a year of challenge and opportunity
Henry S. DeLegge
Member, CDTA Board of Directors
October 1995-May 2009
In gratitude for his dedicated service
A note to readers: CDTA is committed to saving costs and the environment. This year we are publishing our annual report online at CDTA.org with limited printed copies. If you would like to receive a printed copy of this annual report, please contact CDTA at 482-8822 or email us at cdta@cdta.org.
Last year, the economy contributed to a renewed interest in transit nationwide, leading to fiscal challenges for many transit systems. According to a survey by the American Public Transportation Association, 85% of public transit systems reported capacity problems and a need to secure additional funding just to maintain service. More than 60% of the transportation system respondents were considering fare increases and 35% were considering service cuts.

CDTA’s unprecedented 11% ridership increase came at the same time that we experienced an economic downturn resulting in escalating operating costs and fewer tax dollars for transit. CDTA addressed the funding gap with cost-cutting measures, efficient service restructuring and our first fare increase in almost 14 years. Despite these hard hitting issues, we were able to maintain full employment. While successfully meeting these challenges, CDTA continues to take a leadership role in developing a strategic vision for transit in the region, working with local planning and business organizations to shape regional growth and advocate for mobility in a way that moves the region safely, economically and responsibly.

Transit creates opportunity—providing a competitive advantage for the region that is key to economic development and quality of life. Planning for our future must include public transportation. Toward that end, CDTA is involved in a number of initiatives that will change the landscape of our region—Harriman Campus, Tech Valley, Luther Forest, and the Albany Convention Center, to name a few.

Similar to transit systems nationwide, CDTA has identified projects that can benefit from American Recovery and Reinvestment Act funds. These federal funds will be critical to securing essential capital improvements, but will not reduce operating costs. CDTA will continue to address current challenges with creativity and a commitment to excellence by our employees.

We will also advocate for investment in transit at all levels of government—so that CDTA can continue to fulfill its mission to expand service, improve mobility, reduce pollution, foster regional connectivity and enhance the economic vitality of the Capital Region.

David M. Stackrow  Chairman
message from the executive director

CDTA is at the intersection of challenge and opportunity. Ridership continues to grow, indicating strong confidence in the CDTA transit system. CDTA has improved its route structure, simplified its fare system, expanded into new communities, increased online services and introduced new discount products in order to encourage the Capital Region’s travelers to use the transit system and to meet the swelling demand.

Last year, CDTA experienced its highest ridership in decades, with more than 15.4 million boardings—representing a 20% increase in ridership from 2006-2009. This trend shows no signs of abating—CDTA is on track to exceed 16 million boardings in fiscal year 2010.

Even as our ridership increases and our services grow, state and federal investment in transit is not keeping pace with the demand for transit, and systems all across the country are making system changes to meet the fiscal challenge. The Annual Report for 2008-2009 details a year in which CDTA responded successfully to the funding shortfall while continuing to provide high quality service to a record number of Capital Region customers.

To maintain the service our customers deserve and expect, CDTA instituted its first fare increase in almost 14 years and raised parking rates at the Rensselaer Rail Station for the first time. CDTA also scrutinized the system and its operations for efficiencies, implementing cost saving measures throughout the organization and shifting routes to meet the need where demand is strongest.

This year we redoubled our efforts to “green” our system, adding more hybrid buses and encouraging Capital Region travelers to try transit for its environmental and economic benefits as well as its convenience. We enlisted our elected officials in the effort to support transit—there is no other infrastructure investment that can match the results public transit delivers in economic growth and productivity, public health, environmental improvement, energy conservation, access to jobs, independent living and economic well-being. CDTA will continue to advocate for increased transit funding.

We have translated the challenges of 2009 into an opportunity to shape a sustainable, transit-oriented future for our region.

Raymond J. Melleady  Executive Director
our mission

CDTA works to accomplish this mission by:

- Continually identifying ways to increase transit ridership and revenue.
- Taking a leadership role to help mold regional growth and improve the transportation network.
- Balancing regional needs for social service, congestion relief and basic access.
- Delivering a range of transportation services that meets a diversity of markets and customers.
- Developing innovative ways to attract and retain a high quality workforce.
- Identifying appropriate funding sources to meet the region’s transportation needs.

our vision

CDTA is a growing and vibrant company that seeks to continually increase ridership and the use of its facilities by providing services that people want and need.

CDTA delivers lifeline services to those who need them and provides a full range of transit options for the choice rider in the Capital Region.

CDTA plans for the mobility needs of the Capital Region with a predictable and reliable stream of funding sources to meet those needs.

CDTA is a multi-modal transportation provider, delivering comprehensive transit services, as well as a transportation demand management program that includes vanpool, carpool and incentive-based ride sharing, with a particular focus on city and suburban locations that have a demonstrated need.

CDTA is responsive to the environment and operates equipment that features the most efficient propulsion systems available. In addition, CDTA undertakes continual outreach to enroll the region’s travelers in efforts to move toward an environmentally-responsible approach to travel.

CDTA works in partnership with state, regional and local agencies to advocate for transit-oriented development in the Capital Region and is advancing infrastructure that will meet current and future mobility needs.

CDTA undertakes frequent assessments of the region and seeks community input to effectively position the organization to anticipate and meet market changes and expansions.
our values

CDTA designs services people want and delivers services people can rely on. We treat customers, the community and each other with respect and integrity.

CDTA is a flexible and innovative mobility company that responds to changing needs to keep the Capital Region moving with the times. We seek to be proactive rather than reactive in meeting the needs of our region. Stakeholder relations and input are integral to our planning and development efforts.

CDTA operates a financially-stable organization that places importance on cost-recovery and operating efficiency in order to ensure the ability to deliver optimal service in the Capital Region.

CDTA takes a leadership role in helping to mold regional growth and advocate for mobility. CDTA works with local planning and business organizations to help shape regional growth in a way that provides congestion relief and basic access to our growing region.

CDTA meets the needs of both the transit-dependent rider and the choice rider by delivering a wide range of transportation alternatives and by working to ensure that its services are easy to identify, use and pay for.

CDTA helps employers connect their employees to the workplace, delivering commuter solutions that make daily work connections efficient, economical and reliable.

CDTA employees are the heart and soul of the organization leading innovation and productivity. We promote a positive work environment by supporting each other through effective communication, teamwork and an appreciation for our diverse abilities and contributions.
board of directors

David M. Stackrow
Arthur F. Young, Jr.
Henry S. DeLegge
Denise A. Figueroa
Donald C. MacElroy
Wayne L. Pratt
C. Michael Ingersoll
Norman L. Miller
Thomas Owens
board of directors

David M. Stackrow  Chairman  Rensselaer County

David M. Stackrow, appointed to the CDTA Board in October 1995, is Vice President/Treasurer of Scott, Stackrow and Co., CPAs, P.C. Mr. Stackrow, who holds a Bachelor of Business Administration degree from Siena College, is Chairman of the Board of Trustees for LaSalle Institute, Vice Chairman of the Board of the City of Troy Industrial Development Agency, Independent Director of the Rensselaer Tobacco Asset Securitization Corporation, and trustee of the CDTA/ATU 1321 Pension Plan. He is a Past President of the LaSalle Institute Alumni Association and a Past Grand Knight of the Rensselaer Council Knights of Columbus. Mr. Stackrow chairs the CDTA Governance Committee. He resides in Poestenkill with his wife Karen and their two children.

Donald C. MacElroy  Vice Chairman  Saratoga County

Donald C. MacElroy, a member of the CDTA Board since October 1995, is Vice Chairman of the CDTA Board of Directors. He is Vice President of DCG Development Company. Mr. MacElroy has a B.A. degree from Alfred University and a M.S. degree from the State University at Albany. A licensed real estate broker in New York State, a Certified Property Manager (CPM) and a graduate of the Graduate Realtors Institute (GRI), Mr. MacElroy is a member of the Southern Saratoga County Chamber of Commerce, the Saratoga County Board of Realtors, the Capital Region Commercial and Industrial Real Estate Brokers and the New York State Realtors Association. He served as a Saratoga County representative to the Capital District Transportation Committee (CDTC) prior to being named to the CDTA Board. Mr. MacElroy is a member of the CDTA Planning and Resource Development Committee. He resides in Clifton Park.

Henry S. DeLegge  Secretary  Schenectady County

As this annual report was being finalized, CDTA learned of Mr. DeLegge’s passing. We recognize his years of service.

