



Budget Committee

Reports Item V-A

December 7, 2006

Monthly Financial Report – October 2006



**Washington Metropolitan Area Transit Authority
Fiscal 2007**

**Monthly Operating Financial Report
Fiscal 2007**

October 2006

**WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY
MONTHLY OPERATING FINANCIAL REPORT
Fiscal 2007
October 2006**

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OPERATING FINANCIAL PERFORMANCE HIGHLIGHTS



Washington Metropolitan Area Transit Authority
October 2006 – Financial Performance Highlights

Summary

The trend of slower-paced ridership growth which began in September continued into October. For the month, Metrorail ridership was 17.9 million, an increase of 2.9 % when compared to last October. Although total ridership was above the total for last year, ridership for the month fell almost 600,000 trips or 3.2 % below budget. Metrobus generated 11.6 million trips, a growth of 3.6 % over the same period last year, but 0.6 % lower than budgeted. For the month, revenues totaled \$54.6 million, \$1.2 million below budget estimates. The largest portion of the unfavorable revenues variance resulted from lower than expected Metrorail passenger fares due to lower than projected ridership. Operating expenses in October totaled \$92.9 million, a negative variance of \$0.6 million.

FINANCIAL SUMMARY
October 2006

(in \$1,000s)	Month			Year-to-Date		
	Budget	Actual	Favorable (Unfavorable)	Budget	Actual	Favorable (Unfavorable)
Revenues	\$55,859	\$54,612	(\$1,247)	\$216,855	\$212,973	(\$3,881)
Expenses	\$92,295	\$92,896	(\$601)	\$370,370	\$366,178	\$4,192
Subsidy	\$36,436	\$38,284	(\$1,848)	\$153,515	\$153,205	\$310

AVERAGE WEEKDAY RIDERSHIP

	Actual Oct 2005	Actual Oct 2006	Budget Oct 2006	% Changes FY07 vs. FY06
Rail	707,900	697,400	719,200	-1.5%
Bus	456,200	451,800	457,300	-1.0%
ADA	4,900	4,900		0.0%
TOTAL	1,169,000	1,154,100		-1.3%

YEAR-TO-DATE TOTAL RIDERSHIP
(Includes Weekends and Holidays)

	Actual Oct 2005	Actual Oct 2006	Budget Oct 2006	% Changes FY07 vs. FY06
Rail	69,721,600	70,432,300	72,581,400	1.0%
Bus	44,491,500	45,630,400	45,435,200	2.6%
ADA	454,200	471,200	537,000	3.7%
TOTAL	114,667,300	116,533,900	118,553,600	1.6%



Washington Metropolitan Area Transit Authority
October 2006 – Financial Performance Highlights

The negative expense variance of \$0.6 million, combined with lower than expected revenues of \$1.2 million, resulted in an unfavorable jurisdictional subsidy variance of \$1.8 million for October 2006. Higher than expected October expenses in Labor, Insurance/Utilities/Other and Services were partially offset by a favorable variance in Fringe Benefits, but not enough to end the month with a favorable variance in expenses. Through the end of October, the jurisdictional subsidy result was almost exactly as projected.

Ridership

Average weekday Metrorail ridership for October 2006 was 697,400 trips, a decrease of 1.5 % or 10,000 trips when compared with last October, and 3.0 % or 22,000 trips below budget. A large part of the decrease in ridership in October was due to the Columbus Day holiday being counted as a weekday because a weekday level of service was provided on October 9th. This change was approved for Fiscal 2007 and a change from holiday to weekday service levels will occur on four major holidays: Columbus Day, Veterans' Day, Presidents' Day and the Martin Luther King, Jr. Day. Typical ridership this Columbus Day as in previous years was approximately 360,000 trips, significantly below a typical weekday in October. Without including ridership statistics for Columbus Day, average weekday ridership grew about 1.0 % in AM and PM peak periods, a pattern consistent with continued growth in WMATA's core commuter market, but growth that is less vigorous than in previous years. Mid-day and evening ridership growth for the month was stagnant, with mid-day growth at 0.3 % and negative growth in the evening of 0.3 %.

In October, Metrorail average Saturday ridership was 332,600 trips, a 0.4 % increase compared to the same period last year. Average Sunday ridership was 241,800, 1.9 % below last October. The ridership drop on Sunday was partly due to inconsistent rail services on Sundays because of a high level of rail track maintenance activities, as well as a lack of ridership generating special events on the first and third Sundays in October.



