



Financial Report – Fiscal Year 2022

Year to Date September 30, 2022

Major Highlights

Revenue

- Sales tax remittances YTD September 2022 are 21.7% higher than YTD September 2021 and 23.4% higher than YTD budget
- Operating contributions and grants include \$128.2 million of American Rescue Plan and \$66.2 million of CRRSAA stimulus funds

Operating Expenses

- \$287.2 million expended or 86.1% of full-year amended budget
- Purchased transportation is below budget due to lower hours for Bus (87.3% of budget) and Rail (86.9% of budget)
- \$7.4 million of market price surge in fuel expense was avoided through the diesel hedging program

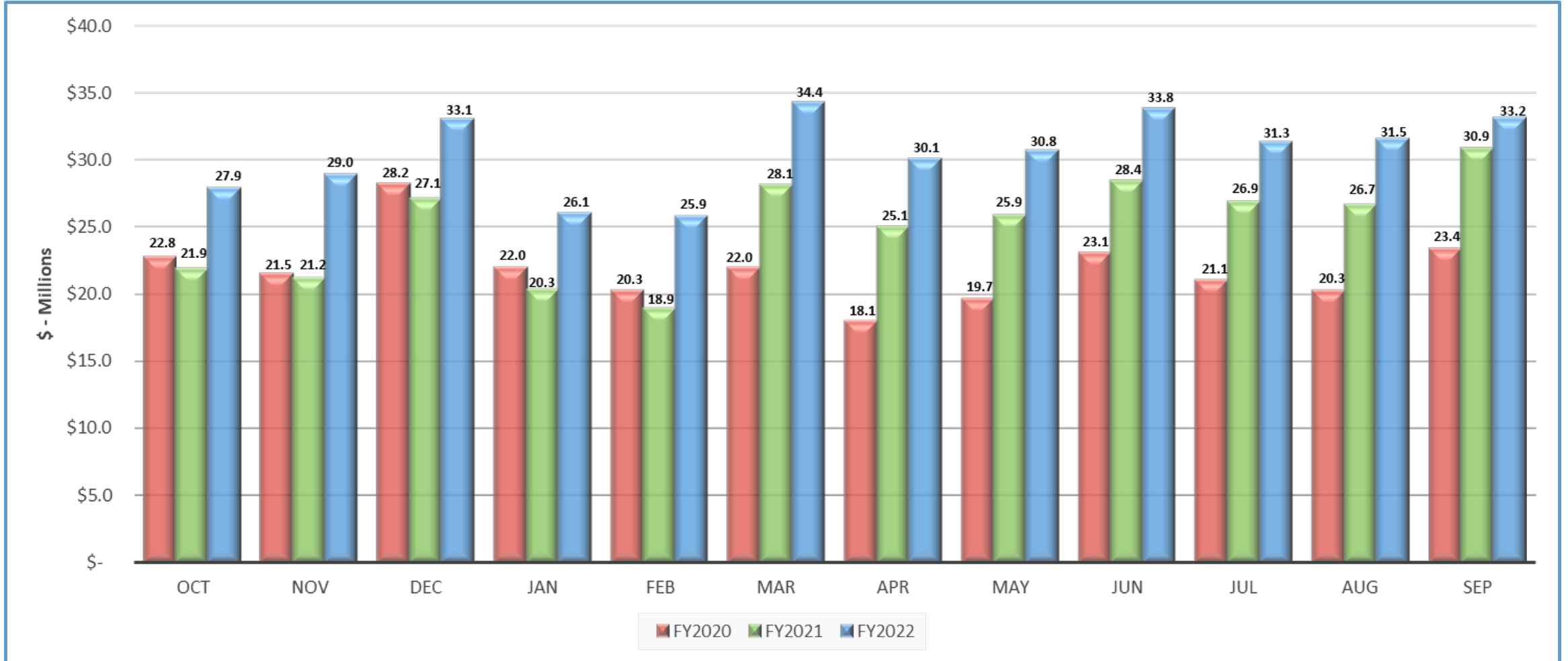
Capital Projects

- FY2022 capital spending of \$114.3 million or 36.4% of full-year amended budget and included:
 - Demand Response Operations & Maintenance Facility Replacement, Lakeline Leander Siding, McKalla Red Line Station, MetroRapid Lines, Orange and Blue Lines and PMOR and Enterprise Resource Planning System
