

*Financial Report - FY 2017
Year to Date March 31, 2017*

May 12, 2017

Major Highlights

Through
Mar 31, 2017

Revenue

- Sales tax remittances received through March 2017 are YTD 4.97% higher than YTD March 2016
- FY 2017 sales tax revenue is budgeted at 4.4% growth above the FY 2016 Actuals
- Plaza Saltillo lease income budgeted for \$1.6M and will probably not realize in FY 2017
- Capital Grants below budget due to timing of processing eligible paid expenses
- Other revenues are tracking close to budget

Operating Expenses

- \$109.8 million expended to date, or 44.2% of full year budget
- Favorable variances in salaries, wages & benefits due to vacancies ~\$1.2M favorable to budget
- Delayed timing of professional services
- Lower diesel costs per gallon ~ \$2.8M favorable to budget

Capital Projects

- Capital projects are on track with 47% of budget, expended or committed

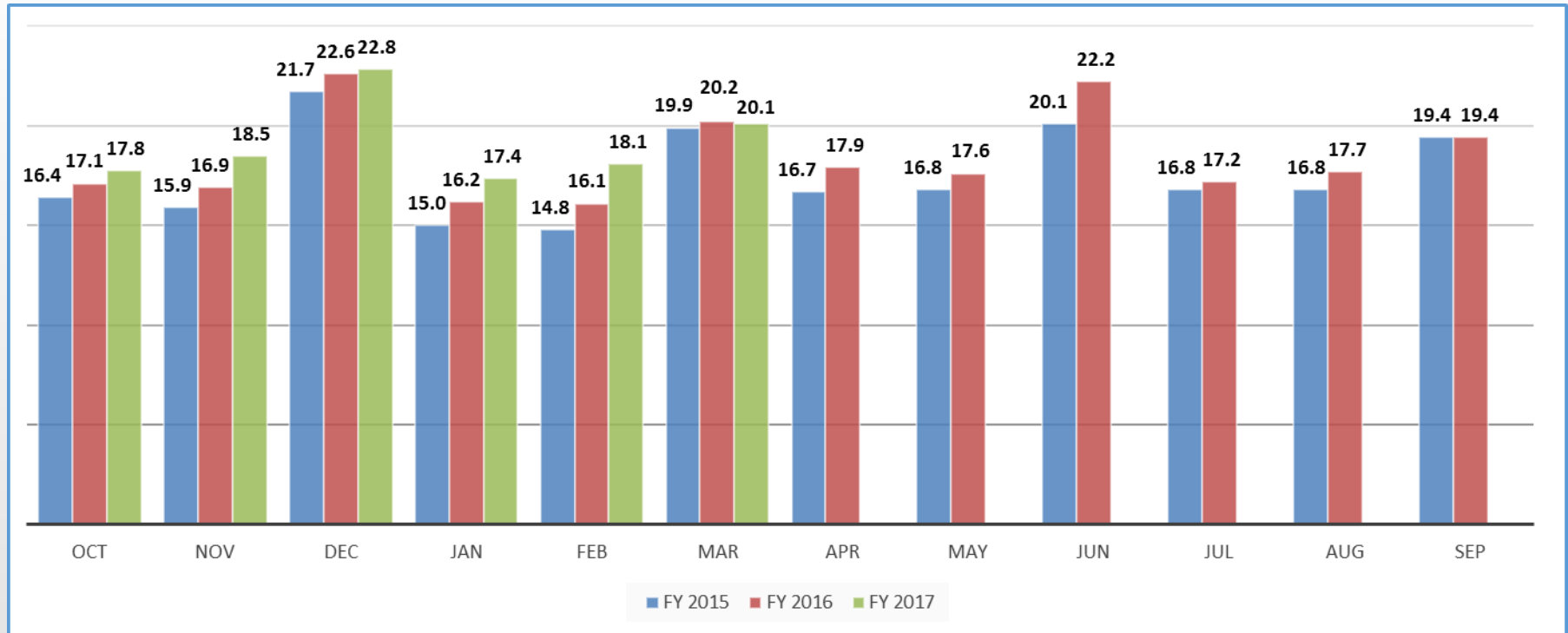
Revenue

Through
Mar 31, 2017

\$' Million Category	FY17 Mar YTD Actual	FY17 Full Year Budget	% of Budget	Comments
<i>Ridership</i>	<i>15,480,304</i>	<i>30,565,742</i>	<i>50.6%</i>	
Sales Tax	\$114.6	\$231.1	49.6%	Oct-Jan actual receipts, with Feb & Mar accrued Variance due to free ride days during 2 elections and New Year
Passenger Fares	8.4	18.4	45.7%	
Third Party Fares	3.4	6.6	50.5%	
Freight Railroad Revenue	2.1	4.3	48.4%	
Other Revenue	1.8	4.7	37.3%	Plaza Saltillo Lease income \$1.6M budgeted for 2nd half of FY17
Operating Contributions and Grants	18.5	30.0	61.7%	Variance due to timing. Grant is typically fully drawn by July
Capital Contributions and Grants	9.9	41.4	23.8%	Variance due to timing. Recognized when eligible expenses are paid
Total	\$158.6	\$336.6	47.1%	
<i>Fare Revenue per Passenger</i>	<i>\$ 0.76</i>	<i>\$ 0.82</i>		

