

AMBAG EXECUTIVE/FINANCE COMMITTEE AGENDA

November 14, 2018

Seaside Community Center
Conference Room
220 Coe Avenue
Seaside, CA 93955

4:30 pm

1. **Call to Order**
2. **Roll Call**
3. **Public Comments**
4. **Consent Agenda** **APPROVE**
 - A. **Minutes of the September 26, 2018 Meeting**
Approve the minutes of the September 26, 2018 meeting. (Page 3)
 - B. **List of Warrants as of September 30, 2018**
Accept the list of warrants. (Page 7)
 - C. **Accounts Receivable as of September 30, 2018**
Accept the accounts receivable. (Page 9)
5. **Draft Comprehensive Annual Financial Report (CAFR) for Fiscal Year
FY 2017-2018** **INFORMATION**
-Errol Osteraa

Receive presentation from Autumn Rossi, CPA and Audit Partner with Hayashi & Wayland Accounting & Consulting, LLP on AMBAG's Draft Comprehensive Annual Financial Report (CAFR) for FY 2017-2018 and accept the CAFR and accompanying reports. (Page 11)
6. **Financial Update Report** **INFORMATION**
-Errol Osteraa

Receive the financial update report which provides an update on AMBAG's current financial position and accompanying financial statements. (Page 13)

7. Other Items

8. Adjournment

EXECUTIVE/FINANCE COMMITTEE MEETING

Corralitos Community Center
Padres Hall
35 Browns Valley Road
Corralitos, CA 95076

September 26, 2018
Minutes

1. Call to Order

The meeting was called to order by President Muenzer at 5:04 p.m.

2. Roll Call

Present: Directors Funk, Kampe, Noroyan, McShane, Muenzer, and Salinas
Absent: Director McPherson
Others Present: Maura Twomey, Executive Director, and Errol Osteraa, Director of Finance and Administration

3. Public Comments

There were no comments from the public.

4. Consent Agenda

The following items were enclosed: 1) the minutes of the August 8, 2018 meeting; 2) warrants as of July 31, 2018; and 3) accounts receivable as of July 31, 2018.

Motion made by Director Noroyan seconded by Director Salinas to approve the consent agenda. Motion passed unanimously.

Director Kampe arrived.

Director McShane arrived.

5. Closed Session

AMBAG Staff and members of the public stepped out of meeting for the closed session item.

6. Reconvene from Closed Session

The meeting reconvened. President Muenzer reported that the Board met under closed session and there was nothing to report.

7. Financial Update Report

Errol Osteraa, Principal Accountant, gave a report on AMBAG's current financial position. The accompanying financial statements were also discussed.

8. Other Items

No other items were discussed.

9. Adjournment

The meeting adjourned at 5:29 p.m.

DRAFT

**AMBAG EXECUTIVE/FINANCE COMMITTEE MEETING
ATTENDANCE & VOTING RECORD**

MEETING DATE: September 26, 2018

Attendance (X= Present; AB= Absent) Voting (Y= Yes; N=No; A=Abstain)						
MEMBER	AMBAG REP	Attendance	Item# 4 Consent	Item#	Item#	
Gonzales	Scott Funk	X	Y	-	-	-
Pacific Grove	Bill Kampe	X (5:12)	*	-	-	-
Salinas	Steve McShane	X (5:15)	*	-	-	-
Santa Cruz	Richelle Noroyan	X	Y	-	-	-
County – Santa Cruz	Bruce McPherson	AB	-	-	-	-
County-Monterey	Simon Salinas	X	Y	-	-	-
County-San Benito	Jerry Muenzer	X	Y	-	-	-

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Unaudited
Association of Monterey Bay Area Governments
Check Register
September 2018

