

# **METRO**

Fiscal Year 2016 Monthly Performance Report

Revenue • Expense • Ridership • Performance

September 2016

(Fourth Quarter Fiscal Year-to-Date)



# **MONTHLY PERFORMANCE REPORT**

## **September 2016**

### **Table of Contents**

<b>Section A</b>	<b>Summary</b>
<b>Section B</b>	<b>Sales Tax Revenue</b>
<b>Section C</b>	<b>Fare Revenue</b>
<b>Section D</b>	<b>Grant and Interest &amp; Miscellaneous Revenue</b>
<b>Section E</b>	<b>Budget and Expense Summary</b>
<b>Section F</b>	<b>Operating Expenses</b> September 2016 Budget vs. Actual FY2016 YTD Budget vs. Actual FY2016 YTD Major Variance Items FY2016 YTD Operating Budget/Expenses by Department
<b>Section G</b>	<b>Capital, General Mobility &amp; Debt Service Expenditures</b>
<b>Section H</b>	<b>Ridership by Service Category</b>
<b>Section I</b>	<b>Performance Statistics</b> Performance Statistic Notes
<b>Section J</b>	<b>Balance Sheet</b>
<b>Section K</b>	<b>Fourth Quarter Budget Change Requests</b>

## MONTHLY PERFORMANCE REPORT

September 2016

### Summary

- Sales tax revenue through October 2016 is \$52.4 million; \$2.0 million or 4.0% over estimates. For FY2016 we are \$5.7 million or 0.8% below estimates.
- Fare revenue of \$64.5 million through September 2016 year-to-date is \$5.8 million or 8.3% under budget. September 2016 revenue of \$5.4 million is \$1.9 million or 26.0% under budget.
- Service related grant revenue for the year-to-date of \$71.5 million through September 2016 is \$6.3 million or 8.1% under budget. September 2016 revenue of \$8.4 million is \$5.2 million or 162.5% over budget.
- Capital Grant revenue year-to-date of \$31.9 million through September 2016 is \$35.6 million under budget.
- Interest & Miscellaneous revenue year-to-date of \$13.8 million through September 2016 is \$2.6 million or 23.2% over budget. September 2016 revenue of \$1.7 million is \$0.0 million or 0.0% over budget.
- Operating expenses year-to-date of \$523.8 million through September 2016 is \$34.5 million or 6.2% under budget. September 2016 expenses of \$49.1 million is \$0.4 million or 0.9% over budget.
- METRORail Completion expenses year-to-date of \$65.8 million through September 2016 are \$17.4 million or 21.0% under budget. September 2016 expenses of \$17.8 million are \$11.9 million or 201.7% over budget.
- Other Capital Improvement Program expenses year-to-date of \$71.4 million through September 2016 are \$105.3 million or 59.6% under budget. September 2016 expenses of \$19.2 million are \$30.7 million or 61.5% under budget.
- General Mobility Program for the year-to-date is \$141.9 million through September 2016, \$30.7 million or 17.8% under budget. September 2016 transfers of \$24.0 million are \$8.0 million or 50.0% over budget.
- Debt Service expenses of \$95.1 million through September 2016 year-to-date is on budget.
- Total fixed route ridership, excluding special events, for the year-to-date is 85.5 million through September 2016 which is 4.0 million or 4.9% over last year. September 2016 ridership of 7.4 million is 2,000 or 0.0% under compared to last year.
- METRORail ridership year-to-date of 18.6 million through September 2016 is 3.3 million or 21.4% over last year. September 2016 ridership of 1.6 million is 74,000 or 4.6% under last year.

### Performance Indicator Summary:

#### Safety & Security

- Bus Accidents met the benchmark for the month and for the year-to-date.
- Rail Accidents met the benchmark for the month and for the year-to-date.
- Total Major Security Incidents met the benchmark for both the month and the year-to-date.
- Major Security Incidents on METRO properties met the monthly and year-to-date goals.

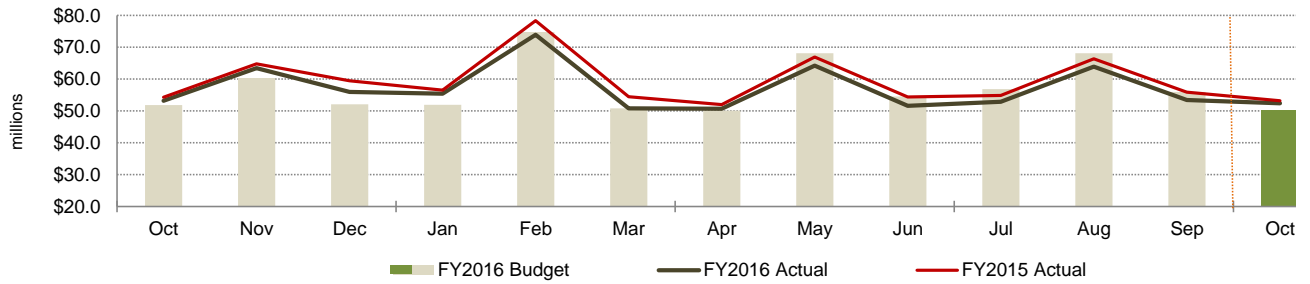
#### Service Reliability

- On-time performance for Local Bus routes did not meet the minimum performance standards for the month or the year-to-date.
- On-time performance for Park & Ride routes met the minimum performance standards for the month and for the year-to-date.
- METROLift met the on-time performance goals for the month and the year-to-date goal.
- Rail: the red line missed the on-time performance goal for both the month and the year-to-date.
- Rail: the green line met the on-time performance goal for both the month and for the year-to-date.  
Rail: the purple line did not meet the monthly on-time performance goal, but did meet the year-to-date goal.
- The Mean Distance Between Mechanical Failures (MDBF) for all buses met the performance goals for the month and for the year-to-date.
- MDBF for METROLift did not meet the performance goal for the month, but did meet the year-to-date goal.
- Mean Distance Between Service Interruptions for METRORail met minimum standards for the month and the year-to-date.

#### Customer Service

- Complaint Contacts met the goal for the month and for the year-to-date.
- The number of Commendations did not meet the goal for the month but did meet the year-to-date goal.
- The Average Call Center Answer Delay met the goals for the month and for the year-to-date.

**MONTHLY PERFORMANCE REPORT**  
**September 2016**  
**Sales Tax Revenue thru October 2016**



**Total FY2016 Sales Tax budget is \$695.4 million**

**Budget to Actual FY2016**

(\$ millions)

	Budget	Actual	Variance	%
October	51.8	53.2	1.4	2.7%
November	60.3	63.5	3.1	5.2%
December	52.1	56.0	3.9	7.5%
January	51.9	55.4	3.5	6.8%
February	74.8	73.9	(0.9)	(1.1%)
March	50.8	50.9	0.1	0.1%
April	50.1	50.7	0.6	1.2%
May	68.1	64.2	(3.9)	(5.7%)
June	54.5	51.6	(2.9)	(5.3%)
July	56.8	52.9	(3.9)	(6.9%)
August	68.1	63.9	(4.2)	(6.2%)
September	56.0	53.4	(2.6)	(4.6%)
<b>FY 2016 YTD</b>	<b>\$ 695.4</b>	<b>\$ 689.7</b>	<b>\$ (5.7)</b>	<b>(0.8%)</b>

<b>October 2016</b>	<b>50.4</b>	<b>52.4</b>	<b>2.0</b>	<b>4.0%</b>
---------------------	-------------	-------------	------------	-------------

**Prior Year vs. Current Year**

(\$ millions)

