Comprehensive Annual Financial Report

45 Years of Growing Service

For Fiscal Year Ending December 31, 2015 and 2014

UTA

UTAH TRANSIT AUTHORITY

UTA Mission Statement

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

Comprehensive Annual Financial Report

For Fiscal Years Ended
December 31, 2015 and 2014

Finance Department

Robert K. Biles
Vice President, Finance

Danyce Steck, CPFO
Comptroller

UTA

UTAH TRANSIT AUTHORITY

TABLE OF CONTENTS

INTRODUCTORY SECTION

Letter of Transmittal ---------- 7
Certificate of Achievement for Excellence in Financial Reporting ---------- 16
Organizational Chart ---------- 17
Board of Trustees and Administration ---------- 18
System Map ---------- 21

FINANCIAL SECTION

Independent Auditor’s Report ---------- 23
Management's Discussion and Analysis ---------- 25
Financial Statements
  Comparative Statements of Net Position ---------- 36
  Comparative Statements of Revenues, Expenses, and Changes in Net Position ---------- 38
  Comparative Statements of Cash Flows ---------- 39
  Notes to the Financial Statements ---------- 41

REQUIRED SUPPLEMENTARY INFORMATION SECTION

Schedule of Changes in Net Pension Liability and Related Ratios ---------- 74
Statement of Required Employer Contributions ---------- 74
Notes to the Required Supplementary Information ---------- 75

STATISTICAL SECTION

Financial Trends
These schedules contain trend information to help the reader understand how the Authority's financial performance and well-being have changed over time.
  Net Position ---------- 77
  Change in Net Position ---------- 77
  Revenue History by Source ---------- 78
  Expense History by Function ---------- 79
Revenue Capacity
These schedules contain information to help the reader assess the Authority's most significant local revenue sources.
  Local Contributions from Other Governments ---------- 80
  Local Transit Sales Tax Rates by County ---------- 80
  Principal Contributors of Sales Tax ---------- 81
  Fares ---------- 82
Debt Capacity
These schedules present information to help the reader assess the affordability of the Authority's current level of outstanding debt and the Authority's ability to issue additional debt in the future.
  Debt Service Coverage ---------- 83

TABLE OF CONTENTS (continued)

STATISTICAL SECTION (continued)

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the Authority's financial activities take place.

Demographic and Economic Statistics ---------- 83
Principal Employers ---------- 84

Operating Information

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

Full Time Equivalent Employees ---------- 85
Trend Statistics ---------- 86
Operating Indicators and Capital Assets ---------- 88
Graphs ---------- 89

Introductory

UTAH TRANSIT AUTHORITY

For Fiscal Years Ended December 31, 2015 and 2014

The Authority

The Utah Transit Authority was incorporated on March 3, 1970 under authority of the Utah Public Transit District Act of 1969 for the purpose of providing a public mass transportation system for Utah communities. The Authority is governed by a 16 member board of trustees which is the legislative body of the Authority and determines all questions of Authority policy. Twelve members of the Board of Trustees, including one non-voting member, are appointed by each county, municipality or combination of municipalities which have been annexed to the Authority. The Board also includes one member who is appointed by the State Transportation Commission who acts as a liaison between the Authority and the Transportation Commission, one member of the board is appointed by the Governor, one member is appointed by the Speaker of the Utah State House of Representatives and one member is appointed by the President of the State Senate.

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

The responsibility for the operation of the Authority is held by the President/CEO in accordance with the direction, goals and policies of the Authority's Board of Trustees. The President/CEO has full charge of the acquisition, construction, maintenance, and operation of the facilities of the Authority and of the administration of the business affairs of the Authority. The President/CEO supervises the executive staff which includes the Vice President of Operations, Vice President of Finance, Vice President of Communications and Customer Focus, Chief Development Officer, Chief Technology Officer, Chief Planning Officer, and Chief Safety and Security Officer/Chief of Staff.

The President/CEO, General Council and the Internal Auditor for the Authority report to the Board of Trustees. An organizational chart which illustrates the reporting relationships follows in the introductory section.

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

The Authority serves the largest segment of population in the State of Utah known as the Wasatch Front. Its service area includes Salt Lake, Davis and Weber Counties, Utah County, and the cities of Tooele and Grantsville in Tooele County and that part of Tooele County comprising the unincorporated areas of Erda, Lakepoint, Stansbury Park and Lincoln, and the cities of Brigham City, Perry and Willard in Box Elder County.

According to the U.S. Census Bureau's 2014 American Community Survey, the population of the Authority's service area is 2,398,839 and represents 81.5% of the state's total population.

TRAX Red Line

Current Year Review

During the last year, UTA built upon its strong legacy of providing service, continuous achievement, and transit leadership. The information below provides a glimpse of the year's accomplishments.

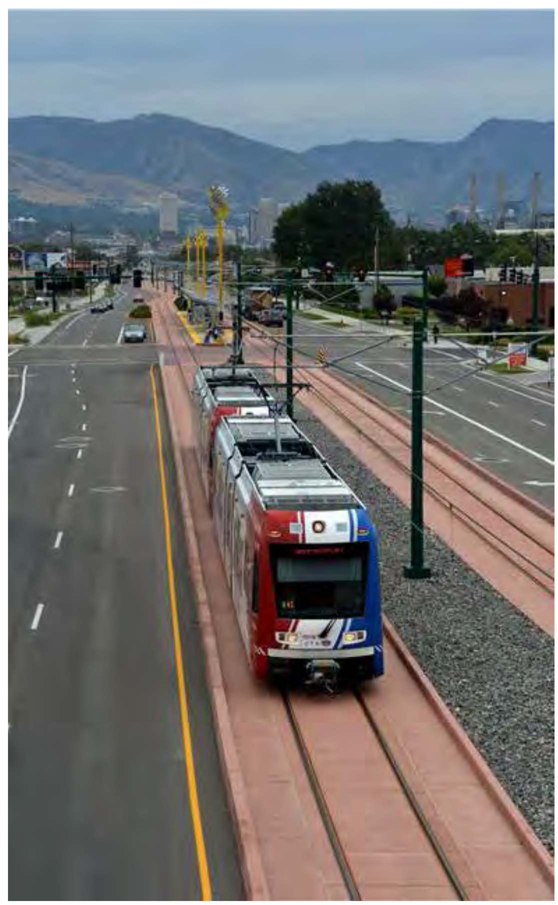
Transit Service. UTA increased transit service throughout the year with the first change, increased holiday service, being included in the 2015 budget. With the addition of Memorial Day, Independence Day, and Labor Day transit service, UTA now provides transit service 362 days per year. Transit riders were also interested UTA increasing frequency and extended hours of daily service. Because of favorable revenue growth, in August, UTA increased its hours of service by 5% which included both increased frequency and extended service hours. Recognizing that additional transit service was needed, In November, Davis, Weber and Tooele County passed Proposition One which increased the transit sales tax in those counties by one-tenth of a cent.

While increasing the amount of transit service is important, just as important to transit riders is that the bus or train arrives on time. UTA's on-time reliability results by mode are shown below. They are near the highest results within the transit industry.

Mode	On-Time Reliability
Bus	92.19%
TRAX	93.98%
FrontRunner	86.63%
Paratransit	97.92%
Streetcar	98.68%

System Enhancements. Keeping the transit system in state of good repair is a high priority. During the year, UTA replaced 23 buses, 56 paratransit vans, and 50 rideshare vans, began the light rail vehicle overhaul program, inspected all rail bridges, installed 4 miles of new fiber cable for the positive train control project, replaced worn train station tactile areas, and upgraded several rail grade crossings. In conjunction with local government and private partnerships, and transit rider input, over 100 bus stops were upgraded with shelters and other amenities. As part of the first/last mile connection initiative, bicycle storage was increased on buses and trains.

UTA entered into several air quality partnerships with the State of Utah, Salt Lake County, Salt Lake City, private firms, and other participating entities and participated in a consortium considering long-term mountain transportation needs. Development work continued for the Provo-Orem Transportation Improvement Project.



TRAX Green Line

Ridership and Passenger Revenues. System ridership essentially held steady with total ridership at 46.6 million while passenger revenues increased by $.6 million, a 1.2% increase over 2014 passenger revenues.

Transit-Oriented Development. At the Jordan Valley site, the developer began construction of a 270-unit residential project. These units will be ready to occupy around July 2016. At the Sandy site, construction was completed for the Phase II office facility and the tenant, the Utah Department of Child and Family Services occupied the building In January 2016. Also at the Sandy site, construction of the Phase I 272-unit residential project was nearly completed. These units will be ready to occupy starting in April 2016.

Financial Stewardship. In January, UTA refunded $860 million of debt and achieved a net present value savings of $77.7 million. As part of the refunding, UTA restructured its debt service payments and significantly lowered annual debt service payments from 2018 through 2021. As a result of several UTA financial stewardships actions, Standard & Poor's upgraded their rating of UTA's subordinate debt from A to A+.

TRAX Red Line Train

For the year, operating expenses were 6% below budget with lower than budgeted diesel fuel prices contributing almost two-thirds of the total $14.8 million operating savings. Personnel cost savings from transitional position vacancies, fuel savings from increasing average miles per gallon, and other operational efficiencies comprised the rest of the favorable budget variance.

UTA CNG Bus

UTA Reforms. Throughout 2015, UTA built upon its 2014 foundational reforms by focusing on Overhaul of policies, procedures, and personnel. More information about these reforms and others which are in progress is available at http://www.rideuta.com/About-UTA/Board-of-Trustees/Board-Message.

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

Future Plans

Entering its 45th year, UTA will continue its partnerships with federal, state, and local governments and stakeholders to identify and provide innovative, cost-effective, and successful transit solutions for the Wasatch Front community. Future plans include the following:

Provo-Orem Transportation Improvement Project. Construction is expected to begin in 2016 on the combination bus rapid transit (BRT) and road project which is the result of a partnership between County, the State of Utah, and UTA. The BRT will connect the Orem FrontRunner station, Utah Valley University, Brigham Young University, and the Provo FrontRunner station with 15-minute service. Completion of the $192 million improvement project is expected in late 2017.

Proposition 1 Improvements in Davis, Weber, and Tooele Counties. In November 2015, these counties approved an additional quarter cent transportation sales tax. UTA will receive 40% of this sales tax to enhance transit service. Working with stakeholders in each county, UTA is developing specific service improvement plans which will be vetted through a comprehensive and open public process. Service improvements ae expected to begin with UTA's August service change day.

Transit Oriented Development (TOD) projects. As noted in the Current Year section, three TODs began construction last year. Those projects will be completed in 2016. Projects in Clearfield, Sandy, and South Jordan are in various stages of planning and approvals. UTA will continue to work on these and other TOD projects to ensure that UTA's transit oriented development goals and standards are met.

State of Good Repair (SOGR). Recent transportation infrastructure failures in various parts of the United States increased the emphasis to ensure that future long-term infrastructure maintenance and replacement needs were identified, funded, and completed in a timely manner. Although final federal regulations are not yet in place for SOGR, UTA has been and will continue to be involved as a beta site for FTA's asset management software. In the next year, UTA will continue to refine its long-term SOGR work plan with an emphasis on development and approval of a detailed five-year work plan.

UTA Fare Enforcement

Anticipated Capital Projects.

- UTA is currently working to meet the federally mandated Positive Train Control deadline of December 2020. Approximately 20% of the $30 million capital project was completed at the end of 2015. Work will continue throughout 2016. UTA's positive train control improvements will be in place well before the deadline.

- Part of the $1.8 billion Salt Lake International Airport improvement project includes moving the terminus of UTA's light rail green line, the ***Airport Line Project***, to a more central, transit-friendly location by 2020. Anticipated cost of the Airport Line Project is approximately $60 million.

- Completion of the CNG fueling facility last December was the first step in establishing the ***Depot District Service Center*** for bus maintenance. Once completed, the Depot District Service Center, which serves Salt Lake City and surrounding areas, will be a state-of-the-art maintenance facility which can maintain a 200-bus service fleet. Design work continues with construction timing dependent upon completion of an approved funding plan.

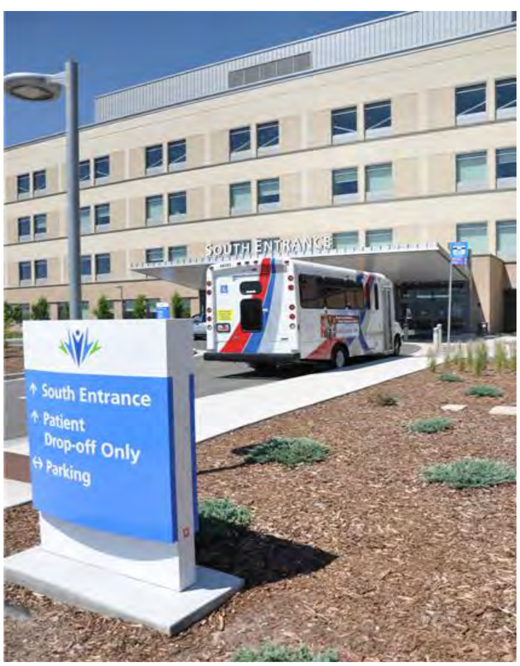
UTA Ski Buses

Over the next few years, UTA will seek to build upon its reputation as a successful and innovative transit organization by increasing service reliability, strategically adding cost-effective service, and improving passenger amenities while maintaining strong financial management. Just as important, UTA's Board and staff will be working to earn the public's trust through increased accountability and transparency initiatives.

The Economic Condition and Outlook

The Utah Governor's Office of Management and Budget in collaboration with the David Eccles School of Business at the University of Utah, prepared the 2016 Economic Report to the Governor. The Economic Report focuses on an estimated summary of the previous year and a forecast for the forthcoming year. The primary goal of the report is to improve the reader's understanding of the Utah economy. The report is a collaborative effort of both public and private entities which devote a significant amount of time to this report ensuring that it contains the latest economic and demographic information. Below are several excerpts from the Economic Report. For more detailed information, the entire report is available on the Gardner Policy Institute's website at http://gardner.utah.edu.

Overview of the Economy**.** Utah's labor market performed exceptionally well in 2015, ending the year with an unemployment rate at 3.7 percent and job growth also at 3.7 percent. Such strong performance kept the state at the top of national rankings for labor market indicators throughout the year.



Paratransit Bus at Intermountain Medical

Utah's total personal income in 2015 was an estimated $115.9 billion, a 4.5 percent increase from $110.8 billion in 2014. Utah's estimated 2015 per capita income was $38,641, up 2.6 percent from the 2014 level of $37,664. This 2015 growth rate is slightly slower than the average annual state growth rates of 5.2 percent for total personal income and 3.7 percent for per capita income during the 2011 to 2014 period. In the last two years, Utah's growth in per capita personal income has been slightly less than that of the U.S. economy as a whole.

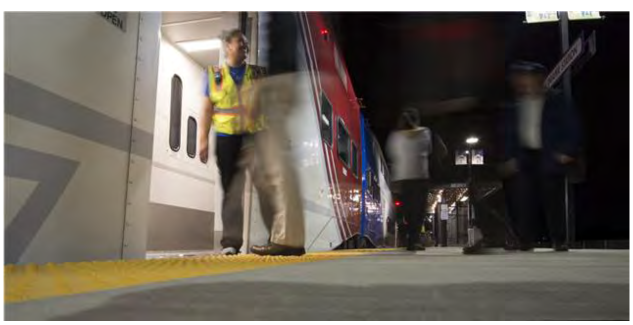
Wage growth in the state has shown improvement since the particularly low 1.0 percent growth posted in 2013. Tight labor markets are typically accompanied by rising compensation as employers bid up wages to obtain scarce workers. In 2015 it became clear that some industries with high concentrations of key occupations were feeling the pinch of worker shortages therefore increasing wage offerings, leading to 2.9 percent growth in average annual wages.

Frontrunner

In 2015, Utah total taxable sales are expected to increase by four percent to an estimated $53.76 billion. Although in nominal terms, 2015 total taxable sales are estimated at an all-time high, in real terms they are just below pre-recession highs. Growth since the Great Recession can be attributed to an improving labor market and increasing consumer confidence. Growth in 2015 retail sales and taxable services is estimated at 5.1 percent and 4.2 percent, while business investment purchases are estimated to decline by 2.4 percent.

Outlook 2016. All of the components are in place for Utah to have another positive year for labor market performance. A young and diverse workforce, prepared to meet the challenges of a varied and thriving employer community, should keep Utah attractive. Still, the state has likely taxed the capacity of labor supply to meet labor demand, which is projected to bring the rate of job growth down about a half percentage point. Employment contraction in the energy industries will have played itself out in 2015 and should level out in 2016.

Construction employment growth will likely accelerate with many multi-unit housing and non-residential construction projects on the roster for 2016.



Train Host

The somewhat slower job growth will sufficiently meet the growth in labor force, keeping the unemployment rate on the downward trend. Wages will also grow but will face some counter pressure as the Federal Reserve reverses policy and raises interest rates slowly over the coming year.

Utah total personal income in both 2015 and 2014 is estimated to have grown 4.5 percent. This represents a stability that matches income growth at the National level. Per capita personal income is estimated to have grown at a 2.6 percent rate in 2014, which is slower than the national PCI growth rate and is also slower than last year's Utah PCI growth rate.

With the Federal Reserve beginning to raise interest rates, U.S. investment slowing, and continued slowing in the European and Chinese economies, we do not expect to see large improvements in Utah income growth in 2016; more likely is a slight deceleration in the growth for both total personal income and per capita personal income.

Solid growth is forecasted to continue in 2016. Total taxable sales are projected to increase 6 percent. Higher forecasted growth in total taxable sales in 2016 can be partially attributed to a forecasted rebound in business investment purchases.

After a down year in 2015, 2016 business investment purchases are forecasted to increase by 6.8 percent. In 2016, retail sales are projected to grow by 4.7 percent and taxable services are projected to increase by 5.2 percent. Forecasted growth can be attributed to healthy fundamentals. Moderately strong growth in employment, total wages, consumer expenditures, and high consumer confidence are all contributing factors to increasing taxable sales.

Debt Administration

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

During 2015, the Authority issued two sales tax revenue bonds for the purpose of refunding previously-issued debt.

