



Financial Report – Fiscal Year 2023

Year to Date September 30, 2023

Major Highlights

Revenue

- Sales tax remittances received in FY2023 are 4.2% higher than FY2022 and 3.1% higher than FY2023 budget

Operating Expenses

- \$357.9 million expended in FY2023, or 92.4% of full-year budget
- Professional services are below budget due to delays in consultation, computer software and professional fees
- Cost avoidance through the agency's diesel fuel hedging program

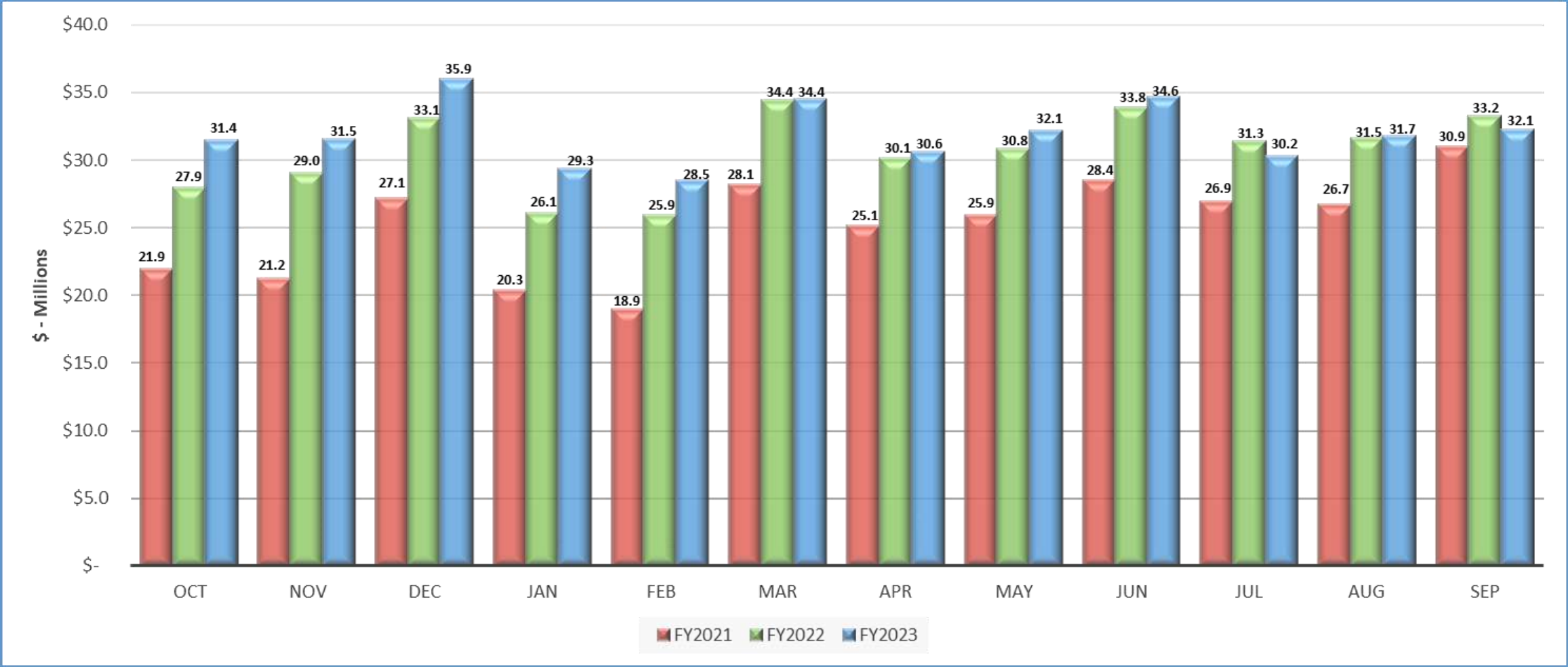
Capital Projects

- FY2023 capital project budget of \$475.0 million
- \$243.4 million expended in FY2023, or 51.2% of full-year budget and included:
 - New Headquarters and Transit Store Building Purchases, McKalla Red Line Station, MetroRapid Lines, Light Rail Line and PMOR, Electric Bus Replacements and Enterprise Resource Planning System
- FY2023 delayed spending and savings of \$231.6 million or 48.8% of full-year budget and included:
 - MetroRapid Lines, Light Rail Line and PMOR, Bus Electrification Infrastructure, Electric Bus Replacements and Chargers and Demand Response South Base

