

Financial Report – Fiscal Year 2020

Year to Date December 31, 2019



Major Highlights

Revenue

- Sales tax remittances received YTD November 2019 are 7.6% higher than YTD November 2018
- Capital contributions and grants are below budget due to timing of processing eligible paid expenses

Operating Expenses

- \$66.1 million expended to date, or 23% of full year budget
- Professional services are below budget due to timing of consultation and other professional fee payments

Capital Projects

- FY2020 capital project budget of \$111.8 million
- \$13.9 million expended to date, or 12.5% of full year budget
 - Downtown Station, Positive Train Control, Bus Stop Enhancements and Track Undercutting
- \$47.3 million outstanding commitments have been issued, or 42.3% of full year budget
 - Positive Train Control, Downtown Station, 23 Transit Buses, 4 Battery Electric Buses, and Electric Bus Yard Paving

Revenue

\$' Million Category	FY19 Dec YTD Actual	FY20 Dec YTD Actual	FY20 Full Year Budget	% of Budget	Comments
Sales Tax	\$64.5	\$67.8	\$265.7	25.5%	November and December sales tax receipts accrued
Passenger Fares	5.4	5.6	22.5	24.7%	
Freight Railroad Revenue	1.3	1.3	5.2	24.3%	
Other Revenue	2.0	2.5	7.8	32.4%	Investment interest income above budget
Operating Contributions and Grants	7.8	7.9	32.3	24.5%	
Capital Contributions and Grants	1.1	2.3	27.7	8.5%	Timing of processing eligible paid expenses
Total	\$82.1	\$87.4	\$361.2	24.2%	