Henry S. DeLegge, appointed to the CDTA Board in October 1995, was the President of DeLegge Funeral Home, Inc. A Schenectady resident, Mr. DeLegge held a B.A. degree from Siena College and a M.S. degree from the State University at Oneonta. He was a licensed funeral director in New York State and a member of the New York State and Schenectady County Funeral Directors Associations. Mr. DeLegge was a former member of the Schenectady City Council, Co-Chairman of the Mayor’s Mt. Pleasant Task Force, Board member of the YMCA Mt. Pleasant Commons, and a former teacher in the Mohonasen School District. He was a member of the CDTA Performance Oversight and Stakeholder Relations Committee. Mr. DeLegge lived in Schenectady.
Arthur F. Young, Jr.  Treasurer  Albany County

Arthur F. Young Jr., appointed to the CDTA Board in October 1995, is a retired officer of Key Bank of New York after more than 49 years in banking. At the time of his retirement from Key, Mr. Young was a Senior Vice President and Manager of the bank’s Legal and Recovery Division, Secretary of the bank’s Board of Directors, President and CEO of Key Financial Services, and a Director of Key Leasing, Inc. Mr. Young is a Trustee, Investment Officer and past President of the J.O. Wells Albany Memorial Hospital Nursing Education Foundation, Director of VNA Albany Home Health Care Corp., Director and past Governor of the Albany/Colonial Mayflower Descendants, Director and Elder of the New York State Society of Mayflower Descendants, former Captain General and present D.G.G for N,Y. of the General Society of Mayflower Descendants, Director and Review Chairman of Adirondack Swimming, President and Director of the Elder William Brewster Society, Director and Treasurer of the Capital District Pop Warner Federation, Senior Vice Commander and Director of Sons of Union Veterans of the Civil War, Director of the Berkshire Family History Association, Trustee Director of Capital District Genealogy society and member of the Bethlehem Historical Association Executive Committee.

Mr. Young is also a life member of Junior Chamber International, the American Philatelic Society, United States Swimming, the Pilgrim John Holland Society, the Thomas Stanton Society, life member of the Bruce Family International Society, and the Founders of Jamestown Society, and life member of the Pilgrim Hopkins Heritage Society. Mr. Young has been a Certified Swim Official for high school and college swimming, for 42 years and has served as a Deck Official at four United States Olympic Trials. Mr. Young has been the CDTA Treasurer since 1998, is Chairman of the Performance Oversight and Stakeholder Relations Committee, a member of the Governance Committee, a member of the Audit committee and Chairman of the investment committee. He and his wife Anne reside in Delmar, New York.

Denise A. Figueroa  Albany County

Denise A. Figueroa, a CDTA Board member since December 2003, is a founding member and current Executive Director of the Independent Living Center of the Hudson Valley, established in 1987. She holds a M.S. from the University of San Francisco and a B.A. from Brooklyn College, City University of New York. Ms. Figueroa is one of the original members of the Disabled Advisory Committee. Ms. Figueroa chairs the CDTA Planning and Resource Development Committee. She lives in Cohoes.
C. Michael Ingersoll  Saratoga County

C. Michael Ingersoll, ASLA, appointed to the CDTA Board in July 1999, is a Principal of the LA Group, Landscape Architects and Engineers, P.C. in Saratoga Springs. Mr. Ingersoll holds a B.L.A. and a B.S. from SUNY College of Environmental Science and Forestry at Syracuse and an A.A.S. from SUNY Alfred in Architectural Technology. He is a member of the American Society of Landscape Architects, New York State Nursery/Landscape Association, Saratoga Springs Preservation Foundation, the National Golf Foundation, the Northeastern Golf Course Superintendents Association and the National Home Builders Association. Mr. Ingersoll is the immediate past-Commissioner for the Saratoga County Sewer District, past member of the Board of Directors for the Saratoga Springs Chamber of Commerce, President and Grounds Committee Chair on the Board of Managers for the Saratoga Springs City 485B Tax Incentive Committee and serves on the Board of Governors for the Friendly Sons of St. Patrick. Mr. Ingersoll is a member of the CDTA Planning and Resource Development Committee. He resides in Saratoga Springs with his family.

Norman L. Miller  Schenectady County

Norman L. Miller has been a member of the CDTA Board since July 2006. Mr. Miller is president of Leadership Management of New York, Inc., a strategic development company that specializes in organization and management development, executive leadership and team building. He retired from the United States Air Force with 33 years of service. He is a member of the Schenectady Rotary Club, and Schenectady/Saratoga Visiting Nurse Association board of directors. He is also a member of the Albany-Colonie Regional and Schenectady County Chambers of Commerce, and a founding member of the Albany County Safe Haven organization in Altamont. Active in his community, he is a member of the Princetown Comprehensive Planning Committee. He was a member of the 1988 Olympic Bobsled Coaching Staff. Mr. Miller is the author of “IceSpy”, an espionage novel published in 1995. Mr. Miller is a member of the CDTA Planning Resources and Development Committee. He and his wife reside in Princetown.

Wayne L. Pratt  Rensselaer County

Wayne L. Pratt, appointed to the CDTA Board in October 1995 and a life-long resident of Rensselaer County, is Secretary/Treasurer of Walter S. Pratt & Sons Inc. Mr. Pratt is Co-Chairperson for long-range facility planning on the East Greenbush School District, Treasurer and Past President of the East Greenbush School District Budget Review and Advisory Committee and has served as President of the Men’s Night softball and football leagues. Mr. Pratt served for five years in the New York National Guard, attaining the rank of Sergeant E5. Mr. Pratt is Chairman of the CDTA Planning and Resource Development Committee. He resides in Rensselaer County.
Thomas Owens  Albany County

Thomas M. Owens, appointed to the CDTA Board in July 2008, is an attorney in private practice with the firm Owens & McQuade PLLC. An honors graduate of the U.S. Naval Academy (B.S., Physics), Mr. Owens served as a submarine officer for seven years. Following submarine duty, Owens worked in Washington, D.C. as a consultant for the U.S. Departments of Energy and State where he was selected to lead a team of experts on matters related to the safety and operations of nuclear reactors in the former Soviet Union. In April 2000, he was selected by the Capital District Business Review as one of the top business leaders in the Capital Region under forty years of age. A licensed patent attorney, Owens has also earned degrees from Georgetown University (M.A., National Security Studies) and Albany Law School (J.D., summa cum laude). He resides in Bethlehem with his wife Theresa and their six children.
left to right, top to bottom:
senior executive team

Ray Melleady
Amanda Avery
Carm Basile
Mike Collins
Chris Desany
Chuck MacNeil
Milt Pratt
senior executive team

Ray Melleady  Executive Director
Amanda Avery  General Counsel
Carm Basile  Deputy Executive Director of Business Development
Mike Collins  Director of Human Resources
Chris Desany  Chief Information Officer
Chuck MacNeil  Deputy Executive Director of Operations
Milt Pratt  Deputy Executive Director of Finance & Administration
The Board of Directors
Capital District Transportation Authority
Albany, New York

We have audited the accompanying balance sheets of Capital District Transportation Authority (the Authority) (a component unit of the State of New York) as of March 31, 2009 and 2008, and the related statements of revenues, expenses, and changes in net assets, and cash flows for the years then ended. These basic financial statements are the responsibility of the Authority’s management. Our responsibility is to express an opinion on these basic financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of March 31, 2009 and 2008, and the changes in its net assets and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 7, the Authority adopted GASB Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions during the fiscal year ended March 31, 2009.

In accordance with Government Auditing Standards, we have also issued our report dated May 22, 2009 on our consideration of the Authority’s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Management’s Discussion and Analysis, preceding the basic financial statements, is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

May 22, 2009
management’s discussion and analysis for the year ended march 31, 2009 (unaudited)

Introduction

This Management Discussion and Analysis (MD&A) of the Capital District Transportation Authority ("CDTA" or "Authority") provides an introduction to the major activities affecting the operations of the Authority and an introduction and overview to the financial performance and financial statements of CDTA for the fiscal years ended March 31, 2009, 2008 and 2007.

Following the MD&A are the basic financial statements of the Authority, together with the notes, which are essential to a full understanding of the data contained in the financial statements. The financial statements include the following: balance sheets, statements of revenues, expenses, and changes in net assets, and statements of cash flows. The balance sheets provide a snapshot of CDTA’s financial condition at March 31, 2009 and 2008. The statements of revenues, expenses, and changes in net assets report the results of CDTA’s operations and activities for the years ended March 31, 2009 and 2008. The statements of cash flows report CDTA’s sources and uses of cash from operating, financing, and investing activities for the years ended March 31, 2009 and 2008.

Financial Position

The summarized balance sheet below provides a snapshot of the financial condition of CDTA as of March 31 of each fiscal year. Increases or decreases in net assets may indicate a strengthening or weakening of the Authority’s financial position over time.

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current and other</td>
<td>42,035,503</td>
<td>48,965,980</td>
<td>46,594,552</td>
</tr>
<tr>
<td>Capital assets, net</td>
<td>104,713,547</td>
<td>100,548,835</td>
<td>97,903,540</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>146,749,050</td>
<td>149,514,815</td>
<td>144,498,092</td>
</tr>
<tr>
<td><strong>Liabilities and net assets:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current liabilities</td>
<td>13,676,256</td>
<td>14,242,057</td>
<td>12,196,800</td>
</tr>
<tr>
<td>Non current liabilities</td>
<td>5,579,305</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>19,255,561</td>
<td>14,242,057</td>
<td>12,196,800</td>
</tr>
<tr>
<td><strong>Net assets:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Invested in capital assets</td>
<td>104,713,547</td>
<td>100,548,835</td>
<td>97,903,540</td>
</tr>
<tr>
<td>Unrestricted</td>
<td>22,779,942</td>
<td>34,723,923</td>
<td>34,397,752</td>
</tr>
<tr>
<td><strong>Total net assets</strong></td>
<td>127,493,489</td>
<td>135,272,758</td>
<td>132,301,292</td>
</tr>
<tr>
<td><strong>Total liabilities and net assets</strong></td>
<td>146,749,050</td>
<td>149,514,815</td>
<td>144,498,092</td>
</tr>
</tbody>
</table>

The current and other assets are comprised mainly of cash, investments and accounts receivable. During 2009, CDTA spent down over $7,000,000 of its reserves, the majority of which was expended on vehicle replacement, asset repair and maintenance, and operations.
Net capital assets reflect the cost of capital assets net of accumulated depreciation. There were capital additions of $15.4 million during 2009, primarily for bus purchases. The Authority is now depreciating both the Rensselaer Rail Station and the Saratoga Springs Train Station resulting in depreciation of approximately $10.6 million in 2009. Net capital assets increased approximately $4.1 million in 2009, after disposals.

