

CENTRAL PUGET SOUND REGIONAL TRANSIT AUTHORITY

Schedule of Sources and Uses of Funds by Subarea

Year Ending December 31, 2011

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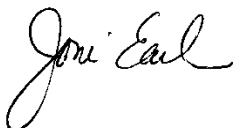
STATEMENT OF MANAGEMENT'S RESPONSIBILITY

The Central Puget Sound Regional Transit Authority (Sound Transit) has implemented an accounting and reporting system consistent with the financial policies approved in the ST2 voter approved program. Annually, Sound Transit (the Agency) prepares a Schedule of Sources and Uses of Funds by Subarea (the Schedule), that is based on the Agency's audited financial statements and the Agency's long-term Finance Plan. The Schedule reports actual tax revenues received by subarea and an allocation to each subarea of other sources and uses earned and incurred. The results presented in the Schedule of Sources and Uses by Subarea, presented separately, are incorporated into the Agency's Finance Plan.

This system is integrated into the Agency's system of internal control over financial reporting, ensuring the integrity of the information reported and provides management, the Board of Directors (the Board) and the Citizen Oversight Panel required information to monitor progress against Sound Transit's subarea commitments to its voters. The integrity and objectivity of information prepared herein, including the establishment of equity rules consistent with the voter approved plan and direction from its Board, are the responsibility of management.

Annually, the Agency's financial statement auditors perform agreed-upon procedures which look at the allocation of sources and uses of funds presented. These procedures were developed by management and are reviewed by the Citizens Oversight Panel and are approved by the Audit and Reporting Committee of the Sound Transit Board. All results from independent examinations are presented to the Board of Directors.

Based on the methodology developed, the incorporation into the agency's financial reporting system and the results of the agreed upon procedures performed to date, management believes the Schedule of Sources and Uses of Funds by Subarea is fairly presented. The auditor's agreed-upon procedure report on current and prior year subarea allocations may be obtained upon request to the Agency.



Joni Earl
Chief Executive Officer



Brian McCartan
Chief Financial Officer



Kelly A. Priestley
Controller

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Independent Accountants' Report on Applying Agreed-Upon Procedures

The Audit and Reporting Committee
Central Puget Sound Regional Transit Authority

We have performed the procedures enumerated below, which were agreed to by the Audit and Reporting Committee, the Citizens Oversight Panel, and management of Central Puget Sound Regional Transit Authority (Sound Transit), solely to assist the Audit and Reporting Committee of the Sound Transit Board in evaluating the accompanying Schedules of Subarea Sources and Uses (the Schedules) (prepared in accordance with the criteria specified therein) for the year ended December 31, 2011. Sound Transit's management is responsible for the Schedule. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures that we performed on the accompanying schedule and our findings are as follows:

Schedule of Sources and Uses

1. We verified the 2011 information as reported in the Subarea Sources and Uses – Version Mode/Project Detail report was derived from the underlying general ledger balances for 2011 by performing the following:
 - a. We agreed the Subarea Sources and Uses – Version Mode/Project Detail report to the subarea ledger reconciliation, without exception.
 - b. We agreed the subarea ledger reconciliation to the general ledger upon which the Sound Transit audited financial statements have been prepared, without exception.
2. We verified the mathematical accuracy of the totals and subtotals shown on the Schedule, without exception.

Subarea Rules

3. Except as noted below, we obtained the 2011 authorized and approved subarea rule list and verified the mathematical accuracy of changes in each rule type without exception as compiled from supporting documentation provided by management for:
 - a. Each new rule.
 - b. Each change in existing rule.

We noted as a result of our procedure inconsistent support for projects 760, 762, and 763. The exception resulted in variances of \$525 between subareas. We reviewed the subsequent correction of the difference noted above without exception.



4. We agreed the rule detail in the E1 Allocation Module to the 2011 authorized and approved subarea rule list:
 - a. For all new and changed rules tested in procedure 3 above, without exception.
 - b. For a sample of 25 existing rules, without exception.
5. We agreed the subarea rule drivers as presented in Appendix A to the 2011 authorized and approved subarea rule list, without exception.

