

People

Transportation

Housing

Bikes

Financial Condition

Planning

Bus

Parks

Future

Cars

Sustainability

Efficient

MANAGEMENT COMMITTEE

Prosperity

Train

Growth

Light Rail

2nd

QUARTER FINANCIAL REPORT

Livability

Light Rail

Trails

August 13, 2014

Diversity

Treatment

Equity

Airplane

Communities

Wastewater & Water

Lakes

Treatment

Regional

Economic

Roads



**METROPOLITAN
COUNCIL**

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Financial Management Report

OPERATING FUNDS—STATEMENT OF REVENUES & EXPENSES

OPERATING FUNDS STATEMENT OF REVENUES AND EXPENSES 2014 Mid-Year Results (in thousands) Unaudited

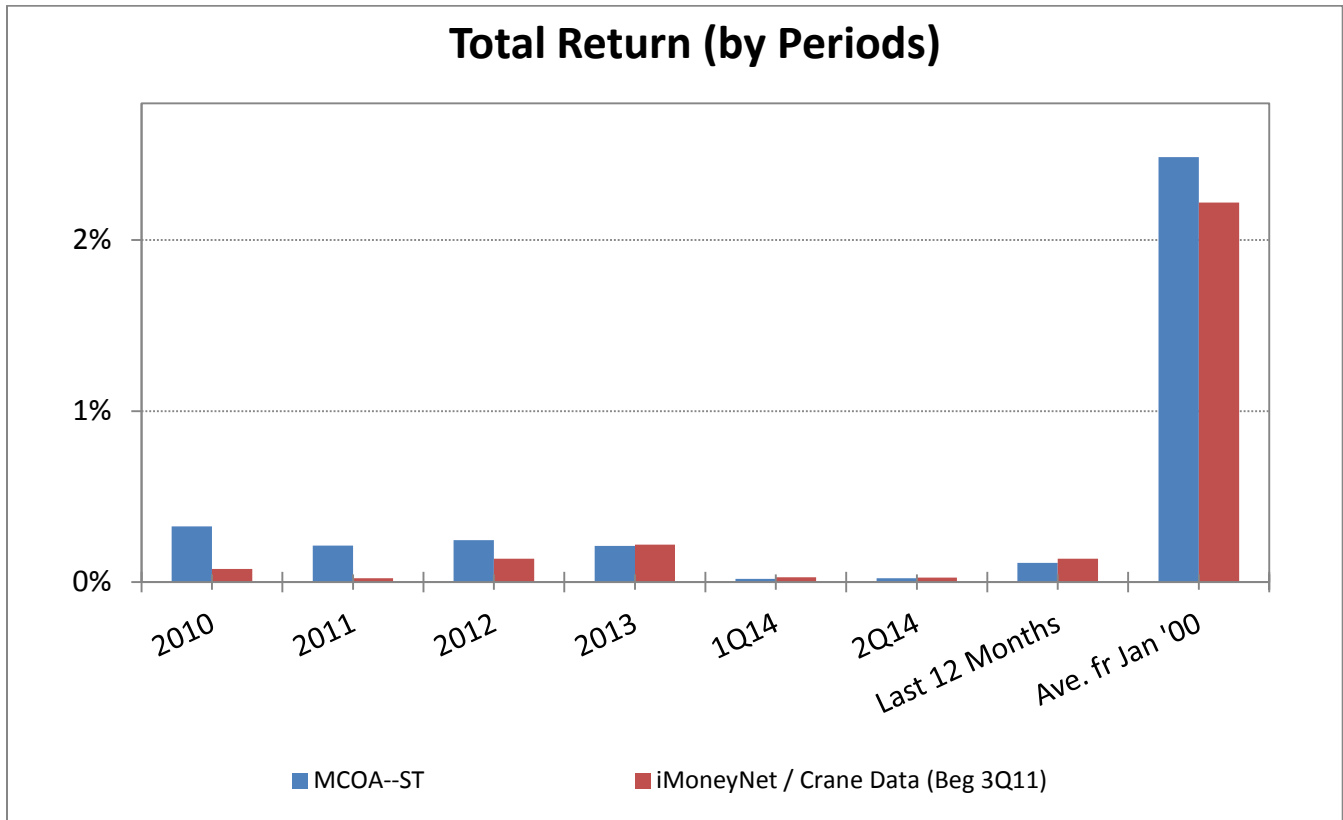
	General Fund					Environmental Services					Housing and Redevelopment Authority				
	2014 YTD Results	% Budget	Projected Year End	2014 Budget	Variance*	2014 YTD Results	% Budget	Projected Year End	2014 Budget	Variance*	2014 YTD Results	% Budget	Projected Year End	2014 Budget	Variance*
Revenues	317	3%	11,396	11,933	(537)	100,015	49%	204,760	203,131	1,629	29,536	49%	60,862	60,862	0
Expenses	21,438	43%	47,845	49,501	1,656	52,224	42%	122,979	125,434	2,455	28,396	47%	60,357	60,357	0
Transfers	16,154	45%	35,576	36,295	(719)	(39,776)	50%	(80,070)	(80,208)	138	(414)	69%	(827)	(601)	(226)
Change in Reserve Balance	(4,967)		(873)	(1,273)	400	8,015		1,711	(2,511)	4,222	726		(322)	(96)	(226)
Beginning Reserve Balance			16,554					20,390					7,891		
Assigned/Committed			(5,602)												
Ending Reserve Balance			10,079					22,101					7,569		
Target Balance			4,950					12,543					5,010		

	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	131,947	50%	265,414	264,646	768	19,529	39%	50,233	50,162	71	8,700	50%	17,479	17,471	8
Expenses	134,923	49%	273,219	276,244	3,025	14,399	37%	38,774	38,798	24	6,861	41%	15,860	16,869	1,009
Transfers	2,046	90%	2,585	2,261	324	(3,075)	36%	(8,518)	(8,518)	0	(635)	48%	(1,353)	(1,312)	(41)
Change in Reserve Balance	(930)		(5,220)	(9,337)	4,117	2,055		2,941	2,846	95	1,204		266	(710)	976
Beginning Reserve Balance			46,064					3,496					4,866		
Assigned/Committed															
Ending Reserve Balance			40,844					6,437					5,132		
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	1,985	31%	6,346	6,321	25	26,967	49%	53,941	54,509	(568)	12,280	49%	24,246	24,815	(569)
Expenses	1,510	32%	4,478	4,694	216	23,686	40%	54,847	59,025	4,178	13,049	51%	24,871	25,707	836
Transfers	(594)	42%	(1,232)	(1,430)	198	(247)	37%	(473)	(659)	186	(635)	153%	(1,166)	(416)	(750)
Change in Reserve Balance	(119)		636	197	439	3,034		(1,379)	(5,175)	3,796	(1,404)		(1,791)	(1,308)	(483)
Beginning Reserve Balance			2,760					15,729					5,490		
Ending Reserve Balance			3,396					14,350					3,699		
Target Balance			1,966					5,968					2,612		

*Variance = Favorable / (Unfavorable)

METROPOLITAN COUNCIL INVESTMENT PERFORMANCE- SHORT-TERM PORTFOLIO



2Q14 Short-Term Portfolio Investment Results

Assets under Management (AUM): \$135 Million

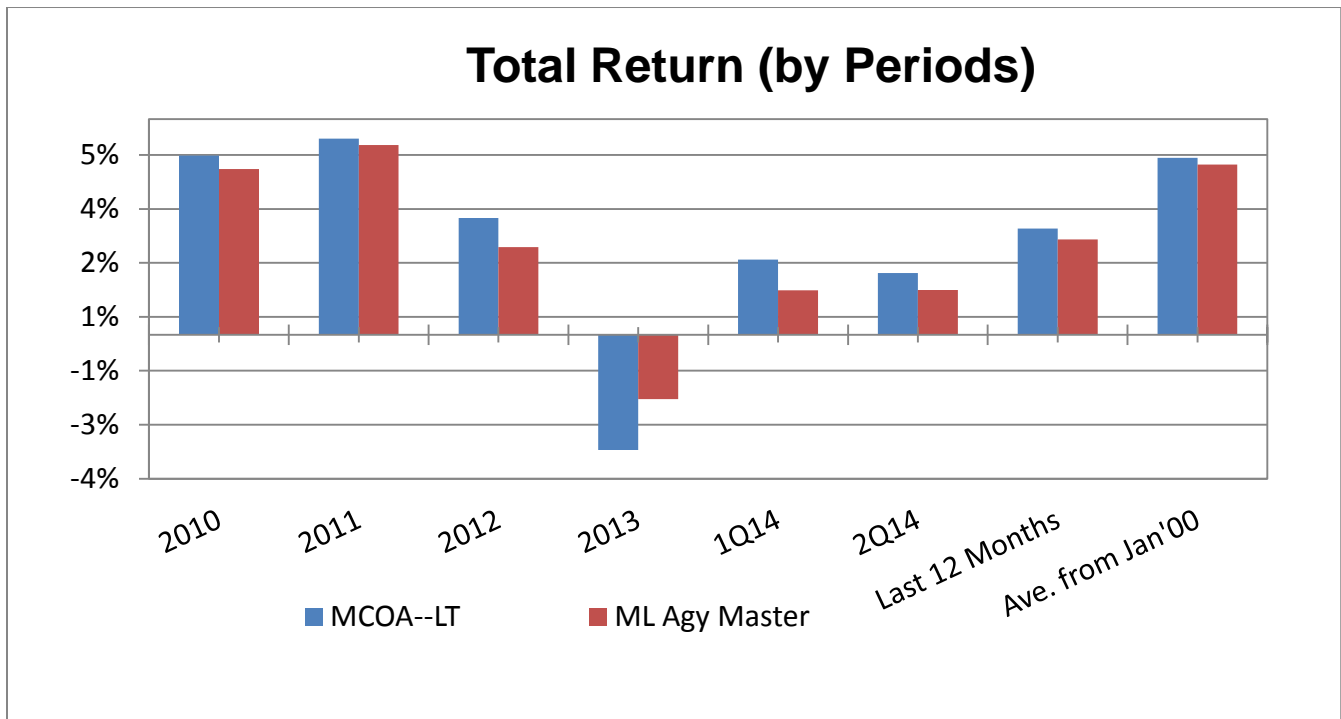
The portfolio outperformed its benchmark during the second quarter. Total return of 0.02% was above the index (0.01%) by 1 basis point. This portfolio has averaged 27 bps per year more than its benchmark over the past 15 years. For the quarter, 65% of Council's liquid cash was invested in Morgan Stanley prime money market fund (yielding, 0.04%) and 35% was invested in commercial paper (average yield 0.16%).

