

**Metropolitan Transportation
Commission
TransLink[®] Capital Project
Financial Statements
For the Years Ended June 30, 2006 and 2005**

Metropolitan Transportation Commission TransLink® Capital Project
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June 30, 2006 and 2005

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Report of Independent Auditors

To the Commissioners
Metropolitan Transportation Commission

In our opinion, the financial statements of the TransLink[®] Capital Project of the Metropolitan Transportation Commission ("MTC"), one of two projects included in MTC's Capital Projects Fund, a major fund of MTC, as listed in the table of contents, present fairly, in all material respects, the financial position of the TransLink[®] Capital Project, at June 30, 2006 and 2005, and the respective changes in its financial position for the years then ended, in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of MTC's management. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit of these statements in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the financial statements of the TransLink[®] Capital Project are intended to present the financial position and the changes in financial position of only that portion of the MTC Capital Projects Fund that is attributable to the transactions of the TransLink[®] Capital Project. They do not purport to, and do not, present fairly the financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of MTC at June 30, 2006 and 2005, and the respective changes in their financial positions for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis on pages 2 through 5 is not a required part of the basic financial statements but is other supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the other supplementary information. However, we did not audit the information and express no opinion on it. MTC has not presented within its management's discussion and analysis information comparing the year ended June 30, 2005 to the prior year that accounting principles generally accepted in the United States of America require to supplement, although not to be part of, the basic financial statements for each year presented.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Metropolitan Transportation Commission TransLink[®] Capital Project's basic financial statements. The Other Supplementary Information section on pages 12 through 16 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The other Supplementary Information Section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

PricewaterhouseCoopers LLP

June 28, 2007

Metropolitan Transportation Commission TransLink® Capital Project Financial Statements for the year ended June 30, 2006 and 2005 Management's Discussion and Analysis (unaudited)

Management's Discussion and Analysis

This section presents a discussion of the results of operations and financial performance of the Metropolitan Transportation Commission ("MTC") TransLink® Capital Project, one of two projects included in MTC's Capital Projects Fund for the years ended June 30, 2006 and 2005. MTC included another capital project, The Fund Management System, in the Capital Projects Fund, which is not a part of this report. This report is limited to the TransLink® Capital Project activity only and not to TransLink® operating revenues and expenditures.

The TransLink® Capital Project consists of the TransLink® fare payment program. This system allows transit riders to pay fares on transit systems throughout the Bay Area utilizing a single "smart" fare card when boarding bus, light rail, train or ferry transportation. The card reader deducts fare information applying appropriate senior, disabled and youth discounts. Cardholders may add value to their TransLink® cards at self-serve machines in major transit stations, at participating retail outlets and transit agency ticket offices, as well as through employer benefit programs. Cardholders may also register for the auto-load feature whereby funds are transferred from credit card or bank accounts when the balance falls below a pre-determined amount or when a monthly pass expires.

The TransLink® program is being implemented by MTC under a management consortium consisting of MTC and Bay Area transit operators. The implementation of TransLink® is occurring in two phases. The first phase, the TransLink® Pilot Program, began in 2002 on select routes and at select stations operated by six Bay Area transit agencies. The second phase, implementation of TransLink® throughout the Bay Area, began in 2004. TransLink® will be rolled out over the course of four years, beginning with Golden Gate Transit and AC Transit, which went live on a soft launch in November 2006.

In 1999, MTC hired Motorola/ERG, Inc. to serve as the prime contractor to design, build, operate, and maintain the TransLink® Service Bureau ("TSB").

