



As a courtesy to others, please silence all electronic devices during the meeting.



## 1. Call to Order

## 2. Committee Minutes



-  Finance & Audit Committee Minutes Pg 2

## 3. Committee Agenda

### A. Finance & Audit Committee Agenda

-  Amendment to LYNX' FY2016 Operating & Capital Budgets Pg 15
- Attachments 

### B. Finance & Audit Committee Agenda

-  Overview of FY2017 Proposed Operating & Capital Budgets Pg 33
- Attachments 

### C. Finance & Audit Committee Agenda

-  Election of Officers Pg 53

## 4. Committee Information Items

### A. Finance & Audit Committee Information

-  Monthly Financial Reports - June 30, 2016 Pg 54
- Attachments 

### B. Finance & Audit Committee Information

-  Monthly Financial Reports - July 31, 2016 Pg 61
- Attachments 

Section 286.0105, Florida Statutes states that if a person decides to appeal any decision made by a board, agency, or commission with respect to any matter considered at a meeting or hearing, he will need a record of the proceedings, and that, for such purposes, he may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based.

In accordance with the Americans With Disabilities Act of 1990, persons needing a special accommodation at this meeting because of a disability or physical impairment should contact Benjamin Gonzalez at 455 N. Garland Ave, Orlando, FL 32801 (407) 254-6038, not later than three business days prior to the meeting. If hearing impaired, contact LYNX at (407) 423-0787(TDD).

**LYNX**  
**Central Florida Regional Transportation Authority**  
**Finance & Audit Committee Meeting Minutes**

**PLACE:**        **LYNX Central Station**  
**455 N. Garland Avenue**  
**Open Space, 2<sup>nd</sup>. Floor**  
**Orlando, FL 32801**

**DATE:**        **July 20, 2016**

**TIME:**        **09:00 AM**

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**Members in Attendance:**

Chairperson Chris McCullion, City of Orlando  
Vice Chairperson Ray Walls, Orange County  
Michael Kurek, Osceola County  
Edward Bass, Seminole County  
Jo Santiago, FDOT  
Claudia Korobkoff, City of Orlando

**LYNX Staff in Attendance:**

Edward Johnson, Chief Executive Officer  
Blanche Sherman, Director of Finance  
Pat Christensen, LYNX' General Counsel

**Members Absent:**

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**1. Call to Order/Introduction**

Prior to the meeting being called to order, Chairperson Chris McCullion announced his resignation from the Committee and introduced Claudia Korobkoff, Transportation Planning Manager with the City of Orlando, as his replacement.

Vice Chairperson Ray Walls called the meeting to order at 09:08 AM.

**2. Approval of Prior Meeting Minutes**

Ray Walls asked for approval of the prior meeting minutes. **Motion** was made and seconded to approve the Minutes of the May 18, 2016 Finance & Audit Committee. The Motion passed unanimously.

**3. Finance & Audit Agenda Items**

✓ **Overview of the FY2017 Preliminary Capital Budget**

Ray Walls called on Blanche Sherman, Director of Finance, to provide an overview of the FY2017 Preliminary Capital Budget.

Ms. Sherman provided a brief overview of the FY2017 preliminary capital budget which is decreasing by approximately 16.5% over the FY2016 capital budget. The key capital budget assumptions are as follows:

- Enhance LYNX facilities
- Advanced fare collection – mobile ticketing
- Fleet to support all service modes
- Continue LYMMO expansion activities- LYMMO North Quarter and Lime line
- Passenger Amenities Program improvements
- Continuation of security and surveillance- spending 1% of federal apportionment with an issue for purchasing cameras that meet BuyAmerica standards
- Advance communications and technological capabilities

Ms. Sherman discussed the details of the FY2017 preliminary capital budget listed below:

#### FY2017 Preliminary Capital Budget by Category

	<b>Amended FY2016</b>	<b>Preliminary FY2017</b>	<b>Variance</b>
BRT Projects	\$ 13,083,894	\$ 4,089,870	\$ (8,994,024)
Facility Improvements	5,622,656	2,312,242	(3,310,414)
Passenger Amenities	9,777,044	12,376,722	2,599,678
Security Equipment	591,600	793,200	201,600
Support Equipment	4,761,187	4,200,094	(561,093)
Technology	5,542,331	5,103,855	(438,476)
Support Vehicles	641,130	564,003	(77,127)
Revenue Vehicles	51,714,463	47,138,019	(4,576,444)
	<b>\$ 91,734,305</b>	<b>\$ 76,578,005</b>	<b>\$ (15,156,300)</b>

Ms. Sherman then discussed the capital budget contributions and local contributions:

#### FY2017 Preliminary Capital Budget Contributions

<b>Capital Contributions</b>	<b>FY2017 Proposed Budget</b>	<b>FY2016 Amended Budget</b>	<b>Dollar Amount Change</b>
<b>Federal Contributions</b>	\$ 72,312,064	\$ 84,762,480	\$ (12,450,416)
<b>State Contributions</b>	759,433	429,256	330,177
<b>Local Contributions</b>	3,506,508	6,342,569	(2,836,061)
<b>Reserves</b>	-	200,000	(200,000)
	<b>\$ 76,578,005</b>	<b>\$ 91,734,305</b>	<b>\$ (15,156,300)</b>

## FY2017 Preliminary Capital Budget – Local Contributions

Description	FY2017 Preliminary Budget Amount	Source
LYMMO- Parramore	1,046,793	City of Orlando, Orlando Utilities Commission, Other Utilities
Capital Bus Lease	898,151	Local \$2 Capital
Articulated CNG Buses	1,263,967	Local \$2 Capital
Paratransit Vehicles	47,597	Local \$2 Capital
Passenger Amenities	250,000	Orange County
<b>Total</b>	<b>\$ 3,506,508</b>	

Ms. Sherman commented that the final Board action will be September 22 and the fiscal year will commence on October 1.

Ray Walls asked for any feedback or comments. Hearing none, Mr. Walls called for a motion for a recommendation to move forward with the FY2017 Preliminary Capital Budget.

**Motion** was made and seconded to approve a recommendation to move forward with the FY2017 Preliminary Capital Budget. The Motion passed unanimously.

### ✓ **Update on Comprehensive Fare Review**

Ray Walls called on Blanche Sherman to present an update on the Comprehensive Fare Review. Ms. Sherman introduced Joel Rey, Principal/Vice President and Director of Transportation and Transit Solutions and LaChant Barnett, Senior Project Manager with Tindal Oliver, to provide an overview of the study. Ms. Sherman stated that the study for this meeting does not include the LYMMO information, that a separate meeting will be held with the City of Orlando, and then staff will bring this information back to the Committee.

Mr. Rey commented on the study as something transit systems typically go through at some point in time when fare revenues depending on ridership may be declining on ridership and it is time to revisit the base cash fare and the rest of the fare structure to make sure it is in line with what the economy would bear, what ridership would bear, and what other transit systems are doing.

Mr. Rey discussed historical trends in ridership showing an initial decline from FY2008 to FY2009 of 11% followed by an overall increase from FY2010 to FY2013 of 24% and then a decline since FY2013 of 8%. The fare revenue followed suit with vehicle miles of service remaining static. The distribution of fare media usage had an increase in 30-day pass usage over weekly pass usage from FY2008 to FY2010 but has had very small fluctuations in

distribution of usage since FY2012. Mr. Rey spoke about the fare ridership decline in FY2015 and FY2016 and stated that when gasoline prices drop, people switch to automobiles and rail.

Mr. Rey discussed the growing ridership of SunRail but stated that the increased transfers from SunRail to the LYNX system do not have a significant impact as this represents a small amount of the overall transfers.

Mr. Rey also stated that the trend is different for paratransit ridership which continues to grow in FY2016 with a downturn in FY2015 due to the change in Medicaid.

After a brief discussion, the Committee members agreed to allow time for printing of the presentation for this item which was missing from the package and to continue with the Triennial review item.

### ✓ **FY2017 Federal Transit Administration Triennial Review Report**

Blanche Sherman called on Belinda Balleras, Manager of Grants, to discuss the FY2017 Federal Transit Administration (FTA) Triennial Review Report with the agreement of Mr. Walls. Ms. Balleras stated that the Triennial Review is required by Congress since the 1980s for Federal Transit Administration (FTA) grantees and is a review process of compliance with the management and administration of FTA funded projects.

Ms. Balleras discussed the following items:

- Is a forward looking assessment of risk related to handling of the grant programs
- FY2016 triennial review started last year and is one of several that FTA conducts during the year
- Is a report card of seventeen (17) review areas involving all the departments in the agency and in some cases can give rise to additional reviews
- Consists of a pre-site visit and a review site visit with an assessment of the responses once they are received
- Cleared on six areas prior to the site visit on March 7,8,9
- Out of the eleven (11) remaining areas, no deficiencies were found in seven (7) areas
- Review of findings include areas in compliance and areas with deficiencies
- Deficiencies are addressed with a corrective action plan

Ms. Balleras then discussed specific areas related to deficiencies as follows:

- ✓ **Facilities Maintenance**
  - Needed to update maintenance programs where lacking or add more where maintenance programs were missing, i.e. new leased facility at LB McLeod
  - Draft of the program was submitted in June
  - Deadline is the end of July

- ✓ Americans with Disabilities Act (ADA) Items
  - Eligibility determination
  - No show policy has been signed and submitted
  - Items were submitted in March and have been cleared as of July 6
  
- ✓ Procurement
  - Verification of excluded parties
  - System of Awarded Management (SAM) database verification
  - Independent cost estimate (ICE)
  - Documentation has been a work in process with completion expected before the August 9 deadline
  
- ✓ Drug Free Workplace/Drug and Alcohol Programs
  - Verification of random testing rate
  - Documentation is a work in progress
  - Refining the process for post-accident determination
  - Procedures were cleared on July 7 including drug and alcohol program
  - Have one pending item related to engagement of services of Orlando police officers which may or may not go to the Board in July
  - Letter was submitted to the FTA on July 8

Edward Johnson asked Ms. Balleras to discuss more details on the Orlando police officers.

Ms. Balleras discussed the requirement of grantees to have a drug & alcohol program for its own employees or that those that LYNX works with directly. LYNX engages the services of off duty City of Orlando police officers who are paid as individuals and are not part of LYNX' pool for testing. The City already has a program for these officers. The FTA is currently reviewing to see if the City's program can be grandfathered into LYNX' process. A draft agreement was submitted to FTA and is currently under review prior to taking the item to the Board.

Mr. Johnson stated that if LYNX continues to pay the police officers directly then they will either fall under LYNX' program or LYNX can create a unique program for these officers. If the city is paid directly, LYNX can demonstrate that the City has a program with random testing and the officers can now be viewed as independent contractors to the agency.

Claudia Korobkoff asked if LYNX was looking to enter into an agreement with the City. Mr. Johnson responded that LYNX is fine either way but LYNX does need to demonstrate that it has a bona fide program for the officers and is not in violation of the federal regulations for drug and alcohol enforcement.

Ms. Korobkoff stated that she has received a copy of the agreement and that she would touch base with LYNX' contact at the City, David Arnott to understand the best way to handle this from the City's perspective.

Ray Walls spoke about most of the items being administrative or minor operational changes.

Mr. Johnson spoke about the procurement findings not being the first write-up on this issue and updates to policies and procedures will be done to ensure this does not occur again. Mr. Johnson stated that a copy of the FTA letter would be sent to Committee members.

Mr. Johnson spoke about the consequences of repeated findings. Mr. Johnson has spoken to the Director of Procurement about the missing documents which were a staff oversight.

Mr. Bass asked if this was the only repeated deficiency. Ms. Balleras responded that there was a procurement issue in 2013. Mr. Johnson stated that the deficiency regarding OPD was new.

Mr. Walls asked if there was anything else.