On July 23, 2014, the Securities and Exchange Commission (SEC) approved rules geared at minimizing susceptibility of institutional money funds to runs during periods of financial distress and increase transparency of risk in money funds.

The new rules will reduce Council's investment participation in the prime money market space and will sacrifice yield.

Currently, we have a cash balance of \$40 million at the bank picking up 10 bps in net earnings credit (ECR), which compares favorably to prime money market fund (4bps). We will continually evaluate other viable alternative investment vehicles for the short term portfolio.

METROPOLITAN COUNCIL INVESTMENT PERFORMANCE- LONG-TERM PORTFOLIO



2Q14 Long-Term Portfolio Investment Results

Assets under Management (AUM) \$459 Million

The portfolio outperformed its benchmark during the second quarter. Total return of 1.71% was above the index (1.25%) by 47 basis points. The positive performance was due to our municipal and agency bond holdings. Munis posted positive returns at quarter end helped by investor demand and limited supply. At end of the second quarter, our portfolio was comprised of 32% municipal bonds (yielding 3.90%), 38% of U.S. agency securities (yielding 1.90%), 15% of top tier commercial paper (yielding, 0.22%), 13% was invested in government money market funds (yielding, 0.01%) and 2% invested in securitized mortgage backed securities. The long-term portfolio's cash balance of \$62 million helps us maintain our target duration in the 2 - 6 year range. Also, we've maintained a high cash balance to shelter the portfolio from price pressures in a rising interest rate environment and provide greater flexibility to purchase higher yielding bonds in a rising-rate environment.

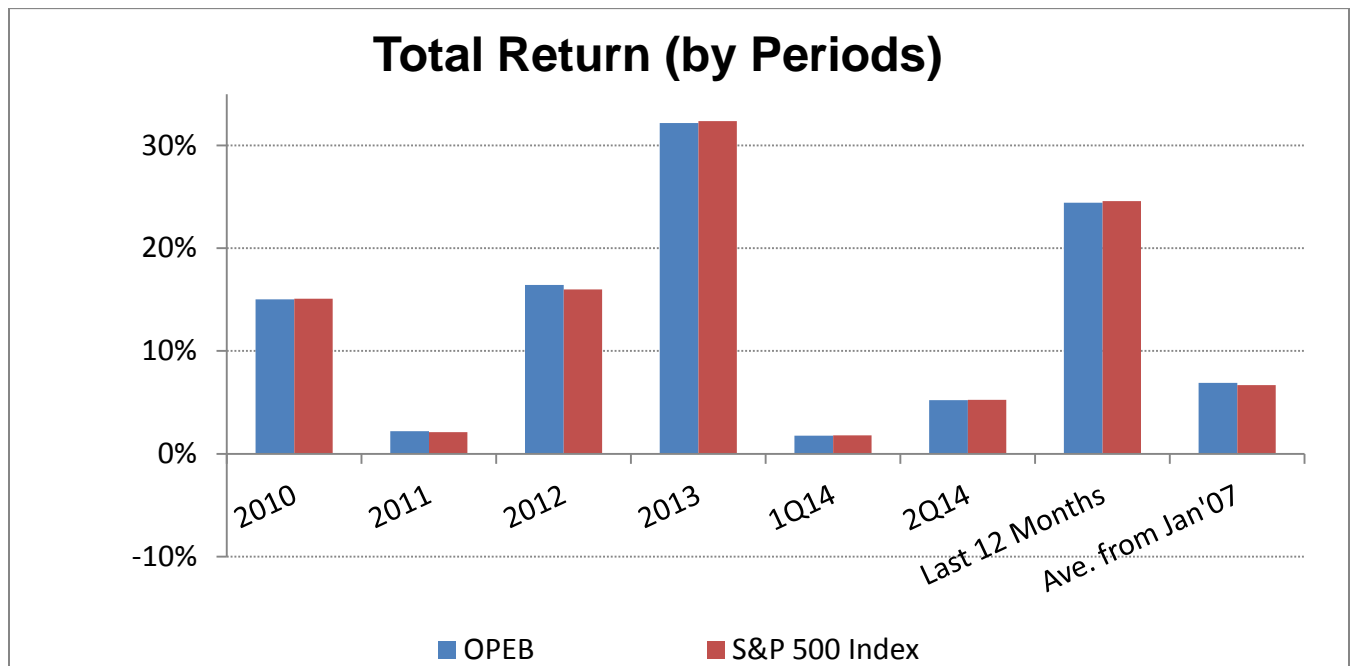
The agency yield curve continued to flatten, with yields on long-term maturities declining more than the short-term maturities. If this trend continues, we should potentially see a pick up in redemption activity during the second half of the year. Redemptions will reduce our book yield, which translates to lower future returns until comparable replacement securities are purchased in a higher yielding environment.

OPEB PORTFOLIO INVESTMENT RESULTS

Assets under Management (AUM) \$191.9 Million

Currently, the Council's OPEB portfolio is fully invested in equities. At end of the second quarter, both the OPEB portfolio and the S&P 500 index posted positive returns of 5.21% and 5.23%, respectively. For the quarter, the portfolio had accumulated \$8.6 million of unrealized gains.

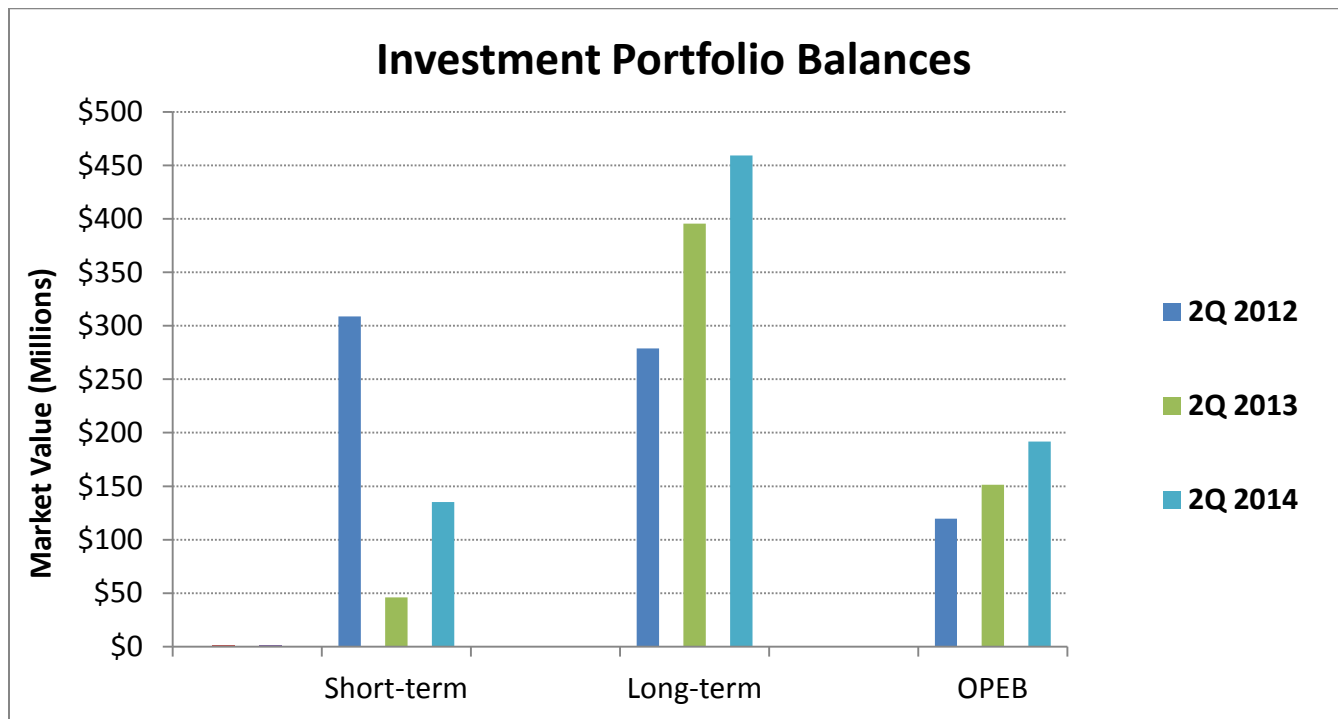
At the moment, all economic indicators show that the US economy is improving. The stock market continued its upward trend supported by persistent corporate earnings growth. We continue to hold a stable view toward equities. According to FactSet, the S&P 500 index is trading at 15.7 times its expected earnings for next year, up from 15.3X at the beginning of the year and well above the 10 year average of 13.9X. Current valuation levels appear reasonable from a historical perspective, where market peaks have occurred at 25 – 30 times earnings. This indicates that the current market is fairly valued and not exceedingly expensive.



