

CFO Report

Finance and Audit Committee

7/11/2024



Why we are here

- 2024 May YTD financial performance
- Asset and liability management report
- 2023 Annual fare revenue report

***2024 May YTD financial
performance report***

2024 May YTD performance

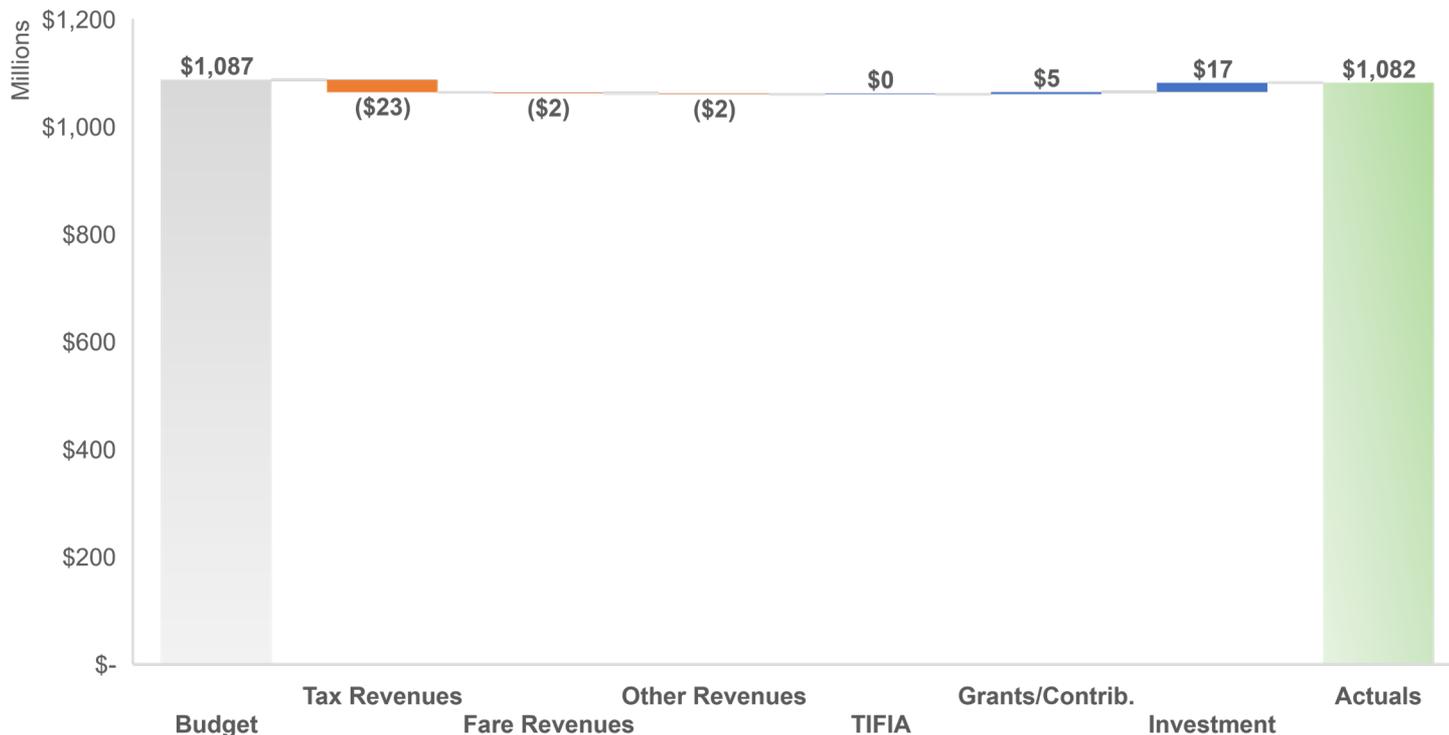
Revenues & Other Financing Sources (in thousands)	May2024 YTD Budget	May2024 YTD Actuals	Variance (\$) Under/(Over)	Actuals as % of Budget
Tax Revenues	\$ 941,119	\$ 918,020	\$ 23,099	98%
Other Revenues	\$ 145,956	\$ 163,811	\$ (17,855)	112%
Total Revenues	\$ 1,087,075	\$ 1,081,832	\$ 5,244	100%

