

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