

TO: Finance and Personnel Committee

DT: April 30, 2010

FM: Herbert Pike, Finance Director

Re: Financial Reports
--March 2010

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

Cash on Hand (Figure 1)

Cash on hand decreased to \$1.35 million on March 31st from \$1.81 million on February 28. The decrease is attributed to expensing of facility renovations of ABAG offices at the MetroCenter funded by a loan from FAN received in prior months. The March balance includes approximately \$858 thousand invested in the Local Agency Investment Fund (LAIF). Currently, ABAG does not hold any other investments. The March 31st cash balance is approximately \$160 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 \$2.65 million on March 31st, a decrease of \$422 thousand from the month prior. The reduction is wholly attributable to accelerated receipt of grant reimbursements and grant billings, reducing grant receivables from \$1.42 million to \$1.11 million and unbilled receivables from \$1.64 million to \$1.54 million. Compared to March 31st of the year prior, the total receivables reflect a decrease of approximately \$942 thousand.

Actual vs. Budgeted Expenses (Figure 9)

Total expenses through March 31 amounted to about \$13.19 million, or 68.0 percent, of projected annual expenses of \$19.41 million for FY 09-10.

Actual vs. Budgeted Revenues (Figure 10)

As of March 31, total revenues amounted to about \$12.93 million, or 67.0 percent, of projected annual revenue of \$19.31 million for FY 09-10.

As of March 31st, both revenues and expenses are below “projected” annual totals. While revenues and expenditures might be expected to be 75 percent after the first three quarters 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 March 31st, general fund equity was approximately \$798 thousand, an increase of \$123 thousand from February 28th. 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 44.55 percent of direct labor cost as of March 31, or about 1.60% 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 three months.

Overall (Figures 3, 4, 7 & 8)

At March 31, the Agency's net financial position is reasonably close to forecast with a deficit of roughly \$255 thousand, or 1.97 percent of year-to-date revenues. The cash balance is expected to improve when we gain formal CalTrans approval of our indirect cost allocation plan. In addition, the latter third of the year traditionally incurs reduced payouts of accrued leave, which results in more hours billed to grants and garnering increased revenue which should also improve the Agency's cash position.

