Regular Meeting of the

# Board of Trustees of the Utah Transit Authority

Wednesday, June 26, 2019, 9:00 a.m.
Utah Transit Authority Headquarters
669 West 200 South, Salt Lake City, Utah
Golden Spike Conference Rooms

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| **1.** | **Call to Order & Opening Remarks** | **Chair Carlton Christensen** |
| **2.** | **Pledge of Allegiance** | **Chair Carlton Christensen** |
| **3.** | **Safety First Minute** | **Kent Muhlestein** |
| **4.** | **Public Comment Period** | **Carlton Christensen** |
| **5.** | **Consent Agenda** | **Chair Carlton Christensen** |
| | a. Approval of June 19, 2019 Board Meeting Minutes | |
| | b. 2018 Comprehensive Annual Financial Report (CAFR) | |
| | c. UTA Policy 1.1.29 Exceptions to UTA Policies | |
| **6.** | **Agency Report** | |
| **7.** | **R2019-06-03 Resolution Establishing the Terms and Conditions of Employment for Executive Director Carolyn Gonot** | **Chair Carlton Christensen** |

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| **8.** | **Financial Report – May 2019** | **Troy Bingham** |
| **9.** | **Contracts, Disbursements and Grants** | |
| | a. Pre-procurement: Dellner Coupler Parts Overhaul – Quarter/Half Life | Eddy Cumins |
| | b. Pre-procurement: Pantograph Overhaul | Eddy Cumins |
| **10.** | **Discussion Items** | |
| | a. Fare Discussion – Current Public Fares and Reduced Fare Agreement Rates | Monica Morton |

Website: https://www.rideuta.com/Board-of-Trustees
Live Streaming: https://www.youtube.com/results?search_query=utaride

**11. Other Business** **Chair Carlton Christensen**

a. Next meeting: July 10, 2019 at 9:00 a.m.

**12. Adjourn** **Chair Carlton Christensen**

**Public Comment:** Members of the public are invited to provide comment during the public comment period. Comment may be provided in person or online through www.rideuta.com. In order to be considerate of time and the agenda, comments are limited to 2 minutes per individual or 5 minutes for a designated spokesperson representing a group. Comments may also be sent via e-mail to boardoftrustees@rideuta.com.

**Special Accommodation:** Information related to this meeting is available in alternate format upon request by contacting calldredge@rideuta.com or (801) 287-3536. Request for accommodations should be made at least two business days in advance of the scheduled meeting.

# You don't have eyes on the back of your head, be aware of your surroundings.


UTA
SAFETY & SECURITY

June 2019

**Minutes of the Meeting**
**of the**
**Board of Trustees of the Utah Transit Authority (UTA)**
**held at UTA FrontLines Headquarters located at**
**669 West 200 South, Salt Lake City, Utah**
**June 19, 2019**

**Board Members Present:**
Carlton Christensen, Chair
Beth Holbrook
Kent Millington

Also attending were members of UTA staff, as well as interested citizens.

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**Call to Order, Opening Remarks, and Pledge of Allegiance.** Chair Christensen welcomed attendees and called the meeting to order at 9:04 a.m. Following Chair Christensen's opening remarks, the board and meeting attendees recited the Pledge of Allegiance.

**Safety First Minute.** Chair Christensen yielded the floor to Sheldon Shaw, UTA Safety Manager, for a brief safety message.

**Public Comment Period.** No public comment was given.

**Approval of June 5, 2019 Board Meeting Minutes.** A motion to approve the June 5, 2019 Board Meeting Minutes was made by Trustee Millington and seconded by Trustee Holbrook. The motion carried unanimously.

**Agency Report.** Steve Meyer, UTA Interim Executive Director, spoke about his approval of a Directive or Authorization to Proceed (DAP) associated with the change order for Depot District Phase 2. The DAP was issued to avoid delays in the permitting process. Mr. Meyer also spoke about an opportunity to pursue a bus and bus facilities, bus stop improvements, and operator facilities grant. The grant would provide funding for 150 bus stop improvements ranked high in UTA's Bus Stop Master Plan, including new bus stop signage and ADA-identifiable poles for each bus stop. The total cost of the project is $4,000,000 with a local match of $777,500. Discussion ensued. A question on the impact of the grant on the bus stop improvement program was posed by the board and answered by Mr. Meyer. Chair Christensen requested presentation to the board on the Bus Stop Improvement Program in the future.

**R2019-06-01 Resolution Adopting Amended Bylaws, Board Policies, and Rescinding Previous Board Policies.** Lisa Bohman, UTA Compliance Officer, briefly summarized the resolution, which adopts amended bylaws and new board policies (listed below) and rescinds all previous board policies except for those related to fares:

a. Board Policy 1.1 Process for Establishing Board Policies
b. Board Policy 1.2 Ethics
c. Board Policy 2.1 Financial Management
d. Board Policy 2.2 Contract Authority and Procurement
e. Board Policy 3.1 Advertising and Naming
f. Board Policy 3.2 Service Planning Implementation
g. Board Policy 3.3 Capital Development Project Implementation
h. Board Policy 4.2 Public Records
i. Board Policy 5.1 Transit-Oriented Development
j. Board Policy 5.2 Real Property

Discussion ensued. Questions on rescinding former policies and Advisory Council roles defined in the bylaws were posed by the board and answered by Ms. Bohman.

A motion to approve R2019-06-01 was made by Trustee Millington and seconded by Trustee Holbrook. The motion carried unanimously with aye votes from Trustee Millington, Trustee Holbrook, and Chair Christensen.

**R2019-06-02 Resolution Approving Amendment of the Authority's 2019 Budget.** Bob Biles, UTA Chief Financial Officer, explained the proposed budget amendments, which include operating adjustments for the Utah County 4th quarter sales tax, transit-oriented development manager position, and coordinated mobility, as well as capital adjustments for new projects and 2018 carryover. He also summarized amended revenues and expenses.

Discussion ensued. A question on the background for the coordinated mobility program was posed by the board and answered by Mr. Biles.

A motion to approve R2019-06-02 was made by Trustee Holbrook and seconded by Trustee Millington. The motion carried unanimously with aye votes from Trustee Holbrook, Trustee Millington, and Chair Christensen.

**Contracts and Change Orders.**

**Contract: Bridge Inspections (HDR Engineering).** Eddy Cumins, UTA Chief Operating Officer, was joined by Dave Hancock, UTA Director of Asset Management. Mr. Cumins summarized the contract, which provides bridge and culvert inspections along UTA's commuter and light rail corridors. The total contract value is $659,366.54. Discussion ensued. Questions on the timeline for bridge inspections, need for consultant services, and possibility of creating an in-house inspection group were posed by the board and answered by staff.

A motion to approve the contract was made by Trustee Millington and seconded by Trustee Holbrook. The motion carried unanimously with aye votes from Trustee Millington, Trustee Holbrook, and Chair Christensen.

**Contract: Corporate Sponsorship Consulting (The Superlative Group).** Nichol Bourdeaux, UTA Chief Marketing & Communications Officer, summarized the contract, which secures a consultant to assist in the development of a revenue-generating corporate sponsorship and naming rights program. The total contract value is $757,500. The contract is structured so that it can be reevaluated after phase 1 work, valued at $217,500, is complete. Discussion ensued. Questions on managing the ramifications of name changes, alignment of the naming rights effort with UTA's overall communications strategy, average length of naming rights contracts, and assets that may be eligible for renaming were posed by the board and answered by Ms. Bourdeaux.

A motion to approve the contract was made by Trustee Holbrook and seconded by Trustee Millington. The motion carried unanimously with aye votes from Trustee Holbrook, Trustee Millington, and Chair Christensen.

**Change Order: Depot District Phase 2 (Big-D).** Michael DeMers, UTA Chief Service Development Officer, was joined by Mary DeLoretto, UTA Director of Capital Projects. Mr. DeMers summarized the change order, which includes the demolition permit, insurance for hazardous materials abatement, Division of Air Quality application, equipment mobilization, salvage item relocation, toxicity characteristic leaching procedure tests, and other general activities that are prerequisite to proceeding with actual construction work. The project is divided into two phases, with the phase 1 Pre-Construction Services agreement totaling $149,530 and the phase 2 Construction

Services change order totaling $2,068,783. Mr. DeMers noted that a Directive or Authorization to Proceed (DAP) for phase 2 was approved by the interim executive director to avoid delays in the permitting process. The total contract value with both phases of the project is $2,218,313. Discussion ensued. Questions on the need for the issuance of the DAP for permits, demolition process, timeline for decisions on preservation of the historic aspects of the existing building, potential for savings from salvage, and safety precautions on the site were posed by the board and answered by staff.

A motion to approve the change order was made by Trustee Millington and seconded by Trustee Holbrook. The motion carried unanimously with aye votes from Trustee Millington, Trustee Holbrook, and Chair Christensen.

**Other Business.**

**Next Meeting.** The next meeting of the board will be on Wednesday, June 26, 2019 at 9:00 a.m.

**Closed Session.** Chair Christensen indicated there were matters to be discussed in closed session relative to 1) pending or reasonably imminent litigation strategy, 2) collective bargaining strategy, and 3) the character, professional competence, or physical or mental health of an individual. A motion to move into closed session was made by Trustee Millington and seconded by Trustee Holbrook. The motion carried unanimously and the board entered closed session at 9:58 a.m.

**Open Session.** A motion to return to open session was made by Trustee Millington and seconded by Trustee Holbrook. The motion carried unanimously and the board returned to open session at 11:58 a.m.

**Adjournment.** The meeting was adjourned at 11:59 a.m. by motion.

Transcribed by Cathie Griffiths
Executive Assistant to the Board Chair
Utah Transit Authority
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801.237.1945
*This document is not intended to serve as a full transcript as additional discussion may have taken place; please refer to the meeting materials, audio, or video located at https://www.utah.gov/pmn/sitemap/notice/541807.html for entire content.*

*This document along with the digital recording constitute the official minutes of this meeting.*

# Comprehensive Annual Financial Report

For Fiscal Years Ended
December 31, 2018 and 2017

UTA

UTAH TRANSIT AUTHORITY

# Our Mission

Provide integrated mobility solutions to service life’s connections,
improve public health
and enhance quality of life.

# Comprehensive Annual Financial Report

**For Fiscal Years Ended**
**December 31, 2018 and 2017**

Finance Department


**Robert K. Biles**
Chief Financial Officer

**Troy Bingham**
Comptroller


UTA

UTAH TRANSIT AUTHORITY

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# Introductory

For Fiscal Years Ended
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UTA
UTAH TRANSIT AUTHORITY

UTAH TRANSIT AUTHORITY

UTA

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

June 10, 2019

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

We are pleased to submit to you the Comprehensive Annual Financial Report (CAFR) of the Utah Transit Authority (the Authority) for the fiscal years ended December 31, 2018 and 2017. 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.

This report contains financial statements and statistical data which provide full disclosure of all the material financial operations of the Authority. The financial statement and statistical information are the representation of the Authority's management which bears the responsibility for their accuracy, completeness and fairness.

The financial statements have been prepared on the accrual basis of accounting in conformance with generally accepted accounting principles. The Authority is accounted for as a single enterprise fund. This CAFR 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

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 is provided by the Utah Attorney General's Office. An organizational chart which illustrates the reporting relationships follows in the introductory section.

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.

According to the U.S. Census Bureau population estimates of July 1, 2017, the population of the Authority's service area is approximately 2,463,000 and represents 79.4% of the state's total population.

# Current Year Review

Besides building upon its strong legacy of providing service, continuous achievement, and transit leadership, the year also brought about significant changes to UTA's governance. The information below reviews the governance changes as well as providing a glimpse of the year's accomplishments.

Governance. In November 2018, following statutory changes, oversight of UTA transitioned from a 16-member voluntary Board of Trustees to 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 appointments are then forwarded to the Senate for confirmation. Once confirmed, an appointee is sworn in as a Trustee.

The Governor appointed and the Senate confirmed Trustees representing Salt Lake County (four year term), the district comprised of Davis, Weber, and Box Elder counties (three-year term), and the district comprised of Utah and Tooele counties (two-year term). After these initial staggered terms are completed, Board members will serve four-year terms. There are no limits relative to the number of terms a Trustee can serve. The Governor appointed the Salt Lake County Trustee to serve as Chair of the Board of Trustees.

A nine-member Local Advisory Council ("LAC") was also created. LAC 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 LAC members are indefinite.

LAC duties include reviewing, approving, and recommending final adoption by the Board of Trustees of UTA's service plans, project development plans and funding for all new capital development projects, and any plan for a transit-oriented development where UTA is involved, engaging with the safety and security team of UTA to ensure coordination with local municipalities and counties, assisting with coordinated mobility and constituent services provided by UTA, representing and advocating the concerns of citizens with the public transit district to the Board of Trustees, consulting with the Board of Trustees on certain duties given to the Board of Trustees, and setting the compensation packages of the Board of Trustees.


UVX Bus

Under the direction of the Board of Trustees, the Executive Director is charged with certain responsibilities, some of which require coordination with, or providing advice to, the Board of Trustees.

Transit Service. In August 2018 UTA began operations on the new Utah Valley Express (UVX) Bus Rapid Transit Line in Provo and Orem. UVX serves two major universities, BYU and UVU; Historic Downtown Provo; two regional malls, University Place and Provo Towne Centre, and the Provo and Orem FrontRunner stations. This line represented a significant increase in service for the area, with peak-hour headways

# Current Year Review (continued)

improving from every 15 minutes to every 6 minutes. In conjunction with the increase in service and an expanded pass program with BYU and UVU, ridership on the corridor increased from 2,373 average weekday boardings to 9,440.

Other improvements to service during this time include replacing MAX limited-stop service on 3500 South with local service on routes 33 and 35 to increase coverage. A new flex route, F605 was added in Bountiful and Centerville in December, to serve areas that were not previously covered by fixed-route service. UTA also extended service to the new IHC hospital in Layton and provided additional service to industrial areas on the west side of Salt Lake City.

In 2018 UTA made multiple adjustments to train and bus schedules due to the implementation of Positive Train Control on FrontRunner. These schedule adjustments have helped improve the on-time performance of FrontRunner, even as PTC impacted the end to end running time of the alignment. UTA also discontinued unproductive service on FrontRunner between Ogden and Pleasant View Stations. This service was replaced by additional bus service on Route 616.

UTA's on-time reliability results by mode are shown below. They are near the highest results within the transit industry.

| Mode | 2018 | 2017 | 2016 | 2015 |
|---|---|---|---|---|
| Bus | 91.41% | 92.51% | 91.07% | 92.19% |
| TRAX | 93.60% | 91.91% | 94.49% | 93.98% |
| FrontRunner | 85.92% | 90.92% | 89.96% | 86.63% |
| Paratransit | 94.74% | 96.80% | 97.85% | 97.92% |
| Streetcar | 99.41% | 99.49% | 99.50% | 98.68% |

System Enhancements. Keeping the transit system in a state of good repair is a high priority. During 2018, UTA continued the light rail vehicles overhaul program, inspected all rail bridges, installed new positive train control hardware at all remaining locations and installed positive train control software on the FrontRunner North alignment. UTA participated with Dominion Energy in stray current monitoring and completed an overhead catenary isolation project to help in its stray current mitigation efforts. UTA also completed curved rail replacements at three locations.

Last year, UTA replaced 24 transit buses, 36 paratransit and FLEX vehicles, and 50 rideshare vans and also purchased 4 new trolley buses for service expansion. And in conjunction with local government and transit rider input, over 80 bus stops were upgraded with shelters and other amenities.

As part of the first/last mile connection initiative, 60 ADA ramps, 7 bike lanes, and 2 sidewalk projects were constructed in 2018 with funding from a federal grant. Another bike lane and a multi-use trail were started last year and will be completed in the spring of 2019. Additional first/last mile projects to be constructed in 2019 under this program include bike lanes, pedestrian bridges, trails, sidewalks, and bike share facilities.

# Current Year Review (continued)

Environmental work was completed last year for a BRT line in Ogden. This 6-mile line will connect from our Ogden FrontRunner station to Weber State University and McKay Dee Hospital. The design phase of the Ogden BRT project will begin in 2019.

Ridership and Passenger Revenues. System ridership declined from 45.1 million in 2017 to 44.2 million in 2018. Passenger revenues declined by $107,311 to $52.1 million, a 0.21% decrease from 2017 passenger revenues.

Transit-Oriented Development. Four apartment buildings at the Sandy East Village TOD (“EV”), including 336 residential units, were sold at a record price for the area. A single-tenant office building at EV was also sold for a considerable profit. At the South Jordan TOD, work was completed on a 192-room full-service hotel, and ground was broken on a second 180,000 square foot, preleased office building. UTA also finalized a ground lease agreement for property at the 3900 South Meadowbrook TRAX Station, allowing for a 152-unit, mixed-use, mixed-income project.

Financial Stewardship. In March 2018, UTA retired $121 million of its 2017 subordinate bonds and refunded $3.4 million of its 2007A subordinate bonds through a $116 million bond issue. Net present value savings from these transactions totaled $5.6 million.

For the year, operating expenses were 0.2% below budget. Variances of budget to actual by expense category, in millions, are shown below.

| Expense Category | Favorable (Unfavorable) |
|---|---|
| Parts and Warranty Recovery | $2.43 |
| Utilities | 1.98 |
| Services | 1.67 |
| Wages & Benefits | 1.15 |
| All Other Operating | (1.89) |
| Fuel | (2.28) |
| Capitalized Costs | (2.50) |
| Total | $0.56 |

# Current Year Review (continued)

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

Utah Transit Authority at Dusk

# Future Plans

UTA will continue its partnerships with federal, state, and local governments and stakeholders to identify and provide innovative, cost-effective, and successful transit solutions for the Wasatch Front community.

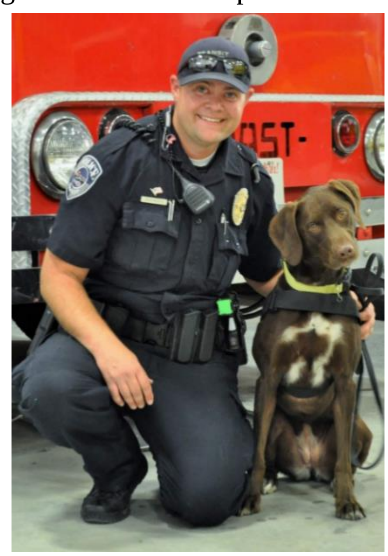
Future plans include the following:

UTA Service Choices.
UTA is initiating an update to its Five-Year Mobility Plan with a robust community engagement process called UTA Service Choices. Through a survey, community leader workshops, public open houses and more, UTA is soliciting input from the community on how they would like to see UTA prioritize bus network resources. This process will result in a new bus network plan and vision that will guide future service changes and investments.

Transit Oriented Development (TOD) projects.
As noted in the Current Year section, there are three active TODs with phases completed or under construction. Additional projects and development phases in Sandy, West Jordan, South Jordan, South Salt Lake, and Provo are in various stages of planning and approvals. UTA will continue to work on these and other TOD projects to ensure that UTA's TOD goals and standards are met.

State of Good Repair (SOGR).
Recent transportation infrastructure failures in various parts of the United States increased the emphasis to ensure that future long-term infrastructure maintenance and replacement needs were identified, funded, and completed in a timely manner. In the next year, UTA will continue to refine its long-term SOGR work plan with an emphasis on development and approval of a detailed five-year work plan.

Several SOGR infrastructure projects are scheduled for 2019, including: $11.1 million for information technology software and equipment replacement, $10.3 million for the overhaul of our oldest TRAX light rail vehicles, $6.6 million for TRAX track work at the Delta interlocking, 150 South Main switches and 400 South Main half grand union replacement, $5 million for vehicle replacements, $4.0 million for FrontRunner engine rebuilds, $2.5 million for facility and safety equipment, and $1.8 million for rail replacement. All other state of good repair infrastructure projects are estimated to cost $5.3 million.


UTA PD Officer Southworth & K9 Kaiya
Winners of the 2018 UPOA Canine Trials

Anticipated Capital Projects.
- In conjunction with six counties, two metropolitan planning agencies, and dozens of Utah cities, UTA was notified in late 2016 that it had been awarded a $20 million TIGER grant which will be matched with local funding to improve ***transit access*** as well as trails and bikeways feeding into the transit system over the next five years. Projects in 2019 are estimated at almost $15 million with all projects being completed by 2022.
- Salt Lake City International Airport is undergoing a $3.6 billion renovation, including the relocation of its terminal building. The relocation of the terminal requires the realignment of UTA's light rail green line, the ***Airport Line Project***, to a more central, transit-friendly location by 2020 at an estimated cost of $25 million. The project is currently in design with construction scheduled to start in 2019.

# Future Plans (continued)

- The ***Depot District Service Facility*** will replace the existing aging and undersized Central bus facility, allowing for growth of bus service, housing up to 150 alternative and standard fuel buses with the ability to expand to 250 buses in the future. The initial phase of the project constructed the compressed natural gas fueling and fare collection buildings on the site. Construction is expected to begin in late 2019 with the facility opening in 2021. The 2019 budget is $27.3 million. Estimated cost for the facility is $75.6 million.
- Funded by a grant from Salt Lake County worth $5.9 million, two blocks of the ***S-Line*** in South Salt Lake will be double tracked. This will allow the S-Line to operate at 15-minute headways between the Sugar House area in Salt Lake City and the City of South Salt Lake. Work on these two blocks will be completed in 2019.
- Rapid growth within the Sandy TOD is accelerating the need to construct a 300-stall parking structure. Funded by a $2 million STP grant from FHWA and $3.4 million of proceeds from the sale of adjacent property, the parking structure is anticipated to be completed in 2019.


Depot District Clean Fuels Technology Center Drawings

New funding.

Salt Lake City and UTA entered into an interlocal agreement in early 2019 for additional purchased service in certain routes within Salt Lake City. This purchased service, in the amount of $5.4 million, provides for15-minute headways and expanded hours of operation on three bus routes as well as the purchase of ten additional buses. This new service begins in August 2019.

Salt Lake County Commissioners approved implementation of the 4th quarter sales tax effective January 1, 2019. Beginning July 1, 2019, UTA will begin receiving its 40% share of this sales tax. Sales tax revenue of $11.4 million was included in the 2019 budget for the last half of 2019 collections. Specific service and capital uses will be jointly developed by Salt Lake County and UTA in 2019.

# Future Plans (continued)

Utah County Commissioners approved implementation of the 4th quarter sales tax effective January 1, 2019. Beginning July 1, 2019, UTA will begin receiving its 40% share of this sales tax. Utah County and UTA entered into an interlocal agreement in October 2018 which specifies the use of this sales tax. UTA revenues from this sales tax shall be used in the following priority order:

- Make principal and interest payments on Utah County's 2016 Bonds for the Utah Valley Express.
- Pay for the additional operating and maintenance costs of Utah Valley Express with the annual amount limited to $2.5 million in 2019 with a 2.4% annual growth factor applied thereafter.
- Reimbursement to Utah County for principal and interest previously paid on the Utah County 2016 Bonds.
- Reimbursement to Utah County for operations and maintenance costs for the Utah Valley Express previously paid to UTA.
- Reimbursement to Utah County for $2.8 million previously paid to UTA pursuant to a September 2013 Design Funding Agreement.
- Reimbursement to Utah County for interest accrued on amounts paid to UTA for Utah Valley Express operations and maintenance costs.
- Deposit into a reserve account to provide for early redemption of the Utah County 2016 Bonds.
- Once the Utah County 2016 bonds are redeemed, UTA's revenues may be used for new transit service and any major transit projects within Utah County. The new transit service and major transit projects are subject to various consultation and approval requirements under state law and a service level agreement with Utah County.

Over the next few years, UTA will seek to build upon its reputation as a successful and innovative transit organization by increasing service reliability, strategically adding cost-effective service, and improving passenger amenities while maintaining strong financial management.

S-Line Train

# The Economic Condition and Outlook

The Utah Governor's Office of Management and Budget in collaboration with the David Eccles School of Business at the University of Utah, prepared the 2019 Economic Report to the Governor. The Economic Report focuses on an estimated summary of the previous year and a forecast for the forthcoming year. The primary goal of the report is to improve the reader's understanding of the Utah economy. The report is a collaborative effort of both public and private entities which devote a significant amount of time to this report ensuring that it contains the latest economic and demographic information. Below are several excerpts from the Economic Report. For more detailed information, the entire report is available on the Gardner Policy Institute's website at http://gardner.utah.edu.

## 2018 Overview

### *Employment, Wages, and Labor Force*

Continued strong labor market statistics in 2018 were a welcome surprise for an economy that seemed stretched to its limit at the close of 2017. Anticipated labor supply shortages were expected to cause some slowing for 2018, yet the year continued as a solid extension of 2017 trends.

The state's labor force grew by roughly 2.8 percent over the year, stretching its ranks to over 1.6 million in order to meet the growing demands of Utah's employers. Prime economic conditions drew new entrants to the labor force but did not raise the rate at which adults in the state participated in the labor market. Labor force participation remained unchanged from last year at 69.4 percent and still below the state's pre-Great Recession rate of 72.1 percent. Given that 2017 saw a small surge in the participation rate, it was anticipated that the acceleration would continue through 2018.

As expected with a growing economy, the unemployment rate remained low throughout the year, ending at an average of 3.1 percent which equates to fewer than 50,000 unemployed individuals per month throughout the year. Demand for skilled workers was especially high. Utahans with a Bachelor's degree or higher experienced an unemployment rate well under 2.0 percent in 2018.

Changes to federal tax policy appear to have had a positive effect on workers' paychecks. The average annual wage for payroll employees in the state was $47,441, a $1,715 increase from the prior year and a full percentage point higher than the prior year's increase.

Due to the challenges of spreading the economic boom throughout all corners of our state, executive leadership called for economic development attention to be given to state's rural counties with the specific goal of creating 25,000 jobs therein by 2020. At the close of 2018 the state remained ahead of the pace necessary to reach the goal, with over 18,000 jobs having been created since the goal's inception in 2017. While the larger rural counties naturally have led the way in creating the jobs, key shoulder counties such as Wasatch have outperformed, contributing more than their relative share, mainly as the result of spillover from the booming neighboring urban counties.

# The Economic Condition and Outlook (continued)

### *Personal Income*

Utah’s total personal income in 2018 was an estimated $143.1 billion, a 6.1 percent increase from $134.8 billion in 2017. Utah's estimated 2018 per capita income was $45,174, up 3.9 percent from $43,459 in 2017. Both measures of estimated personal income growth in Utah were higher in 2018 than in 2017. In 2017, total personal income grew by 5.0 percent and per capita income grew by 3.0 percent. Additionally, Utah’s 2018 estimated personal income growth and per capita personal income growth were higher than national averages.

### *Taxable Sales*

In 2018, total taxable sales in Utah increased by approximately 6.9 percent to an estimated $65.2 billion. A labor market that is among the best in the nation and solid gains in wages and personal income were among the primary drivers of growth. High levels of both consumer and business confidence and a strong tourism industry were also factors propelling the economy. Each major component of Utah taxable sales increased in 2018. Business investment increased the most at 9.8 percent, followed by retail sales at 6.0 percent and taxable services at 5.2 percent.

## 2019 Outlook

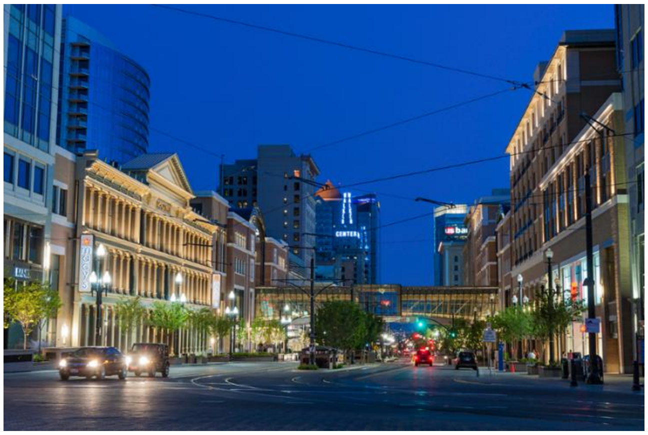
### *Employment, Wages, and Labor Force*

Lack of labor supply will continue as a point of concern in 2019 and may likely cause job growth to slow unless labor force participation is stimulated or population in migration increases. Housing affordability could influence both but in dissimilar ways. The need to increase household income to afford the purchase of a home could draw more individuals into the labor market. In migration, on the other hand, could put more upward pressure on housing prices, eventually making further in-migration a costly trend. Wages should further rise as employers continue to struggle filling positions, although 2019 should not be as strong as 2018 which was stimulated by federal tax cuts.

Policy decisions at the national level will continue to be a significant, yet unknown factor in predicting the economic trajectory for Utah in 2019. Trade policy is in flux, with tariffs now an emerging tool for shaping relationships between the United States and our trade partners. How that plays out economically is a question yet to be answered.

### *Personal Income*

Utah’s total personal income in 2018 is estimated to have grown 6.1 percent; this is up from 5.0 percent in 2017, and higher than the estimated national average of 4.6 percent. The state’s estimated 2018 per capita personal income growth of 3.9 percent is also higher than the state’s growth in 2017, and higher than the estimated 2018 per capita income growth nationwide of 3.5 percent.



Downtown Salt Lake City

In 2019, Utah looks to remain one of the top labor markets and centers for growth in the nation. The state

# The Economic Condition and Outlook (continued)

has consistently experienced some of the fastest employment growth in the country since 2015, and this trend is likely to continue into 2019. With the unemployment rate hovering around 3.0 percent, and likely to fall further, businesses will face increased competition for a qualified workforce. This dynamic should lead to higher wages and put upward pressure on personal income.

While personal income should continue to expand in Utah in 2019, some headwinds may emerge. If the state's already tight labor market is unable to draw more individuals into the labor force, the lack of workers could act as a constraint on growth.

At the national level, worries over an economic slowdown are growing, and faster-than-anticipated interest rate hikes by the Federal Reserve could cool investment and overall economic activity in the state. With headwinds in mind, preliminary forecasts for Utah in 2019 predict strong total personal income growth above the national average; though growth will likely be slower than in 2018.

### *Taxable Sales*

Utah's strong labor economy should drive another year of solid growth in Utah taxable sales. Total taxable sales are forecasted to increase by 6.0 percent to $69.1 billion in 2019. However, given that we are late in the business cycle, the likelihood of a slowdown or downturn is increasing. The slowing in the rate of growth for total taxable sales from 6.9 percent in 2018 to 6.0 percent in 2019 communicates this potential risk.

Senate Bill 2001, passed in the 2018 Second Special Session, will significantly affect taxable sales in 2019. This legislation, which followed the South Dakota v. Wayfair Supreme Court decision, requires remote sellers without physical nexus in the state to remit sales tax beginning January 1, 2019. The forecasted increase in retail sales of 9.2 percent in 2019 includes the increase in taxable sales expected from this legislative change. Senate Bill 2001 also created a sales tax exemption for purchases of manufacturing and mining equipment with an economic life of less than three years. Exempting purchases of these items from sales and use tax is expected to significantly reduce taxable business investment purchases in 2019. As a result, taxable business investment purchases is forecasted to decline by 6.4 percent in 2019. Overall impacts to total taxable sales due to Senate Bill 2001 are expected to be minimal as these two changes approximately offset each other. Taxable services is expected to have another year of consistent growth, increasing by an estimated 5.4 percent.

Forecasted growth in 2019 is barring any significant changes in the broader macroeconomic environment. Taxable sales forecasts are sensitive to changes in economic and political conditions. Specific conditions with the potential to impact 2019 taxable sales are primarily external in nature and include, but are not limited to, monetary and tax policy decisions, national political climate, commodity prices, and geopolitical instability. Any significant changes in these and other economic or political conditions could result in changes to employment, disposable income, and consumer confidence, which will in turn affect Utah taxable sales.

# Debt Administration

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

In February 2018, the Authority issued its $83,765,000 Sales Tax Revenue Bonds, Series 2018 to fund the construction or replacement of transit capital assets including positive train control, relocation of the Airport TRAX station, the Utah Valley Express bus rapid transit system, Phase 1 of the Depot District maintenance facility, a bus maintenance facility in Tooele County, and replacement of two TRAX interlocking systems. True interest cost for the bonds was 3.597%.

In February 2018, the Authority issued its $115,540,000 Subordinated Sales Tax Revenue Refunding Bonds, Series 2018. These bonds were issued to refund the then outstanding balance of its $132,329,109 Series 2007A Subordinate Lien Capital Appreciation Bond in the amount to $3,415,000 and to retire the then outstanding balance of its $120,575,000 Sales Tax Revenue Refunding Bonds, Series 2017 in the amount of $120,575,000. True interest cost for the bonds was 3.694%.

As of December 31, 2018, the Authority had $2,127,656,498 in outstanding bonds.

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

# Independent Audit

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

The Authority also has a single audit of all federally funded programs administered by this agency as a requirement for continued funding eligibility. The Single Audit is mandatory for most local government including the Utah Transit Authority.

# Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Utah Transit Authority for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2017. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both general accepted accounting principles and applicable legal requirements.

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

# Acknowledgments

The preparation of the Comprehensive Annual Financial Report on a timely basis requires dedicated extra efforts of the staff of several departments. I wish to express my appreciation to all department staff and managers who contributed to this report with special recognition to Teri Black, Executive Assistant; Troy Bingham, Comptroller; the Accounting Department Employees of UTA; Blair Lewis, Graphic Artist; and Eric Vance, Photographer.

Sincerely,

Robert K. Biles
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 Comprehensive Annual Financial Report for the Fiscal Year Ended

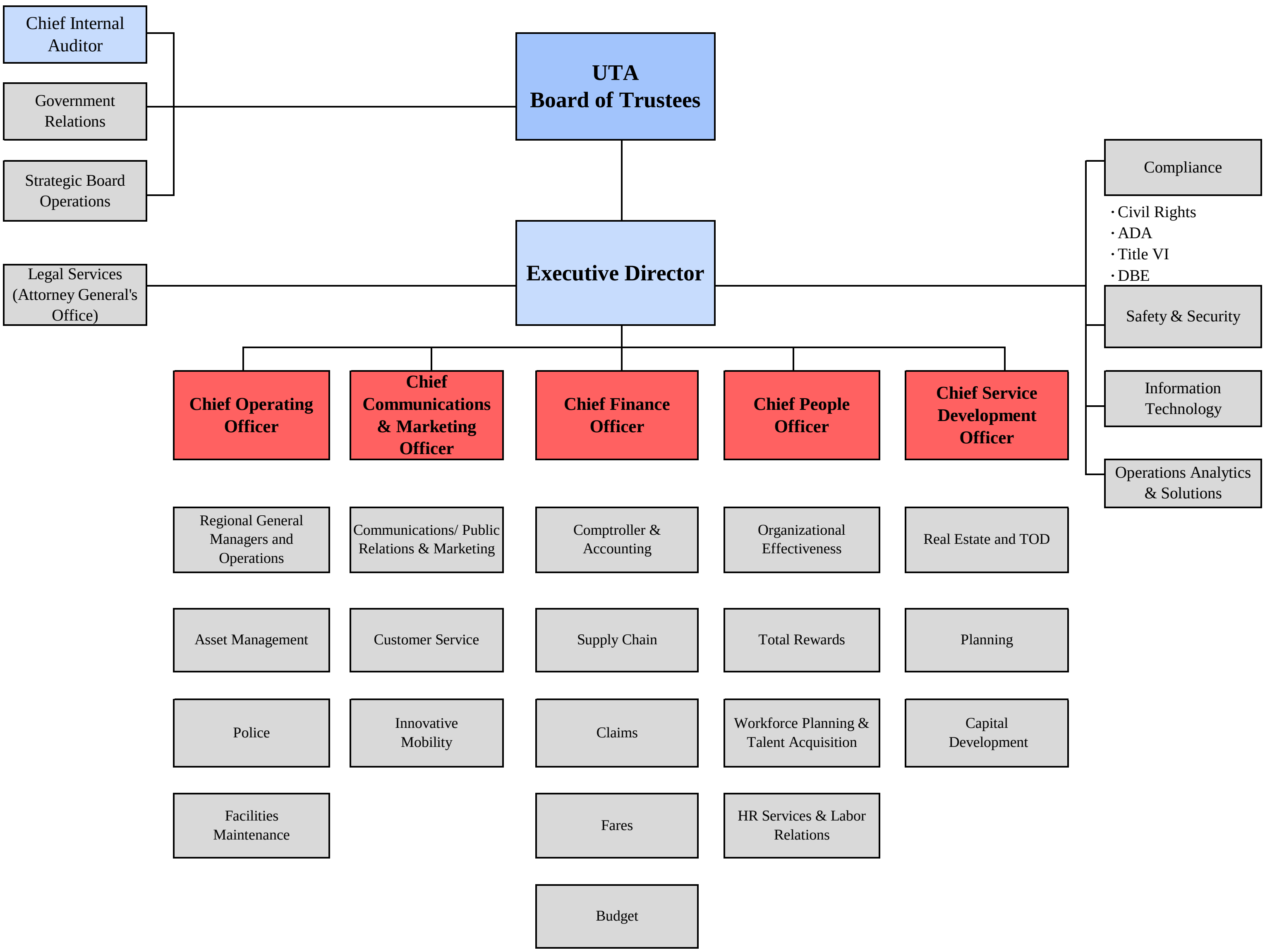
**December 31, 2017**

Christopher P. Morrill

Executive Director/CEO

# Organizational Chart

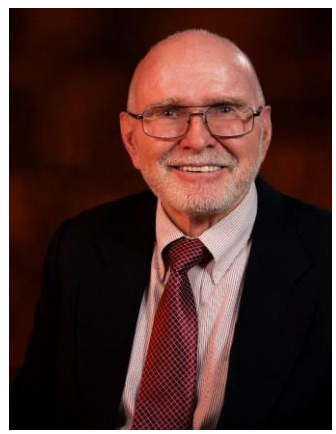
Revised 4/10/2019



# UTA Board of Trustees

Carlton Christensen
Board Chair

Beth Holbrook



Kent Millington

# Board of Trustees and Administration

## Board of Trustees

BOARD CHAIR ……………………………………………………Carlton Christensen
BOARD TRUSTEE ……………………………………………………Beth Holbrook
BOARD TRUSTEE ……………………………………………………Kent Millington

## Officers of the Authority

BOARD CHAIR ……………………………………………………Carlton Christensen
INTERIM EXECUTIVE DIRECTOR ……………………………………………Steve Meyer
SECRETARY/TREASURER AND CHIEF FINANCIAL OFFICER ……………………Robert K. Biles
COMPTROLLER……………………………………………………Troy Bingham

## Administration of the Authority

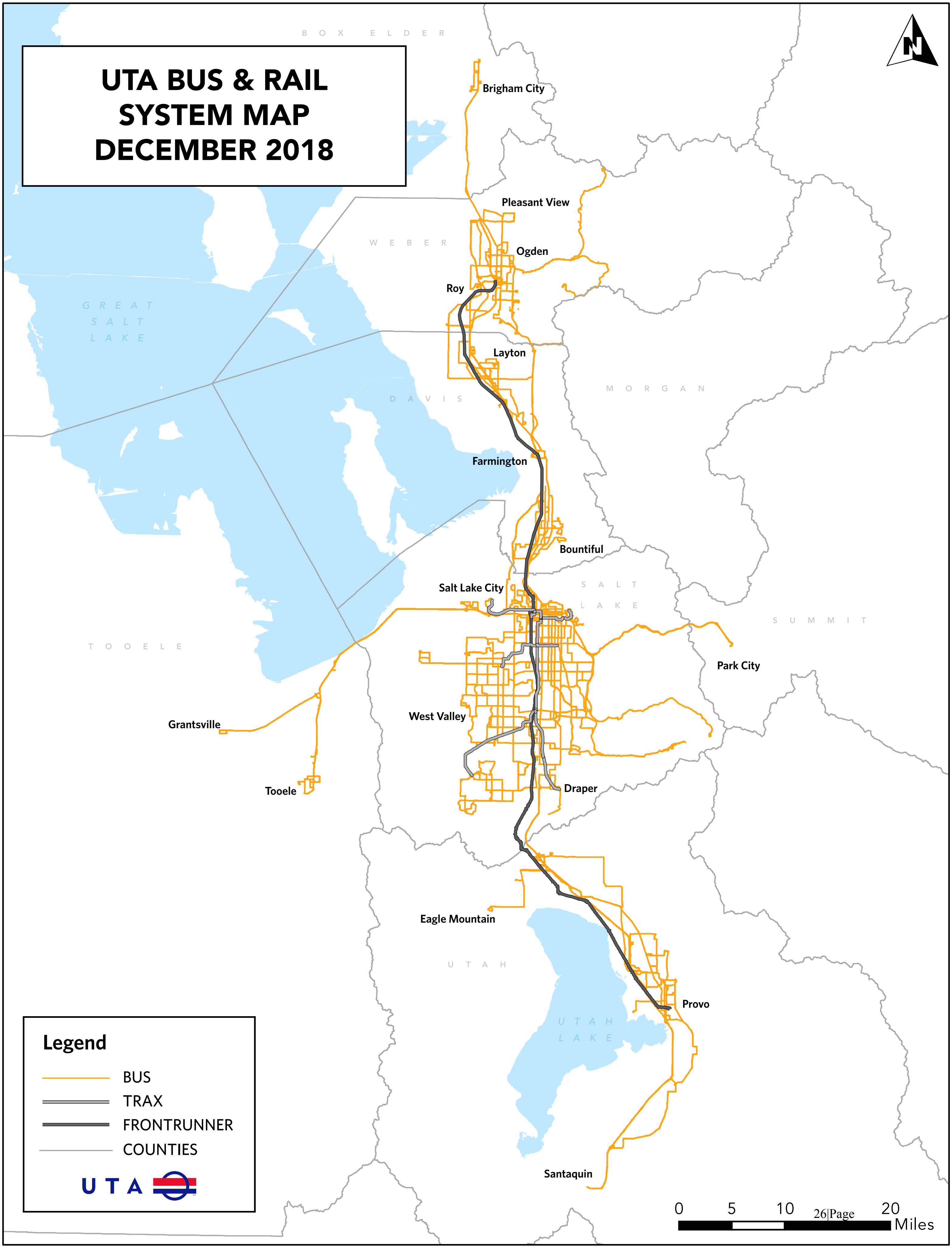
INTERIM EXECUTIVE DIRECTOR ……………………………………………Steve Meyer
CHIEF OF INTERNAL AUDIT ……………………………………………Riana de Villiers
CHIEF COMMUNICATIONS AND MARKETING OFFICER ……………………Nichol Bourdeaux
CHIEF FINANCIAL OFFICER ……………………………………………… Robert K. Biles
CHIEF OPERATING OFFICER ……………………………………………Eddie Cumins
CHIEF PEOPLE OFFICER ……………………………………………… Kim Ulibarri
CHIEF SERVICE DEVELOPMENT OFFICER ……………………………Michael DeMers

# Advisory Council Committee Members

## Board of Trustees

| Name | Appointing Authority |
|---|---|
| Jeff Acerson | Utah County COG |
| Jacqueline Biskupski | Salt Lake City |
| Leonard Call | Davis COG |
| Erik Craythorne | Weber COG |
| Karen Cronin | Box Elder/Tooele COGs |
| Julie Fullmer | Utah County COG |
| Robert Hale | Salt Lake County COG |
| Clint Smith | Salt Lake COG |
| Troy Walker | Salt Lake COG |

# UTA BUS & RAIL SYSTEM MAP DECEMBER 2018



# Financial

For Fiscal Years Ended
December 31, 2018 and 2017

UTA
UTAH TRANSIT AUTHORITY

KEDDINGTON & CHRISTENSEN, CPAS
CERTIFIED PUBLIC ACCOUNTANTS
Gary K. Keddington, CPA
Phyl R. Warnock, CPA
Marcus K. Arbuckle, CPA
Steven M. Rowley, CPA

**INDEPENDENT AUDITOR'S REPORT**

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

**Report on the Financial Statements**

We have audited the accompanying financial statements of the business-type activities, discretely presented component unit, and the remaining fund information of Utah Transit Authority (the "Authority"), component unit of the State of Utah, as of and for the years ended December 31, 2018 and 2017, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

***Management's Responsibility for the Financial Statements***

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

***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

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

### *Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, discretely presented component unit, and the remaining fund information of Utah Transit Authority, as of December 31, 2018 and 2017, and the respective changes in net position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### *Other Matters*

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

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Utah Transit Authority's basic financial statements. The introductory section and statistical sections as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The supplemental budget to actual schedule, and schedule of expenditures of federal awards as listed in the table of contents are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 supplemental budget to actual schedule, and schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 4, 2019, 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 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 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.

