669 West 200 South
Salt Lake City, UT 84101

Utah Transit Authority

Audit Committee

REGULAR MEETING AGENDA

Monday, June 16, 2025	3:00 PM	FrontLines Headquarters

The UTA Audit Committee will meet in person at UTA FrontLines Headquarters (FLHQ) - 669 West 200 South, Salt Lake City, Utah 84101

1.	**Call to Order & Opening Remarks**	Chair Carlton Christensen
2.	**Safety First Minute**	Heather Barnum
3.	**Consent**	Chair Carlton Christensen
	a. Approval of March 10, 2025, Audit Committee Meeting Minutes	
4.	**Audit Committee Actions**	
	a. 2024 UTA Annual Comprehensive Financial Report (ACFR) and National Transit Database (NTD) Agreed Upon Procedure Report	Brad Schell Rob Lamph
5.	**Internal Audit Update**	
	a. Internal Audit Update · 2024 Internal Audit Plan Status · 2025 Internal Audit Plan Status	Mike Hurst
	b. 2024 UTA Internal Audit External Assessment - Remediation Action Plans	Mike Hurst
	c. Open Audit Recommendations Report - June 2025	Mike Hurst Christie Giles
6.	**Internal Audit Reports**	
	a. 2025 Assurance Map (25-11)	Mike Hurst
	b. Construction Cost Audit Report (24-02)	Mike Hurst David Hancock Daniel Hofer
	c. Mount Ogden Bus Maintenance Audit Report (25-10)	Mike Hurst

7. Other Business Chair Carlton Christensen

a. Next Meeting: Monday, September 22th, 2025 at 3:00 p.m.

8. Adjourn Chair Carlton Christensen

Meeting Information:

- Special Accommodation: Information related to this meeting is available in alternate formats upon request by contacting adacompliance@rideuta.com or (801) 287-3535. Request for accommodations should be made at least two business days in advance of the scheduled meeting.
- Meeting proceedings may be viewed remotely by following the meeting video link on the UTA Public Meeting Portal - https://rideuta.legistar.com/Calendar.aspx
- In the event of technical difficulties with the remote connection or live-stream, the meeting will proceed in person and in compliance with the Open and Public Meetings Act.
- Public Comment will not be taken at this meeting, but general comment may be given online through https://www.rideuta.com/Board-of-Trustees. Comments may also be sent via e-mail to boardoftrustees@rideuta.com.
- Meetings are audio and video recorded and live-streamed.
- Motions, including final actions, may be taken in relation to any topic listed on the agenda.

669 West 200 South
Salt Lake City, UT 84101

Utah Transit Authority

MEETING MEMO

Audit Committee **Date:** 6/16/2025

TO: Audit Committee
FROM: Curtis Haring, Board Manager

TITLE:

Approval of March 10, 2025, Audit Committee Meeting Minutes

AGENDA ITEM TYPE:
Minutes

RECOMMENDATION:
Approve the minutes of the March 10, 2025, Audit Committee meeting.

BACKGROUND:
A regular meeting of the UTA Audit Committee was held in person and broadcast live through the UTA meetings website on Monday, March 10, 2025, at 3:00 p.m. Minutes from the meeting document the actions of the committee and summarize the discussion that took place in the meeting.

A full audio recording of the meeting is available on the Utah Public Notice Website <https://bit.ly/UTA_AUDIT_PNW_03-10-25> and video feed is available through the UTA Public Meeting Portal <https://bit.ly/UTA_AUDIT_Video_03-10-25>.

ATTACHMENTS:
2025-03-10_AUDIT_Minutes_UNAPPROVED

Utah Transit Authority

Audit Committee

MEETING MINUTES - Draft

669 West 200 South
Salt Lake City, UT 84101

Monday, March 10, 2025 | **3:00 PM** | **FrontLines Headquarters**

Rollcall

Present:	Chair Carlton Christensen Jeff Acerson Bob Stevenson Natalie Hall
Excused:	Beth Holbrook

Also attending were UTA staff and interested community members.

1. Call to Order & Opening Remarks

Chair Christensen welcomed attendees and called the meeting to order at 3:05 p.m. He announced this is an in-person, recorded meeting, with live viewing available online.

Chair Christensen added in his remarks that Trustee Holbrook is excused from the meeting and that Committee Member Natalie Hall would be joining the meeting shortly.

2. Safety First Minute

Chair Christensen delivered a brief safety message.

3. Consent

a. Approval of December 16, 2024 Audit Committee Meeting Minutes

b. Audit Committee Charter Approval

A motion was made by Trustee Acerson and seconded by Committee Member Stevenson, to approve the consent agenda. The motion carried by unanimous vote.

4. Audit Committee Actions and Reports

a. Internal Audit Charter Approval

Committee Member Hall joined the meeting at 3:09 p.m.

Mike Hurst, UTA Director of Internal Audit, presented changes to the Internal Audit Charter for review and adoption by the committee. The charter, which is reviewed by the Audit Committee each year, authorizes the Committee to direct the internal auditing functions of the agency.

Hurst provided an overview of the modifications to the 2025 charter which include:

- Updated reporting structure
- Clarified practices and procedures
- Referenced applicable laws to Internal Audit
- Added audit dispute procedures
- Updated references to audit standards
- Added the requirement of a Strategic Plan and Assurance Map
- Clarified the nature of consulting services and post-consulting restrictions

Discussion ensued. Questions regarding changes to audit standards, assurance map, and consulting services were posed by Chair Christensen and answered by Hurst.

A motion was made by Committee Member Stevenson, and seconded by Committee Member Hall, to approve the Internal Audit Charter as presented. The motion carried by unanimous vote.

b. Enterprise Risk Profile Report

Christie Giles, UTA Enterprise Risk Management Administrator, presented a high-level overview of the agency's enterprise risk profile report detailing current risk ratings in comparison to risk appetite.

Giles noted the last risk assessment was conducted in 2023 and identified UTA's risk rating as moderate with a desired rating of low-moderate. A new assessment will begin next month and results will be presented to the Audit Committee.

Discussion ensued. Questions regarding risk ratings, methodology for risk reduction, and how risk data will be integrated into the internal audit plan were posed by the committee and answered by staff.

c. 2025 Internal Audit Plan Approval

Mike Hurst presented the agency's 2025 internal audit plan for the committee's approval. He noted the plan's alignment with UTA's Strategic Plan in addition to risk areas identified in the enterprise risk report.

Hurst summarize the proposed audit projects in 2025 including Internal and outsourced projects and how each project aligns with the agency's strategic priorities and risk areas.

Discussion ensued. Questions regarding the Mount Ogden Bus Maintenance audit and the rationale for audit project selection were posed by the committee and answered by staff.

A motion was made by Trustee Acerson, and seconded by Committee Member

Stevenson, to approve the 2025 Internal Audit Plan, as presented. The motion carried by unanimous vote.

5. Internal Audit Update

a. Internal Audit Update

- **2024 Audit Plan Status**
- **Internal Audit Strategic Plan**
- **Other Internal Audit Activities**

Mike Hurst provided a status report for audit activities completed or in progress since the last audit committee meeting. Hurst's presentation included reports on the 2024 audit plan, continued projects, new projects, special projects, and other internal audit activities.

Hurst proceeded to review each category including a breakdown of the individual projects, current status, and reporting timelines.

Hurst presented the 2025 UTA Internal Audit Strategic plan and reviewed the vision statement, objectives, and goals of the plan. He noted this plan is required within the new audit standards.

Discussion ensued. Questions pertaining to the Construction Contract Audit and UDOT's involvement and oversight of projects, were posed by Committee Member Hall and answered by staff.

b. Open Issue Report - March 2025

Mike Hurst presented the March 2025 open issues report. He noted progress on two projects: Light Rail and Information Technology.

Hurst reported on new follow up procedures which will include the Enterprise Risk Management (ERM) team coordinating with management and internal audit on open issues. ERM will work with management on fulfilling action plans and alert internal audit when remediation evidence is ready for review. Hurst outlined the benefits, process, and next steps for this new procedure.

A newly revised open issues report will be presented to the committee during the June 16, 2025 meeting.

Discussion ensued. Questions pertaining to independent validation of completed assignments and the role of the enterprise risk management team, were posed by the committee and answered by staff.

Chair Christensen requested Hurst highlight audit action items that aren't being addressed and remediation solutions at each audit committee meeting

6. Internal Audit Reports

a. Real Estate and Transit Oriented Development Audit Report (R-24-03)

Mike Hurst discussed the audit engagement scope, topics, and results of the Real Estate and Transit Oriented Development Audit.

Due to insufficient records and incomplete documentation, the audit team was unable to complete the audit. Hurst noted management will be working with a consulting team to review department processes and identify the problem areas.

Chair Christensen expressed concern with the audit results and lack of resolution. Jay Fox, UTA Executive Director, spoke to the audit and challenges affecting the department including resources. He added that he will have direct oversight of this audit and will be meeting with the consulting firm next week with UTA's Chief of Capital Services and will report directly back to the Board.

b. Information Technology General Controls Follow-up Report (R-21-05)

Mike Hurst was joined by Kyle Brimley, UTA IT Director, to present the Information Technology general controls follow-up report

Hurst provided background to the audit, including timelines, progress, and remediation efforts pertaining to compliance of security standards published by the National Institute of Standards and Technology (NIST).

Hurst reported the adoption of the NIST standards by the IT Department in addition to the hiring of a third-party to review NIST compliance, which have satisfied the requirements of the audit.

Committee Member Stevenson asked if standard practice necessitates the hiring of a third-party contractor to review NIST compliance. Brimley responded in the affirmative.

7. Other Business

a. Next Meeting: Monday, June 16th, 2025, at 3:00 p.m.

8. Adjourn

A motion was made by Committee Member Stevenson, and seconded by Committee Member Hall, to adjourn the meeting. The motion carried by unanimous vote and the meeting adjourned at 4:10 p.m.

Transcribed by Hayley Mitchell
Executive Assistant to the Board
Utah Transit Authority

This document is not intended to serve as a full transcript as additional discussion may have taken place; please refer to the meeting materials or audio located at: <https://www.utah.gov/pmn/sitemap/notice/978197.html> for entire content. Meeting video is accessible at: <https://rideuta.granicus.com/player/clip/352?view_id=1&redirect=true> This document along with the digital recording constitute the official minutes of this meeting.

Approved Date:

____
Carlton Christensen
Chair, UTA Audit Committee

669 West 200 South
Salt Lake City, UT 84101

Utah Transit Authority

MEETING MEMO

Audit Committee **Date:** 6/16/2025

TO:	Audit Committee
THROUGH:	Jay Fox, Executive Director
FROM:	Viola Miller, CFO
PRESENTER(S):	Brad Schelle, CPA, Partner at Crowe Rob Lamph, Comptroller

TITLE:

2024 UTA Annual Comprehensive Financial Report (ACFR) and National Transit Database (NTD) Agreed Upon Procedure Report

AGENDA ITEM TYPE:
Audit - Approval

RECOMMENDATION:
Review and recommend acceptance of the 2024 UTA Financial Audit Report and National Transit Database Agreed Upon Procedure Report by UTA's Board of Trustees.

BACKGROUND:
Provisions within the Public Transit District Act, 17B-2a-808.1 (the "Act"), UTA's Bylaws, Article VII, Section 6, and the Board of Trustee Policy 2.1, Financial Management, all require the use of a qualified independent auditing firm to conduct an annual financial audit and to present the results of their annual audit to UTA's Audit Committee and the Board of Trustees.

Crowe LLP was selected to conduct the 2020-2024 financial audits and NTD agreed upon procedures. They have completed the required reports and will present their results to UTA's Audit Committee.

DISCUSSION:
Representatives from Crowe LLP will present their reports which will cover the purpose and scope of the financial audit, required communications with the Audit Committee, and results of their audit and compliance work. The 2024 UTA Financial Audit Report and National Transit Database Agreed Upon Procedure Report will

be presented for acceptance by the Board of Trustees on June 25th.

Upon acceptance by the Board of Trustees, UTA staff will submit the 2024 Annual Comprehensive Financial Report (“ACFR”) to the Council of Governments as required in the Act, and to the Government Finance Officers Association’s Certificate of Excellence in Financial Reporting program.

ALTERNATIVES:
The Audit Committee may seek additional information before recommending acceptance of the 2024 UTA Financial Audit Report to the Board of Trustees.

FISCAL IMPACT:
N/A

ATTACHMENTS:
1) 2024 Letter to the Board of Trustees and Audit Committee

2) 2024 ACFR which includes the Annual Comprehensive Financial Report, the Single Audit Report, and the Utah State Compliance Report

3) 2024 NTD Agreed Upon Procedure Report

Crowe LLP
Independent Member Crowe Global

Board of Trustees and Audit Committee
Utah Transit Authority
Salt Lake City, Utah

Professional standards require that we communicate certain matters to keep you adequately informed about matters related to the financial statement audit that are, in our professional judgment, significant and relevant to your responsibilities in overseeing the financial reporting process. We communicate such matters in this report.

AUDITOR'S RESPONSIBILITY UNDER AUDITING STANDARDS GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA

Our responsibility is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America. The audit of the financial statements does not relieve you of your responsibilities and does not relieve management of their responsibilities. Refer to our engagement letter with the Utah Transit Authority (the Authority) for further information on the responsibilities of management and of Crowe LLP.

AUDITOR'S RESPONSIBILITY UNDER GOVERNMENT AUDITING STANDARDS

As part of obtaining reasonable assurance about whether the Authority's financial statements are free of material misstatement, we performed tests of the Authority's 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 or disclosures. 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.

COMMUNICATIONS REGARDING OUR INDEPENDENCE FROM THE AUTHORITY

Auditing standards generally accepted in the United States of America require independence for all audits, and we confirm that we are independent auditors with respect to the Authority under the independence requirements established by the American Institute of Certified Public Accountants.

Additionally, we wish to communicate that we have the following relationships with the Authority that do not impair our independence but which, in our professional judgment, may reasonably be thought to bear on our independence and that we gave significant consideration to in reaching the conclusion that our independence has not been impaired.

Relationship	Safeguards
Non-Audit Services: We were engaged to perform the following non-audit services during your last fiscal year: • Assistance with preparation of your financial statements	We believe your management is capable of evaluating and taking responsibility for their management decisions regarding our services, and we did not assume the role of an employee or of management of the Authority in performing and reporting on our services.

PLANNED SCOPE AND TIMING OF THE AUDIT

We are to communicate an overview of the planned scope and timing of the audit. Accordingly, the following matters regarding the planned scope and timing of the audit were discussed with you.

- How we proposed to address the significant risks of material misstatement, whether due to fraud or error.
- Our approach to internal control relevant to the audit.
- The concept of materiality in planning and executing the audit, focusing on the factors considered rather than on specific thresholds or amounts.
- The nature and extent of specialized skills or knowledge needed to plan and evaluate the results of the audit, including the use of an auditor's expert.
- Where the Authority has an internal audit function, the extent to which the auditor will use the work of internal audit, and how the external and internal auditors can best work together.
- Your views and knowledge of matters you consider warrant our attention during the audit, as well as your views on:
  - The allocation of responsibilities between you and management.
  - The Authority's objectives and strategies, and the related business risks that may result in material misstatements.
  - Significant communications between the Authority and regulators.
  - Other matters you believe are relevant to the audit of the financial statements.

SIGNIFICANT ACCOUNTING POLICIES AND MANAGEMENT JUDGMENTS AND ACCOUNTING ESTIMATES

Significant Accounting Policies: Those Charged with Governance should be informed of the initial selection of and changes in significant accounting policies or their application. Also, Those Charged with Governance should be aware of methods used to account for significant unusual transactions and the effect of significant accounting policies in controversial or emerging areas where there is a lack of authoritative consensus. We believe management has the primary responsibility to inform Those Charged with Governance about such matters. To assist Those Charged with Governance we also provide the following:

Accounting Standard	Impact of Adoption
GASB Statement No. 100, *Accounting Changes and Error Corrections* This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period.	Adoption of this Statement did not have a material impact on the Authority's financial position or results of operations.

Accounting Standard	Impact of Adoption
GASB Statement No. 101, *Compensated Absences* Updates the recognition and measurement guidance for compensated absences. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means.	Upon adoption of this Statement, the Authority recognized an increase to its compensated absences liability of $1.2 million at January 1, 2024. Net position decreased by the same amount.
Significant Unusual Transactions.	No such matters noted
Significant Accounting Policies in Controversial or Emerging Areas.	No such matters noted

Management Judgments and Accounting Estimates: Further, accounting estimates are an integral part of the financial statements prepared by management and are based upon management's current judgments. These judgments are based upon knowledge and experience about past and current events and assumptions about future events. Certain estimates are particularly sensitive because of their significance and because of the possibility that future events affecting them may differ markedly from management's current judgments and may be subject to significant change in the near term.

The following describes the significant accounting estimates reflected in the Authority's year-end financial statements, the process used by management in formulating these particularly sensitive accounting estimates and the primary basis for our conclusions regarding the reasonableness of those estimates.

Significant Accounting Estimate	Process Used by Management	Basis for Our Conclusions
Fair Values of Investment Securities and Other Financial Instruments	The disclosure of fair values of securities and other financial instruments requires management to use certain assumptions and estimates pertaining to the fair values of its financial assets and financial liabilities.	We tested the propriety of information underlying management's estimates.
Useful Lives of Capital Assets	Management has determined the economic useful lives of capital assets based on past history of similar types of assets, future plans as to their use, and other factors that impact their economic value to the Authority.	We tested the propriety of information underlying management's estimates.

Significant Accounting Estimate	Process Used by Management	Basis for Our Conclusions
Loss Contingencies	The Authority consults with legal counsel to evaluate outstanding litigation, claims and assessments. Factors that affect management's evaluation of litigation contingencies requiring disclosure include the nature of the contingencies and whether the outcome could have an effect on the consolidated financial statements.	Based on information obtained from the Authority's legal counsel regarding this matter and discussions with management, we concur with management's determination that the loss contingency does not meet conditions for accrual of being both probable and estimable, and, thus, no accrual is recorded and no specific disclosures are required.
Pension and Postretirement Obligations	Amounts reported for pension and postretirement obligations require management to use estimates that may be subject to significant change in the near term. These estimates are based on projection of the weighted average discount rate, rate of increase in future compensation levels, and weighted average expected long-term rate of return on pension assets.	We reviewed the reasonableness of these estimates and assumptions.

AUDITOR'S JUDGMENTS ABOUT QUALITATIVE ASPECTS OF SIGNIFICANT ACCOUNTING PRACTICES

We are to discuss with you our comments about the following matters related to the Authority's accounting policies and financial statement disclosures. Accordingly, these matters will be discussed during our meeting with you.

- The appropriateness of the accounting policies to the particular circumstances of the Authority, considering the need to balance the cost of providing information with the likely benefit to users of the Authority's financial statements.
- The overall neutrality, consistency, and clarity of the disclosures in the financial statements.
- The effect of the timing of transactions in relation to the period in which they are recorded.
- The potential effect on the financial statements of significant risks and exposures, and uncertainties that are disclosed in the financial statements.
- The extent to which the financial statements are affected by unusual transactions including nonrecurring amounts recognized during the period, and the extent to which such transactions are separately disclosed in the financial statements.
- The issues involved, and related judgments made, in formulating particularly sensitive financial statement disclosures.
- The factors affecting asset and liability carrying values, including the Authority's basis for determining useful lives assigned to tangible and intangible assets.
- The selective correction of misstatements, for example, correcting misstatements with the effect of increasing reported earnings, but not those that have the effect of decreasing reported earnings.

CORRECTED AND UNCORRECTED MISSTATEMENTS

Corrected Misstatements: We are to inform you of material corrected misstatements that were brought to the attention of management as a result of our audit procedures.

Refer to the attached schedule on page 7.

Uncorrected Misstatements: We are to inform you of uncorrected misstatements that were aggregated by us during the current engagement and pertaining to the latest and prior period(s) presented that were determined by management to be immaterial, both individually and in the aggregate, to the financial statements taken as a whole. Uncorrected misstatements or matters underlying the uncorrected misstatements could potentially cause future-period financial statements to be materially misstated, even if it was concluded that the uncorrected misstatements are immaterial to the financial statements under audit. For your consideration, we have distinguished misstatements between known misstatements and likely misstatements.

Refer to the attached schedule on page 7.

OTHER COMMUNICATIONS

Communication Item	Results
Other Information Included in an Annual Report Information may be prepared by management that accompanies or includes the financial statements. To assist your consideration of this information, you should know that we are required by audit standards to read such information and consider whether a material inconsistency exists between the other information and the financial statements. We are also to remain alert for indications that: • Material inconsistency exists between the other information and the auditor's knowledge obtained in the audit; or • A material misstatement of fact exists, or the other information is otherwise misleading. If we identify a material inconsistency between the other information and the financial statements, we are to seek a resolution of the matter.	We read the other information and noted no material inconsistencies or misstatement of facts based on our reading thereof.
Significant Difficulties Encountered During the Audit We are to inform you of any significant difficulties encountered in dealing with management related to the performance of the audit.	There were no significant difficulties encountered in dealing with management related to the performance of the audit.
Disagreements with Management We are to discuss with you any disagreements with management, whether or not satisfactorily resolved, about matters that individually or in the aggregate could be significant to the Authority's financial statements or the auditor's report.	During our audit, there were no such disagreements with management.
Difficulties or Contentious Matters We are required to discuss with the Those Charged with Governance any difficulties or contentious matters for which we consulted outside of the engagement team.	During the audit, there were no such issues for which we consulted outside the engagement team.

Communication Item	Results
Circumstances that Affect the Form and Content of the Auditor's Report We are to discuss with you any circumstances that affect the form and content of the auditor's report, if any.	There are no such circumstances that affect the form and content of the auditor's report.
Consultations with Other Accountants If management consulted with other accountants about auditing and accounting matters, we are to inform you of such consultation, if we are aware of it, and provide our views on the significant matters that were the subject of such consultation.	We are not aware of any instances where management consulted with other accountants about auditing or accounting matters since no other accountants contacted us, which they are required to do by Statement on Auditing Standards No. 50, before they provide written or oral advice.
Representations the Auditor Is Requesting from Management We are to provide you with a copy of management's requested written representations to us.	We direct your attention to a copy of the letter of management's representation to us provided separately.
Significant Issues Discussed, or Subject to Correspondence, With Management We are to communicate to you any significant issues that were discussed or were the subject of correspondence with management.	There were no such significant issues discussed, or subject to correspondence, with management.
Significant Related Party Findings or Issues We are to communicate to you significant findings or issues arising during the audit in connection with the Authority's related parties.	There were no such findings or issues that are, in our judgment, significant and relevant to you regarding your oversight of the financial reporting process.
Other Findings or Issues We Find Relevant or Significant We are to communicate to you other findings or issues, if any, arising during the audit that are, in our professional judgment, significant and relevant to you regarding your oversight of the financial reporting process.	There were no such other findings or issues that are, in our judgment, significant and relevant to you regarding your oversight of the financial reporting process.

We are pleased to serve the Authority as its independent auditors and look forward to our continued relationship. We provide the above information to assist you in performing your oversight responsibilities and would be pleased to discuss this letter or any matters further, should you desire. This letter is intended solely for the information and use of the Board of Trustees and, if appropriate, management, and is not intended to be and should not be used by anyone other than these specified parties.

Crowe LLP

Crowe LLP

Indianapolis, Indiana
May 29, 2025

Utah Transit Authority
Schedule of Corrected Financial Statement Misstatements
December 31, 2024

				Increase (Decrease)				
	Financial Statement Item	**Debit**	**Credit**	**Assets / Deferred Outflows**	**Liabilities / Deferred Inflows**	**Net Position**	**Revenues**	**Expenses**
1	Capital outlay		12,445,828					(12,445,828)
	Long-term subscription payable		1,021,571		1,021,571			
	Current portion of subscription payable		3,745,791		3,745,791			
	Construction in progress	3,585,449		3,585,449				
	Intangibles - subscription asset	8,501,403		8,501,403				
	Accumulated depreciation and amortization		3,026,248	(3,026,248)				
	Prepaid expenses	5,253,056		5,253,056				
	Depreciation and amortization expense	3,026,248						3,026,248
	Interest expense		126,718					(126,718)
				14,313,660	4,767,362	-	-	(9,546,298)
	To record subscription asset and liability for new agreements entered into during 2024 and correct SBITA activity							
2	Federal grants receivable		2,731,960	(2,731,960)				
	Federal operating grants	2,731,960					(2,731,960)	
	To remove grant revenue and receivable related to expenditures not able to be claimed until a budget revision is executed on the grant							
3	Accounts payable		322,291		322,291			
	Demand response service expense	322,291						322,291
	To record accrual for December purchased transportation services							

Total impact on change in net position $ 6,492,047

Utah Transit Authority
Schedule of Uncorrected Financial Statement Misstatements
December 31, 2024

				Increase (Decrease)				
	Financial Statement Item	**Debit**	**Credit**	**Assets / Deferred Outflows**	**Liabilities / Deferred Inflows**	**Net Position**	**Revenues**	**Expenses**
1	Depreciable capital assets	8,885,165		8,885,165				
	Construction in progress		8,885,165	(8,885,165)				
	To transfer completed projects placed into service prior to 12/31 from construction in progress to a depreciable capital asset account							
2	Construction in progress	5,741,022		5,741,022				
	Operating expense		5,741,022					5,741,022
	To transfer capitalizable project expenses from expense to Construction in Progress (CIP)							

Total waived impact on change in net position $ 5,741,022

Annual Comprehensive Financial Report

For Fiscal Year Ended December 31, 2024

UTA
UTAH TRANSIT AUTHORITY

a Component Unit of the State of Utah

Our Mission

We Move You

Our Vision

Leading Utah’s mobility solutions and improving quality of life

UTAH TRANSIT AUTHORITY
A Component Unit of the State of Utah

Annual Comprehensive Financial Report

For Fiscal Year Ended
December 31, 2024

Finance Department

Viola Miller
Chief Financial Officer

Rob Lamph
Comptroller

UTAH TRANSIT AUTHORITY
A Component Unit of the State of Utah

STATISTICAL SECTION (Unaudited)

Revenue Capacity

These schedules contain information to help the reader assess the Authority's most significant local revenue sources.

Debt Capacity

These schedules present information to help the reader assess the affordability of the Authority's current level of outstanding debt and the Authority's ability to issue additional debt in the future.

Demographic and Economic Information

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

Operating Information

These schedules contain service and facilities statistics to help the reader understand how the Authority's financial report relates to its services and operating activities.

COMPLIANCE SECTION

OTHER SUPPLEMENTARY INFORMATION SECTION

Introductory

UTA

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

May 29, 2025

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

We are pleased to submit to you the Annual Comprehensive Financial Report (ACFR) of the Utah Transit Authority (the Authority) for the fiscal year ended December 31, 2024. This document has been prepared by the Authority's Finance Department using the guidelines recommended by the Government Finance Officers Association of the United States and Canada and conforms to accounting principles generally accepted in the United States of America and promulgated by the Governmental Accounting Standards Board.

Management's Assertions

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

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

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

The Annual Comprehensive Financial Report

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

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

The accounting firm of Crowe LLP was selected to perform an annual independent audit of the Authority's financial statements. The goal of the independent audit is to provide reasonable assurance that the Authority's financial statements for the fiscal year ended December 31, 2024, are free of material misstatements. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management and evaluating the overall financial presentation. The independent auditor concluded that there was a reasonable basis for rendering an unmodified opinion that the Authority's financial statements are fairly presented in conformity with accounting principles generally accepted in the United States of America. The audit was also designed to meet the requirements of the Federal Single Audit Act of 1984 and related Uniform Guidance. The auditor's report on the basic financial statements and schedules, including reports specifically related to the single audit, are included in this document.

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

Background

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

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

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

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

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

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

The population of the Authority's service area is approximately 2,777,222 and represents 80 percent of the state's total population.

UTA

Economy

Utah’s economy in 2024 demonstrated resilience and continued growth, maintaining its position as one of the top-performing states in the U.S.

Utah’s transportation landscape in 2024 was marked by significant infrastructure development, federal investments, and a notable resurgence in public transit usage. As Utah progresses into 2025, the focus remains on expanding and modernizing transportation infrastructure to accommodate the state’s growing population and environmental considerations. Continued investment in public transit, infrastructure resilience, and technological advancements will be pivotal in shaping the future of Utah’s transportation system.

Utah’s population growth in 2024 was driven by net migration and natural increase. Net migration accounted for 52% of the growth, while natural increase contributed to 48%. The growth rate of 1.5% increase is a slight deceleration from the 1.6% in 2023. This continues a trend of moderating expansion.

In 2024, Utah’s urbanization continued to accelerate, with approximately 90% of the state’s residents living in urban areas, which constitute just 1.1% of its total land area. This concentration is particularly evident along the Wasatch Front, encompassing counties like Salt Lake, Utah, Davis and Weber. Utah’s population is projected to surpass 4 million by 2033, with urban areas continuing to absorb the majority of this growth.

Utah’s economy is expected to continue its growth trajectory in 2025, it faces challenges related to housing affordability, transportation, and potential shifts in key industries. Strategic investments in infrastructure, transportation, workforce development, and supportive policies will be crucial.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to The Authority for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended December 31, 2023. This was the thirty-first consecutive year that the Authority has received this prestigious award. This certificate of award is the highest form of recognition for excellence in state and local government financial reporting. In order to receive this award, the Authority must publish an easily readable and well organized comprehensive financial report whose content conforms to the program standards. Such a report must satisfy both generally accepted accounting principles and applicable legal requirements. The Certificate of Achievement for Excellence in Financial Reporting is valid for a one-year period only. We believe that our current Annual Comprehensive Financial Report continues to meet the Certificate of Achievement Program’s requirements and are submitting it to determine eligibility for continued recognition.

Acknowledgements

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

Viola Miller

Viola Miller
Chief Financial Officer
Utah Transit Authority

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

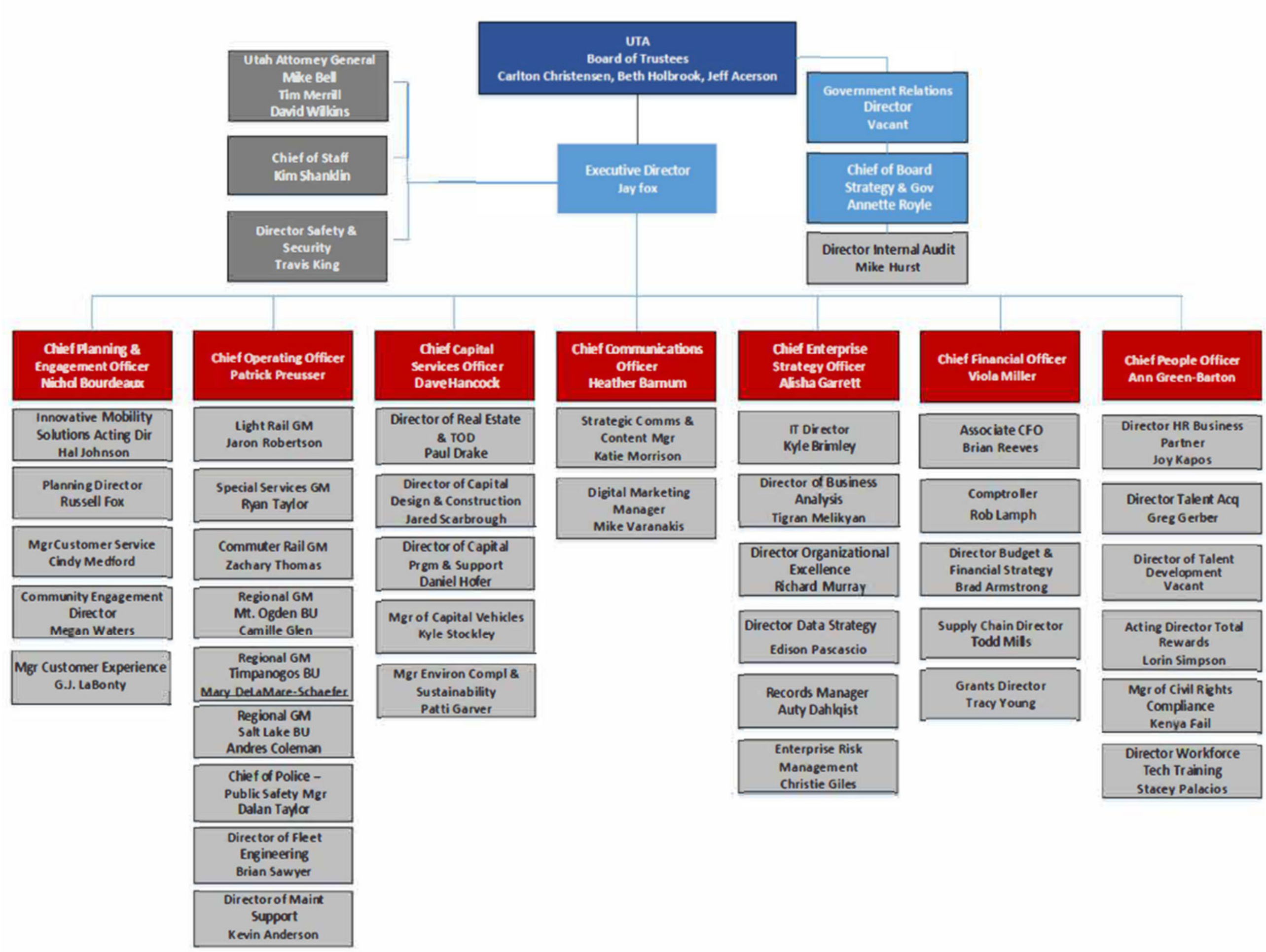
Utah Transit Authority

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2023

Christopher P. Morrill

Executive Director/CEO


UTA
Board of Trustees
Carlton Christensen, Beth Holbrook, Jeff Acerson
Utah Attorney General
Mike Bell
Tim Merrill
David Wilkins
Chief of Staff
Kim Shanklin
Director Safety & Security
Travis King
Executive Director
Jay fox
Government Relations Director
Vacant
Chief of Board Strategy & Gov
Annette Royle
Director Internal Audit
Mike Hurst
Chief Planning & Engagement Officer
Nichol Bourdeaux
Innovative Mobility Solutions Acting Dir
Hal Johnson
Planning Director
Russell Fox
Mgr Customer Service
Cindy Medford
Community Engagement Director
Megan Waters
Mgr Customer Experience
G.J. LaBonty
Chief Operating Officer
Patrick Preusser
Light Rail GM
Jaron Robertson
Special Services GM
Ryan Taylor
Commuter Rail GM
Zachary Thomas
Regional GM
Mt. Ogden BU
Camille Glen
Regional GM
Timpanogos BU
Mary DeLaMare-Schaefer
Regional GM
Salt Lake BU
Andres Coleman
Chief of Police – Public Safety Mgr
Dalan Taylor
Director of Fleet Engineering
Brian Sawyer
Director of Maint Support
Kevin Anderson
Chief Capital Services Officer
Dave Hancock
Director of Real Estate & TOD
Paul Drake
Director of Capital Design & Construction
Jared Scarbrough
Director of Capital Prgm & Support
Daniel Hofer
Mgr of Capital Vehicles
Kyle Stockley
Mgr Environ Compl & Sustainability
Patti Garver
Chief Communications Officer
Heather Barnum
Strategic Comms & Content Mgr
Katie Morrison
Digital Marketing Manager
Mike Varanakis
Chief Enterprise Strategy Officer
Alisha Garrett
IT Director
Kyle Brimley
Director of Business Analysis
Tigran Melikyan
Director Organizational Excellence
Richard Murray
Director Data Strategy
Edison Pascascio
Records Manager
Auty Dahlqist
Enterprise Risk Management
Christie Giles
Chief Financial Officer
Viola Miller
Associate CFO
Brian Reeves
Comptroller
Rob Lamph
Director Budget & Financial Strategy
Brad Armstrong
Supply Chain Director
Todd Mills
Grants Director
Tracy Young
Chief People Officer
Ann Green-Barton
Director HR Business Partner
Joy Kapos
Director Talent Acq
Greg Gerber
Director of Talent Development
Vacant
Acting Director Total Rewards
Lorin Simpson
Mgr of Civil Rights Compliance
Kenya Fail
Director Workforce Tech Training
Stacey Palacios

