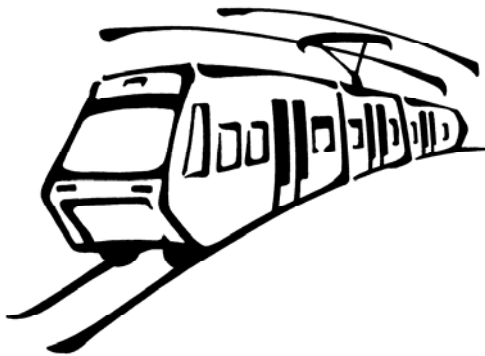
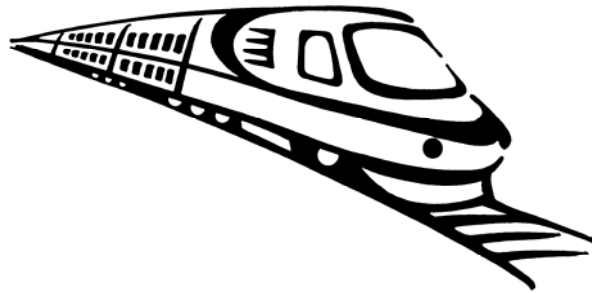




**SOUNDTRANSIT**

**Central Puget Sound  
Regional Transit Authority**



**Quarterly Financial Report  
First Quarter 2008  
March 31, 2008**

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# First Quarterly Financial Report

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**TO:** Board of Directors

**FROM:** Joni Earl, *Chief Executive Officer*  
 Brian McCartan, *Chief Financial Officer*

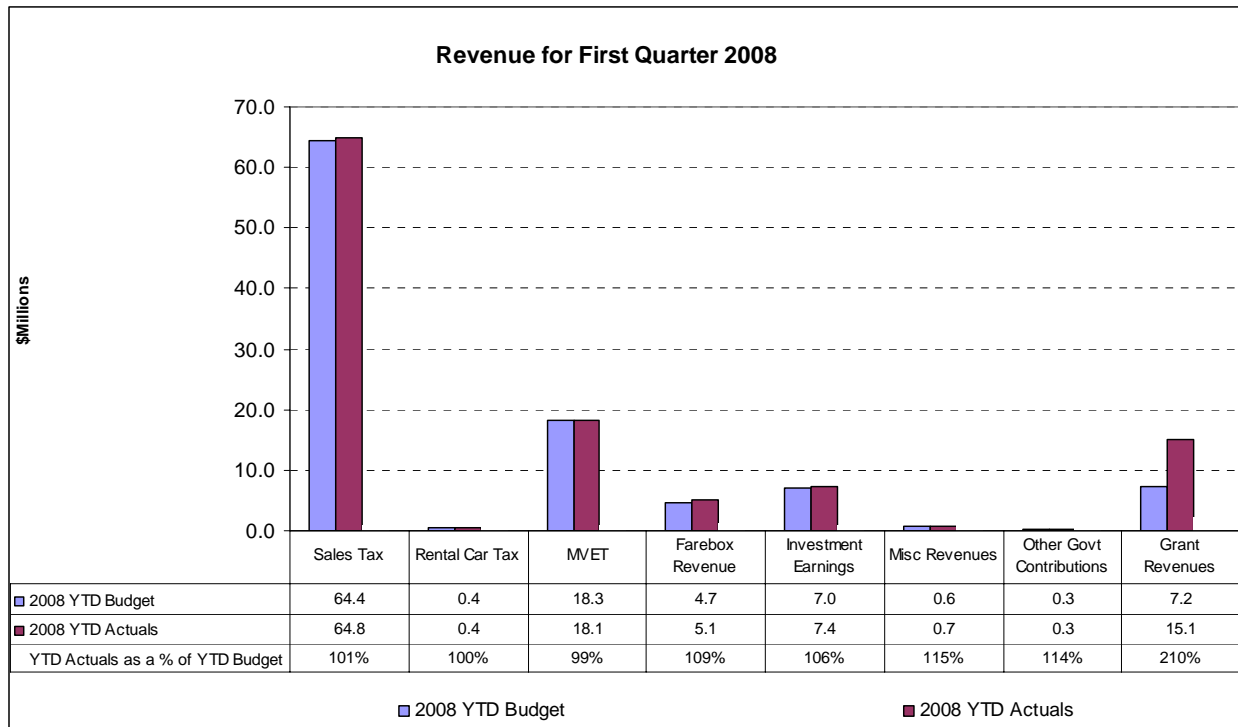
**SUBJECT:** First Quarter 2008 Financial Report

## Executive Summary

This report summarizes Sound Transit's 2008 First quarter financial performance for revenues, transit operations, capital outlays and staff operations. The discussion and graphs below summarize the budget and financial results, followed by detailed financial data, notes assessing the agency's performance to budget and summarized subarea information.

### Revenues

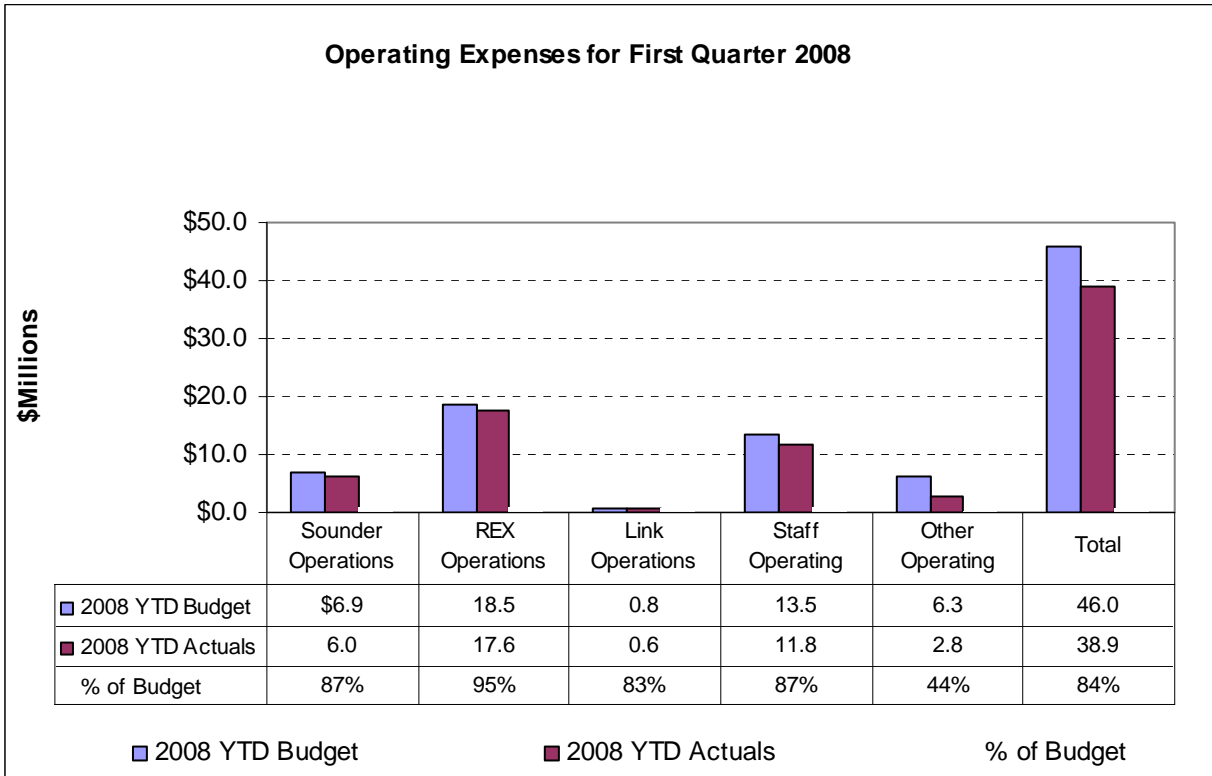
The total agency revenues for the quarter ended March 31, 2008 of \$112.0M were above the year-to-date budget by \$9.14M or 9%, mainly due to federal grant revenues of \$15.1M which are 110% above budget at the end of the first quarter. Tax revenues of \$83.4M which were on budget and investment earnings of \$7.4M were above budget by \$398K or 6.0%. The higher investment revenues reflect higher than forecasted short-term interest rates and higher cash balances than planned. Farebox revenues of \$5.1M were \$437K or 9% over the year-to-date budget.



## Expenses

Total agency expenses for the quarter of \$38.9M were below the year-to-date budget of \$46.0M by 16%. Transportation Services direct operating expenses as a percent of budget was: Sounder 87%, ST Express 95% and Tacoma Link 83%. Most of the under-spending was caused by the timing of vehicle and facility maintenance that will occur later in the year.

