

People

Transportation

Housing

Bikes

Planning

Financial Condition

Future

Bus

Parks

Cars

Sustainability

Efficient

4th QUARTER FINANCIAL REPORT

Prosperity

Train

Growth

Light Rail

April 25, 2018

Livability

Light Rail

Diversity

Trails

Treatment

Equity

Airplane

Communities

Wastewater & Water

Lakes

Treatment

Regional

Economic

Roads



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Financial Management Report

OPERATING FUNDS-STATEMENT OF REVENUES & EXPENSES

OPERATING FUNDS STATEMENT OF REVENUES AND EXPENSES 2017 - Year-End Results

(in thousands)
Unaudited

General Fund					Environmental Services					Housing and Redevelopment Authority				
	2017 YTD		2017			2017 YTD		2017			2017 YTD		2017	
	Results	% Budget	Budget	Variance*		Results	% Budget	Budget	Variance*		Results	% Budget	Budget	Variance*
Revenues	15,765	103%	15,340	425		229,946	100%	230,874	(928)		66,105	99%	66,500	(395)
Expenses	59,171	90%	65,790	6,619		118,415	91%	129,714	11,299		67,730	101%	66,762	(968)
Transfers	43,268	91%	47,489	(4,221)		(103,033)	99%	(104,521)	1,488		(821)	85%	(963)	142
Change in Reserve Balance	(138)		(2,961)	2,823		8,498		(3,361)	11,859		(2,446)		(1,225)	(1,221)
Beginning Reserve Balance	18,912					24,617					10,376			
Assigned/Committed	(4,757)													
Ending Reserve Balance	<u>14,017</u>					<u>33,115</u>					<u>7,930</u>			
Target Balance	6,579					12,971					5,638			

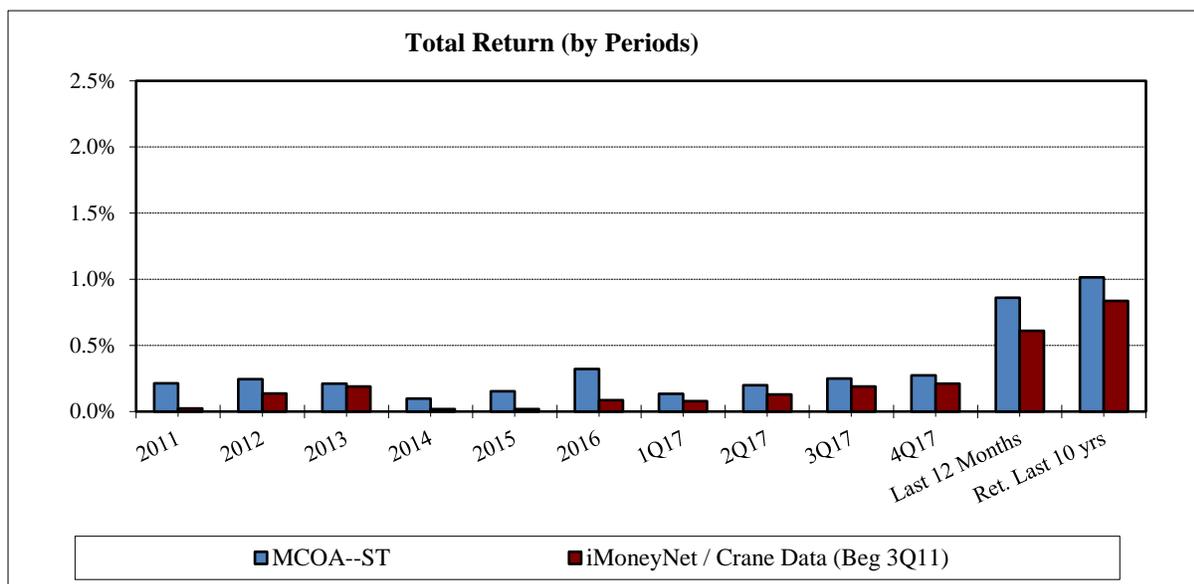
Metro Transit - Bus					Metro Transit - Light Rail					Metro Transit - Commuter Rail				
	2017 YTD		2017			2017 YTD		2017			2017 YTD		2017	
	Results	% Budget	Budget	Variance*		Results	% Budget	Budget	Variance*		Results	% Budget	Budget	Variance*
Revenues	316,792	100%	317,488	(696)		63,542	101%	62,882	660		14,941	99%	15,031	(90)
Expenses	274,283	88%	311,405	37,122		59,807	98%	61,058	1,251		15,643	89%	17,597	1,954
Transfers	(15,061)	91%	(16,640)	1,579		(12,705)	96%	(13,230)	525		(1,483)	104%	(1,427)	(56)
Change in Reserve Balance	27,448		(10,557)	38,005		(8,970)		(11,406)	2,436		(2,185)		(3,993)	1,808
Beginning Reserve Balance	41,720					18,805					5,886			
Ending Reserve Balance	<u>69,168</u>					<u>9,835</u>					<u>3,701</u>			
Target Balance	27,428					6,166					1,579			

MTS - Transportation Planning					MTS - Metro Mobility					MTS - Contracted Service				
	2017 YTD		2017			2017 YTD		2017			2017 YTD		2017	
	Results	% Budget	Budget	Variance*		Results	% Budget	Budget	Variance*		Results	% Budget	Budget	Variance*
Revenues	5,351	81%	6,607	(1,256)		67,000	99%	67,458	(458)		27,677	99%	27,956	(279)
Expenses	4,316	68%	6,358	2,042		63,640	92%	68,868	5,228		24,482	89%	27,632	3,150
Transfers	(1,591)	87%	(1,835)	244		(2,047)	104%	(1,965)	(82)		(913)	118%	(774)	(139)
Change in Reserve Balance	(556)		(1,586)	1,030		1,313		(3,375)	4,688		2,282		(450)	2,732
Beginning Reserve Balance	4,616					11,638					3,354			
Ending Reserve Balance	<u>4,060</u>					<u>12,951</u>					<u>5,636</u>			
Target Balance	2,581					7,083					2,841			

*Variance = Favorable / (Unfavorable)

Financial Management Report

METROPOLITAN COUNCIL INVESTMENT PERFORMANCE—SHORT-TERM PORTFOLIO



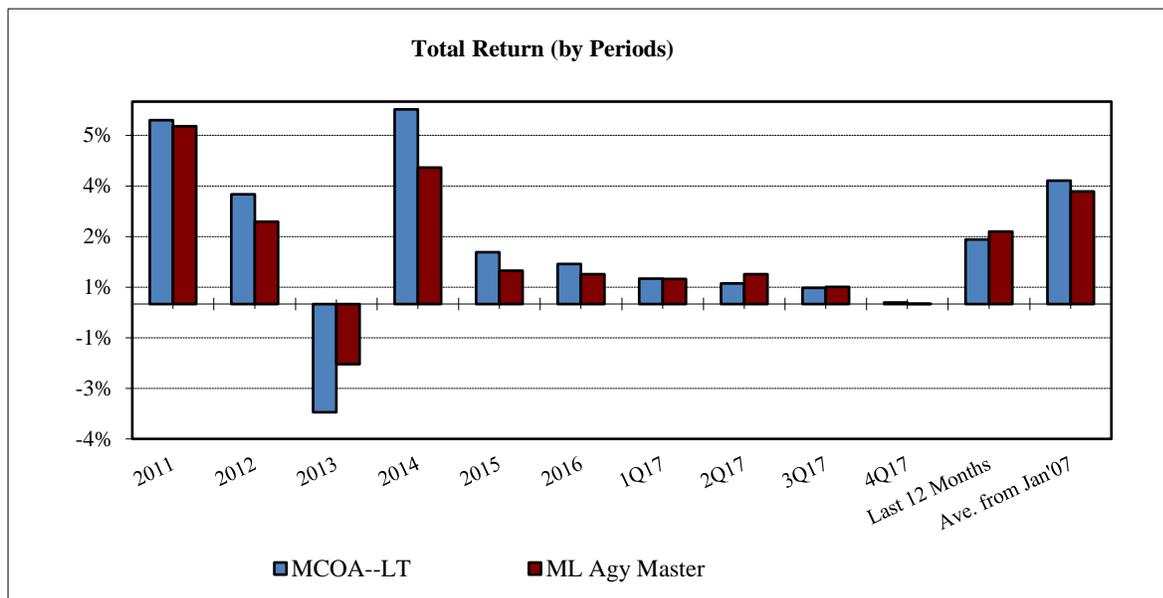
4Q17 Short-Term Portfolio Investment Results

Assets under Management (AUM): \$291.7 Million

The portfolio outperformed its benchmark during the fourth quarter. Total return of 0.27% was above the index (0.21%) by 6 basis points. This portfolio has averaged 18 bps per year more than its benchmark over the past 10 years. For the quarter, the Council's liquid cash was invested in government money market funds, Federal Discount Notes and Commercial Paper.

