Comprehensive Annual FinancialReport

Built To Serve

For Fiscal Year Ended December 31, 2013

UTA

UTAH TRANSIT AUTHORITY

UTA Mission Statement

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

Comprehensive Annual Financial Report

For Fiscal Year Ended
December 31, 2013

Finance Department

Robert K. Biles
Chief Financial Officer

Danyce Steck
Comptroller

UTAH TRANSIT AUTHORITY

TABLE OF CONTENTS

TABLE OF CONTENTS (continued)

Section Three – STATISTICAL (continued)

Operating Information: These schedules contain service and infrastructure data to help the reader understand how the information in the Authority's financial report relates to the services the Authority provides and the activities it performs.

Introductory

UTAH TRANSIT AUTHORITY

June 12, 2014

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, 2013. This document has been prepared by the Chief Financial Officer's Office using the guidelines recommended by the Government Finance Officers Association of the United States and Canada and conforms with generally accepted accounting principles accepted in the United States of America and promulgated by the Governmental Accounting Standards Board.

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

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

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 16 member board of trustees which is the legislative body of the Authority and determines all questions of Authority policy. Twelve members of the Board of Trustees, including one nonvoting member, are appointed by each county, municipality or combination of municipalities which have been annexed to the Authority. The Board also includes one member who is appointed by the State Transportation Commission who acts as a liaison between the Authority and the Transportation Commission, one member of the board is appointed by the Governor, one member is appointed by the Speaker of the Utah State House of Representatives and one member is appointed by the President of the State Senate.

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

The responsibility for the operation of the Authority is held by the General Manager in accordance with the direction, goals and policies of the Authority's Board of Trustees. The General Manager has full charge of the acquisition, construction, maintenance, and operation of the facilities of the Authority and of the administration of the business affairs of the Authority. The General Manager supervises the executive staff which includes the Chief Capital Development Officer, Chief Operating Officer, Chief Financial Officer, Chief Communications and Customer Focus Officer, Chief Business Solutions and Technology Officer, Chief Planning Officer, President of Government Resources and Senior Advisor to the General Manager.

The Chief Executive Officer, General Counsel, and the Director of Internal Audit for the Authority report to the Board of Trustees.

TRAX Green Line on South Temple near the Salt Lake International Airport.

An organizational chart which illustrates the reporting relationships follows in the introductory section.

The Regional General Managers and the General Managers of Special Services, Commuter Rail and Light Rail report to the Chief Operating Officer. The corporate executive staff meets weekly to coordinate management of the affairs of the organization. The executive staff meets at least monthly in a policy forum to review and set management policies and set goals and objectives for the organization.

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, 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. According to the U.S. Census Bureau population estimates of July 1, 2011, the population of the Authority's service area is 2,235,331 and represents 79.3% of the state's total population.


City Creek TRAX Station

Bus Rapid Transit (BRT)

CURRENT YEAR IN REVIEW

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

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

The Sugarhouse Streetcar Line opened in December 2013

During 2013 the Authority continued to strengthen and connect communities along the Wasatch Front. The largest and most important capital construction project the Authority has undertaken, its 2015 program, is 100% completed (see map of 2015 projects).

In April, UTA completed and put into service the Green Line extension to the Salt Lake International Airport. The Airport line provides TRAX service from downtown Salt Lake City along North Temple to the Airport. This line provides easy transfers to and from FrontRunner and the rest of the transit system. In August 2013, the Draper TRAX extension was placed into service extending the Blue Line from Sandy south into Draper. The Sugarhouse Streetcar project was put into service in December of 2013, giving transit passengers in the Sugarhouse area of Salt Lake City and South Salt Lake City an easy way to access shopping and businesses in that area of town.

System ridership increased to over 44.1 million riders in 2013, a 3.1% increase over 2012 system ridership of 42.8 million. Passenger revenues increased by $5.5 million, a 12% increase over 2012 passenger revenues.

During 2013, the Authority made great progress on several transit oriented development (TOD) projects. TOD, are those areas in which UTA is currently pursuing leasing and development opportunities on properties owned by UTA or near existing or future transit stops. In 2012 the Jordan Valley TOD, located in West Jordan at the Jordan Valley

TRAX station, received Joint Development (JD) approval from the Federal Transit Administration (FTA), a tremendous accomplishment because it was the first of its kind in the region to be approved. Further Tax Increment Financing (TIF) was finalized with the City of West Jordan which entitles the TOD partnership, in which UTA is a partner, to $20+ million dollars in tax incentive rebates over 20 years. Ground breaking for the first two multi-residential buildings at the site is expected to take place in 2014.

Along the northern FrontRunner line UTA negotiated a land exchange transaction with a station adjacent property owner in Layton City, Davis County. As part of this negotiation UTA provided a portion of the current parking lot to be disposed of for the construction of a dense multi-residential project however UTA was made whole with new parking that is closer to the station site. Additionally UTA received a Memorandum of Agreement from Layton City for $500,000 in funds toward a future parking structure.

Further north at the Clearfield City FrontRunner station UTA, the chosen developer for the site and the City have come to terms on a site plan that is agreeable to all parties, a feat that has taken over 5 years to accomplish. FTA approval was obtained in 2012 and TIF for this project will be sought in 2014. Groundbreaking for phase 1 is slated for Q3 2014. Work on the Sandy Civic Center TRAX station continues with the private developer selected by UTA in 2011. Progress toward a final site plan that is both marketable and financially feasible has been the year's major endeavor.

Finally UTA selected a private developer for 4 UTA-owned TOD sites and, in partnership with the selected developer, commenced market studies and property research with preliminary site plans approved in 2014. Site Planning and entitlements for a project at the Sandy Civic Light Rail Station are under way. Site planning is also under way at the FrontRunner Clearfield station. For a more complete review of the Authority's current year financial activities, please refer to section two which contains the Auditor's Report, Management's Discussion and Analysis, the Financial Statements, and accompanying notes.

FrontRunner Locomotive

Flex Route 518

FUTURE PLANS

The Utah Transit Authority continues to develop a superior transportation system for the Wasatch Front. The Frontlines 2015 program, as described in the Current Year in Review section of this report, was completed with all lines in operation by August of 2013, over two years ahead of schedule.

After placing FrontRunner South in service in December 2012, UTA placed three lines in service in 2013. The airport line opened in April, which extended the Green Line to include service from the Arena Station to the Airport. The Draper extension of the Blue line opened in August, extending service from Sandy to Draper. In December the Sugarhouse Streetcar line opened.

The next tier of projects will be a significant departure from the five large projects included in the 2015 program. UTA's future transit capital development program will almost certainly consist of a greater number of smaller and more diverse projects. Smaller projects will require a more flexible management approach and a more nimble staff. The rights-of-way that we have enjoyed and enabled us to more easily construct large projects have mostly been utilized. UTA's focus will turn to the integration of the bus and rail networks and the use of bus rapid transit and streetcar networks to be high capacity

WAVE (All electric bus)

feeders to the TRAX and FrontRunner lines.

Another priority for UTA is the use of buses that operate on compressed natural gas (CNG). In 2013, the Authority placed 24 buses that operate using CNG into operation. Design on a maintenance facility that will house and maintain a fleet of CNG buses is in progress.

Next tier projects are those which have either the planning priority or local support to have begun specific studies on the projects. Horizon projects are projects where there is interest or planning priority but not to the level to have either a specific feasibility study or an alternative analysis under way. In the horizon category, the list includes projects that are very large, long lead time projects which require early planning. Facilities projects are proposed with major new or improved facilities being planned in the UTA system.

Compressed Natural Gas (CNG) Bus

The key to moving these next tier projects into the design and construction phase is identifying and gaining commitments for funding. The modes being studied include bus, bus rapid transit, streetcar transit, light rail transit, commuter rail transit, high-speed rail and intermodal centers to serve and connect the various modes.

WAVE bus utilizes a recharger embedded in the asphalt

ECONOMIC CONDITION AND OUTLOOK

2013 Economic Outlook

The Utah Governor's Office of Planning and Budget produces the 2014 Economic Outlook. The Economic Outlook focuses on an estimated summary of the previous year and a forecast for the forthcoming year. The primary goal of the report is to improve the reader's understanding of the Utah economy. The report is a collaborative effort of both public and private entities which devote a significant amount of time to this report ensuring that it contains the latest economic and demographic information. Below is just an excerpt from the Economic Outlook. For more detailed information, the entire report is available on the Governor's Office of Planning and Budget website at www.governor.utah.gov/dea.

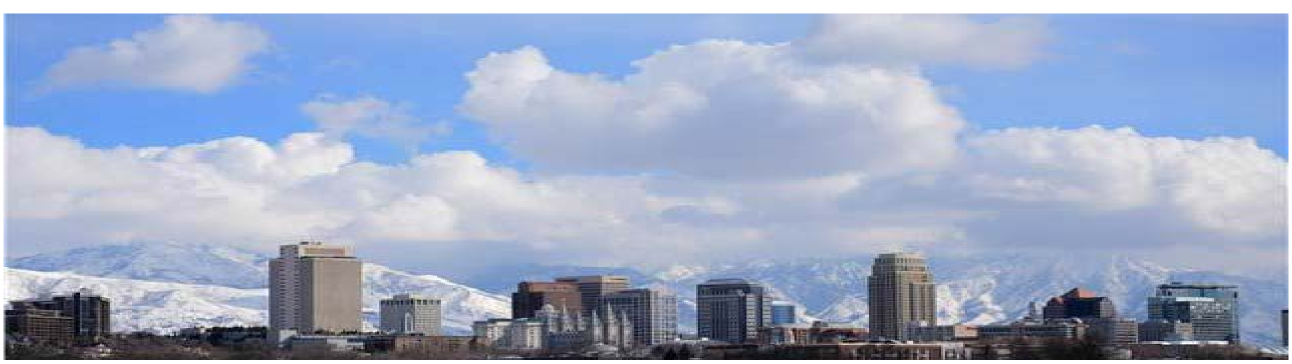
Overview of the Economy

Utah typically grows more rapidly than the nation after recessions, and this pattern is continuing in the current recovery. For the U.S., employment grew 1.6% in 2013, compared to 3.3% for Utah. While employment increased during 2013, Utah's unemployment rate also improved to 4.8%, lower than the rate in 2012. Though housing stabilized, with building permits at 12,500 in 2013, homebuilding
is not leading the economy as it does during a typical recovery.

Outlook 2014

Utah's job growth is expected to grow at 3.1%, equal to its long-term average, 3.1%, while the nation stays at 1.7%. With job growth near the long-term average, the unemployment rate will decrease to 4.2%. In contrast to the early stages of the recovery, housing will provide noticeable support to the expansion. Construction employment will grow in 2014. The continuing housing recovery accounts for most of the strong showing in construction.

The State of Utah economic growth continued through 2013 with non-farm employment increasing by 41,500 jobs. Non-farm employment is expected to increase by approximately 39,900 jobs in 2014. Utah's total personal income grew by 4.0% in 2013 and is expected to increase by another 5.3% in 2014. These positive trends are reflected in UTA's sales tax collection growth with 2013 collections exceeding 2012 collections by 3.6%. This growth was on top of the strong 7.4% growth rate experienced in 2012.



FINANCIAL INFORMATION

Financial Policies

The Authority has an "Ends Policy" that states: "The Authority secures funding to meet future growth needs…." Through increases in Sales Tax Revenues and Federal Transit Administration Capital Project Grants, the Authority has acquired funding to meet the needs of the FrontLines 2015 and other programs.

This funding has had an impact on the Authority by significantly increasing revenues and assets. Another policy states that: "Financial conditions and activities shall not incur financial jeopardy for the Utah Transit Authority ("Authority"), nor deviate from the Board's Ends policies. Accordingly, the General

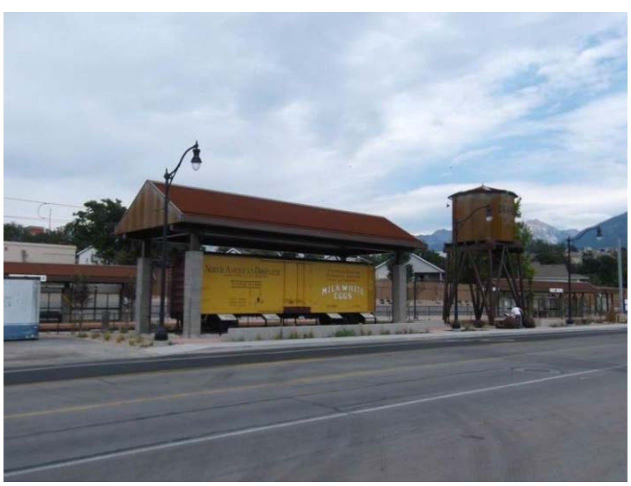
Manager shall not….generate less than the annually-budgeted amount of available funds." This is in regard to the approved budget. Through the recession and into the current recovery, UTA has managed its capital construction projects and expansion of light and commuter rail operations to stay within budgets the Authority can afford. For a more complete review of the Authority's financial activities please refer to Section Two which contains the Auditor's Report, Management's Discussion and Analysis, the Financial Statements and accompanying notes.

In 2013, the Green Line was extended to the Salt Lake International Airport

DEBT ADMINISTRATION

The Authority has sold Sales Tax Revenue bonds to partially finance the purchase and construction of various capital assets. Payment of debt service on the outstanding bonds is secured by a pledge of sales tax revenues and other revenues of the Authority. During 2013, the Authority issued $14,005,000 in subordinated sales tax revenue and refunding bonds Series 2013. The Series 2013 bonds were issued for the purpose of refunding the Series 2005B bonds of $12,925,000. As of December 31, 2013, the Authority had $2,069,374,109 in outstanding bonds. For a more complete review of the Authority's financing activities please refer to Section Two which contains the Auditors Report, Management's Discussion and Analysis, the Financial Statements and accompanying notes.

The Blue Line was extended to Draper in 2013



Other Information

Certificate of Achievement

Acknowledgments

<u>Independent Audit</u>

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 statements with accompanying notes is included in the Financial Section of the 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. The Government Finance Officers Association of United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Utah Transit Authority for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2012. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate. 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 Teri Black, Executive Assistant; Danyce Steck, UTA Comptroller; Blair Lewis, Graphic Artist; Eric Vance, Photographer, and the Capital Development Team of Photographers.

Sincerely,

Robert K. Biles

Robert K. Biles
Chief Financial Officer
Utah Transit Authority

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

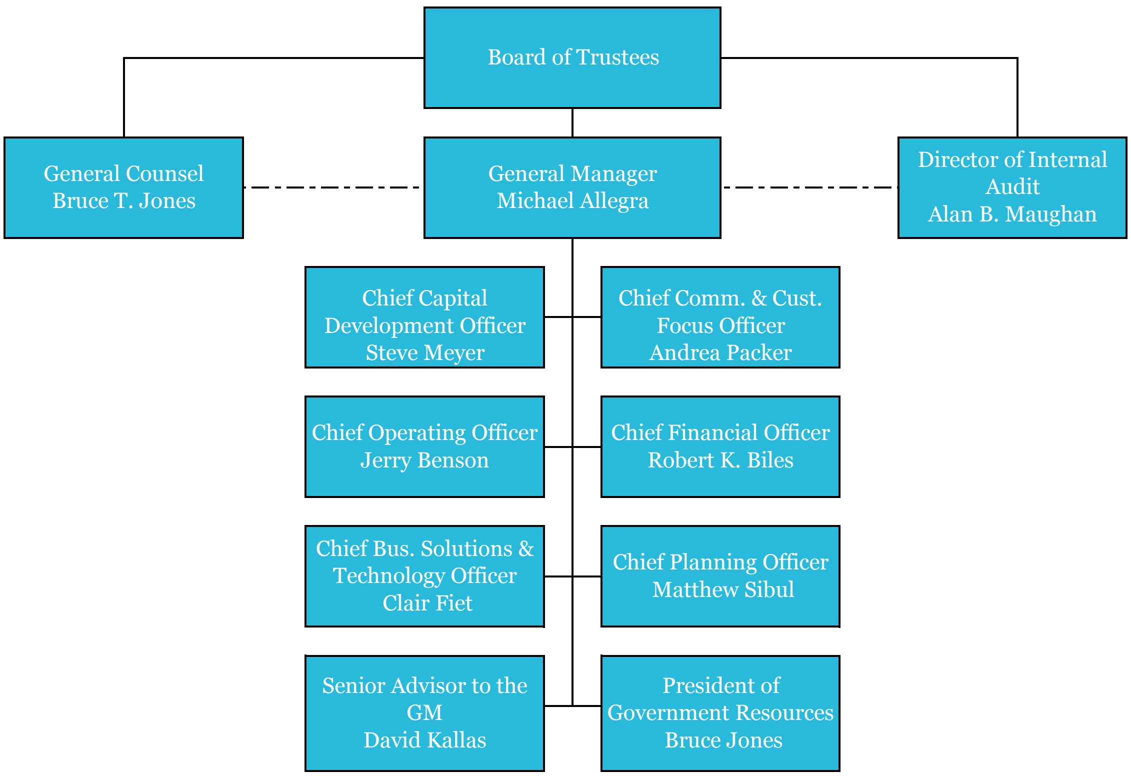
Utah Transit Authority

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2012

Executive Director/CEO

ORGANIZATIONAL CHART



Utah Transit Authority Board of Trustees

BOARD OF TRUSTEES APPOINTMENTS

Appointed by	Current Member	Date of Oath or Seated	Term No.
President of the Senate	Justin Allen	July 30, 2008	2
Salt Lake City	Keith Bartholomew	May 26, 2004	3
Municipalities within Utah County	Christopher Bleak	July 30, 2008	2
Governor of the State of Utah	H. David Burton	March 23, 2012	1
Municipalities within Salt Lake County and the municipalities of Grantsville and Tooele in Tooele County	Necia Christensen	December 13, 2000	4
Municipalities within Utah County	Larry Ellertson	September 21, 2005	3
Municipalities within Salt Lake County and the municipalities of Grantsville and Tooele in Tooele County	Jeff Hawker	October 24, 2012	1
Unincorporated Salt Lake County	Charles Henderson	January 23, 2008	2
Municipalities within Salt Lake County and the municipalities of Grantsville and Tooele in Tooele County	Gregory Hughes	January 25, 2006	3
Municipalities within Weber County and Brigham City, Perry and Willard in Box Elder County	Robert Hunter	December 15, 2002	3
Utah Transportation Commission	Dannie McConkie	May 22, 2013	1
Municipalities within Salt Lake County and the municipalities of Grantsville and Tooele in Tooele County	Robert McKinley	December 18, 2013	1
Municipalities within Davis County	P. Bret Millburn	July 30, 2008	2
Municipalities within Salt Lake County and the municipalities of Grantsville and Tooele in Tooele County	Michael Romero	February 28, 2007	2
Municipalities and unincorporated areas within the district which are located within a county that is not annexed into the UTA district	Chris Sloan	May 22, 2013	1
Speaker of the House	Troy Walker	July 13, 2011	1