*Keddington & Christensen, LLC*

Keddington & Christensen, LLC
Salt Lake City
June 4, 2019

This section of Utah Transit Authority's (UTA) annual financial report presents our discussion and analysis of UTA's financial performance during the fiscal years ended on December 31, 2018 and December 31, 2017.

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

## FINANCIAL STATEMENTS

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

## CONDENSED STATEMENTS OF NET POSITION

| | 2018 | 2017 | *Difference* | *Percent difference* | 2016 |
|---|---|---|---|---|---|
| **Assets** | | | | | |
| Current and other assets | $ 395,157,482 | $ 350,629,354 | *$ 44,528,128* | *13%* | $ 305,969,763 |
| Capital assets, net | 3,089,897,011 | 3,068,709,875 | *21,187,136* | *1%* | 3,104,597,334 |
| Total assets | 3,485,054,493 | 3,419,339,229 | *65,715,264* | *2%* | 3,410,567,097 |
| **Deferred outflows of resources** | 120,421,199 | 109,761,191 | *10,660,008* | *10%* | 116,778,163 |
| **Liabilities** | | | | | |
| Current liabilities | 100,621,113 | 101,099,455 | *(478,342)* | *0%* | 71,620,455 |
| Long-term liabilities | 2,522,176,260 | 2,422,375,239 | *99,801,021* | *4%* | 2,387,091,356 |
| Total liabilities | 2,622,797,373 | 2,523,474,694 | *99,322,679* | *4%* | 2,458,711,811 |
| **Deferred inflows of resources** | 3,383,699 | 11,948,307 | *(8,564,608)* | *-72%* | 5,489,735 |
| **Net position** | | | | | |
| Net investment in capital assets | 827,646,243 | 894,275,843 | *(66,629,600)* | *-7%* | 924,260,135 |
| Restricted | 132,734,222 | 89,153,732 | *43,580,490* | *49%* | 67,415,969 |
| Unrestricted | 18,914,155 | 10,247,844 | *8,666,311* | *85%* | 71,467,610 |
| **Total net position** | **$ 979,294,620** | **$ 993,677,419** | ***$ (14,382,799)*** | ***-1%*** | **$ 1,063,143,714** |

## 2018 Results

In May 2018, the Utah Transit Authority sold $83,765,000 of Senior Sales Tax Revenue bonds, Series 2018 (the "Series 2018 Bonds"). This bond transaction increased the amount held in escrow and the corresponding restricted net position of UTA. The remaining amount at the end of 2018 in escrow and restricted for future capital project expenses was $51.7 million.

Every year the pension is evaluated by an actuary that determines the future cost in the pension based on the plan described in Footnote 7 of these financial statements. Due to an aging workforce that is growing closer to retirement and the increased year over year salaries increases of these employees, the assumption of the pension have increased $19.0 million. Advance refunding gains from previous refunding continue to be amortize, so the net increase in the deferred outflow of resources only reflects a $10.7 million increase.

The pension's investment rate of return decreased significantly from an 18.0% rate of return for 2017 to -7.8% for 2018. This resulted in $8.6 million decrease in deferred inflow of resources in 2018.

CONDENSED STATEMENTS OF NET POSITION (continued)

2018 Results (continued)

An increase in unrestricted net position over time may serve as a useful indicator of a government entity's financial position. As of December 31, 2018, UTA's unrestricted net position increased $8.7 million from the December 31, 2017 net position.

2017 Results

On December 29, 2017, Utah Transit Authority direct placed $120,575,000 Sales Tax Revenue Refunding Bonds, Series 2017 (the "2017 Subordinate Bonds"). This bond transaction involved the refunding of parts of the 2012 UTA Subordinate Bonds. The primary purpose for issuing the 2017 Refunding, was to take advantage of advance refunding some of UTA's bond portfolio before the tax law changed in 2018. It should be noted that the true interest cost of the 2017 Bonds was 2.41%, while the true interest cost on the refunded issues were 4.048%. UTA's intention is to refund the 2017 bonds in March 2018 for an overall net present value savings.

UTA conducted a biennial inventory in fall of 2017. The inventory resulted in 1,553 records ($87.0 million of original asset value) being removed from the books with a net book value of $8.9 million. Sales of land, buildings, and vehicles during the normal course of the year accounted for the remaining $27.9 million in reductions to capital assets in 2017 and $17.9 million reduction to accumulated depreciation. Capital projects at UTA added $134.8 million for 2017 while depreciation decreased remaining assets by $149.4 million. The net effect of these transactions was a decrease in capital asset of $35.9 million.

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

| | 2018 | 2017 | *Difference* | *Percent difference* | 2016 |
|---|---|---|---|---|---|
| Operating revenues | $ 54,464,392 | $ 54,525,870 | *$ (61,478)* | *0%* | $ 52,891,021 |
| Operating expenses | 401,161,541 | $ 427,777,940 | *(26,616,399)* | *-6%* | 422,543,342 |
| Excess of operating expenses over operating revenues | (346,697,149) | (373,252,070) | *26,554,921* | *7%* | (369,652,321) |
| Non-operating revenues | 359,435,799 | $ 334,913,449 | *24,522,350* | *7%* | 313,184,316 |
| Non-operating expenses | 91,000,388 | $ 88,190,962 | *2,809,426* | *3%* | 86,226,784 |
| Income (loss) before contributions | (78,261,738) | (126,529,583) | *48,267,845* | *38%* | (142,694,789) |
| Capital contributions | 63,878,939 | $ 57,063,288 | *6,815,651* | *12%* | 20,164,612 |
| Change in net positon | $ (14,382,799) | $ (69,466,295) | *$ 55,083,496* | *79%* | $ (122,530,177) |
| Total net position, January 1 | $ 993,677,419 | $ 1,063,143,714 | | | $ 1,185,673,891 |
| Total net position, December 31 | $ 979,294,620 | $ 993,677,419 | | | $ 1,063,143,714 |

SUMMARY OF REVENUES FOR THE YEAR ENDED DECEMBER 31

| | 2018 | 2017 | *Difference* | *Percent difference* | 2016 |
|---|---|---|---|---|---|
| Operating | | | | | |
| Passenger revenue | $ 52,051,892 | $ 52,159,203 | $ *(107,311)* | *0%* | $ 50,624,354 |
| Advertising | 2,412,500 | 2,366,667 | *45,833* | *2%* | 2,266,667 |
| Total operating revenue | 54,464,392 | 54,525,870 | *(61,478)* | *0%* | 52,891,021 |
| Non-operating | | | | | |
| Contributions from other gov'ts (sales tax) | 282,933,591 | 265,770,775 | *17,162,816* | *6%* | 245,008,417 |
| Federal noncapital assistance | 61,820,668 | 62,313,994 | *(493,326)* | *-1%* | 63,334,769 |
| Interest income | 6,525,872 | 2,873,787 | *3,652,085* | *127%* | 1,732,939 |
| Other | 8,155,668 | 3,954,893 | *4,200,775* | *106%* | 3,108,191 |
| Total non-operating revenue | 359,435,799 | 334,913,449 | *24,522,350* | *7%* | 313,184,316 |
| Capital contributions | 63,878,939 | 57,063,288 | *6,815,651* | *12%* | 20,164,612 |
| Total revenues | $ 477,779,130 | $ 446,502,607 | $ *31,276,523* | *7%* | $ 386,239,949 |

2018 Results

Since UTA does not have the ability to tax, it relies on contributions dedicated by other governments for the purpose of mass transit in the form of sales tax as supplementary income to operations and development. As Utah's economy continues to improve and unemployment rates continue to decrease, this sales tax amount continues to increase. In 2018, UTA recognized $17.2 million (6%) in increased contributions of sales tax.

Interest income has increased $3.7 million due to a favorable rate of return environment and UTA having more funds to be able to invest at these terms. UTA continues to have positive returns on its current investments at transit oriented developments and those transactions in 2018 represent $1.5 million of the increase from 2017.

Other revenues reflects the final sales and divestitures from other transit-oriented development agreements which vary from year to year. This year's increase can be attributed to sale of the Sandy East Village apartments for $4.7 million at our Sandy Civic Center TRAX station in Sandy.

Capital contributions increased by $7.0 million due to the state and local participation in the construction of the Provo-Orem Bus Rapid Transit line by donating the land under the dedicated lanes to UTA worth $20.1 million at the time of the exchange.

2017 Results

Passenger revenue showed a slight increase of $1.5 million (3%) in 2017. In 2017 UTA released it new mobile application for purchasing fares and continued consumer education campaigns on fare types that were already existing. This campaign has seen significant success in converting cash customers to electronic fare pay cards or the mobile application.

Since UTA does not have the ability to tax, it relies on contributions dedicated by other governments for the purpose of mass transit in the form of sales tax as supplementary income to operations and development. As Utah's economy continues to improve and unemployment rates continue to decrease, this sales tax amount continues to increase. In 2017, UTA recognized $20.8 million (8%) in increased contributions of sales tax.

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

2017 Results (continued)

In 2017, the investment market has been favorable. Treasury management made a concerted effort to have more funds available for investment transactions even with declining cash balances in escrow so interest income increased in 2017 by almost $1.1 million (66%).

With the completion of the major rail lines, UTA has continued to assess property and liquidate land no longer needed to support UTA's purpose. In 2017, UTA sold approximately 22.15 acres of land which contributed approximately $2.8 million in other revenue.

SUMMARY OF EXPENSES FOR THE YEAR ENDED DECEMBER 31

| | 2018 | 2017 | *Difference* | *Percent difference* | 2016 |
|---|---|---|---|---|---|
| Operating expenses | | | | | |
| Bus service | $ 96,719,747 | $ 88,928,063 | *$ 7,791,684* | *9%* | $ 85,841,973 |
| Rail service | 75,157,087 | 72,895,607 | *2,261,480* | *3%* | 84,165,069 |
| Paratransit service | 21,857,632 | 19,572,367 | *2,285,265* | *12%* | 19,341,116 |
| Other services | 3,056,191 | 2,982,176 | *74,015* | *2%* | 2,949,643 |
| Operations support | 45,557,749 | 41,932,571 | *3,625,178* | *9%* | 37,831,682 |
| Administration | 39,593,947 | 31,423,844 | *8,170,103* | *26%* | 37,636,519 |
| Major investment studies | - | - | - | | 1,204,124 |
| Capital Maintenance Projects | 38,654,111 | 20,602,425 | *18,051,686* | *88%* | - |
| Depreciation | 80,565,077 | 149,440,887 | *(68,875,810)* | *-46%* | 153,573,216 |
| Total operating expenses | $ 401,161,541 | $ 427,777,940 | *$ (26,616,399)* | *-6%* | $ 422,543,342 |

SUMMARY OF EXPENSES FOR THE YEAR ENDED DECEMBER 31

2018 Results

The operational cost for all direct service decreased in 2018 by $26.8 million as a result of a change in accounting estimate for depreciation that created a decrease in the current year depreciation expense (see Note 4 of the financials for more information on the current year impact).

Personnel cost for UTA in 2018 was 65.2% of total operating expense (including capital maintenance projects) less depreciation. Overall, personnel cost rose by $19.4 million (10.3%) in 2018. Operating expense less personnel cost increased by $22.7 million (25.5%), all of which is the result of increased system maintenance costs. Within operating expense, administration expense increased by $8.1 million (26%), due to increased personnel, maintenance of the information systems infrastructure, increased risk management expense, and general pension related expense increases. Capital maintenance projects increased by $18.1 million (88%), due to unreimbursed UDOT charges related to Provo-Orem BRT ($10.3 million), TIGER project for other communities ($5.6 million) that are new in 2018, and Light Rail vehicle damage repairs ($1.8 million).

2017 Results

Overall expenses for 2017 increased $5.2 million or 1% increase from 2016. Most differences within Administration and Operating Support between 2017 and 2016 can be attributed to a reorganization of department personnel that occurred in September 2017 to align department functions and leadership to accomplish UTA's goals and objectives. A significant decrease in rail services can be attributed to no significant reclassification of capital construction in progress back to rail operations and maintenance in 2017.

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

2017 Results (continued)

Those significant but infrequent non-capital expenses are now being captured in newly created category of Capital maintenance projects, instead of directly attributed to each mode of transit.

Like in most service agencies, personnel is the largest expense. Personnel cost for UTA in 2017 was 67.9% of total operating expense less depreciation. Overall, personnel cost rose by $11.4 million (6.4%) in 2017. Operating expense less personnel cost decreased by $1.2 million (1.3%) due changes in spending that can occur from department to department and year to year.

CAPITAL ASSET ACTIVITY

| | 2018 | 2017 | *Difference* | *Percent difference* | 2016 |
|---|---|---|---|---|---|
| Land | $ 440,917,126 | $ 425,736,158 | *$ 15,180,968* | *4%* | $ 444,428,115 |
| Construction in process | 109,972,902 | 205,102,231 | *(95,129,329)* | *-46%* | 98,584,168 |
| Infrastructure | 2,515,426,407 | 2,528,679,092 | *(13,252,685)* | *-1%* | 2,660,455,033 |
| Building and building improvements | 302,473,214 | 132,444,199 | *170,029,015* | *128%* | - |
| Revenue vehicles | 753,650,299 | 757,025,778 | *(3,375,479)* | *0%* | 768,632,495 |
| Leased revenue vehicles | 60,365,705 | | *60,365,705* | | - |
| Equipment | 144,817,612 | 326,289,349 | *(181,471,737)* | *-56%* | - |
| Land improvements | 79,140,497 | 12,300,402 | *66,840,095* | *543%* | - |
| Leased land improvements | 75,804,461 | | *75,804,461* | | - |
| Intangibles | 9,585,417 | 22,537,996 | *(12,952,579)* | *-57%* | - |
| Other | - | - | - | | 420,530,145 |
| Accumulated depreciation and amortization | (1,402,256,629) | (1,341,405,330) | *(60,851,299)* | *5%* | (1,288,032,621) |
| Total capital assets, net | $ 3,089,897,011 | $ 3,068,709,875 | *$ 21,187,136* | *1%* | $ 3,104,597,335 |

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

2018 Results

In 2018, UTA more clearly defined what constituted an asset and relooked at the prior asset category assignments and asset useful lives. This resulted in large transfers of assets between categories and adjusted accumulated depreciation for each category of capital assets (see note 4 for more details).

UTA expended approximately $86.0 million for capital assets in 2018 that increased construction in progress. UTA finished the development and construction of the Provo-Orem Bus Rapid Transit (BRT) route and associated maintenance facilities, Positive Train Control, the relocation of the Airport TRAX Station design, the double tracking of streetcar, the replacement of at TRAX bridge at 7200 South, and several other projects designed to enhance the system and passenger experience which added $181.8 million to various asset categories in 2018.

UTA retired or disposed of $23.9 million in historical asset value through land sales and buses and equipment auctions. The depreciable assets disposed in 2018, removed $19.7 million of accumulated depreciation from the capital asset records.

## SUMMARY OF CAPITAL ASSET ACTIVITY (continued)

### 2017 Results

UTA expended approximately $135.1 million for capital assets in 2017. Approximately $28.3 million was expended for revenue vehicle replacements. This program included forty-three (43) buses, seven (7) ski buses, thirty-six (36) Rideshare vans, and twenty-three (23) paratransit vans. In 2017, UTA expended $118.0 million on major strategic projects. This included the development and construction of the Provo-Orem Bus Rapid Transit (BRT) route, Positive Train Control, the Depot District (fueling and maintenance facility to support bus operations), and several other projects designed to enhance the system and passenger experience.

## DEBT ADMINISTRATION

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

A. Ratings Summary

Effective: May 2018

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

Effective: August 2017

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

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

### 2018 Debt Issuance

During 2018, UTA issued the following subordinated and senior lien bonds:

Senior Sales Tax Revenue, Series 2018: $83,765,000
Subordinated Sales Tax Revenue Refunding Bonds, Series 2018: $115,540,000

Proceeds from the Series 2018 Senior Lien bond are being used for new capital projects financing. Proceeds from the Series 2018 Subordinated Lien bond issue were used to refund the Series 2017 revenue bonds ($112.1 million) and Series 2007A revenue bonds ($3.4 million).

SUMMARY OF DEBT ADMINISTRATION ACTIVITY (continued)

2017 Debt Issuance

During 2017, UTA issued the following bonds:

2017 Series Subordinate Lien revenue bonds: $120,575,000

Proceeds from the Series 2017 Subordinate Lien bond issue were used to refund the majority of refundable maturities of the Series 2012A revenue bonds.

SIGNIFICANT ACTIVITIES

2018 Results

The governance of UTA was changed in 2018 as part of the State of Utah legislative session, and the new board started in the fall of 2018. This legislative change has allowed for more sales tax allocation to transit from counties in UTA's service area. The county commissioners in both Utah and Salt Lake County approved 4th quarter sales tax increases for their jurisdictions and UTA is scheduled to start receiving its 40% share of those sales taxes funds in the fall 2019.

*Transit Service* - On time performance for 2018 was 92.1%.

*Transit-oriented Development (TOD)* –

- Jordan Valley TOD construction has started on a new Starbucks
- Sandy East Village TOD sold the first phase of apartment buildings and the office building.
- 3900 South Meadowbrook TRAX Station TOD broke ground for the mixed-used office and residential facility that is already long-termed leased

UTA provided special event support for the following events:

- Warriors over the Wasatch Air Show
- Utah Jazz games
- University of Utah events
- Brigham Young University events
- Weber State events
- Utah Valley University events
- LDS Church General Conferences
- The Salt Lake City Marathon
- Other special events

2017 Results

*Transit Service* - In 2017, UTA continued to optimize and improve the transit system to provide opportunities for more customers. UTA offered 15-minute service and extended hours to the State Capitol building during the 2017 legislative session, leading to a 69.5% increase in ridership on Route 500 during the session.

SIGNIFICANT ACTIVITIES (continued)

2017 Results (continued)

In Weber and Davis Counties, UTA replaced three low-performing routes with Paratransit and Vanpool service. The funds saved from these routes were combined with Proposition 1 money to implement planned service improvements to five routes in the area, including evening and weekend service. In addition, UTA continued to use Proposition 1 funds to improve bus stop access and amenities in Weber and Davis counties.

UTA's overhaul of ski service in Salt Lake County was completed in late 2016 but yielded a 25% increase in total ridership during the 2016-2017 ski season. UTA further refined ski service in 2017 to address overcrowding during high-demand times of day.

On time performance for 2017 was 91.7%.

*Transit-oriented Development (TOD)* - Two apartment buildings at the Jordan Valley TOD, including 270 residential units, were sold at a record price for the area. At the Sandy East Village TOD, construction was completed on a 150,000 square foot office building and a fourth residential building. At the South Jordan TOD, work was completed on the first of two 180,000 sf office buildings, and work continued on a 192-room full-service hotel.

*Customer Service* - UTA's new mobile application was launched in late September 2017 and by the end of the year was selling $20,000 in tickets each month. UTA provided special event support for Utah Jazz games, University of Utah and Brigham Young University events, LDS Church General Conferences, the Salt Lake City Marathon, Salt Lake City Fan X, the Utah Arts Festival, and other special events.

*Environment* – As of December 31, 2017 over 72% of UTA's transit bus fleet are clean diesel, clean diesel electric hybrid and CNG. Buses, Frontrunner, TRAX and vanpool services eliminated more than 2,300 tons of air pollutants and 82,000 tons of greenhouse gas emissions from commuters who chose to ride transit verses driving.

RIDERSHIP COMPARISON

The following information provides an annual comparison of ridership by service for years 2018, 2017, and 2016.
*Source: National Transit Database*

| | 2018 | 2017 | *Difference* | *Percent difference* | 2016 |
|---|---|---|---|---|---|
| Bus service | 19,624,936 | 19,748,489 | *(123,553)* | *-1%* | 20,033,242 |
| Light rail service | 17,899,715 | 18,823,578 | *(923,863)* | *-5%* | 19,220,024 |
| Commuter rail service | 5,082,168 | 4,854,099 | *228,069* | *5%* | 4,545,849 |
| Paratransit service | 394,816 | 385,969 | *8,847* | *2%* | 389,019 |
| Vanpools | 1,174,696 | 1,264,410 | *(89,714)* | *-7%* | 1,333,781 |
| Total ridership | 44,176,331 | 45,076,545 | *(900,214)* | *-2%* | 45,521,915 |

2018 Results

In 2018, UTA realize a 2.0% decrease in overall ridership from 2017. Commuter Rail and Paratransit services showed slight increases in 2018 as demand for these services. Light Rail and Vanpool services experienced a decrease in ridership in 2018.

RIDERSHIP COMPARISON (continued)

2017 Results

In 2017, UTA realized a 1.0% decrease in overall ridership from 2016. However, commuter rail's attraction to the business commuter community resulted in a 6.8% increase in ridership. Ridership on all other transit declined.

## COMPARATIVE STATEMENTS OF NET POSITION

| | 2018 | 2017 |
|---|---|---|
| **ASSETS** | | |
| **Current Assets:** | | |
| Cash and cash equivalents | $ 103,037,555 | $ 85,459,300 |
| Receivables | | |
| Contributions from other governments (sales tax) | 50,725,259 | 49,421,054 |
| Federal grants | 24,146,542 | 44,106,915 |
| Other | 4,443,339 | 17,002,669 |
| State of Utah | 9,930,141 | - |
| Parts and supplies inventories | 35,551,784 | 31,689,267 |
| Prepaid expenses | 2,842,013 | 2,783,802 |
| **Total Current Assets** | **230,676,633** | **230,463,007** |
| **Noncurrent Assets:** | | |
| Restricted assets (Cash equivalents and investments) | | |
| Bonds funds | 47,668,250 | 42,768,329 |
| Interlocal agreements | 7,040,441 | 6,355,541 |
| Represented employee benefits | 4,133,950 | 3,894,919 |
| Escrow funds | 66,174,772 | 28,754,015 |
| Self-insurance deposits | 7,716,809 | 7,534,841 |
| Total restricted assets | 132,734,222 | 89,307,645 |
| Non-Depreciable Capital Assets: | | |
| Land | 440,917,126 | 425,736,158 |
| Construction in progress | 109,972,902 | 205,102,231 |
| Total Non-Depreciable Capital Assets | 550,890,028 | 630,838,389 |
| Depreciable Capital Assets: | | |
| Land improvements | 79,140,497 | 12,300,402 |
| Leased Land Improvements | 75,804,461 | - |
| Building and buildig improvements | 302,473,214 | 132,444,199 |
| Infrastructure | 2,515,426,407 | 2,528,679,092 |
| Revenue vehicles | 753,650,299 | 757,025,778 |
| Leased revenue vehicles | 60,365,705 | - |
| Equipment | 144,817,612 | 326,289,349 |
| Intangibles | 9,585,417 | 22,537,996 |
| Total Depreciable Capital Assets | 3,941,263,612 | 3,779,276,816 |
| Total Capital Assets | 4,492,153,640 | 4,410,115,205 |
| Less accumulated depreciation and amortization | (1,402,256,629) | (1,341,405,330) |
| Amount recoverable - interlocal agreement | 22,047,787 | 22,858,702 |
| Other assets | 9,698,840 | 8,000,000 |
| **Total Noncurrent Assets** | **3,254,377,860** | **3,188,876,222** |
| **TOTAL ASSETS** | **$ 3,485,054,493** | **$ 3,419,339,229** |

## COMPARATIVE STATEMENTS OF NET POSITION (continued)

| | | 2018 | | 2017 |
|---|---|---|---|---|
| **DEFERRED OUTFLOWS OF RESOURCES** | | | | |
| Advanced debt refunding | **$** | 88,490,542 | **$** | 97,189,416 |
| Assumptions changes related to pensions | | 31,930,657 | | 12,571,775 |
| **TOTAL DEFERRED OUTFLOWS OF RESOURCES** | **$** | **120,421,199** | **$** | **109,761,191** |
| | | | | |
| **LIABILITIES** | | | | |
| **Current Liabilities:** | | | | |
| Accounts payable: | | | | |
| Other | $ | 37,169,641 | $ | 54,120,255 |
| State of Utah | | 138,224 | | |
| Accrued liabilities, primarily payroll-related | | 22,242,526 | | 20,199,621 |
| Accrued interest | | 4,165,847 | | 4,096,739 |
| Accrued self-insurance liability | | 1,155,787 | | 1,495,598 |
| Current portion of long-term debt | | 24,126,320 | | 14,815,329 |
| Payable from restricted assets | | - | | 153,913 |
| Unearned revenue | | 11,622,768 | | 6,218,000 |
| **Total Current Liabilities** | | **100,621,113** | | **101,099,455** |
| | | | | |
| **Long-Term Liabilities:** | | | | |
| Long-term debt | | 2,385,014,132 | | 2,316,957,516 |
| Long-term accrued interest | | 5,614,014 | | 4,541,169 |
| Long-term self-insurance liability | | - | | - |
| Long-term net pension liability | | 131,548,114 | | 100,876,554 |
| **Total Long-term Liabilities** | | **2,522,176,260** | | **2,422,375,239** |
| **TOTAL LIABILITIES** | | **2,622,797,373** | | **2,523,474,694** |
| | | | | |
| **DEFERRED INFLOWS OF RESOURCES** | | | | |
| Changes to earnings on pension plan investments | | 3,383,699 | | 11,948,307 |
| **TOTAL DEFERRED INFLOWS OF RESOURCES** | | **3,383,699** | | **11,948,307** |
| | | | | |
| **NET POSITION** | | | | |
| Net investment in capital assets | | 827,646,243 | | 894,275,843 |
| Restricted for: | | | | |
| Debt service | | 47,668,250 | | 42,768,329 |
| Interlocal agreements | | 7,040,441 | | 6,201,628 |
| Represented employee benefits | | 4,133,950 | | 3,894,919 |
| Escrow funds | | 66,174,772 | | 28,754,015 |
| Self-insurance deposits | | 7,716,809 | | 7,534,841 |
| Unrestricted | | 18,914,155 | | 10,247,844 |
| **TOTAL NET POSITION** | **$** | **979,294,620** | **$** | **993,677,419** |

## COMPARATIVE STATEMENTS OF EXPENSES AND CHANGES IN NET POSITION

| | 2018 | 2017 |
|---|---|---|
| **OPERATING REVENUES** | | |
| Passenger fares | $ 52,051,892 | $ 52,159,203 |
| Advertising | 2,412,500 | 2,366,667 |
| **Total operating revenues** | **54,464,392** | **54,525,870** |
| **OPERATING EXPENSES** | | |
| Bus service | 96,719,747 | 88,928,063 |
| Rail service | 75,157,087 | 72,895,607 |
| Paratransit service | 21,857,632 | 19,572,367 |
| Other service | 3,056,191 | 2,982,176 |
| Operations support | 45,557,749 | 41,932,571 |
| Administration | 39,593,947 | 31,423,844 |
| Capital maintenance projects | 38,654,111 | 20,602,425 |
| Depreciation | 80,565,077 | 149,440,887 |
| **Total operating expenses** | **401,161,541** | **427,777,940** |
| **Excess of operating expenses over operating revenues** | **(346,697,149)** | **(373,252,070)** |
| **NON-OPERATING REVENUES (EXPENSES)** | | |
| Contributions from other governments (sales tax) | 282,933,591 | 265,770,775 |
| Federal preventative maintenance grants | 61,820,668 | 62,313,994 |
| Investment income | 6,525,872 | 2,873,787 |
| Other | 8,155,668 | 3,954,893 |
| Interest expense | (91,000,388) | (88,190,962) |
| **Net non-operating revenues** | **268,435,411** | **246,722,487** |
| **INCOME (LOSS) BEFORE CONTRIBUTIONS** | **(78,261,738)** | **(126,529,583)** |
| **Capital contributions:** | | |
| Federal grants | 31,585,004 | 53,960,024 |
| Local | 12,151,003 | 2,850,116 |
| Capital contribution | 20,142,932 | 253,148 |
| **Total capital contributions** | **63,878,939** | **57,063,288** |
| Change in Net Position | (14,382,799) | (69,466,295) |
| Total Net Position, January 1 | 993,677,419 | 1,063,143,714 |
| TOTAL NET POSITION, DECEMBER 31 | $ 979,294,620 | $ 993,677,419 |

## COMPARATIVE STATEMENTS OF CASH FLOW

| | 2018 | 2017 |
|---|---|---|
| **Cash flows from operating activities:** | | |
| Passenger receipts | $ 53,155,758 | $ 51,888,773 |
| Advertising receipts | 2,450,000 | 2,400,000 |
| Payments to vendors | (137,245,416) | (61,003,247) |
| Payments to employees | (124,125,880) | (121,899,204) |
| Employee benefits paid | (81,158,163) | (72,204,917) |
| **Net cash used in operating activities** | **(286,923,701)** | **(200,818,595)** |
| **Cash flows from noncapital financing activities:** | | |
| Contributions from other governments (sales tax) | 283,545,887 | 261,995,834 |
| Federal preventative maintenance grants | 67,144,601 | 43,612,395 |
| Other receipts (payments) | 6,202,743 | - |
| **Net cash provided by noncapital financing activities** | **356,893,231** | **305,608,229** |
| **Cash flows from capital and related financing activities:** | | |
| Contributions for capital projects | | |
| Federal | 46,222,427 | 42,166,150 |
| Local | 16,414,407 | 2,850,116 |
| Proceeds from the sale of revenue bonds | 218,105,085 | 171,075,197 |
| Deposit into escrow for refunding bonds | (125,172,395) | (120,367,951) |
| Payment of bond principal | (18,921,211) | (11,732,743) |
| Interest paid on revenue bonds | (105,194,215) | (101,448,581) |
| Proceeds from leases | 14,377,000 | 27,141,000 |
| Purchases of property, facilities, and equipment | (67,528,327) | (135,610,609) |
| Proceeds from the sale of property | 5,948,541 | 22,508,754 |
| **Net cash used in capital and related financing activities** | **(15,748,688)** | **(103,418,667)** |
| **Cash flows from investing activities:** | | |
| Purchases of investments | - | (39,961,457) |
| Proceeds from the sales of investments | - | 29,995,400 |
| Interest on investments | 5,062,618 | 3,492,448 |
| **Net cash provided by investing activities** | **5,062,618** | **(6,473,609)** |
| Net increase in cash and cash equivalents | 59,283,460 | (5,102,642) |
| Cash and cash equivalents at beginning of year | 136,807,856 | 141,910,498 |
| Cash and cash equivalents at end of year | $ 196,091,316 | $ 136,807,856 |

**COMPARATIVE STATEMENTS OF CASH FLOWS (continued)**

| | 2018 | 2017 |
|---|---|---|
| **Reconciliation of Cash to the Statement of Net Position** | | |
| Cash and cash equivalents at year end from cash flows | $ 196,091,316 | $ 136,807,856 |
| Investments | 39,680,462 | 37,959,089 |
| Total cash and cash equivalents and investments | $ 235,771,778 | $ 174,766,945 |
| Cash and investments as reported on the Statement of Net Position | | |
| Cash and cash equivalents | $ 103,037,555 | $ 85,459,300 |
| Restricted assets (cash equivalents and investments) | | |
| Bonds funds | 47,668,250 | 42,768,329 |
| Interlocal agreements | 7,040,441 | 6,355,541 |
| Represented employee benefits | 4,133,950 | 3,894,919 |
| Escrow funds | 66,174,772 | 28,754,015 |
| Self-insurance deposits | 7,716,809 | 7,534,841 |
| Total cash and cash equivalents and investments | $ 235,771,777 | $ 174,766,945 |

| | 2018 | 2017 |
|---|---|---|
| **Reconciliation of operating loss to net cash used in operating activities:** | | |
| Operating loss | $ (346,697,149) | $ (373,252,070) |
| Adjustments to reconcile excess of operating expenses over operating revenues to net cash used in operating activities: | | |
| Pension expense | (2,748,070) | 2,583,870 |
| Depreciation | 80,565,076 | 149,440,887 |
| Changes in assets and liabilities: | | |
| Receivables | - | - |
| Parts and supplies inventories | (3,862,516) | (3,327,623) |
| Prepaid expenses | (58,211) | (123,743) |
| Accounts payable - trade and restricted | (16,967,292) | 27,031,728 |
| Accrued liabilities | 1,703,097 | (2,934,547) |
| Unearned revenue | 1,141,364 | (237,097) |
| **Net cash used in operating activities** | $ (286,923,701) | $ (200,818,595) |

See accompanying notes to the financial statements

# COMPARATIVE STATEMENT OF FIDUCIARY NET POSITION

| | 2018 | 2017 |
|---|---|---|
| **ASSETS** | | |
| Cash in Bank | $ - | $ 1,586,481 |
| Cash Advanced Advance CFO | 604,152 | - |
| Cash in Utah State Treasury | - | 5,607,680 |
| **Total Cash** | **604,152** | **7,194,161** |
| Investments at fair value as determined by quoted market prices | 192,047,892 | 196,506,139 |
| Prepaid Benefits | 1,095,081 | - |
| Interest Receivable | - | 8,422 |
| Dividends Receivable | 7,859 | 352 |
| Accounts Receivable - Benefits | 10,978 | 11,741 |
| Accounts Receivable - Contributions | 880,663 | 828,834 |
| **Total Receivables** | **899,500** | **849,349** |
| Total Assets | 194,646,625 | 204,549,649 |
| **LIABILITIES** | | |
| Accounts Payable | - | 16,541 |
| Withholding Taxes Payable | 108,077 | 28,546 |
| **Total Liabilities** | **108,077** | **45,087** |
| **NET POSITION** | | |
| Net Position Held in Trust for Pension Benefits | **$ 194,538,548** | **$ 204,504,562** |

## COMPARATIVE STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

| | 2018 | 2017 |
|---|---|---|
| **ADDITIONS** | | |
| Employer Contributions | $ 22,355,434 | $ 20,506,163 |
| Participant Voluntary Contributions | 223,572 | 697,576 |
| **Total Contributions** | **22,579,006** | **21,203,739** |
| Investment Income | | |
| Net Appreciation in Fair Value of Investments | (17,276,731) | 29,971,343 |
| Interest | 94,458 | 84,944 |
| Dividends | 1,193,815 | 1,134,918 |
| Other Income | 300 | - |
| **Total Investment Income** | **(15,988,158)** | **31,191,205** |
| Less: Investment Expense | 641,763 | 592,585 |
| **Net Investment Income** | (16,629,921) | 30,598,620 |
| **Total Additions** | 5,949,085 | 51,802,359 |
| **DEDUCTIONS** | | |
| Monthly Benefits Paid | 10,824,630 | 9,724,391 |
| Lump Sum Distributions | 4,650,189 | 3,283,751 |
| Administrative Expense | 440,279 | 324,912 |
| **Total Deductions** | **15,915,098** | **13,333,054** |
| **NET INCREASE (DECREASE)** | **(9,966,013)** | **38,469,305** |
| **Net Position Held in Trust For Pension Benefits** | | |
| Beginning of Year | 204,504,561 | 166,035,257 |
| **As of December 31** | $ **194,538,548** | $ **204,504,562** |

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

A. Organization

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

The Authority's service area lies in the region commonly referred to as the Wasatch Front. The service area extends from the Wasatch Mountains on the east to the Great Salt Lake on the west, is approximately 100 miles long and 30 miles wide, and consists of an area of approximately 1,400 square miles that covers all or portions of six (6) principal counties (Box Elder, Davis, Salt Lake, Tooele, Utah and Weber). The service area also includes a small portion of Juab County. The total population within the six principal counties is approximately 2,463,015 which represents approximately 79.4% of the state's total population.

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

The Authority is governed by a 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 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 Authority has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity,* and GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units - An Amendment of GASB Statement No. 14*. Accordingly, the accompanying financial statements include only the accounts and transactions of the Authority. Under the criteria specified in Statements No. 14 and No. 39, the Pension Plan may be considered a fiduciary component unit. Due to the changes in governance in 2018, UTA is now 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 not financially accountable for any other organizations. Additionally, the Authority has considered the provisions of GASB No. 39 which follows the concept of economic independence. The Authority does not raise or hold economic resources for the direct benefit of a governmental unit and other governmental units do not have the ability to access economic resources held by the Authority. This is evidenced by the fact that the Authority is a legally and fiscally separate and distinct organization under the provision of the Utah State Code.

## NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting

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

B. Standards for Reporting Purposes

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

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

C. Federal Planning Assistance and Preventative Maintenance Grants

Federal planning assistance grants received from the Federal Transit Administration (FTA) and preventative maintenance grants are recognized as revenue and receivable during the period in which the related expenses are incurred and eligibility requirements are met. The FAST Act is a fully funded five-year authorization of surface transportation programs. This Act allows for the replacement and repair of aging infrastructure.

D. Federal Grants for Capital Expenditures

The U.S. Department of Transportation, through contracts between the Authority and the FTA, provides federal funds of 35% to 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 made and eligibility requirements are met.

E. Classification of Revenues and Expenses

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

## NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Contributions from Other Governments

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

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

| | |
|---|---|
| Salt Lake County | 0.6875% |
| Davis County | 0.6500% |
| Weber County | 0.6500% |
| Box Elder County | 0.5500% |
| Utah County | 0.5260% |
| Tooele County | 0.4000% |

G. Cash and Cash Equivalents

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

H. Investments

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

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

I. Receivables

Receivables consist primarily of amounts due to the Authority from sales tax collections, federal grants, local government partners, pass sales and investment income. Management does not believe any credit risk exists related to these receivables. As such there is no current provision for bad debts.

J. Parts and Supplies Inventories

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

## NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

K. Capital Assets

Capital Assets are stated at historical cost. Expenditures which substantially improve or extend the useful life of property are capitalized. Routine maintenance and repair costs are expensed as incurred. Railway infrastructure assets are capitalized when individual costs is at least $50,000. Intangible software assets are capitalized when individual costs is at least $10,000. All other property, facilities and equipment are capitalized if they have individual costs of at least $5,000 and a useful life of over one year.

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

| | |
|---|---|
| • Revenue service vehicles | 4-30 years |
| • Leased revenue service vehicles | 4-12 years |
| • Intangibles | 4-20 years |
| • Equipment | 4-20 years |
| • Land improvements | 10-25 years |
| • Leased Land Improvement | 50 years |
| • Buildings and building improvements | 20-50 years |
| • Infrastructure | 5-75 years |

L. Amount Recoverable – Interlocal Agreement

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

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

M. Compensated Absences

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

N. Risk Management

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

Under the Governmental Immunity Act, the maximum statutory liability in any one accident is $2,455,900 for incidents occurring after July 1, 2016. The Authority is self-insured for amounts up to this limit. The Authority has Railroad Liability Coverage of $100 million per annum with $5 million of risk retention. The Authority is self- insured for worker's compensation up to the amount of $1 million per incident and has excess insurance for claims over this amount. The Authority has insurance for errors and omissions and damage to property in excess of $100,000 per annum.

## NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### O. Pensions

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

### P. Net Position

The Authority's net position is classified as follows:

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

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

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

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

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

- *Self-insurance deposits:* This component of net position consists of the fund amount set aside for risk.

- *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.

| | 2018 | 2017 |
|---|---|---|
| NET POSITION | | |
| Net investment in capital assets | $ 827,646,243 | $ 894,275,943 |
| Restricted for: | | |
| Debt Service | 47,668,250 | 42,768,329 |
| Interlocal agreements | 7,040,441 | 6,201,628 |
| Represented employee benefits | 4,133,950 | 3,894,919 |
| Escrow Fund | 66,174,772 | 28,754,015 |
| Self-insurance deposits | 7,716,809 | 7,534,841 |
| Unrestricted | 18,914,154 | 10,247,844 |
| TOTAL NET POSITION | $ 979,294,620 | $ 993,677,419 |

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

## Q. Budgetary and Accounting Controls

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

The Authority adopts its annual budget in December of the preceding year based on recommendations of staff and the local advisory board.

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

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

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

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

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

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

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

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

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

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

## NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

R. Recent Accounting Pronouncements

GASB Statement 75
*Accounting and Financial Reporting for Postemployment Benefit Plans Other than Pensions*
Took Effect: June 30, 2018

GASB Statement 81
*Irrevocable Split-Interest Agreements*
Took Effect: December 31, 2017

GASB Statement 82
*Pension Issues-an amendment of GASB Statement No. 67, No. 68, and No. 73*
Took Effect: June 15, 2017

GASB Statement 83
*Certain Asset Retirement Obligations*
Takes Effect: June 30, 2019

GASB Statement 84
*Fiduciary Activities*
Takes Effect: December 31, 2019

GASB Statement 85
*Omnibus 2017*
Took Effect: June 30, 2018

GASB Statement 86
*Certain Debt Extinguishment Issues*
Took Effect: June 30, 2018

GASB Statement 87
*Leases*
Takes Effect: December 31, 2020

## NOTE 3 – CASH, CASH EQUIVALENTS AND INVESTMENTS

A. Restricted Cash and Cash Equivalents

Restricted cash and cash equivalents are defined as funds restricted by legal requirement(s) outside of the Authority. The Authority is required to maintain certain accounts in connection with the issuance of bonds which are restricted per the bond covenants. In addition, the Authority is acting as the trustee of funds for a represented employee benefits trust.

