

Financial Report – Fiscal Year 2021

Year to Date June 30, 2021



Major Highlights

Revenue

- Sales tax remittances received YTD May 2021 are 8% higher than YTD May 2020 and 15.8% higher than YTD budget
- Capital contributions and grants are below budget due to timing of processing eligible paid expenses

Operating Expenses

- \$186.3 million expended to date, or 67% of full year budget
- Purchased transportation is below budget due to lower Bus and Rail hours compared to budget

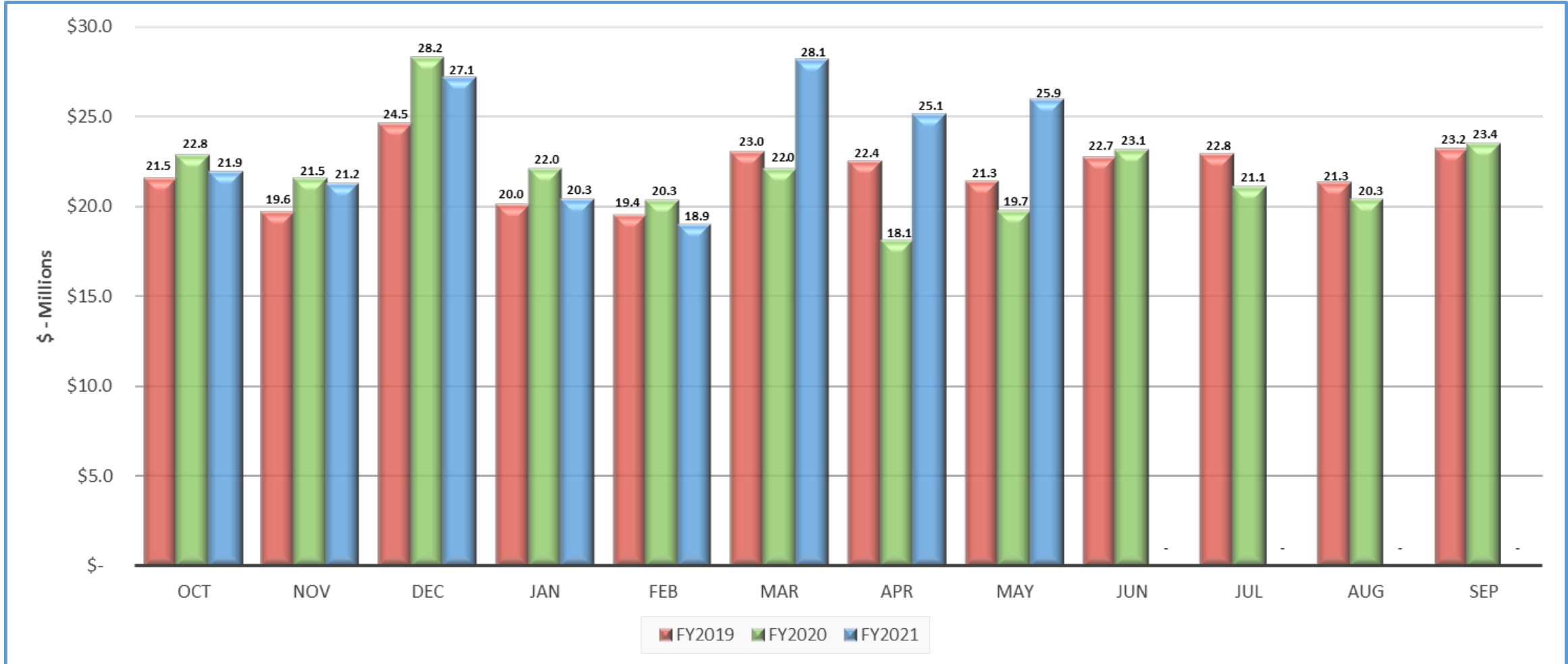
Capital Projects

- FY2021 capital project budget of \$106.4 million
- \$37.1 million expended to date, or 34.8% of full year budget
 - Downtown Station, Positive Train Control, Electric Bus Yard Paving and Infrastructure, Project Connect Orange Line, Blue Line and PMOR, Paratransit Vehicle Replacements, Onboard Validators and Vehicle Camera Systems
- \$37.1 million outstanding commitments have been issued, or 34.9% of full year budget
 - MLS Rail Station, State of Good Repair for Bridges and Tracks, Positive Train Control and Customer Payment Systems

