

## STAFF REPORT

SUBJECT: Mid-Year Budget Update

FROM: Tamara Edwards, Finance & Grants Manager

DATE: February 23, 2016

### Action Requested

Review and forward to the Board of Directors, the FY16 Mid-Year Budget Update.

### Discussion

The Board of Directors requested mid-year update of the budget, based on any significant changes for both revenues and expenses. This report will encompass any changes between the time the budget was approved and December 2015 with an analysis of the net effects to the projected reserve balance. Details regarding grants status are included in a separate section of this report.

### Budget

	Amount from analysis in FY 16 budget	Updated numbers (sources for updates are from the FY 15 CAFR and MTC revenue forecast updates, and additional grant revenues approved)	Difference	
a	Projected Reserves at June 30, 2015	\$4,213,482	\$4,204,667	-\$8,815
b	FY 16 apportionment	\$8,899,101	\$9,028,814	\$129,713
c	TDA funds available for allocation (a+b)	\$13,112,583	\$13,233,481	\$120,898
d	FY 16 operating request	\$9,476,888	\$9,476,888	\$0
e	FY 16 capital request	\$0	\$0	\$0
f	TDA Request for allocation (d+e)	\$9,476,888	\$9,476,888	\$0

<b>Projection for Reserve at June 30, 2016</b>			
<b>TDA Reserves</b>			
g	Reserves at June 30, 2015 (c-f)	\$3,635,695	\$3,756,593 \$120,898
h	Expiring Capital Allocations	\$980,000	\$1,516,502 \$536,502
i	FY 16 Due to LTF*	\$0	\$165,500 \$165,500
j	FY 15 Due to LTF*	\$500,000	\$3,917,566 \$3,417,566
k	FY 14 Due to LTF	\$2,737,445	0 \$2,737,445
l	Total TDA Reserves (g+h+i+j)	\$7,853,140	\$9,356,161 \$1,503,021
<b>STA Reserves</b>			
m	Population based STA reserves at June 30,2015	\$884,220	\$910,297 \$26,077
n	FY 16 apportionment	\$876,211	\$674,709 -\$201,502
o	Request for allocation	\$884,220	\$884,220 \$0
p	Reserves at June 30, 2015 (m+n-o)	\$876,211	\$700,786 -\$175,425
q	Revenue based STA reserves at June 30, 2015	\$199,577	\$199,577 \$0
r	FY 16 apportionment	\$267,047	\$0 -\$267,047
s	Request for allocation	\$199,577	\$199,577 \$0
t	Reserves at June 30, 2016 (q+r-s)	\$267,047	\$0 -\$267,047
u			
v	Total STA reserves (p+t)	\$1,143,258	\$700,786 -\$442,472
w	<b>Total Reserves at June 30,2016 (k+t)</b>	<b>\$8,996,398</b>	<b>\$10,056,947 \$1,060,549</b>

i*	<b>* FY 16 Due to LTF</b>		
	Additional funding (revenue) approved after the FY 16 budget cycle		
	TFCA BRT	0	\$137,500 \$137,500
	FTA 5304 Intern Grant	0	\$25,000 \$25,000
	FTA 5310 Parataxi	0	\$3,000 \$3,000
	Total Revenue Increase (i)		\$165,500 \$165,500

The change in the anticipated reserve balance from the original number reported with the budget can be primarily attributed to three areas; the increase in the amount due to the Local Transportation Fund (LTF) (over the original projections), a larger than projected return of TDA from capital projects (that were paid for through other grant funds instead) and an increase in anticipated revenues from operating grants that have been approved after the FY 16 budget cycle- this amount has been included in the TDA reserve analysis as an anticipated due to LTF for FY 16. The increase in the amount due to LTF is made up of the difference between budgeted expenses and actual expenses (actuals were lower than budget for FY15),

and the difference between expected revenues and actual revenues (which were higher in FY15 due to additional grants received during the year). The decrease in the anticipated STA funds is due to the decrease in diesel fuel prices. STA revenues are based on sales tax and as the price of diesel fuel drops so does the STA revenues, however, with the price of diesel fuel decreasing staff expects the fuel expenses for FY 16 to come in well under budget. The decrease, or zeroing out of STA revenue based funds is due to a current issue with the Board of Equalization that MTC is working fervently at rectifying. Funds are anticipated to materialize, however with the current situation MTC is unable to project when that will be or what the amounts will be.

**Recommendation**

Information only.