# Comprehensive Annual Financial Report

For Fiscal Year Ended
December 31, 2007

UTAH TRANSIT AUTHORITY

Utah Transit Authority Strengthens
and connects communities

## UTA Mission Statement

"Utah Transit Authority
strengthens and connects communities
thereby enabling individuals to pursue a fuller life
with greater ease and convenience
by leading through partnering, planning, and wise investment
of physical, economic, and human resources."

# Comprehensive Annual Financial Report

For Fiscal Year Ended
December 31, 2007

Finance Department

Kenneth D. Montague, Jr.
Chief Financial Officer

Daniel J. Harps
Comptroller

UTA

UTAH TRANSIT AUTHORITY

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# INTRODUCTORY

June 1, 2008

To the Board of Trustees
Utah Transit Authority and
Citizens within the UTA Service Area

We are pleased to submit to you the Comprehensive Annual Financial Report (CAFR) of the Utah Transit Authority (the Authority) for the fiscal year ended December 31, 2007. This document has been prepared by the accounting and finance departments using the guidelines recommended by the Government Finance Officers Association of the United States and Canada and conforms with generally accepted accounting principles accepted in the United States of America and promulgated by the Governmental Accounting Standards Board.

This report contains financial statements and statistical data which provide full disclosure of all the material financial operations of the Authority. The financial statement and statistical information are the representation of the Authority's management which bears the responsibility for their accuracy, completeness and fairness.

The financial statements have been prepared on the accrual basis of accounting in conformance with generally accepted accounting principles. The Authority is accounted for as a single enterprise fund. This CAFR is indicative of the Authority's commitment to provide accurate, concise and high-quality financial information to the residents of its service area and to all other interested parties.

UTAH TRANSIT AUTHORITY
3600 SOUTH 700 WEST P.O. BOX 30810 SALT LAKE CITY, UTAH 84130-0810 TEL. 801.262.5626 www.rideuta.com

# The Authority

The Utah Transit Authority was incorporated on March 3, 1970, under authority of the Utah Public Transit District Act of 1969 for the purpose of providing a public mass transportation system for Utah communities. The Authority has been governed by a 15 member board of trustees which is the legislative body of the Authority and determines all questions of Authority policy. The number of board members will increase to 19 on July 1, 2008. Fifteen members of the Board of Trustees are appointed by each county municipality or combination of municipalities which have been annexed to the Authority. The Board will also include one member who is appointed by the Transportation Commission who acts as a liaison between the Authority and the Transportation Commission. One member of the board will be appointed by the Governor. One member will be appointed by the speaker of the Utah State House of Representatives and one member will be appointed by the President of the State Senate.

All nineteen members will have an equal vote as the Board of Trustees passes ordinances and sets policies for the Authority.

The responsibility for the operation of the Authority is held by the General Manager in accordance with the direction, goals and policies of the Authority's Board of Trustees. The General Manager has full charge of the acquisition, construction, maintenance, and operation of the facilities of the Authority and of the administration of the business affairs of the Authority. The General Manager supervises the executive staff which is organized into two groups, the Corporate Forum and the Business Unit Forum. The Corporate Forum includes the General Manager, Assistant General Manager, Chief Capital Development Officer, Chief Operating Officer, Chief Financial Officer, Chief Communications Officer, Chief Technology Officer, General Counsel and Executive Secretary. The Business Unit Forum includes the Regional General Manager of Meadowbrook, Regional General Manager of Mt. Ogden, Regional General Manager of Timpanogos, Regional General Manager of Special Services, Regional General Manager of Central, Rail Service General Manager, Chief Financial Officer, Chief Technology Officer and the Chief Operating Officer. Each group meets periodically to coordinate and manage the affairs and operations of the Authority. On a monthly basis both groups meet together in a Policy Forum to review and set management policies, goals and objectives. The Civil Rights Department also reports to the General Manager.

The Internal Auditor for the Authority reports to the Board of Trustees. An organizational chart which illustrates the reporting relationships follows in the introductory section.

The Authority serves the largest segment of population in the State of Utah known as the Wasatch Front. Its service area includes Salt Lake, Davis and Weber Counties, the Cities of Alpine, American Fork, Cedar Hills, Highland, Lehi, Lindon, Mapleton, Orem, Payson, Pleasant Grove, Provo, Salem, Spanish Fork and Springville and Provo Canyon in Utah County and the Cities of Tooele and Grantsville in Tooele County and that part of Tooele County comprising the unincorporated areas of Erda, Lakepoint, Stansbury Park, and Lincoln, and the cities of Brigham City, Perry and Willard in Box Elder County. The population of the Authority's service area is estimated at 2,121,188 and represents 79% percent of the State's total population.

Downtown Salt Lake City

# Current Year Review

The mission statement developed by the Authority's Board of Trustees continues to guide the activity and direction of the Transit Authority. The mission statement is:

*Utah Transit Authority strengthens and connects communities, thereby enabling individuals to pursue a fuller life with greater ease and convenience by leading through partnering, planning, and wise investment of physical, economic and human resources.*

During 2007 continued progress was made on the construction of the FrontRunner Commuter Rail Line from Salt Lake City through Davis and Weber counties to Pleasant View. At year end the project was over 90% completed and opened on April 26, 2008 for service to the public. FrontRunner is approximately 44 miles long and will operate between Pleasant View through the Ogden City Transit Center and terminate at the Salt Lake City Intermodal Center called Salt Lake Central Station.

The stations that opened on April 26, 2008 included Ogden, Roy Clearfield, Layton, Farmington, Wood Cross and Salt Lake City. The station in Pleasant View is expected to open in the fall of 2008. FrontRunner will operate on tracks exclusively for commuter rail for 38 miles between Salt Lake City and Ogden. The remaining six miles from Ogden to Pleasant View will operate on shared track with limited use by the Union Pacific Railroad. The commuter rail system operates diesel electric locomotives and uses multi-level passenger coaches and is capable of achieving a maximum speed of 79 miles per hour. The FrontRunner is an integrated part of the Authority's regional transit system. Buses will serve each of the individual stations providing connections to residential and commercial areas. The southern terminus, the Salt Lake Central station, provides a connection between commuter rail and light rail. The Salt Lake Central station is an intermodal hub that also serves Utah Transit Authority buses, Greyhound buses and the Amtrax station. In order to meet up with FrontRunner service, the TRAX system was extended from the Arena Station to the Intermodal hub called the Salt Lake Central station. There are two stops between the Arena station and the Salt Lake Central station. One at 100 South and 400 West, adjacent to the Gateway development called the Planetarium station and the second on 200 South at 500 West called Old Greek Town. This TRAX extension was also completed in the Spring of 2008 and opened for service on April 26th to meet FrontRunner service.

After successfully completing a pilot program for electronic fare collection on UTA's ski service in 2007, the Authority determined to expand the electronic fare collection systemwide. This new system allows patrons using the bus system to touch and ride. Patrons with an appropriate pass will be able to touch the pass to the reader to allow them to ride. Other riders will be able to pay for their ride by use of a contactless debit or credit card which when touched to the reader will automatically charge the appropriate fare to the patron's debit or credit card account. This system will bring an added convenience to customers for the payment of fares and will help UTA provide better service by monitoring ridership and passenger useage. During 2007, the Authority acquired ten additional commuter "over the road" buses to be able to provide better service to that segment of the market and to retire older buses.

FrontRunner Track Work

In August of 2007, the Authority implemented the largest change in bus service in UTA history taking place in the Salt Lake service area serving Salt Lake County and South Davis County. In 2003 UTA staff began evaluating alternatives for increasing ridership on fixed route bus service in the Salt Lake service area. With the help of a national transit planning consulting firm, consultation with the Wasatch Front Regional Council and review of its own studies on ridership statistics, UTA staff used the market research concepts of reliability and predictability to begin designing a new bus system. UTA staff began to implement the Salt Lake Bus Redesign in September 2006 when it formed an Interdepartmental Bus Redesign Team. The Bus Redesign Team held numerous public hearings throughout the spring of 2007 and made many adjustments to the bus system design as a result of public comment. The redesigned bus system was placed into service in August of 2007. As expected there was a slight drop in ridership as some riders were displaced and others needed to learn how to use the new system. The new redesign is expected to be more efficient and effective in meeting the transportation needs of a greater portion of the population it serves and it is expected that it will result in increases in ridership in the future and reverse a trend of declining ridership that had occurred over the past several years.


FrontRunner Grand Opening

# Future Plans

In August of 2007 the Federal Transit Administration and the Utah Transit Authority signed a historic Memorandum of Understanding that provides an estimated $570 million in potential federal funding grants for the construction of light rail lines in Salt Lake County. This Memorandum of Understanding along with additional sales tax revenue approved by the voters in 2006 has enabled the Authority to embark upon a major rail expansion program called the FrontLines 2015 Program. The FrontLines 2015 Program will include a FrontRunner extension through Salt Lake County into Utah County. This project will be 44 miles long and serve the communities in southern Salt Lake County as well as all of Utah County south to Provo and eventually to Payson. The FrontRunner corridor will run approximately parallel to I-15 going south from Salt Lake City. It will provide alternative transportation for the communities it serves as well as help relieve congestion on I-15. The FrontLines 2015 program will also include four light rail extensions in Salt Lake County. The Mid-Jordan TRAX extension will run through the communities of Murray, Midvale, West Jordan and South Jordan along the existing Bingham branch railroad. A West Valley City TRAX extension would extend from the existing 2100 South TRAX station in South Salt Lake to the future West Valley City Intermodal Center which will be located near the communty's city hall. This extension would be approximately five miles long and have four stations stopping at major locations including the E Center Arena. An airport light rail extension between Salt Lake City and the city's international airport would follow an approximately six mile west/east corridor and will transport passengers from the Salt Lake Central station which is the intermodal hub to the airport. The fourth light rail project will be an extension of the current north/south line from Sandy into Draper.

Although completion dates for each of the projects are still undetermined they are all expected to be completed by the year 2015. More information about these projects as they develop can be found at UTA's website, www.rideuta.com.

The Authority is excited to embark upon the FrontLines 2015 program and looks forward to providing a transportation network of commuter rail, light rail and bus service along the Wasatch Front that will provide a first class transit operation.

In 2008 the Authority anticipates opening it's first Bus Rapid Transit line traveling from 5600 West on 3500 South, east along 3500/3300 South to the East Mill Creek TRAX line station. The line will be called MAX and will be served by ten buses that were specially designed for the service which will facilitate easy access for getting on and off the buses. Buses will be equipped with traffic pre-emption capabilities which should reduce the travel time through the corridor.


New Bus Rapid Transit Vehicle

# The Economic Condition and Outlook

The Council of Economic Advisors, an Advisory Committee to the Governor, publishes an annual report, *Economic Report to the Governor*. The primary goal of the report is to improve understanding of the Utah Economy. This will help decision makers in the public and private sector plan, budget and make policy with an awareness of how their actions are both influenced by and impact economic activity. The "Major Findings" of the 2008 report states:

> **"Overview of the Economy** - Utah's economy grew rapidly during 2007. For the fourth consecutive year, the state outperformed the nation. Utah's job growth was 4.5% compared to 1.3% nationally. With this strong growth, Utah appears poised to repeat the long expansion of the 1990s. Strong growth in the construction and professional and business services sectors, as well as in exports and defense spending, strengthened the Utah economy in 2007.
>
> **"Education** - In 2007, there were an estimated 537,650 students in Utah's public education system, a 2.6% increase over 2006. Enrollment in 2007 increased by 13,650 students. These students are becoming increasingly diverse and score respectably with their national peers. Utah System of Higher Education enrollment for 2007 was 140,605, a slight decrease from 2006 when enrollment was 144,302.
>
> **"Mountain States** - The Mountain Region is expanding more rapidly than the nation and is emerging as a growth center. Comparing September 2006 with September 2007, mountain state employment grew 2.5%, nearly twice the nation's growth of 1.3%. Further, the area held three of the top five fastest growing states. However, the Mountain Region continues to pay lower wages, with only Colorado above the national average.
>
> **"Outlook for 2008** - As the expansion moderates, Utah's economy will continue on the growth path that began in 2004. With strong growth during 2007 and the continuing momentum of expansion, employment should grow 3.2% during 2008. The unemployment rate is expected to remain low at 2.9%. Natural resources and mining should be up with 7.1% job growth."

New FrontRunner Train at Salt Lake Central Station

# Financial Information

Internal Control

The Authority is responsible for establishing and maintaining internal control designed to insure that its assets are protected from loss, fraud, theft, or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. Internal control is designed to provide reasonable but not absolute assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of control should not exceed the benefits likely to be derived. The valuation of costs and benefits requires estimates and judgments by management.

Basis of Accounting

The Authority's accounting records are maintained on the accrual basis in accordance with accounting principles generally accepted in the United States, promulgated by the Government Accounting Standards Board. The activities are reported through use of a single enterprise fund.

Budgetary Control

The Authority prepares an annual budget for current revenues and expenses as well as capital projects. A proposed budget is presented to its Board of Trustees and sent to the Governor's office, state legislature and local government officials for a 30 day comment period. The budget is then adopted after public discussion. Budgetary control is maintained at the department level. Department managers are assigned the responsibility for controlling their operating expenses. The Board of Trustees must approve all increases or decreases to the Net Operating Expense and Capital Budget. The General Manager shall see that the Authority does not generate less than the annually budgeted amount of available funds.

Cash Management

Available cash was invested during the year in accordance with the Utah Money Management Act and the rules of the Utah Money Management Council. All of the Authority's available cash for investing was invested with the Public Treasurer's Investment Fund managed by the Utah State Treasurer's office.

Risk Management

The Authority is self-insured for public liability and property damage claims. The Authority also operates a self-insurance program for its Workers' Compensation claims. The Authority maintains a staff of qualified and licensed claims adjusters to carry out its program. Claims are paid with general operating revenues of the Authority and are reported as an administrative expense.

Financial Policies

The Authority has an "Ends Policy" that states:
"The Authority secures funding to meet future growth needs..." through increases in Sales Tax Revenues and Federal Transit Administration Capital Project Grants. The Authority has acquired additional funding to meet the needs of the FrontLines 2015 and other programs. This funding has had an impact on the Authority by significantly increasing revenues and assets.

For a more complete review of the Authority's financial activities please refer to Section Two which contains the Auditor's Report, Management's Discussion and Analysis, the Financial Statements and accompanying notes.

# Debt Administration

The Authority has sold Sales Tax Revenue bonds to partially finance the purchase and construction of various capital assets. Payment of debt service on the outstanding bonds is secured by a pledge of sales tax revenues and other revenues of the Authority.

During 2007 the Authority issued $261,124,108 Series 2007A Bonds for the joint purpose of providing construction funds for the FrontLines 2015 program and other system improvements, and for the early redemption of a portion of the 2005B Bonds.

As of December 31, 2007 the Authority had $641,179,109 in outstanding bonds.

For a more complete review of the Authority's financing activities please refer to Section Two which contains the Auditors Report, Management's Discussion and Analysis, the Financial Statements and accompanying notes.


FrontRunner Service Facility

FrontRunner Test Run Roy Station

FrontRunner Track Construction

## OTHER INFORMATION

Independent Audit

State law requires that the Authority cause an independent audit to be performed on an annual basis. The Authority's independent auditors, Deloitte & Touche LLP, have rendered an unqualified audit report on the Authority's financial statements. The auditor's report on the financial statement with accompanying notes is included in the Financial Section of this comprehensive annual financial report.

The Authority also has a single audit of all Federally funded programs administered by this agency as a requirement for continued funding eligibility. The Single Audit is mandatory for most local governments including the Utah Transit Authority.

## CERTIFICATE OF ACHIEVEMENT

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Utah Transit Authority for its comprehensive annual financial report for the fiscal year ended December 31, 2006. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. 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 comprehensive annual financial report 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.

## ACKNOWLEDGMENTS

The preparation of the comprehensive annual financial report on a timely basis requires dedicated, extra efforts of the staff of several departments. I wish to express my appreciation to all department staff and managers who contributed to this report with special recognition to Toni Landvatter, Executive Assistant; Dan Harps, UTA Comptroller; Kent Maxfield, Graphic Artist; and Blair Lewis, Graphic Artist.

Sincerely,

Kenneth D. Montague, Jr.
Chief Financial Officer

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

## Utah Transit Authority

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2006

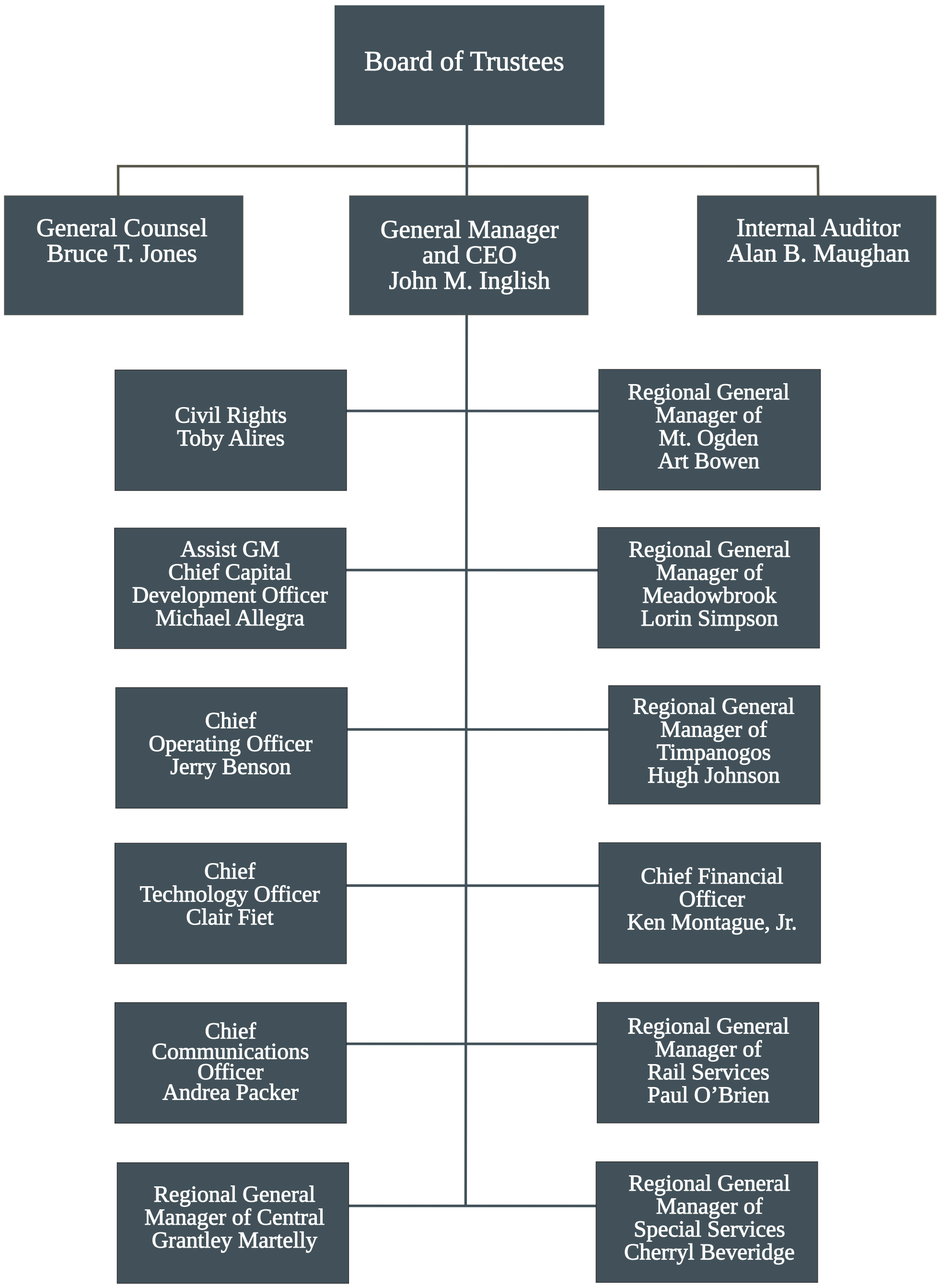
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards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

