

Attachment 1

Quarterly Financial Report Fourth Quarter Fiscal Year- 2019

Revenue

- Average weekday trips for the quarter were 413,362, 0.8% over budget but 0.8% below the same quarter last year. For FY19, avg weekday ridership was 410,774, 0.5% under budget, and total trips were 118.1M, 1.4% under budget. Total trips were 2.0% lower than FY18.
- FY19 net passenger revenue was \$3.2M unfavorable due to below budget ridership.
- Parking revenue was \$0.4M favorable for FY19 due to above-budget single-day reserve, daily non-reserve, and long-term parking revenue.
- Other operating revenue was \$0.4M favorable for FY19 due to investment income, but offset by below budget advertising & telecom revenue.

Expense

- Labor (excluding OPEB and GASB) was \$6.5M favorable in FY19 due to savings from vacancies, offset by unfavorable overtime.
- Power was \$4.6M favorable in FY19, mostly due to lower than expected electric consumption and reductions in transmission and distribution costs.
- Other Non Labor was over budget by \$1.7M for the year driven by \$3.1M in unbudgeted Inventory Write Offs and materials supporting RR projects; \$1.5M in Utility rate increases and additional usage for new facilities; and \$1.5M in inventory adjustments, ongoing maintenance and station cleaning, and OSHA/ADA compliance efforts. Unfavorable variance was offset by underspending of Professional Fees and rent credit for Lakeside.

Financial Assistance and Allocations

- FY19 Sales Tax grew 8.7% over FY18 and was \$15.8M favorable due to FY18 payments received in FY19 (2.6% growth budgeted). These results overstate actual year-over-year growth in sales tax because they include receipt of delayed sales tax payments from the State associated with an ongoing reporting problem at CA Department of Tax & Fee Administration.
- Property Tax was \$1.3M favorable. State Transit Assistance was \$0.7M favorable. Other financial assistance was \$1.3M favorable.
- Low Carbon Fuel Standard (LCFS) Program revenue for FY19 was \$12.3M favorable due to higher than anticipated sale of credits generated as a result of high market prices.
- Debt service was on budget at \$46.7M.
- Capital and other allocations for FY19 were \$23.8M greater than budget due to \$18.5M of LCFS Program revenue, which is allocated equally between operating reserves and the Sustainability Group per the LCFS Policy; \$3.5M allocated to operating reserves per Financial Stability Policy; \$7.5M of the year-end positive result added to the District's pension reserve to address the Board priority of increasing fiscal stability related to pensions; \$1.6M under budget SFO Ext fare revenue; and \$1.0M under budget incremental fare increase revenue.

Net Operating Result

- The Net Operating Result for Q4 was \$2.7M unfavorable driven by year end expense reconciliation. FY19 total year Net Operating Result was \$16.2M favorable, primarily due to Sales Tax revenue that exceeded budget, a one-time revenue increase related to state payment issues.

Current Quarter			(\$ Millions)			Year to Date		
Budget	Actual	Var		Budget	Actual	Var		
			Revenue					
122.3	127.6	4.3%		Net Passenger Revenue	485.9	482.6	-0.7%	
9.2	9.5	3.2%		Parking Revenue	36.7	37.0	1.0%	
6.9	4.7	-32.2%		Other Operating Revenue	38.3	38.7	1.0%	
138.4	141.8	2.4%		Total Net Operating Revenue	560.8	558.4	-0.4%	
			Expense					
140.2	133.0	5.1%		Net Labor	560.7	554.2	1.2%	
0.0	36.7	-		GASB 68 Pension Adjustment	0.0	36.7	-	
0.0	(4.0)	-		GASB 75 OPEB Adjustment	0.0	(4.0)	-	
11.0	10.1	8.0%		Electric Power	43.8	39.2	10.5%	
7.6	7.1	5.6%		Purchased Transportation	30.2	29.9	1.1%	
36.6	44.8	-22.3%		Other Non Labor	133.1	134.8	-1.3%	
195.3	227.7	-16.6%		Total Operating Expense	767.8	790.8	-3.0%	
(56.9)	(85.9)	-51.1%		Operating Result (Deficit)	(206.9)	(232.4)	-12.3%	
0.0	0.0	-		MTC Rail Fund Car Swap	0.0	0.0	-	
			Taxes and Financial Assistance					
69.6	65.4	-6.0%		Sales Tax	264.6	280.4	6.0%	
21.4	24.1	12.7%		Property Tax, Other Assistance	52.2	56.3	7.9%	
19.0	20.9	9.9%		State Transit Assistance	38.0	38.7	1.8%	
1.6	5.2	219.8%		Low Carbon Fuel Std Prog	6.5	18.8	189.1%	
(11.7)	(11.7)	0.0%		Debt Service	(46.6)	(46.7)	0.0%	
(35.2)	(69.7)	-97.9%		Capital and Other Allocations	(107.8)	(147.8)	-37.1%	
0.0	36.7	-		GASB 68 Pension Adj. Offset	0.0	36.7	-	
0.0	(4.0)	-		GASB 75 OPEB Adj. Offset	0.0	(4.0)	-	
64.8	67.1	3.5%		Net Financial Assistance	206.9	232.4	12.3%	
7.9	(18.9)	(26.8)		Net Operating Result	0.0	0.0	-	
70.9%	72.7%	1.8%		System Operating Ratio	73.0%	73.7%	0.6%	
0.416 ¢	0.413 ¢	0.8%		Rail Cost / Passenger Mile	0.412 ¢	0.410 ¢	0.4%	

* Totals may not add due to rounding to the nearest million.

No Problem

Caution: Potential Problem/Problem Being Addressed

Significant Problem