BOARD OF TRUSTEES AND ADMINISTRATION

Board of Trustees as of June 1, 2014

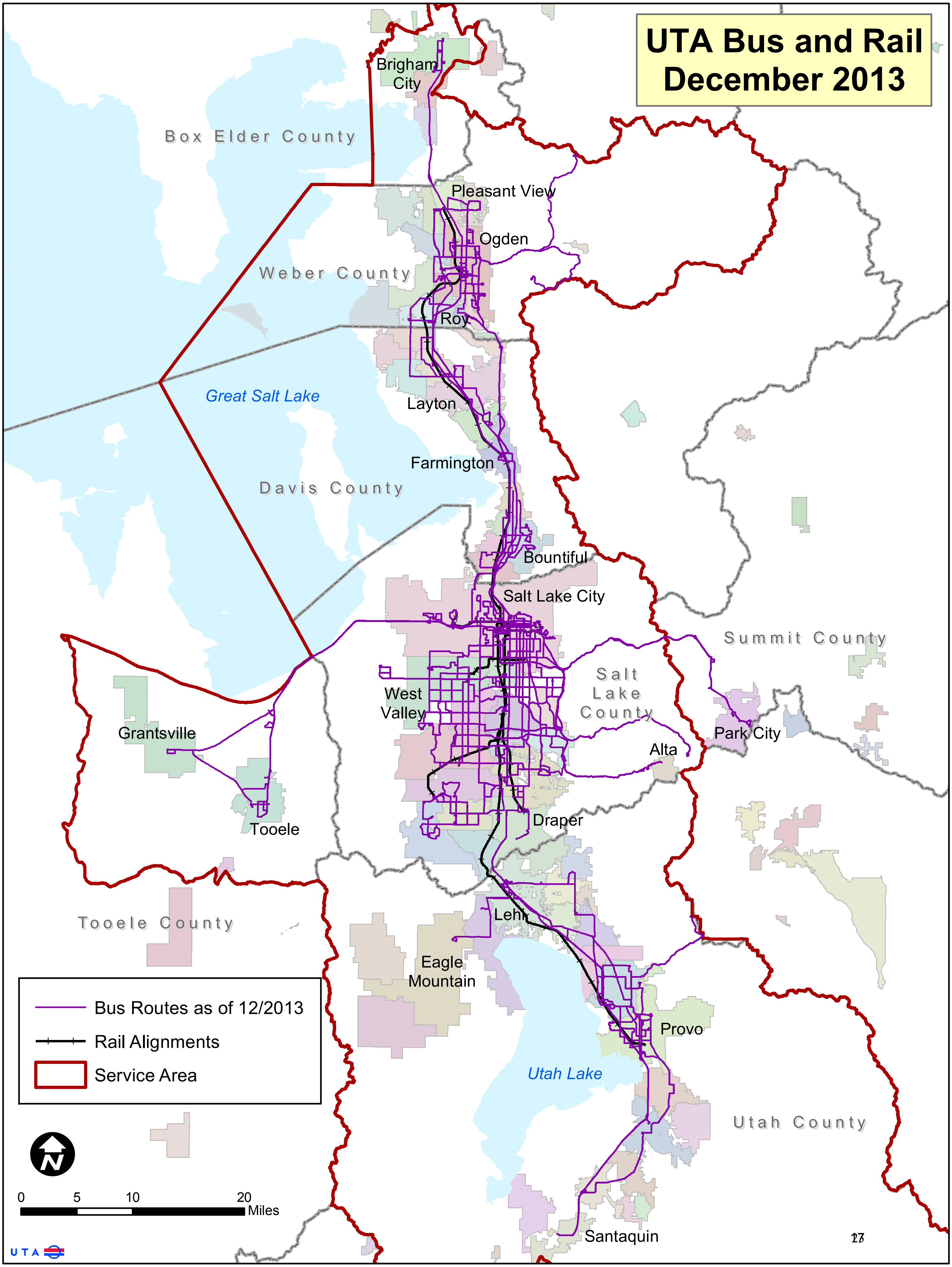
Trustee	Justin Allen
	Keith Bartholomew
	Christopher Bleak
	H. David Burton
	Necia Christensen
	Larry Ellertson
	Jeff Hawker
	Charles Henderson
	Gregory Hughes
	Robert Hunter
	Dannie McConkie
	Robert McKinley
	P. Bret Millburn
	Michael Romero
	Chris Sloan
	Troy Walker

Officers of the Authority

Chairman	Gregory Hughes
Vice Chairman	H. David Burton
General Manager *	Michael A. Allegra
General Counsel *	Bruce T. Jones
Secretary/Treasurer and Chief Financial Officer *	Robert K. Biles
Comptroller	Danyce J. Steck
Director of Internal Audit	Alan B. Maughan

Administration of the Authority

General Manager	Michael A. Allegra
Chief Capital Development Officer	Steve Meyer
Chief Operating Officer	Jerry R. Benson
Chief Financial Officer	Robert K. Biles
Chief Business Solutions and Technology Officer	F. Clair Fiet
Chief Communications and Customer Focus Offficer	Andrea Packer
Chief Planning Officer	Matthew Sibul
President of Government Resources	Burce T. Jones
Regional General Manager of Mount Ogden	D. Eddy Cumins
Regional General Manager of Timpanogos	Hugh Johnson
Regional General Manager of Bus Support	Grantley Martelly
Regional General Manager of Salt Lake Business Unit	Lorin Simpson
Special Services General Manager	Cherryl Beveridge
Commuter Rail General Manager	Bruce Cardon
Light Rail General Manager	Todd Provost



UTA Bus and Rail
December 2013
Brigham City
Box Elder County
Pleasant View
Ogden
Weber County
Roy
Great Salt Lake
Layton
Farmington
Davis County
Bountiful
Salt Lake City
Summit County
Salt Lake County
West Valley
Grantsville
Park City
Alta
Tooele
Draper
Tooele County
Lehi
Eagle Mountain
Bus Routes as of 12/2013
Rail Alignments
Service Area
Provo
Utah Lake
Utah County
0
5
10
20
Miles
Santaquin
UTA

Financial

UTAH TRANSIT AUTHORITY

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INDEPENDENT AUDITORS' REPORT

Board of Trustees of
Utah Transit Authority:

Report on the Financial Statements

We have audited the accompanying financial statements of Utah Transit Authority (the "Authority"), which comprise the statements of net position as of December 31, 2013 and 2012, and the related statements of revenues, expenses, and changes in net position and cash flow for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Utah Transit Authority as of December 31, 2013 and 2012, and the changes in its net position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 2 to the financial statements, in 2013, the Authority adopted Governmental Accounting Standards Board Statement No. 65, *Items Previously Reported as Assets and Liabilities.* Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis listed in the foregoing table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The Introductory Section and the Statistical Section listed in the foregoing table of contents have not been subjected to the auditing procedures applied in the audits of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Deloitte & Touche LLP

June 12, 2014

This section of Utah Transit Authority's (the Authority) annual financial report presents our discussion and analysis of the Authority's financial performance during the fiscal years ended on December 31, 2013 and December 31, 2012.

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

FINANCIAL STATEMENTS

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

FINANCIAL HIGHLIGHTS

This year's financial statement implemented the changes required in GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities.* These changes have been applied retrospectively as prior period adjustments for comparison purposes. The prior period adjustment was an increase in long-term debt on the statement of net position to recognize the cost of issuance of debt in the period the debt was issued. The prior period adjustment to years prior to 2012 was $13,235,261. The prior period adjustment to 2012 was $937,473, and includes the recognition of this same amount to interest expense on the statement of revenues, expenses and changes in net position. In addition, advanced debt refunding was reclassified from a component of the long-term debt balance to a deferred outflow of resources.

In 2013, the Authority completed construction and put the following revenue-generating light rail projects into service:

- Green Line extension from the Salt Lake International Airport to downtown Salt Lake City
- Draper TRAX extension extending the Blue Line from Sandy south into Draper
- Sugarhouse Streetcar project which provides access to shopping and businesses in the Sugarhouse area of Salt Lake City and South Salt Lake (a joint venture with the aforementioned municipalities)

The Authority celebrated the completion of the FrontLines 2015 project which included five (5) major rail construction projects and one (1) maintenance facility. This was a multi-year project budgeted at $2.5 billion, and completed for $2.35 billion. The completion of this project impacts the financial statement in two (2) specific areas.

- Debt service interest expense for 2013 increased by 79% over 2012. In prior years, this interest expense was capitalized towards the projects during construction.
- Capital contributions decreased 67.5% as construction was completed.

In December 2013, the Authority refunded the remaining refundable maturities for the Series 2005B revenue bonds with a short-term fixed rate bond issue through a private placement method of sale. The intention of this issuance was to capture available interest rate savings due to market changes.

The Authority continues to recognize the importance of reserves for debt service and service stabilization. In 2013, the Board of Trustees designated $1.22 million of budgeted debt service interest rate savings from the variable rate debt to a reserve designated for future debt service and stabilization needs.

CONDENSED STATEMENTS OF NET POSITION

	2013	2012	*Difference*	*Percent difference*	2011
Assets					
Current and other assets	$ 296,519,280	$ 394,701,320	*$ (98,182,040)*	*-25%*	$ 421,199,643
Restricted and designated assets	68,854,712	68,179,733	*674,979*	*1%*	54,017,363
Capital assets	3,452,000,057	3,498,718,290	*(46,718,233)*	*-1%*	3,315,270,319
Total assets	3,817,374,049	3,961,599,343	(144,225,294)	*-4%*	3,790,487,325
Deferred outflows of resources	1,063,462	1,275,411	*(211,949)*	*-17%*	2,142,390
Liabilities					
Current liabilities	75,737,617	121,179,599	*(45,441,982)*	*-37%*	169,632,717
Long-term liabilities	2,165,594,991	2,168,185,323	*(2,590,332)*	*0%*	1,975,769,489
Total liabilities	2,241,332,608	2,289,364,922	*(48,032,314)*	*-2%*	2,145,402,206
Deferred inflows of resources	-	-	-		-
Net position					
Net investment in capital assets	1,327,585,097	1,364,803,454	*(37,218,357)*	*-3%*	1,366,337,801
Restricted for debt service	4,047,060	3,872,141	*174,919*	*5%*	3,849,640
Restricted for interlocal agreement	3,125,000	-	*3,125,000*	*100%*	-
Restricted for escrows	80,565	80,352	*213*	*0%*	80,004
Unrestricted	242,267,181	304,753,885	*(62,486,704)*	*-21%*	276,960,064
Total net position	$ 1,577,104,903	$ 1,673,509,832	*$ (96,404,929)*	*-6%*	$ 1,647,227,509

A. 2013 Results

In 2013, the Authority invested heavily in completing many of its major construction projects. The completion of these projects has reduced the amount of federal receivables from $30.5 million in 2012 to $29.5 million in 2013. In addition, cash and cash equivalents were reduced from $265.7 million to $165.7 million. Capital assets decreased by $46.7 million primarily due to depreciation expense of $162.4 million exceeding capital asset additions of $115.7 million.

The completion of construction also affected current liabilities by reducing them by over $45 million, largely due to a reduced amount of accounts payable.

Long-term liabilities decreased by $11.1 million due to the payment of bond principal, which was partially offset by an increase of $8.5 million in long-term accrued interest payable for the Series 2007A Capital Appreciation bonds.

An increase in net position over time may serve as a useful indicator of a government entity's financial position. As of December 31, 2013, the Authority's net position decreased to $1.58 billion from $1.67 billion as of December 31, 2012 due to the completion of the major construction projects and reduced federal funding for such projects.

CONDENSED STATEMENTS OF NET POSITION (continued)

B. 2012 Results

The Authority received a payment of $52 million for the FrontRunner North Commuter Rail Project and $78.8 million for the Mid-Jordan Light Rail Line in federal grant funds in 2012 which was applied to federal receivables. With the closing of the grant for FrontRunner North and large draws on the Full Funding Grant Agreements (FFGA) for the Mid-Jordan Line, federal receivables decreased by $99.9 million. Cash on hand increased by $135.7 million to fund operations and construction. An interlocal agreement with Utah County which deferred the receipts of sales tax receivables was paid in full for $59 million. Trade accounts receivables decreased by $67.4 million. These items account for most of the $26.5 million decrease in current and other assets.

The Authority issued $295.5 million in bonds in 2012. This bond issue refunded two bond issues in the amount of $132 million. The restricted assets show an increase of $1.5 million, mainly for increased debt service reserves. The significant construction costs for the commuter rail and light rail projects combined with the related costs of revenue vehicles are reflected in the increase in capital assets (see notes to financial statements for additional detail).

The following changes occurred as a result of the implementation of GASB Statement No. 65.

- Unamortized premiums from the issuance of advance refundings ($1.3 million) were reclassified from long-term debt to deferred outflow of resources.
- Unamortized cost of issuance from 2012 and prior debt issuances ($14.1 million) was recognized as a component of interest expense, increasing long-term liabilities and decreasing net investment in capital assets.

Also see Note 2 in the notes to the financial statements for information regarding the correction in presentation of long-term accrued interest in the statement of net position as of December 31, 2012. The correction in presentation of long-term accrued interest was also reflected in the condensed statement of net position above as of December 31, 2011.

The $48.5 million decrease in current liabilities in 2012 was the combined result of a $53 million decrease in accounts payable, a $3 million increase in payroll related payable, a $1 million increase in accrued interest, and a $1 million increase in self-insurance payable.

An increase in net position over time may serve as a useful indicator of a government entity's financial position. For the fiscal years ended December 31, 2012 and December 31, 2011 respectively, the Authority's increase in net position was $26.3 million and $16.5 million. These increases were primarily due to the increase in current assets and capital assets, as discussed above.

CONDENSED STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

	2013	2012	*Difference*	*Percent difference*	2011
Operating revenues	$ 52,044,200	$ 46,422,916	*$ 5,621,284*	*12%*	$ 41,527,090
Operating expenses	378,224,993	319,322,223	*58,902,770*	*18%*	288,531,160
Excess of operating expenses over operating revenues	(326,180,793)	(272,899,307)	*(53,281,486)*	*20%*	(247,004,070)
Non-operating revenues	261,463,584	249,643,462	*11,820,122*	*5%*	249,566,484
Non-operating expenses	87,942,920	49,273,172	*38,669,748*	*78%*	30,252,665
Income (loss) before contributions	(152,660,129)	(72,529,017)	*(80,131,112)*	*110%*	(28,501,165)
Capital contributions	56,255,200	98,811,340	*(42,556,140)*	*-43%*	44,985,270
Change in net position	$ (96,404,929)	$ 26,282,323	*$(122,687,252)*	*-467%*	$ 16,484,105
Total net position, January 1	$ 1,673,509,832	$ 1,647,227,509			$ 1,630,743,404
Total net position, December 31	$ 1,577,104,903	$ 1,673,509,832			$ 1,647,227,509

SUMMARY OF REVENUES FOR THE YEAR ENDED DECEMBER 31

	2013	2012	*Difference*	*Percent difference*	2011
Operating					
Passenger revenue	$ 49,977,533	$ 44,489,583	*$ 5,487,950*	*12%*	$ 39,693,757
Advertising	2,066,667	1,933,333	*133,334*	*7%*	1,833,333
Total operating revenue	52,044,200	46,422,916	*5,621,284*	*12%*	41,527,090
Non-operating					
Contributions from other gov'ts (sales tax)	203,806,329	196,693,543	*7,112,786*	*4%*	183,091,524
Federal noncapital assistance	51,854,492	48,705,657	*3,148,835*	*6%*	59,319,423
Interest income	1,455,039	1,892,549	*(437,510)*	*-23%*	3,672,397
Other	4,347,724	2,351,713	*1,996,011*	*85%*	3,483,140
Total non-operating revenue	261,463,584	249,643,462	*11,820,122*	*5%*	249,566,484
Capital contributions	56,255,200	98,811,340	*(42,556,140)*	*-43%*	44,985,270
Total revenues	$ 369,762,984	$ 394,877,718	*$ (25,114,734)*	*-6%*	$ 336,078,844

A. 2013 Results

Passenger revenue showed an increase of $5.5 million (12.3%) as a result of increased ridership and increased light rail service due to the opening of some of the final parts of the FrontLines 2015 project. This increase may also be partially attributed to the first full year of commuter rail operation.