Financial Management Report

METROPOLITAN COUNCIL INVESTMENT PERFORMANCE—LONG-TERM PORTFOLIO



4Q17 Long-Term Portfolio Investment Results

Assets under Management (AUM) \$433.2 Million

The portfolio outperformed its benchmark during the fourth quarter. Total return of .05% was above the index .01% by 5 basis points. The portfolio was comprised of 16% municipal bonds (yielding 4.36%), 73% of U.S. agency securities (yielding 1.75%), 10% was invested in government money market funds (yielding 1.21%) and less than 1% was invested in securitized mortgage backed securities (yielding 2.51%).

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.

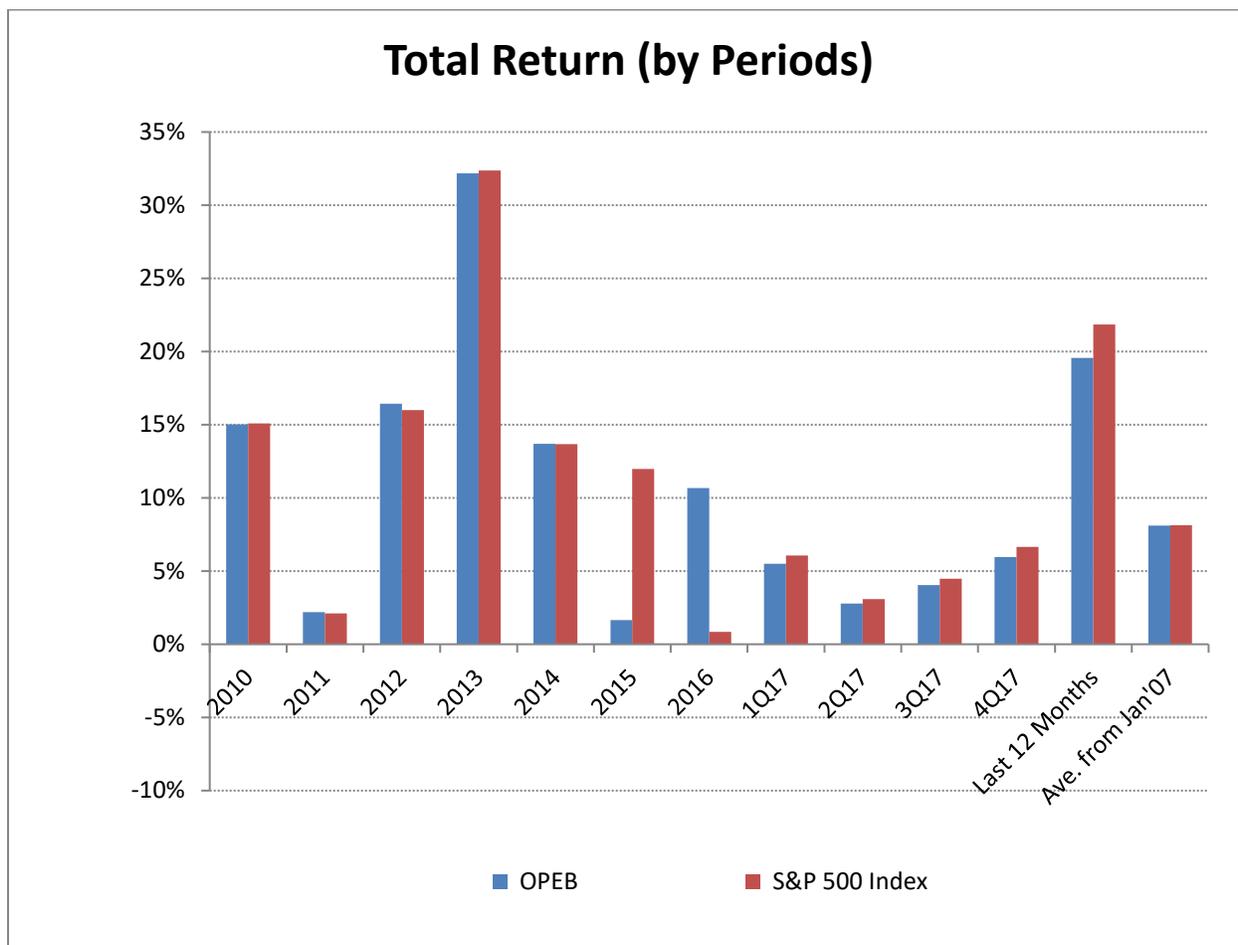
Financial Management Report

4Q17 OPEB PORTFOLIO INVESTMENT RESULTS

Assets under Management (AUM) \$433.2 Million

Currently, the Council's OPEB portfolio is fully invested in 90% equities and 10% US Treasuries. At end of the fourth quarter, the OPEB portfolio posted gains of 5.96% and the S&P 500 index was 6.64%. For the quarter, the portfolio had unrealized gains and dividends of \$15.4 million. The Council also has an internal cash account for OPEB. At the end of quarter, the amount in this fund was (\$1.9) million.

The OPEB portfolio is a long-term investment vehicle, similar to a pension fund, which will provide both positive and negative market movements over time. We feel over the long term, staying the course is a good strategy.

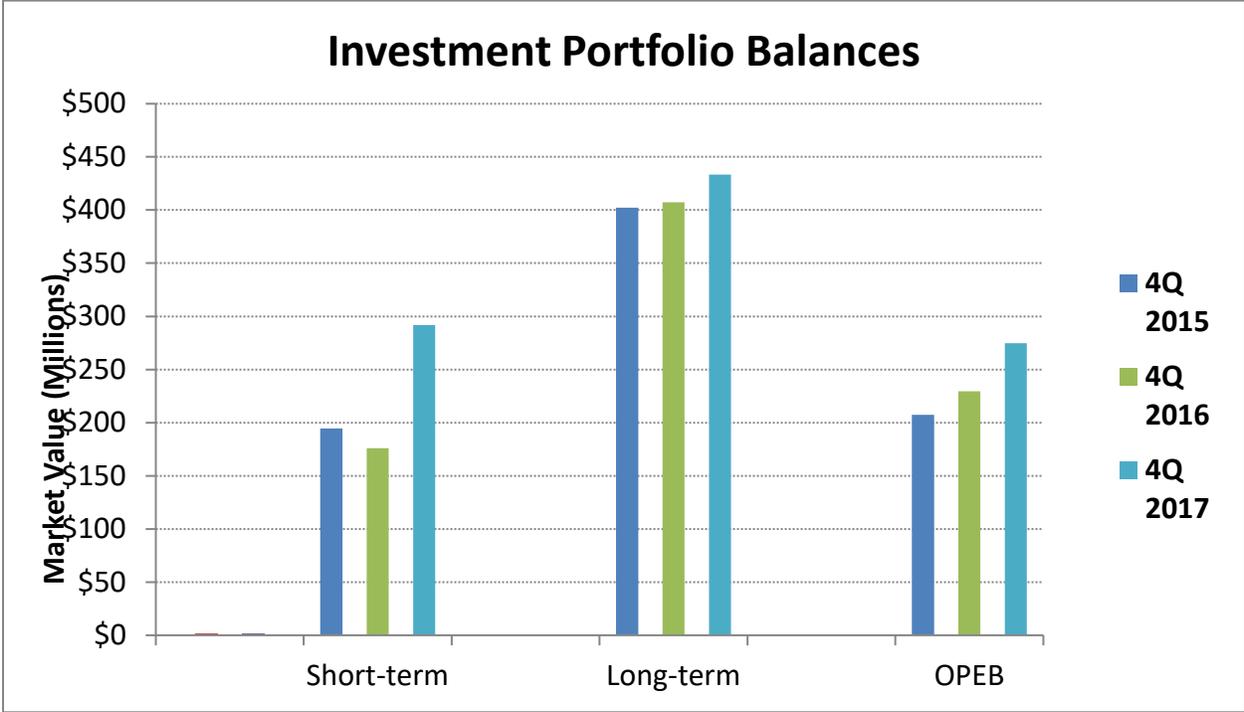


Financial Management Report

INVESTMENT PORTFOLIO BALANCES

Investment Portfolio Balances Market Value (Millions)

	4Q 2015	4Q 2016	4Q 2017
Short-term	\$ 194.6	\$ 176.0	\$ 291.7
Long-term	402.2	407.3	433.2
OPEB	207.4	229.6	274.6
Total	804.2	812.9	999.5



GENERAL FUND

Unaudited - dollars in thousands

2017 4th Quarter Financial Report General Fund Unaudited - dollars in thousands

General Fund				
2017 YTD				
	Results	% Budget	2017 Budget	Variance
Revenues	15,765	103%	15,340	425
Expenses	59,171	90%	65,790	6,619
Transfers	43,268	91%	47,489	(4,221)
Change in Reserve Balance	(138)		(2,961)	2,823
Beginning Fund Balance	18,912			
Assigned/Committed	(4,757)			
Ending Unassigned Reserve Balance	14,017			
Target Balance (10%)	6,579			

General Fund

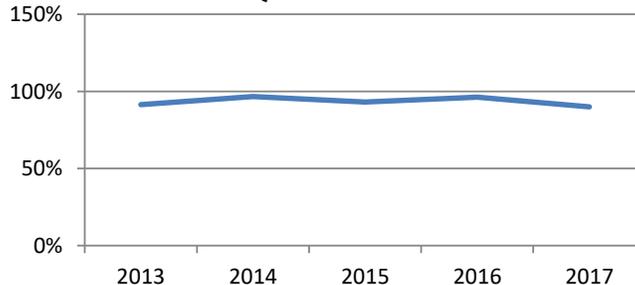
The General Fund spend 90% of budgeted operating expenses through year end and carried forward \$695,000 expenses to the 2018 operating budget.