- FY2022 delayed spending and savings of \$200 million or 63.6% of full-year amended budget and included:
 - MetroRapid Lines (\$57.1 million), Electric Bus Replacements (\$27.2 million), McKalla Red Line Station (\$16.4 million), Bus Electrification Infrastructure (\$13.7 million), Orange and Blue Lines and PMOR (\$12.9 million)

Revenue – Preliminary

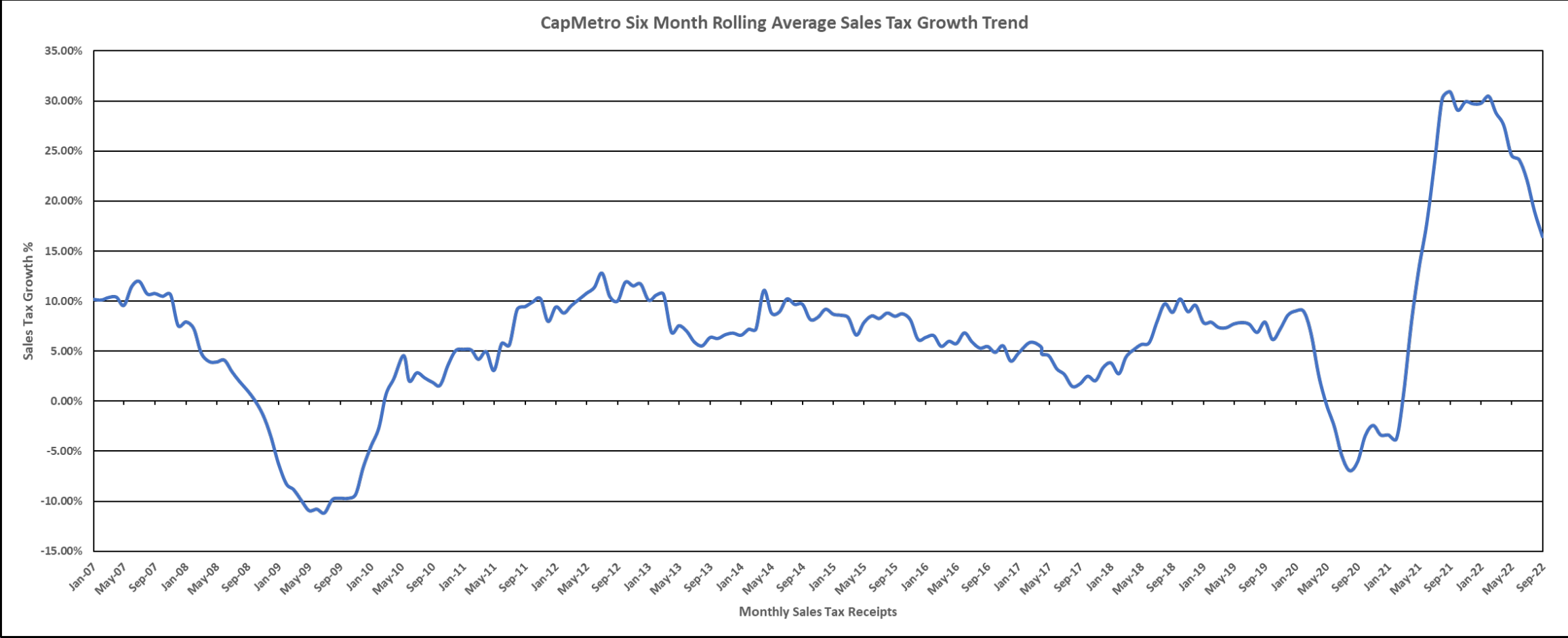
\$' Million Category	FY21 Sep YTD Actual	FY22 Sep YTD Actual	FY22 Full Year Budget	% of Budget	Comments
Sales Tax	\$301.4	\$366.9	\$297.3	123.4%	FY2022 receipts 21.7% higher than FY2021
Passenger Fares	12.6	15.2	18.1	84.0%	Ridership 27.8% below budgeted projections through September
Freight Railroad Revenue	5.8	6.8	6.5	104.3%	
Other Revenue	5.6	6.0	6.6	92.3%	
Operating Contributions and Grants	48.5	202.1	172.3	117.3%	Grant draws of \$128.2m from ARP and \$66.2m from CRRSAA stimulus funds
Capital Contributions and Grants	13.2	20.4	157.4	13.0%	MetroRapid Small Start grants awarded in FY2023 and electric bus delivery delays
Total	\$387.1	\$617.5	\$658.2	93.8%	

