

# Financial Report – Fiscal Year 2020

*Year to Date March 31, 2020*



# Major Highlights

## Revenue

- Sales tax remittances received YTD March 2020 are 6.8% higher than YTD March 2019
- Capital contributions and grants are below budget due to timing of processing eligible paid expenses

## Operating Expenses

- \$131.1 million expended to date, or 45.7% of full year budget
- Professional services are below budget due to timing of consultation and other professional fee payments

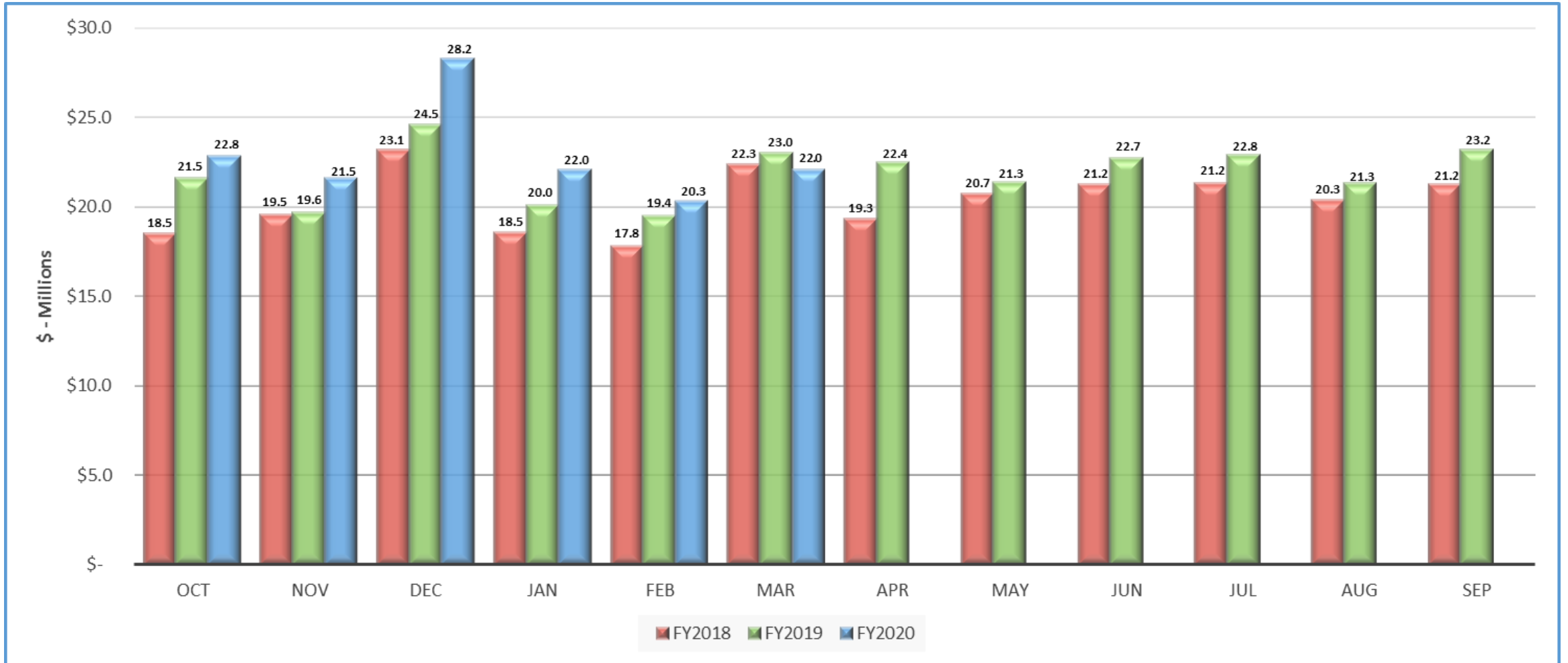
## Capital Projects

- FY2020 capital project budget of \$111.8 million
- \$40 million expended to date, or 35.8% of full year budget
  - Downtown Station, Transit Bus Replacements, Positive Train Control, Electric Bus Yard Paving and Track Undercutting
- \$26.1 million outstanding commitments have been issued, or 23.4% of full year budget
  - Positive Train Control, Downtown Station, Battery Electric Buses, Bus Stop Enhancements and Electric Bus Yard Paving