	Prior Year	Current Year	Variance	%
October	54.3	53.2	(1.1)	(2.0%)
November	64.8	63.5	(1.3)	(2.1%)
December	59.5	56.0	(3.5)	(5.9%)
January	56.6	55.4	(1.1)	(2.0%)
February	78.3	73.9	(4.4)	(5.6%)
March	54.4	50.9	(3.5)	(6.4%)
April	52.0	50.7	(1.3)	(2.5%)
May	66.9	64.2	(2.7)	(4.0%)
June	54.4	51.6	(2.8)	(5.1%)
July	54.8	52.9	(1.9)	(3.5%)
August	66.4	63.9	(2.5)	(3.8%)
September	55.9	53.4	(2.5)	(4.5%)
<b>FY 2016 YTD</b>	<b>\$ 718.4</b>	<b>\$ 689.7</b>	<b>\$ (28.7)</b>	<b>(4.0%)</b>

<b>October 2016</b>	<b>53.2</b>	<b>52.4</b>	<b>(0.8)</b>	<b>-1.5%</b>
---------------------	-------------	-------------	--------------	--------------

## MONTHLY PERFORMANCE REPORT

September 2016

Fare Revenue

**Total FY2016 Fare Revenue budget is \$70.8 million\***

### Budget to Actual FY2016

(\$ millions)

	Budget*	Actual	Variance	%
October	6.4	5.8	(0.6)	(8.7%)
November	5.5	5.1	(0.3)	(6.2%)
December	5.1	5.3	0.2	4.0%
January	6.0	4.9	(1.1)	(17.5%)
February	6.0	5.4	(0.6)	(10.1%)
March	6.9	6.3	(0.6)	(8.7%)
April	6.6	5.2	(1.4)	(21.2%)
May	6.3	5.3	(1.0)	(15.9%)
June	6.3	5.3	(1.0)	(15.9%)
July	6.6	5.0	(1.6)	(24.2%)
August	6.3	5.5	(0.8)	(12.7%)
<b>September</b>	<b>7.3</b>	<b>5.4</b>	<b>(1.9)</b>	<b>(26.0%)</b>
<b>FY 2016 YTD</b>	<b>\$ 70.3</b>	<b>\$ 64.5</b>	<b>\$ (5.8)</b>	<b>(8.3%)</b>

\* Excluding budget for vanpool revenue

### Prior Year vs. Current Year

(\$ millions)

	Prior Year	Current Year	Variance	%
October	6.4	5.8	(0.6)	(9.4%)
November	5.1	5.1	(0.0)	(0.3%)
December	5.3	5.3	0.0	0.2%
January	5.6	4.9	(0.7)	(11.1%)
February	5.3	5.4	0.1	1.9%
March	6.4	6.3	(0.1)	(1.6%)
April	5.8	5.2	(0.6)	(10.3%)
May	5.1	5.3	0.2	3.9%
June	5.2	5.3	0.1	1.9%
July	5.8	5.0	(0.8)	(13.8%)
August	4.8	5.5	0.7	14.6%
<b>September</b>	<b>6.2</b>	<b>5.4</b>	<b>(0.8)</b>	<b>(12.9%)</b>
<b>FY 2016 YTD</b>	<b>\$ 67.0</b>	<b>\$ 64.5</b>	<b>\$ (2.5)</b>	<b>(3.7%)</b>

**MONTHLY PERFORMANCE REPORT**

**September 2016**

**Service Related Grant Revenue**

**Total FY2016 Service Related Grant budget is \$77.8 million**

**Budget to Actual FY2016**

(\$ millions)

	Budget	Actual	Variance	%
October	0.4	0.4	0.00	0.4%
November	0.4	0.4	(0.02)	(6.0%)
December	0.4	0.2	(0.3)	(62.6%)
January	0.4	0.6	0.2	54.1%
February	21.1	(0.03)	(21.1)	(100.1%)
March	25.2	0.6	(24.6)	(97.6%)
April	0.5	0.5	(0.0)	(1.3%)
May	14.6	0.4	(14.2)	(97.3%)
June	7.3	47.0	39.7	543.8%
July	3.8	5.2	1.4	36.8%
August	0.4	7.9	7.5	1875.0%
<b>September</b>	<b>3.2</b>	<b>8.4</b>	<b>5.2</b>	<b>162.5%</b>
<b>FY 2016 YTD</b>	<b>\$ 77.8</b>	<b>\$ 71.5</b>	<b>\$ (6.3)</b>	<b>(8.1%)</b>

**Capital Grant Revenue**

**Year-to date Capital Grant revenue is \$31.9 million  
versus \$67.6 million budgeted**

**Interest & Miscellaneous Revenue**

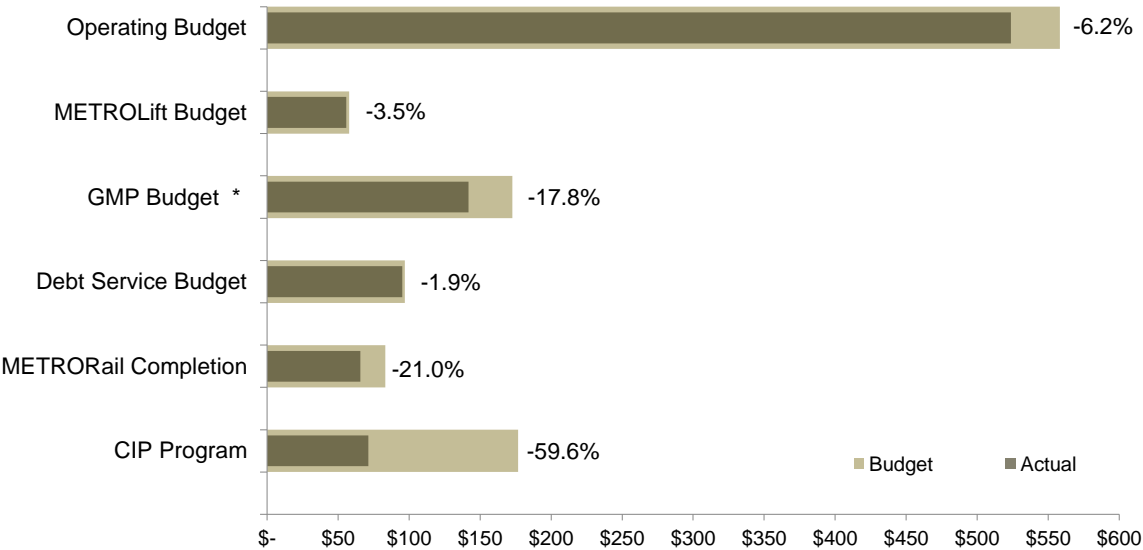
**Total FY2016 Interest & Miscellaneous Revenue budget is \$11.2 million**

**Budget to Actual FY2016**

(\$ millions)

	Budget	Actual	Variance	%
October	0.8	2.0	1.1	142.7%
November	0.7	0.8	0.1	15.6%
December	0.6	0.8	0.1	21.6%
January	0.7	0.9	0.2	17.5%
February	0.8	1.1	0.3	37.5%
March	1.1	1.4	0.3	27.3%
April	1.7	2.1	0.4	23.5%
May	0.8	1.0	0.2	25.0%
June	0.6	1.1	0.5	83.3%
July	0.8	(0.1)	(0.9)	(112.5%)
August	0.7	1.1	0.4	57.1%
<b>September</b>	<b>1.7</b>	<b>1.7</b>	<b>0.0</b>	<b>0.0%</b>
<b>FY 2016 YTD</b>	<b>\$ 11.2</b>	<b>\$ 13.8</b>	<b>\$ 2.6</b>	<b>23.2%</b>

**MONTHLY PERFORMANCE REPORT**  
**September 2016**  
**Budget and Expense Summary**  
(in \$ millions)



\* GMP - The General Mobility Program has been adjusted to exclude approximately \$66.5 million carryover balance that was due to Harris County from previous periods.