Actual Sales Tax Receipts



Total	\$262.5M	\$301.4M	\$366.9M
YOY % Growth	0.3%	14.8%	21.7%

Sales Tax Rolling Average Trend



Operating Expense – Preliminary

\$' Million Category	FY21 Sep YTD Actual	FY22 Sep YTD Actual	FY22 Full Year Budget	% of Budget	Comments
Salaries and Benefits	\$47.6	\$58.5	\$59.4	98.5%	
Professional Services	29.7	37.0	44.5	83.1%	Savings in consultation, professional services, maintenance and repair expense
Materials and Supplies	1.4	6.9	5.0	138.5%	Additional maintenance material expense from MV contract modification
Fuel and Fluids	10.9	10.9	12.2	89.0%	Cost avoidance of \$7.4 million in market price surge through diesel hedging
Utilities	3.4	3.5	3.9	90.6%	
Insurance	2.7	(0.4)	0.8	(50.8%)	Reduction of \$1 million in rail claim liability
Purchased Transportation	152.6	165.5	192.1	86.1%	Lower hours than budgeted for Bus (12.7%) and Rail (13.1%)
Lease/Rentals	3.3	1.8	6.8	27.2%	Administrative facility lease on hold
Other Expenses	2.3	3.5	9.0	38.7%	Savings in contingency, advertising, bank charges and travel
Total	\$253.9	\$287.2	\$333.7	86.1%	

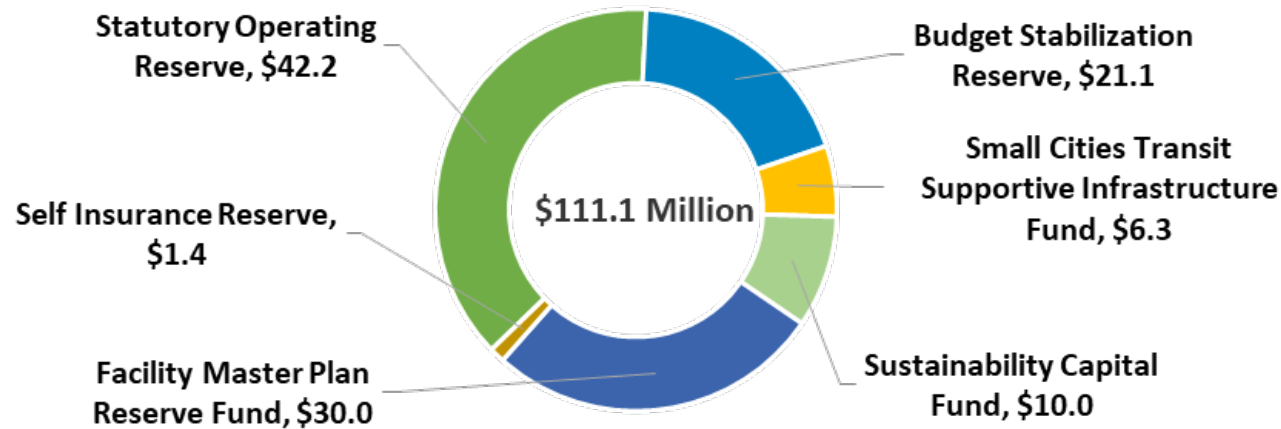
Budget Transfers

Consistent with Capital Metro's Financial Policies, there were three budget transfers that cumulatively exceeded \$150,000 to report to the board for the 4th quarter of FY2022.