Subarea Rule Allocation

6. With the exception of location based rules, we selected one of each unique rule type used to allocate balances between subareas. We verified the mathematical accuracy of the allocation of each source or use balance to each subarea in accordance with the rules, without exception.
7. For location based rules, we selected 10 unique use rules based on geographic location of project, facility or designation from voter approved plan, and we verified it is recorded in the appropriate subarea, without exception.

ST District Taxes

8. **Sales tax cash revenues:** On a test basis we verified taxes received have been correctly recorded to the general ledger without exception unless noted otherwise as follows:
 - a. For taxes received monthly, we selected three months from throughout the year:
 - i. We agreed the gross tax amount collected by subarea in the workbook to the RTA Distribution Analysis report received from the Department of Revenue;
 - ii. We re-computed that miscellaneous pool revenue has been allocated on a pro-rata basis of taxes received by subarea; and
 - iii. We re-computed the gross amount by subarea reported within the workbook (gross taxes from step (i) above plus the allocated share of miscellaneous pool revenue from step (ii) above).
 - b. For each subarea we agreed the amount of Sales Tax Revenue reported in the Schedule of Sources and Uses by Subarea to the Tax Revenue Cash Basis Schedule prepared by Sound Transit personnel.
 - c. For quarterly sales tax mitigation payments, we selected one quarter from the year:
 - i. We agreed the total amount of mitigation payment received to the Mitigation Allocation WP tab within Sound Transit's Actual Mitigation Tax Revenue workbook;
 - ii. We recalculated the amount allocated by the subarea allocation percentage for that quarter;
 - iii. Except as noted below, we verified the subarea allocation percentage has been calculated correctly based on the pro-rata share of locations within Sound Transit's district receiving mitigation payments and that King County unincorporated mitigation payments have been allocated between East King County and South King County in accordance with the tax distribution methodology as documented within the Subarea



- iv. Allocation of Tax Revenue Rule. As a result of our procedures over mitigation payments, we noted an error that caused Snohomish County to be overstated by \$157,447, Pierce County to be overstated by \$269,150, East King County to be overstated by \$273,048, and South King County to be understated by \$699,645. We reviewed the subsequent correction of the differences noted without exception.
9. **Rental car tax cash revenues:** On a test basis we verified taxes received have been correctly recorded to the general ledger without exception as follows:
- a. For taxes received monthly, we selected three months from throughout the year:
 - i. We agreed the tax amount collected to the RTA Distribution Analysis Report received from the Department of Revenue;
 - ii. We verified the tax remitted to the Tax Distributions – All Locations reports and the location levied rental car tax rate to the Rental Car Tax Rate report received from the Department of Revenue;
 - iii. We verified the King County subarea allocation percentage was calculated correctly based on the average number of locations within each King County subarea in accordance with the tax distribution methodology as documented in the Subarea Allocation of Tax Revenue Rule;
 - iv. We recalculated the amount by subarea.
 - b. For each subarea we agreed the amount of Rental Car Tax Revenue reported in the Schedule of Sources and Uses by Subarea to the Cash Basis WIP tab within Sound Transit’s Actual Rental Car Revenue workbook.
10. **Motor vehicle excise tax cash revenue:** We selected three months and we agreed the amounts of the motor vehicle excise tax to schedules prepared by Sound Transit Personnel. We agreed total cash revenues on the supporting schedules to the Washington State Department of Licensing (DOL) excise tax collection reports and we verified that the revenue was properly allocated to the appropriate subarea as reported by DOL. At December 31, 2011, we requested a confirmation of zip code assignment by subarea from DOL. We judgmentally selected 25 zip codes, of which 5 selections include split zips, and ensured they are assigned to the correct geographical subarea by tracing the zip code to the zip code map maintained by Sound Transit’s office of Policy and Planning, or by utilizing the Postal Service web site. In addition, for the 5 split zip codes, we verified that the revenues were allocated in accordance with split zip procedure. For each subarea, we agreed the amount of motor vehicle excise tax reported for the year in the Schedule of Sources and Uses by Subarea to the Tax Revenue Cash Basis Schedule prepared by Sound Transit personnel. The procedure was performed without exception.

