

CFO Report

Finance and Audit Committee

7/20/23



Why we are here

- May YTD 2023 Reports:
 - Financial Performance Report
- Green Bond Report
- 2022 Fare Revenue Report
- Enterprise Risk Management program update

***May YTD 2023 Financial
Performance Report***

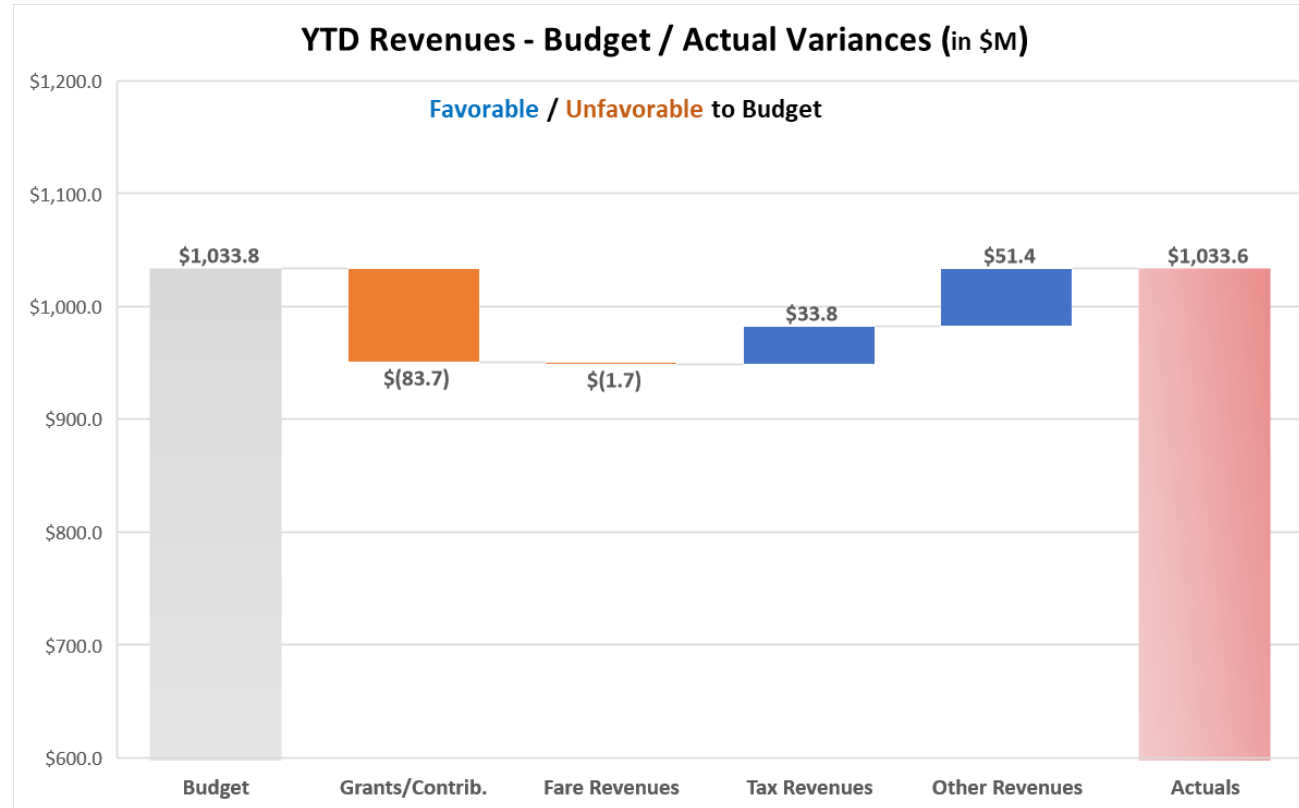
May YTD performance

Revenues & Other Financing Sources (in thousands)	May 2023 YTD Budget	May 2023 YTD Actuals	Variance (\$) Under/(Over)	Actuals as % of Budget
Tax Revenues	\$ 868,100	\$ 901,917	\$ (33,817)	104%
Other Revenues	\$ 165,726	\$ 131,694	\$ 34,032	79%
Total Revenues	\$ 1,033,825	\$ 1,033,611	\$ (214)	100%
Expenditures (in thousands)	May 2023 YTD Budget	May 2023 YTD Actuals	Variance (\$) Under/(Over)	Actuals as % of Budget
Transit Operations	\$ 201,104	\$ 177,946	\$ 23,158	88%
System Expansion Projects	\$ 733,580	\$ 658,266	\$ 75,314	90%
Non-System Expansion Projects	\$ 84,821	\$ 54,921	\$ 29,900	65%
Debt Service	\$ 69,425	\$ 68,897	\$ 528	99%
Other Expenses	\$ 16,962	\$ 15,029	\$ 1,933	89%
Total Expenses	\$ 1,105,891	\$ 975,058	\$ 130,833	88%

