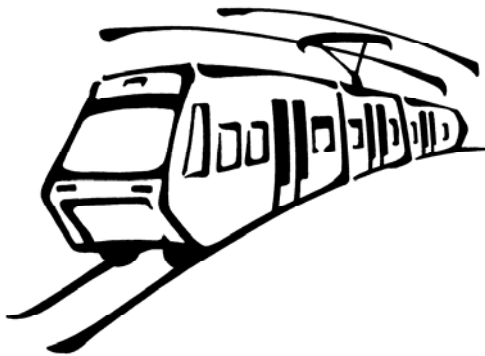
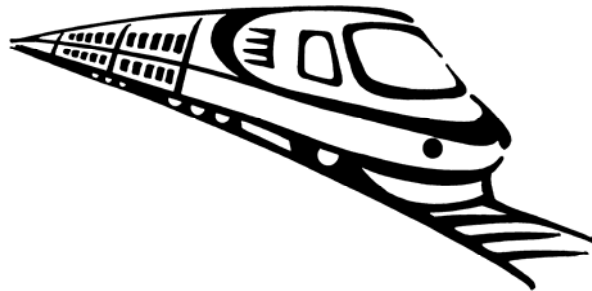




SOUNDTRANSIT

Central Puget Sound
Regional Transit Authority



Quarterly Financial Report
Second Quarter 2008
June 30, 2008

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First Quarterly Financial Report

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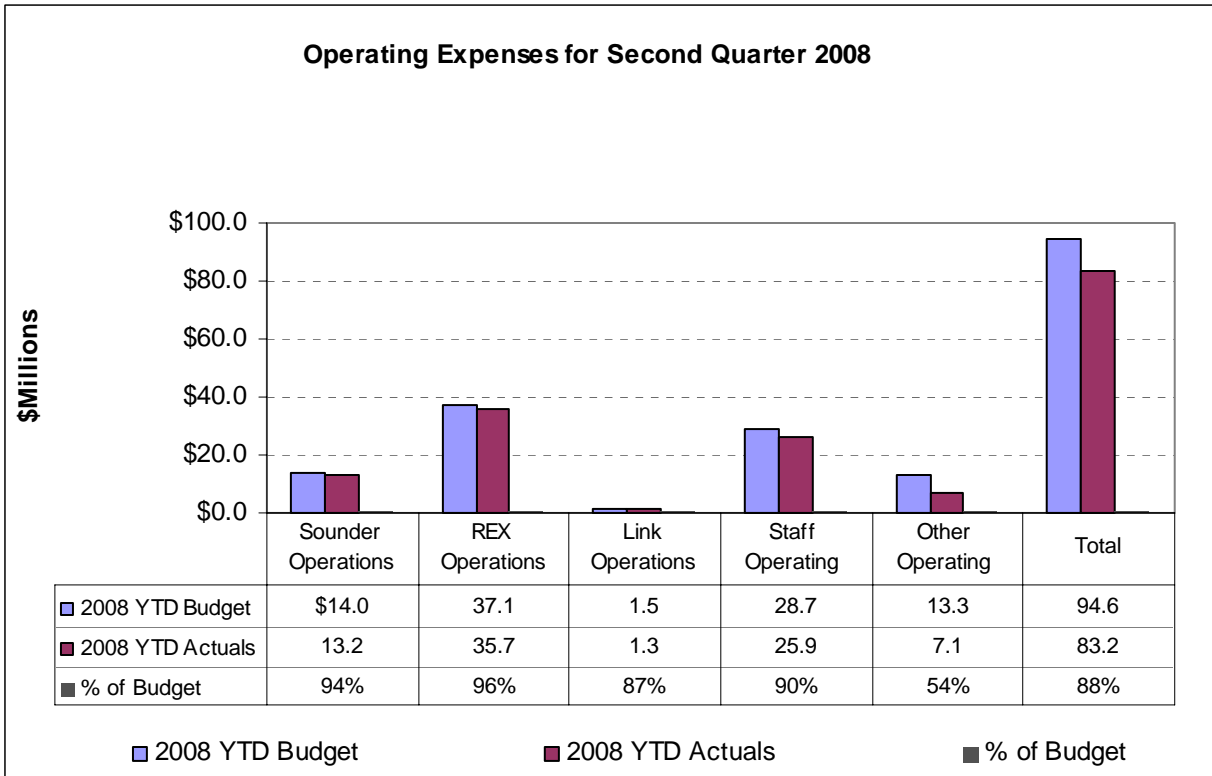
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Expenses

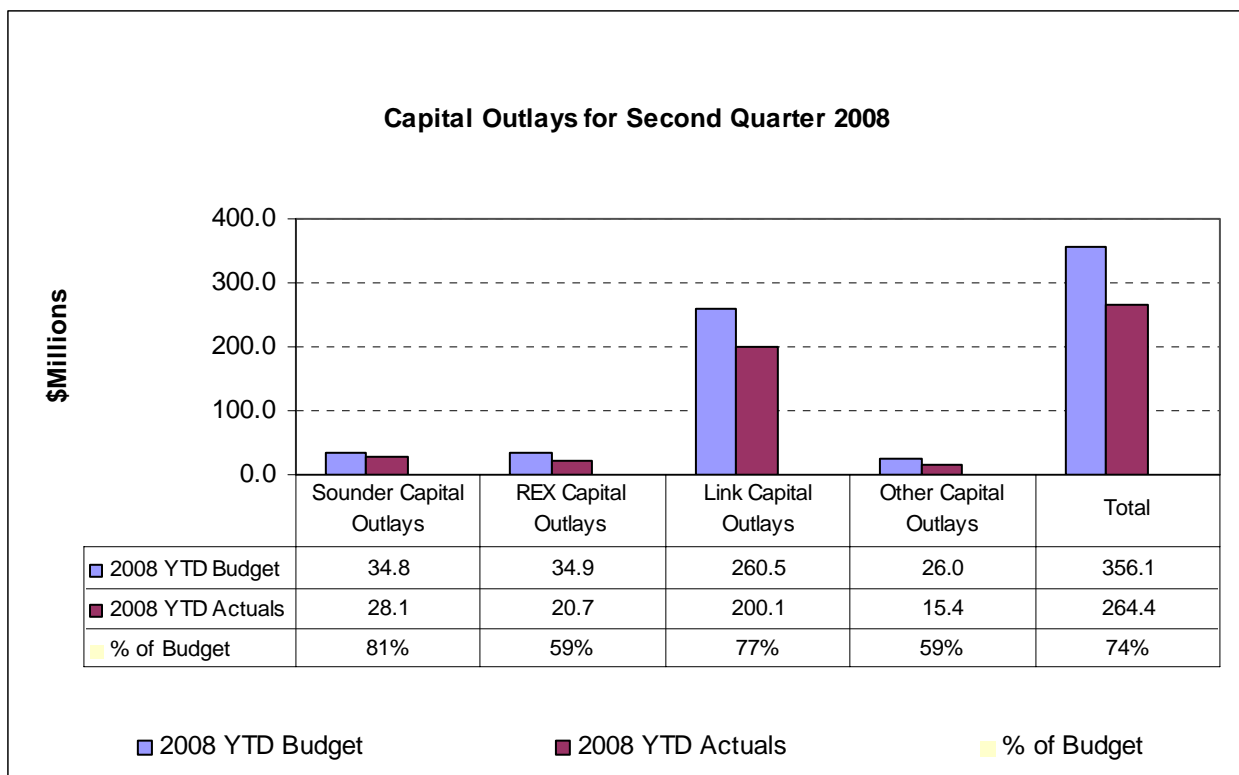
Total agency expenses for the quarter of \$83.2M were below the year-to-date budget of \$94.6M or 88% of budget. Transportation Services direct operating expenses as a percent of budget was: Sounder 94%, ST Express 96% and Tacoma Link 87%. Much of the under-spending was caused by the timing of vehicle and facility maintenance that will occur later in the year.

