FIELD OF DREAMS

SOUTH FLORIDA REGIONAL TRANSPORTATION AUTHORITY

COMPREHENSIVE ANNUAL FINANCIAL REPORT 2006

FISCAL YEAR ENDING JUNE 30, 2006

A Component Unit of the State of Florida Department of Transportation

SOUTH FLORIDA REGIONAL TRANSPORTATION AUTHORITY
COMPREHENSIVE ANNUAL FINANCIAL REPORT

A Component Unit of the State of Florida Department of Transportation

FISCAL YEAR ENDING JUNE 30, 2006
Prepared by
Finance & Information Technology Department
Accounting Division

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TABLE OF CONTENTS

South Florida Regional Transportation Authority
Comprehensive Annual Financial Report
Fiscal Year Ending June 30, 2006

INTRODUCTORY SECTION

Letter of Transmittal ..... Page 1
Governing Board and Management ..... Page 7
Mission Statement ..... Page 8
Organizational Structure ..... Page 9
Certificate of Achievement ..... Page 10

FINANCIAL SECTION

Independent Auditors' Report ..... Page 11
Management's Discussion and Analysis ..... Page 13

Financial Statements
- Statements of Net Assets ..... Page 28
- Statements of Revenue, Expenses and Changes in Net Assets ..... Page 29
- Statements of Cash Flows ..... Page 30

Notes to the Financial Statements ..... Page 31

SUPPLEMENTARY SECTION

Supplemental Schedule of Operating Expenses for 2006 ..... Page 45
Supplemental Schedule of Operating Expenses for 2005 ..... Page 46

STATISTICAL AND GENERAL INFORMATION SECTION

(Not Covered by Auditor's Report)

Statistical and General Information Profile ..... Page 47
Table of Net Assets and Changes in Net Assets ..... Page 48
Fare Structure ..... Page 49
Ridership and Sales Analysis ..... Page 50
Table of Passenger Ridership and Population Trends ..... Page 52
Ridership and Population for FY 1997-2006 ..... Page 53
Train Schedule ..... Page 54
Timeline ..... Page 55
Awards Page ..... Page 56
Double Track Corridor Improvement Program, Segment 5 Project System Map ..... Page 57

"if you build it, they will come."

EXECUTIVE MESSAGE

In the past two years, I have begun my messages by recapping the considerable damage the South Florida Regional Transportation Authority and Tri-Rail incurred due to hurricanes Charley, Frances, Ivan, Jeanne, Wilma and Katrina. Thankfully, as I write this message at the end of the 2006 Hurricane Season, the region has been spared a repeat of the horrific storms of 2004 and 2005.

This has been one of the most significant years in the history of the South Florida Regional Transportation Authority and Tri-Rail. We completed the Double Track Corridor Improvement Program, Segment 5 Project in March 2006, allowing us to enhance Tri-Rail operations from 30 to 40 trains a day. The 36 percent growth in ridership we experienced this summer confirmed our belief, as in the popular movie, *Field of Dreams*, "if you build it, they will come." We are at the point of carrying 13,000 passengers a day, up from approximately 9,300 a day, just one year ago.

Unfortunately, although our on-time performance has improved dramatically, it has not yet reached the standard we expect and desire. Our passenger trains continue to be impacted by freight trains, although we are finally on the right path to seeing that impact abated. We are making progress in moving toward Phase B, the takeover of the dispatch and maintenance of the South Florida Rail Corridor on which Tri-Rail operates. Governor Jeb Bush recently announced an agreement-in-principle to allow these negotiations to proceed. We hope to have the transition implemented in the first quarter of 2007, when the New River Bridge Project (construction of a new 55-foot high, fixed-span bridge over the New River) is scheduled for completion. With the New River Bridge standing tall, the SFRTA will be able to operate a full complement of 48 Tri-Rail trains a day, Monday through Friday.

Our biggest setback of the past year was the defeat of a dedicated funding source for the SFRTA. In spite of the bill passing the Florida Legislature with overwhelming support, it was vetoed by the governor. The bill, which levied a $2-a-day surcharge on rental cars, would have brought approximately $45 million into the agency on an annual basis to fund improvements in the regional transportation system. Even more critical, it would have provided the levels of secure, local funding necessary to compete for matching dollars from the federal government. We are grateful to the members of the Florida House and Senate who voted to pass this bill, and look forward to counting on them once again when the effort to find a dedicated revenue stream begins anew with the next legislative session.

This coming year is one that holds a huge field of dreams and promise; the promise to rededicate the SFRTA's mission to provide a first-class level of passenger rail service for our Tri-Rail passengers, as well as a renewed commitment to seeking the level of funding necessary to build a viable public transportation system for South Florida.

Sincerely,

Joseph Giulietti
Executive Director

INTRODUCTORY SECTION

LETTER OF TRANSMITTAL • GOVERNING BOARD AND MANAGEMENT • MISSION STATEMENT
ORGANIZATIONAL STRUCTURE • CERTIFICATE OF ACHIEVEMENT

SOUTH FLORIDA REGIONAL TRANSPORTATION AUTHORITY
800 NW 33rd Street, Suite 100 | Pompano Beach, Florida 33064 | P 954/942-7245 | F 954/788-7878 | www.sfrta.fl.gov

December 1, 2006

Mr. Jeff Koons, Chair and
Governing Board
South Florida Regional Transportation Authority
Pompano Beach, Florida 33064

State law requires that each local government complete its financial statements for the previous fiscal year in compliance with generally accepted accounting principles and the uniform chart of accounts prescribed by the Department of Financial Services. In accordance with state law, staff is proud to present the South Florida Regional Transportation Authority's (SFRTA) Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2006. This report signifies the SFRTA's commitment to provide financial information that is accurate, concise, reliable and of the utmost quality to its governing board, to the citizens of the tri-county area and to all other interested parties.

The SFRTA developed this report with an emphasis on clarity, presentation, and completeness, in all material respects, and to present fairly the financial position and results of the SFRTA's operations. All disclosures necessary to gain a full understanding of the SFRTA's financial activities have been included.

The Comprehensive Annual Financial Report is presented in three sections:

- **The Introductory Section** contains this transmittal letter, a listing of the SFRTA Board of Directors and Management, an organization chart, the SFRTA's mission statement and the Certificate of Achievement.
- **The Financial Section** includes the Independent Auditors' Report, the Management's Discussion and Analysis, the financial statements, the related notes to the financial statements, and the supplemental schedules.
- **The Statistical Section** (unaudited) contains the comparative financial tables, demographic information and statistics concerning the population trends, fare structure, ridership and sales data and other general information.

Assumption of Responsibility: The SFRTA's management produced this report in accordance with guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA). The responsibilities for the accuracy, fairness and completeness of the financial statements, note disclosures, supplementary schedules, and statistical data presented rests with the management of the SFRTA. It is the representation of management that the enclosed data presents fairly, in all material respects, the financial operations of the SFRTA.

BOARD OF DIRECTORS Bruno A. Barreiro | James A. Cummings | Marie Horenburger | Neisen Kasdin | Jeff Koons
John Martinez | George Morgan, Jr. | James A. Scott | Bill T. Smith, Jr., Esq. | EXECUTIVE DIRECTOR Joseph Giulietti

Internal Control: The present accounting system includes the necessary internal controls to ensure reasonable, but not absolute assurance, regarding the safekeeping of assets against loss from unauthorized use or disposition. It also ensures that adequate accounting data are combined to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America. The concept of reasonable assurance recognizes that the cost of controls should not exceed the benefits likely to be derived and that the valuation of costs and benefits requires estimates and judgments by management.

Evaluations of internal control occur on a periodic basis. We believe that the SFRTA's current internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

As a recipient of federal, state, and county financial assistance, the SFRTA is also responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. The SFRTA is required to undergo an annual single audit in conformity with the provisions of the U.S. Office of Management and Budget Circular A-133, Audits of States and Local Governments and Non-Profit Organizations and the requirements described in the Executive Office of the Governors' State Projects Compliance supplement. The results of the single audit for fiscal year ended June 30, 2006, provided neither instance of material weaknesses in internal control nor violations of applicable laws and regulations. Information relating to findings, recommendations and all other aspects concerning this single audit are included in a separate document.

Independent Audit: Sharpton, Brunson and Company, P.A., an independent certified public accounting firm has audited the financial statements of the SFRTA. Sharpton, Brunson and Company, P.A. rendered an unqualified opinion on the financial statements in their report that can be found in the Financial Section.

Management Discussion & Analysis (MD&A): The MD&A provides the reader of our financial statements with an overview of our current financial condition. The information contained in the MD&A is presented in greater detail than what is found in this Letter of Transmittal. The MD&A can be found on pages 13 – 27 in the CAFR.

SFRTA PROFILE

General Information:

As of July 1, 2005, the population of the tri-county area of Broward, Miami-Dade and Palm Beach county, commonly referred as South Florida, is estimated at 5,422,200 by the US Census Bureau making it the sixth largest metropolitan area in the United States behind New York, Los Angeles, Chicago, Philadelphia, and Dallas-Fort Worth.

The South Florida area is locally served by the SFRTA, Broward County Transit (BCT), Palm Tran (Palm Beach), and Miami-Dade Transit (MDT). The SFRTA, which operates Tri-Rail, provides commuter rail service within the tri-county area, operating 40 weekday trains, 16 Saturday trains, and 14 Sunday trains along a 72-mile stretch of commuter rail.

The governing Board of Directors consist of nine members: One County Commissioner from each county (three appointments); one citizen appointee from each county commission (three appointments); a Florida Department of Transportation (FDOT) – District Secretary (one appointment); and citizen appointees from the Governor (two appointments). The FDOT appointee and the two Governor's appointees must all reside in different counties within the SFRTA service area (currently Broward, Miami-Dade, and Palm Beach Counties). The Board of Directors selects an Executive Director to oversee the daily operations of the SFRTA.

Component Unit of FDOT: The SFRTA is included as a component unit of FDOT. FDOT includes the SFRTA as a component unit based on the special financing relationship that exists between the SFRTA and FDOT. The SFRTA is designated as an enterprise fund of the FDOT.

Annual Budget: The SFRTA's Board of Directors approves the SFRTA's annual operating budget. The Board of Directors must also approve any required revisions that result in an increase to total expenditures. The budget is maintained at a department level and is categorized by function: Operations, Personnel Expenses, Train Fuel, General & Administrative Expenses, Marketing, Professional Fees, and Contingency and Expenses Transferred to Capital. Line item budgetary controls are maintained by the utilization of purchase orders limited to the boundaries of the budget and by establishing contractual obligations within the confines of the budget. In addition, financial statements, which detail month-to-date and the year-to-date actual versus budgeted expenditure comparisons, are presented to the Board of Directors on a monthly basis for review.

Funding for the SFRTA's budget is provided through fees collected at train stations, subsidies provided by FDOT, the Federal Transit Administration (FTA) and the three counties serviced by the SFRTA.

ECONOMIC CONDITION AND OUTLOOK

Local Economy: The South Florida economy continues to grow with tourism, high technical jobs and international trade leading the way.

With 77 million visitors providing $57 billion to the Florida economy, Florida tourism is second only to California, and aside from Orlando, the South Florida area is the next major destination for tourist. The South Florida tourism industry creates over a quarter of a million jobs for the region and generates over $20 billion towards the South Florida economy.

However, South Florida's economy is not just tourism. South Florida is considered one of the major telecom hubs in the world and home to the Internet Coast, a group of technology companies and organizations operating in Broward, Miami-Dade and Palm Beach Counties. The Internet Coast has resulted in the tri-county area being ranked fourth in the United States in the number of high technology companies with more than 6,500 high tech companies.

The South Florida area is also a major player in the international trade arena. With three international airports, as well as, three deep-water seaports, the tri-county area provides easy access to Latin and South America. The South Florida strength as an international trade player is evident by the fact that South Florida ranks second among the 50 largest metropolitan areas in exports, its leading export being professional services to Latin America.

Long Term Financial Planning: As the South Florida area continues to grow, the role of the SFRTA becomes even more crucial. With no place to build new highways, the needs for mass transit become critical. The SFRTA is committed to creating a first-class transportation network by continuing to be instrumental in the planning and building of a transportation network that will provide for efficient and reliable movement of commuters throughout the tri-county region.

In June 2003, Governor Jeb Bush signed legislation requiring the three counties in the SFRTA service area to contribute $2.67 million each in funding to the SFRTA. To date the three counties have contributed $24.03 million. The SFRTA plans to use these funds to leverage additional Federal and State funds for future purposes.

The Double Track Corridor Improvement Program calls for reconstruction along 72 miles of the South Florida Rail Corridor and a second mainline track parallel to the existing track. As part of the program, the Segment 5 Project was the final major phase of double tracking. The long-awaited completion of the Segment 5 Project in March 2006 has given commuters more options in making transportation choices with added trains, reduced times between trains, shorter travel time from end to end within the Tri-Rail service area and more flexibility. As a result, the SFRTA has expanded Tri-Rail operations from 30 to 40 trains per day, representing a 33 percent increase in weekday service. Additional improvements facilitated by the completion of the Segment 5 Project include enhanced comfort at stations, future expansion capabilities, more efficient movement of goods and freight and less traffic congestion.

The SFRTA estimates that these improvements will serve 27,900 average daily boardings by 2015.

Relevant Financial Policies:

Cash Management: The SFRTA's earnings on investments increased approximately $1.1 million primarily due to the interest earned on the Counties contributions of $24.0 million. In addition, temporarily idle cash balances are transferred to the State Board of Administration's Local Government Investment Pool. The SFRTA also sweeps its bank

accounts each night. Due to higher cash balances because of the Segment 5 Project and the Counties contributions for future purposes, these nightly sweeps also contributed to the SFRTA's increased interest income for fiscal year 2006.

Risk Management: SFRTA's risk of loss includes exposure from passengers and the public due to accidents or other incidents resulting in liability issues for the SFRTA. The State of Florida insures the SFRTA for general liability up to $5 million. The SFRTA purchases additional general liability coverage, amounting to $120 million; the SFRTA has had no settlement claims that exceed the $5 million insurance coverage since its inception.

Major Initiatives:

SFECC:

District IV is leading the *South Florida East Coast Corridor (SFECC) Transit Analysis Study* in Broward, Miami-Dade, and Palm Beach counties. The study is centered on an 85 mile segment of the Florida East Coast (FEC) Railroad Right-of-way (ROW) that parallels Dixie Highway and US 1 in these three counties. The SFECC Study is being conducted in two tiers. Tier 1, which is almost complete, is evaluating transportation issues and alternatives of regional significance. The study includes a balancing of existing and future freight and goods movement with the need to identify new transit travel capacity in South Florida. A Draft Programmatic Environmental Impact Statement (DPEIS) has been produced, which has narrowed down the numerous alternatives originally under consideration and identified independent corridor sections to move forward for more detailed analysis in Tier 2.

Central Broward East-West Transit Analysis:

The proposed Broward East-West line runs from Fort Lauderdale-Hollywood International Airport northward to downtown Fort Lauderdale, then westward to Sawgrass Mills Mall and the Bank Atlantic Center arena. There are no existing tracks along the corridor, so a new light rail transit (LRT) system would have to be designed and constructed. The preferred alignment along the project's western end was changed earlier this year. The resulting alignment is no longer on 136th Street, but rather utilizes nearby Florida Power and Light and canal rights of way. The project's conceptual engineering and station location work is ongoing, which will result in the completion of a draft environmental impact statement (DEIS). The preliminary engineering phase of the project is still two to three years away.

