

GOOD PEOPLE

CREATING A GOOD TRANSPORTATION VALUE FOR A BETTER QUALITY OF LIFE

Two Thousand One was a very hands-on year for everyone. It was a year in which each UTA employee, in the truest sense of the word, managed. The Good People managed a myriad of tasks, and most of those tasks happened behind the scenes. Whether cleaning buses or trains or attending Olympic Committee meetings, each person managed, owned their work, did what had to be done, and did it extremely well. We are very proud - it is because of their dedication and meticulous attention to detail that spectator transit for the 2002 Winter Games was successful.

The expression "hands on"

Main Entry: **hands-on**

Pronunciation: 'han(d)-'zon, -'zän

Function: adjective

Date: 1969

1 : relating to, being, or providing direct practical experience in the operation or functioning of something ; also : involving or allowing use of or touching with the hands

2 : characterized by active personal involvement

'man.age

Pronunciation: 'ma-nij

Function: *verb*

Etymology: Italian maneggiare, from mano hand, from Latin manus

Date: 1561

Inflected Form(s): man.aged; man.ag.ing
transitive senses

1 : to handle or direct with a degree of skill: as a : to make and keep compliant b : to treat with care :

HUSBAND c : to exercise executive, administrative, and supervisory direction of

2 : to work upon or try to alter for a purpose

3 : to succeed in accomplishing : CONTRIVE

4 : to direct the professional career of
intransitive senses

1 a : to direct or carry on business or affairs; also : to direct a baseball team b : to admit of being carried on

2 : to achieve one's purpose

synonym see CONDUCT

Comprehensive Annual Financial Report

For Fiscal Year Ended
December 31, 2001

Department of
Finance and Administration

Kenneth D. Montague, Jr.
Director



UTAH TRANSIT AUTHORITY

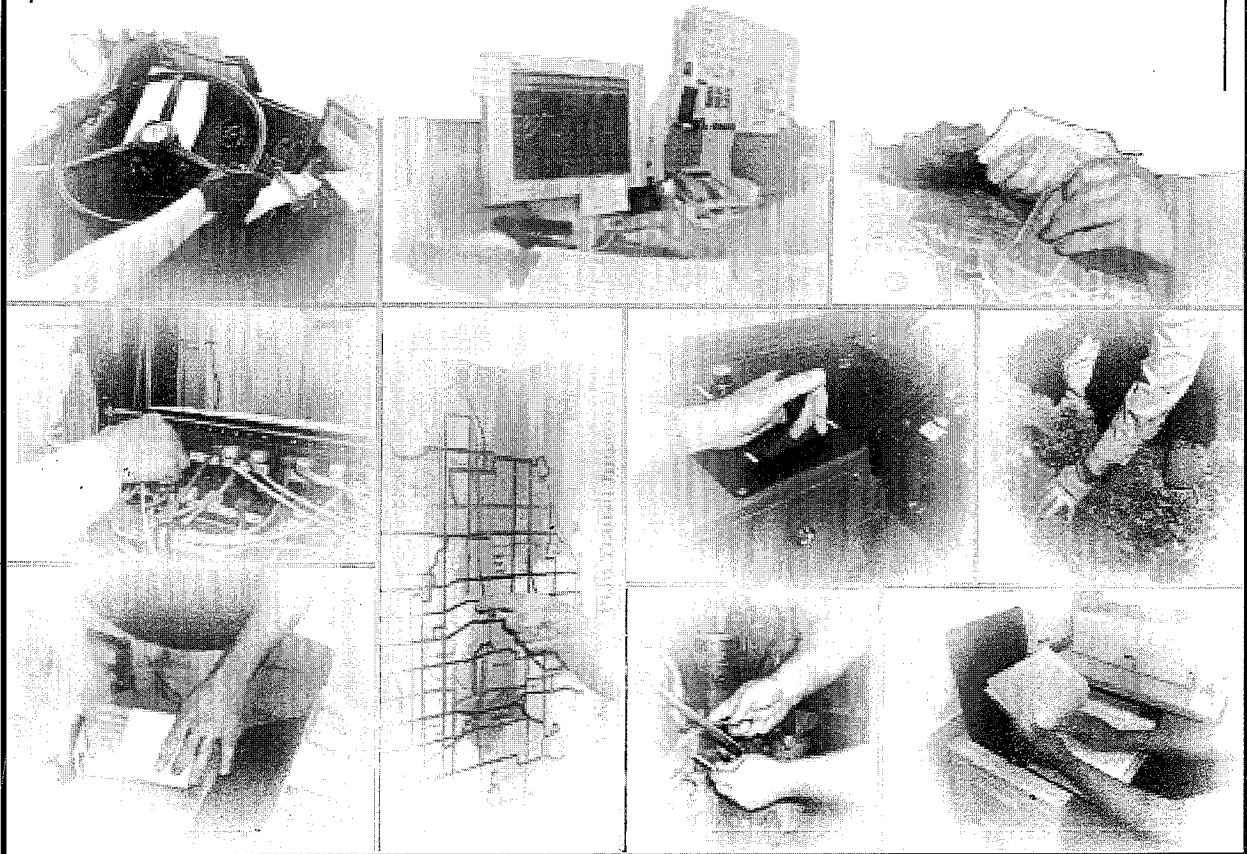


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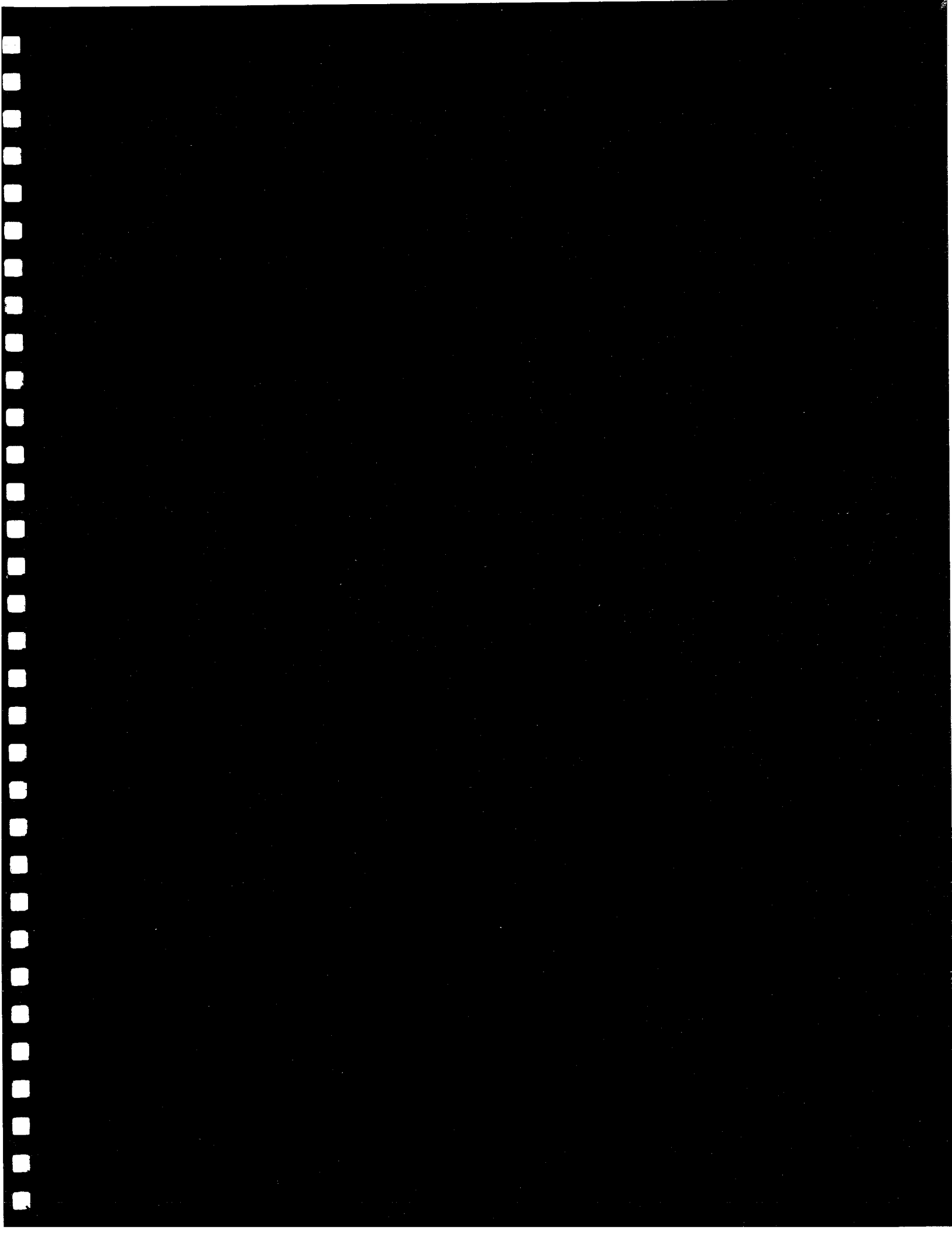
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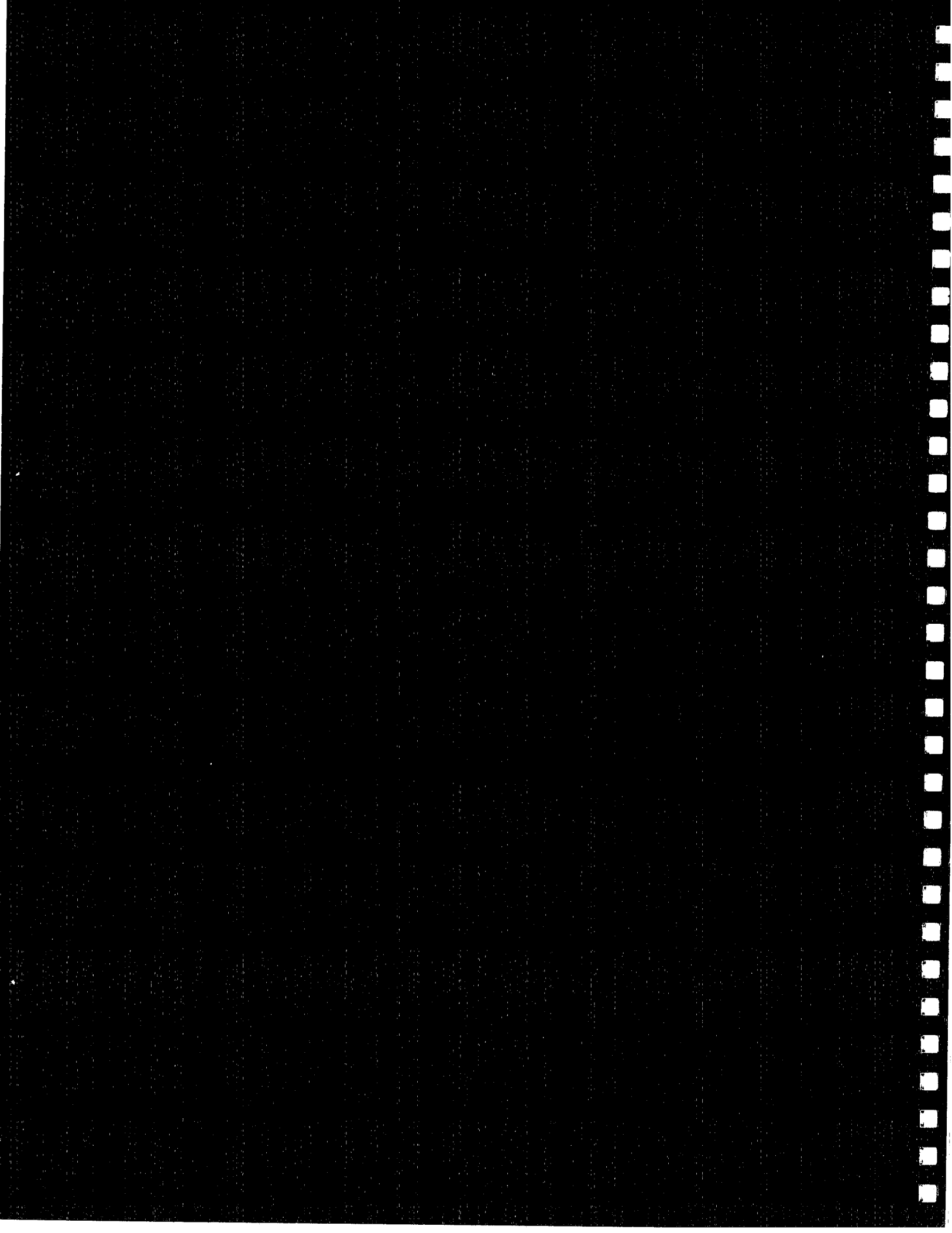
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May 9, 2002

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, 2001. This document prepared by the finance department, is the ninth CAFR developed by the Authority and has been prepared using the guidelines recommended by the Government Finance Officers Association of the United States and Canada and conforms with generally accepted accounting principles 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 Authority's management takes great pride in the fact that the Authority's last eight CAFR's for fiscal years 1993 through 2000 earned the recognition of the Government Finance Officers Association (GFOA) in the form of its Certificate of Achievement for Excellence in Financial Reporting. This award gives evidence of the fact that the CAFR complied with stringent GFOA standards for professional financial reporting.

The audited 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.

The CAFR is presented in three sections:

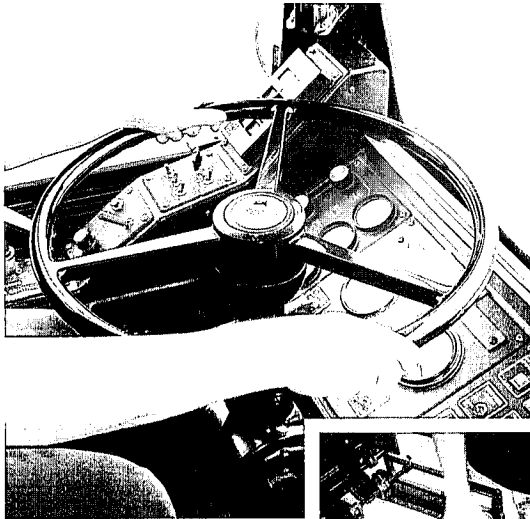
- 1) The introductory section contains a title page and table of contents, this letter of transmittal, the Authority's organizational chart and a listing of the Members of the Board of Trustees and chief administrative officers;
- 2) The financial section consists of the independent auditor's report on the financial statements followed by the financial statements and accompanying notes;
- 3) The statistical section provides financial and economic data relating to the Authority on a multi-year basis which is useful for indicating trends for comparative fiscal periods.

UTAH TRANSIT AUTHORITY

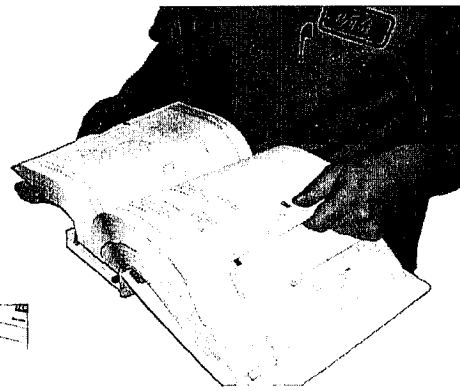
3600 SOUTH 700 WEST P.O. BOX 30810 SALT LAKE CITY, UTAH 84130-0810 TEL. 801.262.5626 www.rideuta.com

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 is governed by a 15 member board of trustees which is the legislative body of the Authority and determines all questions of



executive staff consisting of the following: Director of Transit Development, Director of Bus Operations, Director of Bus Maintenance, Director of Finance and Administration, Director of Human Resources, Director of Rail Service, Director of Communications, Director of Legal Services, Civil Rights Department and an Executive Secretary. 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.



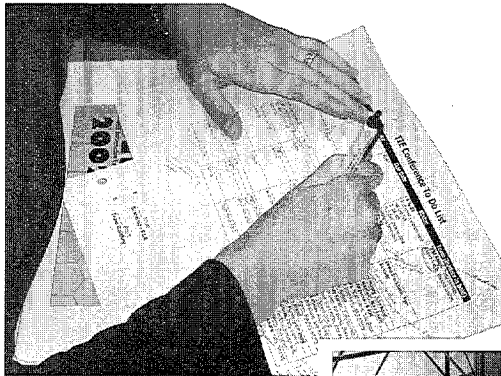
Authority policy. The members of the Board of Trustees are appointed by each municipality or combination of municipalities which have been annexed to the Authority.

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 an

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 1,744,417 and represents 80% percent of the State's total population.

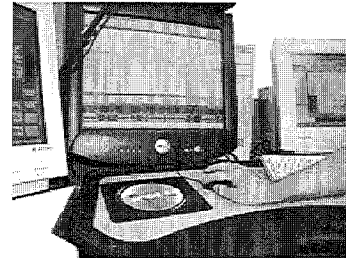
Current Year Review

Two Thousand One was a hands on year for the employees of the Utah Transit Authority. With the opening of the University Light Rail line and preparation for the 2002 Winter Olympics, Authority personnel were kept busy. The new sales tax approved in November of 2000 became effective April 1st of 2001 and the Authority began receiving funds in July of 2001. This opened the door for Sunday TRAX service that began in December of 2000 and long awaited Sunday bus and paratransit service which began in April of 2001 in the counties where the new tax is applied. The Authority was also able to provide additional late night bus service and increased Saturday services. The new tax will assist the Authority in meeting the objectives of the long range transportation plan as prepared by the metropolitan planning organizations that exist in the Authority's service area. The long range plans include five light rail extensions and commuter rail between Payson and Brigham City as well as major expansion to the bus operations. The Long



Range Plan will take 30 years to complete and will present many opportunities for the Transit Authority in the years to come.

