Valley Metro® Rail Inc.-Phoenix, AZ

Annual Comprehensive Financial Report

FISCAL YEAR ENDED JUNE 30, 2021

VALLEY METRO RAIL

VALLEY METRO RAIL, INC.

Phoenix, Arizona

Annual Comprehensive Financial Report

For the fiscal year ended
June 30, 2021

Prepared by:
Finance Division

Valley Metro®

Rail System Fact Sheet

ABOUT VALLEY METRO RAIL

Valley Metro Rail is responsible for the planning, design, construction and operations of the region's light rail/high-capacity transit system, serving more than six million total passengers in Fiscal Year 2021. The dramatic decline in ridership is due to the impacts of the COVID-19 pandemic. With safety always being a priority, we asked that riders take essential trips only at the outset of the pandemic.

The initial 20-mile light rail line opened on December 27, 2008. Two extensions began service by spring 2016, adding six more miles and connecting downtown Mesa to northwest Phoenix. In 2019, the line extended 1.9 miles east to the new Gilbert Rd/Main St light rail station, where there are additional transit connections. The 50th St/Washington station also opened in 2019 with enhanced accessibility features, including advanced pedestrian detection crosswalk signals, wider platforms and gently sloped entries.

The 38 stations were designed with significant consideration given to the desert sun and heat. Eleven park-and-rides provide 4,488 parking spaces along 28 miles. Artwork is also an integral part of the urban system, reflecting the history and culture of local neighborhoods. Each light rail vehicle has a comfort capacity of 175 passengers and features state-of-the-art technology designed for the urban desert climate.

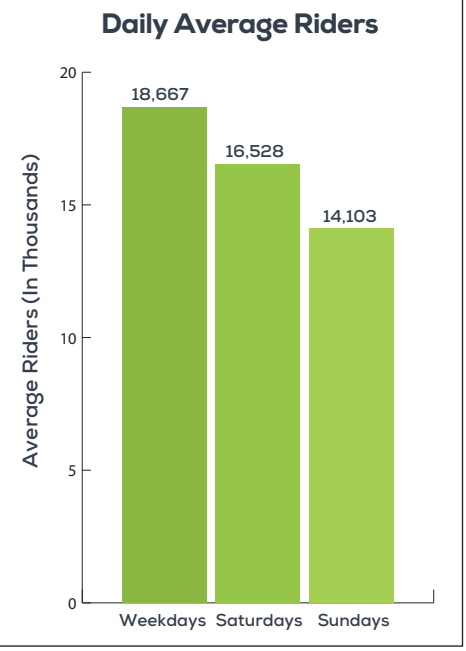
The system is expanding, with two extensions under construction: Northwest Extension Phase II and South Central Extension/Downtown Hub. Tempe Streetcar construction is complete and is anticipated to open in spring 2022 after testing of the system.

SYSTEM OVERVIEW

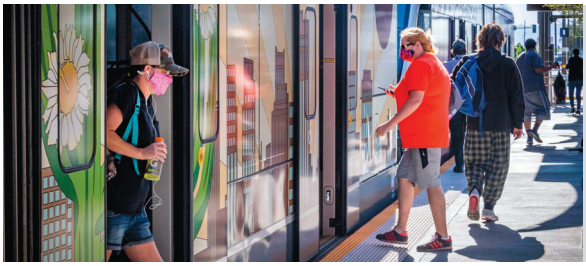
- Number of miles: 28
- Number of stations: 38
- Number of vehicles: 50
- Number of parking spaces: 4,488
- Total travel time: 90 minutes
- Cost to ride: $2.00 per ride
  $4.00 1-Day Pass

FY21 Rail Ridership

6.4 million rail riders



While ridership declined by 50 percent in FY21, light rail continued to provide essential trips for commuters traveling to medical facilities, construction jobs and critical retail businesses.



TEN BUSIEST STATIONS

1. 19th Ave/Dunlap
2. 44th St/Washington
3. Montebello/19th Ave
4. Gilbert Rd/Main St
5. 19th Ave/Camelback
6. Glendale/19th Ave
7. Alma School/Main St
8. Veterans Way/College Ave
9. Sycamore/Main St
10. Country Club/Main St

OPERATIONS

Valley Metro Rail operates 365 days a year. In March 2020, peak hour service was adjusted to 15-minute frequency as a response to COVID-19 impacts. Operations' costs are supported by rail member cities, passenger fares and advertising.

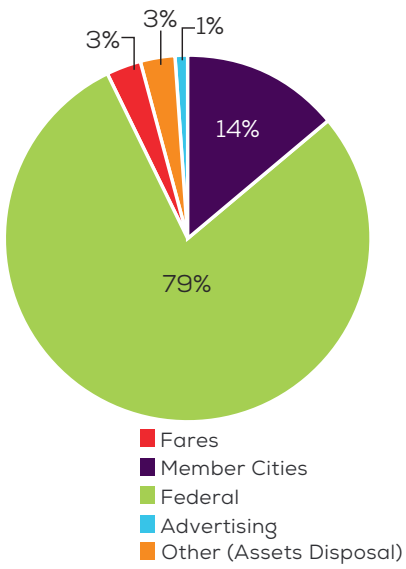
Rail service is coordinated with bus service to provide a seamless transit network for customers. Transit passes can be purchased at fare vending machines located at each station, online or from retail outlets valley-wide. Security officers regularly patrol the system and ask passengers at random for proof of payment. Violators are subject to fines ranging from $50 to $500 and can even lose their transit privileges.

In FY20, 10 Customer Experience Coordinators were added as a way to help riders throughout the system, providing a welcoming presence and aiding with wayfinding and purchasing correct fare.

The Valley Metro Rail system connects the region to the cities of Phoenix, Tempe and Mesa. It provides connections to work, education and entertainment. There are many sports, shopping, restaurants and arts and culture destinations along the line. Valley Metro Rail also connects to Phoenix Sky Harbor International Airport with PHX Sky Train® at the 44th St/Washington station.

Rail is a catalyst for jobs and economic development with $14.4 billion in public and private sector investment since 2008.

FUNDING SOURCES*



*Due to the COVID-19 Pandemic, FY21 included significantly higher amounts of federal revenues, in the form of COVID relief funding (CARES), than typical years.

FUTURE EXPANSION

Five high-capacity extensions are planned or under construction to create a 50-mile system by 2030. The Valley Metro Rail Board of Directors sets the policy direction for the system with the intent of advancing regional public transit in the Valley.

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Valley Metro Rail, Inc.
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Fiscal Year Ended June 30, 2021

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INTRODUCTORY SECTION

The Introductory Section includes Valley Metro Rail's transmittal letter, policy organizational chart, and list of appointed officials

The South Central Extension/Downtown Hub continues construction and will connect with the current light rail system in downtown Phoenix and operate south to Baseline Road. The project also includes a hub in downtown Phoenix, new stations and public art. Today, more than 45,000 riders rely on light rail each day. Light rail has proven to generate economic prosperity for historically underserved communities in metro Phoenix.

The 1.6-mile extension will connect the current end-of-line located at 19th Avenue and Dunlap to Metrocenter Mall at approximately 29th Avenue and Dunlap. The extension is unique: it will reach its destination via a bridge over the Interstate 17 highway and terminate at the region's first elevated light rail station platform. The project also includes three transit stations, a multi-modal transit center, a parking garage and extensive public art.

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November 5, 2021

To Chairman and Members of the Valley Metro Rail, Inc. Board of Directors:

The annual comprehensive financial report of Valley Metro Rail, Inc. (VMR) for the fiscal year ended June 30, 2021, is hereby submitted in accordance with the requirements of the Bylaws and Board directives. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with management. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner that presents fairly the financial position, results of operations and cash flows of VMR. All disclosures necessary to enable the reader to gain an understanding of VMR's activities have been included.

These financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) for local governments as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA).

The independent auditors, CliftonLarsonAllen LLP., whose report is included herein, have audited the basic financial statements and related notes. As stated in the independent auditors' report, the goal of the independent audit was to provide reasonable assurance that the basic financial statements of VMR as of and for the fiscal year ended June 30, 2021, are free from material misstatement. The independent audit involved examining, on a test basis; evidence supporting the amounts and disclosures in the financial statements; assessing accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon their audit, that there was a reasonable basis for rendering an unmodified opinion that the basic financial statements of VMR for the fiscal year ended June 30, 2021, are fairly presented, in all material respects, in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

Additionally, VMR is required to have an independent audit of expenditures of federal awards received (Single Audit) by VMR directly from federal agencies or passed through to VMR by other governmental entities during the fiscal year. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on VMR's internal controls and compliance with legal requirements having a direct and material impact on major programs, with special emphasis on internal controls and compliance requirements involving the administration of major federal awards. The results of VMR's Single Audit for the fiscal year ended June 30, 2021, found no instances of material weakness in the internal control structure or significant violations of applicable laws and regulations with respect to major programs. The auditors' reports on internal controls and compliance with applicable laws and regulations are included in a separately issued Single Audit Report.

The financial statements are prepared and presented in conformity with accounting principles generally accepted in the United States of America. More information about the presentation can be found in Management's Discussion and Analysis (MD&A) beginning on page 4 and discussed in the notes to the financial statements beginning on page 15. This transmittal letter is designed to complement MD&A and should be read in conjunction with it.

THE FINANCIAL REPORTING ENTITY

VMR was established in October 2002 as a public nonprofit corporation to manage the design, construction and operation of the Light Rail Transit (LRT) System within the Phoenix Metropolitan Area. Membership is governed by a Joint Powers Agreement and the By-Laws of the corporation. Current membership consists of the cites of Phoenix, Tempe, Mesa, and Chandler.

During the fiscal year 2021, a four-member Board of Directors governed VMR, consisting of the mayors or the designated representatives from each member city. The Board of Directors establishes overall policies for management and administration of the LRT System, provides oversight over the design, construction and operation of light rail, and receives and disburses funds and grants from federal, state, local, and other funding sources. A Chief Executive Officer, appointed by the Board of Directors, is responsible for the day-to-day management of the organization.

Funding Milestones

On November 2, 2004, the voters of Maricopa County approved Proposition 400, the continuation of the transportation excise tax, for a twenty-year period, beginning in calendar year 2006 and ending December 2025. A major milestone in transportation funding and service in the region, the proposition had unanimous support from the mayors of all the cities in the region and the Maricopa County Board of Supervisors, the Maricopa Association of Governments Regional Council, and the Arizona Department of Transportation.

In August 2015, Phoenix voters approved Proposition 104, which extended the dedicated transportation tax sunset from 2020 to 2050. In addition, it raised the tax rate from 0.4% to 0.7%. The revenues are intended to support a variety of transportation projects in the City of Phoenix, including many light rail transit projects.

LOCAL ECONOMIC CONDITION AND OUTLOOK

VMR serves the cities of Phoenix, Tempe, Mesa and Chandler that are centrally located in Maricopa County, Arizona. These cities collectively encompass approximately 760 square miles. Together they form a significant portion of the greater metropolitan Phoenix area, which is the economic, political, and population center of Arizona.

The combined four cities have grown from 2.29 million residents in the year 2011 to 2.70 million residents in 2020, an increase of approximately 17.8% in the last nine years. The four cities' population represents over 59% of the total Maricopa County population. According to the Greater Phoenix Economic Council, population in the region is projected to grow at more than twice the national rate for the next few decades, growing from 4.0 million in 2010 to 6.5 million in 2030.

Despite the recent economic disruptions due to COVID-19, projections for the Phoenix area are encouraging. Projections published in September 2021 by the University of Arizona, Economic and Business Research Center indicate personal income for the Phoenix area is forecasted to increase 11.06%, retail sales growth 9.61% and non-farm employment 5.10% from 2022 to 2024, respectively. Residential permits are projected to decrease 18.74% over the same period.

Sales tax projections prepared by Arizona Department of Transportation forecast revenues to grow by an average of 5.0% per year for the next five years.

FINANCIAL CONTROLS

Accounting and Administrative Controls

As previously noted, VMR's management is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of VMR are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. VMR's internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a sub-recipient of federal financial assistance, VMR is also responsible for ensuring that an adequate internal control structure is in place to ensure and document compliance with applicable laws and regulations related to these programs. This internal control structure is subject to periodic evaluation by management and by VMR's independent auditors. As part of VMR's Single Audit, tests were made of the internal control structure and of its compliance with applicable laws and regulations, including those related to federal awards.

Although this testing is limited in scope and is not sufficient to support an opinion on VMR's internal control system or its compliance with laws and regulations, the audit for the year ended June 30, 2021, disclosed no material internal control weaknesses or material violations of laws and regulations. The audit of VMR's compliance with requirements applicable to each major federal program and internal control over compliance resulted in an unmodified opinion of compliance and noted no material weaknesses in internal controls.

Budgetary Systems and Controls

The objective of the budgetary controls maintained by VMR is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board of Directors. The by-laws require a balanced budget to be adopted by the VMR Board each fiscal year. The level of budgetary control, i.e., the level at which expenditures cannot legally exceed appropriations, is the total operating budget. VMR maintains budgetary control by conducting quarterly evaluations of expenditures against appropriations and through close monitoring of revenues. Encumbrance accounting is not utilized.

In addition to the annual budget, VMR also prepares a Five-Year Capital Program and Operating Forecast and the Transit Life Cycle Plan (TLCP) update. The five-year forecast uses the annual budget information as a base and extends it an additional four years to provide information about the anticipated schedule, costs, and revenues. The TLCP gives a longer-term perspective by outlining the sources and uses of funds for specific regionally supported planning and capital projects through fiscal year 2026.

For each major capital construction project, VMR regularly reports the project budget status showing by project element the budget amount versus actual expenditures, and forecasted cost at completion. Should anticipated contractual costs appear to exceed the Board approved project budget, VMR staff will seek Board action to adjust project scope or approve additional funding. During construction, significant issues are addressed in narrative reports included in the project progress report submitted to the Board on a quarterly basis.

Current Rail Passenger Operations

The total LRT System encompasses approximately 27.3 miles with the cities of Phoenix, Tempe, and Mesa sharing the responsibility for funding the operating and maintenance (O&M) costs. Costs are currently shared based on the proportion of track miles constructed within each city.

MAJOR INITIATIVES – Design/Construction of Light Rail and Modern Streetcar

Tempe Streetcar Project

The Tempe Streetcar project is a 3-mile modern streetcar project, including 14 stops and two connections to existing light rail, which will travel the Mill avenue corridor and along Rio Salado Parkway and Apache Boulevard in the City of Tempe. The project is expected to service one of the highest transit ridership centers in the region. The Streetcar route will pass by Arizona State University which has over 70,000 students and continue through downtown Tempe. Project design and construction are complete. Streetcar testing and certification is in process and the project is expected to open for revenue service in Spring 2022.

Northwest Extension-Phase II

The 1.6-mile Northwest Extension-Phase II will extend light rail west on Dunlap Avenue from 19th Avenue, north on 25th Avenue and across I-17 on Mountain View Road with a terminus on the west side of the freeway near Metrocenter Mall. The project includes three new stations, including the system's first elevated station, and a park-and-ride transit center. The project is expected to open for revenue service in 2024.

South Central/Downtown Hub Extension

The 5.5-mile South Central Light Rail Extension project will connect with the current light rail system in downtown Phoenix and operate south on Central avenue to Baseline road. The project will contain 8 stations and two park-and-rides. The South-Central corridor is one of the seven project areas identified by the U.S. Department of Transportation for inclusion in its Ladders of Opportunity Transportation Empowerment Pilot (LadderSTEP) program. The LadderSTEP pilot program aims to build and restore connections, develop workforce capacity and catalyze neighborhood revitalization through planned transportation projects. Valley Metro and the City of Phoenix launched the Small Business Financial Assistance Program (SBFAP), a one-year pilot to provide direct financial assistance to locally owned, small businesses immediately adjacent to the construction activities along the corridor. The project is expected to open for revenue service in 2024.

Capitol Extension

The 1.4-mile Capitol Extension will connect the existing light rail system in downtown Phoenix to the Arizona State Capitol. Phase I, is now known as the Capitol Extension. Phase II, is now known as the I-10 West Extension. The Capitol Extension was approved by the Phoenix City Council and the VMR Board in 2016. Preliminary engineering work is in process along with surveying and underground utility investigation. Based on community input and technical analysis, Valley Metro presented to the Phoenix Citizen's Transportation Commission (CTC) to revise the Locally Preferred Alternative (LPA) to the 19th Avenue Option. The CTC approved the revision. The project team will present the LPA to the Phoenix City Council in the fall of 2021. Next steps include environment assessments in occur in 2022 through 2023.

I-10 West Extension

In 2016, the Phoenix City Council and the Valley Metro Board of Directors approved a phased approach to what was then known as the Capitol/I-10 West Extension. Phase I, is now known as the Capitol Extension. Phase II, is now known as the I-10 West Extension. The I-10 West Extension is an 8.3-mile corridor along Interstate 10 (I-10) which will connect the existing Valley Metro Rail system in central Phoenix to the 79thAve/I-10 Park-and-Ride. The project will include six stations and two park-and-rides.

At the direction of Phoenix City Council, community input was obtained along with technical analysis and both were presented to the Phoenix Citizen's Transportation Commission (CTC). The CTC approved light rail as the transit type and the extension of the project corridor to the Desert Sky Transit Center. The project team will present the amended LPA to the Phoenix City Council in the fall of 2021.

OTHER INFORMATION

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Valley Metro Rail, Inc. for its annual comprehensive financial report for the fiscal year ended June 30, 2020.

In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine eligibility for another certificate.

Acknowledgments

The preparation of this report could not have been accomplished without the dedicated service of VMR's Finance staff. Support provided by the Board of Directors is invaluable and appreciated.

Respectfully submitted,

Scott Smith
Chief Executive Officer

Jim Hillyard
Chief Administrative Officer
and Acting Chief Financial Officer

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Valley Metro Rail, Inc.
Arizona

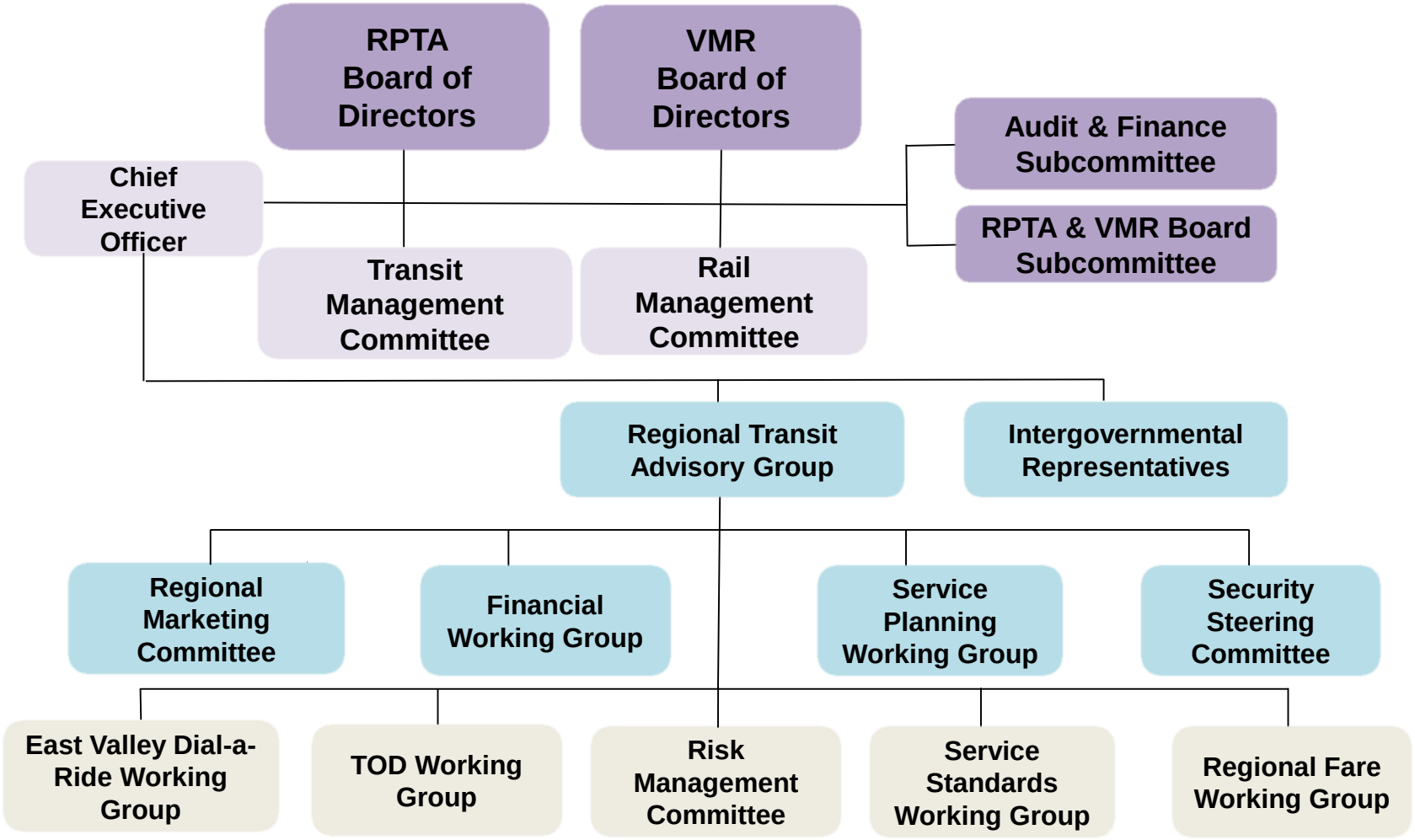
For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morrill

Executive Director/CEO

Valley Metro Organization



Valley Metro Governance and Policy Structure | Standing Member Agency Staff Committees | Ad Hoc Member Agency Staff Committees

VALLEY METRO RAIL, INC.
List of Appointed Officials
Fiscal Year Ended June 30, 2021

