



Policy & Innovation Committee

Meeting Date: September 9, 2024

[[!Agenda Item No. {{item.number}}!]]

Fiscal Year 2023-2024 Year-End Financial Report

Receive and File

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Attachments: Yes

Referring Committee: Not Applicable

Issue:

This report summarizes the material variances between the budget and revenues and expenses for the twelve months ended June 30, 2024.

Request:

Receive & File

Recommendation for Board:

None, this is for information only.

Recommendation for Committee:

None, this is for information only.

Background:

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 June 30, 2024, as well as budget-to-actual comparison. The budget comparison reflected Amendment #2 to the Budget/OWP for Fiscal Year 2023-2024 which was approved by the board in April 2024. 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 twelve months ended June 30, 2024.

SACOG Financial Summary				
Budget-to-Actual (unaudited)				
Twelve Months Ended June 30, 2024			Budget YTD - 100%	
REVENUES	Annual Budget, Amend #2	Actual	Budget Remaining	% of Budget
Federal	\$ 12,491,869	\$ 9,305,316	\$ 3,186,553	74%
State	16,457,342	8,512,583	7,944,759	52%
Local	5,068,551	5,064,459	4,092	100%
Member Dues	1,001,164	1,001,167	(3)	100%
Other/Use of designated funds	2,208,406	1,552,431	655,975	70%
TOTAL REVENUES	\$ 37,227,333	\$ 25,435,957	\$ 11,791,376	68%
EXPENDITURES:				
Salaries & Benefits	\$ 13,006,210	\$ 11,704,229	\$ 1,301,981	90%
Consulting Costs	5,547,577	3,262,402	2,285,174	59%
Pass-Through Costs	15,711,599	4,096,914	11,614,685	26%
Other Direct Services	559,890	211,018	348,872	38%
Other Costs	2,402,057	2,171,437	230,619	90%
TOTAL EXPENDITURES	\$ 37,227,333	\$ 21,446,001	\$ 15,781,332	58%
NET CHANGE IN FUND BALANCE		\$ 3,989,956		

As noted above, the budget reflects a linear programming of funds, but the actual work is contingent on various factors. For the twelve months ended June 30, 2024, SACOG's Planning and Administrative General Fund Budget reflects a net increase of approximately \$4.0 million in Fund Balance. This increase in fund balance includes \$2.6 million revenue for the Green Means Go program for which reimbursement to jurisdiction's expenditures will occur in FY24-25 and \$500,000 loan payment for SACOG Managed Fund. In addition, we did not have to use the budgeted fund balance of \$435,000 due to the net increase in fund balance.

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% of any individual award pending final budget negotiations". Staff is currently working with awardees to amend their contracts to reflect the final reduction of six percent.
- **Discretionary Grants:** These discretionary grants are still at the beginning stage of implementation, so consulting costs are under budget. Projects include Mobility Zone, Trail Plan Implementation, U.S. 50 Comprehensive Multimodal Corridor Plan and Del Paso Multimodal Transit Network & Land Use Action Plan.
- **Advocacy:** Due to priority in the Green Means Go advocacy effort, some planned advocacy meetings and partnerships events did not occur. As a result, the advocacy budget is slight under spent for the fiscal year and carryover to next fiscal year.

The table below shows a combined summary of revenues and expenditures for the CVR-SAFE, as well as budget-to-actual comparison for the nine months ended June 30, 2024.

CVR-SAFE Financial Summary

Budget-to-Actual (unaudited)

Twelve Months Ended June 30, 2024

Budget YTD - 100%

	Annual Budget, Amend #2	Actual	Budget Remaining	% of Budget
REVENUES				
Federal	\$ 352,343	\$ -	\$ 352,343	0%
Local	23,000	3,588	19,412	16%
DMV Fees/Service to Others	2,672,400	2,671,083	1,317	100%
Other/use of designated funds	344,186	163,536	180,650	48%
TOTAL REVENUES	\$ 3,391,930	\$ 2,838,207	\$ 553,722	84%
EXPENDITURES:				
Salaries and Benefits	\$ 556,203	\$ 434,991	\$ 121,212	78%
Consulting Costs	572,775	495,835	76,940	87%
Pass-Through Costs	1,334,000	968,554	365,446	73%
Other Direct Services	383,361	497,817	(114,456)	130%
Other Costs	545,590	334,335	211,256	61%
TOTAL EXPENDITURES	\$ 3,391,930	\$ 2,731,532	\$ 660,397	81%
NET CHANGE IN FUND BALANCE		\$ 106,675		

Fiscal Impact/Grant Information:

Included in OWP/Budget

List of Attachments:

Financial Report_Year-End_FY23-24