79th Street Corridor Neighborhood Initiative:

The SFRTA staff is currently working with the 79th Street Corridor Neighborhood Initiative (Initiative) to review the group's plan to redevelop the 79th Street Corridor into a Transit Oriented Development concept. The area currently has a mixture of residential, commercial, and industrial type buildings scattered throughout the area. The Urban League of Greater Miami, Inc., Miami-Dade Neighborhood Housing Services, Inc., and

Dade Employment and Economic Development Corporation (DEEDCO) lead the Initiative in partnership with the Center for Neighborhood Technology.

CERTIFICATE OF ACHIEVEMENT

The GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting to the SFRTA for its CAFR report for the fiscal year ending June 30, 2005. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized CAFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

ACKNOWLEDGEMENTS

Once again, the SFRTA has successfully prepared an outstanding CAFR. An achievement made possible by the dedicated service of the entire staff. Special thanks go to the staff of the Finance and Information Technology Department for their support and devotion to this project. Further appreciation is extended to the Marketing department for their contributions. I can praise them all for their continued efforts to improve performance and reporting excellence.

Additionally, appreciation is extended to Sharpton, Brunson and Company, P.A. for their guidance and professional assistance in the preparation of this report.

Respectfully submitted,

Joseph Giulietti
Executive Director

Edward T. Woods Jr., CPA
Director of Finance and Information Technology

GOVERNING BOARD AND MANAGEMENT

GOVERNING BOARD

DR. BARBARA CAREY-SHULER
Miami-Dade County Commissioner

JAMES A. CUMMINGS
Citizen Representative Broward County

ALLEN HARPER
Citizen Representative Miami-Dade County

MARIE HORENBURGER
Citizen Representative Palm Beach County

JEFF KOONS
Palm Beach County Commissioner

JOHN MARTINEZ
FDOT Appointee District Secretary

JEFF KOONS
Palm Beach County Commissioner

JAMES A. SCOTT
Broward County Commissioner

BILL T. SMITH, JR., ESQ.
Governor's Appointee

EXECUTIVE MANAGEMENT

JOSEPH GIULIETTI
Executive Director

JACK L. STEPHENS
Deputy Executive Director

SENIOR MANAGEMENT

BONNIE ARNOLD
Marketing & Customer Service Director

BRAD BARKMAN
Operations Director

CHRIS BROSS
Procurement Director

DIANE HERNANDEZ-DEL CALVO
Director of Administration/ EEO Oficcer

MARY JANE LEAR
Human Resources Director

RENEE MATTHEWS, CPA
Special Projects Manager

DANIEL MAZZA, P.E.
Engineering & Construction Director

JEFFREY OLSEN
Staff Counsel

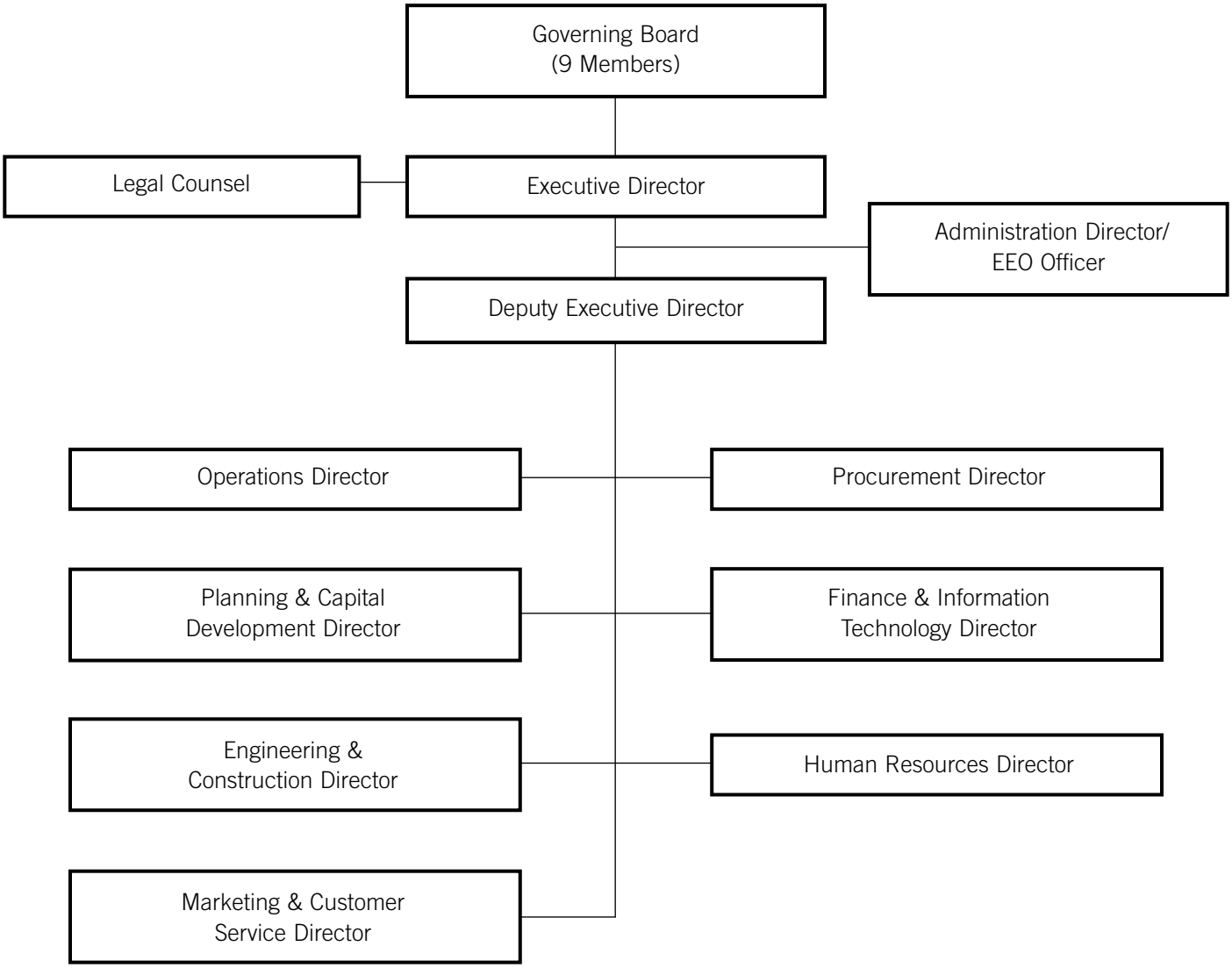
EDWARD T. WOODS JR., CPA
Finance & Information Technology Director

MISSION STATEMENT

"To coordinate, develop and implement, in cooperation with all appropriate levels of government, private enterprise and citizens-at-large in the community, a viable regional transportation system in South Florida that endeavors to meet the desires and needs for the movement of people, goods and services."

RTA SOUTH FLORIDA REGIONAL TRANSPORTATION AUTHORITY

SFRTA'S ORGANIZATIONAL STRUCTURE



Certificate of Achievement for Excellence in Financial Reporting

Presented to

South Florida Regional Transportation Authority

For its Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2005

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

President

Executive Director

SHARPTON, BRUNSON & COMPANY, P.A.

Certified Public Accountants & Business Consultants

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Independent Auditors' Report

To the Governing Board of the
South Florida Regional Transportation Authority

We have audited the accompanying basic financial statements of the South Florida Regional Transportation Authority (the "SFRTA"), a component unit of the Florida Department of Transportation, as of and for the years ended June 30, 2006 and 2005, as listed in the table of contents. These financial statements are the responsibility of the SFRTA's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the SFRTA as of June 30, 2006 and 2005, and the changes in its financial position and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 9 to the financial statements, SFRTA has implemented Government Accounting Standard Board Statement No. 46, Accounting for Net Assets Restricted by Enabling Legislation as of June 30, 2006.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 10, 2006 on our consideration of the SFRTA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis listed in the accompanying table of contents and the budgetary comparison information presented in Note 1 of the basic financial statements are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the SFRTA's basic financial statements. The supplementary information listed in the supplementary section of the accompanying table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The information included in the introductory and statistical and general information sections of the accompanying table of contents have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Sharpton Brunson & Company, P.A.

November 10, 2006

SOUTH FLORIDA REGIONAL TRANSPORTATION AUTHORITY MANAGEMENT'S DISCUSSION AND ANALYSIS

The staff of the South Florida Regional Transportation Authority (SFRTA) wrote this Management Discussion and Analysis (MD&A) to provide the reader of our Comprehensive Annual Financial Report (CAFR) with an overview of our current financial condition. This Analysis should be read in conjunction with our Letter of Transmittal, found on pages 1 - 6 of this CAFR, and the financial statements immediately following the MD&A. Our intent was to make this analysis objective, based on currently known facts.

The SFRTA's CAFR consists of four parts; a Management's Discussion and Analysis, the basic financial statements, notes to the financial statements and required supplementary information.

The MD&A is also divided into four sections:

Section I-Overview of the Financial Statements: Section I gives the reader an overview of the SFRTA's basis of accounting, measurement focus, the types of financial statements the SFRTA issues and financial highlights for fiscal year 2006.

Section II-Financial Analysis of the SFRTA: This section provides the reader with an analysis of changes in the SFRTA's net assets, an analysis of the SFRTA's operations and financial condition for the fiscal year ending June 30, 2006, condensed financial information derived from the Statement of Net Assets, the Statement of Revenue, Expenses and Changes in Net Assets. In many cases, we have provided a comparison to fiscal year 2005.

Section III-Changes in Capital Assets and Long-Term Debt: This section discusses the SFRTA's purchase of capital assets, depreciation expense and the value of any asset disposed of during the year. This section also describes the SFRTA's policy on long-term debt.

Section IV-Currently Known Facts, Decisions and Conditions: In Section IV, the SFRTA staff discusses known facts, decisions or conditions that could, or will have an impact on the SFRTA's operations.

There is no discussion on budgets since an analysis on budgets for Enterprise Funds is not one of the items specifically described by Paragraph 11 of Governmental Accounting Standards Board (GASB) Statement No. 34. There is information concerning the SFRTA's budget in Note 1.G in the Notes to the Financial Statements.

There is also no discussion on infrastructure assets as the SFRTA does not report these assets on a modified accrual basis, but because the SFRTA operates as an enterprise fund, the SFRTA records its assets on the full accrual basis.

I. OVERVIEW OF THE FINANCIAL STATEMENTS

The SFRTA's fiscal year starts July 1, and ends June 30. The SFRTA operates as an enterprise fund and adheres to the accounting standards as set forth by the GASB, including GASB 33 and 34 and all applicable Financial Accounting Standards Board (FASB) pronouncements, prior to November 30, 1989.

For reporting purposes, the SFRTA considers itself a special-purpose government engaged only in business-type activities. The required financial statements for this type of entity are:

1. **Statement of Net Assets**: This statement is quite similar to the balance sheet used in commercial businesses.

2. **Statement of Revenue, Expenses and Changes in Net Assets**: This statement puts an emphasis on total net assets and is quite similar to a profit and loss statement used in commercial businesses.

3. **Statement of Cash Flow (Direct Method)**: This statement shows cash flows, both inward and outward in terms of operating activities, financing activities and investing activities.

The enterprise fund Statements of Net Assets, Revenue, Expenses and Changes in Net Assets are presented using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus is essentially full commercial accounting with depreciation of capital assets. The accrual basis of accounting recognizes revenue in the period in which they are earned and become measurable and recognizes expenses in the period in which they are incurred. The determination of net loss is measured by the matching of revenue earned with expenses incurred.

The SFRTA records all assets and all liabilities on the Statement of Net Assets. The SFRTA records capital assets in the Statement of Net Assets at historical cost net of accumulated depreciation. In accordance with the SFRTA's policies and procedures, the SFRTA capitalizes all assets costing $1,000 or more with a useful life greater than one year, except for land and construction in progress, depreciates assets over their useful life (Note 1. J of the Notes to the Financial Statements provides additional detail on depreciation).

The SFRTA defines operating revenue and operating expenses as those revenue and expenses that can be attributable to the operations of its trains. Operating revenue consists of fares and other services. Fares are revenue collected from passengers. Other services consist of revenue generated at train stations, such as vending machine revenue. Operating expenses include train-operating costs, marketing costs, planning costs, general and administrative costs and depreciation. Depreciation is a non-funded expense.
The SFRTA classifies interest income, subsidies and grants as Non-Operating Revenue.

Financial Highlights

- In fiscal year 2006, Broward, Miami-Dade and Palm Beach Counties contributed the third $2.67 million contribution ($8.01 million in total) to the SFRTA. In fiscal years 2005 and 2004, Broward, Miami-Dade and Palm Beach Counties contributed the first two installments of $5.34 million contribution to the SFRTA. Total received to date is $24.03 million. The SFRTA will use the funds to leverage additional Federal and State funds for future purposes.

- In fiscal year 2006 (July 2005), the $2.5 million remaining balance of the State Infrastructure Bank (SIB) loan was received. The interest free loan for $10 million was awarded to the SFRTA in fiscal year 2004. In fiscal year 2005, the SFRTA received $7.5 million of the $10 million loan. The SFRTA will repay the loan in installments of $5 million in fiscal years 2007 (October 1st, 2006) and 2008.

- In fiscal year 2006, the SFRTA's total net assets increased by 17.6%. This increase is the result of an increase in the acquisition of assets of approximately $91.7 million. Last fiscal year (fiscal year 2005), net assets increased by 27.9% and in fiscal year 2004, net assets increased by 53.7%. The increases in net assets for the past four years are due to the continuation of the SFRTA's $350 million double tracking project (Segment 5). The Segment 5 Project was completed in March 2006 and the related construction costs were transferred to Double Tracking and Stations.

- For fiscal year 2006, operating expenses, before depreciation, increased 9.5%. The increase was the result of increases in fuel costs, liability insurance and increases in salary and employee benefits. In fiscal year 2005, the SFRTA's operating expenses before depreciation increased by 11.4%.

II. FINANCIAL ANALYSIS OF THE SFRTA

Summary of Net Assets

Current assets:

Current assets in fiscal year 2006 decreased approximately $11.7 million or 14.0% as compared to fiscal year 2005. The primary reason for the decrease was to fund capital projects and operating loss. The decrease is attributable to a $6.1 million decrease in cash and cash equivalents and a decrease of $5.9 million in accounts receivable due from the FDOT, Federal Transit Administration (FTA) and the three counties Broward, Miami-Dade and Palm Beach. In fiscal year 2006, the SFRTA reclassified restricted cash and cash equivalents as unrestricted cash and cash equivalents.

Noncurrent assets:

For fiscal year 2006, noncurrent assets increased approximately $91.7 million or 16.6 % before taking into account depreciation. Noncurrent assets net of depreciation increased 16.5%. The most significant increases in noncurrent assets were an increase in capital assets net of depreciation of approximately $79.7 million due to the Segment 5 Project.

For a detailed discussion of capital assets, see "CHANGES IN CAPITAL ASSETS AND LONG-TERM DEBT" later on in this document, as well as Note 1.J and Note 3 in the Notes to the Financial Statements.

Current liabilities:

Current liabilities in fiscal year 2006 decreased approximately $10.3 million or 31.0% compared to fiscal year 2005. The most significant decrease in current liabilities is an approximate $16.6 million decrease in accounts payable. The increases are attributable to an increase in Due to FDOT – SIB loan of $5.0 million which represents the repayment of the first installment due on October 1st, 2006 (fiscal year 2007) and an increase in accrued expenses of $1.3 million.

The current portion of Compensated Absences increased approximately 4.6% due to the increase in accrued vacation and sick time because of the hiring of new employees. Unearned Revenue increased approximately $6,100 or 33.3% due to an increase in tickets sale. The approximate $24,000 in ticket sales represents ticket sales in June for July travel.

Noncurrent liabilities:

Non-current liabilities decreased by approximately $9.8 million or 29.6%, which was the result of a decrease of approximately $7.3 million in Deposits and a decrease of $2.5 million in the amount Due to FDOT - SIB loan.

