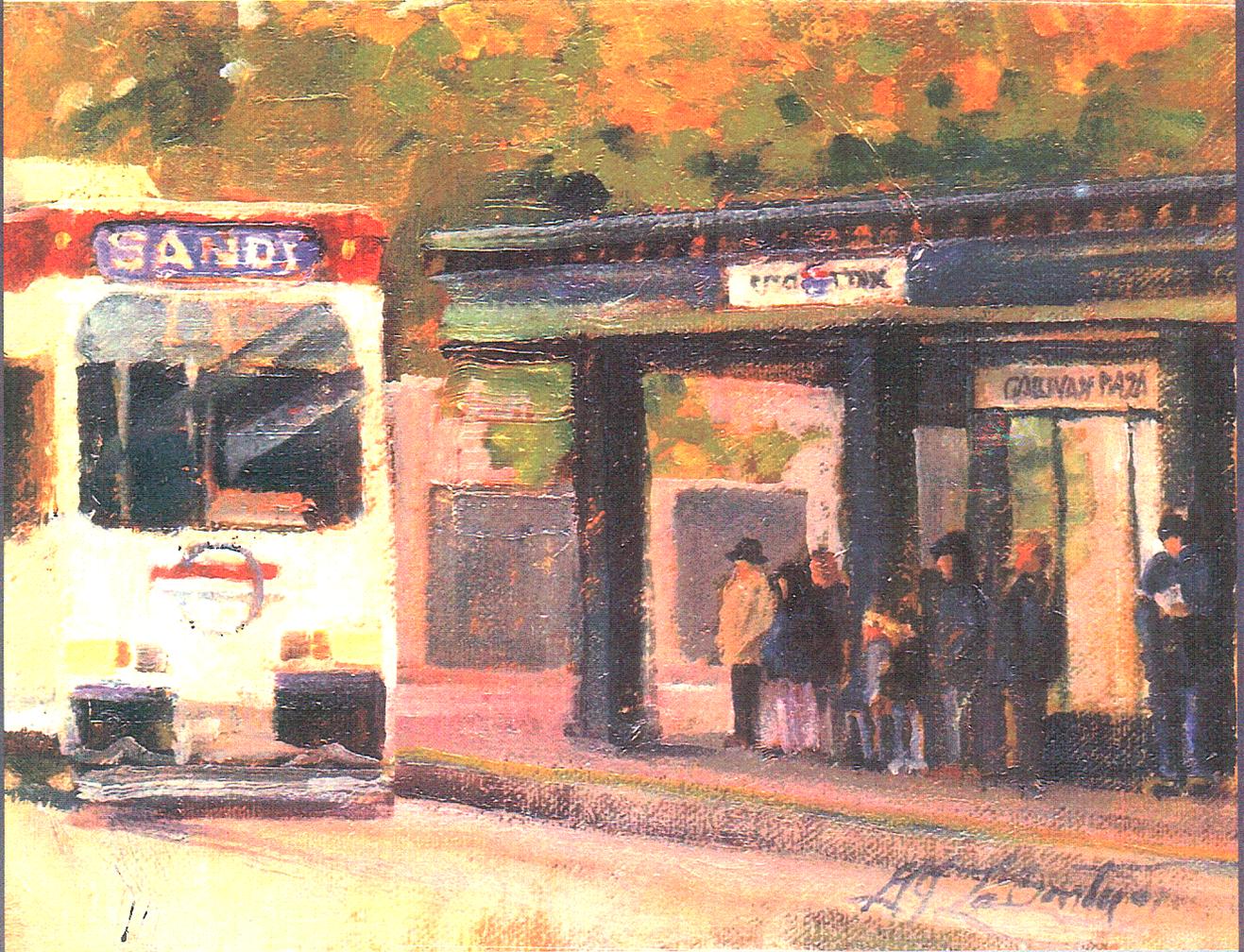
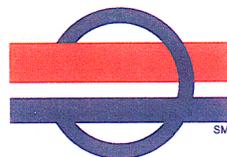


2007 Budget Document



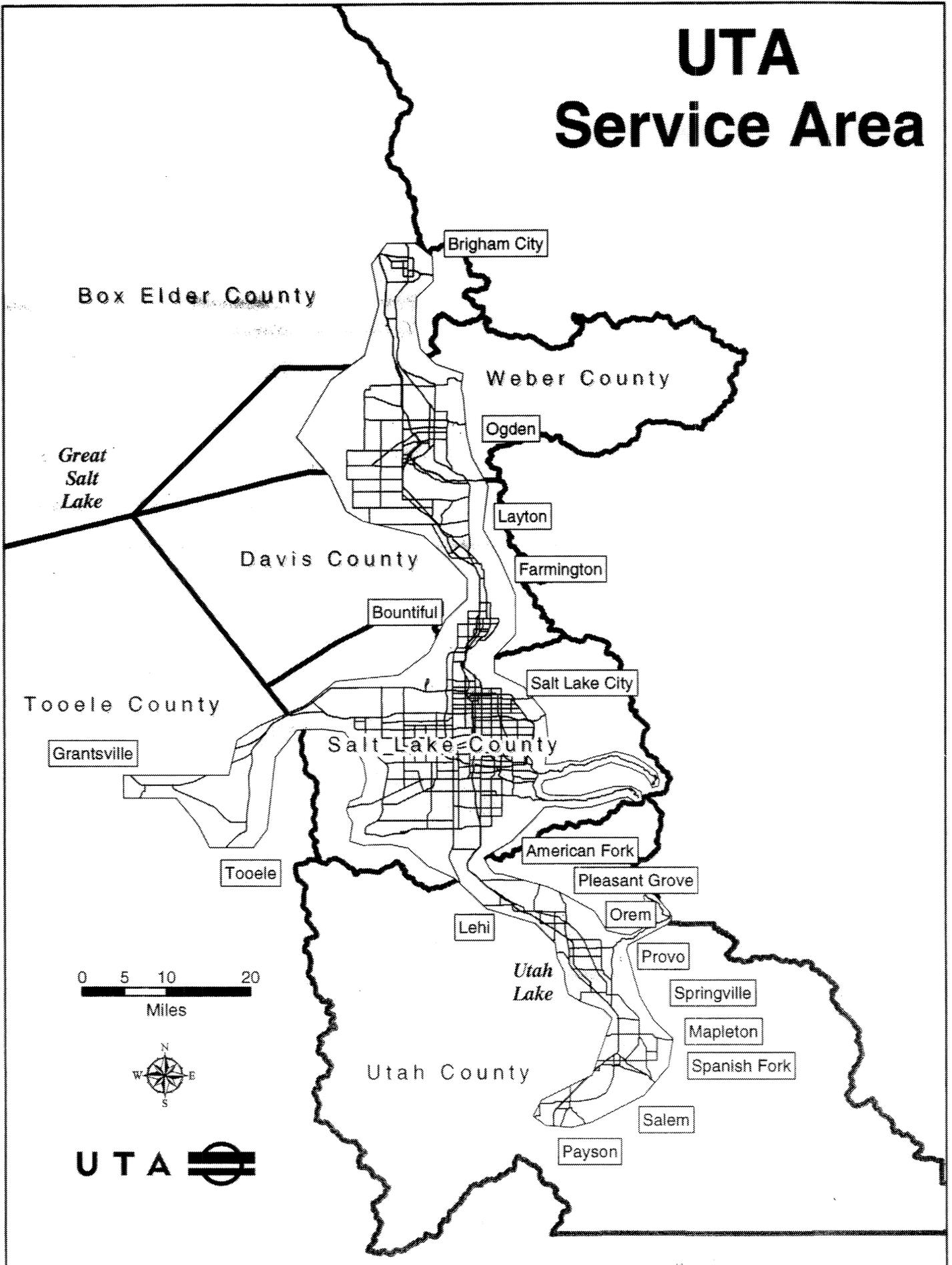
"Southbound" painting by G J La Bonty, UTA Strategic Planner



UTA

Utah Transit Authority

UTA Service Area



UTAH TRANSIT AUTHORITY BUDGET DOCUMENT

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DISTINGUISHED BUDGET PRESENTATION AWARD

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the Utah Transit Authority for its annual budget for the fiscal year beginning January 1, 2006. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan and as a communication device.

This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements and we are submitting it to GFOA to determine its eligibility for another award.



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

Utah Transit Authority

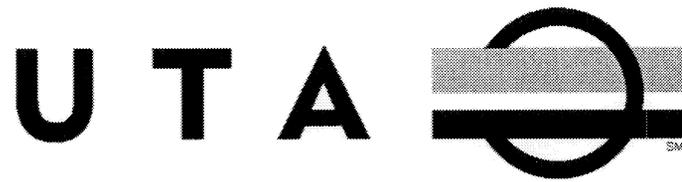
Utah

For the Fiscal Year Beginning

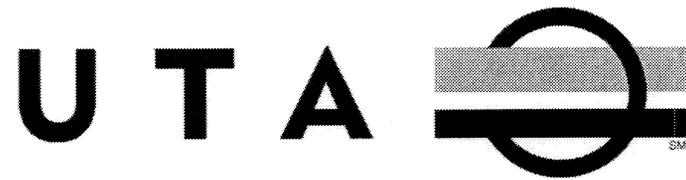
January 1, 2006

President

Executive Director



INTRODUCTION



BUDGET MESSAGE

UTAH TRANSIT AUTHORITY 2007 BUDGET MESSAGE

The Utah Transit Authority's, (UTA's), tentative budget for fiscal year ending December 31, 2007, has been prepared following policies established by the UTA Board of Trustees. This budget will allow UTA to continue to provide safe, reliable, and user-friendly transportation. This budget includes small increases in rail services while continuing to pursue the Capital Development Plan and maintaining financial viability. Major issues that affect this budget are the national and local economy, sales tax, ridership and fare box revenues, cost of fuel and utilities, employee wages and benefits, and the availability of federal funding. The 2007 budget is based on maintaining service in the face of increases in diesel fuel costs in bus service and electrical power costs for light rail vehicles. The 2007 budget also includes an expansion of light rail service to four-car trains in the peak periods made possible by the acquisition of used light rail vehicles from Valley Transit Authority in San Jose, California. UTA will continue to provide the same high-quality service throughout its system while planning for and designing commuter rail systems as well as additions to its current light rail system

Operating Revenues

Operating revenues for 2007 are expected to reach \$238.9 million or an increase of 18.6% over projected revenues for 2006. The largest source of operating revenue is a local option sales tax which is expected to reach \$178.9 million in 2007. This represents a 6.5% increase over projected 2006 sales tax revenues which an additional \$36.5 million from the approved referendum for a sales tax increase in Salt Lake and Utah counties for funding of additional transit programs. This growth in sales tax is based on the Council of Economic Advisors' estimate of Utah taxable retail sales growth CY07 to be approximately 6.5% and UTA compound annual growth rate since 2002 to 2006 at 6.58%, also considered is UTA's collections during 2006 through November at 14.3% increase over the same time period in 2005.

Passenger revenues are expected to grow by \$1.7 million representing an increase of 7% for total passenger revenues of \$25.5 million. This increase will be a result of a 5% increase in ridership over 2006 projected ridership and increases in rates charged for fares.

Federal transit funds for Preventative Maintenance which are used to offset operating costs are expected to remain about the same in 2007 with about a \$1 million increase. The Authority is projecting \$2 million decreases in investment income due to bonding revenue currently being held for Commuter Rail construction cost, advertising revenue and other income during 2007 are expected to increase slightly over 2006 projected revenues.

Operating Expenditures

Net operating expenses for the Transit Authority will be \$151.2 million in 2007 representing an increase of almost \$12.6 million or 9.1% over 2006 projected. Bus operations will increase by \$3.3 million to over \$75.1 million annually. This increase in cost is due primarily to rising fuel as well as increased labor and health care costs. Light rail service in 2007 will cost the Authority approximately \$18.8 million which represents an increase of 13.6%, just under \$2.3 million. This increase is due primarily to expanded service during the peak period to four-car trains along with increasing costs in propulsion power and rising labor and health care costs. Paratransit service will increase \$1 million or 8.2% to over \$13.8 million dollars annually. This increase is necessary to meet the rising demand for service to the transit disabled community and increasing costs as mentioned above for bus service. Increasing costs of utilities, wages and health care account for a 12.5% increase in Operations Support expenses. General and Administrative expenses are increasing by 19.2% or \$3.5 million to \$21.5 million. The major items affecting this increase are support employees and contracted services previously charged to capital projects are now operating expenses, vacant positions are being filled, increases in wages and health care costs, there will be major community campaigns such as the Salt Lake Bus Master Plan and Electronic Fare Collection, a redistribution of telephone expenses from Operational Support to Administration and an employee involvement program (VIP) through out the company.

Major Investment Studies

The cost for major investment studies will reach over \$3.9 million in 2007. These costs represent planning, environmental and design work for commuter rail service between Provo and Salt Lake City, as well as planning and environmental work associated with the advancement of the light rail extensions included in Phase I of the Long Range Transportation Plan. The cost for these studies will be offset by approximately \$1.7 million in federal grants or from local contributions as well as capitalization of expenditures.

Debt

The Authority expects to issue \$130 million in new debt during 2007. At the end of 2007, the Authority's outstanding debt will be comprised of the 2002 A Bonds, the 2005 A Refunding Bonds, the 2005 B Bonds, the 2006 A & B Bonds, the 2006 C Refunding Bonds, and the new 2007 bonds, with a total outstanding principal balance of \$652,680,000. Principal and interest payments on the Authority's debt portfolio are estimated (the 2006 A & B Bonds are variable rate bonds) at \$35.4 million in 2007.

Capital Expenditures

The Authority's capital projects in 2007 are budgeted to reach \$448 million. The largest items in the capital program are the expenditures of approximately \$192 million for commuter rail construction between Salt Lake City and Ogden, a light rail vehicle expansion program which consists of retrofitting and rehabilitating used light rail vehicles acquired from Valley Transit Authority. Other major capital projects include the acquisition of revenue vehicles which include 61 expansion and replacement buses, 27 vehicles for use in paratransit service and 99 rideshare vans. Capital projects also include implementation of an Intelligent Transportation System (ITS), repair and maintenance of the Authority's current operating facilities, replacement of maintenance equipment, the installation of additional security equipment and improvements in passenger amenities. Funding sources for capital expenditures includes \$121 million in current and expected future federal grants, \$130 million from debt issue, \$174 million (includes remaining 2005B Bond funds) from UTA reserves and \$22.8 million from other local sources. More details can be found in section 2.5, Budgeted Capital Expenditures.

Capital Replacement Program

The Authority addresses capital replacement cost over a 30 year period in the Transit Development Plan (TDP) and Budget in 3 areas: 1) Revenue vehicle replacement, 2) Rail modernization which includes Maintenance of Way and vehicle major and minor repairs and 3) Facility repairs.

Revenue Vehicles replacement: The plan uses UTA's Vehicle Performance Engineer projections for replacing vehicles for the next 5 years and is updated annually (2007 to 2011 currently in the plan), after that point in time we use a calculation in the model that considers number of vehicles in the fleet, average miles per vehicle, replacement of a vehicle after a given amount of time (currently using 13 years) and the escalated cost of a vehicle (currently we use 3% per year). The budget for replacement vehicles is based on the amount in the model for the budgeted year and updated during the budget process. Forecasted replacement cost for 2007 is \$32.4 million.

Rail Modernization: The plan has two components for maintenance cost, Maintenance of Way and Vehicle Major/Minor repair.

Maintenance cost for Maintenance of Way is based on current cost per fixed guide way mile (rail) times the number of miles in our system. This cost is escalated at 3% per year over the time frame of the model for inflation (generally what we have seen in the CPI). Over the next 25 years, UTA's fixed guide ways will be increasing and as new lines are added to our system we have included the additional miles in the MOW cost for them in future years. The budget for maintenance of way is based on the amount in the TDP model for the budgeted year and updated during the budget process.

Vehicle Major/Minor repair occur to our rail vehicles yearly depending on how old and how many miles the vehicle has been run. Because our system is fairly new and we are adding new lines, we do not have replacement of the vehicles built into the model at this point, only expansion vehicles which are included as part of the project cost.

Maintenance costs which have been estimated by our Rail Services Division for minor and major overhauls and escalated at 3% per year are included over the next 25 years. These costs are included in the model at various time points based on when vehicles by line have been purchased and the number of miles they run before requiring, per a maintenance schedule, to be overhauled (either as a minor or major overhaul). The budget for vehicle repairs is based on the amount in the model for the budgeted year and updated during the budget process

Facility Repair: The plan includes cost for capital facility repairs. These are items or projects that cost more than \$5,000 and have a useful life of 1 year or more. Traditionally we have included in our budget in this area, Major Office Equipment, and Facility Repairs. Over the last several years, UTA has used \$4 million dollars, escalated at 3%, to budget against in this area. This amount, escalated each year is included in the model through 2030. The budget for Facility Repairs is based on the amount in the model for the budgeted year and updated during the budget process.

Capital replacement as reflected in the budget

In the capital budget each project, item, or major repair is detailed then rolled up into its capital category these are: Revenue Vehicles, Rail, Information/Communication/ITS and Facility Maintenance.

One other major area is Major Strategic Priorities. Currently we have not separated a capital replacement equipment/repair line item in these areas, although they are covered in the Facility Repair and the Information/Communications/ITS area of the 2007 Budget and TDP with other program cost.