Actual Sales Tax Receipts

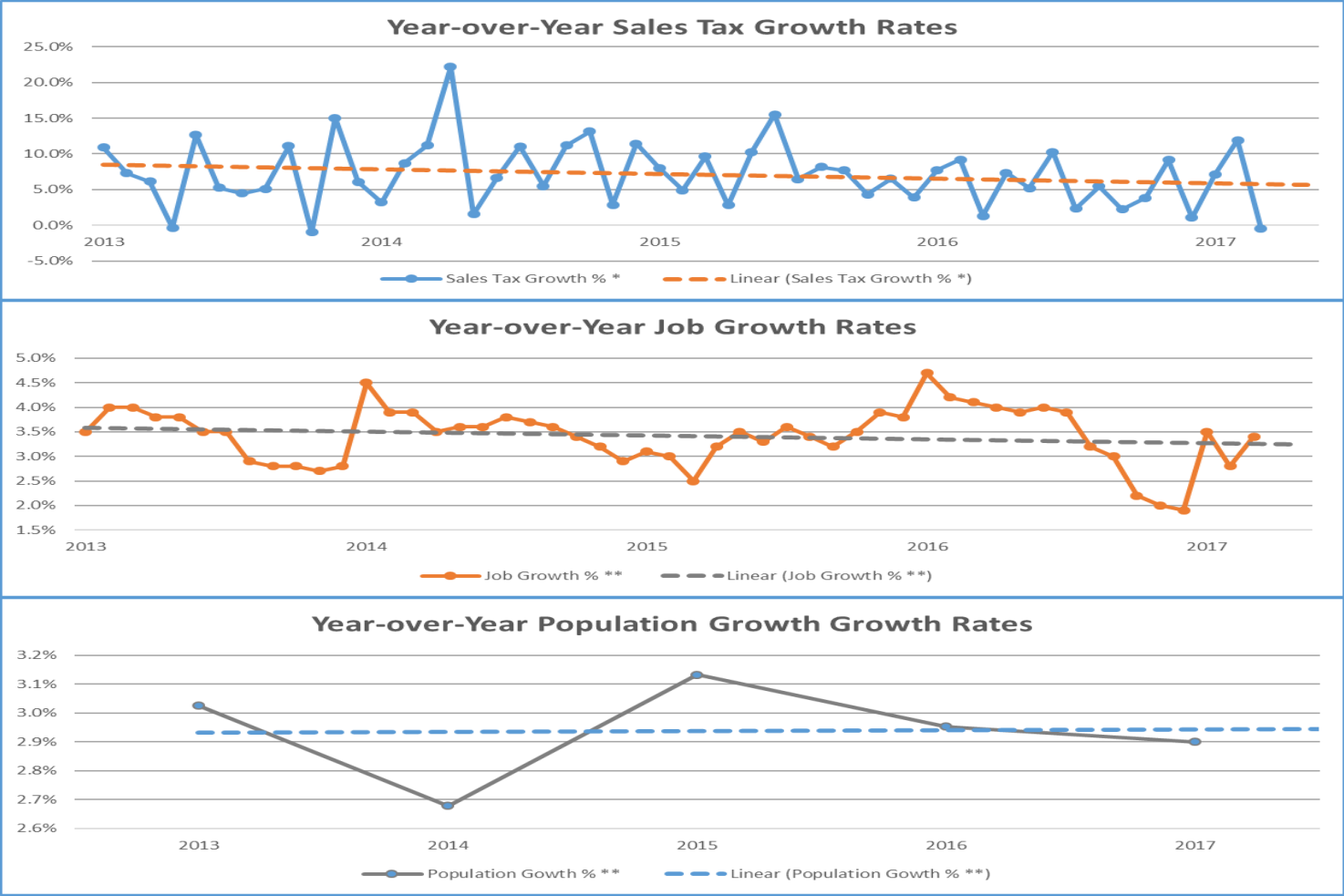
\$'M



Total \$210.4M \$221.3M \$114.6M

Sales Taxes are received two and a half months in arrears.

Growth Rate Trends



* Cap Metro ** Austin Round Rock Metropolitan Statistical Area

Operating Expenses

Through
Mar 31, 2017

\$' Million Category	FY17 Mar YTD Actual	FY17 Full Year Budget	% of Budget	Comments
Revenue Hours	911,562	1,947,446	46.8%	
Revenue Miles	12,502,927	26,083,768	47.9%	
Salaries and Benefits	\$18.6	\$39.3	47.3%	Favorable variance of \$1.2M due to vacancies not budgeted
Professional Services	7.2	21.6	33.1%	Multiple contracts with delayed spending
Materials and Supplies	0.3	1.7	17.7%	
