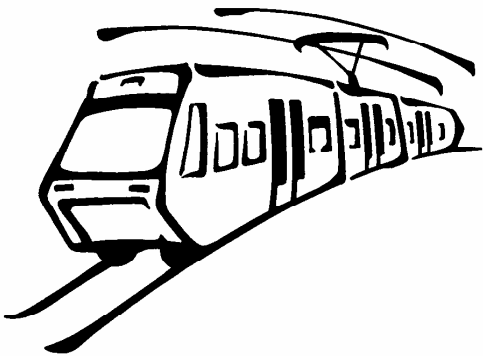
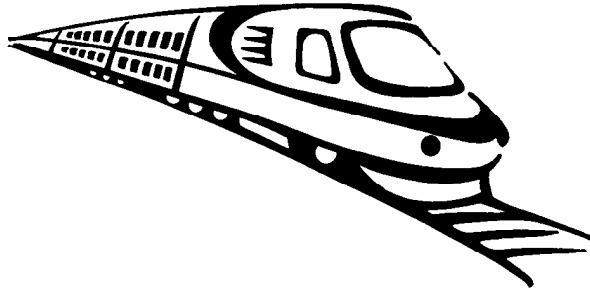
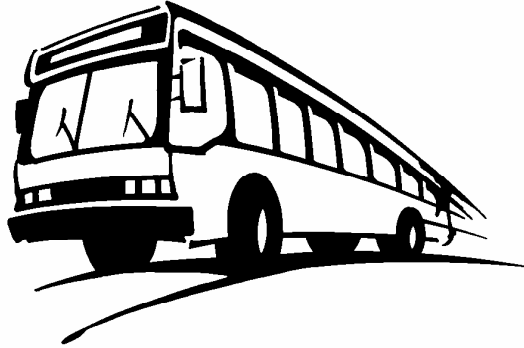




SOUNDTRANSIT

Central Puget Sound
Regional Transit Authority



Quarterly Financial Report
Third Quarter 2008
September 30, 2008

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Third Quarterly Financial Report

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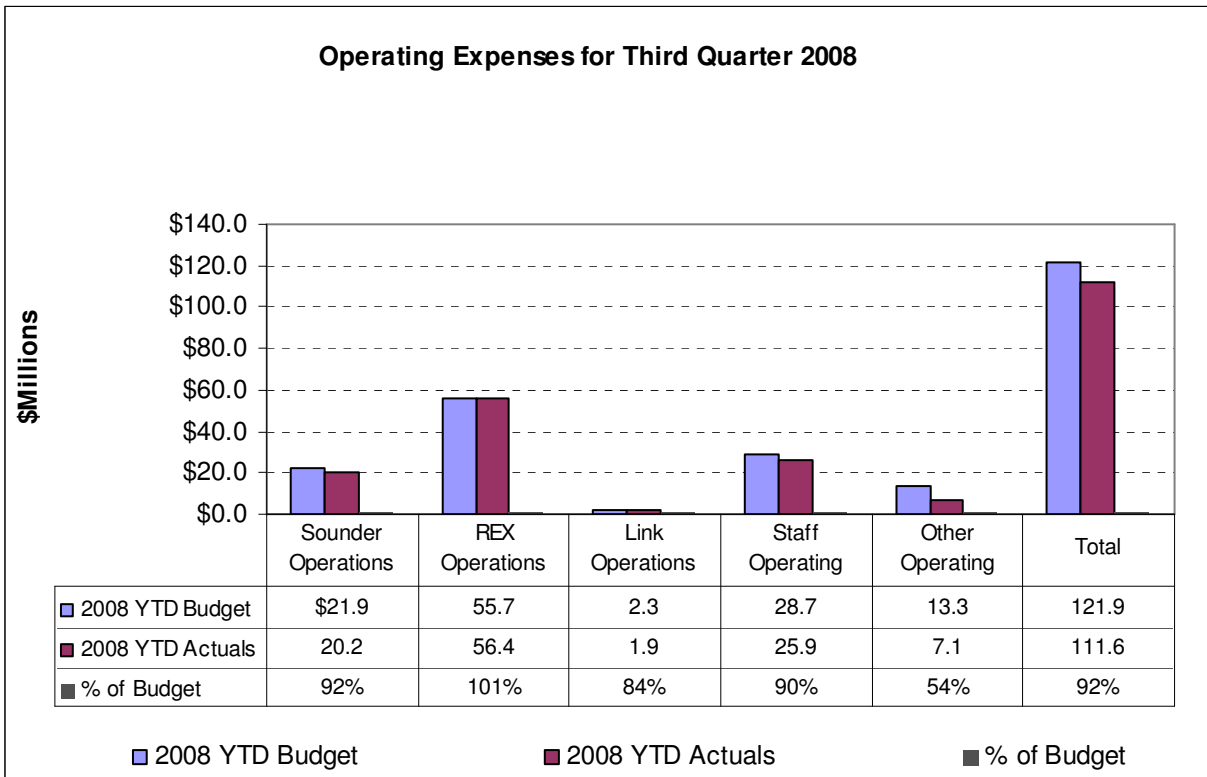
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Expenses

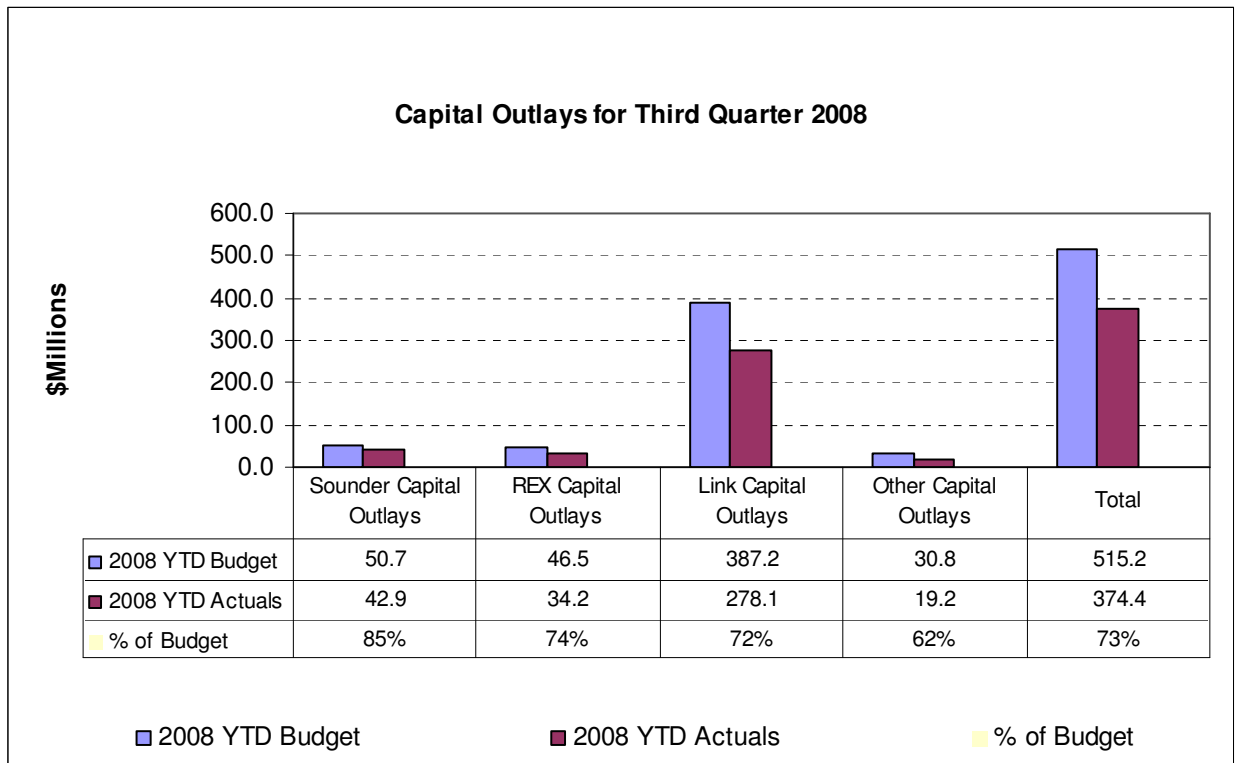
Total agency expenses for the quarter of \$111.6M were below the year-to-date budget of \$121.9M or 92% of budget. Transportation Services direct operating expenses as a percent of budget was: Sounder 92%, ST Express 101% and Tacoma Link 84%. Much of the under-spending was caused by the timing of vehicle and facility maintenance that will occur later in the year.

Regional Fund and Other Operating Expenses of \$5.9M was \$2.2M under budget due to less than anticipated planning costs in the Phase 2 planning project and Fare Integration project. In addition, debt services costs were below budget reflecting a current assumption of full capitalization to capital projects.



Capital Outlays

Total agency capital outlays of \$374.4M were 73% of the year-to-date budget. Capital outlays for Sounder came in at 85% of target since forecasted spending did not anticipate a delay to the start of construction at Everett Station, and in the Seattle - Tacoma Track and Signal project and Lakewood station anticipated to be completed under budget. The actual outlays in Regional Express came in at 74% of target primarily due to lower than predicted spending in the final design phase of the Kirkland Transit Center; and the final design and ROW phases of Renton HOV Access. Link capital outlays of \$278.1M were 72% of the year-to-date budget plan. Lower than planned expenditures are due to: delays in Initial Segment civil construction and subsequent impacts on systems follow-on work, prolonged negotiation and lack of resolution of construction-related issues on the Rainier Valley contract, slowed productivity at Beacon Hill; and unresolved construction-related issues for the Airport Link project.



Summary Income Statement

The following table summarizes Revenue and Expenses at the quarter end. Net Revenues were over budget by \$60.1M or 31% due to revenues exceeding their budget and expenses below budget.

Total Revenue exceeded the YTD Budget by \$31.4M or 9%. This positive variance was primarily driven by higher Federal Grant drawdowns through the third quarter. Farebox revenues, State and Local Contributions and Other Miscellaneous Revenues also exceeded their budget while Tax Revenues and Investment Income came in below their budgeted amounts.

Total expenses were below budget by \$24.5M or 15% of budget, with all major expense categories below their budgeted levels. The expense categories that drove the lower expenditure level included Staff Operations, Transit Operations, and Regional Fund & Other Operations.