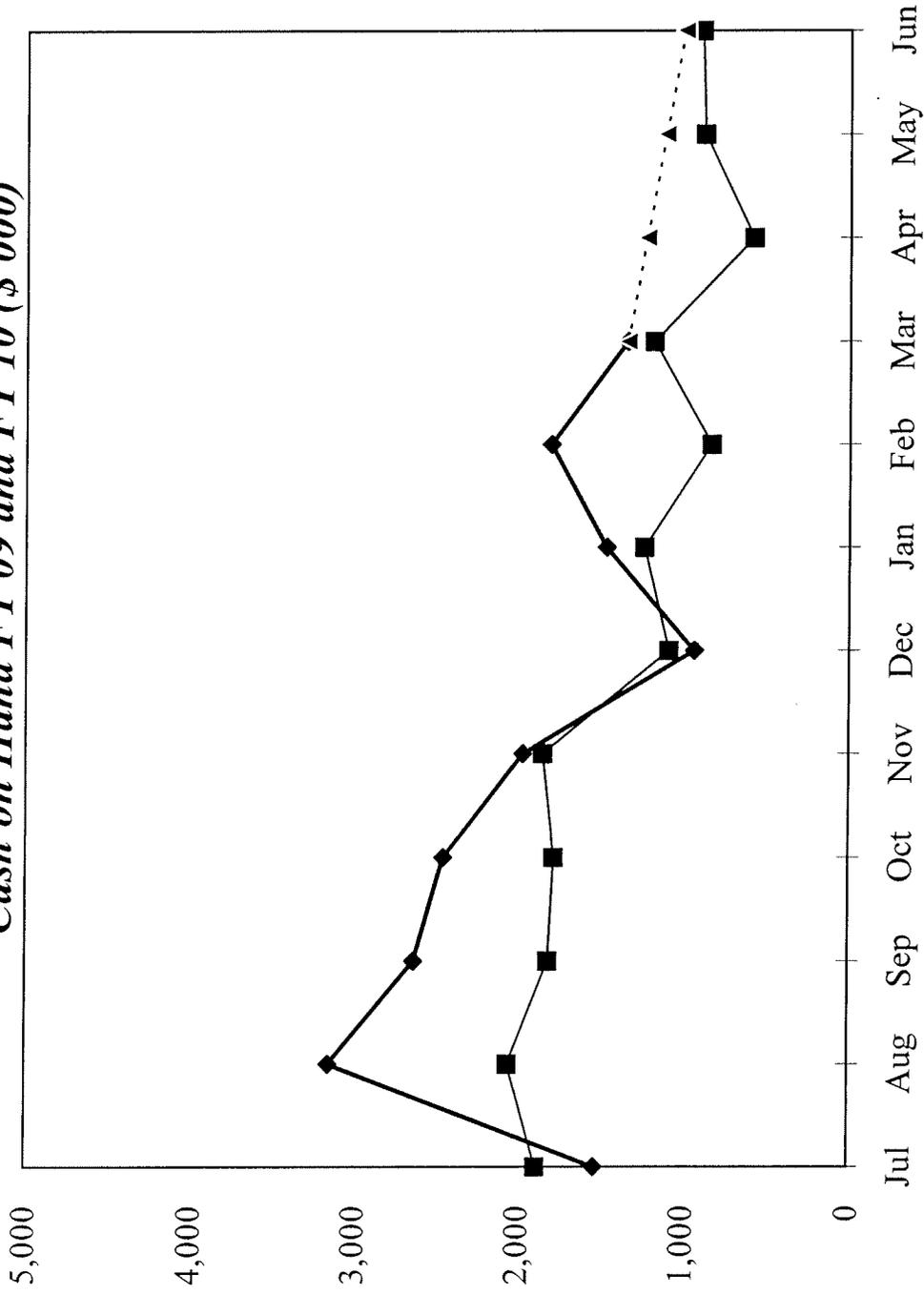
ABAG FINANCIAL REPORTS

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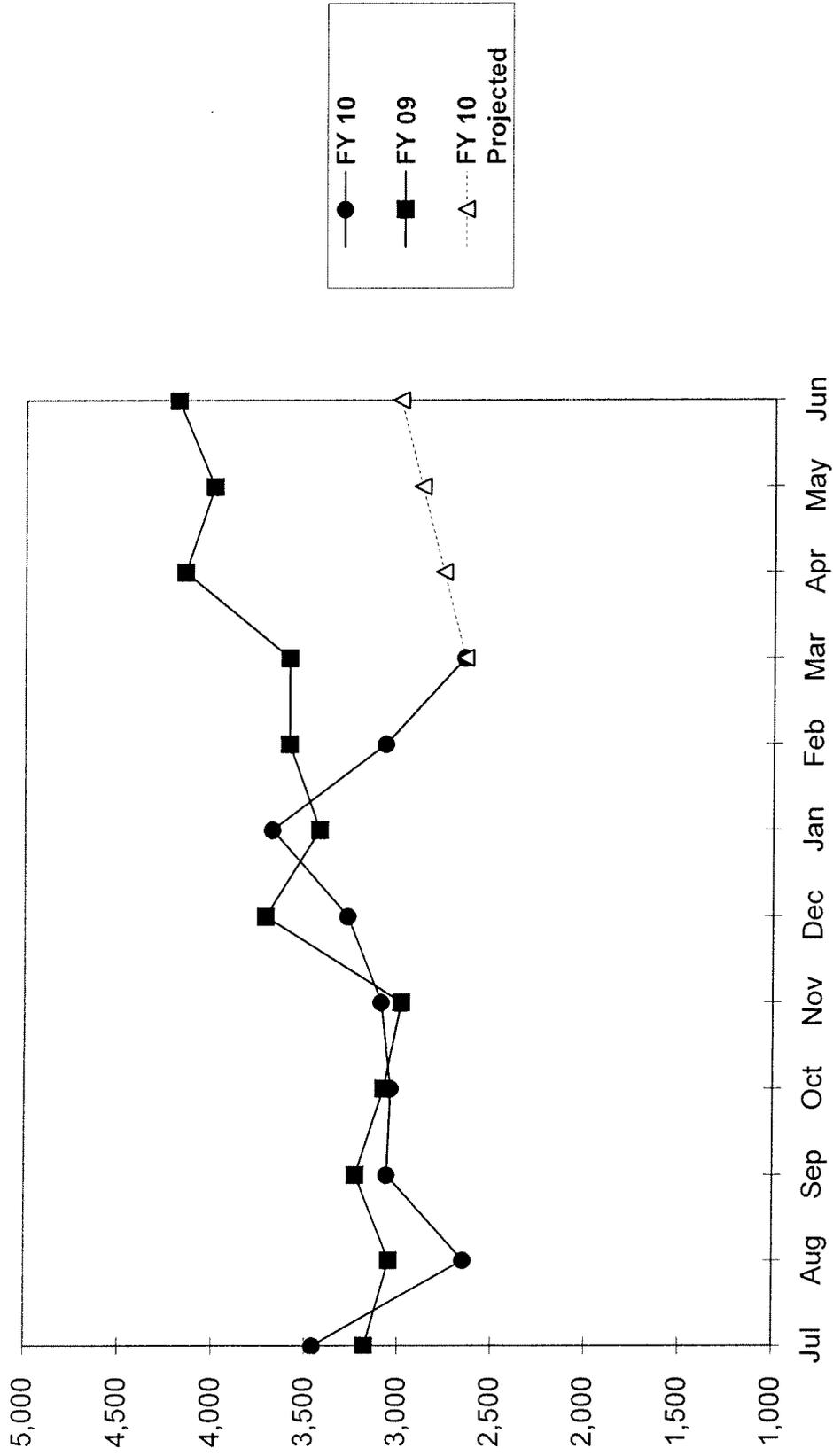
ABAG Financial Indices

