

ITEM 14

Los Angeles County
Metropolitan Transportation Authority

FY13 Second Quarter Financial Performance



The Office of Management, Budget & Local
Programming

Metro

Finance, Budget & Audit Committee Meeting

April 17, 2013

(Carried over from March 20, 2013)

Introduction

YTD December 31, 2012

Revenues/ Expenses (\$ in millions)		Budget	Actual	\$ Variance	% Variance
1	Total Carryover Revenues from Prior Year	\$ 336.3	\$ 336.3	\$ -	
2	Total Current Year Revenues	1,899.8	1,831.5	(68.3)	-3.6%
3	Total Expenses/Expenditures	2,236.1	1,760.5	475.6	21.3%
4	Revenue Over/(Under) Expenses	\$ -	\$ 407.3	\$ 407.3	

- FY13 Second Quarter (Q2) Financial Performance net revenues/expenses close favorably at \$407 Million

Summary of Revenues

YTD December 31, 2012

Revenue Sources (\$ in millions)	Budget	Actual	\$ Variance	% Variance
1 <u>Sales Tax & TDA Revenues</u>				
2 Proposition A	\$ 314.7	\$ 345.8	\$ 31.1	9.9%
3 Proposition C	314.7	345.8	31.1	9.9%
4 Measure R	314.7	345.3	30.6	9.7%
5 Transportation Development Act	157.3	173.8	16.5	10.5%
6 State Transit Assistance Fund	61.8	59.4	(2.4)	-3.9%
7 <u>Subtotal Sales Tax & TDA Revenues</u>	\$ 1,163.2	\$ 1,270.1	\$ 106.9	9.2%
8 <u>Operating & Other Revenues</u>				
9 Passenger fares	\$ 172.6	\$ 165.8	\$ (6.8)	-3.9%
10 Advertising	12.2	14.5	2.3	18.9%
11 Investment Income	2.5	20.5	18.0	720.0%
12 Other Income	22.1	23.1	1.0	4.5%
13 <u>Subtotal Operating & Other Revenues</u>	\$ 209.4	\$ 223.9	\$ 14.5	6.9%
14 <u>Total Sales Tax & Operating Revenues</u>	\$ 1,372.6	\$ 1,494.0	\$ 121.4	8.8%

- **Revenues are unfavorable at \$68 million, or -3.1%**
 - **Sales Tax** favorable \$107 million 9.2% due to higher Prop A, C, Measure R and TDA for the first quarter.
 - **Fares & other operating** revenue is favorable \$15 million, or 6.9%, due to advertising and investment income. Fares are unfavorable due to no increase in day pass and lower fare revenue per boarding.

Summary of Revenues-continued

YTD December 31, 2012

Revenue Sources (\$ in millions)	Budget	Actual	\$ Variance	% Variance
1 <u>Capital Reimbursements</u>				
2 Federal Grants	\$ 247.3	\$ 257.9	\$ 10.6	4.3%
3 State Sources including Prop 1B & Other	267.5	77.6	(189.9)	-71.0%
4 Local Grants and contributions	12.4	2.0	(10.4)	-83.9%
5 <u>Subtotal Capital Reimbursements</u>	\$ 527.2	\$ 337.5	\$ (189.7)	-36.0%
6 <u>Total New Revenues</u>	\$1,899.8	\$1,831.5	\$ (68.3)	-3.6%
7 <u>Carryover Revenue from Prior Year</u>	336.3	336.3	-	0.0%
8 <u>Total Revenues</u>	\$2,236.1	\$2,167.8	\$ (68.3)	-3.1%

- **Capital Grant reimbursements** are unfavorable at \$189.7 million, or -36.0%, due to delayed capital expenditures to be reimbursed

Summary of Expenses

- Expenses are under budget by \$476 million, or by 21.3%

YTD December 31, 2012

Expense (\$ in millions)	Budget	Actual	\$ Variance	% Variance
1 Bus & Rail Operating	\$ 640.7	\$ 626.5	\$ 14.2	2.2%
2 Metro Capital/Construction	724.4	316.9	407.5	56.3%
3 Subsidies	511.6	498.8	12.8	2.5%
4 Other Agencywide Operating	185.3	143.8	41.5	22.4%
5 Debt Service	174.1	174.5	(0.4)	-0.2%
6 Total Expenses	\$ 2,236.1	\$ 1,760.5	\$ 475.6	21.3%

- **Capital/Construction** is under budget by \$408 million, or by 56.3%, due to delays reflected in nearly all projects including Measure R and deferred maintenance
- **Subsidies** are under budget \$12.8 million, or by 2.5%, due to delayed local draw downs
- **Bus and Rail Operating** is under budget \$14 million, or by 2.2% due to favorable fuel, benefits and services savings offsetting unfavorable overhead variances
- **Other Operating** is under budget \$42 million, or by 22.4%:
 - Measure R** and other transit and highway planning studies delayed
- **Debt** is over budget \$.4 million, or 0.2%, due to change in accounting for bond issuance cost

Year-End Forecast & Next Steps

- **Year-End Financial Performance for FY13 is projected as followed:**
 - Expected favorable variances in all expense categories
 - Expected favorable variances in all revenue categories except capital grant reimbursements resulting from project delays and passenger fares due to the day pass
 - Higher rate of expenditure in remaining quarters of FY13
- **OMB will report back to the Board with third quarter analysis in June or July.**