- The Series 2015A Senior Sales Tax Revenue Refunding Bonds were issued in the amount of $668,655,000 to refund $645,705,000 of the Series 2008A Sales Tax Revenue Bonds, and $44,550,000 of the Series 2009A Sales Tax Revenue Bonds.
- The Series 2015A Subordinated Sales Tax Revenue Refunding Bonds were issued in the amount of $192,005,000 to refund $129,997,040 of the Series 2007A Subordinated Sales Tax Revenue and Refunding Bonds, and $4,245,000 of Series 2012 Subordinated Sales Tax Revenue and Refunding Bonds. As of December 31, 2015, the Authority had $2,085,672,069 in outstanding bonds.

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

Independent Audit

State law requires that the Authority cause an independent audit to be performed on an annual basis. The Authority's independent auditors, Keddington and Christensen, LLC, have rendered an unqualified audit report on the Authority's financial statements. The auditor's report on the financial statements with accompanying notes is included in the Financial Section of the Comprehensive Annual Financial Report.

The Authority also has a single audit of all federally funded programs administered by this agency as a requirement for continued funding eligibility.

The Single Audit is mandatory for most local government including the Utah Transit Authority.

Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Utah Transit Authority for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2014.

In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both general accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgments

The preparation of the Comprehensive Annual Financial Report on a timely basis requires dedicated extra efforts of the staff of several departments.

I wish to express my appreciation to all department staff and managers who contributed to this report with special recognition to Teri Black, Executive Assistant; Danyce Steck, Comptroller; Dennis Bitner, Assistant Comptroller; the staff of the Accounting Department; Blair Lewis, Graphic Artist; and Eric Vance, Photographer.

Sincerely,

Robert K. Biles
Vice President, Finance
Utah Transit Authority

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

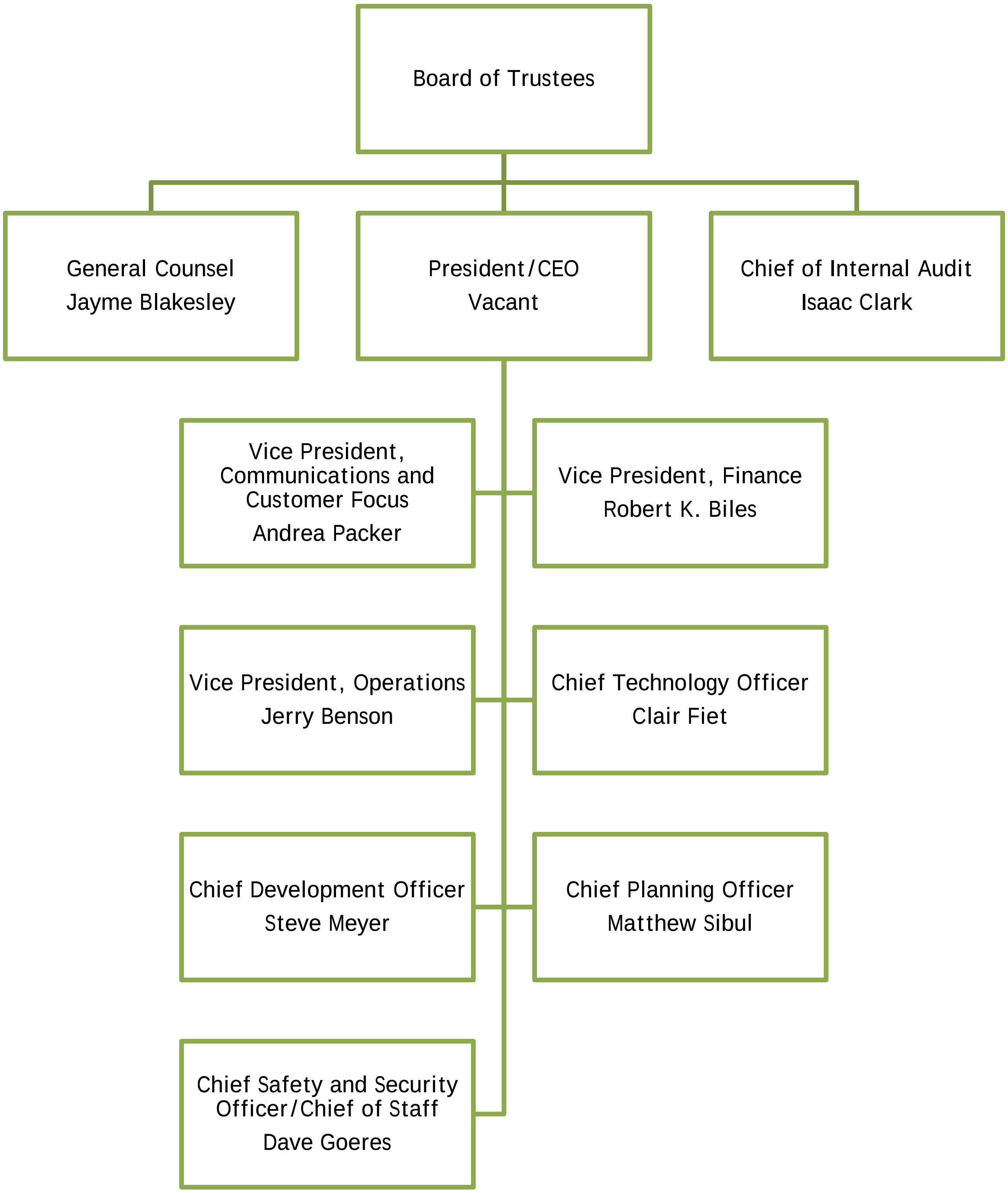
Utah Transit Authority

For its Comprehensive Annual Financial Report for the Fiscal Year Ended

December 31, 2014

Executive Director/CEO

Organizational Chart



Utah Transit Authority Board of Trustees
May 2016

H. David Burton
Board Chair

Chris Sloan
Board Vice-Chair

Robert McKinley
Board Vice-Chair

Jeff Acerson

Justin Allen

Keith Bartholomew

Matthew Bell

Necia Christensen

Babs DeLay

Sherrie Hall Everett

Jeff Hawker

Charles Henderson

Dannie McConkie

Bret Millburn

Michael Romero

Troy Walker

Board of Trustees Appointments

Appointed By	Current Member	Term Ending	# Terms Served
Governor of the State of Utah	H. David Burton	May, 2016	1
Municipalities and unincorporated areas with the district which are located within a county that is not annexed into the UTA district.	Chris Sloan	May, 2017	1
The Municipalities within Salt Lake County and the municipalities of Grantsville and Tooele in Tooele County	Robert McKinley	December, 2017	1
Municipalities with Utah County	Jeff Acerson	December, 2019	1
President of the Senate	Justin Allen	August, 2016	2
Salt Lake City	Keith Bartholomew	March, 2019	5
Municipalities within Weber County and Brigham City, Perry and Willard in Box Elder County	Matthew Bell	May, 2019	1
Municipalities with Salt Lake County and the municipalities of Grantsville and Tooele in Tooele County	Necia Christensen	May, 2019	5
Utah County	Sherrie Hall Everett	March, 2020	1
Municipalities within Salt Lake County and the Municipalities of Grantsville and Tooele in Tooele County	Jeff Hawker	October, 2016	1
Unincorporated Salt Lake County	Charles G. Henderson	January, 2016	2
Utah Transportation Commission	Dannie R. McConkie	May, 2017	1
The municipalities with Davis County	P. Bret Millburn	August, 2016	2
The municipalities with Salt Lake County and the municipalities of Grantsville and Tooele in Tooele County	Michael Romero	March, 2019	3
Municipalities with Salt Lake County and the municipalities of Grantsville and Tooele in Tooele County	Troy Walker	March, 2016	1

Board of Trustees and Administration

Board of Trustees as of May 1, 2016

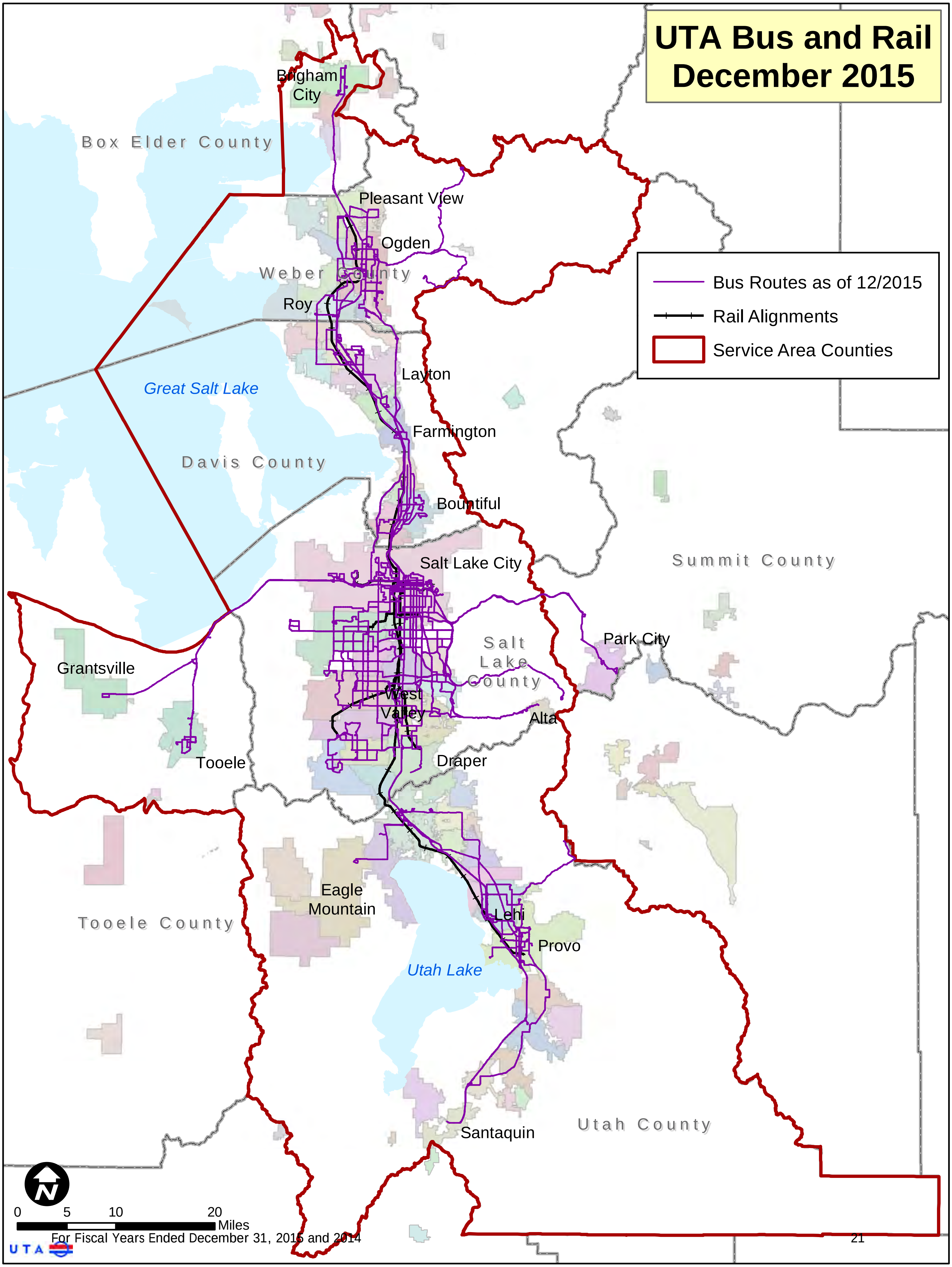
TRUSTEES	Jeff Acerson
	Justin Allen
	Keith Bartholomew
	Matthew Bell
	H. David Burton
	Necia Christensen
	Babs DeLay
	Sherrie Hall Everett
	Jeff Hawker
	Charles G. Henderson
	Dannie R. McConkie
	Robert W. McKinley
	P. Bret Millburn
	Michael E. Romero
	Chris Sloan
	Troy K. Walker

Officers of the Authority

CHAIRMAN	H. David Burton
VICE CO-CHAIRMAN	Robert W. McKinley
VICE CO-CHAIRMAN	Chris Sloan
PRESIDENT/CEO*	Vacant
GENERAL COUNSEL	Jayme L. Blakesley
SECRETARY/TREASURER and VICE PRESIDENT FINANCE*	Robert K. Biles
COMPTROLLER	Danyce Steck

Administration of the Authority

PRESIDENT/CHIEF EXECUTIVE OFFICER	Vacant
VICE PRESIDENT COMMUNICATIONS AND CUSTOMER FOCUS	Andrea Packer
VICE PRESIDENT OPERATIONS	Jerry Benson
VICE PRESIDENT FINANCE	Robert K. Biles
CHIEF DEVELOPMENT OFFICER	Steve Meyer
CHIEF OF INTERNAL AUDIT	Isaac Clarke
CHIEF PLANNING OFFICER	Matthew Sibul
CHIEF SAFETY & SECURITY OFFICER/CHIEF OF STAFF	Dave Goeres
CHIEF TECHNOLOGY OFFICER	F Clair Fiet
GENERAL COUNSEL	Jayme L. Blakesley
REGIONAL GENERAL MANAGER OF MT. OGDEN	D. Eddy Cumins
REGIONAL GENERAL MANAGER OF TIMPANOGOS	Vacant
REGIONAL GENERAL MANAGER OF SALT LAKE BUSINESS UNIT	Lorin Simpson
SPECIAL SERVICES GENERAL MANAGER	Cherryl Beveridge
COMMUTER RAIL GENERAL MANAGER	Bruce Cardon
LIGHT RAIL GENERAL MANAGER	Todd Provost



UTA Bus and Rail
December 2015
Bus Routes as of 12/2015
Rail Alignments
Service Area Counties
Brigham City
Box Elder County
Pleasant View
Ogden
Weber County
Roy
Layton
Great Salt Lake
Farmington
Davis County
Bountiful
Salt Lake City
Summit County
Park City
Salt Lake County
Grantsville
West Valley
Alta
Tooele
Draper
Eagle Mountain
Lehi
Tooele County
Provo
Utah Lake
Santaquin
Utah County
0
5
10
20
Miles

Financial

UTAH TRANSIT AUTHORITY

For Fiscal Years Ended December 31, 2015 and 2014

Keddington & Christensen, LLC
Certified Public Accountants

Gary K. Keddington, CPA
Phyl R. Warnock, CPA
Marcus K. Arbuckle, CPA

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees,
Utah Transit Authority
Salt Lake City, Utah

We have audited the accompanying financial statements of Utah Transit Authority (the "Authority") as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of Utah Transit Authority, as of December 31, 2015, and the respective changes in its net position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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Fax (801) 265-9405
1455 West 2200 South, Suite 201
Salt Lake City, Utah 84119

Adjustments to Prior Period Financial Statements

The financial statements of Utah Transit Authority as of December 31, 2014, were audited by other auditors whose opinion dated June 10, 2015, expressed an unmodified opinion on those financial statements. As discussed in Note 7 to the financial statements, the Authority has adjusted its 2014 financial statements to retrospectively apply the change in accounting required to implement GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. The Authority has also restated its 2014 financial statements during the current year to correct accounting errors which are described in Note 10 to the financial statements. The other auditors reported on the 2014 financial statements before these restatements.

As part of our audit on the 2015 financial statements, we also audited adjustments described in Note 10 that were applied to restate the 2014 financial statements. In our opinion, such adjustments are appropriate and have been properly applied. We were not engaged to audit, review, or apply any procedures to the 2014 financial statements of the Authority other than with respect to the adjustments and, accordingly, we do not express an opinion or any other form of assurance on the 2014 financial statements as a whole.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Utah Transit Authority's basic financial statements. The introductory section and statistical sections listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Keddington & Christensen, LLC

Keddington & Christensen, LLC
Salt Lake City
June 10, 2016

This section of Utah Transit Authority's (the Authority) annual financial report presents our discussion and analysis of the Authority's financial performance during the fiscal years ended on December 31, 2015 and December 31, 2014.

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

FINANCIAL STATEMENTS

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

FINANCIAL HIGHLIGHTS

On January 26, 2015, the Authority sold $860.7 million of Sales Tax Revenue Refunding Bonds. Net present value savings were 9.02% or $77.7 million.

The Authority continues to recognize the importance of reserves. New reserves for fuel and parts were established with $4.4 million placed into those reserves in January 2014. These reserves were increased during the year and stood at $4.9 million at the end of the year. Refunding savings of $5.7 million were added to the debt service and service stabilization fund bringing its December 31, 2015 balance to $10.5 million.

In December 2015, the Authority's Board of Trustees approved the 2016 budget with an established employer pension contribution rate of 16% of payroll which reached the goal-established rate necessary to achieve full funding no later than the end of 2033. This goal was set in 2013 as the Authority developed a plan to achieve full funding status of its pension system no later than the end of 2033. At that time, the Board of Trustees implemented a series of pension contribution increases to reach the percentage of payroll contribution needed to reach that goal (16%).

CONDENSED STATEMENTS OF NET POSITION

	2015	2014	*Difference*	*Percent difference*	2013
Assets					
Current and other assets	$ 231,099,087	$ 255,392,107	*$ (24,293,020)*	*-10%*	$ 304,932,984
Restricted assets	79,953,763	63,186,315	*16,767,448*	*27%*	63,699,497
Capital assets	3,233,864,565	3,343,299,438	*(109,434,873)*	*-3%*	3,452,000,057
Total assets	3,544,917,415	3,661,877,860	*(116,960,445)*	*-3%*	3,820,632,538
Deferred outflows of resources	125,000,198	2,028,608	*122,971,590*	*6062%*	1,063,462
Liabilities					
Current liabilities	66,390,159	70,900,996	*(4,510,837)*	*-6%*	72,914,161
Long-term liabilities	2,392,487,053	2,160,447,389	*232,039,664*	*11%*	2,166,745,378
Total liabilities	2,458,877,212	2,231,348,385	*227,528,827*	*10%*	2,239,659,539
Deferred inflows of resources	1,659,974	1,153,885	*506,089*	*44%*	-
Net position					
Net investment in capital assets	1,054,849,251	1,230,633,230	*(75,783,979)*	*-14%*	1,328,648,559
Restricted	77,774,572	62,860,625	*14,913,947*	*24%*	60,716,051
Unrestricted	76,756,604	137,910,343	*(61,153,739)*	*-44%*	192,671,851
Total net position	**$1,209,380,427**	**$1,431,404,198**	***$ (222,023,771)***	***-16%***	**$1,582,036,461**

2015 Results

In 2015, the Authority implemented the *Governmental Accounting Standards Board (GASB) Statement No. 68 Accounting and Financial Reporting for Pensions – an Amendment to GASB Statement No. 27.* The effect of this Statement is the recording of the Authority's net pension liability as of December 31, 2015 which increased deferred outflows of resources by $16.3 million, increased long-term liabilities by $117.4 million, and increased deferred inflows of resources by $1.7 million.