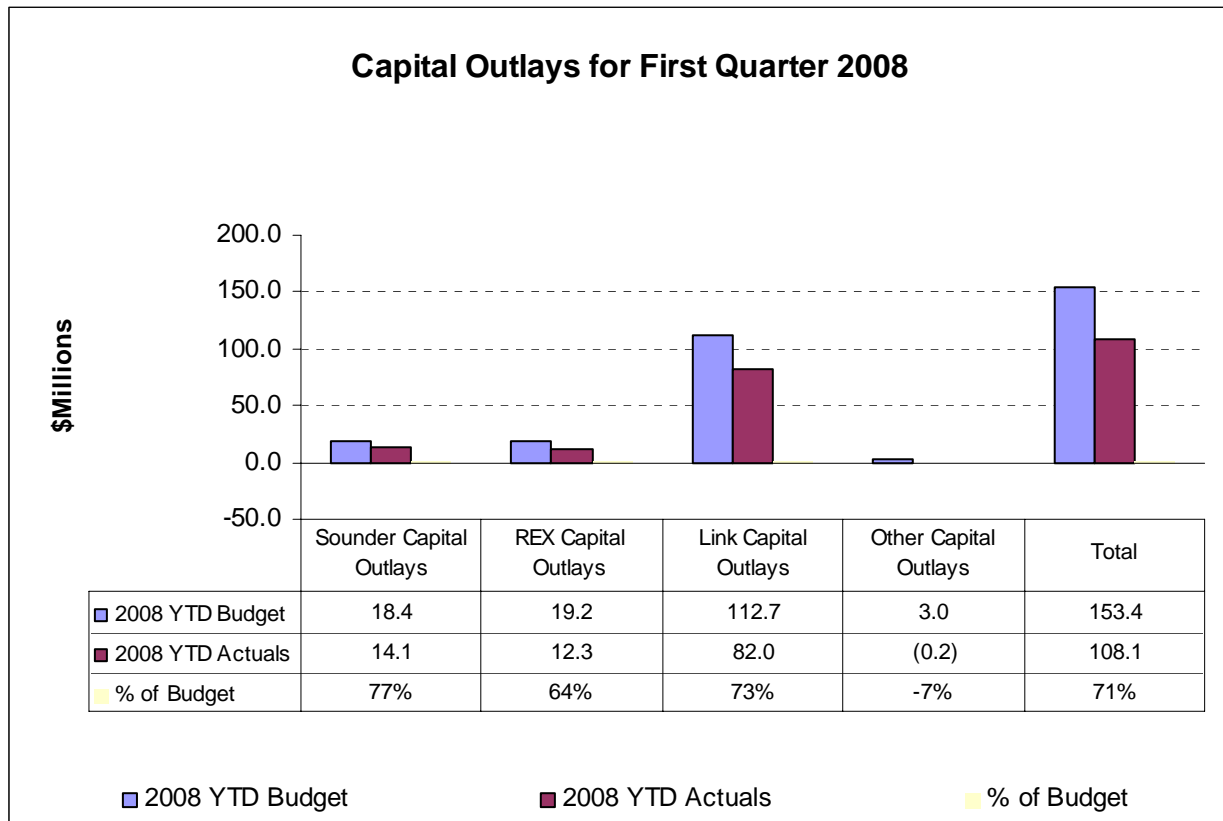
Regional Fund and Other Operating Expenses of \$1.7M (see Income Statement Table page 4) was \$2.1M under budget due to less than anticipated planning costs in the Phase 2 planning project and Fare Integration project. In addition, debt services costs were below budget reflecting a current assumption of full capitalization to capital projects.



## Capital Outlays

Total agency capital outlays of \$108.1M were 71% of the year-to-date budget. Capital outlays for Sounder came in at 77% of target with lower than predicted spending in the Seattle-Tacoma Track and Signal project. The actual outlays in Regional Express came in at 64% of target. Link Capital outlays were down from budget at \$82.0m or 73%.

Other Capital Outlays included a credit in the TVM project. Payments in this project were made in April which will reverse the credit, and will be reflected in the second quarter report. In addition, lower than budgeted expenditures occurred in Research & Technology and in the bus procurement program.



## Summary Income Statement

The table below summarizes the annual revenues and expenses for the first quarter 2008. Overall, agency net revenues before transfer to other governments were \$16.0M above budget. This reflects \$7.8M positive variance for Federal Grant revenues, as well as a positive variance for Transit Operations, Regional Fund, and Other Operating expenses. As only one quarter has elapsed, much of the variance likely relates to timing and higher expenditures are anticipated in subsequent quarters.

<b>Income Statement</b>					
<b>For the Quarter Ending March 31, 2008</b>					
<b>Budget to Actuals</b>					
	<b>Q1 Actuals</b>	<b>YTD 2008 Actuals</b>	<b>YTD 2008 Budget</b>	<b>YTD Actuals to YTD Budget (over)/under</b>	<b>YTD Actuals as % of YTD Budget</b>
<b>REVENUES</b>					
Tax Revenues	83,370,206	83,370,206	83,153,183	217,023	100%
Farebox Revenues	5,091,706	5,091,706	4,655,170	436,537	109%
Investment Income	7,388,435	7,388,435	6,990,617	397,818	106%
Other Miscellaneous	733,053	733,053	636,498	96,555	115%
State & Local Contributions	349,747	349,747	305,558	44,189	114%
Federal Grants	15,061,831	15,061,831	7,188,842	7,872,989	210%
<b>TOTAL REVENUES</b>	<b>\$ 111,994,978</b>	<b>\$ 111,994,978</b>	<b>\$ 102,929,868</b>	<b>\$ 9,065,111</b>	<b>109%</b>
<b>EXPENSES</b>					
Net Staff Operating Divisions	\$ 4,342,486	\$4,342,486	\$ 3,927,010	(\$415,476)	111%
Transit Operations	34,026,273	\$34,026,273	37,970,608	3,944,336	90%
Regional Fund & Other Operations	1,703,231	\$1,703,231	3,804,980	2,101,749	45%
Community Development Fund	264,154	\$264,154	196,634	(67,520)	134%
Debt Service	302	\$302	912,797	912,495	0%
Non-Capitalizable LOB expenses	820,613	\$820,613	1,352,958	532,345	61%
<b>TOTAL EXPENSES</b>	<b>\$ 41,157,058</b>	<b>\$ 41,157,058</b>	<b>\$ 48,164,987</b>	<b>\$ 7,007,929</b>	<b>85%</b>
<b>EXCESS REVENUE OVER EXP.</b>	<b>\$70,837,920</b>	<b>\$70,837,920</b>	<b>\$54,764,880</b>	<b>\$16,073,040</b>	<b>129%</b>
Transfers to Other Governments	-	-	4,678,702	4,678,702	0%
<b>NET REVENUE OVER EXP.</b>	<b>\$ 70,837,920</b>	<b>\$ 70,837,920</b>	<b>\$ 50,086,178</b>	<b>\$ 20,751,742</b>	<b>141%</b>

## Summary of Net Assets

The following table summarizes assets and liabilities at the quarter end and provides comparative data for prior year. Total assets increased by \$700.1M from the same period in 2007, and liabilities increased by \$458.1M. Current assets increased by \$184.8M due to the receipt of bond proceeds on the 2007 bond issue. With the strong spending on our capital program since the last bond issue, 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 \$446.1M reflecting the activity on capital programs, particularly the Link Light Rail Program.

<b>Summary of Net Assets</b> <i>(in millions)</i>				
	<b>March 31, 2008</b>	<b>March 31, 2007</b>	<b>% Change</b>	<b>Prior Year Variance</b>
Current Assets, excluding Restricted Assets	\$ 666.6	\$ 481.9	38%	\$ 184.8
Restricted Assets	123.3	161.1	-23%	(37.8)
Property, Vehicles and Equipment, Net of Accumulated Depreciation	1,350.3	1,199.6	13%	150.7
Capital Projects in Progress	2,158.5	1,697.9	27%	460.6
Capital Projects in Progress - non ST	59.0	120.1	-51%	(61.1)
Other Non-Current Assets	70.7	67.8	4%	2.9
<b>Total Assets</b>	<b>\$ 4,428.4</b>	<b>\$ 3,728.4</b>	<b>19%</b>	<b>\$ 700.1</b>
Current Liabilities, excluding Interest Payable from Restricted Assets	152.1	164.9	-8%	(12.8)
Interest Payable from Restricted Assets	37.1	16.0	132%	21.1
Long-Term Debt	1,220.8	774.9	58%	446.0
Other Long-Term Liabilities	71.2	67.5	6%	3.7
<b>Total Liabilities</b>	<b>1,481.3</b>	<b>1,023.2</b>	<b>45%</b>	<b>458.1</b>
Net Assets	2,947.1	2,705.1	9%	242.0
<b>Total Liabilities and Net Assets</b>	<b>\$ 4,428.4</b>	<b>\$ 3,728.4</b>	<b>19%</b>	<b>\$ 700.1</b>
Invested in Capital Assets, Net of Related Debt	2,321.9	2,237.7	4%	84.3
Restricted Net Assets	105.5	125.7	-16%	(20.2)
Unrestricted Net Assets	519.7	341.8	52%	177.9
<b>Total Net Assets</b>	<b>\$ 2,947.1</b>	<b>\$ 2,705.1</b>	<b>9%</b>	<b>\$ 242.0</b>

