

CFO Report

Finance and Audit Committee

5/8/2025



Why we are here

- 2026 Budget and Transit Improvement Plan Preparation
- Potential Policy Changes
- Where We Are Today – 2024 Audit Report-out



What we are Doing

Containing Cost Pressures

We are preparing the 2026 Budget and TIP with a focus on cost containment, accountability, and justified spending.

- Finish Project MOST implementation; hold FTEs steady in anticipation of long-term workforce planning
- Expand zero-based budgeting (continue incorporating cost drivers into budget development process)
- Address Resiliency challenges and long-term SOGR; transition our approach to Service Delivery Projects (asset classes and programs)
- Fund activities associated with key Agency milestones (opening and full-year operations for East Link, openings for Pinehurst and Federal Way)



Updating our Budget Policy

The Budget policy has not been updated since 2020; potential updates would bring clarifications and align with recent Agency priorities.

- Update language to reflect future of Asset Management via asset classes and portfolios (programs vs. projects)
- Address our post-MOST structure changes
- General clarifications and language clean-up

Any policy changes would need to be approved by the Board; timing would coincide with 2026 Budget and TIP review process.

Where we are today

- Crowe, our audit firm, has given us the latest in a long stretch of clean audits.
- We presented unaudited 2024 financial figures in March, the audited statements have been completed.
- In 2024, revenues exceeded expenses by \$1.409 billion, a 49.1% decrease from 2023.
- Unrestricted net position increased 9.2% in 2024, respectively, as increases in cash and investments exceeded capital spending.

Thank you



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