Grant Revenues

11. We selected a sample of 5 individual grant draw down item requests from the monthly U.S. Department of Transportation Federal Transit Administration Echo-Web Payment Reports.
- a. We traced the draw down request amount to the Detail Grant Outlay Report to identify each capital project the draw down is associated with, without exception.



- b. We identified each capital project associated with the draw down on the authorized and approved subarea rule list and the related subarea rule, without exception.
- c. We verified the grant draw down was recorded to the subarea(s) in which the related capital project disbursements were recorded to in accordance with the authorized and approved subarea rules list by agreeing the total on the Detail Grant Outlay Report to the Actual Grant Reimbursements Revenues report and traced the total to the posted journal entry associated with the recognition of the grant draw down in the general ledger for location based rules or by tracing to the subarea allocation detail report for non-location based rules, without exception.

Prior Year Adjustments

- 12. For any changes or corrections in rules or methodology for recording by subarea impacting prior years, we verified the amount of the adjustment by agreeing the new rule to the 2011 approved Subarea Rules list or approved methodology change, obtaining the amount allocated in prior years, re-calculating or verifying to source documentation the prior year amount allocated using the new rule and computing the difference. We traced that amount to the subarea ledger journal entry post report, without exception.
- 13. **Bond interest:** For the change in basis of reporting interest on Sound Transit's outstanding bonds from accrual to a cash basis within the Schedule of Sources and Use of Funds by subarea, we verified the amount of the adjustment by obtaining interest expense and interest payments from the bond amortization schedules or general ledger transaction report for each bond series for prior years, we recalculated the difference between interest expensed and interest paid in 2009 and 2010 and we agreed the difference to the adjustment amount reported in the Schedule of Sources and Use of Funds by Subarea, without exception.

2011 Reserve Contributions

- 14. **Operating and maintenance reserve contribution:** We recalculated the contribution to the reserve and verified the amount has been recorded and the funds segregated within the general ledger are equal to two months of operating and maintenance expenses. Also, we verified the actual contribution was made to the reserve for the appropriate amount. We agreed the change in the reserve per the general ledger to the change in the reserve per the Schedule of Sources and Uses of Funds by Subarea, without exception.
- 15. **Capital reserve contribution:** We agreed the contribution amount to the calculation provided in the annual adopted budget. Also, we verified the amount had been recorded and the funds segregated within the general ledger. We agreed the change in the reserve per the general ledger to the change in the reserve per the Schedule of Sources and Uses of Funds by Subarea, without exception.

Finance Plan

- 16. We verified subsequent corrections from the 2010 subarea agreed-upon-procedures were entered in the 2011 finance plan, without exception.

We were not engaged to, and did not, conduct an examination, the objective of which would be the expression of an opinion on the accompanying schedules. Accordingly, we do not express such an opinion.



Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Audit and Reporting Committee, the Citizens Oversight Panel, and management of Sound Transit, and is not intended to be and should not be used by anyone other than these specified parties.

KPMG LLP

June 27, 2012

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CENTRAL PUGET SOUND REGIONAL TRANSIT AUTHORITY

Schedule of Sources and Uses of Funds by Subarea For the year ending December 31, 2011

