

Bay Area Toll Authority Oversight Committee

February 12, 2025

Agenda Item 4c-25-0197

Fiscal Year (FY) 2024-25 Bay Area Toll Authority (BATA) Statement of Revenues and Expenses for the Period Ended December 31, 2024 (Unaudited)

Subject:

Statement of revenues and expenses for the period ended December 31, 2024 (unaudited)

Background:

The Bay Area Toll Authority manages the electronic toll revenues collected from the Bay Area's seven bridges owned by the California Department of Transportation (Caltrans). BATA also manages FasTrak[®], which is the electronic toll payment system for the bridges and express lanes. Caltrans is responsible for the operation and maintenance of these bridges.

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.

Operating Revenue:

Regional Measures (RM) 1, 2, and 3 are tolls on the state-owned bridges to finance specific bridge and roadway improvements and transportation projects. Year-to-date toll revenues collected were \$418.4 million, which was about \$17.2 million more than the prior year-to-date actual. The increase in revenues was driven by an increase in paid traffic across the Bay Area bridges.

Violation revenues and other revenues collected were \$19.5 million, which was \$9.2 million more than the prior year-to-date actual violation revenues and other revenues. Higher violation revenues in FY 2025 were attributed to DMV hold revenues as BATA resumed the DMV hold process in November 2023.

Operating Expenses:

As of December 31, 2024, Operating Expenses were \$69.8 million, which was a \$11.3 million increase compared to the prior year-to-date actual. Higher operating expenses in FY 2025 were driven by an increase in FasTrak operational charges, DMV hold fees, and timing differences in expenses booked.

Non-Operating Revenues and Expenses:

As of December 31, 2024, Total Non-operating Revenues (Expenses) were (\$100.4 million), which was \$18.8 million less than non-operating expenses in the prior year-to-date actual. The decrease in net expenses was mainly due to more investment income from additional funds invested. In addition, investment income was further increased by accounting for unrealized gains on investments in FY 2025. In previous years, BATA would perform a revaluation of long-term investments annually at year-end. In FY 2025, BATA started to track all investments by market value. Due to interest rate changes in the first half of FY 2025, BATA's investments have seen an increase in market price.

Contributions and Transfers:

As of December 31, 2024, Total Contributions and Transfers were \$164.4 million, an increase of \$63 million compared to the prior year-to-date actual. This is due to a \$51.7 million increase in transfers to capital funds in FY 25. In addition, there was a one-time transfer of \$7.5 million to the MTC for an ERP system implementation.

Budget & Forecast Updates:

As of the second quarter of FY 2024-25, BATA collected total toll revenue of \$418 million, representing 47% of the approved budget. With half of the fiscal year completed, RM1 and RM2 toll revenues reached 50% of their full-year budget, aligning with expectations. RM3 toll revenues are also in line with expectations as the third \$1 RM3 toll increase went into effect January 1, 2025. The additional revenue from this last RM3 toll increase will be reflected over the second half of the year. Violation revenues exceeded budget expectations due to the resumption of DMV hold collections, which had accumulated a one-year backlog.

Interest revenue totaled \$77 million, significantly outperforming the budget at 121%, driven by higher-than-anticipated interest and investment yields. Reimbursement revenue from agencies utilizing the FasTrak toll collection system amounted to \$7.5 million, which is 38% of the approved budget. Revenues from the Alameda County Express Lanes (EL) and San Mateo 101 EL remained strong and aligned with budget estimates. However, revenues from VTA 237 EL and the Golden Gate Bridge fell below budget due to delays in invoicing.

Through the second quarter of FY 2024-25, expenses related to Caltrans operations and maintenance, FasTrak operations and maintenance, and Toll Bridge administration totaled 35% of the approved budget. This lower-than-expected expenditure is partially due to a one-month lag in vendor invoicing. Debt service expenses, which include interest payments, principal payments, and financing and bond issuance costs, totaled \$213 million, or 36% of the approved budget. Total transfers amounted to \$164 million, representing 87% of the budget. The higher budget-to-actual ratio is primarily due to the full transfer of BATA's contribution to the new ERP system and increased transfers to capital programs. Based on year-to-date performance, BATA remains on track to operate within budget.

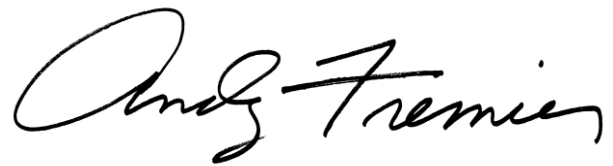
Net surplus before depreciation and unrealized gains/losses on investments stood at \$103 million. Additional expenses and capital program transfers are expected in the coming months, which will reduce the surplus as planned.

Recommendations:

None. Information only.

Attachments:

- Attachment A – BATA Statement of Revenues and Expenses for the Period Ended December 31, 2024 (unaudited)



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