Overall operating expenses were under budget by \$6.6 million. This savings was mainly due to lower consulting costs \$4.0 million (mainly in Community Development, IT and Regional Administration), Open position savings of \$1.7 million and lower telephone expense of \$0.9 million.

Regional Administration allocations to operating divisions are based upon actual expenses incurred rather than budgeted allocations.

The 2017 budget was developed with a planned \$2.9 million use of fund balance. Actual activity resulted in a slight decrease in fund balance. The year end fund balance is \$14.0 million, with a target balance of \$6.5 million.

General Fund % of Budget Spent - 4th Quarter



Environmental Services

Unaudited - dollars in thousands

2017 4th Quarter Financial Report Environmental Services Unaudited - dollars in thousands

	Environmental Services			
	2017 YTD Results	% Budget	2017 Budget	Variance
Revenues	229,946	100%	230,874	(928)
Expenses	118,415	91%	129,714	11,299
Transfers	(103,033)	99%	(104,521)	1,488
Change in Reserve Balance	8,498		(3,361)	11,859
Beginning Reserve Balance	24,617			
Ending Unassigned Reserve Balance	<u>33,115</u>			
Target Balance			12,971	

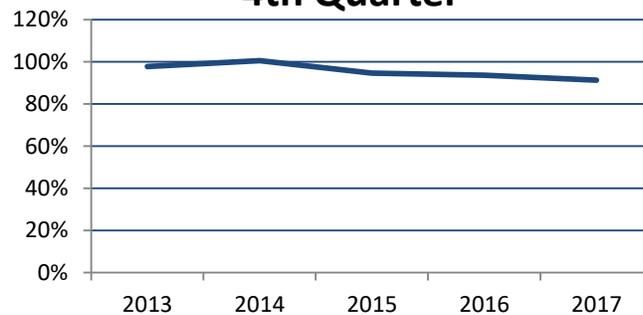
Environmental Services

Operating revenues are anticipated to be under budget by \$1M due primarily to state appropriations, and industrial charges. SAC receipts continue to recover; In 2017, SAC units of 22,560 were 22% higher than in 2016. Note that SAC receipts are accrued in the SAC reserve fund and are not included in revenue.

Operating expenses/transfers are currently estimated to be under budget by \$12.8M. Salary and benefits are projected to be under budget by approximately \$1.7M due to staffing vacancies. In addition, there is under spending in nearly all non-payroll accounts accumulating to \$11.7M, which is driven by chemicals (improved efficiency), utilities (weather related), the RA expense allocation, contracted services (project resources that did not materialize), and Stormwater Grant expenses that are now projected for 2018. This is offset by \$.5M of overspending, primarily in materials and supplies.

Environmental Services operations has an amended 2017 budgeted use of reserves of \$3.4M for its 2016 carryforward of Stormwater and I&I Grants, along with miscellaneous projects. With the above forecasted variances, reserves will increase by approximately \$8.5M. This estimated \$11.9 million positive operating variance would bring the operating reserve to \$33.1M, well above the target of \$13M.

Environmental Services % of Budget Spent - 4th Quarter



HOUSING AND REDEVELOPMENT FUND

Unaudited - dollars in thousands

2017 4th Quarter Financial Report Housing and Redevelopment Fund Unaudited - dollars in thousands

Housing and Redevelopment Authority				
2017 YTD				
	Results	% Budget	2017 Budget	Variance
Revenues	66,105	99%	66,500	(395)
Expenses	67,730	101%	66,762	(968)
Transfers	(821)	85%	(963)	142
Change in Reserve Balance	(2,446)		(1,225)	(1,221)
Beginning Reserve Balance	10,376			
Ending Reserve Balance	<u>7,930</u>			
Target Balance	5,638			

Housing and Redevelopment Authority

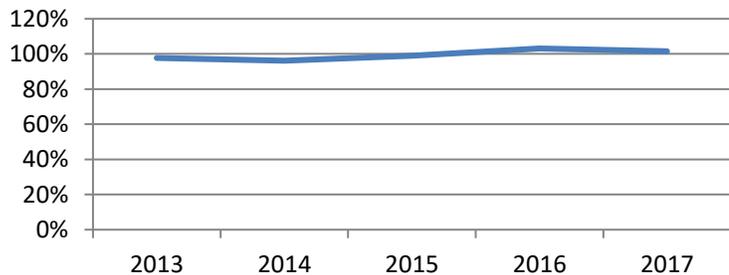
The Housing and Redevelopment Authority (HRA) ended 2017 with a \$2.4M deficit. Revenues came in \$0.4M (0.5%) unfavorable to budget, while expenses came in \$1M (1.5%) unfavorable. Together, HRA expenses and net transfers came in at \$68.6M, or 103.7% of revenue for the year.

Of the \$2.4M deficit, \$1.75M was due to expense overages in housing subsidy payments driven by the rising cost of the average voucher payments. The remaining \$0.65M deficit was due to administrative revenue not covering the full cost of HRA administration.

In 2017, the Council then approved a budget amendment to allow \$800,000 in fund balance reserves for housing assistance payments. Consequently, the budgeted deficit for HRA was \$1.2M at the end of 2017.

The 2017 ending fund balance of \$7.9M exceeds the Council required reserve levels of \$5.6M.

HRA % of Budget Spent - 4th Quarter



Financial Management Report

METRO TRANSIT-BUS

Unaudited - dollars in thousands

2017 4th Quarter Financial Report Metro Transit - Bus Unaudited - dollars in thousands

	Metro Transit - Bus			
	2017 YTD Results	% Budget	2017 Budget	Variance
Revenues	316,792	100%	317,488	(696)
Expenses	274,283	88%	311,405	37,122
Transfers	(15,061)	91%	(16,640)	1,579
Change in Reserve Balance	27,448		(10,557)	38,005
Beginning Reserve Balance	41,720			
Ending Reserve Balance	69,168			
Target Balance	27,428			

Metro Transit Bus

The CY 2017 amended budget had a use of reserves of \$10.5M.

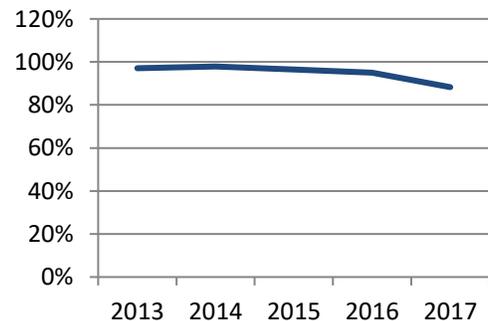
Passenger fares were below budget by \$5.1M due to lower average fares for the first nine months of the year and ridership down 2.39% from 2016 levels.

Operating expenses were \$37.1M below the budgeted levels. Overall operating expenses are below budget due to cost savings with expenses and open positions being closely evaluated and monitored.

Salaries and benefits are below budget by \$16.2M due to administrative reductions and not filling open positions
 Fuel were \$4.8M below expectations due to low pump prices and futures prices that stay below national forecasts
 Contracted services are below budget by \$2.2M due to delays of projects.
 Materials and supplies were \$4.8M below budget due to less repairs with a newer bus fleet and administrative reductions for cost containment.
 Other expenses that were below budgeted levels were TOD below budget by \$3.3M and Casualty and Liability Insurance \$2.2M

The year ended with a positive variance of \$38.0M, and a ending fund balance of \$69.2M which is \$41.7M over the Council Target Fund Balance or 21%.

Metro Transit - Bus % of Budget Spent - 4th Quarter



METRO TRANSIT-LIGHT RAIL

Unaudited - dollars in thousands

2017 4th Quarter Financial Report Metro Transit - Light Rail Unaudited - dollars in thousands

	Metro Transit - Light Rail			
	2017 YTD Results	% Budget	2017 Budget	Variance
Revenues	63,542	101%	62,882	660
Expenses	59,807	98%	61,058	1,251
Transfers	(12,705)	96%	(13,230)	525
Change in Reserve Balance	(8,970)		(11,406)	2,436
Beginning Reserve Balance	18,805			
Ending Reserve Balance	<u>9,835</u>			
Target Balance			6,166	

Metro Transit Light Rail

The CY 2017 amended budget had a use of reserves of \$11.4M.