Preparation for the 2002 Winter Olympic Games caused a handful of activities for Authority personnel during 2001. To accommodate the expected crowds attending the Olympics, the Authority would need to expand its light rail service by almost double and operate a shuttle bus system of over 700 buses. To accomplish this several Authority personnel were assigned to work full time



with the Salt Lake Organizing Committee to create plans and make arrangements for the Olympic Spectator Transportation System. Twenty-nine light rail vehicles from Dallas would need to be brought to Salt Lake City and made operable on UTA's light rail system. Seven hundred buses would be borrowed from transit authorities across the country and brought into Salt Lake where they would be inspected and prepared for use in the Olympic Shuttle Bus system.

Temporary bus parking lots and maintenance facilities would need to be created. Parking at six TRAX stations was expanded almost doubling the total number of parking spaces available for TRAX.

All the planning and hard work paid off during the Winter Games held in February 2002, the

Olympic Spectator Transportation system was trouble free. During the Olympics average daily ridership on TRAX went from twenty thousand to eighty-five thousand and ridership on the Olympic Shuttle Bus system averaged thirty-six thousand daily trips.

Many hands worked long and hard to complete construction of the University Light Rail line extension by December 2001. The 2.5 mile line from downtown Salt Lake City to the University of Utah campus had a \$118 million budget and was completed ahead of schedule and on budget. Ten additional light rail vehicles were put into service for the University line. Daily ridership on the line



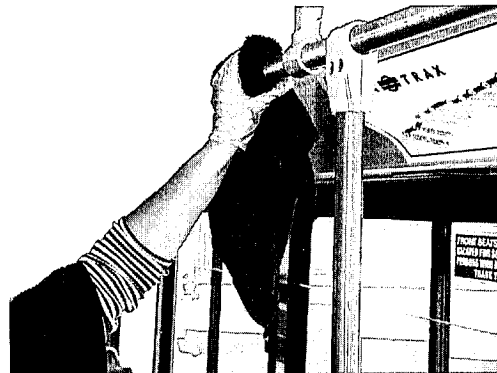
was expected to be four thousand but surveys of the first few months of operations show nearly twice that many are using it. The University line proved to be very useful during the Winter Olympic Games as many used it to travel to the Olympic Stadium to get a glimpse of the Olympic Flame.

During September, the UTA co-sponsored a Future Search conference that included community leaders and interested residents. The goal of the conference was to create and expand working alliances between communities and to develop action plans to improve the movement of people and goods. The conference lasted for three days and explored themes, values, and potential projects designed to create an ideal future for urban mobility. Action plans were developed with groups created to carry

out the plans. Over the next few years, each group will work to realize the action plans that were developed.

With new funding sources secured Authority personnel spent the year negotiating with Union Pacific Railroad for the purchase of 175 miles of railroad corridors and railroad corridor access rights extending from the northern limit of the Authority's transit district in Brigham City to the southern boundary of the district in Payson. A Purchase and Sale Agreement between Union Pacific Railroad and the Authority was signed on January 17, 2002. If all the terms and conditions of the sale are met the Authority will acquire the rights-of-way in 2002. The cost of the property is \$185,000,000 which will be financed with 2002 bond proceeds and \$20 million which was provided by an appropriation from the Utah Legislature. This corridor will become very valuable in providing transportation services along the Wasatch Front for many years to come.

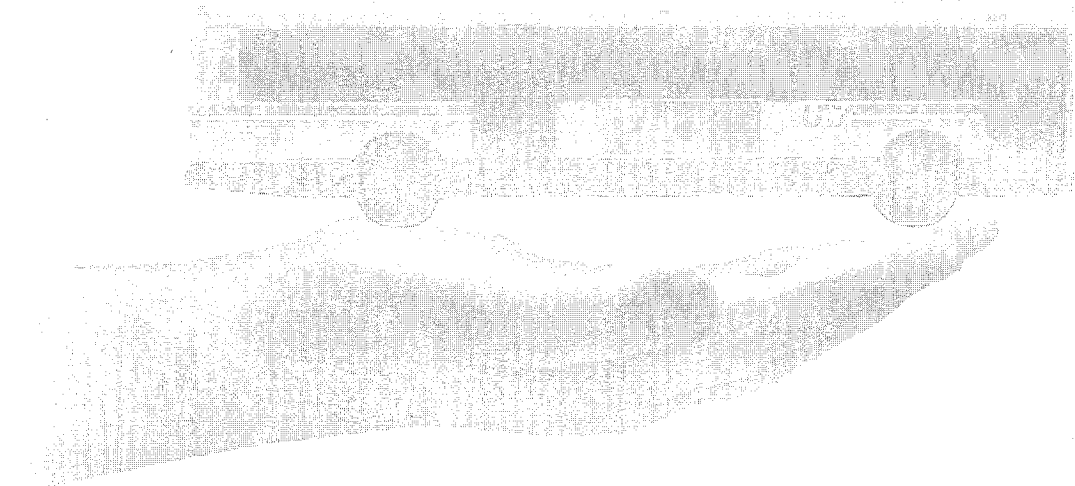
During 2001 the Utah Transit



Authority was also recognized as one of Utah's top ten family friendly companies. This award is given to Utah companies that are addressing work life issues because it makes good business sense. The benefits of work life initiatives include decreased turnover, tardiness, absenteeism, and health care costs. Results are also realized in enhanced recruitment and retention, customer and public relations, employee morale and productivity.

During 2001 the Authority received 62 new 40-foot low-floor buses to replace aging buses in its fleet. With these new buses all of UTA's fixed route system is now fully accessible. Ridership increased by 515,069 passengers during the year representing a 1.8% increase over the previous year. Bus service increased by 2.8% due primarily to changes in bus service and enhancements such as Sunday

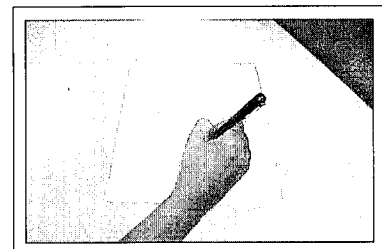
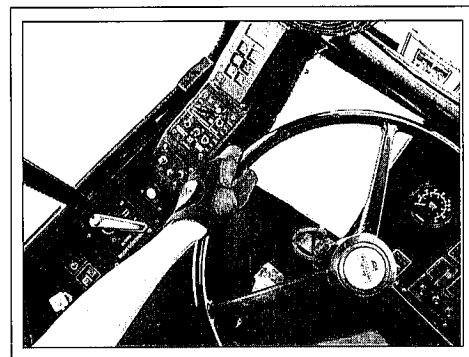
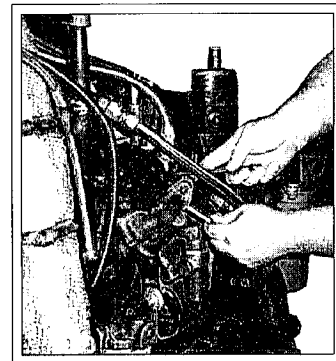
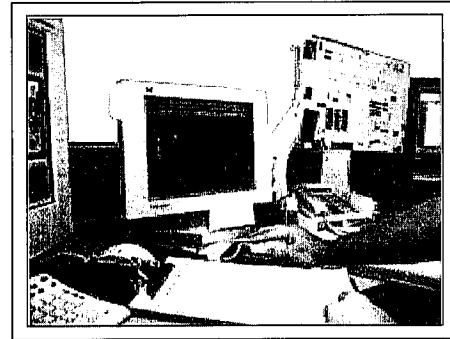
and holiday service. Rail service decreased by 2.3% believed to be the result of second year operations where the newness of the system had worn off. With the opening of the University line in December the Authority ended the year with 33 light rail vehicles, 509 regular buses, 70 paratransit buses, 87 paratransit vans, 109 vanpools and 1,650 employees.



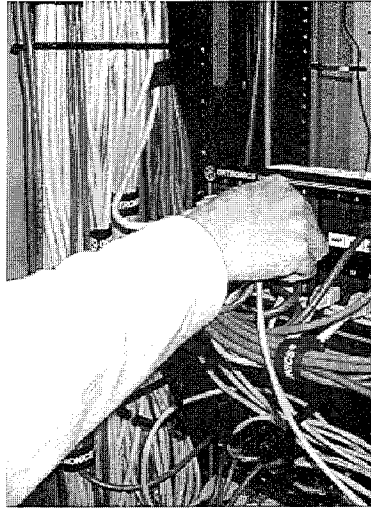
Major Initiatives

Although completed at the time of this report the 2002 Winter Olympic Games represent a major initiative for the Utah Transit Authority during 2002. As February 2002 arrived, downtown Salt Lake City had gone through a major transformation in order to accommodate the Olympic games. A secure area covering several downtown blocks had been created containing the Olympic Medals Plaza as well as the Ice Skating Venues. The Salt Palace Convention Center had been turned into the largest media center in the world and many social and cultural events were planned for surrounding concert halls and theaters. All of these activities brought hundreds of thousands of people into downtown Salt Lake City each day during the Winter Games. TRAX average daily ridership went from 20,000 to 85,000 reaching a peak of 144,000 on one day. The Olympic Shuttle Bus system carried an average of 35,000 people and on its largest day carried over 78,000 people. All of this transportation was carried out under the direction of Authority personnel and coordinated with city and state traffic and highway officials. Almost the entire administrative staff spent the three weeks surrounding the Winter Games manning park and ride lots, assisting visitors in finding their way around downtown Salt Lake City, helping people on and off TRAX trains and, in general, working very hard as volunteers to see that those who came to Salt Lake City for the Winter Games had no transportation problems and had an enjoyable time. The Transit Authority and Utah were recognized nationally for how well transportation services were performed for the Olympics. One headline in a local newspaper read "Olympic bus system ought to receive gold medal."

Another major initiative for 2002 will be the completion of the purchase transaction of 175 miles of railroad corridors and railroad corridor access rights along the Wasatch Front. The purchase is for \$185 million and



includes other real property such as the auto transfer facility in Clearfield, and a freight intermodal facility and a maintenance facility in North Salt Lake. To make the purchase the Authority will use \$20 million that was appropriated from the Utah Legislature and \$165 million from the issuance of Sales Tax And Transportation Revenue Bonds. These bonds will extend for thirty years, and have varying maturities and will be paid for with the additional sales tax revenue received from the 2001 sales tax increase.

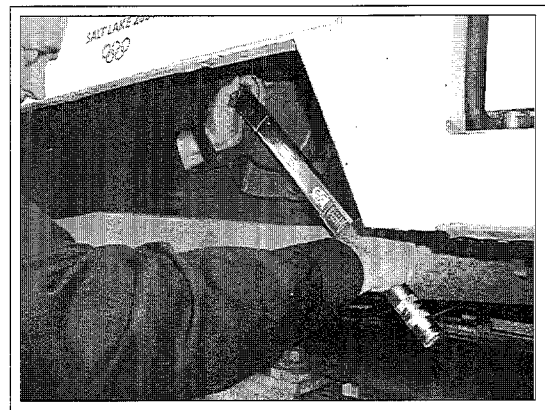


In 2002 the Authority expects to begin an extension of the University Light Rail line to the Medical Center on the east side of the campus. This is a 1.5 mile extension and is expected to cost approximately \$90 million. The project will include three additional stations terminating at the Medical Center and include seven additional light rail vehicles. Construction is expected to begin in early summer and be completed in 2004.

In 2002 the Authority will begin a multi-year project to replace its radio communications facilities. This will include updating communications equipment, constructing new radio towers and replacing radio equipment on all of its revenue service vehicles. The communications system will be designed and developed within a new band width that will allow the Authority greater communications capability and be a backbone for developing future intelligent

transportation systems such as automated vehicle locating as well as real-time scheduling. In 2002 a connection protection program will be installed that will allow communications between light rail vehicles and bus vehicles designed to prevent passengers from missing their connecting bus routes when transferring from the rail system. The idea behind the system is that if a TRAX train is delayed by anything longer than the three minute schedule transfer time, the connecting bus operator will receive a message to wait for the train to arrive thereby allowing passengers to make their transfer.

Another major initiative for 2002 will be a restructuring of the Authority's management organization. The new organization will be structured along product line and market segments which will allow the organization to be more responsive to its customer needs. This reorganization is considered timely as the Authority moves forward in implementing its expansion plans with the new sales tax funds.



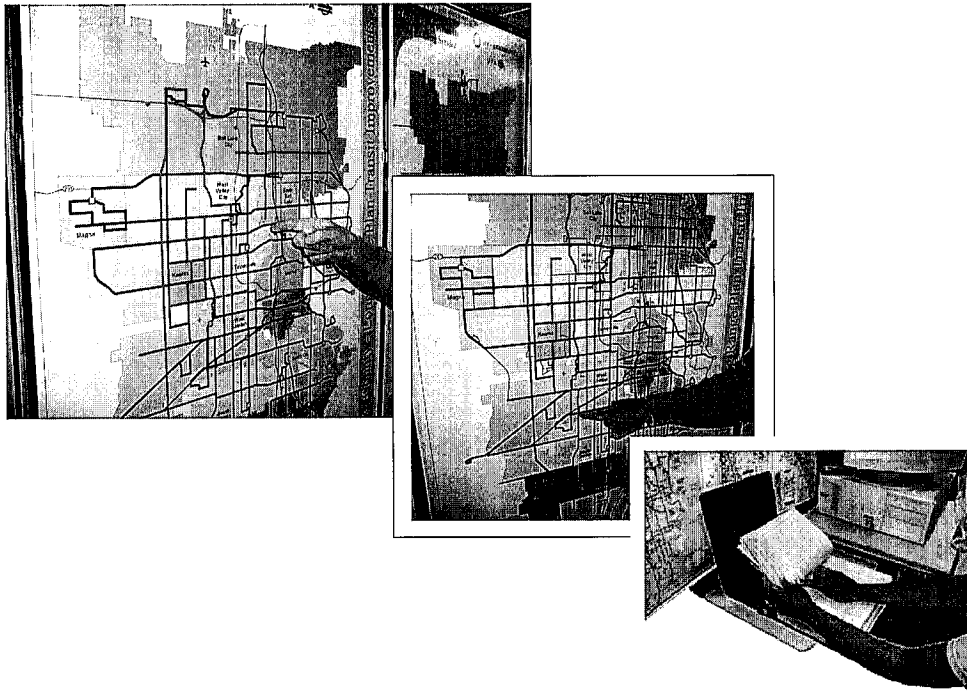
Future Plans

As we move into 2002 the Authority will continue to develop strategies for the implementation of the long-range transportation plan. Steps will be taken to advance the completion of the necessary studies for future expansion of the light rail extensions into West Valley City, West Jordan and Draper and commuter rail service between Provo, Salt Lake City and Ogden. The best means for providing service for each project will be determined as well as all environmental issues resolved. Priorities will be set on the order of the projects to be undertaken and secure funding sources will be identified. These projects will take many years to complete.

The Authority will continue to study intelligent transportation systems for possible future applications. Passenger counting equipment will be installed on fifty buses in the Authority's fleet that will be helpful in

gathering data that will be useful in the design and redesign of bus services. The Authority will also be studying electronic fare paying systems for possible future applications and will begin to develop strategies for the implementation of signal prioritization for buses along certain heavily used corridors.

Follow-up meetings to the successful Future Search Conference held in September of 2001 will be held to encourage continued progress towards the realization of action plans that were developed during the conference. Future Search committees were organized around ordinances, urban mobility, privatization, Utah County funding and urban mobility alliances. Each committee has set goals and objectives to be accomplished that will enhance transportation systems and improve urban mobility.



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 report states:

"Utah's economy slowed during 2001, especially after September 11th. Since 1994, the rate of job growth has fallen from 6.2% to 0.9% in 2001. Utah's slowdown is part of a global recession. Current expectations are that the recession in the U.S. will be relatively short and growth will resume at a moderate rate during the second half of 2002. In Utah's case, a short pause in growth should occur in the months after the 2002 Olympic Winter Games, followed by moderate growth as 2002 closes.

End of Construction Boom. For most of the 1990's, construction was a major driving force behind Utah's rapid economic growth. There are currently around 70,000 construction jobs in the state, nearly three times as many as existed in 1990. Construction employment began to decline during 2000 and will continue falling during 2001 and 2002 as many large projects are completed, some of which were accelerated to host the Olympics. Nonetheless, construction jobs in 2002 will still be 5.8% of total non-farm jobs, slightly above the 1978 to 2002 average of 5.5%

Olympics. With well over \$1 billion spent in Utah to host the Games, the Olympics have been softening the impact of the national recession in Utah. The main sources of Olympic-related spending are:

- Salt Lake Olympic Organizing Committee (SLOC): \$1,240 million
- Infrastructure investment: \$435 million
- Visitor spending during the Olympic Games: \$348 million
- ISB's spending to broadcast the Games: \$99 million
- Direct federal funds to state government for Olympics operations: \$17 million

The total amount of spending directly related to the Olympics is estimated to be approximately \$2.1 billion. Only \$1.3 billion, however, actually impacts the Utah economy because some of the value of the goods or services used to host the Olympics is created out of state. Most of the airfare visitors will pay to fly to Salt Lake, for example, goes to support airline operations outside Utah.