Regional Fund and Other Operating Expenses of \$4.0M (see Income Statement Table page 4) was \$4.1M 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 \$264.4M were 74% of the year-to-date budget. Capital outlays for Sounder came in at 81% of target since forecasted spending did not anticipate a delay to the start of construction at Everett Station, and lower than predicted spending in the Seattle - Tacoma Track and Signal project. The actual outlays in Regional Express came in at 59% of target primarily due to lower than predicted spending in the final design phase of the Kirkland Transit Center; the ROW phase of Renton HOV Access; and the construction phase of I-90 Two-way Transit and HOV Operations, Stage 1 and Totem Lake Transit Center/Evergreen Medical Center projects. Link capital outlays of \$200.1M were 77% of the year-to-date budget plan. Lower than planned expenditures are due to: delays in Initial Segment construction and subsequent impacts on systems follow-on work, prolonged negotiation and lack of resolution of construction-related issues on the Rainier Valley contract, and slowed productivity at Beacon Hill; and unresolved construction-related issues for the Airport project.



Summary Income Statement

The table below summarizes the annual revenues and expenses for the two quarters ending June 30, 2008. Overall, agency net income before contributions to other governments ended the quarter \$7.0M above budget. This variance is made up of a \$4.5M shortfall to date in total revenues offset by \$11.5M in lower expenses. The two main variances are a later receipt of Federal Grants than we budgeted for and lower than budgeted transit operations, regional fund, and other operating expenses.

Income Statement						
For the Quarter Ending June 30, 2008						
Budget to Actuals						
	Q1 Actuals	Q2 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	172,598,122	173,291,335	(693,213)	100%
Farebox Revenues	5,091,706	6,739,039	11,830,745	9,516,714	2,314,031	124%
Investment Income	7,388,435	3,812,990	11,201,426	12,338,861	(1,137,435)	91%
Other Miscellaneous	733,053	1,207,811	1,940,864	1,272,996	667,868	152%
State & Local Contributions	349,747	9,457,924	9,807,671	611,116	9,196,555	1605%
Federal Grants	15,061,831	21,138,905	36,200,736	50,995,550	(14,794,814)	71%
TOTAL REVENUES	\$ 111,994,978	\$ 131,584,585	\$ 243,579,564	\$ 248,026,571	\$ (4,447,008)	98%
EXPENSES						
Net Staff Operating Divisions	\$ 4,342,486	\$ 5,560,985	\$9,903,471	\$ 9,502,817	(\$400,654)	104%
Transit Operations	34,026,273	36,350,689	\$70,376,961	76,085,232	5,708,271	92%
Regional Fund & Other Operations	1,703,231	2,330,257	\$4,033,489	8,174,323	4,140,834	49%
Community Development Fund	264,154	128,685	\$392,839	45,656	(347,183)	860%
Debt Service	302	566	\$868	1,825,595	1,824,727	0%
Non-Capitalizable LOB expenses	820,613	1,885,632	\$2,706,245	3,240,527	534,282	84%
TOTAL EXPENSES	\$ 41,157,058	\$ 46,256,814	\$ 87,413,872	\$ 98,874,150	\$ 11,460,278	88%
EXCESS REVENUE OVER EXP.	\$70,837,920	\$85,327,771	\$ 156,165,691	\$149,152,421	\$7,013,270	105%
Transfers to Other Governments	-	7,331,849	7,331,849	11,165,647	3,833,798	66%
NET REVENUE OVER EXP.	\$ 70,837,920	\$ 77,995,922	\$ 148,833,842	\$ 137,986,774	\$ 10,847,068	108%

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 \$728.0M from the same period in 2007, and liabilities increased by \$478.3M. Current assets increased by \$216.3M 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 \$445.7M reflecting the activity on capital programs, particularly the Link Light Rail Program.

Summary of Net Assets <i>(in millions)</i>				
	June 30, 2008	June 30, 2007	% Change	Prior Year Variance
Current Assets, excluding Restricted Assets	\$ 597.8	\$ 381.4	57%	\$ 216.3
Restricted Assets	117.5	153.3	-23%	(35.8)
Property, Vehicles and Equipment, Net of Accumulated Depreciation	1,409.4	1,220.6	15%	188.8
Capital Projects in Progress	2,254.7	1,840.6	22%	414.1
Capital Projects in Progress - non ST	63.3	121.6	-48%	(58.3)
Other Non-Current Assets	70.6	67.7	4%	2.9
	-	-	-	-
Total Assets	\$ 4,513.3	\$ 3,785.2	19%	\$ 728.0
Current Liabilities, excluding Interest Payable from Restricted Assets	162.9	152.5	7%	10.3
Interest Payable from Restricted Assets	33.5	15.1	122%	18.4
Long-Term Debt	1,220.2	774.5	58%	445.7
Other Long-Term Liabilities	71.6	67.7	6%	3.9
Total Liabilities	1,488.2	1,009.8	47%	478.3
Net Assets	3,025.1	2,775.4	9%	249.7
Total Liabilities and Net Assets	\$ 4,513.3	\$ 3,785.2	19%	\$ 728.0
Invested in Capital Assets, Net of Related Debt	2,495.9	2,403.0	4%	92.8
Restricted Net Assets	103.5	118.9	-13%	(15.4)
Unrestricted Net Assets	425.8	253.5	68%	172.2
Total Net Assets	\$ 3,025.1	\$ 2,775.4	9%	\$ 249.7

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FINANCIAL DETAIL

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Revenue

Agencywide Revenues						
For the Quarter Ending June 30, 2008						
Budget to Actuals						
	Q1	Q2	YTD	YTD	YTD Actuals	YTD Actuals
	Actuals	Actuals	2008	2008	over/(under)	as % of
			Actuals	Budget	YTD Budget	YTD Budget
REVENUE SOURCES						
Retail Sales and Use Tax	64,812,585	69,401,661	134,214,246	134,796,551	(582,306)	100%
Rental Car Tax	437,734	601,956	1,039,690	958,702	80,988	108%
Motor Vehicle Excise Tax	18,119,888	19,224,299	37,344,187	37,536,081	(191,895)	99%
Farebox Revenue	5,091,706	6,739,039	11,830,745	9,516,714	2,314,031	124%
Investment Income	7,388,435	3,812,990	11,201,426	12,338,861	(1,137,435)	91%
Miscellaneous Revenues	733,053	1,207,811	1,940,864	1,272,996	667,868	152%
OTHER FINANCING						
Local & State Contributions	349,747	9,457,924	9,807,671	611,116	9,196,555	1605%
Federal Grants	15,061,831	21,138,905	36,200,736	50,995,550	(14,794,814)	71%
TOTAL SOURCES	\$ 111,994,978	\$ 131,584,585	\$ 243,579,564	\$ 248,026,571	\$ (4,447,008)	98%

Revenue Notes

Retail Sales and Use Tax is substantially on budget, with a small shortfall from budget year to date of \$582K. Compared to the prior years sales tax is up \$4.4M with the regional economy remains stable through the second quarter.

Rental Car Tax revenues are favorable compared to budget by \$81K or 8% over the second quarter of this year, and up \$47K from the prior year.

Motor Vehicle Excise Tax is also substantially on budget, down \$192K or 1%. Compared to the prior year MVET is up \$1.7M or 4.7%.

Farebox Revenues of \$9.5M YTD exceeds the YTD 2008 budget by \$2.3M or 24% of budget. 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 is below the year to date budget of \$1.1M or 9%. This variance caused mainly by lower than forecasted cash balances along with a lower level of interest rates. The investment portfolio was decreasing through the Fourth Quarter 2007 as maturing investments were being used to fund capital projects.

Miscellaneous Revenues exceeds the YTD budget by \$667K or 52%. Included in this category is Sounder revenue vehicle income, advertising on ST Express buses, rental property income, user license fees, and operating contributions from other governments for their share of facilities costs. The higher revenues primarily relate to rental property, licenses and permitting fees.