STRATEGIC AND FINANCIAL PLANNING PRIORITIES AND ISSUES

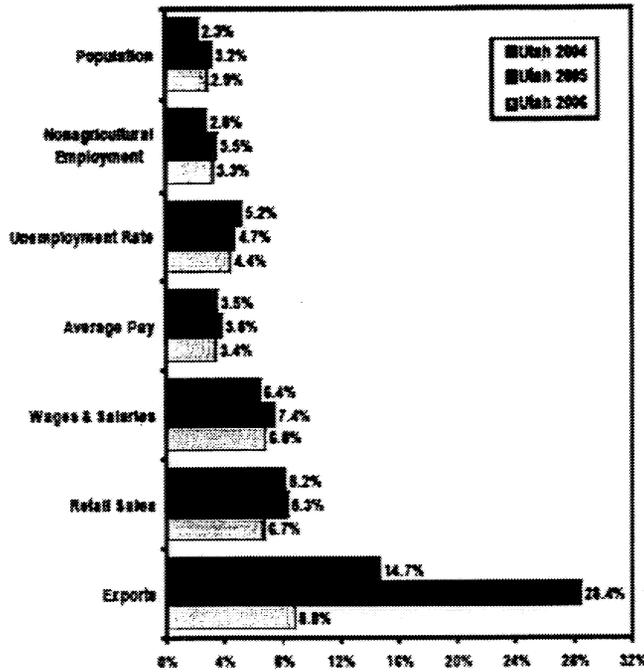
History of Building Quality Projects

With completion of the North South Line, University Line and Medical Center Extension, UTA has a track record for developing quality transit projects under budget and on schedule and continues to maintain a healthy financial picture. Construction on the Weber County to Salt Lake Commuter Rail (FrontRunner) is moving forward with an anticipated completion date in early 2008.

Strong Local Economy

In 2005 and 2006 the overall economic climate continued to improve with sales taxes and jobs having rebounded from two down years in 2002 and 2003. The economic health of the Wasatch Front and the State of Utah is excellent and is projected to continue to be strong out into the future.

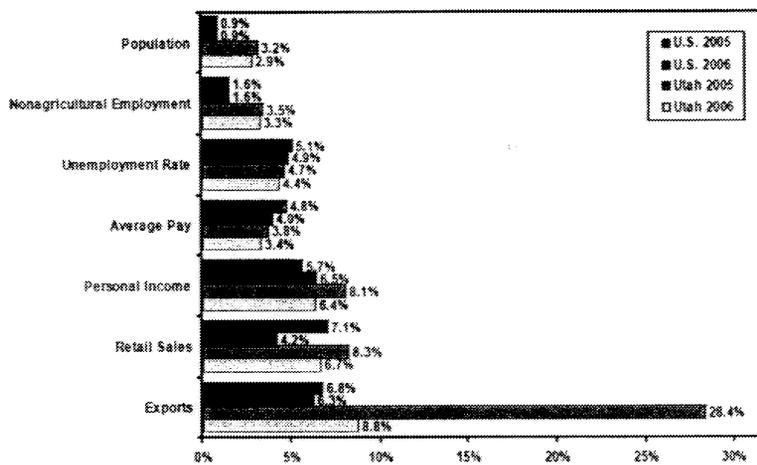
Figure 2 Utah Economic Indicators: 2004-2006



The 2006 Economic Report to the Governor documents the economy of the state of Utah continued a strong growth pattern started in 2004. As noted in Figure 2, all economic indicators were positive for 2005 and 2006; population and employment have increased as well as improvement in wages and retail sales. Figure 3 is a comparison of local economic indicators vs. nation. Utah is performing better in most categories. In the State of Utah, employment growth was primarily in construction, professional and business services, and defense.

Figure 3

Comparison of Utah and U.S. Economic Indicators: 2005 Estimates and 2006 Forecasts

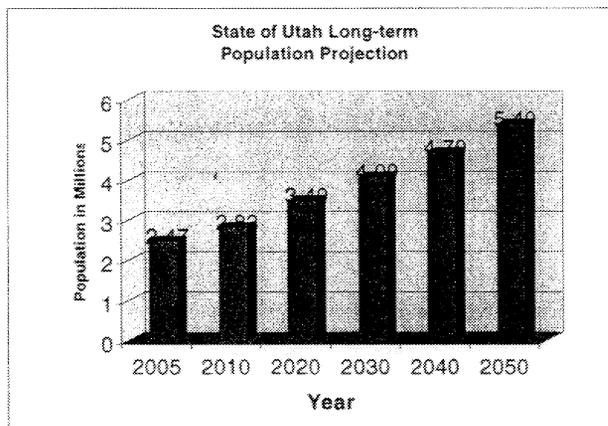


Source: State of Utah Revenue Assumptions Committee, Moody's Economy.com, and Global Insight

The State of Utah has had a history of strong economic growth over the last 30 years. Evaluation of the demographic data shows this trend can be expected to continue into the future. As noted in Figure 4, population is projected to grow

for the coming decades, with a population of 5.4 million by 2050. Consistent population growth will help sales tax revenues grow at a metered pace into the future. Roughly 2/3 of the projected population growth is from natural increase rather than in migration.

Figure 4



The age structure and fertility rates drive population growth, which will also contribute to enhanced sales tax growth. The average age in Utah is 27.9 vs. 35.9 nationally. This difference shows there are more people in the age cohort that are making significant purchases. Finally, as noted in Figure 5 consistent economic growth and sales tax growth is fueled by the fact that, despite the young

population, the State of Utah ranks 5th in educational attainment levels.

Figure 5

Significant Utah Rankings						
	State Rank	Value	Year	State Rank	Value	Year
Demographic				Economic		
Population Growth Rate	5th	2.0%	2004-2005	Rate of Job Growth	6th	2.8%
Fertility Rate	1st	2.56	2002	Urban Status	9th	88.3%
Life Expectancy	3rd	78.6 years	2000	Unemployment Rate	25th	5.2%
Median Age	1st	27.9 years	2004	Median Household Income	11th	\$50,614
Household Size	1st	3.07 persons	2004	Average Annual Pay	36th	\$32,171
Social Indicators				Per Capita Personal Income		
Violent Crime	8th	236.0 per 100,000 people	2004	46th	\$26,946	2004
Poverty Rate	9th	9.6%	2002-2004			
Educational Attainment	5th	91.0% of persons 25+ w/ high school degree	2004			

Notes: 1) Rankings are based on the most current national data available for all states, and may differ from other data.
2) Rank is most favorable to least favorable.

Utah and U.S. Nonagricultural Employment by Industry: 2005

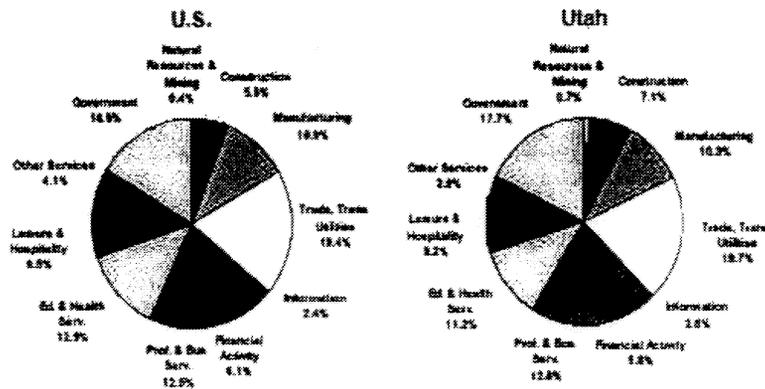
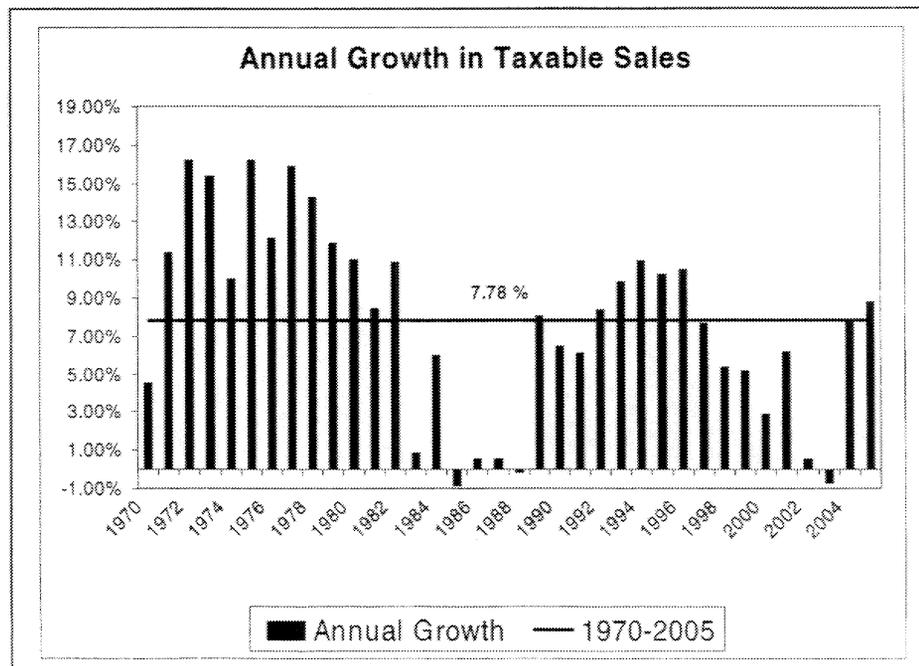


Figure 6

As noted in Figure 6, Utah has a diverse economy with no over-concentration of jobs in any area. This internal diversification of job types helps to ensure that downturns in any one sector do not have a significant adverse impact on the overall economic conditions. For reference, over 80% of the population of the State of Utah resides in the UTA service area.

Figure 7



Sales Tax Growth Assumptions

As noted in Figure 7, from 1970 to 2005 the average annual growth in taxable sales for the UTA service district was 7.78%. In the system-wide financial plan UTA has assumed a more

conservative sales tax growth rate of 5.5%. To test the sensitivity of the financial plan two scenarios with three sub scenarios were developed and tested. In the scenarios tested projected capital and operating costs were increased for the Mid Jordan. Test show UTA can absorb increases in both operating and capital costs without adversely affecting the existing bus and rail systems. Cost increases are absorbed by delaying future uncommitted capital projects or by reducing the rate of bus service expansion.

Improve Overall Bus Fleet Age

Current average bus age is seven years. UTA has developed a schedule to replace a significant number of buses over the next five years. This has been budgeted in the UTA financial plan. As a result of the planned bus purchases, the average bus fleet age improves to five years.

TRANSIT DEVELOPMENT PLAN AND THE FIVE YEAR OPERATING AND CAPITAL PROJECT BUDGET SUMMARY

The long-term Financial Plan for UTA, known as the Transit Development Plan (TDP), was developed in 2002 and is updated annually or as needed. The Plan covers the current time period through the year 2030. The Plan's frame work is based on the TDP model which includes rates, calculations, estimates and actuals for both Operating and Capital Projects/Programs. The model is basically a cash flow model developed so UTA may use it for sensitivity analysis and budgeting. We also use it for testing various programs and projects, ideas, financing and goal development.

The model has two major components, know as the Primary Plan and the 2030 Plan. The Primary Plan is based on the current Operating and Capital budget with known projects through the year 2030. Updating the Primary plan is one of the first steps in our budget process. The 2030 Plan is based on the Primary Plan but has additional transit projects developed with Utah's Metropolitan Planning Organizations.

A five year Operating Budget Summary and Capital Project Budget Summary has been developed using the Transit Development Model. Strategic and Financial Planning Priorities and Issues described above are included in this model. The planning/financial model summary pages that are provided are based on the current approved budget as shown in this Budget Document with no new Sales Tax increases. The Five Year Operating Budget Summary can be found in Section 2.3 - Summary of Expenditures. The Five Year Capital Project Summary can be found in Section 2.5 – Budgeted Capital Expenditures. These Summaries drive future year budgeting processes, and are updated based on approved budgets each year.

CONCLUSION

The 2007 Operating Budget includes funds which are essential to maintain the system which include: Software Licenses, increased Insurance cost, Support personnel who were previously charged to capital now covered under operating expense, increased Utility cost; increased Parts cost, increased Administrative Medical Insurance cost, and increased Rail Service cost.

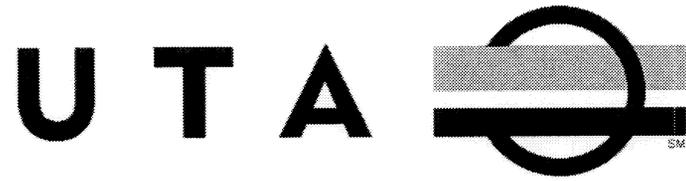
The addition of these costs has been offset by adjustments to the Operating Revenue which include: additional sales tax growth, increase in fares and the Salt Lake Bus Service Redesign.

UTA has adequate financial capacity and technical resources to construct and operate the Weber County to Salt Lake FrontRunner Commuter Rail Line, Mid Jordan and West Valley Light Rail Lines, Draper and Airport Light Rail Lines and other committed project, while continuing to operate and expand the existing transit system.