This program has made progress in both regional and transit operator specific areas this year:

- TransLink® has operated on a limited basis since the conclusion of the Pilot Program. Motorola/ERG has continued system operations and work to integrate TransLink® with BART'S newly installed faregates and commenced and completed First Article Testing ("FAT") for remote switch, AVM, and BART Faregate. Began the Interface and Integration Inspection and Testing ("IIIT") project and commenced installation of TransLink® devices on AC Transit and Golden Gate Transit vehicles.
- Commenced training of transit operator staff.
- Site preparation for BART and SF MUNI was completed. Commenced site preparation for VTA. Began site preparation engineering phase for CALTRAIN.
- Completed first phase of TransLink® systems internal control audit which included documenting the TransLink® system's internal controls and reviewing the project's information technology infrastructure. Completed second phase of internal control audit, which included validating existing internal controls, performing a risk and control assessment for both business processes and information technology. Identified several issues which must be addressed prior to system-wide launch of TransLink® on any transit operator.
- In preparation for Phase II operations, BART assumed management of TransLink® related bank accounts on behalf of the TransLink® Consortium.

**Metropolitan Transportation Commission TransLink® Capital Project
Financial Statements for the year ended June 30, 2006 and 2005
Management's Discussion and Analysis (unaudited)**

A. Financial Highlights

Funding sources for the TransLink® Capital Project consist of both federal and local funds. Federal funds include Congestion Management Air Quality ("CMAQ"), Federal Transit Administration ("FTA") and Surface Transportation Program ("STP") grants. Local funding sources include State Transit Assistance ("STA") and Exchange funds. In fiscal year 2006, CMAQ revenue increased by \$567,517 with a reduction in FTA and STP revenue of \$1,894,188 and \$1,141,435 respectively. The decline in federal funding of \$2,468,106 from fiscal year 2005 was offset by the increase in transfers of \$506,037. STA increased by \$1,229,718 while Exchange decreased by \$759,040 from fiscal year 2005. But the reduction in reimbursable-based federal funding was largely due to the decrease in expenditure activity of \$1,664,799 in fiscal year 2006.

Total revenue for the last two fiscal years is as follows:

	2006	2005
CMAQ	\$ 3,228,348	\$ 2,660,831
FTA	102,160	1,996,348
STP	-	1,141,435
Sales Tax	314,165	-
Total	<u>\$ 3,644,673</u>	<u>\$ 5,798,614</u>

Total other financing sources for the last two fiscal years consisted of the following transfers:

	2006	2005
STA	\$ 1,233,564	\$ 3,846
Exchange	503,516	1,262,556
Other	134,299	98,940
Total	<u>\$ 1,871,379</u>	<u>\$ 1,365,342</u>

Expenditures totaled \$5,400,217 for fiscal 2006, a decrease of \$1,664,799 from fiscal 2005. Expenditures consisted of design and site preparation for BART, SF MUNI, Santa Clara Valley Transportation Authority, and CALTRAIN as well as regional marketing, design, construction and engineering. Motorola/ERG Inc. serves as the primary contractor in the design, building, operation and maintenance of the TSB.

**Metropolitan Transportation Commission TransLink® Capital Project
Financial Statements for the year ended June 30, 2006 and 2005
Management's Discussion and Analysis (unaudited)**

Total expenditures incurred for the last two fiscal years are as follows:

	2006	2005
Design	\$ 2,168,076	\$ 2,139,716
Site Preparation	829,540	450,107
Construction	194,058	1,442,539
Consultants	277,043	165,200
Engineering	1,448,208	887,058
Communications	-	11,091
Marketing	82,495	40,352
Financial Review	267,048	379,550
Equipment	133,749	46,565
TransLink® Cards	-	1,502,838
Total	\$ 5,400,217	\$ 7,065,016

Accounts receivable balance as of June 30, 2006 was \$2,267,071, an increase of \$1,438,274 from fiscal year 2005. The majority of the receivable balance was comprised of CMAQ. The increase in the receivable balance for fiscal 2006 was due to an increase in expenses incurred and billed at year-end compared to the prior year.

Interfund balance as of June 30, 2006 was \$1,556,189, an increase of \$1,024,744 from fiscal year 2005. The increase is due to a large number of year-end expenditures which were paid by the MTC General Fund but not yet reimbursed by the TransLink® Capital Project to the MTC General Fund.

