

# *CFO Report*

*Finance and Audit Committee*

*11/21/2024*



# ***Why we are here***

## ***Today we are here to provide information***

- 2024 September YTD financial performance
- Enterprise risk management update
- Asset and liability management report

***2024 September YTD financial  
performance report***

# 2024 September YTD performance

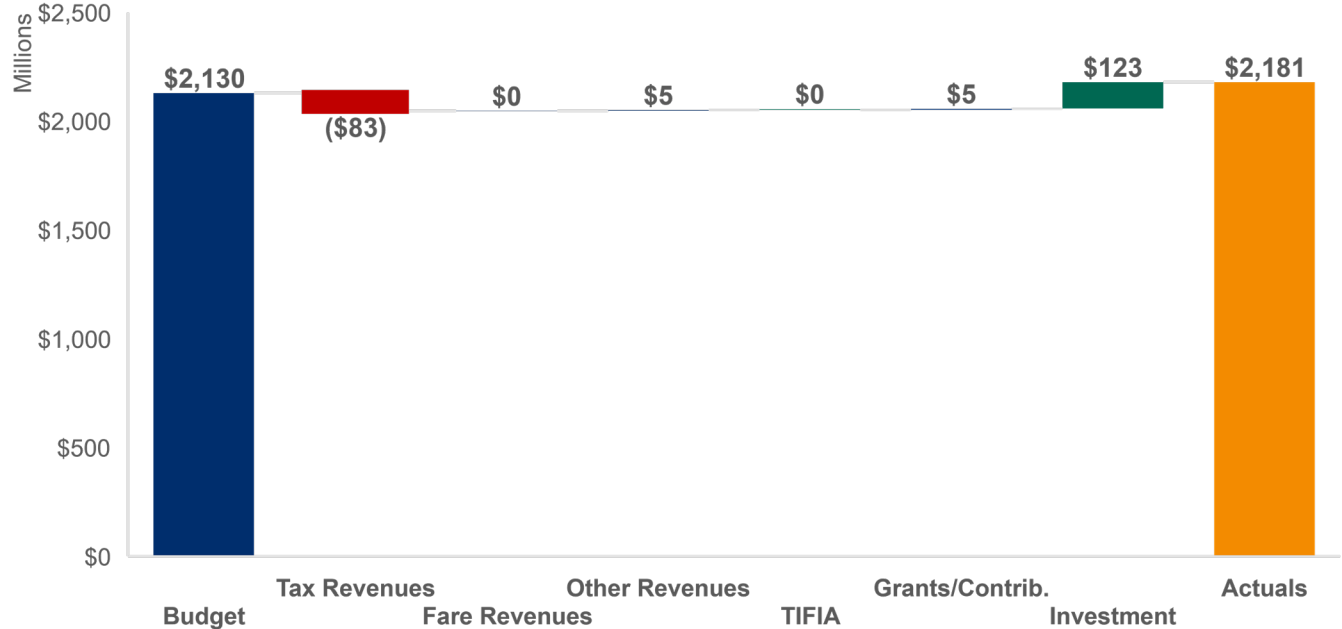
Revenues & Other Financing Sources (in thousands)	September2024 YTD Budget	September2024 YTD Actuals	Variance (\$) Under/(Over)	Actuals as % of Budget
Tax Revenues	\$ 1,777,551	\$ 1,694,533	\$ (83,018)	95%
Other Revenues	\$ 352,430	\$ 486,088	\$ 133,658	138%
<b>Total Revenues</b>	<b>\$ 2,129,981</b>	<b>\$ 2,180,621</b>	<b>\$ 50,639</b>	<b>102%</b>

Expenditures (in thousands)	September2024 YTD Budget	September2024 YTD Actuals	Variance (\$) Under/(Over)	Actuals as % of Budget
Transit Operations	\$ 477,287	\$ 449,767	\$ 27,520	94%
System Expansion Projects	\$ 1,382,884	\$ 1,096,574	\$ 286,310	79%
Service Delivery Projects	\$ 212,072	\$ 158,331	\$ 53,740	75%
Debt Service	\$ 112,256	\$ 108,290	\$ 3,967	96%
Other Expenses	\$ 27,402	\$ 25,156	\$ 2,246	92%
<b>Total Expenses</b>	<b>\$ 2,211,901</b>	<b>\$ 1,838,118</b>	<b>\$ 373,783</b>	<b>83%</b>

