

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

July 19, 2017

Major Highlights

Through
May 31, 2017

Revenue

- Sales tax remittances received through YTD April 2017 are 4.2% higher than YTD April 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

- \$145.9 million expended to date, or 58.8% of full year budget
- Favorable variances in salaries, wages & benefits due to vacancies ~\$1.4M favorable to budget
- Delayed timing of professional services
- Lower diesel cost per gallon and usage ~ \$5.1M favorable to budget

Capital Projects

- Capital project spending is below budget with 54.5% of budget expended or committed
- FY 2017 Capital spending forecast of \$101.0M; 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

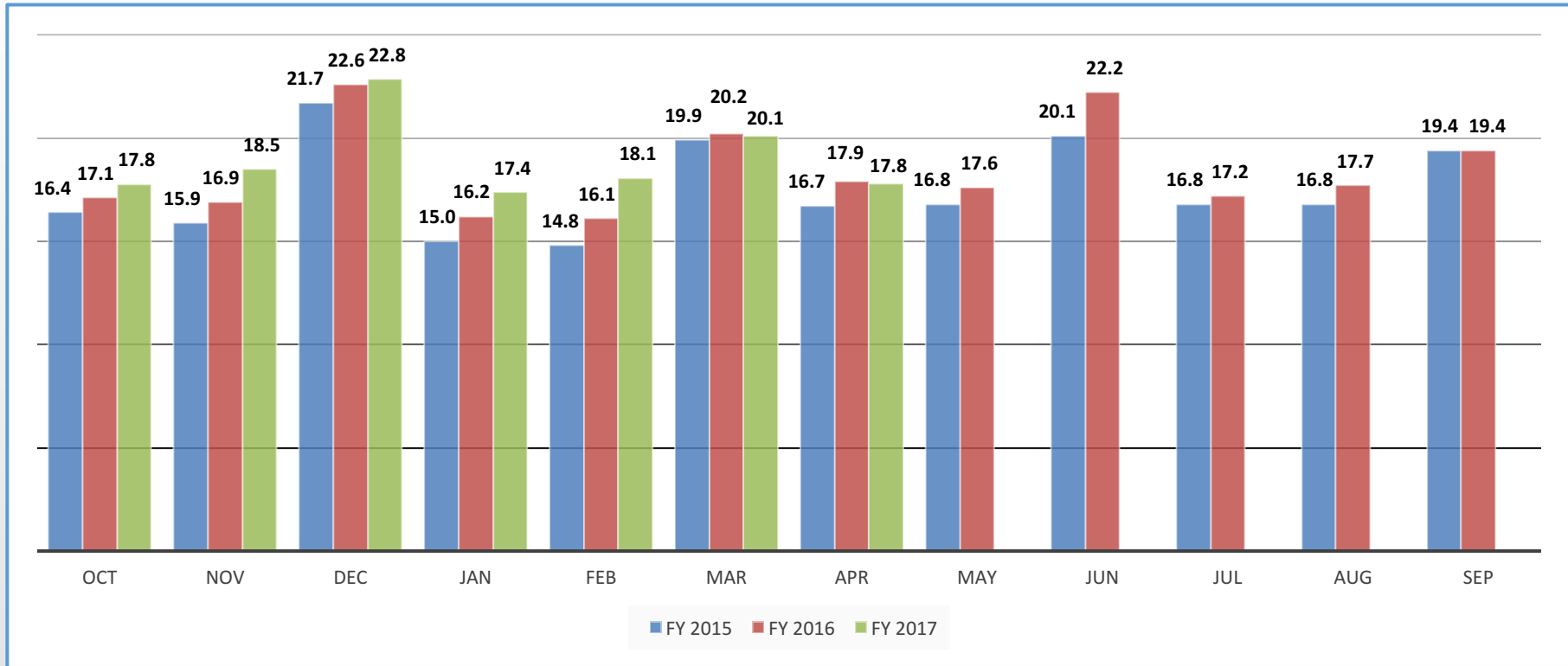
Revenue

Through
May 31, 2017

\$' Million Category	FY17 May YTD Actual	FY17 Full Year Budget	% of Budget	Comments
<i>Ridership</i>	<i>20,496,634</i>	<i>30,565,742</i>	<i>67.1%</i>	
Sales Tax	\$151.3	\$231.1	65.5%	Oct - Apr actual receipts, with May accrued Free ride days during 2 elections and New Year;
Passenger Fares	11.2	18.4	60.5%	Elimination of Premium Fare not budgeted
Third Party Fares	4.6	6.6	69.4%	
Freight Railroad Revenue	2.9	4.3	67.5%	
Other Revenue	2.6	4.7	55.4%	Plaza Saltillo lease income of \$1.6M budgeted and will not realize in FY17
Operating Contributions and Grants	25.0	30.0	83.3%	Variance due to timing; Grant is typically fully drawn by July
Capital Contributions and Grants	14.0	41.4	33.8%	Projected \$11.0M variance due to delayed projects: Downtown Station and Rail TIGER projects
Total	\$211.6	\$336.6	62.9%	
<i>Fare Revenue per Passenger</i>	<i>\$ 0.77</i>	<i>\$ 0.82</i>		

