



Metro

Los Angeles County
Metropolitan Transportation Authority

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**FINANCE, BUDGET AND AUDIT COMMITTEE
MARCH 14, 2012**

SUBJECT: FISCAL YEAR 2012 SECOND QUARTER BUDGET FINANCIAL PERFORMANCE

ACTION: RECEIVE AND FILE

RECOMMENDATION

Receive and file the second quarter financial performance for Fiscal Year (FY) 2012 budget.

ISSUE

Per the Metro Financial Stability Policy to deliver safe, high quality and reliable transportation services that are based upon a strong and stable financial foundation.

DISCUSSION

SUMMARY OF REVENUES AND EXPENSES

The Agency expenses ended the second quarter of FY12 with \$382.5 million or 19.3% below the budget of \$1,986.0 million, which is the result of lagging capital grant reimbursements driven by delayed capital expenses that are also under budget. Current year revenues ended the reporting period with \$141.2 million or 7.9% less than the \$1,797.7 million budgeted. However, Sales Tax and Other Operating Revenues (excluding capital reimbursements) were approximately 2.6% above the budget of \$1,276.3 million (refer to detail charts on the next page). In addition, \$188.3 million in carryover revenues from the prior year are available for use. Combining the prior year carryover revenues, current revenues and expenses, Metro was \$241.3 million under budget for the period of July 1, 2011 to December 31, 2011.

(Dollars in Millions)		YTD December 31, 2012			
Revenues/Expenses		Budget	Actual	Variance	% Variance
1	Total Carryover Revenues from Prior Year ¹	\$ 188.3	\$ 188.3	\$ -	
2	Total New Revenues	1,797.7	1,656.5	(141.2)	-7.9%
3	Total Expenses/Expenditures	1,986.0	1,603.5	382.5	19.3%
4	New Revenue Over/(Under) Expenses	\$ -	\$ 241.3	\$ 241.3	

¹ Carryover Revenues represent the excess of revenues over expenditures from the prior year that are available for use. Because revenues exceed expenses, carryover revenues have not been expended.

SUMMARY OF REVENUES

(Dollars in Millions)		A	B	C = B - A	D = C / A
		YTD December 31, 2011			
Source	Budget	Actual	Variance	% Variance	
1	<u>Sales Tax & TDA Revenues</u>				
2	Proposition A	\$ 302.6	\$ 309.9	\$ 7.4	2.4%
3	Proposition C	302.6	310.0	7.4	2.5%
4	Measure R	302.6	308.1	5.6	1.9%
5	Transportation Development Act	151.3	155.9	4.6	3.1%
6	Subtotal Sales Tax & TDA Revenues ¹	\$ 1,058.9	\$ 1,084.0	\$ 25.1	2.4%
7					
8	<u>Operating & Other Revenues</u>				
9	Passenger fares	\$ 166.0	\$ 166.1	\$ 0.1	0.0%
10	Advertising	15.2	13.3	(1.9)	-12.4%
11	Investment Income	2.6	20.4	17.8	684.8%
12	Other Income *	33.6	25.8	(7.8)	-23.2%
13	Subtotal Operating & Other Revenues	\$ 217.4	\$ 225.6	\$ 8.2	3.8%
14					
15	Subtotal Sales Tax & Operating Revenues	\$ 1,276.3	\$ 1,309.6	\$ 33.3	2.6%
16					
17	<u>Capital Reimbursements</u>				
18	Federal Grants	\$ 265.8	\$ 274.9	\$ 9.1	3.4%
19	State Sources including Prop 1B & TCRP	249.4	71.5	(177.9)	-71.3%
20	Local Grants and contributions	6.2	0.5	(5.7)	-91.6%
21	Subtotal Capital Reimbursements	\$ 521.4	\$ 347.0	\$ (174.4)	-33.5%
22					
23	Total New Revenues	\$ 1,797.7	\$ 1,656.6	\$ (141.2)	-7.9%
24	Carryover Revenue from Prior Period	188.3	188.3	-	
25	Total Revenues	\$ 1,986.0	\$ 1,844.9	\$ (141.2)	-7.1%

* Includes CNG tax credits, lease revenues, vending, and other miscellaneous revenues.