GOVERNMENT FINANCE OFFICERS ASSOCIATION OF THE UNITED STATES AND CANADA CORPORATION SEAL CHICAGO

President

Executive Director

# ORGANIZATIONAL CHART



# Utah Transit Authority Board of Trustees

# Board of Trustees Appointments

| Appointed By | Number of Seats | Current Member | Date Oath or Seated | Term Number |
|---|---|---|---|---|
| The municipalities within Salt Lake County and the municipalities of Grantsville and Tooele in Tooele County | 7 | Orrin T. Colby, Jr. | February 28, 2007 | 1 |
| | | Gregory Hughes | January 25, 2006 | 2 |
| | | Michael E. Romero | February 28, 2007 | 1 |
| | | Necia Christensen | December 13, 2000 | 3 |
| | | Michelle Baguley | June 23, 2004 | 2 |
| | | Gregory M. Simonsen | September 27, 2006 | 1 |
| | | Terry C. Diehl | September 26, 2001 | 2 |
| Salt Lake County Unincorporated | 1 | Charles Henderson | January 23, 2008 | 1 |
| Salt Lake City | 1 | Keith Bartholomew | May 26, 2004 | 2 |
| The municipalities within Utah County | 2 | Burtis Bills | April 25, 2007 | 1 |
| | | Larry Ellertson | September 21, 2005 | 2 |
| The municipalities within Davis County | 2 | A. DeMar Mitchell | February 25, 2004 | 2 |
| | | Steven K. Randall | August 25, 1999 | 2 3 |
| The municipalities within Weber County and the municipalities of Brigham, Perry and Willard in Box Elder County | 2 | Frederick W. Oates | February 22, 2006 | 2 |
| | | Robert A. Hunter | December 18, 2002 | 2 |
| Appointed by Transportation Commission, Ex Officio Member | 1 | Commissioner J. Kent Millington | May 23, 2007 | N/A |

# Board of Trustees and Administration

Board of Trustees as of June 1, 2008

| | |
|---|---|
| TRUSTEES | Michelle Baguley |
| | Keith Bartholomew |
| | Burtis Bills |
| | Necia Christensen |
| | Orrin T. Colby, Jr. |
| | Terry C. Diehl |
| | Larry Ellertson |
| | Charles Henderson |
| | Gregory Hughes |
| | Robert A. Hunter |
| | A. DeMar Mitchell |
| | Frederick W. Oates |
| | Steven K. Randall |
| | Michael E. Romero |
| | Gregory M. Simonsen |
| Ex Officio | Commissioner J. Kent Millington |

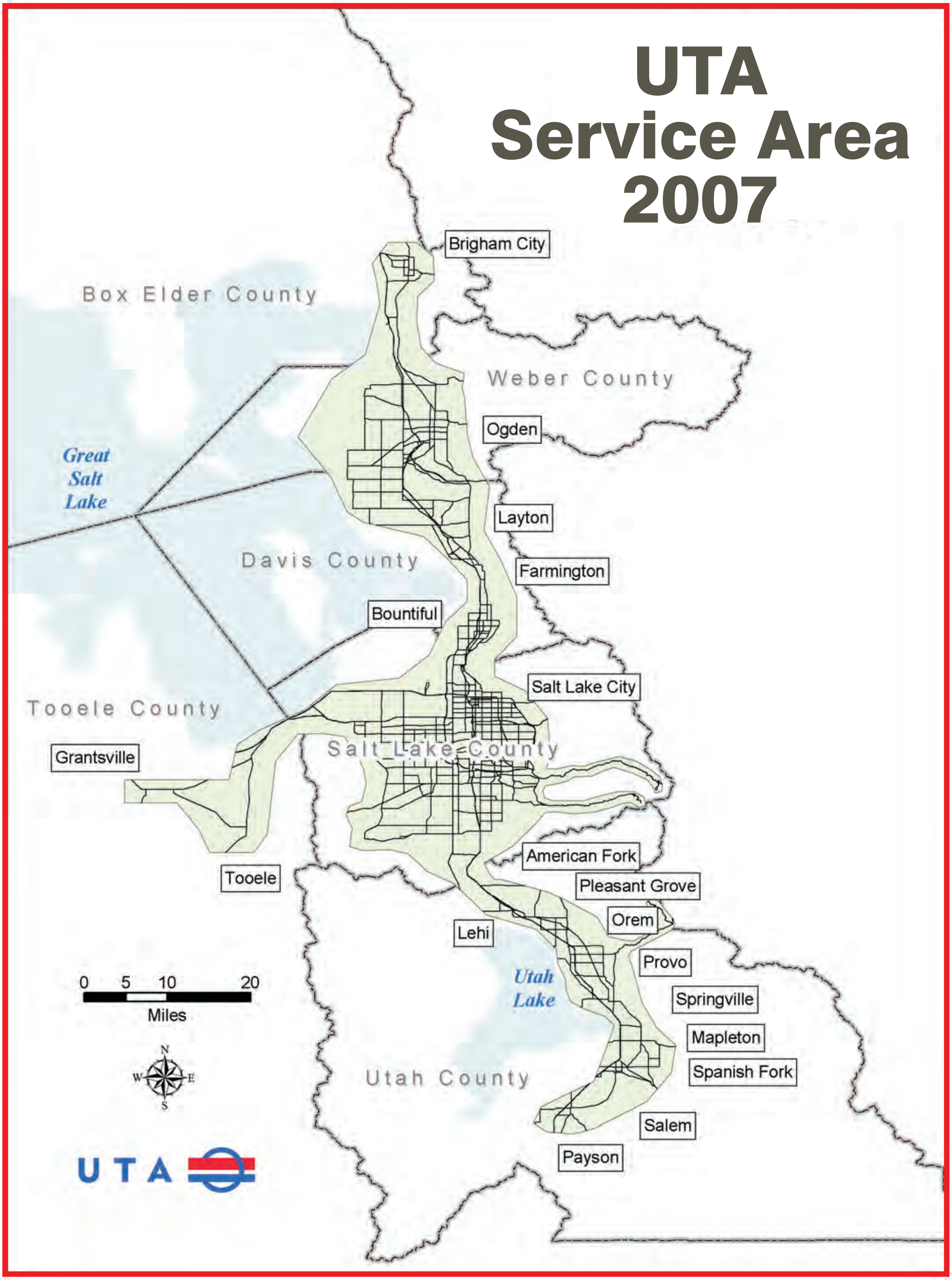
Officers of the Authority

| | |
|---|---|
| PRESIDENT | Orrin T. Colby, Jr. |
| VICE PRESIDENT | Robert A. Hunter |
| GENERAL MANAGER and CHIEF EXECUTIVE OFFICER* | John M. Inglish |
| GENERAL COUNSEL* | Bruce T. Jones |
| SECRETARY/TREASURER and CHIEF FINANCIAL OFFICER* | Kenneth D. Montague, Jr. |
| COMPTROLLER* | Daniel J. Harps |

Administration of the Authority

| | |
|---|---|
| GENERAL MANAGER and CHIEF EXECUTIVE OFFICER | John M. Inglish |
| ASSISTANT GENERAL MANAGER and CHIEF CAPITAL DEVELOPMENT OFFICER | Michael Allegra |
| CHIEF OPERATING OFFICER | Jerry R. Benson |
| REGIONAL GENERAL MANAGER OF SPECIAL SERVICES | Cherryl Beveridge |
| REGIONAL GENERAL MANAGER OF MT. OGDEN | Art Bowen |
| CHIEF TECHNOLOGY OFFICER | F. Clair Fiet |
| REGIONAL GENERAL MANAGER OF TIMPANOGOS | Hugh Johnson |
| GENERAL COUNSEL | Bruce T. Jones |
| REGIONAL GENERAL MANAGER OF CENTRAL | Grantley Martelly |
| CHIEF FINANCIAL OFFICER | Kenneth D. Montague, Jr. |
| REGIONAL GENERAL MANAGER OF RAIL SERVICE | Paul O'Brien |
| CHIEF COMMUNICATIONS OFFICER | Andrea Packer |
| REGIONAL GENERAL MANAGER OF MEADOWBROOK | Lorin Simpson |

*(not on the Board of Trustees)


UTA
Service Area
2007
Brigham City
Box Elder County
Weber County
Ogden
Great
Salt
Lake
Layton
Davis County
Farmington
Bountiful
Salt Lake City
Tooele County
Grantsville
Salt Lake County
American Fork
Tooele
Pleasant Grove
Orem
Lehi
Provo
Utah
Lake
Springville
0 5 10 20
Miles
N
W
E
S
Mapleton
Spanish Fork
Utah County
Salem
Payson
UTA

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# FINANCIAL

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## INDEPENDENT AUDITORS' REPORT

The Board of Trustees of
Utah Transit Authority:

We have audited the accompanying financial statements of Utah Transit Authority ("the Authority") as of December 31, 2007 and 2006, and for the years then ended, listed in the foregoing table of contents. These financial statements are the responsibility of the management of the Authority. 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 audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the financial position of Utah Transit Authority as of December 31, 2007 and 2006, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Management's Discussion and Analysis listed in the table of contents is not a required part of the basic financial statements, but is supplementary information required by the Governmental Accounting Standards Board ("GASB"). This supplementary information is also the responsibility of the management of the Authority. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

The introductory and statistical sections listed in the foregoing table of contents are presented for the purpose of additional analysis and are not a required part of the basic financial statements of the Authority. Such additional information has not been subjected to the auditing procedures applied in our audits of the basic financial statements and, accordingly, we express no opinion on it.

Deloitte & Touche LLP

May 21, 2008

## MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of Utah Transit Authority's (the Authority) annual financial report presents our discussion and analysis of the Authority's financial performance during the fiscal years ended on December 31, 2007 and December 31, 2006.

Following this Management Discussion and Analysis are the basic financial statements of the Authority together with the notes thereto which are essential to a full understanding of the data contained in the financial statements.

### FINANCIAL STATEMENTS

The Authority's financial statements are prepared on an accrual basis in accordance with accounting principles generally accepted in the United States of America, promulgated by the Governmental Accounting Standards Board. The Authority reports as a single enterprise fund. Revenues are recognized when earned and expenses are recognized in the period in which they are incurred. See the notes to the financial statements for a summary of the Authority's significant accounting policies.

### FINANCIAL HIGHLIGHTS

The Authority has been engaged in a major commuter rail construction project which is projected to cost in excess of $600 million. In June 2006, the Authority entered into a Full Funding Grant Agreement (FFGA) with the Federal Transit Administration (FTA) calling for the FTA to provide approximately $480 million in funding for the project to be received over a six year period. The Authority has also developed and implemented what is known as the 2015 Plan to construct an extension of the commuter rail into Utah County and four additional light rail lines. Many of the changes in the financial statements are a result of these construction projects and associated funding agreements with the FTA.

**Condensed Statements of Net Assets**
*(in thousands of dollars)*

| | 12/31/2007 | 12/31/2006 | Increase (Decrease) From 2006 | Percent Increase/ Decrease | 12/31/2005 |
|---|---|---|---|---|---|
| ASSETS: | | | | | |
| Current assets | $514,487 | $148,634 | $365,853 | 246.14% | $132,245 |
| Other assets | 554 | 548 | 6 | 1.09% | 543 |
| Restricted and designated assets | 10,741 | 98,739 | (87,998) | -89.12% | 125,963 |
| Capital assets | 1,317,874 | 1,026,392 | 291,482 | 28.40% | 828,339 |
| Total assets | 1,843,656 | 1,274,313 | 569,343 | 44.68% | 1,087,090 |
| LIABILITIES: | | | | | |
| Current liabilities | 72,286 | 60,747 | 11,539 | 19.00% | 42,479 |
| Long term debt | 659,247 | 538,447 | 120,800 | 22.43% | 420,223 |
| Total liabilities | 731,533 | 599,194 | 132,339 | 22.09% | 462,702 |
| NET ASSETS: | | | | | |
| Invested in capital assets net of related debt | 652,232 | 550,960 | 101,272 | 18.38% | 505,893 |
| Restricted for debt service | 3,702 | 4,428 | (726) | -16.40% | 3,712 |
| Restricted for Insurance | 264 | 254 | 10 | 3.94% | 128 |
| Unrestricted | 455,925 | 119,477 | 336,448 | 281.60% | 114,655 |
| Total net assets | $1,112,123 | $675,119 | $437,004 | 64.73% | $624,388 |

**2007 Results**

The Authority has a FFGA with the FTA for the construction of the current commuter rail project known as Front Runner which will be open for revenue service on April 26, 2008. The FFGA will reimburse the Authority for the costs of construction over a period of six years as the funds are appropriated by Congress. The costs of the construction which have not been reimbursed by FTA as of December 31, 2007, are recorded as a receivable, and accounts for approximately $300 million of the increase in current assets. In 2007, Salt Lake and Utah Counties enacted an additional 1/4 of one percent sales tax to help fund upcoming rail projects. This has resulted in an increase in sales tax receivables and current assets of approximately $12.5 million.

The costs of the commuter rail construction were partially paid out of construction funds that were set aside for this purpose, and accounts for the $88 million reduction in restricted assets. The Front Runner construction also is reflected in the increase in capital assets, along with other construction projects for expansion of the light rail lines, purchases of land, rights of way, and revenues vehicles. (See notes to financial statements for additional details)

The Authority issued an additional $120 million in bonds in 2007 to help finance the above noted construction projects. This is the reason for the increase in long term debt. The increased accrued interest payable on the increased debt and large construction payables at year end account for the $11.5 million increase in current liabilities.

An increase in net assets over time may serve as a useful indicator of a government's financial position. For the fiscal years ended December 31, 2007 and December 2006 respectively, the Authority's increase in net assets was $437.1 million and $50.7 million. These increases were primarily due to the increases in current assets and capital assets as discussed above.

**2006 Results**

During 2006, the strong Utah economy resulted in an increase of 13.7% in the transit sales tax for the Authority and the increase in sales tax receivable at year end is one of the reasons for the $16 million increase in current assets.

Another significant event in 2006 was the construction of the large commuter rail project called Front Runner. This large project is the main reason for most of the changes on the Statement of Net Assets from 2005.

Current assets also increased due to the federal funds due from the FTA for the commuter rail project. The construction costs have been paid out of bond construction funds which resulted in the decrease of $27 million in restricted assets and the commuter rail costs, along with the purchase of $18.5 million in revenue vehicles, accounts for the large increase in capital assets of $198 million. (See notes to financial statements for more detail). The large construction costs payable at year end resulted in the increase in current liabilities of $18 million.

The commuter rail project required additional bonding of $175 million and is reflected in the increase in long term debt of $118 million. $50 million of previous debt issues were also retired during 2006. (See notes to financial statements for more detail).

**Condensed Statements of Revenues, Expenses and Change in Net Assets**

*(in thousands of dollars)*

| | 2007 | 2006 | Increase (Decrease) From 2006 | Percent Increase/ Decrease | 2005 |
|---|---|---|---|---|---|
| Operating revenues | $25,641 | $24,627 | $1,014 | 4.12% | $22,240 |
| Operating expenses | 195,976 | 186,931 | 9,045 | 4.84% | 176,884 |
| Excess of operating expenses over operating revenues | (170,335) | (162,304) | $8,031 | 4.95% | (154,644) |
| Non-operating revenues | 233,622 | 188,976 | 44,646 | 23.63% | 155,148 |
| Non-operating expenses (interest) | (15,522) | (14,324) | $1,198 | 8.36% | (11,454) |
| Gain,(loss) before contributions | 47,765 | 12,348 | $35,417 | 286.82% | (10,950) |
| Capital contributions | 389,239 | 38,383 | 350,856 | 914.09% | 24,032 |
| Change in net assets | 437,004 | 50,731 | $386,273 | 761.41% | 13,082 |
| Total net assets beginning of year | 675,119 | 624,388 | 50,731 | 8.12% | 611,306 |
| Total net asset end of year | $1,112,123 | $675,119 | $437,004 | 64.73% | $624,388 |

**Summary of Revenues for the year ended December 31:** *(in thousands)*

| | 2007 | 2006 | Increase (Decrease) From 2006 | Percent Increase/ Decrease | 2005 |
|---|---|---|---|---|---|
| Operating: | | | | | |
| Passenger revenue | $24,308 | $23,506 | $802 | 3.4% | $21,283 |
| Advertising | 1,333 | 1,121 | 212 | 18.9% | 957 |
| Total operating | 25,641 | 24,627 | 1,014 | 4.1% | 22,240 |
| Non-operating: | | | | | |
| Sales tax revenues | 191,688 | 138,546 | 53,142 | 38.4% | 121,833 |
| Federal non capital assistance | 31,497 | 31,333 | 164 | 0.5% | 28,466 |
| Interest income | 9,149 | 9,828 | (679) | -6.9% | 4,105 |
| Other | 1,288 | 9,269 | (7,981) | -86.1% | 744 |
| Total non-operating | 233,622 | 188,976 | 44,646 | 23.6% | 155,148 |
| Capital contributions | 389,239 | 38,383 | 350,856 | 914.1% | 24,032 |
| Total Revenues | $648,502 | $251,986 | $396,516 | 157.4% | $201,420 |

**2007 Results**
The Authority implemented a fare increase effective July 1, 2007 resulting in an increase in passenger revenue of $802,000 or 3.4%.

The sales tax increase by Salt Lake and Utah Counties account for approximately $42.9 million of the increase in sales tax revenues, with approximately $10.2 million or 7.4% of the increase due to the growing Utah economy for most of 2007.

The decrease in the construction funds that were used for the Front Runner project resulted in a decrease in funds that were earning interest and the 6.9 % decrease in interest income.

The decrease in other revenues is due to a large gain on property sold last year which increased last year's other revenues. Other revenues for 2007 show a return to normal levels.

The large increase in capital contributions of $350.9 million is due to the Federal contributions earned and due from the FTA for the Front Runner rail project construction costs and other Federal grant monies earned.

**2006 Results**
During 2006, passenger revenues increased by $2.2 million or 10.4% which was due to an increase in passengers carried of 1.6 million or 4.5% and an increase in the base fare from $1.40 to $1.50 or 7%.  This increase in passengers was mainly in rail service and vanpools. (see ridership comparison)

Sales tax revenues continue to reflect the strong Utah economy with an increase of $16.7 million or 13.7%.

The increase in federal non capital assistance is due primarily to an increase in federal funds for reimbursement of interest on bonds issued for the commuter rail.

Interest income increased by approximately $5.7 million as a result of large bond construction fund balances during most of the first part of the year and higher interest rates being earned on investments.

The increase in other revenues is due to a large gain on the sale of surplus real estate held by the Authority but was no longer needed for transit use.

**Summary of Expenses for the year ended December 31:** *(in thousands)*

| | 2007 | 2006 | Increase (Decrease) From 2006 | Percent Increase/ Decrease | 2005 |
|---|---|---|---|---|---|
| Operating expenses: | | | | | |
| Bus service | $74,210 | $69,471 | $4,739 | 6.8% | $67,537 |
| Rail service | 18,502 | 16,346 | 2,156 | 13.2% | 14,611 |
| Paratransit service | 13,135 | 12,077 | 1,058 | 8.8% | 11,670 |
| Other services | 646 | 909 | (263) | -28.9% | 866 |
| Operations support | 20,713 | 18,806 | 1,907 | 10.1% | 17,399 |
| Administration | 20,648 | 19,215 | 1,433 | 7.5% | 16,948 |
| Major investment studies | 2,062 | 3,301 | (1,239) | -37.5% | 1,499 |
| Depreciation | 46,060 | 46,806 | (746) | -1.6% | 46,354 |
| Total operating expense | 195,976 | 186,931 | 9,045 | 4.8% | 176,884 |
| Interest expense | 15,522 | 14,324 | 1,198 | 8.4% | 11,454 |
| Total expenses | $211,498 | $201,255 | $10,243 | 5.1% | $188,338 |

**2007 Results**
During 2007, bus service expenses increased by approximately $4.7 million or 6.8% primarily due to contracted labor increases and an increase in fuel costs of 8.2% due to the increase in per gallon prices.  Fuel went from an average of $2.19 to $2.37 per gallon.

Rail service expenses have increased by approximately 2.1 million or 13.2%.  2007 has seen an increase in the power to run light rail trains of approximately 15%.  In addition more vehicles are coming off warranty and credits for warranty items have been reduced.  Also an increase in personnel was needed to begin implementing the start up of commuter rail in April of 2008.  This was especially needed in operations as commuter rail operators are going through a long training process.

Operations support costs are up by $1.9 million due to several factors.  Facilities maintenance has seen an increase in utilities costs and increased maintenance costs and snow removal costs due to the wet winter.  Training of a large number of new operators due to a shortage of operators has also contributed to the increase.  Also, there has been a significant increase in security personnel.

