

**People**

**Transportation**

**Housing**

**Bikes**

**Financial Condition**

**Planning**

**Bus**

**Parks**

**Future**

**Cars**

**Sustainability**

**Efficient**

**MANAGEMENT COMMITTEE**

**Prosperity**

**Train**

**Growth**

**Light Rail**

**3<sup>RD</sup> QUARTER FINANCIAL REPORT**

**Livability**

**Light Rail**

**Trails**

**Diversity November 12, 2014**

**Treatment**

**Equity**

**Airplane**

**Communities**

**Wastewater & Water**

**Lakes**

**Treatment**

**Regional**

**Economic**

**Roads**



**METROPOLITAN  
C O U N C I L**

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# Financial Management Report

## OPERATING FUNDS—STATEMENT OF REVENUES & EXPENSES

### OPERATING FUNDS STATEMENT OF REVENUES AND EXPENSES 2014 - 3rd Quarter Results (in thousands) Unaudited

	General Fund					Environmental Services					Housing and Redevelopment Authority				
	2014 YTD Results	% Budget	Projected Year End	2014 Budget	Variance*	2014 YTD Results	% Budget	Projected Year End	2014 Budget	Variance*	2014 YTD Results	% Budget	Projected Year End	2014 Budget	Variance*
Revenues	6,016	50%	11,286	11,933	(647)	151,225	74%	204,754	203,131	1,623	44,738	74%	60,062	60,862	(800)
Expenses	34,007	69%	47,052	49,520	2,468	84,943	67%	124,464	126,434	1,970	42,943	71%	59,748	60,548	800
Transfers	23,152	64%	35,221	36,295	(1,074)	(59,921)	75%	(79,912)	(80,208)	296	(601)	100%	(601)	(601)	0
Change in Reserve Balance	(4,839)		(545)	(1,292)	747	6,361		378	(3,511)	3,889	1,194		(287)	(287)	0
Beginning Reserve Balance			16,554					20,390					7,762		
Assigned/Committed			(5,602)												
Ending Reserve Balance			10,407					20,768					7,475		
Target Balance			4,952					12,643					5,026		

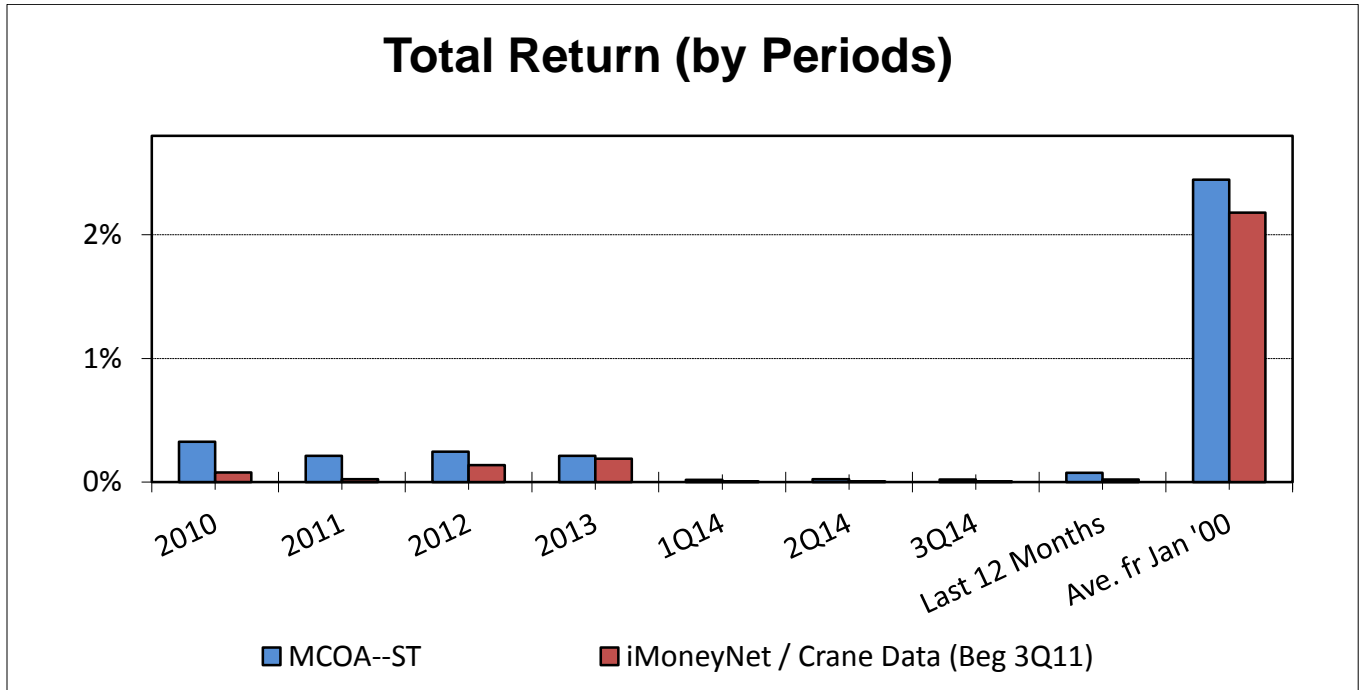
	Metro Transit - Bus					Metro Transit - Light Rail					Metro Transit - Commuter Rail				
	2014 YTD Results	% Budget	Projected Year End	2014 Budget	Variance*	2014 YTD Results	% Budget	Projected Year End	2014 Budget	Variance*	2014 YTD Results	% Budget	Projected Year End	2014 Budget	Variance*
Revenues	200,697	76%	266,946	264,646	2,300	35,710	70%	51,139	50,727	412	13,148	75%	17,439	17,471	(32)
Expenses	203,158	74%	271,547	276,244	4,697	26,604	67%	39,776	39,708	(68)	9,803	58%	15,859	16,869	1,010
Transfers	2,512	111%	1,272	2,261	(989)	(6,018)	71%	(8,661)	(8,518)	(143)	(983)	75%	(1,371)	(1,312)	(59)
Change in Reserve Balance	51		(3,329)	(9,337)	6,008	3,088		2,702	2,501	201	2,362		209	(710)	919
Beginning Reserve Balance			46,064					3,496					4,866		
Assigned/Committed															
Ending Reserve Balance			42,735					6,198					5,075		
Target Balance			25,284					5,594					1,462		

	MTS - Transportation Planning					MTS - Metro Mobility					MTS - Contracted Service				
	2014 YTD Results	% Budget	Projected Year End	2014 Budget	Variance*	2014 YTD Results	% Budget	Projected Year End	2014 Budget	Variance*	2014 YTD Results	% Budget	Projected Year End	2014 Budget	Variance*
Revenues	3,312	52%	5,336	6,321	(985)	40,730	75%	53,973	54,509	(536)	18,228	73%	24,359	24,815	(456)
Expenses	2,498	53%	3,384	4,686	1,302	38,223	65%	52,149	59,020	6,871	17,489	68%	22,916	25,707	2,791
Transfers	(1,025)	72%	(1,245)	(1,430)	185	(397)	60%	(509)	(659)	150	(991)	238%	(1,321)	(416)	(905)
Change in Reserve Balance	(211)		707	205	502	2,110		1,315	(5,170)	6,485	(252)		122	(1,308)	1,430
Beginning Reserve Balance			2,760					15,729					5,490		
Assigned/Committed															
Ending Reserve Balance			3,467					17,044					5,612		
Target Balance			1,963					5,968					2,612		

\*Variance = Favorable / (Unfavorable)

## METROPOLITAN COUNCIL INVESTMENT PERFORMANCE- SHORT-TERM PORTFOLIO



### 3Q14 Short-Term Portfolio Investment Results

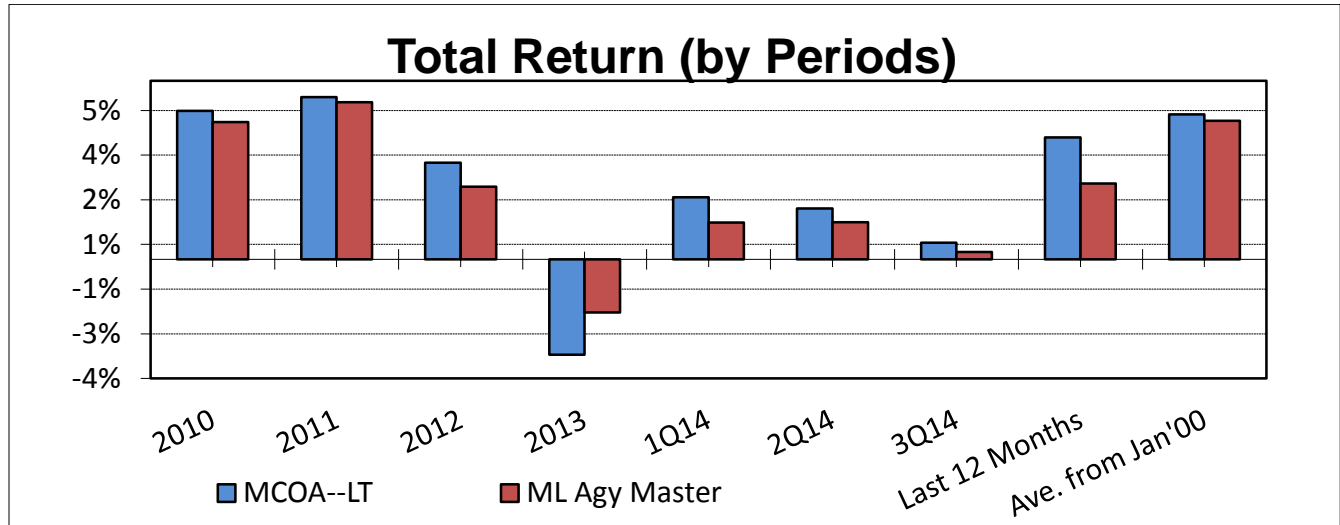
#### Assets under Management (AUM): \$165 Million

The portfolio outperformed its benchmark during the second quarter. Total return of 0.02% was above the index (0.00%) by 2 basis points. This portfolio has averaged 27 bps per year more than its benchmark over the past 16 years. For the quarter, 58% of Council's liquid cash was invested in government money market funds (87% in Morgan Stanley, yielding 0.04% and 13% in Goldman Sach's, yielding 0.01%) and 42% was invested in commercial paper (average yield 0.23%).

The money market space continues to be dominated by a limited selection of eligible high quality investments. A primary driver of the low supply include the fact that corporations and government issuers continue to take advantage of the historically low interest rates by extending the terms of their debt. Instead of issuing short-term debt (1 month -1 year maturities), companies are choosing to extend terms a little further on the curve (1-3 year maturities).