Since the Authority does not have the ability to tax, it relies on contributions dedicated by other governments for the purpose of mass transit in the form of sales tax as supplementary income to operations and development. As Utah's economy continues to improve and unemployment rates continue to decrease, this sales tax amount continues to increase. In 2013, the Authority recognized $7.1 million (3.6%) in increased contributions of sales tax.

Continued investment in the transit system infrastructure decreased cash available for investments by over 62%, or $100 million. As expected, interest income decreased with the decrease of cash.

With the completion of many of the construction projects, capital contributions decreased as federal and local grants were recognized in full.

B. 2012 Results

Non-operating revenues included three significant changes which offset each other. Sales tax revenue rose by $13.6 million, or 7.4% over the previous year as the Utah economy improved. State unemployment rates on average declined from 6.0% in 2011 to 5.4% in 2012. Federal noncapital assistance fell by $10.6 million, mainly in planning grant funds received. Interest income decreased $1.8 million due to lower interest rates than 2011 and a decrease in construction fund balances.

Capital contributions increased by $53.8 million with fund received from three full funding grant agreements and other federal funds.

SUMMARY OF EXPENSES FOR THE YEAR ENDED DECEMBER 31

	2013	2012	*Difference*	*Percent difference*	2011
Operating expenses					
Bus service	$ 78,894,435	$ 78,894,799	*$ (364)*	*0.00%*	$ 81,208,651
Rail service	61,086,101	46,049,338	*15,036,763*	*32.65%*	38,135,480
Paratransit service	18,202,211	17,516,117	*686,094*	*3.92%*	16,054,555
Other services	701,656	596,583	*105,073*	*17.61%*	535,897
Operations support	28,439,826	25,247,271	*3,192,555*	*12.65%*	21,643,830
Administration	25,999,127	24,809,820	*1,189,307*	*4.79%*	26,131,778
Major investment studies	2,534,785	1,854,402	*680,383*	*36.69%*	208,795
Depreciation	162,366,852	124,353,893	*38,012,959*	*30.57%*	104,612,174
Total operating expenses	$ 378,224,993	$ 319,322,223	*$ 58,902,770*	*18.45%*	$ 288,531,160

A. <u>2013 Results</u>

Rail service cost rose by $15 million (32.6%) as a result of a full year of operation for a commuter rail line extension and partial year operation of several light rail lines.

Paratransit service expense increased slightly (3.9%) due to increased service to accommodate the new rail service.

Operations support increased expenses by $3.2 million (12.6%) primarily due to the increase in rail service.

Administration expense increased slightly (4.8%) primarily due to increased costs in legal, real estate and information technology (IT). Legal and real estate increase are attributable to increased activity on the transit oriented development projects, and the IT increase is primarily due to increased service levels.

The most significant increase in operating expense is depreciation, with an increase of $38 million. This is due to an increase in depreciable capital assets from the completion of the FrontLines 2015 projects.

B. <u>2012 Results</u>

Bus service expense decreased $2.3 million (2.8%). Bus service was reduced in 2012 when bus routes were changed to accommodate increased rail service.

Rail service cost rose by $7.9 million (20.8%) as a result of a full year with the operations of two rail services during 2012.

Paratransit service expense increased $1.5 million (9.1%) over last year primarily due to increased service to accommodate the new rail service.

Operations support increased expenses by $3.6 million (16.6%) primarily due to the increase in rail service.

Administration expense decreased by $1.3 million (5.1%) as a result of a decrease in insurance, wages, and services.

Depreciation expense increased $19.7 million (18.9%) due to the increase in depreciable capital assets of two light rail lines for a full year in 2012.

Interest expense increased by $17.9 million (60.3%) due to less interest being charged to construction.

CAPITAL ASSET ACTIVITY

The Authority expended approximately $115.7 million for capital assets in 2013. Approximately $15.4 million was expended for bus and paratransit revenue vehicle replacements. This program included twenty (20) compressed natural gas (CNG) buses.

In addition to revenue vehicles, the Authority expended $12.2 million on information technology (IT). This included continued development of electronic fare cards, distance-based fares, and prepaid fare programs. Also included was a new radio communication system and several other technology upgrades.

In 2013, the Authority expended $74.9 million on major strategic projects. This included the installation of cameras on all bus and rail vehicles as well as platforms, the continued development of several Bus Rapid Transit (BRT) routes, and several other projects designed to enhance the system and passenger experience.

The Authority expended approximately $308 million for capital assets in 2012. Approximately $253 million was expended for what is known as the 2015 Project, which is for the construction of the commuter rail line south into Utah County and light rail extensions for Mid–Jordan, Airport and Draper Lines. The 2015 Project expenditures include design work, construction, land purchases, rail and ties, and progress payments for rail vehicles. Included within the Project 2015 expenditures, the Authority expended approximately $18 million for buses and associated equipment and $4 million for light rail vehicles.

Readers wanting additional information should refer to Note 4 in the notes to the financial statements.

DEBT ADMINISTRATION

Bond rating agencies have rated the Authority based on the types of bonds issued and an analysis of several financial conditions and influencing factors. The following chart summarizes those ratings by bond and agency:

A. Ratings Summary

Effective: October 2012

	Standard &Poor's	Fitch	Moody's
Senior Lien Bonds			
Current rating	AAA	AA	Aa2
Outlook	Stable	Stable	Stable
Subordinate Lien Fixed Rate Bonds			
Current rating	A-	A+	A1
Outlook	Stable	Stable	Stable
Subordinate Lien Variable Rate Bonds			
Current rating	AAA/A-1+	A+	Aa2/VMIGI
Outlook	Stable	Stable	Stable

Effective: April 2014

	Standard &Poor's	Fitch	Moody's
Senior Lien Bonds			
Current rating	AAA	AA	Aa2
Outlook	Stable	Stable	Stable
Subordinate Lien Fixed Rate Bonds			
Current rating	A	A+	A1
Outlook	Stable	Stable	Stable

DEBT ADMINISTRATION (continued)

B. 2013 Debt Issuance

During 2013, the Authority issued the following senior lien bonds:

2013 Series revenue bonds: $14,005,000

Proceeds from the Series 2013 bond issue were used to refund the remaining refundable maturities of the Series 2005B revenue bonds and fund a Debt Service Reserve Fund.

C. 2012 Debt Issuance

During 2012, the Authority issued the following subordinate lien bonds:

2012 Series revenue bonds: $295,520,000

Proceeds from the Series 2012 bond issue were used to refund the 2011A and 2011B Bonds in full, partially refund the 2006A and 2006B Bonds, fund a debt service reserve fund and fund a $180 million construction fund.

D. Correction of Classification of Long-Term Accrued Interest

Subsequent to the issuance of the Authority's 2012 financial statements, the Authority corrected its presentation of long-term accrued interest of $40,445,076 that had been improperly classified within accrued interest (current liability) in the statement of net position as of December 31, 2012. Instead, this amount was reclassified and presented as a separate line under long-term liabilities. The restated line items do not have any impact on the statements of revenues, expenses, and changes in net position and cash flows or on the total assets, total liabilities, and total net position reported by the Authority. The foregoing correction is not considered to be material.

E. Increase of Interest Expense

As stated earlier, in 2013 the Authority invested heavily in completing many of its major construction projects. The completion of these projects meant capitalized interest expense attributed to debt issuance for these projects was no longer eligible for capitalization and was reported as interest expense beginning in 2013.

Interest expense increased from $48.5 million in 2012 to $87.1 million in 2013. This change consists of the first year of interest expense for the Series 2012 debt issuance in the amount of $14.6 million, previously capitalized interest expense in the amount of $25.6 million, and interest savings due to refunding of $1.5 million.

Readers wanting additional information should refer to Note 8 in the notes to financial statements.

SIGNIFICANT ACTIVITIES

A. 2013 Significant Activities

In 2013, the Authority completed the FrontLines 2015 projects ahead of schedule. This multi-year project included an estimated $2.5 billion in commuter and light rail expansions. Total cost of the projects was $2.35 billion.

The commuter rail south extension providing service from Provo to Salt Lake City had one full year of operation in 2013.

The Airport Light Rail Line began revenue operations in April 2013.

The Draper Light Rail Line began revenue operations in August 2013.

The Sugarhouse Streetcar "S Line" began revenue operations in December 2013.

The Authority placed twenty-four (24) compressed natural gas (CNG) buses into operation, and is working on the design of a maintenance facility that will house and maintain a fleet of CNG buses.

B. 2012 Significant Activities

The Mid-Jordan Light Rail Line, dubbed the "Red Line" had one full year of operation in 2012.

The West Valley Light Rail Line, now called the "Green Line", had one full year of operation in 2012.

The commuter rail south extension into Utah County is at 99% design completion and the overall project is approximately 98.2% complete. Revenue operations began in December 2012.

The Airport Light Rail Line has reached 94.5% overall completion and the design portion is 100% complete.

The Airport Light Rail Line is scheduled to start operation in April 2013.

The Draper Light Rail Line has achieved 97% overall completion with final design at 94% complete. Seventy-five percent (75%) of start-up testing has been completed.

RIDERSHIP COMPARISON

The following information provides an annual comparison of ridership by service for years 2013, 2012, and 2011.

Reported as passenger boardings in thousands

	2013	2012	*Difference*	*Percent difference*	2011
Bus service	19,445	21,223	*(1,778)*	*-8.38%*	22,270
Light rail service	18,741	17,552	*1,189*	*6.77%*	13,404
Commuter rail service	3,800	1,870	*1,930*	*103.21%*	1,476
Paratransit service	746	715	*31*	*4.34%*	547
Vanpools	1,388	1,447	*(59)*	*-4.08%*	1,347
Total ridership	44,120	42,807	*1,313*	*3.07%*	39,044

In 2013, the Authority realized a 3% increase in ridership, with commuter rail operations doubling the previous year ridership with the FrontRunner South expansion. Light rail expansion also contributed to increased ridership.

Bus service decreased in 2013 as the Authority decreased bus service and reduced commuter bus routes.

In 2012, the Authority enjoyed a 3% increase in ridership. The Frontrunner South commuter rail line connecting Salt Lake City Central to Provo City began revenue operations on December 10, 2012.

COMPARATIVE STATEMENTS OF NET POSITION

	2013	2012
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 165,733,868	$ 265,674,541
Receivables:		
Contributions from other governments (sales tax)	38,453,255	38,246,030
Federal grants	29,461,101	30,475,671
Other	16,328,498	16,151,313
Total receivables	84,242,854	84,873,014
Parts and supplies inventories	18,092,861	15,272,903
Prepaid expenses	2,500,460	2,120,711
Total Current Assets	270,570,043	367,941,169
Noncurrent Assets:		
Amount recoverable - interlocal agreement	25,949,237	26,760,151
Designated assets (Cash and cash equivalents)		
Debt service reserve and stabilization fund	11,504,111	10,286,376
Self-insurance fund	7,280,923	7,242,114
Total designated assets	18,785,034	17,528,490
Restricted assets (Cash and cash equivalents)		
Escrow funds	80,565	80,352
Auto fee fund	-	3,798,964
Interlocal agreement - Mountain accord	3,125,000	-
Bond fund	46,864,113	46,771,927
Total restricted assets	50,069,678	50,651,243
Property, facilities and equipment:		
Land and improvements	117,615,276	113,774,424
Rights of way	268,388,463	214,710,700
Facilities	2,607,914,859	1,487,355,317
Revenue vehicles	750,584,733	594,517,517
Other property and equipment	435,801,836	299,810,418
Construction in progress	165,902,871	1,528,411,781
Total property, facilities and equipment	4,346,208,038	4,238,580,157
Less accumulated depreciation and amortization	(894,207,981)	(739,861,867)
Net property, facilities and equipment	3,452,000,057	3,498,718,290
Total Noncurrent Assets	3,546,804,006	3,593,658,174
TOTAL ASSETS	**3,817,374,049**	**3,961,599,343**
DEFERRED OUTFLOWS OF RESOURCES		
Advanced debt refunding	1,063,462	1,275,411
TOTAL DEFERRED OUTFLOWS OF RESOURCES	**1,063,462**	**1,275,411**
LIABILITIES		
Current Liabilities:		
Accounts payable-trade	29,852,910	77,759,821
Accrued liabilities, primarily payroll-related	30,150,767	26,590,072
Accrued interest	3,861,138	4,564,503
Accrued self-insurance liability	4,062,802	4,815,203
Current term portion of long-term debt	7,810,000	7,450,000
Total Current Liabilities	75,737,617	121,179,599
Long-Term Liabilities:		
Long-term debt	2,116,604,960	2,127,740,247
Long-term accrued interest	48,990,031	40,445,076
Total Long-Term Liabilities	2,165,594,991	2,168,185,323
TOTAL LIABILITIES	**2,241,332,608**	**2,289,364,922**
NET POSITION		
Net investment in capital assets	1,327,585,097	1,364,803,454
Restricted for debt service	4,047,060	3,872,141
Restricted for interlocal agreement	3,125,000	-
Restricted for escrows	80,565	80,352
Unrestricted	242,267,181	304,753,885
TOTAL NET POSITION	**$ 1,577,104,903**	**$ 1,673,509,832**

See accompanying notes to the financial statements

COMPARATIVE STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

	2013	2012
OPERATING REVENUES		
Passenger fares	$ 49,977,533	$ 44,489,583
Advertising	2,066,667	1,933,333
Total operating revenues	52,044,200	46,422,916
OPERATING EXPENSES		
Bus service	78,894,435	78,894,799
Rail service	61,086,101	46,049,338
Paratransit service	18,202,211	17,516,117
Other service	701,656	596,583
Operations support	28,439,826	25,247,271
Administration	25,999,127	24,809,820
Major investment studies	2,534,785	1,854,402
Depreciation	162,366,852	124,353,893
Total operating expenses	378,224,993	319,322,223
Excess of operating expenses over operating revenues	(326,180,793)	(272,899,307)
NON-OPERATING REVENUES (EXPENSES)		
Contributions for other governments (sales tax)	203,806,329	196,693,543
Federal preventative maintenance grants	47,986,240	46,719,891
Federal planning grants	3,868,252	1,985,766
Interest income	1,455,039	1,892,549
Other	4,347,724	2,351,713
Interest expense	(87,132,006)	(48,462,258)
Recoverable sales tax - interlocal agreement	(810,914)	(810,914)
Net non-operating revenues	173,520,664	200,370,290
INCOME (LOSS) BEFORE CONTRIBUTIONS	(152,660,129)	(72,529,017)
Capital contributions:		
Federal grants	48,669,408	85,168,542
Local	7,585,792	13,642,798
Total capital contributions	56,255,200	98,811,340
Change in Net Position	(96,404,929)	26,282,323
Total Net Position, January 1	1,673,509,832	1,647,227,509
TOTAL NET POSITION, DECEMBER 31	$ 1,577,104,903	$ 1,673,509,832

See accompanying notes to the financial statements

COMPARATIVE STATEMENTS OF CASH FLOWS

	2013	2012
Cash flows from operating activities:		
Passenger receipts	$ 52,786,656	$ 41,810,796
Advertising receipts	3,366,667	1,941,667
Payments to vendors	(91,036,851)	(42,043,431)
Payments to employees	(108,260,192)	(99,048,536)
Employee benefits paid	(46,089,823)	(42,954,244)
Other receipts (payments)	3,465,048	2,849,898
Net cash used in operating activities	(185,768,495)	(137,443,850)
Cash flows from noncapital financing activities:		
Contributions from other governments (sales tax)	203,599,106	251,676,063
Federal preventative maintenance grants	44,046,034	51,390,612
Federal planning assistance grants	3,868,252	1,985,766
Net cash provided by noncapital financing activities	251,513,392	305,052,441
Cash flows from capital and related financing activities:		
Contributions for capital projects		
Federal	53,624,186	166,198,635
Local	10,550,339	13,642,798
Proceeds from the sale of revenue bonds	13,910,750	324,990,769
Payment of bond principal	(20,375,000)	(139,635,000)
Interest paid on revenue bonds	(83,389,505)	(39,928,963)
Purchases of property, facilities, and equipment	(140,685,105)	(359,343,734)
Proceeds from the sale of property	234,909	370,234
Net cash used in capital and related financing activities	(166,129,426)	(33,705,261)
Cash flows from investing activities:		
Interest on investments	1,118,835	1,892,548
Net cash provided by investing activities	1,118,835	1,892,548
Net increase in cash and cash equivalents	(99,265,694)	135,795,878
Cash and cash equivalents at beginning of year	333,854,274	198,058,396
Cash and cash equivalents at end of year	$ 234,588,580	$ 333,854,274
Reconciliation of operating loss to net cash used in operating activities:		
Operating loss	$ (326,180,793)	$ (272,899,307)
Adjustments to reconcile excess of operating expenses over operating revenues to net cash used in operating activities:		
Depreciation	162,366,852	124,353,893
Other revenues	4,168,431	1,998,555
Changes in assets and liabilities:		
Receivables	1,226,512	(2,781,156)
Parts and supplies inventories	(2,819,958)	(1,062,973)
Prepaid expenses	(379,749)	256,225
Accounts payable - trade	(23,993,537)	8,971,579
Accrued liabilities	(156,253)	3,719,334
Net cash used in operating activities	$ (185,768,495)	$ (137,443,850)

At December 31, 2013 and 2012, accounts payable – trade included $9,346,655 and $33,260,029 respectively, related to purchases of property, facilities and equipment.

