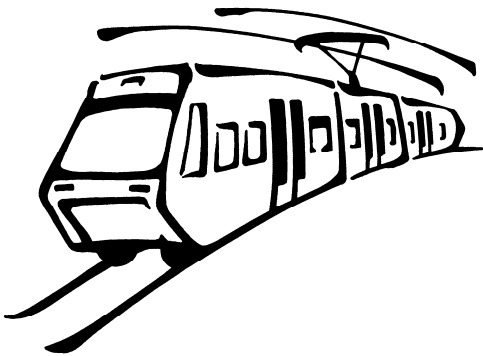
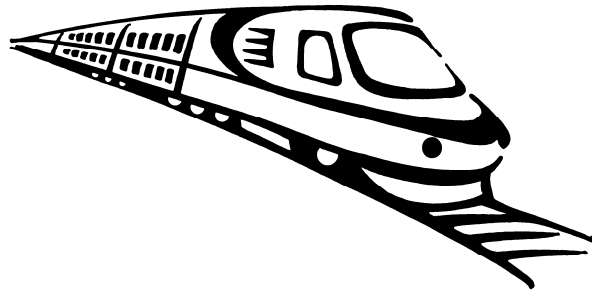
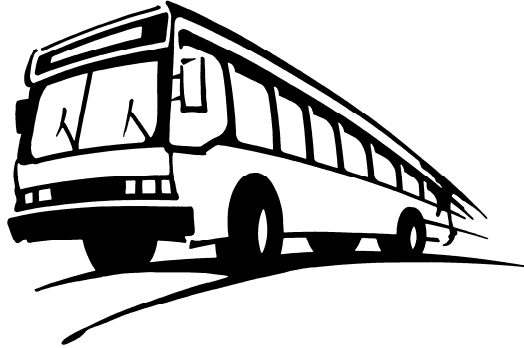




SOUNDTRANSIT

**Central Puget Sound
Regional Transit Authority**



**Quarterly Financial Report
Fourth Quarter 2009
December 31, 2009**

**Quarterly Financial Report
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TO: Board of Directors

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

SUBJECT: Fourth Quarter 2009 Financial Report

Executive Summary

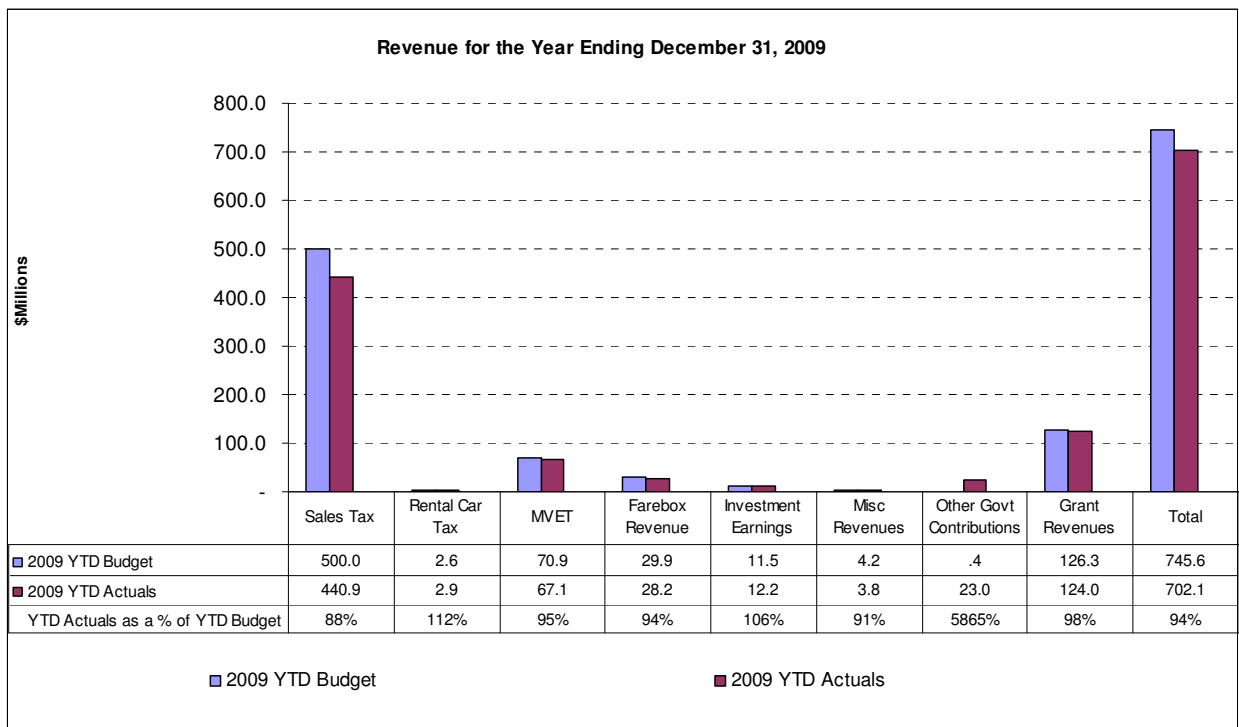
This report summarizes Sound Transit’s financial performance for revenues, transit operations, capital outlays and staff operations for the fourth quarter of 2009. The discussion and graphs below summarize the budget and financial results, followed by more detailed financial data with notes assessing the agency’s performance to budget and summarized subarea information.

These results, while substantially finalized, are based on preliminary year-end financial information not yet subject to audit, and not all year-end financial adjustments have been reflected in these results.

Revenues

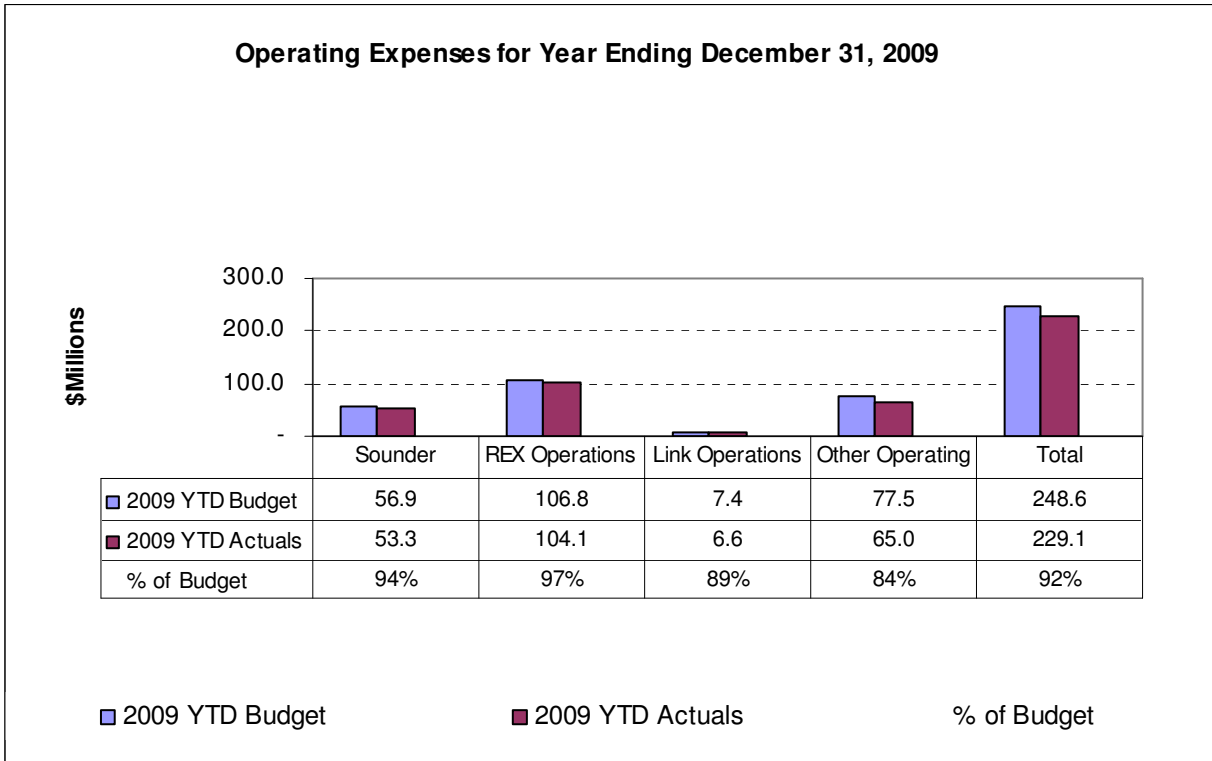
The total agency revenues for the year ending December 2009 of \$702.1M, were \$43.5M or 6% below budget. This variance is primarily attributable to Sales Tax revenue of \$440.9M which was \$59.0M or 12% below budget. Motor Vehicle Excess Tax of \$67.1M was \$3.8M or 5% below budget. Rental Car Tax revenue of \$2.9M was 12% above budget. Other Government Contributions exceeded budget by \$22.6M, as well as Investment Earnings of \$12.2M which were 6% above budget.

The remaining revenues performed below budget with Farebox Revenue of \$28.2M or 94% of budget, Grant revenues of \$124.0M or 98% of budget, and Miscellaneous Revenues of \$3.8M or 91% of budget.



