

# AMENDED BUDGET | FISCAL YEAR 2017/18

---



---

SACRAMENTO TRANSPORTATION AUTHORITY  
SACRAMENTO ABANDONED VEHICLE SERVICE AUTHORITY  
SACMETRO FREEWAY SERVICE PATROL

# Amended Budget

SACRAMENTO TRANSPORTATION AUTHORITY  
SACRAMENTO ABANDONED VEHICLE SERVICE AUTHORITY  
AMENDED FISCAL YEAR 2017/18 BUDGET

## Governing Board

Jeff Harris, Chair  
Sacramento City Council

Larry Carr  
Sacramento City Council

Patrick Kennedy  
Sacramento County Board of Supervisors

Eric Guerra  
Sacramento City Council

Sue Frost  
Sacramento County Board of Supervisors

Steve Hansen  
Sacramento City Council

Don Nottoli  
Sacramento County Board of Supervisors

Jay Schenirer  
Sacramento City Council

Susan Peters, Vice Chair  
Sacramento County Board of Supervisors

Patrick Hume  
Elk Grove City Council

Phil Serna  
Sacramento County Board of Supervisors

Darren Suen  
Elk Grove City Council

Curt Campion  
Galt City Council

Albert Fox  
Citrus Heights City Council

Garrett Gatewood  
Rancho Cordova City Council

Kerri Howell  
Folsom City Council

## Executive Director

Norman Hom

## General Counsel

William Burke

801 12<sup>th</sup> Street Floor 5  
Sacramento, CA 95814

## Table of Contents

<b>EXECUTIVE DIRECTOR'S LETTER</b> .....	1
<b>SACRAMENTO TRANSPORTATION AUTHORITY OVERVIEW</b>	
PROFILE .....	3
CONSOLIDATED BUDGET SUMMARY .....	5
FACTORS AFFECTING FINANCIAL CONDITION .....	6
<b>BUDGET PROCESS</b>	
BUDGET PROCESS .....	6
FINANCIAL POLICIES .....	8
FISCAL STRATEGIES .....	8
STRATEGIC DIRECTION .....	8
PERFORMANCE MEASURES .....	9
LONG-TERM FINANCIAL PLANNING .....	10
<b>FUND INFORMATION</b>	
GENERAL FUND .....	12
SPECIAL REVENUE FUND .....	14
DEBT SERVICE FUND .....	15
<b>BUDGET SCHEDULES</b>	
CONSOLIDATED .....	16
GENERAL FUND .....	17
MEASURE A ALLOCATIONS .....	18
SACMETRO FREEWAY SERVICE PATROL .....	21
ADMINISTRATION .....	22
SACRAMENTO ABANDONED VEHICLE SERVICE AUTHORITY .....	23
DEBT SERVICE .....	24
<b>ORGANIZATIONAL OVERVIEW</b>	
ORGANIZATIONAL STRUCTURE .....	25
ACCOMPLISHMENTS .....	28
<b>STATISTICAL INFORMATION</b>	
OPERATIONAL STATISTICS .....	29
FINANCIAL STATISTICS .....	29
<b>APPENDICES</b>	
GLOSSARY .....	34

# Executive Director's Letter

February 8, 2018

Chairman and Members of the Board:

I am pleased to present the Amended Operating and Capital Budgets of the Sacramento Transportation Authority (Authority) for Fiscal Year 2017/18. Section 180105 of the California Public Utilities Code instructs the Authority to adopt an annual budget. This Amended Budget was created in accordance with State Law, Authority policy, and the Government Finance Officers Association (GFOA) Budget Awards Program criteria. The Amended Budget presented is a balanced budget with current revenues and fund balance covering all operating and capital appropriations for the fiscal year.

As the Authority's policy makers, the Governing Board (Board) sets the direction of the agency. The budget provides a framework for the Authority's activities and serves as a source of information for the Board, staff, Measure A entities, and the public. The programs and services provided in this Amended Budget focus on the Authority's mission to maximize the use of limited available resources to best improve the transportation network in Sacramento County. To that end, we have established the following goals:

- Maximize program effectiveness through efficient and effective stewardship of public resources
- Collaborate with partner entities to ensure the timing of their funding needs and the availability of funding resources are complimentary
- Provide accurate and timely preparation and distribution of required financial reports
- Effectively implement the taxpayer safeguards identified in the Measure A Ordinance
- Provide support to the Independent Taxpayer Oversight Committee (ITOC) in its mission to safeguard public resources by overseeing annual fiscal and periodic performance audits, and
- Engage the public and solicit its input on important Authority matters

The budget process is structured to allow the Board, staff, ITOC, and the public adequate time for review and analysis of the key components of the budget. The initial budget process began in January after reviewing the budget-to-actual analysis for the period ending December 31, 2016 and completion and approval of the Comprehensive Annual Financial Report (CAFR) and the annual fiscal audit. In March and April, our consultant worked with staff to develop revenue projections which were incorporated into a draft Proposed Budget for the Executive Director's review. The Proposed Budget was presented during the April Board meeting and continued until June for Board approval.

In February 2018, the approved budget was amended to reflect increased sales tax revenue projections and related allocations to entities in the program, decreased capital construction

appropriations based on updated information from entities with projects funded by the Authority, and decreased administration costs.

#### AMENDED BUDGET OVERVIEW

The development of the budget provides an opportunity for the Authority to summarize its financial and operational plans for the coming fiscal year. As the local economic climate continues to show steady improvement, the challenge faced by the Authority is to ensure the financial resiliency and long-term sustainability of the agency. A detailed narrative with the assumptions that built this Amended Budget is provided in the Budget Schedules section.

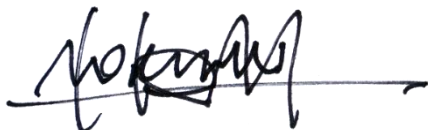
Key elements include the following:

Total General Fund revenues, including fees from the Sacramento Countywide Transportation Mitigation Fee Program (SCTMFP) and SacMetro Freeway Service Patrol for FY17/18 are projected to be \$132.3 million (p.13). Sales tax revenue is projected to be \$1.6 million higher than the approved budget, while SacMetro Freeway Service Patrol (FSP) revenues are projected to be slightly lower.

The expenditure portion of the budget shows total projected appropriations of \$135.6 million comprised primarily of three components: ongoing Measure A allocations, capital project construction, and debt service. Ongoing Measure A entity allocations are slated to increase by \$1.3 million over the approved budget. Meanwhile, capital appropriations are projected to decrease by \$7.7 million when compared to the approved budget as some projects are nearing completion or delayed, shifting the funding needs to subsequent fiscal years. Debt service is expected to remain unchanged from the approved budget, while the Authority's administration budget is projected to decrease over \$200,000 when compared to the approved budget. Overall, appropriations in the amended budget are \$6.7 million less than the amount included in the approved budget.

In summary, the Authority is financially stable and the outlook is good. In the coming year, we will serve the Board, local entities, and the public with transparency and continue practicing good stewardship over public resources in our effort to meet the region's transportation needs.

Sincerely,



Norman K. Hom  
Executive Director (interim)



Timothy Jones CPA, CPFO  
Accounting/Finance Manager

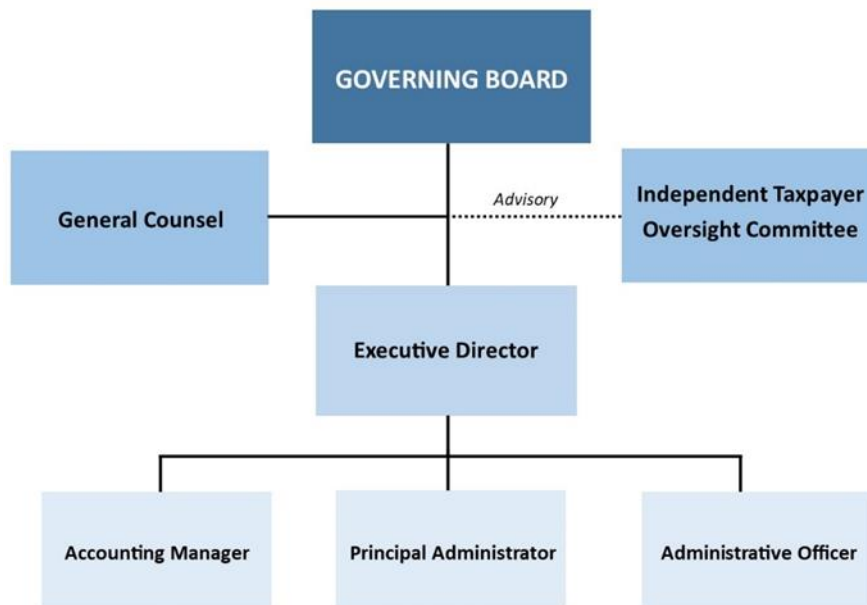
# Authority Overview

This section contains the Authority’s profile and a summary of its amended Fiscal Year 2017/18 (FY 17/18) consolidated budget and a discussion of the factors affecting the Authority’s financial condition. The Amended FY 17/18 Budget totals \$136.8 million from all funding sources reported in the General Fund and Sacramento Abandoned Vehicle Service Authority Fund (SAVSA). The budget includes 4 authorized full-time equivalent (FTE) positions.

## AUTHORITY PROFILE

The Sacramento Transportation Authority (Authority)—a Local Transportation Authority—was created in August 1988 under the Local Transportation Authority and Improvement Act (Act), commencing with Section 180000 of the California Public Utility Code. In November 1988, Sacramento County voters passed Measure A, an Ordinance enacted by the Authority imposing a 0.5% sales tax to fund transportation improvements throughout Sacramento County for a 20 year period (1988 Measure A). In November 2004, voters approved a 30-year extension of the 0.5% retail sales tax beginning in April 2009 (2004 Measure A). At the same time, the 1988 Measure A sales tax sunsetted.