Best Regards,



John M. English
General Manager/CEO

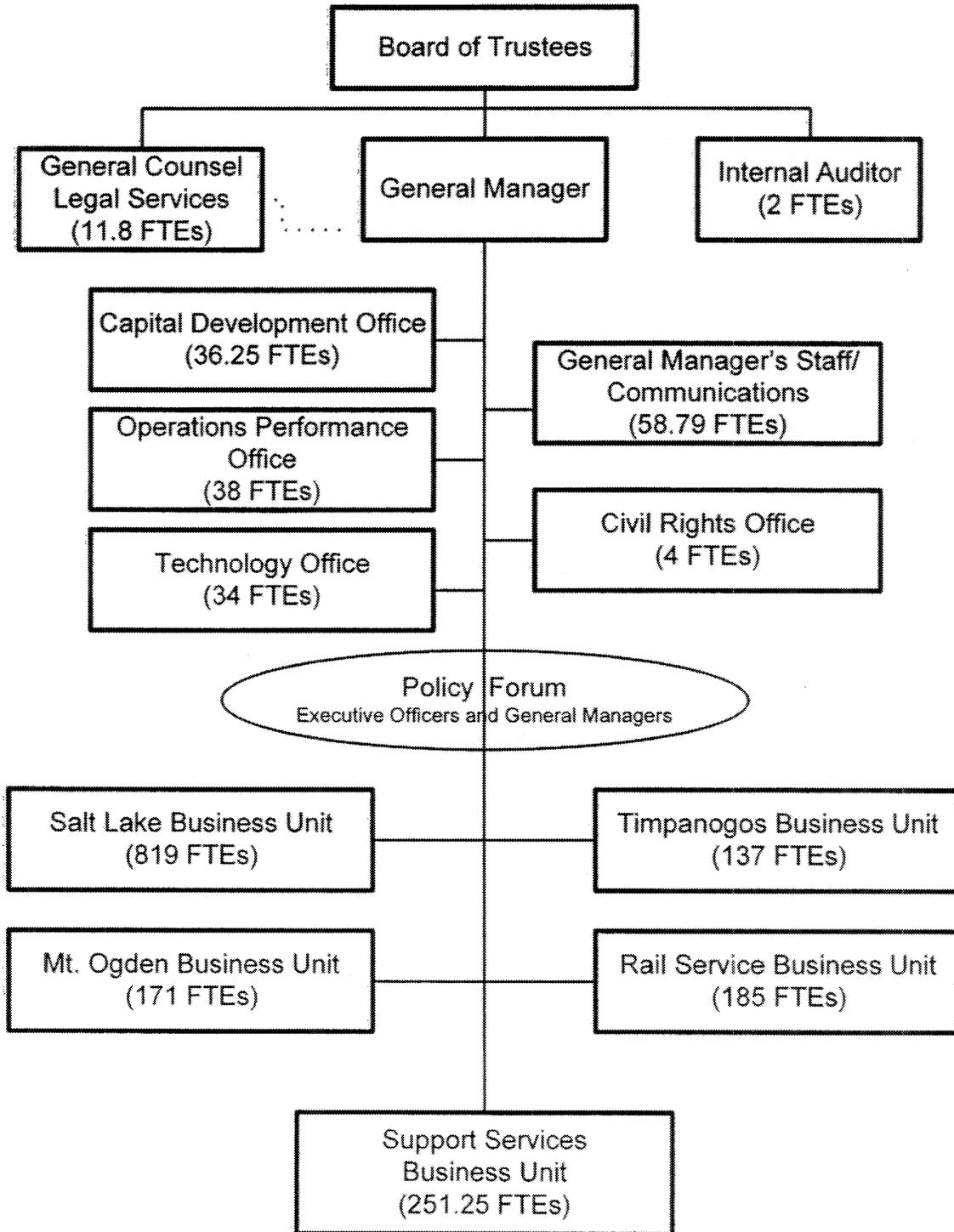


ORGANIZATION CHART



Utah Transit Authority

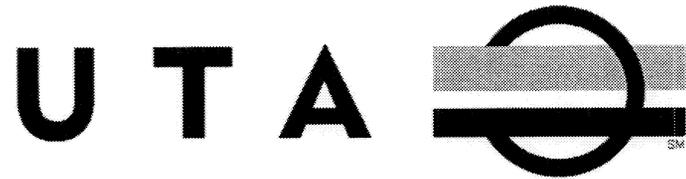
January 2007



**UTAH TRANSIT AUTHORITY
FULL-TIME EMPLOYEES (FTEs)**

	ACTUAL 2005	BUDGET 2006	ACTUAL 2006	BUDGET 2007
1300	INTERNAL AUDITOR	2	2	2
1400	GENERAL MANAGER	2	1	1
1500	GENERAL COUNSEL	9	6.5	6.8
1600	CIVIL RIGHTS	4	4	4
1800	TIMPANOGOS BUSINESS UNIT ADMIN	7	7	7
1900	MT. OGDEN BUSINESS UNIT ADMIN	7	7	7
2100	MEADOWBROOK BUS OPERATIONS	331	357	318
2200	TIMPANOGOS BUS OPERATIONS	100	117	97
2300	MT. OGDEN BUS OPERATIONS	120	125	119
2400	CENTRAL BUS OPERATIONS	189	162	167
2700	RADIO CONTROL	6	6	6
2800	SALT LAKE BUSINESS UNIT ADMIN	11	13	14
2900	RIVERSIDE PARATRAM OPERATIONS	113	118	107
3100	MEADOWBROOK BUS MAINTENANCE	94	97	93
3200	TIMPANOGOS BUS MAINTENANCE	28	28	27
3300	MT. OGDEN BUS MAINTENANCE	37	38	37
3400	CENTRAL BUS MAINTENANCE	51	53	52
3500	SUPPORT MAINTENANCE	30	31	30
3600	VEHICLE PERFORMANCE	6	7	6
3800	FACILITIES MAINTENANCE	37	41	39
3900	RIVERSIDE PARATRAM MAINTENANCE	26	26	27
4100	RAIL OPERATIONS	73	78	73
4200	RAIL VEHICLE MAINTENANCE	56	58	50
4400	MAINTENANCE OF WAY	31	31	31
4800	RAIL SERVICE BUSINESS UNIT ADM	5	6	5
5100	ACCOUNTING	17	17	17
5200	CHIEF TECHNOLOGY OFFICER	2	2	1
5210	TECHNOLOGY DEVELOPMENT	1	1	1
5220	TECHNOLOGY DEPLOYMENT	1	1	1
5240	TECHNOLOGY SUPPORT	1	2	3
5242	APPLICATION DEVELOPMENT	8	8	8
5244	NETWORK SUPPORT	8	9	9
5246	TELECOMMUNICATIONS	10	10	8
5300	RISK MANAGEMENT	0	4.5	4.0
5500	PURCHASING	22.5	22.5	24.0
5600	FINANCIAL SERVICES	13.55	13.55	13.51
5800	CENTRAL SUPPORT ADMIN	2	2	2
5900	ASSET MGT. & BUSINESS DEVEL.	8	9	7
6000	SECURITY	37.1	43.1	38.80
6200	PLANNING & PROGRAMMING	7	8	7
6300	OPERATIONAL RESEARCH & DEV	6	7	6
6400	PERFORMANCE INFORMATION	11.25	12	9.25
6700	CHIEF CAPITAL DEV OFFICER	2	2	2
6800	MAJOR PROGRAM DEVELOPMENT	15.25	18.25	18.25
7400	PUBLIC RELATIONS / MARKETING	11	11	9
7500	PRINT SHOP	3.5	3.5	3.50
7600	CUSTOMER SERVICE	36.37	36.64	35.79
7700	CHIEF COMMUNICATIONS OFFICER	2	2	2
7800	ORGANIZATIONAL DEVELOPMENT	1	1	1
7801	BOARD COORDINATION	2	2	2
7802	STRATEGIC THINK TANK	3	3	3
7900	VAN POOL	5	6	4
7901	RIDESHARE SERVICE - TIMP	1	1	1
7902	RIDESHARE SERVICE - OGDEN	1	1	1
7903	RIDESHARE SERVICE - SALT LAKE			2
9100	WORKFORCE SERVICES	5	5	5
9200	TRAINING	24	25	35
9300	CHIEF PERFORMANCE OFFICER	2	2	2
9400	HUMAN RESOURCES	13	13	13.0
9500	SAFETY / ENVIRONMENT	6	6	6
		1663.52	1730.54	1629.1
				1749.09

	ACTUAL 2005	BUDGET 2006	ACTUAL 2006	BUDGET 2007
GENERAL COUNSEL	9	11	9	11.8
INTERNAL AUDIT	2	2	2	2
GENERAL MANAGER	2	2	1	1
CIVIL RIGHTS	4	4	4	4
GM STAFF / COMMUNICATIONS	19	19	52.79	58.79
CAPITAL DEVELOPMENT	32.25	37.25	34.25	36.25
TECHNOLOGY OFFICE	31	33	31	34
OPERATIONS PERFORMANCE	36.25	39	34.25	38
SALT LAKE BUSINESS UNIT	826	838	790	819
TIMPANOGOS BUSINESS UNIT	136	153	132	137
MT. OGDEN BUSINESS UNIT	165	171	164	171
RAIL SERVICES	165	173	159	185
CENTRAL SUPPORT	236.02	248.29	215.81	251.25
Total	1663.52	1730.54	1629.1	1749.09



**STRATEGIC PLAN & PERFORMANCE
GOALS, MEASURES, AND CORPORATE
OBJECTIVES**

UTAH TRANSIT AUTHORITY

Strategic Plan

The strategic plan will provide direction for UTA, defining where UTA wishes to be in five years and how to conduct day-to-day business to get there. As a living document, the strategic plan will be reviewed and updated regularly, taking into consideration UTA's accomplishments, challenges to creating change, and changing conditions in the Wasatch region. The strategic plan is also a critical element in the implementation of the transit elements of the regional long range plans.

UTA's strategic planning process is influenced by internal and external factors:

- The multiplicity of modes that UTA operates includes bus, light rail, Paratransit, vanpool and soon, commuter rail.
- UTA's previous successes in acquiring the funds and delivering the projects in the capital program, the additional funding that will be required to expedite the regionally-approved 2030 Transportation Plan, and on-going operating costs.
- Internal drivers such as the mission statement, ends policies, executive limitations policies, and implementation of ISO 9001 and 14001.
- External pressures, which include the Legislature's interest in UTA's governance, cost drivers such as oil prices, and environmental concerns.

The strategic planning effort has defined and aligned UTA's mission, vision and goals.

UTA's Board of Trustees redefined UTA's mission, developed a vision and defined goals for the organization.

MISSION
UTA strengthens and connects communities enabling individuals to pursue a fuller life with greater ease and convenience by leading in partnering, planning and wise investment of physical, economic and human resources.

VISION
Provide an integrated system of innovative, accessible and efficient public transportation services that contribute to increased access to opportunities and a healthy environment for all people of the Wasatch region.

The Policy Forum provided input to the visioning and goal-setting process, worked with staff to identify performance measures, and will be responsible for implementation of the strategic plan.

Drawing on the various viewpoints and expertise in the organization, 60 employees were asked to serve on Employee Action Teams which helped identify balanced performance metrics to be used in assessing achievement of each of the goals.

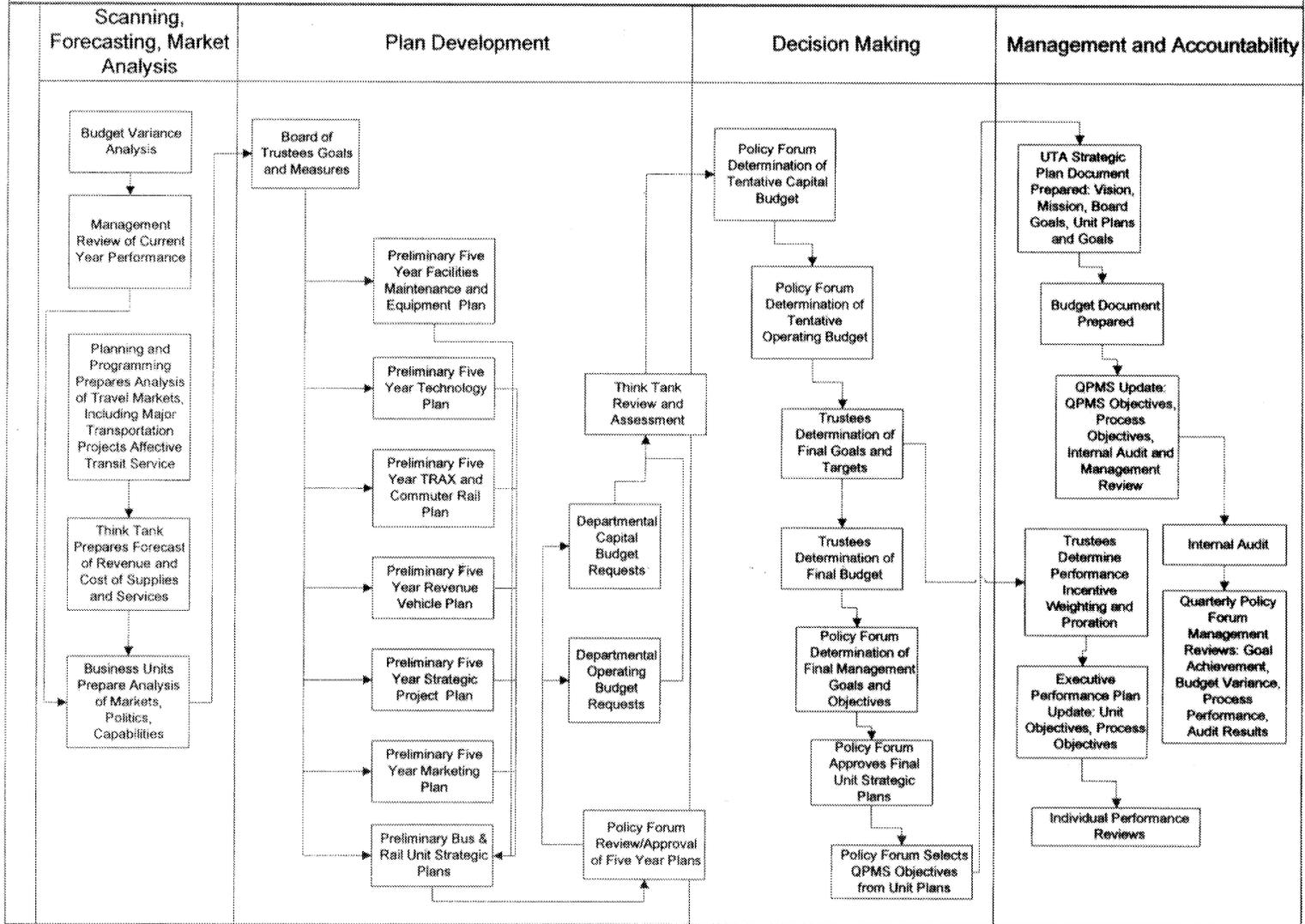
Action plans were developed by each of the business and corporate units. The plans define the initiatives each unit intends to pursue to support the achievement of the agency's mission, vision and goals.

Each unit defined its own action plan through an iterative process:

- Unit staff met and identified action plans for each of the four agency-wide goals. In some cases, staff identified actions for other units.
- Unit executives reviewed and made changes to the actions proposed in the staff meetings.
- Strategic planning generally and unit initiatives and action plans specifically were discussed in more detail in subsequent meetings with each unit executive. Following those meetings, directors provided one more revision to their action plans.
- The Booz-Allen consulting team reviewed all unit action plans with the Chief Performance Officer, who provided further insights and context for specific initiatives. The resulting action plans were discussed with the Policy Forum.
- The unit action plans provided in this strategic plan include changes recommended by the Policy Forum.

In order to continue this strategic planning process, a procedure was developed which describes how the steps of the process will be completed each year in conjunction with five-year service plans, capital budgeting, transit development plan (TDP) modeling, and performance review. The following chart summarizes the integrated strategic planning process UTA will follow beginning in 2007.

Strategic Planning – Budgeting – Performance Management Process



BOARD GOALS

Based on the new Mission Statement, the Board created broad agency-wide goals. The recommended goals incorporate the concept of sustainability and include measures to evaluate success. The following four goals adopted by the Board reflect the broadened role that the Board sees for UTA into the future.

1. Increase public transportation connections and mobility across the Wasatch region.
2. Support and contribute to the long term economic, environmental and social sustainability of the region through balanced transportation that encourages wise land use.
3. Achieve long term viability of public transportation services by maintaining cost, revenue and environmental performance effectiveness.
4. Execute the major projects in the long range regional plans plus additional strategic projects in an efficient and timely manner.

PERFORMANCE GOALS, MEASURES, AND CORPORATE OBJECTIVES

Goal #1: Increase public transportation connections and mobility across the Wasatch region

Measures: Ridership 2007 Target = 5% increase over 2006 annual

Transit Trips per Capita 2007 Target = 19.31 (2/7% Increase over 2006)

Supporting Corporate Objectives:

- ◆ Implement Salt Lake Business Unit Transit Master Plan by August 31, 2007.
- ◆ Improve bus reliability by 10% by December 2007. Fourth quarter 2007 reliability is 10% higher than fourth quarter 2006 reliability.
- ◆ Evaluate “The Lift” and “city van” service for continuation and application to other areas by October 1, 2007.
- ◆ Complete construction of rail/bus paint booth by October 31, 2007.
- ◆ Develop a plan and schedule for full deployment of Electronic Fare Collection System (EFC) by December 31, 2007. Organize a consortium for EFC purchasing by December 31, 2007.

Goal # 2: Support and contribute to the long term economic, environmental and social sustainability of the region through balanced transportation and encourages wise land use

Measures: Vehicle miles traveled per capita: 2010 target = 8100 (2005 level)

**Growth in residents and employment within ½ mile of a major transit stop:
2010 target = under development**

Supporting Corporate Objectives:

- ◆ Initiate at least one joint development project of UTA project to increase ridership or revenue by December 31, 2007.
- ◆ Through continuing collaboration with Wasatch Front Regional Council (WFRC) Regional Growth Committee, Envision Utah, and the Utah Quality Growth Commission, work with at least two cities to develop short to mid-term transportation and land use plans consistent with Wasatch Choices 2040 by December 31, 2007.
- ◆ Update “Planning Communities with Transit” guidebook consistent with Wasatch Choices 2040 and disseminate to cities and counties within the transit district by December 31, 2007.

Goal #3: Achieve long-term viability of public transportation services by maintaining cost, revenue and environment performance effectiveness

Measures: Operating investment per rider: 2007 target = \$3.10

Total investment per rider: 2007 target = \$4.33

Supporting Corporate Objectives:

- ◆ By December 31, 2007, calculate current and historical UTA "Energy IPR," establish a long term improvement target and specific improvement strategies such as:
 - Electricity conservation
 - Continued/enhanced idling reduction program
 - Vehicle technology
 - Intermodal system optimization
 - New facility design and construction
- ◆ Develop and implement enhancements to budget process by July 2007
- ◆ Complete a comprehensive analysis and reengineering of employee attendance management systems by December 31, 2007. Decrease incidents of unscheduled absences of non-exempt employees by 5% by December 31, 2007.
- ◆ Complete purchase of Salt Lake Central Business District administrative and bus operating facility by July 31, 2007.
- ◆ Identify and begin implementation specific leadership development activities for each manager level employee by May 31, 2007.

Goal # 4: Execute the major projects in the long range regional plans in an efficient and timely manner

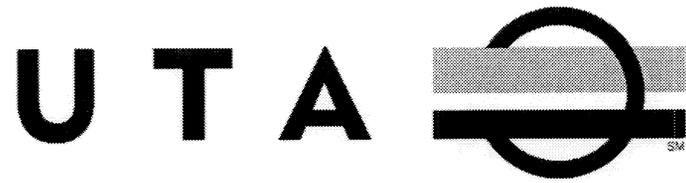
Measures: Complete *FrontRunner* construction by May 2008 under \$611 million

Complete Salt Lake Intermodal TRAX extension construction by May 2008 and under final budget

Begin West Valley Bus Rapid Transit (BRT) service by April 2008

Complete Electronic Fare Pilot by April 2007

Revenue Development: 2007 target = \$90,423,000



BUDGET PROCESS

THE BUDGET PROCESS

This section describes the process for preparing, reviewing and adopting the budget for the coming fiscal year. It also includes procedures for amending the budget after adoption and the process used in developing the capital budget. A budget calendar for the budgeted year 2007 is included at the end of this section.

Budget Process: A standing committee appointed and designated by the Board shall be responsible for development of the annual budget of the Authority. Currently the assignment for the development of the budget has been assigned to the Board's Planning & Development Committee. The General Manager and Treasurer, with the advice and counsel of the appointed committee, shall prepare annually a preliminary budget for the ensuing year including operation, maintenance, administration expenses, debt service and capital expenditures.

The process starts yearly in May with an initial development of short-term strategies for the upcoming year by the Board Planning & Development Committee and Staff Directors. By August the Planning Committee is presented with the 2007 Goals Categories. During this time the General Manager's Staff is assessing federal funding, economics, taxes, labor and political trends and developing a revenue projection based on this information.

During September the General Manager's Staff develops the budget preparation instructions. UTA staff reviews current projects, capital equipment needs and pending orders.

The General Managers Staff meets with each Business Unit Manager / Department Officers and Managers to present the Capital Budget Preparation Instructions and reviews guidelines for preparing the Departments Operational Guide and Capital Equipment Request.

In September the General Managers Staff develops preliminary budgets based on the Board's approved End Policies. The General Managers Staff then presents the Operating Budget Preparation Instructions and preliminary budget to the Staff Directors and their managers for reviews and modifications.

After the departments finalize development of Goals, Achievement and Priorities, each department prepares an operating budget and capital needs request, consistent with and linking to the End Policies. The Policy Forum then reviews the items. Capital items that are requested will be added to the Capital Budget based on need (as determined by the Policy Forum) and funding available through the Capital Reserve Fund and any grant funding that may be available.

During November the Policy Forum and the Board's Planning & Development Committee review the preliminary budget. Preparation of the Budget Document and presentation of the tentative budget to the Board is made. Once the tentative budget is approved by the Board, it is sent to the Governor's Office, State Legislature and Local Governments for a 30 day comment period. The General Manager's staff makes recommended changes based on comments, as directed by Board of Trustees and prepares the Final Proposed Budget Document. This is then forwarded the Board Planning Committee for review. In December the Final Proposed Budget Document and any changes to the Budget are made for final approval at UTA's Board Meeting.