Local, State and Federal Grants State and local contributions are above year-to-date budget by \$9.16M. 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 contributions. Local Contributions include contributions to the Community Development Fund and Local Grants for stations and projects. Federal Grants are unfavorable for the second quarter budget by \$-14.79M or 29%, because fewer 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 June 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
	a	b	c	[b - c]	[c/b]
Sounder Commuter Rail	66,507,983	34,784,262	28,126,996	6,657,266	81%
Link Light Rail	523,266,862	260,482,288	200,146,171	60,336,117	77%
Regional Express	59,999,427	34,894,109	20,739,207	14,154,902	59%
Other Capital	38,902,758	25,965,139	15,412,509	10,552,630	59%
TOTAL	\$ 688,677,030	\$ 356,125,799	\$ 264,424,882	\$ 91,700,916	74%

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	997,226,455	35,180,239	187,534,448	85%
Link Light Rail	4,236,501,122	2,292,013,663	253,990,392	1,690,497,067	60%
Regional Express	785,241,557	561,537,960	39,893,555	183,810,042	77%
Other Capital	263,924,429	157,125,969	13,024,497	93,773,963	64%
TOTAL	\$ 6,505,608,250	\$ 4,007,904,048	\$ 342,088,682	\$ 2,155,615,520	67%

Combined Transit Operations Summary

For the Quarter Ending June 30, 2008

ST Express, Sounder, Link, & Accessible Services

	Q1 Actuals	Q2 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	11,830,745	9,956,934	1,873,811	119%
Other Operating Revenues	387,969	867,472	1,255,441	903,621	351,820	139%
Total Operating Revenues	\$ 5,479,675	\$ 7,606,511	\$ 13,086,186	\$ 10,860,555	\$ 2,225,631	120%
Direct Operating Expenses						
Salaries & Benefits	501,615	543,361	1,044,976	1,142,752	97,776	91%
Services	3,526,103	5,453,306	8,979,409	10,312,069	1,332,660	87%
Materials & Supplies	741,967	1,156,648	1,898,615	1,879,719	(18,896)	101%
Insurance	396,719	414,026	810,744	1,155,725	344,980	70%
Purchased Transportation Svcs	18,676,708	17,688,664	36,365,372	37,267,547	902,175	98%
Miscellaneous Expenses	53,368	175,836	229,204	278,677	49,473	82%
Leases & Rentals	90,386	59,643	150,029	167,763	17,734	89%
Other Expenses	361,861	469,552	831,413	910,932	79,518	91%
Total Direct Operating Expenses	\$ 24,348,727	\$ 25,961,035	\$ 50,309,762	\$ 53,115,183	\$ 2,805,421	95%
Agency Admin Allocations	1,412,267	1,814,178	3,226,445	3,641,640	415,195	89%
Fully Allocated Operating Expenses	\$ 25,760,994	\$ 27,775,214	\$ 53,536,207	\$ 56,756,823	\$ 3,220,616	94%
Net Subsidy from Fully Allocated Operations	\$ (20,281,318)	\$ (20,168,703)	\$ (40,450,021)	\$ (45,896,268)	\$ 5,446,247	88%
Contingency	-	-	-	1,382,455	1,382,455	-
Depreciation & Amortization	8,265,279	8,575,475	16,840,754	17,945,954	1,105,200	94%
Net Subsidy from Operations after Depreciation and Amortization	\$ (28,546,597)	\$ (28,744,178)	\$ (57,290,775)	\$ (65,224,677)	\$ 7,933,902	88%
Ridership						
Boardings	3,596,293	3,988,174	7,584,467	7,087,161	497,306	107%
Average Weekday Boardings	50,368	55,758	53,063	49,841	3,222	106%

Overall transit operations spending is at 94% of the YTD budget, but revenues are in excess of budgeted levels, so the total net subsidy is at just 88% of the YTD budget. Ridership continues to grow at a record-setting level. At the end of June, the total average weekday ridership for all modes exceeded 55,000. Specific modal discussion is included below.

Sounder Commuter Rail

Sounder Commuter Rail Transit Operations						
For the Quarter Ending June 30, 2008						
	Q1	Q2	YTD	YTD	YTD Actuals	YTD Actuals
	Actuals	Actuals	2008	2008	to YTD Budget	as a % of
			Actuals	Budget	(over)/under	YTD Budget
Revenues						
Passenger Fares	1,555,364	2,102,167	3,657,531	3,137,692	519,839	117%
Other Operating Revenues	222,629	548,383	771,012	577,121	193,891	134%
Total Operating Revenues	\$ 1,777,993	\$ 2,650,550	\$ 4,428,543	\$ 3,714,813	\$ 713,730	119%
Direct Operating Expenses						
Salaries & Benefits	92,320	127,172	219,492	222,800	3,308	99%
Services	2,439,788	3,023,964	5,463,752	6,305,526	841,773	87%
Materials & Supplies	728,189	1,064,611	1,792,799	1,513,275	(279,525)	118%
Insurance	318,222	335,603	653,825	977,812	323,987	67%
Purchased Transportation Svcs	2,147,275	2,146,212	4,293,486	4,172,970	(120,516)	103%
Miscellaneous Expenses	38,006	102,063	140,069	110,001	(30,068)	127%
Leases & Rentals	68,357	17,517	85,873	132,286	46,413	65%
Other Expenses	211,241	296,647	507,888	576,646	68,758	88%
Total Direct Operating Expenses	\$ 6,043,398	\$ 7,113,787	\$ 13,157,185	\$ 14,011,315	\$ 854,130	94%
Agency Admin Allocations	467,982	601,812	1,069,794	1,104,106	34,312	97%
Fully Allocated Operating Expenses	\$ 6,511,379	\$ 7,715,600	\$ 14,226,979	\$ 15,115,421	\$ 888,442	94%
Net Subsidy from Fully Allocated Operations	\$ (4,733,386)	\$ (5,065,050)	\$ (9,798,436)	\$ (11,400,608)	\$ 1,602,172	86%
Contingency	-	-	-	474,587	474,587	-
Depreciation & Amortization	4,187,494	4,193,051	8,380,545	9,099,674	719,129	92%
Net Subsidy from Operations after Depreciation and Amortization	\$ (8,920,880)	\$ (9,258,101)	\$ (18,178,981)	\$ (20,974,869)	\$ 2,795,889	87%
Ridership						
Boardings	603,431	656,679	1,260,110	1,035,646	224,464	122%
Average Weekday Boardings	9,303	9,947	9,625	8,197	1,428	117%

Revenues and Ridership: Ridership continued to rise, exceeding the ridership of the same period in 2007 by 31% and the YTD forecast by 22%. Passenger Fares were over the YTD budget by 17%. 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 ahead of the budget by 34%.

Services were under the budget by \$854K or 13%. The largest variance was maintenance of vehicles, which was under the budget by \$430K. Major maintenance programs will occur later this year and this item is expected to be at the budget by year end. Maintenance of stations was at 70% of the YTD budget, an increase since the first quarter as some previously delayed work was completed.

Materials & Supplies were above the YTD budget by 18%. The leading expenditure was fuel costs, which were over the budget by \$61K. Increases in fuel costs per gallon have been partially offset by lower than budgeted consumption of fuel and this item is expected to be over the budget at year end

Insurance was under the YTD budget by \$324K or 33%. Claims experience continues to be more favorable than anticipated for Sounder.

Purchased Transportation Services were over the YTD budget by 3%. This account mainly consists of payments to BNSF for train operations and related trackage fees. 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 the budget at year end.

Miscellaneous Expenses were over the YTD budget by \$30K, or 27%. Attributed to Travel and relocation expenses. This item is expected to be at the budget at year end.

Other Expenses, including taxes and utilities, were under the YTD budget by \$69K, or 12%.