The Authority’s Governing Board (Board) is composed of 16 members, including all five Sacramento County Supervisors, five members of the Sacramento City Council, two members of the Elk Grove City Council, and one council-member each from the Cities Citrus Heights, Folsom, Galt/Isleton, and Rancho Cordova. The Board appoints the Authority’s Executive Director. The Executive Director is responsible for carrying out the policies and ordinances of the Authority and overseeing day-to-day operations and Authority staff consisting of a Principal Administrator, Accounting/Finance Manager, and Administrative Officer.



The Board advances the Authority's mission, vision, and core values by overseeing the prompt, cost-effective, delivery of sales tax and fee revenues to each Measure A entity. In doing so, the Authority helps to support each entity's program implementation and capital projects. To ensure that funding and other resources are available when and where needed, Authority staff regularly work with each Measure A entity to ensure that the short and long-term plans of the Authority and entity are complimentary.

Under 2004 Measure A, there are specific safeguards to ensure that sales tax funding is spent for the specified voter-approved transportation projects, improvements, and programs listed in the Sacramento County Transportation Expenditure Plan 2009-2039 (Expenditure Plan) within the Ordinance. According to the Ordinance, those safeguards include the following:

- Specific projects and programs included in the Expenditure Plan are carried out by revenue raised by the sales tax and the plan can only be changed upon approval by the Sacramento County Board of Supervisors and a majority of the cities in the County representing a majority of the incorporated population.
- An Independent Taxpayer Oversight Committee (ITOC) was created to supervise fiscal and performance audits over the use of sales tax funds and provide for independent review to ensure that Measure A funds are spent in accordance with provisions of the Expenditure Plan and Ordinance as approved by voters.
- That sales tax proceeds can only be used for transportation programs and not to replace traditional revenues generated through development fees and assessment districts.
- A limit of 0.75% of the net sales tax proceeds funding for the administration of the sales tax program.
- Expenditure Plan reviewed once every ten years as required under the Ordinance to ensure that the program reflects projected funding availability and current community needs as demographics, economics, and technology change.

## **Revenue Sources**

The Authority has numerous revenue sources – retail sales tax, development impact fees, vehicle registration fees, and state and local grants. Measure A proceeds consist of retail sales tax and development impact fees. The one-half cent retail sales tax is collected countywide by the California Department of Tax and Fee Administration on behalf of the Authority. On a monthly basis, the sales tax revenue is remitted to the Authority. This is the Authority's primary revenue stream. In addition, local entities collect development impact fees on behalf of the Sacramento Countywide Transportation Mitigation Fee Program (SCTMFP). These fees are remitted twice annually; within 60 days after June 30 and December 31 each year. This is the Authority's second largest revenue source.

Additionally, the Authority administers the Sacramento Abandoned Vehicle Service Authority’s (SAVSA) abatement program. This program is funded by a \$1 surcharge on vehicle registrations within the County. This revenue is remitted to the Authority on a quarterly basis. Finally, the Authority administers the Sacramento Metropolitan (SacMetro) Freeway Service Patrol (FSP) programs which are funded with State and local grants. The California Department of Transportation annually approves Sacramento’s portion of a state-wide grant which is received on a reimbursement basis as the Authority bills for services. The local portion is received annually in a lump sum through the Capitol Valley Regional Service Authority for Freeways and Expressways (CVR-SAFE) program.

**CONSOLIDATED BUDGET SUMMARY**

In June of each year, the Board adopts a budget for the next fiscal year. Authority staff prepare the budget on a modified accrual basis. The annual budget is foundational to financial planning and control.

The Authority reports two funds for its three programs:

- The **General Fund** – operating fund for the New Measure A and FSP programs. New Measure A receives funding from a countywide 0.5% sales tax and the SCTMFP. This fund supports ongoing transportation and capital projects and program administration costs. Most ongoing funding is passed through to local entities, while the majority of SCTMFP proceeds fund capital projects. FSP receives revenue as described in the previous section.
- The **Special Revenue Fund** – operating fund for SAVSA. This program is funded by a \$1 registration fee collected annually on each eligible registration within Sacramento County.

**Consolidated Budget Summary by Fund**

Description	FY 15/16	FY 16/17	FY 17/18	FY 17/18	Variance
	Actual	Actual	Approved	Amended	Amended/ Approved
General Fund	139,205,156	131,017,711	142,295,919	135,572,199	(6,723,720)
Special Revenue Fund	1,102,339	1,441,290	1,175,000	1,199,842	24,842
<b>New Revenues</b>	<b>140,307,495</b>	<b>132,459,001</b>	<b>143,470,919</b>	<b>136,772,041</b>	<b>(6,698,877)</b>

The Authority’s budget reflects its role as the administrator of 2004 Measure A sales tax revenue used to reimburse and oversee appropriations for programs and projects that reduce traffic congestion, improve air quality, maintain and strengthen the county’s road and transportation systems, and enhance each local agencies’ ability to secure state and federal funding by providing local matching funds. Authority staff and the Independent Taxpayer Oversight Committee (ITOC) which was created under the 2004 Measure A Ordinance are responsible for ensuring that all expenditures are in compliance with the Ordinance and all applicable laws.



## **FACTORS AFFECTING FINANCIAL CONDITION**

Sales tax is the Authority's largest revenue source and is projected to increase \$1.6 million to \$122.67 million when compared to the Approved Budget. The increased revenue from sales tax is attributed to many factors, including decreasing unemployment rates, , improved local economy – particularly construction and services sectors and and modest population growth. The County's population is projected to grow about 1.1% in the coming year.

According to the California Employment Development Department, the unemployment rate for Sacramento County in April 2017 was 4.6%, a marked decrease from June 2016 when it was 5.6%. This compares to an unadjusted April 2017 unemployment rate of 4.8% for California and 4.4% for the nation. Over the last year, the leading indicators for increased sales tax revenue were the transportation, health services, and governmental sectors.

## **Budget Process**

State law requires that the Authority adopt an annual budget. The Amended Budget presents three years of financial information – actual amounts for the two prior years, and the Approved and Amended Budgets for FY 17/18. Common budgetary terms can be found in Appendix A – Glossary.

### **BUDGET PROCESS**

The Authority's fiscal year is July 1 through June 30. It adopts the budget on a modified accrual basis of accounting. The appropriated budget is prepared by fund and program. Subsequent to adoption, the budget must be brought to the Board for its approval. The legal level of budgetary control is at the function level.

Budget development begins in January, after completion of the budget-to-actual comparison for the period ending December 31. Using this information as a starting point, Authority staff discusses any significant changes to expected revenues and appropriations for the remainder of the current fiscal year. If revenue is expected to come in lower or appropriations higher than expected, staff develops revised projections through the end of the fiscal year. This information is reviewed and revised as needed during the remainder of the fiscal year to ensure the most up-to-date financial information is used.

In March, the accounting/finance manager begins preparation of the formal budget by developing forecasts for capital appropriations, staff salaries and benefits, and other operating costs. Concurrently, the Authority's financial services consultant develops revenue forecasts for the remainder of the current year and through the end of the Measure A program - 2039. Using this information, staff determines the

total Measure A allocations each entity can expect. In addition, the Authority can project its total allocation and refine its planned administration appropriations accordingly.

The Authority’s consultant has expertise in forecasting sales tax revenue for local governments, including transportation authorities. The consultant uses proprietary software to develop the forecast using current data from the California Tax and Fee Administration Agency, and economic indicators such as employment, housing starts, and population growth. Authority staff meets with the consultant periodically during the process to ensure a full understanding of the forecasts when completed.

In April, the proposed budget is presented to the Board at a public hearing. The Board may ask questions, make comments, provide direction, and then receive public testimony. This is the first of two publicly noticed meetings in which the budget is presented – the second is in June. This timeline allows the public sufficient time to comment on the proposed budget.

In June, the final budget is presented to the Board. In general, the final budget is materially consistent with the proposed budget and contains only minor financial and editorial changes. Any material changes are highlighted by Authority staff during the meeting. The Board may provide direction and vote to approve the budget. Approval of the budget requires a quorum of Board members and a majority of the voting quorum. Once the budget is approved, staff prepares the Final Approved Budget for printing and posting on the Authority’s website. The Board may vote to adopt a resolution allowing the Authority to continue normal operations under the Proposed Budget in the event that an Approved Budget is not adopted by June 30. An amended budget may subsequently be brought to the Board if changes in revenue and/or appropriations warrant it.

**FY 2017/18 Budget Development Schedule**

December 31 Budget-to-actual analysis	January 2017
Approval of Comprehensive Annual Financial Report (CAFR) and audit	January 2017
Budget Discussions with Local Agency Program Managers	January 2017
Financial advisory consultant begins developing revenue projections	March 2017
Draft Proposed Budget reviewed by the Executive Director	March 2017
Proposed Budget presented to the Governing Board/First public hearing	April 2017
Final Budget presented to Board/Second public hearing – vote to approve	June 2017
Approved Budget document printed and posted to Authority’s website	June 2017
Amendments after adoption	Any time after adoption

## FINANCIAL POLICIES

**Budget** - the Authority was created under the Local Transportation and Authority and Improvement Act (Act) commencing with Section 180000 of the California Public Utility Code. Section 180105 instructs the Authority to adopt an annual budget and hire a Certified Public Accountant to perform an annual financial audit. The law requires the budget to be published and available for public inspection at least one time no later than the 15<sup>th</sup> day of the month prior to the day of the budget hearing.

**Contracting Policies and Procedures** – The Authority complies with Board adopted contracting policies and procedures to procure materials, supplies, equipment, and services in the Authority’s best interest by securing the best price within a reasonable time frame to meet the Authority’s needs. Section 18154 of the Public Utilities Code requires contracts for services, supplies, equipment, and materials in excess of \$10,000 be awarded to the lowest responsible bidder after competitive bidding.

**Investments** – The Authority’s funds are invested in the State of California Local Agency Investment Fund (LAIF) and in the County of Sacramento Pooled Investment Fund (Pool) through an agreement between the Authority and Sacramento County. Authorized investments and investment policies and guidelines are consistent with those of the LAIF and the Pool. Idle bond funds are deposited in the California Asset Management Program (CAMP) and managed by a professional investment team.