Passenger fares are \$1.7M over the budgeted levels due to strong ridership 3.7% over 2016 levels.

Operating expenses were \$1.3M below budget levels after refunds to funding partners. Overall operating expenses are below budget due to cost savings with expenses and open positions being closely evaluated and monitored.

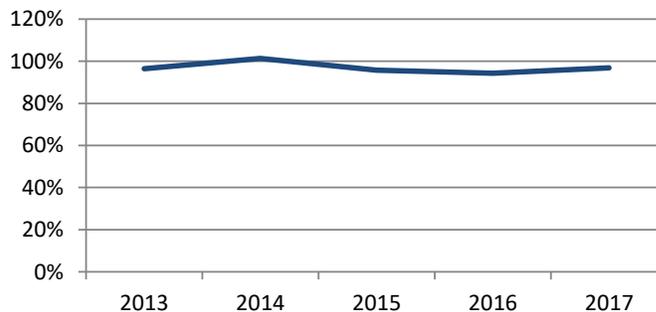
Salaries and benefits are \$1.9M below budget due to administrative reductions and not filling open positions.

Contracted services and Materials and supplies were over budget due to increased maintenance work on the LRT stations prior to the Super bowl.

Misc. expense were overbudget due to operating refunds of \$1.5M due to funding partners.

The year ended with a positive variance of \$2.4M (after a refund funding partners of \$1.5M). The year end fund balance of \$9.8M is \$3.7M over the Council target balance or 13.3%.

Metro Transit - Light Rail % of Budget Spent - 4th Quarter



METRO TRANSIT-COMMUTER RAIL

Unaudited - dollars in thousands

2017 4th Quarter Financial Report Metro Transit - Commuter Rail Unaudited - dollars in thousands

	Metro Transit - Commuter Rail			
	2017 YTD Results	% Budget	2017 Budget	Variance
Revenues	14,941	99%	15,031	(90)
Expenses	15,643	89%	17,597	1,954
Transfers	(1,483)	104%	(1,427)	(56)
Change in Reserve Balance	(2,185)		(3,993)	1,808
Beginning Reserve Balance	5,886			
Ending Reserve Balance	<u>3,701</u>			
Target Balance			1,579	

Metro Transit - Commuter Rail

The CY 2017 amended budget had a use of \$4.0M of reserves.

Passenger fares are over budget by \$112K due to strong ridership during the construction season. YTD ridership was 11.6% over 2016 levels .

Operating expenses are \$1.9M under budget after refunds to the funding partners. Overall operating expenses are below budget due to cost savings with expenses and open positions being closely evaluated and monitored.

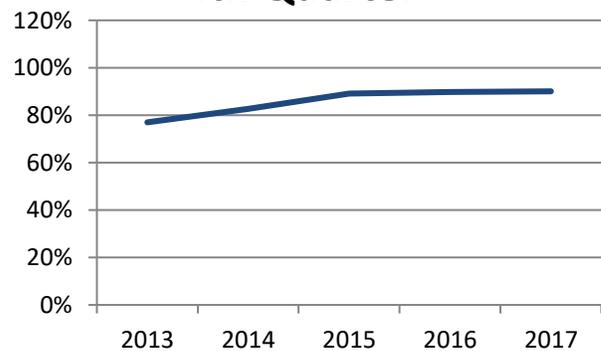
Salary and benefits were below budget by \$1.2M due to administrative reduction and not filling open positions.

Fuel was \$338K below the budgeted levels due to low pump prices.

Other operating expense will be over budget by \$0.4M due to refunds of \$2.1M to funding partners.

The year ended with a positive variance of \$1.8M. The year end fund balance of \$3.7M is \$2.1M over the Council target balance or 19.3%.

MT - Commuter Rail % of Budget Spent - 4th Quarter



METROPOLITAN TRANSPORTATION SERVICES

Unaudited - dollars in thousands

2017 4th Quarter Financial Report Metropolitan Transportation Services - Transportation Planning Unaudited - dollars in thousands

	MTS - Transportation Planning			
	2017 YTD Results	% Budget	2017 Budget	Variance
Revenues	5,351	81%	6,607	(1,256)
Expenses	4,316	68%	6,358	2,042
Transfers	(1,591)	87%	(1,835)	244
Change in Reserve Balance	(556)		(1,586)	1,030
Beginning Reserve Balance	4,616			
Ending Reserve Balance	4,060			
Target Balance	2,581			

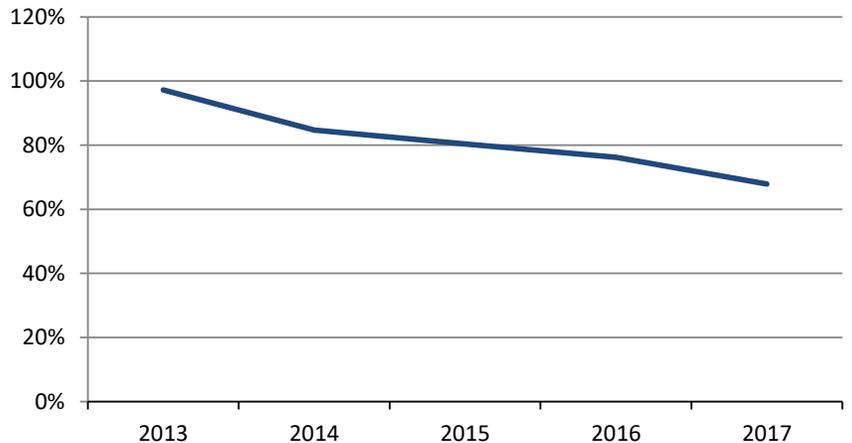
MTS - Transportation Planning

Revenues were under budget by \$1.3M or 19% for the year. Federal revenues were down due to slowed consultant and subrecipient spending.

Expenses came in \$2.0M or 32% favorable to budget for the year. This variance was primarily due to projects intentionally being placed on hold. Several consulting projects originally planned for 2017 are now anticipated to occur in 2018. Subrecipient activity was also slower than anticipated. Salary and benefit savings of \$375K resulted from positions held open due to the planned soft hiring freeze.

The year end fund balance is \$4.1M, a \$1.0M increase from the current budget and above the Council reserve target.

MTS - Transportation Planning - % of Budget Spent - 4th Quarter



MTS-METRO MOBILITY

Unaudited - dollars in thousands

2017 4th Quarter Financial Report Metropolitan Transportation Services - Metro Mobility Unaudited - dollars in thousands

	MTS - Metro Mobility			
	2017 YTD Results	% Budget	2017 Budget	Variance
Revenues	67,000	99%	67,458	(458)
Expenses	63,640	92%	68,868	5,228
Transfers	(2,047)	104%	(1,965)	(82)
Change in Reserve Balance	1,313		(3,375)	4,688
Beginning Reserve Balance	11,638			
Ending Reserve Balance	<u>12,951</u>			
Target Balance			7,083	

MTS - Metro Mobility

Total revenues came in \$0.5M (1%) under budget. Fare revenues for the year came in under budget by \$0.8M (13%) due to slowed growth in ridership. Fare revenues include the .50 fare increase implemented on October 1, 2017.

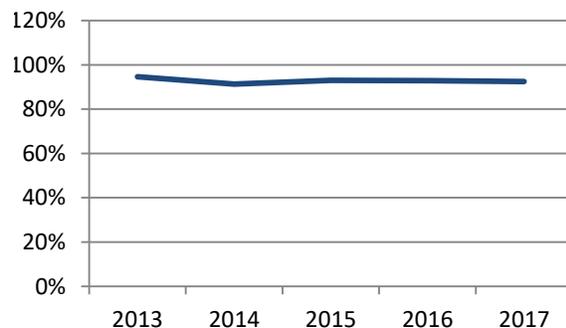
Expenses came in under budget by \$5.2M or (8%), primarily due to slower than budgeted ridership growth impacting contracted services and fuel expenses.

Revenues and expenses for Metro Mobility are highly influenced by ridership. Ridership in 2017 was flat compared to 2016, and was impacted by a driver shortage and service quality issues. On October 1, the Council implemented a \$2/hr driver wage increase targeting those issues. While overall 2017 ridership was flat from 2016, ridership in the last quarter of the year was up 4% from the previous year, despite the October 1, 2017 fare increase.

Total expenses for 2017 came in \$5.5M (9.5%) higher than in 2016. The increased cost was due, in part, to the driver wage increase intended to address quality of service issues.

The year end fund balance is \$13.0M, which is a \$4.7M increase from current budget and above Council reserve target.