✓ **Update on Comprehensive Fare Review (continued)**

Ray Walls then called on Mr. Rey to continue the presentation on the Comprehensive Fare Review. Mr. Rey discussed the following slides:

- Paratransit Trends  
Fare revenue has continued to increase
  
- Ridership Correlation to Gas Prices and Tri-County Area Average Poverty Rates
  - Relationship between gas prices and poverty rates to decreasing ridership- downward trend shows ridership dropping when gas prices drop and poverty levels drop
- Population Trends
  - Growing at 2.5% year for the tri-county area
  - Poverty levels may be on an upward trend in 2017
- Florida County Median Household Income – American Community Survey (ACS) 2010 – 2014
  - Consider ability of customers to pay
  - Pinellas and Miami-Dade Counties are above \$2.00 and customers are paying them fine
  - Any increase will impact customers are the lower end- all others should be able to accommodate the increase
- LYNX's Previous & Current Fare Structure
  - Comparison of LYNX' fare structure changes
  - Only minor fare structure changes since 2009
  - No fare increases for almost eight (8) years

- Florida and Peer System Transit Fare
  - Six systems have fares of \$2.00
  - Four systems of similar size to LYNX have fares of more than \$2.00
  - All of those four have past fare prices higher than LYNX
  - Broward County starting to look at fare increases
  - Miami- Dade and Charlotte are charging more than \$2.00 and also operate some type of rail
- Status Quo @ \$2.00
  - Hold all things stable at the current levels
  - Projected revenues looking at three trends (positive growth, no growth, and negative growth) with revenues dropping in two of the trends
- Fare Structure Proposals @ \$2.25, \$2.50, and \$3.00
  - Fare elasticity
    - Look at price sensitivity to the rider
    - Inverse relationship with the cost of the fare – for every 10% increase in fares expect a 3.7% decrease in ridership
  - Alternatives with a fare increase to \$2.25
    - One with corresponding increases in other fares while maintaining fare discounts- projected \$1M revenue increase
    - One with base pass increase and higher pass pricing- projected \$1.5M revenue increase
  - Other fare structure changes show similar alternatives with corresponding higher revenue increases
  - Recommending the fare structure @ \$2.25 with higher pass pricing- alternate

Mr. Rey and LaChant Barnett then discussed farebox recovery as follows:

- Farebox recovery target of 25-30% country wide with LYNX trending at 24%
- Previous fare increase resulted in a 32% fare box recovery after two years
- Trend is currently heading downwards
- Review of other systems within Florida with most agencies in the 18-23% range- not a lot of high end transit in Florida
- LYNX reports farebox recovery as part of the TDP as a state requirement which includes providing solutions to get farebox recovery back up for agencies that have decreasing trends
- State does not have a formal benchmark- no set thresholds

The group then discussed the following topics:

- Having detailed and consistent policies and data on each specific route on a regular basis
- FTA performance standards and the steps to take when the standards are not met
- Monitoring performance of different routes for possible elimination
- More direction on standards provided by FTA with MAP21 and FASTACT
- Farebox recovery rate is 15% for Votran, a much smaller system, with a fare of \$1.75
- Downward trend in ridership continuing in FY2018 if nothing is done in FY2017



- Decrease in ridership may stabilize over time
- Estimate of 26% farebox recovery rate with fare increase in FY2017

Mr. Rey continued to discuss the presentation slides as follows:

- NeighborLink
  - Doing well- ridership and revenue have increased since FY2015
  - Projected 4% decrease in ridership for FY2016
- Other Considerations
  - Consideration of impact of a fare increase on SunRail transfers
  - Partnering with UBER and LYFT for the first and last mile of trips- incorporating these services into LYNX' business model
  - UBER and LYFT may be possible competition for transit

Claudia Korobkoff asked about reaching out to SunRail. Ms. Sherman stated that reaching out to SunRail has not been done as per the notification clause in their agreement. Mr. Johnson commented on not moving too fast with a fare increase.

The group then discussed the following:

- Consideration of offsets to future budget issues
- Meeting separately on LYMMO
- Fare increase being an easier sell now with the economy improving
- Increases are being considered every year in budget assumptions and did have a standard of three years
- Possible inclusion of an adjustment in the budget every one or two years for increases rather than waiting over a longer period
- Going through an evaluation process
- Possibility of veterans having free fares (State is considering.)

Mr. Rey continued to discuss the last two slides as follows:

- Public Involvement
  - Public outreach at LYNX Central Station (LCS) and key transfer centers was conducted.
  - Data will continue to be gathered for a final report.
  - Findings from the public outreach on willingness and ability to pay an extra fee are as follows:

LYNX routes	52% Say cannot pay anything more
LYMMO	41% Say cannot pay more

- Next Steps
  - Finance & Audit Committee discussion
  - Determination on whether to move forward with a fare increase

- Seek public input on proposed fare structure
- Final adoption by the Board

The group then discussed the next steps including the following:

- From a budgetary standpoint, additional funding will be available in FY2017 if go ahead with increase
- An increase in FY2018 will be during an election year
- Declines in ridership continuing in FY2018 that will affect funding
- FTA Title VI requirements which include a fare equity analysis
- Completion of the survey by the end of July 2016 for Title VI
- Looking at an increase as a percentage on the cash fare for particular groups with a justification for going ahead with an increase if the percentage for a group exceeds threshold of 10%
- Possible public meetings in August
- Need to keep farebox threshold of 25%, if possible
- Time to balance that equity between subsidies (funding partners) and fares- at a point where LYNX has to do something with the decrease in fares
- Timing of the increase- typically January is the starting point
- Doing a comprehensive review of the layout of the efficiencies of the routes before moving forward with increases to eliminate inefficient routes first
- SunRail looking at a fare increase also
- Looking at poverty level of other systems in or outside of Florida and impact based on public participation
- Looking at the different rider characteristics for fixed route vs rail which is considered a premium service
- Making the system more efficient aligned with where the farebox recovery should be which includes review of fares

Mr. Walls asked about the timeframe. Ms. Sherman stated that the original deadline was September but the approach is changing based on considerations as discussed by Mr. Johnson. Ms. Sherman stated that the data gathering would continue for the final report and mentioned that there is a meeting with the City of Orlando next week to discuss a LYMMO fare review.

Ms. Sherman suggested going to the Oversight Committee in September. Mr. Johnson stated that he wants to come back to the Finance & Audit Committee as the clearing house. Mr. Walls asked that the item be brought back to the Committee once the final report was ready for review and then a recommendation will be made to the Oversight Committee. Mr. Johnson stated that a schedule would be developed.

#### ✓ **Update on LYNX Reserves**

Ray Walls called on Blanche Sherman to present an update on LYNX reserves. Ms. Sherman stated that update being provided is consistent with the reserve policy. Ms. Sherman stated

that matrixes have been provided comparing LYNX to other cities and counties (funding partners) and to other transit agencies.

Ms. Sherman then discussed the following table which summarizes the LYNX reserves:

LYNX Reserves	Minimum	Midpoint	Maximum
Operations	\$14,000,000	\$21,000,000	\$28,000,000
Contingency -5%	6,352,272	6,352,272	6,352,272
Capital Bus Lease	1,568,777	1,568,777	1,568,777
Articulated Buses	1,263,966	1,263,966	1,263,966
Replacement Buses	791,694	791,694	791,694
CNG Facility Improvements	2,705,733	2,705,733	2,705,733
Debt Service	797,282	797,282	797,282
Self-Insurance Programs	8,015,971	8,015,971	8,015,971
Fuel Stabilization	1,000,000	1,000,000	1,000,000
<b>Subtotal</b>	<b>\$36,495,695</b>	<b>\$43,495,695</b>	<b>\$50,495,695</b>
FY2015 \$2 Capital Funding	(2,098,684)	(2,098,684)	(2,098,684)
FY2016 \$2 Capital Funding	(2,118,590)	(2,118,590)	(2,118,590)
FY2017 \$2 Capital Funding	(2,112,896)	(2,112,896)	(2,112,896)
Self-Insurance (Long-term)	(2,676,165)	(2,676,165)	(2,676,165)
FY2014 Settlement Payout Budget	(1,200,000)	(1,200,000)	(1,200,000)
SIB Loan – Federally Funded	(797,282)	(797,282)	(797,282)
<b>Reserve Fund Requirement</b>	<b>\$25,492,078</b>	<b>\$32,492,078</b>	<b>\$39,492,078</b>
Unrestricted – Net Position	(43,190,768)	(43,190,768)	(43,190,768)
<b>Net Pension Asset</b>	<b>6,283,485</b>	<b>6,283,485</b>	<b>6,283,485</b>
<b>(Excess) Shortfall Cash Reserves</b>	<b>(\$11,415,205)</b>	<b>(\$4,415,195)</b>	<b>\$2,584,795</b>

Ms. Sherman mentioned that the one-time use of reserves was discussed with LYNX’ Board Chair with input from Mr. Walls to reduce the increase in FY2017 from 9.21% to 6.03% for local funding requirements. Since the use of reserves was previously discussed, additional revenue and cost savings including the elimination of the Compressed Natural Gas (CNG) adder have resulted and additional grant funds for paratransit services in a reduction in the amount of the reserves being recommended. Details of staff’s recommendation to apply \$1,946,397 for FY2017 are included in the table below:

	FY2016 Contribution	Proportion of Local Contribution	Proportion of Adopted FY2016 General Fund	FY2017 LYNX Proposed Contribution	% Increase	FY2017 Revised Proposed Contribution	% Increase	Change from Proposed
<b>Orange</b>	\$ 41,431,799	71%	5.1%	\$ 44,970,453	8.5%	\$ 43,503,389	5.0%	\$ (1,467,064)
<b>Osceola</b>	6,596,953	11%	2.5%	7,327,909	11.1%	7,088,852	7.5%	(239,057)
<b>Seminole</b>	6,389,083	11%	2.6%	7,365,255	15.3%	7,124,979	11.5%	(240,276)
<b>Orlando</b>	4,046,660	7%	N/A	4,542,603	12.3%	4,542,603	12.3%	-
<b>Total</b>	<b>\$ 58,464,495</b>	<b>100%</b>	<b>N/A</b>	<b>\$ 64,206,220</b>	<b>9.8%</b>	<b>\$ 62,259,823</b>	<b>6.5%</b>	<b>\$ (1,946,397)</b>

Mr. Walls spoke about the \$3.5M increase in local funding as originally proposed being a larger increase than expected for Orange County. In looking at contingency funding, LYNX would still be above the midpoint and would be close to the maximum next year with the use of \$1.9M in reserves. Orange County will provide the money if LYNX has an issue with a government shutdown and LYNX has the support of the Orange County Board.

Ms. Sherman spoke about the conservative level of reserves being higher but LYNX being in line with other transit agencies that also have funds to cover 60-90 days of operations. Ms. Sherman also mentioned that federal operating funds are provided two times a year and that the fares do not cover the costs.

Mr. Walls proposed that the reserves be utilized in amount to offset the increase less any adjustments. Mr. Walls stated that everyone benefits from the smoothing and LYNX still will still be close to the maximum even without a fare increase.

Mr. Walls made a **Motion** to set the proposed contribution rates as shown on the FY2017 revised proposed contribution column on page 168 (see chart above for \$1.9M) pending any adjustments that need to be made and any offsets from additional revenues and utilize reserves if needed.

Motion was seconded. Mr. Walls asked if there was any discussion. Mr. Bass asked about how the general fund was calculated. Mr. Walls responded that the information was taken for the budget book on the website and what the LYNX contribution was. Mr. Walls called for a vote. The Motion passed unanimously.

#### ✓ **FY2015 Florida Transportation Commission (FTC) Annual Oversight Report**

Ray Walls called on Blanche Sherman to discuss the FY2015 Florida Transportation Commission (FTC) Annual Oversight Report. Ms. Sherman mentioned that she and Mr. Johnson went to St. Petersburg where Mr. Johnson presented the LYNX performance measures to the FTC. Ms. Sherman then briefly discussed the establishment of the report in 2007 through House Bill 985.

Mr. Johnson stated that LYNX is measured against a number of agencies but Jacksonville Transportation Authority (JTA) is the primary agency used to measure how well LYNX is doing. Another agency included is Tri-rail system in South Florida.

Ms. Sherman reviewed the charts in the presentation which includes the following:

1. Summary of Performance Measures – FY2015  
Met six out of 12 objectives
2. Summary of Performance Measures – FY2014  
Met five out of twelve objectives
3. Transit Authority Performance Measure Data Needs
4. Five Year Trend for Transit Authority Performance Measures and Reportable Indicators

Ms. Sherman mentioned that the FY2015 objectives where operating expenses were included were not met with one exception due to cost increases. Ms. Sherman stated that staff is working with the FTC Committee to update the objectives and how they are calculated.

Mr. Johnson commented that there has been improvement in some areas even where the objectives were not met.

Ms. Sherman commented on the Customer Service measurement which is now at 10 days rather than 20 days with the improvement due to some system issues and efforts by the Customer service group.

Mr. Johnson commented on the meeting with FTC going well and being brief. Ms. Sherman mentioned that LYNX did not attend last year's meeting.

Mr. Johnson spoke about doing the efficiency studies and understanding LYNX' capital needs and stated that copies of all the slides and the two charts will be sent out to all employees today to understand that LYNX is being measured by the State and how LYNX is doing.

Mr. Bass commented on setting the objectives and if they are reviewed regularly. Ms. Sherman responded that objectives have not been reviewed regularly but are being looked at now. Mr. Johnson commented that the objectives do not take into account the service areas for the agency with LYNX covering three counties and many rural areas.