## FISCAL STRATEGIES

The Authority strives to meet the following guidelines:

- Maintain sufficient capital program fund balance to meet anticipated capital appropriations.
- Periodically update multi-year revenue and expenditure plans for effective long-term planning.
- Proactively monitor ongoing operating costs.
- Work with the Board to establish major goals that further the mission of the Authority.
- Regularly engage entities participating in the Measure A program to determine the progress of planned capital appropriations in relation to expectations.

## STRATEGIC DIRECTION

The table below provides a roadmap of the Authority’s Strategic Direction. This information summarizes the Authority’s commitment to its stakeholders to ensure it effectively manages limited resources while providing excellent customer service.

## Strategic Direction

### Vision

Maximize the use of limited resources to improve the transportation network in Sacramento County

### Mission

To promote and fund Innovative and sustainable transportation solutions to keep Sacramento County moving

### Core Values

- Integrity
- Collaboration
- Transparency
- Accountability

### Strategic Goals

- Maximize program effectiveness through efficient and effective stewardship of public resources
- Collaborate with partner entities to ensure the timing of their funding needs and the availability of funding resources are complimentary
- Accurate and timely preparation and distribution of required financial information
- Effectively implement the safeguards identified in the Ordinance
- Provide support ITOC in its mission to safeguard public resources by overseeing fiscal and performance audits
- Engage the public and solicit input on important Authority decisions

## PERFORMANCE MEASURES

The Authority tracks select performance measures which are tied to its key strategic goals. These metrics provide broad measures of the Authority's effectiveness, efficiency, timeliness, and productivity in critical activities. While these initiatives may change year to year, performance measures generally reflect progress in core business operations over multiple years. The table below lists key performance measures for the coming year.

**Two Fiscal Years’ Performance Measures**

<b>Performance Measure</b>	<b>FY 16/17 Planned</b>	<b>FY 16/17 Actual</b>	<b>FY 17/18 Planned</b>
Perform monthly Measure A allocations timely and accurately	Yes	Yes	Yes
Review, comment on, and approve all required quarterly reporting by Measure A entities	Yes	Yes	Yes
Receive the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting	Yes	Yes	Yes
Receive Unmodified Opinion for the Comprehensive Annual Financial Report (CAFR)	Yes	Yes	Yes
Complete the budget year within the approved/amended budget	Yes	Yes	Yes
Significant Deficiency or Material Weakness in Report on Internal Control over Financial Reporting	No	No	No
Regularly assess cash flows in relation to capital appropriations	Yes	Yes	Yes
Receive GFOA Budgets Awards Program Certificate	No	No	Yes
Respond to all Public Record Requests as required by law	Yes	Yes	Yes
Prepare and submit all required quarterly financial information required under the Authority’s bond covenants	Yes	Yes	Yes

**LONG-TERM FINANCIAL PLANNING**

Revenue forecasts are the starting point of short and long-term financial planning. Annually, the Authority updates its short-term financial forecasts while long-term forecasts are performed periodically based on factors such as the need to assess opportunities to issue new bonds. The Authority’s consultant provided a seven-year forecast in April 2017 and the long-term forecasts should be completed in June 2017. The long-term forecast will cover the remaining years of the program – through 2039. This information will be used as work begins in June 2017 to develop long-term cash-flow projections.

Currently the Authority has sufficient cash on hand to cover estimated capital appropriations through the end of FY17/18. Therefore, this allows the Authority to proactively develop revenue projections and cash-flow analyses as a planning tool for funding capital appropriations expected in fiscal year 2019.

## Capital Appropriations

Early in the budget cycle, Authority staff consults with each entity expected to receive capital expenditure funding to determine their needs for the coming year. This information is gathered at the project level and summarized for the budget document. Authority staff monitors budget-to-actual expenditures on a quarterly basis. When significant variances arise, Authority staff work with the related entity to determine the cause and take any necessary action. The chart below summarizes the projects by entity identified in the Expenditure Plan.

Sacramento County	Rancho Cordova
ANTELOPE ROAD (Watt Ave – Roseville Rd)	FOLSOM BOULEVARD Streetscape – Phase 1
ARDEN WAY ITS IMPROVEMENTS Phase 2	FOLSOM BOULEVARD Streetscape – Phase 2
BRADSHAW ROAD - Phase 1	SUNRISE BOULEVARD
BRADSHAW ROAD - Phase 2	<b>Citrus Heights</b>
FOLSOM BOULEVARD (Watt Ave – Bradshaw Rd)	ANTELOPE ROAD - Phase 1 (Roseville Rd - I-80)
GREENBACK LANE (Fair Oaks Blvd – Main Ave) – Phase 1	ANTELOPE ROAD - Phase 2 (I-80 - Auburn Blvd)
GREENBACK LANE (Fair Oaks Blvd – Main Ave) – Phase 2	GREENBACK LANE (West City Limit to Fair Oaks Blvd)
GREENBACK LANE (I-80 – Manzanita Ave)	SUNRISE BOULEVARD - Phase 1 (Oak Ave - Antelope Rd)
HAZEL AVENUE - Phase 1 (US 50 – Madison Ave)	SUNRISE BOULEVARD - Phase 2 (Greenback Lane – Oak Ave)
HAZEL AVENUE - Phase 2 (Madison Ave - Placer Co. Line)	SUNRISE BOULEVARD - Phase 3 (Antelope Rd – City Limit)
HAZEL AVENUE - (US Highway 50 – Folsom Blvd)	<b>Elk Grove</b>
MADISON AVENUE - Phase 1 (Sunrise Blvd – Hazel Ave)	GRANTLINE RD. /SR99 Interchange Upgrade
MADISON AVENUE - Phase 2 (Hazel Ave – Greenback Lane)	SHELDON RD. / SR99 INTERCHANGE UPGRADE
MADISON AVENUE - Phase 3 (Watt Ave – Sunrise Blvd)	BRADSHAW ROAD - (Grantline Road - Calvine Road)
SOUTH WATT/ELK GROVE-FLORIN ROAD - Phase 1	SHELDON ROAD. (Bruceville Rd - Bradshaw Rd)
SOUTH WATT / ELK GROVE-FLORIN ROAD - Phase 2	ELK GROVE-FLORIN ROAD (Calvine Rd - Elk Grove Blvd)
SUNRISE BOULEVARD (Jackson Rd – Grant Line Rd)	ELK GROVE BOULEVARD (Big Horn Blvd - Waterman Rd)
SUNRISE BOULEVARD (Madison Ave – Gold Country Blvd)	<b>Folsom</b>
WATT AVENUE (Antelope Rd – Capital City Freeway)	FOLSOM BRIDGE CROSSING
WATT AVENUE / SR50 INTERCHANGE UPGRADE	<b>Galt</b>
<b>Caltrans</b>	CENTRAL GALT INTERCHANGE
5/50 INTERCHANGE IMPROVEMENTS	<b>Regional Transit</b>
5/80 INTERCHANGE UPGRADE, HOV CONNECTOR, and I-5 HOV LANES	DOWNTOWN NATOMAS AIRPORT LRT EXTENSION
OAK PARK (SR99/50) INTERCHANGE IMPROVEMENTS	SOUTH SACRAMENTO LRT CORRIDOR - Phase 2 (Meadowview - CRC)
I-5 BUS/CARPOOL LANES	REGIONAL RAIL
I-80 BUS/CARPOOL LANES	NORTHEAST CORRIDOR (NEC)
US 50 BUS/CARPOOL LANES Phase 1	<b>CSCA (JPA)</b>
US 50 BUS/CARPOOL LANES Phase 2	I-5 / SR 99 / US 50 CONNECTOR
<b>Sacramento City</b>	CORRIDOR ENVIRONMENT MITIGATION
ARDEN WAY ITS IMPROVEMENTS (Del Paso – Ethan)	
BRUCEVILLE ROAD WIDENING (Sheldon Rd - Consumnes River Blvd)	
COSUMNES RIVER BOULEVARD (Freeport – Franklin)	
FOLSOM BOULEVARD (65th St. – Watt Ave.)	
RICHARDS BOULEVARD / INTERSTATE 5 Interchange Improvements	
DOWNTOWN INTERMODAL STATION	

# Fund Information

This section contains descriptions of the Authority's funds and their associated amended budgets for FY 17/18. Actual revenues and expenditures are presented for the prior two fiscal years, while approved and amended amounts are presented for FY 17/18. In the audited financial statements, the Authority reports two major funds – the General Fund and Special Revenue Fund. The Special Revenue Fund includes all financial information for SAVSA. All other financial information is reported in the General Fund.

## **GENERAL FUND**

The General Fund reports all Measure A and FSP revenues and expenditures. Measure A revenues include sales tax proceeds, semi-annual SCTMFP remittances from each Measure A entity and interest earned on fund balance. FSP revenues include state funding administered by Caltrans, and CVR-SAFE funding. When necessary, available fund balance is used to balance the budget.

A majority of the General Fund revenue is passed through to Measure A entities formulaically – per the Ordinance. Ongoing allocations represent about 67 percent of the appropriations. Appropriations for capital projects and principal and interest payments on debt service account for about 31% of the remaining budget.

The ending fund balance in the Amended Budget is expected to decrease \$3.6 million overall. This can be explained, in part, by excluding over \$12 million fund balance held in reserve for the series 2009 and 2012 bonds which is not available for appropriation, and increased ongoing Measure A allocations of \$1.3 million, reducing the fund balance by a total of about \$13.3 million. However, fund balance is increased by \$1.6 million in projected sales tax revenue growth combined with reduced appropriations for capital program construction in the amount of \$7.7 million, effectively increasing fund balance by \$9.3 million. The remaining variances essentially net one another out – decreased SCTMFP fee revenue of \$3.5 million and decreased Series 2014A and 2015A bond proceeds fund balance of \$900,000, offset by an increase fund balance for the capital improvement program.