On January 26, 2015, Utah Transit Authority sold its $668,655,000 Sales Tax Revenue Refunding Bonds, Series 2015A (the "2015A Senior Bonds) and $192,005,000 Subordinated Sales Tax Revenue Refunding Bonds, Series 2015A (the "2015A Subordinate Bonds"). These two bond issues together are referred to as the "2015A Bonds". This major bond transaction was issued for a total par amount of $860,660,000 and generated $156,955,532 of Original Issue Premium, and involved the refunding of parts of four UTA bond issues, namely the 2008A (Senior Bonds), 2009A (Senior Bonds), 2007A (Subordinate Bonds), and the 2012 (Subordinate Bonds).

The primary purpose for issuing the 2015A Bonds, was for overall debt service savings. It should be noted that the True Interest Cost of the 2015A Bonds was 3.209%. This compares to the TIC for each of the refunded bond issues of 5.008%, 3.972%, 4.701%, and 4.048%, for the 2008A, 2009A, 2007A, and 2012 bonds, respectively.

This refunding resulted in total interest savings of $85,201,883, with net present value savings of $77,660,118, or 9.023% net savings of refunded principal. This represents average annual cash flow savings of $3,550,078. The transaction closed on February 25, 2015.

CONDENSED STATEMENTS OF NET POSITION (continued)

2015 Results (continued)

Additional benefits to UTA as a result of this refunding are the following;

1. Elimination of Capital Appreciation Bonds.
2. A Rating upgrade on UTA's Subordinate Debt Portfolio by Standard & Poors, from A to A+.
3. A reaffirmation of all other prior bond ratings, as rated by Standard & Poors, Moody's, and Fitch.
4. A reshaping of the debt service schedule by smoothing out of the steep increase in debt service beginning in 2017.
5. Elimination of Bond specific Debt Service Reserve Fund for all Senior Debt.
6. This transaction also allowed us to make several changes to the Bond Indenture, adding important items to generate flexibility benefiting the overall bond program.

The Authority's Board remained steadfast in its dedication to building reserves for the stabilization of services and debt management. In 2015, the Board authorized an increase of almost $8.0 million to designated assets. Designated assets equal $51.4 million of cash and cash equivalents.

Capital assets decreased by $109.4 million primarily due to depreciation expense of $161.0 million exceeding capital asset additions of $58.1 million.

An increase in net position over time may serve as a useful indicator of a government entity's financial position. As of December 31, 2015, the Authority's net position decreased to $1.21 billion from $1.43 billion as of December 31, 2014 due to the increase in long-term liabilities from the implementation of the *GASB Statement No. 68 Accounting and Financial Reporting for Pensions - an amendment of GASB Statement 27* which resulted in an increased long-term liability of $117m, and the issuance of the Series 2015 bonds.

2014 Results

Since completion of many of the Authority's major construction projects in 2013, the amount of federal receivables were reduced from $29.5 million in 2013 to $12.3 million in 2014. In addition, cash, cash equivalents and investments were reduced from $234.6 million in 2013 to $209.9 million in 2014 and other receivables were reduced from $16.3 million in 2013 to $8.6 million in 2014.

The Authority's Board remained steadfast in its dedication to building reserves for the stabilization of services and debt management. In 2014, the Board authorized the designation of $32.4 million from current assets. Restricted assets increased by over $6m.

Capital assets decreased by $108.7 million primarily due to depreciation expense of $163.5 million exceeding capital asset additions of $54.8 million.

An increase in net position over time may serve as a useful indicator of a government entity's financial position. As of December 31, 2014, the Authority's net position decreased to $1.43 billion from $1.58 billion as of December 31, 2013 due to reduced federal funding for capital projects.

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

	2015	2014	Difference	Percent difference	2013
Operating revenues	$ 54,346,242	$ 53,761,223	*$ 585,019*	*1.1%*	$ 54,720,664
Operating expenses	394,062,733	398,626,029	*(4,563,296)*	*-1.1%*	380,901,457
Excess of operating expenses over operating revenues	(339,716,491)	(344,864,806)	*5,148,315*	*1.5%*	(326,180,793)
Non-operating revenues	290,848,506	274,965,988	*15,882,518*	*5.8%*	261,463,584
Non-operating expenses	81,386,242	92,122,756	*(10,736,514)*	*-11.7%*	87,942,920
Income (loss) before contributions	(130,254,227)	(162,021,574)	*31,767,347*	*19.6%*	(152,660,129)
Capital contributions	9,068,708	11,389,311	*(2,320,603)*	*-20.4%*	56,255,201
Change in net positon	$ (121,185,519)	$ (150,632,263)	*$ 29,446,744*	*19.5%*	$ (96,404,928)
Total net position, January 1	$ 1,431,404,198	$ 1,577,104,904			$ 1,673,509,832
Prior period adjustment	(100,838,252) [1]	4,931,557 [2]			
Total net position, December 31	$ 1,209,380,427	$ 1,431,404,198			$ 1,577,104,904

[1] Effect of GASB Statement No. 68 implementation, net pension liability as of January 1, 2015.
[2] Recognition of represented employees trust in the amount of $3.26m, restatement of $1.67m of current liabilities to equity.

SUMMARY OF REVENUES FOR THE YEAR ENDED DECEMBER 31

	2015	2014	Difference	Percent difference	2013
Operating					
Passenger revenue	$ 52,112,909	$ 51,461,223	*$ 651,686*	*1.3%*	$ 52,653,997
Advertising	2,233,333	2,300,000	*(66,667)*	*-2.9%*	2,066,667
Total operating revenue	**54,346,242**	**53,761,223**	***585,019***	***1.1%***	**54,720,664**
Non-operating					
Contributions from other gov'ts (sales tax)	227,703,023	214,683,276	*13,019,747*	*6.1%*	203,806,329
Federal noncapital assistance	52,000,012	50,754,876	*1,245,136*	*2.5%*	51,854,492
Interest income	2,831,406	5,803,227	*(2,971,821)*	*-51.2%*	1,455,039
Other	8,314,065	3,724,610	*4,589,455*	*123.2%*	4,347,724
Total non-operating revenue	**290,848,506**	**274,965,989**	***15,882,517***	***5.8%***	**261,463,584**
Capital contributions	**9,068,708**	**11,389,280**	***(2,320,603)***	***-20.4%***	**56,255,200**
Total revenues	**$ 354,263,456**	**$ 340,116,492**	***$ 14,146,934***	***4.2%***	**$ 372,439,448**

SUMMARY OF REVENUES FOR THE YEAR ENDED DECEMBER 31 (continued)

2015 Results

Passenger revenue showed a slight increase of $585,000 (1.3%) in 2015. This year, the Authority began to focus on electronic fare media (FarePay) through increased consumer education campaigns and fare incentives for conversion. This conversion campaign has seen significant success in converting cash customers to FarePay, however, the incentives have had an impact on passenger revenue growth.

Since the Authority does not have the ability to tax, it relies on contributions dedicated by other governments for the purpose of mass transit in the form of sales tax as supplementary income to operations and development. As Utah's economy continues to improve and unemployment rates continue to decrease, this sales tax amount continues to increase. In 2015, the Authority recognized $13.0 million (6.2%) in increased contributions of sales tax.

In 2015, the investment market did not provide the same opportunities for short-term investments as 2014. With a decreased number of investment transactions, interest income decreased in 2015 by almost $3.0 million.

With the completion of the major rail lines, the Authority has begun to assess property and liquidate land no longer needed to support the Authority's purpose. In 2015, the Authority sold approximately 37.5 acres of land which contributed approximately $5.6m in other revenue.

2014 Results

Passenger revenue showed a slight decrease of $1.2 million (2.3%) as a result of travel patterns and patronage becoming more normalized with all rail lines in operation.

Since the Authority does not have the ability to tax, it relies on contributions dedicated by other governments for the purpose of mass transit in the form of sales tax as supplementary income to operations and development. As Utah's economy continues to improve and unemployment rates continue to decrease, this sales tax amount continues to increase. In 2014, the Authority recognized $10.9 million (5.3%) in increased contributions of sales tax.

In 2014, the Authority focused on developing an investment policy and plan which would maximize investment income while complying with the Utah Money Management Act. The result of this work increased investment income by $2.9 million (196.4%).

With the completion of many of the construction projects, capital contributions continued to decrease in 2014 as federal and local grants were recognized in full.

FrontRunner employees on Flag Day 2015

SUMMARY OF EXPENSES FOR THE YEAR ENDED DECEMBER 31

	2015	2014	*Difference*	*Percent difference*	2013
Operating expenses					
Bus service	$ 77,092,676	$ 79,060,631	*$ (1,967,955)*	*-2.5%*	$ 78,894,435
Rail service	67,254,632	70,365,953	*(3,111,321)*	*-4.4%*	61,086,101
Paratransit service	18,511,580	18,748,699	*(237,119)*	*-1.3%*	18,202,211
Other services	2,918,871	3,183,892	*(265,021)*	*-8.3%*	3,378,120
Operations support	32,051,926	28,380,563	*3,671,363*	*12.9%*	28,439,826
Administration	34,531,325	32,921,739	*1,609,586*	*4.9%*	25,999,127
Major investment studies	658,400	2,488,179	*(1,829,779)*	*-73.5%*	2,534,785
Depreciation	161,043,323	163,476,373	*(2,433,050)*	*-1.5%*	162,366,852
Total operating expenses	$ 394,062,733	$ 398,626,029	*$ 4,563,296)*	*-1.1%*	$ 380,901,457

2015 Results

Personnel cost for the Authority in 2015 was 71.6% of total operating expense less depreciation. Overall, personnel cost rose by $7.1 million (4.4%) in 2015.

With this increase as a reference, the operational cost for all direct service decreased in 2015 as a result of lower fuel costs as well as continued operational efficiencies and resource utilization adjustments.

Operating expense less personnel cost decreased by $9.2 million (-12.2%) due to the decreased cost of fuel and reduced planning and studies cost.

Within operating expense, operational support increased by almost $3.7 million (12.9%) directly attributed to an increased cost for facility maintenance and public safety.

Administrative expense increased by $1.3 million (4.1%) from 2014. This change was directly attributed to the Authority's increased cost for legal services and information technology (IT).

2014 Results

Personnel cost for the Authority in 2014 was 68% of total operating expense less depreciation. Overall, personnel cost rose by $6.6 million in 2014, with the majority of this increase attributable to benefits.

With this increase as a reference, the operational cost for bus service actually decreased in 2014 as a result of operational efficiencies and resource utilization adjustments.

Rail service cost rose by $9.3 million (15.3%) as a result of the expiration of purchase warranties which occurs as a new system ages. In addition, maintenance and operational costs have become more normalized in this first year of service for all light rail lines.

Administration expense increased more significantly (26.6%) as support for capital projects decreased and administrative personnel began to support operations. In addition, the Authority experienced increased costs in legal and information technology (IT). The legal increase is attributable to increased activity on the transit oriented development projects, and the IT increase is primarily due to increased development.

CAPITAL ASSET ACTIVITY

	2015	2014	*Difference*	*Percent difference*	2013
Land and Right of Ways	$ 444,484,721	$ 445,737,902	*$ (1,253,181)*	*-0.3%*	$ 386,003,739
Facilities	2,660,455,033	2,659,779,176	*675,857*	*0.0%*	2,607,914,859
Vehicles	778,085,676	763,036,847	*15,048,829*	*2.0%*	750,584,733
Other	420,778,077	411,580,491	*9,197,586*	*2.2%*	435,801,836
Construction in process	75,984,422	55,473,714	*20,510,708*	*37.0%*	165,902,871
Depreciation	(1,145,923,364)	(992,308,692)	*(153,614,672)*	*15.5%*	(894,207,981)
Total capital assets	**$ 3,233,864,565**	**$ 3,343,299,438**	***$ (109,434,873)***	***-3.3%***	**$ 3,452,000,057**

2015 Results

The Authority expended approximately $58.1 million for capital assets in 2015. Approximately $18.9 million was expended for revenue vehicle replacements. This program included twenty-three (23) buses, fifty-five (55) RideShare vans, and fifty-six (56) paratransit vans.

In addition to revenue vehicles, the Authority expended $9.3 million on information technology (IT) which included continued development and upgrades of the infrastructure.

In 2015, the Authority expended $32.8 million on major strategic projects. This included the Depot District (fueling and maintenance facility to support bus operations), the continued development of several Bus Rapid Transit (BRT) routes, and several other projects designed to enhance the system and passenger experience.

2014 Results

The Authority expended approximately $54.8 million for capital assets in 2014. Approximately $9.7 million was expended for revenue vehicle replacements. This program included twenty (20) diesel buses and thirty-seven (37) RideShare vans.

In addition to revenue vehicles, the Authority expended $19.7 million on rail infrastructure maintenance and improvements; as well as $7.8 million on information technology (IT) which included continued development and upgrades of the infrastructure.

In 2014, the Authority expended $9.6 million on major strategic projects. This included the Depot District (fueling and maintenance facility to support bus operations), the continued development of several Bus Rapid Transit (BRT) routes, and several other projects designed to enhance the system and passenger experience.

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

DEBT ADMINISTRATION

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

A. Ratings Summary

Effective: April 2015

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

Effective: April 2014

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

B. 2015 Debt Issuance

During 2015, the Authority issued the following senior lien bonds:

2015 Series Senior Lien revenue bonds: $668,655,000

Proceeds from the Series 2015 Senior Lien bond issue were used to refund the remaining refundable maturities of the Series 2008A revenue bonds ($645.7 million), and $44.55 million of the refundable maturities of the Series 2009A revenue bonds.

2015 Series Subordinate Lien revenue bonds: $192,500,000

Proceeds from the Series 2015 Subordinate Lien bond issue were used to refund the majority of refundable maturities of the Series 2007A capital appreciation revenue bonds ($132.3 million), and a small portion ($4.3 million) of the refundable maturities of the Series 2012A revenue bonds.

C. 2014 Debt Issuance

During 2014, the Authority issued the following subordinated lien bonds:

2014 Series revenue bonds: $142,370,000

Proceeds from the Series 2014 bond issue were used to refund the remaining refundable maturities of the Series 2006A and 2006B variable rate revenue bonds.

DEBT ADMINISTRATION (continued)

D. Decrease of Interest Expense

Interest expense decreased from $91.3 million in 2014 to $80.2 million in 2015. This decrease the direct effect of the issuance of the Series 2015 bonds and restructuring of the Authority's debt.

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

SIGNIFICANT ACTIVITIES

2015 Significant Activities

In conjunction with Utah County, the Utah Department of Transportation, the cities of Provo and Orem, and the Mountainland Association of Governments, the Authority continued the development of the Provo Orem Transportation Improvement Project (TRIP) which includes a bus rapid transit system.

Two new transit-oriented development (TOD) groundbreakings occurred in 2015 for Phases 2 and 3 of the Sandy TOD site. Phase 2 includes a 60,000 square foot office building preleased to the Utah State Division of Child and Family Services. Phase 3 includes construction of 67 apartment units.

Transit access improvements included increasing capacity for safe bicycle storage on trains and buses as well as providing bus amenities at 104 bus stops. In addition, the Authority launched several mobility management programs including a shared and donated vehicle program, RidePilot scheduling and dispatch software, and the first phase of the One-Click transportation and referral system.

The Authority hosted the 2015 American Public Transit Association Rail Conference and International Rail Rodeo.

Voters approved Proposition 1 in Weber, Davis, and Tooele counties. The Proposition adds a one-tenth cent transit sales tax with the tax becoming effective in 2016. Through extensive pre-election public outreach efforts, the Authority discussed potential service changes with over 8,000 citizens.

Continuous improvement initiatives included launching and facilitating the Community Transit Advisory Committee and starting the Light Rail Benchmarking Group in conjunction with the Imperial College of London. Another continuous improvement project increased the miles per gallon for all transit modes resulting in annual savings of over $600,000.

In August, the Authority added service to twelve bus routes, TRAX, and the S-line. Changes included increased frequency and extended hours of service.

The Authority continued design and construction of the federally-mandated positive train control system and completed construction of the Depot District CNG fueling facility.

SIGNIFICANT ACTIVITIES (continued)

2014 Significant Activities

The Authority placed four rails in service in 2013, two years ahead of schedule and $300 million under budget. This unprecedented feat helped the Authority earn the 2014 American Public Transit Association System of the Year award.

In addition to adapting to full year operations for the four lines, the Authority broke ground in Sandy, Utah on the first FTA-partnered transit oriented development.

The Authority implemented a popular FAREPAY card system with over 20,000 cardholders and $3 million in revenue.

New service options were added for Hill Air Force Base and the State of Utah, and customer amenities were enhanced at 115 system locations.

Development continued on a compressed natural gas (CNG) fleet with the acquisition of 24 CNG buses in 2013, and the construction of a CNG fueling facility to support these vehicles in 2014.

The renovation of the system's radio communications network, which serves 2,500 users, was completed in 2014.

In an effort to reduce healthcare costs and increase employee wellness, the Authority opened an on-site employee health care clinic. It also received ISO certification in Safety, Quality, and Environmental disciplines.

In 2014, the Authority developed an investment portfolio which yielded an additional $2.9 million in investment earnings.

Finally, ridership increased by 2.17% which was more than twice the national average of 0.95%.

Salt Lake City Intermodal Hub

RIDERSHIP COMPARISON

The following information provides an annual comparison of ridership by service for years 2015, 2014, and 2013.

