



**Metro**

Los Angeles County  
Metropolitan Transportation Authority

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**FINANCE, BUDGET AND AUDIT COMMITTEE  
JUNE 19, 2013**

**SUBJECT: FISCAL YEAR 2013 THIRD QUARTER BUDGET FINANCIAL PERFORMANCE**

**ACTION: RECEIVE AND FILE**

**RECOMMENDATION**

Receive and file the third quarter financial performance for Fiscal Year (FY) 2013.

**ISSUE**

This is the quarterly financial performance update to the Board. This report, for the third quarter of the FY13 Budget, shows that we are able to deliver safe and reliable transportation service.

**DISCUSSION**

**Summary of Revenues**

The agency expenses ended the third quarter of FY13 at \$645.3 million, or 19.2% below the budgeted \$3,352.2 million. Sales taxes for the same period were \$136.7 million, or 7.8% more than the \$1,744.7 million budgeted and capital reimbursements were \$316.0, million, or 38.0% below the \$830.8 million budgeted.

At the end of third quarter FY13 (July 1, 2012 to March 31, 2013), total revenues are \$144.0 million below budget, which includes the combination of offsetting revenue/expense variances, and Metro is \$501.3 million under budget overall.

YTD March 31, 2013

	Revenues/ Expenses (\$ in millions)	Budget	Actual	Variance	% Variance
1	Total Carryover Revenues from Prior Year	\$ 462.4	\$ 462.4	\$ -	
2	Total Current Year Revenues	2,889.8	2,745.8	(144.0)	-5.0%
3	Total Expenses/Expenditures	3,352.2	2,707.0	645.3	19.2%
4	Revenue Over/(Under) Expenses	\$ -	\$ 501.3	\$ 501.3	

Source (\$ in millions)	Budget	Actual	Variance	% Variance
1 <u>Sales Tax &amp; TDA Revenues</u>				
2 Proposition A	\$ 472.0	\$ 511.5	\$ 39.5	8.4%
3 Proposition C	472.0	511.5	39.6	8.4%
4 Measure R	472.0	510.9	38.9	8.2%
5 Transportation Development Act	236.0	257.2	21.2	9.0%
6 State Transit Assistance Fund	92.8	90.3	(2.4)	-2.6%
7 Subtotal	\$ 1,744.7	\$1,881.4	\$ 136.7	7.8%
8 <u>Operating &amp; Other Revenues</u>				
9 Passenger fares	\$ 259.0	\$ 247.4	\$ (11.6)	-4.5%
10 Toll Revenue	8.2	5.9	(2.3)	-28.4%
11 Advertising	18.2	19.5	1.3	7.0%
12 Investment Income	3.8	20.7	16.9	444.0%
13 Other Income	25.1	56.1	31.0	123.5%
14 Subtotal	\$ 314.4	\$ 349.6	\$ 35.3	11.2%
15				
16 <b>Total Sales Tax &amp; Operating Revenues</b>	<b>\$ 2,059.1</b>	<b>\$2,231.0</b>	<b>\$ 172.0</b>	<b>8.4%</b>
17 <u>Capital Reimbursements</u>				
18 Federal Grants	\$ 410.7	\$ 272.6	\$(138.1)	-33.6%
19 State Sources including Prop 1B & Other	401.4	239.5	(162.0)	-40.3%
20 Local Grants and contributions	18.7	2.7	(15.9)	-85.5%
21 Subtotal Capital Reimbursements	\$ 830.8	\$ 514.8	\$(316.0)	-38.0%
22 <b>Total New Revenues</b>	<b>\$ 2,889.8</b>	<b>\$2,745.8</b>	<b>\$(144.0)</b>	<b>-5.0%</b>
23 Carryover Revenue from Prior Year	462.4	462.4	0.0	
24 <b>Total Revenues</b>	<b>\$ 3,352.2</b>	<b>\$3,208.2</b>	<b>\$(144.0)</b>	<b>-4.3%</b>

- Sales Tax, TDA & STA

The information presented above represents actuals for the first two quarters; plus estimates for the third quarter. The third quarter estimates will be updated when the State Board of Equalization releases the data in mid-June. Sales Tax and TDA exceed the adopted budget by \$136.7 million, or 7.8%, and reflects the local economy growing at a rate greater than assumed in the budget.

