

## Revenue

- Avg weekday trips for the quarter were 404,136, 0.3% under budget and 0.4% below the same quarter last year. Total trips for the quarter were 1.3% under budget and 2.7% lower than FY18Q3, with weekend and holiday trips 7.0% under budget. Net passenger revenue was 3.5% under budget.
- Parking revenue was \$0.1M unfavorable mainly due to under budget monthly reserve program.
- Other operating revenue was \$1.3M favorable mainly due to over budget investment income offset by under budget telecom.

## Expense

- Labor was \$0.6M unfavorable. Savings from the Q3 vacancy rate of 12.3% was offset by unfavorable operating overtime (\$6.2M) and temp help (\$0.2M).
- Power was \$1.4M favorable due to 7% lower than expected electric usage and delay of invoice payments.
- Total other non-labor was \$4.0M unfavorable, mostly due to escalator/elevator maintenance (\$0.9M); legal fees associated with Wi-Fi Rail litigation (\$0.7M); utility costs due to service expansion and higher pricing (\$0.5M) and increased maintenance & cleaning services and rail car motor repairs (\$0.5M). Other non-labor unfavorability was offset by favorable Professional Fees of \$1.0M due to delays in work and invoice payments.

## Financial Assistance and Allocations

- Sales tax for Q3 grew 8.8% over FY18Q3 and was \$6.9M favorable.
- Property tax and other assistance was \$0.2M favorable due to over budget local and federal financial assistance.
- STA was \$8.3M favorable due to timing, expected to be on budget at year end.
- Low Carbon Fuel Standard (LCFS) program revenue was \$2.7M favorable to budget due to higher than anticipated sale of credits generated as a result of strong market prices.
- Capital and other allocations were \$1.7M greater than budget primarily due to \$2.7M of increased LCFS revenue (allocated equally between sustainability and general operating fund per LCFS Policy), offset by \$1.3M under budget SFO Ext fare revenue and \$0.3M under budget incremental fare increase revenue.

## Net Operating Result

- The net operating result for Q3 was \$10.2M favorable, mostly due to STA, sales tax, LCFS and electric power.
- YTD is \$26.8M favorable largely due to sales tax, LCFS and electric power.
- Financial Assistance is expected to remain favorable by year-end. Total expenses are expected to increase throughout Q4. Net Operating Result is expected to decrease by year-end.

## Quarterly Financial Report Third Quarter Fiscal Year - 2019

Current Quarter			(\$ Millions)			Year to Date						
Budget	Actual	Var		Budget	Actual	Var						
\$ 116.6	112.5	(3.5%)		<b>Revenue</b>								
9.2	9.1	(0.1%)		Net Passenger Revenue	\$ 363.5	355.0	(2.3%)					
7.3	8.6	17.1%		Parking Revenue	27.5	27.6	0.3%					
<b>133.1</b>	<b>130.3</b>	<b>(2.1%)</b>		Other Operating Revenue	31.4	34.0	8.4%					
				<b>Total Net Operating Revenue</b>	<b>422.4</b>	<b>416.6</b>	<b>(1.4%)</b>					
140.8	141.4	(0.4%)		<b>Expense</b>								
11.0	9.6	12.4%		Net Labor	420.5	421.2	(0.2%)					
7.6	7.6	(0.9%)		Electric Power	32.9	29.2	11.3%					
33.8	37.8	(11.9%)		Purchased Transportation	22.7	22.8	(0.4%)					
<b>193.1</b>	<b>196.5</b>	<b>(1.7%)</b>		Other Non Labor	96.4	90.0	6.7%					
				<b>Total Operating Expense</b>	<b>572.5</b>	<b>563.1</b>	<b>1.6%</b>					
<b>(60.0)</b>	<b>(66.2)</b>	<b>(10.3%)</b>		<b>Operating Result (Deficit)</b>					<b>(150.1)</b>	<b>(146.5)</b>	<b>2.4%</b>	
65.8	72.8	10.5%		<b>Taxes and Financial Assistance</b>								
4.4	4.5	4.2%		Sales Tax	195.0	214.9	10.2%					
9.5	17.8	86.9%		Property Tax, Other Assistance	30.8	32.2	4.5%					
1.6	4.4	168.8%		State Transit Assistance (STA)	19.0	17.8	(6.4%)					
(11.7)	(11.7)	(0.1%)		Low Carbon Fuel Std Prog	4.9	13.6	178.8%					
(20.3)	(22.0)	(8.6%)		Debt Service	(35.0)	(35.0)	(0.1%)					
<b>49.4</b>	<b>\$ 65.7</b>	<b>33.1%</b>		Capital and Other Allocations	(72.6)	(78.1)	(7.7%)					
				<b>Net Financial Assistance</b>	<b>142.1</b>	<b>\$ 165.4</b>	<b>16.4%</b>					
<b>\$ (10.6)</b>	<b>\$ (0.4)</b>	<b>\$ 10.2</b>		<b>Net Operating Result</b>					<b>\$ (7.9)</b>	<b>\$ 18.9</b>	<b>\$ 26.8</b>	
68.9%	66.3%	(2.6%)		<b>System Operating Ratio</b>					73.8%	74.0%	0.2%	
<b>0.432 ¢</b>	<b>0.445 ¢</b>	<b>(3.0%)</b>		<b>Rail Cost / Passenger Mile</b>					<b>0.410 ¢</b>	<b>0.409 ¢</b>	<b>0.2%</b>	

\* Totals may not add due to rounding to the nearest million.

- No Problem
- Caution: Potential Problem/Problem Being Addressed
- Significant Problem