MTS - Metro Mobility % of Budget Spent - 4th Quarter



Financial Management Report

MTS-CONTRACTED SERVICES

Unaudited - dollars in thousands

2017 4th Quarter Financial Report Metropolitan Transportation Services - Contracted Service Unaudited - dollars in thousands

	MTS - Contracted Service			
	2017 YTD Results	Budget %	2017 Budget	Variance
Revenues	27,677	99%	27,956	(279)
Expenses	24,482	89%	27,632	3,150
Transfers	(913)	118%	(774)	(139)
Change in Reserve Balance	2,282		(450)	2,732
Beginning Reserve Balance	3,354			
Ending Reserve Balance	5,636			
Target Balance	2,841			

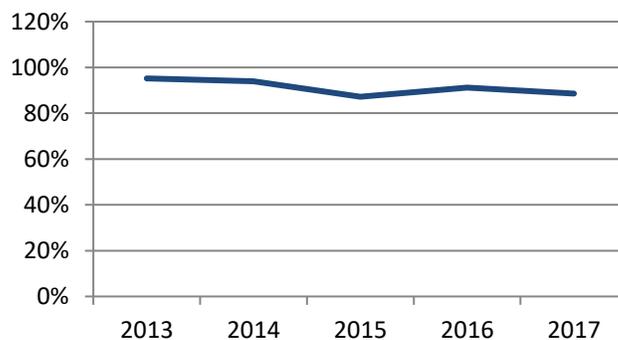
MTS - Contracted Service

Revenues for the year came in slightly (1%) under budget due to lower than projected ridership.

Expenses for the year came in favorable to budget by \$3.2M or 11.4%. This is due to lower than budgeted demand for service in Van Pool and TransitLink, and an administrative error in cash fares budget. This error has been corrected for the 2018 budget.

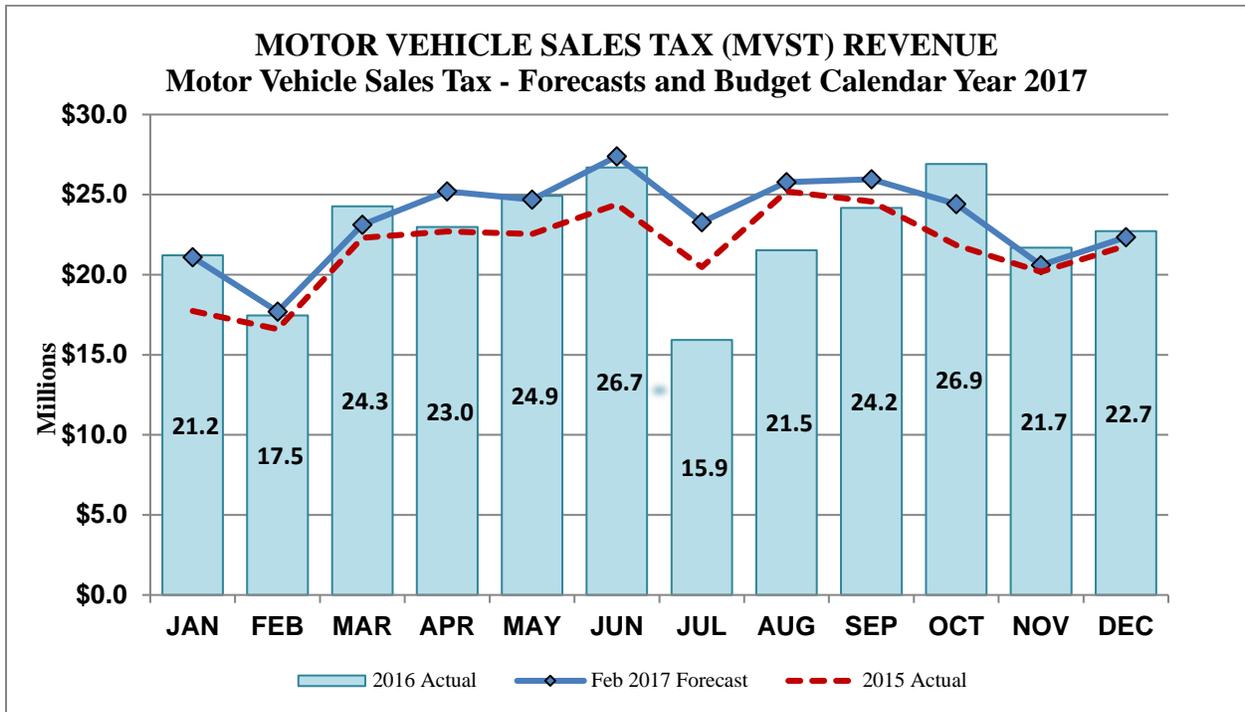
Projected year end fund balance is \$5.6M, which is a \$2.7M increase from current budget and above Council reserve target.

MTS -Contracted Service % of Budget Spent - 4th Quarter

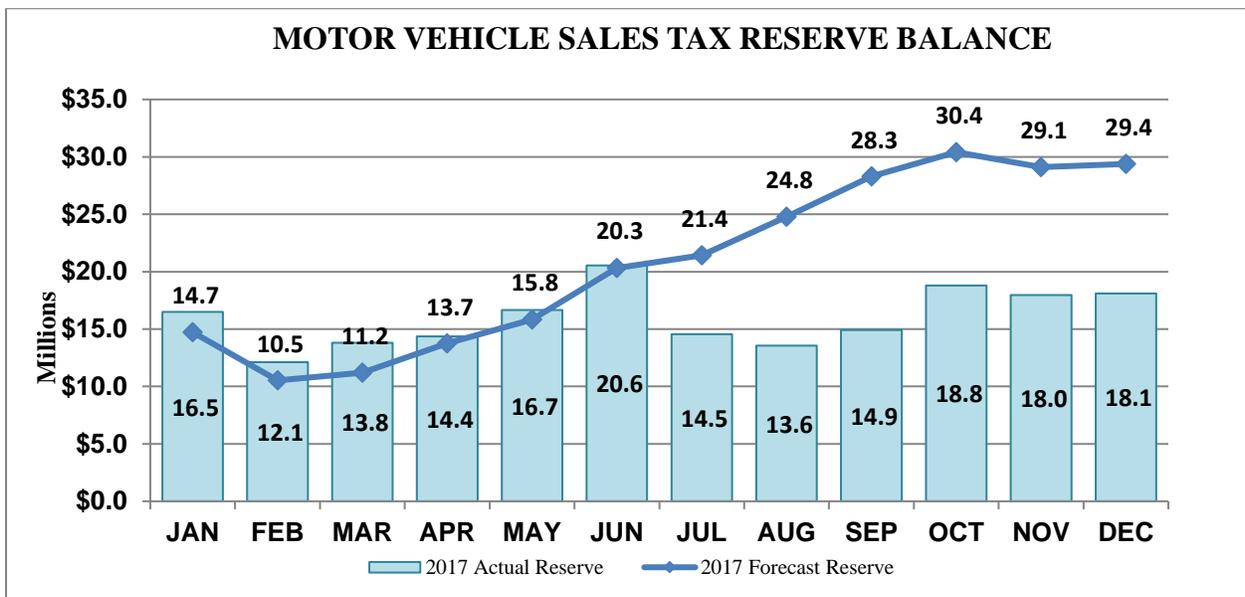


Financial Management Report

MOTOR VEHICLE SALES TAX (MVST) REVENUES



Motor vehicle sales tax receipts for 2017 totaled just under just over \$270.5 million, 96% of forecast. MVST reserves were \$18.1 million at the end of December. For the months of July and August revenues were low due to issues with implementing a new software system, which will result in higher revenues for future months as the issues get fixed.