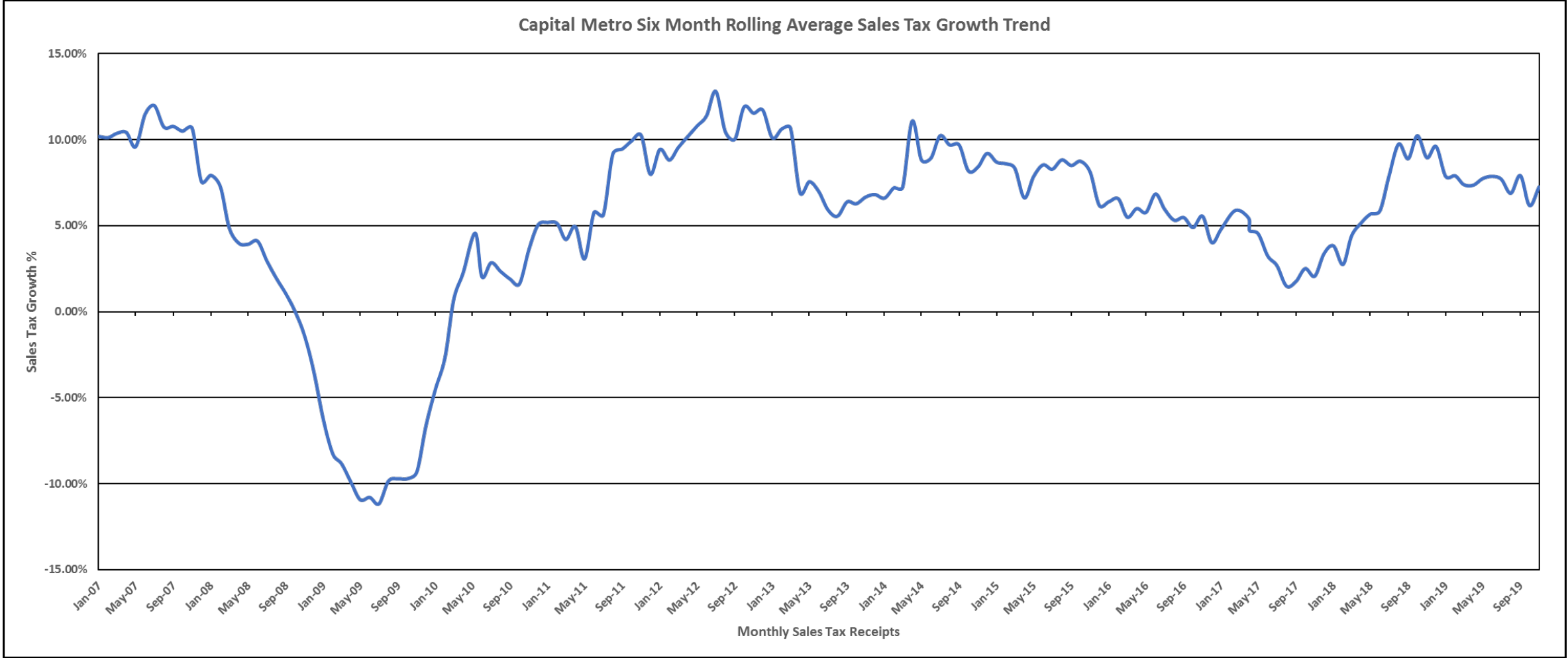
Actual Sales Tax Receipts



Total	\$243.6M	\$261.5M	\$44.3M
YOY % Growth	6.5%	7.5%	7.6%



Sales Tax Rolling Average Trend



Operating Expense

\$' Million Category	FY19 Dec YTD Actual	FY20 Dec YTD Actual	FY20 Full Year Budget	% of Budget	Comments
Salaries and Benefits	\$10.1	\$10.8	\$49.2	22.0%	Vacancy savings through December
Professional Services	3.9	7.8	43.5	18.0%	Timing of consultation and other professional fee payments
Materials and Supplies	0.1	0.1	2.2	6.6%	Timing of maps, schedules and other supplies expense
Fuel and Fluids	3.0	3.3	13.7	24.1%	\$152K favorable variance - \$2.18 per gallon actual cost
Utilities	0.7	0.5	3.2	15.8%	Timing of Electricity, Water and Telephone expense
Insurance	0.3	0.2	1.0	16.1%	
Purchased Transportation	41.9	42.4	165.1	25.7%	
Lease/Rentals	0.4	0.4	2.0	18.9%	Timing of Innovative Mobility leased vehicles
Other Expenses	0.7	0.5	7.2	7.5%	Unspent contingency
Total	\$61.1	\$66.1	\$287.1	23.0%	

Budget Transfers

Consistent with Capital Metro's Financial Policies, there were four budget transfers that cumulatively exceeded \$150,000 to report to the board for the 1st quarter of FY2020.

October-19				
Transfer #1				
From:	510-5030303-920	Consultation Fees	(1,865,000)	Transferring funds from Project Connect to budget reallocation account for accelerated work on the Blue and Orange lines completed in FY2019
To:	510-5090703-220	Budget Reallocation Account	1,865,000	
October-19				
Transfer #2				
From:	510-5090703-220	Budget Reallocation Account	(669,168)	Budget reallocation for the downtown Lavaca lease.
To:	510-5121201-550	Lease-Administrative Facility	669,168	
October-19				
Transfer #3				
From:	CPG1516	Downtown Station Improvements Funded by TxDOT	(4,383,681)	Realign funding between projects with CIP Reforecast.
To:	CPG1518	Bus Stop Signage	367,330	
	CPG1520	Bus Shelters	9	
	CPG1602	North Operations SERTA Demolition/Paving	1,797,000	
	CPG1605	Westgate Transit Center Park and Ride	(299,737)	
	CPG1607	Facility Improvement Projects	(50,000)	
	CPG1704	MetroRapid - Additional Stations for 801 and 803	(51,941)	
	CPG1712	DT Station - Storm Water Improvements	308,745	
	CPG1713	Double Tracking - NBFR to Plaza Saltillo	240,000	
	CPG1803	Administrative Office Lease Space	3,053	
	CPG1807	Office Space Re-Configuration (Headquarters Facility)	3,695,082	
	CPG1808	Operations Control Center	125,000	
	CPG1901	Bus Electrification Infrastructure	310,100	
	CPG1902	Bus Stop Enhancements	609,000	
	CPG1903	North Lamar Mobility Hub - Engineering	19,738	
	CPG1904	Norwood Walmart	(20,000)	
	CPG2002	North Lamar Mobility Hub - Construction	(4,750,000)	
	CPG2004	Bus Stop Construction and Related Infrastructure	297,970	
	FIN2002	Capital Project FY2019 Carry Forward	(299,357)	
	ITS1601	ePaper DMS for BRT & Rail Plus IDIQ	391,806	



