

**People**

**Transportation**

**Housing**

**Bikes**

**Financial Condition**

**Planning**

**Bus**

**Parks**

**Future**

**Cars**

**Sustainability**

**Efficient**

**MANAGEMENT COMMITTEE**

**Prosperity**

**Train**

**Growth**

**Light Rail**

**4<sup>TH</sup> QUARTER FINANCIAL REPORT**

**March 26, 2014**

**Livability**

**Light Rail**

**Diversity**

**Treatment**

**Equity**

**Airplane**

**Communities**

**Wastewater & Water**

**Lakes**

**Treatment**

**Regional**

**Economic**

**Roads**



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

# Table of Contents

<b>Financial Management Report</b> .....	<b>3</b>
<i>OPERATING FUNDS—STATEMENT OF REVENUES &amp; EXPENSES</i> .....	3
<i>METROPOLITAN COUNCIL INVESTMENT PERFORMANCE—SHORT-TERM PORTFOLIO</i> .....	4
<i>METROPOLITAN COUNCIL INVESTMENT PERFORMANCE—LONG-TERM PORTFOLIO</i> .....	5
<i>INVESTMENT PORTFOLIO BALANCES</i> .....	6
<i>GENERAL FUND</i> .....	7
<i>ENVIRONMENTAL SERVICES</i> .....	8
<i>HOUSING AND REDEVELOPMENT FUND</i> .....	9
<i>METRO TRANSIT—BUS</i> .....	10
<i>METRO TRANSIT—LIGHT RAIL</i> .....	11
<i>METRO TRANSIT—COMMUTER RAIL</i> .....	12
<i>METROPOLITAN TRANSPORTATION SERVICES</i> .....	13
<i>MTS—METRO MOBILITY</i> .....	14
<i>MTS—CONTRACTED SERVICES</i> .....	15
<i>MOTOR VEHICLE SALES TAX (MVST) REVENUES FORECASTS &amp; BUDGET</i> .....	16
<i>MOTOR VEHICLE SALES TAX (MVST) REVENUES FORECASTS &amp; BUDGET</i> .....	17
<i>2013-2018 CAPITAL IMPROVEMENT PROGRAM</i> .....	18
<i>2013 CAPITAL BUDGET</i> .....	19
<i>CAPITAL FUND CASH BALANCES</i> .....	20
<b>Appendix-Statements of Revenues and Expense</b> .....	<b>21</b>
GENERAL FUND .....	21
ENVIRONMENTAL SERVICES OPERATIONS .....	22
HOUSING AND REDEVELOPMENT AUTHORITY .....	23
METRO TRANSIT BUS OPERATIONS .....	24
METRO TRANSIT COMMUTER RAIL OPERATIONS .....	26
MTS - TRANSPORTATION PLANNING .....	27
MTS - METRO MOBILITY .....	28
MTS - CONTRACTED SERVICE .....	29

# Financial Management Report

## OPERATING FUNDS—STATEMENT OF REVENUES & EXPENSES

### OPERATING FUNDS STATEMENT OF REVENUES AND EXPENSES 2013 Year-End Results (in thousands) Unaudited

	General Fund				Environmental Services				Housing and Redevelopment Authority			
	2013 YTD Results	% Budget	2013 Budget	Variance*	2013 YTD Results	% Budget	2013 Budget	Variance*	2013 YTD Projection	% Budget	2013 Budget	Variance*
Revenues	13,200	96%	13,728	(528)	195,694	100%	195,726	(32)	61,471	100%	61,461	10
Expenses	44,313	91%	48,512	4,199	116,335	98%	119,031	2,696	60,367	98%	61,786	1,419
Transfers	30,600	94%	32,542	(1,942)	(82,182)	99%	(82,864)	682	(522)	100%	(522)	0
Change in Reserve Balance	(513)		(2,242)	1,729	(2,823)		(6,169)	3,346	582		(847)	1,429
Beginning Reserve Balance	17,782				23,330				7,578			
Assigned/Committed	(6,158)											
Ending Reserve Balance	11,111				20,507				8,160			
Target Balance	4,851				11,903				5,632			

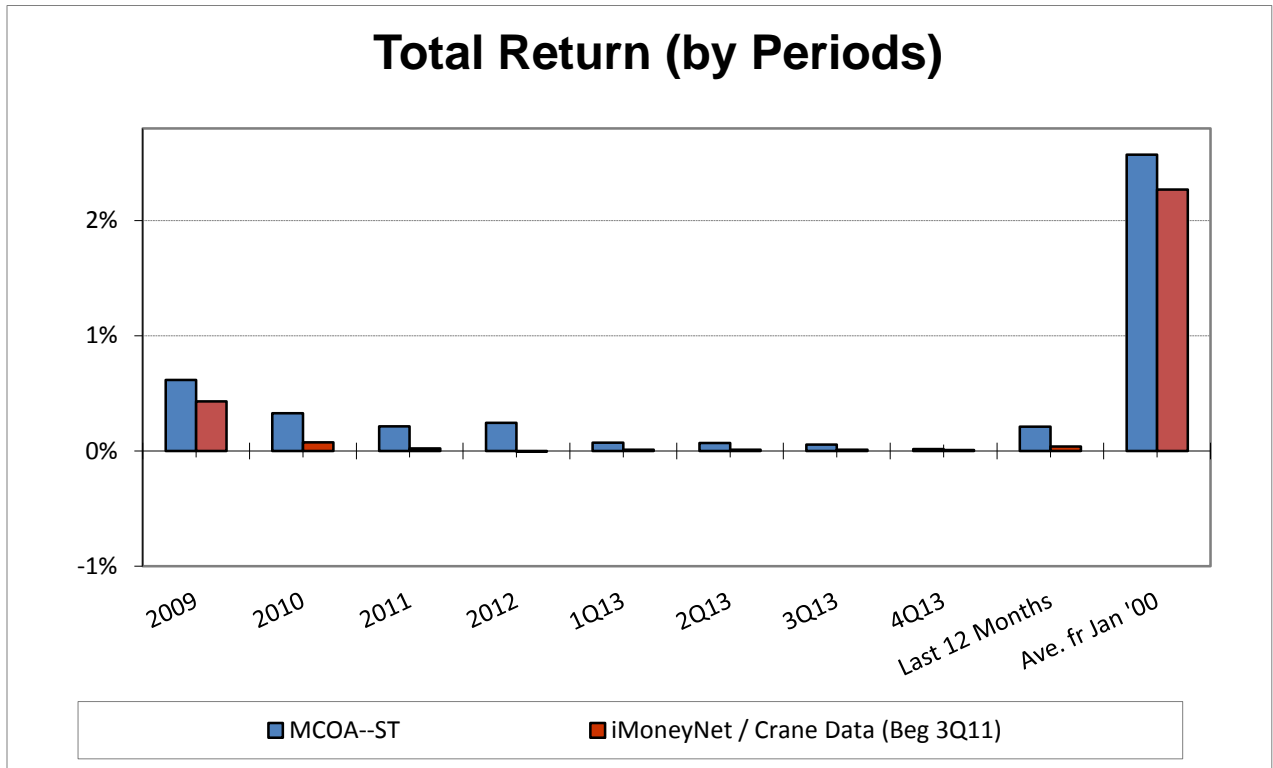
	Metro Transit - Bus				Metro Transit - Light Rail				Metro Transit - Commuter Rail			
	2013 YTD Results	% Budget	2013 Budget	Variance*	2013 YTD Results	% Budget	2013 Budget	Variance*	2013 YTD Results	% Budget	2013 Budget	Variance*
Revenues	238,353	101%	234,981	3,372	29,193	98%	29,859	(666)	15,554	92%	16,995	(1,441)
Expenses	252,941	97%	261,207	8,266	27,579	96%	28,814	1,235	12,655	77%	16,498	3,843
Transfers	6,202	108%	5,734	468	(825)	107%	(769)	(56)	(1,212)	80%	(1,512)	300
Change in Reserve Balance	(8,386)		(20,492)	12,106	789		276	513	1,687		(1,015)	2,702
Beginning Reserve Balance	52,936				2,712				3,179			
Assigned/Committed												
Ending Reserve Balance	44,550				3,501				4,866			
Target Balance	22,820				2,472				1,495			

	MTS - Transportation Planning				MTS - Metro Mobility				MTS - Contracted Service			
	2013 YTD Results	% Budget	2013 Budget	Variance*	2013 YTD Results	% Budget	2013 Budget	Variance*	2013 YTD Results	% Budget	2013 Budget	Variance*
Revenues	7,235	102%	7,110	125	62,315	101%	61,984	331	25,781	103%	25,052	729
Expenses	4,469	97%	4,596	127	50,046	95%	52,883	2,837	21,889	95%	22,992	1,103
Transfers	(1,101)	78%	(1,406)	305	(406)	80%	(509)	103	(908)	128%	(710)	(198)
Change in Reserve Balance	1,665		1,108	557	11,863		8,592	3,271	2,984		1,350	1,634
Beginning Reserve Balance	1,094				3,866				2,507			
Ending Reserve Balance	2,759				15,729				5,491			
Target Balance	1,921				5,339				2,370			

\*Variance = Favorable / (Unfavorable)

