METRO REGIONAL TRANSIT AUTHORITY

AUDIT REPORT

For the year ended December 31, 2007

Charles E. Harris & Associates, Inc.
Certified Public Accountants and Government Consultants

Mary Taylor, CPA
Auditor of State

Board of Trustees
Metro Regional Transit Authority
416 Kenmore Blvd
Akron, Ohio 44301

We have reviewed the *Report of Independent Accountants* of the Metro Regional Transit Authority, Summit County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2007 through December 31, 2007. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Metro Regional Transit Authority is responsible for compliance with these laws and regulations.

Mary Taylor

Mary Taylor, CPA
Auditor of State

October 15, 2008

88 E. Broad St. / Fifth Floor / Columbus, OH 43215-3506
Telephone: (614) 466-4514 (800) 282-0370 Fax: (614) 466-4490
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Metro Regional Transit Authority
SUMMIT COUNTY, OHIO
AUDIT REPORT
For the Year Ended December 31, 2007

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Rockefeller Building
614 W Superior Ave Ste 1242
Cleveland OH 44113-1306
Charles E. Harris & Associates, Inc.
Certified Public Accountants
Office phone - (216) 575-1630
Fax - (216) 436-2411

OPINION ON SUPPLEMENTARY SCHEDULE
OF FEDERAL AWARDS EXPENDITURES

Metro Regional Transit Authority
Summit County
416 Kenmore Blvd.
Akron, Ohio 44301

To the Board of Trustees:

We have audited the financial statements of the Metro Regional Transportation Authority, Summit County (the Authority) as of and for the year ended December 31, 2007, and have issued our report thereon dated June 12, 2008. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion 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 and the standards applicable to financial audits conducted in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principals used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit was performed for the purpose of forming opinions on the financial statements of the Metro Regional Transportation Authority that collectively comprise the basic financial statements. The accompanying Schedule of Federal Awards Expenditures is presented for purposes of additional analysis as required by the *U.S. Office of Management and Budget, Circular A-133, Audit of States, Local Governments, and Non-Profit Organizations,* and is not a required part of the financial statements. The information in that schedule has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.

Charles E. Harris & Associates, Inc.
June 12, 2008

Metro Regional Transit Authority

Schedule of Federal Awards Expenditures

For the Year Ended December 31, 2007

Federal Grantor/Pass Through Grantor Program Title	Grant Number	CFDA Number	Program Expenditures
U.S. Department of Transportation			
Direct Program:			
Federal Transit Administration			
Federal Transit Cluster			
Urbanized Area Formula Program	OH-03-0262	20.507	$ 42,478
	OH-04-0010	20.507	254,148
	OH-04-0013	20.507	416,000
	OH-04-0024	20.507	418,845
	OH-37-X039	20.507	198,626
	OH-90-X396	20.507	2,798
	OH-90-X441	20.507	10,122
	OH-90-X477	20.507	337,552
	OH-90-X490	20.507	33,930
	OH-90-X507	20.507	53,470
	OH-90-X537	20.507	18,904
	OH-90-X545	20.507	1,190,676
	OH-90-X572	20.507	4,303,011
Total Federal Financial Assistance	.		$ 7,280,560

See accompanying Notes to the Schedule of Federal Awards Expenditures

1. General

The accompanying schedule of federal awards expenditures is a summary of the activity of Metro Regional Transit Authority's federal awards programs. The schedule has been prepared on the accrual basis of accounting.

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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*

Metro Regional Transportation Authority
Summit County
416 Kenmore Blvd.
Akron, Ohio 44301

To the Board of Trustees:

We have audited the basic financial statements of the Metro Regional Transit Authority, Summit County, Ohio (the Authority) as of and for the year ended December 31, 2007, and have issued our report thereon dated June 12, 2008. 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 opinions on the 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 discussed below, we have identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

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 its applicable accounting basis 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 deficiency described in the accompanying schedule of findings, item 2007-001 to be a significant deficiency in internal control over financial reporting.

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 Authority's internal control.

Our consideration of the internal control over financial reporting was for 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 believe the significant deficiency described above to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of law, regulations, contracts, grant agreements and other matters, 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 for the information of the Board, management and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

Charles E. Harris & Associates, Inc.
June 12, 2008

Rockefeller Building
614 W Superior Ave Ste 1242
Cleveland OH 44113-1306
Charles E. Harris & Associates, Inc. Office phone - (216) 575-1630
Certified Public Accountants Fax - (216) 436-2411

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH *OMB CIRCULAR A-133*

Metro Regional Transportation Authority
Summit County
416 Kenmore Blvd.
Akron, Ohio 44301

To the Board of Trustees:

Compliance

We have audited the compliance of the Metro Regional Transit Authority, Summit County, Ohio (the Authority) with the types of compliance requirements described in *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal program for the year ended December 31, 2007. The Authority's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the Authority's management. Our responsibility is to express an opinion on the Authority's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Authority's compliance with those requirements.

In our opinion, the Authority complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended December 31, 2007.

Internal Control Over Compliance

The management of the Authority is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Authority's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over compliance.

A control deficiency in internal control over compliance exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent or detect noncompliance with a federal program compliance requirement on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affects the Authority's ability to administer a federal program such that there is more than a remote likelihood that the Authority's internal control will not prevent or detect more-than-inconsequential noncompliance with a federal program compliance requirement.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that the Authority's internal control will not prevent or detect material noncompliance with a federal program's compliance requirements.

Our consideration of the internal control over compliance was for limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended for the information of the Board, management and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

Charles E. Harris & Associates, Inc.
June 12, 2008

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A-133 SECTION .505

METRO REGIONAL TRANSIT AUTHORITY
SUMMIT COUNTY
DECEMBER 31, 2007

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	*Type of Financial Statement Opinion*	Unqualified
(d)(1)(ii)	*Were there any material control weaknesses reported at the financial statement level (GAGAS)?*	Yes
(d)(1)(ii)	*Were there any other significant deficiencies reported at the financial statement level (GAGAS)?*	No
(d)(1)(iii)	*Was there any reported material non-compliance at the financial statement level (GAGAS)?*	No
(d)(1)(iv)	*Were there any material internal control weaknesses reported for major federal programs?*	No
(d)(1)(iv)	*Were there any other significant deficiencies reported for major federal programs?*	No
(d)(1)(v)	*Type of Major Programs' Compliance Opinion*	Unqualified
(d)(1)(vi)	*Are there any reportable findings under Section .510*	No
(d)(1)(vii)	*Major Programs:*	Federal Transit Administration Cluster: Urbanized Area Formula Prog. CFDA# 20.507
(d)(1)(viii)	*Dollar Threshold: Type A\B Programs*	Type A: > $300,000 Type B: all others
(d)(1)(ix)	*Low Risk Auditee?*	Yes

2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS

FINDING NUMBER 2007-01 MATERIAL WEAKNESS

A fixed assets management system ensures that policies and procedures are in place to safeguard assets and maintains the integrity of financial statement information. These procedures should include: authorizing and recording disposals and transfers of assets: recording purchases as additions at the time items are received: tagging assets to ensure that each asset is in the appropriate location and described accurately in the Authority's capital asset list. The serial numbers, along with item description and location, will be added to an equipment register which will be updated annually. Also, fixed asset sub-ledgers should be maintained detailing all Authority-owned assets and the corresponding depreciation for the current year and in total. This sub-ledger should trace to the balances that are listed in the trial balance system.

During our testing of capital assets, we noted that depreciation was not always calculated correctly in the sub-ledger and that the sub-ledger did not trace to the trial balance system. We also noted that depreciation was posted directly to the capital asset line item instead of being expensed in the operating statement.

We recommend that the Authority coordinate its effort to maintain a complete and accurate inventory of capital assets the implementation of policies and procedures which address reporting to the Finance Director for updating Authority-wide records. These records should calculate each asset's depreciation and the ledger needs to trace to the trial balance. Also, depreciation should be posted correctly to the depreciation expense line item in the trial balance system.

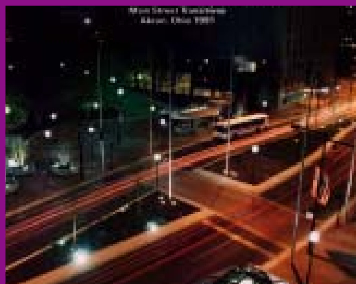
Management stated they will instill a capital asset procedure to better track capital assets.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None.

STATUS OF PRIOR AUDIT'S CITATIONS AND RECOMMENDATIONS

The prior audit report, as of December 31, 2006, reported no material citations or recommendations.



2007 Comprehensive Annual Financial Report

for the year ending December 31, 2007


METRO

METRO REGIONAL TRANSIT AUTHORITY

Summit County, Ohio
416 Kenmore Blvd. • Akron, Ohio • 44301

METRO Regional Transit Authority

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended December 31, 2007

METRO

METRO REGIONAL TRANSIT AUTHORITY

Bernard Bear
President
Board of Trustees

Robert K. Pfaff
Executive Director/
Secretary-Treasurer

Prepared by:
The General Administration Department
Dean J. Harris, CPA
Director of Finance

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METRO Regional Transit Authority

COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended December 31, 2007

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Introductory Section

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Metro Regional Transit Authority

Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2006

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

President

Executive Director

METRO Regional Transit Authority

Board of Trustees and Administration as of December 31, 2007

Members of the Board of Trustees

Representing the City of Akron

Bernard Bear, President
Saundra M. Foster
Mark Salchak
Mary Dougherty
Elizabeth Britton
Open Position

Representing the County of Summit

James Fisher
Heather Heslop Licata
Scott C. Meyer

Representing the City of Barberton

David T. Incorvati

Representing the City of Cuyahoga Falls

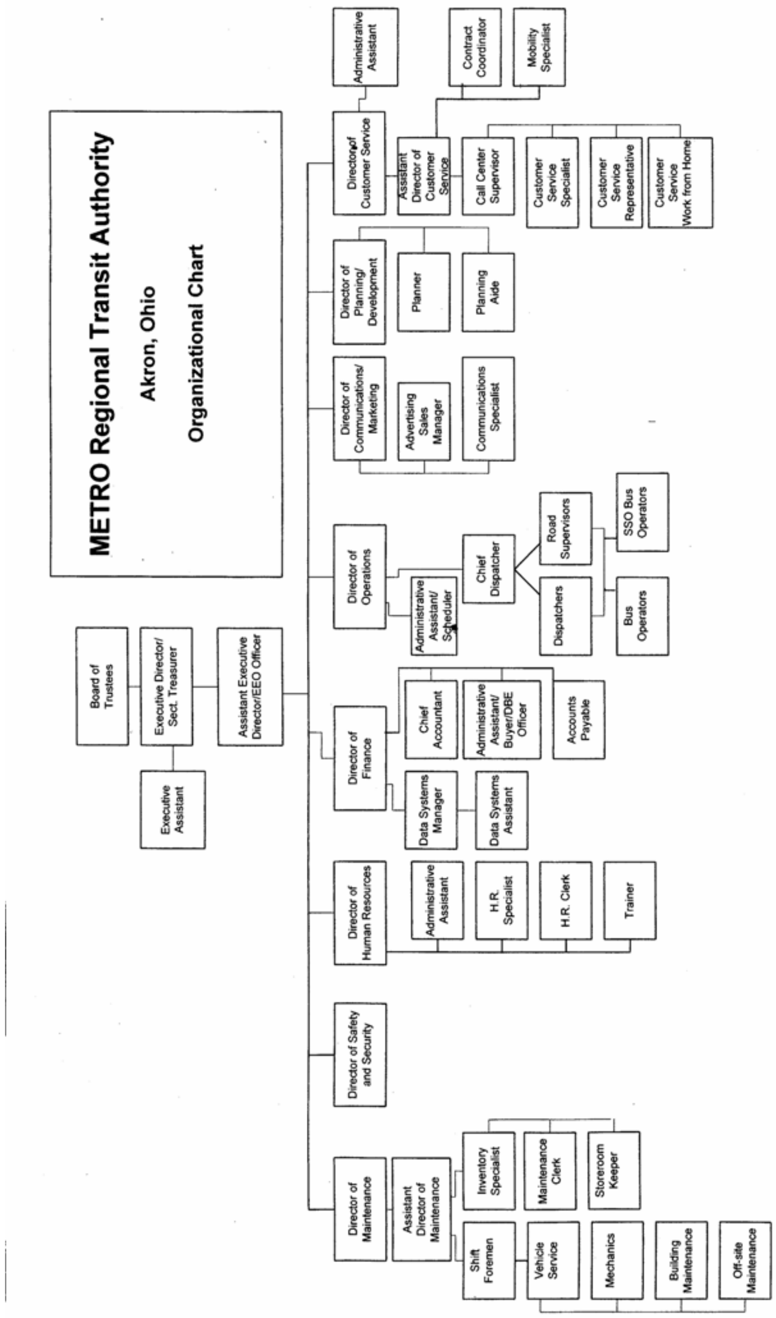
Stephan Kremer

Representing the City of Stow

William Lutz

Administration

Robert K. Pfaff, Executive Director/Secretary-Treasurer
Dean J. Harris, Director of Finance
Charles R. Rector, Director of Operations
Jim Miller, Director of Maintenance
Sue Rice, Director of Human Resources
Louwana Oliva, Assistant Executive Director/EEO
Molly Becker, Director of Communication & Marketing
Alan Smith, Director of Customer Service
Kirt Conrad, Director of Planning
Mark Pry, Director of Safety & Security



Revised 10/2007

METRO We're Your Bus Company

METRO REGIONAL TRANSIT AUTHORITY
416 Kenmore Boulevard
Akron, Ohio 44301
330/762-7267
330/762-0854 FAX

June 12, 2008

Bernard Bear, President,
And Members, Board of Trustees
METRO Regional Transit Authority
and Residents of Summit County, Ohio:

It is a pleasure to submit to you the Comprehensive Annual Financial Report (CAFR) of the METRO Regional Transit Authority ("METRO" or "Authority") for the fiscal year ended December 31, 2007. This is the ninth such report issued by METRO.

