

John Niles

From: "John Niles" <niles@globaltelematics.com>
To: "Earl, Joni" <joni.earl@soundtransit.org>
Sent: Thursday, March 18, 2010 7:11 PM
Subject: question on 2009 adopted fare budget as stated in 4th quarter financial report
Joni,

I'm looking at top of page 20 in the 2009 adopted budget document for Sound Transit, where the text under the heading Fare box Revenues reads, "The Adopted 2009 Budget of \$29.6 million includes approximately \$15.6 million in fare box revenues from the ST Express bus service, \$3.0 million for Central Link and \$11.0 million from the Sounder commuter rail service."

Adopted 2009 budget is at
http://www.soundtransit.org/Documents/pdf/about/financial/2009/Budget_2009Adopted.p

The 4th quarter financial report does not reflect these 2009 adopted budget numbers; REx YTD budget for 2009 is stated as \$17.9 million, Central Link's fare number is stated as \$2.4 million and Sounder is stated as \$9.6 million, all in separate tables of the 4th quarter report pages 10 to 13. The combined transit operations 2009 fare budget number is listed as \$29.9 million, to which these three components indeed sum up.

4th quarter financial report is at <http://www.soundtransit.org/Documents/pdf/about/board/Discussion%20Items/2010/Quarterly%20Financial%20Report%20-%204th%20Qtr.pdf>

In effect, between the adopted budget and the 4th quarter report, there seems to be a rearrangement of the fare revenue budget subcategories by line of business, as well as a slight boost in the total.

Maybe there was a mid-year budget revision? Perhaps there is no formal control of the fare budget by line of business category and the word "approximately" governs in the first paragraph quote above?

In any event, could you or a staffer please write back to me with an explanation of the difference between the representation of the 2009 adopted fare collection budget in the two documents?

Best regards,
John Niles
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John Niles

From: "McCartan, Brian" <brian.mccartan@soundtransit.org>
To: <niles@globaltelematics.com>
Sent: Tuesday, April 06, 2010 4:57 PM
Subject: Fare revenue budget
John,

Sorry to be slow getting back to you on your question re: the discrepancy between the fare revenue budget as shown in the 2009 budget document and how it appears in the Quarterly Financial Report for December year end. There are two separate issues that have caused the confusion that you noted:

1. During 2009, we identified that the Sounder special events fare revenues of approximately \$281,000 had been inadvertently omitted from the 2009 quarterly reports. That amount was included in the Sounder fare revenue budget that was incorporated into the total fare revenue budget of \$29,639,591 (P. 16 of the Adopted 2009 Budget document). The special events fare revenue budget was added to the 4th quarter report, but mistakenly, the Sounder fare revenue budget was not reduced by a like amount, which resulted in an overstatement of the total fare budget by the \$281,000.
2. The other area of confusion was page 20 of the Adopted 2009 Budget, which in the supporting text paragraph you quoted, detailed out the fare revenue budget based on an early version of the budget. The fare revenues for each mode listed in the quarterly report are consistent with the budget, as it was finalized (except for the \$281,000 error identified above). However, since those amounts were not included in the budget document, the quarterly report should not have been updated for these amounts without the Board amending the budget.

A final 4Q report is being published to reflect originally budgeted amounts. I will send you a copy when it is completed.

Brian McCartan