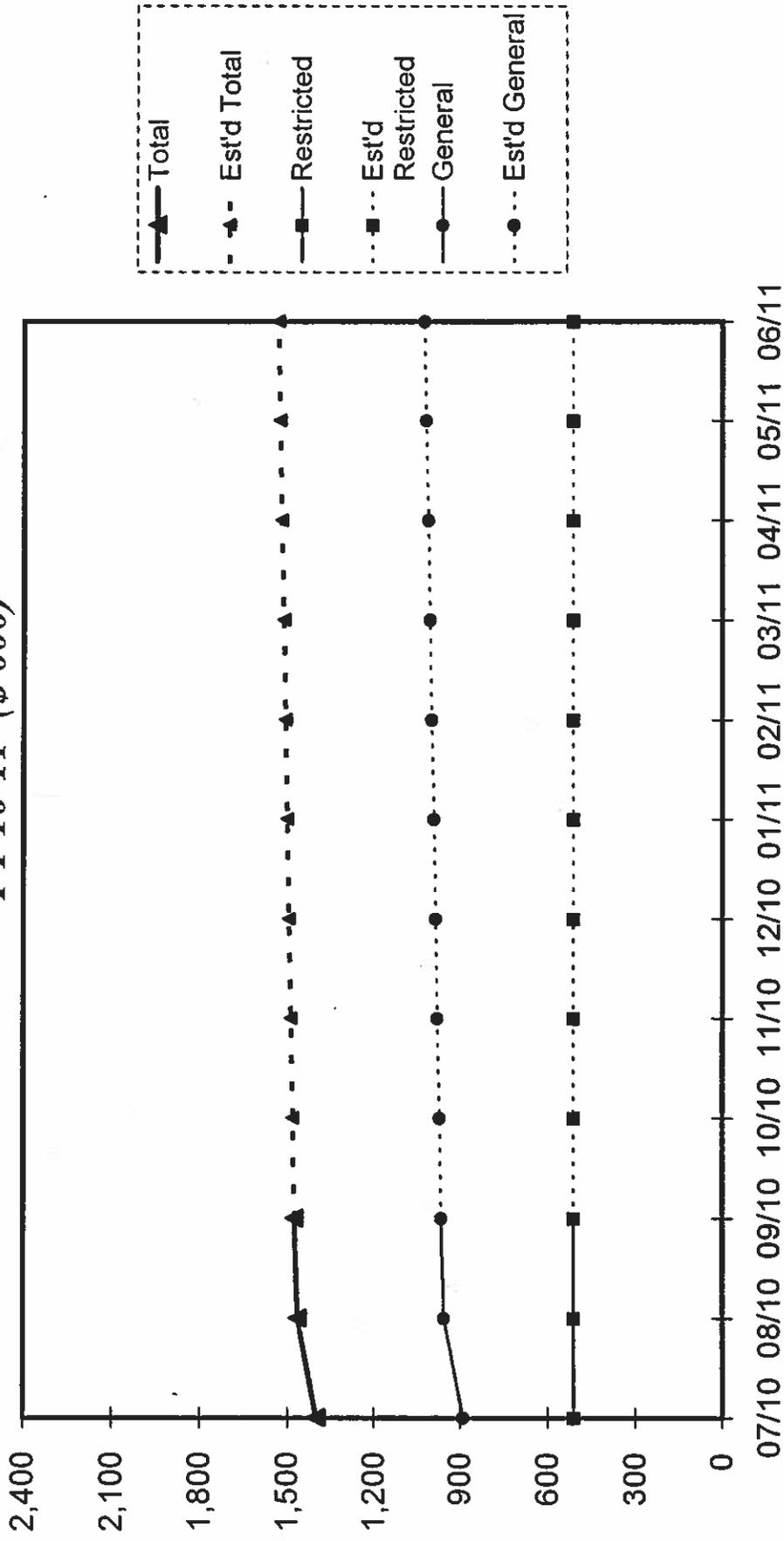
Year-to-date Revenues & Expenses FY 10-11 (\$'000)