State Transit Assistance (STA) revenue is dependent upon actual consumption of diesel fuel. The information presented above reflects a slight decline in diesel usage. Staff will continue to monitor and advise the Board as more information becomes available.

- Passenger Fare Revenue

Passenger fare revenue of \$247.4 million was below the budgeted amount of \$259.0 million, or 4.5% under budget. Boardings of 352.9 million exceeded the budgeted boardings of 343.0 million by 2.9%. The resulting fare revenue per boarding is 70¢, which is 5¢ below the budgeted 75¢. Factors contributing to this variance include the rolling 30 day pass, fare evasion and the day pass price remaining at the reduced \$5/pass level instead of the normal \$6/pass. Ongoing measures are in place to curb fare evasion and to educate passengers on fare media usage.

- Tolls

Express lane tolls of \$5.9 million were \$2.3 million under budget as a result the later than anticipated opening of the Metro Express Lanes project.

- Advertising

For the first three quarters of FY13 Metro recognized \$1.3 million more revenue than budgeted based on terms of a contract set to expire in the following quarter. Terms of the new contract should result in Metro being on budget at year end.

- Capital Reimbursement Revenues

Capital reimbursements are comprised primarily of Federal, State and Local grants revenues which ended the reporting period below budget by \$316.0 million, or 38.0%. These capital grants are recognized on a reimbursements basis driven by related capital and planning expenditure activity which came in below budget for the period. Details of the related expenses can be found in the “Summary of Revenues/Expenses” sections of this report.

- Investment Income

Investment income of \$20.7 million significantly exceeded the budget by \$16.9 million due to greater than anticipated cash balances. The higher than anticipated balances are related to slower than expected draw-downs for capital projects and planning subsidies during the period. Metro continues to invest the unused funds according to Board approved policy.

- Other Income

Other income of \$56.1 million exceeded the budgeted amount of \$25.1 million by \$31.0 million. Most of this variance reflects CNG tax credits of \$20 million that were not anticipated in FY13.

Summary of Expenses:

Overall, expenses totaled \$2,707.0 million, which is \$645.3 million, or 19.2%, below the \$3,352.2 million budgeted amount. Variance explanations are discussed below.

YTD March 31, 2013

Expenses (\$ in millions)	Budget	Actual	Variance	% Variance
1 Bus & Rail Operating	\$ 963.5	\$ 944.6	\$ 18.9	2.0%
2 Metro Capital/Construction	1,075.7	519.5	556.2	51.7%
3 Subsidies	767.1	763.3	3.8	0.5%
4 Other Agencywide Operating	289.9	225.2	64.7	22.3%
5 Debt Service	256.1	254.4	1.7	0.6%
6 Total Expenses/Expenditures	\$ 3,352.2	\$ 2,707.0	\$ 645.3	19.2%

Expense Type (in Millions)	Under budget	Funding Sources		Additional Information
		Grants	Local	
1 Metro Operating	\$ 18.9	\$ 2.0	\$ 16.9	Available for operations.
2 Metro Capital	556.2	155.2	\$ 401.0	Local funds. Mostly MR 35% and Bond Proceed and others funds used as match to State or Federal Grants. These funds will remain with the grant funded capital projects.
3 Subsidies	3.8	-	\$ 3.8	Primarily Local Return. Call For Projects. and Muni Shares of Sales Tax dollars allocated based on tax ordinances.
4 Other Operating	64.7	-	\$ 64.7	Rental, lease and other miscellaneous revenues, plus indirect costs not yet allocated to projects.
5 Debt Service	1.7	-	\$ 1.7	Result of Accounting reconciliation and reporting changes.
6 Total Expenses	\$ 645.3	\$ 157.2	\$ 488.1	

- Metro Bus & Rail Operating Expenses

Metro bus and rail operating expenses are \$18.9 million or 2.0% below the \$963.5 million budgeted amount. Unfavorable variances in some categories offset favorable variances in other categories. Much of the favorable variance was the result of the lower than expected natural gas prices, delayed expense for services, and the timing of fringe benefit allocations. The CEO and management controlled cost wherever possible.