Revenue – Preliminary

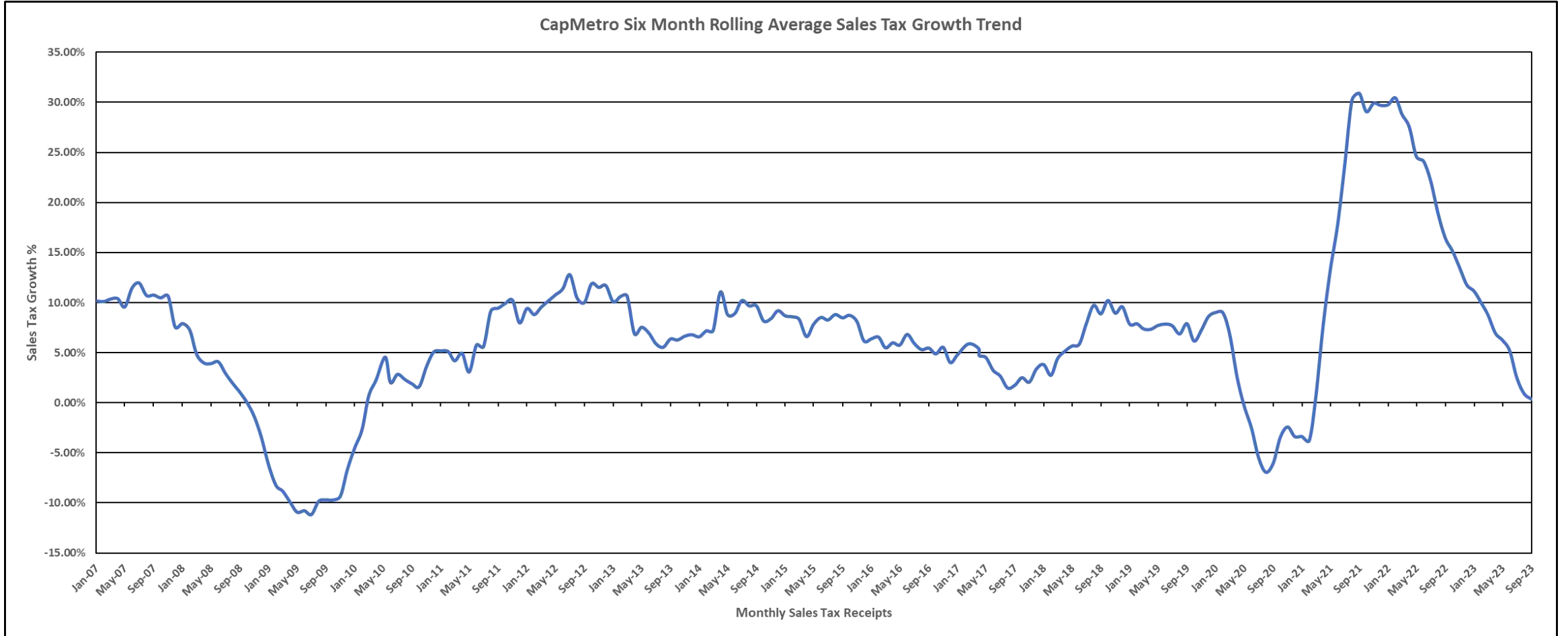
\$' Million Category	FY22 Sep YTD Actual	FY23 Sep YTD Actual	FY23 Full Year Budget	% of Budget	Comments
Sales Tax	\$366.9	\$382.6	\$371.0	103.1%	
Passenger Revenue	15.2	18.2	17.6	103.2%	Ridership 4.2% above budgeted projections
Freight Railroad Revenue	6.8	6.3	6.8	92.8%	
Other Revenue	6.9	25.8	7.1	361.0%	Investment income above budgeted projections due to favorable rates
Operating Contributions and Grants	202.1	49.8	132.9	37.5%	5307 draws carried over to fiscal year 2024
Capital Contributions and Grants	20.4	54.4	246.4	22.1%	Projects delayed to fiscal year 2024
Total	\$618.3	\$537.2	\$781.9	68.7%	