INVESTMENT PORTFOLIO BALANCES

Investment Portfolio Balances Market Value (Millions)

	2Q 2012	2Q 2013	2Q 2014
Short-term	\$ 308.7	\$ 45.9	\$ 135.1
Long-term	279.0	395.6	459.4
OPEB	119.6	151.5	191.9
Total	<u>707.3</u>	<u>593.0</u>	<u>786.4</u>



Financial Management Report

GENERAL FUND

Unaudited—dollars in thousands

Revenues
 Expenses
 Transfers
 Change in Reserve Balance
 Beginning Fund Balance
 Assigned/Committed
 Ending Unassigned Reserve Balance

 Target Balance (10%)

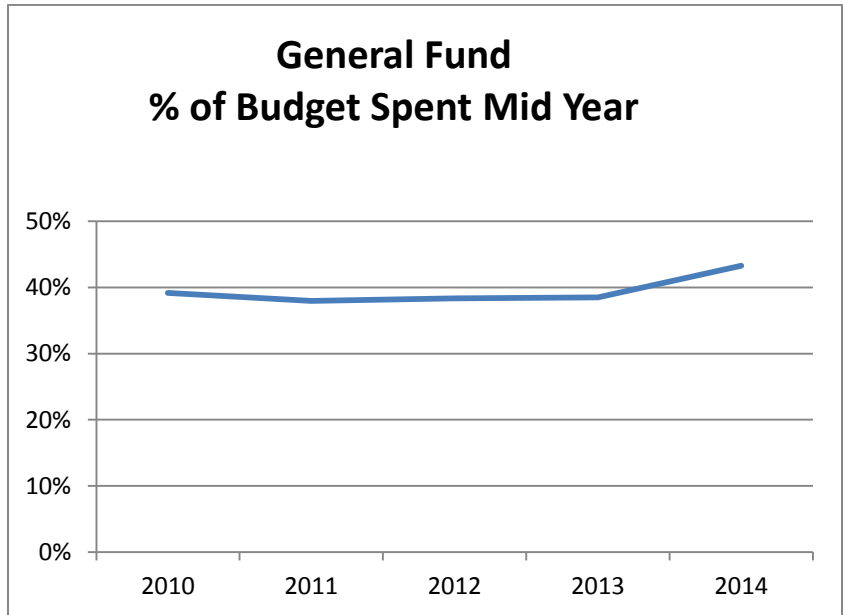
General Fund					
2014 YTD		Projected Year			
Results	% Budget	End	2014 Budget	Variance	
317	3%	11,396	11,933	(537)	
21,438	43%	47,845	49,501	1,656	
16,154	45%	35,576	36,295	(719)	
(4,967)		(873)	(1,273)	400	
		16,554			
		(5,602)			
		<u>10,079</u>			
		4,950			

General Fund

At mid-year the General Fund has spent 43% of annual budgeted operating expenses. Performance is consistent with expense trend for prior year mid-terms.

Salary savings approximating \$1M are expected to carry through to year-end and result from time to fill vacancies. Allocations from operating divisions (reported in transfers) are reflective of lower projected expenses as well.

Other operating expense categories are expected to track near budget through year-end.



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 savings suggest a \$400 thousand positive variance in reserve use and anticipates a year-end unassigned reserve balance of \$10.1 million.

Financial Management Report

ENVIRONMENTAL SERVICES

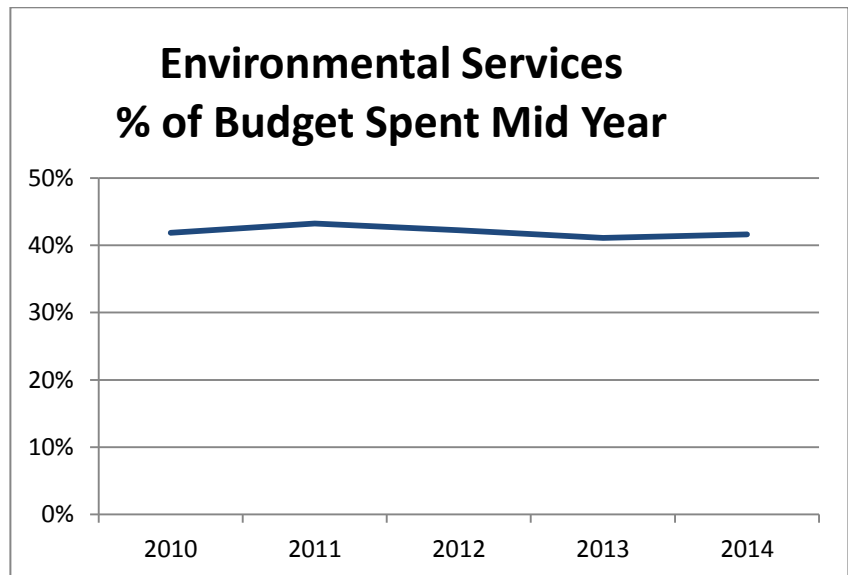
Unaudited—dollars in thousands

	Environmental Services				
	2014 YTD		Projected Year		
	Results	% Budget	End	2014 Budget	Variance
Revenues	100,015	49%	204,760	203,131	1,629
Expenses	52,224	42%	122,979	125,434	2,455
Transfers	(39,776)	50%	(80,070)	(80,208)	138
Change in Reserve Balance	8,015		1,711	(2,511)	4,222
Beginning Reserve Balance			20,390		
Ending Unassigned Reserve Balance			22,101		
Target Balance			12,543		

Environmental Services

Environmental Services operating expenses/transfers are currently estimated to be under budget by \$2.6M. Salary and benefits are projected to be under budget by approximately \$2.2M, primarily due to a number of staffing vacancies.

In addition, there is under spending in capital and contracted services of \$3.4M. This is offset by materials, utilities and I&I grant payments exceeding budget by approximately \$3.5M.



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 both the 2013 receipts and the 2014 budget expectation, with 6,241 units, paid through June 30, 2014 as opposed to 5,484 for the same period last year. 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 \$2.5M, which included \$0.5M for wastewater rate mitigation and \$2.0M for the 2013 carry-forward budget amendment. If the above forecasted variances occur, reserves will increase by approximately \$1.7M. This estimated \$4.2 million positive operating variance would bring the operating reserve to \$22.1M, well above the target of \$12.5M.

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

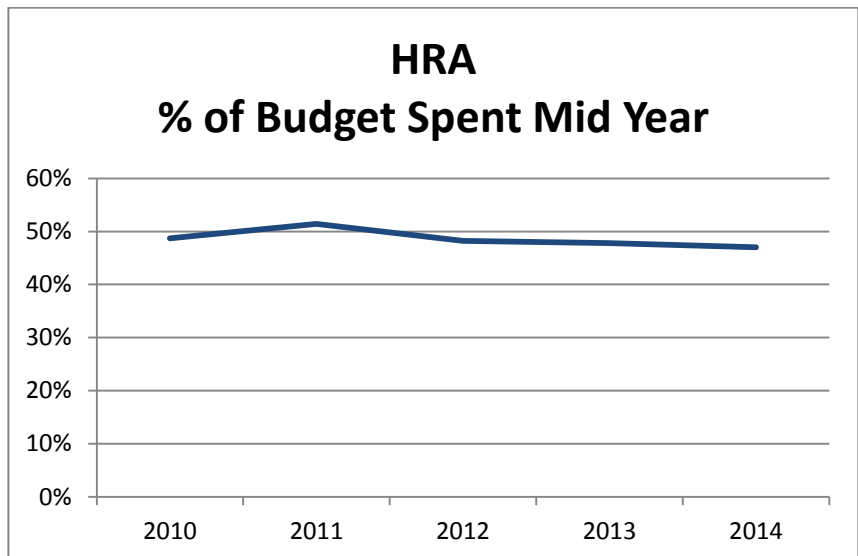
Housing and Redevelopment Authority					
2014 YTD	Projected Year				
	Results	% Budget	End	2014 Budget	Variance
Revenues	29,536	49%	60,862	60,862	0
Expenses	28,396	47%	60,357	60,357	0
Transfers	(414)	69%	(827)	(601)	(226)
Change in Reserve Balance	726		(322)	(96)	(226)
Beginning Reserve Balance			7,891		
Ending Reserve Balance			7,569		
Target Balance			5,010		

Housing and Redevelopment Authority

The Housing and Redevelopment Authority (HRA) finished second quarter showing a balanced budget.

The HRA collected 49% of the budgeted revenue and expended 47% of budget expense items to date.

Year end projections on revenue and expense are in line with the approved budget.



Financial Management Report

METRO TRANSIT—BUS

Unaudited—dollars in thousands

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

Target Balance

Metro Transit - Bus					
2014 YTD	Projected Year				
	Results	% Budget	End	2014 Budget	Variance
Revenues	131,947	50%	265,414	264,646	768
Expenses	134,923	49%	273,219	276,244	3,025
Transfers	2,046	90%	2,585	2,261	324
Change in Reserve Balance	(930)		(5,220)	(9,337)	4,117
Beginning Reserve Balance			46,064		
Ending Reserve Balance			40,844		
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 \$4.1M.

Year end fund balance of \$40.8M or 13.4%, which is \$15.5M over the Council target balance.

Passenger revenue is expected to be \$990K below budget due to decreased ridership. Year to date through June ridership is \$1.1M below the budgeted levels.

Operating expenses are forecast to be under budget by \$3.3M.

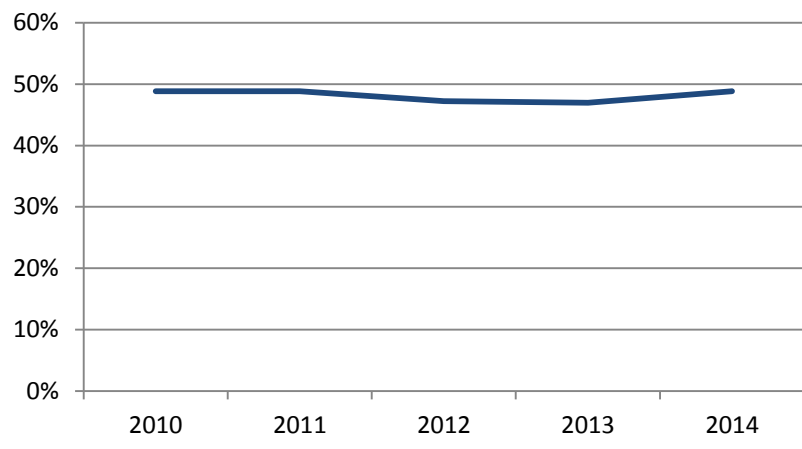
Salaries and benefits will be under budget approximately \$400K. This is due to lower than budgeted insurance costs.

