

*Financial Report - FY 2017  
Year to Date June 30, 2017*

August 28, 2017

# Major Highlights

Through  
Jun 30, 2017

## Revenue

- Sales tax remittances received YTD June 2017 are 3.16% higher than YTD June 2016
- Plaza Saltillo lease income budgeted for \$1.6M and will not realize in FY 2017
- Capital Grants are below budget due to delayed spending on Downtown Station and Rail Tiger projects

## Operating Expenses

- \$163.9 million expended to date, or 66% of full year budget
- Favorable variances in salaries, wages & benefits due to vacancies ~\$1M favorable to budget
- Delayed timing of professional services
- Lower diesel cost per gallon and usage ~ \$5.7M favorable to budget

## Capital Projects

- Capital project spending is below budget with 55.4% of budget expended or committed
- FY 2017 Capital spending forecast of \$101M; Below budget by \$57.5M
  - FY 2017 delayed spending for TIGER Grant Project, Downtown Station Improvements, Central Subdivision Quiet Zone, Westgate Transit Center Park & Ride and Private Crossing Signalization

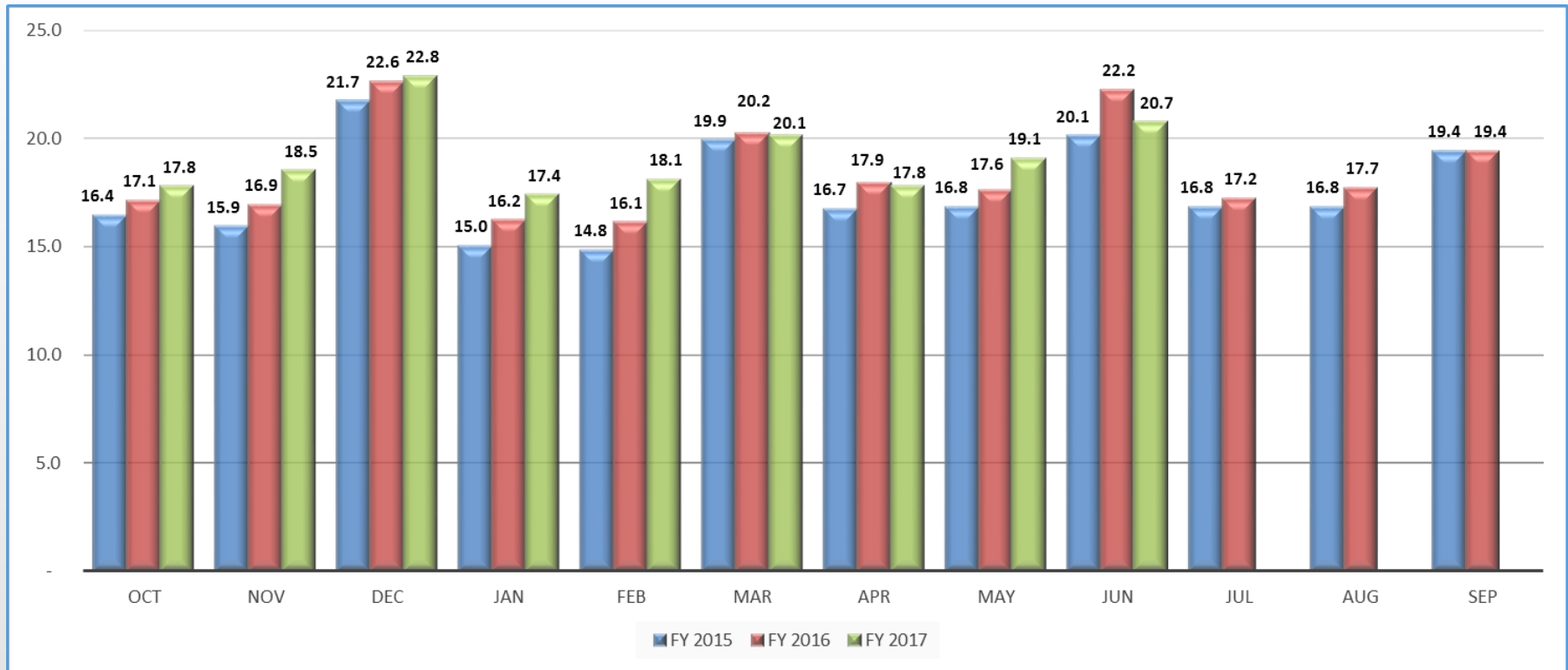
# Revenue

Through  
Jun 30, 2017

\$' Million Category	FY17 Jun YTD Actual	FY17 Full Year Budget	% of Budget	Comments
<i>Ridership</i>	22,743,583	30,565,742	74.4%	
Sales Tax	\$172.9	\$231.1	74.8%	Oct - Apr actual receipts; May and Jun accrued Free ride days during 2 elections and New Year;
Passenger Fares	12.9	18.4	69.9%	Elimination of Premium fare not budgeted
Third Party Fares	5.3	6.6	80.3%	
Freight Railroad Revenue	3.4	4.3	78.2%	
Other Revenue	2.9	4.7	61.9%	Plaza Saltillo lease income of \$1.6M budgeted and will not realize in FY17
Operating Contributions and Grants	28.6	30.0	95.5%	Variance due to timing; Grant is typically fully drawn by July
Capital Contributions and Grants	18.3	41.4	44.1%	Projected \$11.0M variance due to delayed projects: Downtown Station and Rail TIGER projects
<b>Total</b>	<b>\$244.4</b>	<b>\$336.6</b>	<b>72.6%</b>	
<i>Fare Revenue per Passenger</i>	\$ 0.80	\$ 0.82		