Reported as passenger boardings in thousands

	2015	2014	*Difference*	*Percent difference*	2013
Bus service	20,377	20,487	*(110)*	*-0.5%*	19,445
Light rail service	19,704	19,868	*(164)*	*-0.8%*	18,741
Commuter rail service	4,645	4,416	*229*	*5.2%*	3,800
Paratransit service	427	427	-	*0.0%*	746
Vanpools	1,424	1,401	*23*	*1.6%*	1,388
Total ridership	46,577	46,599	*(22)*	*0.0%*	44,120

In 2015, the Authority realized no change in overall ridership from 2014. However, commuter rail's attraction to the business commuter community resulted in a 5.2% increase in ridership. Light rail and bus operations reduced ridership slightly.

In 2014, the Authority realized a 4.9% increase in ridership, with commuter rail operations seeing the largest increase as the service continues to attract the business commuter community. Light rail expansion also contributed to increased ridership.

Bus service increased in 2014 as the Authority continued to evaluate route demands and due to a change in reporting requirements by the National Transit Database that required Flex Bus services previously reported as paratransit service be reported as bus service.

Paratransit saw a significant decrease as the result of the change in reporting category explained above under bus service.

TRAX in Salt Lake City

COMPARATIVE STATEMENTS OF NET POSITION

	2015	2014
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 123,456,952	$ 146,671,159
Receivables		
Contributions from other governments (sales tax)	41,966,003	39,819,359
Federal grants	8,292,008	12,310,186
Other	8,450,195	8,646,633
Parts and supplies inventories	21,871,283	20,068,739
Prepaid expenses	2,735,237	2,737,708
Total Current Assets	**206,771,678**	**230,253,784**
Noncurrent Assets:		
Amount recoverable - interlocal agreement	24,327,409	25,138,323
Restricted assets (Cash equivalents and investments)		
Bonds funds	62,996,201	48,532,535
Interlocal agreements	6,476,298	4,206,099
Represented employee benefits	3,039,873	3,050,065
Escrow funds	81,091	80,827
Self-insurance deposits	7,360,300	7,316,789
Total restricted assets	79,953,763	63,186,315
Property, facilities and equipment:		
Land and improvements	130,457,888	131,711,069
Rights of way	314,026,833	314,026,833
Infrastructure	2,660,455,034	2,659,779,176
Revenue vehicles	778,085,676	763,036,847
Other property and equipment	420,778,076	411,580,491
Construction in progress	75,984,422	55,473,714
Total property, facilities and equipment	4,379,787,929	4,335,608,130
Less accumulated depreciation and amortization	(1,145,923,364)	(992,308,692)
Total Noncurrent Assets	**3,338,145,737**	**3,431,624,076**
TOTAL ASSETS	**3,544,917,415**	**3,661,877,860**
DEFERRED OUTFLOWS OF RESOURCES		
Advanced debt refunding	108,648,743	2,028,608
Assumptions changes related to pensions	16,351,455	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	**$ 125,000,198**	**$ 2,028,608**

See accompanying notes to the financial statements.

COMPARATIVE STATEMENTS OF NET POSITION (continued)

	2015	2014
LIABILITIES		
Current Liabilities:		
Accounts payable	$ 18,445,210	$ 26,123,239
Accrued liabilities, primarily payroll-related	18,980,139	20,771,440
Accrued interest	4,162,032	4,198,562
Accrued self-insurance liability	2,284,463	2,321,555
Current portion of long-term debt	15,048,301	11,445,000
Payable from restricted assets	1,889,650	325,691
Unearned revenue	5,580,364	5,715,509
Total Current Liabilities	**66,390,159**	**70,900,996**
Long-Term Liabilities:		
Long-term debt	2,272,615,756	2,101,221,208
Long-term accrued interest	1,203,331	57,976,113
Long-term self-insurance liability	1,230,095	1,250,068
Long-term net pension liability	117,437,871	-
Total Long-term Liabilities	**2,392,487,053**	**2,160,447,389**
TOTAL LIABILITIES	**2,458,877,212**	**2,231,348,385**
DEFERRED INFLOWS OF RESOURCES		
Advanced debt refunding	-	1,153,885
Changes to earnings on pension plan investments	1,659,974	-
TOTAL DEFERRED INFLOWS OF RESOURCES	**1,659,974**	**1,153,885**
NET POSITION		
Net investment in capital assets	1,054,849,251	1,230,633,230
Restricted for:		
Debt service	62,996,201	48,532,535
Interlocal agreements	4,586,648	3,880,408
Represented employee benefits	3,039,873	3,050,066
Escrow funds	81,091	80,827
Self-insurance deposits	7,360,300	7,316,789
Unrestricted	76,467,063	137,910,343
TOTAL NET POSITION	**$ 1,209,380,427**	**$ 1,431,404,198**

See accompanying notes to the financial statements.

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

	2015	2014
OPERATING REVENUES		
Passenger fares	$ 52,112,909	$ 51,461,223
Advertising	2,233,333	2,300,000
Total operating revenues	**54,346,242**	**53,761,223**
OPERATING EXPENSES		
Bus service	77,092,676	79,060,631
Rail service	67,254,632	70,365,953
Paratransit service	18,511,580	18,748,699
Other service	2,918,871	3,183,892
Operations support	32,051,926	28,380,563
Administration	34,531,325	32,921,739
Major investment studies	658,400	2,488,179
Depreciation	161,043,323	163,476,373
Total operating expenses	**394,062,733**	**398,626,029**
Excess of operating expenses over operating revenues	**(339,716,491)**	**(344,864,806)**
NON-OPERATING REVENUES (EXPENSES)		
Contributions for other governments (sales tax)	227,703,023	214,683,276
Federal preventative maintenance grants	49,452,677	47,760,737
Federal planning grants	2,547,335	2,994,139
Investment income	2,831,406	5,803,226
Other	8,314,065	3,724,610
Interest expense	(80,575,328)	(91,311,842)
Recoverable sales tax - interlocal agreement	(810,914)	(810,914)
Net non-operating revenues	**209,462,264**	**182,843,232**
INCOME (LOSS) BEFORE CONTRIBUTIONS	**(130,254,227)**	**(162,021,574)**
Capital contributions:		
Federal grants	7,819,096	8,025,628
Local	1,249,612	3,363,683
Total capital contributions	**9,068,708**	**11,389,311**
Change in Net Position	(121,185,519)	(150,632,263)
Total Net Position, January 1 (As restated)	1,330,565,946	1,582,036,461
TOTAL NET POSITION, DECEMBER 31	$ 1,209,380,427	$ 1,431,404,198

See accompanying notes to the financial statements.

COMPARATIVE STATEMENTS OF CASH FLOWS

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES:		
Passenger receipts	$ 51,764,499	$ 53,808,447
Advertising receipts	2,050,000	2,500,000
Payments to vendors	(74,953,534)	(76,261,742)
Payments to employees	(115,398,348)	(114,048,842)
Employee benefits paid	(51,080,606)	(50,140,742)
Other receipts (payments)	3,444,927	(404,844)
Net cash used in operating activities	**(184,173,062)**	**(184,547,723)**
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Contributions from other governments (sales tax)	225,556,379	213,317,172
Federal preventative maintenance grants	48,690,739	48,033,492
Federal planning assistance grants	2,547,335	2,994,139
Net cash provided by noncapital financing activities	**276,794,453**	**264,344,803**
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Contributions for capital projects		
Federal	12,599,212	24,903,788
Local	273,373	3,508,940
Proceeds from the sale of revenue bonds	1,028,019,422	143,168,739
Deposit into escrow for refunding bonds	(1,000,196,793)	-
Payment of bond principal	(12,054,502)	(150,790,000)
Interest paid on revenue bonds	(85,928,937)	(85,927,088)
Purchases of property, facilities, and equipment	(55,550,677)	(48,998,207)
Proceeds from the sale of property	10,975,741	172,732
Net cash used in capital and related financing activities	**(101,863,161)**	**(113,961,096)**
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of investments	(109,429,557)	(406,982,818)
Proceeds from the sales of investments	81,120,723	409,640,520
Interest on investments	1,965,923	3,516,720
Net cash provided by investing activities	**(26,342,911)**	**6,174,422**
NET INCREASE IN CASH AND CASH EQUIVALENTS	**(35,584,681)**	**(27,989,594)**
Cash and cash equivalents at beginning of year	209,857,474	237,847,068
Cash and cash equivalents at end of year	$ 174,272,793	$ 209,857,474

See accompanying notes to the financial statements.

COMPARATIVE STATEMENTS OF CASH FLOWS (continued)

	2015	2014
Reconciliation of operating loss to net cash used in operating activities:		
Operating loss	$ (339,716,491)	$ (344,864,806)
Adjustments to reconcile excess of operating expenses over operating revenues to net cash used in operating activities:		
Pension expense	1,908,135	-
Depreciation	161,043,323	163,476,373
Other revenues	1,280,554	3,551,878
Changes in assets and liabilities:		
Receivables	232,832	1,533,123
Parts and supplies inventories	(1,802,544)	(1,975,878)
Prepaid expenses	2,471	(237,248)
Accounts payable - trade and restricted	(6,114,070)	(6,387,426)
Accrued liabilities	(1,848,366)	561,076
Unearned revenue	841,094	(204,815)
Advanced collections	-	-
Net cash used in operating activities	$ (184,173,062)	$ (184,547,723)

See accompanying notes to the financial statements.

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

A. Organization

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

The Authority's service area lies in the region commonly referred to as the Wasatch Front. The service area extends from the Wasatch Mountains on the east to the Great Salt Lake on the west, is approximately 100 miles long and 30 miles wide, and consists of an area of approximately 1,400 square miles that covers all or portions of six (6) principal counties (Box Elder, Davis, Salt Lake, Tooele, Utah and Weber). The service area also includes a small portion of Juab County. The total population within the six principal counties is approximately 2,400,000 which represents approximately 82% of the state's total population.

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

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

B. Reporting Entity

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

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting

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

B. Standards for Reporting Purposes

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

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

C. Federal Planning Assistance and Preventative Maintenance Grants

Federal planning assistance grants received from the Federal Transit Administration (FTA) and preventative maintenance grants are recognized as revenue and receivable during the period in which the related expenses are incurred and eligibility requirements are met. Passage of the Moving Ahead for Progress Act for the twenty-first century (MAP21) allows for the replacement and repair of aging infrastructure.

D. Federal Grants for Capital Expenditures

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

E. Classification of Revenues and Expenses

- *Operating revenues:* Operating revenues include activities that have the characteristics of exchange transactions such as passenger revenues and advertising revenues.
- *Operating expenses:* Operating expenses include payments to suppliers, employees, and third parties on behalf of employees and all payments that do not result from transactions defined as capital and related financing, non-capital financing, or investing activities.
- *Non-operating revenues:* Non-operating revenues include activities that have the characteristics of non-exchange transactions and other revenue sources that are defined as non-operating revenues by GASB Statement No. 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting,* and GASB Statement No. 34. Examples of non-operating revenues would be the contributions from other governments (sales tax), federal grants and investment income.
- *Non-operating expenses:* Non-operating expenses include payments from transactions defined as capital and related financing, non-capital financing or investing activities.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Contributions from Other Governments

The counties and municipalities who receive transit services from the Authority have agreed to contribute a portion of sales tax to the Authority in exchange for service. These contributions are received by the Authority approximately 60 days after the collection of the sales tax, and as such are recorded as an accrual to revenue and receivable during that period.

The following percentage of sales have been authorized as Local Option Sales Tax and dedicated to support transit:

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

G. Cash and Cash Equivalents

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

H. Investments

Cash in excess of operating requirements is invested by the Authority. The Authority's investments comply with the Utah Money Management Act, and are stated at fair value, which is primarily determined based upon quoted market prices at year end (Note 3).

Investment policy: The Authority's investment policy is established and may be amended by the President/CEO within the parameters established by the Board of Trustees and the Utah Money Management Act.

I. Receivables

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

J. Parts and Supplies Inventories

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

K. Property, Facilities and Equipment

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

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

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

Land and Rights of Way	Not depreciated
Facilities and Land Improvements	10-50 years
Revenue Vehicles	5-25 years
Other Property and Equipment	3-10 years

Interest is capitalized when incurred in connection with the financing of construction projects. Due to the completion of construction projects, the Authority did not report any capitalized interest for the years ended December 31, 2015 or 2014, respectively.

L. Amount Recoverable – Interlocal Agreement

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

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

M. Compensated Absences

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

N. Risk Management

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

Under the Governmental Immunity Act, the maximum statutory liability in any one accident is $2,407,700 for incidents occurring after July 1, 2014. The Authority is self-insured for amounts up to this limit. The Authority has Railroad Liability Coverage of $100 million per annum with $5 million of risk retention. The Authority is self-insured for worker's compensation up to the amount of $1 million per incident and has excess insurance for claims over this amount. The Authority has insurance for errors and omissions and damage to property in excess of $100,000 per annum.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

N. Risk Management (continued)

The Authority has insurance or retains the risk depending on what is in the Authority's best interest for all other matters. There has been no significant reduction in insurance coverage or settlements in excess of insurance coverage during the last three years.

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

O. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Utah Transit Authority Employee Retirement Plan and Trust ("the Plan") and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

P. Net Position

The Authority's net position is classified as follows:

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

- *Restricted for debt service:* This component of net position consists of the amount restricted by bond covenants for debt service.

- *Restricted for interlocal agreement:* This component of net position consists of the amounts restricted by interlocal agreements with Mountain Accord and the municipalities of Willard, Perry and Brigham City in Box Elder County.

- *Restricted for represented employee benefits:* This component of net position consists of the amount restricted by the Utah Transit Authority Bargaining Unit Employees' Insurance Trust Account Agreement for the purpose of providing represented employee benefits.

- *Restricted for escrows:* This component of net position consists of the amount restricted by escrow agreement.

- *Unrestricted:* This component of net position consists of that portion of net position that does not meet the definition of restricted or net investment in capital assets. When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first, then unrestricted resources as they are needed.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Q. Budgetary and Accounting Controls

The Authority's annual budgets are approved by the Board of Trustees, as provided for by law. Operating and non-operating revenues and expenditures are budgeted on the accrual basis, except for depreciation. Capital expenditures and grant reimbursements are budgeted on a project basis. Multi-year projects are approved in whole, but are budgeted based on estimated annual expenses.

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

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

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

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

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

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

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

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

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

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

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Q. Budgetary and Accounting Controls (continued)

The following table shows actual revenues, operating expenses, and capital expenses for 2015 compared to budget. (Depreciation expense is not a budgeted item.)

	2015 Budget	2015 Actual	Difference
Revenues			
Contributions from other gov'ts, sales tax	$ 221,285,569	$ 227,703,023	$ 6,417,454
Federal non-capital assistance	52,517,121	52,000,012	(517,109)
Passenger revenues	51,061,000	52,112,909	1,051,909
Advertising	2,233,333	2,233,333	-
Investment income	2,300,000	2,831,406	531,406
Other income	5,544,000	2,671,936	(2,872,064)
Total revenues	**$ 334,941,023**	**$ 339,552,619**	**$ 4,611,596**
Operating Expenses			
Bus services	$ 82,813,407	$ 77,092,676	$ 5,720,731
Rail services	74,728,587	67,254,632	7,473,955
Paratransit services	19,672,410	18,511,580	1,160,830
Other services	252,492	2,918,871	(2,666,379)
Operations support	36,629,095	32,051,926	4,577,169
Administration	27,602,313	30,195,417	(2,593,104)
Planning and development	4,262,790	4,335,908	(73,118)
Major investment studies	458,000	658,400	(200,400)
Total operating expenses	**$ 246,419,094**	**$ 233,019,410**	**$ 13,399,684**
Non-Operating Expenses (Revenues)			
Interest expense	$ 86,936,906	$ 80,575,328	$ 6,361,578
Amortized charges	810,914	810,914	-
Disposition of real estate	-	(5,642,129)	5,642,129
Total non-operating expenses (revenues)	**$ 87,747,820**	**$ 75,744,113**	**$ 12,003,707**
Capital Expenses			
Capital projects	$ 133,816,451	$ 58,053,069	$ 75,763,382

R. Recent Accounting Pronouncements

GASB Statement 72
Fair Value Measurement and Application
Issued: February 2015

This statement addresses accounting and fair value reporting issues related to fair value measurements by clarifying the definition of fair value, establishing general principles for measuring fair value, providing additional fair value application guidance, and enhancing disclosures about fair value measurements. This statement establishes a three-level hierarchy of inputs to valuation techniques used to measure fair value. This statement is effective for the Authority's fiscal year beginning January 1, 2016.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

R. Recent Accounting Pronouncements (continued)

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

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

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

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

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

NOTE 3 – CASH, CASH EQUIVALENTS AND INVESTMENTS

The Authority maintains a cash, cash equivalents and investment pool of restricted, designated, and unrestricted amounts to be used to manage the daily cash requirements necessary to support the Authority. The Authority's cash balance consisted of the following as of December 31, 2015 and 2014, respectively:

	2015	2014
Cash and cash equivalents		
Restricted	$ 50,815,841	$ 63,105,489
Designated	51,399,708	43,902,276
Unrestricted	72,057,244	102,849,709
Investments		
Restricted	29,137,922	-
Total cash, cash equivalents, and investments	**$ 203,410,715**	**$ 209,857,474**

While the Authority's carrying amount of cash and cash equivalents on December 31, 2015 was $174,272,793, the balance of the Authority's bank accounts and cash on-hand was $179,615,963 with the difference being outstanding checks and deposits in transit.

A. Restricted Cash and Cash Equivalents

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

The Authority is currently acting as the trustee of funds for use by a consortium of other governments called the Mountain Accord. In addition, the Authority is acting as the trustee of funds for a represented employee benefits trust.

