

**Quarterly Financial Report
Third Quarter FY20**

Revenue

●Shelter-in-place (SIP) mandated for the six Bay Area counties effective March 17 due to the COVID-19 pandemic. Avg weekday trips for the quarter were 314,816 or 20.9% under budget and 22.1% below the same quarter last year. Total trips for the quarter were 20.4% under budget and 20.9% lower than FY19Q3, with weekend and holiday trips 17.1% under budget. YTD, total trips are 6.3% under budget and 7.5% below FY19. Net passenger revenue was 21.8% under budget.

●Parking revenue was \$1.4M unfavorable due to reduced demand for parking, primarily in the daily non-reserve program.

●Other operating revenue was \$0.6M favorable mainly due to over budget investment income.

Expense

●Labor was \$4.1M unfavorable in Q3, mostly due to overtime and unrecovered capital labor reimbursement.

●Power was \$1.7M favorable in Q3 due to reductions of electric power costs, commensurate reductions in transmission and distribution delivery costs, and rail service reductions in response to the global pandemic.

●Other non labor was \$0.9M favorable; mostly due to \$2.0M timing and under budget spending of P&T, \$0.8M Clipper fee reimbursement and \$0.6M Interchange fees. This favorability was offset by \$1.9M unfavorable material usage (GO Card allocation, elevator/escalator parts and supplies for RR projects that aren't chargeable to RR projects).

Financial Assistance and Allocations

●Sales tax for Q3 was 4.5% above FY19Q3 and \$4.6M favorable. Due to SIP, year-end is projected to be under budget.

●Property tax, other assistance was \$0.4M favorable due to over budget financial assistance.

●State Transit Assistance (STA) was \$3.4M favorable, but is expected to be under budget at year-end due to SIP.

●Low Carbon Transit Operations Program (LCTOP) revenue was \$2.6M favorable due to timing but will be on budget at year-end.

●Low Carbon Fuel Standard (LCFS) Program revenue was \$2.1M favorable due to higher than anticipated sale of credits and strong market prices.

●Debt service was \$0.5M favorable due to fall 2019 refunding savings.

●Capital and other allocations were \$0.8M lower than budget due to under budget incremental fare increase revenue and unbudgeted reverse capital allocations, offset by increased LCFS revenue allocations.

Net Operating Result

●Net operating result for Q3 was \$13.9M under budget due to unfavorable rail passenger and parking revenue, overtime and capitalized labor reimbursement. YTD net operating result is \$25.6M under budget.

Current Quarter			(\$ Millions)	Year to Date		
Budget	Actual	Var		Budget	Actual	Var
Revenue						
119.2	93.2	-21.8%	Net Passenger Revenue	356.1	332.0	-6.8%
9.1	7.8	-15.2%	Parking Revenue	27.2	25.9	-4.8%
7.3	7.9	7.6%	Other Operating Revenue	21.7	24.4	12.2%
135.7	108.9	-19.8%	Total Net Operating Revenue	405.0	382.3	-5.6%
Expense						
149.5	153.6	-2.7%	Net Labor	444.3	465.5	-4.8%
11.4	9.7	14.5%	Electric Power	34.2	31.1	9.1%
7.9	7.9	-0.1%	Purchased Transportation	23.7	23.6	0.5%
33.7	32.8	2.8%	Other Non Labor	94.4	88.0	6.7%
202.6	204.1	-0.7%	Total Operating Expense	596.6	608.2	-2.0%
(66.8)	(95.2)	-42.4%	Operating Result (Deficit)	(191.6)	(226.0)	-18.0%
Taxes and Financial Assistance						
71.4	76.0	6.5%	Sales Tax	213.3	217.1	1.8%
8.3	8.8	5.0%	Property Tax, Other Assistance	38.7	39.2	1.3%
9.8	13.2	34.5%	State Transit Assistance (STA)	19.7	13.2	-32.8%
0.0	2.6	-	Low Carbon Transit Op Prog	8.4	8.4	0.2%
3.5	5.7	60.7%	Low Carbon Fuel Std Prog	10.6	17.5	65.3%
(11.8)	(11.3)	4.2%	Debt Service	(35.4)	(34.6)	2.3%
(23.1)	(22.3)	3.3%	Capital and Other Allocations	(64.7)	(61.5)	5.0%
58.2	72.7	24.9%	Net Financial Assistance	190.5	199.4	4.6%
(8.6)	(22.5)	(13.9)	Net Operating Result	(1.0)	(26.6)	(25.6)
67.0%	53.4%	-13.6%	System Operating Ratio	67.9%	62.8%	-5.0%
0.455 ¢	0.590 ¢	-29.7%	Rail Cost / Passenger Mile	0.435 ¢	0.480 ¢	-10.3%

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

- No Problem
- Caution: Potential Problem/Problem Being Addressed
- Significant Problem