Washington Metropolitan Area Transit Authority
October 2006 – Financial Performance Highlights

Average weekday Metrobus ridership for the month was 452,000 trips, a decrease of 1.0 % when compared with last October. As mentioned above, most of this numerical decrease was due to Columbus Day being counted as a weekday this year. Continuing the trend of the past few months, cash-paying ridership and rail-to-bus transfers grew 2.1 % and 2.8 % respectively, indicating strong feeder bus ridership growth, and confirming the notion that the commuter market is still strong. Weekend bus ridership was also encouraging in October, with average Saturday ridership of 225,570 and average Sunday ridership of 151,000, growth rates of 1.0 and 3.3 %, respectively, when compared to last October.

MetroAccess ridership was estimated at 123,930 completed trips in the month of October. Average weekday MetroAccess trips were estimated at 4,895 and weekend trips at 3,516.

Revenues

For October, total revenue was \$54.6 million, \$1.2 million below the budget for October. A large portion of the unfavorable variance, \$1.4 million, was due to less than anticipated rail passenger revenues largely due to lower than expected ridership. Metrobus passenger revenue had a favorable variance of \$0.1 million, however, non-passenger revenues ended the month with negative results in all categories except interest revenue.

Total revenue through the end of the first four months of Fiscal 2007 was below projections by almost \$4 million, with the largest negative variances in passenger revenue. Metrorail and MetroAccess passenger revenue for the period fell below projections by \$4.5 million and \$0.2 million, respectively, but was slightly mitigated by a positive variance in bus revenue of \$0.6 million. This resulted in a negative variance for total passenger revenue of \$4.1 million through the end of October. Non-passenger revenues for the period ended with mixed results, with positive variances in fiber optics, interest and joint development revenues, but negative variances in every other account.



Expenses

As mentioned above, operating expenses for the month of October were over budget by \$0.6 million. For the month, the following categories had budget shortfalls: Labor (-\$0.9M), Services (-\$0.7M), Insurance/Utilities/Other (-\$0.9M). The Fringe Benefits account was under budget by \$1.2 million, mostly as a result of lower than expected claims costs for the Cigna PPO, higher than anticipated vacancy savings, and additional health care savings due to the recent contract settlement with Local 2.

Cost Recovery

For the month, the overall system cost recovery was 59 %, two %age points below budget. On Metrorail, the cost recovery rate was 83 %, exactly as budgeted. The positive revenue variance in Metrobus revenues resulted in a cost recovery for the month of 36 %, one percentage point above the budgeted amount of 35 %.

OPERATING FINANCIAL RESULTS

SUMMARY
Operating Budget
October-06

Dollars in Thousands

MONTHLY RESULTS:

Prior Year Actual	Current Year		Variance	FISCAL YEAR
	Actual	Budget		
				Favorable/(Unfavorable)
\$42,030	\$44,565	\$45,976	(\$1,411) -3%	REVENUES:
450	505	522	(17) -3%	Passenger Fares
185	185	329	(144) -44%	D.C. Schools
3,066	3,385	3,480	(95) -3%	Contract Bus
2,500	2,750	2,750	0 0%	Parking
624	734	602	133 22%	Advertising
635	670	733	(64) -9%	Rent
416	369	336	33 10%	Fiber Optic
461	740	381	359 94%	Other
856	710	750	(40) -5%	Interest
\$51,223	\$54,612	\$55,859	(\$1,247) -2%	SCR Funding
				TOTAL REVENUE
\$50,308	\$51,902	\$51,025	(\$877) -2%	OPERATING EXPENSES:
15,081	16,362	17,577	1,215 7%	Salary/Wages/OT
8,480	10,382	9,705	(677) -7%	Fringe Benefits
7,019	6,206	6,141	(64) -1%	Services
5,760	4,959	5,634	675 12%	Supplies
3,695	4,810	3,938	(873) -22%	Power/Diesel/CNG
(1,725)	(1,725)	(1,725)	0 0%	Insurance/Utilities/Other
\$88,619	\$92,896	\$92,295	(\$601) -1%	Reimbursements
				TOTAL EXPENSE
\$37,396	\$38,284	\$36,437	(\$1,848) -5%	OPERATING SUBSIDY