B. Designated Cash and Cash Equivalents

Designated cash and cash equivalents are considered designated through action by the Authority's Board of Trustees and have no outside legal restrictions. Designations include funds to stabilize operations and debt service in the case of changing economic environments. The following amounts were considered designated by the Board of Trustees as of December 31 of the respective years:

	2015	2014
Early Debt Retirement	$ 10,535,764	$ 4,866,866
Fuel Reserve	1,915,000	1,400,000
Operating Reserve	23,405,698	22,550,480
Parts Reserve	3,000,000	3,000,000
Stabilization Reserve	12,543,246	12,084,930
Total designated cash and cash equivalents	**$ 51,399,708**	**$ 43,902,276**

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

B. Designated Cash and Cash Equivalents (continued)

- *Designated for early debt retirement reserves:* This component of net position consists of savings experienced in the amount of actual variable interest expense from budgeted variable interest expense for the same time period, one-time contributions as determined by the President/CEO, and any unused monies from debt service reserve funds established for specific bonds when no longer encumbered for the initially reserved debt. Permitted use of these reserves is defined in the *Executive Limitations Policy No. 2.4.6 Debt Service Reserve and Rate Stabilization Fund Created.*

- *Designated for fuel reserves:* This component of net position consists of the amount designated by the Board of Trustees to mitigate the financial impact of unexpected and rapidly rising fuel prices. *(Executive Limitations Policy No. 2.3.3 Budgeting)*

- *Designated for operating reserves:* This component of net position consists of 9.33% (one month expense, plus 1%) of the annual budgeted operating expense, and is required by the Board of Trustees. *(Executive Limitations Policy No. 2.3.3 Budgeting)*

- *Designated for parts reserves:* This component of net position consists of the amount designated by the Board of Trustees to be accumulate funds in anticipation of a State of Good Repairs requirement. *(Executive Limitations Policy No. 2.3.3 Budgeting)*

- *Designated for stabilization reserves:* This component of net position consists of 5% of the Authority's annual budget for the purpose of preserving service levels when the Authority is facing a revenue shortfall or cost overrun due to extraordinary circumstances, such as an economic downturn or rapid rise in fuel prices or any combination of such events. *(Executive Limitations Policy No. 2.1.8 Service Stabilization Reserve Fund)*

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

C. Deposits

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

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

  At December 31, 2015 and 2014, the balances in the Authority's bank demand deposit accounts and certificate of deposit accounts according to the bank statements totaled $15,529,487 and $15,429,211, respectively, of which $ 786,995 and $ 529,454 were covered by Federal depository insurance.

- *Credit Risk:* Credit risk is the risk that the counterparty to an investment will not fulfill its obligations. The Authority's policy for limiting the credit risk of investments is to comply with the Act. The Act requires investment transactions to be conducted only through qualified depositories, certified dealers, or directly with issuers of investment securities. Permitted investments include deposits of qualified depositories; repurchase agreements; commercial paper that is classified as "first-tier" by two nationally recognized statistical rating organizations, one of which must be Moody's investor Service or Standard & Poor's; bankers acceptances; obligations of the U.S. treasury and U.S. government sponsored enterprise; bonds and notes of political subdivision of the state of Utah; fixed rate corporate obligations and variable rated securities rated "A" or higher by two nationally recognized statistical rating services as defined in the Act.

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

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

C. Deposits (continued)

The following are the Authority's investment as of December 31, 2015:

		Investment Maturity (in years)		
		Less than 1	1-5	**TOTAL**
U.S. Agencies	AAA	$ -	$ 19,873,662	**$ 19,873,662**
Corporate Bonds	A+/A1/A+	-	9,264,260	**9,264,260**
Total investments		**$ -**	**$ 29,137,922**	**$ 29,137,922**

- *Interest Rate Risk:* Interest rate risk is the risk that changes in the interest rates will adversely affect the fair value of an investment. The Authority manages its exposure by strictly complying with its Investment Policy which complies with the Act. The Authority's policy relating to specific investment-related risk is to adhere to the Act. The Act requires that the remaining term to maturity of investments may not exceed the period of availability of the fund to be invested. The maximum adjusted weighted average maturity of the portfolio does not exceed 90 days.

NOTE 4 – PROPERTY, FACILITIES, AND EQUIPMENT

Construction in progress of $75,984,421 and $55,473,714 December 31, 2015 and 2014, respectively, consists of costs incurred in connection with the Authority's Provo/Orem Bus Rapid Transit (BRT) project, compressed natural gas (CNG) fueling station, federally-mandated positive train control, and other rail enhancement projects. These costs consist of engineering, design, and construction.

	Balance 12/31/2014	Increases	Transfers	Decreases	Balance 12/31/2015
Capital assets not being depreciated					
Land	$ 121,638,389	$ -	$ 59,905	$(1,413,051)	$ 120,285,243
Rights of way	314,026,833	-	-	-	314,026,833
Construction in process	55,473,714	32,808,806	(11,187,229)	(1,110,870)	75,984,421
Total capital assets not being depreciated	491,138,936	32,808,806	(11,127,324)	(2,523,921)	510,296,497
Capital assets being depreciated					
Infrastructure	2,659,779,176	2,570,987	1,977,325	(3,872,454)	2,660,455,034
Revenue vehicles	763,036,847	18,903,834	482,413	(4,337,418)	778,085,676
Other property and equipment	411,580,491	3,769,441	8,567,621	(3,139,477)	420,778,076
Land improvements	10,072,680	-	99,965	-	10,172,645
Total capital assets being depreciated	3,844,469,194	25,244,262	11,127,324	11,349,349)	3,869,491,431
Less accumulated depreciation					
Facilities	(481,956,454)	(79,740,968)	-	907	(561,696,515)
Revenue Vehicles	(278,895,208)	(38,642,743)	-	4,266,564	(313,271,387)
Other property and equipment	(222,568,671)	(42,091,947)	-	3,161,179	(261,499,439)
Land improvements	(8,888,359)	(567,664)	-	-	(9,456,023)
Total accumulated depreciation	(992,308,692)	(161,043,323)	-	7,428,651	(1,145,923,364)
Capital assets being depreciated, net	2,852,160,502	(135,799,060)	11,127,324	(3,920,699)	2,723,568,067
Total capital assets, net	$ 3,343,299,438	$(102,990,254)	$ -	(6,444,620)	$3,233,864,565

	Balance 12/31/2013	Increases	Transfers	Decreases	Balance 12/31/2014
Capital assets not being depreciated					
Land	$ 107,453,195	$ -	$ 14,185,194	$ -	$ 121,638,389
Rights of way	268,388,463	784,740	44,853,631	-	314,026,833
Construction in process	165,902,871	26,610,908	(137,040,065)	-	55,473,714
Total capital assets not being depreciated	541,744,529	27,395,648	(78,001,240)	-	491,138,936
Capital assets being depreciated					
Facilities	2,607,914,859	8,154,360	44,098,777	(388,820)	2,659,779,176
Revenue vehicles	750,584,733	10,486,982	5,525,436	(3,560,304)	763,036,847
Other property and equipment	435,801,836	8,738,288	28,374,528	(61,334,161)	411,580,491
Land improvements	10,162,081	-	2,500	(91,901)	10,072,680
Total capital assets being depreciated	3,804,463,509	27,379,630	78,001,241	(65,375,185)	3,844,469,194
Less accumulated depreciation					
Facilities	(402,605,647)	(79,739,164)	-	388,357	(481,956,454)
Revenue Vehicles	(243,989,942)	(38,465,570)	-	3,560,304	(278,895,208)
Other property and equipment	(239,179,814)	(44,723,956)	-	61,335,099	(222,568,671)
Land improvements	(8,432,577)	(547,682)	-	91,901	(8,888,359)
Total accumulated depreciation	(894,207,981)	(163,476,373)	-	65,375,661	(992,308,692)
Capital assets being depreciated, net	2,910,255,528	(136,096,743)	78,001,241	476	2,852,160,502
Total capital assets, net	$ 3,452,000,057	$(108,701,095)	$ -	$ 476	$3,343,299,438

NOTE 5 – FEDERAL FINANCIAL ASSISTANCE

The Authority receives a portion of its funding from federal preventative maintenance grants, which totaled $49,452,677 and $47,760,737 for the years ended December 31, 2015 and 2014, respectively.

NOTE 6 – SELF-INSURANCE CLAIMS LIABILITY

Changes in the accrued claims liability in 2015 and 2014 were as follows:

	Beginning liability	Changes in estimates	Claim payments	Ending liability
2014	$ 3,286,821	$ 3,017,462	$ (2,732,661)	$ 3,571,622
2015	$ 3,571,622	$ 2,237,055	$ (2,294,119)	$ 3,514,558

NOTE 7 – PENSION PLANS

A. General Information about the Pension Plan

Plan description: The Utah Transit Authority Employee Retirement Plan (the “Plan”) is a single-employer defined benefit plan. The Plan’s provisions were adopted by a resolution of the Authority’s Board of Trustees, which appoints those who serve as trustees of the Plan. Any amendments to the Plan are adopted by a resolution of the Authority’s Board of Trustees.

Benefits provided: The Plan covers all eligible employees and provides retirement benefits to Plan members and their beneficiaries. The Plan also provides disability benefits to Plan members. Retirement benefits are as follows:

Final average salary	**Years of service required**	**Age eligibility for benefit**	**Benefit percent per year**
Highest 5 years	5 years	Must be age 55 or older	2% for every year of service. A year of service consists of 1,000 hours worked during a calendar year.

Participation: As of December 31, 2015, there were 1,978 active participants, 281 inactive participants, and 448 retirees and beneficiaries.

NOTE 7 – PENSION PLANS (continued)

A. General Information about the Pension Plan (continued)

Contributions: Through December 31, 2015, contributions to the Plan were recommended by an annual actuarial report and are approved by the Authority's Board of Trustees. As of January 1, 2014, a contribution based on a percentage of payroll was approved by the Authority's Board of Trustees. This percentage will be reviewed by the Board of Trustees annually as updated actuarial valuation reports become available. The Board of Trustees approved a contribution rate of 14% for 2014, 15% for 2015, and 16% for 2016 through 2034. This contribution rate is consistent with the Authority's adopted Plan funding policy which is focused on restoring the Plan's funding status to 100% within 20 years. Post 2034 contributions are assumed equal to the 8.2% of pay normal cost rate (including administrative expenses) from the 01/01/2015 plan funding valuation. The actual amount contributed by the employer during the 2015 fiscal year was $16,745,254.

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

By mail:	Utah Transit Authority Comptroller's Office 669 West 200 South Salt Lake City, UT 84101
By email:	FEvans@rideuta.com
By phone:	(801) 287-2523

B. Pension Assets, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Net pension liability: At December 31, 2015, the Authority reported a net pension liability of $117,437,871. The net pension liability was measured as of December 31, 2015, and was determined by an actuarial valuation as of January 1, 2015 and rolled-forward using generally accepted actuarial procedures.

Deferred outflows of resources and deferred inflows of resources: At December 31, 2015, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred inflows of resources	Deferred outflows of resources
Differences between expected and actual experience	$ (1,659,974)	$ -
Changes of assumptions	-	6,499,115
Net difference between projected and actual earnings	-	9,852,340
Contributions made subsequent to measurement date	-	-
Total	$ (1,659,974)	$ 16,351,455

NOTE 7 – PENSION PLANS (continued)

B. Pension Assets, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

Pension expense: For the year ended December 31, 2015, the Authority recognized pension expense of $3,376,130. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year ended December 31	Deferred outflows (inflows) of resources
2016	$ 3,376,130
2017	3,376,130
2018	3,376,130
2019	3,376,130
2020	913,045
Thereafter	$ 273,916

Actuarial assumptions: The total pension liability in the December 31, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.30%
Salary Increases	5.40% per annum for the first five (5) years of employment; 3.40% per annum thereafter
Investment rate of return	7.25%, net of investment expenses
Mortality	RP-2014 Blue Collar Mortality Table, with MP-2014 Project Scale (Pre-retirement; Employee Table; Post-retirement Annuitant Table)
Bond Buyer General Obligation 20-Bond Municipal Bond Index	3.57%

The actuarial assumptions used in the January 1, 2015 valuation were based on the results of an actuarial experience study for the five year period ending December 31, 2008.

NOTE 7 – PENSION PLANS (continued)

B. Pension Assets, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

Long-term rate of return: The long-term rate of return is selected by the Plan's Pension Committee after a review of expected inflation and long-term real returns, reflecting expected volatility and correlation. Best estimates of arithmetic real rates of return for each major asset class included in the Plan's target asset allocations as of December 31, 2015, is summarized in the table below.

Asset Class	Target Asset Allocation	Real Return Arithmetic Basis	Long-term Expected Return
Cash & Fixed Income	30%	4.07%	1.221%
Domestic Large Cap Equity	25%	10.02%	2.505%
Domestic Small/Mid Cap Equity	15%	10.83%	1.625%
International Equity	20%	5.09%	1.018%
Alternatives	10%	2.41%	0.241%
Total	100%		6.610%
		Inflation	2.300%
		Expected arithmetic nominal return	8.910%

The 7.25% assumed investment rate of return is comprised of an inflation rate of 2.3% and a real return of 4.95% net of investment expense.

Discount rate: The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed contribution rates as recommended by the Authority's Pension Committee and approved by the Board of Trustees. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive participants. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following sensitivity analysis assumes rate volatility of plus and minus one percent of the discount rate of 7.25%.

	1% Decrease 6.25%	**Current Discount Rate 7.25%**	**1% Increase 8.25%**
Total pension liability	$306,030,434	$269,069,798	$238,533,673
Fiduciary net position	$151,631,927	$151,631,927	$151,631,927
Net pension liability	$154,398,507	$117,437,871	$86,901,746

NOTE 7 – PENSION PLANS (continued)

B. Pension Assets, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

Schedule of funding progress: The following tables show the pension plan's funding progress over the past five (5) years.

Year ended	Actuarial determined contribution	Actual employer contribution	% of actual to actuarial contributions	Balance net pension obligation/ prepaid
12/31/2015	$ 16,609,070	$ 16,745,254	100.8%	$ (136,184)
12/31/2014	$ 14,757,446	$ 15,366,694	104.1%	$ (609,248)
12/31/2013	$ 14,352,279	$ 13,338,052	92.9%	$ 1,014,227
12/31/2012	$ 12,206,257	$ 11,645,982	95.4%	$ 560,275
12/31/2011	$ 10,114,755	$ 10,114,755	100.0%	$ -

Actuarial valuation date	Actuarial value of assets	Actuarial accrued liability (AAL) using entry age normal	Unfunded AAL (UAAL)	Funded ratio	Approximate covered payroll	UAAL as a percent age of covered payroll
	(a)	(b)	(b-a)	(a/b)	(c)	((b-a)/c)
12/31/2015	$151,631,927	$269,069,798	$117,437,871	56.35%	$110,727,134	106.06%
12/31/2014	$146,854,399	$247,692,651	$100,838,252	59.29%	$106,004,057	95.13%
1/1/2014	$130,546,313	$235,908,403	$105,362,090	55.34%	$106,590,548	98.85%
1/1/2013	$118,878,693	$222,734,287	$103,855,594	53.37%	$102,099,985	101.72%
1/1/2012	$116,576,222	$201,406,385	$ 84,830,163	57.88%	$ 96,750,285	87.68%

C. Defined Compensation Plan

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

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

NOTE 8 – LONG TERM DEBT

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

A. Series 2005A Revenue Bond

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

Debt service requirements to maturity, including interest:

Year ending December 31	Principal	Interest	Total
2016	$ 1,400,000	$ 567,263	$ 1,967,263
2017	1,470,000	491,925	1,961,925
2018	1,550,000	412,650	1,962,650
2019	1,635,000	329,044	1,964,044
2020	1,720,000	240,975	1,960,975
2021-2022	3,730,000	198,450	3,928,450
	$ 11,505,000	$ 2,240,307	$ 13,745,307

Defeasence of Debt - On August 10, 2005, the Authority defeased certain 1997 Series revenue bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the Authority's financial statements. The 1997 Series revenue bonds relating to this issuance were defeased on December 15, 2007.

NOTE 8 – LONG TERM DEBT (continued)

B. Series 2006C Revenue Bond

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

Debt service requirements to maturity, including interest:

Year ending December 31	Principal	Interest	Total
2016	$ 4,570,000	$ 6,291,925	$ 10,861,925
2017	4,825,000	6,051,019	10,876,019
2018	5,085,000	5,790,881	10,875,881
2019	5,350,000	5,516,963	10,866,963
2020	5,635,000	5,228,606	10,863,606
2021-2025	33,125,000	21,238,219	54,363,219
2026-2030	43,035,000	11,298,131	54,333,131
2031-2032	20,615,000	1,096,594	21,711,594
	$ 122,240,000	$ 62,512,338	$ 184,752,338

Defeasence of Debt - On October 24, 2006, the Authority defeased certain 2002A Series revenue bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the Authority's financial statements. The 2002A Series revenue bonds relating to this issuance were defeased on December 15, 2012.

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

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

NOTE 8 – LONG TERM DEBT (continued)

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

Debt service requirements to maturity, including interest:

Capital Appreciation Bonds

Year ending December 31	Principal	Interest	Total
2016	$ -	$ 181,086	$ 181,086
2017	-	190,309	190,309
2018	-	200,002	200,002
2019	-	210,188	210,188
2020	-	220,894	220,894
2021-2025	-	1,285,138	1,285,138
2026-2030	-	1,647,494	1,647,494
2031-2032	2,332,069	579,493	2,911,562
	$ 2,332,069	$ 4,514,604	$ 6,846,673

Capital Interest Bonds

Year ending December 31	Principal	Interest	Total
2016	$ 2,320,000	$ 6,381,750	$ 8,701,750
2017	2,455,000	6,262,375	8,717,375
2018	2,565,000	6,136,875	8,701,875
2019	2,710,000	6,005,000	8,715,000
2020	2,850,000	5,866,000	8,716,000
2021-2025	10,860,000	27,894,250	38,754,250
2026-2030	33,895,000	22,191,875	56,086,875
2031-2035	71,140,000	11,374,500	82,514,500
	$ 128,795,000	$ 92,112,625	$ 220,907,625

Defeasence of Debt - On June 19, 2007, the Authority defeased certain 2005B Series revenue bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the Authority's financial statements. The 2005B Series revenue bonds relating to this issuance were defeased on December 15, 2015.

NOTE 8 – LONG TERM DEBT (continued)

D. Series 2008A Revenue Bond

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

Debt service requirements to maturity, including interest:

Year ending December 31	Principal	Interest	Total
2016	$ -	$ 2,850,488	$ 2,850,488
2017	-	2,850,488	2,850,488
2018	-	2,850,488	2,850,488
2019	5,885,000	2,696,006	8,581,006
2020	-	2,541,525	2,541,525
2021-2025	48,410,000	5,116,388	53,526,388
	$ 54,295,000	$ 18,905,383	$ 73,200,383

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

The Authority has elected to treat the 2009B bonds as "Build America Bonds" for the purposes of the American Recovery and Investment Act of 2009 (the Recovery Act) and to receive a cash subsidy from the United States Treasury in connection therewith. Pursuant to the Recovery Act, the Authority anticipated cash subsidy payments from the United States Treasury equal to 35% of the interest payable on the 2009B bonds. However due to federal sequestration, the Authority's subsidy payments for 2015 were discounted by 7.0%, or $383,012. The Authority has projected a continued discount of this subsidy in 2016 of 6.8%, or $369,430.

