



ITEM ID: 2026-274-0

TRANSMITTAL DATE: July 2, 2026

MEETING DATE: July 10, 2026

TO: Budget, Audit, and Finance Committee

FROM: Tom Schamber, Chief Financial Officer

SUBJECT: Report of Financial Results for the 11 Months Ending May 2026

Issue

This report covers monthly Ridership, Revenue, and Financial Operating Performance for the eleven months ended May 31, 2026. The Ridership and Revenue data emphasizes "By Line" performance. The reporting also displays the effect of farebox subsidies in this year compared to last year. Financial performance reporting emphasizes adherence to budget, particularly at the Member Agency Support Line.

Recommendation

Receive and file.

Strategic Commitment

This report aligns with the Strategic Business Plan commitments of:

- **Modernizing Business Practices:** We will improve our operational efficiency through transparency, objective metrics and streamlined governance, reducing over-reliance on Member Agency support while bringing our system into a state of good repair and investing in the development of our employees. Providing current and accurate information based on factual data to our Board enhances their oversight and ability to provide direction.
- **Customers Are Our Business:** We respect and value our customers, putting them at the heart of all we do, and work hard to attract and retain new customers by understanding their needs and finding new and innovative ways to bring them on board.

Our close monitoring of our ridership is a reflection of our unflinching efforts to ensure our actions are serving their needs.

Background

Sperry Capital/KPMG has updated its FY26 forecasting model. They have created line-specific models to capture local nuances in ridership patterns. While the adopted budget does not reflect the updated forecast from January, we are now providing comparisons of actual ridership and revenue results to both the adopted budget and the updated forecast.

Year-to-date actual Ridership and Revenue are shown with comparisons to last year, the budget, and to the new forecast, both Systemwide and by each Line. A separate section of charts will show Farebox Revenue by Month by Line.

As described previously, results of the June 2025 Onboard Survey caused a reevaluation of our ridership assumption for certain ticket types. The assumption of 2 rides per student has been reduced to 1.5 rides. The survey data also indicated the need to recalibrate Monthly Pass usage rates. The new data reflects an average monthly pass usage of 4.4 days per week, up from 3.7 rides previously.

Ridership estimates for FY25 and FY26 have been updated to reflect these changes. Usage rates have no impact on revenue.

Revenue shown as Fare Revenues includes Farebox Revenue plus all Farebox subsidies.

Expenses as adopted in the FY26 Operating Budget will be shown in comparison to the actual expenditures and to actuals from last year.

Board Adopted Operating Budgets for FY26

On June 27, 2025, the SCRRA Board of Directors adopted the FY26 Operating Budget for Metrolink. The Budget reflected Operating Revenue of \$76.9M, Expenses of \$352.4M, and Member Agency Support of \$275.5M.

The Board of Directors also adopted the FY26 Operating Budget for Arrow Service, which reflects Operating Revenue of \$690K, Expenses of \$18.2M, and Member Agency Support of \$17.5M.

On February 27, 2026, the Board of Directors adopted an amendment to the FY26 Metrolink Operating Budget in the amount of an addition to operating expense of \$914,029.

Discussion

Systemwide Ridership

For the eleven months ended May, 2026 ridership was forecasted at 8.6M boardings, a 78% recovery, while the actual boardings were 6.8M, a 62% recovery, below original forecast by 1.8M. However, the actual is over the refreshed forecast by 490K riders.

Systemwide Fare Revenue

For the eleven months ended May 2026, the Authority's Fare Revenues are budgeted at \$53.0M or a 70% recovery, while the actual Fare Revenues are \$40.0M, a 53% recovery, under budget by \$13.0M. Compared to the refreshed Revenue forecast, Revenues are higher by \$662K. Unsubsidized Farebox Revenue is up 14% over last year. This is primarily due to the end of the Student Adventure Pass, which was fully subsidized and recorded as grant revenue. Students now pay a regular fare with a 50% discount, and it is reflected in farebox revenue.

Ridership and Revenue by Line

Results by Line for ridership through May show that all lines except San Bernardino and Antelope Valley have increased ridership compared to last year. The data also shows that ridership is exceeding the refreshed forecast on all lines.

Results by Line for revenue show every line has increased its Unsubsidized Revenue over last year, five of the seven lines have combined Subsidized and Unsubsidized Revenue higher than last year. The two lines that were below last year for combined revenue received a greater proportion of Revenue from the now-expired Student Adventure Pass subsidy.

To date, systemwide actual fare revenues slightly exceed the refreshed forecast.

The charts by line show the number of trains on each line. This is important from a financial perspective because it provides insight into each train's revenue generation.

Operating Results for Metrolink

Operating Revenue is \$58.5M, under budget by \$11.6M or 16.6%.

Expenses are \$297.9M, below budget by \$25.3M or 7.8%. Some expenses may contain accruals.

Member Agency Support required is \$239.3M, below budget by \$13.8M, or 5.4%.

The Metrolink Operating Statement for the period ended May 31, 2026, is attached for further review, in addition to graphs of individual line performance by month.

Arrow Service

Ridership

Through May 2026, Arrow Service ridership was forecasted at 159K boardings, while the actual boardings were 147K, 7.5% below original forecast or 12K.

Fare Revenues

For the eleven months ended May 2026, Arrow Service Fare Revenues were budgeted at \$393K, while the actual was \$249K, underbudget by \$144K or 36.6%. Fare Revenue for the months of April and May in FY25 is high as a result of a timing difference in the collection of subsidy for the Student Adventure Pass Program.

Operating Results

Operating Revenue through May 2026 for Arrow Service is \$478K, under budget by \$148K or 23.7%.

Expenses are \$13.9M, below budget by \$2.8M or 16.5%. Some expenses may include accruals.

Support required is \$13.4M, below budget by \$2.6M or 16.2%.

The Arrow Service Operating Statement for the period ended May 31, 2026, is attached for further review.

Next Steps

Staff will continue to report on Ridership, Revenue and Financial performance monthly.

Prepared by: Christine J. Wilson, Assistant Director, Finance

Approved by: Tom Schamber, Chief Financial Officer

Attachment(s)

[Attachment A - Metrolink May Operating Statement](#)

[Attachment B - Ridership By Line](#)

[Attachment C - Arrow May Operating Statement](#)

[Presentation - May 2026 Financial Results](#)