Total deposits on hand are approximately $2.1 million. Deposits consist of the following: approximately $662,000 in remaining cash contributions from the CSXT Corporation as

part of their contribution; $300,000 in FDOT funds; $185,000 from Miami-Dade County for the Smart Card Project; $956,000 which represents the balance from the insurance proceeds for the Diesel Multiple Unit (DMU) which was destroyed in a fire.

Advances from FDOT remained the same in fiscal year 2006. In fiscal year 2004, FDOT advanced $9 million to the SFRTA to improve the SFRTA's cash flow during the New River Bridge Project. The New River Bridge Project is a 100% FDOT-funded project. The remaining advance of approximately $7 million represents a $5 million advance from FDOT given to the SFRTA in 2004 to help the SFRTA's cash flow during the Segment 5 Project and an approximate $2 million advance received when the SFRTA commenced operations (1988). The SFRTA will repay said amount to FDOT when and if the SFRTA ceases operations.

Net assets:

The SFRTA's total net assets are comprised of investments in capital assets totaling approximately $563.7 million, restricted net assets for future purposes of approximately $24.0 million, and unrestricted net assets of approximately $1.4 million. As a result of the implementation of new accounting pronouncement, GASB Statement 46 – "Restricted by Enabling Legislation", the contributions from Broward, Miami-Dade and Palm Beach counties were reclassified to restricted net assets for future purposes. Capital assets represent 88.6% of all of the SFRTA's assets. For fiscal year 2006, the SFRTA acquired capital assets net of transfers and deletions of approximately $91.7 million compared to approximately $110.3 million for fiscal year 2005.

Below is a summary of assets, liabilities and net assets for the past three fiscal years. The more detailed Statement of Net Assets can be found in the basic financial statements.

SUMMARY OF STATEMENT OF NET ASSETS

	2006	2005	2004	
ASSETS				
Total current and other assets	$71,645,237	$83,302,069	$56,410,712	
Total capital assets (net of depreciation)	563,790,487	484,067,466	383,397,298	
Total assets	$635,435,724	$567,369,535	$439,808,010	
LIABILITIES				
Total current liabilities	$22,954,499	$33,285,070	$28,863,276	
Total noncurrent liabilities	23,290,443	33,102,627	19,143,064	
Total liabilities	$46,244,942	$66,387,697	$48,006,340	
NET ASSETS				
Investments in capital assets, net of related debt	$563,790,487	$484,067,466	$383,397,298	
Restricted for:				
Future Purposes	24,030,000	16,020,000	8,010,000	
Unrestricted	1,370,295	894,372	394,372	
Total net assets (see narrative on net assets above)	$589,190,782	$500,981,838	$391,801,670	**(1)**

(1) Restatement of Net Assets due to the implementation of GASB No. 46.

Summary of Revenue

Operating revenue:

For fiscal year 2006, train revenue was approximately $5.89 million, a decrease of 3.2% over fiscal year 2005 train revenue. The cause of the 3.2% decrease is two-fold. First, the SFRTA was in the midst of a $350 million double tracking project up to March 2006, which unfortunately has had a negative impact on our on-time performance. Second, the South Florida region experienced a very busy 2005 hurricane season, which caused the trains to cease operations for a few days during Hurricane Wilma in October 2005.

Fare box ratio:

The SFRTA's fare box ratio for fiscal year 2006 is 18.4%. For fiscal year 2005, it was 20.9%. The fare box ratio is a function of operating revenue as a percentage of net operating expense. To determine net operating expenses, the SFRTA subtracts depreciation, planning expenses and a portion of feeder service expenses from total operating expenses. For fiscal year 2006, the feeder service amount was approximately $2.4 million. The reduction in fare box ratio was a function of increased fuel costs and reduced train revenue.

Non-operating revenue:

Interest income, subsidies provided by the three counties within the SFRTA's operating area (Broward, Miami-Dade and Palm Beach Counties) and non-capital grants provided by the State, Federal Governments and Other Funding are revenue sources used by the SFRTA to fund its operating budget. Even though the SFRTA uses these revenue sources to fund operations, for reporting purposes, the SFRTA considers these sources as non-operating revenue. Federal and State grants that are restricted for capital purposes are not included in non-operating revenue, but rather are classified as contributions.

Interest income: The SFRTA's earnings on investments increased approximately $1.1 million primarily due to the interest earned on the Counties contributions of $24.0 million. In addition, temporarily idle cash balances are transferred to the State Board of Administration's Local Government Investment Pool. The SFRTA also sweeps its bank accounts each night. Due to higher cash balances because of the Segment 5 Project and the Counties contributions, these nightly sweeps also contributed to the SFRTA's increased interest income for fiscal year 2006.

Federal grants: Federal grants (non-capital) consist of Preventive Maintenance grants and Planning grants received from the FTA and Federal Highway Administration (FHWA) grants. For fiscal year 2006, Federal grants increased approximately $2.3 million or 33.3%. The increase in Federal grants is due to an approximate $2.7 million increase in the use of Preventive Maintenance grants.

Preventive Maintenance grant (FTA): Although usually an operating expense, Preventive Maintenance which is defined as all maintenance costs, is an allowable capital expenditure under FTA guidelines. Transit agencies that use Preventive Maintenance funds must follow General Accepted Accounting Principles (GAAP) and expense those maintenance costs associated with the current fiscal year. Maintenance expenditures that meet the SFRTA's criteria for capital expenditures are capitalized. The FTA has no cap on the amount of formula funds a transit agency can use for preventive maintenance. However, Preventive Maintenance funds can only be used to cover the cost of actual preventive maintenance expenditures.

For fiscal year 2006, the SFRTA applied approximately $8.8 million as Preventive Maintenance, an increase of $2.7 million from fiscal year 2005's Preventive Maintenance of approximately $6.1 million.

Planning grants (FTA): Planning grants are grants received from the FTA. These planning grants cover Planning Department-related activities, planning consultants, transit studies, Regional Transportation Organization activities and in-house administrative costs associated with planning and capital projects; however, not all planning expenses are covered by Planning grants. For fiscal year 2006, Planning revenue was decreased by approximately $450,000 from fiscal year's 2005 Planning revenue.

Federal Highway Administration (FHWA): The SFRTA receives FHWA funds as a pass-through from FDOT. The SFRTA has received these funds since its inception in 1989 as part of a traffic mitigation project. For fiscal year 2006, FHWA assistance remained the same as last year at $4 million.

Florida Department of Transportation (FDOT):

For fiscal year 2006, State grants (non-capital) decreased by approximately $517,000 or 5.7% mostly because the SFRTA did not incur any costs related to the FDOT Compliant Diesel Multiple Units (DMU) demonstration project.

FDOT Operating JPA: Pursuant to State law, the State's contribution to the SFRTA's operating budget is limited to 50% of net operating loss and cannot exceed the amount provided by Broward, Miami-Dade and Palm Beach Counties. The SFRTA's Interlocal Agreements with the three counties called for a 3.0% increase in funding for fiscal year 2006; therefore, FDOT's contribution increased by 3.0%. The State can, and does, provide capital financial support over and above the counties' contributions.

FDOT Feeder Service JPA: Feeder Service grant is a "pass through" of funds from FDOT to the three counties to offset the cost of feeder services. For fiscal years 2006, the amount of the "pass through" was $1.8 million and $2.0 million in fiscal year 2005.

FDOT Compliant Diesel Multiple Units (DMU): In fiscal year 2006, the SFRTA did not incur any costs related to the DMU demonstration project. In fiscal year 2005, the SFRTA incurred approximately $521,000 in operating costs for the DMU.

Regional Transportation Marketing:

In fiscal year 2006, the SFRTA received $241,000 or 53.5% increase as contributions for the Regional Transportation Marketing grant. In fiscal year 2004, the SFRTA, Broward, Miami-Dade and Palm Beach Counties as well as FDOT entered into an agreement for each agency to provide cash and in-kind services totaling $400,000 for implementing a regional transit-marketing plan in the tri-county area. The total cash contribution of the four participating agencies equals $300,000 and is split as follows: FDOT $200,000, the SFRTA $11,000, Broward County $27,000, Miami-Dade County $44,000 and Palm Beach County $18,000.

Other Funding:

Other funding consists of approximately $170, 000 from the Federal Emergency Management Agency (FEMA) and $100,000 received from private firms to provide feeder bus service.

Broward County Feeder:

In May 2005, the SFRTA took over the management of the Broward County feeder service contract with the SFRTA contributing approximately $667,000 towards this service and Broward County contributing the remainder. For fiscal year 2006, Broward County's contribution was approximately $526,000.

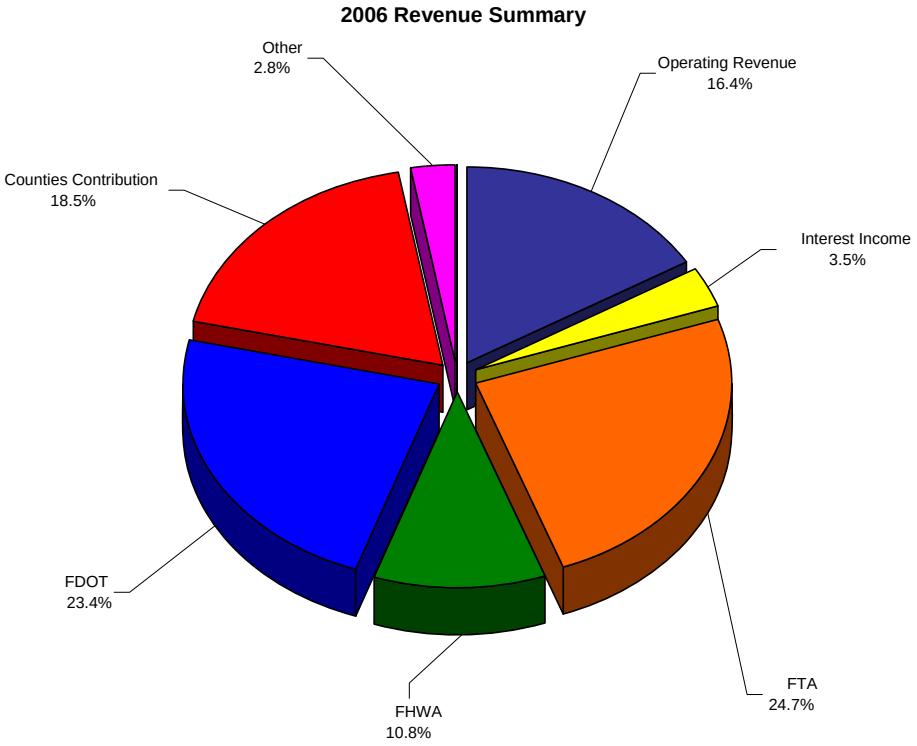
County Contributions:

For fiscal year 2006, each county contributed approximately $2.2 million towards the SFRTA's operating budget. This was an increase of $66,000, or 3.0% per county over last year's county contribution and was in accordance with the Interlocal Agreement.

On the next page is a summary of revenue for the past three fiscal years:

REVENUE SUMMARY

	2006 Total	Percent of Total	2005 Total	Percent of Total	2004 Total	Percent of Total
Revenue						
Operating Revenue	$6,037,029	16.4%	$6,201,205	18.4%	$6,695,231	22.1%
Non-Operating Revenue:						
Interest Income	1,285,912	3.5%	178,216	0.5%	93,998	0.3%
FTA	9,113,203	24.7%	6,836,021	20.2%	5,419,723	17.9%
FHWA	4,000,000	10.8%	4,000,000	11.8%	4,000,000	13.2%
State grants (FDOT)	8,624,000	23.4%	9,141,564	27.1%	7,993,513	26.4%
County Contribution	6,819,000	18.5%	6,619,000	19.6%	5,940,000	19.6%
Other	1,038,576	2.8%	808,630	2.4%	127,246	0.4%
Total Revenue	**$36,917,720**	**100.0%**	**$33,784,636**	**100.0%**	**$30,269,711**	**100.0%**



Summary of Expenses

Operating expenses:

Total operating expenses for fiscal year 2006, including depreciation expense, were approximately $48.4 million. This was an increase of approximately $5.5 million or 12.9% when compared to fiscal year 2005.

Operations: Total Operations expenses, which includes train-operating costs, feeder service, fuel costs, insurance costs and train security increased approximately $2.7 million or 10.9%. Trains operations increased approximately $1.3 million due to the addition of more trains after the completion of Segment 5 in March 2006.
Feeder service decreased approximately $454,000 or 15.5%, fuel expense increased by approximately $967,000 or 33.3%, due to increases in the market price for fuel, security increased approximately $175,000 or 6.2% due to increased security on the trains and at the stations and insurance cost decreased approximately $73,000 or 4.4%.

Marketing: Marketing expenses increased approximately $300,000 or 16.6% due primarily to increases in marketing related expenses and salaries.

Engineering: Engineering expenses increased approximately $46,000, or 13.0% as a result of increases in engineering salaries due to the hiring of additional personnel.

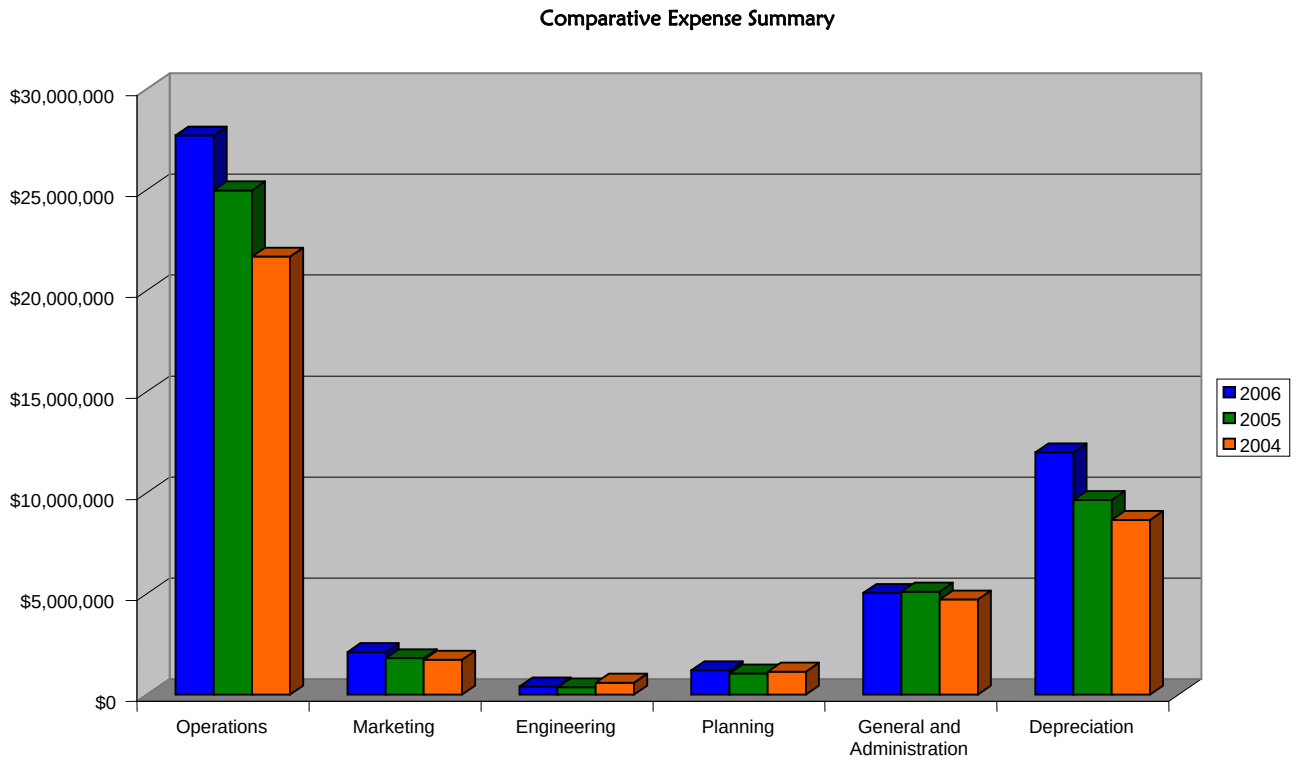
Planning: Planning expenses include all planning related activities, including salaries and office expenses for the planning department, planning consultants and planning studies. For fiscal year 2006, planning expenses increased approximately $154,900 or 14.8%. The reason for the increase in planning expenses is mainly due to the hiring of additional staff and the increase in salaries due to merit raises.