YTD March 31, 2013

Category	(\$ in Millions)	Budget	Actual	Variance	% Variance	Comments
1 Wages		\$ 392.00	\$ 390.80	\$ 1.20	0.3%	Vacancy savings offset by ATU & AFSCME
2 Benefits		175.8	168.7	7.1	4.0%	Timing of fringe benefit allocations
3 Fuel & Propulsion Power		43.6	37.3	6.3	14.4%	Lower natural gas price
4 Parts & Supplies		69.3	68.2	1.1	1.6%	Bus & Rail on budget
5 Security Services		65.9	62.3	3.6	5.5%	Timing of LASD & contract security invoices
6 Express Lane Services		9.9	5.5	4.4	44.4%	Later start of operations
7 Elevator/Escalator Services		8.1	5.9	2.2	27.2%	Timing of invoices
8 Other Services		51	39.5	11.5	22.5%	Less than \$1M variances in multiple departments
9 Purchased Transportation		32.3	30.7	1.6	5.0%	Timing of invoices
10 Workers' Comp & PLPD		60.8	59.5	1.3	2.1%	Timing of insurance payments
11 Allocated Overhead		38.9	60.3	-21.4	-55.0%	Timing of overhead allocation
12 Other		15.9	15.9	-	-	Multiple offsetting small variances
13 Total Expense		\$ 963.50	\$ 944.60	\$ 18.90	2.0%	

- Metro Capital

Capital expenses were \$ 556.2 million, or 51.7%, below the \$1,075.7 million budget due to a combination of invoice processing delays and project timing variances.

YTD March 31, 2013

Project / Category	Budget	Actual	Variance	% Variance	Comments
1 Bus Acquisition	\$ 67.39	\$ 57.68	\$ 9.71	14.4%	Contract award delay to 150 45' Compo Bus and 550 40' Bus Fleet Replacement procurements.
2 Congestion Relief Projects	38.9	20.1	18.8	48.2%	Underrun due to accelerated construction completed in FY12 for El Monte Station and I-110 HOT Lanes; invoice delays for the Toll Lanes contractor and 3rd party agencies.
3 Bus Facilities Imps & Bus Maintenance	74.1	51.9	22.2	29.9%	Delayed NTP issued to Div 13; Delayed bus mid life efforts due to availability of articulated buses. Timing variance with engine purchases.
4 Rail Fac Imp & Wayside	58.3	29.5	28.8	49.3%	Re-bid for the MOL Ped Underpass, termination & rebid for Div 20 Carwash contractor, MRL WESS contract award delay, Digital Rail Radio System FCC delays, and various invoicing delays.