58%

59%

61%

COST RECOVERY RATIO

YEAR-TO-DATE RESULTS:

Prior Year Actual	Current Year		Variance	FISCAL YEAR
	Actual	Budget		
				Favorable/(Unfavorable)
\$171,227	\$175,359	\$179,424	(\$4,064) -2%	REVENUES:
961	1,089	1,164	(76) -6%	Passenger Fares
522	496	865	(369) -43%	D.C. Schools
12,528	13,060	13,200	(140) -1%	Contract Bus
10,000	11,000	11,000	0 0%	Parking
2,460	2,493	2,407	86 4%	Advertising
2,952	3,405	2,933	471 16%	Rent
1,438	1,248	1,339	(90) -7%	Fiber Optic
1,562	1,957	1,523	434 28%	Other
3,391	2,866	3,000	(134) -4%	Interest
\$207,041	\$212,973	\$216,855	(\$3,881) -2%	SCR Funding
				TOTAL REVENUE
\$198,067	\$206,690	\$205,443	(\$1,248) -1%	OPERATING EXPENSES:
62,562	66,967	70,692	3,725 5%	Salary/Wages/OT
30,436	35,375	37,920	2,546 7%	Fringe Benefits
24,380	24,673	24,861	188 1%	Services
22,068	22,629	22,539	(90) 0%	Supplies
15,202	16,745	15,814	(930) -6%	Power/Diesel/CNG
(6,900)	(6,900)	(6,900)	0 0%	Insurance/Utilities/Other
\$345,815	\$366,178	\$370,370	\$4,192 1%	Reimbursements
				TOTAL EXPENSE
\$138,774	\$153,205	\$153,515	\$310 0%	OPERATING SUBSIDY

60%

58%

59%

RAIL
Operating Budget
October-06

Dollars in Thousands

MONTHLY RESULTS:

Prior Year Actual	Current Year		Variance	FISCAL YEAR
	Actual	Budget		
				Favorable/(Unfavorable)
\$33,133	\$34,997	\$36,444	(\$1,447)	-4%
113	194	212	(18)	-9%
3,066	3,385	3,480	(95)	-3%
750	828	835	(7)	-1%
624	734	602	133	22%
635	670	733	(64)	-9%
196	163	175	(12)	-7%
194	(327)	138	(464)	#####
705	594	601	(7)	-1%
\$39,416	\$41,238	\$43,220	(\$1,982)	-5%
\$29,084	\$29,502	\$29,122	(\$379)	-1%
9,484	9,378	9,984	606	6%
2,974	2,559	3,593	1,034	29%
4,113	2,894	3,218	324	10%
3,142	1,966	3,340	1,374	41%
2,686	3,531	2,899	(632)	-22%
(225)	(225)	(225)	0	0%
\$51,258	\$49,606	\$51,933	\$2,327	4%
\$11,842	\$8,368	\$8,713	\$345	4%

YEAR-TO-DATE RESULTS:

Prior Year Actual	Current Year		Variance	FISCAL YEAR
	Actual	Budget		
				Favorable/(Unfavorable)
\$134,941	\$137,829	\$142,319	(\$4,489)	-3%
248	450	496	(46)	-9%
12,528	13,060	13,200	(140)	-1%
3,000	3,311	3,340	(29)	-1%
2,460	2,493	2,407	86	4%
2,952	3,405	2,933	471	16%
759	599	697	(98)	-14%
674	(136)	550	(687)	#####
2,786	2,390	2,404	(14)	-1%
\$160,348	\$163,400	\$168,346	(\$4,946)	-3%
\$114,431	\$122,481	\$117,529	(\$4,952)	-4%
37,589	39,770	40,215	445	1%
10,722	10,033	14,050	4,017	29%
12,727	12,402	13,211	809	6%
11,172	12,205	13,408	1,203	9%
11,257	12,845	11,677	(1,167)	-10%
(900)	(900)	(900)	0	0%
\$196,998	\$208,836	\$209,190	\$354	0%
\$36,650	\$45,436	\$40,844	(\$4,592)	-11%

77%

83%

83%

COST RECOVERY RATIO

81%

78%

80%

METROBUS
Operating Budget
October-06

Dollars in Thousands

MONTHLY RESULTS:

YEAR-TO-DATE RESULTS:

Prior Year Actual	Current Year		Variance	FISCAL YEAR
	Actual	Budget		
				Favorable/(Unfavorable)
\$8,656	\$9,351	\$9,226	\$125	1%
337	311	310	1	0%
185	185	329	(144)	-44%
1,750	1,922	1,915	7	0%
219	206	161	45	28%
267	1,066	243	823	338%
130	116	149	(33)	-22%
\$11,545	\$13,157	\$12,333	\$824	7%
\$21,190	\$22,377	\$21,789	(\$588)	-3%
5,590	6,978	7,557	579	8%
1,384	869	1,502	634	42%
2,905	3,310	2,920	(390)	-13%
2,618	2,993	2,294	(699)	-30%
1,003	1,224	987	(236)	-24%
(1,500)	(1,500)	(1,500)	0	0%
\$33,190	\$36,250	\$35,549	(\$701)	-2%
\$21,646	\$23,093	\$23,215	\$123	1%

Prior Year Actual	Current Year		Variance	FISCAL YEAR
	Actual	Budget		
				Favorable/(Unfavorable)
\$35,302	\$36,572	\$35,932	\$640	2%
714	639	668	(30)	-4%
522	496	865	(369)	-43%
7,000	7,689	7,660	29	0%
679	650	641	8	1%
887	2,094	973	1,120	115%
521	476	596	(120)	-20%
\$45,625	\$48,615	\$47,336	\$1,279	3%
\$83,500	\$84,111	\$87,462	\$3,351	4%
24,936	27,166	30,332	3,167	10%
4,427	4,671	5,752	1,081	19%
11,648	12,306	11,638	(668)	-6%
10,896	10,424	9,132	(1,292)	-14%
3,839	3,702	3,933	230	6%
(6,000)	(6,000)	(6,000)	0	0%
\$133,245	\$136,381	\$142,249	\$5,868	4%
\$87,620	\$87,766	\$94,913	\$7,147	8%

35%

36%

35%

COST RECOVERY RATIO

34%

36%

33%

**REGIONAL BUS
OPERATING BUDGET
Operating Budget
Dollars in Thousands**

Dollars in Thousands

MONTHLY RESULTS:

YEAR-TO-DATE RESULTS:

Prior Year Actual	Current Year		Variance		FISCAL YEAR
	Actual	Budget			
					Favorable/(Unfavorable)
\$7,136	\$7,901	\$7,795	\$106	1%	Passenger Fares
337	311	310	1	0%	D.C. Schools
185	185	329	(144)	-44%	Contract Bus
1,750	1,922	1,915	7	0%	Advertising
219	206	161	45	28%	Other
267	1,066	243	823	338%	Interest
130	116	149	(33)	-22%	SCR Funding
\$10,025	\$11,707	\$10,903	\$805	7%	TOTAL REVENUE
\$18,500	\$18,678	\$18,187	(\$491)	-3%	Salary/Wages/OT
5,319	5,824	6,307	483	8%	Fringe Benefits
1,279	725	1,254	529	42%	Services
2,568	2,763	2,437	(326)	-13%	Supplies
2,170	2,498	1,914	(583)	-30%	Power/Diesel/CNG
1,003	1,224	987	(236)	-24%	Insurance/Utilities/Other
(1,500)	(1,500)	(1,500)	0	0%	Reimbursements
\$29,339	\$30,211	\$29,587	(\$625)	-2%	TOTAL EXPENSE
\$19,314	\$18,504	\$18,684	\$180	1%	OPERATING SUBSIDY

Prior Year Actual	Current Year		Variance		FISCAL YEAR
	Actual	Budget			
					Favorable/(Unfavorable)
\$29,264	\$30,901	\$30,361	\$541	2%	Passenger Fares
714	639	668	(30)	-4%	D.C. Schools
522	496	865	(369)	-43%	Contract Bus
7,000	7,689	7,660	29	0%	Advertising
679	650	641	8	1%	Other
887	2,094	973	1,120	115%	Interest
521	476	596	(120)	-20%	SCR Funding
\$39,587	\$42,944	\$41,764	\$1,180	3%	TOTAL REVENUE
\$72,567	\$70,205	\$73,002	\$2,797	4%	Salary/Wages/OT
23,110	22,674	25,317	2,643	10%	Fringe Benefits
4,279	3,899	4,801	902	19%	Services
10,323	10,272	9,714	(557)	-6%	Supplies
9,257	8,701	7,622	(1,079)	-14%	Power/Diesel/CNG
3,839	3,702	3,933	230	6%	Insurance/Utilities/Other
(6,000)	(6,000)	(6,000)	0	0%	Reimbursements
\$117,375	\$113,453	\$118,389	\$4,936	4%	TOTAL EXPENSE
\$77,789	\$70,509	\$76,625	\$6,116	8%	OPERATING SUBSIDY