Mr. Walls stated that the information was appreciated and that no action was required.

✓ **Discussion regarding Authorization to Negotiate and Execute a Purchase Contract with NoPetro to Purchase the Property Adjacent to NoPetro's Compressed Natural Gas (CNG) Facility and the LYNX Maintenance Facility**

Ray Walls called on Blanche Sherman to discuss the purchase of property adjacent to LYNX' maintenance facility. Ms. Sherman mentioned that an action was being requested from the Committee. Ms. Sherman and Mr. Johnson discussed the purchase as follows:

1. NoPetro purchased property for their CNG facility and now have excess land that they want to sell that is adjacent to LYNX' maintenance facility. An offer has been received to purchase the property.
2. LYNX has first right of refusal to purchase the property for which NoPetro has a bona fide offer which has been appraised at \$1.3M.
3. LYNX will hire an appraiser and issue a notice to proceed to do the appraisal.
4. Expenses for the LB McLeod property leasing and repairs for the paratransit operations is approximately \$200K per year.
5. The new property will be used primarily to stage, maintain, and dispatch vehicles on property that LYNX owns with little space needed for office staff.

James Goldsmith, LYNX General Counsel, stated that a Request for Proposal (RFP) is currently being looked at for the paratransit services which would require an extension of the LB McLeod lease and a possible increase in the lease expense.

Mr. Johnson commented on being able to move the staff from LB McLeod and consolidating staff in the existing facility. Plans are being made to merge the two call centers.

Mr. Walls asked about what the \$1.3M would be used for if the land purchase was not made. Ms. Sherman and Ms. Balleras spoke about using the funds for capital including re-aligning funding depending on the timing for bus and bus facility grants. Mr. Johnson commented on additional funds being found for capital improvements on the land and making use of the existing office space for moving staff.

Mr. Walls commented on other uses of the land to benefit the facility including future expansion. Mr. Johnson commented on needing parking for employees and for additional articulated buses.

Ms. Sherman commented that an analysis had been done for leasing versus buying for the LB McLeod facility and would be updated as a requirement for FTA.

The group discussed the time sensitivity of this request, the need to go to the Board this month since the owner has a potential buyer, and that the LYNX Board only meets every other month.

Mr. Walls asked for a motion.

**Motion** was made and seconded to approve this and send this to Oversight. The Motion passed unanimously.

✓ **Other Business**

There was no other business.

**The meeting was adjourned at 11:22 AM.**

**Finance Committee Agenda Item #3.A.**

**To:** LYNX Finance & Audit Committee

**From:** Blanche Sherman  
DIRECTOR OF FINANCE  
Julie Caple  
(Technical Contact)

**Phone:** 407.841.2279 ext: 6100

**Item Name:** Amendment to LYNX' FY2016 Operating & Capital Budgets

**Date:** 9/14/2016

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**OVERVIEW:**

The FY2016 Amended Operating and Capital Budgets total \$221,970,779. The FY2016 Amended Operating Budget will increase from \$127,306,973 to \$128,609,889. The FY2016 Amended Capital Budget will increase from \$91,734,305 to \$93,360,890.

**BACKGROUND:**

The table below and corresponding bullets provide detailed information on the items comprising the operating budget amendment request:

FY2016 Operating Budget Amendment					
	FY2016 Amended Budget	Avalon Park School Connector	State Road 436 Transit Study	Reclassifications	FY2016 Amended Budget Total
<b>Revenue</b>					
Fund Balance	\$ 571,571	\$ -	\$ -	\$ -	\$ 571,571
LYNX-Generated Revenue	37,397,252	3,674	-	-	37,400,926
Federal Revenue	16,226,716	-	-	-	16,226,716
State Revenue	14,192,353	-	175,000	-	14,367,353
Local Revenue	58,919,081	29,242	1,095,000	-	60,043,323
<b>Total Revenue</b>	<b>\$ 127,306,973</b>	<b>\$ 32,916</b>	<b>\$ 1,270,000</b>	<b>\$ -</b>	<b>\$ 128,609,889</b>
<b>Expense</b>					
Salaries/Wages/Fringes	\$ 73,270,554	\$ 32,916	\$ -	\$ -	\$ 73,303,470
Other Services	10,962,728	-	1,270,000	-	12,232,728
Fuel	13,569,071	-	-	-	13,569,071
Materials & Supplies	8,284,043	-	-	-	8,284,043
Utilities	1,454,571	-	-	-	1,454,571
Casualty & Liability	1,524,850	-	-	(20,000)	1,504,850
Taxes & Tags	434,605	-	-	20,000	454,605
Purchased Transportation	16,494,772	-	-	-	16,494,772
Miscellaneous	826,779	-	-	(124,277)	702,502
Interest & Leases	485,000	-	-	124,277	609,277
<b>Total Operating Expenses</b>	<b>\$ 127,306,973</b>	<b>\$ 32,916</b>	<b>\$ 1,270,000</b>	<b>\$ -</b>	<b>\$ 128,609,889</b>

**Avalon Park School Connector** – At the May 26, 2016 Board Meeting, the Board approved an amendment for LYNX to enter into a Charter School Bus Service Agreement with the Econ River High School – Greater Orlando Campus in a not-to exceed amount of \$175,078 for bus service in East Orange County to serve their campus. The agreement is fully funded by Sunshine Charter School and is for a period of forty-one (41) weeks from commencement through September 30, 2017. The total portion pertaining to FY2016 is \$32,916 for thirty-four (34) school days. LYNX staff will amend the FY2016 Amended Operating Budget accordingly.

**State Road 436 Transit Study** - At the May 26, 2016 Board Meeting, the Board approved authorization to release a Request for Proposal (RFP) for a State Road (SR) 436 Transit Study in an estimated amount of \$1,270,000 and to amend the Operating Budget, accordingly. The primary focus of the study is a twenty-two (22) mile segment of SR 436 from the Orlando International Airport in Orange County, FL to SR 434 in Seminole County, FL. The study seeks to evaluate various transportation alternatives to enhance transit services along SR 436. The funding will be provided by jurisdictions as listed in the table below:

<u>Jurisdiction</u>	<u>Amount</u>
City of Orlando	\$ 450,000
Orange County	190,000
Seminole County	455,000
FDOT	175,000
	<u><u>\$ 1,270,000</u></u>



**Reclassifications** – The following items are being reclassified:

- Interest Expense - \$124,277 is being reclassified from Miscellaneous to Interest & Leases
- Vehicle Licenses & Tags - \$20,000 is being reclassified from Casualty & Liability Insurance to Taxes & Tags

The following table summarizes the adjustments mentioned above and formally amends the FY2016 Amended Operating Budget from \$127,306,973 to \$128,609,889 as follows:

**FY2016 Amended Operating Budget**

<b>Operating Revenues</b>	<b>FY2016 Amended Budget March</b>		<b>FY2016 Amended Budget</b>
	<b>2016</b>	<b>Revisions</b>	<b>September 2016</b>
Fund Balance	\$ 571,571	\$ -	\$ 571,571
LYNX-Generated Revenue	37,397,252	3,674	37,400,926
Federal Revenue	16,226,716	-	16,226,716
State Revenue	14,192,353	175,000	14,367,353
Local Revenue	58,919,081	1,124,242	60,043,323
<b>Total Revenue</b>	<b>\$ 127,306,973</b>	<b>\$ 1,302,916</b>	<b>\$ 128,609,889</b>

These funds are programmed to fund the following types of expenses:

<b>Operating Expenses</b>	<b>FY2016 Amended Budget March</b>		<b>FY2016 Amended Budget</b>
	<b>2016</b>	<b>Revisions</b>	<b>September 2016</b>
Salaries/Wages/Fringes	\$ 73,270,554	\$ 32,916	\$ 73,303,470
Other Services	10,962,728	1,270,000	12,232,728
Fuel	13,569,071	-	13,569,071
Materials & Supplies	8,284,043	-	8,284,043
Utilities	1,454,571	-	1,454,571
Casualty & Liability	1,524,850	(20,000)	1,504,850
Taxes & Tags	434,605	20,000	454,605
Purchased Transportation	16,494,772	-	16,494,772
Miscellaneous	826,779	(124,277)	702,502
Interest & Leases	485,000	124,277	609,277
<b>Total Operating Expenses</b>	<b>\$ 127,306,973</b>	<b>\$ 1,302,916</b>	<b>\$ 128,609,889</b>

The table below and corresponding bullets provide detailed information on the items comprising the capital budget amendment request:

FY2016 Capital Budget Amendment									
Revenue	FY2016 Amended Budget	Paratransit Replacement Vehicle	Compressed Natural Gas Facility Improvements	Parramore BRT - OUC JPA	Parramore BRT - Project "C"	East/West BRT Improvement Project	No-Petro Vacant Land Purchase	Road Rangers	FY2016 Amended Budget Total
Federal Revenue	\$ 84,762,480	\$ (96,334)	\$ (2,890,599)	\$ -	\$ -	\$ 83,200	\$ 1,300,000		\$ 83,158,747
State Revenue	429,256	48,167		-	-	-	-	71,165	548,588
Local Revenue	6,342,569	48,167	2,705,733	8,374	327,912	20,800	-	-	9,453,555
Reserves	200,000	-	-	-	-	-	-	-	200,000
<b>Total Revenue</b>	<b>\$ 91,734,305</b>	<b>\$ -</b>	<b>\$ (184,866)</b>	<b>\$ 8,374</b>	<b>\$ 327,912</b>	<b>\$ 104,000</b>	<b>\$ 1,300,000</b>	<b>\$ 71,165</b>	<b>\$ 93,360,890</b>
Expense									
Revenue Vehicles	\$ 52,355,593	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,000	\$ 52,359,593
BRT	13,083,894	-	-	8,374	327,912	104,000	-	-	13,524,180
Facilities	5,622,656	-	(184,866)	-	-	-	1,300,000	-	6,737,790
Passenger Amenities	9,777,044	-	-	-	-	-	-	-	9,777,044
Technology	5,542,331	-	-	-	-	-	-	-	5,542,331
Security	591,600	-	-	-	-	-	-	-	591,600
Support Equipment	4,761,187	-	-	-	-	-	-	67,165	4,828,352
<b>Total Operating Expenses</b>	<b>\$ 91,734,305</b>	<b>\$ -</b>	<b>\$ (184,866)</b>	<b>\$ 8,374</b>	<b>\$ 327,912</b>	<b>\$ 104,000</b>	<b>\$ 1,300,000</b>	<b>\$ 71,165</b>	<b>\$ 93,360,890</b>

**Paratransit Replacement Vehicles** – At the April 14, 2016 Board meeting, the Board authorized a purchase order in the amount of \$481,674 for six (6) paratransit replacement vehicles. In addition, the Board approved an amendment for a 10% local match in the amount of \$48,167 from the \$2 Local Capital Funding and 10% State funding from FDOT. As such, \$96,334 is being transferred from Federal funds to local and state. The funding for these vehicles will be 80% federal, 10% FDOT, and 10% local \$2 capital contributions as follows:

Funding Sources	Funding Amounts
Federal – 80%	\$385,340
State - 10%	48,167
Local \$2 Capital -10%	48,167
<b>Total</b>	<b>\$481,674</b>

**Compressed Natural Gas (CNG) Facility Improvements** – At the May 26, 2016 Board meeting, the Board authorized the use of available \$2 Capital Contribution for the CNG facility improvements in an amount not-to-exceed \$2,625,733 and \$80,000 for engineer oversight. On December 21, 2015, FTA notified LYNX staff that the sale proceeds from the South Street facility could not be used to fund the CNG improvements. As such, LYNX staff amended the FY2016 Amended Capital Budget to reflect the \$2,705,733 change in funding source from Federal to Local.

**LYMMO Lime Line - Orlando Utilities Commission (OUC) Electrical Upgrades** – At the April 14, 2014 Board meeting, the Board authorized an amendment to the Joint Project Agreement with OUC in the amount of \$8,374 to support the change order for electrical upgrades that exceeded the available contingency funding. As such, LYNX staff amended the FY2016 Amended Capital Budget increasing the OUC funding for the LYMMO Lime line BRT from \$1,227,814 to \$1,236,188.

**Parramore BRT – Project “C”** - At the May 26, 2016 Board meeting, the Board approved an amendment for modifications to Balfour Beatty Construction Contract 14-C26 for the Parramore BRT Project, creating Project C – City of Orlando additional scope in the amount of \$327,912. This modification is being funded with local funds from the City of Orlando.