Fuel and Fluids	5.6	20.4	27.4%	\$2.8M favorable due to lower than budgeted diesel cost
Utilities	1.3	3.1	41.3%	
Insurance	0.4	0.9	41.5%	
Taxes	0.5	0.0	0.0%	
Purchased Transportation	73.9	154.0	48.0%	
Lease/Rentals	0.9	2.3	39.0%	
Other Expenses	1.1	4.9	23.3%	Delayed timing of advertising exp and \$1M contingency
Total	\$109.8	\$248.2	44.2%	
Cost per Revenue Hour	\$ 120.44	\$ 127.45		

Budget Transfers

Through
Mar 31, 2017

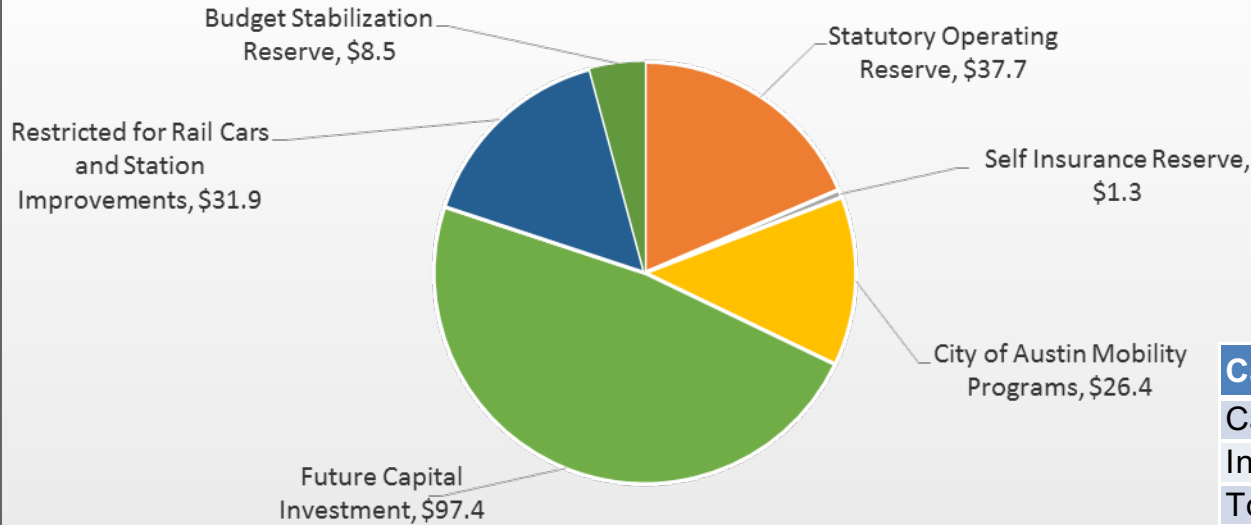
Consistent with Capital Metro's financial policies, there were four budget transfers to report for Quarter 2 for the period ending March 31, 2017 that cumulatively exceeded \$150,000