34% 39% 37%

COST RECOVERY RATIO

34% 38% 35%

NON-REGIONAL BUS

Operating Budget

October-06

Dollars in Thousands

MONTHLY RESULTS:

Prior Year Actual	Current Year			FISCAL YEAR
	Actual	Budget	Variance	
				Favorable/(Unfavorable)
\$1,520	\$1,450	\$1,430	\$19	1%
\$1,520	\$1,450	\$1,430	\$19	1%
\$2,690	\$3,700	\$3,602	(\$97)	-3%
271	1,154	1,249	96	8%
105	144	248	105	42%
338	547	483	(65)	-13%
448	495	379	(116)	-30%
0	0	0	0	
\$3,852	\$6,039	\$5,962	(\$77)	-1%
\$2,332	\$4,589	\$4,532	(\$58)	-1%

REVENUES:

Passenger Fares
TOTAL REVENUE

OPERATING EXPENSES:

Salary/Wages/OT
Fringe Benefits
Services
Supplies
Power/Diesel/CNG
Insurance/Utilities/Other
TOTAL EXPENSE

OPERATING SUBSIDY

39%

24%

24%

COST RECOVERY RATIO

YEAR-TO-DATE RESULTS:

Prior Year Actual	Current Year			Favorable/(Unfavorable)
	Actual	Budget	Variance	
\$6,038	\$5,670	\$5,571	\$99	2%
\$6,038	\$5,670	\$5,571	\$99	2%
\$10,933	\$13,906	\$14,460	\$554	4%
1,826	4,491	5,015	524	10%
148	772	951	179	19%
1,325	2,035	1,924	(110)	-6%
1,638	1,723	1,510	(214)	-14%
0	0	0	0	
\$15,870	\$22,928	\$23,860	\$932	4%
\$9,832	\$17,257	\$18,289	\$1,031	6%

38%

25%

23%

PARATRANSIT

Operating Budget

October-06

Dollars in Thousands

MONTHLY RESULTS:

Prior Year Actual	Current Year		Variance	FISCAL YEAR
	Actual	Budget		
				Favorable/(Unfavorable)
\$241	\$216	\$305	(\$89)	-29%
\$262	\$216	\$305	(\$89)	-29%
\$34	\$23	\$113	\$91	80%
7	6	36	30	84%
4,123	6,954	4,610	(2,344)	-51%
1	2	3	2	48%
6	56	51	(4)	-9%
\$4,171	\$7,040	\$4,814	(\$2,226)	-46%
\$3,909	\$6,824	\$4,508	(\$2,316)	-51%

6%

3%

6%

FISCAL YEAR

REVENUES:

Passenger Fares
TOTAL REVENUE

OPERATING EXPENSES:

Salary/Wages/OT
Fringe Benefits
Services
Supplies
Insurance/Utilities/Other
TOTAL EXPENSE

OPERATING SUBSIDY

COST RECOVERY RATIO

YEAR-TO-DATE RESULTS:

Prior Year Actual	Current Year		Variance	FISCAL YEAR
	Actual	Budget		
				Favorable/(Unfavorable)
\$983	\$958	\$1,173	(\$215)	-18%
\$1,068	\$958	\$1,173	(\$215)	-18%
\$136	\$99	\$452	\$353	78%
37	30	145	114	79%
15,288	20,670	18,119	(2,551)	-14%
4	5	12	8	63%
107	197	203	6	3%
\$15,572	\$21,001	\$18,931	(\$2,070)	-11%
\$14,504	\$20,042	\$17,758	(\$2,285)	-13%

7%

5%

6%

RIDERSHIP AND REVENUE TRENDS