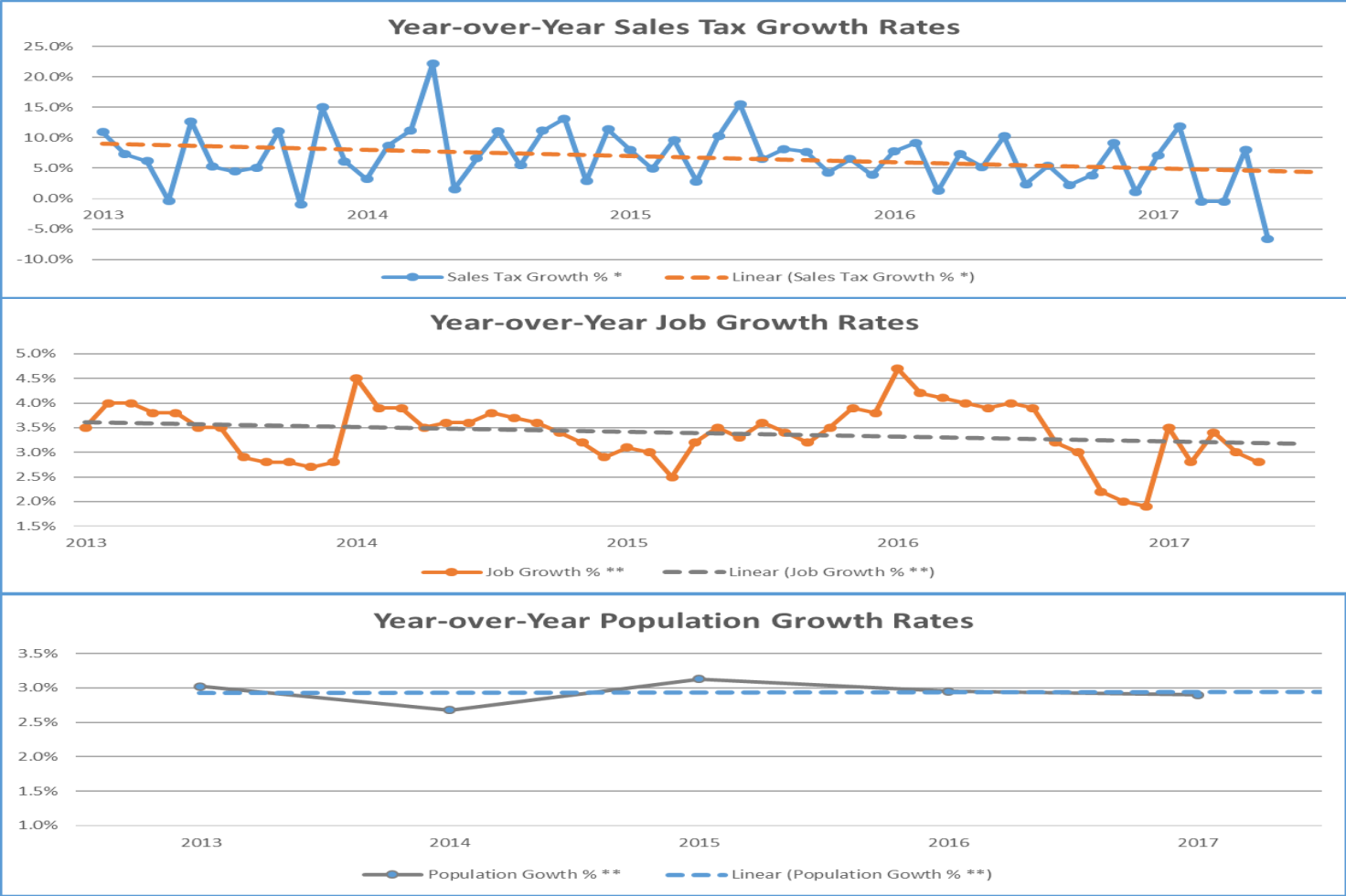
# Actual Sales Tax Receipts

\$'M



Total      \$210.4M    \$221.3M    \$172.2M

# Growth Rate Trends



\* Cap Metro    \*\* Austin Round Rock Metropolitan Statistical Area

# Operating Expenses

Through  
Jun 30, 2017

\$' Million Category	FY17 Jun YTD Actual	FY17 Full Year Budget	% of Budget	Comments
<i>Revenue Hours</i>	<i>1,339,100</i>	<i>1,947,446</i>	<i>68.8%</i>	
<i>Revenue Miles</i>	<i>18,459,767</i>	<i>26,083,768</i>	<i>70.8%</i>	
Salaries and Benefits	\$28.1	\$39.3	71.5%	Favorable variance of \$1 million due to vacancies not budgeted
Professional Services	12.2	21.6	56.3%	Multiple contracts with delayed spending
Materials and Supplies	0.6	1.7	32.6%	
Fuel and Fluids	8.4	20.4	41.3%	\$3.5M favorable due to lower than budgeted diesel cost; \$2.2M favorable usage variance to budget
Utilities	1.9	3.1	63.0%	
Insurance	0.4	0.9	47.5%	
Taxes	0.8	0.0	0.0%	
Purchased Transportation	108.5	154.0	70.4%	\$2.2M favorable for Rail DMU overhaul shift to FY18 and 2-person crew cancellation; \$800K favorable due to lower MetroExpress hours
Lease/Rentals	1.2	2.3	50.9%	
Other Expenses	1.8	4.9	36.9%	Delayed timing of advertising expense and \$800K contingency
<b>Total</b>	<b>\$163.9</b>	<b>\$248.2</b>	<b>66.0%</b>	
<i>Cost per Revenue Hour</i>	<i>\$ 122.38</i>	<i>\$ 127.45</i>		

# Budget Transfers

Consistent with Capital Metro's financial policies, there were 4 budget transfers to report for Quarter 3 for the period ending June 30, 2017 that cumulatively exceeded \$150,000

