MARCH 14, 2024 **AGENDA ITEM # 4**

BUDGET-TO-ACTUAL REPORTS – FOR THE FISCAL YEAR-TO-DATE THROUGH DECEMBER 31, 2023

Action Requested: Receive and File

Key Staff: Dustin Purinton, Accounting Manager

Each quarter staff prepare analyses summarizing budgeted to actual revenue and expenditures for the Sacramento Transportation Authority's (STA) General Fund, SacMetro FSP, the Administration Fund, the Sacramento Abandoned Vehicle Service Authority (SAVSA), the Transit Fund, and the Debt Service Fund. This report summarizes the year-to-date budget and actual financial activity to display budgetary performance. It complementary to understanding STA's financial health and to assist with strategic planning.

A consolidated summary chart of the yearly budget, year-to-date budget, actual amounts, and changes are shown below. Notable changes are described in greater detail after the chart.

	Amended Budget	YTD Budget	YTD Actual Amount	$ Change	% Change
Consolidated Revenue:					
Sales Tax Revenues	$ 174,000,000	$ 87,000,000	$ 89,755,229	$ 2,755,229	3.2%
Mitigation Fees	6,022,951	3,011,476	3,950,625	939,150	31.2%
State and Local Grants	3,403,755	2,156,878	2,308,287	151,410	7.0%
Vehicle License Fee	351,405	175,703	4,885	(170,818)	-97.2%
Bond Proceeds	353,733,663	354,000,000	342,465,953	(11,534,047)	-3.3%
Interest and Other	399,731	199,866	2,248,039	2,048,174	1024.8%
Total Revenue	$ 537,911,505	$ 446,543,921	$ 440,733,018	$ (5,810,903)	-1.3%
Consolidated Appropriations:					
Ongoing and Capital Programs	$ 173,961,132	$ 86,980,566	$ 74,952,771	$ 12,027,795	13.8%
Program Professional Services	170,000	85,000	21,001	63,999	75.3%
Freeway Service Patrol	3,556,379	1,745,643	1,737,000	8,643	0.5%
Administrative	1,366,487	714,688	805,726	(91,039)	-12.7%
SAVSA	351,421	-	-	-	0.0%
Transit	4,500,000	2,250,000	1,391,709	858,291	38.1%
Debt Service: Principal Payment	322,680,000	322,680,000	322,680,000	-	0.0%
Debt Service: Interest and Other	50,919,399	25,459,700	30,770,122	(5,310,422)	-20.9%
Total Appropriations	$ 557,504,818	$ 439,915,596	$ 432,358,329	$ 7,557,267	1.7%

STA General Fund

1. Sales tax revenue came in $2.8 million higher (3.2%) than expected - $89.8 million versus the budgeted amount of $87.0 million. The local economy is maintaining spending levels.

2. Interest revenue came in $2.0 million higher than expected - $2.1 million versus the budgeted amount of $0.1 million. Interest rates have remained elevated in FY2023-24 and are expected to remain high throughout the remainder of the year. The STA terminated the interest rate swaps in September 2023, which will reduce the amount of interest income and related debt service expense for the rest of the year.

3. Measure A ongoing allocations were higher than expected by $3.1 million (4.5%) because monthly pass-through allocations closely parallel the sales tax revenue stream – as it increases so do the allocations.

4. Capital program expenditures were lower than expected by $15.2 million (80.1%). Budgeted expenditures were $18.9 million and actual expenditures were $3.8 million. Capital project expenditures vary from year to year, but expenditures will not exceed contract values. Unused capital funds will be carried forward into future years.

FSP

1. State allocations came in $151 thousand higher than expectations. Reimbursement requests go to Caltrans as expenses are incurred. Staff are anticipating exhausting grant funds prior to the end of the fiscal year.

Administration

1. Expenditures for salaries and benefits were budgeted at about $448 thousand but the actual expenditures were almost $609 thousand. The accelerated payment of CalPERS Unfunded Accrued Liability amounts caused the overage in the second quarter. This variance is expected to reduce over the remainder of the year.

SAVSA

DMV allocations came in from the prior year before the fee sunset in April of 2022. These fees will be retained by the program until it is either reinstated or terminated. In the event of terminating the program remaining fund balance will be paid out to the participating jurisdictions.

Transit

1. Expenditures are slower than anticipated, there are delays in bus orders for Sacramento Regional Transit.

Debt Service

1. Interest and other charges were about $5.3 million more than budgeted, $30.8 million versus $25.5 million. Elevated interest rates caused increased variable rate demand bond interest costs (see STA General Fund Interest Revenue). This will soften as the year goes on due to the refinancing of the variable rate debt with fixed rate debt in September 2023. Additionally, the termination of the interest rate swap agreements occurred in September 2023, while the budgeted amount is spread over the entire year.

2. Transfers in have increased substantially due to the 2012 Series Bonds refinancing and the increased debt service expense due to increasing interest expenses. This is part of the overarching bond refinancing that lowered the Authority's debt service for the remainder of the term.

Attachment
Budget to Actual Report Q2 FY24