**General Fund Budget - Revenue, Appropriations, and Fund Balance - Amended**

Description	FY 15/16 Actual	FY 16/17 Actual	FY 17/18 Approved	FY 17/18 Amended	Variance Amended/ Approved
<b>Revenues</b>					
Sales Tax	110,707,633	116,877,996	121,062,000	122,668,000	1,606,000
SCTMFP* Fees	4,363,650	7,848,175	6,000,000	6,000,000	-
Interest and Other	952,493	1,942,744	1,500,000	1,500,000	-
FSP** - State Allocation/CVR-SAFE	1,991,947	2,065,521	2,187,596	2,143,057	(44,539)
<b>New Revenues</b>	<b>118,015,723</b>	<b>128,734,436</b>	<b>130,749,596</b>	<b>132,311,057</b>	<b>1,561,461</b>
<b>Beginning Fund Balances</b>					
2009 Series Bonds Held in Reserve***	7,946,575	8,062,002	8,300,000	-	(8,300,000)
2012 Series Bonds Held in Reserve***	15,392,978	4,287,713	4,500,000	-	(4,500,000)
2014A and 2015A Series Bonds	17,720,674	-	1,100,000	208,453	(891,547)
SCTMFP* Fees	9,885,863	13,296,991	8,233,652	4,692,718	(3,540,934)
Administration	308,689	(195,546)	(69,410)	3,224	72,634
FSP	173,707	164,388	50,133	(41,746)	(91,879)
Capital Improvement Program	17,155,461	26,172,234	25,283,971	30,641,838	5,357,867
<b>Total Beginning Fund Balances</b>	<b>68,583,947</b>	<b>51,787,782</b>	<b>47,398,346</b>	<b>35,504,487</b>	<b>(11,893,859)</b>
<b>Total Revenue and Beginning Fund Balance</b>	<b>186,599,670</b>	<b>180,522,218</b>	<b>178,147,942</b>	<b>167,815,544</b>	<b>(10,332,398)</b>
<b>Appropriations</b>					
Administration	1,334,542	731,613	824,416	606,661	(217,755)
FSP	2,001,317	2,126,020	2,187,596	2,122,824	(64,772)
Contributions to Measure A Entities:					
Ongoing Allocations	87,368,034	91,990,186	95,519,365	96,783,666	1,264,301
Capital Project Construction	25,952,542	16,319,892	23,774,542	16,069,048	(7,705,494)
Debt Service	18,155,503	19,850,000	19,990,000	19,990,000	-
<b>Total Appropriations</b>	<b>134,811,938</b>	<b>131,017,711</b>	<b>142,295,919</b>	<b>135,572,199</b>	<b>(6,723,720)</b>
<b>Ending Fund Balance</b>	<b>51,787,732</b>	<b>49,504,507</b>	<b>35,852,023</b>	<b>32,243,345</b>	<b>(3,608,678)</b>
<b>Total Appropriations and Ending Fund Balance</b>	<b>186,599,670</b>	<b>180,522,218</b>	<b>178,147,942</b>	<b>167,815,544</b>	<b>(10,332,398)</b>

\* Sacramento Countywide Transportation Mitigation Fee Program

\*\* SacMetro Freeway Service Patrol

\*\*\* these funds are held in reserve for the 2009C and 2012 bonds per bond covenants and unavailable for appropriation. Therefore, these amounts are not included in the amended budget above.



**SPECIAL REVENUE FUND**

The SAVSA is funded by a vehicle registration surcharge. This is a pass-through fund for the abandoned vehicle abatement program. Over 99.25 percent of the fees received are distributed to reimburse SAVSA claims. Distributions to entities are based 50% on population and 50% on the relative number of abatements performed during each calendar quarter.

As shown in the table below, over the three-year period presented, revenues and appropriations roughly equal one another, leaving the program with an immaterial negative fund balance per the Amended FY17/18 Budget.

**SAVSA Budget - Revenue, Appropriations, and Fund Balance - Amended**

Description	FY 15/16 Actual	FY 16/17 Actual	FY 17/18 Approved	FY 17/18 Amended	Variance Amended/ Approved
<b>Revenue and Fund Balance</b>					
Vehicle License Fees	\$1,272,697	\$1,282,433	\$1,174,600	\$1,174,600	-
Interest	3,415	4,308	400	400	-
<b>New Revenue</b>	<b>1,276,112</b>	<b>1,286,741</b>	<b>1,175,000</b>	<b>1,175,000</b>	<b>-</b>
Beginning Fund Balance	121,827	154,549	1,863	0	(1,863)
<b>Total Revenue and Beginning Fund Balance</b>	<b>1,397,939</b>	<b>1,441,290</b>	<b>1,176,863</b>	<b>1,175,000</b>	<b>(1,863)</b>
<b>Appropriations</b>					
Abandoned Vehicle Abatement	1,216,517	1,400,871	1,112,623	1,112,623	-
Salaries and Benefits	26,873	40,419	62,377	87,219	24,842
<b>Total Appropriations</b>	<b>1,243,390</b>	<b>1,441,290</b>	<b>1,175,000</b>	<b>1,199,842</b>	<b>24,842</b>
Ending Fund Balance	154,549	-	1,863	(24,842)	(26,705)
<b>Total Appropriations and Ending Fund Balance</b>	<b>1,397,939</b>	<b>1,441,290</b>	<b>1,176,863</b>	<b>1,175,000</b>	<b>(1,863)</b>

**DEBT SERVICE FUND**

Under 2004 Measure A, the Authority may issue sales tax revenue bonds. The Sales Tax Bonds debt service fund is used to account for all activities related to the sales tax revenue bonds incurred by the Authority. Debt service is a significant cost to the Authority, second only to Measure A allocations found in the Amended FY17/18 Budget. Therefore, the Board, authority staff, and its bond trustee carefully monitor this fund to ensure sufficient resources are available when payments are due.

The funding for debt service is provided by General Fund transfers of Measure A sales tax proceeds. As seen in the budget section, debt service costs average about 80% of the total sales tax revenue allocated to service the debt.

**Debt Service Fund - Amended**

Description	FY 15/16 Actual	FY 16/17 Actual	FY 17/18 Approved	FY 17/18 Amended	Variance Amended/ Approved
<b>Revenue</b>					
Interest	456	7,277	500	500	-
<b>Total Revenues</b>	<b>456</b>	<b>7,277</b>	<b>500</b>	<b>500</b>	<b>-</b>
Principal Payments	-	3,450,000	3,590,000	3,590,000	-
Interest Payments	16,023,860	17,115,023	16,400,000	16,400,000	-
<b>Total Expenditures</b>	<b>16,023,860</b>	<b>20,565,023</b>	<b>19,990,000</b>	<b>19,990,000</b>	<b>-</b>
Other Financing Sources (Uses)					
Transfers In	18,155,503	20,783,385	20,800,000	20,800,000	-
<b>Total Financing Sources (Uses)</b>	<b>18,155,503</b>	<b>20,783,385</b>	<b>20,800,000</b>	<b>20,800,000</b>	<b>-</b>
<b>Beginning Fund Balance</b>	<b>4,230,361</b>	<b>6,362,460</b>	<b>6,812,960</b>	<b>6,588,099</b>	<b>(224,861)</b>
<b>Ending Fund Balance</b>	<b>6,362,460</b>	<b>6,588,099</b>	<b>7,623,460</b>	<b>7,398,599</b>	<b>(224,861)</b>

# Budget Schedules

This section presents balanced budgets for the General Fund and SAVSA. The schedules contain the actual amounts from the previous two fiscal years and the Approved and Amended Budgets for FY 17/18. Below is the Authority's Consolidated Budget.

## CONSOLIDATED BUDGET

### Consolidated Budget General Fund, SAVSA, and Debt Service - Revenue, Appropriations, and Fund Balance - Amended

Description	FY 15/16 Actual	FY 16/17 Actual	FY 17/18 Approved	FY 17/18 Amended	Variance Amended/ Approved
<b>Revenues</b>					
Sales Tax	110,707,633	116,877,996	121,062,000	122,668,000	1,606,000
SCTMFP* Fees	4,363,650	7,848,175	6,000,000	6,000,000	-
Interest and Other	952,493	1,942,744	1,500,000	1,500,000	-
FSP** - State Allocation/CVR-SAFE	1,991,947	2,065,521	2,187,596	2,143,057	(44,539)
SAVSA***	1,397,939	1,286,741	1,176,863	1,175,000	(1,863)
<b>New Revenues</b>	<b>119,413,662</b>	<b>130,021,177</b>	<b>131,926,459</b>	<b>133,486,057</b>	<b>1,559,598</b>
<b>Beginning Fund Balances</b>					
2009 Series Bonds Held in Reserve****	7,946,575	8,062,002	8,300,000	-	(8,300,000)
2012 Series Bonds Held in Reserve****	15,392,978	4,287,713	4,500,000	-	(4,500,000)
2014A and 2015A Series Bonds	17,720,674	-	1,100,000	208,453	(891,547)
SCTMFP* Fees	9,885,863	13,296,991	8,233,652	4,692,718	(3,540,934)
Administration	308,689	(195,546)	(69,410)	3,224	72,634
FSP	173,707	164,388	50,133	(41,746)	(91,879)
Capital Improvement Program	17,155,461	26,172,234	25,283,971	30,641,838	5,357,867
<b>Total Beginning Fund Balances</b>	<b>68,583,947</b>	<b>51,787,782</b>	<b>47,398,346</b>	<b>35,504,487</b>	<b>(11,893,859)</b>
<b>Total Revenue and Beginning Fund Balance</b>	<b>187,997,609</b>	<b>181,808,959</b>	<b>179,324,805</b>	<b>168,990,544</b>	<b>(10,334,261)</b>
<b>Appropriations</b>					
Administration	1,334,542	731,613	824,416	606,661	(217,755)
FSP	2,001,317	2,126,020	2,187,596	2,122,824	(64,772)
SAVSA	1,243,390	1,441,290	1,175,000	1,199,842	24,842
Contributions to Measure A Entities:					
Ongoing Allocations	87,368,034	91,990,186	95,519,365	96,783,666	1,264,301
Capital Project Construction	25,952,542	16,319,892	23,774,542	16,069,048	(7,705,494)
Debt Service	18,155,503	19,850,000	19,990,000	19,990,000	-
<b>Total Appropriations</b>	<b>136,055,328</b>	<b>132,459,001</b>	<b>143,470,919</b>	<b>136,772,041</b>	<b>(6,698,877)</b>
<b>Ending Fund Balance</b>	<b>51,942,281</b>	<b>49,349,958</b>	<b>35,853,886</b>	<b>32,218,503</b>	<b>(3,635,384)</b>
<b>Total Appropriations and Ending Fund Balance</b>	<b>187,997,609</b>	<b>181,808,959</b>	<b>179,324,805</b>	<b>168,990,544</b>	<b>(10,334,261)</b>

\* Sacramento Countywide Transportation Mitigation Fee Program

\*\* SacMetro Freeway Service Patrol

\*\*\* Sacramento Abandoned Vehicle Service Authority

\*\*\*\* these funds are held in reserve for the 2009C and 2012 bonds per bond covenants and unavailable for appropriation. Therefore, these amounts are not included in the amended budget above.