ABAG Financial Indices

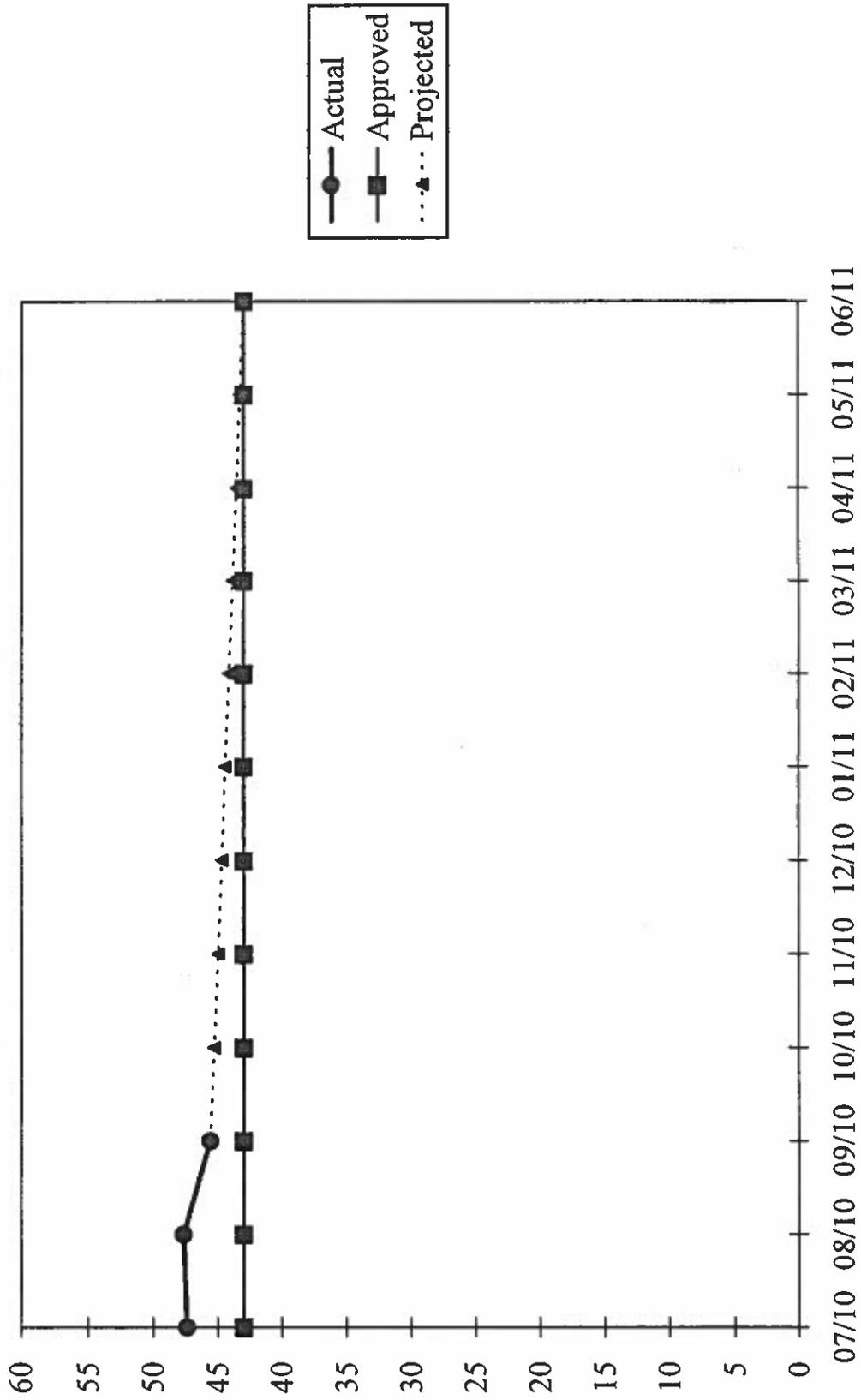
Fund Equity

FY 10-11 (\$'000)