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## **FINANCIAL DETAIL**

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## Revenue

### Agencywide Revenues

For the Quarter Ending March 31, 2008

Budget to Actuals

	Q1 Actuals	YTD 2008 Actuals	YTD 2008 Budget	YTD Actuals over/(under) YTD Budget	YTD Actuals as % of YTD Budget
<b>REVENUE SOURCES</b>					
Retail Sales and Use Tax	64,812,585	64,812,585	64,439,909	372,675	101%
Rental Car Tax	437,734	437,734	437,773	(39)	100%
Motor Vehicle Excise Tax	18,119,888	18,119,888	18,275,501	(155,613)	99%
Farebox Revenue	5,091,706	5,091,706	4,655,170	436,537	109%
Investment Income	7,388,435	7,388,435	6,990,617	397,818	106%
Miscellaneous Revenues	733,053	733,053	636,498	96,555	115%
<b>OTHER FINANCING</b>					
Local & State Contributions	349,747	349,747	305,558	44,189	114%
Federal Grants	15,061,831	15,061,831	7,188,842	7,872,989	210%
<b>TOTAL SOURCES</b>	<b>\$ 111,994,978</b>	<b>\$ 111,994,978</b>	<b>\$ 102,929,868</b>	<b>\$ 9,065,111</b>	<b>109%</b>

### Revenue Notes

**Retail Sales and Use Tax** is on budget and 4.8% over first quarter last year.

**Rental Car Tax** is on budget and about 2.6% over last year.

**Motor Vehicle Excise Tax** is slightly under budget, but 7% over last year.

**Farebox Revenues** \$436K exceeds the first quarter 2008 budget of \$4.6M, by 9%. The growth in ridership continues as more and more commuters look to public transportation, helped by a stable regional economy, higher fuel costs, and increased service provided.

**Investment Income** exceeds the year to date budget of \$7.0M by 6%. The positive variance is caused mainly by higher than forecasted cash balances along with a higher level of interest rates. The investment portfolio was decreasing through the Fourth Quarter 2007 as maturing investments were being used to fund capital projects. However, a \$450M bond sale in December substantially increased the agency's cash balance.

**Miscellaneous Revenues** exceeds the first quarter budget by \$97K or 15%. Included in this category is Sounder revenue vehicle income, advertising on ST Express buses and rental property income and user license fees, which also were higher than planned. Advertising revenues have been strong as the agency has been more aggressive in soliciting advertising on its fleet, and rental income reflects income from residential tenants for properties acquired related to University Link.

**Local, State and Federal Grants** State and local contributions are above year-to-date budget by \$44K or 14.0%. Local Contributions include contributions to the Community Development Fund and Local Grants for stations and projects. The State contributions include grants as well as Land Bank contributions. Federal Grants are above the first quarter budget by \$7.9M or 110%, because more funds were available to drawdown for the Initial Segment than were originally anticipated.

## Summary Operations and Capital Outlays

### Capital Outlays by Line of Business

For the Quarter Ending March 31, 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
	a	b	c	[b - c]	[c/b]
Sounder Commuter Rail	66,507,983	18,390,293	14,090,226	4,300,067	77%
Link Light Rail	523,266,862	120,181,595	81,982,548	38,199,048	68%
Regional Express	59,999,427	19,204,871	12,264,367	6,940,504	64%
Other Capital	38,902,758	3,035,501	(198,320)	3,233,821	-7%
<b>TOTAL</b>	<b>\$ 688,677,030</b>	<b>\$ 160,812,260</b>	<b>\$ 108,138,821</b>	<b>\$ 52,673,439</b>	<b>67%</b>

Lifetime Capital Plan

	Adopted Capital Plan	Life-to-date Outlays	Remaining Contract	Budget Remaining	% Spent and Committed
	d	e	f	[d-(e+f)]	[(e+f)/d]
Sounder Commuter Rail	1,219,941,142	983,189,685	32,164,318	204,587,138	83%
Link Light Rail	4,236,501,122	2,173,850,040	307,354,549	1,755,296,532	59%
Regional Express	785,241,557	553,063,120	45,948,096	186,230,341	76%
Other Capital	263,924,429	142,111,160	23,700,221	98,113,048	63%
<b>TOTAL</b>	<b>\$ 6,505,608,250</b>	<b>\$ 3,852,214,005</b>	<b>\$ 409,167,185</b>	<b>\$ 2,244,227,060</b>	<b>66%</b>

### Combined Transit Operations Summary

For the Quarter Ending March 31, 2008

ST Express, Sounder, Link, & Accessible Services

	Q1 Actuals	YTD Total Actuals	YTD 2008 Budget	YTD Actuals to YTD Budget (over)/under	YTD Actuals as a % of YTD Budget
<b>Revenues</b>					
Passenger Fares	5,091,706	5,091,706	4,634,485	457,221	110%
Other Operating Revenues	387,969	387,969	451,810	(63,841)	86%
<b>Total Operating Revenues</b>	<b>\$ 5,479,675</b>	<b>\$ 5,479,675</b>	<b>\$ 5,086,295</b>	<b>\$ 393,380</b>	<b>108%</b>
<b>Direct Operating Expenses</b>					
Salaries & Benefits	501,615	501,615	571,376	69,761	88%
Services	3,526,103	3,526,103	5,084,026	1,557,924	69%
Materials & Supplies	741,967	741,967	939,859	197,893	79%
Insurance	396,719	396,719	577,862	181,144	69%
Purchased Transportation Svcs	18,676,708	18,676,708	18,633,773	(42,934)	100%
Miscellaneous Expenses	53,368	53,368	139,339	85,970	38%
Leases & Rentals	90,386	90,386	83,881	(6,505)	108%
Other Expenses	361,861	361,861	455,466	93,604	79%
<b>Total Direct Operating Expenses</b>	<b>\$ 24,348,727</b>	<b>\$ 24,348,727</b>	<b>\$ 26,485,583</b>	<b>\$ 2,136,857</b>	<b>92%</b>
Agency Admin Allocations	1,412,267	1,412,267	1,820,820	408,553	78%
<b>Fully Allocated Operating Expenses</b>	<b>\$ 25,760,994</b>	<b>\$ 25,760,994</b>	<b>\$ 28,306,404</b>	<b>\$ 2,545,410</b>	<b>91%</b>
<b>Net Subsidy from Fully Allocated Operations</b>	<b>\$ (20,281,318)</b>	<b>\$ (20,281,318)</b>	<b>\$ (23,220,108)</b>	<b>\$ 2,938,790</b>	<b>87%</b>
Contingency	-	-	691,227	691,227	-
Depreciation & Amortization	8,265,279	8,265,279	8,972,977	707,698	92%
<b>Net Subsidy from Operations after Depreciation and Amortization</b>	<b>\$ (28,546,597)</b>	<b>\$ (28,546,597)</b>	<b>\$ (32,884,313)</b>	<b>\$ 4,337,715</b>	<b>87%</b>
<b>Ridership</b>					
Boardings	3,594,146	3,594,146	3,500,124	94,022	103%
Average Weekday Boardings	50,368	50,368	49,841	527	101%

## Souder Commuter Rail

### Souder Commuter Rail Transit Operations

For the Quarter Ending March 31, 2008

	Q1 Actuals	YTD 2008 Actuals	YTD 2008 Budget	YTD Actuals to YTD Budget (over)/under	YTD Actuals as a % of YTD Budget
<b>Revenues</b>					
Passenger Fares	1,555,364	1,555,364	1,404,667	150,697	111%
Other Operating Revenues	222,629	222,629	288,560	(65,931)	77%
<b>Total Operating Revenues</b>	<b>\$ 1,777,993</b>	<b>\$ 1,777,993</b>	<b>\$ 1,693,227</b>	<b>\$ 84,766</b>	<b>105%</b>
<b>Direct Operating Expenses</b>					
Salaries & Benefits	92,320	92,320	111,400	19,080	83%
Services	2,439,788	2,439,788	3,071,381	631,593	79%
Materials & Supplies	728,189	728,189	756,637	28,448	96%
Insurance	318,222	318,222	488,906	170,684	65%
Purchased Transportation Svcs	2,147,275	2,147,275	2,086,485	(60,789)	103%
Miscellaneous Expenses	38,006	38,006	55,000	16,995	69%
Leases & Rentals	68,357	68,357	66,143	(2,214)	103%
Other Expenses	211,241	211,241	288,323	77,082	73%
<b>Total Direct Operating Expenses</b>	<b>\$ 6,043,398</b>	<b>\$ 6,043,398</b>	<b>\$ 6,924,276</b>	<b>\$ 880,879</b>	<b>87%</b>
Agency Admin Allocations	467,982	467,982	552,053	84,071	85%
<b>Fully Allocated Operating Expenses</b>	<b>\$ 6,511,379</b>	<b>\$ 6,511,379</b>	<b>\$ 7,476,329</b>	<b>\$ 964,950</b>	<b>87%</b>
<b>Net Subsidy from Fully Allocated Operations</b>	<b>\$ (4,733,386)</b>	<b>\$ (4,733,386)</b>	<b>\$ (5,783,102)</b>	<b>\$ 1,049,716</b>	<b>82%</b>
Contingency	-	-	237,293	237,293	-
Depreciation & Amortization	4,187,494	4,187,494	4,549,837	362,343	92%
<b>Net Subsidy from Operations after Depreciation and Amortization</b>	<b>\$ (8,920,880)</b>	<b>\$ (8,920,880)</b>	<b>\$ (10,570,233)</b>	<b>\$ 1,649,353</b>	<b>84%</b>
<b>Ridership</b>					
Boardings	603,431	603,431	503,907	99,524	120%
Average Weekday Boardings	9,303	9,303	8,197	1,106	113%

**Revenues and Ridership:** Ridership continued to rise, exceeding the ridership of the same period in 2007 by 28% and the YTD forecast by 20%. Passenger Fares were over the YTD budget by 11%. 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 Souder vehicles to other jurisdictions, was at 77% of the budget. This is a timing issue and this item is expected to be at budget at year-end.