Board of Directors

Board Chairman	Councilmember Francisco Heredia, Mesa
Vice Chairman	Mayor Kate Gallego, Phoenix
Board Member	Councilmember Robin Arredondo-Savage, Tempe
Board Member	Mayor Kevin Hartke, Chandler

Executive Management Team

Chief Executive Officer	Scott W. Smith
Chief Of Staff	Alexis Tameron Kinsey
General Counsel	Michael Minnaugh
Chief Administrative Officer	Jim Hillyard
Director, Capital and Service Development	Henry Ikwut-Ukwa
Director, Communication and Strategic Initiatives	Hillary Foose
Director, Human Resources	Penny Lynch
Acting Chief Financial Officer	Jim Hillyard
Chief Operations Officer	Raymond Abraham
Director, Safety, Security, and Quality Assurance	Adrian Ruiz
Director, Internal Audit	Sebrina Beckstrom

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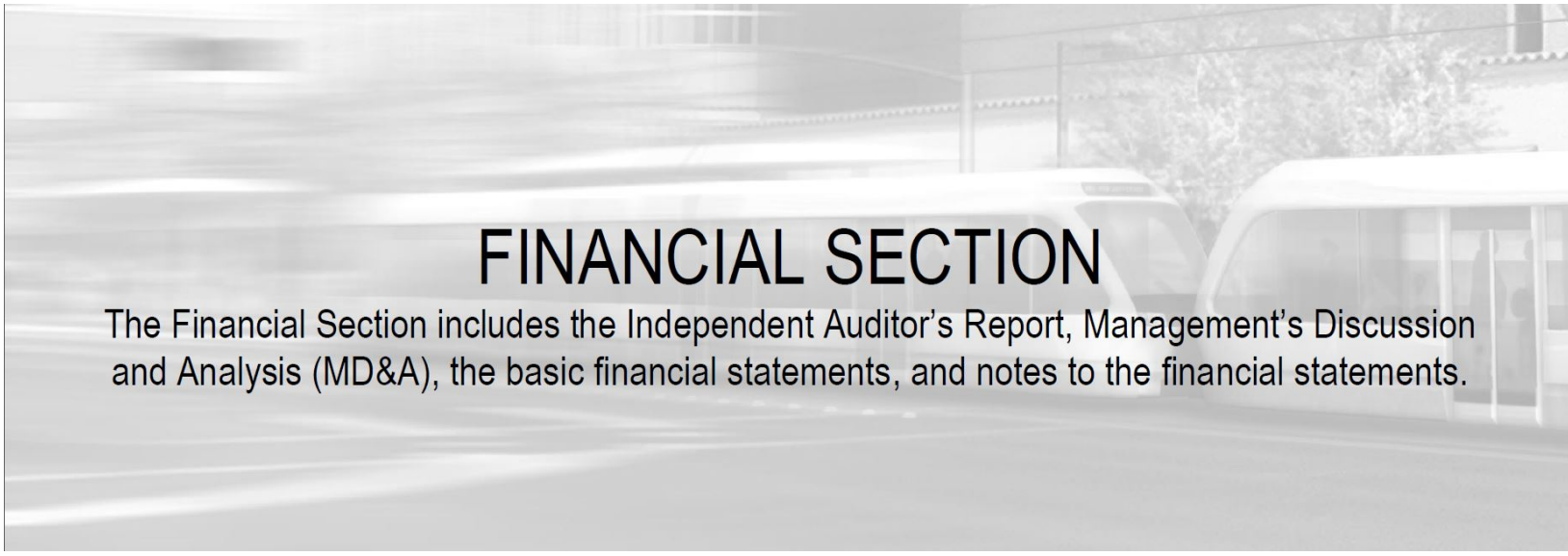

FINANCIAL SECTION

The Financial Section includes the Independent Auditor's Report, Management's Discussion and Analysis (MD&A), the basic financial statements, and notes to the financial statements.

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CliftonLarsonAllen LLP
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INDEPENDENT AUDITORS' REPORT

Board of Directors
Valley Metro Rail, Inc.
Phoenix, Arizona

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of Valley Metro Rail, Inc. (VMR), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise VMR's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to VMR's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of VMR's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

A member of Nexia International

CLA is an independent member of Nexia International, a leading, global network of independent accounting and consulting firms. See nexia.com/member-firm-disclaimer for details.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of VMR as of June 30, 2021, and the changes in its financial position and its cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise VMR's basic financial statements. The Schedule of Operations – Budget and Actual, listed as Other Supplementary Information in the table of contents, and the Introductory and Statistical Sections are presented for purposes of additional analysis and are not a required part of the financial statements.

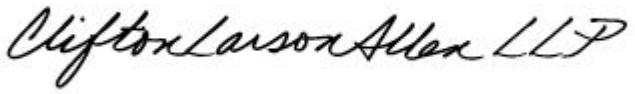
The Schedule of Operations – Budget and Actual is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Operations – Budget and Actual is fairly stated in all material respects in relation to the financial statements as a whole.

The Introductory Section and Statistical Section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Board of Directors
Valley Metro Rail, Inc.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 5, 2021, on our consideration of the VMR's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of VMR's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the VMR's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Phoenix, Arizona
November 5, 2021

After a cross-country journey from Brookville, Pennsylvania, the first streetcar vehicle arrived in Phoenix in March 2021. This vehicle is the first of six that will ultimately make up Valley Metro's first streetcar fleet. The 72-foot long vehicle has seats for 40 and can comfortably transport up to 120 passengers. Unlike light rail, the vehicle is a hybrid using a mix of overhead power and lithium-ion battery, which it will use when traveling along Mill Avenue. Tempe Mayor Corey Woods and other Tempe city staff tour the new streetcar facility.

As management of Valley Metro Rail, Inc. (VMR), we offer this narrative overview and analysis of the financial activities of VMR for the fiscal year ended June 30, 2021. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i – vi of this report. This discussion and analysis is designed to (1) assist the reader in focusing on significant financial issues, (2) provide an overview of VMR's financial activity, (3) identify changes in VMR's financial position, (4) identify any material deviations from the financial plan (adopted annual budget), and (5) identify other issues or concerns.

Financial Highlights

- VMR's total net position increased $314.5 million in FY 2021. The increase was caused by new capital investments (funded through federal grants, contributions from member cities, and local PTF funds) which exceeded scheduled depreciation charges. Total net position for VMR was $1.979 billion at June 30, 2021.

- VMR's operating revenues for FY 2021 were $5.2 million compared to $13.0 million for the prior period, a decrease of $7.8 million, or 59.8%. Fare revenues of $1.6 million were down over the prior period due to reduced ridership because of the outbreak of COVID 19. In FY 2021, regional revenues were $3.2 million for the regional capital rebuild program. With the system now over ten years old, the regional capital asset rebuild program is helping to maintain the light rail vehicle fleet in a state of good repair. Operating expenses were $114.8 million compared to $114.1 million, an increase of $0.7 million, or 0.6%.

- VMR's non operating receipts from federal grants were $45.8 million compared to $5.5 million for the prior period, an increase of $40.3 million. The large increase was the result of $43.6 million in FTA funding received from the City of Phoenix. These monies were received as part of the federal Coronavirus Aid, Relief and Economic Security (CARES) Act to reimburse Valley Metro for eligible expenses and lost revenue associated with the COVID-19 pandemic.

- Capital contributions totaled $396.7 million primarily consisting of public transportation funds of $96.5 million, Federal Transit Administration capital grants totaling $187.1 million and $113.1 million in city contributions. The construction in progress additions (CIP) for capital projects totaled $355.0 million. The increase mostly consisted of $33.8 million for the Tempe streetcar project; $249.4 million for the south central/downtown hub extension project; $55.4 million for the northwest extension-phase II; $8.5 million for the operations maintenance center expansion; $3.5 million for expansion light rail vehicles (LRVs). In addition, the capital funds provided for conveyance of $20.4 million in real estate to member cities.

OVERVIEW OF THE FINANCIAL STATEMENTS

VMR's financial statements are presented in accordance with accounting principles generally accepted in the United States of America ("GAAP"). GAAP requires that the financial statements be accompanied by a narrative introduction and analytical overview of the government's financial activities in the form of "Management's Discussion and Analysis" (MD&A). The financial section of the Annual Comprehensive Financial Report for VMR consists of this discussion and analysis and the basic financial statements. This report also contains other supplementary schedules presented after the basic financial statements. VMR's basic financial statements include a statement of net position; a statement of revenues, expenses and changes in net position; a statement of cash flows; and the notes to the financial statements. VMR's financial statements are prepared on an accrual

basis of accounting in accordance with accounting principles generally accepted in the United States of America promulgated by the Governmental Accounting Standards Board (GASB).

Fund Financial Statements – VMR is presented as an enterprise fund. Enterprise funds are used for activities that primarily serve customers outside the governmental unit. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or conditions. Funds are used to ensure and demonstrate compliance with finance-related legal requirements as well as for managerial control to demonstrate fiduciary responsibility over the assets of VMR.

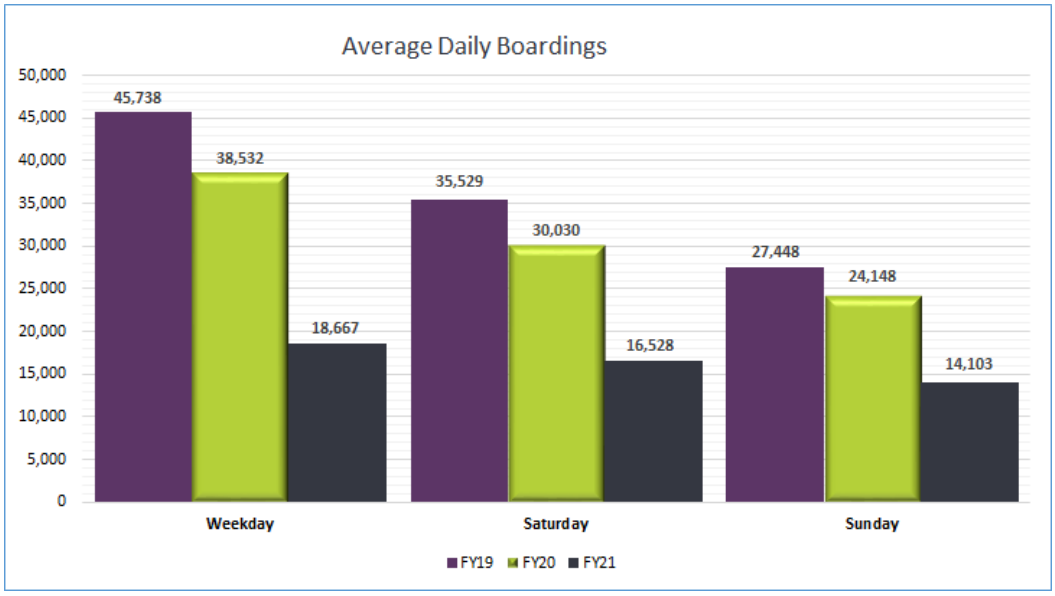
The statement of net position presents information on all of VMR's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of VMR is improving or deteriorating.

The statement of revenues, expenses and changes in fund net position presents information showing how the agency's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g., uncollected grant revenues).

Notes to the Financial Statements – The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the financial statements and should be read with the financial statements. The notes can be found beginning on page 15.

Enterprise Operations – VMR was formed in October 2002 by the cities of Glendale, Mesa, Phoenix and Tempe as a public nonprofit corporation to manage design, construction and operation of the Light Rail Transit (LRT) System within the Metropolitan Area. The City of Chandler became the fifth contributing member in April of 2007. During Fiscal Year 2020 the City of Glendale elected to discontinue it's membership in VMR reducing the total member cities from five to four. The member cities pay for their share of VMR's operating expenses based on expense allocation methods approved in the by-laws of VMR. See Note 1 for a summary of VMR's significant accounting policies.

Light Rail Ridership Comparison FY 2019 / 2020 / 2021



FINANCIAL ANALYSIS OF VMR

The following tables and analysis discuss the financial position and changes to the financial position for VMR as a whole as of and for the year ended June 30, 2021, with comparative information for the previous period.

Net Position – Net position may serve over time as a useful indicator of VMR's financial position. The following table reflects the condensed Statement of Net Position as of June 30, 2021, compared to the prior period.

VMR's Condensed Statement of Net Position
As of June 30, 2021 and 2020
(in thousands of dollars)

	2021	2020	Change	Percent Change
Current and other assets	$ 188,761	$ 127,278	$ 61,483	48.3%
Capital assets	1,979,419	1,682,674	296,745	17.6%
Total assets	2,168,180	1,809,952	358,228	19.8%
Current Liabilites	182,337	118,388	63,949	54.0%
Noncurrent Liabilities	7,001	27,242	(20,241)	-74.3%
Total liabilities	189,338	145,630	43,708	30.0%
Net Investment in Capital Assets	1,946,769	1,653,764	293,005	17.7%
Unrestricted	32,073	10,558	21,515	203.8%
Total Net Position	**$ 1,978,842**	**$ 1,664,322**	**$ 314,520**	**18.9%**

Total net position represents the sum of VMR's unrestricted net position plus net investment in capital assets. The largest portions of the investment are the light rail system capital assets. It is not VMR's intention to sell these assets and they are therefore not available for future spending. In FY 2021 net position increased $314.5 million largely due to the addition of the construction in progress for the Tempe streetcar, south central/downtown hub extension, northwest extension-phase II, operations maintenance center expansion, and LRV expansion projects. Funding sources for the new investments include federal grants, public transportation funds and city local match funding.

The 54.0% increase in current liabilities is primarily the result of an increase of $43.6 million in accounts payable and a $30.7 million dollar increase in unearned revenue. Accounts payable increased as a result of increased construction costs compared to the prior year resulting in an increased amount of unpaid invoices at June 30. The increase in unearned revenue includes an increase of $42.2 million contributed by the City of Phoenix in advance for the construction of the south central/downtown hub extension project and a decrease in unearned revenue of $11.5 million contributed by the City of Tempe for the Tempe streetcar project.

The 74.3% decrease in Noncurrent Liabilities is the result of a decrease of $9.4 million in Due to Other Governments and a $10.8 million decrease in Due to RPTA PTF Advance Bond Proceeds. Due to Other Governments decreased as a result of reduction of the amount of PTF funds received that are not expected to be repaid within 1 year. The Due to RPTA PTF Advance Bond Proceeds decreased as the amount due in more than one year decreased by this amount according the debt service schedule shown on Note 9 on page 24.

CHANGES IN NET POSITION

Total operating revenues, which consist of passenger fares and other revenues (advertising), decreased by $7.8 million, or 59.8%. The passenger fare revenues decreased by $6.8 million or 81.3% due to a decrease in ridership due to COVID 19. Regional capital rebuild revenues decreased by $0.4 million or 10.9% because of decreased funding in Public Transportation Funds offset by increased funding in federal grants in the ongoing efforts to maintain the light rail vehicles which are now over ten years old. Other revenues, mostly consisting of advertising revenues, decreased by $0.6 million or 56.3% due to a reduction in advertising sales due to COVID 19. Declines in operating revenues as a result of the COVID-19 pandemic were supplemented by FTA funding received as part of the federal Coronavirus Aid, Relief and Economic Security (CARES) Act. The CARES act revenues are reported as non-operating revenues.

Operating expenses increased by $0.7 million to $114.8 million or 0.6%. Administrative expenditures decreased by $2.9 million to $1.7 million or 63.5%. The decrease was due to a decrease in light rail vehicles and Operations Maintenance Center testing and integrated support expenses, a decrease in agency operating costs, and a decrease in the Mobility on Demand Sandbox research project costs. Additionally, in FY 2021, operating expenses were reduced by $0.6 million for the costs of the Bus Interface Facility reported as capital conveyance to City of Mesa. In FY 2020, there was no adjustment for costs associated with the Bus Interface Facility. In FY 2021, passenger operations service expenses increased by $3.0 million from $50.3 million to $53.3 million or 6.1%. The increase was a result of an increase in LRV repair costs, COVID-19 related costs including increases in cleaning and disinfecting services, and liability insurance increases. The regional capital rebuild program increased to $3.7 million as the effort continued to maintain the light rail vehicles which are now over ten years old. Depreciation expense was $56.1 million, an increase of $0.04 million or 0.1% over the previous year. Depreciation expense remained consistent with the prior year as the largest capital additions, two revenue vehicles valued at $4.4 million each, did not receive a full year of depreciation as depreciation did not begin until May and June 2021, respectively.

Non-operating revenues and expenses: A decrease of $12.1 million or 30.6% in net position was reported. There was an increase in expenses of $5.4 million for private utility relocations associated with the south central/downtown hub extension and northwest extension-phase II projects. There was also an increase of $16.2 million in capital conveyance of real estate to member cities, with the largest increase in south central light rail extension real estate costs. A new line item was added to record capital conveyance of costs associated with the new Enterprise Resource System to the Regional Public Transportation Authority. The expenses were offset by an increase in receipts from federal grants of $40.3 million and a decrease in contributions from member cities of $31.6 million. Federal grant funding increased as Valley Metro received $43.6 million in FTA funding from the City of Phoenix. These monies were received as part of the federal CARES Act to provide reimbursement for eligible expenses and lost revenue associated with the the COVID-19 pandemic.

The following table compares the revenues and expenses of VMR for the current fiscal year and the previous period.

VMR's Changes in Net Position
Fiscal year ended June 30, 2021 and 2020
(in thousands of dollars)

	2021	2020	Change	Percent Change
Operating Revenues				
Passenger Fares	$ 1,559	$ 8,340	$ (6,781)	-81.3%
Regional Capital Rebuild Revenue	3,194	3,586	(392)	-10.9%
Other Revenues	473	1,082	(609)	-56.3%
Operating Revenues	5,226	13,008	(7,782)	-59.8%
Operating Expenses:				
Administrative	1,671	4,577	(2,906)	-63.5%
Passenger Operations Service	53,336	50,292	3,044	6.1%
Regional Capital Rebuild Program	3,679	3,192	487	15.3%
Depreciation	56,090	56,053	37	0.1%
Operating expenses	114,776	114,114	662	0.6%
Operating Loss	(109,550)	(101,106)	(8,444)	8.4%
Non-operating revenues (expense)	27,372	39,455	(12,083)	-30.6%
Deficiency before Capital Contributions	(82,178)	(61,651)	(20,527)	33.3%
Capital Contributions	396,698	214,833	181,865	84.7%
Increase in Net Position	314,520	153,182	161,338	105.3%
Net Position, July 1	1,664,322	1,511,140	153,182	10.1%
Net Position, June 30	$ 1,978,842	$ 1,664,322	$ 314,520	18.9%

Capital contributions totaling $396.7 million consist of FTA capital grants of $187.1 million, Public Transportation Funds of $96.5 million and capital member contributions of $113.1 million. Capital projects funded include the Gilbert Road Extension, Tempe Streetcar Project, south central light rail extension, Northwest Phase II and LRV Expansion vehicles construction projects. The $181.9 million increase versus prior year capital contributions were primarily related to the $19.2 million increase in Public Transportation Funds (PTF) contributions for capital projects, a $126.7 million increase in federal capital grants and a $36.0 million increase in capital contributions from member cities.

CAPITAL ASSETS AND LONG TERM DEBT

Capital Assets:

The following table provides a breakdown of capital assets of VMR at June 30, 2021, with comparative information for the previous period. Additional information on VMR's capital assets may be found in Note 5.

VMR's Capital Assets, Net of Depreciation
As of June 30, 2021 and 2020
(in thousands of dollars)

	2021	2020	Change	Percent Change
Buildings	$ 66,852	$ 69,415	$ (2,563)	3.7 %
Guideway	692,720	710,209	(17,489)	2.5 %
Bridges	35,885	37,935	(2,050)	5.4 %
Operations Control Center	7,846	8,720	(874)	-10.0 %
Passenger Stations and Facilities	109,278	114,626	(5,348)	4.7 %
Park and Ride Facilities	14,138	17,458	(3,320)	19.0 %
Bus Shelter	334	411	(77)	18.8 %
Electric Power Substations	137,224	145,157	(7,933)	5.5 %
Signal and Communication System	76,778	82,796	(6,018)	7.3 %
Computers and Software	80	58	22	37.9 %
Revenue Vehicles	115,154	117,666	(2,512)	2.1 %
Non-Revenue Vehicles	694	645	49	7.6 %
Site Improvements	1,585	1,964	(379)	-19.3 %
Tenant Improvements	207	249	(42)	-17.1 %
Equipment	7,039	8,319	(1,280)	15.4 %
Construction in Progress	713,605	367,046	346,559	94.4 %
Net Capital Assets	**$ 1,979,419**	**$ 1,682,674**	**$ 296,745**	**17.6 %**

As of June 30, 2021, VMR had $2.0 billion in capital assets, net of accumulated depreciation. There was a large increase in capital assets of $296.7 million. Construction in progress had a net change of $346.6 million increase for current year costs for ongoing construction projects, a decrease mainly for assets converted from construction in progress to capital assets for two Light Rail Vehicles. Increases in capital assets was also due to purchases of computers and software, non-revenue vehicles and equipment during the fiscal year. Reductions in capital assets were due to disposal of various assets reaching their useful lives, one totaled Light Rail Vehicle, impaired capital assets, and annualized depreciation of the existing VMR assets. Refer to Note 5 on page 21 for more information regarding the capital assets.

Long Term Debt:

In April 2015, the VMR and RPTA Boards amended the interagency LRT Program Agreement whereby RPTA holds an interagency receivable for PTF bond proceeds advanced to VMR to fund LRT capital projects. In FY 2021, the PTF Advance Bond Proceeds due from VMR to RPTA totaled $14.7 million. See Note 9 on page 24 for details.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

VMR's adopted fiscal year 2022 capital budget is $466.7 million, down $54.8 million from fiscal year 2021's adopted budget. The primary cause for the decrease are changes to the major construction projects budgets; Tempe Streetcar budget decreased $34.3 million and OMC Expansion decreased by $22.7 million as both are scheduled to be completed in FY 2022. Some residual costs for these projects are expected in FY 2022. Further, South Central budget decreased by $24.9 and Northwest Phase II increased by $15.8 million. Both of these projects are in the middle of the construction phase in FY 2022. Background on the capital projects may be found in the Statistical Section commencing on page 31.