Fuel will be under budget by \$1.5M due to lower fuel prices, June year to date net average price per gallon was \$3.21 compared to a budgeted \$3.42.

Materials and supplies are forecast to be over budget by \$823K. 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 \$748K due to energy savings from capital improvements in our transit facilities.

Metro Transit - Bus % of Budget Spent Mid Year



METRO TRANSIT—LIGHT RAIL

Unaudited—dollars in thousands

	Metro Transit - Light Rail				
	2014 YTD Results	% Budget	Projected Year End	2014 Budget	Variance
Revenues	19,529	39%	50,233	50,162	71
Expenses	14,399	37%	38,774	38,798	24
Transfers	(3,075)	36%	(8,518)	(8,518)	0
Change in Reserve Balance	2,055		2,941	2,846	95
Beginning Reserve Balance			3,496		
Ending Reserve Balance			<u>6,437</u>		
Target Balance			5,594		

Metro Transit Light Rail

Adopted CY 2014 has a contribution to reserves of \$2.8M.

Year-end positive projected year end variance of \$94K. Year end fund balance of \$6.4M or 9.5% which is over the Council target fund balance.

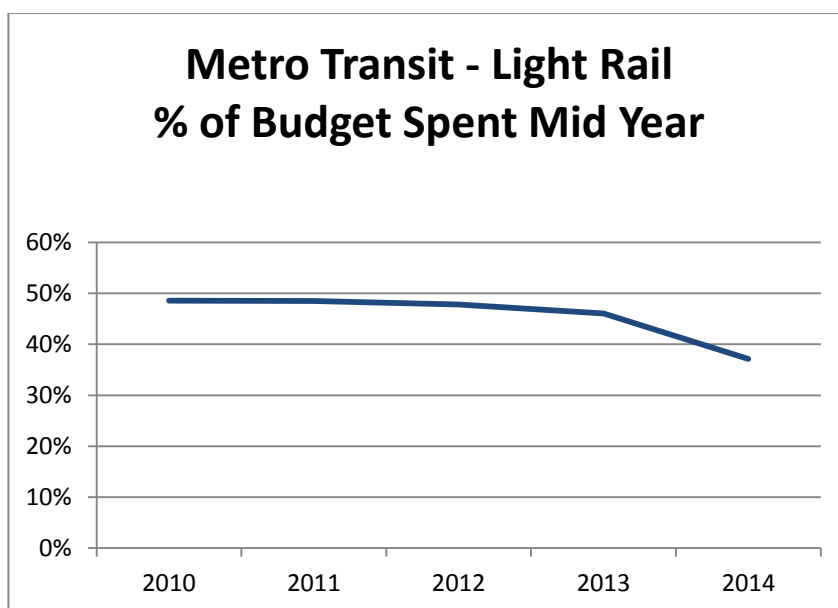
Passenger revenues are forecast to be \$311K below budget. Forecast to be \$763K below budget, but early opening of green line is offsetting that forecast by an additional \$452K.

Operating expenses are expected to be \$24K under budget.

Salary and benefits are expected to be \$613K over budgeted, due to the early opening of the green line.

Casualty and Liability costs are expected to be \$500K 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

	Metro Transit - Commuter Rail				
	2014 YTD Results	% Budget	Projected Year End	2014 Budget	Variance
Revenues	8,700	50%	17,479	17,471	8
Expenses	6,861	41%	15,860	16,869	1,009
Transfers	(635)	48%	(1,353)	(1,312)	(41)
Change in Reserve Balance	1,204		266	(710)	976
Beginning Reserve Balance			4,866		
Ending Reserve Balance			<u>5,132</u>		
Target Balance			1,462		

Metro Transit - Commuter Rail

Adopted use of reserves of \$709K

Year-end projected positive variance of \$975K. Year end fund balance of \$5.1M or 29%, which is \$3.6M over the target balance.

Passenger revenues are projected to be \$61K under budget. June year to date ridership is down \$10K rides or approx 3% from budget.

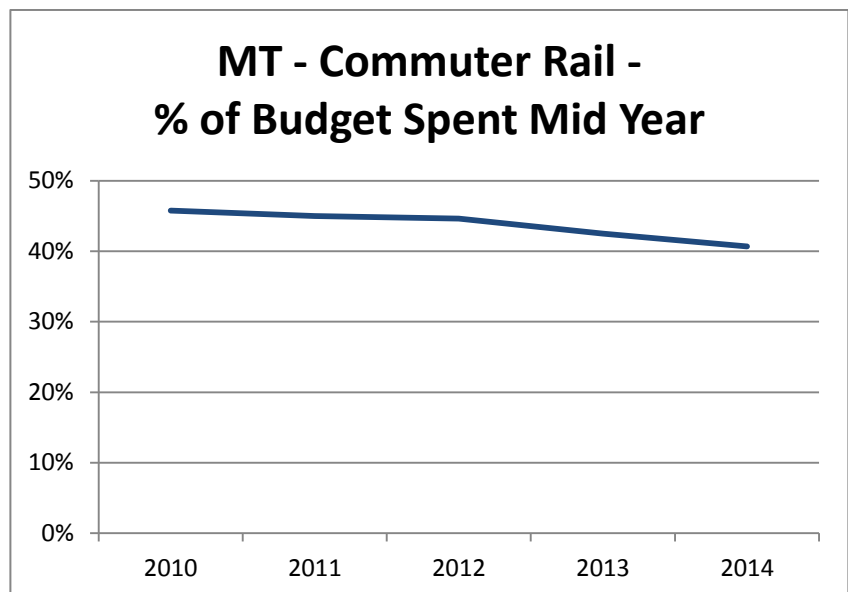
Commuter rail expenses are forecast to be \$1.0M under budget.

Salaries and benefits are projected to be \$573K under budget.

Contracted services is expected to be \$1.5M 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.

Fuel will be under budget due to lower fuel prices



Financial Management Report

METROPOLITAN TRANSPORTATION SERVICES

Unaudited—dollars in thousands

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

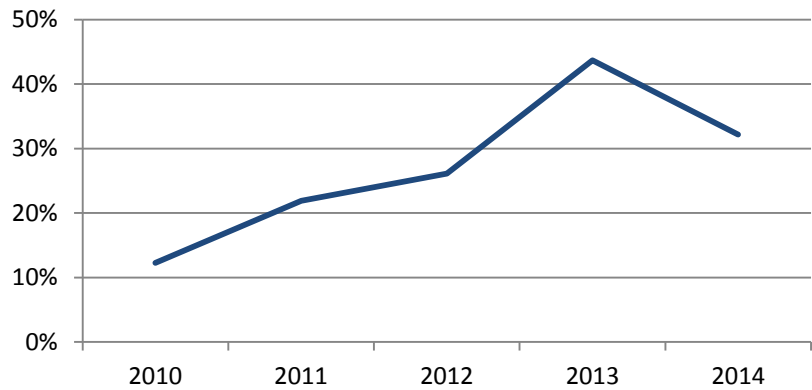
Target Balance

MTS - Transportation Planning					
2014 YTD	Projected Year		2014 Budget	Variance	
	Results	% Budget			
1,985	31%	6,346	6,321	25	
1,510	32%	4,478	4,694	216	
(594)	42%	(1,232)	(1,430)	198	
(119)		636	197	439	
		<u>2,760</u>			
		<u><u>3,396</u></u>			
		1,966			

MTS - Transportation Planning

Transportation Planning is currently trending under budget in consulting and contracting, travel, and grant expenses. due in part to the current focus of the department on the Transportation Policy Plan (TPP). During this period non-TPP consulting activities have slowed down to allow staff to pursue the implementation of the Transportation Policy Plan. It is anticipated spending to budget will occur the second half of the year.

MTS - Transportation Planning - % of Budget Spent Mid Year



Salaries and benefits are projected to be under budget for the year by \$215k due to current open positions.

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

Financial Management Report

MTS—METRO MOBILITY

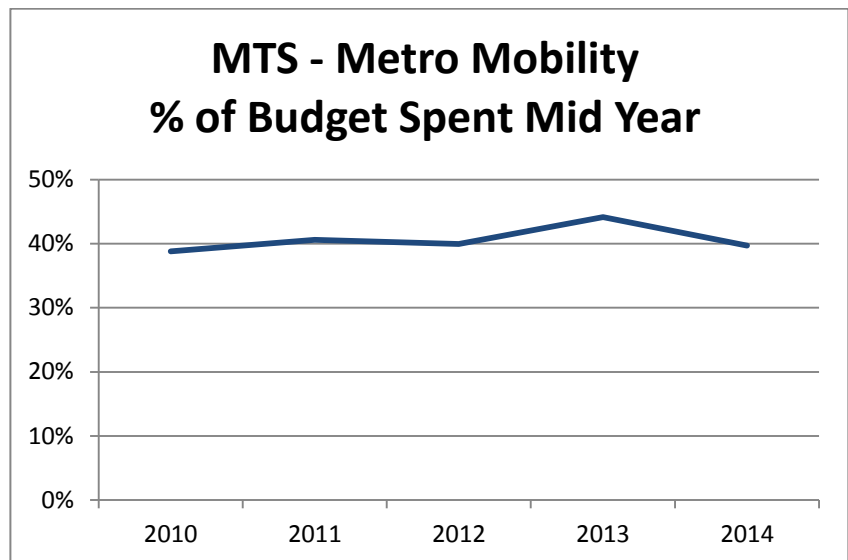
Unaudited—dollars in thousands

	MTS - Metro Mobility				
	2014 YTD Results	% Budget	Projected Year End	2014 Budget	Variance
Revenues	26,967	49%	53,941	54,509	(568)
Expenses	23,686	40%	54,847	59,025	4,178
Transfers	(247)	37%	(473)	(659)	186
Change in Reserve Balance	3,034		(1,379)	(5,175)	3,796
Beginning Reserve Balance			15,729		
Ending Reserve Balance			14,350		
Target Balance			5,968		

MTS - Metro Mobility

Metro Mobility fare revenues are under budget due to lower than anticipated ticket sales.