Revenue

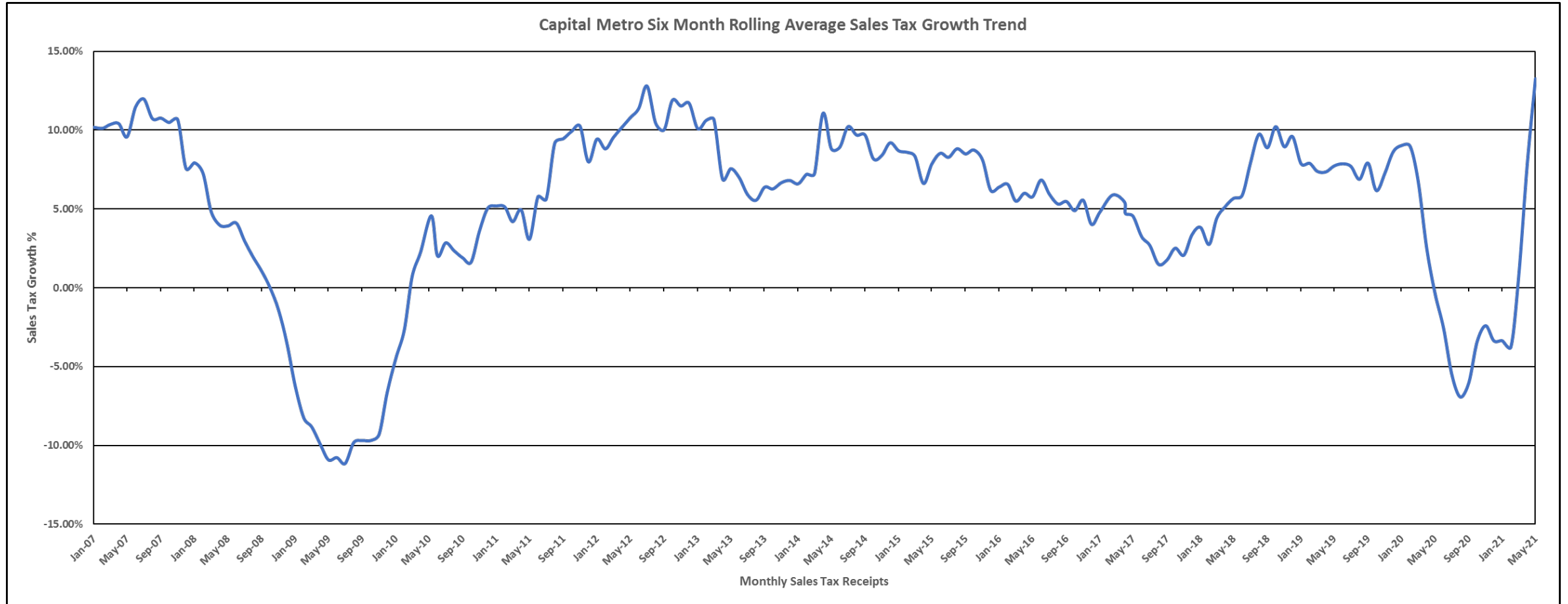
| \$' Million Category | FY20 June YTD Actual | FY21 June YTD Actual | FY21 Full Year Budget | % of Budget | Comments |
|------------------------------------|----------------------|----------------------|-----------------------|--------------|---|
| Sales Tax | \$194.4 | \$205.5 | \$251.7 | 81.7% | June sales tax receipts accrued |
| Passenger Fares | 11.9 | 8.7 | 15.0 | 58.1% | Ridership 31% below budgeted projections through June 2021 |
| Freight Railroad Revenue | 5.2 | 4.5 | 5.6 | 80.4% | Additional right of way license agreement contracts |
| Other Revenue | 6.9 | 4.8 | 5.6 | 86.2% | Interest income and purchased transportation revenue slightly over budget |
| Operating Contributions and Grants | 78.7 | 34.4 | 43.2 | 79.8% | |
| Capital Contributions and Grants | 10.4 | - | 10.8 | 0.0% | Timing of processing eligible paid expenses |
| Total | \$307.6 | \$258.0 | \$331.8 | 77.7% | |