**MONTHLY PERFORMANCE REPORT**

September 2016

Operating Expenses

**Comparison of Budget to Actual for the Month (September 2016)**

	FY16 Annual Budget	September Budget	September Actual	\$ Variance (favorable)/unfavorable	% Variance
Labor & Fringe Benefits	\$ 331,869,317	\$ 28,439,964	\$ 29,433,152	\$ 993,188	3.5%
Non-Labor	230,648,987	21,463,946	21,311,880	(152,066)	(0.7%)
<b>Subtotal Labor &amp; Non-Labor</b>	<b>562,518,304</b>	<b>49,903,910</b>	<b>50,745,032</b>	<b>841,122</b>	<b>1.7%</b>
Contingency	10,735,619	-	-	-	0.0%
Allocation to Capital and GMP	(14,982,923)	(1,264,853)	(1,687,589)	(422,736)	33.4%
<b>Total Operating Budget</b>	<b>\$ 558,271,000</b>	<b>\$ 48,639,057</b>	<b>\$ 49,057,443</b>	<b>\$ 418,386</b>	<b>0.9%</b>

**Comparison of Budget to Actual Year-to-Date September 2016 (12 months)**

<u>Expense Category</u>	FY16 Annual Budget	Year-to-Date Budget	Year-to-Date Actual	\$ Variance (favorable)/unfavorable	% Variance
Wages	\$ 131,210,740	\$ 131,210,740	\$ 128,734,138	\$ (2,476,602)	(1.9%)
Union Fringe Benefits	70,153,010	70,153,009	69,091,739	(1,061,270)	(1.5%)
<b>Subtotal Union Labor</b>	<b>201,363,750</b>	<b>201,363,749</b>	<b>197,825,877</b>	<b>(3,537,872)</b>	<b>(1.8%)</b>
Salaries and Non-Union Wages	91,371,387	91,371,387	89,776,179	(1,595,208)	(1.7%)
Non-Union Fringe Benefits	39,134,180	39,134,181	39,357,231	223,050	0.6%
<b>Subtotal Non-Union Labor</b>	<b>130,505,567</b>	<b>130,505,568</b>	<b>129,133,410</b>	<b>(1,372,158)</b>	<b>(1.1%)</b>
<b>Subtotal Labor and Fringe Benefits</b>	<b>331,869,317</b>	<b>331,869,317</b>	<b>326,959,287</b>	<b>(4,910,030)</b>	<b>(1.5%)</b>
Services	42,809,211	42,809,211	36,522,985	(6,286,226)	(14.7%)
Materials and Supplies	24,871,902	24,871,902	26,691,673	1,819,771	7.3%
Fuel and Utilities	49,403,346	49,403,346	46,660,673	(2,742,673)	(5.6%)
Casualty and Liability	4,910,742	4,910,742	3,091,671	(1,819,071)	(37.0%)
Purchased Transportation	99,584,504	99,584,504	92,697,357	(6,887,147)	(6.9%)
Leases, Rentals and Misc.	9,069,282	9,069,282	7,169,231	(1,900,051)	(21.0%)
<b>Subtotal Non-Labor</b>	<b>230,648,987</b>	<b>230,648,987</b>	<b>212,833,590</b>	<b>(17,815,397)</b>	<b>(7.7%)</b>
<b>Subtotal Labor and Non-Labor</b>	<b>562,518,304</b>	<b>562,518,304</b>	<b>539,792,877</b>	<b>(22,725,427)</b>	<b>(4.0%)</b>
Contingency	10,735,619	10,735,619	-	(10,735,619)	(100.0%)
Allocation to Capital and GMP	(14,982,923)	(14,982,923)	(15,999,465)	(1,016,542)	(6.8%)
<b>Subtotal Contingency / Allocations</b>	<b>(4,247,304)</b>	<b>(4,247,304)</b>	<b>(15,999,465)</b>	<b>(11,752,161)</b>	<b>(276.7%)</b>
<b>Total Operating Budget</b>	<b>\$ 558,271,000</b>	<b>\$ 558,271,000</b>	<b>\$ 523,793,412</b>	<b>\$ (34,477,588)</b>	<b>(6.2%)</b>



**MONTHLY PERFORMANCE REPORT**  
**September 2016**  
**Major Operating Budget Variance Items - Categories with major variances**

<u>Expense Type</u>	<u>YTD Budget</u>	<u>YTD Actual</u>	<u>September 2016 Year-to-Date \$ Variance (favorable) / unfavorable</u>
<b>Union Labor</b>	<b>201,363,749</b>	<b>197,825,877</b>	<b>\$ (3,537,872)</b>
Wages & Fringe Benefits - bus operator vacancies			(10,932,000)
Wages & Fringe Benefits - primarily mechanic, technician, cleaners			(3,459,000)
Worker's compensation			(2,439,000)
Overtime wages in bus maintenance			755,000
Overtime wages in rail operations			1,203,000
Effect of the unbudgeted rate increase for Benefit Trust for Retirees			1,205,000
Overtime wages mostly due to vacancies in bus operator positions			10,013,000
<b>Non-Union Labor</b>	<b>130,505,568</b>	<b>129,133,410</b>	<b>(1,372,158)</b>
Savings in salaries and fringes primarily related to vacancies			(2,823,000)
Underruns noted in active employee health plan elections and vacancies			(937,000)
Timing of Retiree Health benefits			(220,000)
<u>Offset by</u>			
Authority overtime mostly within the Operations (largely in METROLift, Bus and Rail ) mostly associated with special projects and campaigns			1,206,000
More than expected use and timing of Vacation/401a/Sick/Other Paid Absences			1,449,000
<b>Services</b>	<b>42,809,211</b>	<b>36,522,985</b>	<b>(6,286,226)</b>
<u>Timing in</u>			
Delayed start in both system planning and system development projects			(1,673,000)
Year end savings in IT equipment maintenance and contract services			(1,670,000)
Delays in the contract services relating to ticket and fare collection equipment and the repair and maintenance of existing equipment			(513,000)
Delayed Facility Maintenance BOF maintenance costs and custodial services			(326,000)
Support services throughout the Authority excluding Marketing & Corporate Communications, Audit, Warranty and financial advisor expense items			(309,000)
Other contractual services spread throughout the Agency			(282,000)
Education and training throughout the Authority excluding bus operations training and COO's area			(275,000)
Savings from unused financial advisors budget			(235,000)
Delayed work in rail operations for rail grinding, track geometry and vegetation control; delayed billing for completed ultrasonic testing work			(233,000)
Change in direction in major advertising programs and related support services			(214,000)
Delayed Facility Maintenance equipment repair and maintenance, and security services			(212,000)
Lower than expected charges to contract service type arrangements, contract employment services and contracted HR services spread across various divisions			(201,000)
Other miscellaneous services spread across the Authority			(175,000)
Less than anticipated legislative coordination activity			(155,000)
HOT Lane invoicing activity			(127,000)
Delay in audit support services			(127,000)
Unused education and training held in COO's area			(123,000)
Less than anticipated BAE warranty expense			(113,000)
Legal fees - lower than expected case load requiring external legal services			(83,000)
<u>Offset by</u>			
Legal fees related to unanticipated internal matters			
Timing in the Issuance/processing of invoices for legislative coordination			
Early invoicing of the annual financial audit fee			
Transtar Control facility cell phone expenses inadvertently being charged to contract services instead of the telephone expense account. There is a pending a journal entry to correct			113,000
Internal Fare media expense to be reversed at year end			159,000
Timing in general Facility Maintenance building and grounds activity			488,000
<b>Casualty and Liability</b>	<b>4,910,742</b>	<b>3,091,671</b>	<b>(1,819,071)</b>
Lower than expected vehicle liability costs mainly due to fiscal year end reconciliation on AON actuarial report			(1,077,000)
Higher than expected subrogation recovery			(502,000)
Lower premiums			(240,000)