UTA Board of Trustees

Carlton Christensen
Board Chair

Salt Lake County

Beth Holbrook
Davis, Weber and Box Elder Counties

Jeff Acerson

Tooele and Utah Counties

ADMINISTRATION

Board of Trustees

BOARD CHAIR .... Carlton Christensen

BOARD TRUSTEE .... Beth Holbrook

BOARD TRUSTEE .... Jeff Acerson

Officers of the Authority

BOARD CHAIR .... Carlton Christensen

EXECUTIVE DIRECTOR .... Jay Fox

TREASURER .... Viola Miller

COMPTROLLER.................................... Rob Lamph

SECRETARY.................................... Annette Royle

Administration of the Authority

EXECUTIVE DIRECTOR .... Jay Fox

CHIEF OF STAFF.................................... Kim Shanklin

CHIEF OF INTERNAL AUDIT .... Mike Hurst

CHIEF PLANNING AND ENGAGEMENT OFFICER .... Nichol Bourdeaux

CHIEF FINANCIAL OFFICER .... Viola Miller

CHIEF OPERATING OFFICER .... Patrick Preusser

CHIEF PEOPLE OFFICER .... Ann Green-Barton

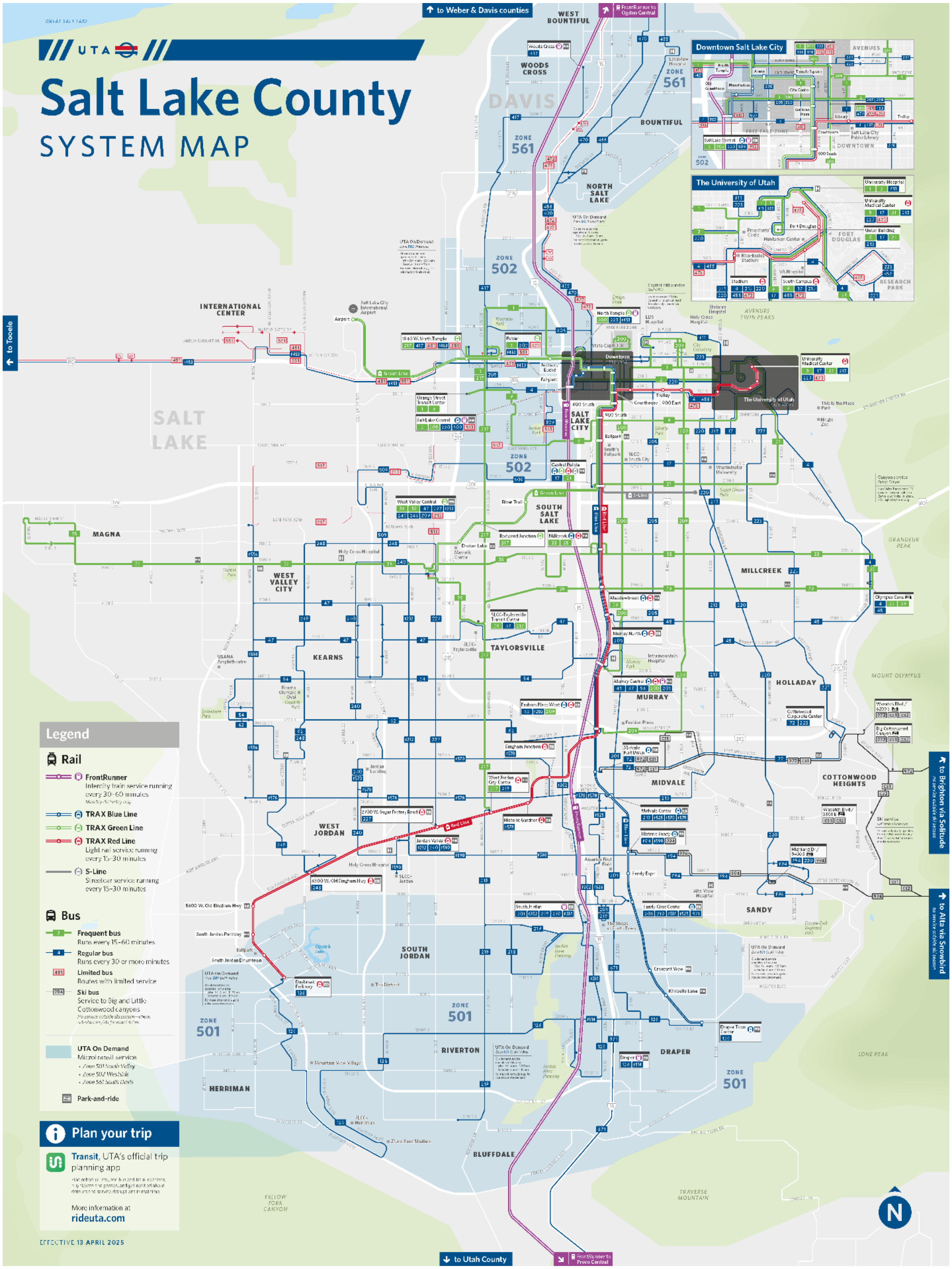
CHIEF CAPITAL SERVICE OFFICER .... Dave Hancock

CHIEF ENTERPRISE STRATEGY OFFICER .... Alisha Garrett

CHIEF COMMUNICATION OFFICER .... Heather Barnum

LOCAL ADVISORY COUNCIL MEMBERS

Name	Appointing Authority
CHAIR	
Troy Walker	Salt Lake County COG
VICE CHAIRS	
Bob Stevenson	Davis Area COG
Natalie Hall.	Salt Lake County COG
MEMBERS	
Karen Cronin	Box Elder COG/Tooele COG
Erin Mendenhall	Salt Lake City
Dirk Burton	Salt Lake County COG
Julie Fullmer	Utah County COG
Mark Johnson	Utah County COG
Neal Berube	Weber Area COG



UTA
Salt Lake County
SYSTEM MAP
to Weber & Davis counties
FrontRunner to Ogden Central
to Tooele
Downtown Salt Lake City
The University of Utah
WEST BOUNTIFUL
WOODS CROSS
DAVIS
BOUNTIFUL
ZONE 561
NORTH SALT LAKE
ZONE 502
INTERNATIONAL CENTER
SALT LAKE
SALT LAKE CITY
MAGNA
WEST VALLEY CITY
SOUTH SALT LAKE
MILLCREEK
KEARNS
TAYLORSVILLE
HOLLADAY
MURRAY
MIDVALE
COTTONWOOD HEIGHTS
WEST JORDAN
SANDY
SOUTH JORDAN
ZONE 501
RIVERTON
DRAPER
HERRIMAN
BLUFFDALE
to Brighton via Solitude
to Alta via Snowbird
Legend
Rail
FrontRunner
Intercity train service running every 30–60 minutes
TRAX Blue Line
TRAX Green Line
TRAX Red Line
Light rail service running every 15–30 minutes
S-Line
Streetcar service running every 15–30 minutes
Bus
Frequent bus
Runs every 15–60 minutes
Regular bus
Runs every 30 or more minutes
Limited bus
Routes with limited service
Ski bus
Service to Big and Little Cottonwood canyons
UTA On Demand
Microtransit service
Park-and-ride
Plan your trip
Transit, UTA's official trip planning app
More information at
rideuta.com
EFFECTIVE 13 APRIL 2025
to Utah County
FrontRunner to Provo Central

to Salt Lake, Davis, and Weber counties
FrontRunner to Salt Lake Central & Ogden Central
UTA
Utah County
SYSTEM MAP
SALT LAKE
ZONE 501
BLUFFDALE
DRAPER
ALPINE
HIGHLAND
CEDAR HILLS
LEHI
AMERICAN FORK
PLEASANT GROVE
SARATOGA SPRINGS
EAGLE MOUNTAIN
UTAH
LINDON
VINEYARD
OREM
PROVO
ZONE 581
UTAH LAKE
SPRINGVILLE
PALMYRA
MAPLETON
BENJAMIN
SPANISH FORK
SALEM
PAYSON
ELK RIDGE
WOODLAND HILLS
GENOLA
SANTAQUIN
GOSHEN
Downtown Provo and BYU
BRIGHAM YOUNG UNIVERSITY
JOAQUIN
DOWNTOWN
MAESER
Provo Central
Legend
Rail
FrontRunner
Intercity train service running every 30-60 minutes
Monday-Saturday only
Bus
UVX
Bus rapid transit (BRT) service running every 6-15 minutes
Monday-Saturday only
Frequent bus
Runs every 15-60 minutes
Regular bus
Runs every 30 or more minutes
Limited bus
Routes with limited service
Ski bus
Service to Sundance
No service outside ski season—check rideuta.com/ski for exact dates
UTA On Demand
Microtransit service
Park-and-ride
Plan your trip
Transit, UTA's official trip planning app
Find schedule info, see bus and train locations, buy tickets and passes, and get notified about detours and service disruptions in real time.
More information at
rideuta.com
EFFECTIVE 13 APRIL 2025
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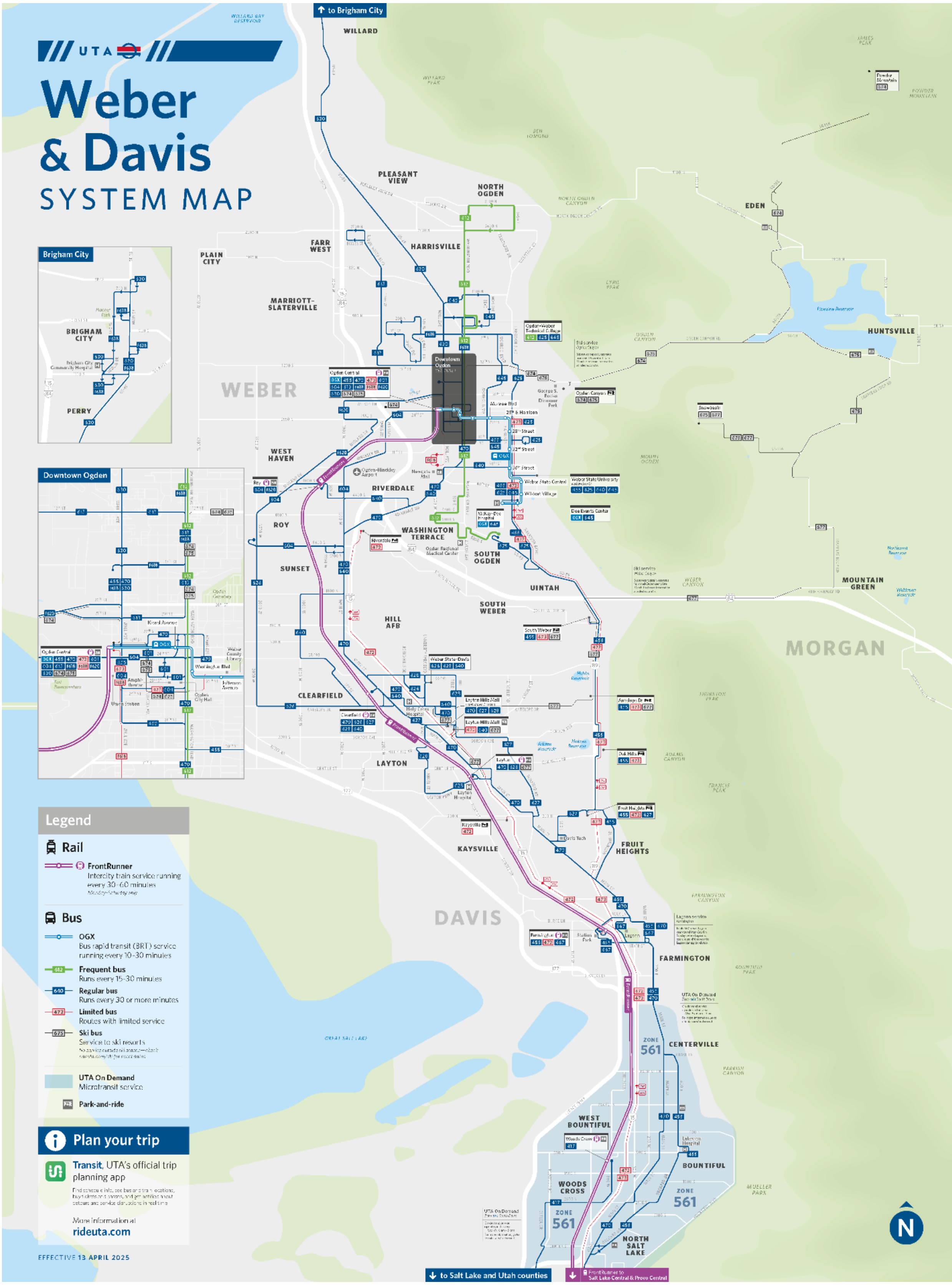
UTA
Weber & Davis
SYSTEM MAP
to Brigham City
Brigham City
Downtown Ogden
WILLARD
PLEASANT VIEW
NORTH OGDEN
FARR WEST
HARRISVILLE
PLAIN CITY
MARRIOTT-SLATERVILLE
WEBER
WEST HAVEN
RIVERDALE
ROY
WASHINGTON TERRACE
SOUTH OGDEN
SUNSET
UINTAH
SOUTH WEBER
HILL AFB
CLEARFIELD
LAYTON
KAYSVILLE
FRUIT HEIGHTS
DAVIS
FARMINGTON
CENTERVILLE
WEST BOUNTIFUL
WOODS CROSS
BOUNTIFUL
NORTH SALT LAKE
EDEN
HUNTSVILLE
MOUNTAIN GREEN
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Routes with limited service
Ski bus
Service to ski resorts
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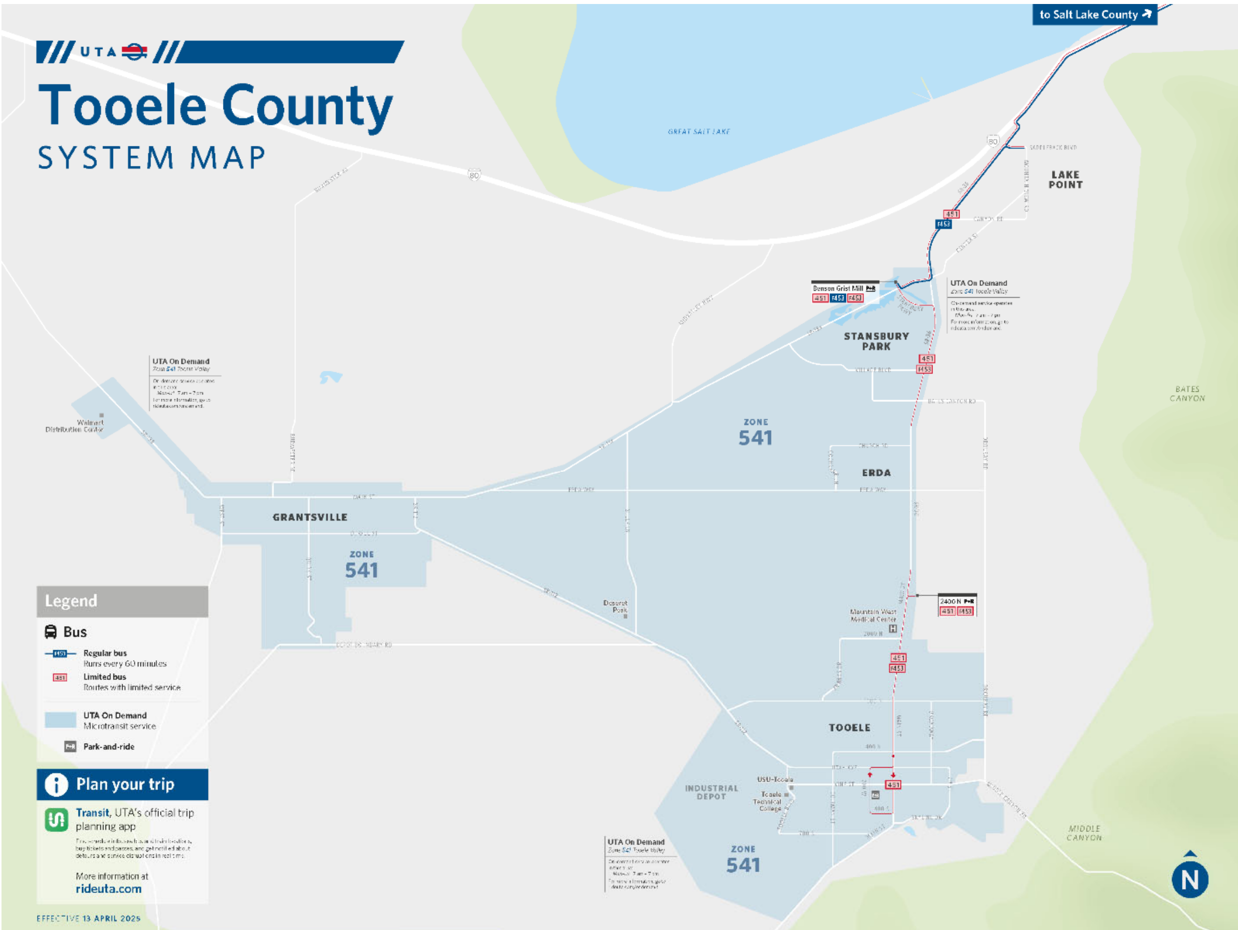
EFFECTIVE 13 APRIL 2025
to Salt Lake and Utah counties
FrontRunner to Salt Lake Central & Provo Central


UTA
Tooele County
SYSTEM MAP
to Salt Lake County
GREAT SALT LAKE
LAKE POINT
STANSBURY PARK
ZONE 541
ERDA
GRANTSVILLE
TOOELE
INDUSTRIAL DEPOT
BATES CANYON
MIDDLE CANYON
Legend
Bus
Regular bus
Runs every 60 minutes
Limited bus
Routes with limited service
UTA On Demand
Microtransit service
Park-and-ride
Plan your trip
Transit, UTA's official trip planning app
More information at
rideuta.com
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Financial

Crowe LLP
Independent Member Crowe Global

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Utah Transit Authority
Salt Lake City, Utah

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities and fiduciary activities of the Utah Transit Authority (the Authority), a component unit of the State of Utah, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and fiduciary activities of the Authority, as of December 31, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

As discussed in Note 2 to the financial statements, in the year ended December 31, 2024, the entity adopted new accounting guidance, GASB Statement No. 101, *Compensated Absences*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

(Continued)

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

(Continued)

Supplementary Information

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

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June <>, 2025 on our consideration of the Authority’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority’s internal control over financial reporting and compliance.

Crowe LLP

Crowe LLP

Indianapolis, Indiana
May 29, 2025

Utah Transit Authority's 2024 fiscal performance continues to demonstrate the successful implementation of its financial policies. This report provides accountability to the Authority's goals and objectives defined with its residents and adopted by the Board of Trustees. This section of the Annual Comprehensive Financial Report presents our discussion and analysis of the Authority's financial performance during the fiscal year that ended on December 31, 2024. Please read it in conjunction with the transmittal letter at the front of this report and the Authority's financial statements, which follow this section. Due to the material relationship between the Authority and its component units (Joint Insurance Trust and Pension), the Total Reporting Entity information more accurately reflects the comprehensive financial operations of Utah Transit Authority.

Financial Highlights

- Total Liabilities decreased from $2,619,006,986 to $2,555,219,065, a decrease of $63,787,921.
- Operating revenues saw an increase of 9%, going from $37,959,224 in 2023 to $41,347,838 in 2024.
- At December 31, 2024, the Authority had $2,254,325,125 of debt outstanding, including $52,885,000 related to Utah County's Bonds for Provo-Orem Bus Rapid Transit Construction in 2019. Accordingly, liabilities and deferred inflows of the Authority at December 31, 2024 were exceeded by its assets and deferred outflows by $1,172,166,733.
- Revenues trailed the budget by $31,781,109; alternatively, expenses were $68,625,737 over the budget.
- For 2024, ridership increased by 15.90 percent compared to the prior year, with light rail service growing the most in 2024, at 25.23 percent. Fare revenues contributed 6.0 percent to total revenues for the Authority.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

Major Features of Utah Financial Statements

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

CONDENSED STATEMENTS OF NET POSITION

	2024	2023 as Restated	*Difference*	*Percent Difference*
Assets				
Current and other assets	$ 725,067,661	$ 840,784,918	$ (115,717,257)	*-14%*
Capital assets, net	2,903,732,533	2,915,811,396	(12,078,863)	*0%*
Total assets	3,628,800,194	3,756,596,314	(127,796,120)	*-3%*
Deferred outflows of resources	124,344,640	115,816,562	8,528,078	*7%*
Liabilities				
Current liabilities	221,131,885	246,048,471	(24,916,586)	*-10%*
Long-term liabilities	2,334,087,180	2,372,958,515	(38,871,335)	*-2%*
Total liabilities	2,555,219,065	2,619,006,986	(63,787,921)	*-2%*
Deferred inflows of resources	25,759,036	27,468,141	(1,709,105)	*-6%*
Net position				
Net investment in capital assets	775,525,771	718,712,320	56,813,451	*8%*
Restricted	99,156,029	59,680,867	39,475,162	*66%*
Unrestricted	297,484,933	447,544,562	(150,059,629)	*-34%*
Total net position	$ 1,172,166,733	$ 1,225,937,749	$ (53,771,016)	*-4%*

Current liabilities decreased from 2024 due primarily to refunding debt.

Total assets decreased by $127.8 million dollars on the year.

Deferred outflows of resources increased from 2023 due in part to advance debt refunding.

Deferred inflows of resources decreased from 2023 due to the amortization of bond refunding costs.

Restricted net position increased in 2024 due to two factors. The Authority's higher debt service principal payments require more reserve funds. Second, an interlocal agreement with Utah County for the fourth quarter cent sales tax requires excess proceeds to be saved for future debt service payments on the 2016 debt issued by Utah County.

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

	2024	2023 As Restated	Difference	Percent Difference
Operating revenues	$ 41,347,838	$ 37,959,224	$ 3,388,614	9%
Operating expenses	615,987,467	579,128,611	36,858,856	6%
Operating income (loss)	(574,639,629)	(541,169,387)	(33,470,242)	6%
Non-operating revenues	576,687,194	595,096,448	(18,409,254)	-3%
Non-operating expenses	95,730,232	113,859,104	(18,128,872)	-16%
Income (loss) before contributions	(93,682,667)	(59,932,043)	(33,750,624)	56%
Capital contributions	39,911,651	71,293,449	(31,381,798)	-44%
Change in net position	$ (53,771,016)	$ 11,361,406	$ (65,132,422)	-573%
Cumulative effect of adoption of new accounting principle	$ -	$ (1,226,124)		
Total net position, January 1	$ 1,225,937,749	$1,215,802,467		
Total net position, December 31, as restated	$ 1,172,166,733	$ 1,225,937,749		

SUMMARY OF REVENUES FOR THE YEAR ENDED DECEMBER 31

	2024	2023	Difference	Percent Difference
Operating				
Passenger revenue	$ 39,255,838	$ 35,418,224	$ 3,837,614	11%
Advertising	2,092,000	2,541,000	(449,000)	-18%
Total operating revenue	41,347,838	37,959,224	3,388,614	9%
Non-operating				
Contributions from other gov'ts (sales tax)	492,426,212	482,427,243	9,998,969	2%
Federal noncapital assistance	32,688,759	63,625,899	(30,937,140)	-49%
Interest income	25,294,865	31,955,716	(6,660,851)	-21%
Sale of assets	605,141	(5,116,287)	5,721,428	-112%
Build America Bond subsidy	-	9,426,300	(9,426,300)	-100%
Other	25,672,217	12,777,577	12,894,640	101%
Total non-operating revenue	576,687,194	595,096,448	(18,409,254)	-3%
Capital contributions	39,911,651	71,293,449	(31,381,798)	-44%
Total revenues	$ 657,946,683	$ 704,349,121	$ (46,402,438)	-7%

Passenger revenue saw an increase of $3.8 million from 2023. This is attributed to continued ridership increases.

Since the Authority does not have the ability to levy taxes, it relies on contributions dedicated by member governments in the form of sales tax increments. 74.8 percent of total revenues are derived from sales taxes. Sales tax revenues increased 2% from the prior year.

SUMMARY OF EXPENSES FOR THE YEAR ENDED DECEMBER 31

	2024	2023	*Difference*	*Percent Difference*
Operating expenses				
Bus service	$ 159,124,939	$ 151,499,433	$ 7,625,506	*5%*
Rail service	120,182,858	123,526,228	(3,343,370)	*-3%*
Demand response service	46,111,798	37,727,338	8,384,460	*22%*
Other services	5,043,420	3,691,915	1,351,505	*37%*
Operations support	65,780,906	64,509,732	1,271,174	*2%*
Administration	66,578,845	51,252,952	15,325,893	*30%*
Depreciation and amortization	153,164,701	146,921,013	6,243,688	*4%*
Total operating expenses	615,987,467	579,128,611	36,858,856	*6%*
Non-operating expenses				
Interest expense	95,730,232	113,859,104	(18,128,872)	*-16%*
Total non-operating expenses	95,730,232	113,859,104	(18,128,872)	*-16%*
Total expenses	$ 711,717,699	$ 692,987,715	$ 18,729,984	*3%*

Operating expenses for 2024 increased $36.9 million from 2023, a 6% increase. Inflation costs and growth of UTA as a whole have contributed to the increased operating expenses.

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

SUMMARY OF CAPITAL MAINTENANCE EXPENSES FOR THE YEAR ENDED DECEMBER 31

	2024	2023	Difference	Percent Difference
Capital Maintenance Expenses in Projects				
Bus service	$ 10,319,080	$ 16,337,658	$ (6,018,578)	-37%
Rail service	19,700,180	28,195,489	(8,495,309)	-30%
Demand response service	2,936,247	1,412,239	1,524,008	108%
Other service	1,527,805	271,260	1,256,545	463%
Total capital maintenance expenses	$ 34,483,312	$ 46,216,646	$ (11,733,334)	-25%

SUMMARY OF OPERATING EXPENSES FOR THE YEAR ENDED DECEMBER 31

	2024	2023	Difference	Percent Difference
Operating expense less depreciation and amortization	$ 462,822,766	$ 432,207,598	$ 30,615,168	7%
Wages	206,525,624	193,544,078	12,981,546	7%
Benefits	106,984,498	92,237,887	14,746,611	16%
Operations less wages/benefits	149,312,644	146,425,633	2,887,011	2%
Personnel cost	$ 313,510,122	$ 285,781,965	$ 27,728,157	10%
% of operating expense	67.7%	66.1%	1.6%	2%

Personnel cost is the Authority's largest expense at 67.7% percent of total operating expense less depreciation expense. Overall, personnel cost increased $27.7 million in 2024 due to the Authority increasing the number of positions, salaries, and fringe benefits

CAPITAL ASSET AND DEBT ADMINISTRATION

CAPITAL ASSET ACTIVITY

	2024	2023	Difference	Percent Difference
Land	$ 418,464,657	$ 416,301,444	$ 2,163,213	1%
Construction in process	271,070,554	188,838,231	82,232,323	44%
Infrastructure	2,510,225,113	2,515,895,369	(5,670,256)	0%
Building and building improvements	270,542,878	261,556,035	8,986,843	3%
Revenue vehicles	690,657,075	698,896,156	(8,239,081)	-1%
Financed revenue vehicles	139,927,793	123,659,672	16,268,121	13%
Financed non-revenue vehicles	5,945,563	227,237	5,718,326	2516%
Equipment	78,508,873	79,395,978	(887,105)	-1%
Land improvements	311,275,245	313,608,077	(2,332,832)	-1%
Leasehold improvements	94,263,206	94,263,206	-	0%
Intangibles	90,325,103	82,205,962	8,119,141	10%
Accumulated depreciation and amortization	(1,977,473,527)	(1,859,035,971)	(118,437,556)	6%
Total capital assets, net	$ 2,903,732,533	$ 2,915,811,396	$ (12,078,863)	0%

Capital Assets

At the end of fiscal year 2024, the Authority had invested $4.9 billion in a broad range of capital assets, including land, buildings, leasehold improvements, equipment, infrastructure, and construction in progress. Construction in process saw the largest increases in 2024 as the authority focuses on improving and maintaining current land and building assets.

Long-Term Debt and Other Obligations

At year-end the Authority had total debt obligations of $2.2 billion, of which, bonded debt outstanding represented just under $2.1 billion, all of which is backed by pledged sales tax increments from each county in the Authority's service area. Of the Authority's debt, $113.6 million represents financing agreements secured solely by specified revenue vehicle that is pledged as collateral on the lien.

The Authority's total debt obligations decreased $49.6 million during the 2024 fiscal year. The key components of the 2024 activities were refunding Build America bonds and a bond tendering. More detailed information about the Authority's long-term debt is presented in Footnote 10 to the financial statements.

Bond Ratings

The Authority held its ratings of AA+, AA, and Aa2 with Standard & Poor, Fitch Ratings and Moody's Investors Services, respectively.

DEBT ADMINISTRATION			
Effective date: September 2023			
	Standard & Poor's	Fitch	Moody's
Senior Lien Bonds			
Current rating	AA+	AA	Aa2
Outlook	Positive	Stable	Stable
Subordinate Lien Fixed Rate Bonds			
Current rating	AA	AA	Aa3
Outlook	Stable	Stable	Stable

Limitations on Debt

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

Debt Service Coverage Ratio (DSCR)	Policy Minimum DSCR Requirements	Minimum DSCR Forecasted	Year of Minimum
Senior Lien	2.0x	4.56x	2024
Subordinate Lien	1.5x	8.28x	2040

The Authority's net coverage ratio would reach a minimum of 3.18 in 2027. Adherence to other minimum debt service coverage ratios is detailed in the table below:

Year	Projected Pledged Sales Taxes	Senior Lien Debt Payments	Senior Lien Projected Debt Service Coverage Ratio	Subordinate Lien Debt Payments	Subordinate Lien Projected Debt Service Coverage Ratio	Total Debt Payments	Total Projected Debt Service Coverage Ratio
2025	438,093,761	97,005,597	4.52	37,822,474	11.58	134,828,071	3.25
2026	455,091,799	110,973,900	4.10	31,869,821	14.28	142,843,721	3.19
2027	472,112,233	106,938,317	4.41	41,604,716	11.35	148,543,033	3.18
2028	489,108,273	106,934,197	4.57	41,594,692	11.76	148,528,889	3.29
2029	506,129,241	106,949,580	4.73	47,843,078	10.58	154,792,658	3.27
2030	523,742,538	105,533,109	4.96	50,221,445	10.43	155,754,554	3.36
2031	541,968,779	105,747,702	5.13	49,905,143	10.86	155,652,845	3.48
2032	560,829,292	103,146,284	5.44	52,582,608	10.67	155,728,892	3.60
2033	580,346,152	126,982,061	4.57	33,070,741	17.55	160,052,802	3.63
2034	600,542,198	128,168,959	4.69	33,072,949	18.16	161,241,908	3.72
2035	624,924,211	128,663,963	4.86	33,071,264	18.90	161,735,227	3.86
2036	650,296,134	132,562,678	4.91	17,955,473	36.22	160,518,151	4.05
2037	676,698,157	130,823,585	5.17	32,322,196	20.94	163,145,781	4.15
2038	704,172,102	128,859,745	5.46	35,009,794	20.11	163,869,539	4.30
2039	732,761,490	124,079,857	5.91	39,544,944	18.53	163,624,801	4.48
2040	762,511,606	117,018,569	6.52	46,297,726	16.47	163,316,295	4.67
2041	793,469,577	92,315,183	8.60	66,369,476	11.96	158,684,659	5.00
2042	825,684,442	127,258,855	6.49	23,475,140	35.17	150,733,995	5.48
2043	859,207,230	4,445,000	193.30	0	-	4,445,000	193.30
2044	894,091,044	4,439,300	201.40	0	-	4,439,300	201.40

ECONOMIC AND OPERATING FACTORS AND NEXT YEAR'S BUDGET

Key Economic Factors
The fiscal year 2025 operating budget of $638.5 million is $11 million lower than 2024. The capital budget of $330.2 million is $99.8 higher than 2024.

Operating Statistics
The following information provides an annual comparison of ridership by service for years 2023 and 2022.

RIDERSHIP COMPARISON
Source: National Transit Database

	2024	2023	*Difference*	*Percent Difference*
Bus service	20,163,298	17,895,648	2,267,650	*12.67%*
Light rail service	13,509,954	10,787,933	2,722,021	*25.23%*
Commuter rail service	4,128,459	3,741,800	386,659	*10.33%*
Demand response service	934,004	880,353	53,651	*6.09%*
Other service	1,582,453	1,482,496	99,957	*6.74%*
Total ridership	40,318,168	34,788,230	5,529,938	*15.90%*

The Authority had a 15.9% increase in ridership in 2024 and continues to recover after the COVID-19 pandemic. Pre-pandemic levels of commuter ridership into Salt Lake City and Salt Lake County continue to increase as business are starting to encourage in office attendance.

CONTACTING THE AUTHORITY'S FINANCIAL MANAGEMENT

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

UTAH TRANSIT AUTHORITY
STATEMENT OF NET POSITION
As of December 31, 2024

ASSETS		
Current Assets:		
Cash and cash equivalents	$	123,809,397
Investments		213,028,205
Restricted cash and cash equivalents (bond funds)		39,249,780
Receivables		
Contributions from other governments (sales tax)		83,665,991
Federal grants		2,551,580
Other		8,574,070
State of Utah		20,653,936
Parts and supplies inventories		46,218,134
Prepaid expenses		7,961,674
Total Current Assets		545,712,767
Noncurrent Assets:		
Restricted cash equivalents and investments		
Interlocal agreements		52,860,589
Escrow funds		66,539,276
Self-insurance deposits		8,964,130
Total noncurrent restricted cash equivalents and investments		128,363,995
Long-term lease receivables		2,064,488
Non-depreciable capital assets		
Land		418,464,657
Construction in progress		271,070,554
Total non-depreciable capital assets		689,535,211
Depreciable/amortized capital assets		
Land improvements		311,275,245
Leasehold improvements		94,263,206
Building and building improvements		270,542,878
Infrastructure		2,510,225,113
Revenue vehicles		690,657,075
Financed revenue vehicles		139,927,793
Financed non-revenue vehicles		5,945,563
Equipment		78,508,873
Intangibles		90,325,103
Total depreciable/amortized capital assets		4,191,670,849
Total capital assets		4,881,206,060
Less accumulated depreciation and amortization		(1,977,473,527)
Total capital assets, net depreciation and amortization		2,903,732,533
Amount recoverable - interlocal agreement		17,029,182
Other assets		31,897,229
Total Noncurrent Assets		3,083,087,427
TOTAL ASSETS	$	3,628,800,194
DEFERRED OUTFLOWS OF RESOURCES		
Advanced debt refunding - loss on refunding	$	97,138,307
Deferred outflows of resources related to pension		27,206,333
TOTAL DEFERRED OUTFLOWS OF RESOURCES	$	124,344,640

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

LIABILITIES		
Current Liabilities:		
Accounts payable		
Other	$	47,476,998
Lease and subscription		3,791,085
Accrued liabilities, primarily payroll-related		22,407,708
Current portion of compensated absences		10,927,416
Current portion of accrued interest		7,215,064
Current portion of interlocal loan		1,700,000
Current portion of long-term debt		75,293,337
Accrued-self-insurance liability		1,918,471
Unearned revenues:		
Other		5,989,801
State of Utah		44,412,005
Total Current Liabilities		221,131,885
Long-Term Liabilities		
Long-term compensated absences		8,359,077
Long-term deposits		92,362
Long-term lease and subscription payable		8,982,449
Long-term accrued interest		5,943,917
Interlocal loan		51,185,000
Long-term debt		2,126,146,788
Net pension liability		133,377,587
Total Long-term Liabilities		2,334,087,180
TOTAL LIABILITIES	$	2,555,219,065
DEFERRED INFLOWS OF RESOURCES		
Advanced debt refunding - gain on refunding	$	23,299,602
Deferred inflows of resources for leases		2,134,045
Deferred inflows of resources related to pension		325,389
TOTAL DEFERRED INFLOWS OF RESOURCES	$	25,759,036
NET POSITION		
Net investment in capital assets	$	775,525,771
Restricted for:		
Debt service		39,249,780
Interlocal agreements		52,860,589
Self-insurance deposits		7,045,660
Unrestricted		297,484,933
TOTAL NET POSITION	$	1,172,166,733

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

UTAH TRANSIT AUTHORITY
STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN NET POSITION
Year Ended December 31, 2024

OPERATING REVENUES		
Passenger fares	$	39,255,838
Advertising		2,092,000
Total operating revenues		41,347,838
OPERATING EXPENSES		
Bus service		159,124,939
Rail service		120,182,858
Demand response service		46,111,798
Other service		5,043,420
Operations support		65,780,906
Administration		66,578,845
Depreciation and amortization		153,164,701
Total operating expenses		615,987,467
OPERATING INCOME (LOSS)		(574,639,629)
NON-OPERATING REVENUES (EXPENSES)		
Contributions from other governments (sales tax)		492,426,212
Federal operating grants		32,688,759
Investment income		25,294,865
Net gain on sale of capital assets		605,141
Other		25,672,217
Interest expense		(95,730,232)
Net non-operating revenues		480,956,962
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS		(93,682,667)
CAPITAL CONTRIBUTIONS		
Federal grants		29,526,049
Local		10,385,602
TOTAL CAPITAL CONTRIBUTIONS		39,911,651
CHANGE IN NET POSITION	$	(53,771,016)
Total Net Position, January 1, as previously stated	$	1,227,163,873
Cumulative effect of adoption of new accounting principle		(1,226,124)
Total Net Position, January 1, as restated	$	1,225,937,749
Total Net Position, December 31	$	1,172,166,733

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

UTAH TRANSIT AUTHORITY
STATEMENT OF CASH FLOWS
Year Ended December 31, 2024

Cash flows from operating activities:	
Passenger receipts	$ 38,739,700
Advertising receipts	2,629,500
Other receipts	25,614,715
Payments to vendors	(145,084,229)
Payments to employees	(194,358,039)
Employee benefits paid	(102,415,785)
Net cash used in operating activities	(374,874,138)
Cash flows from noncapital financing activities:	
Sales tax receipts	490,262,713
Federal operating/maintenance grants	32,688,759
Net cash provided by noncapital financing activities	522,951,472
Cash flows from capital and related financing activities:	
Contributions for capital projects	
Federal	30,082,292
Local	27,308,164
Return of capital funds to UDOT	(54,000,000)
Proceeds from bond issuance	540,340,000
Payments of bonds	(637,830,000)
Payments on interlocal loan	(1,645,000)
Bond Interest payments	(43,331,870)
Proceeds from financing agreements	3,602,000
Payment on financing agreements	(13,302,960)
Payments on leases/subscriptions	(4,634,786)
Purchases of capital assets	(139,221,341)
Net cash used in capital and related financing activities	(292,633,501)
Cash flows from investment activities:	
Interest on investments	25,294,865
Purchases of investments	(24,569,841)
Net cash used in investing activities	725,024
Net change in cash and cash equivalents	(143,831,143)
Cash and cash equivalents at beginning of year	373,429,596
Cash and cash equivalents at end of year	$ 229,598,453