All budget information is reported on the modified accrual basis of accounting. This is consistent with the financial information reported in the audited financial statements. The only significant accruals are found in the General Fund. Sales tax revenue for the last two months of each fiscal year is received in July and August. In addition, a clean-up payment is received in September, representing the difference between the advances received for the months of April through June and the actual sales tax receipts. Since most sales tax revenue is passed-through to each Measure A entity, the Authority accrues the appropriations associated with the revenue above at the same time it records the revenue.

The Authority reports two major funds in its CAFR – the General Fund and a Special Revenue Fund that captures only SAVSA financial information and a debt service fund. However, for budgetary control purposes, the Authority also presents detailed budgets for ongoing allocations, capital projects, FSP and administration costs – all of which are reported in the General Fund.

## GENERAL FUND

### General Fund Budget - Revenue and Appropriations - Amended

Description	FY 15/16 Actual	FY 16/17 Actual	FY 17/18 Approved	FY 17/18 Amended	Variance Amended/ Approved
<b>Revenues</b>					
Sales Tax	110,707,633	116,877,996	121,062,000	122,668,000	1,606,000
SCTMFP* Fees	4,363,650	7,848,175	6,000,000	6,000,000	-
Interest and Other	952,493	1,942,744	1,500,000	1,500,000	-
FSP** - State Allocation/CVR-SAFE	1,991,947	2,065,521	2,187,596	2,143,057	(44,539)
<b>New Revenues</b>	<b>118,015,723</b>	<b>128,734,436</b>	<b>130,749,596</b>	<b>132,311,057</b>	<b>1,561,461</b>
Fund Balance	16,796,215	2,283,275	11,546,323	3,261,142	(8,285,181)
<b>Total Revenue and Fund Balance</b>	<b>134,811,938</b>	<b>131,017,711</b>	<b>142,295,919</b>	<b>135,572,199</b>	<b>(6,723,720)</b>
<b>Appropriations</b>					
Administration	1,334,542	731,613	824,416	606,661	(217,755)
FSP	2,001,317	2,126,020	2,187,596	2,122,824	(64,772)
Contributions to Measure A Entities:					
Ongoing Allocations	87,368,034	91,990,186	95,519,365	96,783,666	1,264,301
Capital Project Construction	25,952,542	16,319,892	23,774,542	16,069,048	(7,705,494)
Debt Service	18,155,503	19,850,000	19,990,000	19,990,000	-
<b>Total Appropriations</b>	<b>134,811,938</b>	<b>131,017,711</b>	<b>142,295,919</b>	<b>135,572,199</b>	<b>(6,723,720)</b>

\* Sacramento Countywide Transportation Mitigation Fee Program

\*\* SacMetro Freeway Service Patrol

\*\*\* these funds are held in reserve for the 2009C and 2012 bonds per bond covenants and unavailable for appropriation. Therefore, these amounts are not included in the amended budget above.

Notable changes between the Amended and Approved FY 17/18 Budgets are as follows:

- Sales tax revenue – increase of \$1.6 million based in part on actual receipts fiscal year-to-date and projections for the remainder of the fiscal year
- Ongoing Measure A Allocation Appropriations – Increase of \$1.3 million as a result of increased sales tax revenue.
- Capital Project Construction Appropriations – decrease of \$7.7 million based on updated year-to-date spending and entity projections for projects currently under contract with the Authority.

Measure A sales tax is collected by the California Tax and Fee Administration Agency. The proceeds are remitted to the Authority’s bond trustee who pays all debt service costs on behalf of the Authority. The remainder is remitted to the Authority’s General Fund. The following table summarizes the allocation of funds per the Ordinance using the Amended FY17/18 Budget:

**General Fund - Measure A Ongoing Allocations - Amended**

Description	Percentage*	Amount	Explanation
<b>Total Revenue</b>		<b>122,668,000</b>	<b>This amount represents the total revenue net of CTFA administrative cost - \$1,349,348</b>
Isleton	0.04	49,067	
Galt	1.00	1,226,680	
Neighborhood Shuttle		1,000,000	Set annual amount
<b>Net Proceeds</b>		<b>120,392,253</b>	<b>This is the amount used for the remaining allocations below (net proceeds)</b>
County Regional Parks		1,000,000	Set annual amount
Capital Projects	20.75	24,981,392	This is used exclusively to pay debt service and pay-as-you-go capital claims
Program Administration	0.75	902,942	To fund program administration
SMAQMD*	1.50	1,805,884	
Traffic Control & Safety**	3.00	3,611,768	
Paratransit (CTSA)	3.50	4,213,729	
CTSA Set Aside	1.00	1,203,923	
Safety, Streetscaping, Ped and Bike Facilities (Allocation equals 5 percent less \$83,333 for Regional Parks)**	5.00	5,019,613	Equals 5% less \$1,000,000 to fund the County Regional Parks Program
Street & Road Maintenance**	30.00	36,117,676	
Sacramento Regional Transit District	34.50	41,535,327	
<b>Total</b>	<b>100.00</b>	<b>120,392,253</b>	<b>Total monthly allocations - net proceeds</b>

\* Sacramento Metropolitan Air Quality Management District

\*\* Subject to further allocation - see Allocation Per Lane Miles and Population Table

Three allocations above are distributed to the cities of Citrus Heights, Elk Grove, Folsom, Rancho Cordova, Sacramento, and Sacramento County formulaically. The formula is updated annually based on road lane miles and population within each jurisdiction. The allocations are as follows:

### Allocation Per Lane Miles and Population

#### Allocation Per Lane Miles and Population - Amended

Entity	Allocation Ratio	Amount
City of Citrus Heights	5.42034%	2,425,552
City of Elk grove	11.04856%	4,944,128
City of Folsom	5.39757%	2,415,361
City of Rancho Cordova	5.17750%	2,316,881
City of Sacramento	31.51982%	14,104,823
County of Sacramento	41.43621%	18,542,312
<b>Total</b>	<b>100%</b>	<b>44,749,056</b>

Sales tax revenue is allocated (passed-through) to each Measure A entity based on a formula in the Ordinance. Therefore, these amounts change at the same rate as sales tax proceeds.

The table below summarizes the allocations on an annual basis.

#### General Fund Ongoing Measure A Allocations - Amended

Description	FY 15/16	FY 16/17	FY 17/18	FY 17/18	Variance
	Actual	Actual	Approved	Amended	Amended/Approved
Isleton	44,283	46,751	48,425	49,067	642
Galt	1,107,076	1,168,780	1,210,620	1,226,680	16,060
Neighborhood Shuttle Set-Aside	1,000,000	1,000,000	1,000,000	1,000,000	-
SMAQMD	1,628,344	1,719,937	1,782,044	1,805,884	23,839
Traffic Control & Safety	3,256,688	3,439,874	3,564,089	3,611,768	47,679
Paratransit (CTSA)	3,799,470	4,013,186	4,158,103	4,213,729	55,625
CTSA Set Aside	1,085,563	1,146,625	1,188,030	1,203,923	15,893
County Regional Parks	1,000,000	1,000,000	1,000,000	1,000,000	-
Safety, Streetscaping, Ped, Bike	4,427,814	4,733,123	4,940,148	5,019,613	79,465
Street & Road Maintenance	32,566,882	34,398,739	35,640,887	36,117,676	476,789
SRTD	37,451,914	39,558,550	40,987,020	41,535,327	548,308
<b>Total Allocations</b>	<b>87,368,034</b>	<b>92,225,566</b>	<b>95,519,365</b>	<b>96,783,666</b>	<b>1,264,301</b>

The table below summarizes the capital appropriations at the entity level for three fiscal years. The Authority’s capital plan covers the 30-year term program term and all entities planning on receiving project funding. Entities not in the table but included in the capital program are the cities of Folsom, Galt, and Elk Grove. Information for the Amended FY17/18 Budget is based on each entity’s expenditures through January 2018 and projected expenditures provided by each entity in the table for the remainder of the fiscal year. Authority staff works with each entity throughout the year to identify any material changes in expectations and determine the cause so that appropriate actions can be taken.