Income Statement							
For the Quarter Ending September 30, 2008							
Budget to Actuals							
	Q1 Actuals	Q2 Actuals	Q3 Actuals	YTD 2008 Actuals	YTD 2008 Budget	YTD Actuals to YTD Budget (over)/under	YTD Actuals as % of YTD Budget
REVENUES							
Tax Revenues	83,370,206	89,227,917	91,093,973	263,692,096	268,881,664	(5,189,568)	98%
Farebox Revenues	5,091,706	6,739,039	7,576,100	19,406,845	14,616,489	4,790,357	133%
Investment Income	7,388,435	3,812,990	4,107,274	15,308,699	17,287,038	(1,978,339)	89%
Other Miscellaneous	733,053	1,207,811	698,504	2,639,367	1,909,493	729,874	138%
State & Local Contributions	349,747	9,457,924	140,018	9,947,688	916,674	9,031,014	1085%
Federal Grants	15,061,831	21,138,905	51,074,657	87,275,393	63,212,257	24,063,136	138%
TOTAL REVENUES	\$ 111,994,978	\$ 131,584,585	\$ 154,690,525	\$ 398,270,089	\$ 366,823,615	\$ 31,446,473	109%
EXPENSES							
Net Staff Operating Divisions	\$ 4,342,486	\$ 5,560,985	\$ 4,990,981	\$ 14,894,452	\$ 24,561,757	\$9,667,305	61%
Transit Operations	34,026,273	36,350,689	39,433,617	109,810,578	115,176,284	5,365,706	95%
Regional Fund & Other Operations	1,703,231	2,330,257	1,867,150	5,900,638	12,003,089	6,102,450	49%
Community Development Fund	264,154	128,685	239,694	632,533	770,289	137,757	82%
Debt Service	302	566	0	868	2,738,392	2,737,524	0%
Non-Capitalizable LOB expenses	820,613	1,885,632	1,827,642	4,533,887	4,996,748	\$462,861	91%
TOTAL EXPENSES	\$ 41,157,058	\$ 46,256,814	\$ 48,359,084	\$ 135,772,957	\$ 160,246,559	\$ 24,473,603	85%
EXCESS REVENUE OVER EXP.	\$70,837,920	\$85,327,771	\$106,331,441	\$ 262,497,132	\$206,577,056	\$55,920,076	127%
Transfers to Other Governments	-	7,331,849	3,301,178	10,633,028	14,817,649	4,184,621	72%
NET REVENUE OVER EXP.	\$ 70,837,920	\$ 77,995,922	\$ 103,030,263	\$ 251,864,105	\$ 191,759,408	\$ 60,104,697	131%

Summary of Net Assets

The following table summarizes assets and liabilities at the quarter end and provides comparative data for the prior year. Total assets increased by \$750.9M from the same period in 2007, and liabilities increased by \$492.6M. Current assets increased by \$258.3M due to the receipt of bond proceeds on the 2007 bond issue. With the strong spending on our capital program bond proceeds were considered spent down upon receipt and accordingly were not restricted. The strong spending on our capital program is also evidenced by the amount invested in capital assets, which increased by \$258.3M reflecting the activity on capital programs, particularly the Link Light Rail Program.

Summary of Net Assets <i>(in millions)</i>				
	September 30, 2008	September 30, 2007	% Change	Prior Year Variance
Current Assets, excluding Restricted Assets	\$ 579.1	\$ 322.5	80%	\$ 256.5
Restricted Assets	121.3	150.1	-19%	(28.8)
Property, Vehicles and Equipment, Net of Accumulated Depreciation	1,434.5	1,267.0	13%	167.5
Capital Projects in Progress	2,333.6	1,940.1	20%	393.5
Capital Projects in Progress - non ST	73.3	114.0	-36%	(40.7)
Other Non-Current Assets	70.5	67.7	4%	2.8
Total Assets	\$ 4,612.3	\$ 3,861.4	19%	\$ 750.9
Current Liabilities, excluding Interest Payable from Restricted Assets	152.7	133.7	14%	19.0
Debt Services Payable from Restricted Assets	40.0	16.0	150%	24.0
Long-Term Debt	1,219.6	774.2	58%	445.4
Other Long-Term Liabilities	71.8	67.7	6%	4.1
Total Liabilities	1,484.2	991.6	50%	492.6
Net Assets	3,128.1	2,869.8	9%	258.3
Total Liabilities and Net Assets	\$ 4,612.3	\$ 3,861.4	19%	\$ 750.9
Invested in Capital Assets, Net of Related Debt	2,610.4	2,541.6	3%	68.8
Restricted Net Assets	100.6	114.7	-12%	(14.1)
Unrestricted Net Assets	417.1	213.5	95%	203.6
Total Net Assets	\$ 3,128.1	\$ 2,869.8	9%	\$ 258.3

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FINANCIAL DETAIL

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Revenue

Agencywide Revenues							
For the Quarter Ending September 30, 2008							
Budget to Actuals							
	Q1 Actuals	Q2 Actuals	Q3 Actuals	YTD 2008 Actuals	YTD 2008 Budget	YTD Actuals over/(under) YTD Budget	YTD Actuals as % of YTD Budget
REVENUE SOURCES							
Retail Sales and Use Tax	64,812,585	69,401,661	71,182,461	205,396,706	209,534,890	(4,138,183)	98%
Rental Car Tax	437,734	601,956	912,051	1,951,741	1,769,482	182,260	110%
Motor Vehicle Excise Tax	18,119,888	19,224,299	18,999,461	56,343,648	57,577,292	(1,233,644)	98%
Farebox Revenue	5,091,706	6,739,039	7,576,100	19,406,845	14,616,489	4,790,357	133%
Investment Income	7,388,435	3,812,990	4,107,274	15,308,699	17,287,038	(1,978,339)	89%
Miscellaneous Revenues	733,053	1,207,811	698,504	2,639,367	1,909,493	729,874	138%
OTHER FINANCING							
Local & State Contributions	349,747	9,457,924	140,018	9,947,688	916,674	9,031,014	1085%
Federal Grants	15,061,831	21,138,905	51,074,657	87,275,393	63,212,257	24,063,136	138%
TOTAL SOURCES	\$ 111,994,978	\$ 131,584,585	\$ 154,690,525	\$ 398,270,089	\$ 366,823,615	\$ 31,446,473	109%

Revenue Notes

Retail Sales and Use Tax revenues were \$4.1M or 2.0% below budget YTD. Compared to 2007 YTD, sales tax revenues were down \$0.7m or 0.3%. This decline reflects the onset of the current economic recession.

Rental Car Tax revenues were \$183k or 10% above budget YTD. Compared to last year YTD, MVET revenues were up by down by \$21k or -1.1%.

Motor Vehicle Excise Tax revenues were \$1.2m or -2.1% below budget YTD. Compared to 2007 YTD, MVET revenues were up by \$1.6m or 3.0%. This reflects the onset of the current economic recession and particularly a slowdown in new vehicle sales.

Farebox Revenues of \$19.4M exceeded the YTD 2008 budget by \$4.8M or 33% of budget. Ridership was 17% higher than the same period last year. The growth in ridership continued as more and more commuters looked to public transportation, helped by higher fuel costs, and increased service provided. In addition, the average fare per boarding was increasing. In particular, Sounder ridership was 29% higher than last year, increasing the overall average fare per boarding.

Investment Income was at 89% of the year to date budget, with a shortfall of \$1.9M. This variance was caused mainly by lower than forecasted cash balance (\$100M of expected bonds were not issued this year) along with a lower level of interest rates

Miscellaneous Revenues exceeded the YTD by \$730K or 38%. Included in this category is Sounder revenue vehicle income, advertising on the Sound Transit fleet, rental property income, user license fees, and operating contributions from other governments for their share of facilities costs. The higher revenues primarily related to rental property on Capitol Hill, licenses and permitting fees.

Local, State and Federal Grants State and local contributions were above year-to-date budget by \$9.0M. In May, land bank credits totaling \$7.96 million were obtained for E-3 Bus way (\$4.32 million) and for King Street Station layover (\$3.64 million). The State contributions include grants as well as Land Bank credits. Local Contributions include Local Grants for stations and projects. Federal Grants were higher than the third quarter budget by \$24.0M or 38%, largely due to FTA appropriating grant funds for Initial Segment and Airport Link in the quarter.

Summary Operations and Capital Outlays

Capital Outlays by Line of Business

For the Quarter Ending September 30, 2008

Regional Express, Sounder, Link, & Other

Current Year 2008

	2008 Adopted Capital Plan	YTD Capital Plan	YTD Actuals	YTD actuals (over)/under YTD Budget	YTD actuals as % of YTD Budget
	<i>a</i>	<i>b</i>	<i>c</i>	<i>[b - c]</i>	<i>[c/b]</i>
Sounder Commuter Rail	66,507,983	50,714,895	42,874,714	7,840,181	85%
Link Light Rail	523,266,862	387,224,844	278,128,406	109,096,438	72%
Regional Express	59,999,427	46,452,322	34,248,027	12,204,295	74%
Other Capital	38,902,758	30,801,399	19,186,062	11,615,337	62%
TOTAL	\$ 688,677,030	\$ 515,193,460	\$ 374,437,209	\$ 140,756,251	73%

153,367,362

Lifetime Capital Plan

	Adopted Capital Plan	Life-to-date Outlays	Remaining Contract	Budget Remaining	% Spent and Committed
	<i>d</i>	<i>e</i>	<i>f</i>	<i>[d-(e+f)]</i>	<i>[(e+f)/d]</i>
Sounder Commuter Rail	1,219,941,142	1,011,974,173	33,273,385	174,693,584	86%
Link Light Rail	4,236,501,122	2,369,995,899	254,607,481	1,611,897,742	62%
Regional Express	785,241,557	575,046,780	30,026,622	180,168,156	77%
Other Capital	263,924,429	160,154,769	15,233,294	88,536,366	66%
TOTAL	\$ 6,505,608,250	\$ 4,117,171,620	\$ 333,140,782	\$ 2,055,295,848	68%

Combined Transit Operations Summary

For the Quarter Ending September 30, 2008

ST Express, Sounder, Link, & Accessible Services

	Q1 Actuals	Q2 Actuals	Q3 Actuals	YTD Total Actuals	YTD 2008 Budget	YTD Actuals to YTD Budget (over)/under	YTD Actuals as a % of YTD Budget
Revenues							
Passenger Fares	5,091,706	6,739,039	7,576,102	19,406,847	14,935,400	4,471,447	130%
Other Operating Revenues	387,969	867,472	210,788	1,466,229	1,355,431	110,798	108%
Total Operating Revenues	\$ 5,479,675	\$ 7,606,511	\$ 7,786,890	\$ 20,873,076	\$ 16,290,831	\$ 4,582,245	128%
Direct Operating Expenses							
Salaries & Benefits	501,615	543,361	510,681	1,555,657	1,714,125	158,468	91%
Services	3,526,103	5,453,306	4,838,690	13,818,099	16,260,056	2,441,957	85%
Materials & Supplies	741,967	1,156,648	957,798	2,856,413	3,076,067	219,654	93%
Insurance	396,719	414,026	400,373	1,211,117	1,733,586	522,469	70%
Purchased Transportation Svcs	18,676,708	17,688,664	21,041,754	57,407,126	55,901,320	(1,505,806)	103%
Miscellaneous Expenses	53,368	175,836	313,230	542,434	418,013	(124,421)	130%
Leases & Rentals	90,386	59,643	58,424	208,453	251,644	43,191	83%
Other Expenses	361,861	469,552	467,783	1,299,196	1,366,397	67,201	95%
Total Direct Operating Expenses	\$ 24,348,727	\$ 25,961,035	\$ 28,588,733	\$ 78,898,495	\$ 80,721,208	\$ 1,822,713	98%
Agency Admin Allocations	1,412,267	1,814,178	1,766,047	4,992,492	5,462,461	469,969	91%
Fully Allocated Operating Expenses	\$ 25,760,994	\$ 27,775,214	\$ 30,354,780	\$ 83,890,987	\$ 86,183,669	\$ 2,292,682	97%
Net Subsidy from Fully Allocated Operations	\$ (20,281,318)	\$ (20,168,703)	\$ (22,567,890)	\$ (63,017,911)	\$ (69,892,838)	\$ 6,874,927	90%
Contingency	-	-	-	-	2,073,683	2,073,683	-
Depreciation & Amortization	8,265,279	8,575,475	9,078,837	25,919,591	26,918,932	999,341	96%
Net Subsidy from Operations after Depreciation and Amortization	\$ (28,546,597)	\$ (28,744,178)	\$ (31,646,727)	\$ (88,937,502)	\$ (98,885,453)	\$ 9,947,951	90%
Ridership							
Boardings	3,596,293	3,988,174	4,356,362	11,940,829	10,583,845	1,356,984	113%
Average Weekday Boardings	50,368	55,758	59,959	55,362	49,841	5,521	111%