Actual Sales Tax Receipts

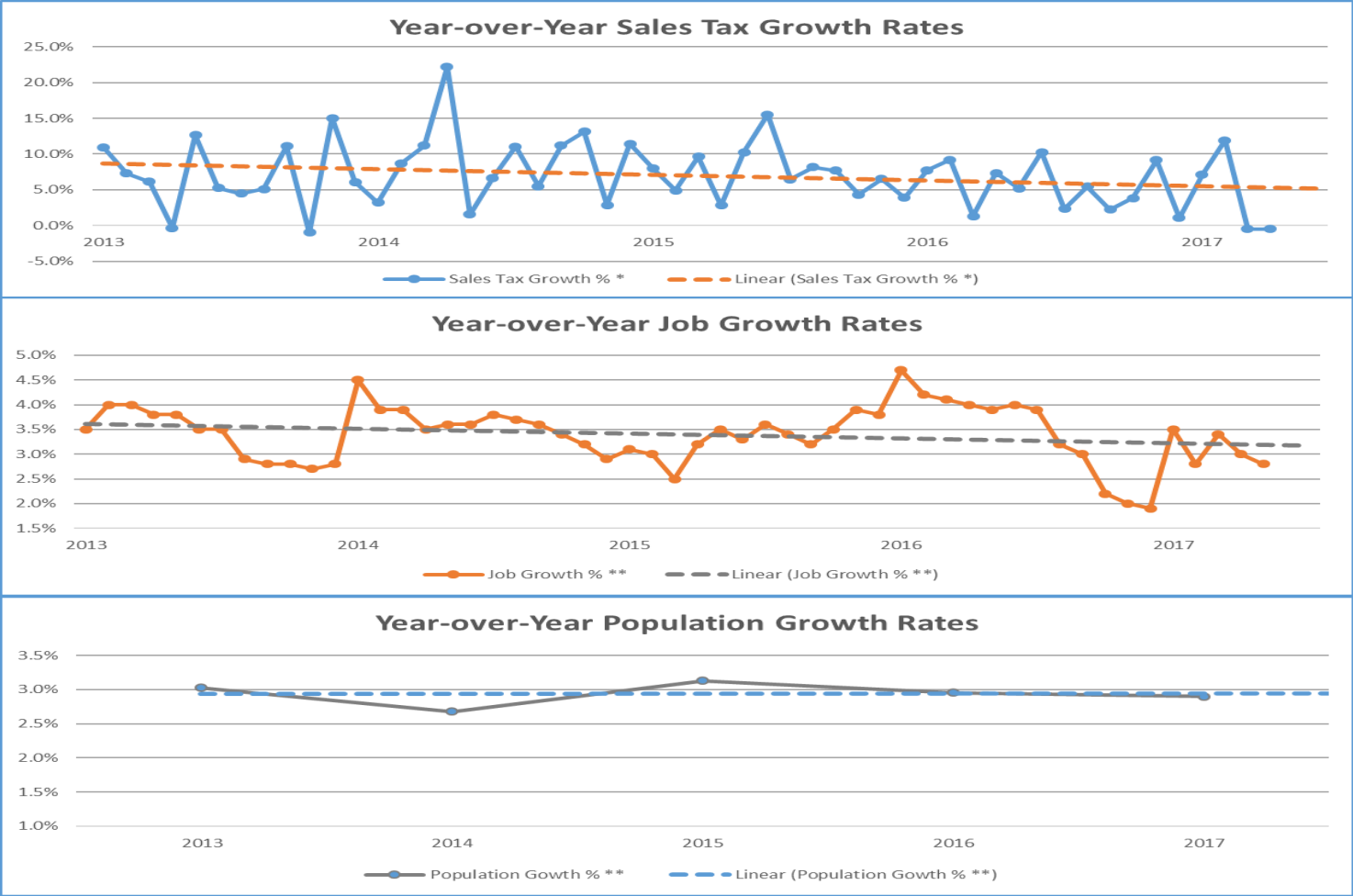
\$'M



Total \$210.4M \$221.3M \$132.4M

Sales Tax is received one month in arrears.