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

Debt service requirements to maturity, including interest:

Year ending December 31	Principal	Interest	Total	Scheduled Federal Subsidy Payment
2016	$ -	$ 15,522,287	$ 15,522,287	$ 5,063,370
2017	-	15,522,287	15,522,287	5,432,800
2018	-	15,522,287	15,522,287	5,432,800
2019	-	15,522,287	15,522,287	5,432,800
2020	-	15,522,287	15,522,287	5,432,800
2021-2025	-	77,611,433	77,611,433	27,164,002
2026-2030	10,180,000	77,309,239	87,489,239	27,058,234
2031-2035	96,935,000	62,841,809	159,776,809	21,994,633
2036-2039	154,335,000	21,674,354	176,009,354	7,586,024
	$ 261,450,000	$ 317,048,270	$ 578,498,270	$ 110,597,465

NOTE 8 – LONG TERM DEBT (continued)

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

The Authority has elected to treat the 2010A bonds as "Build America Bonds" for the purposes of the American Recovery and Investment Act of 2009 (the Recovery Act) and to receive a cash subsidy from the United States Treasury in connection therewith. Pursuant to the Recovery Act, the Authority anticipated cash subsidy payments from the United States Treasury equal to 35% of the interest payable on the 2010A bonds. However due to federal sequestration, the Authority's subsidy payments for 2015 were discounted by 7.0%, or $281,542. The Authority has projected a continued discount of this subsidy in 2016 of 6.8%, or $271,558.

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

Debt service requirements to maturity, including interest:

Year ending December 31	Principal	Interest	Total	Scheduled Federal Subsidy Payment
2016	$ -	$ 11,410,000	$ 11,410,000	$ 3,721,942
2017	-	11,410,000	11,410,000	3,993,500
2018	-	11,410,000	11,410,000	3,993,500
2019	-	11,410,000	11,410,000	3,993,500
2020	-	11,410,000	11,410,000	3,993,500
2021-2025	-	57,050,000	57,050,000	19,967,500
2026-2030	-	57,050,000	57,050,000	19,967,500
2031-2035	-	57,050,000	57,050,000	19,967,500
2036-2040	200,000,000	44,804,788	244,804,788	15,681,676
	$ 200,000,000	$ 273,004,788	$ 473,004,788	$ 95,280,118

NOTE 8 – LONG TERM DEBT (continued)

G. Series 2012A Revenue Bond

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

Debt service requirements to maturity, including interest:

Year ending December 31	Principal	Interest	Total
2016	$ 5,275,000	$ 13,507,250	$ 18,782,250
2017	-	13,401,750	13,401,750
2018	-	13,404,750	13,404,750
2019	-	13,401,750	13,401,750
2020	-	13,401,750	13,401,750
2021-2025	15,735,000	65,120,625	80,855,625
2026-2030	19,365,000	60,744,625	80,109,625
2031-2035	13,680,000	56,138,300	69,818,300
2036-2040	91,260,000	47,073,350	138,333,350
2041-2042	142,715,000	7,173,375	149,888,375
	$ 288,030,000	$ 303,367,525	$ 591,397,525

Defeasence of Debt - On November 28, 2012, the Authority defeased all of the 2011AB variable rate revenue bonds, and certain 2006AB Series variable rate revenue bonds. The 2006AB and 2011AB Series revenue bonds relating to this issuance were defeased on November 28, 2012.

NOTE 8 – LONG TERM DEBT (continued)

H. Series 2013 Revenue Bond

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

Debt service requirements to maturity, including interest:

Year ending December 31	Principal	Interest	Total
2016	$ 5,000	$ 186,100	$ 191,100
2017	5,000	186,034	191,034
2018	13,985,000	93,000	14,078,000
	$ 13,995,000	$ 465,134	$ 14,460,134

Defeasence of Debt - On December 30, 2013, the Authority defeased certain 2005B Series revenue bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the Authority's financial statements. The 2005B Series revenue bonds relating to this issuance were defeased on December 15, 2015.

I. Series 2014AB Revenue Bond

Purpose: Refunding of $142,980,000 of the 2006A and 2006B revenue bonds
Interest rates: 1.35-1.60%
Original amount: $142,370,000

Debt service requirements to maturity, including interest:

Year ending December 31	Principal	Interest	Total
2016	$ -	$ 2,076,995	$ 2,076,995
2017	80,370,000	1,534,498	81,904,498
2018	62,000,000	496,000	62,496,000
	$ 142,370,000	$ 4,107,493	$ 146,477,493

Defeasence of Debt - On April 24, 2014, the Authority defeased the remaining 2006AB Series variable rate revenue bonds.

NOTE 8 – LONG TERM DEBT (continued)

J. Series 2015A Revenue Bonds

On February 25, 2015, the Authority issued $668,655,000 in senior sales tax revenue bonds and $192,005,000 in subordinate sales tax revenue bonds to provide resources to purchase qualifying open market securities that were placed in an irrevocable trust for the purpose of generating resources for the advanced refunding of certain 2008A revenue bonds, certain 2009A revenue bonds, certain 2007A capital appreciation revenue bonds, and certain 2012A revenue bonds. These resources are intended to provide all future debt payments of $904,901,591 of senior and subordinate sales tax revenue bonds. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the Authority's financial statements. These advanced refundings were undertaken to reduce total debt service payments over the next 23 years by $85,099,817, and resulted in an economic gain of $77,660,118. As of December 31, 2015, no bonds have been defeased from the escrow fund.

The following represents the use of funds from this bond issuance:

Proceeds of refunding bonds	$ 1,017,615,532
UTA contribution from existing debt service funds	5,805,640
Underwriters fees and other costs of issuance	(2,542,037)
Payment to refunded bond escrow agent	$ 1,020,879,135

Series 2015A Senior Lien Revenue Bond

Purpose: Advanced refunding of $645,705,000 of the 2008A revenue bonds and $44,550,000 of the 2009A revenue bonds; debt service reserve
Interest rates: 4.00-5.00%
Original amount: $668,655,000

Debt service requirements to maturity, including interest:

Year ending December 31	Principal	Interest	Total
2016	$ -	$ 31,072,663	$ 31,072,663
2017	-	31,072,663	31,072,663
2018	-	31,072,663	31,072,663
2019	-	31,072,663	31,072,663
2020	12,425,000	30,769,238	43,194,238
2021-2025	97,090,000	144,093,369	241,183,369
2026-2030	201,235,000	103,761,125	304,996,125
2031-2035	209,450,000	56,583,900	266,033,900
2036-2038	148,455,000	11,114,800	159,569,800
	$ 668,655,000	$ 470,613,084	$1,139,268,084

NOTE 8 – LONG TERM DEBT (continued)

Series 2015A Subordinate Lien Revenue Bond

Purpose:	Advanced refunding of $129,997,040 of the 2007A capital appreciation revenue bonds and associated accreted interest of $80,404,551, and $4,245,000 of the 2012A revenue bonds; debt service reserve
Interest rates:	3.00-5.00%
Original amount:	$192,005,000

Debt service requirements to maturity, including interest:

Year ending December 31	Principal	Interest	Total
2016	$ -	$ 9,543,250	$ 9,543,250
2017	-	9,543,250	9,543,250
2018	-	9,543,250	9,543,250
2019	-	9,543,250	9,543,250
2020	2,850,000	9,500,500	12,350,500
2021-2025	41,880,000	42,712,500	84,592,500
2026-2030	44,505,000	31,483,625	75,988,625
2031-2035	57,470,000	18,812,000	76,282,000
2036-2038	45,300,000	1,839,750	47,139,750
	$ 192,005,000	$ 142,521,375	$ 334,526,375

K. 12-Year Lease Financing

Purpose:	Acquisition of 10 CNG buses and equipment
Interest rates:	2.0908%
Original amount:	$5,283,500

Debt service requirements to maturity, including interest:

Year ending December 31	Principal	Interest	Total
2016	$ 394,906	$ 103,309	$ 498,215
2017	403,242	94,973	498,215
2018	411,755	86,460	498,215
2019	420,447	77,768	498,215
2020	429,322	68,893	498,215
2021-2025	2,286,442	204,632	2,491,074
2026-2027	775,262	13,578	788,840
	$ 5,121,376	$ 649,612	$ 5,770,988

NOTE 8 – LONG TERM DEBT (continued)

L. 5-Year Lease Financing

Purpose: Acquisition of 20 flex/paratransit vehicles
Interest rates: 1.3186%
Original amount: $3,583,370

Debt service requirements to maturity, including interest:

Year ending December 31	Principal	Interest	Total
2016	$ 692,941	$ 38,706	$ 731,647
2017	702,133	29,514	731,647
2018	711,447	20,200	731,647
2019	720,885	10,762	731,647
2020	424,924	1,870	426,794
	$ 3,252,330	$ 101,052	$ 3,353,382

M. 4-Year Lease Financing

Purpose: Acquisition of 50 RideShare vans
Interest rates: 1.1778%
Original amount: $1,582,018

Debt service requirements to maturity, including interest:

Year ending December 31	Principal	Interest	Total
2016	$ 390,454	$ 14,642	$ 175,978
2017	395,082	10,014	400,468
2018	399,765	5,332	400,414
2019	235,380	926	400,691
	$ 1,420,682	$ 30,914	$ 1,451,595

NOTE 8 – LONG TERM DEBT (continued)

	Balance 12/31/2014	Additions	Reductions	Balance 12/31/2015	Amount due within one year
Bonds and Leases					
Series 2005A Revenue Bond	$ 12,835,000	$ -	$ (1,330,000)	$ 11,505,000	$ 1,400,000
Series 2005B Revenue Bond	2,525,000	-	(2,525,000)	-	-
Series 2006C Revenue Bond	126,580,000	-	(4,340,000)	122,240,000	4,570,000
Series 2007A Capital Appreciation Bond	132,329,109	-	(129,997,040)	2,332,069	-
Series 2007A Current Interest Bond	128,795,000	-	-	128,795,000	2,320,000
Series 2008A Revenue Bond	700,000,000	-	(645,705,000)	54,295,000	-
Series 2009A Revenue Bond	44,550,000	-	(44,550,000)	-	-
Series 2009B Build America Bond	261,450,000	-	-	261,450,000	-
Series 2010A Build America Bond	200,000,000	-	-	200,000,000	-
Series 2012A Revenue Bond	295,520,000	-	(7,490,000)	288,030,000	5,275,000
Series 2013 Revenue Bond	14,000,000	-	(5,000)	13,995,000	5,000
Series 2014 Revenue Bond	142,370,000	-	-	142,370,000	-
Series 2015A Revenue Bond (Sr)	-	668,655,000	-	668,655,000	-
Series 2015A Revenue Bond (Sub)	-	192,005,000	-	192,005,000	-
2015 12-Year Lease	-	5,283,500	(162,125)	5,121,375	394,906
2015 5-Year Lease	-	3,538,370	(286,041)	3,252,330	692,941
2015 4-Year Lease	-	1,582,018	(161,336)	1,420,682	390,454
Total bonds and leases	2,060,954,109	871,063,888	(836,551,542)	2,095,466,456	15,048,301
Unamortized Premiums					
Series 2005A Revenue Bond	453,141	-	(106,248)	346,893	-
Series 2005B Revenue Bond	-	-	-	-	-
Series 2006C Revenue Bond	9,648,999	-	(978,411)	8,670,588	-
Series 2007A Current Interest Bond	7,779,830	-	(532,207)	7,247,623	-
Series 2008A Revenue Bond	6,883,320	-	(4,767,260)	2,116,060	-
Series 2009A Revenue Bond	1,809,168	-	(1,809,168)	-	-
Series 2012A Revenue Bond	27,990,706	-	(1,990,498)	26,000,208	-
Series 2014 Revenue Bond	1,100,390	-	(386,552)	713,838	-
Series 2015A Revenue Bond (Sr)	-	120,776,111	(7,571,086)	113,205,025	-
Series 2015A Revenue Bond (Sub)	-	36,179,422	(2,282,054)	33,897,368	-
Total unamortized premiums	55,665,554	156,955,533	(20,423,484)	192,197,603	-
Unamortized Discount					
Series 2008A Revenue Bond	(3,953,458)		3,953,458	-	-
Total unamortized discounts	(3,953,458)	-	3,953,458	-	-
Total bonds and leases	$2,112,666,205	$1,028,019,421	$(853,021,568)	$2,287,664,058	$15,048,301

NOTE 9 – COMMITMENTS AND CONTINGENCIES

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

As of December 31, 2015, the Authority also has purchasing commitments of approximately $10.3 million for revenue vehicles, and approximately $14.3 million to be paid to other contractors.

NOTE 10 – RESTATEMENT OF THE FINANCIAL STATEMENTS FROM PRIOR YEARS

A. Recognition of the Joint Insurance Trust

On February 1, 1989, the Authority created a Joint Insurance Trust (JIT) Agreement to act as an independent trust for the purpose of providing benefits to employees whose positions are covered under the Collective Bargaining Agreement (CBA) between the Authority and the Amalgamated Transportation Union (ATU).

The intention of this Agreement was for the JIT to operate independent of the Authority. As such, the JIT adopted a different fiscal year, issued its own financial statements, and was audited independent of the Authority by certified public accountants.

During 2015, a review of the Agreement determined the document did not qualify as an independent trust document, and the JIT was operating under the Authority's federal tax identification number. This information compelled the Authority to recognize the financial transactions of the JIT on the Authority's financial statements and required a restatement of net position as of January 1, 2014 in the amount of $3,258,488.

B. Re-evaluation of Liabilities

A review of potential claim liabilities which were originally reported prior to 2010 was performed in 2015. This review determined these liabilities no longer met the requirements to remain outstanding and required a restatement of net position as of the beginning of the year ending December 31, 2014 in the amount of $1,673,069.

NOTE 10 – RESTATEMENTS TO NET POSITION (continued)

The following restatements have been made to the Authority's beginning net position for the year ending December 31, 2014.

	2014
Total Net Position, January 1 as previously reported	$ 1,577,104,904
Restatements	
Joint Insurance Trust	3,258,488
Other liabilities	1,673,069
RESTATED TOTAL NET POSITION, JANUARY 1	**$1,582,036,461**

In addition, the financial activity which occurred during the year ending December 31, 2014 related to the above items were required restatement of the 2014 financial statements.

	2014	
Statements of Net Position		
Restricted assets	$ (208,423)	Record activity of the Joint Insurance Trust
Current liabilities	174,788	Record activity of changes in liabilities
Long-term liabilities	(1,726)	Record activity of changes in liabilities
Change in Net Position	**(35,361)**	
Statements of Revenue, Expenses, and Changes in Net Position		
Revenue		
Operating revenue	2,484,333	Reclassify passenger revenue
Other revenue	138,611	Record activity of the Joint Insurance Trust
Investment income	1,474,933	Reclassify interest income for interlocal
Local contributions	(1,474,933)	agreement
	2,622,944	
Expenses		
Operating expenses	347,034	Record activity of the Joint Insurance Trust
Operating expenses	(173,062)	Record activity of changes in liabilities
Operating expenses	2,484,333	Reclassify passenger revenue
	2,658,305	
Change in Net Position	**$ (35,361)**	

NOTE 10 – RESTATEMENTS TO NET POSITION (continued)

The following restatements have been made to the Authority's ending net position for the year ending December 31, 2014.

	2014
Total Net Position, December 31 as previously reported	$ 1,426,508,003
Prior Year Restatements	
Joint Insurance Trust	3,258,488
Other liabilities	1,673,069
2014 Restatements	
Joint Insurance Trust	(208,423)
Other liabilities	173,061
RESTATED TOTAL NET POSITION, DECEMBER 31	**$1,431,404,198**

The following restatements have been made to the Authority's beginning net position for the year ending December 31, 2015.

	2015
Total Net Position, January 1	$ 1,431,404,198
Restatements	
Net pension liability as of January 1, 2015	(100,838,252)
RESTATED TOTAL NET POSITION, JANUARY 1	**$1,330,565,946**

C. Net Pension Liability

In 2015, the Authority implemented the *Governmental Accounting Standards Board (GASB) Statement No. 68 Accounting and Financial Reporting for Pensions – an Amendment to GASB Statement No. 27.* According to the Authority's actuarial report, the net pension liability as of January 1, 2015 was $100,838,252. Net position was adjusted by this amount.

NOTE 11 – SUBSEQUENT EVENTS

The Authority has performed an evaluation of subsequent events through June 10, 2016 which is the date the basic financial statements were available to be issued.

In November 2015, voters in Davis and Weber counties approved an additional one-tenth cent transit sales tax with the tax becoming effective in 2016. This tax is dedicated to enhance service in those counties.

Required Supplementary Information

UTAH TRANSIT AUTHORITY

For Fiscal Years Ended December 31, 2015 and 2014

UTAH TRANSIT AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
Years Ended December 31, 2015 and 2014

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS – 10 YEARS

	2015	2014
TOTAL PENSION LIABILITY		
Service Cost	$ 7,545,807	$ 7,284,379
Interest on total pension liability	18,717,411	17,623,248
Effect of member voluntary contributions	916,567	275,663
Effect of economic/demographic (gains) or losses	(1,973,177)	-
Effect of assumption changes or inputs	7,725,363	-
Benefit Payments	(11,554,824)	(10,181,732)
Net change in total pension liability	$ 21,377,147	$ 15,001,558
Total pension liability, beginning	$ 247,692,651	$ 232,691,093
Total pension liability, ending (a)	$ 269,069,798	$ 247,692,651
FIDUCIARY NET POSITION		
Employer Contributions	$ 16,745,254	$ 15,366,694
Member voluntary contributions	916,567	275,663
Investment income net of investment expenses	(1,085,458)	5,946,916
Benefit payments	(11,554,824)	(10,181,732)
Administrative expenses	(244,011)	(219,504)
Net change in plan fiduciary net position	$ 4,777,528	$ 11,188,037
Fiduciary net positon, beginning	$ 146,854,399	$ 135,666,362
Fiduciary net position, ending (b)	151,631,927	146,854,399
Net pension liability, ending = (a) – (b)	$ 117,437,871	$ 100,838,252
Fiduciary net position as a % of total pension liability	56.35%	59.29%
Covered payroll	$ 110,727,134	$ 106,004,057
Net pension liability as a % of covered payroll	106.06%	95.13%

This schedule is intended to present 10 years of information. Subsequent years will be added as the information becomes available.