Actual Sales Tax Receipts



Total	\$301.5M	\$366.9M	\$382.6M
YOY % Growth	14.8%	21.7%	4.2%

Sales Tax Rolling Average Trend



Operating Expense – Preliminary

\$' Million Category	FY22 Sep YTD Actual	FY23 Sep YTD Actual	FY23 Full Year Budget	% of Budget	Comments
Salaries and Benefits	\$58.5	\$76.3	\$84.0	90.7%	Vacancy and bargaining unit pension savings
Professional Services	37.0	46.8	60.5	77.4%	Savings in consultation, software and other professional fees
Materials and Supplies	6.9	18.2	18.7	97.6%	
Fuel and Fluids	10.9	14.2	16.4	86.4%	Cost avoidance through diesel fuel hedging program
Utilities	3.5	4.3	4.3	99.3%	
Insurance	(0.4)	0.7	1.0	69.8%	
Purchased Transportation	165.5	190.8	182.8	104.4%	Overtime due to bus operator vacancies
Lease/Rentals	1.8	3.4	6.4	52.2%	Administrative lease avoidance with new headquarters purchase
Other Expenses	3.5	3.3	13.3	24.9%	Savings in contingency, advertising and travel
Total	\$287.2	\$357.9	\$387.5	92.4%	

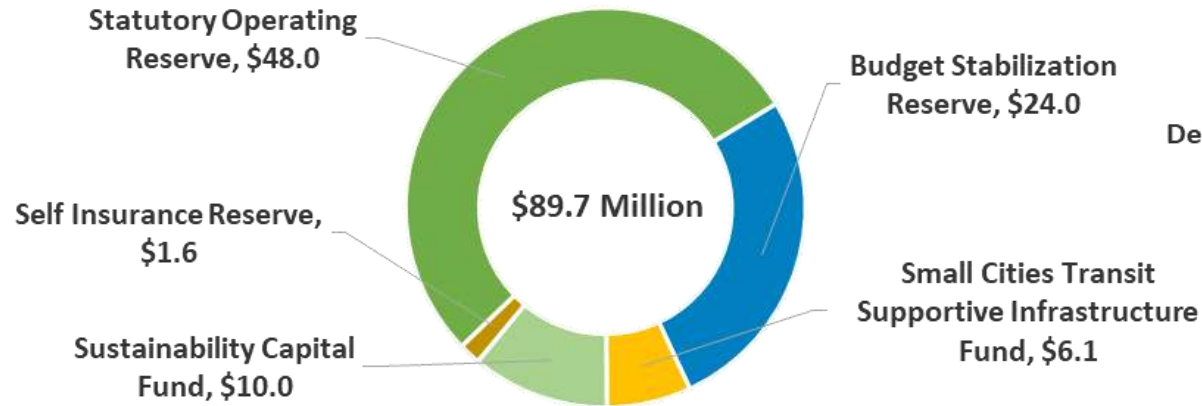
Budget Transfers

Consistent with CapMetro's Financial Policies, there were eight budget transfers that cumulatively exceeded \$150,000 to report to the board for the 4th quarter of FY2023.

