CFO Report

Finance and Audit Committee

10/20/2022

SoundTransit

Why we are here

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

August YTD 2022 Financial Performance Report

August YTD Performance

Revenues & Other Financing Sources (In $million)	August 2022 YTD Budget	August 2022 YTD Actual	Variance ($) (Under)/Over	Actuals as % of Budget
Tax Revenues	1,446	1,448	2	100%
Other Revenues	1,013	888	(125)	88%
Total Revenues	**2,460**	**2,336**	**(123)**	**95%**

Expenditures (In $million)	August 2022 YTD Budget	August 2022 YTD Actual	Variance ($) Under/(Over)	Actuals as % of Budget
Transit Operations	276	244	31	89%
System Expansion Projects	1,389	1,135	255	82%
Non-System Expansion Projects	62	24	38	39%
Debt service	102	79	23	78%
Other Expenses	39	28	12	70%
Total Expenses	**1,869**	**1,510**	**359**	**81%**

August YTD Tax Revenue Summary

Tax revenues is at 100% or $2.0M above budget

- Sales tax revenue $29M or 3% above budget
- MVET ($27M) or 11% below budget
- Rental Car Tax $710K or 35% above budget
- Property tax is at budget

August YTD Fare Revenue Summary

Fare revenue $6M or 26% above budget

- **Ridership 7.1M or 53% above budget**
- **Ridership increase from 2021 to 2022 August YTD**
  - System total: 125% increase
  - Link: 184%
  - ST Express (all partners): 40%
  - Sounder: 80%
  - Tacoma Link: 5%

August YTD Operating Expense

- Operating expense $31.5M or 11% below budget, YE forecast expected to be $48.7M or 11% below budget
- Performance variance mostly driven by Link - lower than planned with internal and contracted vacancies driving a large portion, lower interlocal ORCA costs, and lower insurance.

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August YTD System Expansion Projects

System Expansion Projects at 82% or $254.7M below budget:

- **Link at 86% or $158M below budget**
  - Primarily Federal Way, Lynnwood, Downtown Redmond and LRV Fleet Extensions
- **STRIDE at 51% or $36M below budget**
  - Primarily I-405 BRT and SR 522/NE 145th St.
- **Tacoma Link at 67% or $17M below budget**
  - Primarily contractor staffing and related construction production
- **Sounder at 73% or $15M below budget**
  - Primarily Sounder Fleet Expansion and Sounder South Capacity Expansion

August YTD Non-System Expansion Projects

Non-System Expansion Projects at 39% or $38M below budget:

- **Enhancements at 35% or $17.5M below budget**

- Primarily due to Digital Passenger Info System vendor delivery date delay, Fare Paid Zone procurement delay, and Data Management Program supply chain problems.

- **State of good repair at 41% or $17.5M below budget**

- Primarily due to Sounder Vehicle Overhaul Program new car procurement delivery delays, IT Network Redesign lower hardware charges, and Link LRV Overhaul labor availability.

- **Administrative at 46% or $3M below budget**

- Primarily due to IT Program start dates delay due to agency resource limitation and Admin Facilities longer lead times for HVAC rooftop equipment.

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Asset and Liability Management Report

Key Asset and Liability Management Highlights

- The Fed continues tightening to achieve policy goals
  - 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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