# METROPOLITAN COUNCIL INVESTMENT PERFORMANCE— SHORT-TERM PORTFOLIO

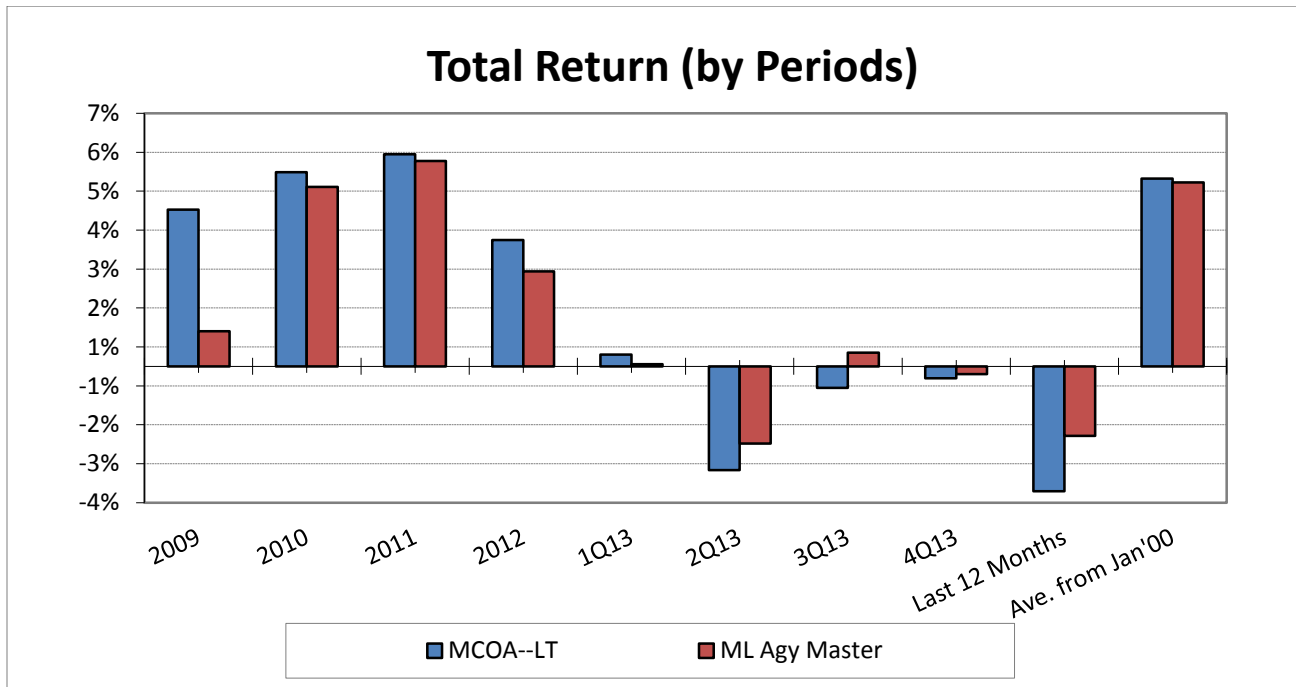


## 4Q13 Short-Term Portfolio Investment Results

### Assets under Management (AUM): \$129 Million

Total return for this portfolio was above the index by 1 basis point. This portfolio has averaged 30 bps per year more than its benchmark over the past 15 years. For the quarter, we invested in the Goldman Sachs government money market fund (0.01%), commercial paper (average yield 0.20%), and several short-term municipal bonds rated Aa1/Aa2 (average yield 0.35%).

# METROPOLITAN COUNCIL INVESTMENT PERFORMANCE— LONG-TERM PORTFOLIO



## 4Q13 Long-Term Portfolio Investment Results

### Assets under Management (AUM) \$392 Million

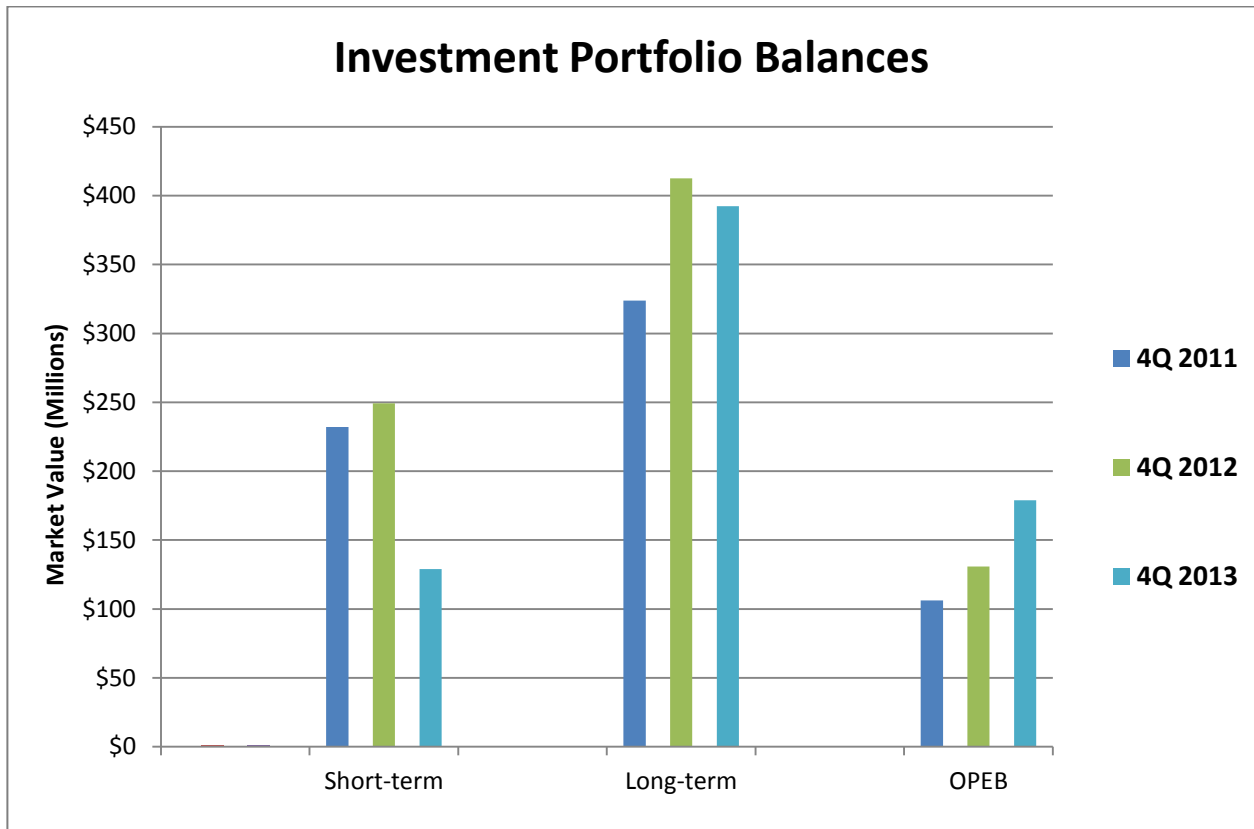
The portfolio generated negative returns for the 3 months and 12 months ended December 31<sup>st</sup>. Total return of -0.31% was below the Index return of -0.20% by 11 basis points. The portfolio's long relative duration (4.90 vs. the benchmark at 3.97) detracted from performance. Sector allocation played a significant part in the underperformance. About 53% of the portfolio is composed of long callable US agency bonds (weighted effective duration of 7.22). Agency bonds experienced significant selling pressure and performed poorly relative to other fixed income asset classes. The underperformance was driven by the Fed's commitment to reduce the pace of their asset purchase program. As interest rose during the quarter, these bonds experienced duration extension and became less likely to be called. Going forward, if interest rates rise, we expect their price depreciation to mirror that of bullets.

The primary advantage of purchasing callable agency bonds is that on the front end and if held to maturity, they provide a higher book yield relative to comparable bullet agency securities. Relatively speaking, a security with a high book yield is important to the Council since we focus on current income and budget stability.

## INVESTMENT PORTFOLIO BALANCES

### Investment Portfolio Balances Market Value (Millions)

	4Q 2011	4Q 2012	4Q 2013
<b>Short-term</b>	\$ 232.1	\$ 249.3	\$ 129.0
<b>Long-term</b>	323.9	412.7	392.3
<b>OPEB</b>	106.2	130.8	178.8
<b>Total</b>	<u>662.2</u>	<u>792.8</u>	<u>700.1</u>



## GENERAL FUND

Unaudited—dollars in thousands

General Fund				
	2013 YTD		2013 Budget	Variance*
	Results	% Budget		
Revenues	13,200	96%	13,728	(528)
Expenses	44,313	91%	48,512	4,199
Transfers	30,600	94%	32,542	(1,942)
Change in Reserve Balance	(513)		(2,242)	1,729
Beginning Fund Balance	17,782			
Assigned/Committed	(6,158)			
Ending Unassigned Reserve Balance	<u>11,111</u>			
2013 Target Balance (10%)	4,851			

Year to date, the General Fund has spent 91 percent of annual budgeted operation expenses.

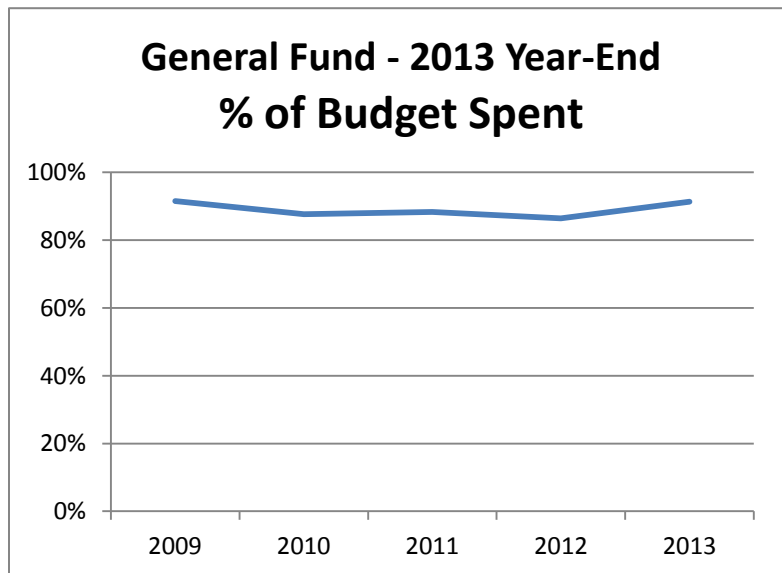
Overall operating expenses are under budget by \$4.2 million.