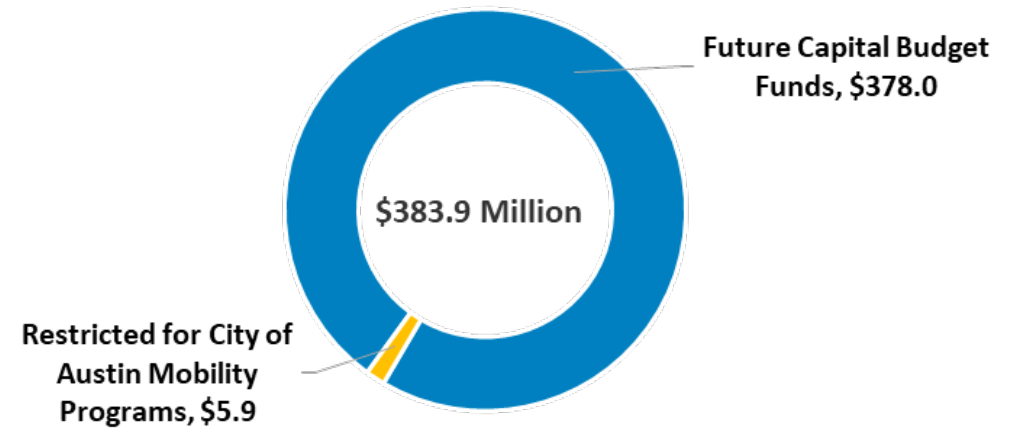
July-22				
Transfer #1				
From:	510-5090702-220	Operating Contingency	(758,500)	Transfer from operating contingency for increases in relocation, temporary staffing and recruiting expenses to support the hiring of frontline employees.
To:	510-Multiple-340	People and Culture	758,500	
August-22				
Transfer #2				
From:	510-5090702-220	Operating Contingency	(250,000)	Transfer from operating contingency for the Admin and Bargain Pension plans.
To:	510-5020202-100	Non-Allocated Benefits	250,000	
September-22				
Transfer #3				
From:	510-5090702-220	Operating Contingency	(600,000)	Transfer from operating contingency for unplanned personnel hired due to operational changes.
To:	510-5010201-340	People and Culture	600,000	

Reserve, Allocated & Restricted Funds

Reserve Funds



Allocated & Restricted Funds



Notes:

- Additional funding was allocated to the statutory operating and budget stabilization reserves based on the board-approved funding formula. The statutory operating reserve equals 2 months of audited FY2021 operating expenses. Contributions to the budget stabilization reserve began in February 2016 with \$7 million reserved in FY2016 and \$3 million in FY2017. An additional contribution was made in FY2018 to fully fund the budget stabilization reserve. The sustainability capital fund was established in FY2022 with \$10 million to support CapMetro's Sustainability Vision Plan. In March 2022, a regional partnership with small-member cities and a \$10 million Transit Supportive Infrastructure Fund was established. A \$30 million Facility Master Plan Reserve Fund was also established in FY2022 as CapMetro addresses one of the largest needs of the agency.
- Funds for capital investment are required to help address extensive capital needs. The capital budget for FY2022 is \$314.3 million, with \$156.9 million funded by FY2022 income and \$157.4 million from capital contributions and grants. These capital improvements are needed to maintain the state of good repair of the community's transit infrastructure and to be in compliance with Federal regulations. The FY2022 capital budget also contains CapMetro held contracts of the Project Connect program of projects. The City of Austin Mobility Fund was reduced by \$428 thousand from projects in FY2022.