Consulting and contracting expenses are under budget as well as ridership is currently running under budgeted levels. Ridership levels are expected to increase into the fall, and continue trending upward into the winter. It is projected passenger revenue will be under budget approximately \$800,000 for the year.



Metro Mobility is also seeing significant savings in fuel costs due to lower than anticipated prices. Fuel will be under budget by approximately \$1.6M due to lower fuel prices, June year to date net average price per gallon was \$3.04 compared to a budgeted \$3.75.

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

Financial Management Report

MTS—CONTRACTED SERVICES

Unaudited—dollars in thousands

	MTS - Contracted Service				
	2014 YTD Results	% Budget	Projected Year End	2014 Budget	Variance
Revenues	12,280	49%	24,246	24,815	(569)
Expenses	13,049	51%	24,871	25,707	836
Transfers	(635)	153%	(1,166)	(416)	(750)
Change in Reserve Balance	(1,404)		(1,791)	(1,308)	(483)
Beginning Reserve Balance			5,490		
Ending Reserve Balance			<u>3,699</u>		
Target Balance			2,612		

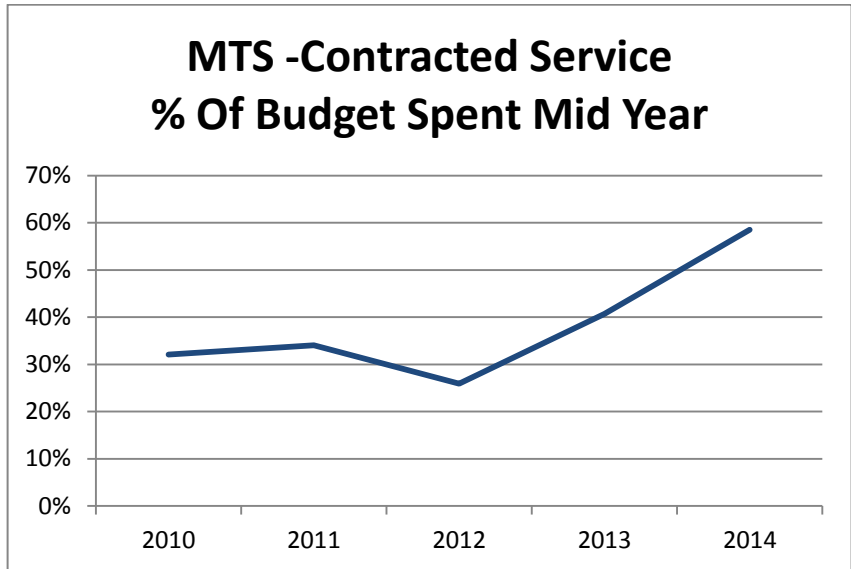
MTS - Contracted Service

Contracted Service revenues are on budget and expense savings are being realized due to lower than budgeted fuel costs.

Grants and Transfer Out expenses were all budgeted in Consulting and Contacted Services so these overages are expected.

Service restructures continue to be analyzed and watched closely on the impact to the budget.

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

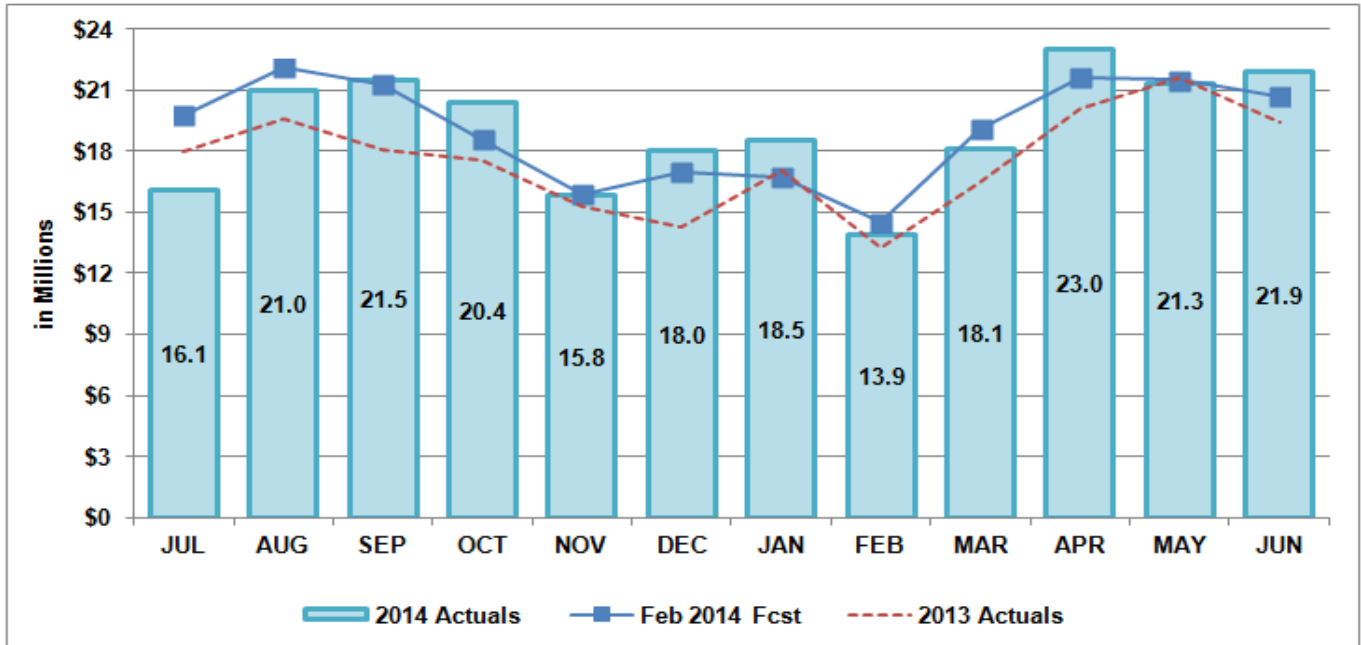


Financial Management Report

MOTOR VEHICLE SALES TAX (MVST) REVENUES FORECASTS & BUDGET

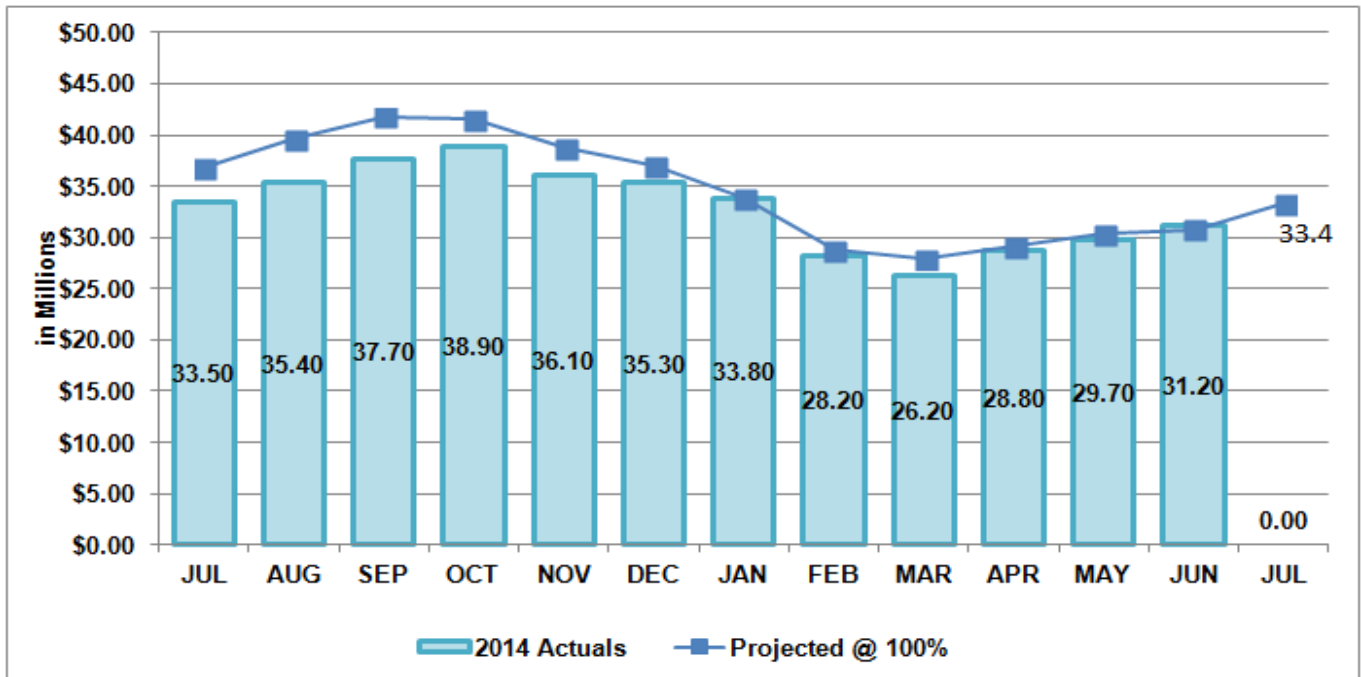
Dollars in millions

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



Motor vehicle sales tax receipts totaled \$116.6 million in the first half of state fiscal year 2014, 102% of forecast and 8% higher than receipts in the second half of state fiscal year 2013.