The $1.4 million or 7.5% increase in administration costs are due to continued increase costs for technology development, increased advertising to provide information to the public concerning a major change that was implemented in all the Salt Lake bus service routes and increased recruiting costs to hire bus operators due to a shortage caused by the tight labor market in Utah with unemployment levels below 3% for several years.

Major investments expenses are down by $1.23 million or 37.5 % due to a significant amount of the preliminary planning activities being completed and efforts being shifted to the construction phase of the projects.

**2006 Results**
During 2006, bus service expenses increased by approximately 1.9 million or 2.9% due primarily to a large increase in fuel costs. The average fuel price went from $1.89 to $2.19 per gallon or a 16% increase.

Rail expenses have increased by approximately $1.7 million due to several factors. Rail service miles are up by 3% over 2005 and the parts cost reflect an increase due to some of the vehicles coming off warranty.

Administration costs are up by approximately $3 million or 17.8% due primarily to increased costs for technology development, deployment and support, increased insurance costs, and higher employee recruitment and training costs due to a tight labor market and the Authority's growth.

Planning studies for new proposed light rail lines have increased the major investment studies cost by approximately $1.8 million or 120% for the year.

Interest expense increased by approximately $2.8 million due to a new $175 million bond which was issued for the commuter rail construction project.

**Capital Asset Activity:**

During 2007, the Authority expended approximately $337 million for capital assets. Approximately $175 million was expended for the Front Runner rail project. In 2007 the Authority developed and implemented what is known as the 2015 Plan which is for the construction of an extension of the commuter rail south into Utah County and light rail extension for the Mid Jordan, West Valley, Draper and Airport lines. Approximately $58 million was spent on the 2015 Plan during 2007, which includes some land, right of way purchases and preliminary engineering. Also during 2007 the Authority worked on the extension of the current light rail line to connect with the commuter rail terminal in Salt Lake. This accounted for approximately $17 million in costs. The Authority also expended approximately $31 million for revenue vehicles and approximately $23 million for purchase of building and land for the housing of the capital development staff and contractors.
(Readers wanting additional information should refer to note 4 in the notes to financial statements).

During 2006, the Authority expended approximately $248 million for capital assets. The most significant expenditures were $226 million for construction of the commuter rail line and purchase of land along the rail right of way. Approximately $18.2 million was expended for purchase of revenue vehicles and associated parts. An additional $2 million was expended for the construction of a new light rail station.
(Readers wanting additional information should refer to note 4 in the notes to financial statements).

**Debt Administration:**

During 2007, the Authority's underlying bond rating remained at "AAA" by Standard and Poor's (S&P) and remained at "Aa3" by Moody's.

During 2007, the Authority issued the following Subordinate bonds which have the following underlying ratings:
Fitch AA-, Moody's A1, and S&P AA-
2007A Series: $261,124,108.55
$129,997,039.95
Construction of rail projects.
$131,127,068.60
Advanced refunding of $142,625,00 of the 2005B Series bond for a net present savings of $4,265,631.

(Readers wanting additional information should refer to note 8 in the notes to financial statements)

During 2006, the Authority's underlying bond rating as reported by S&P was raised to "AAA" from "AA" and remained at Aa3 by Moody's.

During 2006, the Authority issued the following bonds:
2006A Series: $87,500,000
Construction of the commuter rail line.
2006B Series: $87,500,000
Construction of the commuter rail line.
2006C Series: $134,650,000
Advanced refunding of $145,650,000 of the 2002A Series bond for a net present value savings of $7,539,744.

During 2006, the Authority retired the 2002B Series bond for $50,000,000.

**Authority's significant activities:**

During 2007, the Authority has completed nearly all of the construction of the commuter rail line from Salt Lake to Ogden and is finishing up on the stations and park and rides. The line opened up for revenue service in April 2008. In conjunction with the commuter rail, the Authority is finishing up an extension from the end of the existing light rail line that will connect with the commuter rail line at the Salt Lake Central station. This extension was also opened for revenue service in April 2008.

In 2007, the Authority also awarded a contract for the extension of the commuter rail south into Utah County. Preliminary design is nearing completion and early actions items such as utility relocation will begin in the summer of 2008.

The Authority also has awarded contracts for 4 additional light rail lines. Two of these lines (Mid Jordan and Draper) will be under a FTA grant and the Authority received approval for Preliminary Engineering in 2007 and a limited letter of no prejudice to begin utility work and advance purchase of long lead items. Approval for final design is expected in mid 2008, and then a request for a FFGA will be submitted.

Final design for the West Valley line is almost completed and a contractor for the final design on the Airport line has been selected.

During 2006, the FTA submitted the FFGA for the commuter rail line to Congress for the required 60 day comment period prior to approval, and in June 2006, the FFGA was awarded.

In 2006, the Authority opened a new light rail station at 9400 South by the South Towne Exposition Hall.

During 2006, the Authority has been doing study work on 4 additional light rail lines and an extension of the commuter rail line south to Utah County. Approval for entering into preliminary engineering for the Mid-Jordan line was submitted to FTA in 2006.

In November 2006 the voters of Salt Lake County and Utah County voted to increase the transit sales tax to help fund the new light rail lines in Salt Lake County and the extension of the commuter rail into Utah county.
(See footnote 2F)

**Ridership Comparison (passenger boardings in thousands)**

| | 2007 | 2006 | Increase (Decrease) From 2006 | Percent Increase/ Decrease | 2005 |
|---|---|---|---|---|---|
| Bus Service | 20,708 | 21,102 | (394) | -1.9% | 21,608 |
| Rail Service | 12,317 | 14,838 | (2,521) | -17.0% | 12,998 |
| Paratransit service | 484 | 495 | (11) | -2.2% | 487 |
| Vanpools | 1,657 | 1,344 | 313 | 23.3% | 1,070 |
| Total regular service | 35,166 | 37,779 | (2,613) | -6.9% | 36,163 |

In 2007, the Authority implemented Automatic Passenger Counters (APC) on the light rail vehicles. The APC's were implemented to try and obtain a more accurate count of passengers compared to the statistical sampling being used to estimate ridership. The APC information has indicated that the previous years counts based on statistical counting and estimates were probably high, and therefore rail ridership shows a decrease in passenger counts of 17% in 2007 as compared to 2006. Actual passenger revenues and parking lot usage indicated that ridership was actually flat compared to 2006.

In August 2007, the Salt Lake business units implemented a major redesign of all the bus routes and this contributed to the decrease in the bus ridership until the riders familiarize themselves with the new routes. It is expected that the redesigned system will be more efficient and effective for riders and will result in increased ridership in the future.

Vanpool passengers are up by 23% due to an increase in the number of vanpools. The increase in vanpools is due to an ever-increasing demand for this type of service. Many companies and government agencies are subsidizing part or all of the cost of this program and individuals can use pre-tax deductions to pay their costs. Vanpools allow participants to have more personal service, especially in areas where regular bus service may not be adequate for their needs.

Rail ridership in 2006 was up by 14.2% which is being attributed to the large increase in fuel prices.

Vanpool passengers are up by 26% due to an increase in the number of vanpools.

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**UTAH TRANSIT AUTHORITY**
**COMPARATIVE STATEMENTS OF NET ASSETS**
**DECEMBER 31, 2007 and 2006**

| | 2007 | 2006 |
|---|---|---|
| **ASSETS** | | |
| Current Assets: | | |
| Cash and cash equivalents | $ 130,437,228 | $ 77,559,168 |
| Receivables: | | |
| Sales Tax | 47,375,322 | 34,790,403 |
| Federal Grants | 86,870,401 | 17,863,006 |
| Other | 9,334,033 | 7,573,608 |
| Total Receivables | 143,579,756 | 60,227,017 |
| Parts and supplies inventories | 10,428,826 | 9,723,892 |
| Prepaid expenses | 1,103,009 | 1,124,335 |
| Total current assets | 285,548,819 | 148,634,412 |
| Noncurrent Assets: | | |
| Designated assets for self-insurance-cash and cash equivalents | 6,774,682 | 6,457,526 |
| Restricted assets - cash and cash equivalents: | | |
| Escrow Funds | 264,446 | 254,004 |
| Bond funds | 3,701,619 | 92,027,176 |
| Total restricted assets | 3,966,065 | 92,281,180 |
| Receivables - Federal Grants | 228,937,955 | - |
| Other assets - Prepaid pension | 554,264 | 548,097 |
| Property, facilities and equipment: | | |
| Land and improvements | 75,306,632 | 53,695,588 |
| Right of ways | 207,766,593 | 206,218,143 |
| Facilities | 444,698,757 | 429,376,132 |
| Revenue vehicles | 322,325,110 | 259,059,156 |
| Other property and equipment | 102,268,140 | 98,826,941 |
| Construction in progress | 529,096,172 | 304,337,383 |
| Total property, facilities and equipment | 1,681,461,404 | 1,351,513,343 |
| Less accumulated depreciation and amortization | (363,587,205) | (325,121,431) |
| Net property, facilities and equipment | 1,317,874,199 | 1,026,391,912 |
| Total noncurrent assets | 1,558,107,165 | 1,125,678,715 |
| **TOTAL ASSETS** | 1,843,655,984 | 1,274,313,127 |
| **LIABILITIES:** | | |
| **Current Liabilities:** | | |
| Accounts payable - trade | 36,992,079 | 31,107,700 |
| Accrued liabilities, primarily payroll related | 21,076,043 | 18,436,266 |
| Accrued interest | 4,541,511 | 2,261,825 |
| Accrued self-insurance liability | 3,281,414 | 2,806,146 |
| Current portion of long term debt | 6,395,000 | 6,135,000 |
| Total current liabilities | 72,286,047 | 60,746,937 |
| **Long Term Liabilities** | | |
| Long term debt | 659,247,144 | 538,447,530 |
| **TOTAL LIABILITIES** | 731,533,191 | 599,194,467 |
| **NET ASSETS** | | |
| Invested in capital assets, net of related debt | 652,232,055 | 550,959,844 |
| Restricted for debt service | 3,701,619 | 4,427,687 |
| Restricted for insurance | 264,446 | 254,004 |
| Unrestricted | 455,924,673 | 119,477,125 |
| **TOTAL NET ASSETS** | $ 1,112,122,793 | $ 675,118,660 |

*See accompanying notes to financial statements*

## UTAH TRANSIT AUTHORITY
### COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
### Years ended December 31, 2007 and 2006

| | 2007 | 2006 |
|---|---|---|
| **OPERATING REVENUES:** | | |
| Passenger fares | $ 24,308,176 | $ 23,506,417 |
| Advertising | 1,333,333 | 1,120,687 |
| Total operating revenues | 25,641,509 | 24,627,104 |
| **OPERATING EXPENSES:** | | |
| Bus service | 74,210,355 | 69,471,137 |
| Rail service | 18,502,185 | 16,346,071 |
| Paratransit service | 13,134,705 | 12,076,802 |
| Other service | 646,080 | 908,646 |
| Operations support | 20,713,291 | 18,806,425 |
| Administration | 20,647,793 | 19,215,153 |
| Major investment studies | 2,061,815 | 3,301,496 |
| Depreciation | 46,060,249 | 46,805,799 |
| Total operating expenses | 195,976,473 | 186,931,529 |
| **Excess of operating expenses over operating revenues** | (170,334,964) | (162,304,425) |
| **NON-OPERATING REVENUES (EXPENSES)** | | |
| Sales tax revenues | 191,688,539 | 138,546,093 |
| Federal preventative maintenance grants | 26,772,123 | 25,013,649 |
| Federal planning grants | 4,724,497 | 6,319,476 |
| Interest income | 9,149,060 | 9,827,487 |
| Other | 1,287,668 | 9,268,901 |
| Interest expense | (15,521,679) | (14,323,424) |
| Net non-operating revenues | 218,100,208 | 174,652,182 |
| **GAIN BEFORE CONTRIBUTIONS** | 47,765,244 | 12,347,757 |
| Capital contributions | | |
| Federal grants capital contributions | 386,037,075 | 37,270,784 |
| Local capital contributions | 3,201,814 | 1,111,922 |
| Total capital contributions | 389,238,889 | 38,382,706 |
| **Increase in Net Assets for the year** | 437,004,133 | 50,730,463 |
| Total Net Assets, January 1 | 675,118,660 | 624,388,197 |
| **TOTAL NET ASSETS, DECEMBER 31** | $ 1,112,122,793 | $ 675,118,660 |

*See accompanying notes to financial statements*

## UTAH TRANSIT AUTHORITY
## COMPARATIVE STATEMENTS OF CASH FLOWS
## YEARS ENDED DECEMBER 31, 2007 AND 2006

| | **2007** | 2006 |
|---|---|---|
| **Cash flows from operating activities:** | | |
| Passenger receipts | **$ 22,650,616** | $ 22,524,796 |
| Advertising receipts | **1,433,333** | 1,068,604 |
| Payments to vendors | **(30,154,595)** | (41,430,139) |
| Payments to employees | **(75,204,610)** | (69,656,986) |
| Employee benefits paid | **(31,396,257)** | (27,878,231) |
| Other receipts | **953,066** | 523,587 |
| Net cash used in operating activities | **(111,718,447)** | (114,848,369) |
| **Cash flows from noncapital financing activities:** | | |
| Sales taxes | **179,103,620** | 134,681,347 |
| Federal preventative maintenance grants | **26,772,123** | 25,013,649 |
| Federal planning assistance grants | **4,796,910** | 6,285,999 |
| Net cash provided by noncapital financing activities | **210,672,653** | 165,980,995 |
| **Cash flows from capital and related financing activities:** | | |
| Contributions for capital projects | | |
| Federal | **88,019,312** | 26,905,651 |
| Local | **3,201,814** | 1,111,922 |
| Proceeds from the sale of revenue bonds | **272,072,212** | 323,261,098 |
| Payment of bond principal | **(148,760,000)** | (199,740,000) |
| Interest paid on revenue bond | **(15,494,591)** | (17,855,589) |
| Purchases of property, facilities and equipment | **(342,989,714)** | (232,908,489) |
| Proceeds from the sale of property | **268,014** | 12,206,174 |
| Net cash used in capital and related financing activities | **(143,682,953)** | (87,019,233) |
| **Cash flows from investing activities:** | | |
| Interest on investments | **9,608,848** | 9,776,225 |
| **Net decrease in cash and cash equivalents** | **(35,119,899)** | (26,110,382) |
| **Cash and cash equivalents at beginning of year** | **176,297,874** | 202,408,256 |
| **Cash and cash equivalents at end of year** | **$ 141,177,975** | $ 176,297,874 |
| **Reconciliation of operating loss to net cash used in operating activities:** | | |
| Operating loss | **$ (170,334,964)** | $ (162,304,425) |
| Adjustments to reconcile excess of operating expenses over operating revenues to net cash used in operating activities: | | |
| Depreciation | **46,060,249** | 46,805,799 |
| Other Revenues | **1,029,176** | 457,368 |
| Changes in assets and liabilities: | | |
| Receivables | **(2,220,213)** | (935,963) |
| Parts and supplies inventories | **(704,934)** | (141,721) |
| Prepaid expenses | **15,159** | (59,318) |
| Accounts payable - trade | **11,322,035** | (976,676) |
| Accrued expenses | **3,115,045** | 2,306,567 |
| **Net cash used in operating activities** | **$ (111,718,447)** | $ (114,848,369) |

At December 31, 2007 and 2006, accounts payable included $21,772,382 and $27,210,038, respectively, related to purchases of property and equipment.

*See accompanying notes to financial statements*

## 1. Description of Authority Operations and Definition of the Entity

**A)** Organization

The Utah Transit Authority (the Authority) was incorporated on March 3, 1970, under authority of the Utah Public Transit District Act of 1969 for the purpose of providing a public mass transportation system for Utah communities.

The Authority operates in Salt Lake, Davis, and Weber Counties, the cities of Provo, Orem, American Fork, Lehi, Lindon, Pleasant Grove, Springville, Alpine, Highland, Mapleton, Payson, Salem, Spanish Fork, the town of Cedar Hills in Utah County and that part of Utah County in the unincorporated area of Provo Canyon, the cities of Tooele and Grantsville in Tooele County and that part of Tooele County comprising the unincorporated areas of Erda, Lakepoint, Stansbury Park, and Lincoln and the cities of Brigham City, Willard, and Perry in Box Elder County.

The Authority's operations include bus service, paratransit service for the transit disabled, rideshare and van pool programs systemwide with light rail service in Salt Lake County.

The Authority is governed by a 15 member Board of Trustees which is the legislative body of the Authority and determines Authority policy. The members of the Board of Trustees are appointed by each county municipality or combination of municipalities annexed to the Authority. In addition, one ex-officio Trustee is appointed by the State Transportation Commission.

B) Reporting Entity

The Authority has adopted the provisions of Statement No. 14 of the Governmental Accounting Standards Board (GASB), *The Financial Reporting Entity* and Statement No. 39 of the GASB *Determining whether certain organizations are component units* - an amendment of GASB Statement No. 14. Accordingly, the accompanying financial statements include only the accounts and transactions of the Authority. Under the criteria specified in Statements No. 14 and No. 39, the Authority has no component units nor is it considered a component unit of any municipality or government. The Authority is, however, considered to be a related organization by virtue of the fact that the Board of Trustees is appointed by the municipalities.

These conclusions regarding the financial reporting entity are based on the concept of financial accountability. The Authority is not financially accountable for any other organization nor are any municipalities accountable for the Authority. Additionally, the Authority has considered the provisions of GASB No. 39 which follows the concept of economic independence. The Authority does not raise or hold economic resources for the direct benefit of a governmental unit and third party governmental units do not have the ability to access economic resources held by the Authority. This is evidenced by the fact that the Authority is a legally and fiscally separate and distinct organization under the provisions of the Utah Code.

## 2. Summary of Significant Accounting Policies

A) Basis of Accounting

The Authority reports as a single enterprise fund and uses the accrual method of accounting and the economic resources measurement focus. Under this method revenues are recognized when they are earned and expenses are recognized when they are incurred.

B) Standards for Reporting Purposes

The financial statements of the Authority have been prepared in conformity with accounting principles generally accepted in the United States of America as prescribed by GASB and only those Financial Accounting Standards Board pronouncements issued prior to November 30, 1989 in accordance with GASB Statement No. 20.

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

C) Federal Planning Assistance and Preventative Maintenance Grants

Federal planning assistance grants received from the Federal Transit Administration (the FTA) and preventative maintenance grants are recognized as revenue and receivable during the period in which the related expenses are incurred and eligibility requirements are met. With the passage of the Transportation Equity Act for the twenty-first Century (TEA21), FTA now allows capital grant funds to be used for preventative maintenance activities.

D) Federal Grants for Capital Expenditures

The U.S. Department of Transportation, through contracts between the Authority and the FTA, provides federal funds of 50% to 93% of the cost of property and equipment acquired by the Authority through federal grants. Grant funds for capital expenditures are earned and recorded as capital contribution revenue when the capital expenditures are made and eligibility requirements are met.

E) Classification of Revenue and Expenses

Operating revenues: Operating revenues include activities that have the characteristics of exchange transactions such as passenger revenues and advertising revenues.

Operating Expense: Payments to suppliers and to employees and on behalf of employees and all payments that do not result from transactions defined as capital and related financing, non-capital financing, or investing activities.

Non-operating revenues: Non-operating revenues include activities that have the characteristics of non-exchange transactions and other revenue sources that are defined as non-operating revenues by GASB Statement No. 9, "*Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That use Proprietary Fund Accounting,*" and GASB Statement No. 34. Examples of non-operating revenues would be sales tax revenues, federal grants and investment income.

Non-operating expenses: Payments that result from transactions defined as capital and related financing, non-capital financing, or investing activities.

F) Sales Tax Revenues

As approved by the voters in serviced communities, sales tax for transit is collected in these communities to provide the Authority with funds for mass transit purposes. Funds are utilized for operations and for the local share of capital expenditures. Sales tax revenues are accrued as a revenue and receivable for the month in which the sales take place.

| | |
|---|---|
| Local Option Sales Tax: | |
| Salt Lake County | .63375% |
| Davis and Weber Counties | .50% |
| Utah County | .48% |
| Box Elder and Tooele Counties | .25% |

(see note 10: subsequent events)

G) Cash and Cash Equivalents

Cash equivalents include amounts invested in a repurchase agreement, a certificate of deposit and the Utah Public Treasurers' Investment Fund, including restricted and designated cash equivalents. The Authority considers short term investments with an original maturity of 3 months or less to be cash equivalents. (Note 3)

H) Receivables

Receivables consist primarily of amounts due to the Authority from sales tax collections, federal grants, pass sales, and investment income. Management does not believe any credit risk exists related to these receivables.