The total employment impact is estimated to be over 35,000 job years. Employment grows steadily from about 1,100 in 1997 to over 25,000 during February 2002. Employment almost doubles from about 7,300 during 2000 to over 12,500 during 2001, and doubles again during the Games, before falling off to an average of 6,400 for 2002. The largest employment impacts are in the services sector, including SLOC employees, followed by trade and construction. Statewide employment growth rates in 2001 and 2002 would be much lower were it not for the Games.

Outlook. The outlook calls for a brief pause after the Olympics before the economy returns to moderate growth as 2002 closes. Utah's unemployment rate in 2002 should be lower, and job growth higher than nationally, but the pace of activity will be slower than during the late 1990s. Population growth should slow in the months after the Olympics as the frenzy of preparations ends, and many of those helping to host the Games leave the state. Reflecting the Olympics build-up, net migration remained strong during 2001, with about 14,200 more people moving into the state than leaving. During 2002, however, net migration is expected to fall to 3,000. Still, with a record number of births, Utah's population will grow 1.7% in 2002, which is down significantly from the mid-1990s, but well above the nation."

The report goes on to describe the performance of various sectors of the Utah economy. Defense and merchandise exports are up. Agriculture, energy and minerals are level and construction, tourism and high technology are down. The report points out that the broad based and rapid growth of the 1990s reflected Utah's deepening integration with the national economy. The global contraction has dampened commerce between Utah businesses and their suppliers and customers in other states and countries. With in-state construction continuing to decline a booming economy-wide recovery during 2002 is unlikely, though the state's economy has slowed, Utah continues to outperform the nation and the current situation is really just a pause.

Financial Information

Operating Revenues

The Authority receives revenues for its operations from seven major sources; passenger fares, advertising revenues, sales and use tax revenues, federal capital grants for preventive maintenance, federal planning grants, interest, and other income.

Passenger Fares

The Authority's fare structure for 2001 remained the same as 2000. The basic fare of \$1.00 per trip is among the lowest in the nation. Fares range from \$2.00 for premium express service to 35 cents for senior citizens or disabled persons. Passenger fares and special services resulted in revenues of \$15,331,001 in 2001 compared to \$14,910,399 in 2000 or an increase of \$420,602. This increase of 2.8% is due to ridership increases.

Advertising Revenues

Advertising revenues for the Authority come from the lease of advertising space on the sides and rear of the bus and light rail vehicles, and from "wrapping" an entire bus with advertising. Revenue from this source was \$2,228,631 in 2001 compared to \$1,677,522 in 2000. This 32% increase was due to increases in the bus fleet, the addition of light rail vehicles for advertising and increased interest in this type of advertising leading up to the Olympics.

Sales and Use Tax Revenues

The largest operating source of revenue for the Authority is a local option sales tax that is imposed upon the service area of the Authority. The sales tax was increased in Davis and Weber Counties from 1/4% to 1/2% and in Salt Lake County from 1/4% to 7/16% on April 1, 2001. All other parts of the Authority's service area remained at 1/4%. This primarily accounted for the growth in sales tax from \$62,223,042 in 2000 to \$94,382,300 in 2001.

Federal Capital Grants for Preventive Maintenance

With the passage of the Transportation Equity Act for the twenty-first century (TEA21) congress eliminated operating assistance grants for transit authorities the size of UTA. The act allows transit authorities to use capital grant funds to pay for preventive maintenance activities that are typically classified as operating expenses. The Authority elected to allocate \$18,258,376 in 2001 for preventive maintenance purposes compared to \$17,112,000 for 2000.

Federal Planning Grants

The Authority may elect to receive some of its federal transit administration formula grants under Section 5307 for major planning activities. The Authority received \$3,094,268 in planning grants for 2001 compared with \$2,753,187 in 2000.

Interest

Interest income consists of interest earned on invested operating funds not yet expended or funds held for future capital expenditures. Most of the Authority's funds are invested with the Public Treasurer's Investment Fund managed by the State Treasurer's office. The Authority received \$3,657,408 interest for 2001 compared to \$3,078,116 in 2000.

Other Income

Other income consists of income from rents and leases on the right-of-way, gain on disposition of property, and discounts taken.

Operating Expenses

The Authority's operating expenses fall into the following categories; Bus Service, Rail Service, Paratransit Service, Other Services, Operations Support, Administrative and Depreciation.

Bus Service

Bus service includes all expenses related to the operation and maintenance of the bus service. Expenses include wages and fringe benefits of operators and mechanics, line supervisors and management over bus service. Also included are fuel and parts for maintenance and repairs.

Rail Service

Rail service includes all expenses related to the operation and maintenance of the rail service. Expenses include wages and fringe benefits of operators and mechanics, line supervisors and management over rail service. Also included are traction power and parts for maintenance and repairs.

Paratransit Service

These costs include all operating and maintenance expenses for the Flextrans service in Salt Lake County and the cost of contracted services for the transit disabled in areas outside of Salt Lake County.

Other Services

Other service expenses are the costs for marketing and administering the Authority's rideshare and van pool programs.

Operations Support

This category includes all departments that give direct support to Bus, Rail and Paratransit services. These departments are Customer Service, Radio Communications, Service Development, Fare Collection, Materials Management, Engineering, Facilities, Training, Purchasing, Printing and Director of Transit Development.

Administrative

This group consists primarily of administrative personnel costs which include such departments as Accounting, Information Systems, Marketing, Strategic Planning, Legal Services, Community Relations, Property Management, Civil Rights, General Manager, Human Resource Administration, Risk Management which includes public liability and property damage claims, and Internal Audit.

Depreciation

Depreciation is broken down into two categories: depreciation on the portion of capital assets acquired with Authority equity and depreciation on the portion of capital assets acquired with contributed capital.

Capital Expenditures

Major capital expenditures in 2001 included engineering and construction for the TRAX (light rail) project to the University of Utah and included ten new light rail vehicles. Expenditures for this project in 2001 were \$84 million. Sixty-two buses were also acquired for \$17 million to replace ageing vehicles. Other capital expenditures included maintenance and shop equipment, facilities repairs, support vehicles and information systems. Major capital expenditures are generally funded by grants from the Federal Transit Administration for 75% to 80% of the cost with the balance coming from UTA local 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. The Authority has established a Risk Contingency Fund that is funded at \$5.6 million as of December 31, 2001.

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 judgements by management.

Basis of Accounting

The Authority's accounting records are maintained on the accrual basis. The activities are reported through use of a single enterprise fund.

Budgetary Control

The Authority prepares an annual budget for current revenues and expenses. A proposed budget is presented to its Board of Directors and adopted after public discussion. Budgetary control is maintained at varying levels. Operating expenditures are monitored by division directors and department managers who are assigned the responsibility for controlling their operating expenses. The Board of Directors must approve all increases or decreases to the Net Operating expense line. They must also approve any change to any line items within the Operating Expense Categories that exceed 10% of the line item being changed even if there is no net increase to the overall Operating Budget.

Debt Administration

In November 1997, the Authority issued \$27,740,000 in Sales Tax and Transportation Revenue Bonds as part of the financing plan for the TRAX project. Interest and principle on the Bonds are paid semi-annually in June and December and continue until the bonds are paid off on June 15, 2022. The interest rates on the bonds range from 4.0% to 5.4%. The bonds are not general obligation bonds but are to be paid from Operating Revenues of the Authority after payment of Operation and Maintenance Expenses (Net Revenues.)

In September 2000 the Authority issued \$65,000,000 in Subordinated Sales Tax and Transportation Revenue Bonds, Series 2000 to finance the construction of the University Light Rail extension. These bonds bear interest at a weekly rate with the first interest payment date of October 2, 2000. The initial weekly rate and the subsequent weekly rates are determined by the remarketing agent for the bonds. The rates for 2001 ranged from .95% to 4.65% per annum. The bonds are not a general obligation indebtedness of the Authority but are a special limited obligation payable solely from certain net revenues of the Authority. These bonds are expected to be redeemed when the Authority receives its final payments from the Federal Transit Administration under a Full Funding Grant Agreement for the construction of the University Line in 2003.

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. This is the ninth year the Authority has prepared a 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

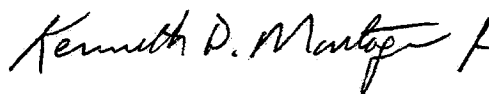
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Utah Transit Authority for its comprehensive annual financial report for the fiscal year ended December 31, 2000. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

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, Blair Lewis, Graphic Artist, and Stan de Jong, Financial Analyst.

Sincerely,



Kenneth D. Montague, Jr.
Director of Finance and Administration

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, 2000

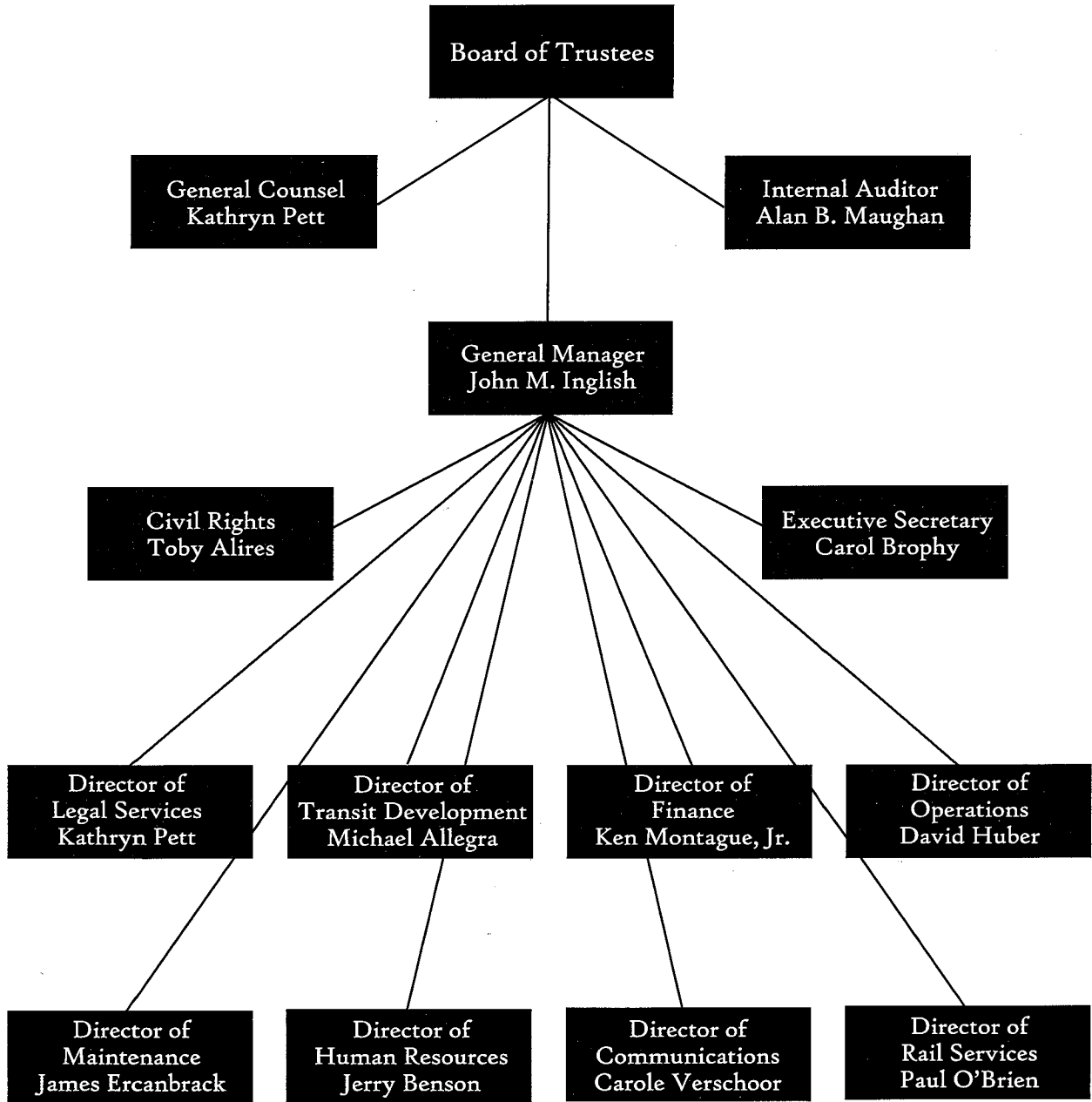
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards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



Thomas A. Crave
President

Jeffrey L. Essler
Executive Director

ORGANIZATIONAL CHART



Utah Transit Authority Board of Trustees



Steven K. Randall
President
Representing Davis
County



Orrin T. Colby, Jr.
Vice President
Representing Salt
Lake County



Richard D. Alsop
Representing
Salt Lake County



Robert Bedont
Representing
Salt Lake County



Biao Chang
Representing
Salt Lake City



Nelia
Christensen
Representing
Salt Lake County



Robert W. Davis
Representing
Weber County



Terry Diehl
Representing
Unincorporated
Salt Lake County



Bonnie Fernandez
Representing
Salt Lake County



D. Brent Hales
Representing
Weber County



Howard J. Rigrup
Representing
Davis County



Liane Stillman
Representing
Salt Lake County



Walter D. Talbot
Representing
Utah County



John B. Updike
Representing
Utah County

UTAH TRANSIT AUTHORITY

Board of Trustees and Administration

Board of Trustees as of May 9, 2002

| | |
|----------------|---------------------|
| TRUSTEES | Richard D. Alsop |
| ..... | Robert Bedont |
| ..... | Biao Chang |
| ..... | Necia Christensen |
| ..... | Orrin T. Colby, Jr. |
| ..... | Robert W. Davis |
| ..... | Terry Diehl |
| ..... | Bonnie Fernandez |
| ..... | D. Brent Hales |
| ..... | Steven K. Randall |
| ..... | Howard J. Rigrup |
| ..... | Liane Stillman |
| ..... | Walter D. Talobt |
| ..... | John B. Updike |
| ..... | Vacancy |

Officers of the Authority

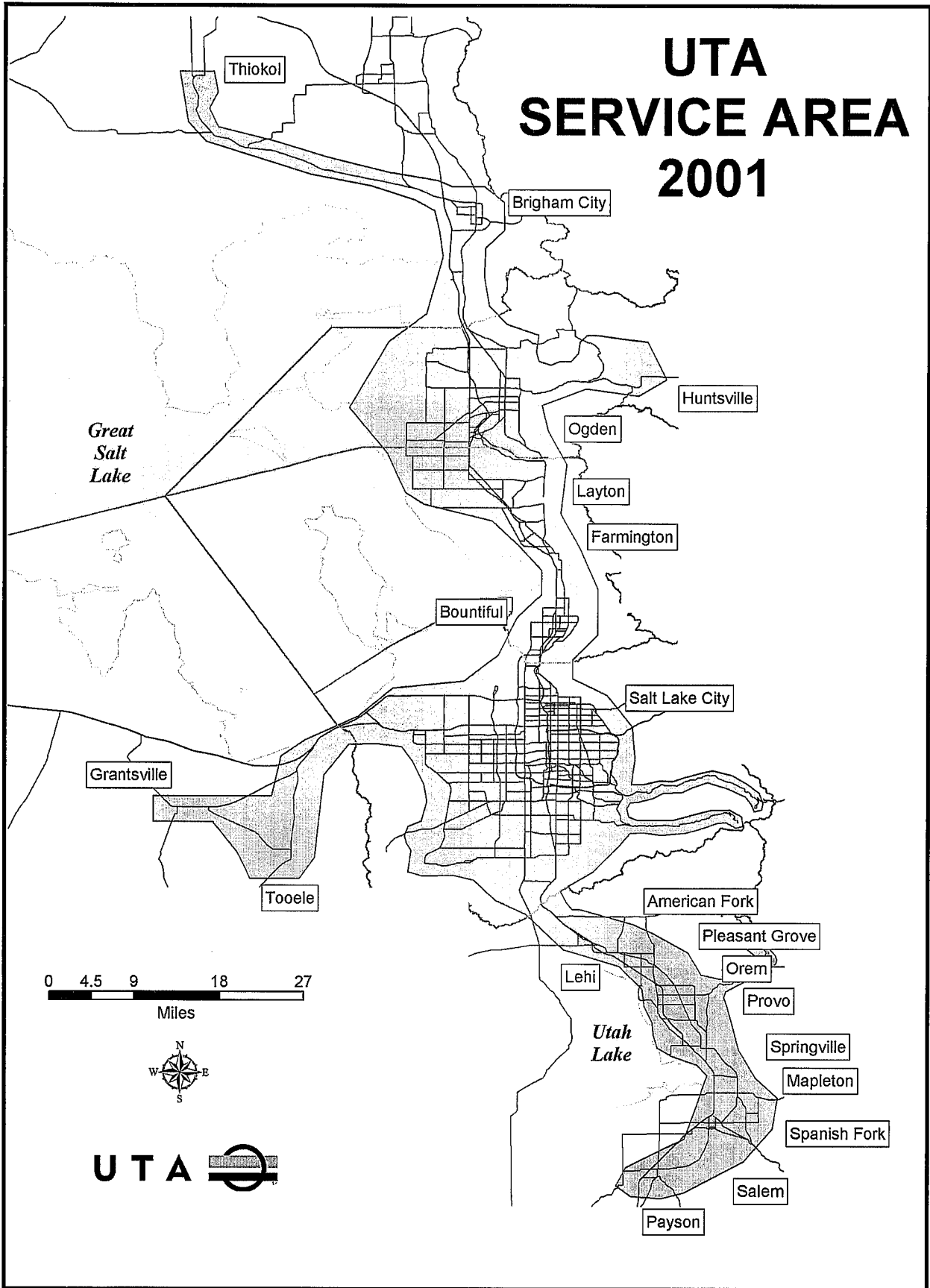
| | |
|--------------------------------------|--------------------------|
| PRESIDENT | Steven K. Randall |
| VICE PRESIDENT | Orrin T. Colby, Jr. |
| GENERAL MANAGER* | John M. English |
| SECRETARY AND GENERAL COUNSEL* | Kathryn H.S. Pett |
| TREASURER* | Kenneth D. Montague, Jr. |
| COMPTROLLER* | Daniel J. Harps |

