

Association of Bay Area Governments

Finance Committee

May 21, 2026

Agenda Item 5.d.

ABAG Statement of Revenues and Expenses

Subject:

Recommend ABAG Executive Board Acceptance of Report on Fiscal Year (FY) 2025-26 Association of Bay Area Governments (ABAG) Statement of Revenues and Expenses for the period ended March 31, 2026 (Unaudited)

Background:

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

The Statement of Revenues and Expenses has been prepared in accordance with the generally accepted accounting principles (GAAP). The columns have been designed to provide an easy comparison of current year-to-date actuals to the prior year-to-date actuals, including dollar and percentage variances.

Overall Summary:

Operating Revenue

The year-to-date operating revenues totaled \$40.2 million, an increase of \$7.3 million compared to the prior year-to-date actual. This growth was primarily driven by a \$9.2 million increase in grant funding for the BayREN program. This increase was offset by a \$2.4 million decrease in grant funding for the SFEP program.

Operating Expense

The year-to-date operating expenses totaled \$38.4 million, an increase of \$7.1 million compared to the prior year-to-date actual. This increase in expenses is primarily driven by a \$9.0 million increase in grant-related activities in the BayREN program. The increase was offset by a \$2.3 million decrease in SFEP grant project expenses.

Administration

The main source of revenue for the Administration program is membership dues. The year-to-date dues revenues totaled \$3.2 million, an increase of \$93,688 compared to the prior year-to-date actual. The membership dues revenues are recorded at the beginning of the year when bills are sent out and are collected throughout the year. As of March 31, 2026, ABAG had collected 100% of the \$3.2 million billed.

As of March 31, 2026, the total operating expenses were \$2.4 million, which was \$39,871 more than the prior year-to-date actual. The increase was primarily due to the increases in retirement pension and OPEB expenses.

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May 21, 2026

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BayREN—Energy

BayREN-Energy program is a grant funded operation consisting of California Public Utilities Commission (CPUC) grants. The year-to-date revenues were \$27.0 million, which was \$9.2 million more than the prior year-to-date actual. Grant revenues increased by \$9.0 million due to the increases in grant-related expenses.

CPUC grant funds are received at the beginning of the grant year and as the expense is incurred, the revenue is released. Therefore, the revenues and expenses would always be close to break-even.

As of March 31, 2026, the operating expenses were \$26.0 million, an increase of \$9.0 million compared to prior year-to-date actual. This was primarily due to an increase of \$7.6 million related to incentive programs and an increase of \$0.9 million from consultant and pass-through expenses.

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 year-to-date revenues were \$9.2 million, a decrease of \$2.4 million from the prior year-to-date actual. Grant revenues decreased due to the decreases in grant-related expenses.

As of March 31, 2026, the operating expenses were \$9.3 million, a decrease of \$2.3 million compared to prior year-to-date actual. The decrease was primarily due to a decrease in the DWR grant project expenses.

ABAG Planning

The main source of revenue for ABAG Planning is from Regional Early Action Planning (REAP) grants and the California State Coastal Conservancy. The year-to-date revenues were \$654,983, an increase of \$328,208 from the prior year-to-date actual. Grant revenues increased mainly due to an increase in REAP grant project expenses.

As of March 31, 2026, the operating expenses were \$651,567, an increase of \$384,874 compared to prior year-to-date actual. The increase was primarily due to an increase in REAP grant project expenses.

Budget & Forecast Updates

FY 2025-26 total ABAG operating revenues of \$40.2 million represent 30% of the \$133.9 million approved budget at the three-quarter mark, while total operating expenditures of \$38.4 million represent 29% of the \$134.3 million approved budget. This measured pace largely reflects the timing of grant-funded program activity across BayREN Energy, SFEP, and ABAG Planning, where revenues are recognized as expenses are incurred, resulting in near break-even run rates through March 31, 2026. Within ABAG Administration, membership dues of \$3.2 million were

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billed and collected, which is in alignment with the year-over-year comparison; meanwhile, pool interest income is ahead of plan at approximately 115% of budget. The ABAG other post-employment benefit (OPEB) Trust drawdown of \$0.5 million and most Transfers In are completed later in the fiscal year, which also contributes to the first-three-quarters revenue lag.

Administration expenses are at 58% of budget, including the fully recorded Beale Assessment contribution. BayREN Energy is tracking at 30% of revenue budget and 29% of expense budget, with incentive program spending of \$13.1 million concentrated in Multi Family Incentives (79% of budget) and Single Family Incentives (25%). This distribution reflects strong demand for Multifamily incentives, while Single Family and Commercial programs were largely on hold due to programmatic changes during 2025. SFEP revenues and expenses are at 24% and 25% respectively, reflecting the scheduled timing of EPA and DWR grant draws, and ABAG Planning (funded by REAP 2.0 and Coastal Conservancy grants) is at 23% of revenue and 23% of expense budget.

FY 2025-26 total operating expenditures are projected to remain within budget. Consultant and passthrough actuals across all ABAG entities remain well within budget, reflecting the recent increases approved at the Committee's November 2025 meeting for which disbursements have not yet fully commenced. No further budget amendments are scheduled for FY 2025-26, and the agency is on pace to close the year on plan.

Recommended Action:

The ABAG Finance Committee is requested to accept the staff report and recommend ABAG Executive Board approval of the Fiscal Year 2025-26 Association of Bay Area Governments Statement of Revenues and Expenses for the period ended March 31, 2026 (Unaudited).

Attachments:

- A. ABAG Statement of Revenues and Expenses for the Period Ended March 31, 2026 (Unaudited).

Reviewed:



Andrew Fremier