See accompanying notes to the financial statements

NOTE 1 – DESCRIPTION OF AUTHORITY OPERATIONS AND DEFINITION OF THE ENTITY

A. Organization

The Utah Transit Authority (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, Weber and Utah Counties. The cities of Tooele and Grantsville in Tooele County and that part of Tooele County comprising the unincorporated areas of Erda, Lakepoint, Stansbury Park and Lincoln and the cities of Brigham City, Willard and Perry in Box Elder County constitute the remaining areas of the Authority's service area.

The Authority's operations include bus service, paratransit service for the transit disabled, rideshare and van pool programs system wide, with light rail service in Salt Lake County, and as of December 2012, commuter rail from Ogden to Provo.

The Authority is governed by a 16 member Board of Trustees, which is the legislative body of the Authority and determines Authority policy. Twelve members of the Board of Trustees are appointed by each county municipality or combination of municipalities annexed to the Authority. In addition, one Trustee is appointed by the Governor of Utah, one is appointed by the President of the State Senate, one is appointed by the Speaker of the State House of Representatives, and one is appointed by the State Transportation Commission.

A. Reporting Entity

The Authority has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, and GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units - An Amendment of GASB Statement No. 14*. Accordingly, the accompanying financial statements include only the accounts and transactions of the Authority. Under the criteria specified in Statements No. 14 and No. 39, the Authority has no component units nor is it considered a component unit of any municipality or government. The Authority has, however, a slight connection with some municipalities by virtue of the fact that the Board of Trustees is appointed by the municipalities served by the Authority.

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Standards for Reporting Purposes

The financial statements of the Authority have been prepared in conformity with accounting principles generally accepted in the United States of America as prescribed by GASB.

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, deferred outflows of resources, liabilities, deferred inflows of resources, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts or 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 (FTA) and preventative maintenance grants are recognized as revenue and receivable during the period in which the related expenses are incurred and eligibility requirements are met. With the passage of the Moving Ahead for Progress Act for the twenty-first century (MAP21), this act allows for the replacement and repair of aging infrastructure.

D. Federal Grants for Capital Expenditures

The U.S. Department of Transportation, through contracts between the Authority and the FTA, provides federal funds of 35% to 93% of the cost of property and equipment acquired by the Authority through federal grants. Grant funds for capital expenditures are earned and recorded as capital contribution revenue when the capital expenditures are made and eligibility requirements are met.

E. Classification of Revenues and Expenses

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

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

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

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Contributions from Other Governments (Sales Tax)

As approved by the voters in serviced municipalities, sales tax for transit is collected 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. The Authority does not have taxing authority in any jurisdiction, therefore this revenue is considered a contribution from another government.

Approved Local Option Sales Tax:

Salt Lake County	0.6875%
Davis County	0.5500%
Weber County	0.5500%
Box Elder County	0.5500%
Utah County	0.5260%
Tooele County	0.3000%

G. Cash and Cash Equivalents

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

H. Receivables

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

I. Parts and Supplies Inventories

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

J. Property, Facilities and Equipment

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

Except for sales of assets in which the unit fair market value is less than $5,000 from the sale of property, proceeds from 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, or used for similar capital expenses.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

J. Property, Facilities and Equipment (continued)

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

Land and Rights of Way	Not depreciated
Facilities and Land Improvements	10-50 years
Revenue Vehicles	7-25 years
Other Property and Equipment	3-10 years

Interest is capitalized when incurred in connection with the financing of constructions projects. For the years ended December 31, 2013 and 2012, the Authority capitalized interest of $3,104,011 and $32,276,579, respectively, in connection with construction projects.

K. Amount Recoverable – Interlocal Agreement

In 2008, the Authority entered into an agreement with the Utah Department of Transportation (UDOT) which required the Authority to pay UDOT $15 million in 2008 and $15 million in 2009 for the rights to Salt Lake County's 2% of the 0.25% part 17 sales tax through the years 2045.

The Authority records such payments made to other entities for rights to future revenues as Amount Recoverable – Interlocal Agreement. This amount is amortized over the life of the agreement.

L. Compensated Absences

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

M. Risk Management

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

Under the Governmental Immunity Act, the maximum statutory liability in any one accident is $2,308,400 for incidents occurring after July 1, 2012. The Authority is self-insured for amounts up to this limit. The Authority has Railroad Liability Coverage of $100 million with $5 million of risk retention. The Authority is self-insured for worker's compensation up to the amount of $1 million per incident and has excess insurance for claims over this amount. The Authority has insurance for errors and omissions and damage to property in excess of $100,000. The Authority has insurance or retains the risk depending on what is in the Authority's best interest for all other matters. There has been no significant reduction in insurance coverage or settlements in excess of insurance coverage during 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).

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

N. Net Position

The Authority's net position is classified as follows:

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

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

- *Restricted for interlocal agreement:* This component of net position consists of that portion of net position that is restricted by interlocal agreement.

- *Restricted for escrows:* This component of net position consists of that portion of net position that is restricted by escrow agreement.

- *Unrestricted:* This component of net position consists of that portion of net position that does not meet the definition of restricted or net investment in capital assets.

O. Budgetary and Accounting Controls

The Authority's annual budgets are 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 for depreciation. Capital expenditures and grant reimbursements are budgeted on a project basis. Multi-year projects are approved in whole, but are budgeted based on estimated annual expenses.

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

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

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

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

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

O. Budgetary and Accounting Controls (continued)

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

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

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

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

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

The Authority's budgetary process follows Title 17B, Chapter 1, Section 702 of the Utah Code Annotated, as amended. The annual budget is submitted to the State Auditor's Office within 30 days of adoption.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

O. Budgetary and Accounting Controls (continued)

The following table shows actual revenues, operating expenses, and capital expenses for 2013 compared to budget. (Depreciation expense is not a budgeted item.)

	2013 Budget	2013 Actual	Favorable (Unfavorable) Variance
Revenues			
Passenger revenues	$ 47,386,630	$ 49,977,533	$ 2,590,903
Advertising	1,945,000	2,066,667	121,667
Contributions from other governments (sales tax)	207,315,000	203,806,329	(3,508,671)
Federal non-capital assistance	48,278,000	51,854,492	3,576,492
Investment income	1,346,000	1,455,039	109,039
Other income	3,222,000	4,347,724	1,125,724
Total revenues	**$ 309,492,630**	**$ 313,507,784**	**$ 4,015,154**
Operating Expenses			
Bus services	$ 81,564,109	$ 78,894,435	$ 2,669,674
Rail services	62,027,022	61,086,101	940,921
Paratransit services	18,775,226	18,202,211	573,015
Other services	194,712	701,656	(506,944)
Operations support	28,954,036	28,439,826	514,210
Administration (including interest)	27,158,940	25,999,127	1,159,813
Major investment studies	2,212,000	2,534,785	(322,785)
Total operating expenses	**$ 220,886,045**	**$ 215,858,141**	**$ 5,027,904**
Capital Expenses			
Revenue vehicles	$ 19,293,181	$ 15,446,488	$ 3,846,693
Information technology	15,778,002	12,234,424	3,543,578
Facilities, maintenance and admin equipment	3,615,730	3,251,148	364,582
Major strategic projects	120,118,531	74,888,796	45,229,735
Transit-oriented development	1,301,600	40,657	1,260,943
Trax and commuter rail	23,300,800	6,992,787	16,308,013
Rail projects	5,425,595	2,849,936	2,575,659
Total capital expenses	**$ 188,833,439**	**$ 115,704,236**	**$ 73,129,203**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

P. Recent Accounting Pronouncements

GASB Statement 71
Pension Transition for Contributions Made Subsequent to the Measurement Date – An Amendment of GASB Statement No. 68
Issued: November 2013

This statement addresses an issue regarding application of the transition provision of Statement No. 68, *Accounting and Financial Reporting for Pensions.* The issue relates to amounts associated with contributions, if any, made by a state or local government employer or non-employer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. This statement is effective for the Authority's fiscal year beginning January 1, 2015.

GASB Statement 68
Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27
Issued: June 2012

This statement replaces the requirements of Statement No. 27, *Accounting for Pension by State and Local Governmental Employers,* and Statement No. 50, *Pension Disclosures,* as they relate to government entities that provide pensions through pension plans administered as trusts or similar arrangements that meet certain criteria.

Statement 68 requires entities providing defined benefit pension to recognize their long-term obligation for pension benefits as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. The statement also enhances accountability and transparency through revised and new note disclosures and required supplementary information (RSI). This statement is effective for the Authority's fiscal year beginning January 1, 2015.

GASB Statement 65
Items Previously Reported as Assets and Liabilities
Issued: March 2012

This statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

This statement also provides other financial reporting guidance related to the impact of the financial statement elements deferred outflows of resources and deferred inflows of resources, such as changes in the determination of the major fund calculations and limiting the use of the term *deferred* in financial statement presentation.

The provisions of this statement became effective for the Authority's year ended December 31, 2013.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

P. Recent Accounting Pronouncements (continued)

GASB Statement 65 (continued)

The following changes occurred as a result of the implementation of GASB Statement No. 65:

- Unamortized premiums from the issuance of advance refundings have been reclassified for all periods presented from long-term debt to deferred outflows of resources.

- Cost of issuance of debt is recognized as an expense in the period in which the costs are incurred. The prior year financial statements have been restated for the effects of this change, which consisted of an increase in long-term debt and a decrease in net investment of capital assets of $14,171,955 in the statement of net position as of December 31, 2012 to eliminate the previously unamortized cost of issuance as of that date. In addition, the statement of revenues, expenses, and changes in net position for the year ended December 31, 2012 includes an increase in interest expense of $937,473, with the remaining $13,235,261 reflected as an adjustment to net position as of January 1, 2012 for debt issuance costs incurred in prior periods.

Q. Correction of Classification of Long-Term Accrued Interest

Subsequent to the issuance of the Authority's 2012 financial statements, the Authority corrected its presentation of long-term accrued interest of $40,445,076 that had been improperly classified within accrued interest (current liability) in the statement of net position as of December 31, 2012 Instead, this amount was reclassified and presented as a separate line under long-term liabilities. The restated line items do not have any impact on the statements of revenues, expenses, and changes in net position and cash flows or on the total assets, total liabilities, and total net position reported by the Authority. We do not consider the foregoing correction to be material.

NOTE 3 – CASH, CASH EQUIVALENTS AND INVESTMENTS

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

	2013	2012
Demand Deposits	$ (9,333,958)	$ (13,955,908)
Repurchase Agreement	19,028,017	24,579,748
Utah Public Treasurers' Investment Fund	155,417,689	253,990,222
Other Cash	622,120	1,060,479
	165,733,868	265,674,541
Certificate of Deposit - Escrow Fund Restricted	35,033	35,033
Utah Public Treasurers' Investment Fund		
Restricted		
Bond Funds	46,864,113	46,771,927
Escrow Funds	45,532	45,319
Interlocal agreement	3,125,000	-
Designated		
Self-Insurance Fund	7,280,923	7,242,114
Auto Fee Fund	-	3,798,964
Stabilization Fund	11,504,111	10,286,376
	68,819,679	68,144,700
Total cash, cash equivalents and investments	$ 234,588,580	$ 333,854,274

A. Restricted Cash and Cash Equivalents

Restricted cash and cash equivalents are defined as funds restricted by legal requirement(s) outside of the Authority. The Authority is required to maintain certain accounts in connection with the issuance of bonds which are restricted as to their use per the bond covenants.

The Authority is currently acting as the trustee of funds restricted for use for a consortium of other governments called the Mountain Accord.

B. Designated Cash and Cash Equivalents

Designated cash and cash equivalents are considered designated through action by the Authority's Board of Trustees and have no outside legal restrictions.

NOTE 3 – CASH, CASH EQUIVALENTS AND INVESTMENTS (continued)

C. Deposits

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

D. Custodial Credit Risk

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

At December 31, 2013 and 2012, the balances in the Authority's bank demand deposit accounts and certificate of deposit accounts according to the bank statements totaled approximately $456,986 and $936,875, respectively, of which $250,000 were covered by Federal depository insurance. The difference between this balance and the amount recorded in the financial statements is primarily due to outstanding checks.

E. Credit Risk

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

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

As of December 31, 2013 and 2012, the Authority had investments of $224,237,368 and $322,134,922, respectively, with the PTIF. The maximum adjusted weighted average maturity of the portfolio does not exceed 90 days. The PTIF pool has not been rated. The Authority chooses to state its financial position in the pool at the lower of estimated fair value, or amortized cost basis.

F. Interest Rate Risk

Interest rate risk is the risk that changes in the interest rates will adversely affect the fair value of an investment. The Authority manages its exposure to declines in fair value by investing mainly in the PTIF. The Authority's policy relating to specific investment-related risk is to adhere to the Act. The Act requires that the remaining term to maturity of investments may not exceed the period of availability of the fund to be invested. The maximum adjusted weighted average maturity of the portfolio does not exceed 90 days.

NOTE 4 – PROPERTY, FACILITIES AND EQUIPMENT

Construction in progress of $165,902,871 and $1,528,411,781 at December 31, 2013 and 2012, respectively, consists of costs incurred in connection with the Authority's rail projects. These costs consist principally of engineering, design, and construction work associated with obtaining the necessary rights-of-way and construction of the projects.

	Balance 12/31/2012	Increases	Transfers	Decreases	Balance 12/31/2013
Capital assets not being depreciated					
Land	$ 104,158,925	$ 5,390	$ 3,288,880	$ -	$ 107,453,195
Rights of way	214,710,700	1,595,991	52,081,772	-	268,388,463
Construction in process	1,528,411,781	29,765,072	(1,392,273,982)	-	165,902,871
Total capital assets not being depreciated	1,847,281,406	31,366,453	(1,336,903,330)	-	541,744,529
Capital assets being depreciated					
Facilities	1,487,355,317	45,298,119	1,075,380,693	(119,270)	2,607,914,859
Revenue vehicles	594,517,517	21,014,838	142,746,775	(7,694,396)	750,584,734
Other property and equipment	299,810,418	17,818,348	118,435,759	(262,690)	435,801,835
Land improvements	9,615,499	206,479	340,103	-	10,162,081
Total capital assets being depreciated	2,391,298,751	84,337,784	1,336,903,330	(8,076,356)	3,804,463,509
Less accumulated depreciation					
Facilities	(328,625,009)	(74,099,907)	-	119,270	(402,605,646)
Revenue vehicles	(204,331,413)	(47,297,896)	-	7,639,367	(243,989,942)
Other property and equipment	(198,990,003)	(40,451,913)	-	262,101	(239,179,815)
Land improvements	(7,915,442)	(517,136)	-	-	(8,432,578)
Total accumulated depreciation	(739,861,867)	(162,366,852)	-	8,020,738	(894,207,981)
Capital assets being depreciated, net	1,651,436,884	(78,029,068)	1,336,903,330	(55,618)	2,910,255,528
Total capital assets, net	$ 3,498,718,290	$ (46,662,615)	$ -	$ (55,618)	$ 3,452,000,057

	Balance 12/31/2011	Increases	Transfers	Decreases	Balance 12/31/2012
Capital assets not being depreciated					
Land	$ 103,343,941	$ -	$ 814,984	$ -	$ 104,158,925
Rights of way	207,806,958	938	6,902,804	-	214,710,700
Construction in process	1,484,866,962	272,057,074	(228,512,255)	-	1,528,411,781
Total capital assets not being depreciated	1,796,017,861	272,058,012	(220,794,467)	-	1,847,281,406
Capital assets being depreciated					
Facilities	1,277,268,068	246,573	209,840,676	-	1,487,355,317
Revenue vehicles	578,734,299	22,194,996	3,310,072	(9,721,850)	594,517,517
Other property and equipment	279,472,127	13,319,359	7,643,719	(624,787)	299,810,418
Land improvements	9,615,499	-			9,615,499
Total capital assets being depreciated	2,145,089,993	35,760,928	220,794,467	(10,346,637)	2,391,298,751
Less accumulated depreciation					
Facilities	(275,549,461)	(53,075,548)	-	-	(328,625,009)
Revenue vehicles	(181,624,530)	(32,420,713)	-	9,713,830	(204,331,413)
Other property and equipment	(161,191,723)	(38,414,012)	-	615,732	(198,990,003)
Land improvements	(7,471,821)	(443,621)	-	-	(7,915,442)
Total accumulated depreciation	(625,837,535)	(124,353,894)	-	10,329,562	(739,861,867)
Capital assets being depreciated, net	1,519,252,458	(88,592,966)	220,794,467	(17,075)	1,651,436,884
Total capital assets, net	$ 3,315,270,319	$ 183,465,046	$ -	$ (17,075)	$ 3,498,718,290

NOTE 5 – FEDERAL FINANCIAL ASSISTANCE

The Authority receives a portion of its funding from federal preventative maintenance grants, which totaled $47,986,240 and $46,719,891 for the years ended December 31, 2013 and 2012, respectively.

