

# *CFO Report*

*Finance and Audit Committee*

*7/21/22*



# *Why we are here*

- **May YTD 2022 Reports:**
  - Financial Performance Report
  - Asset Liability Management Report

***May YTD 2022 Financial  
Performance Report***

# May YTD Performance

Revenues & Other Financing Sources (in thousands)	May 2022 YTD Budget	May 2022 YTD Actuals	Variance (\$) Under/(Over)	Actuals as % of Budget
Tax Revenues	\$ 848,621	\$ 867,883	\$ 19,262	102%
Other Revenues	\$ 130,425	\$ 105,874	\$ (24,550)	81%
<b>Total Revenues</b>	<b>\$ 979,046</b>	<b>\$ 973,758</b>	<b>\$ (5,288)</b>	<b>99%</b>

Expenditures (in thousands)	May 2022 YTD Budget	May 2022 YTD Actuals	Variance (\$) Under/(Over)	Actuals as % of Budget
Transit Operations	\$ 171,555	\$ 148,465	\$ 23,090	87%
System Expansion Projects	\$ 837,478	\$ 632,917	\$ 204,562	76%
Non-System Expansion Projects	\$ 40,167	\$ 34,693	\$ 5,474	86%
Debt Service	\$ 83,099	\$ 61,842	\$ 21,257	74%
Other Expenses	\$ 17,912	\$ 13,718	\$ 4,194	77%
<b>Total Expenses</b>	<b>\$ 1,150,211</b>	<b>\$ 891,634</b>	<b>\$ 258,577</b>	<b>78%</b>

# *May YTD Revenue Performance*

- Total revenues of \$973M is \$(5)M or 1% below budget mainly due to mark-to-market adjustments to investment income offset by tax revenues.
- Tax revenues \$20M or 2% above budget.
- Federal grants \$10M or 9% above budget.
- Investment income \$(36)M below budget.

# May YTD Transit Operations

## **Performance at 87% of budget or \$23M below budget.**

- Purchased transportation at 93% or \$7M under budget due to prior year partner reconciliations
- Services at 81% or \$6M under budget due to various delays in facility maintenance work to catch up in Q3, prior year partner reconciliations and security & safety understaffing
- Modal overheads at 70% or \$5M under budget due to higher FTE vacancies and timing of operating projects expected to catch up in Q3
- Insurance at 62% or \$3M under budget due to a softening insurance carrier market and DSTT turnover (expected in Q3 vs. Jan 2022 budgeted)

# ***May YTD System Expansion Projects***

***Performance at 76% of budget or \$205M under budget.***

- Link at 78% or \$154M under budget
  - Primarily Lynnwood, Federal Way, Downtown Redmond and LRV Fleet Extensions
- Stride at 37% or \$26M under budget
  - Primarily I-405 BRT and SR 522 NE 145<sup>th</sup> St
- Sounder at 79% or \$8M under budget
  - Primarily Sounder Fleet Expansion and Sounder South Capacity Expansion
- Regional Express at 39% or \$5M under budget
  - Primarily Rapid Ride C&D

# **May YTD Non-System Expansion Projects**

## **Performance at 86% of budget or \$5M under budget.**

- Enhancements at 25% or \$11M under budget primarily due to:
  - Digital Passenger Info System (PIMS) vendor delivery delayed due to software defects, installation and testing delays
  - Fare Paid Zone late procurement of final design due to complexity of project
- State of good repair at 53% or \$7M under budget primarily due to:
  - Largely due to Issaquah garage repairs pending confirmation of required work, delay in Auburn Plaza lighting project, restriping lots and garages pending pricing with vendor
  - IT Network Redesign Phase 2 supply chain delays of hardware which is also impacting the timing of implementation activities
- Administrative at 201% or \$(12)M over budget primarily due to timing of budget which will be adjusted in June close



# *Asset Liability Management Report*

# ***Key Asset and Liability Management Highlights***

- Interest rate increases present both challenges and opportunities
  - The agency's fixed income investments will lose value with interest rate increases. The agency seeks to hold most investments to maturity to avoid realizing losses.
  - Interest earnings on investments will increase
- Continuing to monitor market volatility and adjust the portfolio to minimize risk and maximize returns

*Thank you.*



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