

**RETIREMENT PLAN FOR
SACRAMENTO REGIONAL TRANSIT
DISTRICT EMPLOYEES WHO ARE MEMBERS
OF ATU LOCAL 256 AND IBEW LOCAL 1245**

**FINANCIAL STATEMENTS WITH
INDEPENDENT AUDITOR'S REPORT**

**FOR THE YEARS ENDED
JUNE 30, 2006 AND 2005**



Gilbert Associates, Inc.
CPAs and Advisors

INDEPENDENT AUDITOR'S REPORT

The Retirement Board Sacramento Regional Transit District

We have audited the accompanying statements of plan net assets of the Retirement Plan for Sacramento Regional Transit District Employees who are members of ATU Local 256 and IBEW Local 1245 (the Plan) as of June 30, 2006 and 2005, and the related statements of changes in plan net assets for the years ended June 30, 2006 and June 30, 2005. These financial statements are the responsibility of the Plan'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. Those standards require that we plan and perform the audits 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 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 Plan net assets as of June 30, 2006 and 2005 and the changes in plan net assets for the years ended June 30, 2006 and June 30, 2005 in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying supplemental schedules are presented for the purpose of additional analysis and 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. These schedules are the responsibility of the Plan's management. Such information has been subjected to the auditing procedures applied in the audits 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.

Gilbert Associates, Inc.

GILBERT ASSOCIATES, INC.

August 25, 2006

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**RETIREMENT PLAN FOR SACRAMENTO REGIONAL TRANSIT
DISTRICT EMPLOYEES WHO ARE MEMBERS OF
ATU LOCAL 256 AND IBEW LOCAL 1245**

**STATEMENTS OF PLAN NET ASSETS
JUNE 30, 2006 AND 2005**

	<u>2006</u>	<u>2005</u>
ASSETS		
INVESTMENTS, AT FAIR MARKET VALUE:		
Equity securities	\$ 69,485,715	\$ 59,086,563
Fixed securities	24,451,508	26,599,859
U.S. government securities	<u>21,439,476</u>	<u>17,850,010</u>
Total investments	<u>115,376,699</u>	<u>103,536,432</u>
CASH AND CASH EQUIVALENTS	1,533,999	6,388,281
INTEREST, DIVIDENDS, AND OTHER RECEIVABLE	<u>927,858</u>	<u>1,180,215</u>
TOTAL ASSETS	117,838,556	111,104,928
LIABILITIES		
Accounts payable	<u>3,351,898</u>	<u>4,705,261</u>
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS	<u>\$ 114,486,658</u>	<u>\$ 106,399,667</u>

(A schedule of funding progress for the Plan is presented on page 13)

**RETIREMENT PLAN FOR SACRAMENTO REGIONAL TRANSIT
DISTRICT EMPLOYEES WHO ARE MEMBERS OF
ATU LOCAL 256 AND IBEW LOCAL 1245**

**STATEMENTS OF CHANGES IN PLAN NET ASSETS
FOR THE YEARS ENDED JUNE 30, 2006
AND JUNE 30, 2005**

	<u>2006</u>	<u>2005</u>
ADDITIONS		
Employer contributions	\$ 6,227,478	\$ 4,536,019
Investment Income:		
Net increase in fair value of investments	5,442,507	5,762,710
Interest, dividends, and other income	3,641,754	2,590,512
Investment expenses	<u>(895,396)</u>	<u>(555,829)</u>
Net investment income	<u>8,188,865</u>	<u>7,797,393</u>
Total additions	<u>14,416,343</u>	<u>12,333,412</u>
DEDUCTIONS		
Benefits paid to participants	6,264,574	5,337,801
Administrative expenses	<u>64,778</u>	<u>16,402</u>
Total deductions	<u>6,329,352</u>	<u>5,354,203</u>
NET INCREASE IN PLAN NET ASSETS	8,086,991	6,979,209
NET ASSETS HELD IN TRUST -BEGINNING OF YEAR	<u>106,399,667</u>	<u>99,420,458</u>
NET ASSETS HELD IN TRUST-END OF YEAR	<u>\$ 114,486,658</u>	<u>\$ 106,399,667</u>