Reconciliation of Cash to the Statement of Net Position		
Cash and cash equivalents at year end from statement of cash flows		229,598,453
Cash as reported on the Statement of Net Position		
Cash and cash equivalents	$	123,809,397
Restricted cash and cash equivalents		
Bonds funds		39,249,780
Escrow funds		66,539,276
Total cash and cash equivalents	$	229,598,453
Reconciliation of operating loss to net cash used in operating activities:		
Operating loss	$	(574,639,629)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation and amortization		153,164,701
Other nonoperating revenues		25,672,217
Changes in deferred outflow/inflow of resources and net pension liability:		
Deferred outflows of resources related to pension		13,006,402
Deferred inflows of resources related to pension		(98,602)
Net pension liability		(8,906,082)
Total changes in deferred outflow/inflow of resources and net pension liability		4,001,718
Changes in assets and liabilities:		
Accounts and leases receivable		5,652,990
Parts and supplies inventories		(1,700,838)
Prepaid expenses		(6,072,142)
Accounts payable - Other and State of Utah		5,084,466
Accrued liabilities		13,941,017
Unearned reveue		(516,138)
Advertisting unearned revenue		537,500
Total changes in assets and liabilities		16,926,855
Net cash used in operating activities	$	(374,874,138)
Information about noncash investing, capital, and financing activities:		
Change in fair value of investments	$	(8,238,322)
Capital asset acquisitions in accounts payable and project retainage		1,486,084
Amortization of premiums and losses on refunding debt		17,238,202
Accretion of interest on capital appreciation bonds		772,825

UTAH TRANSIT AUTHORITY
STATEMENT OF FIDUCIARY NET POSITION
As of December 31, 2024

	Pension and Other Employment Benefit Trust Funds
ASSETS	
Cash in Bank	$ 11,407,173
Cash in Utah State Treasury	327,850
Total Cash	11,735,023
Investments	
Global Equities	231,424,596
Fixed Income	88,542,029
Private Equity	2,903,063
Real Assets	24,575,576
Money Market	8,177,293
Total Investments	355,622,557
Prepaid Benefits	2,006,310
Deposits	104,795
Receivables	
Dividends Receivable	21,755
Accounts Receivable - Benefits	2,556
Accounts Receivable - Contributions	945,031
Total Receivables	969,342
TOTAL ASSETS	**$ 370,438,027**
LIABILITIES	
Benefits Payable	$ 57,131
Accounts Payable	2,957,970
TOTAL LIABILITIES	**3,015,101**
NET POSITION	
Restricted for:	
Pension	356,597,744
Benefits Other Than Pension	10,825,182
Total Net Position	**$ 367,422,926**

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

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
Year Ended December 31, 2024

		Pension and Other Employment Benefit Trust Funds
ADDITIONS		
Employer Contributions	$	58,522,427
Participant Voluntary Contributions		6,897,100
Total Contributions		65,419,527
Net Investment Income		
Net Appreciation in Fair Value of Investments		31,999,663
Interest		544,429
Dividends		3,306,707
Total Investment Income		35,850,799
Less: Investment Expense		753,358
Net Investment Income		35,097,441
TOTAL ADDITIONS		**100,516,968**
DEDUCTIONS		
Monthly Benefits Paid		47,030,411
Lump Sum Distributions		9,181,833
Administrative Expense		731,940
TOTAL DEDUCTIONS		**56,944,184**
CHANGE IN NET POSITION	**$**	**43,572,784**
Total Net Position, January 1	$	323,850,142
Total Net Position, December 31	$	367,422,926

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

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

A. Organization

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

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

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

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

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

B. Reporting Entity

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

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

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

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting

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

B. Standards for Reporting Purposes

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

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

C. Federal Operating Grants

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

D. Federal Grants for Capital Expenditures

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

E. Classification of Revenues and Expenses

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

F. Contributions from Other Governments

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

Local Options Sales Tax – 2024 Updates

County	Local Option Transportation Sales Tax in UTA's Service Area								Sales Tax Rate Received by UTA
	Mass Transit Tax (0.25% or 0.30%)*	Additional Mass Transit Tax (0.25%)	Mass Transit Fixed Guideway Tax (0.30%)	County Option Transportation Tax (0.25%)	County Airport, Highway, Public Transit Tax (0.10% or 0.25%)	4th Quarter (0.25%)	Supplemental State Sales & Use Tax (0.05%)	Local Option Transit (Up to 0.20%)	
	1st "Quarter"	2nd "Quarter" Option	2nd "Quarter" Option	3rd "Quarter" Option	3rd "Quarter" Option	4th "Quarter"		5th "Quarter" (if all 4 Quarters imposed)	
	MT UCA 59-12-2213	MA UCA 59-12-2214	MF UCA 59-12-2216	CT UCA 59-12-2217	HH UCA 59-12-2218	AT UCA 59-12-2219	SM UCA 59-12-2203	CP UCA 59-12-2220	
Weber	0.25%	0.25%	Ineligible	0.25%	Ineligible	0.25%	0.05%	Eligible	0.65
Davis	0.25%	0.25%	Ineligible	0.25%	Ineligible	0.25%	0.05%	Eligible	0.65
Salt Lake	0.30%	0.25%	Ineligible	0.25%	Ineligible	0.25%	Ineligible	Eligible	0.7875
Utah	0.25%	Ineligible	0.30%	Ineligible	0.25%	0.25%	Ineligible	0.2%	0.626
Tooele (six cities)	0.30%	Eligible	Ineligible	0.25%	Ineligible	0.25%	Ineligible	Currently ineligible	0.65
Box Elder (three cities)	0.30%	Repealed 11.23	Ineligible	Eligible	Ineligible	0.25%	Ineligible	Currently ineligible	0.55

Receiving this tax
Ineligible
Eligible
Funding Reduced
Funding Increased

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

Salt Lake County	0.7875%
Davis County	0.6500%
Weber County	0.6500%
Box Elder County	0.5500%
Utah County	0.6260%
Tooele County	0.6500%

G. Cash and Investments

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

H. Restricted Cash and Cash Equivalents and Investments

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

The Authority is required to place monthly deposits in trust for next year's principal and interest on the bonds and these funds are restricted per the bond covenants.	$ 39,249,780
The Authority has entered interlocal agreements with Box Elder County and Utah County to restrict a certain increment of sales taxes collected in their county for future service expansion.	$ 52,860,589
The Authority has issued bonds and leases in 2019, 2020, 2021, 2022, 2023, and 2024 for projects that are not complete to date and has entered into interlocal agreement to establish escrow accounts for specific projects.	$ 66,539,276
The Authority is required to maintain certain accounts in connection with being self-insured in the State of Utah.	$ 8,964,130

I. Designated Cash and Cash Equivalents

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

General reserve	$ 76,600,000
Service sustainability reserve	12,800,000
Capital replacement reserve	56,500,000
Debt reduction reserve	30,000,000
Total designated cash and cash equivalents	$ 175,900,000

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

J. Investments

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

K. Receivables

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

The Authority's lease receivables are measured at the present value of the lease payments expected to be received during the lease term. Deferred inflows of resources are recorded for the leases at the initiation of each lease in an amount equal to the initial recording of the lease receivable. The deferred inflows of resources are amortized on a straight-line basis over the individual lease terms.

L. Parts and Supplies Inventories

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

M. Capital Assets

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

Depreciation of capital assets is recorded using the straight-line method over the estimated useful lives of the assets. Right to use and subscription assets are amortized over the shorter of the estimated useful lives of the assets or the lease or subscription term. Depreciable capital assets are assigned the following estimated useful lives:

	Years
Land improvements	10 to 20
Leasehold improvements	50
Building and building improvements	20 to 50
Infrastructure	5 to 75
Revenue service vehicles	4 to 35
Financed revenue service vehicles	4 to 14
Equipment	4 to 20
Intangible assets	
Subscriptions - Software	5 to 10
Easements	20 to 50
Right to use lease land	2 to 10
Right to use lease buildings	2 to 6

N. Amount Recoverable – Interlocal Agreement

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

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

O. Other Assets

The Authority has entered into development agreements:
Thackeray Garn at South Jordan FrontRunner Station
In a prior year, land was transferred to the development in exchange for structured parking and $1,500,000 in a capital account, with a corresponding percentage interest in future profits at the site.
Boulder Ventures at Jordan Valley TRAX Station
The Authority invested $28,816,913 of land and proceeds from completed phases of the development for capital account and interest in future profits at the site.
Hamilton Partners at Sandy TRAX Station
In a prior year, $1,580,316 of land value was conveyed to a joint venture entity for capital account and a percentage interest in future profits at the site.

P. Lease and Subscriptions Payable

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

- Key estimates and judgments related to leases include how the Authority determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.
- The Authority uses the interest rate charged by the holder of the current year finance purchase agreement that most closely matches the life of the lease.
- The lease term includes the noncancellable period of the lease.
- Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the Authority is reasonably certain to exercise.

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

The Authority classifies subscription-based information technology arrangements (SBITAs) as those contracts which convey control of the right to use another party's (a SBITA vendor's) IT software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time. At the commencement of the subscription term, the Authority recognizes a subscription liability and an intangible right-to-use subscription asset. The subscription liability is measured at the present value of subscription payments expected to be made during the subscription term. The subscription asset is measured as the sum of the initial measurement of the subscription liability, any payments associated with the SBITA contract made at the commencement of the subscription term, and any capitalizable initial implementation costs.

Q. Compensated Absences

Vacation pay is accrued biweekly and charged to department's compensated absence expense as earned by employees. Vacation leave may be accumulated and carried forward each year. Employees that terminate or retire from employment will be paid for all accrued, unused vacation time up to 360 hours. A reconciliation of accrued vacation is completed periodically by multiplying employee balances by their pay rates.

Sick pay benefits are earned biweekly by employees but are not considered compensable until an employee meets the requirements to vest in the pension. This typically occurs when an employee has 5 years of service and is at least 55 years of age. Vested employees may convert up to 900 hours of sick time into a retiree medical account at the time of retirement. Employees that do not retire at the end of their tenure at the Authority forfeit all sick leave.

The Authority records a compensated absences liability for earned leave that accumulates, carries forward, and is more likely than not to be used or paid out upon separation of service.

R. Risk Management

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

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

S. Pensions

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

T. Net Position

The Authority's net position is classified as follows:

- Net investment in capital assets: This component of net position consists of the Authority's total investment in capital assets, net of accumulated depreciation, 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.
- Self-insurance deposits: This component of net position consists of the fund amount set aside for the Authority's self-insured programs.
- Unrestricted: This component of net position consists of that portion of net position that does not meet the definition of restricted or net investment in capital assets. When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first, then unrestricted resources as they are needed.

U. Deferred Outflows of Resources

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

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

V. Deferred Inflows of Resources

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

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

W. Implemented Accounting Pronouncements

GASB Statement 100
Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62
Takes effect for reporting periods beginning after June 15, 2023
No significant impact on the Authority's financial statements as a result of adoption.

GASB Statement 101
Compensated Absences
Takes effect for reporting periods beginning after December 15, 2023

This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means.

The Authority implemented this Statement for the year ended December 31, 2024. The cumulative effect of adopting this Statement is reflected as an adjustment to beginning net position. The impact of the adoption of the new standard as of January 1, 2024 is summarized below.

Net Position Impact	
Net position, January 1, 2024, as previously stated	$ 1,227,163,873
Cumulative effect of adoption of GASB 101	(1,226,124)
Net position, January 1, 2024, as restated	$ 1,225,937,749
Compensated Absences Liability Impact	
Compensated absences, January 1, 2024, as previously stated	$ 17,384,766
Cumulative effect of adoption of GASB 101	1,226,124
Compensated absences, January 1, 2024, as restated	$ 18,610,890

X. Future Accounting Pronouncements

GASB Statement 102
Certain Risk Disclosures
Takes effect for reporting periods beginning after June 15, 2024
The Authority has not yet determined the impact of this statement on the financial statements

GASB Statement 103
Financial Reporting Model Improvements
Takes effect for reporting periods beginning after June 15, 2025
The Authority has not yet determined the impact of this statement on the financial statements

GASB Statement 104
Disclosures of Certain Capital Assets
Takes effect for reporting periods beginning after June 15, 2025
The Authority has not yet determined the impact of this statement on the financial statements

NOTE 3 – CASH AND CASH EQUIVALENTS

Unrestricted Cash and Investments

Consisting of the following as of December 31, 2024

Zions Bank	$ 21,304,455
Cash on Hand	186,704
Public Treasurers Investment Fund (PTIF)	102,318,238
Total Cash and Cash Equivalents	123,809,397
Chandler Investments	
Money Market	46,540,590
US Government Issues	166,487,615
Total Unrestricted Investments	213,028,205
Total Unrestricted Cash and Investments	$ 336,837,602

Restricted Cash and Investments

Consisting of the following as of December 31, 2024

Bond Funds (Zions Bank)		$ 39,249,780
Escrow Funds		
Chase Lease	$ 7,684,908	
Bank of America Lease (PTIF)	58,849,643	
Bond Proceeds (Zions Bank)	4,725	66,539,276
Interlocal Agreements		
Box Elder	$ 27,947,620	
Perry	267,832	28,215,452
Self Insurance Deposits		
Zions Risk Account		(371,185)
Total Restricted Cash and Cash Equivalents		133,633,323
Interlocal Agreements		
Chandler Investment-Utah County		
Money Market	$ 192,615	
US Government Issues	24,452,522	24,645,137
Self Insurance Deposits		
Chandler Investment-Self Insurance		
Money Market	$ 94,273	
US Government Issues	8,078,012	8,172,285
Chandler Investment-Catastophic		
Money Market	$ 16,935	
US Government Issues	1,146,095	1,163,030
Total Restricted Investments		33,980,452
Total Restricted Cash and Investments		167,613,775
Total Unrestricted and Restricted Cash and Investments		$ 504,451,377

	Unrestricted	Restricted	Total
Money market	$ 46,540,590	$ 303,823	$ 46,844,413
U.S. Government issues	166,487,615	33,676,629	200,164,244
Total investments	$ 213,028,205	$ 33,980,452	$ 247,008,657

Cash Deposits

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

Investments

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

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

  At December 31, 2024, the balance in the Authority's bank demand deposit accounts and certificate of deposit accounts according to the bank statements totaled $21,304,455 of which $250,000 was covered by Federal depository insurance.

- *Credit Risk* - Credit risk is the risk that the counterparty to an investment will not fulfill its obligations. The Authority's policy for limiting the credit risk of investments is to comply with the Act. The Act requires investment transactions to be conducted only through qualified depositories, certified dealers, or directly with issuers of investment securities. Permitted investments include deposits of qualified depositories; repurchase agreements; commercial paper that is classified as "first-tier" by two nationally recognized statistical rating organizations, one of which must be Moody's investor Service or Standard & Poor's; bankers acceptances; obligations of the U.S. treasury and U.S. government sponsored enterprise; bonds and notes of political subdivision of the state of Utah; fixed rate corporate obligations and variable 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 pooled investment fund is fixed-rate corporate obligations and variable rate securities rated "A" or higher, or the equivalent of "A" or higher, by two nationally recognized statistical rating organizations. The PTIF is not registered with the SEC as an investment company and deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah. The PTIF operates and reports to the participants on an amortized cost basis. The income, gains and losses, net of administration fees of the PTIF are allocated based upon the participants' average daily balances.

- *Concentration of Credit Risk* – To minimize credit risk, the Authority looks to diversify the investments with any one issuer. There are no corporate investments as of December 31, 2024. A concentration of credit risk to the portfolio does exist with the FFCB and FHLB investments, which represent 9.10% and 12.08% of the total investment, respectively.

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

The following are the Authority's investment as of December 31, 2024:

Investment	Moody/S&P/Fitch Credit Quality (Rating)	Amount	Credit Exposure as a % of Total Investment
U.S. Government Issues			
FHLMCMTN Maturity > 1YR	Aaa/AA+/AAA	1,254,911	0.51%
Federal Farm Credit Banks Maturity < 1YR	Aaa/AA+/AAA	5,162,217	2.09%
Federal Farm Credit Banks Maturity > 1YR	Aaa/AA+/AAA	17,326,621	7.01%
Federal Home Loan Banks Maturity < 1YR	Aaa/AA+/AAA	1,893,167	0.77%
Federal Home Loan Banks Maturity > 1YR	Aaa/AA+/AAA	27,929,341	11.31%
US Treasury Note Maturity < 1YR		40,480,657	16.39%
US Treasury Note Maturity > 1YR		106,117,330	42.96%
Total U.S. Government Issues		$ 200,164,244	81.04%

Investments	Less than 1 year	1-5 years	6-10 years	Total
Money Market	$ 46,844,413	$ -	$ -	$ 46,844,413
U.S. Government Issues	47,536,041	149,918,837	2,709,366	200,164,244
	$ 94,380,454	$ 149,918,837	$ 2,709,366	$ 247,008,657

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

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

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

Level 2: Inputs include:

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

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

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

The Authority invests with Zions Capital Advisors, Chandler Investments, and the Utah Public Treasurers Investment Fund. All three of these organizations meet the requirements of the Utah Money Management Act. The following are the Authority's investments as of December 31, 2024 by fair value measurement:

		Fair Value Measurements		
	12/31/2024	Level 1	Level 2	Level 3
Chandler Investments				
U.S. Government Issues	$ 200,164,244	$ -	$ 200,164,244	$ -
Money Market	46,844,413	46,844,413	-	-
Total Investments by Fair Value Level	$ 247,008,657	$ 46,844,413	$ 200,164,244	$ -

NOTE 4 – CAPITAL ASSETS

	Balance 1/1/2024	Increases	Transfers	Decreases	Balance 12/31/2024
Capital assets not being depreciated/amortized					
Land	$ 416,301,444	$ 2,384,412	$ -	$ (221,199)	$ 418,464,657
Construction in Progress	188,838,231	130,737,341	-	(48,505,018)	271,070,554
Total capital assets not being depreciated/amortized	605,139,675	133,121,753	-	(48,726,217)	689,535,211
Capital assets being depreciated/amortized					
Land Improvements	313,608,077	189,458	-	(2,522,290)	311,275,245
Leasehold Improvements	94,263,206	-	-	-	94,263,206
Buildings and Building Improvements	261,556,035	12,755,295	-	(3,768,452)	270,542,878
Infrastructure	2,515,895,369	2,618,500	-	(8,288,756)	2,510,225,113
Revenue Vehicles	698,896,156	10,869,517	(299,001)	(18,809,597)	690,657,075
Financed Revenue Vehicles	123,659,672	16,310,542	40,541	(82,962)	139,927,793
Financed Non-Revenue Vehicles	227,237	5,718,326	-	-	5,945,563
Equipment	79,395,978	3,784,028	258,458	(4,929,591)	78,508,873
Intangibles					
Software	45,562,473	-	(6,044,468)	-	39,518,005
Easements	10,794,115	10,500	-	-	10,804,615
Other Intangibles	9,357,175	-	(4,627,148)	(132,223)	4,597,804
Right to Use Lease Buildings	498,622	3,664	5,599,332	(264,207)	5,837,411
Right to Use Lease Land	868,481	-	5,072,286	-	5,940,767
Right to Use Subscription	15,125,096	8,501,405	-	-	23,626,501
Total capital assets being depreciated/amortized	4,169,707,692	60,761,235	-	(38,798,078)	4,191,670,849
Less: Accumulated depreciation/amortization					
Land Improvements	(124,588,616)	(13,817,451)	-	20,871	(138,385,196)
Leasehold Improvements	(12,109,570)	(1,880,997)	1,200,588	-	(12,789,979)
Buildings and Building Improvements	(98,595,567)	(7,784,539)	-	3,678,954	(102,701,152)
Infrastructure	(1,060,376,831)	(71,805,248)	-	7,517,343	(1,124,664,736)
Revenue Vehicles	(415,644,335)	(26,579,597)	262,401	18,809,594	(423,151,937)
Financed Revenue Vehicles	(37,533,101)	(11,846,907)	(3,942)	42,420	(49,341,530)
Equipment	(66,362,132)	(5,310,864)	(258,458)	4,261,533	(67,669,921)
Intangibles					
Software	(35,024,035)	(7,226,215)	6,660,139		(35,590,111)
Easements	(861,903)	(294,567)	(5,566,127)	-	(6,722,597)
Other Intangibles	(3,323,992)	(224,792)	(1,680,880)	132,223	(5,097,441)
Right to Use Lease Buildings	(110,699)	(94,606)	(68,895)	264,207	(9,993)
Right to Use Lease Land	(313,949)	(239,637)	(544,826)	-	(1,098,412)
Right to Use Subscription	(4,191,241)	(6,059,281)	-	-	(10,250,522)
Total accumulated depreciation/amortization	(1,859,035,971)	(153,164,701)	-	34,727,145	(1,977,473,527)
Capital assets being depreciated/amortized, net	2,310,671,721	(92,403,466)	-	(4,070,933)	2,214,197,322
Total capital assets, net	$ 2,915,811,396	$ 40,718,287	$ -	$ (52,797,150)	$ 2,903,732,533

Depreciation/amortization expense by mode that mirrors the Statement of Revenues, Expenses, and Changes in Net Position:

Depreciation/Amortization Expense by mode:	
Bus service	$ 35,744,882
Rail service	108,543,123
Demand response service	5,192,488
Other service	3,684,208
	$ 153,164,701

NOTE 5 – LEASE AND SOFTWARE SUBSCRIPTION ACTIVITIES

A. Lessee Activities

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

The following is a summary of the Authority's lease activity during the year ended 2024:

	Balance as of 1/1/2024	Additions	Reductions	Balance as of 12/31/2024	Due in Less than a Year
Buildings	$ 228,929	$ 3,664	$ (63,313)	$ 169,280	$ 23,373
Land	172,641	-	(86,923)	85,718	21,921
Total lease payable	$ 401,570	$ 3,664	$ (150,236)	$ 254,998	$ 45,294

The future principal and interest payments related to these leases are as follows:

	Interest	Principal	Total
Buildings			
2025	$ 1,481	$ 23,373	$ 24,854
2026	739	75,772	76,511
2027	115	62,636	62,751
2028	-	7,499	7,499
2029	-	-	-
Total for buildings	2,335	169,280	171,615
Land			
2025	1,216	21,921	23,137
2026	847	22,383	23,230
2027	493	18,656	19,149
2028	357	3,126	3,483
2029	295	3,291	3,586
2030-2034	507	16,341	16,848
Total for land	3,715	85,718	89,433
Total liability	$ 6,050	$ 254,998	$ 261,048

B. Lessor Activities

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

	Balance as of 1/1/2024	Additions	Reductions	Balance as of 12/31/2024	Due in Less than a Year
Buildings	$ 22,824	$ -	$ (7,232)	$ 15,592	$ 7,600
Land	2,361,544	32,595	(208,565)	2,185,574	129,078
Total lease receivable	$ 2,384,368	$ 32,595	$ (215,797)	$ 2,201,166	$ 136,678

The future principal and interest proceeds related to leases are as follows :

	Interest	Principal	Total
Buildings			
2025	$ 410	$ 7,600	$ 8,010
2026	1	7,992	7,993
Total for Buildings	411	15,592	16,003

	Interest	Principal	Total
Land			
2025	$ 108,375	$ 129,078	$ 237,453
2026	104,271	77,031	181,302
2027	102,253	20,695	122,948
2028	102,169	2,602	104,771
2029	101,748	3,021	104,769
2030-2034	506,567	16,220	522,787
2035-2039	503,400	10,586	513,986
2040-2044	500,691	13,291	513,982
2045-2049	496,589	17,388	513,977
2050-2054	491,693	21,790	513,483
2055-2059	485,671	27,080	512,751
2060-2064	478,276	34,475	512,751
2065-2069	468,186	44,564	512,750
2070-2074	455,566	57,184	512,750
2075-2079	439,369	73,381	512,750
2080-2084	418,809	93,941	512,750
2085-2089	391,896	120,854	512,750
2090-2094	357,645	155,105	512,750
2095-2099	313,684	199,066	512,750
2100-2104	257,196	255,554	512,750
2105-2109	184,752	327,998	512,750
2110-2114	91,770	420,980	512,750
2115-2119	4,991	63,690	68,681
Total for Land	7,365,567	2,185,574	9,551,141
Total Receivable	$ 7,365,978	$ 2,201,166	$ 9,567,144

C. Software Subscription Activities

The Authority has entered into several Software as a service agreements. Agreements are recorded at the net present value of the future payment and amortized over the life of the agreement.

	Balance as of 1/1/2024	Additions	Reductions	Balance as of 12/31/2024	Due in Less than a Year
Subscription liabilities	$ 11,025,301	$ 5,912,224	$ (4,418,989)	$ 12,518,536	$ 3,745,791

The future principal and interest payments related to these SBITAs are as follows:

	Interest	Principal	Total
2025	$ 356,238	$ 3,745,791	$ 4,102,029
2026	288,748	2,772,863	3,061,611
2027	373,095	1,698,447	2,071,542
2028	182,150	1,492,899	1,675,049
2029	119,363	571,918	691,281
2030-2033	237,198	2,236,618	2,473,816
Total	$ 1,556,792	$ 12,518,536	$ 14,075,328

NOTE 6 – FEDERAL FINANCIAL ASSISTANCE

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

Operating assistance	
Federal preventive maintenance grants	$ 32,570,217
Federal operating assistance	118,542
	32,688,759
Capital projects	
Federal capital projects	29,526,049
Total federal assistance	$ 62,214,808

NOTE 7 – SELF-INSURANCE CLAIMS LIABILITY

Changes in the accrued claims liability in 2024, 2023 and 2022 were as follows:

	Beginning Liability	Claims Incurred and Changes in Estimates	Claim Payments	Ending Liability
2024	1,671,735	2,267,086	(2,020,350)	$ 1,918,471
2023	1,567,267	3,473,209	(3,368,741)	$ 1,671,735
2022	1,061,173	3,590,181	(3,084,087)	$ 1,567,267

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

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

NOTE 8 – PENSION PLANS

A. General Information

Defined Compensation Plan
The 457 Deferred Compensation Plan is offered by the Authority to its employees. The plan was created in accordance with Internal Revenue Code Section 457. The plan is available to all employees on a voluntary basis and permits them to defer a portion of their salaries until future years. The Authority will match $2 for every $3 the employee contributes up to 2% of the employee's annual salary. In 2024 the Authority contributed $3,052,758. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

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

Defined Contribution Plan
The 401a Defined Contribution Plan is offered by the Authority to provide reasonable retirement security for select employees. The plan was created in accordance with Internal Revenue Code Section 401(a). The plan is available to the Board of Directors, the Executive Director, and the Chief Officer positions as an alternative to the Authority's current pension plan. The Authority will contribute 15.5% of the annual salary of each Trustee who has elected this option. In 2024, the Authority contributed $107,048. The Defined Contribution plan is not available to employees until termination, retirement, death, or unforeseeable emergency.

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

Retiree Medical Account

A Retiree Medical Account (RMA) is offered by the Authority to its employees. The plan was created in accordance with Internal Revenue Code Section 401(h). The plan is available to all collective bargaining employees at the start of employment and permits the Authority to contribute 1.33 hours of personal time per pay period to a defer tax account until retirement years. The Authority also allows the remaining employees at the end of their employment to create an account to defer taxes on their final pay out of unused sick leave upon retirement into a retiree medical account. In 2024, the Authority contributed $812,626 . The deferred medical funds are not available to employees until termination, retirement, or death and can only be used for medical expenses with tax penalty.

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

Defined Benefit Plan

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

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

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

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

B. Reporting

The Plan is administered by the Pension Committee that consists of five (5) members, three (3) appointed by the Authority and two (2) appointed by the Amalgamated Transit Union Local 382 in accordance with a collective bargaining agreement. The members of the Pension Committee may (but need not) be participants in the Plan. In the absence of a Pension Committee, the Plan Administrator assumes the powers, duties and responsibilities of the Pension Committee with respect to the administration of the Plan.

C. Membership

The Plan's membership consisted of the following:

Active Participants	January 1, 2024
Fully Vested	1,649
Partially Vested	-
Not Vested	997
Inactive Participants Not Receiving Benefits	563
Retirees and Beneficiaries Receiving Benefits	813
Total	4,022

D. Benefit Terms

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

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

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

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

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

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

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

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

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

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

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

1) A survivor's pension as if the participant had retired on the date before the death with a 100% joint and survivor annuity in effect, or
2) The present value of the survivor's pension, or
3) If a spouse of 2 or more years or a minor child, the participant's contribution with interest, plus 50% of the average compensation, payable in the form of a lump sum, or
4) Life annuity with 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 2024, 47 participants elected to receive their benefit in the form of lump sum distribution. Lump sum distributions collectively totaled $9,181,833. Individuals are removed from the Plan's membership if they choose to take all of their benefit as a lump sum distribution.

E. Contributions

Employer Contribution Requirements
Contributions are received from the Authority in the amount determined by the Pension Committee and approved by the Board of Trustees based on funding levels recommended by the Plan's actuary. The contribution rate for 2024 was 16.0% of employee salaries.

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

F. Method of Accounting

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

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

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

Net Pension Liability
At December 31, 2024, the Authority reported a net pension liability of $133,377,587. The net pension liability was measured as of December 31, 2024 and was determined by an actuarial valuation as of January 1, 2024 and rolled-forward using updated procedures.

Date	Total Pension Liability	Plan Fiduciary Net Position	Employers Net Pension Liability/(Asset)	Plan Fiduciary Net Position as a Percentage of the Total Plan Liability	Projected Covered Payroll	Net Position Liability as a Percentage Of Covered Payroll
12/31/2024	$489,975,331	$356,597,744	$133,377,587	72.78%	$195,272,130	68.30%

Deferred Outflows of Resources and Deferred Inflows of Resources

At December 31, 2024, 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	$ (325,389)	$ 18,733,702
Change of Assumptions	0	6,021,209
Net difference between projected and actual earnings	0	2,451,422
Total	$ (325,389)	$ 27,206,333

Pension Expense

For the year ended December 31, 2024, the Authority recognized pension expense of $36,764,302. 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
2025	$ 13,469,622
2026	13,937,886
2027	(3,337,925)
2028	503,854
2029	1,941,101
Thereafter	366,406
Total	$ 26,880,944

Actuarial Methods and Assumptions

The total pension liability in the January 1, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary Increases	7.00% per annum for the first five (5) years of employment; 4.00% per annum thereafter
Investment rate of return	6.75%, net of investment expenses
Mortality	RP-2014 Blue Collar Mortality Table, with MP-2014 Project Scale (Pre-retirement; Employee Table; Post-retirement Annuitant Table)
Bond Buyer General Obligation 20-Bond Municipal Bond Index	4.08%

The actuarial assumptions used in the January 1, 2024 valuation were based on the results of an actuarial experience study.

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

- Actuarial Cost Method – Entry Age Normal
- Employer Annual Payroll Growth Including Inflation – 4.00%
- Retirement Age – Table of rates by age and eligibility
- Cost of Living Adjustments – None
- Percent of Future Retirements Electing Lump Sum – 30%
- Discount rate

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

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

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

	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
Total pension liability	$ 561,411,034	$ 489,975,331	$ 431,276,232
Fiduciary net position	356,597,744	356,597,744	356,597,744
Net pension liability	$ 204,813,290	$ 133,377,587	$ 74,678,488

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 January 1, 2024	$ 456,860,580	$ 314,576,911	$ 142,283,669
Charges for the year			
Service cost	15,704,877	-	15,704,877
Interest on total pension liability	31,065,694	-	31,065,694
Differences between expected and actual experience	11,089,872	-	11,089,872
Changes of assumptions	268,636	-	268,636
Employer contributions	-	32,762,584	(32,762,584)
Member voluntary contributions	61,008	61,008	-
Net investment income	-	34,959,003	(34,959,003)
Benefit payments	(25,075,336)	(25,075,336)	-
Administrative expenses	-	(686,426)	686,426
Balance as of December 31, 2024	$ 489,975,331	$ 356,597,744	$ 133,377,587

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 3- Investments, Fair Value Measurements.

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

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

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	Long Term Expected Return
Global Equity	56%	36% - 76%
Private Equity	10%	0% - 20%
Real Assets	7%	3% - 11%
Alternatives	25%	15% - 35%
Cash & Equivalents	2%	0% - 5%

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

Target Allocations
The long-term rate of return is selected by the Plan's Pension Committee after a review of expected inflation and long-term real returns, reflecting expected volatility and correlation. Best estimates of the compound nominal rates of return for each major asset class included in the Plan's target asset allocations as of December 31, 2024, is summarized in the table below.

Asset Class	Target Asset Allocation	Long Term Expected Return
Global Equities	65%	6.8%
Fixed Income	25%	5.3%
Private Equities	1%	0.0%
Real Assets	7%	6.4%
Cash & Equivalents	2%	5.5%
Total	100%	6.75%

The 6.75% assumed investment rate of return is comprised of an inflation rate of 2.50% and a real return of 4.35% net of investment expense.

I. Payment of Benefits

Benefit payments to participants are recorded upon distribution.

J. Administrative Expenses

Expenses for the administration of the Plan are budgeted and approved by the Pension Committee. Administrative expenses are paid from investment earnings. Plan expenses are paid from Plan assets. For the year ended December 31, 2024 the Plan paid $686,426 of administrative expenses.

K. Tax Status

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

L. Mutual Fund Asset Coverage

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

M. Cash Deposits

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

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

Cash held in banking institution(s)	$	590,392

N. Risks and Uncertainties

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

O. Credit Risk

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

Fixed Income:				
	2024	$	88,542,029	AA/Aa Rated

P. Investment Interest Rate Risk

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

Fixed Inc. Income:				
	2024	$	88,542,029	Average effective duration: 5.3 years Average effective maturity: 7.5 years

Q. Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The following amounts represent 5% or more of the Plan's fiduciary net position and investments as of December 31, 2024 invested with any one organization.

Equity funds:	
Two Sigma Active US All Cap	$ 40,764,649
JP Morgan Chase Bank	$ 21,526,227
Investments	
Fixed Income:	
IR+M Core Bond Fund II	$ 31,816,197

	Investment Assets at Fair Value as of December 31, 2024 Level 1
Money Market Funds	$ 5,979,898
Global Equity	231,424,596
Private Equity	2,903,063
Real Assets	24,575,576
Fixed Income	88,542,029
Total investments at Fair Value	$ 353,425,162

R. Net Asset Value per Share

The following tables provide additional disclosures concerning the investments measured at fair value based on NAV as of December 31, 2024.

	2024			
	Fair Value	Unfunded Commitment	Redemption Frequency	Redemption Notice Period
Global Equities	$ 231,424,596	$ -	Daily	Daily
Private Equity	2,903,063	-	Daily	Daily
Real Assets	24,575,576	-	Daily	Daily
Fixed Income	88,542,029	-	Daily	Daily
Total	$ 347,445,264	$ -		

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.

Private Equity – the object of private equity investments, including buyouts, venture capital, secondaries, private credits, and distressed assets, is to provide the Plan with a return in excess of public markets over longer periods of time. These investments are illiquid and require capital to be locked up for 7-12 years on average. Due to the higher risk nature of these strategies, a program of private equity investments will be diversified by vintage year, strategy, geography, and manager. A private equity program requires multi-year commitments and is built over several years. The Investment Advisor will monitor the funded and unfunded commitment levels relative to asset allocation and Fund cash levels to ensure adequate liquidity to meet capital calls as well as spending needs.