As of October 27<sup>th</sup>, Council had a cash balance of \$142 million. We expect to maintain high cash balances through the first quarter of 2015. Majority of these funds will be used within the next 3-6 months to pay debt service payments on Council's outstanding debt e.g. principal and interest payments are due on March 1, 2015 on the Green Line Grant Anticipation Notes (\$35.6 million on the series 2012G and \$53.4 million on the series 2014A).

## METROPOLITAN COUNCIL INVESTMENT PERFORMANCE- LONG-TERM PORTFOLIO



### 3Q14 Long-Term Portfolio Investment Results

#### Assets under Management (AUM) \$462 Million

The portfolio outperformed its benchmark during the second quarter. Total return of 0.56% was above the index (0.25%) by 31 basis points. The portfolio was comprised of 32% municipal bonds (yielding 3.62%), 38% of U.S. agency securities (yielding 2.50%), 13% of top tier commercial paper (yielding, 0.30%), 16.5% was invested in government money market funds (yielding 0.01%) and less than 1% was invested in securitized mortgage backed securities (yielding 1.75%).

Once again municipal bonds held steady and generated positive returns relative to other fixed income products. The positive performance was driven by investor demand and constrained supply. Demand for municipal bonds has remained strong supported by crossover buyers and hedge fund investors who continue to reach out for yield and take advantage of the attractive relative value offered by the muni asset class. On the supply side, issuance remained modest and has not kept up with demand. According to the Bond Buyer, through September 30, states and local governments issued \$226.3 billion of municipal bonds, which was -10.7% lower compared to the same period in 2013.

In terms of strategy, we maintained a defensive stance and kept the portfolio duration positioning (3.22) below that of the benchmark (3.95). This strategy includes holding a cash balance of \$ 74 million, which will help us stay within our target duration in the 2-6 year range. We believe carrying a higher cash balance will provide greater flexibility to purchase higher yielding bonds in a rising-rate environment.

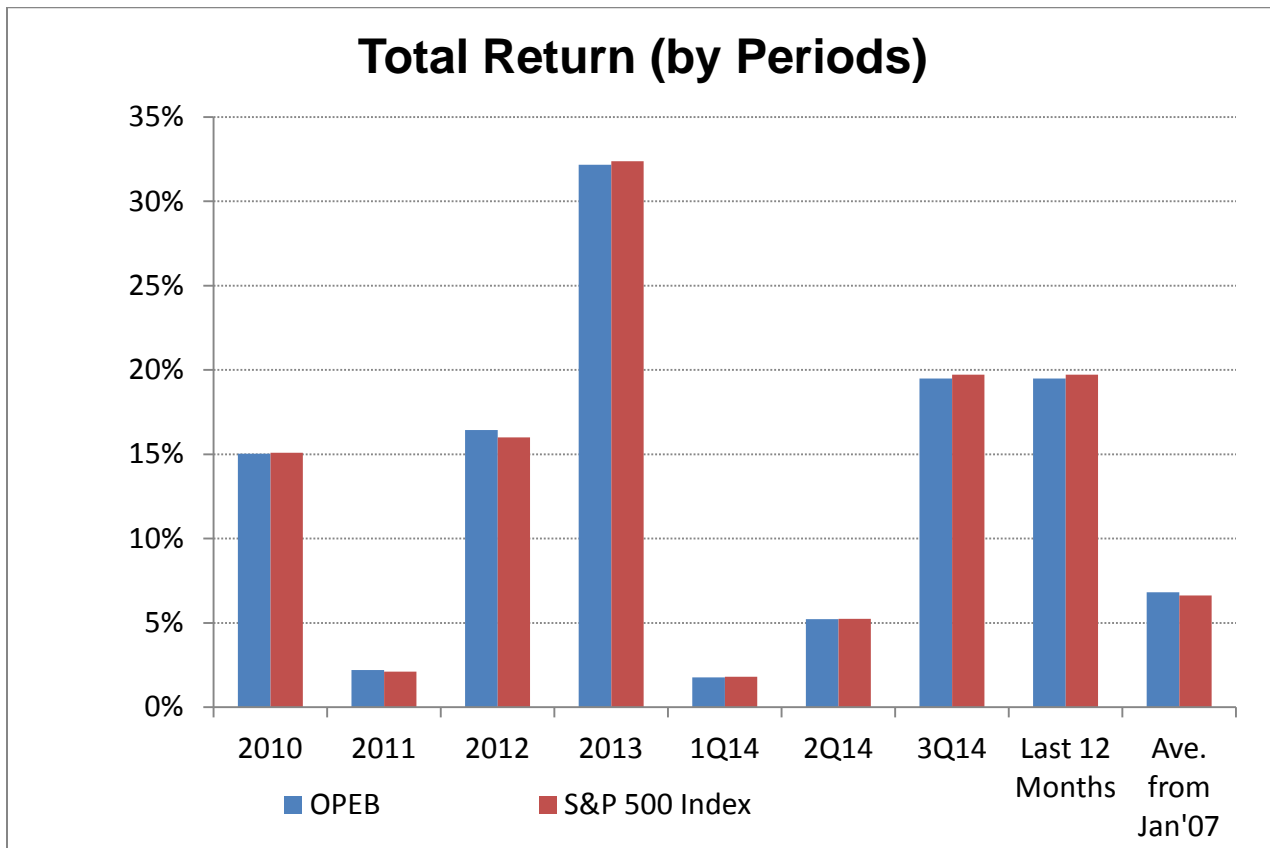
## 3Q14 OPEB PORTFOLIO INVESTMENT RESULTS

### Assets under Management (AUM) \$194 Million

Currently, the Council's OPEB portfolio is fully invested in equities. At end of the third quarter, both the OPEB portfolio and the S&P 500 index posted positive returns of 1.04% and 1.13%, respectively. For the quarter, the portfolio had accumulated \$1.05 million of unrealized gains. The positive performance was largely driven by signs of an improving US economy, rising corporate profits and investor expectations for easy monetary policies from global central banks.

Thus far, an improving US economy accompanied by weaker economic signals from other developing markets has helped strengthen the dollar against other major currencies. Generally, a rising dollar would make US goods less competitive abroad, which translates to lower profits for US firms based overseas.

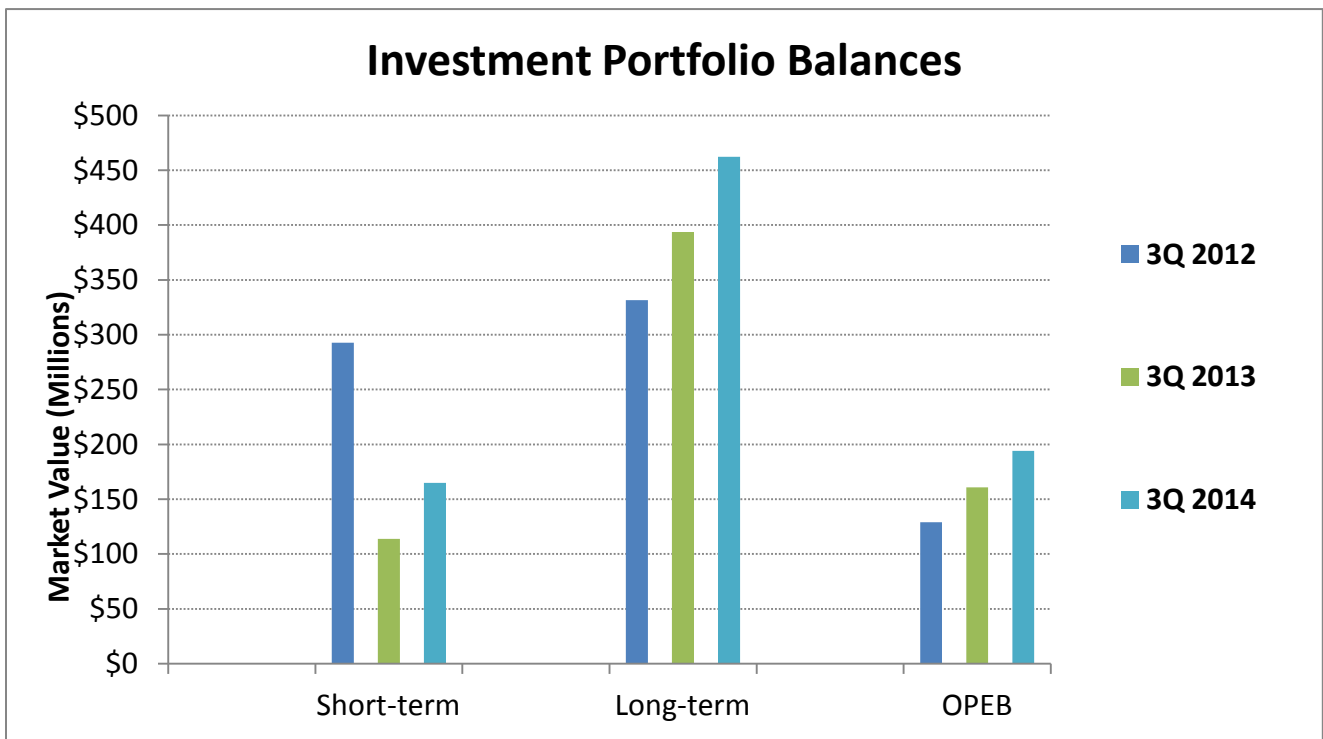
In the current business cycle, stocks appear attractive relative to bonds. If interest rates rise in the near future, investors will likely move away from fixed income products.