On the operating side, VMR's FY 2022 budget is $78.9 million, up $6.9 million versus FY 2021 adopted budget. Revenue operations costs are up $5.6 million to $55.4 million in FY 2022 due to streetcar revenue operations starting in FY 2022, significant increase in liability insurance, contractual increases with Rail Operators, and restoring most of the frozen positions in FY 2021. Also, security costs are up $0.9 million primarily due to the start-up of streetcar service in FY 2022. Future Projects Development costs which are up by $0.2 million primarily due to increase in planning activities related to future corridors and system planning.

Comparison of Annual Expenditure Budgets
Fiscal Year 2022 vs. 2021

Uses of Funds	FY 2022 Adopted ($,000)	FY 2021 Adopted ($,000)	Change ($,000)
Operating			
Revenue Light Rail Operations & Maintenance	$ 51,669	$ 45,666	$ 2,442
Revenue Streetcar Operations & Maintenance	3,732	613	3,119
Light Rail Security	8,915	8,489	426
Streetcar Security	578	110	468
Future Project Development	11,979	11,686	293
Agency Operating	2,071	1,870	201
Total Operating	$ 78,944	$ 71,995	$ 6,949
Capital Projects:			
Gilbert Road	$ 3,354	$ 3,296	$ 58
50th Street Station	—	—	—
Tempe Streetcar	5,547	39,837	(34,290)
South Central	291,436	316,318	(24,882)
Northwest Phase II	129,740	113,979	15,761
OMC Expansion	5,159	27,860	(22,701)
State of Good Repair	12,846	8,695	4,151
Central Mesa Extension	—	—	—
Systemwide Improvements	18,570	11,461	7,109
Total Capital	$ 466,652	$ 521,446	$ (54,794)
Total Uses of Funds	**$ 545,596**	**$ 593,441**	**$ (47,845)**

FINANCIAL CONTACT

The financial report is designed to provide a general overview of VMR's finances and to demonstrate accountability for the use of public funds. Questions about any of the information provided in this report, or requests for additional financial information should be addressed to Valley Metro's Chief Financial Officer, Valley Metro Rail, Inc., 101 North 1st Avenue, Suite 1400, Phoenix, Arizona 85003.

Valley Metro Rail, Inc.
Statement of Net Position
June 30, 2021
(in thousands of dollars)

Assets		
Current Assets:		
Cash and Investments	$	19,664
Receivables		4,199
Due from Other Governments		141,246
Inventory		18,509
Other Assets		1,101
Total Current Assets		184,719
Noncurrent Assets:		
Restricted Cash and Investments		4,042
Capital Assets, not being depreciated		713,605
Capital Assets, net of accumulated depreciation		1,265,814
Total Noncurrent Assets		1,983,461
Total Assets		2,168,180
Liabilities		
Current Liabilities:		
Accounts Payable		97,444
Insurance Reserves		922
Due to Other Governments		13,136
Due to RPTA PTF Advance Bond Proceeds		10,835
Member Cities Deposits		9,681
Retainage Payable		6,608
Unearned Revenue		43,711
Total Current Liabilities		182,337
Noncurrent Liabilities:		
Due to Other Governments		3,087
Due to RPTA PTF Advance Bond Proceeds		3,914
Total Noncurrent Liabilities		7,001
Total Liabilities		189,338
Net Position		
Net Investment in Capital Assets		1,946,769
Unrestricted		32,073
Total Net Position	$	1,978,842

The accompanying notes to the financial statements are an integral part of this statement.

Valley Metro Rail, Inc.
Statement of Revenues, Expenses, and Changes in Fund Net Position
Fiscal Year Ended June 30, 2021
(in thousands of dollars)

Operating Revenues:		
Passenger Fares	$	1,559
Regional Capital Rebuild Revenue		3,194
Other Revenues		473
Total Operating Revenues		5,226
Operating Expenses:		
Administrative		1,671
Passenger Operations Service		53,336
Regional Capital Rebuild Program		3,679
Depreciation		56,090
Total Operating Expenses		114,776
Operating Loss		(109,550)
Non-Operating Revenue / (Expense):		
Contributions from Member Cities		14,340
Public Transportation Funds		9,659
Receipts from Federal Grants		45,762
Other Planning Revenues		1,000
Future Project Development		(8,887)
Private Utilities Relocations		(9,811)
Capital Conveyance to Member Cities		(20,399)
Capital Conveyance to RPTA		(2,187)
Concurrent Non Project Activities		(116)
Interest Expense for Gilbert Road Extension		(17)
PTF Interest expense		(1,901)
Gain (loss) on disposal of capital assets		(248)
Other Non-Operating Revenues		177
Total Non-Operating Revenues/ (Expense)		27,372
Deficiency Revenues under Expenses		(82,178)
Capital Contributions:		
Capital Contributions from Member Cities		113,069
Public Transportation Funds Capital		96,492
Federal Transit Administration Capital Grants		187,137
Total Capital Contributions		396,698
Changes in Net Position		314,520
Net Position, Beginning of Period		1,664,322
Net Position, End of Period	$	1,978,842

The accompanying notes to the financial statements are an integral part of this statement.

Valley Metro Rail, Inc.
Statement of Cash Flows
Fiscal Year Ended June 30, 2021
(in thousands of dollars)

Cash Flows from Operating Activities		
Receipts from Fare Revenues	$	1,278
Receipts from Regional Capital Rebuild Program		3,194
Other Revenues		679
Payments for Payroll Related Expenses		(23,274)
Payments to Suppliers		(35,275)
Net Cash Used in Operating Activities		(53,398)
Cash Flows from Non-Capital Financing Activities		
Receipts from Member Cities		17,187
Receipts from Regional Public Transportation Authority		9,155
Receipts from Federal Non-Capital Grants		39,422
Receipts from Maricopa Association of Governments		496
Payments for Future Project Development		(8,341)
Payment for Private Utility Relocations		(9,250)
Capital Conveyance to Member Cities		(20,470)
Capital Conveyance to RPTA		(2,187)
Other Revenues		201
Net Cash Provided by Non-Capital Financing Activities		26,213
Cash Flows from Capital and Related Financing Activities		
Capital Contributions from Member Cities		115,289
Receipts from FTA Capital Grants		157,686
Receipts from Regional PTF for Capital		57,556
Gilbert Road Extension Advance Funding Obligation		(5,633)
Interest paid on Gilbert Road Extension Advance Funding Obligation		(17)
Advances received for South Central Extension Project		42,191
Restricted cash received for Tempe Street Car Project		(11,520)
Interest earned on restricted cash received for Tempe Street Car Project		9
Payments for Capital Assets		(328,204)
Net Cash Provided by Capital and Related Financing Activities		27,357
Net Increase in Cash and Cash Equivalents		171
Cash and Cash Equivalents, Beginning of Year		23,535
Cash and Cash Equivalents, End of Year	$	23,706
Cash and Cash Equivalents		
Cash and Investments	$	19,664
Restricted Cash and Investments		4,042
Total Cash and Cash Equivalents	$	23,706
Reconciliation of Operating Loss to Net Cash Used in Operating Activities		
Operating Loss	$	(109,550)
Adjustments to Reconcile Operating Loss to Net Cash Provided by Operating Activities:		
Depreciation		56,090
(Increase) Decrease in Assets:		
Accounts Receivable		193
Due from Other Governments		24
Inventory		(1,249)
Other Assets		(200)
Increase (Decrease) in Liabilities		
Accounts Payable		1,200
Other Accrued Expenses		(177)
Due to Other Governments		270
Net Cash Used in Operating Activities	$	(53,398)

Valley Metro Rail, Inc.
Statement of Cash Flows (Concluded)
Fiscal Year Ended June 30, 2021
(in thousands of dollars)

Noncash Transactions affecting Financial Position		
Capital Contributions from Member Cities	$	27,862
Advance PTF Revenue and Bond interest payment		12,196
Retainage Expenses		1,089

The accompanying notes to the financial statements are an integral part of this statement.

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1. Summary of Significant Accounting Policies

The accounting policies of Valley Metro Rail, Inc. (VMR) conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

The GASB issued Statement No. 87, *Leases*, which is effective for fiscal years beginning after June 15, 2021, as postponed by implementation of GASB No. 95. Statement No. 87 establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. In other words, most leases currently classified as operating leases will be accounted for and reported in the same manner as capital leases. VMR has not yet determined the effect that the adoption of GASB Statement No. 87 may have on its financial statements.

The GASB issued Statement No. 98, *The Annual Comprehensive Financial Report*, which is effective for fiscal years ending after December 15, 2021. VMR elected to early adopt this statement. This Statement establishes the term annual comprehensive financial report and its acronym ACFR. The new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments.

All GASB issued statements that had an effective date for implementation for the year ended June 30, 2021 were considered in the preparation of the financial statements; however, there were no additional GASB statements that impacted the financial statements or presentation for the fiscal year ended June 30, 2021.

a. Financial Reporting Entity

In October 2002, the city councils of Glendale, Mesa, Phoenix and Tempe approved the formation of a government entity with a nonprofit status by the name of Valley Metro Rail, Inc. The nonprofit corporation was organized under A.R.S. 11-952 and 40-1152. The initial members entered into a Joint Powers Agreement which provides that this corporation be organized as the instrumentality to plan, design, construct, and operate the Light Rail Transit Project ("LRT"). Prior to October 2002, the Regional Public Transportation Authority (RPTA) performed these roles.

VMR contracts with the RPTA for certain administrative functions, including personnel, HR administration, and computer support services. All VMR staff is hired and employed by RPTA but works solely under the direction of Valley Metro Rail, Inc., and its Board of Directors, through a contractual arrangement with RPTA.

The Board of Directors of VMR is solely responsible for the governance of LRT and VMR is not a component unit of RPTA; economic resources received by VMR are entirely for the direct benefit of VMR, and RPTA is not entitled to and has no ability to otherwise access any of the economic resources received or held by VMR.

b. Financial Statements

These financial statements are presented in accordance with Government Accounting Standards Board (GASB) and all applicable GASB Statements. VMR is engaged only in business-type activities and is required to present the financial statements required for enterprise funds which are part of proprietary funds. VMR does not report any component units.

c. Basis of Presentation

Proprietary funds account for activities of VMR similar to those found in the private sector, where cost recovery and the determination of net income is useful or necessary for sound fiscal management. The focus of proprietary fund measurement is upon the determination of operating income, changes in net position, financial position and cash flows. Currently, the VMR is classified as a stand-alone Enterprise fund.

d. Measurement Focus and Basis of Accounting

The Statement of Net Position and Statement of Revenues, Expenses and Changes in Fund Net Position are reported using the flow of economic resources measurement focus and accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Such revenue is subject to review by the funding agency, which may result in disallowance in subsequent periods.

All of VMR's activities are accounted for in a single proprietary or business-type fund. Proprietary funds distinguish operating revenues and expenses from non-operating items and capital contributions. Operating revenues and expenses generally result from providing services and producing and delivering goods in connecting with a proprietary fund's principal ongoing operations. Revenues and expenses not meeting this definition are reported as either non-operating revenues and expenses or capital contributions.

e. Cash and Investments

State statutes authorize VMR to invest in obligations of the U.S. Treasury and any of its agencies, corporations or instrumentalities, collateralized repurchase agreements, certificates of deposit, and the Local Government Investment Pool. VMR's investments are stated as fair value. Fair value is based on quoted market prices as of the valuation date.

VMR considers short-term investments in mutual fund-money markets, U.S. Treasury bills and notes with maturities of three months or less at acquisition date to be cash equivalents.

f. Receivables

Management analyzes receivables periodically to determine the adequacy of the allowance for doubtful accounts. There is no current provision required for possible bad debts.

g. Inventory

Inventories consist of expendable supplies held for consumption. Inventories are valued at cost using the average cost method. Inventories are expensed when the resources are used.

h. Prepaid Expenses

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. Prepaids are recorded as assets and the expense is recognized when the assets are consumed or used. The prepaid items are included in Other Assets on the Statement of Net Position.

i. Capital Assets

Capital assets are defined as assets with an initial, individual cost of more than $5,000 and an estimated useful life greater than one year.

Capital assets are recorded at cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

VMR capitalizes all costs incurred in connection with the construction of capital projects. The costs for the non-federal agency operating, Rail Operations, and the LRV Regional Capital Rebuild program (considered maintenance for capitalization purposes) costs are recorded as annual operating expenses.

VMR is not the legal owner of any land. The land required for the LRT system is acquired and owned by the Member Cities and is the subject of a long-term use agreement between each City and VMR. Land, subject to the above agreement, is recorded on the books of member cities. If a member city submits a reimbursement for real estate purchases, the cost is paid to the city through federal and regional sources. At fiscal year end, the cost is removed from the books and "conveyed" back to the member city.

The costs included as construction in progress consist primarily of project administration, engineering, construction management, utilities relocation, facility construction, equipment procurement, and other costs related to construction. No depreciation is provided on construction in progress until construction is completed and the assets are placed in service.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major improvements are capitalized and depreciated over the remaining useful lives of the related capital assets. Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Assets	Useful Life (Years)
Buildings	40
Guideway	50
Bridges	30
Operation Control Center	30
Passenger Stations and Facilities	15-30
Park and Ride Facilities	15
Electric Power Substations	25
Signal and Communication System	10-20
Revenue Vehicles	25
Equipment	5-15
Furniture and Fixtures	7
Non-Revenue Vehicles	4
Computers and Software	3-5
Tenant Improvements	5-10
Site Improvements	5-10
Bus Shelter	10

j. Allocation of Costs to Member Cities

Design and construction costs for the Light Rail Extensions that comprise the System are allocated to the member cities as follows:

i) Regional design and construction costs are allocated based upon the Design and Construction Miles percentage method as stated in the bylaws of the corporation. The components of the

LRT that are currently classified as "regional" are light rail vehicles, the maintenance and storage facility, operations control center, bridge structures, and regional park-and-ride lots.

ii) Local design and construction costs are allocated to the member cities within whose boundaries the LRT Component designed or constructed will be located. Design and construction costs that are not classified as regional are deemed to be local.

iii) Design and construction costs for future LRT extensions are funded based upon Design and Construction Agreements which are executed in accordance with the adopted Regional Transit Life Cycle Plan (TLCP). Each construction project of a light rail extension has a different funding structure based on the TLCP. Under the Design and Construction project agreement for each extension, a Member City may be required to fund a local match as part of project funding, if the project is located within its jurisdiction. The remaining funding comes from Federal and regional monies.

If a member city's share of the LRT costs for a fiscal year is determined to be less than $50,000, such member city's share of the LRT costs shall be $50,000. The purpose of the Minimum Cost is so that all member cities will contribute to payment of the overhead expense of the Corporation for matters such as the cost of meetings of the Board of Directors, administrative support to the Board of Directors, and support to member cities by the Rail Program Staff.

Passenger Operations Service Expenses are funded by the Member Cities according to the ratio of LRT route mileage currently in service. Costs related to fare inspection, on-board security and park-and-ride security are considered regional costs. Member Cities may also contribute amounts to fund local security within their respective jurisdictions.

k. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America necessarily requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting financial period. Actual results could differ from these estimates.

l. Net Position

VMR's net position consists of unrestricted net position and net investment in capital assets. Net investment in capital assets, which is capital assets, net of related debt, is separately reported because capital assets make up a significant portion of net position.

2. Budgetary Basis of Accounting

An annual budget of revenues and expenses is prepared and adopted by the Board of Directors each fiscal year. According to the By-Laws of Valley Metro Rail, Inc. annual operating and capital budget is required. The legal level of budgetary control is the total annual appropriated budget. The annual budget is adopted on the accrual basis. Encumbrance accounting is not used and all appropriations lapse at year end. Depreciation expense is not included in the annual budget. Prior to final adoption, a proposed budget is presented to the Board of Directors for review and public comment is received. Final adoption of the budget must be on or before June 30 of each year.

A schedule of actual operating revenues and expenses versus original budget and final budget is presented as other supplementary information. See Page 30.

3. Cash and Investments

Cash deposits and investments at June 30, 2021, consisted of the following *(in thousands of dollars)*:

Cash on Hand and in Bank	$	18,715
Insurance Trust Fund		949
Restricted:		
Cash with Bank		1,494
Cash with Escrow Agent		2,548
Total Cash and Investments	$	23,706

VMR has deployed Ticket Vending Machines (TVM's) which contain coin and bill vaults to accommodate the purchase of fares. At June 30, 2021, the total cash contained in the coin and bill vaults totaled $182 thousand.

VMR's bank deposits at June 30, 2021, had a carrying value of $20.027 million and the bank ledger balance was $23.936 million. The difference of $(3.909) million represents deposits in transit and outstanding checks. Of the bank balance, $1.5 million is covered by federal depository insurance and $22.436 million is collateralized 102% by securities held by the pledging financial institution in VMR's name.

The restricted cash bank deposits totaling $1.494 million is money contributed for the Tempe Streetcar project restricted to be spent on that project. This money is held in an interest bearing checking account.

The Self Insurance Reserve Trust Account totaling $949 thousand was covered by collateral held by the pledging financial institution in VMR's name. It is invested within Money Market Funds with Wells Fargo that are measured at amortized cost.

The Cash with Escrow Agent Accounts totaling $2.548 million for retainage payable for construction contracts. The money is invested in Money Market Funds with US Bank that are measured at amortized cost.

Custodial Credit Risk – Custodial credit risk is the risk that in the event of bank failure VMR's deposits may not be returned. VMR does not have a deposit policy for custodial credit risk. All of VMR's bank deposits, except the restricted cash with bank, are in non-interest bearing accounts.

Interest Rate Risk – VMR's formal investment policy limits the type of investment as a means of managing its exposure to fair value losses arising from increasing interest rates. During FY 2021 all investment durations were shorter than 90 days.

Credit Risk – State Statutes and VMR's Investment Policy authorize VMR to invest in bank demand deposit accounts and obligations of the U.S. Treasury.

Concentration of Credit Risk – VMR's Investment Policy limits the total investments by type of account including, General Operating, Imprest Fund, Self-Insurance Reserve and TVM Credit Card. At June 30, 2021, VMR maintains all available cash in these accounts.

4. Accounts Receivable and Due From Other Governments

All receivable balances at June 30, 2021 are displayed on the financial statements and are expected to be collected in full; therefore, an allowance for uncollectibles has not been recorded.

Due from other governments consists of Federal receivables due from the City of Phoenix as Grantee of Federal Funds, PTF receivable due from Regional Public Transportation Authority (RPTA), project funding receivables due from cities of Mesa, Phoenix and Tempe and miscellaneous receivables due from Maricopa Association of Governments *(in thousands of dollars)*.

City of Phoenix (Grantee of Federal Funds)	$	55,553
Public Transportation Funding		65,122
City of Mesa		42
City of Phoenix		20,190
City of Tempe		290
Maricopa Association of Governments		49
Total Due from Other Governments	$	141,246

Public Transportation Funding is discussed more fully in Note 15.

5. Capital Assets

Capital asset and construction in progress activity for the year ended June 30, 2021 were as follows *(in thousands of dollars):*

	Balances, June 30, 2020	Increases	Decreases	Balances, June 30, 2021
Nondepreciable assets:				
Construction in progress	$ 367,046	$ 355,007	$ (8,448)	$ 713,605
Depreciable assets:				
Buildings	102,532			102,532
Guideway	863,881		(211)	863,670
Bridges	61,516			61,516
Operation Control Center	13,104			13,104
Passenger Stations and Facilites	158,481		(112)	158,369
Park and Ride Facilites	49,791			49,791
Bus Shelter	772			772
Electric Power Substations	198,340			198,340
Signal and Communication System	123,615			123,615
Computers and Software	2,302	43	(274)	2,071
Furniture and Fixtures	1,138		(240)	898
Revenue Vehicles	219,803	9,841	(4,944)	224,700
Non-Revenue Vehicles	3,770	351	(79)	4,042
Site Improvements	3,750			3,750
Tenant Improvements	342			342
Equipment	22,913	12	(469)	22,456
Total depreciable assets at historical cost	1,826,050	10,247	(6,329)	1,829,968
Less accumulated depreciation for:				
Buildings	(33,117)	(2,563)		(35,680)
Guideway	(153,672)	(17,278)		(170,950)
Bridges	(23,581)	(2,050)		(25,631)
Operation Control Center	(4,384)	(873)		(5,257)
Passenger Stations and Facilites	(43,855)	(5,240)	4	(49,091)
Park and Ride Facilites	(32,333)	(3,320)		(35,653)
Bus Shelter	(361)	(77)		(438)
Electric Power Substations	(53,183)	(7,933)		(61,116)
Signal and Communication System	(40,819)	(6,018)		(46,837)
Computers and Software	(2,244)	(22)	274	(1,992)
Furniture and Fixtures	(1,138)		240	(898)
Revenue Vehicles	(102,137)	(8,729)	1,319	(109,547)
Non-Revenue Vehicles	(3,125)	(301)	79	(3,347)
Site Improvements	(1,786)	(379)		(2,165)
Tenant Improvements	(93)	(42)		(135)
Equipment	(14,594)	(1,265)	442	(15,417)
Total accumulated depreciation	(510,422)	(56,090)	2,358	(564,154)
Total capital assets being depreciated	1,315,628	(45,843)	(3,971)	1,265,814
Business-type activities, capital assets, net	$ 1,682,674	$ 309,164	$ (12,419)	$ 1,979,419

6. Member Cities' Deposits

The member cities advance monies to cover the cost of operations plus the federal and local share of project costs. In addition, unpaid expenses to be funded by member contributions are accrued for each city. A summary of member cities' deposits at June 30, 2021 follows *(in thousands of dollars)*:

City of Chandler	$	147
City of Glendale		142
City of Mesa		299
City of Peoria		37
City of Phoenix		7,240
City of Tempe		1,816
	$	9,681

7. Operating Leases

VMR leases office space with an operating lease agreement. Total expense for the lease was $1,840 for the fiscal year ended June 30, 2021. Future minimum lease payments under non-cancelable operating leases are as follows *(in thousands of dollars)* :

Year Ending June 30, 2021		
2022	$	1,720
2023		1,720
2024		1,720
2025		1,705
2026		1,705
	$	8,570

Beginning on July 1, 2014, VMR entered into a new contract to lease office space for a 12 year term which included 57,007 square feet of building space. Simultaneously, a sublease between VMR and RPTA took effect for 26,324 square feet. The 12 year term contract total is $16.2 million for VMR. The sublease to RPTA is $7.5 million.