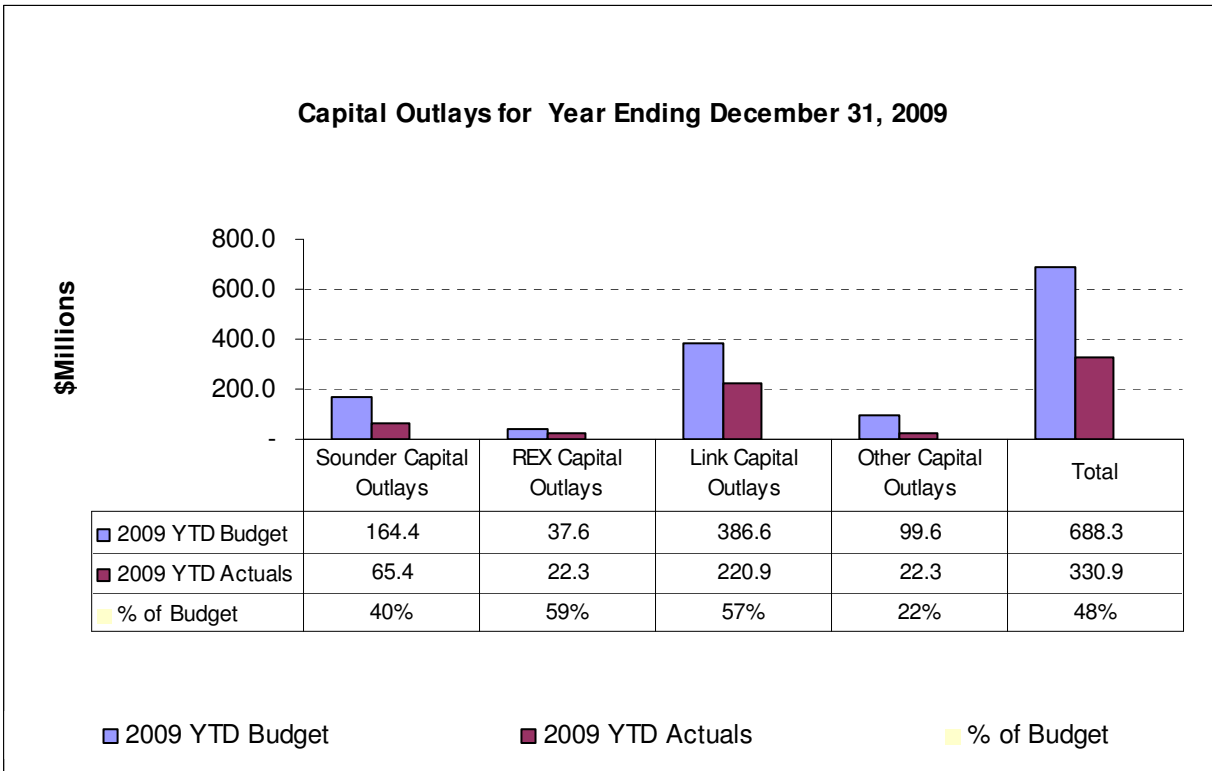
Expenses

Total agency expenses for the year of \$229.1M were below budget by \$19.5M or 8%. Transit operations expenses as a percent of budget were: Sounder 94%, ST Express 97% and Link 89%. Much of the lower than planned spending for transit operations was due to lower than budgeted fuel costs. The combined Systemwide, Staff, and Other Operating Expenses of \$65.0M were \$12.5M under budget mainly due to lower than expected systemwide project spending.



Capital Outlays

Total agency capital outlays of \$330.9M were at 48% of budget. Capital outlays for Sounder were 40% of budget due to lower spending than was budgeted in the track and signal projects between Seattle and Lakewood. Capital outlays for Regional Express were 59% of budget primarily due to lower than predicted spending in the Mountlake Terrace Freeway Station, Renton HOV Access and 85th Corridor, and Kirkland projects. Link capital outlays were at 57% of budget through year-end and other capital outlays were at 22% of budget.



Summary Income Statement

The following table summarizes Revenue and Expenses by quarter and for the year ended December 31, 2009. Net revenues over expenses are under budget by \$22.0M or 5%.

Total Revenues are below Budget by \$43.5M or 6%. This variance is primarily attributable to Sales Tax revenue of \$440.9M which was \$59.0M or 12% below budget. Farebox Revenue and Federal Grants were at 94% and 98% of their respective budgets. These were partly offset by Local & State Contributions which exceeded budget by \$22.6M.

Total expenses were below budget by \$27.2M or 10% of budget, with all major expense categories below their budgeted levels.

Income Statement (in thousands)								
For the Year Ending December 31, 2009								
Budget to Actuals								
	Q1	Q2	Q3	Q4	YTD	YTD	YTD Actuals	YTD Actuals
	Actuals	Actuals	Actuals	Actuals	2009	2009	to YTD Budget	as % of
					Actuals	Budget	over / under	YTD Budget
REVENUES								
Tax Revenues	71,829	143,461	147,825	147,780	510,894	573,387	(62,493)	89%
Farebox Revenues	6,252	6,629	8,180	7,164	28,226	29,921	(1,695)	94%
Investment Income	1,917	2,202	2,465	5,584	12,169	11,482	687	106%
Miscellaneous Revenues	593	926	764	1,512	3,795	4,186	(390)	91%
State & Local Contributions	7,785	441	216	14,527	22,969	392	22,577	5865%
Federal Grants	7,854	32,926	69,280	13,990	124,050	126,252	(2,202)	98%
TOTAL REVENUES	\$ 96,229	\$ 186,586	\$ 228,730	\$ 190,557	\$ 702,103	\$ 745,619	\$ (43,516)	94%
EXPENSES								
Net Staff Operating Divisions	4,823	5,129	6,116	5,727	21,795	25,388	3,593	86%
Transit Operations	38,672	43,985	61,666	69,525	213,848	222,860	9,012	96%
Systemwide	808	702	1,228	1,013	3,751	15,476	11,724	24%
Debt Service	1	-	-	179	179	2,853	2,673	6%
Non-Capitalizable expenses	1,466	10,324	5,493	(1,474)	15,809	15,959	151	99%
TOTAL EXPENSES	\$ 45,770	\$ 60,140	\$ 74,503	\$ 74,970	\$ 255,383	\$ 282,535	\$ 27,153	90%
EXCESS REVENUE OVER EXP.								
Non-cash Expenses	7,239	5,159	2,023	7,892	22,314	16,689	(5,625)	134%
NET REVENUE OVER EXP.	\$ 43,220	\$ 121,287	\$ 152,204	\$ 107,695	\$ 424,406	\$ 446,395	\$ 21,989	95%

Summary of Net Assets

The following table summarizes assets and liabilities at the year end and provides comparative data for the prior year. Net assets increased by \$428.0M from the same period in 2008. Total assets increased by \$784.9M and total liabilities increased by \$356.9M.

The increase in net assets is substantially due to the increase in capital assets which included the completion of the light rail initial segment and Airport Link. Current assets increased by \$355.8M, mainly due to the receipt of \$400M in bond proceeds, offset by the related increase in long-term debt.

Summary of Net Assets				
<i>(in millions)</i>				
<i>For the Year Ending December 31, 2009</i>				
	Dec-09	Dec-08	% Change	Prior Year Variance
Current Assets, excluding Restricted Assets	\$ 881.8	\$ 526.0	68%	\$ 355.8
Restricted Assets	245.0	124.0	98%	121.0
Property, Vehicles and Equipment, Net of Accumulated Depreciation	3,807.5	1,486.0	156%	2,321.5
Capital Projects in Progress	379.4	2,414.5	-84%	(2,035.1)
Capital Projects in Progress - non ST	23.6	16.8	40%	6.7
Other Non-Current Assets	92.0	77.1	19%	14.9
Total Assets	\$ 5,429.3	\$ 4,644.4	17%	\$ 784.9
Current Liabilities, excluding Debt Services Payable from Restricted Assets	151.4	154.8	-2%	(3.4)
Debt Services Payable from Restricted Assets	27.1	33.8	-20%	(6.7)
Long-Term Debt	1,571.2	1,204.1	30%	367.2
Other Long-Term Liabilities	73.6	73.8	-0%	(0.2)
Total Liabilities	\$ 1,823.4	\$ 1,466.5	24%	\$ 356.9
Net Assets	\$ 3,606.0	\$ 3,178.0	13%	\$ 428.0
Total Liabilities and Net Assets	\$ 5,429.3	\$ 4,644.4	17%	\$ 784.9
Invested in Capital Assets, Net of Related Debt	3,041.7	2,701.3	13%	340.3
Restricted Net Assets	225.9	110.0	105%	115.9
Unrestricted Net Assets	338.4	366.6	-8%	(28.3)
Total Net Assets	\$ 3,606.0	\$ 3,178.0	13%	\$ 428.0

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Financial Detail

Revenue

Agencywide Revenues (in thousands)								
For the Year Ending December 31, 2009								
Budget to Actuals								
	Q1	Q2	Q3	Q4	YTD	YTD	YTD Actuals	YTD Actuals
	Actuals	Actuals	Actuals	Actuals	2009	2009	over/(under)	as % of
					Actuals	Budget	YTD Budget	YTD Budget
REVENUE SOURCES								
Retail Sales and Use Tax	55,130	123,981	130,632	131,186	440,929	499,955	(59,027)	88%
Rental Car Tax	457	718	1,080	615	2,869	2,562	307	112%
Motor Vehicle Excise Tax	16,241	18,763	16,113	15,978	67,096	70,869	(3,773)	95%
Farebox Revenue	6,252	6,629	8,180	7,164	28,226	29,921	(1,695)	94%
Investment Income	1,917	2,202	2,465	5,584	12,169	11,482	687	106%
Miscellaneous Revenues	593	926	764	1,512	3,795	4,186	(390)	91%
OTHER FINANCING								
Local & State Contributions	7,785	441	216	14,527	22,969	392	22,577	5865%
Federal Grants	7,854	32,926	69,280	13,990	124,050	126,252	(2,202)	98%
TOTAL SOURCES	\$ 96,229	\$ 186,586	\$ 228,730	\$ 190,557	\$ 702,103	\$ 745,619	\$ (43,516)	94%

Retail Sales and Use Tax revenues were \$59.0M or 12% below budget reflecting the continued impact of the recession.