Adoption of Annual Budget: Before the first day of each fiscal year, The Board shall adopt the annual budget by a vote of a quorum of the total Board. If for any reason the Board shall not have adopted the annual budget on or before the first day of January of any fiscal year, the preliminary budget for such year shall be in effect for such fiscal year until the annual budget is adopted.

Please refer to the 2007 UTA Budget Preparation Schedule at the end of this section.

Amendment of Annual Budget: The Board may, by a vote of a quorum of the total Board at any duly-held regular, special or emergency meeting, adopt an amended annual budget when reasonable and necessary, subject to contractual conditions or requirements existing at the time the need for such amendment arises.

Accounting and Budget Basis: Every preliminary budget shall set forth a statement of the sources of funds and estimated revenues available to defray expenditures. The basis of the budget shall be the same for all funds as the basis of accounting, which currently is the accrual method.

Note:

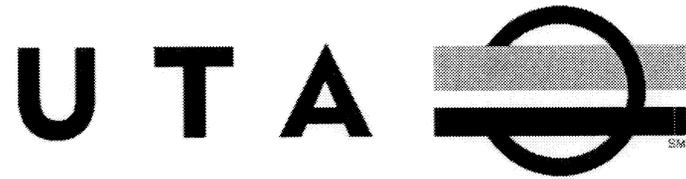
1. The Authority reports as a single enterprise fund and uses the accrual method of accounting and the capital maintenance measurements focus. Under this method revenues are recognized when they are earned and expenses are recognized when they are incurred.
2. The Authority does not budget depreciation.

2007 UTAH TRANSIT AUTHORITY BUDGET PREPARATION SCHEDULE

Updated 10/6/06

<u>TASK</u>	<u>COMPLETION DATE</u>
Present Preliminary TDP Model, Economic Factors and determine Budget Schedule at the Policy Forum.	5 June 2006
Policy Forum develops Preliminary 2007 Goals.	5 June 2006
Present Preliminary TDP Model, Economic Factors to Board Planning & Development Committee, also Committee to approve 2007 – 2011 Goal Categories.	7 June 2006
Policy Forum meets to assess federal funding, local economics, taxes, labor and political trends. Discuss assumptions for revenue and ridership projections for 2007. Business Units present Strategic Plans. Reviews updated TDP Model prior to presentation to Planning and Development Committee.	11 July 2006
Present Preliminary TDP Model to Planning & Development Committee, this includes 2006 - 2007 revenue and ridership forecast to date. Planning & Development Committee accepts TDPM as starting point of the Budget Process.	9 August 2006
Capital Budgeting Area Officer to present 5 year Strategic Plans at the Policy Forum	14 August 2006
GM Staff presents <u>Capital and Operating Budget Preparation Instructions</u> to Business Unit Directors and meets with each Group to review guidelines for budget development, department <u>Operational Goals and Objective Statements</u> and <u>Capital Equipment list</u> .	23 August –31 August 2006
Capital budget request by category with analysis of the appropriate criteria, statement of project outcomes and identification of project manager are returned to GM Staff for ranking by category.	7 September 2006
Preliminary Operating budget request from departments due back to GM Staff.	11 September 2006
Planning & Development Committee to review and establish Goals, Measures, and Targets. All Board of Trustee members invited.	13 September 2006
Directors finalize development of Department Overview, return to GM Staff.	18 September 2006

Policy Forum evaluates capital programs and projects, refines allocation across capital categories (if necessary) and assigns allocation and project responsibility to Business Unit. Review of Operating budget request and makes any required revisions.	25-26 September 2006
Draft Budget accepted by Policy Forum	2 October 2006
GM Staff prepares pre-approved tentative budget document and mails to Board Planning Committee.	13 October 2006
Review of 2007 Tentative Budget and Goals by Board Planning Committee. All Board of Trustee members invited.	20 October 2006
Incorporate any changes per Planning Committee and emails to Board of Trustees.	23 October 2006
Presentation of 2007 Tentative Budget and Goals to Board and copy of 2007 Tentative Budget sent to Local Governments, State Legislature and Governor's office of Planning and Budget. Confirmation of Goals and TDP at Board meeting.	25 October 2006
Budget Review and Comment Period.	25 October thru 27 November 2006
Receive Comments at Board Meeting.	15 November 2006
GM Staff makes recommend changes based on comments, as directed by Board of Trustees, prepares final Budget Document.	16 thru 22 November 2006
Mail Final Budget Document to Board Planning Committee.	22 November 2006
Collect any additional comments for review at Board Planning Committee Meeting.	28 November 2006
Review of Final Budget Document by Board Planning Committee.	29 November 2006
Incorporate any changes per Planning Committee and mail to Board of Trustee.	6 December 2006
Presentation of the Proposed Final Budget Document and Goals to Board.	13 December 2006
Prepare, print and distribute Budget Document to Policy Forum, Board and Operating departments.	January 2007



FINANCIAL POLICIES

Financial Information and Policies

Internal Control

Organization

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

Reporting Entity

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

The Authority does not raise or hold economic resources for the direct benefit of a governmental unit and third party governmental units do not have the ability of access economic resources held by the Authority. This is evidenced by the fact that the Authority is a legally and fiscally separate and distinct organization under the provisions of the Utah Code.

Summary of Significant Accounting Policies

Basis of Accounting

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

Classification of Revenue

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

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

Sales Tax Revenues

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

Cash and Cash Equivalents

Cash equivalents include amounts invested in a repurchase agreement, Certificates of Deposit and the Utah Public Treasures' Investment fund, including restricted and designated cash equivalents.

Receivables

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

Parts and Supplies Inventories

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

Property, Facilities, and Equipment

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

Compensated Absences

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

Risk Management

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

The Authority is self-insured for public liability and property damage claims. The Authority also operates a self-insurance program for its Workers' Compensation claims. The Authority maintains a staff of qualified and licensed claims adjusters to carry out its program. Claims are paid with general operating revenues of the Authority and are reported as an administrative expense. The Authority has established a Risk Contingency Fund that is Funded at \$6.1 million as of December 31, 2005.

Investments continued

investment company registered with the Securities and Exchange Commission subject to certain portfolio restrictions; guaranteed loans to college students; certain secured debt of public housing authorities and the Utah Public Treasurers' Investment Fund. A major portion of the Authority's investment is currently in the Utah Public Treasurers' Investment Fund. The investment activity of this fund is governed by the Utah Money Management Act. Income from the fund is allocated to the Authority based on its pro rata share of the total earnings in the fund.

Employee Benefit Plans

Pension Plans

On January 1, 2003, UTA merged the Administrative Employee Retirement Plan into the Hourly Employee Retirement Plan. The combined Utah Transit Authority Employees Retirement Plan is a single employee 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. Amendments to the plan are adopted by a resolution of the Authority's Board of Trustees.

Specific UTA Board of Trustees by-laws on Budget and Financial Polices follows:

UTA Board of Trustees By-laws
Budget and Financial Policies
Article VI
Section 2 Budget Process

A standing committee appointed and designated by the Board shall be responsible for development of the annual budget of the Authority. The General Manager and Treasurer, with the advice and counsel of the appointed committee, shall prepare annually a tentative budget for the ensuing year including operation and maintenance expenses, debt service and any provisions for capital expenditures. In the preparation of each such tentative budget, the classifications and divisions into which such budget shall be divided shall comply with the requirements of any relevant contract, generally accepted accounting principles, or as otherwise provided by the Act or other laws. Any tentative budget may set forth such additional material as the Board may determine. Every tentative budget shall also set forth a statement of the source of funds and every tentative budget shall be based on a five (5) year financial plan.

Article VI
Section 3 Adoption of Annual Budget

Before the first day of each fiscal year, the Board shall adopt the annual budget by an affirmative vote of a majority of all members of the Board. Copies of the annual budget shall be filed in the office of the Authority and with the designated state officials in compliance with the Act and other laws. If for any reason the Board shall not have adopted the annual budget on or before the first day of January of any fiscal year, the preliminary budget for such year, if approved in conformance to any contract or formal action of the Board, shall be deemed to be in effect for such fiscal year until the annual budget for such fiscal year is adopted.

Article VI
Section 4 Amendment of Annual Budget

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

UTA Board of Trustees By-laws
Budget and Financial Policies
Article VI
Section 5 Appropriations

- (A) 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 budget. The General Manager will inform the Finance and Operations Committee of any changes to any line items within the operating expense categories and any changes to any line items within the capital expenditures categories of the approved operating and capital budgets that exceed 1% of the line item to be changed, even if there is no net increase to the overall operating and capital budgets. The General Manager may approve all revisions to departmental budgets or between departmental budgets without reporting such changes to the Board, provided that the revisions do not result in any changes to the net operating expense line or total operating revenue line of the Authority's operating and capital budget.
- (B) The revenue the Authority, as estimated in the annual budget and as provided for in any tax provision or other revenue and borrowing resolutions, shall be allocated in the amounts and according to the funds specified in the budget for the purpose of meeting the expenditures authorized.
- (C) The Board may make an appropriation to and for one or more contingency funds to be used only in cases of emergency or unforeseen contingencies.

Article VI
Section 6 No Contract to Exceed Appropriation

Except as otherwise provided in these Bylaws, neither the Board nor any officer or employee shall have authority to make any contract, or otherwise bind or obligate the Authority to any liability to pay any money for any of the purposes for which provisions is made in the approved budget in excess of the amounts of such budget for any such fiscal year. Any contract, verbal or written, contrary to the terms of this section shall be void ab initio, and no Authority funds shall be expended in payment of such contracts

UTA Board of Trustees By-laws
Budget and Financial Policies
Article VI
Section 7 Contingencies

- (A) In the case of an emergency which could not reasonably have been foreseen at the time the budget was adopted, the Board may authorize the expenditure of funds in excess of budgeted expenses, by an affirmative vote of all the members of the Board. Such resolution shall set forth in full the facts concerning the emergency.
- (B) In any year in which the budget has been filed with designated officials in compliance with the Act or other laws, a certified copy of the budget shall be filed

Utah's Debt Enabling Statue for Independent Special Districts (UTA)
17A-2-1035 Limitation on indebtedness of district

Districts may not incur any indebtedness, which exceeds in the aggregate 3% of the fair market value of all real and personal property in the district (see Budget Document Section 2.6). Within the meaning of this section, "indebtedness" includes all forms of debt which the district is authorized to incur by this part or by any other law. Bonds issued that are payable solely from revenues derived from the operation of all or part of the district facilities may not be included as indebtedness of the district for the purpose of the computation.

Executive Limitations Policy No. 2.3.2 Financial Conditions and Activities

Financial conditions and activities shall not incur financial jeopardy for Utah Transit Authority ("Authority"), nor deviate from the Board's Ends policies. Accordingly, the General Manager shall not:

1. Incur debt for the Authority in an amount greater than provided by the approved budget.
2. Use any long term reserves except for Board objectives.
3. Generate less than the annually-budgeted amount of Available Funds.
4. Acquire, encumber or dispose of real property in excess of \$100,000 without prior Board Approval.
5. Make contributions from Authority funds except for purposes that enhance the objectives of public transit.
6. Violate laws, regulations, generally accepted accounting principles (GAAP), rulings or policies regarding financial conditions and activities.

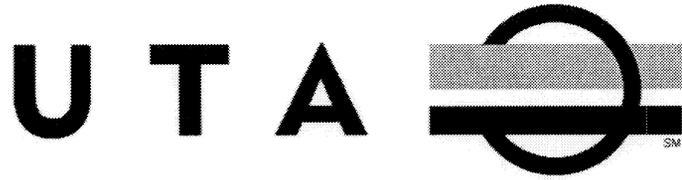
Executive Limitations Policy No. 2.3.3 Budgeting

Budgeting for any fiscal year or the remaining part of any fiscal year shall not deviate materially from the Board's Ends priorities, risk fiscal jeopardy, or fail to be derived from the five year plan. The authorities' balanced budget includes specific limiting conditions listed below which the General Manager shall not:

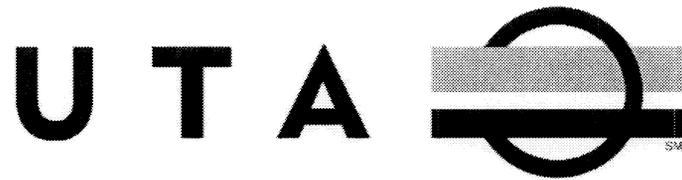
1. Fail to include credible projections of revenues and expenses, separation of capital and operational items, cash flow, and disclosure of planning assumptions.
2. Plan the expenditure in any fiscal year of more funds than are conservatively projected to be available in that period.
3. Budget for current liabilities to exceed current assets, subject to targeted working capital reserves of one twelfth of the annual budgeted operating expenses plus one percent of the an annual budgeted operating expenses, with minimum required working capital reserves of 4.5% of forecasted annual sales tax revenues.
4. Fail to establish adequate cash reserves for: debt service reserve funds, debt service funds, risk contingency funds for the Authority's self-insurance program, reserve funds as may be required by law or by contract, or other specific purpose funds as directed by the Board.
5. Fail to budget to meet all bond covenants and debt obligations.

6. Fail to budget funds less than are necessary for the successful, efficient, and prudent operation of the Utah Transit Authority.

Utah Transit Authority budget for 2007 having met and not exceeded the above conditions is therefore considered to have a balanced budget.



FUNCTIONAL FINANCIAL PLAN



**SUMMARY OF MAJOR REVENUE
SOURCES**

Revenue Summary
Analysis of Revenue Sources

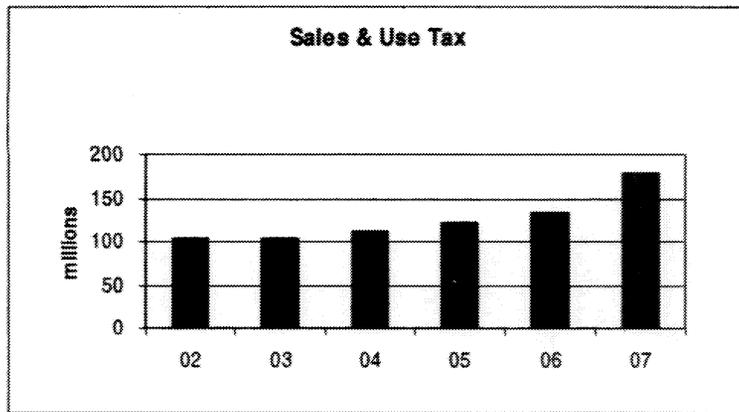
Source: Sales and Use Tax

The largest operating source of revenue for the Authority is a local option sales tax, which is imposed by the service area of the Authority. In November 2006 the voters in Utah and Salt Lake Counties approved a ballot measure increasing the rate of Tax. The sales tax rate is .50% for Weber and Davis Counties, .62% for Salt Lake County, .50% for Utah, and .25% Tooele and Box Elder Counties. This revenue is projected to generate \$178.9 million in 2007.

The compound annual growth rate (cagr) for Sales and Use Tax from 2002 to 2006 is 6.58%. UTA experienced a 14.5% increase in collections thorough July 2006 over the same time period in 2005. For 2007, the Utah Council of Economic Advisors estimates this tax to have a 6.5% increase (last meeting in November 06) and Wells Fargo Bank Economist estimates the increase also to be about a 7.0% increase over 2006 receipts. The Authority estimated 2007 Sales Tax revenue is based on a 6.5% increase over projected 2006 Sales Tax and includes the new sales tax with its receipts beginning in April 2007.

Year	Sales Tax
2002	103,783,931
2003	103,869,244
2004	112,033,510
2005	121,832,628
2006*	133,711,000
2007*	178,936,000

* Projected

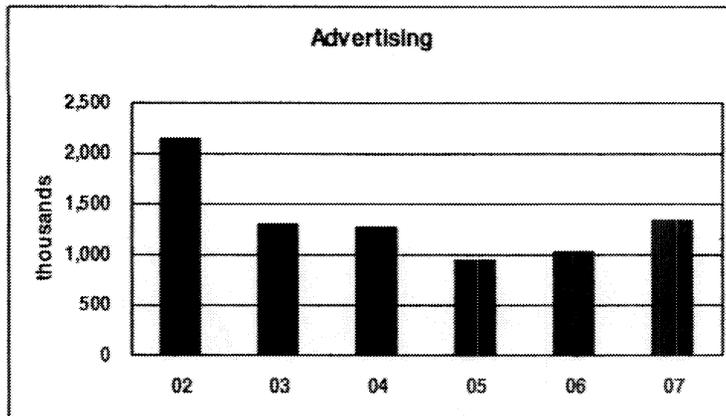


Source: Advertising

Advertising revenues for the Authority comes from the lease of exterior space on the sides and rear of the bus and light rail vehicles. The compound annual growth rate for Advertising over the last 4 years has been flat. We saw an increase in fees during 2002 due to the Olympics in Salt Lake City. For 2007 advertising is projected to produce \$1.333 million based on contracted guarantees.

Year	Advertising
2002	2,140,103
2003	1,311,600
2004	1,266,806
2005	957,184
2006*	1,029,000
2007*	1,333,000

* Projected



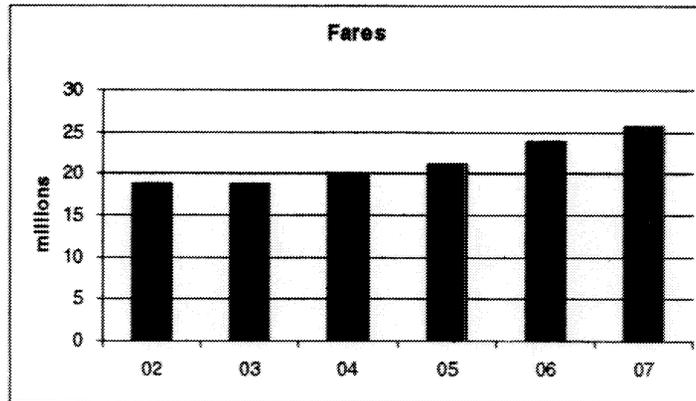
Source: Passenger Revenue

The Authority had a fare increase in 2006 raising the base fare from \$1.40 to \$1.50. Fares range from 75 cents for senior citizens or disabled persons to \$3.00 for premium express service. The opening of the University Medical extension in September of 2003 has helped maintain Farebox revenues in 2003 and 2004 over a downturn in the U.S. economy. Ridership and Fares are expected to increase at a nominal rate keeping pace with population, employment growth. The Authority projects a 5% growth in ridership during 2007 due to increase in Rail and Commuter Bus service.