**Salaries and Benefits** are under budget by \$19K or 17%. One position that was newly created during the 2008 budget process was not filled until the end of the first quarter.

**Services** were under budget by \$632K or 21%. The largest variance was maintenance of vehicles, which was under budget by \$430K. Major maintenance programs will occur later this year and this item is expected to be at budget by year-end. Maintenance of stations was under budget by \$268K, as most discretionary maintenance projects will take place in the middle or later part of the year.

**Materials & Supplies** were at 96% of YTD budget. Fuel costs were under YTD budget by 11%, but are expected to be at risk for the year as prices rise throughout the region.

**Insurance** was under YTD budget by \$171K or 35%. Claims experience continues to be more favorable than anticipated for Souder.

**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.

**Miscellaneous Expenses** were under YTD budget by \$17K, or 31%. More aggressive advertising and media promotion for additional services for special events provided by Sounder on weekends, will take place in the middle and later part of the year. This category is expected to be at the budget at year-end.

**Other Expenses**, including taxes and utilities, were under the YTD budget by \$77K, or 23%. The primary expenses in the first quarter were the property taxes paid to BNSF. Taxes are expected to be at budget at year-end.

**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. The variance is in line with overall agency staff budget performance.

## ST Express

<b>ST Express Transit Operations</b>					
<b>For the Quarter Ending March 31, 2008</b>					
	<b>Q1 Actuals</b>	<b>YTD Actuals</b>	<b>YTD Budget</b>	<b>YTD Actuals to YTD Budget (over)/under</b>	<b>YTD Actuals as % of YTD Budget</b>
<b>Revenues</b>					
Passenger Fares	3,536,342	3,536,342	3,229,818	306,524	109%
Other Operating Revenues	163,199	163,199	163,250	(51)	100%
<b>Total Operating Revenues</b>	<b>\$ 3,699,541</b>	<b>\$ 3,699,541</b>	<b>\$ 3,393,068</b>	<b>\$ 306,473</b>	<b>109%</b>
<b>Direct Operating Expenses</b>					
Salaries & Benefits	24,853	24,853	57,815	32,962	43%
Services	889,964	889,964	1,585,053	695,089	56%
Materials & Supplies	2,973	2,973	125,518	122,545	2%
Insurance	5,617	5,617	5,502	(115)	102%
Purchased Transportation Svcs	16,529,433	16,529,433	16,547,038	17,605	100%
Miscellaneous Expenses	9,448	9,448	77,350	67,903	12%
Leases & Rentals	22,029	22,029	16,738	(5,291)	132%
Other Expenses	120,139	120,139	132,026	11,887	91%
<b>Total Direct Operating Expenses</b>	<b>\$ 17,604,456</b>	<b>\$ 17,604,456</b>	<b>\$ 18,547,041</b>	<b>\$ 942,585</b>	<b>95%</b>
Agency Admin Allocations	827,738	827,738	1,099,229	271,491	75%
<b>Fully Allocated Operating Expenses</b>	<b>\$ 18,432,195</b>	<b>\$ 18,432,195</b>	<b>\$ 19,646,271</b>	<b>\$ 1,214,076</b>	<b>94%</b>
<b>Net Subsidy from Fully Allocated Operations</b>	<b>\$ (14,732,653)</b>	<b>\$ (14,732,653)</b>	<b>\$ (16,253,202)</b>	<b>\$ 1,520,549</b>	<b>91%</b>
Contingency	-	-	394,711	394,711	-
Depreciation & Amortization	3,356,102	3,356,102	3,702,711	346,609	91%
<b>Net Subsidy from Operations after Depreciation and Amortization</b>	<b>\$ (18,088,756)</b>	<b>\$ (18,088,756)</b>	<b>\$ (20,350,625)</b>	<b>\$ 2,261,869</b>	<b>89%</b>
<b>Ridership</b>					
Boardings	2,771,272	2,771,272	2,765,919	5,353	100%
Average Weekday Boardings	38,140	38,140	38,517	(377)	99%

**Passenger Fares and Ridership:** Passenger Fares were over the YTD 2008 Budget by \$307K or 9% while the ridership was slightly higher than budget. The increase is due to a higher than expected average fare per boarding.

**Salaries and Benefits** are under YTD budget by \$33K or 57%. Two positions are currently vacant and are being filled by direct hire temporary staff. These positions are expected to be filled during the next quarter, but this item should be under budget at year-end.

**Services** were 56% of YTD budget. Maintenance of stations was at 32% of YTD budget, but is expected to be at budget at year-end. Security costs were \$51K under the budget. There is no spending in marketing costs for the first quarter as most marketing activities occur in the middle or later part of the year. The costs for the Downtown Seattle Transit Tunnel maintenance and debt service were at 56% of YTD

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budget. Debt service was budgeted evenly throughout the year but is expended on a payment schedule dictated by the debt terms. The tunnel related items are timing differences and should be at budget at year-end.

**Materials and Supplies** were at 2% of YTD budget, as there was no spending in marketing materials and in tools and equipment. The primary driver in this category is the installation of Smart Card equipment which will take place in the later part of the year.

**Purchased Transportation Services** were at 100% of the YTD budget. Budgeted costs are billed at an even amount during the year, but rising fuel prices could put this item at risk by year-end.

**Miscellaneous Expenses** were at 12% of YTD budget. The category is primarily for a marketing campaign which will take place in the summer. There will also be additional travel associated with inspections at bus manufacturing facilities occurring later this year.

**Agency Admin Allocations** were at 75% 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.

## Tacoma Link Light Rail

### Tacoma Link Transit Operations

For the Quarter Ending March 31, 2008

	Q1 Actuals	YTD Actuals	YTD Budget	YTD Actuals to YTD Budget (over)/under	YTD Actuals as % of YTD Budget
<b>Revenues</b>					
Passenger Fares	-	-	-	-	-
Other Operating Revenues	2,141	2,141	-	2,141	-
<b>Total Operating Revenues</b>	<b>\$ 2,141</b>	<b>\$ 2,141</b>	<b>\$ -</b>	<b>\$ 2,141</b>	<b>-</b>
<b>Direct Operating Expenses</b>					
Salaries & Benefits	345,850	345,850	348,809	2,959	99%
Services	169,635	169,635	244,733	75,099	69%
Materials & Supplies	10,805	10,805	51,054	40,250	21%
Insurance	72,880	72,880	83,454	10,575	87%
Purchased Transportation Svcs	-	-	250	250	-
Miscellaneous Expenses	4,854	4,854	3,887	(967)	125%
Leases & Rentals	-	-	1,000	1,000	0%
Other Expenses	30,257	30,257	34,817	4,559	87%
<b>Total Direct Operating Expenses</b>	<b>\$ 634,280</b>	<b>\$ 634,280</b>	<b>\$ 768,005</b>	<b>\$ 133,725</b>	<b>83%</b>
Agency Admin Allocations	103,014	103,014	142,331	39,318	72%
<b>Fully Allocated Operating Expenses</b>	<b>\$ 737,294</b>	<b>\$ 737,294</b>	<b>\$ 910,337</b>	<b>\$ 173,043</b>	<b>81%</b>
<b>Net Subsidy from Fully Allocated Operations</b>	<b>\$ (735,153)</b>	<b>\$ (735,153)</b>	<b>\$ (910,337)</b>	<b>\$ 175,184</b>	<b>81%</b>
Contingency	-	-	45,164	45,164	-
Depreciation & Amortization	721,683	721,683	720,429	(1,254)	100%
<b>Net Subsidy</b>	<b>\$ (1,456,836)</b>	<b>\$ (1,456,836)</b>	<b>\$ (1,675,930)</b>	<b>\$ 219,094</b>	<b>87%</b>
<b>Ridership</b>					
Boardings	219,443	219,443	230,298	(10,855)	95%
Average Weekday Boardings	2,925	2,925	3,127	(202)	94%

**Ridership:** Ridership was 1% higher than the same period of 2007, but was under the forecast 2008 by 5%. Ridership is expected to be much higher during the summer due to special events which are planned in the Tacoma downtown area.