**East/West BRT Project** – At the September 22, 2016 Board meeting, LYNX staff will be seeking authorization from the Board for approval to amend the existing Interlocal agreement between LYNX and the City of Orlando to provide an additional cash match for improvements to two intersections on the Grapefruit Line. The estimated cost of these improvements are \$104,000 with a required local match of \$20,800 and federal funding in the amount of \$83,200.

**No-Petro Vacant Land Purchase** – At the July 28, 2016 Board meeting, the Board approved authorization to enter into a contract with NoPetro to purchase approximately six (6) acres of vacant land adjacent to both NoPetro’s CNG Fueling Facility and the LYNX Maintenance Facility in an amount not-to-exceed of \$1,300,000, contingent upon securing federal funding to support the land acquisition.

**Road Ranger Assistance Program Contract Modification** – At the January 28, 2016 Board meeting, the Board authorized modification of Contract #BDV 03 - Amendment #2 with the Florida Department of Transportation (FDOT) to increase contract funding by \$133,880. LYNX staff is amending the Capital for \$76,165. The remaining \$57,715 was previously factored into the FY2016 Adopted Operating Budget.

The following table summarizes the adjustments related to FY2016 Amended Capital Budget as follows:

**FY2016 Amended Capital Budget**

<b>Capital Contributions</b>	<b>FY2016 Amended Budget April 2016</b>	<b>Revisions</b>	<b>FY2016 Amended Budget September 2016</b>
Federal Contributions	\$ 84,762,480	\$ (1,603,733)	\$ 83,158,747
State Contributions	429,256	119,332	548,588
Local Contributions	6,342,569	3,110,986	9,453,555
Reserves	200,000	-	200,000
<b>Total</b>	<b>\$ 91,734,305</b>	<b>\$ 1,626,585</b>	<b>\$ 93,360,890</b>

These funds are programmed to fund the following types of expenditures:

<u>Capital Expenditures</u>	FY2016		FY2016
	Amended Budget April 2016	Revisions	Amended Budget September 2016
Revenue Vehicles	\$ 52,355,593	\$ 4,000	\$ 52,359,593
BRT	13,083,894	440,286	13,524,180
Facilities	5,622,656	1,115,134	6,737,790
Passenger Amenities	9,777,044	-	9,777,044
Technology	5,542,331	-	5,542,331
Security	591,600	-	591,600
Support Equipment	4,761,187	67,165	4,828,352
<b>Total</b>	<b>\$ 91,734,305</b>	<b>\$ 1,626,585</b>	<b>\$ 93,360,890</b>

**CONCLUSION**

The FY2016 Amended Operating Budget will be presented to the Oversight Committee and Board of Directors for final consideration and approval at the September 22, 2016 meetings.

# FY2016 Amended Operating & Capital Budgets

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Presented to the  
LYNX Finance & Audit Committee  
by Blanche W. Sherman, CPA  
Director of Finance  
September 14, 2016

# FY2016 Operating Budget Overview



	<b>FY2016 Amended Budget April 2016</b>	<b>FY2016 Amended Budget September 2016</b>	<b>% Change</b>
<b>Operating Revenue</b>	\$ 127,306,973	\$ 128,609,889	1.0%
<b>Operating Expenses</b>	127,306,973	128,609,889	1.0%
<b>Operating Income/(Deficit)</b>	\$ -	\$ -	0.0%

# Key Operating Budget Amendment Basis



- **Avalon Park School Connector** – an agreement with the Sunshine High School – Greater Orlando Campus. This agreement is fully funded by Sunshine High School for bus service in East Orange County to serve their Campus - \$32,916
- **State Road (SR) 436 Corridor Study** - primary focus on a twenty two (22) mile segment of SR 436 from the Orlando International Airport in Orange County, FL to SR 434 in Seminole County, FL. The study seeks to evaluate various transportation alternatives to enhance transit services along SR 436 - \$1,270,000 with funding as follows:

<u>Jurisdiction</u>	<u>Amount</u>
City of Orlando	450,000
Orange County	190,000
Seminole County	455,000
FDOT	175,000
	<u><b>1,270,000</b></u>

# Key Operating Budget Amendment Basis



- **Reclassifications:**
  - Interest Expense - \$124,277 is being reclassified from Miscellaneous to Interest & Leases
  - Vehicle Licenses & Tags - \$20,000 is being reclassified from Casualty & Liability Insurance to Taxes & Tags



# FY2016 Operating Revenue



	FY2016 Amended Budget April 2016	FY2016 Amended Budget September 2016	Dollar Change Amount	% Change
<b>Operating Revenues</b>				
Fund Balance	\$ 571,571	\$ 571,571	\$ -	0.0%
Customer Fares	29,456,134	29,459,808	3,674	0.0%
Contract Services	5,398,265	5,398,265	-	0.0%
Advertising on Buses	2,050,000	2,050,000	-	0.0%
Advertising - Trade	30,000	30,000	-	0.0%
Interest & Other Income	462,853	462,853	-	0.0%
Federal Revenue	16,226,716	16,226,716	-	0.0%
State Revenue	14,192,353	14,367,353	175,000	1.2%
Local Revenue	58,919,081	60,043,323	1,124,242	1.9%
<b>Total Revenue</b>	<b>\$127,306,973</b>	<b>\$ 128,609,889</b>	<b>\$ 1,302,916</b>	<b>1.0%</b>

# FY2016 Operating Expenses



	FY2016 Amended Budget April 2016	FY2016 Amended Budget September 2016	Dollar Change Amount	% Change
<b>Operating Expenses</b>				
Salaries/Wages/Fringes	\$ 73,270,554	\$ 73,303,470	\$ 32,916	0.0%
Other Services	10,962,728	12,232,728	1,270,000	10.4%
Fuel	13,569,071	13,569,071	-	0.0%
Materials & Supplies	8,284,043	8,284,043	-	0.0%
Utilities	1,454,571	1,454,571	-	0.0%
Casualty & Liability	1,524,850	1,504,850	(20,000)	-1.3%
Taxes & Tags	434,605	454,605	20,000	4.4%
Purchased Transportation	16,494,772	16,494,772	-	0.0%
Miscellaneous	826,779	702,502	(124,277)	-17.7%
Interest & Leases	485,000	609,277	124,277	20.4%
<b>Total Operating Expenses</b>	<b>\$127,306,973</b>	<b>\$ 128,609,889</b>	<b>\$ 1,302,916</b>	<b>1.0%</b>

# Key Capital Budget Amendment

- **Paratransit Replacement Vehicles** - 10% local match (\$48,167) from \$2 Capital Funding and 10% state funding (\$48,167) from FDOT - \$94,334 transferred from federal funds to local and state
- **Compressed Natural Gas (CNG) Facility Improvements** - use of \$2 Capital Contribution for CNG facility improvements and engineer oversight in not to exceed amounts of \$2,625,733 and \$80,000, respectively. The funding source is changing from federal to local.
- **LYMMO Lime line** – Orlando Utilities Commission electrical upgrades - \$8,374
- **Parramore BRT – Project “C”** - modifications to LYMMO Lime line Balfour Beatty Construction Contract - creating Project “C” additional scope with local funds from the City of Orlando - \$327,912

# Key Capital Budget Amendment

- **East/West BRT Project** - to amend the existing Interlocal agreement between LYNX and the City of Orlando to provide an additional cash match for improvement to two intersections on the Grapefruit Line. The estimated cost of these improvements are \$104,000 with a required local match of \$20,800 and federal funding in the amount of \$83,200
- **No-Petro Vacant Land Purchase** – to purchase approximately six (6) acres of vacant land adjacent to both NoPetro’s CNG Fueling Facility and the LYNX Maintenance Facility in an amount not-to-exceed of \$1,300,000, contingent upon securing federal funding to support the land acquisition
- **Road Ranger Assistance Program Contract Modification** - Contract #BDV 03 - Amendment #2 with the Florida Department of Transportation (FDOT) to increase contract funding by \$133,880. LYNX staff is amending the Capital for \$76,165. The remaining \$57,715 was previously factored into the FY2016 Adopted Operating Budget

# FY2016 Capital Budget Overview



	FY2016 Amended Budget April 2016	FY2016 Amended Budget September 2016	% Change
<b>Capital Contributions</b>	\$ 91,734,305	\$ 93,360,890	1.8%
<b>Capital Expenditures</b>	91,734,305	93,360,890	1.8%
<b>Capital Gains/(Losses)</b>	\$ -	\$ -	N/A

# FY2016 Capital Budget Contributions



<b>Capital Contributions</b>	<b>FY2016 Amended Budget</b>		<b>FY2016 Amended Budget</b>
	<b>April 2016</b>	<b>Revisions</b>	<b>September 2016</b>
Federal Contributions	\$ 84,762,480	\$ (1,603,733)	\$ 83,158,747
State Contributions	429,256	119,332	548,588
Local Contributions	6,342,569	3,110,986	9,453,555
Reserves	200,000	-	200,000
<b>Total</b>	<b>\$ 91,734,305</b>	<b>\$ 1,626,585</b>	<b>\$ 93,360,890</b>

# FY2016 Capital Expenditures



<u>Capital Expenditures</u>	FY2016		FY2016 Amended
	Amended Budget	Revisions	Budget
	April 2016		September 2016
Revenue Vehicles	\$ 52,355,593	\$ 4,000	\$ 52,359,593
BRT	13,083,894	440,286	13,524,180
Facilities	5,622,656	1,115,134	6,737,790
Passenger Amenities	9,777,044	-	9,777,044
Technology	5,542,331	-	5,542,331
Security	591,600	-	591,600
Support Equipment	4,761,187	67,165	4,828,352
<b>Total</b>	<b>\$ 91,734,305</b>	<b>\$ 1,626,585</b>	<b>\$ 93,360,890</b>

# Conclusion



The FY2016 Amended Operating Budget will be presented to the Board of Directors for final consideration and approval at the September 22, 2016 Board Meeting.

	<b>FY2016 Amended Budget April 2016</b>	<b>FY2016 Amended Budget September 2016</b>	<b>% Change</b>
Operating	\$ 127,306,973	\$ 128,609,889	1.0%
Capital	91,734,305	93,360,890	1.8%
<b>Total</b>	<b>\$ 219,041,278</b>	<b>\$ 221,970,779</b>	<b>1.3%</b>



**Finance Committee Agenda Item #3.B.**

**To:** LYNX Finance & Audit Committee

**From:** Blanche Sherman  
DIRECTOR OF FINANCE  
Julie Caple  
(Technical Contact)

**Phone:** 407.841.2279 ext: 6100

**Item Name:** Overview of FY2017 Proposed Operating & Capital Budgets

**Date:** 9/14/2016

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At the April 14, 2016 Board meeting, staff presented the preliminary FY2017 Operating Budget in the amount of \$129,927,962 to the Board of Directors. Since then, presentations have been made and/or information has been provided to Orange, Osceola, and Seminole counties, assumptions have been reexamined and the cost of providing service for next fiscal year has been discussed, which has decreased the FY2017 Operating Budget by .18%.

Final approval from the funding partners regarding their proposed funding levels of service is needed. If the final approved funding levels are different than expected, we will adjust our budget accordingly.

**OVERVIEW:**

**Budget Highlights**

The FY2017 proposed budget totals \$206,149,005, of which \$129,700,062 represents operating expenses and \$76,448,943 represents capital expenditures. This is a net decrease in the total budget of \$15,821,774 or 7.1% from the FY2016 Amended Budget.

**Operating Budget**

The proposed Operating Budget for FY2017 is \$129,700,062 which is an increase of \$1,090,173 or .8% from the FY2016 Amended Operating Budget.