Financial Management Report

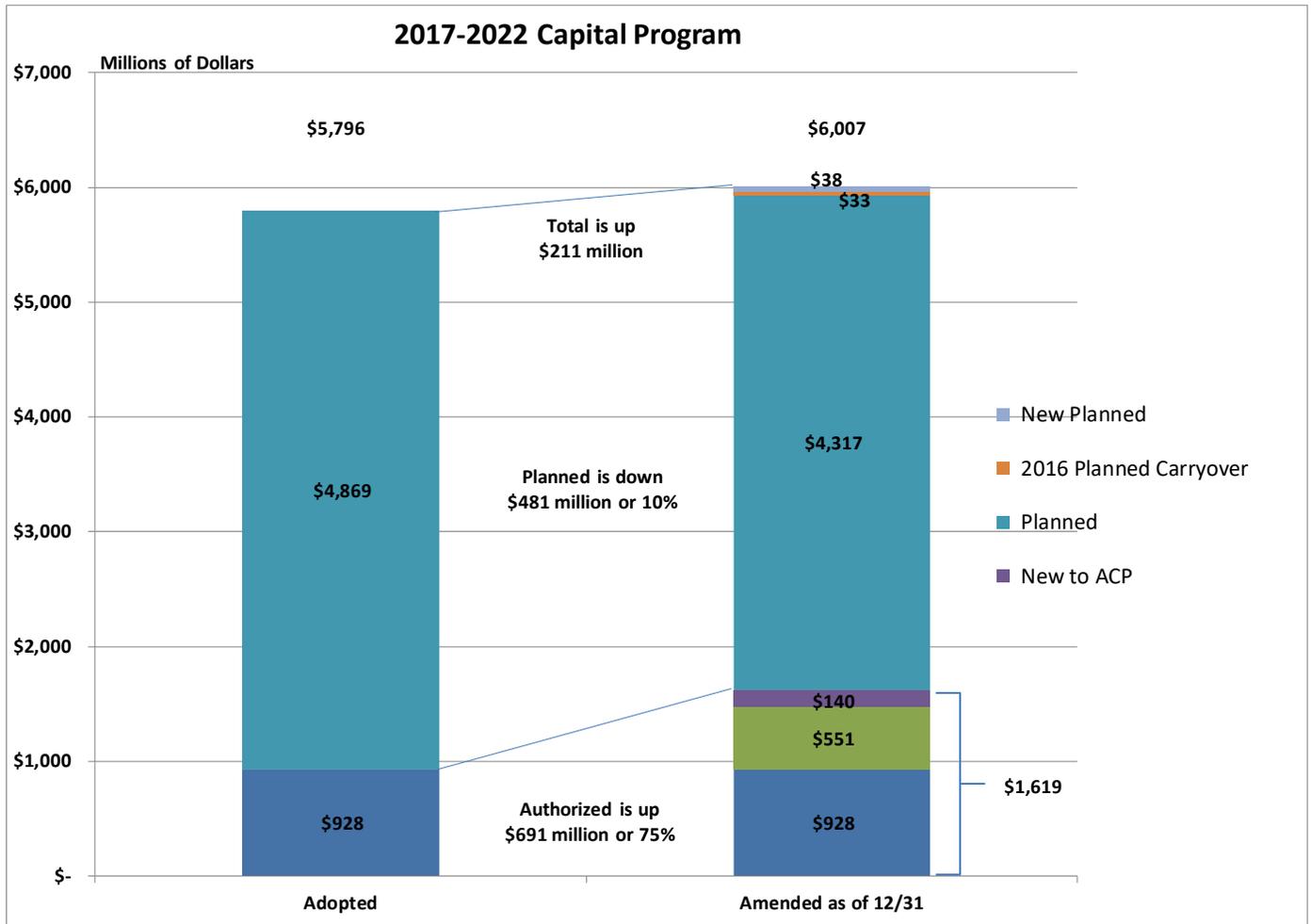
MOTOR VEHICLE SALES TAX (MVST) REVENUES FORECASTS & BUDGET

Dollars in millions

MOTOR VEHICLE SALES TAX – FORECASTS AND BUDGET CALENDAR YEAR 2017

Motor Vehicle Sales Tax – Forecasts and Budget Calendar Year 2017 (Millions)			
	Total	Jan-Jun	Jul-Dec
November 2016 Forecast	278.2	135.0	143.2
2017 Council Budget:			
Current MVST Revenues	264.0	132.0	132.0
Use of MVST Reserve	4.1	2.1	2.0
February 2017 Forecast	281.6	139.2	142.4
YTD Actuals	270.4	137.5	132.9
% of February Forecast	96.0%	98.8%	93.3%

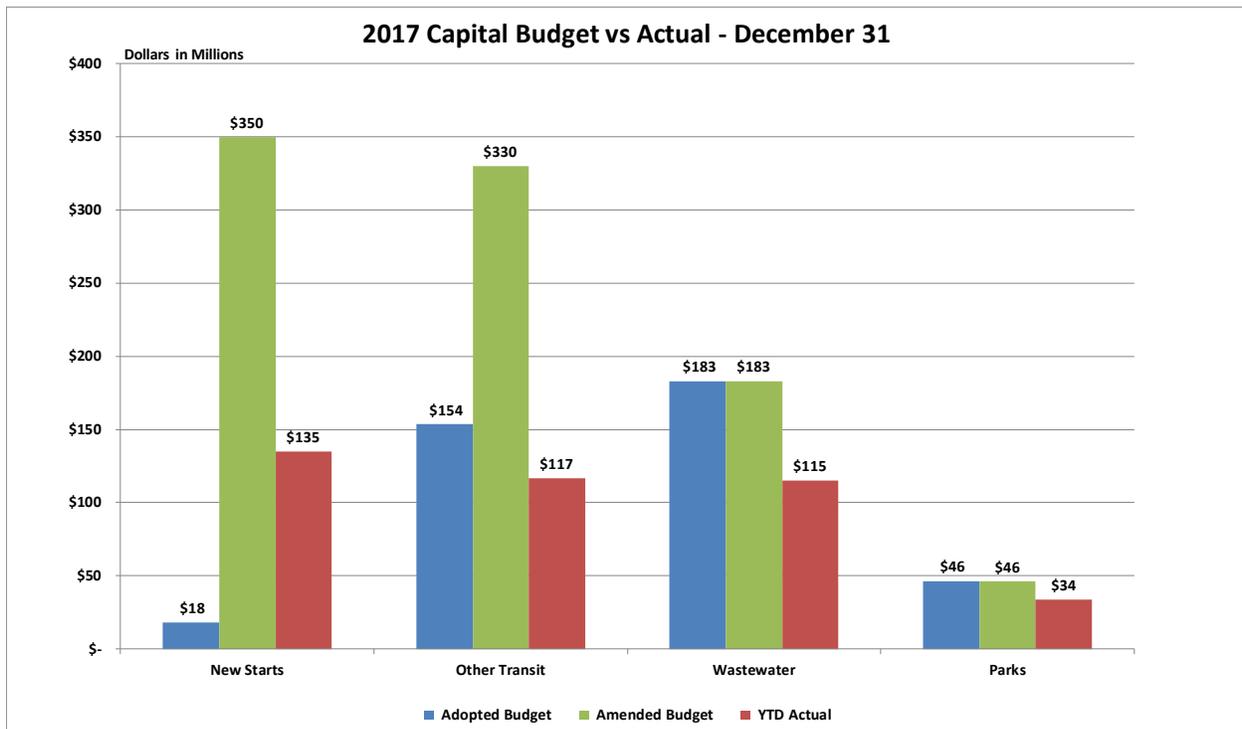
2017-2022 CAPITAL IMPROVEMENT PROGRAM



Capital Program (Excluding Pre-2017 Expenditures)

The capital program (excluding pre-2017 expenditures) increased by \$140 million for amendments through September. The authorized portion of the capital program (the ACP) is up \$691 million or 75 percent. 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 the capital improvement plan or CIP (planned) to the authorized capital program or ACP (authorized).

CAPITAL SPENDING



Capital Budget

The adopted 2017 Capital Budget was \$401 million. Amendments through June increased the amended 2017 Capital Budget to \$909 million. Actual 2017 capital expenditures total 100 percent of the adopted budget and 44 percent of the amended budget. Actual expenditures as a percent of the amended budget were 37 percent for transit projects, 63 percent for wastewater projects and 72 percent for parks projects.

