

Association of Bay Area Governments

Finance Committee

November 18, 2021

Agenda Item 6.a.

Financial Statements

Subject:

Report on ABAG Financial Statements for period ended August 31, 2021.

Background:

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

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

Overall Summary

As of August 31, 2021, the combined ABAG financial report shows an operating surplus of \$1.9 million. The surplus is generated from the membership revenue billed at the beginning of the fiscal year. Total actual expenses were only 8% of the budget but will catch up as the year progresses.

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

Administration

The Administration Program reports a \$2 million surplus; however, this number is misleading. Membership revenue of \$2.4 million is the major revenue source for this program. Membership revenue is recognized when bills are sent out, however as of August 31, 2021 we have collected \$1.6 million of the \$2.4 million (67% of total) billed.

Year-to-date expense is only 11% of the approved budget. However, the total \$1.6 million pension payment was made in July to take advantage of the PERS discount but amortized over a 12-month period. Taking the full payment into account, expenses are nearly \$1.8 million or 43% of the FY 2022 budget.

Adjusting the uncollected revenue and the full pension expense creates a slightly negative cashflow that will resolve itself as the year progresses.

BayREN—Energy

BayREN-Energy program is a grant funded operation consisting mainly of California Public Utilities Commission grants. BayREN expenses are \$2 million as of August and 8% of approved budget. Expenses should pick up later the year as the program ramps up its hiring and

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contracts. Since this is a cost reimbursement grant, revenue should remain in line with expenses keeping the program at breakeven.

SFEP

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 August was \$830 thousand against \$798 thousand in revenue, roughly only 6% of the budget. Project expenses should pick throughout the year as the program ramps up its hiring and project contracts. Since this is a cost reimbursement grant, revenues should stay in line with expenses (with a small gap due to grants being billed on a quarterly basis instead of monthly).

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 Brian Mayhew at (415) 778-6730.

Issues:

None

Recommended Action:

The Finance Committee is requested to approve the staff report on ABAG Financial Statements for period ended August 31, 2021.

Attachments:

- A. Report by Program
- B. Budget to Actual

Reviewed:



Therese W. McMillan