## INVESTMENT PORTFOLIO BALANCES

### Investment Portfolio Balances Market Value (Millions)

	3Q 2012	3Q 2013	3Q 2014
<b>Short-term</b>	\$ 292.6	\$ 113.8	\$ 164.8
<b>Long-term</b>	331.6	393.6	462.3
<b>OPEB</b>	129.0	160.7	193.9
<b>Total</b>	<u>753.2</u>	<u>668.1</u>	<u>821.0</u>



# Financial Management Report

## GENERAL FUND

Unaudited—dollars in thousands

	General Fund				
	2014 YTD		Projected		
	Results	% Budget	Year End	2014 Budget	Variance
Revenues	6,016	50%	11,286	11,933	(647)
Expenses	34,007	69%	47,052	49,520	2,468
Transfers	23,152	64%	35,221	36,295	(1,074)
Change in Reserve Balance	(4,839)		(545)	(1,292)	747
Beginning Fund Balance			16,554		
Assigned/Committed			(5,602)		
Ending Unassigned Reserve Balance			10,407		
Target Balance (10%)			4,952		

### General Fund

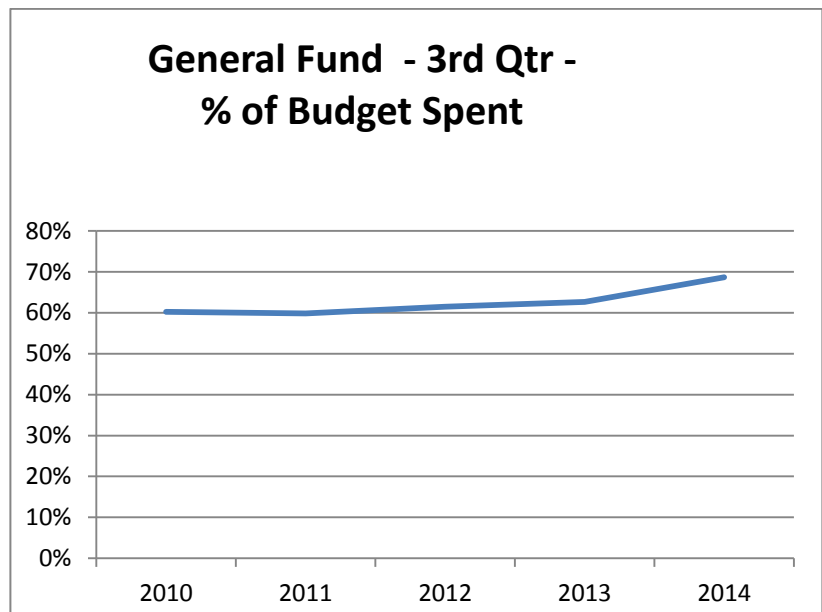
Year to date 3rd quarter, the General Fund has spent 69 percent of annual budgeted operating expenses.

Salary savings approximating \$1.5 million are expected to carry through to year-end as a result from time to fill vacancies. Allocations from operating divisions (reported in transfers) are reflective of lower projected expenses as well.

Other expense categories are generally expected to be on track to budget by year end. 3rd quarter year to date spending for Contracted Services is about 64% of budget, lower contractor spending will result in a 400K budget savings

Federal Revenues and related Grant Expenditures for Corridors of Opportunity were mostly accrued to CY 2013 and no further draws or expenses are anticipated.

The amended 2014 General Fund budget approved by the Council anticipates a \$1.3 million use of operating reserves. The projected year-end unassigned reserve balance is \$10.4 million.





# Financial Management Report

## ENVIRONMENTAL SERVICES

Unaudited—dollars in thousands

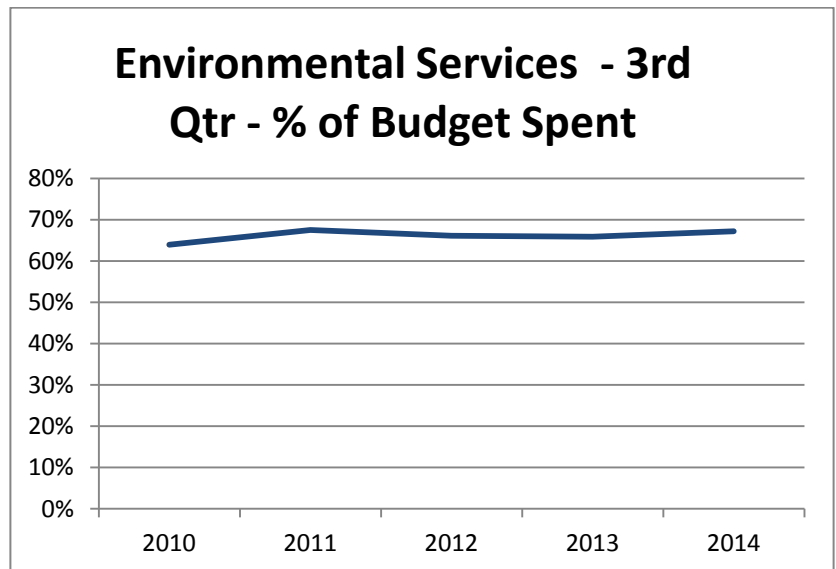
	Environmental Services				
	2014 YTD Results	% Budget	Projected Year End	2014 Budget	Variance
Revenues	151,225	74%	204,754	203,131	1,623
Expenses	84,943	67%	124,464	126,434	1,970
Transfers	(59,921)	75%	(79,912)	(80,208)	296
Change in Reserve Balance	6,361		378	(3,511)	3,889
Beginning Reserve Balance			20,390		
Ending Unassigned Reserve Balance			20,768		
Target Balance			12,643		

### Environmental Services

Environmental Services operating expenses/transfers are currently estimated to be under budget by \$2.3M.

Salary and benefits are projected to be under budget by approximately \$1.6M, primarily due to a number of staffing vacancies.

In addition, there is under spending in chemicals, capital and contracted services of \$4.2M. This is offset by materials, utilities and I&I grant payments exceeding budget by approximately \$3.9M.



Operating revenues are anticipated to exceed budget by approximately \$1.6M due to state grant revenue expected to exceed budget by \$1.0M as both the 2013 clean water fund and the 2013 state bond funded I&I programs are anticipated to fully disburse all available funding in 2014.

SAC receipts collected to date continue to exceed the 2013 receipts and are anticipated to meet the 2014 budget expectation of 16,000 units. Note that, additional SAC receipts accrue in the reserve but are not considered additional annual revenues.

Environmental Services operations has an amended 2014 budgeted use of reserves of \$3.5M, which included \$0.5M for wastewater rate mitigation, \$2.0M for the 2013 carry-forward budget amendment, and \$1.0M for an Emergency Repair budget amendment.

If the above forecasted variances occur, reserves will increase by approximately \$0.4M. This estimated \$3.9 million positive operating variance would bring the operating reserve to \$20.8M, well above the target of \$12.6M.

# Financial Management Report

## HOUSING AND REDEVELOPMENT FUND

Unaudited—dollars in thousands

Revenues  
Expenses  
Transfers  
Change in Reserve Balance  
Beginning Reserve Balance  
Ending Reserve Balance

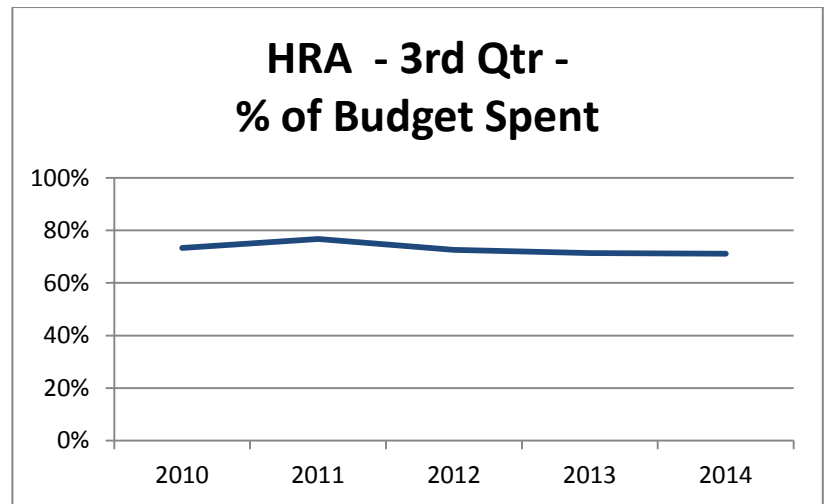
Target Balance

Housing and Redevelopment Authority				
2014 YTD		Projected		
Results	% Budget	Year End	2014 Budget	Variance
44,738	74%	60,062	60,862	(800)
42,943	71%	59,748	60,548	800
(601)	100%	(601)	(601)	0
1,194		(287)	(287)	0
		7,762		
		7,475		
		5,026		

### Housing and Redevelopment Authority

The Housing and Redevelopment Authority (HRA) finished third quarter in line with the approved budget on the operating expense line items. The Housing Assistance line item represents lower than projected spending due to past and future HUD funding projections.

The HRA is projecting a \$7.5 million fund balance at year end 2014, exceeding the Council's target fund balance of 8.3% of annual budgeted operating expenses.



# Financial Management Report

## METRO TRANSIT—BUS

Unaudited—dollars in thousands

	Metro Transit - Bus				
	2014 YTD Results	% Budget	Projected Year End	2014 Budget	Variance
Revenues	200,697	76%	266,946	264,646	2,300
Expenses	203,158	74%	271,547	276,244	4,697
Transfers	2,512	111%	1,272	2,261	(989)
Change in Reserve Balance	51		(3,329)	(9,337)	6,008
Beginning Reserve Balance			46,064		
Ending Reserve Balance			42,735		
Target Balance			25,284		

### Metro Transit Bus

Adopted CY 2014 budgeted use of reserves of \$9.3M.

Year-End projected positive year end variance of \$6.0M.

Year end fund balance of \$42.7M or 14.1%, which is \$17.5M over the Council target balance.

Passenger revenue is expected to be \$400K below budget due to decreased ridership. Year to date through Sept ridership is 1.6M below the budgeted levels.

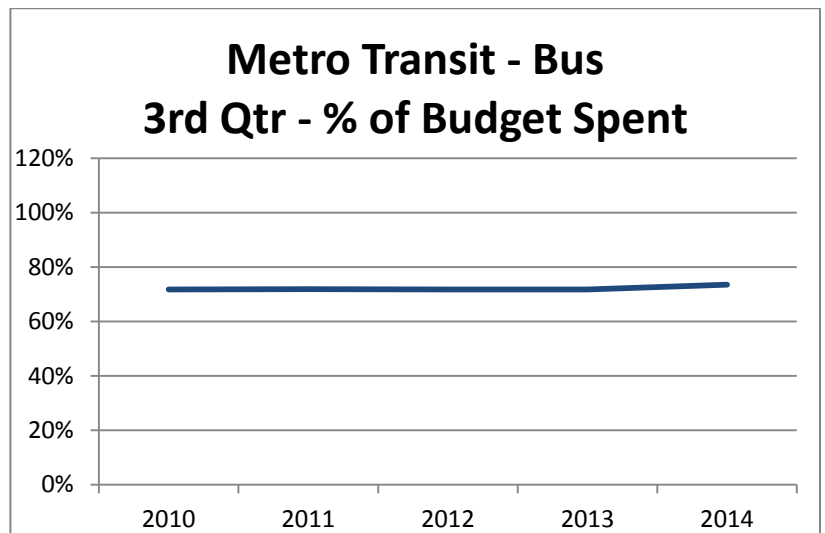
Operating expenses are forecast to be under budget by \$4.6M.