The Operating Budget is funded by a combination of LYNX-generated revenue and federal, state, and local dollars. These funds are used to fund personnel, services, materials, supplies, taxes, utilities, casualty & liability, purchased transportation, leases and miscellaneous expenses. Specifically, this budget includes funds from the following sources:

	<b>FY2017 Proposed Budget</b>	<b>FY2016 Amended Budget</b>	<b>Dollar Change Amount</b>	<b>% Change</b>
<b>Operating Revenues</b>				
Fund Balance	\$ 1,023,348	\$ 571,571	\$ 451,777	79.0%
Customer Fares	26,167,535	29,459,808	(3,292,273)	-11.2%
Contract Services	5,742,153	5,398,265	343,888	6.4%
Advertising on Buses	2,332,134	2,050,000	282,134	13.8%
Advertising - Trade	30,000	30,000	-	0.0%
Interest & Other Income	681,206	462,853	218,353	47.2%
Federal Revenue	17,098,651	16,226,716	871,935	5.4%
State Revenue	13,704,285	14,367,353	(663,068)	-4.6%
Local Revenue	62,920,750	60,043,323	2,877,427	4.8%
<b>Total Revenue</b>	<b>\$ 129,700,062</b>	<b>\$ 128,609,889</b>	<b>\$ 1,090,173</b>	<b>0.8%</b>

The funds are programmed to fund the following types of expenses:

	<b>FY2017 Proposed Budget</b>	<b>FY2016 Amended Budget</b>	<b>Dollar Change Amount</b>	<b>% Change</b>
<b>Operating Expenses</b>				
Salaries/Wages/Fringes	\$ 75,960,271	\$ 73,303,470	\$ 2,656,801	3.6%
Other Services	13,251,111	12,232,728	1,018,383	8.3%
Fuel	9,329,958	13,569,071	(4,239,113)	-31.2%
Materials & Supplies	7,973,395	8,284,043	(310,648)	-3.7%
Utilities	1,475,080	1,454,571	20,509	1.4%
Casualty & Liability	1,583,631	1,504,850	78,781	5.2%
Taxes & Tags	436,843	454,605	(17,762)	-3.9%
Purchased Transportation	18,251,224	16,494,772	1,756,452	10.6%
Miscellaneous	854,476	702,502	151,974	21.6%
Interest & Leases	584,073	609,277	(25,204)	-4.1%
<b>Total Operating Expenses</b>	<b>\$ 129,700,062</b>	<b>\$ 128,609,889</b>	<b>\$ 1,090,173</b>	<b>0.8%</b>

### Capital Budget

The proposed Capital Budget for FY2017 is \$76,448,943, which is a decrease of \$16,911,947 or approximately 18.1% less than the FY2016 Amended Capital Budget. The decrease in the capital budget from the FY2016 Amended Capital Budget results from a decrease in Paratransit vehicle replacements, Parramore BRT and the completion of construction modification to the CNG bus facility.

The capital budget is funded from a combination of federal, state and local sources, and includes items such as the planned purchase of replacement buses and vans, bus shelters, and the use of technology to assist in service delivery and improvements. The majority of the capital budget, 94.55% is funded through federal grants, 1.06% is funded through state grants, and the remaining 4.39% through local funds. The local contribution from the funding partners covers the capital bus lease, paratransit vehicles and LYMMO BRT expansion projects. In addition, funding through LYNX negotiated agreements contribute to passenger shelter costs.

Specifically, this budget includes funds from the following areas:

<u>Capital Contributions</u>	<u>FY2017 Proposed Budget</u>	<u>FY2016 Amended Budget</u>	<u>% Change</u>
Federal Contributions	\$ 72,285,020	\$ 83,158,747	-13.1%
State Contributions	807,945	548,588	47.3%
Local Contributions	3,355,978	9,453,555	-64.5%
Reserves	-	200,000	-100.0%
<b>Total</b>	<b>\$ 76,448,943</b>	<b>\$ 93,360,890</b>	<b>-18.1%</b>

The funds are programmed to fund the following types of capital expenditures:

<u>Description</u>	<u>FY2017 Proposed Budget</u>	<u>FY2016 Amended Budget</u>	<u>Dollar Amount Change</u>	<u>% Change</u>
BRT	\$ 3,087,566	\$ 13,524,180	\$ (10,436,614)	-77.2%
Facilities	3,593,638	6,737,790	(3,144,152)	-46.7%
Passenger Amenities	12,260,505	9,777,044	2,483,461	25.4%
Security	796,063	591,600	204,463	34.6%
Support Equipment	4,047,058	4,828,352	(781,294)	-16.2%
Technology	5,084,293	5,542,331	(458,038)	-8.3%
Support Vehicles	524,511	641,130	(116,619)	-18.2%
Revenue Vehicles	47,055,309	51,718,463	(4,663,154)	-9.0%
<b>Total</b>	<b>\$ 76,448,943</b>	<b>\$ 93,360,890</b>	<b>\$ (16,911,947)</b>	<b>-18.1%</b>

Notes:

- 1) BRT includes the Orange and Lime LYMMO line capital activities, as well as, the FlexBus project.
- 2) Facilities include funds for LCS, LOC, Osceola and LB McLeod improvements.
- 3) Passenger amenities include shelters, transfer centers, solar power, benches, and trash receptacles.
- 4) Technology includes items to improve communication and information delivery such as network improvements, servers, software upgrades and real time information.
- 5) Security includes equipment to enhance security and surveillance.
- 6) Support equipment includes items such as mobile ticketing, fare payment on board validators, health and wellness equipment, shop tools, furniture, and radios.
- 7) Vehicles include expansion and replacement vehicles for fixed-route, vanpool, and paratransit services and support vehicles.

**CONCLUSION:**

The FY2017 Proposed Operating and Capital Budgets will be presented to the Oversight Committee and Board of Directors for final consideration and approval at the September 22, 2016 meetings.

# **FY2017 Proposed Operating & Capital Budgets**

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**Presented to the  
LYNX Finance & Audit Committee  
by Blanche W. Sherman, CPA  
Director of Finance  
September 14, 2016**

# Key Budget Assumptions - Overall

- FY2017 Funding based on the adopted LYNX Funding Model
- Maximize current service levels through efficiencies
- Apply additional Flex (NeighborLink) services, where appropriate

# Key Budget Assumptions - Revenue

- Maintain current Preventative Maintenance funding Level, as approved by LYNX' Board
- Maximize use of Anticipated Advertising Revenue

# Key Budget Assumptions - Expenses

- Salary increases consistent with Funding Partners
- Anticipated impact of a new Union contract
- Continuation of Fuel Hedging Program, as appropriate
- Impact of conversion to Compressed Natural Gas (CNG)
- Impacts of converting to Self-Insured Health Insurance Program
- Continued application of reductions based on LYNX ownership of Paratransit vehicles
- Continuation of Bio-diesel Program, as appropriate



# Pending Items

- Implementation of Funding Partner approved COA Recommendations
- Impacts of SunRail Phase 2 (South & North) expansion



# FY2017 Operating Budget Overview

	<b>FY2016 Amended Budget</b>	<b>FY2017 Proposed Budget</b>	<b>% Change</b>
<b>Operating Revenue</b>	\$ 128,609,889	\$ 129,700,062	0.8%
<b>Operating Expenses</b>	128,609,889	129,700,062	0.8%
<b>Operating Income/(Deficit)</b>	\$ -	\$ -	N/A

# FY2017 Operating Revenue



	<b>FY2017 Proposed Budget</b>	<b>FY2016 Amended Budget</b>	<b>Dollar Change Amount</b>	<b>% Change</b>
<b>Operating Revenues</b>				
Fund Balance	\$ 1,023,348	\$ 571,571	\$ 451,777	79.0%
Customer Fares	26,167,535	29,459,808	(3,292,273)	-11.2%
Contract Services	5,742,153	5,398,265	343,888	6.4%
Advertising on Buses	2,332,134	2,050,000	282,134	13.8%
Advertising - Trade	30,000	30,000	-	0.0%
Interest & Other Income	681,206	462,853	218,353	47.2%
Federal Revenue	17,098,651	16,226,716	871,935	5.4%
State Revenue	13,704,285	14,367,353	(663,068)	-4.6%
Local Revenue	62,920,750	60,043,323	2,877,427	4.8%
<b>Total Revenue</b>	<b>\$ 129,700,062</b>	<b>\$ 128,609,889</b>	<b>\$ 1,090,173</b>	<b>0.8%</b>

# FY2017 Operating Expenses



	<b>FY2017 Proposed Budget</b>	<b>FY2016 Amended Budget</b>	<b>Dollar Change Amount</b>	<b>% Change</b>
<b>Operating Expenses</b>				
Salaries/Wages/Fringes	\$ 75,960,271	\$ 73,303,470	\$ 2,656,801	3.6%
Other Services	13,251,111	12,232,728	1,018,383	8.3%
Fuel	9,329,958	13,569,071	(4,239,113)	-31.2%
Materials & Supplies	7,973,395	8,284,043	(310,648)	-3.7%
Utilities	1,475,080	1,454,571	20,509	1.4%
Casualty & Liability	1,583,631	1,504,850	78,781	5.2%
Taxes & Tags	436,843	454,605	(17,762)	-3.9%
Purchased Transportation	18,251,224	16,494,772	1,756,452	10.6%
Miscellaneous	854,476	702,502	151,974	21.6%
Interest & Leases	584,073	609,277	(25,204)	-4.1%
<b>Total Operating Expenses</b>	<b>\$ 129,700,062</b>	<b>\$ 128,609,889</b>	<b>\$ 1,090,173</b>	<b>0.8%</b>



# FY2017 Local Revenue by Jurisdiction

LYNX FY2017 Preliminary Local Funding					
	Amended Local Funding FY2016		Preliminary Regional Model Need for FY2017 **	Dollar Change	Percentage Change
Orange County	\$ 39,920,495 *		\$ 41,805,229 **	\$ 1,884,734	4.72%
Osceola County	6,393,683 *		6,889,938 **	496,255	7.76%
Seminole County	6,630,067		7,004,157 **	374,090	5.64%
City of Orlando	4,517,460 *		4,542,603 **	25,143	0.56%
City of Orlando - LYMMO	2,305,411		2,200,910	(104,501)	-4.53%
Subtotal	<u>\$ 59,767,116</u>		<u>\$ 62,442,837</u>	<u>\$ 2,675,721</u>	4.48%
St. Cloud	\$ -		\$ -	\$ -	0.00%
Altamonte Springs	120,900		120,900	-	0.00%
Sanford	93,000		93,000	-	0.00%
Lake County	259,990		264,013	4,023	1.55%
Subtotal	<u>\$ 473,890</u>		<u>\$ 477,913</u>	<u>\$ 4,023</u>	0.85%
<b>Capital Contributions:</b>					
Orange County	\$ 1,701,304		\$ 1,698,160	\$ (3,144)	-0.18%
Osceola County	203,270		198,914	(4,356)	-2.14%
Seminole County	214,016		215,822	1,806	0.84%
Subtotal	<u>\$ 2,118,590</u>		<u>\$ 2,112,896</u>	<u>\$ (5,694)</u>	-0.27%
<b>Total Local Funds</b>	<u>\$ 62,359,596</u>		<u>\$ 65,033,646</u>	<u>\$ 2,674,050</u>	4.29%

\* Includes prepaid funding from Osceola County, City of Orlando, and Orange County for new Service Development  
 \*\* The FY2017 Funding Model included the use of reserves, additional revenues, and cost savings to reduce the local funding requirements by \$1,946,397, plus the funding for SR 436 Transit Corridor Study.

# Key Capital Budget Assumptions

- Enhance LYNX facilities
- Advanced Fare Collection – Mobile Ticketing
- Fleet to support all service modes
- Continue LYMMO expansion activities
- Passenger Amenities Program improvements
- Continuation of security and surveillance
- Advance communications and technological capabilities

# FY2017 Capital Budget Overview

	FY2016 Amended Budget	FY2017 Proposed Budget	% Change
<b>Capital Contributions</b>	\$ 93,360,890	\$ 76,448,943	-18.1%
<b>Capital Expenditures</b>	93,360,890	76,448,943	-18.1%
<b>Capital Gains/(Losses)</b>	\$ -	\$ -	N/A

# FY2017 Capital Budget Contributions

<u>Capital Contributions</u>	<u>FY2017 Proposed Budget</u>	<u>FY2016 Amended Budget</u>	<u>Dollar Amount Change</u>	<u>% Change</u>
Federal Contributions	\$ 72,285,020	\$ 83,158,747	\$ (10,873,727)	-13.1%
State Contributions	807,945	548,588	259,357	47.3%
Local Contributions	3,355,978	9,453,555	(6,097,577)	-64.5%
Reserves	-	200,000	(200,000)	-100.0%
<b>Total</b>	<b>\$ 76,448,943</b>	<b>\$ 93,360,890</b>	<b>\$ (16,911,947)</b>	<b>-18.1%</b>



# FY2017 Proposed Capital Budget – Local Contributions



Description	FY2017 Preliminary Budget Amount	Source
LYMMO- Parramore	827,296	City of Orlando, Orlando Utilities Commission, Other Utilities
LYMMO - East/West	20,800	City of Orlando
Capital Bus Lease	898,151	Local \$2 Capital
Articulated CNG Buses	1,263,967	Local \$2 Capital
Paratransit Vehicles	95,764	Local \$2 Capital
Passenger Amenities	250,000	Orange County
<b>Total</b>	<b>\$ 3,355,978</b>	