- Sales Tax:

Metro's sales tax and TDA revenue of \$1,084.0 million¹ finished the first half of the fiscal year 2.4% more than the budgeted \$1,058.9 million. This represents a 2.7% increase over the prior year first half actuals of \$1,054.7 million. The local economy continues to recover from the recession, but is still substantially below pre-recession levels. Staff will continue to closely track sales tax revenue receipts and report significant trends to the Board as they become apparent.

¹ The actual sales tax revenue information presented above represents the reconciled information provided by the State Board of Equalization in mid-December 2011 for the first quarter of FY12 combined with budget estimates for the second quarter. Final reconciled second quarter information will not be released by the SBE until mid-March 2012.

- Passenger Fare Revenue:

Passenger fare revenue of \$166.1 million was slightly higher than the budgeted amount of \$166.0 million or .06%. Boardings of 228.5 million slightly exceeded the budgeted boardings of 223.3 million by 2.3%. The resulting fare revenue per boarding of 73¢ was slightly below budget of 74¢. A number of factors contributed to the fare revenue and boardings which include the sluggish economy, the rolling 30 day pass, and the \$5.00 day pass.

- Federal and State Grants:

Federal and State grant revenues are primarily reimbursements, parallel planning, and capital expenditure activity which came in below budget. Details of these expenses can be found in the "*Summary of Expenses*" section of this report.

- Investment Income

Investment income of \$20.4 million significantly exceeded the budget of \$2.6 million due to greater than anticipated cash balances. The higher than anticipated balances are related to slower than expected drawdowns to fund capital projects and planning subsidies during the quarter. Metro continues to invest the unused funds according to Board approved policy.

- Other:

Other income including advertising, local capital contributions, and other sources came in below budget by \$7.8 million for the first half of the year primarily due to billing delays that are expected to catch-up to budget levels by the end of the fiscal year.

SUMMARY OF EXPENSES

Overall, expenses totaled \$1,603.5 million, which is \$382.5 million or 19.3% below the \$1,986.0 budgeted amount. Variance explanations are discussed below.

(Dollars in Millions)

	Expenditure	Budget	Actual	Variance	% Variance
1	Bus & Rail Operating	\$ 588.1	\$ 589.0	\$ (0.9)	-0.2%
2	Metro Capital/Construction	507.4	274.2	233.2	46.0%
3	Subsidies	553.6	434.3	119.3	21.6%
4	Other Agencywide Operating	169.7	139.2	30.5	18.0%
5	Debt Service	167.2	166.7	0.4	0.2%
6	Total Expenses/Expenditures	\$ 1,986.0	\$ 1,603.5	\$ 382.5	19.3%

- Metro Bus & Rail Operating Expenses:

Metro operating expenses were \$0.9 million or 0% above the \$588.1 million budgeted amount. Unfavorable variances in some categories offset favorable variances in other categories. Executive efforts control cost wherever possible.

	Budget	Actual	Variance	%	Variance Explanation
1	247.3	255.5	(8.2)	-3%	UTU contract bonus & less service reduction
2	112.1	118.8	(6.7)	-6%	Timing of fringe benefit allocations
3	29.3	26.8	2.5	9%	Lower natural gas price
4	42.4	41.4	1.0	2%	Single use pass acquisition
5	33.8	35.2	(1.4)	-4%	Timing of LASD & contract security invoices
6	5.2	4.5	0.7	13%	Late elevator/escalator invoices
7	4.5	4.9	(0.4)	-9%	TAP service center operations
8	26.1	20.5	5.6	21%	Small variances in multiple departments
9	21.1	19.6	1.5	7%	Timing of invoices RSH on plan
10	39.1	38.6	0.5	1%	Timing of insurance payments
11	17.5	13.7	3.8	22%	Timing of overhead allocation
12	9.7	9.5	0.2	2%	Employee claims
13	588.1	589.0	(0.9)	0%	

- Metro Capital:

Capital expenses were \$233.2 million or 46.0% below the \$507.4 million budget due to a combination of invoice processing delays, and project timing variances.