Salaries and benefits will be under budget approximately \$1.6M. This is due to lower than budgeted insurance costs.

Fuel will be under budget by \$3.2M due to lower fuel prices. Sept year to date net average price per gallon was \$3.04 compared to a budgeted \$3.42.

Materials and supplies are forecast to be over budget by \$2.3M. This is due to increased repair work during the extreme weather in this winter and a change in the capitalization policy so we are using operating funds for some projects instead of capital funds.

Utilities are forecast to be under budget by \$275K due to energy savings from capital improvements in our transit facilities.



# Financial Management Report

## METRO TRANSIT—LIGHT RAIL

Unaudited—dollars in thousands

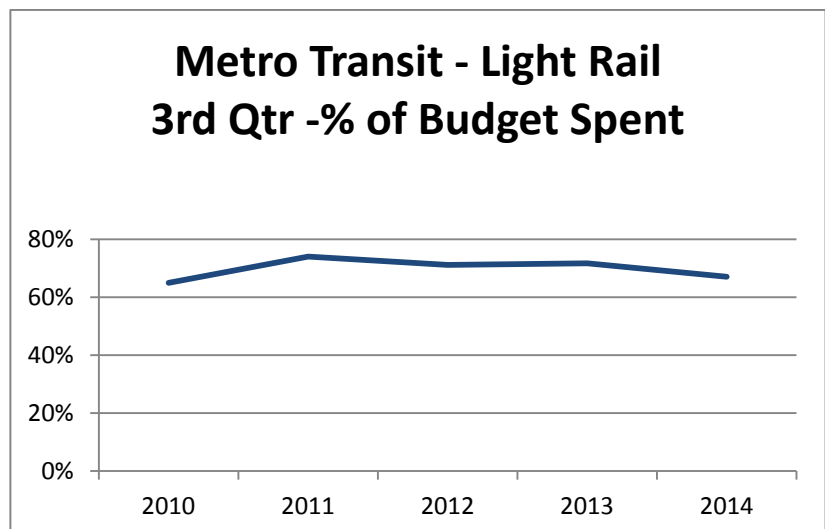
	Metro Transit - Light Rail				
	2014 YTD	Projected		2014 Budget	Variance
	Results	% Budget	Year End		
Revenues	35,710	70%	51,139	50,727	412
Expenses	26,604	67%	39,776	39,708	(68)
Transfers	(6,018)	71%	(8,661)	(8,518)	(143)
Change in Reserve Balance	3,088		2,702	2,501	201
Beginning Reserve Balance			3,496		
Ending Reserve Balance			6,198		
Target Balance			5,594		

### Metro Transit Light Rail

Adopted CY 2014 has a contribution to reserves of \$2.5M.

September YTD ridership on the Metro Blue line is 928K or 11.5% below budget. YTD ridership on Metro Green line is 3.5M rides.

Year-end positive projected year end variance of \$201K (includes a \$600K refund to CTIB for green Line operations) Year end fund balance of \$6.2M or 9.2% which is over the Council target fund balance.



Passenger revenues are forecast to be \$78K above budget. Forecast is for Metro Blue line to be \$774K under budget and Metro Green Line to be \$852 over budget.

Operating expenses are expected to be \$68K over budget (includes a \$600K refund to CTIB for green line operations). Without the refund the expenses would be \$532K under expense authority.

Salary and benefits are expected to be \$376K over budgeted, due to the early opening of the green line.

Casualty and Liability costs are expected to be \$350K under budget due to low claims.

All other expenses are close to budgeted levels.

# Financial Management Report

## METRO TRANSIT—COMMUTER RAIL

Unaudited—dollars in thousands

Revenues  
Expenses  
Transfers  
Change in Reserve Balance  
Beginning Reserve Balance  
Ending Reserve Balance

Target Balance

Metro Transit - Commuter Rail					
	2014 YTD	Projected		2014 Budget	Variance
	Results	% Budget	Year End		
	13,148	75%	17,439	17,471	(32)
	9,803	58%	15,859	16,869	1,010
	(983)	75%	(1,371)	(1,312)	(59)
	2,362		209	(710)	919
			4,866		
			5,075		
			1,462		

### Metro Transit - Commuter Rail

Adopted use of reserves of \$710K.

Year-end projected positive variance of \$919K. Year end fund balance of \$5.1M or 28.6%, which is \$3.6M over the target balance.

Year end projected expenses include \$1.3M in refunds to funding partners.

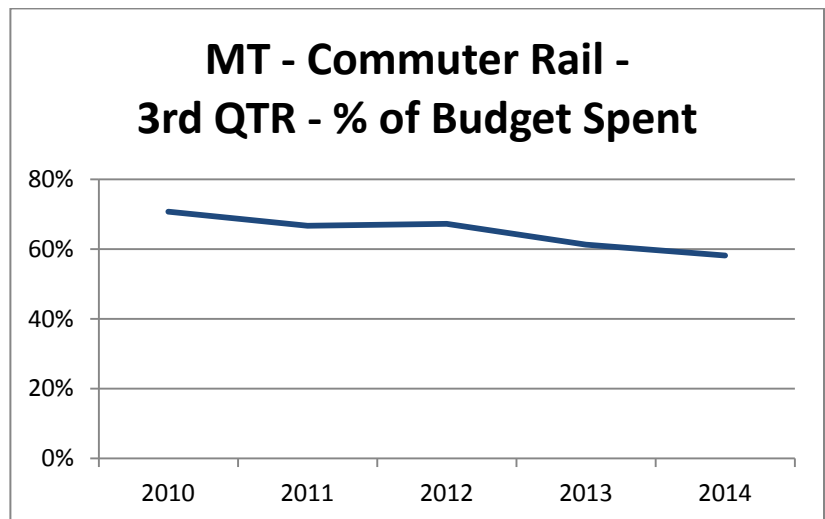
Passenger revenues are projected to be \$100K under budget. Sept year to date ridership is down 20K rides or approx 3.5% from budget.

Commuter rail expenses are forecast to be \$1.0M under budget.

Salaries and benefits are projected to be \$438K under budget due to open positions.

Contracted services is expected to be \$2.2M under budget. This is due to reduced BNSF costs.

Misc other is forecast to be over budget by \$1.3M due to refunds to funding partners.



# Financial Management Report

## METROPOLITAN TRANSPORTATION SERVICES

Unaudited—dollars in thousands

Revenues  
Expenses  
Transfers  
Change in Reserve Balance  
Beginning Reserve Balance  
Ending Reserve Balance

Target Balance

MTS - Transportation Planning					
2014 YTD	Projected		2014 Budget	Variance	
	Results	% Budget			
Revenues	3,312	52%	5,336	6,321	(985)
Expenses	2,498	53%	3,384	4,686	1,302
Transfers	(1,025)	72%	(1,245)	(1,430)	185
Change in Reserve Balance	(211)		707	205	502
Beginning Reserve Balance			2,760		
Ending Reserve Balance			3,467		
Target Balance			1,963		

### MTS - Transportation Planning

Transportation Planning anticipates being under budget by \$500,000.

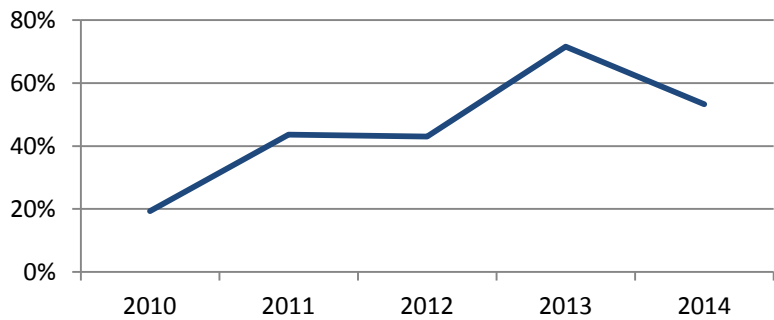
Federal revenues are drawn as needed as an 80% match for UPWP work and are currently under budget by \$985K.

Salaries and benefits and related cost allocations are projected to be under budget for the year by \$548K due to current open positions.

Consulting and contracting is under budget by \$425K due to the current focus of the department on the Transportation Policy Plan (TPP). Consulting work will pick up at the beginning of 2015

Pass through grant expenses are under budget by \$490K due to a reduced level of payment requests from sub recipients.

### MTS - Transportation Planning - 3rd Qtr - % of Budget Spent



# Financial Management Report

## MTS—METRO MOBILITY

Unaudited—dollars in thousands

Revenues  
Expenses  
Transfers  
Change in Reserve Balance  
Beginning Reserve Balance  
Ending Reserve Balance

Target Balance

MTS - Metro Mobility					
2014 YTD	Projected		2014 Budget	Variance	
	Results	% Budget			
Revenues	40,730	75%	53,973	54,509	(536)
Expenses	38,223	65%	52,149	59,020	6,871
Transfers	(397)	60%	(509)	(659)	150
Change in Reserve Balance	2,110		1,315	(5,170)	6,485
Beginning Reserve Balance			15,729		
Ending Reserve Balance			17,044		
Target Balance			5,968		

### MTS - Metro Mobility

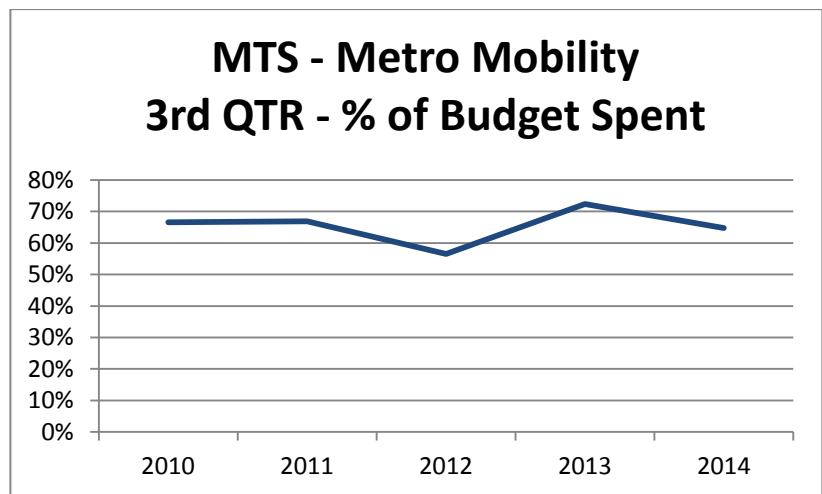
Metro Mobility anticipates being under budget by \$6.4M. Lower than anticipated passenger revenue are offset by cost saving in consulting and contracting services and fuel.