# FY2017 Budget Summary



	<b>FY2016 Amended Budget</b>	<b>FY2017 Proposed budget</b>	<b>Change</b>
<b>Operating Revenue</b>	\$ 128,609,889	\$ 129,700,062	0.8%
<b>Operating Expenses</b>	128,609,889	129,700,062	0.8%
<b>Operating Income/(Deficit)</b>	\$ -	\$ -	N/A
<b>Capital Funding</b>	\$ 93,360,890	\$ 76,448,943	-18.1%
<b>Capital Expenditures</b>	93,360,890	76,448,943	-18.1%
<b>Capital Income/(Deficit)</b>	\$ -	\$ -	N/A
<b>Total Sources of Funding</b>	\$ 221,970,779	\$ 206,149,005	-7.1%
<b>Total Uses of Funding</b>	221,970,779	206,149,005	-7.1%
<b>Net Financial Position</b>	\$ -	\$ -	N/A
<b>Staffing Count</b>	1117	1121	4

# Future Items



- Maintain planned stability and financial benefits of converting to a self-insured Health Insurance Program
- Continue to review the type of fixed route vehicles used in future operations
- Ongoing efforts to secure funding for service expansion, satellite facilities and BRT to support service demands
- Continue to seek State grant funding opportunities for capital projects

# Operating Budget Calendar



Final Board Action

September 22

Budget Year 15– 16 Commences

October 1

**Finance Committee Agenda Item #3.C.**

**To:** LYNX Finance & Audit Committee

**From:** Blanche Sherman  
DIRECTOR OF FINANCE  
Blanche Sherman  
(Technical Contact)

**Phone:** 407.841.2279 ext: 6100

**Item Name:** Election of Officers

**Date:** 9/14/2016

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The Finance and Audit Committee shall annually elect from its members a chairperson and such other officers as determined by the Finance and Audit Committee. The chairperson shall preside over all meetings of the Finance and Audit Committee. In his or her absence at any particular meeting, the vice chairperson shall preside over the meeting (if one has been elected). In the absence of a chairperson or vice chairperson, the Finance and Audit Committee members shall elect a replacement chairperson for such meeting.

Blanche W. Sherman, LYNX' Director of Finance, will preside over the election of officers at this meeting of the LYNX Finance & Audit Committee.

**Finance Committee Information Item #4.A.**

**To:** LYNX Finance & Audit Committee

**From:** Blanche Sherman  
DIRECTOR OF FINANCE  
CRAIG CHARRETTE  
(Technical Contact)

**Phone:** 407.841.2279 ext: 6100

**Item Name:** Monthly Financial Reports - June 30, 2016

**Date:** 9/14/2016

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Please find attached the preliminary monthly financial report for the nine months ending June 30, 2016. LYNX' Statement of Revenues, Expenses, and Changes in Net Assets (Operating Statement) for the nine months ending June 30, 2016 reflect total revenue earned in the amount of \$89,727,859 and total expenses incurred in the amount of \$85,147,180 resulting in a net operating profit of \$4,580,678.

- Fixed route, Vanpool, and Neighbor Link services resulted in an operating profit of \$4,562,688 for the nine months of the fiscal year.
- Paratransit services resulted in an operating profit of \$17,991 for the nine months of the fiscal year.

**Fixed Route Operations:**

The year-to-date Operating Revenues are 90% of the budgeted amount as of June 2016. Customer fares are 11% lower than the budgeted amount year-to-date.

Advertising revenue is 64% of the amount budgeted for the month of June 2016 and year-to-date is 14% lower than the budgeted amount. Actual revenues through June 30, 2016, for advertising on buses, shelters, and in-kind (trade) transactions are \$849,240, \$417,790, and \$0, respectively. Direct Media's staff continue to enhance LYNX' advertising program and to increase the advertising revenue stream. Direct Media's sales staff is actively seeking new clients and working with existing clients to offer an attractive and affordable advertising program.

In an attempt to stabilize fuel cost in the future, LYNX' staff entered into a fuel hedging arrangement with Merrill Lynch Commodities, Incorporated. During the month of June 2016, LYNX locked in eighty-three percent (83%) of the total monthly purchases, resulting in the cap (LYNX locked) prices higher than the future (float) prices. At this time, LYNX is 30% under budget year-to-date. In the month of June LYNX paid an average price of \$1.64 (net) per gallon for diesel fuel and \$1.44 (net) per gallon for bio-diesel, plus fuel hedging losses which is lower

than the budgeted price per gallon of \$2.24 (net). The national diesel fuel price for the month of June 2016 was \$2.08 (net).

LYNX' staff proactively seeks ways to maximize operational efficiencies and improve services. As a result, fixed route operating expenses for salaries, wages and fringe benefits are 6% and 10% respectively under budget due to various vacancies as of June 30, 2016. Other materials and supplies expenses are 11% under budget. Professional service expenses are 77% under budget due to various planning projects that will commence later in the fiscal year. Expenditures associated with other services, contract maintenance and other miscellaneous expenses are less than budgeted.

**Paratransit Operations:**

The operating profit from Paratransit operations as of June 30, 2016 is due to Customer Fares at 19% over budget. Contract Services are on target at 100% of budgeted amount. The year-to-date cost of unleaded fuel is 32% lower than budgeted. During the month of June 2016, LYNX locked in forty-one percent (41%) of the total monthly purchases, resulting in cap (LYNX locked) prices higher than the future (float) prices. The fuel is budgeted at a net price of \$2.37 (net) per gallon in the FY2016 budget. LYNX is currently paying \$1.59 (net) per gallon, plus fuel hedging losses. The national unleaded fuel price for the month of June 2016 was \$2.13 (net). An analysis of year-to-date purchased transportation trips and costs is as follows:

<b>ACCESS LYNX</b>			
<b>FY2016</b>	<b>Trips (Year-to-Date)</b>	<b>Blended Trip Rate</b>	<b>Costs</b>
<b>Actual (with est.)</b>	<b>377,324</b>	<b>\$29.87</b>	<b>\$11,311,402</b>
<b>Budget (rounding)</b>	<b>371,404</b>	<b>\$27.86</b>	<b>\$10,346,183</b>
<b>Trips / Costs Over (Under) Budget</b>	<b>5,920</b>	<b>\$2.01</b>	<b>\$965,219</b>

**CENTRAL FLORIDA REGIONAL TRANSPORTATION AUTHORITY**  
**BALANCE SHEETS**  
**June 30, 2016 and 2015**  
(UNAUDITED)

	<b>2016</b>	<b>2015</b>
<b>LIABILITIES AND NET POSITION</b>		
<b>CURRENT LIABILITIES:</b>		
Accounts payable	\$ 9,837,804	10,175,357
Accrued salaries and related taxes	2,478,956	2,431,530
Accrued compensated absences, current	4,170,615	3,967,050
Accrued self-insurance liability, current	2,097,048	2,103,398
Leases payable, current	551,466	-
Loans payable, current	813,225	797,282
Unearned operating revenue	10,679,330	10,492,082
Unearned capital	4,607,670	3,789,275
Derivative instrument - fuel hedge	821,949	828,151
Total current liabilities	36,058,063	34,584,125
<b>NONCURRENT LIABILITIES:</b>		
Leases payable, long-term	4,440,501	-
Loans payable	-	813,225
Net OPEB Obligation	1,683,525	1,424,525
Accrued compensated absences, long-term	538,035	523,380
Accrued self-insurance liability, long-term	2,676,165	6,699,104
Total noncurrent liabilities	9,338,226	9,460,234
Total liabilities	45,396,288	44,044,359
<b>DEFERRED INFLOW OF RESOURCES</b>		
Pension Contributions	1,318,794	-
Accumulated increase in fair value of fuel hedge instrument	-	-
	1,318,794	-
<b>NET POSITION:</b>		
Invested in capital assets, net of related debt	151,400,521	145,319,193
Restricted	-	-
Unrestricted	47,773,627	35,328,681
Total net position	199,174,148	180,647,874
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b>\$ 244,570,437</b>	<b>\$ 224,692,233</b>



**CENTRAL FLORIDA REGIONAL TRANSPORTATION AUTHORITY**  
**BALANCE SHEETS**  
**June 30, 2016 and 2015**  
(UNAUDITED)

	<b>2016</b>	<b>2015</b>
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 42,053,314	48,843,780
Receivables:		
Local, trade and operating assistance	7,627,620	10,101,915
Federal grants	10,602,582	6,571,067
State grants	9,901,374	4,224,091
Inventory	1,821,067	1,984,787
State fuel tax refund	158,242	210,328
Prepaid expenses and other assets	1,075,176	932,366
	73,239,375	72,868,334
<b>NONCURRENT ASSETS:</b>		
Restricted cash and cash equivalents	4,857,150	2,183,986
Property and equipment:		
Land	8,161,465	8,571,465
Buildings and shelters	91,481,725	96,481,080
BRT Roadway	6,522,100	6,400,454
Revenue vehicles	156,173,652	155,265,924
Furniture, Fixtures & Equipment	39,389,466	37,040,574
Leasehold improvements	116,296	110,109
Total property and equipment	301,844,704	303,869,606
Less: accumulated depreciation	(166,421,212)	(166,559,568)
Construction in progress	21,948,724	11,267,274
Net property and equipment	157,372,216	148,577,312
Other assets	6,283,485	234,450
Total noncurrent assets	168,512,851	150,995,748
<b>TOTAL ASSETS</b>	<b>241,752,225</b>	<b>223,864,082</b>
<b>DEFERRED OUTFLOW OF RESOURCES</b>		
Pension Contributions	3,315,057	-
Accumulated decrease in fair value of fuel hedge instrument	821,949	828,151
	4,137,006	828,151

**CENTRAL FLORIDA REGIONAL TRANSPORTATION AUTHORITY**  
**STATEMENT OF REVENUES AND EXPENSES**  
**FOR THE MONTH OF JUNE 2016 AND THE NINE MONTHS ENDED JUNE 30, 2016**  
**(UNAUDITED)**

	Year to Date			Month of June		
	Budget	Actual	%	Budget	Actual	%
<b>OPERATING REVENUES</b>						
Customer Fares	\$ 22,090,938	19,952,495	90%	\$ 2,455,066	\$ 2,248,183	92%
Contract Services:						
Local Financial Assistance	10,589,948	9,899,756	93%	1,176,661	1,134,038	96%
Other Contractual Services	2,804,179	2,892,904		311,575	321,528	
Advertising	1,560,000	1,346,694	86%	173,333	110,833	64%
Other Operating Income	319,829	304,179	95%	35,537	3,566	10%
Total Operating Revenues	<u>37,364,894</u>	<u>34,396,029</u>	92%	<u>4,152,172</u>	<u>3,818,148</u>	92%
<b>NONOPERATING REVENUES</b>						
Operating assistance grants:						
State of Florida	7,767,764	7,705,299	99%	863,085	856,144	99%
Local	34,836,637	34,903,890	100%	3,873,958	3,869,128	100%
Planning and other assistance grants:						
Federal - Other	12,450,192	10,676,148	86%	1,398,841	1,132,210	81%
State of Florida - Other	2,539,373	1,994,358	79%	291,987	238,964	82%
Local Matching - Other	-	1,294	N/A	-	628	N/A
Interest Income	27,310	18,785	69%	3,034	2,898	96%
Gain / (Loss) on Sale of Assets	-	32,056	N/A	-	(22,062)	N/A
Total Nonoperating Revenues	<u>57,621,275</u>	<u>55,331,829</u>	96%	<u>6,430,906</u>	<u>6,077,912</u>	95%
Total Revenues	<u>94,986,169</u>	<u>89,727,859</u>	94%	<u>10,583,078</u>	<u>9,896,059</u>	94%
<b>OPERATING EXPENSES</b>						
Salaries and Wages	34,983,389	32,765,636	94%	3,887,043	3,596,266	93%
Fringe Benefits	19,969,527	17,895,449	90%	2,218,836	2,687,069	121%
Purchased Transportation Services	12,331,079	13,008,595	105%	1,387,898	1,521,843	110%
Fuel	10,176,803	7,076,006	70%	1,130,756	883,364	78%
Other Materials and Supplies	6,213,032	5,521,601	89%	690,337	579,456	84%
Professional Services	3,319,029	1,107,349	33%	380,062	99,028	26%
Other Services	4,333,400	3,534,691	82%	481,489	356,019	74%
Lease and Miscellaneous Expenses	890,627	796,840	89%	98,959	79,662	80%
Casualty and Liability Insurance	1,672,872	1,945,195	116%	185,875	105,637	57%
Utilities	1,090,928	966,031	89%	121,214	114,901	95%
Taxes and Licenses	340,954	437,901	128%	37,884	56,876	150%
Interest Expense	93,208	91,886	99%	10,356	10,908	105%
Total Operating Expenses	<u>95,414,848</u>	<u>85,147,180</u>	89%	<u>10,630,709</u>	<u>10,091,028</u>	95%
<b>OPERATING GAIN / (LOSS)</b>	<u>\$ (428,679)</u>	<u>\$ 4,580,678</u>	N/A	<u>\$ (47,631)</u>	<u>\$ (194,969)</u>	N/A

