



**Finance and Capital Committee**

**Information Item III-A**

**September 26, 2024**

**FY2024 Year End Financials**

Washington Metropolitan Area Transit Authority

## Board Action/Information Summary

<input type="radio"/> Action <input checked="" type="radio"/> Information	Document Number: 210846	Resolution: <input type="radio"/> Yes <input checked="" type="radio"/> No
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**Presentation Name:**

FY2024 Year End Financials

**Project Manager:**

Yetunde Olumide

**Project Department:**

Finance

**Purpose/Key Highlights:**

Metro's aggressive management of FY2024 expenses continues to advance our Strategic Transformation Plan (STP) financial sustainability goal. In this presentation, staff will present our FY2024 year-end results.

**Interested Parties:**

No interested parties identified.

**Background:**

The WMATA Compact requires the Board of Directors to adopt a current expense budget annually where the total of such expenses in the annual budget shall be balanced by the Board's estimated revenues and receipts from all sources. The General Manager & Chief Executive Officer's Proposed Budget is presented to the Board of Directors in December of the preceding fiscal year, followed by public engagement sessions as required by the WMATA Compact.

Staff finalizes the budget recommendation for Board approval in March or April. Each year the approved annual budget becomes effective on July 1. In April 2023, Metro's Board of Directors adopted the FY2024 Operating and Capital budgets. Metro concluded FY2024 on June 30, 2024.

**Discussion:**

Metro's un-audited FY2024 operating results are \$28.4 million favorable to budget. Management actions to control expenses contributed to expense favorability. Operating expenses for FY2024 were \$2,257.5 million or \$62.5 million favorable to budget. Excluding federal relief, operating revenues were \$472.6 million, unfavorable to budget by \$34.1 million, due to lower than budgeted passenger, parking and joint development revenue.

Non-passenger revenue was favorable to budget by \$14 million. While parking and joint development revenue were unfavorable to budget due to slower than anticipated recovery and changes in lease schedules, interest earned on cash investments was higher than budgeted. Passenger revenue was unfavorable to budget by \$47.9 million due to lower average fares than anticipated across all modes. However, savings from vacancies, contract maintenance, materials, and the continued shift of paratransit trips to alternative service providers helped offset lower passenger revenues across all modes.

Total ridership for FY2024 was 242.1 million trips, when including both tapped and non-tapped riders. Total rail ridership (tapped and non-tapped passengers) was 123.2 million trips. Rail ridership (tapped ridership only) totaled 112.7 million trips, an increase of 27 percent from prior year, though unfavorable to budget by 3.8 million trips. Fare evasion, as measured by non-tapped trips, fell by over 70 percent relative to FY2023. Bus ridership totaled 117.5 million trips in FY2024, 11.9 million trips favorable to budget and 15 percent above prior year. Ridership on MetroAccess in FY2024 was 1.4 million trips, slightly below budget.

**Funding Impact:**

No funding impacts of this information item.

**Previous Actions:**

In April 2023, Metro's Board of Directors adopted the FY2024 Operating and Capital budgets. Metro concluded FY2024 on June 30, 2024.

**Next Steps:**

Staff will continue preparation on its FY2026 Budget.

**Recommendation:**

Information Only

# FY2024 Year End Financials

Finance and Capital Committee



# Your Metro, the Way Forward

FY2024 Year End Financials



## Service excellence

*Deliver safe, reliable, convenient, equitable, accessible, and enjoyable service for customers.*



## Talented teams

*Attract, develop, and retain top talent where individuals feel valued, supported, and proud of their contribution.*



## Regional opportunity & partnership

*Design transit service to move more people and equitably connect a growing region.*



## Sustainability

*Manage resources responsibly to achieve a sustainable operating, capital, and environmental model.*

Focus  
today

### Objectives of Sustainability Goal

**Financial Sustainability** | Ensure efficient and responsible management of expenses to steward public investment and advance our Strategic Transformation Plan (STP) financial sustainability goal.

# FY2024 Year-End Results – Ridership and Revenue Grow by 20% or More from Prior Year

FY2024 Year End Financials

## FY2024 Metrorail

### vs. Budget

(\$29.3M)  
Revenue

(3.8M)  
Ridership

\$330.8M

\$301.4M

116.5M

112.7M

Revenue

Ridership

■ Budget  
■ Actual

### vs. FY2023

↑ 30%  
Revenue

↑ 27%  
Ridership

\*Tapped ridership only for both Actuals and Budget.