Rental Car Tax revenues were \$307K or 12% above budget, reflecting higher than planned car rental activity.

Motor Vehicle Excise Tax revenues were \$3.8M or 5% below budget, due to the impact of the economic down turn and particularly the slowdown in new vehicle sales.

Farebox Revenues were \$1.7M or 6% below budget due to declines in ridership impacted by the economic downturn and lower gas prices.

Local and State Contributions exceeded budget by \$22.6 M and reflect WSDOT contributions of \$10.3M comprising of Regional Mobility Grant and FRA funds for the Tacoma –Lakewood corridor and \$7.6M for a WSDOT landbank transaction for the U-Link project that was not anticipated in the budget. A landbank transaction is a non-cash entry made to reflect the benefit the agency receives from the use of the landbank rather than expending cash for use of the right of way.

Federal Grants revenues were \$2.2M or 2% below budget. These preliminary results do not include an accrual of \$16M resulting from FTA's delayed execution of U-Link 2009 FFGA appropriation of \$99M which was executed February 2, 2010.

Operations and Capital Outlays Summary

Capital Outlays by Line of Business (in thousands)

For the Year Ending December 31, 2009
Regional Express, Sounder, Link, & Other

Current Year 2009

	2009 Adopted Capital Plan <i>a</i>	YTD Capital Plan <i>b</i>	YTD Actuals <i>c</i>	YTD actuals (over)/under YTD Budget <i>[b - c]</i>	YTD actuals as % of YTD Budget <i>[c/b]</i>
Sounder Commuter Rail	164,420	164,420	65,395	99,026	40%
Link Light Rail	386,644	386,644	220,943	165,701	57%
Regional Express	37,569	37,569	22,285	15,284	59%
Systemwide	99,630	99,630	22,286	77,345	22%
TOTAL	\$ 688,264	\$ 688,264	\$ 330,908	\$ 357,356	48%

	Adopted Capital Plan <i>d</i>	Life-to-date Outlays <i>e</i>	Remaining Contract <i>f</i>	Budget Remaining <i>[d-(e+f)]</i>	% Spent and Committed <i>[(e+f)/d]</i>
Sounder Commuter Rail	1,496,258	1,088,962	36,724	370,572	75%
Link Light Rail	4,547,735	2,689,735	812,286	1,045,714	77%
Regional Express	849,575	594,582	46,461	208,533	75%
Systemwide	375,608	199,243	21,909	154,457	59%
TOTAL	\$ 7,269,177	\$ 4,572,522	\$ 917,379	\$ 1,779,276	76%

Combined Transit Operations Summary (in thousands)

For the Quarter Ending December 31, 2009

ST Express, Sounder, Link, Central Link & Accessible Services

	Q1 Actuals	Q2 Actuals	Q3 Actuals	Q4 Actuals	YTD Total Actuals	YTD 2009 Budget	YTD Actuals to YTD Budget (over)/under	YTD Actuals as a % of YTD Budget
Revenues								
Passenger Fares	6,252	6,629	8,180	7,164	28,226	29,921	1,695	94%
Other Operating Revenues	341	449	290	322	1,402	1,332	(70)	105%
Total Operating Revenues	6,593	7,078	8,470	7,487	29,628	31,253	1,625	95%
Direct Operating Expenses								
Salaries & Benefits	652	498	932	1,056	3,137	3,756	619	84%
Services	6,427	7,043	6,800	9,621	29,891	27,170	(2,721)	110%
Materials & Supplies	568	1,444	725	3,401	6,138	7,464	1,326	82%
Insurance	617	263	981	354	2,216	2,656	440	83%
Purchased Transportation Svcs	18,313	22,204	23,802	26,292	90,610	95,460	4,850	95%
Miscellaneous Expenses	59	207	358	93	717	935	218	77%
Leases & Rentals	104	43	199	151	497	696	199	71%
Other Expenses	499	403	1,351	886	3,139	2,873	(267)	109%
Total Direct Operating Expenses	\$ 27,240	\$ 32,105	\$ 35,149	\$ 41,854	\$ 136,347	\$ 141,011	\$ 4,664	97%
Agency Admin Allocations	1,762	1,951	2,173	2,668	8,554	11,563	3,009	74%
Fully Allocated Operating Expenses	\$ 29,002	\$ 34,056	\$ 37,321	\$ 44,522	\$ 144,901	\$ 152,575	\$ 7,673	95%
Net Subsidy from Fully Allocated Operations	\$ (22,409)	\$ (26,978)	\$ (28,852)	\$ (37,035)	\$ (115,274)	\$ (121,322)	\$ 6,048	95%
Contingency	-	-	-	-	-	5,229	5,229	-
Depreciation & Amortization	9,593	13,804	20,544	25,004	68,945	65,055	(3,889)	106%
Net Subsidy from Operations after Depreciation and Amortization	\$ (32,002)	\$ (40,781)	\$ (49,395)	\$ (62,039)	\$ (184,218)	\$ (191,606)	\$ 7,387	96%

Sounder Commuter Rail

Sounder Commuter Rail Transit Operations (in thousands)								
For the Quarter Ending December 31, 2009								
	Q1	Q2	Q3	Q4	YTD	YTD	YTD Actuals	YTD Actuals
	Actuals	Actuals	Actuals	Actuals	2009	2009	to YTD Budget	as a % of
					Actuals	Budget	(over)/under	YTD Budget
Revenues								
Passenger Fares	1,886	2,004	2,019	1,682	7,591	9,635	2,044	79%
Other Operating Revenues	179	278	120	172	749	537	(212)	139%
Total Operating Revenues	\$ 2,065	\$ 2,282	\$ 2,139	\$ 1,854	\$ 8,340	10,172	\$ 1,832	82%
Direct Operating Expenses								
Salaries & Benefits	172	47	399	237	856	982	126	87%
Services	3,666	4,294	2,447	4,113	14,520	15,684	1,164	93%
Materials & Supplies	482	1,387	605	3,030	5,504	5,879	375	94%
Insurance	500	154	838	345	1,837	1,643	(194)	112%
Purchased Transportation Svcs	1,507	2,786	799	1,797	6,889	7,270	381	95%
Miscellaneous Expenses	51	34	229	41	356	342	(14)	104%
Leases & Rentals	74	12	115	37	238	518	279	46%
Other Expenses	327	181	666	353	1,527	1,139	(387)	134%
Total Direct Operating Expenses	\$ 6,780	\$ 8,896	\$ 6,099	\$ 9,953	\$ 31,726	\$ 33,457	\$ 1,730	95%
Agency Admin Allocations	566	626	495	761	2,447	3,254	806	75%
Fully Allocated Operating Expense	\$ 7,345	\$ 9,522	\$ 6,594	\$ 10,714	\$ 34,174	\$ 36,710	\$ 2,537	93%
Net Subsidy from Fully Allocated Operations	\$ (5,280)	\$ (7,240)	\$ (4,455)	\$ (8,859)	\$ (25,834)	\$ (26,538)	\$ 704	97%
Contingency	-	-	-	-	-	1,255	1,255	0%
Depreciation & Amortization	4,482	8,381	1,194	5,096	19,152	18,946	(206)	101%
Net Subsidy from Operations after Depreciation and Amortization	\$ (9,762)	\$ (15,620)	\$ (5,648)	\$ (13,955)	\$ (44,986)	\$ (46,738)	\$ (1,753)	96%

Revenues and Ridership: Ridership was below budgeted level by 20% and was below prior year by 7%. A combination of economic downturn and decline in gas prices played a major role in the lower than expected performance and decrease from prior year. Passenger revenues were at 79% of YTD budget and Non-transportation revenue, primarily the revenue associated with the leasing of Sounder vehicles to other jurisdictions and advertising, was over the budget by 39%.

