

Association of Bay Area Governments

Finance Committee

November 14, 2024

Agenda Item 5.b.

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

Subject:

Report on Fiscal Year (FY) 2024-25 Association of Bay Area Governments (ABAG) Statement of Revenues and Expenses for the period ended September 30, 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 \$8.5 million, which was \$2.5 million less than the prior year-to-date actual. The primary driver of this fluctuation was the decrease of \$3.0 million in grant funding for the BayREN program. This decrease was offset by an increase of \$288 thousand in membership dues for the Administration program and an increase of \$135 thousand in grant revenue for the SFEP program.

Operating Expense

The year-to-date operating expenses were \$5.8 million, a decrease of \$3.0 million compared to the prior year-to-date actual. The decrease is primarily due to the decrease in activities for BayREN incentive 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 September 30, 2024, ABAG had collected 71% or \$2.2 million of the \$3.1 million billed.

As of September 30, 2024, the total operating expenses were \$661 thousand, which was \$96 thousand more than the prior year-to-date actual. The increase was primarily due to the increases in retirement pension and OPEB expenses.

Association of Bay Area Governments

Finance Committee

November 14, 2024

Agenda Item 5.b.

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

BayREN—Energy

BayREN-Energy program is a grant funded operation consisting of California Public Utilities Commission (CPUC) grants. The year-to-date revenues were \$4.6 million, which was \$3.0 million less than the prior year-to-date actual. This decrease was mainly due to a decrease in grant revenue, offset by an increase of \$253 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 September 30, 2024, the operating expenses were \$4.3 million, a decrease of \$3.2 million compared to prior year-to-date actual. This was primarily due to a decrease of \$4.0 million related to Single and Multi-Family Incentive programs, offset by an increase of \$700 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 \$829 thousand, which was \$135 thousand more than the prior year-to-date actual. Grant revenues increased due to the increases in grant-related expenses.

As of September 30, 2024, the operating expenses were \$789 thousand, an increase of \$113 thousand 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 \$7 thousand from the souvenir sales and interest income.

The year-to-date expenses were \$19 thousand and were primarily attributed to the reimbursement of the Metropolitan Transportation Commission for administering the SFO Gap Study project. SF Bay Trail also sponsored two local non-profit organizations and contracted out vendors to educate and support the programs of SF Bay Trail.

Budget & Forecast Updates:

FY 2024-25 total operating revenues are on track for the fiscal year however, budgeted SFEP grants are behind due to grant reimbursements lagging.

Operating expenses are currently projected to be within budget. SFEP expenses are significantly behind budget due to consultants and passthrough billings lagging. Additional budget amendments are scheduled for approval by the Executive Board in November 2024 to

Association of Bay Area Governments

Finance Committee

November 14, 2024

Agenda Item 5.b.

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

account for Statewide REAP 2.0 budget reduction, and the shifting of programmatic funds agency-wide.

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 September 30, 2024 (Unaudited).

Attachments:

- A. ABAG Statement of Revenues and Expenses for the Period Ended September 30, 2024 (Unaudited)

Reviewed:



Andrew Fremier