NOTE 6 – SELF-INSURANCE CLAIMS LIABILITY

Changes in the accrued claims liability in 2013 and 2012 were as follows:

	Beginning liability	Claims and changes in estimates	Claim payments	Ending liability
2013	$ 4,815,203	$ 2,565,786	$ (3,318,187)	$ 4,062,802
2012	$ 4,010,669	$ 3,132,599	$ (2,328,065)	$ 4,815,203

NOTE 7 – EMPLOYEE BENEFIT PLANS

A. Pension Plans

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

The Plan issues a publicly available financial report that includes financial statements and required supplementary information of that plan. This report may be requested from the Authority's Comptroller's Office.

By mail: Utah Transit Authority
Comptroller's Office
669 West 200 South
Salt Lake City, UT 84101

By email: FEvans@rideuta.com

By phone: (801) 287-2523

NOTE 7 – EMPLOYEE BENEFIT PLANS (continued)

- *Funding policy and annual pension cost*

Through December 31, 2013, contributions to the Plan were recommended by an annual actuarial report and are approved by the Authority's Board of Trustees. As of January 1, 2014, a 2014 contribution based on a percentage of payroll was approved by the Authority's Board of Trustees. This percentage will be reviewed by the Board of Trustees after the January 1, 2014 actuarial valuation report is available.

The Authority's annual cost for the current year and related information for the Plan is as follows:

Contribution rates	
Plan members	None
Authority	Annual rate determined by actuarial report
Actuarial valuation date	January 1, 2013
Actuarial cost method	Entry age normal
Amortization method	Level percent of payroll for remaining unfunded liability
Remaining amortization period	20 year open amortization period assuming 4% payroll growth per annum
Asset valuation method	Equal to market value of assets less unrecognized returns in each of the last five (5) years
Actuarial assumptions	
Investment rate of return	7.5% per year
Projected salary increase	6% per year for the first five (5) years of employment, 4% per year thereafter
Inflation rate assumption	3% per year

Annual required contributions	$14,352,279
Interest on net pension obligations	(326)
Adjustment to annual required contributions	292
Annual pension cost	$14,352,245
Contributions made in cash	$13,338,052

Year ended	Annual pension cost (APC)	Percentage of APC contributed	Increase (decrease) in net pension obligation	Balance net pension obligation/ (prepaid)
12/31/2013	$ 14,351,661	92.93%	$ 1,014,193	$ 1,009,847
12/31/2012	$ 12,201,911	95.44%	$ 555,929	$ (4,346)
12/31/2011	$ 10,110,443	100.04%	$ (4,312)	$ (560,275)

NOTE 7 – EMPLOYEE BENEFIT PLANS (continued)

- *Schedule of funding progress*

Actuarial valuation date	Actuarial value of assets	Actuarial accrued liability (AAL) using entry age normal	Unfunded AAL (UAAL)	Funded ratio	Approximate covered payroll	UAAL as a percentage of covered payroll
	(a)	(b)	(b-a)	(a/b)	(c)	((b-a)/c)
1/1/2013	$118,878,693	$222,734,287	$103,855,594	53.37%	$102,099,985	101.72%
1/1/2012	$116,576,222	$201,406,385	$84,830,163	57.88%	$96,750,285	87.68%
1/1/2011	$115,375,242	$178,035,446	$62,660,204	64.80%	$91,259,215	68.66%

B. Defined 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.

NOTE 8 – LONG-TERM DEBT

The following provides detailed information about each of the Authority's debt issuances along with a summary of the long-term debt activity for the year.

A. Series 2005A Revenue Bond

Purpose:	Refunding of the 1997 Series Revenue Bonds
Interest rates:	3.25-5.25%
Original amount:	$20,630,000

Debt service requirements to maturity, including interest

Year ending December 31	Principal	Interest	Total
2014	$ 1,270,000	$ 702,263	$ 1,972,263
2015	1,330,000	637,263	1,967,263
2016	1,400,000	567,263	1,967,263
2017	1,470,000	491,925	1,961,925
2018	1,550,000	412,650	1,962,650
2019-2022	7,085,000	768,469	7,853,469
	$ 14,105,000	$ 3,579,833	$ 17,684,833

NOTE 8 – LONG TERM DEBT (continued)

B. Series 2005B Revenue Bond

Purpose:	Construction of commuter rail north
Interest rates (Original maturities):	3.50-5.00%
Interest rates (Remaining maturities):	4.00%
Original amount:	$175,000,000

A portion of these bonds were refunded in advance of their maturity in 2007 with the Series 2007A Capital Interest bonds and the Series 2007A Capital Appreciation bonds. Bonds were refunded in the amount of $142,625,000 with maturity dates of December 15, 2016 through December 15, 2035.

Proceeds of the Series 2007A bonds used for the refunding were deposited in an irrevocable trust escrow fund consisting of U.S. Treasury Certificates of Indebtedness. The investments held in the escrow fund will bear interest and mature in amounts sufficient to pay the interest due on the refunded portion of the 2005B bonds as they become due on December 15, 2016.

A further portion of these bonds were refunded in advance of their maturity in 2013 with the Series 2013 revenue bonds. Bonds were refunded in the amount of $12,925,000 with maturity dates of December 15, 2015 through December 15, 2025.

The principal amount on the refunded Series 2005B bonds as of December 31, 2013 is $155,550,000.

Debt service requirements of the remaining bond to maturity, including interest

Year ending December 31	Principal	Interest	Total
2014	$ 2,400,000	$ 149,000	$ 2,549,000
2015	2,525,000	50,500	2,575,500
	$ 4,925,000	$ 199,500	$ 5,124,500

C. Series 2006A Revenue Bond

Purpose:	Construction of commuter rail line from Salt Lake City to Pleasant View City; construction of commuter rail improvements; purchase of rolling stock; and other improvements to the system
Interest rates:	Daily variable Ranged between: 0.01%-0.12%
Original amount:	$87,500,000

A portion of these bonds were refunded in advance of their maturity in 2012 with the Series 2012 revenue bonds. Bonds were refunded in the amount of $16,010,000 with maturity dates of June 15, 2017 through June 15, 2036.

NOTE 8 – LONG TERM DEBT (continued)

C. Series 2006A Revenue Bond (continued)

Debt service requirements of the remaining bond to maturity, including interest. For purposes of this estimate, an interest rate of 0.10% is assumed.

Year ending December 31	Principal	Interest	Total
2014	$ -	$ 71,490	$ 71,490
2015	-	71,490	71,490
2016	-	71,490	71,490
2017	5,000,000	66,490	5,066,490
2018	-	66,490	66,490
2019-2023	15,475,000	299,820	15,774,820
2024-2028	25,010,000	178,660	25,188,660
2029-2033	17,255,000	68,715	17,323,715
2034-2036	8,750,000	17,500	8,767,500
	$ 71,490,000	$ 912,145	$ 72,402,145

D. Series 2006B Revenue Bond

Purpose: Construction of commuter rail line from Salt Lake City to Pleasant View City; construction of commuter rail improvements; purchase of rolling stock; and other improvements to the system
Interest rates: Daily variable
Ranged between: 0.02%-0.12%
Original amount: $87,500,000

A portion of these bonds were refunded in advance of their maturity in 2012 with the Series 2012 revenue bonds. Bonds were refunded in the amount of $16,010,000 with maturity dates of June 15, 2017 through June 15, 2036.

Debt service requirements of the remaining bond to maturity, including interest. For purposes of this estimate, an interest rate of 0.10% is assumed.

Year ending December 31	Principal	Interest	Total
2014	$ -	$ 71,490	$ 71,490
2015	-	71,490	71,490
2016	-	71,490	71,490
2017	5,000,000	66,490	5,066,490
2018	-	66,490	66,490
2019-2023	15,475,000	299,820	15,774,820
2024-2028	25,010,000	178,660	25,188,660
2029-2033	17,255,000	68,715	17,323,715
2034-2036	8,750,000	17,500	8,767,500
	$ 71,490,000	$ 912,145	$ 72,402,145

NOTE 8 – LONG TERM DEBT (continued)

E. Series 2006C Revenue Bond

Purpose: Refunding of the 2002A Series revenue bonds
Interest rates: 5.00-5.25%
Original amount: $134,650,000

Debt service requirements to maturity, including interest

Year ending December 31	Principal	Interest	Total
2014	$ 4,135,000	$ 6,737,400	$ 10,872,400
2015	4,340,000	6,520,100	10,860,100
2016	4,570,000	6,291,925	10,861,925
2017	4,825,000	6,051,019	10,876,019
2018	5,085,000	5,790,881	10,875,881
2019-2023	29,805,000	24,539,944	54,344,944
2024-2028	38,750,000	15,588,563	54,338,563
2029-2032	39,205,000	4,250,006	43,455,006
	$ 130,715,000	$ 75,769,838	$ 206,484,838

F. Series 2007A Capital Appreciation/Capitalized Interest Bond(s)

Purpose: Partial refunding of the 2005B revenue bonds; construction and acquisition of improvements to the transit system.
Interest rates
Capital Appreciation Bonds: 4.55-5.05%
Capital Interest Bonds: 5.00%
Original amount
Capital Appreciation Bonds: $132,329,109
Capital Interest Bonds: $128,795,000

Debt service requirements to maturity, including interest

Capital Appreciation Bonds:

Year ending December 31	Principal	Interest	Total
2014	$ -	$ -	$ -
2015	-	-	-
2016	-	-	-
2017	-	-	-
2018	10,329,334	6,605,666	16,935,000
2019-2023	43,896,957	40,758,043	84,655,000
2024-2028	33,552,721	51,097,280	84,650,001
2029-2033	28,165,985	64,559,015	92,725,000
2034-2037	16,384,112	51,350,887	67,734,999
	$ 132,329,109	$ 214,370,891	$ 346,700,000

NOTE 8 – LONG TERM DEBT (continued)

F. Series 2007A Capital Appreciation/Capitalized Interest Bond(s) (continued)

Capital Interest Bonds:

Year ending December 31	Principal	Interest	Total
2014	$ -	$ 6,439,750	$ 6,439,750
2015	-	6,439,750	6,439,750
2016	2,320,000	6,381,750	8,701,750
2017	2,455,000	6,262,375	8,717,375
2018	2,565,000	6,136,875	8,701,875
2019-2023	10,860,000	29,122,750	39,982,750
2024-2028	24,870,000	24,982,250	49,852,250
2029-2033	42,500,000	17,038,250	59,538,250
2034-2037	43,225,000	2,188,375	45,413,375
	$ 128,795,000	$ 104,992,125	$ 233,787,125

G. Series 2008A Revenue Bond

Purpose: Cost of acquisition and construction of certain improvements to the Authority's transit system.
Interest rates: 4.75-5.25%
Original amount: $700,000,000

Debt service requirements to maturity, including interest

Year ending December 31	Principal	Interest	Total
2014	$ -	$ 35,278,075	$ 35,278,075
2015	-	35,278,075	35,278,075
2016	-	35,278,075	35,278,075
2017	-	35,278,075	35,278,075
2018	19,225,000	34,797,450	54,022,450
2019-2023	112,335,000	157,769,169	270,104,169
2024-2028	144,840,000	125,261,063	270,101,063
2029-2033	185,500,000	84,604,813	270,104,813
2034-2038	238,100,000	32,003,218	270,103,218
	$ 700,000,000	$ 575,548,013	$ 1,275,548,013

NOTE 8 – LONG TERM DEBT (continued)

H. Series 2009A Revenue Bond

Purpose:	Cost of acquisition and construction of certain improvements to the Authority's transit system.
Interest rates:	4.00-5.00%
Original amount:	$44,550,000

Debt service requirements to maturity, including interest

Year ending December 31	Principal	Interest	Total
2014	$ -	$ 2,194,000	$ 2,194,000
2015	-	2,194,000	2,194,000
2016	-	2,194,000	2,194,000
2017	-	2,194,000	2,194,000
2018	-	2,194,000	2,194,000
2019-2023	10,715,000	10,128,625	20,843,625
2024-2028	26,335,000	5,573,875	31,908,875
2029	7,500,000	182,750	7,682,750
	$ 44,550,000	$ 26,855,250	$ 71,405,250

I. Series 2009B Federally Taxable-Issuer Subsidy "Build America Bonds"

The Authority has elected to treat the 2009B bonds as "Build America Bonds" for the purposes of the American Recovery and Investment Act of 2009 (the Recovery Act) and to receive a cash subsidy from the United States Treasury in connection therewith. Pursuant to the Recovery Act, the Authority anticipated cash subsidy payments from the United States Treasury equal to 35% of the interest payable on the 2009B bonds. However due to federal sequestration, the Authority's subsidy payments for 2013 were less than anticipated by $236,327. The Authority has projected a continued discount of this subsidy in 2014 of 7.2%, or $391,162.

Purpose:	Cost of acquisition and construction of certain improvements to the Authority's transit system.
Interest rates:	5.937%
Original amount:	$261,450,000

NOTE 8 – LONG TERM DEBT (continued)

I. Series 2009B Federally Taxable-Issuer Subsidy "Build America Bonds" (continued)

Debt service requirements to maturity, including interest

Year ending December 31	Principal	Interest	Total	Scheduled Federal Subsidy Payment	Estimated * Federal Subsidy Payment
2014	$ -	$ 5,522,287	$ 15,522,287	$5,432,800	$ 5,041,639
2015	-	15,522,287	15,522,287	5,432,800	5,041,639
2016	-	15,522,287	15,522,287	5,432,800	5,041,639
2017	-	15,522,287	15,522,287	5,432,800	5,041,639
2018	-	15,522,287	15,522,287	5,432,800	5,041,639
2019-2023	-	77,611,433	77,611,433	27,164,002	25,208,193
2024-2028	-	77,611,433	77,611,433	27,164,002	25,208,193
2029-2033	55,890,000	72,171,656	128,061,656	25,260,080	23,441,354
2034-2038	140,560,000	41,157,362	181,717,362	14,405,077	13,367,911
2039	65,000,000	1,929,525	66,929,525	675,334	626,710
	$261,450,000	$348,092,844	$609,542,844	$121,832,495	$113,060,556

*Estimate is based on 7.2% discount

J. Series 2010A Federally Taxable-Issuer Subsidy "Build America Bonds"

The Authority has elected to treat the 2010A bonds as "Build America Bonds" for the purposes of the American Recovery and Investment Act of 2009 (the Recovery Act) and to receive a cash subsidy from the United States Treasury in connection therewith. Pursuant to the Recovery Act, the Authority anticipated cash subsidy payments from the United States Treasury equal to 35% of the interest payable on the 2010A bonds. However due to federal sequestration, the Authority's subsidy payments for 2013 were less than anticipated by $173,717. The Authority has projected a continued discount of this subsidy in 2014 of 7.2%, or $287,532.

Purpose:	Cost of acquisition and construction of certain improvements to the Authority's transit system.
Interest rates:	5.705%
Original amount:	$200,000,000

NOTE 8 – LONG TERM DEBT (continued)

J. Series 2010A Federally Taxable-Issuer Subsidy "Build America Bonds" (continued)

Debt service requirements to maturity, including interest

Year ending December 31	Principal	Interest	Total	Scheduled Federal Subsidy Payment	Estimated * Federal Subsidy Payment
2014	$ -	$ 11,410,000	$ 11,410,000	$ 3,993,500	$ 3,705,968
2015	-	11,410,000	11,410,000	3,993,500	3,705,968
2016	-	11,410,000	11,410,000	3,993,500	3,705,968
2017	-	11,410,000	11,410,000	3,993,500	3,705,968
2018	-	11,410,000	11,410,000	3,993,500	3,705,968
2019-2023	-	57,050,000	57,050,000	19,967,500	18,529,840
2024-2028	-	57,050,000	57,050,000	19,967,500	18,529,840
2029-2033	-	57,050,000	57,050,000	19,967,500	18,529,840
2034-2038	29,700,000	55,862,219	85,562,219	19,551,777	18,144,049
2039	170,300,000	11,762,569	182,062,569	4,116,899	3,820,482
	$200,000,000	$295,824,788	$495,824,788	$103,538,676	$96,083,891

*Estimate is based on 7.2% discount

K. Series 2012A Revenue Bond

Purpose: Refunding of $32,020,000 of the 2006AB variable rate bonds; refunding of $100,000,000 of the 2011AB variable rate bonds; and the cost of acquisition and construction of certain improvements to the Authority's transit system.
Interest rates: 4.00-5.00%
Original amount: $295,520,000

Debt service requirements to maturity, including interest

Year ending December 31	Principal	Interest	Total
2014	$ -	$ 13,954,800	$ 13,954,800
2015	3,245,000	13,889,900	17,134,900
2016	5,275,000	13,719,500	18,994,500
2017	4,245,000	13,507,875	17,752,875
2018	-	13,401,750	13,401,750
2019-2023	8,965,000	66,351,375	75,316,375
2024-2028	17,830,000	62,603,500	80,433,500
2029-2033	18,925,000	57,713,075	76,638,075
2034-2038	50,485,000	52,845,450	103,330,450
2039-2042	186,550,000	23,540,375	210,090,375
	$ 295,520,000	$ 331,527,600	$ 627,047,600

NOTE 8 – LONG TERM DEBT (continued)

L. Series 2013 Revenue Bond

Purpose:	Refunding of $12,925,000 of the 2005B revenue bonds; debt service reserve
Interest rates:	1.33%
Original amount:	$14,005,000

Debt service requirements to maturity, including interest

Year ending December 31	Principal	Interest	Total
2014	$ 5,000	$ 178,472	$ 183,472
2015	5,000	186,167	191,167
2016	5,000	186,100	191,100
2017	5,000	186,034	191,034
2018	13,985,000	93,000	14,078,000
	$ 14,005,000	$ 829,773	$ 14,834,773

NOTE 8 – LONG TERM DEBT (continued)