Project / Category	Act	Budget	\$ Var	% Var	Variance Explanation
1 Bus Acquisition	8.6	11.2	2.6	23.0%	Project delayed due to restructuring of bus procurement broken up from 700 40' buses to now reflect 150 45' buses and 550 40' buses.
2 Congestion Relief Projects	35.8	36.9	1.1	3.0%	Construction activities largely on schedule
3 Bus Facilities Imps & Bus Maintenance	28.2	39.1	10.9	27.8%	Delayed award to Division 13. Delivery and installation of engines replacements slightly ahead of schedule.
4 Rail Facilities & Wayside	2.3	10.1	7.8	77.4%	Delayed contract awards and invoice processing
5 Rail Car Purchase & Midlife	1.7	23.0	21.4	92.8%	Vehicle acceptance and rehab programs delayed
6 ITS & Communications	4.1	4.8	0.7	14.6%	Minor billing and progress delays. Projects largely on schedule
7 Non Rev Vehicles & Warehouse	2.8	4.4	1.6	36.4%	Delayed vehicle contract awards and invoice processing
8 Fleet Svcs & Safety Security	14.7	18.6	3.9	21.2%	Delayed contract awards and invoice processing
9 Eastside Light Rail	2.1	3.9	1.8	45.3%	Billing delays and unused contingency budget
10 Metro Orange Line Extension	31.2	44.0	12.8	29.1%	DB Contractor work delays resulting in delayed billings. Lower than anticipated use of professional services. Project is expected to complete at an underrun.
11 Gold Line Foothill	10.4	49.7	39.3	79.0%	Real estate acquisition delayed due to deferred approval of the SEIR.
12 Regional Connector	11.3	13.6	2.4	17.6%	Underrun due to less than anticipated expenditures for 3rd Party Utilities and Agencies
13 Crenshaw LAX Transit Corridor	11.6	13.8	2.1	15.4%	Delayed FTA Record of Decision deferring real estate acquisition activities.
14 Westside Subway Extension	18.9	25.1	6.3	24.9%	Underrun due to less than anticipated expenditures for 3rd Party Utilities and professional services.
15 Mid City Expo Light Rail Phase 1	38.1	55.6	17.5	31.5%	Project on schedule entering Pre Rev testing phase. Expenditure increase expected in Q3-Q4 for closeout change order processing and Rev Ops.
16 Mid City Expo Light Rail Phase 2	42.3	129.2	86.9	67.3%	Timing variances. Expenditure increase expected in Q3-Q4 upon start of real estate acquisitions and various contract awards.
17 Administration - Capital Program & Construction	1.5	0.1	(1.4)	-1698.2%	Administrative costs to be allocated to projects
18 Other Projects	8.8	24.4	15.6	63.9%	Timing variances, pending real estate purchase and contract awards delays.
19 Total	274.2	507.4	233.2	46.0%	

- Subsidies:

Subsidies were \$119.3 million or 22% below the \$553.6 million budgeted amount representing delays in drawdowns in programmed funds by non-Metro operators.