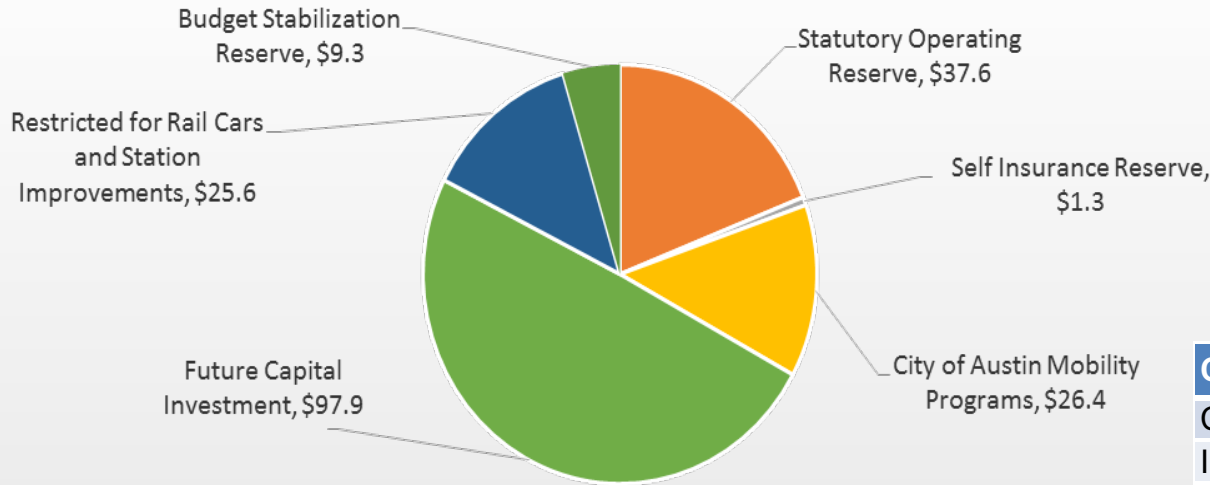
Through  
Jun 30, 2017

April-17				
<b>Transfer #1</b>				
<b>From:</b>	RRC1705	Double Tracking Design	\$ (675,000)	Double Tracking project recoded from Rail Commuter group to Capital Project group
<b>To:</b>	CPG1713	Double Tracking-NBFR to Plaza Saltillo	675,000	
May-17				
<b>Transfer #2</b>				
<b>From:</b>	510-5090702-220	Contingency Reserves	\$ (200,000)	Contingency fund to be used for unbudgeted legal services
<b>To:</b>	510-5030302-150	Legal Services	200,000	
June-17				
<b>Transfer #3</b>				
<b>From:</b>	510-5080200-544	Commuter Rail Services	\$ (1,274,741)	Transfer rail maintenance cost attributable to the freight business from Commuter Rail to Freight Rail
<b>To:</b>	510-5039960-542	Row Herzog Transit Services	1,274,741	
June-17				
<b>Transfer #4</b>				
<b>From:</b>	510-5030303-320	Strategic Planning & Development	\$ (150,000)	Transfer Smart Trip program funds from Strategic Planning & Development to Community Involvement
<b>To:</b>	510-5030309-331	Community Involvement	150,000	

# Cash, Investments and Reserves

Through  
Jun 30, 2017

Rounded in millions of dollars



Cash & Investments	
Cash and cash equivalents	\$71.4M
Investments	\$126.7M
<b>Total</b>	<b>\$198.1M</b>

**Note:**

- Additional funding was allocated to the statutory operating and budget stabilization reserves based on the Board approved funding formula. The statutory operating reserve equals two months of FY 2016 operating expenses. Contributions to the budget stabilization reserve began in February 2016 and \$7 million was reserved in FY 2016, with an additional contribution of \$3 million budgeted for FY 2017 in quarterly installments of \$750,000.