General and Administrative: General and Administrative (G&A) expenses decreased approximately $71,000, or 1.4%. due to a decrease in office business related expenses.

On the next page is a summary of operating expenses for the past three fiscal years:

EXPENSE SUMMARY

	2006 Total	Percent of Total	2005 Total	Percent of Total	2004 Total	Percent of Total
Operating Expenses						
Operations	$27,694,480	57.2%	$24,968,027	58.2%	$21,695,642	56.3%
Marketing	2,106,318	4.3%	1,805,776	4.2%	1,732,417	4.5%
Engineering	404,144	0.8%	357,517	0.8%	590,818	1.5%
Planning	1,202,842	2.5%	1,047,895	2.4%	1,142,775	3.0%
General and Administration	5,034,013	10.4%	5,105,421	11.9%	4,713,687	12.2%
Depreciation	11,999,837	24.8%	9,631,582	22.4%	8,648,208	22.4%
Total Operating Expenses	**$48,441,634**	**100.0%**	**$42,916,218**	**100.0%**	**$38,523,547**	**100.0%**



Summary of Operations

The SFRTA's fiscal year 2006 operating loss including depreciation was $42.4 million. This is an approximate $5.7 million or 15.5% increase over fiscal year 2005's loss of approximately $36.7 million. The SFRTA's change in net assets for fiscal year 2006 was approximately $88.2 million, a 17.6% decrease over fiscal year 2005's change in net assets of approximately $101.2 million. The decrease was due to a decrease in construction in progress, as work on the Segment 5 Project was completed in March 2006.

Below is a summary of changes in net assets for the past three fiscal years:

SUMMARY OF STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET ASSETS

	2006	2005		2004
OPERATING REVENUE:				
Total Operating Revenue	$6,037,029	$6,201,205		$6,695,231
OPERATING EXPENSES:				
Operations	27,694,480	24,968,027		21,695,642
Marketing	2,106,318	1,805,776		1,732,417
Engineering	404,144	357,517		590,818
Planning	1,202,842	1,047,895		1,142,775
General and Administration	5,034,013	5,105,421		4,713,687
Depreciation	11,999,837	9,631,582		8,648,208
Total Operating Expense	48,441,634	42,916,218		38,523,547
Operating Loss	$(42,404,605)	$(36,715,013)		$(31,828,316)
NON-OPERATING REVENUE :				
Federal Grants	13,113,203	10,836,021		9,419,723
State Grants	8,624,000	9,141,564		7,993,513
Counties' Contributions	6,819,000	6,619,000		5,940,000
Other	2,324,488	986,846		221,244
Total Non-Operating Revenue	30,880,691	27,583,431		23,574,480
Loss before Contributions	(11,523,914)	(9,131,582)		(8,253,836)
Total Contributions	99,732,858	110,301,750		150,186,435
Changes in Net Assets	88,208,944	101,170,168		141,932,599
Total Net Assets Beginning	500,981,838	399,811,670	**(1)**	249,869,071
Total Net Assets Ending	$589,190,782	$500,981,838		$391,801,670

(1) Restatement of Net Assets due to the implementation of GASB No. 46

III. CHANGES IN CAPITAL ASSETS AND LONG-TERM DEBT

Capital Assets:

Capital assets include land, rail track, rail equipment, buildings, furniture and fixtures, repairable parts, automobiles, station improvements and construction in progress, and are recorded at historical cost. For fiscal year 2006, the SFRTA purchased approximately $91.7 million of capital assets, net of transfers and deletions, a 16.8% decrease over fiscal year 2005. The decrease was the result of the completion of the $350 million Segment 5 Project in March 2006. Depreciation for fiscal year 2006 was approximately $11.9 million. Depreciation for fiscal year 2005, was approximately $9.6 million. Accumulated depreciation as of June 30, 2006, was approximately $81.5 million. Transfers/Deletions totaled approximately $350 million. The SFRTA transferred $31,000 out of construction in progress into furniture and fixtures and the Segment 5 Project in the amount of $350 million, which was completed in March 2006, was transferred to Stations and Double Tracking.

For additional detailed information on capital assets, see Note 1.J and Note 3 in the Notes to the Financial Statements.
Below is a summary of the SFRTA's capital assets acquisitions for fiscal year 2006.

CAPITAL ASSETS ACQUISITIONS

DESCRIPTION	Balance 6/30/2005	2006 Additions	2006 Deletions	Balance 6/30/2006	Percent Change
LAND	$19,894,228			$19,894,228	-
RAIL EQUIPMENT	35,914,848			35,914,848	-
ADA BATHROOMS	483,462			483,462	-
REPAIR PARTS	806,564			806,564	-
FURNITURE & FIXTURES	1,893,140	31,064		1,924,204	1.6%
STATION IMPROVEMENTS	51,301,880	150,365,287		201,667,167	293.1%
SIGNAGE	107,018			107,018	-
HIALEAH YARD IMPROVEMENTS	5,239,595			5,239,595	-
RIGHT-OF-WAY IMPROVEMENTS	573,055			573,055	-
AUTOMOBILES	403,533			403,533	-
TICKET VENDING MACHINES	6,721,507			6,721,507	-
OTHER FIXED ASSETS	362,978			362,978	-
DOUBLE TRACKING	68,692,072	200,000,000		268,692,072	291.2%
SIGNAL IMPROVEMENTS	899,599			899,599	-
GRADE CROSSING IMPROVEMENTS	750,001			750,001	-
CIP-REGULAR	18,003,609	24,677,527	31,064	42,650,072	136.9%
CIP-SEG 5	309,177,566	41,187,721	350,365,287	-	-100.0%
CIP-NEW RIVER BRIDGE	32,035,371	25,823,110		57,858,481	80.6%
CIP-EDEN	359,044	34,500		393,544	9.6%
TOTAL	$553,619,070	$442,119,209	$350,396,351	$645,341,928	

Long-Term Debt:

Long-term debt consists of approximately $151,000 in compensated absences, approximately $2.1 million in deposits, approximately $16 million in advances from FDOT and $5 million represents a SIB loan. The SFRTA entered into an agreement with the State of Florida to borrow $10 million interest free. The remaining $2.5 million of the $10 million was received in July 2005 (fiscal year 2006). The SFRTA will pay back the loan in fiscal years 2007 (October 1st, 2006) and 2008, at $5 million each year.
For additional detailed information on long-term liabilities, see Note 8 in the Notes to the Financial Statements.

IV. CURRENTLY KNOWN FACTS, DECISIONS OR CONDITIONS

A. New Projects:

South Florida East Coast Corridor Transit Analysis Study (SFECC):
District IV is leading the *South Florida East Coast Corridor (SFECC) Transit Analysis Study* in Broward, Miami-Dade, and Palm Beach counties. The study is centered on an 85 mile segment of the Florida East Coast (FEC) Railroad Right-of-way (ROW) that parallels Dixie Highway and US 1 in these three counties. The SFECC Study is being conducted in two tiers. Tier 1, which is almost complete, is evaluating transportation issues and alternatives of regional significance. The study includes a balancing of existing and future freight and goods movement with the need to identify new transit travel capacity in South Florida. A Draft Programmatic Environmental Impact Statement (DPEIS) has been produced, which has narrowed down the numerous alternatives originally under consideration and identified independent corridor sections to move forward for more detailed analysis in Tier 2. Public hearings will be conducted in November and December to determine whether these recommendations are adopted.

Central Broward East-West Transit Analysis:

The proposed Broward East-West line runs from Fort Lauderdale-Hollywood International Airport northward to downtown Fort Lauderdale, then westward to Sawgrass Mills Mall and the Bank Atlantic Center arena. There are no existing tracks along the corridor, so a new light rail transit (LRT) system would have to be designed and constructed. The preferred alignment along the project's western end was changed earlier this year. The resulting alignment is no longer on 136th Street, but rather utilizes nearby Florida Power and Light and canal rights of way. The project's conceptual engineering and station location work is ongoing, which will result in the completion of a draft environmental impact statement (DEIS). The preliminary engineering phase of the project is still two to three years away.

79th Street Corridor Neighborhood Initiative: The SFRTA staff is currently working with the 79th Street Corridor Neighborhood Initiative, to review the group's plan to redevelop the 79th Street Corridor into a Transit Oriented Development (TOD) concept. The area currently has a mixture of residential, commercial and industrial type buildings scattered throughout the area. The Urban League of Greater Miami, Inc., Miami-Dade Neighborhood Housing Services, Inc. and Dade Employment and Economic Development Corporation (DEEDCO) lead the Initiative in partnership with the Center for Neighborhood Technology.

West Palm Beach Intermodal Station: The SFRTA, in conjunction with Palm Beach County, the City of West Palm Beach, FDOT and the Treasure Coast Regional Planning Council (TCRPC), have formed a task force to evaluate the development potential of properties surrounding the current West Palm Beach Station. The task force will develop a Master Plan for TOD for an approximately 36-acre site. Station on mobility-enhanced transit corridors are conducive to TOD. The facility has the potential for a successful TOD implementation that will enhance transit services, while encouraging additional supportive land uses within proximity of the Station.

SOUTH FLORIDA REGIONAL TRANSPORTATION AUTHORITY
STATEMENTS OF NET ASSETS
JUNE 30, 2006 AND 2005

	2006	2005
ASSETS		
Current assets:		
Cash and cash equivalents	$ 18,225,442	$ 24,384,511
Accounts receivable:		
State grants	33,391,648	17,577,457
FTA grants	19,464,909	39,936,641
Broward County	139,487	500,646
Miami-Dade County		302,588
Palm Beach County	3,333	554,917
Other	32,125	2,006
Prepaid expenses	372,970	27,980
Deposits	15,323	15,323
Total current assets	71,645,237	83,302,069
Noncurrent assets:		
Land	19,894,228	19,894,228
Double track	268,692,072	68,692,072
Parts and equipment	43,926,381	43,926,381
Furniture and fixtures	1,924,204	1,893,140
Building	206,906,762	56,541,475
Other equipment	2,692,651	2,692,651
Automobiles	403,533	403,533
Construction in progress	100,902,097	359,575,590
Less accumulated depreciation	(81,551,441)	(69,551,604)
Total noncurrent assets	563,790,487	484,067,466
Total assets	$ 635,435,724	$ 567,369,535
LIABILITIES		
Current liabilities:		
Accounts payable	$ 15,618,637	$ 32,299,273
Accruals:		
Expenses	1,819,172	575,286
Salaries, taxes, benefits	253,690	171,588
Compensated absences	226,710	216,772
Unearned revenue	24,560	18,420
Due to other governmental units	11,730	3,731
Due to FDOT - SIB Loan	5,000,000	
Total current liabilities	22,954,499	33,285,070
Noncurrent liabilities:		
Compensated absences	151,140	144,514
Deposits	2,151,053	9,469,863
Due to FDOT - SIB Loan	5,000,000	7,500,000
Advances from FDOT	15,988,250	15,988,250
Total noncurrent liabilities	23,290,443	33,102,627
Total liabilities	46,244,942	66,387,697
NET ASSETS		
Investments in capital assets, net of related debt	563,790,487	484,067,466
Restricted for:		
Future Purposes	24,030,000	16,020,000
Unrestricted	1,370,295	894,372
Total net assets	589,190,782	500,981,838
Total liabilities and net assets	$ 635,435,724	$ 567,369,535

The accompanying notes are an integral part of these financial statements

SOUTH FLORIDA REGIONAL TRANSPORTATION AUTHORITY
STATEMENTS OF REVENUE, EXPENSES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED JUNE 30, 2006 AND 2005

	2006	2005	
OPERATING REVENUE			
Passenger fares	$5,897,171	$6,089,370	
Other service	139,858	111,835	
Total operating revenue	6,037,029	6,201,205	
OPERATING EXPENSES			
Operations	27,694,480	24,968,027	
Marketing	2,106,318	1,805,776	
Engineering	404,144	357,517	
Planning	1,202,842	1,047,895	
General and Administration	5,034,013	5,105,421	
Depreciation	11,999,837	9,631,582	
Total operating expenses	48,441,634	42,916,218	
Operating loss	(42,404,605)	(36,715,013)	
NON-OPERATING REVENUE			
Interest Income	1,285,912	178,216	
Federal Transit Administration	9,113,203	6,836,021	
Federal Highway Administration	4,000,000	4,000,000	
Florida Department of Transportation	8,624,000	9,141,564	
Regional Transportation Marketing	241,000	157,021	
Other Local Funding	270,905	163,331	
Broward County Feeder	526,671	488,278	
Broward County	2,273,000	2,206,334	
Miami-Dade County	2,273,000	2,206,333	
Palm Beach County	2,273,000	2,206,333	
Total non-operating revenue	30,880,691	27,583,431	
Loss before contributions	(11,523,914)	(9,131,582)	
Capital contributions - Federal Transit Administration	23,456,685	60,405,060	
Capital contributions - Florida Department of Transportation	59,574,606	49,896,690	
Contributions - Other	16,701,567		
Total contributions	99,732,858	110,301,750	
Changes in net assets	88,208,944	101,170,168	
Total net assets - beginning	500,981,838	399,811,670	**(1)**
Total net assets - ending	$589,190,782	$500,981,838	

The accompanying notes are an integral part of these financial statements

(1) Restatement of Net Assets due to the implementation of GASB 46 (see Note 9)

SOUTH FLORIDA REGIONAL TRANSPORTATION AUTHORITY
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2006 AND 2005

	2006	2005
CASH FLOW FROM OPERATING ACTIVITIES:		
Receipts from customers	$ 5,873,193	$ 6,077,042
Payments to suppliers	(30,452,892)	(22,788,978)
Payments to employees	(6,614,189)	(5,833,900)
Other receipts	139,858	111,835
Net cash used by operating activities	(31,054,030)	(22,434,001)
CASH FLOW FROM NONCAPITAL FINANCING ACTIVITIES:		
Florida Department of Transportation Subsidy	8,811,064	9,097,999
Federal Highway Administration Subsidy	4,000,000	4,000,000
Federal Transit Administration Subsidy	8,097,403	3,841,437
Counties Subsidy	8,831,906	7,434,446
Net cash provided by noncapital financing activities	29,740,373	24,373,882
CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Contributions from FDOT	46,020,090	43,177,650
Contributions from FTA	42,738,478	51,937,238
Contributions - Other	19,892,757	21,886,857
Acquisition of capital assets	(114,782,649)	(110,301,750)
Net cash (used) provided by capital and related financing activities	(6,131,324)	6,699,995
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest income	1,285,912	178,216
Net cash provided by investing activities	1,285,912	178,216
Net (decrease) increase in cash and cash equivalents	(6,159,069)	8,818,092
Balances - beginning of the year	24,384,511	15,566,419
Balances - end of the year	$18,225,442	$24,384,511
Reconciliation of operating loss to net cash used by operating activities:		
Operating loss	$ (42,404,605)	$ (36,715,013)
Adjustments to reconcile operating loss to net cash used		
Depreciation expense	11,999,837	9,631,582
Changes in Assets and Liabilities		
Other receivables	(30,119)	232
Prepaid	(344,990)	145,343
Deposits	-	(645)
Accounts payable	(386,959)	4,499,677
Deferred revenue	6,140	(12,560)
Accrued expenses	98,667	19,188
Due to other governmental units	7,999	(1,805)
Net cash used by operating activities	$ (31,054,030)	$ (22,434,001)

The accompanying notes are an integral part of these financial statements

Note 1 – Summary of Significant Accounting Policies

The Tri-County Commuter Rail Authority (TCRA) was created as an agency of the State of Florida pursuant to Chapter 343 of the Florida Statutes in 1988. In June 2003, legislation was passed merging TCRA into the SFRTA. The legislation calls for the SFRTA to be the successor and assignee of the TCRA and the SFRTA shall inherit all rights, assets, labor agreements, privileges and obligations of the TCRA.