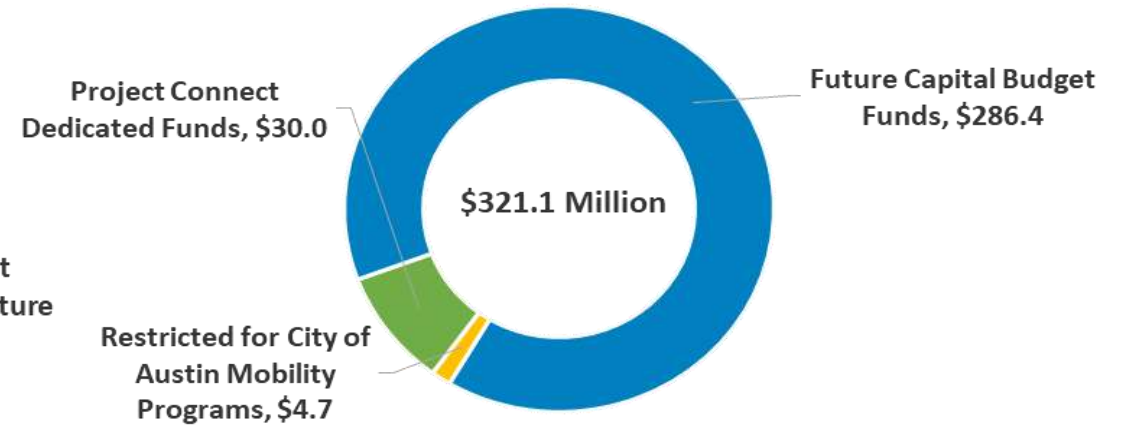
July-23				
Transfer #1				
From:	FIN2301	Capital Contingency	(900,000)	Transferred funds from capital contingency for accelerated delivery of equipment initially planned for FY2024.
To:	ITS2401	Data Center Modernization	900,000	
July-23				
Transfer #2				
From:	FIN2301	Capital Contingency	(200,000)	Transferred funds from capital contingency for delivery and installation of camera and CCTV systems for 26 vans.
To:	OMO2202	Paratransit Fleet Expansion	200,000	
August-23				
Transfer #3				
From:	FIN2301	Capital Contingency	(2,087,000)	Transferred funds from capital contingency for go-live items that carried over from FY2022.
To:	ITS1901	Enterprise Resource Planning System	2,087,000	
August-23				
Transfer #4				
From:	FIN2301	Capital Contingency	(485,602)	Transferred funds from capital contingency for additional painting, digital signage, flooring and other miscellaneous expenses for the 2nd and 3rd floors at 2910 E Fifth Street.
To:	PAM2333	Space Utilization and Change Management	485,602	
September-23				
Transfer #5				
From:	FIN2301	Capital Contingency	(1,100,000)	Transferred funds from capital contingency to complete project work this fiscal year that was scheduled for next year.
To:	PLN2207	McKalla Double Track Drainage and Signals	1,100,000	
September-23				
Transfer #6				
From:	FIN2301	Capital Contingency	(346,650)	Transferred funds from capital contingency for expenses that carried over from FY2022.
To:	PLN2209	Project Connect On Board Validators for Circulator Vehicles	346,650	
September-23				
Transfer #7				
From:	220-5090702	Operating Contingency	(2,500,000)	Transferred funds from operating contingency for bus operator overtime, additional uniform and parts expenses and extended battery warranty.
To:	600-5080300	Operations and Maintenance Oversight	2,500,000	
September-23				
Transfer #8				
From:	220-5090702	Operating Contingency	(566,746)	Transferred funds from operating contingency for additional temporary help, workforce engagement and appreciation events.
To:	340-Multiple	People and Culture	566,746	

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 FY2022 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 and \$30 million was added in FY2023 as CapMetro addressed one of the largest needs of the agency. This fund was fully utilized in August 2023 to purchase the new headquarters facility for CapMetro.
- Funds for capital investment are required to help address extensive capital needs. The capital budget for FY2023 is \$475 million, with \$228.6 million funded by FY2022 income and \$246.4 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 FY2023 capital budget also contains CapMetro held contracts of the Project Connect program of projects. The City of Austin Mobility Fund was reduced by \$1.2 million from City projects in FY2023.