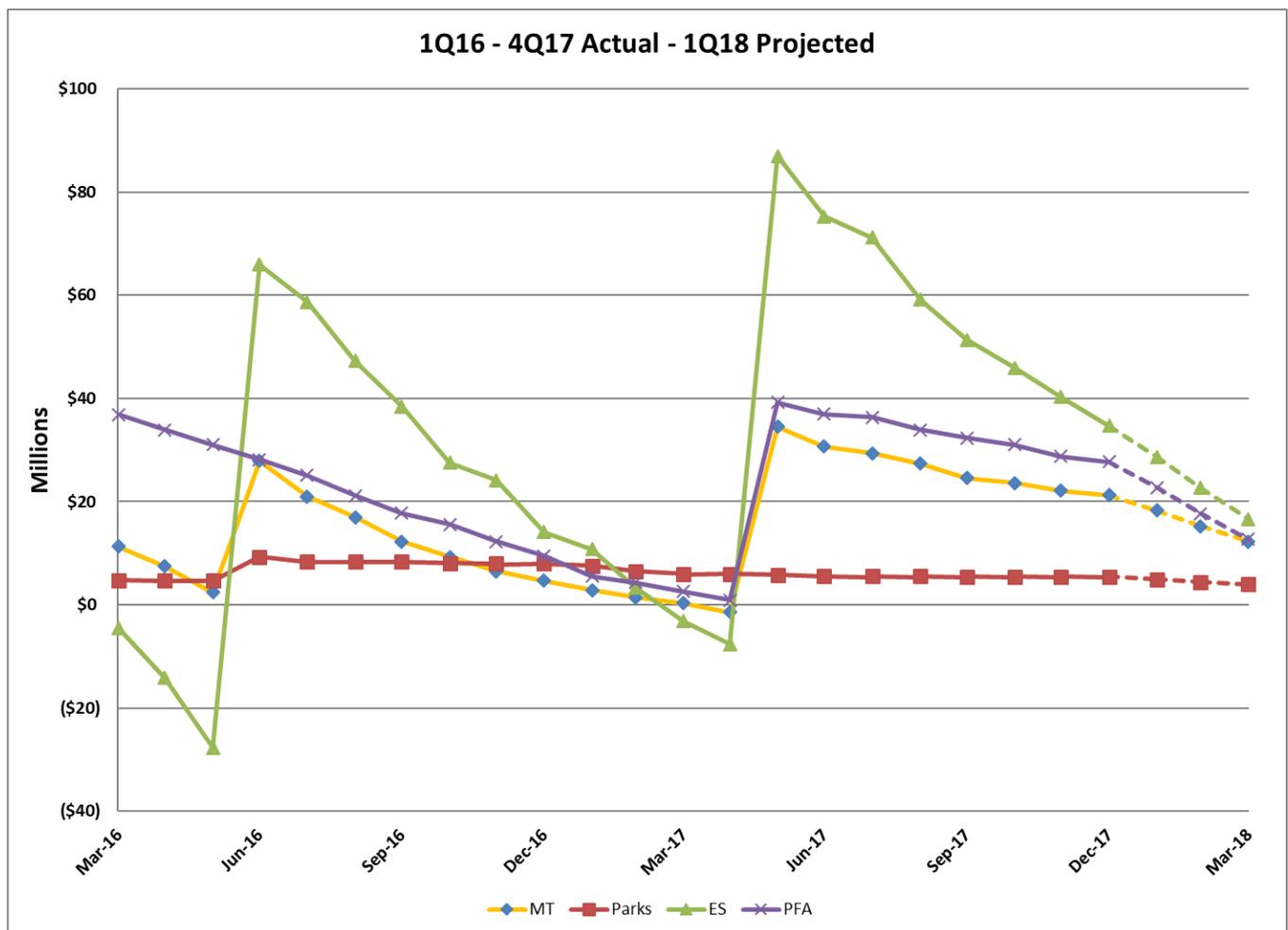
Financial Management Report

CAPITAL FUND CASH BALANCES

The GO capital bond fund for Transit experienced a normal spend down during the quarter. The GO capital bond fund for Parks have settled into a new normal of lower expenditures, and that continued during the fourth quarter of 2017. Environmental Services (ES) GO capital bond funds have been spent down near projections and expenditures eligible for reimbursement from the Minnesota Public Facilities Authority (PFA) loan have averaged approximately \$1.5M/month during the same period.

New money debt for Transit and ES was sold in the middle of April with the proceeds received in mid-May of 2017. The size of these issues was \$40 million for Transit and \$105 million for ES.

The 2017 new money bonds being issued in an amount which, together with remaining balances from prior bonds, are expected to be spent within 12-18 months. As a reminder, the 2015 PFA Loan was completely drawn down in the middle of May 2017. We then started drawing from the recently finalized 2017 PFA loan. We continue to monitor the debt portfolio for refunding opportunities and have no candidates at this time.



STATEMENT OF REVENUES AND EXPENSES
General Fund
December 31, 2017

Unaudited

	YEAR-END ACTUALS	2017 BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
<u>REVENUES</u>			
Property Taxes	14,414,379	14,482,062	(67,683)
Investment Earnings	805,535	549,685	255,850
Chargebacks - MAC	149,634	-	149,634
Other Revenue	395,863	308,216	87,647
Total Revenues	15,765,411	15,339,963	425,448
<u>EXPENSES</u>			
Salary and Benefits	40,360,100	42,089,121	1,729,021
Consulting & Contractual Services	12,581,748	16,602,686	4,020,938
Rent & Utilities	3,574,516	4,509,628	935,112
Printing	117,817	217,500	99,683
Travel & Professional Development	634,351	688,190	53,839
Insurance	61,535	30,000	(31,535)
Other Operating Expense	1,840,664	1,652,633	(188,031)
Total Expenses	59,170,731	65,789,758	6,619,027
<u>TRANSFERS</u>			
Transfer In	52,217,240	56,752,367	(4,535,127)
Transfer Out	(8,949,619)	(9,263,192)	313,573
Total Transfers	43,267,621	47,489,175	(4,221,554)
Change in Reserve Balance	(137,699)	(2,960,620)	2,822,921
Beginning Fund Balance	18,911,597		
Assigned/Committed	(4,757,401)		
Ending Unassigned Reserve Balance	14,016,497		
2017 Target Balance (10%)	6,578,976		

STATEMENT OF REVENUES AND EXPENSES
Environmental Services
December 31, 2017

Unaudited

	YEAR-END ACTUALS	2017 BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
<u>REVENUES</u>			
Municipal Wastewater Charges	211,860,806	211,941,538	(80,732)
Industrial Charges	13,978,063	13,833,000	145,063
State Appropriations Revenue	1,993,744	2,998,303	(1,004,559)
Investment Earnings	1,012,576	850,000	162,576
Other Revenue	1,100,576	1,251,439	(150,863)
Total Revenues	229,945,765	230,874,280	(928,515)
<u>EXPENSES</u>			
Salary and Benefits	62,056,537	63,713,964	1,657,427
Consulting & Contractual Services	18,514,646	21,427,665	2,913,019
Rent & Utilities	16,444,265	16,999,661	555,396
Travel	394,273	401,206	6,933
Materials & Supplies	9,890,565	9,384,919	(505,646)
Chemicals	7,103,015	8,349,489	1,246,474
Capital Outlay	1,765,107	3,958,724	2,193,617
I&I, Stormwater, CWF, WOMP Grant Expense	1,265,477	4,570,251	3,304,774
Other Operating Expense	980,947	907,919	(73,028)
Total Expenses	118,414,832	129,713,798	11,298,966
<u>TRANSFERS</u>			
SAC Transfer	39,388,000	39,388,000	-
Transfers In	2,164,723	2,200,000	(35,277)
Debt Service	(124,000,000)	(124,000,000)	-
Transfer Out - RA Expense Allocation	(13,585,276)	(15,109,202)	1,523,926
Transfers Out	(7,000,000)	(7,000,000)	-
Total Transfers	(103,032,553)	(104,521,202)	1,488,649
Change in Reserve Balance	8,498,380	(3,360,720)	11,859,100
Beginning Reserve Balance	24,616,735		
Ending Unassigned Reserve Balance	33,115,115		*
2017 Target Balance (10%)	12,971,380		

* \$2.1M of reserve balance is for water supply planning

STATEMENT OF REVENUES AND EXPENSES
Housing and Redevelopment Authority (HRA)
December 31, 2017

Unaudited

	YTD ACTUALS	2017 BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)	YTD ACTUAL PASS THROUGH
<u>REVENUES</u>				
Federal Revenue	61,615,381	62,011,574	(396,193)	56,644,308
State Revenue	2,043,804	2,323,628	(279,824)	1,893,346
Investment Earnings	85,602	50,000	35,602	-
Other Revenue	2,360,249	2,115,000	245,249	8,237
Total Revenues	66,105,036	66,500,202	(395,166)	58,545,891
<u>EXPENSES</u>				
Salary and Benefits	3,958,521	3,808,804	(149,717)	-
Consulting & Contractual Services	778,922	858,000	79,078	-
Rent & Utilities	559,903	570,009	10,106	-
Housing Expenses	62,034,856	61,185,000	(849,856)	60,297,423
Travel	40,669	55,000	14,331	-
Insurance	81,447	95,000	13,553	-
Other Operating Expense	275,681	190,258	(85,423)	-
Total Expenses	67,729,999	66,762,071	(967,928)	60,297,423
<u>TRANSFERS</u>				
Transfer Out - RA Expense Allocation	(1,020,528)	(1,163,131)	142,603	-
Transfer In - Allocation	200,000	200,000	-	-
Total Transfers	(820,528)	(963,131)	142,603	-
Change in Reserve Balance	(2,445,491)	(1,225,000)	(1,220,491)	(1,751,532)
Beginning Reserve Balance:				
Operating	9,969,352			
Federal Passthrough (HAP Assistance)	406,836			
Total Beginning Balance	10,376,188			
Change in Reserve Balance:				
Total Change in Reserve Balance	(2,445,491)			
Ending Reserve Balance	7,930,697			
2017 Target Balance (8.3%)	5,637,792			

Appendix

Metro Transit Bus Operations

STATEMENT OF REVENUES AND EXPENSES Metro Transit - Bus Operations December 31, 2017