ABAG Financial Indices

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

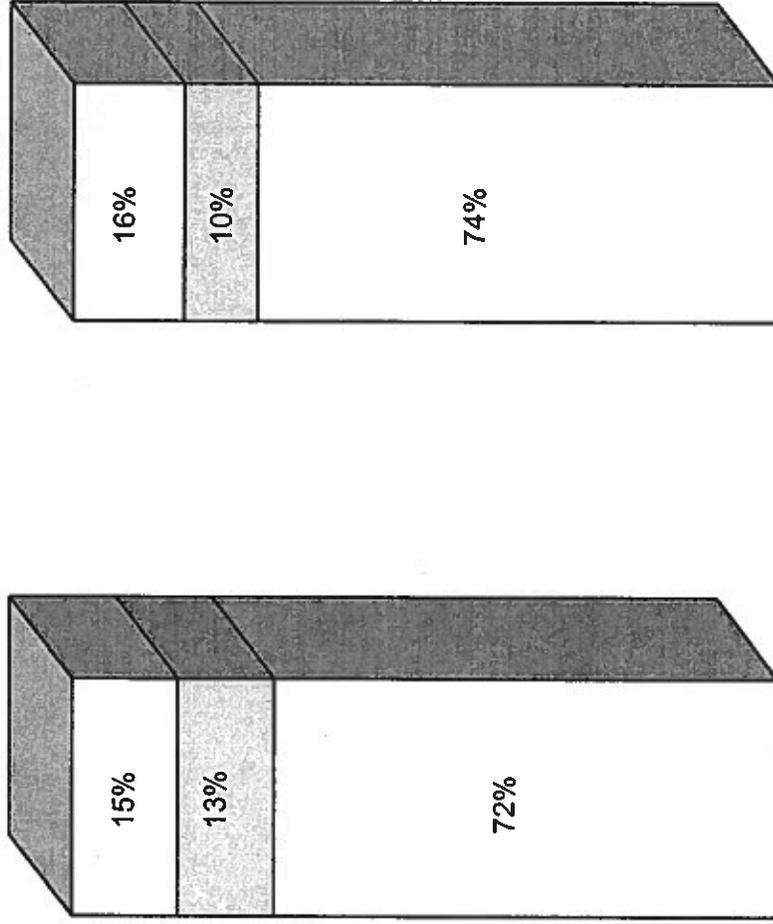


ABAG Financial Indices

Composition of Expenses FY 10--FY 11

Year to Date

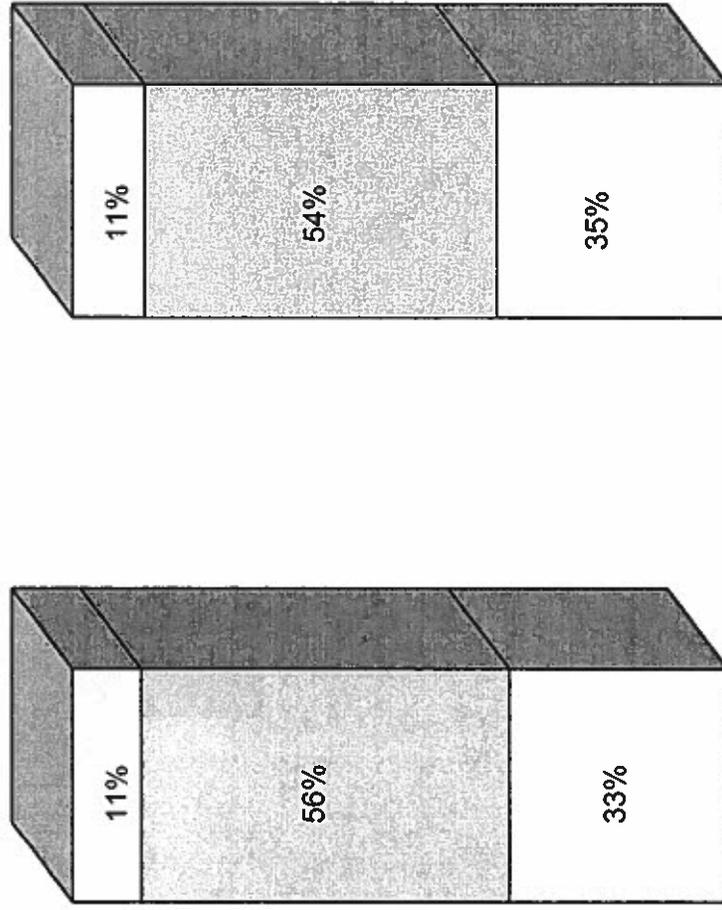
(\$'000)