**RETIREMENT PLAN FOR SACRAMENTO REGIONAL TRANSIT
DISTRICT EMPLOYEES WHO ARE MEMBERS OF
ATU LOCAL 256 AND IBEW LOCAL 1245**

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2006
AND JUNE 30, 2005**

1. DESCRIPTION OF THE PLAN

The Retirement Plan for Sacramento Regional Transit District Employees who are members of ATU Local 256 and IBEW Local 1245 (the Plan) is a noncontributory single employer defined benefit plan covering contract employees of Sacramento Regional Transit District (the District). The following brief description of the Plan is provided for information only. Participants should refer to the Plan agreement for more complete information.

General - The Plan provides defined pension, disability, and death benefits to employees who are members of the Amalgamated Transit Union (ATU) Local 256 and International Brotherhood of Electrical Workers (IBEW) Local 1245. ATU and IBEW members' benefits are fully vested after ten years. Effective on November 1, 2006, IBEW employees will fully vest after five (5) years of service. Membership in the Plan commences upon hire. Contributions to the Plan are authorized or amended by the Retirement Board (Assembly Bill 1064, effective January 1, 2004, mandates that the Retirement Board be comprised of equal representation of management and Bargaining Group employees) based on a sound actuarial basis. The authority under which benefit provisions are established and amended rests with the District's Board of Directors as a result of labor negotiations.

Plan membership at June 30, consisted of:

	2006	2005
Retirees and beneficiaries currently receiving benefits	303	281
Terminated members entitled to but not yet collecting benefits	53	56
Current active members	894	871
	1,250	1,208

Retirement Benefits – A participant is eligible for normal service retirement upon attaining age 55 and completing 10 or more years of service for ATU and for IBEW. Effective on November 1, 2006, IBEW employees will fully vest after five (5) years of service. In addition, ATU members are eligible to retire upon reaching 25 years of service. The normal service retirement benefit is the greater of the benefit accrued under the plan provisions in effect on February 28, 1993 or the participant's benefit under the current plan provisions. Under the current plan provision, the participant receives a percentage of the average final earnings, as defined, multiplied by the participant's service at retirement. The percentage for IBEW members' is equal to: a) 2.0%, if the participant retires prior to age 65, or b) 2.5%, if the participant retires at age 65 or later.

**RETIREMENT PLAN FOR SACRAMENTO REGIONAL TRANSIT
DISTRICT EMPLOYEES WHO ARE MEMBERS OF
ATU LOCAL 256 AND IBEW LOCAL 1245**

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2006
AND JUNE 30, 2005**

The percentage for ATU members' is as follows:

<u>Age/Service</u>	<u>Benefit</u>
55 or 25 years	2.0%
56 or 26 years	2.1%
57 or 27 years	2.2%
58 or 28 years	2.3%
59 or 29 years	2.4%
60 or 30 years	2.5%

The benefits begin at retirement and continue for the participant's life unless the participant elects to receive reduced benefits with continuing benefits to a beneficiary after death.

Disability Benefits – A participant is eligible for a disability benefit if the participant is unable to perform the duties of his or her job with the District, cannot be transferred to another job with the District, and has submitted satisfactory medical evidence of permanent disqualification from his or her job. Ten years of service is required to qualify for disability. The disability benefit is equal to 2% of the participant's average final earnings, as defined, multiplied by service accrued through the date of disability. The disability benefit cannot exceed the retirement benefit. The benefit begins at disability and continues until recovery or for the participant's life unless the participant elects to receive reduced benefits with continuing benefits to a beneficiary after death.

Pre-Retirement and Death Benefit – A participant's surviving spouse is eligible for a pre-retirement death benefit if the participant has had vesting . The pre-retirement death benefit is the actuarial equivalent of the normal retirement benefit, as if the participant retired on the date of death. The death benefit begins when the participant dies and continues for the life of the surviving spouse or until remarriage.

Administration – The Plan is administered by the Retirement Boards. All expenses incurred in the administration of the Plan are paid by the Plan.