	Category (Dollars in Millions)	Budget	Actual	Variance	%	Explanation
1	Transit					
2	Access Services	25.0	25.0	0.0	0%	
						1). Payment ahead of schedule. 3rd Qtr subsidy to Metrolink paid in Dec. 2). \$18m payment is loan to Metrolink for 20 rail cars that was budgeted in FY11. No Accounting accrual in FY11. The payment is partially offset by the delay in PTC project.
3	Commuter Rail	37.4	47.7	(10.3)	-28%	
4	Fare Assistance	4.5	3.5	1.0	23%	Invoicing delays with SHORE and Rider Relief Program.
5	Municipal Operators	149.2	121.7	27.5	18%	Delayed municipal operator drawdowns.
6	Planning & Admin	0.7	0.3	0.4	57%	Invoicing delays.
7	Prop A Incentive	6.6	2.4	4.2	63%	Year end accrual and invoicing delays.
8	Transit Total	\$ 223.3	\$ 200.6	\$ 22.7	10%	
9						
10	Call For Projects					
						Projects progressing slower than cities anticipated.
11	Bus Capital Operations	2.0	0.0	1.9	100%	
12	Freeway	15.7	2.4	13.3	85%	
13	Local Traffic System	11.4	4.7	6.7	58%	Delay/timing of invoices, and unanticipated schedule delays; changes to ROW issues
14	MTA Sponsored CFP Proj/PC25	1.5	-	1.5	100%	is causing the projects to be behind schedule as well.
15	Regional Bikeways	0.2	-	0.2	100%	
16	Regional Surface Trans	31.8	5.3	26.4	83%	
17	Local Transportation Project	0.0	0.4	(0.4)	-1112%	FY11 subsidy draw down for Santa Fe Springs Transportation Center Improvement project.
18	Soundwalls Program	0.9	2.2	(1.2)	-134%	FY11 subsidy draw down.
19	Transportation Demand Mgt.	1.4	-	1.4	100%	CALTRANS is completing soundwall designs for various cities.
20	Call For Projects Total	\$ 64.8	\$ 15.0	\$ 49.8	77%	
21						
22	Population					
23	Local Return	176.2	180.3	(4.1)	-2%	Cities drew down their capital reserves.
24	Pedestrians & Bikes	3.0	0.4	2.6	88%	
25	Street & Hwys	8.8	4.2	4.6	52%	Delayed municipal operator drawdowns.
26	Population Total	\$ 187.9	\$ 184.8	\$ 3.1	2%	
27						
28	Federally Funded					
29	Gap Closure Project	3.5	-	3.5	100%	Invoicing delays from LA.
						Invoicing delays and reverse of year end accounting accrual.
30	Highway Pass Through Program	1.4	0.0	1.3	97%	
31	JARC Program Capital & Ops	3.5	0.1	3.4	98%	Delays with the sub-grantee's implementing and moving projects forward.
32	Metro Rapid Bus	3.7	0.5	3.2	86%	
33	New Freedom Capital & Ops	2.8	0.2	2.6	93%	
34	Regional Grantee-FTA	0.9	0.4	0.5	57%	Invoice and timing delays
35	Very Small Wilshire Bus Lane	7.5	-	7.5	100%	Project does not move ahead.
36	Federally Funded Total	\$ 23.3	\$ 1.2	\$ 22.1	95%	
37						
38	MR					
39	Highway Capital (20%)	53.9	6.1	47.8	89%	
40	Transit Capital - Metro Rail CP (2%)	0.2	-	0.2	100%	See details in Measure R schedule below, Sub Fund, Subtotal of Subsidy
41	Transit Capital - New Rail (35%)	0.1	26.5	(26.4)	-17569%	
42	MR Total	\$ 54.2	\$ 32.6	\$ 21.6	40%	
43						
44	Total	\$ 553.6	\$ 434.3	\$ 119.3	22%	

- Other Agency-wide Operating Expenses:

Other Metro operating expenses were \$30.5 million or 18.0% below the \$169.7 million budget.

(Dollars in Millions)

