

Annual Comprehensive Financial Report

For Fiscal Year Ended December 31, 2022



a Component Unit of
the State of Utah





Our Mission

We Move You

Our Vision

Leading Utah's mobility solutions and improving quality of life

Annual Comprehensive Financial Report

For Fiscal Year Ended
December 31, 2022

Finance Department

William Greene / Viola Miller
Chief Financial Officers

Troy Bingham
Comptroller



UTAH TRANSIT AUTHORITY
A Component Unit of the State of Utah

UTAH TRANSIT AUTHORITY
 ANNUAL COMPREHENSIVE FINANCIAL REPORT
 Years Ended December 31, 2022

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Introductory



669 West 200 South
Salt Lake City, Utah 84101
1-888-RIDE-UTA
www.rideuta.com

June 9, 2023

To the Board of Trustees
Utah Transit Authority and
Citizens within the UTA Service Area

We are pleased to submit to you the Annual Comprehensive Financial Report (ACFR) of the Utah Transit Authority (the Authority) for the fiscal year ended December 31, 2022. This document has been prepared by the Authority's Finance Department using the guidelines recommended by the Government Finance Officers Association of the United States and Canada and conforms to accounting principles generally accepted in the United States of America and promulgated by the Governmental Accounting Standards Board.

Management's Assertions

Management assumes full responsibility for the completeness and reliability of the information contained in this report. Management bases their assurance upon a comprehensive framework of internal control that has been established for this purpose. To provide a reasonable basis for making these representations, management of the Authority has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient statements in conformity with GAAP. The concept of reasonable assurance recognizes that:

- (1) the cost of a control should not exceed the benefit likely to be derived; and
- (2) the valuation of the costs and benefits requires estimates and judgments by management.

As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The Annual Comprehensive Financial Report

This report contains financial statements and statistical data which provide full disclosure of all the material financial operations of the Authority. The financial statements have been prepared on the accrual basis of accounting in conformance with generally accepted accounting principles. This ACFR is indicative of the Authority's commitment to provide accurate, concise and high-quality financial information to the residents of its service area and to all other interested parties.

The Authority is also required to conduct an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Information related to the single audit, including the schedule of expenditures of federal awards, findings and recommendations, and auditor's reports on internal control structure and compliance with applicable laws and regulations are included with this report.



The accounting firm of Crowe LLP was selected to perform an annual independent audit of the Authority's financial statements. The goal of the independent audit is to provide reasonable assurance that the Authority's financial statements for the fiscal year ended December 31, 2022, are free of material misstatements. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management and evaluating the overall financial presentation. The independent auditor concluded that there was a reasonable basis for rendering an unmodified opinion that the Authority's financial statements are fairly presented in conformity with accounting principles generally accepted in the United States of America. The audit also was designed to meet the requirements of the Federal Single Audit Act of 1984 and related Uniform Guidance. The auditor's report on the basic financial statements and schedules, including reports specifically related to the single audit, are included in this document.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of a Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it.

Background

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

The Authority is governed by a three-member full-time board of trustees. The Governor appoints nominees from the three appointing districts within the UTA service territory to serve as trustees. The names of the nominees are then forwarded to the Senate for confirmation. Once confirmed, an appointee is sworn in as a trustee.

Utah Transit Authority also has a nine-member local advisory council. The local advisory council representation includes: three members appointed by the Salt Lake County council of governments; one member appointed by the Mayor of Salt Lake City; two members appointed by the Utah County council of governments; one member appointed by the Davis County council of governments; one member appointed by the Weber County council of governments; and one member appointed by the councils of governments of Tooele and Box Elder counties. Terms for local advisory council members are indefinite.

The responsibility for the operation of the Authority is held by the board of trustees that hires, sets the salaries, and develops performance targets and evaluations for the Executive Director, Internal Auditor, and any chief level officer. The Executive Director is charged with certain responsibilities, some of which require coordination with, or providing advice to, the board of trustees. Legal counsel will be provided by the Utah Attorney General's Office. An organizational chart which illustrates the reporting relationships follows this letter of transmittal.

The executive staff meets weekly to coordinate management of the affairs of the organization. The executive staff and various other department officials meet as needed in a policy forum to review management policies and strategic direction and objectives for the organization.

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

The population of the Authority's service area is approximately 2,695,629 and represents 80 percent of the state's total population.



Economy

Utah ends 2022 facing significant economic uncertainty as Utah continues to grapple with ever-changing pockets of economic strength and weakness. The post-pandemic economy has altered many traditional economic relationships. These economic transformations make accurate predictions challenging because it is unclear if or when old patterns will return, or if new arrangements will chart a different economic course.

Current economic challenges amid an overheated economy include stubbornly high inflation, rapidly rising interest rates, low consumer sentiment, and unmistakable construction and real estate slowdowns. At the same time, many often underappreciated economic buffers exist. Extremely low unemployment coupled with improving supply chains and very strong overall household, firm, and state and local government financial reserves combine to provide a hedge against economic challenges that could spiral into a recession.

The Authority's decision-makers will prepare to respond to any of the three scenarios by following the indicators, making midcourse corrections, and applying vigilance and caution while still pursuing opportunities.

Scenario 1: Continuing Growth

Inflation recedes, interest rate hikes stabilize, historically high financial reserves and low debt levels prop up consumer spending, employers work to retain employees in light of recent hiring challenges, and international geopolitical and supply chain challenges stabilize, combining to create 2023 real GDP growth in the 2% to 4% range (similar to 2022 Q3 and Q4).

Scenario 2: Shallow Recession

High inflation comes down slowly, continued rapid interest rate hikes drive down consumer and firm demand for large capital acquisitions, sizable construction slowdowns and layoffs extend broadly into other sectors, continued international challenges remain disruptive similar to 2022, resulting in a relatively short and mild -1% to 1% change in 2023 real GDP.

Scenario 3: Decelerating Growth

Inflation moderates somewhat, interest rate hikes continue but slow down, household financial buffers only partially offset broader economic challenges, including layoffs in interest-rate-sensitive sectors such as construction, resulting in 2023 real GDP growth in the 0% to 2% range.

The most pressing internal risks will be growth-driven challenges like a limited labor supply, increasing costs, and housing affordability. Declining birthrate, air quality, and water challenges will also add pressure. COVID-19 and inflation pose additional downside risks.

Utah's fundamental advantages—a youthful demographic profile, economic diversity, a stable fiscal and regulatory environment, crossroads of the west location, global connections, and social cohesion—will continue to influence the state's economic position in 2023 and beyond. As long as major risks to the national expansion are not realized, Utah's economy will once again be among the best in the nation.



Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to The Authority for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended December 31, 2021. This was the twenty-ninth consecutive year that the Authority has received this prestigious award. This certificate of award is the highest form of recognition for excellence in state and local government financial reporting. In order to receive this award, the Authority must publish an easily readable and well organized comprehensive financial report whose content conforms to the program standards. Such a report must satisfy both generally accepted accounting principles and applicable legal requirements. The Certificate of Achievement for Excellence in Financial Reporting is valid for a one-year period only. We believe that our current Annual Comprehensive Financial Report continues to meet the Certificate of Achievement Program's requirements and are submitting it to determine eligibility for continued recognition.

Acknowledgements

The preparation of this report would not have been possible without the efficient and dedicated service of the entire finance team at the Authority. We wish to express our sincere appreciation for the hard work and long hours that contributed to the preparation of this report. Appreciation is also extended to the Executive Board and the various team members for their cooperation and dedicated service that made it possible to produce a report of the highest standards.



William Greene
Chief Financial Officer
Utah Transit Authority





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

Utah Transit Authority

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2021

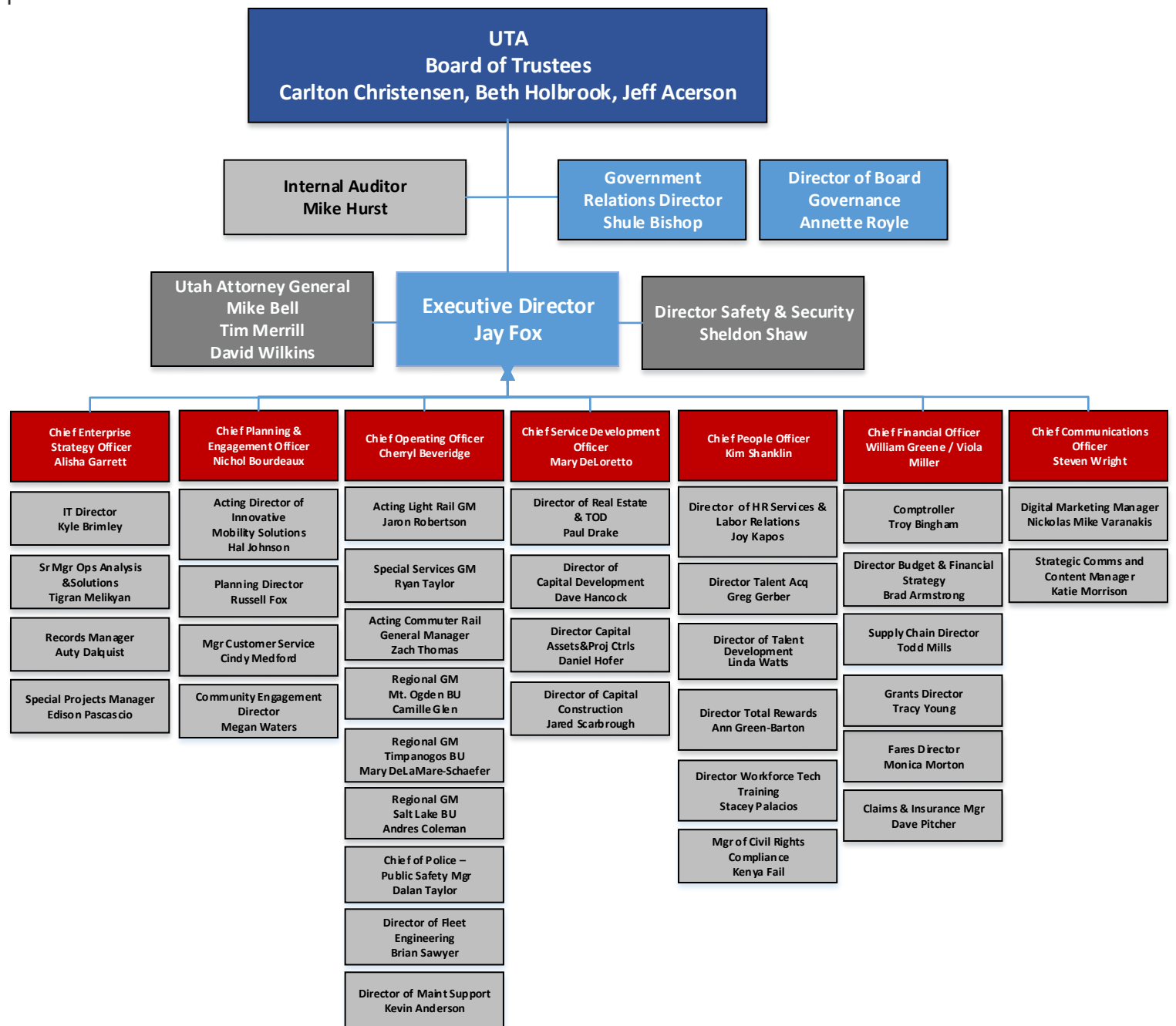
Christopher P. Morrill

Executive Director/CEO

UTAH TRANSIT AUTHORITY
ANNUAL COMPREHENSIVE FINANCIAL REPORT

Organizational Chart

Years Ended December 31, 2022



UTA Board of Trustees



Beth Holbrook
Davis, Weber and Box Elder Counties



Carlton Christensen
Board Chair
Salt Lake County



Jeff Acerson
Tooele and Utah Counties

Administration

Board of Trustees

BOARD CHAIRCarlton Christensen
BOARD TRUSTEE..... Beth Holbrook
BOARD TRUSTEE..... Jeff Acerson

Officers of the Authority

BOARD CHAIRCarlton Christensen
EXECUTIVE DIRECTOR.....Jay Fox
TREASURER..... William Greene/Viola Miller
COMPTROLLER..... Troy Bingham
SECRETARY Annette Royle

Administration of the Authority

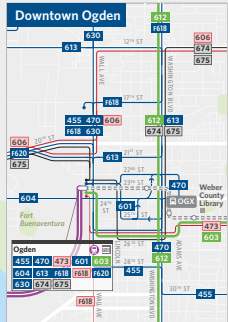
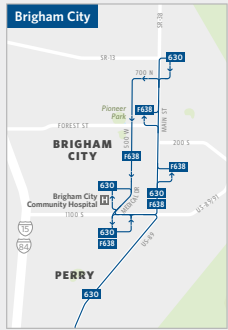
EXECUTIVE DIRECTOR.....Jay Fox
CHIEF OF INTERNAL AUDIT Mike Hurst
CHIEF PLANNING AND ENGAGEMENT OFFICERNichol Bourdeaux
CHIEF FINANCIAL OFFICER William Greene/Viola Miller
CHIEF OPERATING OFFICERCherryl Beveridge
CHIEF PEOPLE OFFICER..... Kim Shanklin
CHIEF SERVICE DEVELOPMENT OFFICER Mary DeLoretto
CHIEF ENTERPRISE STRATEGY OFFICER.....Alisha Garrett
CHIEF COMMUNICATION OFFICER..... Steve Wright



Local Advisory Council Members

Name	Appointing Authority
CHAIR	
Mark Johnson	Utah County COG
VICE CHAIRS	
Troy Walker	Salt Lake County COG
Bob Stevenson	Davis Area COG
MEMBERS	
Erin Mendenhall	Salt Lake City
Neal Berube	Weber Area COG
Karen Cronin	Box Elder COG/Tooele COG
Dan Peay	Salt Lake County COG
Trent Staggs	Salt Lake County COG
Julie Fullmer	Utah County COG

Weber & Davis SYSTEM MAP



Legend

Rail

- FrontRunner**
Intercity train service running every 30-60 minutes Monday-Saturday only

Bus

- OGX (under construction)**
Bus rapid transit (BRT) service opening August 2023
- Frequent bus**
Runs every 15 minutes
- Regular bus**
Runs every 30 or more minutes
- Limited bus**
Routes with limited service
- Ski bus**
Service to ski resorts
No service outside ski season—check rideuta.com/ski for exact dates
- UTA On Demand**
Microtransit service
- Park-and-ride**

Plan your trip

Transit, UTA's preferred trip planning app

Find schedule info, see bus and train locations, buy tickets and passes, and get notified about delays and service disruptions in real time.

More information at rideuta.com





Salt Lake County SYSTEM MAP

to Tooele

SALT LAKE

MAGNA

WEST VALLEY CITY

KEARNS

WEST JORDAN

DAYBREAK

SOUTH JORDAN

RIVERTON

BLUFFDALE

Legend

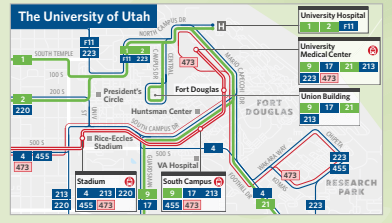
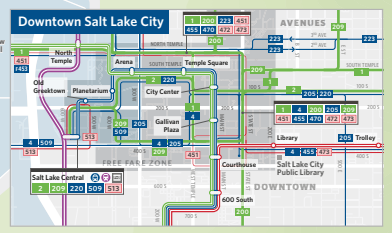
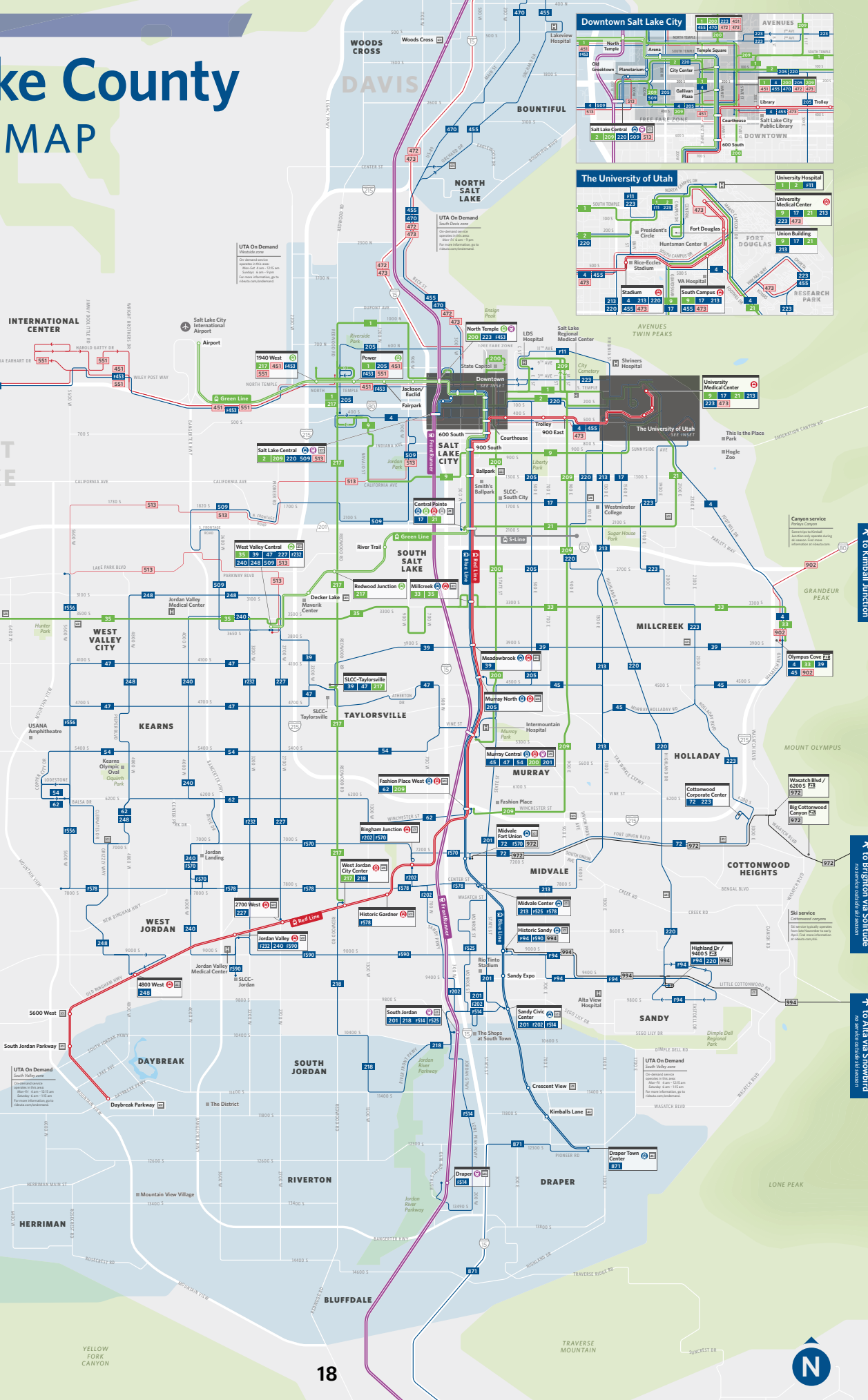
- Rail**
 - FrontRunner**
Intercity train service running every 30-60 minutes Monday-Saturday only
 - TRAX Blue Line**
 - TRAX Green Line**
 - TRAX Red Line**
Light rail service running every 15-30 minutes
 - S-Line**
Streetcar service running every 15-30 minutes
- Bus**
 - Frequent bus**
Runs every 15 minutes
 - Regular bus**
Runs every 30 or more minutes
 - Limited bus**
Routes with limited service
 - Ski bus**
Service to Big and Little Cottonwood canyons
No service outside ski season—check rideuta.com/ski for exact dates
 - UTA On Demand**
Microtransit service
 - South Valley zone
 - Westside zone
 - South Davis zone
 - Park-and-ride**

Plan your trip

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Find schedule info, see bus and train locations, buy tickets and passes, and get notified about detours and service disruptions in real time.

More information at rideuta.com



to Kimball Junction

to Brighton via Southvale

to Alta via Snowbird



Utah County SYSTEM MAP



Legend

- Rail**
 - FrontRunner**
Intercity train service running every 30-60 minutes Monday-Saturday only
- Bus**
 - UVX**
Bus rapid transit (BRT) service running every 6-15 minutes Monday-Saturday only
 - Frequent bus**
Runs every 15 minutes
 - Regular bus**
Runs every 30 or more minutes
 - Limited bus**
Routes with limited service
 - Ski bus**
Service to Sundance
No service outside ski season—check rideuta.com/ski for exact dates
- UTA On Demand**
Microtransit service
- Park-and-ride**

Plan your trip

Transit, UTA's preferred trip planning app

Find schedule info, see bus and train locations, buy tickets and passes, and get notified about delays and service disruptions in real time.

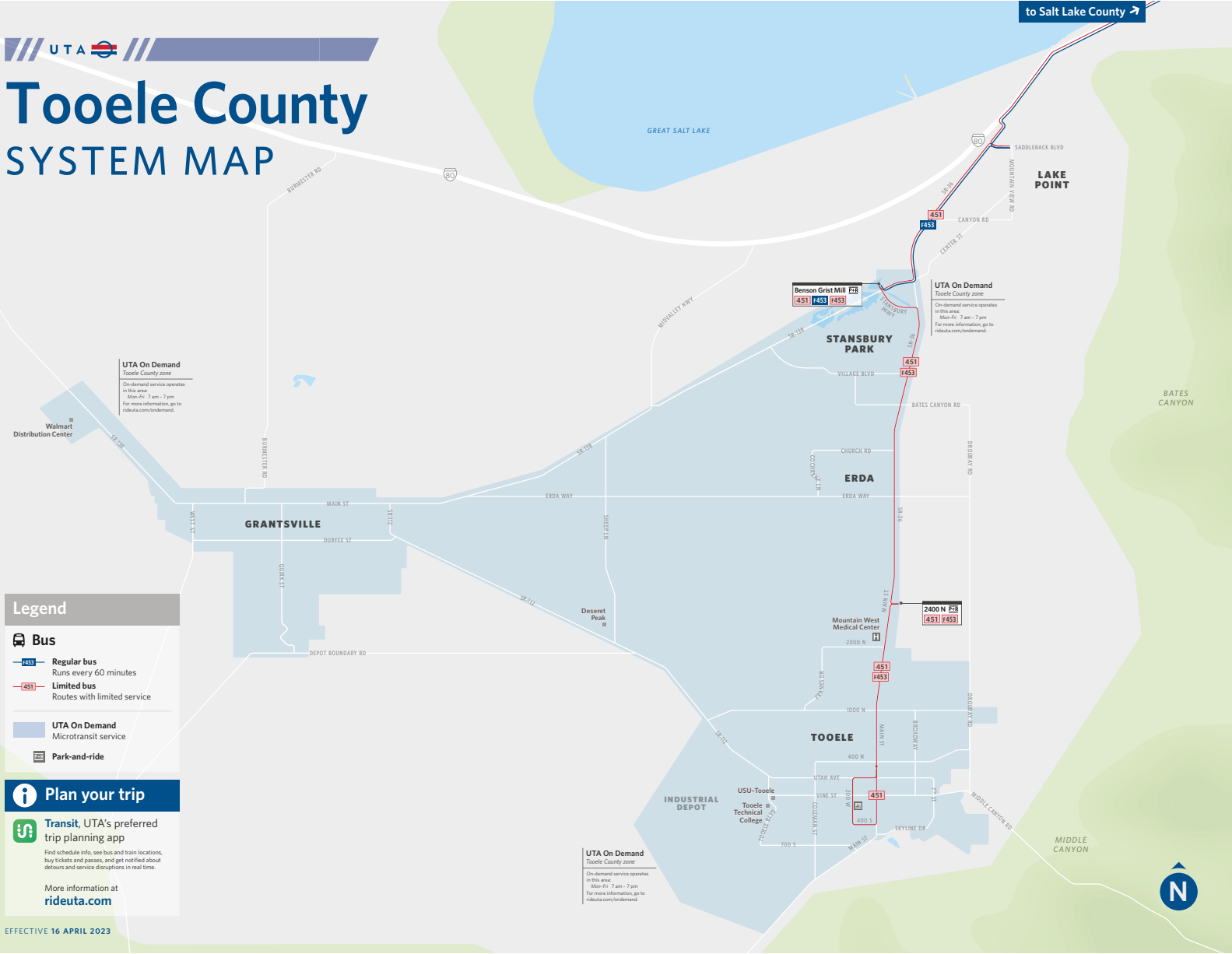
More information at rideuta.com



UTA 

Tooele County SYSTEM MAP


to Salt Lake County →



UTA On Demand
Tooele County zone
On-demand service operates in this area.
Mon-Fri 7 am - 7 pm
For more information, go to rideuta.com/ondemand.


Benson Grist Mill 
451 453 453



UTA On Demand
Tooele County zone
On-demand service operates in this area.
Mon-Fri 7 am - 7 pm
For more information, go to rideuta.com/ondemand.


2400 N 
451 453


UTA On Demand
Tooele County zone
On-demand service operates in this area.
Mon-Fri 7 am - 7 pm
For more information, go to rideuta.com/ondemand.

Legend


 **Bus**

-  **Regular bus**
Runs every 60 minutes
-  **Limited bus**
Routes with limited service

 **UTA On Demand**
Microtransit service

 **Park-and-ride**

Plan your trip

 **Transit**, UTA's preferred trip planning app

Find schedule info, see bus and train locations, buy tickets and passes, and get notified about detours and service disruptions in real time.

More information at rideuta.com

EFFECTIVE 16 APRIL 2023



Financial

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Utah Transit Authority
Salt Lake City, Utah

Report on the Audit of the Financial Statements***Opinions***

We have audited the financial statements of the business-type activities and fiduciary activities of the Utah Transit Authority (the Authority), a component unit of the State of Utah, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and fiduciary activities of the Authority, as of December 31, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards (Government Auditing Standards)*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 2 to the financial statements, in the year ended December 31, 2022, the entity adopted new accounting guidance, GASB Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

(Continued)

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

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

(Continued)

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The schedule of revenues, expenses and changes in net position budget to actual, combining statement of fiduciary net position, combining statement of changes in fiduciary net position, and the schedule of expenditures of federal awards as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of revenues, expenses and changes in net position budget to actual, combining statement of fiduciary net position, combining statement of changes in fiduciary net position, and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 9, 2023 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.