Salary savings account for approximately \$1.0 million.

Consulting and contractual services are under budget by \$3.5 million. Savings from budget resulted in outside legal expense (\$0.7M) and HUD sustainable communities grant expenditures (\$0.8M). It is anticipated the remaining grant funds will be spent/drawn in 2014

In addition, \$0.5M is requested in carry-forward amendment before Council on March 26th for projects began in 2013 with work continuing into 2014.

The year-end available reserve balance is \$11.1million.

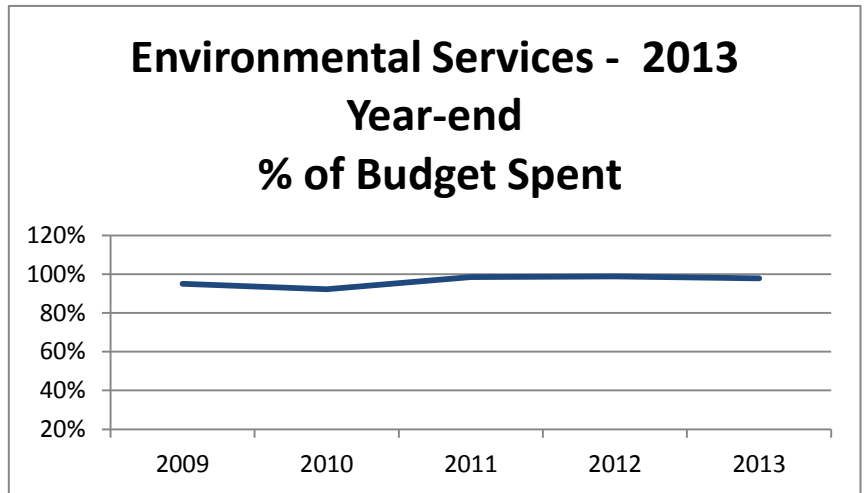


## ENVIRONMENTAL SERVICES

Unaudited—dollars in thousands

Environmental Services				
2013 YTD				
	Results	% Budget	2013 Budget	Variance*
Revenues	195,694	100%	195,726	(32)
Expenses	116,335	98%	119,031	2,696
Transfers	(82,182)	99%	(82,864)	682
Change in Reserve Balance	(2,823)		(6,169)	3,346
Beginning Reserve Balance	23,330			
Ending Unassigned Reserve Balance	20,507			
Target Balance	11,903			

Environmental Services operating expenses are under budget by roughly \$2.7 million from the 2013 amended budget. In addition, transfers were under budget by approximately \$.7 million due primarily to under spending in interdivisional charges. Salary and benefits were under the 2013 budget by approximately \$.6 million. Non-salary related expenses are in total about \$2.1 million under budget, as contracted services, chemicals, capital outlays and travel costs were under budget by approximately \$5.4 million. Materials, utilities and other operating expenses combined exceeded budget by approximately \$3.3 million.



Industry specific charges were under budget in operating revenues by approximately \$1.4 million. This was offset by higher than expected miscellaneous revenues, interest and investment earnings, and I&I grant reimbursements. SAC units collected substantially exceeded both the 2012 receipts and the 2013 budget expectation, with 15,664 units paid in 2013.

State grant revenue and expenses exceeded budget by \$.6M as project expenses submitted by participating cities exceeded expectation for the 2012 Municipal I & I Grant Program that continues through 2014.

Environmental Services operations had an amended 2013 budgeted use of reserves of \$6.17 million, which included \$2.85M for wastewater rate mitigation and \$3.32M for the 2012 Carry-forward Budget Amendment. With the above forecasted variances, reserves will decrease by approximately \$2.8M. This \$3.3 million positive operating variance brought the operating reserve to \$20.5M or 15.5% of proposed FY 2014 operating expenses by the end of FY 2013 - as compared to the target of \$11.9 million.



# Financial Management Report

## HOUSING AND REDEVELOPMENT FUND

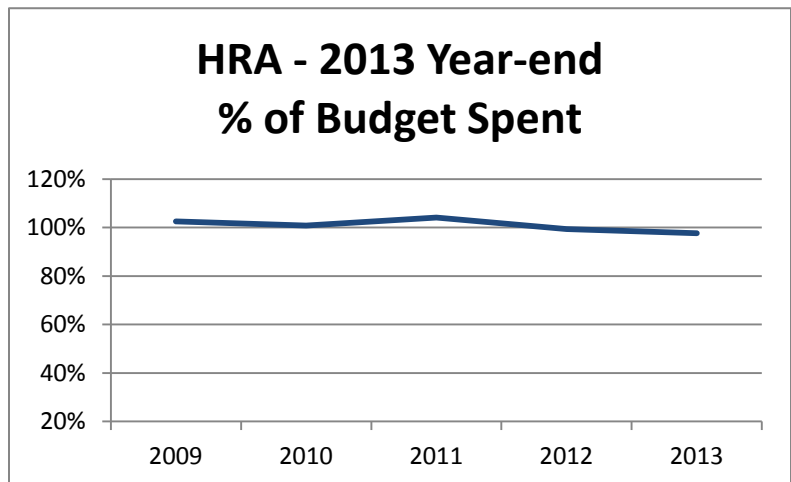
Unaudited—dollars in thousands

	Housing and Redevelopment Authority			
	2013 YTD	2013		
	Projection	% Budget	Budget	Variance*
Revenues	61,471	100%	61,461	10
Expenses	60,367	98%	61,786	1,419
Transfers	(522)	100%	(522)	0
Change in Reserve Balance	582		(847)	1,429
Beginning Reserve Balance	7,578			
Ending Reserve Balance	8,160			
Target Balance	5,632			

The Housing and Redevelopment Authority (HRA) projects to finish fourth quarter with an \$800,000 fund balance. The Council-owned housing units (FAHP) ended the year with a positive fund balance of \$500,000 vs. \$290,000 budgeted, primarily due to lower than expected maintenance costs. The positive \$300,000 year end fund balance on the Section 8 side is due to lower than anticipated staffing costs as a result of vacancies.

The HRA applied for and was awarded an additional \$2.9 million in subsidy funding from the U.S Department of Housing and Urban Development, resulting in total funds obligated of \$49.03 million. The HRA expended 99.8% of total funding. This results in a year end subsidy balance of \$100,000.

The projected overall fund balance at year end 2013 is \$8.05 million.



## METRO TRANSIT—BUS

Unaudited—dollars in thousands

	Metro Transit - Bus			
	2013 YTD Results	% Budget	2013 Budget	Variance*
Revenues	238,353	101%	234,981	3,372
Expenses	252,941	97%	261,207	8,266
Transfers	6,202	108%	5,734	468
Change in Reserve Balance	(8,386)		(20,492)	12,106
Beginning Reserve Balance	52,936			
Ending Reserve Balance	44,550			
Target Balance	22,820			

### Metro Transit Bus

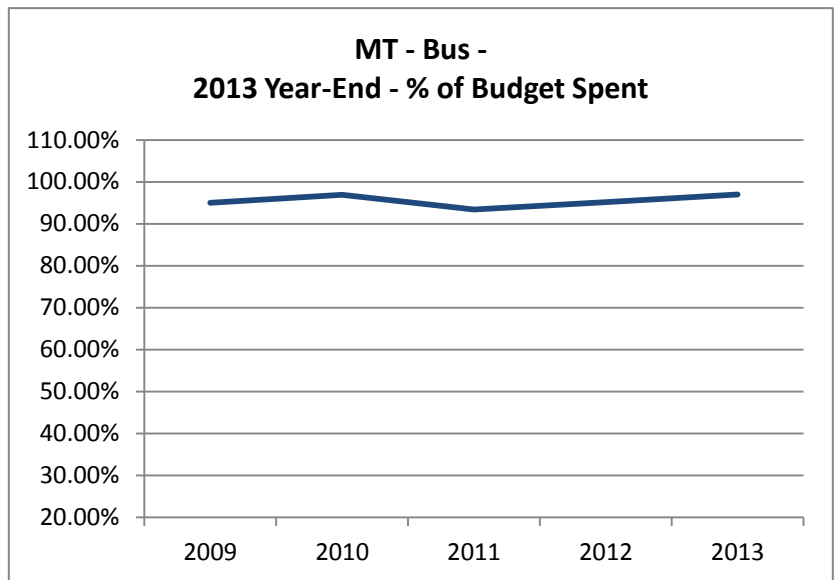
Adopted 2013 budgeted use of reserves of \$20.5M.

Year-end positive variance of \$12.1M. Year end fund balance of \$44.5M or 17.6%, which is \$21.7M over the Council minimum target balance.

Passenger revenues are favorable over budget by \$1.9M due to increased ridership and \$0.03 average fare per passenger increase.

Advertising revenue was favorable by \$739K.

Bus operating expenses are forecasted under budget \$8.2M



Salaries and benefits will be over budget approx \$383k. This is due to lower than budgeted - A-87 allocation rates. Commuter rail and Light rail will be under budget for the same reasons.

Fuel prices are considerably under the budgeted price with savings of \$4.8M. Budgeted price was \$3.52 per gallon while the actual price per gallon was \$3.12.

Parts and supplies are projected to be \$1.1M under budget due to the average age of our bus fleet dropping and newer buses with better repair performance.

Other expenses under budget are: Casualty & Liability Insurance \$642k and Utilities \$924k.