This report was prepared by the Finance Department of the METRO Regional Transit Authority and represents METRO's commitment to provide accurate, concise and high-quality financial information to the Board of Trustees, interested parties and residents in METRO's service area.

This report contains financial statements and statistical data, which provide full disclosure of all of METRO's material financial operations. The financial statements, supplemental schedules, statistical information, and all data contained herein are the representations of METRO's management. METRO's management bears the responsibility for the accuracy, completeness and fairness of this report. In conformance with accounting principles generally accepted in the United States of America, this report was developed on the accrual basis of accounting, treating the METRO as a single enterprise fund. This report is indicative of METRO's commitment to provide accurate, concise and high quality financial information to the residents of this area and to all other interested parties.

The Government of Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to METRO for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2006. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such a CAFR must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only.

The publication of this report is a reflection of the level of excellence and professionalism METRO's Accounting Department has attained. It demonstrates the extent of METRO's accountability to its taxpayers and creditors.

This report would not have been possible without the determination and high standards of the entire staff of the Accounting Department. METRO wishes to thank all who contributed to this project.

Robert K. Pfaff,
Executive Director/
Secretary-Treasurer

Dean J. Harris
Director of Finance

REPORTING ENTITY

General

METRO’s reporting entity has been defined in accordance with Governmental Accounting Standards Board (GASB) Statement No. 14. Accordingly, the financial statements contained within this comprehensive annual financial report include only the accounts and transactions of METRO. A discussion of METRO’s reporting entity is included in Note 1 to the financial statements.

METRO was created under Chapter 306 of the Ohio Revised Code by resolution of the City of Akron, Ohio adopted originally in 1972 and amended on January 28, 1991 to transform the three-city transit system to a countywide transit system. METRO’s service area covers 419.92 square miles in Summit County. Express service to downtown Cleveland, Ohio is also provided.

Operations and Funding

Voters approved a ¼ of 1 percent continuous sales and use tax in November 1990 that permitted METRO to expand to a countywide service.

Facilities

METRO’s has five facilities that are located at:

* 416 Kenmore Boulevard - METRO’s main administration and maintenance facility.
* 121 South Main Street - a leased facility in downtown Akron that provides ticket sales and customer information.
* 2340 Romig Road –Transfer Center (Southwest Akron)
* 465 Ghent Road – Park and Ride lot (West Akron)
* 2600 Creekside Drive – Park and Ride lot (Twinsburg)

Services

METRO provides fixed route and demand response (SCAT) service in the County of Summit and Express Service into downtown Cleveland.

Management, Board of Trustees

METRO is managed by a Board of Trustees, which is vested by Ohio law with the powers necessary to manage METRO. The legislation and agreements establishing METRO provide for a twelve-member board serving three-year terms. The Board members are appointed by five different governmental agencies. The City of Akron has six seats, the County of Summit has three, and the cities of Barberton, Cuyahoga Falls and Stow have one each.

Administration

The administration of METRO, subject to the policies and supervision of its Board of Trustees, is directed by an Executive Director. The Executive Director is under contract to the Board of Trustees. The Executive Director selects the remaining senior administrative staff. An organizational chart, which depicts the key functional responsibilities, is shown on page 3 of this Introductory Section.

ECONOMIC CONDITION AND OUTLOOK

General

Summit County (METRO's primary service area) is located in northeast Ohio, and the City of Akron is located near the center of the county. The Primary Akron Metropolitan Statistical Area (PMSA) consists of Summit and Portage Counties. The 2000 PMSA population was 694,960. Summit County represents 78% of the two counties total.

Summit County (the County) is served by diversified transportation facilities. Interstate I-77 runs North and South through the County while I-76 crosses east and west through the County. The Ohio Turnpike crosses the northern portion of the county. There are a total of five interstate highways, one U.S. highway and seventeen state highways that are located in the County.

The Summit County unemployment rate for 2007 was 5.4%, compared with a national average of 4.6%.

Akron, once known as the "Rubber Capital of the World", Akron has moved forward into the world of liquid crystal and polymer research, development, and technology. More than 400 companies in the area are at work on one aspect or another of polymers, creating what is now referred to as "The Polymer Valley." The University of Akron supports the industry with both a College of Polymer Engineering and a specialized laboratory and research facility accessible by Akron area business partners.

Population

Population in METRO's principal service area since 1960 has been as follows:

YEAR	AKRON	SUMMIT COUNTY
1960	290,351	513,569
1970	275,425	553,371
1980	238,177	524,472
1990	223,019	514,990
2000	217,074	542,899
2007 (est)	214,556	543,487

Employment

The following table shows comparative unemployment statistics for Summit County, the State of Ohio and the United States for the last five years:

Average Unemployment Rates

Year	Summit County	Ohio	U.S.
2003	6.2%	6.2%	6.0%
2004	6.1%	6.2%	5.5%
2005	5.8%	5.9%	5.1%
2006	5.3%	5.5%	4.6%
2007	5.4%	5.6%	4.6%

MAJOR INITIATIVES

Recent Developments

Highlights of the 2007 year of operations include the following:

* Installed bike racks on all line services buses.
* Replaced all bus stop signs in the county.
* Constructed a new security fence and entrance for Administrative and Maintenance facility.
* Took delivery of seven 35-foot Gillig low floor diesel buses.
* Provided 5,290,612 line service passenger trips on METRO.
* Provided 212,144 demand response passenger trips on SCAT.
* Began construction on a Downtown intermodal facility, which is expected to be completed in early 2009.

Future Projects

METRO continues to implement its current long-range plan. This plan was developed to provide METRO with a strategy for implementing capital and operational projects. The five-year portion of the long-range plan includes:

Rehabilitation of the administration and maintenance facilities. We have completed a portion of this plan the remaining items include replacing hoists in the maintenance garage and replacing roofs on two bus barns.

Replace up to forty-nine 35 to 40 foot low floor buses.

Replace up to thirty Paratransit buses, the next order of 10 is scheduled for delivery in 2008.

With the assistance of the City of Akron, METRO is in the process developing a downtown intermodal facility. The downtown intermodal facility will be used for the central transfer point of our passengers as well as possibly linking with AMTRAK and Greyhound. We are currently in the construction phase of the project. The construction is expected to be completed by the end of 2008 with the grand opening in January 2009. The facility when completed will be certified as a "Gold" LEED building. Some of the features include geothermal heating and cooling as well a solar system that will be the largest single solar array in Ohio.

FINANCIAL INFORMATION

Internal Control Structure

The management of METRO is responsible for establishing and maintaining an internal control structure designed to ensure that METRO's assets are protected from loss, theft, or misuse. Its responsibility is also to ensure that accurate accounting data is compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America.

In developing and evaluating METRO's accounting system, emphasis is placed on the adequacy of internal controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding the protection of assets against loss from unauthorized use or disposition, and the reliability of financial records used to prepare financial statements. The concept of "reasonable assurance" recognizes that the cost of the control should not exceed the benefits likely to be derived and that the evaluation of costs and benefits require estimates and judgments by management.

All internal control evaluations occur within the above framework. Management believes that METRO's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions. Management also believes that the data, as presented herein, is accurate in all material respects, that it presents fairly the financial position, results of operations and cash flows of METRO, and that all disclosures necessary to enable the reader to obtain an understanding of METRO's financial affairs have been included.

Basis of Accounting

METRO accounting records are maintained on the accrual basis. The activities are accounted for in a single enterprise (Proprietary-type) fund.

Budgetary Controls

The annual accrual-basis operating budget and capital budget are proposed by METRO management and adopted by the Board of Trustees in a public meeting. The annual budget is prepared using overall guidelines established after consideration of METRO's long-range financial plan.

All capital and operating items exceeding $25,000 receive Board approval prior to purchase. The long-range plan, updated annually, projects sources over the next five years and establishes service levels and growth commensurate with such revenue limits.

METRO maintains budgetary control by not permitting total operating expenses and expenditures for individual capital projects to exceed their appropriations without approval by the Board of Trustees. Management ensures that expenses and capital expenditures stay within the total appropriation. On a monthly basis, the Board reviews budget variations. It is the responsibility of each department to administer its operations in such a manner as to ensure that the use of funds is consistent with the goals and programs authorized by the Board of Trustees.

Financial Operating Results

Revenues

METRO's revenues are classified by source and described as shown below:

Revenue by Source

	2007	2006
Sales Tax	$18,503,004	$18,144,910
Passenger Fares	4,522,419	4,553,186
Federal Assistance	4,570,868	4,507,059
State Assistance	1,076,387	1,079,041
Interest Income	176,229	235,685
Auxiliary Transportation Revenue	369,210	365,413
Non-transportation Revenue	173,277	228,716
TOTAL	$29,391,394	$29,114,010

Sales Tax revenues increased slightly over last year. This is a sales and use tax of ¼ of 1% on all goods and services sold in Summit County. There is no limit on its duration.

Passenger fares are comprised of farebox revenues, tickets sales, special transit fares, a contract with the Department of Jobs and Family Services to provide transportation for TANF clients, and a contract with the Akron Board of Education. METRO also has additional contracts with local governmental agencies to provide Paratransit service.

The slight decrease in passenger fares can be attributed to a reduction in the contract amount with the Akron Board of Education.

Federal assistance funds are received from the Federal Transit Administration (FTA) for certain items that are classified as capital assistance. Capital assistance, as defined by the FTA, includes preventive maintenance, leases, planning, and other operating items that are part of capital projects. The level of funds received in 2007 were slightly higher compared to 2006 due to an increase in funding for preventive maintenance.

State assistance funds are received from the Ohio Department of Transportation (ODOT) for capital, Elderly and Handicapped one-half fare program, and fuel tax refunds. The amount in 2007 was about the same as compared to 2006.

Auxiliary Transportation Revenue consists of advertising and charter revenue. Auxiliary revenue was about the same as it was in 2006.

Non-Transportation Revenue consists primarily of revenue from the sales of obsolete assets, gain/loss from disposal of assets and all other miscellaneous revenue. In 2007 there was a decrease in revenue generated from the sale of assets compared to 2006.

Operating Expenses

Operating Expenses by Object Class

	2007	2006
Labor	$12,814,016	$12,695,931
Fringe Benefits	7,451,164	7,048,865
Materials and Supplies	4,567,606	4,529,963
Services	1,342,851	1,069,850
Utilities	468,205	652,651
Casualty and Liability	1,309,673	1,066,711
Taxes	221,687	196,644
Purchased Transportation	1,143,753	1,061,558
Interest Expense	44,556	55,596
Miscellaneous	174,336	178,361
	29,537,847	28,556,130

Total operating expenses, excluding depreciation, increased in 2006 by 3.6%. This increase in expenses for 2007 is largely due to an increase in Fringe Benefits and Liability Insurance.

Labor and Fringe Benefits are METRO's major expense items. Wages were up slightly. Since January 2005 METRO has had a wage freeze. This has kept the increase in wages to a minimum. Fringe benefits were up in 2007 due to the raising cost of health insurance.

