

Association of Bay Area Governments

Finance Committee

January 20, 2022

Agenda Item 6.a.

Financial Statements

Subject

Report on ABAG Financial Statements for Period Ended October 31, 2021 (Unaudited)

Background

Attached are the Association of Bay Area Governments (ABAG) financial statements as of October 31, 2021.

ABAG financial information includes ABAG Administration, Bay Area Regional Energy Network (BayREN)-Energy, San Francisco Estuary Partnership (SFEP), and the San Francisco Bay Trail.

Overall Summary

As of October 31, 2021, the combined total actual expenses for the ABAG financial statements were at 19%. A material part of the consultants and passthrough expenses will occur in the following months. In addition, transfers out of ABAG has not occurred yet at this point of the year.

The total surplus for the programs was \$1.19 million for the period through October. This is due to the revenue of the membership being recorded at the beginning of the year, even though it is collected throughout the year.

The following are the highlights of the financial report for Administration, BayREN-Energy, SFEP and San Francisco Bay Trail.

Administration

As of October 31, 2021 the Admin Program collected \$2.2 million (90%) of the \$2.4 million total membership revenues reported.

As noted in previous memos, the membership revenues are booked fully in the beginning of the fiscal year when the invoice is sent to the members, even though the cash collected throughout the year. On the other hand, the pension expense is amortized over the course of the year, even though the full amount of \$1.6 million was paid fully in the beginning of the year. This makes the financials show a significant Year-To-Date surplus of \$1.26 million.

Year-to-date expense is 28% of the approved budget. The reason it is lower than the 33% (four months of the budget) is that the transfer to MTC and BARC have not been taken place yet.

In December 2021, the Metropolitan Transportation Commission authorized its staff to return the FY21 surcharge and the FY21 and FY22 SSO assessment payment made by ABAG. Total

Association of Bay Area Governments

Finance Committee

January 20, 2022

Agenda Item 6.a.

Financial Statements

refund is estimated at \$925,000. In addition, ABAG is not required to make the \$530,000 surcharge for FY22.

BayREN—Energy

BayREN-Energy program is a grant funded operation consisting mainly of California Public Utilities Commission grants. The grant funds are received at the beginning of the grant year (calendar year basis) and as the program record expenses, the revenue is released and therefore the revenue and expenses would be always close to break-even.

BayREN expenses were \$5.3 million as of October 31, 2021 and 22% of approved budget. Large consultant and incentive costs typically come at calendar year-end (when the grant is closing out) and will take the expenses up to match budget. Another reason for the low expenses compared to budget is the fact that the transfers have not taken place yet.

San Francisco Estuary Partnership

SFEP is funded by a series of grants, mainly from the U.S. Environmental Protection Agency (US EPA) and Department of Water Resources (DWR).

The SFEP expense as of October was \$1.6 million. Since this is mostly cost reimbursement grant funded, revenue and expenses should breakeven. The \$73,000 of net deficit the program has as of October is mainly due to timing of invoicing for the grants, as some minor grants are on a quarterly basis.

The expenses are running a bit lower than budget at 13%. This is mainly a timing variance and the following contributes to it:

1. Some large consultant expenses are delayed as the grant agreement is being amended.
2. The conference costs will be significantly less this year since the main event was held virtual and its costs were minimal.
3. The transfer to ABAG Admin has not taken place yet.

San Francisco Bay Trail

The San Francisco Bay Trail is a new non-profit entity that has not yet started to incur expenses

If you have any questions about this report, please contact Raymond Woo at (415) 778-5223.

Issues

None

Association of Bay Area Governments

Finance Committee

January 20, 2022

Agenda Item 6.a.

Financial Statements

Recommended Action

The ABAG Finance Committee is requested to accept the Report on ABAG Financial Statements for Period Ended October 31, 2021 (Unaudited).

Attachments

- A. October Rev & Exp Breakdown
- B. Budget to Actual by Major Category & Fund

Reviewed



Therese W. McMillan