I) Parts and Supplies Inventories

Parts and supplies inventories are stated at the lower of cost (using the moving average cost method) or market. Inventories generally consist of fuel, lube oil, antifreeze, and repair parts held for consumption. Inventories are expensed as used.

J) Property, Facilities and Equipment

Property, facilities and equipment are stated at historical cost. Expenditures, which substantially improve or extend the useful life of property, are capitalized. Routine maintenance and repair are expensed as incurred. Property, facilities and equipment are capitalized if they have individual costs of at least $5,000 and a useful life of over one year.

Except for sales of assets in which the unit fair market value is less than $5,000, proceeds from the sale of property, facilities and equipment purchased with funds provided by Federal grants for capital expenditures are remitted to the FTA on the same percentage basis that such funds were provided by grant contracts with the FTA.

Depreciation is calculated using the straight line method over the established useful lives of individual assets as follows:

| | |
|---|---|
| Land & Rights of way | Not depreciated |
| Facilities & Improvements | 10 - 40 years |
| Revenue Vehicles | 7 - 25 years |
| Other Property and Equipment | 3 - 10 years |

Depreciation on the portion of capital assets funded by capital contribution revenue is calculated separately. Total depreciation is recorded as an expense for calculating operating expenses.

Interest is capitalized when incurred in connection with the financing of construction projects. For the years ended December 31, 2007 and 2006 respectively, the Authority capitalized $9,448,006 and $5,216,011 in connection with construction of the rail projects.

K) Compensated Absences

Vacation pay is accrued and charged to expense as earned. Sick pay benefits are accrued as vested by Authority employees.

L) Risk Management

The Authority is exposed to various risks of loss related to torts; theft of, damage, and destruction of assets; environmental matters; worker's compensation self insurance; damage to property and injuries to passengers and other individuals resulting from accidents and errors and omissions.

Under the Utah Governmental Immunity Act, the maximum statutory liability in any one accident is $2,000,000. The Authority is self-insured for amounts under this limit. The Authority has Railroad Liability Coverage of $15 million with $3 million of risk retention. The Authority is self-insured for worker's compensation up to the amount of $300,000 per incident and has excess insurance for claims over this amount. The Authority has insurance for errors and omissions and damage to property in excess of $100,000. The Authority has insurance or retains the risk depending on what is in the Authority's best interest for all other matters. There has been no significant reduction in insurance coverage or settlements in excess of insurance coverage for the last three years.

A liability for a claim is established if information indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss is reasonably estimable. (Note 6)

M) Net Assets

The Authority's Net Assets are classified as follows:

***"Invested in capital assets, net of related debt:"*** This component of net assets consists of the Authority's total investment in capital assets, net of accumulated depreciation, reduced by the outstanding debt obligations related to those assets. To the extent debt has been incurred, but not yet expended for capital assets, such amounts are not included as a component of invested in capital assets, net of related debt.

***"Restricted for debt service:"*** This component of net assets consists of that portion of net assets that is restricted by debt covenants for debt service.

***"Restricted for insurance:"*** This component of net assets consists of that portion of net assets that is restricted as collateral for insurance.

***"Unrestricted:"*** This component of net assets consists of net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

N) Budgetary and Accounting Controls

The Authority's annual budget is approved by the Board of Trustees as provided for by law. Operating and non-operating revenues and expenditures are budgeted on the accrual basis except depreciation. Capital expenditures and grant reimbursements are budgeted on a project basis. For multi-year projects, each year the expected expenditures for that year as well as related grant reimbursements are re-budgeted.

The Authority adopts its annual budget in December of the preceding fiscal year based on recommendations of staff and the Board Planning and Development Committee.

The first step in developing the Authority's budget is a review of the Transit Development Program and Long Range Financial Plan. This plan then acts as a focus for the development of programs and objectives. Concurrent with the development of programs and objectives, revenues for the coming year are estimated. The estimates of the coming year's revenues are then used as a guide for the Authority to determine the amount of change in service to be provided in the following year. Once the level of service for the coming year is determined, each manager develops a departmental budget.

The departmental budgets are then combined to form a preliminary budget request.

The Executive staff reviews the programs, objectives and requests to balance the total budget with the project revenues and service requirements and priorities. Once the preliminary budget is balanced, the Board of Trustees' Planning and Development Committee reviews the budget request.

Within 30 days after the tentative budget is approved by the Board, and at least 30 days before the Board adopts its final budget, the Board shall send a copy of the tentative budget, a signature sheet, and notice of the time and place for a budget hearing to the chief administrative officers and legislative bodies of each municipality and unincorporated county area within the district of the Authority.

Within 30 days after it is approved by the Board and at least 30 days before the Board adopts its final budget, the Board shall send a copy of the tentative budget to the governor and the Legislature for examination and comment.

Before the first day of each fiscal year, the Board shall adopt the final budget by an affirmative vote of a majority of all the trustees. Copies of the final budget shall be filed in the office of the Authority. If for any reason the Board shall not have adopted the final budget on or before the first day of any fiscal year, the tentative budget for such year, if approved by formal action of the Board, shall be deemed to be in effect for such fiscal year until the final budget for such fiscal year is adopted.

The Board may, by an affirmative vote of a majority of all trustees, adopt an amended final budget when reasonable and necessary, subject to any contractual conditions or requirements existing at the time the need for such amendment arises.

Individual department budgets are monitored for authorized expenditures on a department-total rather than department line-item basis.

The Board must approve all increases or decreases to the net operating expense line, total capital budget line and total operating revenue line of the Authority's operating and capital budgets.

The Authority's budgetary process follows Section 17A-1, Part 5, of the Utah Code Annotated, as amended. The annual budget is submitted to the State Auditor's Office within 30 days of adoption.

## 2007 Statement of Actual Revenues and Expenses Compared to Budget

| REVENUES | ACTUAL | BUDGET | VARIANCE |
|---|---|---|---|
| PASSENGER REVENUE | 24,308,176 | 25,552,555 | (1,244,379) |
| ADVERTISING | 1,333,333 | 1,333,000 | 333 |
| SALES TAX | 191,688,539 | 179,436,188 | 12,252,351 |
| FEDERAL NON-CAPITAL ASSISTANCE | 31,496,620 | 30,738,691 | 757,929 |
| INVESTMENT INCOME | 9,149,060 | 6,289,000 | 2,860,060 |
| OTHER INCOME | 1,287,668 | 766,320 | 521,348 |
| TOTAL REVENUES | 259,263,396 | 244,115,754 | 15,147,642 |

| OPERATING EXPENSES | ACTUAL | BUDGET | VARIANCE |
|---|---|---|---|
| BUS SERVICES | 74,210,355 | 75,823,174 | 1,612,819 |
| RAIL SERVICES | 18,502,185 | 18,830,044 | 327,859 |
| PARATRANSIT SERVICES | 13,134,705 | 13,801,043 | 666,338 |
| OTHER SERVICES | 646,080 | 973,267 | 327,187 |
| OPERATIONS SUPPORT | 20,713,291 | 21,393,615 | 680,324 |
| ADMINISTRATION (including interest) | 36,169,472 | 45,583,682 | 9,414,210 |
| MAJOR INVESTMENT STUDIES | 2,061,815 | 2,231,701 | 169,886 |
| TOTAL OPERATING EXPENSES | 165,437,903 | 178,636,526 | 13,198,623 |

| CAPITAL EXPENSES | ACTUAL | BUDGET | VARIANCE |
|---|---|---|---|
| REVENUE VEHICLES | 29,237,201 | 29,548,142 | 310,941 |
| INFORMATION TECHNOLOGY | 6,212,629 | 11,786,308 | 5,573,679 |
| FACILITIES, MAINTENANCE & ADMIN. EQUIP. | 3,250,049 | 4,401,231 | 1,151,182 |
| MAJOR STRATEGIC PROJECTS | 20,217,907 | 42,360,606 | 22,142,699 |
| TRAX & COMMUTER RAIL | 278,634,272 | 360,243,213 | 81,608,941 |
| TOTAL CAPITAL EXPENSES | 337,552,058 | 448,339,500 | 110,787,442 |

| SOURCE OF FUNDS | | | |
|---|---|---|---|
| CAPITAL GRANTS | 159,565,090 | 121,003,901 | 38,561,189 |
| LOCAL MATCH INCLUDING FINANCING | 174,764,586 | 304,537,331 | (129,772,745) |
| CONTRIBUTED CAPITAL | 3,222,382 | 22,798,268 | (19,575,886) |
| TOTAL SOURCE OF FUNDS | 337,552,058 | 448,339,500 | (110,787,442) |

Note: Depreciation expense is not a budgeted item.

O) Reclassifications

Certain reclassifications have been made to the 2006 financial statements to conform them to the 2007 financial statement presentation.

Depreciation expense previously was broken out between Authority equity and capital contributions and in 2007 the amounts were combined. In 2007, the performance information department was classified as operations support, where it had previously been classified as administrative. Reclassifications to the 2006 financial statements reflect these changes.

## 3. Cash, Cash Equivalents and Investments

Cash, cash equivalents and investments are carried at fair value and consist of the following at December 31:

| Cash and Cash Equivalents: | 2007 | 2006 |
|---|---|---|
| Demand Deposits | $ (21,118,220) | $ (18,562,571) |
| Repurchase Agreement | 25,578,468 | 22,214,120 |
| Utah Public Treasurers' Investment Fund | 125,877,393 | 73,760,313 |
| Other Cash | 99,587 | 147,306 |
| Total | 130,437,228 | 77,559,168 |
| | | |
| Certificate of Deposit - Escrow Fund Restricted | 136,230 | 131,813 |
| | | |
| Utah Public Treasurers' Investment Fund: | | |
| Self-insurance - designated | 6,774,682 | 6,457,526 |
| Bond funds - restricted | 3,701,619 | 92,027,176 |
| Escrow funds - restricted | 128,216 | 122,191 |
| | | |
| Total Cash and Cash Equivalents | $ 141,177,975 | $ 176,297,874 |

The Authority is required to set up certain accounts in connection with the issuance of bonds which are restricted as to their use per the bond covenants. Investments restricted for self insurance are restricted internally by the Board of Trustees and have no outside restrictions.

Deposits

Deposits and investments for the Authority are governed by the Utah Money Management Act (*Utah Code Annotated,* Title 51, Chapter 7, "the Act") and by rules of the Utah Money Management Council (the Council). Following are discussions of the Authority's exposure to various risks related to its cash management activities.

A. Custodial Credit Risk

*Deposits.* Custodial credit risk for deposits is the risk that in the event of a bank failure, the Authority's deposits may not be recovered. The Authority's policy for managing custodial credit risk is to adhere to the Money Management Act. The Act requires all deposits of the Authority to be in a *qualified depository,* defined as any financial institution whose deposits are insured by an agency of the federal government and which has been certified by the Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Utah Money Management Council.

At December 31, 2007 and 2006 the balances in the Authority's bank demand deposit accounts and certificate of deposit accounts according to the bank statements totaled approximately $246,230 and $241,813 respectively of which $100,000 were covered by Federal depository insurance. The difference between this balance and the amount recorded in the financial statements is primarily due to outstanding checks.

B. Credit Risk
Credit risk is the risk that the counterparty to an investment will not fulfill its obligations. The Authority's policy for limiting the credit risk of investments is to comply with the Money Management Act.

The Authority is authorized to invest in the Utah Public Treasurer's Investment Fund (PTIF), an external pooled investment fund managed by the Utah State Treasurer and subject to the Act and Council requirements. The PTIF is not registered with the SEC as an investment company, and deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah. The PTIF operates and reports to participants on an amortized cost basis. The income, gains, and losses, net of administration fees, of the PTIF are allocated based upon the participants' average daily balances.

For the years ended December 31, 2007 and 2006 the Authority had investments of $136,481,910 and $172,367,206 respectively with the PTIF. The entire blance had a maturity less than one year. The PTIF pool has not been rated.

C. Interest Rate Risk
Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Authority manages its exposure to declines in fair value by investing mainly in the PTIF and by adhering to the Money Management Act. The Act requires that the remaining term to maturity of investments may not exceed the period of availability of the fund to be invested.

## 4. Property, Facilities and Equipment

Construction in Progress of $529,096,172 and $304,337,383 at December 31, 2007 and 2006, respectively, consists of costs incurred in connection with the Authority's rail projects. These costs consist principally of engineering, design and construction work associated with obtaining the right-of-way and construction of the projects.

| | Beginning Balance 12/31/2006 | Increases | Transfers | Decreases | Ending Balance 12/31/2007 |
|---|---|---|---|---|---|
| Capital assets not being depreciated: | | | | | |
| Land | $ 46,482,104 | $ 19,136,044 | $ 2,225,000 | $ - | $ 67,843,148 |
| Rights of Way | 206,218,143 | 15,000,226 | (13,451,776) | - | 207,766,593 |
| Construction in progress | 304,337,383 | 263,139,795 | (38,381,006) | - | 529,096,172 |
| Total capital assets not being depreciated | 557,037,630 | 297,276,065 | (49,607,782) | - | 804,705,913 |
| Other capital assets: | | | | | |
| Facilities | 429,376,132 | 6,186,793 | 9,692,528 | (556,696) | 444,698,757 |
| Revenue Vehicles | 259,059,156 | 30,983,925 | 37,798,931 | (5,516,902) | 322,325,110 |
| Other property and equipment | 98,826,941 | 3,105,274 | 1,866,323 | (1,530,398) | 102,268,140 |
| Land improvements | 7,213,484 | - | 250,000 | - | 7,463,484 |
| Total other capital assets | 794,475,713 | 40,275,992 | 49,607,782 | (7,603,996) | 876,755,491 |
| | 1,351,513,343 | 337,552,057 | - | (7,603,996) | 1,681,461,404 |
| Less accumulated depreciation for: | | | | | |
| Facilities | (121,643,687) | (20,938,090) | - | 556,696 | (142,025,081) |
| Revenue Vehicles | (122,245,342) | (16,923,123) | - | 5,509,467 | (133,658,998) |
| Other property and equipment | (74,020,736) | (8,184,725) | - | 1,528,310 | (80,677,151) |
| Land improvements | (7,211,666) | (14,309) | - | - | (7,225,975) |
| Total accumulated depreciation | (325,121,431) | (46,060,247) | - | 7,594,473 | (363,587,205) |
| Other capital assets, net | 469,354,282 | (5,784,255) | 49,607,782 | (9,523) | 513,168,286 |
| Total capital assets, net | $ 1,026,391,912 | $ 291,491,810 | $ - | $ (9,523) | $ 1,317,874,199 |

| | Beginning Balance 12/31/2005 | Increases | Transfers | Decreases | Ending Balance 12/31/2006 |
|---|---|---|---|---|---|
| Capital assets not being depreciated: | | | | | |
| Land | $ 41,544,695 | $ 8,211,933 | $ 2,500 | $ (3,277,024) | $ 46,482,104 |
| Rights of Way | 206,218,143 | - | - | - | 206,218,143 |
| Construction in progress | 97,264,622 | 219,254,000 | (12,181,239) | - | 304,337,383 |
| Total capital assets not being depreciated | 345,027,460 | 227,465,933 | (12,178,739) | (3,277,024) | 557,037,630 |
| Other capital assets: | | | | | |
| Facilities | 427,310,111 | 609,827 | 2,350,432 | (894,238) | 429,376,132 |
| Revenue Vehicles | 248,980,924 | 17,219,675 | 1,409 | (7,142,852) | 259,059,156 |
| Other property and equipment | 91,287,880 | 3,054,674 | 9,826,898 | (5,342,511) | 98,826,941 |
| Land improvements | 7,213,484 | - | - | - | 7,213,484 |
| Total other capital assets | 774,792,399 | 20,884,176 | 12,178,739 | (13,379,601) | 794,475,713 |
| Less accumulated depreciation for: | | | | | |
| Facilities | (101,774,920) | (20,700,764) | - | 831,997 | (121,643,687) |
| Revenue Vehicles | (112,262,219) | (16,974,050) | - | 6,990,927 | (122,245,342) |
| Other property and equipment | (70,237,793) | (9,125,454) | - | 5,342,511 | (74,020,736) |
| Land improvements | (7,206,135) | (5,531) | - | - | (7,211,666) |
| Total accumulated depreciation | (291,481,067) | (46,805,799) | - | 13,165,435 | (325,121,431) |
| Other capital assets, net | 483,311,332 | (25,921,623) | 12,178,739 | (214,166) | 469,354,282 |
| Total capital assets, net | $ 828,338,792 | $ 201,544,310 | $ - | $ (3,491,190) | $ 1,026,391,912 |

## 5. Federal Financial Assistance

The Authority receives a portion of its funding from Federal preventative maintenance grants, which totaled $26,772,123 and $25,013,649 for the years ended December 31, 2007 and 2006 respectively.

The Authority had grants for capital expenditures authorized but where eligibility requirements were not met yet amounted to $13,875,152 at December 31, 2007 which are not reflected in the accompanying financial statements. The Authority will be required to provide matching funds of 7% to 50%, depending on grant contracts, totaling $2,841,676 related to these grants.

## 6. Self Insurance - Claims Liability

Changes in the accrued claims liability in 2007 and 2006 were:

| | Beginning-of-Year Liability | Current Year Claims and Changes in Estimates | Claim Payments | Balance at Year End |
|---|---|---|---|---|
| 2007 | $2,806,146 | $2,105,226 | $1,629,958 | $3,281,414 |
| 2006 | $2,704,156 | $2,393,432 | $2,291,442 | $2,806,146 |

Based on past historical information, estimated incurred but not reported (IBNR) claims were included in the year-end accrued liabilities in the amount of:

| | 2007 | 2006 |
|---|---|---|
| Worker's Compensation | $ 220,000 | $ 220,000 |
| Auto and General Liability | 377,687 | 315,000 |
| Environmental | 170,000 | 150,000 |
| Total IBNR | $ 767,687 | $ 685,000 |

## 7. Employee Benefit Plans

Pension Plans

The Utah Transit Authority Employees Retirement Plan is a single-employer defined benefit plan that covers all eligible employees and provides retirement benefits to plan members and their beneficiaries. The Plan also provides disability benefits to plan members. The plan's provisions were adopted by a resolution of the Authority's Board of Trustees which appoints those who serve as trustees of the plan. Any amendments to the plan are adopted by a resolution of the Authority's Board of Trustees.

Effective 01/01/2007 the amortization period was changed from 25 years to 20 years and the investment rate of return was changed from 7.00% to 7.50%.