**General Fund - Capital Projects Appropriations - Amended**

Description	FY 15/16	FY 16/17	FY 17/18	FY 17/18	Variance
	Actual	Actual	Approved	Amended	Amended/ Approved
Caltrans	5,017,750	3,047,319	3,300,000	2,001,704	(1,298,296)
Capital Southeast Connector (JPA)	2,280,206	2,425,776	8,560,378	9,332,179	771,801
Rancho Cordova	217,270	666,782	5,547,999	858,339	(4,689,660)
Sacramento City	13,696,971	8,582,718	2,040,000	2,860,664	820,664
Sacramento County	3,358,007	1,872,358	3,909,000	911,243	(2,997,757)
Sacramento Regional Transit District	791,576	106,607	417,165	104,919	(312,246)
Citrus Heights	590,762	-	-	-	-
<b>Total Capital Expenditures</b>	<b>25,952,542</b>	<b>16,701,560</b>	<b>23,774,542</b>	<b>16,069,048</b>	<b>(7,705,494)</b>

\* Includes only those entities currently under contract with the Authority

FSP revenue is materially consistent each year. However, in FY17/18, appropriations are expected to exceed revenues creating an immaterial negative fund balance.

**General Fund - FSP Budget - Revenue, Appropriations, and Fund Balance - Amended**

Description	FY 15/16	FY 16/17	FY 17/18	FY 17/18	Variance
	Actual	Actual	Approved	Amended	Amended/ Approved
<b>Revenue and Fund Balance</b>					
State Allocation	1,234,947	1,238,521	1,244,056	1,199,457	(44,599)
SAFE	757,000	827,000	943,540	943,600	60
<b>New Revenue</b>	<b>1,991,947</b>	<b>2,065,521</b>	<b>2,187,596</b>	<b>2,143,057</b>	<b>(44,539)</b>
Beginning Fund Balance	9,370	164,338	-	(41,747)	(41,747)
<b>Total Revenue and Beginning Fund Balance</b>	<b>2,001,317</b>	<b>2,229,859</b>	<b>2,187,596</b>	<b>2,101,310</b>	<b>(86,286)</b>
<b>Appropriations</b>					
Salaries and Benefits	140,033	128,769	126,379	126,379	-
Rent	16,999	17,105	12,000	12,000	-
Conferences and Travel	600	1,861	850	850	-
Communications	50,570	66,267	46,125	46,125	-
Professional Services	126,461	228,910	130,375	130,375	-
Other Operating Expenditures	6,667	28,958	19,925	19,925	-
Contractors	1,659,987	1,799,736	1,787,170	1,787,170	-
<b>Total Appropriations</b>	<b>2,001,317</b>	<b>2,271,606</b>	<b>2,122,824</b>	<b>2,122,824</b>	<b>-</b>
<b>Ending Fund Balance</b>	<b>-</b>	<b>(41,747)</b>	<b>64,772</b>	<b>(21,514)</b>	<b>(86,286)</b>
<b>Total Appropriations and Ending Fund Balance</b>	<b>2,001,317</b>	<b>2,229,859</b>	<b>2,187,596</b>	<b>2,101,310</b>	<b>(86,286)</b>

The table below represents operational data for FSP over the last 10 years. The program consistently provides over 30,000 assists per year, helping make Sacramento and Yolo Counties' freeways safer by assisting stranded motorists.

**Freeway Service  
 Patrol Assists**

Fiscal Year	Assists
2016	37,091
2015	34,395
2014	30,097
2013	36,538
2012	38,180
2011	35,301
2010	36,368
2009	38,142
2008	32,915
2007	32,597
<b>Total</b>	<b>351,624</b>



Revenue for the administration budget is generated by a .75% allocation of the net sales tax proceeds. As the table below indicates, the administration appropriations have been constrained in the current and coming fiscal years to begin establishing a reserve fund balance.

**Administration Budget - Revenue, Appropriations, and Fund Balance - Amended**

Description	FY 15/16 Actual	FY 16/17 Actual	FY 17/18 Approved	FY 17/18 Amended	Variance Amended/ Approved
<b>Revenues and Fund Balance</b>					
Sales Tax*	\$830,307	\$899,939	\$891,022	\$902,942	\$11,920
Other	-	159,210	-	120,853	\$120,853
<b>New Revenue</b>	<b>830,307</b>	<b>1,059,149</b>	<b>891,022</b>	<b>1,023,795</b>	<b>132,773</b>
Beginning Fund Balance	504,235	(195,546)	-	3,210	3,210
<b>Total Revenue and Beginning Fund Balance</b>	<b>1,334,542</b>	<b>863,603</b>	<b>891,022</b>	<b>1,027,005</b>	<b>135,983</b>
<b>Appropriations</b>					
Salaries and Benefits	435,516	457,105	488,874	332,849	(156,025)
CalPERS Unfunded Liability	52,679	52,893	62,202	59,971	(2,231)
Rent	41,543	43,046	31,680	19,071	(12,609)
Conferences and Travel	20,566	7,341	3,500	6,000	2,500
Insurance	30,510	9,395	28,000	30,318	2,318
Professional Services	665,109	212,902	81,120	81,120	-
ITOC	52,000	53,900	96,040	56,333	(39,707)
Other Operating Expenditures	36,619	23,811	33,000	21,000	(12,000)
<b>Total Appropriations</b>	<b>1,334,542</b>	<b>860,393</b>	<b>824,416</b>	<b>606,661</b>	<b>(217,755)</b>
Ending Fund Balance	-	3,210	66,606	420,343	353,738
<b>Total Appropriations and Ending Fund Balance</b>	<b>1,334,542</b>	<b>863,603</b>	<b>891,022</b>	<b>1,027,005</b>	<b>135,983</b>

\* .75% of the net sales tax revenue is available for administration

**SACRAMENTO ABANDONED VEHICLE SERVICE AUTHORITY (SAVSA)**

SAVSA is a stable program that annually generates materially consistent revenue. Since program funding is passed-through to the participating entities, appropriations closely parallel revenue.

**SAVSA Budget - Revenue, Appropriations, and Fund Balance - Amended**

Description	FY 15/16 Actual	FY 16/17 Actual	FY 17/18 Approved	FY 17/18 Amended	Variance Amended/ Approved
<b>Revenue and Fund Balance</b>					
Vehicle License Fees	\$1,272,697	\$1,282,433	\$1,174,600	\$1,174,600	-
Interest	3,415	4,308	400	400	-
<b>New Revenue</b>	<b>1,276,112</b>	<b>1,286,741</b>	<b>1,175,000</b>	<b>1,175,000</b>	<b>-</b>
Beginning Fund Balance	121,827	154,549	1,863	0	(1,863)
<b>Total Revenue and Beginning Fund Balance</b>	<b>1,397,939</b>	<b>1,441,290</b>	<b>1,176,863</b>	<b>1,175,000</b>	<b>(1,863)</b>
<b>Appropriations</b>					
Abandoned Vehicle Abatement	1,216,517	1,400,871	1,112,623	1,112,623	-
Salaries and Benefits	26,873	40,419	62,377	87,219	24,842
<b>Total Appropriations</b>	<b>1,243,390</b>	<b>1,441,290</b>	<b>1,175,000</b>	<b>1,199,842</b>	<b>24,842</b>
Ending Fund Balance	154,549	-	1,863	(24,842)	(26,705)
<b>Total Appropriations and Ending Fund Balance</b>	<b>1,397,939</b>	<b>1,441,290</b>	<b>1,176,863</b>	<b>1,175,000</b>	<b>(1,863)</b>

**DEBT SERVICE**

The Authority’s bond program is funded entirely through sales tax revenue allocations. Under the Ordinance, 20.75% percent of the net sales tax proceeds are restricted due to the Authority’s bond covenants and set aside to pay debt service costs and pay-as-you-go capital expenditures. Bond proceeds and pay-as-you-go funding is restricted for capital projects identified in the Expenditure Plan. The Authority issued variable interest rate bonds in 2009, but those bonds have been hedged with derivatives that fix the interest rate paid providing financial stability.

The Authority’s bonds are highly rated – currently AA+ by S&P. All bonds issued by the Authority have held a rating of at least AA+ since the bonds were issued in 2009. The rating agency cited Sacramento’s relatively stable economy which consistently provides sufficient sales tax revenue to fund the bond program.

The Authority does not have a debt limit policy per se, but is constrained by the 20.75% allocation that funds the principle and interest payments on its debt. This allocation is regularly assessed in relation to the anticipated debt service costs. This effort is a collaboration between staff and the Authority’s financial advisory consultant. As the debt service allocation table below demonstrates, the Authority annually expends about 80% of the allocation for debt service costs, leaving a prudent cushion.

**Actual Debt Service to Revenue Allocation Ratios - Amended**

Description	2017	2016	2015	2014	2013
Capitla Project Construction	23,792,461	22,525,426	21,469,273	20,339,685	19,790,794
Debt Service Charges	20,565,023	18,155,503	16,300,401	16,880,820	16,345,685
<b>Actual Ratio</b>	<b>86.44%</b>	<b>80.60%</b>	<b>75.92%</b>	<b>82.99%</b>	<b>82.59%</b>