Motor Vehicle Sales Tax Reserve Balance



Financial Management Report

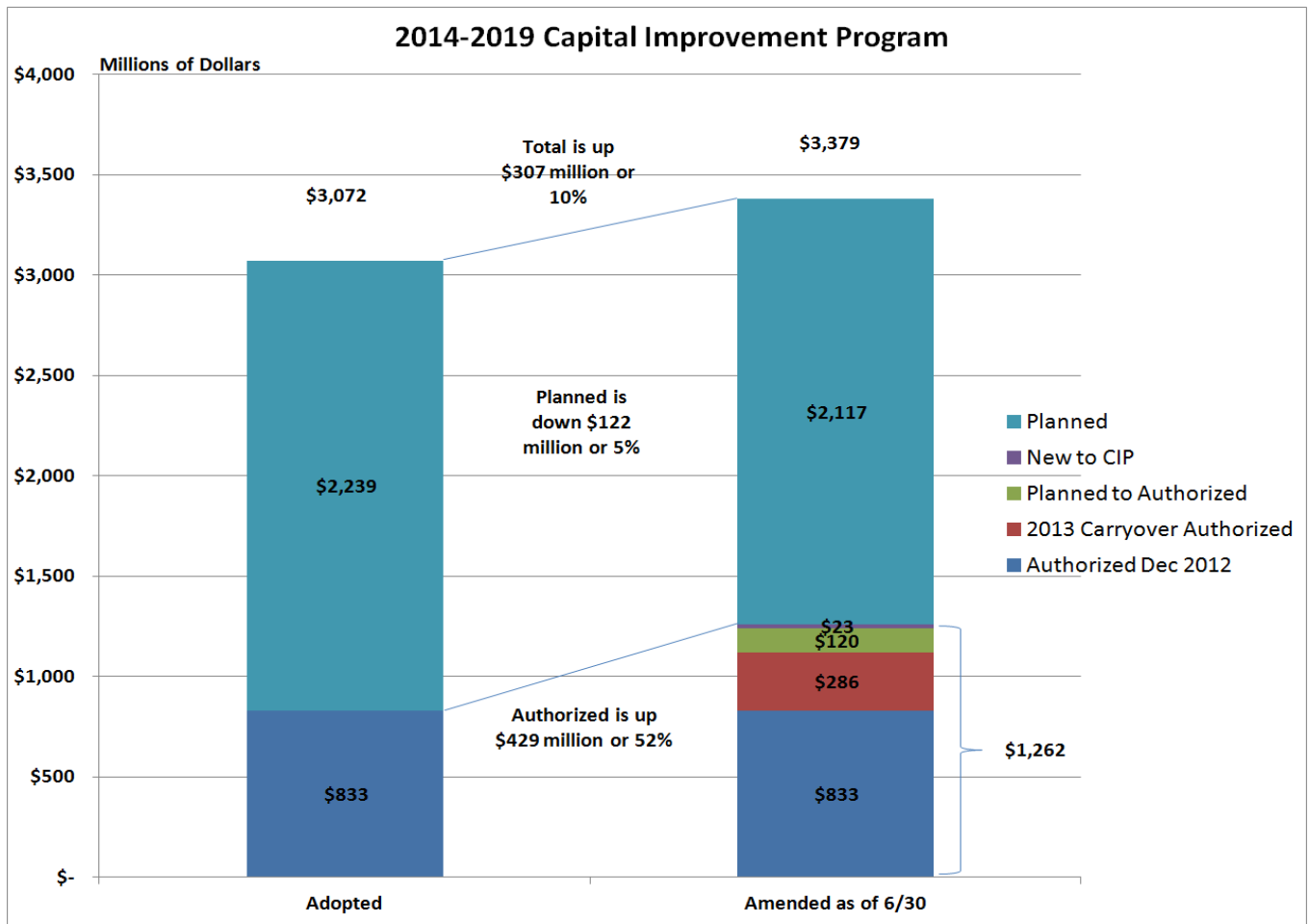
MOTOR VEHICLE SALES TAX (MVST) REVENUES FORECASTS & BUDGET

Dollars in millions

Motor Vehicle Sales Tax – Forecasts and Budget Calendar Year 2014

	Total	Jan-Jun	Jul-Dec
November 2013 Forecast	237	115	122
2014 Council Budget:			
95% of State Forecast	225	109	116
Use of MVST Reserve	15	7	8
February 2014 Forecast	238	116	122
YTD Actuals	117	117	
% of February Forecast	49%	101%	

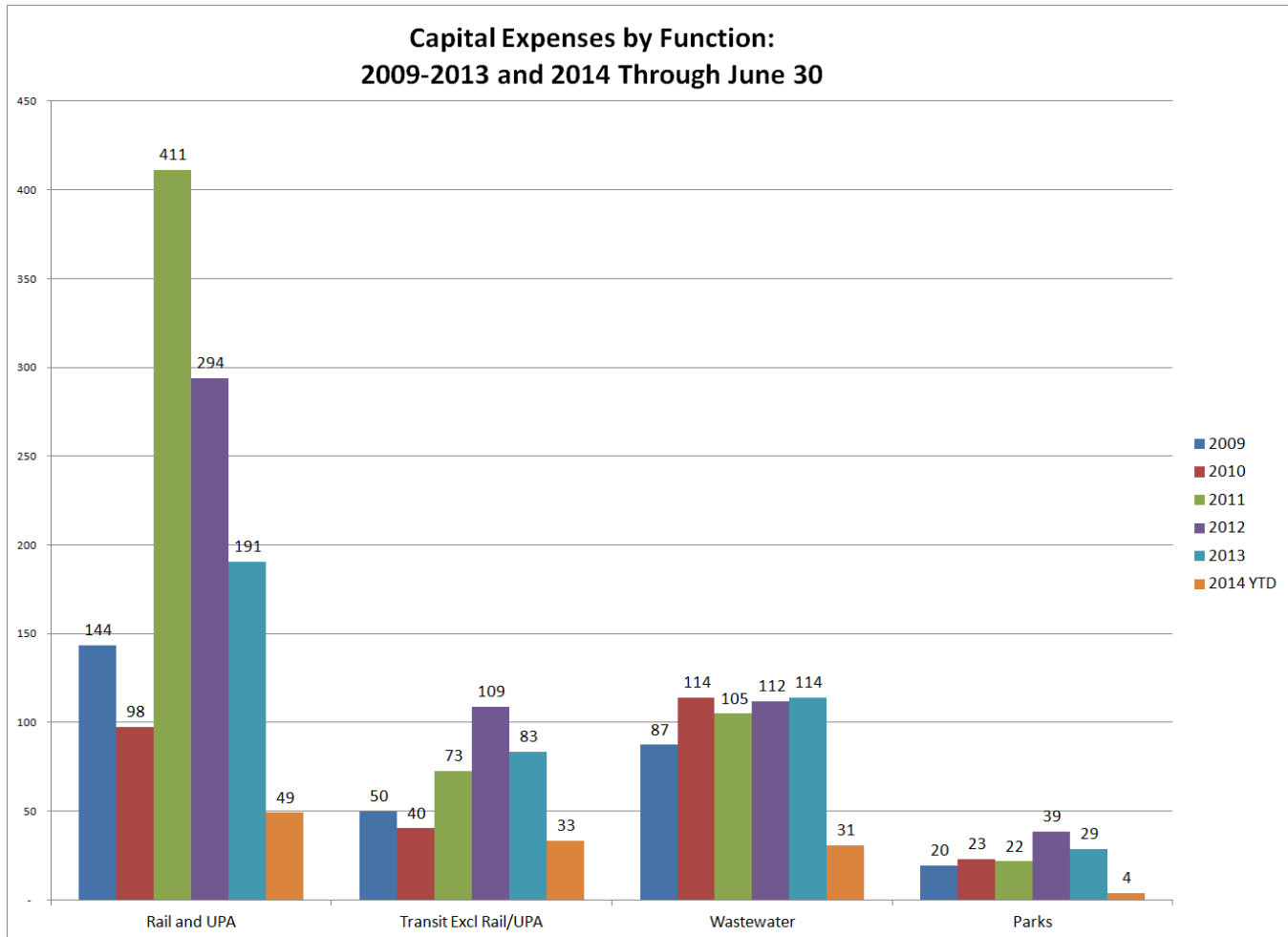
2014-2019 CAPITAL IMPROVEMENT PROGRAM



2014-2019 Capital Improvement Program

The six-year capital improvement program increased by \$307 million through amendments during the year. The capital improvement program increased from \$3.07 billion to \$3.38 billion, an increase of 10%. The authorized portion of the CIP is up \$429 million or 52 percent, including \$120 million in projects moved from the planned portion of the CIP, \$286 million in authority shifted from 2013 to 2014 and \$23 million in new projects not previously in the CIP. The \$23 million not previously in the CIP are pass-through parks grants provided by the 2014 Legislature. 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 TREND



