

**Bay Area Toll Authority
Oversight Committee**

May 08, 2024

Agenda Item 2c-24-0648

Fiscal Year (FY) 2023-24 Bay Area Toll Authority (BATA) Statement of Revenues and Expenses for the Period Ended March 31, 2024 (Unaudited)

Subject:

Statement of revenues and expenses for the period ended March 31, 2024 (unaudited)

Background:

The Bay Area Toll Authority manages the electronic toll revenues collected from the Bay Area's seven bridges owned by the California Department of Transportation (Caltrans). BATA also manages FasTrak[®], which is the electronic toll payment system for the bridges and express lanes. Caltrans is responsible for the operation and maintenance of these bridges.

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.

Operating Revenue:

Regional Measures (RM) 1, 2, and 3 are tolls on the state-owned bridges to finance specific bridge and roadway improvements and transportation projects. Year-to-date toll revenues collected were \$595.0 million, which was \$1.1 million more than the prior year-to-date actual. The increase in revenues is primarily driven by an increase in traffic across the Bay Area bridges.

Violation revenues and other revenues collected were \$18.2 million, which was \$3.6 million more than prior year-to-date actual violation revenues and other revenues. Higher violation revenues were recognized in FY 2024 by BATA fully re-commencing the DMV hold violation process as of October 2023.

Operating Expenses:

As of March 31, 2024, Operating Expenses were \$104.6 million, which is \$15.3 million more than the prior year-to-date actual. Higher operating expenses in FY 2024 were driven by an increase in DMV hold fees and advertising costs as well as timing differences in FasTrak operation expenses.

Non-Operating Revenues and Expenses:

As of March 31, 2024, Total Non-operating Revenues (Expenses) were (\$178.4 million), which was \$33.2 million less than the non-operating expenses in prior year-to-date actual. The primary driver of this fluctuation is the increase in interest income for the current fiscal year driven by a higher interest rate environment.

Contributions and Transfers:

As of March 31, 2024, Total Contributions and Transfers were \$147.6 million, an increase of \$133.8 million compared to prior year-to-date actual. The large increase in transfers is attributed to RM3 revenues being transferred to the capital fund in FY24. These transfers did not occur as of Q3 FY23 due to RM3 funds being escrowed at the direction of the Authority during the litigation at the time. The State Supreme Court dismissed this lawsuit in January 2023, and RM3 revenues began to be transferred to the capital fund in Q4 FY23.

Budget & Forecast Updates:

At the end of the third quarter of FY 2023-24, BATA total operating revenue of \$613 million was 66% of the full year budget of \$920 million. RM1, RM2 and RM3 toll revenues for FY 2023-24 were \$595 million which reflects 66% of the approved budget of \$894 million. Paid traffic is up over the same period last year but is still trending lower than estimated. Violation revenue collected was \$17 million that is also 67% of the approved budget.

Investment income of \$76 million was at 122% of the adopted budget, driving up the total revenue performance. Interest rates continue to be higher than what had been anticipated. Other operating revenue, including reimbursement revenue from agencies that use the FasTrak toll collection system, generated \$17 million of revenue which was 67% of the approved budget.

Total operating expenses of \$105 million were 39% of the approved budget. Third quarter expenses related to Caltrans operations and maintenance, Fastrak operations and maintenance and toll bridge administration were at 57% of the approved budget. Non-operating expenses for debt service costs incurred \$313 million, which were 57% of the approved budget, including interest expenses and financing fees. Historically, expenses up to the third quarter are low and actual expenses will catch up towards the year-end as debt services payments are made, operating

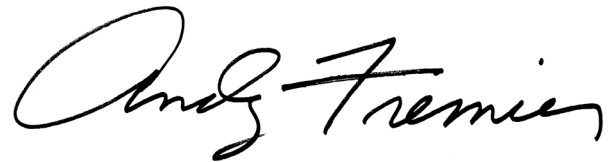
invoices are processed and more of the operating transfers are incurred including transfers for RM2 and RM3 related operating and capital projects. The resulting net surplus before depreciation and unrealized gain/(loss) on investment will be lower once we make these payments in the fourth quarter.

Recommendations:

None. Information only.

Attachments:

- Attachment A – BATA Statement of Revenues and Expenses for the Period Ended March 31, 2024 (unaudited)



Andrew B. Fremier