Crowe LLP

Indianapolis, Indiana
June 9, 2023

Utah Transit Authority's 2022 fiscal performance continues to demonstrate the successful implementation of its financial policies. This report provides accountability to the Authority's goals and objectives defined with its residents and adopted by the Board of Trustees. This section of the Annual Comprehensive Financial Report presents our discussion and analysis of the Authority's financial performance during the fiscal year that ended on December 31, 2022. Please read it in conjunction with the transmittal letter at the front of this report and the Authority's financial statements, which follow this section. Due to the material relationship between the Authority and its component units (Joint Insurance Trust and Pension), the Total Reporting Entity information more accurately reflects the comprehensive financial operations of Utah Transit Authority.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial section of this annual report consists of four parts - Management's Discussion and Analysis (MD&A), the Basic Financial Statements, other Required Supplementary Information, and a supplementary section that presents budget and actual schedules for the authority funds; and fiduciary fund schedules for the Joint Insurance Trust and Pension Trust. The basic financial statements present different views of the Authority:

- The first three statements are government-wide financial statements that provide both long-term and short-term information about the Authority's overall financial status.
- The remaining statements are fiduciary fund statements which provide information about the financial relationships in which the Authority acts solely as a trustee or agent for the benefit of others, to whom the resources belong, such as the Authority's pension and collective bargaining medical, dental and life insurance funds.

FINANCIAL HIGHLIGHTS

- The total reporting entity has positive unrestricted net position of \$505,087,728 at December 31, 2022, which represents an increase of \$173,650,475 or 52.4 percent over the prior year.
- The total expenses of the Authority's increased 15.5 percent to \$669,621,766 during fiscal year 2022, while the Authority's total revenues increased by 25.6 percent to \$858,700,828.
- At December 31, 2022, the Authority had \$2,372,539,073 of debt outstanding, including \$56,125,000 related to Utah County's Bonds for Provo-Orem Bus Rapid Transit Construction in 2019. Accordingly, liabilities and deferred inflows of the Authority at December 31, 2022 were exceeded by its assets and deferred outflows by \$1,215,802,467.
- Revenues exceeded the budget by \$94,044,001; alternatively, expenses were only \$6,675,527 over the budget due to unbudgeted pension related activities. This helped to provide additional available resources to fund the Authority's reserves available for future appropriation.
- For 2022, ridership increased by 31.2 percent compared to the prior year, with demand response growing the most in 2022, at 87.5 percent. Fare revenues contributed 3.9 percent to total revenues for the Authority.

The financial statements also include note disclosures that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. In addition to these required elements, the financial statements include a supplementary section with combining statements that provide details about the Authority's fiduciary funds, each of which are combined and presented in single columns in the basic financial statements.

The chart below summarizes the major features of the Authority's financial statements, including the scope and the types of financial information presented. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

Major Features of Utah Transit Authority's Financial Statements		
	Government-Wide Statements	Fund Statements Fiduciary Funds
Scope	Entire Authority (except fiduciary funds). The Authority operates in a manner similar to private businesses.	Instances in which the Authority is the trustee or agent for someone else's resources, such as the retirement plan or medical plans of employees
Required Financial Statements	Statement of net position	Statement of fiduciary net position
	Statement of revenues, expenses, and change in net position	Statement of changes in fiduciary net position
	Statement of cash flows	
Basis of Accounting and Measurement Focus	Accrual basis of accounting and economic resources measurement focus	Accrual basis of accounting and economic resources measurement focus
Type of Deferred Outflow/Inflow, Asset Liability Information	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both financial and capital, and short-term and long-term; the Authority's fiduciary funds do not currently contain capital assets although they could
Type of Outflow/Inflow Information	All revenues and expenses during the year, regardless of when cash is received or paid	All revenues and expenses during the years, regardless of when cash is received or paid

CONDENSED STATEMENTS OF NET POSITION

	<u>2022</u>	<u>2021 (Restated)</u>	<u>Difference</u>	<u>Percent difference</u>
Assets				
Current and other assets	\$ 858,367,219	\$ 671,105,360	\$ 187,261,859	28%
Capital assets, net	2,889,621,291	2,889,299,679	321,612	0%
Total assets	<u>3,747,988,510</u>	<u>3,560,405,039</u>	<u>187,583,471</u>	5%
Deferred outflows of resources	<u>161,487,088</u>	<u>135,869,962</u>	<u>25,617,126</u>	19%
Liabilities				
Current liabilities	217,679,168	192,370,099	25,309,069	13%
Long-term liabilities	2,467,772,606	2,445,749,954	22,022,652	1%
Total liabilities	<u>2,685,451,774</u>	<u>2,638,120,053</u>	<u>47,331,721</u>	2%
Deferred inflows of resources	<u>8,221,357</u>	<u>31,431,543</u>	<u>(23,210,186)</u>	-74%
Net position				
Net investment in capital assets	666,552,866	668,271,091	(1,718,225)	0%
Restricted	44,161,873	27,015,061	17,146,812	63%
Unrestricted	505,087,728	331,437,253	173,650,475	52%
Total net position	<u>\$ 1,215,802,467</u>	<u>\$ 1,026,723,405</u>	<u>\$ 189,079,062</u>	18%

Current and other assets increased from 2021 due to the Authority's continued and final receipt of federal stimulus associated with America Rescue Plan Act of 2021 (ARPA) funding. These funds reimbursed the Authority for operating expenses previously paid with local sales taxes prior to the COVID-19 pandemic. This allowed the Authority to accumulate cash to offset losses in passenger fare and investment income affected by the downturn in the market due to the inflation and higher interest rates. Additionally, the Authority, recognized \$20.8 million for sale of an additional phase of the Jordan Valley transit-oriented community in early 2022.

Deferred outflows of resources increased from 2021 by \$25.6 million due in part to the pension losses that will be amortized over the next five years.

Current liabilities increased from 2021 due to two factors. First, the 2023 debt service principal payments increased by \$14.0 million based on payment schedules. Second, the State of Utah transferred additional cash funds, awarded in the 2021 legislative session, of \$11.8 million to the Authority. These funds have not been spent on the projects, so unearned revenue for the State of Utah increased to \$60.1 million at year end.

Deferred inflows of resources decreased from 2021 by \$23.2 million due to the decrease pension investment gains from previous periods that were amortized over five years.

Restricted net position increased from 2021 due to two factors. The Authority's higher debt service principal payments in 2023 require \$9.0 million more of reserve funds. Second, an interlocal agreement with Utah County for the fourth quarter cent sales tax requires excess proceeds to be saved for future debt service payments on the 2016 debt issued by Utah County.

A change in unrestricted net position over time may serve as a useful indicator of a government entity's financial position. As of December 31, 2022, the Authority's unrestricted net position has increased \$189.1 million from

THE UTAH TRANSIT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended December 31, 2022

December 31, 2021. This change can be attributed to the changes in current and other assets explained earlier in this section along with reductions in spending during the COVID-19 pandemic.

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

	<u>2022</u>	<u>2021</u>	<u>Difference</u>	<u>Percent difference</u>
Operating revenues	\$ 35,713,144	\$ 30,386,187	\$ 5,326,957	18%
Operating expenses	569,651,499	472,933,325	96,718,174	20%
Excess of operating expenses over operating revenues	(533,938,355)	(442,547,138)	(91,391,217)	-21%
Non-operating revenues	741,344,880	584,816,562	156,528,318	27%
Non-operating expenses	99,970,267	101,286,173	(1,315,906)	-1%
Income (loss) before contributions	107,436,258	40,983,251	66,453,007	-162%
Capital contributions	81,642,804	68,233,591	13,409,213	20%
Change in net position	<u>\$ 189,079,062</u>	<u>\$ 109,216,842</u>	<u>\$ 79,862,220</u>	-73%
Total net position, January 1 as restated	\$ 1,026,723,405	\$ 917,203,741		
Total net position, December 31	\$ 1,215,802,467	\$ 1,026,420,583		

SUMMARY OF REVENUES FOR THE YEAR ENDED DECEMBER 31

	<u>2022</u>	<u>2021</u>	<u>Difference</u>	<u>Percent difference</u>
Operating				
Passenger revenue	\$ 33,499,144	\$ 28,510,458	\$ 4,988,686	17%
Advertising	2,214,000	1,875,729	338,271	18%
Total operating revenue	35,713,144	30,386,187	5,326,957	18%
Non-operating				
Contributions from other gov'ts (sales tax)	480,925,766	433,360,729	47,565,037	11%
Federal noncapital assistance	215,063,965	130,631,095	84,432,870	65%
Interest income	1,806,825	1,432,026	374,799	26%
Reinvestment of proceeds from development agreements	19,368,007	-	19,368,007	100%
Sale of assets	3,228,640	1,411,431	1,817,209	129%
Build America Bond subsidy	9,259,376	8,158,624	1,100,752	13%
Other	11,692,301	9,822,657	1,869,644	19%
Total non-operating revenue	741,344,880	584,816,562	156,528,318	27%
Capital contributions	81,642,804	68,233,591	13,409,213	20%
Total revenues	<u>\$ 858,700,828</u>	<u>\$ 683,436,340</u>	<u>\$ 175,264,488</u>	26%

Passenger revenue as a portion of total revenues declined to 3.9 percent from 4.2 percent during 2022. This decline was caused by a decrease of \$5.0 million in corporate fare contract revenues. These revenues continue to decline even though overall ridership is slowly returning to pre-pandemic levels. Many of the Authority's corporate supporters have opted for contracts based on actual ridership of employees rather than general support of the system.

Since the Authority does not have the ability to levy taxes, it relies on contributions dedicated by member governments in the form of sales tax increments. 56 percent of total revenues are derived from sales taxes. Sales tax revenues increased by \$47.6 million driven mainly by the robust economy described in the letter of transmittal section.

In 2022, the federal government continued to contribute to the Authority for operating, maintenance, and administration assistance. The Authority received \$167,791,391 in America Rescue Plan Act of 2021 (ARPA) funding. These allocations were based on a formula that factored in 2019 operating expenses of the Authority to determine the award amount. This led to the increase of \$84.4 million in 2022 federal noncapital assistance revenues.

Return on capital investment is an infrequent revenue, that occurred in 2022 due to a sale of interest at the Authority's transit-oriented community at Jordan Valley. Another phase of the Jordan Valley development was sold for a shared profit with the developer. The Authority's share of the profit was \$19,368,007 which was reinvested in the project.

Capital contributions increased by \$13.4 million due to state and local partners contributing more on capital projects in 2022. This can be expected, as local participation in new construction projects can vary from year to year.

SUMMARY OF EXPENSES FOR THE YEAR ENDED DECEMBER 31

	<u>2022</u>	<u>2021</u>	<u>Difference</u>	<u>Percent difference</u>
Operating expenses				
Bus service	\$ 135,508,533	\$ 108,575,280	\$ 26,933,253	25%
Rail service	121,262,026	94,943,238	26,318,788	28%
Demand response service	33,431,955	27,083,173	6,348,782	23%
Other services	3,509,781	3,587,718	(77,937)	-2%
Operations support	62,562,572	50,621,841	11,940,731	24%
Administration	64,959,236	54,073,187	10,886,049	20%
Depreciation and amortization	142,059,366	134,048,888	8,010,478	6%
Total operating expenses	<u>563,293,469</u>	<u>472,933,325</u>	<u>90,360,144</u>	19%
Non-operating expenses				
Interest expense	99,970,267	101,286,173	(1,315,906)	-1%
Impairment expense	6,358,030	-	6,358,030	100%
Total non-operating expenses	<u>106,328,297</u>	<u>101,286,173</u>	<u>5,042,124</u>	5%
Total expenses	<u>\$ 669,621,766</u>	<u>\$ 574,219,498</u>	<u>\$ 95,402,268</u>	17%

Operating expenses for 2022 increased \$90.3 million over 2021. The four most significant changes by mode are in bus and rail services along with operating support and administration. The bus and rail services continue to rebound to pre-COVID-19 pandemic levels. However, due to the age of the equipment, maintenance expenses have increased the overall cost to run the services.

Administration increases are related to capital maintenance expenses. Capital maintenance expenses are significant, yet infrequent expenses required to keep our equipment operational. The following chart shows the amount allocated to each mode:

SUMMARY OF CAPITAL MAINTENANCE EXPENSES FOR THE YEAR ENDED DECEMBER 31

	<u>2022</u>	<u>2021</u>	<u>Difference</u>	<u>Percent difference</u>
Capital Maintenance Expenses in Projects				
Bus service	\$ 9,674,985	\$ 1,050,751	\$ 8,624,234	821%
Rail service	33,064,281	16,279,011	16,785,270	103%
Demand response service	115,961	162,543	(46,582)	-29%
Other service	3,105	3,030	75	2%
Administration	17,618,396	13,558,929	4,059,467	30%
Total capital maintenance expenses	<u>\$ 60,476,728</u>	<u>\$ 31,054,264</u>	<u>\$ 29,422,464</u>	<u>95%</u>

Like most transit service agencies, personnel cost is the Authority's largest expense. Personnel cost for the Authority in 2022 was 61.6 percent of total operating expense less depreciation expense. Overall, personnel cost increased \$32.3 million in 2022 due to the Authority increasing the number of positions, salaries, and fringe benefits.

SUMMARY OF OPERATING EXPENSES FOR THE YEAR ENDED DECEMBER 31

	<u>2022</u>	<u>2021</u>	<u>Difference</u>	<u>Percent difference</u>
Operating expense less depreciation	\$ 421,234,103	\$ 338,884,437	\$ 82,349,666	24.3%
Wages	167,912,455	158,066,997	9,845,458	6.2%
Benefits	91,696,739	69,212,130	22,484,609	32.5%
Operations less wages/benefits	<u>161,624,909</u>	<u>111,605,310</u>	<u>50,019,599</u>	<u>44.8%</u>
Personnel cost	<u>\$ 259,609,194</u>	<u>\$ 227,279,127</u>	<u>\$ 32,330,067</u>	<u>14.2%</u>
% of operating expense	61.6%	67.1%	-5.4%	-8.1%

Operating expense less depreciation cost increased \$82.3 million due to the rising cost for goods, mostly fuel, and increased contractual services for information technology and human resources.

CAPITAL ASSET AND DEBT ADMINISTRATION

CAPITAL ASSET ACTIVITY

	<u>2022</u>	<u>2021</u>	<u>Difference</u>	<u>Percent difference</u>
Land	\$ 416,304,520	\$ 411,342,949	\$ 4,961,57	1%
Construction in process	242,275,503	203,927,118	38,348,385	19%
Infrastructure	2,529,910,034	2,508,863,889	21,046,14	1%
Building and building improvements	197,884,811	203,911,043	(6,026,232)	-3%
Revenue vehicles	718,106,506	748,886,006	(30,779,500)	-4%
Financed revenue vehicles	109,431,765	87,967,286	21,464,479	24%
Equipment	75,716,711	66,816,219	8,900,492	13%
Land improvements	202,372,874	178,487,488	23,885,386	13%
Leasehold improvements	94,263,206	94,273,476	(10,270)	0%
Intangibles	67,879,460	57,097,309	10,782,151	19%
Accumulated depreciation and amortization	<u>(1,764,524,099)</u>	<u>(1,673,614,615)</u>	<u>(90,909,484)</u>	<u>5%</u>
Total capital assets, net	<u>\$ 2,889,621,291</u>	<u>\$ 2,887,958,168</u>	<u>\$ 1,663,123</u>	<u>0%</u>

Capital Assets

At the end of fiscal year 2022, the Authority had invested \$4.6 billion in a broad range of capital assets, including land, buildings, leasehold improvements, equipment, infrastructure, and construction in progress. Construction in progress is higher than last year due to two large projects nearing completion in Summer of 2023, the new OGX Bus Rapid Transit line in Ogden for \$80.9 million and the new Depot District building being constructed in Salt Lake for \$77.6 million. The decrease in revenue vehicles is attributed to the disposal of older revenue vehicles and the "right-sizing" of the fleet to the current service levels. These reductions are partially offset by the increase in financed revenue vehicles. Land improvements increased due to the addition of the airport TRAX station in Salt Lake City and the Vineyard commuter rail station in Utah County. Intangible assets increased for software implementations, easements, and right to use land acquisitions associated with new lease accounting requirements.

Long-Term Debt and Other Obligations

At year-end the Authority had total debt obligations of \$2.4 billion, of which, bonded debt outstanding represented \$2.3 billion, all of which is backed by pledged sales tax increments from each county in the Authority's service area. Of the Authority's debt, \$105.9 million represents financing agreements secured solely by specified revenue vehicle that is pledged as collateral on the lien.

The Authority's total debt obligations decreased \$38.8 million during the 2022 fiscal year. The key components of the 2022 activities were new financing agreements totaling \$33.7 million, coupled with principal retirements of \$72.5 million. More detailed information about the Authority's long-term debt is presented in Footnote 10 to the financial statements.

Bond Ratings

The Authority increased its rating with Standard & Poor's to AA+ while maintaining its ratings of AA and Aa2 with Fitch Ratings and Moody's Investors Services, respectively.

DEBT ADMINISTRATION

Effective date: April 2023

	Standard & Poor's	Fitch	Moody's
Senior Lien Bonds			
Current rating	AA+	AA	Aa2
Outlook	Positive	Negative	Stable
Subordinate Lien Fixed Rate Bonds			
Current rating	AA	AA	Aa3
Outlook	Positive	Negative	Stable

Limitations on Debt

The Authority has historically issued Sales Tax Revenue Bonds in lieu of any General Obligation Bonds. Revenue bonds do not have issue limits based on assessed valuation of properties in the Authority's district but are constrained by UTA's ability to repay the principal and interest amounts annually with pledged sales tax revenues. An important metric of the Authority's financial health is the amount of pledged sales taxes annually in relation to the debt service due in the given year, or debt service coverage ratio.

THE UTAH TRANSIT AUTHORITY
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 Year Ended December 31, 2022

Debt Service Coverage Ratio (DSCR)	Policy Minimum DSCR Requirements	Minimum DSCR Forecasted	Year of Minimum
Senior Lien	2.0x	4.42x	2023
Subordinate Lien	1.5x	8.28x	2040

The Authority's net coverage ratio would reach a minimum of 3.06 in 2023. Adherence to other minimum debt service coverage ratios is detailed in the table below:

Year	Projected Pledged Sales Taxes	Senior Lien Debt Payments	Senior Lien Projected Debt Service Coverage Ratio	Subordinate Lien Debt Payments	Subordinate Lien Projected Debt Service Coverage Ratio	Total Debt Payments	Total Projected Debt Service Coverage Ratio
2023	459,839,154	104,039,742	4.42	46,453,711	9.90	150,493,453	3.06
2024	459,839,154	104,045,687	4.42	46,446,219	9.90	150,491,906	3.06
2025	479,658,222	105,978,989	4.53	46,447,174	10.33	152,426,163	3.15
2026	517,743,085	105,981,667	4.89	46,451,771	11.15	152,433,438	3.40
2027	558,851,886	101,946,084	5.48	56,198,041	9.94	158,144,125	3.53
2028	597,133,240	101,941,964	5.86	56,188,017	10.63	158,129,981	3.78
2029	635,051,201	104,906,327	6.05	62,439,403	10.17	167,345,730	3.79
2030	675,376,952	102,048,307	6.62	62,415,895	10.82	164,464,202	4.11
2031	718,263,388	102,055,492	7.04	62,439,893	11.50	164,495,385	4.37
2032	763,873,114	101,802,153	7.50	62,439,607	12.23	164,241,760	4.65
2033	812,379,056	124,060,994	6.55	40,077,991	20.27	164,138,985	4.95
2034	863,965,126	124,064,926	6.96	40,080,199	21.56	164,145,125	5.26
2035	918,826,912	124,062,891	7.41	40,078,514	22.93	164,141,405	5.60
2036	977,172,421	127,429,814	7.67	34,962,723	27.95	162,392,537	6.02
2037	1,039,222,870	125,833,888	8.26	36,563,777	28.42	162,397,665	6.40
2038	1,105,213,522	123,415,219	8.96	38,980,308	28.35	162,395,527	6.81
2039	1,175,394,580	99,960,375	11.76	62,436,883	18.83	162,397,258	7.24
2040	1,250,032,136	11,657,724	107.23	150,946,856	8.28	162,604,580	7.69
2041	1,329,409,177	79,316,687	16.76	66,369,476	20.03	145,686,163	9.13
2042	1,413,826,660	122,206,633	11.57	23,475,140	60.23	145,681,773	9.70
2043	1,503,604,652	4,445,000	338.27			4,445,000	338.27
2044	1,599,083,548	4,439,300	360.21			4,439,300	360.21

ECONOMIC AND OPERATING FACTORS AND NEXT YEAR'S BUDGET

Key Economic Factors

- In response to the COVID-19 global pandemic, the federal government has made funding available via the America Rescue Plan Act of 2021 (ARPA). These funds are to aid localities in their response to the health crisis. Expenditures of this federal funding is subject to audit by the grantor under the Uniform Guidance, and the Authority is contingently liable to refund amounts received in excess of allowable expenditures. In the opinion of the Authority's management, no material refunds will be required as a result of expenditures disallowed by the grantor. See the results of the Single Audit in the Authority's Single Audit Report for further information.
- The fiscal year 2023 operating budget is \$37.4 million higher than 2022, which is a 10.3 percent increase from fiscal year 2022.

Operating Statistics

The following information provides an annual comparison of ridership by service for years 2022 and 2021.

RIDERSHIP COMPARISON

Source: National Transit Database

	<u>2022</u>	<u>2021</u>	<u>Difference</u>	<u>Percent difference</u>
Bus service	\$ 16,196,066	\$ 12,616,872	\$ 3,579,194	28.4%
Light rail service	10,734,065	8,403,862	2,330,203	27.7%
Commuter rail service	3,230,521	2,062,333	1,168,188	56.6%
Demand response service	565,368	301,505	263,863	87.5%
Other service	731,900	587,721	144,179	24.5%
Total ridership	<u>\$ 31,457,920</u>	<u>\$ 23,972,293</u>	<u>\$ 7,485,627</u>	31.2%

The Authority had a 31.2 percent increase in ridership in 2022 and continues to recover after the COVID-19 pandemic. Pre-pandemic levels of commuter ridership into Salt Lake City and Salt Lake County has not returned as of the date of this report as many businesses have encouraged telecommuting or working from home for their employees.

CONTACTING THE AUTHORITY'S FINANCIAL MANAGEMENT

The financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the Authority's finances and to demonstrate the Authority's accountability for the money received. Questions about this report or inquiries for additional information may be addressed to the Comptroller, 669 West 200 South, Salt Lake City, Utah 84101 or tbingham@rideuta.com.