Services were at 93% of the Adopted 2009 Budget. The largest individual component of services spending is the vehicle maintenance contract with Amtrak, which is under budget after the two parties agreed to a revised compensation package for contract parts with lower cost to ST. Ticket Vending Machine expenses were over budget by \$243K. Implementation of in-house TVM maintenance for Sounder was implemented gradually in 2009, whereas the original plan was for staff to completely take over maintenance in the spring of 2009. This has allowed for the in-house staff to gain knowledge from the contractor. Savings on vehicle maintenance offset the higher than planned costs for TVM maintenance.

Materials & Supplies were under the Adopted 2009 Budget by \$375K or 6%. Fuel costs were under budget by \$3.0M. Although prices have increased since summer, it is still below fuel price assumptions used in the budget. The 2009 average price per gallon was \$2.15 while the budgeted price assumed \$4.08 per gallon. The fuel savings were offset by the accelerated implementation of a seat upholstery replacement project. Seat foam was procured in Q4 to lock in favorable pricing.

Insurance was over the Adopted 2009 Budget by 12%. Insurance premiums were higher than the budgeted level for the year, a result of a more difficult insurance environment in 2009 in

reaction to the MetroLink accident in late 2008. Claims experience continues to be more favorable than anticipated for Sounder.

Purchased Transportation Services were under budget by 5%. Actual rates paid to BNSF have turned out to be more favorable than was budgeted.

Other Expenses, including taxes and utilities, were over the Adopted 2009 Budget by \$387K. The primary expenses were the property taxes paid to BNSF and excise taxes on fare revenues paid to the state.

Agency Admin Allocations were at 75% of the Adopted 2009 Budget. This account includes the staff operating costs allocated from both corporate and line of business departments. Agency spending has been under budget overall, resulting in a smaller amount of allocated costs going to operations than was budgeted.

ST Express

ST Express Transit Operations (in thousands)								
For the Quarter Ending December 31, 2009								
	Q1	Q2	Q3	Q4	YTD	YTD	YTD Actuals	YTD Actuals
	Actuals	Actuals	Actuals	Actuals	Actuals	Budget	to YTD Budget	as % of
							(over)/under	YTD Budget
Revenues								
Passenger Fares	4,366	4,626	5,116	4,265	18,372	17,886	(486)	103%
Other Operating Revenues	160	163	159	138	620	782	162	79%
Total Operating Revenues	4,526	4,789	5,275	4,402	18,992	18,669	(324)	102%
Direct Operating Expenses								
Salaries & Benefits	27	23	24	52	126	206	81	61%
Services	2,505	2,434	1,128	1,233	7,300	5,114	(2,187)	143%
Materials & Supplies	4	36	6	7	52	507	455	10%
Insurance	12	5	10	15	42	23	(19)	184%
Purchased Transportation Svcs	16,806	19,417	18,790	17,034	72,047	76,408	4,361	94%
Miscellaneous Expenses	4	170	130	36	340	410	70	83%
Leases & Rentals	29	30	30	29	118	104	(14)	114%
Other Expenses	150	193	212	146	701	601	(100)	117%
Total Direct Operating Expenses	\$ 19,538	\$ 22,308	\$ 20,329	18,552	\$ 80,727	\$ 83,373	\$ 2,646	97%
Agency Admin Allocations	1,034	1,146	654	1,274	4,107	5,371	1,264	76%
Fully Allocated Operating Expenses	\$ 20,573	\$ 23,453	\$ 20,982	\$ 19,826	\$ 84,834	\$ 88,744	\$ 3,910	96%
Net Subsidy from Fully Allocated Operations	\$ (16,047)	\$ (18,664)	\$ (15,707)	(15,424)	\$ (65,842)	\$ (70,075)	\$ 4,233	94%
Contingency	-	-	-	-	-	2,659	2,659	-
Depreciation & Amortization	4,392	4,704	4,577	5,641	19,314	15,418	(3,896)	125%
Net Subsidy from Operations after Depreciation and Amortization	\$ (20,438)	\$ (23,368)	\$ (20,284)	\$ (21,065)	\$ (85,155)	\$ (88,153)	\$ 2,997	97%

Passenger Fares and Ridership: Passenger Fares were over the 2009 Budget by 3%. While the 2009 ridership was below the budgeted level by 3%, it exceeded the same period of last year by 3%. Average fare per boarding has exceeded budgeted assumptions. Other operating revenues, including advertising revenues, were lower than planned as the weak local economy appears to be hurting sales of advertising.

Services were over budget by 43%. The largest variance was \$2.1M in costs associated with not budgeting for the Downtown Seattle Transit Tunnel. Security costs also exceeded budget by \$363K due in part to emphasis patrols at Federal Way TC.

Materials and Supplies were at 10% of the Adopted 2009 Budget. While nearly all of the spare parts associated with the buses are covered in the purchased transportation contracts with the service partners, discretionary spending for bike rack replacement has been put on hold pending a review of the program.

Purchased Transportation Services were at 94% of the Adopted 2009 Budget. Actual billing rates for the partner operating agencies are estimated to be lower than budget as estimates for fuel prices for 2009 are below budgeted levels. ST budgeted a fuel price of \$4.08 per gallon of diesel fuel, but YTD average costs have been closer to \$2.15 per gallon.

Agency Admin Allocations were at 76% of the YTD budget. This account includes the staff operating costs allocated from both corporate and line of business departments. Agency spending has been under budget overall, resulting in a smaller amount of allocated costs going to operations than was budgeted.

Tacoma Link Light Rail

Tacoma Link Transit Operations (in thousands)								
For the Quarter Ending December 31, 2009								
	Q1	Q2	Q3	Q4	YTD	YTD	YTD Actuals	YTD Actuals
	Actuals	Actuals	Actuals	Actuals	Actuals	Budget	to YTD Budget	as % of
							(over)/under	YTD Budget
Revenues								
Passenger Fares	-	-	-	-	-	-	-	-
Other Operating Revenues	2	7	11	13	34	12	(21)	3
Total Operating Revenues	\$ 2	\$ 7	\$ 11	\$ 13	\$ 34	\$ 12	\$ (21)	3
Direct Operating Expenses								
Salaries & Benefits	400	375	435	450	1,660	1,827	166	91%
Services	207	210	158	329	903	826	(78)	109%
Materials & Supplies	82	22	45	126	274	198	(76)	138%
Insurance	106	107	132	(267)	77	309	232	25%
Purchased Transportation Svcs	-	-	-	32	32	3	(29)	1062%
Miscellaneous Expenses	-	1	-	-	2	16	14	14%
Leases & Rentals	1	1	1	1	4	6	2	68%
Other Expenses	22	29	32	34	116	149	33	78%
Total Direct Operating Expenses	\$ 817	\$ 745	\$ 803	\$ 704	\$ 3,069	\$ 3,333	\$ 264	92%
Agency Admin Allocations	136	151	147	197	631	856	224	74%
Fully Allocated Operating Expenses	\$ 953	\$ 895	\$ 950	\$ 901	\$ 3,700	\$ 4,188	\$ 488	88%
Net Subsidy from Fully Allocated Operations	\$ (951)	\$ (888)	\$ (939)	\$ (888)	\$ (3,666)	\$ (4,176)	\$ 510	88%
Contingency	-	-	-	-	-	191	191	-
Depreciation & Amortization	720	719	720	720	2,878	2,983	104	96%
Net Subsidy	\$ (1,671)	\$ (1,607)	\$ (1,659)	\$ (1,608)	\$ (6,545)	\$ (7,349)	\$ 805	89%

Ridership: YTD Ridership was 4% below 2008, however exceeded the 2009 forecast by 4%. The third quarter was impacted by the nine-day shutdown of the Tacoma Link system in August while repairs to the concrete median were being undertaken. Advertising revenues are exceeding budget as there has been more advertising activity on the trains than was budgeted. There are no fare revenues on Tacoma Link.

Services were at 109% of the Adopted 2009 Budget. A major concrete repair project took place in the third quarter, driving the costs just above budgeted levels. Maintenance of Vehicles was at 20% of the Adopted 2009 Budget; maintenance needs have been accomplished with in-house staff rather than utilizing third party contracts.

Material and Supplies were at 138% of the Adopted 2009 Budget. The agency made a large purchase of spare parts from the vehicle vendor during Q1 2009 at a favorable price.

Insurance was under the Adopted 2009 Budget by \$232K due to a more favorable allocation of premiums among all rail modes.

Purchased Transportation was over the Adopted 2009 Budget by \$29K. During the month of August, there was a nine-day systemwide shutdown of train service that necessitated a bus bridge operated by Pierce Transit.

Agency Admin Allocations were at 74% of the Adopted 2009 Budget. Agency spending has been under budget overall, resulting in a smaller amount of allocated costs going to operations than was budgeted.