B. Overview of the MTC TransLink® Capital Project Financial Statements

The TransLink® Capital Project is one of two projects included in MTC's Capital Projects Fund not presented herein. MTC's TransLink® Capital Project financial statements are comprised of a Balance Sheet, Statement of Revenues, Expenditures and Changes in Project Balance, and accompanying footnotes. The Balance Sheet presents information on the assets and liabilities of MTC's TransLink® Capital Project for fiscal years 2006 and 2005. The difference between the assets and the liabilities is reported as "Project Balance." The Statement of Revenues, Expenditures and Changes in Project Balance presents information showing the change in project balance resulting from revenues earned and expenditures incurred during the 2006 fiscal year.

The Balance Sheet and Statement of Revenues, Expenditures and Changes in Project Balance are presented on pages 6-7 of this report with the accompanying footnotes being presented on pages 8-10.

C. Notes to the Financial Statements

The notes to the financial statements, beginning on page 8, provide additional information that is essential to a full understanding of the data provided in the project financial statements.

**Metropolitan Transportation Commission TransLink® Capital Project
Financial Statements for the year ended June 30, 2006 and 2005
Management's Discussion and Analysis (unaudited)**

D. Financial Analysis of Governmental Activities

The project balance for MTC's TransLink® Capital Project was \$214,775 for fiscal year 2006 and \$98,940 for fiscal year 2005, as reported under the modified accrual basis of accounting, and relates solely to funds reserved for encumbrances.

E. Economic Factors Impacting MTC

The Bay Area economy continues to lag behind the national economy according to a report from the Association of Bay Area Governments. Income is expected to grow slightly more than inflation. There are concerns about the cost of higher fuel prices. General factors include:

- Expectations are for slow to moderate job growth to occur in 2006 and 2007.
- There was an 8.3 percent increase in sales tax revenue. Region-wide sales tax revenue increased for the third straight year after two straight declining years. Sales tax revenue for fiscal 2006 increased for all nine counties. The first two months of fiscal year 2007 indicate sales tax revenue is higher than the same period in fiscal 2006. Sales tax revenue is forecast to increase around 5 percent.
- The housing market is slowing down along with a slowdown in residential construction. There may be lagging effects from the Federal Reserve tightening of the benchmark interest rates.

Requests for information

This financial report is designed to provide a general overview of the Metropolitan Transportation Commission TransLink® Capital Project's financial position to those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Chief Financial Officer, Metropolitan Transportation Commission, 101 8th Street, Oakland, CA 94607.

**Metropolitan Transportation Commission TransLink® Capital Project
Balance Sheets
June 30, 2006 and 2005**

	2006	2005
Assets		
Federal funding receivable	\$ 2,267,071	\$ 828,797
Total assets	<u>\$ 2,267,071</u>	<u>\$ 828,797</u>
Liabilities and Project balances		
Liabilities		
Accounts payable	\$ 496,107	\$ 198,412
Due to other funds	<u>1,556,189</u>	<u>531,445</u>
Total liabilities	<u>2,052,296</u>	<u>729,857</u>
Project balances		
Reserved for		
Encumbrances	<u>214,775</u>	<u>98,940</u>
Total project balances	<u>214,775</u>	<u>98,940</u>
Total liabilities and project balances	<u>\$ 2,267,071</u>	<u>\$ 828,797</u>

The accompanying notes are an integral part of these financial statements.

**Metropolitan Transportation Commission TransLink® Capital Project
Statement of Revenues, Expenditures and Changes in Project Balance
Years Ended June 30, 2006 and 2005**

	2006	2005
Revenues		
Grants - Federal	\$ 3,330,508	\$ 5,798,614
Sales taxes	314,165	-
Total revenues	<u>3,644,673</u>	<u>5,798,614</u>
Expenditures		
Current		
Capital outlay	<u>5,400,217</u>	<u>7,065,016</u>
Total expenditures	<u>5,400,217</u>	<u>7,065,016</u>
Deficiency of revenues under expenditures	<u>(1,755,544)</u>	<u>(1,266,402)</u>
Other financing sources/uses		
Transfers from noncapital project funds	<u>1,871,379</u>	<u>1,365,342</u>
Total other financing sources and uses	<u>1,871,379</u>	<u>1,365,342</u>
Net change in project balances	115,835	98,940
Project balance - beginning	<u>98,940</u>	-
Project balance - ending	<u>\$ 214,775</u>	<u>\$ 98,940</u>

The accompanying notes are an integral part of these financial statements.