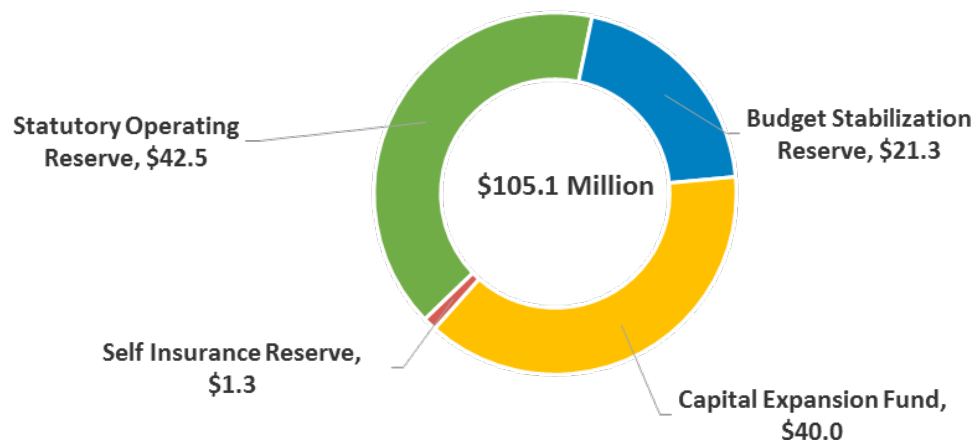
Budget Transfers (continued)

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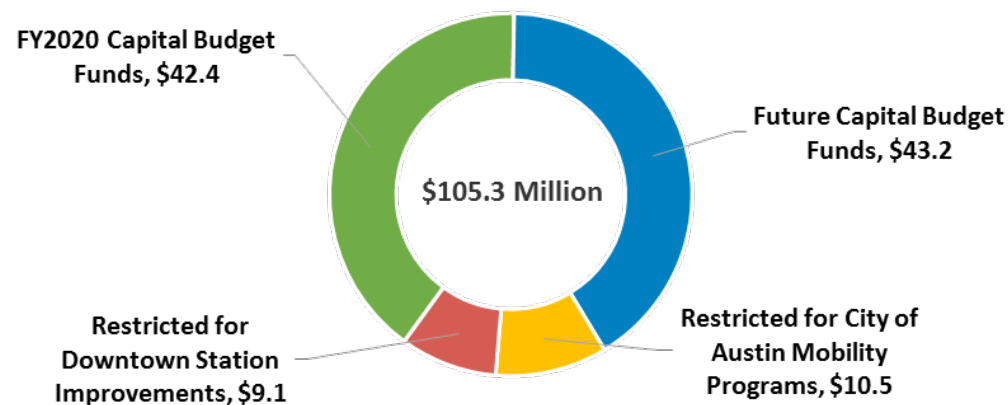
Transfer #3 (continued)					
	ITS1602	Customer Relationship Management System	(80,000)	Realign funding between projects with CIP Reforecast.	
	ITS1704	Scheduling Systems Upgrade	100,000		
	ITS1803	Genfare Fare System Upgrades	69,875		
	ITS1804	Mobile Ticketing Payment Enhancements	(50,100)		
	ITS1806	Ticket Vending Machine Replacement	160,500		
	ITS1902	Transit On-Demand Software	(400,000)		
	ITS2001	Onboard Digital Displays	(200,000)		
	ITS2003	Enterprise Account-based Backend for Fare Collection	200,000		
	ITS2004	Onboard Validators Fleet Wide	378,251		
	ITS2006	CAD/AVL, APC and ITS Systems Replacement	(2,900,000)		
	ITS2009	Data Warehouse and Business Intelligence Enhancements	(340,000)		
	ITS2010	See Something Say Something App	(230,400)		
	ITS2012	Enterprise Customer Relationship Management System	2,900,000		
	PAM1611	Saltillo Crossings and Signals	230,000		
	PAM1902	Bus Wash	(84,000)		
	PAM1909	Plaza Saltillo - (Plaza) Revitalization	218,630		
	PAM2046	Water Bladder 509	(25,000)		
	PAM2050	Additional AC Unit for OCC	40,000		
	PLN1901	North Lamar/Airport Intersection	(380,000)		
	RRC1407	TIGER Grant Project	1,782,332		
	SEC1501	Camera Replacements and Enhancements	(243,367)		
	SEC1702	Property Perimeter Hardening and Enhancements	456,795		
	SEC1801	Rail House Signal Security Enhancements	80,000		
	SEC1802	Security Cameras in Capital Metro Police Vehicles	(48,633)		
	SEC2002	Access Control Card Reader Replacement	55,000		
December-19					
Transfer #4					
From:	ITS2001	Onboard Digital Displays	(440,000)	Funding for new APC Real Time project.	
To:	ITS2013	Automated Passenger Count Real Time	440,000		

