

CFO Report

Finance and Audit Committee

12/17/20



Topics

- Economic and Financial Update
- October year-to-date reports:
 - Financial Performance Report
 - Asset Liability Management Report

***Economic and financial
impacts of COVID-19***

General Economic Update

- Recovery of tax revenue collections slowed in September, reversing course from improvement seen over the previous months.
- US Coronavirus cases and hospitalizations at peak level and pace.
- Q4 2020 revenue will most likely trend downward

General Financial Update

- No major change in revenue projections since November, long term (2020-2041) tax revenue loss estimate is between \$6-12B.
- Cost pressure on capital projects continues as we advance in preliminary engineering and final design on future projects.
- Grants, federal loans and funding strategies are being developed and pursued to help bridge a portion of the affordability gap.

***October YTD 2020 Financial
Performance Report***

October YTD 2020 Tax Revenue Performance

- 1. YTD Tax revenues at 93% of budget***
- 2. Actual tax collections since pandemic down 8% as compared to 2019***
 - Sales tax collections down 9%
 - MVET collections down 4%
 - Rental Car Tax down 61%

YTD 2020 Transit Operating Expenses at 94% of budget

- Current year payment for ST Express and Link is fixed regardless of service levels. Actual costs are reconciled in the following year.
- Lower Sounder cost mainly due to reduced service levels.
- Lower fuel cost due to falling oil prices and lower service levels.
- Lower insurance cost due to shift of DSTT transfer to 2021.

YTD 2020 Projects Expense at 93% of Budget

System Expansion Projects

Link: YTD expenditure at 98% of budget (or \$29M under).

Sounder: YTD expenditure at 74% of budget (or \$11M under).

Regional Express: YTD expenditure at 52% of budget (or \$11M under).

Stride: YTD expenditure at 48% of budget (or \$37M under).

Asset and Liability Management Summary

- Cash reserve continues to be used to make up for the gap between ongoing revenues collections and expenditures.
- Investment strategy updated to increase liquidity and flexibility.
- Credit risk is closely monitored.

Thank you.



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