

# ADDENDUM TO MAY 2026 FAC CFO REPORT: MARCH 2026 YTD FINANCIAL PERFORMANCE EXECUTIVE SUMMARY

Note: The Board packet contains the Quarterly Financial Report for Q1 2026, which is made available on [soundtransit.org](http://soundtransit.org). This addendum is to provide a high-level summary.

March 2026 YTD total revenues and other financing sources were \$716M compared to total expenditures of \$575M. For total revenues and other financing sources, this represents 108% of budget. For total expenditures, this represents spending 83% of budget.

Revenues & Other Financing Sources (in thousands)	March 2026 YTD Budget	March 2026 YTD Actuals	Variance (\$) Under/(Over)	Actuals as % of Budget
Tax Revenues	\$ 571,044	\$ 589,249	\$ 18,205	103%
Other Revenues	\$ 93,391	\$ 126,984	\$ 33,593	136%
<b>Total Revenues</b>	<b>\$ 664,435</b>	<b>\$ 716,233</b>	<b>\$ 51,798</b>	<b>108%</b>

Expenditures (in thousands)	March 2026 YTD Budget	March 2026 YTD Actuals	Variance (\$) Under/(Over)	Actuals as % of Budget
System Expansion Projects	\$ 342,681	\$ 260,737	\$ 81,943	76%
Transit Operations	\$ 213,486	\$ 201,532	\$ 11,955	94%
Debt Service	\$ 74,967	\$ 72,783	\$ 2,184	97%
Service Delivery Projects	\$ 33,662	\$ 18,558	\$ 15,104	55%
Other Expenses	\$ 26,226	\$ 21,907	\$ 4,319	84%
<b>Total Expenses</b>	<b>\$ 691,022</b>	<b>\$ 575,518</b>	<b>\$ 115,505</b>	<b>83%</b>

## Tax Revenues

Tax revenues were \$18M or 3% over budget mainly due to sales tax performing above budget (\$19M or 4% above budget). This is partially offset by MVET performing below budget (\$0.4M or 0.4% below budget). YTD sales tax collections growth is 8.1% compared to the budgeted 3.3% and YTD MVET collections grew 1.0% compared to the budgeted 2.6%.

## Other Revenues & Financing

Actuals were \$34M or 36% higher than budget mainly due to higher than budgeted federal grants (\$50M or 696% above budget) due to an unbudgeted draw of \$16.7M for the Tacoma Dome Link Extension project to exhaust funding from grant WA-2026-001TDLE and an unbudgeted draw of \$15.4M for OMFS to exhaust funding from grant WA-2026-002. These draws were initiated at the end of 2025 but were not processed and received until 2026 and were not included in the 2026 budget. Additionally, \$7.5M for bus grant funding drawn earlier than budgeted and \$3.2M drawn for West Seattle Link Extension and Ballard Link Extension projects earlier than budgeted. All other grants \$6.9M higher than budget. This was partially offset by investment income (\$18M or 28% below budget). YTD interest revenue was \$16.8M above budget due to larger than expected cash balances and higher than anticipated market rates. However, this was offset by \$35.0M of negative fair market value adjustments. Passenger fares were \$2M or 12% above budget primarily due to higher budgeted ridership.

## System Expansion Project Expenditures

Overall, actuals were \$82M or 24% lower than budget primarily due to:

- Link Light Rail project budgets performed at 77% of the YTD budget driven by delays in closeout and follow-on activities for Federal Way Link Extension and East Link Extension, accruals issues with Everett Link Extension, delayed Preliminary Engineering progress for West Seattle Link Extension, and delayed delivery of vehicles for Series 2 LRV Fleet Expansion.
- Stride Bus Rapid Transit project budgets performed at 69% of the YTD budget driven primarily by invoicing issues with the I-405 BRT project that should be resolved in April.
- Sounder Commuter Rail project budgets performed at 73% of the YTD budget driven by Non-Conformance reports leading to delays with Sumner Garage and a billing issue with Sounder Fleet Expansion.