The plan issued a publicly available financial report that includes financial statements and required supplementary information for that plan. This report may be obtained by writing:

Comptroller's Office
Utah Transit Authority
P.O. Box 30810
Salt Lake city, UT 84130

***Funding policy and annual pension cost:***
Contributions to the plan are recommended by an annual actuary report and are approved by the Authority's Board of Trustees. The Authority's annual cost for the current year and related information for the plan is as follows:

| | |
|---|---|
| Contribution Rates: | |
| Plan members | None |
| Authority | Annually determined by actuary |
| Contributions made | $7,466,273 |
| Annual required contributions | $7,466,273 |
| Interest on net pension obligations | ($41,107) |
| Adjustment to annual required contributions | $39,914 |
| Annual pension cost | $7,465,080 |
| Actuarial valuation date | 1/1/2007 |
| Actuarial cost method | Entry Age Normal |
| Amortization method | Level Percent of Payroll 20 year open |
| Remaining amortization period | 20 years |
| Asset valuation method | Five-Year Smoothing |
| Actuarial Assumptions | |
| Investment rate of return | 7.50% |
| Projected salary increase | 3.75% |
| Inflation rate assumption | 3.00% |

| | Year Ended | Annual Pension Cost (APC) | Percentage of APC Contributed | Increase (Decrease) Net Pension Obligation | Balance Net Pension Obligation |
|---|---|---|---|---|---|
| EMPLOYEE | 12/31/2007 | $7,465,080 | 100.00% | ($1,193) | ($549,290) |
| RETIREMENT | 12/31/2006 | $7,508,756 | 100.00% | ($4,963) | ($548,097) |
| PLAN | 12/31/2005 | $7,395,004 | 100.00% | ($4,918) | ($543,134) |

***Schedules of funding progress:***

| Actuarial Valuation Date | Actuarial Value of Assets (a) | Actuarial Accrued Liability (AAL) Entry Age Normal (b) | Excess of Assets over AAL (a-b) | Funded Ratio (a/b) | Approximate Covered Payroll (c) | Excess as a Percentage of Covered Payroll ((a-b)/c) |
|---|---|---|---|---|---|---|
| 1/1/07 | $86,248,133 | $132,041,053 | ($45,792,920) | 65.32% | $69,571,444 | (65.82%) |
| 1/1/06 | $78,264,808 | $129,344,606 | ($51,079,798) | 60.51% | $69,407,845 | (73.59%) |
| 1/1/05 | $72,141,837 | $121,287,462 | ($49,145,625) | 59.48% | $68,435,204 | (71.81%) |

B) <u>Deferred Compensation Plan</u>

The Authority offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan is available to all employees on a voluntary basis and permits them to defer a portion of their salaries until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

All assets and income of the plan are held in trust for the exclusive benefit of the participants and their beneficiaries. As part of its fiduciary role, the Authority has an obligation of due care in selecting the third party administrators. In the opinion of management, the Authority has acted in a prudent manner and is not liable for losses that may arise from the administration of the plan. The deferred compensation assets are held by third party plan administrators and are generally invested in money market funds, stock or bond mutual funds, or guarantee funds as selected by the employee.

## 8. Long Term Debt

Long-term debt for the years ended December 31, 2007 and 2006 was as follows:

Long-term debt for the years ended December 2007 and 2006 was as follows:

| | Beginning Balance 12/31/2006 | Additions | Reductions | Ending Balance 12/31/2007 | Amount Due within One Year |
|---|---|---|---|---|---|
| Bonds: | | | | | |
| 1997 revenue bond | $ 935,000 | $ - | $ (935,000) | $ - | $ - |
| 2002A revenue bond | 22,600,000 | - | (3,350,000) | 19,250,000 | 3,500,000 |
| 2005A revenue bond | 20,630,000 | - | - | 20,630,000 | 970,000 |
| 2005B revenue bond | 175,000,000 | - | (144,475,000) | 30,525,000 | 1,925,000 |
| 2006A revenue bond | 87,500,000 | - | - | 87,500,000 | - |
| 2006B revenue bond | 87,500,000 | - | - | 87,500,000 | - |
| 2006C revenue bond | 134,650,000 | - | - | 134,650,000 | - |
| 2007ACI revenue bond | - | 128,795,000 | - | 128,795,000 | - |
| 2007ACA revenue bond | - | 132,329,109 | - | 132,329,109 | - |
| | 528,815,000 | 261,124,109 | (148,760,000) | 641,179,109 | 6,395,000 |
| Unamortized premium 2002A bond | 684,088 | - | (221,248) | 462,840 | - |
| Unamortized premium 2005A bond | 1,668,655 | - | (180,340) | 1,488,315 | - |
| Unamortized premium 2005B bond | 1,066,147 | - | (966,500) | 99,647 | - |
| Unamortized premium 2006C bond | 18,369,726 | - | (1,102,273) | 17,267,453 | - |
| Unamortized premium 2007A bond | - | 11,793,556 | (288,279) | 11,505,277 | - |
| Unamortized refunding 2005A bond | (833,256) | - | 118,640 | (714,616) | - |
| Unamortized refunding 2006C bond | (3,774,052) | - | 244,930 | (3,529,122) | - |
| Unamortized refunding 2007A bond | - | 1,766,296 | (43,985) | 1,722,311 | - |
| Unamortized expenses 2005A bond | (284,243) | - | 40,471 | (243,772) | - |
| Unamortized expenses 2006C bond | (1,129,535) | - | 73,320 | (1,056,215) | - |
| Unamortized expenses 2007A bond | - | (2,611,749) | 72,667 | (2,539,082) | - |
| Total bonds | $ 544,582,530 | $ 272,072,212 | $ (151,012,597) | $ 665,642,145 | $ 6,395,000 |

| | Beginning Balance 12/31/2005 | Additions | Reductions | Ending Balance 12/31/2006 | Amount Due within One Year |
|---|---|---|---|---|---|
| Bonds: | | | | | |
| 1997 revenue bond | $ 1,825,000 | $ - | $ (890,000) | $ 935,000 | $ 935,000 |
| 2002A revenue bond | 171,450,000 | - | (148,850,000) | 22,600,000 | 3,350,000 |
| 2002B revenue bond | 50,000,000 | - | (50,000,000) | - | - |
| 2005A revenue bond | 20,630,000 | - | - | 20,630,000 | - |
| 2005B revenue bond | 175,000,000 | - | - | 175,000,000 | 1,850,000 |
| 2006A revenue bond | - | 87,500,000 | - | 87,500,000 | - |
| 2006B revenue bond | - | 87,500,000 | - | 87,500,000 | - |
| 2006C revenue bond | - | 134,650,000 | - | 134,650,000 | - |
| | 418,905,000 | 309,650,000 | (199,740,000) | 528,815,000 | 6,135,000 |
| Unamortized premium 2002A bond | 3,618,940 | - | (2,934,852) | 684,088 | - |
| Unamortized premium 2005A bond | 1,848,995 | - | (180,340) | 1,668,655 | - |
| Unamortized premium 2005B bond | 1,216,784 | - | (150,637) | 1,066,147 | - |
| Unamortized premium 2006C bond | - | 18,571,809 | (202,083) | 18,369,726 | - |
| Unamortized refunding 2005A bond | (951,896) | - | 118,640 | (833,256) | - |
| Unamortized refunding 2006C bond | - | (3,818,956) | 44,904 | (3,774,052) | - |
| Unamortized expenses 2005A bond | (324,713) | - | 40,470 | (284,243) | - |
| Unamortized expenses 2006C bond | - | (1,141,755) | 12,220 | (1,129,535) | - |
| Total bonds | $ 424,313,110 | $ 323,261,098 | $ (202,991,678) | $ 544,582,530 | $ 6,135,000 |

*Sales Tax and Transportation Revenue Bonds.* The Authority issued bonds where the Authority pledges revenues which includes Sales and Use Tax Revenues currently collected by the Authority, plus interest earned by and profits derived from the sales of investments in certain funds and accounts created by the related Subordinate Indenture or Senior Indenture; plus all other Revenues (if any) after payment of operation and maintenance expenses and moneys on deposit in the funds and accounts established under the Indenture. Revenue bonds outstanding at year-end are as follows:

| Series 2002A | Interest Rates | Original Amount |
|---|---|---|
| Purpose - Acquisition of approximately 175 miles of railroad rights-of-way and other transit related projects. | 4.0 - 5.00% | $180,200,000 |

Revenue bond debt service requirements to maturity, including interest, are as follows;

| Year Ending December 31 | Principal | Interest | Total |
|---|---|---|---|
| 2008 | $ 3,500,000 | $ 802,125 | $ 4,302,125 |
| 2009 | 3,650,000 | 654,000 | 4,304,000 |
| 2010 | 3,850,000 | 466,500 | 4,316,500 |
| 2011 | 4,025,000 | 269,625 | 4,294,625 |
| 2012 | 4,225,000 | 84,500 | 4,309,500 |
| Total | $ 19,250,000 | $ 2,276,750 | $ 21,526,750 |

In 2006, the Authority Series 2006C bonds were issued to refund in advance of their maturity $145,650,000 of the outstanding Series 2002A bonds which mature June 15, 2013 through June 15, 2032.

| | | |
|---|---|---|
| Average Annual Cash Flow Savings | $ | 518,839 |
| Gross Debt Service Savings | $ | 13,489,802 |
| Net Present Value Savings (economic gain) | $ | 7,539,744 |
| Savings as a percent of bonds refunded | | 5.177% |

Proceeds of the Series 2006C bonds were deposited in an irrevocable trust escrow fund consisting of U.T. Treasury Certificates of Indebtedness. The investments held in the escrow fund will bear interest and mature in amounts sufficient to pay the interest falling due on the 2002A Refunded Bonds through December 15, 2012 and the redemption price of the 2002A Refunded Bonds as such become due and payable on December 15, 2012.

The debt service of the 2002A Refunded Bonds are as follows:

| | | | |
|---|---|---|---|
| 2008 | $ - | $ 7,184,906 | $ 7,184,906 |
| 2009 | - | 7,184,906 | 7,184,906 |
| 2010 | - | 7,184,906 | 7,184,906 |
| 2011 | - | 7,184,906 | 7,184,906 |
| 2012 | 145,650,000 | 7,184,906 | 152,834,906 |
| | $ 145,650,000 | $ 35,924,530 | $ 181,574,530 |

| Series 2005A | Interest Rates | Original Amount |
|---|---|---|
| Purpose - Refunding of 1997 Series Bond | 3.25 - 5.0% | $20,630,000 |

Revenue bond debt service requirements to maturity, including interest, are as follows:

| Year Ending December 31 | Principal | Interest | Total |
|---|---|---|---|
| 2008 | $ 970,000 | $ 1,000,488 | $ 1,970,488 |
| 2009 | 1,015,000 | 958,975 | 1,973,975 |
| 2010 | 1,060,000 | 913,213 | 1,973,213 |
| 2011 | 1,100,000 | 865,325 | 1,965,325 |
| 2012 | 1,165,000 | 808,700 | 1,973,700 |
| 2013-2017 | 6,685,000 | 3,155,506 | 9,840,506 |
| 2018-2022 | 8,635,000 | 1,181,109 | 9,816,109 |
| Total | $ 20,630,000 | $ 8,883,316 | $ 29,513,316 |

| Series 2005B | Interest Rates | Original Amount |
|---|---|---|
| Purpose - Construction of Commuter Rail North | 3.5 - 5.0% | $175,000,000 |

Revenue bond debt service requirements to maturity, including interest, are as follows:

| Year Ending December 31 | Principal | Interest | Total |
|---|---|---|---|
| 2008 | $ 1,925,000 | $ 1,170,438 | $ 3,095,438 |
| 2009 | 2,000,000 | 1,101,750 | 3,101,750 |
| 2010 | 2,050,000 | 1,030,875 | 3,080,875 |
| 2011 | 2,175,000 | 956,938 | 3,131,938 |
| 2012 | 2,225,000 | 874,375 | 3,099,375 |
| 2013-2017 | 7,225,000 | 3,146,875 | 10,371,875 |
| 2018-2022 | 6,750,000 | 2,429,032 | 9,179,032 |
| 2023-2025 | 6,175,000 | 656,095 | 6,831,095 |
| Total | $ 30,525,000 | $ 11,366,378 | $ 41,891,378 |

In 2007, a portion of the Authority Series 2007 bonds were issued to refund in advance of their maturity $142,625,000 of the outstanding Series 2005B bonds which mature December 15, 2016 through December 15, 2035.

| | |
|---|---|
| Average Annual Cash Flow Savings | $ 313,801 |
| Gross Debt Service Savings | $ 4,261,395 |
| Net Present Value Savings (economic gain) | $ 4,265,631 |
| Savings as a percent of bonds refunded | 2.991% |

Proceeds of the Series 2007A bonds used for the refunding were deposited in an irrevocable trust escrow fund consisting of U.S. Treasury Certificates of Indebtedness. The Investments held in the escrow fund will bear interest and mature in amounts sufficient to pay the interest falling due on the 2005B Refunded Bonds through and the redemption price of the 2005B Refunded Bonds as such become due and payable on December 15, 2016.

The debt service of the 2005B Refunded Bonds are as follows:

| | | | |
|---|---|---|---|
| 2008 | $ - | $ 6,571,188 | $ 6,571,188 |
| 2009 | - | 6,571,188 | 6,571,188 |
| 2010 | - | 6,571,188 | 6,571,188 |
| 2011 | - | 6,571,188 | 6,571,188 |
| 2012 | - | 6,571,188 | 6,571,188 |
| 2013-2017 | 142,625,000 | 19,713,563 | 162,338,563 |
| | $ 142,625,000 | $ 52,569,502 | $ 195,194,502 |

| Series 2006A | Interest Rates | Original Amount |
|---|---|---|
| Purpose - Construction costs of a commuter rail line from Salt Lake City to Pleasant View City; construction of certain commuter rail improvements; purchase of rolling stock; and other improvements to the system. | Daily Variable | $87,500,000 |
| | Ranged between 2.75% - 4.10% | |

Revenue bond debt service requirements to maturity, including interest, are as follows
Using the interest rate as of 12/31/2007 of 3.68%

| Year Ending December 31 | Principal | Interest | Total |
|---|---|---|---|
| 2008 | $ - | $ 3,220,000 | $ 3,220,000 |
| 2009 | - | 3,220,000 | 3,220,000 |
| 2010 | - | 3,220,000 | 3,220,000 |
| 2011 | - | 3,220,000 | 3,220,000 |
| 2012 | - | 3,220,000 | 3,220,000 |
| 2013-2017 | - | 16,100,000 | 16,100,000 |
| 2018-2022 | - | 16,100,000 | 16,100,000 |
| 2023-2027 | 8,750,000 | 15,939,000 | 24,689,000 |
| 2028-2032 | 43,750,000 | 10,465,000 | 54,215,000 |
| 2033-2036 | 35,000,000 | 2,576,000 | 37,576,000 |
| Total | $ 87,500,000 | $ 77,280,000 | $ 164,780,000 |

Series 2006B

| | Interest Rates | Original Amount |
|---|---|---|
| Purpose - Construction costs of a commuter rail line from Salt Lake City to Pleasant View City; construction of certain commuter rail improvements; puchase of rolling stock; and other improvements to the system. | Daily Variable | $87,500,000 |
| | Ranged between 2.45% - 4.10% | |

Revenue bond debt service requirements to maturity, including interest, are as follows
Using the interest rate as of 12/31/2007 of 3.70%

| Year Ending December 31 | Principal | Interest | Total |
|---|---|---|---|
| 2008 | $ - | $ 3,237,500 | $ 3,237,500 |
| 2009 | - | 3,237,500 | 3,237,500 |
| 2010 | - | 3,237,500 | 3,237,500 |
| 2011 | - | 3,237,500 | 3,237,500 |
| 2012 | - | 3,237,500 | 3,237,500 |
| 2013-2017 | - | 16,187,500 | 16,187,500 |
| 2018-2022 | - | 16,187,500 | 16,187,500 |
| 2023-2027 | 8,750,000 | 16,025,625 | 24,775,625 |
| 2028-2032 | 43,750,000 | 10,521,875 | 54,271,875 |
| 2033-2036 | 35,000,000 | 2,590,000 | 37,590,000 |
| Total | $ 87,500,000 | $ 77,700,000 | $ 165,200,000 |

Series 2006C

| | Interest Rates | Original Amount |
|---|---|---|
| Purpose - Refunding of 2002A Series Bond | 5.0 - 5.25% | $134,650,000 |

Revenue bond debt service requirements to maturity, including interest, are as follows;

| Year Ending December 31 | Principal | Interest | Total |
|---|---|---|---|
| 2008 | $ - | $ 7,037,525 | $ 7,037,525 |
| 2009 | - | 7,037,525 | 7,037,525 |
| 2010 | - | 7,037,525 | 7,037,525 |
| 2011 | - | 7,037,525 | 7,037,525 |
| 2012 | - | 7,037,525 | 7,037,525 |
| 2013-2017 | 21,805,000 | 32,539,594 | 54,344,594 |
| 2018-2022 | 28,285,000 | 26,064,806 | 54,349,806 |
| 2023-2027 | 36,775,000 | 17,571,095 | 54,346,095 |
| 2028-2032 | 47,785,000 | 6,533,495 | 54,318,495 |
| Total | $ 134,650,000 | $ 117,896,615 | $ 252,546,615 |

Series 2007A

Purpose - Cost of acquisition and construction of certain improvements to the Authority's transit system and the refunding of $142,625,000 of the 2005B Series bonds.

| | Interest Rates | Original Amount |
|---|---|---|
| Current Interest Bonds | 5% | $ 128,795,000 |
| Capital Appreciation Bonds | 4.55 - 5.05% | $ 132,329,109 |

Revenue bond debt service requirements to maturity, including interest, are as follows;

Current Interest Bonds

| Year Ending December 31 | Principal | Interest | Total |
|---|---|---|---|
| 2008 | $ - | $ 6,439,750 | $ 6,439,750 |
| 2009 | - | 6,439,750 | 6,439,750 |
| 2010 | - | 6,439,750 | 6,439,750 |
| 2011 | - | 6,439,750 | 6,439,750 |
| 2012 | - | 6,439,750 | 6,439,750 |
| 2013-2017 | 4,775,000 | 31,963,375 | 36,738,375 |
| 2018-2022 | 8,125,000 | 29,597,375 | 37,722,375 |
| 2023-2027 | 23,405,000 | 26,189,125 | 49,594,125 |
| 2028-2032 | 29,220,000 | 18,831,250 | 48,051,250 |
| 2033-2037 | 63,270,000 | 4,850,750 | 68,120,750 |
| Total | $ 128,795,000 | $ 143,630,625 | $ 272,425,625 |

Capital Appreciation Bonds

| Year Ending December 31 | Principal | Interest | Total |
|---|---|---|---|
| 2008 | $ - | $ - | $ - |
| 2009 | - | - | - |
| 2010 | - | - | - |
| 2011 | - | - | - |
| 2012 | - | - | - |
| 2013-2017 | - | - | - |
| 2018-2022 | 46,394,473 | 38,265,527 | 84,660,000 |
| 2023-2027 | 35,367,617 | 49,282,383 | 84,650,000 |
| 2028-2032 | 29,539,516 | 63,185,484 | 92,725,000 |
| 2033-2037 | 21,027,503 | 63,637,497 | 84,665,000 |
| Total | $ 132,329,109 | $ 214,370,891 | $ 346,700,000 |

## 9. Commitments and Contingencies

The Authority is a defendant in various matters of litigation and has other claims pending as a result of activities in the ordinary course of business. Management and legal counsel believe that by reason of meritorious defense, by insurance coverage or statutory limitations, these contingencies will not result in a significant liability to the Authority in excess of the amounts provided as accrued self-insurance liability in the accompanying financial statements.

The Authority also has commitments during 2008 of approximately $7.7 million for rail locomotives, cab-cars and passenger cars; approximately $33 million for construction of the commuter rail and approximately $15.4 million for 43 buses.

## 10. Subsequent Events

In early 2008, the Authority made commitments for the construction of the mid-Jordan light rail extension of approximately $55 million and $1.4 million for the construction of the south commuter rail. In addition the Authority made commitments to purchase 19 buses for approximately $6.3 million and 52 paratransit vans for approximately $3.8 million.

In 2007 the Utah State Legislature removed the sales tax on food effective January 1, 2008 and allowed counties to adjust the transit sales tax rate up to mitigate the impact of the loss of transit sales tax funds due to the removal of the sales tax on food. The transit sales tax rates will be as follows: (see note 2F for current rate).

| | January 1, 2008 | July 1, 2008 |
|---|---|---|
| Salt Lake County | 0.68375% | 0.68375% |
| Davis & Weber Counties | 0.50% | 0.55% |
| Utah County | 0.526% | 0.526% |
| Tooele and Box Elder Counties | 0.30% | 0.30% |

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# STATISTICAL

# Statistical Section

This part of Utah Transit Authority's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements and note disclosures information says about the Authority's overall financial health.

<u>**Contents**</u>



Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

The Authority implemented GASB Statement 34 in 2002. Data was not available for all schedules prior to the implementation. Where data was able to be gathered for ten years, that data is shown.