<i>(in thousands)</i>	Snohomish	North King	South King	East King	Pierce	System-wide	Total
Sources							
Sound Transit tax revenue	\$ 72,111	\$ 170,943	\$ 91,766	\$ 151,993	\$ 106,538	\$ -	\$ 593,351
Grants	4,143	129,643	11,671	4,476	24,289	43	174,265
Fares and other operating revenue	6,195	9,176	11,119	14,956	7,252	2,368	51,066
Interest earnings	-	-	-	-	-	20,875	20,875
Total Sources	\$ 82,449	\$ 309,762	\$ 114,556	\$ 171,425	\$ 138,079	\$ 23,286	\$ 839,557
Uses							
Capital							
Sounder commuter rail	\$ 4,174	\$ -	\$ 1,314	\$ 3	\$ 88,819	\$ -	\$ 94,310
ST Express bus	2,941	-	14,825	21,328	192	-	39,286
Link light rail	2,572	391,093	13,162	14,799	218	-	421,844
Service delivery	5,420	367	5,163	13,760	7,896	-	32,606
System-wide activities	-	-	-	-	-	8,977	8,977
Total Capital	15,107	391,460	34,464	49,890	97,125	8,977	597,023
Operating and Maintenance							
Sounder commuter rail	6,216	-	14,313	-	12,037	-	32,566
ST Express bus	16,101	-	9,469	45,477	25,549	-	96,596
Link light rail	-	39,995	16,526	-	3,577	-	60,098
System-wide activities	4	15	30	-	3	23,558	23,610
Total Operating and Maintenance	22,321	40,010	40,338	45,477	41,166	23,558	212,870
Debt Service and Changes in Reserve							
Debt service	9,093	45,198	24,962	-	9,896	-	89,149
Operating and maintenance reserve contribution	1,103	1,624	1,992	2,254	2,026	-	8,999
Capital reserve contribution	7,659	12,566	1,376	9,906	14,355	-	45,862
Change in general reserve	27,166	(181,096)	11,424	63,898	(26,489)	(9,249)	(114,346)
Total Changes in Debt Service and Reserve	45,021	(121,708)	39,754	76,058	(212)	(9,249)	29,664
Total Uses	\$ 82,449	\$ 309,762	\$ 114,556	\$ 171,425	\$ 138,079	\$ 23,286	\$ 839,557

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CENTRAL PUGET SOUND REGIONAL TRANSIT AUTHORITY

NOTES TO SCHEDULE OF SOURCES AND USES OF FUNDS BY SUBAREA For the Years Ending December 31, 2011

NOTE 1: ORGANIZATION AND REPORTING ENTITY

As provided under the Revised Code of Washington (RCW) Chapter 81.112 applicable to a regional transit authority, the Central Puget Sound Regional Transit Authority, a public corporation acting under the service name of Sound Transit, was established in 1993. Sound Transit was formed to implement a high-capacity transportation system throughout parts of King, Pierce, and Snohomish counties in the State of Washington through the design, construction, and implementation of a commuter rail (Sounder), light rail (Link) and regional express bus system (ST Express).

Reporting Entity: Sound Transit is a special purpose government supported primarily through Sales Tax, Motor Vehicle Excise Tax and Rental Car Tax in Sound Transit's operating jurisdiction. In addition, Sound Transit receives capital funding from federal, state and local agencies.

Sound Transit is governed by an 18-member Board, 17 of whom are appointed by the respective member county executives and confirmed by the council of each member county. Membership is based on the population from the portion of each county that lies within Sound Transit's service area. Representation on the Board includes an elected official representing the largest city in each county and ensures proportional representation from other cities and from unincorporated areas of each county. The final board position is held by the Secretary of Transportation, Washington State Department of Transportation.

NOTE 2: SUBAREA REPORTING BASIS

Sound Transit has implemented an accounting and reporting system consistent with the financial policies approved in the ST2 voter approved program that allows for the annual reporting of subarea revenues and expenditures, from which the Schedule of Sources and Uses of Funds by Subarea (Schedule) is prepared. The Schedule is prepared on a modified cash basis and does not incorporate non-cash items such as gain on sale of fixed assets and depreciation and amortization expense. Adjustments are made within the subarea ledger for differences in reporting basis between generally accepted accounting principles and the modified cash basis.