The compound annual growth rate for Fares over the last 5 years is 6.46% due to the expansion of TRAX, realignment of bus routes, increased fare.

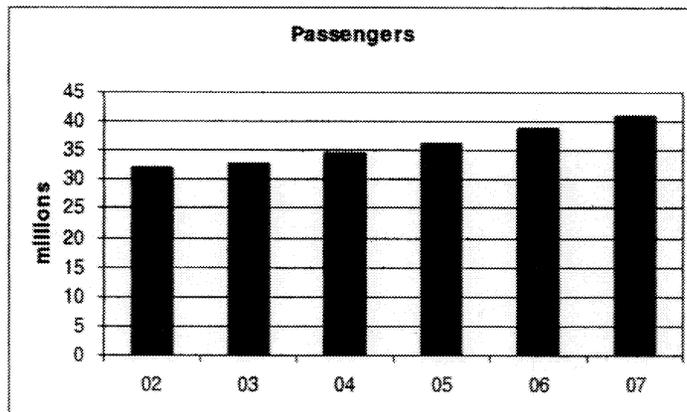
Year	Fares
2002	18,817,880
2003	18,792,919
2004	20,074,587
2005	21,282,499
2006*	23,860,000
2007*	25,552,000

* Projected



Year	Passengers
2002	31,922,192
2003	32,590,505
2004	34,535,949
2005	36,163,146
2006*	38,841,000
2007*	40,521,000

* Projected



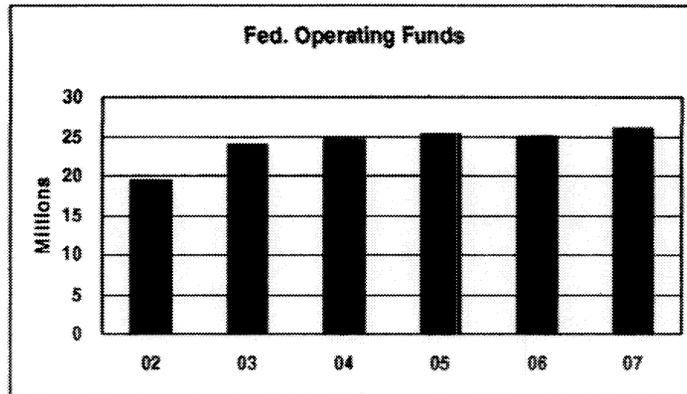
Source: Federal Operating and Preventative Maintenance Revenue Grants

Prior to 1998, funds for operating assistance were provided by the Federal Transit Administration through formula grants under Section 5307 (formerly Section 9). The federal operating assistance grants have been eliminated since 1997. In 1998 the Transportation Efficiency Act for the 21st century, known as TEA 21, was approved by Congress. TEA 21 allows the Authority to use formula funds for preventive maintenance as defined by the National Transit Database. The use of these funds for preventive maintenance is a direct reduction of funds available for capital projects. These formula funds may be used to cover up to 80% of preventive maintenance costs with the balance being used for other capital projects. Projections for 2007 are based on a slight increase of preventative maintenance expense's that will qualify for the 5307 formula funds allocated in 2007 for preventive maintenance costs.

Year Federal Operating/Preventative Maintenance Grants

2002	19,462,000
2003	24,014,281
2004	24,514,063
2005	25,349,419
2006*	25,013,000
2007*	26,014,000

* Projected



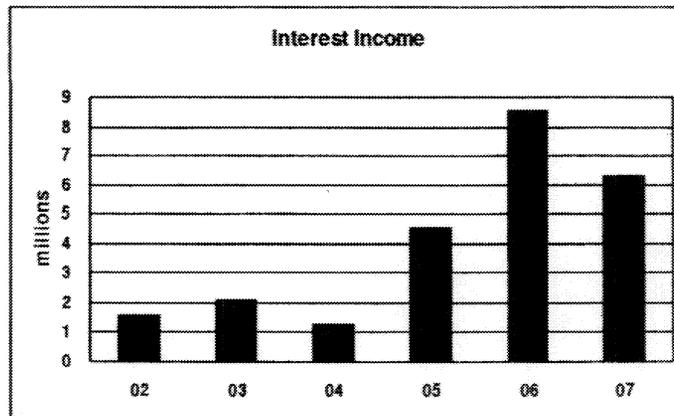
Source: Investment Income

Interest income consists of interest earned on invested operating funds not yet expended and funds held for future capital expenditures. Most of the Authority's funds are invested with the Public Treasurers Investment Fund managed by the State Treasurer's office.

A rate of 4.0% (estimated earnings from the Investment fund) is applied to projected funds in the capital reserve accounts in 2007 in the Transit Development Plan Model.

Year	Interest
2002	1,572,901
2003	2,225,298
2004	1,278,006
2005	4,533,914
2006*	8,516,000
2007*	6,289,000

* Projected

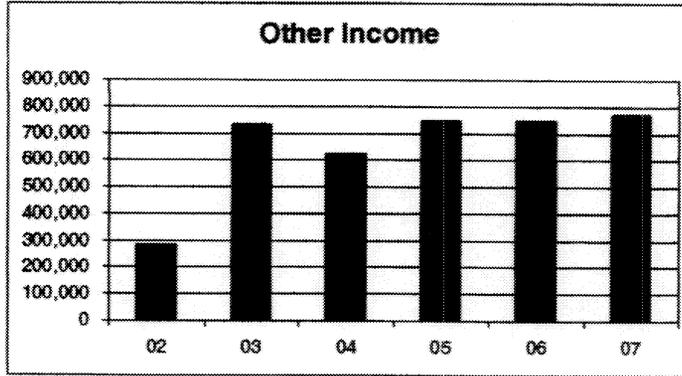


Source: Other Income

Other income consists of income from rents and leases on the right-of-way and discounts taken. A change in accounting procedure for Van Pool income is the major contributor for an increase in 2003 over 2002. Van Pool revenue is now accounted for with passenger revenue. Projected 2006 is based on YTD data and annualized 2007 estimate is based on a 3% increase over 2006.

Year	Other
2002	282,615
2003	731,439
2004	621,587
2005	744,290
2006*	744,000
2007*	766,000

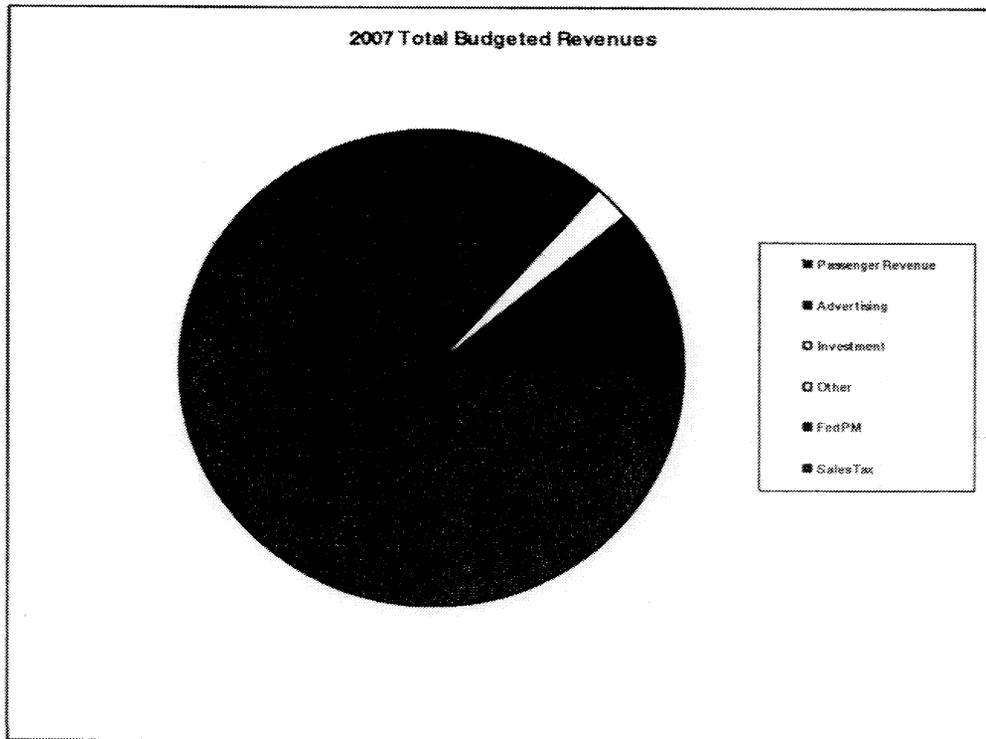
* Projected

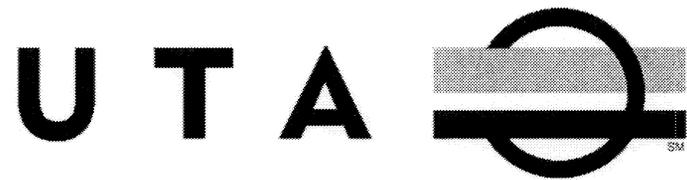


Note: A Gain on Sale of Property is not included in the above 2002 Actual and 2006 Projected.

Source: Federal Funds

The Authority may elect to receive some of its Federal Transit Administration formula grants under Section 5307 for major planning activities. The Authority is projected to receive \$2,401,600 in 2007, compared to projected funds in 2006 of \$783,600. These funds are shown as Offsetting Project Funds in the Operating Budget Summary.





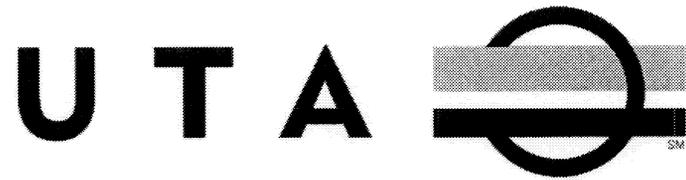
SUMMARY OF EXPENDITURES

UTAH TRANSIT AUTHORITY 2007 Budget

	ACTUAL 2005	BUDGET 2006	PROJECTED 2006	FINAL 2007 BUDGET
REVENUE				
PASSENGER REVENUE	21,282,499	24,122,000	23,743,869	25,552,555
ADVERTISING REVENUE	957,184	1,225,000	1,029,542	1,333,000
INVESTMENT INCOME	4,533,914	5,347,000	8,516,000	6,289,000
SALES TAX REVENUE	121,832,628	125,517,973	133,711,000	178,936,188
OTHER INCOME	744,290	736,692	9,425,112	766,320
FEDERAL OPER./PREVENT. MAINT.	<u>25,349,419</u>	<u>25,405,120</u>	<u>25,013,648</u>	<u>26,014,194</u>
TOTAL REVENUES	174,699,934	182,353,785	201,439,171	238,891,257
EXPENSES				
BUS SERVICE	67,308,730	71,270,684	71,864,222	75,190,330
RAIL SERVICE	14,610,796	16,917,107	16,557,739	18,818,935
PARATRANSIT SERVICE	11,691,817	13,369,348	12,794,658	13,847,946
RIDESHARE/VANPOOL SERVICES	79,010	62,215	265,862	419,166
OPERATIONS SUPPORT	17,864,965	19,810,013	19,013,154	21,404,988
GENERAL/ADMINISTRATIVE EXPENSES	<u>16,008,155</u>	<u>19,095,142</u>	<u>18,094,994</u>	<u>21,564,901</u>
NET OPERATING EXPENSES*	127,563,473	140,524,509	138,590,629	151,246,266
MAJOR INVESTMENT STUDIES				
EXPENSES	2,007,986	14,868,127	2,153,082	3,771,642
OFFSETTING PROJECT FUNDS*	<u>(637,426)</u>	<u>(11,731,840)</u>	<u>(783,603)</u>	<u>(1,761,583)</u>
NET INVESTMENT EXPENSE	1,370,560	3,136,287	1,369,479	2,010,059
NET EXPENSE	128,934,033	143,660,796	139,960,108	153,256,325
AVAILABLE	45,765,901	38,692,989	61,479,063	85,634,932
BOND DEBT SERVICE	13,046,976	24,532,787	17,500,998	35,381,000
OFFSETTING BOND FUNDS*	<u>(2,225,502)</u>	<u>(12,900,000)</u>	<u>(9,500,422)</u>	<u>(15,446,938)</u>
NET BOND EXPENSE	10,821,474	11,632,787	8,000,576	19,934,062
CONTRIBUTION TO CAPITAL RESERVES	34,944,427	27,060,202	53,478,487	65,700,870
DEBT RETIREMENT		(50,000,000)	(50,000,000)	0
NEW DEBT ISSUED		175,000,000	175,000,000	130,000,000

* Federal, State or Local grants or major capitalized expenses.

1/10/2007



PROJECTED FUNDS BALANCES

**FUND BALANCE REPORT
2007 FORECASTED**

	General Fund	Rail Construction Fund	Bond Fund	Risk Contingency Fund	PROJECTED All Funds 2007
BEGINNING FUND BALANCE - 1/01/07	77,746,000	80,821,000	0	6,429,000	164,996,000
Revenue:					
Passenger	25,552,555				25,552,555
Advertising	1,333,000				1,333,000
Investment Income	2,900,000	3,000,000	144,000	245,000	6,289,000
Sales Tax	178,936,188				178,936,188
Other Income	766,320				766,320
Federal Operating Funds/ Prevent. Maintenance	26,014,194				26,014,194
Offsetting Operating Funds	17,208,521				17,208,521
Capital Grants	15,670,885	105,333,016			121,003,901
Debt Issue		130,000,000			130,000,000
Contributed Capital	22,798,268				22,798,268
TOTAL RESOURCES	291,179,931	238,333,016	144,000	245,000	529,901,947
Transfers To (-) / From (+)	-76,326,197	41,089,197	35,237,000		0
TOTAL AVAILABLE RESOURCES	292,599,734	360,243,213	35,381,000	6,674,000	694,897,947
Expenditures					
Operating Expenses	155,017,908				155,017,908
Debt Service			35,381,000		35,381,000
Debt Retirement					0
Debt Reserve					0
Capital Projects *	88,096,287				88,096,287
Capital - Rail Construction *		360,243,213			360,243,213
TOTAL EXPENDITURES	243,114,195	360,243,213	35,381,000	0	638,738,408
ENDING FUND BALANCE -12/31/07	49,485,539	0	0	6,674,000	56,159,539

Notes:

* Capital items can be found in section 2.5 Capital Expenditure, Exhibit B, \$88,096,287 (Capital Projects) + \$360,243,213 (Trax and Commuter Rail Construction) = \$448,339,500 (Total Capital).

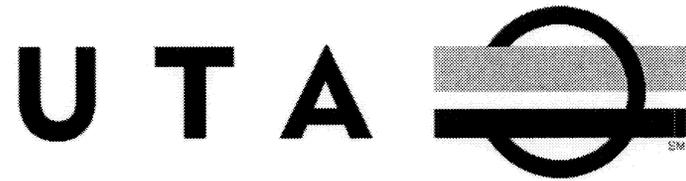
Description of Fund Structure

General Fund: This fund is the chief operating fund of UTA. It is used to account for all financial resources and expenses except those accounted for in the other funds. Payment for the cost of all capital projects are paid out of the general fund with the exception of rail construction (which includes LRT and commuter rail) which is paid for out of the Rail Construction Fund.

Rail Construction Fund: This fund is used for the construction of LRT and commuter rail projects, including the procurement of rail vehicles.

Bond Fund: This fund was created to hold monies set aside for the payment of debt service on bonds. The funds are held by a Trustee and administered pursuant to Bond Indenture provisions. The amount in this fund is set by the indenture.

Risk Contingency Fund: The Risk Contingency Fund is used for UTA's self insurance program. Under the Utah Governmental Immunity Act, the maximum statutory liability in any one accident is \$1,107,000. The Authority is self-insured for amounts under this limit.



BUDGETED CAPITAL EXPENDITURES

CAPITAL PROJECTS SUMMARY

As part of UTA's budgeting process, each year Managers submit to their Department Directors a list of Capital items and projects requested for the upcoming budget year. These items are reviewed by the Directors against the following criteria:

- The Transit Development Plan
- Funding source and cost savings
- Health and safety
- Repair & maintenance of facilities and equipment
- Community obligations
- Opportunity costs
- Support of Ends Policies
- Special needs & employee morale

After the Capital Items/Project list is compiled and approved by the Directors, it is submitted to the Board's Planning Committee for approval. Items that are approved by the Planning Committee will be submitted for final approval to UTA's Board of Trustees. These items must support UTA's Vision Statement, Ends Policies and Goals in order to be approved.

Replacement Buses, Paratransit vans, and Rideshare vans with expansion Rideshare vans will arrive in 2007 to update current equipment inventories and expand increasing growth in the Rideshare area. Information systems will provide better communication and information within UTA. Facilities, Bus & Rail maintenance is on going and will be provided by current UTA staff or contractors with in the capital and operating budget. Rail Services projects will add increased capacity.