	FY10-11 Expenses (Total \$4,065)	FY09-10 Expenses (Total \$3,849)
<input type="checkbox"/> Consultants	\$602	\$600
<input type="checkbox"/> Others	\$550	\$398
<input type="checkbox"/> Payroll	\$2,913	\$2,851

ABAG Financial Indices

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

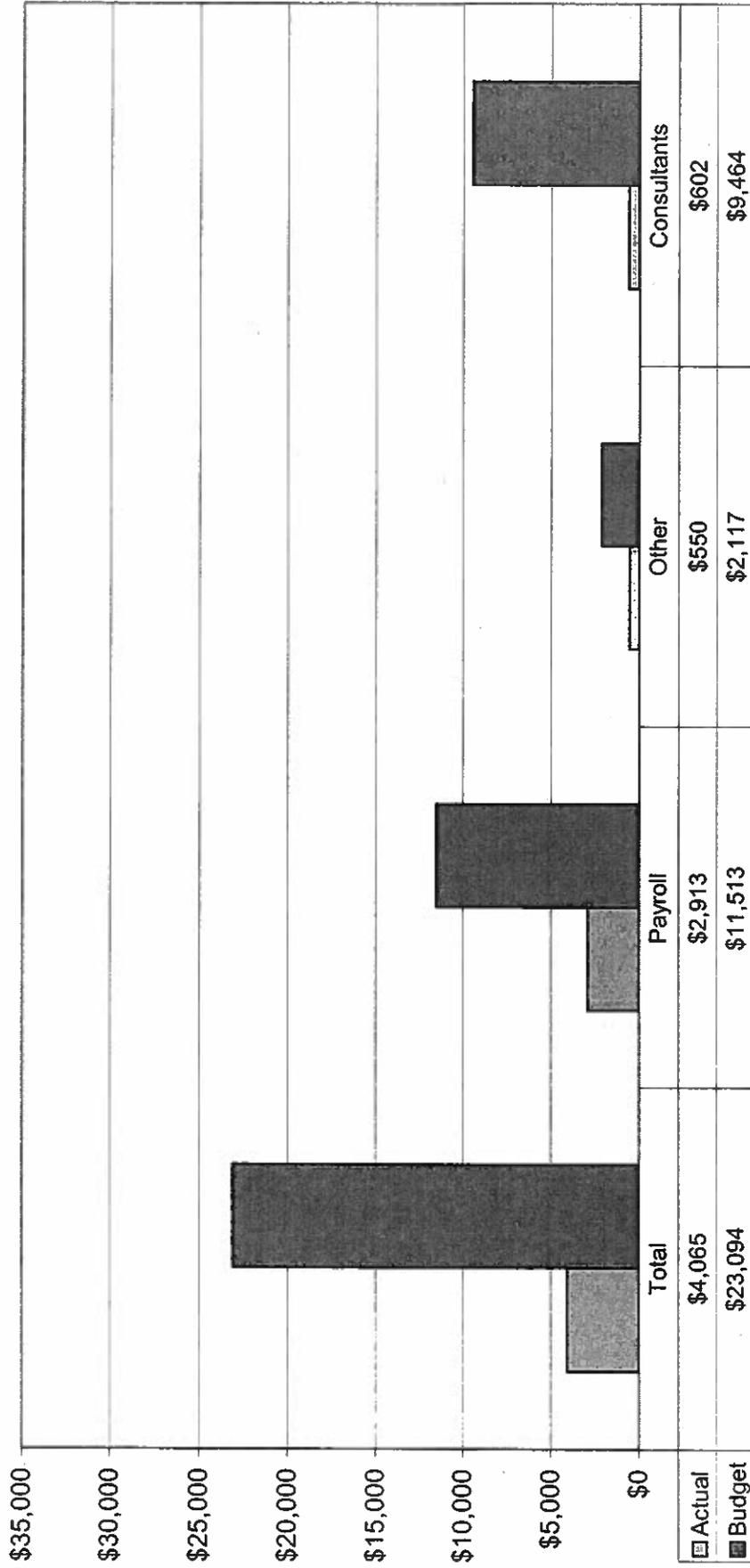


	FY 10-11 Revenue (Total \$4,009)	FY 09-10 Revenue (Total \$3,790)
Membership	\$421	\$416
Grants	\$2,247	\$2,032
Services & Others	\$1,341	\$1,342

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.