Total revenues are under budget by about \$500K. Metro Mobility fare revenues are projected to be under budget by \$800K due to lower than anticipated ticket sales. This is offset by higher than anticipated investment earnings.

Consulting and contracting expenses are under budget due to lower than budgeted ridership. It is projected expenses will be under budget by \$3.9M

Metro Mobility has significant savings in fuel costs. Fuel is projected to be under budget by \$3M for the year due to lower fuel prices. Year to date net average price per gallon was \$2.98 compared to a budgeted \$3.75.

Reduced spending levels will result in projected reserves exceeding approved target policy levels. These excess balances will be reallocated in 2015 through the application of the regional revenue allocation model.



# Financial Management Report

## MTS—CONTRACTED SERVICES

Unaudited—dollars in thousands

Revenues  
Expenses  
Transfers  
Change in Reserve Balance  
Beginning Reserve Balance  
Ending Reserve Balance

Target Balance

MTS - Contracted Service					
	2014 YTD		Projected		Variance
	Results	% Budget	Year End	2014 Budget	
Revenues	18,228	73%	24,359	24,815	(456)
Expenses	17,489	68%	22,916	25,707	2,791
Transfers	(991)	238%	(1,321)	(416)	(905)
Change in Reserve Balance	(252)		122	(1,308)	1,430
Beginning Reserve Balance			5,490		
Ending Reserve Balance			5,612		
Target Balance			2,612		

### MTS - Contracted Service

Contracted Services anticipated being under budget by \$1.4M. Due to lower than anticipated passenger revenues offset by reduced costs - primarily driven by service restructuring due to the Green Line opening.

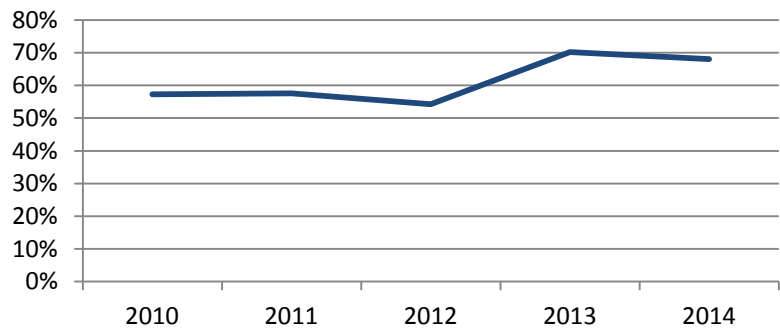
Fare revenues are under budget due to lower ticket sales and lower than budgeted ridership levels.

A \$229K fuel savings is projected due to lower than anticipated prices per budgeted gallon.

Consulting and contracting services are under budget due to savings that are being realized due to service restructuring around the Green Line opening.

Reduced spending levels will result in projected reserves exceeding approved target policy levels. These excess balances will be reallocated in 2015 through the application of the regional revenue allocation model.

### MTS - Contracted Service 3rd Qtr - % Of Budget Spent



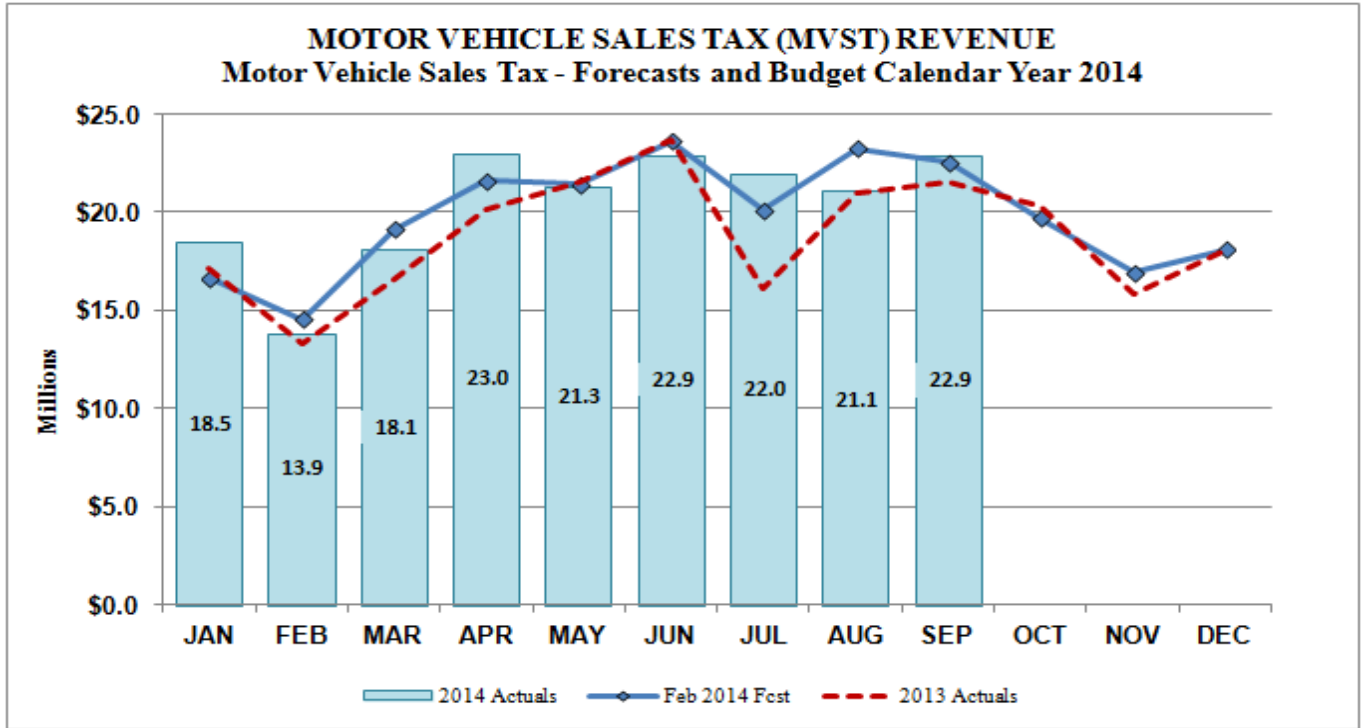


# Financial Management Report

## MOTOR VEHICLE SALES TAX (MVST) REVENUES FORECASTS & BUDGET

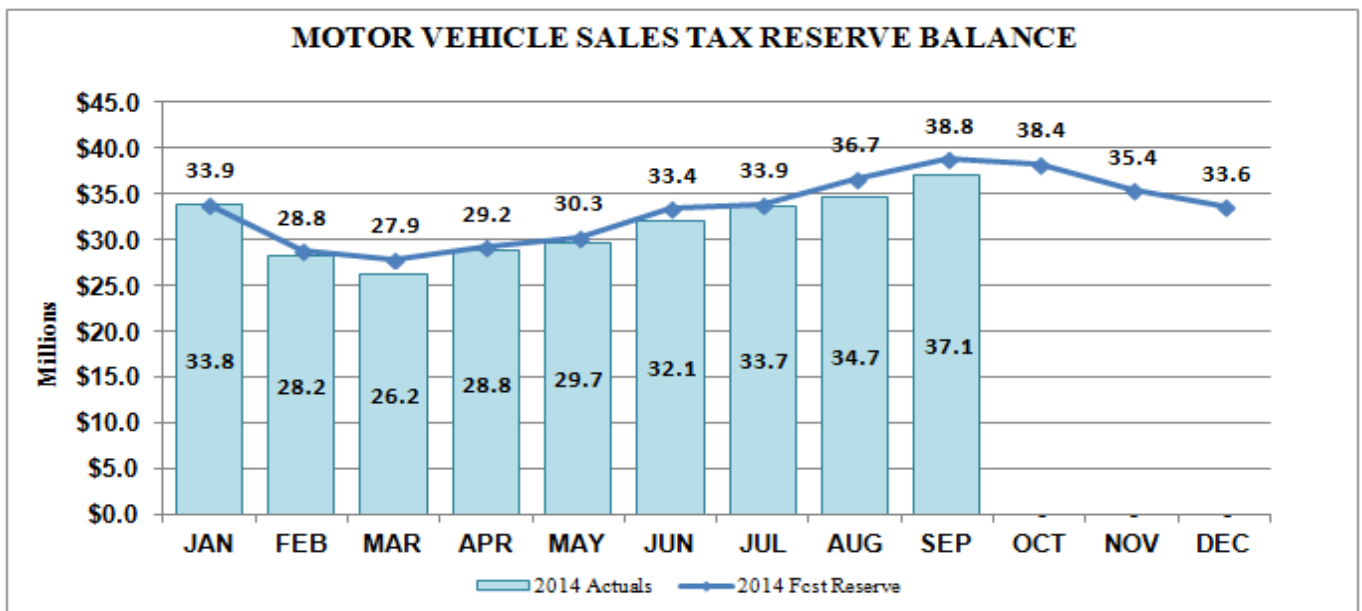
Dollars in millions

### Motor Vehicle Sales Tax Revenues – Metro Area Transit – 100% of Forecast



Motor vehicle sales tax receipts totaled \$184 million in the first three quarters of calendar year 2014, 100% of forecast for the period.