The Commuter Rail project will be accomplished with in the capital budget and operations will not begin until 2008. Anticipated increase in operating expense in 2008 is estimated to be \$1.8 million. This numbers are part of the 5 year financial plan, approved by the Board of Trustees. A portion of the increase will be offset by farebox revenue.

Funding for the Capital Projects in this Budget come from 4 major sources:

- 1) Current Grants the Authority has received from the federal government which generally require a 3% to 50% local match.
- 2) Future grants that the Authority anticipates receiving from the Federal Government. These grants also require a local match. If future anticipated grants are not received, capital projects and contingent capital projects either may not be purchased or are purchased with local reserves.
- 3) Local Reserves are accumulated as a result of contributions to capital reserves from excess of Operating Revenues over Operating Expenses.

- 4) Contributed Capital received from outside sources to help offset funds required for a capital project.

Exhibit B shows the major categories of Capital Projects in total and the year these projects will require funding. The table also shows how much will come from current grants, what will be required in future grants and how much local match will come from UTA's reserves by fiscal year. Projects in 2007 through 2008 have been included on the request for approval so planning and procurement requirements can begin. Board approval is only for the 2007 projects. Each year the new Budget cycle requires all projects that have not been completed during the calendar year to be resubmitted and approved for the next calendar year. Figure 2.5.1 graphically shows the breakdown of the capital budget by major areas and compares the 2007 capital budget with the budgeted amounts from 2006.

Figure 2.5.2 represents a 5 year projected planning summary of capital revenues and expenses. This 5 Year Capital Project Summary is based on the Primary Transit Development Plan and projects the capital equipment and project needs of UTA for the next 5 years. Updating this plan in July 2007 will be the first step in the planning process for the 2008 budget. There is also an equivalent operating 5 year plan that can be found in section 2.3 Summary of Expenditures. Many of the factors relating to this plan are explained in the Budget Message in Section 1.1 under the heading of Strategic and Financial Planning Priorities and Issues.

CAPITAL PROJECTS DESCRIPTION

Revenue Service

New Buses and Vans: In 2007 the revenue vehicle purchases consist of 48 - 40ft. buses, 3 - 45ft. Commuter buses, 10 BRT buses, 27 Paratransit vehicles and 99 Rideshare vans. These buses will help keep UTA's fleet updated. Funding requirements will be met with a local match, as well as current and future grants. These vehicles will be part of an expansion and replacement program for our fleet. Included in the cost are support and inspection services. Future costs in 2007 are estimated and given for replacement and expansion vehicles for planning purposes. This area also included funding for replacement of Support Vehicles of \$517,000 and Revenue Service Vehicle Repair Components (such as replacement engines and transmission) of \$1,240,000. These two areas are based on a budgeted 5 year plan and purchases our determined by priorities during the year but must stay within budget.

Impact on Operating Budget

The replacement Buses purchased in 2007 will save UTA an estimated 15% in fuel consumption or about \$150,000 which help maintain older buses until they are replaced. Paratransit vans will have little if any impact on the operating budget for 2007. This is due to the fact they are replacing older vehicles but are not increasing operating miles and hours, which are factors in the operating budget. In addition the Capital budget will not need to allocate as much funding for bus and van repair parts during the vehicles warranty period. Expansion vans operating cost in Van Pool is offset by the Lease payments received for those expansion vans.

Technology Office - Information /Communications and ITS

Performance Reliability Project

Phase II of the Performance Reliability Projects will be focused on enhanced reporting and decision making tools and enabling automatic ADA annunciation capabilities to the current TransDat V Mobile Data Computer (MDC) on board the bus. In addition to these major features, the Technology Office will research and develop pilot projects to enhance the hardware and data throughput capabilities for the overall communication system to our fleet.

Electronic Fare Collection Program

In the 2007 and 2008 the Electronic Fare Collection (EFC) program will proceed as follows: The first year of the ski service pilot will conclude with the end of ski service in mid April. The contract with ERG for a second year of the ski service pilot will be negotiated with adjustments made to program based on lessons learned from the initial pilot during the first year. An RFP for full system deployment should be issued by the end of March 2007, and we expect to have a contractor on board and begin design work by the end of May 2007. Activities such as design, prototype development, testing, EFC operations planning and facilities engineering will take place through the summer of 2007. Manufacturing of devices and infrastructure preparation will take place in the fall of 2007. Installation and systems testing will take place in the winter 2007-2008. The optimistic date for system launch is the beginning of March 2008.

Impact on Operating Budget

There are no operating impacts in 2007 fiscal year. There will be an impact in 2008 reflecting the additional licensing, maintenance and staffing for ongoing upkeep of the Reliability project and its future enhancements and Electronic Fare impact on Application Development and Communication Departments. The impact in 2008 will be in the form of one additional staff (Field Technician) in the Communications area for approximately \$50,000 and additional cost of approximately \$375,000 in operating increase for licensing and hardware/software maintenance contract.

Facilities & Bus Maintenance and Office Equipment

Three categories are included in this capital project area:

1. Facilities Expansion which can included both Grant and Non-Grant items. Included in the 2007 budget is funding for the Security Gate Project, Remodeling of the Parts Room, a addition to the Timpanogos Business Units Bus Bay, a new Bus Wash, and other Expansion projects.
2. Facilities Repair and Replace projects. This area works with in a 5 year budget guidelines, repair projects such as Cooler replacements, Concrete Repair, and various Facility maintenance projects are programmed to be accomplished over a 5 year period.
3. Office Capital Equipment, which included printing and copy machines also cleaning machines and a pool for office equipment that may wear out through out the year.

Impact on Operating Budget

This area has little new measurable impact on the operating budget. It does serve to keep our facilities and equipment maintained and updated which adds to UTA employee's ability to achieve our mission.

Major Strategic Projects

In 2007 the funding source will be from current grants, local match and contributed capital funds from communities benefiting from the projects.

Transit Enhancements and Security Equipment Projects

Transit Enhancements provides UTA's passenger amenities, also a Bus Rapid Transit (BRT) Demonstration Project for feasibility of future BRT programs, these supports the Service Quality and Value Ends Policy. UTA is dedicated to upgrading security for customers and employees who are funded in part by federal grants.

Facility Projects

Included is a Light Rail Paint Booth needed for repair and painting of light rail vehicle cars, a new Mobility Center used to qualify Paratransit customers, a Light Rail Station in Sandy to accommodate the convention center, business, and entertainment in the 100th to 106th South area. Construction of the Gateway intermodal terminal will be used for bus and rail transportation points. UTA is also in the process of procuring of Office space due to engineering growth related to the Frontrunner project also maintenance and remodeling of the Warm Springs Service Center for FrontRunner commuter rail operations in 2008.

Impact on Operating Budget

Transit Enhancements and Security Equipment add to UTA's ability to serve our customer in an efficient, safer and a more user friendly environment, but generally has little if any impact on the operating budget. New passenger amenities require less maintenance allowing maintenance personnel additional time for maintaining the increasing size and numbers of future facilities.

The new paint booth will allow maintenance personnel to be more efficient in repair of the Light Rail Cars providing more time for maintenance of the increasing Light Rail Car inventory. UTA's Paratransit Mobility Center is being replaced due to the sale of property for capital projects; this will have no affect on the operating budget. The Sandy Light Rail Station and increased capacity of a few Park and Ride lots will cause a slight increase in expense to maintain but will be absorbed by the current operating budget.

The Gateway intermodal station will add to the operating budget due to increased distance added to the North South rail lines and the operation of the station. This has been included in the Transit Development plan at \$400,000 for ½ year operation in 2008 and then \$800,000 for the first full year of operations in 2009 then escalated at 4% thereafter.

The impact of operations for the FrontRunner commuter rail line is described below in the TRAX & Commuter Rail Section. Expansion of facilities for Frontrunner, including the additional office space and remodeling the Warm Springs facility is included in the Capital cost for the FrontRunner capital project. Operation expense is included in the \$18million per year expense forecast beginning in 2008. This additional cost is covered by both the passing of the 2000 tax referendum increase and by farebox receipts once the commuter rail line opens.

TRAX & Commuter Rail Projects

Vehicle Equipment & Overhauls

These funds will be used to upgrade Light Rail Vehicles (LRVs) which will provide additional passenger capacity and increase our level of service. Included are funds for rehabilitation of vehicles which have been acquired from Valley Transit Authority (VTA) and the associated spare parts.

TRAX and FrontRunner Commuter Rail Projects

The majority of the capital budget of over \$198 million will go towards the Commuter Rail Project, which includes the planning, engineering, design, construction and start up activities. This rail line will run from Salt Lake City to the Ogden Area. Rail projects include track extensions to the Gateway Intermodal Hub, State Street Bridge, and 2015 Projects which include start up of construction for Mid Jordan, West Valley, Draper, Airport TRAX lines and FrontRunner South commuter rail line.

Impact on Operating Budget

Increased rail service due to the addition of the refurbished San Jose Cars (VTA vehicles) on the TRAX line will add \$1million to the 2007 operating budget. In the future we have built in an \$18 million into our long range Transit Development Plan for operating Commuter Rail in 2008. This amount is escalated at 4% from 2009 and on. By 2015 UTA will increase operations cost by \$163million per year for operating the 2015 Projects mentioned above. This expense will be offset by farebox and the 2006 Sales Tax Referendum that was approved for these projects.

**UTAH TRANSIT AUTHORITY
CAPITAL PROJECT BUDGET**

12/6/2006

	Final	Estimated
	2007 Budget	2008 Expenditures
REVENUE SERVICE VEHICLES		
Additional and Replacement Buses and Vans (Grants & Non-Grant)		
6 Para Transit Vehicles	\$ 400,875	
9 Canyon Service Buses Replacements	\$ 3,243,800	
6 40' Buses Replacements	\$ 2,136,000	
3 TIMP Commuter Buses 45' MCIs Expansion	\$ 1,655,000	
10 BRT Van Hools (7 Replacements 3 Expansion)	\$ 4,000,000	
21 Paratransit Vans (20 Replacements, 1 Expansion)	\$ 1,608,000	
78 Rideshare Vans (46 Replacement 29 Expansion)	\$ 2,214,500	
	<u>\$ 15,258,175</u>	
Additional and Replacement Buses and Vans (Future Grant)		
33 40' Buses Replacements	\$ 11,875,000	
21 Rideshare Vans Expansion	\$ 657,300	
	<u>\$ 12,532,300</u>	
Revenue Service Vehicles	\$ 27,790,475	\$ 27,537,500
Support Vehicles (Non-Grant)	\$ 517,667	\$ 565,500
Revenue Service Vehicle Repair Components (Non-Grant)	\$ 1,240,000	\$ 1,000,000
Sub Total	\$ 29,548,142	\$ 29,103,000
INFORMATION / COMMUNICATION / ITS		
Bus and Rail Communication Equipment, ITS and Fiber Optic Equipment. Upgrade of UTA's Network, Server Replacement		
Grant	\$ 1,751,039	
Non-Grant		\$ 1,050,000
ITS Fiber Optic Cable (SL/Og) (Grant)	\$ 2,600,000	\$ 600,000
Items ITS Deployment and Fiber Optic Cable (Future Grant)	\$ 1,075,269	\$ 1,129,032
Electronic Fare Collection Service Pilot (Non-Grant)		
Electronic Fare Collection Service Pilot	\$ 260,000	
Electronic Fare Collection Full Deployment	\$ 6,100,000	\$ 3,900,000
Sub Total	\$ 11,786,308	\$ 6,679,032
FACILITIES, MAINT. AND OFFICE EQUIP.		
Facilities Expansion (Grant & Non-Grant)		
Security Gate Project (Grant)	\$ 120,000	
Non-Grant Projects		
Parts Room Remodel	\$ 300,000	
Timpanogos Bus Bay Addition	\$ 740,000	
New Bus Wash	\$ 200,000	
Remote Wash Facility	\$ 200,000	
Other Expansion Projects	\$ 473,500	
	<u>\$ 2,033,500</u>	\$ 2,100,000
Facilities Repair and Replace (Non-Grant)	\$ 1,879,950	\$ 2,100,000
Office Capital Equipment (Non-Grant)	\$ 487,781	\$ 525,000
Sub Total	\$ 4,401,231	\$ 4,725,000

MAJOR STRATEGIC PROJECTS

Major Strategic projects including Wastewater facilities, Remodeling Projects, etc.
(Grant & Non-Grant)

Extension of Receiving Track 1	\$	500,000	
Warm Springs Service Center	\$	777,000	
Mobility Center Facility	\$	1,200,000	
Extension to 10600 So. Station	\$	2,500,000	
EIMCO Property & remodel	\$	13,000,000	
Light Rail Paint Booth	\$	1,605,000	
Misc. Capital Projects including Wastewater facilities, Transit Enhancements, Bicycle Projects, Communication Equipment, Trails and Security Equipment.	\$	2,223,939	
	\$	21,805,939	\$ 1,471,371

Enhancements, Security Equipment, Trails and Facilities (Future Grant)

West Valley Intermodal Terminal	\$	4,570,696	\$ 1,213,575
BRT Demonstration Project	\$	1,942,158	\$ 1,458,100
DRG&W	\$	7,867,840	
State Street Bridge	\$	5,144,927	\$ 2,681,540
9400 So. LRT Station	\$	250,000	
3900 So. Wasatch	\$	350,000	\$ 1,038,000
US 89 & 200 North P&R	\$	429,046	
	\$	20,554,667	\$ 6,391,215

Sub Total \$ 42,360,606 \$ 7,862,586

TRAX & COMMUTER RAIL

FrontRunner, TRAX and Rail Projects, Vehicle Equipment & Overhauls (Grant)

LR Vehicle Rehab.	\$	1,382,605	
FrontRunner North	\$	192,659,190	\$ 66,874,415
TRAX Projects	\$	24,182,750	\$ 17,912,000
Rail Projects	\$	130,333,000	\$ 170,673,000
	\$	348,557,545	\$ 255,459,415

Rail Projects (Future Grant)

Rail Modernization		\$	498,024
	\$	-	\$ 498,024

FrontRunner, TRAX and Rail Projects, Vehicle Equipment & Overhauls (Non-Grant)

LR Vehicle Rehab.	\$	5,716,012	\$ 1,010,800
FrontRunner North Start-up Activities	\$	4,900,000	
Intermodal Start-up Activities	\$	117,000	
Vehicle Maintenance components			\$ 1,050,000
SD160 Bochum Bolt On Wheel Retro fit	\$	84,000	
Vehicle Maintenance Overhaul	\$	868,656	
	\$	11,685,668	\$ 2,060,800

Sub Total \$ 360,243,213 \$ 258,018,239

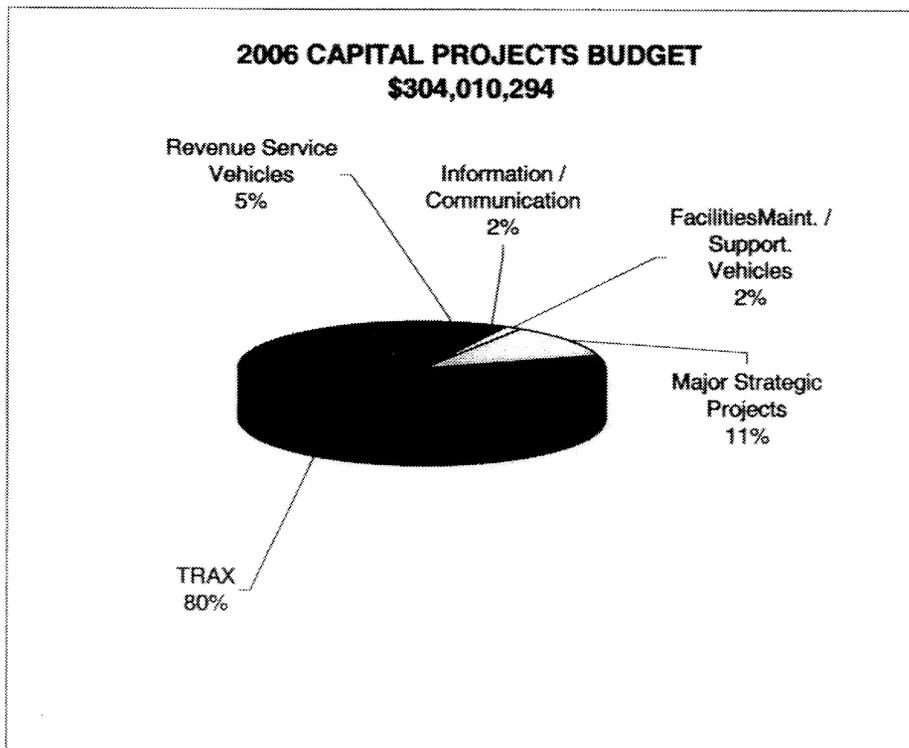
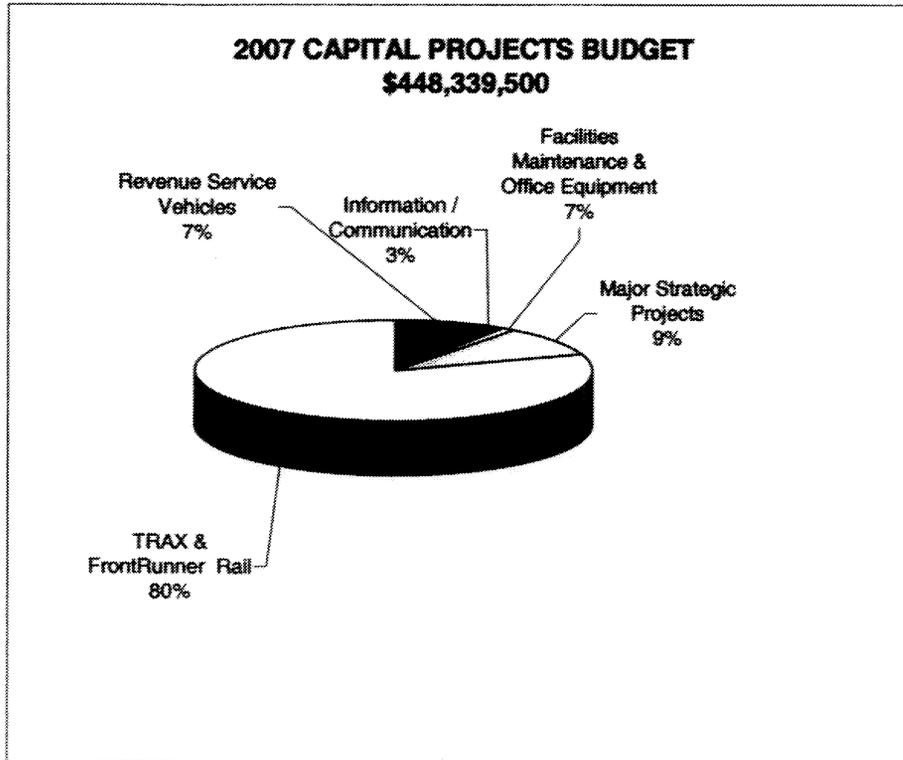
Total Cost of Capital Items \$ 448,339,500 \$ 306,387,857

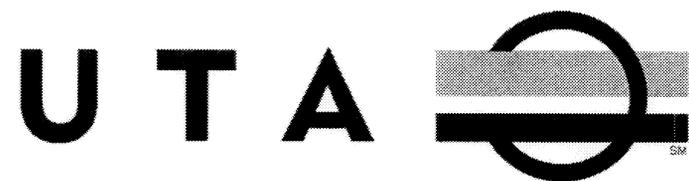
Source of Funds for Capital Items

Current Grants	\$	93,983,239
Future Grants	\$	27,020,662
Local & Other Contributions	\$	22,798,268
New Funding Source	\$	130,333,000
UTA Match	\$	174,204,331
Total	\$	448,339,500

Grants and Future Grants the Authority receives from the Federal Government generally requires a 3% to 50% match.