Central Link Transit Operations

	Q1 Actuals	Q2 Actuals	Q3 Actuals	Q4 Actuals	YTD Actuals	YTD Budget	YTD Actuals to YTD Budget (over)/under	YTD Actuals as % of YTD Budget
Revenues								
Passenger Fares	-	-	1,045	1,218	2,263	2,400	137	94%
Other Operating Revenues	-	-	-	-	-	-	-	-
Total Operating Revenues	\$ -	\$ -	\$ 1,045	\$ 1,218	\$ 2,263	\$ 2,400	\$ 137	94%
Direct Operating Expenses								
Salaries & Benefits	-	-	12	265	277	534	256	52%
Services	-	-	2,889	3,842	6,731	4,867	(1,864)	138%
Materials & Supplies	-	-	70	237	307	828	521	37%
Insurance	-	-	-	260	260	681	421	38%
Purchased Transportation Svcs	-	-	4,213	7,429	11,643	11,779	137	99%
Miscellaneous Expenses	-	-	-	15	15	156	140	10%
Leases & Rentals	-	-	53	84	137	69	(67)	197%
Other Expenses	-	-	441	354	794	982	188	81%
Total Direct Operating Expenses	\$ -	\$ -	\$ 7,678	\$ 12,486	\$ 20,164	\$ 19,896	\$ (268)	101%
Agency Admin Allocations	-	-	854	402	1,256	1,916	660	66%
Fully Allocated Operating Expenses	\$ -	\$ -	\$ 8,532	\$ 12,888	\$ 21,420	\$ 21,812	\$ 392	98%
Net Subsidy from Fully Allocated Operations	\$ -	\$ -	\$ (7,487)	\$ (11,670)	\$ (19,157)	\$ (19,412)	\$ 255	99%
Contingency	-	-	-	-	-	1,091	1,091	-
Depreciation & Amortization	-	-	14,053	13,548	27,601	27,709	108	100%
Net Subsidy	\$ -	\$ -	\$ (21,541)	\$ (25,218)	\$ (46,758)	\$ (48,212)	\$ 1,453	97%

Ridership: Ridership was at 104% of the Adopted 2009 Budget. Fare revenues were at 94% of the budget, as the average fare per boarding was below 2009 target. The fare policy for Link was not known when the budget was developed.

Services were over the Adopted 2009 Budget by 38%. The DSTT debt services costs of \$2.1M paid to King County for opening in the downtown tunnel was not included due to a budgeting error. Maintenance of stations was at 4% of the budget. Subsequent to the preparation of the budget, Sound Transit and King County Metro jointly decided to have the bulk of facilities maintenance be done utilizing King County staff and billed through the purchased transportation contract.

Material and Supplies were at 37% of the Adopted 2009 Budget. The primary expenditure was for purchases of spare parts for light rail vehicles. During the first several months of operation, a large amount of work being performed under warranty and costs was lower than anticipated.

Purchased Transportation Services were at 99% of the Adopted 2009 Budget. Paratransit costs have come in at budgeted levels. King County costs are generally at budgeted levels through the first six months of operations.

Lease and Rentals were at 197% of the Adopted 2009 Budget. The largest components of cost in this area are the WSDOT airspace leases, which are non-cash transactions prepaid with landbank credits earned from the construction of HOV projects. Additionally, this category includes leased vehicles required by TVM maintenance staff and leased facilities to house TVM staff. The leases for TVM staff needs were not anticipated in the budget.

Agency Admin Allocations were at 66% of the Adopted 2009 Budget. Agency spending has been under budget overall, resulting in a smaller amount of allocated costs going to operations than was budgeted.

Supplemental Information

Ridership

Boardings by Service Type	Fourth Quarter			Year to Date			YTD vs. Budget	
	2008	2009	% Change	2008	2009	% Change	Budget	% Variance
ST Express Bus	3,243,391	3,332,836	2.8%	12,528,887	12,896,712	2.9%	13,320,191	-3.2%
Sounder Commuter Rail	700,034	621,270	-11.3%	2,668,623	2,492,362	-6.6%	3,117,762	-20.1%
Central Link	-	1,270,864	0.0%	-	2,501,211	0.0%	2,400,000	4.2%
Paratransit	-	15,437	0.0%	-	31,030	0.0%	30,000	3.4%
Tacoma Link	232,300	220,859	-4.9%	930,632	889,320	-4.4%	854,687	4.1%
Total	4,175,725	5,461,266	30.8%	16,128,142	18,810,635	16.6%	19,722,640	-4.6%
Average Weekday Boardings	57,602	72,248	-3.7%	55,953	63,719	1.0%	79,159	-19.5%

During the fourth quarter of 2009, ridership for ST Express increased by 2.8% compared to the ridership in the same period of 2008. YTD 2009 ridership rose from 2008 by 2.9%, but was below the 2009 target by 3.2%.

Ridership for Sounder decreased by 11.3% in the fourth quarter from the same period of 2008. YTD ridership slid from 2008 by 6.6% and was below the targeted level by 20.1%.

Ridership for Central Link exceeded the Adopted 2009 Budget by 4.2%.

Ridership for Tacoma Link declined by 4.9% in the fourth quarter compared to the same period of 2008. YTD ridership was down from 2008 by 4.4%, but exceeded the Adopted 2009 Budget by 4.1%.

Overall ridership for the fourth quarter increased by 30.8%; YTD ridership increased by 16.6% from the prior year. However, overall ridership was below the 2009 target by 4.5%

Farebox Recovery

Mode	Fourth Quarter			Year to Date			YTD vs. Budget	
	2008	2009	% Change	2008	2009	% Change	Budget	% Variance
ST Express	24.1%	21.5%	-10.7%	23.0%	21.7%	-5.8%	20.2%	7.2%
Sounder	30.1%	15.7%	-47.8%	33.7%	22.2%	-34.1%	26.2%	-15.2%
Central Link	-	9.5%	0.0%	-	10.6%	-	11.0%	-4.0%

Farebox Recovery rate is calculated as Passenger Fares divided by Fully Allocated Operating Expenses. Farebox recovery rates in 2009 were lower for both ST Express and Sounder than in 2008, 5.8% and 34.1% respectively. Farebox recovery rate for ST Express was over the 2009 target by 7.2% while Sounder was below the target by 15.2%. Central Link's recovery rate was below the budget by 4%.

Sounder Capital

Sounder Commuter Rail - Capital Outlays by Phase (in thousands)					
For the Year Ending December 31, 2009					
Current Year 2009					
Phase	2009 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	6,205	6,205	4,493	1,711	72%
Preliminary Engineering	15	15	234	(219)	1573%
Final Design	9,770	9,770	7,108	2,662	73%
ROW Acq. & Permits	84,733	84,733	21,552	63,181	25%
Construction	63,698	63,698	32,008	31,690	50%
TOTAL	\$ 164,420	\$ 164,420	\$ 65,395	\$ 99,026	40%
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	62,465	47,720	16	14,729	76%
Preliminary Engineering	27,798	26,633	84	1,081	96%
Final Design	44,874	38,893	4,787	1,194	97%
ROW Acq. & Permits	572,978	371,751	1,700	199,527	65%
Construction	618,012	461,894	30,137	125,981	80%
Vehicles	134,505	134,505	-	-	-
Contingency	35,627	-	-	35,627	0%
Unabsorbed Overhead	-	7,566	-	(7,566)	-
TOTAL	\$ 1,496,258	\$ 1,088,962	\$ 36,724	\$ 370,572	75%

Agency Administration spending was \$1.7M under spent on the Adopted 2009 Budget of \$6.2M. Agency Administration overhead is a combination of direct charges by the Capital Projects group and agency allocations of other department's indirect charges.

Preliminary Engineering was \$219K over spent on the Adopted 2009 Budget of \$15K.

- Tukwila Station was \$149K over spent because PE/ED was budgeted to be completed in 2008, but was extended through the fourth quarter of 2009.

Final Design was \$2.7M under spent on the Adopted 2009 Budget of \$9.8M.

- M Street-Lakewood Track and Signal was under budget by \$181K, these funds are for design services during construction, the start of which was delayed from the start of the year until July 2009.

- D Street-M Street Track and Signal was \$2.5M under budget, final design was scheduled to start in October 2008, but did not begin until March 2009.

ROW is \$63.2M under spent on the Adopted 2009 Budget of \$84.7M.

- D Street – M Street Track and Signal was \$7.1M under spent. Project acquisition work on three major parcels has moved into condemnation, delaying title transfer and payments.
- ST2 Seattle – Tacoma Track and Signal (BNSF) was \$56M under spent. The agreement with BNSF to add additional trips is still pending and no payments will be made until it is completed.

Construction was \$31.7M under spent on the Adopted 2009 Budget of \$63.7M.

- Layover was \$2.9M under spent. The L Street project has been completed and the Board has authorized the award of the Everett Layover construction contract. Everett Layover was to have started construction earlier, but was delayed due to a real estate negotiation.
- Everett Station, Phase 2 was \$2.5M over spent. The budget assumed that the majority of the construction spending would be completed in 2008, but it continued into 2009. The project was completed in May within its lifetime budget.
- Edmonds Station was \$4.5M under spent. The project has been delayed with the City Council's request to change the station design from an interim solution to permanent improvements on the existing site. Construction is expected to begin in the second quarter of 2010.
- Mukilteo Station, South Platform was \$1.4M under budget. We have been unable to proceed on the project due to the Department of Defense delay in providing a lease.
- Seattle-Tacoma Phase II Track and Signal was \$18.2M under budget. The project is in the closeout process and will return \$42.9M in financial capacity to South King and Pierce counties in the 2010 budget.
- M Street-Lakewood Track and Signal was \$8.5M under budget. The notice to proceed with construction was issued in June 2009, but had been budgeted to begin the first of the year resulting in spending being behind schedule.
- South Tacoma Station was \$1.4M over spent. The Adopted 2009 Budget assumed that the majority of the construction spending would be completed in 2008, but due to a Buy America issue with the platform shelters, installation of the shelters was delayed into 2009.