B. Designated Cash and Cash Equivalents

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

| | 2018 | 2017 |
|---|---|---|
| Early Debt Retirement | $ 47,384,438 | $ 17,699,386 |
| Fuel Reserve | 1,915,000 | 1,915,000 |
| Operating Reserve | 28,507,000 | 25,976,619 |
| Parts Reserve | 3,000,000 | 3,000,000 |
| Stabilization Reserve | 15,272,000 | 13,916,046 |
| Total designated cash and cash equivalents | **$ 96,078,438** | **$ 62,507,051** |

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

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

- *Designated for operating reserves* - This component of net position consists of 9.33% (one month expense, plus 1%) of the annual budgeted operating expense, and is required by the Board of Trustees. *(Executive Limitations Policy No. 2.3.3 Budgeting)* As of December 31, 2017, the designation for operating reserves had to be decreased to $25,976,619 due to total amount of unrestricted cash available to designate. The low level of unrestricted cash was only temporary and the Authority was able to return to full designation of operating reserves in February 2018, after receiving some of the amounts owed to the Authority from other sources.

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

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

C. Deposits and Investments

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

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

  At December 31, 2018 and 2017, the balances in the Authority's bank demand deposit accounts and certificate of deposit accounts according to the bank statements totaled $17,599,147 and $30,739,375, respectively, of which $257,989 and $274,040 were covered by Federal depository insurance.

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

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

  The following are the Authority's investment as of December 31, 2018:

| | | Investment Maturity (in years) | | |
|---|---|---|---|---|
| | | Less than 1 | 1-5 | TOTAL |
| U.S. Agencies | AA-A+/A/A-BBB+/BBB | - | $ 48,304,144 | $ 48,304,144 |
| Corporate Bonds | A+/A1/A+ | $ 13,600,749 | 2,425,518 | 16,026,268 |
| MM - Cash | | 2,436,098 | - | 2,438,098 |
| PTIF | | 78,979,313 | - | 78,979,313 |
| Total Investments | | $ 95,016,161 | $ $50,729,662 | $ 145,745,823 |

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

- *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 FASB ASC 820 are described as follows:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has ability to access.

Level 2: Inputs to the valuation methodology include:

- Quoted prices for similar assets of liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

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

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement. The asset's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The Authority invests with Zions Capital Advisors and the Utah Public Treasurers Investment Fund. Both of these organizations meet the requirements of the Utah Money Management Act. The following are the Authority's investment as of December 31, 2018 by organization and by fair value measurement:

| | | Fair Value Measurements | | |
|---|---|---|---|---|
| | 12/31/2018 | Level 1 | Level 2 | Level 3 |
| Zions Capital Advisors | | | | |
| Agency | $ 48,304,144 | $ 48,304,144 | - | - |
| Corporate | 16,026,268 | - | $ 16,026,268 | - |
| Currency | 1,099,517 | 1,099,517 | - | - |
| Total Zions Capital Advisor investments | 65,429,928 | 49,403,661 | 16,026,268 | - |
| Zions Trustee Investments | | | | |
| Money market | 1,336,581 | 1,336,581 | - | - |
| Total Zions Trustee investments | 1,336,581 | 1,336,581 | - | - |
| Public Treasurers Investment Fund | 78,979,313 | - | 78,979,315 | - |
| Total investments by fair value level | $ 145,745,823 | $ 50,740,242 | $ 95,005,581 | - |

## NOTE 4 – CAPITAL ASSETS

Construction in progress for 2018 consists of following large projects:

- $27.8 million for Positive Train Control to be completed September 30, 2019
- $18.0 million for the Depot District expected to be completed August 31, 2021
- $5.4 million for the Sugar House Double Track project completed February 2, 2019
- $4.3 million for the Airport TRAX Station with an expected completion of April 2, 2021
- $3.9 million for the I-15 Road Widening at 7200 S by UDOT expected to be completed by September 27, 2019.

A biennial inventory of capital assets is planned to be completed the latter half of 2019.

| | Balance 12/31/2017 | Increases | Transfers | Decreases | Balance 12/31/2018 |
|---|---|---|---|---|---|
| Capital assets not being depreciated | | | | | |
| Land | $ 425,736,158 | $ 19,259,000 | $ - | $ (4,078,032) | $ 440,917,126 |
| Construction in Progress | 205,102,231 | 86,039,389 | - | (181,168,717) | 109,972,903 |
| Total capital assets not being depreciated | 630,838,389 | 105,298,389 | - | (185,246,749) | 550,890,029 |
| Capital assets being depreciated | | | | | |
| Infrastructure | 2,528,679,092 | - | (13,252,685) | - | 2,515,426,407 |
| Buildings and Building Improvements | 132,444,199 | 25,091,055 | 145,611,098 | (673,138) | 302,473,214 |
| Revenue Vehicles | 757,025,778 | 35,408,999 | (23,891,478) | (14,893,000) | 753,650,299 |
| Leased Revenue Vehicles | - | 42,343,725 | 18,047,840 | (25,860) | 60,365,705 |
| Equipment | 326,289,349 | 3,146,819 | (180,348,041) | (4,270,515) | 144,817,612 |
| Land improvements | 12,300,402 | 54,250 | 66,785,845 | - | 79,140,497 |
| Leased Land Improvements | - | 75,804,461 | - | - | 75,804,461 |
| Intangibles | 22,537,996 | - | (12,952,579) | - | 9,585,417 |
| Total capital assets being depreciated | 3,779,276,816 | 181,849,309 | - | (19,862,513) | 3,941,263,612 |
| Less: Accumulated depreciation | | | | | |
| Infrastructure | (651,651,962) | (38,120,418) | (24,996,060) | - | (714,768,440) |
| Buildings and Building Improvements | (64,302,569) | 8,055,469 | (61,335,558) | 655,299 | (116,927,359) |
| Revenue Vehicles | (361,922,236) | (33,229,497) | 9,795,521 | 14,769,202 | (370,587,010) |
| Leased Revenue Vehicles | - | (5,871,145) | (4,928,991) | 18,761 | (10,781,375) |
| Equipment | (231,855,525) | (9,361,139) | 98,668,483 | 4,270,515 | (138,277,666) |
| Land Improvements | (9,123,916) | (1,909,583) | (30,189,913) | - | (41,223,412) |
| Leased Land Improvements | - | (128,764) | - | - | (128,764) |
| Intangibles | (22,549,122) | - | 12,986,518 | - | (9,562,604) |
| Total accumulated depreciation | (1,341,405,330) | (80,565,077) | - | 19,713,777 | (1,402,256,630) |
| Capital assets being depreciated, net | 2,437,871,486 | 101,284,233 | - | (148,737) | 2,539,006,982 |
| Total capital assets, net | $ 3,068,709,875 | $ 206,582,622 | $ - | $ (185,395,486) | $ 3,089,897,011 |

| | Balance 12/31/2016 | Increases | Transfers | Decreases | Balance 12/31/2017 |
|---|---|---|---|---|---|
| Capital assets not being depreciated | | | | | |
| Land | $ 434,255,469 | $ 781,831 | $ - | $ (9,301,142) | $ 425,736,158 |
| Construction in Progress | 98,584,168 | 135,081,926 | - | (28,563,863) | 205,102,231 |
| Total capital assets not being depreciated | 532,839,637 | 135,863,757 | - | (37,865,005) | 630,838,389 |
| Capital assets being depreciated | | | | | |
| Infrastructure | 2,660,455,034 | 11,379,323 | (129,429,792) | (13,725,473) | 2,528,679,092 |
| Buildings and Building Improvements | - | - | 132,444,199 | - | 132,444,199 |
| Revenue Vehicles | 768,632,495 | 7,007,046 | - | (18,613,763) | 757,025,778 |
| Leased Revenue Vehicles | - | - | - | - | - |
| Equipment | 420,530,145 | 3,448,002 | (25,670,921) | (72,017,877) | 326,289,349 |
| Land improvements | 10,172,645 | 3,450,300 | 118,518 | (1,441,061) | 12,300,402 |
| Leased Land Improvements | - | - | - | - | - |
| Intangibles | - | - | 22,537,996 | - | 22,537,996 |
| Total capital assets being depreciated | 3,859,790,319 | 25,284,671 | - | (105,798,174) | 3,779,276,816 |
| Less: Accumulated depreciation | | | | | |
| Infrastructure | (641,678,702) | (79,781,488) | 60,999,641 | 8,808,587 | (651,651,962) |
| Buildings and Building Improvements | - | - | (64,302,569) | - | (64,302,569) |
| Revenue Vehicles | (341,524,835) | (38,974,295) | 101,368 | 18,475,526 | (361,922,236) |
| Leased Revenue Vehicles | - | - | - | - | - |
| Equipment | (294,986,102) | (29,981,835) | 25,769,407 | 67,343,005 | (231,855,525) |
| Land Improvements | (9,842,982) | (703,269) | (18,725) | 1,441,060 | (9,123,916) |
| Leased Land Improvements | - | - | - | - | - |
| Intangibles | - | - | (22,549,122) | - | (22,549,122) |
| Total accumulated depreciation | (1,288,032,621) | (149,440,887) | - | 96,068,178 | (1,341,405,330) |
| Capital assets being depreciated, net | 2,571,757,698 | (124,156,216) | - | (9,729,996) | 2,437,871,486 |
| Total capital assets, net | $ 3,104,597,335 | $ 11,707,541 | $ - | $ (47,595,001) | $ 3,068,709,875 |

During 2018, UTA has evaluated its capital assets and the associated accumulated depreciation of those assets and saw the need to better define assets, their useful lives, and their categories. This evaluation has led to change in useful lives of all categories of assets to be consistent for all assets in those respective categories. These new useful lives reflect the changing understanding of how long a transit asset is lasting after a decade of running service in the northern Utah environment. These changes in accounting estimates are reflected in the current year depreciation expense decrease from $149.4 million in 2017 to $80.6 million in 2018. Due to the revaluation of UTA's capital assets, a decrease in depreciation expense for 2018 of $57,255,598 has been reflected in the financials. The difference in accumulated depreciation by type of capital asset is illustrated below.

| Categories in which Useful Lives were Lengthened | Accounting Effect |
|---|---|
| Infrastructure | $ (39,148,990.68) |
| Buildings and Building Improvements | (10,642,078.09) |
| Revenue and Leased Revenue Vehicles | (5,747,813.46) |
| Land Improvements and Leased Land Improvements | (1,716,715.95) |
| Net Effect of Change in Accounting Estimate | $ (57,255,598.18) |

Depreciation expense by mode that mirrors the Comparative Statement of Revenues, Expenses, and Changes in Net Position.

| Depreciation Expense | 2018 | 2017 |
|---|---|---|
| Bus Service | $ 17,144,994 | $ 20,842,359 |
| Rail Service | 56,825,449 | 119,310,559 |
| Paratransit Service | 4,290,318 | 5,678,317 |
| Vanpool Service | 2,304,317 | 3,609,652 |
| Total Depreciation Expense | $ 80,565,077 | $ 149,440,888 |

## NOTE 5 – 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.

| | 2018 | 2017 |
|---|---|---|
| Operating assistance | | |
| Federal preventive maintenance grants | $ 59,382,716 | $ 61,690,413 |
| Federal operating assistance grants | 2,376,707 | 623,581 |
| | 61,820,668 | 62,313,994 |
| Capital projects | | |
| Federal capital projects | 31,585,004 | 55,040,181 |
| Prior Year Federal capital projects | 4,041 | (1,080,157) |
| | 31,589,045 | 53,960,024 |
| Total federal assistance | $ 93,409,713 | $ 116,274,018 |

| | 2018 | 2017 |
|---|---|---|
| Prior Year Federal Receivables | $ (44,106,915) | $ (13,611,438) |
| Received Operating Assistance | 67,144,610 | 43,612,393 |
| Received Federal Capital Projects | 46,225,485 | 42,166,148 |
| Year End Federal Receivables | 24,146,542 | 44,106,915 |
| Total Federal Assistance | $ 93,409,713 | $ 116,274,018 |

## NOTE 6 – SELF-INSURANCE CLAIMS LIABILITY

Changes in the accrued claims liability in 2018 and 2017 were as follows:

| | Beginning liability | Changes in estimates | Claim payments | Ending liability |
|---|---|---|---|---|
| 2018 | $ 1,495,597 | $ 3,117,762 | $ (3,457,572) | $ 1,155,787 |
| 2017 | $ 5,095,814 | $ 1,082,185 | $ (4,682,402) | $ 1,495,597 |

## NOTE 7 – PENSION PLANS

### A) General Information

Deferred Compensation Plan

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

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

Defined Benefit Plan

The Authority offers its employees a single employer non-contributory defined benefit pension plan, The Utah Transit Authority Retirement Plan and Trust, 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-sound 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. Prior to February 2016, Fidelity Investments served as the administrator and custodian of the Plan, with Soltis Investment Advisors serving as a third-party investment manager.

### B) Reporting Entity

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.

## NOTE 7 – PENSION PLANS (CONTINUED)

**Membership**

The Plan's membership consisted of:

| | January 1, 2018 | January 1, 2017 |
|---|---|---|
| Active participants: | | |
| Fully vested | 1,377 | 1,359 |
| Partially vested | - | - |
| Not vested | 788 | 725 |
| Inactive participants not receiving benefits | 343 | 316 |
| Participants due refunds | 12 | 12 |
| Retirees and beneficiaries receiving benefits | 629 | 561 |
| Total | 3,149 | 2,973 |

### C) 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 participants who began participating in the Administrative 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 five 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.

## NOTE 7 – PENSION PLANS (CONTINUED)

*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 2018 and 2017, 37 and 39 participants in each respective year elected to receive their benefit in the form of lump sum distribution. Lump sum distributions collectively totaled $4,650,189 and $3,283,751 for 2018 and 2017, respectively. Individuals are removed from the Plan's membership if they choose to take all of their benefit as a lump sum distribution.

**D) Contributions**

*Employer Contribution Requirements*

Contributions are received from the Authority in amounts determined by the Pension Committee and approved by the Board of Trustees based on the current collective bargaining agreement and the minimum and maximum funding levels recommended by the Plan's actuary.

## NOTE 7 – PENSION PLANS (CONTINUED)

*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.

**E) Change in Plan Custodian**

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.

**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 measureable 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.

GASB Statement No. 67, *Financial Reporting for Pension Plans*, which was adopted during the year ended December 31, 2014, addresses accounting and financial reporting requirements for pension plans. The requirements for GASB No. 67 require changes in presentation of the financial statements, notes to the financial statements, and required supplementary information. Significant changes include an actuarial calculation of total and net pension liability. It also includes comprehensive footnote disclosure regarding the pension liability, the sensitivity of the net pension liability to the discount rate, and increased investment disclosures. The implementation of GASB No. 67 did not significantly impact the accounting for accounts receivable and investment balances. The total pension liability, determined in accordance with GASB No. 67, is presented in Note 6 and in the Required Supplementary Information.

## NOTE 7 – PENSION PLANS (CONTINUED)

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

*Net pension liability* - At December 31, 2018, the Authority reported a net pension liability of $131,548,114. The net pension liability was measured as of December 31, 2018, and was determined by an actuarial valuation as of January 1, 2018 and rolled-forward using generally accepted actuarial 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 Employee Payroll | Net position Liability as a percentage of Covered Employee Payroll |
|---|---|---|---|---|---|---|
| 12/31/2018 | $326,086,663 | $194,538,549 | $131,548,114 | 59.66% | $132,521,079 | 99.27% |
| 12/31/2017 | 305,381,116 | 204,504,562 | 100,876,554 | 66.97% | 126,690,540 | 79.62% |
| 12/31/2016 | 278,960,378 | 166,035,257 | 112,925,121 | 59.50% | 115,430,618 | 97.80% |
| 12/31/2015 | 269,069,798 | 151,631,937 | 117,437,871 | 56.40% | 110,727,134 | 106.10% |
| 12/31/2014 | 247,692,651 | 146,854,399 | 100,838,252 | 59.30% | 106,004,057 | 95.10% |
| 1/1/2014 | 232,691,093 | 135,666,362 | 97,024,731 | 58.30% | 102,099,985 | 95.00% |

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

*Deferred outflows of resources and deferred inflows of resources* - At December 31, 2018, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Inflows of Resources | Deferred Outflows of Resources |
|---|---|---|
| Differences between expected and actual experience | $ (1,226,044) | $ 7,632,639 |
| Change of Assumptions | (2,157,655) | 6,405,862 |
| Net difference between projected and actual earnings | - | 17,892,156 |
| Contributions made subsequent | - | - |
| Total | $ (3,383,699) | $ 31,930,657 |

*Pension expense* - For the year ended December 31, 2018, the Authority recognized pension expense of $25,103,504. 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 |
|---|---|
| 2019 | $8,144,192 |
| 2020 | 5,681,109 |
| 2021 | 4,313,036 |
| 2022 | 7,991,195 |
| 2023 | 1,906,202 |
| Thereafter | 511,224 |
| Total | $28,164,198 |

## NOTE 7 – PENSION PLANS (CONTINUED)

*Actuarial assumptions* - The total pension liability in the January 1, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

| | |
|---|---|
| Inflation | 2.30% |
| Salary Increases | 5.40% per annum for the first five (5) years of employment; 3.40% per annum thereafter |
| Investment rate of return | 7.0%, 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 | 3.44% |

The actuarial assumptions used in the January 1, 2018 valuation were based on the results of an actuarial experience study for the five year period ending December 31, 2008.

*Discount rate:* The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed contribution rates as recommended by the Authority's Pension Committee and approved by the Board of Trustees. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive participants. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following sensitivity analysis assumes rate volatility of plus and minus one percent of the discount rate of 7.0%.

| | 1% Decrease 6.00% | Current Discount Rate 7.00% | 1% Increase 8.00% |
|---|---|---|---|
| Total pension liability | $ 367,575.226 | $ 326,086,663 | $ 291,631,806 |
| Fiduciary net position | 194,538,549 | 194,538,549 | 194,538,549 |
| Net pension liability | 173,036,677 | 131,548,114 | 97,093,257 |

## NOTE 7 – PENSION PLANS (CONTINUED)

*Schedule of changes in total pension liability, plan fiduciary net position, and net pension liability:* 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 December 31, 2017 | $ 305,381,116 | $ 204,504,562 | $ 100,876,554 |
| Charges for the year | | | |
| Service cost | 9,550,863 | - | 9,550,863 |
| Interest on total pension liability | 21,512,781 | - | 21,512,781 |
| Differences between expected and actual experience | 4,893,150 | - | - |
| Changes of assumptions | - | - | - |
| Employer contributions | | 22,355,434 | (22,355,434) |
| Member voluntary contributions | 223,572 | 223,572 | - |
| Net investment income | - | (16,629,921) | 16,629,921 |
| Benefit payments | (15,474,819) | (15,474,819) | - |
| Administrative expenses | - | (440,279) | 440,279 |
| Balance as of December 31, 2018 | $ 326,086,663 | $ 194,538,549 | $ 131,548,114 |

**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.

## NOTE 7 – PENSION PLANS (CONTINUED)

*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 February 2016 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.

### I) Investments (continued)

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 | Range |
| Global Equity | 63% | 51% - 75% |
| Liquid Diversifiers | 10% | 0% - 15% |
| Real Assets | 4% | 0% - 8% |
| Alternatives | 22% | 12% - 32% |
| Cash & Equivalents | 1% | 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 7.00% per annum, net of investment expenses.

### J) Payment of Benefits

Benefit payments to participants are recorded upon distribution.

### K) 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 years ended December 31, 2018 and 2017, the Plan paid $440,279 and $324,912 respectively, of administrative expenses. In April 2018 all administration of the plan was outsourced to Milliman and Advanced CFO. The board voted and approved this action at their January 2018 board meeting.

### L) Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and changes therein and the disclosure of contingent assets and liabilities as of the date of the financial statements. Accordingly, actual results could differ from those estimates.

## NOTE 7 – PENSION PLANS (CONTINUED)

### M) 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.

### N) 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.

### O) 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.

### P) Reclassifications

Certain amounts in the prior period presentation have been reclassified or added to conform to the current period financial statement presentation. These changes have no effect on previously reported amounts on the Comparative Statement of Changes in Fiduciary Net Position.

### Q) Subsequent Events

The Plan has performed an evaluation of subsequent events through March 26, 2018, which is the date the basic financial statements were available to be issued. The IPS was amended effective February 2016 to identify Cambridge Associates, LLC (CA) as the investment manager, clarify the roles and responsibilities of the investment manager, and revise the long-term asset allocation policy for the Plan.

Starting in April 2018 all administration of the plan will be outsourced to Milliman and Advanced CFO. The board voted and approved this action at their January board meeting.

### R) 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 has no formal policy for cash deposit custodial credit risk. Cash deposits are presented in the financial statements at cost plus accrued interest, which is market or fair value.

Cash equivalents include amounts invested in the Utah Public Treasurer's Investment Fund. The Plan considers short-term investments with an original maturity of 3 months or less to be cash equivalents.

| | 2018 | 2017 |
|---|---|---|
| Cash held in banking institution(s) | $ 604,152 | $ 1,586,481 |
| Cash held in Utah Public Treasurer's Investment Fund | - | 5,607,680 |
| Total Cash | $ 604,152 | $ 7,194,161 |

## NOTE 7 – PENSION PLANS (CONTINUED)

### S) Custodial Credit Risk

Custodial credit risk for investments is in the risk that the counterparty to an investment will not fulfill its obligations. The Plan has no formal policy for custodial credit risk.

The Plan's rated investments are show below.

| | | | |
|---|---|---|---|
| Fixed Income: | | | |
| 2018 | $ | 44,511,657 | AA/Aa Rated |
| 2017 | $ | 41,223,319 | AA/Aa Rated |

### T) 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 Plan has no formal policy for investment interest rate risk. The table below shows the maturities of the Plan's investments.

| | | |
|---|---|---|
| Equity funds: | | |
| 2018 | $121,933,057 | No maturity dates |
| 2017 | $126,057,180 | No maturity dates |
| Fixed Inc funds: | | |
| 2018 | $ 44,511,657 | Average effective duration: 5.3 years<br>Average effective maturity: 7.5 years |
| 2017 | $ 41,223,319 | Average effective duration: 5.3 years<br>Average effective maturity: 7.5 years |
| Other funds: | | |
| 2018 | $ 26,081,608 | Average effective duration/maturity: n/a |
| 2017 | $ 29,225,640 | Average effective duration/maturity: n/a |

### U) 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 Plan has no formal policy for concentration of credit risk. The following amounts represent 5% or more of the Plan's net position as of December 31, 2018 and/or 2017 invested with any one organization. (Investments with Fidelity representing less than 5% of the Plan's net position are not required to be disclosed, but are included in the detail of total Fidelity Investments in Note 4).

| | **2018** | **2017** |
|---|---|---|
| Equity funds: | | |
| Two Sigma Active US All Cap & Investments | $ 16,287,880 | $ 631,784 |
| Fixed funds: | | |
| IR+M Core Bond Fund II | $ 18,593,036 | $ 17,854,889 |
| SSGA 3-10 US Treasury Index NL | - | - |

## NOTE 7 – PENSION PLANS (CONTINUED)

### V) Fair Value Measurements

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 FASB ASC 820 are described as follows:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has ability to access.

Level 2: Inputs to the valuation methodology include:

- Quoted prices for similar assets of liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

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

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

**NOTE 7 – PENSION PLANS (CONTINUED)**

| | 2018 | 2017 |
|---|---|---|
| Investments: | | |
| Global Equity Funds: | | |
| 1607 Capital International Equity Fund | $ 7,068,884 | $ 8,305,215 |
| Arrowstreet International Equity | 8,886,414 | 9,504,008 |
| Artisan Global Value Institutional | 6,504,923 | 7,932,866 |
| Artisan Global Opportunities Trust | 6,349,204 | 5,903,689 |
| Causeway Emerging Markets Equity | 6,547,729 | 6,402,017 |
| Edgewood Growth Fund Institutional | 7,054,931 | 5,764,661 |
| Gqg Partners Intl Eqty | 7,384,000 | - |
| Independent Franchise Partners US Equity | 7,196,531 | 7,743,633 |
| Iridian Private Business Value Mid Cap | 5,555,749 | 6,317,097 |
| Iva International Fund I | 2,921,780 | - |
| John Hancock Disciplined Value I | 6,086,912 | 6,732,130 |
| Kiltearn Global Equity Fund | 5,744,563 | - |
| Mahout Global Emerging Markets | 2,134,715 | 6,732,130 |
| Mathews ASIA Small Companies | - | 2,437,578 |
| Oakmark International I | 6,720,896 | 7,707,213 |
| Overlook Partners Fund | 2,477,772 | - |
| RWC Horizon Equity Offshore Ltd. | 4,695,445 | 2,871,724 |
| RWC Horizon Equity Fund 97MSCLV | 558,532 | 5,311,261 |
| Two Sigma Active US All Cap & Investments | 16,267,880 | 631,784 |
| Vanguard FTSE Developed Markets EFT | 1,871,213 | 13,389,450 |
| Vanguard S&P 500 EFT | 2,853,321 | 3,221,307 |
| Wasatch Emerging Markets Small Cap | - | 2,511,034 |
| William Blair Small Cap Fund Class I | - | 7,485,887 |
| Total Global Equity Funds | $ 114,881,394 | $ 120,358,635 |

**NOTE 7 – PENSION PLANS (CONTINUED)**

| | 2018 | 2017 |
|---|---|---|
| Polen Capital: | | |
| Adobe Systems Inc. | $ 392,300 | $ 461,056 |
| Automatic Data Process. | 405,948 | 334,343 |
| Align Technology Inc. | 142,412 | 233,744 |
| Accenture Plc | 308,530 | 308,783 |
| Booking Holdings | 155,017 | - |
| Celgene Corp. | - | 227,609 |
| Dollar General | 322,835 | 184,811 |
| Facebook Inc. | 414,224 | 433,915 |
| Alphabet Inc. | 597,961 | 556,639 |
| Gartner Inc. | 245,964 | 205,784 |
| Mastercard Inc. | 187,895 | 138,948 |
| Microsoft Corp. | 609,318 | 256,107 |
| Nestle Sa | 229,845 | 325,197 |
| Nike Inc. | 355,650 | 307,225 |
| Nvidia Corp | 147,918 | - |
| Oracle | 251,079 | 266,518 |
| O Reilly | 413,885 | - |
| The Priceline Group | - | 245,021 |
| Regeneron | 230,076 | 213,545 |
| Starbucks Corp. | 347,374 | 273,309 |
| Visa Inc. | 478,810 | 382,081 |
| Zoetis Inc. | 336,172 | 119,010 |
| Total Polen Capital | 6,573,216 | 5,698,545 |
| Total Equity | $ 121,454,607 | $ 126,057,180 |

## NOTE 7 – PENSION PLANS (CONTINUED)

| | 2018 | 2017 |
|---|---|---|
| Fixed Income Funds: | | |
| 1607 Capital Tax Fixed Income Fund | $ 3,130,603 | $ 3,263,465 |
| Double Line Core Plus 4L3 | 7,138,145 | 5,108,695 |
| IR+M Core Bond Fund II | 18,593,036 | 17,854,889 |
| PIMCO Income Fund Institutional | 6,327,452 | 5,291,044 |
| State Street Global Adv. 3-10 US Treasury | 9,322,421 | 9,705,226 |
| Total Fixed Income Funds | 44,511,657 | 41,223,319 |
| Liquid Diversifier Funds: | | |
| AQR Style Premia 97MSCMCV9 | 3,489,659 | 3,886,150 |
| AQR Style Premia 97MSCNHU4 | - | 271,103 |
| AQR Style Premia Fund S 4 | - | - |
| AQR Style Premia Fund Ltd | - | - |
| CCP Core Macro Fund LP | - | 4,376,922 |
| Fort Global Offshore Fund | 4,890,738 | 5,111,965 |
| ISAM SYSTEMATIC 97MSCNDS3 | 212,508 | 225,238 |
| ISAM Systematic Trend | 1,824,493 | 2,191,348 |
| Renaissance Institutional Equity | 6,008,085 | 3,698,940 |
| Total Liquid Diversifier Funds | 16,425,483 | 19,791,665 |
| Real Asset Funds: | | |
| AEW Global Properties | 1,587,870 | 1,660,234 |
| T. Rowe Price Global Natural Resources | 3,546,308 | 4,226,988 |
| Vanguard Short Term Inflation Protected Sec | 2,543,785 | 1,530,046 |
| Total Real Assets | 7,677,963 | 7,417,269 |
| Cash & Equivalents: | | |
| US Bank Cash (First American US Money Mkt | 1,978,162 | 2,016,706 |
| Total Cash and Equivalents | 1,978,162 | 2,016,706 |
| **Total investments** | **$ 192,047,872** | **$ 196,506,139** |

**W) 2018 and 2017 Valuation Methodology**

Level 1 – These investments are measured at fair value based on quoted prices in active markets.
Level 2 – These investments are measured at fair value based on inputs other than quoted prices included within Level 1. Observable inputs include quoted prices for similar assets in active or non-active markets. While the underlying asset values are quoted prices for the mutual funds, the net asset value (NAV) of the mutual funds is not publicly quoted in an active market.
Level 3 – These Investments are valued at fair value based on information obtained from the investment issuer.

## NOTE 7 – PENSION PLANS (CONTINUED)

The following tables set forth by level, within the fair value hierarchy, the Plan's investments at fair value as of December 31, 2018 and December 31, 2017.

**Investment Assets at Fair Value as of December 31, 2018**

| | Fair Value | Level 1 | Level 2 | Level 3 |
|---|---|---|---|---|
| Global Equities (NAV Level 2) | $ 118,858,701 | $ 11,629,353 | $ 40,111,922 | $ 67,117,426 |
| Fixed Income (NAV level 2) | 44,511,657 | - | 6,327,452 | 38,184,205 |
| Liquid diversifiers | 19,347,261 | - | 2,921,780 | 16,425,481 |
| Real assets (NAV level 2) | 7,677,963 | - | 6,090,093 | 1,587,870 |
| Money market | 1,652,310 | 1,652,310 | - | - |
| **Total investments at fair value** | $ 192,047,892 | $ 13,281,663 | $ 55,451,247 | $ 123,314,982 |

**Investment Assets at Fair Value as of December 31, 2017**

| | Fair Value | Level 1 | Level 2 | Level 3 |
|---|---|---|---|---|
| Global Equities (NAV Level 2) | $ 126,057,180 | $ 11,430,886 | $ 49,768,407 | $ 64,857,888 |
| Fixed Income (NAV level 2) | 41,223,319 | - | 5,291,044 | 35,932,275 |
| Liquid diversifiers | 19,791,665 | - | - | 19,791,665 |
| Real assets (NAV level 2) | 7,417,269 | - | 5,757,035 | 1,660,234 |
| Money market | 2,016,706 | 2,016,706 | - | - |
| **Total investments at fair value** | $ 196,506,139 | $ 11,430,886 | $ 62,833,191 | $ 122,242,062 |

**X) Net Asset Value Per Share**

The mutual funds in the global equities, fixed income and real assets classes Level 2 are stated at net asset value or its equivalent, which is the practical expedient for estimating the fair value of those investments. The following tables provide additional disclosures concerning the investments measured at fair value based on NAV as of December 31, 2018 and 2017.

**2018**

| | Fair Value | Unfunded Commitment | Redemption Frequency | Redemption Notice Period |
|---|---|---|---|---|
| Global Equities (NAV Level 2) | $ 40,111,922 | $ - | Daily | Daily |
| Fixed Income (NAV level 2) | 6,327,452 | - | Daily | Daily |
| Liquid diversifier(NAV level 2) | 2,921,780 | - | Daily | Daily |
| Real assets (NAV level 2) | 6,090,093 | - | Daily | Daily |
| Total | $ 55,451,247 | $ - | | |

## NOTE 7 – PENSION PLANS (CONTINUED)

| | 2017 | | | |
|---|---|---|---|---|
| | **Fair Value** | **Unfunded Commitment** | **Redemption Frequency** | **Redemption Notice Period** |
| Global Equities (NAV Level 2) | $ 49,768,407 | $ - | Daily | Daily |
| Fixed Income (NAV level 2) | 5,291,044 | - | Daily | Daily |
| Real assets (NAV level 2) | 5,757,035 | - | Daily | Daily |
| Total | $ 60,816,485 | $ - | | |

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.

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.

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.

**Y) Money-Weighted Rate of Return**

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 |
|---|---|
| 2018 | -7.77% |
| 2017 | 18.01% |

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## NOTE 7 – PENSION PLANS (CONTINUED)

### Z) Net Pension Liability

The net pension liability is the Plan's total pension liability determined in accordance with GASB No. 67, less the Plan's fiduciary net position. The Plan's net pension liability was $131,548,114 and $100,876,554 as of December 31, 2018 and December 31, 2017, respectively. A portion of this change is attributed to the Plan's change of methods and assumptions.

The Plan's net pension liability is mainly attributed to significant plan changes made during 1999 and 2011, which resulted in benefit increases. Fiduciary net position as a percent of total pension liability decreased to 59.81% at December 31, 2018 from 66.97% at December 31, 2017.

### AA) Actuarial Methods and Assumptions

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. The total pension liability as of December 31, 2018, is based on the results of an actuarial valuation date of January 1, 2018, and rolled-forward using generally accepted actuarial procedures. The significant actuarial assumptions and methods used in the January 1, 2018 valuation are as follows:

- Actuarial Cost Method – Entry Age Normal
- Inflation – 2.30%
- Employer Annual Payroll Growth Including Inflation – 3.40%
- Salary Increases – 5.4% for the first five years of employment; 3.4% per annum thereafter
- Mortality – RP 2014 Blue Collar Mortality Table, with MP-2014 projection scale
- Investment Rate of Return – 7.0%, net of investment expenses
- Retirement Age – Table of rates by age and eligibility
- Cost of Living Adjustments – None
- Percent of Future Retirements Electing Lump Sum – 20%

### BB) 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, 2017, is summarized in the table below.

| Asset Class | Target Asset Allocation | Long Term Expected Return |
|---|---|---|
| Global Equities | 63% | 6.9% |
| Fixed Income | 22% | 4.4% |
| Liquid Diversifiers | 10% | 5.8% |
| Real Assets | 4% | 7.8% |
| Cash & Equivalents | 1% | 3.3% |
| Total | 100% | 6.5% |

The 7.00% assumed investment rate of return is comprised of an inflation rate of 2.3% and a real return of 4.70% net of investment expense.

## NOTE 7 – PENSION PLANS (CONTINUED)

### CC)Discount Rate and Rate Sensitivity Analysis

The discount rate used to measure the total pension liability was 7.00%. The discount rate incorporates a municipal bond rate of 3.44% based on the Bond Buyer General, Obligation 20-Bond Municipal Bond Index. The projection of cash flows used to determine the discount rate assumed that contributions will be made based on the actuarially determined rates. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all the projected future benefit payments of current Plan members. 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 7.00%, as well as what the net pension liability would be if it were calculated using a discount rate 1.00% lower (6.00%) or 1.00% higher (8.00%) than the current rate.

| | 1.00% Decrease 6.00% | Current Rate 7.00% | 1.00% Increase 8.00% |
|---|---|---|---|
| Total pension liability | $ 367,575,226 | $ 326,086,663 | $ 291,631,806 |
| Fiduciary net position | 194,538,549 | 194,538,549 | 194,538,549 |
| Net pension liability | 173,036,677 | 131,548,114 | 97,093,257 |

### DD)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.

The Authority's Board of Trustees adopted a contribution rate policy of 16% for 2017 and 16% for 2018 and subsequent years.

Employer contributions in 2018 and 2017 totaled $22,355,434 and $20,506,163 respectively, which represented 110.4% and 101.2% of the annual actuarial recommended contributions, respectively.

### EE) Party-in-Interest Transactions

Cambridge Associates is the Plan's investment manager and they charge fees for the services they provide, the transactions qualify as party-in-interest transactions. Fees paid by the Plan for the investment management services for the years ended December 31, 2018 and 2017 were $364,729 and $592,585, respectively.

### FF) Component Evaluation

UTA evaluates the financial relationships of all entities that UTA funds or directs each year and after the careful consideration of the financial dependence and management influence of UTA on the Utah Transit Authority Employee Retirement Plan and Trust actions, UTA has chosen to include the financials of the trust as a fiduciary component unit of UTA financials as part of their 2018 financial statements.

## NOTE 8 – LONG TERM DEBT

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

A. Series 2005A Revenue Bond

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

Debt service requirements to maturity, including interest:

| Year ending December 31 | | Principal | | Interest | | Total |
|---|---|---|---|---|---|---|
| 2019 | $ | 1,635,000 | $ | 329,044 | $ | 1,964,044 |
| 2020 | | 1,720,000 | | 240,975 | | 1,960,975 |
| 2021 | | 1,815,000 | | 148,181 | | 1,963,181 |
| 2022 | | 1,915,000 | | 50,269 | | 1,965,269 |
| | $ | 7,085,000 | $ | 768,469 | $ | 7,853,469 |

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

B. Series 2006C Revenue Bond

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

Debt service requirements to maturity, including interest:

| Year ending December 31 | | Principal | | Interest | | Total |
|---|---|---|---|---|---|---|
| 2019 | $ | 5,350,000 | $ | 5,516,963 | $ | 10,866,963 |
| 2020 | | 5,635,000 | | 5,228,606 | | 10,863,606 |
| 2021 | | 5,950,000 | | 4,924,500 | | 10,874,500 |
| 2022 | | 6,265,000 | | 4,603,856 | | 10,868,856 |
| 2023 | | 6,605,000 | | 4,266,019 | | 10,871,019 |
| 2024-2028 | | 38,750,000 | | 15,588,563 | | 54,346,094 |
| 2029-2032 | | 39,205,000 | | 4,250,006 | | 54,318,494 |
| | $ | 107,760,000 | $ | 44,378,513 | $ | 152,138,513 |

## NOTE 8 – LONG TERM DEBT (continued)

B. Series 2006C Revenue Bond (continued)

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

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

Purpose: Partial advanced refunding of the 2005B revenue bonds; construction and acquisition of improvements to the transit system.

Interest rates
Capital Appreciation Bonds: 4.55-5.05%
Capital Interest Bonds: 5.00%

Original amount
Capital Appreciation Bonds: $132,329,109
Capital Interest Bonds: $128,795,000

Debt service requirements to maturity, including interest:

*Series 2007A Subordinate Lien Capital Appreciation Bond*

On March 15, 2018 the remaining debt service for this bond was defeased through the issuance of the Series 2018 Sales Tax Revenue Subordinate Refunding Bond.

*Series 2007A Subordinate Lien Capital Interest Bond*

| Year ending December 31 | Principal | Interest | Total |
|---|---|---|---|
| 2019 | $ 2,710,000 | $ 6,005,000 | $ 8,715,000 |
| 2020 | 2,850,000 | 5,866,000 | 8,716,000 |
| 2021 | - | 5,794,750 | 5,794,750 |
| 2022 | - | 5,794,750 | 5,794,750 |
| 2023 | 5,300,000 | 5,662,250 | 10,962,250 |
| 2024-2028 | 24,870,000 | 24,982,250 | 49,852,250 |
| 2029-2033 | 42,500,000 | 17,038,250 | 59,538,250 |
| 2034-2035 | 43,225,000 | 2,188,375 | 68,120,750 |
| | $ 121,455,000 | $ 73,331,625 | $ 194,786,625 |

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

## NOTE 8 – LONG TERM DEBT (continued)

D. Series 2008A Revenue Bond

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

Debt service requirements to maturity, including interest:

| Year ending December 31 | Principal | Interest | Total |
|---|---|---|---|
| 2019 | $ 5,885,000 | $ 2,696,006 | $ 8,581,006 |
| 2020 | - | 2,541,525 | 2,541,525 |
| 2021 | - | 2,541,525 | 2,541,525 |
| 2022 | 23,570,000 | 1,922,813 | 25,492,813 |
| 2023 | 24,840,000 | 652,050 | 25,492,050 |
| | $ 54,295,000 | $ 10,353,919 | $ 64,648,919 |

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

The Authority has elected to treat the 2009B bonds as "Build America Bonds" for the purposes of the American Recovery and Investment Act of 2009 (the Recovery Act) and to receive a cash subsidy from the United States Treasury in connection therewith. Pursuant to the Recovery Act, the Authority anticipated cash subsidy payments from the United States Treasury equal to 35% ($5,085,101) of the interest payable on the 2009B bonds.

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

Debt service requirements to maturity, including interest:

| Year ending December 31 | Principal | Interest | Total | Scheduled Federal Subsidy Payment |
|---|---|---|---|---|
| 2019 | $ - | $ 15,522,286 | $ 15,522,286 | $ 5,432,800 |
| 2020 | - | 15,522,286 | 15,522,286 | 5,432,800 |
| 2021 | - | 15,522,286 | 15,522,286 | 5,432,800 |
| 2022 | - | 15,522,286 | 15,522,286 | 5,432,800 |
| 2023 | - | 15,522,286 | 15,522,286 | 5,432,800 |
| 2024-2028 | - | 77,611,433 | 77,611,433 | 27,164,001 |
| 2029-2033 | 55,890,000 | 72,171,656 | 128,061,656 | 25,260,080 |
| 2034-2038 | 140,560,000 | 41,157,362 | 181,717,362 | 14,405,077 |
| 2039 | 65,000,000 | 1,929,525 | 66,929,525 | 675,334 |
| | $ 261,450,000 | $ 270,481,406 | $ 531,931,406 | $ 94,668,492 |

## NOTE 8 – LONG TERM DEBT (continued)

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

The Authority has elected to treat the 2010A bonds as "Build America Bonds" for the purposes of the American Recovery and Investment Act of 2009 (the Recovery Act) and to receive a cash subsidy from the United States Treasury in connection therewith. Pursuant to the Recovery Act, the Authority anticipated cash subsidy payments from the United States Treasury equal to 35% ($3,709,776) of the interest payable on the 2010A bonds.