ST Express Transit Operations						
For the Quarter Ending June 30, 2008						
	Q1 Actuals	Q2 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	8,173,214	6,819,242	1,353,972	120%
Other Operating Revenues	163,199	315,428	478,627	326,500	152,127	147%
Total Operating Revenues	\$ 3,699,541	\$ 4,952,300	\$ 8,651,841	\$ 7,145,742	\$ 1,506,099	121%
Direct Operating Expenses						
Salaries & Benefits	24,853	24,114	48,967	115,631	66,664	42%
Services	889,964	2,209,047	3,099,011	3,156,578	57,567	98%
Materials & Supplies	2,973	10,995	13,968	251,035	237,068	6%
Insurance	5,617	5,757	11,374	11,004	(370)	103%
Purchased Transportation Svcs	16,529,433	15,542,452	32,071,886	33,094,076	1,022,191	97%
Miscellaneous Expenses	9,448	68,237	77,685	154,700	77,015	50%
Leases & Rentals	22,029	42,127	64,156	33,477	(30,679)	192%
Other Expenses	120,139	148,484	268,623	264,053	(4,571)	102%
Total Direct Operating Expenses	\$ 17,604,456	\$ 18,051,213	\$ 35,655,669	\$ 37,080,554	\$ 1,424,885	96%
Agency Admin Allocations	827,738	1,062,726	1,890,464	2,198,459	307,994	86%
Fully Allocated Operating Expenses	\$ 18,432,195	\$ 19,113,939	\$ 37,546,133	\$ 39,279,013	\$ 1,732,879	96%
Net Subsidy from Fully Allocated Operations	\$ (14,732,653)	\$ (14,161,639)	\$ (28,894,292)	\$ (32,133,271)	\$ 3,238,978	90%
Contingency	-	-	-	789,423	789,423	-
Depreciation & Amortization	3,356,102	3,652,682	7,008,784	7,405,422	396,637	95%
Net Subsidy from Operations after Depreciation and Amortization	\$ (18,088,756)	\$ (17,814,321)	\$ (35,903,077)	\$ (40,328,115)	\$ 4,425,039	89%
Ridership						
Boardings	2,771,272	3,111,703	5,882,975	5,588,460	294,515	105%
Average Weekday Boardings	38,140	42,854	40,497	38,517	1,980	105%

Passenger Fares and Ridership: Passenger Fares were over the YTD 2008 Budget by \$1.3M or 20% while the ridership was 5% higher than the budget. The average fare per boarding.(AFB) is higher than what was budgeted for 2008. The combination of higher AFB and ridership has brought the passenger fares over the budget.

Salaries and Benefits are under YTD budget by \$67K or 58%. Two positions were vacant in the second quarter, 2008 and are being filled by direct hire temporary staff. These positions are expected to be filled during the next quarter. This item is expected to be under the budget at year end.

Services were 98% of YTD budget. Maintenance of stations was at 68% of YTD budget, rising from 36% in the first quarter as more maintenance projects have taken place in second quarter. Security costs were \$74K over the budget due to additional coverage provided at Federal Way TC, reflecting increased need for security based on incidents there earlier this year. The costs for the Downtown Seattle Transit Tunnel maintenance and debt service were 10% above YTD budget as the agreed amount for DSTT maintenance between ST and KCM are slightly higher than what was budgeted in 2008.

Materials and Supplies were at 6% of the YTD budget. There is no purchase of marketing materials for outreach program in the first 6 months of the year. The installation of smart card equipment, which is the largest budgeted item in tool and equipment portion, will take place in the latter half of the year.

Purchased Transportation Services were at 97% of the YTD budget. Budgeted costs are billed evenly over the year, but rising fuel prices could put this item at risk by year-end. Currently, we are accruing for fuel costs is at an estimated rate of \$4.00 per gallon. Assuming the same rate for the rest of the year, the fuel within purchased transportation for ST Express will be over the budget by 22%.

Tacoma Link Light Rail

Tacoma Link Transit Operations For the Quarter Ending June 30, 2008

	Q1 Actuals	Q2 Actuals	YTD Actuals	YTD Budget	YTD Actuals to YTD Budget (over)/under	YTD Actuals as % of YTD Budget
Revenues						
Passenger Fares	-	-	-	-	-	-
Other Operating Revenues	2,141	3,661	5,802	-	5,802	-
Total Operating Revenues	\$ 2,141	\$ 3,661	\$ 5,802	\$ -	\$ 5,802	-
Direct Operating Expenses						
Salaries & Benefits	345,850	339,489	685,339	697,618	12,279	98%
Services	169,635	181,135	350,770	480,944	130,174	73%
Materials & Supplies	10,805	80,974	91,779	102,109	10,330	90%
Insurance	72,880	72,666	145,545	166,908	21,363	87%
Purchased Transportation Svcs	-	-	-	500	500	-
Miscellaneous Expenses	4,854	2,280	7,134	7,775	641	92%
Leases & Rentals	-	-	-	2,000	2,000	0%
Other Expenses	30,257	24,174	54,431	69,633	15,202	78%
Total Direct Operating Expenses	\$ 634,280	\$ 700,718	\$ 1,334,998	\$ 1,527,488	\$ 192,490	87%
Agency Admin Allocations	103,014	132,419	235,433	284,663	49,230	83%
Fully Allocated Operating Expenses	\$ 737,294	\$ 833,137	\$ 1,570,431	\$ 1,812,150	\$ 241,720	87%
Net Subsidy from Fully Allocated Operations	\$ (735,153)	\$ (829,476)	\$ (1,564,629)	\$ (1,812,150)	\$ 247,522	86%
Contingency	-	-	-	90,327	90,327	-
Depreciation & Amortization	721,683	729,742	1,451,425	1,440,859	(10,567)	101%
Net Subsidy	\$ (1,456,836)	\$ (1,559,218)	\$ (3,016,054)	\$ (3,343,336)	\$ 327,283	90%
Ridership						
Boardings	221,590	219,792	441,382	463,055	(21,673)	95%
Average Weekday Boardings	2,925	2,957	2,941	3,127	(186)	94%

Ridership: Ridership was 14% higher than the same period of 2007, but was under the forecast 2008 by 5%. Ridership is expected to be higher during the summer due to special events which are planned in the Tacoma downtown area.

Services were at 73% of YTD budget. Major components include maintenance of stations and facilities, which was at 42% of the YTD budget and maintenance of Vehicles, which was at 76% of the YTD budget. Major vehicle maintenance projects are scheduled for the 2nd half of the year and this item is expected to be at the budget at the year end.

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

Agency Admin Allocations were at 83% 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 June 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	3,263,560	1,803,789	1,621,236	182,554	90%
Preliminary Engineering	546,462	427,699	323,648	104,051	76%
Final Design	531,038	84,880	1,257,030	(1,172,150)	1481%
ROW Acq. & Permits	1,892,905	339,718	4,116,342	(3,776,624)	1212%
Construction	59,917,641	31,905,313	20,808,740	11,096,573	65%
Vehicles	356,378	222,863	-	222,863	0%
Contingency	-	-	-	-	-
TOTAL	\$ 66,507,983	\$ 34,784,262	\$ 28,126,996	\$ 6,657,266	81%

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	49,323,372	39,905,078	-	9,418,294	81%
Preliminary Engineering	27,640,879	25,795,058	754,921	1,090,901	96%
Final Design	34,817,439	30,210,993	752,419	3,854,027	89%
ROW Acq. & Permits	354,120,570	348,412,174	829,616	4,878,781	99%
Construction	561,644,780	409,494,045	32,843,284	119,307,450	79%
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)	-
TOTAL	\$ 1,219,941,142	\$ 997,226,455	\$ 35,180,239	\$ 187,534,448	85%

Souder Capital Notes

Agency Administration spending was at 90% 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 76% of the 2008 YTD budget, \$104 thousand below the \$428 thousand budgeted through the second quarter of the year.

- Tukwila Station was \$79 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 significantly exceeds the 2008 YTD budget at \$1.2 million above the \$85 thousand budgeted through the second quarter of the year.

- Mukilteo Station, North Platform was \$450 thousand under budget and Mukilteo Station, South Platform was \$795 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.
- Edmonds Station was \$325 thousand over spent, final design is behind the budgeted schedule which forecast the work mostly being completed in 2007. The project is also delayed 4 months due to permitting issues.

- South Tacoma Station was \$142 thousand over spent. Expenses for final design were expected to be completed in 2007 but continued into 2008.
- Lakewood Station was \$131 thousand over the phase budget. Funds will be moved from the project contingency in the 2009 budget to cover the shortfall.

ROW spending significantly exceeds the 2008 YTD budget, \$3.8 million over the \$340 thousand budgeted for through the second quarter of the year due to planned expenditures for 2007 occurring in 2008 and pending an alignment decision on D Street – M Street Track and Signal.