## METRO TRANSIT—LIGHT RAIL

Unaudited—dollars in thousands

	Metro Transit - Light Rail			
	2013 YTD Results	% Budget	2013 Budget	Variance*
Revenues	29,193	98%	29,859	(666)
Expenses	27,579	96%	28,814	1,235
Transfers	(825)	107%	(769)	(56)
Change in Reserve Balance	789		276	513
Beginning Reserve Balance	2,712			
Ending Reserve Balance	<u>3,501</u>			
Target Balance	2,472			

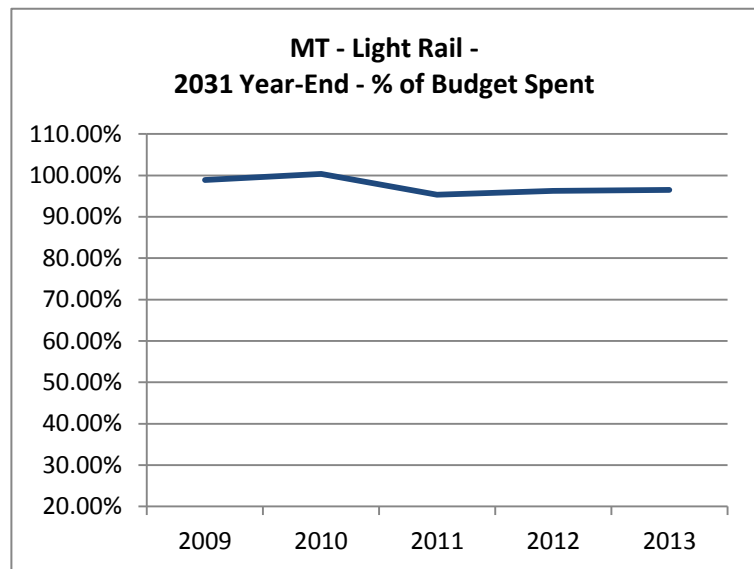
### Metro Transit Light Rail

Adopted 2013 contribution to reserves of \$276k.

Year-end positive variance of \$513K. Year end fund balance of \$3.5M or 11.8%, which is \$1.03M over the Council target fund balance.

Passenger revenues are expected to be \$630K below budget, due to reduced ridership to special events and track maintenance shut downs.

Light Rail operating expenses are forecasted under budget \$1.2M.



Salaries and benefits will be below budget by \$2.1M. This is due to lower than budgeted A-87 allocation rates and savings due to unfilled positions.

Consulting Contracting Services over budget \$230k due to contracted rail grinding work done during the summer.

Materials and supplies were \$90K under budget due.

Utilities were favorable by \$45k.

Forecasts refunds to the funding partners of \$1.2M included in Other Operating Expenses.

Other expenses includes \$200k for pre-revenue operations for Greenline

## METRO TRANSIT—COMMUTER RAIL

Unaudited—dollars in thousands

	Metro Transit - Commuter Rail			
	2013 YTD Results	% Budget	2013 Budget	Variance*
Revenues	15,554	92%	16,995	(1,441)
Expenses	12,655	77%	16,498	3,843
Transfers	(1,212)	80%	(1,512)	300
Change in Reserve Balance	1,687		(1,015)	2,702
Beginning Reserve Balance	3,179			
Ending Reserve Balance	<u>4,866</u>			
Target Balance	1,495			

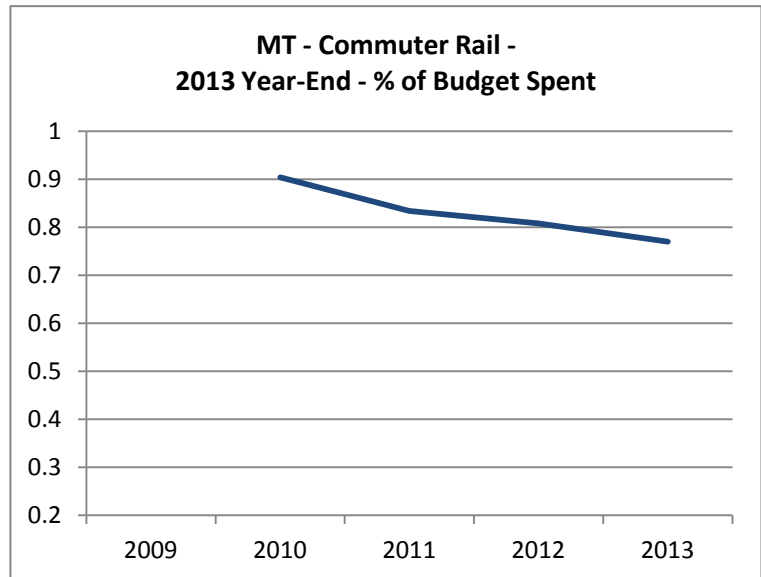
### Metro Transit Commuter Rail

Adopted use of reserves of \$1.0M

Year-end positive variance of \$2.7M. Year end fund balance of \$4.8M or 27.0%, which is \$3.3M over the target balance.

Passenger revenues were \$8K under budget due lower average fares. Ridership was to be 67k over budget.

Commuter Rail Operating expenses were under budget \$3.8M. Mostly due to BNSF operating reductions



Salaries and benefits will be under budget by \$1.4M. This is due to lower A-87 allocation rates and open positions.

Contracted maintenance work will under budget by \$6M due to BNSF reductions (\$1.3M in Cy 2014 \$3.7M prior to Cy 2014).

Other Operating Expenses were \$4.2M over budget due to \$5.1M refunds to operating partners.

## METROPOLITAN TRANSPORTATION SERVICES

Unaudited—dollars in thousands

	2013 YTD		2013	
	Results	% Budget	Budget	Variance*
Revenues	7,235	102%	7,110	125
Expenses	4,469	97%	4,596	127
Transfers	(1,101)	78%	(1,406)	305
Change in Reserve Balance	1,665		1,108	557
Beginning Reserve Balance	1,094			
Ending Reserve Balance	2,759			
Target Balance	1,921			

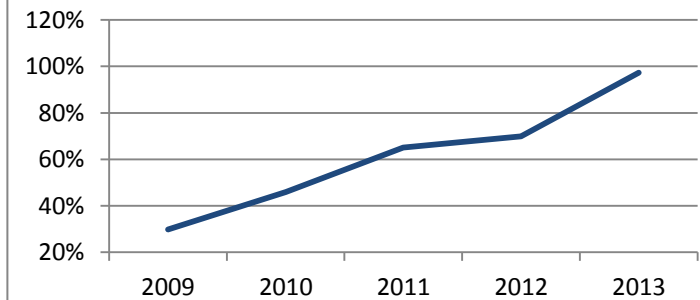
Transportation Planning came in under budget for the year. The 2013 operating budget provides for increased operating reserves to bring the fund into sustainable positive cash flow position. Council policy targets minimum operating reserves for MTS funds at 15%. For cash flow needs the Transportation Planning fund operating target is 31.5% (\$1.9M). The overall fund balance at year end 2013 is \$2.8M

Overall expenditures were lower than expected in 2013 mainly due to several vacant planner positions during the year. In addition, the indirect cost allocations were favorable to plan because the Council revised its cost allocation plan and methodology. At the end of 2013 we had shifted from 64% of all salaries and fringes to 82% of salaries only.

Actuals vary from year to year based on subrecipient project activity and contracted services for the TBI Study.

Increases in projected reserves above target level are budgeted in 2014 through application of the revenue allocation model.

### MTS - Transportation Planning - 4th Qtr - % of Budget Spent



## MTS—METRO MOBILITY

Unaudited—dollars in thousands

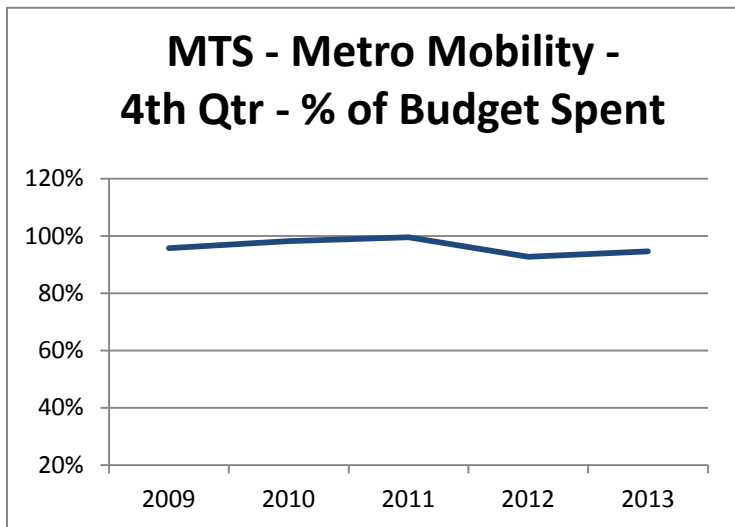
	MTS - Metro Mobility			
	2013 YTD Results	% Budget	2013 Budget	Variance*
Revenues	62,315	101%	61,984	331
Expenses	50,046	95%	52,883	2,837
Transfers	(406)	80%	(509)	103
Change in Reserve Balance	11,863		8,592	3,271
Beginning Reserve Balance	3,866			
Ending Reserve Balance	15,729			
Target Balance	5,339			

Metro Mobility ended the year under budget. The fund also received \$3M in state general fund appropriations in a recent amendment. This amount was received from the last legislative session to cover rising Metro Mobility costs and light rail operations match.

Revenue was favorable to budget due to a higher mix of off-peak versus peak rides.

Expenditures were under budget due to lower fuel costs and less than anticipated ridership.

Increases in projected reserves above target level are budgeted in 2014 through application of the revenue allocation model.