Liabilities increased $5.0 million during 2009 primarily due to the accrual of postemployment benefits required by Governmental Accounting Standards Board (GASB) Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions (GASB 45). GASB 45 requires the recognition of the costs of postemployment benefits other than pensions (OPEB) during the periods when employees render services that entitle them to the benefits, rather than expensing the costs when they are paid.

CDTA ended 2009, and the previous five fiscal years, with no outstanding borrowings or debt.

**Revenue Summary**

The chart below summarizes the 2009 revenue by source and is followed by a chart showing the amounts associated with each category.
Passenger revenue was $1.5 million over budget due to better than expected ridership increases, but these gains were largely offset by Mortgage Recording Tax (MRT) and State Operating Assistance coming in under budget ($700,000 and $500,000 respectively). When compared to last fiscal year, MRT was down over $2.4 million.

The increase in passenger fares is attributable primarily to the escalation of gas prices motivating commuters to use public transit.

The $1.5 million increase in state and local government funding is primarily the result of an increase in the annual state operating assistance payment.

Mortgage tax receipts declined again this year resulting in a 19% reduction from 2008. While we are hopeful the economy will recover, we have reduced our budgetary expectations for mortgage taxes for 2010.

The decrease in investment income is attributable to decreases in interest rates on available investments and decreases in income from investments as a result of significantly spending down reserves. We are left with less to earn interest on, in addition to lower available rates.

**Expense Summary**

Total expenses for 2009 are approximately 8% higher than 2008. The following chart gives an overview of the 2009 expenses and is followed by a chart showing the amounts expended by category.
management’s discussion and analysis for the year ended March 31, 2009 (unaudited), continued

Increases in salaries and wages are a result of contractual obligations and a review of the Authority’s compensation structure. This study resulted in an increase in compensation for some positions based on extensive market and industry research.

The majority of the payroll taxes and employee benefits increase is due to increased health care costs and the actuarial recalculation of our reserve requirement for workers’ compensation claims.

The increase in pension costs results from CDTA reaching an agreement with the Amalgamated Transit Union that provided for increased pension contributions in exchange for rights to outsource up to 50% of the STAR paratransit services. Prior to this agreement,
CDTA did not have sufficient internal capacity to handle increased STAR demand and was not in compliance with the Americans with Disability Act. This agreement provided improved benefits for CDTA’s workforce as well as improved service for STAR patrons.

The increases in transportation costs are primarily due to the increase in the cost of fuel, the increase in demand for paratransit and Medicaid brokerage services, and new purchased transportation costs. For 2009, CDTA locked in fuel prices by procuring 100% of its fuel prior to the beginning of the fiscal year. For 2010, CDTA purchased 80% at a fixed price. Considering fuel price volatility, this method has provided predictable and reduced costs.

Ridership information decreased because the majority of our branding campaign was completed during FY 2008.

The decrease in insurance, claims, and settlements is the result of a reduction in payments made for claims. There was a significant claim settled during both 2008 and 2007, which increased the amounts paid for those two years.

**Capital Asset and Debt Administration**

Capital assets, net of depreciation, are as follows:

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land and improvements</td>
<td>$1,529,981</td>
<td>$1,529,981</td>
<td>$1,529,981</td>
</tr>
<tr>
<td>Construction in progress</td>
<td>264,991</td>
<td>8,400,197</td>
<td>8,328,542</td>
</tr>
<tr>
<td>Buildings and improvements</td>
<td>60,377,492</td>
<td>61,001,264</td>
<td>62,768,638</td>
</tr>
<tr>
<td>Revenue equipment</td>
<td>31,676,522</td>
<td>27,426,534</td>
<td>23,968,795</td>
</tr>
<tr>
<td>Service equipment and vehicles</td>
<td>1,445,876</td>
<td>1,528,223</td>
<td>1,076,461</td>
</tr>
<tr>
<td>Furniture and fixtures</td>
<td>9,418,685</td>
<td>662,636</td>
<td>231,123</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$104,713,547</strong></td>
<td><strong>$100,548,835</strong></td>
<td><strong>$97,903,540</strong></td>
</tr>
</tbody>
</table>

Capital additions in 2009 totaled $15.4 million, offset by depreciation of $10.6 million.
Factors Impacting the Authority’s Future

There are several major factors that will impact the Authority’s future.

One of the most significant factors for 2010 comes as a result of the stimulus money allocated to CDTA. These stimulus funds will allow CDTA to advance our bus procurement program for the next two years without taking on debt. Prior to the availability of the stimulus funds, CDTA intended to enter into a ten year lease program in order to procure new buses.

SAFETEA-LU, which is the federal legislation that funds transit agencies, is set to be reauthorized this year. How this plays out will have a significant impact on CDTA. Currently, the federal funding program is primarily designed to fund capital projects and maintain assets purchased with federal funds. For CDTA, most of the federal funds have been spent for the purchase and maintenance of buses.

On the operating side, New York State operating assistance, the mortgage recording tax, and passenger fares fund the majority of our operating costs. A challenge for CDTA is declining funding sources, combined with increasing operating expenses. In an attempt to help offset some of the decline in funding, CDTA’s Board of Directors voted to increase the base fare for the first time in 14 years from $1.00 to $1.50 effective April 1, 2009.

Funding shortfalls have put us in a position where we have needed to use a portion of our federal allocation on maintenance rather than on capital projects. Unfortunately, the result of this decision is the erosion of existing capital funding and a long-term reduction in our ability to keep up with future capital needs.

CDTA decided to consolidate services as another cost saving measure. This consisted of restructuring service on routes with poor ridership. Some routes lost frequency while other routes were eliminated. Resources were reallocated to nearby routes that could accommodate displaced customers. CDTA also expects to reallocate resources from other poorly performing routes\(^1\), to routes with standing loads.

Funding shortfalls prevent us from executing service expansion plans. Should funding turn more favorable, we have several planned service expansions ready to make available to the public. They include Schenectady route restructuring, Northway Express service expansion, and Bus Rapid Transit service.

As previously noted, GASB 45 was implemented for 2009. An actuarial valuation calculated the unfunded actuarial accrued liability at March 31, 2009 at $71.9 million. Currently, there is no legal mechanism by which the Authority can fund this future liability.

\(^1\) CDTA uses the Transit Development Plan and its guidelines to evaluate route performance. This is a Board approved planning document used to maximize resources as it relates to service delivery.
Consistent with the fleet replacement plan during 2009, CDTA introduced 23 new vehicles into the fleet. All 23 are hybrid electric vehicles. This is roughly 1/12 of our fleet (including subfleets). These vehicles were funded primarily with federal funding allocations. Some of these funds were specifically obtained to offset the additional costs of hybrid electric vehicles. CDTA intends to continue to purchase hybrid electric vehicles as long as funding for hybrids is available. CDTA plans to continue to aggressively seek clean air funding through both the legislative and grant processes.

The increase in ridership experienced in 2009 and 2008 is expected to continue. CDTA has been able to capitalize on the heightened awareness of public transit resulting from high gas prices and environmental issues. In 2009, fixed route ridership was up 11% and STAR ridership was up 13%. Demand for our suburban commuter service, Northway Express, increased 22%. Moving forward, we hope to continue to build on these gains. However, service reductions and our inability to respond to demand with expansion services could make this difficult.