# Revenue

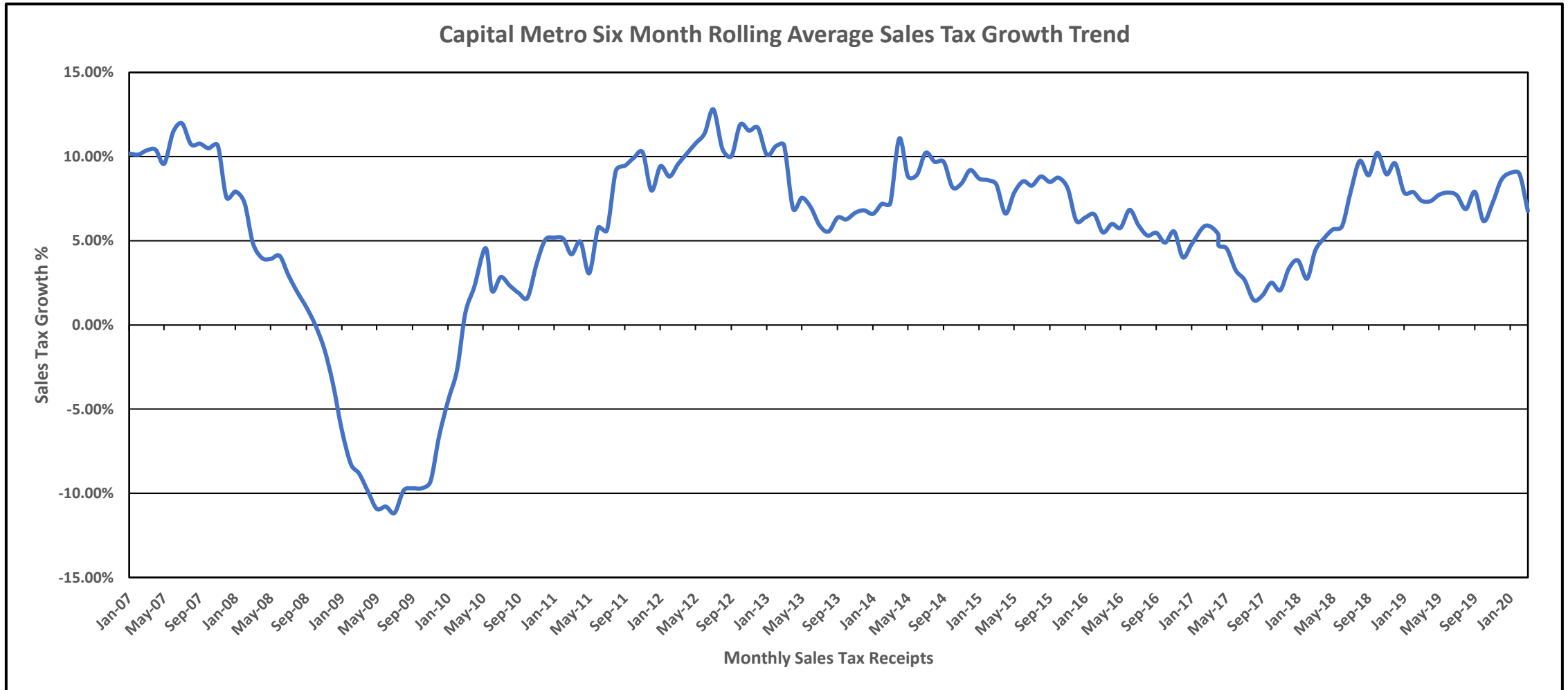
\$' Million Category	FY19 Mar YTD Actual	FY20 Mar YTD Actual	FY20 Full Year Budget	% of Budget	Comments
Sales Tax	\$126.2	\$128.1	\$265.7	48.2%	February and March sales tax receipts accrued
Passenger Fares	10.6	10.9	22.5	48.4%	March farebox and pass sales down 30% to budget
Freight Railroad Revenue	2.5	3.8	5.2	71.5%	Unbudgeted 45G Short-line tax credit of \$1.1 million
Other Revenue	4.0	5.3	7.8	68.0%	Investment interest income above budget
Operating Contributions and Grants	17.7	16.8	32.3	52.0%	Sub-recipient grants - CARTS vehicle purchases
Capital Contributions and Grants	2.7	5.8	27.7	21.0%	Timing of processing eligible paid expenses
<b>Total</b>	<b>\$163.7</b>	<b>\$170.6</b>	<b>\$361.2</b>	<b>47.2%</b>	