## MTS—CONTRACTED SERVICES

Unaudited—dollars in thousands

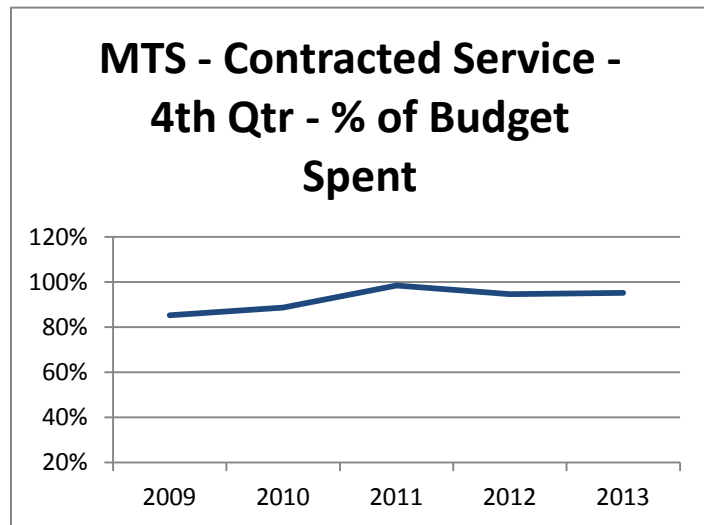
	MTS - Contracted Service			
	2013 YTD Results	% Budget	2013 Budget	Variance*
Revenues	25,781	103%	25,052	729
Expenses	21,889	95%	22,992	1,103
Transfers	(908)	128%	(710)	(198)
Change in Reserve Balance	2,984		1,350	1,634
Beginning Reserve Balance	2,507			
Ending Reserve Balance	5,491			
Target Balance	2,370			

Contracted Services came in under budget. The cost savings are driven by lower than expected fuel costs, decreased need for demand response service (Transit Link) hours, as well as lower than anticipated station-to-station costs due to a later start date.

The funds are also experiencing an increase in federal revenues due to additional JARC and New Freedoms funds being drawn for existing routes that had not been drawn in previous years. Also contributing to this favorability was Cedar BRT CMAQ revenue not included in the 2013 budget.

For cash flow needs, the Contracted Service Funds operating target is 10% (\$2.4M) and fits within the Council policy for overall MTS target of 15% minimum reserve balance.

Increases in projected reserves above target level are budgeted in 2014 through application of the revenue allocation model.

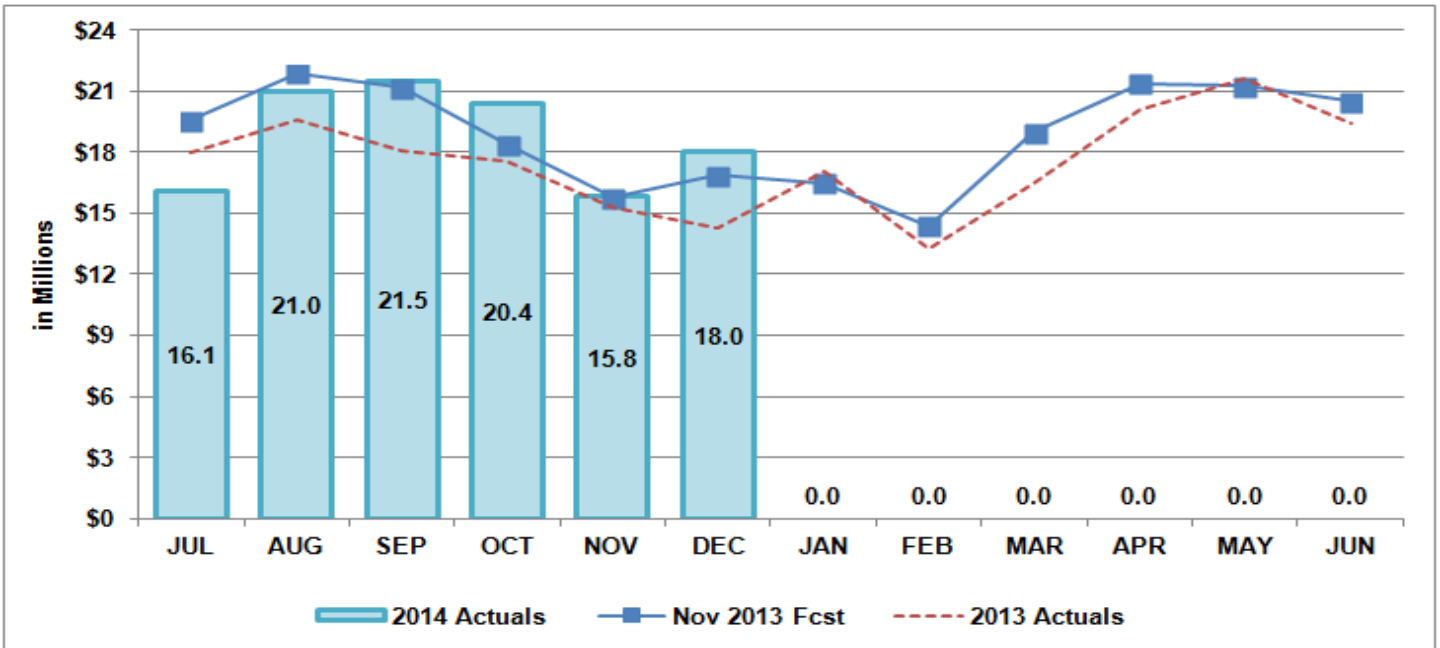


# Financial Management Report

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

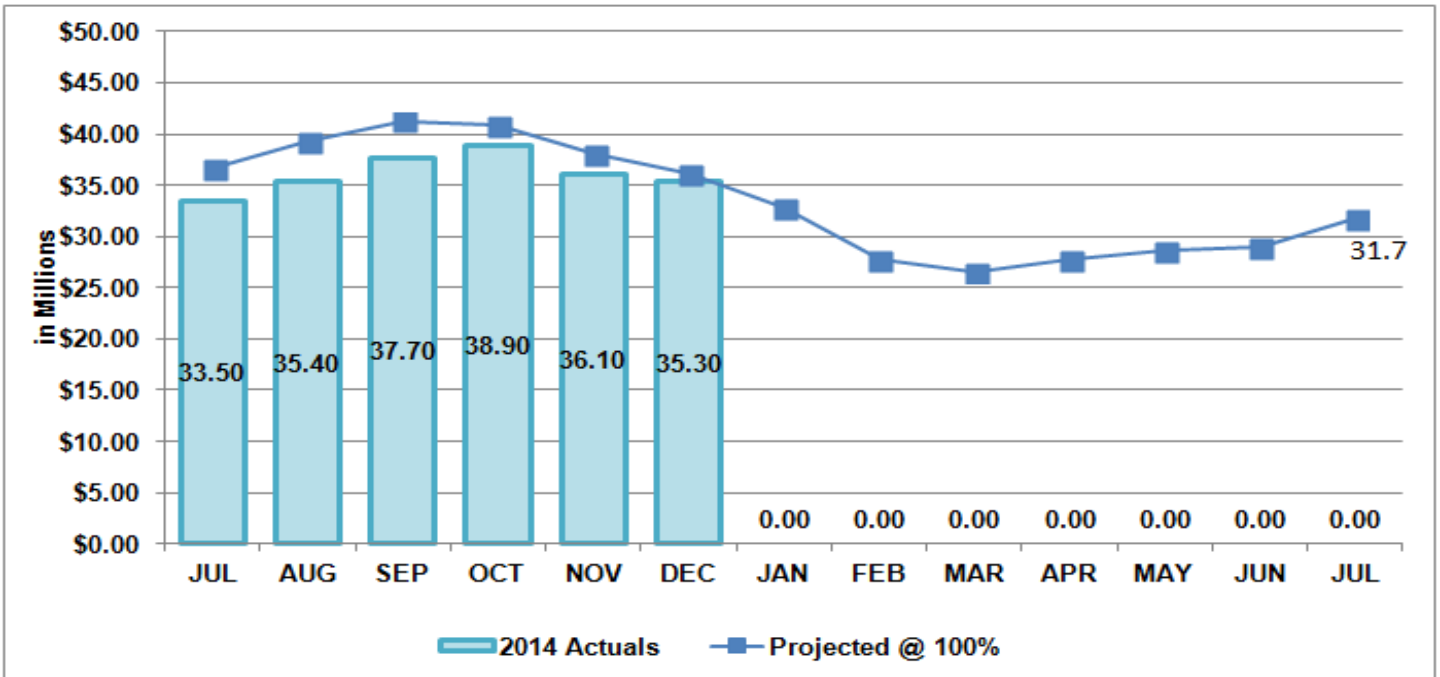
Dollars in millions

Motor Vehicle Sales Tax Revenues – Metro Area Transit – 99% of Forecast



Motor vehicle sales tax receipts totaled \$112.8 million in the first half of state fiscal year 2014, 99.2% of forecast and 10% higher than first quarter receipts in state fiscal year 2013.