STATEMENT OF NET POSITION

ASSETS

Current Assets:

Cash and cash equivalents	\$	340,511,281
Investments		195,865,777
Restricted cash and cash equivalents (bond funds)		25,973,657
Receivables		
Contributions from other governments (sales tax)		86,119,433
Federal grants		15,916,587
Other		11,213,548
State of Utah		267,196
Parts and supplies inventories		39,450,941
Prepaid expenses		1,666,243
Total Current Assets		<u><u>716,984,663</u></u>

Noncurrent Assets:

Restricted cash equivalents and investments		
Interlocal agreements		11,074,257
Escrow funds		68,706,587
Self-insurance deposits		8,681,226
Total restricted cash equivalents and investments		<u>88,462,070</u>
Long-term lease receivables		2,372,247
Non-depreciable capital assets		
Land		416,304,520
Construction in progress		242,275,503
Total non-depreciable capital assets		<u>658,580,023</u>
Depreciable/Amortized Capital Assets:		
Land improvements		202,372,874
Leasehold improvements		94,263,206
Building and building improvements		197,884,811
Infrastructure		2,529,910,034
Revenue vehicles		718,106,506
Financed revenue vehicles		109,431,765
Equipment		75,716,711
Intangibles		67,879,460
Total depreciable/amortized capital assets		<u>3,995,565,367</u>
Total capital assets		4,654,145,390
Less accumulated depreciation and amortization		<u>(1,764,524,099)</u>
Total capital assets, net depreciation and amortization		2,889,621,291
Amount recoverable - interlocal agreement		18,651,010
Other assets		31,897,229
Total Noncurrent Assets		<u><u>3,031,003,847</u></u>

TOTAL ASSETS	\$	<u><u>3,747,988,510</u></u>
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Readers wanting additional information should refer to the notes to the financial statements

STATEMENT OF NET POSITION (continued)

DEFERRED OUTFLOWS OF RESOURCES	
Advanced debt refunding - loss on refunding	\$ 93,512,404
Deferred outflows of resources related to pension	67,974,684
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>161,487,088</u>
LIABILITIES	
Current Liabilities:	
Accounts payable:	
Other	38,935,794
State of Utah	1,846,425
Lease	253,947
Accrued liabilities, primarily payroll-related	8,081,279
Current portion of compensated absences	10,629,671
Current portion of accrued interest	3,849,362
Current portion of interlocal loan	1,595,000
Current portion of long-term debt	78,980,238
Accrued self-insurance liability	1,567,267
Unearned revenues:	
Other	11,858,318
State of Utah	60,081,867
Total Current Liabilities	<u>217,679,168</u>
Long-Term Liabilities:	
Long-term compensated absences	4,748,411
Long-term deposits	49,007
Long-term lease payable	388,445
Long-term accrued interest	4,398,268
Interlocal loan	54,530,000
Long-term debt	2,237,433,835
Net pension liability	166,224,640
Total Long-term Liabilities	<u>2,467,772,606</u>
TOTAL LIABILITIES	<u>2,685,451,774</u>
DEFERRED INFLOWS OF RESOURCES	
Advanced debt refunding - gain on refunding	5,169,498
Deferred inflows of resources for leases	2,529,265
Deferred inflows of resources related to pension	522,594
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>8,221,357</u>
NET POSITION	
Net investment in capital assets	666,552,866
Restricted for:	
Debt service	25,973,657
Interlocal agreements	11,074,257
Self-insurance deposits	7,113,959
Unrestricted	505,087,728
TOTAL NET POSITION	<u>\$ 1,215,802,467</u>

Readers wanting additional information should refer to the notes to the financial statements

STATEMENT OF REVENUES, EXPENSES AND CHANGE IN NET POSITION

OPERATING REVENUES	
Passenger fares	\$ 33,499,144
Advertising	2,214,000
Total operating revenues	<u>35,713,144</u>
OPERATING EXPENSES	
Bus service	135,508,533
Rail service	121,262,026
Demand response service	33,431,955
Other service	3,509,781
Operations support	62,562,572
Administration	64,959,236
Impairment expense	6,358,030
Depreciation and amortization	142,059,366
Total operating expenses	<u>569,651,499</u>
EXCESS OPERATING EXPENSES OVER OPERATING REVENUES	<u>(533,938,355)</u>
NON-OPERATING REVENUES (EXPENSES)	
Contributions from other governments (sales tax)	480,925,766
Federal operating grants	215,063,965
Investment income	1,806,825
Reinvestment of proceeds from development agreements	19,368,007
Net gain on sale of capital assets	3,228,640
Other	11,692,301
Interest expense	(99,970,267)
Build America Bond subsidies	9,259,376
Net non-operating revenues	<u>641,374,613</u>
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS	<u>107,436,258</u>
CAPITAL CONTRIBUTIONS	
Federal grants	50,582,042
Local	30,992,114
Capital contribution	68,648
TOTAL CAPITAL CONTRIBUTIONS	<u>81,642,804</u>
CHANGE IN NET POSITION	<u>\$ 189,079,062</u>
Total Net Position, January 1 as restated (see Note 2W)	\$ 1,026,723,405
Total Net Position, December 31	\$ 1,215,802,467

Readers wanting additional information should refer to the notes to the financial statements

STATEMENT OF CASH FLOWS

Cash flows from operating activities:	
Passenger receipts	\$ 34,850,574
Advertising receipts	2,322,000
Other receipts	12,152,141
Payments to vendors	(173,079,152)
Payments to employees	(165,876,890)
Employee benefits paid	(71,391,094)
Net cash used in operating activities	(361,022,421)
Cash flows from noncapital financing activities:	
Sales tax receipts	481,715,011
Federal operating/maintenance grants	216,144,328
Net cash provided by noncapital financing activities	697,859,339
Cash flows from capital and related financing activities:	
Contributions for capital projects	
Federal	65,945,015
Local	43,094,324
Payments of bonds	(55,735,000)
Payments on interlocal loan	(1,545,000)
Build America Bond subsidies received	9,259,376
Bond Interest payments	(89,697,630)
Proceeds from financing agreements	33,735,811
Payment on financing agreements	(9,294,772)
Proceeds from leases	642,392
Purchases of capital assets	(160,977,054)
Proceeds from the sale of property	3,228,639
Net cash used in capital and related financing activities	(161,343,899)
Cash flows from investing activities:	
Interest on investments	1,806,825
Purchases of investments	(63,948,761)
Net cash used in investing activities	(62,141,936)
Net change in cash and cash equivalents	113,351,083
Cash and cash equivalents at beginning of year	321,840,442
Cash and cash equivalents at end of year	<u><u>\$ 435,191,525</u></u>

Readers wanting additional information should refer to the notes to the financial statements

STATEMENT OF CASH FLOWS (continued)

Reconciliation of Cash to the Statement of Net Position

Cash and cash equivalents at year end from statement of cash flows	\$ 435,191,525
Cash as reported on the Statement of Net Position	
Cash and cash equivalents	340,511,281
Restricted cash and cash equivalents	
Bonds funds	25,973,657
Escrow funds	68,706,587
Total cash and cash equivalents	<u><u>\$ 435,191,525</u></u>

Reconciliation of operating loss to net cash used in operating activities:

Operating loss	\$ (533,938,355)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	142,059,366
Impairment	6,358,030
Other nonoperating revenues	11,692,301
Changes in deferred outflow/inflow of resources and net pension liability:	
Deferred outflows of resources related to pension	(43,539,526)
Deferred inflows of resources related to pension	(22,266,766)
Net pension liability	<u>75,582,154</u>
Total changes in deferred outflow/inflow of resources and net pension liability	9,775,862
Changes in assets and liabilities:	
Accounts receivable	(2,632,100)
Parts and supplies inventories	(5,275,714)
Prepaid expenses	579,171
Accounts payable - Other and State of Utah	6,107,653
Accrued liabilities	2,791,935
Unearned revenue	<u>1,459,430</u>
Total changes in assets and liabilities:	3,030,375
Net cash used in operating activities	<u><u>\$ (361,022,421)</u></u>

Information about noncash investing, capital, and financing activities:

Change in fair value of investments	\$ (6,969,726)
Capital asset acquisitions in accounts payable and project retainage	7,578,816
Reinvestment of proceeds from development agreements	19,368,007

Readers wanting additional information should refer to the notes to the financial statements

STATEMENT OF FIDUCIARY NET POSITION

	<u>Pension and Other Employment Benefit Trust Funds</u>
ASSETS	
Cash in Bank	\$ 9,848,473
Cash in Utah State Treasury	488,591
Total Cash	<u>10,337,064</u>
Investments	
Global Equities	169,136,405
Fixed Income	66,188,689
Real Assets	14,928,117
Money Market	11,911,384
Total Investments	<u>262,164,595</u>
Prepaid Benefits	1,288,520
Deposits	104,795
Receivables	
Dividends Receivable	27,927
Accounts Receivable - Benefits	2,476
Accounts Receivable - Contributions	561,104
Total Receivables	<u>591,507</u>
TOTAL ASSETS	<u>274,486,481</u>
LIABILITIES	
Benefits Payable	22,190
Accounts Payable	4,534,614
TOTAL LIABILITIES	<u>4,556,804</u>
NET POSITION	
Restricted for:	
Pension	262,432,665
Benefits Other Than Pension	7,497,012
Total Net Position	<u>\$ 269,929,677</u>

Readers wanting additional information should refer to the notes to the financial statements and supplementary schedules

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

	<u>Pension and Other Employment Benefit Trust Funds</u>
ADDITIONS	
Employer Contributions	\$ 48,473,976
Participant Voluntary Contributions	530,903
Total Contributions	<u>49,004,879</u>
Net Investment Income	
Net Decline in Fair Value of Investments	(58,169,715)
Interest	188,815
Dividends	2,251,300
Total Investment Income	<u>(55,729,600)</u>
Less: Investment Expense	811,913
Net Investment Income	<u>(56,541,513)</u>
TOTAL ADDITIONS	<u>(7,536,634)</u>
DEDUCTIONS	
Monthly Benefits Paid	34,869,258
Lump Sum Distributions	8,033,740
Administrative Expense	694,889
TOTAL DEDUCTIONS	<u>43,597,887</u>
CHANGE IN NET POSITION	<u>(51,134,521)</u>
Total Net Position, January 1	<u>321,064,198</u>
Total Net Position, December 31	<u>\$ 269,929,677</u>

Readers wanting additional information should refer to the notes to the financial statements and supplementary schedules

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

A. Organization

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

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

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

The Authority is governed by a three-member full-time board of trustees. The Governor appoints nominees from the three appointing districts within the UTA service territory to serve as trustees. The names of the nominees are then forwarded to the Senate for confirmation. Once confirmed, an appointee is sworn in as a trustee. The trustees serve for a term of four (4) years. There is no limit to the number of terms a trustee may serve.

Utah Transit Authority also has a nine-member local advisory board. The local advisory board representation includes: three members appointed by the Salt Lake County council of governments; one member appointed by the Mayor of Salt Lake City; two members appointed by the Utah County council of governments; one member appointed by the Davis County council of governments; one member appointed by the Weber County council of governments; and one member appointed by the councils of governments of Tooele and Box Elder counties. Terms for local advisory board members are indefinite.

B. Reporting Entity

The accompanying financial statements include only the accounts and transactions of the Authority. Under the criteria specified in Statements No. 14, No. 39 and No. 84 the Authority has two component units that are fiduciary funds in the financial statements.

1. The Joint Insurance Trust is for current employee benefit premium to be held in trust until premiums are paid for the union employees of the Authority. Financial statements are included in the supplementary schedules. Separate financial statements are not created.
2. The Utah Transit Authority Employee Retirement Plan is a post-employment pension plan for all employees of the Authority. Financial statements are included in the supplementary schedules. Separate financial statements are not created.

The Authority is considered a component unit of State of Utah.

These conclusions regarding the financial reporting entity are based on the concept of financial accountability. The Authority is accountable for a separate employee pension from the Utah State Retirement System and jointly administers a joint insurance trust with the collective bargaining group that represents active union employees. Additionally, the Authority has considered the provisions of GASB No. 39 which follows the concept of economic independence. The Authority does not raise or hold economic resources for the direct benefit of another governmental units. Also, other governments do not have the ability to access economic resources held by the Authority. This is evidenced by the fact that the Authority is a legally and fiscally separate and distinct organization under the provision of the Utah State Code.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting

The Authority reports as a single enterprise fund and two additional fiduciary funds for its employee pension and joint insurance trust. These funds uses the accrual method of accounting and the economic resources measurement focus. Under this method, revenues are recognized when they are earned and expenses are recognized when they are incurred.

B. Standards for Reporting Purposes

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

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

C. Federal Operating Grants

Federal planning assistance, operating and preventive maintenance grants are received from the Federal Transit Administration (FTA) and are recognized as revenue and receivable during the period in which the related expenses are incurred and eligibility requirements are met.

D. Federal Grants for Capital Expenditures

The U.S. Department of Transportation, through contracts between the Authority and the FTA, provides federal funds of 3.6% to 100% of the cost of property, facilities and equipment acquired by the Authority through federal grants. Grant funds for capital expenditures are earned and recorded as capital contribution revenue when the capital expenditures are incurred, and eligibility requirements are met.

E. Classification of Revenues and Expenses

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



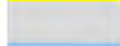

F. Contributions from Other Governments

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

Local Option Transportation Sales Tax in UTA's Service Area								
County	Mass Transit Tax (0.25% or 0.30%)*	Additional Mass Transit Tax (0.25%)	Mass Transit Fixed Guideway Tax (0.30%)	County Option Transportation Tax (0.25%)	County Airport, Highway, Public Transit Tax (0.10% or 0.25%)	4th Quarter (0.25%)	Supplemental State Sales & Use Tax (0.05%)	Local Option Transit (Up to 0.20%)
	1st "Quarter"	2nd "Quarter" Option	2nd "Quarter" Option	3rd "Quarter" Option	3rd "Quarter" Option	4th "Quarter"		5th "Quarter" (if all 4 Quarters imposed)
	MT UCA 59-12-2213	MA UCA 59-12-2214	MF UCA 59-12-2216	CT UCA 59-12-2217	HH UCA 59-12-2218	AT UCA 59-12-2219	SM UCA 59-12-2203	CP UCA 59-12-2220
Weber	0.25% (eligible for 0.30%)	0.25%	Ineligible	0.25%	Ineligible	0.25%	0.05%	Eligible
Davis	0.25% (eligible for 0.30%)	0.25%	Ineligible	0.25%	Ineligible	0.25%	0.05%	Eligible
Salt Lake	0.30%	0.25%	Ineligible	0.25%	Ineligible	0.25%	Ineligible	Eligible
Utah	0.25%	Ineligible	0.30%	Ineligible	0.25%	0.25%	Ineligible	Eligible
Tooele (six cities)	0.30%	Eligible	Ineligible	0.25%	Ineligible	0.25%	Ineligible	Currently ineligible
Box Elder (three cities)	0.30%	0.25%	Ineligible	Eligible	Ineligible	Eligible	Ineligible	Currently ineligible

May-20

Legend

	Eligible but hasn't been enacted yet, UTA has not received this tax
	Eligible but they've chosen not to give this tax to UTA, but instead contribute it for roads
	Ineligible
	Eligible & receiving this tax

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

Salt Lake County	0.7875%
Davis County	0.6500%
Weber County	0.6500%
Box Elder County	0.5500%
Utah County	0.6300%
Tooele County	0.6500%

G. Cash and Investments

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

H. Restricted Cash and Cash Equivalents

Restricted cash and cash equivalents are defined as funds restricted by legal requirement(s) outside of the Authority.

The Authority is required to place monthly deposits in trust for next year's principal and interest on the bonds and these funds are restricted per the bond covenants. \$ 25,973,657

The Authority has entered interlocal agreements with Box Elder County and Utah County to restrict a certain increment of sales taxes collected in their county for future service expansion and bond repayment-. 11,074,257

The Authority has issued bonds and leases in 2018, 2019, 2020, and 2021 for projects that are not complete to date and has entered into interlocal agreement to establish escrow accounts for specific projects. 68,706,587

The Authority is required to maintain certain accounts in connection with being self-insured in the State of Utah. 8,681,226

I. Designated Cash and Cash Equivalents

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

General reserve	\$ 72,100,000
Service sustainability reserve	12,017,000
Capital replacement reserve	46,541,454
Debt reduction reserve	30,000,000
Total designated cash and cash equivalents	<u>\$ 160,658,454</u>

- *Designated for general reserves* – This component of cash including the risk reserve, funded at a level equal to at least twelve percent (12%) of the Authority’s budgeted operating expense, excluding non-operating expense, to be used as a working capital account throughout the year. The Board has chosen to fund this reserve at eighteen percent (18%). The Treasurer will manage the use of the funds in the general operating reserve. (*Utah Transit Authority Board Policy No. 2.1 Financial Management*)
- *Designated for service sustainability reserves* - This component of cash consists of three percent (3%) of the Authority’s annual operating budget expenses for the purpose of preserving service levels when the Authority is facing a revenue shortfall or cost overrun due to extraordinary circumstances, such as an economic downturn or rapid rise in fuel prices or any combination of such events. The Board of Trustees must give its prior approval before funds in the bond reserve are used. (*Utah Transit Authority Board Policy No. 2.1 Financial Management*)
- *Designated for capital replacement reserves* – This component of cash consists of one percent (1%) of the property, facilities, and equipment cost as reported in the annual comprehensive financial report to be used for capital repair or replacement costs due to extraordinary circumstances. The Board of Trustees must give its prior approval before funds in the capital replacement reserve are used. (*Utah Transit Authority Board Policy No. 2.1 Financial Management*)
- *Designated for debt reduction reserves* – This component of cash consists of debt service savings from refunded bond issues. In April 2020, in accordance with the Board’s Policy No. 2.1 – Financial Management, the Board reaffirmed continuing the debt reduction reserve and the primary purpose to be primarily early retirement of outstanding debt.

J. Investments

Cash in excess of operating requirements is invested by the Treasurer. The Authority’s investments comply with the Utah Money Management Act.

K. Receivables

Receivables consist primarily of amounts due to the Authority from sales tax collections, federal grants, and local government partners, pass sales and investment income. Accounting reviews all receivables that age past 120 days and follows up on contract terms for payment. This minimizes credit risk exists related to these receivables and allows for no current provision for bad debts.

The Authority's lease receivables are measured at the present value of the lease payments expected to be received during the lease term. They are discounted using a 5% interest rate. Deferred inflows of resources are recorded for the leases at the initiation of each lease in an amount equal to the initial recording of the lease receivable adjusted for lease payments received at or before the lease commencement date. The deferred inflows of resources are amortized on a straight-line basis over the individual lease terms.

L. Parts and Supplies Inventories

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

M. Capital Assets

Capital assets include land and land improvements, right of way, buildings and building improvements, infrastructure, vehicles, equipment, intangibles, as well as any leased capital assets in these categories. Capital assets, other than infrastructure and intangible software, are defined by UTA policy as asset with an initial, individual cost of \$5,000 or more. Infrastructure capital assets are defined as assets with an initial, individual cost of \$50,000 or more. Intangible software capital assets are defined as assets with an initial, individual software license cost of \$10,000 or more, or \$100,000 or more per software. Right to Use capital assets are those with an initial lease payable value of at least \$10,000. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life, are not capitalized, but are charged to operating expense as incurred. Upon disposal of capital assets, the accounts are relieved of the related costs and accumulated depreciation, and the resulting gains or losses are reflected in the statement of revenues, expenses, and changes in net position.

Depreciation of capital assets is recorded using the straight-line method over the estimated useful lives of the assets. The exceptions to this are the intangible right to use leased assets which are amortized over the life of the lease.

Depreciable capital assets are assigned the following estimated useful lives:

	<u>Years</u>
Land improvements	10 to 20
Leasehold improvements	50
Building and building improvements	20 to 50
Infrastructure	5 to 75
Revenue service vehicles	4 to 35
Financed revenue service vehicles	4 to 14
Equipment	4 to 20
Intangible assets	
Software	5 to 10
Easements	20 to 50
Right to Use Leased Land	2 to 10
Right to Use Leased Buildings	2 to 6

N. Amount Recoverable – Interlocal Agreement

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

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

O. Other Assets

The Authority has entered into development agreements:

Thackeray Garn at South Jordan FrontRunner Station

In a prior year, \$1,500,000 of appraised land was transferred to the development for a percentage interest in future profits at the site.

STACK Real Estate at Jordan Valley TRAX Station

In January 2022, the Authority took actions with the developer to sell another phase of the development for an additional gain of \$20,816,913, bringing the current investment to \$5,259,958 in undeveloped land and \$23,556,995 of proceeds from completed phases of the development which were reinvested for a percentage interest in future profits at the site.

HPUTA East Village 3 LLC at Sandy TRAX Station

In a prior year, \$1,580,316 of land value was added to the development agreement for a percentage interest in future profits at the site.

P. Lease Payable

The Authority has entered into right to use leases for buildings and land. The Authority recognizes a lease liability and an intangible right-to-use lease asset. The Authority recognizes lease liabilities with an initial, individual value of \$10,000 or more. At the commencement of a lease, the Authority initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the Authority determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The Authority uses the interest rate charged by the holder of the current year finance purchase agreement that most closely matches the life of the lease.
- The lease term includes the noncancellable period of the lease.
- Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the Authority is reasonably certain to exercise.

The Authority monitors changes in circumstances that would require a remeasurement of its right to use lease assets and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Q. Compensated Absences

Vacation pay is accrued biweekly and charged to department's compensated absence expense as earned by employees.

Sick pay benefits are accrued biweekly by employees but are not considered compensable until an employee meets the requirements to vest in the pension. This typically occurs when an employee has 5 years of service and is at least 55 years of age. Compensated absences have a maximum for administration employees of 900 hours of sick, but there is no maximum number of hours for collectively bargained employees. Employees that do not retire at the end of their tenure at the Authority forfeit all sick leave, so compensated absences are reduced yearly to reflect those choices by employees.

R. Risk Management

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

Under the Governmental Immunity Act, the maximum statutory liability in any one accident is \$3 million for incidents occurring after May 1, 2019. The Authority carries an excess umbrella policy of \$10 million over a \$7 million self-insurance reserve. The Authority has Railroad Liability Coverage of \$100 million per annum with \$5 million of risk retention. The Authority is self-insured for worker's compensation up to the amount of \$1 million per incident and has excess insurance for claims over this amount. The Authority has insurance for errors and omissions and damage to property in excess of \$100,000 per annum.

S. Pensions

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

T. Net Position

The Authority's net position is classified as follows:

- *Net investment in capital assets:* This component of net position consists of the Authority's total investment in capital assets, net of accumulated depreciation and amortization, reduced by the outstanding debt obligations related to those assets. To the extent debt has been incurred, but not yet expended for capital assets, such amounts are not included as a component of net investment in capital assets.
- *Restricted for debt service:* This component of net position consists of the amount restricted by bond covenants for debt service.
- *Restricted for interlocal agreement:* This component of net position consists of the amounts restricted by interlocal agreements with Utah County and the municipalities of Willard, Perry and Brigham City in Box Elder County.
- *Self-insurance deposits:* This component of net position consists of the fund amount set aside for the Authority's self-insured programs.
- *Unrestricted:* This component of net position consists of that portion of net position that does not meet the definition of restricted or net investment in capital assets. When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first, then unrestricted resources as they are needed.

U. Deferred Outflows of Resources

Deferred outflows of resources are reported in a separate section, immediately following assets in the Statement of Net Position. Deferred outflows of resources represent a consumption of resources that benefit future periods and will be recognized in future periods as an expense when they are used. The Authority has the following deferred outflows of resources:

- Deferred loss on refunding
- Deferred outflows of resources related to pensions

V. Deferred Inflows of Resources

Deferred inflows of resources are reported in a separate section, immediately following liabilities in the Statement of Net Position. Deferred inflows of resources represent an acquisition of resources that will be used in future periods and will be recognized in future periods as a revenue. The Authority has the following deferred inflows of resources:

- Deferred gain on refunding
- Deferred inflows for leases
- Deferred inflows of resources related to pensions

W. Implemented Accounting Pronouncements

GASB Statement 99

Omnibus 2022

The requirements in paragraph 26-32 are effective upon issue.

No effect on the Authority's financial statements as a result of adoption.

GASB Statement 87

Leases

Takes effect for reporting periods beginning after June 15, 2021.

This new accounting standard modified the definitions of what is considered a capital lease agreement, introduced "right-to-use", or leased assets, as a new capital asset category, and requires lessees to record a lease liability and corresponding leased asset at the net present value of the future lease payments over the term of the agreement, including any options for renewal that are reasonably certain will be exercised. Similarly, lessors are required to recognize a lease receivable and deferred inflow of resources for applicable lease agreements. Lease agreements where the title to the underlying asset transfers to the lessee at the end of the contract are now reported as a financed purchase.

Implementation of the lessor requirements of this standard resulted in additions of beginning balance of other current assets, long-term lease receivable and related deferred inflows of resources. See note 5. Implementation of the lessee requirement of this standard resulted in additions of beginning balances for right to use Land, right to use Buildings and Accumulated Depreciation/Amortization. See note 4.

UTAH TRANSIT AUTHORITY
 NOTES TO THE FINANCIAL STATEMENTS
 Year Ended December 31, 2022

The change in net position due to this statement is an increase of \$302,822.

	Beginning Balance, as previously reported 12/31/22	Restatement due to GASB 87 Implementation	Beginning Balance, as restated 01/01/22
Net Position	\$ 1,026,420,583	302,822	1,026,723,405

GASB Statement 91
Conduit Debt Obligations

Takes effect for reporting periods beginning after December 15, 2021.
 No effect on the Authority's financial statements.

GASB Implementation Guide No. 2019-3
 Takes effect for reporting periods beginning after June 15, 2021.
 No effect on the Authority's financial statements.

GASB Statement 92
Omnibus 2020
 Takes effect for reporting periods beginning after June 15, 2021.
 No effect on the Authority's financial statements.

GASB Statement 97
Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 deferred Compensations Plans
 Takes effect for reporting periods beginning after June 15, 2021
 No effect on the Authority's financial statements.

GASB Implementation Guide No. 2020-1
 Takes effect for reporting periods beginning after June 15, 2021.
 No effect on the Authority's financial statements.

X. Future Accounting Pronouncements

GASB Statement 94
Public-Private and Public-Public Partnerships and Availability Payment Arrangements
 Takes effect for reporting periods beginning after June 15, 2022.
 The Authority has not yet determined the impact of this statement on the financial statements.

GASB Statement 96
Subscription-Based Information Technology Arrangements
 Takes effect for reporting periods beginning after June 15, 2022
 The Authority has not yet determined the impact of this statement on the financial statements.



GASB Statement 99

Omnibus 2022

The requirements in paragraph 11-25 are effective for fiscal years beginning after June 15, 2022. The requirements in paragraph 4-10 are effective for fiscal years beginning after June 15, 2023.

The Authority has not yet determined the impact of this statement on the financial statements.

GASB Implementation Guide No. 2021-1

Takes effect for reporting periods beginning after June 15, 2022, except question 4.22 for fiscal years beginning after June 15 2021 and Question 5.1 for reporting periods after June 15, 2023.

No effect or expected effect on the Authority's financial statements.

GASB Statement 100

Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62

Takes effect for reporting periods beginning after June 15, 2023

The Authority has not yet determined the impact of this statement on the financial statements.

GASB Statement 101

Compensated Absences

Takes effect for reporting periods beginning after December 15, 2023

The Authority has not yet determined the impact of this statement on the financial statements.

UTAH TRANSIT AUTHORITY
 NOTES TO THE FINANCIAL STATEMENTS
 Year Ended December 31, 2022

NOTE 3 - CASH AND CASH EQUIVALENTS

Unrestricted Cash and Investments

Consisting of the following as of December 31, 2022

Zions Bank	\$	28,915,775
Cash on Hand		254,051
Public Treasurers Investment Fund (PTIF)		311,341,455
Total Cash and Cash Equivalents		<u>340,511,281</u>
Chandler Investments		<u>195,865,777</u>
Total Unrestricted Cash and Investments	\$	<u><u>536,377,058</u></u>

Restricted Cash and Investments

Consisting of the following as of December 31, 2022

Bond Funds (Zions Bank)	\$	25,973,657
Escrow Funds		
Chase Lease	\$	8,068,259
Bank of America Lease (PTIF)		33,782,299
Bond Proceeds (Zions Bank)		<u>26,856,029</u>
		68,706,587
Interlocal Agreements		
Box Elder (PTIF)	\$	2,923,424
Utah County (Chandler Investment)		<u>8,150,833</u>
		11,074,257
Self Insurance Deposits		
Zions Risk Account	\$	(288,858)
Self Insurance (Chandler Investment)		7,885,431
Catastrophic (Chandler Investment)		<u>1,084,653</u>
		8,681,226
Total Restricted Cash and Investments		<u><u>114,435,727</u></u>
Total Unrestricted and Restricted Cash and Investments	\$	<u><u>650,812,785</u></u>

	Unrestricted	Restricted	Total
US Government Issues	\$ 167,341,880	\$ 14,178,362	\$ 181,520,242
Money Market	14,688,030	1,111,198	15,799,228
Corporate Issues	13,835,867	1,831,357	15,667,224
Total Investments	<u>\$ 195,865,777</u>	<u>\$ 17,120,917</u>	<u>\$ 212,986,694</u>



Cash Deposits

All cash not on hand at the Authority is maintained in qualified public depositories.