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

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

S. Employer Contribution Requirements

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

SCHEDULE OF FIDUCIARY NET POSITION

	UTA Employee Retirement and Trust
ASSETS	
Cash in Bank	$ 590,392
Investments:	
Global Equities	231,424,596
Fixed Income	88,542,029
Private Equity	2,903,063
Real Assets	24,575,576
Money Market	5,979,898
Total Investments	353,425,162
Prepaid Benefits	2,006,310
Receivables:	
Dividends Receivable	21,755
Accounts Receivable - Benefits	2,556
Accounts Receivable - Contributions	898,058
Total Receivables	922,369
TOTAL ASSETS	356,944,233
LIABILITIES	
Benefits Payable	57,131
Accounts Payable	289,358
TOTAL LIABILITIES	346,489
NET POSITION	
Restricted for pension	$ 356,597,744

SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION

	UTA Employee Retirement and Trust
ADDITIONS	
Employer Contributions	$ 32,762,584
Participant Voluntary Contributions	61,008
Total Contributions	32,823,592
Net Investment Income	
Net Appreciation in Fair Value of Investments	31,994,063
Interest	411,590
Dividends	3,306,707
Total Investment Income	35,712,360
Less: Investment Expense	753,358
Net Investment Income	34,959,002
TOTAL ADDITIONS	67,782,594
DEDUCTIONS	
Monthly Benefits Paid	15,893,502
Lump Sum Distributions	9,181,833
Administrative Expense	686,426
TOTAL DEDUCTIONS	25,761,761
CHANGE IN NET POSITION	$ 42,020,833
Total Net Position, January 1	$ 314,576,911
Total Net Position, December 31	$ 356,597,744

NOTE 9 – JOINT INSURANCE TRUST

A. General Information

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

B. Reporting Entity

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

C. Membership

The Plan's membership consisted of:

	December 31, 2024
Active participants	1,584
Inactive participants not receiving benefits	257
Total	1,841

D. Benefit Terms

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

E. Contributions

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

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

F. Method of Accounting

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

SCHEDULE OF FIDUCIARY NET POSITION

	Joint Insurance Trust
ASSETS	
Cash in Bank	$ 10,816,781
Cash in Utah State Treasury	327,850
Total Cash	11,144,631
Investments - money markets	2,197,395
Deposits	104,795
Receivables:	46,973
TOTAL ASSETS	13,493,794
LIABILITIES	
Accounts Payable	2,668,612
TOTAL LIABILITIES	2,668,612
NET POSITION	
Restricted for benefits other than pension	$ 10,825,182

SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION

	Joint Insurance Trust
ADDITIONS	
Employer Contributions	$ 25,759,843
Participant Voluntary Contributions	6,836,092
Total Contributions	32,595,935
Net Investment Income	
Net Appreciation in Fair Value of Investments	5,600
Interest	132,839
Total Investment Income	138,439
TOTAL ADDITIONS	32,734,374
DEDUCTIONS	
Monthly Benefits Paid	31,136,909
Administrative Expense	45,514
TOTAL DEDUCTIONS	31,182,423
CHANGE IN NET POSITION	$ 1,551,951
Total Net Position, January 1	$ 9,273,231
Total Net Position, December 31	$ 10,825,182

NOTE 10 – LIABILITIES

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

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

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

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

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

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

DIRECT BORROWINGS

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

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

	Amount Outstanding	Amount Due Within One Year	Accrued Interest	Amount of Collateral
Direct Borrowings:				
Inter-local Loan:				
On December 22, 2016, Utah County issued a $65 million Subordinated Transportation Sales Tax Revenue Bond to be used for the construction of the Utah Valley Express bus route. The Authority and Utah County have entered into an inter-local agreement that requires the Authority to reimburse Utah County for all bond costs (principal, interest, and cost of issuance) prior to December 31, 2028. As of November 2024, UTA only owes the remaining bond principal and interest on the 2016 Utah County Subordinated Transportation Sales Tax Revenue Bond.	$ 52,885,000	$ 1,700,000	$ 347,307	$ -
Subtotal: Direct Borrowings - Inter-local loans:	**$ 52,885,000**	**$ 1,700,000**	**$ 347,307**	**$ -**
Financing Agreements:				
$5,283,500 12-Year Financing Agreement, Series 2015, issued July 17, 2015, maturing monthly from August 17, 2015 through July 17, 2027, with interest payable monthly at rate of 2.0908%. A leasehold interest in 10 CNG buses and equipment is pledged as security for the debt.	$ 1,251,852	$ 476,591	$ -	$ 2,447,216
$2,480,000 12-Year Financing Agreement, Series 2016, issued September 27, 2016, maturing monthly from October 27, 2016 through September 27, 2028, with interest payable monthly at rate of 1.6322%. A leasehold interest in 5 ski buses and equipment is pledged as security for the debt.	827,746	215,806	-	1,384,545
$24,390,000 12-Year Financing Agreement, Series 2017, issued November 30, 2017, maturing monthly from December 31, 2017 through November 30, 2029, with interest payable monthly at rate of 2.2440%. A leasehold interest in 47 buses and equipment is pledged as security for the debt.	10,786,721	2,099,650	-	16,603,356
$12,496,000 12-Year Financing Agreement, Series 2018, issued November 28, 2018, maturing monthly from December 28, 2018 through November 30, 2030, with interest payable monthly at rate of 3.2950%. A leasehold interest in 24 buses, 2 trolleys, and their associated equipment is pledged as security for the debt.	6,776,438	1,054,697	-	9,440,403
$5,190,000 12-Year Financing Agreement, Series 2019, issued August 8, 2019, maturing monthly from September 8, 2019 through August 8, 2031, with interest payable monthly at rate of 2.2200%. A leasehold interest in 10 buses and equipment is pledged as security for the debt.	3,052,782	429,644	-	3,877,555
$9,530,000 14-Year Financing Agreement, Series 2020, issued December 5, 2020, maturing monthly from January 3rd, 2021 through December 3, 2034, with interest payable monthly at rate of 1.5050%. A leasehold interest in 20 buses and equipment is pledged as security for the debt.	6,982,870	646,245	-	9,466,942
$3,060,000 6-Year Financing Agreement, Series 2020, issued December 5, 2020, maturing monthly from January 3, 2021 through December 3, 2026, with interest payable monthly at rate of .88%. A leasehold interest in 25 Flex/Paratransit vehicles and 35 RideShare vans and equipment is pledged as security for the debt.	1,039,720	517,355	-	9,048,227
$28,160,000 14-Year Financing Agreement, Series 2021, issued December 28, 2021, maturing monthly from January 28th, 2022 through December 28, 2035, with interest payable monthly at rate of 1.855%. A leasehold interest in 50 buses and equipment is pledged as security for the debt.	22,725,129	1,879,828	-	27,108,075
$3,859,500 6-Year Financing Agreement, Series 2021, issued December 28, 2021, maturing monthly from January 28, 2022 through December 28, 2027, with interest payable monthly at rate of 1.35%. A leasehold interest in 27 Flex/Paratransit vehicles and 35 RideShare vans and equipment is pledged as security for the debt.	1,968,800	647,432	-	2,341,269
$24,987,407 14-Year Financing Agreement, Series 2022, issued December 16, 2022, maturing monthly from January 16, 2023 through December 16, 2036, with interest payable monthly at rate of 4.1233%. A leasehold interest in 36 buses and equipment is pledged as security for the debt.	22,236,388	1,462,805	-	14,893,625
$1,223,154 8-Year Financing Agreement, Series 2022, issued December 16, 2022, maturing monthly from January 16, 2023 through December 16, 2030, with interest payable monthly at rate of 4.0278%. A leasehold interest in 31 nonrevenue vehicles and equipment is pledged as security for the debt.	953,208	143,336	-	1,176,789

	Amount Outstanding	Amount Due Within One Year	Accrued Interest	Amount of Collateral
$7,525,250 6-Year Financing Agreement, Series 2022, issued December 16, 2022, maturing monthly from January 16, 2023 through December 28, 2028, with interest payable monthly at rate of 4.0192%. A leasehold interest in 53 Flex/Paratransit vehicles and 86 RideShare vans and equipment is pledged as security for the debt.	5,214,890	1,226,468	-	7,632,875
$15,684,868 14-Year Financing Agreement, Series 2023, issued December 29, 2023, maturing monthly from January 29, 2024 through December 29, 2037, with interest payable monthly at rate of 4.3148%. A leasehold inteerest in various buses and equipment is pledged as security for the debt.	14,850,722	870,858	-	15,656,327
$10,000,000 10-Year Financing Agreement, Series 2023, issued December 29, 2023, maturing monthly from January 29, 2024 through December 29, 2033, with interest payable monthly at rate of 4.0278%. A leasehold interest in Commuter Rail vehicles and equipment is pledged as security for the debt.	9,171,783	862,355	-	-
$2,898,000 8-Year Financing Agreement, Series 2023, issued December 29, 2023, maturing monthly from January 29, 2023 through December 29, 2031, with interest payable monthly at rate of 4.0805%. A leasehold interest in Various non-revenue vehicles and equipment is pledged as security for the debt.	2,585,249	325,754	-	2,890,024
$500,000 10-year Financing Agreement, Series 2024, issued April 24, 2024, maturing monthly from May 24, 2024 through April 24, 2034, with interest payable monthly at rate of 4.2010%. A leasehold interest in Various non-revenue vehicles and equipment is pledged as security for the debt.	472,790	42,268	-	-
$3,102,000 8-Year Financing Agreement, Series 2024, issued April 24, 2024, maturing monthly from May 24, 2024 through April 24, 2032, with interest payable monthly at rate of 4.2470%. A leasehold interest in Various non-revenue service vehicles is pledged as security for the debt.	2,881,766	342,245	-	853,434
Subtotal: Direct Borrowings - Financing Agreements:	**$ 113,778,854**	**$ 13,243,337**	**$ -**	**$ 124,820,662**
Total Direct Borrowings:	**$ 166,663,854**	**$ 14,943,337**	**$ 347,307**	**$ 124,820,662**
Other Related Debt:				
Revenue Bonds				
$134,650,000 Senior Revenue bonds, Series 2006C, issued October 24, 2006, maturing annually from June 15, 2007 through June 15, 2032, with interest payable semiannually at rates from 5.00% - 5.25%	70,985,000	7,335,000	355,577	-
$668,655,000 Senior Revenue bonds, Series 2015A, issued February 25, 2015, maturing annually from June 15, 2015 through June 15, 2025, with interest payable semiannually at rates from 4.384-4.895%.	22,660,000	22,660,000	339,037	-
$192,005,000 Subordinate Revenue bonds, Series 2015A, issued February 25, 2015, maturing annually from June 15, 2015 through June 15, 2026, with interest payable semiannually at rates of 5.00%.	21,310,000	13,315,000	250	-
$126,780,000 Subordinate Revenue bonds, Series 2016, issued August 24,2016, maturing annually from December 15, 2016 through December 15, 2031, with interest payable semiannually at rates from 3.00 - 4.00%.	95,175,000	-	402,463	-
$83,765,000 Senior Revenue bonds, Series 2018, issued March 15, 2018, maturing annually from June 15, 2018 through December 15, 2036, with interest payable semiannually at rates from 3.722 - 5.00%.	74,155,000	-	147,390	-
$115,540,000 Subordiate Revenue bonds, Series 2018, issued March 15, 2018, maturing annually from June 15, 2018 through December 15, 2041 with interest payable semiannually at rates from 3.125-5.00%.	85,535,000	3,930,000	198,310	-
$61,830,000 Senior Revenue bonds, Series 2019A, issued November 26, 2019, maturing annually from June 15, 2020 through December 15, 2044, with interest payable semiannually at rates from 3.00-5.00%.	54,485,000	1,935,000	104,579	-

	Amount Outstanding	Amount Due Within One Year	Accrued Interest	Amount of Collateral
$188,810,000 Senior Revenue bonds, Series 2019B, issued November 26, 2019, maturing annually from June 15, 2020 through December 15, 2042, with interest payable semiannually at a rate of 3.443%.	94,725,000	-	3,589,196	-
$59,070,000 Subordinate Revenue bonds, Series 2019B, issued November 26, 2019, maturing annually from June 15, 2020 through December 15, 2042, with interest payable semiannually at rates from 3.393-3.643%.	59,070,000	-	87,851	-
$216,650,000 Taxable Senior Lien Sales Tax Revenue bonds, Series 2020, issued March 19, 2020, maturing annually from June 15, 2020 through December 15, 2038, with interest payable semiannually at rates from .937-2.774%.	194,770,000	4,260,000	192,887	-
$74,750,000 Subordinate Revenue bonds, Series 2020B, issued November 12,2020, maturing annually from June 15, 2021 through December 15, 2039, with interest payable semiannually at rates from 2.375-2.97%.	62,625,000	-	220,273	-
$431,625,000 Senior Revenue bonds, Series 2021A, issued November 10, 2021, maturing annually from June 15, 2022 through December 15, 2036, with interest payable semiannually at a rate from .0347 to 2.589%.	407,680,000	8,365,000	362,872	-
$16,220,000 Subordinate Revenue bonds, Series 2021A, issued November 10, 2021, maturing annually from June 15, 2022 through December 15, 2037, with interest payable semiannually at a rate from 0.547 to 2.989%.	15,520,000	250,000	19,046	-
$77,600,000 Senior Revenue bonds, Series 2023, issued October 3, 2023, maturing annually from June 15, 2024 through December 15, 2042, with interest payable semiannually at of 5.0%.	77,600,000	-	-	-
$419,365,000 Senior Revenue Bonds, Series 2024, Issued August 30, 2024, Maturing annually from June 15, 2025 through June 15, 2042, with interest payable semiannually at a rate of 5.0%.	419,365,000	-	-	-
$120,975,000 Subordinate Revenue Bonds, Series 2024, Issued August 30, 2024, Maturing annually from June 15, 2025 through June 15, 2040, with interest payable semiannually at a rate of 5.0%.	120,975,000	-	-	-
Subtotal: Other Related Debt - Revenue Bonds:	**$ 1,876,635,000**	**$ 62,050,000**	**$ 6,019,731**	**$ -**

	Amount Outstanding	Amount Due Within One Year	Accrued Interest	Amount of Collateral
Current Interest Bonds				
$128,795,000 Subordinate Current Interest Debt, Series 2007A, issued June 19, 2007, maturing annually from December 15, 2007 through June 15, 2035, with interest payable semiannually at a rate of 5.00%.	$ 78,610,000	$ -	$ 108,948	$ -
Subtotal: Other Related Debt - Current Interest Bonds:	**78,610,000**	**-**	**108,948**	**-**
Build America Bonds				
$261,450,000 Senior Debt, Series 2009B, issued May 21, 2009, maturing annually from December 15, 2009 through June 15, 2029, with interest payable semiannually at a rate of 5.937%. The authority elected to treat the 2009B bonds as "Build America Bonds" for the purpose of the American Recovery and Investment Act of 2009 (the Recovery Act) and to receive a cash subsidy from the United States Treasury in connection therewith. Pursuant to the Recovery Act, the Authority anticipates cash subsidy payments from the United States Treasury equal to 35% less sequestration ($5,199,578) of the interest payable on the 2009B bonds. These bonds were fully refunded by the 2024 Bonds.	-	-	-	-
$200,000,000 Subordinate Debt, Series 2010A, issued October 20, 2010, maturing annually from June 15, 2011 through June 15, 2040, with interest payable semiannually at a rate of 5.705%. The authority elected to treat the 2010A bonds as "Build America Bonds" for the purpose of the American Recovery and Investment Act of 2009 (the Recovery Act) and to receive a cash subsidy from the United States Treasury in connection therewith. Pursuant to the Recovery Act, the Authority anticipates cash subsidy payments from the United States Treasury equal to 35% less sequestration ($3,822,065) of the interest payable on the 2010A bonds.These bonds were fully refunded by the 2024 Bonds.	-	-	-	-
Subtotal: Other Related Debt - Build America Bonds:	**-**	**-**	**-**	**-**
Captial Appreciation Bonds				
$18,911,498 Capital Appreciation Subordiate Debt, Series 2016, issued August 24, 2016, maturing December 15, 2032 at a rate of 3.32%	$ 18,911,498	$ -	$ 5,943,917	$ -
Subtotal: Other Related Debt - Capital Appreciation Bond:	**$ 18,911,498**	**$ -**	**$ 5,943,917**	**$ -**
Total Other Related Debt:	**$ 1,974,156,498**	**$ 62,050,000**	**$ 12,072,596**	**$ -**
Total of Direct Borrowings and Other Related Debt:	**$ 2,140,820,352**	**$ 76,993,337**	**$ 12,419,903**	**$ 124,820,662**

Annual repayment requirements on the Direct Borrowings are:

	Principal	Interest	Total
Year ending December 31,			
2025	$ 1,700,000	$ 1,677,512	$ 3,377,512
2026	1,750,000	1,623,588	3,373,588
2027	1,805,000	1,568,078	3,373,078
2028	1,865,000	1,510,824	3,375,824
2029	45,765,000	1,451,666	47,216,666
Total	$ 52,885,000	$ 7,831,668	$ 60,716,668

Financing Agreements

	Principal	Interest	Total
Year ending December 31,			
2025	$ 13,243,337	$ 3,399,634	$ 16,642,971
2026	13,630,973	3,011,963	16,642,936
2027	13,296,010	2,614,275	15,910,285
2028	12,674,913	2,217,805	14,892,718
2029	11,266,810	1,843,339	13,110,149
2030-2034	38,697,312	4,975,137	43,672,449
2035-2037	10,969,499	504,111	11,473,610
Total	$ 113,778,854	$ 18,566,264	$ 132,345,118

OTHER RELATED DEBT

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

	Principal	Interest	Total
Year ending December 31,			
2025	$ 62,050,000	$ 72,778,071	$ 134,828,071
2026	71,985,000	70,858,721	142,843,721
2027	79,315,000	69,228,033	148,543,033
2028	81,400,000	67,128,889	148,528,889
2029	89,880,000	64,912,658	154,792,658
2030-2034	500,001,498	288,429,505	788,431,003
2035-2039	642,070,000	170,823,501	812,893,501
2040-2044	447,455,000	34,164,248	481,619,248
Total	$ 1,974,156,498	$ 838,323,626	$ 2,812,480,124

Changes in Debt Long-Term Liabilities

Long-term debt liability activity for the year ended December 31, 2024 was as follows:

	Balance 1/1/2024	Additions	Reductions	Balance 12/31/2024	Due Within One Year
Direct Borrowings					
Financing Lease Agreements	$ 123,309,600	$ 3,602,000	$ (13,132,746)	$ 113,778,854	$ 13,243,337
Inter-local Loan	54,530,000	-	(1,645,000)	52,885,000	1,700,000
Total Direct Borrowings	177,839,600	3,602,000	(14,777,746)	166,663,854	14,943,337
Other Related Debt					
Sales Tax Revenue Bonds	1,480,690,000	540,340,000	(144,395,000)	1,876,635,000	62,050,000
Current Interest Bonds	110,595,000	-	(31,985,000)	78,610,000	-
Build America Bonds	461,450,000	-	(461,450,000)	-	-
Capital Appreciation Bonds	18,911,498	-	-	18,911,498	-
Insurance premiums/ (discounts)	43,328,287	78,071,397	(7,894,911)	113,504,773	-
Total Other Related Debt	2,114,974,785	618,411,397	(645,724,911)	2,087,661,271	62,050,000
Total Direct Borrowings and Other Related Debt	$ 2,292,814,385	$ 622,013,397	$ (660,502,657)	$ 2,254,325,125	$ 76,993,337

Compensated Absences	Balance 1/1/2024	Prior Period Adjustment (1)	Adjusted Balance 1/1/2024	Additions	Reductions	Balance 12/31/2024	Due Within One Year
Total Vacation Liability	$ 10,967,458	$ 839,011	$ 11,806,469	$ 12,606,182	$ (11,931,131)	$ 12,481,520	$ 9,643,594
Total Sick Liability	6,417,308	387,113	6,804,421	1,883,230	(1,882,678)	6,804,973	1,283,822
Total Compensated Absences	$ 17,384,766	$ 1,226,124	$ 18,610,890	$ 14,489,412	$ (13,813,809)	$ 19,286,493	$ 10,927,416

(1) Adjustment to prior period balance is due to the implementation of GASB 101

NOTE 11 – COMMITMENTS AND CONTINGENCIES

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

As of December 31, 2024, the Authority also has purchasing commitments of $257.2 million for capital projects. The largest of these commitments are as follows:

- 123.24 million — SD100/SD160 Light Rail Vehicle Replacement
- 27.92 million — Mid-Valley Connector
- 21.12 million — Fares Systems Replacement Program
- 21.10 million — 5600 W/Mountain View Corridor Project
- 9.03 million — Maintenance System & OWATS Replacement
- 5.37 million — Ogden/Weber State University BRT
- 5.08 million — OK Building Repairs
- 4.61 million — Non-Rev Service Vehicle Replacement
- 4.51 million — South Valley Transit
- 3.01 million — MOW Training Yard
- 2.51 million — 900 East UVX Station
- 2.35 million — Van pool Van replacement
- 2.20 million — Init APC Upgrade
- 2.02 million — Rail Passenger Info
- 1.97 million — SLCentral HQ Office
- 1.97 million — Frontrunner Double Tracking
- 1.89 million — Light Rail Vehicle Rehab
- 1.77 million — Program Management Support
- 1.77 million — CPO New HRIS system app
- 1.65 million — Train Control Rehab and Replacement
- 1.61 million — TPSS Component Replacement/Traction Power Rehab and Replacement
- 1.58 million — Prime Mover Engine Rebuild
- 1.49 million — System Restrooms
- 1.46 million — Clearfield FR Station Trail
- 1.35 million — Bridge Rehabilitation & Maintenance
- 1.31 million — S-Line Expansion
- 1.24 million — Stray Current Mitigation
- 1.10 million — Vehicle Replacement/Expansion
- 1.03 million — Point of the Mountain

Required Supplementary Information

UTA

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

	2024	2023	2022	2021
Total Pension Liability				
Service cost	$ 15,704,877	$ 14,308,127	$ 12,293,940	$ 12,597,159
Interest on total pension liability	31,065,694	29,160,956	27,443,651	25,639,471
Voluntary member contributions	61,008	346,127	116,525	334,301
Differences between expected and actual experience	11,089,872	6,654,184	(621,195)	9,188,520
Assumption changes or inputs	268,636	-	6,482,520	-
Benefits paid	(25,075,336)	(22,266,119)	(22,309,358)	(19,196,735)
Net change in total pension liability	33,114,751	28,203,275	23,406,083	28,562,716
Total pension liability - beginning	456,860,580	428,657,305	405,251,222	376,688,506
Total pension liability - ending (a)	489,975,331	456,860,580	428,657,305	405,251,222
Plan Fiduciary Net Position				
Contributions - employer	$ 32,762,584	$ 30,041,866	$ 27,132,518	$ 25,207,307
Contributions - members	61,008	346,127	116,525	334,301
Net investment income	34,959,003	44,606,252	(56,561,527)	28,830,047
Benefits paid	(25,075,336)	(22,266,119)	(22,309,358)	(19,196,735)
Administrative expense	(686,426)	(583,880)	(554,229)	(471,288)
Net change in plan fiduciary net position	42,020,833	52,144,246	(52,176,071)	34,703,632
Plan fiduciary net position - beginning	314,576,911	262,432,665	314,608,736	279,905,104
Plan fiduciary net position - ending (b)	356,597,744	314,576,911	262,432,665	314,608,736
Net pension liability / (asset) - ending (a-b)	$ 133,377,587	$ 142,283,669	$ 166,224,640	$ 90,642,486
Plan fiduciary net position as a percentage of the total pension liability	72.78%	68.86%	61.22%	77.63%
Projected covered employee payroll	$ 195,272,130	$ 173,115,453	$ 160,831,897	$ 153,983,509
Net pension liability as a percentage of covered payroll	68.30%	82.19%	103.35%	58.87%

Schedule is intended to show information for 10 years.

	2020	2019	2018	2017
Total Pension Liability				
Service cost	$ 10,653,870	$ 10,244,115	$ 9,550,863	$ 8,368,262
Interest on total pension liability	24,263,256	22,947,802	21,512,781	20,368,031
Voluntary member contributions	83,988	298,803	223,572	697,576
Differences between expected and actual experience	4,292,503	3,347,505	4,893,150	4,915,564
Assumption changes or inputs	11,421,251	-	-	5,079,447
Benefits paid	(19,648,551)	(17,302,699)	(15,474,819)	(13,008,142)
Net change in total pension liability	31,066,317	19,535,526	20,705,547	26,420,738
Total pension liability - beginning	345,622,189	326,086,663	305,381,116	278,960,378
Total pension liability - ending (a)	376,688,506	345,622,189	326,086,663	305,381,116
Plan Fiduciary Net Position				
Contributions - employer	$ 24,273,996	$ 24,008,192	$ 22,355,434	$ 20,506,163
Contributions - members	83,988	298,803	223,572	697,576
Net investment income	33,846,259	40,648,932	(16,629,921)	30,598,620
Benefits paid	(19,648,551)	(17,302,699)	(15,474,819)	(13,008,142)
Administrative expense	(407,938)	(434,427)	(440,279)	(324,912)
Net change in plan fiduciary net position	38,147,754	47,218,801	(9,966,013)	38,469,305
Plan fiduciary net position - beginning	241,757,350	194,538,549	204,504,562	166,035,257
Plan fiduciary net position - ending (b)	279,905,104	241,757,350	194,538,549	204,504,562
Net pension liability / (asset) - ending (a-b)	$ 96,783,402	$ 103,864,839	$ 131,548,114	$ 100,876,554
Plan fiduciary net position as a percentage of the total pension liability	74.31%	69.95%	59.66%	66.97%
Projected covered employee payroll	$ 152,297,365	$ 141,812,999	$ 132,521,079	$ 126,690,540
Net pension liability as a percentage of covered payroll	63.55%	73.24%	99.27%	79.62%

Schedule is intended to show information for 10 years.

	2016	2015
Total Pension Liability		
Service cost	$ 7,711,706	$ 7,545,807
Interest on total pension liability	19,604,345	18,717,411
Voluntary member contributions	437,923	916,567
Differences between expected and actual experience	(927,077)	(1,973,177)
Assumption changes or inputs	(3,955,702)	7,725,363
Benefits paid	(12,980,615)	(11,554,824)
Net change in total pension liability	9,890,580	21,377,147
Total pension liability - beginning	269,069,798	247,692,651
Total pension liability - ending (a)	278,960,378	269,069,798
Plan Fiduciary Net Position		
Contributions - employer	$ 19,603,952	$ 16,745,254
Contributions - members	437,923	916,567
Net investment income	7,591,211	(1,085,458)
Benefits paid	(12,980,615)	(11,554,824)
Administrative expense	(249,141)	(244,011)
Net change in plan fiduciary net position	14,403,330	4,777,528
Plan fiduciary net position - beginning	151,631,927	146,854,399
Plan fiduciary net position - ending (b)	166,035,257	151,631,927
Net pension liability / (asset) - ending (a-b)	$ 112,925,121	$ 117,437,871
Plan fiduciary net position as a percentage of the total pension liability	59.50%	56.40%
Projected covered employee payroll	$ 115,430,618	$ 110,727,134
Net pension liability as a percentage of covered payroll	97.83%	106.06%

Schedule is intended to show information for 10 years.

SCHEDULE OF REQUIRED EMPLOYER CONTRIBUTIONS – 10 YEARS

Year	Actuarial Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contribution as Percentage of Covered Payroll
2024	$ 29,895,858	$ 32,762,584	(2,866,726)	$ 195,272,130	16.78%
2023	29,290,819	30,041,866	(7581,057)	173,115,453	17.35%
2022	25,967,318	27,132,518	(1,165,200)	160,831,897	16.87%
2021	24,743,369	25,207,307	(463,938)	153,983,509	16.37%
2020	25,167,517	24,273,996	893,521	152,297,365	15.94%
2019	22,240,718	24,008,192	(1,767,474)	141,812,999	16.93%
2018	21,600,936	22,355,434	(754,498)	132,521,079	16.87%
2017	20,270,486	20,506,163	(235,677)	126,690,540	16.19%
2016	17,147,568	19,603,952	(2,456,384)	115,430,618	16.98%
2015	16,609,070	16,745,254	(136,184)	110,727,134	15.12%

NOTE 1 – METHODS AND ASSUMPTIONS USED TO DETERMINE CONTRIBUTION RATES AS OF DECEMBER 31, 2024

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

SCHEDULE OF INVESTMENT RETURNS

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

Fiscal Year Ending December 31	Net Money-Weighted Rate of Return
2024	10.99%
2023	16.76%
2022	-17.85%
2021	10.19%
2020	13.88%
2019	20.56%
2018	-8.00%
2017	18.01%
2016	4.90%
2015	-0.72%

Schedule is intended to show information for 10 years.

Supplementary Schedules

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

	Budget	Budget Amendments	Amended Budget	Actual	Favorable (Unfavorable)
Revenues					
Contributions from other gov'ts, sales tax	$ 480,000,000	$ 13,670,000	$ 493,670,000	$ 492,426,212	$ (1,243,788)
Federal operating grants	84,903,000	12,057,000	96,960,000	32,688,759	(64,271,241)
Passenger revenues	35,850,000	2,131,000	37,981,000	39,255,838	1,274,838
Advertising	2,322,000	6,000	2,328,000	2,092,000	(236,000)
Investment income	7,215,000	(1,590,000)	5,625,000	25,294,865	19,669,865
Other income	11,634,000	1,013,000	12,647,000	25,672,217	13,025,217
Total revenues	621,924,000	27,287,000	649,211,000	617,429,891	(31,781,109)
Operating Expenses					
Bus services	143,835,000	-	143,835,000	159,124,939	(15,289,939)
Rail services	102,604,000	-	102,604,000	120,182,858	(17,578,858)
Demand response services	42,102,000	40,000	42,142,000	46,111,798	(3,969,798)
Other services	4,015,000	(3,000)	4,012,000	5,043,420	(1,031,420)
Operations support	64,674,000	(137,000)	64,537,000	65,780,906	(1,243,906)
Administration (less non-operating)	68,244,000	137,000	68,381,000	66,578,845	1,802,155
Total operating expenses	425,474,000	37,000	425,511,000	462,822,766	(37,311,766)
Non-Operating Expenses					
Interest expense	79,145,000	-	79,145,000	95,730,232	(16,585,232)
Build America Bond subsidies	(9,259,000)	-	(9,259,000)	-	(9,259,000)
Principal	66,575,261	-	66,575,261	72,045,000	(5,469,739)
Total non-operating expenses	136,461,261	-	136,461,261	167,775,232	(31,313,971)
Total Operating and Non-Operating Expenses	$ 561,935,261	$ 37,000	$ 561,972,261	$ 630,597,998	$ (68,625,737)
Capital Expenses (Revenues)					
Federal and local grants	$ (142,568,000)	$ -	$ (142,568,000)	$ (29,526,049)	$ (113,041,951)
State and local contributions	(30,596,000)	-	(30,596,000)	(10,385,602)	(20,210,398)
Capital lease	(46,569,000)	-	(46,569,000)	-	(46,569,000)
Bonds	(6,330,000)	-	(6,330,000)	-	(6,330,000)
Project expenses	230,433,000	-	230,433,000	173,691,847	56,741,153
Total capital expenses (revenues)	$ 4,370,000	$ -	$ 4,370,000	$ 133,780,196	$ (129,410,196)
Project expenses - less transfers to capital assets in 2024				(139,208,535)	
Capital project expenses not capitalized				$ 34,483,312	

Reconciliation:	
Total revenues (operating and capital)	$ 657,341,542
- Less total expenses (operating, non-operating, and capital (after capitalization)	(665,081,310)
- Less depreciation expense	(153,164,701)
+ Plus gain on sale of assets	605,141
+ Plus capital project expenses not capitalized (added into modes)	
Bus	10,319,080
Rail	19,700,180
Demand response	2,936,247
Other service	1,527,805
+ Plus principal payments on long-term debt	72,045,000
Change in Net Position (Statement of Revenues, Expenses, and Changes in Net Position)	$ (53,771,016)

COMBINING STATEMENT OF FIDUCIARY NET POSITION

	UTA Employee Retirement Trust	Joint Insurance Trust	Total
ASSETS			
Cash in Bank	$ 590,392	$ 10,816,781	$ 11,407,173
Cash in Utah State Treasury	-	327,850	327,850
Total Cash	590,392	11,144,631	11,735,023
Investments:			
Global Equities	231,424,596	-	231,424,596
Fixed Income	88,542,029	-	88,542,029
Private Equity	2,903,063	-	2,903,063
Real Assets	24,575,576	-	24,575,576
Money Market	5,979,898	2,197,395	8,177,293
Total Investments	353,425,162	2,197,395	355,622,557
Prepaid Benefits	2,006,310	-	2,006,310
Deposits	-	104,795	104,795
Receivables:			
Dividends Receivable	21,755	-	21,755
Accounts Receivable - Benefits	2,556	-	2,556
Accounts Receivable - Contributions	898,058	46,973	945,031
Total Receivables	922,369	46,973	969,342
TOTAL ASSETS	**356,944,233**	**13,493,794**	**370,438,027**
LIABILITIES			
Benefits Payable	57,131	-	57,131
Accounts Payable	289,358	2,668,612	2,957,970
TOTAL LIABILITIES	**346,489**	**2,668,612**	**3,015,101**
NET POSITION			
Restricted for:			
Pension	356,597,744	-	356,597,744
Benefits Other Than Pension	-	10,825,182	10,825,182
Total Net Position	**$ 356,597,744**	**$ 10,825,182**	**$ 367,422,926**

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

	UTA Employee Retirement Trust	Joint Insurance Trust	Total
ADDITIONS			
Employer Contributions	$ 32,762,584	$ 25,759,843	$ 58,522,427
Participant Voluntary Contributions	61,008	6,836,092	6,897,100
Total Contributions	32,823,592	32,595,935	65,419,527
Net Investment Income			
Net Appreciation in Fair Value of	31,994,063	5,600	31,999,663
Interest	411,590	132,839	544,429
Dividends	3,306,707	-	3,306,707
Total Investment Income	35,712,360	138,439	35,850,799
Less: Investment Expense	753,358	-	753,358
Net Investment Income	34,959,002	138,439	35,097,441
TOTAL ADDITIONS	**67,782,594**	**32,734,374**	**100,516,968**
DEDUCTIONS			
Monthly Benefits Paid	15,893,502	31,136,909	47,030,411
Lump Sum Distributions	9,181,833	-	9,181,833
Administrative Expense	686,426	45,514	731,940
TOTAL DEDUCTIONS	**25,761,761**	**31,182,423**	**56,944,184**
CHANGE IN NET POSITION	**$ 42,020,833**	**$ 1,551,951**	**$ 43,572,784**
Total Net Position, January 1	$ 314,576,911	$ 9,273,231	$ 323,850,142
Total Net Position, December 31	$ 356,597,744	$ 10,825,182	$ 367,422,926

Statistical

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

Financial Trends Information

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

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

Revenue Capacity Information

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

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

Debt Capacity Information

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

Total Outstanding Debt Burden per Capita
Yearly Debt Service Coverage

Demographic and Economic Information

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

Demographic and Economic Statistics
Principal Employers

Operating Information

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

Full Time Equivalent Authority Employees
Trend Statistics by Type of Service
Operating Indicators by Function/Program
Capital Asset Statistics by Function/Program
Performance Measures - Bus Service
Performance Measures - Light Rail
Performance Measures - Commuter Rail
Performance Measures - Demand Response
Performance Measures - Vanpool

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

NET POSITIONS AS OF DECEMBER 31 – 10 YEARS

	2024	2023 [2]	2022	2021 [1]	2020
Net Position as of December 31					
Capital investment in capital assets	$775,525,771	$718,712,321	$666,552,866	$667,968,269	$648,605,411
Restricted	99,156,029	59,680,867	44,161,873	27,015,061	40,516,406
Unrestricted	297,484,933	448,770,685	505,087,728	331,437,253	228,081,924
Total net position	1,172,166,733	1,227,163,873	1,215,802,467	1,026,420,583	917,203,741
Restatement	-	(1,226,124)	-	302,822	-
Total restated net position	$1,172,166,733	$1,225,937,749	$1,215,802,467	$1,026,723,405	$917,203,741

	2019	2018	2017	2016	2015
Net Position as of December 31					
Capital investment in capital assets	$692,675,681	$827,646,243	$894,275,843	$924,260,135	$1,040,640,236
Restricted	66,948,773	66,559,450	60,399,717	67,381,132	77,983,022
Unrestricted	113,143,840	85,088,927	39,001,859	71,502,447	76,548,154
Total net position	872,768,294	979,294,620	993,677,419	1,063,143,714	1,195,171,412
Restatement	-	-	-	-	(9,497,521)
Total restated net position	$872,768,294	$979,294,620	$993,677,419	$1,063,143,714	$1,185,673,891

CHANGE IN NET POSITION – 10 YEARS

	2024	2023	2022	2021	2020
Operating revenues	$41,347,838	$37,959,224	$35,713,144	$30,386,187	$34,880,272
Operating expenses	615,987,467	579,128,611	569,651,499	472,933,325	459,473,189
Operating loss	(574,639,629)	(541,169,387)	(533,938,355)	(442,547,138)	(424,592,917)
Non-operating revenues	480,956,962	481,237,344	641,374,613	483,530,389	444,739,466
Income (loss) before capital contributions	(93,682,667)	(59,932,043)	107,436,258	40,983,251	20,146,549
Capital contributions	39,911,651	71,293,449	81,642,804	68,233,591	24,288,898
Change in net position	$ (53,771,016)	$11,361,406	$189,079,062	$109,216,842	$44,435,447

	2019	2018	2017	2016	2015
Operating revenues	$55,111,554	$54,464,392	$54,525,870	$52,891,021	$54,346,242
Operating expenses	457,897,920	401,161,541	427,777,940	422,543,342	394,062,733
Operating loss	(402,786,366)	(346,697,149)	(373,252,070)	(369,652,321)	(339,716,491)
Non-operating revenues	261,451,197	268,435,411	246,722,487	226,957,532	209,462,264
Income (loss) before capital contributions	(141,335,169)	(78,261,738)	(126,529,583)	(142,694,789)	(130,254,227)
Capital contributions	34,808,843	63,878,939	57,063,288	20,164,612	9,068,708
Change in net position	$ (106,526,326)	$ (14,382,799)	$ (69,466,295)	$ (122,530,177)	$ (121,185,519)

*Source: Utah Transit Authority 2024 Annual Comprehensive Financial Report

1. 2021 Net position restated due to GASB 87 Implementation in 2022.
2. 2023 Net position restated due to GASB 101 Implementation in 2024.