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Project / Category	Budget	Actual	Variance	% Variance	Comments
5 Rail Veh Acquisition & Maintenance	77.8	43.7	34.1	43.8%	Delayed procurements for Light Rail Vehicle & Heavy Rail Vehicle acquisition projects. Schedule delay for parts delivery for the P2000 Component Overhaul project.
6 ITS, Communications & Safety Security	13.3	15.5	(2.2)	-16.9%	Underruns to ITS projects offset by an overrun to the Emergency Operations Center project for land acquisition in Q2. Projects to remain within established LOP budget.
8 Non Rev Veh, Warehouse & Oth Capital Projects	9.2	10.4	(1.2)	-13.2%	Underrun due to procurement delays to Warehouse, & USG Re-novation projects. This was offset by accelerated delivery of Non Revenue vehicle projects.
10 Planning Projects for Measure R	16.3	6.3	10.0	61.6%	Various timing delays associated for Meas R Transit Projects in Planning phase.
11 Major Construction & Closeout Projects	23.0	13.0	10.0	43.6%	Orange Line N/S project budget underrun; Light Rail Veh Fleet Enh punch list work & delays; late invoicing for East Side Ext & Pasadena Gold Line closeout projects.
13 Foothill Extension	134.9	85.5	49.3	36.6%	Design delays on D/B contract impacting construction activities; underrun is expected to carry thru to remaining FY13 duration.
14 Regional Connector	77.5	14.5	63.0	81.3%	Record of Decision delay impacted ROW Acquisitions; invoicing delays for design consultant & 3rd Party agencies.
16 Crenshaw LAX Transit Corridor	91.4	28.3	63.0	69.0%	Extension of D/B solicitation period impacting design & construction activities. ROW acquisition delay & invoicing delays from various professional service contracts
17 Westside Subway Extension	109.3	19.6	89.7	82.1%	Record of Decision delay impacted ROW Acquisitions; project change to a 3 phase delivery pushing final design to FY14, invoicing delays for 3rd Party agencies.
18 Mid City Expo Light Rail Phase 1	35.5	7.6	27.8	78.5%	Invoicing delays for DWP. Closeout & change order negotiations ongoing. Planned expenditure increases in Q4 to mitigate underrun to date.
19 Mid City Expo Light Rail Phase 2	249.1	112.1	137.0	55.0%	Delayed ROW Acquisitions. Delayed invoicing from 3rd Party agencies. Delayed Bike path contract execution. Planned expenditure increases in Q4 for the Expo II contractor.
20 Administration - Capital Program & Construction	(0.3)	3.6	(3.8)	100.0%	Overhead allocated costs to be redistributed to affected projects.
25 Total	\$1,075.68	\$ 519.45	\$ 556.23	51.7%	

- Subsidies

Subsidies were \$3.8 million, or .5% below the \$767.1 million budgeted amount due to delays in draw-downs in programmed funds by non-Metro operators.

Category	(\$ in millions)	Budget	Actual	Variance	% Variance	Comments
1 Transit						
2 Access Services		\$ 42.70	\$ 42.60	\$ 0.10	0.2%	
3 Commuter Rail		49.7	75.5	(25.8)	-51.9%	Overrun is due to SCRRA rehab and capital expenses that were in MOUs from FY07 thru FY10.
4 Fare Assistance		7.9	5.9	2.0	25.3%	Invoicing delays with SHORE and Rider Relief
5 Municipal Operators		217.3	210.6	6.7	3.1%	Delayed municipal operator drawdowns.
6 Planning & Admin		2.5	0.4	2.1	84.0%	Invoicing delays and year end accrual reversal.
7 Prop A Incentive		9.0	4.1	4.9	54.4%	Year end accrual and invoicing delays.
8 Mobility & Air Quality Program		0.5	-	0.5	100.0%	Project does not start yet.
9 Transit Total		\$ 329.6	\$ 339.1	\$ (9.5)	-2.9%	