	Balance 12/31/2012	Additions	Reductions	Balance 12/31/2013	Amount due within one year
Bonds					
Series 2005A Revenue Bond	$ 15,320,000	$ -	$(1,215,000)	$ 14,105,000	$1,270,000
Series 2005B Revenue Bond	20,150,000	-	(15,225,000)	4,925,000	2,400,000
Series 2006A Revenue Bond	71,490,000	-	-	71,490,000	-
Series 2006B Revenue Bond	71,490,000	-	-	71,490,000	-
Series 2006C Revenue Bond	134,650,000	-	(3,935,000)	130,715,000	4,135,000
Series 2007A Capital Appreciation Bond	132,329,109	-	-	132,329,109	-
Series 2007A Current Interest Bond	128,795,000	-	-	128,795,000	-
Series 2008A Revenue Bond	700,000,000	-	-	700,000,000	-
Series 2009A Revenue Bond	44,550,000	-	-	44,550,000	-
Series 2009B Build America Bond	261,450,000	-	-	261,450,000	-
Series 2010A Build America Bond	200,000,000	-	-	200,000,000	-
Series 2012A Revenue Bond	295,520,000	-	-	295,520,000	-
Series 2013 Revenue Bond		14,005,000	-	14,005,000	5,000
	2,075,744,109	14,005,000	(20,375,000)	2,069,374,109	7,810,000
Unamortized Premiums					
Series 2005A Revenue Bond	699,143	-	(126,765)	572,378	-
Series 2005B Revenue Bond	(78,949)	-	78,949	(0)	-
Series 2006C Revenue Bond	11,756,092	-	(1,076,939)	10,679,153	-
Series 2007A Current Interest Bond	8,844,245	-	(532,206)	8,312,039	-
Series 2008A Revenue Bond	8,842,656	-	(979,668)	7,862,988	-
Series 2009A Revenue Bond	2,182,828	-	(186,830)	1,995,998	-
Series 2012A Revenue Bond	31,604,094	-	(1,806,694)	29,797,400	-
Series 2013 Revenue Bond				-	-
	63,850,109	-	(4,630,153)	59,219,956	-
Unamortized Discount					
Series 2008A Revenue Bond	(4,404,750)	-	225,645	(4,179,105)	-
	(4,404,750)	-	225,645	(4,179,105)	-
Unamortized Advanced Refunding					
Series 2005A Revenue Bond	(287,229)	-	57,322	(229,907)	-
Series 2006C Revenue Bond	(2,304,474)	-	235,827	(2,068,647)	-
Series 2007A Capital Appreciation Bond	1,316,292	-	(81,200)	1,235,092	-
	(1,275,411)	-	211,949	(1,063,462)	-
Total bonds	**$2,133,914,057**	**$14,005,000**	**$(24,567,559)**	**$2,123,351,498**	**$7,810,000**

NOTE 9 – COMMITMENTS AND CONTINGENCIES

The Authority is a defendant in various matters of litigation and has other claims pending as a result of activities in the ordinary courses 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.

As of December 31, 2013, the Authority also has purchasing commitments of approximately $9.0 million for revenue vehicles, and approximately $10.7 million to be paid to other contractors.

NOTE 10 – SUBSEQUENT EVENTS

The Authority has performed an evaluation of subsequent events through June 1, 2014 which is the date the basic financial statements were available to be issued.

In April 2014, the Authority issued $142,370,000 in Series 2014AB revenue bonds for the refunding of 2006AB variable rate bonds.

Statistical

UTAH TRANSIT AUTHORITY

NET POSITION – 10 years

	2013	2012 *	2011 *	2010	2009	2008	2007	2006	2005	2004
Net Position as of December 31										
Capital investment in net assets	$1,327,585,097	$1,364,803,454	$1,366,337,801	$1,133,832,808	$ 953,013,398	$ 766,098,289	$ 652,232,055	$ 550,959,844	$ 505,892,844	$ 498,167,795
Restricted	7,252,625	3,952,493	3,929,644	4,071,242	3,813,103	3,932,060	3,966,065	4,681,691	3,840,055	1,938,230
Unrestricted	242,267,181	304,753,885	276,960,064	505,464,819	527,478,988	439,343,658	455,924,673	119,477,125	114,655,298	111,199,562
	$1,577,104,903	$1,673,509,832	$1,647,227,509	$1,643,368,869	$1,484,305,489	$1,209,374,007	$1,112,122,793	$ 675,118,660	$ 624,388,197	$ 611,305,587

*2012 and 2011 are restated for GASB 65 compliance

CHANGE IN NET POSITION – 10 years

	2013	2012 *	2011 *	2010	2009	2008	2007	2006	2005	2004
Operating revenues	$ 52,044,200	$ 46,422,916	$ 41,527,090	$ 36,893,396	$ 35,163,780	$ 34,906,043	$ 25,641,509	$ 24,627,104	$ 22,239,683	$ 21,341,393
Operating expenses	378,224,993	319,322,223	288,531,160	257,267,580	255,931,379	223,794,244	195,976,473	186,931,529	176,883,380	179,747,235
Operating income (loss)	(326,180,793)	(272,899,307)	(247,004,070)	(220,374,184)	(220,767,599)	(188,888,201)	(170,334,964)	(162,304,425)	(154,643,697)	(158,405,842)
Non-operating revenues (expense)	173,520,664	200,370,290	205,877,440	219,663,490	220,089,438	216,032,690	218,100,208	174,652,182	143,694,283	135,291,313
Income (loss) before capital contributions	(152,660,129)	(72,529,017)	(41,126,630)	(710,694)	(678,161)	27,144,489	47,765,244	12,347,757	(10,949,414)	(23,114,529)
Capital contributions	56,255,200	98,811,340	44,985,270	159,744,074	275,609,643	70,106,725	389,238,889	38,382,706	24,032,024	25,497,115
Change in net position	$ (96,404,929)	$ 26,282,323	$ 3,858,640	$ 159,033,380	$ 274,931,482	$ 97,251,214	$ 437,004,133	$ 50,730,463	$ 13,082,610	$ 2,382,586

*2012 and 2011 are restated for GASB 65 compliance

REVENUES BY SOURCE – 10 years

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Operating	$52,044,200	$46,422,916	$41,527,090	$36,893,396	$35,163,780	$34,906,043	$25,641,509	$24,627,104	$22,239,683	$21,341,393
Sales taxes	203,806,329	196,693,543	183,091,524	171,893,732	171,854,169	188,547,380	191,688,539	138,546,093	121,832,629	111,982,133
Interest	1,455,039	1,892,549	3,672,397	3,827,161	9,389,045	16,070,989	9,149,060	9,827,487	4,104,985	1,292,768
Other	3,526,150	2,351,713	3,483,140	2,929,254	2,797,757	1,425,891	1,287,668	9,268,901	744,290	621,587
	$260,831,718	$247,360,721	$231,774,151	$215,543,543	$219,204,751	$240,950,303	$227,766,776	$182,269,585	$148,921,587	$135,237,881
Federal grants										
Fed. preventive maintenance grants	47,986,240	46,719,891	47,735,443	46,500,000	44,974,000	32,908,557	26,772,123	25,013,649	25,349,419	24,428,546
Federal operating grants	$3,868,252	$1,985,766	$11,583,980	$12,637,764	$15,224,723	$12,768,044	$4,724,497	$6,319,476	$3,117,145	$6,780,349
Federal capital grants	48,669,408	85,168,542	44,864,016	156,727,641	256,527,803	65,383,547	386,037,075	37,270,784	23,265,156	24,574,086
	$100,523,900	$133,874,199	$104,183,439	$215,865,405	$316,726,526	$111,060,148	$417,533,695	$68,603,909	$51,731,720	$55,782,981
Other capital contributions	7,585,792	13,642,798	121,254	3,046,433	19,081,840	4,723,178	3,201,814	1,111,922	766,868	823,029
	$368,941,410	$394,877,718	$336,078,844	$434,455,381	$555,013,117	$356,733,629	$648,502,285	$251,985,416	$201,420,175	$191,843,891

EXPENSES HISTORY BY FUNCTION – 10 years

	2013	2012 *	2011 *	2010	2009	2008	2007	2006	2005	2004
Bus service	$78,894,435	$78,894,799	$81,208,651	$79,522,988	$79,054,373	$82,136,736	$74,210,355	$69,471,137	$67,536,664	$64,089,452
Rail service	61,086,101	46,049,338	38,135,480	33,787,601	34,681,800	29,938,257	18,502,185	16,346,071	14,610,796	14,380,481
Paratransit service	18,202,211	17,516,117	16,054,555	14,570,401	14,595,021	14,879,263	13,134,705	12,076,802	11,670,170	11,585,593
Other service	701,656	596,583	535,897	589,356	517,571	321,241	646,080	908,646	866,127	728,443
Operations support	28,439,826	25,247,271	21,643,830	23,147,075	26,083,512	23,561,835	20,713,291	18,806,425	17,398,728	18,269,951
Administration [1]	28,533,912	26,664,222	26,340,573	22,286,055	26,105,521	22,215,090	22,709,608	22,516,649	18,447,146	22,653,857
Depreciation	162,366,852	124,353,893	104,612,174	83,364,104	74,893,581	50,741,822	46,060,249	46,805,799	46,353,749	48,039,458
Interest [2]	87,132,004	48,462,258	42,878,130	17,313,507	23,050,963	35,455,355	15,521,679	14,323,424	11,454,185	9,814,070
Recoverable sales tax, interlocal [3]	810,914	810,914	810,914	810,914	1,099,293	232,816	-	-	-	-
	$466,167,911	$368,595,395	$332,220,204	$275,392,001	$280,081,635	$259,482,415	$211,498,152	$201,254,953	$188,337,565	$189,561,305

*2012 and 2011 are restated for GASB 65 compliance

[1] Includes major investment studies
[2] Reported as non-capitalized interest
[3] See notes to the financial statements, Note 2.K

SALES TAX COLLECTED BY COUNTY – 10 years

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Box Elder	$1,300,577	$1,279,794	$1,226,730	$1,269,478	$1,297,586	$1,155,713	$843,922	$722,768	$655,277	$618,539
Davis	20,023,042	18,692,038	17,880,017	16,964,089	17,091,892	17,857,247	19,967,595	18,241,307	15,895,090	14,763,385
Salt Lake	132,741,111	129,169,355	120,094,104	112,379,368	112,076,511	125,688,483	125,344,935	87,418,635	77,384,293	70,881,852
Tooele	1,349,366	1,364,179	1,207,539	1,227,109	1,136,816	1,221,602	1,200,289	1,082,912	940,717	864,662
Utah	31,905,764	30,576,235	27,743,162	25,397,367	25,222,227	27,401,909	27,894,582	15,068,649	12,775,869	11,272,294
Weber	16,486,468	15,611,940	14,939,966	14,656,323	15,029,137	15,222,426	17,211,585	16,011,822	14,181,389	13,581,401
	$203,806,328	$196,693,541	$183,091,518	$171,893,734	$171,854,169	$188,547,380	$192,462,908	$138,546,093	$121,832,635	$111,982,133

TRANSIT SALES TAX RATES BY COUNTY – 10 years

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Box Elder	0.5500%	0.5500%	0.5500%	0.5500%	0.5500%	0.3000%	0.2500%	0.2500%	0.2500%	0.2500%
Davis	0.5500%	0.5500%	0.5500%	0.5500%	0.5500%	0.5000%	0.5000%	0.5000%	0.5000%	0.5000%
Salt Lake	0.6875%	0.6875%	0.6875%	0.6875%	0.6875%	0.6875%	0.6338%	0.4375%	0.4375%	0.4375%
Tooele	0.3000%	0.3000%	0.3000%	0.3000%	0.3000%	0.3000%	0.2500%	0.2500%	0.2500%	0.2500%
Utah	0.5260%	0.5260%	0.5260%	0.5260%	0.5260%	0.5260%	0.4800%	0.2500%	0.2500%	0.2500%
Weber	0.5500%	0.5500%	0.5500%	0.5500%	0.5500%	0.5000%	0.5000%	0.5000%	0.5000%	0.5000%

PRINCIPAL CONTRIBUTORS OF SALES TAX – 10 years

	2013			2004		
	Rank	Percentage of taxable sales	Amount	Rank	Percentage of taxable sales	Amount
Salt Lake County	1	65.13%	$ 132,741,111	1	34.78%	$ 70,881,852
Utah County	2	15.65%	31,905,764	4	5.56%	11,323,672
Davis County	3	9.82%	20,023,042	2	7.24%	14,763,385
Weber County	4	8.09%	16,486,468	3	6.66%	13,581,401
Tooele County	5	0.66%	1,349,336	5	0.42%	864,662
Box Elder County	6	0.64%	1,300,577	6	0.30%	618,539
			$ 203,806,298			$ 112,033,511

The Authority does not have taxing authority, and therefore is the recipient of contributions from other governments in the form of sales tax collected specifically to support mass transit within the government's boundaries.

FARES – 10 years

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
		(4/1/12)	(5/1/11)	(11/1/10)	(4/1/09)	(1/1/08)	(7/1/07)			
Cash Fares										
Base Fare	$2.50	$2.35	$2.25	$2.00	$2.00	$1.75	$1.60	$1.50	$1.40	$1.35
Senior Citizen/Disabled	1.25	1.15	1.10	1.00	1.00	0.85	0.80	0.75	0.70	0.50
Ski Bus	4.50	4.25	4.00	3.50	3.50	4.00	3.25	3.00	2.75	2.25
Paratransit (Flextrans)	4.00	3.50	2.75	2.50	2.50	2.25	2.05	2.05	2.00	2.00
Commuter Rail Base Rate	2.50	2.35	2.25	2.00	3.00	2.50	n/a	n/a	n/a	n/a
Commuter Rail Additional Station	0.60	0.55	0.50	0.50	0.50	0.50	n/a	n/a	n/a	n/a
Commuter Rail Maximum Rate	10.30	5.10	5.25	5.00	6.00	5.50	n/a	n/a	n/a	n/a
Exrpess	5.50	5.25	5.00	4.50	4.50	4.00	3.25	3.00	2.75	2.25
Streetcar	1.00	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Monthly Passes										
Adult	$83.75	$78.50	$75.00	$67.00	$67.00	$58.50	$53.50	$50.00	$47.00	$40.00
Minor	62.75	58.75	56.25	49.75	49.75	43.50	40.00	37.00	35.00	28.00
College Student	62.75	58.75	56.25	49.75	49.75	43.50	40.00	n/a	n/a	28.00
Senior Citizen/Disabled	41.75	39.25	37.50	33.50	33.50	28.25	26.75	25.00	23.50	18.00
Express	198.00	189.00	180.00	162.00	162.00	145.00	107.00	100.00	95.00	81.00
Paratransit	n/a	n/a	n/a	n/a	84.00	76.00	69.00	69.00	68.00	68.00
Other Fares										
Day Pass	$6.25	$5.75	$5.50	$5.00	$5.00	$4.50	$4.25	$4.00	$3.50	$2.70
Family Pass	n/a	n/a	n/a	n/a	13.75	12.50	n/a	n/a	n/a	n/a
Group Pass	15.00	14.00	13.50	12.00	n/a	n/a	n/a	n/a	n/a	n/a
Summer Youth	n/a	n/a	n/a	n/a	99.50	87.00	40.00	40.00	40.00	30.00
Token - 10-Pack	22.50	21.00	20.25	17.75	17.75	17.50	14.25	13.00	13.00	12.50
Paratransit - 10-Ride Ticket	40.00	35.00	30.00	25.00	22.00	20.00	18.50	18.50	18.00	18.00
Paratransit - 30-Ride Ticket	n/a	n/a	n/a	n/a	54.00	48.50	n/a	n/a	n/a	n/a
Ski Day Pass	n/a	n/a	8.00	7.00	7.00	7.00	6.00	6.00	6.00	5.00

LEGAL DEBT MARGIN

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Total debt (in 000's)	$ 2,069,674	$ 2,075,744	$ 1,919,859	$ 1,827,159	$ 1,634,119	$ 1,334,784	$ 641,179	$ 528,815	$ 418,905	$ 248,485
Percentage of personal income (a)	n/a	2.53%	2.47%	2.50%	2.28%	1.80%	0.90%	0.80%	0.71%	0.46%
Per capita (a)	n/a	$916	$860	$830	$757	$632	$311	$264	$215	$130
Debt limit (in 000's)	n/a									
Legal debt margin (in 000's)	n/a									
Total debt as percentage of debt limit	n/a									
Personal income		$82,025,459	$77,738,053	$73,036,786	$71,636,728	$74,033,176	$71,400,077	$65,822,299	$59,240,113	$54,283,933
Per capita		$36,185	$34,809	$33,172	$33,192	$35,070	$34,658	$32,846	$30,343	$28,378

Legal Debt Margin Calculation for 2013 (in 000's)	
Estimated fair market value (2013 estimate)	$ 190,443,559
Debt limit (3% of fair market value)	5,713,307
Debt applicable to limit	2,069,374
Plus: unamortized bond premium, net of deferred amounts on refundings	62,575
Total debt applicable to limitation	2,131,949
Legal debt margin	$ 3,581,358