# Net Assets

## Seven Years

| | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 |
|---|---|---|---|---|---|---|---|
| Net Assets at Year-End | | | | | | | |
| Invested in capital assets, net of related debt | $ 413,118,464 | $ 498,669,716 | $ 502,124,917 | $ 498,167,795 | $ 505,892,844 | $ 550,959,844 | $ 652,232,055 |
| Restricted | 6,908,512 | 7,844,533 | 1,709,748 | 1,938,230 | 3,840,055 | 4,681,691 | 3,966,065 |
| Unrestricted | 109,233,453 | 82,483,703 | 105,088,336 | 111,199,562 | 114,655,298 | 119,477,125 | 455,924,673 |
| Total Net Assets | $ 529,260,429 | $ 588,997,952 | $ 608,923,001 | $ 611,305,587 | $ 624,388,197 | $ 675,118,660 | $ 1,112,122,793 |




TRAX University Line

# Change in Net Assets

## Ten Years

| | Operating Revenue | Operating Expense | Operating Loss | Total Nonoperating Revenues/ (Expenses) | Gain (Loss) before Capital Contributions | Capital Contributions | Change in Net Assets |
|---|---|---|---|---|---|---|---|
| 1998 | $ 13,471,758 | $ 83,007,715 | $ (69,535,957) | $ 79,659,469 | $ 10,123,512 | $ 94,970,066 | $ 105,093,578 |
| 1999 | 14,146,779 | 92,781,075 | (78,634,296) | 79,669,120 | 1,034,824 | 63,920,098 | 64,954,922 |
| 2000 | 16,587,921 | 122,787,433 | (106,199,512) | 83,025,056 | (23,174,456) | 56,994,344 | 33,819,888 |
| 2001 | 17,559,632 | 137,575,711 | (120,016,079) | 117,297,690 | (2,718,389) | 91,518,789 | 88,800,400 |
| 2002 | 20,957,983 | 155,329,510 | (134,371,527) | 128,177,447 | (6,194,080) | 65,931,603 | 59,737,523 |
| 2003 | 20,104,519 | 170,648,762 | (150,544,243) | 126,137,362 | (24,406,881) | 44,331,930 | 19,925,049 |
| 2004 | 21,341,393 | 179,747,235 | (158,405,842) | 135,291,313 | (23,114,529) | 25,497,115 | 2,382,586 |
| 2005 | 22,239,683 | 176,883,380 | (154,643,697) | 143,694,283 | (10,949,414) | 24,032,024 | 13,082,610 |
| 2006 | 24,627,104 | 186,931,529 | (162,304,425) | 174,652,182 | 12,347,757 | 38,382,706 | 50,730,463 |
| 2007 | 25,641,509 | 195,976,473 | (170,334,964) | 218,100,208 | 47,765,244 | 389,238,889 | 437,004,133 |

# Revenue History by Source

## Ten Years

| | Operating | Sales Taxes | Federal Operating Revenue Grants | Federal Preventative Maintenance Grants | Interest | Other | Federal Capital Grants | Other Capital Contributions | Total |
|---|---|---|---|---|---|---|---|---|---|
| 1998 | $ 13,471,758 | $ 56,525,497 | $ 2,919,945 | $ 14,600,534 | $ 4,982,715 | $ 630,778 | $ 93,032,264 | $ 1,937,802 | $ 188,101,293 |
| 1999 | 14,146,779 | 58,559,368 | 1,273,221 | 14,400,000 | 5,153,730 | 282,801 | 63,656,906 | 263,196 | 157,736,001 |
| 2000 | 16,587,921 | 62,223,044 | 2,753,187 | 17,112,000 | 3,078,116 | 515,706 | 52,646,970 | 4,347,374 | 159,264,318 |
| 2001 | 17,559,632 | 94,382,300 | 3,094,268 | 18,258,376 | 3,657,408 | 335,155 | 90,871,105 | 647,684 | 228,805,928 |
| 2002 | 20,957,983 | 103,783,931 | 4,948,525 | 19,462,000 | 1,572,901 | 3,075,408 | 43,245,095 | 22,686,508 | 219,732,351 |
| 2003 | 20,104,519 | 103,869,244 | 5,573,314 | 24,014,281 | 2,225,298 | 731,439 | 42,274,407 | 2,057,523 | 200,850,025 |
| 2004 | 21,341,393 | 111,982,133 | 6,780,349 | 24,428,546 | 1,292,768 | 621,587 | 24,574,086 | 923,029 | 191,943,891 |
| 2005 | 22,239,683 | 121,832,629 | 3,117,145 | 25,349,419 | 4,104,985 | 744,290 | 23,265,156 | 766,868 | 201,420,175 |
| 2006 | 24,627,104 | 138,546,093 | 6,319,476 | 25,013,649 | 9,827,487 | 9,268,901 | 37,172,077 | 1,210,629 | 251,985,416 |
| 2007 | 25,641,509 | 191,688,539 | 4,724,497 | 26,772,123 | 9,149,060 | 1,287,668 | 386,037,075 | 3,201,814 | 648,502,285 |

# Expense History by Function

## Ten Years

| | Operations | Maintenance | Administration | Transit Disabled | Depreciation | Interest | Total |
|---|---|---|---|---|---|---|---|
| 1998 | $ 33,674,217 | $ 20,934,263 | $ 10,441,659 | $ 5,909,978 | $ 12,047,598 | 0* | $ 83,007,715 |

| | Bus Service | Rail Service | Transit Disabled | Other Service | Operations Support | Administration | Depreciation | Interest | Total |
|---|---|---|---|---|---|---|---|---|---|
| 1999** | $50,932,040 | $ 608,439 | $ 7,518,195 | $880,007 | $ 9,283,135 | $ 10,479,464 | $ 13,079,795 | 0* | $ 92,781,075 |
| 2000 | 54,775,642 | 6,459,859 | 9,421,763 | 754,148 | 11,947,198 | 11,111,314 | 28,317,519 | $ 2,656,995 | 125,444,438 |
| 2001 | 57,542,710 | 7,962,470 | 11,440,168 | 755,127 | 15,367,479 | 15,350,536 | 29,158,221 | 2,428,817 | 140,005,528 |
| 2002 | 58,669,151 | 11,833,836 | 12,120,768 | 766,654 | 22,664,702 | 18,167,599 | 31,106,800 | 4,665,318 | 159,994,828 |
| 2003*** | 61,341,319 | 13,967,281 | 11,683,675 | 658,458 | 19,375,464 | 18,793,655 | 44,828,910 | 10,276,214 | 180,924,976 |
| 2004*** | 64,089,452 | 14,380,481 | 11,585,593 | 728,443 | 18,269,951 | 22,653,857 | 48,039,458 | 9,814,070 | 189,561,305 |
| 2005*** | 67,536,664 | 14,610,796 | 11,670,170 | 866,127 | 17,398,728 | 18,447,146 | 46,353,749 | 11,454,185 | 188,337,565 |
| 2006*** | 69,471,137 | 16,346,071 | 12,076,802 | 908,646 | 18,806,425 | 22,516,649 | 46,805,799 | 14,323,424 | 201,254,953 |
| 2007*** | 74,210,355 | 18,502,185 | 13,134,705 | 646,080 | 20,713,291 | 22,709,608 | 46,060,249 | 15,521,679 | 211,498,152 |

Interest reported is non-capitalized interest

* Interest for '98, and '99 bond is for light rail construction and has been capitalized and does not appear on the Statement of Revenues, Expenses, and changes in Equity reports.

** In anticipation of the startup of light rail service the Authority has reclassified its expense categories for 1999 and subsequent years, for example, Bus Operations and Maintenance have been combined into Bus Service, some departments classified as Bus Operations or Bus Maintenance have been reclassified as Operations Support because they support all modes of service.

*** Administration expenses include major investment studies.

# Sales Tax Collected by County

| | Davis | Salt Lake | Tooele | Utah | Weber | Box Elder | Total |
|---|---|---|---|---|---|---|---|
| 1998 | $ 5,752,253 | $ 35,490,871 | $ 552,217 | $ 8,614,364 | $ 5,585,341 | $ 530,452 | $ 56,525,498 |
| 1999 | 6,076,649 | 36,318,729 | 588,362 | 9,290,223 | 5,758,222 | 527,181 | 58,559,366 |
| 2000 | 6,244,100 | 38,853,481 | 688,163 | 9,909,756 | 5,990,640 | 536,904 | 62,223,044 |
| 2001 | 11,618,751 | 60,441,441 | 753,560 | 10,244,336 | 10,761,683 | 562,529 | 94,382,300 |
| 2002 | 13,331,973 | 66,454,724 | 779,275 | 10,268,593 | 12,372,363 | 577,003 | 103,783,931 |
| 2003 | 13,613,777 | 65,861,441 | 793,428 | 10,375,514 | 12,648,920 | 576,164 | 103,869,244 |
| 2004 | 14,763,385 | 70,881,852 | 864,662 | 11,272,294 | 13,581,401 | 618,539 | 111,982,133 |
| 2005 | 15,895,090 | 77,384,293 | 940,717 | 12,775,863 | 14,181,389 | 655,277 | 121,832,629 |
| 2006 | 18,241,307 | 87,418,635 | 1,082,912 | 15,068,649 | 16,011,822 | 722,768 | 138,546,093 |
| 2007 | 19,967,595 | 124,548,526 | 1,200,289 | 27,916,622 | 17,211,585 | 843,922 | 191,688,539 |

Notes:
Tooele County includes the cities of Tooele, Gransville and the unincorporated areas of Erda, Lakepoint, Stansbury Park and Lincoln.

Utah County includes the cities of Provo and Orem, American Fork, Lehi, Lindon, Pleasant Grove, Springville, Alpine, Cedar Hills, Highland, Mapleton, Payson, Salem, and Provo Canyon.

Box Elder County includes the cities of Brigham City, Perry and Willard.

Amounts may vary slightly from financial statements due to accrued estimates.

## Transit Sales Tax Rates (last ten years)

| | Davis | Salt Lake | Tooele | Utah | Weber | Box Elder |
|---|---|---|---|---|---|---|
| 1998 | 0.25% | 0.25% | 0.25% | 0.25% | 0.25% | 0.25% |
| 1999 | 0.25% | 0.25% | 0.25% | 0.25% | 0.25% | 0.25% |
| 2000 | 0.25% | 0.25% | 0.25% | 0.25% | 0.25% | 0.25% |
| 2001 (Jan.-Mar.) | 0.25% | 0.25% | 0.25% | 0.25% | 0.25% | 0.25% |
| 2001 (Apr.-Dec.) | 0.50% | 0.4375% | 0.25% | 0.25% | 0.50% | 0.25% |
| 2002 | 0.50% | 0.4375% | 0.25% | 0.25% | 0.50% | 0.25% |
| 2003 | 0.50% | 0.4375% | 0.25% | 0.25% | 0.50% | 0.25% |
| 2004 | 0.50% | 0.4375% | 0.25% | 0.25% | 0.50% | 0.25% |
| 2005 | 0.50% | 0.4375% | 0.25% | 0.25% | 0.50% | 0.25% |
| 2006 | 0.50% | 0.4375% | 0.25% | 0.25% | 0.50% | 0.25% |
| 2007 | 0.50% | 0.63375% | 0.25% | 0.48% | 0.50% | 0.25% |

(See notes to financial statements 2F and 10)

# Revenue Capacity
## Principle Sales Tax Payers
## (in millions)

| | Fiscal Year 2006 (1) | | | Fiscal Year 2002 | | |
|---|---|---|---|---|---|---|
| | Rank | Percentage of Taxable Sales | Amount | Rank | Percentage of Taxable Sales | Amount |
| Retail Motor Vehicles | 1 | 11.59% | 4,031 | 1 | 12.03% | 3,155 |
| Retail General Merchandise | 2 | 11.17% | 3,885 | 2 | 11.00% | 2,884 |
| Wholesale Durable | 3 | 9.75% | 3,390 | 4 | 7.81% | 2,049 |
| Retail Food Stores | 4 | 7.78% | 2,706 | 3 | 9.68% | 2,538 |
| Retail Misc. | 5 | 7.06% | 2,456 | 5 | 6.58% | 1,725 |
| Retail Eating & Drinking | 6 | 6.38% | 2,220 | 6 | 6.22% | 1,630 |
| Manufacturing | 7 | 5.84% | 2,031 | 7 | 4.39% | 1,152 |
| Retail Building & Garden | 8 | 5.51% | 1,919 | 8 | 4.39% | 1,151 |
| Retail Furniture | 9 | 4.65% | 1,618 | 9 | 4.63% | 1,213 |
| Electric & Gas | 10 | 4.35% | 1,513 | 11 | 4.30% | 1,126 |
| Communications | 11 | 3.64% | 1,267 | 10 | 4.46% | 1,168 |
| Service Auto & Repair | 12 | 3.49% | 1,216 | 12 | 3.73% | 977 |
| Service Business | 13 | 3.29% | 1,143 | 13 | 3.29% | 863 |
| Service Retail Apparel & Accsry | 14 | 2.69% | 934 | 14 | 2.56% | 672 |
| All Other | | 12.81% | 7,462 | | 14.93% | 3,916 |

(1) Latest Data Available

Data prior to 2002 not available

Source: Utah State Tax Commission

# Fares

## Ten Years

| | 1998 through 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 effective 07/01/07 |
|---|---|---|---|---|---|---|---|
| Cash Fares | | | | | | | |
| Base Fare | $ 1.00 | $ 1.25 | $ 1.25 | $ 1.35 | $ 1.40 | $ 1.50 | $ 1.60 |
| Senior Citizens/Disabled | $ 0.35 | $ 0.50 | $ 0.50 | $ 0.50 | $ 0.70 | $ 0.75 | $ 0.80 |
| Express | $ 2.00 | $ 2.25 | $ 2.25 | $ 2.25 | $ 2.75 | $ 3.00 | $ 3.25 |
| Paratransit (Flextrans) | $ 1.00 | $ 1.25 | $ 2.00 | $ 2.00 | $ 2.00 | $ 2.05 | $ 2.05 |
| Monthly Passes | | | | | | | |
| Adult | $ 32.00 | $ 40.00 | $ 4.00 | $ 40.00 | $ 47.00 | $ 50.00 | $ 53.50 |
| Minor | $ 20.00 | $ 28.00 | $ 28.00 | $ 28.00 | $ 35.00 | $ 37.00 | $ 40.00 |
| College Student | $ 20.00 | $ 28.00 | $ 28.00 | $ 28.00 | n/a | n/a | $ 40.00 |
| Senior Citizen/Disabled | $ 11.00 | $ 18.00 | $ 18.00 | $ 18.00 | $ 23.50 | $ 25.00 | $ 26.75 |
| Express | $ 70.00 | $ 81.00 | $ 81.00 | $ 81.00 | $ 95.00 | $ 100.00 | $ 107.00 |
| Paratransit | $ 32.00 | $ 40.00 | $ 68.00 | $ 68.00 | $ 68.00 | $ 69.00 | $ 69.00 |
| Other Fares | | | | | | | |
| Day Pass | $ 2.00 | $ 2.50 | $ 2.70 | $ 2.70 | $ 3.50 | $ 4.00 | $ 4.25 |
| Summer Youth | $ 25.00 | $ 30.00 | $ 30.00 | $ 30.00 | $ 40.00 | $ 40.00 | $ 40.00 |
| Token - pack of ten | $ 10.00 | $ 12.50 | $ 12.50 | $ 12.50 | $ 13.00 | $ 13.00 | $ 14.25 |
| Paratransit 10 ride ticket book | n/a | $ 11.00 | $ 18.00 | $ 18.00 | $ 18.00 | $ 18.50 | $ 18.50 |
| Paratransit 30 ride ticket book | n/a | n/a | n/a | n/a | n/a | n/a | $ 44.00 |
| Ski Day Pass | n/a | $ 5.00 | $ 5.00 | $ 5.00 | $ 6.00 | $ 6.00 | $ 6.50 |

FrontRunner Track Construction

# Legal Debt Margin Information

## Eight Years

| | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 |
|---|---|---|---|---|---|---|---|---|
| Total Debt (in 000's) | $ 92,050 | $ 91,330 | $ 320,780 | $ 252,000 | $ 248,485 | $ 418,905 | $ 528,815 | $ 641,179 |
| Percentage of Personal Income (a) | 0.2% | 0.2% | 0.7% | 0.5% | 0.5% | 0.8% | 0.9% | n/a |
| Per Capita (a) | $ 52 | $ 50 | $ 170 | $ 131 | $ 126 | $ 207 | $ 255 | $ 302 |
| Debit Limit (in 000's) | $ 2,184,821 | $ 2,413,236 | $ 2,333,062 | $ 2,672,266 | $ 3,789,110 | $ 3,916,687 | $ 4,198,045 | $ 4,837,443 |
| Legal debt margin (in 000's) | $ 2,092,771 | $ 2,321,906 | $ 2,012,282 | $ 2,420,266 | $ 3,540,625 | $ 3,497,782 | $ 3,669,230 | $ 4,196,264 |
| Total Debt as a percentage of Debt Limit | 4.21% | 3.78% | 13.75% | 9.43% | 6.56% | 10.70% | 12.60% | 13.25% |

(a) See Demographic and Economic Statistics schedule for population and personal income data.

(1) For debt incurring capacity only, in computing the fair market of taxable property in the Authority, the value of all motor vehicles and state-assessed commercial vehicles (which value is determined by dividing the uniform fee revenue by 1.5%) will be included as a part of the fair market value of the taxable property in the Authority.

**Legal Limit Calulation for the Fiscal Year 2007**

| | |
|---|---|
| Estimated 2006 "Fair Market Value" (in 000's) | $ 151,323,163 |
| (1) 2006 Valuation from Uniform Fees (in 000's) | 9,924,942 |
| Estimated 2006 "Fair Market Value Debt Incuring Capacity" (in 000's) | 161,248,105 |
| Debt Limit (3% of Fair Market Value) (in 000's) | $ 4,837,443 |

Source: The Utah State Tax Commission

Note: The Authority may not incur any indebtedness which exceeds in the aggregate 3% of the fair market value of all real and personal property in the district.

# Debt Service Coverage

## Ten Years

| | Operating Revenues(1) | Operating Expenses(2) | Net Income Available Debt Service | Debt Service Requirement | | | |
|---|---|---|---|---|---|---|---|
| | | | | Principal | Interest | Total | Coverage |
| 1998 | $ 93,131,227 | $70,960,117 | $ 22,171,110 | - | $2,882,579 | $ 2,882,579 | 7.7 |
| 1999 | 93,815,899 | 79,701,280 | 14,114,619 | $ 690,000 | 3,150,420 | 3,840,420 | 3.7 |
| 2000 | 102,269,972 | 94,469,924 | 7,800,048 | - | 2,987,228 | 2,987,228 | 2.6 |
| 2001 | 137,287,139 | 108,417,490 | 28,869,649 | 720,000 | 3,228,637 | 3,948,637 | 7.3 |

(1) Operating revenues include interest and other non-operating revenues
(2) Operating expenses exclusive of depreciation and interest

| | Sales Tax | Interest on Specific Accounts | Total Available Debt Service | Debt Service Requirement | | | |
|---|---|---|---|---|---|---|---|
| | | | | Principal | Interest | Total | Coverage |
| 2002 | $ 103,783,931 | $ 516,718 | $ 104,300,649 | $ 750,000 | $4,922,251 | $ 5,672,251 | 18.4 |
| 2003 | 103,869,244 | 878,807 | 104,748,051 | 3,580,000 | 11,179,078 | 14,759,078 | 7.1 |
| 2004 | 111,982,133 | 264,643 | 112,246,776 | 3,715,000 | 10,477,515 | 14,192,515 | 7.9 |
| 2005 | 121,832,629 | 1,404,935 | 123,237,564 | 3,900,000 | 11,213,020 | 15,113,020 | 8.2 |
| 2006 | 138,546,093 | 6,721,036 | 145,267,129 | 4,090,000 | 18,014,334 | 22,104,334 | 6.57 |
| 2007 | 191,688,539 | 4,378,440 | 196,066,979 | 6,135,000 | 24,061,595 | 30,196,595 | 6.49 |

(3) Effective 2002 all bonds are covered by pledging of total sales tax and interest earned on indentured bond funds.