### Motor Vehicle Sales Tax Reserve Balance



# Financial Management Report

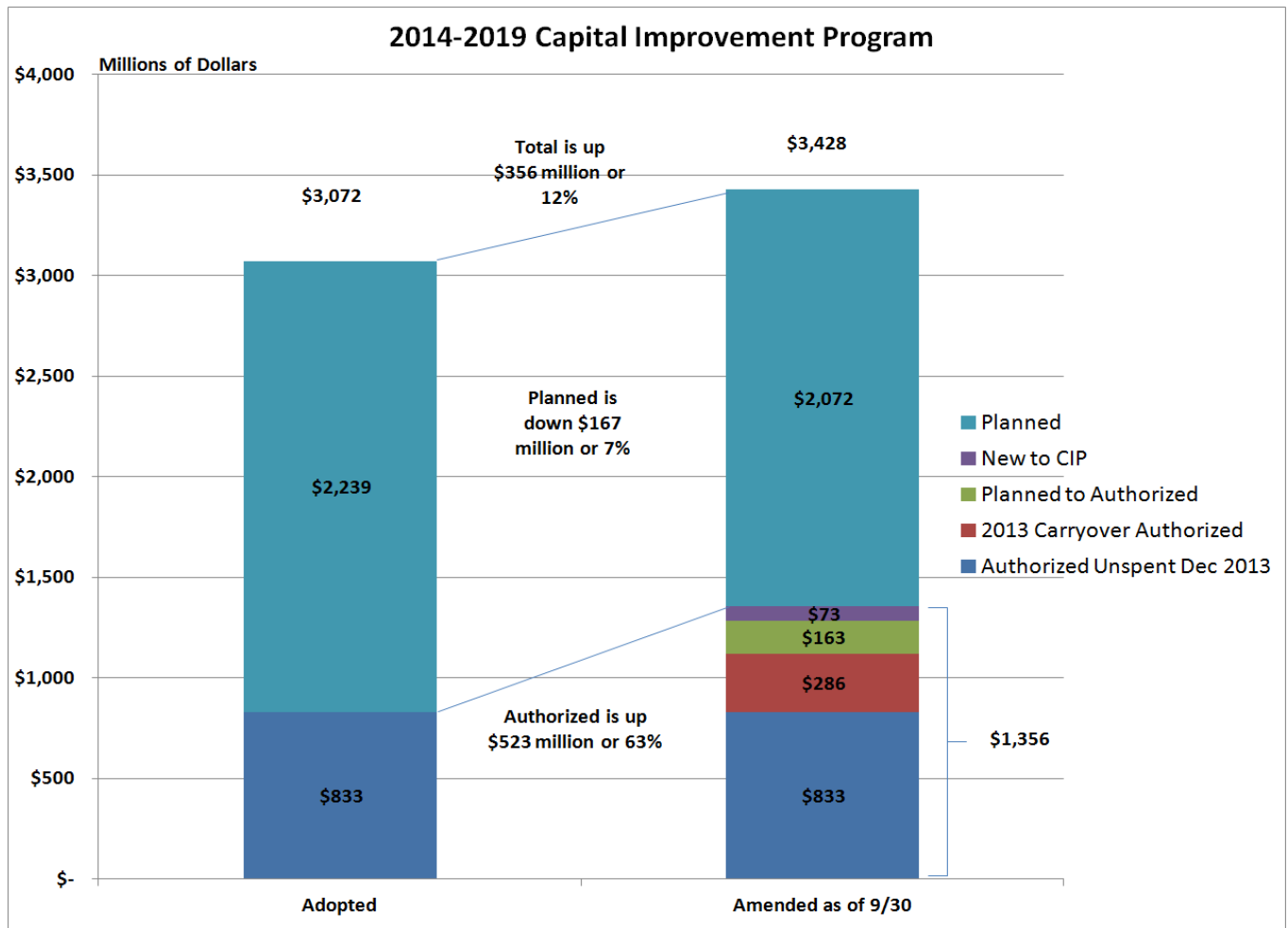
## MOTOR VEHICLE SALES TAX (MVST) REVENUES FORECASTS & BUDGET

Dollars in millions

### Motor Vehicle Sales Tax – Forecasts and Budget Calendar Year 2014

	Total	Jan-Jun	Jul-Dec
<b>November 2013 Forecast</b>	237	116	121
<b>2014 Council Budget:</b>			
95% of State Forecast	225	110	115
Use of MVST Reserve	15	7	8
<b>February 2014 Forecast</b>	238	117	121
<b>YTD Actuals</b>	184	118	66
<b>% of February Forecast</b>	77%	101%	55%

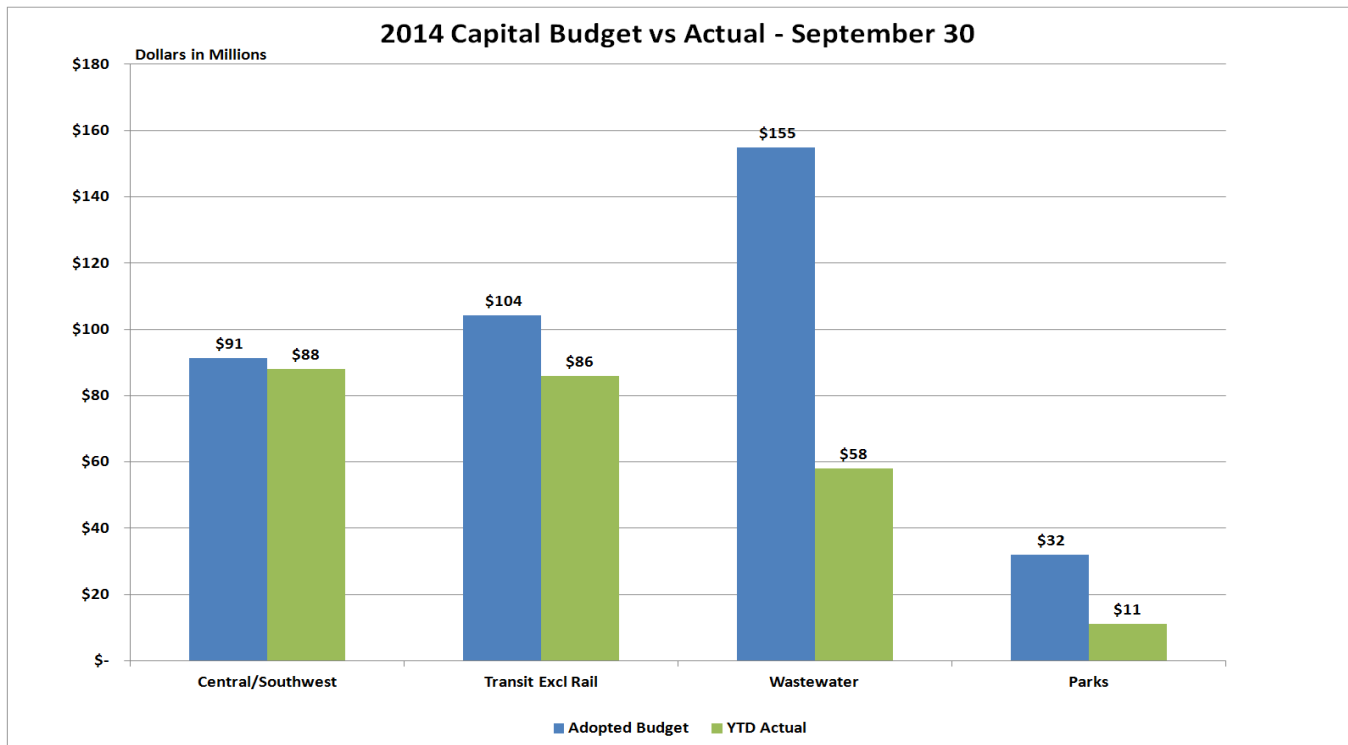
## 2014-2019 CAPITAL IMPROVEMENT PROGRAM



### Capital Program (Excluding Pre-2014 Expenditures)

The capital program excluding pre-2014 expenditures increased by \$356 million through amendments during the year. The capital program excluding pre-2014 expenditures increased from \$3.07 billion to \$3.38 billion, an increase of 12%. The authorized portion of the CIP is up \$523 million or 63 percent, including \$163 million in projects moved from the planned portion of the CIP, \$286 million in authority shifted from 2013 to 2014 and \$73 million in new projects not previously in the CIP. The \$73 million not previously in the CIP include \$23 million in pass-through parks grants provided by the 2014 Legislature, \$46 million in local funding for the Bottineau LRT project and \$4 million in shelter improvements funded through a federal Ladders of Opportunity grant. The authorized portion of the capital improvement program typically increases during the year as federal, state and regional funding becomes available to transit and parks and projects are moved from planned to authorized.

## CAPITAL SPENDING



### 2014 Capital Budget

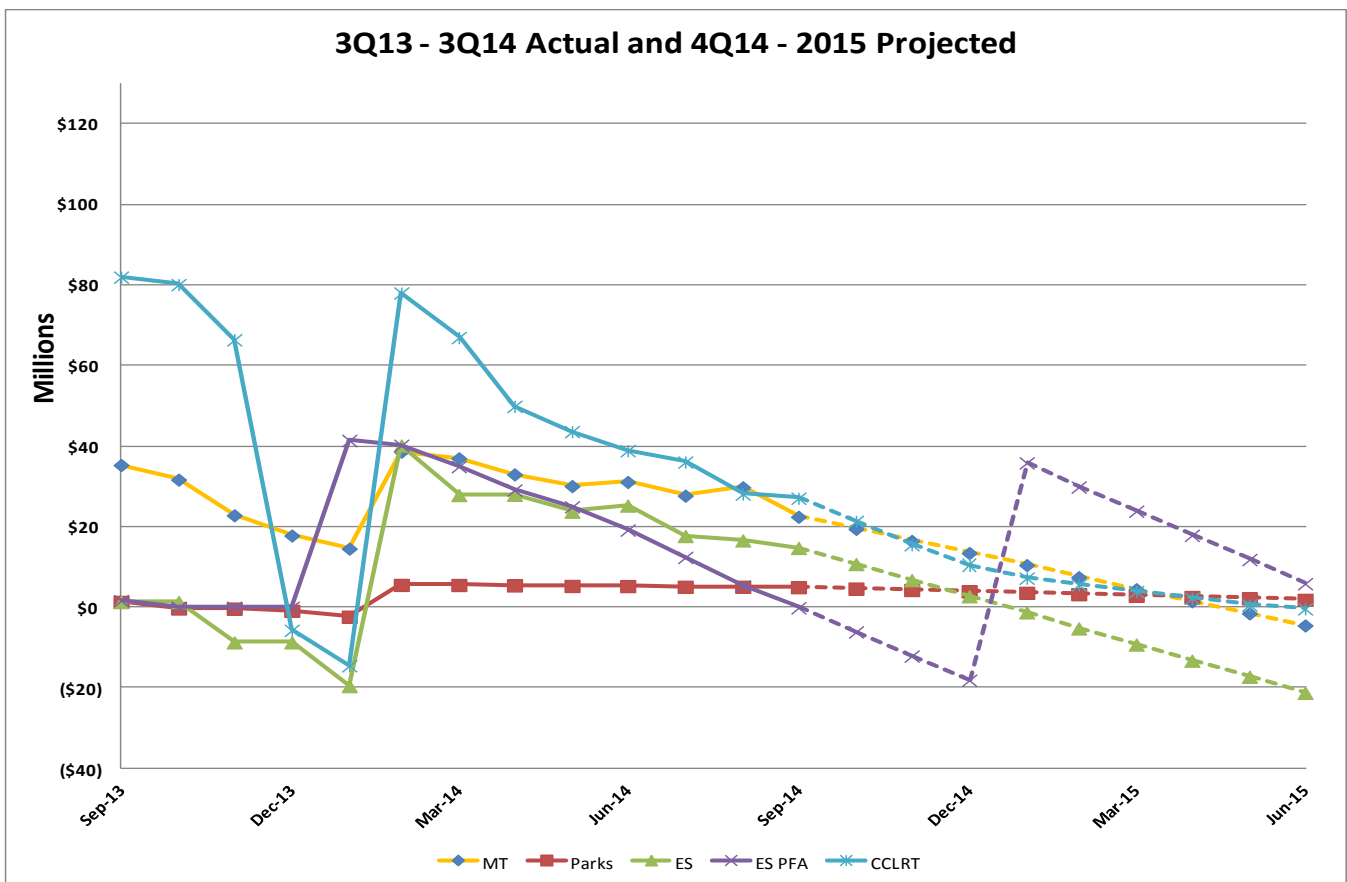
The adopted 2014 Capital Budget was \$383 million. Actual 2014 capital expenditures through September 30 are 63 percent of the adopted budget. Actual expenditures as a percent of the adopted budget were 96 percent for Central Corridor and Southwest Corridor, 82 percent for other transit projects, 37 percent for Environmental Service’s wastewater projects and 34 percent for parks projects.