Beginning on December 1, 2017, VMR entered into a new contract to lease additional office space for the 14th Floor of the building for a 8.5 year term which included 13,242 square feet of building space. The 8.5 year term contract total is $3.0 million for VMR. The sublease to RPTA is $1.4 million.

8. Due to Other Governments

As mentioned in Note 1 VMR contracts with RPTA for administrative functions, including personnel, HR administration, and computer support services. All VMR staff is hired and employed by RPTA but works solely under the direction of VMR and its Board of Directors through a contractual arrangement with RPTA. As of June 30, 2021, VMR owed to RPTA $2.3 million for payroll and fringe benefits and $0.8 million to reimburse shared contractual services. Both amounts are expected to be repaid to RPTA next fiscal year.

On August 14, 2006, VMR and RPTA executed an intergovernmental agreement (IGA) that formally designated VMR as Lead Agency to plan, design, and construct the light rail transit (LRT) program. The IGA specifies that RPTA will reimburse or advance VMR, from the Public Transportation Fund, for eligible incurred expenses. VMR receives employee services as well as Public Transportation Funds (PTF) for capital project planning and design and construction funding from RPTA. As of June 30, 2021, VMR had received $10.4 million in PTF Funds for capital projects owed back to RPTA. $9.4 million will be repaid using federal grant funding within the next fiscal year. The remaining PTF Accrued Reimbursement amount of $1.0 million will not be repaid until more federal grant funding is received in fiscal year 2023. The $2.0 million Due to Federal Transit Administration are proceeds received from an insurance claim that is owed to the Federal Transit Administration or may be applied to offset future federally eligible purchases.

Total Due to Other Governments is as follows *(in thousands of dollars)*:

Payroll and Fringe Benefits	$	2,263
Reimbursement for Shared Contractual Services		837
PTF Accrued Reimbursements		9,383
Due to RPTA (Current liabilities)		12,483
Due to City of Phoenix		493
Due to City of Mesa		87
Due to Other		73
Total Due to Other Governments (Current liabilities)	$	13,136
Due to Federal Transit Administration		2,046
PTF Accrued Reimbursements		1,041
Total Due to Other Governments (Noncurrent Liabilities)	$	3,087

9. Due to RPTA PTF Advance Bond Proceeds

During FY 2015, VMR and RPTA Boards amended the inter-agency LRT Program Agreement, whereby RPTA will hold an inter-agency receivable from VMR for the advance of bond proceeds. In order to accelerate planning, design and construction of the Light Rail Capital Projects as identified in the Regional Transportation Plan, RPTA advances bond proceeds prior to the collection of sales tax proceeds necessary to fund the debt service payments.

The inter-agency payable to RPTA of the Advance Bond Proceeds shall be paid from the collection of PTF Sales Taxes by RPTA on VMR's behalf. As the debt service payments are made, VMR will record PTF revenue-capital contributions and reduce the note payable. In addition, VMR will record each fiscal year, the VMR portion of the bond interest expense of the 2009 bond issue and the 2014 bond issue according to the debt service schedules. For FY 2021, the PTF bond interest expense was $1.9 million.

As of June 30, 2021, PTF Advance Bond Proceeds totaled $14.7 million. Principal and interest payments follow the Series 2014 Debt Service schedule as shown in table below *(in thousands of dollars)*.

Advance Bond Proceeds:

Year Ending June 30	Principal	Interest	Total Debt Service
2022	$ 10,835	$ 1,623	$ 12,458
2023	3,914	1,331	5,245
	$ 14,749	$ 2,954	$ 17,703

*Note A portion of the total Series 2014 Bond Issue interest expense is allocated to the Series 2014 Advance. The allocation is based on ratio of Series 2014 Advance Note Payable $69,583,715 versus the Total Series 2014 Bond Proceeds $135,406,165.

The beginning balance of this debt at July 1, 2020 was $25.0 million. During the year there was a $0 increase and $10.3 million decrease in Advance Bond proceeds debt. The balance at June 30, 2021 is $14.7 million. For this agreement, PTF sales taxes received by RPTA on VMRs behalf are collateral for the debt. There are no terms specified in the debt agreement related to the significant (1) events of default with finance-related consequences, (2) termination events with finance-related consequences, and (3) subjective acceleration clauses. This advance is a direct borrowing from RPTA.

10. Contractual and Other Commitments

VMR has entered into various contractual agreements for engineering services, project management, construction administration, light rail vehicles, construction, operations services, legal services and artists. At June 30, 2021, VMR had remaining contractual commitments for these services aggregating approximately $1,023.4 million. These commitments have not been recorded in the accompanying financial statements. Only the currently payable portions of these contracts have been included in accounts payable in the accompanying financial statements.

As of June 30, 2021:
(in thousands of dollars)

Contractor	Commitment	Spent-to-date	Remaining
AECOM	$ 48,956	$ 44,014	$ 4,942
Alliant Insurance Services	503	206	297
Allied Universal Security	51,903	—	51,903
AlliedBarton Security Services, LLC	31,386	28,963	2,423
Alternate Concepts Inc. (ACI)	60,669	44,534	16,135
Altima Business Solutions	1,350	—	1,350
Arcadis	1,666	1,271	395
Award Winning Restorations	3,483	1,187	2,296
AZ Builders Exchange dba BEX	1,350	—	1,350
Brookville Equipment Corporation	34,200	24,859	9,341
Builders Guild, Inc.	6,000	617	5,383
Cardinal Infrastructure	300	247	53
Central Creative	1,350	—	1,350
CHK America	1,172	137	1,035
CO+HOOTS	1,350	—	1,350
Dell Marketing L.P.	1,880	826	1,054
Denovo Ventures, LLC	3,557	1,424	2,133
DigiVid 360	170	—	170
DLT Solutions LLC	1,031	258	773
Dye Management Group, Inc.	1,251	734	517
Elaman1234.com LLC	1,350	—	1,350
GCI	1,350	—	1,350
HBL America Inc.	306	—	306
HDR Engineering	7,889	7,819	70
Hensel Phelps	92,281	89,397	2,884
Hernandez Creative	170	—	170
HighGround/Kruse JV	206	142	64
Hill International, Inc.	12,637	8,414	4,223
Hubner Manufacturing Corp.	500	256	244
IFE North America	977	—	977
Imagine Technology Group	285	184	101
Immedia, LLC	80	7	73
J. Banicke Construction Co.	547	501	46
Jacobs Engineering Group Inc.bs	20,361	18,665	1,696
Engineering Group Inc.			

Kiewit Infrastructure	1,018,900	257,233	761,667
Kinkisharyo International LLC	180	—	180
Knorr Brake Company, LLC	2,570	2,035	535
Koni North America	69	—	69
Leach International Corporation	620	—	620
LED Smart (Energeebridge)	140	—	140
LTK Engineerng	252	146	106
Matter Films	85	6	79
National Corrosion	170	66	104
PGH Wong	308	88	220
Plante & Moran, PLLC	710	502	208
Prestamos CDFI	145	116	29
Professional Plastics, Inc.	14	—	14
Relay Specialties, Inc.	33	—	33
Remote Control Systems	38	—	38
SAFT America Inc.	333	—	333
Scheidt & Bachmann USA, Inc.	573	324	249
SDB, Inc	12,000	9,397	2,603
SEFAC USA	147	—	147
Siemens Mobility Inc.	153,243	73,160	80,083
Simmons Machine Tool Corp	125	44	81
Stacy and Witbeck	246,858	245,140	1,718
Stantec	11,458	11,392	66
The Flip Side Communications	85	7	78
The Idea Gardener	1,350	—	1,350
United Safety & Survivability Corp	277	—	277
US Bank Voyager Fleet Systems	1,300	353	947
Vapor Stone Rail Systems	439	—	439
Whiting Services Inc.	236	—	236
WulfenBear Media	170	—	170
Operations & Maintenance	53,146	24,829	28,317
Public Art Program	5,500	1,501	3,999
Utilities	35,501	15,031	20,470
	$ 1,939,441	$ 916,032	$ 1,023,409

11. Risk Management

VMR is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to contracted labor; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. VMR purchases insurance coverage for property, general liability, excess liability, automobile liability, umbrella liability, public entity employment practices liability, public entity management liability, boiler and machinery, crime, inland marine, owner's protective professional indemnity, environmental site protection, contractor's environmental protection and excess liability. In addition, the RPTA purchases workers' compensation, employee life insurance, health and dental insurance coverage for all LRT full-time employees. Settled claims for these risks have never exceeded commercial insurance limits. See schedule of insurance coverage on page 57 and Note 14-Related Party Transactions.

VMR has received notice of general liability claims related to its operations. VMR's commercial insurance policies provide coverage against losses arising from the claims subject to policy deductible amounts. Such claims are evaluated and specific reserves are established to cover VMR's contingent risk of loss pending settlement with the parties involved. At June 30, 2021 the Reserve for General Liability Claims totaled $0.9 million.

12. Contingencies

As a subrecipient of federal grant monies, amounts passed through or receivable from other agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although VMR expects such amounts, if any, to be immaterial.

13. Lawsuits

VMR is a party to a number of various types of lawsuits, many of which normally occur in governmental operations. The ultimate outcome of the actions is not determinable, however, VMR management believes that the outcome of these proceedings, either individually or in the aggregate, will not have a materially adverse effect on the accompanying financial statements.

14. Related Party Transactions

All of the four member cities of VMR's Board of Directors are also member cities of the sixteen-member RPTA Board of Directors. The Board members of the cities of Chandler, Mesa, Phoenix, and Tempe represent their cities on both Boards. VMR has entered into contracts with the RPTA for certain administrative functions, including personnel, administration, financial and accounting services, purchasing, and computer support services. All VMR staff is hired and employed by RPTA but works solely under the direction of the VMR and its Board of Directors, through a contractual arrangement with RPTA. All payroll related expenses (excluding pension related expenses) are paid by RPTA and RPTA charges VMR for all contracted payroll related expenses (excluding pension related expenses). For the period July 1, 2020 through June 30, 2021, VMR incurred costs of $25.4 million for services provided by RPTA. At June 30, 2021 VMR recorded a receivable from RPTA in the amount of $65.1 million and a payable to RPTA in the amount of $12.5 million.

In September 2010, the VMR Board authorized the Chief Executive Officer (CEO) to enter into a sublease with the Regional Public Transportation Authority (RPTA) for a portion of the office space currently leased and occupied by VMR. The contract commenced in December 2010 and would end in June 2017. Office space lease costs were paid by VMR monthly to the landlord and then prorated and charged to RPTA based on square footage used by RPTA. In July 2014, a new contract with the landlord was made which also includes the sublease with RPTA. This new contract began on July 1, 2014 and will end on June 30, 2026. The total sublease over the 144-month period is estimated to equal $7.5 million. During the fiscal year 2021 the sublease cost totaled $0.6 million.

15. Public Transportation Funding

In November 2004, the voters of Maricopa County approved Proposition 400, the continuation of the transportation tax, for a twenty-year period beginning in calendar year 2006. On August 14, 2006, VMR and RPTA executed an intergovernmental agreement (IGA) that formally designated VMR as Lead Agency to plan, design, and construct the light rail transit (LRT) program. Among other things, the IGA specifies that RPTA will reimburse VMR, from the Public Transportation Fund, for eligible incurred expenses.

Valley Metro Rail began receiving Public Transportation Funding (PTF) in March 2006. These monies are used to reimburse private utility companies for costs incurred in the relocation of non-prior rights utilities, to reimburse Member Cities for their share of local costs incurred in connection with the acquisition of certain regional transportation assets, and to fund the local share of future light rail extensions as designated in the Regional Transportation Plan.

The Regional Public Transportation Authority (RPTA) manages the PTF which is held in a Savings Account designated for LRT program expenses. RPTA also sells bonds as needed to fund LRT program expenses and uses this PTF Savings Account for Debt Service.

In June 2009, the RPTA issued Transportation Excise Tax Revenue Bonds in the amount of $100.1 million. A portion of the 2009 Series Bonds will pay or reimburse LRT capital expenditures as designated in the Regional Transportation Plan. As of June 30, 2021, the 2009 Series Bond expenditures to date for the LRT program totaled $55.0 million on a cash basis.

In January 2014, the RPTA issued Transportation Excise Tax Revenue Bonds in the amount of $115.0 million. The 2014 Series Bonds will pay or reimburse LRT capital expenditures as designated in the Regional Transportation Plan. As of June 30, 2021, the 2014 Series Bond expenditures to date for the LRT program totaled $135.4 million on a cash basis.

In April 2016, the RPTA issued Transportation Excise Tax Revenue Refunding Bonds in the amount of $22.6 million. The 2016 issue will advance refund part of the tax-exempt portion of the 2009 Series Bonds. For this Legal Defeasance, the funds have been placed in an escrow account to pay off a portion of the debt on July 1, 2019, the first call date of the 2009 Series Bonds.

In June 2019, RPTA issued Refunding bonds in the amount of $22.7 million. The 2019 issue will refund part of the taxable portion of the 2009 Series Bonds.

16. Unearned revenues

In FY20, the City of Tempe contributed $13 million of monies in advance for the construction of the Tempe Street Car Project. This amount has been repaid with the exception of $1.5 million. Further, in FY21, the City of Phoenix contributed $42.2 million of monies in advance for the construction of the South Central Extension Project. This money is not considered earned and eligible to be spent by Valley Metro until all the Public Transit Funds obligated for this project have been spent.

17. Subsequent Events

On December 27, 2020, President Donald J. Trump signed the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) providing $14 billion to transit agencies in the form of formula grants to assist with response to the COVID-19 pandemic. VMR was awarded $20.6 million in federal funds through the Federal Transit Administration (FTA) to support operating expenses and lost revenues.

On March 11, 2021, President Joseph R. Biden signed the American Rescue Plan Act of 2021 (ARPA) providing $30.5 billion to transit agencies in the form of formula grants to assist with response to the COVID-19 pandemic. VMR was awarded $149 million in federal funds through FTA. The award was comprised of $50.3 million to support operating expenses and lost revenues, $81.3 million to support new starts or local revenues for the South-Central Extension project and $17.4 million to support small starts or local revenues for the Tempe Streetcar project.

In October of 2021, Valley Metro received IGA award agreements for $20.6 million and $67.7 million from CRRSAA and ARPA of 2021, respectively. Valley Metro began requesting drawdowns of this funding from the City of Phoenix starting in October of 2021. The City of Phoenix is the designated recipient for all FTA grant funds for the region. Valley Metro undertakes projects approved for FTA grant funding, then submits requests to the City of Phoenix for reimbursement of actual expenses incurred. The City of Phoenix then executes a drawdown of federal funds from the FTA to pass-through the reimbursement to Valley Metro. IGA agreements were executed with the City of Phoenix for both CRRSAA and ARPA and Valley Metro expects to draw down these funds in fiscal year 2022.

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OTHER SUPPLEMENTARY INFORMATION

This Section includes the Schedule of Operations – Budget and Actual.

Valley Metro distributed over 20K face coverings provided by the FTA to our riders. Face coverings were distributed by our front-line staff at light rail stations, on the bus and transit centers in the valley.

Valley Metro Rail, Inc.

Schedule of Operations - Budget and Actual

Fiscal Year Ended June 30, 2021

(in thousands of dollars)

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Over (Under)
	Original	Final		
Sources of Funds:				
Net Contributions From Member Cities	$ 134,954	$ 220,581	$ 127,409	$ (93,172)
Passenger Fares	2,710	2,710	1,559	(1,151)
Federal Transit Administration Grants	325,620	325,620	232,900	(92,720)
Public Transportation Funds - Sales Tax	42,925	43,125	97,149 *	54,024
MAG/RPTA Grants	1,000	1,000	1,000	—
Other Revenues	405	405	650	245
Total Sources of Funds	507,614	593,441	460,667	(132,774)
Uses of Funds:				
Operating Activities				
Revenue Operations	57,716	57,716	55,172	(2,544)
Regional Capital Rebuild Program	723	723	3,679	2,956
Future Project Development	11,686	11,686	8,887	(2,799)
Agency Operations	1,870	1,870	1,424	(446)
Sub Total Operating Activities Use of Funds	71,995	71,995	69,162	(2,833)
Capital Projects:				
South Central	235,298	309,055	260,502	(48,553)
Northwest Extension Phase II	85,246	107,715	63,107	(44,608)
Gilbert Road Capital Project	3,296	3,296	583	(2,713)
Tempe Streetcar Extension	34,479	34,479	33,620	(859)
State of Good Repair - Capital Maintenance	8,695	8,695	3,679	(5,016)
Non-Prior Rights Utilities Relocations	25,046	14,742	9,811	(4,931)
Systemwide Improvements	11,461	11,461	5,800	(5,661)
OMC & Maintenance Center Expansion	27,860	27,860	8,477	(19,383)
Concurrent Non Project Activities	4,238	4,143	963	(3,180)
Sub Total Capital Projects Use of Funds	435,619	521,446	386,542	(134,904)
Total Uses of Funds	507,614	593,441	455,704	(137,737)
Excess of sources of funds over uses of funds				
Budgetary Basis	$ —	$ —	$ 4,963	$ 4,963

Explanation of Differences between Budgetary Basis and GAAP Basis	
Total Uses of Funds - Budgetary Basis	$ 455,704
Total Operating Expenses - GAAP Basis	(114,776)
Budgetary Operating Expenses in Excess of GAAP Operating Expenses	$ 340,928
Capital Projects Before Debt Service (Budgeted expenses not recorded to expense for GAAP basis)	$ 386,543
Future Project Development (Budgeted expenses in Operating above but in Non-operating expenses in the Financial Statements)	8,887
Rail Operations Capital Assets (GAAP expenses not included in budgetary basis)	1,836
Rent liability adjustment (GAAP expenses not included in budgetary basis)	88
Systemwide Improvements operating expenses (GAAP expenses not included in budgetary basis) expenses in the Financial Statements)	(907)
Gilbert Road Capital adjustments made in FY21 (GAAP expenses not included in budgetary basis)	571
Overhead adjustment made in FY20 (GAAP expense reduction not included in budgetary basis)	
Depreciation (GAAP expenses not included in budgetary basis)	(56,090)
Total Reconciling Items	$ 340,928

This schedule is prepared on a budgetary basis for the operating accounts of the proprietary fund and as such does not present the results of operations on the basis of generally accepted accounting principles, but is presented for supplemental information.

* Public Transportation Funds - Sales Tax, as presented in this schedule, excludes Public Transportation Funds revenue received for Advance Bond Proceeds principal reduction and interest expenses of $10.3 million and $1.9 million respectively. See Note 9 for details.

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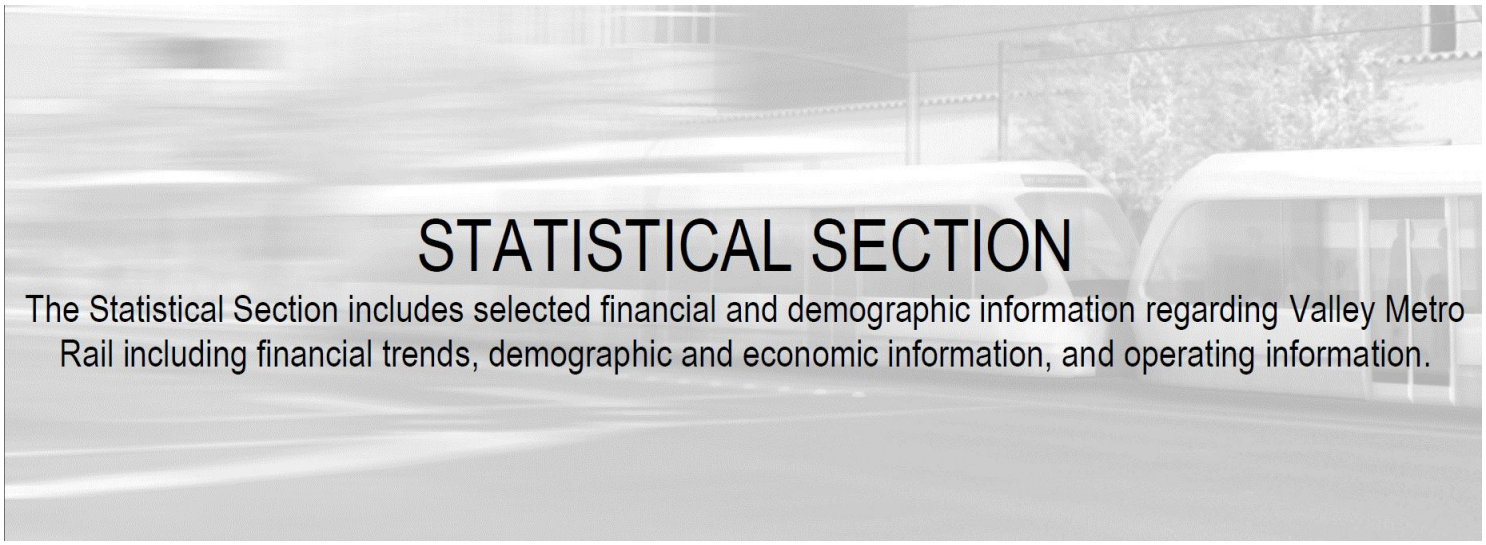


STATISTICAL SECTION

The Statistical Section includes selected financial and demographic information regarding Valley Metro Rail including financial trends, demographic and economic information, and operating information.