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

Debt service requirements to maturity, including interest:

| Year ending December 31 | Principal | Interest | Total | Scheduled Federal Subsidy Payment |
|---|---|---|---|---|
| 2019 | $ - | $ 11,410,000 | $ 11,410,000 | $ 3,993,500 |
| 2020 | - | 11,410,000 | 11,410,000 | 3,993,500 |
| 2021 | - | 11,410,000 | 11,410,000 | 3,993,500 |
| 2022 | - | 11,410,000 | 11,410,000 | 3,993,500 |
| 2023 | | 11,410,000 | 11,410,000 | 3,993,500 |
| 2024-2028 | - | 57,050,000 | 57,050,000 | 19,967,500 |
| 2029-2033 | - | 57,050,000 | 57,050,000 | 19,967,500 |
| 2034-2038 | 29,700,000 | 55,862,219 | 85,562,219 | 19,551,776 |
| 2039-2040 | 170,300,000 | 11,762,569 | 182,062,569 | 4,116,900 |
| | $ 200,000,000 | $ 238,774,788 | $ 438,774,788 | $ 83,571,176 |

## NOTE 8 – LONG TERM DEBT (continued)

G. Series 2012A Revenue Bond

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

Debt service requirements to maturity, including interest:

| Year ending December 31 | Principal | Interest | Total |
|---|---|---|---|
| 2019 | $ - | $ 7,844,000 | $ 7,844,000 |
| 2020 | - | 7,844,000 | 7,844,000 |
| 2021 | - | 7,844,000 | 7,844,000 |
| 2022 | - | 7,844,000 | 7,844,000 |
| 2023 | | 7,844,000 | 7,844,000 |
| 2024-2028 | - | 39,220,000 | 40,631,200 |
| 2029-2033 | 1,440,000 | 39,191,200 | 39,220,000 |
| 2034-2038 | 50,485,000 | 36,126,700 | 86,611,700 |
| 2039-2042 | 119,675,000 | 16,289,000 | 135,964,000 |
| | $ 171,600,000 | $ 170,046,900 | $ 341,646,900 |

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

On December 28, 2017 a portion of the original debt service for this bond was defeased through the issuance of the $120,575,000 Series 2017 Sales Tax Revenue Refunding Bond.

H. Series 2015A Revenue Bonds

On February 25, 2015, the Authority issued $668,655,000 in senior sales tax revenue bonds and $192,005,000 in subordinate sales tax revenue bonds to provide resources to purchase qualifying open market securities that were placed in an irrevocable trust for the purpose of generating resources for the advanced refunding of certain 2008A revenue bonds, certain 2009A revenue bonds, certain 2007A capital appreciation revenue bonds, and certain 2012A revenue bonds. These resources are intended to provide all future debt payments of $904,901,591 of senior and subordinate sales tax revenue bonds. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the Authority's financial statements. These advanced refundings were undertaken to reduce total debt service payments over the next 23 years by $85,099,817, and resulted in an economic gain of $77,660,118. As of December 31, 2017, $4,245,000 of the 2012A Revenue Bond was defeased from the escrow fund.

## NOTE 8 – LONG TERM DEBT (continued)

H. Series 2015A Revenue Bonds (continued)

*Series 2015A Senior Lien Revenue Bond*

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

Debt service requirements to maturity, including interest:

| Year ending December 31 | Principal | Interest | Total |
|---|---|---|---|
| 2019 | $ - | $ 31,072,663 | $ 31,072,663 |
| 2020 | 12,425,000 | 30,769,238 | 43,194,238 |
| 2021 | 18,235,000 | 30,029,138 | 48,264,138 |
| 2022 | - | 29,592,463 | 29,592,463 |
| 2023 | 8,030,000 | 29,416,463 | 37,446,463 |
| 2024-2028 | 191,195,000 | 123,545,706 | 314,740,706 |
| 2029-2033 | 201,265,000 | 74,354,025 | 275,619,025 |
| 2034-2038 | 237,505,000 | 28,615,400 | 266,120,400 |
| | $ 668,655,000 | $ 377,395,096 | $ 1,046,050,096 |

*Series 2015A Subordinate Lien Revenue Bond*

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

Debt service requirements to maturity, including interest:

| Year ending December 31 | Principal | Interest | Total |
|---|---|---|---|
| 2019 | $ - | $ 9,543,250 | $ 9,543,250 |
| 2020 | 2,850,000 | 9,500,500 | 12,350,500 |
| 2021 | 5,840,000 | 9,311,750 | 15,151,750 |
| 2022 | 8,875,000 | 8,943,875 | 17,818,875 |
| 2023 | 6,750,000 | 8,553,250 | 15,303,250 |
| 2024-2024 | 45,750,000 | 36,139,500 | 81,983,500 |
| 2029-2033 | 51,825,000 | 24,273,875 | 76,098,875 |
| 2034-2037 | 70,115,000 | 7,625,625 | 77,740,625 |
| | $ 192,005,000 | $ 113,891,625 | $ 305,896,625 |

UTA UTAH TRANSIT AUTHORITY

## NOTE 8 – LONG TERM DEBT (continued)

I. Series 2016 Revenue Bonds

On August 24, 2016, the Authority issued $145,691,497 in subordinate sales tax revenue bonds with a reoffering premium of $12,932,675 to provide resources to purchase qualifying open market securities that were placed in an irrevocable trust for the purpose of generating resources for the advanced refunding of the 2013 revenue bonds and 2014AB revenue bonds. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the Authority's financial statements. These advanced refundings were undertaken to remove the Authority's short-term debt which reduced total debt service payments by $156,360,000 over the next three (3) years. This issuance resulted in an economic loss of $8,045,006. As of June 15, 2018, $62,000,000 of the 2014A Revenue Bond was defeased from the escrow fund.

*Series 2016 Subordinate Lien Revenue Bond*

Purpose: Refunding of $13,990,000 of the 2013 short-term bonds, and refunding of $142,370,000 of the 2014AB short-term bonds.
Interest rates: 3.00-4.00%
Original amount: $145,691,498

Debt service requirements to maturity, including interest:

| Year ending December 31 | Principal | Interest | Total |
|---|---|---|---|
| 2019 | $ - | $ 4,602,300 | $ 4,602,300 |
| 2020 | - | 4,602,300 | 4,602,300 |
| 2021 | - | 4,602,300 | 4,602,300 |
| 2022 | - | 4,602,300 | 4,602,300 |
| 2023 | | 4,602,300 | 4,602,300 |
| 2024-2028 | 36,890,000 | 22,466,250 | 59,356,250 |
| 2029-2031 | 89,890,000 | 7,181,000 | 97,071,000 |
| | $ 126,780,000 | $ 52,658,750 | $ 179,438,750 |

*Series 2016 Subordinate Lien Capital Appreciation Revenue Bond*

Purpose: Refunding of $13,990,000 of the 2013 short-term bonds, and refunding of $142,370,000 of the 2014AB short-term bonds.
Interest rates: 3.32004%
Original amount: $18,911,498

Debt service requirements to maturity, including interest:

| Year Ending December 31 | Principal | Interest | Total |
|---|---|---|---|
| 2032 | $ 18,911,498 | $ 13,443,503 | $ 32,355,001 |
| | $ 18,911,498 | $ 13,443,503 | $ 32,355,001 |

## NOTE 8 – LONG TERM DEBT (continued)

J. Series 2016 Utah County Subordinated Transportation Sales Tax Revenue Bond

On December 22, 2016, Utah County issued a $65 million subordinated transportation sales tax revenue bond to be used for the construction of the Provo-Orem BRT. 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.

The amount owed to Utah County increased by $960,616 in FY 2018 based on an agreement which states that Utah County will loan UTA an amount of $2,500,000 per year for operations and maintenance costs until December 31, 2028 or until the Authority assumes responsibility for such funding. The project opened on August 6, 2018, so the amount was prorated for the year.

| Year ending December 31 | Principal | Interest | Total |
|---|---|---|---|
| 2028 | $ 65,960,616 | $ 22,718,868 | $ 87,718,868 |
| | $ 65,960,616 | $ 22,718,868 | $ 87,718,868 |

K. Series 2017 Sales Tax Revenue Refunding Bonds (Sub)

Purpose: Advanced refunding $119,675,000 of the 2012 bonds. The cash flow savings as a result of the refunding is $80,531,986
Interest rates: 2.41%
Original amount: $120,575,000
Economic Gain as a result of refunding: $26,665,362.89

On March 15, 2018 the original debt service for this bond was defeased through the issuance of the $120,575,000 Series 2018 Sales Tax Revenue Subordinate Refunding Bond.

L. Series 2018 Revenue Bonds

On March 15, 2018, the Authority issued $83,765,000 in senior sales tax revenue bonds and $115,540,000 in subordinate sales tax revenue bonds to provide resources to purchase qualifying open market securities that were placed in an irrevocable trust for the purpose of generating resources for the advanced refunding of certain 2017 revenue bonds, certain 2007A revenue bonds, and to finance certain capital projects. These resources are intended to provide all future debt payments for the 2017 and 2007A Bonds in the amount of $125,172,394 of sales tax revenue bonds. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the Authority's financial statements. The advanced refundings were undertaken to reduce total debt service payments over the next 14 years by $122,907,069, and resulted in an economic gain of $5,587,749.09.

The financing for certain construction projects consisted of $88,500,000 and include funds for the Salt Lake City Airport Light Rail Station relocation of $24,905,000.

## NOTE 8 – LONG TERM DEBT (continued)

L. Series 2018 Revenue Bonds (continued)

*Series 2018 Senior Lien Revenue Bond*

| | |
|---|---|
| Purpose: | Finance Capital Projects - $58,860,000 for other projects and $24,905,000 for the Salt Lake City Airport Light Rail Station relocation. |
| Interest rates: | 3.25-5.00% |
| Original amount: | $83,765,000 |

Debt service requirements to maturity, including interest:

| Year ending December 31 | | Principal | | Interest | | Total |
|---|---|---|---|---|---|---|
| 2019 | $ | 1,500,000 | $ | 3,612,400 | $ | 5,112,400 |
| 2020 | | - | | 3,537,400 | | 3,537,400 |
| 2021 | | - | | 3,537,400 | | 3,537,400 |
| 2022 | | - | | 3,537,400 | | 3,537,400 |
| 2023 | | - | | 3,537,400 | | 3,537,400 |
| 2024-2028 | | - | | 17,687,000 | | 17,687,000 |
| 2029-2033 | | 19,420,000 | | 17,687,000 | | 37,107,000 |
| 2034-2036 | | 62,845,000 | | 5,430,650 | | 68,275,650 |
| | $ | 83,765,000 | $ | 58,566,650 | $ | 142,331,650 |

*Series 2018 Subordinate Lien Revenue Bond*

| | |
|---|---|
| Purpose: | Advanced refunding of $112,125,000 of the 2017 revenue bonds and associated accreted interest of $3,975,864, and $3,415,000 of the 2007A revenue bonds; debt service reserve |
| Interest rates: | 3.125-5.00% |
| Original amount: | $115,540,000 |

Debt service requirements to maturity, including interest:

| Year ending December 31 | | Principal | | Interest | | Total |
|---|---|---|---|---|---|---|
| 2019 | $ | 420,000 | $ | 5,133,894 | $ | 5,553,894 |
| 2020 | | 440,000 | | 5,112,894 | | 5,552,894 |
| 2021 | | 3,235,000 | | 5,090,894 | | 8,325,894 |
| 2022 | | 3,395,000 | | 4,929,144 | | 8,324,144 |
| 2023 | | 3,565,000 | | 4,759,394 | | 8,324,394 |
| 2024-2028 | | 20,245,000 | | 20,956,219 | | 41,201,219 |
| 2029-2033 | | 13,775,000 | | 16,917,631 | | 30,692,631 |
| 2034-2038 | | 2,155,000 | | 14,548,950 | | 16,703,950 |
| 2039-2041 | | 66,665,000 | | 7,451,530 | | 74,116,530 |
| | $ | 113,895,000 | $ | 84,900,550 | $ | 198,795,550 |

## NOTE 8 – LONG TERM DEBT (continued)

M. 2015 Issuance 12-Year Lease Financing

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

Debt service requirements to maturity, including interest:

| Year ending December 31 | Principal | Interest | Total |
|---|---|---|---|
| 2019 | $ 420,447 | $ 77,768 | $ 498,215 |
| 2020 | 429,322 | 68,893 | 498,215 |
| 2021 | 438,385 | 59,830 | 498,215 |
| 2022 | 447,640 | 50,575 | 498,215 |
| 2023 | 457,089 | 41,126 | 498,215 |
| 2024-2027 | 1,718,648 | 66,679 | 1,785,327 |
| | $ 3,911,531 | $ 364,871 | $ 4,276,402 |

N. 2015 Issuance 5-Year Lease Financing

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

Debt service requirements to maturity, including interest:

| Year ending December 31 | Principal | Interest | Total |
|---|---|---|---|
| 2019 | $ 720,885 | $ 10,762 | $ 731,647 |
| 2020 | 424,988 | 1,870 | 426,858 |
| | $ 1,145,873 | $ 12,632 | $ 1,158,505 |

O. 2015 Issuance 4-Year Lease Financing

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

Debt service requirements to maturity, including interest:

| Year ending December 31 | Principal | Interest | Total |
|---|---|---|---|
| 2019 | $ 243,467 | $ 910 | $ 44,377 |
| | $ 243,467 | $ 910 | $ 244,377 |

## NOTE 8 – LONG TERM DEBT (continued)

P. 2016 Issuance 12-Year Lease Financing

Purpose: Acquisition of 5 buses and equipment for use in the canyons for ski service
Interest rates: 1.6322%
Original amount: $2,480,000

Debt service requirements to maturity, including interest:

| Year ending December 31 | Principal | Interest | Total |
|---|---|---|---|
| 2019 | $ 195,686 | $ 32,021 | $ 227,707 |
| 2020 | 198,904 | 28,803 | 227,707 |
| 2021 | 202,175 | 25,532 | 227,707 |
| 2022 | 205,500 | 22,207 | 227,707 |
| 2023 | 208,879 | 18,828 | 227,707 |
| 2024-2028 | 1,040,061 | 41,546 | 1,081,607 |
| | $ 2,051,205 | $ 168,937 | $ 2,220,142 |

Q. 2016 Issuance 5-Year Lease Financing

Purpose: Acquisition of 33 flex/paratransit vehicles
Interest rates: 1.3008%
Original amount: $4,546,000

Debt service requirements to maturity, including interest:

| Year ending December 31 | Principal | Interest | Total |
|---|---|---|---|
| 2019 | $ 912,006 | $ 27,575 | $ 939,581 |
| 2020 | 923,940 | 15,640 | 939,580 |
| 2021 | 700,361 | 3,804 | 704,165 |
| | $ 2,536,307 | $ 47,019 | $ 2,583,326 |

R. 2016 Issuance 4-Year Lease Financing

Purpose: Acquisition of 56 RideShare vans
Interest rates: 1.2298%
Original amount: $1,647,000

Debt service requirements to maturity, including interest:

| Year ending December 31 | Principal | Interest | Total |
|---|---|---|---|
| 2019 | $ 415,524 | $ 6,648 | $ 422,172 |
| 2020 | 315,543 | 1,616 | 317,159 |
| | $ 731,067 | $ 8,264 | $ 739,331 |

## 8 – LONG TERM DEBT (continued)

S. 2017 Issuance 12-Year Lease Financing

Purpose: Acquisition of 47 buses and equipment
Interest rates: 2.2440%
Original amount: $24,390,000

Debt service requirements to maturity, including interest:

| Year ending December 31 | Principal | Interest | Total |
|---|---|---|---|
| 2019 | $ 1,835,389 | $ 484,922 | $ 2,320,311 |
| 2020 | 1,877,001 | 443,310 | 2,320,311 |
| 2021 | 1,919,557 | 400,754 | 2,320,311 |
| 2022 | 1,963,077 | 357,234 | 2,320,311 |
| 2023 | 2,007,585 | 312,726 | 2,320,311 |
| 2024-2028 | 10,741,663 | 859,891 | 11,601,554 |
| 2029 | 2,103,279 | 23,672 | 2,126,951 |
| | $ 22,447,551 | $ 2,882,509 | $ 25,330,060 |

T. 2017 Issuance 5-Year Lease Financing

Purpose: Acquisition of 13 flex/paratransit vehicles
Interest rates: 1.8200%
Original amount: $1,444,000

Debt service requirements to maturity, including interest:

| Year ending December 31 | Principal | Interest | Total |
|---|---|---|---|
| 2019 | $ 283,932 | $ 18,427 | $ 302,359 |
| 2020 | 289,143 | 13,216 | 302,359 |
| 2021 | 294,449 | 7,910 | 302,359 |
| 2022 | 274,656 | 2,506 | 277,162 |
| | $ 1,142,180 | $ 42,059 | $ 1,184,239 |

U. 2017 Issuance 4-Year Lease Financing

Purpose: Acquisition of 36 RideShare vans
Interest rates: 1.7700%
Original amount: $1,307,000 (**A vehicle was totaled and paid off in 2018, therefore principal was reduced by $28,893**)

Debt service requirements to maturity, including interest:

| Year ending December 31 | Principal | Interest | Total |
|---|---|---|---|
| 2019 | $ 314,520 | $ 14,017 | $ 328,538 |
| 2020 | 320,176 | 8,362 | 328,538 |
| 2021 | 297,713 | 2,648 | 300,361 |
| | $ 932,409 | $ 25,027 | $ 957,431 |

## NOTE 8 – LONG TERM DEBT (continued)

V. 2018 Issuance 12-Year Lease Financing

Purpose: Acquisition of 24 buses and 2 Trolley style buses
Interest rates: 3.295%
Original amount: $12,496,000

Debt service requirements to maturity, including interest:

| Year ending December 31 | | Principal | | Interest | | Total |
|---|---|---|---|---|---|---|
| 2019 | $ | 865,736 | $ | 396,411 | $ | 1,262,147 |
| 2020 | | 894,697 | | 367,450 | | 1,262,147 |
| 2021 | | 924,626 | | 337,521 | | 1,262,147 |
| 2022 | | 955,557 | | 306,590 | | 1,262,147 |
| 2023 | | 987,522 | | 274,625 | | 1,262,147 |
| 2024-2028 | | 5,455,798 | | 854,938 | | 6,310,736 |
| 2029-2030 | | 2,341,197 | | 77,918 | | 2,419,115 |
| | $ | 12,425,133 | $ | 2,615,453 | $ | 15,040,586 |

W. 2018 Issuance 5-Year Lease Financing

Purpose: Acquisition of 36 flex/paratransit vehicles
Interest rates: 3.057%
Original amount: $381,000

Debt service requirements to maturity, including interest:

| Year ending December 31 | | Principal | | Interest | | Total |
|---|---|---|---|---|---|---|
| 2019 | $ | 71,802 | $ | 10,467 | $ | 82,269 |
| 2020 | | 74,028 | | 8,241 | | 82,269 |
| 2021 | | 76,323 | | 5,946 | | 82,269 |
| 2022 | | 78,689 | | 3,580 | | 82,269 |
| 2023 | | 74,273 | | 1,140 | | 75,413 |
| | $ | 375,115 | $ | 29,374 | $ | 404,489 |

X. 2018 Issuance 4-Year Lease Financing

Purpose: Acquisition of 60 RideShare vans
Interest rates: 3.022%
Original amount: $1,500,000

Debt service requirements to maturity, including interest:

| Year ending December 31 | | Principal | | Interest | | Total |
|---|---|---|---|---|---|---|
| 2019 | $ | 359,099 | $ | 39,494 | $ | 398,593 |
| 2020 | | 370,103 | | 28,490 | | 398,593 |
| 2021 | | 381,444 | | 17,149 | | 398,593 |
| 2022 | | 359,916 | | 5,461 | | 365,377 |
| | $ | 1,470,562 | $ | 90,594 | $ | 1,561,156 |

## NOTE 8 – LONG TERM DEBT (continued)

Y. Capital Leased Assets

The following represents the assets acquired through the 2015, 2016, 2017 and 2018 series capital leases and the corresponding accumulated depreciation.

| | 2015 Series Leases | 2016 Series Leases | 2017 Series Leases | 2018 Series Leases |
|---|---|---|---|---|
| Revenue vehicles | | | | |
| 12-year lease | $ 4,859,620 | $ 2,480,000 | $ 23,680,879 | $ 9,245,110 |
| 5-year lease | 3,626,139 | 3,719,002 | - | - |
| 4-year lease | 1,587,375 | 1,647,000 | 1,267,806 | 275,397 |
| Subtotal | 10,073,134 | 7,846,002 | 24,948,685 | 9,520,507 |
| Accumulated depreciation | (5,094,073) | (3,599,034) | (2,657,979) | (139,879) |
| Total capital assets (net) | $ 4,979,061 | $ 4,246,968 | $ 22,290,706 | $ 9,380,628 |

## NOTE 8 – LONG TERM DEBT (continued)

### Long Term Debt Summary Table FY 2018

| | Balance 12/31/2017 | Additions | Reductions | Balance 12/31/2018 | Amount due within one year |
|---|---|---|---|---|---|
| Bonds | | | | | |
| Series 2005A Revenue Bond | $ 8,635,000 | $ - | $ (1,550,000) | $ 7,085,000 | $ 1,635,000 |
| Series 2006C Revenue Bond | 112,845,000 | - | (5,085,000) | 107,760,000 | 5,350,000 |
| Series 2007A Capital Appreciation | 2,332,069 | - | (2,332,069) | - | - |
| Series 2007A Current Interest Bond | 124,020,000 | - | (2,565,000) | 121,455,000 | 2,710,000 |
| Series 2008A Revenue Bond | 54,295,000 | - | - | 54,295,000 | 5,885,000 |
| Series 2009B Build America Bond | 261,450,000 | - | - | 261,450,000 | - |
| Series 2010A Build America Bond | 200,000,000 | - | - | 200,000,000 | - |
| Series 2012A Revenue Bond | 171,600,000 | - | - | 171,600,000 | - |
| Series 2015A Revenue Bond (Sr) | 668,655,000 | - | - | 668,655,000 | - |
| Series 2015A Revenue Bond (Sub) | 192,005,000 | - | - | 192,005,000 | - |
| Series 2016 Revenue Bond | 126,780,000 | - | - | 126,780,000 | - |
| Series 2016 Capital Appreciation | 18,911,498 | - | - | 18,911,498 | - |
| Series 2016 UTCT | 65,000,000 | 960,616 | - | 65,960,616 | - |
| Series 2017 Revenue Bond (Sub) | 120,575,000 | - | (120,575,000) | - | - |
| Series 2018 Revenue Bond (Sr) | - | 83,765,000 | - | 83,765,000 | 1,500,000 |
| Series 2018 Revenue Bond (Sub) | - | 115,540,000 | (1,645,000) | 113,895,000 | 420,000 |
| 2015 12-Year Lease | 4,323,227 | - | (411,696) | 3,911,531 | 420,447 |
| 2015 5-Year Lease | 1,857,256 | - | (711,383) | 1,145,873 | 720,885 |
| 2015 4-Year Lease | 636,293 | - | (392,826) | 243,467 | 231,295 |
| 2016 12-Year Lease | 2,243,724 | - | (192,520) | 2,051,204 | 195,686 |
| 2016 5-Year Lease | 3,437,053 | - | (900,746) | 2,536,307 | 912,006 |
| 2016 4-Year Lease | 1,140,985 | - | (409,918) | 731,067 | 415,524 |
| 2017 12-Year Lease | 24,390,000 | - | (1,942,449) | 22,447,551 | 1,835,389 |
| 2017 5-Year Lease | 1,444,000 | - | (301,821) | 1,142,179 | 283,931 |
| 2017 4-Year Lease | 1,307,000 | - | (374,592) | 932,408 | 314,520 |
| 2018 12-Year Lease | - | 12,496,000 | (70,867) | 12,425,133 | 865,736 |
| 2018 5-Year Lease | - | 381,000 | (5,885) | 375,115 | 71,802 |
| 2018 4-Year Lease | - | 1,500,000 | (29,439) | 1,470,561 | 359,099 |
| | 2,167,883,105 | 214,642,616 | (139,496,211) | 2,243,029,510 | 24,126,320 |
| Unamortized Premiums | | | | | |
| Series 2005A Revenue Bond | 176,244 | - | (63,865) | 112,379 | |
| Series 2006C Revenue Bond | 6,866,239 | - | (822,061) | 6,044,178 | |
| Series 2007A Current Interest Bond | 6,224,106 | - | (483,106) | 5,741,000 | |
| Series 2008A Revenue Bond | 1,450,701 | - | (332,679) | 1,118,022 | |
| Series 2012A Revenue Bond | 14,013,078 | - | (562,398) | 13,450,680 | |
| Series 2015A Revenue Bond (Sr) | 95,034,418 | - | (9,085,303) | 85,949,114 | |
| Series 2015A Revenue Bond (Sub) | 28,420,439 | - | (2,738,465) | 25,681,975 | |
| Series 2016 Revenue Bond | 11,704,515 | - | (935,741) | 10,768,774 | |
| Series 2018 Revenue Bond (Sr) | - | 7,562,137 | (319,290) | 7,242,847 | |
| Series 2018 Revenue Bond (Sub) | | 10,277,332 | (275,359) | 10,001,973 | |
| | 163,889,740 | 17,839,469 | (15,618,267) | 166,110,942 | |
| Total Long Term Debt | $ 2,331,772,845 | $ 232,482,085 | $(155,114,478) | $ 2,409,140,452 | $ 24,126,320 |

## NOTE 8 – LONG TERM DEBT (continued)

### Long Term Debt Summary Table FY 2017

| | Balance 12/31/2016 | Additions | Reductions | Balance 12/31/2017 | Amount due within one year |
|---|---|---|---|---|---|
| Bonds | | | | | |
| Series 2005A Revenue Bond | $ 10,105,000 | $ - | $ (1,470,000) | $ 8,635,000 | $ 1,550,000 |
| Series 2006C Revenue Bond | 117,670,000 | - | (4,825,000) | 112,845,000 | 5,085,000 |
| Series 2007A Capital Appreciation | 2,332,069 | - | - | 2,332,069 | - |
| Series 2007A Current Interest Bond | 126,475,000 | - | (2,455,000) | 124,020,000 | 2,565,000 |
| Series 2008A Revenue Bond | 54,295,000 | - | - | 54,295,000 | - |
| Series 2009B Build America Bond | 261,450,000 | - | - | 261,450,000 | - |
| Series 2010A Build America Bond | 200,000,000 | - | - | 200,000,000 | - |
| Series 2012A Revenue Bond | 282,755,000 | - | (111,155,000) | 171,600,000 | - |
| Series 2015A Revenue Bond (Sr) | 668,655,000 | - | - | 668,655,000 | - |
| Series 2015A Revenue Bond (Sub) | 192,005,000 | - | - | 192,005,000 | - |
| Series 2016 Revenue Bond | 126,780,000 | - | - | 126,780,000 | - |
| Series 2016 Capital Appreciation | 18,911,498 | - | - | 18,911,498 | - |
| Series 2016 UTCT | 14,499,803 | 50,500,197 | - | 65,000,000 | - |
| Series 2017 Revenue Bond (Sub) | - | 120,575,000 | - | 120,575,000 | - |
| 2015 12-Year Lease | 4,726,469 | - | (403,242) | 4,323,227 | 411,755 |
| 2015 5-Year Lease | 2,559,388 | - | (702,133) | 1,857,256 | 711,447 |
| 2015 4-Year Lease | 1,030,227 | - | (393,934) | 636,293 | 399,765 |
| 2016 12-Year Lease | 2,433,129 | - | (189,405) | 2,243,724 | 192,520 |
| 2016 5-Year Lease | 4,325,650 | - | (888,597) | 3,437,053 | 900,225 |
| 2016 4-Year Lease | 1,546,418 | - | (405,433) | 1,140,985 | 410,448 |
| 2017 12-Year Lease | - | 24,390,000 | - | 24,390,000 | 1,942,449 |
| 2017 5-Year Lease | - | 1,444,000 | - | 1,444,000 | 301,820 |
| 2017 4-Year Lease | - | 1,307,000 | - | 1,307,000 | 344,899 |
| | 2,092,554,651 | 198,216,197 | (122,887,744) | 2,167,883,105 | 14,815,328 |
| Unamortized Premiums | | | | | |
| Series 2005A Revenue Bond | 254,368 | - | (78,125) | 176,244 | |
| Series 2006C Revenue Bond | 7,742,907 | - | (876,667) | 6,866,239 | |
| Series 2007A Current Interest Bond | 6,726,090 | - | (501,982) | 6,224,106 | |
| Series 2008A Revenue Bond | 1,783,381 | - | (332,679) | 1,450,701 | |
| Series 2012A Revenue Bond | 24,557,337 | - | (10,544,259) | 14,013,078 | |
| Series 2015A Revenue Bond (Sr) | 104,119,722 | - | (9,085,303) | 95,034,418 | |
| Series 2015A Revenue Bond (Sub) | 31,158,903 | - | (2,738,465) | 28,420,439 | |
| Series 2016 Revenue Bond | 12,640,256 | - | (935,741) | 11,704,515 | |
| | 188,982,964 | - | (25,093,221) | 163,889,740 | |
| Total Long Term Debt | $ 2,281,537,615 | $ 198,216,197 | $(147,980,965) | $ 2,331,772,845 | $ 14,815,328 |

## NOTE 9 – COMMITMENTS AND CONTINGENCIES

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

As of December 31, 2018, the Authority also has purchasing commitments for several capital projects. The largest of these commitments are as follows:

- $66.3 million Depot District
- $ 8.7 million Bus Replacements
- $ 5.9 million Sandy Civic Center Parking Structure
- $ 5.2 million Electric Bus Implementation
- $ 3.8 million TRAX Airport Relocation Design
- $ 2.0 million Positive Train Control

## NOTE 10 –SUBSEQUENT EVENTS

The Authority has no subsequent events to report and has performed an evaluation of subsequent events through June 4, 2019 which is the date the basic financial statements were available to be issued.

# Required Supplementary Information

For Fiscal Years Ended
December 31, 2018 and 2017

UTA
UTAH TRANSIT AUTHORITY

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

| | 2018 | 2017 | 2016 | 2015 | 2014 |
|---|---|---|---|---|---|
| **Total Pension Liability** | | | | | |
| Service cost | $ 9,550,863 | $ 8,368,262 | $ 7,711,706 | $ 7,545,807 | $ 7,284,379 |
| Interest on total pension liability | 21,512,781 | 20,368,031 | 19,604,345 | 18,717,411 | 17,623,248 |
| Voluntary member contributions | 223,572 | 697,576 | 437,923 | 916,567 | 275,663 |
| Gains or losses | 4,893,150 | 4,915,564 | (927,077) | (1,973,177) | - |
| Assumption changes or inputs | - | 5,079,447 | (3,955,702) | 7,725,363 | - |
| Benefits paid | (15,474,819) | (13,008,142) | (12,980,615) | (11,554,824) | (10,181,732) |
| Net change in total pension liability | 20,705,547 | 26,420,738 | 9,890,580 | 21,377,147 | 15,001,558 |
| Total pension liability - beginning | 305,381,116 | 278,960,378 | 269,069,798 | 247,692,651 | 232,691,093 |
| Total pension liability - ending (a) | 326,086,663 | 305,381,116 | 278,960,378 | 269,069,798 | 247,692,651 |
| **Plan Fiduciary Net Position** | | | | | |
| Contributions - employer | $ 22,355,434 | $ 20,506,163 | $ 19,603,952 | $ 16,745,254 | $ 15,366,694 |
| Contributions - members | 223,572 | 697,576 | 437,923 | 916,567 | 275,663 |
| Net investment income | (16,629,921) | 30,598,620 | 7,591,211 | (1,085,458) | 5,946,916 |
| Benefits paid | (15,474,819) | (13,008,142) | (12,980,615) | (11,554,824) | (10,181,732) |
| Administrative expense | (440,279) | (324,912) | (249,141) | (244,011) | (219,504) |
| Net change in plan fiduciary net position | (9,966,013) | 38,469,305 | 14,403,330 | 4,777,528 | 11,188,037 |
| Plan fiduciary net position - beginning | 204,504,562 | 166,035,257 | 151,631,927 | 146,854,399 | 135,666,362 |
| Plan fiduciary net position - ending (b) | 194,538,549 | 204,504,562 | 166,035,257 | 151,631,927 | 146,854,399 |
| Net pension liability / (asset) - ending (a-b) | $ 131,548,114 | $100,876,554 | $112,925,121 | $ 117,437,871 | $ 100,838,252 |
| Plan fiduciary net position as a percentage of the total pension liability | 59.66% | 66.97% | 59.50% | 56.40% | 59.29% |
| Projected covered employee payroll | $ 132,521,079 | $126,690,540 | $115,430,618 | $ 110,727,134 | $ 106,004,057 |
| Net pension liability as a percentage of covered employee payroll | 99.27% | 79.62% | 97.83% | 106.06% | 95.13% |

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

## STATEMENT OF REQUIRED EMPLOYER CONTRIBUTION – 10 YEARS

| Year | Actuarial Determined Contribution | Actual Employer Contribution | Contribution Deficiency (Excess) | Projected Covered Employee Payroll | Contribution as Percentage of Covered Payroll |
|---|---|---|---|---|---|
| 2018 | $21,203,373 | $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% |
| 2012 | 12,206,257 | 11,645,982 | 560,275 | 96,750,285 | 12.04% |
| 2011 | 10,114,755 | 10,114,755 | - | 91,265,129 | 11.08% |
| 2010 | 10,047,874 | 10,047,874 | - | 93,259,215 | 10.77% |
| 2009 | 10,658,339 | 10,658,339 | - | 88,834,546 | 12.00% |

## MONEY-WEIGHTED RATE OF RETURN – 10 YEARS

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 |
|---|---|
| 2018 | -7.77% |
| 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.*

## NOTE 1 – VALUATION DATE

The valuation date is January 1, 2018. This is the date as of which the actuarial valuation is performed. The measurement date is December 31, 2018. This is the date as of which the net pension liability is determined. The reporting date is December 31, 2018. This is the employer's fiscal year ending date.

## NOTE 2 – METHODS AND ASSUMPTIONS USED TO DETERMINE CONTRIBUTION RATES

| | |
|---|---|
| Actuarial cost method | Entry age normal |
| Amortization method | Level percentage of payroll, open |
| Remaining amortization period | 18 years |
| Asset valuation method | 5-year smoothed market less unrealized |
| Cost of Living Adjustments | None |
| Inflation | 2.3% |
| Salary increases | 5.40% per annum for the first five years of employment;<br>3.40% per annum thereafter |
| Investment rate of return | 7.00%, 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 |

# Supplementary Schedules

For Fiscal Years Ended
December 31, 2018 and 2017

UTA
UTAH TRANSIT AUTHORITY

**SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION BUDGET (Non-GAAP Budget Basis) AND ACTUAL**

| | 2018 Budget | 2018 Actual | Favorable (Unfavorable) |
|---|---|---|---|
| **Revenues** | | | |
| Contributions from other gov'ts, sales tax | $278,909,000 | $282,933,591 | $4,024,591 |
| Federal preventative maintenance grants | 60,827,000 | 61,820,668 | 993,668 |
| Passenger revenues | 50,337,000 | 52,051,892 | 1,714,892 |
| Advertising | 2,483,000 | 2,412,500 | (70,500) |
| Investment income | 3,732,000 | 6,525,872 | 2,793,872 |
| Other income | 6,772,000 | 8,155,668 | 1,383,668 |
| Total revenues | 403,060,000 | 413,900,191 | 10,840,191 |
| **Operating Expenses** | | | |
| Bus services | $97,522,000 | $96,719,747 | $802,253 |
| Rail services | 76,339,000 | 75,157,087 | 1,181,913 |
| Paratransit services | 23,010,000 | 21,858,532 | 1,151,468 |
| Other services (less non-operating) | 3,210,000 | 3,056,191 | 153,809 |
| Operations support | 45,154,000 | 45,557,749 | (403,749) |
| Administration (less non-operating) | 32,394,000 | 34,784,200 | (2,390,200) |
| Total operating expenses | 277,629,000 | 277,133,506 | 495,494 |
| **Non-Operating Expenses (Revenues)** | | | |
| Interest expense | 104,777,000 | 91,000,388 | 13,776,612 |
| Principal | 9,200,000 | 10,845,000 | (1,645,000) |
| Non-operating | 5,505,000 | 4,809,747 | 695,253 |
| Total non-operating expenses | 119,482,000 | 106,655,135 | 12,826,865 |
| **Total Operating and Non-Operating Expenses** | $397,111,000 | $383,788,641 | $13,322,359 |
| **Capital Expenses (Revenues)** | | | |
| Federal and local grants | ($56,114,493) | ($31,585,904) | ($24,528,589) |
| Local contributions | (14,318,487) | (12,151,003) | (2,167,484) |
| Capital lease | (21,163,045) | - | (21,163,045) |
| Bonds | (50,877,399) | - | (50,877,399) |
| Project Expenses | 191,178,829 | 124,693,500 | 66,485,329 |
| Total capital expenses (revenues) | $48,705,405 | $80,956,593 | ($32,251,188) |
| Project Expenses-less transfers to Capital Assets in 2018 | | (86,039,389) | |
| Capital Maintenance Projects | | 38,654,111 | |
| Total Revenues (Operating and Capital) | | 457,637,098 | |
| - Less Total Expenses (Operating, Non-Operating, and Capital (after Capitalization) | | (422,442,752) | |
| - Less Depreciation Expense | | (80,565,077) | |
| - Less Non-Cash Capital Contributions | | 20,142,932 | |
| + Plus Principal Payments on Long-term Debt | | 10,845,000 | |
| Change in Net Position (Statement of Revenues, Expenses, and Changes in Net Position) | | $ (14,382,799) | |

# Statistical

For Fiscal Years Ended
December 31, 2018 and 2017

UTA
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## NET POSITION AS OF December 31 - 10 years

| | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 |
|---|---|---|---|---|---|---|---|---|---|---|
| Capital Investment in Net Assets | $ 827,646,243 | $ 894,275,843 | $ 924,260,135 | $ 1,040,640,236 | $ 1,230,633,230 | $ 1,327,585,097 | $ 1,364,803,454 | $ 1,366,337,801 | $ 1,133,832,808 | $ 953,013,398 |
| Restricted | 132,734,222 | 89,153,732 | 67,415,969 | 78,064,113 | 62,860,625 | 7,252,625 | 3,952,493 | 3,929,644 | 4,071,242 | 3,813,103 |
| Unrestricted | 18,914,155 | 10,247,844 | 71,467,610 | 76,467,063 | 137,910,343 | 242,267,181 | 304,753,885 | 276,960,064 | 505,464,819 | 527,478,988 |
| Total Net Position | 979,294,620 | 993,677,419 | 1,063,143,714 | 1,195,171,412 | 1,431,404,198 | 1,577,104,903 | 1,673,509,832 | 1,647,227,509 | 1,643,368,869 | 1,484,305,489 |
| Restatement | - | - | - | (9,497,521) | (115,047,267) | 4,931,557 | - | - | - | - |
| Total Net Position, Restated | $ 979,294,620 | $ 993,677,419 | $ 1,063,143,714 | $ 1,185,673,891 | $ 1,316,356,931 | $ 1,582,036,460 | $ 1,673,509,832 | $ 1,647,227,509 | $ 1,643,368,869 | $ 1,484,305,489 |

## CHANGE IN NET POSITION - 10 YEARS

| | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 |
|---|---|---|---|---|---|---|---|---|---|---|
| Operating Revenues | $ 54,464,392 | $ 54,525,870 | $ 52,891,021 | $ 54,346,242 | $ 53,761,223 | $ 52,044,200 | $ 46,422,916 | $ 41,527,090 | $ 36,893,396 | $ 35,163,780 |
| Operating Expenses | 401,161,541 | 427,777,940 | 422,543,342 | 394,062,733 | 398,626,029 | 378,224,993 | 319,322,223 | 288,531,160 | 257,267,580 | 255,931,379 |
| Operating loss | (346,697,149) | (373,252,070) | (369,652,321) | (339,716,491) | (344,864,806) | (326,180,793) | (272,899,307) | (247,004,070) | (220,374,184) | (220,767,599) |
| Non-Operating Revenues | 268,435,411 | 246,722,487 | 226,957,532 | 209,462,264 | 182,843,232 | 173,520,664 | 200,370,290 | 205,877,440 | 219,663,490 | 220,089,438 |
| Income (loss) before capital contributions | (78,261,738) | (126,529,583) | (142,694,789) | (130,254,227) | (162,021,574) | (152,660,129) | (72,529,017) | (41,126,630) | (710,694) | (678,161) |
| Capital contributions | 63,879,839 | 57,063,288 | 20,164,612 | 9,068,708 | 11,389,311 | 56,255,200 | 98,811,340 | 44,985,270 | 159,744,074 | 275,609,643 |
| Change in net position | $ (14,381,899) | $ (69,466,295) | $ (122,530,177) | $ (121,185,519) | $ (150,632,263) | $ (96,404,929) | $ 26,282,323 | $ 3,858,640 | $ 159,033,380 | $ 274,931,482 |

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UTAH TRANSIT AUTHORITY

## Revenue History by Source - 10 Years

| | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 |
|---|---|---|---|---|---|---|---|---|---|---|
| Operating | $ 54,464,392 | $ 54,525,870 | $ 52,891,021 | $ 54,346,242 | $ 53,761,223 | $ 52,044,200 | $ 46,422,916 | $ 41,527,090 | $ 36,893,396 | $ 35,163,780 |
| Sales taxes | 282,933,591 | 265,770,775 | 245,008,417 | 227,703,023 | 214,683,276 | 203,806,329 | 196,693,543 | 183,091,524 | 171,893,732 | 171,854,169 |
| Investment | 6,525,872 | 2,873,787 | 1,732,939 | 2,831,406 | 5,803,226 | 1,455,039 | 1,892,549 | 3,672,397 | 3,827,161 | 9,389,045 |
| Other | 8,155,668 | 3,954,893 | 3,108,191 | 8,314,065 | 3,724,610 | 4,347,724 | 2,351,713 | 3,483,140 | 2,929,254 | 2,797,757 |
| | 352,079,523 | 327,125,325 | 302,740,568 | 293,194,736 | 277,972,335 | 261,653,292 | 247,360,721 | 231,774,151 | 215,543,543 | 219,204,751 |
| Federal Grants | | | | | | | | | | |
| Federal Preventative Maintenance Grants | 61,820,668 | 62,313,994 | 59,772,235 | 49,452,677 | 47,760,737 | 47,986,240 | 46,719,891 | 47,735,443 | 46,500,000 | 44,974,000 |
| Federal Planning Grants | | - | 3,562,534 | 2,547,335 | 2,994,139 | 3,868,252 | 1,985,766 | 11,583,980 | 12,637,764 | 15,224,723 |
| Federal Capital Grants | 31,585,104 | 53,960,024 | 17,054,298 | 7,819,096 | 8,025,628 | 48,669,408 | 85,168,542 | 44,864,016 | 156,727,641 | 256,527,803 |
| | 93,405,772 | 116,274,018 | 80,389,067 | 59,819,108 | 58,780,504 | 100,523,900 | 133,874,199 | 104,183,439 | 215,865,405 | 316,726,526 |
| Other Capital Contributions | 32,293,935 | 3,103,264 | 3,110,314 | 1,249,612 | 3,363,683 | 7,585,792 | 13,642,798 | 121,254 | 3,046,433 | 19,081,840 |
| | $ 477,779,230 | $ 446,502,607 | $ 386,239,949 | $ 354,263,456 | $ 340,116,522 | $ 369,762,984 | $ 394,877,718 | $ 336,078,844 | $ 434,455,381 | $ 555,013,117 |