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

\$' Million	FY22 Sep YTD Actual	FY23 Sep YTD Actual	FY23 Full Year Budget	% of Budget
<i>Operating Revenue</i>				
Passenger Revenue	\$15.2	\$18.2	\$17.6	103.2%
Freight Railroad Revenue	6.8	6.3	6.8	92.8%
Other Revenue	15.4	5.0	6.3	78.7%
Total	37.4	29.5	30.8	95.8%
<i>Operating Expenses</i>				
Salaries and Benefits	58.5	76.3	84.0	90.7%
Professional Services	37.0	46.8	60.5	77.4%
Fuel and Fluids	10.9	14.2	16.4	86.4%
Utilities	3.5	4.3	4.3	99.3%
Purchased Transportation	165.5	190.8	182.8	104.4%
Other Expenses	10.0	22.2	32.9	67.5%
Lease/Rental	1.8	3.4	6.4	52.2%
Depreciation & Amortization	51.6	55.4	54.4	101.9%
Total	338.8	413.4	441.9	93.6%
Operating Income/Loss	(301.4)	(383.9)	(411.1)	93.4%
<i>Non-Operating Revenue/(Expenses)</i>				
Sales Tax	366.9	382.6	371.0	103.1%
Investment Income	2.6	21.3	.8	2657.2%
Operating Contributions and Grants	202.1	49.8	132.9	37.5%
Capital Contributions and Grants	8.3	54.4	246.4	22.1%
Mobility Interlocal Agreements	(30.2)	(33.6)	(10.3)	326.9%
Other	.3	(.5)	.0	(39765.4%)
Non-Operating Income/(Loss)	550.0	474.0	740.8	64.0%
Change in Net Position	\$248.6	\$90.2	\$329.8	27.3%