This part of Valley Metro Rail, Inc. (VMR) comprehensive financial report presents information as a context for understanding what the information in the financial statements, footnotes, and supplementary information says about VMR's overall financial condition. VMR's principal activities consist of planning, designing constructing and operating light rail transit system in Maricopa County, Arizona.

Contents

	Page
Financial Trends These schedules contain trend information to help the reader understand how VMR's financial performance and well-being have changed over time.	32
Revenue Capacity VMR's principal source of operating revenues are contributions from Member Cities. With respect to capital projects, VMR receives federal grants and utilizes Public Transportation Funds administered by the Regional Public Transportation Authority (RPTA). (Refer to Note 15 on Page 24 in the Notes to the Financial Statements section.)	N/A
Debt Capacity These schedules include outstanding debt by type and percentage of debt to income and population in Maricopa County. There are not specific pledged revenues and not debt limits so these schedules have not been included.	34
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which VMR's financial activities take place.	35
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in VMR's financial report relates to the services VMR provides and the activities it performs.	38

Valley Metro Rail, Inc.
Net Position by Component
FY 11/12 through FY 20/21
(in thousands of dollars)

Business -type Activities	**FY 11/12**	**FY 12/13**	**FY 13/14**	**FY 14/15**	**FY 15/16**	**FY 16/17**	**FY 17/18**	**FY 18/19**	**FY 19/20**	**FY 20/21**
Investment in Capital Assets										
Construction in Progress **(2)**	$ 44,410	$ 76,374	$ 141,245	$ 198,400	$ 12,781	$ 62,358	$ 304,085	$ 322,989	$ 367,046	$ 713,605
Buildings	89,921	87,358	84,795	82,231	79,668	77,105	71,978	71,978	69,415	66,852
Guideway **(3)**	525,958	514,647	503,337	492,026	602,666	656,197	632,526	622,567	681,299	660,070
Bridges	54,339	52,289	50,238	48,188	46,137	44,087	39,986	39,986	37,935	35,885
Operation Control Center	10,363	11,340	10,903	10,466	10,030	9,593	8,719	8,719	8,719	7,847
Passenger Stations & Facilities	90,056	86,657	83,259	79,861	98,895	94,734	86,413	100,661	114,626	109,278
Park and Ride Facilities	31,242	28,574	25,907	23,239	26,981	23,870	17,649	17,649	17,457	14,138
Bus Shelter	—	—	—	—	720	643	488	488	411	334
Electric Power Substations	76,309	72,760	69,210	65,661	115,394	109,694	98,217	98,217	145,158	137,224
Signal and Communication System	40,016	37,590	35,165	32,739	73,140	68,439	59,167	68,817	82,796	76,778
Computers & Software	175	168	131	—	601	455	(125)	76	58	80
Furniture & Fixtures	74	—	—	—	—	—	—	—	—	—
Site Improvements	—	13	11	3,173	2,952	2,807	2,637	2,343	1,964	1,585
Tenant Improvements	—	—	—	—	—	—	670	292	249	207
Revenue Vehicles **(1)**	164,747	167,304	170,655	161,863	151,451	144,205	126,621	126,540	117,666	115,153
Non-Revenue Vehicles	732	813	824	719	943	840	729	710	645	694
Equipment	8,462	7,139	5,969	5,079	9,767	9,120	8,061	8,237	8,319	7,039
Subtotal Investment in Capital Assets	$ 1,136,804	$ 1,143,026	$ 1,181,649	$ 1,203,645	$ 1,232,126	$ 1,304,147	$ 1,457,821	$ 1,490,269	$ 1,653,764	$ 1,946,769
Restricted	—	—	—	—	—	—	—	—	—	—
Unrestricted	2,062	2,398	12,654	12,102	12,737	14,438	(3,720)	20,871	10,558	32,073
Total business-type activities net position	$ 1,138,866	$ 1,145,424	$ 1,194,303	$ 1,215,747	$ 1,244,863	$ 1,318,585	$ 1,454,101	$ 1,511,140	$ 1,664,322	$ 1,978,842

Source: Valley Metro Rail, Inc. Finance Division

(1) Revenue Vehicles are shown net of depreciation and net of Capital Lease obligation.

(2) In FY 12/13, FY 13/14, and FY14/15 Construction In Progress is shown net of the Northwest Extension Advance Funding Obligation. Further, in FY14/15 Construction in Progress is shown net of the RPTA PTF Advance Bond Proceeds. In FY19/20 Construction in Progress is shown net of Retainage Payable, restricted cash with escrow agent, construction related payables and receivables.

(3) Starting in FY 15/16 Guideway is shown net of the Northwest Extension Advance Funding Obligation and the RPTA PTF Advance Bond Proceeds. In FY 18/19, and FY19/20 Guideway is shown net of City of Mesa FTA advance obligation.

(4) In FY16/17, the FY15/16 balances by asset category were adjusted between categories but there was no impact to the overall total.

Valley Metro Rail, Inc.
Changes in Net Position
FY 11/12 through FY 20/21
(in thousands of dollars)

	FY 11/12	FY 12/13	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21
Operating Revenues										
Contributions from Member Cities	$ 14,275	$ 11,615	$ 16,804	$ 16,591	$ 20,011	$ —	$ —	$ —	$ —	$ —
Passenger Fares	11,890	12,792	12,505	12,832	13,461	13,363	9,370	11,071	8,340	1,559
Federal Transit Administration Operating Grants	3,615	5,383	2,400	2,135	258	—	—	—	—	—
Regional Capital Rebuild Revenue	—	—	—	305	—	—	646	222	3,586	3,194
Other Revenues	1,225	1,253	1,731	3,272	1,157	1,144	1,112	1,113	1,082	473
Total Operating Revenues	31,005	31,043	33,440	35,135	34,887	14,507	11,128	12,406	13,008	5,226
Operating Expenses										
Administration and Planning Services	8,201	8,287	8,840	9,129	43,987	479	124,848	2,930	4,577	1,671
Passenger Operations Service	28,910	28,712	31,260	31,289	—	41,487	41,601	47,150	50,292	53,336
Regional Capital Rebuild Program	—	—	—	881	678	—	646	762	3,192	3,679
Depreciation	39,115	38,978	38,912	39,014	45,679	48,010	—	50,550	56,053	56,090
Total Operating Expenses	76,226	75,977	79,012	80,313	90,344	89,976	167,095	101,392	114,114	114,776
Operating Income (Loss)	(45,221)	(44,934)	(45,572)	(45,178)	(55,457)	(75,469)	(155,967)	(88,986)	(101,104)	(109,550)
Non-Operating Revenues (Expense)										
Contributions from Member Cities	—	—	—	—	1,283	29,836	44,573	37,626	45,892	14,340
Public Transportation Funds	6,469	10,111	6,626	10,527	—	6,139	8,131	15,835	10,014	9,659
Federal Transit Administration Non-Operating Grants	1,060	799	454	—	1,345	2,894	464	14,026	5,462	45,762
Other Planning Revenues	—	—	—	—	644	503	920	1,000	1,000	1,000
Future Project Development	—	—	—	—	—	(11,190)	(10,867)	(12,434)	(8,282)	(8,887)
Private Utilities Relocations	(56)	(5,500)	(14,877)	(5,120)	(1,475)	(39)	(463)	(2,030)	(4,437)	(9,811)
Capital Conveyance to Member Cities	—	(11,488)	(9,950)	(3,883)	(1,277)	(4,030)	—	(1,658)	(4,238)	(20,399)
Capital Conveyance to RPTA										(2,187)
Concurrent Non Project Activities							(617)	(1,381)	(3,552)	(116)
Interest on Capital Funding Obligation	(2,828)	(2,231)	(1,642)	(552)	—	—	—	(42)	(239)	(17)
PTF Interest expense	—	—	—	(8,120)	—	(2,860)	(2,416)	(2,416)	(2,165)	(1,901)
Interest on Investments	—	—	—	—	—	—	—	—	—	—
Distributions to Member Cities	(6,664)	—	—	—	—	—	—	—	—	—
Gain (loss) on disposal of capital assets										(248)
Other Non-Operating Revenues (Expenses)	23	25	16	—	—	—	—	—	—	177
Total Non-Operating Revenues (Expense)	(1,996)	(8,284)	(19,373)	(7,148)	520	21,253	39,725	48,526	39,455	27,372
Capital Contributions										
Contributions from Member Cities	331	4,268	51	25	731	45,250	26,554	50,225	77,065	113,069
Public Transportation Funds Capital	18,255	27,766	86,209	29,895	62,601	5,609	31,836	32,848	77,308	96,492
Federal Transit Administration Capital Grants	9,125	27,742	27,564	43,849	20,721	76,984	39,893	68,890	60,391	187,137
Other Capital Contributions	—	—	—	—	—	95	—	—	69	—
Total Capital Contributions	27,711	59,776	113,824	73,769	84,053	127,938	98,283	151,963	214,833	396,698
Increase (Decrease) in Net Position	$ (19,506)	$ 6,558	$ 48,879	$ 21,443	$ 29,116	$ 73,722	$ (17,959)	$ 111,503	$ 153,182	$ 314,520

Source: Valley Metro Rail, Inc Finance Division

Valley Metro Rail, Inc.
Debt Service Cost per Capita
Last Ten Fiscal Years

	Business-type Activities		
Fiscal Year Ended June 30	Due to RPTA PTF RPTA Advance Bond Proceeds	Percentage of Personal Income	Per Capita
2015 (1)	69,583,715	0.04%	17
2016	61,398,715	0.03%	15
2017	52,968,715	(2)	13
2018	44,118,715	(2)	10
2019	34,823,715	(2)	8
2020	25,043,715	(2)	6
2021	14,748,715	(2)	(2)

	Due to RPTA PTF Advance Bond Proceeds					Maricopa County	
Fiscal Year Ended June 30	Principal	Interest	Total Cost	Percentage of Personal Income	Per Capita	Population (2)	Income (2)
2015 (1)	—	1,260,656	1,260,656	0.00%	—	4,063,700	175,437,829
2016	8,185,000	2,985,765	11,170,765	0.01%	3	4,152,800	185,111,698
2017	8,430,000	2,859,579	11,289,579	(2)	3	4,233,300	(2)
2018	8,850,000	2,642,975	11,492,975	(2)	3	4,315,600	(2)
2019	9,295,000	2,415,579	11,710,579	(2)	3	4,366,583	(2)
2020	9,780,000	2,164,808	11,944,808	(2)	3	4,367,835	(2)
2021	10,295,000	1,900,952	12,195,952	(2)	(2)	(2)	(2)

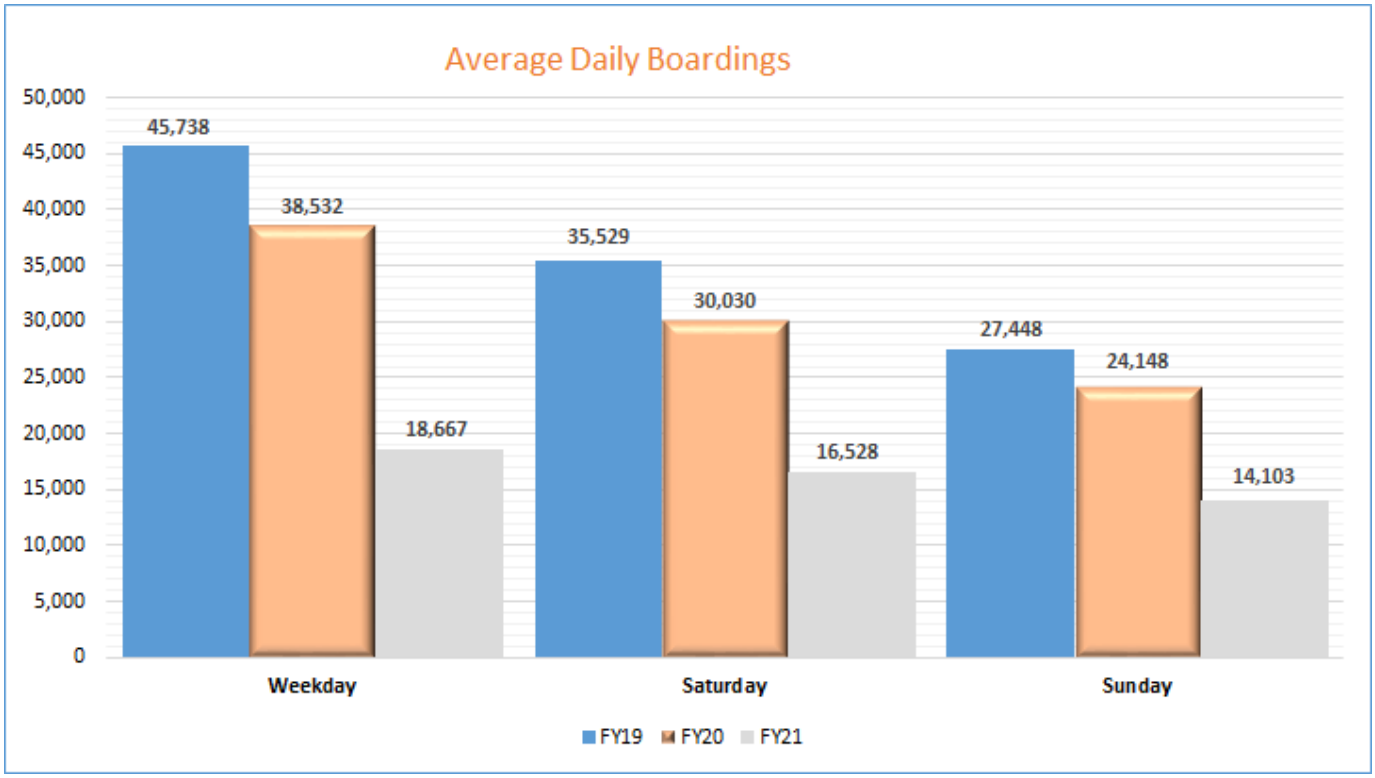
Source: The source of this information is Valley Metro Rail's financial records for debt data by year. The source for personal income and population in Maricopa County is the audited FY 2020 Maricopa County Comprehensive Annual Financial Report.

(1) The first year for Due to RPTA PTF Advance Bond Proceeds did not exist before fiscal year 2015.

(2) Personal income data for Maricopa County was not yet available for 2017 thru 2020. Population estimates were not yet available for 2020. Therefore, Percentage of Personal Income and Per Capita could not be calculated for these periods.

Valley Metro Rail, Inc.
Growth in Regional Transit Usage
Last Ten Fiscal Years

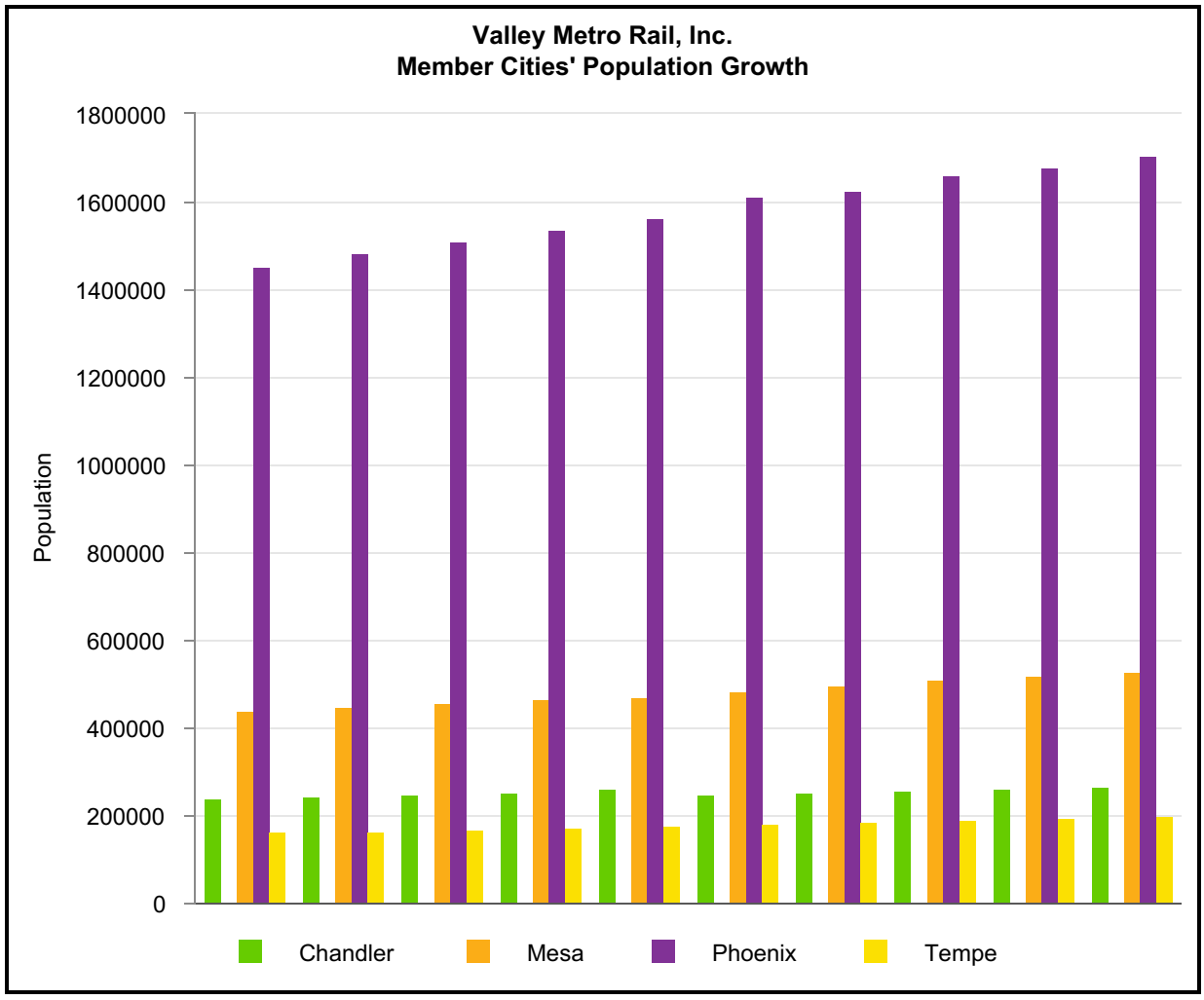
Fiscal Year	Boardings	Change
2012	71,043,488	5.08%
2013	73,409,805	3.33%
2014	72,137,268	-1.73%
2015	70,759,847	-1.91%
2016	67,352,825	-4.81%
2017	65,958,074	-2.07%
2018	66,784,913	1.25%
2019	64,380,334	-3.60%
2020	52,528,517	-18.41%
2021	27,337,550	-47.96%



Source: Regional Public Transportation Authority

Valley Metro Rail, Inc.
Population Growth
Ten Years from 2011 to 2020

Year	Chandler	Mesa	Phoenix	Tempe
2011	238,381	441,160	1,451,966	162,503
2012	246,197	450,310	1,485,751	165,158
2013	250,394	458,347	1,512,442	168,883
2014	254,276	464,704	1,537,058	172,816
2015	260,828	471,825	1,563,025	175,826
2016	247,477	484,587	1,615,017	182,498
2017	253,458	496,401	1,626,078	185,038
2018	257,165	508,958	1,660,272	192,364
2019	261,165	518,012	1,680,992	195,805
2020	265,398	528,159	1,708,127	200,402



Sources: Maricopa Association of Governments
US Census Bureau

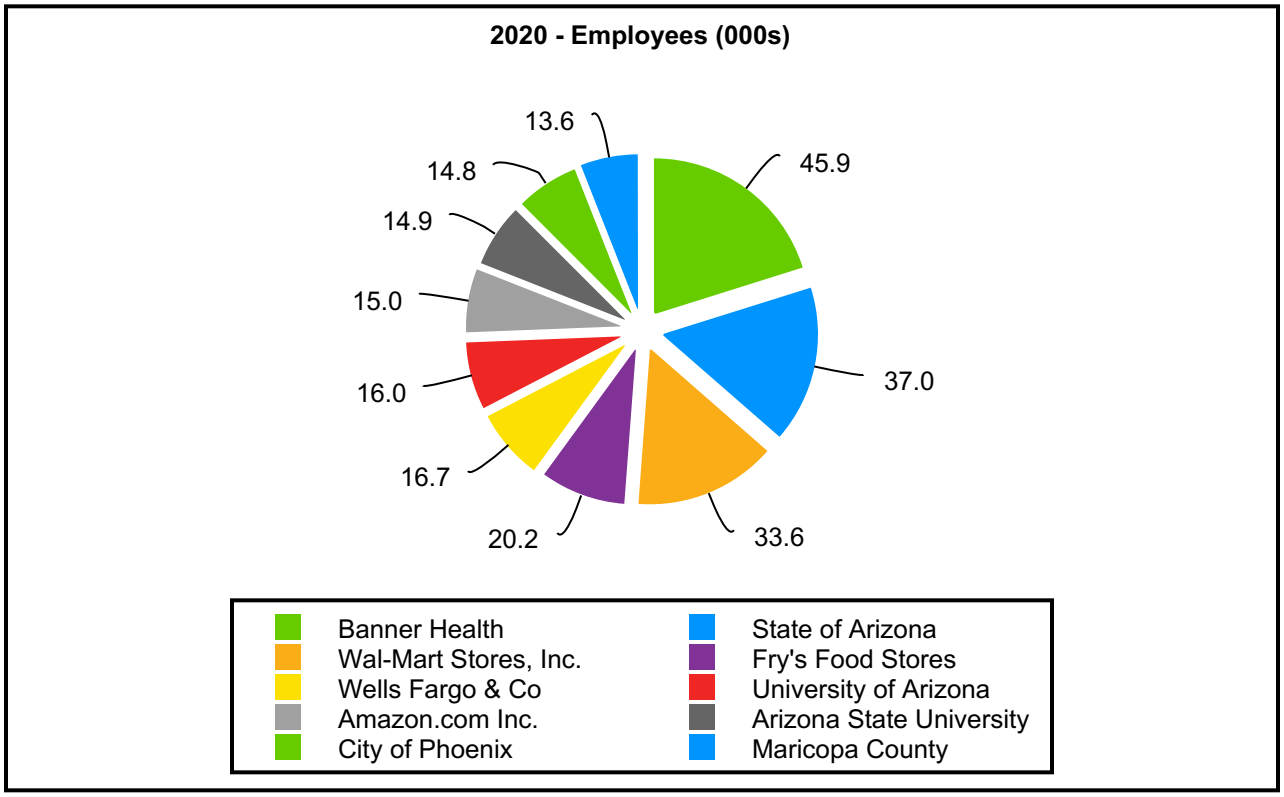
Year 2020 is the most current year available.