**CENTRAL FLORIDA REGIONAL TRANSPORTATION AUTHORITY**  
**FIXED-ROUTE, VANPOOL AND NEIGHORLINK SEGMENT**  
**STATEMENT OF REVENUES AND EXPENSES**  
**FOR THE MONTH OF JUNE 2016 AND THE NINE MONTHS ENDED JUNE 30, 2016**  
**(UNAUDITED)**

	Year to Date			Month of June		
	Budget	Actual	%	Budget	Actual	%
<b>OPERATING REVENUES</b>						
Customer Fares	\$ 20,872,251	\$ 18,502,079	89%	\$ 2,319,656	\$ 2,089,851	90%
Contract Services:						
Local Financial Assistance	10,589,948	9,899,756	93%	1,176,661	1,134,038	96%
Other Contractual Services	-	87,212	N/A	-	9,947	N/A
Advertising	1,560,000	1,346,694	86%	173,333	110,833	64%
Other Operating Income	319,829	304,179	95%	35,537	3,566	10%
Total Operating Revenues	<u>33,342,029</u>	<u>30,139,921</u>	90%	<u>3,705,187</u>	<u>3,348,236</u>	90%
<b>NONOPERATING REVENUES</b>						
Operating assistance grants:						
Federal	-	-	N/A	-	-	
State of Florida	7,767,764	7,705,299	99%	863,085	856,144	99%
Local	28,066,795	28,134,045	100%	3,121,753	3,116,923	100%
Planning and other assistance grants:						
Federal - Other	9,850,086	8,258,640	84%	1,099,121	858,401	78%
State of Florida - Other	2,501,873	1,994,358	80%	287,820	238,964	83%
Local Matching - Other	-	1,294	N/A	-	628	N/A
Interest Income	27,310	18,785	69%	3,034	2,898	96%
Gain / (Loss) on the Sale of Assets	-	32,056	N/A	-	(22,062)	N/A
Total Nonoperating Revenues	<u>48,213,827</u>	<u>46,144,476</u>	96%	<u>5,374,814</u>	<u>5,051,897</u>	94%
Total Revenues	<u>81,555,856</u>	<u>76,284,397</u>	94%	<u>9,080,001</u>	<u>8,400,133</u>	93%
<b>OPERATING EXPENSES</b>						
Salaries and Wages	34,672,469	32,479,017	94%	3,852,497	3,565,733	93%
Fringe Benefits	19,767,375	17,701,528	90%	2,196,375	2,648,827	121%
Purchased Transportation Services	1,844,331	1,697,192	92%	211,884	191,120	90%
Fuel	8,264,316	5,773,286	70%	918,257	712,808	78%
Other Materials and Supplies	6,198,452	5,511,367	89%	688,717	579,088	84%
Professional Services	3,123,879	1,032,176	33%	358,379	90,176	25%
Other Services	4,145,761	3,381,254	82%	460,640	337,253	73%
Lease and Miscellaneous Expenses	886,128	795,237	90%	98,459	79,662	81%
Casualty and Liability Insurance	1,672,872	1,945,195	116%	185,875	105,637	57%
Utilities	1,051,726	929,750	88%	116,858	110,402	94%
Taxes and Licenses	288,643	383,819	133%	32,071	50,634	158%
Interest Expense	93,208	91,886	99%	10,356	10,908	105%
Total Operating Expenses	<u>82,009,159</u>	<u>71,721,709</u>	87%	<u>9,130,368</u>	<u>8,482,250</u>	93%
<b>OPERATING GAIN / (LOSS)</b>	<u>\$ (453,303)</u>	<u>\$ 4,562,688</u>	N/A	<u>\$ (50,367)</u>	<u>\$ (82,117)</u>	N/A

**CENTRAL FLORIDA REGIONAL TRANSPORTATION AUTHORITY  
PARATRANSIT SEGMENT  
STATEMENT OF REVENUES AND EXPENSES  
FOR THE MONTH OF JUNE 2016 AND THE NINE MONTHS ENDED JUNE 30, 2016  
(UNAUDITED)**

	Year to Date			Month of June		
	Budget	Actual	%	Budget	Actual	%
<b>OPERATING REVENUES</b>						
Customer Fares	\$ 1,218,686	\$ 1,450,416	119%	\$ 135,410	\$ 158,333	117%
Contract Services:						
Local Financial Assistance	-	-	N/A	-	-	N/A
Other Contractual Services	2,804,179	2,805,693	100%	311,575	311,580	100%
Advertising	-	-	N/A	-	-	N/A
Other Operating Income	-	-	N/A	-	-	N/A
Total Operating Revenues	<u>4,022,865</u>	<u>4,256,109</u>	106%	<u>446,985</u>	<u>469,913</u>	105%
<b>NONOPERATING REVENUES</b>						
Operating assistance grants:						
Federal	-	-	N/A	-	-	N/A
State of Florida	-	-	N/A	-	-	N/A
Local	6,769,842	6,769,845	100%	752,205	752,205	100%
Planning and other assistance grants:						
Federal - Other	2,600,106	2,417,508	93%	299,721	273,810	91%
State of Florida - Other	37,500	-	N/A	4,167	-	N/A
Local Matching - Other	-	-	N/A	-	-	N/A
Interest Income	-	-	N/A	-	-	N/A
Gain / (Loss) on the Sale of Assets	-	-	N/A	-	-	N/A
Total Nonoperating Revenues	<u>9,407,448</u>	<u>9,187,353</u>	98%	<u>1,056,092</u>	<u>1,026,015</u>	97%
Total Revenues	<u>13,430,313</u>	<u>13,443,462</u>	100%	<u>1,503,077</u>	<u>1,495,928</u>	100%
<b>OPERATING EXPENSES</b>						
Salaries and Wages	310,921	286,619	92%	34,547	30,533	88%
Fringe Benefits	202,151	193,921	96%	22,461	38,242	170%
Purchased Transportation Services	10,486,747	11,311,403	108%	1,176,014	1,330,723	113%
Fuel	1,912,487	1,302,719	68%	212,499	170,556	80%
Other Materials and Supplies	14,580	10,234	70%	1,620	367	23%
Professional Services	195,150	75,173	39%	21,683	8,852	41%
Other Services	187,639	153,436	82%	20,849	18,766	90%
Lease and Miscellaneous Expenses	4,499	1,603	36%	500	-	0%
Casualty and Liability Insurance	-	-	N/A	-	-	N/A
Utilities	39,203	36,280	93%	4,356	4,499	103%
Taxes and Licenses	52,311	54,082	103%	5,812	6,242	107%
Interest Expense	-	-	N/A	-	-	N/A
Total Operating Expenses	<u>13,405,689</u>	<u>13,425,471</u>	100%	<u>1,500,341</u>	<u>1,608,779</u>	107%
<b>OPERATING GAIN / (LOSS)</b>	<u>\$ 24,624</u>	<u>\$ 17,991</u>	N/A	<u>\$ 2,736</u>	<u>\$ (112,851)</u>	N/A

**Finance Committee Information Item #4.B.**

**To:** LYNX Finance & Audit Committee

**From:** Blanche Sherman  
DIRECTOR OF FINANCE  
CRAIG CHARRETTE  
(Technical Contact)  
Nancy Navarro  
(Technical Contact)

**Phone:** 407.841.2279 ext: 6100

**Item Name:** Monthly Financial Reports - July 31, 2016

**Date:** 9/14/2016

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Please find attached the preliminary monthly financial report for the ten months ending July 31, 2016. LYNX' Statement of Revenues, Expenses, and Changes in Net Assets (Operating Statement) for the ten months ending July 31, 2016 reflect total revenue earned in the amount of \$99,737,468 and total expenses incurred in the amount of \$94,576,116 resulting in a net operating profit of \$5,161,352.

- Fixed route, Vanpool, and Neighbor Link services resulted in an operating profit of \$5,218,440 for the ten months of the fiscal year.
- Paratransit services resulted in a loss of \$57,088 for the ten months of the fiscal year.

**Fixed Route Operations:**

The year-to-date Operating Revenues are 90% of the budgeted amount as of July 2016. Customer fares are 11% lower than the budgeted amount year-to-date due to a decrease in ridership and low gas prices.

Advertising revenue is 69% of the amount budgeted for the month of July 2016 and year-to-date is 15% lower than the budgeted amount; moreover, advertising is down on a national average, but the guaranteed revenue is being paid monthly. Actual revenues through July 31, 2016, for advertising on buses, shelters, and in-kind (trade) transactions are \$933,434, \$449,925, and \$0, respectively. Direct Media's staff continue to enhance LYNX' advertising program and to increase the advertising revenue stream. Direct Media's sales staff is actively seeking new clients and working with existing clients to offer an attractive and affordable advertising program.

In an attempt to stabilize fuel cost in the future, LYNX' staff entered into a fuel hedging arrangement with Merrill Lynch Commodities, Incorporated. During the month of July 2016, LYNX locked in ninety-one percent (91%) of the total monthly purchases, resulting in the cap

(LYNX locked) prices higher than the future (float) prices. At this time, LYNX is 29% under budget year-to-date. In the month of July LYNX paid an average price of \$1.52 (net) per gallon for diesel fuel and \$1.34 (net) per gallon for bio-diesel, plus fuel hedging losses which is lower than the budgeted price per gallon of \$2.24 (net). The national diesel fuel price for the month of July 2016 was \$2.06 (net).

LYNX' staff proactively seeks ways to maximize operational efficiencies and improve services. As a result, fixed route operating expenses for salaries, wages and fringe benefits are 6% and 11% respectively under budget due to various vacancies as of July 31, 2016. Other materials and supplies expenses are 11% under budget. Professional service expenses are 69% under budget due to various planning projects that will commence later in the fiscal year. Expenditures associated with other services, contract maintenance and other miscellaneous expenses are less than budgeted.

**Paratransit Operations:**

The operating loss from Paratransit operations is related to an actual blended trip rate that is higher than the budgeted trip rate. Contract Services are on target at 100% of budgeted amount. The year-to-date cost of unleaded fuel is 32% lower than budgeted. During the month of July 2016, LYNX locked in forty percent (40%) of the total monthly purchases, resulting in cap (LYNX locked) prices higher than the future (float) prices. The fuel is budgeted at a net price of \$2.37 (net) per gallon in the FY2016 budget. LYNX is currently paying \$1.46 (net) per gallon. The national unleaded fuel price for the month of July 2016 was \$2.01 (net). An analysis of year-to-date purchased transportation trips and costs is as follows:

<b>ACCESS LYNX</b>			
<b>FY2016</b>	<b>Trips (Year-to-Date)</b>	<b>Blended Trip Rate</b>	<b>Costs</b>
<b>Actual (with est.)</b>	<b>420,717</b>	<b>\$30.03</b>	<b>\$12,633,152</b>
<b>Budget (rounding)</b>	<b>412,672</b>	<b>\$27.86</b>	<b>\$11,495,760</b>
<b>Trips / Costs Over (Under) Budget</b>	<b>8,046</b>	<b>\$2.17</b>	<b>\$1,137,392</b>

**CENTRAL FLORIDA REGIONAL TRANSPORTATION AUTHORITY**  
**BALANCE SHEETS**  
**July 31, 2016 and 2015**  
(UNAUDITED)

	<b>2016</b>	<b>2015</b>
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 27,881,113	44,387,738
Receivables:		
Local, trade and operating assistance	7,383,400	9,965,634
Federal grants	10,728,662	7,932,516
State grants	10,837,021	4,478,823
Inventory	1,904,856	2,067,135
State fuel tax refund	167,005	234,653
Prepaid expenses and other assets	949,369	698,679
	<b>59,851,425</b>	<b>69,765,177</b>
<b>NONCURRENT ASSETS:</b>		
Restricted cash and cash equivalents	14,862,790	2,235,872
Property and equipment:		
Land	8,161,465	8,571,465
Buildings and shelters	91,408,507	96,500,763
BRT Roadway	6,522,100	6,400,454
Revenue vehicles	155,437,739	155,345,474
Furniture, Fixtures & Equipment	39,392,953	37,043,879
Leasehold improvements	119,163	110,109
Total property and equipment	301,041,927	303,972,143
Less: accumulated depreciation	(167,958,547)	(168,734,184)
Construction in progress	25,008,104	11,847,920
	<b>158,091,484</b>	<b>147,085,879</b>
Other assets	6,283,485	234,450
	<b>179,237,759</b>	<b>149,556,201</b>
<b>TOTAL ASSETS</b>	<b>239,089,184</b>	<b>219,321,379</b>
<b>DEFERRED OUTFLOW OF RESOURCES</b>		
Pension Contributions	3,315,057	-
Accumulated decrease in fair value of fuel hedge instrument	821,949	828,151
	<b>4,137,006</b>	<b>828,151</b>