Unaudited

	YEAR-END ACTUALS	2017 BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
<u>REVENUES</u>			
Passenger Revenues	68,239,519	73,334,695	(5,095,176)
Auxiliary Transit Revenue	3,135,147	3,150,000	(14,853)
State Appropriations	20,941,502	20,336,000	605,502
State Revenue - MVST	200,965,000	200,965,000	-
Federal Grants	19,735,270	17,198,000	2,537,270
Investment Earnings	1,223,517	500,000	723,517
Other Revenue	2,551,825	2,004,305	547,520
Total Revenues	316,791,780	317,488,000	(696,220)
<u>EXPENSES</u>			
Salary and Benefits	228,250,677	244,520,778	16,270,101
Consulting & Contractual Services	9,305,197	11,524,596	2,219,399
Fuel	12,590,325	17,418,291	4,827,966
Materials & Supplies	17,521,350	22,460,333	4,938,983
Utilities	4,149,354	4,352,779	203,425
Other Operating Expense	2,465,738	11,127,915	8,662,177
Total Expenses	274,282,641	311,404,692	37,122,051
<u>TRANSFERS</u>			
Transfer In - MVST	2,407,000	2,407,000	-
Transfer In - Transit Allocations	11,082,557	10,074,811	1,007,746
Transfer Out - RA Expense Allocation	(28,550,951)	(29,121,969)	571,018
Total Transfers	(15,061,394)	(16,640,158)	1,578,764
Change in Reserve Balance	27,447,745	(10,556,850)	38,004,595
Beginning Reserve Balance	41,719,793		
Ending Reserve Balance	69,167,538		*
2017 Target Balance (8.3 - 12.5%)	27,427,504		

* Includes TOD fund balance of \$1.034M

Appendix

Metro Transit Light Rail Operations

STATEMENT OF REVENUES AND EXPENSES Metro Transit - Light Rail Operations December 31, 2017

Unaudited

	YEAR-END ACTUALS	2017 BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
<u>REVENUES</u>			
Passenger Revenues	24,144,348	22,465,917	1,678,431
Auxiliary Transit Revenue	1,583,175	1,500,000	83,175
State Revenue - GF Appropriation	13,130,000	13,130,000	-
Federal Revenue	1,200,000	1,200,000	-
Local Revenue	23,036,206	24,536,206	(1,500,000)
Investment Earnings	224,920	25,000	199,920
Other Revenue	223,061	25,000	198,061
Total Revenues	63,541,710	62,882,123	659,587
<u>EXPENSES</u>			
Salary and Benefits	43,699,978	45,663,830	1,963,852
Consulting & Contractual Services	2,806,581	2,040,025	(766,556)
Fuel	25,791	13,482	(12,309)
Materials & Supplies	5,003,594	4,664,217	(339,377)
Utilities	5,880,861	6,575,877	695,016
Other Operating Expense *	2,390,141	2,100,711	(289,430)
Total Expenses	59,806,946	61,058,142	1,251,196
<u>TRANSFERS</u>			
Transfer Out - Transit Allocations	(9,985,638)	(9,096,391)	(889,247)
Transfer Out - RA Expense Allocation	(2,719,851)	(4,133,796)	1,413,945
Total Transfers	(12,705,489)	(13,230,187)	524,698
Change in Reserve Balance	(8,970,725)	(11,406,206)	2,435,481
Beginning Reserve Balance	18,805,188		
Ending Reserve Balance	9,834,463		
2017 Target Balance (8.3 - 12.5%)	6,165,931		

* other operating expense includes refunds to funding partners of \$1.5M in year end actuals

Appendix

Metro Transit Commuter Rail Operations

STATEMENT OF REVENUES AND EXPENSES Metro Transit - Commuter Rail Operations December 31, 2017

Unaudited

	YEAR-END ACTUALS	2017 BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
<u>REVENUES</u>			
Passenger Revenues	2,515,994	2,403,067	112,927
State Revenue - MVST	2,980,000	2,980,000	-
Local Revenue - CTIB	6,657,770	6,972,396	(314,626)
Other Local Revenue	2,674,269	2,675,928	(1,659)
Investment Earnings	113,329	-	113,329
Total Revenues	14,941,362	15,031,391	(90,029)
<u>EXPENSES</u>			
Salary and Benefits	4,185,056	5,395,896	1,210,840
Consulting & Contractual Services	6,119,032	6,481,140	362,108
Fuel	820,668	1,159,008	338,340
Materials & Supplies	575,564	1,240,188	664,624
Utilities	635,370	776,520	141,150
Other Operating Expense *	3,307,450	2,544,552	(762,898)
Total Expenses	15,643,140	17,597,304	1,954,164
<u>TRANSFERS</u>			
Transfer Out - Transit Allocations	(1,096,919)	(978,420)	(118,499)
Transfer Out - RA Expense Allocation	(386,477)	(448,080)	61,603
Total Transfers	(1,483,396)	(1,426,500)	(56,896)
Change in Reserve Balance	(2,185,174)	(3,992,413)	1,807,239
Beginning Reserve Balance	5,886,266		
Ending Reserve Balance	3,701,092		
2017 Target Balance (8.3 - 12.5%)	1,578,976		

* other operating expense includes refunds to funding partners of \$2.1M in year end actuals

STATEMENT OF REVENUES AND EXPENSES
MTS -Transportation Planning
December 31, 2017

Unaudited

	YEAR-END ACTUALS	2017 BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
<u>REVENUES</u>			
Federal Revenue	3,353,931	4,642,640	(1,288,709)
State Revenue - MVST	1,867,231	1,861,028	6,203
Investment Earnings	40,644	-	40,644
Chargebacks from MAC	88,867	103,150	(14,283)
Total Revenues	5,350,673	6,606,818	(1,256,145)
<u>EXPENSES</u>			
Salary and Benefits	2,601,966	2,976,932	374,966
Consulting & Contractual Services	1,021,347	2,571,290	1,549,943
Rent & Utilities	411,665	412,506	841
Travel	49,884	42,441	(7,443)
Grants	11,448	210,000	198,552
Other Operating Expense	219,346	144,855	(74,491)
Total Expenses	4,315,656	6,358,024	2,042,368
<u>TRANSFERS</u>			
Transfer Out - RA Expense Allocation	(1,591,203)	(1,835,129)	243,926
Total Transfers	(1,591,203)	(1,835,129)	243,926
Change in Reserve Balance	(556,186)	(1,586,335)	1,030,149
Beginning Reserve Balance	4,615,727		
Ending Reserve Balance	4,059,541		
2017 Target Balance (Combined 15%, 31.5% TP Fund)	2,581,000		

STATEMENT OF REVENUES AND EXPENSES
MTS - Metro Mobility
December 31, 2017

Unaudited

	YEAR-END ACTUALS	2017 BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
<u>REVENUES</u>			
Passenger Revenue	5,716,829	6,556,456	(839,627)
State Appropriations	60,901,500	60,902,000	(500)
Investment Earnings	381,596	-	381,596
Total Revenues	66,999,925	67,458,456	(458,531)
<u>EXPENSES</u>			
Salary and Benefits	1,610,568	1,744,103	133,535
Consulting & Contractual Services	56,076,886	59,838,166	3,761,280
Fuel	4,969,351	6,878,184	1,908,833
Rent & Utilities	223,110	111,731	(111,379)
Other Operating Expense	759,635	295,526	(464,109)
Total Expenses	63,639,550	68,867,710	5,228,160
<u>TRANSFERS</u>			
Transfer Out - RA Expense Allocation	(2,046,698)	(1,965,479)	(81,219)
Total Transfers	(2,046,698)	(1,965,479)	(81,219)
Change in Reserve Balance	1,313,677	(3,374,733)	4,688,410
Beginning Reserve Balance	11,638,445		
Ending Reserve Balance	12,952,122		
2017 Target Balance (10%)	7,083,000		

STATEMENT OF REVENUES AND EXPENSES
MTS - Contracted Service
December 31, 2017

Unaudited

	YEAR-END ACTUALS	2017 BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
<u>REVENUES</u>			
Passenger Revenues	2,168,048	2,621,541	(453,493)
Federal Revenue	3,354,410	1,908,084	1,446,326
State Revenue - MVST	20,343,000	21,675,972	(1,332,972)
Local Revenue	1,679,831	1,750,645	(70,814)
Investment Earnings	132,055	-	132,055
Total Revenues	27,677,344	27,956,242	(278,898)
<u>EXPENSES</u>			
Salary and Benefits	793,645	798,663	5,018
Consulting & Contractual Services	22,679,245	25,460,348	2,781,103
Rent & Utilities	21,581	80,630	59,049
Travel	6,647	12,894	6,247
Grants	862,436	1,111,084	248,648
Other Operating Expense	118,187	168,075	49,888
Total Expenses	24,481,741	27,631,694	3,149,953
<u>TRANSFERS</u>			
Transfer Out - RA Expense Allocation	(912,850)	(773,750)	(139,100)
Total Transfers	(912,850)	(773,750)	(139,100)
Change in Reserve Balance	2,282,753	(449,202)	2,731,955
Beginning Reserve Balance	3,353,646		
Ending Reserve Balance	5,636,399		
2017 Target Balance (Combined 15%, 10% Cont Svc Funds)	2,841,000		