Date	Check Number	Name	Description	Amount
09/07/2018	27867	Anthem Blue Cross of California	Small Group Life Insurance Coverage 10-01-18 to 11-01-18	316.25
09/07/2018	27868	Bobbie Grant	Mileage Reimbursement for August 2018	25.45
09/07/2018	27869	Caliper Corporation - WE 257	Supra-Regional ABM Framework Project Work for June 1-30, 2018	8,647.50
09/07/2018	27870	De Lage Landen, Inc	Copier Lease for 08/15/2018 - 09/14/2018	407.30
09/07/2018	27871	Elisabeth Russell Bertrand	Reimbursement for Trip to Sacramento for California Climate Adaptation Forum 8/26-8/29/18	259.59
09/07/2018	27872	Hayashi & Wayland, LLP	1st Billing for FY 2017-18 Audit	10,800.00
09/07/2018	27873	Heather Adamson	Reimbursement for Expenses for Month of August 2018	38.36
09/07/2018	27874	Monterey Computer Corporation, Inc.	IT Support, Off-Site Replication Back-Up Service, and Spam Filtering for September 2018	1,071.75
09/07/2018	27875	Monterey Salinas Transit	MST/METRO's Joint Bus on Shoulder Study 3rd & 4th Quarters FY 2017-18 FINAL	47,843.29
09/07/2018	27876	Pitney Bowes Inc. - Lease	Lease Postage Meter from September 30, 2018 - December 30, 2018	314.69
09/07/2018	27877	Red Shift Internet Services, Inc.	Web Hosting for AMBAG Site From 09-01-18 to 10-01-18 (Platinum Package)	35.98
09/07/2018	27878	Santa Cruz County Farm Bureau.	Annual Membership in Santa Cruz County Farm Bureau 2018-19	250.00
09/07/2018	27879	SDRMA	Workmen's Comp FY 17-18 Final Reconciliation	360.98
09/07/2018	27880	Staples Credit Plan, Inc.	Office Supplies for September	439.44
09/07/2018	27881	Verizon Wireless, Inc	Broadband Account for Broadband Devices and iPads New Plan	232.66
09/08/2018	EFT	Pers Retirement	August 2018 Retirement Contributions (from August 16, 2018 thru August 31, 2018)	9,061.73
09/08/2018	EFT	Pers Retirement	September Pmt for Annual Unfunded Accrued Liability as of 06/30/2016 Valuation	11,664.72
09/08/2018	EFT	Pers Retirement	Combined GASB 68 Reports and Schedules for Plan Identifiers #26831 & #1283	700.00
09/13/2018	27882	AT&T (FAX Line)	Fax Line Billed in Advance From 09/02/18 - 10/01/18	80.70
09/13/2018	27883	Caltronics Business Systems, Inc	Copier Usage Bill for 08/05/18 - 09/04/18	583.14
09/13/2018	27884	Iron Mountain, Inc.	Offsite Document Storage for August 2018	26.73
09/13/2018	27885	Santa Cruz Sentinel(MediaNews Group, Inc.	Notice for MTIP Draft, from FFY 2018-19 to 2021-22	230.40
09/13/2018	27886	TAMC	Town Hall Reception - Silver Sponsor	250.00
09/13/2018	27887	The Herald (MediaNews Group, Inc)(Ads)	Ad for Associate Planner Position & Notice for MTIP Draft, from FFY 2018-19 to 2021-22	770.36
09/13/2018	27888	VISA Rabobank - 3667	Travel, Storage, and Meeting Expenses	1,913.96
09/13/2018	27889	VISA Rabobank - 7680	Travel, Supplies, Food for Meetings, Web Hosting, Supplies for Meetings	3,597.95
09/15/2018	EFT	Paychex, Inc.	Net Payroll and Taxes for Period Ending 09/15/2018	63,651.90
09/27/2018	27890	Amaury Berteaud	Expense Report for September 2018	36.06
09/27/2018	27891	Ana Flores	Mileage Reimbursement for Month of September	46.21
09/27/2018	27892	Anderson Communications	Install CPE Speaker Phone in Marina Conference Room and Redesignate Phones to New Staff	250.00
09/27/2018	27893	AT&T (Silver Cloud Ct VoIP)	Monthly Charges for VoIP Lines (Main Line, Staff Lines) and T-1 MIS Access - 08/19/18 - 10/18/18	506.05
09/27/2018	27894	Bay Mobile Services	Wash AMBAG Prius Onsite - September 2018	35.00
09/27/2018	27895	Bobbie Grant	Mileage Reimbursement for September 2018	57.04
09/27/2018	27896	BOD - Carlos Victoria	BOD Meeting 9/26/18	50.00
09/27/2018	27897	BOD - Felipe Hernandez	BOD Meeting 9/26/18	50.00
09/27/2018	27898	BOD - Greg Caput	BOD Meeting 9/26/18	50.00
09/27/2018	27899	BOD - Jack Dilles	BOD Meeting 9/26/18	50.00
09/27/2018	27900	BOD - Jerry Muenzer	BOD Meeting 9/26/18	50.00
09/27/2018	27901	BOD - John Freeman	BOD Meeting 9/26/18	50.00
09/27/2018	27902	BOD - Mark Medina	BOD Meeting 9/26/18	50.00
09/27/2018	27903	BOD - Mary Ann Carbone	BOD Meeting 9/26/18	50.00
09/27/2018	27904	BOD - Richelle Noroyan	BOD Meeting 9/26/18	50.00
09/27/2018	27905	BOD - Scott Funk	BOD Meeting 9/26/18	50.00