**Services** were at 69% of YTD budget. Maintenance of stations and facilities was at 43% as work on the overhead catenary system is being done through in-house maintenance rather than budgeted service contracts. Maintenance of Vehicles was under the budget by \$11K, but is expected to be at budget by year-end.

**Material and Supplies** were at 21% of YTD budget, substantially due to the timing of expenditures for parts and tools purchases.

**Insurance** was at 87% of the budget. Claims experience for Tacoma Link continues to be favorable.

**Agency Admin Allocations** were at 72% of the YTD budget. Under spending in this area is reflective of agency-wide trends.

## Souder Capital

### Souder Commuter Rail - Capital Outlays by Phase For the Quarter Ending March 31, 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	956,334	832,850	123,484	87%
Preliminary Engineering	546,462	241,476	95,883	145,593	40%
Final Design	531,038	51,644	726,310	(674,665)	1406%
ROW Acq. & Permits	1,892,905	210,161	2,042,190	(1,832,029)	972%
Construction	59,917,641	16,806,669	10,392,993	6,413,676	62%
Vehicles	356,378	124,009	-	124,009	0%
Contingency	-	-	-	-	-
<b>TOTAL</b>	<b>\$ 66,507,983</b>	<b>\$ 18,390,293</b>	<b>\$ 14,090,226</b>	<b>\$ 4,300,067</b>	<b>77%</b>

#### 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	39,116,692	-	10,206,680	79%
Preliminary Engineering	27,640,879	25,567,293	936,138	1,137,449	96%
Final Design	34,817,439	29,680,273	1,022,230	4,114,937	88%
ROW Acq. & Permits	354,120,570	346,338,022	736,594	7,045,954	98%
Construction	561,644,780	399,078,299	29,469,357	133,097,124	76%
Vehicles	136,381,156	134,504,945	0	1,876,211	99%
Contingency	56,012,946	-	-	56,012,946	0%
Unabsorbed Overhead		8,904,162	-	(8,904,162)	
<b>TOTAL</b>	<b>\$ 1,219,941,142</b>	<b>\$ 983,189,685</b>	<b>\$ 32,164,318</b>	<b>\$ 204,587,138</b>	<b>83%</b>

## Souder Capital Notes

**Agency Administration** spending was at 87% 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 40% of the 2008 YTD budget, \$146 thousand below the \$241 thousand budgeted for the first quarter of the year. Factors contributing to the lower than expected spending includes:

- D Street – M Street Track and Signal was \$52 thousand under budget. Board action in December 2007 selected the preferred alternative. This phase will be closed and remaining phase level budget will be moved to the project contingency.
- Tukwila Station was \$89 thousand under budget due to protracted contract negotiations with our consultant. This delayed the project start, but the PE work is now underway.

**Final Design** spending was 1406% of the 2008 YTD budget, \$675 thousand above the \$52 thousand budgeted for the first quarter of the year.

- Mukilteo Station, North Platform was \$444 thousand under budget. This is due to splitting the DMJM contract and expenditures between the North and South Platform projects; originally, it was on just the North Platform project. Accordingly, in the current year there will be negative expenditures for the North Platform and positive expenditures for the South Platform.

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- Mukilteo Station, South Platform was \$711 thousand over spent. The majority of this was due to the DMJM contract being split between the north and south platform projects, but it had also been expected that the final design work would be completed in 2007.
  - Edmonds Station was \$189 thousand over spent, final design is behind the budgeted schedule shifting the expenditure of costs into 2008.

**ROW** spending was 972% of the 2008 YTD budget, \$1.8 million over the \$210 thousand budgeted for the first quarter of the year.

- Permitting/Environmental Mitigation was \$575 thousand over spent. Acquisitions of the properties were expected to take place in 2007 but two closed in January 2008 and the other two closes in the second quarter of 2008.
- D Street – M Street Track and Signal was \$1.2 million over spent. ROW acquisition had been on hold pending a reevaluation of the preferred alternative. The Sound Transit Board selected a new alignment alternative in December 2007 which allowed the ROW acquisitions to proceed. Three offers for full takes were made in the first quarter of 2008.

**Construction** spending was at 62% of the 2008 YTD budget, \$6.4 million under the \$16.8 million budgeted for the first quarter of the year.

- Layover was \$507 thousand under budget. The Lakewood Layover project has been delayed due to delays in the D Street – M Street Track and Signal project. The L Street Layover Expansion is scheduled to be advertised in the second quarter. In Snohomish County, the Everett Layover project was delayed by protracted negotiations for property lease. The track extension work will be advertised this summer.
- Mukilteo Station, North Platform was \$519 thousand under budget, spending has not occurred at the rate that was anticipated in the 2008 budget.
- Everett Station was \$2.8 million under budget. Construction contract was awarded in April of 2008 rather than the originally anticipated date in the fourth quarter of 2007.
- Seattle-Tacoma Phase II Track and Signal improvements were \$363 thousand under budget. Physical progress on this project on schedule with costs under running the forecasted budget.
- South Tacoma Station was \$1.8 million under budget due to delay in the start of construction which did not begin until January 2008.
- Lakewood Station was \$378 thousand under budget. Contract drawdowns are slightly behind the expected schedule, but project is still expected to be completed for the September service change.

**Vehicle** spending did not occur for the D Street – M Street Track and Signal project and no expenditures are anticipated. The budget represents unallocated phase contingency that will be moved in the next budget cycle.

## Regional Express Capital

### Regional Express - Capital Outlays by Phase For the Quarter Ending March 31, 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	3,332,349	1,113,971	499,874	614,098	45%
Prelim. Engineering	514,379	321,028	43,186	277,842	13%
Final Design	10,656,989	1,600,968	1,390,337	210,631	87%
ROW Acq. & Permits	10,359,223	2,054,987	254,116	1,800,872	12%
Construction	34,121,094	13,098,523	10,076,854	3,021,668	77%
Contingency	1,015,393	1,015,393	-	1,015,393	0%
<b>TOTAL</b>	<b>\$ 59,999,427</b>	<b>\$ 19,204,871</b>	<b>\$ 12,264,367</b>	<b>\$ 6,940,504</b>	<b>64%</b>

#### 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	41,999,341	35,236,898	17,468	6,744,976	84%
Prelim. Engineering	51,332,443	49,231,566	1,863,649	237,228	100%
Final Design	55,874,147	42,926,902	4,500,504	8,446,741	85%
ROW Acq. & Permits	63,290,516	47,415,651	1,962,385	13,912,481	78%
Construction	525,417,690	378,252,103	37,604,090	109,561,497	79%
Contingency	47,327,419	-	-	47,327,419	0%
<b>TOTAL</b>	<b>\$ 785,241,557</b>	<b>\$ 553,063,120</b>	<b>\$ 45,948,096</b>	<b>\$ 186,230,341</b>	<b>76%</b>

## Regional Express Capital Outlay Notes

**Agency Administration** spending was at 45% 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 13% of the 2008 YTD budget, \$278 thousand under the \$321 thousand budgeted for the first quarter of the year.

- Rainier Avenue Arterial Improvements was \$271 thousand under budget. The City of Renton requested and received approval to change the scope of the project in December 2007; this has resulted in the project being behind schedule. The city is the lead on this project and ST's costs are capped.

**Final Design** spending was at 87% of the 2008 YTD budget, \$211 thousand under the \$1.6 million budgeted for the first quarter of the year.

- Kirkland Transit Center was \$473 thousand below budget; final design cannot begin until environmental determination for the project is made. This is expected in early June.
- I-90 Two-way Transit and HOV Operations, Stage 2 was \$355 thousand over spent. WSDOT and ST agreed to share the cost of final design and to simplify invoicing, WSDOT would bill ST's portion of the work first. Now that the project is to be shelved, WSDOT and ST are discussing how ST will be reimbursed for costs that have been charged that exceeded ST's share.

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**ROW** spending was at 12% of the 2008 YTD budget, \$1.8 million under the \$2 million budgeted for the first quarter of the year.

- Renton HOV Access was \$1 million under budget, with the failure of Proposition 1, the future of this project is under evaluation and there is currently no work taking place.
- SR522 HOV Enhancements/Bothell was \$344 thousand under budget. The City of Bothell is the lead agency in acquiring the right-of-way and they are behind schedule. The last parcel to acquire goes to mediation in May. Reimbursement will occur when acquisition is completed.
- Kirkland Transit Center was \$318 thousand under budget. No significant ROW acquisitions will be required and we do not expect to expend these funds. They will be moved from the phase in the next budget cycle.

**Construction** spending was at 77% of the 2008 YTD budget, \$3 million under the \$13.1 million budgeted for the first quarter of the year.