*Continued on next Page*

**MONTHLY PERFORMANCE REPORT**  
**September 2016**  
**Major Operating Budget Variance Items - Categories with major variances**

<u>Expense Type</u>	<u>YTD Budget</u>	<u>YTD Actual</u>	<u>September 2016 Year-to-Date</u> <u>\$ Variance</u> <u>(favorable) / unfavorable</u>
<b>Materials &amp; Supplies</b>	<b>24,871,902</b>	<b>26,691,673</b>	<b>1,819,771</b>
<u>Timing underruns in</u>			
Central shop market price differentials in bus batteries and chassis			(589,000)
Warranty credits for rail and bus operations			(252,000)
Underrun in special office supplies across the Agency			(165,000)
Rail A/C and heat parts			(155,000)
Bus brakes due to reprogrammed warranty recovery for upcoming MCI project			(97,000)
<u>Offset by overruns in</u>			
Overruns mostly in bus operations			
Engine cooling system			81,000
Auxiliary power supply			88,000
Information Technology supplies-EDP			91,000
Propulsion			99,000
Marketing graphic supplies			100,000
Tires & tubes			102,000
Air system parts			112,000
Rail Trucks			138,000
Maintenance supplies and building materials in facility maintenance			177,000
Bus chassis			214,000
Rail signal communications maintenance			233,000
Unit Overhaul parts-batteries			240,000
Exhaust System parts largely due to ongoing failures of diesel particulate filters			257,000
Cleaning materials in Operations and Facilities maintenance due to a higher run rate than budget			267,000
Minor tools			313,000
Exterior Body and Windows in both bus and rail due to accidents and vandalism			500,000
<b>Fuel &amp; Utilities</b>	<b>49,403,346</b>	<b>46,660,673</b>	<b>(2,742,673)</b>
Lower than expected diesel fuel expense and related taxes due to lower prices on unhedged gallons, usage variances, and variances on inventoried fuel expensed			(993,000)
Favorable gasoline market prices and quantity usage savings due to a switch to using diesel vehicles on certain routes originally planned for Arboc vehicle use			(628,000)
Lower than planned consumption of power			(646,000)
Timing delay in propulsion power invoicing and lower than expected consumption in half of the year			(353,000)
Underutilization in bulk oils - fuel, lubricants and ATF			(170,000)
Lower than expected natural gas expenses resulting from lower than planned consumption			(158,000)
Transtar Control facility cell phone expenses inadvertently being charged to contract services instead of the telephone expense account. There is a pending a journal entry to correct			(135,000)
Mostly resulting from first quarter savings realized from a delay in the service start date of 35/50 CNG buses rescheduled for December 2015			(132,000)
Timing delays in the billing of the METROLift operations major phone expenses i.e. \$49.5k for Custom Logic Design annual license fee and \$43k for Harris County airtime. The remaining underrun is due to lower repair costs than budgeted			(122,000)
Timing of billing activity in the recording of the Authority's routine telephone expenses			617,000
<b>Purchased Transportation</b>	<b>99,584,504</b>	<b>92,697,357</b>	<b>(6,887,147)</b>
Due to a 8-month delay in completing the master lease assumption for vanpool leases			(4,867,000)
Underrun in METROLift largely due to operating fewer hours than budgeted and experiencing lower ridership than expected			(895,000)
Lower than expected service hours operated for First Transit and an over accrual of prior year performance bonus			(843,000)
Fewer vanpools in operation as a result of significant layoffs in the energy sector			(216,000)
<b>Leases, Rentals and Miscellaneous</b>	<b>9,069,282</b>	<b>7,169,231</b>	<b>(1,900,051)</b>
Delayed lease payments due to construction delay of Grand Parkway Park & Ride from Apr16 now rescheduled for Nov/Dec 2016 timeframe			(811,000)
Year end savings from change in technology and reduction in older IT maintenance			(608,000)
Underspending in discretionary items (Travel, Memberships, Subscriptions, etc.)			(293,000)
Lower than anticipated spending in Other miscellaneous expense spread throughout the Authority,			(177,000)
<b>Allocation to Capital and GMP</b>	<b>(14,982,923)</b>	<b>(15,999,465)</b>	<b>(1,016,542)</b>
<u>Higher than expected capital related activity within</u>			
Bus Maintenance			(790,000)
METRORail operations			(415,000)
Procurement			(293,000)
Planning			(246,000)
Government Affairs and Stakeholder Affairs			(222,000)
Other areas			(200,000)
<u>Offset by project delays in</u>			
IT			97,000
METRO Police			301,000
Engineering & Construction projects			768,000