Sounder Commuter Rail

Sounder Commuter Rail Transit Operations

For the Quarter Ending September 30, 2008

	Q1 Actuals	Q2 Actuals	Q3 Actuals	YTD 2008 Actuals	YTD 2008 Budget	YTD Actuals to YTD Budget (over)/under	YTD Actuals as a % of YTD Budget
Revenues							
Passenger Fares	1,555,364	2,102,167	2,318,812	5,976,343	4,706,537	1,269,806	127%
Other Operating Revenues	222,629	548,383	214,597	985,609	865,681	119,928	114%
Total Operating Revenues	\$ 1,777,993	\$ 2,650,550	\$ 2,533,409	\$ 6,961,952	\$ 5,572,218	\$ 1,389,734	125%
Direct Operating Expenses							
Salaries & Benefits	92,320	127,172	114,357	333,849	334,197	348	100%
Services	2,439,788	3,023,964	3,239,513	8,703,265	10,118,435	1,415,170	86%
Materials & Supplies	728,189	1,064,611	904,479	2,697,278	2,526,402	(170,876)	107%
Insurance	318,222	335,603	326,454	980,279	1,466,717	486,438	67%
Purchased Transportation Svcs	2,147,275	2,146,212	2,165,612	6,459,098	6,259,455	(199,643)	103%
Miscellaneous Expenses	38,006	102,063	19,745	159,813	165,000	5,187	97%
Leases & Rentals	68,357	17,517	23,936	109,809	198,429	88,620	55%
Other Expenses	211,241	296,647	271,229	779,117	864,968	85,851	90%
Total Direct Operating Expenses	\$ 6,043,398	\$ 7,113,787	\$ 7,065,323	\$ 20,222,508	\$ 21,933,603	\$ 1,711,095	92%
Agency Admin Allocations	467,982	601,812	585,264	1,655,058	1,656,159	1,101	100%
Fully Allocated Operating Expenses	\$ 6,511,379	\$ 7,715,600	\$ 7,650,587	\$ 21,877,566	\$ 23,589,762	\$ 1,712,196	93%
Net Subsidy from Fully Allocated Operations	\$ (4,733,386)	\$ (5,065,050)	\$ (5,117,178)	\$ (14,915,614)	\$ (18,017,544)	\$ 3,101,930	83%
Contingency	-	-	-	-	711,881	711,881	0%
Depreciation & Amortization	4,187,494	4,193,051	4,448,091	12,828,636	13,649,512	820,876	94%
Net Subsidy from Operations after Depreciation and Amortization	\$ (8,920,880)	\$ (9,258,101)	\$ (9,565,269)	\$ (27,744,250)	\$ (32,378,937)	\$ 4,634,687	86%
Ridership							
Boardings	603,431	656,679	708,479	1,968,589	1,757,874	210,715	112%
Average Weekday Boardings	9,303	9,947	10,428	9,893	8,197	1,696	121%

Revenues and Ridership: Ridership continued to rise, exceeding the ridership of the same period in 2007 by 27% and the YTD forecast by 12%. Passenger Fares were over the YTD budget by 27%. Fare revenues are recorded using actual and estimated ridership and are reconciled by the region three times a year. Non-transportation revenue, primarily the revenue associated with the leasing of Sounder vehicles to other jurisdictions, was over the budget by 14%.

Services were under budget by \$1.4M or 14%. The largest variance was maintenance of vehicles, which was under budget by \$1M. Two maintenance projects have begun in November and are expected to be completed in the fourth quarter. This item is expected to be close to the budgeted level at year-end. Maintenance of stations was at 65% of the YTD budget. Security and Safety was over the budget by \$192K, or 14%.

Materials & Supplies were above the budget by 7%. Leading expenditure was fuel costs, which were over budget by \$170K. Fuel spiked in July with an average price of \$4.03 per gallon. The price has tapered off recently but this item is expected to be over the budget at year-end.

Insurance was under YTD budget by \$486K or 33%. Claims experience continues to be more favorable than budgeted for Sounder.

Purchased Transportation Services were over the YTD budget by 3%. This is a timing issue and is expected to be at budget at year end. Standard invoices provided by BNSF usually arrive at a much later date, so there is a time lapse between the services provided and being actually billed. This category is expected to be at budget at year end.

Miscellaneous Expenses were at 97% of the YTD budget. Leading expenditure was advertising and media promotions, which were at 77% of the YTD budget. Travel and relocation expenses were over the budget by \$15K. This is primarily due to the fact that relocation expenses were not included in 2008 budget. The overall expenses for this category, however, are expected to be at budget at year end.

Other Expenses, including taxes and utilities, were at 90% of the YTD budget. The high fare revenues realized by Sounder have yield higher excise taxes and this item will be at budget at year end.

Agency Admin Allocations were at 100% of the YTD budget. This account includes the staff operating costs allocated from both corporate and line of business departments.

ST Express

ST Express Transit Operations							
For the Quarter Ending September 30, 2008							
	Q1 Actuals	Q2 Actuals	Q3 Actuals	YTD Actuals	YTD Budget	YTD Actuals to YTD Budget (over)/under	YTD Actuals as % of YTD Budget
Revenues							
Passenger Fares	3,536,342	4,636,872	5,257,290	13,430,504	10,228,863	3,201,641	131%
Other Operating Revenues	163,199	315,428	(13,385)	465,242	489,750	(24,508)	95%
Total Operating Revenues	\$ 3,699,541	\$ 4,952,300	\$ 5,243,905	\$ 13,895,746	\$ 10,718,613	\$ 3,177,133	130%
Direct Operating Expenses							
Salaries & Benefits	24,853	24,114	23,859	72,826	173,445	100,619	42%
Services	889,964	2,209,047	1,265,799	4,364,810	4,833,929	469,119	90%
Materials & Supplies	2,973	10,995	106,335	120,303	376,552	256,249	32%
Insurance	5,617	5,757	3,945	15,319	16,506	1,187	93%
Purchased Transportation Svcs	16,529,433	15,542,452	18,876,142	50,948,028	49,641,115	(1,306,913)	103%
Miscellaneous Expenses	9,448	68,237	288,905	366,590	232,050	(134,540)	158%
Leases & Rentals	22,029	42,127	33,739	97,894	50,215	(47,679)	195%
Other Expenses	120,139	148,484	170,972	439,595	396,079	(43,516)	111%
Total Direct Operating Expenses	\$ 17,604,456	\$ 18,051,213	\$ 20,769,696	\$ 56,425,365	\$ 55,719,891	\$ (705,474)	101%
Agency Admin Allocations	827,738	1,062,726	1,034,505	2,924,969	3,297,688	372,719	89%
Fully Allocated Operating Expenses	\$ 18,432,195	\$ 19,113,939	\$ 21,804,201	\$ 59,350,334	\$ 59,017,579	\$ (332,755)	101%
Net Subsidy from Fully Allocated Operations	\$ (14,732,653)	\$ (14,161,639)	\$ (16,560,296)	\$ (45,454,588)	\$ (48,298,966)	\$ 2,844,378	94%
Contingency	-	-	-	-	1,184,135	1,184,135	-
Depreciation & Amortization	3,356,102	3,652,682	3,866,711	10,875,495	11,108,132	232,637	98%
Net Subsidy from Operations after Depreciation and Amortization	\$ (18,088,756)	\$ (17,814,321)	\$ (20,427,006)	\$ (56,330,083)	\$ (60,591,233)	\$ 4,261,150	93%
Ridership							
Boardings	2,771,272	3,111,703	3,402,521	9,285,496	8,118,227	1,167,269	114%
Average Weekday Boardings	38,140	42,854	46,490	42,495	38,517	3,978	110%

Passenger Fares and Ridership: Ridership exceeded the ridership of the same period in 2007 by 17% and the YTD forecast by 14%. Passenger Fares were over the YTD 2008 Budget by \$3.2M or 31%. The increase is due to a higher than expected average fare per boarding.

Salaries and Benefits were under the YTD budget by \$100K or 58%. Two positions are currently vacant and are being filled by direct hire temporary staff. These positions are expected to be filled during the fourth quarter, but this item will be under budget at year end.

Services were at 90% of the YTD budget. Maintenance of stations was at 64% of the YTD budget, 4% less than the second quarter. Security costs were \$130K over budget due to additional coverage provided at Federal Way TC following incidents there earlier this year. Costs for the Downtown Seattle Transit Tunnel maintenance and debt service were at 99% of the YTD budget.

Materials and Supplies were at 32% of the YTD budget, rising from 6% in the second quarter. Major spending in this category was the purchase of spare parts for MCI buses, which was over the YTD budget by \$66K. Spending for station maintenance supplies, however, was below the budgeted level for third quarter by \$233K. In addition, installation of smart card equipment has been deferred to fourth quarter. Overall expenses in this category are expected to be below the budgeted level at year end.

Purchased Transportation Services were over budget by 3%. Monthly accrual has been increased due to concerns for rising costs for fuel. High fuel price could put this budget at risk at year end.

Miscellaneous Expenses were over the YTD budget by \$134K. This category is primarily for marketing campaign which took place in the summer. Travel associated with inspections at bus manufacturing facilities also occurred in the third quarter.

Agency Admin Allocations were at 89% of the YTD budget. This account includes the staff operating costs allocated from both corporate and line of business departments. Under spending in this category is reflective of agency performance on staff budgets. Further research may be needed to re-evaluate the drivers being used in allocation rules for ST Express.