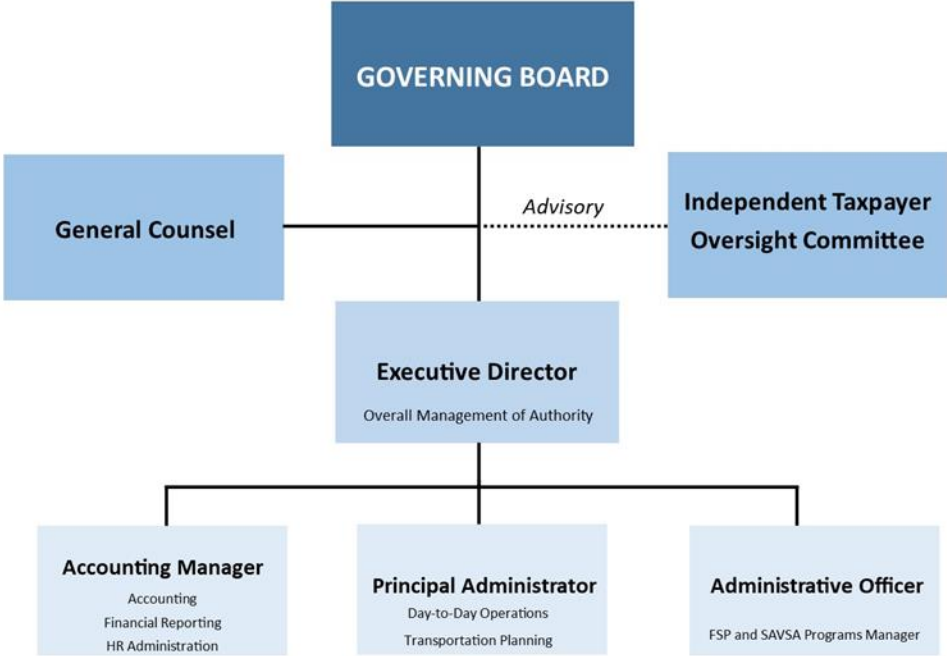
**Debt Repayment Schedule**

Fiscal Year	Principal		Hedging	Ancillary	Total
Ending June 30	Principal	Interest	Derivatives	Fees	Total
2018	\$3,590,000	\$3,113,985	\$11,018,329	\$962,755	\$18,685,069
2019	3,740,000	2,967,385	11,018,329	962,755	18,688,469
2020	3,890,000	2,814,785	11,018,329	965,248	18,688,362
2021	4,050,000	2,655,985	11,018,329	962,318	18,686,632
2022	4,235,000	2,469,110	11,018,329	962,755	18,685,194
2023-2027	24,680,000	8,854,175	55,091,645	4,815,831	93,441,651
2028-2032	104,320,000	3,854,842	48,500,425	4,242,014	160,917,281
2033-2037	150,300,000	1,947,211	25,451,064	2,225,528	179,923,802
2038-2039	69,400,000	185,633	2,426,534	212,396	72,224,562
<b>Totals</b>	<b>368,205,000</b>	<b>28,863,111</b>	<b>186,561,313</b>	<b>16,311,600</b>	<b>599,941,023</b>

# Organizational Overview

The Authority administers three programs – Measure A, FSP, and SAVSA. This section includes the Authority’s organizational structure, each staff member’s area of responsibility, pay schedules, and the Authority accomplishments.

## Organization Chart



The Authority employees 4 full-time personnel. Because of its small size, staff work in multiple programs. All positions are funded according to the ratios below. The ratios are determined using historical and anticipated workload ratios. Staffing levels for FY15/16, FY16/17, and FY17/18 have been stable at 4 positions. There are no anticipated staffing changes for FY17/18.

<b>Personnel – Full-time equivalent FY17/18</b>			
	Measure A	SAVSA	FSP
Executive Director	.90	.05	.05
Principal Administrator	.95	.05	N/A
Accounting/Finance Manager	.85	.05	.10
Administrative Officer	.05	.05	.90

### **Authority Position Descriptions**

#### **Executive Director**

Under the direction of the Governing Board, the Executive Director (ED) is responsible for overall management of the Authority. This includes overseeing the establishment of policies and procedures, overall management of personnel and resources, and the implementation of the Measure A, FSP, and SAVSA programs.

#### **Principal Administrator**

Under the direction of the ED, manages the day-to-day activities and operation of the Authority consistent with the Authority’s short and long range plans. The Principal Administrator coordinates with the ED to develop work plans, Governing Board agendas and action items, and acts on behalf of the ED in his/her absence or as authorized by the ED.

#### **Accounting/Finance Manager**

Under the direction of the ED, the Accounting/Finance Manager performs all of the Authority’s accounting duties, human resource functions, and participates in short and long-term finance planning

and implementation.

### **Administrative Officer**

Under the direction of the ED, the Administrative Officer is responsible for managing the FSP and SAVSA programs. Responsibilities include contract, funding and budget management, compliance oversight, data collection and reporting.

The Authority aligns its pay schedules to comparable Sacramento County classifications. The following pay schedules represent the monthly minimum and maximum published amounts for FY15/16 with an anticipated 2.3% cost of living adjustment for FY17/18. The published amounts for FY17/18 will be available at a later date.

### **Pay Schedules**

<b>Classification</b>	<b>Monthly Minimum</b>	<b>Monthly Maximum</b>
Executive Director	13,510	14,897
Principal Administrator	10,655	11,746
Accounting/Finance Manager	8,416	9,277
Administrative Officer	5,125	6,230

## **AUTHORITY ACCOMPLISHMENTS**

In FY 16/17, the Authority achieved numerous accomplishments including the following:

Published a new website for the ITOC

Collaborated with the ITOC to develop new Capital Projects Quarterly Status Reports

Recruited new ITOC voting member and completed filling the open ex-officio positions – filling out the ITOC for the first time since its inception in 2009

Implemented a new accounting system that allows for more efficient data entry and financial reporting on a modified accrual basis

Reduced operating expenditures by procuring lower-cost dental, vision, and life insurance benefits and increased use of electronic payment and deposit software

Increased Authority transparency, in part, by restructuring this budget document and attending and holding more public meetings

Increased IT security by transitioning to web-based software managed by Microsoft

Updated procedures for plans, reports, etc.

Increased abandoned vehicle abatements by encouraging entities to be more proactive

Consolidated Board meetings – from 10 per year down to 7

Established an annual work plan

Submitted FY17/18 budget for consideration in the GFOA Budget Awards Program

Completed providing FSP for the 80 across-the-top construction project

Encouraged entities to identify projects for 1988 Measure A funding still held by the Authority

Established greater collaboration between agency staff and initiated performance reviews

# Statistical Information

## OPERATONAL STATISTICS

The Authority measures numerous operational and financial statistics. Financial statistics are from the Authority's June 30, 2016 audited financial statements.

### Sacramento Abandoned Vehicle Abatements

Fiscal Year	Abatements
2016	8,586
2015	5,037
2014	5,247
2013	6,222
2012	6,239
2011	7,334
2010	8,718
2009	11,575
2008	13,736
2007	14,690
<b>Total</b>	<b>87,384</b>

## FINANCIAL STATISTICS

### Balances of Governmental Funds (Modified Accrual)

	2016	2015	2014	2013	2012
<b>General Fund</b>					
Nonspendable	\$ 10,027	\$ 10,027	\$ 10,027	\$ 10,027	\$ 10,027
Restricted	51,973,251	81,243,264	91,591,253	101,338,670	46,521,997
Unassigned	(195,546)	329,381	427,430	740,000	600,000
<b>Total General Fund</b>	<b>51,787,732</b>	<b>81,582,672</b>	<b>92,028,710</b>	<b>102,088,697</b>	<b>47,132,024</b>
<b>All Other Governmental Funds</b>					
Restricted	6,517,009	4,352,188	4,232,983	4,439,725	3,860,118
Total all other governmental funds	6,517,009	4,352,188	4,232,983	4,439,725	3,860,118
<b>Total Governmental Funds</b>	<b>\$58,304,741</b>	<b>\$85,934,860</b>	<b>\$96,261,693</b>	<b>\$106,528,422</b>	<b>\$50,992,142</b>



**Changes in Balances of Governmental Funds (Modified Accrual)**

	2016	2015	2014	2013	2012
<b>Revenues</b>					
Taxes	\$110,707,633	\$105,564,247	\$100,063,237	\$97,390,177	\$92,239,996
Development Impact Fees (Mitigation)	4,363,650	4,624,139	3,540,542	3,176,382	2,957,362
Vehicle registration fees	1,272,697	1,220,900	1,172,833	1,130,254	1,166,769
State grant	1,155,194	1,176,786	1,179,459	1,167,759	1,109,848
FSP / State / SHOPP	79,753	126,787	196,064	-	-
SAFE Funds	757,000	747,000	747,000	747,000	732,250
Use of money and property	941,859	555,414	430,196	660,928	641,940
Miscellaneous	14,505	1,415	712	1,452	-
<b>Total Revenues</b>	<b>119,292,291</b>	<b>114,016,688</b>	<b>107,330,043</b>	<b>104,273,952</b>	<b>98,848,165</b>
<b>Expenditures</b>					
General government:					
Administrative	1,342,300	805,331	1,008,517	745,552	658,391
Freeway service patrol	2,000,559	2,090,267	2,164,149	1,765,562	1,729,539
Intergovernmental	114,537,093	104,405,460	97,543,286	94,103,672	108,225,941
Debt Service:					
Interest and other charges	16,016,860	17,042,463	16,880,820	16,804,043	15,167,878
<b>Total Expenditures</b>	<b>133,896,812</b>	<b>124,343,521</b>	<b>117,596,772</b>	<b>113,418,829</b>	<b>125,781,749</b>
<b>Excess of Expenditures over Revenue</b>	<b>(14,604,521)</b>	<b>(10,326,833)</b>	<b>(10,266,729)</b>	<b>(9,144,877)</b>	<b>(26,933,584)</b>
<b>Other Financing Sources (Uses)</b>					
Transfers in	18,182,376	16,439,131	16,694,009	16,950,657	14,869,554
Transfers out	(18,182,376)	(16,439,131)	(16,694,009)	(16,950,657)	(14,869,554)
Refunding 2009A and 2009B Series Bonds	-	(212,200,000)	-	-	-
Premium from issuance of long term debt	-	-	-	11,326,155	-
Issuance of 2014A and 2015 Series Bonds	-	212,200,000	-	53,355,000	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>64,681,155</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>\$(14,604,521)</b>	<b>\$(10,326,833)</b>	<b>\$(10,266,729)</b>	<b>\$ 55,536,278</b>	<b>\$(26,933,584)</b>

**Debt Service as a Percentage of Noncapital**

Expenditures	11.96%	13.71%	14.35%	14.82%	12.06%
--------------	--------	--------	--------	--------	--------

**Revenue Capacity - Revenue Base and Revenue Rate**

Fiscal Year	Sales Tax Rate	Total Sales Tax Revenue	Total Taxable Sales*
2016	0.5%	\$ 110,708	\$ 22,141,600
2015	0.5%	105,564	21,112,800
2014	0.5%	100,063	21,061,901
2013	0.5%	97,390	20,097,095
2012	0.5%	92,240	19,089,848
2011	0.5%	87,299	18,003,765
2010	0.5%	81,414	16,904,528
2009	0.5%	89,395	16,563,853
2008	0.5%	101,155	19,331,847
2007	0.5%	105,367	20,560,510