Request for Information

The Management Discussion and Analysis is intended to provide general information related to operations for 2009. Questions concerning this information or requests for additional information can be directed to Mike Collins, Deputy Executive Director of Administration and Finance, Capital District Transportation Authority, 110 Watervliet Avenue, Albany, New York 12206, or telephone 518-437-8380.
### March 31, 2009 and 2008

#### Assets

<table>
<thead>
<tr>
<th>Category</th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>$3,084,136</td>
<td>$2,435,984</td>
</tr>
<tr>
<td>Investments</td>
<td>24,885,808</td>
<td>32,233,044</td>
</tr>
<tr>
<td>Receivables:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mortgage tax</td>
<td>870,945</td>
<td>965,068</td>
</tr>
<tr>
<td>Federal grants</td>
<td>5,856,740</td>
<td>6,557,229</td>
</tr>
<tr>
<td>State grants</td>
<td>1,129,596</td>
<td>1,114,868</td>
</tr>
<tr>
<td>Trade and other</td>
<td>1,905,418</td>
<td>1,440,647</td>
</tr>
<tr>
<td>Advances to related party</td>
<td>472,490</td>
<td>749,506</td>
</tr>
<tr>
<td>Materials, parts and supplies</td>
<td>2,889,259</td>
<td>2,573,617</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>941,111</td>
<td>896,017</td>
</tr>
<tr>
<td>Total assets</td>
<td>42,035,503</td>
<td>48,965,980</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Category</th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Noncurrent assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital assets, net</td>
<td>104,713,547</td>
<td>100,548,835</td>
</tr>
<tr>
<td>Total assets</td>
<td>$146,749,050</td>
<td>$147,514,815</td>
</tr>
</tbody>
</table>

#### Liabilities

<table>
<thead>
<tr>
<th>Category</th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable</td>
<td>$1,808,304</td>
<td>$2,908,239</td>
</tr>
<tr>
<td>Accrued expenses</td>
<td>3,146,507</td>
<td>2,814,070</td>
</tr>
<tr>
<td>Deferred passenger revenue</td>
<td>554,445</td>
<td>1,013,748</td>
</tr>
<tr>
<td>Estimated provision for claims and settlements</td>
<td>8,167,000</td>
<td>7,506,000</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>13,676,256</td>
<td>14,242,057</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Category</th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Noncurrent liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other postemployment benefits</td>
<td>5,579,305</td>
<td></td>
</tr>
<tr>
<td>Total liabilities</td>
<td>19,255,561</td>
<td>14,242,057</td>
</tr>
</tbody>
</table>

#### Net Assets

<table>
<thead>
<tr>
<th>Category</th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Invested in capital assets</td>
<td>104,713,547</td>
<td>100,548,835</td>
</tr>
<tr>
<td>Unrestricted</td>
<td>22,779,942</td>
<td>34,723,923</td>
</tr>
<tr>
<td>Total net assets</td>
<td>127,493,489</td>
<td>135,272,758</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Category</th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total liabilities and net assets</td>
<td>$146,749,050</td>
<td>$149,514,815</td>
</tr>
</tbody>
</table>
## statements of revenues, expenses, and changes in net assets

For the years ended March 31,

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating revenues:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Passenger</td>
<td>$13,133,225</td>
<td>$11,407,130</td>
</tr>
<tr>
<td>Access Transit</td>
<td>705,177</td>
<td>643,206</td>
</tr>
<tr>
<td>Advertising</td>
<td>522,909</td>
<td>400,174</td>
</tr>
<tr>
<td>Rail station parking and rentals</td>
<td>1,746,809</td>
<td>1,669,231</td>
</tr>
<tr>
<td><strong>Total operating revenues</strong></td>
<td>$16,107,120</td>
<td>$14,119,741</td>
</tr>
<tr>
<td><strong>Operating expenses:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries and wages</td>
<td>31,602,080</td>
<td>29,880,555</td>
</tr>
<tr>
<td>Payroll taxes and employee benefits</td>
<td>12,120,960</td>
<td>10,836,278</td>
</tr>
<tr>
<td>Pension costs</td>
<td>2,060,367</td>
<td>1,755,107</td>
</tr>
<tr>
<td>Other unemployment benefits</td>
<td>5,579,305</td>
<td>—</td>
</tr>
<tr>
<td>Maintenance</td>
<td>8,335,620</td>
<td>7,975,722</td>
</tr>
<tr>
<td>Transportation</td>
<td>11,634,749</td>
<td>8,999,572</td>
</tr>
<tr>
<td>Ridership information</td>
<td>638,281</td>
<td>1,003,977</td>
</tr>
<tr>
<td>Administration and general</td>
<td>3,552,509</td>
<td>3,697,722</td>
</tr>
<tr>
<td>Insurance, claims and settlements</td>
<td>940,867</td>
<td>1,401,647</td>
</tr>
<tr>
<td>Utilities</td>
<td>1,471,882</td>
<td>1,433,556</td>
</tr>
<tr>
<td><strong>Total operating expenses before depreciation</strong></td>
<td>$77,936,620</td>
<td>$66,984,136</td>
</tr>
<tr>
<td><strong>Depreciation</strong></td>
<td>(10,640,125)</td>
<td>(9,359,640)</td>
</tr>
<tr>
<td><strong>Operating loss</strong></td>
<td>(72,469,625)</td>
<td>(62,224,351)</td>
</tr>
<tr>
<td><strong>Non-operating revenues (expenses) net:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal operating assistance</td>
<td>8,921,233</td>
<td>8,299,645</td>
</tr>
<tr>
<td>State and local government funding</td>
<td>35,914,841</td>
<td>34,434,663</td>
</tr>
<tr>
<td>Mortgage tax</td>
<td>10,263,773</td>
<td>12,707,609</td>
</tr>
<tr>
<td>Investment income</td>
<td>1,227,905</td>
<td>2,228,812</td>
</tr>
<tr>
<td>High Speed Rail initiative</td>
<td>(802,358)</td>
<td>(415,579)</td>
</tr>
<tr>
<td>Other nonoperating revenue (expense)</td>
<td>(428,870)</td>
<td>209,701</td>
</tr>
<tr>
<td><strong>Total net nonoperating revenues</strong></td>
<td>55,096,524</td>
<td>57,464,851</td>
</tr>
<tr>
<td><strong>Decrease in net assets before capital contributions</strong></td>
<td>(17,373,101)</td>
<td>(4,759,184)</td>
</tr>
<tr>
<td><strong>Capital contributions</strong></td>
<td>9,593,832</td>
<td>7,730,650</td>
</tr>
<tr>
<td><strong>Increase (decrease) in net assets</strong></td>
<td>(7,779,269)</td>
<td>2,971,466</td>
</tr>
<tr>
<td><strong>Net assets - beginning of year</strong></td>
<td>135,272,758</td>
<td>132,301,292</td>
</tr>
<tr>
<td><strong>Net assets - end of year</strong></td>
<td>$127,493,489</td>
<td>$135,272,758</td>
</tr>
</tbody>
</table>
statements of cash flows

For the years ended March 31,

<table>
<thead>
<tr>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
</table>

**Cash flows from operating activities:**
- Cash received from passengers $12,209,151 $11,529,069
- Cash payments to suppliers for goods and services (35,013,251) (25,199,540)
- Cash payments to employees for salaries and wages (37,811,298) (40,503,406)
- Other operating revenues received 2,973,895 2,712,610
  - **Net cash used for operating activities** (57,641,503) (51,461,267)

**Cash from non-capital financing activities:**
- Operating assistance, governmental funding and mortgage tax received 55,077,373 54,247,899
- Other nonoperating revenues received 92,629 174,779
- Advances repaid by (to) related party 277,016 (110,633)
  - **Net cash provided by non-capital financing activities** 55,447,018 54,312,045

**Cash from capital and related financing activities:**
- Proceeds from sales of capital assets 70,722 34,920
- Acquisation of capital assets (15,397,058) (12,004,934)
- Capital contributed under grants 9,593,832 7,730,650
  - **Net cash used for capital and related financing activities** (5,732,504) (4,239,364)

**Cash flows from investing activities:**
- Proceeds from sales of capital assets 936,568 1,719,342
- Proceeds from sales and maturities of investments 19,935,525 57,841,950
- Purchases of investments (12,296,952) (59,090,103)
  - **Net cash provided by investing activities** 8,575,141 471,189

- **Net increase (decrease) in cash**
  - 648,152 (917,397)

- **Cash, beginning of year**
  - 2,435,984 3,353,381

- **Cash, end of year**
  - $3,084,136 $2,435,984

**Reconciliation of operating income to net cash used in operating activities:**
- Operating loss $(72,469,625) $(62,224,035)
- Adjustments to reconcile operating income to net cash used in operating activities:
  - Depreciation 10,640,125 9,359,640
  - Other postemployment benefits 5,579,305 —
  - Changes in assets and liabilities:
    - Trade and other receivables (464,771) (199,026)
    - Materials, parts and supplies (315,642) 17,217
    - Prepaid expenses (45,094) (460,320)
    - Accounts payable (1,099,935) 555,865
    - Accrued expenses 332,437 213,427
    - Deferred passenger revenue (459,303) 320,965
  - Estimated provision for claims and settlements 661,000 955,000
  - **Net cash used for operating activities** (57,641,503) (51,461,267)
The Capital District Transportation Authority (the Authority) is a public benefit corporation created by New York State (the State), effective August 1, 1970, under Chapters 460 and 461 of the Laws of 1970 (the Law). The purposes of the Authority, as defined by legislation, are “the continuance, further development and improvement of transportation and other services related thereto, within the Capital District Transportation District, by railroad, omnibus, marine and air, in accordance with the provisions of the Law.” The Law conveys broad powers to the Authority to fulfill its purposes in Albany, Schenectady, Rensselaer and Saratoga Counties in New York State, with a provision for other counties to elect to participate. The properties and income of the Authority are exempt from all Federal and State income and franchise taxes under the provisions of the enabling legislation.

The Authority follows the requirements of Governmental Accounting Standards Board (GASB) Statement No. 39, Determining Whether Certain Organizations Are Component Units. This statement amends GASB Statement No. 14, The Financial Reporting Entity, and provides additional guidance to determine whether an affiliated organization is considered a component unit of a financial reporting entity. The Authority is included in the basic financial statements of the State as an enterprise fund.