Association of Monterey Bay Area Governments
 Check Register
 September 2018

Date	Check Number	Name	Description	Amount
09/27/2018	27906	BOD - Simon Salinas	BOD Meeting 9/26/18	50.00
09/27/2018	27907	BOD - Steve McShane	BOD Meeting 9/26/18	50.00
09/27/2018	27908	Californian Newspaper	Ad for Associate Planner Position	84.00
09/27/2018	27909	Comcast - Monterey	High Speed Internet for 08/22/2018 - 10/21/2018	287.37
09/27/2018	27910	Delta Dental Plan of California	October 2018 Dental Premiums	1,681.50
09/27/2018	27911	Elisabeth Russell Bertrand	Travel Reimbursement for September 2018	572.55
09/27/2018	27912	Errol Osteraa	Expense Report for September 2018	28.67
09/27/2018	27913	Hayashi & Wayland, LLP	2nd Billing for FY 2017-18 Audit	16,120.00
09/27/2018	27914	Heather Adamson	Reimbursement for Travel Expenses for CALCOG CARL Program - Statewide Regional Governance Meeting...	433.95
09/27/2018	27915	MetLife - Group Benefits	October 2018 Disability Insurance Premium	292.06
09/27/2018	27916	Monterey Bay Air Resources District	October 2018 Rent	5,968.00
09/27/2018	27917	Perry and Freeman	Legal Services for September and October 2018	2,250.00
09/27/2018	27918	Pitney Bowes, Inc. - Purchase Power	Postage Paid by Purchase Power Line of Credit	500.00
09/27/2018	27919	Staples Credit Plan, Inc.	Office Supplies for September	170.23
09/27/2018	27920	Stephen Campbell	August & September 2018 Travel Reimbursements	217.70
09/27/2018	27921	Valero, Inc.	July 23, 2018 to August 10, 2018 Fuel Costs	54.79
09/27/2018	27922	Vision Service Plan, Inc. (VSP)	September 2018 Premium	301.52
09/27/2018	27923	William Condon	Mileage Reimbursements for September 2018	1.67
09/28/2018	EFT	Pers Health Benefit	Health Coverage October 2018	11,296.82
09/28/2018	EFT	Pers Retirement	September 2018 Retirement Contributions (from September 1, 2018 thru September 15, 2018)	9,163.44
09/30/2018	EFT	Paychex, Inc.	Net Payroll and Taxes for Period Ending 09/30/2018	63,228.92
			Total	<u>\$277,758.38</u>

