

## Association of Bay Area Governments

### FAN Executive Committee

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January 9, 2020

Agenda Item 6.a.

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#### Financial Statements

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**Subject:** Report on ABAG FAN Financial Statements as of October 31, 2019 (Unaudited)

**Background:** Attached for your information is the budget-to-actual report for ABAG Finance Authority for Nonprofit Corporations (ABAG FAN) as of October 31, 2019.

The report shows a deficit of \$1 million mainly due to the transfer to ABAG Admin to retire ABAG's remaining Other Post-Employment Benefits (OPEB) costs. Other financial highlights are as following.

Total revenue of \$286,593 is approximately 16% of the adopted budget. Interest earning of \$19,192 is 47% of its budget. Meanwhile, a loss of \$6,317 on investment revaluation (Obj 4850) is the result of reversing the year end entry posted in FY 2018-19. Total fee revenue reported for the period is \$273,718 or 25% of its budget. Most of the annual fees are collected at mid-year; therefore, fee revenue is expected to catch up later.

Year-to-date expenses of \$1.3 million is 43% of the adopted budget. Actual is overrunning the projected budget due to the \$1 million transfer (Obj 5600) to ABAG Admin at the beginning of the year. Operating expenses before transfer is \$300,716 which is 14% of its budget. We anticipate more consultant and legal expenses later in the year which will bring expenses more in line with the budget.

Funds totaling \$599,824 from Fiscal Year 2018-19 were added to the budget as prior year contract carryover encumbrances.

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

**Issues:** None

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**Recommended Action:** The ABAG FAN Executive Committee is requested to approve the staff report.

**Attachments:** Financial Statements

**Reviewed:**



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Therese W. McMillan