Plan Termination – Should the Plan be terminated, plan net assets will first be applied to provide for retirement benefits to retired members. Any remaining net assets will be allocated to other members, oldest first, on the basis of the actuarial present value of their benefits.

**RETIREMENT PLAN FOR SACRAMENTO REGIONAL TRANSIT
DISTRICT EMPLOYEES WHO ARE MEMBERS OF
ATU LOCAL 256 AND IBEW LOCAL 1245**

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2006
AND JUNE 30, 2005**

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting – The financial statements of the Plan are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. District contributions to the Plan are recognized in the period in which the contributions are due. Benefits and refunds are recognized when due and payable in accordance with the Plan agreement.

Cash and Cash Equivalents – The Plan considers all highly liquid investments with maturity of three months or less when purchased to be cash equivalents.

Investments – Investments are stated at fair market value measured by quoted market prices (or, if not available, at estimated fair value). Realized gains or losses on the sale of investments are recorded on the trade date as the difference between proceeds received and current value at the beginning of the year or cost if acquired during the year. Net appreciation (depreciation) in fair value of investments includes net unrealized market appreciation and depreciation of investments and net realized gains and losses on the sale of investments during the period. Interest income includes dividends and interest paid on the Plan investments.

Taxes on Income – Taxes on income are not provided because the Plan is exempt from income taxes.

Estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires the Plan administrator to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

Reclassifications – Certain amounts presented in the prior year have been reclassified in order to be consistent with the current year's presentation.

3. CONTRIBUTION REQUIREMENTS

The Plan's funding policy provides for actuarially determined periodic contributions. Contribution rates for retirement benefits are determined using the entry age normal cost method. During the years ended June 30, 2006 and June 30, 2005, contributions to the Plan were \$6,227,478 and \$4,536,019, respectively.

**RETIREMENT PLAN FOR SACRAMENTO REGIONAL TRANSIT
DISTRICT EMPLOYEES WHO ARE MEMBERS OF
ATU LOCAL 256 AND IBEW LOCAL 1245**

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2006
AND JUNE 30, 2005**

4. CASH AND INVESTMENTS

CASH AND CASH EQUIVALENTS

At June 30, 2006 and 2005, the reported amount of the cash and cash equivalents of the Plan were \$1,533,999 and \$6,388,281, respectively. The amount was collateralized with securities held by the counterparty's trust department or agent in the Plan's name.

INVESTMENTS

An annual Board-adopted policy, the Statement of Investment Objectives and Policy Guidelines for Contract and Salaried Employees' Retirement Funds, governs the Plan's investments. This Policy focuses on the continued feasibility of achieving, and the appropriateness of, the Asset Allocation Policy, the Investment Objectives, the Investment Policies and Guidelines and the Investment Restrictions.

All of the Plan's investments are reported at fair value measured by quoted market prices.

The table below identifies the investment types that are authorized by the Retirement Board. The table also identifies certain provisions of the Investment Objectives and Policy that address interest risk, credit risk and concentration of credit risk.

Authorized Investment Type	Maximum Maturity*	Minimum Rating	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Municipal Debt	None	Baa	None	None
U.S. Treasury Obligations	None	N/A	None	None
U.S. Agency Securities	None	N/A	None	None
Bankers' Acceptances	None	N/A	None	None
Commercial Paper	None	A2	None	None
Certificates of Deposit	None	N/A	None	None
Repurchase Agreements with US Treasury and Agencies as collateral	None	N/A	None	None
Corporate Debt	None	Baa	None	None
Mortgage Pass-Through Securities	None	None	None	None
Collateralized Mortgage Obligations	None	Aaa	None	None

* The fixed income portion of the Plans shall be limited in duration to between 75% and 125% of the Lehman Brother Aggregate Bond Index.

