



Fiscal Year 2023-2024 Quarterly Financial Report

Receive and File

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**Attachments:** Yes

**Approved by:** James Corless

**Referring Committee:** Policy & Innovation

**Issue:**

This report summarizes the material variances between the budget and revenues and expenses for the six months ended December 31, 2023.

**Recommendation:**

None; this is for information only.

**Background/Analysis:**

The SACOG Board of Directors adopts an annual budget for the SACOG Planning and Administration General Fund (General Fund Budget) which includes the Overall Work Program activities (OWP), Board of Directors and Advocacy budget, capital assets, and other related functions/activities not associated with the OWP. The Capitol Valley Regional Service Authority for Freeways and Expressways (CVR-SAFE) Board of Directors adopts its annual budget which includes expenses related to motorist aid services and its activities are also included in the OWP.

SACOG's Planning and Administration General Fund Budget is separated out into two functional budgets for tracking and reporting purposes. The first budget is the Operations Budget which includes OWP activities, capital assets and other related activities not associated with the OWP and is mainly funded through a combination of formula-based federal and state revenue sources, supplemented by short term specific discretionary and non-discretionary grants and contract funds. The second budget is the Board and Advocacy Budget which includes a portion of technical assistance SACOG provides to its members, the agency's state and federal advocacy efforts, as well as board costs such as per diem and mileage expenses. The Board and Advocacy Budget is primarily funded by annual dues payments from SACOG member cities and counties.

The Capital Valley SAFE budget (CVR-SAFE) includes activities for implementing, operating, and maintaining the motorist aid system of call boxes and 511 operations within the counties of El Dorado, Sacramento, San Joaquin, Sutter, Yolo, Yuba, and Glenn (which contracts with CVR-SAFE).

The Board of Directors adopted the General Fund Budget which includes the Operations Budget/OWP and Board and Advocacy Budget for Fiscal Year 2023-2024 on May 18, 2023, and the CVR-SAFE Board of Directors adopted the CVR-SAFE budget on June 15, 2023, respectively. Amendments to the Budget/OWP are typical throughout the year to modify projects, add new projects or revenues, change project descriptions, or adjust

staff and expenditures between OWP work elements and/or operating activities.

#### Discussion/Analysis:

The attached financial reports contain the cumulative effect of SACOG Operations, Board and Advocacy and CVR-SAFE Budgets from July 1, 2023, to December 31, 2023, as well as budget-to-actual comparison. The budget comparison reflected Amendment #1 to the Budget/OWP for Fiscal Year 2023-2024 which was approved by the board on October 19, 2023. The budget reflects a linear programming of funds while actual work is contingent on various factors so there will be fluctuations of budget-to-actual. Since SACOG funding is primarily on a reimbursement basis, any deviation in expenditure also results in a corresponding deviation in revenue.

The table below shows a combined summary of revenues and expenditures for SACOG Operations and Board & Advocacy Budgets, as well as budget-to-actual comparison for the six months ended December 31, 2023.

<b>SACOG Financial Summary</b>				
<b>Budget-to-Actual (unaudited)</b>				
<b>July 1, 2023 through December 31, 2023</b>				<b>Budget YTD - 50%</b>
<b>REVENUES</b>	<b>Annual Budget, Amend #1</b>	<b>Actual</b>	<b>Budget Remaining</b>	<b>% of Budget</b>
Federal	\$ 13,054,876	\$ 3,691,701	\$ 9,363,175	28%
State	14,275,498	1,802,201	12,473,297	13%
Local	5,472,807	5,472,807	-	100%
Member Dues	1,001,164	1,001,167	(3)	100%
Other/Use of designated funds	2,883,639	195,672	2,687,967	7%
<b>TOTAL REVENUES</b>	<b>\$ 36,687,984</b>	<b>\$ 12,163,548</b>	<b>\$ 24,524,436</b>	<b>33%</b>
<b>EXPENDITURES:</b>				
Salaries & Benefits	\$ 12,993,176	\$ 5,994,732	\$ 6,998,444	46%
Consulting Costs	5,388,284	1,001,177	4,387,107	19%
Pass-Through Costs	14,009,869	413,322	13,596,547	3%
Other Direct Services	1,946,784	94,954	1,851,830	5%
Other Costs	2,349,871	1,247,612	1,102,259	53%
<b>TOTAL EXPENDITURES</b>	<b>\$ 36,687,984</b>	<b>\$ 8,751,797</b>	<b>\$ 27,936,187</b>	<b>24%</b>