Investments

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

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

At December 31, 2022, the balance in the Authority's bank demand deposit accounts and certificate of deposit accounts according to the bank statements totaled \$37,306,950 of which \$250,000 was covered by Federal depository insurance.

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

The Authority is authorized to invest in the Utah Public Treasurers' Investment Fund (PTIF), an external pooled investment fund managed by the Utah State Treasurer and subject to the Act and Council requirements. The pooled investment fund is fixed-rate corporate obligations and variable rate securities rated "A" or higher, or the equivalent of "A" or higher, by two nationally recognized statistical rating organizations. The PTIF is not registered with the SEC as an investment company and deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah. The PTIF operates and reports to the participants on an amortized cost basis. The income, gains and losses, net of administration fees of the PTIF are allocated based upon the participants' average daily balances.

UTAH TRANSIT AUTHORITY
 NOTES TO THE FINANCIAL STATEMENTS
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- *Concentration of Credit Risk* - To minimize credit risk, the Authority looks to diversify the investments with any one issuer. All corporate investments are less than 1% of the total investment and do not represent a concentration of credit risk to the portfolio as of December 31, 2022. A concentration of credit risk does exist with the FCCB and FHLB investments, in US Agencies, which represent 10.58% and 10.89% of the total investment, respectively.
- *Interest Rate Risk* - Interest rate risk is the risk that changes in the interest rates will adversely affect the fair value of an investment. The Authority manages its exposure by strictly complying with its Investment Policy which complies with the Act. The Authority's policy relating to specific investment-related risk is to adhere to the Act. The Act requires that the remaining term to maturity of investments may not exceed the period of availability of the fund to be invested.
- The following are the Authority's investment as of December 31, 2022:

Investment	Moody/S&P/Fitch Credit Quality (Rating)	Amount	Credit Exposure as a % of Total Investment
Corporate Bonds			
American Honda Finance Corp Maturity	A3/A-/A	\$ 1,760,071	0.83%
Apple Inc Maturity	Aaa/A+/NR	669,600	0.31%
Bank of America Corp Maturity	A2/A-/AA-	2,174,260	1.02%
Bank of New York Mellon Corp	A1/A-/AA-	118,169	0.06%
Canadian Imperial Bank	A2/A-/AA-	1,351,512	0.63%
Caterpillar Financial Svcs Mtns Maturity	A2/BBB+/A	2,158,065	1.01%
Citigroup Inc Maturity	A3/BBB+/A	699,447	0.33%
Goldman Sachs Group Inc Maturity	A2/BBB+/A	1,400,700	0.66%
Jackson National Life Global Maturity	A2/A/NR	750,023	0.35%
John Deere Capital Corp Maturity	A2/BBB+/A	1,662,246	0.78%
Met Tower Global Funding Maturity	Aa3/AA-/AA-	500,010	0.23%
Morgan Stanley	A1/A-/A+	114,764	0.05%
National Rural Utilities Callable Note	A1/A/AA-	241,668	0.11%
Pfizer Inc	A1-/A+/A	167,829	0.08%
Realty Income Corp	A3/A-/NR	119,196	0.06%
Toyota Motor Credit Corp	A1/A+/A+	133,448	0.06%
Truist Bank Maturity	A2/A-/AA-	1,646,216	0.77%
US Agencies			
F H L M C M T N Maturity > 1YR	Aaa/AA+/AAA	1,313,451	0.62%
F N M A Maturity > 1YR	Aaa/AA+/AAA	2,849,970	1.34%
Federal Farm Credit Banks Maturity	Aaa/AA+/AAA	22,534,161	10.58%
Federal Home Loan Banks Maturity	Aaa/AA+/AAA	23,203,806	10.89%
US Treasury Note Maturity < 1YR		16,828,757	7.90%
US Treasury Note Maturity > 1YR		114,790,097	53.90%
Total Corporate Bonds/US Agencies Investments		\$ 197,187,466	92.58%



UTAH TRANSIT AUTHORITY
 NOTES TO THE FINANCIAL STATEMENTS
 Year Ended December 31, 2022

Investments	Less than 1 year	1-5 years	6-10 years	Total
U.S. Agencies/Taxable US Govt Bonds	\$ 25,127,557	\$ 154,117,919	\$ 2,274,766	\$ 181,520,242
Corporate Bonds	15,667,224	-	-	15,667,224
Money Market	15,799,228	-	-	15,799,228
	<u>\$ 56,594,009</u>	<u>\$ 154,117,919</u>	<u>\$ 2,274,766</u>	<u>\$ 212,986,694</u>

- *Fair Value of Investments* – The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3).

The three levels of the fair value hierarchy under GASB Statement 72 are described as follows:

Level 1: Inputs are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date. Examples of markets in which inputs might be observable include exchange markets, dealer markets, brokered markets and principal-to-principal markets.

Level 2: Inputs include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in markets that are not active;
- Inputs other than quoted prices that are observable for the asset or liability such as:
 - Interest rates and yield curves observable at commonly quoted intervals
 - Implied volatilities
 - Credit spreads
- Market-corroborated inputs.

If the asset or liability has a specified (contractual) term, the Level 2 input is required to be observable for substantially the full term of the asset or liability.

Level 3: A government should develop Level 3 inputs using the best information available under the circumstances, which might include the government’s own data. In developing unobservable inputs, a government may begin with its own data, but it should adjust those data if (a) reasonably available information indicates that other market participants would use different data or (b) there is something particular to the government that is not available to other market participants.

The Authority invests with Chandler Investments, this organization meets the requirements of the Utah Money Management Act. The following are the Authority’s investments as of December 31, 2022 by fair value measurement:

UTAH TRANSIT AUTHORITY
 NOTES TO THE FINANCIAL STATEMENTS
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	12/31/2022	Fair Value Measurements		
		Level 1	Level 2	Level 3
Chandler Investments				
U.S. Government Issues	\$ 181,520,242	\$ -	\$ 181,520,242	\$ -
Corporate Bonds	15,667,224	-	15,667,224	-
Money Market	15,799,228	15,799,228	-	-
Total Investments by Fair Value Level	<u>\$ 212,986,694</u>	<u>\$ 15,799,228</u>	<u>\$ 197,187,466</u>	<u>\$ -</u>



UTAH TRANSIT AUTHORITY
 NOTES TO THE FINANCIAL STATEMENTS
 Year Ended December 31, 2022

NOTE 4 - CAPITAL ASSETS

	Balance 1/1/2022 as restated	Increases	Transfers	Decreases	Balance 12/31/2022
Capital assets not being depreciated/amortized					
Land	\$ 411,342,949	\$ 6,410,477	\$ -	\$ (1,448,906)	\$ 416,304,520
Construction in Progress	203,927,118	147,509,708	-	(109,161,323)	242,275,503
Total capital assets not being depreciated/amortized	615,270,067	153,920,185	-	(110,610,229)	658,580,023
Capital assets being depreciated/amortized					
Land Improvements	178,487,488	15,444,902	8,440,484	-	202,372,874
Leasehold Improvements	94,958,804	-	(685,328)	(10,270)	94,263,206
Buildings and Building Improvements	203,911,043	11,087,417	(17,103,301)	(10,348)	197,884,811
Infrastructure	2,508,863,889	37,772,992	-	(16,726,847)	2,529,910,034
Revenue Vehicles	748,886,006	10,288,168	3,001,917	(44,069,585)	718,106,506
Financed Revenue Vehicles	87,967,286	27,442,044	(3,312,567)	(2,664,998)	109,431,765
Equipment	66,816,219	4,808,827	5,958,445	(1,866,780)	75,716,711
Intangibles					
Software	41,873,848	3,291,833	685,327	-	45,851,008
Easements	10,801,351	-	-	-	10,801,351
Other Intangibles	3,736,782	4,570,000	3,015,023	(1,436,215)	9,885,590
Right to Use Leased Buildings*	473,030	-	-	-	473,030
Right to Use Leased Land*	868,481	-	-	-	868,481
Total capital assets being depreciated/amortized	3,947,644,227	114,706,183	-	(66,785,043)	3,995,565,367
Less: Accumulated depreciation/amortization					
Land Improvements	(97,929,098)	(14,524,097)	42,198	-	(112,410,997)
Leasehold Improvements	(7,479,207)	(2,195,067)	-	-	(9,674,274)
Buildings and Building Improvements	(95,372,007)	(383,535)	3,461,201	-	(92,294,341)
Infrastructure	(934,473,273)	(76,847,703)	-	15,732,538	(995,588,438)
Revenue Vehicles	(434,407,134)	(25,942,596)	(2,511,855)	33,147,125	(429,714,460)
Financed Revenue Vehicles	(22,919,861)	(9,749,794)	2,802,758	101,423	(29,765,474)
Equipment	(57,519,921)	(3,987,549)	(2,200,907)	732,581	(62,975,796)
Intangibles					
Software	(19,217,183)	(7,561,219)	-	-	(26,778,402)
Easements	(861,903)	-	-	-	(861,903)
Other Intangibles	(3,435,028)	(475,136)	(1,593,395)	1,436,215	(4,067,344)
Right to Use Leased Buildings*	-	(102,385)	-	-	(102,385)
Right to Use Leased Land*	-	(290,285)	-	-	(290,285)
Total accumulated depreciation/amortization	(1,673,614,615)	(142,059,366)	-	51,149,882	(1,764,524,099)
Capital assets being depreciated/amortized, net	2,274,029,612	(27,353,183)	-	(15,635,161)	2,231,041,268
Total capital assets, net	\$ 2,889,299,679	\$ 126,567,002	\$ -	\$ (126,245,390)	\$ 2,889,621,291

*Balances as of January 1, 2022 were restated upon implementation of GASB 87.

UTAH TRANSIT AUTHORITY
 NOTES TO THE FINANCIAL STATEMENTS
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Depreciation/Amortization expense by mode that mirrors the Statement of Revenues, Expenses, and Changes in Net Position.

Depreciation/Amortization Expense by mode	
Bus service	\$ 21,019,639
Rail service	\$ 111,483,233
Demand response service	\$ 5,123,427
Other service	\$ 4,433,067
	<u>\$ 142,059,366</u>

An impairment analysis was performed at the end of 2022 to identify any assets no longer being used for their intended purpose, removed from service due to emission issues, or transit route changes. The impairment expense is shown below:

Impairment Expense	
Vehicles with Emission Issues	\$ 3,397,822
Building Not in Use	373,918
Infrastructure Not In Use	2,218,772
Bus Shelters Not In Use	367,518
Total	<u>\$ 6,358,030</u>

During 2022, UTA evaluated its leases and capital assets related to GASB Statement 87. As a result, this evaluation has led to a change in some of the asset categories and intangible assets for right to use leased buildings and land of \$473,030 and \$868,481, respectively, were recorded for assets identified as right to use lease assets in accordance with GASB 87.

NOTE 5 - LEASE ACTIVITIES

A. Lessee Activities

The Authority has entered into several lease agreements with third parties for the right to use buildings and land. A lease liability is recorded at the inception of the lease.

The following is a summary of the Authority's lease activity during the year ended 2022:

	Balance as of 01/01/2022 as restated	Additions	Deletions	Balance as of 12/31/2022	Due in less than a year
Buildings	\$ 386,240	\$ -	\$ (77,194)	\$ 309,046	\$ 80,122
Land	521,147	-	(187,801)	333,346	173,825
Total Lease Payable	\$ 907,387	\$ -	\$ (264,995)	\$ 642,392	\$ 253,947



UTAH TRANSIT AUTHORITY
 NOTES TO THE FINANCIAL STATEMENTS
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The future principal and interest payments related to these leases are as follows:

	Interest	Principal	Total
Buildings			
2023	\$ 3,098	\$ 80,122	\$ 83,220
2024	2,236	62,140	64,376
2025	1,460	64,386	65,846
2026	730	53,380	54,110
2027	115	41,519	41,634
2028	0	7,499	7,499
Total for Buildings	\$ 7,639	\$ 309,046	\$ 316,685
Land			
2023	\$ 2,780	\$ 173,825	\$ 176,605
2024	1,260	79,452	80,712
2025	928	20,247	21,175
2026	699	20,571	21,270
2027	470	17,900	18,370
2028-2032	1,140	17,338	18,478
2033	19	4,013	4,032
Total for Land	\$ 7,296	\$ 333,346	\$ 340,642
Total liability	\$ 14,935	\$ 642,392	\$ 657,327

B. Lessor Activities

The Utah Transit Authority, the "Authority", has entered into several lease agreements for third parties to use Authority land and buildings. A lease receivable and a deferred inflow of resources is recognized at the commencement of the lease.

	Balance as of 01/01/2022 as restated	Additions	Reductions	Balance as of 12/31/2022	Due in less than one year
Buildings	\$ 167,107	\$ -	\$ (108,398)	\$ 58,709	\$ 35,886
Land	2,805,026	97,413	(364,762)	2,537,677	188,253
Total Lease Receivable	\$ 2,972,133	\$ 97,413	\$ (473,160)	\$ 2,596,386	\$ 224,139

UTAH TRANSIT AUTHORITY
 NOTES TO THE FINANCIAL STATEMENTS
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The future principal and interest proceeds related to leases are as follows:

	Interest	Principal	Total
Buildings			
2023	\$ 1,412	\$ 35,886	\$ 37,298
2024	801	7,232	8,033
2025	410	7,600	8,010
2026	1	7,991	7,992
Total for Buildings	\$ 2,624	\$ 58,709	\$ 61,333
Land			
2023	\$ 120,847	\$ 188,253	\$ 309,100
2024	114,107	162,219	276,326
2025	108,291	95,121	203,412
2026	104,220	79,478	183,698
2027	102,238	19,969	122,207
2028-2032	508,473	15,331	523,804
2033-2037	504,480	12,435	516,915
2038-2042	501,702	12,282	513,983
2043-2047	498,231	15,748	513,979
2048-2052	494,053	19,920	513,973
2053-2057	488,242	24,508	512,750
2058-2062	481,309	31,441	512,750
2063-2067	472,411	40,339	512,750
2068-2072	461,246	51,504	512,750
2073-2077	446,338	66,412	512,750
2078-2082	427,524	85,226	512,750
2083-2087	403,376	109,374	512,750
2088-2092	372,582	140,168	512,750
2093-2097	332,590	180,160	512,750
2098-2102	281,350	231,400	512,750
2103-2107	215,931	296,819	512,750
2108-2112	131,842	380,908	512,750
2113-2116	28,988	278,662	307,650
Total Land	\$ 7,600,371	\$ 2,537,677	\$ 10,138,047

NOTE 6 – FEDERAL FINANCIAL ASSISTANCE

The Authority receives a portion of its funding from the through the U.S. Department of Transportation’s Federal Transit Administration (FTA) in the form of federal preventative maintenance, federal operating assistance, and federal capital assistance grants. The majority of these grants require the Authority to participate in the funding of the service and/or capital project. The FTA retains ownership in assets purchased with federal funds.

Operating Assistance		
Federal Preventive Maintenance Grants	\$	47,248,035
Federal Operating Assistance – ARPA Grant		167,791,391
Federal Operating Assistance – CRRSAA Grant		24,539
		<u>215,063,965</u>
Capital Projects		
Federal Capital Projects		<u>50,582,042</u>
Total Federal Assistance	\$	<u>265,646,007</u>

NOTE 7 – SELF-INSURANCE CLAIMS LIABILITY

Changes in the accrued claims liability in 2022, 2021 and 2020 were as follows:

	Beginning liability	Claims incurred and changes in estimates	Claim payments	Ending liability
2022	\$ 1,061,173	\$ 3,590,181	\$ (3,084,087)	\$ 1,567,267
2021	1,017,333	4,032,321	(3,988,481)	1,061,173
2020	862,650	2,481,986	(2,327,303)	1,017,333

There were no significant reductions in coverage from prior years. As show in the table above there were no instances in the past 3 years where settlements exceeded insurance coverage. Please refer to Note 2, Section Q for liability limits.

The Authority’s Self-Insurance and Worker’s Compensation plans are fully funded. Losses are charged to operations as incurred. The liability for unpaid losses for self-insurance is determined using case-basis evaluations. Claims liabilities include allocated loss adjustment expenses and are reported net of estimated claims. Due to limited historical experience of the Utah Transit Authority’s Self-Insurance and Worker’s Compensation, there exists a significant range of variability around the best estimate of the ultimate cost of setting all unpaid claims. Accordingly, the amount of the liability for unpaid losses and related liabilities and the related provisions included in financial statements may be more or less than the actual cost of settling all unpaid claims. Adjustments to claim liabilities are made annually, based on subsequent developments and experience, and are included in operations as made.

NOTE 8 – PENSION PLANS

A. General Information

Defined Compensation Plan

The 457 Deferred Compensation Plan is offered by the Authority to its employees. The plan was created in accordance with Internal Revenue Code Section 457. The plan is available to all employees on a voluntary basis and permits them to defer a portion of their salaries until future years. The Authority will match \$2 for every \$3 the employee contributes up to 2% of the employee's annual salary. In 2022 the Authority contributed \$2,377,240. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

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

Defined Contribution Plan

The 401a Defined Contribution Plan is offered by the Authority to provide reasonable retirement security for select employees. The plan was created in accordance with Internal Revenue Code Section 401(a). The plan is available to the Board of Directors, the Executive Director, and the Chief Officer positions as an alternative to the Authority's current pension plan. The Authority will contribute 15.5% of the annual salary of each Trustee who has elected this option. In 2022 the Authority contributed \$102,301. The Defined Contribution plan is not available to employees until termination, retirement, death, or unforeseeable emergency.

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

Retiree Medical Account

A Retiree Medical Account (RMA) is offered by the Authority to its employees. The plan was created in accordance with Internal Revenue Code Section 401(h). The plan is available to all collective bargaining employees at the start of employment and permits the Authority to contribute 1.33 hours of personal time per pay period to a defer tax account until retirement years. The Authority also allows the remaining employees at the end of their employment to create an account to defer taxes on their final pay out of unused sick leave upon retirement into a retiree medical account. In 2022 the Authority contributed \$657,688. The deferred medical funds are not available to employees until termination, retirement, or death and can only be used for medical expenses with tax penalty.

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

Defined Benefit Plan

The Utah Transit Authority Employee Retirement Plan is a single employer non-contributory defined benefit pension plan which includes all employees of the Authority who are eligible and who have completed six months of service. The Plan is a qualified government plan and is not subject to all of the provisions of ERISA.

As a defined benefit pension plan, the Authority contributes such amounts as are necessary, on an actuarially determined basis, to provide assets sufficient to meet the benefits to be paid. Required employee contributions were discontinued effective June 1, 1992. Participants may make voluntary contributions as described below. Interest on existing account balances is credited at 5% per year.

Although the Authority has not expressed any intention to do so, the Authority has the right under the Plan to discontinue its contributions at any time and to terminate the Plan. In the event the Plan terminates, the trustee will liquidate all assets of the Plan and will determine the value of the trust fund as of the next business day following the date of such termination. The trustee will allocate assets of the Plan among the participants and beneficiaries as required by law.

As of February 2016, U.S. Bank began serving as the administrator and custodian of the Plan, with Cambridge Associates, LLC (CA) serving as a third-party investment manager.

B. Reporting

The Plan is administered by the Pension Committee that consists of nine (9) members, seven (7) appointed by the Authority and two (2) appointed by the Amalgamated Transit Union Local 382 in accordance with a collective bargaining agreement. The members of the Pension Committee may (but need not) be participants in the Plan. In the absence of a Pension Committee, the Plan Administrator assumes the powers, duties and responsibilities of the Pension Committee with respect to the administration of the Plan.

C. Membership

The Plan's membership consisted of the following:

Active Participants	January 1, 2022
Fully Vested	1,623
Partially Vested	-
Not Vested	848
Inactive Participants Not Receiving Benefits	479
Retirees and Beneficiaries Receiving Benefits	776
Total	<u>3,726</u>



D. Benefit Terms

Retirement Benefits

Employees with five or more years of service are entitled to annual pension benefits beginning at normal retirement age 65, or any age with 37.5 years of service in the Plan.

For administration participants who began participating in the Plan prior to January 1, 1994, the annual benefit is based on a retirement benefit formula equal to:

- 2.3% of average compensation multiplied by the participant's years of service (not exceeding 20 years), plus
- 1.5% of the average compensation multiplied by the participant's years of service in excess of 20 years (but such excess not to exceed 9 years of service), plus
- 0.5% for one year plus 2.0% for years in excess of 30 years not to exceed 75% of average compensation.

For all other active participants, the annual benefit is based on a retirement benefit formula equal to:

- 2.0% of average compensation multiplied by the participant's years of service (not to exceed 37.5 years or 75% of average compensation).

Upon termination of employment, members may leave their retirement account intact for future benefits based on vesting qualification or withdraw the accumulated funds in their individual member account and forfeit service credits and rights to future benefits upon which the contributions were based.

If employees terminate employment before rendering three years of service, they forfeit the right to receive their non-vested accrued plan benefits.

Early Retirement Benefits

The Plan allows for early retirement benefits if the participant has not reached the age of 65 but is at least age 55 with a vested benefit. Benefits under early retirement are equal to the value of the accrued pension, if the participant had retired at the age of 65, reduced 5% per year if the payments begin before age 65.

Disability Benefits

The Plan allows for disability benefits. A member who becomes permanently disabled after 5 years of service will immediately receive the greater of the actuarially-reduced monthly accrued benefit or \$90 per month, reduced by any Authority sponsored disability plans. Payment of the disability benefit ends at age 65.

Death Benefits

If a participant's death occurs before age 55, but after 5 years of service, the present value of the participant's accrued vested benefit is payable to the participant's beneficiary in the form of a single lump sum regardless of the amount.

If a participant's death occurs after age 55 and 5 years of service, the participant's beneficiary can elect to receive a benefit equal to the greater of:

- 1) A survivor's pension as if the participant had retired on the date before the death with a 100% joint and survivor annuity in effect, or
- 2) The present value of the survivor's pension, or
- 3) If a spouse of 2 or more years or a minor child, the participant's contribution with interest, plus 50% of the average compensation, payable in the form of a lump sum, or
- 4) A 10-year term certain.

A participant may elect a joint and survivor annuity with 100%, 75% or 50% to be continued to the beneficiary upon the death of the participant.

Lump Sum Distributions

Payment in a lump sum, regardless of amount, may be made with the participant's written consent. Effective September 1, 2012, a participant who has not previously received benefits may elect a partial lump sum payment with the remaining part to be paid in the same manner as the traditional annuity.

During 2022, 45 participants elected to receive their benefit in the form of lump sum distribution. Lump sum distributions collectively totaled \$8,033,740. Individuals are removed from the Plan's membership if they choose to take all of their benefit as a lump sum distribution.

E. Contributions

Employer Contribution Requirements

Contributions are received from the Authority in the amount determined by the Pension Committee and approved by the Board of Trustees based on funding levels recommended by the Plan's actuary. The contribution rate for 2022 was 16.3% of employee salaries.

Participant Voluntary Contributions

A participant who is vested in the Plan may make voluntary contributions into the Plan, and transfer funds from the Employee 457 Deferred Compensation Plan, for the purpose of purchasing "permissive service credit" (as defined in Internal Revenue Code Section 415(N)(3)(A)), in the Plan. No more than 5 years of "permissive service credit" may be purchased. Any purchase of "permissive service credit" must be made in the final year of employment with the Authority.

F. Method of Accounting

The Plan prepares its financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America, under which benefits and expenses are recognized when due and payable and revenues are recorded in the accounting period in which they are earned and become measurable in accordance with the terms of the Plan. Accordingly, the valuation of investments is shown at fair value and both realized and unrealized gains (losses) are included in net appreciation and depreciation in fair value of investments.

The plan reports in accordance with the requirements of GASB 67.

UTAH TRANSIT AUTHORITY
 NOTES TO THE FINANCIAL STATEMENTS
 Year Ended December 31, 2022

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

Net pension liability

At December 31, 2022, the Authority reported a net pension liability of \$166,224,640. The net pension liability was measured as of December 31, 2022 and was determined by an actuarial valuation as of January 1, 2022 and rolled-forward using updated procedures.

Date	Total Pension Liability	Plan Fiduciary Net Position	Employers Net Pension Liability/(Asset)	Plan Fiduciary Net Position as a Percentage of the Total Plan Liability	Projected Covered Payroll	Net Position Liability as a Percentage Of Covered Payroll
12/31/2022	\$ 428,657,305	\$ 262,432,665	\$ 166,224,640	61.22%	\$ 160,831,897	103.35%

Deferred outflows of resources and deferred inflows of resources

At December 31, 2022, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	\$ (522,594)	\$ 11,884,308
Change of Assumptions	-	11,651,814
Net difference between projected and actual earnings	-	44,438,562
Total	\$ (522,594)	\$ 67,974,684

UTAH TRANSIT AUTHORITY
 NOTES TO THE FINANCIAL STATEMENTS
 Year Ended December 31, 2022

Pension expense

For the year ended December 31, 2022, the Authority recognized pension expense of \$36,908,379. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year ending December 31,	Amount
2023	\$ 11,913,246
2024	15,879,307
2025	18,573,236
2026	19,041,501
2027	1,765,689
Thereafter	279,111
Total	\$ <u>67,452,090</u>

Actuarial methods and assumptions

The total pension liability in the January 1, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary Increases	7.00% per annum for the first five (5) years of employment; 4.00% per annum thereafter
Investment rate of return	6.75%, net of investment expenses
Mortality	RP-2014 Blue Collar Mortality Table, with MP-2014 Project Scale (Pre-retirement; Employee Table; Post-retirement Annuitant Table)
Bond Buyer General Obligation 20-Bond Municipal Bond Index	3.72%

The actuarial assumptions used in the January 1, 2022 valuation were based on the results of an actuarial experience study for the five year period ending December 31, 2008.

Actuarial valuation of the Plan involves estimates of the reported amounts and assumptions about the probability of occurrence of events into the future. Examples include assumptions about future mortality and future salary increases. Amounts determined regarding the net pension liability are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The last experience study was performed for the five consecutive calendar years ending December 31, 2008.