# Actual Sales Tax Receipts

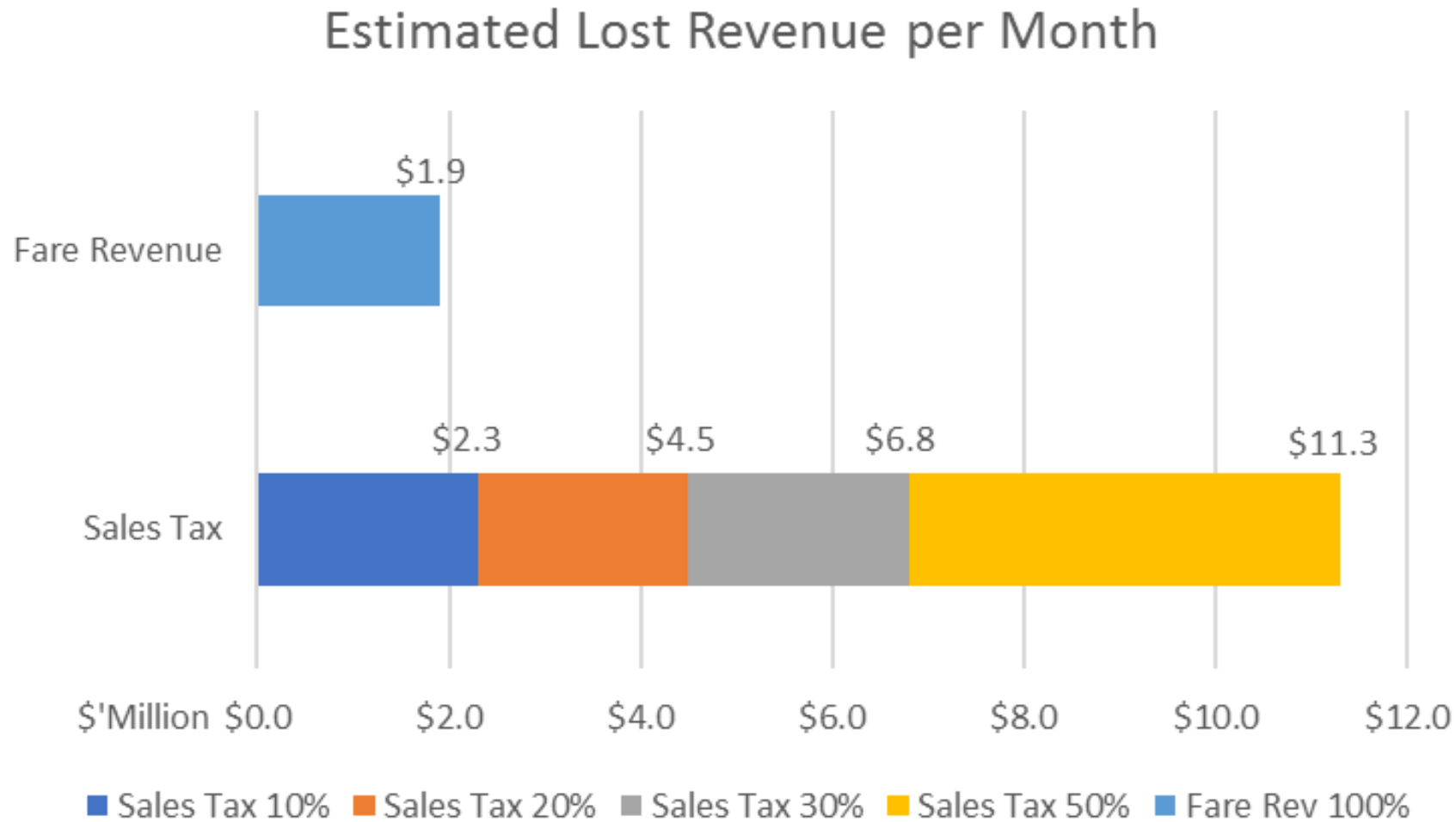


<b>Total</b>	<b>\$243.6M</b>	<b>\$261.5M</b>	<b>\$136.9M</b>
<b>YOY % Growth</b>	<b>6.5%</b>	<b>7.5%</b>	<b>6.8%</b>

# Sales Tax Rolling Average Trend



# COVID Potential Revenue Impact



# Operating Expense

\$' Million Category	FY19 Mar YTD Actual	FY20 Mar YTD Actual	FY20 Full Year Budget	% of Budget	Comments
Salaries and Benefits	\$20.6	\$22.2	\$49.2	45.2%	Vacancy savings through March
Professional Services	8.9	16.6	43.5	38.2%	Timing of consultation and other professional fee payments
Materials and Supplies	0.6	0.4	2.2	19.7%	Timing of maps, schedules and other supplies expense
Fuel and Fluids	5.7	6.7	13.7	48.7%	Reduction in March hours in response to COVID-19
Utilities	1.3	1.3	3.2	40.8%	Timing of electricity, water and telephone expense
Insurance	0.4	0.3	1.0	26.6%	Timing of insurance premium payments
Purchased Transportation	80.8	80.8	165.1	48.9%	Reduction in March hours in response to COVID-19
Lease/Rentals	0.7	1.4	2.0	67.1%	Additional lease expense
Other Expenses	1.8	1.4	7.2	19.7%	Unspent contingency
<b>Total</b>	<b>\$120.7</b>	<b>\$131.1</b>	<b>\$287.1</b>	<b>45.7%</b>	

# COVID Financial Impacts

- CARES Act – grant awarded and executed for \$102M
  - Estimated draw down May – October 2020
- Lost Revenues
  - Sales Taxes
  - Fare Revenues
- COVID related expenses
  - Pandemic sick leave to employees and service providers
  - Refurbish buses: vinyl seats & operator plexiglass shields
  - Enhanced cleaning and protective equipment
  - Front line staff bonuses