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



ABAG Financial Indices

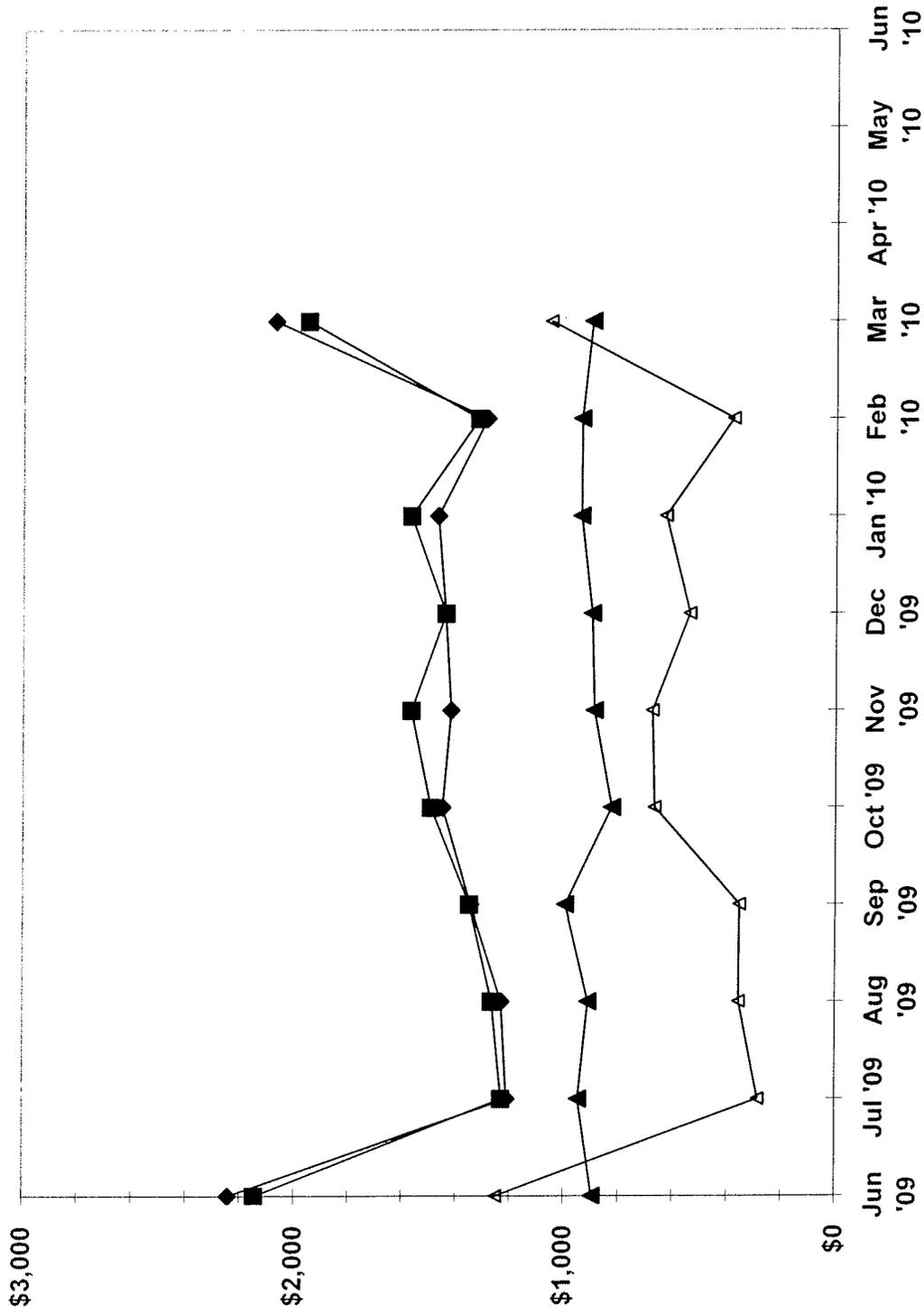
Accounts Receivable FY 09 and FY 10 (\$'000)