Actual Sales Tax Receipts



| | | | |
|---------------------|-----------------|-----------------|-----------------|
| Total | \$261.8M | \$262.5M | \$188.5M |
| YOY % Growth | 7.5% | 0.3% | 8.0% |

Sales Tax Rolling Average Trend



Operating Expense

| \$' Million Category | FY20 June YTD Actual | FY21 June YTD Actual | FY21 Full Year Budget | % of Budget | Comments |
|--------------------------|----------------------|----------------------|-----------------------|--------------|--|
| Salaries and Benefits | \$33.0 | \$34.6 | \$49.6 | 69.8% | Timing of administration pension expense |
| Professional Services | 26.3 | 19.6 | 29.9 | 65.7% | Timing of consultation and software maintenance expense |
| Materials and Supplies | 0.8 | 1.0 | 2.1 | 49.2% | Timing of Marketing and Operations Oversight supplies expense |
| Fuel and Fluids | 9.5 | 8.1 | 12.2 | 66.0% | Volume variance savings through June 2021 |
| Utilities | 2.2 | 2.4 | 3.4 | 72.6% | |
| Insurance | 0.3 | 0.4 | 0.9 | 41.6% | Timing of insurance premium payments |
| Purchased Transportation | 122.8 | 116.2 | 168.7 | 68.9% | Lower Bus and Rail hours compared to budget |
| Lease/Rentals | 2.0 | 2.4 | 3.3 | 72.7% | |
| Other Expenses | 2.1 | 1.6 | 8.3 | 19.8% | Timing of dues, subscriptions, seminar and bank charge expense |
| Total | \$199.0 | \$186.3 | \$278.2 | 67.0% | |

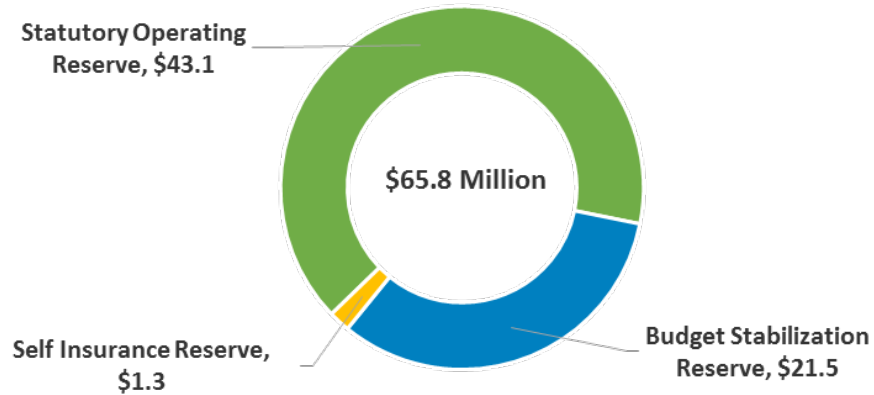
Budget Transfers

Consistent with Capital Metro's Financial Policies, there were six budget transfers that cumulatively exceeded \$150,000 to report to the board for the 3rd quarter of FY2021.