## Expense History by Function - 10 Years

| | 2018 | 2018 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 |
|---|---|---|---|---|---|---|---|---|---|---|
| Bus Service | $ 96,719,747 | $ 88,928,063 | $ 85,841,973 | $ 77,092,676 | $ 79,060,631 | $ 78,894,435 | $ 78,894,799 | $ 81,208,651 | $ 79,522,988 | $ 79,054,373 |
| Rail Service | 75,157,087 | 72,895,607 | 84,165,069 | 67,254,632 | 70,365,953 | 61,086,101 | 46,049,338 | 38,135,480 | 33,787,601 | 34,681,800 |
| Paratransit Service | 21,858,532 | 19,572,367 | 19,341,116 | 18,511,580 | 18,748,699 | 18,202,211 | 17,516,117 | 16,054,555 | 14,570,401 | 14,595,021 |
| Other Service | 3,056,191 | 2,982,176 | 2,949,643 | 2,918,871 | 3,183,892 | 701,656 | 596,583 | 535,897 | 589,356 | 517,571 |
| Operations Support | 45,557,749 | 41,932,571 | 37,831,682 | 32,051,926 | 28,380,563 | 28,439,826 | 25,247,271 | 21,643,830 | 23,147,075 | 26,083,512 |
| Administration [1] | 39,593,947 | 31,423,844 | 38,840,643 | 35,189,725 | 35,409,918 | 28,533,912 | 26,664,222 | 26,340,573 | 22,286,055 | 26,105,521 |
| Capital Maintenance Projects | 38,654,111 | 20,602,425 | - | - | - | - | - | - | - | - |
| Depreciation | 80,565,077 | 149,440,887 | 153,573,216 | 161,043,323 | 163,476,373 | 162,366,852 | 124,353,893 | 104,612,174 | 83,364,104 | 74,893,581 |
| Interest [2] | 91,000,388 | 88,190,962 | 85,415,870 | 80,575,328 | 91,311,842 | 87,132,004 | 48,462,258 | 42,878,130 | 17,313,507 | 23,050,963 |
| Recoverable Sales Tax, Interlocal [3] | 810,914 | 810,914 | 810,914 | 810,914 | 810,914 | 810,914 | 810,914 | 810,914 | 810,914 | 1,099,293 |
| | $ 492,973,743 | $ 516,779,816 | $ 508,770,126 | $ 475,448,975 | $ 490,748,785 | $ 466,167,911 | $ 368,595,395 | $ 332,220,204 | $ 275,392,001 | $ 280,081,635 |

[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

| | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 |
|---|---|---|---|---|---|---|---|---|---|---|
| Box Elder [1] | $ 1,898,308 | $ 1,957,740 | $ 1,790,352 | $ 1,552,291 | $ 1,418,268 | $ 1,300,577 | $ 1,279,794 | $ 1,226,730 | $ 1,269,478 | $ 1,297,586 |
| Davis | 31,883,835 | 30,633,547 | 27,606,440 | 23,178,724 | 21,459,683 | 20,023,042 | 18,692,038 | 17,880,017 | 16,964,089 | 17,091,892 |
| Salt Lake | 174,704,191 | 163,407,564 | 153,201,907 | 146,866,479 | 139,199,088 | 132,741,112 | 129,169,357 | 120,094,110 | 112,379,366 | 112,076,511 |
| Tooele [2] | 2,815,189 | 2,302,492 | 1,798,971 | 1,521,097 | 1,384,631 | 1,349,366 | 1,364,179 | 1,207,539 | 1,227,109 | 1,136,816 |
| Utah | 45,665,232 | 43,023,303 | 38,601,427 | 36,221,930 | 33,752,513 | 31,905,764 | 30,576,235 | 27,743,162 | 25,397,367 | 25,222,227 |
| Weber | 25,966,836 | 24,446,129 | 22,009,320 | 18,362,502 | 17,469,093 | 16,486,468 | 15,611,940 | 14,939,966 | 14,656,323 | 15,029,137 |
| | $ 282,933,591 | $ 265,770,775 | $ 245,008,417 | $ 227,703,023 | $ 214,683,276 | $ 203,806,329 | $ 196,693,543 | $ 183,091,524 | $ 171,893,732 | $ 171,854,169 |

[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

| | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 |
|---|---|---|---|---|---|---|---|---|---|---|
| Box Elder | 0.5500% | 0.5500% | 0.5500% | 0.5500% | 0.5500% | 0.5500% | 0.5500% | 0.5500% | 0.5500% | 0.5500% |
| Davis | 0.6500% | 0.6500% | 0.6500% | 0.5500% | 0.5500% | 0.5500% | 0.5500% | 0.5500% | 0.5500% | 0.5500% |
| Salt Lake | 0.6875% | 0.6875% | 0.6875% | 0.6875% | 0.6875% | 0.6875% | 0.6875% | 0.6875% | 0.6875% | 0.6875% |
| Tooele | 0.4000% | 0.4000% | 0.4000% | 0.3000% | 0.3000% | 0.3000% | 0.3000% | 0.3000% | 0.3000% | 0.3000% |
| Utah | 0.5260% | 0.5260% | 0.5260% | 0.5260% | 0.5260% | 0.5260% | 0.5260% | 0.5260% | 0.5260% | 0.5260% |
| Weber | 0.6500% | 0.6500% | 0.6500% | 0.5500% | 0.5500% | 0.5500% | 0.5500% | 0.5500% | 0.5500% | 0.5500% |

## PRINCIPAL CONTRIBUTORS OF SALES TAX BY COUNTY - 2009 and 2018

| | 2018 | | | 2009 | | |
|---|---|---|---|---|---|---|
| | Rank | Percentage of contributions | Amount | Rank | Percentage of contributions | Amount |
| Salt Lake County | 1 | 61.75% | $ 174,704,191 | 1 | 65.22% | $ 112,076,511 |
| Utah County | 2 | 16.14% | 45,665,232 | 2 | 14.68% | 25,222,227 |
| Davis County | 3 | 11.27% | 31,883,835 | 3 | 9.95% | 17,091,892 |
| Weber County | 4 | 9.18% | 25,966,836 | 4 | 8.75% | 15,029,137 |
| Box Elder County | 5 | 0.67% | 1,898,308 | 5 | 0.76% | 1,297,586 |
| Tooele County | 6 | 1.00% | 2,815,189 | 6 | 0.66% | 1,136,816 |
| | | | $ 282,933,591 | | | $ 171,854,169 |

## FARES - 10 Years

| | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 (4/1/12) | 2011 (5/1/11) | 2010 (11/1/10) | 2009 (4/1/09) |
|---|---|---|---|---|---|---|---|---|---|---|
| Cash Fares | | | | | | | | | | |
| Base Fare | $ 2.50 | $ 2.50 | $ 2.50 | $ 2.50 | $ 2.50 | $ 2.50 | $ 2.35 | $ 2.25 | $ 2.00 | $ 2.00 |
| Senior Citizen/Disabled | 1.25 | 1.25 | 1.25 | 1.25 | 1.25 | 1.25 | 1.15 | 1.10 | 1.00 | 1.00 |
| Ski Bus | 4.50 | 4.50 | 4.50 | 4.50 | 4.50 | 4.50 | 4.25 | 4.00 | 3.50 | 3.50 |
| Paratransit (Flextrans) | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 | 3.50 | 2.75 | 2.50 | 2.50 |
| Commuter Rail Base Rate | 2.50 | 2.50 | 2.50 | 2.50 | 2.50 | 2.50 | 2.35 | 2.25 | 2.00 | 3.00 |
| Commuter Rail Additional Station | 0.60 | 0.60 | 0.60 | 0.60 | 0.60 | 0.60 | 0.55 | 0.50 | 0.50 | 0.50 |
| Commuter Rail Maximum Rate | 10.30 | 10.30 | 10.30 | 10.30 | 10.30 | 10.30 | 5.10 | 5.25 | 5.00 | 6.00 |
| Express | 5.50 | 5.50 | 5.50 | 5.50 | 5.50 | 5.50 | 5.25 | 5.00 | 4.50 | 4.50 |
| Streetcar | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | n/a | n/a | n/a | n/a |
| Monthly Passes | | | | | | | | | | |
| Adult | $ 83.75 | $ 83.75 | $ 83.75 | $ 83.75 | $ 83.75 | $ 83.75 | $ 78.50 | $ 75.00 | $ 67.00 | $ 67.00 |
| Minor | 62.75 | 62.75 | 62.75 | 62.75 | 62.75 | 62.75 | 58.75 | 56.25 | 49.75 | 49.75 |
| College Student | 62.75 | 62.75 | 62.75 | 62.75 | 62.75 | 62.75 | 58.75 | 56.25 | 49.75 | 49.75 |
| Senior Citizen/Disabled | 41.75 | 41.75 | 41.75 | 41.75 | 41.75 | 41.75 | 39.25 | 37.50 | 33.50 | 33.50 |
| Express | 198.00 | 198.00 | 198.00 | 198.00 | 198.00 | 198.00 | 189.00 | 180.00 | 162.00 | 162.00 |
| Paratransit | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | 84.00 |
| Other Fares | | | | | | | | | | |
| Day Pass | $ 6.25 | $ 6.25 | $ 6.25 | $ 6.25 | $ 6.25 | $ 6.25 | $ 5.75 | $ 5.50 | $ 5.00 | $ 5.00 |
| Group Pass | 15.00 | 15.00 | 15.00 | 15.00 | 15.00 | 15.00 | 14.00 | 13.50 | 12.00 | 13.75 |
| Summer Youth | 99.00 | 99.00 | 99.00 | 99.00 | 99.00 | n/a | n/a | n/a | n/a | 99.50 |
| Token - 10-Pack | 22.50 | 22.50 | 22.50 | 22.50 | 22.50 | 22.50 | 21.00 | 20.25 | 17.75 | 17.75 |
| Paratransit - 10-Ride Ticket | 40.00 | 40.00 | 40.00 | 40.00 | 40.00 | 40.00 | 35.00 | 30.00 | 25.00 | 22.00 |
| Paratransit - 30-Ride Ticket | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | 54.00 |
| Ski Day Pass | n/a | n/a | n/a | n/a | n/a | n/a | n/a | 8.00 | 7.00 | 7.00 |

## DEBT SERVICE COVERAGE - 10 YEARS

| Fiscal Year | Bonds Principle | Bonds Interest | Sales Taxes Collected (less Proposition 1) | Coverage Ratio of Sales Taxes | Personal Income of UTA Service Area | Percentage of Personal Income | Per Capita |
|---|---|---|---|---|---|---|---|
| 2009 | $ 6,665,000 | $ 59,841,145 | $ 171,854,169 | 2.58 | $ 71,636,728,000 | 0.09% | $ 30.81 |
| 2010 | 6,960,000 | 63,782,164 | 171,893,732 | 2.43 | 73,036,786,000 | 0.10% | 32.13 |
| 2011 | 7,300,000 | 71,932,011 | 183,091,524 | 2.31 | 77,738,053,000 | 0.10% | 35.48 |
| 2012 | 7,615,000 | 71,837,998 | 196,693,543 | 2.48 | 82,025,459,000 | 0.10% | 35.05 |
| 2013 | 7,450,000 | 84,319,531 | 203,806,329 | 2.22 | 85,916,480,000 | 0.11% | 39.83 |
| 2014 | 7,810,000 | 91,382,184 | 214,683,276 | 2.16 | 89,319,546,000 | 0.11% | 42.46 |
| 2015 | 11,445,000 | 84,785,200 | 227,703,023 | 2.37 | 93,617,901,000 | 0.10% | 40.48 |
| 2016 | 13,570,000 | 94,893,898 | 238,584,981 | 2.20 | 103,831,295,168 | 0.10% | 44.00 |
| 2017 | 8,750,000 | 77,765,121 | 256,742,750 | 2.97 | 109,771,147,642 | 0.08% | 34.80 |
| 2018 | 10,845,000 | 89,110,270 | 273,007,256 | 2.73 | n/a | n/a | n/a |

Source: Note 8
Note: Does not include Utah County Provo Orem BRT debt
2018 income numbers not available as of June 2019

## DEMOGRAPHIC AND ECONOMIC STATISTICS - 10 YEARS

| Fiscal Year | Estimated Population | Personal Income in UTA Service Area | Per Capita Personal Income | Unemployment Rate | |
|---|---|---|---|---|---|
| 2009 | 2,158,269 | $71,636,728,000 | $33,192 | 6.0% | |
| 2010 | 2,201,736 | 73,036,786,000 | 33,172 | 7.5% | |
| 2011 | 2,233,268 | 77,738,053,000 | 34,809 | 6.0% | |
| 2012 | 2,266,836 | 82,025,459,000 | 36,185 | 5.6% | |
| 2013 | 2,303,781 | 85,916,480,000 | 37,294 | 3.5% | |
| 2014 | 2,335,999 | 89,319,546,000 | 38,236 | 3.5% | |
| 2015 | 2,377,256 | 93,617,901,000 | 39,381 | 3.4% | |
| 2016 | 2,418,075 | 103,772,062,000 | 42,915 | 3.1% | Percentage of Utah |
| 2017 | 2,463,015 | 108,805,744,000 | 44,176 | 3.0% | 79.40% |
| 2018 | n/a | n/a | n/a | 3.0% | |

Source: US Dept of Commerce, Bureau of Economic Analysis, Regional Data (www.bea.gov)
Unemployment rate- Utah Department of Workforce Services
2018 statistic not available as of June 2019

## PRINCIPAL EMPLOYERS - 2009 and 2017

| | | 2017 | | | | 2009 | | |
|---|---|---|---|---|---|---|---|---|
| Employer | Industry | Employees | Rank | % Total Employment | Employer | Employees | Rank | % Total Employment |
| Intermountain Healthcare | Health Care | 20,000 + | 1 | 1.3% | Intermountain Healthcare | 15,250-20,498 | 1 | 1.5% |
| University of Utah (inc. Hospital) | Higher Education | 20,000 + | 1 | 1.3% | State of Utah | 14,700-22,494 | 4 | 1.4% |
| State of Utah | State Government | 20,000 + | 1 | 1.3% | University of Utah | 15,000-19,999 | 2 | 1.5% |
| Brigham Young University | Higher Education | 15,000-19,999 | 4 | 1.0% | Brigham Young University | 15,000-19,999 | 2 | 1.5% |
| Wal-Mart Associates | Warehouse Clubs/Supercenters | 15,000-19,999 | 4 | 1.0% | Wal Mart Stores | 9,250-14,494 | 6 | 0.9% |
| Hill Air Force Base | Federal Government | 10,000-14,999 | 6 | 0.7% | Hill Air Force Base | 10,000-14,494 | 5 | 1.0% |
| Utah State University | Higher Education | 7,000-9,999 | 7 | 0.5% | | | | |
| Davis County School District | Public Education | 7,000-9,999 | 7 | 0.5% | Davis County School District | 7,000-9,999 | 7 | 0.7% |
| Granite School District | Public Education | 7,000-9,999 | 7 | 0.5% | Granite School District | 7,000-9,999 | 7 | 0.7% |
| Smith's Food and Drug Centers | Grocery Stores | 7,000-9,999 | 7 | 0.5% | | | | |
| Alpine School District | Public Education | 7,000-9,999 | 7 | 0.5% | Alpine School District | 5,000-6,999 | 10 | 0.5% |
| Jordan School District | Public Education | 5,000-6,999 | 8 | 0.3% | Jordan School District | 7,000-9,999 | 7 | 0.7% |
| Salt Lake County | Local Government | 5,000-6,999 | 8 | 0.3% | Salt Lake County | 5,000-6,999 | 10 | 0.5% |
| U.S. Postal Service | Federal Government | 5,000-6,999 | 8 | 0.3% | | | | |
| Utah Valley University | Higher Education | 5,000-6,999 | 8 | 0.3% | | | | |
| Total Employment | | | | 1,510,208 | | | | 1,020,408 |

Source: Department of Workforce Services
Largest Employers by County https://jobs.utah.gov/wi/data/firm/majoremployers.html
Annual Report of Labor Market Information https://jobs.utah.gov/wi/pubs/em/annual/current/index.html
2018 data not available at time of report

## FULL-TIME EQUIVALENT AUTHORITY EMPLOYEES - 10 YEARS

| | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 |
|---|---|---|---|---|---|---|---|---|---|---|
| Bus operations | 1039 | 1030 | 1028 | 951 | 945 | 911 | 963 | 950 | 998 | 1023 |
| Rail operations | 573 | 580 | 563 | 527 | 542 | 526 | 506 | 425 | 335 | 314 |
| Paratransit operations | 203 | 191 | 191.5 | 188 | 183 | 176 | 168 | 168 | 140 | 141 |
| Other services | 9 | 9 | 9 | 12 | 10 | 10 | 12 | 11 | 11 | 11 |
| Support services | 412 | 365 | 366 | 349 | 323 | 335 | 293 | 284 | 239 | 249 |
| Administration | 212 | 243 | 212 | 210 | 207 | 195 | 217 | 224 | 238 | 242 |
| Total | 2447 | 2417 | 2368 | 2237 | 2210 | 2153 | 2159 | 2062 | 1961 | 1980 |

Source: Budget document

## TREND STATISTICS - 10 YEARS

| | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 |
|---|---|---|---|---|---|---|---|---|---|---|
| Passengers | | | | | | | | | | |
| Bus service | 19,624,935 | 19,749,855 | 20,033,242 | 20,560,068 | 20,165,174 | 19,695,711 | 21,222,669 | 21,560,358 | 21,716,864 | 20,657,019 |
| Rail service | 22,981,884 | 23,677,677 | 23,765,873 | 24,349,674 | 24,337,451 | 22,814,274 | 19,421,608 | 16,944,264 | 14,790,418 | 14,707,601 |
| Paratransit service | 394,816 | 386,977 | 389,019 | 388,169 | 372,499 | 383,453 | 715,034 | 683,336 | 509,625 | 500,242 |
| Vanpool service | 1,174,696 | 1,264,410 | 1,333,780 | 1,423,675 | 1,404,285 | 1,387,816 | 1,446,766 | 1,417,183 | 1,346,949 | 1,353,697 |
| Total passengers | 44,176,331 | 45,078,919 | 45,521,914 | 46,721,586 | 46,279,409 | 44,281,254 | 42,806,077 | 40,605,141 | 38,363,856 | 37,218,559 |
| Revenue Miles | | | | | | | | | | |
| Bus service | 17,911,404 | 17,454,404 | 15,462,834 | 15,367,510 | 15,660,520 | 15,706,028 | 15,091,645 | 15,869,340 | 16,412,862 | 16,777,762 |
| Rail service | 12,084,767 | 12,082,292 | 12,070,277 | 11,988,005 | 11,784,146 | 11,681,251 | 7,905,460 | 6,019,693 | 5,312,506 | 5,568,699 |
| Paratransit service | 2,798,928 | 2,727,127 | 2,505,343 | 2,293,887 | 2,513,535 | 2,932,842 | 3,252,193 | 4,094,325 | 2,799,362 | 2,928,929 |
| Vanpool service | 6,354,828 | 6,449,439 | 6,518,150 | 6,734,487 | 6,859,802 | 7,053,191 | 7,553,978 | 8,042,756 | 7,342,322 | 7,800,016 |
| Total Revenue Miles | 39,149,927 | 38,713,262 | 36,556,604 | 36,383,889 | 36,818,003 | 37,373,312 | 33,803,276 | 34,026,114 | 31,867,052 | 33,075,406 |
| Total Miles | | | | | | | | | | |
| Bus service | 20,247,617 | 19,899,364 | 17,511,624 | 17,662,486 | 17,864,847 | 17,191,018 | 16,553,983 | 17,416,367 | 18,820,702 | 19,342,359 |
| Rail service | 12,285,634 | 12,202,976 | 12,189,876 | 12,368,934 | 11,814,332 | 11,773,929 | 7,987,022 | 6,073,807 | 5,365,270 | 5,626,707 |
| Paratransit service | 3,376,772 | 3,263,607 | 3,254,559 | 3,192,367 | 2,844,468 | 3,493,247 | 4,088,027 | 5,256,369 | 3,473,129 | 3,637,806 |
| Vanpool service | 6,354,828 | 6,449,439 | 6,518,150 | 6,734,487 | 6,859,802 | 7,053,191 | 7,553,978 | 8,042,756 | 7,342,322 | 7,800,016 |
| Total miles | 42,264,851 | 41,815,386 | 39,474,209 | 39,958,274 | 39,383,449 | 39,511,385 | 36,183,010 | 36,789,299 | 35,001,423 | 36,406,888 |
| Passengers per Mile | | | | | | | | | | |
| Bus service | 1.10 | 1.13 | 1.30 | 1.34 | 1.29 | 1.25 | 1.41 | 1.36 | 1.32 | 1.23 |
| Rail service | 1.90 | 1.96 | 1.97 | 2.03 | 2.07 | 1.95 | 2.46 | 2.81 | 2.78 | 2.64 |
| Paratransit service | 0.14 | 0.14 | 0.16 | 0.17 | 0.15 | 0.13 | 0.22 | 0.17 | 0.18 | 0.17 |
| Vanpool service | 0.18 | 0.20 | 0.20 | 0.21 | 0.20 | 0.20 | 0.19 | 0.18 | 0.18 | 0.17 |
| Ttl. Passengers per Revenue Mile | 1.13 | 1.16 | 1.25 | 1.28 | 1.26 | 1.18 | 1.27 | 1.19 | 1.20 | 1.13 |
| Revenue Hours | | | | | | | | | | |
| Bus service | 1,284,186 | 1,258,448 | 1,087,055 | 1,070,139 | 1,108,894 | 933,662 | 834,985 | 866,268 | 897,294 | 904,282 |
| Rail service | 527,187 | 513,389 | 511,082 | 506,233 | 487,435 | 641,914 | 536,066 | 388,826 | 295,227 | 374,300 |
| Paratransit service | 180,342 | 162,198 | 162,734 | 160,383 | 164,527 | 191,016 | 227,013 | 300,760 | 201,994 | 211,369 |
| Total revenue hours | 1,991,715 | 1,934,035 | 1,760,871 | 1,736,755 | 1,760,856 | 1,766,592 | 1,598,064 | 1,555,854 | 1,394,515 | 1,489,951 |
| Passengers per Revenue Hour | | | | | | | | | | |
| Bus service | 15.28 | 15.69 | 18.43 | 19.21 | 18.18 | 21.10 | 25.42 | 24.89 | 24.20 | 22.84 |
| Rail service | 43.59 | 46.12 | 46.50 | 48.10 | 49.93 | 35.54 | 36.23 | 43.58 | 50.10 | 39.29 |
| Paratransit service | 2.19 | 2.39 | 2.39 | 2.42 | 2.26 | 2.01 | 3.15 | 2.27 | 2.52 | 2.37 |
| Total passengers per mile | 21.59 | 22.65 | 25.09 | 26.08 | 25.48 | 24.28 | 25.88 | 25.19 | 26.54 | 24.07 |
| Total System | | | | | | | | | | |
| Fare revenue | $48,122,586 | $52,159,202 | $50,624,354 | $52,112,909 | $51,461,223 | $49,977,533 | $44,489,583 | $39,693,757 | $35,160,063 | $33,530,449 |
| Operating expense | $300,954,051 | $257,734,612 | $268,970,126 | $242,516,933 | $235,149,656 | $215,858,141 | $194,968,330 | $183,918,986 | $173,903,476 | $181,037,798 |
| Cost per revenue mile | $7.69 | $6.66 | $7.36 | $6.67 | $6.39 | $5.78 | $5.77 | $5.41 | $5.46 | $5.47 |
| Cost per passenger | $6.81 | $5.72 | $5.91 | $5.19 | $5.08 | $4.87 | $4.55 | $4.53 | $4.53 | $4.86 |
| Fare revenue per passenger | $1.09 | $1.16 | $1.11 | $1.12 | $1.11 | $1.13 | $1.04 | $0.98 | $0.92 | $0.90 |

Note: Does not include commuter bus or contract transportation.
Source: NTD

## OPERATING INDICATORS AND CAPITAL ASSETS - 10 YEARS

| | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 |
|---|---|---|---|---|---|---|---|---|---|---|
| Number of bus routes* | 114 | 119 | 125 | 126 | 121 | 119 | 125 | 119 | 127 | 128 |
| Number of rail routes | | | | | | | | | | |
| Light rail | 4 | 4 | 4 | 4 | 4 | 4 | 3 | 3 | 3 | 3 |
| Commuter rail | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Bus Service Miles (weekday) | 57,378 | 56,162 | 53,612 | 49,625 | 51,629 | 55,733 | 64,186 | 64,493 | 67,012 | 68,537 |
| Rail Service Miles (weekday) | | | | | | | | | | |
| Light Rail | 8,853 | 8,814 | 8,815 | 8,828 | 8,547 | 8,216 | 6,978 | 5,107 | 3,910 | 3,684 |
| commuter Rail | 4,664 | 4,623 | 4,627 | 4,651 | 4,638 | 4,488 | 2,390 | 2,327 | 2,469 | 2,725 |
| Average Passengers (weekday) | 151,901 | 156,288 | 155,873 | 161,862 | 161,339 | 152,644 | 152,934 | 142,186 | 134,736 | 141,047 |
| | | | | | | | | | | |
| Buses | 561 | 582 | 567 | 555 | 535 | 493 | 570 | 495 | 496 | 501 |
| Paratransit vehicles (buses/vans) | 182 | 148 | 129 | | 84 | 113 | 110 | 112 | 96 | 101 |
| Rail vehicles | | | | | | | | | | |
| Light rail | 146 | 146 | 146 | 146 | 146 | 146 | 122 | 122 | 55 | 55 |
| Commuter rail | 81 | 81 | 81 | 81 | 81 | 81 | 57 | 55 | 37 | 37 |
| Vanpool vehicles | 453 | 453 | 503 | 495 | 479 | 470 | 494 | 485 | 414 | 403 |
| | | | | | | | | | | |
| Park and ride lots[1] | | | 46 | 41 | | | | | | |
| Rail Park and Ride | 42 | 42 | | | | | | | | |
| Non-Rail and and ride | 12 | 12 | | | | | | | | |
| Bus Stops | 6,100 | 6,100 | 6,196 | 6,250 | 6,250 | 6,273 | 6,333 | 6,600 | 6,645 | 6,410 |
| Rail Statils | | | | | | | | | | |
| Light Rail | 57 | 57 | 57 | 57 | 51 | 51 | 41 | 41 | 28 | 28 |
| Commuter Rail | 16 | 16 | 16 | 16 | 16 | 16 | 16 | 7 | 8 | 8 |

* Including flex

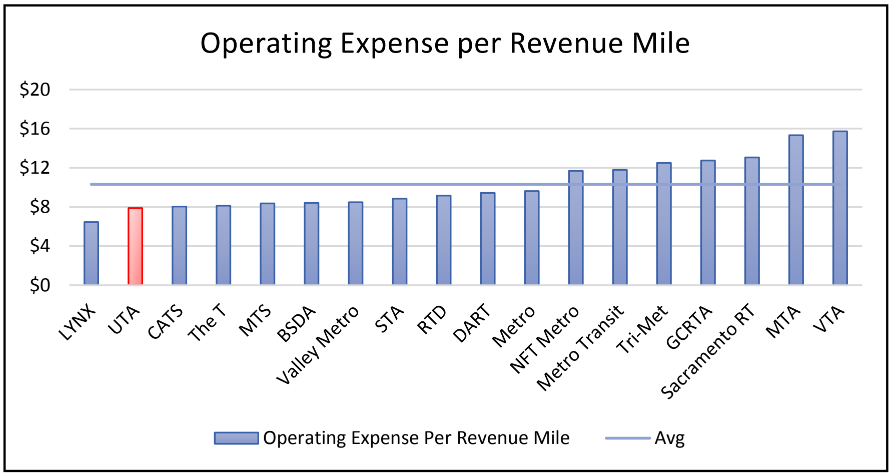
[1] As of 2017 started distinguishing between rail and non rail park and ride lots

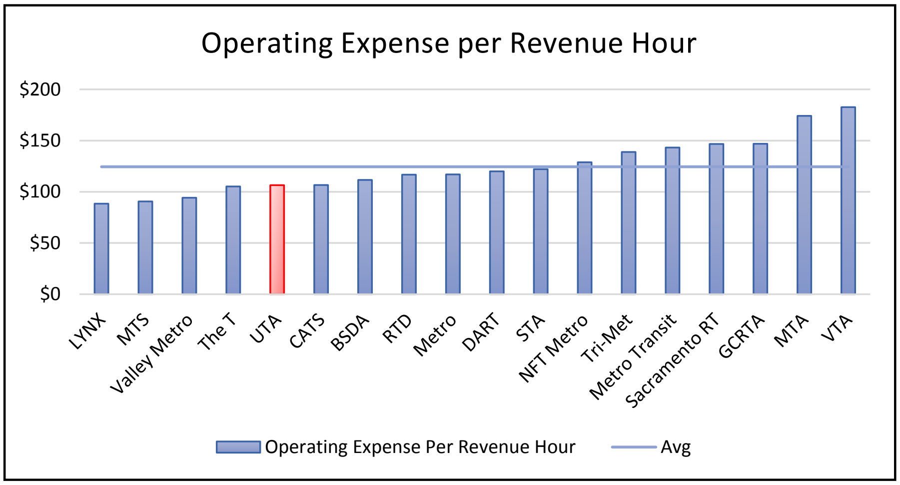
## PERFORMANCE MEASURES - BUS SERVICE

The following charts contain information from the Federal Transit Administration's National Transit Database (NTD)) for the most recent year available (2017), and compares the Authority's performance with other like transit agencies.

**Service Efficiency**

| City | Agency | Operating Expense per Vehicle Revenue Mile | Operating Expense per Vehicle Revenue Hour |
|---|---|---|---|
| Salt Lake City, UT | UTA | $ 7.88 | $ 106.47 |
| Baltimore, MD | MTA | 15.33 | 174.13 |
| Buffalo, NY | NFT Metro | 11.69 | 128.85 |
| Charlotte, NC | CATS | 8.04 | 106.62 |
| Cleveland, OH | GCRTA | 12.75 | 146.88 |
| Dallas, TX | DART | 9.44 | 119.99 |
| Denver, CO | RTD | 9.16 | 116.73 |
| Ft Worth, TX | The T | 8.13 | 105.21 |
| Houston, TX | Metro | 9.62 | 116.98 |
| Minneapolis, MN | Metro Transit | 11.79 | 143.21 |
| Orlando, FL | LYNX | 6.45 | 88.41 |
| Phoenix, AZ | Valley Metro | 8.48 | 94.20 |
| Portland, OR | Tri-Met | 12.50 | 138.86 |
| Sacramento, CA | Sacramento RT | 13.06 | 146.68 |
| San Diego | MTS | 8.36 | 90.60 |
| San Jose, CA | VTA | 15.73 | 182.65 |
| Spokane, WA | STA | 8.85 | 122.07 |
| St Louis, MO | BSDA | 8.42 | 111.58 |
| | | | |
| Average | | $ 10.32 | $ 124.45 |
| Maximum | | 15.73 | 182.65 |
| Minimum | | 6.45 | 88.41 |
| Standard Deviation | | 2.69 | 26.69 |

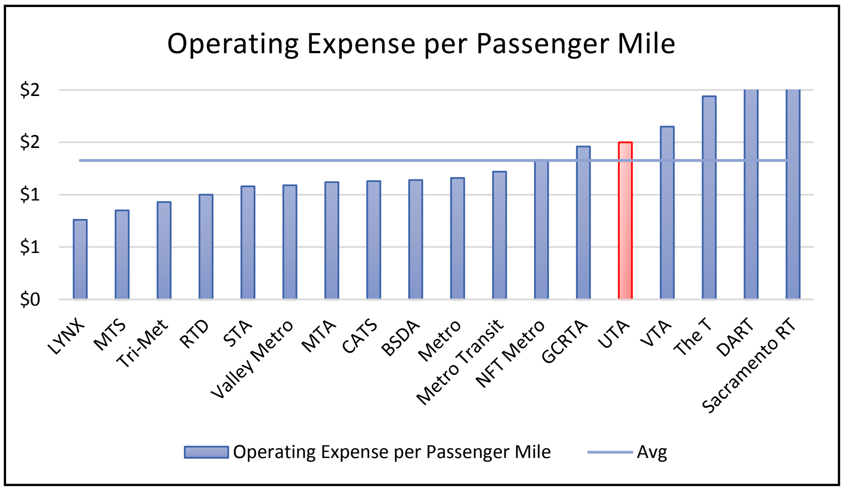


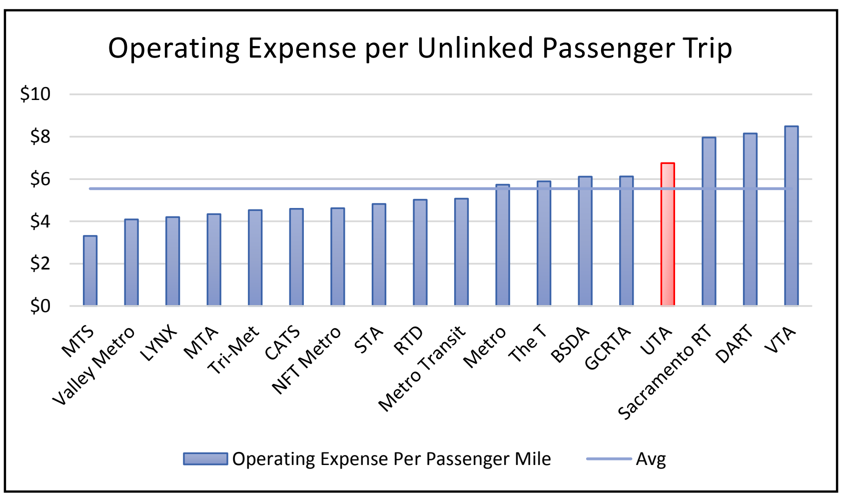



## PERFORMANCE MEASURES - BUS SERVICE (continued)

**Cost Effectiveness**

| City | Agency | Operating Expense per Passenger Mile | Operating Expense per Unlinked Passenger Trip |
|---|---|---|---|
| Salt Lake City, UT | UTA | $ 1.50 | $ 6.75 |
| Baltimore, MD | MTA | 1.12 | 4.34 |
| Buffalo, NY | NFT Metro | 1.33 | 4.62 |
| Charlotte, NC | CATS | 1.13 | 4.59 |
| Cleveland, OH | GCRTA | 1.46 | 6.12 |
| Dallas, TX | DART | 2.22 | 8.15 |
| Denver, CO | RTD | 1.00 | 5.02 |
| Ft Worth, TX | The T | 1.94 | 5.89 |
| Houston, TX | Metro | 1.16 | 5.73 |
| Minneapolis, MN | Metro Transit | 1.22 | 5.07 |
| Orlando, FL | LYNX | 0.76 | 4.20 |
| Phoenix, AZ | Valley Metro | 1.09 | 4.09 |
| Portland, OR | Tri-Met | 0.93 | 4.53 |
| Sacramento, CA | Sacramento RT | 2.30 | 7.96 |
| San Diego | MTS | 0.85 | 3.31 |
| San Jose, CA | VTA | 1.65 | 8.49 |
| Spokane, WA | STA | 1.08 | 4.82 |
| St Louis, MO | BSDA | 1.14 | 6.11 |
| | | | |
| Average | | $ 1.33 | $ 5.54 |
| Maximum | | 2.30 | 8.49 |
| Minimum | | 0.76 | 3.31 |
| Standard Deviation | | 0.44 | 1.49 |

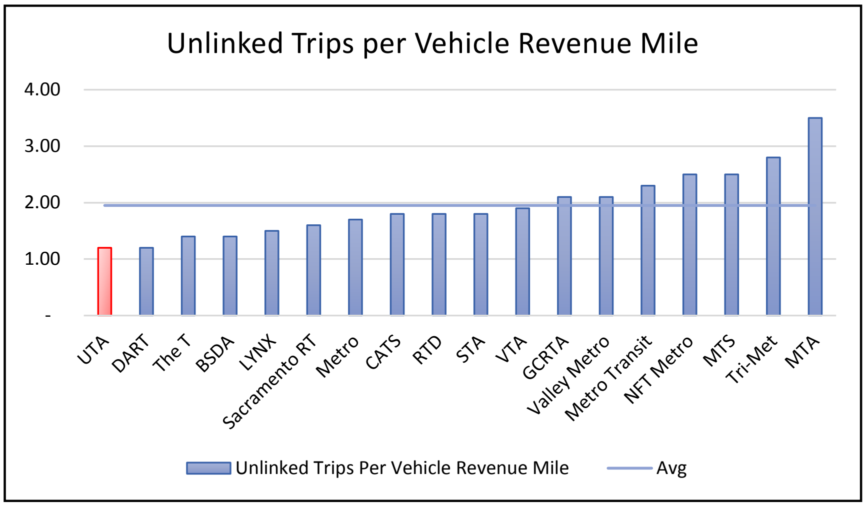


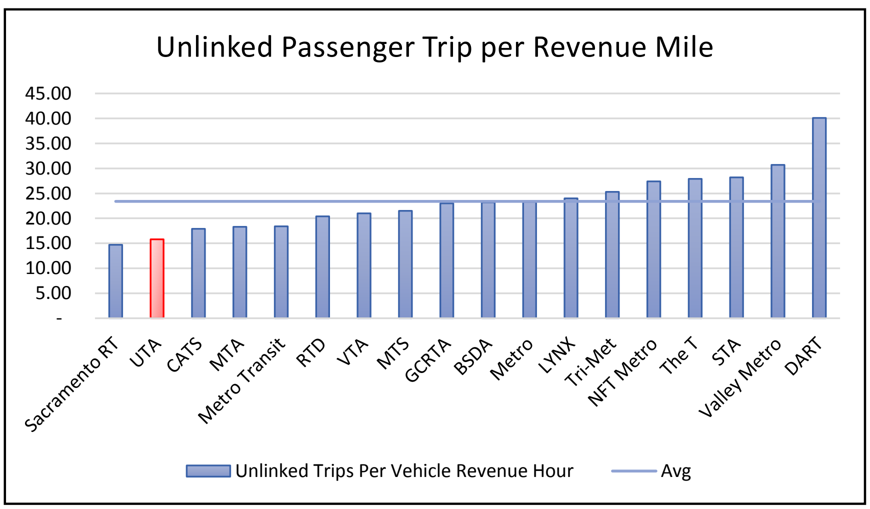



## PERFORMANCE MEASURES - BUS SERVICE (continued)

**Service Effectiveness**

| City | Agency | Unlinked Passenger Trips per Vehicle Revenue Mile | Unlinked Passenger Trips per Vehicle Revenue Hour |
|---|---|---|---|
| Salt Lake City, UT | UTA | 1.20 | 15.80 |
| Baltimore, MD | MTA | 3.50 | 40.10 |
| Buffalo, NY | NFT Metro | 2.50 | 27.90 |
| Charlotte, NC | CATS | 1.80 | 23.20 |
| Cleveland, OH | GCRTA | 2.10 | 24.00 |
| Dallas, TX | DART | 1.20 | 14.70 |
| Denver, CO | RTD | 1.80 | 23.30 |
| Ft Worth, TX | The T | 1.40 | 17.90 |
| Houston, TX | Metro | 1.70 | 20.40 |
| Minneapolis, MN | Metro Transit | 2.30 | 28.20 |
| Orlando, FL | LYNX | 1.50 | 21.00 |
| Phoenix, AZ | Valley Metro | 2.10 | 23.00 |
| Portland, OR | Tri-Met | 2.80 | 30.70 |
| Sacramento, CA | Sacramento RT | 1.60 | 18.40 |
| San Diego | MTS | 2.50 | 27.40 |
| San Jose, CA | VTA | 1.90 | 21.50 |
| Spokane, WA | STA | 1.80 | 25.30 |
| St Louis, MO | BSDA | 1.40 | 18.30 |
| | | | |
| Average | | 1.95 | 23.39 |
| Maximum | | 3.50 | 40.10 |
| Minimum | | 1.20 | 14.70 |
| Standard Deviation | | 0.60 | 6.08 |



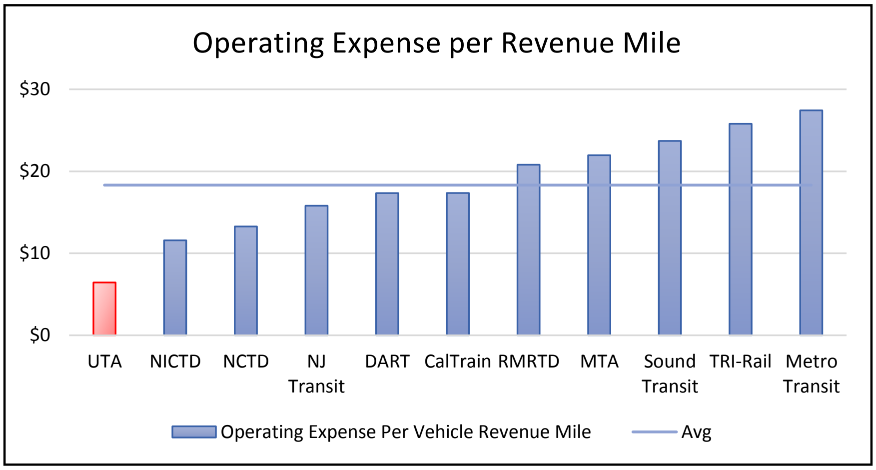



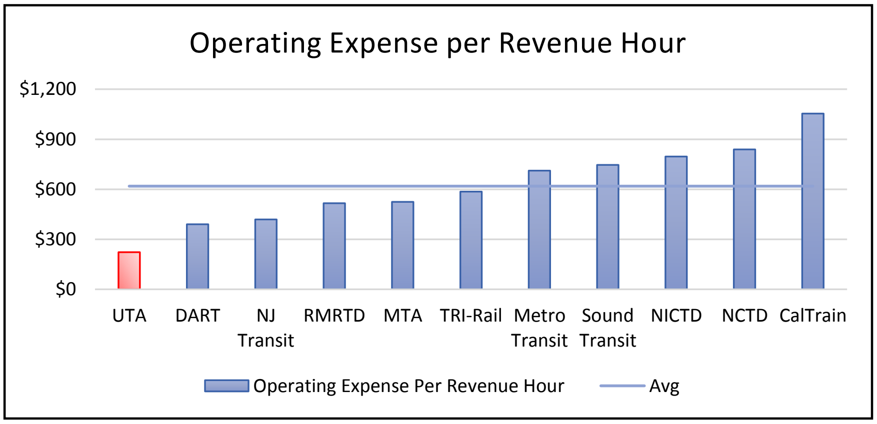
## PERFORMANCE MEASURES - COMMUTER RAIL

The following charts contain information from the Federal Transit Administration's National Transit Database (NTD)) for the most recent year available (2017), and compares the Authority's performance with other like transit agencies.