Paratransit Vehicle

# Demographic and Economic Statistics

## Ten Years

| Year | Population | Personal Income (in millions) | Per Capita Personal Income | Unemployment Rate |
|---|---|---|---|---|
| 1998 | 1,733,910 | 38,870 | 22,310 | 3.5% |
| 1999 | 1,762,813 | 40,862.4 | 23,060 | 3.4% |
| 2000 | 1,794,106 | 44,517.4 | 24,720 | 3.3% |
| 2001 | 1,832,964 | 46,913.5 | 25,548 | 4.4% |
| 2002 | 1,857,720 | 48,287.0 | 25,918 | 5.8% |
| 2003 | 1,879,596 | 49,121.6 | 26,108 | 5.6% |
| 2004 | 1,935,577 | 53,088.2 | 26,762 | 5.0% |
| 2005 | 1,988,320 | 55,762.3 | 28,095 | 4.1% |
| 2006 | 2,074,578 | 62,044.2 e | 30,508 e | 2.9% |
| 2007 | 2,121,188 | n/a | n/a | 2.6% |

e = estimated

Sources:

Population: U.S. Dept. of Commerce, Bureau of Economic Analysis
Personal Income and Per Capita Income: 1998-2005: Bureau of Econmic Analysis; 2006 Utah Dept. of Workforce Services
Unemployment: Utah Dept. of Workforce Services

2007 data for Personal Income and Per Capita Income was not available

# Principle Employers

| Employer | Industry | 2005 Employees | Rank | % Total Employment | 2006 Employees | Rank | % Total Employment |
|---|---|---|---|---|---|---|---|
| University of Utah | Higher Education | 15000 - 19999 | 1 | 1.55-2.07% | 15000 - 19999 | 1 | 1.48-1.98% |
| BYU | Higher Education | 15000 - 19999 | 1 | 1.55-2.07% | 15000 - 19999 | 1 | 1.48-1.98% |
| State of Utah | State Government | 13600 - 21245 | 3 | 1.41-2.20% | 14700 - 22494 | 3 | 1.45-2.22% |
| Intermountain Health Care | Health Care | 10000 - 14999 | 4 | 1.04-1.55% | 10000 - 14999 | 4 | 0.99-1.48% |
| Hill AFB | U.S. Government | 10000 - 14999 | 4 | 1.04-1.55% | 10000 - 14999 | 4 | 0.99-1.48% |
| Wal Mart | Retail | 8000 - 12993 | 6 | 0.83-1.34% | 8750 - 14493 | 6 | 0.86-1.43% |
| Granite School District | Public Education | 7000 - 9999 | 7 | 0.72-1.04% | 7000 - 9999 | 7 | 0.69-0.99% |
| Jordan School District | Public Education | 7000 - 9999 | 7 | 0.72-1.04% | 7000 - 9999 | 7 | 0.69-0.99% |
| Davis School District | Public Education | 5000 - 6999 | 9 | 0.52-.072% | 5000 - 6999 | 9 | 0.49-0.69% |
| Salt Lake County | Local Government | 5000 - 6999 | 9 | 0.52-.072% | 5000 - 6999 | 9 | 0.49-0.69% |
| Alpine School District | Public Education | 5000 - 6999 | 9 | 0.52-.072% | 5000 - 6999 | 9 | 0.49-0.69% |
| Department of the Treasury | U.S. Government | 5000 - 6999 | 9 | 0.52-.072% | 5000 - 6999 | 9 | 0.49-0.69% |

Source: Utah State Department of Workforce Services

Note: The Department of Workforce Service had not yet compiled the information for 2007 at the time this report was issued.
The Department of Workforce Services was not able to provide information for prior

# Full Time Equivalent Authority Employees

## Five Years

| Function | 2003 | 2004 | 2005 | 2006 | 2007 |
|---|---|---|---|---|---|
| Bus Operations | 1009 | 994 | 977 | 937 | 1008 |
| Rail Operations | 149 | 158 | 166 | 176 | 233 |
| Paratransit Operations | 150 | 143 | 138 | 142 | 143 |
| Other Services | 7 | 7 | 7 | 8 | 8 |
| Support Services | 196 | 246 | 226 | 247 | 225 |
| Administration | 157 | 153 | 160 | 164 | 193 |
| Total | 1668 | 1701 | 1674 | 1674 | 1810 |

Support Services includes those departments not in the operating divisions, yet their function closely supports operations.
They include departments like training, fare collection, facilities maintenance, support maintenance, security and customer service.

Support Services numbers reflect bringing the facilities security in-house and changes in the training department numbers as training needs fluctuate.

Source: Utah Transit Authority Human Resource Department

# Trend Statistics

## Ten Years

| | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Passengers** | | | | | | | | | | |
| Bus Service | 23,787,532 | 23,122,829 | 21,609,457 | 22,220,325 | 21,232,710 | 21,280,980 | 21,740,128 | 21,608,186 | 21,101,991 | 20,708,289 |
| Rail Service | N/A | 614,659 | 6,132,354 | 5,987,053 | 9,658,719 | 10,085,968 | 11,452,402 | 12,998,104 | 14,837,721 | 12,316,966 |
| Paratransit Service | 312,170 | 426,255 | 490,872 | 537,411 | 546,410 | 523,287 | 502,341 | 486,669 | 494,645 | 484,422 |
| Vanpool Service | | | | 300,987 | 484,353 | 700,270 | 841,078 | 1,070,187 | 1,344,609 | 1,656,471 |
| Passengers (All Modes) | 24,099,702 | 24,163,743 | 28,232,683 | 29,045,776 | 31,922,192 | 32,590,505 | 34,535,949 | 36,163,146 | 37,778,966 | 35,166,148 |
| **Revenue Miles** | | | | | | | | | | |
| Bus Revenue Miles | 16,902,978 | 16,958,698 | 17,324,950 | 17,001,803 | 17,464,688 | 17,353,814 | 17,371,400 | 17,500,666 | 16,967,325 | 17,097,798 |
| Rail Revenue Miles | N/A | 116,867 | 1,506,051 | 1,703,328 | 2,379,377 | 2,281,900 | 2,565,455 | 2,744,954 | 2,827,725 | 2,839,300 |
| Paratransit Revenue Miles | 2,814,984 | 3,332,013 | 4,135,758 | 4,794,710 | 4,918,152 | 4,229,682 | 4,214,238 | 4,178,334 | 3,787,313 | 3,654,751 |
| Vanpool Revenue Miles | | | | 1,695,923 | 2,713,825 | 3,918,333 | 4,637,964 | 5,562,007 | 6,733,122 | 6,900,915 |
| Revenue Miles (All Modes) | 19,717,962 | 20,407,578 | 22,966,759 | 25,195,764 | 27,476,042 | 27,783,729 | 28,789,057 | 29,985,961 | 30,315,485 | 30,492,764 |
| **Total Miles** | | | | | | | | | | |
| Total Bus Miles | 19,218,578 | 19,375,945 | 19,004,792 | 18,656,815 | 19,155,359 | 19,033,716 | 19,053,605 | 19,195,938 | 18,611,722 | 18,734,672 |
| Total Rail Miles | N/A | 117,082 | 1,508,948 | 1,711,502 | 2,390,131 | 2,294,449 | 2,587,337 | 2,758,747 | 2,841,934 | 2,853,568 |
| Total Paratransit Miles | 3,166,837 | 3,626,012 | 4,711,639 | 5,354,501 | 5,442,368 | 4,664,235 | 4,977,102 | 4,932,145 | 4,447,340 | 4,288,774 |
| Total Vanpool Miles | | | | 1,695,923 | 2,713,825 | 3,918,333 | 4,637,964 | 5,635,116 | 6,821,625 | 6,900,915 |
| Total Miles (All Modes) | 22,385,415 | 23,119,039 | 25,225,379 | 27,418,741 | 29,701,683 | 29,910,733 | 31,256,008 | 32,521,946 | 32,722,621 | 32,777,929 |
| **Passengers Per Mile** | | | | | | | | | | |
| Bus Passengers Per Mile | 1.24 | 1.19 | 1.14 | 1.19 | 1.11 | 1.12 | 1.14 | 1.13 | 1.13 | 1.11 |
| Rail Passengers Per Mile | N/A | 5.25 | 4.06 | 3.50 | 4.04 | 4.40 | 4.43 | 4.71 | 5.22 | 4.32 |
| Paratransit Passengers Per Mile | 0.10 | 0.12 | 0.10 | 0.10 | 0.10 | 0.11 | 0.10 | 0.10 | 0.11 | 0.11 |
| Vanpool Passenger Per Mile | | | | 0.18 | 0.18 | 0.18 | 0.18 | 0.19 | 0.20 | 0.24 |
| Total Passengers Per Mile | 1.08 | 1.05 | 1.12 | 1.06 | 1.07 | 1.09 | 1.10 | 1.11 | 1.15 | 1.07 |
| **Revenue Hours** | | | | | | | | | | |
| Bus Revenue Hours | 888,357 | 886,110 | 899,953 | 932,907 | 941,092 | 938,238 | 928,367 | 923,129 | 908,954 | 820,173 |
| Rail Revenue Hours | N/A | 2,123 | 46,007 | 63,400 | 93,986 | 92,871 | 101,543 | 93,703 | 98,737 | 98,828 |
| Paratransit Revenue Hours | 171,702 | 211,011 | 232,342 | 290,610 | 299,390 | 300,133 | 285,199 | 243,974 | 218,154 | 214,003 |
| Revenue Hours | 1,060,059 | 1,099,244 | 1,178,302 | 1,286,917 | 1,334,468 | 1,331,242 | 1,315,109 | 1,260,806 | 1,225,845 | 1,133,004 |
| **Passengers Per Revenue Hour** | | | | | | | | | | |
| Bus Passengers Per Revenue Hour | 26.78 | 26.09 | 24.01 | 23.82 | 22.56 | 22.68 | 23.42 | 23.41 | 23.22 | 25.25 |
| Rail Passenger Per Revenue Hour | N/A | 289.52 | 133.29 | 94.43 | 102.77 | 108.60 | 112.78 | 138.72 | 150.28 | 124.63 |
| Paratransit Passengers Per Revenue Hour | 1.82 | 2.02 | 2.11 | 1.85 | 1.83 | 1.74 | 1.76 | 1.99 | 2.27 | 2.26 |
| Total Passengers Per Revenue Hour | 22.73 | 21.98 | 23.96 | 22.34 | 23.56 | 23.96 | 25.62 | 27.83 | 29.72 | 29.58 |
| **Total System (All Modes)** | | | | | | | | | | |
| Cost Per Mile | $3.17 | $3.45 | $3.75 | $3.95 | $4.18 | $4.21 | $4.21 | $4.01 | $4.28 | $4.57 |
| Cost Per Passenger | $2.94 | $3.30 | $3.35 | $3.73 | $3.89 | $3.86 | $3.81 | $3.61 | $3.71 | $4.26 |
| Fare Revenue Per Passenger | $0.51 | $0.53 | $0.53 | $0.53 | $0.57 | $0.58 | $0.58 | $0.59 | $0.62 | $0.69 |

Notes:

Costs exclude depreciation and interest.
Light Rail Service began on December 4, 1999.
See ten year fare history for changes in rates.

Vanpool Service was not significant and is not reported prior to 2001.
Vanpool Service hours are not reported.
2002 passenger numbers do not include 1,305,316 passengers carried during the 2002 Winter Olympics.

# Capital Assets Statistics

## Ten Years

| | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 |
|---|---|---|---|---|---|---|---|---|---|---|
| Number of Bus Routes | 168 | 165 | 158 | 155 | 136 | 135 | 129 | 128 | 124 | 117 |
| Number of Trax Routes | 0 | 1 | 1 | 2 | 3 | 3 | 3 | 3 | 3 | 3 |
| Weekday Bus Sevice Miles | 62,300 | 59,015 | 60,706 | 71,681 | 72,501 | 60,810 | 61,987 | 61,851 | 60,676 | 60,436 |
| Weekday Rail Train Service Miles | 0 | 2,444 | 2,306 | 2,377 | 3,288 | 3,333 | 3,390 | 3,147 | 3,478 | 3,166 |
| Weekday Rail Car Service Miles | 0 | 5,086 | 4,897 | 5,539 | 7,546 | 7,422 | 9,479 | 8,943 | 9,110 | 9,213 |
| Average Weekday riders | 84,800 | 104,301 | 97,145 | 99,812 | 109,253 | 113,284 | 119,361 | 126,629 | 133,124 | 122,621 |
| Buses | 491 | 583 | 489 | 509 | 493 | 483 | 489 | 518 | 519 | 585 |
| Paratransit Buses/Vans | | | | | | | | | | |
| Directly Operated | 82 | 83 | 96 | 104 | 103 | 103 | 102 | 101 | 99 | 102 |
| Private Contractors | 42 | 53 | 52 | 53 | 62 | 61 | 77 | 74 | 74 | 75 |
| Rail Vehicles | 0 | 23 | 23 | 33 | 33 | 40 | 46 | 51 | 54 | 69 |
| Van Pools | 61 | 83 | 81 | 109 | 157 | 197 | 235 | 288 | 389 | 456 |
| Joint Use Park and Ride Lots | 59 | 70 | 70 | 72 | 72 | 74 | 106 | 106 | 126 | 128 |
| Trax Stations | 0 | 16 | 16 | 20 | 20 | 23 | 23 | 24 | 25 | 25 |
| Bus Stops | 9,500 | 9,500 | 9,500 | 8,442 | 8,193 | 8,000 | 8,028 | 7,902 | 7,301 | 6,975 |

# 2006 Performance Measures - Light Rail

| | | | Service Efficiency | | Cost Effectiveness | | Service Effectiveness | |
|---|---|---|---|---|---|---|---|---|
| City | ID | Agency | Operating Expense per Vehicle Revenue Mile | Operating Expense per Vehicle Revenue Hour | Operating Expense per Passenger Mile | Operating Expense per Unlinked Passenger Trip | Unlinked Passenger trips per Vehicle Revenue Mile | Unlinked Passenger Trips per Vehicle Revenue Hour |
| Salt Lake City, UT | 8001 | UTA | $8.18 | $91.45 | $0.27 | $1.52 | 5.38 | 60.11 |
| Buffalo, NY | 2004 | NFT Metro | $27.15 | $297.40 | $1.51 | $3.72 | 7.30 | 80.00 |
| Cleveland, OH | 5015 | GCRTA | $14.94 | $213.83 | $0.59 | $3.43 | 4.36 | 62.39 |
| Dallas, TX | 6056 | DART | $15.76 | $337.78 | $0.59 | $4.32 | 3.65 | 78.17 |
| Denver, CO | 8006 | RTD | $7.98 | $139.11 | $0.59 | $3.09 | 2.58 | 45.00 |
| Portland, OR | 0008 | Tri-Met | $10.97 | $171.24 | $0.39 | $2.02 | 5.42 | 84.63 |
| Sacramento, CA | 9019 | RTD | $13.15 | $244.76 | $0.65 | $3.54 | 3.72 | 69.20 |
| San Jose, CA | 9013 | VTA | $19.17 | $316.02 | $1.29 | $6.51 | 2.95 | 48.58 |
| San Diego, CA | 9054 | San Diego Trolley | $6.73 | $117.34 | $0.26 | $1.63 | 4.14 | 72.16 |
| St. Louis, MO | 7006 | BSDA | $9.31 | $240.98 | $0.34 | $2.46 | 3.79 | 97.99 |
| Average | | | $13.33 | $216.99 | $0.65 | $3.22 | 4.33 | 69.82 |
| Maximum | | | $27.15 | $337.78 | $1.51 | $6.51 | 7.30 | 97.99 |
| Minimum | | | $6.73 | $91.45 | $0.26 | $1.52 | 2.58 | 45.00 |
| Standard Deviation | | | $6.27 | $85.68 | $0.42 | $1.49 | $1.38 | $16.36 |

Data Source: 2006 National Transit Database

# 2006 Performance Measures - Bus Service

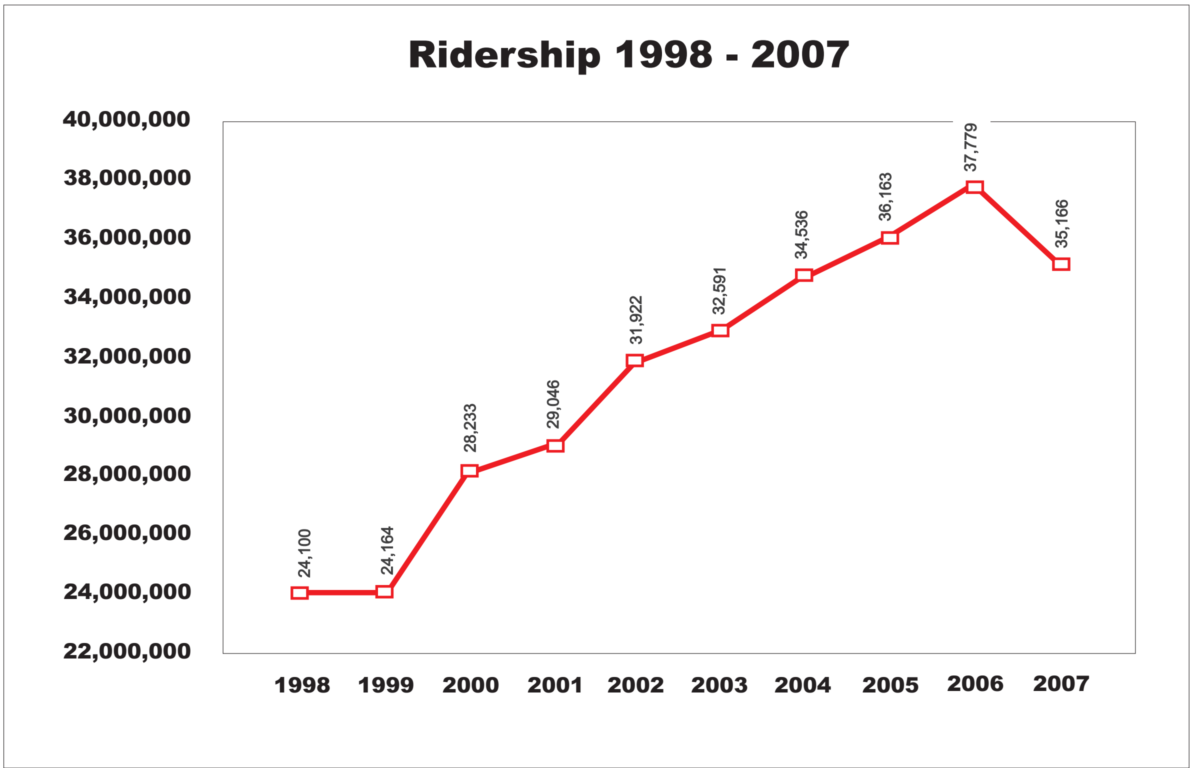
| City | ID | Agency | Service Efficiency: Operating Expense per Vehicle Revenue Mile | Service Efficiency: Operating Expense per Vehicle Revenue Hour | Cost Effectiveness: Operating Expense per Passenger Mile | Cost Effectiveness: Operating Expense per Unlinked Passenger Trip | Service Effectiveness: Unlinked Passenger trips per Vehicle Revenue Mile | Service Effectiveness: Unlinked Passenger Trips per Vehicle Revenue Hour |
|---|---|---|---|---|---|---|---|---|
| Salt Lake City, UT | 8001 | UTA | $5.62 | $105.99 | $0.63 | $4.35 | 1.29 | 24.35 |
| Arlington Heights, IL | 5113 | Pace | $6.37 | $89.28 | $0.58 | $3.87 | 1.65 | 23.07 |
| Houston, TX | 6008 | METRO | $6.73 | $97.31 | $0.53 | $3.04 | 2.21 | 31.97 |
| Phoenix, AZ | 9032 | Valley Metro | $6.48 | $87.08 | $0.61 | $2.37 | 2.73 | 36.68 |
| Buffalo, NY | 2004 | NFT Metro | $8.47 | $101.58 | $1.15 | $4.18 | 2.03 | 24.31 |
| Cincinnati, OH | 5012 | SORTA/Metro | $6.61 | $87.58 | $0.56 | $2.88 | 2.30 | 30.41 |
| Cleveland, OH | 5015 | GCRTA | $8.05 | $99.59 | $0.79 | $2.84 | 2.84 | 35.08 |
| Columbus, OH | 5016 | COTA | $8.60 | $108.66 | $1.03 | $4.15 | 2.07 | 26.21 |
| Dallas, TX | 6056 | DART | $7.47 | $104.22 | $0.83 | $3.66 | 2.04 | 28.46 |
| Denver, CO | 8006 | RTD | $6.46 | $92.67 | $0.64 | $3.39 | 1.90 | 27.30 |
| Detroit, MI | 5031 | SMART | $6.78 | $114.60 | $0.91 | $7.31 | 0.93 | 15.67 |
| Fort Worth, TX | 6007 | The T | $6.64 | $77.81 | $0.85 | $4.28 | 1.55 | 18.19 |
| Honolulu, HI | 9002 | DTS | $7.65 | $102.61 | $0.43 | $1.96 | 3.91 | 52.36 |
| Kansas City, MO | 7005 | KCATA | $6.85 | $92.32 | $1.12 | $4.19 | 1.63 | 22.01 |
| Las Vegas, NV | 9045 | RTC | $6.19 | $71.71 | $0.49 | $1.77 | 3.50 | 40.60 |
| Orange, CA | 9036 | OCTA | $8.34 | $105.50 | $0.70 | $2.87 | 2.91 | 36.74 |
| Louisville, KY | 4018 | TARC | $6.31 | $81.11 | $0.93 | $3.34 | 1.89 | 24.25 |
| Omaha, NE | 7002 | MAT | $4.66 | $64.09 | $1.43 | $4.61 | 1.01 | 13.90 |
| Orlando, FL | 4035 | LYNX | $5.22 | $73.50 | $0.47 | $2.88 | 1.81 | 25.50 |
| Portland, OR | 0008 | Tri-Met | $8.79 | $112.87 | $0.82 | $3.08 | 2.85 | 36.61 |
| Sacramento, CA | 9019 | Sacramento RT | $10.50 | $113.53 | $1.48 | $4.81 | 2.18 | 23.60 |
| San Antonio, TX | 6011 | VIA Metro | $5.22 | $70.71 | $0.58 | $2.28 | 2.29 | 31.05 |
| San Diego, CA | 9185 | MTSCS | $4.89 | $59.46 | $0.64 | $2.43 | 2.01 | 24.50 |
| San Carlos, CA | 9009 | SAMTRANS | $12.07 | $131.36 | $1.11 | $5.99 | 2.01 | 21.93 |
| San Jose, CA | 9013 | VTA | $12.18 | $153.23 | $1.60 | $6.21 | 1.96 | 24.69 |
| Seattle, WA | 0001 | Metro | $11.58 | $139.19 | $0.80 | $4.40 | 2.63 | 31.63 |
| St. Louis, MO | 7006 | BSDA | $6.96 | $93.25 | $0.93 | $3.52 | 1.98 | 26.47 |
| Average | | | $7.47 | $97.44 | $0.84 | $3.73 | 2.15 | 28.06 |
| Maximum | | | $12.18 | $153.23 | $1.60 | $7.31 | 3.91 | 52.36 |
| Minimum | | | $4.66 | $59.46 | $0.43 | $1.77 | 0.93 | 13.90 |
| Standard Deviation | | | $2.08 | $22.06 | $0.31 | $1.31 | 0.68 | 8.12 |