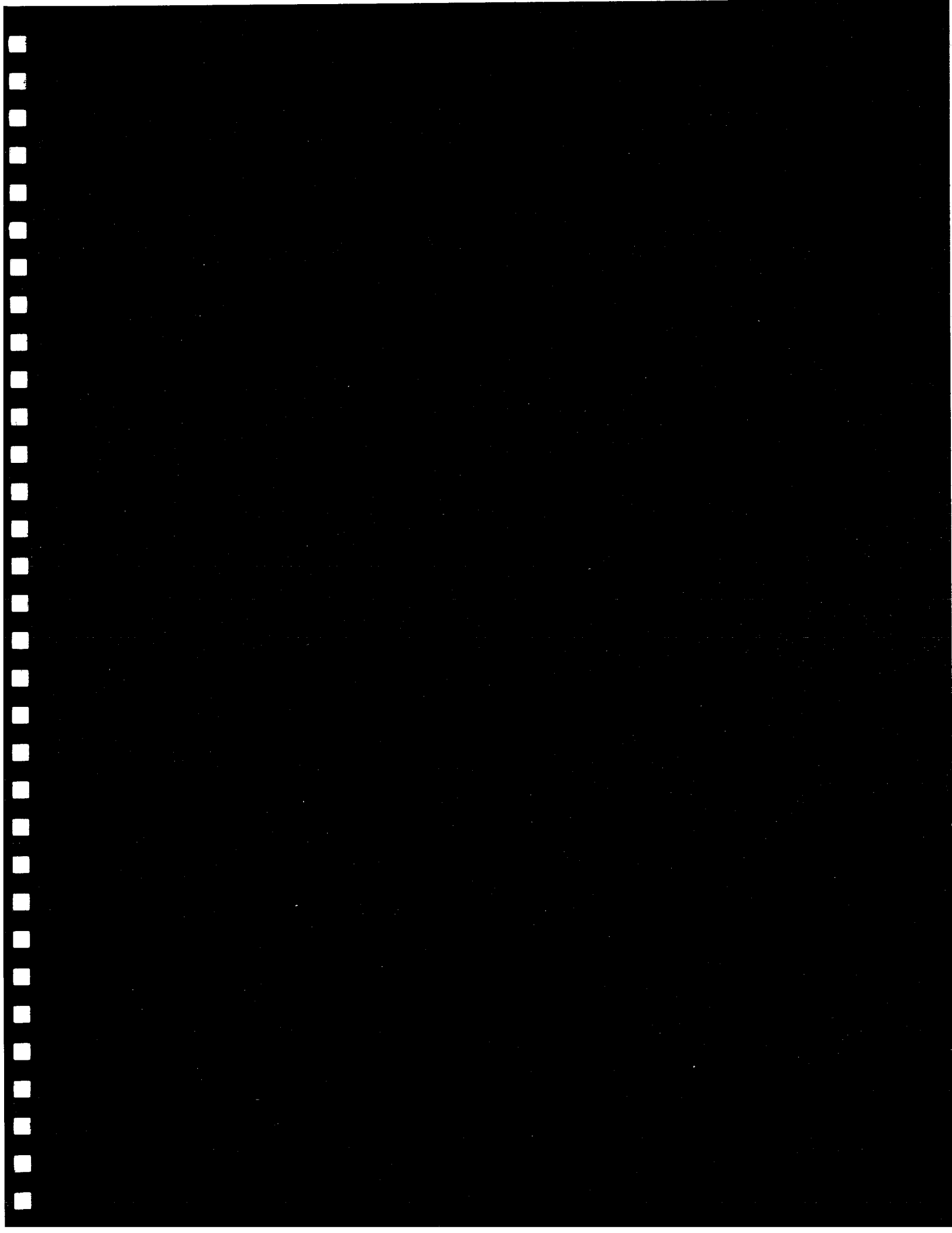
Administration of the Authority

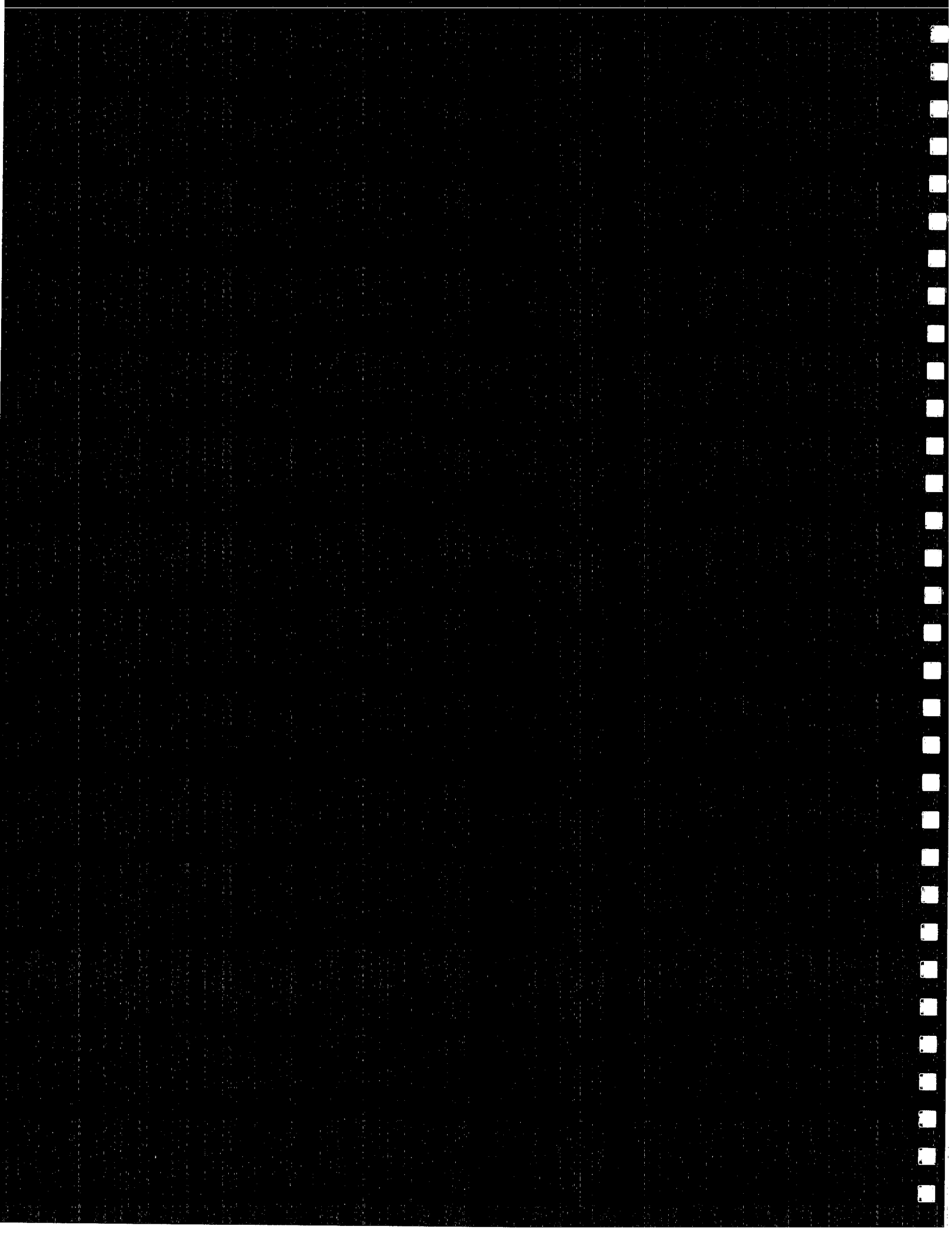
| | |
|--|--------------------------|
| GENERAL MANAGER | John M. English |
| DIRECTOR TRANSIT DEVELOPMENT | Michael Allegra |
| DIRECTOR OF HUMAN RESOURCES | Jerry R. Benson |
| DIRECTOR OF MAINTENANCE | James A. Ercanbrack |
| DIRECTOR OF OPERATIONS | David Huber |
| DIRECTOR OF FINANCE AND ADMINISTRATION | Kenneth D. Montague, Jr. |
| DIRECTOR OF RAIL SERVICE | Paul O'Brien |
| DIRECTOR OF LEGAL SERVICES | Kathryn H.S. Pett |
| DIRECTOR OF COMMUNICATIONS | Carole Verschoor |

*(not on the Board of Trustees)

UTA SERVICE AREA 2001







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, 2001 and 2000, 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 and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and 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, 2001 and 2000, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 2 to the financial statements, in 2001 the Authority changed its method of accounting for capital grants to conform to Government Accounting Standards Board Statement No. 33, *Accounting and Financial Reporting for Non-Exchange Transactions*, and retroactively restated the 2000 financial statements for the change.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 30, 2002, on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The statistical section listed in the foregoing table of contents is presented for the purpose of additional analysis and is 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

April 30, 2002

**UTAH TRANSIT AUTHORITY
COMPARATIVE BALANCE SHEETS
DECEMBER 31, 2001 and 2000**

| | 2001 | 2000 |
|--|-----------------------|-----------------------|
| ASSETS | | |
| Current Assets: | | |
| Cash and cash equivalents | \$ 13,977,164 | \$ 32,071,036 |
| Receivables: | | |
| Sales tax | 27,961,134 | 15,147,230 |
| Federal grants | 71,148,807 | 14,918,528 |
| Other | 6,521,866 | 4,577,595 |
| Total receivables | 105,631,807 | 34,643,353 |
| Parts and supplies inventories | 4,858,556 | 3,290,005 |
| Prepaid expenses | 705,177 | 626,637 |
| Total current assets | 125,172,704 | 70,631,031 |
| | | |
| Restricted assets-cash and cash equivalents: | | |
| Self-insurance | 5,618,742 | 5,331,776 |
| Light rail funds | 2,532,714 | 2,318,260 |
| Bond funds | 6,908,512 | 55,118,198 |
| Total restricted assets | 15,059,968 | 62,768,234 |
| | | |
| Other assets - Prepaid pension | 402,819 | 243,944 |
| | | |
| Property, facilities and equipment: | | |
| Land and improvements | 56,704,452 | 57,733,324 |
| Facilities | 316,357,264 | 215,918,196 |
| Revenue vehicles | 219,558,174 | 182,349,356 |
| Construction in progress | 26,075,747 | 48,036,715 |
| Other property and equipment | 59,170,513 | 58,812,346 |
| Total property, facilities and equipment | 677,866,150 | 563,849,937 |
| Less accumulated depreciation and amortization | (173,417,686) | (144,259,465) |
| Net property, facilities and equipment | 504,448,464 | 419,590,472 |
| | | |
| TOTAL ASSETS | \$ 645,083,955 | \$ 553,233,681 |

See accompanying notes to financial statements

**UTAH TRANSIT AUTHORITY
COMPARATIVE BALANCE SHEETS
DECEMBER 31, 2001 and 2000**

| | 2001 | 2000 |
|--|--------------------|--------------------|
| LIABILITIES AND EQUITY | | |
| Current Liabilities: | | |
| Accounts payable | \$ 11,334,369 | \$ 9,261,697 |
| Accrued liabilities, primarily payroll related | 10,720,966 | 9,200,105 |
| Accrued self-insurance liability | 2,438,191 | 2,261,850 |
| Short term portion of long term debt | 750,000 | 720,000 |
| Total current liabilities | 25,243,526 | 21,443,652 |
| Long Term Liabilities | | |
| Long term debt | 90,580,000 | 91,330,000 |
| Total liabilities | 115,823,526 | 112,773,652 |
| Equity | | |
| Contributed capital | | |
| Federal grants for capital expenditures | 369,299,630 | 369,299,630 |
| Local contributions for capital expenditures | 4,427,813 | 4,427,813 |
| Less accumulated depreciation and amortization | (88,952,458) | (88,952,458) |
| Net contributed capital | 284,774,985 | 284,774,985 |
| Retained earnings | | |
| Unreserved | 8,277,945 | (9,969,864) |
| Reserved for capital assets | 236,207,499 | 165,654,908 |
| Total retained earnings | 244,485,444 | 155,685,044 |
| Total equity | 529,260,429 | 440,460,029 |
| TOTAL LIABILITIES AND EQUITY | \$ 645,083,955 | \$ 553,233,681 |

See accompanying notes to financial statements

UTAH TRANSIT AUTHORITY
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2001 and 2000

| | 2001 | 2000 |
|---|-----------------------|-----------------------|
| OPERATING REVENUES: | | |
| Passenger fares | \$ 15,331,001 | \$ 14,910,399 |
| Advertising | 2,228,631 | 1,677,522 |
| Total operating revenues | <u>17,559,632</u> | <u>16,587,921</u> |
| OPERATING EXPENSES: | | |
| Bus service | 57,542,710 | 54,775,642 |
| Rail service | 7,962,470 | 6,459,859 |
| Paratransit service | 11,440,168 | 9,421,763 |
| Other service | 755,127 | 754,148 |
| Operations support | 15,367,479 | 11,947,198 |
| Administrative | 15,350,536 | 11,111,314 |
| Depreciation | | |
| On assets acquired with Authority equity | 7,737,046 | 6,915,089 |
| On assets acquired with contributed capital | 21,421,175 | 21,402,430 |
| Total operating expenses | <u>137,576,711</u> | <u>122,787,433</u> |
| Excess of operating expenses over operating revenues | <u>(120,017,079)</u> | <u>(106,199,522)</u> |
| NON-OPERATING REVENUES (EXPENSES) | | |
| Sales tax revenues | 94,382,300 | 62,223,042 |
| Federal preventative maintenance grants | 18,258,376 | 17,112,000 |
| Federal planning grants | 3,094,268 | 2,753,187 |
| Interest income | 3,657,408 | 3,078,116 |
| Other | 335,155 | 515,706 |
| Interest Expense | (2,428,817) | (2,656,995) |
| Net non-operating revenues | <u>117,298,690</u> | <u>83,025,056</u> |
| LOSS BEFORE CONTRIBUTIONS | <u>(2,718,389)</u> | <u>(23,174,466)</u> |
| Capital contributions | | |
| Federal Grants capital contributions | 90,871,105 | 52,646,970 |
| Local capital contributions | 647,684 | 4,347,374 |
| Total capital contributions | <u>91,518,789</u> | <u>56,994,344</u> |
| Increase in Equity for the year | <u>88,800,400</u> | <u>33,819,878</u> |
| Equity, January 1 | <u>440,460,029</u> | <u>406,640,151</u> |
| TOTAL EQUITY, DECEMBER 31 | <u>\$ 529,260,429</u> | <u>\$ 440,460,029</u> |

See accompanying notes to financial statements

UTAH TRANSIT AUTHORITY
COMPARATIVE STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2001 and 2000

| | 2001 | 2000 |
|--|----------------------|----------------------|
| Cash flows from operating activities: | | |
| Excess of operating expenses over operating revenues | \$ (120,017,079) | \$ (106,199,522) |
| Adjustments to reconcile excess of operating expenses over operating revenues to net cash used in operating activities | | |
| Depreciation | 29,158,221 | 28,317,819 |
| Loss (gain) on sale of property | (2,562) | 53,623 |
| Other revenues | 335,155 | 515,706 |
| Changes in assets and liabilities: | | |
| Receivables-other | (2,257,584) | (1,013,170) |
| Parts and supplies inventories | (1,568,551) | (1,592,661) |
| Prepaid expenses | (78,540) | (442,992) |
| Other assets, prepaid pension | (158,875) | 0 |
| Accounts Payable | 2,072,672 | (4,415,644) |
| Accrued liabilities | 1,697,405 | 1,192,074 |
| Accrued self insurance liability | 176,341 | (47,944) |
| Net cash used in operating activities | (90,643,397) | (83,632,711) |
| Cash flows from noncapital financing activities: | | |
| Sales taxes | 81,568,396 | 61,596,198 |
| Federal preventative maintenance grants | 18,258,377 | 17,923,876 |
| Federal planning assistance grants | 3,108,271 | 2,680,940 |
| Net cash provided by noncapital financing activities | 102,935,044 | 82,201,014 |
| Cash flows from capital and related financing activities: | | |
| Contributions for capital projects | | |
| Federal | 34,626,822 | 41,013,903 |
| Local | 647,684 | 4,347,374 |
| Proceeds from the sale of revenue bonds | 0 | 65,000,000 |
| Payment of bond principal | (720,000) | (65,000,000) |
| Interest paid on revenue bond | (3,228,637) | (2,987,228) |
| Purchase of property, facilities and equipment | (113,392,937) | (54,567,289) |
| Proceeds from the sale of property | 2,562 | 35,005 |
| Net cash used in capital and related financing activities | (82,064,506) | (12,158,235) |
| Cash flows from investing activities: | | |
| Interest on investments | 3,970,721 | 2,869,069 |
| Net decrease in cash and cash equivalents | (65,802,138) | (10,720,863) |
| Cash and cash equivalents at beginning of year | 94,839,270 | 105,560,133 |
| Cash and cash equivalents at end of year | \$ 29,037,132 | \$ 94,839,270 |
| Supplemental disclosures of cash flow information - | | |
| Interest capitalized: | \$ 623,276 | \$ 346,354 |

See accompanying notes to financial statements

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Utah Transit Authority
Notes to Financial Statements
Years Ended December 31, 2001 and 2000

1. Description of Authority Operations and Definition of the Entity

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 Toole 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 all questions of Authority policy. The members of the Board of Trustees are appointed by each municipality or combination of municipalities annexed to the Authority.