STATEMENT OF REQUIRED EMPLOYER CONTRIBUTION – 10 YEARS

Year	Actuarially determined contribution	Contributions in relation to actuarially determined contribution	Contribution deficiency (excess)	Covered-employee payroll	Contributions as a percentage of covered-employee payroll
2015	$ 16,609,070	$ 16,745,254	$ (136,184)	$ 110,727,134	15.12%
2014	14,757,446	15,366,694	(609,248)	106,004,057	14.50%
2013	14,352,279	13,338,052	1,014,227	102,099,985	13.06%
2012	12,206,257	11,645,982	560,275	96,750,285	12.04%
2011	10,114,755	10,114,755	-	91,265,129	11.08%
2010	10,047,874	10,047,874	-	93,259,215	10.77%
2009	10,658,339	10,658,339	-	88,834,546	12.00%
2008	7,679,956	7,679,956	-	75,324,187	10.20%
2007	7,466,273	7,466,273	-	69,571,444	10.73%
2006	7,513,719	7,513,719	-	69,407,845	10.83%

NOTE 1 – VALUATION DATE

The valuation date is January 1, 2015. This is the date as of which the actuarial valuation is performed. The Measurement Date is December 31, 2015. This is the date as of which the net pension liability is determined. The Reporting Date is December 31, 2015. This is the employer's fiscal year ending date.

NOTE 2 – METHODS AND ASSUMPTIONS USED TO DETERMINE CONTRIBUTION RATES

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	18 years
Asset valuation method	5-year smoothed market less unrealized
Cost of Living Adjustments	None
Inflation	2.3%
Salary increases	5.40% per annum for the first five years of employment; 3.40% per annum thereafter
Investment rate of return	7.25%, net of investment expenses
Retirement age	Table of Rates by Age and Eligibility
Mortality	RP-2014 Blue Collar Mortality Table, with MP-2014 projection scale

Statistical

UTAH TRANSIT AUTHORITY

For Fiscal Years Ended December 31, 2015 and 2014

NET POSITION - 10 YEARS

Net position as of December 31

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Capital investment in net assets	$1,054,849,251	$1,230,633,230	$1,327,585,097	$1,364,803,454	$1,366,337,801	$1,133,832,808	$953,013,398	$766,098,289	$652,232,055	$550,959,844
Restricted	78,064,113	62,620,625	7,252,625	3,952,493	3,929,644	4,071,242	3,813,103	3,932,060	3,966,065	4,681,691
Unrestricted	76,467,063	137,910,343	242,267,181	304,753,885	276,960,064	505,464,819	527,478,988	439,343,658	455,924,673	119,477,125
Total net position	1,209,380,427	1,431,404,198	1,577,104,903	1,673,509,832	1,647,227,509	1,643,368,869	1,484,305,489	1,209,374,007	1,112,122,793	675,118,660
Restatement		(100,838,252)	4,931,557							
Total restated net position	$1,209,380,427	$1,330,565,956	$1,582,036,460	$1,673,509,832	$1,647,227,509	$1,643,368,869	$1,484,305,489	$1,209,374,007	$1,112,122,793	$675,118,660

CHANGE IN NET POSITION - 10 YEARS

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Operating revenues	$54,346,242	$53,761,223	$52,044,200	$46,422,916	$41,527,090	$36,893,396	$35,163,780	$34,906,043	$25,641,509	$24,627,104
Operating expenses	394,062,733	398,626,029	378,224,993	319,322,223	288,531,160	257,267,580	255,931,379	223,794,244	195,976,473	186,931,529
Operating loss	(339,716,491)	(344,864,806)	(326,180,793)	(272,899,307)	(247,004,070)	(220,374,184)	(220,767,599)	(188,888,201)	(170,334,964)	(162,304,425)
Non-operating revenues	209,462,264	182,843,232	173,520,664	200,370,290	205,877,440	219,663,490	220,089,438	216,032,690	218,100,208	174,652,182
Income (loss) before capital contributions	(130,254,227)	(162,021,574)	(152,660,129)	(72,529,017)	(41,126,630)	(710,694)	(678,161)	27,144,489	47,765,244	12,347,757
Capital contributions	9,068,708	11,389,311	56,255,200	98,811,340	44,985,270	159,744,074	275,609,643	70,106,725	389,238,889	38,382,706
Change in net position	-$121,185,519	-$150,632,263	-$96,404,929	$26,282,323	$3,858,640	$159,033,380	$274,931,482	$97,251,214	$437,004,133	$50,730,463

UTA
UTAH TRANSIT AUTHORITY

REVENUES BY SOURCE – 10 YEARS

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Operating	$54,346,242	$53,761,223	$52,044,200	$46,422,916	$41,527,090	$36,893,396	$35,163,780	$34,906,043	$25,641,509	$24,627,104
Sales taxes	227,703,023	214,683,276	203,806,329	196,693,543	183,091,524	171,893,732	171,854,169	188,547,380	191,688,539	138,546,093
Investment	2,831,406	5,803,226	1,455,039	1,892,549	3,672,397	3,827,161	9,389,045	16,070,989	9,149,060	9,827,487
Other	8,314,065	3,724,610	4,347,724	2,351,713	3,483,140	2,929,254	2,797,757	1,425,891	1,287,668	9,268,901
	293,194,736	277,972,335	261,653,292	247,360,721	231,774,151	215,543,543	219,204,751	240,950,303	227,766,776	182,269,585
Federal grants										
Preventive maintenance	49,452,677	47,760,737	47,986,240	46,719,891	47,735,443	46,500,000	44,974,000	32,908,557	26,772,123	25,013,649
Operating grants	2,547,335	2,994,139	3,868,252	1,985,766	11,583,980	12,637,764	15,224,723	12,768,044	4,724,497	6,319,476
Capital grants	7,819,096	8,025,628	48,669,408	85,168,542	44,864,016	156,727,641	256,527,803	65,383,547	386,037,075	37,270,784
	59,819,108	58,780,504	100,523,900	133,874,199	104,183,439	215,865,405	316,726,526	111,060,148	417,533,695	68,603,909
Other capital contributions	1,249,612	3,363,683	7,585,792	13,642,798	121,254	3,046,433	19,081,840	4,723,178	3,201,814	1,111,922
	$354,263,456	$340,116,522	$369,762,984	$394,877,718	$336,078,844	$434,455,381	$555,013,117	$356,733,629	$648,502,285	$251,985,416

EXPENSES BY FUNCTION - 10 YEARS

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Bus service	$77,092,676	$79,060,631	$78,894,435	$78,894,799	$81,208,651	$79,522,988	$79,054,373	$82,136,736	$74,210,355	$69,471,137
Rail service	67,254,632	70,365,953	61,086,101	46,049,338	38,135,480	33,787,601	34,681,800	29,938,257	18,502,185	16,346,071
Paratransit service	18,511,580	18,748,699	18,202,211	17,516,117	16,054,555	14,570,401	14,595,021	14,879,263	13,134,705	12,076,802
Other service	2,918,871	3,183,892	701,656	596,583	535,897	589,356	517,571	321,241	646,080	908,646
Operations support	32,051,926	28,380,563	28,439,826	25,247,271	21,643,830	23,147,075	26,083,512	23,561,835	20,713,291	18,806,425
Administration [1]	35,189,725	35,409,918	28,533,912	26,664,222	26,340,573	22,286,055	26,105,521	22,215,090	22,709,608	22,516,649
Depreciation	161,043,323	163,476,373	162,366,852	124,353,893	104,612,174	83,364,104	74,893,581	50,741,822	46,060,249	46,805,799
Interest [2]	80,575,328	91,311,842	87,132,004	48,462,258	42,878,130	17,313,507	23,050,963	35,455,355	15,521,679	14,323,424
Recoverable sales tax, interlocal [3]	810,914	810,914	810,914	810,914	810,914	810,914	1,099,293	232,816		
	$475,448,975	$490,748,785	$466,167,911	$368,595,395	$332,220,204	$275,392,001	$280,081,635	$259,482,415	$211,498,152	$201,254,953

[1] Includes major investment studies

[2] Reported as non-capitalized interest

[3] See Notes to the Financial Statement, Note 2.K

LOCAL CONTRIBUTIONS IN THE FORM OF SALES TAX BY COUNTY - 10 YEARS

	2015	2014	2013	2012	2011	2010	2009	2008	2007 [3]	2006
Box Elder [1]	$1,552,291	$1,418,268	$1,300,577	$1,279,794	$1,226,730	$1,269,478	$1,297,586	$1,155,713	$843,922	$722,768
Davis	23,178,724	21,459,683	20,023,042	18,692,038	17,880,017	16,964,089	17,091,892	17,857,247	19,967,595	18,241,307
Salt Lake	146,866,479	139,199,088	132,741,112	129,169,357	120,094,110	112,379,366	112,076,511	125,688,483	124,548,526	87,418,635
Tooele [2]	1,521,097	1,384,631	1,349,366	1,364,179	1,207,539	1,227,109	1,136,816	1,221,602	1,200,289	1,082,912
Utah	36,221,930	33,752,513	31,905,764	30,576,235	27,743,162	25,397,367	25,222,227	27,401,909	27,916,622	15,068,649
Weber	18,362,502	17,469,093	16,486,468	15,611,940	14,939,966	14,656,323	15,029,137	15,222,426	17,211,585	16,011,822
	$227,703,023	$214,683,276	$203,806,329	$196,693,543	$183,091,524	$171,893,732	$171,854,169	$188,547,380	$191,688,539	$138,546,093

[1] Includes Brigham City, Perry and Willard cities only

[2] Includes the cities of Tooele and Grantsville; and the unincorporated areas of Erda, Lakepoint, Stansbury Park and Lincoln

[3] Amount varies from the financial statement due to accrual estimates

LOCAL TRANSIT SALES TAX RATES BY COUNTY - 10 YEARS

	2015	2014	2013	2012 *	2011 *	2010	2009	2008	2007	2006
Box Elder	0.5500%	0.5500%	0.5500%	0.5500%	0.5500%	0.5500%	0.5500%	0.3000%	0.2500%	0.2500%
Davis	0.5500%	0.5500%	0.5500%	0.5500%	0.5500%	0.5500%	0.5500%	0.5000%	0.5000%	0.5000%
Salt Lake	0.6875%	0.6875%	0.6875%	0.6875%	0.6875%	0.6875%	0.6875%	0.6875%	0.6338%	0.4375%
Tooele	0.3000%	0.3000%	0.3000%	0.3000%	0.3000%	0.3000%	0.3000%	0.3000%	0.2500%	0.2500%
Utah	0.5260%	0.5260%	0.5260%	0.5260%	0.5260%	0.5260%	0.5260%	0.5260%	0.4800%	0.2500%
Weber	0.5500%	0.5500%	0.5500%	0.5500%	0.5500%	0.5500%	0.5500%	0.5000%	0.5000%	0.5000%

PRINCIPAL CONTRIBUTORS OF SALES TAX BY COUNTY - 10 YEARS

	2015			2006		
	Rank	Percentage of contributions	Amount	Rank	Percentage of contributions	Amount
Salt Lake County	1	64.50%	$ 146,866,479	1	63.10%	$ 87,418,635
Utah County	2	15.91%	36,221,930	4	10.88%	15,068,649
Davis County	3	10.18%	23,178,724	2	13.17%	18,241,307
Weber County	4	8.06%	18,362,502	3	11.56%	16,011,822
Box Elder County	5	0.68%	1,552,291	6	0.52%	722,768
Tooele County	6	0.67%	1,521,097	5	0.78%	1,082,912
			$ 227,703,023			$ 138,546,093

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

FARES – 10 YEARS

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Cash Fares										
Base Fare	$2.50	$2.50	$2.50	$2.35	$2.25	$2.00	$2.00	$1.75	$1.60	$1.50
Senior Citizen/Disabled	1.25	1.25	1.25	1.15	1.10	1.00	1.00	0.85	0.80	0.75
Ski Bus	4.50	4.50	4.50	4.25	4.00	3.50	3.50	4.00	3.25	3.00
Paratransit (Flextrans)	4.00	4.00	4.00	3.50	2.75	2.50	2.50	2.25	2.05	2.05
Commuter Rail Base Rate	2.50	2.50	2.50	2.35	2.25	2.00	3.00	2.50	n/a	n/a
Commuter Rail Additional Station	0.60	0.60	0.60	0.55	0.50	0.50	0.50	0.50	n/a	n/a
Commuter Rail Maximum Rate	10.30	10.30	10.30	5.10	5.25	5.00	6.00	5.50	n/a	n/a
Exrpess	5.50	5.50	5.50	5.25	5.00	4.50	4.50	4.00	3.25	3.00
Streetcar	1.00	1.00	1.00	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Monthly Passes										
Adult	$83.75	$83.75	$83.75	$78.50	$75.00	$67.00	$67.00	$58.50	$53.50	$50.00
Minor	62.75	62.75	62.75	58.75	56.25	49.75	49.75	43.50	40.00	37.00
College Student	62.75	62.75	62.75	58.75	56.25	49.75	49.75	43.50	40.00	n/a
Senior Citizen/Disabled	41.75	41.75	41.75	39.25	37.50	33.50	33.50	28.25	26.75	25.00
Express	198.00	198.00	198.00	189.00	180.00	162.00	162.00	145.00	107.00	100.00
Paratransit	n/a	n/a	n/a	n/a	n/a	n/a	84.00	76.00	69.00	69.00
Other Fares										
Day Pass	$6.25	$6.25	$6.25	$5.75	$5.50	$5.00	$5.00	$4.50	$4.25	$4.00
Group Pass	15.00	15.00	15.00	14.00	13.50	12.00	13.75	12.50	n/a	n/a
Summer Youth	99.00	99.00	n/a	n/a	n/a	n/a	99.50	87.00	40.00	40.00
Token - 10-Pack	22.50	22.50	22.50	21.00	20.25	17.75	17.75	17.50	14.25	13.00
Paratransit - 10-Ride Ticket	40.00	40.00	40.00	35.00	30.00	25.00	22.00	20.00	18.50	18.50
Paratransit - 30-Ride Ticket	n/a	n/a	n/a	n/a	n/a	n/a	54.00	48.50	n/a	n/a
Ski Day Pass	n/a	n/a	n/a	n/a	8.00	7.00	7.00	7.00	6.00	6.00

DEBT SERVICE COVERAGE - 10 YEARS

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Sales Tax	$227,703,023	$214,683,276	$203,806,329	$196,693,543	$183,091,524	$171,893,732	$171,854,169	$188,547,380	$191,688,539	$138,546,093
Debt service requirement										
Principal	11,445,000	7,810,000	7,450,000	7,615,000	7,300,000	6,960,000	6,665,000	6,395,000	6,135,000	4,090,000
Interest net of federal subsidies	84,411,422	85,907,816	84,319,531	71,837,998	71,932,011	63,782,164	59,841,145	43,952,198	24,061,595	18,014,334
Total debt service requirement	$ 95,856,422	$ 93,717,816	$ 91,769,531	$ 79,452,998	$ 79,232,011	$ 70,742,164	$ 66,506,145	$ 50,347,198	$ 30,196,595	$ 22,104,334
Coverage	2.38	2.29	2.22	2.48	2.31	2.43	2.58	3.74	6.35	6.27

DEMOGRAPHIC AND ECONOMIC STATISTICS - 10 YEARS

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Population	2,335,999	2,303,781	2,266,836	2,233,268	2,201,736	2,158,269	2,110,991	2,060,110	2,003,981	1,952,366
Personal income (in millions)	$89,319,546	$85,916,480	$82,025,459	$77,738,053	$73,036,786	$71,636,728	$74,033,176	$71,400,077	$65,822,299	$59,240,113
Per capita personal income	$38,236	$37,294	$36,185	$34,809	$33,172	$33,192	$35,070	$34,658	$32,846	$30,343
Utah unemployment rate	3.5%	3.5%	5.6%	6.0%	7.5%	6.0%	3.7%	2.6%	2.9%	4.1%

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

2015 data not available at time of report

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PRINCIPAL EMPLOYERS - 10 YEARS

		2014				2006		
Employer	Industry	Employees	Rank	% Total Employment	Employer	Employees	Rank	% Total Employment
Intermountain Healthcare	Healthcare	20,000+	1	1.4%	Intermountain Healthcare	20,000+	1	1.6%
State of Utah	Government	20,000+	2	1.4%	State of Utah	20,000+	2	1.6%
University of Utah (including hospital)	Higher education/healthcare	20,000+	3	1.4%	University of Utah (including hospital)	15,000-19,999	3	1.4%
Brigham Young University	Higher education	15,000-19,999	4	1.2%	Brigham Young University	15,000-19,999	4	1.4%
WalMart	Retail	15,000-19,999	5	1.2%	WalMart	10,000-14,999	5	1.0%
Hill Air Force Base	Government	10,000-14,999	6	0.9%	Hill Air Force Base	10,000-14,999	6	1.0%
Davis School District	Public education	7,000-9,999	7	0.6%	Davis School District	7,000-9,999	9	0.7%
Granite School District	Public education	7,000-9,999	8	0.6%	Granite School District	7,000-9,999	7	0.7%
Utah State University	Higher education	7,000-9,999	9	0.6%	Utah State University	5,000-6,999	10	0.5%
US Department of Treasury	Government	5,000-6,999	10	0.5%	US Department of Treasury	5,000-6,999	15	0.5%
Smith's Food and Drug Center	Retail	5,000-6,999	11	0.5%	Smith's Food and Drug Center	5,000-6,999	12	0.5%
Alpine School District	Public education	5,000-6,999	12	0.5%	Alpine School District	5,000-6,999	14	0.5%
Jordan School District	Public education	5,000-6,999	13	0.5%	Jordan School District	7,000-9,999	8	0.7%
Salt Lake County	Government	5,000-6,999	14	0.5%	Salt Lake County	5,000-6,999	13	0.5%
Utah Valley University	Government	5,000-6,999	15	0.5%	Utah Valley State College	3,000-3,999	29	0.3%