- Permitting/Environmental Mitigation was \$575 thousand over spent. Acquisitions of the four properties were expected to take place in 2007, but two closed in January, the third will close in the third quarter and it has been determined that the fourth property will not be needed.
- D Street – M Street Track and Signal was \$2.9 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. 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.

Construction spending was at 65% of the 2008 YTD budget, \$11 million under the \$31.9 million budgeted through the second quarter of the year.

- Layover was \$1.1 million 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 start construction in the fall of 2008. In Snohomish County, the Everett Layover project was delayed by protracted negotiations for property lease. The track extension work will be advertised this fall.
- Everett Station was \$5.8 million under budget. 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.
- Seattle-Tacoma Phase II Track and Signal improvements were \$4.5 million under budget. Physical progress on this project is on schedule with costs under running the forecasted budget, some of the project savings will be captured in the 2009 budget.
- Lakewood Station was \$1.5 million under budget. Expenditures are behind the budgeted schedule, but project is on schedule to be completed for the September service change.
- South Tacoma Station was \$2.2 million over spent. Due to delay in the start of construction, which did not begin until January, more spending anticipated in 2007 is occurring in 2008. Project is within the lifetime budget.

Vehicle spending was 0% of the YTD budget of \$223 thousand for the D Street – M Street Track and Signal project. This is unallocated phase contingency that will be moved to contingency in the 2009 budget cycle.

Regional Express Capital

Regional Express - Capital Outlays by Phase For the Quarter Ending June 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	1,971,396	1,230,486	740,910	62%
Prelim. Engineering	514,379	514,379	476,908	37,471	93%
Final Design	10,656,989	4,360,237	1,150,250	3,209,988	26%
ROW Acq. & Permits	10,359,223	5,197,863	491,175	4,706,688	9%
Construction	34,121,094	21,834,840	17,390,388	4,444,452	80%
Contingency	1,015,393	1,015,393	-	1,015,393	0%
TOTAL	\$ 59,999,427	\$ 34,894,109	\$ 20,739,207	\$ 14,154,902	59%
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	35,967,511	29,949	6,001,882	86%
Prelim. Engineering	51,332,443	49,665,288	1,529,276	137,879	100%
Final Design	55,874,147	42,686,814	3,841,578	9,345,756	83%
ROW Acq. & Permits	63,290,516	47,652,711	1,734,148	13,903,658	78%
Construction	525,417,690	385,565,637	32,758,604	107,093,449	80%
Contingency	47,327,419	-	-	47,327,419	0%
TOTAL	\$ 785,241,557	\$ 561,537,960	\$ 39,893,555	\$ 183,810,042	77%

Regional Express Capital Outlay Notes

Agency Administration spending was at 62% 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 93% of the 2008 YTD budget, \$37 thousand under the \$514 thousand budgeted through the second quarter of the year.

Final Design spending was at 26% of the 2008 YTD budget, \$3.2 million under the \$4.4 million budgeted through the second quarter of the year.

- Kirkland Transit Center was \$1.2 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 bid for construction in April 2009.
- I-90 Two-way Transit and HOV Operations, Stage 2 was \$678 thousand under budget. 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 of the revised smaller project expenditures.
- Renton HOV Access was \$434 thousand under budget, the future of the project has not yet been determined and no work is currently being performed.
- Newcastle Transit Center was \$387 thousand under budget, spending has not occurred at the rate anticipated in the budget but the project is proceeding. Sound Transit's contribution is capped.

- Strander Boulevard Extension was \$332 thousand under budget, the city is the lead on this project and has been working with Union Pacific Railroad which has slowed their progress.

ROW spending was at 9% of the 2008 YTD budget, \$4.7 million under the \$5.2 million budgeted through the second quarter of the year.

- Renton HOV Access was \$2.2 million under budget, with the failure of Proposition 1, the future of this project has not yet been determined and no work is currently being performed.
- SR522 HOV Enhancements/Bothell was \$1.4 million under budget. The City of Bothell is the lead agency in acquiring the right-of-way and they are behind schedule. Reimbursement will occur when acquisition is completed. It is expected that this will be completed in September.
- Kirkland Transit Center was \$686 thousand under budget. No significant ROW acquisitions will be required and we do not expect to expend these funds. The budget will be moved to the project contingency in the next budget cycle.

Construction spending was at 80% of the 2008 YTD budget, \$4.4 million under the \$21.8 million budgeted through the second quarter of the year.

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

- Totem Lake Freeway Station was \$518 thousand over spent. The 2008 budget assumed that the project would be completed in 2007, however substantial completion was not achieved until April 2008. Project is in close out.
- Issaquah Transit Center was \$2.1 million over spent. This project was initially budgeted to be completed in January, but is behind schedule, which has resulted in more spending in 2008 than was anticipated.
- Rainier Avenue Arterial Improvements was \$2.5 million over spent with the authorization of the funding to the City of Renton to rebuild and lengthen the trestle over Rainier Avenue, however construction spending was not budgeted until 2009.
- Redmond Transit Center was \$1.2 million 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 second quarter of the year:

- South Everett Freeway Station was \$742 thousand under budget. Construction is progressing on schedule for a September completion and costs are running below budget, we expect that there will be savings on the project.
- Bothell Branch Campus Access was \$1.5 million under budget. The project is behind schedule so spending has not occurred at the rate anticipated in the 2008 budget. The contractor has not been diligent in completing the project and we are taking steps to see that the work is completed.
- I-90 Two-way Transit & HOV Operations, Stage 1 was \$3.9 million under budget. Spending is under running the schedule assumed in the 2008 budget due to more construction spending taking place in 2007 when the project was \$4.2 million over the 2007 annual budget .
- Totem Lake Transit Center/Evergreen Medical Center was \$2.1 million under budget. Evergreen Healthcare will bill when project is complete and has been accepted by Sound Transit.
- SR522 HOV Enhancements/Kenmore is \$1.2 million 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.

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. It has been determined that there is not a viable project and it will be proposed that the project be closed as part of the 2009 budget process.

Link Light Rail

Link Light Rail - Capital Outlays by Project

As of June 30, 2008

Current Year 2008					
Project	2008 Adopted Capital Plan	Annual Capital Plan	Annual 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	65,744	3,726	62,017	6%
University Link - PSST to UW Sta	133,480,403	57,999,816	56,702,723	1,297,093	98%
North Link - UW Sta to Brooklyn Sta	17,120,609	367,000	7,374	359,626	2%
Initial Segment - CPS to 154th St	275,056,179	154,214,842	107,816,642	46,398,200	70%
DSTT Capital Costs	-	-	-	-	0%
Initial Segment Project Reserve	-	-	-	-	0%
Airport Link - 154th St to 176th St	95,036,997	47,834,886	33,309,552	14,525,335	70%
Airport Link South - 176th St to 200th St	-	-	1,955,631	(1,955,631)	0%
Tacoma Link	-	-	350,523	(350,523)	0%
Puyallup Extension Study	-	-	-	-	0%
LRT Overhead Reserve	-	-	-	-	0%
TOTAL	523,266,862	260,482,288	200,146,171	60,336,117	77%
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	6,401,979	44,376	2,553,645	72%
University Link - PSST to UW Sta	1,614,007,000	185,665,115	32,939,504	1,395,402,381	14%
North Link - UW Sta to Brooklyn Sta	36,991,957	18,882,689	22,876	18,086,393	51%
Initial Segment - CPS to 154th St	2,070,000,000	1,806,757,317	138,187,162	125,055,521	94%
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	161,599,806	82,048,651	25,451,543	91%
Airport Link South - 176th St to 200th St	3,767,420	4,014,858	169	(247,607)	107%
Tacoma Link	80,416,000	77,087,397	747,655	2,580,949	97%
Puyallup Extension Study	-	34,569	-	(34,569)	0%
LRT Overhead Reserve	-	7,850,539	-	(7,850,539)	0%
TOTAL	4,236,501,122	2,292,013,663	253,990,392	1,690,497,067	60%

Capital Outlays Notes

Link Light Rail capital outlays for the first six months of 2008 are 77% of the annual 2008 budget plan.