Table continues on following page

Category	(\$ in millions)	Budget	Actual	Variance	% Variance	Comments
10 Call For Projects						
11 Bus Capital Operations		\$ 0.90	\$ -	\$ 0.90	100.0%	Project does not start yet.
12 Freeway		21.1	40.4	(19.3)	-91.5%	Variance due to MOU payments for FY12 invoice. No year end accrual; I-5 HOV and I-5 Widening (605 to OC) are ahead of schedule.
13 Local Traffic System		15.1	12.5	2.6	17.2%	Delay/timing of invoices, and unanticipated schedule delays; changes to ROW issues is causing the projects to be behind schedule as well.
14 Regional Bikeways		0.6	0.2	0.4	66.7%	
15 Regional Surface Trans		41.9	30.1	11.8	28.2%	Under budget due to projects delay in I-710 EIR/EIS, Goods Movements, Alameda Corridor, Nogales St. Grade and Hyperion Project.
16 Local Transportation Project		0.2	0.2	-	0.0%	
17 Soundwalls Program		0.1	3.7	(3.6)	-3600.0%	Projects drew faster than budgeted.
18 Transportation Demand Mgmt		1.5	0.2	1.3	86.7%	CALTRANS completing soundwall designs for various cities.
19 Call For Projects Total		\$ 81.4	\$ 87.3	\$ (5.9)	-7.2%	
20 Population						
21 Local Return		274.8	297.8	(23.0)	-8.4%	Municipal operators' draw down were based on actual tax revenues which were higher than budget.
22 Pedestrians & Bikes		4.7	4.1	0.6	12.8%	Project is moving forward.
23 Street & Hwys		14.3	8.4	5.9	41.3%	Projects move slower.
24 Population Total		\$ 293.8	\$ 310.3	\$ (16.5)	-5.6%	
25 Federally Funded						
26 Gap Closure Project		\$ 3.30	\$ 0.10	\$ 3.20	97.0%	Project is in delay.
27 Highway Pass Through Program		1.3	0.3	1.0	76.9%	Pass through projects.
28 JARC Program Capital & Ops		1.4	0.1	1.4	96.4%	Delays with the sub-grantee's implementing and moving projects forward.
29 Metro Rapid Bus		4.7	0.3	4.4	93.6%	
30 New Freedom Capital & Ops		0.8	0.3	0.5	62.5%	Invoice and timing delays
31 Regional Grantee-FTA		3.7	6.5	(2.8)	-75.7%	LA Community College drew down from prior years subsidies.
32 Very Small Wilshire Bus Lane		5.8	1.8	4.0	69.0%	Project starts to move ahead but slower than anticipated.
33 Federally Funded Total		\$ 21.0	\$ 9.4	\$ 11.7	55.5%	
34 MR						
35 Highway Capital (20%)		\$ 37.33	\$ 16.63	\$ 20.70	55.5%	Details in Measure R schedule below, Sub Fund, Subtotal of Subsidy
36 Transit Capital: Metro Rail CP (2%)		3.9	0.5	3.3	86.0%	
37 Transit Capital: New Rail (35%)		0.1	0.1	0.0	9.3%	
38 MR Total		\$ 41.3	\$ 17.2	\$ 24.1	58.3%	
39 Grand Total		\$ 767.1	\$ 763.3	\$ 3.8	0.5%	

- Other Agency wide Operating Expenses

Other Metro operating expenses were \$64.7 million or 22.3% below the \$289.9 million budget. The bulk of the variance is due to timing of overhead allocations.

Project/Category	Budget	Actual	Variance	% Variance	Comments
1 Freeway Service Patrol	\$ 20.5	\$ 15.4	\$ 5.1	24.9%	Variance is due to: the delay in securing technical contract support/services; under utilization of support & on call services; delay in invoices; \$2m FY12 year end Accounting accrual reversal.
2 SAFE	9.4	5.5	3.8	40.8%	Variance is due to: saving of procurement support; savings in call box support, maintenance, delay in MATIS/511 operation, marketing and development support.
3 I-405 Car Pool Lanes	110.4	124.1	(13.7)	-12.4%	Overrun due to additional project enhancements and inadequate contingency to address provisional bid estimated costs. Staff is submitting a Board Report to request a IOP increase.
4 Measure R Planning Project	42.2	35.9	6.4	15.1%	Planning costs included in Measure R projects shown on Measure R report below.
5 Overhead	30.5	(3.9)	34.4	112.8%	Accounting allocation.
6 Pass Through	0.2	0.8	(0.7)	-369.6%	