Metropolitan Transportation Commission TransLink® Capital Project

Notes to Financial Statements

June 30, 2006 and 2005

1. Reporting Entity

The Metropolitan Transportation Commission ("MTC") was established under Government Code Section 66500 et seq. of the laws of the State of California ("State") in 1970 to provide comprehensive regional transportation planning for the nine counties that comprise the San Francisco Bay Area, which includes the City and County of San Francisco and the Counties of Alameda; Contra Costa, Marin, Napa, San Mateo, Santa Clara, Solano and Sonoma.

MTC Capital Projects Fund (the "fund") is used to account for the financial resources used in the acquisition and development of major capital projects. The TransLink® Capital Project is one of two projects included in the fund in the current year. The financial statements of the TransLink® Capital Project are intended to present the financial position and the changes in financial position of only that portion of the MTC Capital Projects Fund that is attributable to the transactions of the TransLink® Capital Project. The Fund Management System project was added to MTC's Capital Projects Fund in fiscal year 2006. The TransLink® Capital Project was the only project included in the Capital Project Fund in fiscal year 2005.

The project's principal sources of revenue to fund its operations include grants from the U.S. Department of Transportation, Office of the Secretary of Transportation ("U.S. DOT"), including the Federal Highway Administration ("FHWA"), Federal Transit Administration ("FTA") and other federal, state and local agencies.

The MTC serves as the governing body for the fund and its projects and as such, does not capitalize assets resulting from this project, as they are assets of the transit operators. This report is limited to the TransLink® capital project activity only and not to TransLink® operating revenues and expenditures.

2. Summary of Significant Accounting Policy

Basis of Presentation

The financial statements for projects included in the capital project fund of the Metropolitan Transportation Commission ("MTC") have been prepared in accordance with accounting principles generally accepted in the United States of America, using the current financial resources measurement focus and modified accrual basis of accounting. The Capital Projects Fund follows all applicable effective statements of the Governmental Accounting Standards Board ("GASB") and all statements of the Financial Accounting Standards Board through November 30, 1989.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

MTC follows Governmental Accounting Standards Board ("GASB") Statement No. 34, *Basic Financial Statements – Management's Discussion & Analysis – for State and Local Governments* as amended by GASB Statement No. 37, *Basic Financial Statements – Management's Discussion & Analysis – for State and Local Governments: Omnibus*. GASB 34 establishes standards for external financial reporting for state and local governments.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Under the modified accrual basis of accounting, revenues are recognized as soon as they are both measurable and available. The TransLink® Project considers revenues to be *available* when they are collectable within the current period or 30 days after to pay liabilities of the current period.

Metropolitan Transportation Commission TransLink® Capital Project
Notes to Financial Statements
June 30, 2006 and 2005

New Pronouncements

GASB Statement No.42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*, which establishes accounting and financial reporting standards for impairment of capital assets, GASB Statement No. 47, *Accounting for Termination Benefits*, which provides guidance on how employers should account for benefits associated with either voluntary or involuntary terminations and GASB Statement No. 44, *Economic Conditions Status Reporting: The Statistical Section* have all not been adopted by the TransLink® Project for fiscal year ended June 30, 2006 as they are not currently applicable.

GASB Statement No. 45, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which provides guidance on how state and local governments should account for and report costs and obligations associated with postemployment healthcare and other nonpension benefits commonly referred to as other postemployment benefits, or OPEB will be effective for the TransLink® Capital Project's fiscal year ending June 30, 2007.

GASB Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*, which establishes criteria to ascertain whether proceeds derived from an exchange of an interest in expected cash flows from specific receivables or specific future revenues for immediate cash payments be reported as revenue or as a liability, the requirements of which are effective for financial statements for periods beginning after December 15, 2006. GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*, which provides guidance on the accounting and reporting of obligations and costs related to existing pollution remediation, the requirements of which are effective for financial statements for periods beginning after December 15, 2007. The TransLink® Capital Project does not plan to adopt these statements as they are not currently applicable to it.