Growth Rate Trends



* Cap Metro ** Austin Round Rock Metropolitan Statistical Area

Operating Expenses

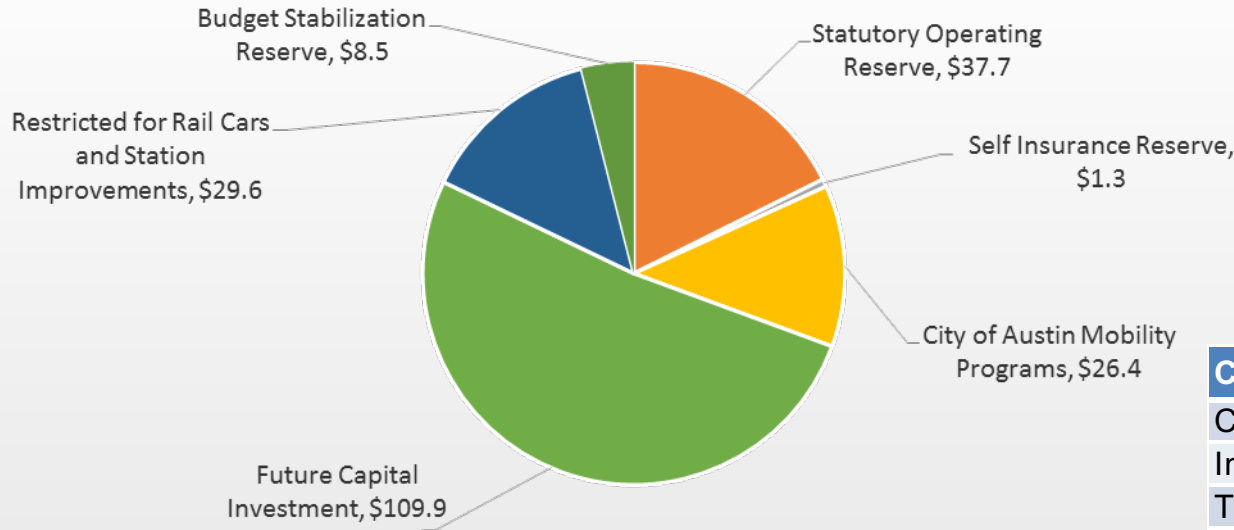
Through
May 31, 2017

\$' Million Category	FY17 May YTD Actual	FY17 Full Year Budget	% of Budget	Comments
<i>Revenue Hours</i>	1,194,241	1,947,446	61.3%	
<i>Revenue Miles</i>	16,435,981	26,083,768	63.0%	
Salaries and Benefits	\$24.9	\$39.3	63.4%	Favorable variance of \$1.4M due to vacancies not budgeted
Professional Services	9.5	21.6	43.8%	Multiple contracts with delayed spending
Materials and Supplies	0.5	1.7	27.3%	
Fuel and Fluids	7.5	20.4	36.6%	\$3.1M favorable due to lower than budgeted diesel cost; \$2.0M favorable usage variance to budget
Utilities	1.7	3.1	54.9%	
Insurance	0.4	0.9	45.1%	
Taxes	0.7	0.0	0.0%	
Purchased Transportation	98.1	154.0	63.7%	
Lease/Rentals	1.1	2.3	46.4%	
Other Expenses	1.6	4.9	33.3%	Delayed timing of advertising expense and \$800K contingency
Total	\$145.9	\$248.2	58.8%	
<i>Cost per Revenue Hour</i>	\$ 122.14	\$ 127.45		

Cash, Investments and Reserves

Through
May 31, 2017

Rounded in millions of dollars



Cash & Investments	
Cash and cash equivalents	\$86.7M
Investments	\$126.6M
Total	\$213.3M

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.

Capital Projects Summary

Through
May 31, 2017

\$'000 Project Category	Expended	Outstanding Commitments	Budget	Expended & Committed as % of Budget	Comments
Commuter Rail	\$16,465	\$17,186	\$63,550	53.0%	Payment on 4 New Trains, Tiger Grant Project and Rail Replacement
Vehicles	30,213	9,754	57,055	70.1%	Bus Replacements, 6 Commuter Buses, 15 Rapid Buses and 19 Paratransit Vans
Information Technology	2,105	1,467	8,287	43.1%	Intelligent Transportation Systems Project
Real Estate	36	43	344	23.0%	
Facilities	4,258	3,770	20,645	38.9%	Lakeline Parking, Downtown Station and Bus Stop Accessibility
Freight Railroad	151	65	3,680	5.9%	
Property and Asset Mgmt	281	643	2,583	35.8%	
Contingency	-	-	1,500	0.0%	
Security	14	8	897	2.4%	
Total	\$53,522	\$32,938	\$158,541	54.5%	

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

Questions/Discussion