**MONTHLY PERFORMANCE REPORT**  
**September 2016**  
**Total Net Operating Budget / Expenses by Department**

<u>Authorized</u> <u>EOY</u> <u>Headcount</u>	<u>Department</u>	-----Year-to-Date-----				--Current Month--
		<u>Annual Budget</u>	<u>Budget</u>	<u>Expense</u>	<u>Variance</u>	<u>Variance</u>
<b>3,339</b>	<b>Operations, Public Safety and Customer Service</b>	<b>\$ 434,927,625</b>	<b>\$ 434,927,625</b>	<b>\$ 419,945,615</b>	<b>\$ (14,982,010)</b>	<b>(1,018,767)</b>
2,952	Operations	400,540,762	400,540,762	386,881,947	(13,658,815)	(1,196,883)
305	Public Safety	28,438,625	28,438,625	27,409,241	(1,029,384)	296,439
73	Customer Service	4,793,474	4,793,474	4,514,295	(279,179)	57,430
9	EVP Operations, Public Safety & Customer Servi	1,154,764	1,154,764	1,140,133	(14,631)	96,627
<b>231</b>	<b>Administration</b>	<b>49,383,555</b>	<b>49,383,555</b>	<b>47,352,776</b>	<b>(2,030,779)</b>	<b>135,605</b>
41	Human Resources	19,420,342	19,420,342	19,740,256	319,914	243,652
70	Information Technology	19,329,040	19,329,040	17,480,390	(1,848,650)	(2,129,847)
117	Procurement & Materials	10,179,651	10,179,651	9,718,021	(461,630)	123,532
3	EVP Administration	454,522	454,522	414,110	(40,412)	6,476
<b>249</b>	<b>Planning, Engineering and Construction</b>	<b>35,668,191</b>	<b>35,668,191</b>	<b>32,403,291</b>	<b>(3,264,900)</b>	<b>139,336</b>
185	Facility Maintenance	29,416,873	29,416,873	27,683,738	(1,733,135)	814,422
32	Planning	6,570,940	6,570,940	4,526,869	(2,044,071)	(3,649)
2	EVP Planning, Engineering and Construction	(15,929)	(15,929)	(7,963)	7,966	3,992
30	Engineering and Construction	(303,693)	(303,693)	200,648	504,341	91,749
<b>81</b>	<b>Finance</b>	<b>9,872,262</b>	<b>9,872,262</b>	<b>8,190,426</b>	<b>(1,681,836)</b>	<b>(767,138)</b>
81	Finance	9,126,752	9,126,752	7,919,957	(1,206,795)	(17,817)
	CFO	745,510	745,510	270,469	(475,041)	(61,829)
<b>37</b>	<b>Gov't &amp; Public Affairs</b>	<b>8,959,889</b>	<b>8,959,889</b>	<b>8,355,213</b>	<b>(604,676)</b>	<b>25,150</b>
24	Mktg & Corporate Communications	7,161,248	7,161,248	6,941,621	(219,627)	2,028,031
5	Public Engagement	682,036	682,036	589,113	(92,923)	(7,717)
2	Government Affairs	666,505	666,505	463,265	(203,240)	(168,453)
6	Stakeholder Affairs	450,100	450,100	361,213	(88,887)	9,302
<b>17</b>	<b>Legal</b>	<b>3,808,611</b>	<b>3,808,611</b>	<b>3,446,177</b>	<b>(362,434)</b>	<b>(52,484)</b>
15	Legal	3,504,971	3,504,971	3,218,573	(286,398)	332,552
2	Records Management	303,640	303,640	227,604	(76,036)	(4,681)
<b>16</b>	<b>Executive &amp; Board</b>	<b>2,763,722</b>	<b>2,763,722</b>	<b>2,659,279</b>	<b>(104,443)</b>	<b>(116,156)</b>
16	Executive Office	2,763,722	2,763,722	2,659,279	(104,443)	329
<b>11</b>	<b>Audit</b>	<b>1,564,886</b>	<b>1,564,886</b>	<b>1,262,244</b>	<b>(302,642)</b>	<b>(34,365)</b>
11	Audit	1,564,886	1,564,886	1,262,244	(302,642)	(13,168)
<b>3</b>	<b>Office of Innovation</b>	<b>487,163</b>	<b>487,163</b>	<b>178,390</b>	<b>(308,773)</b>	<b>(403,300)</b>
3	Office of Innovation	487,163	487,163	178,390	(308,773)	17,371
	<b>Contingency</b>	<b>10,000,000</b>	<b>10,000,000</b>	<b>-</b>	<b>(10,000,000)</b>	<b>-</b>
	Contingency - President & CEO	10,000,000	10,000,000	-	(10,000,000)	(10,000,000)
	<b>Non Departmental</b>	<b>835,096</b>	<b>835,096</b>	<b>-</b>	<b>(835,096)</b>	<b>-</b>
	Non Departmental	835,096	835,096	-	(835,096)	(835,096)
<b>3,984</b>	<b>TOTAL NET OPERATING</b>	<b>\$ 558,271,000</b>	<b>\$ 558,271,000</b>	<b>\$ 523,793,411</b>	<b>\$ (34,477,589)</b>	<b>\$ (2,092,118)</b>

Per Board authorization, Year End Authorized headcount increased by 61 in Jan 2016 from 3,905 to 3,966, i.e., 40 for the Alternative Service and Community Connector, and 21 for the Jan 2016 service change, and further to 3,984, i.e., 18 service drivers in June 2016 service change.

**MONTHLY PERFORMANCE REPORT**  
**September 2016**  
**Total Net Operating Budget / Expenses by Department**  
**as of the end of August FY2016 vs. August FY2015**

<u>Department</u>	<u>September FY2016</u>			<u>September FY2015</u>		
	<u>Budget</u>	<u>Expense</u>	<u>Variance</u>	<u>Budget</u>	<u>Expense</u>	<u>Variance</u>
<b>Operations, Public Safety and Customer Service</b>	<b>\$ 434,927,625</b>	<b>\$ 419,945,615</b>	<b>\$ (14,982,010)</b>	<b>\$ 398,965,401</b>	<b>\$ 394,821,271</b>	<b>\$ (4,144,130)</b>
Operations	400,540,762	386,881,947	(13,658,815)	363,255,318	361,874,131	(1,381,187)
Public Safety	28,438,625	27,409,241	(1,029,384)	29,655,329	27,346,540	(2,308,789)
Customer Service	4,793,474	4,514,295	(279,179)	4,782,931	4,443,921	(339,010)
EVP Operations, Public Safety & Customer Service	1,154,764	1,140,133	(14,631)	1,271,823	1,156,678	(115,145)
<b>Administration</b>	<b>49,383,555</b>	<b>47,352,776</b>	<b>(2,030,779)</b>	<b>46,047,015</b>	<b>43,999,670</b>	<b>\$ (2,047,345)</b>
Human Resources	19,420,342	19,740,256	319,914	18,683,324	17,134,777	(1,548,547)
Information Technology	19,329,040	17,480,390	(1,848,650)	17,523,560	17,446,694	(76,866)
Procurement & Materials	10,179,651	9,718,021	(461,630)	9,466,377	9,131,293	(335,084)
EVP Administration	454,522	414,110	(40,412)	373,754	286,907	(86,847)
<b>Planning, Engineering and Construction</b>	<b>35,668,191</b>	<b>32,403,291</b>	<b>(3,264,900)</b>	<b>34,587,599</b>	<b>30,942,573</b>	<b>\$ (3,645,026)</b>
Facility Maintenance	29,416,873	27,683,738	(1,733,135)	25,983,489	24,976,876	(1,006,613)
Planning	6,570,940	4,526,869	(2,044,071)	8,414,918	5,918,302	(2,496,616)
EVP Planning, Engineering and Construction	(15,929)	(7,963)	7,966	14,871	0	(14,871)
Engineering and Construction	(303,693)	200,648	504,341	174,321	47,394	(126,927)
<b>Finance</b>	<b>9,872,262</b>	<b>8,190,426</b>	<b>(1,681,836)</b>	<b>9,666,886</b>	<b>7,698,072</b>	<b>\$ (1,968,814)</b>
Finance	9,126,752	7,919,957	(1,206,795)	9,666,886	7,698,072	(1,968,814)
CFO	745,510	270,469	(475,041)	N/A	N/A	N/A
<b>Gov't &amp; Public Affairs</b>	<b>8,959,889</b>	<b>8,355,213</b>	<b>(604,676)</b>	<b>8,322,105</b>	<b>7,667,406</b>	<b>\$ (654,699)</b>
Mktg & Corporate Communications	7,161,248	6,941,621	(219,627)	6,904,216	6,453,653	(450,563)
Public Engagement	682,036	589,113	(92,923)	712,733	604,255	(108,478)
Government Affairs	666,505	463,265	(203,240)	572,113	503,604	(68,509)
Stakeholder Affairs	450,100	361,213	(88,887)	133,043	105,895	(27,148)
<b>Legal</b>	<b>3,808,611</b>	<b>3,446,177</b>	<b>(362,434)</b>	<b>3,705,237</b>	<b>4,679,986</b>	<b>\$ 974,749</b>
Legal	3,504,971	3,218,573	(286,398)	3,372,096	4,359,968	987,872
Records Management	303,640	227,604	(76,036)	333,141	320,019	(13,122)
<b>Executive &amp; Board</b>	<b>2,763,722</b>	<b>2,659,279</b>	<b>(104,443)</b>	<b>2,266,636</b>	<b>2,180,652</b>	<b>(85,984)</b>
<b>Audit</b>	<b>1,564,886</b>	<b>1,262,244</b>	<b>(302,642)</b>	<b>1,309,692</b>	<b>1,307,035</b>	<b>(2,657)</b>
<b>Office of Innovation</b>	<b>487,163</b>	<b>178,390</b>	<b>(308,773)</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
<b>Contingency</b>	<b>10,000,000</b>	<b>-</b>	<b>-</b>	<b>10,000,000</b>	<b>-</b>	<b>(10,000,000)</b>
<b>Non-Departmental</b>	<b>835,096</b>	<b>-</b>	<b>-</b>	<b>121,129</b>	<b>-</b>	<b>(121,129)</b>
<b>TOTAL NET OPERATING</b>	<b>\$ 558,271,000</b>	<b>\$ 523,793,411</b>	<b>\$ (23,642,493)</b>	<b>\$ 514,991,700</b>	<b>\$ 493,296,666</b>	<b>\$ (21,695,034)</b>