Material and Supplies were slightly higher in 2007, this was due to an increase in fuel cost.

Services were slightly lower in 2007, mostly due to lower legal fees and one time service contracts that were expensed in 2006.

Casualty and Liability was higher 2007 due to an increase in the premium cost.

Purchased Transportation was up slightly in 2007 due to an increase in per trip cost.

Miscellaneous Expenses was about the same in 2007 compared to 2006.

Financial Operating Results

METRO's net revenue for the years ended December 31, 2007 and 2006 was ($146,453) and $609,649 respectively. This is before Capital Contributions and Depreciation.

Retirement Plans

All of METRO's employees are covered under the Ohio Public Employees Retirement System (OPERS), a statewide public retirement (including disability retirement) system.

Employees contribute to OPERS at a statutory rate of 9.5% of earnable salary or compensation, and METRO normally contributes 13.85% of the same base. These contribution rates are actuarially determined and statutorily mandated.

METRO has a "pickup" (assume and pay) program with respect to all of the statutorily required contributions of employees. Under the pickup program, employee compensation is reduced by the amount of the contributions to OPERS that is paid by METRO on behalf of the employees. In addition, Federal and State income taxes are deferred on the compensation until the amounts are withdrawn from OPERS.

OPERS is not subject to the funding and vesting requirements of the Federal Employee Retirement Income Security Act of 1974.

OPERS was created by and operates pursuant to the Ohio Revised Code. The Ohio General Assembly could decide to amend the format of OPERS and could revise the contribution rates or basis of contributions made by METRO as well as the plan's benefit levels.

Federal law requires METRO employees hired after March 31, 1986, to participate in the Federal Medicare program, which requires matching employer and employee contributions, each being 1.45% of the taxable wages. Otherwise, METRO employees are not currently covered under the Federal Social Security Act.

Other Post-employment Benefits

OPERS also provides post-retirement health care coverage to those employees who retire with ten or more years of qualifying Ohio service credit as well as health care coverage for disability recipients and primary survivor recipients. A portion of each employer's contribution to OPERS is set aside to fund these benefits.

All retired employees are provided between $500 to $3,000 in life insurance benefits, which is funded through the purchase of group insurance.

Debt Administration

The Authority has outstanding bonds of $650,000, a decrease of $355,000 from the prior year. This debt consists of capital facilities bonds issued for the purpose of purchasing, acquiring, constructing, replacing, improving, extending and enlarging transit facilities and other equipment.

In December 2007, the Authority made its annual payment on its bonds. There was no other activity relating to debt for the Authority.

Cash Management and Investments

The provisions of the Ohio Revised Code govern the investment and deposit of Authority monies. In accordance with these statutes, only banks located in Ohio and domestic building and loan associations are eligible to hold public deposits. The statutes also permit the Authority to invest in certificates of deposit, savings accounts, money market accounts, the State Treasurer's investment pool (STAROhio), and obligations of the United States government and certain agencies thereof. The Authority may also enter into repurchase agreements with any eligible depository or any eligible security dealer who is a member of the National Association of Securities Dealers for a period not exceeding thirty days.

Public depositories must give security for all public funds on deposit. These institutions may either specifically collateralize individual accounts in lieu of amounts insured by the Federal Deposit Insurance Corporation (FDIC) or may pledge a pool of government securities that have a face value that is at least 105% of the total value of public monies on deposit at the institution. Repurchase agreements must be secured by the specific government securities upon which the repurchase agreements are based. These securities must be obligations of or guaranteed by the United States and mature or be redeemable within five years of the date of the related repurchase agreement. The market value of the securities subject to a repurchase agreement must exceed the value of the principal by 2% and be marked to market daily. State law does not require that security for public deposits and investments be maintained in the Authority's name.

The Authority is prohibited from investing in any financial instrument, contract, or obligation whose value or return is based upon or linked to another asset or index, or both, separate from the financial instruments, contract, or obligation itself (commonly known as a "derivative"). The Authority is also prohibited from investing in reverse repurchase agreements.

Risk Management

The Authority is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, flood and earthquake, errors and omissions, employment related matters, injuries to employees and employee theft and fraud. Effective December 31, 1994, the Authority joined together with certain other transit authorities in the state to form the Ohio Transit Insurance Risk Pool, Inc. "legal changed its name in 2002 to Ohio Transit Risk Pool (OTRP)", a joint self insurance pool created pursuant to Section 2744.081 of the Ohio Revised Code, currently operating as a common risk management and insurance program for twelve member transit agencies.

The Authority pays an annual member contribution to OTRP for its coverage and quarterly pays into a loss and administration fund pursuant to its bylaws. Under the agreement the Authority receives property and casualty loss coverage in exchange for premiums paid. OTRP self-insures the first $100,000 of any qualified property loss and the first $1,000,000 of any qualified casualty loss subject to a $1,000 per loss deductible. Except for revenue vehicles which has a $25,000 per loss deductible. Per occurrence, excess insurance and/or reinsurance is maintained by OTRP equal to approximately $200,000,000 for qualified property losses and $7,500,000 for qualified casualty losses. Various sub limits apply.

The Authority continues to carry commercial general liability insurance for its railroad properties. Under this plan, the Authority receives property and casualty loss coverage in exchange for premiums paid. Per occurrence, insurance coverage is equal to approximately $5,000,000 for qualified property losses and $5,000,000 for qualified casualty losses. The annual aggregate stop-loss limit for casualty is $10,000,000.

The Authority continues to carry commercial insurance for all other risks of loss, including workers' compensation and employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

OTHER INFORMATION

METRO's independent auditing firm, Charles E. Harris and Associates, Inc, has rendered an unqualified auditors' report on METRO's financial statements for the fiscal year ended December 31, 2007.

METRO also participates in the Federal single audit program, which consists of a single audit of all federally funded programs administrated by METRO. As a requirement for continued funding eligibility, participation in the single audit program is mandatory for most local governments, including METRO. The single audit performed by Charles E. Harris and Associates, Inc met the requirements set forth by the State of Ohio and the Federal Single Audit Act of 1984 (as amended) and related OMB Circular A-133. The independent auditors' report issued thereon noted no instances of direct and material noncompliance by METRO with applicable State or Federal laws or regulations for the fiscal year ended December 31, 2007.

Certificate of Achievement Program

It is the intention of METRO's management to submit this and future CAFR's for review under the GFOA's "Certificate of Achievement for Excellence in Financial Reporting" program. Management believes the current report conforms to the program requirements and expects that participation will result in continued improvement in METRO's financial reporting in future years.

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Financial Section

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614 W Superior Ave Ste 1242
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Fax - (216) 436-2411

Charles E. Harris & Associates, Inc.
Certified Public Accountants

REPORT OF INDEPENDENT ACCOUNTANTS

Metro Regional Transit Authority
Summit County
416 Kenmore Blvd.
Akron, Ohio 44301

To the Board of Trustees:

We have audited the accompanying financial statements of the Metro Regional Transit Authority, Summit County, Ohio (the Authority) as of and for the year ended December 31, 2007 and 2006, as listed in the table of contents. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion 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 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 audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority, as of December 31, 2007 and 2006, and the respective changes in financial position and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Management's discussion and analysis is not a required part of the basic financial statements, but is supplementary information the Governmental Accounting Standards Board requires. We have applied certain limited procedures, which consisted principally on inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 12, 2008, 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. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards.* You should read it in conjunction with this report in considering the results of our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The introductory section and statistical tables are presented for the purpose of additional analysis and are not a required part of the financial statements. They have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on them.

Charles E. Harris & Associates, Inc.
June 12, 2008

METRO REGIONAL TRANSIT AUTHORITY

MANAGEMENT DISCUSSION AND ANALYSIS

Year Ended December 31, 2007

As financial management of the Metro Regional Transit Authority (the Authority"), we offer readers of these financial statements this narrative overview and analysis of the financial activities of the Authority for the fiscal year ended December 31, 2007. This discussion and analysis is designed to assist the reader in focusing on the significant financial issues and activities and to identify any significant changes in financial position. We encourage readers to consider the information presented here in conjunction with the financial statements as a whole.

Financial Highlights

- The Authority has net assets of $41.5 million. These net assets result from the difference between total assets of $46.5 million and total liabilities of $4.9 million.

- Current assets of $8.0 million primarily consist of non-restricted Cash and Cash Equivalents of $2.4 million; Sales and Use Tax receivable of $2.9 million and long-term investments of $.9 million.

- Current liabilities of $3.9 million primarily consist of Accrued Compensation and taxes payable of $2.6 million and accounts payable of $0.6 million.

- Long-Term Debt consists mainly of bonds of $0.6 million or 11.6% of the total liabilities balance of $4.9 million.

Basic Financial Statements and Presentation

The financial statements presented by the Authority are the Balance Sheet, the Statement of Revenues, Expenses and Changes in Net Assets and the Statement of Cash Flows. These statements are presented using the economic resources measurement focus and the accrual basis of accounting. The Authority is structured as single enterprise fund with revenues recognized when earned and measurable, not when received. Expenses are recognized when they are incurred, not when paid. Capital assets are capitalized and depreciated, except land, over their estimated useful lives.

Basic Financial Statements and Presentation (Cont'd)

The Balance Sheet presents information on all the Authority's assets and liabilities, with the difference between the two reported as net assets. Over time, increases and decreases in net assets may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating. Net assets increase when revenues exceed expenses. Increases in assets without a corresponding increase to liabilities results in increased net assets, which indicate improved financial position.

The Statement of Revenues, Expenses and Changes in Net Assets present information showing how the Authority's net assets changed during the year. This statement summarizes operating revenues and expenses along with non-operating revenues and expenses. In addition, this statement lists capital grant revenues received from federal, state and local governments.

The Statement of Cash Flows allows financial statement users to assess the Authority's adequacy or ability to generate sufficient cash flows to meet its obligations in a timely manner. The statement is classified into four categories 1) Cash flows from operating activities, 2) Cash flows from non-capital financing activities, 3) Cash flows from capital and related financing activities, and 4) Cash flows from investing activities.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The Notes to the Financial Statements can be found on pages 29-41 of this report.

Financial Analysis of the Authority

Condensed Summary of Net Assets

	2007	2006	2005
Current and other assets	$ 7,994,195	$ 8,993,737	$ 8,728,896
Capital assets, net of accumulated depreciation	38,481,113	39,667,489	40,869,117
Total assets	46,475,308	48,661,226	49,598,013
Current liabilities	3,922,190	4,456,630	3,613,357
Non-current liabilities	998,156	651,000	1,038,147
Total liabilities	4,920,346	5,107,630	4,651,504
Net assets:			
Invested in capital assets, Net of related debt	37,831,113	38,662,489	39,524,117
Unrestricted net assets	3,723,849	4,891,107	5,422,392
Total net assets	$ 41,554,962	$ 43,553,596	$ 44,946,509

By far, the largest portion of the Authority's net assets reflect investment in capital assets (e.g., line service and Paratransit buses, operating facilities including our Administrative/Maintenance office, transfer center and our banked railroad property) less any related debt used to acquire those assets that is still outstanding. The Authority uses these capital assets to provide public transportation service for Summit County citizens. These assets are not available to liquidate liabilities or to cover other spending.