- Actuarial Cost Method - Entry Age Normal
- Employer Annual Payroll Growth Including Inflation - 4.00%
- Retirement Age - Table of rates by age and eligibility
- Cost of Living Adjustments - None
- Percent of Future Retirements Electing Lump Sum - 20%

Discount rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed contribution rates as recommended by the Authority's Pension Committee and approved by the Board of Trustees. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive participants. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

In accordance with GASB 67 regarding the disclosure of the sensitivity of the net pension liability to changes in the discount rate, the table below presents the net pension liability using the discount rate of 6.75%, as well as what the net pension liability would be if it were calculated using a discount rate 1.00% lower (5.75%) or 1.00% higher (7.75%) than the current rate.

The following sensitivity analysis assumes rate volatility of plus and minus one percent of the discount rate of 6.75%.

	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
Net pension liability	\$ 228,033,133	\$ 166,224,640	\$ 115,355,462

Schedule of changes in total pension liability, plan fiduciary net position, and net pension liability

UTAH TRANSIT AUTHORITY
 NOTES TO THE FINANCIAL STATEMENTS
 Year Ended December 31, 2022

The following table shows the change to the total pension liability, the plan fiduciary net position, and the net pension liability during the year.

	Increase (Decrease)		
	Total Pension Liability [a]	Plan Fiduciary Net Position [b]	Net Pension Liability [a]-[b]
Balances as of January 1, 2021	\$ 405,251,222	\$ 314,608,736	\$ 90,642,486
Charges for the year			
Service cost	12,293,940	-	12,293,940
Interest on total pension liability	27,443,651	-	27,443,651
Differences between expected and actual experience	(621,195)	-	(621,195)
Changes of assumptions	6,482,520	-	6,482,520
Employer contributions	-	27,132,518	(27,132,518)
Member voluntary contributions	116,525	116,525	-
Net investment income	-	(56,561,527)	56,561,527
Benefit payments	(22,309,358)	(22,309,358)	-
Administrative expenses	-	(554,229)	554,229
Balance as of December 31, 2022	<u>\$ 428,657,305</u>	<u>\$ 262,432,665</u>	<u>\$ 166,224,640</u>

H. Investments

All Plan investments are stated at fair value. Most types of marketable or actively traded investments are priced by nationally known vendors. In the event that an investment is not priced by the primary vendor, the Custodian (US Bank) engages a secondary vendor or other source. See Note 4- Investments, Fair Value Measurements.

Purchases and sales are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

Investment Policy

The Pension Committee has adopted an Investment Policy Statement (IPS). The IPS is reviewed by the Pension Committee once a year, and was amended effective October 2022 to revise the asset classes. A normal weighting is now indicated for each asset class. The IPS was also amended to provide a list of prohibited investments.

UTAH TRANSIT AUTHORITY
 NOTES TO THE FINANCIAL STATEMENTS
 Year Ended December 31, 2022

In setting the long-term asset policy for the Plan, the Committee has opted to provide a minimum and maximum allowable allocation to the major asset classes. The aggregate exposure to each of the asset classes is to remain within the following ranges:

	Policy Allocation	
	Target Allocation	Target Range
Global Equity	56%	36% - 76%
Private Equity	10%	0% - 20%
Real Assets	7%	3% - 11%
Fixed Income	25%	15% - 35%
Cash & Equivalents	2%	0% - 5%

Rate of Return

The long-term rate of return is selected by the Plan's Pension Committee after a review of the expected inflation and long-term real returns, reflecting expected volatility and correlation. The assumption currently selected is 6.75% per annum, net of investment expenses.

Target Allocations

The long-term rate of return is selected by the Plan's Pension Committee after a review of expected inflation and long-term real returns, reflecting expected volatility and correlation. Best estimates of the compound nominal rates of return for each major asset class included in the Plan's target asset allocations as of December 31, 2022, is summarized in the table below.

Asset Class	Target Asset Allocation	Long Term Expected Return
Global Equities	63%	7.2%
Fixed Income	22%	4.9%
Liquid Diversifiers	10%	0%
Real Assets	4%	5.3%
Cash & Equivalents	1%	4.4%
Total	100%	6.8%

The 6.75% assumed investment rate of return is comprised of an inflation rate of 2.40% and a real return of 4.35% net of investment expense.

I. Payment of Benefits

Benefit payments to participants are recorded upon distribution.

J. Administrative Expenses

Expenses for the administration of the Plan are budgeted and approved by the Pension Committee. Administrative expenses are paid from investment earnings. Plan expenses are paid from Plan assets. For the year ended December 31, 2022 the Plan paid \$554,229 of administrative expenses.



K. Tax Status

The Plan operates under an exemption from federal income taxes pursuant to Section 501(a) of the Internal Revenue Code as a defined benefit plan.

L. Mutual Fund Asset Coverage

The Securities and Exchange Commission requires mutual fund companies to obtain fidelity bond coverage for the assets under their control. The bond coverage varies in amounts depending on the mutual fund.

M. Cash Deposits

Custodial credit risk for cash deposits is the risk in the event of a bank failure, the Plan's cash deposits may not be returned. The Federal Deposit Insurance Corporation (FDIC) insures up to \$250,000 per depositor per institution. Cash deposits and account balances in excess of \$250,000 are uninsured and uncollateralized.

The Plan considers short-term investments with an original maturity of 3 months or less to be cash equivalents.

Cash held in banking institution(s)	\$ 390,674
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N. Risks and Uncertainties

The Plan utilizes various investments which, in general are exposed to various risks such as interest rate risk, credit risk and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and such changes could materially affect the amounts reported in the financial statements.

O. Credit Risk

Credit risk for investments is in the risk that the counterparty to an investment will not fulfill its obligations. The Plan's rated investments are show below.

Fixed Income:			
2022	\$	66,188,689	AA/Aa Rated

P. Investment Interest Rate Risk

Investment interest rate risk is the risk that changes in interest rates of debt investments will adversely affect the fair value of an investment. The table below shows the maturities of the Plan's investments.

Fixed Inc funds:			
2022	\$	66,188,689	Average effective duration: 5.3 years Average effective maturity: 7.5 years

UTAH TRANSIT AUTHORITY
 NOTES TO THE FINANCIAL STATEMENTS
 Year Ended December 31, 2022

Q. Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The following amounts represent 5% or more of the Plan's fiduciary net position and investments as of December 31, 2022 invested with any one organization.

Equity funds:		
Two Sigma Active US All Cap &	\$	27,490,084
Investments		
Fixed income:		
IR+M Core Bond Fund II	\$	25,217,357
iShares 7-10 Year Treasury Bond EFT	\$	21,583,831

**Investment Assets at
 Fair Value
 as of December 31,
 2022**

Level 1

Money Market Funds	\$	10,122,630
Global Equity		66,636,883
Fixed Income		31,200,811
Total investments at Fair Value	\$	107,960,324

R. Net Asset Value per Share

The following tables provide additional disclosures concerning the investments measured at fair value based on NAV as of December 31, 2022.

	2022			
	Fair Value	Unfunded Commitment	Redemption Frequency	Redemption Notice Period
Global Equities	\$ 102,499,522	\$ -	Daily	Daily
Real Assets	14,928,117	-	Daily	Daily
Fixed Income	34,987,878	-	Daily	Daily
Total	\$ 152,415,517	\$ -		

Global Equity - intended to provide capital appreciation, current income, and growth of income mostly through the ownership of public equities representing an ownership interest in a company. The objective for investment managers in this category is to exceed the results represented by the annualized return of the MSCI All Country World Index, net over annualized rolling three to five-year time periods.

Liquid Diversifiers - intend to provide the Fund with less directional equity exposure and less correlated returns to traditional asset class (i.e. equities and fixed income). These strategies may utilize multiple asset classes spanning across the capital structure of equity and det securities and they may also employ leverage, commodities, and derivatives. These investments will be made in managers with more liquid investment profiles through mutual funds or commingled vehicles.

Real Assets - intended to provide real return through investments which has inflation sensitive characteristics. Investments could include REITs, natural resource equities, MLPs, inflation linked bonds and commodities.

Fixed Income - intended to provide diversification and protection against downward moves in the equity market and serves as a deflation hedge and a predictable source of income. Weighted average duration of the allocation will be within 1 year of the Barclays Capital Aggregate Bond Index, as measured on a quarterly basis.

S. Employer Contribution Requirements

The Authority's contribution rate consists of (1) an amount for normal cost, the estimated amount necessary to finance benefits earned by participants during the current year, and (2) an amount for amortization of the unfunded or excess funded actuarial accrued liability over the service life of the vested participants in preparation for the Authority's adoption of GASB 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27*. The rates are determined using the entry age actuarial cost method.

SCHEDULE OF FIDUCIARY NET POSITION

	UTA Employee Retirement and Trust
ASSETS	
Cash in Bank	\$ 390,674
Investments	
Global Equities	169,136,405
Fixed Income	66,188,689
Real Assets	14,928,117
Money Market	10,122,630
Total Investments	<u>260,375,841</u>
Prepaid Benefits	1,288,520
Receivables	
Dividends Receivable	27,927
Accounts Receivable - Benefits	2,476
Accounts Receivable - Contributions	534,409
Total Receivables	<u>564,812</u>
TOTAL ASSETS	<u><u>262,619,847</u></u>
LIABILITIES	
Benefits Payable	22,190
Accounts Payable	164,992
TOTAL LIABILITIES	<u><u>187,182</u></u>
NET POSITION	
Restricted for Pension	<u><u>\$ 262,432,665</u></u>

SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION

	<u>UTA Employee Retirement Trust</u>
ADDITIONS	
Employer Contributions	\$ 27,132,518
Participant Voluntary Contributions	116,525
Total Contributions	<u>27,249,043</u>
Net Investment Income	
Net Decline in Fair Value of Investments	(58,161,231)
Interest	160,317
Dividends	<u>2,251,300</u>
Total Investment Income	(55,749,614)
Less: Investment Expense	<u>811,913</u>
Net Investment Income	<u>(56,561,527)</u>
TOTAL ADDITIONS	<u>(29,312,484)</u>
DEDUCTIONS	
Monthly Benefits Paid	14,275,618
Lump Sum Distributions	8,033,740
Administrative Expense	<u>554,229</u>
TOTAL DEDUCTIONS	<u>22,863,587</u>
CHANGE IN NET POSITION	(52,176,071)
Total Net Position (Restricted), January 1	<u>314,608,736</u>
Total Net Position (Restricted), December 31	<u>\$ 262,432,665</u>

NOTE 9 – JOINT INSURANCE TRUST

A. General Information

The Union and the Authority have agreed on February 1, 1989 that specific amounts of money paid for insurance benefit purposes for the union members be controlled by a trust. The trust should also control any additional amounts paid by the union member shall be deposited in same agreed upon trust account.

B. Reporting Entity

The trust is administered by the Joint Insurance Committee that consists of seven (7) members, one (1) neutral member agreed upon by the Union and the Authority, three (3) appointed by the Amalgamated Transit Union Local 382 in accordance with a collective bargaining agreement and three members of staff appointed by the Authority. The members of the Joint Insurance Committee may (but need not) be participants in the trust.

C. Membership

The Plan’s membership consisted of:

	<u>December 31, 2022</u>
Active participants	1,358
Inactive participants not receiving benefits	<u>192</u>
Total	<u><u>1,550</u></u>

D. Benefit Terms

Insurance Benefits

The Amalgamated Transit Union (ATU) and the Authority have established, through various collectively bargaining agreements, provisions for payment of medical, dental, vision, life, accident, and short-term disability insurances.

E. Contributions

Employer Contribution Requirements

Contributions from the Authority are determined by based on the current collective bargaining agreement.

Participant Matching Contributions

A participant is an employee of the Authority who is eligible for insurance benefits under the collective bargaining agreement or is eligible for Consolidated Omnibus Budget Reconciliation Act (COBRA). Certain insurance plans in the trust require participants to pay a portion of the premiums or all of the premium to participate.

F. Method of Accounting

The Plan prepares its financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America, under which benefits and expenses are recognized when due and payable and revenues are recorded in the accounting period in which they are earned. Accordingly, the valuation of investments is shown at fair value and both realized and unrealized gains (losses) are included in net appreciation and depreciation in fair value of investments.

SCHEDULE OF FIDUCIARY NET POSITION

	<u>Joint Insurance Trust</u>
ASSETS	
Cash in Bank	\$ 9,457,799
Cash in Utah State Treasury	488,591
Total Cash	<u>9,946,390</u>
Investments - Money Market	1,788,754
Deposits	104,795
Receivables - Contributions	26,695
TOTAL ASSETS	<u>11,866,634</u>
LIABILITIES	
Accounts Payable	4,369,622
TOTAL LIABILITIES	<u>4,369,622</u>
NET POSITION	
Restricted for Benefits Other than Pension	<u><u>\$ 7,497,012</u></u>

SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION

	<u>Joint Insurance Trust</u>
ADDITIONS	
Employer Contributions	\$ 21,341,458
Participant Voluntary Contributions	414,378
Total Contributions	<u>21,755,836</u>
Net Investment Income	
Net Decline in Fair Value of Investments	(8,484)
Interest	28,498
Total Investment Income	<u>20,014</u>
TOTAL ADDITIONS	<u>21,775,850</u>
DEDUCTIONS	
Monthly Benefits Paid	20,593,640
Administrative Expense	140,660
TOTAL DEDUCTIONS	<u>20,734,300</u>
CHANGE IN NET POSITION	<u>\$ 1,041,550</u>
Total Net Position (Restricted), January 1	\$ 6,455,462
Total Net Position (Restricted), December 31	\$ 7,497,012

NOTE 10 - LIABILITIES

The Authority issues revenue, capital interest, and capital appreciation bonds along with financing leases in order to provide funding for long-term capital improvements and acquisitions of capital assets. In some instances the full faith and credit of the Authority are pledged to secure the debt, while some are limited to pledge revenues stated in the bond. Leasehold interests in the vehicle being financed act as security for financing lease agreements.

Related to bonds, the Authority's interest payments are typically semiannual on June 15th and December 15th. Interest expense is accrued for the 16 remaining days of December as part of accrued interest. In 2019, Utah County and the Authority agreed a new 4th quarter cent sales tax in Utah County for transit would be exclusively used to repay any obligation be accrued by the Authority related to the Utah Valley Express bus route.

In addition, the Authority has long term obligations related to compensated absences which represent obligations to employees for unused vacation leave balances or guaranteed health saving account contributions at retirement for unused sick leave balances. General revenues are used to liquidate compensated absence balances and other long-term obligations.

In the event of default, the Trustee for the bonds may pursue any available remedy by suit at law or in equity to enforce the payment of the principal of, premium, in any, and interest on the Bonds the Outstanding or to enforce any obligations of the Authority. However, the Authority's obligations with respect to the Bonds are limited to Pledged Revenues. (Amended and Restated General Indenture of Trust, dated September 1, 2002)

For those debts for which collateral or a leasehold interest has been pledged, the most likely remedy in the event of default would be though other possible remedies include acceleration of all unpaid payments on the debt, possession of pledged property by the debtor, and any necessary legal actions against the Authority to cure the default. (The Authority's Current Standard Lease Purchase Agreement Language)

In prior years, the Authority has refunded certain bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the refunded bonds. Accordingly, the trust account assets and the liability for the refunded bonds are not included in the Authority's financial statements.

DIRECT BORROWINGS

Beginning in 2015, UTA has secured financing agreements annually for the purchase of buses, paratransit vehicles and vanpool commuter vans. The financing agreements from 2015 through 2019 were secured from Banc of America Public Capital Corporation and the financing agreements from 2020 through 2021 were secured through JP Morgan Chase Bank. In December 2022, the Authority entered into a 5-year master financing agreement for 2022-2026 that has an index rate guarantee for the term of the agreement. These finance agreements lien title of the vehicles owned by the Authority and therefore these agreements are reported as financed purchases, rather than leases, in the financial statements.

On December 22, 2016, Utah County issued a \$65 million Subordinated Transportation Sales Tax Revenue Bond to be used for the construction of the Utah Valley Express bus route. The Authority and Utah County have entered into an inter-local agreement that requires the Authority to reimburse Utah County for all bond costs (principal, interest, and cost of issuance) prior to December 31, 2028.

UTAH TRANSIT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
Year Ended December 31, 2022

	Amount Outstanding	Amount Due Within One Year	Accrued Interest	Amount of Collateral
Direct Borrowings:				
<u>Inter-local Loan:</u>				
On December 22, 2016, Utah County issued a \$65 million Subordinated Transportation Sales Tax Revenue Bond to be used for the construction of the Utah Valley Express bus route. The Authority and Utah County have entered into an inter-local agreement that requires the Authority to reimburse Utah County for all bond costs (principal, interest, and cost of issuance) prior to December 31, 2028. In 2021, the Authority will remit \$2,649,245.50 to Utah County for repayment of prior design cost incurred by Utah County, \$3,460,616 of principal on variable rate loan for first year operations of route, and \$199,480.44 of interest on the variable rate loan per the terms of Utah County 4 th Quarter Cent Sales Tax Interlocal Agreement. As of November 2021, UTA only owes the remaining bond principal and interest on the 2016 Utah County Subordinated Transportation Sales Tax Revenue Bond.	\$ 56,125,000	\$ 1,595,000	\$ 296,714	\$ -
Subtotal: Direct Borrowings - Inter-local loans:	\$ 56,125,000	\$ 1,595,000	\$ 296,714	\$ -
<u>Financing Agreements:</u>				
\$5,283,500 12-Year Financing Agreement, Series 2015, issued July 17, 2015, maturing monthly from August 17, 2015 through July 17, 2027, with interest payable monthly at rate of 2.0908%. A leasehold interest in 10 CNG buses and equipment is pledged as security for the debt.	\$ 2,175,679	\$ 457,089	\$ -	\$ 2,447,216
\$2,480,000 12-Year Financing Agreement, Series 2016, issued September 27, 2016, maturing monthly from October 27, 2016 through September 27, 2028, with interest payable monthly at rate of 1.6322%. A leasehold interest in 5 ski buses and equipment is pledged as security for the debt.	1,248,940	208,879	-	1,384,545
\$24,390,000 12-Year Financing Agreement, Series 2017, issued November 30, 2017, maturing monthly from December 31, 2017 through November 30, 2029, with interest payable monthly at rate of 2.2440%. A leasehold interest in 47 buses and equipment is pledged as security for the debt.	14,847,407	2,007,585	-	16,603,356
\$12,496,000 12-Year Financing Agreement, Series 2018, issued November 28, 2018, maturing monthly from December 28, 2018 through November 30, 2030, with interest payable monthly at rate of 3.2950%. A leasehold interest in 24 buses, 2 trolleys, and their associated equipment is pledged as security for the debt.	8,784,517	987,522	-	9,440,403
\$381,000 5-Year Financing Agreement, Series 2018, issued November 28, 2018, maturing monthly from December 28, 2018 through November 30, 2023, with interest payable monthly at rate of 3.0570%. A leasehold interest in 36 FLEX/Paratransit vehicles and equipment is pledged as security for the debt.	74,273	74,273	-	157,342
\$5,190,000 12-Year Financing Agreement, Series 2019, issued August 8, 2019, maturing monthly from September 8, 2019 through August 8, 2031, with interest payable monthly at rate of 2.2200%. A leasehold interest in 10 buses and equipment is pledged as security for the debt.	3,884,003	411,002	-	3,877,555
\$2,730,000 5-Year Financing Agreement, Series 2019, issued August 8, 2019, maturing monthly from September 8, 2019 through August 8, 2024, with interest payable monthly at rate of 1.9100%. A leasehold interest in 30 FLEX/Paratransit vehicles and equipment is pledged as security for the debt.	939,094	559,868	-	1,646,349
\$1,960,000 4-Year Financing Agreement, Series 2019, issued August 8, 2019, maturing monthly from September 8, 2019 through August 8, 2023, with interest payable monthly at rate of 1.9100%. A leasehold interest in 52 RideShare vans is pledged as security for the debt.	318,112	318,113	-	814,965
\$9,530,000 14-Year Financing Agreement, Series 2020, issued December 5, 2020, maturing monthly from January 3rd, 2021 through December 3, 2034, with interest payable monthly at rate of 1.5050%. A leasehold interest in 20 buses and equipment is pledged as security for the debt.	8,242,962	624,707	-	8,221,679
\$3,060,000 6-Year Financing Agreement, Series 2020, issued December 5, 2020, maturing monthly from January 3, 2021 through December 3, 2026, with interest payable monthly at rate of .88%. A leasehold interest in 25 Flex/Paratransit vehicles and 35 RideShare vans and equipment is pledged as security for the debt.	2,057,157	508,077	-	2,184,211
\$28,160,000 14-Year Financing Agreement, Series 2021, issued December 28, 2021, maturing monthly from January 28th, 2022 through December 28, 2035, with interest payable monthly at rate of 1.855%. A leasehold interest in 50 buses and equipment is pledged as security for the debt.	26,381,850	1,811,416	-	17,049,747

UTAH TRANSIT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
Year Ended December 31, 2022

	Amount Outstanding	Amount Due Within One Year	Accrued Interest	Amount of Collateral
\$3,859,500 6-Year Financing Agreement, Series 2021, issued December 28, 2021, maturing monthly from January 28, 2022 through December 28, 2027, with interest payable monthly at rate of 1.35%. A leasehold interest in 27 Flex/Paratransit vehicles and 35 RideShare vans and equipment is pledged as security for the debt.	3,237,751	630,195	-	-
\$24,987,407 14-Year Financing Agreement, Series 2022, issued December 16, 2022, maturing monthly from January 16, 2023 through December 16, 2036, with interest payable monthly at rate of 4.1233%. A leasehold interest in 36 buses and equipment is pledged as security for the debt.	24,987,407	1,347,205	-	-
\$1,223,154 8-Year Financing Agreement, Series 2022, issued December 16, 2022, maturing monthly from January 16, 2023 through December 16, 2030, with interest payable monthly at rate of 4.0278%. A leasehold interest in 31 nonrevenue vehicles and equipment is pledged as security for the debt.	1,223,154	132,261	-	-
\$7,525,250 6-Year Financing Agreement, Series 2022, issued December 16, 2022, maturing monthly from January 16, 2023 through December 28, 2028, with interest payable monthly at rate of 4.0192%. A leasehold interest in 53 Flex/Paratransit vehicles and 86 RideShare vans and equipment is pledged as security for the debt.	7,525,250	1,132,046	-	-
Subtotal: Direct Borrowings - Financing Agreements:	\$ 105,927,556	\$ 11,210,238	\$ -	\$ 63,827,368
Total Direct Borrowings:	\$ 162,052,556	\$ 12,805,238	\$ 296,714	\$ 63,827,368
Other Related Debt:				
<u>Revenue Bonds</u>				
\$134,650,000 Senior Revenue bonds, Series 2006C, issued October 24, 2006, maturing annually from June 15, 2007 through June 15, 2032, with interest payable semiannually at rates from 5.00% - 5.25%	84,560,000	6,605,000	184,975	-
\$700,000,000 Senior Revenue bonds, Series 2008A, issued April 10, 2008, maturing annually from December 15, 2008 through June 15, 2038, with interest payable semiannually at rates from 4.75-5.25%	24,840,000	24,840,000	105,897	-
\$668,655,000 Senior Revenue bonds, Series 2015A, issued February 25, 2015, maturing annually from June 15, 2015 through June 15, 2025, with interest payable semiannually at rates from 4.384-4.895%.	78,855,000	8,030,000	159,163	-
\$192,005,000 Subordinate Revenue bonds, Series 2015A, issued February 25, 2015, maturing annually from June 15, 2015 through June 15, 2026, with interest payable semiannually at rates of 5.00%.	35,160,000	6,750,000	73,250	-
\$126,780,000 Subordinate Revenue bonds, Series 2016, issued August 24, 2016, maturing annually from December 15, 2016 through December 15, 2031, with interest payable semiannually at rates from 3.00 - 4.00%.	126,780,000	-	191,763	-
\$83,765,000 Senior Revenue bonds, Series 2018, issued March 15, 2018, maturing annually from June 15, 2018 through December 15, 2036, with interest payable semiannually at rates from 3.722 - 5.00%.	82,265,000	-	147,390	-
\$115,540,000 Subordinate Revenue bonds, Series 2018, issued March 15, 2018, maturing annually from June 15, 2018 through December 15, 2041 with interest payable semiannually at rates from 3.125-5.00%.	106,405,000	3,565,000	198,307	-
\$61,830,000 Senior Revenue bonds, Series 2019A, issued November 26, 2019, maturing annually from June 15, 2020 through December 15, 2044, with interest payable semiannually at rates from 3.00-5.00%.	61,830,000	-	104,579	-
\$188,810,000 Senior Revenue bonds, Series 2019B, issued November 26, 2019, maturing annually from June 15, 2020 through December 15, 2042, with interest payable semiannually at a rate of 3.443%.	188,810,000	-	270,864	-
\$59,070,000 Subordinate Revenue bonds, Series 2019B, issued November 26, 2019, maturing annually from June 15, 2020 through December 15, 2042, with interest payable semiannually at rates from 3.393-3.643%.	59,070,000	-	87,851	-
\$216,650,000 Taxable Senior Lien Sales Tax Revenue bonds, Series 2020, issued March 19, 2020, maturing annually from June 15, 2020 through December 15, 2038, with interest payable semiannually at rates from .937-2.774%.	203,150,000	4,170,000	192,887	-



UTAH TRANSIT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
Year Ended December 31, 2022