AMBAG
A/R Aging Detail
As of September 30, 2018

Date	Num	Name	Memo	Due Date	Days Outstanding	Open Balance	Paid
09/30/2018	3925	Council of San Benito County Governments:Transportation Performance (WE-611)	ALL AMBAG	09/30/2018		7,685.00	√
09/30/2018	3927	PG & E-CEE Invoice Desk	ALL AMBAG	09/30/2018		63,618.67	
09/30/2018	3928	Western Riverside Council of Governments	ALL AMBAG	09/30/2018		106.87	√
09/30/2018	3930	RAPS A/R	ALL AMBAG	09/30/2018		1,048.76	
09/30/2018	3931	RAPS A/R	ALL AMBAG	09/30/2018		3,866.28	
09/30/2018	3929	Caltrans, D5	Caliper - \$15,220.00 & \$9,165.00	10/30/2018		325,295.39	
08/31/2018	3926	PG & E-CEE Invoice Desk	ALL AMBAG	08/31/2018	30	58,862.23	√
07/31/2018	3922	Caltrans, D5	Caliper - \$16,525.00	08/30/2018	31	126,991.54	√
06/30/2018	3919	Caltrans:SHRP2	Caliper - \$2,000.00	07/30/2018	62	4,982.80	
07/31/2018	3923	RAPS A/R	ALL AMBAG	07/31/2018	61	612.20	√
07/31/2018	3924	RAPS A/R	ALL AMBAG	07/31/2018	61	1,053.26	√
04/30/2018	3857	RAPS A/R	ALL AMBAG	04/30/2018	153	8,155.47	√
07/01/2018	3893	Rural Counties Task Force:Del Norte Local Transportation Commission	ALL AMBAG	07/01/2018	91	1,500.00	√
07/01/2018	3897	Rural Counties Task Force:Lake County/City Area Planning Council	ALL AMBAG	07/01/2018	91	2,000.00	√
07/01/2018	3904	Rural Counties Task Force:Nevada County Transportation Commission	ALL AMBAG	07/01/2018	91	1,000.00	√
07/01/2018	3906	Rural Counties Task Force:Plumas County Transportation Commission	ALL AMBAG	07/01/2018	91	1,000.00	√
		Total Receivables				\$ 607,778.47	
		Less Contractor Receivables				\$ 42,910.00	
		Net AMBAG Receivables				\$ 564,868.47	

√ = Reflects payments received subsequent to September 30, 2018.

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MEMORANDUM

TO: Executive/Finance Committee

FROM: Maura F. Twomey, Executive Director

RECOMMENDED BY: Errol Osteraa, Director of Finance and Administrative Services

SUBJECT: Draft Comprehensive Annual Financial Report (CAFR) for Fiscal Year (FY) 2017-2018

MEETING DATE: November 14, 2018

RECOMMENDATION:

Receive a presentation from Autumn Rossi, CPA and Audit Partner with Hayashi & Wayland Accounting & Consulting, LLP on AMBAG's Draft Comprehensive Annual Financial Report (CAFR) for FY 2017-2018.

BACKGROUND/DISCUSSION:

Pursuant to AMBAG's by-laws, an independent audit firm performs an annual financial audit and an opinion is issued on AMBAG's financial position as of June 30 of each year. The Comprehensive Annual Financial Report (CAFR) is for the period ended June 30, 2018. AMBAG received an unmodified (clean) opinion.

The AMBAG CAFR (separately enclosed) is comprised of several sections:

- **Introductory** – this section includes a letter of transmittal, which is an executive summary introducing the financial statements along with other required information.
- **Financial Section and Basic Financial Statements** – these sections have the independent auditors' report from Hayashi and Wayland Accounting and Consulting, LLP; Management's Discussion and Analysis (MD&A), which is managements' overview of AMBAG's financial position; identification of any major issues and projections for the future; the actual financial statements and note disclosures.
- **Required Supplementary Information** – this section includes budgetary comparison schedules for the general fund and for each major fund that has a legally adopted annual budget. This section also includes additional schedules and reporting requirements for Governmental Accounting Standards Board (GASB) Statements No. 45, 68, and 82.

- **Supplementary Information** – this section contains Consolidated Planning Grant (CPG) financial information and schedules regarding direct, indirect, and unallowable costs under AMBAG’s grant awards.
- **Statistical Section** – this section contains various unaudited demographic and financial information for the AMBAG region.
- **Single Audit Section** – this section is a requirement for agencies that have federal grants in excess of \$750,000 and includes the auditor’s report on their findings and any questioned costs, as it relates to federal grant programs. There were no single audit findings.

FINANCIAL IMPACT:

Management’s Discussion and Analysis section of the CAFR discloses management’s perspective on the financial position of AMBAG and its nonprofit arm, Regional Analysis and Planning Services, Inc. (RAPS) for FY 2017-2018. AMBAG had a positive change in net position of \$105,908 and RAPS had a positive change in net position of \$6,863. The combined change in net position was \$112,771. Although there was a positive change in AMBAG’s net position, AMBAG’s overall ending net position reflected a deficit of \$300,340, due to GASB Statement No. 68, *Accounting and Financial Reporting for Pensions and GASB Statement No. 82, Pension Issues-an amendment of GASB Statements No. 67, 68 and No. 73.*

Preparation of the CAFR was funded in part through grants from the Federal Highway Administration and Federal Transit Administration.