NOTE 3: SUBAREA DRIVERS AND RULES

Sources and uses directly associated with a particular location are directly credited or charged to the corresponding subarea. Sources and uses benefiting more than one subarea are classified according to pre-established drivers and allocation rules that are expressed as percentages that reflect the Agency's assumptions regarding multiple subarea and project benefit. See Appendix A for the drivers that are used to allocate sources and uses to subareas.

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Notes to Schedule of Sources and uses of Funds by Subarea, continued

NOTE 4: SUMMARY OF SIGNIFICANT SOURCES AND USES OF FUNDS

Sound Transit Tax Revenues: Sound Transit is funded primarily by three types of taxes. The tax types and rates are listed below.

Tax	Rate
Sales	0.9%
Motor Vehicle Excise	0.3%
Rental Car	0.8%

Taxes are intended to be used to implement the system and to provide permanent funding for future operations and maintenance, capital replacement, and debt service.

Grants: Sound Transit is the recipient of multiple competitively awarded grants from federal agencies. The primary source of federal grants is the Federal Transit Authority, including New Starts program full funding grant agreements (FFGA) and formula funds. State and local sources are generated through direct grants to Sound Transit and through agreements with other jurisdictions to co-fund various capital projects in their areas.

Fares and other operating revenues: Sound Transit collects fares for its services, with the exception of Tacoma Link. Transit riders pay distance based fares that vary by mode. The agency also collects other miscellaneous revenues such as advertising and rental income.

Interest earnings: Interest earnings are generated from cash and investments that are invested in accordance with Sound Transit's asset and liability management policy.

Total sources: Total sources is the sum of tax revenues, grants, bonds, fares, other operating revenues and interest earnings.

Capital: Sound Transit incurs capital costs to build the voter approved regional transit system. These costs include the administrative, design and engineering, right of way, vehicle, systems and construction costs to build the Link light rail, Sounder commuter rail and ST Express bus programs.

Operating and maintenance: Operating and maintenance costs consist of charges related to providing service, maintaining revenue vehicles and operating and maintaining transit facilities within Sound Transit's transportation district. System-wide activities consists of costs incurred to support fare administration programs, general and administrative and other expenses essential for the planning and maintenance of a regional transit system.

Debt service: Costs reflect all amounts associated with the payment of interest and principal on outstanding bonds.

Operating and maintenance reserve contribution: Two months of operations and maintenance expenses are required to be maintained in the reserve based on two months of the current year's

CENTRAL PUGET SOUND REGIONAL TRANSIT AUTHORITY

Notes to Schedule of Sources and uses of Funds by Subarea, continued

average budgeted operating and maintenance expenses including systemwide costs. The systemwide portion of the contribution is allocated to each subarea in accordance with financial plan policies. The reserve contribution is expected to change as changes to the service implementation plan are made. The operating and maintenance reserve is valued at fair value.

Capital reserve contribution: Annually, an amount is contributed to a restricted cash and investment fund to provide for future capital replacement. Certain rail assets are considered permanent in nature due to their civil structure such as tunnels. The capital reserve is valued at fair value.

Change in general reserve: The general reserve consists of the excess of sources and uses of funds revenue that is designated to supplement each subarea's financial activities after making required debt service and reserve contributions. Each subarea contributes to the general reserve in years they have a surplus and draws from the reserve in years where they have a deficit. The general reserve consists of all cash and investments that are not included in the reserves described above. The general reserve is valued at fair value.

Total uses: Total uses is the sum of expenses and outlays related to capital programs, operations and maintenance, reserves, debt service and changes in general reserves.

NOTE 5: PRIOR PERIOD ADJUSTMENTS AND RECLASSIFICATIONS

Adjustments were made to report interest on the cash basis for 2009 – 2010. Sales and Use tax revenue was reallocated for 2008- 2010 amongst subareas to reflect actual revenue received. The effect of the adjustments and reclassifications is reflected in the table below.