	Project/Category	Budget	Actual	Variance	% Variance	Explanation
1	Freeway Service Patrol	\$ 12.7	\$ 9.8	\$ 2.9	22.8%	Lower FSP Tow Contractor expenditures due to lower than anticipated average hourly rate on last procurement and non-use of operational contingency funds.
2	SAFE	5.6	3.0	2.6	46.9%	Working with Procurement to issue 511Contract.
3	I-405 Car Pool Lanes	61.9	85.5	(23.6)	-38.1%	Over budget is due to year end under accrual of payments to contractor and DWP.
4	Measure R Planning Project	39.3	10.2	29.1	74.1%	Planning costs included in Measure R projects shown on Measure R report below.
5	Overhead	13.0	6.5	6.5	50.3%	Timing of Overhead Allocation
6	Other Planning Project					
7	Admin-Planning Dept	-	0.5	(0.5)	N/A	Accounting actual OH allocation is not booked.
8	Admin-Highway Prog	-	0.2	(0.2)	N/A	Accounting actual OH allocation is not booked
9	Third Party Coordination	-	0.4	(0.4)	N/A	City of LA 1st Street bridge widening project expenses. No budget in FY12.
10	Other P&P Planning	6.1	4.8	1.3	21%	West Hollywood AA on hold, due to shortage of staff and other project priorities
11	Transit Planning	4.3	2.1	2.2	52%	MOU delays, project on hold or deferred.
12	Highway Planning	3.5	1.2	2.3	65%	I405 Study is behind schedule and should see cost in Q4; LA CRDP Project will start incurring cost in Q4 for Board approve project.
13	Regional Intel Trans System	0.9	0.1	0.8	92%	USC is behind in completing and invoicing for the RIITS System development and Interface
14	Union Station Transprt Mstr Pln	1.2	0.2	0.9	81%	Delays in RFP process for a consultant, majority will carry over until FY13
15	Caltrans Property Maint	1.4	0.0	1.4	99%	Delay in transfer of ownership from Caltrans, not allowed to start maintenance
16	Metro Bus Stop Usability Study	0.8	0.8	0.8	100%	Delays in staffing are now resolved and the project should expend all funds by Q4.
17	Mobility & Air Quality Program	1.8	1.4	0.4	24%	Project delays
18	Streetcar Project	0.9	0.5	0.4	42%	Project delays
19	Mta Sponsored Ctp Proj/Pc25	1.2	0.8	0.4	37%	Project delays
20	Gap Closure Project	1.2	0.3	0.9	75%	Project delays
21	Misc Planning Projects	9.9	7.6	2.4	24%	Immaterial variances in many minor projects
22	Other Planning Project Total	33.0	20.0	13.0	39%	Delayed in professional service cost.
23	General Fund Project					
24	Santa Fe MGL Joint Developm	0.2	0.03	0.1	83%	Ground lease started in Dec 2011. Construction labor charges will show in 2nd half year.
25	Property Management	1.3	0.7	0.5	42%	Facility maintenance - delayed invoicing from Metrolink for ROW maintenance.
26	Union Station Purchase JD	(0.03)	0.1	(0.1)	475%	Negative budget is due to reallocation the budget to the 2nd half year. The Actual is on time. The variance will be zero out at the end of the year.
27	Owned Property	1.6	2.6	(1.1)	-68%	YTD operating expense for Union Station is more than anticipated.
28	Other Real Estate Projects	1.2	0.8	0.4	35%	Invoice delayed and PPP projects delayed.
29	General Fund Project Total	\$ 4.2	\$ 4.3	\$ (0.1)	-2%	
30	Total	\$169.7	\$139.2	\$ 30.5	18.0%	

- Debt Service Expenses:

Debt principal and interest expenses were \$0.4 million or 0.2% below budget due to historic low interest rates on Prop A Tax-Exempt CP notes.

MEASURE R EXPENSES

Measure R projects ended the reporting period with \$232.9 million or 39.5% below the \$589.3 million budget. The chart below separates the Measure R projects by Measure R subfund and explains projects that had significant variances. (Note: Measure R projects are included in the bus and rail operating, capital, other operating, subsidies and debt discussions above as well.)