COORDINATION:

Autumn Rossi, CPA from Hayashi and Wayland Accounting and Consulting, LLP will provide an overview presentation of the Draft Comprehensive Annual Financial Report for FY 2017-2018 at the November 14, 2018 Board of Directors meeting.

ATTACHMENT:

None.

APPROVED BY:



Maura F. Twomey, Executive Director



MEMORANDUM

TO: Executive/Finance Committee

FROM: Maura F. Twomey, Executive Director

RECOMMENDED BY: Errol Osteraa, Director of Finance & Administration

SUBJECT: Financial Update Report

MEETING DATE: November 14, 2018

RECOMMENDATION:

Staff recommends that the Executive/Finance Committee receive the Financial Update Report.

BACKGROUND/DISCUSSION:

The enclosed financial reports are for the 2018-2019 Fiscal Year (FY) and are presented as a consent item. The attached reports contain the cumulative effect of operations through September 30, 2018 as well as a budget-to-actual comparison. Amounts in the Financial Update Report are unaudited.

FINANCIAL IMPACT:

The Balance Sheet for September 30, 2018 reflects a cash balance of \$519,693.57. The accounts and contractors receivable balance is \$607,778.47, while the current liabilities balance is \$109,331.02. AMBAG has sufficient current assets on hand to pay all known current obligations.

Due to the implementation of Governmental Accounting Standards Board (GASB) Statement No. 68 in FY 2014-2015 and a restatement to Net Position for GASB Statement No. 82, AMBAG has a deficit Net Position in the amount of \$57,557.25. Although AMBAG's Balance Sheet as of September 30, 2018 reflects a deficit Net Position, AMBAG's Profit and Loss Statement reflects an excess of revenue over expense of \$159,635.95. As we make efforts to pay the outstanding pension liability, AMBAG's Net Position has and will continue to improve.

The following table highlights key Budget to Actual financial data:

Budget to Actual Financial Highlights
For Period July 1, 2018 through September 30, 2018

Expenditures	Budget Through September 2018	Actual Through September 2018	Difference
Salaries & Fringe Benefits	\$ 623,836.00	\$ 549,835.84	\$ 74,000.16
Professional Services	\$ 284,286.00	\$ 84,277.85	\$ 200,008.15
Lease/Rentals	\$ 22,750.00	\$ 21,488.13	\$ 1,261.87
Communications	\$ 7,988.00	\$ 4,201.74	\$ 3,786.26
Supplies	\$ 28,405.00	\$ 14,186.34	\$ 14,218.66
Printing	\$ 2,837.00	\$ 790.05	\$ 2,046.95
Travel	\$ 21,075.00	\$ 7,687.88	\$ 13,387.12
Other Charges	\$ 81,784.00	\$ 80,534.66	\$ 1,249.34
Total	\$ 1,072,959.00	\$ 763,002.49	\$ 309,956.51
Revenue			
Federal/State/Local Revenue	\$ 1,093,334.00	\$ 922,638.44	\$ 170,695.56
Note: AMBAG is projecting a surplus, therefore budgeted revenues do not equal expenses.			

Revenues/Expenses (Budget to Actual Comparison):

The budget reflects a linear programming of funds while actual work is contingent on various factors. Therefore, during the fiscal year there will be fluctuations from budget-to-actual.

Salaries and fringe benefits are under budget primarily due to positions that were vacant for portions of the fiscal year.

Professional Services are under budget primarily due to the timing of work on projects performed by contractors. These projects include the Central Coast Highway 1 Climate Resiliency Study and the development of an Activity-Based Model (ABM) Framework for the Central Coast Supra-Region (AMBAG, SLOCOG and SBCAG). These projects are in various phases of completion.

Since AMBAG funding is primarily on a reimbursement basis, any deviation in expenditure also results in a corresponding deviation in revenue. Budget-to-actual revenue and expenditures are monitored perpetually to analyze fiscal operations and propose amendments to the budget if needed.