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Project/Category	Budget	Actual	Variance	% Variance	Comments
7 Planning Project					
8 Transit Planning	6.8	4.1	2.7	40%	MOU delays, project on hold or deferred
9 Highway Planning	10.4	3.3	7.1	69%	Due to delays in procurement, contractor negotiations and post-award administration, contracts are progressing at a slower than anticipated pace
10 Regional Intel Trans System	2.7	0.6	2.1	76%	USC is behind in completing and invoicing for the RIITS System development and interface
11 Systemwide Design Advisory Panel	2.8	0.5	2.3	82%	Will initiate procurement in Q4.
12 Caltrans Property Maint	3.7	1.4	2.2	61%	Delay in transfer of ownership from Caltrans, not allowed to start maintenance
13 Metro Bus Stop Usability Study	1.1	-	1.1	100%	Delays in staffing resulting in project delay.
14 Mobility & Air Quality Program	3.2	1.4	1.8	56%	Department is working with subregions and cities on CMP. Funds will be expended in later part of FY13.
15 Farmer's Field	1.0	0.0	1.0	98%	Project delays
16 Rideshare Service	6.9	6.0	0.9	13%	Project delays
17 Mta Sponsored Cfp Proj/Pc25	2.5	1.6	1.0	38%	Project delays
18 Gap Closure	1.6	0.8	0.8	52%	Contractor delays
19 Streetcar Project	1.4	0.7	0.8	53%	Contract modification is underway.
20 Misc Planning Projects	16.70	12.67	4.0	24%	Immaterial variances in many minor projects
21 Other Planning Project Total	65.9	34.9	31.0	47%	Delayed in professional service cost.
22 General Fund Project					
23 Highway/Goods Movement Package	2.6	5.2	(2.6)	-100%	Timing of budget. Will be balanced at the end of year.
24 Property Management	2.0	1.3	0.6	33%	Delays in SCRRA billing
25 Santa Fe MGL Joint Development	0.3	0.4	(0.1)	-44%	Variance is due to Operation labor charges.
26 Taylor Yard Joint Development	0.8	0.6	0.2	20%	Pending invoice. Will be expensed by the year end
27 Owned Property	2.7	3.0	(0.4)	-14%	Staff worked on this project more than anticipated
28 Other Real Estate Projects	2.5	1.9	0.6	24%	Invoice delayed and Pending Board Action.
29 General Fund Project Total	10.8	12.5	(1.7)	-16%	
30 Grand Total	\$ 289.9	\$ 225.2	\$ 64.7	22.3%	

- Debt Service Expenses

Debt principal and interest expenses were \$1.7 million, or 0.6%, over budget due to a required change in accounting for bond issuance cost.

Measure R Expenses:

Measure R projects ended the reporting period with \$501.6 million, or 44.9%, below the \$1,116.6 million budget. The following chart separates the Measure R projects by Measure R sub-fund and explains projects that had significant variances. Measure R expenses presented in the following table are also included in the bus and rail operating, capital, other operating, subsidies and debt service expense discussions presented earlier in this report. The purpose of the following table is to provide a consolidated view of Measure R expense activity.

Measure R Fund (\$ in millions)	Budget	Actual	Variance	% Variance	Comments
1 Administration (1.5%)					
2 Admin-Measure R	5.6	2.4	3.2	56.7%	Lower than expected professional cost and labor cost.
3 Flower Street Fire/Life/Safety Concerns	0.1	0.1	(0.0)	-8.4%	
4 Project Mgmt Information System	-	0.1	(0.1)	N/A	Payments for FY12 invoices
5 Administration (1.5%) Total	\$ 5.7	\$ 2.7	\$ 3.1	53.7%	
6 Debt Service					
7 Debt Service- Measure R	39.5	39.3	0.2	0.5%	On target
8 Debt Service Total	\$ 39.5	\$ 39.3	\$ 0.2	0.5%	
9 Highway Capital (20%)					
10 Highway Capital (20%) - Subsidy					
11 High Desert Corridor	3.8	4.9	(1.2)	-31.5%	The project is catching up. Overrun is due to invoices from last year.
12 Hwy Operating Improvements Arroyo Verdugo	4.2	4.4	(0.2)	-4.7%	
13 Hwy Operating Improvements Virgenes/Malibu	4.6	3.0	1.6	34.1%	Invoice delay.
14 I-405, I-110, I-105, SR91 Ramp & Interchange	13.0	1.7	11.3	86.7%	Delay in executing funding agreements with Caltrans. When agreements are completed, the expenditures will begin to be charged