**Revenue Capacity - Principal Revenue Payers**

	2014			2006		
	Rank	Amount	Percentage of Taxable Sales	Rank	Amount	Percentage of Taxable Sales
All Other Outlets	1	\$ 6,412,208	30.4%	1	\$ 5,438,465	25.7%
Automotive	2	2,797,532	13.3%	2	2,636,783	12.5%
General Merchandise Stores	3	2,157,986	10.2%	4	2,454,816	11.6%
All Other Retail Stores	4	2,131,227	10.1%	3	2,852,716	13.5%
Eating and Drinking Places	5	2,071,554	9.8%	6	1,687,711	8.0%
Service Stations	6	1,857,065	8.8%	7	1,442,926	6.8%
Building Materials	7	1,168,008	5.6%	5	1,511,444	7.1%
Food Stores	8	959,756	4.6%	9	920,753	4.4%
Apparel Stores	9	921,913	4.4%	11	652,320	3.1%
Household & Home Furnishings	10	340,187	1.5%	10	653,574	3.1%
Nonstore Retailers	11	244,464	1.2%	8	888,878	4.2%
<b>Total All Outlets</b>		<b>\$ 21,061,900</b>	<b>100.0%</b>		<b>\$ 21,140,386</b>	<b>100.0%</b>

**Private Sector Principal Employers**

Employer	2015			2006		
	Rank	Employees	Percentage of Total County Employment	Rank	Employees	Percentage of Total County Employment
UC Davis Health System	1	9,905	1.57%			
Sutter/California Health Services	2	7,352	1.16%	2	11,284	1.79%
Dignity/Mercy Healthcare	3	6,212	0.98%			
Intel Corporation	4	6,000	0.95%	5	6,500	1.03%
Kaiser Permanente	5	5,421	0.86%	1	11,729	1.86%
Raley's Inc/Belair	6	3,289	0.52%	3	8,203	1.30%
Apple Inc.	7	2,500	0.40%			
VSP Global	8	2,382	0.38%			
Health Net of California Inc.	9	2,299	0.36%			
Wells Fargo & Co.	10	2,190	0.35%			
University of California, Davis				4	8,000	1.27%
Hewlett Packard				8	4,500	0.71%
Wal-Mart				10	3,300	0.52%
Target Corporations				9	3,693	0.58%
SBC Communications				6	5,753	0.91%
CHW / Mercy Health Care				7	5,229	0.83%
<b>Total</b>		<b>47,550</b>	<b>7.53%</b>		<b>68,191</b>	<b>10.80%</b>

**Demographic and Economic Statistics**

<b>Fiscal Year</b>	<b>Population</b>	<b>Personal Income (000's)</b>	<b>Per Capita Per Income</b>	<b>Unemployment Rate</b>
2016	1,501,335	\$69,870,482	\$46,539	0.06
2015	1,481,474	65,391,250	44,139	0.07
2014	1,462,338	61,654,690	42,162	0.09
2013	1,448,466	59,775,785	41,268	0.11
2012	1,435,548	57,498,308	40,053	0.12
2011	1,422,010	54,666,004	38,443	0.13
2010	1,408,601	53,826,177	38,213	0.11
2009	1,394,438	54,773,648	39,280	0.07
2008	1,381,161	52,721,398	38,172	0.05
2007	1,369,563	50,965,290	37,213	0.05

**Operating Information - Demand for Services, Measure A - By Jurisdiction**

<b>Jurisdiction</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
SMAQMD	\$1,604,995	\$1,541,388	\$1,474,887	\$1,407,308	\$1,342,830
RT South Line	-	-	-	-	-
City of Folsom	2,105,522	2,018,853	1,978,191	1,905,848	1,816,009
City of Rancho Cordova	2,013,909	1,922,210	1,803,645	1,711,239	1,627,805
City of Galt	1,091,347	1,048,496	1,003,696	958,170	914,734
City of Isleton	43,654	41,940	40,150	38,327	36,592
Paratransit	3,744,989	3,596,572	3,441,403	3,283,718	3,133,270
Regional Transit	36,914,890	35,451,925	33,922,401	32,368,073	30,885,085
City of Citrus Heights	2,152,319	2,071,744	1,985,463	1,891,987	1,802,800
City of Elk Grove	4,318,918	4,135,491	3,927,291	3,706,060	3,523,059
City of Sacramento	12,539,139	12,037,403	11,534,598	11,011,678	10,506,441
County of Sacramento	16,530,072	15,862,799	15,134,616	14,424,979	13,742,240
Sacramento Regional Parks	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Neighborhood Shuttle Set Aside	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
CTSA Set Aside	1,069,997	1,027,592	983,258	938,205	895,220
Debt Service	22,202,434	21,322,534	20,402,604	19,467,754	18,575,812
Administration	802,498	770,694	737,444	703,654	671,415
<b>Total allocations</b>	<b>109,134,682</b>	<b>104,849,638</b>	<b>100,369,646</b>	<b>95,817,000</b>	<b>91,473,309</b>

### Ratios of Outstanding Debt

<b>Fiscal Year</b>	<b>Sales Tax Revenue Bonds</b>	<b>Percentage of Personal Income</b>	<b>Per Capita</b>
2016	\$380,023,772	N/A	N/A
2015	380,778,849	0.6%	\$257
2014	381,533,926	0.6%	260
2013	382,289,003	0.6%	264
2012	318,300,000	0.5%	222
2011	318,300,000	0.6%	224
2010	318,300,000	0.6%	226
2009	182,320,000	0.3%	131
2008	182,320,000	0.3%	132
2007	100,090,000	0.2%	73

## APPENDIX A

### GLOSSARY

**Account** – The primary accounting field in the budget used to describe the type of financial transaction.

**Accrual Basis** – Revenues and expenditures are recorded in the period earned or incurred regardless of whether cash is received or disbursed in that period.

**Actual** – Actual level of expenditures.

**Balanced Budget** – refers to a budget in which revenues equal appropriations. Oftentimes, excess fund balance is used to balance the budget.

**Beginning/Ending Fund Balance** – Unencumbered resources available in a fund from the prior/current year after payment of the prior/current year's expenditures. Not necessarily cash on hand. Also refer to fund balance.

**Budget** – An annual financial plan consisting of Proposed/Approved appropriations for specified purposes and the Proposed/Approved means of financing them.

**California Board of Equalization (BOE)** – The public agency charged with tax administration and fee collection in the State of California.

**Capital Appropriations** – Measure A sales tax revenue used to fund specific capital construction projects identified in the Expenditure Plan (see below for definition).

**Capital Improvement Program (CIP)** – Sales tax proceeds set aside for debt service costs and pay-as-you-go capital expenditure funding. The Ordinance establishes the rate as 20.75% of the net sales tax proceeds.

**Capitol Valley Regional Service Authority for Freeways and Expressways (CVR-SAFE)** – Sacramento region's Call Box and 511 Motorist Aid Program – funded by an annual \$1 charge on eligible vehicle registrations in the County.

**Comprehensive Annual Financial Report (CAFR)** - Government financial statements comprising the Authority's financial report that complies with the accounting requirements promulgated by the Governmental Accounting Standards Board (GASB).

**County of Sacramento Pooled Investment Fund** – A pool of local agency funds managed by the Sacramento County Department of Finance.

**Debt Issue** – Issuance of bonds to finance capital projects throughout Sacramento County.

**Debt Service** – The costs of paying the principal and interest on borrowed money according to a predetermined payment schedule.

**Expenditure** – The actual spending of funds authorized by an appropriation and are generally divided into various categories such as employee salaries and benefits, services and supplies, debt service, and capital construction costs.

**Expenditure Plan** – Sacramento County Transportation Expenditure Plan 2009-2039. This plan identifies specific projects and funding for the 30-year 2004 Measure A program.

**Fiscal Year** – A time period designated by the Authority signifying the beginning and ending period for recording financial transactions. The Authority’s fiscal year is July 1 through June 30.

**Full-Time Equivalent (FTE)** – The hours worked by one employee on a full-time basis. On an annual basis, an FTE is considered to be 2,080 hours, which is calculated as 8 hours per day.

**Fund** – A group of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. Each fund has its own budget and tracks revenues and expenditures separately.

**Fund Balance** – The total amount remaining after current appropriations are subtracted from the sum of the beginning fund balance and current resources.

**Government Finance Officers Association (GFOA)** - The GFOA was founded in 1906 to represent public finance officials throughout the United States and Canada. GFOA's mission is to promote excellence in state and local government financial management.

**Independent Taxpayer Oversight Committee (ITOC)** – Citizen volunteers that supervise fiscal and performance audits regarding the use of all sales tax funds and provide for independent review to ensure compliance with the Expenditure Plan and Ordinance approved by voters.

**Local Agency Investment Fund (LAIF)** – A pool of local agency funds managed by the California State Treasurer’s Office.

**Local Transportation Authority and Improvement Act (Act)** - commences with Section 180000 of the California Public Utility Code.

**Measure A Retail Sales Tax (2004 Measure A)** – Voter approved one-half of one-percent retail sales and use tax collected over a 30-year period in Sacramento County and dedicated for transportation planning, design, construction, operation and maintenance through 2039.

**Modified Accrual Basis** - Method under which revenues are recognized in the period they become available and measurable and expenditures are recognized in the period the associated liability is incurred.

**Net Sales Tax Revenue** – Equals total sales tax proceeds less the required allocations to the cities of Isleton and Galt, and the Neighborhood Shuttle Program as required under the Ordinance.

**Ordinance** – The action carried out by the Governing Board establishing the one-half of one percent sales and use tax within Sacramento County.

**Revenues** - Income received from various sources including retail sales tax, development impact fees, grants, and interest income.

**Variance** – Change in revenue or appropriations between fiscal years.