The following projects have exceeded the forecasted budget for the first 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 2007, but the contractor is still working towards completion of the project.
- Issaquah Transit Center was \$512 thousand over spent. This project was scheduled to be completed in January initially but is about three months behind schedule which has pushed more spending into 2008 than was anticipated.

The following projects were below the forecasted budget for the first quarter of the year:

- South Everett Freeway Station was \$1.1 million under budget. Costs are running under the assumed 2008 budgeted cash flow. Construction is progressing on schedule for September completion.
- Bothell Branch Campus Access was \$731 thousand under budget. The project is behind schedule so spending has not occurred at the rate anticipated in the 2008 budget.
- I-90 Two-way Transit & HOV Operations, Stage 1 was \$1.3 million under budget. Spending is running under the anticipated schedule assumed in the 2008 budget.
- Totem Lake Transit Center/Evergreen Medical Center was \$1 million under the budgeted cash flow. This is a capped project and Evergreen Healthcare will seek reimbursement when the project is complete and has been accepted by Sound Transit.
- Mercer Island Park and Ride was \$626 thousand under budget, the majority of these funds are phase level contingency.

**Contingency** spending was at 0% of the 2008 YTD budget of \$1 million. The budget for the Star Lake Freeway Station project was put in the contingency phase pending a decision on whether the project would proceed. That decision will be made this year.

## Link Light Rail

### Link Light Rail - Capital Outlays by Project

As of March 31, 2007

#### Current Year 2008

Project	2008 Adopted Capital Plan	YTD Capital Plan	YTD Actuals	2008 actuals (over)/under 2008 Budget	2008 actuals as % of 2008 Budget
	a	b	c	[b-c]	[c/b]
North Link - Northgate to 45th St	2,572,674	18,734	448	18,286	2%
University Link - PSST to UW Sta	133,480,403	17,399,510	18,646,067	(1,246,557)	107%
North Link - UW Sta to Brooklyn Sta	17,120,609	171,000	2,389	168,611	1%
Initial Segment - CPS to 154th St	275,056,179	71,359,379	49,495,806	21,863,573	69%
DSTT Capital Costs	-	-	-	-	0%
Initial Segment Project Reserve	-	-	-	-	0%
Airport Link - 154th St to 200th St	95,036,996	23,788,074	13,837,838	9,950,236	58%
Tacoma Link	-	-	-	-	0%
Puyallup Extension Study	-	-	-	-	0%
LRT Overhead Reserve	-	-	-	-	0%
<b>TOTAL</b>	<b>523,266,861</b>	<b>112,736,697</b>	<b>81,982,548</b>	<b>30,754,150</b>	<b>73%</b>

#### Lifetime Capital Plan 1997 - 2016

Project	Adopted Capital Plan	Life-to-date Outlays	Contract Remaining	Budget Remaining	% Spent and Committed
	d	e	f	[d-(e+f)]	[(e+f)/d]
North Link - Northgate to 45th St	9,000,000	6,398,701	1,252	2,600,047	71%
University Link - PSST to UW Sta	1,614,007,000	147,608,459	41,534,458	1,424,864,084	12%
North Link - UW Sta to Brooklyn Sta	36,991,957	18,877,704	-	18,114,254	51%
Initial Segment - CPS to 154th St	2,070,000,000	1,748,436,481	171,742,969	149,820,550	93%
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 200th St	243,600,000	144,187,320	92,977,692	6,434,988	97%
Tacoma Link	80,416,000	76,736,873	1,098,178	2,580,949	97%
Puyallup Extension Study	-	34,569	-	(34,569)	0%
LRT Overhead Reserve	-	7,850,539	-	(7,850,539)	0%
<b>TOTAL</b>	<b>4,207,233,701</b>	<b>2,173,850,040</b>	<b>307,354,549</b>	<b>1,726,029,112</b>	<b>59%</b>

### Link Light Rail Capital Outlays Notes

Link Light Rail capital outlays for the first three months of 2008 are 73% of the annual 2008 budget plan.

Description of financial performance through March 2008 follows in detail by project. In addition, DSTT and Tacoma Link projects are not anticipated to have any expenditure for 2008 and are not shown.

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

As of March 31, 2007

### Current Year 2008

Phase	2008 Adopted Capital Plan	YTD Capital Plan	YTD Actuals	2008 actuals (over)/under 2008 Budget	2008 actuals as % of 2008 Budget
	a	b	c	[b-c]	[c/b]
Agency Administration	7,489,466	1,467,000	665,706	801,294	45%
Preliminary Engineering	115,781	-	1,184	(1,184)	0%
Final Design	27,435,736	5,878,000	6,100,251	(222,251)	104%
ROW Acq. & Permits	73,808,166	10,010,000	11,875,497	(1,865,497)	119%
Construction	4,742,366	44,510	3,429	41,081	8%
Vehicles	19,888,888	-	-	-	0%
Test and Startup	-	-	-	-	0%
Contingency	-	-	-	-	0%
<b>TOTAL</b>	<b>133,480,403</b>	<b>17,399,510</b>	<b>18,646,067</b>	<b>(1,246,557)</b>	<b>107%</b>

### 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	7,371,594	43,078	107,814,329	6%
Preliminary Engineering	24,987,511	24,819,708	117,216	50,587	100%
Final Design	95,523,489	33,796,996	30,593,488	31,133,005	67%
ROW Acq. & Permits	157,332,000	72,695,864	10,072,360	74,563,776	53%
Construction	1,107,626,000	8,924,297	708,316	1,097,993,387	1%
Vehicles	103,909,000	-	-	103,909,000	0%
Test and Startup	9,400,000	-	-	9,400,000	0%
Contingency	-	-	-	-	0%
<b>TOTAL</b>	<b>1,614,007,000</b>	<b>147,608,459</b>	<b>41,534,458</b>	<b>1,424,864,084</b>	<b>12%</b>

## University Link Capital Outlay Notes

University Link project capital outlays of \$18.6M for the first quarter of 2008 are 107% of the YTD 2008 budget plan, or \$1.2M ahead of plan.

**Agency Administration** includes Link staff costs and direct charges. The project budget does not include agency allocations after March 31, 2006. Outlays through March 2008 of \$0.7M are 45% of the YTD 2008 budget plan, or \$0.8M under plan. Link staff costs are 76% of the YTD 2008 budget plan, and direct charges are only 5%. Lower than expected outlays for Link staff result from open positions remaining unfilled for the first three months of 2008. Direct charges are below plan, because payments for OCIP/Builder's Risk insurance and anticipated IT related expenses have 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 March 2008 are \$1.2K.

**Final Design** outlays of \$6.1M are 104% of the YTD 2008 budget plan, or \$0.2M over plan. Higher than planned expenditures for the first quarter of 2008 are due to an increased level of effort for the QA program and extra resources required for redesign due to elimination of the pocket track at UW Station.

**Right of Way** acquisitions of \$11.9M are 119% of the YTD 2008 budget plan, or \$1.9M over plan. ST is reaching settlement agreements with property owners and tenants faster than expected, resulting in higher than planned costs for the first quarter of 2008. As of March 2008, ST has acquired 18 of the 19 property parcels certified through purchase and condemnation, and completed 111 of 140 relocations of owners and tenants that are needed for the construction staging area of Capitol Hill Station. Of the 224 parcels required for tunnel easements, 3 have closed and 175 in process. Per the terms of the executed MIA,

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payment to UW for easement of campus properties will be made at the time of Board certification, projected to be in May 2008.

**Construction** outlays of \$3.4K are 8% of the YTD 2008 budget plan, or \$41.1K under plan. Costs incurred during this period are for construction permits. Construction is scheduled to get underway later this year, after ST receives FTA approval.

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

As of March 31, 2007

Current Year 2008					
Phase	2008 Adopted Capital Plan	YTD Capital Plan	YTD Actuals	2008 actuals (over)/under 2008 Budget	2008 actuals as % of 2008 Budget
	a	b	c	[b-c]	[c/b]
Agency Administration	24,244,829	6,044,056	3,822,496	2,221,559	63%
Preliminary Engineering	23,990	23,990	-	23,990	0%
Final Design	4,008,446	1,330,402	659,379	671,023	50%
ROW Acq. & Permits	8,404,093	2,119,016	1,671,242	447,774	79%
Construction	187,610,851	52,691,933	33,488,611	19,203,323	64%
Vehicles	45,814,095	7,800,016	9,393,475	(1,593,459)	120%
Test and Startup	4,949,875	1,349,966	460,602	889,363	34%
Contingency	-	-	-	-	0%
<b>TOTAL</b>	<b>275,056,179</b>	<b>71,359,379</b>	<b>49,495,806</b>	<b>21,863,573</b>	<b>69%</b>
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	151,371,038	1,991,557	39,911,405	79%
Preliminary Engineering	41,124,490	41,070,932	(15,144)	68,702	100%
Final Design	154,084,231	149,511,445	3,630,983	941,803	99%
ROW Acq. & Permits	208,396,250	200,509,034	521,673	7,365,542	96%
Construction	1,323,450,029	1,105,853,999	119,726,888	97,869,142	93%
Vehicles	132,307,000	95,877,621	35,801,035	628,345	100%
Test and Startup	17,364,000	4,242,412	10,085,977	3,035,611	83%
Contingency	-	-	-	-	0%
<b>TOTAL</b>	<b>2,070,000,000</b>	<b>1,748,436,481</b>	<b>171,742,969</b>	<b>149,820,550</b>	<b>93%</b>

### Initial Segment Project Capital Outlay Notes

Initial Segment project capital outlays of \$49.5M for the first quarter of 2008 are 69% of the YTD 2008 budget plan, or \$21.9M under plan.