## CAPITAL FUND CASH BALANCES

The General Obligation (G.O.) capital bond funds for Parks and Metro Transit have experienced slower than normal spending in the past year, but are projected to be spent down by mid 2015. Conversely, Wastewater capital bond funds have been spent down and expenditures eligible for reimbursement from the Minnesota Public Facilities Authority (PFA) loan have been sizable, between \$5-6 million per month.

G.O. debt was sold for MT, ES, Parks, Central Corridor Light Rail (CCLRT) and ES PFA during 1Q14. The ES PFA loan was closed in Jan 2014. The CCLRT (GANs), Parks, MT, and ES all closed in Feb 2014. The below chart includes these proceeds.

The new money proceeds, together with remaining balances from prior bonds, are expected to be spent within 12-18 months. Grant Anticipation Notes (GANs) were issued up to the amount that can be covered 110% by future FTA disbursements to the Council. The CCLRT as shown below does not include funds from the local partners. We continue to monitor the council portfolio for potential refunding opportunities. The next PFA loan will likely be executed sometime in late 2014 or early 1Q15.



**STATEMENT OF REVENUES AND EXPENSES**  
**General Fund**  
**September 30, 2014**  
Unaudited

	YTD ACTUALS	YEAR-END PROJECTIONS	2014 BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
<b><u>REVENUES</u></b>				
Property Taxes	5,525,651	10,626,845	10,626,845	-
Federal Revenues	69,496	69,500	566,000	(496,500)
State Revenues	-	-	-	-
Investment Earnings	445,155	590,000	730,129	(140,129)
Other Revenue	(24,356)	-	10,000	(10,000)
<b>Total Revenues</b>	<b>6,015,946</b>	<b>11,286,345</b>	<b>11,932,974</b>	<b>(646,629)</b>
<b><u>EXPENSES</u></b>				
Salary and Benefits	22,592,875	31,324,288	32,778,867	1,454,579
Consulting & Contractual Services	7,663,421	10,970,000	11,369,916	399,916
Rent & Utilities	1,972,916	2,691,966	2,691,966	-
Printing	92,298	123,000	210,880	87,880
Travel & Professional Development	336,839	415,475	415,475	-
Insurance	15,508	25,000	30,000	5,000
Grants	45,078	46,000	566,000	520,000
Other Operating Expense	1,287,648	1,456,516	1,456,516	-
<b>Total Expenses</b>	<b>34,006,582</b>	<b>47,052,245</b>	<b>49,519,620</b>	<b>2,467,375</b>
<b><u>TRANSFERS</u></b>				
Transfer In - Expense Allocation From MT	13,630,467	22,300,000	23,040,165	(740,165)
Transfer In - Expense Allocation From MCES	7,942,233	10,726,106	11,135,491	(409,385)
Transfers In - Other	-	-	-	-
Transfers In- A87 Allocations	2,507,667	3,318,476	3,243,237	75,239
Chargeback from MAC	71,732	76,000	76,000	-
Transfer Out	(1,000,000)	(1,200,000)	(1,200,000)	-
<b>Total Transfers</b>	<b>23,152,099</b>	<b>35,220,582</b>	<b>36,294,893</b>	<b>(1,074,311)</b>
Change in Reserve Balance	(4,838,537)	(545,318)	(1,291,753)	746,435
Beginning Fund Balance		16,553,867		
Assigned/Committed		(5,602,409)		
Ending Unassigned Reserve Balance		<u>10,406,140</u>		
2014 Target Balance (10%)		4,951,962		

**STATEMENT OF REVENUES AND EXPENSES**  
**Environmental Services**  
**September 30, 2014**

Unaudited

	YTD ACTUALS	YEAR-END PROJECTIONS	2014 BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
<u>REVENUES</u>				
Municipal Wastewater Charges	138,141,375	184,188,500	184,188,500	-
Industrial Charges	10,738,727	14,051,000	14,020,000	31,000
State Grant Revenue	1,330,543	4,972,250	3,972,250	1,000,000
Investment Earnings	795,333	1,043,000	500,000	543,000
Other Revenue	218,728	499,426	450,507	48,919
Total Revenues	151,224,706	204,754,176	203,131,257	1,622,919
<u>EXPENSES</u>				
Salary and Benefits	44,422,588	63,592,727	65,220,831	1,628,104
Consulting & Contractual Services	11,983,555	18,530,566	20,878,352	2,347,786
Rent & Utilities	13,716,127	18,941,090	16,234,693	(2,706,397)
Travel	271,143	397,379	422,700	25,321
Materials & Supplies	5,962,902	8,501,889	8,225,200	(276,689)
Chemicals	5,299,537	7,519,959	8,231,080	711,121
Capital Outlay	1,089,217	2,344,559	3,459,800	1,115,241
Other Operating Expense	2,197,467	4,635,770	3,761,296	(874,474)
Total Expenses	84,942,536	124,463,939	126,433,952	1,970,013
<u>TRANSFERS</u>				
SAC Transfer	26,746,497	35,662,000	35,662,000	-
Transfers In	0	232,570	232,570	-
Debt Service	(77,225,526)	(102,967,365)	(102,967,365)	-
Interdivisional Charges	(7,942,233)	(10,839,644)	(11,135,489)	295,845
Transfers Out	(1,499,999)	(2,000,000)	(2,000,000)	-
Total Transfers	(59,921,261)	(79,912,439)	(80,208,284)	295,845
Change in Reserve Balance	6,360,909	377,798	(3,510,979)	3,888,777
Beginning Reserve Balance		20,390,431		
Ending Unassigned Reserve Balance		20,768,229		
2014 Target Balance (10%)		12,643,395		

**STATEMENT OF REVENUES AND EXPENSES**  
**Housing and Redevelopment Authority (HRA)**  
**September 30, 2014**

Unaudited

	YTD ACTUALS	YEAR-END PROJECTIONS	2014 BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)	YTD ACTUAL PASS THROUGH
<b><u>REVENUES</u></b>					
Federal Revenue	42,039,480	56,311,662	57,111,662	(800,000)	38,826,362
State Revenue	1,023,493	1,665,685	1,665,685	-	932,871
Investment Earnings	59,626	70,000	70,000	-	-
Other Revenue	1,615,191	2,015,000	2,015,000	-	20,566
<b>Total Revenues</b>	<b>44,737,790</b>	<b>60,062,347</b>	<b>60,862,347</b>	<b>(800,000)</b>	<b>39,779,799</b>
<b><u>EXPENSES</u></b>					
Salary and Benefits	2,257,564	3,075,483	3,075,483	-	-
Consulting & Contractual Services	579,975	962,000	962,000	-	-
Rent & Utilities	138,510	185,000	193,394	8,394	-
Housing Expenses	39,656,398	55,140,000	55,940,000	800,000	38,952,495
Travel	24,493	35,000	60,000	25,000	-
Insurance	90,809	100,000	100,000	-	-
Other Operating Expense	195,204	250,763	217,369	(33,394)	-
<b>Total Expenses</b>	<b>42,942,953</b>	<b>59,748,246</b>	<b>60,548,246</b>	<b>800,000</b>	<b>38,952,495</b>
<b><u>TRANSFERS</u></b>					
Transfers-out - A87 Allocations	(600,623)	(600,623)	(600,623)	-	-
<b>Total Transfers</b>	<b>(600,623)</b>	<b>(600,623)</b>	<b>(600,623)</b>	<b>-</b>	<b>-</b>
<b>Change in Reserve Balance</b>	<b>1,194,214</b>	<b>(286,522)</b>	<b>(286,522)</b>	<b>-</b>	<b>827,304</b>
<b>Beginning Reserve Balance:</b>					
Operating		7,633,746			
Federal Passthrough (HAP Assistance)		128,728			
<b>Total Beginning Balance</b>		<b>7,762,474</b>			
<b>Change in Reserve Balance:</b>					
<b>Total Change in Reserve Balance</b>		<b>(286,522)</b>			
<b>Ending Reserve Balance</b>		<b>7,475,952</b>			
<b>2014 Target Balance (8.3%)</b>		<b>5,025,504</b>			

\*\* Preliminary numbers, not final



**STATEMENT OF REVENUES AND EXPENSES**  
**Metro Transit - Bus Operations**  
**September 30, 2014**  
Unaudited

	YTD ACTUALS	YEAR-END PROJECTIONS	BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
<b><u>REVENUES</u></b>				
Passenger Revenues	58,940,112	76,862,166	77,250,031	(387,865)
Auxiliary Transit Revenue	2,556,208	3,408,363	2,618,000	790,363
State Appropriations	6,322,259	8,319,004	8,319,004	-
State Revenue - MVST	126,485,253	168,647,000	168,647,000	-
Federal Grants	2,212,065	2,949,098	2,859,500	89,598
Investment Earnings	845,358	1,125,226	500,000	625,226
Property Taxes	1,781,710	3,563,420	3,563,420	-
Other Revenue	1,554,531	2,072,013	888,992	1,183,021
Total Revenues	200,697,496	266,946,290	264,645,947	2,300,343
<b><u>EXPENSES</u></b>				
Salary and Benefits	157,123,010	210,498,792	212,088,683	1,589,891
Consulting & Contractual Services	6,272,259	8,364,048	9,595,349	1,231,301
Fuel	17,785,445	23,682,059	26,885,351	3,203,292
Materials & Supplies	13,207,841	17,909,150	15,590,244	(2,318,906)
Utilities	2,974,591	4,106,363	4,381,761	275,398
Other Operating Expense	5,795,068	6,986,613	7,702,968	716,355
Total Expenses	203,158,214	271,547,025	276,244,356	4,697,331
<b><u>TRANSFERS</u></b>				
Transfer In - MVST	11,603,250	15,471,000	15,471,000	-
Transfer In - Transit Allocations	4,272,878	6,171,594	7,160,946	(989,352)
Transfer Out - RA Expense Allocation	(13,364,233)	(20,371,032)	(20,371,032)	-
Total Transfers	2,511,895	1,271,562	2,260,914	(989,352)
Change in Reserve Balance	51,177	(3,329,173)	(9,337,495)	6,008,322
Beginning Reserve Balance		46,063,571		
Ending Reserve Balance		42,734,398		
2014 Target Balance (8.3 - 12.5%)		25,284,174		