**Service Efficiency**

| City | Agency | Operating Expense per Vehicle Revenue Mile | Operating Expense per Vehicle Revenue Hour |
|---|---|---|---|
| Salt Lake City, UT | UTA | $ 6.44 | $ 222.55 |
| Albuquerque, NM | RMRTD | 20.80 | 796.25 |
| Baltimore, MD | MTA | 21.96 | 838.89 |
| Chesterton, IN | NICTD | 11.58 | 418.98 |
| Dallas, TX | DART | 17.34 | 390.06 |
| Minneapolis, MN | Metro Transit | 27.43 | 1,053.85 |
| Newark, NJ | NJ Transit | 15.80 | 516.24 |
| Oceanside, CA | NCTD | 13.27 | 524.37 |
| Pompano Beach, FL | TRI-Rail | 25.79 | 746.03 |
| San Carlos, CA | CalTrain | 17.35 | 585.80 |
| Seattle, WA | Sound Transit | 23.70 | 711.69 |
| | | | |
| Average | | $ 18.31 | $ 618.61 |
| Maximum | | 27.43 | 1,053.85 |
| Minimum | | 6.44 | 222.55 |
| Standard Deviation | | 6.38 | 237.44 |

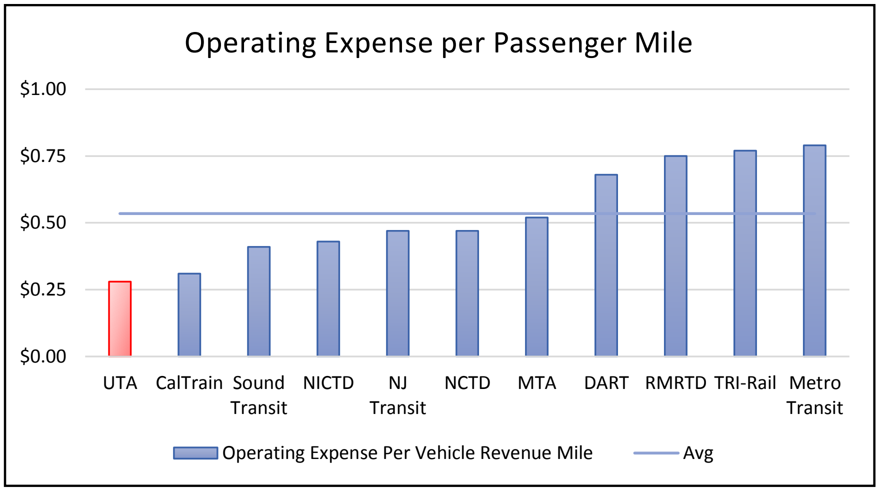


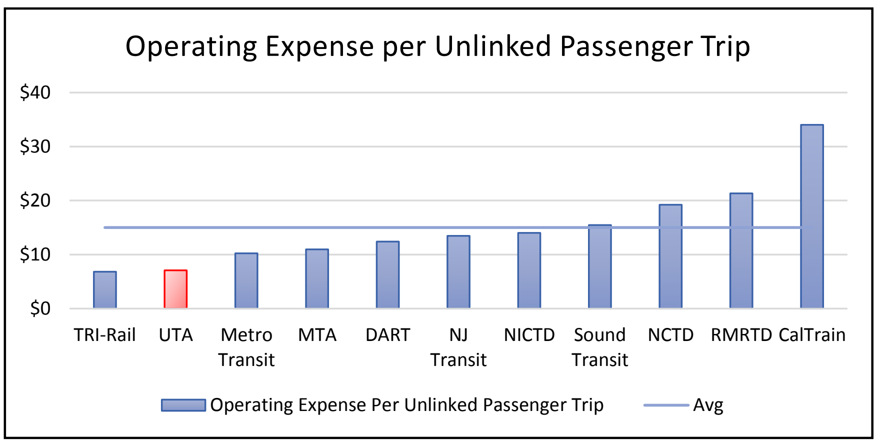



## PERFORMANCE MEASURES - COMMUTER RAIL (continued)

**Cost Effectiveness**

| City | Agency | Operating Expenses Per Passenger Mile | Operating Expenses Per Unlinked Passenger Trip |
|---|---|---|---|
| Salt Lake City, UT | UTA | $ 0.28 | $ 7.09 |
| Albuquerque, NM | RMRTD | 0.75 | 34.03 |
| Baltimore, MD | MTA | 0.52 | 15.47 |
| Chesterton, IN | NICTD | 0.43 | 14.02 |
| Dallas, TX | DART | 0.68 | 13.47 |
| Minneapolis, MN | Metro Transit | 0.79 | 19.23 |
| Newark, NJ | NJ Transit | 0.47 | 10.97 |
| Oceanside, CA | NCTD | 0.47 | 12.41 |
| Pompano Beach, FL | TRI-Rail | 0.77 | 21.34 |
| San Carlos, CA | CalTrain | 0.31 | 6.83 |
| Seattle, WA | Sound Transit | 0.41 | 10.24 |
| | | | |
| Average | | $ 0.53 | $ 15.01 |
| Maximum | | 0.79 | 34.03 |
| Minimum | | 0.28 | 6.83 |
| Standard Deviation | | 0.18 | 7.74 |

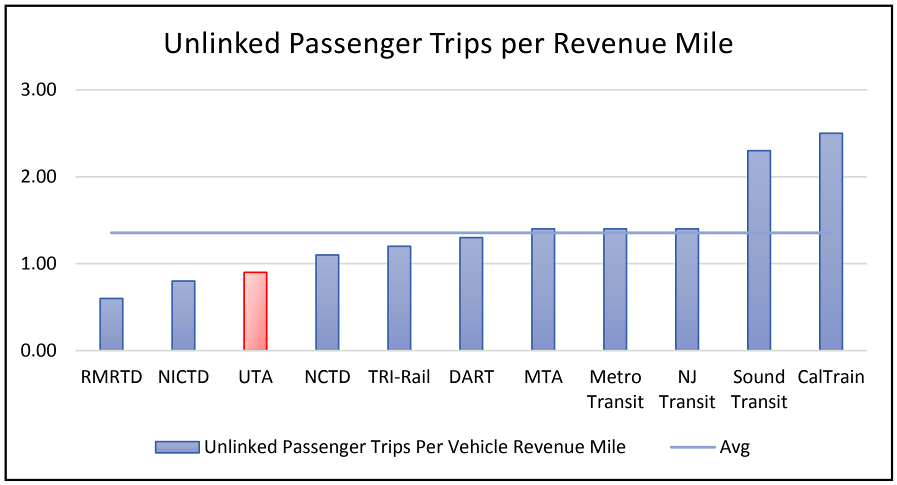


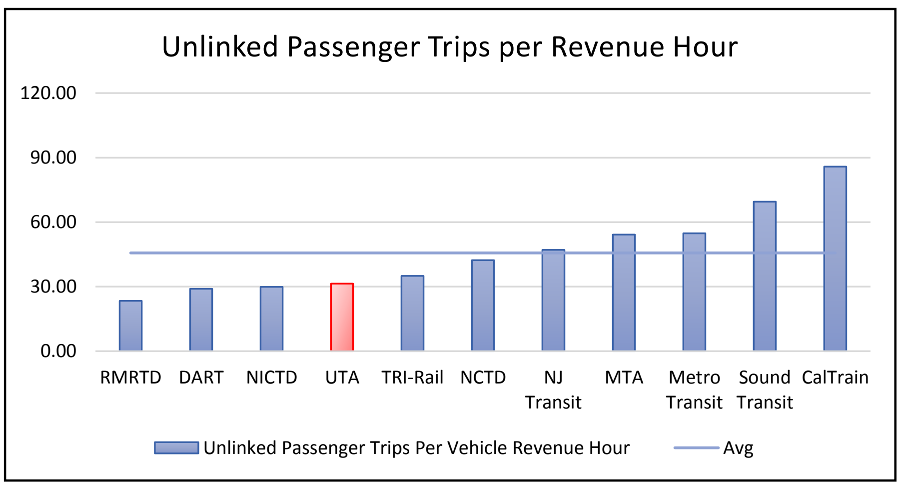



## PERFORMANCE MEASURES - COMMUTER RAIL (continued)

**Service Effectiveness**

| City | Agency | Unlinked Passenger Trips per Vehicle Revenue Mile | Unlinked Passenger Trips per Vehicle Revenue Hour |
|---|---|---|---|
| Salt Lake City, UT | UTA | 0.90 | 31.40 |
| Albuquerque, NM | RMRTD | 0.60 | 23.40 |
| Baltimore, MD | MTA | 1.40 | 54.20 |
| Chesterton, IN | NICTD | 0.80 | 29.90 |
| Dallas, TX | DART | 1.30 | 29.00 |
| Minneapolis, MN | Metro Transit | 1.40 | 54.80 |
| Newark, NJ | NJ Transit | 1.40 | 47.10 |
| Oceanside, CA | NCTD | 1.10 | 42.30 |
| Pompano Beach, FL | TRI-Rail | 1.20 | 35.00 |
| San Carlos, CA | CalTrain | 2.50 | 85.80 |
| Seattle, WA | Sound Transit | 2.30 | 69.50 |
| | | | |
| Average | | 1.35 | 45.67 |
| Maximum | | 2.50 | 85.80 |
| Minimum | | 0.60 | 23.40 |
| Standard Deviation | | 0.58 | 19.20 |



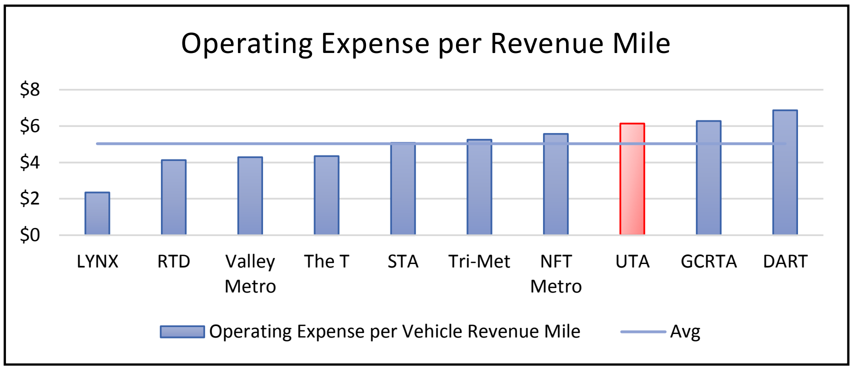



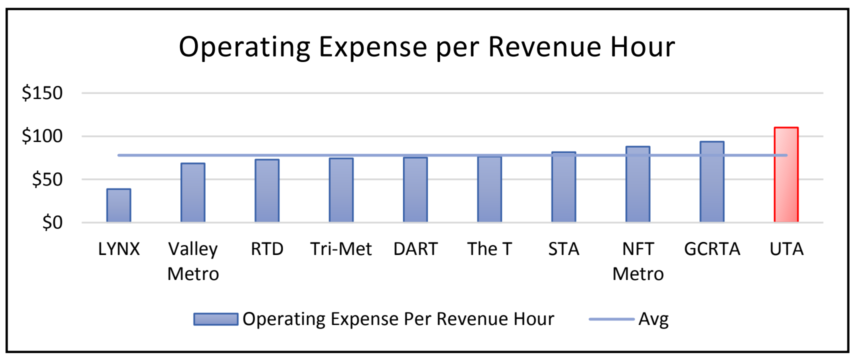
## PERFORMANCE MEASURES - DEMAND RESPONSE

The following charts contain information from the Federal Transit Administration's National Transit Database (NTD)) for the most recent year available (2017), and compares the Authority's performance with other like transit agencies.

**Service Efficiency**

| City | Agency | Operating Expense per Vehicle Revenue Mile | Operating Expense per Vehicle Revenue Hour |
|---|---|---|---|
| Salt Lake City, UT | UTA | $ 6.55 | $ 110.06 |
| Buffalo, NY | NFT Metro | 5.71 | 87.94 |
| Cleveland, OH | GCRTA | 6.56 | 93.67 |
| Dallas, TX | DART | 5.94 | 75.25 |
| Denver, CO | RTD | 4.66 | 72.92 |
| Fort Worth, TX | The T | 4.88 | 76.48 |
| Orlando, FL | LYNX | 2.20 | 38.79 |
| Phoenix, AZ | Valley Metro | 5.32 | 68.53 |
| Portland, OR | Tri-Met | 5.78 | 74.35 |
| Spokane, WA | STA | 5.39 | 81.55 |
| | | | |
| Average | | $ 5.30 | $ 77.95 |
| Maximum | | 6.56 | 110.06 |
| Minimum | | 2.20 | 38.79 |
| Standard Deviation | | 1.25 | 18.44 |



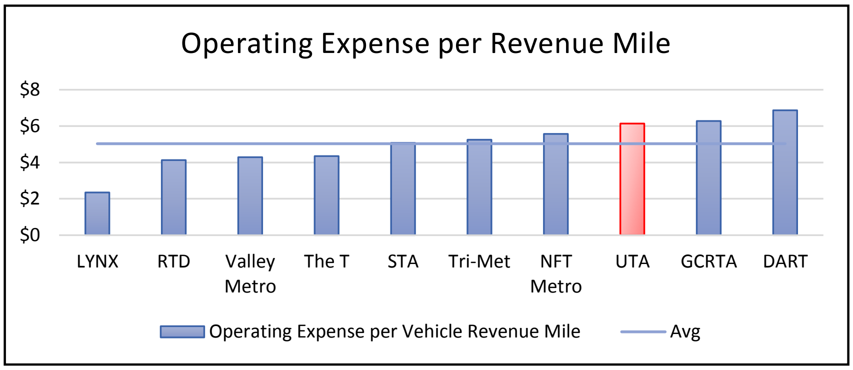



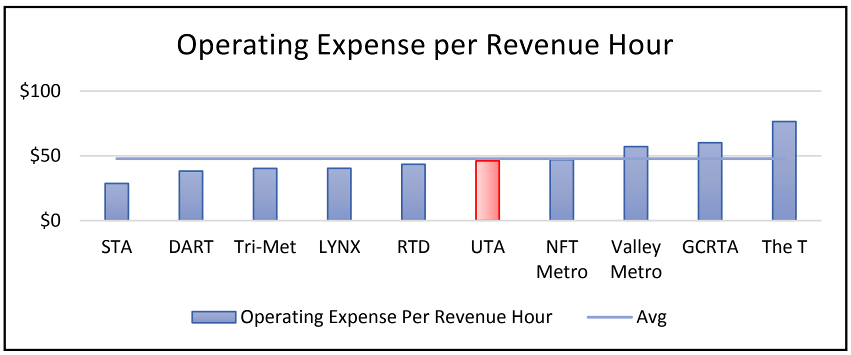
## PERFORMANCE MEASURES - DEMAND RESPONSE (continued)

The following charts contain information from the Federal Transit Administration's National Transit Database (NTD)) for the most recent year available (2017), and compares the Authority's performance with other like transit agencies.

**Cost Effectiveness**

| City | Agency | Operating Expense per Vehicle Revenue Mile | Operating Expense per Vehicle Revenue Hour |
|---|---|---|---|
| Salt Lake City, UT | UTA | $ 4.22 | $ 46.13 |
| Buffalo, NY | NFT Metro | 5.37 | 47.02 |
| Cleveland, OH | GCRTA | 7.30 | 60.14 |
| Dallas, TX | DART | 3.18 | 38.23 |
| Denver, CO | RTD | 4.99 | 43.47 |
| Fort Worth, TX | The T | 4.88 | 76.48 |
| Orlando, FL | LYNX | 4.01 | 40.37 |
| Phoenix, AZ | Valley Metro | 5.93 | 57.12 |
| Portland, OR | Tri-Met | 4.39 | 40.29 |
| Spokane, WA | STA | 3.19 | 28.68 |
| | | | |
| Average | | $ 4.75 | $ 47.79 |
| Maximum | | 7.30 | 76.48 |
| Minimum | | 3.18 | 28.68 |
| Standard Deviation | | 1.26 | 13.55 |



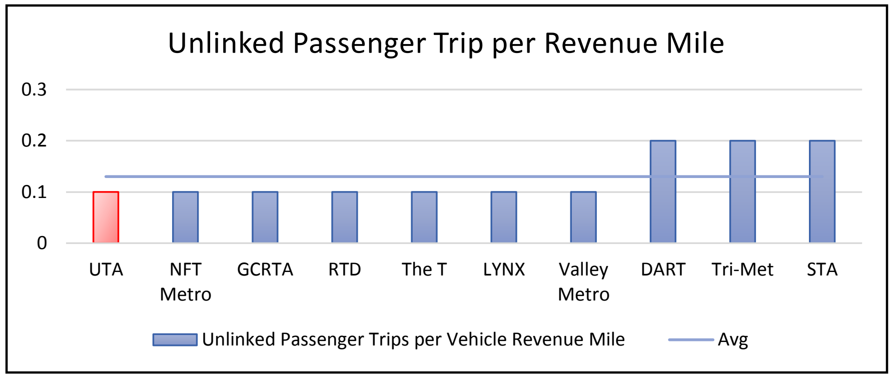



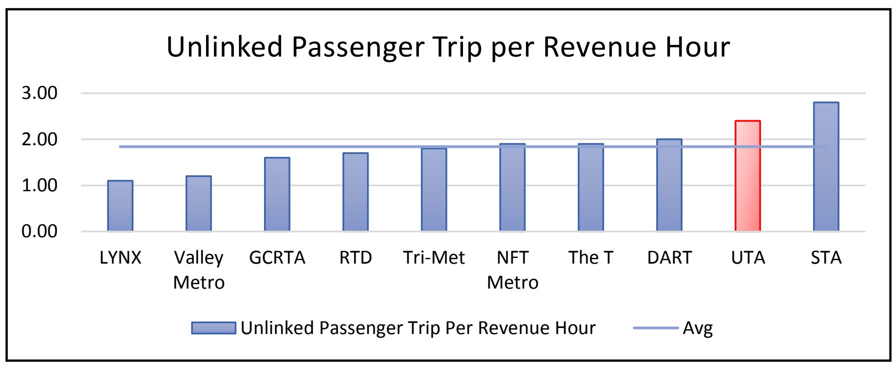

UTA
UTAH TRANSIT AUTHORITY

## PERFORMANCE MEASURES - DEMAND RESPONSE (continued)

**Service Effectiveness**

| City | Agency | Unlinked Passenger Trips per Vehicle Revenue Mile | Unlinked Passenger Trips per Vehicle Revenue Hour |
|---|---|---|---|
| Salt Lake City, UT | UTA | 0.10 | 2.40 |
| Buffalo, NY | NFT Metro | 0.10 | 1.90 |
| Cleveland, OH | GCRTA | 0.10 | 1.60 |
| Dallas, TX | DART | 0.20 | 2.00 |
| Denver, CO | RTD | 0.10 | 1.70 |
| Fort Worth, TX | The T | 0.10 | 1.90 |
| Orlando, FL | LYNX | 0.10 | 1.10 |
| Phoenix, AZ | Valley Metro | 0.10 | 1.20 |
| Portland, OR | Tri-Met | 0.20 | 1.80 |
| Spokane, WA | STA | 0.20 | 2.80 |
| | | | |
| Average | | 0.13 | 1.84 |
| Maximum | | 0.20 | 2.80 |
| Minimum | | 0.10 | 1.10 |
| Standard Deviation | | 0.05 | 0.51 |



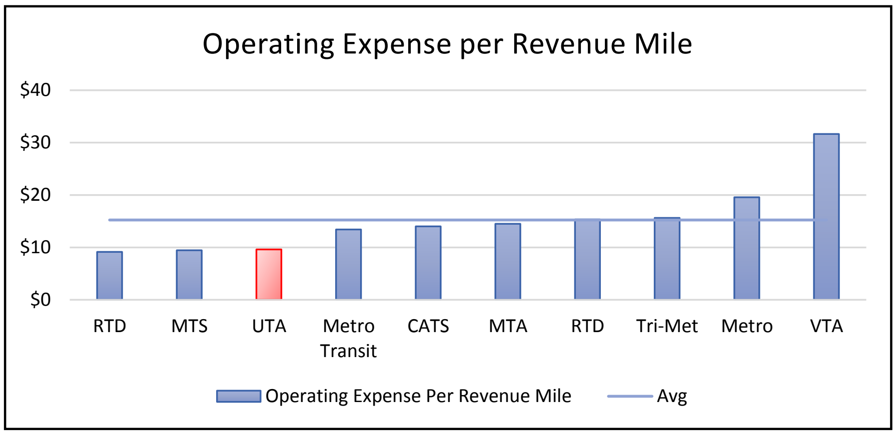



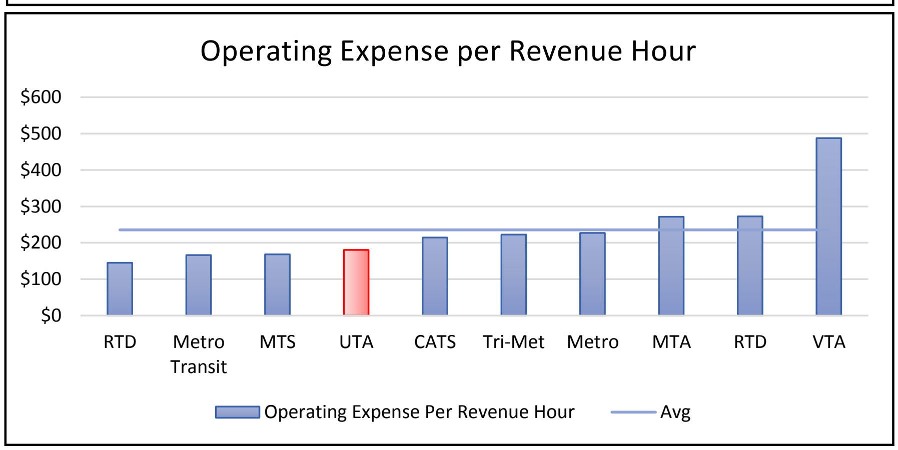
## PERFORMANCE MEASURES - LIGHT RAIL

The following charts contain information from the Federal Transit Administration's National Transit Database (NTD)) for the most recent year available (2017), and compares the Authority's performance with other like transit agencies.

**Service Efficiency**

| City | Agency | Operating Expense per Vehicle Revenue Mile | Operating Expense per Vehicle Revenue Hour |
|---|---|---|---|
| Salt Lake City, UT | UTA | $ 9.61 | $ 180.35 |
| Baltimore, MD | MTA | 14.50 | 271.50 |
| Charlotte, NC | CATS | 14.01 | 214.45 |
| Denver, CO | RTD | 9.14 | 145.09 |
| Houston, TX | Metro | 19.57 | 227.04 |
| Minneapolis, MN | Metro Transit | 13.42 | 166.23 |
| Portland, OR | Tri-Met | 15.63 | 222.51 |
| Sacramento, CA | RTD | 15.34 | 272.55 |
| San Diego, CA | MTS | 9.45 | 168.24 |
| San Jose, CA | VTA | 31.65 | 487.58 |
| | | | |
| Average | | $ 15.23 | $ 235.55 |
| Maximum | | 31.65 | 487.58 |
| Minimum | | 9.14 | 145.09 |
| Standard Deviation | | 6.63 | 98.56 |

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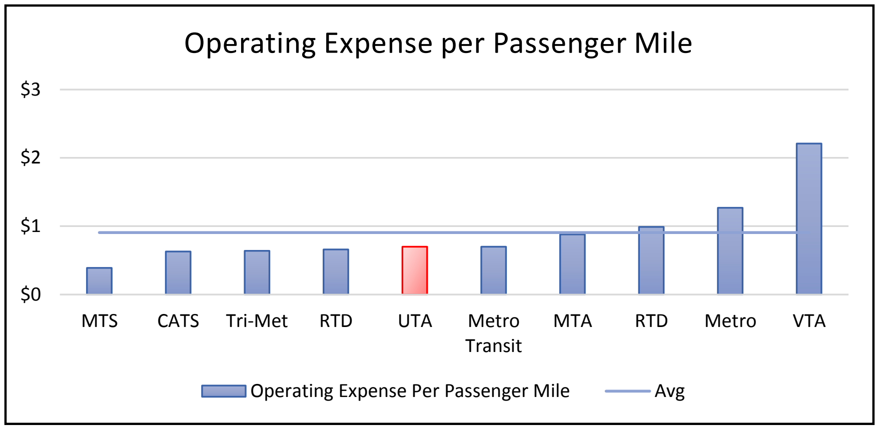
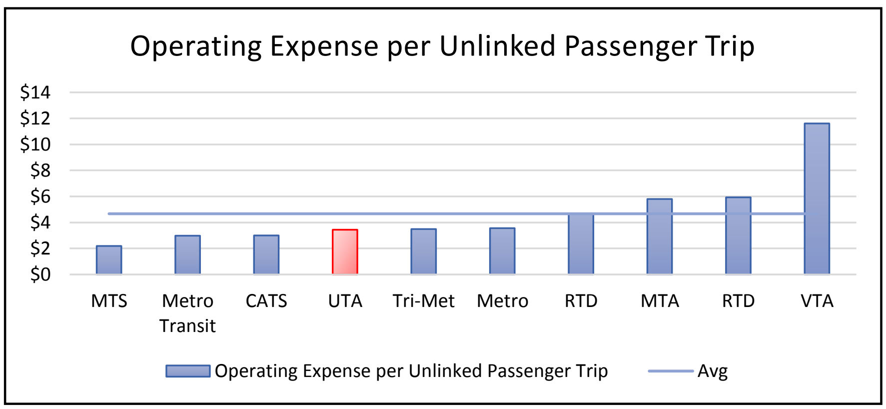
## PERFORMANCE MEASURES - LIGHT RAIL (continued)

**Cost Effectiveness**

| City | Agency | Operating Expense per Passenger Mile | Operating Expense per Unlinked Passenger Trip |
|---|---|---|---|
| Salt Lake City, UT | UTA | $ 0.70 | $ 3.44 |
| Baltimore, MD | MTA | 0.88 | 5.80 |
| Charlotte, NC | CATS | 0.63 | 3.00 |
| Denver, CO | RTD | 0.66 | 4.67 |
| Houston, TX | Metro | 1.27 | 3.56 |
| Minneapolis, MN | Metro Transit | 0.70 | 2.98 |
| Portland, OR | Tri-Met | 0.64 | 3.49 |
| Sacramento, CA | RTD | 0.99 | 5.93 |
| San Diego, CA | MTS | 0.39 | 2.19 |
| San Jose, CA | VTA | 2.21 | 11.61 |
| Average | | $ 0.91 | $ 4.67 |
| Maximum | | 2.21 | 11.61 |
| Minimum | | 0.39 | 2.19 |
| Standard Deviation | | 0.52 | 2.73 |

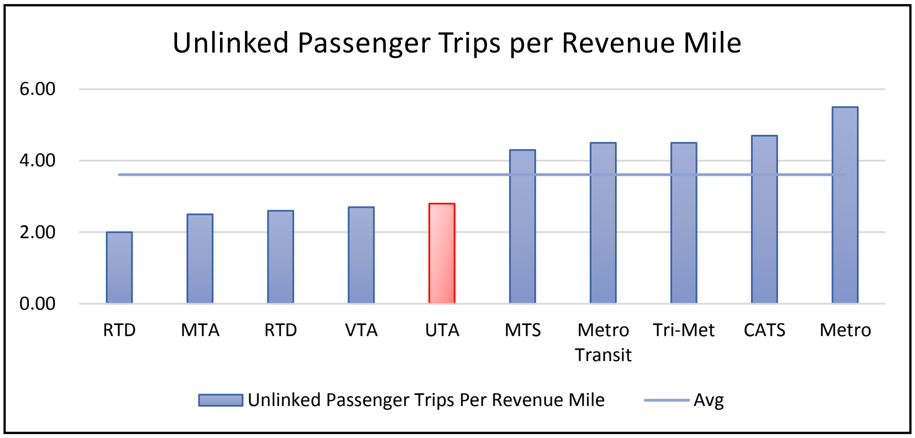


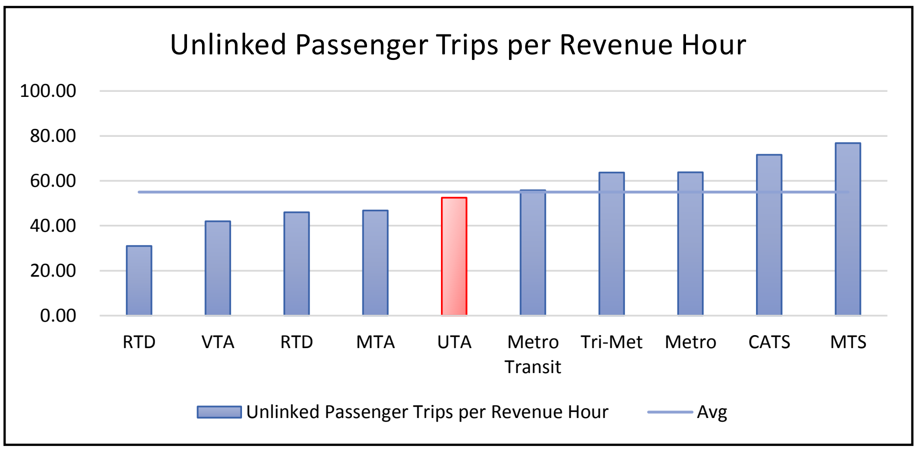



## PERFORMANCE MEASURES - LIGHT RAIL (continued)

**Service Effectiveness**

| City | Agency | Unlinked Passenger Trips per Vehicle Revenue Mile | Unlinked Passenger Trips per Vehicle Revenue Hour |
|---|---|---|---|
| Salt Lake City, UT | UTA | 2.80 | 52.50 |
| Baltimore, MD | MTA | 2.50 | 46.80 |
| Charlotte, NC | CATS | 4.70 | 71.60 |
| Denver, CO | RTD | 2.00 | 31.00 |
| Houston, TX | Metro | 5.50 | 63.80 |
| Minneapolis, MN | Metro Transit | 4.50 | 55.80 |
| Portland, OR | Tri-Met | 4.50 | 63.70 |
| Sacramento, CA | RTD | 2.60 | 46.00 |
| San Diego, CA | MTS | 4.30 | 76.80 |
| San Jose, CA | VTA | 2.70 | 42.00 |
| | | | |
| Average | | 3.61 | 55.00 |
| Maximum | | 5.50 | 76.80 |
| Minimum | | 2.00 | 31.00 |
| Standard Deviation | | 1.21 | 14.16 |



# Compliance

For Fiscal Years Ended
December 31, 2018 and 2017

UTA
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KEDDINGTON & CHRISTENSEN, CPAS
CERTIFIED PUBLIC ACCOUNTANTS
Gary K. Keddington, CPA
Phyl R. Warnock, CPA
Marcus K. Arbuckle, CPA
Steven M. Rowley, CPA

# 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*

To the 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 the *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities, the discretely presented component unit, and the remaining fund information of Utah Transit Authority (the "Authority"), as of and for the years ended December 31, 2018 and 2017, 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 4, 2019.

## Internal Control Over Financial Reporting

In planning and performing our audits of the financial statements, we considered the Authority's internal control over financial reporting (internal control) to determine the 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 may exist that have not been identified.

## 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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1455 West 2200 South, Suite 201
Salt Lake City, Utah 84119

**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.

Keddington & Christensen, LLC

Keddington & Christensen, LLC
Salt Lake City
June 4, 2019

KEDDINGTON & CHRISTENSEN, CPAS
CERTIFIED PUBLIC ACCOUNTANTS
Gary K. Keddington, CPA
Phyl R. Warnock, CPA
Marcus K. Arbuckle, CPA
Steven M. Rowley, CPA

# INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

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

## Report on Compliance for Each Major Federal Program

We have audited Utah Transit Authority's (the "Authority") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Authority's major federal programs for the year ended December 31, 2018. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### *Management's Responsibility*

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on compliance for each of the Authority's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our qualified and unmodified opinions on compliance for major federal programs. However, our audit does not provide a legal determination of the Authority's compliance.

Telephone (801) 590-2600
Fax (801) 265-9405

1455 West 2200 South, Suite 201
Salt Lake City, Utah 84119

***Basis for Qualified Opinion on Federal Transit Cluster and Transit Services Program Cluster***

As described in the accompanying schedule of findings and questioned costs, the Authority did not comply with requirements regarding the Federal Transit Cluster (CFDA 20.500, 20.507, 20.525, and 20.526), and Transit Services Programs Cluster (CFDA 20.513, 20.516, and 50.521) described in finding number 2018-001 for Equipment and Real Property Management. Compliance with such requirements is necessary, in our opinion, for the Authority to comply with the requirements applicable to those programs.

***Qualified Opinion on Federal Transit Cluster and Transit Services Program Cluster***

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the Federal Transit Cluster and Transit Services Program Cluster for the year ended December 31, 2018.

***Unmodified Opinion on the Other Major Federal Program***

In our opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended December 31, 2018.

***Other Matters***

The Authority's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The Authority's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

**Report on Internal Control Over Compliance**

Management of Utah Transit Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Authority's internal control over compliance with the types of requirements that could have direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified a certain deficiency in internal control over compliance that we consider to be a material weakness.

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 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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2018-001 to be a material weakness.

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.

The Authority's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The Authority's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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.

Keddington & Christensen, LLC

Keddington & Christensen, LLC
Salt Lake City, Utah
June 4, 2019

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS for the year ending December 31, 2018

| Federal Grantor/Pass-Through Grantor/Program or Cluster Title | Federal CFDA 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-2016-007-00 | | | $ 39,050 |
| Federal Transit - Capital investment Grants | 20.500 | UT-2017-001-00 | | | 20,445,072 |
| Federal Transit - Capital investment Grants | 20.500 | UT-2017-006-00 | | | 176,086 |
| Total Capital Investment Grants | | | | | 20,660,208 |
| Federal Transit - Formula Grant | 20.507 | UT-2018-009.00 | | | 44,071,452 |
| Federal Transit - Formula Grant | 20.507 | UT-2018-005 | | | 2,325,122 |
| Federal Transit - Formula Grant | 20.507 | UT-2018-006 | | | 348,000 |
| Total Federal Transit-Formula Grant | | | | | 46,744,574 |
| Federal Transit - State of Good Repairs | 20.525 | UT-2018-004.00 | | | 15,311,264 |
| Bus and Bus Facilities Formula Program | 20.526 | UT-2017-002.00 | | | 213,153 |
| Bus and Bus Facilities Formula Program | 20.526 | UT-2017-013-00 | | | 19,707 |
| Bus and Bus Facilities Formula Program | 20.526 | UT-2018-010-00 | | | 12,664 |
| Total Bus and Bus Facilities Formula Program | | | | | 245,524 |
| **Federal Transit Cluster - Federal Transit Administration Programs total** | | | | **$ -** | **$ 82,961,570** |
| **Transit Services Programs Cluster - Federal Transit Administration Programs** | | | | | |
| Federal Transit - Enahanced Mobility for Seniors and Individuals with Disabilities | 20.513 | UT-16-0006 | | 268,476 | 372,844 |
| Federal Transit - Enahanced Mobility for Seniors and Individuals with Disabilities | 20.513 | UT-2016-013 | | 1,343,627 | 1,412,988 |
| Federal Transit - Enahanced Mobility for Seniors and Individuals with Disabilities | 20.513 | UT-2017-015 | | | 69,815 |
| Federal Transit - Enahanced Mobility for Seniors and Individuals with Disabilities | 20.513 | UT-2017-016 | | | 41,974 |
| Federal Transit - Enahanced Mobility for Seniors and Individuals with Disabilities | 20.513 | UT-2017-017 | | 53,035 | 288,227 |
| Total Enhanced Mobility for Seniors and Individuals with Disabilities | | | | 1,665,138 | 2,185,848 |
| Utah Department of Transportation - Job Access and Reverse Commute Program | 20.516 | 17-8233 | 11-8785 | | 388,138 |
| Utah Department of Transportation - Job Access and Reverse Commute Program | 20.516 | UT-37-X0003 | 17-8233 | | 184,511 |
| Total UDOT Job Access and Reverse Commute Program | | | | - | 572,649 |
| Utah Department of Transportation - New Freedom Program | 20.521 | 17-8233 | 11-8785 | | 241,847 |
| Utah Department of Transportation - New Freedom Program | 20.521 | UT-37-X0003 | 17-8233 | | 184,511 |
| Total UDOT- New Freedom Program | | | | | 426,358 |
| **Transit Services Program Cluster - Federal Transit Administration Programs total** | | | | **$ 1,665,138** | **$ 3,184,855** |

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS for the year ending December 31, 2018 (Continued)

| Federal Grantor/Pass-Through Grantor/Program or Cluster Title | Federal CFDA Number | Grant Number | Pass-Through Entity Identifying Number | Passed Through to Subrecipients | Total Federal Expenditures |
|---|---|---|---|---|---|
| **National Infrastructure Investment - Federal Transit Administration Programs** | | | | | |
| Federal Transit Administration - National Infrastructure Investment (TIGER) | 20.933 | UT-2018-002 | | | 4,096,689 |
| **National Infrastructure Investment - Federal Transit Administration Programs total** | | | | $ - | $ 4,096,689 |
| **Highway Planning & Construction Cluster - Federal Highway Administration Programs** | | | | | |
| Federal Highway Administration - Highway Planning and Construction (CMAQ) | 20.505 | 17-8508 | 17-8508 | | 127,595 |
| Federal Highway Administration - Highway Planning and Construction (CMAQ) | 20.505 | 20-CMAQ-19 | | | 1,080,363 |
| **Highway Planning & Construction Cluster - Federal Highway Administration Programs total** | | | | $ - | 1,207,958 |
| **Federal Railroad Administration Program** | | | | | |
| Railroad Safety Technology Grants | 20.321 | UT-2017-011 | | | 1,748,624 |
| **Federal Transit Administration Programs** | | | | | |
| Federal Transit - Capital investment Grants | 20.514 | UT-2017-012-00 | | | 29,814 |
| **TOTAL U.S. DEPARTMENT OF TRANSPORTATION** | | | | $ - | $ 93,229,510 |
| **DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT** | | | | | |
| CDGB - Entitlement Grants Cluster | 14.225 | 1812JH | 1812JH | | 68,366 |
| **TOTAL DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT** | | | | $ - | $ 68,366 |
| **DEPARTMENT OF HOMELAND SECURITY** | | | | | |
| FEMA Rail and Transit Security Grant Program | 97.075 | 15-RA-00035 | | | 22,363 |
| FEMA Rail and Transit Security Grant Program | 97.075 | 16-RA-00045 | | | 86,457 |
| FEMA Rail and Transit Security Grant Program | 97.075 | 17-RA-00042 | | | 3,017 |
| **TOTAL DEPARTMENT OF HOMELAND SECURITY** | | | | $ - | $ 111,837 |
| **TOTAL FEDERAL AWARDS EXPENDED** | | | | $ 1,665,138 | $ 93,409,713 |

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS for the year ending December 31, 2018 (Continued)

| | |
|---|---|
| Reconciliation of federal expenditures to federal revenues | |
| Comparative Statement of Revenues, Expenses and Change in Net Position (2018) | |
| Federal preventative maintenance grants | $ 61,820,668 |
| Capital Contributions: Federal grants | 31,585,004 |
| Total per Comparative Statement of Revenues, Expenses and Change in Net Position (2018) | 93,405,672 |
| Total per Schedule of Expenditures of Federal Awards for the year ending December 31, 2018 | 93,409,713 |
| Difference | $ (4,041) |

**Previous Over/(Under)stated Revenues reflected in 2018 Statement of Revenues, Expenses and Change in Net Position**

| **Transit Services Program Cluster** | **CFDA#** | **Grant #** | **Amount** |
|---|---|---|---|
| Federal Transit – Enhanced Mobility for Seniors and Individuals with disabilities | 20.513 | UT-2016-013 | $ 4,041 |
| **Total Federal Transit – Transit Services Program Cluster Total** | | | 4,041 |
| | | | |
| **Total Adjustment** | | | **$ 4,041** |

A. Basis of Accounting

The supplementary schedule of expenditures of federal awards is prepared on the accrual basis of accounting.

B. Pass-Through Awards

The Authority receives certain expenditures of federal awards from pass through awards of various state and other governmental agencies. The total amount of such pass-through awards is included in the supplementary schedule of expenditures of federal awards.

C. Non-Cash Federal Assistance

No non-cash federal assistance was received during the year ended December 31, 2018.

D. Subrecipients

The Authority provided $1,665,138 of federal award funds to subrecipients during the year.

E. 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 to GAAP: Unmodified

Internal control over financial reporting:

- Material weakness identified? __X__ yes ___ no
- Significant Deficiency ____yes __X_ none reported

Noncompliance material to financial statements noted? ____yes __X_ no

Federal Awards

Internal control over major federal programs:

- Material weakness identified? _X_ yes ___ no

Significant Deficiency(s) identified ____yes __X_ none reported

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

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

_X_ yes ___ no

Identification of major federal programs:

| CFDA No(s). | Names of Federal Program or Cluster |
|---|---|
| 20.500, 20.507, 20.525, 20.526 | Federal Transit Administration Program Cluster |
| 20.513, 20.516, 20.521, | Transit Services Program Cluster |
| 20.933 | National Infrastructure Investment |

Dollar threshold used to distinguish between Type A and Type B Programs $__2,802,291

Auditee qualified as low-risk auditee? ____yes __X_ no

## Section II. Financial Statement Findings

None reported.

**Section III. Federal Award Findings and Questions Cost**

MATERIAL WEAKNESS

**2018 – 001** Noncompliance and Internal Control over Compliance

**Program Name/CFDA Title:** Federal Transit Cluster, Transit Services Program Cluster
**CFDA Numbers:** 20.500, 20.507, 20.525, 20.526, 20.513, 20.516, 20.521
**Federal Agency:** U.S. Department of Transportation
**Questioned Costs:** $0
**Requirement:** Equipment and Real Property Management

***Criteria:*** The Authority is required to properly track and safeguard equipment purchased with federal funds. This is accomplished by maintaining asset records with sufficient descriptions or other identifying information to properly locate assets purchased with federal funds. Additionally, the Authority is required to perform inventory counts of such equipment at least every two years.

***Condition:*** During our tests of compliance over Equipment and Real Property Management, it was noted that in our sample of 40 items, in 3 instances the sampled item could not be located.

***Cause:*** The 2017 inventory of the Authority's smaller equipment purchased with federal funds was not sufficiently thorough to ensure disposition of items were properly reflected in the Authority's records.

***Effect:*** If equipment is not tracked more carefully, there is a risk that equipment may be misappropriated or otherwise disposed of and not properly reflected in the records.

***Context:*** The Authority maintains asset listings of two main categories: 1) rolling stock (busses, trains, vehicles, etc.) and 2) equipment. Rolling stock makes up the majority of the value of assets related to this compliance requirement. Additionally, rolling stock is necessary to the Authority's day-to-day operations and are tracked as individual assets with serial numbers, asset numbers, and other identifying information. The discrepancies observed related primarily to equipment which were older and fully depreciated according to the Authority's records.