Reserve, Allocated & Restricted Funds

Reserve Funds



Allocated & Restricted Funds



Notes:

- Additional funding was allocated to the statutory operating and budget stabilization reserves based on the board approved funding formula. The statutory operating reserve equals 2 months of estimated FY2019 operating expenses. Contributions to the budget stabilization reserve began in February 2016 with \$7 million reserved in FY2016 and \$3 million in FY2017. An additional contribution of \$9.8 million was made in FY2018 to fully fund the budget stabilization reserve. The capital expansion fund was established in FY2018 with \$9.6 million reserved along with an additional \$30.4 million from FY2019 as Capital Metro looks forward to future needs in the region.
- Funds for capital investment are required to help address extensive capital needs. The capital budget for FY2020 is \$110 million, with \$68 million funded by FY2020 income and \$42 million from reserves. Due to project delays, \$22 million of the FY2019 capital budget was carried forward to FY2020. These capital improvements are needed to maintain the state of good repair of the community's transit infrastructure and to be in compliance with Federal regulations. The City of Austin Mobility Fund was reduced by \$6 million in FY2019 to assist with Project Connect preliminary engineering and environmental analysis and by \$1.6 million with a payment in November 2019.

Statement of Revenue, Expenses and Change in Net Position

\$' Million	FY19 Dec YTD Actual	FY20 Dec YTD Actual	FY20 Full Year Budget	% of Budget
<i>Operating Revenue</i>				
Passenger Fares	\$5.4	\$5.6	\$22.5	24.7%
Freight Railroad Revenue	1.3	1.3	5.2	24.3%
Other Revenue	1.0	1.3	5.3	23.8%
Total	7.8	8.1	33.0	24.5%
<i>Operating Expenses</i>				
Salaries and Benefits	10.1	10.8	49.2	22.0%
Professional Services	3.9	7.8	43.5	18.0%
Fuel and Fluids	3.0	3.3	13.7	24.1%
Utilities	.7	.5	3.2	15.8%
Purchased Transportation	41.9	42.4	165.1	25.7%
Other Expenses	1.2	.8	10.3	8.2%
Lease/Rental	.4	.4	2.0	18.9%
Depreciation & Amortization	10.7	11.4	50.7	22.5%
Total	71.9	77.5	337.8	22.9%
<i>Operating Income/Loss</i>	<i>(64.1)</i>	<i>(69.4)</i>	<i>(304.8)</i>	<i>22.8%</i>
<i>Non-Operating Revenue/(Expenses)</i>				
Sales Tax	64.5	67.8	265.7	25.5%
Investment Income	1.0	1.3	2.5	53.9%
Operating Contributions and Grants	7.8	7.9	32.3	24.5%
Capital Contributions and Grants	1.1	2.3	27.7	8.5%
Mobility Interlocal Agreements	(.8)	(1.2)	(6.9)	17.1%
Other	(.1)	(.1)	-	0.0%
<i>Non-Operating Income/(Loss)</i>	<i>73.5</i>	<i>78.1</i>	<i>321.3</i>	<i>24.3%</i>
Change in Net Position	\$9.4	\$8.8	\$16.6	52.9%