The Authority’s basic financial statements include the following as blended component units: three public benefit corporations which have been created as operating subsidiaries of the Authority to provide mass transit omnibus operations in the counties of Albany, Schenectady, Rensselaer and Saratoga:

- Capital District Transit System, which acquired the assets and liabilities of the former Schenectady Transit System in 1971.
- Capital District Transportation System Number One, which purchased certain assets of the United Traction Company from Albany County in August 1972.
- Capital District Transportation System Number Two, which provides rural bus service in the counties of Rensselaer and Saratoga and certain demand response (handicapped) services in the cities of Albany, Troy and Schenectady. In April 2003, this entity also commenced operating a Northway commuter bus service that was previously operated by Saratoga County.

The Authority’s financial statements also include as blended component units the accounts of the following two public benefit corporations which were created as subsidiaries of the Authority to provide other transportation related services:

- Access Transit Services, Inc. (Access), incorporated in November 1997, provides Medicaid transportation services to qualifying individuals in Schenectady and Rensselaer Counties.
- CDTA Facilities, Inc., incorporated in September 2002, owns and operates the Rensselaer Rail Station and Saratoga Rail Station.
2. Summary of significant accounting policies:

Basis of Presentation

The financial statements of the Authority are prepared in conformity with U.S. generally accepted accounting principles (GAAP) as applied to government units. The Authority applies all Governmental Accounting Standards Board (GASB) pronouncements as well as applicable Financial Accounting Standards Board (FASB) pronouncements issued on or before November 30, 1989.

Measurement Focus

The Authority reports as a special purpose government engaged in business-type activities, as defined by GASB Statement No. 34. Business-type activities are those that are financed in whole or in part by fees charged to external parties for goods or services. The Authority’s financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been satisfied.

The Authority’s policy for defining operating activities in the statements of revenues, expenses and changes in net assets are those that generally result from exchange transactions such as payments received for services and payments made to purchase those goods or services. Certain other transactions are reported as nonoperating activities and include government funding and investment income.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.
Investments

The Authority’s investment policies comply with the New York State Comptroller’s guidelines for Public Authorities. Investments consist primarily of government obligations, stated at market value. Securities are held by pledging institutions’ in the Authority’s name.

Materials, Parts and Supplies

Materials, parts and supplies are stated at average cost, net of an allowance for obsolescence of approximately $350,000 at March 31, 2009 and 2008.

Capital Assets

Capital assets are reported at actual historical cost. For assets being depreciated, expense is calculated over estimated useful lives using the straight-line method. Maintenance and repairs are expensed as incurred, significant improvements are capitalized.

Capitalization thresholds for determining which asset purchases are added to capital accounts and the estimated useful lives of capital assets are:

<table>
<thead>
<tr>
<th></th>
<th>Capitalization Policy</th>
<th>Estimated Useful Life</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buildings and improvements</td>
<td>$5,000</td>
<td>10-40 years</td>
</tr>
<tr>
<td>Revenue equipment</td>
<td>$5,000</td>
<td>4-12 years</td>
</tr>
<tr>
<td>Service equipment and vehicles</td>
<td>$5,000</td>
<td>3-7 years</td>
</tr>
<tr>
<td>Furniture and fixtures</td>
<td>$5,000</td>
<td>5-7 years</td>
</tr>
</tbody>
</table>
notes to basic financial statements, continued

2. Summary of significant accounting policies, continued

Compensated Absences

The Authority provides for vacation, sick and compensatory time that is attributable to services already rendered. The liabilities are recorded based on employees’ rates of pay as of the end of the fiscal year, and include all payroll related liabilities. In the event of a voluntary termination, an employee is reimbursed for accumulated vacation days up to a stated maximum. In addition, upon retirement, union employees are reimbursed for sixty percent of all accumulated sick days, up to a stated maximum, as specified in contractual agreements.

Postemployment Healthcare Benefits

The Authority provides health care benefits for eligible retired employees and certain dependents. Prior to fiscal 2009, the Authority recognized the cost of these benefits on a pay-as-you-go basis. For the year ended March 31, 2009, the Authority adopted GASB Statement No. 45 – Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions (GASB 45). This pronouncement establishes standards for the measurement, recognition, and display of other post-employment benefits (OPEB) expenses and related liabilities, note disclosures, and required supplementary information (Note 7).

Net Assets

- Invested in capital assets – consists of net capital assets typically reduced by outstanding balances of any related debt obligations attributable to the acquisition, construction, or improvement of the assets; however, the Authority has no outstanding debt at this time.

- Restricted net assets – consists of net assets subject to externally imposed restrictions by creditors (such as through debt covenants), federal or state laws or enabling legislation. Currently, there are no restricted net assets.

- Unrestricted – consists of all other net assets that do not meet the definition of the above restrictions and are available for general use of the Authority.
Operating Revenues

The Authority derives passenger revenues from farebox rider payments and the advance sale of daily and ten-day transit passes. Amounts received from these advance sales are credited to deferred revenue at the time of sale. As passes are redeemed, passenger revenue is recognized. Deferred passenger revenue represents the face value of unexpired transit passes at year end. CDTA discontinued the use of tokens in 2008 and they are no longer redeemable by the Authority. Access revenues are primarily comprised of revenues earned from facilitating transportation services for Medicaid qualified individuals. Rail station parking and rental revenues are comprised of parking receipts and rentals earned at the Authority’s Rensselaer and Saratoga Rail Stations.

Capital Contributions

Capital contributions are derived from capital project grants and other resources which are restricted to capital asset acquisition or construction. The Authority recognizes capital contributions arising from capital project grants when earned (generally when the related capital expenditure is made). Capital project grants generally require the Authority to match a certain percentage of the capital project grant funds.

3. Cash and investments:

The Authority has a written investment policy that applies to all its investments. The policy allows for the following investments:

- Certificates of Deposits in banks doing business in New York State which are also members of the Federal Deposit Insurance Corporation (FDIC)
- Deposits in money market accounts in banks specified above
- Money market funds that invest exclusively in obligations of the United States Government or one of its agencies
- Obligations of the State, the United States Government or Agencies of the United States Government, or obligations guaranteed as to principal and interest by one of these entities
notes to basic financial statements, continued

3. Cash and investments, continued

The amount of investments by type and maturity at March 31, 2009 and 2008 are presented below:

<table>
<thead>
<tr>
<th>Investment type</th>
<th>March 31, 2009</th>
<th>Fair value</th>
<th>% of total</th>
<th>Maturities (in Years)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Less than 1</td>
<td>1-5</td>
<td>5-9</td>
</tr>
<tr>
<td>Obligations of the US Government:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>US Treasury notes</td>
<td>$ 427,870</td>
<td>1.7%</td>
<td>$ 427,870</td>
<td>$ — $ —</td>
</tr>
<tr>
<td>Federal Agency notes</td>
<td>12,444,485</td>
<td>50.0%</td>
<td>1,921,034</td>
<td>5,005,843 5,517,608</td>
</tr>
<tr>
<td>Money market funds</td>
<td>12,013,453</td>
<td>48.3%</td>
<td>12,013,453</td>
<td>— —</td>
</tr>
<tr>
<td></td>
<td>$ 24,885,808</td>
<td>100.0%</td>
<td>$ 14,362,357</td>
<td>$ 5,005,843 $ 5,517,608</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Investment type</th>
<th>March 31, 2008</th>
<th>Fair value</th>
<th>% of total</th>
<th>Maturities (in Years)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Less than 1</td>
<td>1-5</td>
<td>5-9</td>
</tr>
<tr>
<td>Obligations of the US Government:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>US Treasury notes</td>
<td>$ 444,467</td>
<td>1.4%</td>
<td>$ —</td>
<td>$ 444,467 $ 2,988,662</td>
</tr>
<tr>
<td>Federal Agency notes</td>
<td>31,586,411</td>
<td>98.0%</td>
<td>22,958,376</td>
<td>5,639,373 2,988,662</td>
</tr>
<tr>
<td>Money market funds</td>
<td>202,166</td>
<td>0.6%</td>
<td>202,166</td>
<td>— —</td>
</tr>
<tr>
<td></td>
<td>$ 32,233,044</td>
<td>100.0%</td>
<td>$ 23,160,542</td>
<td>$ 6,083,840 $ 2,988,662</td>
</tr>
</tbody>
</table>

The Authority limits its investments to those investment banks or firms and brokers who have been in business for over five years, have invested over $500 million in assets for their clients at the time of any investment made by the Authority, and have demonstrated a proven record of returns for their clients, in the past and present, that are above the rates of inflation.

Custodial credit risk for deposits is the risk that in the event of bank failure, the Authority’s deposits may not be returned. As of March 31, 2009 and 2008, the Authority was not exposed to custodial credit risk since bank deposits totaling $8,397,678 and $3,448,486 were either covered by FDIC insurance or by collateral held by the pledging institutions’ agents in the Authority’s name.
At March 31, 2009 construction-in-progress consists primarily of costs incurred by the Authority related to rail terminal renovations. At March 31, 2008, construction-in-progress consisted principally of costs related to a radio system replacement project.
5. Public support and operating assistance:

The Authority’s operations are funded primarily by farebox revenues from passengers and operating subsidy payments from the Federal Transit Administration (FTA) under Sections 5307 and 5309 of the Urban Mass Transportation Administration (UMTA) Act; Federal Department of Transportation; New York State; and Albany, Rensselaer, Schenectady and Saratoga Counties.