METRO REGIONAL TRANSIT AUTHORITY

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

Year Ended December 31, 2007

Condensed Summary of Revenues, Expenses and Changes in Net Assets

	2007	2006	2005
OPERATING REVENUES:			
Passenger fares	$ 3,696,452	$ 3,470,873	$ 3,514,296
Charter revenue	9,731	11,452	94,133
Advertising and concessions	359,479	353,961	306,436
Total Operating Revenues	$ 4,065,662	$ 3,836,286	$ 3,914,865
OPERATING EXPENSES			
Labor	$ 12,814,016	$ 12,695,931	$ 12,599,824
Fringe benefits	7,451,164	7,048,865	7,479,976
Materials and supplies	4,567,606	4,529,963	3,561,216
Services	1,342,851	1,069,850	1,131,184
Utilities	468,205	652,651	536,629
Casualty and liability	1,309,673	1,066,711	1,225,109
Taxes	221,687	196,644	181,661
Purchased transportation service	1,143,753	1,061,558	1,076,844
Miscellaneous	174,336	178,361	169,364
Total Operating Expenses excluding depreciation	$ 29,493,291	$ 28,500,534	$ 27,961,807
OPERATING LOSS BEFORE DEPRECIATION EXPENS	$ (25,427,629)	$ (24,664,248)	$ (24,046,942)
Depreciation Expense	(4,842,469)	(5,704,175)	(6,504,003)
OPERATING LOSS	$ (30,270,098)	$ (30,368,423)	$ (30,550,945)
NON-OPERATING REVENUES (EXPENSES):			
Sales tax revenue	$ 18,503,004	$ 18,144,910	$ 17,929,848
Federal operating grants and reimbursements	4,570,868	4,507,059	4,556,093
State operating grants and special fare assistance	1,076,387	1,079,041	1,327,249
Student fare and other assistance	825,967	1,082,313	1,031,175
Investment loss	-	-	(37,568)
Interest income	176,229	235,685	130,247
Interest expense	(44,556)	(55,596)	(65,652)
Gain (Loss) from disposal of assets	2,849	24,580	8,977
Other	170,428	204,136	95,132
Total Non-Operating Revenues - net	$ 25,281,176	$ 25,222,128	$ 24,975,501
CAPITAL GRANT REVENUE			
Federal Capital Grant	$ 2,808,870	$ 3,658,132	$ 2,057,991
State Capital Grant	181,418	95,250	656,682
Total Capital Grants	$ 2,990,288	$ 3,753,382	$ 2,714,673
CHANGE IN NET ASSETS	(1,998,634)	(1,392,913)	(2,860,771)
Net Assets, Beginning Balance	$ 43,553,596	$ 44,946,509	$ 47,807,280
Net Assets, Ending Balance	$ 41,554,962	$ 43,553,596	$ 44,946,509

The Authority's operating revenues increased $229,376 to $4.1 million in 2007. This 6% increase is a result from an increase in passenger fares. Operating expenses, excluding depreciation, increased by $1.0 million as compared to the prior year. The Authority has continued to slow the growth of our payroll due to our contract with our Unions that froze their wages until 2007. The main increase in cost came from increases in fuel. Depreciation expense decreased by $861,706 over 2007.

The 2007 increase in other non-operating revenues of $0.06 million is primarily related to the increase in collection of sales tax compared to 2006.

Condensed Summary of Cash Flows

Net cash used for operating activities decreased by $1.8 million in 2007 as a result of a increase in expenses for causality and liability insurance and health care cost. Net cash from non-capital activity increased by $1.6 million due to increased federal grant assistance. Cash and cash equivalents decreased in 2007 over 2006 by $1.3 million.

CASH FLOWS FROM OPERATING ACTIVITIES:	2007	2006	2005
Cash received from customers	$ 4,054,966	$ 3,692,514	$ 3,954,864
Cash received from others for miscellaneous services	170,428	204,136	62,692
Cash payments to suppliers for goods and services	(16,925,222)	(15,014,492)	(15,893,892)
Cash payments to employees for services	(12,713,594)	(12,503,388)	(12,042,230)
Net cash used in operating activities	(25,413,422)	(23,621,230)	(23,918,566)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Sales taxes received	18,394,045	18,110,158	18,125,909
Operating grants and other assistance received	7,019,225	5,693,670	6,852,678
Net cash provided by non-capital financing activities	25,413,270	23,803,828	24,978,587
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Capital grants received	2,932,041	3,990,886	2,734,785
Acquisition and construction of capital assets	(4,052,297)	(3,946,613)	(3,124,282)
Principal paid on bonds	(355,000)	(340,000)	(777,029)
Interest paid on bonds	(44,556)	(55,596)	(65,652)
Net cash provided (used) by capital and related financing activities	(1,519,812)	(351,323)	(1,232,178)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Cash proceeds from sale of investments - net	0	90,213	53,500
Interest received from investments	176,229	235,685	130,247
Net cash provided by investing activities	176,229	325,898	183,747
NET INCREASE IN CASH AND CASH EQUIVALENTS	(1,343,735)	157,173	11,590
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	3,704,734	3,547,561	3,535,971
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 2,360,999	$ 3,704,734	$ 3,547,561

Capital Asset and Debt Administration

Capital Assets

The Authority's investment in capital assets amounts to $38.0 million, net of accumulated depreciation as of December 31, 2007, a decrease of $1.7 million compared to 2007. Capital assets include land and land improvements, revenue producing and service equipment, buildings and structures, shop equipment, office furnishings and computer equipment. Major capital asset expenditures during the current fiscal year included the following:

• Purchase of seven 35 foot Gilig buses totaling $1.9 million,
• Gate and security fence installation, totaling $0.4 million,
• Renovation of intermodal transit center, totaling $0.6 million.

Additional information on capital asset activity can be found in note 5 to the financial statements.

Long-term Debt

The Authority has outstanding bonds of $650,000 a decrease of $355,000 from the prior year. This debt solely consists of capital facilities bonds issued for the purpose of purchasing, acquiring, constructing, replacing, improving, extending and enlarging transit facilities and other equipment. The bonds were authorized to be issued and sold under resolutions passed by the Board of Trustees. The bonds are general obligations of the Authority. During 2007 the Authority had no new debt activity except for payments made for interest and principal. Additional information on long-term debt activity can be found in note 4 to the financial statements.

Requests for Information

This financial report is designed to provide a general overview of the Authority's finances for all those with an interest in its finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Finance, METRO Regional Transit Authority, 416 Kenmore Boulevard, Akron, OH 44301.

METRO REGIONAL TRANSIT AUTHORITY
STATEMENT OF NET ASSETS
DECEMBER 31, 2007

ASSETS	2007	2006
CURRENT ASSETS:		
Cash and cash equivalents	$ 2,360,999	$ 3,704,734
Investments	969,824	715,868
Receivables:		
Federal	146,494	-
State	14,236	71,305
Sales taxes	2,919,020	2,810,061
Trade and other	602,318	591,622
Materials and supplies inventory	952,457	943,402
Prepaid expenses	28,847	156,745
Total current assets	7,994,195	8,993,737
PROPERTY, FACILITIES AND EQUIPMENT		
Land	1,685,476	1,478,071
Buildings and building improvements	20,411,522	19,166,293
Infrastructure	3,739,949	3,617,592
Right-of-ways	10,653,206	10,653,206
Transportation equipment	37,246,151	39,515,433
Other equipment	8,277,194	8,422,636
Total	82,013,498	82,853,231
Less: Accumulated depreciation	(43,532,385)	(43,185,742)
Property, facilities and equipment - net	38,481,113	39,667,489
TOTAL ASSETS	$ 46,475,308	$ 48,661,226

(Continued)

See accompanying notes to the financial statements.

METRO REGIONAL TRANSIT AUTHORITY
STATEMENT OF NET ASSETS (Continued)
DECEMBER 31, 2007

LIABILITIES AND NET ASSETS	2007	2006
CURRENT LIABILITIES:		
Bonds payable - current maturities	$ 80,000	$ 355,000
Accrued interest payable	4,928	-
Accounts payable	588,707	383,576
Accrued payroll	1,636,690	1,536,268
Accrued payroll taxes	1,000,022	1,139,291
Other liabilities	611,843	1,042,495
Total current liabilities	$ 3,922,190	$ 4,456,630
NONCURRENT LIABILITIES:		
Bonds payable	$ 570,000	$ 650,000
Deferred Capital grant	1,000	1,000
Deferred Revenue	427,156	-
Total noncurrent liabilities	$ 998,156	$ 651,000
Total liabilities	$ 4,920,346	$ 5,107,630
NET ASSETS:		
Invested in Capital Assets, Net of Related Debt	$ 37,831,113	$ 38,662,489
Unrestricted	3,723,849	4,891,107
Total net assets	41,554,962	43,553,596
TOTAL LIABILITIES AND NET ASSETS	$ 46,475,308	$ 48,661,226

See accompanying notes to the financial statements.

METRO REGIONAL TRANSIT AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2007

	2007	2006
OPERATING REVENUES:		
Passenger fares	$ 3,696,452	$ 3,470,873
Charter revenue	9,731	11,452
Advertising and concessions	359,479	353,961
Total operating revenues	$ 4,065,662	$ 3,836,286
OPERATING EXPENSES		
Labor	$ 12,814,016	$ 12,695,931
Fringe benefits	7,451,164	7,048,865
Materials and supplies	4,567,606	4,529,963
Services	1,342,851	1,069,850
Utilities	468,205	652,651
Casualty and liability	1,309,673	1,066,711
Taxes	221,687	196,644
Purchased transportation service	1,143,753	1,061,558
Miscellaneous	174,336	178,361
Total operating expenses excluding depreciation	$ 29,493,291	$ 28,500,534
OPERATING LOSS BEFORE DEPRECIATION EXPENSE	(25,427,629)	(24,664,248)
DEPRECIATION EXPENSE:		
On assets acquired with capital grants	$ 4,817,954	$ 5,674,766
On other assets	24,515	29,409
Total depreciation expense	4,842,469	5,704,175
OPERATING LOSS	$ (30,270,098)	$ (30,368,423)
NON-OPERATING REVENUES (EXPENSES):		
Sales tax revenue	$ 18,503,004	$ 18,144,910
Federal operating grants and reimbursements	4,570,868	4,507,059
State operating grants, reimbursements, and special fare assistance	1,076,387	1,079,041
Student fare and other assistance	825,967	1,082,313
Interest income	176,229	235,685
Interest expense	(44,556)	(55,596)
Gain (Loss) from disposal of assets	2,849	24,580
Other	170,428	204,136
Total Non-Operating Revenues - net	$ 25,281,176	$ 25,222,128
NET LOSS BEFORE CAPITAL CONTRIBUTION	(4,988,922)	(5,146,295)
CAPITAL CONTRIBUTIONS	2,990,288	3,753,382
Increase (decrease) in Net Assets	$ (1,998,634)	$ (1,392,913)
Net Assets, Beginning Balance, as restated	$ 43,553,596	$ 44,946,509
Net Assets, Ending Balance	$ 41,554,962	$ 43,553,596

See accompanying notes to the financial statements.

METRO REGIONAL TRANSIT AUTHORITY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2007

	2007	2006
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers	$ 4,054,966	$ 3,692,514
Cash received from others for miscellaneous services	170,428	204,136
Cash payments to suppliers for goods and services	(16,925,222)	(15,014,492)
Cash payments to employees for services	(12,713,594)	(12,503,388)
Net cash used in operating activities	$ (25,413,422)	$ (23,621,230)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Sales taxes received	$ 18,394,045	$ 18,110,158
Operating grants and other assistance received	7,019,225	5,693,670
Net cash provided by non-capital financing activities	$ 25,413,270	$ 23,803,828
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Capital grants received	$ 2,932,041	$ 3,990,886
Acquisition and construction of capital assets	(4,052,297)	(3,946,613)
Principal paid on bonds	(355,000)	(340,000)
Interest paid on bonds	(44,556)	(55,596)
Net cash provided (used) by capital and related financing act	$ (1,519,812)	$ (351,323)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Cash proceeds from sale of investments - net	-	$ 90,213
Interest received from investments	$ 176,229	235,685
Net cash provided by investing activities	$ 176,229	$ 325,898
NET INCREASE IN CASH AND CASH EQUIVALENTS	$ (1,343,735)	$ 157,173
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	3,704,734	3,547,561
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 2,360,999	$ 3,704,734
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES:		
Operating loss	$ (30,270,098)	$ (30,368,423)
Adjustment to reconcile operating loss to net cash used in operating activities:		
Depreciation	4,842,469	5,704,175
Cash received from others for miscellaneous services	170,428	204,136
Change in assets and liabilities:		
Accounts receivable-trade	(10,696)	132,120
Materials and supplies inventory	(9,055)	(3,345)
Prepaid expenses	127,898	(118,166)
Accounts payable	205,131	(17,601)
Accrued payroll	100,422	192,543
Accrued payroll taxes	(139,269)	74,742
Other current liabilities	(430,652)	578,589
NET CASH USED IN OPERATING ACTIVITIES	$ (25,413,422)	$ (23,621,230)

See accompanying notes to the financial statements.

1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Organization – Metro Regional Transit Authority ("Metro" or the "Authority") was created pursuant to Sections 306.30 through 306.71 of the Ohio Revised Code for the purpose of providing public transportation in Summit County, Ohio. As a political subdivision it is distinct from, and is not an agency of, the State of Ohio or any other local governmental unit. The Authority is not subject to federal or state income taxes.

Under Ohio law, the Authority is authorized to levy a sales and use tax for transit purposes, including both capital improvement and operating expenses, at the rate of .25 percent, .5 percent, 1 percent, or 1.5 percent if approved by a majority of the electors residing within the territorial boundaries of the Authority. Such a sales and use tax is in addition to the sales and use taxes levied by the State of Ohio and summit County. During 1990, the voters of Summit County approved a .25 percent sales and use tax with no limit on its duration.