The governing Board of Directors consist of nine members: one County Commissioner from each county (three appointments); one citizen appointee from each county commission (three appointments); a FDOT – District Secretary (one appointment); and citizen appointees from the Governor (two appointments). The FDOT appointee and the two Governor's appointees must all reside in different counties within the SFRTA service area (currently Broward, Miami-Dade and Palm Beach Counties).

For most of fiscal year 2006, the SFRTA/Tri-Rail operated 30 weekday trains, 14 Saturday trains and 12 Sunday trains along a 72-mile stretch of the South Florida Rail Corridor located within the tri-county area of Broward, Miami Dade and Palm Beach Counties. On March 27, 2006, the number of trains was increased to 40 weekday trains, 16 Saturday trains and 14 Sunday.

The SFRTA had three separate one-year Interlocal Agreements, which ended June 30, 2006, with Broward, Miami-Dade, Palm Beach Counties and a two-year JPA with FDOT. These Agreements provided guidelines for appropriations from FDOT and the three counties to fund the SFRTA's net operating costs. The SFRTA anticipates entering into separate one-year Agreements with the three counties for fiscal year 2007.

In June 2004, the Governor signed legislation guaranteeing that the three counties would provide, at a minimum, approximately $1.6 million in operating funds and approximately $2.67 million for future projects to the SFRTA.

A. Operating revenue, operating subsidies, and expenses defined:

The SFRTA defines operating revenue and operating expenses as those revenue and expenses that can be directly attributable to the daily operations of its trains. Operating revenue consists of fares and other services. Fares are revenue collected from passengers, resulting from ticket sales. Other services consist of revenue generated at train stations, such as vending machine revenue. Operating expenses are those expenses, which are necessary for the daily operations of the trains and include train-operating costs, marketing costs, engineering costs, planning costs, general and administrative costs and depreciation. Depreciation is a non-funded expense. Per GASB 34, the SFRTA classifies operating subsidies as non-operating revenue.

Note 1 – Summary of Significant Accounting Policies (Contd.)

B. Reporting Entity:

The SFRTA is a legally separate component unit of FDOT. In accordance with GASB Statement No.14, the primary basis of determining whether outside agencies and organizations should be considered component units include whether an agency or organization:

- Has the ability to adopt the agency's budget;
- Has the ability to approve expenditures;
- Has the ability to appoint the governing body;
- Has the ability to approve selection of key management staff;
- Has the ability to significantly approve operating decisions;
- Can be held accountable for related fiscal matters or debt obligations; and/or
- Component unit status may also be assigned to organizations having a special financing relationship.

An agency can be considered a component unit if it meets at least one of the criteria mentioned above. FDOT includes the SFRTA as a component unit based on the special financing relationship that exists between the SFRTA and FDOT.

C. 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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

D. Measurement Focus:

All enterprise fund statements of Net Assets and Revenue, Expenses and Changes in Net Assets are presented using the economic resources measurement focus and the accrual basis of accounting. All assets and all liabilities are recorded on the balance sheet. The determination of net loss is measured by the matching of revenue earned with expenses incurred.

Note 1 – Summary of Significant Accounting Policies (Contd.)

E. Basis of Accounting:

The SFRTA operates as an enterprise fund and adheres to the accounting standards as set forth by the GASB, including GASB 33 and 34 and all applicable Financial Accounting Standards Board (FASB) pronouncements prior to November 30, 1989. The accompanying financial statements have been prepared using the accrual basis of accounting. Accordingly, revenue is recognized in the period in which it is earned and becomes measurable and expenses are recognized in the period in which they are incurred.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The SFRTA has elected not to follow subsequent private-sector guidance.

The United States Government and the State of Florida make capital grant funds available to the SFRTA to fund the purchase of certain assets or the construction of various projects. Pursuant to GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, capital contributions, including governmental grants, are required to be reported in the Statement of Revenue, Expenses and Changes in Net Assets as a separate line item after non-operating revenue and expenses, rather than as direct additions to contributed capital, as under previous standards.

F. Reclassification:

Certain amounts in the 2005 financial statements have been reclassified to conform to the 2006 classifications.

G. Budgets:

The SFRTA's Board of Directors adopts the SFRTA's budget on an annual basis. The Board of Directors must approve any required revisions that result in an increase to total expenditures. Budget amendments are recommended by the Executive Director and are presented to the Board of Directors for approval. During the year, budget amendments have resulted in the utilization of contingency appropriations and transfers between budget line items.

Budgetary control is established by function: Operations, Personnel Expenses, Train Fuel Contract, Feeder Service, General & Administrative Expenses, Marketing, Professional Fees, Contingency and Expenses transferred to Capital. Expenditures cannot legally exceed the appropriated amount.

On the next page is a summary of the SFRTA’s fiscal year 2006 budget.

Note 1 – Summary of Significant Accounting Policies (Contd.)

G. Budgets (Contd.):

BUDGET SUMMARY

	FY 2005-06 ORIGINAL BUDGET	FY 2005-06 BUDGET AMENDMENT	FY 2005-06 AMENDED BUDGET	FY 2005-06 ACTUAL REVENUE	FY 2005-06 VARIANCE OVER (UNDER)	FY 2005-06 PERCENT VARIANCE
REVENUE						
Operating Revenue	$ 6,849,000	$ (475,000)	$ 6,374,000	$ 7,322,941	$ 948,941	15%
FL Dept. of Transportation	10,609,578	(765,000)	9,844,578	8,865,000	(979,578)	-10%
Federal Transit Administration	9,128,325	300,000	9,428,325	9,113,203	(315,122)	-3%
Federal Highway Administration	4,000,000		4,000,000	4,000,000	-	0%
Counties' Contribution	6,819,000		6,819,000	6,819,000	-	0%
Unrestricted Reserve		700,000	700,000		(700,000)	-100%
Other Revenue	1,176,094	(326,000)	850,094	797,576	(52,518)	-6%
TOTAL REVENUE	**$38,581,997**	**$ (566,000)**	**$38,015,997**	**$36,917,720**	**($1,098,277)**	**-3%**

	FY 2005-06 ORIGINAL BUDGET	FY 2005-06 BUDGET AMENDMENT	FY 2005-06 AMENDED BUDGET	FY 2005-06 ACTUAL EXPENSE	FY 2005-06 VARIANCE OVER (UNDER)	FY 2005-06 PERCENT VARIANCE
EXPENSES						
Operations	$ 21,349,554	$ (136,000)	$ 21,213,554	$ 20,198,491	$ 1,015,063	5%
Personnel Expenses	7,424,200	(275,000)	7,149,200	7,095,841	53,359	1%
Train Fuel Contract	3,295,000	610,000	3,905,000	3,872,541	32,459	1%
Feeder Service	3,229,290	(240,000)	2,989,290	2,479,610	509,680	17%
General & Administrative	1,584,510	150,000	1,734,510	1,624,955	109,555	6%
Marketing	1,049,220	150,000	1,199,220	1,018,860	180,360	15%
Professional Fees	883,000	(325,000)	558,000	534,485	23,515	4%
Contingency	500,000	(500,000)	-	-	-	-
Expenses Transferred to Capital *	(732,777)		(732,777)	(382,986)	(349,791)	48%
TOTAL EXPENSES	**$38,581,997**	**$ (566,000)**	**$38,015,997**	**$36,441,797**	**$1,574,200**	**4%**

* Expenses Transferred to Capital represent the direct allocation of Personnel Expenses to Capital Projects.

H. Cash and Cash Equivalents:

Cash and cash equivalents consist of demand deposits with banks and investments with the State Board of Administration with original maturities at the time of purchase of three months or less. Note 2 describes the SFRTA's investment policy.

Note 1 – Summary of Significant Accounting Policies (Contd.)

I. Receivables:

Accounts Receivable includes all receivables due to the SFRTA from individuals, organizations, or Intergovernmental grants. Intergovernmental grant receivables are adjusted to reflect actual operating assistance receivable at June 30, 2006. Pursuant to the accrual basis of accounting, any unbilled receivables are accrued at year-end.

J. Capitalizing Assets:

Capital assets include land, rail track, equipment, buildings, furniture and fixtures, repairable parts, automobiles and construction in progress and are recorded at historical cost. The criteria for capitalizing an asset are that the asset has a useful life greater than one year and an acquisition cost equal to, or greater than, $1,000.

Expenditures for maintenance and repairs, which add to the value or life of an asset, are capitalized. Other maintenance and repair expenditures that do not extend the life of the asset are expensed as incurred.

Depreciation and amortization is determined based on the estimated useful lives of the assets using the straight-line method. All depreciation and amortization calculated on assets purchased with grant funds are transferred to reduce contributions. Depreciation and amortization expense totaled approximately $11.9 million and $9.6 million for the years ended June 30, 2006 and 2005, respectively.

Presented below are the estimated useful lives of recorded fixed assets:

FIXED ASSET	ESTIMATED USEFUL LIFE
Equipment:	
Rail Track	30 years
Rolling Stock	25 years
Ticket Vending Machines	15 years
Buildings:	
Stations	15 years
Hialeah Yard	5 years
Furniture and Fixtures	5 years
Repairable Parts	5 years
Automobiles	5 years
Other Fixed Assets	5 years
Computer Equip./Software	3 years

Note 1 – Summary of Significant Accounting Policies (Contd.)

J. Capitalizing Assets (Contd.):

Other fixed assets used in operations that are not reported in the enterprise fund include equipment, constructed buildings and track right of way rights procured during the initial start-up phase. These expenditures, totaling $414 million, have been reported by the State of Florida in the year of purchase.

K. Construction in Progress:

Construction in progress represents the continued investment in capital improvement projects, which are in various stages of completion. Major improvements currently in progress at various station sites include the New River Bridge Project at approximately $57 million and Golden Glades Station improvements at approximately $4.8 million.

L. Compensated Absences:

The SFRTA grants vacation time to employees based on length of service. Accrued vacation time is a vested right of employees and is paid when used or upon termination of employment. As of June 30, 2006, the SFRTA accrued approximately $342,000 in vacation time based on salary rates. The SFRTA estimates that approximately 25% of accrued vacation would not be utilized in fiscal year 2007.

Employees are compensated for sick leave at the rate of 12 days per year. Compensation for sick leave is expensed as incurred. Under certain circumstances sick leave is a vested right upon termination.

Upon separation of employment, an employee with 10 or more years of service is entitled to 25% of their accrued unused sick leave, up to a maximum of 960 accrued hours. Employees who retire under the Florida Retirement System are entitled to 50% of their accrued sick leave. Employees who resign by abandonment, or employees who are dismissed due to a violation of the SFRTA's polices are not entitled to this benefit. The sick leave accrual for fiscal year 2006 is approximately $35,000. The SFRTA estimates that approximately $4,550 in compensated absences will be expensed in fiscal year 2007.

M. Unearned Revenue:

The SFRTA reports unearned revenue on its balance sheet. Unearned revenue arise when resources are received by the SFRTA before it has a legal claim to them, or when revenue is received prior to meeting the revenue recognition criteria, as when monthly train tickets are sold in the month prior to them being used. In subsequent periods, when both revenue recognition criteria are met, or when the SFRTA has a legal claim to the resources, the liability for unearned revenue is removed from the balance sheet and revenue is recognized.

Note 1 – Summary of Significant Accounting Policies (Contd.)

N. Equity Classifications:

Equity is classified as net assets and displayed in three components:

a. Invested in capital assets, net of related debt-Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any loans or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

b. Restricted net assets-Consists of net assets with constraints placed on the use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.

c. Unrestricted net assets-All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

When both restricted and unrestricted resources are available for use, it is the SFRTA's policy to use restricted resources first, then unrestricted resources as they are needed.

O. New Accounting Pronouncements:

In November 2003, the GASB issued Statement No. 42, *Accounting and Reporting and Reporting for Impairment of Capital Assets and for Insurance Recoveries*, effective for the SFRTA's fiscal year beginning July 1, 2005. Statement No. 42 requires an evaluation of prominent events or changes in circumstances to determine whether an impairment loss should be recorded and that any insurance recoveries be netted with the impairment loss. The SFRTA does not believe this statement will have a material effect on its financial statements.

In May 2004, the GASB issued Statement No. 44, *Economic Condition Reporting*: *The Statistical Section*, effective for the SFRTA's fiscal year beginning July 1, 2005. This Statement amends the portions of National Council on Governmental Accounting ("NCGA") Statement 1, *Governmental Accounting and Financial Reporting Principles* that guide the preparation of the statistical section. The statistical section presents detailed information, typically in ten-year trends, that assists users in utilizing the basic financial statements, notes to the financial statements, and required supplementary information to assess the economic condition of a government. The SFRTA does not believe this Statement will have a material effect on its financial statements.

In May 2004, the GASB issued Statement No. 43, *Financial Reporting for Post employment Benefits Other Than Pension Plans*, effective for the SFRTA's fiscal year beginning July 1, 2006.

Note 1 – Summary of Significant Accounting Policies (Contd.)

O. New Accounting Pronouncements (Contd.):

This statement addresses the accounting and reporting requirements for costs and obligations resulting from post employment healthcare and other non-pension benefits. It establishes uniform financial reporting standards for other post employment benefits (OPEB) plans. The SFRTA does not believe this statement will have a material effect on its financial statements.

In August 2004, the GASB issued Statement No. 45, *Accounting and Financial Reporting by Employers for Post employment Benefits Other Than Pensions*, effective for the SFRTA's fiscal year beginning July 1, 2007. Statement No. 45 requires accrual-based measurement, recognition and disclosure of OPEB expense, such as retiree medical and dental costs, over the employees' years of service, along with the related liability, net of any plan assets. The SFRTA does not believe this statement will have a material effect on its financial statements.

In December 2004, the GASB issued Statement No. 46 (amendment of GASB Statement No. 34), *Restricted by Enabling Legislation*, effective for the SFRTA's fiscal year beginning July 1, 2005. This statement clarifies that a legally enforceable enabling legislation restriction is one that a part external to a government – such as citizens, public interest groups, or the judiciary-can compel a government to honor. The Statement states that the legal enforceability of an enabling legislation restriction should be reevaluated if any of the resources raised by enabling legislation are used for a purpose not specified by the enabling legislation or if a government has cause for reconsideration. The implementation of GASB Statement No. 46 resulted in an increase of approximately $16 million in net assets at June 30, 2004.

In June 2005, the GASB issued Statement No. 47, *Accounting for Termination Benefits*, effective for SFRTA's fiscal year beginning July 1, 2005. This statement requires the recognition of a liability and expense for voluntary termination benefits (for example, early-retirement incentives) when the offer is accepted and the amount can be estimated. A liability and expense for involuntary termination benefits (for example, severance benefits) should be recognized when a plan of termination has been approved by those with the authority to commit the government to the plan, the plan has been communicated to the employees, and the amount can be estimated. The SFRTA does not believe this Statement will have a material effect on its financial statements.