Regional Express Capital

Regional Express - Capital Outlays by Phase (in thousands)					
For the Year Ending December 31, 2009					
Current Year 2009					
Phase	2009 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	2,057	2,057	1,908	149	93%
Prelim. Engineering	65	65	435	(370)	671%
Final Design	6,616	6,616	1,704	4,913	26%
ROW Acq. & Permits	8,179	8,179	738	7,441	9%
Construction	20,047	20,047	17,500	2,547	87%
Vehicles	-	-	-	-	-
Contingency	605	605	-	605	0%
TOTAL	\$ 37,569	\$ 37,569	\$ 22,285	\$ 15,284	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	46,602	33,259	28	13,315	71%
Prelim. Engineering	51,890	50,934	102	854	98%
Final Design	79,655	46,512	2,835	30,308	62%
3rd Party	14,733	-	-	14,733	0%
ROW Acq. & Permits	61,311	48,915	3,673	8,723	86%
Construction	533,626	410,349	39,257	84,020	84%
Contingency	61,758	-	-	61,758	0%
Unabsorbed Overhead	-	4,612	566	(5,178)	-
TOTAL	\$ 849,575	\$ 594,582	\$ 46,461	\$ 208,533	75%

Agency Administration was \$149K under spent on the Adopted 2009 Budget of \$2.1M. Agency Administration overhead is a combination of direct charges by the Capital Projects group and agency allocations of other department's indirect charges.

Preliminary Engineering was \$370K over budget on the Adopted 2009 Budget of \$65K.

- Rainier Avenue Arterial Improvements was \$418K over budget. Scope changes necessitated additional preliminary engineering than anticipated and budgeted resulting in higher spending in 2009. The City is of Renton the lead on this project and ST's total costs are capped.

Final Design was \$4.9M under spent on the Adopted 2009 Budget of \$6.6M.

- Rainier Avenue Arterial Improvements was \$1.4M under budget. The City of Renton is lead on this project. Scope changes delayed the start of and, therefore, expenditure of funds for Final Design. ST total costs on this project are capped.
- Renton HOV Access was \$2.2M under spent. The future of the WSDOT project to widen I-405 has not yet been determined and no work is currently being performed. Our project will not go forward until WSDOT's I-405 project proceeds.
- Kirkland Transit Center was \$967K under budget due to the permit fees being much lower than anticipated.

ROW was \$7.4M under spent on the Adopted 2009 Budget of \$8.2M.

- Renton HOV Access was \$3.7M under budget. The future of the WSDOT project to widen I-405 has not yet been determined and no work is currently being performed. Our project will not go forward until WSDOT's I-405 project proceeds.
- Rainier Avenue Arterial Improvements was \$2.3M under budget; right of way spending will not occur until final design is completed. Due to a change in scope, the project is a year behind the original schedule and most right-of-way work is now scheduled for 2010. ST is a funding partner and its contribution is capped.
- 85th Corridor, Kirkland was \$835K under budget due to the project being delayed by the city. ST's total contribution is capped.

Construction was \$2.5M under spent on the Adopted 2009 Budget of \$20M.

The following projects are over their Adopted 2009 Budget:

- Totem Lake Transit Center/Evergreen Medical Center was \$1.6M over spent in 2009. The final invoice was not paid until the closing documents were completed and signed which did not occur until this year. The project is within its lifetime budget and savings of \$861K will be captured as part of the 2010 budget.
- Totem Lake Freeway Station was \$1.2M over spent in 2009. The Adopted 2009 Budget assumed that construction would be completed in 2008 and that plant establishment, water quality monitoring, and wetland mitigation would be the only activity in 2009; however, resolving outstanding construction cost issues took longer than anticipated. Project will return savings of \$6.4M to the program reserve in the 2010 budget.
- I-90 Two-way Transit & HOV Operations, Stage 1 was \$3.7M over spent in 2009. The Adopted 2009 Budget assumed that construction would be completed in 2008 and that plant establishment and wetland mitigation would be the only activity in 2009. Construction of the Intelligent Transit System (ITS) and close out of the project have extended into 2009. Project savings of \$942K will be captured in the 2010 budget.

The following projects are under their Adopted 2009 Budget:

- Mountlake Terrace Freeway Station was \$4.4M under budget. Construction bids were lower than anticipated and spending has not occurred at as fast a pace as was budgeted. \$5.5 M will be returned to the Snohomish County Program Reserve as part of the 2010 budget.
- SR522 HOV Enhancements/Bothell was \$1.7M under budget. Construction was budgeted to begin in December 2008, but will not start until the second quarter of 2010. ST is a funding partner; the City of Bothell is the project lead.
- 85th Corridor, Kirkland led by the city was \$2.6M under budget due to delaying the start of construction until the second or third quarter of 2010. ST's contribution is capped.

Contingency had no spending on the Adopted 2009 Budget of \$605K. The Mercer Island Park-and-Ride project will be closed out as part of the 2010 budget. The contingency budget of \$492K will not be spent and will be part of the \$2.7M being returned to the East King County program reserve from the project's budget. In addition, the Totem Lake Transit Center/Evergreen Medical Center project contingency budget of \$101K will not be spent.

Link Capital Budget

Link Light Rail - Capital Outlays by Project (in thousands)					
As of September 30, 2009					
Current Year 2009					
Project	2009 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>
North Link - Northgate to 45th St	1,125	1,125	449	676	40%
North Link - ST2 Early Work	5,000	5,000	2,367	2,633	47%
University Link - PSST to UW Sta	138,711	138,711	61,406	77,306	44%
North Link - UW Sta to Brooklyn Sta	3,503	3,503	1,517	1,985	43%
Initial Segment - CPS to 154th St	156,126	156,126	101,066	55,060	65%
Central Link Switch Heaters	3,253	3,253	94	3,158	3%
DSTT Capital Costs	-	-	-	-	0%
Initial Segment Project Reserve	-	-	-	-	0%
Airport Link - 154th St to 176th St	63,427	63,427	47,612	15,815	75%
Airport Link South - 176th St to 200th St	-	-	-	-	0%
Tacoma Link	-	-	-	-	0%
Puyallup Extension Study	-	-	-	-	0%
East Link	13,000	13,000	6,152	6,848	47%
First Hill Link Connector	2,500	2,500	280	2,220	11%
LRT Overhead Reserve	-	-	-	-	0%
TOTAL	386,644	386,644	220,943	165,701	57%
Lifetime Capital Plan 1997 - 2016					
Project	Adopted Capital Plan	Life-to-date Outlays	Contract Remaining	Budget Remaining	% Spent and Committed
	<i>d</i>	<i>e</i>	<i>f</i>	<i>[d-(e+f)]</i>	<i>[(e+f)/d]</i>
North Link - Northgate to 45th St	19,548	17,454	1,125	969	95%
North Link - ST2 Early Work	5,000	2,367	1,006	1,628	67%
University Link - PSST to UW Sta	1,756,007	288,594	620,693	846,720	52%
North Link - UW Sta to Brooklyn Sta	26,444	20,416	3,302	2,726	90%
Initial Segment - CPS to 154th St	2,070,000	1,996,592	24,646	48,762	98%
Central Link Switch Heaters	3,253	94	1,994	1,164	64%
DSTT Capital Costs	23,719	23,719	-	-	100%
Initial Segment Project Reserve	128,300	-	-	128,300	0%
Airport Link - 154th St to 176th St	269,100	247,817	8,121	13,163	95%
Airport Link South - 176th St to 200th St	4,014	4,014	-	-	100%
Tacoma Link	77,097	77,097	0	(0)	100%
Puyallup Extension Study	-	35	-	(35)	0%
East Link	32,473	6,152	22,767	3,554	89%
First Hill Link Connector	132,780	280	128,634	3,866	97%
LRT Overhead Reserve	-	5,102	-	(5,102)	0%
TOTAL	4,547,735	2,689,735	812,286	1,045,714	77%

Link light rail capital outlays through the fourth quarter of 2009 are 57% of the Adopted 2009 Budget. A description of financial performance through December 2009 follows for those projects showing activity.

The Link segment extending north from Stadium Station at the University of Washington is comprised of three projects which will be combined to become the new North Link – UW Station to Northgate project as of January 2010:

North Link – Northgate to 45th Project capital outlays of \$0.4M through December 2009 are 40% of the amended Adopted 2009 Budget, or \$0.7M below plan. Activity planned for this project represents construction of additional track at the Central Link Operations and Maintenance Facility that will accommodate future expansion for this segment of North Link, which started later than planned.