***Recommendation:*** We recommend the Authority more carefully plan and perform inventory counts over smaller equipment.

MATERIAL WEAKNESS

**2017 – 001** Noncompliance and Internal Control over Compliance

**Program Name/CFDA Title:** Federal Transit Cluster
**CFDA Numbers:** 20.500, 20.507, 20.525, and 20.526
**Federal Agency:** U.S. Department of Transportation
**Questioned Costs:** $0
**Requirement:** Equipment and Real Property Management

***Criteria:*** The Authority is required to properly track, safeguard, and maintain equipment purchased with federal funds. This is accomplished by maintaining asset records with sufficient descriptions or other identifying information to properly locate assets purchased with federal funds. Additionally, the Authority is required to perform inventory counts of such equipment at least every two years.

***Condition:*** During our tests of compliance over Equipment and Real Property Management, it was noted that in our sample of 40 items, in 7 instances the sampled item could not be located, and in 2 other instances, the sampled items did not appear to be properly maintained.

***Cause:*** The descriptions or other identifying information maintained on those 7 items was not sufficient to locate those assets. Also, the inventory of the Authority's smaller equipment purchased with federal funds was not sufficiently thorough to ensure disposition of items were properly reflected in the Authority's records.

***Effect:*** If equipment is not tracked more carefully, there is a risk that equipment may be misappropriated or otherwise disposed of and not properly reflected in the records.

***Context:*** The Authority maintains asset listings of two main categories: 1) rolling stock (busses, trains, vehicles, etc.) and 2) equipment. Rolling stock makes up the majority of the value of assets related to this compliance requirement. Additionally, rolling stock is necessary to the Authority's day-to-day operations and are tracked as individual assets with serial numbers, asset numbers, and other identifying information. Due to the large number of equipment items and their relatively small dollar amount, equipment is sometimes grouped together and historically has not been adequately described or identified in the Authority's records. The discrepancies observed related primarily to equipment which were older and fully depreciated according to the Authority's records.

***Recommendation:*** We recommend the Authority ensure sufficient identifying information is maintained on the smaller equipment purchased with federal funds. We also recommend the Authority more carefully plan and perform inventory counts over smaller equipment.

***Views of Responsible Officials and Planned Corrective Action:***

***<u>2018-001 Views:</u>*** Management agrees with the Finding 2018-001. The correction of the capital asset records held by the Authority and the internal controls surrounding the entire inventory started in 2017 but was not planned to be completed by the 2018 audit. After the 2018 inventory is complete by December 31, 2019, UTA will be able to find and identify all asset (including grant funded asset). The item not found should have been removed as part of the 2017 capital asset write-off.

***<u>2017-001 Views:</u>*** Management agrees with the Finding 2017-001. The correction of the capital asset records held by the Authority and the internal controls surrounding the entire inventory started in 2017 but was not planned to be completed by the 2017 audit. Six (6) of the items identified in the forty (40) items sampled were assets misclassified as equipment but will be reclassified and identifying in 2018 as part of redefining non-movable asset classifications and descriptions. After this project is complete by September 30, 2018, UTA will be able to find and identify all asset (including grant funded asset). The remaining item not found should have been removed as part of the 2017 capital asset write-off. The proper maintenance of grant funded assets will be addressed in 2018 through policy and proper assignment of oversight of all assets held by the Authority.

# Other Supplementary Information

For Fiscal Years Ended
December 31, 2018 and 2017

UTA
UTAH TRANSIT AUTHORITY

KEDDINGTON & CHRISTENSEN, CPAS
CERTIFIED PUBLIC ACCOUNTANTS
Gary K. Keddington, CPA
Phyl R. Warnock, CPA
Marcus K. Arbuckle, CPA
Steven M. Rowley, CPA

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

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

## Report on Compliance

We have audited Utah Transit Authority's (the "Authority") compliance with the applicable state compliance requirements described in the *State Compliance Audit Guide*, issued by the Office of the State Auditor, that could have a direct and material effect on the Authority for the year ended December 31, 2018.

State compliance requirements were tested for the year ended December 31, 2018 in the following areas:

Budgetary Compliance
Fund Balance
Restricted Taxes and Related Restricted Revenue
Open and Public Meetings Act
Treasurer's Bond
Special and Local Service District Board Members

### *Management's Responsibility*

Management is responsible for compliance with the state requirements referred to above.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on the Authority's compliance based on our audit of the state compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the *State Compliance Audit Guide.* Those standards and the *State Compliance Audit Guide* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the state compliance requirements referred to above that could have a direct and material effect on a state compliance requirement occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance with each state compliance requirement referred to above. However, our audit does not provide a legal determination of the Authority's compliance with those requirements.

Telephone (801) 590-2600
Fax (801) 265-9405

1455 West 2200 South, Suite 201
Salt Lake City, Utah 84119

***Opinion on Compliance***

In our opinion, Utah Transit Authority complied, in all material respects, with the state compliance requirements referred to above for the year ended December 31, 2018.

**Report on Internal Control Over Compliance**

Management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the state compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Authority's internal control over compliance with the state compliance requirements referred to above to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance with those state compliance requirements 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's 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 to detect and correct noncompliance with a state compliance requirement on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a state compliance requirement 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 state compliance requirement 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control and 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.

Keddington & Christensen, LLC

Keddington & Christensen, LLC
Salt Lake City, Utah
June 4, 2019

UTAH TRANSIT AUTHORITY POLICY

No. 1.1.29

# EXCEPTIONS TO UTA POLICIES

I. Purpose. To establish the process for making exceptions to UTA policies.

II. Application. This policy applies to all UTA policies. This policy also supersedes any previously approved policy granting authority to make exceptions to UTA policies.

III. Policy.

A. Exceptions to UTA policies will be approved by the Board of Trustees at a Board of Trustees meeting.

B. The Board of Trustees may delegate authority to approve exceptions to UTA policies.

C. Any policy exception relating to the Executive Director or a chief officer will be approved by the Board of Trustees.

IV. Cross-References. Board of Trustees Policy No. 1.1 – Process for Establishing Board Policies.

This UTA Policy was reviewed by the Board of Trustees on June 26, 2019 and approved by the Interim Executive Director on this _____ day of _____________. This policy takes effect on the latter date.

_________________________________

W. Steve Meyer
Interim Executive Director

Approved as to form:

_________________________________

UTA Compliance Officer

| Revision History | | Owner |
|---|---|---|
| Adopted | | Executive Director |

**RESOLUTION OF THE BOARD OF TRUSTEES OF THE UTAH TRANSIT AUTHORITY ESTABLISHING THE TERMS AND CONDITIONS OF EMPLOYMENT FOR EXECUTIVE DIRECTOR CAROLYN GONOT**

R2019-06-03 June 26, 2019

WHEREAS, the Utah Transit Authority (the "Authority") is a public transit district organized under the laws of the State of Utah and was created to transact and exercise all of the powers provided for in the Utah Limited Purpose Local Government Entities – Local Districts Act and the Utah Public Transit District Act ("Act"); and

WHEREAS, the Act provides that the Authority's Board of Trustees shall appoint an Executive Director based on an individual's qualifications, with particular emphasis on experience in or knowledge of accepted practices with respect to the duties of the office;

WHEREAS, Carolyn Gonot has a Bachelor of Science in Civil Engineering from the University of Notre Dame, a Master of Science in Civil Engineering from Pennsylvania State University, and substantial completion of a Ph.D in Civil Engineering at the University of California, Berkley;

WHEREAS, Ms. Gonot has worked for the Santa Clara Valley Transportation Authority in San Jose, California from 1993 to the present in the positions of Manager, Congestion Management Program; Deputy Director, Congestion Management Program; Chief Development Officer, Chief Silicon Valley Rapid Transit Program Officer; Chief Engineering and Program Delivery Officer; and Chief Planning and Engineering Officer;

WHEREAS, prior to her employment at the Santa Clara Valley Transportation Authority, Ms. Gonot worked as a Senior Associate for Nelson/Nygaard Associates in San Francisco, California and as a Senior Transportation Engineer for DKS Associates in Oakland, California;

WHEREAS, the Board of Trustees has determined that Ms. Gonot's education and significant transit-related experience qualify her to serve as the Authority's Executive Director and desires to appoint her to that position;

WHEREAS, the Board of Trustees desires to establish Ms. Gonot's annual base salary at $221,423 and desires to establish all other terms and conditions of Ms. Gonot's employment in the Executive Director's Employment Agreement attached hereto as Exhibit A;

NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees:

1. That the Board of Trustees hereby appoints Carolyn Gonot as the Authority's Executive Director effective August 19, 2019.

2. That the Board of Trustees establishes Ms. Gonot's annual base salary at $221,423 and establishes all other terms and conditions of Ms. Gonot's employment in the Executive Director's Employment Agreement attached hereto as Exhibit A.

3. That the Board of Trustees hereby authorizes exceptions to UTA Policy No. 6.5.5 – Relocation, No. 6.7.4.1 – Reductions in Force of Administrative Employees and Severance Pay, and No. 6.7.7.3 – Vacation – Administrative Employees, to accommodate the terms and conditions set forth in the Executive Director's Employment Agreement.

4. That the members of the Board of Trustees are authorized to execute the Executive Director's Employment Agreement attached hereto as Exhibit A.

5. That the Board hereby ratifies any and all actions previously taken by the Authority's management and staff to give effect to this Resolution.

6. That the corporate seal be attached hereto

Approved and adopted this 26th day of June 2019.

______________________________
Carlton Christensen, Chair
Board of Trustees

(Corporate Seal)

ATTEST:

______________________________
Robert K. Biles, Secretary/Treasurer

Approved As To Form:

____________________
Legal Counsel

Exhibit A

**EXECUTIVE DIRECTOR EMPLOYMENT AGREEMENT**

This Employment Agreement (“Agreement”), entered into this _____ day of _____________ 2019, between the Utah Transit Authority, a large public transit district established under Utah law (the “Authority”) and Carolyn Gonot (“Employee”), with an effective date of the 19th day of August 2019.

**BACKGROUND**

A. Authority is a large public transit district organized under and authorized to operate transit services in accordance with the provisions of the Utah Public Transit District Act; and
B. Authority wishes to employ, engage, and hire Employee, as an executive employee of Authority and a member of the executive leadership team employed of the Authority.

**TERMS AND CONDITIONS**

Now, therefore, for good and valuable consideration and the mutual promises contained herein, it is agreed by the parties hereto as follows:

1. **Duties and Reporting Relationship**. Authority hereby employs, engages, and hires Employee as Authority’s Executive Director. Employee accepts and agrees to said hiring and employment by Authority. Employee agrees to perform and assume any and all duties and responsibilities appropriate to the position of Executive Director that may be assigned to her by the Board of Trustees. Employee will take all reasonable, lawful, and ethical direction from the Board of Trustees. Unless otherwise authorized by the Board of Trustees, Employee will devote her full-time energy and skill to the performance of her duties for Authority and for the benefit of Authority, reasonable vacations and absences because of illness excepted. Furthermore, Employee will exercise due diligence and care in the performance of her duties under this Agreement and Utah law.

2. **Employment Period**. The period of employment for Employee shall be as follows:
   a. **Initial Term**. Authority shall employ Employee for the duties as set forth in Section 1 for the period commencing on August 19, 2019, and ending on August 18, 2022, unless sooner terminated in accordance with the provisions of this Agreement.
   b. **Renewal**. This Agreement will be automatically renewed at the end of the Initial Term for additional one-year periods commencing on each August 19 and ending on the following August 18 unless either party serves notice of desire to terminate or modify this Agreement as it applies during the Renewal Term Such notice must be given at least ninety (90) days before the end of the Initial Term or the applicable Renewal Term. The period of time commencing as of August 19, 2019, and ending on the effective date of the termination of employment of Employee under this or any successor agreement shall be referred to as the “Employment Period”.

3. **Compensation**. Authority shall compensate Employee as follows:

a. **Base Salary**. Authority shall pay Employee a base salary at the rate of $221,423.00 per year, payable in equal biweekly installments. Employee's base salary shall be reviewed for possible increases on an annual basis, in conjunction with the annual performance review. detailed in section 3.b. Adjustments to Employee's base salary shall be consistent with merit increases applied to other administrative employees during that fiscal year and will be memorialized in written form and attached as an amendment hereto. Thereafter, such adjusted base salary shall be incorporated as if fully set forth herein.

b. **Performance Review**. On an annual basis, Authority shall set strategy priorities, goals, and objectives for the Employee to accomplish in the following year. At least yearly, within sixty (60) days of Employee's anniversary date, the Board of Trustees shall conduct a formal performance review with Employee. This review will provide specific feedback on accomplishments of yearly goals as well as any other items related to Employee's performance. The review will be submitted in writing and will allow for response from Employee. The performance review will specify specific accomplishments and provide any feedback necessary to adjust performance. This review will be the basis for any annual salary adjustment referenced in section 3.a.

4. **Retirement Plans**. Employee will not participate in Authority's Defined Benefit plan however will be offered two defined contribution retirement plans.

a. **401(a) Plan**. Employee shall receive an employer contribution from Authority in the 401(a) Plan that is intended to be "qualified" under Section 401(a) of the Internal Revenue Code. The key terms of the 401(a) Plan are as follows:

i. Authority shall contribute an amount equal to 15.5% of Employee's Base Salary (as defined in Section 3 above) into the Plan each year that Employee remains employed by Authority; and

ii. Employee shall vest in the plan effective her first day of employment.

b. **457 Plan**. Authority also sponsors a deferred compensation plan that is intended to satisfy the requirement of 26 U.S.C. § 457 (457 Plan). Employee is eligible to participate in the 457 Plan and Authority will contribute $2 of every $3 contributed by Employee up to 2% of Employee's annual salary. Employee shall be eligible effective her first day of employment, consistent with the benefit afforded to all Authority employees.

5. **Other Fringe Benefits**. Employee also shall be entitled to the following fringe benefits:

a. **Vacation**. Employee shall be entitled to paid vacation accrual of 20 days during her first year and may be eligible for an advance to an accrual of 25 days after she reaches her one year anniversary. Advancement to 25 days is contingent upon a performance review meeting or exceeding performance standards set by the Board of Trustees.

b. **General Benefits**. Employee shall be eligible for the standard Authority benefits package, including but not limited to medical, dental, vision, life, long-term disability, sick leave, holiday pay, and employee assistance program. While Employee is relocating, she will stay on her current medical plan and Authority will reimburse her for her out of pocket expense for family coverage on that plan, at $1,369.00 per month. This reimbursement will end the sooner of either her actual relocation date or December 31, 2019.

6. **Relocation**. Employee shall establish permanent Utah residency within sixty (60) days of the commencement of her employment and shall retain such throughout her employment by Authority. Authority agrees to pay qualified expenses related to Employee and family relocation as follows:
   a. With proper receipts, Authority will reimburse Employee as follows:
      i. Move of household goods through a moving company. Employee will select the moving company by gathering quotes from at least three companies and choosing the lowest cost option of the three.
      ii. Temporary housing for up to three months, with a cap of $7,500.00.
      iii. Deposit on rental home up to $2,700.00.
      iv. Travel expenses related to two trips for immediate family to Salt Lake City, to include airfare, lodging, transportation and reasonable meals.

      Relocation of personal vehicle reimbursed by mileage rate or automobile moving company.
   b. A $6,000 lump sum intended for ancillary expenses, not requiring receipts.
   c. If Employee voluntarily leaves prior to her contract expiration, she will pay Authority back a percentage of the relocation expenses paid as follows:
      i. Prior to reaching first year anniversary, two-thirds of total relocation expenses paid to Authority by Employee.
      ii. Prior to reaching second year anniversary, one-half of total relocation expenses paid to Authority by Employee.
      iii. Prior to reaching third year anniversary, one-third of total relocation expenses paid to Authority by Employee.

7. **Business Expenses**. Authority will reimburse Employee, in accordance with Authority policies, for any and all necessary, customary, and usual expenses properly receipted and reasonably incurred by Employee on behalf of Authority.

8. **Termination by Authority**. This Agreement may be terminated by Authority as follows:
   a. **Right of Termination by Authority**. Employee is an "at-will" employee. Authority retains the right to terminate the employment of Employee and this Agreement for any or no reason.
   b. **Procedure for Termination or Reduction in Salary**. If Authority terminates Employees employment, either with or without cause, it shall follow the procedure as proscribed in UTAH CODE § 17B-2a-811.1 (2019).
   c. **Termination by Authority for Cause**. Employee's employment by Authority may be terminated for "Cause" upon the occurrence of any one of the events enumerated below. In the event Employee is terminated upon the occurrence of one of the following enumerated events, Employee is not entitled to any Severance Pay or Insurance Benefits but is entitled to all standard benefits that are normally available to a terminating or disabled administrative employee. The following events constitute termination by Authority "for Cause:"
      i. **Employee's Death**. Upon the death of Employee, employment and Authority shall terminate effective as of the date of death; or
      ii. **Physical or Mental Disability of Employee**. Upon notice rendered to Employee by Authority, effective thirty (30) days from the date of such notice, in the event

Employee shall become physically or mentally disabled to the extent of being unable to perform the essential functions of her job, after afforded reasonable accommodations, for a period of one hundred eighty (180) successive days during any period of twelve (12) consecutive months; or

iii. **Criminal Conduct**. Employee is convicted of or pleads guilty or *nolo contendere* to (1) a felony, or (2) any crime related to her employment or involving moral turpitude; or

iv. **Fraud, Malfeasance, or Abuse of Office**. Employee commits any act of fraud, malfeasance, of abuse of office or position; or

v. **Violation of UTA Ethics Policy**. Employee fails to cure or resolve any curable breach of this Agreement or Authority's Corporate Policy 1.1.11, Ethics, Ethics Reporting, and Code of Conduct, and/or its successor policies, within thirty (30) days after receiving written notice from Authority or its Board of Trustees and after being provided with an opportunity to hear and respond to any such complaints or charges; or

vi. **Embezzlement**. Employee embezzles funds or assets from Authority as determined by the Board of Trustees and/or its Internal Auditor and after being provided with an opportunity to hear and respond to any such complaints or charges of embezzlement; or

vii. **Insubordination**. Employee continually and willfully fails to obey a lawful, ethical and reasonable direction of the Board of Trustees during the term of this Agreement and extensions thereof, and after being given written notice of such failure, does not cure the act(s) of insubordination within thirty (30) days.

d. **Termination by Authority without Cause**. If Employee is terminated due to lack of work, lack of funds, elimination of position, reorganization, or for any other termination without Cause, or if the Agreement is not renewed without Cause, Employee shall be entitled to Severance Pay and Insurance Benefits in addition to all standard benefits that are normally available to a terminating administrative employee. Any payments made by Authority to Employee pursuant to these Severance Pay and Insurance Benefits provisions shall be subject to such withholding as required by law. The Severance Pay and Insurance Benefits that will be paid if Employee is terminated without Cause are the following:

i. **Severance Pay**. Employee's salary in effect at the time of termination shall continue for six months following the date of termination. The six month period during which Employee's salary is continued is referred to as the "Severance Period." This "Severance Pay" will be paid on a bi-weekly basis and will begin only after all accrued vacation leave has been used by Employee.

9. **Termination by Employee**. Employee shall have the right to terminate this Agreement at any time, for any reason. Employee agrees to provide Authority with thirty (30) days prior written notice of any such termination. Authority's obligation to pay Employee's base salary pursuant to Section 3 shall cease as of Employee's last day of work.

10. **Effect of Termination**. Upon the proper termination of this Agreement by Authority for any reason whatsoever, or upon the termination of this Agreement by Employee, this Agreement shall

thereupon be and become void and of no further force or effect, except that any payments due pursuant to the provisions of this Agreement for services rendered prior to the termination shall be made as provided in this Agreement.

11. **Proprietary Information**. In the event of a termination of this Agreement by either Authority or Employee, Employee shall comply with the following with respect to proprietary information:
    a. Return of Proprietary Information. Upon termination of this Agreement for any reason, Employee shall immediately tum over to Authority any "Proprietary Information," as defined below. Employee shall have no right to retain any copies of any material qualifying as Proprietary Information for any reason whatsoever after termination of her employment hereunder without the express written consent of Authority.
    b. Non-Disclosure. It is understood and agreed that, in the course of her employment hereunder and through her activities for and on behalf of Authority, Employee will receive, deal with and have access to Authority's Proprietary Information and that Employee holds Authority's Proprietary Information in trust and confidence for Authority. Employee agrees that she shall not, during the term of this Agreement or thereafter, in any fashion, form or manner, directly or indirectly, retain, make copies of, divulge, disclose or communicate to any person, in any manner whatsoever, except when necessary or required in the normal course of Employee's employment hereunder and for the benefit of Authority or with the express written consent of Authority, any of Authority's Proprietary Information or any information of any kind, nature or description whatsoever concerning any matters affecting or relating to Authority's business.
    c. Proprietary Information Defined. For purposes of this Agreement, Proprietary Information" means information which is confidential, proprietary or secret which is used in or in any way relates to the business or operations of Authority, including the following: business strategies, marketing plans, financial information, forecasts, and personnel information; any and all data or information involving the techniques, programs, methods or contacts employed by Authority in the conduct of its business; any lists, documents, manuals, records, forms or other materials used by Authority in the conduct of its business; any descriptive materials describing the methods and procedures employed by Authority in the conduct of its business; any and all information having independent economic value to Authority that is not generally known to, and not readily ascertainable by proper means by, persons who can obtain economic value from its disclosure or use; and any information which Employee has a basis to believe is considered confidential, proprietary or secret to or by Authority. The term "list", "document", or their equivalent, as used in this Section, are not limited to a physical writing or compilation but also include any and all information whatsoever regarding the subject matter of the "list" or "document" whether or not such compilation has been reduced to writing.

12. **Termination of Prior Agreements**. This Agreement terminates and supersedes any and all prior agreement and understandings, whether oral or written, express or implied, between the parties with respect to employment or with respect to the compensation of Employee by Authority.

13. **Assignment**. This Agreement is personal in its nature and neither of the parties hereto shall, without the consent of the other, assign or transfer this Agreement or any rights or obligations hereunder; provided that, in the event of the merger, consolidation or transfer or sale of all or substantially all of the assets of Authority with or to any other individual or entity, this Agreement shall, subject to the provisions hereof, be binding upon and inure to the benefit of such successor

and such successor shall discharge and perform all the promises, covenants, duties and obligations of Authority hereunder.

14. **Governing Law**. This Agreement and the legal relations thus created between the parties hereto shall be governed by and construed under and in accordance with the laws of the State of Utah.

15. **Entire Agreement**. This Employment Agreement embodies the entire agreement of the parties respecting the matters within its scope and may be modified only in writing.

16. **Waiver**. Failure to insist upon strict compliance with any of the terms, covenants or conditions hereof shall not be deemed a waiver of such term, covenant or condition, nor shall any waiver or relinquishment of, or failure to insist upon strict compliance with, any right or power hereunder at any one or more times be deemed a waiver or relinquishment of such right or power at any other time or times.

17. **Severability**. In the event that a court of competent jurisdiction determines that any portion of this Agreement is in violation of any statute or public policy, then only the portions of this Agreement which violate such statute or public policy shall be stricken. All portions of this Agreement which do not violate any statute or public policy shall continue in full force and effect. Further, any court order striking any portion of this Agreement shall modify the stricken terms to give as much effect as possible to the intentions of the parties under this Agreement.

18. **Attorneys' Fees**. In the event of litigation by either party to enforce the terms of this Agreement, the prevailing party in such litigation shall be entitled to receive from the other party the reasonable attorneys' fees incurred, together with related reasonable costs.

19. **Counterparts**. This Agreement may be signed in counterparts, each one of which is considered an original, but all of which constitute one and the same instrument.

20. **Electronic Signatures**. Employee and Authority acknowledge and agree that this Agreement may be executed by electronic signature, which shall be considered as an original signature for all purposes and shall have the same force and effect as an original signature. Without limitation, “electronic signature” shall include faxed versions of an original signature or electronically scanned and transmitted versions (e.g., via pdf) of an original signature.

21. **Notices**. Any notice required or permitted to be given pursuant to this Agreement shall be in writing, and shall be delivered personally or sent by registered or certified mail, postage prepaid, addressed as follows:

    If to Authority, to:

    Chair, Board of Trustees
    Utah Transit Authority
    669 W 200 S
    Salt Lake City, UT 84101

If Employee, to:

UTAH TRANSIT AUTHORITY

______________________________________
Carlton Christensen
Chair, Board of Trustees
Date: _________________________________

______________________________________
Beth Holbrook
Trustee
Date: _________________________________

______________________________________
Kent Millington
Trustee
Date: _________________________________

EMPLOYEE

_______________________________________
Carolyn Gonot

Date: __________________________________

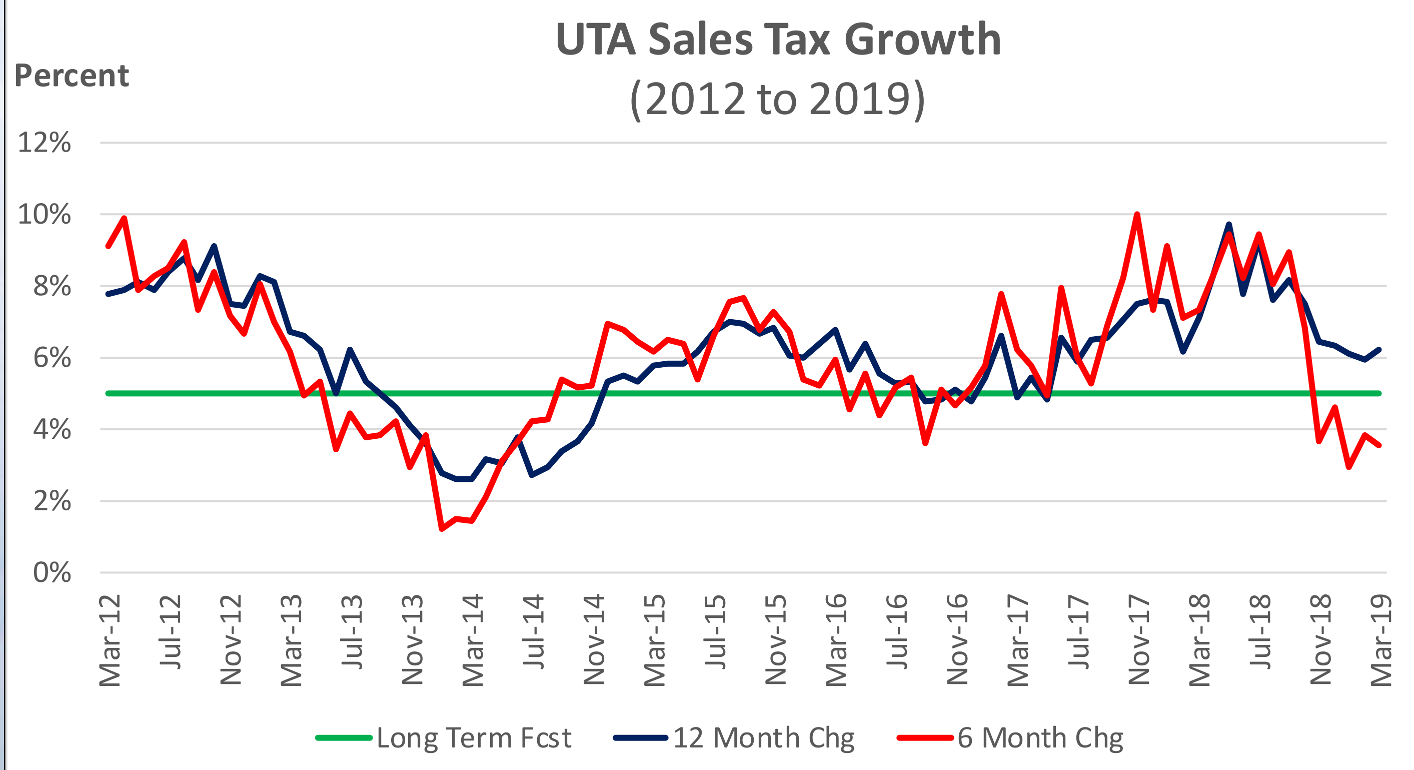
Approved as to form:

___________________________________
Assistant Attorney General
UTA Legal Counsel

# UTA Board Dashboard

May 2019

| Financial Metrics | May Actual | May Budget | Fav/ (Unfav) | % | YTD Actual | YTD Budget | Fav/ (Unfav) | % |
|---|---|---|---|---|---|---|---|---|
| Sales Tax (March '19 mm $) | $ 25.7 | $ 27.7 | $ (2.07) | -7.5% | $ 68.7 | $ 69.4 | $ (0.72) | -1.0% |
| Fare Revenue (mm) | $ 4.4 | $ 4.4 | $ 0.04 | 0.8% | $ 22.2 | $ 22.3 | $ (0.02) | -0.1% |
| Operating Exp (mm) | $ 24.2 | $ 24.5 | $ 0.31 | 1.3% | $ 117.3 | $ 121.8 | $ 4.48 | 3.7% |
| Subsidy Per Rider (SPR) | $ 5.56 | $ 5.40 | $ (0.16) | -3.0% | $ 5.17 | $ 5.40 | $ 0.23 | 4.3% |
| UTA Diesel Price ($/gal) | $ 2.33 | $ 2.50 | $ 0.17 | 6.8% | $ 2.07 | $ 2.50 | $ 0.43 | 17.3% |
| **Operating Metrics** | **May Actual** | **May-18** | **F/ (UF)** | **%** | **YTD Actual** | **YTD 2018** | **F/ (UF)** | **%** |
| Ridership (mm) | 3.55 | 3.57 | (0.0) | -0.6% | 18.39 | 18.16 | 0.2 | 1.3% |
| **Alternative Fuels** | CNG Price (Diesel Gal Equiv) | $ 1.84 | | | | | | |



# Utah Transit Authority

## Financial Statement

(Unaudited)

May 31, 2019

KEY ITEM REPORT
(UNAUDITED)
As of May 31, 2019

EXHIBIT 1-1

| | | 2019 YTD ACTUAL | 2019 YTD BUDGET | VARIANCE FAVORABLE (UNFAVORABLE) | % FAVORABLE (UNFAVORABLE) |
|---|---|---|---|---|---|
| 1 | Sales Tax | $ 112,948,778 | $ 114,335,166 | $ (1,386,388) | -1% |
| 2 | Passenger Revenue | 22,235,032 | 22,258,950 | (23,918) | 0% |
| 3 | Other Revenue | 33,935,419 | 33,652,085 | 283,334 | 1% |
| 4 | Total Revenue | 169,119,229 | 170,246,201 | (1,126,972) | -1% |
| 5 | Net Operating Expenses | (117,319,534) | (121,800,362) | 4,480,828 | 4% |
| | Net Operating Income (Loss) | 51,799,695 | 48,445,839 | 3,353,856 | 7% |
| 6 | Debt Service | 56,431,391 | 56,427,431 | (3,960) | 0% |
| 7 | Other Non-Operating Expenses | 1,845,782 | 2,514,575 | 668,793 | 27% |
| 8 | Sale of Assets | (904,668) | - | 904,668 | |
| 9 | Contribution to Capital Reserves | $ (5,572,810) | $ (10,496,167) | $ 4,923,357 | |
| 10 | Bond Debt Service - Series 2016 UT COUNTY | 841,116 | | | |
| 11 | Amortization | (2,680,786) | | | |
| 12 | Depreciation | 57,773,324 | | | |
| 13 | Total Non-cash Items | $ 55,933,654 | | | |

GOALS

RIDERSHIP

| | 2018 Actual | May 2019 | May 2018 | Difference | 2019 YTD | 2018 YTD | Difference |
|---|---|---|---|---|---|---|---|
| 14 | 44,200,955 | 3,548,877 | 3,570,402 | -21,525 | 18,397,204 | 18,155,196 | 242,009 |

OPERATING SUBSIDY PER RIDER -

| | | | SPR |
|---|---|---|---|
| 16 | Net Operating Expense | | $ 117,319,534 |
| 17 | Less: Passenger Revenue | - | (22,235,032) |
| 18 | Subtotal | | 95,084,502 |
| 19 | Divided by: Ridership | ÷ | 18,397,204 |
| 20 | Subsidy per Rider | | $ 5.17 |

SUMMARY FINANCIAL DATA
(UNAUDITED)
As of May 31, 2019

EXHIBIT 1-2

## BALANCE SHEET

| | | 5/31/2019 | 5/31/2018 |
|---|---|---|---|
| | CURRENT ASSETS | | |
| 1 | Cash | $ 10,550,546 | $ 8,339,797 |
| 2 | Investments (Unrestricted) | 94,445,622 | 82,141,909 |
| 3 | Investments (Restricted) | 156,918,010 | 185,078,351 |
| 4 | Receivables | 49,159,084 | 47,470,863 |
| 5 | Receivables - Federal Grants | 24,957,619 | 27,561,145 |
| 6 | Inventories | 37,176,735 | 35,247,106 |
| 7 | Prepaid Expenses | 1,770,516 | 1,285,650 |
| 8 | TOTAL CURRENT ASSETS | $ 374,978,132 | $ 387,124,821 |
| 9 | Property, Plant & Equipment (Net) | 3,043,297,451 | 3,035,391,755 |
| 10 | Other Assets | 148,395,895 | 145,638,334 |
| 11 | TOTAL ASSETS | $ 3,566,671,478 | $ 3,568,154,910 |
| 12 | Current Liabilities | 27,549,799 | 23,578,514 |
| 13 | Other Liabilities | 283,554,442 | 293,574,977 |
| 14 | Net Pension Liability | 131,548,114 | 100,876,554 |
| 15 | Outstanding Debt | 2,202,849,061 | 2,216,665,652 |
| 16 | Equity | 921,170,062 | 933,459,213 |
| 17 | TOTAL LIABILITIES & EQUITY | $ 3,566,671,478 | $ 3,568,154,910 |

## RESTRICTED AND DESIGNATED CASH AND CASH EQUIVALENTS RECONCILIATION

| | | 5/31/2019 | 5/31/2018 |
|---|---|---|---|
| | RESTRICTED RESERVES | | |
| 18 | Debt Service Reserves | 33,437,500 | 34,562,869 |
| 19 | 2018 Bond Proceeds | 41,617,585 | 60,094,873 |
| 20 | Debt Service Interest Payable | 59,682,625 | 51,359,517 |
| 21 | Risk Contingency | 7,811,489 | 7,598,570 |
| 22 | Box Elder County ROW (sales tax) | 7,081,940 | 6,517,935 |
| 23 | Mountain Accord | - | 149,715 |
| 24 | Joint Insurance Trust | 4,279,686 | 4,042,503 |
| 25 | UT County Bond Proceeds | - | 10,313,217 |
| 26 | Davis County Escrow | 1,210,102 | |
| 27 | SL County Escrow (Streetcar Double Track) | - | |
| 28 | Amounts held in escrow | 1,797,083 | 10,439,152 |
| 29 | TOTAL RESTRICTED RESERVES | $ 156,918,010 | $ 185,078,351 |
| | DESIGNATED OPERATING RESERVES | | |
| 30 | Service Stabilization Reserve | $ 15,272,000 | $ 13,916,046 |
| 31 | Fuel Reserve | 1,915,000 | 1,915,000 |
| 32 | Parts Reserve | 3,000,000 | 3,000,000 |
| 33 | Operating Reserve | 28,507,000 | 25,976,619 |
| 34 | Early Debt Retirement Reserve | 53,373,497 | 25,120,649 |
| 35 | TOTAL DESIGNATED OPERATING RESERVES | $ 102,067,497 | $ 69,928,314 |
| 36 | TOTAL RESTRICTED AND DESIGNATED CASH AND EQUIVALENTS | $ 258,985,507 | $ 255,006,665 |

SUMMARY FINANCIAL DATA EXHIBIT 1-3
(UNAUDITED)
As of May 31, 2019

REVENUE & EXPENSES

| | | ACTUAL May-19 | ACTUAL May-18 | YTD 2019 | YTD 2018 |
|---|---|---|---|---|---|
| | REVENUE | | | | |
| 1 | Passenger Revenue | $ 4,431,168 | $ 4,170,552 | $ 22,235,032 | $ 21,592,693 |
| 2 | Advertising Revenue | 204,166 | 200,000 | 1,020,833 | 1,000,000 |
| 3 | Investment Revenue | 633,034 | 776,134 | 2,565,408 | 1,831,795 |
| 4 | Sales Tax | 21,064,364 | 19,181,436 | 112,948,778 | 107,942,507 |
| 5 | Other Revenue | 4,364,257 | 2,398 | 5,200,055 | 1,071,166 |
| 6 | Fed Operations/Preventative Maint. | 4,933,257 | 5,807,750 | 25,149,123 | 25,877,747 |
| 7 | TOTAL REVENUE | $ 35,630,246 | $ 30,138,270 | $ 169,119,229 | $ 159,315,908 |
| | OPERATING EXPENSE | | | | |
| 8 | Bus Service | $ 8,746,758 | $ 8,063,789 | $ 42,030,687 | $ 38,443,551 |
| 9 | Commuter Rail | 2,326,238 | 2,108,664 | 9,865,707 | 9,748,813 |
| 10 | Light Rail | 3,393,150 | 3,320,092 | 15,985,257 | 14,993,592 |
| 11 | Maintenance of Way | 1,376,198 | 1,434,305 | 7,132,493 | 6,564,030 |
| 12 | Paratransit Service | 1,634,515 | 1,820,526 | 9,037,046 | 8,508,783 |
| 13 | RideShare/Van Pool Services | 210,205 | 226,650 | 1,214,165 | 1,028,711 |
| 14 | Operations Support | 4,062,263 | 3,908,641 | 19,844,266 | 18,754,182 |
| 15 | Administration | 2,423,497 | 2,589,629 | 12,209,913 | 11,962,258 |
| 16 | TOTAL OPERATING EXPENSE | $ 24,172,824 | $ 23,472,296 | $ 117,319,534 | $ 110,003,920 |
| 17 | NET OPERATING INCOME (LOSS) | $ 11,457,422 | $ 6,665,974 | $ 51,799,695 | $ 49,311,988 |
| | NON-OPERATING EXPENSE (REVENUE) | | | | |
| 18 | Planning & Development | $ 362,793 | $ 411,921 | $ 1,845,782 | $ 1,793,340 |
| 19 | Bond Principal | 1,222,902 | 1,716,111 | 13,255,341 | 16,782,221 |
| 20 | Bond Interest | 7,964,237 | 8,179,015 | 39,821,186 | 39,033,988 |
| 21 | Bond Cost of Issuance/Fees | 27,200 | 11,600 | 36,700 | 1,072,084 |
| 22 | Lease Cost | 659,300 | 781,195 | 3,318,164 | 2,840,903 |
| 23 | Sale of Assets | (8,574) | | (904,668) | (4,047,197) |
| 24 | TOTAL NON-OPERATING EXPENSE | $ 10,227,858 | $ 11,099,842 | $ 57,372,505 | $ 57,475,339 |
| 25 | CONTRIBUTION TO CAPITAL RESERVES | $ 1,229,564 | $ (4,433,868) | $ (5,572,810) | $ (8,163,351) |
| | OTHER EXPENSES (NON-CASH) | | | | |
| 26 | Bond Debt Service - Series 2007A CAB | | $ 53,816 | | $ 176,702 |
| 27 | Bond Debt Service - Series 2016 UT COUNTY | $ 169,218 | | $ 841,116 | |
| 28 | Bond Premium/Discount Amortization | (1,285,887) | (1,120,849) | (6,429,435) | (5,273,101) |
| 29 | Bond Refunding Cost Amortization | 682,154 | 683,649 | 3,410,768 | 3,418,246 |
| 30 | Future Revenue Cost Amortization | 67,576 | 67,576 | 337,881 | 337,881 |
| 31 | Depreciation | 11,700,120 | 12,930,000 | 57,773,324 | 59,217,964 |
| 32 | NET OTHER EXPENSES (NON-CASH) | $ 11,333,181 | $ 12,614,192 | $ 55,933,654 | $ 57,877,692 |

ACTUAL REPORT (UNAUDITED) As of May 31, 2019 — EXHIBIT 1-4

CURRENT MONTH

| | | ACTUAL May-19 | BUDGET May-19 | VARIANCE FAVORABLE (UNFAVORABLE) | % FAVORABLE (UNFAVORABLE) |
|---|---|---|---|---|---|
| | REVENUE | | | | |
| 1 | Passenger Revenue | $ 4,431,168 | $ 4,379,372 | $ 51,796 | 1% |
| 2 | Advertising Revenue | 204,166 | 204,167 | (1) | 0% |
| 3 | Investment Revenue | 633,034 | 715,167 | (82,133) | -11% |
| 4 | Sales Tax | 21,064,364 | 23,136,009 | (2,071,645) | -9% |
| 5 | Other Revenue | 4,364,257 | 295,417 | 4,068,840 | 1377% |
| 6 | Fed Operations/Preventative Maint. | 4,933,257 | 5,515,667 | (582,410) | -11% |
| 7 | TOTAL REVENUE | $ 35,630,246 | $ 34,245,798 | $ 1,384,448 | 4% |
| | OPERATING EXPENSE | | | | |
| 8 | Bus Service | $ 8,746,758 | $ 8,525,907 | $ (220,851) | -3% |
| 9 | Commuter Rail | 2,326,238 | 2,071,805 | (254,433) | -12% |
| 10 | Light Rail | 3,393,150 | 3,393,287 | 137 | 0% |
| 11 | Maintenance of Way | 1,376,198 | 1,487,331 | 111,133 | 7% |
| 12 | Paratransit Service | 1,634,515 | 1,903,825 | 269,310 | 14% |
| 13 | RideShare/Van Pool Services | 210,205 | 268,420 | 58,215 | 22% |
| 14 | Operations Support | 4,062,263 | 3,991,579 | (70,684) | -2% |
| 15 | Administration | 2,423,497 | 2,842,290 | 418,793 | 15% |
| 16 | TOTAL OPERATING EXPENSE | $ 24,172,824 | $ 24,484,444 | $ 311,620 | 1% |
| 17 | NET OPERATING INCOME (LOSS) | $ 11,457,422 | $ 9,761,354 | $ 1,696,068 | 17% |
| | NON-OPERATING EXPENSE (REVENUE) | | | | |
| 18 | Planning & Development | $ 362,793 | $ 502,915 | $ 140,122 | 28% |
| 19 | Bond Principal | 1,222,902 | 1,222,902 | - | 0% |
| 20 | Bond Interest | 7,964,237 | 7,964,237 | 0 | 0% |
| 21 | Bond Cost of Issuance/Fees | 27,200 | 4,600 | (22,600) | -491% |
| 22 | Lease Cost | 659,300 | 660,147 | 847 | 0% |
| 23 | Sale of Assets | (8,574) | - | 8,574 | |
| 24 | TOTAL NON-OPERATING EXPENSE | $ 10,227,858 | $ 10,354,801 | $ 126,943 | 1% |
| 25 | CONTRIBUTION TO CAPITAL RESERVES | $ 1,229,564 | $ (593,447) | $ 1,823,011 | 307% |
| | OTHER EXPENSES (NON-CASH) | | | | |
| 26 | Bond Debt Service - Series 2007A CAB | $ - | | | |
| 27 | Bond Debt Service - Series 2016 UT COUNTY | 169,218 | | | |
| 28 | Bond Premium/Discount Amortization | (1,285,887) | | | |
| 29 | Bond Refunding Cost Amortization | 682,154 | | | |
| 30 | Future Revenue Cost Amortization | 67,576 | | | |
| 31 | Depreciation | 11,700,120 | | | |
| 32 | NET OTHER EXPENSES (NON-CASH) | $ 11,333,181 | | | |