Motor Vehicle Sales Tax Reserve Balance



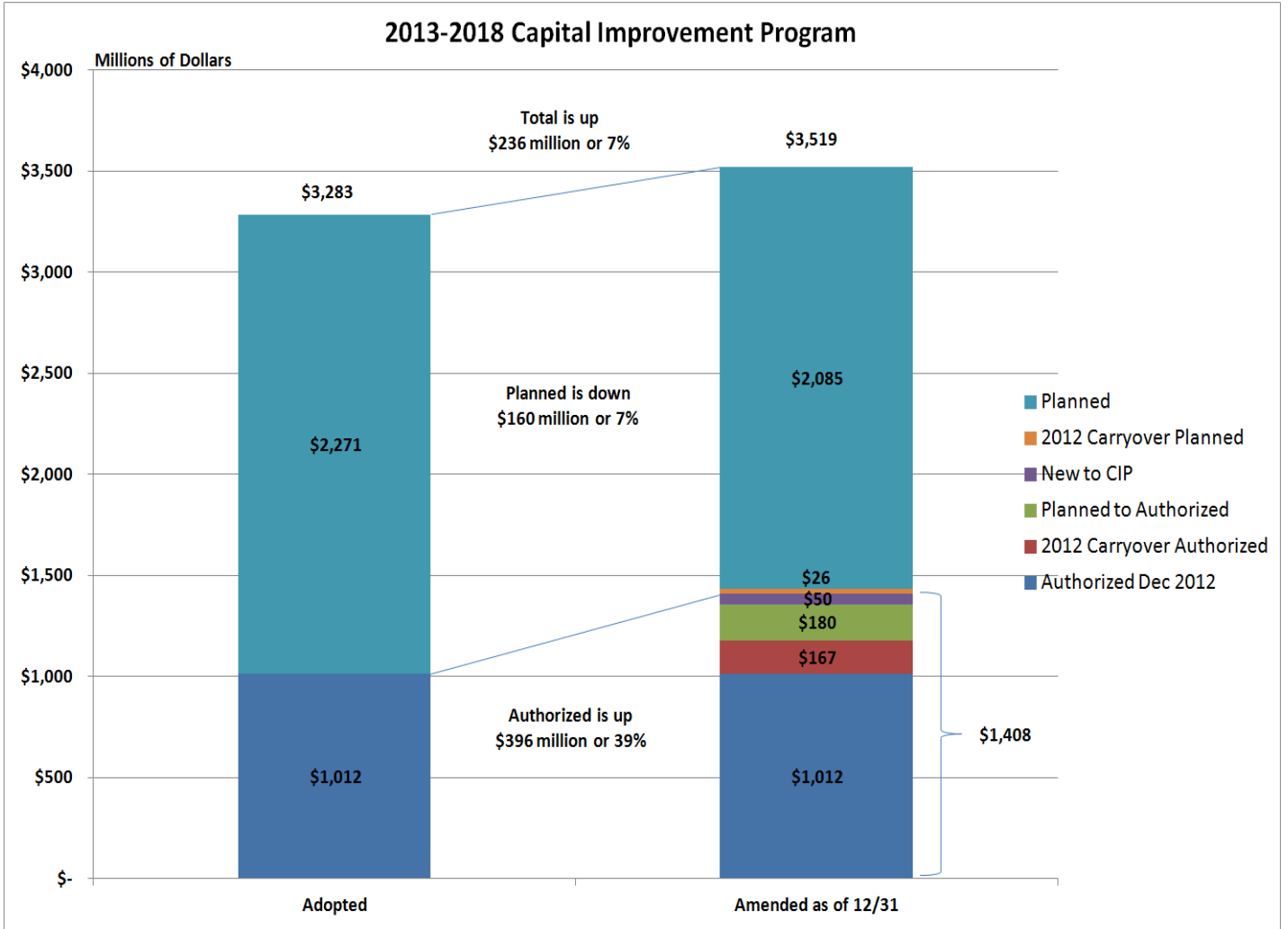


Dollars in millions

### Motor Vehicle Sales Tax – Forecasts and Budget Calendar Year 2013

	Total	Jan-Jun	Jul-Dec
<b>November 2012 Forecast</b>	217	107	110
<b>Council Budget:</b>			
95% of State Forecast	206	101	105
Use of MVST Reserve	20	10	10
<b>February 2013 Forecast</b>	218	107	111
<b>YTD Actual</b>	225	112	113
<b>% of February Forecast</b>	103%	105%	102%

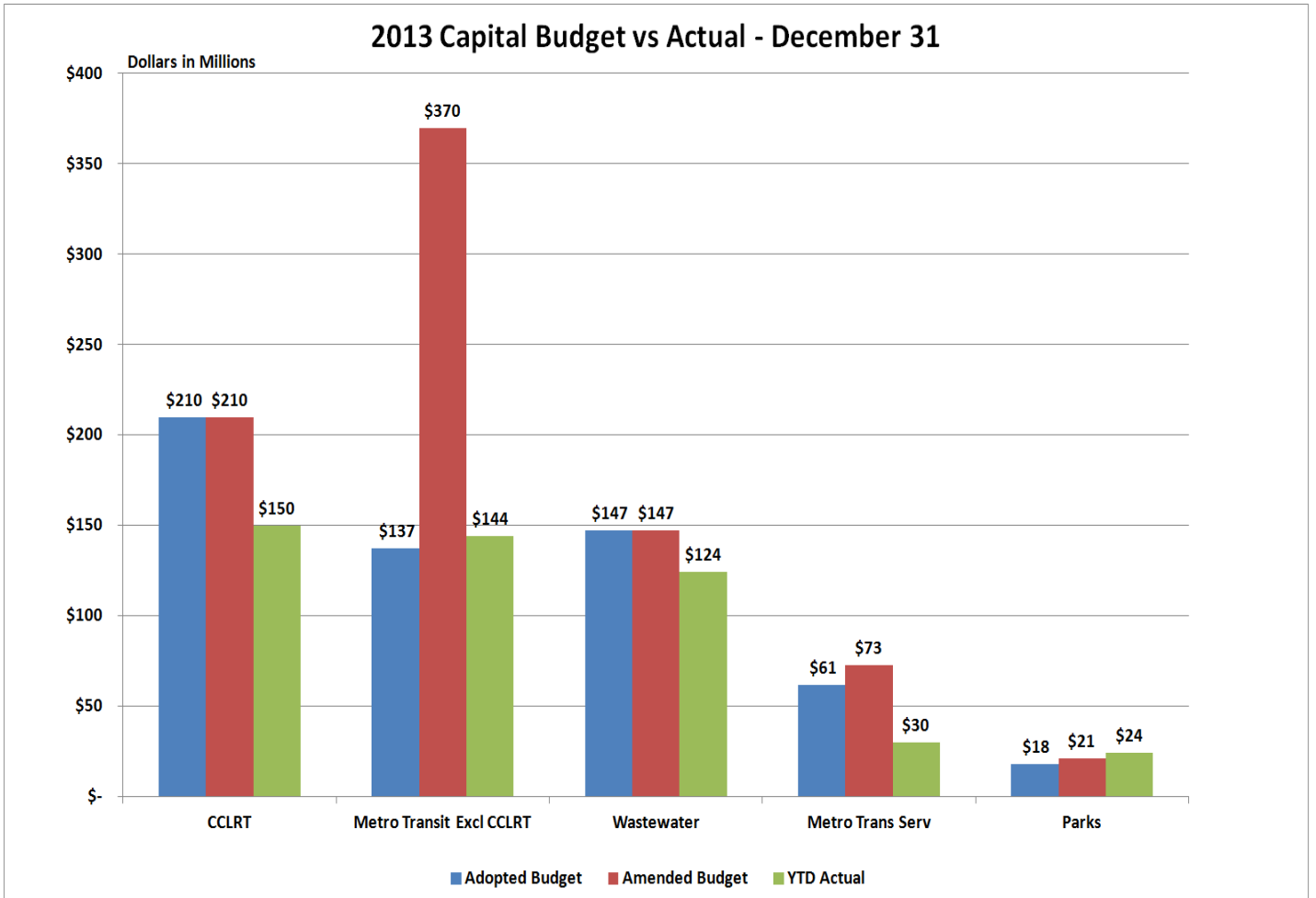
## 2013-2018 CAPITAL IMPROVEMENT PROGRAM



### 2013-2018 Capital Improvement Program

The six-year capital improvement program increased by \$236 million through amendments during the year. The capital improvement program increased from \$3.283 billion to \$3.519 billion, an increase of 7%. The authorized portion of the CIP is up \$396 million or 39 percent, including \$180 million in projects moved from the planned portion of the CIP, \$167 million in authority shifted from 2012 to 2013 and \$50 million in new projects not previously in the CIP. The \$50 million not previously in the CIP includes \$29 million for wastewater projects and \$21 million for transit projects. 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.

## 2013 CAPITAL BUDGET



### 2013 Capital Budget

The adopted 2013 Capital Budget was \$573 million. During the year, the Capital Budget was amended up to a total of \$821 million through the addition of authorized projects and the carry forward of unexpended 2012 budget authority. Actual 2013 capital expenditures were 58 percent of the amended budget. Actual expenditures as a percent of the adopted budget were 71 percent for Central Corridor, 39 percent for other Metro Transit projects, 41 percent for Metropolitan Transportation Services projects, 84 percent for Environmental Service’s wastewater projects and 114 percent for Community Development’s parks projects.

Actual expenditures for Parks exceed the 2013 amended budget by \$3 million. Capital expenditures in parks depending on the timing of reimbursement requests from park implementing agencies and can fluctuate significantly from month to month and year to year. Capital expenditures in December were unusually high (totaling \$7.4 million), which pushed parks capital expenditures over the amended budget. Actual expenditures have not exceeded the multi-year expenditure authorizations for parks grants and were under budget for the two-year 2012-2013 budget period.