Table continues on following page

Measure R Fund (\$ in millions)	Budget	Actual	Variance	% Variance	Comments
15 I-5 N Enhance SR14/Kern County	5.2	1.3	4.0	75.3%	Invoice delay.
16 I-605 Corridor "Hot Spot"	0.4	-	0.4	100.0%	Project delays.
17 I-710 North Gap Closure	0.2	-	0.2	100.0%	No draw down in subsidy.
18 I-710 South Early Action Projects	1.4	0.8	0.6	40.3%	Delays in start ups of subsidy with Caltrans.
19 Countywide Soundwall Projects	0.04	-	0.0	100.0%	No draw down in subsidy.
20 Phase II Alameda Corridor E Grade Separation	4.5	0.4	4.1	90.8%	Alameda Corridor involving eight grade separations is in various stages of development
21 Highway Capital (20%) Subsidy Total	\$ 37.3	\$ 16.6	\$ 20.7	55.5%	
22 ARTI - Good Movements, I-5 N Truck Lanes, SR 71	2.6	5.3	(2.6)	-100.8%	Timing of budget. Will be balanced at the end of year.
23 I-605 Corridor "Hot Spot"	3.6	0.7	2.8	79.1%	Work began in March.
24 I-710 North Gap Closure	8.5	8.6	(0.1)	-1.1%	Expenditures are progressing according to projected cash flow.
25 I-710 South Early Action Projects	10.7	7.6	3.0	28.3%	Construction delays to March, expected to expend by year end
26 Countywide Soundwall Projects	3.8	15.4	(11.6)	-304.0%	Overrun is due to Construction Dept missed FY13 annual budgets in four projects. Payments fund checked thru LOP.
27 Other Highway Capital Projects	1.0	0.8	0.2	21.9%	
28 Highway Capital (20%) Total	\$ 67.6	\$ 55.1	\$ 12.4	18.4%	
29 Local Return (15%)					
30 Measure R 15% Local Return	69.7	75.5	(5.7)	-8.2%	Cities' draw down were based on actual tax revenues which were higher than budget.
31 Local Return (15%) Total	\$ 69.7	\$ 75.5	\$ (5.7)	-8.2%	
32 Operations - Bus (20%)					
33 Measure R 20% FAP Subsidies	28.5	28.5	0.0	0.1%	On budget.
34 Metro Bus Share	63.6	66.0	(2.4)	-3.8%	Variance is due to Accounting allocation.
35 Metro Orange Line	2.4	-	2.4	100.0%	
36 Operations - Bus (20%) Total	\$ 94.6	\$ 94.5	\$ 0.0	0.0%	
37 Operations - Rail (5%)					
38 Expo Line	1.7	-	1.7	100.0%	Variance is due to Accounting allocation.
39 Gold Line	12.2	14.8	(2.6)	-21.5%	
40 Operations - Rail (5%) Total	\$ 13.9	\$ 14.8	\$ (1.0)	-7.0%	
41 Transit Capital - Metro Rail CP (2%)					
42 Transit Oriented Development Grant Program - Subsidy	3.9	0.5	3.3	86.0%	Timing delays, due to late invoices from awardees.
43 Southwestern Yard	25.8	9.6	16.1	62.6%	Payment for ROW acquisition is lagging behind. Re-scheduling of issuance of design-build solicitation package has delayed start of engineering services within contract.
44 Subway Rail Car Midlife	4.8	3.2	1.6	32.7%	In the process of developing detailed overhaul schedule. The underrun is mainly due to parts.
45 Blue Line Fleet Midlife	4.6	3.2	1.4	29.8%	
46 Eastern Maintenance Facility	27.0	16.9	10.1	37.4%	Invoice delay. Portion of the variance will be corrected in next quarter.
47 Heavy Rail Vehicle Procurement	7.6	-	7.6	100.0%	The RFP for the first phase of the project is anticipated to be released the first part of
48 Other Transit Capital 2% Projects	1.3	1.1	0.3	21.1%	
49 Transit Capital - Metro Rail CP (2%) Total	\$ 75.0	\$ 34.6	\$ 40.4	53.9%	
50 Transit Capital - Metrolink (3%)					
51 Metrolink Rail Capital Plan	8.7	0.0	8.7	99.4%	New Project. Works not start yet.
52 Metrolink Transit Capital	10.7	4.9	5.8	54.0%	Positive Train Control project is in process. Variance is due to invoice delays.
53 Transit Capital - Metrolink (3%) Total	\$ 19.4	\$ 5.0	\$ 14.4	74.4%	
54 Transit Capital - New Rail (35%)					
55 SFV East N/S Rapid - Subsidy	0.06	0.05	0.005	9.3%	On budget.
56 SFV East N/S Rapid - Non-Subsidy	2.3	1.3	1.0	44.0%	Work slower than anticipated, should be caught up in Q4.
57 Eastside Light Rail Access	4.5	0.6	4.0	87.3%	The bulk of funds budgeted (\$3.6m) for 3rd Party coordination will not be expended until FY14 due to slower than anticipated progress.
58 Expo Blvd LRT Construction Phase I - Expo	27.7	6.7	21.0	75.9%	DWP submission of invoices are behind.
59 Expo Blvd LRT Construction Phase I - Metro	7.7	0.9	6.8	88.1%	Negotiation of final close-out change orders are not occurring as fast as expected.