BUDGET TO ACTUAL REPORT
(UNAUDITED)
As of May 31, 2019

EXHIBIT 1-5

YEAR TO DATE

| | | ACTUAL May-19 | BUDGET May-19 | VARIANCE FAVORABLE (UNFAVORABLE) | % FAVORABLE (UNFAVORABLE) |
|---|---|---|---|---|---|
| | REVENUE | | | | |
| 1 | Passenger Revenue | $ 22,235,032 | $ 22,258,950 | $ (23,918) | 0% |
| 2 | Advertising Revenue | 1,020,833 | 1,020,835 | (2) | 0% |
| 3 | Investment Revenue | 2,565,408 | 3,575,833 | (1,010,425) | -28% |
| 4 | Sales Tax | 112,948,778 | 114,335,166 | (1,386,388) | -1% |
| 5 | Other Revenue | 5,200,055 | 1,477,083 | 3,722,972 | 252% |
| 6 | Fed Operations/Preventative Maint. | 25,149,123 | 27,578,333 | (2,429,210) | -9% |
| 7 | TOTAL REVENUE | $ 169,119,229 | $ 170,246,201 | $ (1,126,972) | -1% |
| | OPERATING EXPENSE | | | | |
| 8 | Bus Service | $ 42,030,687 | $ 42,883,024 | $ 852,337 | 2% |
| 9 | Commuter Rail | 9,865,707 | 10,165,052 | 299,345 | 3% |
| 10 | Light Rail | 15,985,257 | 15,353,815 | (631,442) | -4% |
| 11 | Maintenance of Way | 7,132,493 | 7,463,322 | 330,829 | 4% |
| 12 | Paratransit Service | 9,037,046 | 9,518,957 | 481,911 | 5% |
| 13 | RideShare/Van Pool Services | 1,214,165 | 1,342,100 | 127,935 | 10% |
| 14 | Operations Support | 19,844,266 | 20,012,259 | 167,993 | 1% |
| 15 | Administration | 12,209,913 | 15,061,833 | 2,851,920 | 19% |
| 16 | TOTAL OPERATING EXPENSE | $ 117,319,534 | $ 121,800,362 | $ 4,480,828 | 4% |
| 17 | NET OPERATING INCOME (LOSS) | $ 51,799,695 | $ 48,445,839 | $ 3,353,856 | 7% |
| | NON-OPERATING EXPENSE (REVENUE) | | | | |
| 18 | Planning & Development | $ 1,845,782 | $ 2,514,575 | $ 668,793 | 27% |
| 19 | Bond Principal | 13,255,341 | 13,255,341 | - | 0% |
| 20 | Bond Interest | 39,821,186 | 39,821,186 | 0 | 0% |
| 21 | Bond Cost of Issuance/Fees | 36,700 | 29,700 | (7,000) | -24% |
| 22 | Lease Cost | 3,318,164 | 3,321,204 | 3,040 | 0% |
| 23 | Sale of Assets | (904,668) | - | 904,668 | |
| 24 | TOTAL NON-OPERATING EXPENSE | $ 57,372,505 | $ 58,942,006 | $ 1,569,501 | 3% |
| 25 | CONTRIBUTION TO CAPITAL RESERVES | $ (5,572,810) | $ (10,496,167) | $ 4,923,357 | 47% |

| | | |
|---|---|---|
| | OTHER EXPENSES (NON-CASH) | |
| 26 | Bond Debt Service - Series 2007A CAB | $ - |
| 27 | Bond Debt Service - Series 2016 UT COUNTY | $ 841,116 |
| 28 | Bond Premium/Discount Amortization | (6,429,435) |
| 29 | Bond Refunding Cost Amortization | 3,410,768 |
| 30 | Future Revenue Cost Amortization | 337,881 |
| 31 | Depreciation | 57,773,324 |
| 32 | NET OTHER EXPENSES (NON-CASH) | $ 55,933,654 |

CAPITAL PROJECTS
(UNAUDITED)
As of May 31, 2019



| | | 2019 ACTUAL | ANNUAL BUDGET | PERCENT |
|---|---|---|---|---|
| | EXPENSES | | | |
| 1 | REVENUE AND NON-REVENUE VEHICLES | $ 494,763 | $ 10,290,000 | 4.8% |
| 2 | INFORMATION TECHNOLOGY | 411,543 | 11,120,532 | 3.7% |
| 3 | FACILITIES, MAINTENANCE & ADMIN. EQUIP. | 203,338 | 2,547,169 | 8.0% |
| 4 | CAPITAL PROJECTS | 10,238,237 | 69,212,295 | 14.8% |
| 5 | PROVO OREM BRT | 1,450,774 | 2,500,000 | 58.0% |
| 6 | AIRPORT STATION RELOCATION | 171,870 | 2,650,000 | 6.5% |
| 7 | STATE OF GOOD REPAIR | 6,256,558 | 28,046,172 | 22.3% |
| 8 | TIGER | 806,018 | 15,012,832 | 5.4% |
| 9 | TOTAL | $ 20,033,101 | $ 141,379,000 | 14.2% |
| | REVENUES | | | |
| 10 | GRANT | $ 6,438,762 | $ 50,031,000 | 12.9% |
| 11 | PROVO-OREM TRIP | - | 2,500,000 | 0.0% |
| 12 | LEASES (PAID TO DATE) | 299,590 | 10,090,000 | 3.0% |
| 13 | BONDS | 4,001,665 | 16,520,000 | 24.2% |
| 14 | LOCAL PARTNERS | 1,858,386 | 15,686,000 | 11.8% |
| 15 | UTA FUNDING | 7,434,697 | 46,552,000 | 16.0% |
| 16 | TOTAL | $ 20,033,101 | $ 141,379,000 | 14.2% |

FAREBOX RECOVERY & SPR
(UNAUDITED)
As of May 31, 2019



BY SERVICE

| | CURRENT MONTH | | YEAR TO DATE | |
|---|---|---|---|---|
| | May-19 | May-18 | 2019 | 2018 |
| **UTA** | | | | |
| Fully Allocated Costs | 24,172,824 | 23,472,296 | 117,319,534 | 110,003,920 |
| Passenger Farebox Revenue | 4,431,038 | 4,170,324 | 22,234,902 | 21,592,693 |
| Passengers | 3,548,877 | 3,570,402 | 18,397,204 | 18,155,196 |
| Farebox Recovery Ratio | 18.3% | 17.8% | 19.0% | 19.6% |
| Actual Subsidy per Rider | $5.56 | $5.41 | $5.17 | $4.87 |
| **BUS SERVICE** | | | | |
| Fully Allocated Costs | 11,585,116 | 10,864,904 | 56,052,078 | 51,815,334 |
| Passenger Farebox Revenue | 1,736,588 | 1,658,660 | 9,284,475 | 8,623,533 |
| Passengers | 1,629,106 | 1,534,430 | 8,529,671 | 7,880,643 |
| Farebox Recovery Ratio | 15.0% | 15.3% | 16.6% | 16.6% |
| Actual Subsidy per Rider | $6.05 | $6.00 | $5.48 | $5.48 |
| **LIGHT RAIL SERVICE** | | | | |
| Fully Allocated Costs | 6,732,932 | 6,713,490 | 32,744,021 | 30,799,474 |
| Passenger Farebox Revenue | 1,583,159 | 1,519,547 | 7,144,401 | 7,582,166 |
| Passengers | 1,323,538 | 1,451,232 | 6,906,953 | 7,391,334 |
| Farebox Recovery Ratio | 23.5% | 22.6% | 21.8% | 24.6% |
| Actual Subsidy per Rider | $3.89 | $3.58 | $3.71 | $3.14 |
| **COMMUTER RAIL SERVICE** | | | | |
| Fully Allocated Costs | 3,633,385 | 3,441,621 | 16,409,481 | 15,975,918 |
| Passenger Farebox Revenue | 488,241 | 513,776 | 2,241,877 | 2,403,669 |
| Passengers | 425,937 | 410,135 | 2,130,710 | 2,012,976 |
| Farebox Recovery Ratio | 13.4% | 14.9% | 13.7% | 15.0% |
| Actual Subsidy per Rider | $7.38 | $7.14 | $6.65 | $6.74 |
| **PARATRANSIT** | | | | |
| Fully Allocated Costs | 1,819,677 | 2,000,128 | 9,915,523 | 9,412,586 |
| Passenger Farebox Revenue | 286,236 | 164,130 | 1,863,799 | 1,361,916 |
| Passengers | 72,980 | 73,380 | 354,822 | 355,671 |
| Farebox Recovery Ratio | 15.7% | 8.2% | 18.8% | 14.5% |
| Actual Subsidy per Rider | $21.01 | $25.02 | $22.69 | $22.64 |
| **RIDESHARE** | | | | |
| Fully Allocated Costs | 401,713 | 452,154 | 2,198,431 | 2,000,608 |
| Passenger Farebox Revenue | 336,814 | 314,211 | 1,700,350 | 1,621,409 |
| Passengers | 97,316 | 101,225 | 475,049 | 514,572 |
| Farebox Recovery Ratio | 83.8% | 69.5% | 77.3% | 81.0% |
| Actual Subsidy per Rider | $0.67 | $1.36 | $1.05 | $0.74 |

FAREBOX RECOVERY & SPR | EXHIBIT 1-8

(UNAUDITED)

As of May 31, 2019

BY TYPE

| | CURRENT MONTH | | YEAR TO DATE | |
|---|---|---|---|---|
| | May-19 | May-18 | 2019 | 2018 |
| **FULLY ALLOCATED COSTS** | | | | |
| Bus Service | $11,585,116 | $10,864,904 | $56,052,078 | $51,815,334 |
| Light Rail Service | $6,732,932 | $6,713,490 | $32,744,021 | $30,799,474 |
| Commuter Rail Service | $3,633,385 | $3,441,621 | $16,409,481 | $15,975,918 |
| Paratransit | $1,819,677 | $2,000,128 | $9,915,523 | $9,412,586 |
| Rideshare | $401,713 | $452,154 | $2,198,431 | $2,000,608 |
| UTA | $24,172,824 | $23,472,296 | $117,319,534 | $110,003,920 |
| **PASSENGER FAREBOX REVENUE** | | | | |
| Bus Service | $1,736,588 | $1,658,660 | $9,284,475 | $8,623,533 |
| Light Rail Service | $1,583,159 | $1,519,547 | $7,144,401 | $7,582,166 |
| Commuter Rail Service | $488,241 | $513,776 | $2,241,877 | $2,403,669 |
| Paratransit | $286,236 | $164,130 | $1,863,799 | $1,361,916 |
| Rideshare | $336,814 | $314,211 | $1,700,350 | $1,621,409 |
| UTA | $4,431,038 | $4,170,324 | $22,234,902 | $21,592,693 |
| **PASSENGERS** | | | | |
| Bus Service | 1,629,106 | 1,534,430 | 8,529,671 | 7,880,643 |
| Light Rail Service | 1,323,538 | 1,451,232 | 6,906,953 | 7,391,334 |
| Commuter Rail Service | 425,937 | 410,135 | 2,130,710 | 2,012,976 |
| Paratransit | 72,980 | 73,380 | 354,822 | 355,671 |
| Rideshare | 97,316 | 101,225 | 475,049 | 514,572 |
| UTA | 3,548,877 | 3,570,402 | 18,397,204 | 18,155,196 |
| **FAREBOX RECOVERY RATIO** | | | | |
| Bus Service | 15.0% | 15.3% | 16.6% | 16.6% |
| Light Rail Service | 23.5% | 22.6% | 21.8% | 24.6% |
| Commuter Rail Service | 13.4% | 14.9% | 13.7% | 15.0% |
| Paratransit | 15.7% | 8.2% | 18.8% | 14.5% |
| Rideshare | 83.8% | 69.5% | 77.3% | 81.0% |
| UTA | 18.3% | 17.8% | 19.0% | 19.6% |
| **ACTUAL SUBSIDY PER RIDER** | | | | |
| Bus Service | $6.05 | $6.00 | $5.48 | $5.48 |
| Light Rail Service | $3.89 | $3.58 | $3.71 | $3.14 |
| Commuter Rail Service | $7.38 | $7.14 | $6.65 | $6.74 |
| Paratransit | $21.01 | $25.02 | $22.69 | $22.64 |
| Rideshare | $0.67 | $1.36 | $1.05 | $0.74 |
| UTA | $5.56 | $5.41 | $5.17 | $4.87 |

SUMMARY OF ACCOUNTS RECEIVABLE EXHIBIT 1-9

(UNAUDITED)

As of May 31, 2019

| | Classification | Total | Current | 31-60 Days | 61-90 Days | 90-120 Days | Over 120 Days |
|---|---|---|---|---|---|---|---|
| 1 | Federal Government [1] | $ 24,957,619 | $ 24,957,619 | $ - | $ - | $ - | $ - |
| 2 | Local Contributions [2] | 44,927,509 | 44,927,509 | - | - | - | - |
| 3 | Warranty Recovery | 653,379 | 653,379 | - | - | - | - |
| 4 | Product Sales and Development | 856,402 | 446,231 | 261,728 | 119,902 | 25,480 | 3,061 |
| 5 | Pass Sales | 517,773 | 306,959 | 97,934 | 30,716 | 2,957 | 79,207 |
| 6 | Property Management | 103,795 | 54,846 | 19,105 | - | 10,491 | 19,353 |
| 7 | Vanpool/Rideshare | 121,234 | 2,684 | 6,229 | 13,626 | (6,905) | 105,600 |
| 8 | Capital Development Agreements | 1,391,446 | 468,742 | - | - | (210,521) | 1,133,225 |
| 9 | Mobility Management | 6,700 | - | - | - | 5,000 | 1,700 |
| 10 | Paratransit | 11,250 | 11,250 | - | - | - | - |
| 11 | Other [3] | 569,596 | 569,596 | - | - | - | - |
| 12 | Total | $ 74,116,703 | $ 72,398,815 | $ 384,996 | $ 164,244 | $ (173,498) | $ 1,342,146 |

| | Percentage Due by Aging | Current | 31-60 Days | 61-90 Days | 90-120 Days | Over 120 Days |
|---|---|---|---|---|---|---|
| 13 | Federal Government [1] | 100.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| 14 | Local Contributions [2] | 100.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| 15 | Warranty Recovery | 100.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| 16 | Product Sales and Development | 52.1% | 30.6% | 14.0% | 3.0% | 0.4% |
| 17 | Pass Sales | 59.3% | 18.9% | 5.9% | 0.6% | 15.3% |
| 18 | Property Management | 52.8% | 18.4% | 0.0% | 10.1% | 18.6% |
| 19 | Vanpool/Rideshare | 2.2% | 5.1% | 11.2% | -5.7% | 87.1% |
| 20 | Capital Development Agreements | 33.7% | 0.0% | 0.0% | -15.1% | 81.4% |
| 21 | Mobility Management | 0.0% | 0.0% | 0.0% | 74.6% | 25.4% |
| 22 | Paratransit | 100.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| 23 | Other | 100.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| 24 | Total | 97.7% | 0.5% | 0.2% | -0.2% | 1.8% |

*[1] Federal preventive maintenance funds, federal RideShare funds, and federal interest subsidies for Build America Bonds*

*[2] Estimated sales tax to be distributed upon collection by the Utah State Tax Commission*

*[3] Build American Bond Tax Credits, fuel tax credit*

SUMMARY OF APPROVED DISBURSEMENTS OVER $200,000
FROM MAY 1, 2019 THROUGH MAY 31, 2019
(UNAUDITED)

EXHIBIT 1-10

| Contract # and Description | | Contract Date | Vendor | Check # | Date | Check Total |
|---|---|---|---|---|---|---|
| 15-1251TP | PROVO-OREM BRT | 7/15/2015 | KIEWIT/CLYDE | 345087 | 4/25/2018 | $ 316,597.19 |
| UT13-064GL | PROJECT MGMT SERVICES | 3/3/2014 | WSP USA | 345094 | 4/25/2019 | 288,528.14 |
| 16-1846TP | ON-CALL MAINTENANCE | 10/7/2016 | STACEY AND WITBECK, INC. | 880956 | 4/26/2019 | 242,060.07 |
| ITEM#9(c) | | | SIEMENS MOBILITY, INC. | 345090 | 5/1/2019 | 226,857.30 |
| 14-1109TH | ADA PARATRANSIT AND ROUTE DEVIATION | 9/1/2014 | MV PUBLIC TRANSPORTATION | 881125 | 5/9/2019 | 224,125.17 |
| 17-2392PP | LONO ELECTRIC BUSES | 7/30/2018 | NEW FLYER OF AMERICA | 881126 | 5/9/2019 | 639,466.00 |
| 16-1846TP | ON-CALL MAINTENANCE | 10/7/2016 | STACEY AND WITBECK, INC. | 881131 | 5/9/2019 | 284,639.14 |
| | | | NATIONAL TITLE | 345514 | 5/16/2019 | 210,086.00 |
| R2018-05-09 | | | ROCKY MOUNTAIN POWER | 345526 | 5/16/2019 | 490,824.40 |
| 18-2706JH | 144 SANDBOX UPGRADE KITS | | SIEMENS MOBILITY, INC. | 345527 | 5/16/2019 | 601,790.28 |
| 16-1846TP | ON-CALL MAINTENANCE | 10/7/2016 | STACEY AND WITBECK, INC. | 881172 | 5/16/2019 | 203,315.94 |

# Detailed Contract Description & Purpose

| | | | |
|---|---|---|---|
| **Board Review Date:** | 6/26/2019 | **Document Type:** | Pre-Procurement |
| **Action Requested:** | Pre-Procurement (information only) | | |
| **Criteria:** | Contract is > $1,000,000 | | |

| | | | |
|---|---|---|---|
| **Contract Title:** | Dellner Coupler Parts Overhaul – Quarter/Half Life | **Contract #** | NA |
| **Project Manager:** | Kyle Stockley | **Contract Administrator:** | Jolene Higgins |
| **Impacted Areas:** | Light Rail Divisions | **Included in budget?** | Yes |
| **Procurement method:** | Lowest Bidder (IFB) | **Contractor:** | NA |
| **Sole-Source Reason:** | N/A | **Qty & Unit price** | see attached |
| | | **Change Order Value** | NA |
| | | **Total Contract Value** | $1,053,146 |
| **Contract term (Months)** | NA | **Contract Start Date** | NA |
| **Contract options (Months)** | NA | **Contract End Date:** | NA |
| **Number of responding firms:** | NA | **$ Value of Next Lowest Bidder** | NA |

**General Description & Purpose:**

This procurement is to overhaul the Dellner Couplers for 77 of the S70 light rail vehicles (LRV).
The Coupler is the mechanical and electrical connection between LRV's. The Coupler allows the adding and removing of train cars.
Attached is a detailed spreadsheet of the list of parts to be purchased for this overhaul project that were requistioned by the inventory system (JDE). Project will be performed in-house by UTA Mechanics.

**Attachments:** Contract routing sheet attached?
Other attachments? (list)

| Dellner Coupler Parts Overhaul Requisition List | | | | |
|---|---|---|---|---|
| **Part Number** | **Description** | **Qty (each)** | **Price** | **Extended price** |
| | | | | |
| 155515 | RUBBER BUFFER | 175 | $ 53.10 | $ 9,292.50 |
| 155938 | LATCH HEAD | 175 | $ 947.22 | $ 165,763.50 |
| 175975 | PIN, CATCH | 175 | $ 116.85 | $ 20,448.75 |
| 159415 | SUPPORT, LOWER HALF | 350 | $ 445.43 | $ 155,900.50 |
| 179156 | WASHER | 350 | $ 31.61 | $ 11,063.50 |
| 180034 | SUPPORT STRUT | 350 | $ 483.18 | $ 169,113.00 |
| 5577220065 | CYL BOLT, ISO 2341B CBH I22 X | 350 | $ 86.12 | $ 30,142.00 |
| 154335 | DRAFT BAR | 350 | $ 717.71 | $ 251,198.50 |
| 159682 | SLEEVE, GUIDE ST 35 | 350 | $ 314.60 | $ 110,110.00 |
| 164693 | PROTECTING COVER | 350 | $ 46.00 | $ 16,100.00 |
| 156844 | BEARING | 350 | $ 23.00 | $ 8,050.00 |
| 1032219 | Bearing Bracket | 10 | $ 4,595.00 | $ 45,950.00 |
| 6010065050 | Bearing | 10 | $ 60.96 | $ 609.60 |
| 6012060040 | Bearing | 10 | $ 47.15 | $ 471.50 |
| 6012060060 | Bearing | 10 | $ 51.00 | $ 510.00 |
| 180036 | Cam Disc | 10 | $ 1,268.00 | $ 12,680.00 |
| 6010055040 | Bearing | 10 | $ 77.15 | $ 771.50 |
| 6010022015 | Bearing | 10 | $ 12.50 | $ 125.00 |
| 151416 | Inner Ring | 10 | $ 63.00 | $ 630.00 |
| 5659050000 | Retaining Ring | 10 | $ 4.50 | $ 45.00 |
| 152836 | Stripper | 10 | $ 93.00 | $ 930.00 |
| 1016770 | Muff Coupler Top | 10 | $ 875.00 | $ 8,750.00 |
| 1016771 | Muff Coupler Bottom | 10 | $ 875.00 | $ 8,750.00 |
| 1007181 | Locking Plate Thin | 10 | $ 13.16 | $ 131.60 |
| 1007182 | Securing Washer Plate | 10 | $ 21.00 | $ 210.00 |
| 1033032 | Friont Arm | 10 | $ 1,270.00 | $ 12,700.00 |
| 1033033 | Rear Arm | 10 | $ 1,270.00 | $ 12,700.00 |
| Total | | 3485 | $ 13,861.24 | $ 1,053,146.45 |
| | | | | |

# Detailed Contract Description & Purpose

| | | | |
|---|---|---|---|
| **Board Review Date:** | 6/26/2019 | **Document Type:** | Pre-Procurement |
| **Action Requested:** | Pre-Procurement (information only) | | |
| **Criteria:** | Contract is > $1,000,000 | | |

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| | | | |
|---|---|---|---|
| **Contract Title:** | Pantograph Overhaul | **Contract #** | 19-03081 |
| **Project Manager:** | Kyle Stockley | **Contract Administrator:** | Jolene Higgins |
| **Impacted Areas:** | Light Rail Divisions | **Included in budget?** | Yes |
| **Procurement method:** | Lowest Bidder (IFB) | **Contractor:** | NA |
| **Sole-Source Reason:** | N/A | **Qty & Unit price** | see attached |
| | | **Change Order Value** | NA |
| | | **Total Contract Value** | $785,590.80 |
| **Contract term (Months)** | NA | **Contract Start Date** | NA |
| **Contract options (Months)** | NA | **Contract End Date:** | NA |
| **Number of responding firms:** | NA | **$ Value of Next Lowest Bidder** | NA |

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**General Description & Purpose:**

This procurement is to overhaul the Pantograph on all Light Rail vehicles. The pantograph is the contact mechanism that transfers power from the overhead wire to the vehicle. All three light rail fleets (117 vehicles) are due for either a 1/2 or 1/4 life overhaul as part of the light rail program. The procurement is for the parts needed to perform the task and are listed in the attached parts list. The requisition numbers are listed on the attachment for each inventory part number. The labor will be conducted by existing UTA personnel.

**Attachments:** Contract routing sheet attached?
Other attachments? (list)

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| Pantograph Overhaul Requisition List | | | | | | | |
|---|---|---|---|---|---|---|---|
| Requisition Number | Out of Stock Number | Part Number | Quantity | UM | Line Description | Unit Cost | Total |
| 291178 | 199831 | 10466957 | 620 | EA | BASE FRAME, SPECIAL WASHER | $ 6.75 | $ 4,185.00 |
| 291179 | 199832 | 10477631 | 310 | EA | INSULATOR RING, NYLON | $ 3.00 | $ 930.00 |
| 291180 | 199833 | 10467217 | 620 | EA | BEARING, BASE FRAME | $ 27.27 | $ 16,907.40 |
| 291181 | 199834 | 10477633 | 155 | EA | BEARING SHAFT, FLOATING | $ 43.00 | $ 6,665.00 |
| 291182 | 199835 | 10477632 | 155 | EA | BEARING SHAFT, FIXED | $ 40.65 | $ 6,300.75 |
| 291183 | 199836 | 10478025 | 1240 | EA | SHUNT, PANTO HEAD LONG | $ 27.60 | $ 34,224.00 |
| 291184 | 199837 | 10478206 | 310 | EA | BUSHING OUTSIDE UPPER | $ 10.70 | $ 3,317.00 |
| 291185 | 199838 | 10478207 | 155 | EA | BUSHING INSIDE UPPER | $ 9.80 | $ 1,519.00 |
| 291186 | 199839 | 10477743 | 310 | EA | INSULATOR RING, NYLON | $ - | $ - |
| 291187 | 199840 | 6203.2RSR.C3 | 1240 | EA | BEARING, COUPLING ROD | $ 6.96 | $ 8,630.40 |
| 291188 | 199841 | 10477636 | 155 | EA | BEARING SHAFT, FLOATING | $ 36.75 | $ 5,696.25 |
| 291189 | 199842 | 10477639 | 155 | EA | BEARING SHAFT, FIXED | $ 39.10 | $ 6,060.50 |
| 291190 | 199843 | 3510636003 | 32 | EA | UP-STOP | $ 6.90 | $ 220.80 |
| 291191 | 199844 | 120024A | 155 | EA | BOLT, 5.6 PANTOGRAPH | $ 45.50 | $ 7,052.50 |
| 291192 | 199845 | 10478208 | 155 | EA | RAISING MECHANISM, CABLE | $ 129.80 | $ 20,119.00 |
| 291193 | 199846 | 10467230 | 155 | EA | SPHERICAL WASHER BALL | $ 6.25 | $ 968.75 |
| 291194 | 199847 | 10467231 | 155 | EA | SPHERICAL WASHER CONE | $ 6.28 | $ 973.40 |
| 291195 | 199848 | 10467120 | 155 | EA | WASHER, SPECIAL COUPLING ROD | $ 4.05 | $ 627.75 |
| 291196 | 199849 | 10478233 | 155 | EA | SHAFT BEARING COUPLING | $ 30.00 | $ 4,650.00 |
| 291197 | 199850 | 10479102 | 16 | EA | COUPLING ROD, SHORT END RH THD | $ 93.70 | $ 1,499.20 |
| 291198 | 199851 | 10478232 | 155 | EA | COUPLING ROD, TURNBUCKLE | $ 39.15 | $ 6,068.25 |
| 291199 | 199852 | 10479104 | 16 | EA | COUPLING ROD, LONG END | $ 242.00 | $ 3,872.00 |
| 291201 | 199853 | 10477739 | 100 | EA | PAN GUIDE ASSY, SELF ADJUSTING | $ 586.00 | $ 58,600.00 |
| 291202 | 199854 | 10478902 | 155 | EA | CARBON STRIP ASM, W/HEATER ELE | $ 969.15 | $ 150,218.25 |
| 291205 | 199855 | 35106195C01 | 155 | EA | HORN CASTING PAN HEAD | $ 65.60 | $ 10,168.00 |
| 291207 | 199856 | 10478198 | 155 | EA | SHUNT, PANTO HEAD SHORT | $ 26.27 | $ 4,071.85 |
| 291203 | 199857 | 10477975 | 95 | EA | SPINDLE, PANTOGRAPH ARM | $ 180.25 | $ 17,123.75 |
| 291204 | 199858 | 10478248 | 16 | EA | PAN HEAD, GUIDING PIECE | $ 83.30 | $ 1,332.80 |
| 291206 | 199859 | 10482386 | 155 | EA | SHEAR PIN | $ 3.55 | $ 550.25 |
| 291208 | 199860 | 10478256 | 155 | EA | PAN HEAD, BUSHING | $ 2.00 | $ 310.00 |
| 291209 | 199861 | 10478219 | 155 | EA | SAFETY SYSTEM, SHAFT | $ 14.06 | $ 2,179.30 |
| 291211 | 199862 | 10477719 | 155 | EA | BUSHING, SAFETY SYSTEM LEVER | $ 9.23 | $ 1,430.65 |
| 291213 | 199863 | 10478557 | 50 | EA | LOWERING DEVICE, PANTOGRAPH | $ 2,897.88 | $ 144,894.00 |
| 291216 | 199864 | 10478954 | 50 | EA | HARNESS KIT, LOWERING DEVICE | $ 320.00 | $ 16,000.00 |
| 291218 | 199865 | 10478396 | 50 | EA | TERMINAL CRIMP MALE HAN | $ 19.76 | $ 988.00 |
| 291212 | 199866 | 10478418 | 400 | EA | CONTACT CRIMP MALE 16GA | $ 1.50 | $ 600.00 |
| 291215 | 199871 | 10478200 | 310 | EA | PAN HEAD, ROCKER BOX | $ 68.75 | $ 21,312.50 |
| 291217 | 199873 | 10477940 | 620 | EA | PAN HEAD, HOLDING FIXTURE | $ 57.00 | $ 35,340.00 |
| 291219 | 199874 | 10477941 | 1240 | EA | PAN HEAD, SHACKLE BUSHING | $ 8.00 | $ 9,920.00 |
| 291220 | 199875 | 10477937 | 620 | EA | SHAFT | $ 10.30 | $ 6,386.00 |
| 291221 | 199876 | 10466997 | 310 | EA | LIMITING SPRING | $ 27.30 | $ 8,463.00 |
| 291222 | 199877 | 10478246 | 310 | EA | PLATE, MOUNTING | $ 25.80 | $ 7,998.00 |
| 291223 | 199878 | 3510564824 | 310 | EA | PLATE, INTERMEDIATE | $ 27.50 | $ 8,525.00 |
| 291224 | 199879 | 10466993 | 310 | EA | PAN HEAD, FLAT LEAF SPRING | $ 30.80 | $ 9,548.00 |
| 291225 | 199880 | 3510564813 | 310 | EA | PLATE, CONNECTING | $ 39.75 | $ 12,322.50 |
| 291226 | 199881 | 10466998 | 310 | EA | PAN HEAD, UNDERLYING SPRING | $ 27.80 | $ 8,618.00 |
| 291227 | 199883 | 10478201 | 620 | EA | PAN HEAD, CLAMP | $ 9.80 | $ 6,076.00 |
| 291228 | 199884 | 3510564816 | 620 | EA | PAN HEAD, BEARING BUSHING | $ 8.45 | $ 5,239.00 |
| 291229 | 199885 | 10478202 | 1240 | EA | PAN HEAD, SHAFT | $ 9.75 | $ 12,090.00 |
| 291230 | 199887 | 3510641617 | 620 | EA | SPACER | $ 6.95 | $ 4,309.00 |
| 291231 | 199888 | 10478866 | 1240 | EA | BEARING, FLANGE | $ 1.95 | $ 2,418.00 |
| 291232 | 199890 | 10478261 | 620 | EA | PAN HEAD, SILENT BLOCK | $ 52.50 | $ 32,550.00 |
| 291233 | 199891 | 10477720 | 620 | EA | PAN HEAD, TURNBUCKLE | $ 31.15 | $ 19,313.00 |
| 291234 | 199892 | 3510619403 | 620 | EA | EYE BOLT | $ 26.25 | $ 16,275.00 |
| 291235 | 199893 | 10478263 | 1240 | EA | PAN HEAD, FLANGE BUSHING | $ 3.40 | $ 4,216.00 |
| 291177 | 199894 | 1032776 | 10 | EA | PLATE, GUIDING RAIL, SHANK | $ 571.80 | $ 5,718.00 |
| **Estimated Grand Total** | | | | | | | **$ 785,590.80** |

# Current Fare Structure

| Local Bus Service, TRAX and Streetcar | Current Fare Effective January 1, 2016 |
|---|---|
| Adult Cash | $2.50 |
| Reduced Fare Cash | $1.25 |
| Adult Monthly Pass | $83.75 |
| Senior Monthly Pass | $41.75 |
| Reduced Fare Monthly Sticker | $41.75 |
| Minor Monthly Pass | $62.75 |
| Student 30-Day Pass [1] | $62.75 |
| Day Pass | $6.25 |
| Round Trip Ticket (TRAX only) | $5.00 |
| Reduced Round Trip Ticket (TRAX only) | $2.50 |
| Route Deviation | $1.25 |
| Route Deviation 10-Punch Pass | $12.50 |
| Token 10 Pack at Pass Outlets | $22.50 |
| Premium Express Bus Service and FrontRunner | |
| Premium Express Bus Cash | $5.50 |
| Premium Senior/Medicare/Reduced Fare Cash | $2.75 |
| FrontRunner Base Fare | $2.50 |
| Each additional station | $0.60 |
| Maximum from Provo to Pleasant View | $10.30 |
| FrontRunner Senior/Medicare/Reduced Base Fare | $1.25 |
| Each additional station | $0.30 |
| Maximum from Provo to Pleasant View | $5.15 |
| Premium Monthly Pass | $198.00 |
| Premium Senior/Medicare/Reduced Monthly Pass | $99.00 |
| Premium Minor/Student 30-Day Pass [1] | $148.50 |
| Monthly Upgrade from Regular to Premium | $114.25 |
| Paratransit | |
| Paratransit Cash | $4.00 |
| Paratransit 10-Punch Pass | $40.00 |
| Ski Service | |
| Ski Service Cash | $4.50 |
| Ski Senior/Reduced Cash | $2.25 |
| Promotional Fares | |
| Low Income Discount/Horizon Monthly Pass | $62.75 |
| Group Pass | $15.00 |
| Park City Cash | $4.50 |
| Park City 30-Day Pass | $162.00 |
| Paratransit Freedom Access Pass | $0.00 |
| FAREPAY Introduction (on select services) | Save up to 40% |

[1] *Sold at participating educational institutions*

**RESOLUTION OF THE BOARD OF TRUSTEES OF THE UTAH TRANSIT AUTHORITY AUTHORIZING REDUCED FARE AGREEMENTS**

No. R2018-06-07 June 27, 2018

WHEREAS, the Utah Transit Authority (the "Authority") is a public transit district organized under the laws of the State of Utah and was created to transact and exercise all of the powers provided for in the Utah Limited Purpose Local Government Entities-Local Districts Act and the Utah Public Transit District Act; and

WHEREAS, Utah Code Ann. §17B-2a-808(2)(s) requires the Authority's Board of Trustees ("Board") to review and approve all contracts pertaining to reduced fares;

WHEREAS, the Board of Trustees of the Authority (the "Board") recognizes the benefits of public transit for individuals, businesses and the community for reducing congestion, improving the quality of air and the environment, and limiting the amount of real property set aside or dedicated to motor vehicle uses and parking in urban locations; and

WHEREAS, the Board recognizes the benefits to the community of travel training services that teach persons who are disabled and refugees from other countries to use the Authority's transit system to promote independent mobility; and

WHEREAS, the Board recognizes the benefits to the community of social service organizations that assist homeless and economically disadvantaged individuals with travel to and from employment, training programs, health care services, etc.; and

WHEREAS, the Authority has discounted fares on local bus, TRAX, and FrontRunner services when such fares are purchased with prepaid, reloadable FarePay cards; and

WHEREAS, the Authority has implemented reduced fare pass programs whereby individuals, corporate and government entities, and educational institutions agree to purchase transit passes from the Authority at discounted rates to reduce congestion, improve the quality of air and the environment, and limit the amount of real property set aside or dedicated to motor vehicle uses and parking in urban locations; and

WHEREAS, the Authority has implemented a reduced fare pass program for non-profit organizations and schools that serve people with disabilities and refugees with transit passes for training purposes to teach individuals to independently use UTA fixed route services; and

WHEREAS, the Authority has implemented a reduced fare pass program to provide social service organizations with fare media to distribute to homeless and economically disadvantaged individuals to assist such individuals with travel to and from employment, training programs, health care services, etc.; and

WHEREAS, the Authority offers various promotional fares to encourage ridership, inaugurate new services, test new marketing techniques, or promote special events; and

WHEREAS, the Board desires to comply with Utah Code Ann. §17B-2a-808(2)(s) and to provide direction to the Authority prior to the adoption of a Board policy implementing legislative requirements regarding reduced fare pass agreements so that the reduced fare pass programs can continue to be available to individuals, corporate and government entities, educational institutions, and social service organizations.

NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees of the Utah Transit Authority:

1. That the Board approves the following on-going discounted rates for fares purchased with FarePay Cards: (1) 40% discount off the standard one-way adult cash fare for local bus service; and (2) 20% discount off the standard one-way adult cash fare for TRAX and FrontRunner service.

2. That the Board approves the on-going use of the standard pass contracts identified in Exhibit A.

3. That the Board approves the on-going use of the ECO Annual Preferred, Ski, Education, Ticket-As-Fare, and Low Income agreements within the pricing parameters identified in Exhibit B.

4. That the Interim Executive Director or designee is authorized to enter into the contracts identified in Exhibits A and B on behalf of the Authority.

5. That the Executive Director is authorized after prior review with the Board Chair to approve promotions to encourage ridership, inaugurate new services, test new marketing techniques, or promote special events as set for in Executive Limitations Policy 2.1.2.

6. That this Resolution shall stay in force and effect until rescinded, amended, or superseded by further action of the Board.

7. That the Board hereby ratifies any and all actions taken by Authority management and staff in furtherance of and effectuating the intent of this Resolution.

8. That the corporate seal shall be affixed hereto.

APPROVED AND ADOPTED this 27th day of June, 2018.

Greg Bell, Chair
Board of Trustees

ATTEST:

Robert K. Biles, Secretary/Treasurer

(Corporate Seal)

CERTIFICATE

The undersigned duly qualified Chair of the Board of Trustees of the Utah Transit Authority certifies that the foregoing is a true and correct copy of a resolution adopted at a legally convened meeting of the Board of Trustees held on the 27th day of June, 2018.

Greg Bell, Chair
Board of Trustees

Robert K. Biles, Secretary/Treasurer

Approved As To Form:

Legal Counsel

EXHIBIT A- STANDARD ECO PASSES

| Program | Type of Pass or Product | Pricing | Anticipated 2018 Renewals | Example of Participants |
|---|---|---|---|---|
| ECO Annual Preferred | Annual Electronic Pass | $392 annual electronic pass purchased for 100% of the partner's employees | 26 | Fidelity Investments, Ernst & Young, JC Penney |
| ECO Annual Select | Annual Electronic Pass | $872 annual electronic pass purchased for select employees | 18 | Western Governors University, Rockwell Collins, Jolt |
| ECO Daily | Electronic Pass | $6.40 per trip, minimum $1,000 spend per month | 16 | Holly Refinery, UMB Fund Services, Orbit Irrigation |
| ECO Monthly | Electronic Pass | $89 monthly electronic pass purchased for select employees, minimum 15 passes, billed monthly, valid on rail and regular bus | 11 | Overstock, Kirton & McConkie, ARUP Laboratories |
| ECO Annual (Old Program) | Annual Electronic Pass | $91 annual premium electronic pass purchased for 100% of the partner's employees<br>*Program no longer exists – Agencies able to move to other pass programs | 3 | Legislative Research and General Counsel, Legislative Auditor General, Office of the Fiscal Analyst<br>*contracts run July 1-June 30 |
| ECO Pay per Trip (Old) | Electronic Pass | Graduated pricing scale that does not exceed 20% | 3 | IHC Health Services, Select Health, Mountainland Association of Governments |
| ED Pay-per-Trip | Electronic Pass - UTA Issued or Student ID | 25% off the public single trip fare | 3 | Clearfield Job Corps, Judge Memorial, Salt Lake School District |
| Non-Profit ECO | Annual | 25% off annual preferred or annual select ECO pass program pricing. | 2 | Downtown Provo Inc., LDS Church |
| RidevanPlus | Monthly | Each rider pays $50 per month for a monthly UTA ECO pass. The van cost is $260. The costs may be subsidized by a sponsoring employer. | 12 | IHC Ride Van Plus, Stadler US Inc., Litho Flexo Grafics |
| Travel Training | Electronic Passes | Free of charge | 19 | IRC, Catholic Community Services |
| Homeless Services Providers | Tokens, Day Passes, Adult Monthly Paper | Tokens, day passes and adult monthly paper passes are sold at a 50% discount but must be distributed to the homeless for free. | 41 | Volunteers of America, Road Home |
| ECO Annual Preferred* | Annual Electronic Pass | $199 annual premium electronic pass | 2 | Lucid Software and Pluralsight<br>*one time first year only, introductory price |
| Co-Op | Monthly Premium or Regular Paper Pass | 20% off regular and premium adult monthly passes, 30% off the pass price is subsidized by the partner and the employee pays no more than half of the price | 5 | LDS Church, Harmons City Creek, KSL Broadcasting, Marriott Hotel and Parvus |

EXHIBIT B- PASS CONTRACTS or AGREEMENTS

| Program | Type of Pass or Product | Pricing | Anticipated 2018 Renewals | Example of Participants |
|---|---|---|---|---|
| ECO Annual Preferred-Custom | Electronic Pass | Pricing based on current eco pass programs (See above). Contract terms added to be approved by institution. | 3 | Bureau of Reclamation, United States Bankruptcy Court, Wageworks |
| Ski | Employer Issued Tap Passes | 20% discount off of the ski bus fare. | 6 | Alta, Brighton, SL Visitors Bureau, Snowbird, Solitude, and Sundance |
| Ski | Electronic Pass | Pricing is based on the cost to run the service | 4 | Davis County, Ogden Weber Convention and Visitors Bureau, Snowbasin, Powder Mountain |
| Ski | Electronic Pass | Pay per Trip Value | 4 | Canyon's resort, Deer Valley Resort, Park City Municipal Corporation |
| ED | Electronic Pass - UTA Issued or Student ID | Pricing is based on bulk (per boardings $1.00 - $1.60 per boarding) and buying transit passes for 100% of their student body population. | 3 | MTECH, LDS Business College |
| Ticket-as-Fare | Electronic Tap Pass or Printed Pass | .50 cents/ticket purchased for all event tickets sold | Varies | Ogden Twilight |
| Low Income | Regular Adult Monthly Paper Pass | 25% off the regular adult monthly pass | 1 | Department of Workforce Services |