Figure 2.5.1





CURRENT DEBT OBLIGATIONS

BONDED DEBT OBLIGATIONS

As of January 1, 2007, Utah Transit Authority has seven bonded debt obligations that remain outstanding. These obligations provided financing for the construction of the North/South LRT project, the acquisition of certain rail rights-of-way for corridor preservation purposes, a partial refunding of the 1997 A Bonds, construction of the Commuter Rail North project, a partial refunding of the 2002 A Bonds, and additional Commuter Rail North financing. Outstanding bonded debt obligations are detailed below.

Sales Tax and Transportation Revenue Bonds, Series 1997 A

The \$27,740,000 Series 1997 A Bonds were used for the construction of the North/South TRAX project and are rated AAA by both S&P and Fitch rating agencies. Principal and interest on the Series 1997 A bonds are due in installments on June 15 and December 15 of each year and are payable thru Zion's First National Bank, Corporate Trust Department as Paying Agent to registered owners. Interest is fixed at rates ranging from 4.0 % to 5.4 % depending upon when the bonds are scheduled to be redeemed. The scheduled payment of principal and interest on the Series 1997 A bonds are guaranteed under an insurance policy by Financial Security Assurance, Inc. These bonds have been partially refunded by the 2005 A Bonds.

Sales Tax Revenue Bonds, Series 2002 A

The \$180,200,000 Series 2002 A Bonds were used in large part for the acquisition of rail rights-of-way in 2002, with remaining funds being used for certain other extensions and improvements to the Authority's transit system. These bonds are rated AAA by S&P and Aaa by Moody's rating agencies. Principal and interest on the Series 2002 A bonds are due in installments on June 15 and December 15 of each year and are payable thru Zion's First National Bank, Corporate Trust Department as Paying Agent to registered owners. Interest is fixed at rates ranging from 4.0% to 5.0 % depending upon when the bonds are scheduled to be redeemed. The scheduled payment of principal and interest on the Series 2002 A bonds are guaranteed under an insurance policy by Financial Security Assurance, Inc. These bonds have been partially refunded by the 2006 C Bonds.

Sales Tax Revenue Refunding Bonds, Series 2005 A

The \$20,630,000 Series 2005 A Bonds were issued for the sole purpose of redeeming all of the 1997 A Bonds maturing on and after December 15, 2008. The 2005 A Bonds were issued such that the true interest cost of the bonds is significantly less than the true interest cost on the 1997 A Bonds, resulting in interest savings to UTA. Proceeds of the 2005 A Bonds were deposited with Zions First National Bank, Corporate Trust Department as Escrow Agent. The Escrow Agent will redeem said bonds effective December 15, 2007. The 1997 A Bonds maturing in 2007 remain outstanding. The 2005 A Bonds are rated AAA by S&P and Aaa by Moody's rating agencies. Principal and interest on the Series 2005 A Bonds are due in installments on June 15 and December 15 of each year and are payable thru Zion's First National Bank, Corporate Trust Department as Paying Agent to registered owners. Interest is fixed at rates ranging from 3.25% to 5.25% depending upon when the bonds are scheduled to be redeemed. The scheduled payment of

principal and interest on the Series 2005 A Bonds are guaranteed under an insurance policy by Financial Security Assurance, Inc.

Sales Tax Revenue Bonds, Series 2005 B

The \$175,000,000 Series 2005 B Bonds are being used for construction of the Commuter Rail North project. These bonds are rated AAA by S&P and Aaa by Moody's rating agencies. Principal and interest on the Series 2005 B Bonds are due in installments on June 15 and December 15 of each year and are payable thru Zion's First National Bank, Corporate Trust Department as Paying Agent to registered owners. Interest is fixed at rates ranging from 3.5% to 5.0 % depending upon when the bonds are scheduled to be redeemed. The scheduled payment of principal and interest on the Series 2005 B Bonds are guaranteed under an insurance policy by Financial Security Assurance, Inc.

Subordinated Sales Tax Revenue Bonds, Series 2006 A, and the Subordinated Sales Tax Revenue Bonds, Series 2006 B

The \$87,500,000 Series 2006 A and the \$87,500,000 Series 2006 B Bonds are being used for construction of the Authority's Commuter Rail North Project and are rated AAA by S&P and Aaa by Moody's rating agencies. The Series 2006 A and the Series 2006 B bonds are subordinate to the Senior Bonds. They are special limited obligations of the Authority, payable from and secured solely by the Pledged Revenues, after payment of all Senior Bonds. The Series 2006 A and the Series 2006 B Bonds are payable from an irrevocable direct-pay Letter of Credit issued by Fortis Bank, S.A./N.V. through its Connecticut branch in favor of the trustee, Zion's First National Bank. Interest is payable monthly at a variable rate of interest, which currently is determined daily. The bonds will mature on June 1, 2036, but are subject to a prior redemption provision.

Sales Tax Revenue Refunding Bonds, Series 2006 C

The \$134,650,000 Series 2006 C Bonds were issued for the sole purpose of redeeming all of the 2002 A Bonds maturing on and after June 15, 2013. The 2006 C Bonds were issued such that the true interest cost of the bonds is significantly less than the true interest cost on the 2002 A Bonds, resulting in interest savings to UTA. Proceeds of the 2006 C Bonds were deposited with Zions First National Bank, Corporate Trust Department as Escrow Agent. The Escrow Agent will redeem said bonds effective December 15, 2012. The 2002 A Bonds maturing in 2007, 2008, 2009, 2010, 2011, and 2012 remain outstanding. The 2006 C Bonds are rated AAA by S&P and Aaa by Moody's rating agencies. Principal and interest on the Series 2006 C Bonds are due in installments on June 15 and December 15 of each year and are payable thru Zion's First National Bank, Corporate Trust Department as Paying Agent to registered owners. Interest is fixed at rates ranging from 5.00% to 5.25% depending upon when the bonds are scheduled to be redeemed. The scheduled payment of principal and interest on the Series 2006 C Bonds are guaranteed under an insurance policy by Financial Security Assurance, Inc.

Current balances and scheduled principal payments for the bonds are found on the following schedule.

SCHEDULE OF SALES TAX AND TRANSPORTATION REVENUE BONDS OUTSTANDING (as of 1/1/07)

<u>Description</u>	<u>Date of Maturity</u>	<u>Coupon Interest Rates</u>	<u>Principal Amount Payable</u>
Senior Debt:			
<u>Series 1997 A, Sales Tax and Transportation Revenue Bonds*</u>			
(Salt Lake County Light Rail Transit "TRAX" Project)			
	December 15, 2007	4.75%	\$ 935,000
			\$ 935,000

*All 1997 A Bonds maturing on and after December 15, 2008 were legally defeased by the 2005 A Bond issue. Actual redemption will occur on December 15, 2007 with monies currently held in escrow.

<u>Series 2002 A, Sales Tax Revenue Bonds**</u>			
(Acquisition of Rail Rights-of -Way)			
	June 15, 2007	5.00%	\$ 3,350,000
	June 15, 2008	3.25%	\$ 3,500,000
	June 15, 2009	5.00%	\$ 3,650,000
	June 15, 2010	5.00%	\$ 3,850,000
	June 15, 2011	5.00%	\$ 4,025,000
	June 15, 2012	4.00%	\$ 4,225,000
			\$ 22,600,000

**All 2002 A Bonds maturing on and after June 15, 2013 were legally defeased by the 2006 C Bond issue. Actual redemption will occur on December 15, 2012 with monies currently held in escrow.

<u>Series 2005 A, Sales Tax Revenue Refunding Bonds</u>			
(Advanced Refunding of a Portion of the 1997 A Bonds)			
	June 15, 2008	3.25%	\$ 870,000
	June 15, 2008	4.00%	\$ 100,000
	June 15, 2009	5.00%	\$ 1,015,000
	June 15, 2010	5.00%	\$ 245,000
	June 15, 2010	3.50%	\$ 815,000
	June 15, 2011	5.00%	\$ 1,100,000
	June 15, 2012	5.00%	\$ 1,165,000
	June 15, 2013	3.75%	\$ 1,215,000
	June 15, 2014	5.00%	\$ 1,270,000
	June 15, 2015	5.00%	\$ 1,330,000
	June 15, 2016	5.25%	\$ 1,400,000
	June 15, 2017	5.25%	\$ 1,470,000
	June 15, 2018	5.25%	\$ 1,550,000
	June 15, 2019	5.25%	\$ 1,635,000
	June 15, 2020	5.25%	\$ 1,720,000
	June 15, 2021	5.25%	\$ 1,815,000
	June 15, 2022	5.25%	\$ 1,915,000
			\$ 20,630,000

<u>Series 2005 B, Sales Tax Revenue Bonds</u>			
(Commuter Rail North Project)			
	June 15, 2007	3.50%	\$ 1,850,000
	June 15, 2008	3.50%	\$ 1,925,000
	June 15, 2009	3.50%	\$ 2,000,000
	June 15, 2010	3.50%	\$ 2,050,000
	June 15, 2011	3.50%	\$ 2,175,000
	June 15, 2012	4.00%	\$ 2,225,000
	June 15, 2013	4.00%	\$ 2,300,000
	June 15, 2014	4.00%	\$ 2,400,000
	June 15, 2015	4.00%	\$ 2,525,000
	June 15, 2016	5.00%	\$ 2,625,000
	June 15, 2017	5.00%	\$ 2,775,000
	June 15, 2018	5.00%	\$ 2,900,000
	June 15, 2019	4.00%	\$ 3,050,000
	June 15, 2020	4.00%	\$ 3,175,000
	June 15, 2021	4.125%	\$ 3,300,000

June 15, 2022	4.125%	\$	3,450,000
June 15, 2023	5.00%	\$	5,625,000
June 15, 2024	5.00%	\$	5,900,000
June 15, 2025	4.25%	\$	6,175,000
June 15, 2026	4.375%	\$	6,450,000
June 15, 2027	4.375%	\$	6,750,000
June 15, 2028	4.375%	\$	7,050,000
June 15, 2030	4.50%	\$	15,075,000
June 15, 2033	4.50%	\$	37,100,000
June 15, 2035	4.375%	\$	44,150,000
		\$	<u>175,000,000</u>

Series 2006 C, Sales Tax Revenue Refunding Bonds
(Advanced Refunding of a Portion of the 2002 A Bonds)

June 15, 2013	5.00%	\$	3,935,000
June 15, 2014	5.00%	\$	4,135,000
June 15, 2015	5.25%	\$	4,340,000
June 15, 2016	5.00%	\$	4,570,000
June 15, 2017	5.25%	\$	4,825,000
June 15, 2018	5.25%	\$	5,085,000
June 15, 2019	5.25%	\$	5,350,000
June 15, 2020	5.25%	\$	5,635,000
June 15, 2021	5.25%	\$	5,950,000
June 15, 2022	5.25%	\$	6,265,000
June 15, 2023	5.25%	\$	6,605,000
June 15, 2025	5.25%	\$	14,305,000
June 15, 2027	5.25%	\$	15,865,000
June 15, 2029	5.25%	\$	17,630,000
June 15, 2032	5.25%	\$	<u>30,155,000</u>
		\$	134,650,000

Subordinate Debt

Series 2006 A, Subordinated Sales Tax Revenue Bonds:
(Commuter Rail North Project)

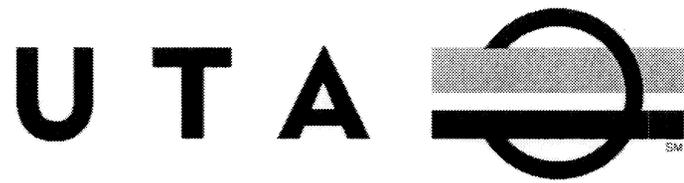
June 15, 2036	Variable Rate	\$	87,500,000
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Series 2006 B, Subordinated Sales Tax Revenue Bonds:
(Commuter Rail North Project)

June 15, 2036	Variable Rate	\$	87,500,000
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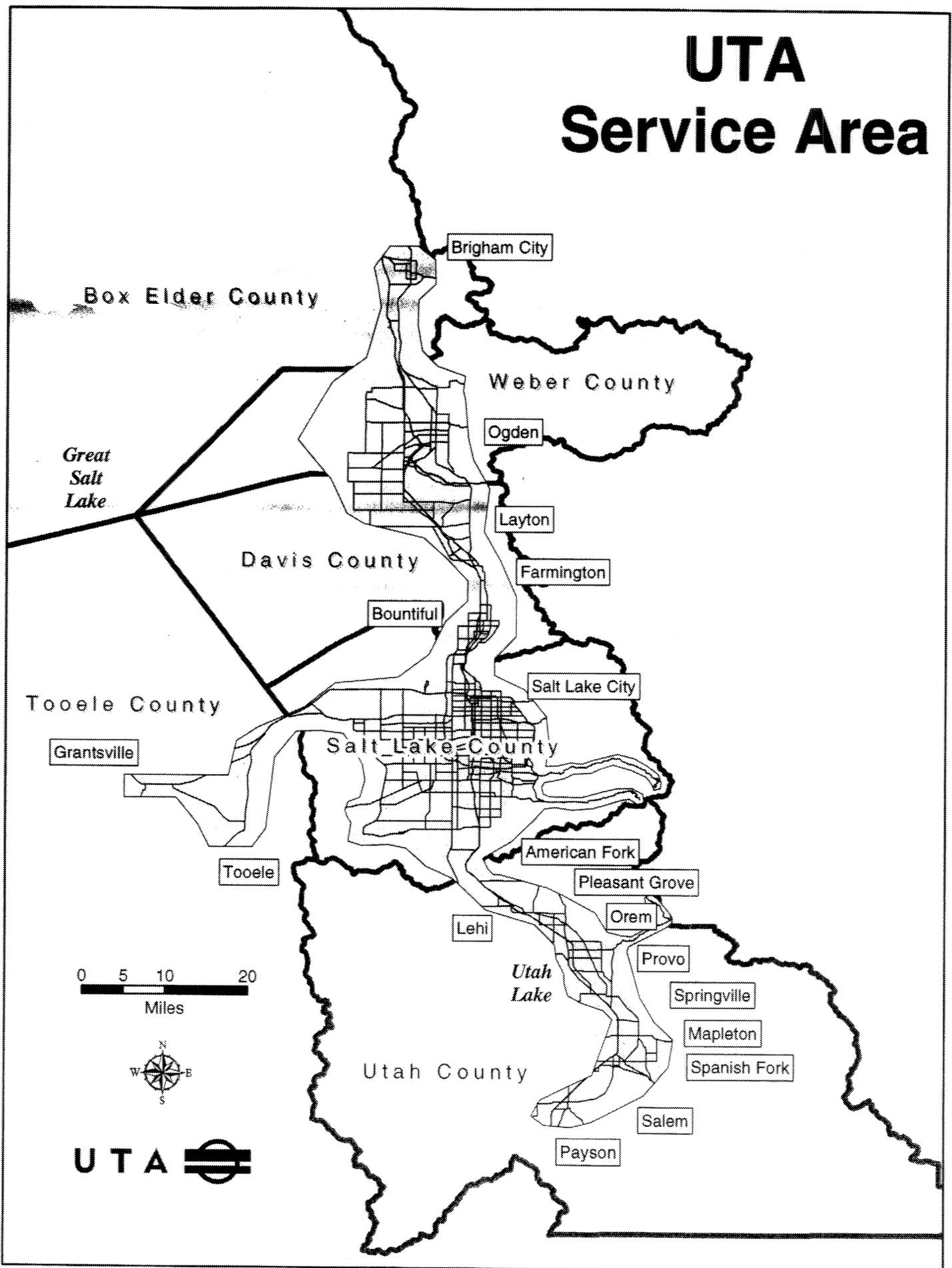
Total Outstanding Sales Tax and Transportation Revenue Debt

		\$	<u>528,815,000</u>
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APPENDIX AND GLOSSARY

UTA Service Area



APPENDIX

Utah Transit Authority and Community Profile

UTAH TRANSIT AUTHORITY PROFILE

History: The Utah Transit Authority was incorporated on March 2, 1970 under authority of the Utah Public Transit District Act of 1969 to provide a public mass transportation system for Utah communities. The UTA system began operation August 10, 1970 in Salt Lake County with 67 buses.