## Transit Operating Expenditures

*Transit Operating Expenses were \$12M or 6% lower than budget.*

**Link Light Rail** expenditure was \$8.4M or 6% lower than budget.

- Purchased transportation services (including paratransit) were \$5.1M under budget driven by higher King County Rail vacancies at 15% vs. 10% budgeted.
- Cost transfers were \$1.8 million under budget driven by lower operating project costs resulting from delayed task order execution as the new Multiple Award Task Order Contract (MATOC) is set up, as well as 3rd Ave Vent Structure project due to delays in billing and payment resulting from track access issue which has now been resolved.
- Services were \$1.6M under budget driven by the deferral of the paid parking program to 2027 (i.e., parking fee and permit rollouts, parking payment and enforcement services, signages, etc.); partially offset by higher Security & Safety costs to provide expanded coverage for wire and copper theft, police staffing, security events, and 24/7 camera and alarm monitoring.

**Sounder Commuter Rail** expenditure was \$5.0M or 18% lower than budget.

- Cost transfers were \$2.7 million under budget driven by lower operating project costs for the Sounder Vehicle Overhaul Program, where the shipment of the first four cars for overhaul has been delayed due to technical issues.
- Services were \$1.8M under budget driven by the deferral of the daily paid parking implementation to 2027, lower-than-expected demand for as-needed elevator maintenance, and lower hardware maintenance expenses due to procurement timing.
- Purchased transportation services (including paratransit) were \$1.4M under budget driven by lower number of vehicles maintained than budgeted (81 vs 92), favorable diesel fuel rates (averaging \$3.32 vs \$4.10 per gallon budgeted), as well as Q4 2025 fuel cost reconciliation credit from Amtrak.

**ST Express** expenditures were \$2.0M or 4% higher than budget primarily due to World Cup charter bus services purchased ahead of schedule.

**Tacoma Line** expenditures were \$0.6M or 11% lower than budget primarily due to Services (i.e., prior year security cost adjustment, delayed start dates for consultants and temporary labor, and lower than anticipated demand for as-needed track, right-of-way, signal and equipment maintenance services).

## Debt Service Expenditures

Actuals were \$2M or 3% lower than budget primarily due to not drawing down on two TIFIA loans originally planned for Q1 (Pinehurst and Sounder Access). Variance will continue to grow until loans are drawn. Loans are not required to be drawn until 2027 and 2028.

## **Service Delivery Project Expenditures (there are 31 asset-based programs in this category, plus one program for indirect costs)**

Overall, actuals were \$15M or 45% lower than budget primarily due to:

- Kinkisharyo LRV System Upgrade project (Light Rail Vehicle Program, \$4.3M under budget) due to delayed milestone invoices for Woojin related to ongoing qualification testing with the first car. Targeting to invoice milestones by end of May.
- At-Grade projects (Crossings and Train Control Program, \$2.7M under budget) experiencing delay in getting a designer onboard for the 1 Line pedestrian gates, delay in getting Royal Brougham design completed due to changing the designer, and subsequent delay to construction dates. Delays will continue and the underspend will persist through year end.
- International District Station Vertical Transportation Modernization (Vertical Transportation Program, \$2.6M under budget) experiencing six week delay in commissioning an elevator back to operation due to issues identified during inspections delaying delivery milestone payment to April. 2025 accruals (~\$1M) are also reflected in underspend.
- Sounder Passenger Car Overhaul (Commuter Rail Program, \$2.6M under budget) delayed due to change order request related to 3% labor rate increase, which is currently pending CREI approval. Also, delay in shipping first four cars to Brookville, PA by about a month due to technical issues.

## **Other Expenditures**

Actuals were \$4M or 16% lower than budget primarily driven by fares and regional planning and leases. Fare and regional planning is underspent by \$2.8M driven by Innovation and Technology expense projects. Lease expense is underspent by \$1.4M due to additional leased space budgeted but not yet executed.