**CENTRAL FLORIDA REGIONAL TRANSPORTATION AUTHORITY**  
**BALANCE SHEETS**  
**July 31, 2016 and 2015**  
(UNAUDITED)

	<b>2016</b>	<b>2015</b>
<b>LIABILITIES AND NET POSITION</b>		
<b>CURRENT LIABILITIES:</b>		
Accounts payable	\$ 10,093,277	9,485,622
Accrued salaries and related taxes	965,992	1,215,605
Accrued compensated absences, current	4,170,615	3,967,050
Accrued self-insurance liability, current	2,097,048	2,103,398
Leases payable, current	330,123	-
Loans payable, current	813,225	797,282
Unearned operating revenue	10,372,443	10,301,381
Unearned capital	4,676,494	3,952,147
Derivative instrument - fuel hedge	821,949	828,151
Total current liabilities	34,341,165	32,650,636
<b>NONCURRENT LIABILITIES:</b>		
Leases payable, long-term	4,440,501	-
Loans payable	-	813,225
Net OPEB Obligation	1,683,525	1,424,525
Accrued compensated absences, long-term	538,035	523,380
Accrued self-insurance liability, long-term	2,676,165	4,740,623
Total noncurrent liabilities	9,338,226	7,501,753
Total liabilities	43,679,390	40,152,389
<b>DEFERRED INFLOW OF RESOURCES</b>		
Pension Contributions	1,318,794	-
Accumulated increase in fair value of fuel hedge instrument	-	-
	1,318,794	-
<b>NET POSITION:</b>		
Invested in capital assets, net of related debt	149,873,704	143,888,224
Restricted	-	-
Unrestricted	48,354,301	36,108,917
Total net position	198,228,005	179,997,141
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b>\$ 241,907,395</b>	<b>\$ 220,149,530</b>



**CENTRAL FLORIDA REGIONAL TRANSPORTATION AUTHORITY**  
**STATEMENT OF REVENUES AND EXPENSES**  
**FOR THE MONTH OF JULY 2016 AND THE TEN MONTHS ENDED JULY 31, 2016**  
**(UNAUDITED)**

	Year to Date			Month of July		
	Budget	Actual	%	Budget	Actual	%
<b>OPERATING REVENUES</b>						
Customer Fares	\$ 24,546,003	22,175,416	90%	\$ 2,455,066	\$ 2,222,921	91%
Contract Services:						
Local Financial Assistance	11,766,609	11,034,841	94%	1,176,661	1,135,085	96%
Other Contractual Services	3,115,754	3,262,029		311,575	369,124	
Advertising	1,733,333	1,465,524	85%	173,333	118,830	69%
Other Operating Income	355,366	337,022	95%	35,537	32,843	92%
Total Operating Revenues	<u>41,517,066</u>	<u>38,274,832</u>	92%	<u>4,152,172</u>	<u>3,878,802</u>	93%
<b>NONOPERATING REVENUES</b>						
Operating assistance grants:						
State of Florida	8,630,849	8,561,443	99%	863,085	856,144	99%
Local	38,710,594	38,773,017	100%	3,873,958	3,869,127	100%
Planning and other assistance grants:						
Federal - Other	13,849,033	11,772,165	85%	1,398,841	1,096,018	78%
State of Florida - Other	2,831,360	2,255,694	80%	291,987	261,337	90%
Local Matching - Other	-	1,317	N/A	-	23	N/A
Interest Income	30,344	25,612	84%	3,034	6,827	225%
Gain / (Loss) on Sale of Assets	-	73,389	N/A	-	41,332	N/A
Total Nonoperating Revenues	<u>64,052,181</u>	<u>61,462,637</u>	96%	<u>6,430,906</u>	<u>6,130,808</u>	95%
Total Revenues	<u>105,569,247</u>	<u>99,737,468</u>	94%	<u>10,583,078</u>	<u>10,009,610</u>	95%
<b>OPERATING EXPENSES</b>						
Salaries and Wages	38,870,433	36,375,389	94%	3,887,043	3,609,753	93%
Fringe Benefits	22,188,363	19,664,117	89%	2,218,836	1,768,668	80%
Purchased Transportation Services	13,718,976	14,563,924	106%	1,387,898	1,555,329	112%
Fuel	11,307,559	7,935,390	70%	1,130,756	859,385	76%
Other Materials and Supplies	6,903,369	6,120,009	89%	690,337	598,245	87%
Professional Services	3,699,091	1,161,765	31%	380,062	121,886	32%
Other Services	4,814,889	4,045,806	84%	481,489	443,808	92%
Lease and Miscellaneous Expenses	989,586	930,446	94%	98,959	133,606	135%
Casualty and Liability Insurance	1,858,747	2,096,386	113%	185,875	151,190	81%
Utilities	1,212,143	1,081,056	89%	121,214	115,025	95%
Taxes and Licenses	378,838	499,034	132%	37,884	61,133	161%
Interest Expense	103,564	102,794	99%	10,356	10,908	105%
Total Operating Expenses	<u>106,045,557</u>	<u>94,576,116</u>	89%	<u>10,630,709</u>	<u>9,428,936</u>	89%
<b>OPERATING GAIN / (LOSS)</b>	<u>\$ (476,310)</u>	<u>\$ 5,161,352</u>	N/A	<u>\$ (47,631)</u>	<u>\$ 580,674</u>	N/A

**CENTRAL FLORIDA REGIONAL TRANSPORTATION AUTHORITY**  
**FIXED-ROUTE, VANPOOL AND NEIGHORLINK SEGMENT**  
**STATEMENT OF REVENUES AND EXPENSES**  
**FOR THE MONTH OF JULY 2016 AND THE TEN MONTHS ENDED JULY 31, 2016**  
**(UNAUDITED)**

	Year to Date			Month of July		
	Budget	Actual	%	Budget	Actual	%
<b>OPERATING REVENUES</b>						
Customer Fares	\$ 23,191,907	\$ 20,572,853	89%	\$ 2,319,656	\$ 2,070,774	89%
Contract Services:						
Local Financial Assistance	11,766,609	11,034,841	94%	1,176,661	1,135,085	96%
Other Contractual Services	-	98,949	N/A	-	11,738	N/A
Advertising	1,733,333	1,465,524	85%	173,333	118,830	69%
Other Operating Income	355,366	337,022	95%	35,537	32,843	92%
Total Operating Revenues	<u>37,047,216</u>	<u>33,509,189</u>	90%	<u>3,705,187</u>	<u>3,369,270</u>	91%
<b>NONOPERATING REVENUES</b>						
Operating assistance grants:						
Federal	-	-	N/A	-	-	
State of Florida	8,630,849	8,561,443	99%	863,085	856,144	99%
Local	31,188,548	31,250,967	100%	3,121,753	3,116,922	100%
Planning and other assistance grants:						
Federal - Other	10,949,207	9,082,472	83%	1,099,121	823,832	75%
State of Florida - Other	2,789,693	2,255,694	81%	287,820	261,337	91%
Local Matching - Other	-	1,317	N/A	-	23	N/A
Interest Income	30,344	25,612	84%	3,034	6,827	225%
Gain / (Loss) on the Sale of Assets	-	73,389	N/A	-	41,332	N/A
Total Nonoperating Revenues	<u>53,588,641</u>	<u>51,250,893</u>	96%	<u>5,374,814</u>	<u>5,106,417</u>	95%
Total Revenues	<u>90,635,857</u>	<u>84,760,082</u>	94%	<u>9,080,001</u>	<u>8,475,686</u>	93%
<b>OPERATING EXPENSES</b>						
Salaries and Wages	38,524,965	36,059,628	94%	3,852,497	3,580,610	93%
Fringe Benefits	21,963,750	19,451,139	89%	2,196,375	1,749,610	80%
Purchased Transportation Services	2,056,215	1,882,727	92%	211,884	185,535	88%
Fuel	9,182,573	6,482,263	71%	918,257	708,977	77%
Other Materials and Supplies	6,887,169	6,109,745	89%	688,717	598,215	87%
Professional Services	3,482,258	1,077,097	31%	358,379	112,391	31%
Other Services	4,606,401	3,873,604	84%	460,640	425,043	92%
Lease and Miscellaneous Expenses	984,586	928,837	94%	98,459	133,600	136%
Casualty and Liability Insurance	1,858,747	2,096,386	113%	185,875	151,190	81%
Utilities	1,168,584	1,040,260	89%	116,858	110,510	95%
Taxes and Licenses	320,714	437,162	136%	32,071	53,344	166%
Interest Expense	103,564	102,794	99%	10,356	10,908	105%
Total Operating Expenses	<u>91,139,527</u>	<u>79,541,642</u>	87%	<u>9,130,368</u>	<u>7,819,933</u>	86%
<b>OPERATING GAIN / (LOSS)</b>	<u>\$ (503,670)</u>	<u>\$ 5,218,440</u>	N/A	<u>\$ (50,367)</u>	<u>\$ 655,754</u>	N/A

**CENTRAL FLORIDA REGIONAL TRANSPORTATION AUTHORITY  
PARATRANSIT SEGMENT  
STATEMENT OF REVENUES AND EXPENSES  
FOR THE MONTH OF JULY 2016 AND THE TEN MONTHS ENDED JULY 31, 2016  
(UNAUDITED)**

	Year to Date			Month of July		
	Budget	Actual	%	Budget	Actual	%
<b>OPERATING REVENUES</b>						
Customer Fares	\$ 1,354,096	\$ 1,602,563	118%	\$ 135,410	\$ 152,147	112%
Contract Services:						
Local Financial Assistance	-	-	N/A	-	-	N/A
Other Contractual Services	3,115,754	3,163,079	102%	311,575	357,386	115%
Advertising	-	-	N/A	-	-	N/A
Other Operating Income	-	-	N/A	-	-	N/A
Total Operating Revenues	<u>4,469,850</u>	<u>4,765,643</u>	107%	<u>446,985</u>	<u>509,534</u>	114%
<b>NONOPERATING REVENUES</b>						
Operating assistance grants:						
Federal	-	-	N/A	-	-	N/A
State of Florida	-	-	N/A	-	-	N/A
Local	7,522,047	7,522,050	100%	752,205	752,205	100%
Planning and other assistance grants:						
Federal - Other	2,899,827	2,689,693	93%	299,721	272,186	91%
State of Florida - Other	41,667	-	N/A	4,167	-	N/A
Local Matching - Other	-	-	N/A	-	-	N/A
Interest Income	-	-	N/A	-	-	N/A
Gain / (Loss) on the Sale of Assets	-	-	N/A	-	-	N/A
Total Nonoperating Revenues	<u>10,463,540</u>	<u>10,211,743</u>	98%	<u>1,056,092</u>	<u>1,024,391</u>	97%
Total Revenues	<u>14,933,390</u>	<u>14,977,386</u>	100%	<u>1,503,077</u>	<u>1,533,925</u>	102%
<b>OPERATING EXPENSES</b>						
Salaries and Wages	345,468	315,761	91%	34,547	29,142	84%
Fringe Benefits	224,613	212,978	95%	22,461	19,058	85%
Purchased Transportation Services	11,662,762	12,681,197	109%	1,176,014	1,369,794	116%
Fuel	2,124,986	1,453,127	68%	212,499	150,408	71%
Other Materials and Supplies	16,200	10,264	63%	1,620	30	2%
Professional Services	216,833	84,668	39%	21,683	9,495	44%
Other Services	208,488	172,202	83%	20,849	18,766	90%
Lease and Miscellaneous Expenses	4,999	1,609	32%	500	6	1%
Casualty and Liability Insurance	-	-	N/A	-	-	N/A
Utilities	43,558	40,795	94%	4,356	4,515	104%
Taxes and Licenses	58,123	61,871	106%	5,812	7,789	134%
Interest Expense	-	-	N/A	-	-	N/A
Total Operating Expenses	<u>14,906,030</u>	<u>15,034,474</u>	101%	<u>1,500,341</u>	<u>1,609,003</u>	107%
<b>OPERATING GAIN / (LOSS)</b>	<u>\$ 27,360</u>	<u>\$ (57,088)</u>	N/A	<u>\$ 2,736</u>	<u>\$ (75,079)</u>	N/A