REVENUE HISTORY BY SOURCE

	2024	2023	2022	2021	2020
Operating	$ 41,347,838	$ 37,959,223	$ 35,713,144	$ 30,386,187	$ 34,880,272
Sales taxes	492,426,212	482,427,243	480,925,766	433,360,729	361,590,707
Investment	25,294,865	31,955,716	1,806,825	1,432,026	3,525,448
Reinvestment of proceeds from development agreements	-	-	19,368,007	-	-
Net gain on sale of capital assets	605,141	(5,116,287)	3,228,640	1,411,431	927,566
Build America Bond Subsidies	-	9,426,300	9,259,376	8,158,624	8,893,288
Other	25,672,217	12,777,577	11,692,301	9,822,657	9,442,644
	585,346,273	569,429,773	561,994,059	484,571,654	419,259,925
Federal grants					
Federal preventive maintenance grants	32,570,217	62,979,264	47,286,518	-	-
Federal operating grants	118,542	646,635	167,777,447	130,631,095	160,258,318
Federal capital grants	29,526,049	45,176,230	50,582,042	48,642,468	20,898,309
	62,214,808	108,802,129	265,646,007	179,273,563	181,156,627
Other capital contributions	10,385,602	26,117,219	31,060,762	19,591,123	3,390,589
	$657,946,683	$704,349,121	$858,700,828	$683,436,340	$603,807,141

	2019	2018	2017	2016	2015
Operating	$ 55,111,554	$ 54,464,392	$ 54,525,870	$ 52,891,021	$ 54,346,242
Sales taxes	317,797,604	282,933,591	265,770,775	245,008,417	227,703,023
Investment	6,821,490	6,525,872	2,873,787	1,732,939	2,831,406
Reinvestment of proceeds from development agreements	-	-	-	-	-
Net gain on sale of capital assets	-	-	-	-	-
Build America Bond Subsidies	-	-	-	-	-
Other	(45,372,222)	8,155,668	3,954,893	3,108,191	8,314,065
	334,358,426	352,079,523	327,125,325	302,740,568	293,194,736
Federal grants					
Federal preventive maintenance grants	-	61,820,668	62,313,994	59,772,235	49,452,677
Federal operating grants	69,746,231	-	-	3,562,534	2,547,335
Federal capital grants	16,395,068	31,585,004	53,960,024	17,054,298	7,819,096
	86,141,299	93,405,672	116,274,018	80,389,067	59,819,108
Other capital contributions	18,413,775	32,293,935	3,103,264	3,110,314	1,249,612
	$438,913,500	$477,779,130	$446,502,607	$386,239,949	$354,263,456

EXPENSE HISTORY BY FUNCTION

	2024	2023	2022	2021	2020
Bus service	$ 159,124,939	$ 151,499,433	$ 135,508,533	$ 108,575,280	$ 107,390,047
Rail service	120,182,858	123,526,228	121,262,026	94,943,238	96,041,283
Paratransit service	46,111,798	37,727,338	33,431,955	27,083,173	22,646,903
Other service	5,043,420	3,691,915	3,509,781	3,587,718	3,296,275
Operations support	65,780,906	64,509,732	62,562,572	50,621,841	46,463,776
Administration [1]	66,578,845	50,442,038	64,148,322	53,262,273	43,734,772
Capital Maintenance Projects	-	-	-	-	-
Depreciation	153,164,701	146,921,013	142,059,366	134,048,888	139,089,219
Impairment Expense	-	-	6,358,030	-	-
Interest [2]	95,730,232	113,859,104	99,970,267	101,286,173	99,898,505
Recoverable sales tax, interlocal [3]	810,914	810,914	810,914	810,914	810,914
	$ 712,528,613	$ 692,987,715	$ 669,621,766	$ 574,219,498	$ 559,371,694

	2019	2018	2017	2016	2015
Bus service	$ 104,570,413	$ 96,719,747	$ 88,928,063	$ 85,841,973	$ 77,092,676
Rail service	77,972,467	75,157,087	72,895,607	84,165,069	67,254,632
Paratransit service	23,121,527	21,857,632	19,572,367	19,341,116	18,511,580
Other service	3,247,699	3,056,191	2,982,176	2,949,643	2,918,871
Operations support	47,056,444	45,557,749	41,932,571	37,831,682	32,051,926
Administration [1]	35,927,831	38,783,033	30,612,930	38,840,643	35,189,725
Capital Maintenance Projects	19,078,502	38,654,111	20,602,425	-	-
Depreciation	146,112,123	80,565,077	149,440,887	153,573,216	161,043,323
Impairment Expense	-	-	-	-	-
Interest [2]	87,541,906	91,000,388	88,190,962	85,415,870	80,575,328
Recoverable sales tax, interlocal [3]	810,914	810,914	810,914	810,914	810,914
	$ 545,439,826	$ 492,161,929	$ 515,968,902	$ 508,770,126	$ 475,448,975

[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

	2024	2023	2022	2021	2020
Box Elder [1]	$ 2,012,920	$ 3,154,228	$ 3,083,631	$ 2,690,712	$ 2,404,175
Davis	49,871,101	48,505,397	48,085,992	44,689,405	37,364,965
Salt Lake	296,350,313	291,603,977	291,511,290	260,485,953	217,849,215
Tooele [2]	4,477,128	4,367,638	4,174,538	4,040,910	3,347,286
Utah	99,040,456	95,655,237	94,740,945	84,632,418	69,278,480
Weber	40,674,294	39,140,766	39,329,370	36,821,329	31,346,586
	$ 492,426,212	$ 482,427,243	$ 480,925,766	$ 433,360,727	$ 361,590,707

	2019	2018	2017	2016	2015
Box Elder [1]	$ 2,019,036	$ 1,898,308	$ 1,957,740	$ 1,790,352	$ 1,552,291
Davis	33,674,864	31,883,835	30,633,547	27,606,440	23,178,724
Salt Lake	196,744,294	174,704,191	163,407,564	153,201,907	146,866,479
Tooele [2]	2,250,563	2,815,189	2,302,492	1,798,971	1,521,097
Utah	55,708,400	45,665,232	43,023,303	38,601,427	36,221,930
Weber	27,400,447	25,966,836	24,446,129	22,009,320	18,362,502
	$ 317,797,604	$ 282,933,591	$ 265,770,775	$ 245,008,417	$ 227,703,023

[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

	2024	2023	2022	2021	2020
Box Elder	0.5500%	0.5500%	0.5500%	0.5500%	0.5500%
Davis	0.6500%	0.6500%	0.6500%	0.6500%	0.6500%
Salt Lake	0.7875%	0.7875%	0.7875%	0.8500%	0.8500%
Tooele	0.6500%	0.6500%	0.4000%	0.4000%	0.4000%
Utah	0.6260%	0.6260%	0.6260%	0.6260%	0.6300%
Weber	0.6500%	0.6500%	0.6500%	0.6500%	0.6500%

	2019	2018	2017	2016	2015
Box Elder	0.5500%	0.5500%	0.5500%	0.5500%	0.5500%
Davis	0.6500%	0.6500%	0.6500%	0.6500%	0.5500%
Salt Lake	0.8500%	0.6875%	0.6875%	0.6875%	0.6875%
Tooele	0.4000%	0.4000%	0.4000%	0.4000%	0.3000%
Utah	0.6300%	0.5260%	0.5260%	0.5260%	0.5260%
Weber	0.6500%	0.6500%	0.6500%	0.6500%	0.5500%

Source: UTA Finance Department

PRINCIPAL CONTRIBUTORS OF SALES TAX BY COUNTY – 2024 AND 2015

	2024			2015		
	Rank	Percentage of contributions	Amount	Rank	Percentage of contributions	Amount
Salt Lake County	1	60.18%	$ 296,350,313	1	64.50%	$ 146,866,479
Utah County	2	20.11%	99,040,456	2	15.91%	36,221,930
Davis County	3	10.13%	49,871,101	3	10.18%	23,178,724
Weber County	4	8.26%	40,674,294	4	8.06%	18,362,502
Tooele County	5	0.91%	4,477,128	6	0.67%	1,521,097
Box Elder County	6	0.41%	2,012,920	5	0.68%	1,552,291
			$ 492,426,212			$ 227,703,023

FARES - 10 YEARS

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Cash Fares										
Base Fare	$ 2.50	$ 2.50	$ 2.50	$ 2.50	$ 2.50	$ 2.50	$ 2.50	$ 2.50	$ 2.50	$ 2.50
Senior Citizen/Disabled	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25
Ski Bus	5.00	5.00	5.00	5.00	4.50	4.50	4.50	4.50	4.50	4.50
Paratransit (Flextrans)	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Commuter Rail Base Rate	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50
Commuter Rail Additional Station	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60
Commuter Rail Maximum Rate	9.70	9.70	9.70	9.70	10.30	10.30	10.30	10.30	10.30	10.30
Express	5.00	5.00	5.00	5.00	5.50	5.50	5.50	5.50	5.50	5.50
Streetcar	2.50	2.50	2.50	2.50	1.00	1.00	1.00	1.00	1.00	1.00
Monthly Passes										
Adult	$ 85.00	$ 85.00	$ 85.00	$ 85.00	$ 83.75	$ 83.75	$ 83.75	$ 83.75	$ 83.75	$ 83.75
Minor	42.50	42.50	42.50	42.50	62.75	62.75	62.75	62.75	62.75	62.75
College Student	42.50	42.50	42.50	42.50	62.75	62.75	62.75	62.75	62.75	62.75
Senior Citizen/Disabled	42.50	42.50	42.50	42.50	41.75	41.75	41.75	41.75	41.75	41.75
Express	170.00	170.00	170.00	170.00	198.00	198.00	198.00	198.00	198.00	198.00
Other Fares										
Day Pass	$ 5.00	$ 5.00	$ 5.00	$ 5.00	$ 6.25	$ 6.25	$ 6.25	$ 6.25	$ 6.25	$ 6.25
Group Pass	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00
Summer Youth	49.00	49.00	49.00	49.00	49.00	49.00	99.00	99.00	99.00	99.00
Token - 10-Pack [1]	—	—	—	22.50	22.50	22.50	22.50	22.50	22.50	22.50
Paratransit - 10-Ride Ticket	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00

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

Source: UTA Fares Department

TOTAL OUTSTANDING DEBT BURDEN PER CAPITA

	Total Debt			Sales Taxes Collected	Personal Income of	Percentage of	Per
Fiscal Year	Bonds	Inter-Local	Financing Agreements	(less Proposition 1 and 4th quarter cent)	UTA Service Area	Personal Income	Capita
2015	$ 2,291,439,672	-	$ 11,272,688.00	$ 227,703,023	$ 98,213,376,000	2.34%	$ 972.89
2016	2,259,166,529	-	19,605,173	238,584,981	104,042,124,000	2.19%	943.16
2017	2,300,193,307	65,000,000.00	46,394,866	256,742,750	110,124,169,000	2.19%	979.06
2018	2,377,228,054	65,960,616	56,038,716	273,007,256	118,270,822,000	2.11%	998.93
2019	2,329,663,958	67,050,616	52,187,203	288,548,490	125,338,146,000	1.95%	963.88
2020	2,324,362,741	65,665,597	57,263,279	311,520,915	135,585,673,000	1.80%	938.78
2021	2,273,743,099	57,670,000	81,486,033	262,251,079	149,994,848,000	1.61%	904.76
2022	2,162,991,498	56,125,000	105,927,556	414,301,168	158,360,471,000	1.47%	862.52
2023	2,071,646,498	54,530,000	123,290,344	415,168,658	173,991,581,000	1.29%	822.12
2024	1,974,156,498	52,885,000	113,778,852	424,156,518	—	—	

Source: Note 10
2024 personal income numbers are not available at the preparation of this statement

YEARLY DEBT SERVICE COVERAGE

Fiscal Year	Bonds Payments Principal	Interest	Sales Taxes Collected (less Proposition 1 and 4th quarter cent)	Coverage Ratio of Sales Taxes
2014	7,810,000	91,382,184	214,683,276	2.16
2015	11,445,000	84,785,200	227,703,023	2.37
2016	13,570,000	94,893,898	238,584,981	2.20
2017	8,750,000	77,765,121	256,742,750	2.97
2018	10,845,000	91,000,388	273,007,256	2.68
2019	17,500,000	87,541,906	288,548,490	2.75
2020	25,920,000	91,005,217	311,520,915	2.66
2021	46,860,000	100,245,573	262,251,079	1.78
2022	55,735,000	86,212,420	414,301,168	2.92
2023	168,945,000	81,573,682	415,638,335	1.66
2024	637,830,000	74,335,998	424,156,518	0.60

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

DEMOGRAPHIC AND ECONOMIC STATISTICS

Fiscal Year	Estimated Population	Personal Income in UTA Service Area	Per Capita Personal Income	Unemployment Rate
2015	2,366,874	$ 98,213,376,000	$ 39,045	3.6%
2016	2,416,115	104,042,124,000	41,495	3.4%
2017	2,463,158	110,124,169,000	43,062	3.3%
2018	2,501,905	118,270,822,000	44,709	3.0%
2019	2,540,671	125,338,146,000	47,272	2.6%
2020	2,606,888	135,585,673,000	49,333	3.3%
2021	2,666,898	149,994,848,000	52,011	2.3%
2022	2,695,629	158,360,471,000	58,747	2.4%
2023	2,736,179	173,991,581,000	63,589	2.8%
2024	2,720,878	—	—	3.3%

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

PRINCIPAL EMPLOYERS – 2023 AND 2014

		2023			2014		
Employer	Industry	Employees	Rank	% Total Employment	Employees	Rank	% Total Employment
Intermountain Healthcare	Health Care	20,000 +	1	1.1%	20,000+	1	1.4%
University of Utah	Higher Education	20,000 +	2	1.1%	20,000+	3	1.4%
Wal-Mart Associates	Warehouse Clubs/Supercenters	20,000 +	3	1.1%	15,000-19,999	5	1.2%
State of Utah	State Government	20,000 +	4	1.1%	20,000+	2	1.4%
Brigham Young University	Higher Education	15,000-19,999	5	0.9%	15,000-19,999	4	1.3%
Hill Air Force Base	Federal Government	10,000-14,999	6	0.6%	10,000-14,999	6	0.9%
Davis County School District	Public Education	7,000-9,999	7	0.4%	7,000-9,999	7	0.6%
Smith's Food and Drug Centers	Grocery Stores	7,000-9,999	8	0.4%	—	—	—
Utah State University	Higher Education	7,000-9,999	9	0.4%	7,000-9,999	9	0.5%
Northrop Grumman Corp	Aerospace Manufacturing	7,000-9,999	10	0.4%	—	—	—
Granite School District	Public Education	—	—	—	7,000-9,999	8	0.6%
US Department of the Treasury	Federal Government	—	—	—	5,000-6,999	10	0.3%
	Totals	133,000-154,994+		7.6%	126,000-152,000+		8.7%
	Total Employment			1,749,249			1,327,560

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

Note: 2024 data was not availible when this report was issued.

FULL-TIME EQUIVALENT AUTHORITY EMPLOYEES – 10 YEARS

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Bus operations	1,300	1,180	1,073	1,069	1,104	1,138	1,089	1,030	1,028	951
Rail operations	639	641	600	594	625	631	611	580	563	527
Paratransit operations	203	196	193	190	200	203	196	191	192	188
Other services	11	11	10	10	10	10	8	9	9	12
Support services	476	508	452	453	417	433	413	365	366	349
Administration	286	259	227	190	187	184	180	243	212	210
Total	2,915	2,795	2,555	2,506	2,543	2,599	2,496	2,417	2,368	2,237

Source: UTA Budget Office
Headcount Report 01/01/2025

TREND STATISTICS - 10 YEARS

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Passengers										
Bus service	19,644,929	17,797,238	15,502,241	12,616,872	12,441,304	20,799,642	19,624,935	19,749,855	20,033,242	20,560,068
Rail service	18,093,299	14,780,350	13,964,586	10,466,195	10,271,888	22,321,887	22,981,884	23,677,677	23,765,873	24,349,674
Paratransit service	223,788	212,688	201,822	301,505	187,112	388,265	394,816	386,977	389,019	388,169
Vanpool service	1,151,649	1,033,123	731,900	587,721	658,990	1,068,364	1,174,696	1,264,410	1,333,780	1,423,675
Total passengers	39,113,665	33,823,399	30,400,549	23,972,293	23,559,294	44,578,158	44,176,331	45,078,919	45,521,914	46,721,586
Revenue Miles										
Bus service	15,995,893	15,786,087	15,613,708	15,534,571	15,607,429	18,158,463	17,911,404	17,454,404	15,462,834	15,367,510
Rail service	10,892,311	10,111,329	10,529,287	10,904,101	10,153,689	11,977,751	12,084,767	12,082,292	12,070,277	11,988,005
Paratransit service	1,519,997	1,586,321	1,591,587	1,252,967	1,709,396	2,881,355	2,798,928	2,727,127	2,505,343	2,293,887
Vanpool service	7,925,575	7,454,630	6,182,824	5,633,164	5,705,170	6,451,812	6,354,828	6,449,439	6,518,150	6,734,487
Total Revenue Miles	36,333,776	34,938,367	33,917,406	33,324,803	33,175,684	39,469,381	39,149,927	38,713,262	36,556,604	36,383,889
Total Miles										
Bus service	17,772,172	17,530,329	17,406,085	17,262,587	17,692,313	20,854,420	20,247,617	19,899,364	17,511,624	17,662,486
Rail service	11,004,901	10,343,613	10,650,381	11,010,634	10,256,421	12,098,162	12,285,634	12,202,976	12,189,876	12,368,934
Paratransit service	1,835,553	1,927,124	1,937,209	1,571,443	2,223,889	3,566,711	3,376,772	3,263,607	3,254,559	3,192,367
Vanpool service	7,925,575	7,454,630	6,182,824	5,633,164	5,705,170	6,451,812	6,354,828	6,449,439	6,518,150	6,734,487
Total miles	38,538,201	37,255,696	36,176,499	35,477,828	35,877,793	42,971,105	42,264,851	41,815,386	39,474,209	39,958,274
Passengers per Mile										
Bus service	1.23	1.13	0.99	0.81	0.80	1.15	1.10	1.13	1.30	1.34
Rail service	1.66	1.46	2.47	0.96	1.01	1.86	1.90	1.96	1.97	2.03
Paratransit service	0.15	0.13	0.13	0.24	0.11	0.13	0.14	0.14	0.16	0.17
Vanpool service	0.15	0.14	0.12	0.10	0.12	0.17	0.18	0.20	0.20	0.21
Total passengers per mile	3.19	2.86	3.71	2.11	2.04	3.31	3.32	3.43	3.63	3.75
Revenue Hours										
Bus service	1,323,990	1,284,650	1,242,349	1,228,731	1,169,292	1,326,660	1,284,186	1,258,448	1,087,055	1,070,139
Rail service	515,372	593,970	493,398	511,973	480,016	532,353	527,187	513,389	511,082	506,233
Paratransit service	107,346	101,821	94,758	79,710	116,174	181,749	180,342	162,198	162,734	160,383
Total revenue hours	1,946,708	1,980,441	1,830,505	1,820,414	1,765,482	2,040,762	1,991,715	1,934,035	1,760,871	1,736,755
Passengers per Revenue Hour										
Bus service	14.84	13.85	12.48	10.27	10.64	15.68	15.28	15.69	18.43	19.21
Rail service	35.11	24.88	52.80	20.44	21.40	41.93	43.59	46.12	46.50	48.10
Paratransit service	2.08	2.09	2.13	3.78	1.61	2.14	2.19	2.39	2.39	2.42
Total passengers per revenue hour	52.03	40.82	67.41	34.49	33.65	59.75	61.06	64.20	67.32	69.73
Total System										
Fare revenue	$39,255,838	$35,414,276	$33,499,144	$28,510,458	$32,845,272	$52,649,054	$52,051,892	$52,159,203	$50,624,354	$52,112,909
Operating expense	$348,532,560	$384,913,352	$401,021,779	$346,672,552	$320,383,970	$311,785,797	$320,596,464	$257,734,612	$268,970,126	$242,516,933
Cost per revenue mile	9.59	11.02	11.82	10.40	9.66	7.90	8.19	6.66	7.36	6.67
Cost per passenger	8.91	11.38	13.19	14.46	13.60	6.99	7.26	5.72	5.91	5.19
Fare revenue per passenger	1.00	1.05	1.10	1.19	1.39	1.18	1.18	1.16	1.11	1.12

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

OPERATING INDICATORS AND CAPITAL ASSETS - 10 YEARS

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Number of bus routes *	80	120	83	95	104	117	114	119	125	126	121	119
Number of rail routes												
Light rail	4	4	4	4	4	4	4	4	4	4	4	4
Commuter rail	1	1	1	1	1	1	1	1	1	1	1	1
Bus service miles (weekday)	52,931	52,350	59,196	62,948	63,025	62,742	57,378	56,162	53,612	49,625	51,629	55,733
Rail service miles (weekday)												
Light rail	21,405	20,301	8,789	8,342	6,797	8,832	8,853	8,814	8,815	8,828	8,547	8,216
Commuter rail	13,727	13,399	4,504	3,727	3,628	4,660	4,664	4,623	4,627	4,651	4,638	4,488
Average passengers (weekday)	128,971	111,401	99,494	79,916	78,972	152,940	151,901	156,288	155,873	161,862	161,339	162,644
Buses	444	447	520	648	539	570	561	582	567	555	535	493
Paratransit vehicles (buses/vans)	80	80	187	188	207	198	182	148	129	—	84	113
Rail vehicles												
Light rail	114	114	114	117	117	117	146	146	146	146	146	146
Commuter rail	56	56	87	81	81	70	81	81	81	81	81	81
Vanpool vehicles	535	519	491	461	471	512	453	453	503	495	479	470
Park and ride lots[1]	—	—	—	—	—	—	—	—	46	41	—	—
Rail park and ride	41	41	41	42	42	42	42	42	—	—	—	—
Non-Rail park and ride	25	25	25	12	12	12	12	12	—	—	—	—
Bus stops	5,530	5,071	5,369	5,199	6,120	6,247	6,100	6,100	6,196	6,250	6,250	6,273
Rail stations												
Light rail	60	57	57	57	57	57	57	57	57	57	51	51
Commuter rail	17	17	17	17	17	17	16	16	16	16	16	16

Source: NTD
UTA capital asset record
UTA Change-Day Roster
https://maps.rideuta.com/portal/apps/sites/#/uta-open-data

* including flex

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

UTA Benchmarking Group

In addition to internal performance measures, UTA strives to improve through use of peer comparisons in a benchmarking group. The following measures were generated using publicly available National Transit Database (NTD) data for the most recent year available (2023) aggregated by region.

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

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

- Types of transportation (Transit Modes)
- Budget required for transit operations (Operating Expenses)
- Ridership (Unlinked Passenger Trips)
- Operating time and distance (Vehicle Revenue Hours and Vehicle Revenue Miles)
- Funding level (Farebox Return1[1])

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

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

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

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

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

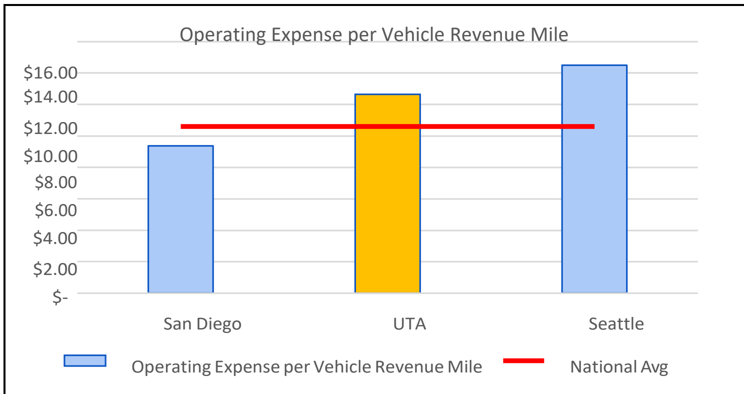
Cities that closely align with UTA in the above metrics, but without strong overlap in relevant transit modes were eliminated from the benchmarking group. The following benchmarking performance measures are presented by mode, where only cities that participate in each mode will appear in the charts.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

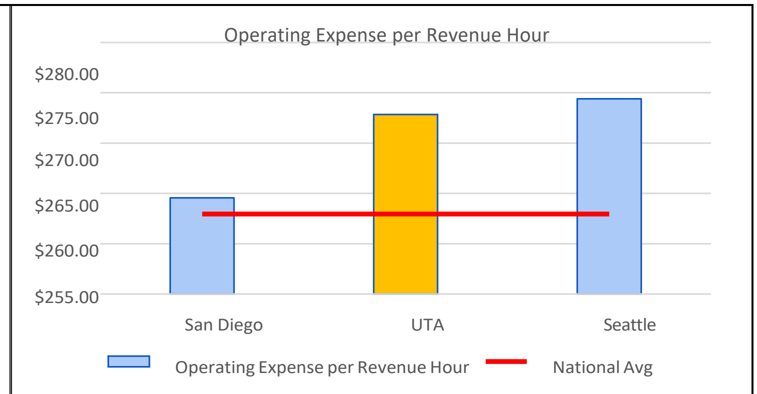
Transit Mode:	Bus	Commuter Bus	Rail	Commuter Rail	Demand Response	Van Pool
Cleveland	x		x		x	
Dallas	x		x	x	x	x
Denver	x		x	x	x	x
Phoenix	x		x		x	x
Pittsburgh	x		x		x	x
Portland	x		x	x	x	
Salt Lake City	x	x	x	x	x	x
San Diego	x	x	x		x	x
San Jose	x		x		x	
Seattle	x	x	x	x	x	x

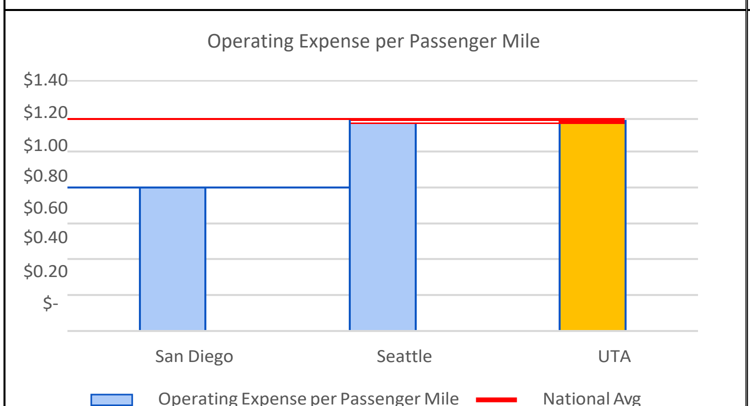
Performance Measures

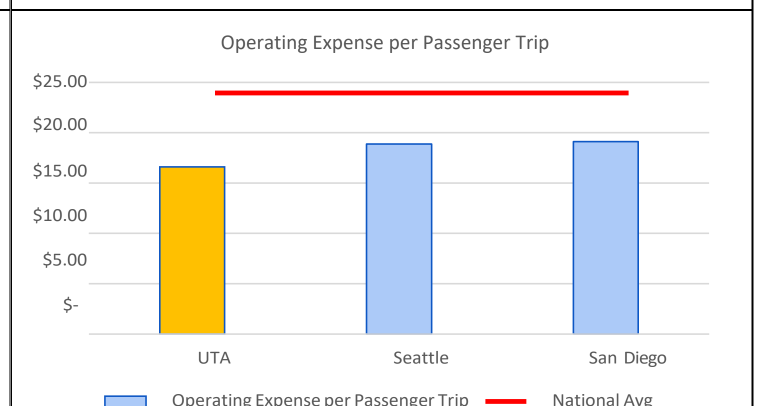
COMMUTER BUS SERVICE (DIRECTLY OPERATED & PURCHASED)

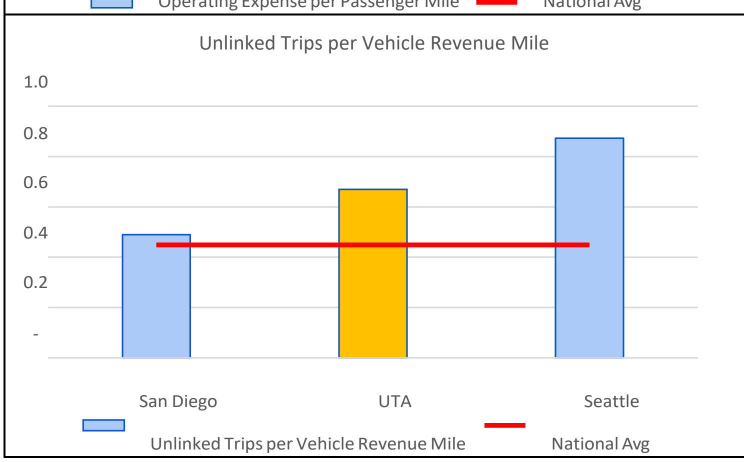
The following charts contain information from the Federal Transit Administration's National Database (NTD) for the most recent year available (2023), and compares the Authority's performance with other similar cities.

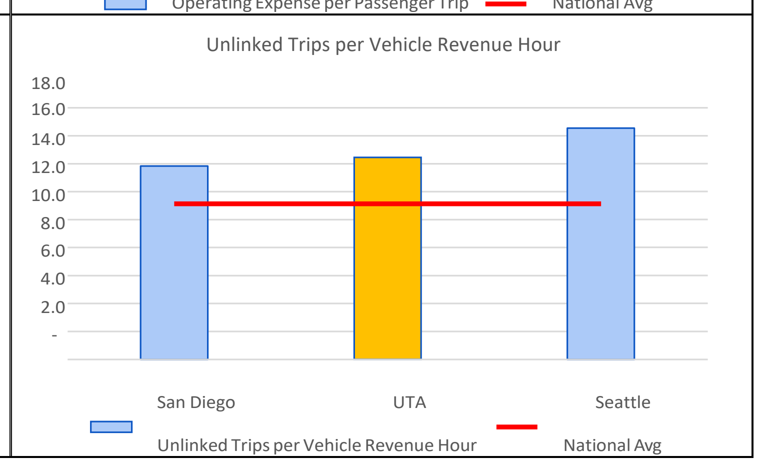








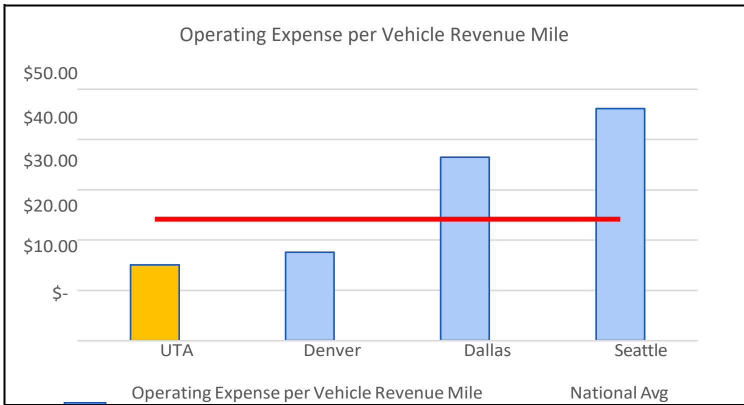


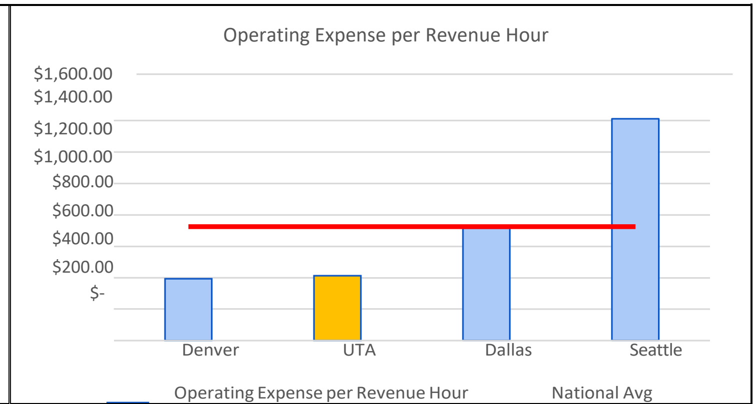


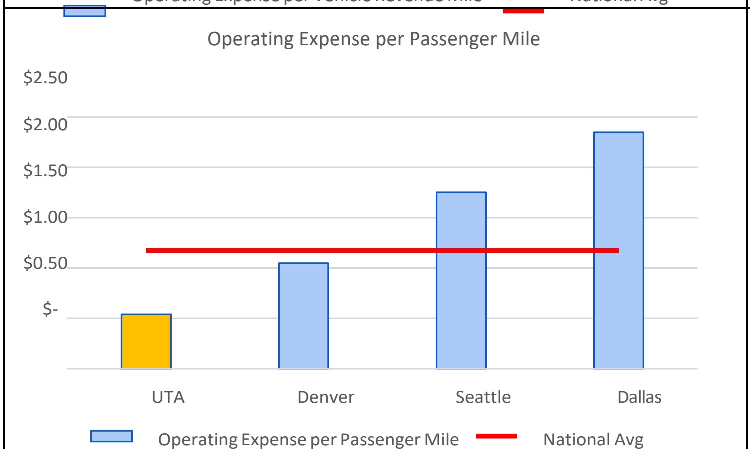
City	State	Agency
San Diego	CA	MTS
Seattle	WA	ST

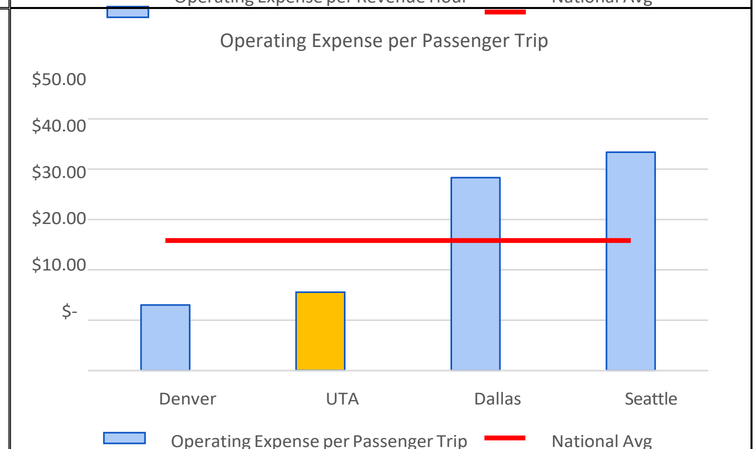
COMMUTER RAIL SERVICE (DIRECTLY OPERATED & PURCHASED)

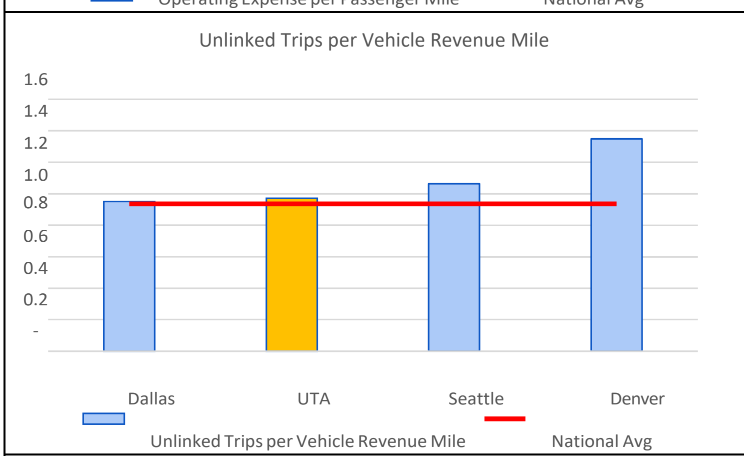
The following charts contain information from the Federal Transit Administration's National Database (NTD) for the most recent year available (2023), and compares the Authority's performance with other similar cities.

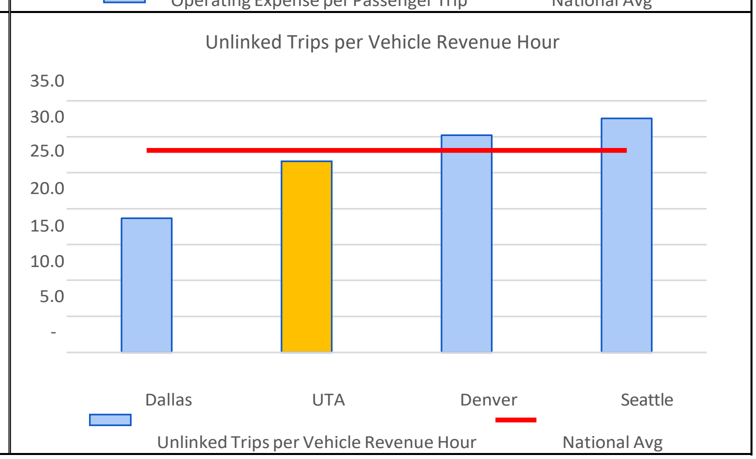








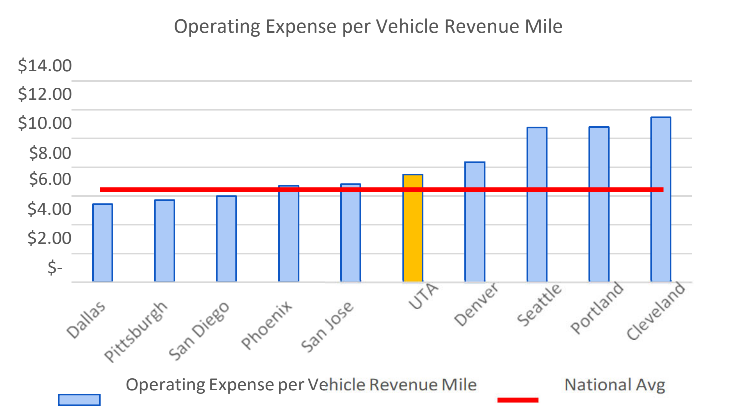


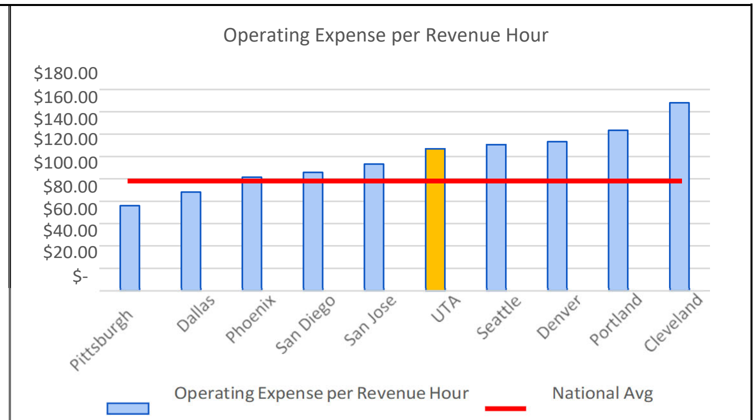


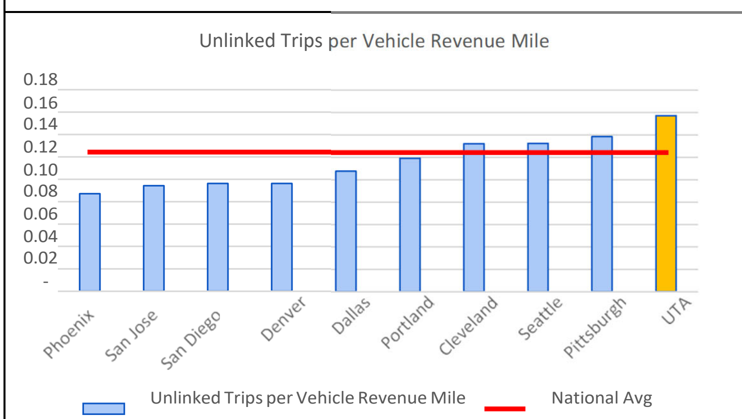
City	State	Agency
Dallas	TX	DART
Denver	CO	RTD
Seattle	WA	ST

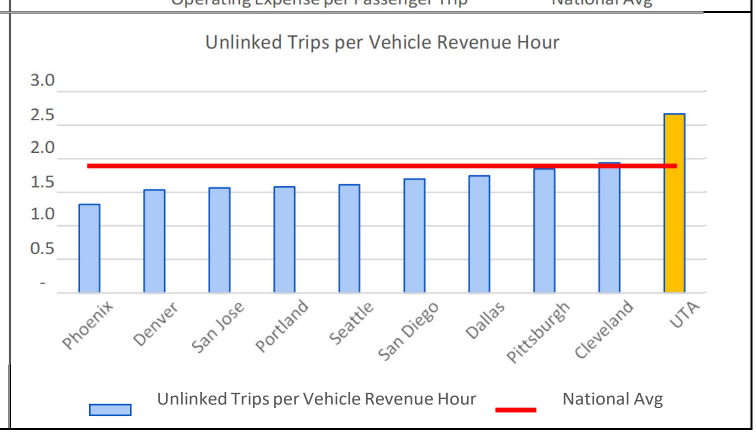
DEMAND RESPONSE SERVICE (DIRECTLY OPERATED & PURCHASED)

The following charts contain information from the Federal Transit Administration's National Database (NTD) for the most recent year available (2023), and compares the Authority's performance with other similar cities.