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 capital maintenance measurements 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 the Governmental Accounting Standards Board (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”) 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. These are recorded as federal preventative maintenance grants under non-operating revenues pro-rated through the year.

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 substantially all property and equipment acquired by the Authority. 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) Nonexchange Transactions

Effective January 1, 2001, the Authority implemented GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*. In general, Statement No. 33 establishes accounting and financial reporting standards about when to report the results of nonexchange transactions involving financial or capital resources. In a nonexchange transaction, an entity gives (or receives) value without directly receiving or giving equal value in return. The Authority’s principal nonexchange transactions involve the receipt of federal, state and local grants for operating assistance as well as the acquisition of property, facilities and equipment. Most of the Authority’s grants are reimbursement-type grants, which are recorded as revenue in the period the related expenditures are incurred and eligibility requirements are met. Any grants received in advance of the period in which the related expenditures are incurred, are recorded as restricted assets and as deferred grant revenue until the expenditures are incurred.

The principal change in accounting resulting from GASB Statement No. 33 is the requirement that the Authority report capital grants as revenues rather than contributed capital. As part of the implementation of Statement No. 33, the Authority also ceased its practice of closing depreciation expense recognized on assets funded through capital grants to contributed capital. As required under Statement No. 33, the Authority has retroactively restated its financial statements as of and for the year ended December 31, 2000 for the change, which decreased the Authority’s contributed capital approximately \$35,591,914 and increased its retained earnings by a corresponding amount. The accounting change had no impact on the Authority’s total equity or loss before contributions.

F) Sales Tax Revenues

As approved by the voters in serviced communities, a one-quarter of one percent 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.

In November 2000, the voters of Salt Lake, Davis and Weber Counties approved an additional one-quarter of one percent sales tax for transit purposes to begin as of April 1, 2001. In Salt Lake County only three-fourths of the tax increase will be directed to Utah Transit Authority

G) Cash and Cash Equivalents

Cash equivalents include amounts invested with the Utah Public Treasurers' Investment Fund, including restricted cash equivalents.

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.

J) Property, Facilities and Equipment

Property, facilities and equipment are stated at historical cost. Maintenance and repair expenditures which substantially improve or extend the useful life of property are capitalized. Routine maintenance and repair are expenses as incurred. Property, facilities and equipment are capitalized if they have individual costs of at least \$1,000 and a useful life of 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 | Not depreciated |
| Buildings & Improvement | 10 - 40 years |
| Light Rail Vehicles | 20 years |
| Motor Coaches | 7 - 12 years |
| Other Property and Equipment | 3 - 5 years |

Depreciation on the portion of fixed assets funded by contributed capital is calculated separately. Total depreciation is recorded as an expense for calculating operating expenses. Depreciation on the portion of fixed assets acquired with contributed capital is added back to the excess (deficiency) of revenues over expenses to determine the increase in retained equity for the year.

Interest is capitalized when incurred in connection with the financing of construction projects. For the year ended December 31, 2001 and 2000 respectively, the Authority capitalized \$623,276 and \$346,354 in connection with construction of the light rail projects.

K) Compensated Absences

Vacation and 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; 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 \$1,000,000. The Authority is self-insured for amounts under this limit. 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 retains the risk 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) 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. Projects are budgeted in their entirety when approved, regardless of anticipated expenditures dates. Each year thereafter the remaining unexpended portion of the project 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 Strategic Plan. This plan then acts as a focus for the development of programs and objectives. Concurrent with the development of programs and objective, 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. The tentative budget is then presented with recommendations from the Planning and Development Committee, at the regularly scheduled November Board Meeting which is open to the public. A copy of the tentative budget is sent to the State Legislature for their review and comments.

When the budget review and final adjustments are complete, the budget is adopted by the Board of Trustees. Periodic budget reviews of expenditures and revenues are made and, should any significant changes in either expenditures or revenues occur, budget revisions are adopted by the Board of Trustees.

Individual department budgets are monitored for authorized expenditures on a department-total rather than department line-item basis. Department and division managers may exercise their judgment in exceeding department line item appropriations so long as they do not exceed their total appropriations. The Board of Trustees must approve all increases or decreases to the Net

Operating expense line, and Total Operating Revenue line of the Authority's Operating and Capital Budget.

The Board of Trustees must approve any changes to any line items within the Operating Expense categories of the approved Operating Budget that exceed 1% of the line item to be changed, even if there is no net increase to the overall Operating Budget. The General Manager may approve, on an annual cumulative basis, any changes to any line items within the Operating Expense categories of the approved Operating Budget that are less than 1% of the line item to be changed provided that such changes are reported at the next regularly scheduled Board meeting. The General Manager may approve all revisions to departmental budgets or between departmental budgets without reporting such changes to the Board of Trustees provided that the revisions do not result in any changes to the Net Operating Expense line or Total Operating Revenue line of the Authority's Operating Budget.

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.

2001 Statement of Actual Revenues and Expenses Compared to Budget

| | ACTUAL | BUDGET | VARIANCE |
|--------------------------------|--------------------|--------------------|--------------------|
| Passenger Revenue | 15,331,001 | 15,597,413 | (266,412) |
| Advertising | 2,228,631 | 1,850,000 | 378,631 |
| Sales Tax | 94,382,300 | 98,716,343 | (4,334,043) |
| Federal Non-Capital Assistance | 21,352,644 | 21,383,268 | (30,624) |
| Investment Income | 3,657,408 | 4,331,594 | (674,186) |
| Other Income | 335,155 | 354,351 | (19,196) |
| TOTAL REVENUES | 137,287,139 | 142,232,969 | (4,945,830) |

| | ACTUAL | BUDGET | VARIANCE |
|-------------------------------------|--------------------|--------------------|------------------|
| Bus Services | 57,542,710 | 57,978,055 | 435,345 |
| Rail Services | 7,962,470 | 9,332,240 | 1,369,770 |
| Paratransit Services | 11,440,168 | 11,454,237 | 14,069 |
| Other Services | 755,127 | 755,332 | 205 |
| Operations Support | 15,367,479 | 15,367,834 | 355 |
| Administration (including interest) | 17,779,353 | 19,072,326 | 1,292,973 |
| TOTAL EXPENSES | 110,847,307 | 113,960,024 | 3,112,717 |

Note: Capital contributions and depreciation expense are not budgeted items.

N) Recent Accounting Pronouncements and New Accounting Standards

In June 1999, GASB issued Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - For State and Local Governments*. GASB

subsequently issued Statement No. 37, *Basic Financial Statements and Management's Discussion and Analysis - For state and Local Governments: Omnibus*, and GASB Statements No. 38, *Certain Financial Statement Disclosures*. The new standards are effective for the Authority beginning January 1, 2003. The Authority has not completed the process of evaluating the impact that will result from adopting these statements. The Authority is therefore unable to disclose the impact that adopting these statements will have on its financial position, revenues, expenses and changes in equity.

O) Reclassifications

Certain reclassifications have been made to the 2000 financial statements to conform them to the 2001 financial statement presentation.

3. Cash, Cash Equivalents and Investments

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

| Cash and Cash Equivalents: | 2001 | 2000 |
|---|----------------|----------------|
| Demand Deposits | \$ (6,071,504) | \$ (2,500,808) |
| Repurchase Agreement | 7,420,246 | 4,686,595 |
| Utah Public Treasurers' Investment Fund | 12,508,766 | 29,812,198 |
| Other Cash | 119,656 | 73,051 |
| Total | 13,977,164 | 32,071,036 |
| Restricted - Utah Public Treasurers' Investment Fund: | | |
| Self Insurance | 5,618,742 | 5,331,776 |
| Light Rail | 2,532,714 | 2,318,260 |
| Bond | 6,908,512 | 55,118,198 |
| Total Cash and Cash Equivalents | \$ 29,037,132 | \$ 94,839,270 |

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 and light rail are restricted internally by the Board of Trustees and have no outside restrictions.

At December 31, 2001 and 2000 the balances in the Authority's bank demand deposit accounts according to the bank statements totaled approximately \$100,000 and 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.

Investments

The Authority is governed in its investment and depository transactions by its own investment policy, the Utah Money Management Act and the rules of the State Money Management Council. The Authority's investment policy sets limitations on the maximum amount of deposits allowed at any single qualified financial institution. The statutes stipulate that investment transactions may only be conducted through qualified depositories or primary

reporting dealers. The statutes authorize the Authority to invest in negotiable certificates of deposit issued by approved banks and savings and loans; repurchase agreements; commercial paper rate P-1 by Moody's Investment Services, Inc. or A-1 by Standard and Poors Corporation; bankers' acceptances; obligations of the U.S. Treasury and certain agencies; bonds, notes and other indebtedness of political subdivisions of the State of Utah; shares or certificates in any open-end management investment company registered with the Securities and Exchange Commission subject to certain portfolio restrictions; guaranteed loans to college students; certain secured debt of public housing authorities and the Utah Public Treasurers' Investment Fund. A major portion of the Authority's investments at December 31, 2001 and 2000 were in the Utah Public Treasurers' Investment Fund. The investment activity of this fund is governed by the Utah Money Management Act. Income from the fund is allocated to the Authority based on its pro rata share of the total earnings in the fund. There are no changes in the principal balance in this fund based on market fluctuations of the investments.

Investments held by the Authority are categorized to give an indication of credit risk assumed at year-end. Category 1 includes investments that are either insured, registered or held by the Authority or its agent in the Authority's name. Category 2 includes uninsured and unregistered investments, which are held by the counterparty's trust department or agent in the Authority's name. Category 3 includes uninsured and unregistered investments for which securities are held by the counterparty, but not in the Authority's name. The Authority's investments are categorized as follows for the years ended December 31, 2001 and 2000.

The Utah Public Treasurers' Investment Fund is an interest-bearing pooled investment fund managed by the Utah State Treasurer. The fair value of the position in the investment fund is the same as the value of the fund shares. Amounts on deposit may be withdrawn upon demand. The interest rate for such deposits at December 31, 2001 and 2000 was

| 2001 | 1 | Category 2 | 3 | Carrying Amount & Fair Value |
|--|---|---------------|-------------|------------------------------------|
| Repurchase Agreements | | | \$7,420,246 | \$7,420,246 |
| Utah Public Treasurers' Investment Fund | | | | <u>27,568,734</u> |
| TOTAL INVESTMENTS | | | | <u><u>\$34,988,980</u></u> |

| 2000 | 1 | Category 2 | 3 | Carrying Amount & Fair Value |
|--|---|---------------|-------------|------------------------------------|
| Repurchase Agreements | | | \$4,686,595 | \$4,686,595 |
| Utah Public Treasurers' Investment Fund | | | | <u>92,580,432</u> |
| TOTAL INVESTMENTS | | | | <u><u>\$97,267,027</u></u> |

4. Property, Facilities and Equipment

Construction in Process of \$26,075,747 and \$48,036,715 at December 31, 2001 and 2000, respectively, consists of costs incurred in connection with the Authority's light-rail projects. These costs consist principally of engineering, design and construction work associated with obtaining the right-of-way and construction of the projects.

5. Federal Financial Assistance

The Authority receives a portion of its funding from Federal preventative maintenance grants, which totaled \$18,258,376 and \$17,112,000 for the years ended December 2001 and 2000 respectively.

The Authority had grants for capital expenditures authorized but where eligibility requirements are not met yet amounting to \$43,499,034 at December 31, 2001 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 \$16,130,557 related to these grants.

6. Risk Management - Claims Liability

Changes in the accrued claims liability in fiscal 2001 and 2000 were:

| | Beginning-of- Fiscal Year Liability | Current Year Claims and Changes in Estimates | Claim Payments | Balance at Fiscal Year End |
|------|---|---|-------------------|----------------------------------|
| 2001 | \$2,261,850 | \$1,902,578 | \$1,726,237 | \$2,438,191 |
| 2000 | \$2,309,794 | \$1,900,868 | \$1,948,812 | \$2,261,850 |

Based on past historical information, estimated Incurred But Not Reported (I.B.N.R.) claims were included in the year-end accrued liabilities in the amount of:

| | 2001 | 2000 |
|----------------------------|-------------------|-------------------|
| Worker's Compensation | \$ 292,046 | \$ 205,819 |
| Auto and General Liability | 300,239 | 292,300 |
| Environmental | <u>104,661</u> | <u>118,326</u> |
| Total I.B.N.R. | <u>\$ 696,946</u> | <u>\$ 616,445</u> |

7. Retained Earnings

All Authority generated equity has been used for capital expenditures or is appropriated or available for future capital expenditures, route expansion, or operations. Components are as follows at December 31:

| | <u>2001</u> | <u>2000</u> |
|---|---------------------------|----------------------------|
| Reserved for Capital Assets: | | |
| Expenditure to match earned Federal grants for capital expenditures | \$ 125,469,133 | \$ 106,130,779 |
| Other capital expenditures | <u>31,488,419</u> | <u>27,925,886</u> |
| Total | 156,957,552 | 134,056,665 |
| Capital Contributions | 148,513,133 | 56,994,344 |
| Accumulated depreciation of capital expenditures | (85,393,743) | (56,235,522) |
| Net | <u>220,076,942</u> | <u>134,815,487</u> |
| Matching share of approved but unearned Federal grants for capital expenditures | 16,130,557 | 30,839,421 |
| Available for other future capital expenditures, route expansion, or operations | <u>8,277,945</u> | <u>(9,969,864)</u> |
| Retained earnings | <u>\$ 244,485,444</u> | <u>\$ 155,685,044</u> |

8. Employee Benefit Plans

A) Pension Plans

The Authority contributes to two single-employer defined benefit plans: the Hourly Employee Retirement Plan which includes all employees who are covered by the collective bargaining agreement, and the Administrative Employee Retirement Plan which includes all eligible employees who are management or administrative staff. Each plan provides retirement benefits to plan members and beneficiaries. The hourly plan also provides disability benefits to plan members. The plans' provisions were adopted by a resolution of the Authority's Board of Trustees which appoints those who serve as trustees of the plans. Any amendments to the plans are adopted by a resolution of the Authority's Board of Trustees.

Effective January 1, 1999 the benefit formula for the active members of the Hourly Plan was changed from a flat dollar formula to a final average pay formula with a benefit multiplier of 2% and a maximum benefit of 75% of average compensation. Other minor changes were also made to the plan. These changes resulted in a substantial increase in the Actuarial Accrued Liability to \$41,601,451 and Annual Pension cost to \$3,282,158 for the Hourly Plan. Effective January 1, 2001 the asset valuation method for both the Hourly Plan and the Administrative Plan was changed from the fair value method to the five year smoothing method.