Valley Metro Rail, Inc.

Top Employers in Maricopa County

For the Year 2020 and Nine Years Ago

	2020			2011		
Employer	**Employees**	**Rank**	**% of Total**	**Employees**	**Rank**	**Total**
Banner Health	45,894	1	2.20 %	28,220	3	1.73 %
State of Arizona	37,040	2	1.77 %	49,282	1	3.02 %
Wal-Mart Stores, Inc.	33,619	3	1.61 %	30,608	2	1.88 %
Fry's Food Stores	20,165	4	0.97 %			
Wells Fargo & Co	16,700	5	0.80 %	13,100	5	0.80 %
University of Arizona	15,967	6	0.76 %			
Amazon.com Inc.	15,000	7	0.72 %			
Arizona State University	14,889	8	0.71 %	12,221	8	0.75 %
City of Phoenix	14,821	9	0.71 %	15,544	4	0.95 %
Maricopa County	13,595	10	0.65 %	12,458	7	0.76 %
Apollo Inc.				13,000	6	0.80 %
Bank of America				12,000	9	0.74 %
Raytheon Co.				12,000	10	0.74 %
Total for Principal Employers	227,690		10.91 %	198,433		12.17 %
Total Employment in Maricopa County	2,087,640			1,630,600		



Source: The Phoenix Business Journal, Book of Lists
Workforce Informer Arizona at www.workforce.az.gov for total employed in Maricopa County

Note: The information for FY 2021 was not available.

PROJECTS

TEMPE STREETCAR
TITLE

STREETCAR
TYPE

2021

FACT SHEET / Q4 2021
valleymetro.org/tempestreetcar

About the Project

Tempe Streetcar will serve one of the highest transit ridership centers in the region. It will connect riders to neighborhoods, major business centers, and regional events and destinations. As the Valley's first modern streetcar line, it will add to the comprehensive transit network in Tempe, which includes buses, circulators, light rail, bicycle and pedestrian amenities.

Streetcar vehicles are smaller than light rail vehicles and operate individually, not linked together like trains. Streetcar stops are similar to bus stops and occur more frequently than light rail stations.

The project includes:

- Off-wire operation through downtown on Mill Avenue and at gateway intersections
- Primarily shared roadway with vehicle traffic
- Landscaping and public art

PROJECT STATUS

- Construction punchlist items are ongoing.
- Vehicle delivery and testing has begun.
- Local business outreach and support continues.
- Continue installation of public art at stops.
- Continue coordination of vehicle and system testing.

PROJECT FACTS

3 MILES

14 STOPS

2 CONNECTIONS TO VALLEY METRO RAIL

NEXT STEPS

- Finalize and complete construction punchlist items.
- Begin Pre-Revenue Operations

COST FORECAST*

	Programmed	$ Expended	% Expended	Forecast
Construction	$110,751,776	$107,308,846	97%	$110,751,776
Utilities	$7,221,298	$4,905,946	68%	$7,221,298
Right of Way	$1,895,064	$499,555	26%	$1,895,064
Design/Management	$34,197,110	$32,006,210	94%	$34,197,110
Vehicles	$38,311,464	$27,809,626	73%	$38,311,464
TOTAL	$192,376,712	$172,530,183		$192,376,712

*Estimated as of July 2021

PROJECTS

TEMPE STREETCAR

TITLE

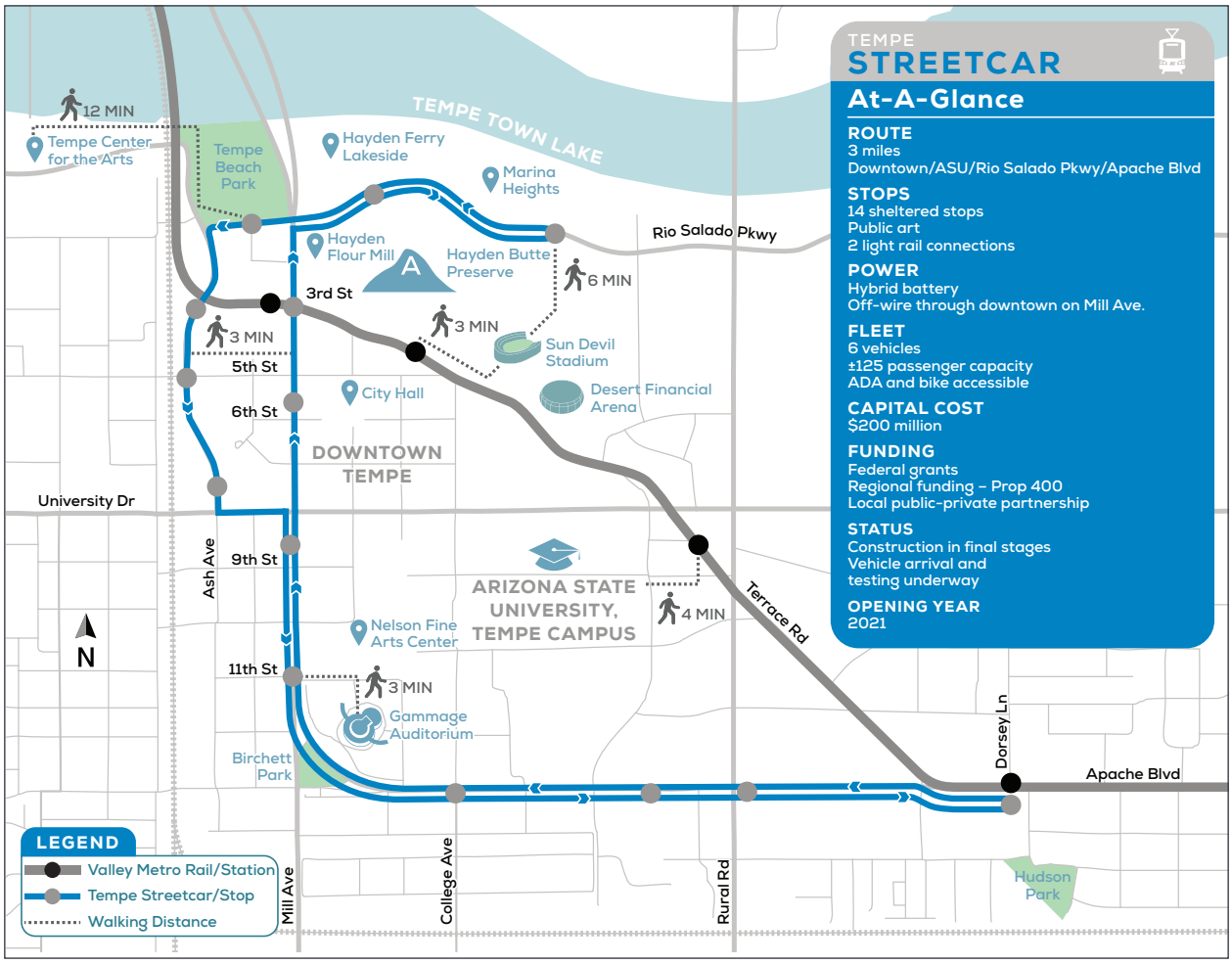
STREETCAR

TYPE

2021

FACT SHEET / Q4 2021
valleymetro.org/tempestreetcar

ROUTE MAP



PROJECT SCHEDULE

2014-2016	2016-2018	2018-2021	2021	2021
PLANNING	DESIGN	CONSTRUCTION	TESTING	COMPLETION

Tempe Streetcar Hotline: 602.254.RAIL (7245)

/valleymetro /valleymetroconstruction

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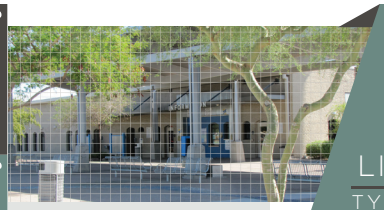
To subscribe to weekly email updates, contact Jessica Parks. For more information, please visit *valleymetro.org/tempestreetcar.*

PROJECTS



SOUTH CENTRAL EXTENSION/ DOWNTOWN HUB

TITLE

LIGHT RAIL EXTENSION

TYPE

FACT SHEET / Q4 2021
valleymetro.org/southcentral

About the Project

The South Central Extension/ Downtown Hub will connect with the current light rail system in downtown Phoenix and operate south on Central Avenue to Baseline Road. The project also includes a light rail transit hub in downtown Phoenix, new stations and public art.

Light rail has proven to generate economic prosperity for historically underserved communities in metro Phoenix. Light rail makes the unique offerings of South Phoenix more accessible to others, attracting new customers, businesses and jobs to the area.

SOUTH CENTRAL EXTENSION/ DOWNTOWN HUB COMMUNITY OFFICE

5040 S. Central Avenue | Phoenix, AZ 85040
602.687.8585

Monday - Friday 9 a.m. - 5 p.m.
Saturday by appointment

PROJECT STATUS

- Construction activities, primarily underground utility relocation, continue in the downtown area and along Central Avenue. Bus and rail riders, pedestrians and motorists may need to adjust their regular trips due to construction.
- Valley Metro's Business Assistance Team is currently implementing programs such as business banners, marketing and technical assistance. More information is available at *valleymetro.org/southcentral* under the Business Assistance section.
- Detailed construction activity descriptions and schedule information are available at *valleymetro.org/southcentral* or through the Construct VM app.
- Overnight single-track light rail operations began in September and will continue through April 15, 2022. The operation could result in temporary rail service delays between 11 p.m.-5 a.m.
- Valley Metro and the city of Phoenix launched the Small Business Financial Assistance Program (SBFAP), a one-year pilot to provide direct financial assistance to locally-owned, small businesses immediately adjacent to construction activities along the corridor. To learn more and apply, visit *prestamosloans.org/valleymetro.*

5.5 MILES / **8** STATIONS / **2** PARK-AND-RIDES

NEXT STEPS

- Continue track installation in the downtown area through 2021.
- Continue relocation of utilities throughout the entire corridor.

COST FORECAST*

	PROGRAMMED	EXPENDED	% EXPENDED	FORECAST
Construction	$877,336,125	$266,430,828	30%	$877,336,125
Utilities	$47,970,050	$6,107,405	13%	$47,970,050
Right of Way	$52,800,000	$14,386,113	27%	$52,800,000
Design/Management	$291,141,305	$94,404,069	32%	$291,141,305
Vehicles	$75,840,855	$25,687,984	34%	$75,840,855
TOTAL	$1,345,088,335	$407,016,399	30%	$1,345,088,335

*Estimated as of August 2021

To subscribe to weekly email updates, contact your Community Outreach Coordinator. For more information, please visit valleymetro.org/southcentral.

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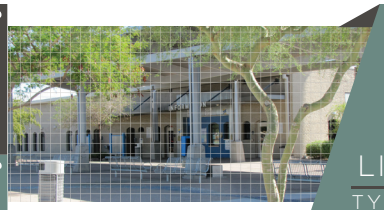
PROJECTS



SOUTH CENTRAL EXTENSION/ DOWNTOWN HUB

TITLE

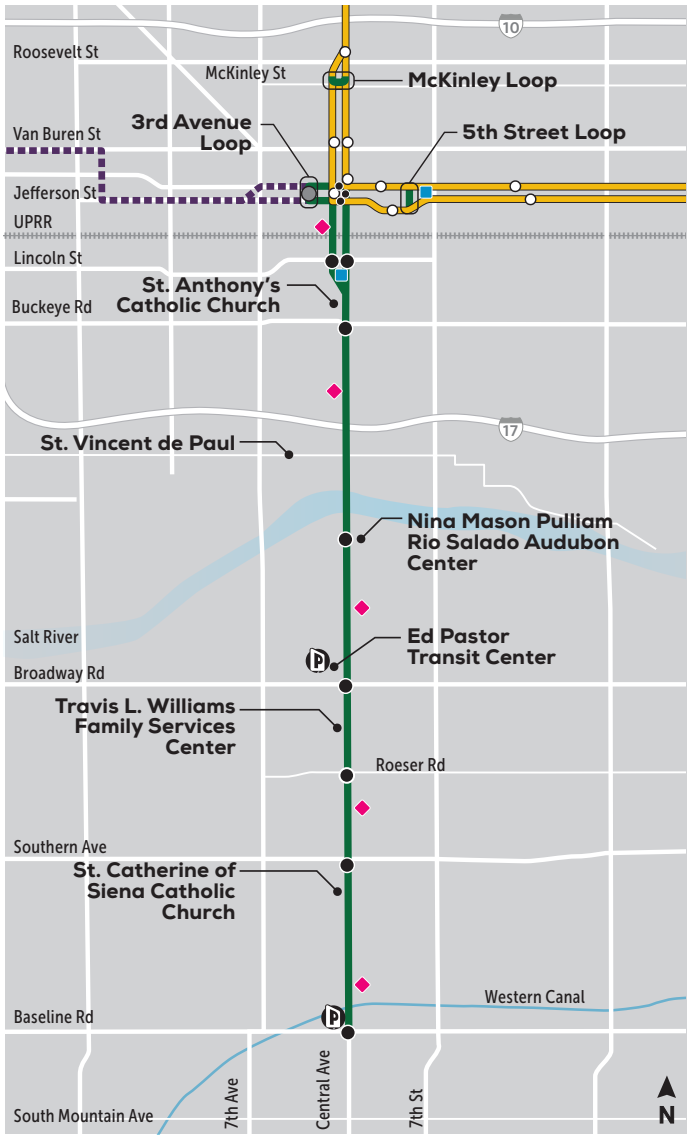
LIGHT RAIL EXTENSION

TYPE

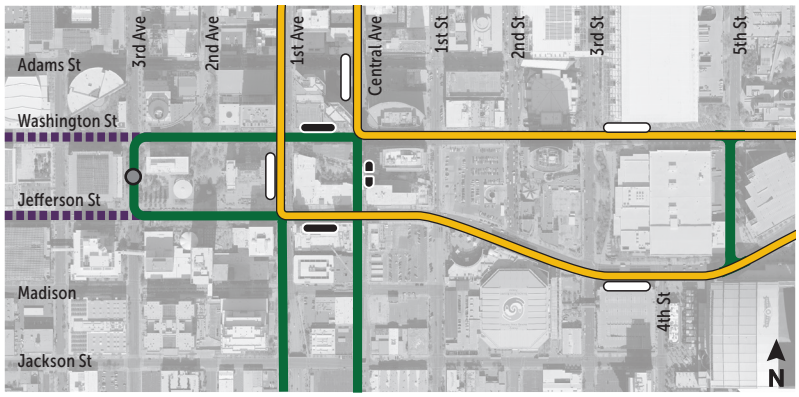
2024

FACT SHEET / Q4 2021
valleymetro.org/southcentral

ROUTE MAP



Downtown Phoenix



LEGEND

- Valley Metro Rail/Station Platform
- South Central Light Rail Extension/ Station Platform
- Capitol/I-10 West Extension
- Special Use Platform (no regular service)
- Park-and-Ride
- Traction Power Substation (TPSS)
- Signal Building

PROJECT SCHEDULE*

- 2012 - 2017: PLANNING
- 2017 - 2019: DESIGN
- 2019 - 2024: CONSTRUCTION
- 2024: COMPLETION

*Dates are approximate and subject to change.

SOUTH CENTRAL DOWNTOWN HUB
Voter approved PHX T2050

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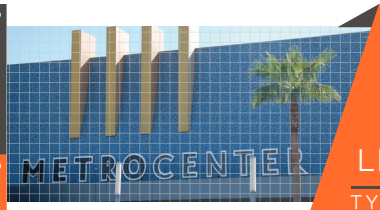
Download the *Construct VM* app for real-time construction information.

PROJECTS



NORTHWEST PHASE II

TITLE

LIGHT RAIL EXTENSION

TYPE

2024

FACT SHEET / Q4 2021
valleymetro.org/northwest2

About the Project

Phase II of the Northwest Extension will extend light rail west on Dunlap Avenue from 19th Avenue, then north on 25th Avenue and across I-17 on Mountain View Road with a terminus on the west side of the freeway near Metrocenter Mall.

At the end-of-line, the Metrocenter Station will be the first elevated station in Valley Metro's light rail system. The existing Transit Center will relocate to below the elevated station. A four-story park-and-ride garage adjacent to the transit center will provide access to the station.

Work continues at the former Metrocenter Mall area on the piers for the I-17 light rail bridges and elevated station.

Voter approved:
PHX T2050

PROJECT STATUS

- Representatives from the city of Phoenix are nearing completion of the real estate acquisition process.
- The first phase of construction work, utility relocations and roadway widening, continues in various locations along the route.
- Bridge construction continues with work on both the east and west sides of the I-17 light rail bridges, as well as on the Arizona Canal Bridge.
- Construction on the Arizona Canal Diversion Channel bridge will begin in late 2021.
- Coordination and collaboration continues with local area community groups, business owners and residents.
- The Construction Advisory Board meets on a monthly basis to provide direct input to Valley Metro and the construction contractor about how the construction activities are affecting the adjacent community.

NEXT STEPS

- Two-way traffic currently on the south side of Dunlap Avenue will move to the north side in late 2021.
- I-17 and Arizona Canal Diversion Channel bridges construction will continue through 2022. Expect traffic restrictions for future bridge construction activities.

1.6 MILES / **1** PARK-AND-RIDE/ TRANSIT CENTER / **3** STATIONS

COST FORECAST*

Description	Programmed	Expended	%Expended	Forecast
Construction	$285,939,490	$48,406,834	17%	$285,939,490
Utilities	$19,640,600	$3,925,226	20%	$19,640,600
Right-of-Way	$27,973,550	$9,122,467	33%	$27,973,550
Design/Mgmt	$67,771,435	$29,650,289	44%	$67,771,435
TOTAL	**$401,325,075**	**$91,104,816**	**23%**	**$401,325,075**

**Estimated as of August 2021.*

NORTHWEST EXTENSION PHASE II
Voter approved PHX T2050

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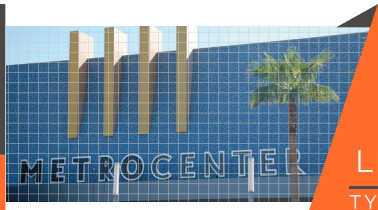
Northwest Extension Phase II construction hotline: 602.254.RAIL (7245)
To subscribe to weekly email updates, contact Michael Book. For more information, please visit valleymetro.org/northwest2.

PROJECTS



NORTHWEST PHASE II

TITLE

LIGHT RAIL EXTENSION

TYPE

2024

FACT SHEET / Q4 2021
valleymetro.org/northwest2

ROUTE MAP

LEGEND

- Valley Metro Rail/Station
- Northwest Extension Phase II/Station
- Existing Transit Center
- Relocated Transit Center
- Existing Park-and-Ride
- New Park-and-Ride

PROJECT SCHEDULE

2015 - 2017	2018 - 2020	2020-2023	2024
PLANNING	DESIGN	CONSTRUCTION	COMPLETION

NORTHWEST EXTENSION PHASE II
Voter approved PHX 2050

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PROJECTS

OMC EXPANSION

TITLE

FACILITY DEVELOPMENT

TYPE

FACT SHEET / Q4 2021
valleymetro.org/omcexpansion

About the Project

The Valley Metro Operations and Maintenance Center (OMC) opened in 2006 to store and maintain a fleet of 50 light rail vehicles. The light rail vehicles are used to operate the current 28-mile Valley Metro rail system. With expansion to a 66-mile system by 2034, new vehicles will be added to the fleet and additional space is needed at the OMC to properly operate and maintain them.

Construction for additional space will include expanding various maintenance buildings, adding three new storage tracks, and adding new service and cleaning facilities. The expansion will allow the OMC to operate and maintain a fleet of approximately 92 vehicles. Construction will be phased to ensure operations and maintenance of the current light rail system is unaffected.

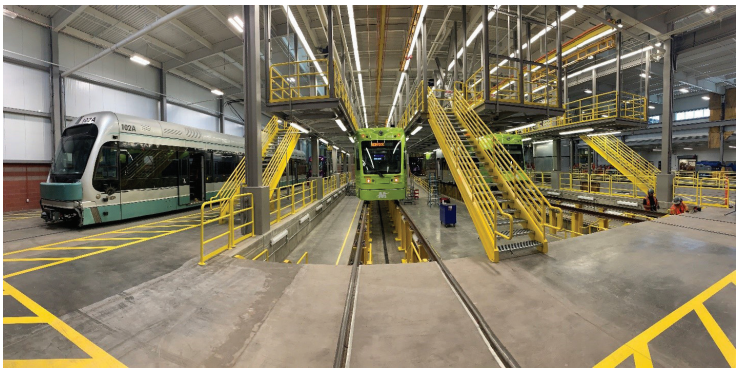
Valley Metro Operations and Maintenance Center

PROJECT STATUS

- Substantially completed the Maintenance of Way building.
- Substantially completed the new cleaning platform, which doubles the cleaning production.
- Substantially completed all remaining work in the rail yard and started developing list of punch list items.
- Substantially completed Maintenance of Equipment shop expansion, new offices, and new shop areas.