	Amount Outstanding	Amount Due Within One Year	Accrued Interest	Amount of Collateral
\$74,750,000 Subordinate Revenue bonds, Series 2020B, issued November 12, 2020, maturing annually from June 15, 2021 through December 15, 2039, with interest payable semiannually at rates from 2.375-2.97%.	74,750,000	-	90,177	-
\$431,625,000 Senior Revenue bonds, Series 2021A, issued November 10, 2021, maturing annually from June 15, 2022 through December 15, 2036, with interest payable semiannually at a rate from .0347 to 2.589%.	424,240,000	8,260,000	362,872	-
\$16,220,000 Subordinate Revenue bonds, Series 2021A, issued November 10, 2021, maturing annually from June 15, 2022 through December 15, 2037, with interest payable semiannually at a rate from 0.547 to 2.989%.	16,020,000	250,000	19,046	-
Subtotal: Other Related Debt - Revenue Bonds:	\$ 1,566,735,000	\$ 62,470,000	\$ 2,189,021	\$ -
<u>Current Interest Bonds</u>				
\$128,795,000 Subordinate Current Interest Debt, Series 2007A, issued June 19, 2007, maturing annually from December 15, 2007 through June 15, 2035, with interest payable semiannually at a rate of 5.00%.	115,895,000	5,300,000	241,448	-
Subtotal: Other Related Debt - Current Interest Bonds:	115,895,000	5,300,000	241,448	-
<u>Build America Bonds</u>				
\$261,450,000 Senior Debt, Series 2009B, issued May 21, 2009, maturing annually from December 15, 2009 through June 15, 2029, with interest payable semiannually at a rate of 5.937%. The authority elected to treat the 2009B bonds as "Build America Bonds" for the purpose of the American Recovery and Investment Act of 2009 (the Recovery Act) and to receive a cash subsidy from the United States Treasury in connection therewith. Pursuant to the Recovery Act, the Authority anticipates cash subsidy payments from the United States Treasury equal to 35% less sequestration (\$5,199,578) of the interest payable on the 2009B bonds.	261,450,000	-	646,762	-
\$200,000,000 Subordinate Debt, Series 2010A, issued October 20, 2010, maturing annually from June 15, 2011 through June 15, 2040, with interest payable semiannually at a rate of 5.705%. The authority elected to treat the 2010A bonds as "Build America Bonds" for the purpose of the American Recovery and Investment Act of 2009 (the Recovery Act) and to receive a cash subsidy from the United States Treasury in connection therewith. Pursuant to the Recovery Act, the Authority anticipates cash subsidy payments from the United States Treasury equal to 35% less sequestration (\$3,822,065) of the interest payable on the 2010A bonds.	200,000,000	-	475,417	-
Subtotal: Other Related Debt - Build America Bonds:	461,450,000	-	1,122,179	-
<u>Capital Appreciation Bonds</u>				
\$18,911,498 Capital Appreciation Subordinate Debt, Series 2016, issued August 24, 2016, maturing December 15, 2032 at a rate of 3.32%	18,911,498	-	4,398,268	-
Subtotal: Other Related Debt - Capital Appreciation Bond:	18,911,498	-	4,398,268	-
Total Other Related Debt:	2,162,991,498	67,770,000	7,950,916	-
Total of Direct Borrowings and Other Related Debt:	\$ 2,325,044,054	\$ 80,575,238	\$ 8,247,630	\$ 63,827,368

UTAH TRANSIT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
Year Ended December 31, 2022

Annual repayment requirements on the Direct Borrowings are:

Inter-local Loan					
Year ending December 31,	Principal		Interest		Total
2023	\$	1,595,000	\$	1,780,285	\$ 3,375,285
2024		1,645,000		1,729,692	3,374,692
2025		1,700,000		1,677,512	3,377,512
2026		1,750,000		1,623,588	3,373,588
2027		1,805,000		1,568,078	3,373,078
2028-2029		47,630,000		2,962,490	50,592,490
Total	\$	56,125,000	\$	11,341,645	\$ 67,466,645

Financing Agreements					
Year ending December 31,	Principal		Interest		Total
2023	\$	11,210,238	\$	2,744,810	\$ 13,955,048
2024		10,903,981		2,464,284	13,368,265
2025		10,799,596		2,186,723	12,986,319
2026		11,080,535		1,905,784	12,986,319
2027		10,640,000		1,613,633	12,253,633
2028-2032		34,476,019		4,563,452	39,039,471
2033-2036		16,817,187		967,452	17,784,639
Total	\$	105,927,556	\$	16,446,138	\$ 122,373,694

OTHER RELATED DEBT

The Sales Tax Revenue Bonds are payable from and secured by UTA's sales and use tax revenue. UTA is required to maintain certain minimum deposits, as defined in the Indenture of Trust, to meet debt service requirements. Sales Tax Revenue Bonds debt service requirements to maturity are as follows:

Year ending December 31,	Principal		Interest		Total
2023	\$	67,770,000	\$	82,723,454	\$ 150,493,454
2024		70,675,000		79,816,906	150,491,906
2025		75,675,000		76,751,163	152,426,163
2026		78,095,000		74,338,438	152,433,438
2027		85,750,000		72,394,125	158,144,125
2028-2032		483,496,498		332,231,581	815,728,079
2033-2037		595,965,000		221,250,715	817,215,715
2038-2042		697,065,000		81,700,300	778,765,300
2043-2044		8,500,000		384,300	8,884,300
Total	\$	2,162,991,498	\$	1,021,590,982	\$ 3,184,582,480

UTAH TRANSIT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
Year Ended December 31, 2022

Changes in Debt Long-Term Liabilities

Long-term debt liability activity for the year ended December 31, 2022 was as follows:

	Balance 1/1/2022	Additions	Reductions	Balance 12/31/2022	Due Within One Year
Direct Borrowings					
Financing					
Agreements	\$ 81,468,517	\$ 33,735,811	\$ (9,276,772)	\$ 105,927,556	\$ 11,210,238
Inter-local Loan	57,670,000	-	(1,545,000)	56,125,000	1,595,000
Total Direct Borrowings	\$ 139,138,517	33,735,811	\$ (10,839,772)	\$ 162,052,556	\$ 12,805,238
Other Related Debt					
Sales Tax Revenue					
Bonds	\$ 1,622,470,000	\$ -	\$ (55,735,000)	\$ 1,566,735,000	\$ 67,770,000
Current Interest	115,895,000	-	-	115,895,000	-
Build America	461,450,000	-	-	461,450,000	-
Capital	18,911,498	-	-	18,911,498	-
Appreciation Bonds	55,016,601	-	(7,521,582)	47,495,019	-
Issuance premiums/(discounts)					
Total Other Related Debt	2,273,743,099	-	(63,256,582)	2,210,486,517	67,770,000
Total Financing Agreements and Other Related Debt as reported on Statement of Net Position	\$ 2,355,211,616	\$ 33,735,811	\$ (72,533,354)	\$ 2,316,414,073	\$ 78,980,238
Compensated Absences					
Total Vacation Liability	\$ 9,229,901	\$ 12,538,715	\$ (12,154,372)	\$ 9,614,244	\$ 9,326,401
Total Sick Liability	5,394,259	2,361,815	(1,992,236)	5,763,838	1,303,270
Total Compensated Absences	\$ 14,624,160	\$ 14,900,530	\$ (14,146,608)	\$ 15,378,082	\$ 10,629,671

NOTE 11 – COMMITMENTS AND CONTINGENCIES

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

As of December 31, 2022, the Authority also has purchasing commitments of \$177.2 million for capital projects. The largest of these commitments are as follows:

- \$29.4 million Traction Power Rehabilitation and Replacement
- 20.5 million Ogden-Weber State University Bus Rapid Transit
- 18.2 million Volkswagen Settlement Bus Replacements
- 17.2 million Light Rail Overhaul
- 11.1 million Point of the Mountain Project
- 9.6 million Depot District
- 8.3 million TIGER Grant Projects
- 7.5 million Rail Rehabilitation and Replacement
- 5.5 million Paratransit/FLEX Replacement Vehicles
- 5.3 million Commuter Rail Engine Overhaul
- 5.3 million FrontRunner Double Track
- 4.4 million Fiber Rehabilitation and Replacement
- 2.5 million Sandy Parking Structure
- 2.2 million Vanpool Replacement
- 1.8 million Stray Current Mitigation
- 1.7 million Train Control Rehabilitation and Replacement
- 1.5 million Techlink Corridor
- 1.5 million TRAX Operational Simulator
- 1.4 million Rail Switches and Trackwork Controls Replacement
- 1.4 million Capital Program Management and Support
- 1.3 million Tooele County Microtransit Vehicle Electrification
- 1.3 million Rail Communications On-Board Technology
- 1.3 million Bus Engine/ Transmission Rehabilitation and Replacement
- 1.2 million Light Rail Vehicle Accident Repair
- 1.1 million Gap Filler at FrontRunner Stations
- 14.7 million All Other Capital Projects

Required Supplementary Information

UTAH TRANSIT AUTHORITY
 REQUIRED SUPPLEMENTARY INFORMATION
 Year Ended December 31, 2022

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Total Pension Liability				
Service cost	\$ 12,293,940	\$ 12,597,159	\$ 10,653,870	\$ 10,244,115
Interest on total pension liability	27,443,651	25,639,471	24,263,256	22,947,802
Voluntary member contributions	116,525	334,301	83,988	298,803
Differences between expected and actual experience	(621,195)	9,188,520	4,292,503	3,347,505
Assumption changes or inputs	6,482,520	-	11,421,251	-
Benefits paid	(22,309,358)	(19,196,735)	(19,648,551)	(17,302,699)
Net change in total pension liability	<u>23,406,083</u>	<u>28,562,716</u>	<u>31,066,317</u>	<u>19,535,526</u>
Total pension liability - beginning	405,251,222	376,688,506	345,622,189	326,086,663
Total pension liability - ending (a)	428,657,305	405,251,222	376,688,506	345,622,189
Plan Fiduciary Net Position				
Contributions - employer	\$ 27,132,518	\$ 25,207,307	\$ 24,273,996	\$ 24,008,192
Contributions - members	116,525	334,301	83,988	298,803
Net investment income	(56,561,527)	28,830,047	33,846,259	40,648,932
Benefits paid	(22,309,358)	(19,196,735)	(19,648,551)	(17,302,699)
Administrative expense	(554,229)	(471,288)	(407,938)	(434,427)
Net change in plan fiduciary net position	<u>(52,176,071)</u>	<u>34,703,632</u>	<u>38,147,754</u>	<u>47,218,801</u>
Plan fiduciary net position - beginning	314,608,736	279,905,104	241,757,350	194,538,549
Plan fiduciary net position - ending (b)	262,432,665	314,608,736	279,905,104	241,757,350
Net pension liability / (asset) - ending (a-b)	<u>\$ 166,224,640</u>	<u>\$ 90,642,486</u>	<u>\$ 96,783,402</u>	<u>\$ 103,864,839</u>
Plan fiduciary net position as a percentage of the total pension liability	61.22%	77.63%	74.31%	69.95%
Projected covered payroll	\$ 160,831,897	\$ 153,983,509	\$ 152,297,365	\$ 141,812,999
Net pension liability as a percentage of covered payroll	103.35%	58.87%	63.55%	73.24%

Schedule is intended to show information for 10 years. Additional years will be displayed when available.

UTAH TRANSIT AUTHORITY
 REQUIRED SUPPLEMENTARY INFORMATION
 Year Ended December 31, 2022

	<u>2018</u>	<u>2017</u>	<u>2016</u>
Total Pension Liability			
Service cost	\$ 9,550,863	\$ 8,368,262	\$ 7,711,706
Interest on total pension liability	21,512,781	20,368,031	19,604,345
Voluntary member contributions	223,572	697,576	437,923
Differences between expected and actual experience	4,893,150	4,915,564	(927,077)
Assumption changes or inputs	-	5,079,447	(3,955,702)
Benefits paid	(15,474,819)	(13,008,142)	(12,980,615)
Net change in total pension liability	<u>20,705,547</u>	<u>26,420,738</u>	<u>9,890,580</u>
Total pension liability - beginning	305,381,116	278,960,378	269,069,798
Total pension liability - ending (a)	326,086,663	305,381,116	278,960,378
Plan Fiduciary Net Position			
Contributions - employer	\$ 22,355,434	\$ 20,506,163	\$ 19,603,952
Contributions - members	223,572	697,576	437,923
Net investment income	(16,629,921)	30,598,620	7,591,211
Benefits paid	(15,474,819)	(13,008,142)	(12,980,615)
Administrative expense	(440,279)	(324,912)	(249,141)
Net change in plan fiduciary net position	<u>(9,966,013)</u>	<u>38,469,305</u>	<u>14,403,330</u>
Plan fiduciary net position - beginning	204,504,562	166,035,257	151,631,927
Plan fiduciary net position - ending (b)	194,538,549	204,504,562	166,035,257
Net pension liability / (asset) - ending (a-b)	<u>\$ 131,548,114</u>	<u>\$ 100,876,554</u>	<u>\$ 112,925,121</u>
Plan fiduciary net position as a percentage of the total pension liability	59.66%	66.97%	59.50%
Projected covered employee payroll	\$ 132,521,079	\$ 126,690,540	\$ 115,430,618
Net pension liability as a percentage of covered payroll	99.27%	79.62%	97.83%

Schedule is intended to show information for 10 years. Additional years will be displayed when available.

UTAH TRANSIT AUTHORITY
 REQUIRED SUPPLEMENTARY INFORMATION
 Year Ended December 31, 2022

	<u>2015</u>	<u>2014</u>
Total Pension Liability		
Service cost	\$ 7,545,807	\$ 7,284,379
Interest on total pension liability	18,717,411	17,623,248
Voluntary member contributions	916,567	275,663
Differences between expected and actual experience	(1,973,177)	-
Assumption changes or inputs	7,725,363	-
Benefits paid	(11,554,824)	(10,181,732)
Net change in total pension liability	<u>21,377,147</u>	<u>15,001,558</u>
Total pension liability - beginning	247,692,651	232,691,093
Total pension liability - ending (a)	269,069,798	247,692,651
Plan Fiduciary Net Position		
Contributions - employer	\$ 16,745,254	\$ 15,366,694
Contributions - members	916,567	275,663
Net investment income	(1,085,458)	5,946,916
Benefits paid	(11,554,824)	(10,181,732)
Administrative expense	(244,011)	(219,504)
Net change in plan fiduciary net position	<u>4,777,528</u>	<u>11,188,037</u>
Plan fiduciary net position - beginning	146,854,399	135,666,362
Plan fiduciary net position - ending (b)	151,631,927	146,854,399
Net pension liability / (asset) - ending (a-b)	<u>\$ 117,437,871</u>	<u>\$ 100,838,252</u>
Plan fiduciary net position as a percentage of the total pension liability	56.40%	59.29%
Projected covered employee payroll	\$ 110,727,134	\$ 106,004,057
Net pension liability as a percentage of covered payroll	106.06%	95.13%

Schedule is intended to show information for 10 years. Additional years will be displayed when available.

UTAH TRANSIT AUTHORITY
 REQUIRED SUPPLEMENTARY INFORMATION
 Year Ended December 31, 2022

SCHEDULE OF REQUIRED EMPLOYER CONTRIBUTIONS - 10 YEARS

Year	Actuarial Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contribution as Percentage of Covered Payroll
2022	\$ 25,967,318	\$ 27,132,518	\$ (1,165,200)	\$ 160,831,897	16.87%
2021	24,743,369	25,207,307	(463,938)	153,983,509	16.37%
2020	25,167,517	24,273,996	893,521	152,297,365	15.94%
2019	22,240,718	24,008,192	(1,767,474)	141,812,999	16.93%
2018	21,600,936	22,355,434	(754,498)	132,521,079	16.87%
2017	20,270,486	20,506,163	(235,677)	126,690,540	16.19%
2016	17,147,568	19,603,952	(2,456,384)	115,430,618	16.98%
2015	16,609,070	16,745,254	(136,184)	110,727,134	15.12%
2014	14,757,446	15,366,694	(609,248)	106,004,057	14.50%
2013	14,352,279	13,338,052	1,014,227	102,099,985	13.06%

**NOTE 1 - METHODS AND ASSUMPTIONS USED TO DETERMINE CONTRIBUTION RATES AS OF
 DECEMBER 31, 2022**

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	18 years
Asset valuation method	5-year smoothed market less unrealized
Cost of Living Adjustments	None
Inflation	2.5%
Salary increases	7.00% per annum for the first five years of employment; 4.00% per annum thereafter
Investment rate of return	6.75%, net of investment expenses
Retirement age	Table of Rates by Age and Eligibility
Mortality	RP-2014 Blue Collar Mortality Table, with MP-2014 projection scale

SCHEDULE OF INVESTMENT RETURNS

The money-weighted rate of return considers the changing amounts actually invested during a period and weights the amount of pension plan investments by the proportion of time they are available to return during that period. External cash flows are determined on a monthly basis and are assumed to occur at the middle of each month. External cash inflows are netted with external cash outflows, resulting in a net external cash flow each month. The money-weighted rate of return is calculated net of investment expenses.

Fiscal Year Ending December 31	Net Money-Weighted Rate of Return
2022	-17.85%
2021	10.19%
2020	13.88%
2019	20.56%
2018	-8.00%
2017	18.01%
2016	4.90%
2015	-0.72%
2014	4.31%

Schedule is intended to show information for 10 years. Additional years will be displayed when available.

Supplementary Schedules

UTAH TRANSIT AUTHORITY
 Supplementary Schedule
 Year Ended December 31, 2022

**SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
 BUDGET TO ACTUAL**

	<u>Budget</u>	<u>Budget Amendments</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Favorable (Unfavorable)</u>
Revenues					
Contributions from other gov'ts, sales tax	\$ 435,700,000	\$ -	\$ 435,700,000	\$ 480,925,766	\$ 45,225,766
Federal operating grants	159,600,000	-	\$159,600,000	215,063,965	55,463,965
Passenger revenues	34,200,000	-	\$34,200,000	33,499,144	(700,856)
Advertising	1,377,000	-	\$1,377,000	2,214,000	837,000
Investment income	5,160,000	-	\$5,160,000	1,806,825	(3,353,175)
Other income	15,121,000	-	\$15,121,000	11,692,301	(3,428,699)
Total revenues	651,158,000	-	651,158,000	745,202,001	94,044,001
Operating Expenses					
Bus services	120,064,000	9,674,985	129,738,985	135,508,533	(5,769,548)
Rail services	89,822,000	33,064,281	122,886,281	121,262,026	1,624,255
Demand response services	26,217,000	6,846,938	33,063,938	33,431,955	(368,017)
Other services	3,795,000	3,105	3,798,105	3,509,781	288,324
Operations support	61,736,000	-	61,736,000	62,562,572	(826,572)
Administration (less non-operating)	51,030,000	10,887,419	61,917,419	60,128,711	1,788,708
Total operating expenses	352,664,000	60,476,728	413,140,728	416,403,578	(3,262,850)
Non-Operating Expenses (Revenues)					
Interest expense	90,244,000	-	90,244,000	99,970,267	(9,726,267)
Build America Bond subsidies	(8,889,000)	-	(8,889,000)	(9,259,376)	370,376
Principal	66,856,000	-	66,856,000	66,575,261	280,739
Non-operating	10,493,000	-	10,493,000	4,830,525	5,662,475
Total non-operating expenses	158,704,000	-	158,704,000	162,116,677	(3,412,677)
Total Operating and Non-Operating Expenses	\$ 511,368,000	\$ 60,476,728	\$ 571,844,728	\$ 578,520,255	\$ (6,675,527)
Capital Expenses (Revenues)					
Federal and local grants	\$ (44,290,925)	\$ 80,000	\$ (44,210,925)	\$ (50,582,042)	\$ 6,371,117
State and local contributions	(44,048,972)	320,000	(43,728,972)	(30,992,114)	(12,736,858)
Capital lease	(15,832,000)	-	(15,832,000)	-	(15,832,000)
Bonds	(35,000,000)	-	(35,000,000)	-	(35,000,000)
Project Expenses	228,057,748	42,307,272	270,365,020	205,226,455	65,138,565
Total capital expenses (revenues)	\$ 88,885,851	\$ 42,707,272	\$ 131,593,123	\$ 123,652,299	\$ 7,940,824
Project Expenses-less transfers to Capital Assets in 2022				(146,088,807)	
Operations Capital Outlay Expenses				1,339,080	
Capital Project Expenses Not Capitalized				\$ 60,476,728	
Reconciliation:					
Total Revenues (Operating and Capital)				\$ 826,776,157	
- Less Total Expenses (Operating, Non-Operating, and Capital (after Capitalization))				(638,996,983)	
- Less Depreciation and Impairment Expenses				(148,417,396)	
+ Plus Sale of Assets				3,228,640	
+ Plus Return on Capital Investment				19,368,007	
+ Plus Capital Project Expenses Not Capitalized (Added into modes)					
Bus				9,674,985	
Rail				33,064,281	
Demand Response				115,961	
Other Service				3,105	
Administration				17,618,396	
+ Plus Principal Payments on Long-term Debt				66,575,261	
+ Plus Capital Contributions to Assets				68,648	
Change in Net Position (Statement of Revenues, Expenses, and Changes in Net Position)				\$ 189,079,062	



COMBINING STATEMENT OF FIDUCIARY NET POSITION

	UTA Employee Retirement Trust	Joint Insurance Trust	Total
ASSETS			
Cash in Bank	\$ 390,674	\$ 9,457,799	\$ 9,848,473
Cash in Utah State Treasury	-	488,591	488,591
Total Cash	390,674	9,946,390	10,337,064
Investments			
Global Equities	169,136,405	-	169,136,405
Fixed Income	66,188,689	-	66,188,689
Real Assets	14,928,117	-	14,928,117
Money Market Investments	10,122,630	1,788,754	11,911,384
	260,375,841	1,788,754	262,164,595
Prepaid Benefits	1,288,520	-	1,288,520
Deposits	-	104,795	104,795
Receivables			
Dividends Receivable	27,927	-	27,927
Accounts Receivable - Benefits	2,476	-	2,476
Accounts Receivable - Contributions	534,409	26,695	561,104
Total Receivables	564,812	26,695	591,507
TOTAL ASSETS	262,619,847	11,866,634	274,486,481
LIABILITIES			
Benefits Payable	22,190	-	22,190
Accounts Payable	164,992	4,369,622	4,534,614
TOTAL LIABILITIES	187,182	4,369,622	4,556,804
NET POSITION			
Restricted for:			
Pension	262,432,665	-	262,432,665
Benefits Other than Pension	-	\$ 7,497,012	7,497,012
Total Net Position	\$ 262,432,665	\$ 7,497,012	\$ 269,929,677

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

	UTA Employee Retirement Trust	Joint Insurance Trust	Total
ADDITIONS			
Employer Contributions	\$ 27,132,518	\$ 21,341,458	\$ 48,473,976
Participant Voluntary Contributions	116,525	414,378	530,903
Total Contributions	<u>27,249,043</u>	<u>21,755,836</u>	<u>49,004,879</u>
Net Investment Income			
Net Decline in Fair Value of Investments	(58,161,231)	(8,484)	(58,169,715)
Interest	160,317	28,498	188,815
Dividends	2,251,300	-	2,251,300
Total Investment Income	<u>(55,749,614)</u>	<u>20,014</u>	<u>(55,729,600)</u>
Less: Investment Expense	811,913	-	811,913
Net Investment Income	<u>(56,561,527)</u>	<u>20,014</u>	<u>(56,541,513)</u>
TOTAL ADDITIONS	<u>(29,312,484)</u>	<u>21,775,850</u>	<u>(7,536,634)</u>
DEDUCTIONS			
Monthly Benefits Paid	14,275,618	20,593,640	34,869,258
Lump Sum Distributions	8,033,740	-	8,033,740
Administrative Expense	554,229	140,660	694,889
TOTAL DEDUCTIONS	<u>22,863,587</u>	<u>20,734,300</u>	<u>43,597,887</u>
CHANGE IN NET POSITION	<u>\$ (52,176,071)</u>	<u>\$ 1,041,550</u>	<u>\$ (51,134,521)</u>
Total Net Position (Restricted), January 1	\$ 314,608,736	\$ 6,455,462	\$ 321,064,198
Total Net Position (Restricted), December 31	\$ 262,432,665	\$ 7,497,012	\$ 269,929,677

Statistical

UTAH TRANSIT AUTHORITY

Statistical Section

Year Ended December 31, 2022

The Statistical Section provides additional historical context and detail to aid in using the information in Utah Transit Authority's financial statements and in understanding and assessing the Authority's overall financial health.

Financial Trends Information

These schedules present trend information to help the reader understand how the Authority's financial performance and fiscal health have changed.

- Net Position and Changes in Net Position
- Revenue History by Source
- Expense History by Function

Revenue Capacity Information

These schedules contain information to help the reader assess the Authority's capacity to raise revenue from the Authority's most significant revenue source, local transit sales tax.

- Local Contributions from Other Governments
- Local Transit Sales Taxes by County
- Principle Contributors of Sales Tax and Fares

Debt Capacity Information

This Schedule presents information to help the reader understand and assess the Authority's level of outstanding debt and the Authority's ability to issue additional debt in the future.

- Debt Service Coverage

Demographic and Economic Information

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

- Principal Employers
- Full Time Equivalent Authority Employees
- Trend Statistics by Type of Service

Operating Information

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

- Operating Indicators by Function/Program
- Capital Asset Statistics by Function/Program
- Performance Measures - Bus Service
- Performance Measures - Light Rail
- Performance Measures - Commuter Rail
- Performance Measures - Demand Response
- Performance Measures - Vanpool

Sources: Unless otherwise noted, the information in the following schedules is derived from Utah Transit Authority's Annual Comprehensive Financial Reports for the years indicated.