Description of financial performance through June 2008 follows in detail by project. Since few or no expenditures are anticipated in 2008 for the North Link – Northgate to 45th Street, North Link – UW Station to Brooklyn Station, and DSTT projects, they are not shown.

University Link - PSST to UW Station Project - Capital Outlays by Phase
As of June 30, 2008

Current Year 2008

<u>Phase</u>	<u>2008 Adopted Capital Plan</u>	<u>Annual Capital Plan</u>	<u>Annual Actuals</u>	<u>2008 actuals (over)/under 2008 Budget</u>	<u>2008 actuals as % of 2008 Budget</u>
	<i>a</i>	<i>b</i>	<i>c</i>	<i>[b-c]</i>	<i>[c/b]</i>
Agency Administration	7,489,466	3,240,000	1,355,724	1,884,276	42%
Preliminary Engineering	115,781	-	4,221	(4,221)	0%
Final Design	27,435,736	12,452,306	13,544,509	(1,092,203)	109%
ROW Acq. & Permits	73,808,166	42,024,000	41,793,558	230,442	99%
Construction	4,742,366	283,510	4,712	278,798	2%
Vehicles	19,888,888	-	-	-	0%
Test and Startup	-	-	-	-	0%
Contingency	-	-	-	-	0%
TOTAL	133,480,403	57,999,816	56,702,723	1,297,093	98%

Lifetime Capital Plan 1997 - 2016

<u>Phase</u>	<u>Adopted Capital Plan</u>	<u>Life-to-date Outlays</u>	<u>Contract Remaining</u>	<u>Budget Remaining</u>	<u>% Spent and Committed</u>
	<i>d</i>	<i>e</i>	<i>f</i>	<i>[d-(e+f)]</i>	<i>[(e+f)/d]</i>
Agency Administration	115,229,000	8,061,611	48,744	107,118,645	7%
Preliminary Engineering	24,987,511	24,822,745	8,453	156,313	99%
Final Design	87,879,000	41,241,254	23,288,905	23,348,842	73%
ROW Acq. & Permits	157,332,000	102,613,926	8,835,086	45,882,989	71%
Construction	1,115,270,489	8,925,579	758,316	1,105,586,593	1%
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	185,665,115	32,939,504	1,395,402,381	14%

University Link Project - Capital Outlay Notes

University Link project capital outlays of \$58.7M through the second quarter of 2008 are 98% of the YTD 2008 budget plan, or \$1.3M below plan.

Agency Administration includes: Link staff costs and direct charges. The project budget does not include agency allocations after March 31, 2006. Outlays through June 2008 of \$1.4M are 42% of the YTD 2008 budget plan, or \$1.9M below plan. Link staff costs of \$1.3M are 75% of the YTD 2008 budget plan, and direct charges of \$76K are only 5%. Lower than expected outlays for Link staff result from open positions remaining unfilled during the first six 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 June 2008 are \$4.2K.

Final Design outlays of \$13.5M are 109% of the YTD 2008 budget plan, or \$1.1M ahead of plan. Higher than planned expenditures for the first half of 2008 are due to an increased level of effort for the QA program, and extra resources required in the first quarter of 2008 for redesign due to elimination of the pocket track at UW Station.

Right of Way acquisitions of \$41.8M are 99% of the YTD 2008 budget plan, or \$0.2M below plan. ST is reaching settlement agreements with property owners and tenants as scheduled. As of June 2008, ST has acquired 18 of the 19 property parcels certified through purchase and condemnation, and completed 120 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, offers have been made on 168 parcels, 14 have closed and 9 parcels are in closing. Per the terms of the executed MIA, with the University of Washington, four easements and agreements were executed, and a \$20M payment was issued to UW on May 29, 2008 as scheduled.

Construction outlays of \$4.7K are 2% of the YTD 2008 budget plan, or \$278.8K below plan. Expenditures through June 2008 are only for construction permits. Construction management was scheduled to start in March 2008, but only a limited notice-to-proceed (NTP) was issued to the CM consultant in March 2008, with full NTP issued on June 30, 2008. Contract packages for U210 Advanced Utility Relocation at UW and U211 Demolition and Remediation at Capitol Hill are going out for bid in the third quarter.

Initial Segment - CPS to 154th Project - Capital Outlays by Phase					
As of June 30, 2008					
Current Year 2008					
Phase	2008 Adopted Capital Plan	Annual Capital Plan	Annual Actuals	2008 actuals (over)/under 2008 Budget	2008 actuals as % of 2008 Budget
	<i>a</i>	<i>b</i>	<i>c</i>	<i>[b-c]</i>	<i>[c/b]</i>
Agency Administration	24,244,829	12,832,109	8,101,286	4,730,822	63%
Preliminary Engineering	23,990	23,990	-	23,990	0%
Final Design	4,008,446	2,259,885	1,484,644	775,241	66%
ROW Acq. & Permits	8,404,093	4,276,042	2,664,957	1,611,084	62%
Construction	187,610,851	108,522,836	71,045,744	37,477,092	65%
Vehicles	45,814,095	23,600,049	23,405,181	194,868	99%
Test and Startup	4,949,875	2,699,932	1,114,829	1,585,103	41%
Contingency	-	-	-	-	0%
TOTAL	275,056,179	154,214,842	107,816,642	46,398,200	70%
Lifetime Capital Plan 1997 - 2009					
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	193,274,000	155,649,828	1,584,247	36,039,925	81%
Preliminary Engineering	41,124,490	41,070,932	9,553	44,004	100%
Final Design	154,084,231	150,336,709	2,789,249	958,274	99%
ROW Acq. & Permits	208,396,250	201,502,750	466,877	6,426,623	97%
Construction	1,323,450,029	1,143,411,132	101,811,822	78,227,075	94%
Vehicles	132,307,000	109,889,327	21,789,328	628,345	100%
Test and Startup	17,364,000	4,896,639	9,736,086	2,731,275	84%
Contingency	-	-	-	-	0%
TOTAL	2,070,000,000	1,806,757,317	138,187,162	125,055,521	94%

Initial Segment Project - Capital Outlay Notes

Initial Segment project capital outlays of \$107.8M through the second quarter of 2008 are 70% of the YTD 2008 budget plan, or \$46.4M below plan.

Agency Administration includes: Link staff costs, agency costs allocated to projects, and direct charges. Capital outlays through June 2008 of \$8.1M are 63% of the YTD 2008 budget plan, or \$4.7M below plan. Link staff charges of \$3.5M are 87% of the YTD plan, payments for OCIP/Builder's Risk insurance of \$0.8M are 76%, and direct charges of \$0.7M are 37%. Agency allocations (overhead), which are calculated in proportion to overall project expenditures, are \$3.1M or 53% of the YTD plan through this period. Direct charges expenditures for community outreach and agency communications are below plan, but are expected to ramp up in the coming months in preparation for revenue service.

Preliminary Engineering is complete. Activity planned for this phase represents environmental monitoring that will continue throughout construction. **Final Design** phase activity represents design services provided in support of construction. Capital outlays of \$1.5M are 66% of the YTD 2008 budget plan, or \$0.8M below plan.

Right of Way acquisitions and permits outlays of \$2.7M are 62% of the YTD 2008 budget plan, or \$1.6M below plan. Outlays in the second quarter of 2008 are for acquisition of construction easements and other property interests in the Rainier Valley, Beacon Hill and Tukwila segments.

Construction outlays of \$71.0M are 65% of the YTD 2008 budget plan, below plan by \$37.5M. Under-expenditure is primarily due to:

- delayed access for follow-on systems work is impacting systems construction/installation performance;
- longer than anticipated time to resolve and settle construction related issues with the C735 Rainier Valley contractor;
- slower productivity at Beacon Hill; and
- unutilized unallocated construction contingency that was scheduled to be used by the second quarter to resolve and settle construction related issues.

Vehicles The current payment plan for this contract is tied to specific deliverables for the Initial Segment project. Outlays of \$23.4M are 99% of the YTD 2008 budget plan, or \$0.2M below plan. Production is back on schedule: all LRV car bodies are in Everett for final assembly, and 28 LRVs have been delivered to the O&M Facility.