Tacoma Link Light Rail

Tacoma Link Transit Operations							
For the Quarter Ending September 30, 2008							
	Q1	Q2	Q3	YTD	YTD	YTD Actuals	YTD Actuals
	Actuals	Actuals	Actuals	Actuals	Budget	to YTD Budget	as % of
						(over)/under	YTD Budget
Revenues							
Passenger Fares	-	-	-	-	-	-	-
Other Operating Revenues	2,141	3,661	9,576	15,378	-	15,378	-
Total Operating Revenues	\$ 2,141	\$ 3,661	\$ 9,576	\$ 15,378	\$ -	\$ 15,378	-
Direct Operating Expenses							
Salaries & Benefits	345,850	339,489	321,138	1,006,477	1,046,427	39,950	96%
Services	169,635	181,135	217,821	568,591	729,380	160,789	78%
Materials & Supplies	10,805	80,974	(53,108)	38,671	153,163	114,492	25%
Insurance	72,880	72,666	69,974	215,519	250,363	34,844	86%
Purchased Transportation Svcs	-	-	-	-	750	750	-
Miscellaneous Expenses	4,854	2,280	3,831	10,965	11,663	698	94%
Leases & Rentals	-	-	750	750	3,000	2,250	25%
Other Expenses	30,257	24,174	25,354	79,785	104,450	24,665	76%
Total Direct Operating Expenses	\$ 634,280	\$ 700,718	\$ 585,760	\$ 1,920,758	\$ 2,299,196	\$ 378,438	84%
Agency Admin Allocations	103,014	132,419	128,797	364,230	426,994	62,764	85%
Fully Allocated Operating Expenses	\$ 737,294	\$ 833,137	\$ 714,557	\$ 2,284,988	\$ 2,726,190	\$ 441,202	84%
Net Subsidy from Fully Allocated Operations	\$ (735,153)	\$ (829,476)	\$ (704,981)	\$ (2,269,610)	\$ (2,726,190)	\$ 456,580	83%
Contingency	-	-	-	-	135,491	135,491	-
Depreciation & Amortization	721,683	729,742	764,035	2,215,460	2,161,288	(54,172)	103%
Net Subsidy	\$ (1,456,836)	\$ (1,559,218)	\$ (1,469,016)	\$ (4,485,070)	\$ (5,022,969)	\$ 537,899	89%
Ridership							
Boardings	221,590	219,792	245,362	686,744	707,744	(21,000)	97%
Average Weekday Boardings	2,925	2,957	3,041	2,974	3,127	(153)	95%

Ridership: Ridership was 5% higher than the same period of 2007, but was under the forecast 2008 by 5%. Ridership in July for the sailing Tall ship event was 25% less than what was expected.

Services were at 84% of YTD budget. Maintenance of stations and facilities was at 52% of the YTD budget. Maintenance of Vehicles was under the budget by \$40K, but is expected to be at budget by year end.

Insurance was at 86% of budget. Claims experience for Tacoma Link continues to be favorable.

Agency Admin Allocations were at 85% of the YTD budget. This account includes the staff operating costs allocated from both corporate and line of business departments. Underspending in this area is reflective of agency-wide trends. Further research may be needed to re-evaluate the drivers being used in allocation rules for Tacoma Link Light rail.

Souder Capital

Souder Commuter Rail - Capital Outlays by Phase For the Quarter Ending September 30, 2008

Current Year 2008					
Phase	2008 Adopted Capital Plan	YTD Capital Plan	YTD Actuals	YTD actuals (over)/under YTD Budget	YTD actuals as % of YTD Budget
	a	b	c	[b - c]	[c / b]
Agency Administration	3,263,560	2,570,102	2,509,619	60,483	98%
Preliminary Engineering	546,462	511,069	547,191	(36,122)	107%
Final Design	531,038	191,366	1,863,929	(1,672,563)	974%
ROW Acq. & Permits	1,892,905	924,568	5,154,471	(4,229,903)	558%
Construction	59,917,641	46,218,568	32,799,504	13,419,064	71%
Vehicles	356,378	299,222	-	299,222	0%
Contingency	-	-	-	-	-
TOTAL	\$ 66,507,983	\$ 50,714,895	\$ 42,874,714	\$ 7,840,181	85%
Lifetime Capital Plan					
Phase	Adopted Capital Plan	Life-to-date Outlays	Contract Remaining	Budget Remaining	% Spent & Committed
	d	e	f	[d-(e+f)]	[(e+f)/d]
Agency Administration	49,323,372	40,924,761	31,781	8,366,830	83%
Preliminary Engineering	27,640,879	26,018,601	587,199	1,035,079	96%
Final Design	34,817,439	30,817,892	10,214,399	(6,214,852)	118%
ROW Acq. & Permits	354,120,570	349,450,302	1,044,168	3,626,100	99%
Construction	561,644,780	421,484,809	21,395,839	118,764,132	79%
Vehicles	136,381,156	134,504,945	0	1,876,211	99%
Contingency	56,012,946	-	-	56,012,946	0%
Unabsorbed Overhead	-	8,772,862	-	(8,772,862)	-
TOTAL	\$ 1,219,941,142	\$ 1,011,974,173	\$ 33,273,385	\$ 174,693,584	86%

Souder Capital Notes

Agency Administration spending was at 98% of the 2008 YTD budget. This category includes the total line of business and administrative overhead charged to capital projects.

Preliminary Engineering spending was at 107% of the 2008 YTD budget, \$36 thousand above budget.

Final Design was \$1.7 million over spent on a YTD budget of \$191 thousand.

- Mukilteo Station, North Platform was \$448 thousand under budget and Mukilteo Station, South Platform was \$743 thousand over spent. The DMJM contract was split between the North and South Platform projects resulting in a credit of \$469 thousand to the North Platform and expense for the same amount to the South Platform. Also, for the South Platform it had been expected that the final design work would be completed in 2007 but it carried into 2008.
- Edmonds Station was \$393 thousand over spent, final design is behind the budgeted schedule which forecast the work to be completed in 2007
- D Street-M Street Track and Signal was \$402 thousand over spent. The 2008 budget placed most of the project budget in the contingency phase pending a selection of a preferred alternative for the track alignment which occurred in December of 2007. The 2009 budget will move the funds from contingency and the project will be budgeted by phase.

- South Tacoma Station was \$220 thousand over spent. Expenses for final design were budgeted to be completed in 2007 but continued into 2008 because the same firm is providing design support during construction.
- Lakewood Station was \$154 thousand over the phase budget. Funds will be moved from the project contingency in the 2009 budget to cover the phase level shortfall.

ROW was \$4.2 million over spent on a YTD budget of \$925 thousand.

- Permitting/Environmental Mitigation was \$1.1 million over spent. Acquisitions of the four properties were expected to take place in 2007, but two closed in January, one closed in September and it has been determined that the fourth property will not be needed. Savings from the project in the amount of \$2.1 million will be transferred to the program reserve as part of the 2009 budget process.
- D Street – M Street Track and Signal was \$2.6 million over spent. ROW acquisition had been on hold pending an evaluation of the preferred alternative. The majority of the project budget was put into the contingency phase until a decision on the alignment was made. The 2009 budget will move the funds from contingency and the project will be budgeted by phase.
- M Street-Lakewood Track and Signal was \$293 thousand over budget due to legal fees in relation to the relocation of the fiber optic utilities.
- South Tacoma Station was \$305 thousand over spent. The costs associated with finalizing the acquisition of property were greater than anticipated.

Construction was \$13.4 million under spent on a YTD budget of \$46.2 million.

- Layover was \$1.7 million under budget. The L Street Layover Expansion is scheduled to start construction in October of 2008. In Snohomish County, the Everett Layover project was delayed by protracted real estate negotiations with the adjacent property owner. The track extension work will be advertised in the first quarter of 2009.
- Everett Station was \$1.3 million under budget. The construction contract was awarded in April of 2008 rather than the originally anticipated date in the fourth quarter of 2007, the NTP was issued in June.
- Mukilteo Station, South Platform was \$444 thousand under budget. Project will not be advertised for construction until the property transfer with the United States Air Force/Department of Defense and the Port of Everett is complete, this is not expected to occur before the third or fourth quarter of 2009.
- Edmonds Station was \$862 thousand under budget, advertisement for construction has been delayed while we are awaiting permits.
- Seattle-Tacoma Phase II Track and Signal improvements were \$5.8 million under budget. Physical progress on this project is on schedule with costs under running the forecasted budget, \$6.9 million in project savings will be captured in the 2009 budget.
- M Street-Lakewood Track and Signal was \$1.3 million under budget, construction was delayed due to the addition of the Point Defiance Bypass project, WSDOT's funding shortfall and fiber optics conflicts along the right of way.
- Lakewood Station was \$3.7 million under budget. Expenditures are behind the budgeted schedule due to a delay in completing the garage exterior screening, but the project opened on schedule in September. Project savings of \$1.6 million will be captured as part of the 2009 budget.
- South Tacoma Station was \$2.3 million over spent. Due to delay in the start of construction, which did not begin until January, spending anticipated in 2007 has occurred in 2008. The project is within the lifetime budget.

Vehicle spending was 0% of the YTD budget of \$299 thousand for the D Street – M Street Track and Signal project. This is unallocated phase contingency that will be moved to the project contingency phase in the 2009 budget cycle.

Regional Express Capital

Regional Express - Capital Outlays by Phase					
For the Quarter Ending September 30, 2008					
Current Year 2008					
Phase	2008 Adopted Capital Plan	YTD Capital Plan	YTD Actuals	YTD actuals (over)/under YTD Budget	YTD actuals as % of YTD Budget
	<i>a</i>	<i>b</i>	<i>c</i>	<i>[b - c]</i>	<i>[c/b]</i>
Agency Administration	3,332,349	2,597,598	1,968,542	629,057	76%
Prelim. Engineering	514,379	514,379	817,054	(302,675)	159%
Final Design	10,656,989	7,145,216	2,688,692	4,456,523	38%
ROW Acq. & Permits	10,359,223	7,517,122	985,289	6,531,833	13%
Construction	34,121,094	27,662,613	27,788,450	(125,837)	100%
Contingency	1,015,393	1,015,393	-	1,015,393	0%
TOTAL	\$ 59,999,427	\$ 46,452,322	\$ 34,248,027	\$ 12,204,295	74%
Lifetime Capital Plan					
Phase	Adopted Capital Plan	Life-to-date Outlays	Contract Remaining	Budget Remaining	% Spent & Committed
	<i>d</i>	<i>e</i>	<i>f</i>	<i>[d-(e+f)]</i>	<i>[(e+f)/d]</i>
Agency Administration	41,999,341	36,705,566	205,220	5,088,555	88%
Prelim. Engineering	51,332,443	50,005,434	1,268,395	58,614	100%
Final Design	55,874,147	44,225,257	2,353,623	9,295,268	83%
ROW Acq. & Permits	63,290,516	48,146,825	1,230,889	13,912,803	78%
Construction	525,417,690	395,963,699	24,968,495	104,485,497	80%
Contingency	47,327,419	-	-	47,327,419	0%
TOTAL	\$ 785,241,557	\$ 575,046,780	\$ 30,026,622	\$ 180,168,156	77%

Regional Express Capital Outlay Notes

Agency Administration spending was at 76% of the 2008 YTD budget. This category includes the total line of business and administrative overhead charged to capital projects.

Preliminary Engineering was \$303 thousand over budget on a YTD budget of \$514 thousand.

- Kirkland Transit Center was \$105 thousand over budget; PE/ED was to have been completed in 2007 but continued into 2008 due to an appeal of environmental determination.

