

# Association of Bay Area Governments

## Finance Committee

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March 20, 2025

Agenda Item 5.b.

Association of Bay Area Governments (ABAG) Statement of Revenues and Expenses

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### Subject:

Report on Fiscal Year (FY) 2024-25 Association of Bay Area Governments (ABAG) Statement of Revenues and Expenses for the period ended December 31, 2024 (Unaudited).

### Background:

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

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 were \$24.7 million, which was \$6.2 million more than the prior year-to-date actual. The primary driver of this fluctuation was the increase of \$7.1 million in grant funding for the SFEP program and an increase of \$313 thousand in membership dues and investment revenues for the administration program. This increase was offset by a decrease of \$1.2 million in the BayREN program.

#### Operating Expense

The year-to-date operating expenses were \$22.9 million, an increase of \$6.3 million compared to the prior year-to-date actual. The increase is primarily due to the increase in activities for SFEP grant projects.

#### Administration

The main source of revenue for the administration program is membership dues. The year-to-date dues revenues were \$3.1 million, which was \$289 thousand more than 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 December 31, 2024, ABAG had collected 98% or \$3.0 million of the \$3.1 million billed.

As of December 31, 2024, the total operating expenses were \$1.8 million, which was \$759 thousand more than the prior year-to-date actual. The increase was primarily due to the increases in retirement pension and Other Post-Employment Benefits (OPEB) expenses.

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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 \$12.1 million, which was \$1.2 million less than the prior year-to-date actual. This decrease was mainly due to a decrease of \$1.7 million in grant revenue, offset by an increase of \$410 thousand in interest income.

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

As of December 31, 2024, the operating expenses were \$11.6 million, a decrease of \$1.6 million compared to prior year-to-date actual. This was primarily due to a decrease of \$2.5 million related to Single Incentive programs, offset by an increase of \$947 thousand in 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 \$9.4 million, which was \$7.1 million more than the prior year-to-date actual. Grant revenues increased due to the increases in grant-related expenses.

As of December 31, 2024, the operating expenses were \$9.4 million, an increase of \$7.2 million compared to prior year-to-date actual. The increase was primarily due to an increase in Water Resources grant project expenses.

##### San Francisco Bay Trail

The San Francisco Bay Trail is a non-profit entity. The year-to-date revenues were \$11.6 thousand from souvenir sales, donations, and interest income.

The year-to-date expenses were \$24 thousand and were primarily attributed to sponsoring three non-profit organizations and contracting out vendors to educate and support the programs of SF Bay Trail.

##### Budget & Forecast Updates

For FY 2024-25, total operating revenues are on track for the fiscal year. However, budgeted SFEP and BAYREN grants are lagging due to delays in grant reimbursements.

Operating expenses are currently projected to be within budget. SFEP and BAYREN expenses are significantly behind budget due to delays in consultant and passthrough billings.

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**Recommended Action:**

The ABAG Finance Committee is requested to accept the staff report and recommend ABAG Executive Board approval of the Fiscal Year 2024-25 Association of Bay Area Governments Statement of Revenues and Expenses for the period ended December 31, 2024 (Unaudited).

**Attachments:**

- A. ABAG Statement of Revenues and Expenses for the Period Ended December 31, 2024 (Unaudited).

**Reviewed:**



Andrew Fremier