The Authority is managed by a 12-member Board of Trustees and provides virtually all mass transportation within Summit County.

Reporting Entity – The Authority has adopted the provisions of Statement No. 14 of the Governmental Accounting Standards Board ("GASB") regarding the definition of the financial reporting entity. Accordingly, the accompanying financial statements include only the accounts and transactions of the Authority. Under the criteria specified in Statement No. 14, the Authority has no component units nor is it considered a component unit of any other entity.

These conclusions regarding the financial reporting entity are based on the concept of financial accountability. The Authority is not financially accountable for any other organization nor is any other organization accountable for the Authority. This is evidenced by the fact that the Authority is a legally and fiscally separate and distinct organization under the provisions of the Ohio Revised Code.

Basis of Accounting – The Authority follows the accrual basis of accounting, whereby revenues and expenses are recognized in the period earned or incurred. The measurement focus is on determination of net income, financial position and cash flows. All transactions are accounted for in a single enterprise fund.

1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

In accordance with Statement No. 20 of the GASB, "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that use Proprietary Fund Accounting," the Authority has elected not to apply the provisions of the Statements and Interpretations of the Financial Accounting Standards Board issued after November 30, 1989.

Nonexchange Transactions - The Authority has also complied with the provisions of Statement No. 33 of the Governmental Accounting Standards Board ("GASB") regarding the Accounting and Financial Reporting for Nonexchange Transactions. This statement requires that capital contributions be recognized as revenue. Accordingly, during the years ended December 31, 2007 and 2006, $2,990,288 and $3,753,382 in capital contribution were recognized as revenue in the Statement of Revenues, Expenses and Changes in Net Assets for the Authority.

In 2005, the Authority implemented a financial reporting model, as required by the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments, as amended and interpreted.

The Authority will continue applying all applicable pronouncements issued by the GASB.

Cash and Cash Equivalents – For purposes of the statement of cash flows, the Authority considers all highly liquid investments (including restricted assets) with a maturity, at date of purchase, of three months or less to be cash equivalents. Cash and cash equivalents are carried at cost, which approximates fair value.

Investments – The Authority's investments are stated at fair value.

Materials and Supplies Inventory – Materials and supplies inventory is stated at cost (average cost method). Inventory generally consists of maintenance parts and supplies for rolling stock and other transportation equipment.

1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Use of Estimates – 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 reported amounts of assets, liabilities, revenues and expenses, at and during the reported period. Actual results could differ from those estimates.

Property, Facilities and Equipment – Property, facilities and equipment are stated at historical cost. The cost of maintenance and repairs is charged to operations as incurred. Property over $5,000 is capitalized.

Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets, as follows:

Description	Years
Building and Building Improvements	20-40
Infrastructure	20-30
Transportation equipment	5-12
Other equipment	3-10

Net Assets - Equity displayed in three components as follows:

<u>Invested in Capital Assets, Net of Related Debt</u> – This consists of capital assets, net of accumulated depreciation, less the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.

<u>Restricted</u> – This consists of net assets that are legally restricted by outside parties or by law through constitutional provisions or enabling legislation. When both restricted and unrestricted resources are available for use, generally it is the Authority's policy to use restricted resources first, then unrestricted resources when they are needed.

<u>Unrestricted</u> – This consists of net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Classifications of Revenues

The Authority has classified its revenues as either operating or non-operating. Operating revenue includes activities that have the characteristics of exchange transactions including passenger fares, advertising, and concession revenue. Non-operating revenue includes activities that have the characteristics of non-exchange transactions, such as sales tax proceeds and most federal, state, and local grants and contracts.

Recognition of Revenue and Receivables

The Federal Transit Administration ("FTA") and the Ohio Department of Transportation ("ODOT") provide financial assistance and make grants directly to the Authority for operations and acquisition of property and equipment. Operating grants and special fare assistance awards made on the basis of entitlement periods are recorded as grant receivables and revenue over the entitlement period.

Capital grants for the acquisition of property and equipment (reimbursement type grants) are recorded as revenue when the expenditure has been made and the revenue is available. Capital grant funds received in advance of project costs being incurred are deferred.

Compensated Absences – The Authority accrues vacation as earned by its employees. Because rights to sick pay do not vest, the Authority recognizes such costs when they are incurred.

2. CHANGE IN ACCOUNTING PRINCIPLES

For 2007, Authority has implemented Governmental Accounting Standards Board (GASB) Statement No. 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions", GASB Statement No. 48, "Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues", and GASB Statement No. 50, "pension Disclosures".

2 CHANGE IN ACCOUNTING PRINCIPLES (Cont'd)

GASB Statement No. 45 improves the relevance and usefulness of financial reporting by requiring systematic, accrual-basis measurement and recognition of OPEB costs over a period that approximates employees' years of service and providing information about actuarial accrued liabilities associated with OPEB and whether and to what extent progress is being made in funding the plan. An OPEB liability at transition was determined in accordance with this statement for the Ohio Public Employees Retirement System post employment healthcare plans, in the amount of $780,248, which is the same as the previously reported liability.

GASB Statement No. 48 addresses how to account for the exchange of an interest in expected cash flows from collecting specific receivables or specific future revenues for immediate cash payments. The statement established criteria used to determine whether the transaction should be recorded as revenue or as a liability (a sale or a collateralized borrowing). The implementation of this statement did not result in any change to the financial statements.

GASB Statement No. 50 requires employers contributing to defined benefit pension plans to include the legal or contractual maximum contribution rates in the notes to the financial statements. The implementation of this statement did not result in any change to the financial statements.

3. DEPOSITS AND INVESTMENTS

The investment and deposit of Authority monies are governed by the provisions of the Ohio Revised Code. In accordance with these statutes, only banks located in Ohio and domestic building and loan associations are eligible to hold publicdeposits. The statutes also permit the Authority to invest in certificates of deposit, savings accounts, money market accounts, the State Treasurer's investment pool ("STAROhio"), and obligations of the United States government and certain agencies thereof. The Authority may also enter into repurchase agreements with eligible depository or any eligible security dealer who is a member of the National Association of Securities Dealer for a period not exceeding 30 days.

3. DEPOSITS AND INVESTMENTS (Cont'd)

Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the Authority's deposits may not be returned. According to state law, public depositories must give security for all public funds on deposit in excess of those funds that are insured by the federal deposit insurance corporation (FDIC) or by any other agency or instrumentality of the federal government. These institutions may either specifically collateralize individual accounts in lieu of amounts insured by the FDIC, or may pledge a pool of government securities valued at least 105% of the total value of public monies on deposit at the institution. The Authority's policy is to deposit money with financial institutions that are able to abide by laws governing insurance and collateral of public funds.

The Authority is prohibited from investing in any financial instrument, contract, or obligation whose value or return is based upon or linked to another asset or index, or both, separate from the financial instruments, contract, or obligation itself (Commonly known as a "derivative"). The Authority is also prohibited from investing in reverse repurchase agreements.

At December 31, 2007, the carrying amount of the Authority's deposits was $503,113 and the bank balance was $514,198, $200,000 of which was covered by the FDIC and $314,198 of which was uninsured and uncollateralized as defined by the GASB. At December 31, 2006, the carrying amount of the Authority's deposits was $596,271 and the bank balance was $774,128, $200,000 of which was covered by the FDIC and $574,128 of which was uninsured and uncollateralized as defined by the GASB. The uncollateralized deposits were, however, covered by a pledged collateral pool not held in the Authority's name, as permitted under Ohio law.

3. DEPOSITS AND INVESTMENTS (Cont'd)

Investments

Investments at December 31, 2007 are summarized as follows:

Rating by Moody	Description	Fair Value	Investment Maturities In Months (0-6)	Percentage Of Total Investment
Aaa	Repurchase Agreements	$1,857,886	$1,857,886	66%
Aaa	U.S. Treasury Bonds	386,330	386,330	14%
Aaa	U.S. Treasury Notes	583,494	583,494	21%
		$2,827,710	$2,827,710	100%

Investments at December 31, 2006 are summarized as follows:

Rating by Moody	Description	Fair Value	Investment Maturities In Months (0-6)	Percentage Of Total Investment
Aaa	Repurchase Agreements	$3,108,463	$3,108,463	81%
Aaa	U.S. Treasury Bonds	148,005	148,005	4%
Aaa	U.S. Treasury Notes	567,863	567,863	15%
		$3,824,331	$3,824,331	100%

Based on the criteria described in GASB Statement No. 40, "Deposit and Investment Risk Disclosures".

3. DEPOSITS AND INVESTMENTS (Cont'd)

Custodial credit risk for an investment is the risk that in the event of failure of the counter-party, the Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The authority's $1,857,886 investments in repurchase agreements are held in the Authority's name by its custodian (agent).

Interest rate risk, the Authority has no investment policy that addresses interest rate risk. State statute requires that an investment mature within five years from the date of purchase, unless matched to a specific obligation or debt of the Authority, and that an investment must be purchased with the expectation that it will be held to maturity.

Credit risk is the possibility that an issuer or other counter-party to an investment will not fulfill its obligation. The Authority's investment policy limits investments to, among others, obligations of the U.S. government or agencies thereof.

4. BONDS AND LOAN PAYABLE

Issue	Average Interest Rate	Balance January 1, 2007	Additions	Reductions	Balance December 31, 2007	Due Within One Year
General obligations bonds 2004	4.03%	$ 1,005,000	$ -	$ 355,000	$ 650,000	$ 80,000

In June 2004, the Authority issued general obligation bonds, which are tax-exempt and have annual maturity dates through 2014. These bonds were used to refinance bonds issued in June 1992 and to provide additional funds to cover the local share for capital projects. The proceeds were deposited into a trust fund for the purpose paying the 1992 bonds and, therefore are excluded from the financial statements. The refinance resulted in an accounting gain of $39,948 and an economic gain of $30,090.

4. BONDS AND LOAN PAYABLE (Cont'd)

The annual requirements to pay principal and interest on the general obligation bonds and loan outstanding at December 31, 2007 are as follows:

	Principal	Interest
2008	$ 80,000	$ 30,350
2009	85,000	27,150
2010	90,000	23,325
2011	95,000	19,275
2012	95,000	15,000
2013-2014	205,000	15,500
Total	$ 650,000	$ 130,600

5. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2007 is as follows:

Description	Balance 1/1/2007	Additions	Disposals	Balance 12/31/2007
Capital Assets Not Being Depreciated				
Land	$ 1,478,071	$ 207,405	$ -	$ 1,685,476
Right-of-ways	10,653,206	-	-	10,653,206
Total Capital Assets Not Being Depreciated	12,131,277	207,405	-	12,338,682
Capital Assets Being Depreciated:				
Building & Building Improvements	19,166,293	1,245,229	-	20,411,522
Infrastructure	3,617,592	122,357	-	3,739,949
Transportation Equipment	39,515,433	2,105,703	(4,374,985)	37,246,151
Other Equipment	8,422,636	371,603	(517,045)	8,277,194
Total Capital Assets Being Depreciated	70,721,954	3,844,892	(4,892,030)	69,674,816
Less Accumulated Depreciation:				
Building & Building Improvements	13,740,611	765,580	-	14,506,191
Infrastructure	1,036,871	468,425	-	1,505,296
Transportation Equipment	23,140,972	3,177,511	(3,979,411)	22,339,072
Other Equipment	5,267,288	430,953	(516,415)	5,181,826
Total Accumulated Depreciation	43,185,742	4,842,469	(4,495,826)	43,532,385
Total Capital Assets Being Depreciated, Net	27,536,212	(997,577)	(396,204)	26,142,431
Total Capital Assets, Net	$ 39,667,489	$ (790,172)	$ (396,204)	$ 38,481,113

6. PURCHASED TRANSPORTATION SERVICES

During 2007 and 2006, the Authority had a contract with a local taxi company to provide transit services within Summit County for elderly and handicapped persons. Expenses under this contract amounted to $1,143,754 and $1,061,558, in 2007 and 2006. All passenger fares related to these transit services are collected by the Authority and recorded as revenue.

7. EMPLOYEE RETIREMENT PLANS

Plan Description – All employees of the Authority are required to be members of the Ohio Public Employees Retirement System ("OPERS"). OPERS administers three different pension plans; The traditional plan, the member-directed plan, and the combined plan. The traditional plan is cost sharing, multiple-employer defined benefit pension plan. The member-directed plan is defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the member-directed plan, members accumulate retirement assets equal to the value of member and (vested) employer contributions plus any investment earnings. The combined plan is accost sharing, multiple-employer defined benefit pension plan. Under the combined plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to the traditional pension plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in manner similar to the member-directed plan. OPERS provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by State statute per Chapter 145 of the Ohio Revised Code.