2014 Capital Budget

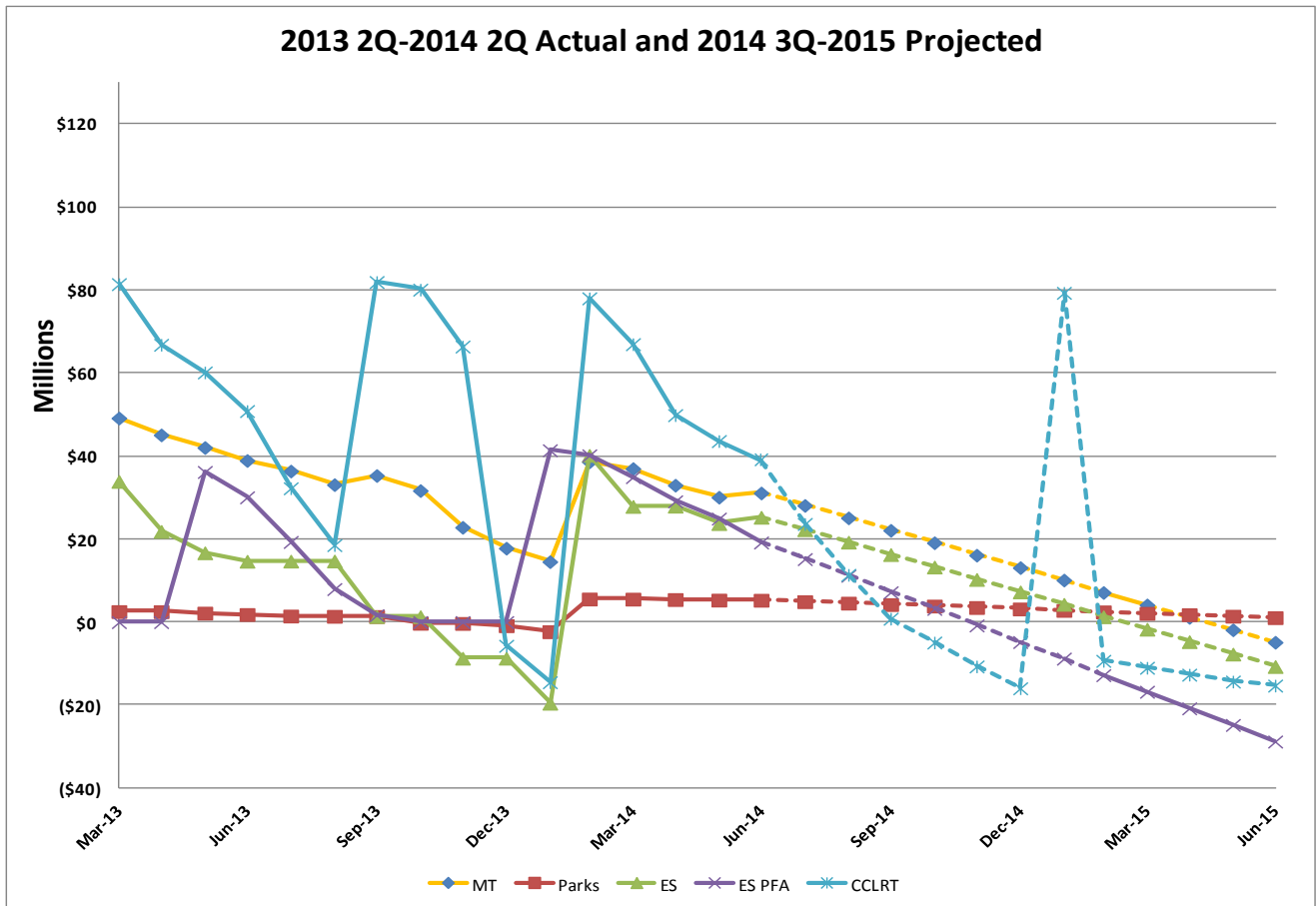
The adopted 2014 Capital Budget was \$383 million. Actual 2014 capital expenditures through June 30 are 14 percent of the amended budget. Actual expenditures through June 30 were \$119 million, or 31 percent of the adopted budget. The chart shows capital spending by functional area for the last five years.

CAPITAL FUND CASH BALANCES

The GO capital bond funds for Parks, Transit and Wastewater have experienced slower than normal spending in the past year, but are projected to be spent down by 2015. Conversely, Wastewater expenses eligible for reimbursement from the Minnesota Public Facilities Authority (PFA) loan have been sizable.

Debt was sold 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. The CCLRT as shown below does not include funds from the local partners. We continue to monitor the debt portfolio for refunding opportunities. The next PFA loan will likely be closed sometime in 4Q14.



STATEMENT OF REVENUES AND EXPENSES
General Fund
June 30, 2014

Unaudited

	YTD ACTUALS	YEAR-END PROJECTIONS	2014 BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
<u>REVENUES</u>				
Property Taxes	-	10,626,845	10,626,845	-
Federal Revenues	69,497	69,500	566,000	(496,500)
State Revenues	-	-	-	-
Investment Earnings	272,557	700,000	730,129	(30,129)
Other Revenue	(25,325)	-	10,000	(10,000)
Total Revenues	316,729	11,396,345	11,932,974	(536,629)
<u>EXPENSES</u>				
Salary and Benefits	14,053,111	31,643,000	32,778,867	1,135,868
Consulting & Contractual Services	5,098,916	11,369,916	11,369,916	-
Rent & Utilities	1,244,505	2,673,217	2,673,217	-
Printing	64,485	210,880	210,880	-
Travel & Professional Development	179,427	415,475	415,475	-
Insurance	1,117	30,000	30,000	-
Grants	45,078	46,000	566,000	520,000
Other Operating Expense	751,165	1,456,516	1,456,516	-
Total Expenses	21,437,804	47,845,004	49,500,871	1,655,868
<u>TRANSFERS</u>				
Transfer In - Expense Allocation From MT	9,407,805	22,500,000	23,040,165	(540,165)
Transfer In - Expense Allocation From MCES	5,123,558	11,000,000	11,135,491	(135,491)
Transfers In - Other	-	-	-	-
Transfers In- A87 Allocations	1,595,607	3,200,000	3,243,237	(43,237)
Chargeback from MAC	27,434	76,000	76,000	-
Transfer Out	-	(1,200,000)	(1,200,000)	-
Total Transfers	16,154,404	35,576,000	36,294,893	(718,893)
Change in Reserve Balance	(4,966,671)	(872,659)	(1,273,004)	400,346
Beginning Fund Balance		16,553,867		
Assigned/Committed		(5,602,409)		
Ending Unassigned Reserve Balance		<u>10,078,800</u>		
2014 Target Balance (10%)		4,950,087		

STATEMENT OF REVENUES AND EXPENSES
Environmental Services
June 30, 2014

Unaudited

	YTD ACTUALS	YEAR-END PROJECTIONS	2014 BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
<u>REVENUES</u>				
Municipal Wastewater Charges	92,094,250	184,188,500	184,188,500	-
Industrial Charges	6,957,888	14,051,000	14,020,000	31,000
State Grant Revenue	352,796	4,972,250	3,972,250	1,000,000
Investment Earnings	498,436	1,100,000	500,000	600,000
Other Revenue	111,956	448,000	450,507	(2,507)
Total Revenues	100,015,326	204,759,750	203,131,257	1,628,493
<u>EXPENSES</u>				
Salary and Benefits	27,953,372	63,015,231	65,220,831	2,205,600
Consulting & Contractual Services	5,677,577	17,744,529	19,878,352	2,133,823
Rent & Utilities	8,792,370	18,377,412	16,234,693	(2,142,719)
Travel	170,480	333,374	422,700	89,326
Materials & Supplies	3,966,230	8,876,913	8,225,200	(651,713)
Chemicals	3,419,391	7,963,743	8,231,080	267,337
Capital Outlay	807,990	2,192,866	3,459,800	1,266,934
Other Operating Expense	1,436,256	4,475,183	3,761,296	(713,887)
Total Expenses	52,223,666	122,979,251	125,433,952	2,454,701
<u>TRANSFERS</u>				
SAC Transfer	17,830,998	35,662,000	35,662,000	-
Transfers In	0	232,570	232,570	-
Debt Service	(51,483,684)	(102,967,365)	(102,967,365)	-
Interdivisional Charges	(5,123,558)	(10,997,116)	(11,135,489)	138,373
Transfers Out	(1,000,002)	(2,000,000)	(2,000,000)	-
Total Transfers	(39,776,246)	(80,069,911)	(80,208,284)	138,373
Change in Reserve Balance	8,015,414	1,710,588	(2,510,979)	4,221,567
Beginning Reserve Balance		20,390,431		
Ending Unassigned Reserve Balance		<u>22,101,019</u>		
2014 Target Balance (10%)		12,543,395		

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

Unaudited

	YTD ACTUALS	YEAR-END PROJECTIONS	2014 BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)	YTD ACTUAL PASS THROUGH
<u>REVENUES</u>					
Federal Revenue	27,845,642	57,111,662	57,111,662	-	25,827,681
State Revenue	630,115	1,665,685	1,665,685	-	580,120
Investment Earnings	38,902	70,000	70,000	-	-
Other Revenue	1,021,014	2,015,000	2,015,000	-	12,924
Total Revenues	29,535,673	60,862,347	60,862,347	-	26,420,725
<u>EXPENSES</u>					
Salary and Benefits	1,375,527	3,075,483	3,075,483	-	-
Consulting & Contractual Services	315,341	762,000	762,000	-	-
Rent & Utilities	91,905	202,327	202,327	-	-
Housing Expenses	26,374,399	54,400,000	54,400,000	-	25,974,194
Travel	17,249	60,000	60,000	-	-
Insurance	90,256	100,000	100,000	-	-
Other Operating Expense	131,390	1,757,369	1,757,369	-	-
Total Expenses	28,396,067	60,357,179	60,357,179	-	25,974,194
<u>TRANSFERS</u>					
Transfers-out - A87 Allocations	(413,621)	(827,250)	(600,623)	(226,627)	-
Total Transfers	(413,621)	(827,250)	(600,623)	(226,627)	-
Change in Reserve Balance	725,985	(322,082)	(95,455)	(226,627)	446,531
Beginning Reserve Balance:					
Operating		7,762,353			
Federal Passthrough (HAP Assistance)		128,728			
Total Beginning Balance		<u>7,891,081</u>			
Change in Reserve Balance:					
Operating		(768,613)			
Federal Passthrough		446,531			
Total Change in Reserve Balance		<u>(322,082)</u>			
Ending Reserve Balance		<u>7,568,999</u>			
2014 Target Balance (8.3%)		5,009,646			