May YTD revenue & other financing sources

Actuals were \$0.2M lower than planned

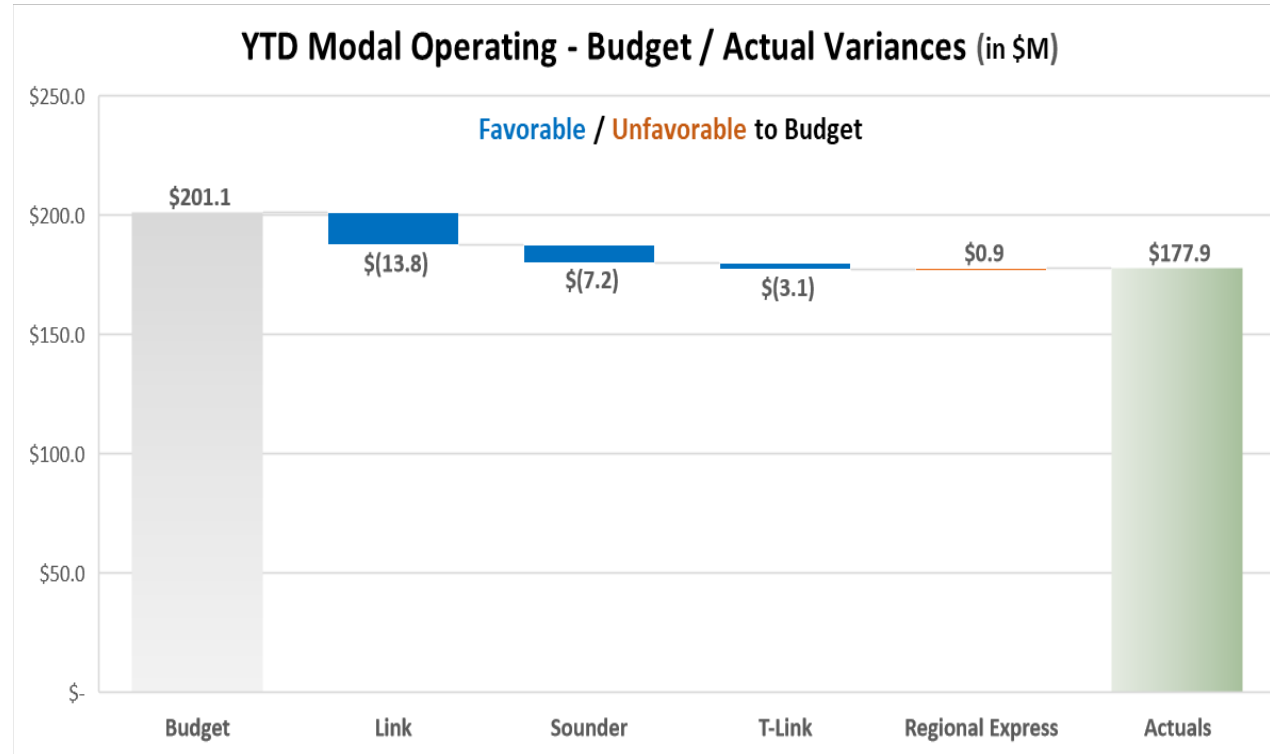
- Federal grants
(68% unfavorable)
- Link ridership / fares
(8% unfavorable)
- Tax revenues
(4% favorable)
- Investment income
(260% favorable)