<i>(in thousands)</i>	Snohomish	North King	South King	East King	Pierce	System-wide	Total
Change in general reserve, December 31, 2010, as originally stated	\$ 16,861	\$(104,698)	\$ 19,717	\$ 62,405	\$(32,548)	\$(13,952)	\$(52,215)
Sales and Use tax	(4,837)	5,943	4,059	4,698	(9,863)	-	-
Interest Expense	333	2,560	1,236	-	602	-	4,731
Change in general reserve, December 30, 2010, as restated	\$ 12,357	\$ (96,195)	\$ 25,012	\$ 67,103	\$ (41,809)	\$ (13,952)	\$(47,484)

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APPENDIX A: SUBAREA DRIVERS For the Year Ending December 31, 2011

SOURCES

Description	Driver
Sales Tax	Department of Revenue Location Code
Motor Vehicle Excise Tax	Department of Licensing Zip Code Location
Rental Car Tax	Department of Revenue Location Code / County Level
Capital Grants	Project Costs or Board Designation
Operating Grants	Operating Use by Mode
Passenger Fares	(see next section)
Other Revenue	Location / Modal Operating Use Drivers (see Operating Uses section below)
Interest Earnings	Financial Policies
Bond Proceeds	Financial Plan

PASSENGER FARES

Description	Driver
Sounder Fares	Station Boarding
ST Express Bus Service Fares	Route Boardings / Platform Hours
Central Link Light Rail Fares	Station Boardings

OPERATING USES

Sounder Commuter Rail Services Operating Uses

Description	Driver
BNSF North Line	Track Miles
BNSF South Line	Track Miles
All Other Sounder Operations	Vehicle Miles

ST Express Bus Services Operating Uses

Description	Driver
Bus Operations	Platform Hours

Link Light Rail Services Operating Uses

Description	Driver
Central Link Operations	Track Miles / Boardings
Tacoma Link Operations	Location

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Appendix A: Subarea Drivers, continued

Other Uses

Description	Driver
Art Maintenance	Facility Location
Other Expenses	Location or Board Designation

CAPITAL PROJECT USES

Sounder Projects	Driver
Auburn to Tacoma Track & Signal	Location
D Street-M Street Track & Signal	Location
Eastside Rail Partnership	Location
Edmonds Station	Location
Everett Station	Location
Everett to Seattle Track & Signal	Location
Lakewood Station	Location
Layover	Vehicle Miles
M Street-Lakewood Track & Signal	Location
Mukilteo Station North Platform	Location
Mukilteo Station South Platform	Location
Permitting/ Environmental Mitigation	Location
Positive Train Control - Tacoma-Lakewood	Location
Seattle to Auburn Track & Signal	Location
Seattle-Lakewood Expanded Service	ST2 Adopted Financial Plan
South Tacoma Station	Location
STart Program	Location
Station Access & Demand Study	ST2 Adopted Financial Plan
Tukwila Station	Location
Willow Creek Environmental Mitigation	Location
Yard and Shop Facility	ST2 Adopted Financial Plan

Regional Express Bus Projects	Driver
85 th Corridor, Kirkland	Location
Ash Way Transit Access / 164 th SW	Location
Burien Transit Center Parking Expansion	Location
Federal Way HOV Access / S 317 th	Location
Kirkland Transit Center	Location
Rainier Avenue Arterial Improvements	Location
Renton HOV Access / N 8 th	Location
ST Express Bus Base	ST2 Adopted Financial Plan
Start Program	Location
Totem Lake Freeway Station	Location

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Appendix A: Subarea Drivers, continued

Regional Express Bus Projects, continued	Driver
Bothell Branch Campus Access	Location
Canyon Park Freeway Station	Location
Eastgate HOV Access / 142 nd Ave SE	Location
Federal Way Transit Center/S. 317 th	Location
I-90 Two-Way Transit & HOV, stage 1	Location
I-90 Two-Way Transit & HOV, stage 2	Location
I-90 Two-Way Transit & HOV, stage 3	Location
Issaquah Transit Center / SR900	Location
Lynnwood Transit Center	Location
Mercer Island P&R / N Mercer Way	Location
Mountlake Terrace Freeway Station	Location
Newcastle Transit Improvements	Location
Redmond Transit Center / NE 83 rd	Location
S. Everett Freeway Station / 112 th	Location
Sammamish P&R / 228 th SE	Location
SR 522 HOV Enhancements / Bothell	Location
SR 522 HOV Enhancements / Kenmore	Location
ST Express Midday Bus Storage	Service Location
Strander Boulevard Extension	Location
Totem Lake Transit Center	Location