Source: Zions Bank Public Finance

DEBT SERVICE COVERAGE – 10 years

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Sales Tax	$203,806,329	$196,693,543	$183,091,524	$171,893,732	$171,854,169	$188,547,380	$191,688,539	$138,546,093	$121,832,629	$111,982,133
Interest in specific accounts	376,071	403,953	286,824	665,861	4,634,651	11,304,515	4,378,440	6,721,036	1,404,935	264,643
Total available for debt service	204,182,400	197,097,496	183,378,348	172,559,593	176,488,820	199,851,895	196,066,979	145,267,129	123,237,564	112,246,776
Debt service requirement										
Principal	7,450,000	7,615,000	7,300,000	6,960,000	6,665,000	6,395,000	6,135,000	4,090,000	3,900,000	3,715,000
Interest net of federal subsidies	84,319,531	71,837,998	71,932,011	63,782,164	59,841,145	43,952,198	24,061,595	18,014,334	11,213,020	10,477,515
Total debt service requirement	91,769,531	79,452,998	79,232,011	70,742,164	66,506,145	50,347,198	30,196,595	22,104,334	15,113,020	14,192,515
Coverage	2.22	2.48	2.31	2.44	2.65	3.97	6.49	6.57	8.15	7.91

DEMOGRAPHIC AND ECONOMIC STATISTICS – 10 years

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Population	2,266,836	2,233,268	2,201,736	2,158,269	2,110,991	2,060,110	2,003,981	1,952,366	1,912,903	1,883,061
Personal income (in millions)	$82,025,459	$77,738,053	$73,036,786	$71,636,728	$74,033,176	$71,400,077	$65,822,299	$59,240,113	$54,283,933	$51,278,467
Per capita personal income	$36,185	$34,809	$33,172	$33,192	$35,070	$34,658	$32,846	$30,343	$28,378	$27,231
Utah unemployment rate	5.6%	6.0%	7.5%	6.0%	3.7%	2.6%	2.9%	4.1%	5.0%	5.6%

Source: US Dept of Commerce, Bureau of Economic Analysis, Regional Data (www.bea.gov)
Unemployment rate - Utah Department of Workforce Services

2013 data not available at time of report

PRINCIPAL EMPLOYERS – 10 years

		2012				2006		
Employer	**Industry**	**Employees**	**Rank**	**% Total Employment**	**Employer**	**Employees**	**Rank**	**% Total Employment**
Intermountain Healthcare	Healthcare	20,000+	1	1.5%	Intermountain Healthcare	20,000+	1	1.8%
University of Utah	Higher education/healthcare	20,000+	2	1.5%	University of Utah	15,000-19,999	3	1.5%
State of Utah	Government	20,000+	3	1.5%	State of Utah	20,000+	2	1.8%
Brigham Young University	Higher education	15,000-19,999	4	1.3%	Brigham Young University	15,000-19,999	4	1.5%
WalMart	Retail	15,000-19,999	5	1.3%	WalMart	10,000-14,999	5	1.5%
Hill Air Force Base	Government	10,000-14,999	6	0.9%	Hill Air Force Base	10,000-14,999	6	1.5%
Davis School District	Public education	7,000-9,999	7	0.6%	Davis School District	5,000-6,999	9	0.7%
Granite School District	Public education	7,000-9,999	8	0.6%	Granite School District	7,000-9,999	7	0.7%
US Department of Treasury	Government	7,000-9,999	9	0.6%	US Department of Treasury	5,000-6,999	15	0.7%
Smith's Food and Drug Center	Retail	5,000-6,999	10	0.4%	Smith's Food and Drug Center	5,000-6,999	12	0.7%
Alpine School District	Public education	5,000-6,999	11	0.4%	Alpine School District	5,000-6,999	14	0.7%
Utah State University	Higher education	5,000-6,999	12	0.4%	Utah State University	5,000-6,999	10	0.7%
Jordan School District	Public education	5,000-6,999	13	0.4%	Jordan School District	7,000-9,999	8	0.7%
Salt Lake County	Government	5,000-6,999	14	0.4%	Salt Lake County	5,000-6,999	13	0.7%
US Postal Service	Government	5,000-6,999	15	0.4%	US Postal Service	5,000-6,999	16	0.7%

Source: www.jobs.utah.gov/wi/bups/em/annualreport/xxannual/ (Department of Workforce Services)
Data prior to 2006 not available

FULL-TIME EQUIVALENT EMPLOYEES – 10 years

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Bus operations	928	963	950	998	1,023	1,050	1,008	937	977	994
Rail operations	526	506	425	335	314	293	233	176	166	158
Paratransit operations	176	168	168	140	141	141	143	142	138	143
Other services	10	12	11	11	11	10	8	8	7	7
Support services	304	293	284	239	249	256	225	247	226	246
Administration	210	217	224	238	242	224	193	164	160	153
Total	2,153	2,159	2,062	1,961	1,980	1,974	1,810	1,674	1,674	1,701

The following information is intended to provide additional information regarding changes in the full-time equivalent employee counts.

- Support services is comprised of employees not assigned to operating departments, yet their purpose is to support operations. They include employees who perform training, fare collection, facilities maintenance, support maintenance, and customer service. Any fluctuation in the employee county is attributed to training needs.
- In 2011, the Authority opened two (2) rail lines which required additional personnel in rail operations, support services (for training), paratransit operations, and transit police officers. In addition, passenger counters were transferred from administration to support services.
- In 2012, the Authority continued its expansion of both light rail and commuter rail lines which required additional staffing.
- In 2013, the Authority reduced bus service and increased rail operations.

TREND STATISTICS – 10 years

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Passengers										
Bus service	19,445,016	21,222,669	21,560,358	21,716,864	20,657,019	23,395,624	23,279,164	21,598,690	22,364,690	15,265,982
Rail service	22,541,261	19,421,608	16,944,264	14,790,418	14,707,601	16,182,145	16,272,468	15,203,660	14,323,780	10,019,863
Paratransit service	746,191	715,034	683,336	509,625	500,242	478,242	492,994	476,039	482,969	504,420
Vanpool service	1,387,816	1,446,766	1,417,183	1,346,949	1,353,697	1,657,697	1,305,076	1,316,599	1,062,961	837,030
Total passengers	44,120,284	42,806,077	40,605,141	38,363,856	37,218,559	41,713,708	41,349,702	38,594,988	38,234,400	26,627,295
Revenue Miles										
Bus service	15,710,633	15,091,645	15,869,340	16,412,862	16,777,762	16,759,734	16,690,142	16,732,379	16,804,912	16,717,480
Rail service	11,648,905	7,905,460	6,019,693	5,312,506	5,568,699	4,412,001	2,818,235	2,827,710	2,744,947	2,968,597
Paratransit service	2,354,197	3,252,193	4,094,325	2,799,362	2,928,929	2,939,442	3,699,770	3,727,323	4,178,335	4,239,250
Vanpool service	7,053,191	7,553,978	8,042,756	7,342,322	7,800,016	9,177,917	7,012,873	6,900,915	5,562,007	4,618,103
Total passengers	36,766,926	33,803,276	34,026,114	31,867,052	33,075,406	33,289,094	30,221,020	30,188,327	29,290,201	28,543,430
Total Miles										
Bus service	17,484,891	16,553,983	17,416,367	18,820,702	19,342,359	19,398,050	19,480,877	19,548,645	19,772,165	19,660,840
Rail service	11,772,835	7,987,022	6,073,807	5,365,270	5,626,707	4,454,559	2,836,899	2,841,912	2,758,761	2,982,557
Paratransit service	2,996,215	4,088,027	5,256,369	3,473,129	3,637,806	3,637,255	4,341,576	4,393,853	4,932,165	5,072,626
Vanpool service	7,053,191	7,553,978	8,042,756	7,342,322	7,800,016	9,177,917	7,012,873	6,900,915	5,635,116	4,689,732
Total miles	39,307,132	36,183,010	36,789,299	35,001,423	36,406,888	36,667,781	33,672,225	33,685,325	33,098,207	32,405,755
Passengers per Mile										
Bus service	1.24	1.41	1.36	1.32	1.23	1.40	1.39	1.29	1.33	0.91
Rail service	1.94	2.46	2.81	2.78	2.64	3.67	5.77	5.38	5.22	3.38
Paratransit service	0.32	0.22	0.17	0.18	0.17	0.16	0.13	0.13	0.12	0.12
Vanpool service	0.20	0.19	0.18	0.18	0.17	0.18	0.19	0.19	0.19	0.18
Total passengers per mile	1.20	1.27	1.19	1.20	1.13	1.25	1.37	1.28	1.31	0.93
Revenue Hours										
Bus service	1,140,787	834,985	866,268	897,294	904,282	895,943	888,544	887,049	898,268	893,338
Rail service	411,196	536,066	388,826	295,227	374,300	326,610	243,349	252,935	232,517	197,437
Paratransit service	163,176	227,013	300,760	201,994	211,369	208,896	247,572	265,712	262,247	280,528
Total revenue hours	1,715,159	1,598,064	1,555,854	1,394,515	1,489,951	1,431,449	1,379,465	1,405,696	1,393,032	1,371,303
Passengers per Revenue Hour										
Bus service	17.05	25.42	24.89	24.20	22.84	26.11	26.20	24.35	24.90	17.09
Rail service	54.82	36.23	43.58	50.10	39.29	49.55	66.87	60.11	61.60	50.75
Paratransit service	4.57	3.15	2.27	2.52	2.37	2.29	1.99	1.79	1.84	1.80
Total passengers per mile	24.91	25.88	25.19	26.54	24.07	27.98	29.03	26.52	26.68	18.81
Total System										
Fare revenue	$49,977,533	$44,489,583	$39,693,757	$35,160,063	$33,530,449	$33,439,374	$24,308,176	$23,506,417	n/a	n/a
Operating expense	$215,858,141	$194,968,330	$183,918,986	$173,903,476	$181,037,798	$173,052,423	$149,916,224	$140,125,730	n/a	n/a
Cost per revenue mile	$5.87	$5.77	$5.41	$5.46	$5.47	$5.20	$4.96	$4.64	n/a	n/a
Cost per passenger	$4.89	$4.55	$4.53	$4.53	$4.86	$4.15	$3.63	$3.63	n/a	n/a
Fare revenue per passenger	$1.13	$1.04	$0.98	$0.92	$0.90	$0.80	$0.59	$0.61	n/a	n/a

OPERATING INDICATORS AND CAPITAL ASSETS – 10 years

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Number of bus routes	119	125	119	127	128	120	117	124	128	129
Number of rail routes										
Light rail	4	3	3	3	3	3	3	3	3	3
Commuter rail	1	1	1	1	1	1	-	-	-	-
Bus service miles (weekday)	62,651	64,186	64,493	67,012	68,537	68,051	60,436	60,676	61,851	61,987
Rail service miles (weekday)										
Light rail	8,831	6,978	5,107	3,910	3,684	3,365	3,166	3,478	3,147	3,390
Commuter rail	4,541	2,390	2,327	2,469	2,725	2,725	-	-	-	-
Average passengers (weekday)	152,512	152,934	142,186	134,736	141,047	139,911	122,621	133,124	126,629	119,361
Buses	493	570	495	496	501	481	585	519	518	489
Paratransit vehicles (buses/vans)	113	110	112	96	101	105	102	99	101	102
Rail vehicles										
Light rail	114	122	122	55	55	55	69	54	51	46
Commuter rail	71	57	55	37	37	34	-	-	-	-
Vanpool vehicles	484	494	485	414	403	452	456	389	288	235
Park and ride lots		149	128	121	124	129	128	126	106	106
Bus stops	6,273	6,333	6,600	6,645	6,410	6,380	6,975	7,301	7,902	8,028
Rail stations										
Light rail	51	41	41	28	28	28	25	25	24	23
Commuter rail	15	16	7	8	8	8	-	-	-	-

2012 PERFORMANCE MEASURES – LIGHT RAIL

			Service Efficiency		Cost Effectiveness		Service Effectiveness	
City	ID	Agency	Operating Expense per Vehicle Revenue Mile	Operating Expense per Vehicle Revenue Hour	Operating Expense per Unlinked 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	$ 7.11	$ 90.46	$ 0.53	$ 2.42	2.93	37.32
Baltimore, MD	3034	MTA	14.00	273.63	0.75	4.93	2.84	55.53
Buffalo, NY	2004	NFT Metro	24.22	274.23	1.26	3.45	7.02	79.48
Charlotte, NC	4008	CATS	20.21	375.99	0.68	3.59	5.64	104.83
Cleveland, OH	5015	GCRTA	17.65	264.19	0.73	4.32	4.09	61.16
Dallas, TX	6056	DART	17.98	355.94	0.63	4.92	3.66	72.41
Denver, CO	8006	RTD	8.10	152.45	0.39	3.32	2.44	45.96
Houston, TX	6008	Metro	19.17	226.72	0.66	1.54	12.45	147.22
Minneapolis, MN	5027	Metro Transit	13.56	192.47	0.50	2.66	5.10	72.46
Newark, NJ	2080	NJ Transit	40.48	582.66	1.76	5.28	7.67	110.34
Phoenix, AZ	9209	VMR	11.87	171.34	0.31	2.13	5.56	80.33
Pittsburgh, PA	3022	Port Authority	26.98	351.29	1.53	7.30	3.70	48.13
Portland, OR	0008	Tri-Met	12.88	188.42	0.45	2.36	5.45	79.80
Sacramento, CA	9019	RTD	11.91	232.56	0.61	3.45	3.45	67.39
San Diego, CA	9026	MTS	8.39	148.06	0.32	1.94	4.33	76.37
San Jose, CA	9013	VTA	20.00	316.83	1.10	5.95	3.36	53.28
St Louis, MO	7006	BSDA	9.82	233.65	0.41	3.65	2.69	63.94
Average of above comparison agencies			$ 16.73	$ 260.64	$ 0.74	$ 3.72	4.85	73.88
Maximum			40.48	582.66	1.76	7.30	12.45	147.22
Minimum			7.11	90.46	0.31	1.54	2.44	37.32

2012 PERFORMANCE MEASURES – BUS

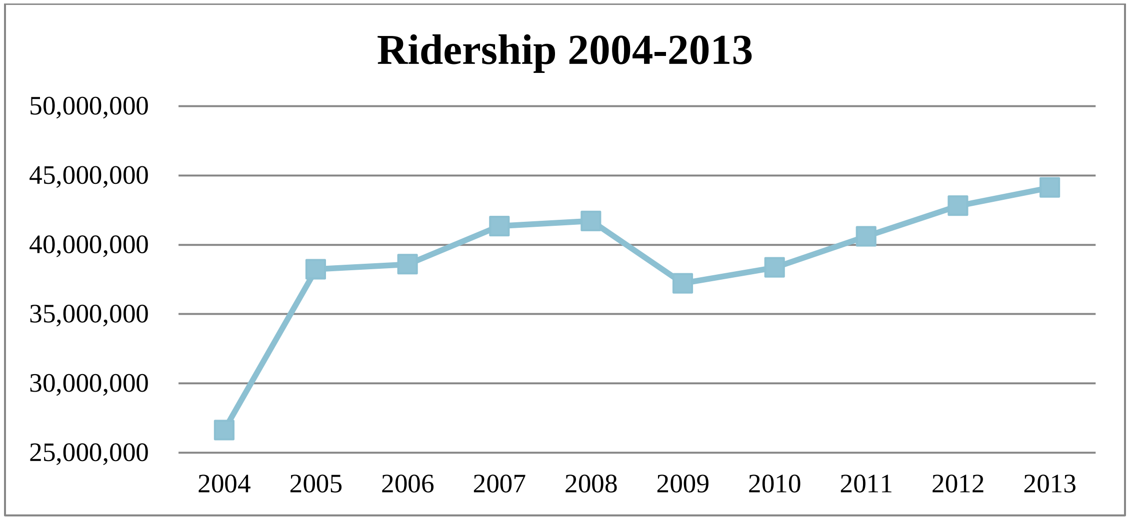
			Service Efficiency		Cost Effectiveness		Service Effectiveness	
City	ID	Agency	Operating Expense per Vehicle Revenue Mile	Operating Expense per Vehicle Revenue Hour	Operating Expense per Unlinked Passenger Mile	Operating Expense per Unlinked Passenger Trip	Unlinked Passenger Trips per Vehicle Revenue Mile	Unlinked Passenger Trips per Vehicle Revenue Hour
Salt Lake City, UT	8001	UTA	$ 7.68	$ 128.23	$ 1.96	$ 5.30	1.45	24.19
Charlotte, NC	4008	CATS	7.21	100.09	0.77	3.45	2.09	28.98
Dallas, TX	6056	DART	8.94	120.68	1.50	6.32	1.41	19.09
Denver, CO	8006	RTD	9.00	113.49	0.75	3.93	2.29	28.86
Fort Worth, TX	6007	The T	7.73	92.01	0.84	4.38	1.77	21.02
Houston, TX	6008	Metro	8.71	114.63	1.01	4.99	1.75	22.97
Jacksonville, FL	4040	JTA	7.10	103.96	0.89	5.45	1.30	19.06
Memphis, TN	4003	MATA	7.73	122.13	0.94	5.23	1.48	23.34
Minneapolis, MN	5027	Metro Transit	10.94	126.82	0.84	3.56	3.07	35.65
Oceanside, CA	9030	NCTD	7.73	103.47	1.09	5.12	1.51	20.19
Pittsburgh, PA	3022	Port Authority	15.02	189.09	1.29	5.08	2.96	37.25
Portland, OR	0008	Tri-Met	12.04	141.93	0.99	3.88	3.10	36.61
Sacramento, CA	9019	RTD	12.25	136.00	1.48	5.23	2.34	25.98
San Jose, CA	9013	VTA	14.98	181.04	1.28	6.75	2.22	26.83
St Louis, MO	7006	BSDA	7.49	102.66	0.92	4.79	1.56	21.42
Tampa, FL	4041	HART	7.35	93.70	0.75	3.84	1.91	24.42
Average of above comparison agencies			$ 9.49	$ 123.12	$ 1.08	$ 4.83	2.01	25.99
Maximum			15.02	189.09	1.96	6.75	3.10	37.25
Minimum			7.10	92.01	0.75	3.45	1.30	19.06