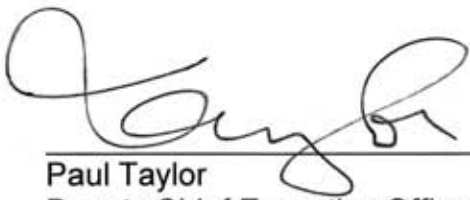
Measure R Report

	Measure R Fund	Budget	Actual	Variance	% Variance	Explanation
1	Administration (1.5%)					
2	Admin-Measure R	6.4	2.0	4.5	69.43%	Lower than expected professional cost and labor cost.
3	Project Mgmt Information System	0.4	0.0	0.3	87.56%	Small variance due to timing
4	Administration (1.5%) Total	\$ 6.8	\$ 2.0	\$ 4.8	70.46%	
5	Debt Service					
6	Debt Service- Measure R	25.9	25.8	0.1	0.31%	On target.
7	Debt Service Total	\$ 25.9	\$ 25.8	\$ 0.1	0.31%	
8	Highway Capital (20%)					
9	Highway Capital (20%) - Subsidy					
10	High Desert Corridor	5.2	-	5.2	100.00%	Delays in 3rd party contract
11	Hwy Operating Improvements Arroyo Verdugo	6.8	1.2	5.7	82.88%	Invoice delay from City of Glendale.
12	Hwy Operating Improvements Virgenes/Malibu	9.9	1.5	8.4	84.95%	Invoice delay from City of Agoura Hills.
13	I-405, I-110, I-105, SR91 Ramp & Interchange	3.5	0.2	3.3	93.90%	Invoice delay from South Bay Cities Council of Gov.
14	I-5 N Enhance SR14/Kern County	17.5	0.0	17.5	100.00%	No invoicing yet. Funding Agreements were just executed on 5/26/11
15	Phase II Alameda Corridor E. Grade Separation	11.0	3.3	7.7	70.03%	Alameda Corridor involving eight grade separations is in various stages of development
16	Sub Total of Highway Capital (20%) Subsidy	\$ 53.9	\$ 6.1	\$ 47.8	\$ 0.9	
17	I-605 Corridor "Hot Spot"	2.1	1.5	0.6	28.97%	
18	I-710 North Gap Closure	5.4	0.6	4.8	88.72%	Construction delays due to design delays.
19	I-710 South Early Action Projects	4.1	1.0	3.1	76.15%	
20	SR-138 Capacity Enhance	0.03	0.01	0.02	73.80%	Delays in procuring the contract.
21	Countywide Soundwall Projects	16.5	4.6	11.9	72.34%	Construction delays due to design delays for Cities of LA, Long Beach, Burbank, Santa Fe Springs/Irwindale, and Pasadena/Arcadia
22	Other Highway Capital Projects	0.6	0.3	0.3	50.00%	Minor variance
23	Highway Capital (20%) Total	\$ 82.8	\$ 14.1	\$ 68.6	82.92%	
24	Local Return (15%)					
25	Measure R 15% Local Return	44.7	45.5	(0.8)	-1.85%	Cities drew down their capital reserves.
26	Local Return (15%) Total	\$ 44.7	\$ 45.5	\$ (0.8)	-1.85%	
27	Operations - Bus (20%)					
28	Measure R 20% FAP Subsidies	20.4	22.0	(1.6)	-7.73%	Cities drew down their capital reserves.
29	Metro Bus Share	44.4	45.5	(1.1)	-2.44%	Variance is due to accounting allocation. Variance in Metro
30	Metro Orange Line	2.0	0.9	1.1	53.44%	Bus Share and Orange Line offset each other.
31	Operations - Bus (20%) Total	\$ 66.9	\$ 68.4	\$ (1.6)	-2.36%	
32	Operations - Rail (5%)					
33	Expo Line	0.5	0.3	0.3	50.00%	Variance is due to accounting allocation. Variance in Expo Line
34	Gold Line	4.7	5.0	(0.3)	-5.80%	and Gold Line offset each other.
35	Operations - Rail (5%) Total	\$ 5.3	\$ 5.3	\$ (0.0)	0.00%	
36	Transit Capital - Metro Rail CP (2%)					
37	Eastside Quad Gate Study and Installation - Subsidy	0.2	-	0.2	100.00%	Elements in study are being considered for moving project forward.
38	Eastside Quad Gate Study and Installation - Non-Subsidy	0.8	0.1	0.6	82.48%	
39	Buena Vist Yards Project	0.2	0.0	0.2	88.37%	Invoice delay.
40	Transit Oriented Development Grant Program	2.5	-	2.5	100.00%	December 2011 Board awarded TOD Grants