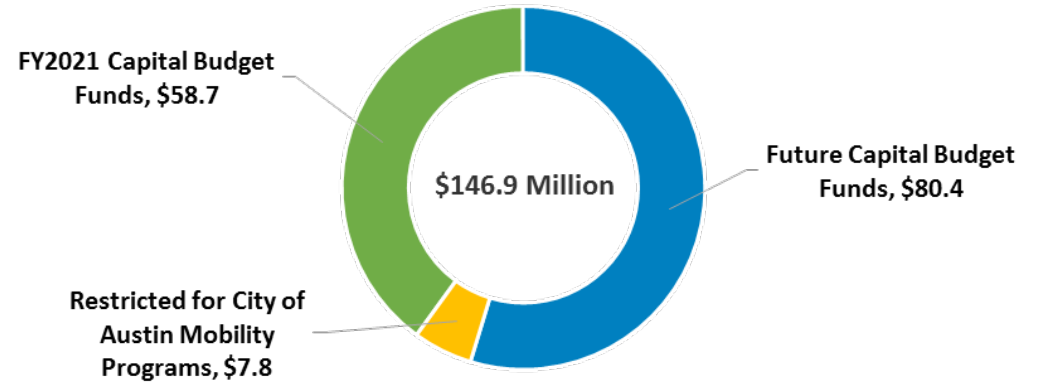
| | | | | |
|--------------------|-----------------|---|-------------|--|
| April-21 | | | | |
| Transfer #1 | | | | |
| From: | 510-5090702-220 | Contingency Reserve | (1,245,000) | Transferring funds from operating contingency for a comprehensive workforce planning analysis. |
| To: | 510-5030303-340 | Consultation Fees | 1,245,000 | |
| April-21 | | | | |
| Transfer #2 | | | | |
| From: | ITS2015 | EPPM Required Optimization | (290,000) | Reallocating funds between Information Technology capital projects. |
| To: | ITS1502 | Mobile Applications | (100,000) | |
| | ITS2013 | APC Real Time | (65,000) | |
| | FIN2103 | Capital Project Multiyear Rollover and Misc | (57,500) | |
| | ITS2107 | Timepoint TV Implementation | 35,000 | |
| | ITS2106 | Digital Asset Management | 97,500 | |
| | ITS2001 | Onboard Digital Displays | 380,000 | |
| April-21 | | | | |
| Transfer #3 | | | | |
| From: | FIN2101 | Capital Project Contingency | (951,000) | Transferring funds from capital contingency for replacement of camera systems on buses and paratransit vans. |
| To: | BPS1602 | Vehicle Camera Systems | 951,000 | |
| May-21 | | | | |
| Transfer #4 | | | | |
| From: | 510-5030309-220 | Contingency Reserve | (264,017) | Transferring funds from operating contingency and ATP for the facility master plan for both entities. |
| To: | 510-5030309-999 | Other Professional Fees (ATP) | (264,017) | |
| | 510-5030309-540 | Other Professional Fees | 528,034 | |
| May-21 | | | | |
| Transfer #5 | | | | |
| From: | 510-5030303-119 | Consultation Fees | (250,000) | Reversing entry to move funds back to operating contingency for a DBE and SBE Disparity Study that partially rolled to FY2022. |
| To: | 510-5090702-220 | Contingency Reserve | 250,000 | |
| May-21 | | | | |
| Transfer #6 | | | | |
| From: | FIN2101 | Capital Project Contingency | (425,000) | Transferring funds from capital contingency to support Information Technology capital projects. |
| To: | ITS2018 | Transit Planning Streets Module | 38,000 | |
| | ITS2013 | APC Real Time | 166,000 | |
| | ITS1601 | ePaper DMS for BRT & Rail Plus IDIQ | 221,000 | |

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 audited FY2020 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 was made in FY2018 to fully fund the budget stabilization reserve. The capital expansion fund was established in FY2018 with \$9.6 million, \$30.4 million in FY2019 and \$10 million in both FY2020 and FY2021 as Capital Metro looks forward to future needs in the region. The \$60 million capital expansion fund balance was transferred to the Austin Transit Partnership in June 2021 for implementation of the Project Connect System Plan.
- Funds for capital investment are required to help address extensive capital needs. The capital budget for FY2021 is \$106.4 million, with \$47.7 million funded by FY2021 income and \$58.7 million from reserves. 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 \$2.8 million from City projects in FY2020.