ABAG Financial Indices

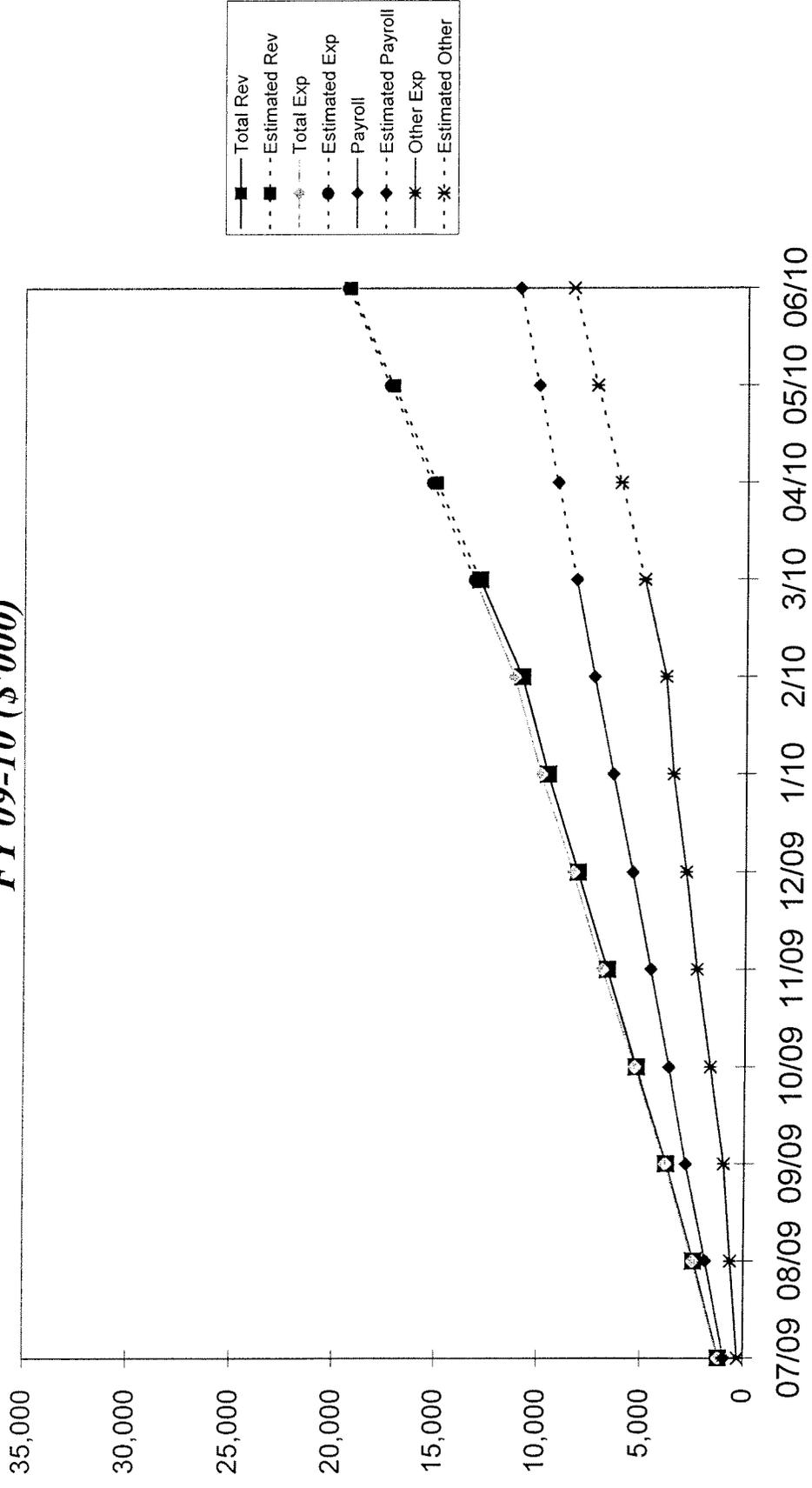
Current Month Revenues & Expenses

FY 09-10 (\$'000)