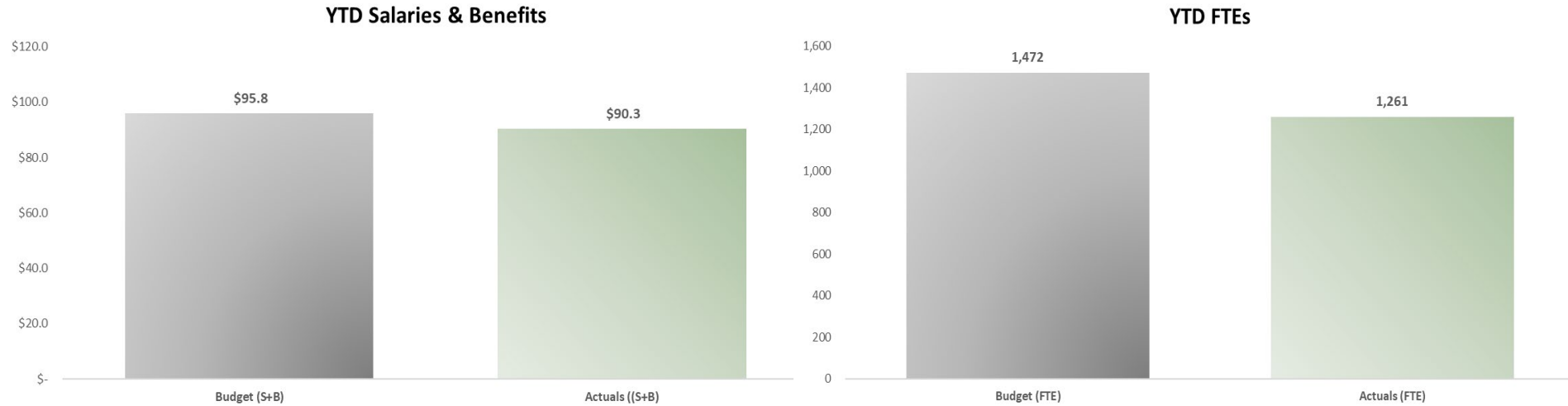
May YTD transit operations

Actuals were \$23M or 12% lower than planned

- Maintenance projects delayed to later this year
- Agency administration driven by FTE vacancies
- Lower insurance premiums and timing of DSTT turnover



May YTD agency labor costs and FTEs



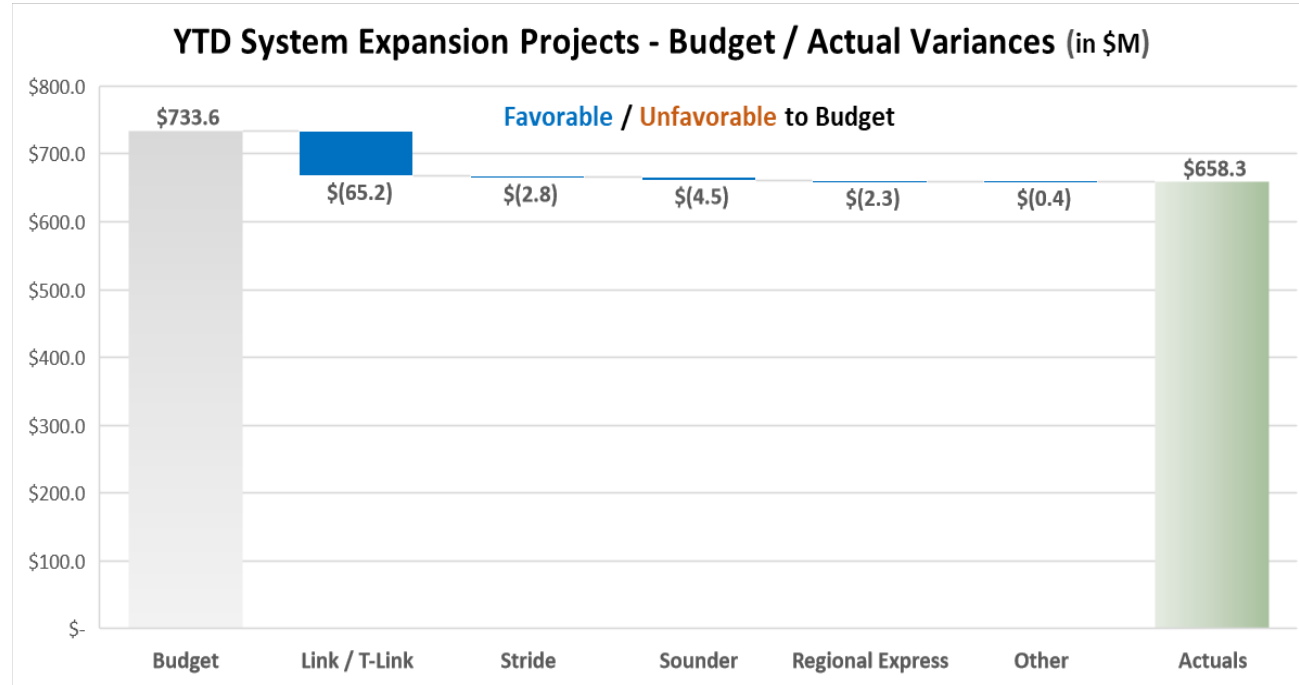
6% S&B underspend is driven by 6% vacancy over assumed vacancy

- Vacancy budgeted at 8%, YTD average at 14%
- Difference between budgeted and actual YTD vacancy is 6%