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 \$1.1M through the second quarter of 2008 are 41% of the YTD 2008 budget plan, or \$1.6M below plan. Although unavailability of staff continued to impact operations activities during the second quarter of 2008, hiring has been accelerated, and expenditures are expected to approach the annual budget plan by year end.

Airport Link - 154th to 176th Project - Capital Outlays by Phase					
As of June 30, 2008					
Current Year 2008					
Phase	(Amended) 2008 Adopted Capital Plan	(Amended) Annual Capital Plan	Annual Actuals	2008 actuals (over)/under 2008 Budget	2008 actuals as % of 2008 Budget
	<i>a</i>	<i>b</i>	<i>c</i>	<i>[b-c]</i>	<i>[c/b]</i>
Agency Administration	4,114,854	2,053,490	691,173	1,362,317	34%
Preliminary Engineering	138,631	63,879	(1,306,993)	1,370,871	-2046%
Final Design	2,082,893	953,191	470,411	482,780	49%
ROW Acq. & Permits	1,000,000	366,660	152,853	213,807	42%
Construction	81,073,197	44,097,666	33,245,479	10,852,187	75%
Vehicles	5,912,636	-	(8,685)	8,685	0%
Test and Startup	714,786	300,000	65,314	234,686	22%
Contingency	-	-	-	-	0%
TOTAL	95,036,997	47,834,886	33,309,552	14,525,335	70%
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	5,611,363	3,616	6,602,256	46%
Preliminary Engineering	4,833,997	4,583,495	133,747	116,755	98%
Final Design	16,136,027	13,952,716	1,011,232	1,172,080	93%
ROW Acq. & Permits	12,843,087	15,236,425	1,082,422	(3,475,760)	127%
Construction	205,982,608	114,342,881	72,989,905	18,649,822	91%
Vehicles	14,587,047	7,622,319	6,275,443	689,285	95%
Test and Startup	1,000,000	250,608	552,287	197,105	80%
Contingency	1,500,000	-	-	1,500,000	0%
TOTAL	269,100,000	161,599,806	82,048,651	25,451,543	91%

Airport Link Project - Capital Outlay Notes

The Airport Link project lifetime budget reflects an amendment to the Adopted 2008 Budget for this project that was adopted by resolution of the ST Board in February 2008 (Board Resolution R2008-04, adopted

2/28/08). The project lifetime budget was increased by \$25.5M to the revised total amount of \$269.1M based on the revised cost to complete for redesign of the airport station and associated facilities (Station Finishes). The resolution also created a new project for the light rail segment extending from South 176th to South 200th with a budget of \$3.8M to separately manage and report the costs directly attributable to that segment, and treat as property for resale a \$4.1M acquisition for the Kiss-and-Ride facility at the Sea-Tac/Airport Link Station.

Airport Link project capital outlays of \$33.3M through the second quarter of 2008 are 70% of the amended YTD 2008 budget plan or \$14.5M below plan. Actual outlays reflect the transfer of historical costs in April 2008 to the new Airport Link South project. 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 amended annual 2008 budget plan. Excluding this impact, Airport Link project capital outlays would be \$35.3M, which is 74% of the YTD 2008 budget plan, or \$12.6M below plan.

Agency Administration includes Link staff costs, agency allocations, OCIP/Builder's Risk insurance and other direct charges. Outlays of \$0.7M are 34% of the amended YTD 2008 budget plan, or below plan by \$1.4M. Excluding the impact of the transfer to the Airport Link South project, outlays would be \$1.0, which is 46% of the YTD 2008 budget plan, or \$1.1M under plan. Lower than planned expenditures are primarily in agency allocations, which are calculated in proportion to overall project expenditures, and should reach projected levels by year-end.

Preliminary Engineering Preliminary engineering is complete. Activity planned for this phase represents environmental monitoring that will continue as needed throughout construction. Preliminary engineering costs attributable to the light rail segment from South 176th to South 200th 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 \$0.5M are 49% of the amended YTD 2008 budget plan, or \$0.5M under plan. Since \$0.4M of this amount is attributable to the transfer to the Airport Link South project in April 2008, this category is substantially on plan.

Right of Way outlays of \$0.2M are 42% of the amended YTD 2008 budget, or \$0.2M under plan. The lifetime budget for this phase was amended to exclude a \$4.1M property acquired in prior years for construction related uses and for the Kiss-and-Ride facility at the Sea-Tac/Airport Link Station. A portion of this property is to be sold. Until the costs for this acquisition are transferred to land held for resale, life-to-date outlays will exceed the amended lifetime budget.

Construction outlays of \$33.2M are 75% of the amended YTD 2008 budget, or \$10.9M below plan. Through June 2008 outlays for:

- C410 Elevated Structure - 154th St. to 160th St. are 52% of the YTD plan, or \$2.5M under plan. All open items are being negotiated, and are expected to be resolved in the third quarter of 2008
- C420 Guideway at Grade and Elevated - 160th St. to 170th St. are 58% of the YTD plan, or \$6.7M under plan due to pending payments for trend items and settled claims.
- C430 Station, Elevated Structure, Pedestrian Bridge and Kiss-and-Ride - 170th to 176th St. are 114% of the YTD plan, or \$2.1M ahead of plan; and the Systems traction power (TPSS) contract is 13% of the YTD plan, or \$2.6M under plan.

Vehicles The payment plan for this contract is tied to specific deliverables for the Airport Link project. Outlays of \$33.2M are 75% of the amended YTD 2008 budget plan, or \$10.9M below plan, because conditional acceptance and final acceptance are not progressing as planned. However, the overall procurement (delivery and testing) remains on schedule for Revenue Service in 2009. All LRV car bodies for Airport Link are in Everett for final assembly.

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 \$65.3K through the second quarter of 2008 are 22% of the amended YTD 2008 budget plan, or \$0.2M 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					
Current Year 2008					
Phase	(Amended) 2008 Adopted Capital Plan	(Amended) Annual Capital Plan	Annual Actuals	2008 actuals (over)/under 2008 Budget	2008 actuals as % of 2008 Budget
	<i>a</i>	<i>b</i>	<i>c</i>	<i>[b-c]</i>	<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	-	-	129	(129)	0%
Construction	-	-	-	-	0%
Vehicles	-	-	-	-	0%
Test and Startup	-	-	-	-	0%
Contingency	-	-	-	-	0%
TOTAL	-	-	1,955,631	(1,955,631)	0%
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	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	2,059,357	169	(87,610)	104%
Construction	-	-	-	-	0%
Vehicles	-	-	-	-	0%
Test and Startup	-	-	-	-	0%
Contingency	-	-	-	-	0%
TOTAL	3,767,420	4,014,858	169	(247,607)	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 (Board Resolution R2008-04, adopted 2/28/08) 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 amended annual 2008 budget plan. Life-to-date outlays exceed the lifetime project budget, because agency allocations are overstated in the cost transfers, which will be corrected in third quarter reports.

Tacoma Link Project - Capital Outlays by Phase

As of June 30, 2008

Current Year 2008

Phase	2008 Adopted Capital Plan	Annual Capital Plan	Annual Actuals	2008 actuals (over)/under 2008 Budget	2008 actuals as % of 2008 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)	#DIV/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	86,335	1,102,395	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	747,655	2,580,949	97%

Tacoma Link Project - Capital Outlay Notes

Tacoma Link project began revenue services in August 2003. Warranty parts for the light rail vehicle were delivered in June 2008, and all but \$10K of the final payment for LRV procurement has been paid. Total project outlays are forecast to be \$3.8M under budget when project close-out is completed.