Note 2 – Cash and Cash Equivalents

A. Deposits:

All cash deposits are held in qualified public depositories pursuant to State of Florida Statutes Chapter 280, "Florida Security for Public Deposits Act.".

Note 2 – Cash and Cash Equivalents (Contd.):

A. Deposits (Contd.):

Under the Act, all qualified public depositories are required to pledge eligible collateral having a market value equal to, or greater than, the average daily or monthly balance of all public deposits times the depositories' collateral pledge level. The pledging level may range from 50% to 125% depending upon the depositories' financial condition and establishment period. All collateral must be deposited with an approved financial institution. Any losses to public depositors are covered by applicable deposit insurance, sale of securities pledged as collateral and if necessary, assessments against other qualified public depositories of the same type as the depository in default. For this reason, all deposits are considered insured.

B. Investments:

Chapter 218.345 of the Florida Statutes governs the SFRTA's investment practices, "Special Districts investments." The SFRTA is authorized to invest in:

(1) The Local Government Surplus Funds Trust Fund;
(2) Negotiable direct obligations of, or obligations by which the principal and interest are unconditionally guaranteed by the United States government at the prevailing market price for such securities;
(3) Interest-bearing time deposits;
(4) Saving accounts in banks organized under the laws of this state and/or federal laws; and
(5) Repurchase agreements when collateralized by the United States government.

During fiscal years ended June 30, 2006 and 2005, the SFRTA held all investments in the Local Government Surplus Funds Trust Fund. The Local Government Surplus Funds Trust Fund is composed of local government surplus funds deposited by local governments and administered by the State Board of Administration (SBA). Under Florida Statutes 215.47, investment in the pool is not evidenced by securities; therefore, the investment is not categorized by level of credit risk and the fair value of our external investment is the same as the value of the pool shares.

In March 2003, GASB issued Statement No. 40, Deposit and Investment Risk Disclosures. This statement amends Statement No. 3 and addresses additional cash and investment risks to which governments are exposed. The provisions of Statement No. 40 are effective for periods beginning after June 15, 2004. Generally, this statement requires that state and local governments communicate key information about common deposit and investment risks related to credit risk, concentration of credit risk, interest rate risk and foreign currency risk. It requires certain disclosures of investments that have fair values that are highly sensitive to changes in interest rates. The SFRTA does not believe the adoption of GASB No. 40 will have a material impact on its financial statement because all its investments are held by the Local Government Surplus Funds Trust Fund.

Note 3 – Capital Assets

For fiscal year 2006, the SFRTA purchased approximately $91.7 million of capital assets net of transfers and deletions. Transfers/Deletions totaled approximately $350 million. The SFRTA transferred $31,000 out of construction in progress into furniture and fixtures and the Segment 5 Project in the amount of $350 million, which was completed in March 2006, was transferred to Stations and Double Tracking. Depreciation for fiscal year 2006 was approximately $11.9 million. Presented below is a summary of the Capital Assets for the year ending June 30, 2006:

Capital Assets
For the Year Ending June 30, 2006

	Balance 07/01/2005	2006 Additions	2006 Transfers	Balance 6/30/2006	Percent Change
Capital assets not being depreciated:					
Land	$19,894,228			$19,894,228	0%
Construction in progress	359,575,590	$91,722,858	$350,396,351	100,902,097	-71.94%
Total capital assets not depreciated	379,469,818	91,722,858	350,396,351	120,796,325	-68.17%
Other capital assets:					
Parts and equipment	43,926,381			43,926,381	0.00%
Furniture and fixtures	1,893,140	31,064		1,924,204	1.64%
Double tracking	68,692,072	200,000,000		268,692,072	291.15%
Buildings	56,541,475	150,365,287		206,906,762	265.94%
Automobiles	403,533			403,533	0.00%
Other equipment	2,692,651			2,692,651	0.00%
Total other assets at historical costs	174,149,252	350,396,351		524,545,603	201.20%
Less accumulated depreciation for:					
Parts and equipment	28,394,381	3,188,565		31,582,946	11.23%
Furniture and fixtures	1,663,279	56,433		1,719,712	3.39%
Double tracking	9,600,029	3,400,847		13,000,876	35.43%
Buildings	27,148,903	5,076,566		32,225,469	18.70%
Automobiles	224,500	54,454		278,954	24.26%
Other equipment	2,520,512	222,972		2,743,484	8.85%
Total accumulated depreciation	69,551,604	11,999,837		81,551,441	17.25%
Other capital assets, net	104,597,648	338,396,514		442,994,162	323.52%
Capital assets, net	$484,067,466	$430,119,372	$350,396,351	$563,790,487	16.47%

Note 4 –Unearned Revenue

Unearned revenue for fiscal year 2006 consists of approximately $24,560 in ticket sales collected in June for train service to be provided in July 2006.

Note 5 – Deposits

Total deposits on hand are approximately $2.1 million. Deposits consist of the following: approximately $662,000 in remaining cash contributions from the CSXT Corporation as part of their contribution; $300,000 in FDOT funds; $185,000 from Miami-Dade County for the Smart Card Project; $956,000 which represents the balance from the insurance proceeds for the Diesel Multiple Unit (DMU) which was destroyed in a fire.

Note 6 – Due to FDOT – SIB Loan

The $10 million, due to FDOT – SIB Loan represents a loan from the SIB. In fiscal year 2004, the SFRTA was granted a SIB loan of $10 million. The loan is interest free and is to be repaid in installments of $5 million in fiscal years 2007 and 2008. In fiscal year 2005, the SFRTA received $7.5 million and the remaining $2.5 million was received in July 2005. The first installment in the amount of $5 million is due on October 1st, 2006.

Note 7 – Advances from FDOT

Advances from FDOT represent approximately $2 million received when the SFRTA commenced operations and is to be repaid to FDOT when and if the SFRTA ceases operations and $5 million received in fiscal year 2003, to provide a cash flow for the Segment 5 Project and a $9 million advance for the New River Bridge Project currently in process. The New River Bridge Project is 100% funded by FDOT.

Note 8 – Changes in Long-Term Liabilities:

Long-term liabilities balances and activity for the year ended June 30, 2006 were as follows:

Changes in long-term liabilities:

	Beginning Balance 7/01/05	Additions	Deductions	Ending Balance 6/30/06	Amounts Due within One Year
Compensated Absences	$361,286	$226,660	$ (210,096)	$377,850	$226,710
Deposits	9,469,863	956,000	(8,274,810)	2,151,053	
Due to FDOT - SIB Loan	7,500,000	2,500,000		10,000,000	5,000,000
Advances to FDOT	15,988,250			15,988,250	
Total Long-term Liabilities	**$33,319,399**	**$3,682,660**	**$ (8,484,906)**	**$28,517,153**	**$5,226,710**

Note 9 – Restatement of Net Assets

The SFRTA restated net assets balance as of June 30, 2004, due to the implementation of GASB No. 46 (amendment of GASB Statement No. 34), Restricted by Enabling Legislation, to recognize capital contributions for future purposes of $16.02 million from Broward, Miami-Dade and Palm Beach Counties as follows:

Net assets at June 30, 2004 (as reported)	$ 383,791,670
Future Purposes	16,020,000
Net assets at June 30, 2004 (as restated)	$ 399,811,670

Note10 – Retirement Plan

The SFRTA participates in the Florida Retirement System (FRS), a multiple-employer, cost-sharing Public Employee Retirement System (PERS). There is no employee obligation. The SFRTA contributes to the plan based on the rate and criteria as established by the FRS.

The Division of Retirement, Department of Administration of the State of Florida administers the System.

Employees must be employed on a regular status basis to be covered by the System. Benefits under the plan vest after six years of service. The SFRTA's employees who retire at or after age 62, with six years of credited service, are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to their average final compensation multiplied by the total percentage value of their service time. Average final compensation is the average annual earnings of each employee's length of service and membership class. The System also provides for death and disability benefits. These benefit provisions and State Statutes establish all other requirements.

Under the System, the SFRTA was required to contribute, as of July 1, 2005, 7.83% of the salary of Regular Class employees and 10.45% of the salary of Senior Management Class employees. The actual contributions made by the SFRTA for the period July 1, 2005 to June 30, 2006, totaled approximately $458,000 which equals the annual required contribution for the current period. The contribution rate for fiscal years ended June 30, 2005 and 2004 was 7.39% respectively for Regular Class employees and 9.37% for Senior Management Class employees. Actual contributions made totaled approximately $369,000 and $301,000 for fiscal years ended June 30, 2005 and 2004, respectively, equaling the annual required contribution.
The Florida Division of Retirement issues the FRS Annual Report. This Report is available each year and can be obtained by sending a written request to:

Division of Retirement
Cedars Executive Center, Building C2639 North Monroe Street
Tallahassee, Florida 32399-1560

Note 11 – Leases

The SFRTA leases its office facilities under a cancelable Lease Agreement through January 2007. In the event SFRTA fails to appropriate or budget sufficient funds or is unable to appropriate or budget sufficient funds to meet its obligations under the Agreement, then the SFRTA, at its discretion, may terminate the Agreement upon 30-days notice.

Rent expense totaled approximately $435,000 and $354,000 for the fiscal years ended June 30, 2006 and 2005, respectively.

Note 12 – Contingencies and Commitments

Grants:

The SFRTA receives significant financial assistance from federal, state and local governmental agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreement and is subject to audit by the SFRTA's independent auditors and other governmental auditors. Any disallowed claims resulting from such audits could become a liability of the SFRTA. Based on prior experience, the SFRTA's Management believes such disallowance, if any would be immaterial.

Commitments:

In October 2005, the SFRTA entered into a five-year contract with the Wackenhut Corporation to provide security on the SFRTA's/Tri-rail trains and at Tri-Rail stations. The contract amount of the five-year contract is approximately $17 million. In April 2002, the SFRTA entered into a five-year contract with Herzog Transit Services Incorporated (HTSI) to operate the SFRTA's Tri-Rail trains.

The contract amount for the five-year contract is approximately $58 million. In January 2003, the SFRTA entered into a contract with the Washington Group to construct a bridge over the New River. The contract is for approximately $52 million with an estimated completion date of December 2006. In January 2003, the SFRTA entered into a contract with BV Oil Locomotive Fuel Services to provide diesel fuel for the Tri-Rail trains. The contract amount is approximately $9.5 million and will expire in January 2008. In March 2004, the SFRTA entered into a contract with Colorado Railcar Manufacturing to purchase new railcars. The contract amount for the five railcars is approximately $20 million and will expire in November 2006. In October 2003, SFRTA entered into a five-year contract with Limousines Services of South Florida to provide feeder bus service at the Tri-Rail stations. The contract amount is approximately $7.1 million and will expire in November 2008.

Note 12 – Contingencies and Commitments (Contd.)

Risk Management:

The SFRTA's risk of loss includes exposure from passengers and the public due to accidents or other incidents resulting in liability issues for the SFRTA. The State of Florida insures the SFRTA for general liability up to $5 million. The SFRTA purchases additional general liability coverage, amounting to $120 million; the SFRTA has had no settlement claims that exceed the $5 million insurance coverage since its inception.

Note 13 – Other Significant Matters

On October 24, 2005, Hurricane Wilma became the 21st named storm of the 2005 Atlantic hurricane season. On that day, South Florida suffered significant damage, and some counties were declared disaster areas by both the Federal and State governments. The SFRTA was affected by the hurricane which caused the cessation of its trains operations for 10 days.

SUPPLEMENTARY SECTION

OPERATING EXPENSES 2006 • OPERATING EXPENSES 2005

SOUTH FLORIDA REGIONAL TRANSPORTATION AUTHORITY
SUPPLEMENTAL SCHEDULE OF OPERATING EXPENSES BY DEPARTMENT
YEAR ENDING JUNE 30, 2006

	Total Expense	Operations	Marketing	Planning	Engineering	General and Administrative
LABOR AND FRINGE BENEFITS	$6,712,855	$1,291,163	$1,026,332	$796,967	$347,373	$3,251,020
SERVICES:						
Train Operations	15,620,768	15,417,245	11,151			192,372
Feeder Service	2,479,610	2,479,610				
Security Expense	2,979,638	2,979,638				
Insurance	1,598,085	1,598,085				
	22,678,101	22,474,578	11,151			192,372
TRAIN FUEL EXPENSE	3,872,541	3,872,541				
MARKETING EXPENSE	1,018,860		1,018,860			
PROFESSIONAL FEES	534,485	4,790		296,194		233,501
GENERAL & ADMINISTRATIVE EXPENSE						
Office Business Expense	1,189,107	51,408	49,975	64,298	$12,046	1,011,380
Lease and Rentals	435,848			45,383	44,725	345,740
	1,624,955	51,408	49,975	109,681	56,771	1,357,120
TOTAL	$36,441,797	$27,694,480	$2,106,318	$1,202,842	$404,144	$5,034,013

SOUTH FLORIDA REGIONAL TRANSPORTATION AUTHORITY
SUPPLEMENTAL SCHEDULE OF OPERATING EXPENSES BY DEPARTMENT
YEAR ENDING JUNE 30, 2005

	Total Expense	Operations	Marketing	Planning	Engineering	General and Administrative
LABOR AND FRINGE BENEFITS	$5,968,595	$610,996	$966,029	$636,150	$286,669	$3,468,751
SERVICES:						
Train Operations	14,310,671	14,005,850	25,579			279,242
Feeder Service	2,934,393	2,934,393				
Security Expense	2,804,564	2,804,564				
Insurance	1,671,933	1,671,933				
	21,721,561	21,416,740	25,579			279,242
TRAIN FUEL EXPENSE	2,905,047	2,905,047				
MARKETING EXPENSE	782,793		782,793			
PROFESSIONAL FEES	581,836			348,116		233,720
GENERAL & ADMINISTRATIVE EXPENSE						
Office Business Expense	971,019	35,244	31,375	16,629	24,153	863,618
Lease and Rentals	353,785			47,000	46,695	260,090
	1,324,804	35,244	31,375	63,629	70,848	1,123,708
TOTAL	$33,284,636	$24,968,027	$1,805,776	$1,047,895	$357,517	$5,105,421

STATISTICAL SECTION

STATISTICAL AND GENERAL INFORMATION PROFILE • TABLE OF NET ASSETS AND CHANGES IN NET ASSETS

FARE STRUCTURE • RIDERSHIP AND SALES ANALYSIS •

TABLE OF PASSENGER RIDERSHIP AND POPULATION TRENDS • TRAIN SCHEDULE

TIMELINE • AWARDS PAGE • SEGMENT 5 PROJECT SYSTEM MAP

SOUTH FLORIDA REGIONAL TRANSPORTATION AUTHORITY/TRI-RAIL PROFILE

Fiscal Year Ending June 30, 2006

Date the Authority Began Operations…….…….	January 9, 1989
Form of Governance……..	Governing Board with an Executive Director and Deputy Executive Director
Number of Board Members……..	Nine
Service Areas……..	Broward, Miami-Dade, and Palm Beach Counties
Tri-County Area in Square Miles……..	5,128 Square Miles
Population of Service Area……	Approximately 5.3 Million
Annual Operating Budget……..	$38.0 Million
Supporting Subsidies ……	Florida Department of Transportation, Federal Transit Administration, Federal Highway Administration, Broward, Miami-Dade and Palm Beach Counties
Track Miles……	71.7 Miles
Passengers Served……..	2,673,947 Annually
Service Levels…….	Weekday – 40 Trains Saturday – 16 Trains Sunday – 14 Trains
Holiday Service……..	Tri-Rail operates a Sunday schedule on New Year's Day, Memorial Day, Fourth of July, Labor Day, Thanksgiving Day and Christmas Day.
Hours of Operation	
Weekday…….	4:19 a.m. - 10:39 p.m.
Saturday……..	6:40 a.m. - 11:18 p.m.
Sunday…….....	6:40 a.m. - 9:39 p.m.
Bus and Metrorail Service ……..	Free transfers to county transit buses that pass within 1/4 mile of a Tri-Rail Station and free transfers onto Metrorail/Metromover.