Final Design was \$4.5 million under spent on a YTD budget of \$7.1 million.

- Mountlake Terrace Freeway Station was \$455 thousand over budget, spending has occurred at a faster rate than what was anticipated in the 2008 cash flow.
- N. Everett Transit Center/Everett Community College was \$452 thousand over budget, final design expenditures were expected to be completed in 2007 but continued into 2008. The project is complete and came in under budget.
- Kirkland Transit Center was \$1.4 million below budget; final design could not begin until additional environmental analysis was completed in May. Project is now scheduled to complete final design and go to ad for construction in April 2009.
- I-90 Two-way Transit and HOV Operations, Stage 2 was \$896 thousand under budget. WSDOT and ST agreed to share the cost of final design, the project is now on hold until WSDOT funding is in place.
- Renton HOV Access was \$1.6 million under budget, with the failure of the roads and transit initiative in 2007, the future of the WSDOT project has not yet been determined and no work is currently being performed.
- Rainier Avenue Arterial Improvements was \$568 thousand under budget. The City of Renton is lead on this project and they have delayed the schedule by a year.
- Strander Boulevard Extension was \$332 thousand under budget, the City of Renton is the lead on this project and has been delayed in amending the environmental documentation.

- Newcastle Transit Center was \$387 thousand under budget. Sound Transit's contribution is capped and the City of Newcastle is the project lead. Due to right of way challenges the project schedule has slipped which necessitated a schedule change and changes in the funding agreement. That has now been approved and spending should get caught up by the end of the year.

ROW was \$6.5 million under spent on a YTD budget of \$7.5 million.

- Renton HOV Access was \$3.6 million under budget, with the failure of the roads and transit initiative in 2007, the future of the WSDOT project has not yet been determined and no work is currently being performed.
- Rainier Avenue Arterial Improvements was \$766 thousand under budget, right of way spending will not occur until final design is completed. Due to a change in scope the project is a year behind the original schedule.
- SR522 HOV Enhancements/Bothell was \$932 thousand under budget. ST's contribution to ROW has been completed and remaining phase budget will not be needed.
- Kirkland Transit Center was \$995 thousand under budget. No significant ROW acquisitions will be required and we do not expect to expend these funds. The budget will be reallocated within the project in the 2009 budget.

Construction was \$126 thousand over spent on a YTD budget of \$27.7 million.

The following projects have exceeded the forecasted YTD budget through the third quarter of the year:

- Totem Lake Freeway Station was \$1.2 million over spent. The 2008 budget assumed that the project would be completed in November 2007; however substantial completion was not achieved until April 2008. Project is in close out and an agreement has been reached with WSDOT regarding their reimbursement for the demolition and replacement of the failed ramp section, we should receive this before year end.
- Issaquah Transit Center was \$3.0 million over spent. This project was initially budgeted to be completed in January, but due to poor weather and the concrete strike the schedule was delayed, which resulted in more spending in 2008 than was budgeted.
- Rainier Avenue Arterial Improvements was \$2.5 million over spent. Construction spending was not budgeted until 2009, but the board authorized a \$2.5 million payment to the City of Renton for the widening of the BNSF trestle in advance of the roadway widening.
- Redmond Transit Center was \$639 thousand over spent; this project was scheduled to be completed in December of 2007, but was not completed until February 2008.

The following projects were below the forecasted annual YTD budget through the third quarter of the year:

- Bothell Branch Campus Access was \$1.3 million under budget. The City of Bothell has indicated that they will not be moving forward with the Main Street signal project to which ST was contributing funds. This will result in project savings of approximately \$1.6 million which will be transferred to the East King County program reserve as part of the 2009 budget.
- I-90 Two-way Transit & HOV Operations, Stage 1 was \$511 thousand under budget. The project is in service and spending is under running the budget, it is expected that there will be approximately \$1.5 million in savings when the project is closed out.
- Totem Lake Transit Center/Evergreen Medical Center was \$3.0 million under budget. Evergreen Healthcare will bill when project is complete and has been accepted by Sound Transit, the project is expected to come in under budget.
- SR522 HOV Enhancements/Kenmore is \$455 thousand below budget. Spending has been below the budgeted level for 2008 due to higher than expected spending in 2007 when the project was more than \$2 million over the annual budget.
- Mercer Island Park and Ride was \$774 thousand under budget. The project was completed in February and is now in the close out process.
- Strander Boulevard Extension was \$747 under budget. The City is the lead on this project and they have encountered significant delays in their negotiations with Union Pacific Railroad on the relocation of those tracks to co-align with the BNSF tracks. The City is reconsidering the feasibility of the Strander Blvd Extension as an overpass alignment.
- Federal Way HOV Access was \$440 thousand under budget. Funds are being held pending settlement of a claim.

Contingency

- The remaining budget for the Star Lake Freeway Station project was put in the contingency phase pending a decision on whether the project would proceed. It has been determined that there is not a viable project, it is being proposed that the project be closed as part of the 2009 budget process and the \$1 million remaining budget be transferred to the South King County program reserve.

Link Light Rail

Link Light Rail - Capital Outlays by Project					
As of September 30, 2008					
Current Year 2008					
Project	(Amended) 2008 Adopted Capital Plan	(Amended) YTD Capital Plan	YTD Actuals	YTD actuals (over)/under YTD Budget	YTD actuals as % of YTD Budget
	<i>a</i>	<i>b</i>	<i>c</i>	<i>[b-c]</i>	<i>[c/b]</i>
North Link - Northgate to 45th St	2,572,674	115,702	47,965	67,737	41%
University Link - PSSST to UW Sta	133,480,403	90,744,816	66,867,518	23,877,298	74%
North Link - UW Sta to Brooklyn Sta	17,120,609	714,000	29,500	684,500	4%
Initial Segment - CPS to 154th St	275,056,179	224,032,565	150,982,680	73,049,885	67%
DSTT Capital Costs	-	-	-	-	0%
Initial Segment Project Reserve	-	-	-	-	0%
Airport Link - 154th St to 176th St	95,036,997	71,617,761	57,895,417	13,722,344	81%
Airport Link South - 176th St to 200th St	-	-	1,954,803	(1,954,803)	0%
Tacoma Link	-	-	350,523	(350,523)	0%
Puyallup Extension Study	-	-	-	-	0%
LRT Overhead Reserve	-	-	-	-	0%
TOTAL	523,266,862	387,224,844	278,128,406	109,096,438	72%
Lifetime Capital Plan 1997 - 2016					
Project	Adopted Capital Plan	Life-to-date Outlays	Contract Remaining	Budget Remaining	% Spent and Committed
	<i>d</i>	<i>e</i>	<i>f</i>	<i>[d-(e+f)]</i>	<i>[(e+f)/d]</i>
North Link - Northgate to 45th St	9,000,000	6,446,218	1,252	2,552,530	72%
University Link - PSSST to UW Sta	1,614,007,000	195,829,910	86,815,594	1,331,361,496	18%
North Link - UW Sta to Brooklyn Sta	36,991,957	18,904,815	-	18,087,143	51%
Initial Segment - CPS to 154th St	2,070,000,000	1,849,923,355	106,607,764	113,468,881	95%
DSTT Capital Costs	24,918,744	23,719,395	-	1,199,349	95%
Initial Segment Project Reserve	128,300,000	-	-	128,300,000	0%
Airport Link - 154th St to 176th St	269,100,000	186,185,671	60,456,655	22,457,673	92%
Airport Link South - 176th St to 200th St	3,767,420	4,014,030	-	(246,610)	107%
Tacoma Link	80,416,000	77,087,397	726,216	2,602,388	97%
Puyallup Extension Study	-	34,569	-	(34,569)	0%
LRT Overhead Reserve	-	7,850,539	-	(7,850,539)	0%
TOTAL	4,236,501,122	2,369,995,899	254,607,481	1,611,897,742	62%

Capital Outlays Notes

Link Light Rail capital outlays through the third quarter of 2008 were 72% of the annual 2008 budget plan.

Description of financial performance through September 2008 follows in detail by project. Since no expenditures are anticipated in 2008 for the DSTT Capital Cost project, it is not shown.

North Link - Northgate to 45th St Project - Capital Outlays by Phase

As of September 30, 2008

Current Year 2008

Phase	2008 Adopted Capital Plan	YTD Capital Plan	YTD Actuals	YTD actuals (over)/under YTD Budget	YTD actuals as % of YTD Budget
	a	b	c	[b-c]	[c/b]
Agency Administration	1,263,217	31,535	6,833	24,702	22%
Preliminary Engineering	588,483	84,167	41,132	43,035	49%
Final Design	-	-	-	-	0%
ROW Acq. & Permits	43,973	-	-	-	0%
Construction	-	-	-	-	0%
Vehicles	-	-	-	-	0%
Test and Startup	-	-	-	-	0%
Contingency	677,001	-	-	-	0%
TOTAL	2,572,674	115,702	47,965	67,737	41%

Lifetime Capital Plan 1997 - 2009

Phase	Adopted Capital Plan	Life-to-date Outlays	Contract Remaining	Budget Remaining	% Spent and Committed
	d	e	f	[d-(e+f)]	[(e+f)/d]
Agency Administration	1,772,054	503,219	-	1,268,835	28%
Preliminary Engineering	5,367,218	4,811,860	1,252	554,107	90%
Final Design	1,033,727	1,033,727	-	-	100%
ROW Acq. & Permits	150,000	97,413	0	52,587	65%
Construction	-	-	-	-	0%
Vehicles	-	-	-	-	0%
Test and Startup	-	-	-	-	0%
Contingency	677,001	-	-	677,001	0%
TOTAL	9,000,000	6,446,218	1,252	2,552,530	72%

North Link – Northgate to 45th Project - Capital Outlay Notes

North Link – Northgate to 45th project capital outlays through September 2008 were 41% of the YTD 2008 budget plan. Expenditures to this project are for work that is requested as needed.

Agency Administration includes: Link staff costs, agency costs allocated to projects, and direct charges. Capital outlays were \$6.8K or 22% of the YTD 2008 budget plan. Staff work during this period is related to potential purchase of property.

Preliminary Engineering Activity planned for this phase represents consultant work that is contracted to provide studies as requested. Capital outlays were \$41.1K or 49% of the YTD 2008 budget plan.

Right of Way acquisitions and permits. No activity was anticipated for this period, and no costs were incurred.

Contingency Surplus lifetime budget of \$0.7M for this project has been set aside in this phase in the Adopted 2008 Budget for agency allocated costs (overhead) that may be required for Central Link.