Statement of Revenue, Expenses and Change in Net Position

| \$' Million | FY20 June YTD Actual | FY21 June YTD Actual | FY21 Full Year Budget | % of Budget |
|---|-------------------------|-------------------------|--------------------------|---------------|
| <i>Operating Revenue</i> | | | | |
| Passenger Fares | \$11.9 | \$8.7 | \$15.0 | 58.1% |
| Freight Railroad Revenue | 5.2 | 4.5 | 5.6 | 80.4% |
| Other Revenue | 4.0 | 4.0 | 4.6 | 87.0% |
| Total | 21.1 | 17.2 | 25.2 | 68.3% |
| <i>Operating Expenses</i> | | | | |
| Salaries and Benefits | 33.0 | 34.6 | 49.6 | 69.8% |
| Professional Services | 26.3 | 19.6 | 29.9 | 65.7% |
| Fuel and Fluids | 9.5 | 8.1 | 12.2 | 66.0% |
| Utilities | 2.2 | 2.4 | 3.4 | 72.6% |
| Purchased Transportation | 122.8 | 116.2 | 168.7 | 68.9% |
| Other Expenses | 3.2 | 3.0 | 11.2 | 26.9% |
| Lease/Rental | 2.0 | 2.4 | 3.3 | 72.7% |
| Depreciation & Amortization | 32.3 | 30.3 | 51.0 | 59.5% |
| Total | 231.3 | 216.6 | 329.2 | 65.8% |
| Operating Income/Loss | (210.1) | (199.4) | (304.0) | 65.6% |
| <i>Non-Operating Revenue/(Expenses)</i> | | | | |
| Sales Tax | 194.4 | 205.5 | 251.7 | 81.7% |
| Investment Income | 3.0 | .9 | 1.0 | 91.5% |
| Operating Contributions and Grants | 78.7 | 34.4 | 43.2 | 79.8% |
| Capital Contributions and Grants | 10.4 | - | 10.8 | 0.0% |
| Mobility Interlocal Agreements | (3.3) | (68.7) | (6.0) | 1153.2% |
| Other | (.1) | (.1) | (.0) | 0.0% |
| Non-Operating Income/(Loss) | 283.2 | 172.1 | 300.7 | 57.2% |
| Change in Net Position | \$73.0 | \$(27.3) | \$(3.3) | 825.4% |

Budget Variances by Department

| \$'000 Department | FY20 YTD Actual | FY21 YTD Actual | FY21 YTD Revised Budget | YTD % of Revised Budget | YTD Budget vs. Actual | FY21 Budget Full Year | Comments |
|--|-----------------|-----------------|----------------------------|-------------------------------|--------------------------|--------------------------|---|
| 100 - Non-Allocated Benefits | \$8,663 | \$9,102 | \$11,278 | 80.7% | \$2,176 | \$15,030 | Timing of admin pension expense |
| 102 - Wellness Center | 189 | 188 | 209 | 90.0% | 21 | 279 | |
| 103 - Child Care Center | 729 | 754 | 775 | 97.3% | 21 | 1,038 | |
| 105 - Business Center | 243 | 245 | 271 | 90.5% | 26 | 361 | |
| 110 - Executive Staff | 495 | 533 | 589 | 90.4% | 56 | 734 | Timing of seminars, dues and subscriptions and small travel savings due to pandemic |
| 118 - Government Relations | 431 | 470 | 493 | 95.4% | 22 | 641 | |
| 119 - Diversity and Compliance | 150 | 403 | 585 | 68.9% | 182 | 649 | Timing of consultation fees for Title VI policy update |
| 120 - Board Of Directors | 108 | 109 | 147 | 74.5% | 37 | 197 | Savings for board member conferences and travel due to the pandemic |
| 125 - Internal Audit | 277 | 389 | 426 | 91.5% | 36 | 521 | Savings on the Quadrennial Performance Audit |
| 130 - Performance Management and Imagination | 582 | 466 | 496 | 93.9% | 30 | 774 | |
| 141 - Public Safety and Emergency Management | 3,270 | 3,307 | 4,443 | 74.4% | 1,136 | 5,873 | Labor savings for APD staffing shortages and timing/savings of other professional fees and security services |
| 150 - Legal | 663 | 685 | 798 | 85.9% | 112 | 1,059 | Timing of general legal services expense |
| 220 - Finance | 2,709 | 2,765 | 3,138 | 88.1% | 373 | 5,399 | Timing of consultation fees and Transit Empowerment Fund expense |
| 230 - Information Technology | 7,800 | 8,779 | 10,913 | 80.5% | 2,133 | 13,399 | Timing and project delay in services expense |
| 250 - Procurement | 1,182 | 1,220 | 1,397 | 87.3% | 178 | 1,827 | Temporary help savings |
| 275 - Rideshare | 2,585 | 1,009 | 2,800 | 36.0% | 1,792 | 3,776 | Purchased transportation savings due to fewer vanpools operating than budgeted |
| 320 - Planning | 1,897 | 1,848 | 2,762 | 66.9% | 915 | 3,583 | Savings from vacancies and O&D survey. Timing of consulting fees for MetroBike, rail operating model and quick response |
| 330 - Marketing and Communications | 2,398 | 2,223 | 3,179 | 69.9% | 956 | 4,133 | Timing of temporary help, branding, transit is safe, literature distribution and fare collection campaigns |
| 331 - Community Engagement | 700 | 549 | 1,113 | 49.3% | 564 | 1,432 | Timing of annual community survey, special events, MetroArt, Try Transit and Smart Trips |
| 332 - Customer Care | 765 | 742 | 826 | 89.8% | 84 | 1,098 | |
| 340 - People and Culture | 1,730 | 2,003 | 3,186 | 62.9% | 1,183 | 3,770 | Timing of consultation fees |
| 420 - Risk Management And Safety | 1,689 | 1,322 | 2,378 | 55.6% | 1,055 | 2,815 | Timing and lower than anticipated insurance premiums |
| 457 - Public Facilities | 3,306 | 3,820 | 4,194 | 91.1% | 375 | 5,661 | Timing of utilities, professional and maintenance services |
| 530 - Capital Projects | 1,425 | 1,268 | 1,505 | 84.2% | 237 | 1,996 | Vacancy savings and timing of services expense |
| 540 - Real Estate And Property Mgt. | 1,799 | 2,187 | 3,180 | 68.8% | 994 | 3,855 | Timing of services expense |
| 542 - Freight Rail Management | 1,138 | 1,139 | 1,584 | 72.0% | 444 | 2,012 | Savings from projects moved to FY22: road crossing analysis, timber bridge analysis and out of service repairs |
| 544 - Commuter Rail Operations | 13,644 | 13,016 | 16,484 | 79.0% | 3,468 | 21,673 | Purchased transportation and fuel savings from 31.4% fewer hours through May and savings from bridge analysis |
| 550 - Real Estate and Facility Planning | 1,899 | 2,030 | 2,259 | 89.9% | 229 | 3,087 | |
| 600 - Operations and Maintenance Oversight | 97,933 | 95,319 | 100,075 | 95.2% | 4,756 | 132,717 | Purchased transportation and fuel savings from 9% fewer hours than budget through April and supply expense savings |
| 615 - Innovative Mobility | 2,483 | 3,005 | 3,778 | 79.5% | 773 | 5,042 | Timing of MetroBikeShare and Pickup purchased transportation expense |
| 620 - Demand Response Oversight | 22,770 | 22,379 | 22,064 | 101.4% | (315) | 29,756 | Additional diesel expense to correct in July 2021 |
| 640 - Paratransit Reservation & Control | 1,568 | 1,517 | 1,598 | 94.9% | 81 | 2,119 | |
| 650 - Paratransit Eligibility | 643 | 744 | 783 | 95.0% | 39 | 1,028 | |
| 920 - Project Connect | 11,121 | 771 | 836 | 92.2% | 65 | 836 | Project Connect moved to ATP budget in January 2021 |
| Total | 198,984 | 186,306 | 210,542 | 88.5% | 24,234 | 278,170 | |