As noted above, the budget reflects a linear programming of funds but the actual work is contingent on various factors. For the six months ended December 31, 2023, some of the major projects/grants were under budget due to the timing of work by consultants and member jurisdictions:

- **Regional Early Action Planning (Housing):** Member jurisdiction's housing projects/tasks were delayed which resulted in lower than budgeted pass-through costs. SACOG received approval from HCD to extend the grant through 2024 which allows member jurisdictions more time to complete their work/project.
- **Green Means Go:** The board has awarded over \$34 million in projects in the Early Activation, Planning and Capital categories. These awards reflect the vast majority of the variance in pass-through costs since these awards were recently made and are reimbursement-based. Following the Governor's proposed \$300 million cut from the statewide REAP 2 funds, the Housing and

Community Development (HCD) provided notice to all grantees that HCD will “pause reimbursements above 25 percent of any individual award pending final budget negotiations”. Staff have notified all awardees and asked that they reach out to SACOG staff prior to initiating additional phases of reimbursable work.

- **Raise Grant:** The project is delayed due to the execution of the funding agreement and consultant contract. Work is expected to begin in January 2024.
- **Discretionary Grants:** These discretionary grants are still at the beginning stage of implementation, so consulting costs are under budget. Projects include Leveraging Road Pricing & Shared Use Mobility Incentives, Northern CA Megaregion Zero-Emission Vehicles, Truxel Bridge Concept and Feasibility Study, Mobility Zone, Carbon Reduction Program, Trail Plan Implementation, U.S. 50 Comprehensive Multimodal Corridor Plan and Del Paso Multimodal Transit Network & Land Use Action Plan.
- **Advocacy:** There was a staff vacancy in advocacy, which contributed to expenses in Board & Advocacy being lower. That position has now been filled. Additionally, due to the timing of planned board trips (upcoming cap to cap and peer region tour) and legislative breaks, the expenses for the first two quarters are typically lower than budgeted.

The table below shows a combined summary of revenues and expenditures for the CVR-SAFE, as well as budget-to-actual comparison for the six months ended December 31, 2023.

<b>CVR-SAFE Financial Summary</b>				
<b>Budget-to-Actual (unaudited)</b>				
<b>July 1, 2023 through December 31, 2023</b>				<b>Budget YTD - 50%</b>
<b>REVENUES</b>	<b>Annual Budget, Amend #1</b>	<b>Actual</b>	<b>Budget Remaining</b>	<b>% of Budget</b>
Federal	\$ 352,343	\$ -	\$ 352,343	0%
Local	23,000	-	23,000	0%
DMV Fees/Service to Others	2,672,400	1,287,917	1,384,483	48%
Other/use of designated funds	344,186	-	344,186	0%
<b>TOTAL REVENUES</b>	<b>\$ 3,391,929</b>	<b>\$ 1,287,917</b>	<b>\$ 2,104,012</b>	<b>38%</b>
<b>EXPENDITURES:</b>				
Salaries and Benefits	\$ 556,204	\$ 168,212	\$ 387,992	30%
Consulting Costs	567,775	206,728	361,047	36%
Pass-Through Costs	1,334,000	920,325	413,675	69%
Other Direct Services	388,361	65,022	323,339	17%
Other Costs	545,589	147,383	398,206	27%
<b>TOTAL EXPENDITURES</b>	<b>\$ 3,391,929</b>	<b>\$ 1,507,670</b>	<b>\$ 1,884,259</b>	<b>44%</b>

#### **Fiscal Impact/Grant Information:**

The fiscal impact is noted above.