## FY2024 Metrobus

### vs. Budget

(\$17.8M)  
Revenue

11.9M  
Ridership

\$67.9M

\$50.1M

105.6M

117.5M

Revenue

Ridership

■ Budget  
■ Actual

### vs. FY2023

↓ 10%  
Revenue

↑ 15%  
Ridership

## FY2024 MetroAccess

### vs. Budget

(\$0.8M)  
Revenue

(0.1M)  
Ridership

\$4.9M

\$4.1M

1.5M

1.4M

Revenue

Ridership

■ Budget  
■ Actual

### vs. FY2023

↑ 0.2%  
Ridership

↓ 11%  
Revenue

## FY2024 Total

### vs. Budget

(\$47.9)  
Revenue

8.0M  
Ridership

\$403.5M

\$355.6M

223.7M

231.6M

Revenue

Ridership\*

■ Budget  
■ Actual

### vs. FY2023

↑ 20%  
Ridership

↑ 24%  
Revenue

\*Tapped ridership only for Metrorail

\*\*FY2024 Total Ridership (tapped and non-tapped rail ridership) was 242.2 million.

\*\*\*Actual revenue of \$355.6M was higher than the 2024 Year-End Forecast from November 2023 of \$345.3M

Amounts may not sum due to independent rounding

# WMATA Achieved \$62M Favorability in Expenses Through Stringent Budget Controls

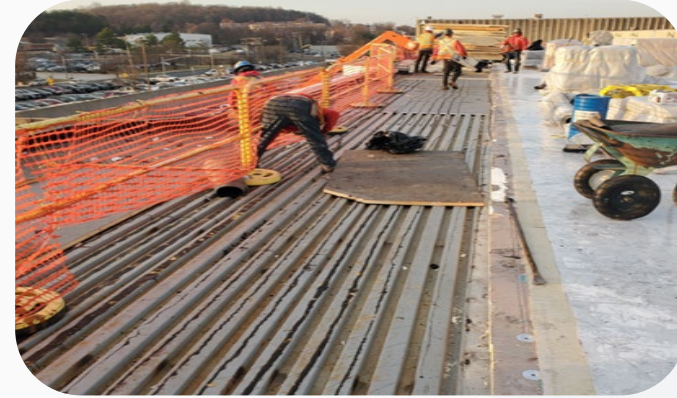
FY2024 Year End Financials

## Workforce Management



Hiring freeze and management of vacancies kept personnel expenses below budget

## Materials & Supplies



Savings on materials and supplies

## Building & Contract Maintenance



Efficiencies to reduce building maintenance costs and hardware/software maintenance costs

## Alternative Service Providers



Shift in paratransit trips to lower-cost alternative service providers

# FY2024 Year-End Operating Results Favorable by \$28M

FY2024 Year End Financials

(\$ in millions)	Budget	Actuals	
	FY2024	FY2024	Variance*
Rail	\$331	\$301	(\$29)
Bus	\$68	\$50	(\$18)
Access	\$5	\$4	(\$1)
Total – Passenger Revenue	\$404	\$356	(\$48)
Non-Passenger Revenue	\$103	\$117	\$14
<b>Total Revenue</b>	<b>\$507</b>	<b>\$473</b>	<b>(\$34)</b>
<b>Total Expenses</b>	<b>\$2,320</b>	<b>\$2,258</b>	<b>\$62</b>
<b>Gross Subsidy</b>	<b>\$1,813</b>	<b>\$1,785</b>	<b>\$28</b>

\*Favorable / (Unfavorable)

Note:

- **Figures are unaudited year-end results**
- Amounts may not sum due to independent rounding
- All figures exclude reimbursables; Gross subsidy includes jurisdictional subsidy and federal relief
- Jurisdictional subsidy remained at \$1,252M

## Revenue

Passenger revenue below budget due to unfavorable average fares across all modes with rail ridership slightly lower than forecast

Parking and Joint Development revenue below budget due to slow recovery and lease schedule changes, offset by higher interest earned on cash investments

## Expenses

Expense favorable to budget due to savings in vacancies, materials and supplies, contract maintenance, and continued shift of paratransit trips to alternative service providers

# Next Steps

FY2024 Year End Financials

- Continue FY2026 budget development
- Provide FY2026 and FY2027 operating budget outlook to Board in October
- Submit proposed GM FY2026 budget to Board in December