Agency Administration Expenses

Agency Summary by Department

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

	Q1 Actuals	Q2 Actuals	YTD 2008 Actuals	YTD 2008 Budget	YTD Actuals (over)/under YTD Budget	YTD Actuals as % of YTD Budget
Executive	587,571	945,403	1,532,974	2,045,887	512,913	75%
Policy Planning & Public Affairs	1,267,757	1,185,760	2,453,516	2,533,044	79,528	97%
Legal	646,041	559,911	1,205,952	1,395,283	189,331	86%
Finance & Information Technology	2,265,549	3,308,582	5,574,131	6,299,809	725,678	88%
Link Light Rail	2,768,427	2,898,202	5,666,629	6,003,347	336,718	94%
Capital Projects	653,532	703,260	1,356,792	1,503,412	146,620	90%
Corporate Services	1,610,830	2,277,816	3,888,646	4,304,459	415,814	90%
Transportation Services	1,065,420	1,272,830	2,338,250	2,637,691	299,440	89%
Non-Departmental	950,773	903,282	1,854,054	1,955,154	101,100	95%
TOTAL	\$ 11,815,900	\$ 14,055,046	\$ 25,870,945	\$ 28,678,086	\$ 2,807,141	90%

Staff & Other Expenses

For the Quarter Ending June 30, 2008
Budget to Actuals

	Q1 Actuals	Q2 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	18,041,633	19,162,801	1,121,168	94%
Services	1,510,368	1,843,428	3,353,796	4,602,886	1,249,090	73%
Materials & Supplies	125,183	305,093	430,276	622,543	192,267	69%
Miscellaneous Expenses	264,871	937,036	1,201,907	1,420,166	218,259	85%
Leases & Rentals	502,701	455,944	958,645	973,794	15,149	98%
Other Expenses	113,233	742,932	856,165	833,243	(22,922)	103%
Depreciation	523,419	505,104	1,028,523	1,062,654	34,131	97%
Gross Staff Operating Expenses	\$ 11,815,900	\$ 14,055,046	\$ 25,870,945	\$ 28,678,087	\$ 2,807,142	90%
Expense Transfers	(7,473,414)	(8,494,061)	(15,967,475)	(19,175,270)	(3,207,795)	83%
Net Staff Operating Expenses	\$ 4,342,486	\$ 5,560,985	\$ 9,903,470	\$ 9,502,817	\$ (400,653)	104%
Other Expenses						
Regional Fund Projects	1,691,695	2,298,133	3,989,828	7,868,173	3,878,345	51%
Transit-Oriented Development	5,460	22,635	28,095	100,000	71,905	28%
STart	6,076	9,489	15,566	206,150	190,584	8%
Community Development Fund	264,154	128,685	392,839	45,656	(347,183)	860%
Debt Service Costs	302	566	868	1,825,595	1,824,727	0.05%
Non-Capitalizable LOB expenses	820,613	1,885,632	2,706,245	3,240,527	534,282	84%
Total Other Expenses	\$ 2,788,299	\$ 4,345,140	\$ 7,133,449	\$ 13,286,101	\$ 6,152,661	54%
Grand Total Operating Expenses	\$ 7,130,784	\$ 9,906,125	\$ 17,036,919	\$ 22,788,918	\$ 5,752,008	75%

Staff Operating Notes

Salaries and Benefits were below budget by \$1.1M or 6%, at the end of the second quarter, mainly due to lower than budgeted headcount which directly affects these expenditure levels. There were 337 filled corporate department positions on June 31 compared to 382 budgeted positions.

Services were below year-to-date budget by \$1.2M, or 27%, at the end of the second quarter, mainly due to the timing of when software maintenance services for Finance & Information Technology incurred and human resource services.

Materials and Supplies were below year-to-date budget by \$192K, or 31%, at the end of the second quarter. The largest variances were in small computer equipment purchases for Information Technology not yet required and postage for the communications division.

Miscellaneous Expenses were below year-to-date budget by \$218K, or 15%, at the end of the second quarter and contingency in the Executive Department.

Expense Transfers were below year-to-date budget by \$3.2M, or 17%, at end of the second quarter. This category represents the allocated overhead dollars that are transferred to capital and operating projects. This category was under budget due to \$2.8M in overall lower spending in the staff operating departments 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 \$3.9M or 49%, at the end of the second quarter. This category includes operational spending for Research & Technology, Fare Integration, Phase 2 Planning, and East Corridor Planning. In Fare Integration, \$466K is budgeted to provide reimbursements to partner agencies for smart card implementation expenses in 2008; to date, \$225K 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, if this future work is authorized by the Board of Directors.

Transit-Oriented Development was below the YTD budget by \$71.9K or 72%, at the end of second quarter. These funds are for transit-related studies and are only spent as needed.

STart was year-to-date below budget by \$191K, or 92%, at the end of second 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 \$347K, or 860%, of budget at the end of the second quarter due to earlier than planned mitigation payments.

Debt Service Costs were below year-to-date budget by \$1.8M, or 99%, at the end of the second 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 \$534K or 16% mainly due to lower than planned 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							
Jun YTD Budget	22.4	43.6	30.6	45.1	31.6	0.0	173.3
Jun YTD Actuals	21.3	44.6	31.2	45.3	30.2	0.0	172.6
\$ Variance	-1.1	1.0	0.6	0.2	-1.4	0.0	-0.7
% Variance	-4.9%	2.3%	2.0%	0.4%	-4.4%	-	-0.4%
2008 Farebox Revenues							
Jun YTD Budget	1.6	0.0	1.5	3.5	2.9	0.0	9.5
Jun YTD Actuals	1.8	0.0	2.0	4.5	3.5	0.0	11.8
\$ Variance	0.2	0.0	0.5	1.0	0.6	0.0	2.3
% Variance	12.5%	-	34.0%	28.6%	20.7%	-	24.2%
2008 Grant Revenues							
Jun YTD Budget	3.6	25.9	14.7	1.1	5.8	0.0	51.1
Jun YTD Actuals	2.5	14.9	18.4	0.2	9.7	0.4	46.0
\$ Variance	-1.1	-11.0	3.7	-0.9	3.9	0.4	-5.1
% Variance	-30.0%	-42.6%	24.9%	-85.1%	66.7%	1334.5%	-10.0%
2008 Other Revenues							
Jun YTD Budget	0.2	0.3	0.8	0.1	0.4	11.8	13.6
Jun YTD Actuals	0.3	1.2	1.0	0.2	0.8	9.6	13.1
\$ Variance	0.1	0.9	0.2	0.1	0.4	-2.2	-0.5
% Variance	54.8%	308.3%	19.0%	210.5%	103.9%	-18.7%	-3.5%

Subarea Operating Expense & Capital Outlay Summary Millions YOES

	Snohomish	North King	South King	East King	Pierce	Regional Fund	Total
2008 Transit Operating Expenses							
Jun YTD Budget	11.4	0.8	17.5	25.4	21.0	-	76.1
Jun YTD Actuals	10.3	0.4	16.3	23.8	20.1	-	70.8
Percent Spent	90.3%	47.0%	93.2%	93.6%	95.5%	-	93.1%
2008 Other Operating Expenses							
Jun YTD Budget	0.1	0.6	(0.3)	1.6	1.9	18.8	22.8
Jun YTD Actuals	(0.2)	0.1	(0.1)	0.2	0.1	17.0	17.0
Percent Spent	NA	NA	NA	NA	NA	NA	NA
2008 Capital Outlays							
Jun YTD Budget	8.9	70.1	47.9	14.9	9.2	2.4	153.4
Jun YTD Actuals	13.2	134.7	71.0	17.8	27.3	0.5	264.4
Percent Spent	148.0%	192.1%	148.2%	119.2%	297.2%	21.7%	172.4%
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	482.2	1,573.5	1,048.3	383.0	476.8	44.0	4,007.8
Outstanding Contracts	0.2	134.6	128.8	34.0	17.0	6.0	320.6
Percent Spent or Committed	83.1%	51.9%	88.8%	66.8%	74.7%	225.2%	66.5%

Subarea Net Asset Summary Millions YOES

	Snohomish	North King	South King	East King	Pierce	Regional Fund	Total
2008 Net Asset Summary							
Invested Capital Assets	276.3	1,051.0	700.4	131.7	314.2	22.2	2,495.9
Restricted	5.1	25.2	30.5	-	18.9	23.8	103.5
Unrestricted	17.1	45.4	(63.1)	258.2	107.0	61.2	425.8
Total Net Assets	298.4	1121.6	667.8	390.0	440.1	107.2	3,025.1