**Agency Administration** includes: Link staff costs, agency costs allocated to projects, and direct charges. Capital outlays through March 2008 of \$3.9M are 63% of the YTD 2008 budget plan, or \$2.2M under plan. Link staff charges of \$1.8M are 87% of the YTD plan, and direct charges are 45%. Agency allocations (overhead), which are calculated in proportion to other expenditures, are 53% of the YTD plan through this period. Direct charge expenditures for community outreach and communications are below plan, but are expected to ramp up in the coming months in preparation for revenue service. Also, payments for OCIP/Builder's Risk insurance have not been incurred by the project as anticipated.

**Preliminary Engineering** is complete. Activity planned for this phase represents environmental monitoring that will continue throughout construction. No expenditures are reported for the first quarter of 2008.

**Final Design** phase activity represents design services provided in support of construction. Capital outlays of \$0.7M are 50% of the YTD 2008 budget plan, or \$0.7M under plan.

**Right of Way** acquisitions and permits outlays of \$1.7M are 79% of the YTD 2008 budget plan, or \$0.4M under plan. Outlays during the first quarter of 2008 are for the extension of construction easements in the Rainier Valley and Tukwila segments.

**Construction** outlays of \$33.5M are 64% of the YTD 2008 budget plan or under plan by \$19.2M. Under-expenditure is primarily due to: a) delayed access for follow-on systems work is impacting systems performance; b) delay in completing C735 Rainier Valley work by the civil contractor, and reworks to correct errors in installation of items like edge pavers at the station platforms; and c) unallocated construction contingency that was scheduled to be utilized during the first quarter that was not used.

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**Vehicles** The current payment plan for this contract is tied to specific deliverables for the Initial Segment project. Outlays of \$9.4M are 120% of the YTD 2008 budget plan, or \$1.5M over plan, which reflects the effort to bring production back on schedule in the first three months of 2008 after delays late last year.

**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 \$0.5M for the first quarter of 2008 are 34% of the YTD 2008 budget plan, or \$0.9M under plan. Unavailability of staff continued to impact start-up activities throughout the first quarter of 2008.

## Airport Link - 154th to 200th Project - Capital Outlays by Phase

As of March 31, 2007

### Current Year 2008

Phase	2008 Adopted Capital Plan	YTD Capital Plan	YTD Actuals	2008 actuals (over)/under 2008 Budget	2008 actuals as % of 2008 Budget
	a	b	c	[b-c]	[c/b]
Agency Administration	775,000	695,000	468,662	226,338	67%
Preliminary Engineering	200,000	-	2,904	(2,904)	0%
Final Design	1,158,960	1,089,097	514,738	574,359	47%
ROW Acq. & Permits	1,285,934	9,000	87,876	(78,876)	976%
Construction	78,637,193	21,750,000	12,735,228	9,014,772	59%
Vehicles	7,868,996	-	-	-	0%
Test and Startup	979,909	244,977	28,430	216,547	12%
Contingency	4,131,004	-	-	-	0%
<b>TOTAL</b>	<b>95,036,996</b>	<b>23,788,074</b>	<b>13,837,838</b>	<b>9,950,236</b>	<b>58%</b>

### 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	5,000,000	5,388,852	438	(389,290)	108%
Preliminary Engineering	6,504,892	5,893,392	180,447	431,053	93%
Final Design	14,928,921	13,997,043	1,581,652	(649,774)	104%
ROW Acq. & Permits	20,000,000	17,230,676	501,800	2,267,524	89%
Construction	174,666,187	93,832,630	83,857,394	(3,023,837)	102%
Vehicles	15,500,000	7,631,004	6,266,758	1,602,238	90%
Test and Startup	1,000,000	213,724	589,204	197,072	80%
Contingency	6,000,000	-	-	6,000,000	0%
<b>TOTAL</b>	<b>243,600,000</b>	<b>144,187,320</b>	<b>92,977,692</b>	<b>6,434,988</b>	<b>97%</b>

### Airport Link Project Capital Outlay Notes

Airport Link project capital outlays of \$13.8M for the first quarter of 2008 are 58% of the YTD 2008 budget plan, or \$9.95M under plan.

In February 2008, the ST Board approved a resolution amending the Adopted 2008 Budget to revise the Airport Link project lifetime budget to \$269.1M, add a project for the light rail segment from South 176<sup>th</sup> to South 200<sup>th</sup> with a budget of \$3.8M, and treat as property for resale a \$4.1M acquisition for the Kiss-and Ride facility at the Sea-Tac/Airport Link Station (Board Resolution R2008-04, adopted 2/28/08). The amendment to the Airport Link project budget is not reflected in this First Quarter financial review, but will be reflected in agency financial reports beginning in the second quarter.

**Agency Administration** outlays of \$0.5M are 67% of the YTD 2008 budget plan or under plan by \$0.2M. Of this amount: Link staff costs of \$0.2M are 195% of the annual 2008 budget plan, or \$0.1M over plan. Current year and lifetime budget shortfalls for this phase have been funded in the amendment to the Airport Link project budget.

**Preliminary Engineering** Preliminary engineering is complete. Activity planned for this phase represents environmental monitoring that will continue as needed throughout construction. Outlays through March 2008 are \$2.9K.

**Final Design** phase activity represents design services provided in support of construction, as well as redesign of the SeaTac/Airport Station finishes package. Capital outlays of \$0.5M are 47% of the YTD 2008 budget plan, or \$0.6M under plan. A major factor contributing to this under-expenditure is that completion of the station finishes redesign package scheduled for late January 2008 was actually completed in March.

**Right of Way** outlays of \$87.9K exceed the YTD 2008 budget plan by \$78.9K. Expenditures during the first quarter of 2008 are for payments per the lease agreement with the Port of Seattle for the construction staging area.

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**Construction** outlays of \$12.7M are 59% of the YTD 2008 budget, or \$9.0M under plan. Through March 2008 outlays for: a) C410 are 66% of the YTD plan, or \$1.5M under plan due in part to yet to be resolved quantities associated with construction scope modifications between 60% and 100% design drawings; b) C420 are 39% of the YTD plan, or \$4.0M under plan due in part to an over-projection of quarterly construction costs by the construction management (CM) consultant; and c) C430 are 103% of the YTD plan, or \$0.2M over plan; Systems contracts are 14% of the YTD plan, or \$3.1M under plan. Also, the CM consultant was issued notice to proceed two months later than planned.

**Vehicles** The payment plan for this contract is tied to specific deliverables for the Airport Link project. No payments were projected in the YTD 2008 budget plan through March 2008, and no costs were incurred.

**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 \$28.4K for the first quarter of 2008 are 12% of the YTD 2008 budget plan, or \$0.2M under plan.

**Contingency** Surplus lifetime budget of \$6.0M for the Airport Link project was originally set aside in the Contingency phase to address any additional or unforeseen risk for the project.

## Agency Administration Expenses

### Agency Summary by Department

Staff Operating Departments - Before Expense Transfers & Transfers to Other Govts  
For the Quarter Ending March 31, 2008  
Budget to Actuals

	Q1 Actuals	YTD 2008 Actuals	YTD 2008 Budget	YTD Actuals (over)/under YTD Budget	YTD Actuals as % of YTD Budget
Executive	587,571	587,571	883,732	296,162	66%
Policy Planning & Public Affairs	1,267,757	1,267,757	1,200,727	(67,030)	106%
Legal	646,041	646,041	665,999	19,958	97%
Finance & Information Technology	2,265,549	2,265,549	3,025,434	759,885	75%
Link Light Rail	2,768,427	2,768,427	2,828,042	59,615	98%
Capital Projects	653,532	653,532	697,628	44,096	94%
Corporate Services	1,610,830	1,610,830	1,967,317	356,487	82%
Transportation Services	1,065,420	1,065,420	1,268,188	202,768	84%
Non-Departmental	950,773	950,773	977,577	26,804	97%
<b>TOTAL</b>	<b>\$ 11,815,900</b>	<b>\$ 11,815,900</b>	<b>\$ 13,514,644</b>	<b>\$ 1,698,744</b>	<b>87%</b>