ABAG Financial Indices

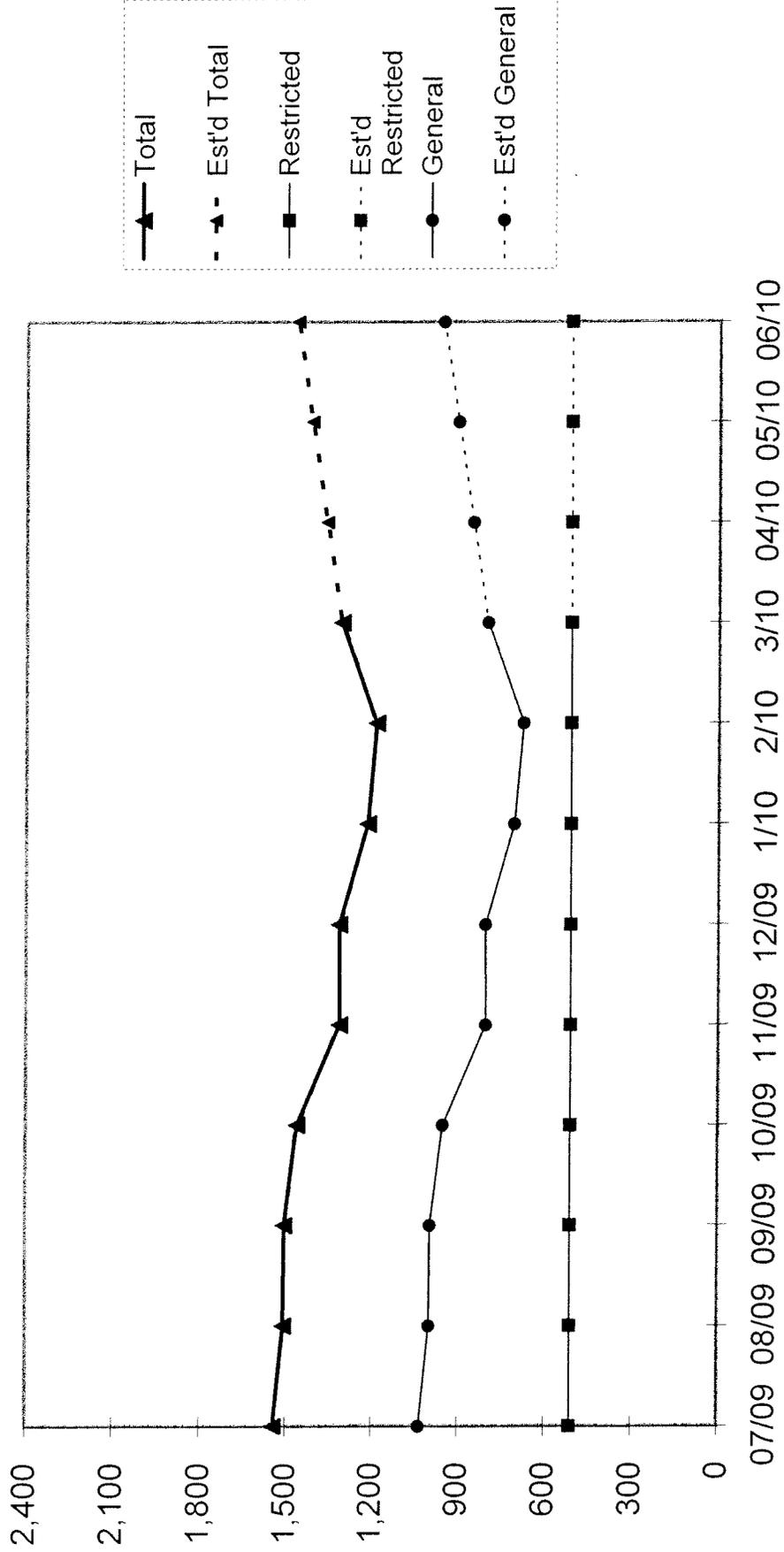
Year-to-date Revenues & Expenses FY 09-10 (\$'000)