Expenditures (in thousands)	May2024 YTD Budget	May2024 YTD Actuals	Variance (\$) Under/(Over)	Actuals as % of Budget
Transit Operations	\$ 251,094	\$ 226,472	\$ 24,623	90%
System Expansion Projects	\$ 741,642	\$ 597,896	\$ 143,746	81%
Service Delivery Projects	\$ 73,612	\$ 62,880	\$ 10,732	85%
Debt Service	\$ 78,219	\$ 76,058	\$ 2,161	97%
Other Expenses	\$ 14,318	\$ 12,698	\$ 1,620	89%
Total Expenses	\$ 1,158,886	\$ 976,004	\$ 182,882	84%

May YTD revenues & other financing sources

Actuals were \$5.2M lower than planned

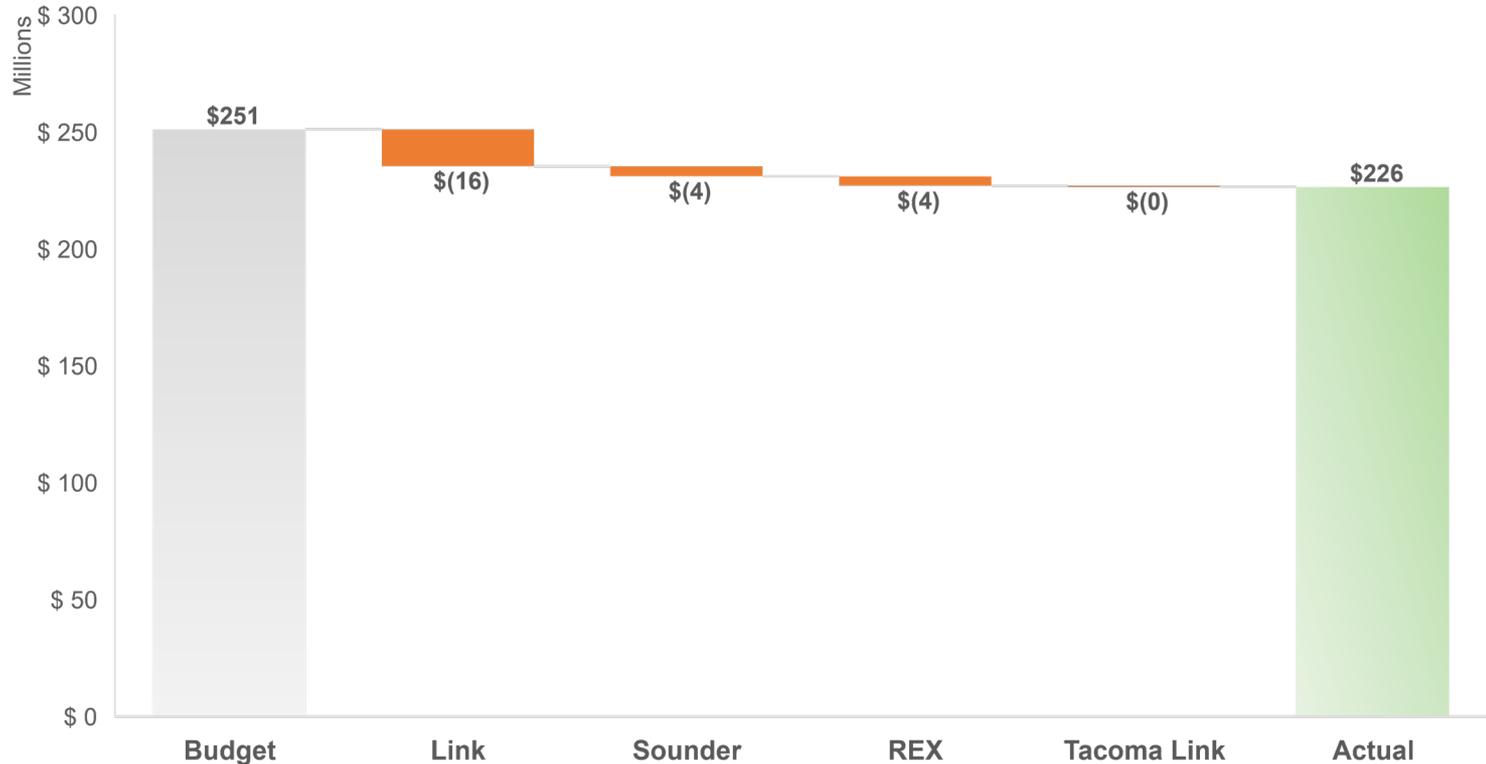
- **Tax revenues**
(2% under budget)
- **Ridership / fares**
(8% under budget)
- **Investment income**
(31% over budget)
- **Federal grants**
(3% over budget)