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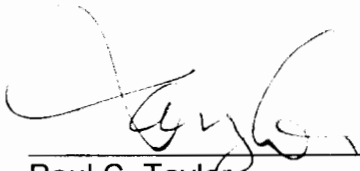


Measure R Fund (\$ in millions)	Budget	Actual	Variance	% Variance	Comments
60 Expo Blvd LRT Construction Phase II - Expo	161.7	96.4	65.3	40.4%	Invoices delay with 3rd party utility payments. Contingency budgeted for the fiscal year was not utilized yet. Design-Build contractors invoicing will be considerably higher in 4th quarter as construction ramps up.
61 Expo Blvd LRT Construction Phase II - Metro	84.5	15.5	69.0	81.7%	Ticket vending machine design and procurement was postponed until FY14. Real estate acquisition is behind.
62 Expo/Blue Line Light Rail	61.5	39.2	22.3	36.2%	Schedule delays in awarding contract to the vehicle builder.
63 Gold Line Foothill Extension	107.9	68.6	39.3	36.4%	Delayed ROW Acquisitions. Delayed invoicing from 3rd Party agencies. Planned expenditure increases in Q3-Q4.
64 Metro Orange Line Extension	11.1	6.6	4.5	40.8%	Design-builder has not completed base work and closeout process is taking longer than anticipated. The project is anticipating
65 Regional Connector	77.5	14.5	63.0	81.3%	Delay in ROW acquisitions is major factor.
66 Westside Subway Extension	109.3	19.6	89.7	82.1%	Due to the change of the Project Delivery Method from Design/Bid/Build to Design/Build, Final Design will start in FY14. The delay of ROW acquisition and 3rd Party Utility Agencies are directly related to the late issuance of the Record of Decision.
67 Crenshaw/Lax Transit Corridor	64.3	18.7	45.7	71.0%	Delayed start of final design. Payment for ROW acquisition is lagging behind.
68 Other Transit Capital Projects	11.0	4.9	6.1	55.4%	Misc 9 projects. Variance considered not significant.
69 Transit Capital - New Rail (35%) Total	\$ 731.2	\$293.5	\$437.7	59.9%	
70 Grand Total	\$ 1,116.6	\$615.0	\$501.6	44.9%	

Outlook for the Remainder of FY13:

Metro should end the year closer to the budgeted percentages for revenue and expenses on a percentage basis. Passenger fares will end the year below budget while sales taxes will exceed the budgeted amount. Year to date expenses are below budget in all categories other than debt service, but expect that they will correspond more closely with budget by the end of FY13.

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