Encumbrances

Encumbrance accounting is employed for projects included in the capital project fund. Under this method, purchase orders, contracts, memoranda of understanding and other commitments outstanding at year-end are reported as reservations of fund balances since they do not constitute expenditures or liabilities. These commitments will be recognized in subsequent year appropriations.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

3. Interfund Transfer Activity and Payables

The composition of interfund activity resulting from the TransLink® Capital Project only for the fiscal year 2006 and 2005 is as follows:

	2006	2005
State Transit Assistance	\$ 1,233,564	\$ 3,846
Exchange	503,516	1,262,556
Other Transfers	134,299	98,940
Total interfund activity	<u>\$ 1,871,379</u>	<u>\$ 1,365,342</u>

Metropolitan Transportation Commission TransLink® Capital Project
Notes to Financial Statements
June 30, 2006 and 2005

Transfers are used to move revenues from the fund with collection authority to the program fund that accounts for the various grant programs based on both budgeting and matching fund requirements.

The composition of Interfund balances resulting from the TransLink® Capital Project only as of June 30, 2006 and 2005 is as follows:

	2006	2005
Due to other funds		
MTC General Fund	<u>\$ 1,556,189</u>	<u>\$ 531,445</u>

Outstanding payables to other funds are due to timing differences resulting when expenditures are incurred and reimbursement payments are made. The increase in the due to other funds for fiscal 2006 is due to a large number of year-end expenditures which were paid by the MTC General Fund but not yet reimbursed by the TransLink® Capital Project to the MTC General Fund.

4. Receivables

The majority of the receivable balance as of June 30, 2006 consists of CMAQ, which is due within thirty days. The increase in the receivable balance for fiscal 2006 is due to an increase in expenses incurred and billed at year-end compared to the prior year.

5. Risk Management

MTC is exposed to various risks of loss related to torts; theft of, damage to; and destruction of assets; errors and omissions; and natural disasters. MTC purchases commercial insurance through an insurance agent, who obtains the appropriate insurance coverage needed by the MTC from insurance companies. To date, there have been no significant reductions in any of the MTC's insurance coverage, and no settlement amounts have exceeded commercial insurance coverage for the past three years.

Other Supplementary Information

**Metropolitan Transportation Commission TransLink® Capital Project
 Supplementary Schedule 1 – TransLink® Capital Phase II Budget to Actual
 (unaudited)
 Inception through June 30, 2006**

	LTD Budget	LTD Actual	Encumbrances	Balance (1)
Revenues				
CMAQ	\$ 32,668,468	\$ 8,048,464	\$ -	\$ 24,620,004
FTA	23,966,224	4,633,341	-	19,332,883
STP	7,038,368	3,038,368	-	4,000,000
STA	1,867,570	1,749,148	-	118,422
MUNI	125,000	125,000	-	-
BART	25,000	25,000	-	-
MTC Exchange	7,996,154	2,513,707	-	5,482,447
BATA	15,800,000	18,464	-	15,781,536
TDA	99,311	314,165	-	(214,854)
Total revenues	<u>89,586,095</u>	<u>20,465,657</u>	<u>-</u>	<u>69,120,438</u>
Expenditures				
Maintenance	807,379	-	-	807,379
Design	24,954,574	5,450,001	18,765,627	738,946
Site Preparation	3,799,103	1,279,647	5,326,743	(2,807,287)
Construction	12,364,983	3,956,708	3,849,717	4,558,558
Consultants	386,100	572,640	224,857	(411,397)
Engineering	2,127,310	3,355,912	39,875	(1,268,477)
Communications	83,000	30,364	111,055	(58,419)
Marketing	212,029	162,136	146,718	(96,825)
Financial Services	391,600	646,598	174,952	(429,950)
Equipment	20,791,391	3,508,813	2,466,005	14,816,573
TransLink@Cards	2,838,761	1,502,838	1,606,000	(270,077)
Other	19,070,692	-	-	19,070,692
Total expenditures	<u>87,826,922</u>	<u>20,465,657</u>	<u>32,711,549</u>	<u>34,649,716</u>
Net change	<u>\$ 1,759,173</u>	<u>\$ -</u>	<u>\$ (32,711,549)</u>	<u>\$ 34,470,722</u>

(1) The budget is adopted at the project level. Revenue and expenditure budgetary detail is used for management control purposes.