Budget Variances by Department - Preliminary

\$'000 Department	FY22 YTD Actual	FY23 YTD Actual	FY23 YTD Revised Budget	YTD % of Revised Budget	YTD Budget vs. Actual	Comments
100 - Non-Allocated Benefits	\$10,228	\$16,219	\$17,832	91.0%	\$1,613	
102 - Wellness Center	337	318	441	72.1%	123	Savings from professional fees and supplies and materials associated to the health clinic
103 - Child Care Center	1,059	1,176	1,157	101.7%	(20)	
105 - Business Center	369	344	380	90.6%	36	Savings from office equipment
110 - Executive Staff	1,344	1,463	1,613	90.7%	150	Savings from vacancies and travel expenses
118 - Government Affairs	841	912	1,276	71.5%	364	Savings from vacancies
119 - Diversity, Equity, and Inclusion	811	759	1,110	68.3%	351	Savings from vacancies, consulting fees and advertising
120 - Board Of Directors	181	170	203	83.6%	33	
125 - Internal Audit	435	479	429	111.5%	(50)	Additional relocation expense
130 - Organizational Strategy and Projects	1,126	1,585	1,849	85.7%	264	Savings from consulting and temporary help
140 - Safety	666	1,713	2,456	69.7%	743	Savings from vacancies, consulting and advertising expense
141 - Public Safety and Emergency Management	5,093	6,052	8,293	73.0%	2,241	Savings from vacancies and security services
142 - Systemwide Accessibility	180	819	1,047	78.2%	228	Savings from consulting fees
150 - Legal	1,073	1,892	1,925	98.3%	33	
220 - Finance	5,830	5,944	9,413	63.1%	3,469	Unspent contingency and savings from insurance premiums and vacancies
230 - Information Technology	18,033	21,455	23,745	90.4%	2,289	Savings from services expense and vacancies
250 - Procurement	2,207	2,530	2,274	111.2%	(255)	Two additional FTEs compared to budget
275 - Rideshare	1,634	2,048	1,843	111.1%	(205)	Higher Rideshare purchased transportation cost due to more vans than budgeted
320 - Planning	4,701	6,005	8,463	71.0%	2,458	Savings from transit priority-right-of-way projects and 5-Year & 10-year long-range service plan delays
330 - Marketing and Communications	4,708	5,347	6,756	79.1%	1,409	Savings from vacancies, Fall and Spring and fare collection campaigns, special events and value of transit
331 - Community Engagement	1,414	1,285	1,764	72.8%	479	Savings from Try Transit and Smart Trips programs
332 - Customer Care	1,119	1,070	1,215	88.1%	145	Savings from vacancies
340 - People and Culture	4,869	6,225	6,039	103.1%	(186)	Additional labor expenses related to department reorganization and temporary personnel
457 - Public Facilities	5,585	6,279	6,768	92.8%	488	Savings from vacancies
530 - Capital Design and Construction	1,440	2,122	2,821	75.2%	698	Savings from vacancies and professional services
540 - Property and Asset Management	4,694	6,445	7,178	89.8%	733	Savings from vacancies and building maintenance professional services
542 - Freight Rail Management	1,728	1,765	2,188	80.6%	424	Savings from postponement of timber bridge and road crossing analyses
544 - Commuter Rail Operations	22,087	23,320	24,780	94.1%	1,460	Savings from purchased transportation due to fewer hours to budget and postponement of crossing analysis
550 - Real Estate and Facility Planning	1,618	2,341	5,403	43.3%	3,061	Lease facility accounting treatment for GASB 87
600 - Operations and Maintenance Oversight	145,073	175,786	166,320	105.7%	(9,466)	Over budget due to personnel overtime and double time
615 - Innovative Mobility	4,614	6,367	7,680	82.9%	1,313	Savings in CARTS purchased transportation from fewer hours due to staff and vehicle shortages
616 - MetroBike	159	972	1,353	71.8%	381	Savings in consultation fees
620 - Demand Response Oversight	28,473	37,451	40,062	93.5%	2,611	Savings from purchased transportation due to fewer hours to budget
640 - Demand Response Control and Call Center	2,249	2,349	2,497	94.1%	148	Savings from vacancies
650 - Paratransit Eligibility	998	1,164	1,353	86.1%	189	Savings from vacancies and lower temporary help expense
920 - Project Connect	(347)	4,257	14,638	29.1%	10,381	Savings in professional services and purchased transportation
940 - Project Connect Integration	603	1,507	2,907	51.8%	1,400	Savings from vacancies and consulting projects canceled
Total	\$287,232	\$357,938	\$387,471	92.4%	\$29,534	

Capital Projects Summary – Preliminary

\$'000				
Project Category	Expended	Budget	Expended as % of Budget	Comments
Commuter Rail	\$1,764	\$13,427	13.1%	Lakeline Leander Siding
Vehicles	36,390	69,282	52.5%	Electric Bus Replacements
Information Technology	12,373	22,226	55.7%	Enterprise Resource Planning, Data Warehouse/Business Intelligence and Customer Payment Systems
Facilities	14,781	110,884	13.3%	Bus Electrification Infrastructure, Airport Lamar Red Line Grade Separation and Bus Stop Enhancements
Freight Railroad	42	3,287	1.3%	Bridge Replacement
Property and Asset Mgmt	95,144	31,190	305.0%	New Headquarters and Transit Store Building Purchases
Contingency	-	5,000	0.0%	
Project Connect	82,703	215,340	38.4%	Light Rail Line, PMOR, MetroRapid Lines and McKalla Red Line Station
Security	161	4,372	3.7%	Rail House Signal Security Enhancements and Camera Replacements and Enhancements
Total	\$243,359	\$475,008	51.2%	

CapMetro

Thank you!