SOUTH FLORIDA REGIONAL TRANSPORTATION AUTHORITY
NET ASSETS AND CHANGES IN NET ASSETS
LAST SIX FISCAL YEARS

FISCAL YEARS	2006	2005	2004		2003	2002	2001
OPERATING REVENUE							
Train revenue	$5,897,172	$6,089,370	$6,408,061		$6,306,114	$6,029,791	$5,915,148
Other	139,858	111,835	287,170		161,410	151,175	119,012
Total Operating Revenue	**6,037,029**	**6,201,205**	**6,695,231**		**6,467,524**	**6,180,966**	**6,034,160**
NON-OPERATING REVENUE							
Interest income	1,285,912	178,216	93,998		73,512	46,769	131,242
Lease / Rental income	-	-	-		145,578	291,156	191,970
Federal Transit Administration	9,113,203	6,836,021	5,419,723		7,203,551	5,752,447	4,012,526
Federal Highway Administration	4,000,000	4,000,000	4,000,000		4,000,000	4,000,000	4,000,000
Florida Dept. of Transportation	8,624,000	9,141,564	7,993,513		5,992,652	6,558,000	6,425,603
Federal Emergency Mgmt. Admin.	-	-			-	-	-
Regional Transportation Marketing	241,000	157,021	47,623		-	-	-
Other Funding	270,905	163,331	-		-	-	95,400
Broward County Feeder	526,671	488,278	79,623		-	-	-
Broward County	2,273,000	2,206,334	1,980,000		1,565,000	1,519,333	1,475,201
Dade County	2,273,000	2,206,333	1,980,000		1,565,000	1,519,333	1,475,201
Palm Beach County	2,273,000	2,206,333	1,980,000		1,565,000	1,519,333	1,475,201
Feeder Service Grant Pass-Through	-	-	-		(1,943,103)	(2,000,000)	-
Total non-operating Revenue	**30,880,691**	**27,583,431**	**23,574,480**		**20,167,190**	**19,206,372**	**19,282,344**
TOTAL REVENUE	**36,917,720**	**33,784,636**	**30,269,711**		**26,634,714**	**25,387,338**	**25,316,504**
EXPENSES							
Operating	27,694,480	24,968,027	21,695,642		18,848,378	17,972,170	20,315,149
Marketing	2,106,318	1,805,776	1,732,417		1,487,112	1,368,006	1,253,778
Engineering	404,144	357,517	590,818		-	-	-
Planning	1,202,842	1,047,895	1,142,775		2,491,690	2,187,114	1,152,173
Administrative	5,034,013	5,105,421	4,713,687		3,714,725	3,183,867	2,595,404
Depreciation	11,999,837	9,631,582	8,648,208		8,214,176	8,558,510	7,760,084
TOTAL EXPENSES	**48,441,634**	**42,916,218**	**38,523,547**		**34,756,081**	**33,269,667**	**33,076,588**
Contributions	99,732,858	110,301,750	150,186,435		77,472,841	62,952,622	13,649,065
INCREASE IN NET ASSETS	**$88,208,944**	**$101,170,168**	**$141,932,599**		**$69,351,474**	**$55,070,293**	**$5,888,981**
NET ASSETS AT YEAR-END							
Investments in capital assets, net of related debt	$563,790,487	$484,067,466	$391,407,298		$249,869,071	$180,517,597	$125,447,304
Restricted	24,030,000	16,020,000	-		-	-	-
Unrestricted	1,370,295	894,372	394,372		-	-	-
TOTAL NET ASSETS	**$589,190,782**	**$500,981,838**	**$391,801,670**	**(1)**	**$249,869,071**	**$180,517,597**	**$125,447,304**

(1) Restatement of Net Assets due to the implementation of GASB Statement No. 46.

Note: For the fiscal year ended 2001, the SFRTA began to report net assets in the format required by GASB 34. Ultimately, this schedule will contain information for the last ten fiscal years.

FARE STRUCTURE

As part of the South Florida Regional Transportation Authority (SFRTA), Tri-Rail has a zone fare system, which consists of six zones. Ticket prices are determined by the number of zones through which a passenger travels, with the exception of the monthly and special event tickets, which are at a flat fare. This fare policy is valid for weekday travel Monday through Friday.

Since Tri-Rail's core ridership primarily consists of commuters to and from work and/or school, a weekend fare policy was designed to encourage increased ridership on Saturday and Sunday. Weekend tickets are sold at a flat fare. Roundtrip tickets are $4 and one-way tickets are $2. All tickets purchased for weekend travel are valid for the entire day.

The SFRTA/Tri-rail offers several ticket types to meet the needs of every passenger. Frequent riders can take advantage of multi-trip, cost saving packages by purchasing a Monthly or 12-Trip tickets. Other passengers can purchase daily One-Way or Roundtrip tickets. Discount tickets are also available for children ages 5 – 12, full-time students, senior citizens ages 65 years and over, persons with disabilities and Medicare recipients.

Tickets are sold at all Tri-Rail stations from the Tri-Rail's ticket vending machines (TVMs) and supplemented by Ticket Agents at Tri-Rail's busiest stations. No ticket sales are available on the train.

Zones	*One Way*	*Discount* One Way	*Round-trip*	*Discount Roundtrip*	*12* Trip	Monthly	*Monthly Discount*
1	**$2.00**	**$1.00**	**$3.50**	**$2.00**	**$17.00**	**$80.00**	**$40.00**
2	**$3.00**	**$1.50**	**$5.00**	**$3.00**	**$25.00**	**$80.00**	**$40.00**
3	**$4.00**	**$2.00**	**$6.75**	**$4.00**	**$33.50**	**$80.00**	**$40.00**
4	**$4.50**	**$2.25**	**$7.75**	**$4.50**	**$38.00**	**$80.00**	**$40.00**
5	**$5.00**	**$2.50**	**$8.50**	**$5.00**	**$42.00**	**$80.00**	**$40.00**
6	**$5.50**	**$2.75**	**$9.25**	**$5.50**	**$46.00**	**$80.00**	**$40.00**

Ticket purchases can also be made through special discount programs offered by SFRTA/Tri-Rail. The Employer Discount Program (EDP) offers a 25% discount on Monthly tickets or 12-Trip tickets as a benefit program for employees whose employer has registered with the Program. The SFRTA/Tri-Rail also offers a Group Discount Program, which offers a discounted rate to groups of 25 or more passengers.

Special train services to certain events are occasionally provided by the SFRTA/TriRail throughout the year. Most special event trains have a fare which is different from the regularly published fare; therefore, passengers are expected to select the appropriate special event when purchasing tickets from the TVMs.

RIDERSHIP & SALES ANALYSIS

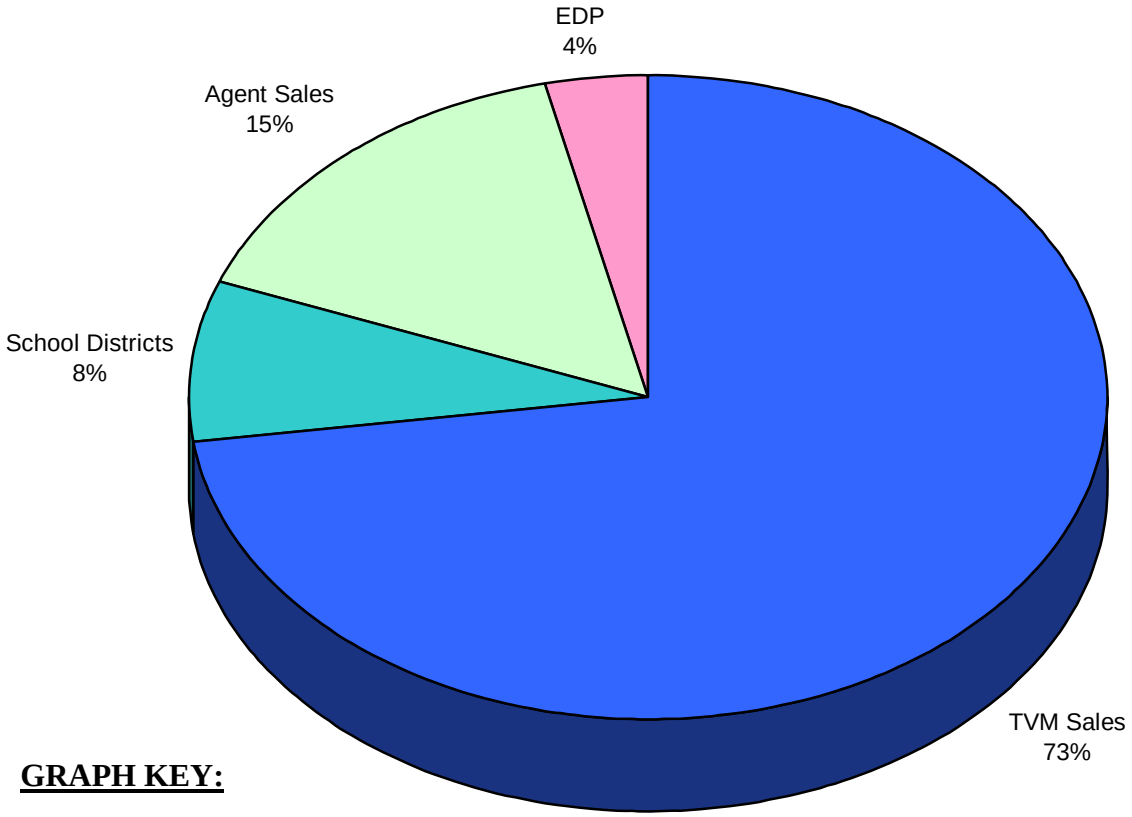
Ridership during fiscal year 2006, decreased by 126,467 riders or -4.5% from fiscal year 2005. This decrease is primarily attributed to the busy 2005 hurricane season. The following table illustrates passenger ridership for fiscal years 2005 and 2006.

Table 1.5 Passenger Ridership – FY 2006 and FY 2005

	FY 2006 Ridership to Date	FY 2005 Ridership to Date	YTD Ridership 06 vs. 05 %
Monday to Friday	**2,287,812**	**2,408,661**	**-5.0%**
Saturday	**199,745**	**204,998**	**-2.6%**
Sunday	**157,200**	**172,371**	**-8.8%**
Holidays	**29,190**	**14,384**	**102.9%**
Totals	**2,673,947**	**2,800,414**	**-4.5%**

Passenger fares collected for fiscal year 2006 were approximately $5,897,000, a decrease of $192,000 from fiscal year 2005. Tickets are sold at the train stations or from the administrative office by means of direct billing or through a specially designed ticket discount program. Graph 1.5 represents the agency's major sales categories:

Graph 1.5 Total Agency Ticket Sales – FY 2006:



GRAPH KEY:

TVM – Ticket Vending Machines
EDP – Employee Discount Program
Agent Sales – Tickets sold at Kiosks
School Districts – Palm Beach School District

POPULATION TRENDS

Density Per Square Mile

	Total Square Miles	Population Density Per Square Mile
Florida	53,937	340
Broward County	1,209	1,461
Miami-Dade County	1,945	1,266
Palm Beach County	1,974	655

Annual Population

	Annual Population 2006 (Thousands)	Annual Population 2005 (Thousands)	Annual Percent Change
Florida	18,321,668	17,918,227	2.25%
Broward County	1,765,829	1,740,987	1.43%
Miami-Dade County	2,462,104	2,422,075	1.65%
Palm Beach County	1,292,742	1,265,900	2.12%

Projected Population State of Florida & Southeast Counties, 2007 - 2030 [1]

Projected Population Year	2007 (Thousands)	2020 (Thousands)	2030 (Thousands)	Percent Change 2005-2030
Florida	18,725,002	23,475,838	26,419,166	47.44%
Broward County	1,796,185	2,200,116	2,439,260	40.11%
Miami-Dade County	2,500,204	2,927,601	3,196,771	31.98%
Palm Beach County	1,322,045	1,686,223	1,912,380	51.07%

Source: Demographic Estimating Conference Database updated 8/2006.

PASSENGER RIDERSHIP – FY 1997 thru 2006

Year	Totals	Monday to Friday	Saturday	Sunday	Holidays
1997	2,311,152	1,900,976	242,010	152,973	15,193
1998	2,352,582	1,976,404	208,726	152,784	14,668
1999	2,171,599	1,848,706	178,148	139,024	5,721
2000	2,232,498	1,902,449	170,283	150,652	9,114
2001	2,543,604	2,155,353	208,702	165,383	14,166
2002	2,530,321	2,149,949	199,695	164,590	16,087
2003	2,725,081	2,320,174	214,463	173,635	16,809
2004	2,821,329	2,391,474	222,289	188,044	19,522
2005	2,800,414	2,408,661	204,998	172,371	14,384
2006	2,673,947	2,287,812	199,745	157,200	29,190

POPULATION TRENDS – FY 1997 thru 2006

	Florida	Broward County	Miami-Dade County	Palm Beach County	Tri-County Total	Annual % Change
1997	14,938,314	1,506,376	2,146,081	1,044,459	19,635,230	2.17%
1998	15,230,421	1,542,412	2,172,357	1,071,005	20,016,195	1.94%
1999	15,580,244	1,579,359	2,208,140	1,098,859	20,466,602	2.25%
2000	15,982,824	1,623,018	2,253,779	1,131,191	20,990,812	2.56%
2001	16,330,224	1,649,925	2,285,869	1,154,473	21,420,491	2.05%
2002	16,674,608	1,669,153	2,312,478	1,183,197	21,839,436	1.96%
2003	17,071,508	1,698,425	2,345,932	1,211,448	22,327,313	2.23%
2004	17,516,732	1,723,131	2,379,918	1,242,270	22,862,051	2.39%
2005	17,918,227	1,740,987	2,422,075	1,265,900	23,347,189	2.12%
2006	18,321,668	1,765,829	2,462,104	1,292,742	23,842,343	2.12%

TRAIN SCHEDULE

Train No.	P601	P607	P613	P621	P629	P635	P639
	Mon - Fri	Mon - Fri	Every Day & Holidays	Mon - Fri	Every Day & Holidays	Mon - Fri	Sat, Sun & Holidays
Mangonia Park	4:24 am	5:40 am	6:40 am	7:40 am	8:40 am	9:40 am	10:40 am
West Palm Beach*	4:31	5:47	6:47	7:47	8:47	9:47	10:47
Lake Worth	4:41	5:57	6:57	7:57	8:57	9:57	10:57
Boynton Beach	4:46	6:02	7:02	8:02	9:02	10:02	11:02
Delray Beach	4:55	6:11	7:11	8:11	9:11	10:11	11:11
Boca Raton	5:01	6:17	7:17	8:17	9:17	10:17	11:17
Deerfield Beach	5:08	6:24	7:24	8:24	9:24	10:24	11:24
Pompano Beach	5:13	6:29	7:29	8:29	9:29	10:29	11:29
Cypress Creek	5:19	6:35	7:35	8:35	9:35	10:35	11:35
Fort Lauderdale	5:27	6:43	7:43	8:43	9:43	10:43	11:43
Fort Lauderdale Airport*	5:34	6:50	7:50	8:50	9:50	10:50	11:50
Sheridan Street	5:42	6:58	7:58	8:58	9:58	10:58	11:58
Hollywood	5:47	7:03	8:03	9:03	10:03	11:03	12:03
Golden Glades	5:56	7:12	8:12	9:12	10:12	11:12	12:12
Opa-locka	6:01	7:17	8:17	9:17	10:17	11:17	12:17
Metrorail	6:09	7:25	8:25	9:25	10:25	11:25	12:25
Hialeah Market	6:14	7:30	8:30	9:30	10:30	11:30	12:30
Miami Airport*	6:23	7:39	8:39	9:39	10:39	11:39	12:39