**RETIREMENT PLAN FOR SACRAMENTO REGIONAL TRANSIT
DISTRICT EMPLOYEES WHO ARE MEMBERS OF
ATU LOCAL 256 AND IBEW LOCAL 1245**

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2006
AND JUNE 30, 2005**

INVESTMENT RISK FACTORS

There are many factors that can affect the value of investments. Some such as interest rate risk, credit risk, custodial credit risk, concentration of credit risk, and foreign currency risk may affect both equity and fixed income securities. Equity securities respond to such factors as economic conditions, individual company earnings performance, and market liquidity, while fixed income securities are particularly sensitive to credit risks and changes in interest rates.

INTEREST RATE RISK

Interest rate risk is the risk that the value of fixed income securities will decline because of rising interest rates. The prices of fixed income securities with a longer time to maturity, measured by duration, tend to be more sensitive to changes in interest rates and, therefore, more volatile than those with shorter duration.

The investments include certain short-term cash equivalents, various long-term items, and restricted assets by maturity in years. The following table provides information about the interest rate risks associated with the Plan's investments for the year ended June 30, 2006.

	Less than 1	1 – 5	6 – 10	More than 10	No Maturity	Fair Value
Collateralized Mortgage Obligations			\$ 474,239	\$ 12,329,570		\$ 12,803,809
Corporate Bonds		\$ 2,663,384	961,845	4,383,243		8,008,472
U.S. Government Agency Obligations				8,640,708		8,640,708
U.S. Government Issued Obligations		9,403,754	2,298,887	1,096,127		12,798,768
Asset Backed Obligations		1,528,669	865,443	1,245,115		3,639,227
Cash and Cash Equivalents					\$ 1,533,999	1,533,999
Rights					6,972	6,972
Real Estate Investment Trust					506,973	506,973
Depository Reciepts					1,769,805	1,769,805
Stocks					67,201,965	67,201,965
Total		\$ 13,595,807	\$ 4,600,414	\$ 27,694,763	\$ 71,019,714	\$ 116,910,698

**RETIREMENT PLAN FOR SACRAMENTO REGIONAL TRANSIT
DISTRICT EMPLOYEES WHO ARE MEMBERS OF
ATU LOCAL 256 AND IBEW LOCAL 1245**

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2006
AND JUNE 30, 2005**

The following table provides information about the interest rate risks associated with the Plan's investments for the year ended June 30, 2005.

	Less than 1	1 – 5	6 – 10	More than 10	No Maturity	Fair Value
Collateralized Mortgage Obligations			\$ 353,050	\$ 8,454,002		\$ 8,807,052
Corporate Bonds		\$ 3,015,965	1,306,094	5,583,407		9,905,466
Credit Card Receivable	\$ 385,173					385,173
U.S. Government Agency Obligations				8,531,139		8,531,139
U.S. Government Issued Obligations		6,044,580	1,960,346	1,313,945		9,318,871
Asset Backed Obligations	196,995	1,057,232	1,427,894	4,820,047		7,502,168
Cash and Cash Equivalents					\$ 6,388,281	6,388,281
Rights					11,468	11,468
Real Estate Investment Trust					548,245	548,245
Depository Receipts					2,555,868	2,555,868
Stocks					55,970,982	55,970,982
Total	\$ 582,168	\$ 10,117,777	\$ 5,047,384	\$ 28,702,540	\$ 65,474,844	\$ 109,924,713

CREDIT RISK

Fixed income securities are subject to credit risk, which is the chance that a bond issuer will fail to pay interest or principal in a timely manner, or that negative perceptions of the issuer's ability to make these payments will cause security prices to decline. The circumstances may arise due to a variety of factors such as financial weakness, bankruptcy, litigation and/or adverse political developments.

A bond's credit quality is an assessment of the issuer's ability to pay interest on the bond, and ultimately, to pay the principal. Credit quality is evaluated by one of the independent bond-rating agencies, for example Moody's Investors Services (Moody's). The lower the rating, the greater the chance – in the rating agency's opinion — that the bond issuer will default, or fail to meet its payment obligations. Generally, the lower a bond's credit rating, the higher its yield should be to compensate for the additional risk.

Certain fixed income securities, including obligations of the U.S. government or those explicitly guaranteed by the U.S. government, are not considered to have credit risk.

For the year ending June 30, 2006 and 2005, the Plan is in adherence with the credit risk provision of the Statement of Investment Objectives and Policy Guidelines.