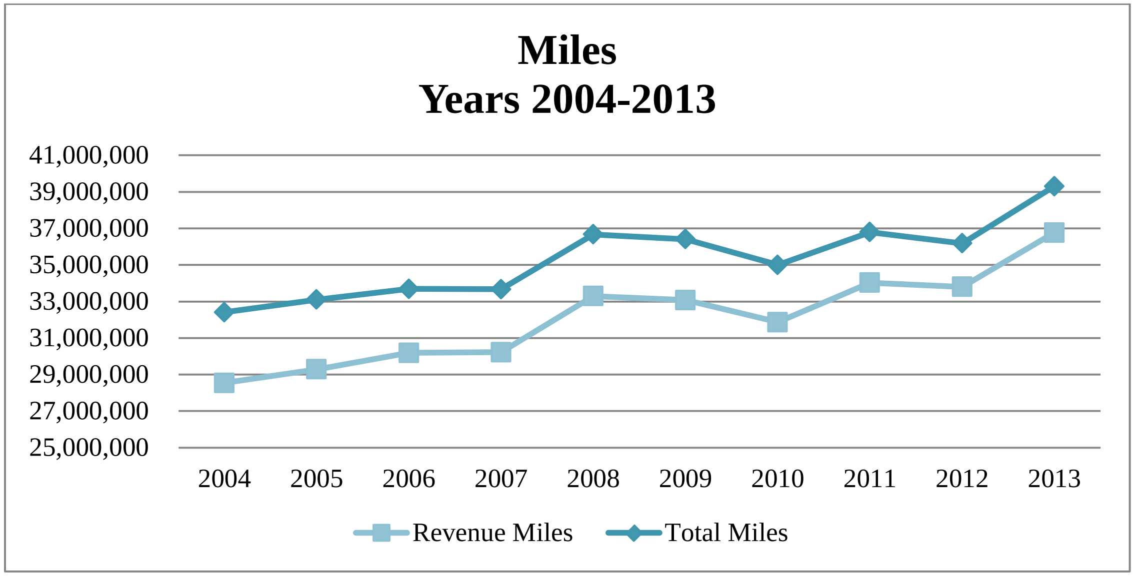
2012 PERFORMANCE MEASURES – DEMAND RESPONSE

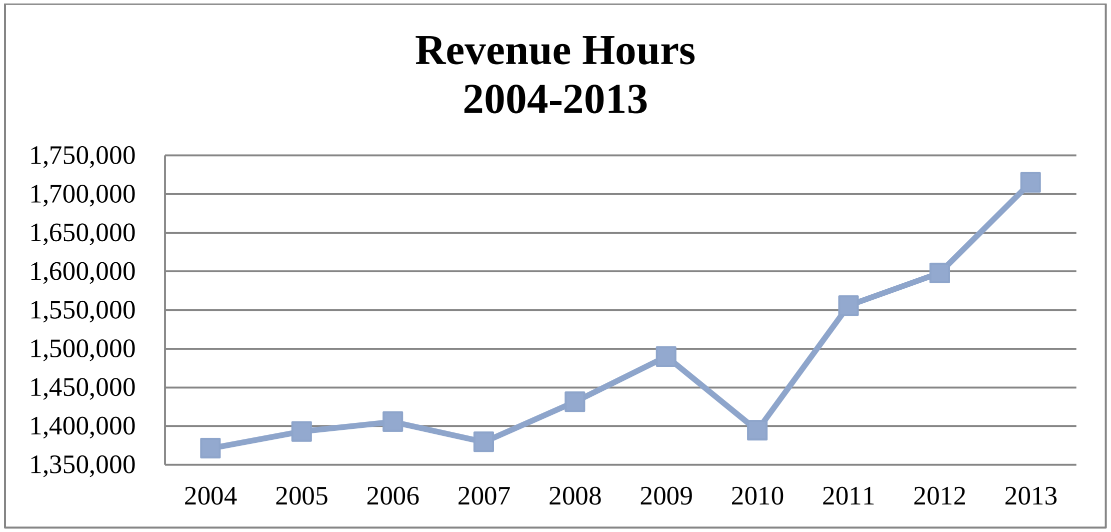
			Service Efficiency		Cost Effectiveness		Service Effectiveness	
City	ID	Agency	Operating Expense per Vehicle Revenue Mile	Operating Expense per Vehicle Revenue Hour	Operating Expense per Unlinked Passenger Mile	Operating Expense per Unlinked Passenger Trip	Unlinked Passenger Trips per Vehicle Revenue Mile	Unlinked Passenger Trips per Vehicle Revenue Hour
Salt Lake City, UT	8001	UTA	$ 7.37	$ 105.46	$ 3.93	$ 41.61	0.18	2.56
Arlington Heights, IL	5113	Pace	4.49	64.09	4.32	36.63	0.12	1.75
Buffalo, NY	2004	NFT Metro	4.78	82.12	4.56	45.38	0.11	1.81
Cleveland, OH	5015	GCRTA	6.35	94.79	6.69	47.08	0.13	2.01
Columbus, OH	5016	COTA	2.86	55.34	3.27	32.78	0.09	1.69
Dallas, TX	6056	DART	4.88	81.26	3.36	37.73	0.13	2.15
Denver, CO	8006	RTD	4.51	69.75	4.43	39.94	0.11	1.75
Detroit, MI	5031	SMART	5.45	94.96	4.04	29.79	0.18	3.19
Fort Worth, TX	6007	The T	4.06	67.97	3.16	33.50	0.12	2.03
Honolulu, HI	9002	DTS	6.44	92.41	3.50	39.22	0.16	2.36
Houston, TX	6008	METRO	2.54	42.85	2.15	25.33	0.10	1.69
Kansas City, MO	7005	KCATA	3.05	54.73	3.08	25.38	0.12	2.16
Las Vegas, NV	9045	RTC	4.40	67.32	3.18	35.49	0.12	1.90
Louisville, KY	4018	TARC	2.88	48.24	2.89	27.68	0.10	1.74
Omaha, NE	7002	MAT	3.55	53.11	2.99	25.70	0.14	2.07
Orange, CA	9036	OCTA	4.78	76.72	3.30	33.74	0.14	2.27
Orlando, FL	4035	LYNX	2.73	43.85	2.50	28.58	0.10	1.53
Phoenix, AZ	9032	Valley Metro	5.29	69.14	4.77	43.12	0.12	1.60
Portland, OR	0008	Tri-Met	4.74	65.95	3.30	32.97	0.14	2.00
San Antonio, TX	6011	VIA Metro	3.54	65.46	2.79	31.28	0.11	2.09
San Carlos, CA	9009	SamTrans	5.69	78.35	5.19	46.03	0.12	1.70
San Diego, CA	9026	MTS	4.46	75.97	3.18	28.24	0.16	2.69
San Jose, CA	9013	VTA	3.84	75.87	2.79	29.44	0.13	2.58
Seattle, WA	0001	KC Metro	6.15	90.44	5.00	53.64	0.11	1.69
St Louis, MO	7006	BSDA	3.97	66.57	3.74	34.88	0.11	1.91
Average of above comparison agencies			$ 4.51	$ 71.31	$ 3.68	$ 35.41	$ 0.13	$ 2.04
Maximum			7.37	105.46	6.69	53.64	0.18	3.19
Minimum			2.54	42.85	2.15	25.33	0.09	1.53

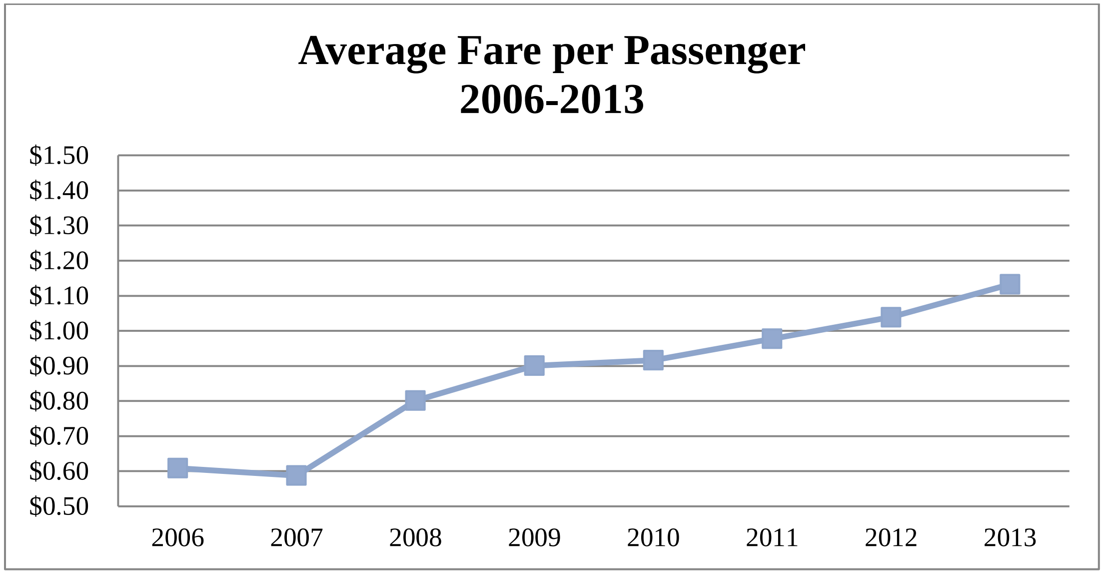
2012 PERFORMANCE MEASURES – COMMUTER RAIL

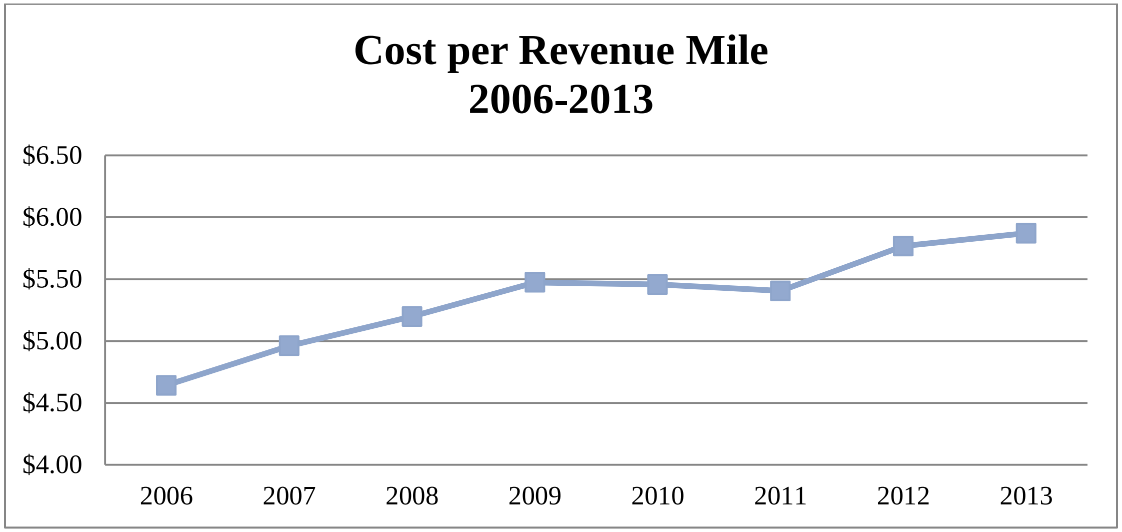
			Service Efficiency		Cost Effectiveness		Service Effectiveness	
City	ID	Agency	Operating Expense per Vehicle Revenue Mile	Operating Expense per Vehicle Revenue Hour	Operating Expense per Unlinked Passenger Mile	Operating Expense per Unlinked Passenger Trip	Unlinked Passenger Trips per Vehicle Revenue Mile	Unlinked Passenger Trips per Vehicle Revenue Hour
Salt Lake City, UT	8001	UTA	$ 7.11	$ 90.46	$ 0.53	$ 2.42	2.93	37.32
Baltimore, MD	3034	MTA	14.00	273.63	0.75	4.93	2.84	55.53
Buffalo, NY	2004	NFT Metro	24.22	274.23	1.26	3.45	7.02	79.48
Charlotte, NC	4008	CATS	20.21	375.99	0.68	3.59	5.64	104.83
Cleveland, OH	5015	GCRTA	17.65	264.19	0.73	4.32	4.09	61.16
Dallas, TX	6056	DART	17.98	355.94	0.63	4.92	3.66	72.41
Denver, CO	8006	RTD	8.10	152.45	0.39	3.32	2.44	45.96
Houston, TX	6008	Metro	19.17	226.72	0.66	1.54	12.45	147.22
Minneapolis, MN	5027	Metro Transit	13.56	192.47	0.50	2.66	5.10	72.46
Newark, NJ	2080	NJ Transit	40.48	582.66	1.76	5.28	7.67	110.34
Phoenix, AZ	9209	VMR	11.87	171.34	0.31	2.13	5.56	80.33
Pittsburgh, PA	3022	Port Authority	26.98	351.29	1.53	7.30	3.70	48.13
Portland, OR	0008	Tri-Met	12.88	188.42	0.45	2.36	5.45	79.80
Sacramento, CA	9019	RTD	11.91	232.56	0.61	3.45	3.45	67.39
San Diego, CA	9026	MTS	8.39	148.06	0.32	1.94	4.33	76.37
San Jose, CA	9013	VTA	20.00	316.83	1.10	5.95	3.36	53.28
St Louis, MO	7006	BSDA	9.82	233.65	0.41	3.65	2.69	63.94
Average of above comparison agencies			$ 16.73	$ 260.64	$ 0.74	$ 3.72	$ 4.85	$ 73.88
Maximum			40.48	582.66	1.76	7.30	12.45	147.22
Minimum			7.11	90.46	0.31	1.54	2.44	37.32

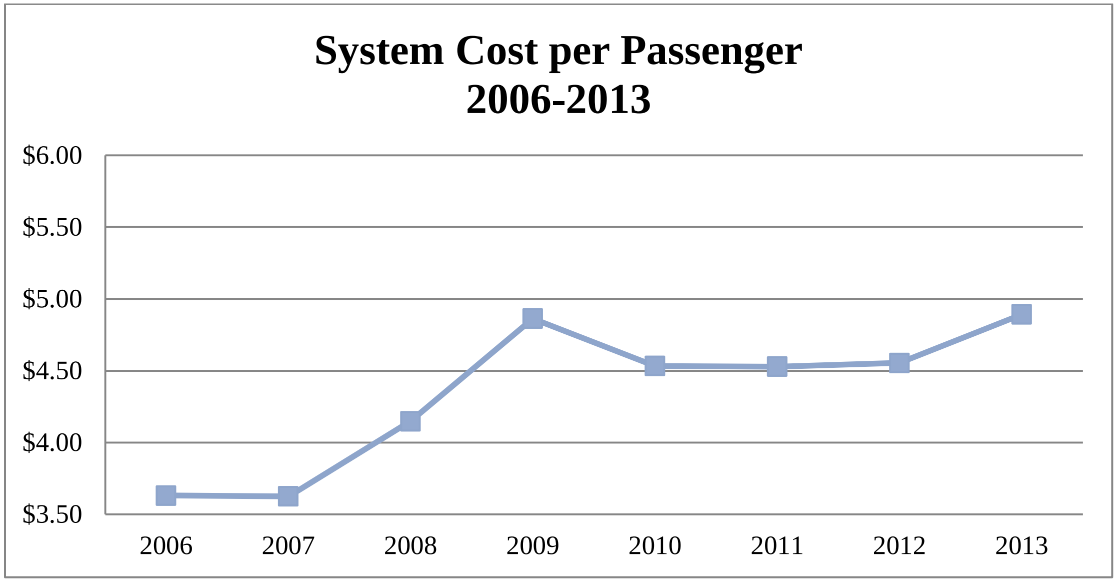

Ridership 2004-2013
50,000,000
45,000,000
40,000,000
35,000,000
30,000,000
25,000,000
2004
2005
2006
2007
2008
2009
2010
2011
2012
2013


Miles
Years 2004-2013
41,000,000
39,000,000
37,000,000
35,000,000
33,000,000
31,000,000
29,000,000
27,000,000
25,000,000
2004
2005
2006
2007
2008
2009
2010
2011
2012
2013
Revenue Miles
Total Miles


Revenue Hours
2004-2013
1,750,000
1,700,000
1,650,000
1,600,000
1,550,000
1,500,000
1,450,000
1,400,000
1,350,000
2004
2005
2006
2007
2008
2009
2010
2011
2012
2013


Average Fare per Passenger
2006-2013
$1.50
$1.40
$1.30
$1.20
$1.10
$1.00
$0.90
$0.80
$0.70
$0.60
$0.50
2006
2007
2008
2009
2010
2011
2012
2013


Cost per Revenue Mile
2006-2013
$6.50
$6.00
$5.50
$5.00
$4.50
$4.00
2006
2007
2008
2009
2010
2011
2012
2013


System Cost per Passenger
2006-2013
$6.00
$5.50
$5.00
$4.50
$4.00
$3.50
2006
2007
2008
2009
2010
2011
2012
2013