***NET POSITION AS OF December 31 - 10 Years**

	2022	2021 ¹	2020	2019	2018	2017	2016	2015	2014	2013
Net Position as of December 31										
Net investment in capital assets	\$666,552,866	\$667,968,269	\$648,605,411	\$692,675,681	\$827,646,243	\$894,275,843	\$924,260,135	\$1,040,640,236	\$1,230,633,230	\$1,327,585,097
Restricted	44,161,873	27,015,061	40,516,406	66,948,773	66,559,450	60,399,717	67,381,132	77,983,022	62,779,798	7,172,060
Unrestricted	505,087,728	331,437,253	228,081,924	113,143,840	85,088,927	39,001,859	71,502,447	76,548,154	137,991,170	242,347,746
Total net position	1,215,802,467	1,026,420,583	917,203,741	872,768,294	979,294,620	993,677,419	1,063,143,714	1,195,171,412	1,431,404,198	1,577,104,903
Restatement	-	302,822	-	-	-	-	-	(9,497,521)	(115,047,267)	4,931,557
Total restated net position	\$1,215,802,467	\$1,026,723,405	\$917,203,741	\$872,768,294	\$979,294,620	\$993,677,419	\$1,063,143,714	\$1,185,673,891	\$1,316,356,931	\$1,582,036,460

***CHANGE IN NET POSITION - 10 YEARS**

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Operating revenues	\$35,713,144	\$30,386,187	\$34,880,272	\$55,111,554	\$54,464,392	\$54,525,870	\$52,891,021	\$54,346,242	\$53,761,223	\$52,044,200
Operating expenses	569,651,499	472,933,325	459,473,189	457,897,920	401,161,541	427,777,940	422,543,342	394,062,733	398,626,029	378,224,993
Operating loss	(533,938,355)	(442,547,138)	(424,592,917)	(402,786,366)	(346,697,149)	(373,252,070)	(369,652,321)	(339,716,491)	(344,864,806)	(326,180,793)
Non-operating revenues	641,374,613	483,530,389	444,739,466	261,451,197	268,435,411	246,722,487	226,957,532	209,462,264	182,843,232	173,520,664
Income (loss) before capital contributions	107,436,258	40,983,251	20,146,549	(141,335,169)	(78,261,738)	(126,529,583)	(142,694,789)	(130,254,227)	(162,021,574)	(152,660,129)
Capital contributions	81,642,804	68,233,591	24,288,898	34,808,843	63,878,939	57,063,288	20,164,612	9,068,708	11,389,311	56,255,200
Change in net position	\$189,079,062	\$109,216,842	\$44,435,447	\$ (106,526,326)	\$ (14,382,799)	\$ (69,466,295)	\$ (122,530,177)	\$ (121,185,519)	\$ (150,632,263)	\$ (96,404,929)

*Source: Utah Transit Authority 2022 Annual Comprehensive Financial Report
 1. 2021 Net position restated due to GASB 87 Implementation in 2022.

REVENUE HISTORY BY SOURCE

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Operating	\$ 35,713,144	\$ 30,386,187	\$ 34,880,272	\$ 55,111,554	\$ 54,464,392	\$ 54,525,870	\$ 52,891,021	\$ 54,346,242	\$ 53,761,223	\$ 52,044,200
Sales taxes	-	433,360,729	361,590,707	317,797,604	282,933,591	265,770,775	245,008,417	227,703,023	214,683,276	203,806,329
Investment	215,063,965	1,432,026	3,525,448	6,821,490	6,525,872	2,873,787	1,732,939	2,831,406	5,803,226	1,455,039
Reinvestment of proceeds from development agreements	1,806,825	-	-	-	-	-	-	-	-	-
Net gain on sale of capital assets	19,368,007	1,411,431	927,566	-	-	-	-	-	-	-
Build America Bond Subsidies	9,259,376	8,158,624	8,893,288	-	-	-	-	-	-	-
Other	11,692,301	9,822,657	9,442,644	(45,372,222)	8,155,668	3,954,893	3,108,191	8,314,065	3,724,610	4,347,724
	292,903,618	484,571,654	419,259,925	334,358,426	352,079,523	327,125,325	302,740,568	293,194,736	277,972,335	261,653,292
Federal grants										
Federal preventive maintenance grants	-	-	-	-	61,820,668	62,313,994	59,772,235	49,452,677	47,760,737	47,986,240
Federal operating grants	480,925,766	130,631,095	160,258,318	69,746,231	-	-	3,562,534	2,547,335	2,994,139	3,868,252
Federal capital grants	50,582,042	48,642,468	20,898,309	16,395,068	31,585,004	53,960,024	17,054,298	7,819,096	8,025,628	48,669,408
	531,507,808	179,273,563	181,156,627	86,141,299	93,405,672	116,274,018	80,389,067	59,819,108	58,780,504	100,523,900
Other capital contributions	31,060,762	19,591,123	3,390,589	18,413,775	32,293,935	3,103,264	3,110,314	1,249,612	3,363,683	7,585,792
	\$855,472,188	\$683,436,340	\$603,807,141	\$438,913,500	\$477,779,130	\$446,502,607	\$386,239,949	\$354,263,456	\$340,116,522	\$369,762,984

EXPENSE HISTORY BY FUNCTION

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Bus service	\$ 135,508,533	\$ 108,575,280	\$ 107,390,047	\$ 104,570,413	\$ 96,719,747	\$ 88,928,063	\$ 85,841,973	\$ 77,092,676	\$ 79,060,631	\$ 78,894,435
Rail service	121,262,026	94,943,238	96,041,283	77,972,467	75,157,087	72,895,607	84,165,069	67,254,632	70,365,953	61,086,101
Paratransit service	33,431,955	27,083,173	22,646,903	23,121,527	21,857,632	19,572,367	19,341,116	18,511,580	18,748,699	18,202,211
Other service	3,509,781	3,587,718	3,296,275	3,247,699	3,056,191	2,982,176	2,949,643	2,918,871	3,183,892	701,656
Operations support	62,562,572	50,621,841	46,463,776	47,056,444	45,557,749	41,932,571	37,831,682	32,051,926	28,380,563	28,439,826
Administration ¹	64,148,322	53,262,273	43,734,772	35,927,831	38,783,033	30,612,930	38,840,643	35,189,725	35,409,918	28,533,912
Capital Maintenance Projects	-	-	-	19,078,502	38,654,111	20,602,425	-	-	-	-
Depreciation	6,358,030	134,048,888	139,089,219	146,112,123	80,565,077	149,440,887	153,573,216	161,043,323	163,476,373	162,366,852
Impairment Expense	(3,228,640)	-	-	-	-	-	-	-	-	-
Interest ²	99,970,267	101,286,173	99,898,505	87,541,906	91,000,388	88,190,962	85,415,870	80,575,328	91,311,842	87,132,004
Recoverable sales tax, interlocal ³	810,914	810,914	810,914	810,914	810,914	810,914	810,914	810,914	810,914	810,914
	\$ 524,333,760	\$ 574,219,498	\$ 560,182,608	\$ 546,250,740	\$ 492,161,929	\$ 515,968,902	\$ 508,770,126	\$ 475,448,975	\$ 490,748,785	\$ 466,167,911

¹ Includes major investment studies

² Reported as non-capitalized interest

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

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

	2022	2021	2020	2019	2018
Box Elder ¹	\$ 3,083,631	\$ 2,690,712	\$ 2,404,175	\$ 2,019,035	\$ 1,898,308
Davis	48,085,992	44,689,405	37,364,965	33,674,864	31,883,835
Salt Lake	291,511,290	260,485,953	217,849,215	196,744,294	174,704,191
Tooele ²	4,174,538	4,040,910	3,347,286	2,250,563	2,815,189
Utah	94,740,945	84,632,418	69,278,480	55,708,400	45,665,232
Weber	39,329,370	36,821,329	31,346,586	27,400,447	25,966,836
	<u>\$ 480,925,766</u>	<u>\$ 433,360,729</u>	<u>\$ 361,590,707</u>	<u>\$ 317,797,604</u>	<u>\$ 282,933,591</u>

	2017	2016	2015	2014	2013
Box Elder ¹	\$ 1,957,740	\$ 1,790,352	\$ 1,552,291	\$ 1,418,268	\$ 1,300,577
Davis	30,633,547	27,606,440	23,178,724	21,459,683	20,023,042
Salt Lake	163,407,564	153,201,907	146,866,479	139,199,088	132,741,112
Tooele ²	2,302,492	1,798,971	1,521,097	1,384,631	1,349,366
Utah	43,023,303	38,601,427	36,221,930	33,752,513	31,905,764
Weber	24,446,129	22,009,320	18,362,502	17,469,093	16,486,468
	<u>\$ 265,770,775</u>	<u>\$ 245,008,417</u>	<u>\$ 227,703,023</u>	<u>\$ 214,683,276</u>	<u>\$ 203,806,329</u>

¹ Includes Brigham City, Perry and Willard cities only

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

LOCAL TRANSIT SALES TAX RATES BY COUNTY - 10 YEARS

	2022	2021	2020	2019	2018
Box Elder	0.5500%	0.5500%	0.5500%	0.5500%	0.5500%
Davis	0.6500%	0.6500%	0.6500%	0.6500%	0.6500%
Salt Lake	0.7875%	0.8500%	0.8500%	0.8500%	0.6875%
Tooele	0.4000%	0.4000%	0.4000%	0.4000%	0.4000%
Utah	0.6260%	0.6260%	0.6300%	0.6300%	0.5260%
Weber	0.6500%	0.6500%	0.6500%	0.6500%	0.6500%

	2017	2016	2015	2014	2013
Box Elder	0.5500%	0.5500%	0.5500%	0.5500%	0.5500%
Davis	0.6500%	0.6500%	0.5500%	0.5500%	0.5500%
Salt Lake	0.6875%	0.6875%	0.6875%	0.6875%	0.6875%
Tooele	0.4000%	0.4000%	0.3000%	0.3000%	0.3000%
Utah	0.5260%	0.5260%	0.5260%	0.5260%	0.5260%
Weber	0.6500%	0.6500%	0.5500%	0.5500%	0.5500%

PRINCIPAL CONTRIBUTORS OF SALES TAX BY COUNTY - 2022 AND 2013

	2022			2013		
	Rank	Percentage of contributions	Amount	Rank	Percentage of contributions	Amount
Salt Lake County	1	60.61%	\$ 291,511,290	1	65.13%	\$ 132,741,111
Utah County	2	19.70%	94,740,945	2	15.65%	31,905,764
Davis County	3	10.00%	48,085,992	3	9.82%	20,023,042
Weber County	4	8.18%	39,329,370	4	8.09%	16,486,468
Tooele County	5	0.87%	4,174,538	5	0.66%	1,349,366
Box Elder County	6	0.64%	3,083,631	6	0.64%	1,300,577
			<u>\$ 480,925,766</u>			<u>\$ 203,806,328</u>

FARES - 10 YEARS

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Cash Fares										
Base Fare	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50
Senior Citizen/Disabled	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25
Ski Bus	5.00	5.00	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50
Paratransit (Flextrans)	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Commuter Rail Base Rate	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50
Commuter Rail Additional Station	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60
Commuter Rail Maximum Rate	9.70	9.70	10.30	10.30	10.30	10.30	10.30	10.30	10.30	10.30
Express	5.00	5.00	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Streetcar	2.50	2.50	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Monthly Passes										
Adult	\$ 85.00	\$ 85.00	\$ 83.75	\$ 83.75	\$ 83.75	\$ 83.75	\$ 83.75	\$ 83.75	\$ 83.75	\$ 83.75
Minor	42.50	42.50	62.75	62.75	62.75	62.75	62.75	62.75	62.75	62.75
College Student	42.50	42.50	62.75	62.75	62.75	62.75	62.75	62.75	62.75	62.75
Senior Citizen/Disabled	42.50	42.50	41.75	41.75	41.75	41.75	41.75	41.75	41.75	41.75
Express	170.00	170.00	198.00	198.00	198.00	198.00	198.00	198.00	198.00	198.00
Other Fares										
Day Pass	\$ 5.00	\$ 5.00	\$ 6.25	\$ 6.25	\$ 6.25	\$ 6.25	\$ 6.25	\$ 6.25	\$ 6.25	\$ 6.25
Group Pass	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00
Summer Youth	49.00	49.00	49.00	49.00	99.00	99.00	99.00	99.00	99.00	—
Token - 10-Pack ¹	—	22.50	22.50	22.50	22.50	22.50	22.50	22.50	22.50	22.50
Paratransit - 10-Ride Ticket	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00

¹ UTA discontinued the use of tokens on January 1, 2022

Source: UTA Fares Department

TOTAL OUTSTANDING DEBT BURDEN PER CAPITA

Fiscal Year	Total Debt			Sales Taxes Collected (less Proposition 1 and 4th quarter cent)	Personal Income of UTA Service Area	Percentage of Personal Income	Per Capita
	Bonds	Inter-Local	Financing Agreements				
2013	\$ 2,132,224,961	\$ -	\$ -	\$ 203,806,329	\$ 85,699,968,000	2.49%	\$ 926.12
2014	2,124,111,208	-	-	214,683,276	91,063,808,000	2.33%	910.75
2015	2,291,439,672	-	11,272,688	227,703,023	98,213,376,000	2.34%	972.89
2016	2,259,166,529	-	19,605,173	238,584,981	104,042,124,000	2.19%	943.16
2017	2,300,193,307	65,000,000	46,394,866	256,742,750	110,124,169,000	2.19%	979.06
2018	2,377,228,054	65,960,616	56,038,716	273,007,256	118,270,822,000	2.11%	998.93
2019	2,329,663,958	67,050,616	52,187,203	288,548,490	125,338,146,000	1.95%	963.88
2020	2,324,362,741	65,665,597	57,263,279	311,520,915	135,585,673,000	1.80%	938.78
2021	2,273,743,099	57,670,000	81,486,033	373,271,998	149,994,848,000	1.61%	904.76
2022	2,162,991,498	56,125,000	105,927,556	414,301,168	-	-	862.52

Source: Note 9
 2022 personal income numbers are not available at the preparation of this statement

DEMOGRAPHIC AND ECONOMIC STATISTICS

Fiscal Year	Estimated Population	Personal Income in UTA Service Area	Per Capita Personal Income	Unemployment Rate
2013	2,302,315	\$ 85,699,968,000	\$ 37,223	4.6%
2014	2,332,262	91,063,808,000	39,045	3.8%
2015	2,366,874	98,213,376,000	41,495	3.6%
2016	2,416,115	104,042,124,000	43,062	3.4%
2017	2,463,158	110,124,169,000	44,709	3.3%
2018	2,501,905	118,270,822,000	47,272	3.0%
2019	2,540,671	125,338,146,000	49,333	2.6%
2020	2,606,888	135,585,673,000	52,011	3.3%
2021	2,666,898	149,994,848,000	56,243	2.3%
2022	2,695,629	-	-	2.4%

Source: US Dept of Commerce, Bureau of Economic Analysis, Regional Data (www.bea.gov)
 Unemployment rate- Utah Department of Workforce Services <https://jobs.utah.gov/wi/update/une/>

YEARLY DEBT SERVICE COVERAGE

Fiscal Year	Bonds Payments		Sales Taxes Collected (less Proposition 1 and 4th quarter cent)	Coveraage Ratio of Sales Taxes
	Principal	Interest		
2013	\$ 7,450,000	\$ 84,319,531	\$ 203,806,329	2.22
2014	7,810,000	91,382,184	214,683,276	2.16
2015	11,445,000	84,785,200	227,703,023	2.37
2016	13,570,000	94,893,898	238,584,981	2.20
2017	8,750,000	77,765,121	256,742,750	2.97
2018	10,845,000	91,000,388	273,007,256	2.68
2019	17,500,000	87,541,906	288,548,490	2.75
2020	25,920,000	91,005,217	311,520,915	2.66
2021	46,860,000	100,245,573	373,271,998	2.54
2022	55,735,000	86,212,420	414,301,168	2.92

Source: Statement of Expenses and Change in Net Position, and Note 10, Sales Tax Revenue Bonds

PRINCIPAL EMPLOYER - 2021 AND 2012

Employer	Industry	2021			2012		
		Employees	Rank	% Total Employment	Employees	Rank	% Total Employment
Intermountain Healthcare	Health Care	20,000 +	1	1.2%	20,000+	1	2.6%
University of Utah	Higher Education	20,000 +	2	1.2%	20,000+	2	1.8%
Wal-Mart Associates	Warehouse Clubs/Supercenters	20,000 +	3	1.2%	15,000-19,999	5	1.5%
State of Utah	State Government	20,000 +	4	1.2%	20,000+	3	1.7%
Brigham Young University	Higher Education	15,000-19,999	5	0.9%	15,000-19,999	4	1.6%
Hill Air Force Base	Federal Government	10,000-14,999	6	0.6%	10,000-14,999	6	1.0%
Davis County School District	Public Education	7,000-9,999	7	0.4%	7,000-9,999	9	0.7%
Smith's Food and Drug Centers	Grocery Stores	7,000-9,999	8	0.4%	5,000-6,999	10	0.6%
Utah State University	Higher Education	7,000-9,999	9	0.4%	7,000-9,999	8	0.8%
Alpine School District	Public Education	7,000-9,999	10	0.4%	—	—	—
Granite School District	Public Education	—	—	—	7,000-9,999	7	0.8%
Totals		133,000-154,994+			126,000-152,000+		
Total Employment		1,636,150			1,259,337		

Source: Department of Workforce Service <https://jobs.utah.gov/wi/data/library/firm/majoremployers.html>
<https://jobs.utah.gov/jsp/utalmis/#/laborforce>

Note: 2022 data was not available when this report was issued.

FULL-TIME EQUIVALENT AUTHORITY EMPLOYEES - 10 YEARS

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Bus operations	1,073	1,069	1,104	1,138	1,089	1,030	1,028	951	945	911
Rail operations	600	595	625	631	611	580	563	527	542	526
Paratransit operations	193	190	200	204	196	191	192	188	183	176
Other services	10	10	10	10	8	9	9	12	10	10
Support services	452	453	417	433	413	365	366	349	323	335
Administration	228	190	187	184	180	243	212	210	207	195
Total	2,555	2,506	2,543	2,599	2,496	2,417	2,368	2,237	2,210	2,153

Source: UTA Budget Office
 Headcount Report 01/01/2023

TREND STATISTICS - 10 YEARS

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Passengers										
Bus service	15,502,241	12,616,872	12,441,304	20,799,642	19,624,935	19,749,855	20,033,242	20,560,068	20,165,174	19,695,711
Rail service	13,964,586	10,466,195	10,271,888	22,321,887	22,981,884	23,677,677	23,765,873	24,349,674	24,337,451	22,814,274
Paratransit service	201,822	301,505	187,112	388,265	394,816	386,977	389,019	388,169	372,499	383,453
Vanpool service	731,900	587,721	658,990	1,068,364	1,174,696	1,264,410	1,333,780	1,423,675	1,404,285	1,387,816
Total passengers	30,400,549	23,972,293	23,559,294	44,578,158	44,176,331	45,078,919	45,521,914	46,721,586	46,279,409	44,281,254
Revenue Miles										
Bus service	15,613,708	15,534,571	15,607,429	18,158,463	17,911,404	17,454,404	15,462,834	15,367,510	15,660,520	15,706,028
Rail service	10,529,287	10,904,101	10,153,689	11,977,751	12,084,767	12,082,292	12,070,277	11,988,005	11,784,146	11,681,251
Paratransit service	1,591,587	1,252,967	1,709,396	2,881,355	2,798,928	2,727,127	2,505,343	2,293,887	2,513,535	2,932,842
Vanpool service	6,182,824	5,633,164	5,705,170	6,451,812	6,354,828	6,449,439	6,518,150	6,734,487	6,859,802	7,053,191
Total Revenue Miles	33,917,406	33,324,803	33,175,684	39,469,381	39,149,927	38,713,262	36,556,604	36,383,889	36,818,003	37,373,312
Total Miles										
Bus service	17,406,085	17,262,587	17,692,313	20,854,420	20,247,617	19,899,364	17,511,624	17,662,486	17,864,847	17,191,018
Rail service	10,650,381	11,010,634	10,256,421	12,098,162	12,285,634	12,202,976	12,189,876	12,368,934	11,814,332	11,773,929
Paratransit service	1,937,209	1,571,443	2,223,889	3,566,711	3,376,772	3,263,607	3,254,559	3,192,367	2,844,468	3,493,247
Vanpool service	6,182,824	5,633,164	5,705,170	6,451,812	6,354,828	6,449,439	6,518,150	6,734,487	6,859,802	7,053,191
Total miles	36,176,499	35,477,828	35,877,793	42,971,105	42,264,851	41,815,386	39,474,209	39,958,274	39,383,449	39,511,385
Passengers per Mile										
Bus service	0.99	0.81	0.80	1.15	1.10	1.13	1.30	1.34	1.29	1.25
Rail service	2.47	0.96	1.01	1.86	1.90	1.96	1.97	2.03	2.07	1.95
Paratransit service	0.13	0.24	0.11	0.13	0.14	0.14	0.16	0.17	0.15	0.13
Vanpool service	0.12	0.10	0.12	0.17	0.18	0.20	0.20	0.21	0.20	0.20
Total passengers per mile	3.71	0.72	0.71	1.13	1.13	1.16	1.25	1.28	1.26	1.18
Revenue Hours										
Bus service	1,242,349	1,228,731	1,169,292	1,326,660	1,284,186	1,258,448	1,087,055	1,070,139	1,108,894	933,662
Rail service	493,398	511,973	480,016	532,353	527,187	513,389	511,082	506,233	487,435	641,914
Paratransit service	94,758	79,710	116,174	181,749	180,342	162,198	162,734	160,383	164,527	191,016
Total revenue hours	1,830,505	1,820,414	1,765,482	2,040,762	1,991,715	1,934,035	1,760,871	1,736,755	1,760,856	1,766,592
Passengers per Revenue Hour										
Bus service	12.48	10.27	10.64	15.68	15.28	15.69	18.43	19.21	18.18	21.10
Rail service	52.80	20.44	21.40	41.93	43.59	46.12	46.50	48.10	49.93	35.54
Paratransit service	2.13	3.78	1.61	2.14	2.19	2.39	2.39	2.42	2.26	2.01
Total passengers per mile	67.41	12.85	12.97	21.32	21.59	22.65	25.09	26.08	25.48	24.28
Total System										
Fare revenue	\$33,499,144	\$28,510,458	\$32,845,272	\$52,649,054	\$52,051,892	\$52,159,203	\$50,624,354	\$52,112,909	\$51,461,223	\$49,977,533
Operating expense	\$401,021,779	\$346,672,552	\$320,383,970	\$311,785,797	\$320,596,464	\$257,734,612	\$268,970,126	\$242,516,933	\$235,149,656	\$215,858,141
Cost per revenue mile	11.82	10.40	9.66	7.90	8.19	6.66	7.36	6.67	6.39	5.78
Cost per passenger	13.19	14.46	13.60	6.99	7.26	5.72	5.91	5.19	5.08	4.87
Fare revenue per passenger	1.10	1.19	1.39	1.18	1.18	1.16	1.11	1.12	1.11	1.13

Source: NTD

Note: Does not include commuter bus or contract transportation.



OPERATING INDICATORS AND CAPITAL ASSETS - 10 YEARS

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Number of bus routes *	83	95	104	117	114	119	125	126	121	119
Number of rail routes										
Light rail	4	4	4	4	4	4	4	4	4	4
Commuter rail	1	1	1	1	1	1	1	1	1	1
Bus service miles (weekday)	59,196	62,948	63,025	62,742	57,378	56,162	53,612	49,625	51,629	55,733
Rail service miles (weekday)										
Light rail	8,789	8,342	6,797	8,832	8,853	8,814	8,815	8,828	8,547	8,216
Commuter rail	4,504	3,727	3,628	4,660	4,664	4,623	4,627	4,651	4,638	4,488
Average passengers (weekday)	99,494	79,916	78,972	152,940	151,901	156,288	155,873	161,862	161,339	162,644
Buses	520	648	539	570	561	582	567	555	535	493
Paratransit vehicles (buses/vans)	187	188	207	198	182	148	129	—	84	113
Rail vehicles										
Light rail	114	117	117	117	146	146	146	146	146	146
Commuter rail	87	81	81	70	81	81	81	81	81	81
Vanpool vehicles	491	461	471	512	453	453	503	495	479	470
Park and ride lots ¹										
Rail park and ride	—	—	—	—	—	—	46	41	—	—
Non-Rail park and ride	41	42	42	42	42	42	—	—	—	—
Non-Rail park and ride	25	12	12	12	12	12	—	—	—	—
Bus stops	5,369	5,199	6,120	6,247	6,100	6,100	6,196	6,250	6,250	6,273
Rail stations										
Light rail	57	57	57	57	57	57	57	57	51	51
Commuter rail	17	17	17	17	16	16	16	16	16	16

Source: NTD
 UTA capital asset record
 UTA Change-Day Roster
<https://data-rideuta.opendata.arcgis.com/>

* including flex

¹ As of 2017, UTA started distinguishing between rail and non-rail park and ride lots.

UTA Benchmarking Group

In addition to internal performance measures, UTA strives to improve through use of peer comparisons in a benchmarking group. The following measures were generated using publicly available National Transit Database (NTD) data for the most recent year available (2021) aggregated by region.

Transportation needs are as unique as the landscapes they inhabit. These needs are often met by a collection of agencies specializing in different modes of transit over one region. Comparisons at the agency level, therefore, often produce results that are difficult to interpret. However, much of this variation can be mitigated by grouping transit agencies that serve the same city, metropolitan area, or geographic region.

After aggregating agency data by city, UTA established a benchmarking group of ten cities. Although perfectly equivalent comparisons are not always attainable, this group of peer cities were selected to ensure appropriate data consistency. Top-level metrics used to establish this peer group, in approximate order of importance, include:

- Types of transportation (Transit Modes)
- Budget required for transit operations (Operating Expenses)
- Ridership (Unlinked Passenger Trips)
- Operating time and distance (Vehicle Revenue Hours and Vehicle Revenue Miles)
- Funding level (Farebox Return¹)

These metrics were evaluated together to determine effective comparisons with UTA (listed as Salt Lake City). For example, although Seattle has the highest operating budget in the benchmarking group, it also has comparatively high ridership levels. This differs from cities like San Jose, which has a higher budget than UTA but lower ridership levels, indicating relatively costly service.

¹ Farebox return is calculated from NTD data by dividing "Fare Revenues Earned" by "Operating Expenses".

The below chart illustrates similarity of top-level metrics across the benchmarking groups, with gray indicating lower than UTA levels, white indicating similar levels, and blue indicating higher levels.

	Ridership	Op Budget	VR Hours	VR Miles	Farebox Return
Cleveland	16 mm	\$258 mm	1.5 mm	20 mm	8%
Dallas	36 mm	\$560 mm	2.9 mm	43 mm	6%
Denver	49 mm	\$570 mm	3.1 mm	47 mm	25%
Phoenix	52 mm	\$373 mm	3.4 mm	46 mm	12%
Pittsburgh	23 mm	\$447 mm	2.1 mm	27 mm	12%
Portland	44 mm	\$576 mm	3.0 mm	36 mm	6%
Salt Lake City	24 mm	\$339 mm	2.1 mm	36 mm	6%
San Diego	40 mm	\$296 mm	2.8 mm	43 mm	31%
San Jose	12 mm	\$399 mm	1.4 mm	17 mm	3%
Seattle	71 mm	\$1140 mm	4.8 mm	61 mm	14%

Key criteria used in the selection process include current-state similarity in the above metrics and future-state similarity – or “stretch” comparisons (cities that reflect the growth in size or efficiency of transit that UTA envisions for itself in the coming years). Careful consideration was given to determine stretch comparison cities, like Denver and Seattle, that are at a later stage in population and transit development.