Link Light Rail Projects	Driver
Airport Link	Location
Central Link Switch Heaters	2009 Sound Move Reported Rules; Vehicle Maintenance
DSTT South Access Security	Location
East Link	ST2 Adopted Financial Plan
First Hill Link Connector	Location
Initial Segment	2009 Sound Move Reported Rules
Link Maintenance & Storage	ST2 Adopted Financial Plan
Noise Abatement	Location
North Corridor HCT	ST2 Adopted Financial Plan
North Link	Location
South Corridor HCT	Location
South Corridor Transit Plan	Location
South Link	Location
STart Program	Location
Tacoma Link Expansion	Location
University Link	Location

Service Delivery Projects	Driver
Ticket Vending Machines	Number per Location

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Appendix A: Subarea Drivers, continued

Passenger Information System / CCTV	Number per Location
Bus Maintenance Facility	Platform Hours
Bus Fleet Replacement	Platform Hours

Service Delivery Projects, continued	Driver
Auburn Bus Loop	Location
Bike Locker Program	Number per Location
Bus Mobile Communications Project	Platform Hours
Homeland Security Enhancements	Location
King Street Station Platform Light	Location
Operations Maintenance Facility Laydown	Boardings / Track Miles
Operations Maintenance Facility LRV Wash Bay Doors	Boardings / Track Miles
Radio Upgrade	Boardings / Track Miles
Regional Mobility Parking Enhancements	Location
Small Works Program	Location
Sound Transit Police Office	Location
Souder Fleet Program	2009 Sound Move Reported Rules
ST2 Fleet Expansion	ST2 Adopted Financial Plan
Talking Signs	Location

SYSTEM-WIDE USES

Description	Driver
Agency Administration	Financial Policies
Administrative Capital	Financial Policies
Fare Integration	Financial Policies
Phase II Planning	Financial Policies
Research and Technology	Financial Policies
System Access Program	Financial Policies

DEBT SERVICE USES

Description	Driver
Debt Service	Financial Plan

RESERVE CONTRIBUTIONS

Description	Driver
Capital Replacement	Financial Plan
Operations and Maintenance	Financial Plan

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APENDIX B

Financial Statement Reconciliation to Subarea Sources and Uses

For the Period Ended December 31, 2011

(in thousands)

Change in Net Assets per Statement of Revenue, Expenses and Changes in Net Assets	
	\$ 400,623
Sources and uses related to balance sheet items	
Additions to capital assets	(581,703)
Fixed Assets reclassified to CIP(cash additions)	(1,815)
Purchase of inventory	(40)
Contribution to capital reserve	(45,862)
Contribution to operations and maintenance reserve	(8,999)
Principal repayment of outstanding bonds	(18,465)
	(656,884)
Difference in reporting basis	
Tax revenues	(2,523)
Interest expense	(208)
Tax collection fee	258
	(2,473)
Add (deduct) non cash items included in above	
Depreciation and amortization	110,413
Landbank lease amortization- Operations	514
Landbank lease amortization- CIP	174
Landbank contribution	(2,394)
Bond premium (net) amortization	(2,275)
Bond issue cost amortization	588
RAPID fund prior year adjustment	587
Expense transfers from CIP	65
Capital contributions to other governments	81,742
Discontinued and impaired projects	1,442
	190,856
Add (deduct) claim provision items	
Change in construction claim	(45,850)
Change in insurance claim reserve	(618)
	(46,468)
Net change in general reserve per Schedule of Sources and Uses	\$ (114,346)
