

Association of Bay Area Governments

Finance Committee

March 21, 2024

Agenda Item 6.c.

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

Subject:

Report on Fiscal Year (FY) 2023-24 Association of Bay Area Governments (ABAG) Statement of Revenues and Expenses for the period ended December 31, 2023 (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 \$18.5 million, which was \$1.9 million more than the prior year-to-date actual. The primary driver of this fluctuation was from the increase in grant funding for the BayREN program. However, there was an offset of \$2.9 million due to a decrease in grant expenses for the SFEP program.

Operating Expense

The year-to-date operating expenses were \$16.5 million, an increase of \$914 thousand compared to the prior year-to-date actual. The increase is primarily due to the BayREN incentive projects with an offset of \$3.0 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 were \$2.9 million, which was \$259 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, 2023, ABAG had collected 97% or \$2.8 million of the \$2.9 million billed.

As of December 31, 2023, the operating expenses and transfers out were \$1.0 million, which was \$604 thousand less than the prior year-to-date actual. The decrease was from the decrease 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 \$13.3 million, which was \$4.6 million more than the prior year-to-date actual. The grant funds are received at the beginning of the grant year and as the expense incurred, the revenue is released. Therefore, the revenue and expenses would always be close to break-even.

As of December 31, 2023, the operating expenses were \$13.2 million, an increase of \$4.5 million compared to prior year-to-date actual. This was primarily due to an increase in activities related to Single and Multi-Family Incentive programs.

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 \$2.3 million, which was \$2.9 less than the prior year-to-date actual. Grant revenues decreased due to the decreases in grant-related expenses.

As of December 31, 2023, the operating expenses were \$2.3 million, a decrease of \$3.0 million compared to prior year-to-date actual. The decrease was primarily due to prior year's payment to reimburse a consultant for completion of the Novato Creek Flood Protection and Habitat Enhancement Project.

San Francisco Bay Trail

The San Francisco Bay Trail is a non-profit entity. The year-to-date revenues were \$3.5 thousand from the donations received to support the Bay Trail program, which is consistent with the donations from prior year to date.

The year-to-date expenses were \$22.7 thousand primarily attributed to reimburse the Metropolitan Transportation Commission for administering the SFO Gap Study project. SF Bay Trail also sponsored an episode of the Open Road to broadcast on National Broadcasting Company (NBC) Bay Area. In the prior year, at the end of quarter two, there were no expenses recorded.

Budget & Forecast Updates:

FY 2023-24 total operating expenses are currently projected to be within budget. Detailed budget to actual analysis will be provided at a later date.

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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 2023-24 Association of Bay Area Governments Statement of Revenues and Expenses for the period ended December 31, 2023 (Unaudited).

Attachments:

- A. ABAG Statement of Revenues and Expenses for the Period Ended December 31, 2023 (Unaudited)

Reviewed:



Andrew Fremier

ASSOCIATION OF BAY AREA GOVERNMENTS (ABAG) STATEMENT OF REVENUE AND EXPENSE FISCAL YEAR 2024 DECEMBER 2023 YTD						
ABAG ADMINISTRATION	CURRENT ACTUAL	PRIOR YEAR ACTUAL	\$ VARIANCE	% VARIANCE	APPROVED BUDGET	ANNUAL % OF BUDGET
REVENUES						
Membership Dues	2,850,654	2,591,503	259,151	10%	2,850,655	100%
Interest Revenue & Other Revenue	15,641	1,748	13,892	795%	483,937	3%
TOTAL REVENUES	2,866,295	2,593,251	273,043	11%	3,334,592	86%
EXPENSES						
Pension & OPEB	222,218	951,462	(729,244)	-77%	1,614,939	14%
Beale Assessments	204,189	193,000	11,190	6%	221,556	92%
Other Operating Costs	578,922	457,676	121,246	26%	1,257,658	46%
TOTAL EXPENSES	1,005,329	1,602,137	(596,808)	-37%	3,094,153	32%
OPERATING SURPLUS/(DEFICIT) BEFORE TRANSFERS	1,860,966	991,114	869,851	88%	240,439	774%
TRANSFERS						
Transfers Out						
Transfer to MTC & BARC	(6,199)	(13,554)	7,355	-54%	(188,374)	3%
TOTAL TRANSFERS	(6,199)	(13,554)	7,355	-54%	(188,374)	3%
OPERATING SURPLUS/(DEFICIT)	1,854,767	977,561	877,206	90%	52,065	3562%