Each plan issued a publicly available financial report that includes financial statements and required supplementary information for that plan. Those reports 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 plans 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 each plan is as follows:

| | Hourly employee retirement plan | Administrative employee retirement plan |
|---|--|--|
| Contribution Rates: | | |
| Plan members | None | None |
| Authority | Annually determined by actuary | Annually determined by actuary |
| Contributions made | \$4,111,178 | \$900,335 |
| Annual required contributions | \$3,958,303 | \$900,335 |
| Interest on net pension obligations | (\$17,076) | \$0 |
| Adjustment to annual required contributions | \$14,847 | \$0 |
| Annual pension cost | \$3,956,074 | \$900,335 |
| Actuarial valuation date | 1/1/2001 | 1/1/2000 |
| Actuarial cost method | Entry Age Normal | Projected Unit Cost |
| Amortization method | Level Percent of Payroll 25 year open | Level Dollar Amount 10 year open |
| Remaining amortization period | 25 years | 10 years |
| Asset valuation method | Five-Year Smoothing | Five-Year Smoothing |
| Actuarial assumptions | | |
| Investment rate of return | 7.00% | 7.00% |
| Projected salary increase | 3.50% | 4.00% |
| Inflations rate assumption | 3.00% | 3.00% |

| | Year Ended | Annual Pension Cost (APC) | Percentage of APC Contributed | Increase (Decrease) Net Pension Obligation | Balance net Pension Obligation |
|---|------------|---------------------------|-------------------------------|--|--------------------------------|
| HOURLY EMPLOYEE RETIREMENT PLAN | 12/31/2001 | \$3,956,074 | 103.92% | (\$155,104) | (\$399,048) |
| | 12/31/2000 | \$3,351,005 | 107.28% | (\$243,944) | (\$243,944) |
| | 12/31/1999 | \$3,282,158 | 100.00% | \$0 | \$0 |
| ADMINISTRATIVE EMPLOYEE RETIREMENT PLAN | 12/31/2001 | \$900,335 | 100.00% | \$0 | |
| | 12/31/2000 | \$570,045 | 100.00% | \$0 | |
| | 12/31/1999 | \$248,379 | 100.00% | \$0 | |

Schedules of funding progress:

Hourly Employees Retirement Plan

| Actuarial Valuation Date | Actuarial Value of Assets (a) | Actuarial Accrued Liability (AAL) Unit credit (b) | Excess (Shortage) of Assets over AAL (a-b) | Funded Ratio (a/b) | Approximate Covered Payroll (c) | Excess (Shortage) as a Percentage of Covered Payroll ((a-b)/c) |
|--------------------------|-------------------------------|---|--|--------------------|---------------------------------|--|
| 1/1/01 | \$23,185,311 | \$52,517,935 | (\$29,332,624) | 44.10% | \$35,340,583 | (83.0)% |
| 1/1/00 | \$18,557,338 | \$46,090,586 | (\$27,533,248) | 40.26% | \$30,857,946 | (89.23)% |
| 1/1/99 | \$14,650,054 | \$41,601,451 | (\$26,951,397) | 35.20% | \$28,164,543 | (95.69)% |

Administrative Employees Retirement Plan

| Actuarial Valuation Date | Actuarial Value of Assets (a) | Actuarial Accrued Liability (AAL) Project unit credit (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) |
|--------------------------|-------------------------------|---|---------------------------------|--------------------|---------------------------------|---|
| 1/1/01 | \$24,407,140 | \$18,791,697 | \$5,615,443 | 129.90% | \$16,305,125 | 34.44% |
| 1/1/00 | \$23,115,116 | \$17,289,863 | \$5,825,253 | 133.69% | \$13,927,884 | 41.82% |
| 1/1/99 | \$22,163,010 | \$15,567,446 | \$6,595,564 | 142.40% | \$11,818,125 | 55.81% |

B) Deferred Compensation Plan

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.

9. Long Term Debt

| | <u>2001</u> | <u>2000</u> |
|--|----------------------|----------------------|
| Outstanding Balance Beginning of Year: | \$ 92,050,000 | \$ 92,050,000 |
| Additions | 0 | 65,000,000 |
| Payments | <u>(720,000)</u> | <u>(65,000,000)</u> |
| Outstanding Balance End of Year: | <u>\$ 91,330,000</u> | <u>\$ 92,050,000</u> |

Sales Tax and Transportation Revenue Bonds. The Authority issued bonds where the Authority pledges revenues derived from the ownership and operation of the Authority's public transit system and from certain sales tax receipts after payment of Operations 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 1997A | Interest Rates | Original Amount |
|--|----------------|-----------------|
| Purpose - Acquisition, construction, and equipping of a fixed guideway public transit system and related improvements. | 4.00 - 5.40% | \$27,740,000 |

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

| Year Ending December 31 | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|----------------------------|----------------------|----------------------|----------------------|
| 2002 | \$ 750,000 | \$ 1,352,179 | \$ 2,102,179 |
| 2003 | 780,000 | 1,319,929 | 2,099,929 |
| 2004 | 815,000 | 1,285,609 | 2,100,609 |
| 2005 | 850,000 | 1,248,934 | 2,098,934 |
| 2006 | 890,000 | 1,209,834 | 2,099,834 |
| Thereafter | <u>\$ 22,245,000</u> | <u>\$ 11,316,372</u> | <u>\$ 33,561,372</u> |
| Total | <u>\$ 26,330,000</u> | <u>\$ 17,732,857</u> | <u>\$ 44,062,857</u> |

| Series 2000 | Interest Rates | Amount |
|--|--|--------------|
| Purpose - Construction cost draws related to acquisition, construction, and equipping a Fixed Public Transit System and related improvements | Weekly Variable Ranged between 0.95% and 4.65% for 2001 | \$65,000,000 |

These bonds are thirty-year bonds maturing in the year 2030. The interest is payable monthly and is determined by the weekly variable rates.

10. 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 of approximately \$15.5 million for final construction close outs, outstanding issues and retention for the North/South and University Light Rail lines now in service and \$1.5 million for the purchase of buses and vans.

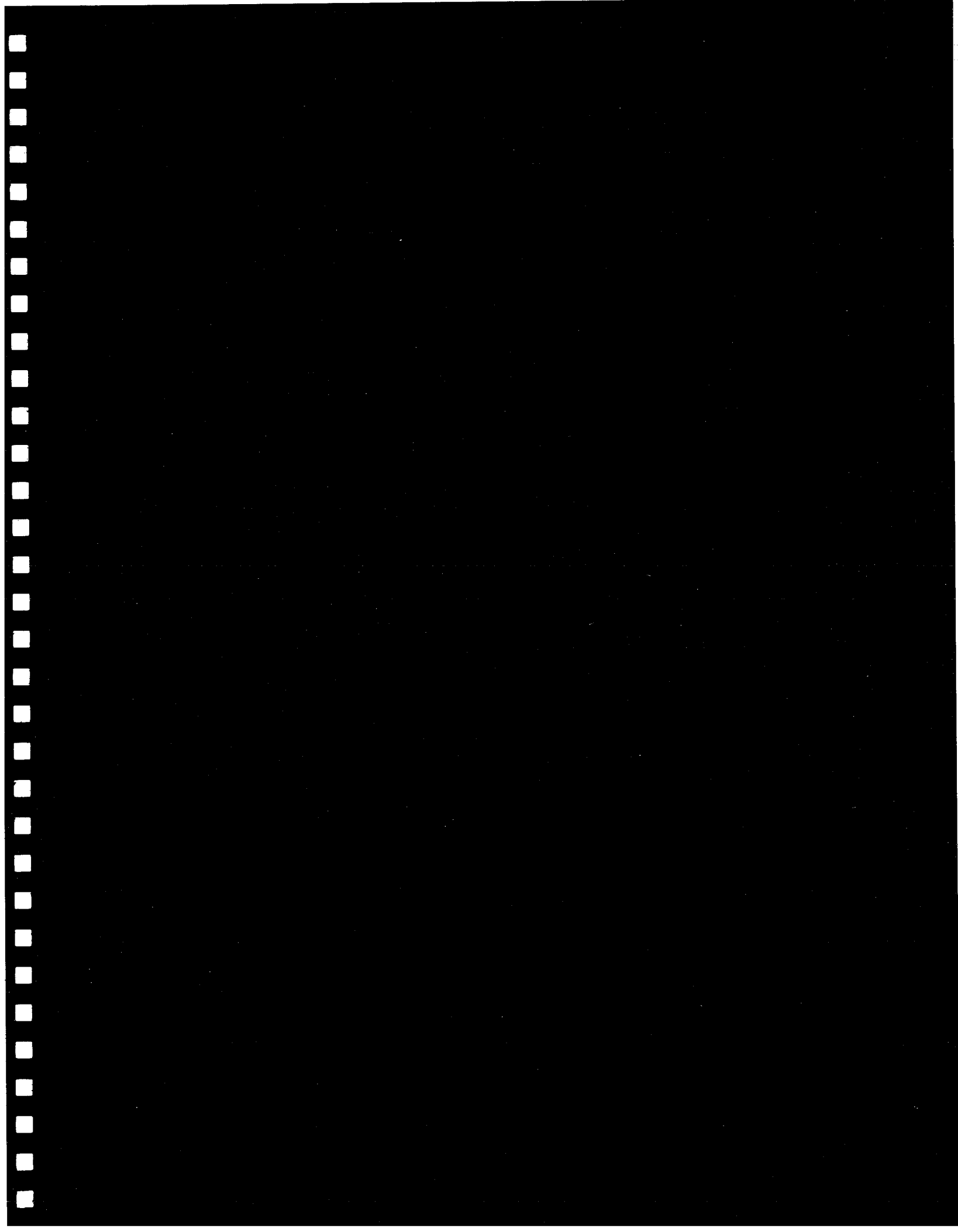
The Authority anticipates receiving a Full Funding Grant Agreement with the Federal Transit Administration during 2002 to extend the University light rail line to the Medical Center for a cost of approximately \$89 million. The Authority has given a limited notice to proceed to the contractor for \$16 million to do engineering and design work as well as early construction work. If the Authority does not receive a Full Funding Grant Agreement from the Federal Transit Administration it will not proceed with the project.

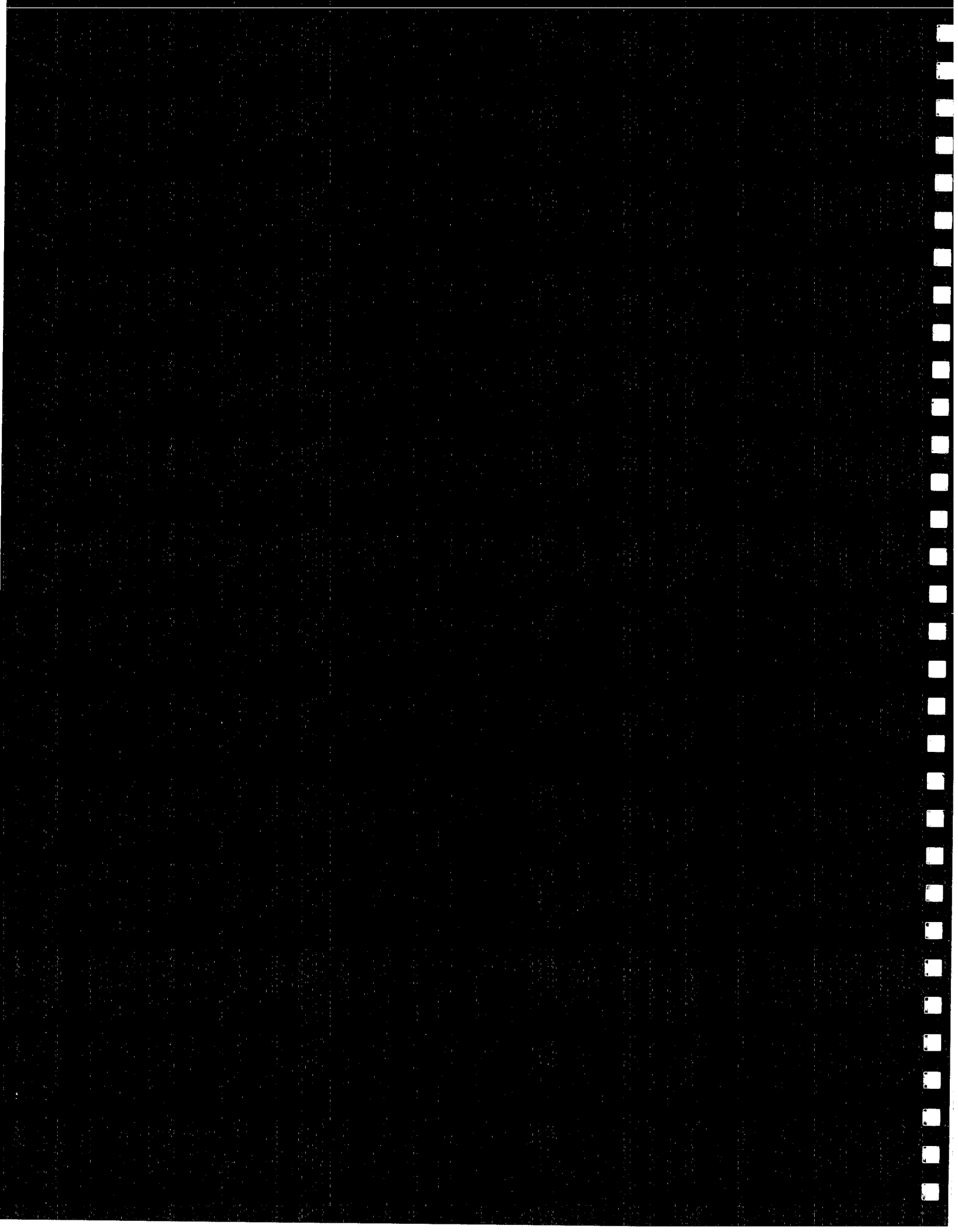
11. Subsequent Events

In January 2002 the Authority committed to purchase 13 new buses at an approximate cost of \$5.4 million. These buses are scheduled to be delivered in the fall of 2002.

On January 17, 2002 the Authority entered into a Purchase & Sale Agreement with Union Pacific Railroad to purchase 175 miles of railroad corridors and railroad corridor access rights extending from the northern limit of the Authority's transit district in Brigham City, Utah to the southern limit of the transit district in Payson City, Utah and other real property including an auto transfer facility in Clearfield, Utah, a freight intermodal facility in North Salt Lake, Utah, and a maintenance facility in North Salt Lake, Utah for approximately \$185 million. The Authority received \$20 million from the State of Utah toward this purchase in April 2002. It is anticipated that the purchase will be completed in 2002 and that bonds will be issued to finance the remainder of the cost of the purchase.

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UTAH TRANSIT AUTHORITY PROFILE

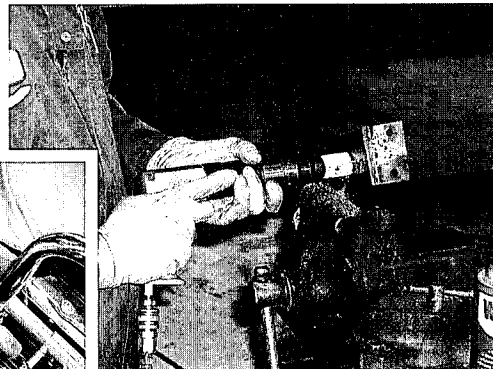
December 31, 2001

| | |
|--|---|
| Date of Incorporation | March 3, 1970 |
| Date the Authority began Operations | August 10, 1970 |
| Form of Governance | Board of Trustees, with General Manager |
| Number of Trustees | 15 |
| Service Area | All of Salt Lake, Davis and Weber Counties; the cities of Alpine, American Fork, Cedar Hills, Highland, Lehi, Lindon, Mapleton, Orem, Payson, Springville, and Provo Canyon in Utah County; and the cities of Tooele and Grantsville and the unincorporated areas of Erda, Lakepoint, Stansbury Park and Lincoln in Tooele County; and the cities of Brigham City, Perry and Willard in Box Elder County. |
| Area of Authority (in Square Miles) | Approximately 1,400 Square Miles |
| Population of Service Area | Approximately 1,744,417 (2001 Governor's Office of Planning and Budget estimate) |
| Local Financial Support | Local Option Sales Tax: Effective April 1, 2001 $\frac{7}{16}$ of 1% in Salt Lake County $\frac{1}{2}$ of 1% in Davis and Weber Counties $\frac{1}{4}$ of 1% in Utah, Box Elder, and Tooele Counties |
| Number of Routes | 155 |
| Weekday Bus Service Miles | 71,681 |
| Weekday Rail Service Miles | 2,658 |
| Average Weekday Riders | 99,812 |
| Number of Buses/Vans | |
| Regular Bus Service | 509 |
| Flextrans Bus Service | 70 |
| Flextrans Paratransit / Vans | 34 |
| Private Contractors Paratransit / Vans | 53 |
| Rail Vehicles | 33 |
| Number of Van Pools in Service | 109 |
| Joint Use Park and Ride Lots | 72 |
| Trax Stations | 20 |
| Bus Stops | 8,442 |

TEN YEAR REVENUE HISTORY BY SOURCE

| | <u>Operating</u> | <u>Sales Taxes</u> | <u>Federal Operating Revenue Grants</u> | <u>Federal Preventative Maintenance Grants*</u> | <u>Interest</u> | <u>Other</u> | <u>Total</u> |
|------|------------------|--------------------|---|---|-----------------|--------------|---------------|
| 1992 | \$ 8,987,060 | \$ 32,738,250 | \$ 4,779,091 | | \$ 2,001,644 | \$ 127,493 | \$ 48,633,538 |
| 1993 | 9,148,333 | 37,321,347 | 4,884,427 | | 1,635,161 | 233,612 | 53,222,880 |
| 1994 | 9,407,882 | 41,213,543 | 4,440,892 | | 1,539,192 | 214,957 | 56,816,466 |
| 1995 | 10,291,451 | 47,003,135 | 2,235,387 | | 2,029,273 | 256,759 | 61,816,005 |
| 1996 | 11,263,493 | 50,715,649 | 2,713,720 | | 2,021,200 | 690,982 | 67,405,044 |
| 1997 | 12,706,775 | 53,024,167 | 2,347,006 | | 2,412,402 | 616,312 | 71,106,662 |
| 1998 | 13,471,758 | 56,525,497 | 2,919,945 | \$ 14,600,534 | 4,982,715 | 630,778 | 93,131,227 |
| 1999 | 14,146,779 | 58,559,368 | 1,273,221 | 14,400,000 | 5,153,730 | 282,801 | 93,815,899 |
| 2000 | 16,587,921 | 62,223,044 | 2,753,187 | 17,112,000 | 3,078,116 | 515,706 | 102,269,974 |
| 2001 | 17,559,632 | 94,382,300 | 3,094,268 | 18,258,376 | 3,657,408 | 335,155 | 137,287,139 |

*In 1998 the Transportation Equity Act for the 21st century (TEA 21) was approved. TEA 21 allows the Authority to use formula funds for preventive maintenance. These funds may be used to cover up to 80% of maintenance (operating) cost with the balance used for other capital projects.