OPERS issues a stand-alone financial report that includes financial statements and required supplementary information. The financial report may be obtained by making a written request to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling (614) 466-2085 or 1-800-222-PERS (7377).

7. EMPLOYEE RETIREMENT PLANS (Cont'd)

Funding Policy – The Ohio Revised Code provides statutory authority for employee and employer contributions. Employees are required to contribute 9.5 percent of their covered payroll to OPERS. The 2007 employer contribution rate for local government units was 13.85 percent of covered payroll including a portion of .3610 from January 1 through June 30, 2007 and .4332 from July 1 through December 31, 2007 used to fund health care benefits. The Authority's total contributions to OPERS for pension benefits (excluding the amount relating to postretirement benefits) for the years ended December 31, 2007, 2006 and 2005 were $1,964,748, $1,425,578 and $1,221,234, respectively, equal to 100 percent of the required contribution for each year.

Other Postemployment Benefits Provided Through OPERS – In addition to the pension benefits described previously, OPERS provides postretirement health care coverage to age and service retirees with 10 or more years of qualifying Ohio service credit. Health care coverage for disability recipients and primary survivor recipients is also available. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit ("OPEB") as described in GASB Statement No. 12. A portion of each employer's contribution to OPERS is set aside for the funding of postretirement health care. The Ohio Revised Code provides statutory authority for employer contributions. In 2007, local government employers contributed 13.85% of covered payroll. The portion of employer contributions allocated to healthcare was 5.00% from January 1 through June 30, 2007 and 6.00% from July 1 through December 31, 2007.

The assumptions and calculations noted below were based on the System's latest Actuarial Review performed as of December 31, 2006 (latest information available). An entry age normal actuarial cost method of valuation is used in determining the present value of the OPEB. The difference between assumed and actual experience (actuarial gains and losses) becomes part of unfunded actuarial accrued liability. All investments are carried at market value. For actuarial purposes, a smoothed market approach is used. Under this approach assets are adjusted annually to reflect 25 percent of unrealized market appreciation or depreciation on investment assets annually, not to exceed a 12% corridor. The investment return assumption rate for 2006 (latest information available) was 6.50 percent. An annual increase of 4 percent compounded annually, is the base portion of the individual pay increase assumption. This assumes no change in the number of active employees. Additionally, annual pay increases, over and above the 4 percent base increase, were assumed to range from .5 percent to 6.3 percent. Health care costs were assumed to increase 4 percent annually.

7. EMPLOYEE RETIREMENT PLANS (Cont'd)

OPEBs are advance-funded on an actuarially determined basis. The number of active contributing participants in the Traditional Pension and Combined Plans at year-end 2007 totaled 374,979. The number of active contributing participants for both plans used in the December 31, 2006, actuarial valuation was 369,214 (latest information available). The Authority's contributions for other postemployment benefits to OPERS for the year ended December 31, 2007 were $780,248. At December 31, 2007, the Authority was not responsible for paying premiums, contributions, or claims for OPEB under OPERS for any retirees, terminated employees, or other beneficiaries.

The actuarial value of the Retirement System's net assets available for OPEB at December 31, 2006 was $12 billion (latest information available). The actuarially accrued liability and the unfunded liability, based on the actuarial costs method used, were $30.7 billion and $18.7 billion, respectively.

8. FEDERAL AND STATE GRANTS, REIMBURSEMENTS AND SPECIAL FARE ASSISTANCE

Grants, reimbursements and special fare assistance in the statements of revenues and expenses for the years ended December 31, consist of the following:

	2007	2006
FEDERAL:		
FTA Maintenance and Other Assistance	$ 4,535,253	$ 4,356,782
FTA Planning Grants	35,615	150,277
FTA Capital Contribution	2,808,870	3,165,337
Total	$ 7,379,738	$ 7,672,396
STATE:		
ODOT Maintenance and Other Assistance	$ 827,375	$ 877,820
ODOT Fuel Tax Reimbursement	249,012	201,221
ODOT Capital Contribution	181,418	570,045
Total	$ 1,257,805	$ 1,649,086

9. RISK MANAGEMENT

Since December 31, 1994, the Authority has been a member of the Ohio Transit Risk Pool, a joint self-insurance pool, created pursuant to Section 2744.081 of the Ohio Revised Code. OTRP has been in existence since 1994 and operates pursuant to By-Laws and a Board of Trustees. OTRP provides self-insurance through risk retention and the purchase of property and liability coverages from A rated, or greater, commercial carriers.

During the loss year of 2007, OTRP provided to the Authority commercial property coverage with limits of $200,000,000. The pool retained the first $100,000 of these losses. For auto-physical damage the pool provided $50,000,000 in coverage and retained $250,000. For auto liability the pool provided $7,500,000. For crime the pool provided $4,000,000 in coverage. For general liability, E&O and EBL the pool provided $5,000,000. For each of these lines the pool retained $1,000,000. Metro's deductible for all claims was $1,000 (except for the Authority the auto physical damage, which was $25,000.)

OTRP provides, to the Treasurer of the Authority, a bond as is required by Ohio law.

As of January 1, 2008, the Authority has met all obligations to OTRP. There are no special assessments being billed at this time and no known loss developments which would lead to a special assessment.

The Authority pays OTRP through an initial contribution for purchased insurance and quarterly payments for their self insured loss and administrative costs. The Authority's contribution percentage for 2007 was 32.015% in the primary layer and 24.685% in the secondary layer.

10. CONTINGENCY

Contract Disputes and Legal Proceedings – In 2006 the Authority has been named as a defendant in violation of Federal Transportation Administration (FTA) Charter Regulations. In March 2006 Region V of the Federal Transportation Administration found that the Authority had violated the Charter Regulations and issued a cease and desist order for future charter orders as well as fined $622,500. The Authority continues to deny any violation of the Charter Regulation and in April 2006 filed an appeal with Federal Transportation Administration Headquarters. In November 2006 the Federal Transportation Administration Headquarters responded to the appeal and reduced the fine to $415,325. This fine is to reduce the Authority's urbanized area federal grant allocation and be spread over a two year period. In February 2007 METRO requested that the fine be spread over a four year period. In July 2007 the Federal Transportation Administration Headquarters agreed to spread the fine over three years. (2007-2009). This fine will be deducted from future federal appropriations and not reduce the federal funds actually received, therefore, is not recorded as a liability in the financial statements.

11. RESTATEMENT

In 2007, beginning net assets were restated by $51,769 for errors in recording certain capital assets.

Statistical Section

Financial Trend Information

2007

(Unaudited)

METRO Regional Transit Authority

NET ASSETS/FUND BALANCES BY COMPONENT

FOR THE LAST FOUR FISCAL YEARS

(Unaudited)

TABLE 1

	2007	2006	2005	2004
NET ASSETS				
Invested in Capital Assets	$ 37,831,113	$ 38,662,489	$ 39,524,117	$ 42,117,832
Restricted				
Unrestricted (Deficits)	3,723,849	4,891,107	5,422,392	5,689,448
TOTAL NET ASSETS	$ 41,554,962	$ 43,553,596	$ 44,946,509	$ 47,807,280

Source: METRO's audited annual financial statements

METRO Regional Transit Authority

CHANGES IN NET ASSETS/FUND BALANCES

FOR THE LAST FOUR FISCAL YEARS

(Unaudited)

TABLE 2

	2007	2006	2005	2004
OPERATING REVENUES:				
Passenger fares	$ 3,696,452	$ 3,470,873	$ 3,514,296	$ 2,955,934
Charter revenue	9,731	11,452	94,133	195,569
Advertising and concessions	359,479	353,961	306,435	299,535
TOTAL OPERATING REVENUE	$ 4,065,662	$ 3,836,286	$ 3,914,864	$ 3,451,038
OPERATING EXPENSES				
Labor	$ 12,814,016	$ 12,695,931	$ 12,599,824	$ 12,779,273
Fringe benefits	7,451,164	7,048,865	7,479,976	7,206,629
Materials and supplies	4,567,606	4,529,963	3,561,216	3,000,077
Services	1,342,851	1,069,850	1,131,184	1,111,932
Utilities	468,205	652,651	536,629	426,072
Casualty and liability	1,309,673	1,066,711	1,225,109	1,188,010
Taxes	221,687	196,644	181,661	180,145
Purchased transportation service	1,143,753	1,061,558	1,076,844	1,051,375
Miscellaneous	174,336	178,361	169,364	237,345
TOTAL OPERATING EXPENSES				
Before Depreciation Expense	$ 29,493,291	$ 28,500,534	$ 27,961,807	$ 27,180,858
OPERATING LOSS				
Before Depreciation Expense	$ (25,427,629)	$ (24,664,248)	$ (24,046,943)	$ (23,729,820)
Depreciation expense	4,842,469	5,704,175	6,504,003	6,203,140
OPERATING LOSS	$ (30,270,098)	$ (30,368,423)	$ (30,550,946)	$ (29,932,960)
NON-OPERATING REVENUES (EXPENSES)				
Sales tax revenue	$ 18,503,004	$ 18,144,910	$ 17,929,848	$ 17,784,103
Federal operating grants and reimbursements	4,570,868	4,507,059	4,556,093	4,808,598
State operating grants and special fare assistance	1,076,387	1,079,041	1,327,249	1,382,307
Student fare and other assistance	825,967	1,082,313	1,031,175	928,393
Investment loss	0	0	(37,568)	(17,611)
Interest income	176,229	235,685	130,247	64,670
Interest expense	(44,556)	(55,596)	(65,652)	(95,211)
Gain (Loss) from disposal of assets	2,849	24,580	8,977	(640,912)
Other	170,428	204,136	95,132	191,851
NON-OPERATING REVENUES/EXPENSES - NET	$ 25,281,176	$ 25,222,128	$ 24,975,501	$ 24,406,188
CAPITAL GRANT REVENUE				
Federal Capital Grant	$ 2,808,870	$ 3,658,132	$ 2,714,674	$ 3,358,178
State Capital Grant	181,418	95,250	0	0
TOTAL CAPITAL GRANTS	$ 2,990,288	$ 3,753,382	$ 2,714,674	$ 3,358,178
CHANGE IN NET ASSETS/FUND BALANCES	$ (1,998,634)	$ (1,392,913)	$ (2,860,771)	$ (2,168,594)
Net Assets, Beginning Balance	43,553,596	44,946,509	47,807,280	49,975,874
Net Assets, Ending Balance	$ 41,554,962	$ 43,553,596	$ 44,946,509	$ 47,807,280

Source: METRO's audited annual financial statements

METRO Regional Transit Authority

Revenue and Operating Assistance - Comparison to Industry Trend Data

Last Ten Years

(Unaudited)

TABLE 3

TRANSPORTATION INDUSTRY (1):

	OPERATING AND OTHER REVENUE			OPERATING ASSISTANCE				TOTAL
YEAR	PASSENGER	OTHER (2)	TOTAL	LOCAL	STATE	FEDERAL	TOTAL	REVENUES
1998	37.3%	16.4%	53.7%	20.4%	22.0%	3.9%	46.3%	100.0%
1999	36.1%	17.4%	53.5%	21.9%	20.5%	4.1%	46.5%	100.0%
2000	35.2%	14.1%	49.3%	23.7%	22.5%	4.5%	50.7%	100.0%
2001	32.5%	17.3%	49.8%	20.1%	25.2%	4.9%	50.2%	100.0%
2002	32.5%	17.3%	49.8%	21.6%	23.7%	4.9%	50.2%	100.0%
2003	32.5%	17.3%	49.8%	21.6%	23.7%	4.9%	50.2%	100.0%
2004	32.9%	16.7%	49.6%	20.8%	22.6%	7.0%	50.4%	100.0%
2005	32.4%	15.7%	48.1%	21.0%	23.6%	7.3%	51.9%	100.0%
2006	33.2%	15.2%	48.4%	21.1%	22.8%	7.7%	51.6%	100.0%
2007 *								

