

**Quarterly Financial Report
First Quarter
Fiscal Year- 2019**

Revenue

- Avg weekday trips for the quarter were 419,692, 0.1% under budget and 0.1% below the same quarter last year. Total trips for the quarter were 0.7% under budget and 0.9% lower than FY18Q1, with weekend and holiday trips 4.3% under budget. Net passenger revenue was 0.1% over budget.
- Parking revenue was \$0.2M favorable mainly due to daily non-reserve and long term programs.
- Other operating revenue was \$0.5M favorable mainly due to \$1.5M over budget investment income, offset by \$1.0M under budget advertising revenue. Final ad revenue payment for September has not yet been received.

Expense

- Labor was \$0.1M unfavorable. Savings from 12.9% vacancy rate was offset by \$14.5M of unfavorable overtime (\$14.3M) and temp help (\$0.1M).
- Power was \$0.5M favorable due to lower than expected energy costs, particularly in the California Independent System Operator (CAISO) transmission costs paid in Q1, as well as lower-than-expected solar and hydro deliveries.
- Total other non-labor was \$5.8M favorable due to timing of invoices and insurance claims (\$3.9M professional fees and \$1.3M of misc. expense); \$1.9M rent credit at 300 Lakeside; and \$0.9M in repairs & maintenance due to discount pricing on wheels. These savings were offset by \$2.3M unfavorable material usage.

Financial Assistance and Allocations




- Sales tax for Q1 was 6.3% below FY18Q1 and \$0.5M unfavorable due to changes in the state's payment pattern and issues with the implementation of the new sales tax payment software. Expecting issues to be resolved in Q2.
- Property tax and other assistance was \$0.7M favorable due to over budget property tax payments and local financial assistance.
- Low Carbon Fuel Standard (LCFS) program revenue was \$2.0M favorable to budget due to higher than anticipated sale of credits generated as a result of strong market prices.
- Capital and other allocations were \$1.3M greater than budget primarily due to \$2.0M of increased LCFS revenue (allocated equally between sustainability and general operating fund per LCFS Policy), offset by \$0.4M under budget SFO Ext fare revenue and \$0.2M under budget incremental fare increase revenue.

Net Operating Result

- The net operating result for Q1 was \$8.0M favorable, mostly due to non-labor savings which are not expected to continue throughout FY19.

Current Quarter			(\$ Millions)	Year to Date		
Budget	Actual	Var		Budget	Actual	Var
			Revenue			
\$ 124.8	125.0	0.1%	Net Passenger Revenue	\$ 124.8	125.0	0.1%
9.2	9.4	2.1%	Parking Revenue	9.2	9.4	2.1%
7.1	7.6	7.0%	Other Operating Revenue	7.1	7.6	7.0%
141.1	142.0	0.6%	Total Net Operating Revenue	141.1	142.0	0.6%
			Expense			
140.9	141.0	-0.1%	Net Labor	140.9	141.0	-0.1%
11.0	10.4	4.6%	Electric Power	11.0	10.4	4.6%
7.6	7.6	-0.4%	Purchased Transportation	7.6	7.6	-0.4%
30.2	24.4	19.4%	Other Non Labor	30.2	24.4	19.4%
189.7	183.4	3.3%	Total Operating Expense	189.7	183.4	3.3%
(48.6)	(41.5)	14.6%	Operating Result (Deficit)	(48.6)	(41.5)	14.6%
			Taxes and Financial Assistance			
60.6	60.0	-0.8%	Sales Tax	60.6	60.0	-0.8%
2.5	3.2	27.9%	Property Tax, Other Assistance	2.5	3.2	27.9%
1.6	3.6	123.8%	Low Carbon Fuel Std Prog	1.6	3.6	123.8%
(11.7)	(11.7)	0.0%	Debt Service	(11.7)	(11.7)	0.0%
(20.1)	(21.4)	-6.4%	Capital and Other Allocations	(20.1)	(21.4)	-6.4%
32.9	\$ 33.9	2.9%	Net Financial Assistance	32.9	\$ 33.9	2.9%
(15.6)	\$ (7.6)	\$ 8.0	Net Operating Result	(15.6)	\$ (7.6)	\$ 8.0
74.4%	77.4%	3.0%	System Operating Ratio	74.4%	77.4%	3.0%
0.396 ¢	0.383 ¢	3.2%	Rail Cost / Passenger Mile	0.396 ¢	0.383 ¢	3.2%

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

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