SAT, SUN & HOLIDAYS ONLY

Train No.	P651	P655	P657	P659	P667	P675	P683	P687	P691
	Mon - Fri	Every Day & Holidays	Mon - Fri	Mon - Fri	Every Day & Holidays	Mon - Fri	Every Day & Holidays	Mon - Fri	Daily (no Sunday)
Mangonia Park	1:40 pm	2:40 pm	3:10 pm	3:40 pm	4:40 pm	5:40 pm	6:40 pm	7:40 pm	8:40 pm
West Palm Beach*	1:47	2:47	3:17	3:47	4:47	5:47	6:47	7:47	8:47
Lake Worth	1:57	2:57	3:27	3:57	4:57	5:57	6:57	7:57	8:57
Boynton Beach	2:02	3:02	3:32	4:02	5:02	6:02	7:02	8:02	9:02
Delray Beach	2:11	3:11	3:41	4:11	5:11	6:11	7:11	8:11	9:11
Boca Raton	2:17	3:17	3:47	4:17	5:17	6:17	7:17	8:17	9:17
Deerfield Beach	2:24	3:24	3:54	4:24	5:24	6:24	7:24	8:24	9:24
Pompano Beach	2:29	3:29	3:59	4:29	5:29	6:29	7:29	8:29	9:29
Cypress Creek	2:35	3:35	4:05	4:35	5:35	6:35	7:35	8:35	9:35
Fort Lauderdale	2:43	3:43	4:13	4:43	5:43	6:43	7:43	8:43	9:43
Fort Lauderdale Airport*	2:50	3:50	4:20	4:50	5:50	6:50	7:50	8:50	9:50
Sheridan Street	2:58	3:58	4:28	4:58	5:58	6:58	7:58	8:58	9:58
Hollywood	3:03	4:03	4:33	5:03	6:03	7:03	8:03	9:03	10:03
Golden Glades	3:12	4:12	4:42	5:12	6:12	7:12	8:12	9:12	10:12
Opa-locka	3:17	4:17	4:47	5:17	6:17	7:17	8:17	9:17	10:17
Metrorail	3:25	4:25	4:55	5:25	6:25	7:25	8:25	9:25	10:25
Hialeah Market	3:30	4:30	5:00	5:30	6:30	7:30	8:30	9:30	10:30
Miami Airport*	3:39	4:39	5:09	5:39	6:39	7:39	8:39	9:39	10:39

Train No	P600	P604	P606	P610	P618	P626	P632	P636	P640
	Mon - Fri	Mon - Fri	Mon - Fri	Mon - Fri	Every Day & Holidays	Mon - Fri	Every Day & Holidays	Mon - Fri	Sat, Sun & Holidays
Miami Airport*	4:19am	5:19am	5:49am	6:19am	7:19am	8:19am	9:19am	10:19am	11:19am
Hialeah Market	4:23	5:23	5:53	6:23	7:23	8:23	9:23	10:23	11:23
Metrorail	4:31	5:31	6:01	6:31	7:31	8:31	9:31	10:31	11:31
Opa-locka	4:37	5:37	6:07	6:37	7:37	8:37	9:37	10:37	11:37
Golden Glades	4:42	5:42	6:12	6:42	7:42	8:42	9:42	10:42	11:42
Hollywood	4:51	5:51	6:21	6:51	7:51	8:51	9:51	10:51	11:51
Sheridan Street	4:54	5:54	6:24	6:54	7:54	8:54	9:54	10:54	11:54
Fort Lauderdale Airport*	4:58	5:58	6:28	6:58	7:58	8:58	9:58	10:58	11:58
Fort Lauderdale	5:08	6:08	6:38	7:08	8:08	9:08	10:08	11:08	12:08
Cypress Creek	5:16	6:16	6:46	7:16	8:16	9:16	10:16	11:16	12:16
Pompano Beach	5:22	6:22	6:52	7:22	8:22	9:22	10:22	11:22	12:22
Deerfield Beach	5:27	6:27	6:57	7:27	8:27	9:27	10:27	11:27	12:27
Boca Raton	5:36	6:36	7:06	7:36	8:36	9:36	10:36	11:36	12:36
Delray Beach	5:42	6:42	7:12	7:42	8:42	9:42	10:42	11:42	12:42
Boynton Beach	5:52	6:52	7:22	7:52	8:52	9:52	10:52	11:52	12:52
Lake Worth	5:58	6:58	7:28	7:58	8:58	9:58	10:58	11:58	12:58
West Palm Beach*	6:08	7:08	7:38	8:08	9:08	10:08	11:08	12:08	1:08
Mangonia Park	6:18	7:18	7:48	8:18	9:18	10:18	11:18	12:18	1:18

SAT, SUN & HOLIDAYS ONLY

Train No	P652	P656	P664	P672	P680	P684	P688	P692
	Mon - Fri	Every Day & Holidays	Mon - Fri	Every Day & Holidays	Mon - Fri	Every Day & Holidays	Mon - Fri	Sat only
Miami Airport*	2:19pm	3:19pm	4:19pm	5:19pm	6:19pm	7:19pm	8:19pm	9:19pm
Hialeah Market	2:23	3:23	4:23	5:23	6:23	7:23	8:23	9:23
Metrorail	2:31	3:31	4:31	5:31	6:31	7:31	8:31	9:31
Opa-locka	2:37	3:37	4:37	5:37	6:37	7:37	8:37	9:37
Golden Glades	2:42	3:42	4:42	5:42	6:42	7:42	8:42	9:42
Hollywood	2:51	3:51	4:51	5:51	6:51	7:51	8:51	9:51
Sheridan Street	2:54	3:54	4:54	5:54	6:54	7:54	8:54	9:54
Fort Lauderdale Airport*	2:58	3:58	4:58	5:58	6:58	7:58	8:58	9:58
Fort Lauderdale	3:08	4:08	5:08	6:08	7:08	8:08	9:08	10:08
Cypress Creek	3:16	4:16	5:16	6:16	7:16	8:16	9:16	10:16
Pompano Beach	3:22	4:22	5:22	6:22	7:22	8:22	9:22	10:22
Deerfield Beach	3:27	4:27	5:27	6:27	7:27	8:27	9:27	10:27
Boca Raton	3:36	4:36	5:36	6:36	7:36	8:36	9:36	10:36
Delray Beach	3:42	4:42	5:42	6:42	7:42	8:42	9:42	10:42
Boynton Beach	3:52	4:52	5:52	6:52	7:52	8:52	9:52	10:52
Lake Worth	3:58	4:58	5:58	6:58	7:58	8:58	9:58	10:58
West Palm Beach*	4:08	5:08	6:08	7:08	8:08	9:08	10:08	11:08
Mangonia Park	4:18	5:18	6:18	7:18	8:18	9:18	10:18	11:18

SAT ONLY

TIMELINE

1983
- Florida Department of Transportation (FDOT) begins planning regional commuter rail service.

1985
- Tri-County Subcommittee on Regional Transit recommends that a commuter rail line be established and developed in South Florida.

1986
- Tri-County Commuter Rail Organization (TCRO) begins building the system. Appropriation of $59.5 million made for capital expenditures.

1988
- FDOT purchases 81-mile piece of the South Florida Rail Corridor (SFRC) from CSXT for $264 million.
- TCRO becomes the Tri-County Commuter Rail Authority (Tri-Rail).

1989
- Tri-Rail begins operation.

1990
- One millionth Tri-Rail rider.
- First midday service train offered.
- Started Saturday service.

1991
- State investment of $85 million for five year (1991-95) capital program.
- Opening of new Delray Beach Station.

1992
- Tri-Rail adds six weekday and 10 Sunday trains with Federal Emergency Management Agency funding as a result of Hurricane Andrew.

1993
- X2000 makes first appearance in South Florida.
- Tri-Rail receives Federal Transit Administration (FTA) Capital Discretionary Grant for $4,639,838.

1994
- Tri-Rail receives FTA Capital Discretionary Grant for $9,925,000.
- Tri-Rail signs Interlocal Agreement with FDOT and Miami-Dade, Broward and Palm Beach counties.

1995
- Highest ridership day ever - 15,921 riders.
- Tri-Rail hosts Annual North American Commuter Rail Conference.
- Zone Fare Program implemented.
- Begins Double Track Corridor Improvement Program and signal system replacement project.

1996
- Tri-Rail completes installation of ticket vending machines at stations.
- Opening of Sheridan Street Station and Opa-locka Station.

1997
- Tri-Rail introduces half-hour train service during rush hour.
- Tri-Rail completes eight miles of double track in Ft. Lauderdale.

1998
- Tri-Rail initiates Zero Tolerance Fare Evasion Policy to reduce fare evasion.
- Tri-Rail opens new Miami Airport Station, completing 1.5 double track extension to the south.

1999
- Completed three miles of double track in Pompano Beach.
- Relocated administrative headquarters to Pompano Beach (adjacent to SFRC).
- Reduced standard train set from four cars to three cars and leased surplus equipment.

2000
- $327 million Full Funding Grant Agreement with FTA is signed, financing Double Track Corridor Improvement Program and station refurbishments.
- New "Clock-Face" Train Schedule introduced, increasing ridership by almost 20%.
- New Fort Lauderdale/ Hollywood International Airport Station at Dania Beach opens.

2001
- Deerfield Beach Station rededicated.
- New tropical train wrap unveiled.
- Segment 5 Project Design/Build Contract awarded for $205 million.

2002
- Tri-County Transportation Summit launches initiative for formation of Regional Transportation Authority (RTA).

2003
- Opa-locka Station Renovation ceremony celebrated with community job fair that attracts more than 2,000 people.
- Florida House and Senate pass legislation transforming Tri-Rail into the South Florida Regional Transportation Authority (SFRTA).

2004
- Legislation transforms Tri-Rail into SFRTA.
- Boynton Beach Station dedicated; first station completed as part of the Segment 5 Project.

2005
- Major progress continues with Segment 5 Project track work and station renovations.

2006
- Double Track Corridor Improvement Program, Segment 5 Project completed (March).
- Miami Heat Victory Parade leads to highest passenger record in a single day – 18,452 (June).
- Ridership tops more than 3,000,000 passengers for first time in a calendar year (December).

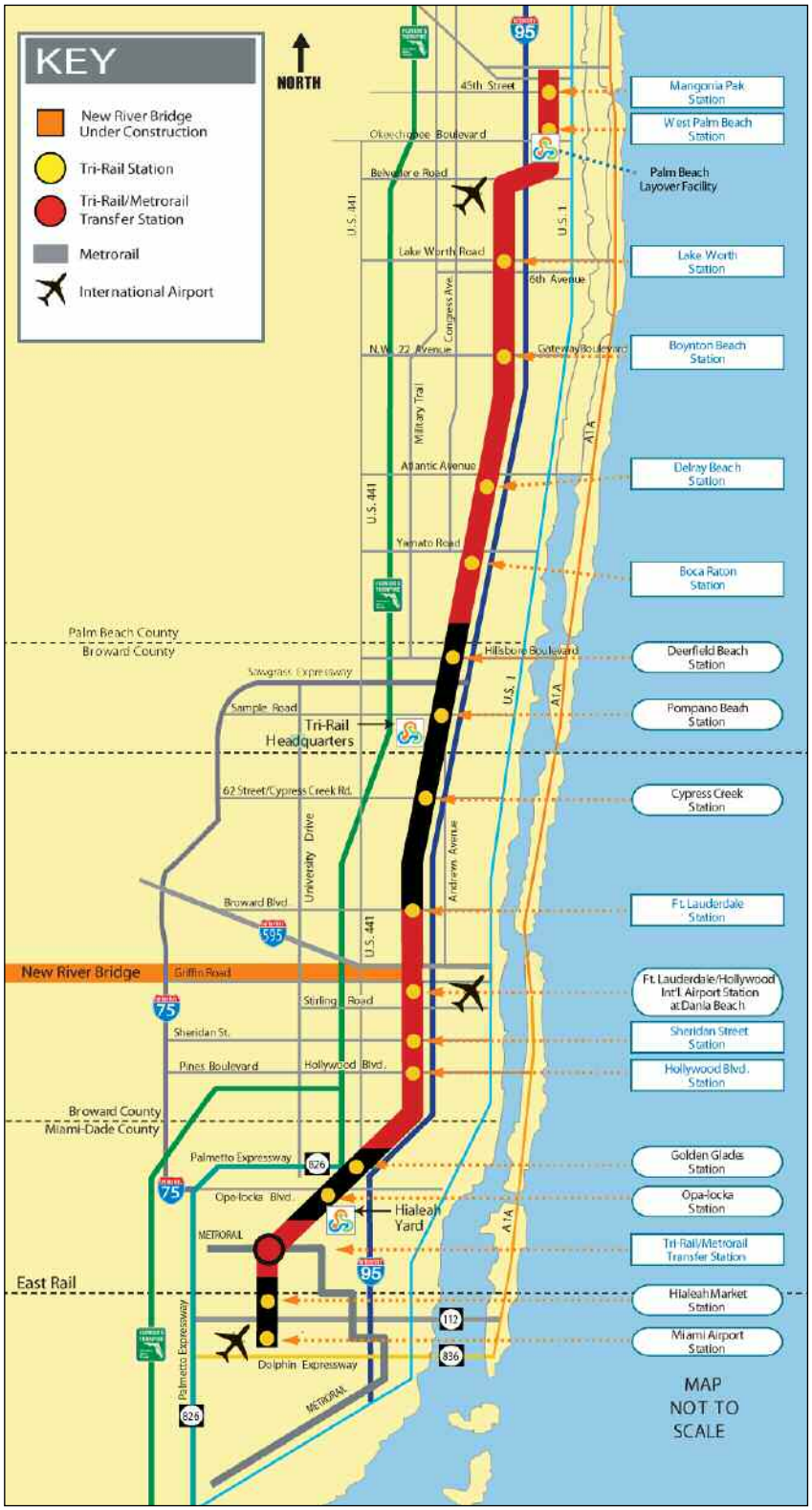
PROCUREMENT AND MARKETING DEPARTMENTS WIN NATIONAL AND STATEWIDE HONORS

The South Florida Regional Transportation Authority's procurement and marketing departments were recently recognized for their achievements by three prestigious national organizations: the American Public Transportation Association, Florida Public Transportation Association and the National Purchasing Institute.

For the second consecutive year, the procurement department won the Achievement in Excellence Award from the National Purchasing Institute. The program was established in 1995 to recognize excellence in public procurement. The prestigious award is earned by organizations that obtain a high score based on standardized criteria designed to measure innovation, professionalism, productivity, e-procurement and leadership attributes.

For the fifth consecutive year, the SFRTA took top prize in APTA's annual AdWheel competition. "Aviator Dog," a brown-haired Dachshund who delivers the message, "We can get you there faster," won first place in the print media category for Group 2. The image is part of the "More trains. More often." campaign that promoted the increase in service from 30 to 40 trains per day.

The campaign also featured a Golden Retriever jumping through hoops with excitement over the new service and three Miniature Poodles yelping, "We've got a lot to sing about" in celebration of completion of the Double Track Corridor Improvement Program, Segment 5 Project. The campaign was created by the SFRTA's long-standing agency of record, Bitner Goodman. The success of the campaign, which ran in May 2006, was underscored by ridership growth of almost 36 percent in June, July, and August.

The popular dog-themed campaign also took top honors in the categories of print advertising, print collateral, sustaining campaign and television spot in the highly competitive FPTA Marketing Awards competition, which featured the best marketing efforts from transit agencies across the entire state.

SEGMENT 5 PROJECT SYSTEM MAP