North Link – ST2 Early Work Project capital outlays of \$2.4M through December 2009 are 47% of the Adopted 2009 Budget, or \$2.6M below plan. Activity planned for this project represents consultant contract work to provide advanced preliminary engineering services related to the entire segment between the UW Station and Northgate. Only \$3.4M of the \$5.0 budget for 2009 was actually contracted, and the work was completed in November 2009, below budget.

The North Link – UW Station to Brooklyn Station Project capital outlays of \$1.5M through December 2009 are 43% of the amended Adopted 2009 Budget, or \$2.0M below plan. Activity planned for this project represents construction of additional track at the Central Link Operations and Maintenance Facility that will accommodate future expansion for this segment of North Link, which started later than planned.

The Central Link Switch Heaters Project was created by an amendment to the Adopted 2009 Budget in September 2009 to provide and install switch heaters at the Central Link Operations and Maintenance Facility yard, yard entrance, and the Airport station cross-over switches. Central Link Switch Heaters project capital outlays of \$0.1M through December 2009 are 3% of the Adopted 2009 Budget, or \$3.2M below plan. The Adopted 2009 Budget plan called for this equipment to be received and installation completed by year-end 2009; however, the construction started later than planned. This work is expected to complete early in the first quarter of 2010.

East Link Project capital outlays of \$6.2M through December 2009 are 47% of the Adopted 2009 Budget, or \$6.8M below plan. Progress has lagged due to slower than planned mobilization by the consultant team and a decision to suspend preliminary design in downtown Bellevue in order to jointly study new alternatives with the City.

First Hill Connector Project capital outlays of \$0.3M through December 2009 are 11% of the Adopted 2009 Budget, or \$2.2M below plan. When the Adopted 2009 Budget was created the expectation was that a lump sum payment of \$2.5M would be made to the city but that was later changed to reimbursement of costs as they are incurred.

University Link - PSST to UW Station Project - Capital Outlays by Phase (in thousands)

As of September 30, 2009

Current Year 2009

Phase	2009 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	8,885	8,885	5,325	3,560	60%
Preliminary Engineering	37	37	7	30	0%
Final Design	12,325	12,325	9,545	2,781	77%
Third Party	2,695	2,695	1,139	1,555	42%
ROW Acq. & Permits	19,430	19,430	6,086	13,344	31%
Construction	47,323	47,323	33,211	14,112	70%
Construction Services	6,750	6,750	6,092	658	90%
Vehicles	41,266	41,266	-	41,266	0%
Test and Startup	-	-	-	-	0%
Contingency	-	-	-	-	0%
TOTAL	138,711	138,711	61,406	77,306	44%

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	115,229	17,763	582	96,884	16%
Preliminary Engineering	24,388	24,255	4	128	99%
Final Design	77,944	56,991	10,869	10,083	87%
Third Party	18,646	8,177	2,755	7,714	59%
ROW Acq. & Permits	167,332	121,403	6,497	39,432	76%
Construction	1,170,633	33,287	470,035	667,311	43%
Construction Services	68,526	7,431	51,934	9,161	87%
Vehicles	103,909	19,286	78,016	6,607	94%
Test and Startup	9,400	-	-	9,400	0%
Contingency	-	-	-	-	0%
TOTAL	1,756,007	288,594	620,693	846,720	52%

University Link project capital outlays of \$61.4M through December 2009 are 44% of the Adopted 2009 Budget, or \$77.3M below plan. All but \$14.6M of this under-expenditure was anticipated in the Adopted 2010 Budget.

Current Year 2009 actual outlays shown here have been adjusted to eliminate historical cost transfers.

Right-of-Way acquisitions of \$6.1M are 31% of the Adopted 2009 Budget, or \$13.3M below plan. The budget for this phase was set before the recent economic downturn, and parcels are being settled at appraised cost without using available allocated contingency. Surplus budget of \$15.0M was moved from this phase to other phases of the project in the Adopted 2010 Budget.

Construction outlays of \$33.2M are 70% of the Adopted 2009 Budget, or \$14.1M below plan, primarily for delays resulting from unforeseen conditions at the U215 I-5 Under-crossing Pits site.

Vehicles The current payment plan for this contract is tied to specific deliverables for the University Link project. Expenditures for this phase are \$41.3M below plan at year-end 2009. After the 2009 Budget was adopted, the payment plan was revised: the first two payments were made in 2008, but the next payment is not expected until June 2010.

Initial Segment - CPS to 154th Project - Capital Outlays by Phase (in thousands)

As of September 30, 2009

Current Year 2009

<u>Phase</u>	<u>2009 Adopted Capital Plan</u>	<u>YTD Capital Plan</u>	<u>YTD Actuals</u>	<u>YTD actuals (over)/under YTD Budget</u>	<u>YTD actuals as % of YTD Budget</u>
	<i>a</i>	<i>b</i>	<i>c</i>	<i>[b-c]</i>	<i>[c/b]</i>
Agency Administration	13,856	13,856	14,462	(606)	104%
Preliminary Engineering	28	28	7	21	25%
Final Design	2,091	2,091	1,676	415	80%
Third Party	2,834	2,834	970	1,864	34%
ROW Acq. & Permits	2,160	2,160	1,753	407	81%
Construction	107,957	107,957	55,899	52,058	52%
Construction Services	8,648	8,648	9,386	(738)	109%
Vehicles	11,920	11,920	9,244	2,676	78%
Test and Startup	6,632	6,632	7,670	(1,038)	116%
Contingency	-	-	-	-	0%
TOTAL	156,126	156,126	101,066	55,060	65%

Lifetime Capital Plan 1997 - 2009

<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	189,213	180,252	216	8,744	95%
Preliminary Engineering	33,289	33,268	5	16	100%
Final Design	147,208	146,739	167	302	100%
Third Party	62,861	60,874	1,502	486	99%
ROW Acq. & Permits	207,171	203,833	550	2,788	99%
Construction	1,177,627	1,122,990	17,518	37,119	97%
Construction Services	102,960	102,533	1,635	(1,208)	101%
Vehicles	132,307	129,631	2,062	614	100%
Test and Startup	17,364	16,472	990	(98)	101%
Contingency	-	-	-	-	0%
TOTAL	2,070,000	1,996,592	24,646	48,762	98%

Initial Segment project capital outlays of \$101.1M through December 2009 are 65% of the Adopted 2009 Budget, or \$55.1M below plan. Of this under-expenditure, \$12.7M was anticipated in the Adopted 2010 Budget, and \$33.4M had been set aside to settle unresolved construction issues.

The Initial Segment opened for service on time on July 18, 2009. Although in revenue service, several capital elements remain to be completed on this project.

Third Party outlays of \$1.0M are 34% of the Adopted 2009 Budget, or \$1.9M below plan, partly due to the completion of Systems contract work being delayed. Of this under-expenditure, \$1.1M was anticipated in the Adopted 2010 Budget.

Construction outlays of \$55.9M are 52% of the Adopted 2009 Budget, or \$52.1M below plan. Budget funds totaling \$33.4M were set aside in the fourth quarter of 2009 to settle pending construction issues; however, resolution is now not expected until later. Higher than planned expenditures for Beacon Hill Tunnels, Tukwila Roadwork and Parking, and follow-on construction are offset by unallocated contingency set aside for 2009. Final completion of Systems contracts has been delayed and work will continue in 2010.

Construction Services outlays of \$9.4M are 109% of the Adopted 2009 Budget, or \$0.7M over plan for continuing follow-on construction work and emergency noise mitigation. Lifetime capital outlays for this phase were increased in the Adopted 2010 Budget.

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. Capital outlays of \$7.7M exceed the Adopted 2009 Budget by \$1.1M: higher expenditures reflect double-shift vehicle testing and integrated testing of overall systems earlier in 2009 to meet the Revenue Service date. The lifetime capital amount for *Contract Remaining* is overstated by \$98.5K, because a few completed work items containing surplus budget have not yet been closed. Lifetime capital outlays for this phase are projected to be on budget.

Airport Link - 154th to 176th Project - Capital Outlays by Phase (in thousands)					
As of September 30, 2009					
Current Year 2009					
Phase	2009 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	2,944	2,944	2,096	849	71%
Preliminary Engineering	25	25	-	25	0%
Final Design	912	912	656	256	72%
Third Party	600	600	149	451	25%
ROW Acq. & Permits	605	605	191	414	32%
Construction	48,448	48,448	37,376	11,071	77%
Construction Services	6,601	6,601	4,623	1,979	70%
Vehicles	2,769	2,769	2,086	683	75%
Test and Startup	523	523	435	88	83%
Contingency	-	-	-	-	0%
TOTAL	63,427	63,427	47,612	15,815	75%
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	12,187	8,969	10	3,208	74%
Preliminary Engineering	3,691	3,666	0	25	99%
Final Design	15,765	15,460	49	256	98%
Third Party	1,729	1,309	157	263	85%
ROW Acq. & Permits	12,450	11,960	52	438	96%
Construction	192,270	178,199	5,605	8,466	96%
Construction Services	15,421	13,442	2,193	(215)	101%
Vehicles	14,587	13,904	(5)	688	95%
Test and Startup	1,000	908	58	33	97%
Contingency	-	-	-	-	0%
TOTAL	269,100	247,817	8,121	13,163	95%

The **Airport Link project** opened for service early on December 19, 2009. Although in revenue service, project final completion and close out will continue.