Cities that closely align with UTA in the above metrics, but without strong overlap in relevant transit modes were eliminated from the benchmarking group. The following benchmarking performance measures are presented by mode, where only cities that participate in each mode will appear in the charts. A summary of modes available in each city appears below.

Transit Mode:	Bus	Commuter Bus	Rail	Commuter Rail	Demand Response	Van Pool
Cleveland	x		x		x	
Dallas	x		x	x	x	x
Denver	x		x	x	x	x
Phoenix	x		x		x	x
Pittsburgh	x		x		x	x
Portland	x		x	x	x	
Salt Lake City	x	x	x	x	x	x
San Diego	x	x	x		x	x
San Jose	x		x		x	
Seattle	x	x	x	x	x	x

Performance Measures

BUS SERVICE (DIRECTLY OPERATED & PURCHASED)

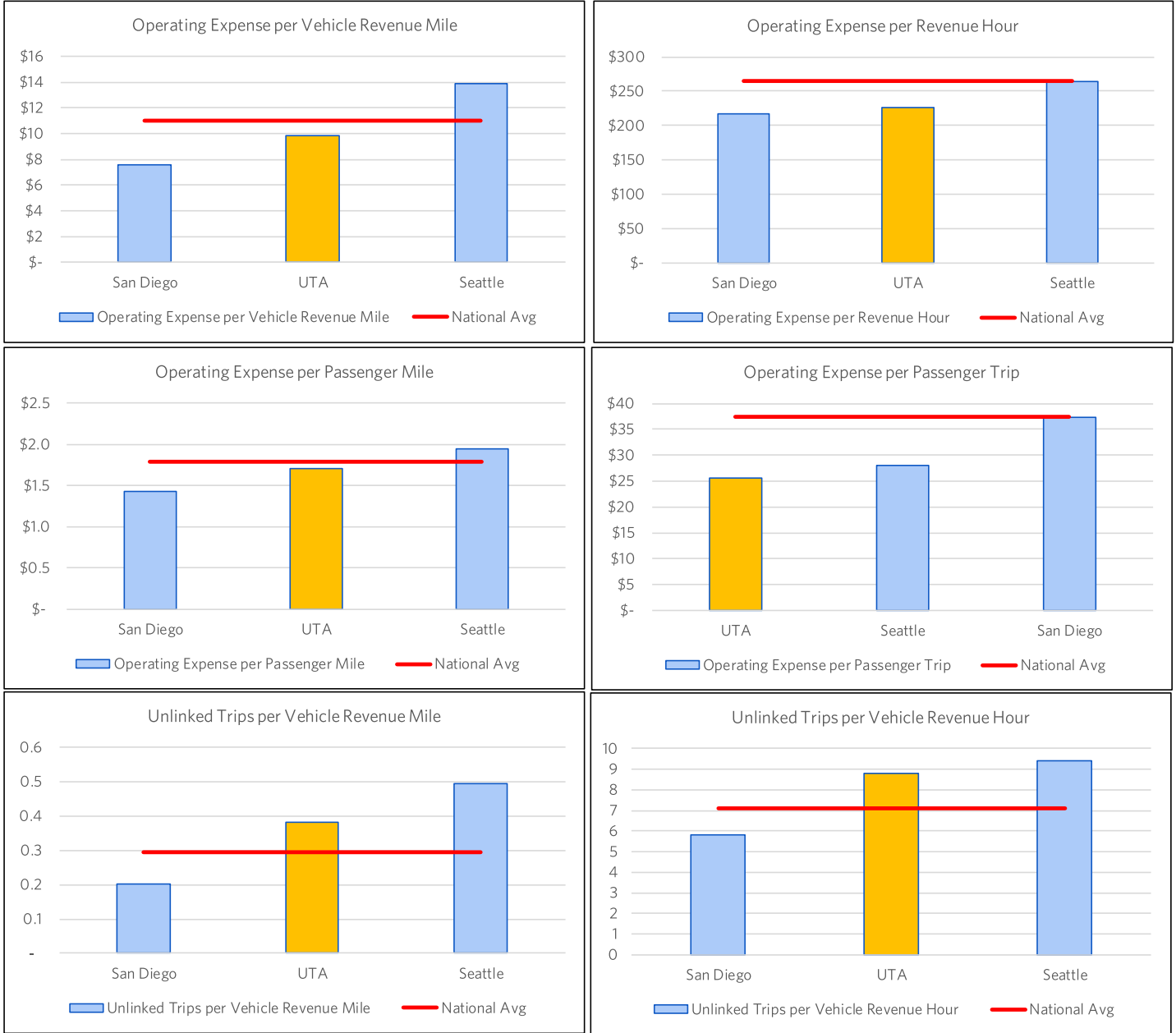
The following charts contain information from the Federal Transit Administration's National Database (NTD) for the most recent year available (2021) and compares the Authority's performance with other similar cities.



City	State	Agency	City	State	Agency	RC	SMS
Cleveland	OH	GCRTA	Portland	OR	TriMet	RC	SMS
Dallas	TX	DART	San Diego	CA	MTS		
Denver	CO	RTD	San Jose	CA	VTA		
Phoenix	AZ	VM	Seattle	WA	KCM		
Pittsburgh	PA	PRT					
		VMR					

COMMUTER BUS SERVICE (DIRECTLY OPERATED & PURCHASED)

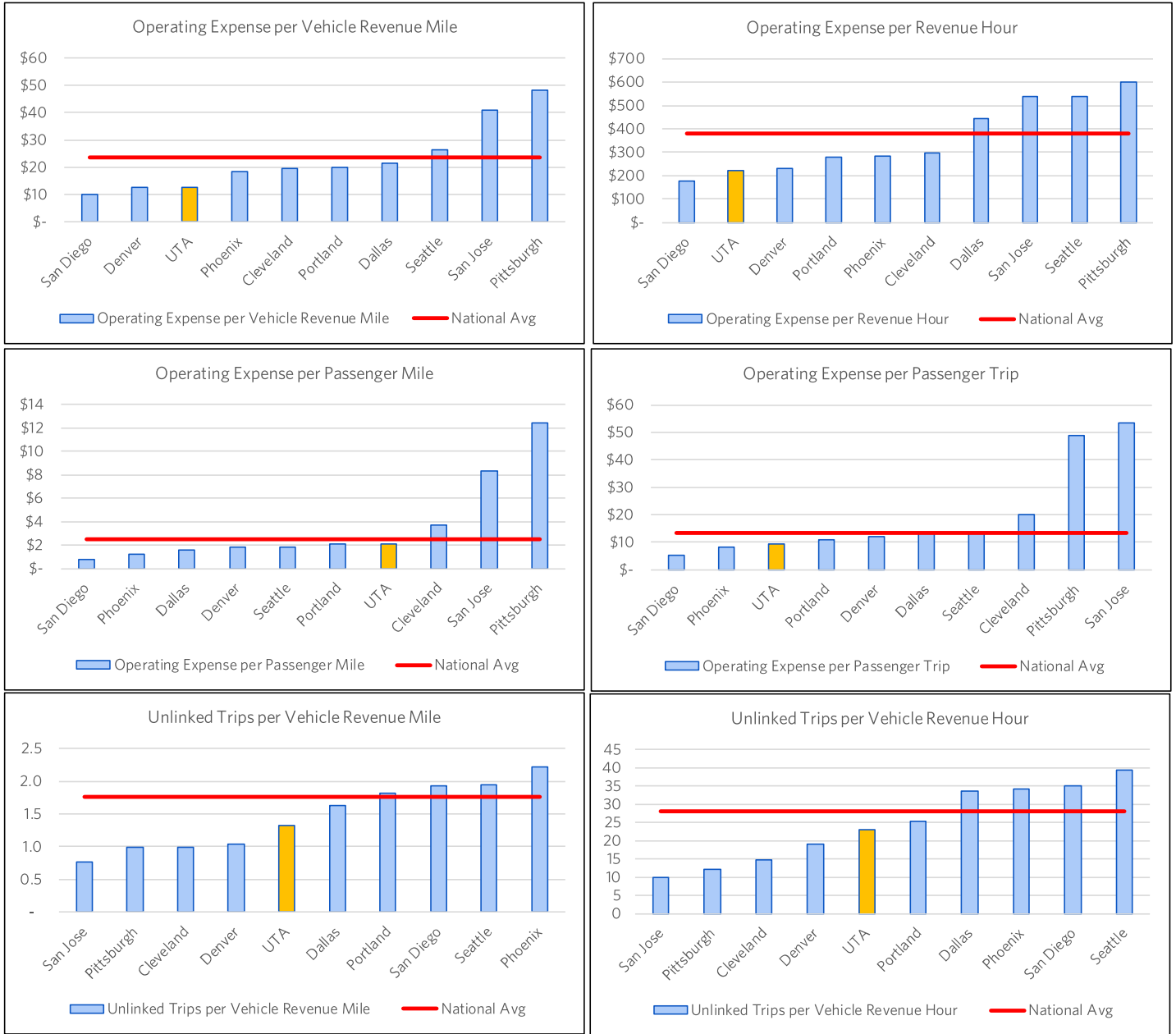
The following charts contain information from the Federal Transit Administration's National Database (NTD) for the most recent year available (2021) and compares the Authority's performance with other similar cities.



City	State	Agency
San Diego	CA	MTS
Seattle	WA	ST

LIGHT RAIL SERVICE (DIRECTLY OPERATED & PURCHASED)

The following charts contain information from the Federal Transit Administration's National Database (NTD) for the most recent year available (2021) and compares the Authority's performance with other similar cities.



City	State	Agency	City	State	Agency
Cleveland	OH	GCRTA	Portland	OR	TriMet
Dallas	TX	DART	San Diego	CA	MTS
Denver	CO	RTD	San Jose	CA	VTA
Phoenix	AZ	VMR	Seattle	WA	ST
Pittsburgh	PA	PRT			

COMMUTER RAIL SERVICE (DIRECTLY OPERATED & PURCHASED)

The following charts contain information from the Federal Transit Administration's National Database (NTD) for the most recent year available (2021) and compares the Authority's performance with other similar cities.



City	State	Agency
------	-------	--------

Dallas	TX	DART
Denver	CO	RTD
Seattle	WA	ST

DEMAND RESPONSE SERVICE (DIRECTLY OPERATED & PURCHASED)

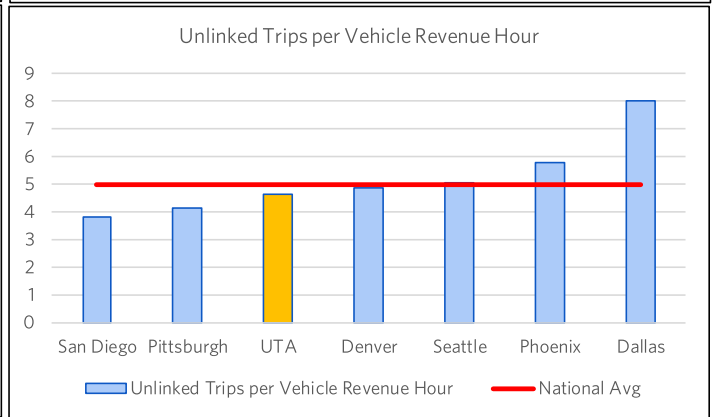
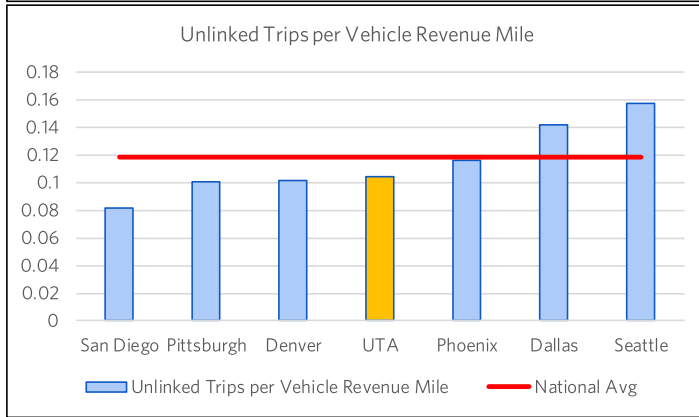
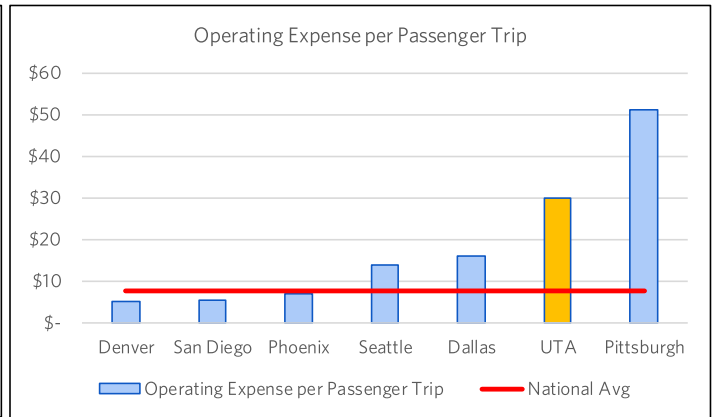
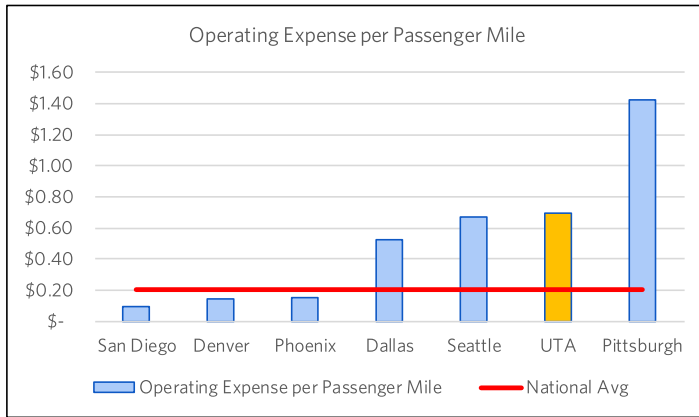
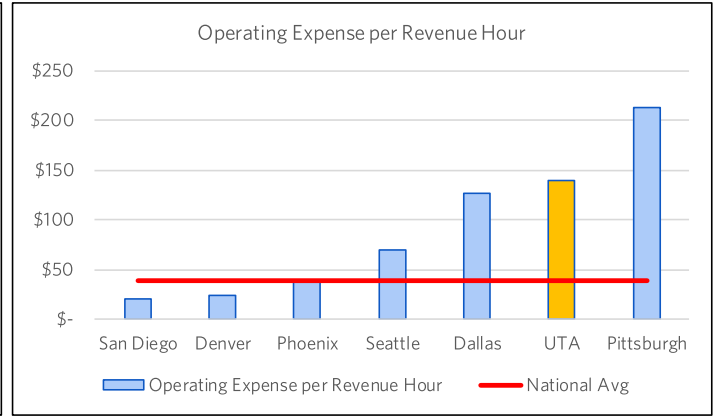
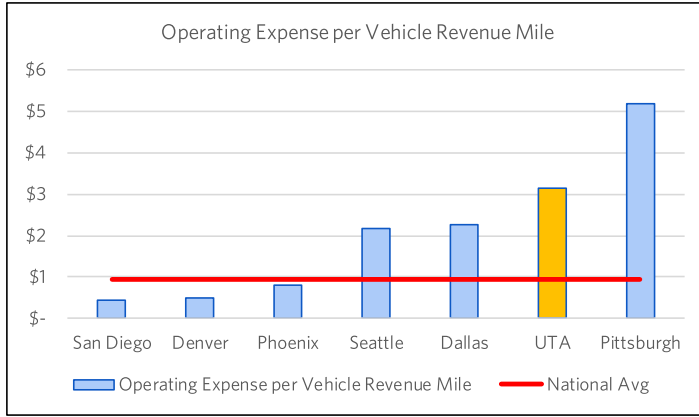
The following charts contain information from the Federal Transit Administration's National Database (NTD) for the most recent year available (2021) and compares the Authority's performance with other similar cities.



City	State	Agency	City	State	Agency
Cleveland	OH	GCRTA	Portland	OR	RC SMS
Dallas	TX	DART	San Diego	CA	MTS
Denver	CO	RTD	San Jose	CA	VTA
Phoenix	AZ	VM	Seattle	WA	KCM
Pittsburgh	PA	ACTA			

VAN POOL SERVICE (DIRECTLY OPERATED & PURCHASED)

The following charts contain information from the Federal Transit Administration's National Database (NTD) for the most recent year available (2021) and compares the Authority's performance with other similar cities.



City	State	Agency
Dallas	TX	DART
Denver	CO	DRCOG
Phoenix	AZ	VM
Pittsburgh	PA	SPC
San Diego	CA	SANDAG

City	State	Agency
Seattle	WA	KCM

Compliance

INDEPENDENT AUDITOR'S 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

Board of Trustees
Utah Transit Authority
Salt Lake City, Utah

We have audited, in accordance with the 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, the financial statements of the business-type activities and the fiduciary activities of Utah Transit Authority (the Authority), a component unit of the State of Utah, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated June 9, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances 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. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A *deficiency in internal control* 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 and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

(Continued)

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Crowe LLP

Indianapolis, Indiana
June 9, 2023

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR THE MAJOR FEDERAL PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE

Board of Trustees
Utah Transit Authority
Salt Lake City, Utah

Report on Compliance for Major Federal Program

Opinion on Major Federal Program

We have audited Utah Transit Authority's (the Authority), a component unit of the State of Utah, compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on the Authority's major federal program for the year ended December 31, 2022. 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.

In our opinion, the Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2022.

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of the Authority's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Authority's federal programs.

(Continued)

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Authority's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Authority's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

(Continued)

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Crowe LLP

Crowe LLP

Indianapolis, Indiana
June 9, 2023

THE UTAH TRANSIT AUTHORITY
 Schedule of Expenditures of Federal Awards
 Year Ended December 31, 2022

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal ALN Number	Grant Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. DEPARTMENT OF TRANSPORTATION					
Federal Transit Cluster - Federal Transit Administration Programs					
Federal Transit - Capital Investment Grants	20.500	UT-2021-021		\$ -	\$ 42,300,777
COVID-19 Grant - (ARPA) Formula Grant	20.507	UT-2022-001-00		-	167,777,447
Federal Transit -Preventive Maintenance Formula Grant	20.507	UT-2022-006-00		-	49,644,460
FHWA Transfer to 5307 Urbanized Area Formula Grant	20.507	UT-2020-010		-	497,691
				-	217,919,598
Bus and Bus Facilities Formula Program	20.526	UT-2018-010-00		-	2,099,923
				-	2,099,923
Federal Transit Cluster - Federal Transit Administration Programs total				-	262,320,298
Transit Services Programs Cluster - Federal Transit Administration Programs					
COVID-19 Grant - (CRRSSA) Formula Grant	20.513	UT-2022-002		24,539	24,539
COVID-19 Grant - (ARPA) Formula Grant	20.513	UT-2022-003		13,944	13,944
COVID-19 Transit Services Grants Total				38,483	38,483
Federal Transit - Enhanced Mobility for Seniors and Individuals with Disabilities	20.513	UT-2017-015		21,523	20,815
Federal Transit - Enhanced Mobility for Seniors and Individuals with Disabilities	20.513	UT-2017-016		49,990	49,990
Federal Transit - Enhanced Mobility for Seniors and Individuals with Disabilities	20.513	UT-2017-017		-	3,114
Federal Transit - Enhanced Mobility for Seniors and Individuals with Disabilities	20.513	UT-2019-001		99,048	108,461
Federal Transit - Enhanced Mobility for Seniors and Individuals with Disabilities	20.513	UT-2019-002		161,970	201,040
Federal Transit - Enhanced Mobility for Seniors and Individuals with Disabilities	20.513	UT-2019-003		184,327	209,887
Federal Transit - Enhanced Mobility for Seniors and Individuals with Disabilities	20.513	UT-2021-005		182,000	182,000
Federal Transit - Enhanced Mobility for Seniors and Individuals with Disabilities	20.513	UT-2021-007		88,005	88,005
Federal Transit - Enhanced Mobility for Seniors and Individuals with Disabilities	20.513	UT-2021-009		60,438	68,648
Federal Transit - Enhanced Mobility Pilot Program	20.513	UT-2020-003		-	416,025
Federal Transit - Enhanced Mobility for Seniors and Individuals with Disabilities	20.513	UT-2021-006		90,928	90,928
Federal Transit - Enhanced Mobility for Seniors and Individuals with Disabilities	20.513	UT-2021-010		115,334	115,334
Federal Transit - Enhanced Mobility for Seniors and Individuals with Disabilities	20.513	UT-2021-011		36,370	109,365
Transit Services Programs Cluster - Federal Transit Administration Programs				1,128,416	1,702,095
Federal Transit Administration Programs total				1,128,416	264,022,393

THE UTAH TRANSIT AUTHORITY
 Schedule of Expenditures of Federal Awards
 Year Ended December 31, 2022

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal ALN Number	Grant Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
Public Transportation Innovation	20.530	UT-2021-004-00		\$ -	\$ 5,033
Public Transportation Research, Technical Assistance, and Training	20.514	UT-2021-020-00		-	31,745
National Infrastructure Investment - Federal Transit Administration Programs					
Federal Transit Administration - National Infrastructure Investment (TIGER)	20.933	UT-2018-002		-	4,022,702
TOTAL U.S. DEPARTMENT OF TRANSPORTATION				1,128,416	268,081,873
TOTAL FEDERAL AWARDS EXPENDED				\$ 1,128,416	\$ 268,081,873

RECONCILIATION OF FEDERAL EXPENDITURES TO FEDERAL REVENUES ON THE STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN NET POSITION

Federal Preventative Maintenance grants	\$ 215,063,965
Capital Contributions: Federal grants	50,582,042
Total per Statement of Revenues, Expenses and Change in Net Position (2022)	265,646,007
Total per Schedule of Expenditures of Federal Awards for the year ending December 31, 2022	268,081,873
Difference	2,435,866

Previous Over/(Under)stated Revenues reflected in 2022 Statement of Revenues, Expenses and Change in Net Position

Transit Services Program Cluster	ALN	Grant #	Amount
Enhanced Mobility for Seniors and Individuals with Disabilities	20.513	UT-2017-015	\$ (2)
Enhanced Mobility for Seniors and Individuals with Disabilities	20.513	UT-2017-016	1
Enhanced Mobility for Seniors and Individuals with Disabilities	20.513	UT-2019-001	(2)
			(3)
Federal Transit Cluster - Federal Transit Administration Programs			
Bus and Bus Facilities Formula Program	20.526	UT-2018-010	(1)
			(1)
Adjusting entry UT-2016-006			(12,403.00)
Adjusting entry 20-CMAQ-19.43210			2,497,250
Adjusting entry 20-CMAQ.43210			(48,977.77)
			2,435,870
Total Adjustment			\$ 2,435,866

UTAH TRANSIT AUTHORITY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 2022

A. Basis of Accounting

The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Authority, it is not intended to and does not present the financial position, changes in net position or cash flows of the Authority. Expenditures are recognized on the accrual basis of accounting, following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

B. Pass-Through Awards

The Authority receives certain expenditures of federal awards, which is passed through to sub-recipients. The total amount of such pass-through awards is included in the schedule of expenditures of federal awards.

C. Non-Cash Federal Assistance

No non-cash federal assistance was received during the year ended December 31, 2022.

D. Indirect Cost Rate

The Authority did not use the 10 percent de minimis indirect cost rate.

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

Yes No

Significant Deficiency(ies) identified?

Yes None reported

Noncompliance material to financial statements noted?

Yes No

Federal Awards

Internal control over major federal programs:

Material weakness(es) identified?

Yes No

Significant Deficiencies identified not considered to be material weaknesses?

Yes None reported

Type of auditor’s report issued on compliance for major federal programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

Yes No

Identification of major federal programs:

Assistance Listing Number(s).
20.500, 20.507, 20.526

Program/Cluster Title
Federal Transit Cluster

Dollar threshold used to distinguish between Type A and Type B Programs

\$3,000,000

Auditee qualified as low-risk auditee?

Yes No

SECTION II - FINDINGS RELATING TO THE FINANCIAL STATEMENTS, WHICH ARE REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS

None reported.

SECTION III - FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS INCLUDING AUDIT FINDINGS AS DEFINED IN Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards

None reported.

Other Supplementary Schedules



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND REPORT ON INTERNAL CONTROL
OVER COMPLIANCE AS REQUIRED BY THE *STATE COMPLIANCE AUDIT GUIDE*

Board of Trustees
Utah Transit Authority
Salt Lake City, Utah

Report On Compliance***Opinion on State Compliance***

We have audited the Utah Transit Authority's (the Authority), a component unit of the State of Utah, compliance with the applicable state compliance requirements described in the *State Compliance Audit Guide*, issued by the Office of the State Auditor, for the year ended December 31, 2022.

State compliance requirements were tested for the year ended December 31, 2022 in the following areas:

- Budgetary Compliance
- Restricted Taxes and Related Revenues
- Fraud Risk Assessment
- Government Fees
- Cash Management
- Public Treasurer's Bond

In our opinion, the Authority complied, in all material respects, with the compliance requirements referred to above for the year ended December 31, 2022.

Basis for Opinion on State Compliance

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); and the audit requirements of the *State Compliance Audit Guide*, issued by the Office of the State Auditor. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance. Our audit does not provide a legal determination of the Authority's compliance with the compliance requirements referred to above.

(Continued)

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Authority's state programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Authority's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and the *State Compliance Audit Guide* will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Authority's compliance with the requirements as a whole.

In performing an audit in accordance with GAAS and the *State Compliance Audit Guide*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the *State Compliance Audit Guide*, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the *State Compliance Audit Guide*. Accordingly, this report is not suitable for any other purpose.


Crowe LLP

Indianapolis, Indiana
June 9, 2023