TEN YEAR EXPENSE HISTORY BY FUNCTION

| | Transit | | | | | | | |
|------|-------------------|--------------------|-----------------------|-----------------|---------------------|-----------------|---------------|--|
| | <u>Operations</u> | <u>Maintenance</u> | <u>Administration</u> | <u>Disabled</u> | <u>Depreciation</u> | <u>Interest</u> | <u>Total</u> | |
| 1992 | \$ 20,582,169 | \$ 14,950,524 | \$ 5,646,199 | \$ 1,678,539 | \$ 8,911,658 | \$ 625,193 | \$ 52,394,282 | |
| 1993 | 22,162,377 | 16,068,983 | 6,368,100 | 2,349,750 | 9,527,283 | 143,730 | 56,620,223 | |
| 1994 | 23,467,652 | 16,366,021 | 6,755,097 | 2,771,833 | 8,951,837 | 0 | 58,312,440 | |
| 1995 | 24,703,946 | 17,369,055 | 7,039,628 | 3,110,845 | 9,385,354 | 0 | 61,608,828 | |
| 1996 | 26,577,289 | 19,011,641 | 8,351,233 | 3,575,946 | 11,092,140 | 0 | 68,608,249 | |
| 1997 | 30,266,555 | 20,294,077 | 9,565,752 | 4,996,818 | 11,643,207 | 0* | 76,766,409 | |
| 1998 | 33,674,217 | 20,934,263 | 10,441,659 | 5,909,978 | 12,047,598 | 0* | 83,007,715 | |

| | <u>Bus Service</u> | <u>Rail Service</u> | <u>Transit Disabled</u> | <u>Other Service</u> | <u>Operations Support</u> | <u>Administration</u> | <u>Depreciation</u> | <u>Interest</u> | <u>Total</u> |
|--------|--------------------|---------------------|-------------------------|----------------------|---------------------------|-----------------------|---------------------|-----------------|---------------|
| 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 |

Interest reported is non-capitalized interest

* Interest for '97, '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.

SALES TAX COLLECTED BY COUNTY

| | <u>Davis</u> | <u>Salt Lake</u> | <u>Tooele</u> | <u>Utah</u> | <u>Weber</u> | <u>Box Elder</u> | <u>Total</u> |
|------|--------------|------------------|---------------|-------------|--------------|------------------|--------------|
| 1992 | \$3,199,516 | \$20,762,817 | \$301,119 | \$4,128,079 | \$3,454,440 | | \$31,845,971 |
| 1993 | 3,787,758 | 24,594,203 | 339,756 | 5,162,248 | 4,032,503 | | 37,916,468 |
| 1994 | 4,139,655 | 26,729,046 | 370,063 | 5,652,271 | 4,376,264 | | 41,267,299 |
| 1995 | 4,683,973 | 30,176,855 | 406,055 | 6,914,173 | 4,884,338 | | 47,065,394 |
| 1996 | 5,069,493 | 32,525,716 | 454,655 | 7,620,502 | 5,107,003 | \$818 | 50,778,187 |
| 1997 | 5,223,949 | 33,456,898 | 461,628 | 7,816,116 | 5,573,705 | 491,054 | 53,023,350 |
| 1998 | 5,752,253 | 35,490,871 | 552,217 | 8,614,364 | 5,585,341 | 530,452 | 56,525,497 |
| 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 |

Notes:

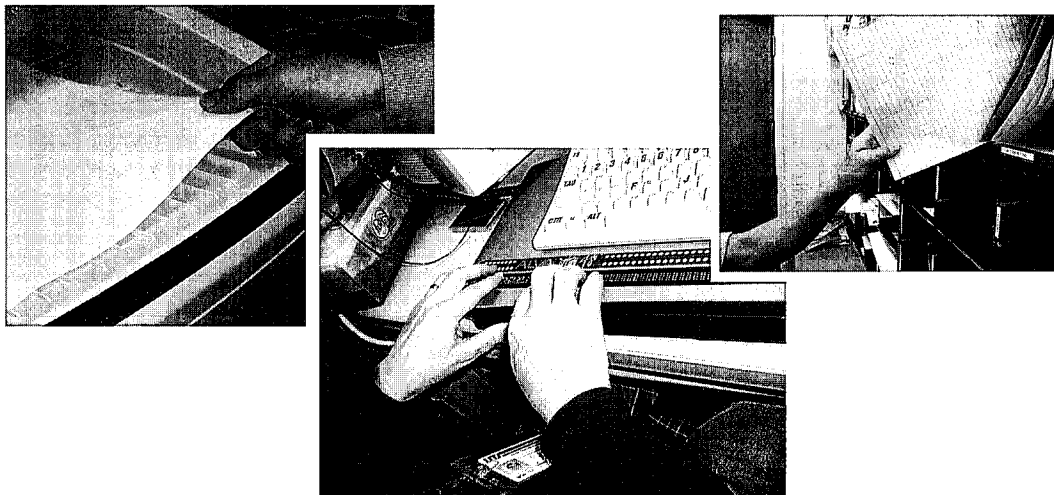
Tooele County includes the cities of Tooele, Grantsville and the unincorporated areas of Erda, Lakepoint, Stansbury Park and Lincoln.

Utah County includes the cities of Provo and Orem since 1985; American Fork, Lehi, Lindon and Pleasant Grove since 1990; Springville since 1991; Alpine, Cedar Hills and Highland since 1994; and Mapleton, Payson, Salem, Springville and Provo Canyon beginning in 1995.

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

In July of 1992 the Utah State Law changed sales tax collection from quarterly to monthly for most taxpayers.

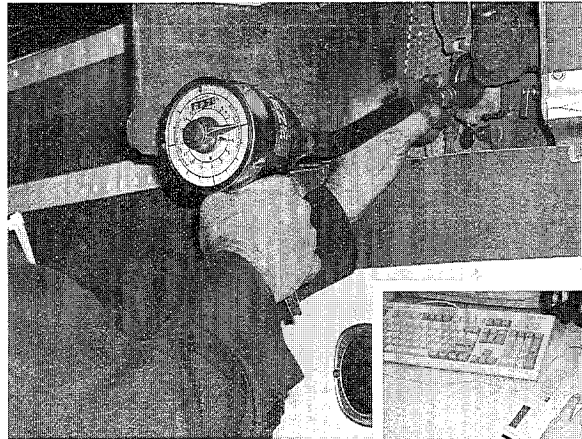
Amounts may vary slightly from financial statements due to accrued estimates.



FARES

Current Fare Schedule

| | <u>Cash</u> | <u>Monthly Pass</u> |
|-----------------------------|-------------|-------------------------|
| Adult | \$ 1.00 | \$ 32.00 |
| Minor Student | 1.00 | 20.00 |
| College Student | 1.00 | 20.00 |
| Senior Citizen | 0.35 | 11.00 |
| Disabled (except Flextrans) | 0.35 | 11.00 |
| Premium Express | 2.00 | 70.00 |
| Flextrans | 1.00 | 32.00 |



DEBT SERVICE COVERAGE

| | <u>Operating Revenues(1)</u> | <u>Operating Expenses(2)</u> | <u>Net Income Available Debt Service</u> | <u>Debt Service Requirement</u> | | | <u>Coverage</u> |
|------|------------------------------|------------------------------|--|---------------------------------|-----------------|--------------|-----------------|
| | | | | <u>Principal</u> | <u>Interest</u> | <u>Total</u> | |
| 1992 | \$ 48,633,538 | \$ 42,857,431 | \$ 5,776,107 | \$ 1,300,000 | \$ 625,193 | \$ 1,925,193 | 3.0 |
| 1993 | 53,222,880 | 46,949,210 | 6,273,670 | 1,300,000 | 143,730 | 1,443,730 | 4.3 |
| 1994 | 56,816,466 | 49,360,603 | 7,455,863 | 0 | 0 | 0 | N/A |
| 1995 | 61,816,005 | 52,223,474 | 9,592,531 | 0 | 0 | 0 | N/A |
| 1996 | 67,405,044 | 57,516,109 | 9,888,935 | 0 | 0 | 0 | N/A |
| 1997 | 71,106,662 | 65,123,202 | 5,983,460 | 0 | 0 | 0 | N/A |
| 1998 | 93,131,227 | 70,960,117 | 22,171,110 | 0 | 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 | 0 | 2,987,228 | 2,987,228 | 2.6 |
| 2001 | 137,287,139 | 108,418,490 | 28,868,649 | 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

LIMITATION ON INDEBTEDNESS OF AUTHORITY

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. The chart below is based on 2000 assessed values in the areas the Authority serves.

| | Assessed Value (in 000's) |
|------------------------------------|---------------------------------|
| Salt Lake County | \$ 48,667,358 |
| Davis County | 9,694,383 |
| Weber County | 7,306,967 |
| Alpine City | 361,842 |
| American Fork City | 810,051 |
| Cedar Hills Town | 108,821 |
| Highland City | 320,286 |
| Lehi City | 816,536 |
| Lindon City | 471,839 |
| Mapleton | 516,654 |
| Orem City | 3,133,578 |
| Payson | 401,970 |
| Pleasant Grove City | 715,693 |
| Provo Canyon | 86,435 |
| Provo City | 3,419,723 |
| Salem | 142,455 |
| Spanish Fork | 781,752 |
| Springville City | 793,342 |
| Grantsville City | 166,100 |
| Tooele City | 783,847 |
| Unincorporated Areas: | |
| Erda, Stansbury Park, | |
| Lake Point, Lincoln | 165,876 |
| Brigham City | 623,143 |
| Perry | 95,802 |
| Willard | 56,755 |
| Assessed valuation of service area | \$ 80,441,208 |
| Debt Limitation (%) | 3% |
| Total Debt Limitation | \$ 2,413,236 |

Source: The Utah State Tax Commission

2000 Performance Measures - Light Rail

| City | ID | Agency | Service Efficiency | | Cost Effectiveness | | Service Effectiveness | |
|--------------------|------|-------------------|--|--|--------------------------------------|---|---|---|
| | | | 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 | \$4.89 | \$97.53 | \$0.15 | \$1.20 | 4.07 | 81.26 |
| Buffalo, NY | 2004 | NFT Metro | \$16.22 | \$196.04 | \$0.94 | \$2.21 | 7.34 | 88.70 |
| Cleveland, OH | 5015 | GCRTA | \$13.21 | \$216.13 | \$0.64 | \$3.68 | 3.59 | 58.79 |
| Dallas, TX | 6056 | DART | \$13.58 | \$214.90 | \$0.55 | \$2.87 | 4.73 | 74.79 |
| Denver, CO | 8006 | RTD | \$7.66 | \$103.34 | \$0.40 | \$1.67 | 4.58 | 61.70 |
| New Orleans, LA | 6032 | RTA | \$10.96 | \$95.39 | \$0.56 | \$1.38 | 7.97 | 69.37 |
| Portland, OR | 0008 | Tri-Met | \$8.18 | \$141.60 | \$0.29 | \$1.70 | 4.82 | 83.44 |
| Sacramento, CA | 9019 | RTD | \$8.70 | \$177.23 | \$0.42 | \$2.24 | 3.88 | 79.10 |
| San Diego, CA | 9185 | San Diego Trolley | \$4.53 | \$97.62 | \$0.17 | \$1.12 | 4.05 | 87.26 |
| San Jose, CA | 9013 | VTA | \$15.76 | \$233.61 | \$1.07 | \$4.82 | 3.27 | 48.45 |
| St. Louis, MO | 7006 | BSDA | \$7.75 | \$193.19 | \$0.21 | \$1.38 | 5.60 | 139.69 |
| Average | | | \$10.13 | \$160.60 | \$0.49 | \$2.21 | 4.90 | 79.32 |
| Maximum | | | \$16.22 | \$233.61 | \$1.07 | \$4.82 | 7.97 | 139.69 |
| Minimum | | | \$4.53 | \$95.39 | \$0.15 | \$1.12 | 3.27 | 48.45 |
| Standard Deviation | | | \$4.09 | \$54.58 | \$0.30 | \$1.16 | 1.51 | 23.71 |

Data Source: 2000 National Transit Database

2000 Performance Measures - Bus Service

| City | ID | Agency | Service Efficiency | | Cost Effectiveness | | Service Effectiveness | |
|-----------------------|------|--------------|--|--|--------------------------------------|---|---|---|
| | | | 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 | \$4.56 | \$76.16 | \$1.04 | \$4.23 | 1.08 | 17.98 |
| Arlington Heights, IL | 5113 | Pace | \$4.99 | \$69.37 | \$0.48 | \$2.72 | 1.84 | 25.52 |
| Houston, TX | 6008 | METRO | \$5.28 | \$73.96 | \$0.40 | \$2.23 | 2.37 | 33.19 |
| Phoenix, AZ | 9032 | Valley Metro | \$5.61 | \$83.61 | \$0.51 | \$1.99 | 2.83 | 42.11 |
| Phoenix, AZ | 9136 | RPTA | \$3.52 | \$46.91 | \$0.76 | \$3.12 | 1.13 | 15.02 |
| Buffalo, NY | 2004 | NFT Metro | \$6.88 | \$68.20 | \$0.80 | \$2.48 | 2.78 | 27.55 |
| Cincinnati, OH | 5012 | SORTA/Metro | \$5.33 | \$71.42 | \$0.41 | \$2.36 | 2.26 | 30.22 |
| Cleveland, OH | 5015 | GCRTA | \$6.98 | \$87.32 | \$0.83 | \$3.18 | 2.19 | 27.43 |
| Columbus, OH | 5016 | COTA | \$6.91 | \$85.77 | \$0.83 | \$3.31 | 2.09 | 25.89 |
| Dallas, TX | 6056 | DART | \$7.30 | \$94.94 | \$0.76 | \$2.97 | 2.46 | 31.93 |
| Denver, CO | 8006 | RTD | \$5.62 | \$85.38 | \$0.57 | \$2.77 | 2.03 | 30.83 |
| Detroit, MI | 5031 | SMART | \$4.84 | \$84.20 | \$0.71 | \$5.35 | 0.90 | 15.73 |
| Fort Worth, TX | 6007 | The T | \$4.74 | \$62.97 | \$0.82 | \$3.97 | 1.19 | 15.86 |
| Honolulu, HI | 9002 | DTS | \$6.09 | \$83.46 | \$0.34 | \$1.56 | 3.90 | 53.50 |
| Kansas City, MO | 7005 | KCATA | \$5.30 | \$81.97 | \$0.80 | \$3.16 | 1.68 | 25.91 |
| North Las Vegas, NV | 9152 | ATC | \$3.53 | \$45.18 | \$0.33 | \$1.10 | 3.20 | 40.92 |
| Orange, CA | 9036 | OCTA | \$5.64 | \$72.64 | \$0.50 | \$1.77 | 3.19 | 41.13 |
| Louisville, KY | 4018 | TARC | \$4.92 | \$63.56 | \$0.70 | \$2.51 | 1.96 | 25.31 |
| New Orleans, LA | 6032 | RTA | \$6.58 | \$90.53 | \$0.53 | \$1.53 | 4.31 | 59.31 |
| Omaha, NE | 7002 | MAT | \$3.85 | \$50.48 | \$0.90 | \$3.32 | 1.16 | 15.20 |
| Orlando, FL | 4035 | LYNX | \$4.35 | \$61.16 | \$0.40 | \$2.30 | 1.89 | 26.55 |
| Portland, OR | 0008 | Tri-Met | \$6.42 | \$79.54 | \$0.71 | \$2.37 | 2.70 | 33.51 |
| Sacramento, CA | 9019 | RTD | \$6.79 | \$89.39 | \$0.63 | \$2.57 | 2.64 | 34.79 |
| San Antonio, TX | 6011 | VIA Metro | \$3.66 | \$52.08 | \$0.44 | \$1.68 | 2.17 | 30.97 |
| San Diego, CA | 9185 | MTS | \$3.49 | \$43.51 | \$0.36 | \$1.29 | 2.70 | 33.67 |
| San Diego, CA | 9095 | SANDAG | \$3.05 | \$41.74 | \$0.38 | \$1.64 | 1.86 | 25.46 |
| San Carlos, CA | 9009 | SAMTRANS | \$7.69 | \$98.32 | \$0.58 | \$3.42 | 2.25 | 28.71 |
| Seattle, WA | 0001 | Metro | \$7.54 | \$101.59 | \$0.53 | \$3.33 | 2.27 | 30.52 |
| St. Louis, MO | 7006 | BSDA | \$5.88 | \$89.71 | \$0.72 | \$2.93 | 2.01 | 30.57 |
| Average | | | \$5.43 | \$73.62 | \$0.61 | \$2.66 | 2.24 | 30.18 |
| Maximum | | | \$7.69 | \$101.59 | \$1.04 | \$4.23 | 4.31 | 59.31 |
| Minimum | | | \$3.05 | \$41.74 | \$0.33 | \$1.10 | 0.90 | 15.02 |
| Standard Deviation | | | \$1.34 | \$17.32 | \$0.19 | \$0.94 | 0.80 | 10.31 |