Today, UTA operates 663 vehicles and 69 light rail vehicles in a 1400 square mile service area that stretches over six counties from Payson to Brigham City. The Authority serves the largest segment of population in the State of Utah, approximately 1.8 million and operates in one of the largest geographical service areas of any transit agency in the U.S.

Oversight and Governance:

UTA is not a state agency; it is a political subdivision of the State of Utah. Oversight of UTA is exercised by a 15-member Board of Trustees appointed by each municipality or combination of municipalities (or county) that have annexed to UTA and that pay a local sales tax to support its operation. Through UTA's enabling legislation, the Utah State Legislature determines how many and also how board members are appointed. In 1997, the Legislature increased the board size from 14 to 15 members. Board members are appointed to serve two-year terms, with a limit of three consecutive terms.

UTA Board representation: There are seven members who represent Salt Lake County; one who represents unincorporated Salt Lake County; one member from Salt Lake City; two members from Utah County; and two each from Davis and Weber counties.

Administration:

UTA is managed by a General Manager, in accordance with the direction, goals and policies of the Board of Trustees. The General Manager supervises an executive staff of nine Chiefs and Regional General Managers. The General Counsel and Internal Auditor for the Authority report to the Board of Trustees.

**Metropolitan
Planning
Organizations:**

The Metropolitan Planning Organizations (MPO) for the Wasatch Front region or urbanized area, Wasatch Front Regional Council and Mountainland Association of Governments are responsible for developing long range transportation plans for their areas. These plans deal with highway networks, transit service, airports, bicycling and pedestrian facilities, and are based on projected population and employment trends. All of UTA and UDOT's long-range transportation plans are developed in cooperation with and approved by WFRC and MAG.

Funding:

The State of Utah does not provide any operational funding or capital funding to UTA. UTA's operational funding comes from the local municipalities and/or counties that have voted to annex to the transit district and pay up to ½ of 1% local option sales tax.

UTA receives approximately 14% of the operating cost from passengers as fares paid for service.

On May 22, 1998, the U.S. Congress passed the Transportation Equity Act for the 21st Century (TEA 21). TEA 21 authorizes federal capital expenditures for transit projects. SAFETEA-LU the reauthorization bill has been approved but because it FY 2006 Transportations Appropriations bill was developed prior to approval it does not fund new transit programs (such as UTA's Commuter Rail) authorized by SAFETEA-LU until the next fiscal year.

UTA receives Federal Operating/Preventative Maintenance Grants as defined by the National Transit Database.

In addition, TEA 21 authorizes Congress to appropriate 50-80% of the capital costs for constructing light rail extensions and commuter rail provided that there is a 20-50% local match and provided that there are ongoing operational funds committed to the projects.

Appropriations are made by the Congress on an annual basis.

Service/Fleet Info:

- Service area covers 1,400 square miles - Payson to Brigham City
- 6-county area (Salt Lake, Davis, Weber, parts of Box Elder, Tooele and Utah)
- 124 routes – 7,440 bus stops
- 71,647 projected weekday bus service mile in 2007
- 25,770,899 projected schedule miles in 2007
- 510 buses, 48 commuter coaches, 105 Flextrans buses / vans, and 69 rail vehicles in 2006
- Bike racks are installed on all UTA buses.

- UTA ski service runs from November through Easter seven days a week to four resorts in Big and Little Cottonwood Canyons as well as Provo Canyon.

Ridership:

- 133,125 average weekday (2006)
- 40,783,677 Projected annual passengers (2007)

**UTA Services
and Rider Programs:**

- Fixed route bus service
- TRAX (light rail)
- Flextrans (disabled customer service)
- Rideshare (carpooling and vanpooling)
- ECO Pass (group discount program)
- Ed Pass (school discount program)
- Ski bus service
- Bike racks
- DART Shuttle Service (Downtown restaurants and Delta Center)
- Monthly passes
- Free fare zone
- UTA web site

Projects:

- TRAX 15-mile North/South light rail line completed December 1999.
- University Stadium Extension (Downtown Salt Lake City to University of Utah) light rail line completed December 2001
- Medical Center Extension (University Stadium to the University Hospital) completed September 2003
- Other Pending Light Rail Extensions (West Valley City, Draper, West Jordan)
- Commuter Rail (Provo to Brigham) Salt Lake North to Ogden under construction.
- Bus Rapid Transit: South Davis county (8miles), 2012; 3500 South (9 miles), 2012; Provo/Orem (10miles), 2012.

COMMUNITY PROFILE

The Authority's Service Area is the region referred to as the Wasatch Front. The population of the Utah Transit Authority's Service Area is approximately 1,869,200.

Box Elder County. The Authority services only a portion of Box Elder County, comprised of the cities of Brigham, Perry and Willard and some unincorporated areas. Box Elder County (the fourth largest county in the State) accounts for approximately 2% of the population and approximately 2% of the nonagricultural employment of the Service Area of the Authority. The principal city is Brigham City. The county's population increased approximately 17.2% from 1990 to 2000. The largest employment sectors are manufacturing, wholesale and retail trade, and government. Major employers include Alliant Tech – Thiokol Propulsion Group, AutoLiv ASP, La-Z-Boy, Utah and WalMart Distribution Center.

Davis County. Davis County accounts for approximately 14% of the population and approximately 10% of the nonagricultural employment of the service area of the Authority. The principal cities include Bountiful, Centerville, Farmington, Kaysville, Layton and Clearfield. The county's population increased approximately 27.2% from 1990 to 2000. The largest employment sectors are wholesale and retail trade; government, and service. Major employers include Hill Air Force Base, the Freeport Center, Davis County School District, Smith's Foods and Albertson's Foods.

Salt Lake County. Salt Lake County accounts for approximately 50% of the population and approximately 61% of the nonagricultural employment of the Service Area of the Authority. Salt Lake City is the capital and largest city in the State. The principal cities include Salt Lake City, West Valley City and Sandy City. Due to continuous economic and population growth, most of the cities in Salt Lake County have grown into a single large metropolitan area, with Salt Lake City being the commercial center of this metropolis. The county's population increased approximately 23.8% from 1990 to 2000. The largest employment sectors are service; wholesale and retail trade; and government. Major employers include the University of Utah (including the hospital), State of Utah, Granite and Jordan School Districts, Salt Lake County, Intermountain Health Care, Inc. and The Church of Jesus Christ of Latter-day Saints.

Northern Tooele County. The Authority services only the northern portion of Tooele County, which comprises the cities of Tooele and Grantsville and some unincorporated areas. Tooele County accounts for approximately 2% of the population and approximately 1% of the nonagricultural employment of the Service Area of the Authority. The principal cities include Tooele and Grantsville. The county's population increased approximately 53.1% from 1990 to 2000. The largest employment sectors are government; wholesale and retail trade; and transportation, communications and public utilities. Major employers include the Tooele Army Depot, Tooele County School District, Dugway Proving Grounds and US Magnesium Corporation of Salt Lake City.

Utah County. Utah County accounts for approximately 21% of the population and approximately 16% of the nonagricultural employment of the Service Area of the Authority. The principal cities include Provo and Orem. The county's population increased approximately 39.8% from 1990 to 2000. The largest employment sectors are service; wholesale and retail trade; and manufacturing. Major employers include Brigham Young University, Alpine, Provo and Nebo School Districts, Utah Valley State College, Intermountain Health Care, Inc. and Novell, Inc.

Weber County. Weber County accounts for approximately 11% of the population and approximately 10% of the nonagricultural employment of the Service Area of the Authority. The principal city is Ogden. The county's population increased approximately 24.1% from 1990 to 2000. The largest employment sectors are; service; wholesale and retail trade; and government. Major employers include the Internal Revenue Service, Weber State University, AutoLiv ASP, McKay Dee Medical Center, and Weber and Ogden City School Districts.

2007 BUDGET GLOSSARY

Accounting System - Utah Transit Authority is a single enterprise that uses the accrual method of accounting. Under this method of accounting, revenues are recorded when earned and expenses are recorded as soon as they result in liabilities for benefits received.

Accrual Accounting - A basis of accounting in which revenues and expenditures are allocated to the year in which they are incurred, as opposed to when cash is actually received or spent.

ADA - Americans with Disabilities Act - Passed by the federal legislature in 1990, this Act provides comprehensive guidelines designed to protect disabled individuals against discrimination.

AGC - Associated General Contractors

Articulated Bus - A bus usually 55 feet or more in length with two connected passenger compartments that bends at the connecting point when the bus turns a corner.

ATU - Amalgamated Transit Union

Bond - Long or Short- term debt issued by an Authority to help finance new acquisitions of property, facilities and equipment.

BRT – Bus Rapid Transit - a bus system similar to a fixed guide-way system that includes all or some of the following features: Limited Stops, Traffic Signal priority, Separate Lanes, Dedicated Right of Way, Station Services, Docking Systems and other enhancements.

Balanced Budget - A financial plan that matches all planned revenues and expenditures with proposed service levels.

Budget Message - The opening section of the budget document, which provides the UTA Board and the public with a general summary of the most important aspects of the budget, changes from current and previous fiscal years.

Budget Document – A formal plan of action for a specified time period that is expressed in monetary terms.

Capital Budget - A portion of the annual operating budget that appropriates funds for the purchase of capital equipment items. These expenditures are separated from regular operating items such as salaries, supplies, services and utilities. The capital budget includes funds for capital equipment purchases such as vehicles, construction of new facilities, office equipment, maintenance machinery, microcomputers and off-site improvements. They are distinguished from operating items due to their value (greater than \$5,000) and projected useful life (greater than one year).

Capital Grant – Monies received from a grantor , primarily the Federal Transit Administration (FTA) used to acquire fixed assets.

Capital Reserve - An account used to segregate a portion of the Authority's equity to be used for future capital program expenditures.

C.E.O. Quality Program - A program in operation where the Bus Operator is the CEO of his bus. CEO stands for **C**ontrol of the bus, always being on time **N**ever **E**arly, and **A**lways **O**n Route.

CMAQ- Congestion Mitigation and Air Quality program. Highway program money in TEA-21 and ISTEA to reduce congestion and improve air quality.

Debt - The amount of money required to pay interest and principal on the Authorities borrowed funds.

Debt Limit – A legal limit of total amount of bonds, notes, warrants or any other type of obligation issued or outstanding that can not be exceeded by the Authority.

Department - An organizational unit responsible for carrying out major Authority functions, such as operations, administration, and community relations.

Distinguished Budget Presentation Awards Program – A voluntary awards program administered by the Government Finance Officers Association to encourage governments to prepare effective budget documents.

Ends Policies – Policies to guide Utah Transit Authority about the ends to be achieved and means to those ends.

Extra board – Operators who have no assigned run but are used to cover runs deliberately left open or runs left open because of absence of assigned operators.

Farebox Revenues – All revenues from sale of passenger tickets, passes, tokens or other instruments of fare payment.

Flextrans Transportation - A major Authority program whereby transportation services are provided to the transportation disabled.

FRA - Federal Railroad Administration.

Fringe Benefits - Benefits provided to the employee such as FICA, Pension, Medical & Dental insurance, Life, Short and Long Term Disability insurance, Unemployment insurance, Tool and Uniform allowance and Educational reimbursement.

FTA - Federal Transit Administration - Formerly the Urban Mass Transportation Administration (UMTA). The FTA provides capital and operating funds to the Agency.

FTE – Full Time Equivalent Positions – A part time position converted to a decimal equivalent of a full time position based on 2,080 hours per year. For example a part time position working 20 hours per week would be the equivalent of .5 of a full time position.

GASB - General Accounting Standards Board – An independent, professional body to establish standards of accounting and financial reporting applicable to state and local governmental entities.

Goal – A statement of broad direction, purpose or intent.

Grants - A contribution by a government or other organization to support a particular function. Grants may be classified as either operational or capital.

Hybird bus – One that runs on hybrid propulsion. A vehicle power system that runs on electrical power supplied by an onboard generator powered by an internal combustion engine.

Internal Controls – Methods and measures implemented to safeguard assets, provide for accuracy of accounting data, and encourage compliance with polices.

Intermodal - Those issues or activities which involve or affect more than one mode of transportation, including transportation connections, choices, cooperation and coordination of various modes. Also known as “multimodal”.

Intermodal Centers - A location where various types of transportation modes meet.

Investments – Securities purchased for the generation of income in the form of interest.

ITS - Intelligent Transportation System - Use of computer technology to improve transportation systems.

Joint development – Projects undertaken by the public and private sectors. Usually refers to real estate projects and transit projects undertaken adjacent, above and /or below each other as a means of financing transit projects with minimal public expense.

Light Rail - An electric railway with a "light volume" traffic capacity compared to "heavy rail." Light rail may use shared or exclusive rights-of-way, high or low platform loading, and multi-car trains or single cars. Also known as "streetcar," "trolley car," and "tramway".

Local Match - The portion of funding provided by UTA or other contributors towards purchase of capital items.

Low-floor vehicles – One which an has entranceway and floor closer to the ground for easier access by those with disabilities.

LRT – Light rail transit

LRV - Light Rail Vehicles - These vehicles will be used on the TRAX Light Rail System.

MPO – Metropolitan Planning Organization. Local group tht selects projects, highways and transit to be given funds.

Operating Budget - A plan of expenditures and proposed sources of financing current service. The operating budget does not include capital or reserves. The principle sources of revenue are operating income, sales tax, investment income, and federal grants. All departments are financed through this budget.

Operating Revenue - Funds that the Authority receives as income to pay for ongoing operations. It includes such items as: sales taxes, fares, interest earnings, and grant revenues. Operating revenues are used to pay for day-to-day services.

Operation Expenses - This term refers to expenditures paid to obtain goods or services; including such items as payroll, services, supplies, fuel, utilities, insurance, etc. Capital expenditures are not included.

OV&P - Employee Partnering and Visioning Training - A week long program where operators receive from and give input to management and training, information about the authority, its people and operations.

Paratransit - Comparable transportation service required by the Americans with Disabilities Act (ADA) of 1990 for individuals with disabilities who are unable to use fixed-route transportation systems.

Park & Ride Lots - Parking lots provided for patrons to park their vehicles in while commuting on buses or the light rail system.

Passengers – The number of transit vehicle boarding's, including charter and special trips. Each passenger is counted each time that person boards a vehicle.

Park-and-ride lot – Lot to which passengers drive their cars, leave them for the day and board transit vehicles.

Passenger miles – Total number of miles traveled by passengers on a vehicle. (One bus with 10 passengers traveling 10 miles equals 100 passenger miles.)

Performance Measures – Data collected to determine how effective or efficient a program is in achieving its objectives.

Personnel - This item includes the cost of all salaries, wages, overtime, and benefits associated with the Authorities staff.

Platform Hours - Time during which an operator operates the revenue vehicle, either in line service or deadheading.

PM - Preventative Maintenance Funds - Funding provided by the Federal Transit Administration for preventative maintenance of UTA's fleet.

Policy Document – A statement of organization-wide financial and programmatic policies and goals that address long-term concerns and issues.

Program Budget - A budget that focuses upon the goals and objectives of an Authority, rather than upon its organizational budget units or object classes of expenditure.

Rapid transit – Synonym for fixed guideway public transport (usually rail)

Reserve - An account used to indicate the purpose (insurance or capital) for which the Agency's year-end balances may be used.

Revenue – Receipts from the sale of a product or provision of service.

Revenue Hours -Hours a vehicle travels while in revenue service. A transit vehicle is in revenue service only when the vehicle is available to the public.

Revenue Miles -Miles a vehicle travels while in revenue service. A transit vehicle is in revenue service only when the vehicle is available to the public.

RFP - Request for proposal.

Rideshare- Transportation provided to industry to promote car pooling in UTA and company sponsored vans.

SAFETEA-LU – The Safe, Accountable, Flexible and Efficient Transportation Equity Act. A Legacy for Users. The U.S. DOT's six-year \$286 billion surface transportation legislation, signed into law on August 10, 2005

Sales Tax - This tax is levied by the State within the service district for the Authority.

Scheduled Mile – Total service scheduled. It is computed from internal planning documents and includes the whole trip (e.g., deadhead, layover/recovery, and actual picking up and discharging of passengers).

Special Bus Revenue - Revenues generated from special engagements such as special trips to Provo for Brigham Young University football games.

Strategic Projects – Projects that prepare UTA for future growth and transportation needs of the community along the Wasatch Front.

TIP – Transportation Improvement Program. Federally mandated state program or projects to be implemented over several years.

TRAX Light Rail - The light rail system running from approximately 100th South, North in Sandy to Salt Lake City.

Transit Development Plan –TDP- a in house model developed to forecast cash flow for the next 30 years. It is also used as a sensitivity analysis tool for adding various program and projects to UTA's system showing the cost impact the program may have on our current system.

UDOT - Utah Department of Transportation.

UZA – Urbanized area. One designated by the Census Bureau as having at least 50,000 inhabitants in a central city or two adjacent cities.

Vision Statement - This statement provides long-term guidance to the Authority's purpose and objectives. This Vision Statement is the basis of the Authority's yearly objectives.

University / Medical Center Light Rail - A light rail system starting in Salt Lake City, intersecting the north south Trax line, and continuing to the University of Utah and the University Medical Center.