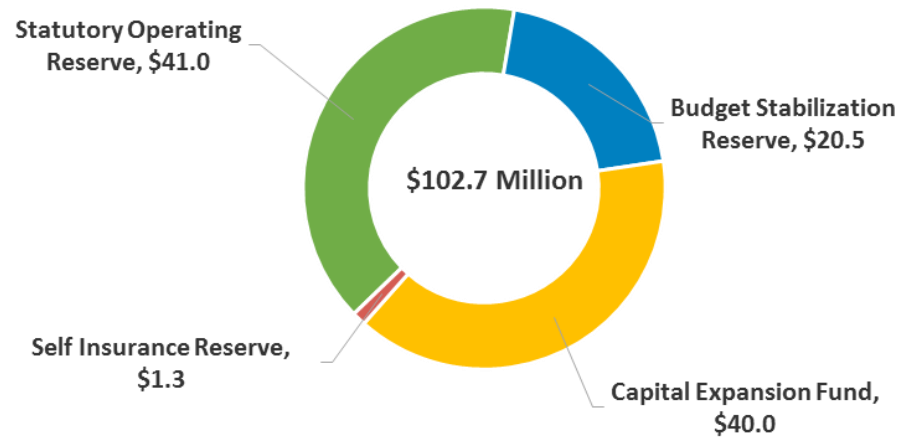
# Budget Transfers

Consistent with Capital Metro's Financial Policies, there were six budget transfers that cumulatively exceeded \$150,000 to report to the board for the 2nd quarter of FY2020.

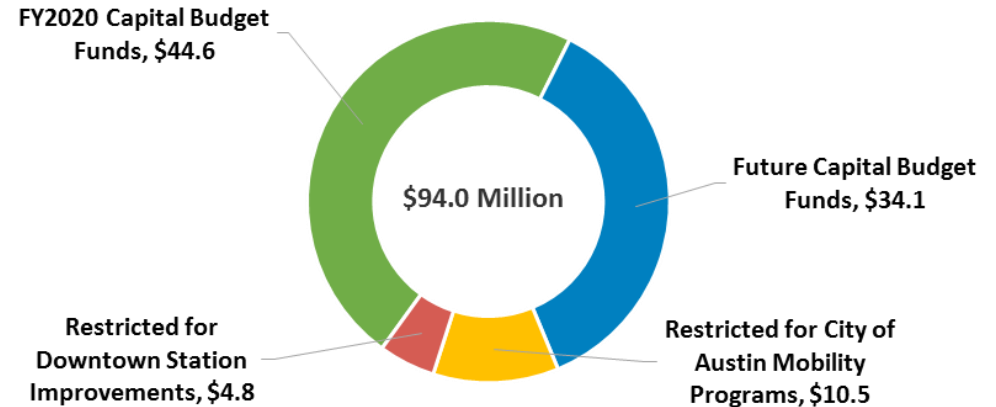
January-20				
<b>Transfer #1</b>				
<b>From:</b>	RRC1407	TIGER Grant Project	(375,290)	Transferred capital funds between facilities projects for Bus Stop Enhancements.
<b>To:</b>	CPG1920	Bus Stop Enhancements	375,290	
February-20				
<b>Transfer #2</b>				
<b>From:</b>	FIN2001	Capital Project Contingency	(1,375,000)	Transferred capital funds from contingency for ACC Riverside transit hub relocation and ACC Pinnacle Oakhill Park & Ride relocation.
<b>To:</b>	CPG2007	Transit Hub Relocation - ACC Riverside	1,300,000	
	CPG2008	ACC Pinnacle Oakhill Park & Ride Relocation	75,000	
February-20				
<b>Transfer #3</b>				
<b>From:</b>	ITS1805	Demand Response Transit System	(442,639)	Transferred capital funds between IT projects to install ePaper DMS signs at Park & Rides.
<b>To:</b>	ITS1601	ePaper DMS for BRT & Rail Plus IDIQ	442,639	
March-20				
<b>Transfer #4</b>				
<b>From:</b>	CPG1607	Facility Improvement Projects	(100,000)	Transferred capital funds between facilities projects for painting, branding and signage at 700 Lavaca.
<b>To:</b>	CPG1808	Operations Control Center	(89,000)	
	CPG1807	Office Space Re-Configuration (Headquarters Facility)	189,000	
March-20				
<b>Transfer #5</b>				
<b>From:</b>	RRC2012	State of Good Repair - Bridge and Track	(200,000)	Transferred capital funds between rail projects for Lakeline to Leander siding design.
<b>To:</b>	RRC1904	Rail Capacity Improvements	200,000	
March-20				
<b>Transfer #6</b>				
<b>From:</b>	CPG1602	North Operations SERTA Demolition/Paving	(564,000)	Transferred capital funds between facilities projects to complete the remodel at 700 Lavaca.
<b>To:</b>	CPG1807	Office Space Re-Configuration (Headquarters Facility)	564,000	