Budgetary Control

MTC adopts the current portion of a multi-year capital project on an annual basis. Budgetary controls are maintained to monitor compliance with the Commission's authorization and adopted rules. The legal level of control, the level at which expenditures cannot exceed budgets, is at the project level. The Executive Director is authorized to reallocate resources at the expenditure level. However, the Commission must approve all increases to the overall project budget.

**Metropolitan Transportation Commission TransLink® Capital Project
 Supplementary Schedule 2 – TransLink® Capital Phase II Revenues and
 Expenditures (unaudited)
 Inception through June 30, 2006**

	2006	2005	2004	2003	Total
Revenues					
CMAQ	\$ 3,228,348	\$ 2,660,831	\$ 1,941,975	\$ 217,310	\$ 8,048,464
FTA	102,160	1,996,348	813,866	1,720,967	4,633,341
STP	-	1,141,435	1,896,933	-	3,038,368
STA	1,233,564	3,846	36,028	475,710	1,749,148
MUNI	-	-	100,000	25,000	125,000
BART	-	-	-	25,000	25,000
MTC Exchange	503,516	1,262,556	719,618	28,017	2,513,707
BATA	18,464	-	-	-	18,464
TDA	314,165	-	-	-	314,165
Total revenues (1)	5,400,217	7,065,016	5,508,420	2,492,004	20,465,657
Expenditures					
Design	2,168,076	2,139,716	560,709	581,500	5,450,001
Site Preparation	829,540	450,107	-	-	1,279,647
Construction	194,058	1,442,540	735,152	1,584,958	3,956,708
Consultants	277,043	165,200	42,077	88,320	572,640
Engineering	1,448,208	887,058	790,347	230,299	3,355,912
Communications	-	11,091	12,346	6,927	30,364
Marketing	82,495	40,352	39,289	-	162,136
Financial Services	267,048	379,550	-	-	646,598
Equipment	133,749	46,564	3,328,500	-	3,508,813
TransLink® Cards	-	1,502,838	-	-	1,502,838
Total expenditures	5,400,217	7,065,016	5,508,420	2,492,004	20,465,657
Net change	\$ -	\$ -	\$ -	\$ -	\$ -

(1) Total Revenues does not include transfers from MTC General Fund of \$115,835 and \$98,940 for fiscal years 2006 and 2005 to Translink® Capital Projects related to year-end encumbrance balances.

**Metropolitan Transportation Commission TransLink® Capital Project
 Supplementary Schedule 3 – TransLink® Capital Phase II Expenditures by
 Operator
 For the year ended June 30, 2006 (unaudited)**

	Regional	AC TRANSIT	BART (1)	CALTRAIN	MUNI	VTA	Total
Expenditures							
Design	\$ 1,410,173	\$ -	\$ 757,903	\$ -	\$ -	\$ -	\$ 2,168,076
Site Preparation	4,131	764	12,826	407,512	353,101	51,206	829,540
Construction	250,032	-	(55,974)	-	-	-	194,058
Consultants	277,043	-	-	-	-	-	277,043
Engineering	1,448,208	-	-	-	-	-	1,448,208
Marketing	82,495	-	-	-	-	-	82,495
Financial Services	267,048	-	-	-	-	-	267,048
Equipment	133,749	-	-	-	-	-	133,749
Total expenditures - 2006	<u>3,872,879</u>	<u>764</u>	<u>714,755</u>	<u>407,512</u>	<u>353,101</u>	<u>51,206</u>	<u>5,400,217</u>
Total expenditures - 2005	<u>6,558,935</u>	<u>36,094</u>	<u>55,974</u>	<u>-</u>	<u>69,640</u>	<u>344,373</u>	<u>7,065,016</u>
Total expenditures - 2004	<u>5,427,420</u>	<u>81,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,508,420</u>
Total expenditures - 2003	<u>2,492,004</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,492,004</u>
Total LTD	<u>\$ 18,351,238</u>	<u>\$ 117,858</u>	<u>\$ 770,729</u>	<u>\$ 407,512</u>	<u>\$ 422,741</u>	<u>\$ 395,579</u>	<u>\$ 20,465,657</u>