May YTD transit modes operating

Actuals were \$25M or 10% lower than planned

- **Link**
(12% under budget)
- **Sounder**
(11% under budget)
- **ST Express**
(6% under budget)
- **Tacoma Link**
(6% under budget)



May YTD system expansion projects

Actuals were \$144M or 19% lower than planned

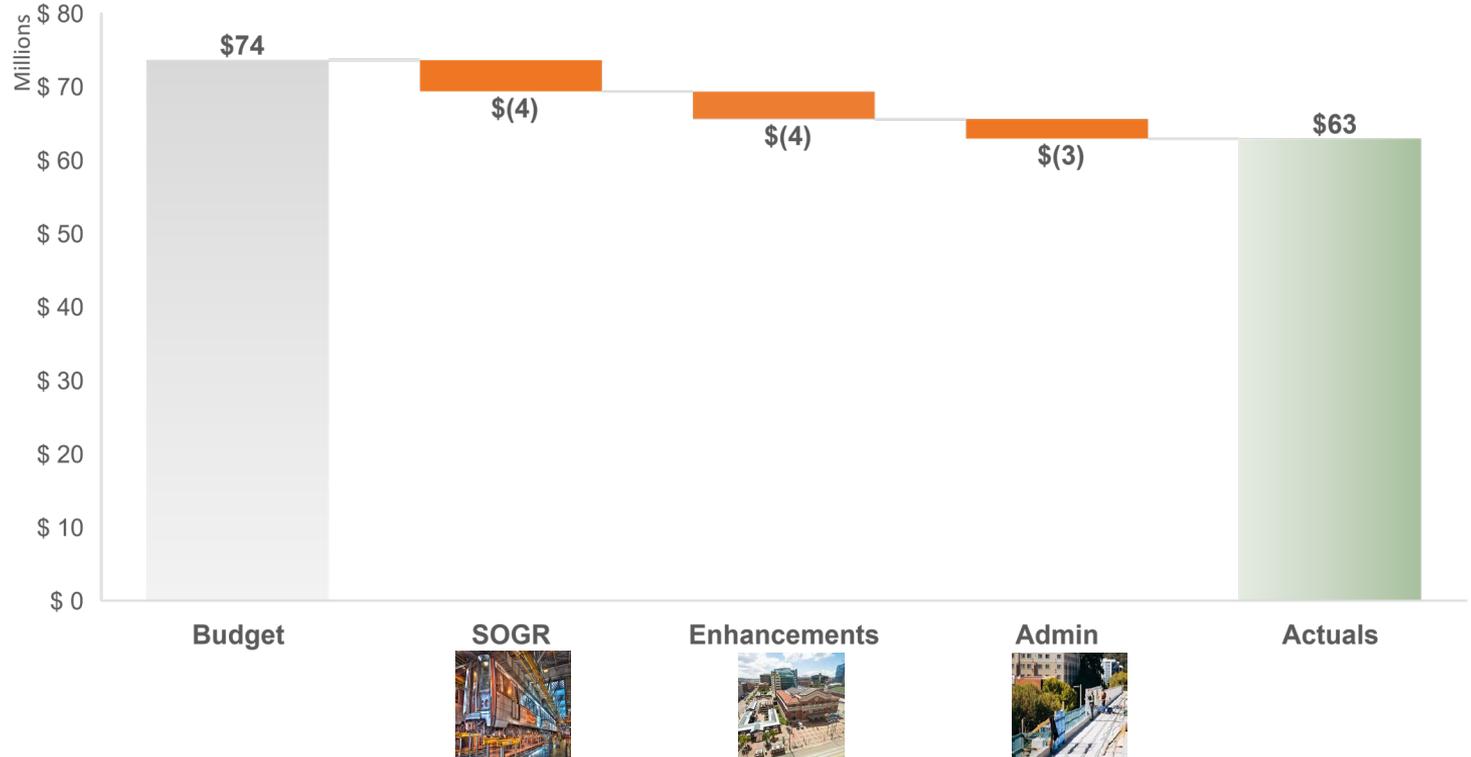
- **Link**
(17% under budget)
- **Stride**
(33% under budget)
- **Regional Express & Other**
(24% under budget)
- **Tacoma Link**
(97% under budget)
- **Souder**
(4% under budget)