- Funds for future capital investment will be required to help address extensive 2017 capital needs. The capital budget for 2017 is \$158 million, with \$69 million funded by FY 2017 Income and \$89 million from reserves. These capital improvements are needed to get caught up with the state of good repair of the community's transit infrastructure and to be in compliance with Federal regulations.



# Statement of Revenue, Expenses and Changes in Net Position

Through  
Jun 30, 2017

\$' Million	FY17 Jun YTD Actual	FY17 Full Year Budget	% of Budget
<i>Operating Revenue</i>			
Passenger Fares	\$12.9	\$18.4	69.9%
Third Party Fares	5.3	6.6	80.3%
Freight Railroad Revenue	3.4	4.3	78.2%
Other Revenue	1.8	3.7	47.9%
<b>Total</b>	<b>23.4</b>	<b>33.2</b>	<b>70.6%</b>
<i>Operating Expenses</i>			
Salaries and Benefits	28.1	39.3	71.5%
Professional Services	12.2	21.6	56.3%
Fuel and Fluids	8.4	20.4	41.3%
Utilities	1.9	3.1	62.9%
Purchased Transportation	108.5	154.0	70.4%
Other Expenses	3.6	7.6	47.2%
Lease/Rental	1.2	2.3	50.9%
Depreciation & Amortization	25.1	36.4	68.9%
<b>Total</b>	<b>188.9</b>	<b>284.6</b>	<b>66.4%</b>
<i>Operating Income/Loss</i>	<i>(165.5)</i>	<i>(251.5)</i>	<i>65.8%</i>
<i>Non-Operating Revenue/(Expenses)</i>			
Sales Tax	172.9	231.1	74.8%
Investment Income	1.1	1.0	114.5%
Operating Contributions and Grants	28.6	30.0	95.5%
Capital Contributions and Grants	18.3	41.4	44.1%
Mobility Interlocal Agreements	(3.2)	(15.9)	20.4%
Other	.1	-	0.0%
<i>Non-Operating Income/(Loss)</i>	<i>217.8</i>	<i>287.6</i>	<i>75.7%</i>
<b>Change in Net Position</b>	<b>\$52.3</b>	<b>\$36.1</b>	<b>144.8%</b>