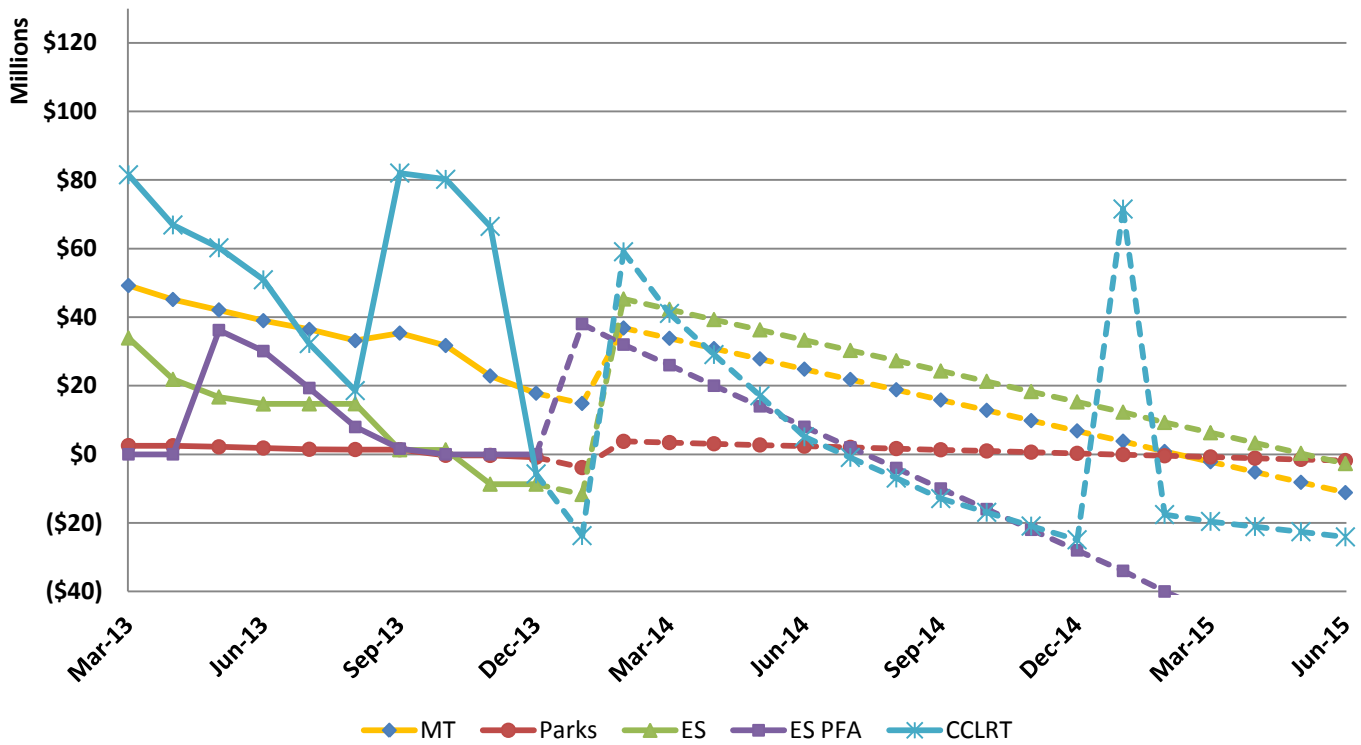
## CAPITAL FUND CASH BALANCES

The GO capital bond funds for Parks, Transit and Wastewater have experienced slower than normal spending in the past year. Conversely, Wastewater expenses eligible for reimbursement from the Minnesota Public Facilities Authority (PFA) loan have been sizable.

We successfully sold debt for MT, ES, Parks, CCLRT (GANs) 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 bonds were issued in an amount which, together with remaining balances from prior bonds, are expected to be spent within 12-18 months. GANs were issued up to the amount that can be covered 110% by future FTA disbursements to the Council. We continue to monitor the debt portfolio for refunding opportunities. The next PFA loan will likely be sought after July 1<sup>st</sup>.

### 2Q13-4Q13 Actual and 2014-2Q15 Projected



**STATEMENT OF REVENUES AND EXPENSES**  
**General Fund**  
**December 31, 2013**

Unaudited

	YTD ACTUALS	AMENDED BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
<u>REVENUES</u>			
Property Taxes	10,893,633	10,658,120	235,513
Federal Revenues	1,436,693	2,121,000	(684,307)
State Revenues	20,958	-	20,958
Investment Earnings	774,654	728,348	46,306
Other Revenue	73,984	221,000	(147,016)
<b>Total Revenues</b>	<b>13,199,922</b>	<b>13,728,468</b>	<b>(528,546)</b>
<u>EXPENSES</u>			
Salary and Benefits	29,386,219	30,386,398	1,000,179
Consulting & Contractual Services	9,052,226	12,604,425	3,552,199
Rent & Utilities	2,567,279	2,603,190	35,911
Printing	149,075	220,390	71,315
Travel & Professional Development	392,384	402,038	9,654
Insurance	21,273	25,000	3,727
Grants	1,333,401	1,331,587	(1,814)
Other Operating Expense	1,411,388	939,469	(471,919)
<b>Total Expenses</b>	<b>44,313,245</b>	<b>48,512,497</b>	<b>4,199,252</b>
<u>TRANSFERS</u>			
Transfer In - Expense Allocation From MT	19,948,024	20,556,437	(608,413)
Transfer In - Expense Allocation From MCES	9,960,340	11,055,143	(1,094,803)
Transfers In - Other	-	-	-
Transfers In- A87 Allocations	2,560,187	3,054,181	(493,994)
Chargeback from MAC	106,242	76,000	30,242
Transfer Out	(1,974,717)	(2,200,000)	225,283
<b>Total Transfers</b>	<b>30,600,076</b>	<b>32,541,761</b>	<b>(1,941,685)</b>
Change in Reserve Balance	(513,247)	(2,242,268)	1,729,021
Beginning Fund Balance	17,781,963		
Assigned/Committed	(6,157,761)		
Ending Unassigned Reserve Balance	<b>11,110,955</b>		
2013 Target Balance (10%)	4,851,250		

**STATEMENT OF REVENUES AND EXPENSES**  
**Environmental Services**  
**December 31, 2013**

Unaudited

	YTD ACTUALS	AMENDED BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
<b><u>REVENUES</u></b>			
Municipal Wastewater Charges	178,818,734	178,823,786	(5,052)
Industrial Charges	12,577,444	13,977,000	(1,399,556)
State Grant Revenue	2,419,908	1,781,402	638,506
Investment Earnings	779,707	700,000	79,707
Other Revenue	1,097,783	444,275	653,508
Total Revenues	195,693,576	195,726,463	(32,887)
<b><u>EXPENSES</u></b>			
Salary and Benefits	62,716,227	63,308,945	592,718
Consulting & Contractual Services	15,922,743	19,554,604	3,631,861
Rent & Utilities	17,345,107	15,999,364	(1,345,743)
Travel	261,816	358,522	96,706
Materials & Supplies	8,375,005	7,070,793	(1,304,212)
Chemicals	7,303,641	7,709,110	405,469
Capital Outlay	1,702,212	2,933,436	1,231,224
Other Operating Expense	2,708,583	2,096,190	(612,393)
Total Expenses	116,335,334	119,030,964	2,695,630
<b><u>TRANSFERS</u></b>			
SAC Transfer	29,495,000	29,495,000	-
Transfers In	28,567	253,850	(225,283)
Debt Service	(100,245,000)	(100,245,000)	-
Interdivisional Charges	(9,960,340)	(10,868,130)	907,790
Transfers Out	(1,500,000)	(1,500,000)	-
Total Transfers	(82,181,773)	(82,864,280)	682,507
Change in Reserve Balance	(2,823,531)	(6,168,781)	3,345,250
Beginning Reserve Balance	23,330,076		
Ending Unassigned Reserve Balance	20,506,545		
2013 Target Balance (10%)	11,903,096		

**STATEMENT OF REVENUES AND EXPENSES**  
**Housing and Redevelopment Authority (HRA)**  
**December 31, 2013**

Unaudited

	YTD ACTUALS	YTD PROJECTION	AMENDED BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)	YTD ACTUAL PASS THROUGH
<b><u>REVENUES</u></b>					
Federal Revenue	55,417,697	58,007,444	58,007,444	-	51,792,502
State Revenue	1,543,398	1,508,600	1,508,600	-	1,429,464
Investment Earnings	79,834	79,834	70,000	9,834	5,792
Other Revenue	2,167,779	1,875,000	1,875,000	-	18,015
<b>Total Revenues</b>	<b>59,208,708</b>	<b>61,470,878</b>	<b>61,461,044</b>	<b>9,834</b>	<b>53,245,774</b>
<b><u>EXPENSES</u></b>					
Salary and Benefits	2,909,874	2,958,571	2,958,571	-	-
Consulting & Contractual Services	711,009	815,000	815,000	-	-
Rent & Utilities	193,325	203,280	203,280	-	-
Housing Expenses	54,350,547	56,065,000	56,065,000	-	53,472,225
Travel	38,408	60,000	60,000	-	-
Insurance	90,381	90,381	100,000	9,619	-
Other Operating Expense	175,023	175,023	1,583,985	1,408,962	-
<b>Total Expenses</b>	<b>58,468,567</b>	<b>60,367,255</b>	<b>61,785,836</b>	<b>1,418,581</b>	<b>53,472,225</b>
<b><u>TRANSFERS</u></b>					
Transfers-out - A87 Allocations	(513,883)	(522,484)	(522,484)	-	-
<b>Total Transfers</b>	<b>(513,883)</b>	<b>(522,484)</b>	<b>(522,484)</b>	<b>-</b>	<b>-</b>
<b>Change in Reserve Balance</b>	<b>226,258</b>	<b>581,139</b>	<b>(847,276)</b>	<b>1,428,415</b>	<b>(226,451)</b>
<b>Beginning Reserve Balance:</b>					
Operating		7,238,044			
Federal Passthrough (HAP Assistance)		340,157			
<b>Total Beginning Balance</b>		<b>7,578,201</b>			
<b>Change in Reserve Balance:</b>					
Operating		807,590			
Federal Passthrough		(226,451)			
<b>Total Change in Reserve Balance</b>		<b>581,139</b>			
<b>Ending Reserve Balance</b>		<b>8,159,340</b>			
<b>2013 Target Balance (8.3%)</b>		<b>5,632,244</b>			