May YTD service delivery projects

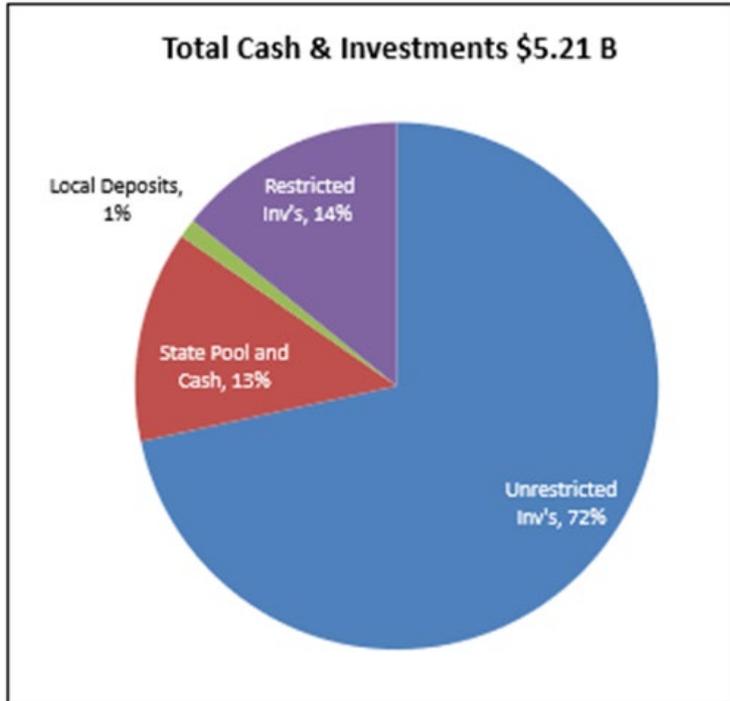
Actuals were \$11M or 15% lower than planned

- **State of Good Repair**
(19% under budget)
- **Enhancements**
(27% under budget)
- **Administrative**
(7% under budget)