In addition to FTA funding, other non-operating revenues include the gross receipts tax, which is imposed by New York State on gas and oil companies and allocated to public transportation operators, and the mortgage recording tax, which is a tax imposed on substantially all mortgages granted within the Capital District Transportation District and collected by the various counties. Non-operating revenue recognized for the years ended March 31, 2009 and 2008 was:

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>FTA:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Preventive maintenance</td>
<td>$6,938,240</td>
<td>$7,279,884</td>
</tr>
<tr>
<td>Other</td>
<td>1,982,993</td>
<td>1,019,761</td>
</tr>
<tr>
<td>Total FTA</td>
<td>8,921,233</td>
<td>8,299,645</td>
</tr>
<tr>
<td><strong>New York State:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public transit operating assistance</td>
<td>4,732,828</td>
<td>4,046,970</td>
</tr>
<tr>
<td>Gross receipts tax</td>
<td>29,265,013</td>
<td>28,460,000</td>
</tr>
<tr>
<td>Total New York State</td>
<td>33,997,841</td>
<td>32,506,970</td>
</tr>
<tr>
<td><strong>Albany County:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mortgage recording tax</td>
<td>3,558,984</td>
<td>4,546,807</td>
</tr>
<tr>
<td>Operating assistance</td>
<td>1,075,437</td>
<td>1,086,130</td>
</tr>
<tr>
<td>Total Albany County</td>
<td>4,634,421</td>
<td>5,632,937</td>
</tr>
<tr>
<td><strong>Rensselaer County:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mortgage recording tax</td>
<td>1,593,272</td>
<td>1,906,470</td>
</tr>
<tr>
<td>Operating assistance</td>
<td>446,661</td>
<td>446,661</td>
</tr>
<tr>
<td>Total Rensselaer County</td>
<td>2,039,933</td>
<td>2,353,131</td>
</tr>
<tr>
<td><strong>Schenectady County:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mortgage recording tax</td>
<td>1,462,657</td>
<td>1,691,213</td>
</tr>
<tr>
<td>Operating assistance</td>
<td>316,305</td>
<td>316,305</td>
</tr>
<tr>
<td>Total Schenectady County</td>
<td>1,778,962</td>
<td>2,007,518</td>
</tr>
<tr>
<td><strong>Saratoga County:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mortgage recording tax</td>
<td>3,648,860</td>
<td>4,563,119</td>
</tr>
<tr>
<td>Operating assistance</td>
<td>78,597</td>
<td>78,597</td>
</tr>
<tr>
<td>Total Saratoga County</td>
<td>3,727,457</td>
<td>4,641,716</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$55,099,847</td>
<td>$55,441,917</td>
</tr>
</tbody>
</table>
6. Advances to Capital District Transportation Committee:

In accordance with an agreement between the Authority and the New York State Department of Transportation, the Authority functions as the “host agency” for the Capital District Transportation Committee (CDTC). As designated by this agreement, CDTC is the Capital District Regional Transportation Metropolitan Planning Organization and, as such, is the recipient of various Federal and State funded grants relating to regional transportation planning. The Committee’s board is composed of elected and appointed officials from each of the four counties; from each of the eight cities in the four counties; from the New York State Department of Transportation; the Capital District Transportation Authority; the Capital District Regional Planning Commission; and a member representing the area’s towns and villages. The Authority has no budgetary oversight and no responsibility for CDTC’s deficits or debts.

The Authority’s agreement with CDTC provides that the Authority assume certain responsibilities relating to grant management and accounting functions. Additionally, the Authority advances CDTC periodic working capital funds. Such advances, which do not bear interest, total $472,490 and $749,506 at March 31, 2009 and 2008.

The Authority’s financial statements do not include the assets, liabilities, revenues or expenses of CDTC.

7. Postemployment healthcare benefits:

The Authority provides postemployment health care benefits for retirees meeting eligibility requirements based on date of hire, attainment of retirement age, and years of service. Benefits are provided in the form of insurance premium payments for coverage of eligible retirees and spouses. Employees retiring after January 1, 2007 contribute 10-15% of premiums, while employees retiring prior to January 1, 2007 are provided full coverage. Surviving spouses are entitled to continue coverage by paying 100% of the premiums. Benefit provisions and retiree contribution rates are determined through negotiations between the Authority and its employees or the collective bargaining units that represent its employees.

For the year ended March 31, 2008, post retirement healthcare benefits expense recognized on the pay as you go method (recognize the cost as the retiree premiums and reimbursements are paid) totaled approximately $1,054,600 for 226 retirees.

As stated in Note 2, the Authority adopted GASB 45 for the year ended March 31, 2009. The objective of this statement is to improve the faithfulness and usefulness of financial information presented with respect to postemployment benefits other than pensions (OPEB). This pronouncement requires that the Authority recognize the cost of these benefits during the periods when employees render the services that will ultimately entitle them to the benefits, rather than continuing to use the pay as you go method.
This cost is referred to as the annual required contribution (ARC) and includes the following components:

- amortization of the unfunded actuarial liability (UAL) for the current year, the UAL being the actuarially determined and unfunded present value of all future OPEB costs associated with current employees and retirees as of the beginning of the year
- the actuarially-determined cost of future OPEB ascribed to, or “earned”, in the current year (normal cost)

The ARC represents an amount that, if funded each year, would ultimately satisfy the UAL at the end of the amortization period (30 years) as well as each year’s normal cost during that timeframe. A liability is recognized to the extent that actual funding is less than the ARC. This liability is reflected on the balance sheets as other postemployment benefits. The Authority’s Board of Directors has the authority to establish funding policy for the plan. The current policy is to fund the plan to the extent of premium payments and reimbursements on the pay as you go basis.

The following table summarizes the Authority’s ARC for 2009, the amount actually contributed, and changes in the Authority’s net OPEB obligation:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Normal cost</td>
<td>$3,315,194</td>
</tr>
<tr>
<td>Amortization of UAL</td>
<td>$3,905,507</td>
</tr>
<tr>
<td>Annual required contribution</td>
<td>$7,220,701</td>
</tr>
<tr>
<td>Employer contributions</td>
<td>$(1,641,396)</td>
</tr>
<tr>
<td>Increase in OPEB obligation</td>
<td>$5,579,305</td>
</tr>
<tr>
<td>Net OPEB obligation - beginning of year</td>
<td>$5,579,305</td>
</tr>
<tr>
<td>Net OPEB obligation - end of year</td>
<td>$5,579,305</td>
</tr>
</tbody>
</table>

In future years, the annual expense for OPEB will include interest on the balance of the net OPEB liability and any adjustments to the ARC as a result of revaluations. During 2009, the Authority’s contribution of $1,641,396 toward the plans represented 23% of the ARC.

The actuarial analysis supporting the GASB 45 implementation for 2009 was completed using a valuation date of April 1, 2008. As of March 31, 2009, the total actuarial accrued liability for future benefits was $71,879,884, all of which is unfunded. The annual payroll of employees eligible to be covered was $31,590,930, thus the ratio of the AAL to covered payroll was 228%.

The actuarial valuation involves estimates of costs and the impact of events far into the future. Examples include employee turnover and retirement rates, employee and retiree mortality, and changes in health care costs and interest rates. The benefits will be subject to routine actuarial revaluations in future years and these analyses will reflect revised estimates and assumptions as actual results are compared to past projections and expectations of the future. Similarly, the April 1, 2008 valuation reflected benefits and cost sharing in effect at the time. Any changes in these factors will impact the results of future valuations.
The actuarial calculations reflect a long-term perspective and utilize techniques designed to reduce short-term volatility in actuarial accrued liabilities. A summary of the methods and assumptions is provided below:

Healthcare cost trend: 7-10% next year, ultimately declining to 5% in 2018
Actuarial cost method: Projected unit credit
Amortization method: 30 years, open, level dollar method, 29 years remaining amortization period at March 31, 2009
Discount rate: 4%
Mortality: RP-2000 Mortality Table for males and females

8. Net assets:

Unrestricted net assets consist of the following at March 31:

<table>
<thead>
<tr>
<th>Board designated net assets:</th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating</td>
<td>$ 6,455,736</td>
<td>$ 8,608,612</td>
</tr>
<tr>
<td>Vehicle replacement</td>
<td>1,326,711</td>
<td>3,888,640</td>
</tr>
<tr>
<td>Capital projects and local match</td>
<td>3,789,399</td>
<td>7,541,500</td>
</tr>
<tr>
<td>Risk retention</td>
<td>3,955,775</td>
<td>5,644,209</td>
</tr>
<tr>
<td>Workers’ compensation self-insurance</td>
<td>7,252,321</td>
<td>6,550,083</td>
</tr>
<tr>
<td>Total board designated net assets</td>
<td>22,779,942</td>
<td>32,233,044</td>
</tr>
<tr>
<td>Undesignated net assets</td>
<td>—</td>
<td>2,490,879</td>
</tr>
<tr>
<td>Total unrestricted net assets</td>
<td>$ 22,779,942</td>
<td>$ 34,723,923</td>
</tr>
</tbody>
</table>

- Operating reserve: funds designated for future operating contingencies.
- Vehicle replacement reserve: funds designated for the future replacement of vehicles.
- Capital projects and local match reserve: funds designated to pay for future capital projects and provide the local share to match federal and state grant funds.
- Risk retention reserve: funds designated to provide funding to cover potential future self-insurance liability claims.
- Workers’ compensation self-insurance reserve: funds designated to pay for future workers’ compensation self-insurance claims and any retroactive premiums that come due on previous workers’ compensation plans maintained with an insurance carrier.
9. Retirement plans:

Employees of the Authority

The Authority participates in the New York State and Local Employees’ Retirement System (ERS), which is a cost-sharing multiple employer, public employee retirement system. ERS provides retirement benefits as well as death and disability benefits. The New York State Retirement and Social Security Law govern obligations of employers and employees to contribute and provide benefits to employees. ERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, New York, 12244.