NEXT STEPS

- Complete vehicle wash station.
- Complete renovated areas on the Maintenance of Equipment building second floor.
- Final project completion is estimated for December 23, 2021.



New Tempe Streetcar vehicles being tested in the new expanded Maintenance of Equipment building area.

COST FORECAST*

Description	Programmed	Expended	%Expended	Forecast
Design/Build	$92,281,221	$91,359,589	99%	$92,281,221

*Estimated as of August 2021.

PROJECT SCHEDULE

2017-2018	2018-2019	2019 - 2021	2021
PLANNING	DESIGN	CONSTRUCTION	COMPLETION

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For more information, please visit *valleymetro.org/omcexpansion.*

PROJECTS

CAPITOL EXTENSION

TITLE

LIGHT RAIL EXTENSION

TYPE

FACT SHEET / Q4 2021
valleymetro.org/capex

About the Project

The 1.4-mile Capitol Extension will connect the existing Valley Metro Rail system in downtown Phoenix to the Arizona State Capitol.

The Capitol Extension, originally known as "Phase I" of the Capitol/I-10 West Extension, was approved by the Phoenix City Council and Valley Metro Rail Board of Directors in 2016.

Phase II, called the I-10 West Extension, will extend west from the Capitol, primarily running along Interstate-10. For additional information on the I-10 West Extension visit: valleymetro.org/10west.

1.4 MILES

3–4 STATIONS

COST FORECAST*

	Programmed	Expended
Preliminary Engineering/ Environmental Assessment	$7.2 million	$269,000

*Estimated as of January 2021.

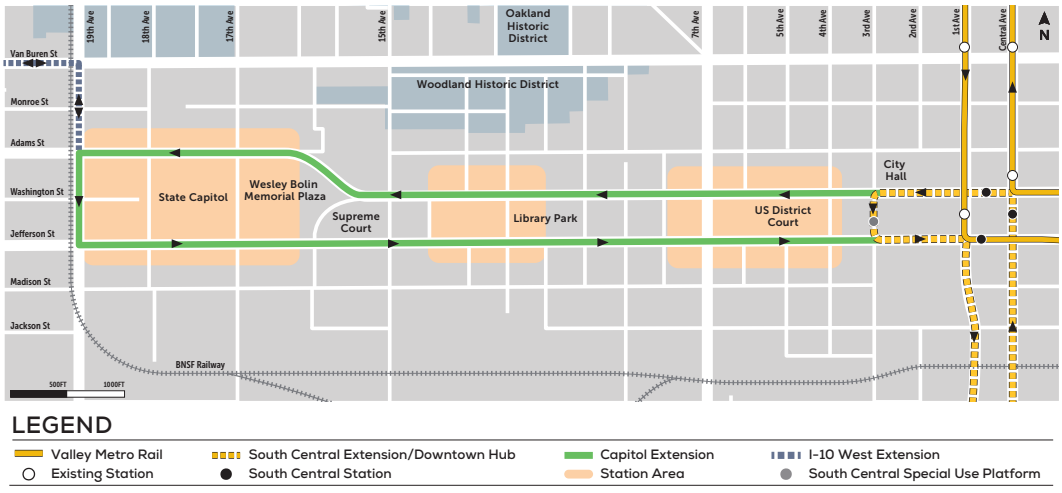
PROJECT STATUS

- Preliminary engineering (PE) work is underway to develop preliminary construction plans and technical specifications for the light rail extension. PE work will produce a reasonable cost estimate, identify any technical issues that may occur during construction and provide a basis for the final design phase.
- Surveying and underground utility investigation to support initial engineering activities is ongoing.
- Based on community input and technical analysis, Valley Metro presented to Phoenix's Citizen's Transportation Commission (CTC) to revise the Locally Preferred Alternative (LPA) to the 19th Avenue Option. The CTC approved the revision.

NEXT STEPS

- Project team to present revised LPA to Phoenix City Council in fall 2021.
- Continue PE work and begin to prepare the federally-required Environmental Assessment.
- Continue meeting with stakeholders to refine project elements.

PROPOSED ROUTE MAP



PROJECT SCHEDULE

2019 - 2021	2021 - 2023	2022 - 2023
CORRIDOR PLANNING	PRELIMINARY ENGINEERING	ENVIRONMENTAL ASSESSMENT

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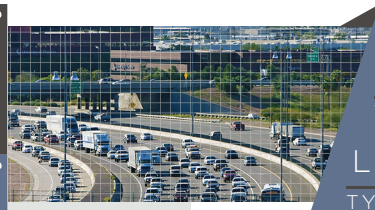
PROJECTS



I-10 WEST EXTENSION

TITLE

LIGHT RAIL EXTENSION

TYPE

FACT SHEET / Q4 2021
valleymetro.org/10west

About the Project

The 8.3 mile corridor along Interstate 10 (I-10) will connect the existing Valley Metro Rail system in central Phoenix to the greater West Valley.

In 2016, the Phoenix City Council and Valley Metro Rail Board of Directors approved a phased approach to what was then known as the Capitol/I-10 West Extension. Phase I, now known as the the Capitol Extension, will connect downtown Phoenix to the Arizona State Capitol. Phase II, now known as the I-10 West Extension, will extend light rail along I-10 to the 79th Ave/I-10 Park-and-Ride. For more information on the Capitol Extension project please visit the project web page at valleymetro.org/capex.

PROJECT STATUS

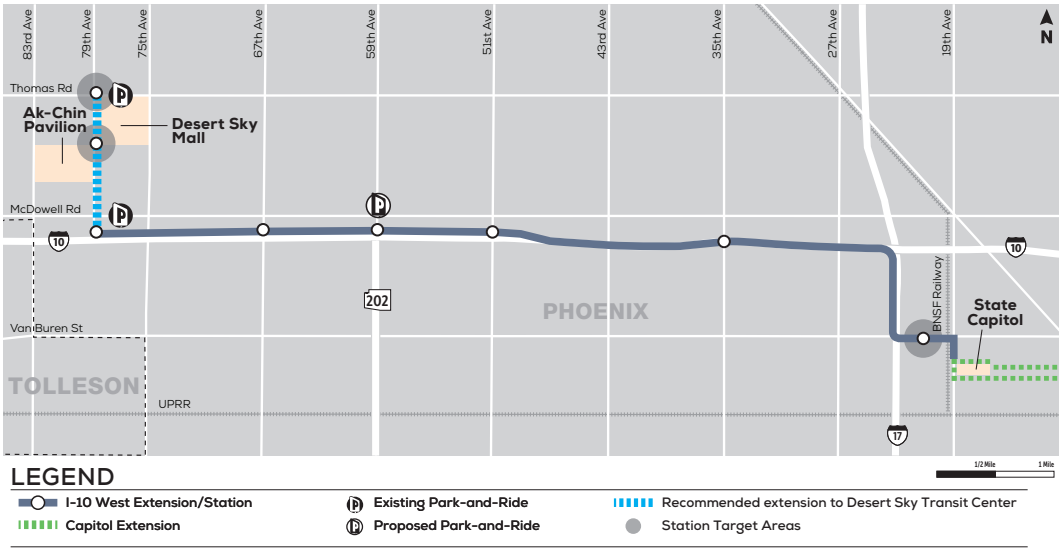
- At Phoenix City Council direction, Valley Metro, with input from the community, evaluated several elements of the project:
  - A route extension to Desert Sky Transit Center, an additional 1.1 miles of light rail
  - Options to potentially accelerate the project timeline
  - Transit types
- Based on community input and technical analysis, Valley Metro presented recommendations to Phoenix's Citizen's Transportation Commission (CTC). The following were approved by the CTC:
  - Reaffirm light rail as the transit type
  - Extend the project corridor to Desert Sky Transit Center

8.3 MILES / **6** STATIONS / **2** PARK-AND-RIDES

NEXT STEPS

- Project team to present amended LPA to Phoenix City Council in fall 2021.

RECOMMENDED ROUTE MAP



COST FORECAST*

	Programmed	Expended
Planning	$800,000	$25,290

*Estimated as of January 2021.

PROJECT SCHEDULE

MID 2021 — CORRIDOR PLANNING

LATE 2021 — DEVELOP FINAL RECOMMENDATIONS

/valleymetro

/valleymetroconstruction

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Valley Metro Rail, Inc.
Full-Time Equivalent Positions

		Authorized FTEs (1)									
Grade	**RPTA Position Titles**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**	**FY 2017**	**FY 2018**	**FY 2019**	**FY 2020**	**FY 2021**
I	Cleaner	11.0	9.0	10.0	10.0	10.0	3.0	3.0	3.0	3.0	3.0
III	Administrative Assistant I	1.0	0.5	0.5	1.5	1.5	1.4	0.5	0.0	0.0	0.0
	Document Control Clerk	0.0	0.0	1.9	0.9	0.9	1.0	0.9	3.9	0.9	0.9
	LRV Yard Operator	2.0	2.0	2.0	2.0	2.0	1.0	1.0	1.0	1.0	1.0
	Stockroom Clerk	2.0	2.0	2.0	2.0	2.0	2.0	2.0	0.0	4.0	4.0
	Transit Distribution and Signage Assistant	0.0	0.0	0.0	0.5	0.5	0.5	0.5	0.5	0.0	0.0
IV	Lead Document Control Clerk	1.0	1.0	0.9	0.9	0.9	1.0	0.9	0.9	0.9	0.9
	LRV Inspector	8.0	9.0	9.0	9.0	12.0	13.0	13.0	13.0	17.0	17.0
	Materials Handler	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	0.0	1.0
V	Accounting Technician	1.0	1.0	0.0	0.0	0.6	1.0	0.8	0.9	0.9	0.9
	Administrative Assistant II	8.0	8.0	6.4	6.4	5.7	5.3	7.5	10.1	9.4	8.5
	Contracts Specialist	0.0	1.0	0.8	0.5	0.0	0.5	0.5	0.5	0.0	0.7
	LRV Lead Inspector/Cleaner	0.0	0.0	0.0	0.0	1.0	1.0	1.0	1.0	1.0	1.0
VI	Project Assistant	0.0	0.0	0.0	0.0	1.0	1.0	1.6	0.8	0.9	0.9
	Rail Vehicle Mechanic	6.0	11.0	11.0	13.0	17.0	17.0	17.0	0.0	22.0	21.0
	Technician	0.0	0.0	0.0	0.0	0.0	0.0	0.0	18.0	0.0	0.0
	Track Maintainer	6.0	6.0	6.0	5.0	7.0	7.0	7.0	8.0	10.0	12.0
VII	Accountant I	2.0	2.0	0.9	0.9	0.5	0.0	0.5	0.5	0.5	0.5
	Administrative Assistant III	0.0	0.0	0.0	0.0	1.0	1.5	1.3	1.6	1.9	1.9
	Communications Systems Technician	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	3.0
	Document Control Specialist	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0	1.0
	Electro-Mechanical Technician	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	4.0
	Electro-Mechanical Technician (Rail Vehicle)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	6.0
	Internal Audit Specialist	0.0	0.0	0.0	0.0	0.0	0.5	0.5	0.0	0.0	0.0
	IT Administrative Specialist	1.0	1.0	1.5	0.5	0.6	0.6	0.5	0.0	0.2	0.2
	LRV Lead Maintenance Technician	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.0

Grade	RPTA Position Titles	Authorized FTEs (1) FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
	LRV Maintenance Technician II	11.0	10.0	10.0	11.0	12.0	12.0	12.0	13.0	22.0	2.0
	Marketing Production Program Representative	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.5	0.5
	Marketing Program Coordinator	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.5
	MOW Parts Coordinator	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0
	Operations Communications Specialist	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	4.2
	Paralegal	0.0	0.0	0.0	0.0	0.0	0.5	0.5	0.5	0.5	0.0
	Planner I	0.0	0.0	0.8	0.3	0.7	0.8	2.0	1.8	0.0	0.0
	Planning Program Specialist	0.0	0.0	0.0	0.0	0.7	0.5	0.0	0.0	0.0	0.0
	Program Representative	0.0	0.0	0.0	0.0	0.0	1.1	0.8	0.5	0.5	0.0
	Rail Vehicle Mechanic	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	8.0
	Signal & Comm Systems Maintainer	6.0	6.0	6.0	6.0	9.0	9.0	9.0	9.0	9.0	0.0
	Signal Systems Technician	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	5.0
	Specialist	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.4	4.8	0.0
	Utility Relocation Specialist	1.0	1.0	1.0	0.9	0.9	0.9	1.0	0.0	0.9	1.0
	Vehicle Parts Coordinator	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
VIII	Communications Systems Technician	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	5.0
	Customer Experience Coordinator	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	10.0	9.0
	Coordinator	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.9	1.0	0.0
	Engineering Technician	1.0	1.0	1.0	1.0	1.0	1.0	1.0	0.0	0.8	0.9
	Executive Administrative Coordinator	1.0	1.0	1.0	1.0	1.0	1.0	1.0	0.0	0.5	0.5
	Facilities Maintenance Coordinator	0.0	0.0	0.0	0.0	0.0	0.0	0.6	0.0	1.9	2.0
	Graphics Designer	0.0	0.0	1.4	0.9	0.9	0.9	0.9	0.9	0.9	0.9
	Information Technology Systems Specialist	1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Lead Customer Experience Coordinator	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0
	Legal & Risk Management Coordinator	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.5
	Legal Coordinator	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.5
	LRV Lead Maintenance Technician	3.0	3.0	3.0	3.0	3.0	3.0	3.0	0.0	3.0	3.0
	Non-Revenue Vehicle Maintenance Coordinator	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0	1.0

Grade	RPTA Position Titles	Authorized FTEs (1) FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
	Maintenance Scheduling	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Materials/Warranty Coordinator	2.0	2.0	2.0	1.0	1.0	1.0	0.0	0.0	0.0	0.0
	Project Coordinator	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0
	Public Art Specialist	0.0	0.0	0.0	0.0	0.0	0.0	1.0	0.0	1.0	1.0
	Signal & Communications Syst Tech	7.0	7.0	9.0	9.0	8.0	8.0	8.0	0.0	11.0	4.0
	Specialist	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.6	0.0	0.0
	Technician	0.0	0.0	0.0	0.0	0.0	0.0	0.0	28.9	0.0	0.0
	Traction Power Systems Technician	10.0	13.0	13.0	13.0	15.0	15.0	15.0	0.0	19.0	21.0
IX	Accountant II	0.0	0.0	0.0	0.2	0.2	0.5	1.5	1.5	0.0	1.3
	Area Coordinator	2.0	4.0	5.8	5.9	0.0	0.0	0.0	0.0	0.0	0.0
	Budget Analyst	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.3	1.0
	Community Outreach Program Coordinator	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0
	Construction Inspector	0.0	0.0	0.0	0.0	0.0	0.0	1.0	2.0	1.0	2.0
	Contract Administrator	1.0	1.0	0.2	2.7	2.5	1.3	1.6	1.6	2.0	2.3
	Coordinator	0.0	0.0	0.0	0.0	0.0	0.0	0.0	12.0	2.5	0.0
	Customer Service Supervisor	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.1	0.0
	GIS Coordinator	0.0	0.0	0.0	0.0	0.0	0.0	0.3	0.0	0.0	0.0
	LRV Maintenance Supervisor	3.0	4.0	3.0	3.0	0.0	0.0	0.0	0.0	0.0	0.0
	LRV Systems/Equipment Specialist	0.0	0.0	0.0	1.0	1.0	1.0	1.0	0.0	0.0	1.0
	Management Analyst	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0	0.0
	Network Support Analyst	1.0	1.0	1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Office and Business Services Administrator	0.0	0.0	0.0	0.0	0.0	0.0	0.5	0.5	0.2	0.5
	Planner I	1.0	0.0	2.1	1.6	1.7	2.1	2.4	2.7	0.0	1.9
	Program Coordinator	0.0	0.0	0.0	0.0	6.1	6.4	11.5	0.0	1.9	8.8
	Public Information Specialist	0.0	1.0	0.5	0.5	1.2	1.5	1.0	0.0	8.8	1.5
	Regulatory Administrator	0.0	0.0	0.0	0.5	0.5	0.0	0.0	0.0	0.0	0.0
	Safety Specialist	0.0	1.0	0.6	0.5	0.6	0.5	0.0	0.0	0.0	0.0
	Senior Internal Auditor	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.5	1.5	0.5
	Service Analyst II	0.0	0.0	0.0	0.0	0.7	0.6	0.6	0.0	0.0	0.0
	Specialist	0.0	0.0	0.0	0.0	0.0	0.0	0.0	3.2	0.0	0.0
	Sustainability Coordinator	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.5	0.5

Grade	RPTA Position Titles	Authorized FTEs (1) FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
	Supervisor, Facility Maintenance	1.0	0.0	0.0	1.0	0.0	0.0	0.0	0.0	0.0	0.0
	Supervisor, Track Maintenance	1.0	1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	TAM Program Coordinator	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.7
	Training Safety Specialist	0.0	0.0	0.0	0.0	0.0	0.0	0.8	0.0	0.0	1.0
	Transit Bus Safety Security Coordinator	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.5	0.0
	Transit Security Coordinator	0.0	0.0	0.0	0.6	0.6	0.5	0.8	0.0	1.0	0.9
	Web Developer	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0	0.0
X	Asset Management System Administrator	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.8	0.8
	Administrator	0.0	0.0	0.0	0.0	0.0	0.0	0.0	5.1	0.0	0.0
	Coordinator	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Database Administrator	0.0	0.0	0.0	0.7	0.6	0.6	0.6	0.0	0.7	0.7
	Deputy Manager, Community Relations	0.0	0.0	0.0	0.0	0.0	0.0	1.7	0.0	0.0	0.0
	Digital Comm/Marketing Program Lead	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.5	0.5
	Engineer (Civil)	1.0	0.0	0.0	0.0	0.0	0.0	1.0	1.5	0.9	0.9
	GIS Coordinator	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.7	0.3
	Info Tech Systems Specialist - Systems Analyst	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.3	0.5
	Lead	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.3	0.0	0.0
	Lead Graphic Designer	0.0	0.0	0.0	0.0	0.0	0.0	0.3	0.0	0.3	0.0
	LRV Maintenance Supervisor	0.0	0.0	3.0	3.0	3.0	3.0	3.0	0.0	3.0	4.0
	Maintenance of Way Supervisor	0.0	0.0	0.0	0.0	2.9	3.0	3.0	0.0	5.0	5.0
	Marketing Creative Supervisor	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.3
	Network Administrator	0.0	0.0	0.0	0.6	0.6	0.6	0.6	0.0	0.5	0.5
	Network Systems Engineer	0.0	2.0	1.8	1.0	0.0	0.0	0.0	0.0	0.0	0.0
	Planner II	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.9	1.9
	Production Coordinator	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.5	0.5
	Program Control Lead	0.0	0.0	0.0	0.0	0.0	0.0	1.0	0.0	0.0	0.0
	Program Control Specialist	1.0	1.0	1.0	1.0	1.0	1.0	2.0	2.0	2.0	2.0
	SCADA Network Administrator	0.0	0.0	0.0	0.0	1.0	1.0	0.0	0.0	0.0	0.0

Grade	RPTA Position Titles	Authorized FTEs (1) FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
	Senior Contract Administrator	2.0	2.0	2.3	0.8	1.6	2.2	2.9	0.0	3.1	3.0
	Server Administrator	0.0	0.0	0.0	0.6	0.0	0.0	0.6	0.0	0.0	0.0
	Signals/Communications Maintenance Supervisor	1.0	1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Supervisor	0.0	0.0	0.0	0.0	0.0	0.0	0.0	6.0	0.0	0.0
	Systems Administrator	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.5	0.5
	TES Supervisor	2.0	2.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Vmware/Storage Administrator	0.0	0.0	0.0	0.6	0.6	0.6	0.6	0.0	0.0	0.0
XI	Accountant III	1.0	1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.4	0.4
	Administrator	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.9	0.0	0.0
	Assistant Manager, Community Relations	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0	0.0	0.0
	Budget Supervisor	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.5	0.5
	Business Intelligence Analyst	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.5	0.5
	Coordinator	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.0	0.0	0.0
	GIS Administrator	0.0	0.0	0.5	0.5	0.5	0.3	0.0	0.0	0.0	0.0
	IT Project Manager	0.0	0.0	0.0	0.0	0.0	0.6	0.6	0.0	0.5	0.5
	Labor Compliance Officer	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0	0.8	0.8
	Light Rail Technical Trainer	0.0	0.0	0.0	1.0	1.0	1.0	1.0	0.0	1.0	1.0
	Maintenance Engineer	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0	0.0	1.0
	Maintenance of Way Technical Trainer	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0
	Maintenance Planner/Scheduler	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Manager	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.1	0.0	0.0
	Planner III	2.0	3.0	1.0	0.7	0.0	0.0	0.0	0.7	2.8	2.8
	Program Coordinator	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.5
	Project Manager	0.0	0.0	1.5	1.0	1.2	0.8	0.8	0.0	0.5	0.5
	Public Arts Administrator	1.0	1.0	1.0	1.0	1.0	1.0	1.0	0.0	1.0	1.0
	Public Information Officer	1.0	1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Quality Assurance Administrator	1.0	1.0	1.0	0.9	1.0	0.9	0.9	0.0	1.0	1.0
	SCADA System Administrator	0.0	0.0	0.0	0.0	0.0	0.0	1.0	0.0	0.0	0.0
	Senior Construction Project Coordinator	1.0	1.0	1.0	1.0	0.9	0.9	0.0	0.0	3.3	0.0