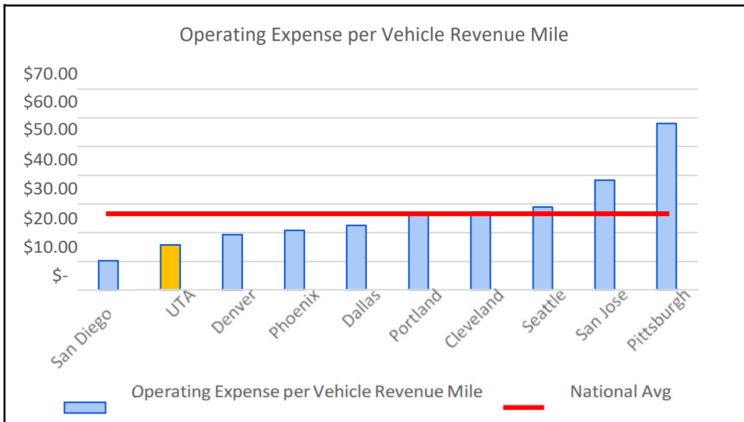


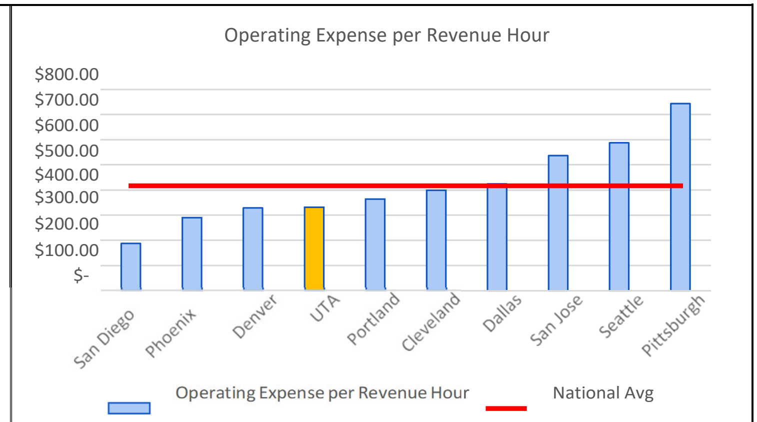


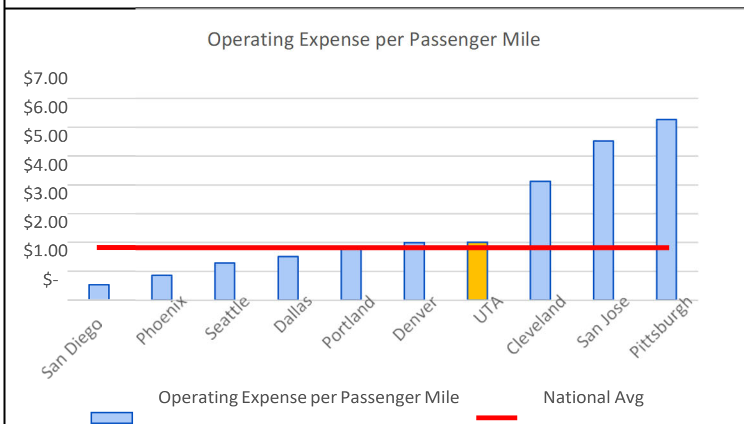
City	State	Agency	City	State	Agency	
Cleveland	OH	GCRTA	Portland	OR	RC	SMS
Dallas	TX	DART	San Diego	CA	MTS	
Denver	CO	RTD	San Jose	CA	VTA	
Phoenix	AZ	VM	Seattle	WA	KCM	
Pittsburgh	PA	ACTA				

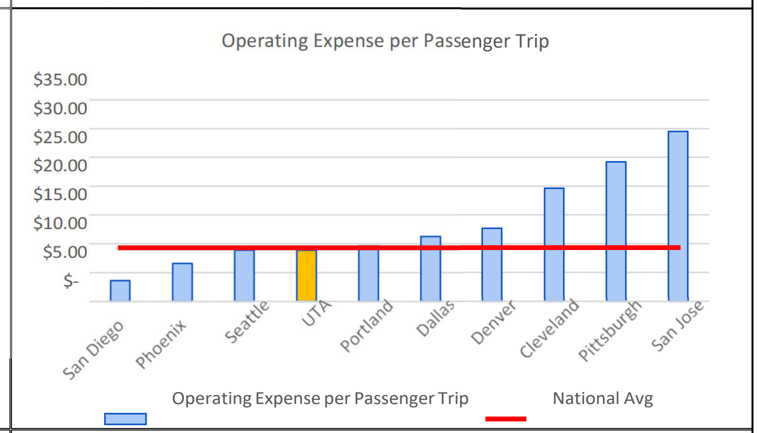
LIGHT RAIL SERVICE (DIRECTLY OPERATED & PURCHASED)

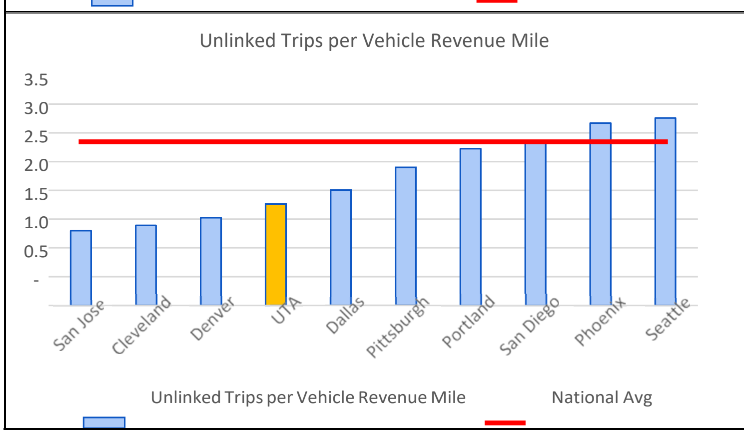
The following charts contain information from the Federal Transit Administration's National Database (NTD) for the most recent year available (2023), and compares the Authority's performance with other similar cities.

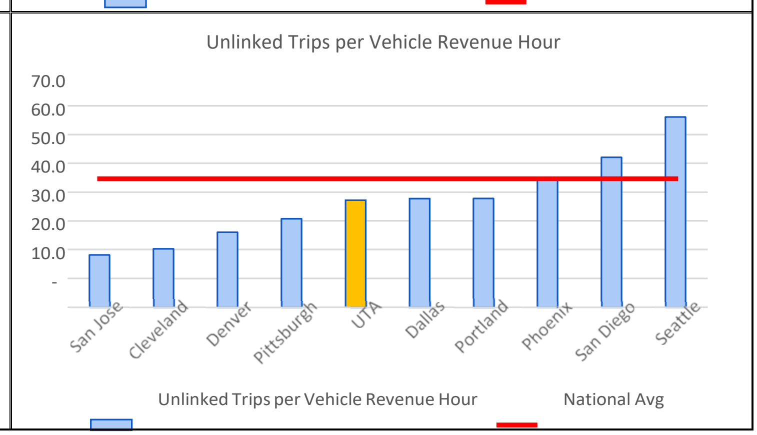








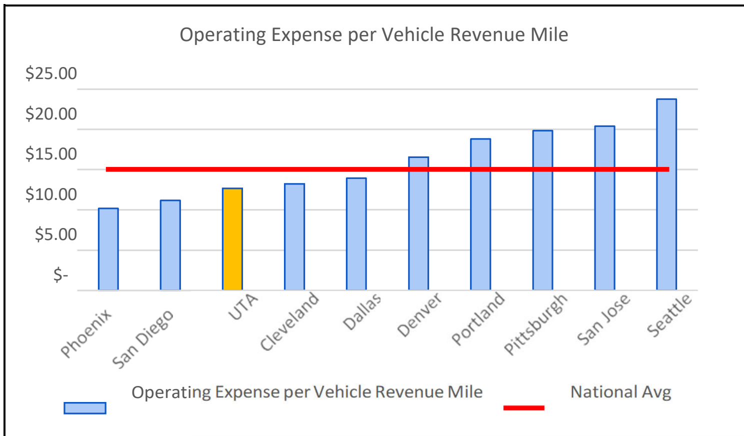


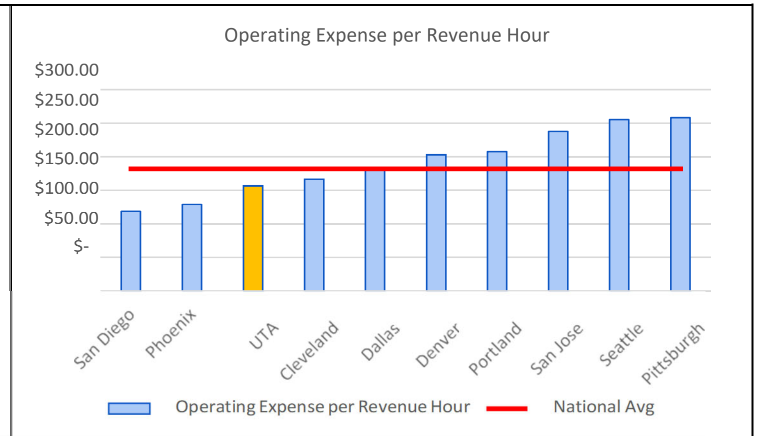


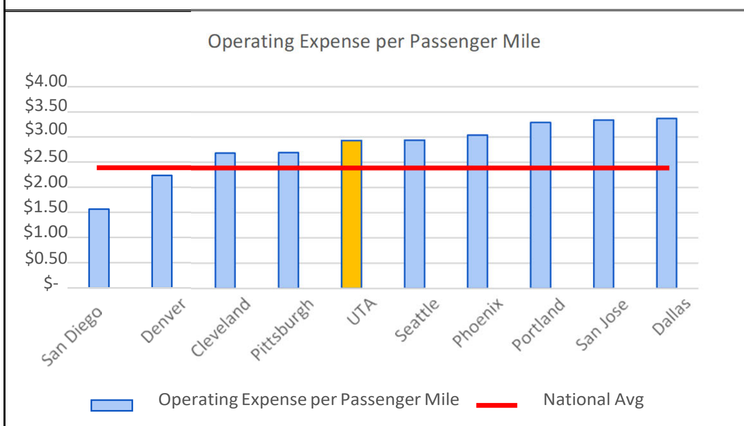
City	State	Agency	City	State	Agency
Cleveland	OH	GCRTA	Portland	OR	TriMet
Dallas	TX	DART	San Diego	CA	MTS
Denver	CO	RTD	San Jose	CA	VTA
Phoenix	AZ	VMR	Seattle	WA	ST
Pittsburgh	PA	PRT			

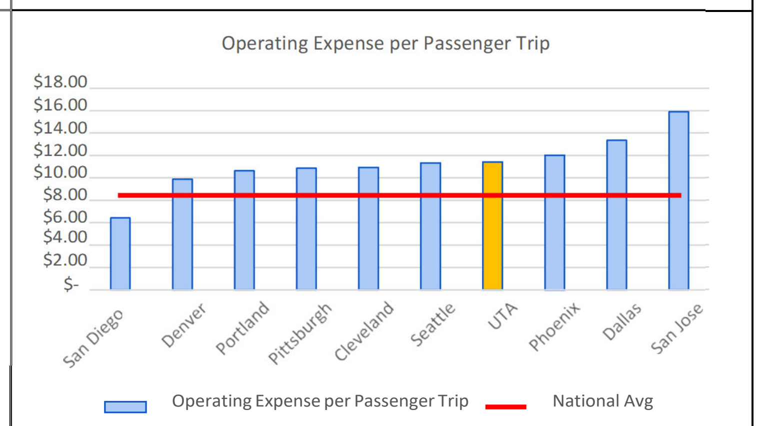
BUS SERVICE (DIRECTLY OPERATED & PURCHASED)

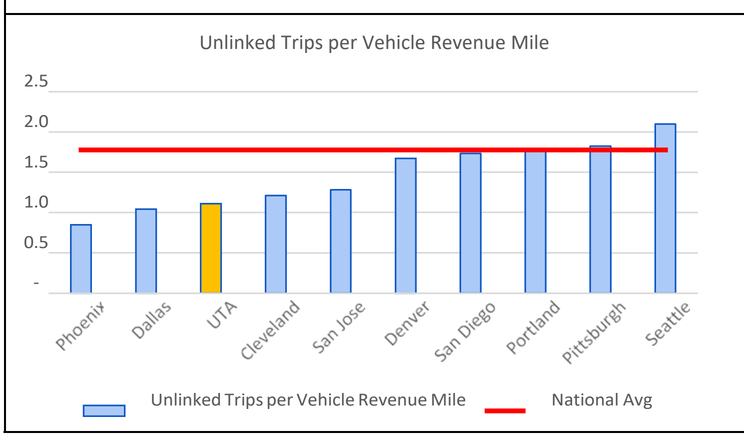
The following charts contain information from the Federal Transit Administration's National Database (NTD) for the most recent year available (2023), and compares the Authority's performance with other similar cities.

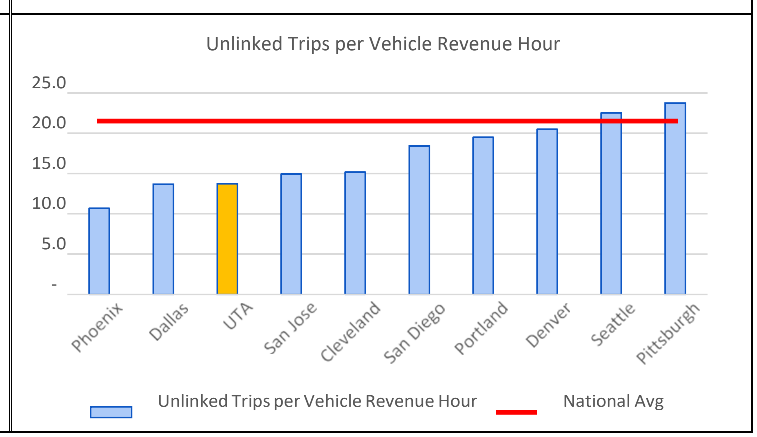










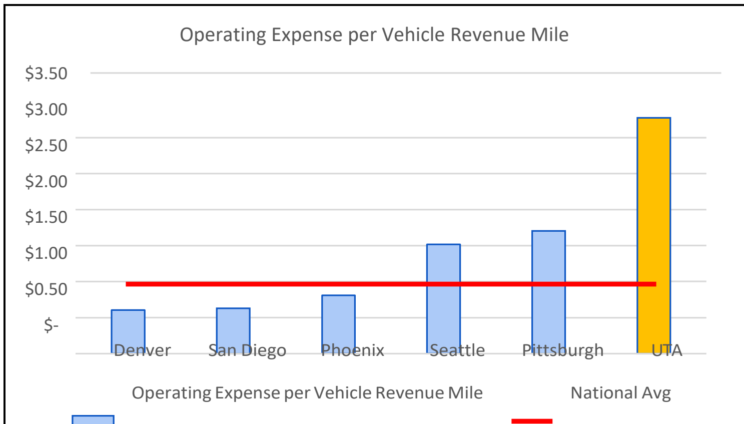


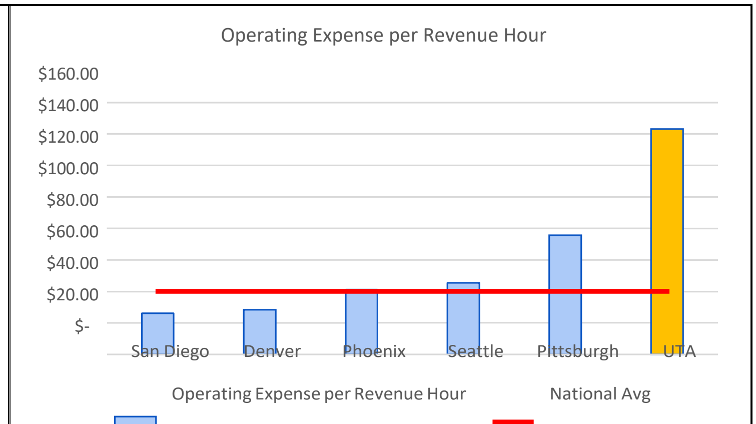
City	State	Agency	
Cleveland	OH	GCRTA	
Dallas	TX	DART	
Denver	CO	RTD	
Phoenix	AZ	VM	VMR
Pittsburgh	PA	PRT	

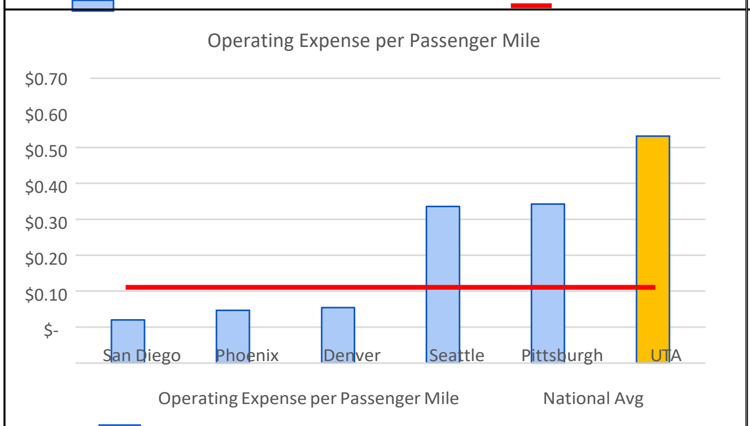
City	State	Agency		
Portland	OR	TriMet	RC	SMS
San Diego	CA	MTS		
San Jose	CA	VTA		
Seattle	WA	KCM		

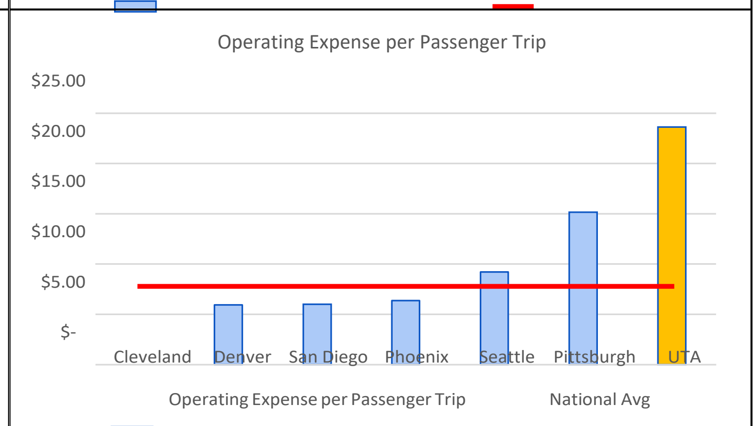
VAN POOL SERVICE (DIRECTLY OPERATED & PURCHASED)

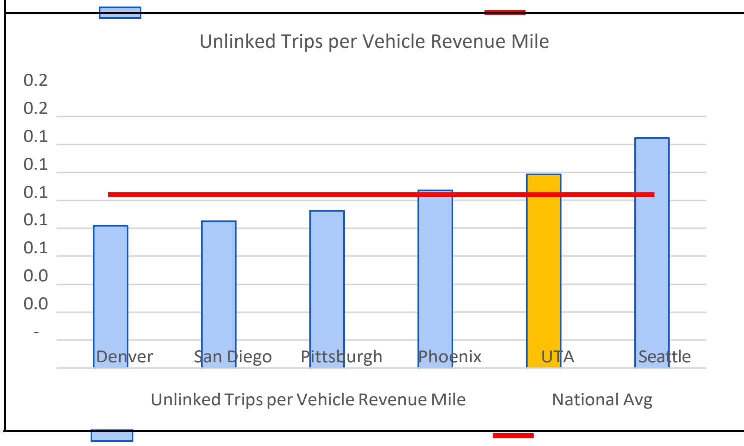
The following charts contain information from the Federal Transit Administration's National Database (NTD) for the most recent year available (2023), and compares the Authority's performance with other similar cities.

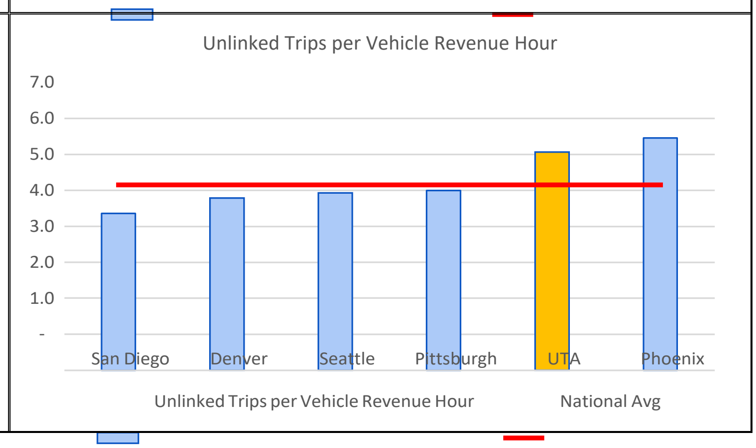












City	State	Agency	City	State	Agency
Dallas	TX	DART	Seattle	WA	KCM
Denver	CO	DRCOG			
Phoenix	AZ	VM			
Pittsburgh	PA	SPC			
San Diego	CA	SANDAG			

Compliance

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Trustees
Utah Transit Authority
Salt Lake City, Utah

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the fiduciary activities of Utah Transit Authority (the Authority), a component unit of the State of Utah, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated May 29, 2025.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described as finding 2024-001 in the accompanying schedule of findings and questioned costs, that we consider to be a significant deficiency.

(Continued)

Report on Compliance and Other Matters

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

The Authority's Response to the Finding

Government Auditing Standards requires the auditor to perform limited procedures on the Authority's response to the finding identified in our audit and described in the accompanying schedule of findings and questioned costs. The Authority's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

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

Crowe LLP

Crowe LLP

Indianapolis, Indiana
May 29, 2025

Crowe

Crowe LLP
Independent Member Crowe Global

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

Board of Trustees
Utah Transit Authority
Salt Lake City, Utah

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Utah Transit Authority's (the Authority), a component unit of the State of Utah, compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on each of the Authority's major federal programs for the year ended December 31, 2024. 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.

In our opinion, the Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal program for the year ended December 31, 2024.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

(Continued)

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

(Continued)

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

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

Crowe LLP

Crowe LLP

Indianapolis, Indiana
May 29, 2025

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal ALN Number	Grant Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. DEPARTMENT OF TRANSPORTATION					
Federal Transit Cluster - Federal Transit Administration Programs					
Federal Transit - Capital Investment Grants	20.500	UT-2021-021-01		$ -	$ (319,125)
COVID-19 - Capital Investment Grants	20.500	UT-2022-012-00		-	67,350
Federal Transit - Capital Investment Grants	20.500	UT-2023-008-00		-	127,097
Federal Transit - Capital Investment Grants	20.500	UT-2024-016-00		-	2,151,153
Federal Transit - Capital Investment Grants	20.500	UT-2025-006-00		-	1,401,720
				-	3,428,195
Federal Transit Formula Grants	20.507	UT-2020-010-00		-	43,073
Federal Transit Formula Grants	20.507	UT-2023-002-01		-	636,157
COVID-19 - Federal Transit Formula Grants	20.507	UT-2023-025-00		-	277,000
Federal Transit Formula Grants	20.507	UT-2024-003-00		-	1,000,000
Federal Transit Formula Grants	20.507	UT-2024-009-00		-	4,898,959
Federal Transit Formula Grants	20.507	UT-2024-017-00		-	26,446,493
				-	33,301,682
State of Good Repair	20.525	UT-2023-004-00		-	1,958,097
State of Good Repair	20.525	UT-2025-002-00		-	16,698,802
				-	18,656,899
Bus and Bus Facilities Formula Program	20.526	UT-2023-038-00		-	1,607,484
Bus and Bus Facilities Formula Program	20.526	UT-2024-007-00		-	1,290,467
				-	2,897,951
Federal Transit Cluster - Federal Transit Administration Programs total				**-**	**58,284,727**
Transit Services Programs Cluster - Federal Transit Administration Programs					
Enhanced Mobility for Seniors and Individuals with Disabilities	20.513	UT-2021-009-01		102,025	102,025.00
Enhanced Mobility for Seniors and Individuals with Disabilities	20.513	UT-2021-010-01		149,661	168,534.00
Enhanced Mobility for Seniors and Individuals with Disabilities	20.513	UT-2021-011-01		226,266	226,266.00
Enhanced Mobility for Seniors and Individuals with Disabilities	20.513	UT-2023-013-00		228,939	271,483.00
Enhanced Mobility for Seniors and Individuals with Disabilities	20.513	UT-2023-014-00		433,168	508,332.00
Enhanced Mobility for Seniors and Individuals with Disabilities	20.513	UT-2023-023-00		191,584	220,458.00
Enhanced Mobility for Seniors and Individuals with Disabilities	20.513	UT-2023-024-00		217,006	217,006.00
Enhanced Mobility for Seniors and Individuals with Disabilities	20.513	UT-2023-026-00		101,905	130,443.00
Enhanced Mobility for Seniors and Individuals with Disabilities	20.513	UT-2023-027-00		626,742	638,055.00
Transit Services Programs Cluster - Federal Transit Administration Programs				2,277,296	**2,482,602**
Federal Transit Administration Programs total				**2,277,296**	**60,767,329**
Public Transportation Innovation	20.514	UT-2021-020-00		-	118,542
Public Transportation Innovation	20.530	UT-2022-014-00		-	469,553
Public Transportation Innovation Total				**-**	**588,095**
National Infrastructure Investment - Federal Transit Administration Programs					
Areas of Persistent Poverty Planning Study	20.505	UT-2023-009-00		-	205,489
Discretionary RAISE Grant	20.933	UT-2023-031-00		-	694,526
National Infrastructure Investment - Federal Transit Administration Programs total				**-**	**900,015**
TOTAL U.S. DEPARTMENT OF TRANSPORTATION				**2,277,296**	**62,255,439**
TOTAL FEDERAL AWARDS EXPENDED				**$ 2,277,296**	**$ 62,255,439**

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

Federal Preventative Maintenance grants	$ 32,688,759
Capital Contributions: Federal grants	29,526,049
Total per Statement of Revenues, Expenses and Change in Net Position (2024)	62,214,808
Total per Schedule of Expenditures of Federal Awards for the year ending December 31, 2024	62,255,439
Difference	(40,631)

Previous Over/(Under)stated Revenues reflected in 2024 Statement of Revenues, Expenses and Change in Net Position

Federal Transit Cluster	ALN	Grant #	Amount
Federal Transit - Capital Investment Grants	20.500	UT-2023-008-00	$ 1
			1
State of Good Repair	20.525	UT-2023-004	(1)
			(1)
Bus and Bus Facilities Formula Program	20.526	UT-2038-038-00	360
			360
Transit Services Program Cluster	**ALN**	**Grant #**	
Enhanced Mobility for Seniors and Individuals with Disabilities	20.513	UT-2021-009-00	(1)
Enhanced Mobility for Seniors and Individuals with Disabilities	20.513	UT-2021-010-00	(1)
Enhanced Mobility for Seniors and Individuals with Disabilities	20.513	UT-2021-011-00	(37,970)
Enhanced Mobility for Seniors and Individuals with Disabilities	20.513	UT-2023-026-00	76,634
Enhanced Mobility for Seniors and Individuals with Disabilities	20.513	UT-2023-027-00	815
			39,477
National Infrastructure Investment	**ALN**	**Grant #**	
Areas of Persistent Poverty Planning Study	20.505	UT-2023-009	793
Discretionary RAISE Grant	20.933	UT-2023-031-00	1
			794
Total Adjustment			$ 40,631

A. Basis of Accounting

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

B. Pass-Through Awards

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

C. Non-Cash Federal Assistance

No non-cash federal assistance was received during the year ended December 31, 2024.

D. Indirect Cost Rate

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

SECTION I – SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified	
Internal control over financial reporting:		
Material weakness(es) identified?	______ Yes	__X__ No
Significant deficiency(ies) identified?	__X__ Yes	______ None reported
Noncompliance material to financial statements noted?	______ Yes	__X__ No

Federal Awards

Internal control over major federal programs:		
Material weakness(es) identified?	______ Yes	__X__ No
Significant deficiencies identified not considered to be material weaknesses?	______ Yes	__X__ None reported
Type of auditor's report issued on compliance for major federal programs:	Unmodified	
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	______ Yes	__X__ No

Identification of major federal programs:

Assistance Listing Number(s).	Program/Cluster Title
20.500, 20.507, 20.525, 20.526	Federal Transit Cluster
20.513	Transit Services Programs Cluster

Dollar threshold used to distinguish between Type A and Type B Programs	$1,867,663	
Auditee qualified as low-risk auditee?	__X__ Yes	______ No

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

Finding 2024-001 – Accounting for Capital and Subscription Assets (Significant Deficiency)

<u>Criteria</u>: Accounting processes and systems should be in place to accurately track capital asset balances and activities, including the cost basis, accumulated depreciation and amortization, current period depreciation and amortization, and net book value for each asset.

<u>Condition/Context</u>: The following conditions were identified in our testing of capital assets:

1. Capital project expenses are not being capitalized timely. There was one project included in Construction in Progress (CIP) as of December 31, 2024 that had been placed into service before December 31, 2023. The project had not yet been transferred into the appropriate capital asset account as the team had not yet gathered the information required to accurately assign the assets within the project to the correct accounts due to staff shortages. Because the project had not yet been transferred to the appropriate capital asset account, the assets have also not yet begun depreciating.

   Additionally, there was a separate ongoing project with costs incurred during the year that remained in expense and were allocated to modes as of December 31, 2024. The costs were subsequently determined to be capitalizable and added to Construction in Progress in 2025.

2. The Authority entered into several new subscription agreements during the year ended December 31, 2024, however management did not properly record the additions to subscription assets or liabilities.

<u>Effect</u>: Capital project expenses are not being capitalized from expense or transferred from construction in progress to the appropriate capital asset account timely. Two audit adjustments were waived that resulted in CIP being overstated by $3.2 million, depreciable capital assets were understated by $8.9 million, and expenses were overstated by $5.7 million.

Additionally, the balances of subscription assets, subscription liabilities, and the related accounts are misstated. An audit adjustment was posted that increased assets by $14.3 million, increased liabilities by $4.8 million, and decreased 2024 expenses by $9.5 million.

<u>Cause</u>:

1. Management had not gathered the information required to accurately record capital project expenses to the correct capital asset account.

2. Management did not properly evaluate new subscription agreements entered into during the year.

<u>Identification as a Repeat Finding</u>: N/A

Recommendations:

1. We recommend that the Authority implement policies and procedures to evaluate capital project expenses timely.

2. We recommend that the Authority evaluate all information technology agreements for applicability under the provisions of *GASB Statement 96.* Management should distinguish between subscription costs, costs associated with initial implementation before the commencement of the term, and maintenance costs to record them appropriately. Additionally, management should record a subscription asset and liability upon commencement of the subscription term.

3. Management should implement an annual closing checklist to ensure that all required transactions and activities have been recorded or adjusted on an annual basis. Since some of these tasks are only performed annually, creating a checklist will ensure that nothing is missed during closing.

Management's Response: Management accepts the finding and is in the process of developing improved Standard Operating Procedures (SOPs), policies, and employee training. These efforts will result in more thorough project close-outs and the timely recording of assets.

SECTION III – FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS INCLUDING AUDIT FINDINGS AS DEFINED IN TITLE 2 U.S. CODE OF FEDERAL REGULATIONS PART 200, UNIFORM ADMINISTRATIVE REQUIREMENTS, COST PRINCIPLES, AND AUDIT REQUIREMENTS FOR FEDERAL AWARDS

None reported.

Finding 2023-001 – Controls Over the Preparation of the Schedule of Expenditures of Federal Awards

Condition: The Authority did not have a proper system of internal control in place to prevent, or detect and correct, errors on the Schedule of Expenditures of Federal Awards (SEFA). As a result, an adjustment of $4.4 million was made to properly report the 2023 Federal expenditures on the SEFA.

Status: Partially resolved. Management updated the procedures and internal controls around the preparation of the SEFA, however, through our testing we noted that SEFA expenditures were overstated by $0.9 million, related to expenditures that were not eligible to be claimed until a budget revision was executed on grant award 2021-021. This resulted in an audit adjustment to properly report the SEFA and an internal control deficiency reported in the management letter.

Other Supplementary Schedules

Crowe

Crowe LLP
Independent Member Crowe Global

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

Board of Trustees
Utah Transit Authority
Salt Lake City, Utah

Report On Compliance

Opinion on State Compliance

We have audited the Utah Transit Authority's (the Authority), a component unit of the State of Utah, compliance with the applicable state compliance requirements described in the *State Compliance Audit Guide*, issued by the Office of the State Auditor, for the year ended December 31, 2024.

State compliance requirements were tested for the year ended December 31, 2024 in the following areas:

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

In our opinion, the Authority complied, in all material respects, with the compliance requirements referred to above for the year ended December 31, 2024.

Basis for Opinion on State Compliance

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

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

(Continued)

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

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

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

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

Crowe LLP

Crowe LLP

Indianapolis, Indiana
May 29, 2025

UTAH TRANSIT AUTHORITY

Independent Accountant's Report
On Applying Agreed-Upon Procedures

Year Ended December 31, 2024

INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

Management
Utah Transit Authority
Salt Lake City, Utah

We have performed the attached procedures on the Federal Funding Allocation Statistics Form FFA-10 (FFA-10), related to the Utah Transit Authority's (the Authority) compliance with the Federal Transit Administration's (FTA) Declarations section of the *2024 Policy Manual* and the Uniform System of Accounts (USOA) and Records and Reporting System; Final Rule, as specified in 49 CFR Part 630, Federal Register, January 15, 1993, as of December 31, 2024. The Authority is responsible for its compliance with those requirements.

The Authority has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of evaluating compliance with the above specified requirements. Additionally, FTA has agreed to and acknowledged that the procedures are appropriate to meet their purposes. We make no representation regarding the appropriateness of the procedures either for the purpose for which this report has been requested or for any other purpose. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes. An agreed-upon procedures engagement involves performing specific procedures and reporting on findings based on the procedures performed.

The procedures and the associated findings are in Attachment A.

We were engaged by the Authority to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, compliance with the specified requirements. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the Authority and FTA and is not intended to be, and should not be, used by anyone other than these specified parties.

Crowe LLP

Crowe LLP

Indianapolis, Indiana
May 29, 2025

Attachment A

The procedures below were applied separately to each of the information systems used to develop the reported actual vehicle revenue miles (VRM), fixed guideway (FG), directional route miles (DRM), passenger miles traveled (PMT), and operating expenses (OE) of the Authority for the year ending December 31, 2024 for each of the following modes:

- Motor Bus – Directly Operated (MBDO)
- Commuter Bus – Directly Operated (CBDO)
- Commuter Rail – Directly Operated (CRDO)
- Light Rail – Directly Operated (LRDO)
- Demand Response – Directly Operated (DRDO)
- Demand Response – Purchased Transportation (DRPT)
- Motor Bus – Purchased Transportation (MBPT)
- Vanpool – Directly Operated (VPDO)

a. Obtain and read a copy of written system procedures for reporting and maintaining data in accordance with NTD requirements and definitions set forth in 49 CFR Part 630 as presented in the *2024 Policy Manual*. If there are no procedures available, discuss the procedures with the personnel assigned responsibility for supervising the NTD data preparation and maintenance.

   Procedure performed without exception.

b. Discuss the procedures (written or informal) with the personnel assigned responsibility of supervising the preparation and maintenance of NTD data to determine:

   - The extent to which the transit agency followed the procedures on a continuous basis, and
   - Whether these transit personnel believe such procedures result in accumulation and reporting of data consistent with NTD definitions and requirements set forth in 49 CFR Part 630 and as presented in the *2024 Policy Manual*.

   Procedure performed without exception.

c. Ask these same personnel about the retention policy that the transit agency follows as to source documents supporting NTD data reported on the Federal Funding Allocation Statistics form.