METRO Regional Transit Authority

	OPERATING AND OTHER REVENUE			OPERATING ASSISTANCE				TOTAL
YEAR	PASSENGER	OTHER (2)	TOTAL	LOCAL	STATE	FEDERAL	TOTAL	REVENUES
1998	13.1%	3.4%	16.4%	65.6%	8.3%	9.7%	83.6%	100.0%
1999	12.9%	3.5%	16.4%	63.1%	7.6%	12.9%	83.6%	100.0%
2000	13.2%	3.1%	16.3%	65.5%	8.0%	10.2%	83.7%	100.0%
2001	12.9%	3.5%	16.4%	63.4%	7.3%	12.9%	83.6%	100.0%
2002	12.6%	2.7%	15.3%	65.9%	7.3%	11.5%	84.7%	100.0%
2003	11.2%	2.7%	13.9%	62.8%	6.3%	17.0%	86.1%	100.0%
2004	10.3%	2.6%	12.9%	65.4%	4.8%	16.8%	87.1%	100.0%
2005	12.1%	2.0%	14.2%	65.5%	4.6%	15.7%	85.8%	100.0%
2006	11.9%	2.8%	14.7%	66.1%	3.7%	15.5%	85.3%	100.0%
2007	12.6%	2.4%	15.0%	65.8%	3.7%	15.6%	85.0%	100.0%

(1) Source: The American Public Transit Association, "APTA 2008 Transit Fact Book"

(2) Includes auxiliary transportation revenues, interest, and other non-transportation revenues

* Information not available

METRO Regional Transit Authority

Operating Expenses - Comparison to Industry Trend Data

Last Ten Years

(Unaudited)

TABLE 4

TRANSPORTATION INDUSTRY (1):

Year	Labor & Fringes	Material & Supplies	Services	Utilities	Casualty & Liability	Purchased Transportation	Other	Total Expenses
1998	71.7%	6.0%	9.4%	3.5%	2.4%	10.1%	-3.1%	100.0%
1999	70.9%	9.2%	5.9%	3.3%	2.2%	11.5%	-3.0%	100.0%
2000	69.8%	10.0%	5.7%	3.2%	2.2%	12.2%	-3.1%	100.0%
2001	69.5%	10.1%	5.9%	3.3%	2.1%	12.7%	-3.4%	100.0%
2002	70.3%	9.1%	6.2%	3.1%	2.5%	12.0%	-3.2%	100.0%
2003	69.1%	9.1%	6.0%	3.0%	2.6%	13.4%	-3.2%	100.0%
2004	68.7%	9.1%	5.8%	3.0%	2.6%	13.4%	-2.6%	100.0%
2005	66.9%	10.1%	5.8%	3.2%	2.5%	13.8%	-2.3%	100.0%
2006	66.1%	11.3%	5.9%	3.2%	2.5%	13.4%	-2.4%	100.0%
2007 *								

METRO Regional Transit Authority (2)

Year	Labor & Fringes	Material & Supplies	Services	Utilities	Casualty & Liability	Purchased Transportation	Other	Total Expenses
1998	69.8%	11.6%	3.9%	1.3%	2.3%	7.8%	3.3%	100.0%
1999	71.9%	9.7%	4.1%	1.4%	2.2%	7.5%	3.2%	100.0%
2000	63.7%	13.2%	4.3%	1.4%	1.7%	6.7%	9.0%	100.0%
2001	68.9%	11.2%	4.2%	1.7%	1.9%	6.9%	5.2%	100.0%
2002	70.5%	11.1%	3.4%	1.5%	2.8%	8.2%	2.5%	100.0%
2003	71.3%	11.2%	4.3%	1.4%	3.2%	6.7%	1.9%	100.0%
2004	73.3%	11.0%	4.1%	1.6%	4.4%	3.9%	1.7%	100.0%
2005	71.6%	12.7%	4.0%	1.9%	4.4%	3.8%	1.6%	100.0%
2006	69.3%	15.7%	3.8%	2.3%	3.7%	3.7%	1.5%	100.0%
2007	68.6%	15.5%	4.5%	1.6%	4.4%	3.9%	1.5%	100.0%

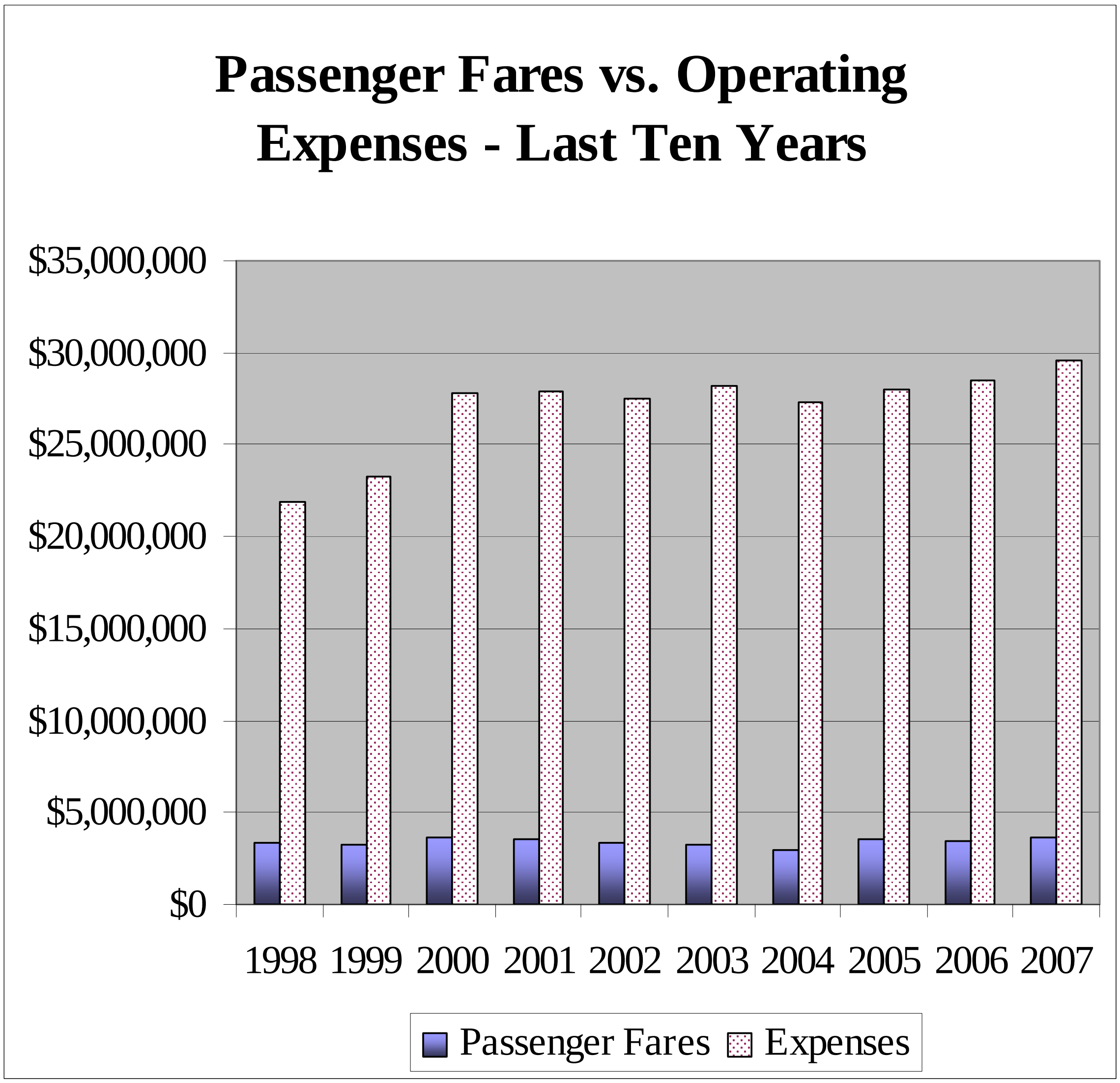
(1) Source: The American Public Transit Association, "APTA 2008 Transit Fact Book"

(2) Source: METRO's annual financial audited statements

* Information not available

METRO Regional Transit Authority

TABLE 5



METRO Regional Transit Authority

Sales Tax - Comparison to other Regional Transit Authorities in Ohio

Last Ten Years

(Unaudited)

TABLE 6

System	Rate	Date Imposed	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
GCRTA	1.00%	Oct 01, 1975	146,188,752	151,405,646	161,991,565	157,823,888	156,735,486	158,653,957	167,894,949	167,165,307	169,262,438	173,161,230
COTA	0.25%	Feb 01, 1990	36,445,397	40,163,579	42,128,119	41,601,224	41,334,523	43,205,469	44,940,803	44,741,979	46,371,674	47,598,995
Laketran	0.25%	Aug 01, 1988	6,718,866	6,731,568	7,130,985	7,175,596	7,202,698	7,440,529	7,637,135	7,552,509	7,728,333	7,913,161
GDRTA	0.50%	Jul 01, 1980	29,679,763	31,445,584	32,078,659	31,968,728	31,433,081	32,290,326	32,783,222	32,923,985	32,363,030	32,185,370
PARTA	0.25%	Feb 01, 2002	0	0	0	0	2,564,174	3,281,207	3,390,061	3,412,879	3,583,445	3,705,852
SARTA	0.25%	Jul 01, 1997	9,071,557	9,876,829	10,323,125	10,175,541	10,607,899	10,689,964	11,371,235	11,287,333	11,525,065	11,785,691
METRO	0.25%	Feb 01, 1991	14,800,821	15,283,091	16,548,007	16,078,157	16,484,481	16,995,514	17,605,364	17,749,845	17,989,459	18,306,155

Source: Figures shown are from records of the Revenue Accounting Division of the Ohio Department of Taxation

Note: These figures are net of the 1% administration fee.

These amounts are based on month sales tax collected, the distribution occurs two months following the collection month.

Numbers are on a cash basis.

Revenue Capacity Information

2007

(Unaudited)

METRO Regional Transit Authority

Revenues by Source - Last Ten Years

(Unaudited)