ABAG Financial Indices

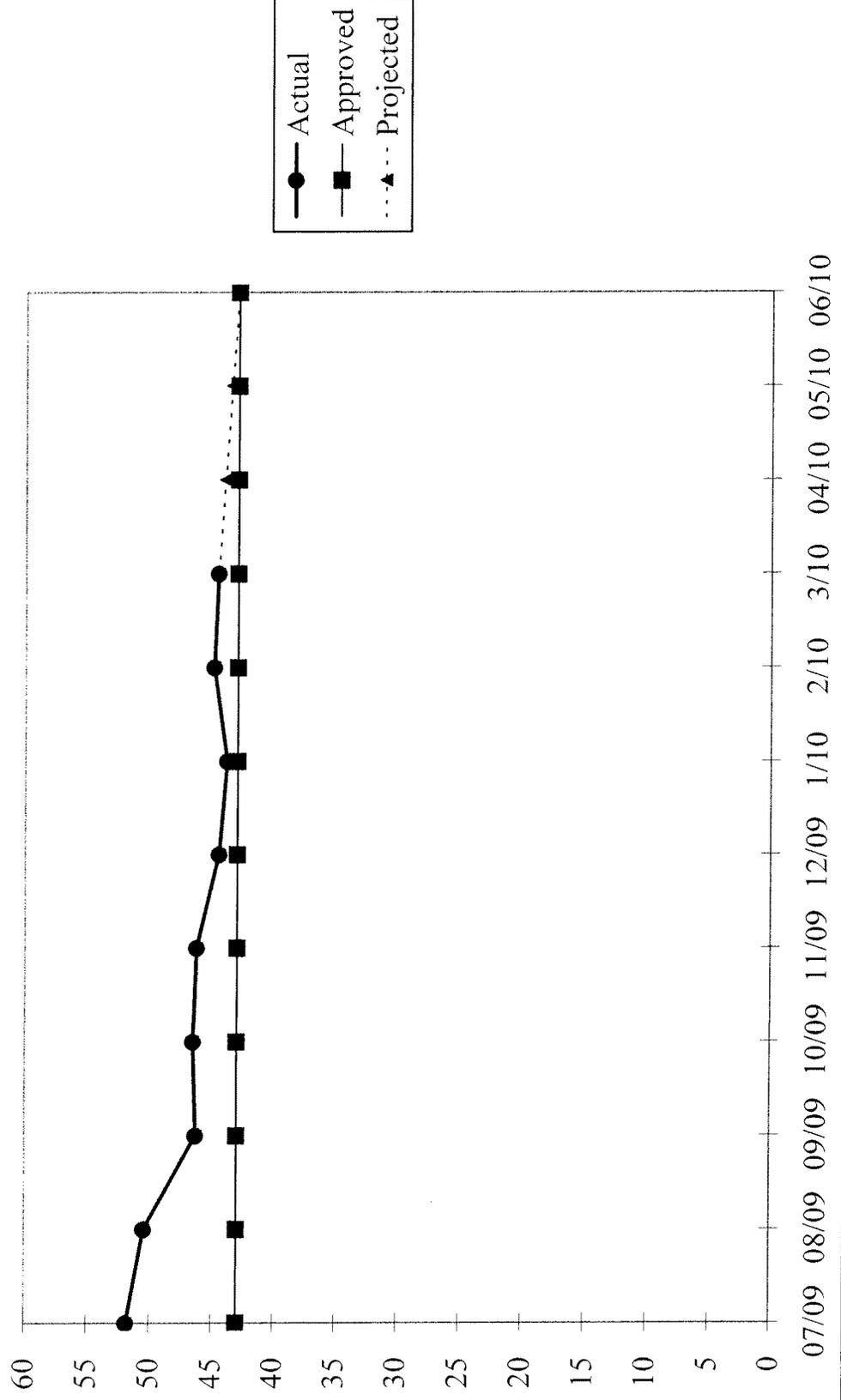
Fund Equity

FY 09-10 (\$'000)