Airport Link project capital outlays of \$47.6M through December 2009 are 75% of the Adopted 2009 Budget or \$15.8M below plan.

Construction outlays of \$37.4M are 77% of the Adopted 2009 Budget, or \$11.1M below plan. Of this amount, \$5.8M is unused unallocated contingency, and the remaining \$5.3M is the sum of expenditures that are below plan across all civil and systems construction contracts.

Construction Services Capital outlays of \$4.6M are 70% of the Adopted 2009 Budget, or \$2.0M below plan, which reflects the construction expenditure trend.

Agency Administration Expenses

ST STAFFING			
For the Year Ending December 31, 2009			
Department	Staffing Plan	Filled Positions 2009	Vacancies
Corporate Staff			
Executive	66	61	5
Finance and IT	84	80	4
Legal	14	12	2
Link	111	101	10
Capital Projects	24	23	1
Communications & External Affairs	34.75	34.75	0
Operations	44.6	41.6	3
Planning, Environmental & Project Development	33	32	1
Total Corporate Staff	411.35	385.35	26
Operations Staff			
Accessible Services	2	2	0
Light Rail Operations	4	3	1
ST Express Bus Operations	2	1	1
Sounder Commuter Rail Operations	4	4	0
Tacoma Link Light Rail Operations	18	18	0
Transit Systems	8	5	3
Total Operations Staff	38	33	5
Total Sound Transit Staff	449.35	418.35	31

Agency Summary by Department (in thousands)

Staff Operating Departments - Before Expense Transfers & Transfers to Other Govts
For the Year Ending December 31, 2009

Budget to Actuals

	Q1 Actuals	Q2 Actuals	Q3 Actuals	Q4 Actuals	YTD 2009 Actuals	YTD 2009 Budget	YTD Actuals (over)/under YTD Budget	YTD Actuals as % of YTD Budget
Executive	964	1,177	1,128	1,222	4,491	5,487	996	82%
Policy Planning & Public Affairs	1,199	1,257	1,231	1,292	4,980	5,722	743	87%
Legal	626	640	756	890	2,912	3,246	334	90%
Finance & Information Technology	3,212	3,429	3,858	3,944	14,443	14,866	423	97%
Link Light Rail	2,957	3,102	3,052	3,370	12,480	13,199	719	95%
Capital Projects	712	738	699	773	2,921	3,230	309	90%
Corporate Services	1,683	1,709	2,199	2,552	8,143	9,052	909	90%
Transportation Services	1,351	1,527	1,740	1,639	6,258	6,605	347	95%
Non-Departmental	805	864	1,251	716	3,636	3,982	346	91%
TOTAL	\$ 13,509	\$ 14,442	\$ 15,915	\$ 16,399	\$ 60,264	\$ 65,390	\$ 5,126	92%

Staff & Other Expenses (in thousands)

For the Year Ending December 31, 2009

Budget to Actuals

	Q1 Actuals	Q2 Actuals	Q3 Actuals	Q4 Actuals	YTD 2009 Actuals	YTD 2009 Budget	YTD Actuals (over)/under YTD Budget	YTD Actuals as % of YTD Budget
Salaries & Benefits	9,941	10,439	10,589	11,390	42,359	44,307	1,948	96%
Services	1,808	2,103	2,517	2,406	8,834	10,092	1,258	88%
Materials & Supplies	147	282	231	312	972	1,256	284	77%
Miscellaneous Expenses	198	178	640	734	1,749	3,043	1,294	57%
Leases & Rentals	491	532	515	541	2,078	1,970	(108)	106%
Other Expenses	490	470	890	610	2,460	2,428	(32)	101%
Depreciation	434	438	533	406	1,812	2,294	482	79%
Gross Staff Operating Expenses	\$ 13,509	\$ 14,442	\$ 15,915	\$ 16,399	\$ 60,264	\$ 65,390	\$ 5,126	92%
Expense Transfers	(8,686)	(9,312)	(9,799)	(10,672)	(38,469)	(40,002)	(1,533)	96%
Net Staff Operating Expenses	\$ 4,823	\$ 5,129	\$ 6,116	\$ 5,727	\$ 21,795	\$ 25,388	\$ 3,593	86%
Other Expenses								
Debt Service Costs	1	-	-	179	179	2,853	2,673	6.29%
Non-Capitalizable expenses	1,466	10,324	5,493	(1,474)	15,809	15,959	151	99%
STart	11	7	24	(29)	13	202	189	6%
Transit-Oriented Development	8	48	73	54	183	265	82	69%
Regional Fund Projects	788	647	1,132	988	3,555	15,009	11,454	24%
Total Other Expenses	\$ 2,275	\$ 11,026	\$ 6,721	\$ (282)	\$ 19,740	\$ 34,288	\$ 14,548	58%
Non-cash Expenses	7,239	5,159	2,023	7,892	22,314	16,689	(5,625)	134%
Grand Total Operating Expenses	\$ 14,338	\$ 21,314	\$ 14,860	\$ 13,337	\$ 63,849	\$ 76,365	\$ 12,516	84%

Subarea Fourth Quarter 2009 Summaries

Subarea Revenue Summary

Millions YOES

2009 Tax Revenues	Snohomish	North King	South King	East King	Pierce	Systemwide	Total
December YTD Budget	64.7	159.9	102.4	150.5	96.0	0.0	573.5
December YTD Actuals	59.7	148.5	82.5	133.0	87.2	0.0	510.9
\$ Variance	-5.0	-11.4	-19.9	-17.5	-8.8	0.0	-62.6
% Variance	-7.7%	-7.1%	-19.4%	-11.6%	-9.2%	-	-10.9%
2009 Farebox Revenues							
December YTD Budget	3.5	-1.5	6.1	8.7	11.4	0.0	28.2
December YTD Actuals	4.0	2.1	5.3	10.0	6.8	0.0	28.2
\$ Variance	0.5	3.6	-0.8	1.3	-4.6	0.0	0.0
% Variance	13.6%	-239.1%	-12.9%	15.1%	-39.9%	-	0.1%
2009 Grant & Contribution Revenues							
December YTD Budget	7.5	74.0	41.1	0.0	3.7	0.6	126.9
December YTD Actuals	6.7	79.1	37.5	0.0	23.1	0.7	147.0
\$ Variance	-0.8	5.1	-3.6	0.0	19.4	0.1	20.1
% Variance	-10.8%	6.9%	-8.8%	-	523.8%	14.2%	15.9%
2009 Other Revenues							
December YTD Budget	0.4	2.4	0.5	0.3	0.9	11.8	16.3
December YTD Actuals	0.8	3.8	2.1	0.3	2.3	6.2	15.5
\$ Variance	0.4	1.4	1.6	0.0	1.4	-5.6	-0.8
% Variance	95.4%	58.2%	329.6%	4.2%	153.5%	-47.3%	-4.7%

Subarea Operating Expense & Capital Outlay Summary

Millions YOES

2009 Transit Operating Expenses	Snohomish	North King	South King	East King	Pierce	Systemwide	Total
December YTD Budget	25.5	123.5	96.7	31.9	85.1	6.40	223.1
December YTD Actuals	5.1	113.0	55.6	5.1	25.1	9.8	213.7
Percent Spent	20.0%	91.5%	57.5%	16.0%	29.5%	153.1%	95.8%
2009 Other Operating Expenses							
December YTD Budget	0.1	0.6	(0.3)	1.6	1.9	72.4	76.4
December YTD Actuals	0.0	(0.0)	(0.5)	0.4	0.3	20.3	63.8
Percent Spent	34.7%	-4.5%	193.2%	24.0%	15.4%	28.0%	83.6%
2009 Capital Outlays							
December YTD Budget	53.5	282.7	145.8	68.7	129.1	8.6	688.3
December YTD Actuals	12.5	143.7	76.4	23.2	61.1	14.0	330.8
Percent Spent	23.3%	50.8%	52.4%	33.7%	47.4%	163.3%	48.1%
2009 Lifetime Capital Outlays							
LTD Budget	604.9	3,590.3	1,442.4	753.8	839.7	22.2	7,269.3
LTD Actual	512.1	1,825.0	1,200.4	414.8	553.4	66.9	4,572.6
Outstanding Contracts	22.4	777.2	23.5	57.9	31.5	4.2	916.7
Percent Spent or Committed	88.4%	72.5%	84.9%	62.7%	69.7%	319.9%	75.5%

Subarea Net Asset Summary

Millions YOES

2009 Net Asset Summary	Snohomish	North King	South King	East King	Pierce	Systemwide	Total
Invested Capital Assets	299.7	1,434.6	845.9	120.5	312.6	28.3	3,041.7
Restricted	17.9	123.7	61.6	-	29.5	19.7	225.9
Unrestricted	14.2	(147.6)	(118.8)	350.3	176.8	63.5	338.4
Total Net Assets	331.8	1410.7	788.7	470.8	518.8	111.6	3,606.0