41	Eastern Maintenance Facility	3.0	10.3	(7.3)	-242.48%	Budget is in Feb 2012. Actual invoice came in earlier than budgeted
42	Transit Capital - Metro Rail CP (2%) Total	\$ 6.7	\$ 10.4	\$ (3.8)	-56.15%	
43	Transit Capital - Metrolink (3%)					
44	Metrolink Transit Capital	13.3	-	13.3	100.00%	PTC project is in delay.
45	Transit Capital - Metrolink (3%) Total	\$ 13.3	\$ -	\$ 13.3	100.00%	
46	Transit Capital - New Rail (35%)					
47	Transit Capital (35%) Subsidy					
48	Eastside Extension Phase II	0.1	-	0.1	100.00%	
49	Eastside Light Rail Access	0.02	-	0.0	100.00%	No drawdown yet.
50	Westside Subway Extension	0.05	-	0.0	100.00%	
51	SFV East N/S Rapid	-	0.1	(0.1)	N/A	
52	Gold Line Foothill Extension	-	26.5	(26.5)	N/A	Effort to realign the budget to subsidy is underway. The unfavorable variance is offset by favorable variance in non-subsidy accounts below in the same project.
53	Sub Total of Transit Capital (35%) Subsidy	\$ 0.1	\$ 26.5	\$ (26.4)	-17569.33%	
54	Crenshaw/Lax Transit Corridor	13.8	11.6	2.1	15.43%	Final invoices pending FTA ROD approval
55	Expo Blvd LRT Construction Phase I - Expo	48.4	35.5	13.0	26.80%	Expenditure increase anticipated in Q3-Q4 as project nears closeout and changes are negotiated and processed
56	Expo Blvd LRT Construction Phase I - Metro	7.1	2.6	4.5	63.31%	
57	Expo Blvd LRT Construction Phase II - Expo	87.3	33.1	54.2	62.07%	Timing variances, pending real estate purchases and contract award.
58	Expo Blvd LRT Construction Phase II - Metro	45.3	9.3	36.0	79.52%	
59	Gold Line Foothill Extension	46.7	0.1	46.5	99.70%	ROW acquisitions delayed pending SEIR approval. SEIR validity recently challenged in a court filing further delaying project progress.
60	Green Line Ext Redondo Beach-South Bay	0.2	0.8	(0.6)	-413.30%	Project moving faster than originally anticipated
61	Metro Orange Line Extension	43.3	29.9	13.4	30.96%	Design builder remains behind schedule in work effort and billings.
62	Regional Connector	13.6	11.3	2.4	17.55%	Timing variance due to invoice submittals about 60 days in arrears.
63	SFV East N/S Rapid	0.7	1.3	(0.6)	-87.79%	Project moving faster than originally anticipated
64	Westside Subway Extension	25.1	18.9	6.3	24.91%	Underrun due to less than anticipated expenditures for 3rd Party Utility Agencies
65	Other Transit Capital Projects	5.3	3.9	1.4	26.57%	Misc 8 projects. Variance considered not significant.
66	Transit Capital - New Rail (35%) Total	\$ 336.9	\$ 184.7	\$ 152.2	45.18%	
67	Grand Total	\$ 589.3	\$ 356.4	\$ 232.9	39.52%	

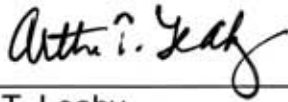
FY12 OUTLOOK

Metro should end the year on or about budget for revenue and expenses. Sales tax revenue although above budget still reflects lingering effects of the "great recession". Passenger fares are on budget through the first six months. First half expenses are below budget in Measure R, capital, debt, and subsidy funds, but we expect that expenses will correspond more closely with budget towards midyear or by the 3rd quarter of FY12.

Prepared by: Office of Management & Budget



Paul Taylor
Deputy Chief Executive Officer



Arthur T. Leahy
Chief Executive Officer