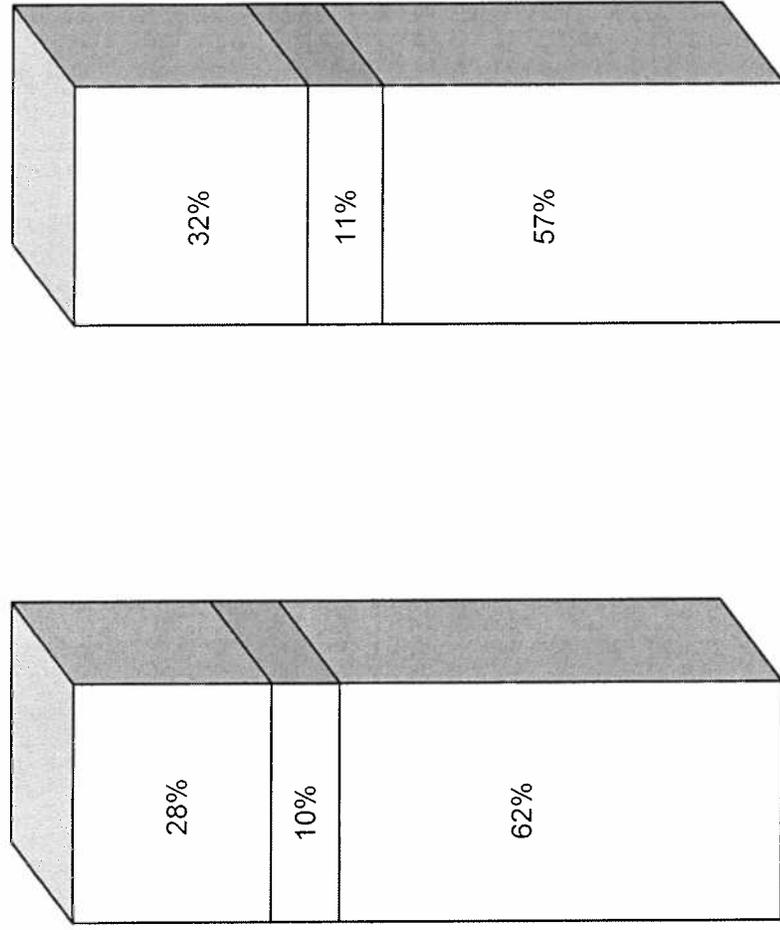
ABAG Financial Indices

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



ABAG Financial Indices

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



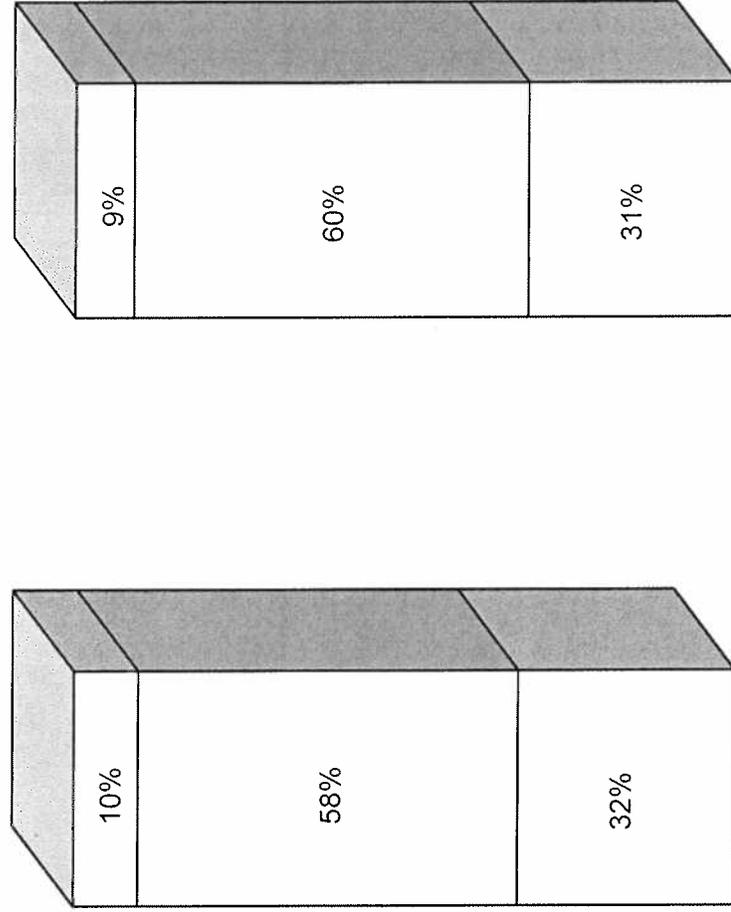
	FY09-10 Expenses (Total \$13,187)	FY08-09 Expenses (Total \$13,952)
□ Consultants	\$3,675	\$4,570
□ Others	\$1,272	\$1,482
□ Payroll	\$8,240	\$7,900

ABAG Financial Indices

Composition of Revenues FY 09--FY 10

Year to Date

(\$'000)