\*\* Preliminary numbers, not final

**STATEMENT OF REVENUES AND EXPENSES**

**Metro Transit - Bus Operations**

**December 31, 2013**

Unaudited

	YTD ACTUALS	AMENDED BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
<b><u>REVENUES</u></b>			
Passenger Revenues	80,397,056	78,499,918	1,897,138
Auxiliary Transit Revenue	3,137,115	2,400,000	737,115
Federal Revenue	3,116,472	3,730,733	(614,261)
State Revenue - MVST	148,962,000	148,962,000	-
Investment Earnings	1,483,673	500,000	983,673
Other Revenue	1,256,256	888,000	368,256
Total Revenues	238,352,572	234,980,651	3,371,921
<b><u>EXPENSES</u></b>			
Salary and Benefits	202,891,853	202,508,677	(383,176)
Consulting & Contractual Services	6,228,549	6,293,504	64,955
Fuel	22,003,081	26,826,372	4,823,291
Materials & Supplies	13,919,098	14,970,902	1,051,804
Utilities	3,476,540	4,401,163	924,623
Other Operating Expense	4,422,358	6,206,878	1,784,520
Total Expenses	252,941,479	261,207,496	8,266,017
<b><u>TRANSFERS</u></b>			
Transfer In - MVST	20,034,000	20,034,000	-
Transfer In - Transit Allocations	4,603,656	4,517,386	86,270
Transfer Out - RA Expense Allocation	(18,435,767)	(18,817,000)	381,233
Total Transfers	6,201,889	5,734,386	467,503
Change in Reserve Balance	(8,387,018)	(20,492,459)	12,105,441
Beginning Reserve Balance	52,935,623		
Ending Reserve Balance	44,548,605		
2013 Target Balance (8.3 - 12.5%)	22,819,977		



**STATEMENT OF REVENUES AND EXPENSES**  
**Metro Transit - Light Rail Operations**  
**December 31, 2013**

Unaudited

	YTD ACTUALS	AMENDED BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
<b><u>REVENUES</u></b>			
Passenger Revenues	9,808,581	10,438,787	(630,206)
Auxiliary Transit Revenue	736,568	700,000	36,568
State Revenue - GF Appropriation	5,174,000	5,174,001	(1)
State Revenue - MVST	1,986,000	1,986,000	-
Local Revenue	11,473,092	11,473,092	-
Investment Earnings	(24,740)	50,000	(74,740)
Other Revenue	39,475	37,000	2,475
Total Revenues	29,192,976	29,858,880	(665,904)
<b><u>EXPENSES</u></b>			
Salary and Benefits	18,220,209	22,822,520	4,602,311
Consulting & Contractual Services	918,704	688,123	(230,581)
Fuel	14,134	23,209	9,075
Materials & Supplies	1,534,771	1,589,725	54,954
Utilities	3,105,124	2,984,744	(120,380)
Other Operating Expense *	3,785,798	705,272	(3,080,526)
Total Expenses	27,578,740	28,813,593	1,234,853
<b><u>TRANSFERS</u></b>			
Transfer In - MVST Reserve	4,076,000	4,076,000	-
Transfer Out - Transit Allocations	(3,727,224)	(3,377,493)	(349,731)
Transfer Out - RA Expense Allocation	(1,173,796)	(1,468,000)	294,204
Total Transfers	(825,020)	(769,493)	(55,527)
Change in Reserve Balance	789,216	275,794	513,422
Beginning Reserve Balance	2,711,823		
Ending Reserve Balance	3,501,039		
2013 Target Balance (8.3 - 12.5%)	2,471,622		

\* other expense includes \$1.2M refund to CTIB, \$200,834 for prerevenue operations for Green Line.

**STATEMENT OF REVENUES AND EXPENSES**  
**Metro Transit - Commuter Rail Operations**  
**December 31, 2013**

Unaudited

	YTD ACTUALS	AMENDED BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
<b><u>REVENUES</u></b>			
Passenger Revenues	2,602,172	2,610,436	(8,264)
State Revenue - GF Appropriation	895,974	1,208,460	(312,486)
State Revenue - MVST	3,850,800	3,851,000	(200)
Local Revenue - CTIB	6,871,880	7,871,880	(1,000,000)
Other Local Revenue	1,208,460	1,208,460	-
Investment Earnings	124,754	245,024	(120,270)
<b>Total Revenues</b>	<b>15,554,040</b>	<b>16,995,260</b>	<b>(1,441,220)</b>
<b><u>EXPENSES</u></b>			
Salary and Benefits	2,913,700	4,306,059	1,392,359
Consulting & Contractual Services	971,613	6,987,215	6,015,602
Fuel	1,349,396	1,420,000	70,604
Materials & Supplies	308,917	922,485	613,568
Utilities	625,304	592,164	(33,140)
Other Operating Expense *	6,486,109	2,270,473	(4,215,636)
<b>Total Expenses</b>	<b>12,655,039</b>	<b>16,498,396</b>	<b>3,843,357</b>
<b><u>TRANSFERS</u></b>			
Transfer Out - Transit Allocations	(873,655)	(1,139,893)	266,238
Transfer Out - RA Expense Allocation	(337,920)	(372,000)	34,080
<b>Total Transfers</b>	<b>(1,211,575)</b>	<b>(1,511,893)</b>	<b>300,318</b>
Change in Reserve Balance	1,687,426	(1,015,029)	2,702,455
Beginning Reserve Balance	3,179,066		
Ending Reserve Balance	4,866,492		
2013 Target Balance (8.3 - 12.5%)	1,494,862		

\* other operating expenses include \$5.1M in refunds to funding partners due to positive 2013 operating results, BNSF refunds of \$4.7M and Positive train control of \$437k.

**STATEMENT OF REVENUES AND EXPENSES**  
**MTS -Transportation Planning**  
**December 31, 2013**

Unaudited

	YTD ACTUALS	AMENDED BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
<b><u>REVENUES</u></b>			
Federal Revenue	4,654,386	4,543,440	110,946
State Revenue - MVST	2,566,800	2,567,000	(200)
Investment Earnings	13,737	-	13,737
Other Revenue	390	-	390
Total Revenues	7,235,313	7,110,440	124,873
<b><u>EXPENSES</u></b>			
Salary and Benefits	2,248,829	2,344,157	95,328
Consulting & Contractual Services	1,217,466	1,190,807	(26,659)
Rent & Utilities	130,750	131,450	700
Travel	24,431	38,000	13,569
Grants	744,379	785,173	40,794
Other Operating Expense	102,768	106,810	4,042
Total Expenses	4,468,623	4,596,397	127,774
<b><u>TRANSFERS</u></b>			
Chargebacks from MAC	89,202	95,645	(6,443)
A87 Allocations	(1,190,012)	(1,501,433)	311,421
Total Transfers	(1,100,810)	(1,405,788)	304,978
Change in Reserve Balance	1,665,880	1,108,255	557,625
Beginning Reserve Balance	1,093,806		
Ending Reserve Balance	2,759,686		
2013 Target Balance (Combined 15%, 31.5% TP Fund)	1,921,000		

**STATEMENT OF REVENUES AND EXPENSES**  
**MTS - Metro Mobility**  
**December 31, 2013**

Unaudited

	YTD ACTUALS	AMENDED BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
<b><u>REVENUES</u></b>			
Passenger Revenue	6,810,159	6,494,671	315,488
State Revenue - MVST	5,091,000	5,091,000	-
State Appropriations	49,789,500	49,790,000	(500)
Investment Earnings	42,306	-	42,306
Other State Revenue	581,857	608,703	(26,846)
Total Revenues	62,314,822	61,984,374	330,448
<b><u>EXPENSES</u></b>			
Salary and Benefits	852,846	828,066	(24,780)
Consulting & Contractual Services	42,185,681	44,117,738	1,932,057
Fuel	6,714,552	7,720,194	1,005,642
Rent & Utilities	114,692	86,460	(28,232)
Other Operating Expense	178,392	130,510	(47,882)
Total Expenses	50,046,163	52,882,968	2,836,805
<b><u>TRANSFERS</u></b>			
Transfers In	21,150	21,150	-
Transfers-out - A87 Allocations	(427,214)	(530,376)	103,162
Total Transfers	(406,064)	(509,226)	103,162
Change in Reserve Balance	11,862,595	8,592,180	3,270,415
Beginning Reserve Balance	3,865,964		
Ending Reserve Balance	15,728,559		
2013 Target Balance (10%)	5,339,000		

**STATEMENT OF REVENUES AND EXPENSES**  
**MTS - Contracted Service**  
**December 31, 2013**

Unaudited

	YTD ACTUALS	AMENDED BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
<b><u>REVENUES</u></b>			
Passenger Revenues	2,314,606	2,484,940	(170,334)
Federal Revenue	2,467,625	1,684,382	783,243
State Revenue - MVST	18,808,800	18,809,000	(200)
Local Revenue	2,088,361	1,948,663	139,698
Investment Earnings	98,887	125,000	(26,113)
Other Revenue	3,000	-	3,000
Total Revenues	25,781,279	25,051,985	729,294
<b><u>EXPENSES</u></b>			
Salary and Benefits	831,372	780,465	(50,907)
Consulting & Contractual Services	20,045,766	21,506,721	1,460,955
Rent & Utilities	111,334	-	(111,334)
Fuel	467,255	657,074	189,819
Travel	1,489	7,500	6,011
Grants	369,276	-	(369,276)
Other Operating Expense	62,431	40,000	(22,431)
Total Expenses	21,888,923	22,991,760	1,102,837
<b><u>TRANSFERS</u></b>			
Transfer Out - A87 Allocations	(429,078)	(499,888)	70,810
Transfers Out - MT Bus	(479,306)	(210,000)	(269,306)
Total Transfers	(908,384)	(709,888)	(198,496)
Change in Reserve Balance	2,983,972	1,350,337	1,633,635
Beginning Reserve Balance	2,506,509		
Ending Reserve Balance	5,490,481		
2013 Target Balance (Combined 15%, 10% Cont Svc Funds)	2,370,000		