University Link - PSST to UW Station Project - Capital Outlays by Phase

As of September 30, 2008

Current Year 2008

Phase	2008 Adopted Capital Plan	YTD Capital Plan	YTD Actuals	YTD actuals (over)/under YTD Budget	YTD actuals as % of YTD Budget
	a	b	c	[b-c]	[c/b]
Agency Administration	7,489,466	5,216,000	2,352,126	2,863,874	45%
Preliminary Engineering	115,781	-	4,950	(4,950)	0%
Final Design	27,435,736	19,891,306	20,608,416	(717,110)	104%
ROW Acq. & Permits	73,808,166	55,039,000	43,273,795	11,765,205	79%
Construction	4,742,366	598,510	628,231	(29,721)	105%
Vehicles	19,888,888	10,000,000	-	10,000,000	0%
Test and Startup	-	-	-	-	0%
Contingency	-	-	-	-	0%
TOTAL	133,480,403	90,744,816	66,867,518	23,877,298	74%

Lifetime Capital Plan 1997 - 2016

Phase	Adopted Capital Plan	Life-to-date Outlays	Contract Remaining	Budget Remaining	% Spent and Committed
	d	e	f	[d-(e+f)]	[(e+f)/d]
Agency Administration	115,229,000	9,058,014	248,473	105,922,513	8%
Preliminary Engineering	24,987,511	24,823,474	7,724	156,313	99%
Final Design	87,879,000	48,305,161	17,069,354	22,504,485	74%
ROW Acq. & Permits	157,332,000	104,094,163	8,042,864	45,194,974	71%
Construction	1,115,270,489	9,549,099	61,447,178	1,044,274,212	6%
Vehicles	103,909,000	-	-	103,909,000	0%
Test and Startup	9,400,000	-	-	9,400,000	0%
Contingency	-	-	-	-	0%
TOTAL	1,614,007,000	195,829,910	86,815,594	1,331,361,496	18%

University Link Project - Capital Outlay Notes

University Link project capital outlays of \$66.9M through the third quarter of 2008 were 74% of the YTD 2008 budget plan, or \$23.9M below plan. The FTA formally accepted the University Link FFGA application in September 2008, and is scheduled to transmit it to Congress by mid-November 2008.

Agency Administration includes: Link staff costs and direct charges. Outlays through September 2008 of \$2.4M were 45% of the YTD 2008 budget plan, or \$2.9M below plan: Link staff costs of \$2.1M were 83% of the YTD 2008 budget plan, and direct charges of \$0.2M were 17% of plan. Lower than expected outlays for Link staff resulted from open positions that remained unfilled during the first six months of 2008. Direct charges were below plan, because payments for OCIP/Builder's Risk insurance and anticipated IT related expenses had not yet been incurred by the project.

Preliminary Engineering is complete. Activity planned for this phase represents consultant work that is contracted for potential environmental studies in support of final design. Outlays through September 2008 were \$5.0K.

Final Design outlays of \$20.6M were 104% of the YTD 2008 budget plan, or \$0.7M ahead of plan. Expenditures during the third quarter are trending towards being within budget by year-end, but were higher than planned during the first half of 2008 due to an increased level of effort for the QA program in the second quarter, and because extra resources were required in the first quarter for redesign due to elimination of the pocket track at UW Station.

Right of Way acquisitions of \$43.3M were 79% of the YTD 2008 budget plan, or \$11.8M below plan. Although appraisals for the remaining tunnel easement parcels have been delayed, delivery of ROW is anticipated by the scheduled completion date in late 2009. As of September 2008, ST owns or has secured use of all 19 property parcels certified, and completed the 140 relocations of owners and tenants that are needed for the construction staging area of Capitol Hill Station. Offers have been made on 185 of the 224 parcels required for tunnel easements: of these, 7 have signed agreements, and 43 have closed.

Construction outlays of \$0.6M were 105% of the YTD 2008 budget plan, or \$29.7K ahead of plan. With the NTP issued to the CM consultant in June 2008, construction management is fully underway in the third quarter of 2008. Contract packages for U210 Advanced Utility Relocation at UW and U211 Demolition and Remediation at Capitol Hill went out for bid in August 2008.

Vehicles In July 2008, the Sound Transit Board approved a motion (M2008-71, adopted 7/24/08) to exercise an option in the existing contract with the vehicles manufacturer to purchase an additional 27 vehicles for the University Link project. The first payment is expected to be made in the fourth quarter of 2008.

North Link - UW Sta to Brooklyn Sta Project - Capital Outlays by Phase					
As of September 30, 2008					
Current Year 2008					
Phase	2008 Adopted Capital Plan	YTD Capital Plan	YTD Actuals	YTD actuals (over)/under YTD Budget	YTD actuals as % of YTD Budget
	<i>a</i>	<i>b</i>	<i>c</i>	<i>[b-c]</i>	<i>[c/b]</i>
Agency Administration	401,714	64,000	6,624	57,376	10%
Preliminary Engineering	1,150,000	650,000	22,876	627,124	4%
Final Design	-	-	-	-	0%
ROW Acq. & Permits	-	-	-	-	0%
Construction	-	-	-	-	0%
Vehicles	-	-	-	-	0%
Test and Startup	-	-	-	-	0%
Contingency	15,568,895	-	-	-	0%
TOTAL	17,120,609	714,000	29,500	684,500	4%
Lifetime Capital Plan 1997 - 2016					
Phase	Adopted Capital Plan	Life-to-date Outlays	Contract Remaining	Budget Remaining	% Spent and Committed
	<i>d</i>	<i>e</i>	<i>f</i>	<i>[d-(e+f)]</i>	<i>[(e+f)/d]</i>
Agency Administration	2,132,482	1,212,286	-	920,196	57%
Preliminary Engineering	10,463,984	8,865,933	-	1,598,051	85%
Final Design	5,350,220	5,350,220	-	-	100%
ROW Acq. & Permits	2,132,686	2,132,686	-	-	100%
Construction	1,343,690	1,343,690	-	-	100%
Vehicles	-	-	-	-	0%
Test and Startup	-	-	-	-	0%
Contingency	15,568,895	-	-	15,568,895	0%
TOTAL	36,991,957	18,904,815	-	18,087,143	51%

North Link – UW Station to Brooklyn Station Project - Capital Outlay Notes

North Link – UW Station to Brooklyn Station project capital outlays through September 2008 were 4% of the YTD 2008 budget plan. Expenditures to this project are for work that is requested as needed.

Agency Administration includes: Link staff costs, agency costs allocated to projects, and direct charges. Capital outlays were \$6.6K or 10% of the YTD 2008 budget plan.

Preliminary Engineering Activity planned for this phase represents consultant work that is contracted to provide studies as requested. Capital outlays were \$22.9K or 4% of the YTD 2008 budget plan. Expenditures during the third quarter of 2008 reflect design work on additional vehicles storage track at the O&M facility to accommodate North Link expansion.

Contingency Surplus lifetime budget of \$15.6M for this project has been set aside in this phase in the Adopted 2008 Budget for a potential property acquisition, not expected until late 2008, and agency allocated costs (overhead) that may be required for Central Link.

Initial Segment - CPS to 154th Project - Capital Outlays by Phase

As of September 30, 2008

Current Year 2008					
Phase	2008 Adopted Capital Plan	YTD Capital Plan	YTD Actuals	YTD actuals (over)/under YTD Budget	YTD actuals as % of YTD Budget
	a	b	c	[b-c]	[c/b]
Agency Administration	24,244,829	18,766,164	12,923,924	5,842,241	69%
Preliminary Engineering	23,990	23,990	-	23,990	0%
Final Design	4,008,446	3,263,460	2,218,980	1,044,480	68%
ROW Acq. & Permits	8,404,093	6,433,068	3,043,025	3,390,043	47%
Construction	187,610,851	153,471,904	104,408,655	49,063,250	68%
Vehicles	45,814,095	38,100,079	26,142,644	11,957,436	69%
Test and Startup	4,949,875	3,973,900	2,245,453	1,728,446	57%
Contingency	-	-	-	-	0%
TOTAL	275,056,179	224,032,565	150,982,680	73,049,885	67%

Lifetime Capital Plan 1997 - 2009					
Phase	Adopted Capital Plan	Life-to-date Outlays	Contract Remaining	Budget Remaining	% Spent and Committed
	d	e	f	[d-(e+f)]	[(e+f)/d]
Agency Administration	193,274,000	160,472,465	1,770,931	31,030,604	84%
Preliminary Engineering	41,124,490	41,070,932	9,553	44,004	100%
Final Design	154,084,231	151,071,045	2,054,912	958,274	99%
ROW Acq. & Permits	208,396,250	201,880,817	427,331	6,088,102	97%
Construction	1,323,450,029	1,176,774,043	74,314,479	72,361,507	95%
Vehicles	132,307,000	112,626,789	19,051,866	628,345	100%
Test and Startup	17,364,000	6,027,263	8,978,691	2,358,046	86%
Contingency	-	-	-	-	0%
TOTAL	2,070,000,000	1,849,923,355	106,607,764	113,468,881	95%

Initial Segment Project - Capital Outlay Notes

Initial Segment project capital outlays of \$151.0M through the third quarter of 2008 were 67% of the YTD 2008 budget plan, or \$73.0M below plan.

Agency Administration includes: Link staff costs, agency costs allocated to projects, and direct charges. Capital outlays through September 2008 of \$12.9M were 69% of the YTD 2008 budget plan, or \$5.8M below plan. Link staff charges of \$5.0M were 84% of the YTD plan, and agency allocations (overhead), which are calculated in proportion to overall project expenditures, were \$4.7M or 56% through this period. Payments for OCIP/Builder's Risk insurance of \$2.1M were ahead of plan at 126%. Although direct charges of \$1.1M were below the YTD plan at 43%, expenditures for safety education and advertising are projected to significantly increase during the fourth quarter of 2008 in preparation for revenue service.

Preliminary Engineering is complete. Activity planned for this phase represents environmental monitoring that will continue through construction.

Final Design phase activity represents design services provided in support of construction. Capital outlays of \$3.3M were 68% of the YTD 2008 budget plan, or \$1.0M below plan.

Right of Way acquisitions and permits outlays of \$3.0M were 47% of the YTD 2008 budget plan, or \$3.4M below plan. Outlays in the third quarter of 2008 were for construction easements in the Rainier Valley, Beacon Hill and Southcenter Blvd. in Tukwila. Anticipated payments to the City of Seattle and utilities are delayed for resolution of outstanding issues.

Construction outlays of \$104.4M were 68% of the YTD 2008 budget plan, below plan by \$49.1M. Under-expenditure through September 2008 was primarily due to:

- continued construction delays at Beacon Hill;
- delayed access to the Beacon Hill Tunnel for follow-on systems work impacting systems construction/installation performance; and

- longer than anticipated time to resolve and settle construction related issues with the C735 Rainier Valley contractor, and the C803 Communications contractor.

Vehicles The current payment plan for this contract is tied to specific deliverables for the Initial Segment project. Outlays of \$26.1M were 69% of the YTD 2008 budget plan, or \$12.0M below plan. Although all LRVs have been delivered to the O&M Facility, conditional acceptance of these vehicles was slower than expected during the third quarter of 2008. However, the overall procurement remains on schedule for Revenue Service in 2009.

Testing and Start-Up Expenditures for startup are in accordance with the Intergovernmental Agreement between Sound Transit and King County Metro (KCM) to operate the Central Link Operations and Maintenance Facility, and are distributed between the Initial Segment and Airport Link projects. Outlays of \$2.2M through the third quarter of 2008 were 69% of the YTD 2008 budget plan, up from 41% through the second quarter. Operations activities were impacted by the unavailability of staff during the first half of 2008. Hiring accelerated in the third quarter and is projected to reach planned staffing levels in November 2008. Expenditures are expected to approach the annual budget plan by year end.

