



Fiscal Year 2023-2024 Quarterly Financial Report

Receive and File

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**Attachments:** Yes

**Referring Committee:** Policy & Innovation

**Issue:**

This report summarizes the material variances between the budget and revenues and expenses for the nine months ended March 31, 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 March 31, 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 nine months ended March 31, 2024.

<b>SACOG Financial Summary</b>				
<b>Budget-to-Actual (unaudited)</b>				
<b>July 1, 2023 through March 31, 2024</b>				<b>Budget YTD - 75%</b>
<b>REVENUES</b>	<b>Annual Budget, Amend #2</b>	<b>Actual</b>	<b>Budget Remaining</b>	<b>% of Budget</b>
Federal	\$ 12,491,869	\$ 5,959,727	\$ 6,532,142	48%
State	16,457,342	5,921,903	10,535,439	36%
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	424,544	1,783,862	19%
<b>TOTAL REVENUES</b>	<b>\$ 37,227,333</b>	<b>\$ 18,371,801</b>	<b>\$ 18,855,532</b>	<b>49%</b>
<b>EXPENDITURES:</b>				
Salaries & Benefits	\$ 13,006,210	\$ 8,829,350	\$ 4,176,860	68%
Consulting Costs	5,547,577	1,807,863	3,739,713	33%
Pass-Through Costs	15,711,599	892,267	14,819,332	6%
Other Direct Services	1,384,813	770,001	614,812	56%
Other Costs	1,577,134	1,170,921	406,212	74%
<b>TOTAL EXPENDITURES</b>	<b>\$ 37,227,333</b>	<b>\$ 13,470,403</b>	<b>\$ 23,756,930</b>	<b>36%</b>

As noted above, the budget reflects a linear programming of funds, but the actual work is contingent on various factors. For the nine months ended March 31, 2024, 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 the state's housing and community development department (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 2.0 funds, 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 contracts. The community based organization (CBO) partner and consultant have aligned the project and engagement schedules, and the Engagement Plan was finalized in April.
- **Discretionary Grants:** These discretionary grants are still at the beginning stage of implementation, so consulting costs are under budget. Projects include Northern California Megaregion Zero-Emission Vehicles, Truxel Bridge Concept and Feasibility Study, Mobility Zones, 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 trip (peer region tour) and legislative breaks, the expenses for the first three quarters typically lag behind the overall budgeted amount.

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 March 31, 2024.

## CVR-SAFE Financial Summary

### Budget-to-Actual (unaudited)

July 1, 2023 through March 31, 2024

Budget YTD - 75%

REVENUES	Annual Budget, Amend #2	Actual	Budget Remaining	% of Budget
Federal	\$ 352,343	\$ -	\$ 352,343	0%
Local	23,000	-	23,000	0%
DMV Fees/Service to Others	2,672,400	1,985,672	686,728	74%
Other/use of designated funds	344,186	31,774	312,412	9%
<b>TOTAL REVENUES</b>	<b>\$ 3,391,929</b>	<b>\$ 2,017,446</b>	<b>\$ 1,374,483</b>	<b>59%</b>
<b>EXPENDITURES:</b>				
Salaries and Benefits	\$ 556,203	\$ 306,547	\$ 249,656	55%
Consulting Costs	572,775	258,853	313,922	45%
Pass-Through Costs	1,334,000	930,042	403,958	70%
Other Direct Services	702,965	307,480	395,485	44%
Other Costs	225,985	130,947	95,038	58%
<b>TOTAL EXPENDITURES</b>	<b>\$ 3,391,929</b>	<b>\$ 1,933,870</b>	<b>\$ 1,458,059</b>	<b>57%</b>

#### Fiscal Impact/Grant Information:

The fiscal impact is noted above.

#### List of Attachments:

Quarterly Financial Report\_Q3\_FY23-24