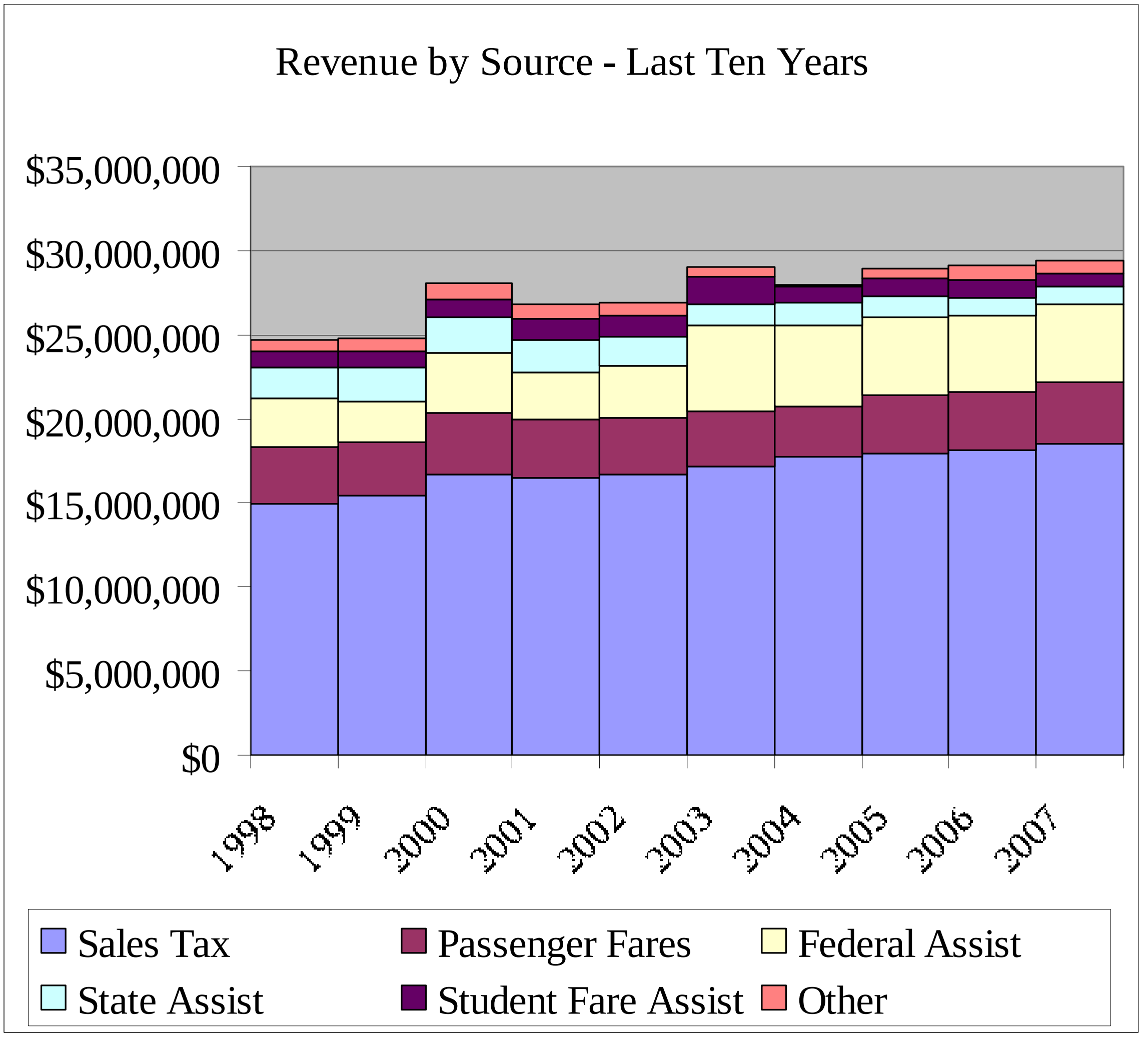
TABLE 7

Operating Revenues	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Passengers Fares	$3,340,399	$3,243,896	$3,631,684	$3,534,850	$3,378,867	$3,282,581	$2,955,934	$3,514,296	$3,470,873	$3,696,452
Charter Fares	136,014	163,555	187,804	180,596	176,812	203,248	195,569	94,133	11,452	9,731
Advertising	245,316	308,153	422,413	274,868	298,843	354,381	299,535	306,435	353,961	359,479
Total operating revenues	3,721,729	3,715,604	4,241,901	3,990,314	3,854,522	3,840,210	3,451,038	3,914,864	3,836,286	4,065,662
Non-operating Revenues										
Sales Tax revenue	14,951,742	15,412,100	16,715,885	16,471,661	16,652,028	17,167,953	17,784,103	17,929,848	18,144,910	18,503,004
Federal grants	2,908,789	2,396,527	3,604,630	2,723,040	3,098,114	5,062,561	4,808,598	4,556,093	4,507,059	4,570,868
State grants	1,870,897	1,974,543	2,045,497	1,965,532	1,699,085	1,305,676	1,382,307	1,327,249	1,079,041	1,076,387
Student fares assistance	888,391	939,624	1,073,168	1,250,698	1,331,874	1,666,411	928,393	1,031,175	1,082,313	825,967
Interest income	206,100	281,111	317,637	185,671	75,401	29,654	30,063	92,679	235,685	176,229
Gain (loss) from disposal of assets	0	0	0	0	0	(229,860)	(640,912)	8,977	24,580	2,849
Other non-transportation revenue	107,305	81,979	48,737	202,075	187,473	218,215	208,847	95,132	204,136	170,428
Total non-operating revenues	20,933,224	21,085,884	23,805,554	22,798,677	23,043,975	25,220,610	24,501,399	25,041,153	25,277,724	25,325,732
Total Revenues	$24,654,953	$24,801,488	$28,047,455	$26,788,991	$26,898,497	$29,060,820	$27,952,437	$28,956,017	$29,114,010	$29,391,394

Source: METRO's independently audited annual financial statements

METRO Regional Transit Authority

TABLE 8



METRO Regional Transit Authority

Expenses by Object Class - Last Ten years

(Unaudited)

TABLE 9

Operating Expenses	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Labor	$11,083,258	$11,584,073	$12,193,783	$13,189,822	$13,098,078	$12,915,126	$12,779,273	$12,599,824	$12,695,931	$12,814,016
Fringe Benefits	4,182,037	5,165,453	5,567,436	6,027,924	6,283,020	7,141,771	7,206,629	7,479,976	7,048,865	7,451,164
Materials and Supplies	2,530,456	2,248,147	3,669,211	3,103,817	3,064,413	3,163,939	3,000,077	3,561,216	4,529,963	4,567,606
Services	843,704	966,990	1,217,946	1,169,490	940,454	1,207,788	1,111,932	1,131,184	1,069,850	1,342,851
Utilities	276,068	326,265	389,456	485,770	417,332	404,700	426,072	536,629	652,651	468,205
Casualty and Liability	501,281	511,051	486,489	542,239	762,078	890,037	1,188,010	1,225,109	1,066,711	1,309,673
Taxes	254,155	197,641	198,378	174,354	158,551	167,216	180,145	181,661	196,644	221,687
Purchased Transportation	1,706,943	1,749,085	1,874,063	1,914,939	2,265,605	1,887,041	1,051,375	1,076,844	1,061,558	1,143,753
Interest Expense	166,997	155,719	143,500	129,805	115,415	107,085	95,211	65,652	55,596	44,556
Miscellaneous *	333,455	343,876	2,088,351	1,121,355	404,472	264,521	237,345	169,364	178,361	174,336
Total	21,878,354	23,248,300	27,828,613	27,859,515	27,509,418	28,149,224	27,276,069	28,027,459	28,556,130	29,537,847
Depreciation	2,621,321	3,116,965	3,829,195	4,680,867	5,493,068	5,554,611	6,173,717	6,203,140	5,704,175	4,842,469
Total Expenses	$24,499,675	$26,365,265	$31,657,808	$32,540,382	$33,002,486	$33,703,835	$33,449,786	$34,230,599	$34,260,305	$34,380,316

Source: METRO's audited annual financial statements

* Miscellaneous in 2000 and 2001 includes the cost of comprehensive transportation study (the Major Investment Study Project).

Debt Capacity Information

2007

(Unaudited)

Table 10 – Debt Service

METRO Regional Transit Authority

Debt Service

(Unaudited)

Table 10

YEAR	REVENUES (1)	EXPENSES (2)	NET REVENUE AVAILABLE FOR DEBT SERVICE	DEBT SERVICE REQUIREMENTS PRINCIPAL	INTEREST	DEBT	COVERAGE RATIO
1998	$24,654,953	$21,878,354	$2,776,599	$200,000	$166,997	$366,997	7.57
1999	24,801,488	23,248,300	1,553,188	210,000	156,000	366,000	4.24
2000	28,047,455	27,828,613	218,842	225,000	144,493	369,493	0.59
2001	26,788,991	27,859,515	(1,070,524)	235,000	130,973	365,973	(2.93)
2002	26,898,497	27,509,418	(610,921)	250,000	116,520	366,520	(1.67)
2003	29,290,680	28,149,224	1,141,456	265,000 (3)	100,770	365,770	3.12
2004	28,593,349	27,276,069	1,317,280	285,000 (4)	83,678	368,678	3.57
2005	28,947,040	28,027,459	919,581	777,029	32,825	809,854	1.14
2006	29,089,430	28,504,361	585,069	340,000	27,800	367,800	1.59
2007	29,391,394	29,537,847	(146,453)	355,000	22,275	377,275	(0.39)

(1) Gross revenue includes interest, federal & state grants, special fare assistance and other non-operating revenue.

(2) Total expenses is exclusive of depreciation and Gain (loss) on disposal of assets.

(3) In 2003 METRO Authority entered into a no interest loan agreement with the State of Ohio, Department of Transportation for a State Infrastructure Bank (SIB) loan which was paid in full in 2005.

(4) In 2004 METRO refinance the remaining balance of bonds issued in 1992 and increased the bond debt by $430,000. Bonds are payable through 2014.

Demographic & Economic Information

2007

(Unaudited)

Table 11 – Demographic Statistics

METRO Regional Transit Authority

Demographic Statistics

(Unaudited)

TABLE 11

Year	Population	Median Age	Median Income
1960	513,569	28.9	$ 6,896
1970	553,371	27.8	$ 11,058
1980	524,472	31.0	$ 18,381
1990	514,990	34.3	$ 28,996
2000	542,899	37.2	$ 38,774

Year	Unemployment Rate
1998	4.1%
1999	4.3%
2000	4.1%
2001	4.6%
2002	6.0%
2003	6.2%
2004	6.1%
2005	5.8%
2006	5.3%
2007	5.4%

Note: All information is presented for Summit County, Ohio
Sources: U.S. Bureau of Census, Bureau of Labor Statistics

Operating Information

2007
(Unaudited)

METRO Regional Transit Authority

Operating Statistics - Last Ten Years

(Unaudited)

TABLE 11

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
System Ridership (1)										
Motor Bus	5,935,310	5,671,301	7,888,862	6,021,569	6,395,457	5,988,354	5,562,406	5,534,269	5,612,011	5,290,612
Demand Response	347,577	335,090	331,980	333,200	322,995	262,240	216,252	179,652	153,336	212,144
Average Weekday System Ridership (1)										
Motor Bus	20,797	19,342	26,420	20,890	22,631	21,037	19,210	19,466	19,795	18,490
Demand Response	1,325	1,280	1,267	1,568	1,253	1,016	828	695	596	826
Total Vehicle Miles (1)										
Motor Bus	4,770,591	4,836,462	5,117,591	4,428,731	4,320,251	3,871,124	3,363,806	3,196,718	3,110,541	3,306,374
Demand Response	1,658,972	1,886,382	2,089,634	2,200,408	2,186,585	2,304,272	2,220,854	2,090,668	1,571,295	1,491,104
Total Revenue Miles (1)										
Motor Bus	3,880,727	4,247,513	4,143,805	3,884,900	3,666,103	3,437,344	2,930,046	2,702,622	2,647,393	2,665,098
Demand Response	1,545,463	1,749,097	2,006,135	2,046,397	2,025,375	1,912,278	2,005,785	1,831,631	1,418,170	1,373,638
Passenger Miles (1)										
Motor Bus	19,499,977	19,099,214	24,194,261	24,194,261	26,312,940	21,941,968	20,641,957	21,215,058	21,432,595	21,488,616
Demand Response	1,816,256	1,699,784	1,834,211	1,927,542	1,744,793	1,431,632	999,208	1,158,916	947,262	1,237,766

(Continued)

METRO Regional Transit Authority

Operating Statistics - Last Ten Years (Continued)

(Unaudited)

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Full Time Employees (1)	345	358	378	356	354	336	322	326	326	312
Total Vehicle Hours (1)										
Motor Bus	323,520	326,669	334,722	314,316	293,198	283,704	261,818	260,734	255,174	255,508
Demand Response	108,226	115,093	128,146	157,402	150,527	136,343	131,578	131,038	111,832	118,488
Total Vehicle Revenue Hours (1)										
Motor Bus	275,421	289,721	303,423	270,475	240,642	248,158	229,084	229,008	228,469	226,734
Demand Response	104,796	111,034	125,643	151,993	145,554	131,736	126,205	125,185	107,112	112,692
Vehicle Accidents per 100,000 miles (2)										
Motor Bus	2.6	2.6	3.1	2.5	2.0	2.0	3.6	2.1	2.1	1.9
Demand Response	2.0	1.9	2.1	2.3	2.6	2.0	1.5	1.8	1.5	3.2
Miles between Roadcalls (2)	2,915	3,987	3,940	3,691	4,269	4,198	3,538	2,629	4,391	4,226
Total Revenue Vehicles (1)										
Motor Bus	140	163	155	152	137	135	137	122	117	109
Demand Response	155	145	147	176	163	156	144	148	152	145

(1) METRO's annual "National Transit Database" as reported to Federal Transit Administration

(2) METRO's Monthly Planning report

Note: Demand Response includes directly operated and purchased transportation

METRO Regional Transit Authority

Fare Rate Structure as of December 31, 2007

TABLE 12

Cash fares		
General	$	1.25
Senior / Disability		0.50
North Coast Express		4.00
SCAT		2.00
SCAT ADA		2.50

Tickets/Passes		
10 Ride Pass - North Coast Express	$	33.00
SCAT Ticket		20.00
Day Pass		3.00
31 Day Pass		
General		$50.00
Senior / Disability		30.00

Source: METRO's Fare resolution passed by the Board of Trustees on August 30, 2006

METRO Regional Transit Authority

Miscellaneous Statistics

(Unaudited)

TABLE 13

Date METRO was created	August 26, 1969
Form of Government	Appointed Board of Trustees
Number of Trustees	12
Type of tax support	1/4 of 1 percent sales and use tax for Summit County
Size of service area (Square miles)	419.92
Population of County (2000)	542,899
Miles of routes	432.6
Number of buses (Directly Operated)	
Motor bus	109
Demand Response	79
Number of routes	36
Customer Service information calls answered (2007)	223,165
SCAT Reservation Clerks calls answered (2007)	144,622

METRO REGIONAL TRANSIT AUTHORITY

SUMMIT COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
NOVEMBER 6, 2008