January-17				
Transfer #1				
From:	RRC1501	Commuter Operation Risk Reduction	\$ (771,150)	Align funds according to individual projects in contract
To:	RRC1515	Timber and Surface Program - Commuter Rail	771,150	
January-17				
Transfer #2				
From:	FIN1702	Capital Project Committed Contingency	\$ (500,000)	Funding needed for storm water improvements the City is requiring related to the Downtown Station project
To:	CPG1712	DT Station - Storm Water Improvements	500,000	
January-17				
Transfer #3				
From:	ITS1502	Mobile Applications	\$ (100,000)	Reclassify budget from Capital to Operating, following FY16 audit review
To:	510-5030303-330	Consultation Fees - Marketing department	100,000	
	ITS0402	Intelligent Transportation Systems (ITS) Project	(77,319)	
	ITS1203	Productivity Software	(278,773)	
	ITS1501	IT Infrastructure Equipment	(172,283)	
	ITS1504	Other Legacy Systems Replacements	(43,403)	
	ITS1602	Customer Relationship Management System	(149,973)	
	510-5049979-230	Non-Capital Projects - Finance department	721,752	
	CPG1606	Fitness Equipment	(7,130)	
	510-5049979-420	Non-Capital Projects - Risk Management & Safety department	7,130	
	CPG1417	Rail Maintenance Floor Deflection	(7,979)	
	CPG1507	2910 Cafeteria and 1st Floor Breakroom	(1,394)	
	CPG1510	Convert Payroll Office into Conference Room	(3,260)	
	CPG1515	North Operations Building Office Reconfiguration	(96,198)	
	CPG1517	Bus Stop Litter Containers	(72,769)	
	CPG1518	Bus Stop Signage	(9,298)	
	CPG1519	Bus Benches	(17,220)	
	CPG1522	Bus Stop Accessibility Improvements	(1,126,620)	
	CPG1607	Facility Improvement Projects	(143,251)	
	510-5049979-530	Non-Capital Projects - Capital Projects department	1,477,989	
	PAM1502	2910 E 5th St Paving	(17,966)	
	PAM1504	2910 E 5th St Re-striping	(14,581)	
	PAM1514	Thompson Lane Various Projects	(12,100)	
	PAM1607	Thompson Lane Parking Lot Repairs	(8,358)	
	510-5049979-540	Non-Capital Projects - Real Estate & Property Management department	53,005	
March-17				
Transfer #4				
From:	CPG1710	DT Station-Infrastructure	\$ (2,000,000)	Merge two projects into one
To:	CPG1516	Downtown Station Improvements funded by TxDOT	2,000,000	

Cash, Investments and Reserves

Through
Mar 31, 2017

Rounded in millions of dollars



Cash & Investments	
Cash and cash equivalents	\$73.2M
Investments	\$129.8M
Total	\$203.0M