May YTD system expansion projects

Actuals were \$75M or 10% lower than planned

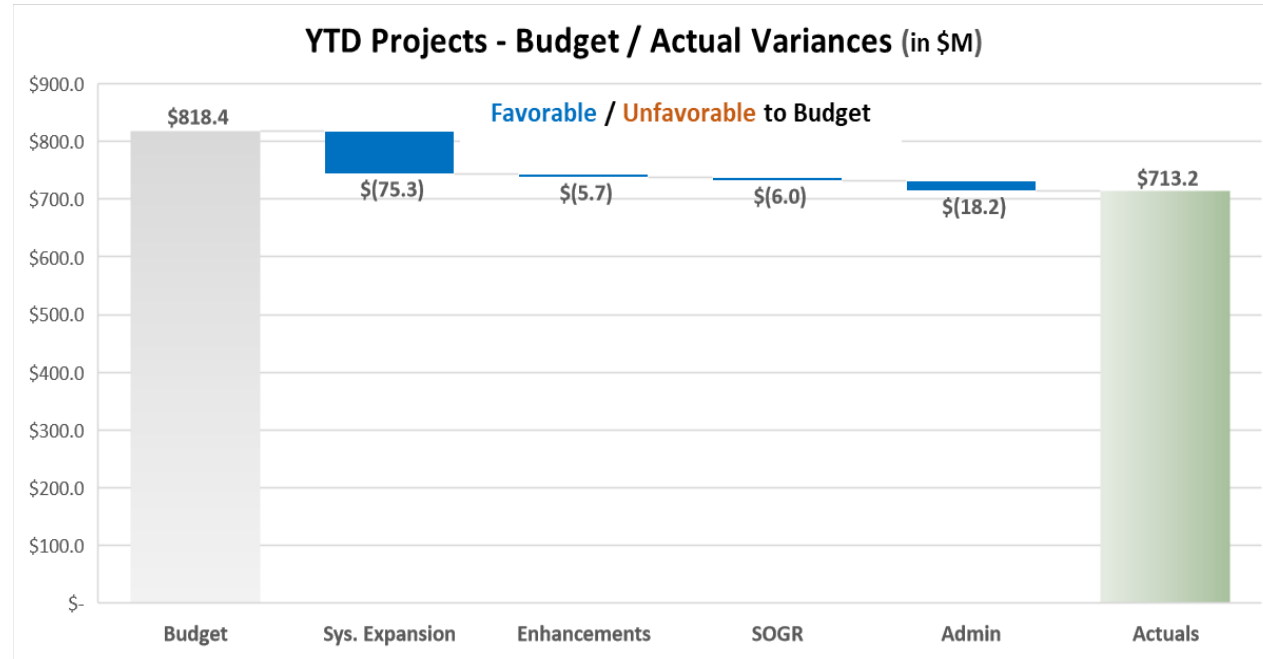
- Link – LRV Fleet Expansion
- Stride – I-405 BRT
- Sounder – Fleet Expansion
- Regional Express – Pacific Ave SR 7 Bus Corridor
- Other – Fare Admin.



May YTD non system expansion projects

Actuals were \$30M or 36% lower than planned

- Enhancements – Digital PIMS, PSO program work and Data Mgmt.
- State of Good Repair – Vertical Conveyance Program and IT led programs
- Administrative – Higher vacancies than assumed



Green Bond Report

Annual Green Bond Report

- Included in the meeting materials is the annual green bond report in support of the Agency's debt issued as "Green Bonds"
- The report summarizes the Agency's sustainability efforts and meets the requirements of the International Capital Market Association "Green Bond Principles"
- Please reach out if there are any questions

2022 Fare Revenue Report

2022 Fare Revenue Report

- Fare Revenue of \$45M in 2022, up from \$28M in 2021
- Fare payment compliance continued to be a challenge
44% of Link Boardings in 2022 were Non-Fare Boardings
- Farebox Recovery rates were significantly below policy thresholds
2022 Recovery: Link 16%, ST Express 9%, Sounder 7%
- Continued to assist riders with reducing ORCA LIFT fares and implementing Free Youth fares

***Enterprise Risk Management
Program Update***

Enterprise Risk Management (ERM)

- ERM is an Agency-wide strategy to identify and address hazards across the Agency (operations, system expansion, finance, etc.)
- Risk Management is occurring today at the Division level
- Foundational activities are underway to create Agency level risk management to support ISO certification and help prioritize resources.
- The foundational activities support moving to an Agency level aggregation and awareness of risks to further mature the great work occurring at the department/division level.

Thank you.



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