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

FULL-TIME EQUIVALENT EMPLOYEES - 10 YEARS

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Bus operations	951	945	911	963	950	998	1,023	,050	1,008	937
Rail operations	527	542	526	506	425	335	314	293	233	176
Paratransit operations	188	183	176	168	168	140	141	141	143	142
Other services	12	10	10	12	11	11	11	10	8	8
Support services	349	323	335	293	284	239	249	256	225	247
Administration	210	207	195	217	224	238	242	224	193	164
Total	2,237	2,210	2,153	2,159	2,062	1,961	1,980	1,974	1,810	1,674

Source: Budget document

UTA
UTAH TRANSIT AUTHORITY

TREND STATISTICS- 10 YEARS

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Passengers										
Bus service	20,560,068	20,165,174	19,695,711	21,222,669	21,560,358	21,716,864	20,657,019	23,395,624	23,279,164	21,598,690
Rail service	24,349,674	24,337,451	22,814,274	19,421,608	16,944,264	14,790,418	14,707,601	16,182,145	16,272,468	15,203,660
Paratransit service	388,169	372,499	383,453	715,034	683,336	509,625	500,242	478,242	492,994	476,039
Vanpool service	1,423,675	1,404,285	1,387,816	1,446,766	1,417,183	1,346,949	1,353,697	1,657,697	1,305,076	1,316,599
Total passengers	46,721,586	46,279,409	44,281,254	42,806,077	40,605,141	38,363,856	37,218,559	41,713,708	41,349,702	38,594,988
Revenue Miles										
Bus service	15,367,510	15,660,520	15,706,028	15,091,645	15,869,340	16,412,862	16,777,762	16,759,734	16,690,142	16,732,379
Rail service	11,988,005	11,784,146	11,681,251	7,905,460	6,019,693	5,312,506	5,568,699	4,412,001	2,818,235	2,827,710
Paratransit service	2,293,887	2,513,535	2,932,842	3,252,193	4,094,325	2,799,362	2,928,929	2,939,442	3,699,770	3,727,323
Vanpool service	6,734,487	6,859,802	7,053,191	7,553,978	8,042,756	7,342,322	7,800,016	9,177,917	7,012,873	6,900,915
Total passengers	36,383,889	36,818,003	37,373,312	33,803,276	34,026,114	31,867,052	33,075,406	33,289,094	30,221,020	30,188,327
Total Miles										
Bus service	17,662,486	17,864,847	17,191,018	16,553,983	17,416,367	18,820,702	19,342,359	19,398,050	19,480,877	19,548,645
Rail service	12,368,934	11,814,332	11,773,929	7,987,022	6,073,807	5,365,270	5,626,707	4,454,559	2,836,899	2,841,912
Paratransit service	3,192,367	2,844,468	3,493,247	4,088,027	5,256,369	3,473,129	3,637,806	3,637,255	4,341,576	4,393,853
Vanpool service	6,734,487	6,859,802	7,053,191	7,553,978	8,042,756	7,342,322	7,800,016	9,177,917	7,012,873	6,900,915
Total miles	39,958,274	39,383,449	39,511,385	36,183,010	36,789,299	35,001,423	36,406,888	36,667,781	33,672,225	33,685,325

UTA
UTAH TRANSIT AUTHORITY

TREND STATISTICS- 10 YEARS (continued)

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Passengers per Mile										
Bus service	1.34	1.29	1.25	1.41	1.36	1.32	1.23	1.40	1.39	1.29
Rail service	2.03	2.07	1.95	2.46	2.81	2.78	2.64	3.67	5.77	5.38
Paratransit service	0.17	0.15	0.13	0.22	0.17	0.18	0.17	0.16	0.13	0.13
Vanpool service	0.21	0.20	0.20	0.19	0.18	0.18	0.17	0.18	0.19	0.19
Total passengers per mile	1.28	1.26	1.18	1.27	1.19	1.20	1.13	1.25	1.37	1.28
Revenue Hours										
Bus service	1,070,139	1,108,894	933,662	834,985	866,268	897,294	904,282	895,943	888,544	887,049
Rail service	506,233	487,435	641,914	536,066	388,826	295,227	374,300	326,610	243,349	252,935
Paratransit service	160,383	164,527	191,016	227,013	300,760	201,994	211,369	208,896	247,572	265,712
Total revenue hours	1,736,755	1,760,856	1,766,592	1,598,064	1,555,854	1,394,515	1,489,951	1,431,449	1,379,465	1,405,696
Passengers per Revenue Hour										
Bus service	19.21	18.18	21.10	25.42	24.89	24.20	22.84	26.11	26.20	24.35
Rail service	48.10	49.93	35.54	36.23	43.58	50.10	39.29	49.55	66.87	60.11
Paratransit service	2.42	2.26	2.01	3.15	2.27	2.52	2.37	2.29	1.99	1.79
Total passengers per mile	26.08	25.48	24.28	25.88	25.19	26.54	24.07	27.98	29.03	26.52
Total System										
Fare revenue	$52,112,909	$51,461,223	$49,977,533	$44,489,583	$39,693,757	$35,160,063	$33,530,449	$33,439,374	$24,308,176	$23,506,417
Operating expense	$234,264,037	$235,149,656	$215,858,141	$194,968,330	$183,918,986	$173,903,476	$181,037,798	$173,052,423	$149,916,224	$140,125,730
Cost per revenue mile	$6.44	$6.39	$5.78	$5.77	$5.41	$5.46	$5.47	$5.20	$4.96	$4.64
Cost per passenger	$5.01	$5.08	$4.87	$4.55	$4.53	$4.53	$4.86	$4.15	$3.63	$3.63
Fare revenue per passenger	$1.12	$1.11	$1.13	$1.04	$0.98	$0.92	$0.90	$0.80	$0.59	$0.61

Source: National Transit Database Annual Reports

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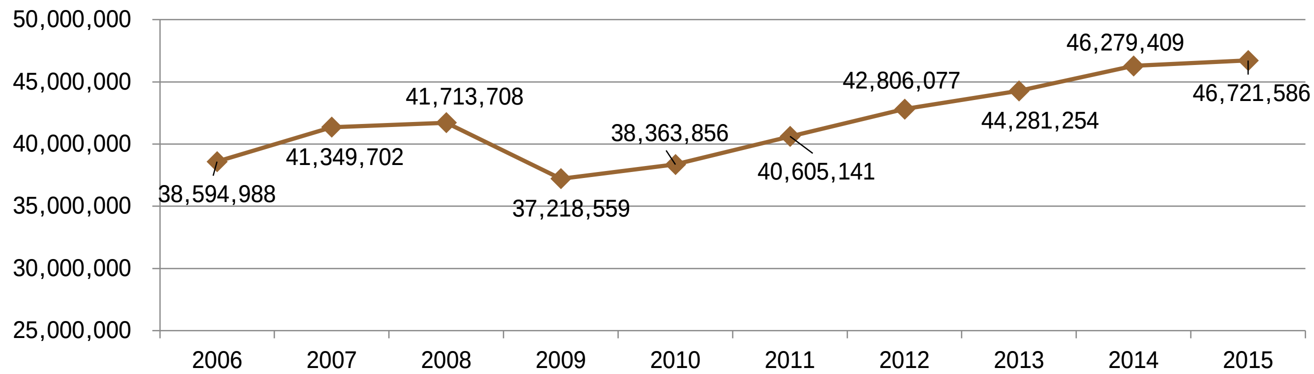
UTAH TRANSIT AUTHORITY

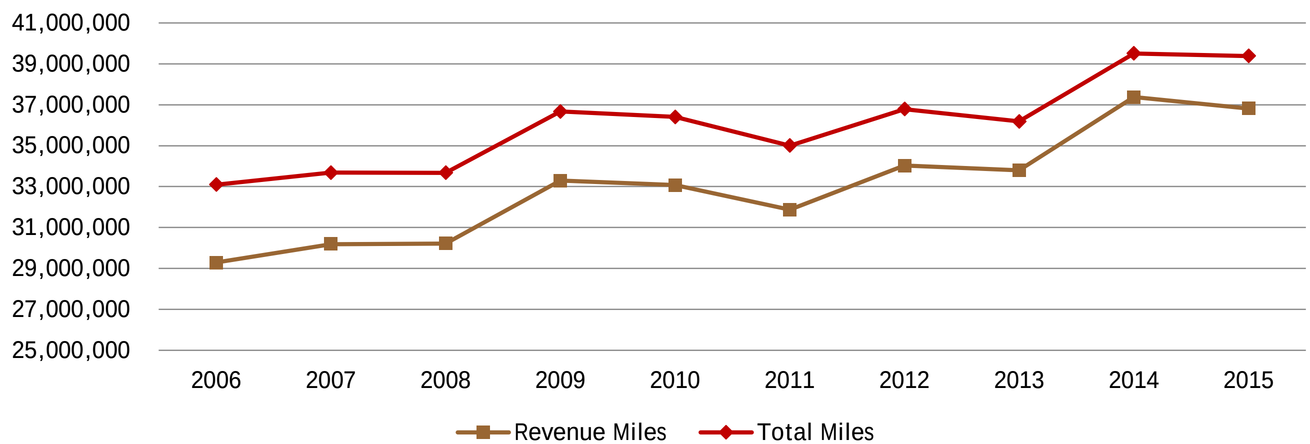
OPERATING INDICATORS AND CAPITAL ASSETS - 10 YEARS

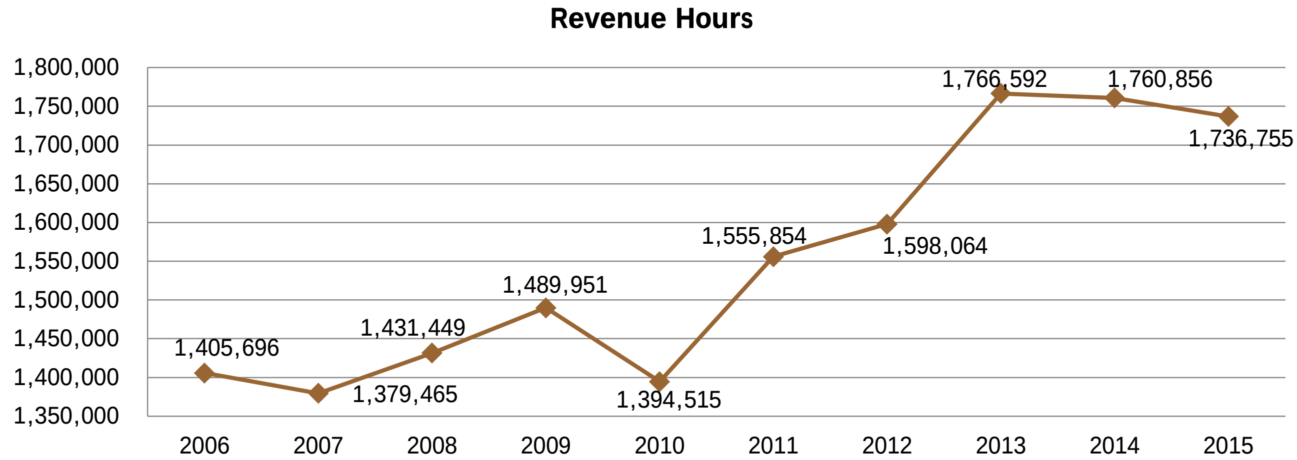
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Number of bus routes	126	121	119	125	119	127	128	120	117	124
Number of rail routes										
Light rail	4	4	4	3	3	3	3	3	3	3
Commuter rail	1	1	1	1	1	1	1	1	-	-
Bus service miles (weekday)	63,327	56,538	55,733	64,186	64,493	67,012	68,537	68,051	60,436	60,676
Rail service miles (weekday)										
Light rail	8,828	8,547	8,216	6,978	5,107	3,910	3,684	3,365	3,166	3,478
Commuter rail	4,651	4,638	4,488	2,390	2,327	2,469	2,725	2,725	-	-
Average passengers (weekday)	161,862	161,339	152,644	152,934	142,186	134,736	141,047	139,911	122,621	133,124
Number of buses	472	535	493	570	495	496	501	481	585	519
Number of paratransit vehicles (buses/vans)	112	84	113	110	112	96	101	105	102	99
Number of rail vehicles										
Light rail	146	146	146	122	122	55	55	55	69	54
Commuter rail	81	81	81	57	55	37	37	34	-	-
Number of vanpool vehicles	495	479	470	494	485	414	403	452	456	389
Number of park and ride lots	41									
Number of bus stops	6,250	6,250	6,273	6,333	6,600	6,645	6,410	6,380	6,975	7,301
Number of rail stations										
Light rail	57	51	51	41	41	28	28	28	25	25
Commuter rail	16	16	16	16	7	8	8	8	-	-

Ridership



Revenue Miles to Total Miles




Revenue Hours
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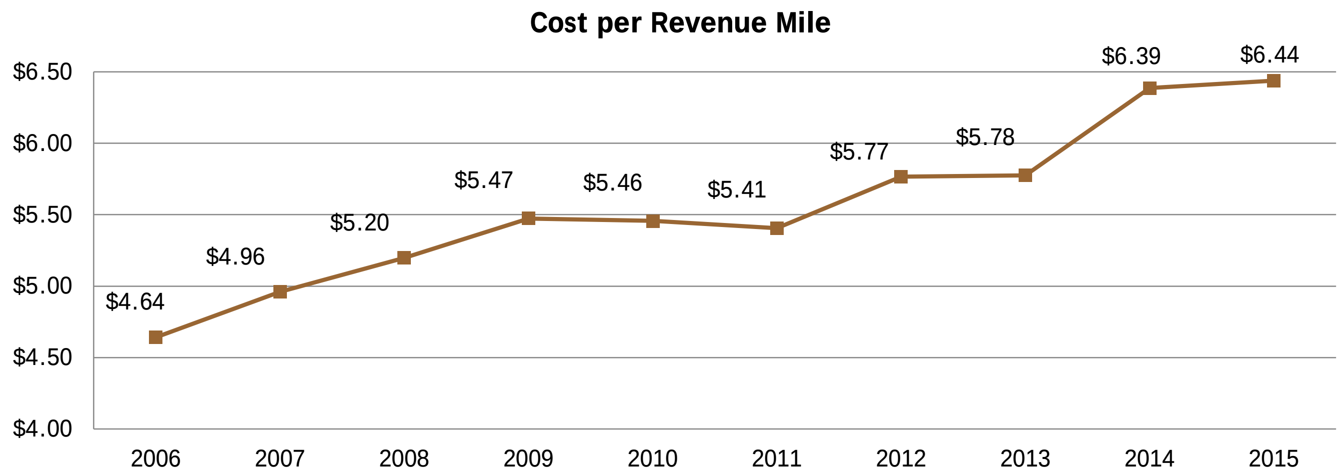
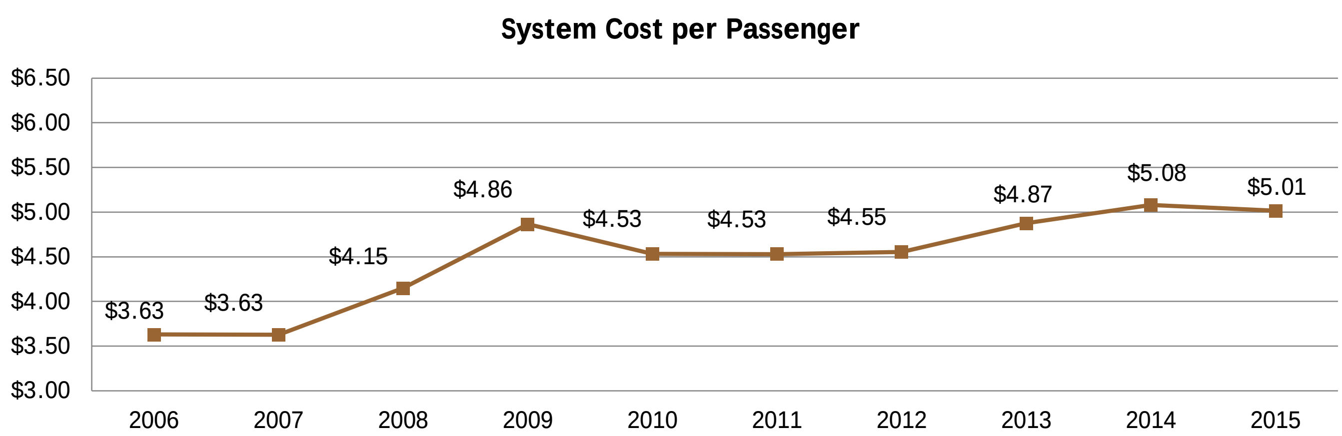
1,750,000
1,700,000
1,650,000
1,600,000
1,550,000
1,500,000
1,450,000
1,400,000
1,350,000
1,405,696
1,379,465
1,431,449
1,489,951
1,394,515
1,555,854
1,598,064
1,766,592
1,760,856
1,736,755
2006
2007
2008
2009
2010
2011
2012
2013
2014
2015


Average Fare per Passenger
$1.50
$1.40
$1.30
$1.20
$1.10
$1.00
$0.90
$0.80
$0.70
$0.60
$0.50
$0.61
$0.59
$0.80
$0.90
$0.92
$0.98
$1.04
$1.13
$1.11
$1.12
2006
2007
2008
2009
2010
2011
2012
2013
2014
2015


Cost per Revenue Mile
$6.50
$6.00
$5.50
$5.00
$4.50
$4.00
$4.64
$4.96
$5.20
$5.47
$5.46
$5.41
$5.77
$5.78
$6.39
$6.44
2006
2007
2008
2009
2010
2011
2012
2013
2014
2015


System Cost per Passenger
$6.50
$6.00
$5.50
$5.00
$4.50
$4.00
$3.50
$3.00
$3.63
$3.63
$4.15
$4.86
$4.53
$4.53
$4.55
$4.87
$5.08
$5.01
2006
2007
2008
2009
2010
2011
2012
2013
2014
2015