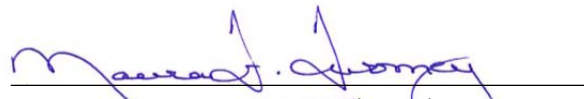
COORDINATION:

N/A.

ATTACHMENTS:

1. Balance Sheet as of September 30, 2018
2. Profit and Loss: July 1, 2018 – September 30, 2018
3. Cash Activity for October, 2018

APPROVED BY:



Maura F. Twomey, Executive Director

Accrual Basis
Unaudited

**AMBAG
Balance Sheet
As of September 30, 2018**

	September 30, 2018	September 30, 2018
Assets		
Current Assets		
Cash and Cash Equivalents		
Rabobank - Special Reserve	177,780.72	1,127.62
Rabobank - Checking	337,910.45	42,910.00
Petty Cash	500.00	65,293.40
LAIF Account	3,502.40	0.00
Total Cash and Cash Equivalents	519,693.57	109,331.02
Accounts Receivable	564,868.47	
Contractors Receivable	42,910.00	
Total Accounts and Contractors Receivable	607,778.47	
Other Current Assets		
Due from PRWFPA/RAPS	450.23	257,441.95
Prepaid Expenses	25,974.67	1,836,563.69
Total Other Current Assets	26,424.90	9,698.34
Total Current Assets	1,153,896.94	2,103,703.98
Long-Term Assets		
FY 2002-2003 Housing Mandate Receivable	82,186.00	
Allowance for Doubtful Accounts	(16,437.20)	
Deferred Outflows - Actuarial	605,262.49	
Deferred Outflows - PERS Contribution	296,519.59	
Total Long-Term Assets	967,530.88	2,213,035.00
Capital Assets		
Capital Assets	161,500.28	(217,193.20)
Accumulated Depreciation	(127,450.35)	159,635.95
Total Capital Assets	34,049.93	(57,557.25)
Total Assets	2,155,477.75	2,155,477.75
Liabilities & Net Position		
Liabilities		
Current Liabilities		
Accounts Payable		1,127.62
Contractors Payable		42,910.00
Employee Benefits		65,293.40
Line of Credit		0.00
Total Current Liabilities		109,331.02
Long-Term Liabilities		
Deferred Inflows - Actuarial		257,441.95
Net Pension Liability (GASB 68)		1,836,563.69
OPEB Liability		9,698.34
Total Long-Term Liabilities		2,103,703.98
Total Liabilities		2,213,035.00
Net Position		
Beginning Net Position		(217,193.20)
Net Income/(Loss)		159,635.95
Total Ending Net Position		(57,557.25)
Total Liabilities & Net Position		2,155,477.75

AMBAG
Profit & Loss
July 2018 - September 2018

July 2018 - September 2018

Income		
AMBAG Revenue	212,770.53	
Cash Contributions	16,687.37	
Grant Revenue	649,412.26	
Non-Federal Local Match	43,768.28	
Total Income	<u>922,638.44</u>	
Expense		
Salaries	356,143.27	
Fringe Benefits	193,692.57	
Professional Services	84,277.85	
Lease/Rentals	21,488.13	
Communications	4,201.74	
Supplies	14,186.34	
Printing	790.05	
Travel	7,687.88	
Other Charges:		
BOD Allowances	1,400.00	
BOD Refreshments/Travel/Nameplates/Dinner	1,708.94	
Workshops/Training	50.00	
GIS Licensing/CC-JDC Support	8,068.13	
Energy Watch Travel/Classes/Events	4,114.90	
SB1/MTP/MTP/SCS/OWP/Public Participation Expenses	691.23	
Recruiting	588.81	
Dues & Subscriptions	6,751.72	
Depreciation Expense	4,850.43	
Maintenance/Utilities	2,368.01	
Insurance	6,167.46	
Interest/Fees/Tax Expense	6.75	
Total Other Charges	<u>36,766.38</u>	
Non-Federal Local Match	<u>43,768.28</u>	
Total Expense	<u>763,002.49</u>	
Net Income/(Loss)	<u>159,635.95</u>	