# 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 \$111.8 million, with \$67.2 million funded by FY2020 income and \$44.6 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 Mar YTD Actual	FY20 Mar YTD Actual	FY20 Full Year Budget	% of Budget
<i>Operating Revenue</i>				
Passenger Fares	\$10.6	\$10.9	\$22.5	48.4%
Freight Railroad Revenue	2.5	3.8	5.2	71.5%
Other Revenue	2.1	3.1	5.3	59.1%
<b>Total</b>	<b>15.2</b>	<b>17.8</b>	<b>33.0</b>	<b>53.8%</b>
<i>Operating Expenses</i>				
Salaries and Benefits	20.6	22.2	49.2	45.2%
Professional Services	8.9	16.6	43.5	38.2%
Fuel and Fluids	5.7	6.7	13.7	48.7%
Utilities	1.3	1.3	3.2	40.8%
Purchased Transportation	80.8	80.8	165.1	48.9%
Other Expenses	2.8	2.1	10.3	20.3%
Lease/Rental	.7	1.4	2.0	67.1%
Depreciation & Amortization	21.1	22.9	50.7	45.2%
<b>Total</b>	<b>141.8</b>	<b>154.0</b>	<b>337.8</b>	<b>45.6%</b>
<b>Operating Income/Loss</b>	<b>(126.7)</b>	<b>(136.2)</b>	<b>(304.8)</b>	<b>44.7%</b>
<i>Non-Operating Revenue/(Expenses)</i>				
Sales Tax	126.2	128.1	265.7	48.2%
Investment Income	2.1	2.3	2.5	93.0%
Operating Contributions and Grants	17.7	16.8	32.3	52.0%
Capital Contributions and Grants	2.7	5.8	27.7	21.0%
Mobility Interlocal Agreements	(4.3)	(1.6)	(6.9)	22.5%
Other	(.1)	(.2)	-	0.0%
<b>Non-Operating Income/(Loss)</b>	<b>144.2</b>	<b>151.3</b>	<b>321.3</b>	<b>47.1%</b>
<b>Change in Net Position</b>	<b>\$17.5</b>	<b>\$15.1</b>	<b>\$16.6</b>	<b>91.1%</b>