Statement of Revenue, Expenses and Change in Net Position – Preliminary

\$' Million	FY21 Sep YTD Actual	FY22 Sep YTD Actual	FY22 Full Year Budget	% of Budget
<i>Operating Revenue</i>				
Passenger Fares	\$12.6	\$15.2	\$18.1	84.0%
Freight Railroad Revenue	5.8	6.8	\$6.5	104.3%
Other Revenue	5.5	3.2	\$5.8	55.2%
Total	23.9	25.2	30.4	82.8%
<i>Operating Expenses</i>				
Salaries and Benefits	47.6	58.5	59.4	98.5%
Professional Services	29.7	37.0	44.5	83.1%
Fuel and Fluids	10.9	10.9	12.2	89.0%
Utilities	3.4	3.5	3.9	90.6%
Purchased Transportation	152.6	165.5	192.1	86.1%
Other Expenses	6.3	10.0	14.8	67.1%
Lease/Rental	3.3	1.8	6.8	27.2%
Depreciation & Amortization	50.6	51.6	53.6	96.2%
Total	304.4	338.8	387.3	87.5%
<i>Operating Income/Loss</i>	<i>(280.5)</i>	<i>(313.6)</i>	<i>(356.9)</i>	<i>87.9%</i>
<i>Non-Operating Revenue/(Expenses)</i>				
Sales Tax	301.4	366.9	297.3	123.4%
Investment Income	.4	2.6	.8	345.1%
Operating Contributions and Grants	48.5	202.1	172.3	117.3%
Capital Contributions and Grants	13.2	20.4	157.4	13.0%
Mobility Interlocal Agreements	(86.7)	(30.2)	(4.0)	745.2%
Other	(.2)	.3	(.0)	0.0%
<i>Non-Operating Income/(Loss)</i>	<i>276.5</i>	<i>562.1</i>	<i>623.7</i>	<i>90.1%</i>
Change in Net Position	\$(4.0)	\$248.6	\$266.8	93.2%