ERS requires employee contributions of 3% of salary except for those who joined ERS before July 1976, or have greater than 10 years of service. The Comptroller annually certifies the rates expressed as a percentage of the wages of participants used to compute the contributions required to be made by employers to the pension accumulation fund.

The required contributions over the past three years were:

<table>
<thead>
<tr>
<th>Year</th>
<th>Contribution</th>
<th>Contribution Rates</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>$317,906</td>
<td>8.0 - 10.8%</td>
</tr>
<tr>
<td>2008</td>
<td>$284,442</td>
<td>8.9 - 12.1%</td>
</tr>
<tr>
<td>2007</td>
<td>$338,528</td>
<td>9.8 - 13.3%</td>
</tr>
</tbody>
</table>

The Authority’s contributions made to ERS were equal to 100% of the contributions required for each year.

Deferred Compensation

The Authority offers its employees participation in the Deferred Compensation Plan for Employees of New York State (the Plan). The Plan, which is available to all Authority employees, permits participants to defer a portion of their salary until future years. Amounts deferred under the Plan are not available to employees until termination, retirement, death or unforeseeable emergency. Plan assets and liabilities are not included in these financial statements.

Employees of Operating Subsidiaries

Union employees of the Authority’s operating subsidiaries are covered by various pension plans that are sponsored by unions that represent those operating subsidiary employees. The Authority contributes to the plans based on negotiated benefits determined under various union agreements. Under these negotiated benefits, all employees having attained 60 days of service are eligible to participate in the Plans. Both the Authority and its employees contribute on a weekly basis. The Authority’s contributions to the Plans equal amounts accrued for pension expense and approximated $1,725,000 and $1,450,000 for the years ended March 31, 2009 and 2008.
10. Commitments and contingencies:

Risk and Risk Management

The Authority is subject to certain business risks that could have a material impact on future operations and financial performance. These risks include economic conditions, collective bargaining disputes, federal, state and local government regulations and changes in law.

The Authority is also exposed to various risks of loss related to torts; damage to, theft of and destruction of assets; errors and omissions; natural disasters and employee injuries. To limit its exposure, the Authority purchases a variety of insurance policies, subject to specific deductibles and coverage limits.

Self-insured Claims

The Authority assumes liability for certain risks including personal injury and workers’ compensation claims. Additionally, the Authority has specific excess workers’ compensation insurance from a commercial insurer to cover claims made in excess of the coverage limits. Estimated liabilities for claims that are not covered by insurance have been reflected in the financial statements. Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported. At March 31, 2009, the amount of these liabilities was $6,662,000 for workers’ compensation claims included in accrued liabilities on the accompanying balance sheets and $1,505,000 for liability claims. These liabilities are the Authority’s best estimates based on available information. Changes in the reported liability since March 31, 2009 resulted from the following:

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Liability at Beginning</th>
<th>Current-Year Claims and Changes in Estimates</th>
<th>Claim Payments</th>
<th>Liability at End</th>
</tr>
</thead>
<tbody>
<tr>
<td>Worker’s Compensation</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2009</td>
<td>$ 5,945,000</td>
<td>$ 2,224,000</td>
<td>$ 1,507,000</td>
<td>$ 6,662,000</td>
</tr>
<tr>
<td>2008</td>
<td>5,351,000</td>
<td>1,694,000</td>
<td>1,100,000</td>
<td>5,945,000</td>
</tr>
<tr>
<td>Liability</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2009</td>
<td>$ 1,561,000</td>
<td>$ 455,000</td>
<td>$ 511,000</td>
<td>$ 1,505,000</td>
</tr>
<tr>
<td>2008</td>
<td>1,200,000</td>
<td>816,000</td>
<td>455,000</td>
<td>1,561,000</td>
</tr>
</tbody>
</table>
10. Commitments and contingencies, continued

Grants

The Authority receives financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with the terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the Authority. Based on prior experience, the Authority expects any such amounts to be immaterial.

Litigation

The Authority is involved in various legal proceedings, which, in the opinion of management, will not have a material adverse effect upon the financial position of the Authority.
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

The Board of Directors
Capital District Transportation Authority
Albany, New York

We have audited the financial statements of the Capital District Transportation Authority (the Authority) (a component unit of the State of New York) as of and for the year ended March 31, 2009, and have issued our report thereon dated May 22, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Authority’s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority’s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Authority’s internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as described below, we identified a deficiency in internal control over financial reporting that we consider to be a significant deficiency.
A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Authority’s ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Authority’s financial statements that is more than inconsequential will not be prevented or detected by the Authority’s internal control. We consider the following to be significant deficiency in internal control over financial reporting.

**Financial Reporting**

Consistent with many other organizations, management requests its independent auditors to draft the Authority’s annual audited financial statements and notes to the financial statements. Our assistance in this area results in a significant deficiency in the Authority’s internal control over financial reporting.

Management response – The Authority believes it is cost beneficial to continue to request its independent auditors to prepare the annual audited financial statements and notes to the financial statements.

The Authority’s response to the finding identified in our audit is described above. We did not audit the Authority’s response and, accordingly, we express no opinion on it.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity’s internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we do not believe that the significant deficiency described above is a material weakness.
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority’s basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

This report is intended solely for the information and use of management, Board of Directors, the New York State Department of Transportation, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

May 22, 2009
**we ride with pride**

CDTA’s focus on employee opportunity, retention, recruitment and recognition positions the organization as an employer of choice in the Capital Region.

**A green collar employer**
Employee recruitment and retention is critical to maintaining a reliable transit operation. Despite this year’s economic challenges, CDTA continues its initiatives to make CDTA a premier regional employer, positioning the agency as a prime source of green collar jobs—jobs that contribute to the environmental sustainability and economic stability of the region.

**CDTA workers STRiVE**
CDTA’s peer-nominated employee recognition program STRiVE (Success, Teamwork, Recognition, Innovation, Value, Encouragement), honors employees each quarter. STRiVE supports CDTA’s mission by promoting a positive work environment through effective communication and teamwork and by encouraging an appreciation for diversity. More than 60 awards have been presented to employees this past year.

**Horton earns ninth statewide honor**
Operator Walter Horton placed first at the 2008 CDTA annual Bus Roadeo operator competition in June and went on to place third at the New York State Roadeo competition in September, qualifying for national competition. Horton, in the Schenectady Division, has 37 years of service with CDTA and eight previous First Place Roadeo finishes.

**we ease the ride**

CDTA’s message of convenient and affordable service connected with Capital Region commuters. Ridership soared when gas prices skyrocketed—and remained steady even when gas prices dropped. Ridership has increased 11% from last year, exceeding 15 million annually.

**CDTA launches Google Transit**
Similar to CDTA’s online trip planner, introduced last year, the new Google Transit link on www.cdta.org provides customers with a quick way to plan their bus trips in the Capital Region. The popularity of the Web site is evidenced by the 1.2 million visits to it this past year, a 64% increase from last year.

**Swiper eases the commute**
Two new commercials airing on Capital Region TV stations feature area employers and employees sharing their views on the benefits of the Corporate Swiper Program. Corporate Swipers enhance an already great value by allowing commuters to pay for transit with pre-tax dollars. Swiper purchases are up 16% from last year.
CDTA promotes the fiscal benefits of choosing transit. This year, as gas prices soared, many new riders discovered the benefits firsthand—and stayed on buses even after gas prices fell.

**Fare Value**
Preparations for CDTA’s first fare increase in 14 years began in Fall 2008 and involved extensive internal planning and outreach to elected officials, sales outlets, corporate Swiper partners and customers. Four public hearings were held and materials distributed in print and online prior to the scheduled April 1, 2009 fare change. CDTA explained the new fare structure and educated riders about the cost-savings associated with the Corporate Swiper program. The base fare, which increased from $1.00 to $1.50 per ride, is still affordable.

**Dump the Pump**
In June 2008, CDTA participated in the 3rd annual Dump the Pump promotion, offering Capital Region commuters an opportunity to leave their cars at home and ride the bus for free. Interested riders registered online for a free Day Pass and used CDTA’s online commuter cost calculator to learn how much driving to work was costing them and what they could save by riding the bus instead. Last year more than a hundred people participated, many citing rising fuel prices as their motivation.
CDTA works closely with individuals, businesses and elected officials to develop transit services essential to an economically-vibrant Capital Region.