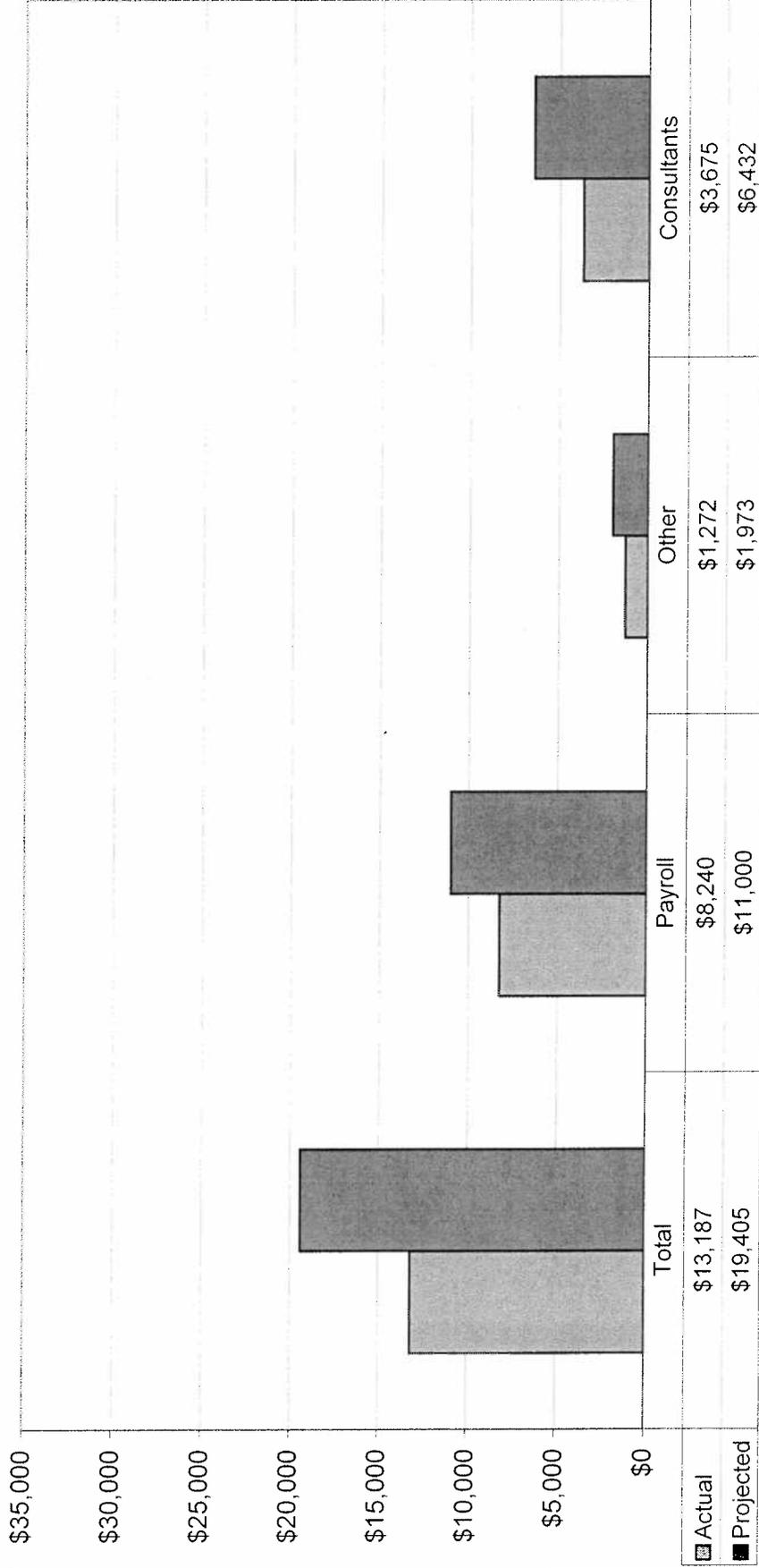


	FY 09-10 Revenue (Total \$12,932)	FY 08-09 Revenue (Total \$13,644)
Membership	\$1,247	\$1,202
Grants	\$7,476	\$8,174
Services & Others	\$4,209	\$4,268

ABAG Financial Indices

Actual vs Projected Expenses--FY 09-10

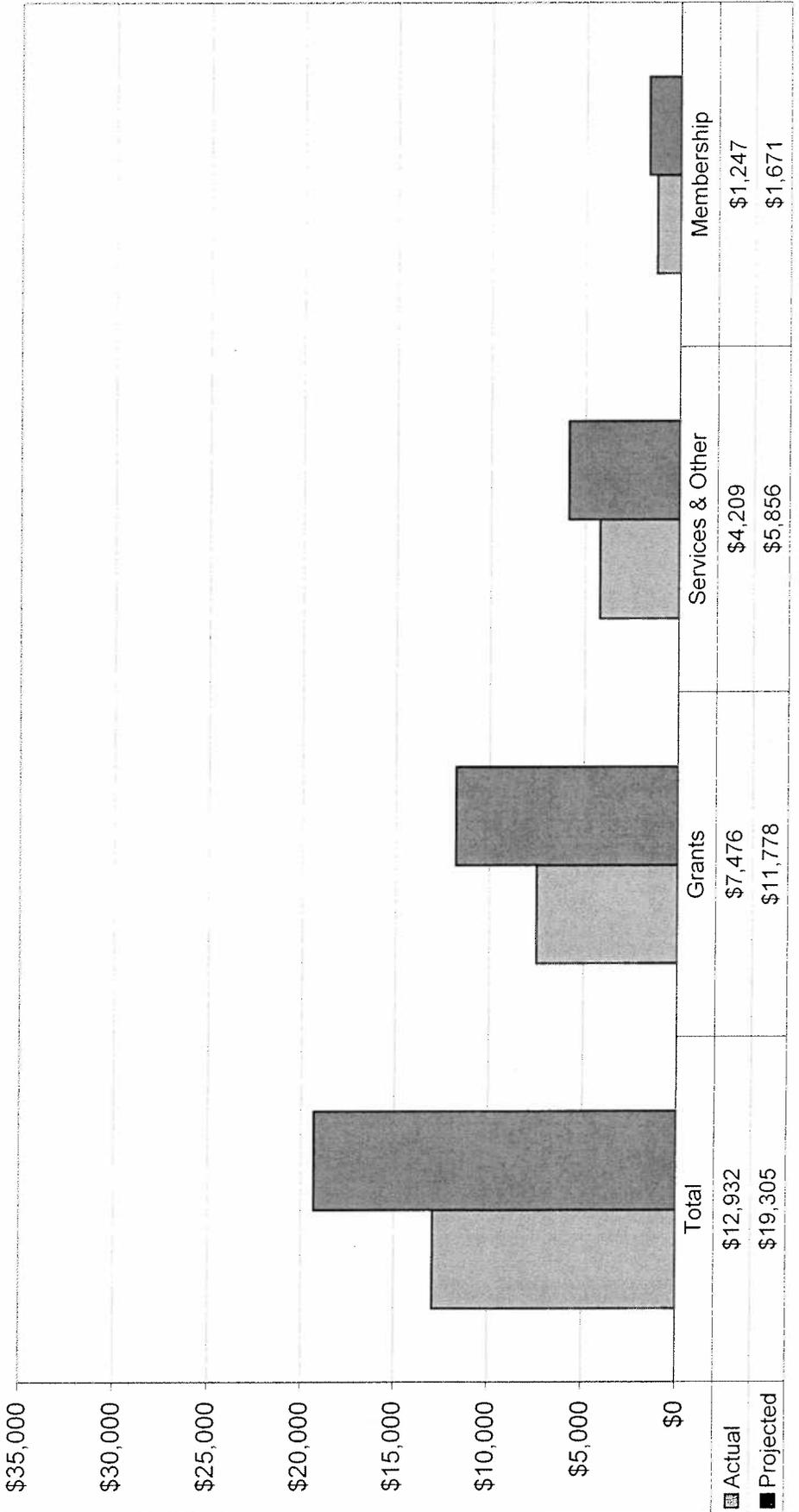
Year to Date (\$'000)



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.