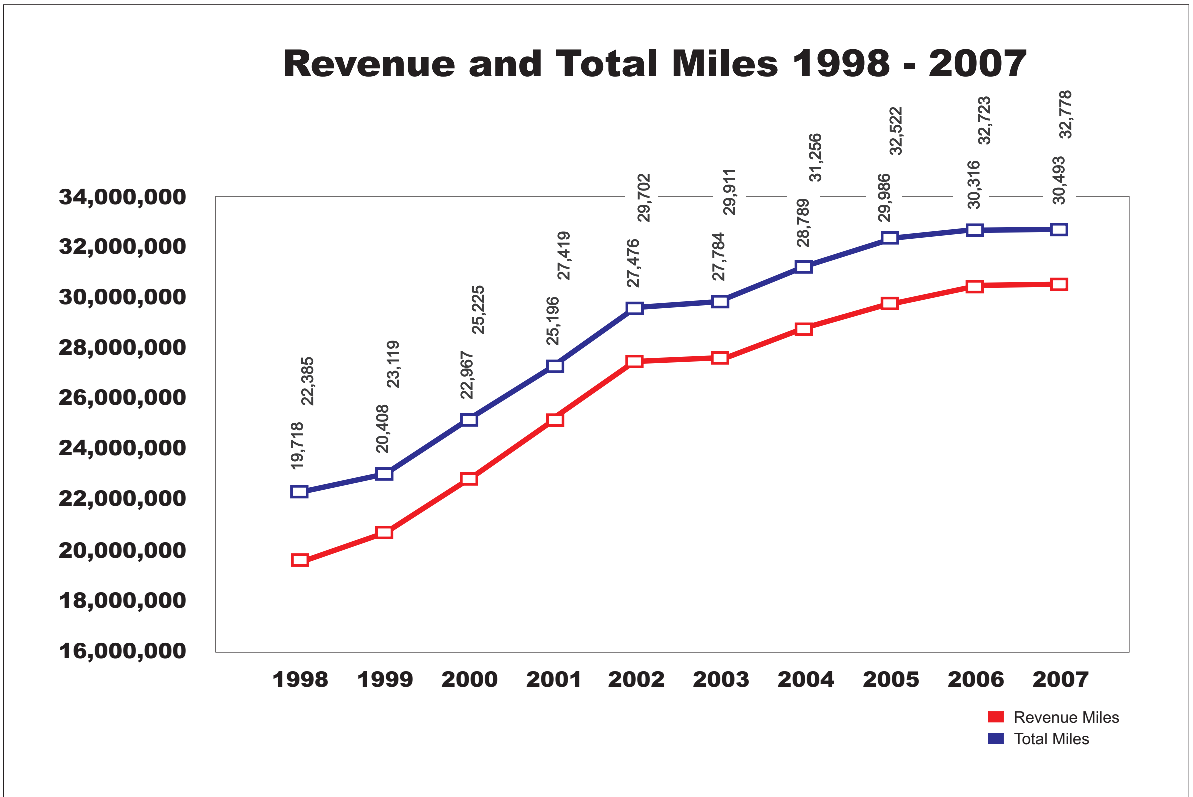
Data Source: 2006 National Transit Database

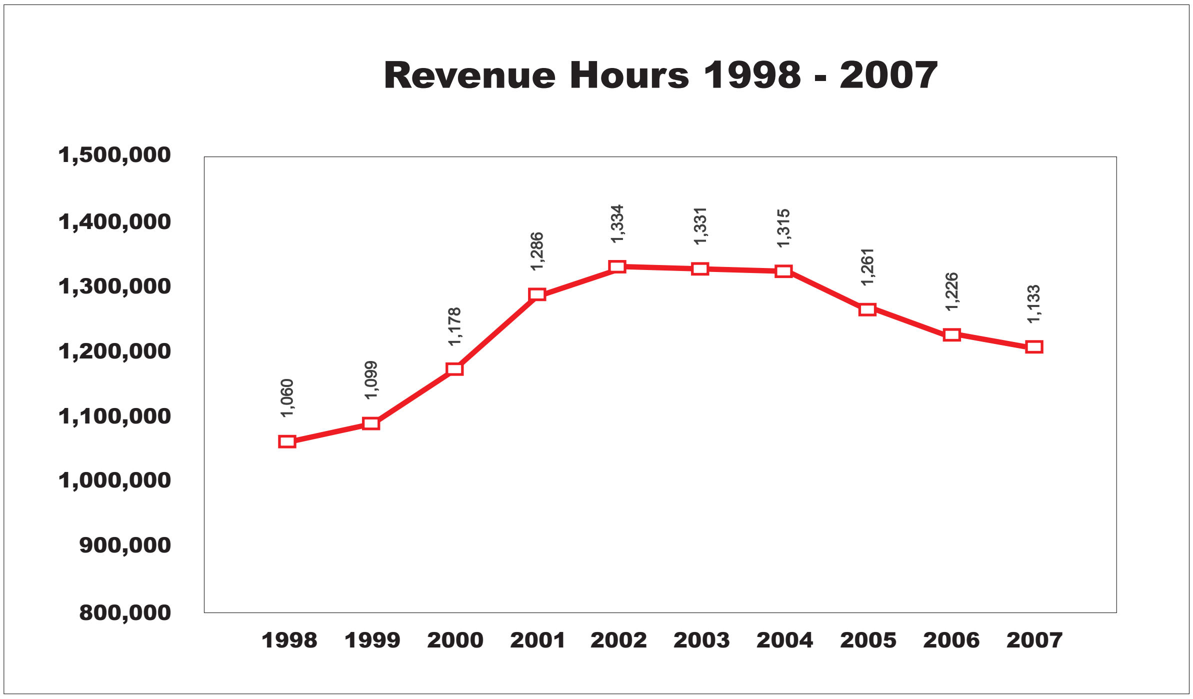
# 2006 Performance Measures - Demand Response Service

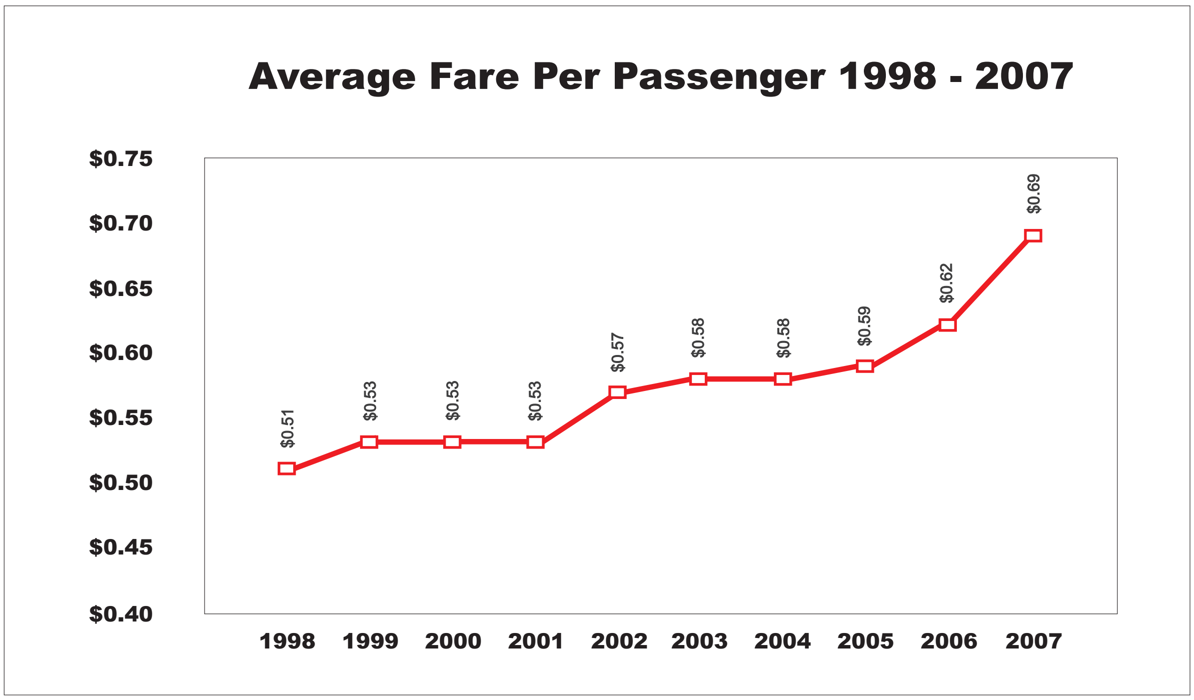
| City | ID | Agency | Service Efficiency: Operating Expense per Vehicle Revenue Mile | Service Efficiency: Operating Expense per Vehicle Revenue Hour | Cost Effectiveness: Operating Expense per Passenger Mile | Cost Effectiveness: Operating Expense per Unlinked Passenger Trip | Service Effectiveness: Unlinked Passenger Trips per Vehicle Revenue Mile | Service Effectiveness: Unlinked Passenger Trips per Vehicle Revenue Hour |
|---|---|---|---|---|---|---|---|---|
| Salt Lake City, UT | 8001 | UTA | $4.39 | $61.55 | $2.89 | $34.36 | 0.13 | 1.79 |
| Arlington Heights, IL | 5113 | Pace | $3.66 | $50.10 | $3.48 | $23.56 | 0.16 | 2.13 |
| Houston, TX | 6008 | METRO | $2.41 | $43.18 | $1.98 | $21.75 | 0.11 | 1.99 |
| Phoenix, AZ | 9032 | Valley Metro | $3.75 | $53.57 | $3.99 | $33.94 | 0.11 | 1.58 |
| Buffalo, NY | 2004 | NFT Metro | $4.62 | $79.23 | $5.58 | $50.35 | 0.09 | 1.57 |
| Cincinnati, OH | 5012 | SORTA/Metro | $3.75 | $65.15 | $2.83 | $29.57 | 0.13 | 2.20 |
| Cleveland, OH | 5015 | GCRTA | $6.36 | $91.23 | $5.88 | $42.04 | 0.15 | 2.17 |
| Columbus, OH | 5016 | COTA | $2.73 | $54.18 | $3.47 | $34.47 | 0.08 | 1.57 |
| Dallas, TX | 6056 | DART | $4.29 | $67.34 | $3.57 | $41.19 | 0.10 | 1.63 |
| Denver, CO | 8006 | RTD | $4.16 | $57.45 | $3.94 | $32.86 | 0.13 | 1.75 |
| Detroit, MI | 5031 | SMART | $5.48 | $92.62 | $3.33 | $24.09 | 0.23 | 3.84 |
| Fort Worth, TX | 6007 | The T | $3.00 | $54.50 | $2.42 | $28.66 | 0.10 | 1.90 |
| Honolulu, HI | 9002 | DTS | $5.12 | $73.60 | $2.27 | $28.20 | 0.18 | 2.61 |
| Kansas City, MO | 7005 | KCATA | $3.53 | $69.32 | $2.68 | $18.60 | 0.19 | 3.73 |
| Las Vegas, NV | 9045 | RTC | $4.38 | $59.45 | $2.93 | $32.82 | 0.13 | 1.81 |
| Louisville, KY | 4018 | TARC | $2.36 | $41.06 | $2.33 | $26.71 | 0.09 | 1.54 |
| Omaha, NE | 7002 | MAT | $3.08 | $46.20 | $4.30 | $26.24 | 0.12 | 1.76 |
| Orlando, FL | 4035 | LYNX | $2.44 | $38.89 | $2.01 | $28.98 | 0.08 | 1.34 |
| Portland, OR | 0008 | Tri-Met | $4.16 | $58.11 | $2.91 | $25.73 | 0.16 | 2.26 |
| Sacramento, CA | 9019 | Sacramento RT | $4.16 | $67.02 | $4.45 | $37.61 | 0.11 | 1.78 |
| San Antonio, TX | 6011 | VIA Metro | $2.83 | $55.88 | $2.04 | $22.28 | 0.13 | 2.51 |
| San Diego, CA | 9185 | MTSCS | $2.98 | $52.12 | $2.38 | $15.98 | 0.19 | 3.26 |
| San Carlos, CA | 9009 | SamTrans | $4.32 | $59.16 | $4.50 | $36.02 | 0.12 | 1.64 |
| Seattle, WA | 0001 | KC Metro | $5.05 | $71.39 | $3.66 | $26.74 | 0.19 | 2.67 |
| St. Louis, MO | 7006 | BSDA | $3.95 | $67.90 | $3.17 | $30.47 | 0.13 | 2.23 |
| Average | | | $3.88 | $61.21 | $3.32 | $30.13 | 0.13 | 2.13 |
| Maximum | | | $6.36 | $92.62 | $5.88 | $50.35 | 0.23 | 3.84 |
| Minimum | | | $2.36 | $38.89 | $1.98 | $15.98 | 0.08 | 1.34 |
| Standard Deviation | | | $1.01 | $13.75 | $1.05 | $7.74 | 0.04 | 0.66 |

Data Source: 2006 National Transit Database

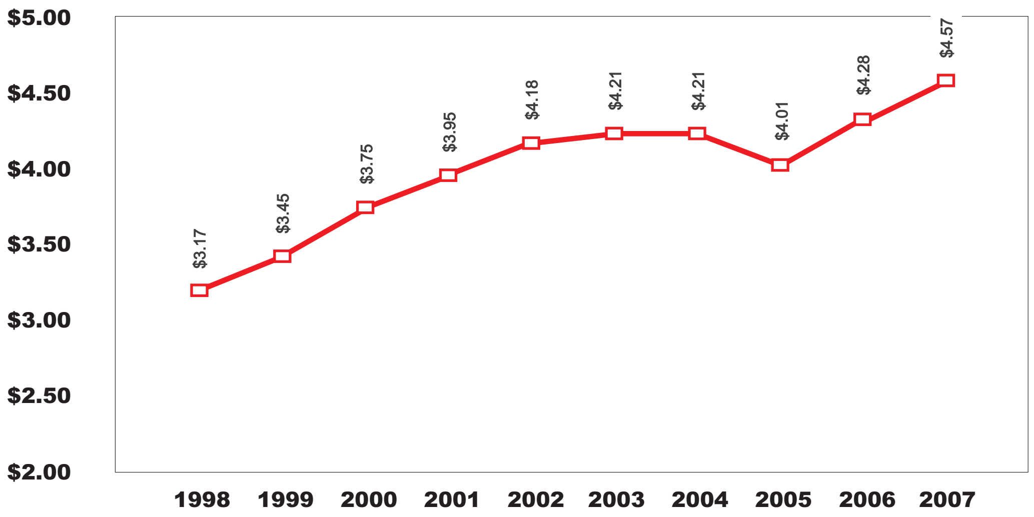

Ridership 1998 - 2007
40,000,000
38,000,000
36,000,000
34,000,000
32,000,000
30,000,000
28,000,000
26,000,000
24,000,000
22,000,000
24,100
24,164
28,233
29,046
31,922
32,591
34,536
36,163
37,779
35,166
1998
1999
2000
2001
2002
2003
2004
2005
2006
2007


Revenue and Total Miles 1998 - 2007
34,000,000
32,000,000
30,000,000
28,000,000
26,000,000
24,000,000
22,000,000
20,000,000
18,000,000
16,000,000
19,718
22,385
20,408
23,119
22,967
25,225
25,196
27,419
27,476
29,702
27,784
29,911
28,789
31,256
29,986
32,522
30,316
32,723
30,493
32,778
1998
1999
2000
2001
2002
2003
2004
2005
2006
2007
Revenue Miles
Total Miles

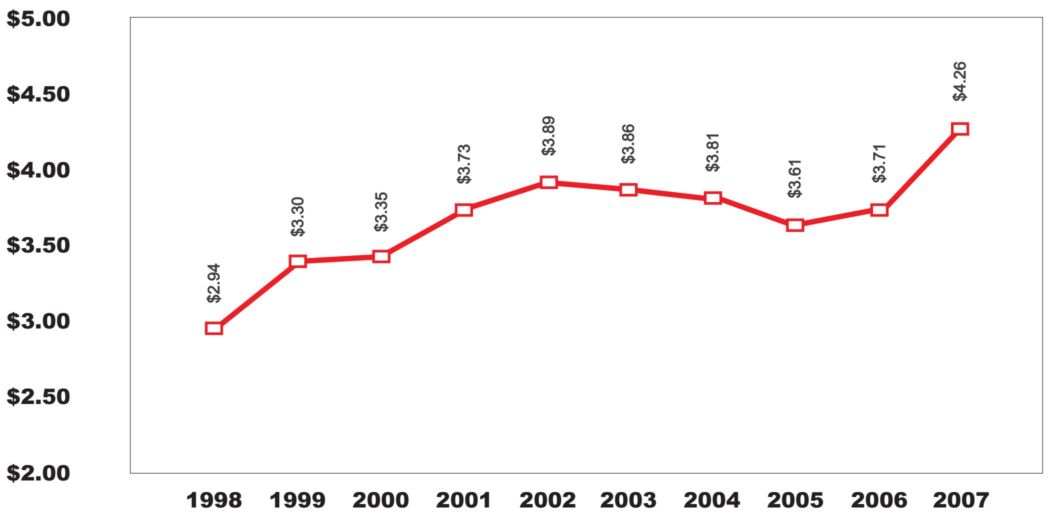

Revenue Hours 1998 - 2007
1,500,000
1,400,000
1,300,000
1,200,000
1,100,000
1,000,000
900,000
800,000
1,060
1,099
1,178
1,286
1,334
1,331
1,315
1,261
1,226
1,133
1998
1999
2000
2001
2002
2003
2004
2005
2006
2007


Average Fare Per Passenger 1998 - 2007
$0.75
$0.70
$0.65
$0.60
$0.55
$0.50
$0.45
$0.40
$0.51
$0.53
$0.53
$0.53
$0.57
$0.58
$0.58
$0.59
$0.62
$0.69
1998
1999
2000
2001
2002
2003
2004
2005
2006
2007

## Average Cost Per Mile 1998 - 2007




## System Cost Per Passenger 1998 - 2007



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