Grade	RPTA Position Titles	Authorized FTEs (1)									
		FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
	Senior Information Technology Systems Engineer	0.0	0.0	0.0	0.0	0.6	0.0	0.0	0.0	0.0	0.0
	Senior Internal Auditor	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.5
	Senior Management Analyst	0.0	0.0	0.3	0.3	0.8	1.5	1.3	1.4	1.5	1.3
	Senior Network Engineer	0.0	0.0	0.0	0.0	0.6	0.0	0.0	0.0	0.0	0.0
	Senior Project Certification Coordinator	0.0	0.0	0.0	0.0	0.0	0.0	1.0	0.0	1.0	0.0
	Senior Project Compliance Coordinator	0.0	0.0	0.0	0.0	0.0	0.0	1.0	0.0	1.0	1.0
	Senior Server/Exchange Administrator	0.0	0.0	0.0	0.0	0.6	0.0	0.0	0.0	0.0	0.0
	Technical Trainer	0.0	0.0	0.0	0.0	0.0	0.0	0.0	3.0	1.0	1.0
	Track Allocation Administrator	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0
XII	Admin Support Services & Project Management	0.0	0.0	0.0	0.0	0.5	0.5	0.5	0.0	0.0	0.5
	Architect / Urban Designer	0.0	0.0	0.0	0.0	0.0	0.0	1.0	1.0	0.8	0.8
	Assistant Manager, LRT System	0.0	0.0	0.0	0.0	0.0	0.0	1.0	0.0	0.0	0.0
	Assistant Manager, Maintenance of Way	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.0	1.0	1.0
	Assistant Manager, Rail Operations	0.0	0.0	0.0	0.0	0.0	0.0	1.0	0.0	1.0	1.0
	Assist. Superintendent LRV Maintenance	1.0	1.0	1.0	1.0	1.0	1.0	2.0	2.0	2.0	2.0
	Budget & Operations Financial Controls Manager	0.0	0.0	0.5	0.5	0.5	0.5	0.5	0.0	0.0	0.5
	Business Manager	0.0	1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Communications Manager	0.0	0.0	0.5	0.5	0.5	0.6	0.6	0.0	0.0	0.6
	Community Relations Manager	0.0	0.0	0.7	0.7	0.7	0.7	0.8	0.0	0.0	0.9
	Customer Service Manager	0.0	0.0	0.0	0.5	0.0	0.0	0.0	0.0	0.0	0.0
	Engineer	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.3	0.0	0.0
	Environmental Program Manager	0.0	0.0	0.0	0.0	0.0	0.9	0.9	0.0	0.0	0.0
	Executive & Board Initiatives Manager	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.5
	Facilities Maintenance Manager	0.0	0.0	0.0	0.0	0.9	1.0	0.9	0.0	0.0	1.0
	Full Stack Developer	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.5
	General Accounting Manager	0.0	0.0	0.0	0.4	0.4	0.4	0.4	0.0	0.0	0.0

Grade	RPTA Position Titles	Authorized FTEs (1) FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
	Geographic Services Manager	0.0	0.0	0.0	0.0	0.0	0.0	0.3	0.0	0.0	0.0
	Human Resources Support Services Manager	0.0	0.0	0.0	0.0	0.5	0.0	0.0	0.0	0.0	0.0
	LRT Systems Manager	0.0	0.0	1.0	1.0	0.0	0.0	0.0	0.0	0.0	0.0
	Lead Procurement Officer	0.0	0.0	1.2	1.0	0.0	0.0	0.0	0.0	0.0	0.0
	Manager	0.0	0.0	0.0	0.0	0.0	0.0	0.0	7.8	6.9	0.0
	Marketing Manager	0.0	0.0	0.5	0.5	0.0	0.5	0.5	0.0	0.0	0.5
	Office Engineer	0.0	0.0	0.0	0.0	0.0	0.0	0.8	0.0	0.0	0.0
	IT Operations Lead Engineer	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.5
	Procurement Manager	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.9
	Program Manager, Safety & Security	1.0	1.0	1.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0
	Quality Assurance Manager	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0
	Rail Public Involvement Manager	1.0	1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Senior Internal Auditor	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.5	0.0
	Senior Transportation Engineer	0.0	1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Security Engineer	0.0	0.0	0.0	0.0	0.0	0.6	0.6	0.0	0.5	0.5
	Senior Application Developer	0.0	0.0	0.0	0.0	0.0	0.6	0.6	0.6	0.4	0.4
	Senior GIS Administrator	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.3	0.3
	Service Planning Manager	0.0	0.0	0.0	0.0	0.1	0.3	0.2	0.0	0.0	0.0
	Stakeholder Affairs Manager	0.0	0.0	0.0	1.0	1.0	1.0	0.0	0.0	0.0	0.0
	Track & Facilities Manager	0.0	0.0	1.0	1.0	1.0	0.0	0.0	0.0	0.0	0.0
	Utility Manager	1.0	1.0	1.0	1.0	1.0	1.0	1.0	0.0	0.0	0.0
XIII	Accessible Transit Services Manager	0.0	0.0	0.0	0.0	0.0	0.2	0.1	0.0	0.0	0.0
	Business Intelligence Analyst	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.5	0.5
	Corridor & Facility Development Manager	0.0	0.0	0.9	0.9	0.0	0.0	0.0	0.0	0.0	0.0
	Enterprise Systems Engineer	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.5	0.5
	Field Safety & Security Manager	0.0	0.0	0.0	0.5	0.0	0.0	0.0	0.0	0.0	0.0
	Financial Reporting Manager	0.0	0.0	0.4	0.5	0.5	0.5	0.5	0.0	0.0	0.0
	LRT Systems Manager	0.0	0.0	0.0	0.0	1.0	1.0	1.0	0.0	0.0	0.0
	Maintenance Engineer	0.0	0.0	0.0	0.0	0.0	0.0	1.0	0.0	0.0	0.0
	Maintenance of Way Manager	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0
	Maintenance of Way Supervisor	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	3.0

		Authorized FTEs (1)									
Grade	**RPTA Position Titles**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**	**FY 2017**	**FY 2018**	**FY 2019**	**FY 2020**	**FY 2021**
	Manager	0.0	0.0	0.0	0.0	0.0	0.0	0.0	4.0	4.6	0.0
	Information Technology Manager	0.0	0.0	0.5	0.6	0.0	0.0	0.0	0.0	0.0	0.0
	Office Engineer	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.0
	Operations Support and Analysis Manager	0.0	0.0	0.0	0.7	0.7	0.7	0.7	0.0	0.0	0.7
	Procurement & Risk Management Manager	1.0	1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Project Controls Manager	1.0	1.0	1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Quality Assurance Manager	0.0	0.0	1.0	1.0	1.0	1.0	1.0	0.0	0.0	0.0
	Rail Design & Construction Manager	1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Rail Project Manager, Transit Planning	1.0	1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Safety and Security Manager	0.0	0.0	0.0	0.0	0.5	0.5	0.0	0.0	0.0	0.0
	SCADA System Administrator	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0	1.0
	Senior Project Engineer	1.0	1.0	1.0	0.9	1.0	1.0	1.0	1.0	1.0	0.9
	Service Planning Manager	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1
	System & Service Development Manager	0.0	0.0	0.4	0.4	0.4	0.0	0.0	0.0	0.0	0.0
	Systems Engineer	0.0	0.0	0.0	1.0	1.0	1.0	1.0	0.0	0.9	0.0
	Transit Safety Manager	0.0	0.0	0.0	0.0	0.0	0.0	1.0	0.0	0.0	0.8
	Transit Security Manager	0.0	0.0	0.0	0.0	0.0	0.0	0.8	0.0	0.0	0.9
	Utility Manager	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0
XIV	Business Performance Improvement Manager	0.0	0.0	0.0	0.0	0.0	0.0	0.5	0.0	0.0	0.0
	Capital Planning Manager	0.0	0.0	0.0	0.0	0.0	0.9	0.9	0.0	0.0	1.0
	Chief Auditor	0.0	0.0	0.0	0.0	0.0	0.5	0.5	0.0	0.5	0.5
	Chief Maintenance Engineer	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
	Contracts & Procurement Manager	0.0	0.0	0.5	0.5	0.5	0.6	0.6	0.0	0.0	0.6
	Construction Manager	0.0	1.0	0.9	0.9	0.9	0.9	0.0	0.0	0.0	0.0
	Corridor & Facility Development	0.0	0.0	0.0	0.0	0.9	0.0	0.0	0.0	0.0	0.0
	Chief Transportation Officer	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Chief System Engineering Officer	1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Design Manager	0.0	0.0	1.0	1.0	1.0	1.0	0.0	0.0	0.0	0.0
	Engineer	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.7	2.0	0.0

Grade	RPTA Position Titles	Authorized FTEs (1) FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
	Environmental Program Manager	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0
	Government Relations Officer	0.0	0.0	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
	Info Tech Sys Specialist	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.6	0.0	0.0
	Information Technology Manager	0.0	0.0	0.0	0.0	0.6	0.0	0.5	0.0	0.0	0.5
	Manager	0.0	0.0	0.0	0.0	0.0	0.0	0.0	5.0	4.1	0.0
	Manager, Start up & Activation	0.0	0.0	1.0	1.0	1.0	1.0	0.0	0.0	0.0	0.0
	Project Controls Manager	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0
	Rail Systems Engineer	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0
	Rail Systems Manager	0.0	0.0	0.0	0.0	0.0	0.0	1.0	0.0	0.0	1.0
	Resident Engineer	0.0	1.0	1.0	1.0	0.9	1.0	1.7	0.0	2.0	2.0
	Revenue Generation & Financial Planning Manager	0.0	0.0	0.3	0.3	0.3	0.3	0.0	0.0	0.0	0.0
	Senior Database Architect	0.0	0.0	0.0	0.0	0.0	0.6	0.6	0.0	0.0	0.0
	Senior Project Manager	0.0	0.0	0.0	0.0	0.0	0.0	1.0	0.0	0.0	0.0
	Superintendent, LRV Maintenance	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
XV	Administration & Organizational Development Director	0.0	0.0	0.5	0.5	0.5	0.0	0.0	0.0	0.0	0.0
	Capital Development Manager	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.7
	Chief, Safety and Security	1.0	1.0	0.6	0.6	0.0	0.0	0.0	0.0	0.0	0.0
	Chief of Staff	0.0	0.0	0.5	0.5	0.5	0.5	0.0	0.0	0.0	0.0
	Chief Procurement Officer	0.0	0.0	0.0	0.0	0.0	0.0	0.6	0.7	0.7	0.7
	Construction and Utilities Manager	0.0	0.0	0.0	0.0	0.0	0.0	0.9	0.0	0.0	1.0
	Design Manager	0.0	0.0	0.0	0.0	0.0	0.0	1.0	0.0	0.0	0.0
	Manager	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.5	2.9	0.0
	Program Manager	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0	0.0	0.0
	Rail Chief Operations Officer	1.0	1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Rail Operations Manager	0.0	0.0	0.0	0.0	0.0	0.0	1.0	0.0	0.0	1.0
	Service Planning & Accessible Transit Deputy Director	0.0	0.0	0.0	0.0	0.0	0.2	0.0	0.0	0.0	0.0
	T2050 Program Manager	0.0	0.0	0.0	0.0	0.0	0.0	1.0	0.0	0.0	0.0
XVI	Capital Program Deputy Director	0.0	0.0	0.0	0.0	0.0	0.0	1.0	0.0	0.0	0.0
	Chief Engineer	0.0	0.0	1.0	1.0	1.0	1.0	0.0	0.0	0.0	0.0
	Chief Operating Officer	0.0	0.0	0.6	0.6	0.6	0.6	0.7	0.0	0.0	0.5

Valley Metro Rail, Inc.
Full-Time Equivalent Positions (Concluded)

Grade	RPTA Position Titles	Authorized FTEs (1) FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
	Communication and Strategic Initiatives Director	1.0	1.0	0.5	0.5	0.5	0.5	0.5	0.0	0.8	0.7
	Deputy Director, Planning	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.6	0.7	0.0
	Director	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.5	0.0	0.0
	Jr Attorney	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.5
	Planning and Accessible Transit Director	0.0	0.0	0.0	0.0	0.0	0.8	0.0	0.0	0.0	0.0
	Planning Deputy Director	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.7
	Planning/Development Director	1.0	1.0	0.9	0.9	0.9	0.0	0.0	0.0	0.0	0.0
	Rail Design & Construction Director	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Rail Operations & Maintenance Director	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Safety, Security and Quality Assurance Director	0.0	0.0	0.0	0.0	0.6	0.5	0.8	0.0	0.9	0.9
	Senior Advisor, Office of the CEO	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.5
	Service Planning and Accessible Transit Deputy Director	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.0	0.0	0.0
XVII	Capital and Service Development Director	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.8	0.8
	Chief Financial Officer	1.0	1.0	0.5	0.5	0.5	0.5	0.5	0.0	0.5	0.5
	Chief Officer	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.8	0.8	0.0
	Chief Operations Officer	0.0	0.0	0.0	0.0	0.0	0.5	0.5	0.0	0.0	0.8
	Chief Technology Officer	0.0	0.0	0.0	0.0	0.0	0.0	0.8	0.8	0.0	0.0
	Deputy Director, Corridor Development	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.8	1.0	1.0
	Deputy Director, Corridor Planning	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0	1.0	1.0
	Senior Project Manager	0.0	0.0	0.0	0.0	0.0	0.0	0.5	0.0	1.0	1.0
GC	Chief Administrative Officer	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.5	0.3
	General Counsel	1.0	1.0	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
ED	Chief Executive Officer	1.0	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
		138.0	150.0	158.6	163.5	182.9	179.1	209.3	224.8	271.2	279.0

Source: Valley Metro Rail, Inc. Finance and Administration Division

Valley Metro Rail, Inc.
Schedule of Insurance Coverage
For the Fiscal Year Ended June 30, 2021

Valley Metro Rail, Inc (VMR) employs Alliant Insurance Services, Inc. as its broker for the purchase of insurance. VMR's current commercial insurance program consists of the following:

Policy #	Coverage	Limits	Policy Term	Premium	Carrier
KTK-CMB-2700C68-6-20	Commercial Property	$601,966,326 Buildings & Business Personal property Limit; $100,000,000 B&M Limit $10,000 B&M Deductible $10,000 Property Deductible $25,000,000 Flood and EQ Limit $100,000 Flood & EQ Deductible	12/1/2020-21	$422,772	Travelers Indemnity Co.
QT-660-5833B340-TIL-20	Inland Marine - Rolling Stock	$151,465,207 Limit $100,000 Deductible EXCEPT $50,000 for certain equipment	12/1/2020-21	$257,491	Travelers P&C Insurance Co. of America
QT-660-5833B352-TIL-20	Inland Marine - Town Lake Bridge	$22,581,224 Limit $100,000 Deductible $5,000,000 Flood and EQ Limit	12/1/2020-21	$37,259	Travelers P&C Insurance Co. of America
I21112951014	DIC - Excess Flood Town Lake Bridge	$15,000,000 per Occurrence x/o $5,000,000 Underlying / Retained Limit	12/1/2020-21	$38,955	ACE Fire Underwriters Insurance Co.
25654170	Commercial Crime	$2,000,000 Insuring Agreement Limits $10,000 Deductible	12/1/2020-21	$5,991	National Union Fire
810-9N838743-20-43	Commercial Auto Liability, excluding buses and light rail vehicles	$750,000 CSL Limit Deductible $5,000	12/1/2020-21	$159,847	Travelers P&C Insurance Co. of America
N1-A3-RL-0000066-11	Primary Excess Liability	$10,000,000 xs of $750,000 SIR	12/1/2020-21	$582,357	Princeton Excess and Surplus Lines Insurance Co.
3051169	Excess Liability (2nd)	$10,000,000 xs of $10,000,000	12/1/2020-21	$258,000	AWAC via AmWINS

Valley Metro Rail, Inc.
Schedule of Insurance Coverage (Concluded)
For the Fiscal Year Ended June 30, 2021

Policy #	Coverage	Limits	Policy Term	Premium	Carrier
3051169	Excess Liability (2nd)	$10,000,000 xs of $10,000,000	12/1/2020-21	$258,000	AWAC via AmWINS
UC2002342	Excess Liability (3rd) 1 of 3 in L3	$30,000,000 xs of $20,000,000	12/1/2020-21	$51,600	Ascot
UC2002295	Excess Liability (3rd) 2 of 3 in L3	$30,000,000 xs of $20,000,000	12/1/2020-22	$464,400	London Syndicates
UC2002342	Excess Liability (3rd) 3 of 3 in L3	$30,000,000 xs of $20,000,000	12/1/2020-21	$103,200	AWAC via AmWINS
B0180PN2004157	Excess Liability (4th) 1 of 4 in L4	$50,000,000 xs of $50,000,000	12/1/2020-21	$77,400	London
UC200298	Excess Liability (4th) 2 of 4 in L4	$50,000,000 xs of $50,000,000	12/1/2020-21	$258,000	London Syndicates
UC2002343	Excess Liability (4th) 3 of 4 in L4	$50,000,000 xs of $50,000,000	12/1/2020-21	$77,400	Ascot Bermuda
UC2002338	Excess Liability (4th) 4 of 4 in L4	$50,000,000 xs of $50,000,000	12/1/2020-21	$103,200	Gemini
B0180PG2002731	Terrorism	$50,000,000 Property Limit (coverage also applies to rolling stock) $1,000,000 Liability Limit $1,000,000 Nuclear, Chemical, Bio Limit $50,000 Deductible	12/1/2020-21	$20,388	Lloyd's of London
MTP903159006	Cyber/Privacy	$2,000,000 Third Party Liability $2,000,000 First Party Coverge $25,000 Retention	12/1/2020-21	$41,270	Indian Harbor Insurance Co.
PPLG71465433 001	Pollution Environmental Liability	$5,000,000 each Pollution Incident $5,000,000 Aggregate $25,000 Deductible	12/1/2018-21	N/A	Chubb Custom Insurance Co.
1000293113-01	Aircraft Liability (New for drone)	$1,000,000 each occurrence and aggregate	05/03/21-22	$1,285	Starr Indemnity & Liability
1017940	Workers Compensation & Employers	WC: Statutory; Employers Liab: $1MM	12/1/2020-21	$161,000	Copper Point Western Insurance Company

Source: Valley Metro Rail, Inc. - Legal Division

Valley Metro Rail, Inc.

Design & Construction Milestones

PRE-INCORPORATION ACTIVITIES

November 2000 - Final light rail alignment approved

February 2001 - Project opens community office for the public

September 2001 - City of Phoenix purchases first property for the light rail system at Camelback Road and 3rd Avenue.

December 2001 - Project receives first recommended rating from the Federal Transit Administration (FTA) in its New Starts Report.

October 2002 - Valley Metro Rail, Inc. is incorporated.

VALLEY METRO RAIL, INC. ACTIVITIES

July 2003 - METRO receives formal approval from the FTA for the light rail project to enter the Final Design phase. The approval allows designers to finalize the construction plans during the coming months, begin utility relocation, and request early approval to begin purchasing light rail vehicles and construction materials.

August 2004 - The METRO board approves the METRO Business Outreach Plan to help minimize the impacts of light rail construction on businesses located along the light rail transit alignment.

November 2004 - A groundbreaking ceremony is held for the reconstruction of an access bridge over the Grand Canal at 48th Street that leads to the light rail Maintenance and Storage Facility.

January 2005 - Full Funding Grant Agreement signed for the Central Phoenix East Valley (CPEV) Light Rail Project. (20 mile initial operating segment)

April 2005 - METRO Max program launched, business support program encouraging residents to patronize businesses impacted by light rail construction.

March 2007 - Phoenix City Council approves funding for Northwest Extension.

December 2008 - Central Phoenix East Valley Light Rail Project (Initial 20 Mile Segment) construction completes on-time and within budget.

January 2009 - Rail Passenger Operations commence; ridership planned for 26,000 passengers per day reaches over 40,000 daily passengers in April 2009.

March 2010 - Mesa City Council approves a 3.1-mile extension of the LRT system.

October 2010 - Tempe City Council approves Mill Avenue Alignment for modern streetcar.

October 2011 - Valley Metro receives a $1.0 million federal grant to conduct an Alternatives Analysis on the South Central Phoenix Corridor.

June 2012 - Phoenix City Council approves funding plan to accelerate Northwest Extension Project.

July 2012 - Phoenix City Council approves the 11-mile Phoenix West Extension Project light rail alignment.

October 2012 - Project Construction Grant Agreement signed for the Central Mesa Extension Project.

January 2013 – Groundbreaking of the Northwest Extension light rail construction adding 3.2 miles to existing 20 mile system.

November 2013 – Valley Metro received the Finding of No Significant Impact (or FONSI) from the FTA completing the federal environmental assessment for the 1.9-mile Gilbert Road light rail extension.

April 2015 – Valley Metro Rail completes solar panel installation at the Operations and Maintenance Center, reducing electrical costs and dependence on the metropolitan grid.

January 2015 – On Saturday, January 31,Valley Metro Rail served the 2015 Superbowl activities reaching a historic ridership record with 126,000 boardings.

August 2015 - Valley Metro opens the 2.81 mile Central Mesa LRT Extension, serving downtown Mesa and extending the light rail line to nearly 23 miles.

March 2016 - Valley Metro opens the 3.28 mile Northwest LRT Extension, serving North Phoenix and extending the light rail line to 25.4 miles.

April 2019 - Valley Metro opens 50th Street Station the first completed project using Phoenix voter-approved Transportation 2050 funds. This is the first new station within the 26 mil Valley Metro Rail corridor. It is also the first station to have enhanced accessibility features, as well as a permanent tribute to Arizona Congressman Ed Pastor.

May 2019 - Valley Metro opens the 1.9 mile Gilbert Road LRT Extension, serving Mesa and extending the light rail line to 28 miles.

Source: Valley Metro Rail, Inc. Finance Division

VALLEY METRO RAIL

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