

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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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

ASSOCIATION OF BAY AREA GOVERNMENTS (ABAG) STATEMENT OF REVENUE AND EXPENSE FISCAL YEAR 2026 AS OF MARCH 31, 2026						
ABAG ADMINISTRATION	CURRENT ACTUAL	PRIOR YEAR ACTUAL	\$ VARIANCE	% VARIANCE	APPROVED BUDGET	ANNUAL % OF BUDGET
REVENUES						
Membership Dues	3,233,418	3,139,730	93,688	3%	3,233,918	100%
Interest Revenue & Other Revenue	71,735	71,162	573	1%	576,500	12%
TOTAL REVENUES	3,305,153	3,210,892	94,261	3%	3,810,418	87%
EXPENSES						
Pension & OPEB	1,747,459	1,602,470	144,989	9%	2,832,519	62%
Beale Assessments	206,200	206,162	38	0%	202,494	102%
Other Operating Costs	475,618	580,774	(105,156)	-18%	1,180,827	40%
TOTAL EXPENSES	2,429,277	2,389,406	39,871	2%	4,215,840	58%
OPERATING SURPLUS/(DEFICIT) BEFORE TRANSFERS	875,876	821,486	54,390	7%	(405,422)	-216%
TRANSFERS						
Transfers In						
Transfer to Finance Authority for Nonprofit Corporations (FAN)	-	-	-	0%	160,000	0%
Transfers Out						
Transfer to MTC & BARC	(11,371)	-	(11,371)	0%	(204,726)	6%
TOTAL TRANSFERS	(11,371)	-	(11,371)	0%	(44,726)	25%
OPERATING SURPLUS/(DEFICIT)	864,505	821,486	43,019	5%	(450,148)	-192%

BAYREN ENERGY	CURRENT ACTUAL	PRIOR YEAR ACTUAL	\$ VARIANCE	% VARIANCE	APPROVED BUDGET	ANNUAL % OF BUDGET
REVENUES						
Grants	25,994,608	16,980,279	9,014,329	53%	88,962,216	29%
Other operating revenue	958,057	781,801	176,256	23%	280,000	342%
TOTAL REVENUES	26,952,665	17,762,080	9,190,585	52%	89,242,216	30%
EXPENSES						
Consultant & Passthrough	10,608,282	9,747,584	860,698	9%	46,634,492	23%
Incentives	13,111,366	5,473,841	7,637,525	140%	38,938,169	34%
Staff Costs	1,275,538	1,085,047	190,491	18%	2,169,812	59%
MTC Overhead	964,689	578,981	385,708	67%	1,157,812	83%
Other Operating Costs	34,734	156,734	(122,000)	-78%	341,931	10%
TOTAL EXPENSES	25,994,609	17,042,187	8,952,422	53%	89,242,216	29%
OPERATING SURPLUS/(DEFICIT)	958,056	719,893	238,163	33%	-	0%

SF ESTUARY PARTNERSHIP (SFEP)	CURRENT ACTUAL	PRIOR YEAR ACTUAL	\$ VARIANCE	% VARIANCE	APPROVED BUDGET	ANNUAL % OF BUDGET
REVENUES						
Grants	8,862,653	11,531,054	(2,668,401)	-23%	35,611,506	25%
Conference Program Revenue	344,707	34,771	309,936	891%	460,000	75%
Interest Revenue	33,799	33,371	428	1%	-	0%
Transfers In	-	-	-	0%	1,867,289	0%
TOTAL REVENUES	9,241,159	11,599,196	(2,358,037)	-20%	37,938,795	24%
EXPENSES						
Consultant & Passthrough	6,554,351	9,467,161	(2,912,810)	-31%	33,641,789	19%
Staff Costs	1,672,361	1,645,523	26,838	2%	3,015,968	55%
MTC Overhead	511,788	393,248	118,540	30%	782,632	65%
Conference Program Costs	55,377	15,809	39,568	250%	149,000	37%
Other Operating Costs	504,581	31,475	473,106	1503%	349,406	144%
TOTAL EXPENSES	9,298,458	11,553,216	(2,254,758)	-20%	37,938,795	25%
OPERATING SURPLUS/(DEFICIT)	(57,299)	45,980	(103,279)	-225%	-	0%

ABAG PLANNING	CURRENT ACTUAL	PRIOR YEAR ACTUAL	\$ VARIANCE	% VARIANCE	APPROVED BUDGET	ANNUAL % OF BUDGET
REVENUES						
Grants	652,614	266,078	386,536	145%	2,875,000	23%
Interest Revenue	2,369	60,697	(58,328)	-96%	-	0%
TOTAL REVENUES	654,983	326,775	328,208	100%	2,875,000	23%
EXPENSES						
Consultant & Passthrough	651,567	266,078	385,489	145%	2,875,000	23%
Other Operating Costs	-	615	(615)	-100%	-	0%
TOTAL EXPENSES	651,567	266,693	384,874	144%	2,875,000	23%
OPERATING SURPLUS/(DEFICIT)	3,416	60,082	(56,666)	-94%	-	0%

ALL PROGRAMS SUMMARY	CURRENT ACTUAL	PRIOR YEAR ACTUAL	\$ VARIANCE	% VARIANCE	APPROVED BUDGET	ANNUAL % OF BUDGET
REVENUES						
ABAG Administration	3,305,153	3,210,892	94,261	3%	3,810,418	87%
BayREN Energy	26,952,665	17,762,080	9,190,585	52%	89,242,216	30%
SFEP	9,241,159	11,599,196	(2,358,037)	-20%	37,938,795	24%
ABAG Planning	654,983	326,775	328,208	100%	2,875,000	23%
TOTAL REVENUES	40,153,960	32,898,943	7,255,017	22%	133,866,429	30%
EXPENSES						
ABAG Administration	2,429,277	2,389,406	39,871	2%	4,215,840	58%
BayREN Energy	25,994,609	17,042,187	8,952,422	53%	89,242,216	29%
SFEP	9,298,458	11,553,216	(2,254,758)	-20%	37,938,795	25%
ABAG Planning	651,567	266,693	384,874	144%	2,875,000	23%
TOTAL EXPENSES	38,373,911	31,251,502	7,122,409	23%	134,271,851	29%
OPERATING SURPLUS/(DEFICIT) BEFORE TRANSFERS	1,780,049	1,647,441	132,608	8%	(405,422)	-439%
TRANSFERS						
ABAG Administration	(11,371)	-	(11,371)	0%	(44,726)	25%
TOTAL TRANSFERS	(11,371)	-	(11,371)	0%	(44,726)	25%
OPERATING SURPLUS/(DEFICIT)	1,768,678	1,647,441	121,237	7%	(450,148)	-393%