# 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	\$5,299	\$5,836	\$6,986	83.5%	\$1,149	\$14,374	Timing of admin pension and health plan expense
102 - Wellness Center	124	125	142	88.7%	16	268	
103 - Child Care Center	467	478	499	95.8%	21	995	
105 - Business Center	183	152	192	79.0%	40	366	Timing of business center and office equipment expense
110 - Executive Staff	321	356	508	70.0%	153	801	Vacancy savings - Director of Innovation and timing of dues and subscription expense
115 - Communications	195	0	0	0.0%	0	0	Merged with Marketing department
118 - Government Relations	306	267	331	80.7%	64	951	Timing of federal and state legislation consulting fees
119 - Diversity and Compliance	85	108	119	90.2%	12	214	
120 - Board Of Directors	112	76	108	70.1%	32	152	Timing of audio visual, travel, conference and seminar expense
125 - Internal Audit	158	184	322	57.2%	138	506	Timing of quadrennial audit fees
130 - Strategic Oper Mgt. & Administration	360	423	422	100.3%	(1)	793	
141 - Security	2,327	2,348	2,696	87.1%	348	5,153	Timing of APD officer salaries and wages
150 - Legal	353	506	509	99.4%	3	1,021	
220 - Finance	1,810	1,907	5,305	35.9%	3,398	14,423	Transfer of Project Connect budget for advanced FY2019 spending and unspent contingency
230 - Information Technology	5,620	5,778	7,094	81.5%	1,316	10,618	Timing of software maintenance expense and vacancy savings for 4 positions
250 - Procurement	715	793	830	95.5%	38	1,695	
275 - Rideshare	1,608	1,604	1,604	100.0%	1	3,300	
320 - Planning	1,047	1,308	2,016	64.9%	708	3,314	Timing of consulting fees and vacancy savings for 4 positions
330 - Marketing and Communications	1,172	1,647	2,464	66.8%	817	3,493	Timing of marketing campaigns
331 - Community Engagement	376	494	842	58.7%	348	998	Timing of MetroArt, special events and community survey expense
332 - Customer Service	456	516	555	93.1%	38	1,080	
340 - Human Resources	869	1,122	1,232	91.0%	111	2,207	Timing of consulting fees
420 - Risk Management And Safety	992	884	1,849	47.8%	965	2,675	Timing of insurance premium payments
457 - Public Facilities	2,090	2,186	2,639	82.8%	453	5,281	Timing of electrical and custodial services and utility expense
530 - Capital Projects	629	931	1,037	89.8%	106	2,026	Timing of facility improvement projects and vacancy savings for 1 position
540 - Real Estate And Property Mgt.	690	963	1,289	74.7%	326	2,885	Timing of MV building maintenance expense
542 - Freight Rail Management	810	807	1,143	70.6%	336	1,714	Timing of consultation fees
544 - Commuter Rail Operations	9,233	9,008	10,689	84.3%	1,681	20,296	Purchased transportation savings from 15% fewer hours and timing of DMU engine overhaul
550 - Real Estate and Facility Planning	882	1,355	1,559	86.9%	204	2,996	Timing of services expense
600 - Operations and Maintenance Oversight	65,755	64,837	66,872	97.0%	2,035	130,401	Reduction in March hours in response to COVID-19
615 - Innovative Mobility	138	1,330	1,855	71.7%	525	3,979	Timing of purchased transportation and services expense
620 - Paratransit Contract Operations	13,072	14,858	14,648	101.4%	(209)	29,364	
640 - Paratransit Reservation & Control	918	1,075	1,068	100.7%	(7)	2,120	
650 - Paratransit Eligibility	483	424	471	90.1%	47	912	
920 - Project Connect	1,078	6,396	9,391	68.1%	2,995	15,759	Timing of consultation fees and marketing campaign and vacancy savings for 2 positions
	120,736	131,080	149,287	87.8%	18,207	287,133	

# Capital Projects Summary

<b>\$'000</b> <b>Project Category</b>	<b>Expended</b>	<b>Outstanding Commitments</b>	<b>Budget</b>	<b>Expended &amp; Committed as % of Budget</b>	<b>Comments</b>
Commuter Rail	\$6,461	\$7,083	\$22,060	61.4%	Positive Train Control and Track Undercutting
Vehicles	13,749	2,120	30,174	52.6%	23 Transit Buses and 4 Battery Electric Buses
Information Technology	2,101	3,710	15,337	37.9%	Enterprise Asset Management System and ePaper Dynamic Message Signs
Facilities	16,019	12,431	37,799	75.3%	Downtown Station, N Ops Electric Bus Yard Paving and Bus Stop Enhancements
Freight Railroad	279	0	295	94.4%	
Property and Asset Mgmt	706	436	1,524	75.0%	Plaza Saltillo Revitalization, Crossings and Signals and Express Bus Lifts
Contingency	-	-	2,000	0.0%	
Strategic Planning	-	-	500	0.0%	
Security	704	357	2,093	50.7%	Property Perimeter Hardening and Security Cameras in Metro Police Vehicles
<b>Total</b>	<b>\$40,019</b>	<b>\$26,137</b>	<b>\$111,783</b>	<b>59.2%</b>	

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



**METRO**

**THANK YOU!**