   Per inquiry with the Authority NTD Staff ("Staff"), NTD source documentation is retained for a minimum of 3 years per the FTA requirements and is stored on local drives for longer. Procedure performed without exception.

d. Based on a description of the transit agency's procedures from items (A) and (B) above, identify all the source documents that the transit agency must retain for a minimum of three years. For each type of source document, haphazardly select three months out of the year and observe whether the document exists for each of these periods.

   We selected a haphazard sample of 24 total source documents across all modes from March, June, and October 2022, 2023 and 2024. We observed that the source documents were maintained for each year as required. Procedure performed without exception.

e. Discuss the system of internal controls by inquiring whether separate individuals (independent of the individuals preparing source documents and posting data summaries) review the source documents and data summaries for completeness, accuracy, and reasonableness and how often these individuals perform such reviews in order to perform procedure f.

Per inquiry with Staff, the Operations, Analysis & Solutions department has a system of controls which includes formal documented preparation, review, and approval of source documents on a monthly, quarterly, and annual depending on the type of data each form requires. Procedure performed without exception.

f. Select a random sample of the source documents for each mode and determine whether supervisors' signatures are present as required by the system of internal controls. If supervisors' signatures are not required, inquire how personnel document supervisors' reviews.

We selected a haphazard sample of 24 total source documents across all modes. We observed supervisors' signatures on all modes and months without exception.

Per inquiry with Staff, annual data for all modes is approved on a monthly disaggregated level.

g. Obtain the worksheets used to prepare the final data that the transit agency transcribes onto the Federal Funding Allocation Statistics form. Compare the periodic data included on the worksheets to the periodic summaries prepared by the transit agency. Recalculate the arithmetical accuracy of the summaries.

Procedure performed without exception.

h. Discuss the procedure for accumulating and recording passenger miles traveled (PMT) data in accordance with NTD requirements with transit agency staff. Inquire whether the procedure is one of the methods specifically approved in the *2024 Policy Manual*.

Per inquiry with Staff, the sampling method is in accordance with NTD requirements.

i. Inquire with transit agency staff the transit agency's eligibility to conduct statistical sampling for PMT data every third year. Determine whether the transit agency meets NTD criteria that allow transit agencies to conduct statistical samples for accumulating PMT data every third year rather than annually by specifically observing the following:

- The public transit agency serves an UZA with a population less than 500,000 according to the most recent census.
- The public transit agency directly operates fewer than 100 revenue vehicles in all modes in annual maximum revenue service (VOMS) (in any size UZA).
- Service purchased from a seller is included in the transit agency's NTD report.
- For transit agencies that meet one of the above criteria, review the NTD documentation for the most recent mandatory sampling year (2024) and observe that statistical sampling was conducted and meets the 95 percent confidence and ± 10 percent precision requirements.
- Determine how the transit agency estimated annual PMT for the current report year.

Per inquiry with Staff, the Authority is not eligible to conduct statistical sampling for PMT data every third year.

j Obtain a description of the sampling procedure for estimation of PMT data used by the transit agency. Obtain a copy of the transit agency's working papers or methodology used to select the actual sample of runs for recording PMT data. If the transit agency used average trip length, determine that the universe of runs was the sampling frame. Determine that the methodology used to select specific runs from the universe resulted in a random selection of runs. If the transit agency missed a selected sample run, determine that a replacement sample run was random. Determine that the transit agency followed the stated sampling procedure.

We obtained the sampling procedure and methodology for PMT data noting Automatic Passenger Counters (APC) are utilized for a 100% count of PMT for the Commuter Rail, Light Rail, Commuter Bus and MBPT modes. The MBDO mode uses a modified PMT measurement method that utilizes APC data to estimate PMT. 100% of PMT are counted for the Demand Response and Vanpool modes. Procedure performed without exception.

k. Select a random sample of the source documents for each mode for accumulating PMT data and determine that the data are complete by comparing the data in the accumulation periods to the total (all required data are recorded) and that the computations are accurate by recalculating. Select a random sample of the accumulation periods for each mode and re-compute the accumulations for each of the selected periods. List the accumulation periods that were tested. Test the arithmetical accuracy of the summary.

We selected a haphazard sample of 24 total source documents from March 2024, June 2024, and October 2024 for each mode and recalculated PMT. Procedure performed without exception.

l. Inquire with management regarding the procedures for systematic exclusion of charter, school bus, and other ineligible vehicle miles from the calculation of actual vehicle revenue miles (VRM) with transit agency staff and determine that they follow the stated procedures by selecting a random sample of the source documents for each mode used to record charter and school bus mileage and test the arithmetical accuracy of the computations.

Per inquiry with Staff, the Authority does not operate charter, school bus, or other ineligible vehicles. As such, the procedure was not performed.

m. For actual vehicle revenue mile (VRM) data, document the collection and recording methodology and determine that deadhead miles are systematically excluded from the computation. This is accomplished as follows:

- If actual VRMs are calculated from schedules, document the procedures used to subtract missed trips. Select a random sample of the days that service is operated and re-compute the daily total of missed trips and missed VRMs. Test the arithmetical accuracy of the summary.
- If actual VRMs are calculated from hubodometers, document the procedures used to calculate and subtract deadhead mileage. Select a random sample of three hubodometer readings and determine that the stated procedures for hubodometer deadhead mileage adjustments are applied as prescribed. Test the arithmetical accuracy of the summary of intermediate accumulations.
- If actual VRMs are calculated from vehicle logs, select a random sample of the vehicle logs for each mode and determine that the deadhead mileage has been correctly computed in accordance with FTA definitions by recalculating deadhead mileage.

Per inquiry with Staff, with the exception of DRDO, DRPT, and VPDO, actual vehicle revenue miles are computed by subtracting deadhead mileage and missed trips from the scheduled trips. For DRDO and DRPT, actual vehicle revenue miles are calculated by subtracting the deadhead mileage from the miles on hubodometer readings. For VPDO, actual VRMs are calculated from vehicle logs and there are no deadhead miles since it is a non-dedicated service. Procedure performed without exception.

n. For rail modes, review the recording and accumulation sheets for actual VRMs and determine that locomotive miles are not included in the computation.

Procedure performed without exception.

o. If fixed guideway or High Intensity Bus directional route miles (FG or HIB DRM) are reported, inquire of the person responsible for maintaining and reporting the NTD data whether the operations meet FTA definition of fixed guideway (FG) or High Intensity Bus (HIB) in that the service is:

- Rail, trolleybus (TB), ferryboat (FB), or aerial tramway (TR) or
- Bus (MB, CB, or RB) service operating over exclusive or controlled access rights-of-way (ROW), and
  i. Access is restricted
  ii. Legitimate need for restricted access is demonstrated by peak period level of service D or worse on a parallel adjacent highway, and
  iii. Restricted access is enforced for freeways; priority lanes used by other high occupancy vehicles (HOV) (i.e., vanpools (VP), carpools) must demonstrate safe operation.

Per inquiry with Staff, the modes reporting FG and HIB DRM meet the FTA definitions as listed above. Procedure performed without exception.

p. Discuss the measurement of FG and HIB DRM with the person reporting NTD data and determine that they computed mileage in accordance with FTA definitions of FG/HIB and DRM. Inquire of any service changes during the year that resulted in an increase or decrease in DRMs. If a service change resulted in a change in overall DRMs, re-compute the average monthly DRMs, and reconcile the total to the FG/HIB DRM reported on the Federal Funding Allocation Statistics form.

Per inquiry with Staff, the computation of FG and HIB DRM is in accordance with FTA definitions. There was one service change for the MBDO mode that resulted in an increase in DRMs. Crowe reconciled the total to the FG/HIB DRM reported on the Federal Funding Allocation Statistics form without exception. There were no service changes reported for any of the other modes with FG/HIB DRM.

q. Inquire if any temporary interruptions in transit service occurred during the report year. If these interruptions were due to maintenance or rehabilitation improvements to a FG segment(s), the following apply to management:

- Report DRMs for the segment(s) for the entire report year if the interruption is less than 12 months in duration. Report the months of operation on the FG/HIB segments form as 12. The transit agency should document the interruption.
- If the improvements cause a service interruption on the FG/HIB DRMs lasting more than 12 months, the transit agency should contact its NTD validation analyst to discuss. FTA will make a determination on how to report the DRMs.

Procedure performed without exception.

r. Measure FG/HIB DRM from maps or by retracing route.

Procedure performed without exception for rail modes and MBDO. There are no FG/HIB DRM for all other modes, therefore the procedure was not performed.

s. Discuss whether other public transit agencies operate service over the same FG/HIB as the transit agency. If yes, determine that the transit agency coordinated with the other transit agency (or agencies) such that the DRMs for the segment of FG/HIB are reported only once to the NTD on the Federal Funding Allocation form. (Note: Each transit agency should report the actual VRM, PMT, and OE for the service operated over the same FG/HIB.)

Per inquiry with Staff, the Authority operates modes of service over the same FG/HIB as other transit agencies. UTA is the approved operator for all their FG and UTA is reporting their actual VRM, PMT, and OE for their services. Procedure performed without exception.

t. Review the FG/HIB segments form. Discuss the Agency Revenue Service Start Date for any segments added in the 2024 report year with the persons reporting NTD data. This is the commencement date of revenue service for each FG/HIB segment. Determine that the date reported is the date that the agency began revenue service. This may be later than the Original Date of Revenue Service if the transit agency is not the original operator. (Note: If a segment was added for the 2024 report year, the Agency Revenue Service Date must occur within the transit agency's 2024 fiscal year. Segments are grouped by like characteristics. Note that for apportionment purposes, under the State of Good Repair (§5337) and Bus and Bus Facilities (§5339) programs, the 7-year age requirement for fixed guideway/High Intensity Busway segments is based on the report year when the segment is first reported by any NTD transit agency. This pertains to segments reported for the first time in the current report year. (Even if a transit agency can document an Agency Revenue Service Start Date prior to the current NTD report year, FTA will only consider segments continuously reported to the NTD.)

   We obtained the FG/HIB segments form. There was one new segment reported for the MBDO mode. Crowe verified the revenue service date was in the 2024 reporting year. There were no new segments added for any other modes. Procedure performed without exception.

u. Compare operating expenses in the FFA-10 with audited financial data after reconciling items are removed.

   Expenses per the audited financial data reconciled to within 0.004% compared to the expenses reported on the NTD, a variance of $17,904. Procedure performed without exception.

v. If the transit agency purchases transportation services, interview the personnel reporting the NTD data on the amount of PT generated fare revenues. Observe the PT fare revenues equal the amount reported on the Contractual Relationship form.

   Procedure performed without exception.

w. If the transit agency's report contains data for purchased transportation services and the procedures in this report were not applied to the purchased transportation services, obtain a copy of the IAS-FFA regarding data for the purchased transportation service. Note as a negative finding if the purchased transportation services were not included in this report, and the transit agency also does not have a separate Independent Accountant's Statement for the purchased transportation data.

   Procedures in this report were applied to the Authority's PT modes, therefore this procedure is not applicable.

x. If the transit agency purchases transportation services, obtain a copy of the PT contract and observe that the contract specifies the public transportation services to be provided; the monetary consideration obligated by the transit agency or governmental unit contracting for the service; the period covered by the contract (and that this period overlaps the entire, or a portion of, the period covered by the transit agency's NTD report); and is signed by representatives of both parties to the contract. Inquire of the person responsible for retention of the executed contract whether copies of the contracts are retained for three years.

   The Authority utilizes four contractors across the various purchased transportation modes. Procedure performed without exception for all four contractors.

x. If the transit agency provides service in more than one UZA, or between an UZA and a non-UZA, inquire of the procedures for allocation of statistics between UZAs and non-UZAs. Obtain and review the FG segment worksheets, route maps, and urbanized area boundaries used for allocating the statistics, and determine that the stated procedure is followed and that the computations are correct through recalculation.

The Authority provides services in three UZAs and one non-UZA. Per inquiry with Staff, the Authority uses ArcGIS mapping to allocate statistics based on route mileage. Procedure performed with exception.

z. Compare the data reported on the Federal Funding Allocation Statistics Form to data from the prior report year and calculate the percentage change from the prior year to the current year. For actual VRM, PMT or OE data that have increased or decreased by more than 10 percent, or FG DRM data that have increased or decreased, inquire of transit agency management regarding the specifics of operations that led to the increases or decreases in the data relative to the prior reporting period.

Procedure performed without exception.

669 West 200 South
Salt Lake City, UT 84101

Utah Transit Authority

MEETING MEMO

Audit Committee **Date:** 6/16/2025

TO:	Audit Committee
THROUGH:	Jay Fox, Executive Director
FROM:	Mike Hurst, Director Internal Audit
PRESENTER(S):	Mike Hurst, Director Internal Audit

TITLE:

Internal Audit Update

- **2024 Internal Audit Plan Status**
- **2025 Internal Audit Plan Status**

AGENDA ITEM TYPE:
Discussion

RECOMMENDATION:
Informational presentation for discussion.

BACKGROUND:
Internal Audit creates an annual plan listing audit activities. The 2024 Internal Audit Plan was approved by the Audit Committee on December 18, 2023 and the 2025 Internal Audit Plan was approved March 10, 2025. Internal Audit reports on the status of activities listed on the plan at each Audit Committee meeting.

DISCUSSION:
Internal Audit will report on the status of projects from the 2024 and 2025 Internal Audit Plans.

ALTERNATIVES:
Not applicable

FISCAL IMPACT:

Not applicable

ATTACHMENTS:
None

669 West 200 South
Salt Lake City, UT 84101

Utah Transit Authority

MEETING MEMO

Audit Committee **Date:** 6/16/2025

TO:	Audit Committee
THROUGH:	Jay Fox, Executive Director
FROM:	Mike Hurst, Director Internal Audit
PRESENTER(S):	Mike Hurst, Director Internal Audit

TITLE:

2024 UTA Internal Audit External Assessment - Remediation Action Plans

AGENDA ITEM TYPE:
Report

RECOMMENDATION:
Informational report for discussion.

BACKGROUND:
Internal Audit follows procedural standards published by the Institute of Internal Auditors. These standards require an external review to be completed every five years. In 2024, UTA Internal Audit arranged with the Internal Audit department of the Utah Department of Workforce Services to perform each other's external validations. Our external validation was completed in February 2025 and noted gaps in conformance and opportunities for improvement. Internal Audit drafted action plans to address these and achieve full conformance with the standards moving forward.

DISCUSSION:
Internal Audit will discuss action plans to address conformance gaps and opportunities for improvement reported in our external review.

ALTERNATIVES:
Not applicable

FISCAL IMPACT:

Not applicable

ATTACHMENTS:

2024 UTA Internal Audit External Assessment - Remediation Action Plans

UTAH TRANSIT AUTHORITY

Date:	May 15, 2025
To:	UTA Audit Committee
From:	Mike Hurst, Director Internal Audit
Subject:	2024 UTA Internal Audit External Assessment – Remediation Action Plans

A. Background

The Internal Audit department for Utah Transit Authority ("UTA") follows standards published by the Institute of Internal Auditors ("IIA). Prior to January 2025, the IIA standards were the *International Standards for the Professional Practice of Internal Auditing*. Effective January 9, 2025, the IIA adopted the *Global Internal Audit Standards,* which the Internal Audit department now follows.

Both standards require an external assessment of compliance with the standards every five years. This assessment was subject to the International Standards for the Professional Practice of Internal Auditing. The next assessment in 2029 will have one year subject to the old standards and four years subject to the new.

This external assessment was completed as a self-assessment with independent validation, with the independent validation provided by the Internal Audit department of the Utah Department of Workforce Services ("DWS"). They completed the validation on February 28, 2025.

B. Self-Assessment with External Validation Results

DWS reported six conformance gaps with standards and four opportunities for continuous improvement. The details are shown in Attachment A.

Section C documents action plans for Gaps to Conformance and Section D documents action plans for opportunities for continuous improvement.

C. Gaps to Conformance with the Standards and Action Plans

1. **The annual risk assessment is completed by the Enterprise Risk Management function at UTA, and the timing of the audit plan has not allowed for consideration of the annual risk assessment.**

   Internal Audit Response and Action Plan:
   Internal Audit agrees with this conformance gap. We identified this issue in the quality assurance evaluation dated December 7, 2023. The adoption of the 2025 Audit Plan was moved from the previous time of December to March to accommodate the timing of Enterprise Risk Management completing the agency risk assessment.

Responsible for Implementation:
Director Internal Audit

Target Completion Date:
Completed as of March 10, 2025.

2. **The Internal Audit Function's policies and procedures have needed updated for a couple of years.**

   Internal Audit Response and Action Plan:
   Internal Audit agrees with this conformance gap. We identified this issue in the quality assurance evaluation dated December 7, 2023 but intentionally did not address it because the Institute of Internal Auditors was adopting new standards that would impact our procedures. Those standards were adopted in January 2025. Internal Audit subsequently issued a desk reference guide on February 19, 2025 documenting our procedures related to the new standards.

   Responsible for Implementation:
   Director Internal Audit

   Target Completion Date:
   Completed as of February 19, 2025

3. **Internal Audit has not audited the Enterprise Risk Management function**

   Internal Audit Response and Action Plan:
   Internal Audit partially agrees with this conformance gap. We did not perform any assurance activities over the Enterprise Risk Management ("ERM") department during the period of 2019 - 2023. ERM was not started until 2021 and was not fully implemented until 2023. That leaves a very small window when Internal Audit could have audited ERM. We note, however, that the Office of the Legislative Auditor did include ERM as a topic of their audit, report dated April 2024.

   The 2025 Standards have changed the requirement. The 2017 Standards stated, "*The internal audit activity **must evaluate** the effectiveness and contribute to the improvement of risk management processes."* (Emphasis added). The 2025 Standards state, *"…The chief audit executive **must consider** how the organization identifies and assesses significant risks and selects appropriate control processes*."

   Internal Audit will consider ERM as an audit topic, but the new Standards no longer require it. We will document strategy meetings with ERM, attending risk workshops held by ERM, etc. to show compliance with the new Standard.

   Responsible for Implementation:
   Director Internal Audit

   Target Completion Date:
   Ongoing action

4. **Documentation retention for the Internal Audit function had not been formalized.**

   Internal Audit Response and Action Plan:

   Internal Audit agrees with this conformance gap. We identified this issue in the quality assurance evaluation dated December 7, 2023. A procedure manual has since been adopted which lists retention requirements. The Internal Audit team received training on UTA's retention requirements from the Records department on March 6, 2025.

   Responsible for Implementation:
   Director Internal Audit

   Target Completion Date:
   Completed as of March 6, 2025

5. **The documentation for engagement supervision was not readily available.**

   Internal Audit Response and Action Plan:
   Internal Audit agrees with this conformance gap. We identified this issue in the quality assurance evaluation dated December 7, 2023 and practices have improved since then. Review requirements are noted in our procedure manual. We also implemented a new required template that will document workpaper review. We will be in compliance for the full five years of the next reporting period.

   Responsible for Implementation:
   Director Internal Audit

   Target Completion Date:
   Completed as of February 19, 2025

6. **The monitoring of audit recommendations did not have a formal process.**

   Internal Audit Response and Action Plan:
   Internal Audit agrees with this conformance gap. Starting in the December 2024 Audit Committee meeting, Internal Audit has implemented a new report that demonstrates a formal process has been established. We are working with ERM on a robust issue follow—up process that will be documented in an Agency Standard Operating Procedure. We will be in compliance for the full five years of the next reporting period.

   Responsible for Implementation:
   Director Internal Audit

   Target Completion Date:
   December 31, 2025

D. Opportunities for Continuous Improvement and Action Plans

1. **A third party provided assurance services over ethics controls.**

   Internal Audit Response and Action Plan:
   Internal Audit disagrees with this recommendation. The incident referred to occurred in 2023. We were completing an audit of Transit Oriented Development and learned that controls they relied on was the responsibility of the Ethics Officer, which is held by the Director Internal Audit. This brought those controls into the scope of the audit. We cannot audit ourselves and so, with the consent of the Chair of the Board (the Director's supervisor at the time), the Internal Audit department of Utah Department of Transportation was enlisted to audit the controls that are the responsibility of the Ethics Officer.

   This was the correct way to handle the impairment of independence and we will do it similarly if future circumstances require.

   Responsible for Implementation:
   Director Internal Audit

   Target Completion Date:
   Not applicable

2. **The Enterprise Risk Management Function completes the risk assessment, and internal audit must consider risk management as part of their due professional care.**

   Internal Audit Response and Action Plan:
   See response for Item 3 of the Conformance Gap section. Additionally, we have incorporated risk management as standard topic for audits.

   Responsible for Implementation:
   Director Internal Audit

   Target Completion Date:
   Not applicable

3. **The lack of formally adopted policies and procedures leaves a gap in control for achieving the purpose and responsibilities outlined in the audit charter.**

   Internal Audit Response and Action Plan:
   See response for Item 2 of the Conformance Gap section.

   Responsible for Implementation:
   Director Internal Audit

Target Completion Date:
Completed as of February 19, 2025

4. **The Chief Audit Executive has limited interaction with the external auditors.**

Internal Audit Response and Action Plan:
Internal Audit agrees with this recommendation. We have collaboration and touchpoints with the financial auditors but are limited to little to no interaction with other external auditors, such as those that perform the Triennial audit for the Federal Transit Administration.

We want increased interaction with external auditors for the following reasons. First, improved visibility to what external auditors are auditing can reduce duplication of effort by Internal Audit. There are many instances where we can cancel specific audit procedures in deference to similar work already performed. This saves Internal Audit's and management's time. Second, improved collaboration with external auditors puts Internal Audit in a position to provide helpful assistance in the audit. We can help management with document requests, interpreting auditor's requests and findings, etc. We filled this role when the Office of the Legislative Auditors performed an audit of UTA in 2023 and it removed a great deal of administrative burden on management.

We developed an Assurance Map cataloging audit activities across key risks of the organization, to be presented to the Audit Committee on June 16, 2025. This will give Internal Audit the visibility to what audit activities are happening across the organization and what opportunities are present for us to rely on their work and assist management.

Responsible for Implementation:
Director Internal Audit

Target Completion Date:
Completed as of May 14, 2025

Attachment A

DETAIL – GAPS TO CONFORMANCE WITH THE *STANDARDS* OR THE CODE OF ETHICS

1. Standard 2010 – Planning – The annual risk assessment is completed by the Enterprise Risk Management function at UTA, and the timing of the audit plan has not allowed for consideration of the annual risk assessment. Internal audit must base their annual plan on an annual risk assessment. Due to the timing of the Enterprise Risk Management risk assessment, Internal Audit was not able to consider the results of the risk assessment in the creation of their annual audit plan. Internal Audit had identified this timing difference in the 2023 QAIP and has worked with Enterprise Risk Management and the board to delay issuance of the annual audit plan until after they have considered the annual risk assessment.

2. Standard 2040 – Policies and Procedures – The Internal Audit Function's policies and procedures have been needed update for a couple of years. UTA had a few changes to the Chief Audit Executive role at the start of the four-year review period. The current Chief Audit Executive started the process of updating the policies, but due to the announcement of the new Global Internal Auditing Standards, paused the updates to avoid unnecessary updates.

3. Standard 2120 – Risk Management – The coordination between Enterprise Risk Management and Internal Audit was limited due to the Enterprise Risk Management function being in its infancy. Internal Audit is required to assess risk management activities and risk management on the macro level. UTA has an enterprise risk management function that handles most of the requirements from Internal Audit Standards. Internal Audit and Enterprise Risk Management was limited in their communication as the Enterprise Risk Management function was developed. Internal Audit noted this limitation in their 2023 QAIP. Internal Audit performs a risk analysis for assurance engagements. However, these risks should also be considered on a macro level and we were unable to determine if this analysis was happening on a macro level.

4. Standard 2330 – Documenting Information – The documentation retention for the Internal Audit function had not been formalized. Internal Audit was retaining files, however the retention requirements were not formalized. UTA identified this item as part of their 2023 QAIP.

5. Standard 2340 – Engagement Supervision – The documentation for engagement supervision was not readily available. There was some documentation that was provided as part of our documentation request. The internal audit function has identified this as part of their 2023 QAIP and the documentation retention standards to be added to the policy was also identified.

6. Standard 2500 – Monitoring Progress – The monitoring of audit recommendations and improvements did not have a formalized process. Internal Audit has been developing a process to track audit recommendations and improvements that is discussed with the audit committee. This process was being on reported on during our review. The interviews held with different members of UTA were complimentary of the efforts to enhance this area.

DETAIL – OPPORTUNITIES FOR CONTINUOUS IMPROVEMENT

1. 1130 – Impairment to Independence or Objectivity – The Chief Audit Executive serves as the Ethics Officer for UTA and cannot provide assurance in this area.

   A third-party completed an audit at the request of UTA Internal Audit the standards mention that there should be safeguards that the board oversees. Since the request came from IA and not the board, this could be an area for improvement.

2. 1220 – Due Professional Care – The Enterprise Risk Management Function completes the risk assessment, and internal audit must consider risk management as part of their due professional care. These reviews are

happening on a micro level, but it is unclear if they are happening on the macro level or how the enterprise risk management risk assessment is being considered.

3. 2000 – Managing the Internal Audit Activity – The lack of formally adopted policies and procedures leaves a gap in control for achieving the purpose and responsibilities outlined in the audit charter.

4. 2050 – Coordination and Reliance – The Chief Audit Executive has limited interaction with the external auditors. The validation team understands that this is subject to the board and is out of the Chief Audit Executive's control. It appears that the coordination with the external auditors happens with the CFO.

Attachment A – Evaluation Summary and Rating Definitions

	GC	PC	DNC
Overall Evaluation	X		

Attribute Standards (1000 through 1300)		GC	PC	DNC
1000	Purpose, Authority, and Responsibility	X		
1010	Recognizing Mandatory Guidance in the Internal Audit Charter	X		
1100	Independence and Objectivity	X		
1110	Organizational Independence	X		
1111	Direct Interaction with the Board	X		
1112	Chief Audit Executive Roles Beyond Internal Auditing	X		

1120	Individual Objectivity	X		
1130	Impairment to Independence or Objectivity	X		
1200	Proficiency and Due Professional Care	X		
1210	Proficiency	X		
1220	Due Professional Care	X		
1230	Continuing Professional Development	X		
1300	Quality Assurance and Improvement Program	X		
1310	Requirements of the Quality Assurance and Improvement Program	X		
1311	Internal Assessments	X		
1312	External Assessments	X		
1320	Reporting on the Quality Assurance and Improvement Program	X		
1321	Use of "Conforms with the *International Standards for the Professional Practice of Internal Auditing*"	X		
1322	Disclosure of Nonconformance	X		

Performance Standards (2000 through 2600)		**GC**	**PC**	**DNC**
2000	Managing the Internal Audit Activity	X		
2010	Planning		X	

2020	Communication and Approval	X		
2030	Resource Management	X		
2040	Policies and Procedures		X	
2050	Coordination and Reliance	X		
2060	Reporting to Senior Management and the Board	X		
2070	External Service Provider and Organizational Responsibility for Internal Auditing	X		
2100	Nature of Work	X		
2110	Governance	X		
2120	Risk Management		X	
2130	Control	X		
2200	Engagement Planning	X		
2201	Planning Considerations	X		
2210	Engagement Objectives	X		
2220	Engagement Scope	X		
2230	Engagement Resource Allocation	X		
2240	Engagement Work Program	X		
2300	Performing the Engagement	X		
2310	Identifying Information	X		
2320	Analysis and Evaluation	X		

		GC	PC	DNC
2330	Documenting Information		X	
2340	Engagement Supervision		X	
2400	Communicating Results	X		
2410	Criteria for Communicating	X		
2420	Quality of Communications	X		
2421	Errors and Omissions	X		
2430	Use of "Conducted in Conformance with the *International Standards for the Professional Practice of Internal Auditing*"	X		
2431	Engagement Disclosure of Nonconformance	X		
2440	Disseminating Results	X		
2450	Overall Opinions	X		
2500	Monitoring Progress		X	
2600	Communicating the Acceptance of Risks	X		

Code of Ethics		**GC**	**PC**	**DNC**
	Code of Ethics	X		

RATING DEFINITIONS

GC – "Generally Conforms" means that the assessor or the assessment team has concluded that the relevant structures, policies, and procedures of the activity, as well as the processes by which they are applied, comply with the requirements of the individual standard or elements of the Code of Ethics in all material respects. For the sections and major categories, this means that there is general conformity to a majority of the individual standard or element of the Code of Ethics and at least partial conformity to the others within the section/category. There may be significant opportunities for improvement, but these should not represent situations where the activity has not implemented the *Standards* or the Code of Ethics and has not applied them effectively or has not achieved their stated objectives. As indicated above, general conformance does not require complete or perfect conformance, the ideal situation, or successful practice, etc.

PC – "Partially Conforms" means that the assessor or assessment team has concluded that the activity is making good-faith efforts to comply with the requirements of the individual standard or elements of the Code of Ethics, or a section or major category, but falls short of achieving some major objectives. These will usually represent significant opportunities for improvement in effectively applying the *Standards* or the Code of Ethics and/or achieving their objectives. Some deficiencies may be beyond the control of the internal audit activity and may result in recommendations to senior management or the board of the organization.

DNC – "Does Not Conform" means that the assessor or assessment team has concluded that the internal audit activity is not aware of, is not making good-faith efforts to comply with, or is failing to achieve many or all of the objectives of the individual standard or element of the Code of Ethics, or a section or major category. These deficiencies will usually have a significantly negative impact on the internal audit activity's effectiveness and its potential to add value to the organization. These may also represent significant opportunities for improvement, including actions by senior management or the board.

Independent Validation Statement

Adam Serdar, CPA, CIA; Teresa Gregori, and Charity Goodfellow were engaged to conduct an independent validation of Utah Transit Authority's (UTA) IA self-assessment. The primary objective of the validation was to verify the assertions and conclusions made in the attached self-assessment report concerning adequate fulfillment of the organization's basic expectations of IA, its conformity to The IIA's *International Standards for the Professional Practice of Internal Auditing*, and successful internal audit practices and opportunities for continuous improvement noted. Other matters that might have been covered in a full external assessment, such as an in-depth analysis of successful practices based on benchmark data, governance activities, consulting services, and use of advanced technology, were excluded from the scope of this independent validation by agreement with the chief audit executive.

In acting as the qualified, independent external assessor from outside the organization, Adam and team are fully independent of UTA and has the necessary skills to undertake this engagement. The validation, concluded on February 28, 2025, consisted primarily of a review and a test of the procedures and results of IA's self-assessment. In addition, interviews were conducted with the CEO, audit committee chair, and other members of senior management.

Adam and team concur with IA's conclusions and observations documented in the self-assessment report attached. Implementation of the recommendations contained in the self-assessment report will improve the effectiveness, enhance the value, and support IA's conformity with the *Standards* and the Code of Ethics.

Adam Serdar

Name
Independent External Assessor Performing the Validation

February 28, 2025

Date

669 West 200 South
Salt Lake City, UT 84101

Utah Transit Authority

MEETING MEMO

Audit Committee **Date:** 6/16/2025

TO:	Audit Committee
THROUGH:	Jay Fox, Executive Director
FROM:	Mike Hurst, Director Internal Audit
PRESENTER(S):	Mike Hurst, Director Internal Audit
	Christie Giles, Enterprise Risk Management Administrator

TITLE:

Open Audit Recommendations Report - June 2025

AGENDA ITEM TYPE:
Report

RECOMMENDATION:
Information presentation for discussion.

BACKGROUND:
The Open Audit Recommendation Report tracks outstanding issues and recommendations from prior internal audit reports and provides the status of those issues. The Enterprise Risk Management Administrator (ERMA) assists management with action plans to address recommendations and monitors progress. When an action plan is complete, the ERMA requests a follow-up review from the Internal Audit department. Internal Audit closes an issue when the action plan is completed, if an issue is no longer relevant, or if management chooses to accept the risk and not perform any action. Internal Audit reports the resolution of each issue to the Audit Committee.

DISCUSSION:
Internal Audit will discuss outstanding issues that have been closed since the last report at the Audit Committee meeting on March 10, 2025. UTA's ERMA will join in discussing new procedures for management's follow-up work to resolve the open issue items.

ALTERNATIVES:

Not applicable

FISCAL IMPACT:
Not applicable

ATTACHMENTS:
Open Audit Recommendation Report June 2025

INTERNAL AUDIT

Open Audit Recommendation Report

June 10, 2025

Table of Contents

Rating Matrix

Descriptor	Guide
High	Matters considered being fundamental to the maintenance of internal control or good corporate governance.
Medium	Matters considered being important to the maintenance of internal control or good corporate governance.
Low	Matters considered being of minor importance to the maintenance of internal control or good corporate governance or that represents an opportunity for improving the efficiency of existing processes.

Distribution List

Title	For Action[1]	For Information	Reviewed prior to release
Audit Committee		*	
Chief Board Strategy and Governance		*	*
Executive Director		*	*
Chief of Staff Executive Director		*	*
Chief Enterprise Strategy Officer		*	*
Enterprise Risk Management Administrator	*	*	*

[1]For Action indicates that a person is responsible, either directly or indirectly depending on their role in the process, for addressing an audit action plan.

Executive Summary

Background

The Utah Transit Authority ("UTA") Audit Committee directs Internal Audit (IA) to perform audit engagements over the controls, processes, and systems of UTA. IA publishes recommendations to address deficiencies or improve performance of the audited area. The Enterprise Risk Management department (ERM) works with management once a recommendation is issued to create action plans or to document disagreement with the recommendations. ERM monitors action plan progress, facilitates changes to the action plan, and alerts IA when action plans are ready to be audited, referred to as "follow-up".

Objectives and Scope

IA produces an updated edition of this report for each Audit Committee meeting to inform that body of the status of open recommendations (Appendix A and Appendix B) and to document recommendations that have been closed (Appendix C) since the last edition of the report. IA published this edition for the June 16, 2025 Audit Committee to document follow-up activities since the Audit Committee meeting held on March 10, 2025.

Executive Summary

Since the last Audit Committee Meeting on March 10, 2025, IA and ERM have refined procedures and report format for the Open Audit Recommendation Report. We have this new report format and new forms and electronic tools to track and communicate follow-up efforts. We are drafting an agency standard operating procedure to formally document the roles of ERM and IA around these procedures.

The following bullets summarize activity since the March 10, 2025 Audit Committee meeting. Full details can be found in Appendices B and C of this report.

- IA closed four issues from an assessment of the recruitment department performed by an outside auditor. The outside auditor had marked these issues as "low priority". Internal Audit discussed the low priority issues with management. We decided that treating the low priority issues as continuous improvement opportunities would be a more appropriate use of audit time.

- IA closed an issue recommending that the Vanpool department perform red flag monitoring on purchase card transactions. IA has a Vanpool audit in 2025 that will fully explore controls around purchase cards, among other topics.

- IA closed an issue recommending that the Payroll department use JD Edwards for document storage. Management researched the document retention capabilities of the applications JD Edwards and Workday and found them unsuitable for their purposes. This is closed as an accepted risk and IA agrees with their evaluation.

- ERM submitted 11 open issues for IA to perform follow up work on May 18, 2025. IA set a self-deadline of July 31, 2025 to perform follow-up work. We will report on a resolution in the next edition of this report, to be issued for the Audit Committee meeting scheduled for September 22, 2025.

- ERM is escalating seven issues to the Executive Team for decisioning or resource allocation.

- ERM paused corrective action for three issues initiatives to standardize Operations Office documentation and/or the completion of the Board initiative to review Agency policies and procedures.