# Budget Variances by Department

Through  
Jun 30, 2017

\$'000 Department	FY17 Jun YTD		YTD % of Budget
	Actual	FY-2017 Budget	
100 - Non-Allocated Benefits	\$7,220	\$10,268	70.3%
102 - Wellness Center	167	276	60.5%
103 - Child Care Center	615	832	73.9%
105 - Business Center	175	354	49.5%
110 - Executive Staff	519	873	59.4%
115 - Communications	540	769	70.2%
118 - Government Relations & Compliance	627	1,237	50.7%
120 - Board Of Directors	194	303	63.9%
125 - Internal Audit	281	414	67.7%
130 - Strategic Oper Mgt. & Administration	559	788	70.9%
141 - Security	3,046	4,002	76.1%
150 - Legal	859	1,135	75.6%
220 - Finance	2,497	3,989	62.6%
230 - Information Technology	5,955	9,112	65.4%
250 - Procurement	922	1,312	70.3%
275 - Rideshare	1,768	2,740	64.5%
320 - Planning	1,742	3,508	49.7%
330 - Marketing	1,822	3,757	48.5%
331 - Community Involvement	439	1,297	33.8%
332 - Customer Service	910	1,675	54.3%
340 - Human Resources	1,180	1,725	68.4%
420 - Risk Management And Safety	1,100	2,172	50.7%
457 - Public Facilities	2,985	4,953	60.3%
530 - Capital Projects	921	2,097	43.9%
540 - Real Estate And Property Mgt.	1,202	1,874	64.1%
542 - Freight Rail Management	1,069	1,521	70.3%
544 - Commuter Rail Operations	12,491	19,916	62.7%
550 - Real Estate and Facility Planning	2,088	3,654	57.2%
600 - Bus And Paratransit Services	2,371	3,914	60.6%
610 - Bus Contract Operations	83,524	122,571	68.1%
620 - Paratransit Contract Operations	21,308	30,565	69.7%
630 - Paratransit Administration	210	360	58.3%
640 - Paratransit Reservation & Control	1,229	1,804	68.1%
650 - Paratransit Eligibility	605	947	63.9%
920 - Central Corridor Development	737	1,558	47.3%
<b>Total</b>	<b>\$163,877</b>	<b>\$248,272</b>	<b>66.0%</b>

# Capital Projects Summary

Through  
Jun 30, 2017

<b>\$'000 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	\$18,343	\$15,559	\$63,550	53.3%	Payment on 4 New Trains, Tiger Grant Project and Rail Replacement
Vehicles	37,271	2,784	57,055	70.2%	Bus Replacements, 6 Commuter Buses, 15 Rapid Buses and 19 Paratransit Vans
Information Technology	2,576	1,117	8,287	44.6%	Intelligent Transportation Systems Project
Real Estate	36	11	344	13.5%	
Facilities	4,859	4,058	20,645	43.2%	Lakeline Parking, Downtown Station and Bus Stop Accessibility
Freight Railroad	178	97	3,680	7.5%	
Property and Asset Mgmt	358	616	2,583	37.7%	
Contingency	-	-	1,500	0.0%	
Security	14	8	897	2.4%	
<b>Total</b>	<b>\$63,635</b>	<b>\$24,252</b>	<b>\$158,541</b>	<b>55.4%</b>	

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

# Questions/Discussion