**RETIREMENT PLAN FOR SACRAMENTO REGIONAL TRANSIT
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ATU LOCAL 256 AND IBEW LOCAL 1245**

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2006
AND JUNE 30, 2005**

The following table provides information on the credit ratings and fair value associated with the Plan's investments as of June 30, 2006.

<u>Investment</u>	<u>Fair Value</u>	<u>Percentage of Portfolio</u>
Aaa	\$ 25,891,701	22.15%
Aa3	983,575	.84%
A1	1,751,043	1.50%
A2	405,465	.35%
A3	786,900	.67%
Baa1	574,282	.49%
Baa2	1,568,280	1.34%
Baa3	2,389,735	2.04%
Ba1	198,420	.17%
Ba2	219,653	.19%
Ba3	591,005	.51%
Caa1	218,137	.19%
Not Rated	81,332,502	69.56%
Total Fiduciary Fund	<u>\$ 116,910,698</u>	<u>100.00%</u>

The following table provides information on the credit ratings and fair value associated with the Plan's investments as of June 30, 2005.

<u>Investment</u>	<u>Fair Value</u>	<u>Percentage of Portfolio</u>
Aaa	\$ 24,421,734	22.22%
Aa3	2,110,442	1.92%
A1	1,511,127	1.37%
A2	453,015	.41%
A3	913,807	.83%
Baa1	742,730	.68%
Baa2	1,719,512	1.56%
Baa3	3,753,069	3.41%
Ba1	81,781	.07%
Ba3	253,429	.23%
Caa1	186,657	.17%
Caa2	664,625	.60%
Not Rated	73,112,785	66.53%
Total Fiduciary Fund	<u>\$ 109,924,713</u>	<u>100.00%</u>

**RETIREMENT PLAN FOR SACRAMENTO REGIONAL TRANSIT
DISTRICT EMPLOYEES WHO ARE MEMBERS OF
ATU LOCAL 256 AND IBEW LOCAL 1245**

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2006
AND JUNE 30, 2005**

CONCENTRATION OF CREDIT RISK

Concentration of credit risk is the risk associated with a lack of diversification of having too much invested in a few individual issuers, thereby exposing the organization to greater risks resulting from adverse economic, political, regulatory, geographic, or credit developments.

The investment policy of the Plan states that the investment in the securities of a single issuer shall not exceed 5% (at cost) of the value of the portfolio. None of the Plan investments in a single organization represent greater than 5% of its total investments.

CUSTODIAL CREDIT RISK

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party.

The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Plan's investment policy does not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments.

FOREIGN CURRENCY RISK

The Plan's investment policy states international equity shall be comprised of American Depository Receipts (ADR) of non-U.S. companies, common stocks of non-U.S. companies, preferred stocks of non-U.S. companies, foreign convertible securities including debentures convertible to common stocks, and cash equivalents.

The following table provides information on deposits and investments held in various foreign currencies, which are stated in U.S. dollars. The Plan does have foreign currency deposits and investments which may be used for hedging purposes.

**RETIREMENT PLAN FOR SACRAMENTO REGIONAL TRANSIT
DISTRICT EMPLOYEES WHO ARE MEMBERS OF
ATU LOCAL 256 AND IBEW LOCAL 1245**

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2006
AND JUNE 30, 2005**

At June 30, 2006, the U.S. dollar balances organized by investment type and currency denominations are as follows:

	<u>Foreign Currency</u>	2006 <u>U.S. Dollars</u>
Cash	Japanese Yen	\$ 17,808
Rights	Pound Sterling	6,972
Stocks	Canadian Dollar	98,158
	Euro Currency	6,981,265
	Japanese Yen	3,180,465
	New Zealand Dollar	99,623
	Pound Sterling	2,611,661
	Singapore Dollar	459,291
	Swiss Franc	924,219
Total:		<u>\$ 14,379,462</u>

At June 30, 2005, the U.S. dollar balances organized by investment type and currency denominations are as follows:

	<u>Foreign Currency</u>	2006 <u>U.S. Dollars</u>
Cash	Euro Currency	\$ (84,772)
	Japanese Yen	15,846
	Pound Sterling	(37)
Rights	Singapore Dollar	11,468
Stocks	Canadian Dollar	111,662
	Euro Currency	5,484,449
	Japanese Yen	2,311,497
	New Zealand Dollar	169,006
	Pound Sterling	2,082,205
	Singapore Dollar	331,950
	Swiss Franc	808,875
Total:		<u>\$ 11,242,149</u>

SUPPLEMENTAL SCHEDULES

**RETIREMENT PLAN FOR SACRAMENTO REGIONAL TRANSIT
DISTRICT EMPLOYEES WHO ARE MEMBERS OF
ATU LOCAL 256 AND IBEW LOCAL 1245**

**SCHEDULE OF FUNDING PROGRESS
FOR THE YEARS ENDED JUNE 30, 2006 AND JUNE 30, 2005**

Actuarial Valuation Date	Actuarial Value of Plan Asset	Actuarial Accrued Liability (AAL)	Underfunded Actuarial Accrued Liability (UAAL) (Col 3-Col 2)	Funded Ratio (Col 2/Col 3)	Annual Covered Payroll	UAAL as a Percentage of Payroll (Col 4/Col 6)
12/31/95	\$ 49,310,919	\$ 55,391,806	\$ 6,080,887	89.0%	\$20,875,667	29.1%
12/31/96	58,122,152	64,804,069	6,681,917	89.7%	22,177,662	30.1%
12/31/97	64,077,757	67,162,919	3,085,162	95.4%	22,356,916	13.8%
12/31/98	71,629,412	80,272,636	8,643,224	89.2%	24,723,530	35.0%
12/31/99	82,011,422	86,230,074	4,218,652	95.1%	24,971,784	16.9%
12/31/00	91,244,708	92,516,769	1,272,061	98.6%	29,278,602	4.3%
06/30/02	100,236,751	101,635,599	1,398,848	98.6%	29,929,217	4.7%
06/30/03	104,044,908	109,134,316	5,089,408	95.3%	35,057,594	14.5%
06/30/04	107,900,962	128,381,090	20,480,128	84.0%	37,678,844	54.4%
06/30/05	110,376,315	138,469,439	28,093,124	79.7%	41,284,406	68.0%

**RETIREMENT PLAN FOR SACRAMENTO REGIONAL TRANSIT
DISTRICT EMPLOYEES WHO ARE MEMBERS OF
ATU LOCAL 256 AND IBEW LOCAL 1245**

**SCHEDULE OF DISTRICT CONTRIBUTIONS
FOR THE YEARS ENDED JUNE 30, 2006 AND JUNE 30, 2005**

<u>Year Ending</u>	<u>Annual Required Contributions</u>	<u>Actual Contributions</u>	<u>Percentage Contributed</u>
12/31/95	\$ 2,169,656	\$ 2,169,656	100%
12/31/96	2,380,290	2,380,290	100%
12/31/97	2,503,431	2,503,431	100%
12/31/98	2,382,468	2,382,468	100%
12/31/99	2,430,995	2,430,995	100%
12/31/00	2,718,332	2,718,332	100%
06/30/02	4,515,243	4,515,243	100%
06/30/03	3,422,043	3,422,043	100%
06/30/04	3,881,742	3,881,742	100%
06/30/05	4,536,019	4,536,019	100%

The ARC is computed as a percentage applied to the District's actual covered payroll based on the contribution percentage required by the most recent actuarial valuation.

The table below summarized certain actuarial information from the most recent study:

Valuation Date:	July 1, 2005
Actuarial cost method:	Individual Entry Age
Amortization method:	Level Percentage Open Group
Remaining amortization period:	22 Years
Asset valuation method:	Market value adjustment to reflect investment earnings greater than (or less than) the assumed rate over a five-year period.
Actuarial assumptions:	
Investment rate of return	8.00%
Projected salary increases	4.54% to 9.19%
Includes inflation at	3.50%
Cost of living adjustments	None

(Note: This is the latest actuary study information)