# September YTD revenues & other sources

*Actuals were \$51M or 2% higher than planned*

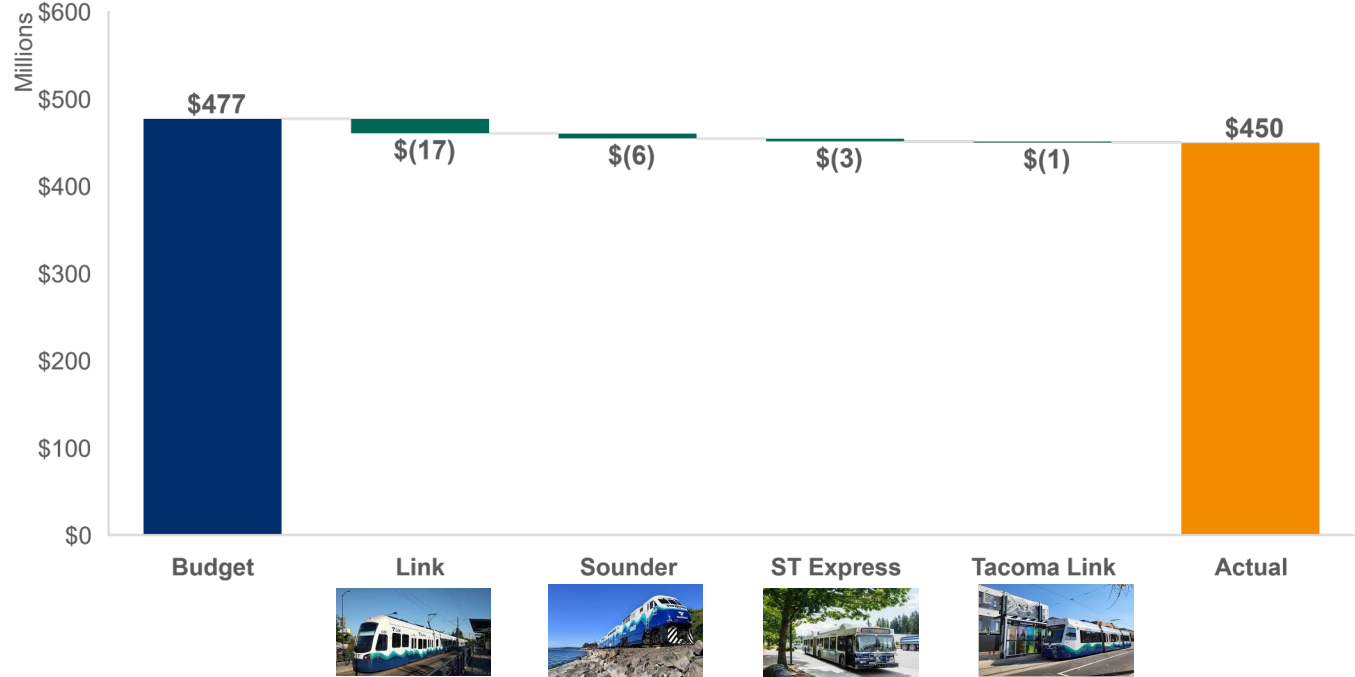
- **Tax revenues**  
(5% under budget)
- **Ridership / fares**  
(on budget)
- **Investment income**  
(132% over budget)
- **Federal grants**  
(1% over budget)