Data Source: 2000 National Transit Database

2000 Performance Measures - Demand Response

| City | ID | Agency | Service Efficiency | | Cost Effectiveness | | Service Effectiveness | |
|-----------------------|------|--------------|--|--|--------------------------------------|---|---|---|
| | | | 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 | \$2.35 | \$41.75 | \$2.23 | \$19.52 | 0.12 | 2.14 |
| Arlington Heights, IL | 5113 | Pace | \$2.89 | \$41.57 | \$1.98 | \$12.82 | 0.23 | 3.24 |
| Houston, TX | 6008 | METRO | \$1.50 | \$31.41 | \$1.26 | \$12.28 | 0.12 | 2.56 |
| Phoenix, AZ | 9032 | Valley Metro | \$2.70 | \$38.21 | \$2.42 | \$18.68 | 0.14 | 2.05 |
| Phoenix, AZ | 9136 | RPTA | \$4.79 | \$49.30 | \$3.67 | \$21.99 | 0.22 | 2.24 |
| Buffalo, NY | 2004 | NFT Metro | \$2.28 | \$35.06 | \$2.28 | \$23.54 | 0.10 | 1.49 |
| Cincinnati, OH | 5012 | SORTA/Metro | \$2.23 | \$40.04 | \$2.25 | \$22.79 | 0.10 | 1.76 |
| Cleveland, OH | 5015 | GCRTA | \$5.84 | \$78.28 | \$7.66 | \$44.80 | 0.13 | 1.75 |
| Columbus, OH | 5016 | COTA | \$2.18 | \$38.99 | \$3.44 | \$29.62 | 0.07 | 1.32 |
| Dallas, TX | 6056 | DART | \$3.23 | \$48.99 | \$2.68 | \$29.18 | 0.11 | 1.68 |
| Denver, CO | 8006 | RTD | \$44.11 | \$466.05 | \$7.47 | \$55.77 | 0.79 | 8.36 |
| Detroit, MI | 5031 | SMART | \$4.38 | \$62.60 | \$2.74 | \$16.94 | 0.26 | 3.70 |
| Fort Worth, TX | 6007 | The T | \$2.07 | \$42.70 | \$2.06 | \$20.25 | 0.10 | 2.11 |
| Honolulu, HI | 9002 | DTS | \$2.81 | \$42.67 | \$1.25 | \$17.66 | 0.16 | 2.42 |
| Kansas City, MO | 7005 | KCATA | \$2.66 | \$48.34 | \$2.40 | \$13.57 | 0.20 | 3.56 |
| North Las Vegas, NV | 9152 | ATC | \$2.83 | \$40.58 | \$2.97 | \$23.80 | 0.12 | 1.71 |
| Orange, CA | 9036 | OCTA | \$3.60 | \$59.54 | \$2.65 | \$23.37 | 0.15 | 2.55 |
| Louisville, KY | 4018 | TARC | \$1.86 | \$31.75 | \$2.13 | \$18.33 | 0.10 | 1.73 |
| New Orleans, LA | 6032 | RTA | \$4.75 | \$52.05 | \$3.81 | \$30.01 | 0.16 | 1.73 |
| Omaha, NE | 7002 | MAT | \$3.40 | \$50.99 | \$5.32 | \$29.78 | 0.11 | 1.71 |
| Orlando, FL | 4035 | LYNX | \$1.54 | \$26.02 | \$1.25 | \$15.49 | 0.10 | 1.68 |
| Portland, OR | 0008 | Tri-Met | \$3.28 | \$48.90 | \$2.42 | \$21.80 | 0.15 | 2.24 |
| Sacramento, CA | 9019 | RTD | \$3.19 | \$50.44 | \$3.10 | \$28.01 | 0.11 | 1.80 |
| San Antonio, TX | 6011 | VIA Metro | \$2.07 | \$43.57 | \$1.63 | \$18.58 | 0.11 | 2.35 |
| San Diego, CA | 9185 | MTS | \$1.81 | \$32.53 | \$1.75 | \$10.23 | 0.18 | 3.18 |
| San Diego, CA | 9095 | SANDAG | \$2.55 | \$40.29 | \$1.62 | \$11.19 | 0.23 | 3.60 |
| San Carlos, CA | 9009 | SAMTRANS | \$3.49 | \$43.54 | \$3.44 | \$28.17 | 0.12 | 1.55 |
| Seattle, WA | 0001 | Metro | \$4.45 | \$62.78 | \$3.32 | \$21.67 | 0.21 | 2.90 |
| St. Louis, MO | 7006 | BSDA | \$2.59 | \$49.03 | \$2.09 | \$21.14 | 0.12 | 2.32 |
| Average | | | \$4.39 | \$59.93 | \$2.87 | \$22.79 | 0.17 | 2.46 |
| Maximum | | | \$44.11 | \$466.05 | \$7.66 | \$55.77 | 0.79 | 8.36 |
| Minimum | | | \$1.50 | \$31.41 | \$1.25 | \$10.23 | 0.07 | 1.32 |
| Standard Deviation | | | \$7.71 | \$78.86 | \$1.57 | \$9.63 | 0.13 | 1.32 |

Data Source: 2000 National Transit Database

TEN YEAR TREND STATISTICS BY YEAR

| Passengers | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 |
|---|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Bus Service | 22,462,031 | 22,602,037 | 23,026,912 | 23,260,802 | 24,075,674 | 23,826,786 | 23,787,532 | 23,122,829 | 21,609,457 | 22,220,325 |
| Rail Service | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | 6,132,354 | 5,987,053 |
| Paratransit Service | 186,103 | 208,879 | 239,813 | 229,973 | 267,516 | 297,094 | 312,170 | 426,255 | 490,872 | 540,374 |
| Passengers (All Modes) | 22,648,134 | 22,810,916 | 23,266,725 | 23,490,775 | 24,343,190 | 24,123,880 | 24,099,702 | 24,163,743 | 28,232,683 | 28,747,752 |
| Revenue Miles | | | | | | | | | | |
| Bus Revenue Miles | 15,078,702 | 15,242,810 | 15,563,326 | 15,773,772 | 16,134,845 | 17,047,312 | 16,902,978 | 16,958,698 | 17,324,950 | 17,010,803 |
| Rail Revenue Miles | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | 1,506,051 | 1,703,328 |
| Paratransit Revenue Miles | 1,254,839 | 1,719,795 | 2,059,697 | 2,317,558 | 2,430,623 | 2,538,818 | 2,814,984 | 3,332,013 | 4,135,758 | 4,794,710 |
| Revenue Miles (All Modes) | 16,333,541 | 16,962,605 | 17,623,023 | 18,091,330 | 18,565,468 | 19,586,130 | 19,717,962 | 20,407,578 | 22,966,759 | 23,508,841 |
| Total Miles | | | | | | | | | | |
| Total Bus Miles | 17,256,867 | 17,495,351 | 17,884,518 | 18,037,977 | 18,335,105 | 19,250,849 | 19,218,578 | 19,375,945 | 19,004,792 | 18,656,815 |
| Total Rail Miles | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | 1,508,948 | 1,711,502 |
| Total Paratransit Miles | 1,395,779 | 1,889,661 | 2,300,858 | 2,613,616 | 2,741,077 | 2,892,467 | 3,166,837 | 3,626,012 | 4,711,639 | 5,354,501 |
| Total Miles (All Modes) | 18,652,646 | 19,385,012 | 20,185,376 | 20,651,593 | 21,076,182 | 22,143,316 | 22,385,415 | 23,119,039 | 25,225,379 | 25,722,818 |
| Passengers Per Mile | | | | | | | | | | |
| Bus Passengers Per Mile | 1.30 | 1.29 | 1.29 | 1.29 | 1.31 | 1.24 | 1.24 | 1.19 | 1.14 | 1.19 |
| Rail Passengers Per Mile | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | 4.06 | 3.50 |
| Paratransit Passengers Per Mile | 0.13 | 0.11 | 0.10 | 0.09 | 0.10 | 0.10 | 0.10 | 0.12 | 0.10 | 0.10 |
| Total Passengers Per Mile | 1.39 | 1.34 | 1.32 | 1.30 | 1.31 | 1.23 | 1.22 | 1.18 | 1.23 | 1.22 |
| Revenue Hours | | | | | | | | | | |
| Bus Revenue Hours | 808,181 | 809,186 | 828,890 | 844,697 | 868,897 | 891,593 | 888,357 | 886,110 | 899,933 | 934,270 |
| Rail Revenue Hours | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | 46,007 | 61,441 |
| Paratransit Revenue Hours | 86,564 | 121,217 | 139,644 | 145,341 | 153,198 | 164,329 | 171,702 | 211,011 | 232,342 | 290,610 |
| Revenue Hours | 894,745 | 930,403 | 968,534 | 990,038 | 1,022,095 | 1,055,922 | 1,060,059 | 1,099,244 | 1,178,302 | 1,286,321 |
| Passengers Per Revenue Hour | | | | | | | | | | |
| Bus Passengers Per Revenue Hour | 27.79 | 27.93 | 27.78 | 27.54 | 27.71 | 26.72 | 26.78 | 26.09 | 24.01 | 23.78 |
| Rail Passengers Per Revenue Hour | N/A | N/A | N/A | N/A | N/A | N/A | N/A | 289.52 | 133.29 | 97.44 |
| Paratransit Passengers Per Revenue Hour | 2.15 | 1.72 | 1.72 | 1.58 | 1.75 | 1.81 | 1.82 | 2.02 | 2.11 | 1.86 |
| Total Passengers Per Revenue Hour | 25.31 | 24.52 | 24.02 | 23.73 | 23.82 | 22.85 | 22.73 | 21.98 | 23.96 | 22.35 |
| Total System (All Modes) | | | | | | | | | | |
| Cost Per Mile | \$2.30 | \$2.42 | \$2.45 | \$2.53 | \$2.73 | \$2.94 | \$3.17 | \$3.45 | \$3.75 | \$4.21 |
| Cost Per Passenger | \$1.89 | \$2.06 | \$2.12 | \$2.22 | \$2.36 | \$2.70 | \$2.94 | \$3.30 | \$3.35 | \$3.77 |
| Fare Revenue Per Passenger | \$0.37 | \$0.38 | \$0.38 | \$0.41 | \$0.43 | \$0.49 | \$0.51 | \$0.53 | \$0.53 | \$0.53 |

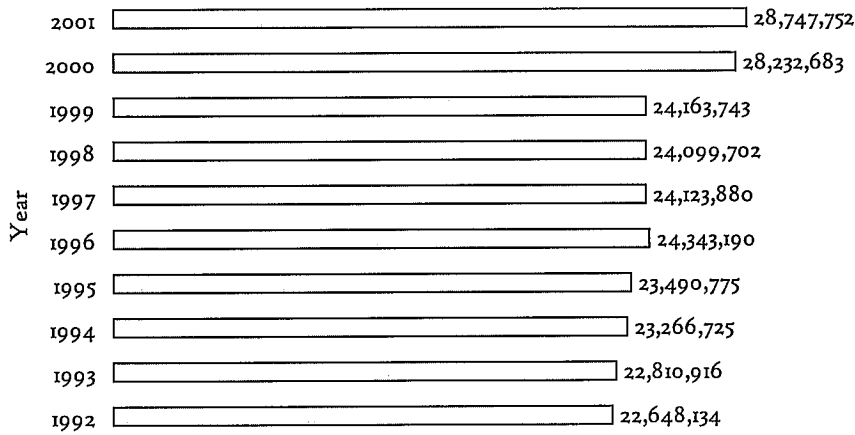
Notes:

Costs exclude depreciation and interest

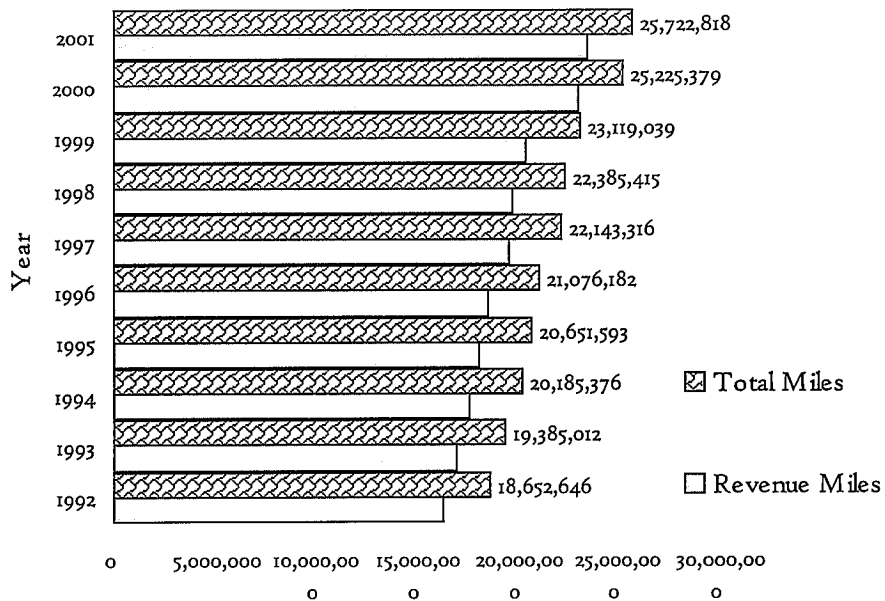
Light Rail Service began on December 4, 1999

The Authority increased its base fare from \$0.65 to \$0.75 in 1995, from \$0.75 to \$0.85 in 1996 and from \$0.85 to \$1.00 in 1997

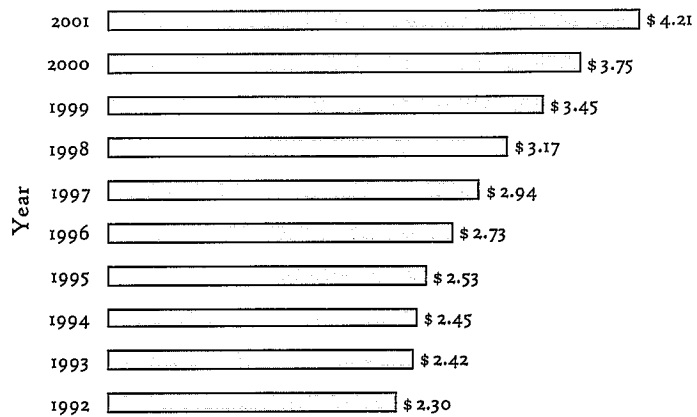
RIDERSHIP 1992 - 2001



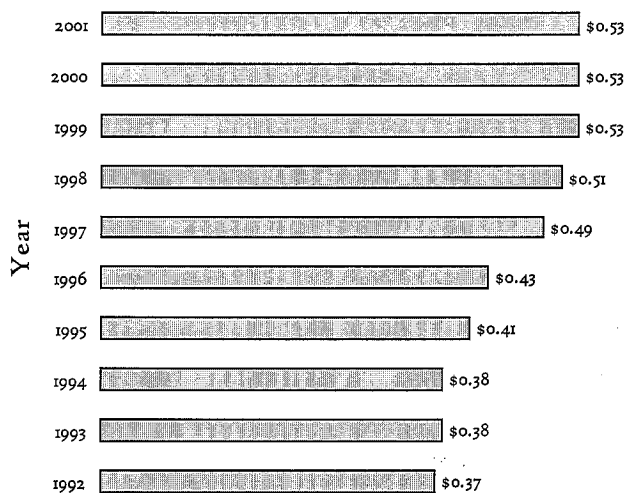
REVENUE AND TOTAL MILES 1992 - 2001



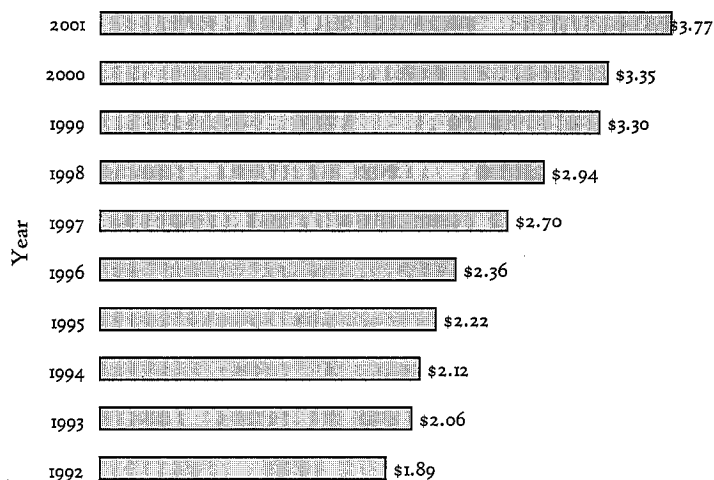
AVERAGE COST PER MILE 1992 - 2001



AVERAGE FARE PER PASSENGER 1992 - 2001



SYSTEM COST PER PASSENGER 1992 - 2001



REVENUE HOURS 1992 - 2001