BAYREN ENERGY	CURRENT ACTUAL	PRIOR YEAR ACTUAL	\$ VARIANCE	% VARIANCE	APPROVED BUDGET	ANNUAL % OF BUDGET
REVENUES						
Grants	13,223,587	8,725,090	4,498,497	52%	37,196,902	36%
Other operating revenue	75,827	-	75,827	0%	-	0%
TOTAL REVENUES	13,299,414	8,725,090	4,574,324	52%	37,196,902	36%
EXPENSES						
Consultant & Passthrough	5,024,991	4,694,196	330,795	7%	18,682,480	27%
Incentives	7,301,498	3,230,079	4,071,419	126%	15,600,000	47%
Staff Costs	564,941	440,410	124,531	28%	1,714,614	33%
MTC Overhead	315,633	214,260	101,373	47%	857,307	37%
Other Operating Costs	16,226	146,146	(129,920)	-89%	342,500	5%
TOTAL EXPENSES	13,223,289	8,725,090	4,498,199	52%	37,196,902	36%
OPERATING SURPLUS/(DEFICIT)	76,125	-	76,125	0%	-	0%

SF ESTUARY PARTNERSHIP (SFEP)	CURRENT ACTUAL	PRIOR YEAR ACTUAL	\$ VARIANCE	% VARIANCE	APPROVED BUDGET	ANNUAL % OF BUDGET
REVENUES						
Grants	2,252,537	5,237,279	(2,984,741)	-57%	40,978,413	5%
Conference Program Revenue	95,025	15,619	79,406	508%	510,000	19%
Transfers In	-	-	-	0%	500,000	0%
TOTAL REVENUES	2,347,562	5,252,897	(2,905,335)	-55%	41,988,413	6%
EXPENSES						
Consultant & Passthrough	991,044	4,104,714	(3,113,670)	-76%	38,802,038	3%
Staff Costs	969,249	914,863	54,386	6%	2,204,392	44%
MTC Overhead	263,839	237,500	26,339	11%	725,334	36%
Conference Program Costs	6,331	6,968	(637)	-9%	40,000	16%
Other Operating Costs	42,425	18,687	23,737	127%	400,000	11%
TOTAL EXPENSES	2,272,888	5,282,732	(3,009,845)	-57%	42,171,765	5%
OPERATING SURPLUS/(DEFICIT)	74,675	(29,835)	104,509	-350%	(183,352)	-41%

SAN FRANCISCO BAY TRAIL	CURRENT ACTUAL	PRIOR YEAR ACTUAL	\$ VARIANCE	% VARIANCE	APPROVED BUDGET	ANNUAL % OF BUDGET
REVENUES						
Revenue - Souvenir Sales	1,073	997	76	8%	997	108%
Revenue - Donation	2,423	2,414	9	0%	239,408	1%
TOTAL REVENUES	3,496	3,411	85	2%	240,405	1%
EXPENSES						
Consultant/Professional Fees	-	-	-	0%	237,000	0%
Passthrough/Contribution-Other Agencies	17,443	-	17,443	0%	-	0%
Other Operating Costs	5,261	-	5,261	0%	101,000	5%
TOTAL EXPENSES	22,704	-	22,704	0%	338,000	7%
OPERATING SURPLUS/(DEFICIT)	(19,208)	3,411	(22,619)	-663%	(97,595)	20%

ALL PROGRAMS SUMMARY	CURRENT ACTUAL	PRIOR YEAR ACTUAL	\$ VARIANCE	% VARIANCE	APPROVED BUDGET	ANNUAL % OF BUDGET
REVENUES						
ABAG Administration	2,866,295	2,593,251	273,043	11%	3,334,592	86%
BayREN Energy	13,299,414	8,725,090	4,574,324	52%	37,196,902	36%
SFEP	2,347,562	5,252,897	(2,905,335)	-55%	41,988,413	6%
SF Bay Trail	3,496	3,411	85	2%	240,405	1%
TOTAL REVENUES	18,516,766	16,574,650	1,942,117	12%	82,760,311	22%
EXPENSES						
ABAG Administration	1,005,329	1,602,137	(596,808)	-37%	3,094,153	32%
BayREN Energy	13,223,289	8,725,090	4,498,199	52%	37,196,902	36%
SFEP	2,272,888	5,282,732	(3,009,845)	-57%	42,171,765	5%
SF Bay Trail	22,704	-	22,704	0%	338,000	7%
TOTAL EXPENSES	16,524,210	15,609,960	914,250	6%	82,800,819	20%
OPERATING SURPLUS/(DEFICIT) BEFORE TRANSFERS	1,992,557	964,690	1,027,867	107%	(40,508)	-4919%
TRANSFERS						
ABAG Administration	(6,199)	(13,554)	7,355	-54%	(188,374)	3%
TOTAL TRANSFERS	(6,199)	(13,554)	7,355	-54%	(188,374)	3%
OPERATING SURPLUS/(DEFICIT)	1,986,358	951,136	1,035,222	109%	(228,882)	-868%