
Authority Board **STAFF REPORT**

Meeting Date: May 17, 2023

Subject	Accept Internal Accounting Report for the Nine Months Ended March 31, 2023
Summary of Issues	This report provides an accounting of the Authority's financial position and a comparison of actual results versus budget for the nine months ended March 31, 2023 (unaudited).
Recommendations	Staff seeks acceptance of the internal accounting report for the nine months ended March 31, 2023.
Staff Contact	Brian Kelleher
Financial Implications	As presented.
Options	The Authority Board could request clarifications or provide additional comments to staff.
Attachments	A. Internal Accounting Report (unaudited) for the nine months ended March 31, 2023
Changes from Committee	N/A

Background

The Administration and Projects Committee (APC) functions as the internal audit committee for the Authority and regularly reviews the financial reports. Consistent with prior direction from the APC, an internal accounting report is prepared and presented at six-month, nine-month, and twelve-month intervals. This report is for management purposes only and provides an unaudited snapshot of the Authority's financial position through the first nine months of the fiscal year. Highlights from the report are as follows:

1. Sales tax revenues totaled \$89.9 million, which is 81.7% of the \$110 million budgeted

for this fiscal year. Sales tax revenue has remained strong and consistent with all the major industry groups. The Authority is anticipating the impact of future recessions.

In December 2022, the Authority adopted the Measure J Reserve Policy to maintain a reserve fund to soften the impacts of future recessions on Measure J programs and ensure the Authority's ability to meet its obligations in the future. Any excess sales tax revenue above the budget will be earmarked as reserves obligated to each individual project or program.

2. Expenditures for Administration salaries and benefits are \$568,000. This represents 0.63% of the 1% limitation on Administrative salary and benefits costs established by Measure J for the first nine months of the fiscal year.
3. Federal, State, and Local Revenues were \$13.4 million for reimbursements. The major projects are the Interstate 680 (I-680)/State Route 4 (SR4) Interchange Improvements and Iron Horse Trail/Bollinger Canyon Road Pedestrian Overcrossing projects.
4. Expenditures for the Measure J capital program was \$17.8 million. The following are the major projects:
 - East County Corridors (SR4) (\$3.3 million)
 - I-680 and SR242 Interchange Improvements (\$5.3 million)
 - I-680 Carpool Lane Gap Closure and Corridor Improvements (\$4.8 million)
5. Expenditures for Debt Services were \$45 million. The Authority made principal payments of \$26.3 million and \$18.7 million in interest payments.

Conclusion

This item is presented for information, review, comment, and acceptance.

Staff seeks acceptance of the internal accounting report for the nine months ended March 31, 2023.