**MONTHLY PERFORMANCE REPORT**  
**September 2016**  
**Capital, General Mobility and Debt Service Expenses**  
**Budget vs. Actual - Month and Fiscal Year-to-Date**  
(\$ millions)

	FY2016 Annual <u>Budget</u>	<u>Month of September 2016</u>				#	<u>Fiscal YTD September 2016</u>			
		<u>Budget</u>	<u>Actual</u>	<u>Variance</u>			<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	
				\$	%			\$	%	
METRORail Completion	\$ 83.2	\$ 5.9	\$ 17.8	\$ 11.9	201.7%	\$ 83.2	\$ 65.8	\$ (17.4)	(21.0%)	
Capital Improvement Program	\$ 177.0	\$ 49.9	\$ 19.2	\$ (30.7)	(61.5%)	\$ 176.7	\$ 71.4	\$ (105.3)	(59.6%)	
<b>Total Capital</b>	<b>\$ 260.2</b>	<b>\$ 55.8</b>	<b>\$ 37.0</b>	<b>\$ (18.8)</b>	<b>(33.7%)</b>	<b>\$ 259.9</b>	<b>\$ 137.1</b>	<b>\$ (122.7)</b>	<b>(47.2%)</b>	
<b>General Mobility*</b>	<b>\$ 172.6</b>	<b>\$ 16.0</b>	<b>\$ 24.0</b>	<b>\$ 8.0</b>	<b>50.0%</b>	<b>\$ 172.6</b>	<b>\$ 141.9</b>	<b>\$ (30.7)</b>	<b>(17.8%)</b>	
<b>Debt Service</b>	<b>\$ 96.9</b>	<b>\$ 10.7</b>	<b>\$ 9.0</b>	<b>\$ (1.7)</b>	<b>(15.9%)</b>	<b>\$ 96.9</b>	<b>\$ 95.1</b>	<b>\$ (1.8)</b>	<b>(1.9%)</b>	

\* GMP has been adjusted to exclude approximately \$66.5 million carryover balance due to Harris County from previous periods.

**MONTHLY PERFORMANCE REPORT**

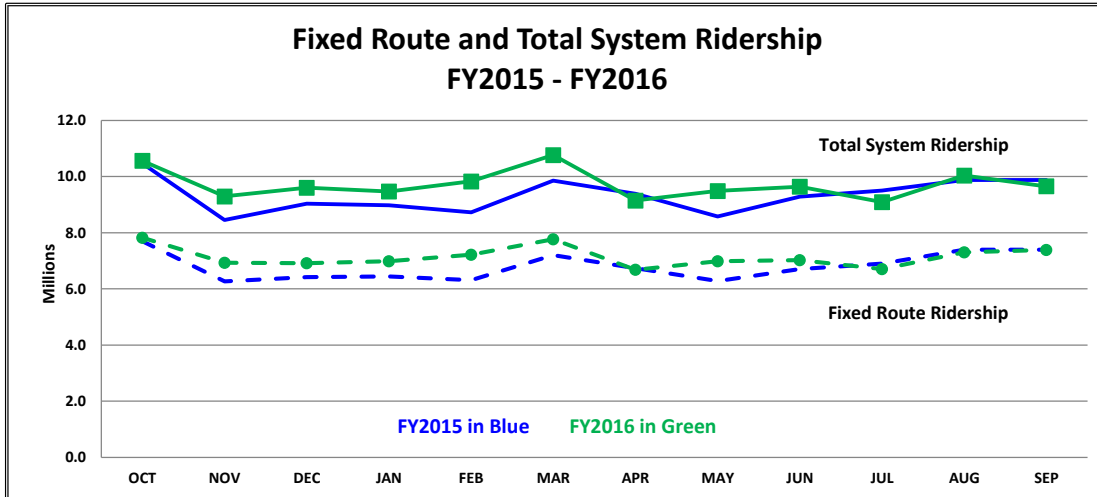
September 2016

**Ridership by Service Category**

Service Category	Sep-15 Boardings	Sep-16 Boardings	Sep-16 vs. Sep-15	Sep-15 YTD Boardings	Sep-16 YTD Boardings	YTD % Change Sep-16 vs. Sep-15
<b>Fixed Route Services</b>						
<u>Local Network</u>						
<b>Local Bus</b>	<b>5,026,409</b>	<b>5,136,304</b>	<b>2.2%</b>	<b>57,878,808</b>	<b>58,738,377</b>	<b>1.5%</b>
<u>METRORail</u>						
Red Line	1,430,784	1,331,238	(7.0%)	14,633,109	16,331,495	11.6%
Green/Purple Trunk	0	0	0.0%	0	0	0.0%
Green Line (East)	72,977	82,852	13.5%	241,437	908,587	276.3%
Purple Line (Southeast)	120,893	137,133	13.4%	376,885	1,292,040	242.8%
METRORail (all lines)	1,624,654	1,551,223	(4.5%)	15,251,431	18,532,122	21.5%
METRORail-Bus Bridge	632	30	(95.3%)	28,899	18,212	(37.0%)
<b>METRORail</b>	<b>1,625,286</b>	<b>1,551,253</b>	<b>(4.6%)</b>	<b>15,280,330</b>	<b>18,550,334</b>	<b>21.4%</b>
<b>Subtotal Local Network</b>	<b>6,651,695</b>	<b>6,687,558</b>	<b>0.5%</b>	<b>73,159,138</b>	<b>77,288,711</b>	<b>5.6%</b>
<u>Commuter</u>						
Park & Ride	740,475	702,254	(5.2%)	8,395,812	8,232,293	(1.9%)
<b>Subtotal Fixed Route Service</b>	<b>7,392,170</b>	<b>7,389,812</b>	<b>(0.0%)</b>	<b>81,554,950</b>	<b>85,521,004</b>	<b>4.9%</b>
Special Events *	2,552	0	0.0%	212,265	200,985	(5.3%)
<b>Total Fixed Route</b>	<b>7,394,722</b>	<b>7,389,812</b>	<b>(0.1%)</b>	<b>81,767,215</b>	<b>85,721,989</b>	<b>4.8%</b>
<b>Customized Bus Services</b>						
METROLift	164,947	161,057	(2.4%)	1,901,731	1,921,703	1.1%
METRO STAR Vanpool	208,413	178,237	(14.5%)	2,478,143	2,251,284	(9.2%)
Internal Service	0	0	0.0%	829	132	(84.1%)
<b>Subtotal Customized Bus</b>	<b>373,360</b>	<b>339,294</b>	<b>(9.1%)</b>	<b>4,380,703</b>	<b>4,173,119</b>	<b>(4.7%)</b>
HOV/HOT Carpools, Vanpools, and Non-METRO Buses	2,115,288	1,927,107	(8.9%)	25,903,688	26,515,186	2.4%
<b>Total System</b>	<b>9,883,370</b>	<b>9,656,213</b>	<b>(2.3%)</b>	<b>112,051,606</b>	<b>116,410,294</b>	<b>3.9%</b>