**Metropolitan Transportation Commission TransLink® Capital Project
Supplementary Schedule 4 – TransLink® Capital Phase I Revenues and Expenditures
Inception to June 30, 2003 (Unaudited)**

	2003	2002	2001	2000	1999	1998	1997	Total
Revenues								
CMAQ	\$ 242,138	\$ 1,687,661	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,929,799
FHWA	-	462,000	408,901	395,346	239,467	-	-	1,505,714
FTA	2,438,604	3,979,074	4,078,538	2,705,820	62,500	-	-	13,264,536
STA	607,704	1,182,494	567,871	1,112,427	382,001	753,476	403,574	5,009,547
TDA	-	168,230	94,110	33,059	87,544	358,697	-	741,640
STP	39,632	-	-	-	-	-	-	39,632
TCI	-	-	361,550	499,743	18,707	-	-	880,000
SHA	-	3,906,127	1,677,393	278,480	-	-	-	5,862,000
MTC Exchange	9,516	175,635	366,627	-	-	-	-	551,778
Total revenues	3,337,593	11,561,221	7,554,990	5,024,875	790,219	1,112,173	403,574	29,784,645
Expenditures								
Staff costs	-	739,126	594,301	490,905	389,511	358,697	221,744	2,794,284
Consultant costs	3,337,593	10,822,095	6,960,689	4,533,970	400,708	753,476	181,830	26,990,361
Total expenditures	3,337,593	11,561,221	7,554,990	5,024,875	790,219	1,112,173	403,574	29,784,645
Net change	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Translink® Capital Phase I is a demonstration phase consisting of six fixed-route transit operators in the Bay Area. The Phase I operators are AC Transit, BART, Caltrain, Golden Gate Bus and Ferry Transit, San Francisco Muni, and Santa Clara VTA.

**Metropolitan Transportation Commission TransLink® Capital Project
 Supplementary Schedule 5 – TransLink® Operating Revenues and Expenditures
 Inception to June 30, 2006 (Unaudited)**

	2006 (1)	2005 (1)	2004 (1)	2003 (1)
Revenues				
BATA	\$ 3,455,000	\$ -	\$ -	\$ -
CMAQ	483,928	2,615,303	3,201,690	2,708,732
FHWA	152,898	200,000	100,000	300,000
FTA	100,000	100,000	221,000	130,242
STA	894,894	465,326	583,726	812,525
TDA	294,154	968,145	928,267	567,286
MTC Exchange Funds	(49,243)	-	89,734	-
Total revenues	<u>5,331,631</u>	<u>4,348,774</u>	<u>5,124,417</u>	<u>4,518,784</u>
Expenditures				
Staff Costs	1,261,503	1,268,145	1,159,284	958,921
Consultant Costs	4,119,371	3,080,629	3,965,133	3,559,864
Total expenditures	<u>5,380,874</u>	<u>4,348,774</u>	<u>5,124,417</u>	<u>4,518,784</u>
Net change	<u>\$ (49,243)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(1) TransLink® Operating Revenues and Expenditures are included in the MTC General Fund as presented in the Comprehensive Annual Financial Report for the periods ended June 30, 2006, June 30, 2005, June 30, 2004 and June 30, 2003 but are not presented in the TransLink® Capital Project basic financial statements. TransLink® Operating Expenditures represent costs associated with the operation of the TransLink® Pilot program.