Budget Variances by Department – Preliminary

\$'000 Department	FY21 YTD Actual	FY22 YTD Actual	FY22 YTD Revised Budget	YTD % of Revised Budget	YTD Budget vs. Actual	Comments
100 - Non-Allocated Benefits	\$12,955	\$10,228	\$14,764	69.28%	\$4,536	Admin and bargain pension expenses based on actuary reports
102 - Wellness Center	264	337	466	72.32%	\$129	
103 - Child Care Center	1,001	1,059	1,101	96.19%	\$42	
105 - Business Center	363	369	372	99.19%	\$3	
110 - Executive Staff	770	1,344	1,057	127.15%	(\$287)	New Chief Operations Officer position and FTE transfers from other departments
118 - Government Affairs	647	841	827	101.69%	(\$14)	
119 - Diversity, Equity, and Inclusion	584	811	887	91.43%	\$76	
120 - Board Of Directors	151	181	197	91.88%	\$16	
125 - Internal Audit	482	435	401	108.48%	(\$34)	
130 - Performance Management and Imagin	659	1,126	1,149	98.00%	\$23	
140 - Safety	4,008	666	1,551	42.94%	\$885	Reduction in railway claim liability
141 - Public Safety and Emergency Managen	4,258	5,093	8,049	63.27%	\$2,956	Vacancy and security services savings and APD staffing shortages
142 - Systemwide Accessibility	0	180	345	52.17%	\$165	Savings in consulting
150 - Legal	999	1,073	1,254	85.57%	\$181	Savings in legal services
220 - Finance	4,247	5,830	9,783	59.59%	\$3,953	Unspent contingency, savings in temporary help, passes and tickets purchases and in bank charges from reduced ridership
230 - Information Technology	12,491	18,033	21,288	84.71%	\$3,255	Savings in services and labor expenses
250 - Procurement	1,683	2,207	1,965	112.32%	(\$242)	Paid time off usage higher than budgeted
275 - Rideshare	1,364	1,634	2,036	80.26%	\$402	Savings from lower vanpool participation
320 - Planning	2,718	4,701	5,368	87.57%	\$667	Savings in Service Standards and Guidelines, Quick Response, Origin and Destination Survey and Orange & Blue Line ETOD
330 - Marketing and Communications	3,706	4,708	5,771	81.58%	\$1,063	Savings in Value of Transit, Fare Collection, Fall and Spring campaigns, Data Mining and Branding
331 - Community Engagement	1,005	1,414	1,489	94.96%	\$75	
332 - Customer Service	1,008	1,119	1,103	101.45%	(\$16)	
340 - People and Culture	4,598	4,869	4,896	99.45%	\$27	
457 - Public Facilities	5,510	5,585	6,609	84.51%	\$1,024	Savings in professional and maintenance services
530 - Capital Projects	1,663	1,440	2,008	71.71%	\$568	Savings in labor, services and Street Improvements project
540 - Property and Asset Management	3,342	4,694	5,157	91.02%	\$463	Savings in maintenance services and the Facilities Master Plan
542 - Freight Rail Management	1,532	1,728	2,030	85.12%	\$302	Savings from Bridge Analysis deferred to FY2023
544 - Commuter Rail Operations	18,304	22,087	27,591	80.05%	\$5,504	Savings in purchased transportation from 13.1% fewer hours than budgeted and Bridge Analysis deferred to FY2023
550 - Real Estate and Facility Planning	2,723	1,618	5,136	31.50%	\$3,518	Savings from administrative space facility lease
600 - Operations and Maintenance Oversigh	123,615	145,073	156,599	92.64%	\$11,526	Savings in Purchased transportation and fuel from 12.7% fewer hours than budgeted
615 - Innovative Mobility	4,411	4,614	5,273	87.50%	\$659	Savings in Purchased transportation and fuel from fewer hours than budgeted
616 - MetroBike	0	159	853	18.64%	\$694	Savings from program moving in-house to CapMetro
620 - Demand Response Oversight	28,716	28,473	32,443	87.76%	\$3,970	Purchased transportation and fuel savings from 22.6% fewer hours than budgeted
640 - Paratransit Reservation & Control	2,027	2,249	2,287	98.34%	\$38	
650 - Paratransit Eligibility	947	998	1,186	84.15%	\$188	Savings in temporary help
920 - Project Connect	1,107	(347)	0	0.00%	\$347	
940 - Project Connect Integration	0	603	405	148.89%	(198)	Labor expenses higher than budgeted
Total	253,859	287,228	333,697	86.07%	46,469	

Capital Projects Summary – Preliminary

\$'000 Project Category	Expended	Amended Budget	Expended as % of Budget	Comments
Commuter Rail	\$9,120	\$18,984	48.0%	Lakeline Leander Siding and State of Good Repair for Bridges and Track
Vehicles	1,909	41,446	4.6%	Paratransit Fleet Expansion and Non-revenue Vehicle Replacement
Information Technology	15,227	26,273	58.0%	Enterprise Resource Planning System, Data Warehouse and Business Intelligence
Facilities	6,081	30,025	20.3%	Office Space Re-Configuration and Airport Lamar Red Line Grade Separation
Freight Railroad	34	4,045	0.8%	Bridge Replacement
Property and Asset Mgmt	8,967	16,491	54.4%	Demand Response Operations and Maintenance Facility Replacement
Contingency	-	5,000	0.0%	
Project Connect	72,292	170,134	42.5%	Orange Line, Blue Line, PMOR and MetroRapid Lines
Security	682	1,932	35.3%	Rail House Signal Security Enhancements and Rapid Deployable Video System
Total	\$114,312	\$314,330	36.4%	

CapMetro

Thank you!