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
Mar 31, 2017

\$' Million	FY17 Mar YTD Actual	FY17 Full Year Budget	% of Budget
<i>Operating Revenue</i>			
Passenger Fares	\$8.4	\$18.4	45.7%
Third Party Fares	3.4	6.6	50.5%
Freight Railroad Revenue	2.1	4.3	48.4%
Other Revenue	1.1	3.7	28.2%
Total	14.9	33.2	45.1%
<i>Operating Expenses</i>			
Salaries and Benefits	18.6	39.3	47.3%
Professional Services	7.2	21.6	33.1%
Materials and Supplies	.3	1.7	17.7%
Fuel and Fluids	5.6	20.4	27.4%
Utilities	1.3	3.1	41.3%
Insurance	.4	.9	39.7%
Taxes	.5	.0	0.0%
Purchased Transportation	73.9	154.0	48.0%
Other Expenses	1.1	4.5	24.3%
Interest Expenses	.0	.4	11.4%
Lease/Rental	.9	2.3	39.0%
Depreciation & Amortization	18.6	36.4	51.0%
Total	128.4	284.6	45.1%
<i>Operating Income/Loss</i>	<i>(113.4)</i>	<i>(251.5)</i>	<i>45.1%</i>
<i>Non-Operating Revenue/(Expenses)</i>			
Sales Tax	114.6	231.1	49.6%
Investment Income	.7	1.0	71.1%
Operating Contributions and Grants	18.5	30.0	61.7%
Capital Contributions and Grants	9.9	41.4	23.8%
Mobility Interlocal Agreements	(1.5)	(15.9)	9.2%
Other	.0	-	0.0%
Non-Operating Income/(Loss)	142.2	287.6	49.4%
Change in Net Position	\$28.8	\$36.1	79.7%

Budget Variances by Department

Through
Mar 31, 2017

\$'000 Department	FY17 Mar YTD		YTD % of Budget
	Actual	FY-2017 Budget	
100 - Non-Allocated Benefits	\$4,767	\$10,268	46.4%
102 - Wellness Center	117	276	42.4%
103 - Child Care Center	342	832	41.1%
105 - Business Center	97	354	27.4%
110 - Executive Staff	335	873	38.4%
115 - Communications	372	849	43.8%
118 - Government Relations & Comp	387	1,237	31.3%
120 - Board Of Directors	122	303	40.3%
125 - Internal Audit	165	414	39.9%
130 - Strategic Oper Mgt. & Administr.	369	788	46.8%
141 - Security	2,047	4,002	51.1%
150 - Legal	570	935	61.0%
220 - Finance	1,293	4,154	31.1%
230 - Information Technology	4,409	9,112	48.4%
250 - Procurement	590	1,312	45.0%
275 - Rideshare	1,165	2,740	42.5%
320 - Planning	1,114	3,658	30.5%
330 - Marketing	1,164	3,757	31.0%
331 - Community Involvement	272	1,067	25.5%
332 - Customer Service	617	1,675	36.8%
340 - Human Resources	795	1,725	46.1%
420 - Risk Management And Safety	845	2,172	38.9%
457 - Public Facilities	1,908	4,953	38.5%
530 - Capital Projects	609	2,097	29.0%
540 - Real Estate And Property Mgt.	776	1,874	41.4%
542 - Freight Rail Management	60	247	24.3%
544 - Commuter Rail Operations	9,520	21,190	44.9%
550 - Real Estate and Facility Plannir	1,510	3,654	41.3%
600 - Bus And Paratransit Services	1,691	3,914	43.2%
610 - Bus Contract Operations	56,036	122,571	45.7%
620 - Paratransit Contract Operations	14,230	30,565	46.6%
630 - Paratransit Administration	131	366	35.8%
640 - Paratransit Reservation & Cont	812	1,798	45.2%
650 - Paratransit Eligibility	395	947	41.7%
920 - Central Corridor Development	142	1,558	9.1%
Total	\$109,774	\$248,237	44.2%

Capital Projects Summary

Through
Mar 31, 2017

\$'000 Project Category	Expended	Outstanding Commitments	Budget	Expended & Committed as % of Budget	Comments
Commuter Rail	\$11,625	\$21,150	\$63,550	51.6%	Progress payment on 4 New Trains, Tiger Grant project and Rail Replacement
Vehicles	30,208	108	52,005	58.3%	Bus Replacements; 6 Additional Commuter Buses and 19 Additional Paratransit Vans
Information Technology	978	2,601	8,287	43.2%	Intelligent Transportation Systems Project
Real Estate	34	46	344	23.0%	
Facilities	2,923	4,778	20,645	37.3%	Lakeline Parking, Downtown Station & Bus Stop Accessibility
Freight Railroad	150	65	3,680	5.9%	
Property and Asset Mgmt	273	82	2,583	13.8%	
Contingency	-	-	6,550	0.0%	
Security	14	8	897	2.4%	
Total	\$46,204	\$28,838	\$158,541	47.3%	

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

Questions/Discussion