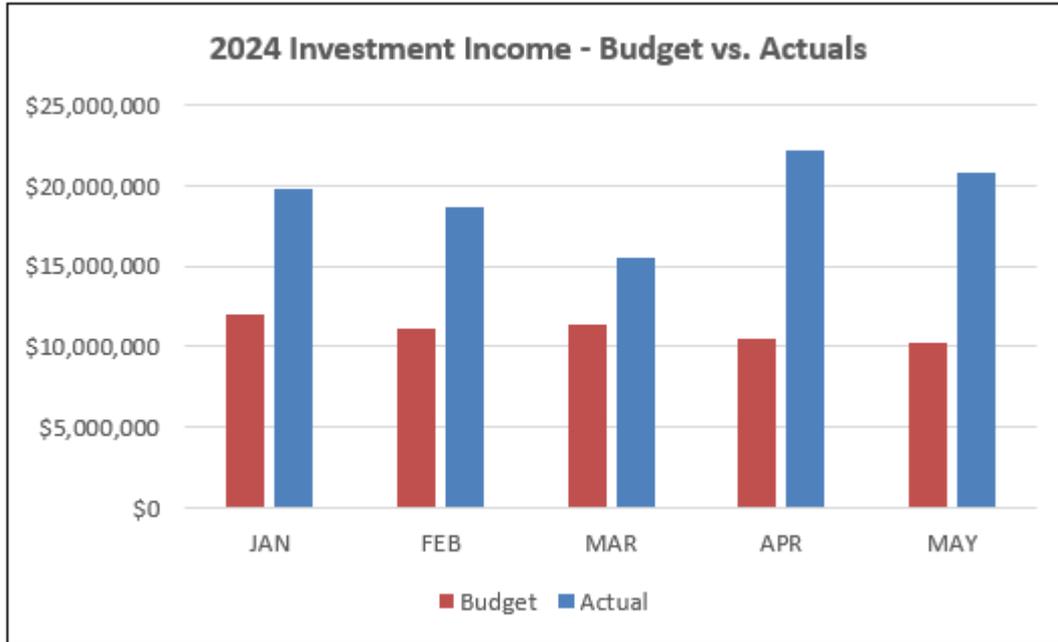
Asset Liability Management (ALM) Report

ALM-Investments



- Total Agency investments in the Unrestricted and Restricted Portfolios are ~\$5.2 billion as of May 31, 2024
 - Unrestricted funds are available for any Agency needs
 - Restricted funds are set aside for specific purposes based on Board policy and other constraints. Example: Capital Replacement and debt service reserves
- Staff monitors the market conditions and interest rate environment and makes appropriate changes to the portfolio to balance risk and returns