**Transit incentives**
To encourage homeownership in transit supportive areas and promote transit use, CDTA offers free bus passes (for a maximum of 24 months) to new homeowners through the Homeownership Incentive Program.

This partnership between CDTA and the Capital District Transportation Committee is designed to reduce single occupant vehicle travel, fuel consumption, air pollution and parking demand while strengthening home ownership in urban neighborhoods. Participating organizations are the Schenectady Housing Development Fund Corporation, the South End Improvement Corporation (SEIC), Affordable Housing Partnership (AHP), Better Neighborhoods, Inc. (BNI) and TRIP NeighborWorks Homeownership Center.

**Transit for Refugees and Immigrants Program (TRIP)**
CDTA’s Transit Use Incentive Program introduces newly-arrived immigrants and refugees in the Capital Region to transit and its benefits—providing connections to jobs and reducing the need for single occupancy vehicles. CDTA offers education about transit use through travel trainers and provides transit subsidies (a monthly 7-day Swiper for up to nine months) for eligible participants. CDTA partners with the US Committee for Refugees and Immigrants (USCRI) for this important outreach.

**Visits to CDTA.org surpass one million**
CDTA’s Web site www.cdta.org, had more than 1.2 million site visits this year, up 64% from last year. In addition to the convenience of online fare purchases, the site features interactive trip planning, up-to-the-minute service alerts and a link to carpool matching for commuters. It also offers access to videos of Board Meetings, a news page, transportation planning documents and regional connectivity information.

**Engaging the community**
CDTA initiated a community outreach program with quarterly forums throughout the region. CDTA leaders interact with a wide audience of elected officials, community leaders, business associations, employers and customers to promote the benefits of transit, introduce new services and to discuss the positive impact of transit in the region.
Through bus services, rail stations and commute alternatives, CDTA connects riders with their workplaces and plays a role in promoting regional mobility.

**Northway Xpress**
This affordable premier commuter service provides direct, daily connections between Saratoga and Albany. Ridership on the 14 commuter coaches grew 26% to more than 230,500 annual boardings. As part of the recent fare restructuring, CDTA simplified the zone structure to make the service even easier to use.

**Bus Rapid Transit prepares for station installation**
This year, roadway and pedestrian improvements along the Route 5 corridor were completed in preparation for installation of BRT pylons and shelters in the summer of 2009.

To engage the community in the process of introducing this new service, CDTA partnered with the Central Avenue Business Improvement District to launch a transit arts program, inviting members of the public to submit art and sculpture for the future BRT stations.

**iRide Arts is hot ticket**
CDTA and Proctors Theatre initiated a transit incentive program to encourage Capital Region residents to take the bus when they enjoy the arts. Patrons who purchase a Proctors show ticket receive a free CDTA Day Pass. CDTA customers who show their monthly Swiper pass at the Proctors Box Office receive 10% off select shows at Proctors, the Albany Symphony Orchestra and the Troy Music Hall.
CDTA environmental initiatives save energy, reduce emissions and enhance operational efficiency.

Clean, green buses
CDTA’s 29 hybrid-electric buses reduce emissions by 90% and average 5.0 miles per gallon (compared with 3.5 for traditional buses). Additionally, all CDTA buses run on a blend of 95% ultra low sulfur diesel (ULSD) and 5% biodiesel. Aside from the obvious energy-savings and emissions-reduction, these buses enhance operational efficiency and increase public awareness of the environmental benefits of transit.

Online carpool matching
CDTA collaborated with the Capital District Transportation Committee to launch iPool2.org, a free online carpool matching system for Capital Region drivers. iPool2.org matches ride-share partners who have similar schedules, destinations and personal preferences. Plus, it identifies nearby park-and-ride lots, bus routes and bus stops.

New buses roll into service
CDTA purchases new buses each year as part of a fleet purchasing program designed to make the most efficient use of funding sources and maintain a safe, reliable fleet. Each year, CDTA replaces one-twelfth of its fleet. In the past year, CDTA purchased 6 new hybrid diesel-electric vehicles, 7 STAR paratransit vehicles and 4 new suburban shuttles. Twenty new hybrid buses will arrive in Spring 2009, making the fleet 20% hybrid.

Schenectady Station Study Completed
This study, led by CDTA, was tasked with creating a development plan for the Schenectady Intermodal Station that builds on revitalization improvements in downtown Schenectady. The study examined design and aesthetics, intercity bus integration, retail and other commercial uses for the station. The plan considers transit development, pedestrian and automobile access to the proposed facility and looks at ways to connect the Route 5 Bus Rapid Transit project to the development. A copy of the final station plan is available at www.cdta.org.

Rensselaer Rail Station Renovations
This summer CDTA successfully completed the cleaning and renovation of the first and second levels of the Rail Station parking garage and surface lots. Additional work occurred on the station platform deck. The three week project was scheduled to reduce impact to the traveling public. New station parking rates took effect on April 1 as part of the fare increase program.
Traffic congestion in the Capital Region costs $78 billion a year and wastes 2.8 million gallons of fuel.

CDTA customers save 2.6 million gallons of gas and reduce emissions by nearly 26,000 tons a year.
**cdta snapshot**

**Counties Served:** Albany, Rensselaer, Saratoga, Schenectady

**Consolidated Budget, 2009-2010:** $71 million

**CDTA Employees:** 650

**Size of service area (square miles):** 2,300

**Service area population:** 769,000

**Operating and Service Details:**

- Total Number of Vehicles: 299
- Fixed Route Vehicles: 227
- Hybrid Electric Buses: 28 (included in 227)
- Paratransit Vehicles (STAR): 34
- Shuttle Vehicles: 24
- NX Commuter Coaches: 14

**Annual Fuel Consumption:** 2.2 million gallons

**Annual Vehicle Miles/Gallon:** 3.5

**Annual Vehicle Miles/Gallon (Hybrids):** 5.0

- **Bus Stops:** 4,000
- **Passenger Shelters:** 240
- **Park and Ride Lots:** 24
- **Available Parking Spaces:** 1,500

**Ridership Statistics**

- Customer Revenue (FY 2008): $13,033,027
- Fixed Route Ridership (FY 2008): 14,960,647
- STAR Ridership: 214,474
- NX Ridership: 231,477
- ADA-certified customers: 4,300

**Information Sources**

- Customer Information Center: 482-8822
- STAR Reservation Center: 482-2022
- Access Reservation Center: 459-8747

- Total Calls Answered Annually: 648,000
- CDTA Web site: www.cdtap.org
  - Web site Visits Annually: 1.2 million

**Operating Facilities**

- Administrative Headquarters and Maintenance Facility
  - 110 Watervliet Avenue
  - Albany, 12206
- Satellite Garage
  - 2401 Maxon Road
  - Schenectady, 12308
- Satellite Garage
  - 40 Hoosick Street
  - Troy, 12180

**Rail Stations**

- Rensselaer Rail Station
- CDTA Boardroom and Business Development Office
  - 525 East Street
  - Rensselaer, 12144
- Saratoga Springs Train Station
  - Station Lane
  - Saratoga Springs, 12866
we look ahead

The past year has been one of challenges—and opportunity. Through efficient management of our resources combined with service adjustments and enhanced efficiency, CDTA will continue to deliver high-quality transit service to a growing number of people throughout the Capital Region. CDTA will work with leadership at all levels to secure funds for essential transit infrastructure that will position the region for future growth and economic opportunity.

CDTA will continue to attract employees who exemplify a commitment to excellence and a desire to make a difference in their community. Our Green Collar Jobs campaign will augment recruitment efforts by highlighting jobs that promote environmental benefits for our region.

CDTA will roll out its new 31-Day Rolling Swiper in summer 2009, offering customers increased flexibility and value with its prepaid fare products.

Bus Rapid Transit stations and totems will be installed along Route 5 beginning in late summer 2009, creating awareness of this new initiative.

CDTA’s environmental initiatives will continue, most notably the purchase of 20 additional hybrid buses and greater use of alternative fuels. CDTA has obtained a $1.036 million state grant to offset some of the additional cost for the energy-efficient buses.

CDTA will seek American Recovery and Reinvestment Act funds for projects that can quickly provide payback to our region, constituents and our customers. These include:

- **Albany Intermodal Center**—construction of a downtown transit hub
- **Saratoga Facility**—construction of a 55,000 square-foot bus facility to provide centralized dispatching services and include a 100-car park-and-ride lot for Northway Xpress riders.
- **Schenectady Intermodal Station**—completed design centered on creating a new, practically-scaled station complex with improved platforms and customer access. Planned station features include improvements to the existing station and the addition of new amenities and retail spaces.
The Capital District Transportation Authority (CDTA) was created in 1970 by the New York State Legislature as a public benefit corporation, to provide regional transportation services by rail, bus, water and air. Today’s CDTA is the premier mobility provider in the Capital Region, operating regular route bus service, shuttle systems and paratransit services. CDTA owns and operates the Rensselaer Rail and Saratoga Springs Train Stations. CDTA also operates the Northway Commuter Service between Saratoga County and downtown Albany.

Today, 650 people work at CDTA to deliver a transit system that serves more than 800,000 people who live and work in the region, transporting more than 40,000 customers each weekday.

For a printed copy of this report, or more information, please contact CDTA:

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