Budget Variances by Department

\$'000 Department	FY19 YTD Actual	FY20 YTD Actual	FY20 YTD Revised Budget	YTD % of Revised Budget	YTD Budget vs. Actual	FY20 Budget Full Year	Comments
100 - Non-Allocated Benefits	\$2,589	\$2,694	\$3,452	78.0%	\$759	\$14,380	Timing of admin pension and health plan expense
102 - Wellness Center	61	64	72	89.8%	7	279	
103 - Child Care Center	309	239	253	94.4%	14	995	
105 - Business Center	91	6	97	6.6%	91	383	Timing of business center and office equipment expense
110 - Executive Staff	172	182	344	52.8%	162	843	Vacancy savings - Director of Innovation and timing of dues and subscription expense
115 - Communications	74	0	0	0.0%	0	0	Merged with Marketing department
118 - Government Relations	174	125	160	78.6%	34	986	Timing of consulting fees
119 - Diversity and Compliance	34	46	54	86.1%	7	227	
120 - Board Of Directors	70	35	54	64.8%	19	217	Timing of travel, conference and seminar expense
125 - Internal Audit	90	91	94	97.0%	3	377	
130 - Strategic Oper Mgt. & Administration	209	265	198	133.8%	(67)	821	Timing of sick and vacation payouts
141 - Security	1,150	1,162	1,325	87.7%	163	5,162	Timing of APD officer salaries and wages
150 - Legal	171	203	252	80.5%	49	1,021	Timing of general legal services
220 - Finance	847	877	3,912	22.4%	3,034	8,396	Transfer of Project Connect budget for advanced FY2019 spending and unspent contingency
230 - Information Technology	2,429	3,253	3,926	82.8%	674	12,120	Timing of software and hardware maintenance expense and vacancy savings for 6 positions
250 - Procurement	324	378	416	90.9%	38	1,713	
275 - Rideshare	688	787	783	100.6%	(5)	3,303	
320 - Planning	482	498	910	54.8%	412	4,061	Timing of consulting fees and vacancy savings for 4 positions
330 - Marketing	588	746	1,495	49.9%	749	4,119	Timing of marketing campaigns
331 - Community Engagement	192	238	482	49.3%	245	1,344	Timing of MetroArt and special events
332 - Customer Service	232	247	291	85.0%	44	1,089	Vacancy savings for 4 positions
340 - Human Resources	423	528	617	85.5%	89	2,428	Timing of consulting fees
420 - Risk Management And Safety	637	469	1,356	34.6%	887	2,845	Timing of insurance premium payments
457 - Public Facilities	924	937	1,370	68.4%	434	5,281	Timing of electrical and custodial services and utility expense
530 - Capital Projects	308	419	500	83.8%	81	2,067	Timing of facility moving and miscellaneous street improvement expense
540 - Real Estate And Property Mgt.	310	464	471	98.4%	8	2,991	
542 - Freight Rail Management	399	445	418	106.4%	(27)	2,016	
544 - Commuter Rail Operations	5,720	4,369	5,247	83.3%	877	21,160	Purchased transportation savings from 15% fewer hours and timing of DMU engine overhaul
550 - Real Estate and Facility Planning	583	509	708	71.8%	200	3,138	Timing of services and lease expense
600 - Operations and Maintenance Oversight	33,050	34,744	33,922	102.4%	(823)	130,783	
615 - Innovative Mobility	34	453	951	47.7%	498	4,405	Timing of purchased transportation, vehicle lease and services expense
620 - Paratransit Contract Operations	6,667	7,184	7,366	97.5%	182	29,379	Timing of temporary help and other services and vehicle lease savings
640 - Paratransit Reservation & Control	453	519	519	100.1%	0	2,117	
650 - Paratransit Eligibility	206	204	240	84.8%	37	931	
920 - Project Connect	460	2,685	3,867	69.4%	1,182	15,759	Vacancy savings - Director Project Connect and timing of marketing campaign
	61,150	66,065	76,122	86.8%	10,057	287,133	



Capital Projects Summary

\$'000 Project Category	Expended	Outstanding Commitments	Budget	Expended & Committed as % of Budget	Comments
Commuter Rail	\$2,582	\$11,616	\$22,060	64.4%	Positive Train Control and Track Undercutting
Vehicles	211	15,924	30,174	53.5%	23 Transit Buses and 4 Battery Electric Buses
Information Technology	707	1,760	15,337	16.1%	Enterprise Asset Management System
Facilities	9,296	17,168	37,799	70.0%	Downtown Station, N Ops Electric Bus Yard Paving and Bus Stop Enhancements
Freight Railroad	123	127	295	84.7%	
Property and Asset Mgmt	455	301	1,524	49.6%	Plaza Saltillo Revitalization, Crossings and Signals
Contingency	-	-	2,000	0.0%	
Strategic Planning	-	-	500	0.0%	
Security	557	366	2,093	44.1%	Property Perimeter Hardening and Security Cameras in Metro Police Vehicles
Total	\$13,931	\$47,262	\$111,783	54.7%	

Outstanding commitments are for the purchase orders that have been issued.



METRO

THANK YOU!