# September YTD transit modes operating

*Actuals were \$28M or 6% lower than planned*

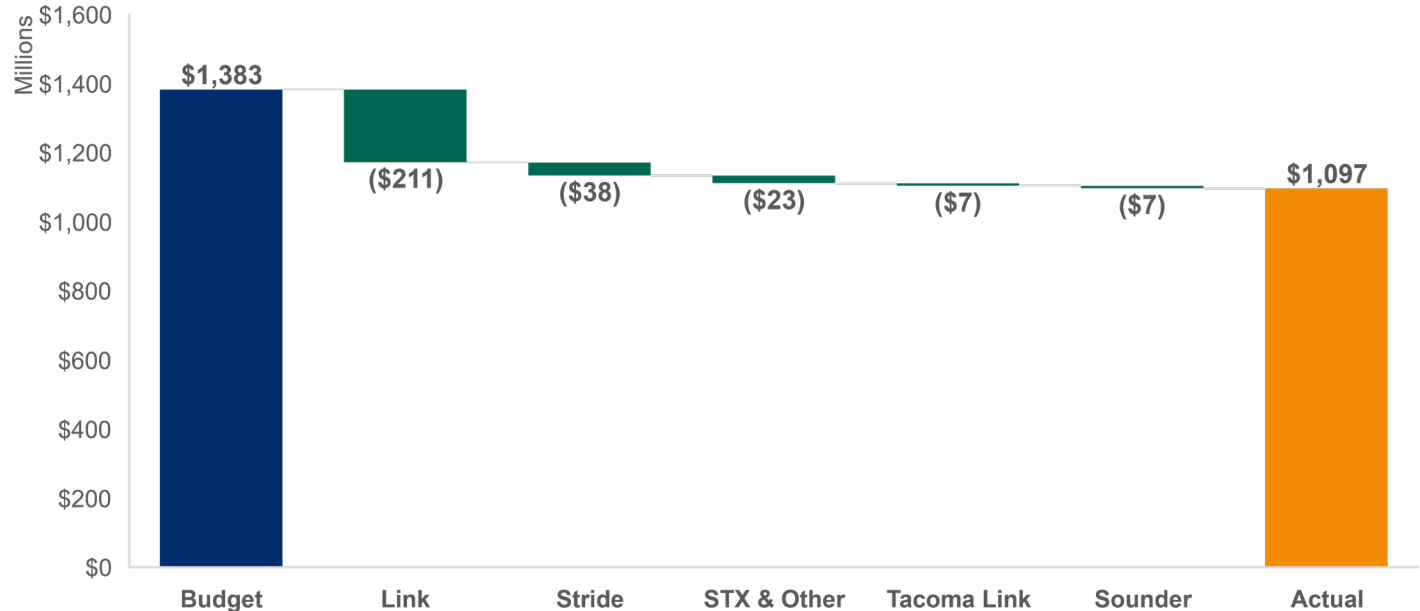
- **Link**  
(7% under budget)
- **Sounder**  
(8% under budget)
- **ST Express**  
(3% under budget)
- **Tacoma Link**  
(8% under budget)



# September YTD system expansion projects

Actuals were \$286M or 21% lower than planned

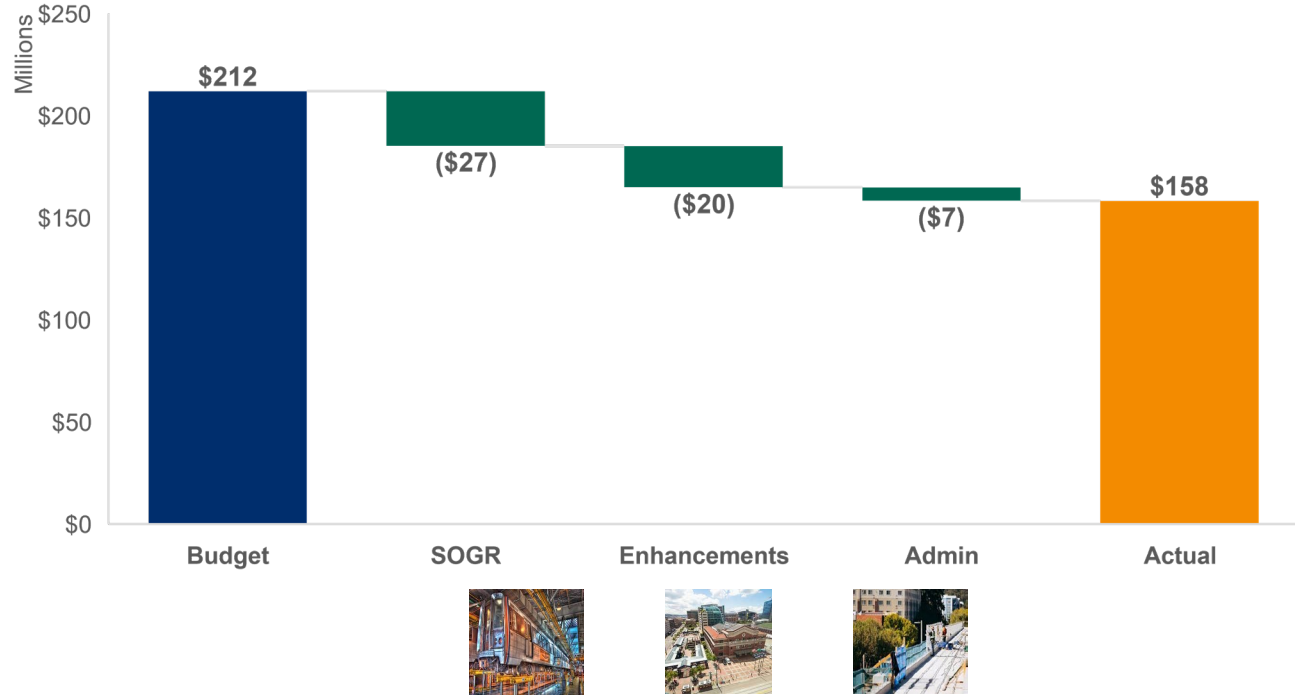
- **Link**  
(19% under budget)
- **Stride**  
(21% under budget)
- **ST Express & Other**  
(53% under budget)
- **Tacoma Link**  
(81% under budget)
- **Sounder**  
(12% under budget)