**STATEMENT OF REVENUES AND EXPENSES**  
**Metro Transit - Light Rail Operations**  
**September 30, 2014**  
Unaudited

	YTD ACTUALS	YEAR-END PROJECTIONS	2014 BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
<b><u>REVENUES</u></b>				
Passenger Revenues	10,036,126	14,575,079	14,496,768	78,311
Auxiliary Transit Revenue	1,144,119	1,689,213	977,500	711,713
State Revenue - GF Appropriation	13,684,492	18,245,988	18,245,988	-
Federal Revenue	600,000	1,200,000	1,200,000	-
Local Revenue	10,225,737	15,400,008	15,745,008	(345,000)
Investment Earnings	7,669	13,922	25,000	(11,078)
Other Revenue	11,461	15,283	37,000	(21,717)
Total Revenues	35,709,604	51,139,493	50,727,264	412,229
<b><u>EXPENSES</u></b>				
Salary and Benefits	19,046,037	28,682,908	29,059,188	376,280
Consulting & Contractual Services	780,953	1,182,775	1,179,783	(2,992)
Fuel	15,251	50,939	95,587	44,648
Materials & Supplies	2,303,700	3,288,694	3,215,158	(73,536)
Utilities	3,807,773	5,471,197	5,107,037	(364,160)
Other Operating Expense *	649,984	1,099,516	1,051,066	(48,450)
Total Expenses	26,603,698	39,776,029	39,707,819	(68,210)
<b><u>TRANSFERS</u></b>				
Transfer Out - Transit Allocations	(4,304,257)	(6,376,523)	(6,234,219)	(142,304)
Transfer Out - RA Expense Allocation	(1,713,988)	(2,284,256)	(2,284,256)	-
Total Transfers	(6,018,245)	(8,660,779)	(8,518,475)	(142,304)
Change in Reserve Balance	3,087,661	2,702,685	2,500,970	201,715
Beginning Reserve Balance		3,496,039		
Ending Reserve Balance		6,198,724		
2014 Target Balance (8.3 - 12.5%)		5,594,267		

\* other operating expense includes refunds to funding partners of \$600,000 in year end projections

**STATEMENT OF REVENUES AND EXPENSES**  
**Metro Transit - Commuter Rail Operations**  
**September 30, 2014**

Unaudited

	YTD ACTUALS	YEAR-END PROJECTIONS	2014 BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
<b><u>REVENUES</u></b>				
Passenger Revenues	1,816,663	2,340,333	2,449,081	(108,748)
Auxiliary Transit Revenue	7,701	7,701	-	7,701
State Revenue - GF Appropriation	943,776	1,258,365	1,258,365	-
State Revenue - MVST	4,385,997	5,848,000	5,848,000	-
Local Revenue - CTIB	4,918,176	6,557,567	6,557,567	-
Other Local Revenue	943,776	1,258,365	1,258,365	-
Investment Earnings	132,017	168,996	100,000	68,996
Total Revenues	13,148,106	17,439,327	17,471,378	(32,051)
<b><u>EXPENSES</u></b>				
Salary and Benefits	2,508,872	3,827,939	4,265,586	437,647
Consulting & Contractual Services	3,528,144	5,004,244	7,235,315	2,231,071
Fuel	1,145,275	1,532,905	1,420,000	(112,905)
Materials & Supplies	309,561	1,112,746	949,752	(162,994)
Utilities	567,602	843,394	686,535	(156,859)
Other Operating Expense *	1,743,051	3,537,957	2,312,140	(1,225,817)
Total Expenses	9,802,505	15,859,185	16,869,328	1,010,143
<b><u>TRANSFERS</u></b>				
Transfer Out - Transit Allocations	(739,682)	(986,231)	(926,718)	(59,513)
Transfer Out - RA Expense Allocation	(243,376)	(384,899)	(384,899)	-
Total Transfers	(983,058)	(1,371,130)	(1,311,617)	(59,513)
Change in Reserve Balance	2,362,543	209,012	(709,567)	918,579
Beginning Reserve Balance		4,865,692		
Ending Reserve Balance		5,074,704		
2014 Target Balance (8.3 - 12.5%)		1,461,544		

\* other operating expense includes refunds to funding partners of \$1,271,121 in year end projections

**STATEMENT OF REVENUES AND EXPENSES**  
**MTS -Transportation Planning**  
**September 30, 2014**

Unaudited

	YTD ACTUALS	YEAR-END PROJECTIONS	2014 BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
<b><u>REVENUES</u></b>				
Federal Revenue	2,215,814	3,876,274	4,887,737	(1,011,463)
State Revenue - MVST	1,074,752	1,433,003	1,432,800	203
Investment Earnings	15,128	20,171	-	20,171
Other Revenue	6,285	6,285	-	6,285
<b>Total Revenues</b>	<b>3,311,979</b>	<b>5,335,733</b>	<b>6,320,537</b>	<b>(984,804)</b>
<b><u>EXPENSES</u></b>				
Salary and Benefits	1,685,452	2,284,752	2,629,554	344,802
Consulting & Contractual Services	266,650	370,533	795,127	424,594
Rent & Utilities	105,288	140,384	140,718	334
Travel	17,716	23,621	41,000	17,379
Grants	353,820	471,760	963,000	491,240
Other Operating Expense	69,440	92,587	116,150	23,563
<b>Total Expenses</b>	<b>2,498,366</b>	<b>3,383,637</b>	<b>4,685,549</b>	<b>1,301,912</b>
<b><u>TRANSFERS</u></b>				
Chargebacks from MAC	73,890	98,520	116,468	(17,948)
A87 Allocations	(1,098,452)	(1,343,765)	(1,546,559)	202,794
<b>Total Transfers</b>	<b>(1,024,562)</b>	<b>(1,245,245)</b>	<b>(1,430,091)</b>	<b>184,846</b>
Change in Reserve Balance	(210,949)	706,850	204,897	501,953
Beginning Reserve Balance		<u>2,759,686</u>		
Ending Reserve Balance		3,466,536		
2014 Target Balance (Combined 15%, 31.5% TP Fund)		1,963,000		

**STATEMENT OF REVENUES AND EXPENSES**  
**MTS - Metro Mobility**  
**September 30, 2014**

Unaudited

	YTD ACTUALS	YEAR-END PROJECTIONS	2014 BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
<b><u>REVENUES</u></b>				
Passenger Revenue	5,010,490	6,346,621	7,144,014	(797,393)
State Appropriations	35,523,747	47,364,996	47,365,000	(4)
Investment Earnings	198,075	264,100	-	264,100
Other State Revenue	(2,652)	(2,652)	0	(2,652)
<b>Total Revenues</b>	<b>40,729,660</b>	<b>53,973,065</b>	<b>54,509,014</b>	<b>(535,949)</b>
<b><u>EXPENSES</u></b>				
Salary and Benefits	667,505	890,007	1,066,626	176,619
Consulting & Contractual Services	33,703,653	46,061,659	49,930,405	3,868,746
Fuel	3,503,736	4,788,439	7,766,495	2,978,056
Rent & Utilities	93,976	125,301	138,241	12,940
Other Operating Expense	253,644	283,248	118,415	(164,833)
<b>Total Expenses</b>	<b>38,222,514</b>	<b>52,148,654</b>	<b>59,020,182</b>	<b>6,871,528</b>
<b><u>TRANSFERS</u></b>				
Transfers In	-	21,150	21,150	-
Transfers-out - A87 Allocations	(397,389)	(529,852)	(679,827)	149,975
<b>Total Transfers</b>	<b>(397,389)</b>	<b>(508,702)</b>	<b>(658,677)</b>	<b>149,975</b>
Change in Reserve Balance	2,109,757	1,315,709	(5,169,845)	6,485,554
Beginning Reserve Balance		<u>15,728,559</u>		
Ending Reserve Balance		17,044,268		
2013 Target Balance (10%)		5,968,000		

**STATEMENT OF REVENUES AND EXPENSES**  
**MTS - Contracted Service**  
**September 30, 2014**  
Unaudited

	YTD ACTUALS	YEAR-END PROJECTIONS	2014 BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
<b><u>REVENUES</u></b>				
Passenger Revenues	1,458,551	2,000,201	2,400,814	(400,613)
Federal Revenue	1,618,083	3,571,444	3,643,080	(71,636)
State Revenue - MVST	13,580,253	16,693,004	16,692,600	404
Local Revenue	1,480,888	1,974,517	1,954,000	20,517
Investment Earnings	89,788	119,717	125,000	(5,283)
Total Revenues	18,227,563	24,358,883	24,815,494	(456,611)
<b><u>EXPENSES</u></b>				
Salary and Benefits	648,108	864,144	745,146	(118,998)
Consulting & Contractual Services	16,063,723	21,015,777	24,232,629	3,216,852
Rent & Utilities	80,736	107,648	20,000	(87,648)
Fuel	298,864	398,485	627,195	228,710
Travel	1,659	2,212	12,500	10,288
Grants	340,334	453,779	-	(453,779)
Other Operating Expense	55,317	73,756	70,000	(3,756)
Total Expenses	17,488,741	22,915,801	25,707,470	2,791,669
<b><u>TRANSFERS</u></b>				
Transfer Out - A87 Allocations	(411,203)	(548,271)	(416,228)	(132,043)
Transfers Out - MT Bus	(579,446)	(772,595)	-	(772,595)
Total Transfers	(990,649)	(1,320,865)	(416,228)	(904,637)
Change in Reserve Balance	(251,827)	122,217	(1,308,204)	1,430,421
Beginning Reserve Balance		5,490,481		
Ending Reserve Balance		5,612,698		
2014 Target Balance (Combined 15%, 10% Cont Svc Funds)		2,612,000		