** Preliminary numbers, not final

STATEMENT OF REVENUES AND EXPENSES
Metro Transit - Bus Operations
June 30, 2014

Unaudited

	YTD ACTUALS	YEAR-END PROJECTIONS	BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
<u>REVENUES</u>				
Passenger Revenues	39,128,498	76,303,103	77,250,031	(946,928)
Auxiliary Transit Revenue	1,451,333	2,903,012	2,618,000	285,012
State Appropriations	4,158,836	8,319,004	8,319,004	-
State Revenue - MVST	84,323,502	168,647,000	168,647,000	-
Federal Grants	1,429,752	2,859,500	2,859,500	-
Investment Earnings	584,572	1,169,067	500,000	669,067
Property Taxes	84,623	3,563,420	3,563,420	-
Other Revenue	786,214	1,649,447	888,992	760,455
Total Revenues	131,947,330	265,413,553	264,645,947	767,606
<u>EXPENSES</u>				
Salary and Benefits	105,116,603	211,709,121	212,088,683	379,562
Consulting & Contractual Services	4,487,001	9,172,829	9,595,349	422,520
Fuel	12,445,851	25,325,454	26,885,351	1,559,897
Materials & Supplies	8,531,309	16,413,431	15,590,244	(823,187)
Utilities	1,911,045	3,633,292	4,381,761	748,469
Other Operating Expense	2,431,317	6,965,041	7,702,968	737,927
Total Expenses	134,923,126	273,219,168	276,244,356	3,025,188
<u>TRANSFERS</u>				
Transfer In - MVST	7,735,500	15,471,000	15,471,000	-
Transfer In - Transit Allocations	2,561,034	7,484,858	7,160,946	323,912
Transfer Out - RA Expense Allocation	(8,250,485)	(20,371,032)	(20,371,032)	-
Total Transfers	2,046,049	2,584,826	2,260,914	323,912
Change in Reserve Balance	(929,747)	(5,220,789)	(9,337,495)	(1,933,670)
Beginning Reserve Balance		46,063,571		
Ending Reserve Balance		40,842,782		
2014 Target Balance (8.3 - 12.5%)		25,284,174		

Appendix

Metro Transit Light Rail Operations

STATEMENT OF REVENUES AND EXPENSES

Metro Transit - Light Rail Operations

June 30, 2014

Unaudited

	YTD ACTUALS	YEAR-END PROJECTIONS	2014 BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
<u>REVENUES</u>				
Passenger Revenues	4,486,852	13,965,245	14,276,768	(311,523)
Auxiliary Transit Revenue	256,624	1,381,702	977,500	404,202
State Revenue - GF Appropriation	9,122,994	18,245,988	18,245,988	-
Federal Revenue	0	1,200,000	1,200,000	-
Local Revenue	5,051,466	15,400,008	15,400,008	-
Investment Earnings	17,445	19,806	25,000	(5,194)
Other Revenue	593,193	20,284	37,000	(16,716)
Total Revenues	19,528,574	50,233,033	50,162,264	70,769
<u>EXPENSES</u>				
Salary and Benefits	9,809,270	28,762,441	28,149,188	(613,253)
Consulting & Contractual Services	523,508	1,128,520	1,179,783	51,263
Fuel	9,436	80,081	95,587	15,506
Materials & Supplies	1,495,071	3,326,398	3,215,158	(111,240)
Utilities	2,133,795	4,928,168	5,107,037	178,869
Other Operating Expense *	428,418	548,890	1,051,066	502,176
Total Expenses	14,399,498	38,774,498	38,797,819	23,321
<u>TRANSFERS</u>				
Transfer Out - Transit Allocations	(2,077,196)	(6,233,538)	(6,234,219)	681
Transfer Out - RA Expense Allocation	(997,719)	(2,284,256)	(2,284,256)	-
Total Transfers	(3,074,915)	(8,517,794)	(8,518,475)	681
Change in Reserve Balance	2,054,161	2,940,741	2,845,970	94,771
Beginning Reserve Balance		3,496,039		
Ending Reserve Balance		6,436,780		
2014 Target Balance (8.3 - 12.5%)		5,594,267		

Appendix

Metro Transit Commuter Rail Operations

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

Unaudited

	YTD ACTUALS	YEAR-END PROJECTIONS	2014 BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
<u>REVENUES</u>				
Passenger Revenues	1,140,292	2,388,060	2,449,081	(61,021)
Auxiliary Transit Revenue	7,701	7,701	-	7,701
State Revenue - GF Appropriation	629,184	1,258,365	1,258,365	-
State Revenue - MVST	2,923,998	5,848,000	5,848,000	-
Local Revenue - CTIB	3,278,784	6,557,567	6,557,567	-
Other Local Revenue	629,184	1,258,365	1,258,365	-
Investment Earnings	90,912	160,730	100,000	60,730
Total Revenues	8,700,055	17,478,788	17,471,378	7,410
<u>EXPENSES</u>				
Salary and Benefits	1,690,849	3,692,537	4,265,586	573,049
Consulting & Contractual Services	2,863,125	5,726,139	7,235,315	1,509,176
Fuel	644,236	1,003,437	1,420,000	416,563
Materials & Supplies	181,654	1,063,322	949,752	(113,570)
Utilities	348,988	757,332	686,535	(70,797)
Other Operating Expense *	1,132,034	3,617,472	2,312,140	(1,305,332)
Total Expenses	6,860,886	15,860,239	16,869,328	1,009,089
<u>TRANSFERS</u>				
Transfer Out - Transit Allocations	(483,840)	(967,676)	(926,718)	(40,958)
Transfer Out - RA Expense Allocation	(151,635)	(384,899)	(384,899)	-
Total Transfers	(635,475)	(1,352,575)	(1,311,617)	(40,958)
Change in Reserve Balance	1,203,694	265,974	(709,567)	975,541
Beginning Reserve Balance		4,865,692		
Ending Reserve Balance		5,131,666		
2014 Target Balance (8.3 - 12.5%)		1,461,544		

STATEMENT OF REVENUES AND EXPENSES
MTS -Transportation Planning
June 30, 2014
Unaudited

	YTD ACTUALS	YEAR-END PROJECTIONS	2014 BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
<u>REVENUES</u>				
Federal Revenue	1,252,736	4,887,737	4,887,737	-
State Revenue - MVST	716,501	1,432,800	1,432,800	-
Investment Earnings	9,643	19,286	-	19,286
Other Revenue	6,195	6,195	-	6,195
Total Revenues	1,985,075	6,346,018	6,320,537	25,481
<u>EXPENSES</u>				
Salary and Benefits	1,042,348	2,414,125	2,629,554	215,429
Consulting & Contractual Services	189,328	795,127	795,127	-
Rent & Utilities	70,109	149,032	149,032	-
Travel	9,527	41,000	41,000	-
Grants	147,849	963,000	963,000	-
Other Operating Expense	50,908	116,150	116,150	-
Total Expenses	1,510,069	4,478,434	4,693,863	215,429
<u>TRANSFERS</u>				
Chargebacks from MAC	80,791	116,468	116,468	-
A87 Allocations	(674,308)	(1,348,616)	(1,546,559)	197,943
Total Transfers	(593,517)	(1,232,148)	(1,430,091)	197,943
Change in Reserve Balance	(118,511)	635,436	196,583	438,853
Beginning Reserve Balance		2,759,686		
Ending Reserve Balance		3,395,122		
2014 Target Balance (Combined 15%, 31.5% TP Fund)		1,966,000		

STATEMENT OF REVENUES AND EXPENSES
MTS - Metro Mobility
June 30, 2014
Unaudited

	YTD ACTUALS	YEAR-END PROJECTIONS	2014 BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
<u>REVENUES</u>				
Passenger Revenue	3,157,709	6,315,418	7,144,014	(828,596)
State Appropriations	23,682,497	47,365,000	47,365,000	-
Investment Earnings	130,202	260,400	-	260,400
Other State Revenue	(3,152)	0	0	-
Total Revenues	26,967,256	53,940,818	54,509,014	(568,196)
<u>EXPENSES</u>				
Salary and Benefits	410,408	820,816	1,066,626	245,810
Consulting & Contractual Services	20,385,948	47,430,405	49,930,405	2,500,000
Fuel	2,647,838	6,213,196	7,766,495	1,553,299
Rent & Utilities	60,876	142,990	142,990	-
Other Operating Expense	180,610	239,818	118,415	(121,403)
Total Expenses	23,685,680	54,847,225	59,024,931	4,177,706
<u>TRANSFERS</u>				
Transfers In	-	21,150	21,150	-
Transfers-out - A87 Allocations	(247,022)	(494,044)	(679,827)	185,783
Total Transfers	(247,022)	(472,894)	(658,677)	185,783
Change in Reserve Balance	3,034,554	(1,379,301)	(5,174,594)	3,795,293
Beginning Reserve Balance		15,728,559		
Ending Reserve Balance		14,349,258		
2013 Target Balance (10%)		5,968,000		

STATEMENT OF REVENUES AND EXPENSES
MTS - Contracted Service
June 30, 2014

Unaudited

	YTD ACTUALS	YEAR-END PROJECTIONS	2014 BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
<u>REVENUES</u>				
Passenger Revenues	915,623	1,831,246	2,400,814	(569,568)
Federal Revenue	1,340,810	2,229,080	2,229,080	-
State Revenue - MVST	9,053,502	18,106,600	18,106,600	-
Local Revenue	906,378	1,954,000	1,954,000	-
Investment Earnings	63,228	125,000	125,000	-
Total Revenues	12,279,541	24,245,926	24,815,494	(569,568)
<u>EXPENSES</u>				
Salary and Benefits	408,634	817,268	745,146	(72,122)
Consulting & Contractual Services	12,114,493	23,025,206	24,232,629	1,207,423
Rent & Utilities	45,933	91,866	20,000	(71,866)
Fuel	200,371	400,742	627,195	226,453
Travel	1,241	12,500	12,500	-
Grants	226,890	453,780	-	(453,780)
Other Operating Expense	51,368	70,000	70,000	-
Total Expenses	13,048,930	24,871,362	25,707,470	836,108
<u>TRANSFERS</u>				
Transfer Out - A87 Allocations	(260,656)	(416,228)	(416,228)	-
Transfers Out - MT Bus	(374,144)	(750,000)	-	(750,000)
Total Transfers	(634,800)	(1,166,228)	(416,228)	(750,000)
Change in Reserve Balance	(1,404,189)	(1,791,664)	(1,308,204)	(483,460)
Beginning Reserve Balance		5,490,481		
Ending Reserve Balance		3,698,817		
2014 Target Balance (Combined 15%, 10% Cont Svc Funds)		2,612,000		