# September YTD service delivery projects

*Actuals were \$54M or 25% lower than planned*

- **State of Good Repair**  
(46% under budget)
- **Enhancements**  
(46% under budget)
- **Administrative**  
(6% under budget)





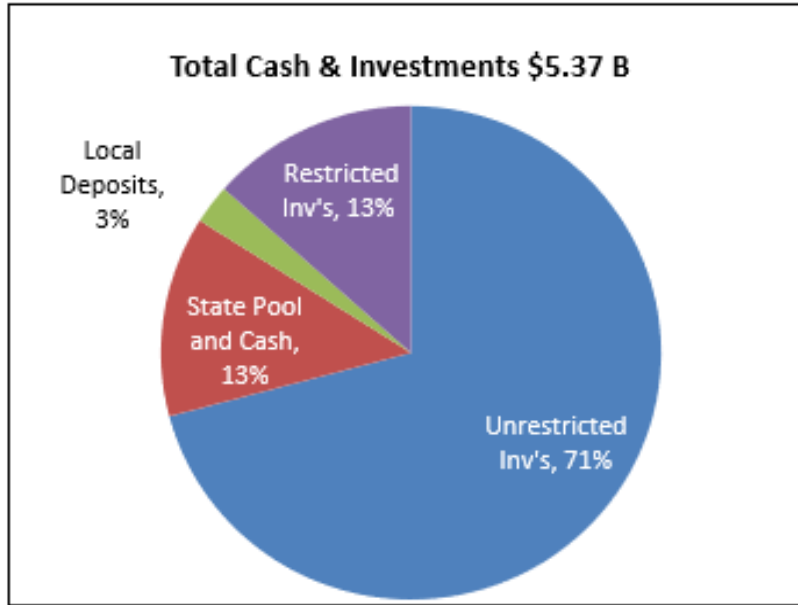
# *Enterprise Risk Management Update*

# *Enterprise Risk Management*

- Efforts continue to stand up Agency level risk management
- Participants from all Agency areas are involved in the program
- Current state assessment has been completed
- Future efforts will transition to Agency Oversight as part of the Agency reorganization

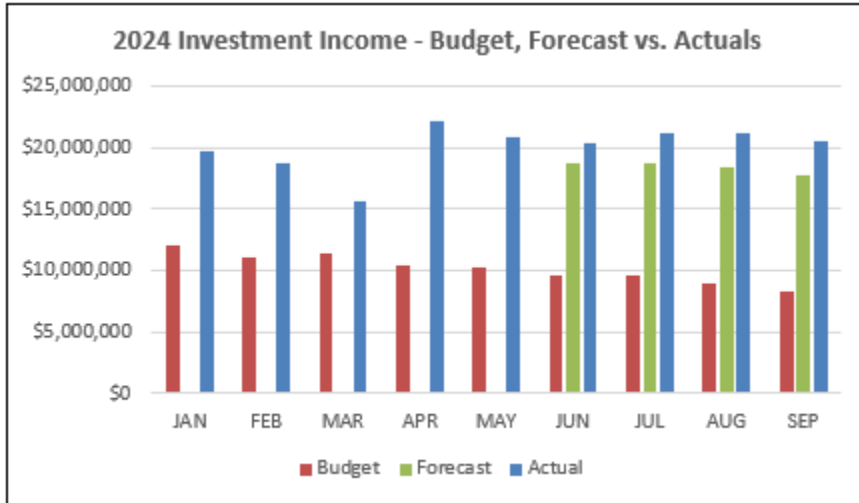
***Asset Liability Management  
(ALM) Report***

# ALM-Investments



- Total Agency investments in the Unrestricted and Restricted Portfolios are ~\$5.37 billion as of September 30, 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 continues to monitor Fed actions. The portfolio has locked-in higher rates by placing funds in longer duration assets prior to the start of the easing cycle.

# ALM-Investment Income



- As of Sept 30, 2024, investment income remains very strong. Year to Date actual income is \$92 million favorable to original budget.
  - Interest rates year to date have remained higher than expected in 2024
  - Investment balances are also higher than anticipated

# ALM-Debt



- The Agency currently has ~\$3.57 billion of outstanding bonds and TIFIA borrowings
  - The Agency drew \$93 million on the existing Hilltop TIFIA loan in July
- The Agency will access the debt market when appropriate to address funding needs and take advantage of market opportunities
- A portion of the Agency's debt has been issued as "Green Bonds". The 2023 Green Bond report is included in the meeting materials for reference.

*Thank you.*



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