Airport Link - 154th to 176th Project - Capital Outlays by Phase					
As of September 30, 2008					
Current Year 2008					
Phase	(Amended) 2008 Adopted Capital Plan	(Amended) YTD Capital Plan	YTD Actuals	YTD actuals (over)/under YTD Budget	YTD actuals as % of YTD Budget
	<i>a</i>	<i>b</i>	<i>c</i>	<i>[b-c]</i>	<i>[c/b]</i>
Agency Administration	4,114,854	3,100,611	1,471,867	1,628,744	47%
Preliminary Engineering	138,631	93,879	(1,306,993)	1,400,871	-1392%
Final Design	2,082,893	1,458,141	937,745	520,396	64%
ROW Acq. & Permits	1,000,000	683,324	(3,150,433)	3,833,757	-461%
Construction	81,073,197	61,692,142	55,627,131	6,065,011	90%
Vehicles	5,912,636	4,094,664	4,186,776	(92,112)	102%
Test and Startup	714,786	495,000	129,324	365,676	26%
Contingency	-	-	-	-	0%
TOTAL	95,036,997	71,617,761	57,895,417	13,722,344	81%
Lifetime Capital Plan 1997 - 2009					
Phase	(Amended) Adopted Capital Plan	Life-to-date Outlays	Contract Remaining	Budget Remaining	% Spent and Committed
	<i>d</i>	<i>e</i>	<i>f</i>	<i>[d-(e+f)]</i>	<i>[(e+f)/d]</i>
Agency Administration	12,217,234	6,392,057	1,350	5,823,828	52%
Preliminary Engineering	4,833,997	4,583,495	133,747	116,755	98%
Final Design	16,136,027	14,420,049	545,643	1,170,335	93%
ROW Acq. & Permits	12,843,087	11,933,139	(84,238)	994,186	92%
Construction	205,982,608	136,724,532	57,270,852	11,987,223	94%
Vehicles	14,587,047	11,817,780	2,079,982	689,285	95%
Test and Startup	1,000,000	314,618	509,320	176,062	82%
Contingency	1,500,000	-	-	1,500,000	0%
TOTAL	269,100,000	186,185,671	60,456,655	22,457,673	92%

Airport Link Project - Capital Outlay Notes

The Airport Link project lifetime budget reflects the Amended 2008 Budget for this project that was adopted by resolution of the ST Board in February 2008. The resolution increased the project lifetime budget based on the revised cost to complete for redesign of the airport station and associated facilities (Station Finishes), created a new project for the light rail segment extending from South 176th to South 200th to separately manage and report the costs directly attributable to that segment, and treat as property for resale a \$4.1M acquisition for a portion of the Kiss-and-Ride facility at the Sea-Tac/Airport Link Station.

Airport Link project capital outlays of \$57.9M through the third quarter of 2008 were 81% of the amended YTD 2008 budget plan or \$13.7M below plan.

Actual outlays reflect the transfer of historical costs to the new Airport Link South project and to an asset account for “land held for resale.” The amended lifetime budget reflects these costs as incurred during prior years. However, \$5.9M of these costs (\$2.0M for Airport Link South project plus \$3.9M for acquisition of a property at the SeaTac/Airport Station site that will be sold) appears as being incurred in 2008, resulting in a variance to the amended annual 2008 budget plan. Excluding this impact, Airport Link project capital outlays would be \$63.8M, which was 89% of the YTD 2008 budget plan, or \$7.9M below plan.

Agency Administration includes Link staff costs, agency allocations, OCIP/Builder’s Risk insurance and other direct charges. Outlays of \$1.5M were 47% of the amended YTD 2008 budget plan, or \$1.6M below plan. Expenditures are below plan, because \$0.3M Link staff costs and agency allocations were transferred to the new Airport Link South project, and agency allocations (overhead), which are calculated in proportion to overall project expenditures, and are 40% of the YTD plan through this period.

Preliminary Engineering Preliminary engineering is complete. Activity planned for this phase represents environmental monitoring that will continue as needed through construction. Preliminary engineering costs in the amount of \$1.3M were transferred to the new Airport Link South project in April 2008, resulting in YTD negative capital outlays for this phase.

Final Design phase activity represents design services provided in support of construction, as well as redesign of the SeaTac/Airport Station finishes package, which was completed in March 2008. Capital outlays of \$0.9M were 64% of the amended YTD 2008 budget plan, or \$0.5M under plan, because \$0.4M was transferred to the Airport Link South project in April 2008.

Right of Way The lifetime budget for this phase was amended to exclude a \$4.1M property acquired in prior years for construction related issues and a portion of the Kiss-and-Ride facility at the Sea-Tac/Airport Link Station. Costs of \$3.9M related to this property acquisition were transferred to an asset account for “land held for resale” in August 2008, resulting in YTD negative capital outlays for this phase. Excluding this impact, expenditures in 2008 reflect payments to the Port of Seattle to lease property for construction staging.

Construction outlays of \$55.6M were 90% of the amended YTD 2008 budget, or \$6.1M below plan. Through September 2008 outlays for:

- C410 Elevated Structure – 154th St. to 160th St. were 83% of the YTD plan, or \$0.9M under plan. Open items were negotiated and resolved, and final payments issued, in the third quarter.
- C420 Guideway at Grade and Elevated – 160th St. to 170th St. were 87% of the YTD plan, or \$2.5M under plan. Payments were issued in the third quarter for outstanding trend items and settled claims.
- C430R Station, Elevated Structure, Pedestrian Bridge and Kiss-and-Ride – 170th St. to 176th St. were 107% of the YTD plan, or \$2.0M ahead of plan;
- and the Systems traction power (TPSS) contract was 21% of the YTD plan, or \$2.4M below plan.

Vehicles The payment plan for this contract is tied to specific deliverables for the Airport Link project. Outlays of \$4.2M were 102% of the amended YTD 2008 budget plan, or \$0.1M ahead of plan. At the end of third quarter, all LRVs for Airport Link have been delivered to the O&M Facility. The overall procurement remains on schedule for revenue service in December 2009.

Testing and Startup Expenditures for startup are in accordance with the Intergovernmental Agreement between Sound Transit and King County Metro (KCM) to operate the Central Link Operations and Maintenance Facility, and are distributed between the Initial Segment and Airport Link projects. Outlays of \$0.1M through the third quarter of 2008 were 26% of the amended YTD 2008 budget plan, or \$0.4M under plan.

Contingency The amended 2008 lifetime budget for the Airport Link project includes \$1.5M set aside in the Contingency phase to address any additional or unforeseen risk for the project.

Airport Link South - 176th to 200th Project - Capital Outlays by Phase

As of September 30, 2008

Current Year 2008					
Phase	(Amended) 2008 Adopted Capital Plan <i>a</i>	(Amended) YTD Capital Plan <i>b</i>	YTD Actuals <i>c</i>	YTD actuals (over)/under YTD Budget <i>[b-c]</i>	YTD actuals as % of YTD Budget <i>[c/b]</i>
Agency Administration	-	-	258,608	(258,608)	0%
Preliminary Engineering	-	-	1,323,525	(1,323,525)	0%
Final Design	-	-	373,368	(373,368)	0%
ROW Acq. & Permits	-	-	(698)	698	0%
Construction	-	-	-	-	0%
Vehicles	-	-	-	-	0%
Test and Startup	-	-	-	-	0%
Contingency	-	-	-	-	0%
TOTAL	-	-	1,954,803	(1,954,803)	0%
Lifetime Capital Plan 1997 - 2009					
Phase	(Amended) Adopted Capital Plan <i>d</i>	Life-to-date Outlays <i>e</i>	Contract Remaining <i>f</i>	Budget Remaining <i>[d-(e+f)]</i>	% Spent and Committed <i>[(e+f)/d]</i>
Agency Administration	113,922	258,608	-	(144,686)	227%
Preliminary Engineering	1,326,359	1,323,525	-	2,834	100%
Final Design	355,223	373,368	-	(18,145)	105%
ROW Acq. & Permits	1,971,916	2,058,529	-	(86,613)	104%
Construction	-	-	-	-	0%
Vehicles	-	-	-	-	0%
Test and Startup	-	-	-	-	0%
Contingency	-	-	-	-	0%
TOTAL	3,767,420	4,014,030	-	(246,610)	107%

Airport Link South Project - Capital Outlay Notes

The Airport Link South project is a new project created by resolution of the ST Board in February 2008 to separately manage and report costs that are directly attributable to the light rail segment extending from South 176th to South 200th. The project budget of \$3.8M reflects historical costs related to this segment incurred during prior years.

Capital outlays related to this new project were moved from the Airport Link project in April 2008. The amended lifetime budget reflects these costs as incurred during prior years. However, when the transfer was completed, \$2.0M of these costs appeared as being incurred in 2008, resulting in a variance to the annual 2008 budget plan.

Life-to-date outlays exceed the lifetime project budget, because additional historical costs were identified as related to this segment at the time of the transfer. The project budget is being amended in the 2009 Budget process to include these additional costs.

Tacoma Link Project - Capital Outlays by Phase

As of September 30, 2008

Current Year 2008

Phase	2008 Adopted Capital Plan	YTD Capital Plan	YTD Actuals	YTD actuals (over)/under YTD Budget	YTD actuals as % of YTD Budget
	<i>a</i>	<i>b</i>	<i>c</i>	<i>[b-c]</i>	<i>[c/b]</i>
Agency Administration	-	-	-	-	0%
Preliminary Engineering	-	-	-	-	0%
Final Design	-	-	-	-	0%
ROW Acq. & Permits	-	-	-	-	0%
Construction	-	-	-	-	0%
Vehicles	-	-	350,523	(350,523)	0%
Test and Startup	-	-	-	-	0%
Contingency	-	-	-	-	0%
TOTAL	-	-	350,523	(350,523)	0%

Lifetime Capital Plan 1997 - 2007

Phase	Adopted Capital Plan	Life-to-date Outlays	Contract Remaining	Budget Remaining	% Spent and Committed
	<i>d</i>	<i>e</i>	<i>f</i>	<i>[d-(e+f)]</i>	<i>[(e+f)/d]</i>
Agency Administration	4,616,371.00	4,538,456	-	77,915	98%
Preliminary Engineering	6,194,364.11	6,194,364	0	(0)	100%
Final Design	3,994,078.35	3,994,078	-	-	100%
ROW Acq. & Permits	2,630,197.00	2,632,055	-	(1,858)	100%
Construction	52,558,078.00	51,369,348	64,896	1,123,834	98%
Vehicles	8,043,440.00	7,925,076	661,320	(542,956)	107%
Test and Startup	632,111.00	434,019	-	198,092	69%
Contingency	1,747,360.54	-	-	1,747,361	0%
TOTAL	80,416,000.00	77,087,397	726,216	2,602,388	97%

Tacoma Link Project - Capital Outlay Notes

Tacoma Link project began revenue services in August 2003. Sound Transit received the invoice for the remaining \$10K for LRV procurement in September 2008. As soon as payment is issued, the project will be closed. Total project outlays are expected to be \$3.3M under budget.