### Staff & Other Expenses

For the Quarter Ending March 31, 2008  
Budget to Actuals

	Q1 Actuals	YTD 2008 Actuals	YTD 2008 Budget	YTD Actuals (over)/under YTD Budget	YTD Actuals as % of YTD Budget
Salaries & Benefits	8,776,125	8,776,125	8,902,172	126,047	99%
Services	1,510,368	1,510,368	2,299,748	789,380	66%
Materials & Supplies	125,183	125,183	310,171	184,988	40%
Miscellaneous Expenses	264,871	264,871	568,733	303,862	47%
Leases & Rentals	502,701	502,701	486,522	(16,179)	103%
Other Expenses	113,233	113,233	415,972	302,739	27%
Depreciation	523,419	523,419	531,327	7,908	99%
<b>Gross Staff Operating Expenses</b>	<b>\$ 11,815,900</b>	<b>\$ 11,815,900</b>	<b>\$ 13,514,645</b>	<b>\$ 1,698,745</b>	<b>87%</b>
Expense Transfers	(7,473,414)	(7,473,414)	(9,587,635)	(2,114,221)	78%
<b>Net Staff Operating Expenses</b>	<b>\$ 4,342,486</b>	<b>\$ 4,342,486</b>	<b>\$ 3,927,010</b>	<b>\$ (415,476)</b>	<b>111%</b>
<b>Other Expenses</b>					
Regional Fund Projects	1,691,695	1,691,695	3,651,905	1,960,210	46%
Transit-Oriented Development	5,460	5,460	50,000	44,540	11%
SStart	6,076	6,076	103,075	96,999	6%
Community Development Fund	264,154	264,154	196,634	(67,520)	134%
Debt Service Costs	302	302	912,797	912,495	0%
Non-Capitalizable LOB expenses	820,613	820,613	1,352,958	532,345	61%
<b>Total Other Expenses</b>	<b>\$ 2,788,300</b>	<b>\$ 2,788,300</b>	<b>\$ 6,267,369</b>	<b>\$ 3,479,069</b>	<b>44%</b>
<b>Grand Total Operating Expenses</b>	<b>\$ 7,130,785</b>	<b>\$ 7,130,785</b>	<b>\$ 10,194,379</b>	<b>\$ 3,063,594</b>	<b>70%</b>

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## Staff Operating Notes

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**Salaries and Benefits** were on budget at the end of the first quarter. There were 330 filled corporate department positions on March 31 compared to 371 budgeted positions.

**Services** were below year-to-date budget by \$789K, or 34%, at the end of the first 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 \$185K, or 60%, at the end of the first quarter. The largest variances were in small computer equipment purchases for Information Technology not yet required.

**Miscellaneous Expenses** were below year-to-date budget by \$304K, or 53%, at the end of the first quarter. The largest variances were due to lower than anticipated spending in advertising/promotion in the marketing division and contingency.

**Leases & Rentals** were above the year-to-date budget by \$16K, or 3%, at the end of first quarter. This category includes administrative facilities rent, parking garage lease and meeting space rentals.

**Other Expenses** were below budget by \$303K, or 73%, at the end of the first quarter mainly due to fewer than anticipated insurance expenses in the first quarter. This category includes insurance, utilities, taxes and interest.

**Depreciation** was below on budget at the end of the first quarter. 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 below year-to-date budget by \$2.0M, or 22%, at end of the first quarter. This category represents the allocated overhead dollars that are transferred to capital and operating projects. This category was under budget due to \$1.7M in overall lower spending in the staff operating departments compared with the budget as well as lower spending by the operations and capital programs.

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## Other Non-Operating Expense Notes

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**Regional Fund Projects** were below budget by \$2M or 54%, at the end of the first quarter. This category includes operational spending for Research & Technology, Fare Integration, Phase 2 Planning, and East Corridor Planning. In Fare Integration, \$1.2M was budgeted to provide reimbursements to Partner agencies for Smart Card implementation expenses, but only \$517k was requested by partner agencies. The 2008 East Corridor Planning budget is currently trending below budget. Any savings will be available for preliminary engineering and final EIS preparation, if this future work is authorized by the Board of Directors.

**Transit-Oriented Development** was below the YTD budget by \$45K, or 11%. These funds are for transit-related studies and are only spent as needed.

**STart** was year-to-date below budget by \$97K, or 94%, at the end of first quarter. The operating expense budget for STart is for repairing and maintaining art as it is needed.

**Community Development Fund** was above year-to-date budget by \$68K, or 34%, at the end of the first quarter, due earlier than anticipated mitigation payments.

**Debt Service Costs** were below year-to-date budget by \$903K, or 100%, at the end of the first quarter reflecting a current assumption of full capitalization to capital projects. The capitalization of interest is subject to change due to analysis that occurs closer to year end.

**Non-Capitalizable LOB Expenses** were below YTD budget by \$532K or 39%. Caused by lower than anticipated non-capitalizable costs primarily in Consulting, Accounting / Auditing services and OCIP Insurance claims.

## Subarea Quarter 2008 Summaries

	Snohomish	North King	South King	East King	Pierce	Regional Fund	Total
<b>2008 Tax Revenues</b>							
Mar YTD Budget	10.7	20.9	14.7	21.6	15.2	0.0	83.2
Mar YTD Actuals	10.4	21.2	15.0	21.9	14.8	0.0	83.4
\$ Variance	-0.3	0.3	0.3	0.3	-0.4	0.0	0.2
% Variance	-2.9%	1.6%	2.2%	1.2%	-2.5%	-	0.3%
<b>2008 Farebox Revenues</b>							
Mar YTD Budget	0.8	0.0	0.8	1.7	1.4	0.0	4.7
Mar YTD Actuals	0.7	0.0	0.9	2.0	1.5	0.0	5.1
\$ Variance	0.0	0.0	0.1	0.2	0.1	0.0	0.4
% Variance	-3.2%	-	16.9%	13.3%	8.1%	-	9.4%
<b>2008 Grant Revenues</b>							
Mar YTD Budget	0.8	2.7	1.8	0.5	1.3	0.0	7.2
Mar YTD Actuals	0.6	5.9	5.7	0.1	3.1	0.0	15.4
\$ Variance	-0.2	3.2	3.9	-0.4	1.7	0.0	8.2
% Variance	-26.9%	122.4%	213.4%	-83.4%	129.7%	-92.3%	113.5%
<b>2008 Other Revenues</b>							
Mar YTD Budget	0.1	0.1	0.4	0.1	0.1	7.2	8.0
Mar YTD Actuals	0.1	0.6	0.4	0.1	0.4	6.4	8.1
\$ Variance	0.0	0.5	0.0	0.0	0.3	-0.8	0.1
% Variance	46.1%	345.8%	2.6%	11.3%	204.3%	-10.5%	0.7%

### Subarea Operating Expense & Capital Outlay Summary Millions YOES

	Snohomish	North King	South King	East King	Pierce	Regional Fund	Total
<b>2008 Transit Operating Expenses</b>							
Mar YTD Budget	5.7	-	8.2	12.4	11.7	-	38.0
Mar YTD Actuals	5.1	0.2	7.8	11.0	10.3	-	34.2
Percent Spent	88.4%	-	94.8%	88.7%	87.9%	-	90.2%
<b>2008 Other Operating Expenses</b>							
Mar YTD Budget	0.1	0.6	(0.3)	1.6	1.9	6.2	10.2
Mar YTD Actuals	(0.5)	(2.0)	(1.2)	0.1	(0.2)	10.9	7.1
Percent Spent	NA	NA	NA	NA	NA	NA	NA
<b>2008 Capital Outlays</b>							
Mar YTD Budget	8.8	70.1	47.9	14.9	9.2	2.2	153.4
Mar YTD Actuals	4.9	56.4	29.0	10.5	7.5	(0.2)	108.1
Percent Spent	55.7%	80.5%	60.5%	70.4%	81.5%	-9.1%	70.5%
<b>2008 Lifetime Capital Outlays</b>							
LTD Budget	580.3	3,292.9	1,324.9	623.9	661.4	22.2	6,505.6
LTD Actual	474.0	1,494.7	1,006.3	375.8	456.9	40.0	3,847.8
Outstanding Contracts	(4.5)	(38.6)	35.3	3.6	11.8	(0.1)	7.5
Percent Spent or Committed	80.9%	44.2%	78.6%	60.8%	70.9%	179.7%	59.3%

### Subarea Net Asset Summary Millions YOES

	Snohomish	North King	South King	East King	Pierce	Regional Fund	Total
<b>2008 Net Asset Summary</b>							
Invested Capital Assets	266.7	952.1	651.5	133.5	296.0	22.2	2,321.9
Restricted	5.1	25.4	31.4	-	19.6	24.0	105.5
Unrestricted	17.9	112.9	(36.5)	251.6	110.0	63.8	519.7
<b>Total Net Assets</b>	<b>289.7</b>	<b>1090.4</b>	<b>646.4</b>	<b>385.0</b>	<b>425.5</b>	<b>110.0</b>	<b>2,947.1</b>