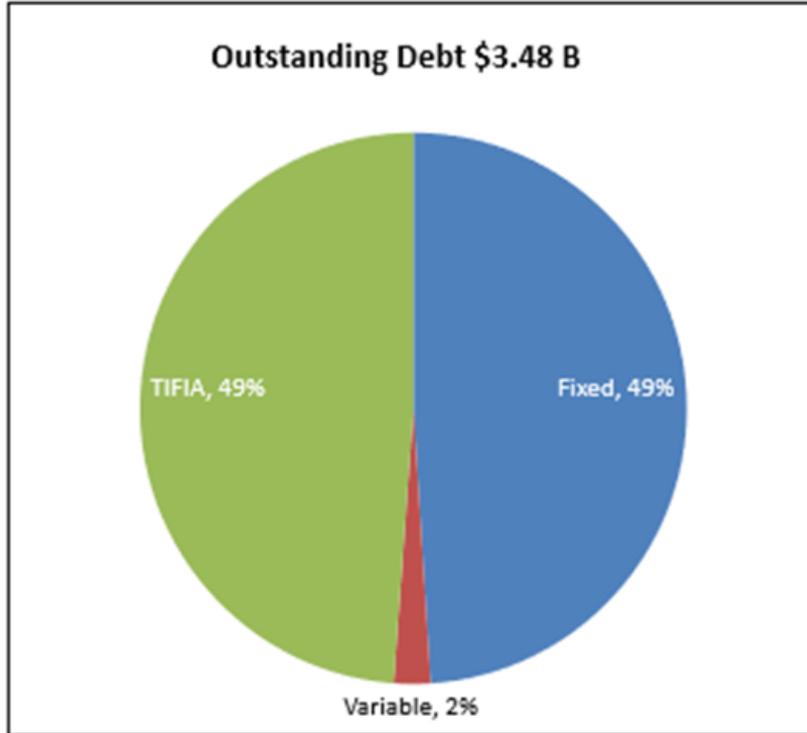
ALM-Investment Income



As of May 31, 2024, investment income is \$42 million over budget

- Interest rates have remained higher than expected in 2024
- Investment balances are higher than anticipated
- Budget: \$55 million vs. Actuals: \$97 million

ALM-Debt



- The Agency currently has ~\$3.5 billion of outstanding bonds and TIFIA borrowings
 - Fixed Rate Debt has a stable interest rate over the term of the debt
 - Variable Rate Debt has an interest rate which resets based on fluctuations in market rates
- Additionally, the Agency has \$2.1 billion in undrawn TIFIA loan capacity
- The Agency will access the debt market when appropriate to address funding needs and take advantage of market opportunities

***2023 Annual fare revenue
report***

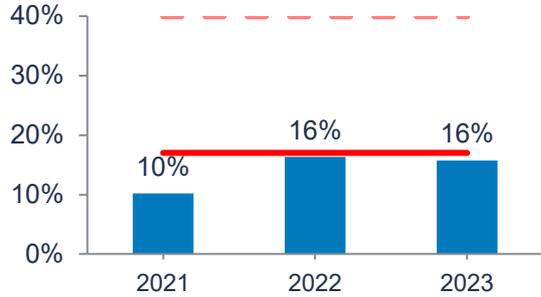
2023 Fare Revenue Report

- Fare Revenue of \$51M in 2023, up from \$45M in 2022
- 56% of Link Boardings in 2023 were with fare media
- Farebox Recovery rates increased, but were still below the updated 2024 policy for Link & Sounder
- Continued to assist riders with ORCA LIFT and Subsidized Annual Pass fares
- Tacoma Link fares implemented in September 2023

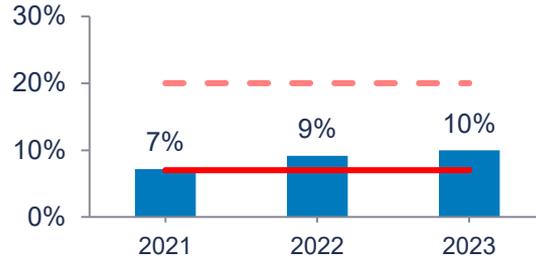
Farebox Recovery & Revenue



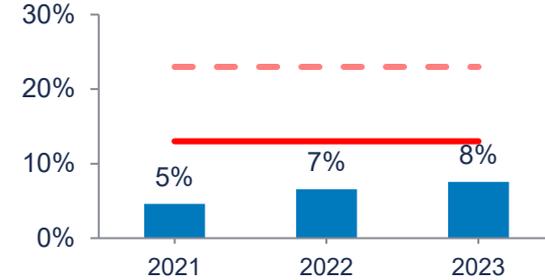
Link Farebox Recovery



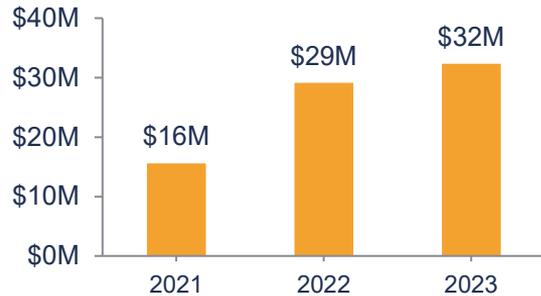
ST Express Farebox Recovery



Souder Farebox Recovery



Link Revenue



ST Express Revenue



Souder Revenue



Thank you.



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