*Fixed route ridership is reported on the same basis as in the National Transit Database*

*\* The Special Events category of ridership reflects customer service oriented short-term additional motor bus service provided for events at Reliant Park such as football games and RODEO Houston.*



**MONTHLY PERFORMANCE REPORT**  
**September 2016**  
**Performance Statistics**

Benchmark Met █ Benchmark Missed █

Fiscal Year 2016

SAFETY & SECURITY	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	Current Month Target	FY2016 YTD GOAL	FY2016 YTD	YTD % Change
	<b>Bus Accidents</b> (Includes METROLift)	53	36	41	57	60	60	50	50	55	48	47	50	≤ 53	≤ 644	607
Bus Accidents per 100,000 vehicle miles	0.88	0.64	0.69	0.99	1.05	0.97	0.90	0.85	0.92	0.83	0.76	0.85	≤ 0.72	≤ 0.89	0.86	3.4%
<b>Rail Accidents</b>	10	7	9	8	9	8	9	16	8	12	5	7	≤ 9	≤ 111	108	2.7%
Rail Accidents per 100,000 vehicle miles	3.27	2.51	3.02	2.71	3.19	2.54	3.11	5.45	2.76	4.00	1.76	2.39	≤ 6.58	≤ 6.58	3.06	53.4%
<b>Major Security Incidents - total</b>	50	45	44	49	44	42	43	50	51	55	55	49	≤ 70	≤ 840	577	31.3%
Major Security Incidents per 100,000 boardings	0.473	0.484	0.458	0.517	0.448	0.396	0.470	0.527	0.529	0.605	0.548	0.507	≤ 0.920	≤ 0.920	0.496	46.1%
<b>Major Security Incidents - METRO properties</b>	20	19	19	22	23	21	21	33	33	25	31	30	≤ 30	≤ 360	297	17.5%
Major Security Incidents per 100,000 boardings	0.189	0.204	0.198	1.044	0.234	0.198	0.230	0.348	0.342	0.275	0.309	0.311	≤ 0.400	≤ 0.400	0.255	36.2%
SERVICE & RELIABILITY	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	Current Month Target	FY2016 YTD GOAL	FY2016 YTD	YTD % Change
Local Bus OTP	72.9%	76.0%	74.8%	70.0%	71.7%	72.3%	73.0%	72.9%	74.4%	75.7%	75.2%	74.6%	≥ 80%	≥ 74%	73.6%	1.1%
Park & Ride Bus OTP	76.9%	75.4%	74.8%	74.8%	74.9%	76.0%	78.4%	77.9%	76.5%	75.7%	75.1%	77.0%	≥ 75%	≥ 75%	76.1%	1.5%
Weighted Average Bus OTP	73.9%	75.9%	74.8%	71.7%	72.8%	73.6%	75.0%	74.7%	75.2%	75.7%	75.2%	75.5%	≥ 79%	≥ 75%	74.4%	0.2%
METROLift OTP	90.0%	90.2%	90.0%	90.1%	89.3%	90.6%	90.2%	89.9%	91.9%	92.9%	92.6%	90.4%	≥ 90%	≥ 90%	90.7%	0.7%
Rail - Red Line OTP	93.4%	94.3%	92.0%	90.5%	86.7%	78.5%	80.9%	85.2%	81.7%	70.8%	74.8%	71.5%	≥ 95%	≥ 95.0%	83.2%	12.4%
Rail - East End Green Line OTP	93.2%	94.5%	91.5%	95.9%	92.4%	92.9%	92.6%	94.8%	87.9%	87.3%	89.0%	86.4%	≥ 85%	≥ 85.0%	91.5%	7.6%
Rail - South East Purple Line OTP	95.3%	94.4%	92.1%	92.8%	86.1%	88.5%	87.1%	89.6%	88.8%	91.0%	87.0%	84.6%	≥ 85%	≥ 85.0%	89.6%	5.4%
<b>MDBF (Mean Distance Between Mechanical Failures) - All Buses</b>	8,960	9,454	10,652	11,776	12,032	11,456	9,647	9,654	7,596	8,298	8,815	9,153	≥ 7,750	≥ 8,625	9,608	11.4%
<b>MDBF (Mean Distance Between Mechanical Failures) - METROLift</b>	13,657	20,516	21,324	17,216	29,800	20,803	21,171	21,434	18,390	20,294	20,719	18,402	≥ 19,000	≥ 19,000	19,656	3.5%
<b>MDBSI (Mean Distance Between Service Interruptions) - METRORail</b>	25,502	34,799	22,948	18,426	35,315	26,291	24,115	20,954	28,940	15,009	17,720	22,534	≥ 12,000	≥ 12,000	22,885	
CUSTOMER SERVICE	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	Current Month Target	FY2016 YTD GOAL	FY2016 YTD	YTD % Change
Complaint Contacts per 100,000 boardings	23.31	19.28	18.92	16.65	19.22	15.41	15.91	15.20	16.68	15.38	16.55	17.11	≤ 23.00	≤ 23.76	17.51	26.3%
Commendations	391	318	406	396	357	374	423	378	415	294	320	239	≥ 250	≥ 3000	4,311	43.7%
Average Call Center Answer Delay (Sec.)	93.00	87.00	82.00	124.00	117.00	81.00	105.00	83.00	129.00	83.00	83.00	90.00	≤ 135	≤ 135	96.42	28.6%

**MONTHLY PERFORMANCE REPORT**  
**September 2016**  
**Performance Statistic Definitions**

**Bus and Rail Accidents** - An accident is a transit incident with passenger injuries that require immediate medical treatment away from the scene or a collision between a revenue vehicle and an object such that the amount of damage exceeds \$1,000. Bus accidents (which include METROLift) and rail accidents are reported separately and in terms of the absolute number of accidents and the relative number of accidents per 100,000 vehicle miles. Rail accidents reflect collisions between METROrail and other vehicles, pedestrians, or bicyclists. This definition has been revised beginning in FY2011 to include pedestrian accidents.

**Major Security Incidents** - The total Major Security Incidents is based on two industry standards: the FBI Uniform Crime Report and the National Transit Database (NTD) Report issued by the Federal Transit Administration (FTA). The eight (8) categories included are: homicide, forcible rape, robbery, aggravated assault, burglary, larceny and theft, motor vehicle theft and arson. This metric is reported both in terms of the absolute number of incidents and the number of incidents per 100,000 boardings.

**Major Security Incidents - METRO Properties** - The total Major Security Incidents - METRO Properties is the number of incidents that occur at Park & Ride lots, Transit Centers, on-board buses and trains and on Light Rail Vehicle (LRV) platforms. This metric is reported both in terms of the absolute number of incidents and the number of incidents per 100,000 boardings.

**On-Time Performance (OTP)** - A local bus is considered on-time if it does not leave early and is within a five (5) minute window after the scheduled departure time. A Park & Ride bus is considered on-time if it does not depart early (except in the morning when a bus can leave from a Park & Ride lot when full) and is within a five (5) minute window after the scheduled departure time, with measurements during peak hours. OTP is measured by the IVOMS system which calculates data to the second, and the five (5) minute window is defined as anything less than six (6) minutes. For METROrail, a train departing from the beginning of the line or arriving at the end of the line less than five (5) minutes after the scheduled time is considered on-time. For METROLift, a trip is considered on-time if the vehicle arrives within 30 minutes of the scheduled pick-up time and no later than the appointment time.

**Mean Distance Between Mechanical Failures (MDBF)** - MDBF reflects any mechanical issue encountered during operation of the vehicle in revenue service that requires a maintenance action resulting from a mechanical failure. Mechanical failures include warranty and fleet defects but exclude accidents.