Capital Projects Summary

| \$'000 Project Category | Expended | Outstanding Commitments | Budget | Expended & Committed as % of Budget | Comments |
|--|-----------------|------------------------------------|------------------|--|--|
| Commuter Rail | \$10,292 | \$5,144 | \$14,116 | 109.4% | Positive Train Control, Track Undercutting and State of Good Repair for Rail Grade Crossings |
| Vehicles | 3,914 | 792 | 3,317 | 141.9% | 20 Paratransit Vehicles and Vehicle Camera Systems |
| Information Technology | 4,710 | 3,870 | 13,680 | 62.7% | Customer Payment Systems, Onboard Validators and Enterprise Asset Management System |
| Facilities | 11,912 | 2,316 | 25,405 | 56.0% | Downtown Station, North Ops Paving and Infrastructure and Bus Stop Enhancements |
| Freight Railroad | 11 | 27 | 4,045 | 0.9% | |
| Property and Asset Mgmt | 251 | - | 722 | 34.8% | Vehicle Lifts for Thompson Lane Facility |
| Contingency | - | - | 7,000 | 0.0% | |
| Project Connect | 5,428 | 24,747 | 36,481 | 82.7% | Orange Line, Blue Line, PMOR, MetroRapid Lines and MLS Rail Station |
| Security | 537 | 239 | 1,622 | 47.9% | Video System Integration Software |
| Total | \$37,055 | \$37,136 | \$106,388 | 69.7% | |

Outstanding commitments are for purchase orders that have been issued.



METRO

THANK YOU!