Agency Administration Expenses

Agency Summary by Department

Staff Operating Departments - Before Expense Transfers & Transfers to Other Govts
For the Quarter Ending September 30, 2008
Budget to Actuals

	Q1 Actuals	Q2 Actuals	Q3 Actuals	YTD 2008 Actuals	YTD 2008 Budget	YTD Actuals (over)/under YTD Budget	YTD Actuals as % of YTD Budget
Executive	587,571	945,403	946,437	2,479,411	3,204,944	725,533	77%
Policy Planning & Public Affairs	1,267,757	1,185,760	1,181,582	3,635,099	4,006,393	371,294	91%
Legal	646,041	559,911	593,096	1,799,048	2,104,666	305,618	85%
Finance & Information Technology	2,265,549	3,308,582	3,253,013	8,827,145	9,669,561	842,416	91%
Link Light Rail	2,768,427	2,898,202	2,918,347	8,584,977	9,120,121	535,145	94%
Capital Projects	653,532	703,260	684,306	2,041,098	2,308,603	267,505	88%
Corporate Services	1,610,830	2,277,816	2,080,436	5,969,082	6,534,635	565,553	91%
Transportation Services	1,065,420	1,272,830	1,212,111	3,550,361	3,994,127	443,766	89%
Non-Departmental	950,773	903,282	859,797	2,713,852	2,793,978	80,127	97%
TOTAL	\$ 11,815,900	\$ 14,055,046	\$ 13,729,126	\$ 39,600,071	\$ 43,737,027	\$ 4,136,956	91%

Staff & Other Expenses

For the Quarter Ending September 30, 2008
Budget to Actuals

	Q1 Actuals	Q2 Actuals	Q3 Actuals	YTD 2008 Actuals	YTD 2008 Budget	YTD Actuals (over)/under YTD Budget	YTD Actuals as % of YTD Budget
Salaries & Benefits	8,776,125	9,265,508	9,270,844	27,312,477	29,307,654	1,995,177	93%
Services	1,510,368	1,843,428	2,054,503	5,408,299	7,008,999	1,600,700	77%
Materials & Supplies	125,183	305,093	249,425	679,701	935,964	256,263	73%
Miscellaneous Expenses	264,871	937,036	750,357	1,952,263	2,179,849	227,586	90%
Leases & Rentals	502,701	455,944	524,415	1,483,060	1,460,566	(22,494)	102%
Other Expenses	113,233	742,932	445,041	1,301,206	1,250,015	(51,192)	104%
Depreciation	523,419	505,104	434,541	1,463,064	1,593,981	130,917	92%
Gross Staff Operating Expenses	\$ 11,815,900	\$ 14,055,046	\$ 13,729,126	\$ 39,600,070	\$ 43,737,027	\$ 4,136,957	91%
Expense Transfers	(7,473,414)	(8,494,061)	(8,738,144)	(24,705,619)	(19,175,270)	5,530,349	129%
Net Staff Operating Expenses	\$ 4,342,486	\$ 5,560,985	\$ 4,990,981	\$ 14,894,451	\$ 24,561,757	\$ 9,667,306	61%
Other Expenses							
Regional Fund Projects	1,691,695	2,298,133	1,816,246	5,806,074	11,543,864	5,737,790	50%
Transit-Oriented Development	5,460	22,635	36,625	64,720	150,000	85,280	43%
STart	6,076	9,489	14,279	29,845	309,224	279,380	10%
Community Development Fund	264,154	128,685	239,694	632,533	770,289	137,757	82%
Debt Service Costs	302	566	0	868	2,738,392	2,737,524	0.03%
Non-Capitalizable LOB expenses	820,613	1,885,632	1,827,642	4,533,887	4,996,748	462,861	91%
Total Other Expenses	\$ 2,788,299	\$ 4,345,140	\$ 3,934,486	\$ 11,067,936	\$ 20,508,518	\$ 9,440,592	54%
Grand Total Operating Expenses	\$ 7,130,784	\$ 9,906,125	\$ 8,925,468	\$ 25,962,387	\$ 45,070,275	\$ 19,107,898	58%

Staff Operating Notes

Salaries and Benefits were under budget by \$2.0M or 7% of budget at the end of the third quarter.

Services were below year-to-date budget by \$1.6M, or 23%, at the end of the third quarter, mainly due to the timing of when legal fees for Link Light Rail and software maintenance services for Finance & Information Technology incurred.

Materials and Supplies were below year-to-date budget by \$256K, or 27%, at the end of the third quarter. The largest variances were in small computer equipment such as hardware and computer software for Information Technology.

Miscellaneous Expenses were below year-to-date budget by \$227K, or 10%, at the end of the third quarter. This category contains contingency funds of \$200K

Leases & Rentals were above the year-to-date budget by \$22K, or 2%, at the end of third quarter. This category includes administrative facilities rent, parking garage lease and meeting space rentals.

Other Expenses were above the year-to-date budget by \$51K, or 4%, at the end of the third quarter mainly due to fewer than anticipated insurance expenses in the first quarter. This category includes insurance, utilities, taxes and interest.

Depreciation was below budget at the end of the third quarter by \$130K or 8%. Included in the category is depreciation on assets such as fleet vehicles, Union Station building, Furniture and Fixtures, Computer Equipment, Office Equipment, Software and Capital Leases.

Expense Transfers were higher year-to-date budget by \$5.5M, or 29% of budget, at end of the third quarter. This category represents the allocated overhead dollars transferred to capital and operating projects. This category was under budget due to \$1.7M in overall lower spending in the staff operating departments for the first part of the year compared with the budget as well as lower spending by the operations and capital programs.

Other Non-Operating Expense Notes

Regional Fund Projects were below budget by \$5.7M or 50%, at the end of the third quarter. This category includes operational spending for Research & Technology, Fare Integration, Phase 2 Planning, and East Corridor Planning. In Fare Integration, \$907K is budgeted to provide reimbursements to partner agencies for smart card implementation expenses in 2008; to date, \$247K has been requested by partner agencies. Phase 2 Planning expenses came in at 53% of the year to date budget, spending on the Phase II Alternatives Analysis is below what was anticipated at this point in the budget. The 2008 East Corridor Planning budget is currently trending below budget. Any savings will be available for preliminary engineering and final EIS preparation.

Transit-Oriented Development was below the YTD budget by \$85K, or 57%. These funds are for transit-related studies and spent as needed.

STart was year-to-date below budget by \$279K, or 90%, at the end of third quarter. The operating expense budget for STart is for repairing and maintaining art as needed.

Community Development Fund was below year-to-date budget by \$137K, or 18%, at the end of the third quarter.

Debt Service Costs were below year-to-date budget by \$2.7MK, or 100%, at the end of the third quarter reflecting a current assumption of full capitalization to capital projects. The capitalization of interest is subject to change upon analysis that occurs closer to year end once all costs incurred.

Non-Capitalizable LOB Expenses were below YTD budget by \$462K or 9%. Caused by lower than anticipated non-capitalizable costs primarily in Consulting, Accounting / Auditing services and OCIP Insurance claims.

Subarea Quarter 2008 Summaries

Subarea Revenue Summary Millions YOES

	Snohomish	North King	South King	East King	Pierce	Regional Fund	Total
2008 Tax Revenues							
Sep YTD Budget	34.7	67.7	47.5	70.0	48.9	0.0	268.8
Sep YTD Actuals	31.9	69.2	47.6	69.3	45.7	0.0	263.7
\$ Variance	-2.8	1.5	0.1	-0.7	-3.2	0.0	-5.1
% Variance	-7.9%	2.2%	0.1%	-1.0%	-6.5%	-	-1.9%
2008 Farebox Revenues							
Sep YTD Budget	2.4	0.0	2.4	5.4	4.5	0.0	14.7
Sep YTD Actuals	2.9	0.0	3.3	7.4	5.7	0.0	19.4
\$ Variance	0.5	0.0	0.9	2.0	1.2	0.0	4.7
% Variance	20.7%	-	39.3%	37.9%	27.3%	-	32.0%
2008 Grant Revenues							
Sep YTD Budget	6.4	28.5	16.5	1.6	10.2	0.0	63.2
Sep YTD Actuals	5.2	32.4	39.7	1.2	18.2	0.4	97.2
\$ Variance	-1.2	3.9	23.2	-0.4	8.0	0.4	34.0
% Variance	-19.2%	13.7%	140.7%	-23.5%	78.9%	1397.3%	53.8%
2008 Other Revenues							
Sep YTD Budget	0.2	0.4	1.2	0.2	0.6	17.4	20.0
Sep YTD Actuals	0.5	1.6	1.3	0.3	1.1	13.0	17.9
\$ Variance	0.3	1.2	0.1	0.1	0.5	-4.4	-2.1
% Variance	125.9%	308.3%	7.7%	69.7%	89.1%	-25.1%	-10.6%

Subarea Operating Expense & Capital Outlay Summary Millions YOES

	Snohomish	North King	South King	East King	Pierce	Regional Fund	Total
2008 Transit Operating Expenses							
Sep YTD Budget	11.4	0.8	17.5	25.4	21.0	-	76.1
Sep YTD Actuals	16.2	0.5	27.7	33.7	32.3	-	110.5
Percent Spent	142.3%	70.8%	158.5%	132.6%	153.7%	-	145.2%
2008 Other Operating Expenses							
Sep YTD Budget	0.1	0.6	(0.3)	1.6	1.9	39.1	43.1
Sep YTD Actuals	(0.2)	0.2	(0.6)	0.5	0.2	25.9	26.0
Percent Spent	NA	NA	NA	NA	NA	NA	NA
2008 Capital Outlays							
Sep YTD Budget	8.9	70.1	47.9	14.9	9.2	2.4	153.4
Sep YTD Actuals	25.2	252.7	116.7	28.6	34.2	0.7	457.9
Percent Spent	283.0%	360.4%	243.6%	192.0%	371.2%	27.3%	298.5%
2008 Lifetime Capital Outlays							
LTD Budget	580.3	3,292.9	1,324.9	623.9	661.4	22.2	6,505.6
LTD Actual	492.7	1,609.2	1,094.0	393.8	483.6	44.2	4,117.4
Outstanding Contracts	0.2	168.3	93.1	25.5	27.3	5.2	319.6
Percent Spent or Committed	84.9%	54.0%	89.6%	67.2%	77.2%	222.3%	68.2%

Subarea Net Asset Summary Millions YOES

	Snohomish	North King	South King	East King	Pierce	Regional Fund	Total
2008 Net Asset Summary							
Invested Capital Assets	284.7	1,096.0	750.2	138.2	319.0	22.4	2,610.4
Restricted	5.1	25.3	29.2	-	17.8	23.3	100.6
Unrestricted	16.8	41.4	(84.5)	266.6	117.8	59.0	417.1
Total Net Assets	306.6	1162.6	694.9	404.8	454.5	104.7	3,128.1