**Mean Distance Between Service Interruptions (MDBSI)** - Measures total revenue service miles traveled by Light Rail Vehicles (LRVs) between service interruptions that delay LRVs for one minute or more due to mechanical failures.

**Complaint Contacts** - Patrons may contact METRO's Customer Care Center to express dissatisfaction with METRO Operations. Contacts made via telephone and over the internet which result in a complaint record being generated in the Public Comment System are reported as the number of contacts per 100,000 boardings.

**Commendations** - Patrons may contact METRO's Customer Care Center to recognize, compliment or praise a METRO employee or the METRO organization for exemplary work or performance. Contacts made via telephone, internet, email or mail which result in a commendation record being generated in the Public Comment System are reported only on the basis of the absolute number of contacts received.

**Average Call Center Answer Delay** - METRO is committed to providing customers with accurate, customer-friendly bus and service information in a timely manner. Customers may obtain bus information over METRO's website and by telephone using an interactive voice response system without speaking to a representative and with no customer wait time. For those customers who prefer to speak with a representative, METRO's goal is to answer their calls in 120 seconds or less.



**MONTHLY PERFORMANCE REPORT**  
**September 2016**  
**Balance Sheet**

	September 30, 2015 (\$)	September 30, 2016 (\$)	Change (\$)
Cash	\$ 5,426,047	\$ 6,109,976	\$ 683,929
Receivables	142,110,506	133,994,511	(8,115,995)
Inventory	28,996,881	32,407,692	3,410,811
Investments	506,652,596	421,775,551	(84,877,045)
Other Assets	10,892,707	10,667,995	(224,712)
Property Net of Depreciation	2,758,947,424	2,686,007,786	(72,939,638)
Land & Improvements	380,649,211	359,573,303	(21,075,908)
<b>Total Assets</b>	<b>3,881,101,075</b>	<b>3,719,756,749</b>	<b>(161,344,326)</b>
Deferred Outflow of Resources	47,425,703	69,219,935	21,794,232
<b>Liabilities</b>			
Trade Payables	114,457,190	121,263,297	6,806,107
Accrued Payroll	30,140,189	28,536,478	(1,603,711)
Commercial Paper	121,300,000	117,400,000	(3,900,000)
Long-Term Liabilities	1,535,030,612	1,483,065,348	(51,965,264)
Other Liabilities	97,079,460	120,339,486	23,260,026
<b>Total Liabilities</b>	<b>1,898,007,451</b>	<b>1,870,604,609</b>	<b>(27,402,842)</b>
Deferred Inflow of Resources	-	-	-
Net Assets - Retained Earnings	1,983,093,624	1,849,152,140	(133,941,484)
<b>Total Liabilities and Net Assets</b>	<b>\$ 3,881,101,075</b>	<b>\$ 3,719,756,749</b>	<b>\$ (161,344,326)</b>

Note:

\* A deferred outflow of resources is defined by the Governmental Accountability Standards Board as "a consumption of net assets by the government that is applicable to a future reporting period," and a deferred inflow of resources is defined as "an acquisition of net assets by the government that is applicable to a future reporting period."

The deferred outflow for FY2016 includes [1] Mark-to-Market (MTM) values of outstanding diesel fuel SWAP agreements at the fiscal year end (\$15,041,432), [2] defined benefit pension plan contributions made between january and september (\$32,384,271), and [3] the net difference between the defeased liabilities, related investment issuance costs and new liabilities (\$19,486,401). These items will be recognized as expenses in future periods to which they relate.

**Budget Change Request Report**  
**Operating Budget - \$558.3 million**  
**Fourth Quarter - Fiscal Year 2016**

<b>Date</b>	<b>Type</b>	<b>Description</b>	<b>Amount</b>
June-16	Technical / Administrative	Reallocation of staffing funds for pre-employment physicals to due to more hiring activity for bus, METROLift, and rail operators.	90,000
August-16	Technical / Administrative	Reallocation of funds within Operations from Customer Service to the Press Office to support three media specialist positions.	119,130
August-16	Technical / Administrative	Transfer of one employee along with funding for the employee from Facilities Maintenance to Information Technology.	24,420
August-16	Technical / Administrative	Transfer of the Quadrennial Audit budget and responsibilities from Finance to Audit.	60,000
August-16	Technical / Administrative	Reallocation of funds between the EVP of Finance and the CFO Office.	367,642
August-16	Technical / Administrative	Reallocation of funds necessary for the CFO Office, CFO assistant, and partial funding for Media Specialists.	470,052
August-16	Budget	Reallocation of funds necessary for the Office of Innovation: EVP, Director, and executive assistant.	497,633
September-16	Technical / Administrative	Reallocation of funds for continuing professional education to renew required IIA memberships.	1,000
<b>Third Quarter Total</b>			<b>\$ 1,629,877</b>

**Notes:**

Tech/Admin changes are within the original scope of the budgets and do not represent a change in the Authority's work plan or priorities.

**Budget Change Request Report**  
**Capital Budget - \$260.2 million**  
**Fourth Quarter - Fiscal Year 2016**

In the FY2016 Capital Budget, \$13.7 million was approved for Major Facility Rehabilitation Initiative (MFRI) Projects. Of that, **\$3.0 million was designated as Unallocated**, an allowance used to address facility improvement projects that are identified during the course of the fiscal year. As each project is identified, a budget transfer is made to reallocate funds from the allowance to the specific project. These budget transfers are collectively referred to as "MFRI Unallocated Transfer" BCRs and are categorized as Technical/Administrative changes.

<b>Date</b>	<b>Type</b>	<b>Description</b>	<b>Amount</b>
<b>MFRI Unallocated Transfers</b>			
June-16	Technical / Administrative	'Reallocation of funds from unallocated capital funds to rehabilitate existing HVAC equipment at 1900 Main.	290,000
June-16	Technical / Administrative	Reallocation of funds between line items within the same project for drainage enhancements between Naomi and I-610.	85,791
July-16	Technical / Administrative	Allocation of funds for security access upgrades at the West Operating Facility, Rail Operations Center, and Travis St. Ride Store.	192,000
July-16	Technical / Administrative	Allocation of approved funds for security upgrades at the Kashmere facility.	18,000
August-16	Technical / Administrative	Allocation of approved funds for energy management upgrades at the Kashmere Operating facility.	27,000
August-16	Technical / Administrative	Reallocation of funds for approved project to resurface storeroom floors at the Central Stores warehouse.	22,500
August-16	Technical / Administrative	Reallocation of funds for sinkhole repairs at the West Operating Facility.	52,000
August-16	Technical / Administrative	Reallocation of capital project funds for energy management upgrades at the Kashmere Operating Facility.	27,000
August-16	Technical / Administrative	Reallocation of funds for Central Stores Facility resurfacing and recoating floors.	22,500
August-16	Technical / Administrative	Reallocation of approved funds for emergency sinkhole repairs at the West Operating Facility.	52,000
<b>Subtotal MFRI Unallocated Transfers</b>			<b>\$ 788,791</b>
June-16	Technical / Administrative	Creation of a new account for the Bluetooth beacon project.	85,000
July-16	Technical / Administrative	Creation of a new project account for enterprise video management.	160,000
July-16	Technical / Administrative	Reallocation of budgeted contingency funds for Brays Bayou infrastructure work.	37,396
<b>Second Quarter Total</b>			<b>\$ 1,071,187</b>

**Notes:**

Tech/Admin changes are within the original scope of the budgets and do not represent a change in the Authority's work plan or priorities.