

## Association of Bay Area Governments

### Finance Committee

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September 19, 2019

Agenda Item 6.a.

#### Year End Financial Statements (Unaudited)

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**Subject:** Report on ABAG Unaudited Financial Statements for Fiscal Year Ended June 30, 2019

**Background:** Attached are the Association of Bay Area Governments (ABAG) financial statements for Fiscal Year 2018-19. The June 2019 financials are preliminary, unaudited and subject to change upon completion of the annual audit process.

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

#### Overall Summary

As of June 30, 2019, total expenses amounted to \$29.7 million exceeding revenues by \$2 million. The following are the highlights of the financial reports for Administration, BayREN-Energy, and SFEP.

#### Administration

The Administration Program ended the fiscal year with a \$1.2 million deficit. The overdraft is caused by a combination of factors including less transfer revenue, as well as higher fixed asset and benefit costs. The fixed asset and GASB 68 and GASB 75 adjustments combined to increase costs by \$605,849. The actual transfer amount was lower because the planned retiree medical reimbursement will not take place until Fiscal Year 2019-20. ABAG has the available assets to cover the operating deficit for current fiscal year.

#### BayREN—Energy

BayREN-Energy program is a grant funded operation consisting mainly of California Public Utilities Commission grants. BayREN reported a deficit of \$223,967 due to timing of the year-end process. The deficit should be corrected as the year-end closing process is completed.

#### SFEP

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

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Water Resources (DWR). SFEP reported a deficit of \$477,519 in the preliminary report due to timing of the year-end process. The final audited financials should show the program to be completely self-supporting.

The SFEP self-funded programs include State of Estuary Conference, Estuary Newsletter, CALFED Conference, and the Bay-Delta Conference. This preliminary report show these programs ended the year with a deficit of \$120,362 and it is covered using the fund balance from prior years.

If you have any questions about this report, please contact Brian Mayhew at (415) 778-6730.

**Issues:** None

**Recommended Action:** The Finance Committee is requested to approve the staff report.

**Attachments:** Financial Statements

**Reviewed:**



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Therese W. McMillan