Appendix A: Overview Status of Open Issues

Engagement Name	Issue Name	Current Status	Risk Level	Due Date
20-07 Preliminary Assessment of the Capital Projects Process	R-20-07-01 Project Requests	Submitted to IA for Review	Medium	07/31/2025
20-07 Preliminary Assessment of the Capital Projects Process	R-20-07-03 Project Management Policy	Open Issues	High	12/31/2025
20-07 Preliminary Assessment of the Capital Projects Process	R-20-07-04 Budget Monitoring	Open Issues	Medium	12/31/2025
21-02 Preliminary Assessment: Utilities Management	R-21-02-04 Standard Operating Procedures	Open Issues	Medium	12/31/2025
21-03 Preliminary Assessment of Maintenance of Way Systems	R-21-01 Training Development Resources	Submitted to IA for Review	High	07/31/2025
21-04 Bus Operations and Safety Preliminary Assessment	R-21-03 External Announcements	Open Issues	Medium	12/31/2025
21-04 Bus Operations and Safety Preliminary Assessment	R-21-04 Securement Training	Open Issues	Medium	12/31/2025
21-04 Bus Operations and Safety Preliminary Assessment	R-21-05 Standard Operating Procedures Updates	Open Issues	Medium	12/31/2025
21-06 Preliminary Assessment of Fuel Costs	R-21-06-06 Pre- and Post-Fueling Checklists	Open Issues	Medium	12/31/2025
21-06 Preliminary Assessment of Fuel Costs	R-21-06-08 Fuel Access	Open Issues	High	12/31/2025
22-02 Preliminary Assessment of Light Rail Operations	R-22-03 Standard Operating Procedure Updates LR	Open Issues	Low	12/31/2025
22-06 Performance Audit of Support Fleet	R-22-06-1 Support Fleet Governance and Resources	Open Issues	High	12/31/2025
22-06 Performance Audit of Support Fleet	R-22-06-2 Support Fleet Policies and Procedures	Open Issues	Medium	12/31/2025
22-06 Performance Audit of Support Fleet	R-22-06-3 Opportunities to Right-Size the Support Fleet	Open Issues	High	12/31/2025
22-06 Performance Audit of Support Fleet	R-22-06-4 Floating Vehicle Check-out and Security Measures	Open Issues	High	12/31/2025
22-06 Performance Audit of Support Fleet	R-22-06-5 Vehicle Use Thresholds	Open Issues	High	12/31/2025
22-06 Performance Audit of Support Fleet	R-22-06-6 Access to Purchase Card System	Open Issues	Medium	12/31/2025
23-02 Preliminary Assessment of the Vehicle Disposal Process	R-23-02-1 Board Approval Over $200k	Open Issues	Medium	12/31/2025
23-03 Preliminary Assessment of 1099 Reporting	R-23-03-1 Required 1099 Forms were not issued	Open Issues	Medium	12/31/2025
23-03 Preliminary Assessment of 1099 Reporting	R-23-03-2 Claims vendors, physicians and attorneys were not sent a 1099	Open Issues	Medium	12/31/2025
23-04 Preliminary Assessment of the Transit Communication Center	R-23-04-1 Safety and Security Procedures	Open Issues	Low	12/31/2025
23-04 Preliminary Assessment of the Transit Communication Center	R-23-04-2 TCC Staffing	Open Issues	Medium	12/31/2025
23-05 Limited Scope Assessment of the Vendor Master File	R-23-05-01 Vendor Master File Process Issue	Open Issues	Medium	12/31/2025
23-11 Recruitment Assessment	R-23-11-A Human Resources Information System	Open Issues	High	12/31/2025
23-11 Recruitment Assessment	R-23-11-B Standard Operating Procedures Recruitment	Open Issues	High	12/31/2025
23-11 Recruitment Assessment	R-23-11-C Key Performance Indicators	Submitted to IA for Review	High	07/31/2025
23-11 Recruitment Assessment	R-23-11-D Talent Acquisition Team Structure	Submitted to IA for Review	High	07/31/2025
23-11 Recruitment Assessment	R-23-11-E Leadership Strategy Sessions	Submitted to IA for Review	High	07/31/2025
23-11 Recruitment Assessment	R-23-11-F Jobvite Validation Rules	Submitted to IA for Review	Medium	07/31/2025
23-11 Recruitment Assessment	R-23-11-G Process Expectations	Submitted to IA for Review	Medium	07/31/2025
23-11 Recruitment Assessment	R-23-11-H Talent Acquisition Team Communication	Submitted to IA for Review	Medium	07/31/2025
23-11 Recruitment Assessment	R-23-11-I Immediate Process Improvements	Submitted to IA for Review	Medium	07/31/2025
23-11 Recruitment Assessment	R-23-11-J Recruiter Training	Submitted to IA for Review	Medium	07/31/2025
24-01 Procurement Process Performance Audit	R-24-01-01 Disclosures to UTA Ethics Officer	Submitted to IA for Review	Medium	07/31/2025
24-01 Procurement Process Performance Audit	R-24-01-02 Procurement Department is Under-resourced	Open Issues	High	12/31/2025
24-06 Preliminary Assessment of Payroll Process	R-24-06-01 Vacation Sell-back exceeded policy	Open Issues	Low	12/31/2025

Appendix B: Detail Status of Open Issues

Note: This document standardized formatting and corrected clerical errors from original reports.

A. 20-07 Preliminary Assessment of the Capital Projects Process

Recommendation R-20-07-01 A Project Requests	Risk Level: Medium
Audit Committee Report Date: April 19, 2021	**Current Status: Submitted for Closure**

Recommendation:

- IA recommends that Capital Development require detailed budget estimates with project requests. Budget estimates should include evidence of a secondary review, such as an independent cost estimate or a reasonableness review performed by the requesting department management.
- IA recommends that Capital Development require basic project timetables when submitting project requests.

Current Management Status Update:
This issue has been formally submitted to Internal Audit for validation and closure. Budget estimate support and expected timelines are incorporated into the budget request form. Monthly cash flow (aging) is updated twice a year by project managers.

Issue Owner:
Director of Capital Program and Support

Current Due Date:
5/16/2025

Recommendation R-20-07-03 Project Management Policy	Risk Level: High
Audit Committee Report Date: April 19, 2021	**Current Status: Open**

Recommendation:

- IA recommends that agency standard operating procedures be developed to establish practices of project management applicable to all departments. Guidance should be based on an existing standard, such as the Project Management Book of Knowledge or FTA project requirements, and should cover topics including, but not limited to, developing project budgets, tracking, reporting project costs and project progress, contractor oversight, and quality assurance.

Current Management Status Update:
Capital Services is transitioning the draft of the Capital Budget Request Manual to a Standard Operating Procedure.

Issue Owner:
Director of Capital Program and Support

Current Due Date:
12/31/2025

Recommendation R-20-07-04 Budget Monitoring	Risk Level: Medium
Audit Committee Report Date: April 19, 2021	**Current Status: Escalated**

Recommendation:

- IA recommends that entity level oversight be established with the following practices:
  - Require project managers to submit regularly scheduled and standardized project financial reports, including expenditure tracking, comparison to budget, and an up-to-date schedule of anticipated cash flow.
  - Regular monitoring of budget to actual expenditures should be conducted by Executive leadership with follow up on variances conducted.

Current Management Status Update:
This issue is being escalated to the Chief Operations Officer for support in establishing authoritative follow-up and project manager accountability for project budget/schedule/status variances identified by Capital Services. Every four months, "Quad Reports" documenting project status, risks and opportunities, budget and schedule go to project managers. Monthly Project Status Reports go to chiefs.

Issue Owner:
Director of Capital Program and Support

Current Due Date:
12/31/2025

B. 21-03 Preliminary Assessment of Maintenance of Way Systems

Recommendation R-21-01 Training Development Resources	Risk Level: High
Audit Committee Report Date: June 21, 2021	Current Status: Submitted for Closure

Recommendation:

- Develop a project plan to include realistic timelines and necessary resources to implement the program timely.
- Identify "off the shelf" training materials and videos that can be purchased to reduce the development time.
- Incorporate as part of the program training classes that may be already developed and available through other sources such as other transit agencies, system manufacturers, and commercial rail carriers.
- Budget for and add sufficient resources to develop the apprenticeship program.

Current Management Status Update:
This issue has been formally submitted to Internal Audit for validation and closure. Management added additional headcount to support the development of the MOW Apprenticeship Program, which launched in Q1 2025 and is currently being provided to apprentices by title. Two MOW training administrators were hired in 2022. An MOW training specialist was hired in 2023. An outside HNTB consultant also contributed to program development. The program is administered as an internal UTA-sponsored program in alignment with a Memorandum of Understanding between the ATU and UTA.

Issue Owner:
Director Workforce Tech Training

Current Due Date:
5/16/2025

C. 21-02 Preliminary Assessment: Utilities Management

Recommendation R-21-02-04 Standard Operating Procedures | **Risk Level: Medium**

Audit Committee Report Date: October 17, 2022 | **Current Status: Open**

Recommendation:

- Drafted SOPs should be finalized and adopted.
- The FUPA should coordinate with the Accounting department to properly align the new SOP with existing policies and procedures.
- The process of verifying and organizing accounts and reviewing rate schedules should be codified in the final draft.

Current Management Status Update:
Dan Locke has completed a first draft of the Utilities Management SOP.

Issue Owner:
Facilities Utilities Project Administrator

Current Due Date:
12/31/2025

D. 21-04 Bus Operations and Safety Preliminary Assessment

Recommendation R-21-03 External Announcements | **Risk Level: Medium**

Audit Committee Report Date: August 23, 2021 | **Current Status: Escalated**

Recommendation:

- Fully automated and high audio quality external speakers should be installed on buses.
    - As a preliminary step to implementation, Management should research options, feasibility, and cost.
- Audio quality of existing speakers should be regularly inspected and adjusted as necessary.
- An interim alternative would be to require the use of outside speakers at least on the routes that are most likely to need them.

Current Management Status Update:
This issue is being escalated to the Chief Operations Officer for decisioning on the viability of the unfunded second phase of the Management Response, which calls for the MDD system to be updated to automatically make external service announcements. According to IT, this enhancement to MDD functionality cannot be addressed for two years.

Issue Owner:
Manager Service Delivery – Timpanogos

Current Due Date:
12/31/2025

Recommendation R-21-04 Securement Training | **Risk Level: Medium**

Audit Committee Report Date: August 23, 2021 | **Current Status: Open**

Recommendation:

- Require refresher training on the requirement to secure passengers. The refresher training can be incorporated as part of annual sensitivity training. Retrain specific operators following securement complaints or accidents as appropriate to the nature of the complaint or accident.

Current Management Status Update:
Civil Rights targets a Q3 2025 completion of a video resource that is inclusive of all types of mobility device securements. The script is currently complete. The Technical Training team is being engaged to integrate the video resource into the appropriate trainings.

Issue Owner:
Civil Rights Compliance Officer - ADA

Current Due Date:
12/31/2025

Recommendation R-21-05 Standard Operating Procedure Updates	Risk Level: Low
Audit Committee Report Date: August 23, 2021	Current Status: Escalated

Recommendation:
BO 1.09, "Serving Customers with Disabilities" should be updated with the following changes:

- Align definition of service animals with UTA policy 6.1.1.
- Align Personal Care Attendant language with recent fare policy changes.
- Include a section discussing appropriate language when talking to/about people with disabilities.
- Expand the description of situations where service might be denied to include instances where customers are denied priority seating. These instances should be reported to TCC.
- The SOP should require that TCC provide monthly reports to the ADA Compliance Officer of call-ins related to service denials.
- SOP ownership should be collaborative with the ADA Compliance Officer.

Current Management Status Update:
This issue is being escalated to the Chief Operations Officer for decisioning on whether BO 1.09 "Serving Customers with Disabilities" SOP should be changed to align with the Fares Policy or if the Fares Policy should instead be changed to align with the SOP. The issue owner asserts that the Fares Policy for personal care attendants verification inhibits customer service and creates a barrier for people with disabilities.

Issue Owner:
Manager of Service Delivery – Mount Ogden

Current Due Date:
12/31/2025

E. 21-06 Preliminary Assessment of Fuel Costs

Recommendation R-21-06-06 Pre- and Post-Fueling Checklists*	Risk Level: Medium
Audit Committee Report Date: November 15, 2021	Current Status: Escalated

*Original recommendation did not have a title

Recommendation:

- Management should complete the drafted corrective action plan. [Management had previously identified the issue and created a corrective action plan].

Current Management Status Update:
This issue is being escalated to the Chief Operations Officer for decisioning on whether issue ownership should change from Mark Taggart to an Operations leader. In the meantime, management has drafted an SOP that is currently under review by directors responsible for Parts Rooms. Several of the directors indicated that their parts clerks do not have access to Fuel Island cameras and instructions have been given to directors to request access. The Data Governance team is being consulted about providing a dashboard that coordinates Fuelwrap data with Pre- and Post-Fueling Checklists stored in Laserfiche to identify gaps in checklist completion.

Issue Owner:
Environmental Compliance Administrator

Current Due Date:
12/31/2025

Recommendation R-21-06-08 Fuel Access*	**Risk Level: High**
Audit Committee Report Date: November 15, 2021	**Current Status: Escalated**

*Original recommendation did not have a title

Recommendation:

- Existing badge data should be cleaned and standardized. This cleanup could include:
- Ensure that names match human resource records.
- Ensure an employee's department matches human resource records.
- Deactivate unneeded duplicate entries.

a. Deactivate "dummy accounts."

Current Management Status Update:
This issue is being escalated to the Chief Operations Officer for decisioning on whether issue ownership should change to Operations so they can implement a process for periodically checking fuel access. IT has already implemented an automated process that runs lists of terminated employees in a database and provides alerts so their access can be terminated.

Issue Owner:
Enterprise Applications Manager

Current Due Date:
12/31/2025

F. 22-02 Preliminary Assessment of Light Rail Operations

Recommendation R-22-03 Standard Operating Procedure Updates	**Risk Level: Low**
Audit Committee Report Date: October 17, 2022	**Current Status: Paused**

Recommendation:

- Light Rail management should finalize the review and re-issuing of all SOPs.
- Light Rail management should remove references of SOPs from the TRAX Rule Book if they are to be unavailable, outdated, or irrelevant.
- Light Rail management should consider creating SOPs to formally support safety guidelines (as provided during training) for requesting supervisor or police officer field response.

Current Management Status Update:
This issue is paused because the broader Operations office has put a hold on the creation of new SOPs.

Issue Owner:
Manager Light Rail Operations

Current Due Date:
TBD, based on COO direction

G. 22-06 Performance Audit of Support Fleet

Recommendation R-22-06-1 Support Fleet Governance and Resources	**Risk Level: High**
Audit Committee Report Date: June 27, 2022	**Current Status: Paused**

Recommendation:

- Provide the Support Fleet Management with additional resources subject to budgetary constraints and additional needs analysis of the department.
- Develop and implement new policies and procedures that grant authority to the FVA to oversee, provide training, and enforce matters related to UTA's support fleet.

Current Management Status Update:
This issue is paused, pending Board approval of the NRG Policy, which is not anticipated until November or later. Four NRG SOPs have been published.

Issue Owner:
Manager Non-Revenue Vehicle Performance and Maintenance

Current Due Date:
TBD, based on Board Policy-approval timeline

Recommendation R-22-06-2 Support Fleet Policies and Procedures	**Risk Level: Medium**
Audit Committee Report Date: June 27, 2022	**Current Status: Open**

Recommendation:

- We recommend Support Fleet Management develop new policies and procedures to define requirements and necessary steps for each of its key areas of responsibility.
- We recommend Support Fleet Management develop training on the policies and procedures and provide this training to employees responsible for or users of fleet vehicles at least annually.

Current Management Status Update:
Completion and launch of LMS training to guide NRV users on proper protocols is targeted for the end of 2025. Currently, NRV SharePoint page content is robust (SOPs, checklists, FAQ, etc.).

Issue Owner:
Manager Non-Revenue Vehicle Performance and Maintenance

Current Due Date:
12/31/2025

Recommendation R-22-06-3 Opportunities to Right-Size the Support Fleet	**Risk Level: High**
Audit Committee Report Date: June 27, 2022	**Current Status: Open**

Recommendation:

- We recommend Support Fleet Management use the new geotrackers to pinpoint precisely which vehicles are being underutilized and work to either reassign vehicles where they will be more useful or dispose of them to recapture some residual value.
- We recommend the vehicle purchasing strategy be overhauled to ensure that proper steps are taken to determine if another vehicle within support fleet would be sufficient to meet the needs of the requesting department prior to purchasing a new vehicle.
- We recommend Support Fleet Management require all employees responsible for a support fleet vehicle, especially underutilized ones, to provide written justification for the business need of their vehicles. Based on the justifications, support fleet should make decisions as to which vehicles may be reassigned or slated for disposal.
- We recommend Support Fleet Management review the use of floating fleet vehicles available to be checked out by employees to determine if any could be repurposed or disposed.
- We recommend UTA management review its disposal and auction process to determine if there are ways to streamline sales once vehicles to be disposed of have been identified.
- We recommend UTA's accounting and finance teams determine if there is a more effective way to manage the budget strategy for support fleet vehicles, for instance, using an internal service fund to charge departments for the use of vehicles.

Current Management Status Update:
The NRV team is working on capturing and entering NRV utilization data into a form to identify underutilized cars for removal or reassignment. The form will be sent to responsible employees for written justification.
Issue Owner:
Manager Non-Revenue Vehicle Performance and Maintenance

Current Due Date:
12/31/2025

Recommendation R-22-06-4 Floating Vehicle Check-out and Security Measures*	**Risk Level: High**
Audit Committee Report Date: June 27, 2022	**Current Status: Open**

**Original full title: Floating Vehicle Check-out and Physical Security Measures are Ineffective Against Preventing Fraud and Abuse.*

Recommendation:

- We recommend developing or purchasing new check-out software and adding additional controls to the check-out process. The new controls should be robust enough to 1) ensure Support Fleet knows who has custody of a vehicle at any given time, 2) ensures proper approvals for vehicle use are documented prior to an employee taking custody of a vehicle, 3) ensure vehicle keys are kept in a secure (locked) area that can only be accessed with either a unique identifier code or unlocked by a custodian that verifies the employee has gone through the check-out process and has all approvals documented.

Current Management Status Update:
An NRV key management system has been installed at all locations and training is nearing completion. The NRV team has some last tasks to complete at Midvale and Jordan River prior to submitting this issue for closure.

Issue Owner:
Manager Non-Revenue Vehicle Performance and Maintenance

Current Due Date:
12/31/2025

Recommendation R-22-06-5 Vehicle Use Thresholds*	Risk Level: High
Audit Committee Report Date: December 16, 2024	Current Status: Open

**Original title was: Management should create clear use thresholds to govern vehicle use*

Recommendation:
- Management should establish thresholds to evaluate vehicle utilization.
    - The thresholds should be objective.
    - The thresholds should be measurable.
    - Expected outcomes should be clearly defined and associated to thresholds.
- Management should develop an accompanying policy to address vehicle user's appeals and unusual circumstances that may make deviations from expected outcomes appropriate.

Current Management Status Update:
NRV utilization thresholds have been established and are being formalized in a Fleet Management Plan (comparable to Bus Maintenance plans).

Issue Owner:
Manager Non-Revenue Vehicle Performance and Maintenance

Current Due Date:
12/31/2025

Recommendation R-22-06-6 Access to Purchase Card System*	Risk Level: Medium
Audit Committee Report Date: December 16, 2024	Current Status: Open

**Original title was: Management should grant read-only access to the US Bank Purchase Card System.*

Recommendation:
- Procurement Management should grant read-only access to US Bank the NRV team to run detailed reports and download receipts.

Current Management Status Update:
The NRV team has obtained read-only access to the US Bank purchase-card system and they are reviewing the data to identify who is not submitting invoices so they can conduct individualized training. They are investigating whether or how they can pull invoices from the US Bank system.

Issue Owner:
Manager Non-Revenue Vehicle Performance and Maintenance

Current Due Date:
12/31/2025

H. 23-02 Preliminary Assessment of the Vehicle Disposal Process

Recommendation R-23-02-1 Board Approval Over $200k	Risk Level: Medium
Audit Committee Report Date: December 18, 2023	Current Status: Escalated

Recommendation:
- Capital Assets group should seek approval from the Board for the sale of any vehicles which combined might exceed $200,000.
  - Alternatively, Capital Assets could provide an annual, or other periodic (such as quarterly), update to the Board regarding planned vehicle sales.
- Capital Assets should incorporate this Board approval process into SOPs.

Current Management Status Update:
This issue is being escalated to the Chief Financial Officer for decisioning around shifting ownership of this issue to the Capital Asset group which was moved to Finance at the beginning of 2024.

Issue Owner:
Director of Capital Program and Support

Current Due Date:
12/31/2025

I. 23-03 Preliminary Assessment of 1099 Reporting

Recommendation R-23-03-1 Required 1099 Forms were not issued	Risk Level: Medium
Audit Committee Report Date: June 24, 2024	Current Status: Open

Recommendation:
- Accounts Payable should coordinate with legal counsel to comply with IRS reporting standards.
- Additional research should be conducted by the accounting team to identify if other vendors who received payments from UTA should have had a 1099 sent to them.
- Best practices suggest that a business should request an updated W-9 Form every year from contractors.

Current Management Status Update:
Accounting is verifying that the SOP includes W-9 language for vendors, medical practitioners and attorneys. They are performing a check on vendor, medical practitioners and attorney 1099s.

Issue Owner:

Chief Financial Officer

Current Due Date:
12/31/2025

Recommendation R-23-03-2 Claim vendors, physicians and attorneys were not sent a 1099	**Risk Level: ***
Audit Committee Report Date: June 24, 2024	**Current Status: Open**

**Risk level was missed in the original report. It is a medium risk.*

Recommendation:
- Accounts Payable should coordinate with legal counsel to comply with IRS reporting standards.
- Accounts Payable should require a completed W-9 before issuing any future claims payments.
- Accounts Payable staff should receive training on Form 1099 reporting procedures.
- Accounts Payable or the Accounting Supervisor should maintain an IRS e-news subscription to receive future updates to the Form 1099 reporting process. https://www.irs.gov/newsroom/e-news-subscriptions

Current Management Status Update:
Accounting is verifying that the SOP includes W-9 language for vendors, medical practitioners and attorneys. They are performing a check on vendor, medical practitioners and attorney 1099s.

Issue Owner:
Chief Financial Officer

Current Due Date:
12/31/2025

J. 23-05 Limited Scope Assessment of the Vendor Master File

Recommendation R-23-05-01 Vendor Master File Process Issue	**Risk Level: Medium**
Audit Committee Report Date: October 16, 2023	**Current Status: Open**

Recommendation:
- A formal process should be developed to validate new vendors.
- Roles and responsibilities between the AP team and Accountants should be clearly defined and documented.
- An IRS TIN match should be performed for new vendors additions.
- Existing data errors should be investigated and resolved.

Current Management Status Update:
Accounting is verifying that the process is documented for improving records and that errors/inconsistencies have been corrected. The data for vendor that are currently being paid has been updated. Unused vendors are taking longer to update. If UTA goes two years without using a vendor, it goes inactive and is not updated until UTA uses it again.

Issue Owner:

Accounting Supervisor

Current Due Date:
12/31/2025

K. 23-04 Preliminary Assessment Transit Communication Center

Recommendation R-23-04-1 Safety and Security Procedures	**Risk Level: Low**
Audit Committee Report Date: March 11, 2024	**Current Status: Open**

Recommendation:
- *This recommendation involves a sensitive security matter. Details will not be published until the risk is resolved.*

Current Management Status Update:
Due to the sensitivity of this issue, details of corrective action will not be published until it is complete.

Issue Owner:
Manager of Security

Current Due Date:
12/31/2025

Recommendation R-23-04-2 TCC Staffing	**Risk Level: Medium**
Audit Committee Report Date: March 11, 2024	**Current Status: Escalated**

Recommendation:
- IA recommends that TCC management evaluate current headcount levels for sufficient coverage.
  - According to the cited APCO standards four additional headcount would be needed to fill TCC's coverage need for dispatchers.
  - Based on the overtime statistics provided, four FTE may not be necessary. Management should independently determine TCC needs.

Current Management Status Update:
This issue is being escalated to the Chief Operations Officer for decisioning around additional headcount.

Issue Owner:
Manager Transit Communications Center

Current Due Date:
12/31/2025

L. 23-11 Recruitment Assessment

Recommendation R-23-11-A Human Resources Information System	**Risk Level: High**
Audit Committee Report Date: June 26, 2023	**Current Status: Open**

Recommendation:
- Proceed with the new HRIS, and ensure thoughtful consideration of design and implementation.

Current Management Status Update:
Workday is scheduled to go live in 2025. Talent Acquisition workflows are being mapped into the new system to eliminate redundancies and include upgrades to best practices.

Issue Owner:
Director Talent Acquisition

Current Due Date:
12/31/2025

Recommendation R-23-11-B Standard Operating Procedures	Risk Level: High
Audit Committee Report Date: June 26, 2023	Current Status: Paused

Recommendation:
- Update standard operating procedures and include SLAs.

Current Management Status Update:
Corrective action is paused, pending completion of an outside consulting analysis of UTA policies and procedures by the Board. SOPs are drafted but not adopted.

Issue Owner:
Director Talent Acquisition

Current Due Date:
TBD, pending results of policy/SOP consulting analysis

Recommendation R-23-11-C Key Performance Indicators	Risk Level: High
Audit Committee Report Date: June 26, 2023	Current Status: Submitted for Closure

Recommendation:
- Develop and track KPIs to enable data-driven decision making.

Current Management Status Update:
This issue has been formally submitted to Internal Audit for validation and closure. KPIs for the UTA Talent Acquisition team are defined and are posted on the visual board for discussion during regular huddles.

Issue Owner:
Director Talent Acquisition

Current Due Date:
7/31/2025

Recommendation R-23-11-D Talent Acquisition Team Structure	Risk Level: High
Audit Committee Report Date: June 26, 2023	Current Status: Submitted for Closure

Recommendation:

- Proceed with new Talent Acquisition team structure and increase headcount to support with data entry.

Current Management Status Update:
This issue has been formally submitted to Internal Audit for validation and closure. An onboarding specialist and a data entry specialist were hired in 2024 to support increased data quality.

Issue Owner:
Director Talent Acquisition

Current Due Date:
7/31/2025

Recommendation R-23-11-E Leadership Strategy Sessions	Risk Level: High
Audit Committee Report Date: June 26, 2023	Current Status: Submitted for Closure

Recommendation:

- Conduct Leadership Strategy Sessions to align on priorities for the Talent Acquisition team.

Current Management Status Update:
This issue has been formally submitted to Internal Audit for validation and closure. Annual team meetings take place each December to calibrate the team's focus for the next year.

Issue Owner:
Director Talent Acquisition
Current Due Date:
7/31/2025

Recommendation R-23-11-F Jobvite Validation Rules	Risk Level: Medium
Audit Committee Report Date: June 26, 2023	Current Status: Submitted for Closure

Recommendation:

- Investigate data validation rules and optimize features in Jobvite.

Current Management Status Update:
This issue has been formally submitted to Internal Audit for validation and closure. Talent Acquisition built an automated data transfer between Jobvite and JDE, which has resulted in efficiencies including fewer keystrokes.

Issue Owner:
Director Talent Acquisition

Current Due Date:
7/31/2025

Recommendation R-23-11-G Process Expectations	Risk Level: Medium
Audit Committee Report Date: June 26, 2023	Current Status: Submitted for Closure

Recommendation:

- Communicate expectations with Hiring Managers and other teams on processes and SLAs.

Current Management Status Update:
This issue has been formally submitted to Internal Audit for validation and closure. In collaboration with senior stakeholders from all areas of UTA, a Talent Acquisition Service Level Agreement was established.

Issue Owner:
Director Talent Acquisition

Current Due Date:
7/31/2025

Recommendation R-23-11-H Talent Acquisition Team Communication	**Risk Level: Medium**
Audit Committee Report Date: June 26, 2023	**Current Status: Submitted for Closure**

Recommendation:

- Build structure into Talent Acquisition team communication cadence.

Current Management Status Update:
This issue has been formally submitted to Internal Audit for validation and closure. Monthly meetings with senior Talent Acquisition team members are conducted to ensure the team stays focused on strategies and daily work.

Issue Owner:
Director Talent Acquisition

Current Due Date:
7/31/2025

Recommendation R-23-11-I Immediate Process Improvements	**Risk Level: Medium**
Audit Committee Report Date: June 26, 2023	**Current Status: Submitted for Closure**

Recommendation:

- Adopt immediate, tactical process improvements to the hiring process to generate 'quick wins'

Current Management Status Update:
This issue has been formally submitted to Internal Audit for validation and closure. Talent Acquisition weekly visual board meetings (huddles) include idea generation and implementation to generate quick wins. Meetings also support increased transparency in TA project/process updates and successes.

Issue Owner:
Director Talent Acquisition

Current Due Date:
7/31/2025

Recommendation R-23-11-J Recruiter Training	**Risk Level: Medium**
Audit Committee Report Date: June 26, 2023	**Current Status: Submitted for Closure**

Recommendation:
- Provide standardized onboarding and ongoing development training to Recruiters

Current Management Status Update:
This issue has been formally submitted to Internal Audit for validation and closure. Talent Acquisition partnered with CI to map out the complete hiring process for Bargaining and Administrative employees. Training manuals were created to allow for better onboarding of new Talent Acquisition employees.

Issue Owner:
Director Talent Acquisition

Current Due Date:
7/31/2025

M. 24-01 Procurement Process Performance Audit

Recommendation R-24-01-01 Disclosures to UTA Ethics Officer*	**Risk Level: Medium**
Audit Committee Report Date: December 16, 2024	**Current Status: Submitted for Closure**

**Original recommendation title: Conflict of Interest Disclosures to UTA Ethics Officer.*

Recommendation:
- Procurement department employees should report any conflicts of interest discovered in a procurement requisition to the UTA Ethics Officer.

Current Management Status Update:
This issue has been formally submitted to Internal Audit for validation and closure. Procurement added the Director of Internal Audit as an approver on the Conflict of Interest Form for selection committees. The UPR was also updated to state that conflicts of interest must be approved by the CRO and Director of Internal Audit.

Issue Owner:
Director of Supply Chain

Current Due Date:
7/31/2025

Recommendation R-24-01-02 Procurement Department is Under-resourced	**Risk Level: High**
Audit Committee Report Date: December 16, 2024	**Current Status: Open**

Recommendation:

- The Procurement department's 2026 budget should include headcount increases to convert the two outsourced consultant positions to full-time employees.
- Management should formally study the Procurement department's resource needs ahead of planning for the 2026 budgets and allocated resources as appropriate to the findings of the study.

Current Management Status Update:
The Procurement Department is currently engaged in the 2026 budget process in which resource needs are being considered.

Issue Owner:
Director of Supply Chain

Current Due Date:
12/31/2025

N. 24-06 Preliminary Assessment of Payroll Process

Recommendation R-24-06-01 Vacation Sell-back exceeded policy	**Risk Level: Low**
Audit Committee Report Date: September 23, 2024	**Current Status: Open**

Recommendation:
- Management should work with the Total Rewards department to educate supervisors on vacation sell-back policy and procedure.
- We recommend that Management develop a form or memo required for all employees requesting vacation sell-back that verifies that all eligibility requirements are met before the sell-back is processed.
- We recommend that Management monitors the vacation sellback entries to detect any future occurrences of the error.
- We recommend that Management not attempt to claw-back past errors.

Current Management Status Update:
The Comptroller is verifying that the new vacation sell-back process is documented and fully implemented.

Issue Owner:
Payroll Supervisor

Current Due Date:
12/31/2025

Appendix C: Issues Closed Since Last Report

1. 23-11 Recruitment Assessment

Recommendation R-23-11-K Interview Training	**Risk Level: Low**
Audit Committee Report Date: June 26, 2023	**Current Status: Closed**

Recommendation:

- Update the Talent Acquisition team reporting structure

Current Internal Audit Comments:
This recommendation was given by an external auditor, who marked this as “low priority”. Internal Audit discussed the low priority issues with management. Internal Audit decided that treating the low priority issues as continuous improvement opportunities would be a more appropriate use of audit time.

Recommendation R-23-11-L Talent Acquisition Team Reporting Structure	**Risk Level: Low**
Audit Committee Report Date: June 26, 2023	**Current Status: Closed**

Recommendation:

- Update the Talent Acquisition team reporting structure

Current Internal Audit Comments:
This recommendation was given by an external auditor, who marked this as “low priority”. Internal Audit discussed the low priority issues with management. Internal Audit decided that treating the low priority issues as continuous improvement opportunities would be a more appropriate use of audit time.

Recommendation R-23-11-M Assessment Reinstatement	**Risk Level: Low**
Audit Committee Report Date: June 26, 2023	**Current Status: Closed**

Recommendation:

- Reinstate assessments for certain positions and begin testing as appropriate

Current Internal Audit Comments:
This recommendation was given by an external auditor, who marked this as “low priority”. IA discussed the low priority issues with management and determined that treating the low priority issues as continuous improvement opportunities would be a more appropriate use of audit time.

Recommendation R-23-11-N Candidate Sourcing	**Risk Level: Low**
Audit Committee Report Date: June 26, 2023	**Current Status: Closed**

Recommendation:

- Instill proactive candidate sourcing as a norm.

Current Internal Audit Comments:
This recommendation was given by an external auditor, who marked this as “low priority”. IA discussed the low priority issues with management and determined that treating the low priority issues as continuous improvement opportunities would be a more appropriate use of audit time.

Recommendation R-23-11-O Communicating Compensation Benchmarking Results	**Risk Level: Low**
Audit Committee Report Date: June 26, 2023	**Current Status: Closed**

Recommendation:

- Communicate and educate Hiring Managers on Compensation Benchmarking results

Current Internal Audit Comments:
This recommendation was given by an external auditor, who marked this as "low priority". IA discussed the low priority issues with management and determined that treating the low priority issues as continuous improvement opportunities would be a more appropriate use of audit time.

2. **21-06 Preliminary Assessment of Fuel Costs**

Recommendation R-21-06-02 Vanpool Fuel Card Purchases*	Risk Level: Medium
Audit Committee Report Date: November 15, 2021	Current Status: Closed

**Original recommendation did not have a title*

Recommendation:

- Analysis should be applied to fuel card transaction data to identify key red flags such as:
    - Unusual miles per gallon
    - Incorrect/unusual odometer inputs
    - Fueling beyond tank size
    - Unusual miles driven
    - Unexpected fuel use based on the mileage of the route
    - Unexpected fueling locations
- A formal process to follow up on red flags with drivers should be established.

Current Internal Audit Comments:
Internal Audit closed the issue for further follow-up. We are performing a full-scope audit of Vanpool in 2025 and will view controls that include this control holistically.

3. **24-06 Preliminary Assessment of Payroll Process**

Recommendation R-24-06-2 Recommendation to use JDE for Document Storage	Risk Level: Medium
Audit Committee Report Date: September 23, 2024	Current Status: Closed

Recommendation:

- We recommend that the Payroll Department use the Attachment Manager feature of JD Edwards to directly associate exception documentation with the related paycheck.
    - Examples of information that they could attach to a paystub could include, but are not limited to, an employee's final check and severance pay calculations, hiring bonuses, notes or calculations for double-overtime, and corrections to time entries. If adopted, management would want to consider materiality thresholds and other efficiency considerations. For example, every pay period has a

large volume of small-value gift cards employees receive through a rewards program. Management documents these with a reports showing all employees with gift cards that pay period. Matching gift card documentation with each of receiving employee would be impractical and unnecessary given the small dollar amount.

Current Internal Audit Comments:
Management researched the document retention capabilities of JD Edwards and Workday and found them unsuitable for their purposes. This is closed as an accepted risk and Internal Audit agrees with their evaluation.

669 West 200 South
Salt Lake City, UT 84101

Utah Transit Authority

MEETING MEMO

Audit Committee **Date:** 6/16/2025

TO:	Audit Committee
THROUGH:	Jay Fox, Executive Director
FROM:	Mike Hurst, Director Internal Audit
PRESENTER(S):	Mike Hurst, Director Internal Audit

TITLE:

2025 Assurance Map (25-11)

AGENDA ITEM TYPE:
Report

RECOMMENDATION:
Informational report for discussion.

BACKGROUND:
UTA Internal Audit conducts their work in accordance with the Global Internal Audit Standards published by the Institute of Internal Auditors. Standard 9.5 states, "*The chief audit executive must coordinate with internal and external providers of assurance services and consider relying upon their work. Coordination of services minimizes duplication of efforts, highlights gaps in coverage of key risks, and enhances the overall value added by the providers.*"

Achieving this standard requires Internal Audit to be aware of the assurance activities that happen at the agency. The most effective tool to do this is an assurance map. An assurance map is a table or matrix that lists the top risks of an organization and corresponding audit and monitoring activities. The map visually shows areas with low or excessive coverage to help decision makers better allocate resources appropriate to the underlying risks. The map can also help coordinate activities to avoid duplication of work.

Internal Audit created an assurance map for 2025 as part of the 2025 Internal Audit Plan. This will be an annual practice.

DISCUSSION:

Internal Audit will report on analysis performed on the 2025 UTA Assurance Map.

ALTERNATIVES:
Not applicable

FISCAL IMPACT:
Not applicable

ATTACHMENTS:
25-11 2025 Assurance Map

INTERNAL AUDIT

2025 UTA Assurance Map

25-11

May 14, 2025

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Executive Summary

Introduction

The Utah Transit Authority ("UTA") Audit Committee directed the Internal Audit department ("IA") to create an Assurance Map of audit and monitoring activities at UTA. The Audit Committee approved the Audit Plan that included this project on March 10, 2025.

Background and Overview

IA conducts their work in accordance with the Global Internal Audit Standards published by the Institute of Internal Auditors. Standard 9.5 states, "*The chief audit executive must coordinate with internal and external providers of assurance services and consider relying upon their work. Coordination of services minimizes duplication of efforts, highlights gaps in coverage of key risks, and enhances the overall value added by the providers.*"

Achieving this standard requires IA to be aware of the assurance activities that happen at the agency. The most effective tool to do this is an assurance map. An assurance map is "*a matrix comprising visual representation of the organization's risks and all the internal and external providers of assurance services that cover those risks. This visual depiction exposes coverage gaps and duplications.*"[1]

UTA has not ever had an assurance map, to Internal Audit's knowledge. Our visibility of other assurance activities has been limited to what we are told or happen to know about. Even with this limited visibility, we have experienced the benefits of coordinated assurance.

A few past examples of the benefits of coordinated assurance: 1) During an audit of Light Rail, we learned that one of our compliance tests is audited by the State of Utah. We were able to confirm that with the State and saved Light Rail's and Internal Audit's time; 2) A federal auditor requested that Internal Audit perform some follow-up procedures; 3) Internal Audit served as point of contact for the 2023 audit of the Office of the Legislative Auditors ("OLAG"). This saved time for UTA management and facilitated a smooth experience for OLAG. These positive examples will grow in frequency and impact with a formal assurance map.

Additionally, the Assurance Maps helps to inform the projects of the annual Internal Audit Plan. The Assurance Map visually shows what Level 1 Risks have little to no audit coverage in a different year. Internal Audit can use this as a data point to evaluate future audit plans.

Methodology

The UTA Enterprise Risk Management department publishes a formal risk assessment report every two years. The assurance map took the top risks, referred to as "Level 1 Risks" from the 2023 edition of the report to serve as a baseline for mapping. The Level 1 Risks are: 1) Technology 2) Strategy/Planning 3) Regulatory Compliance 4) Infrastructure 5) Operational 6) Financial 7) Information Security 8) Reputational.

[1] IIA Practice Guide, Coordination and Reliance: Developing an Assurance Map (Lake Mary, FL: The Institute of Internal Auditors, February 2018).

The map was filled out with the 2025 Internal Audit Plan, results from surveys sent to all levels of management, and interviews with select members of management. Though not shown in this report, efforts were made to gather assurance activities for 2026 and 2027. Assurance coverage needs to be considered over the medium term (2-3 years), not just in the short term (one year).

Gap Analysis

The following section documents potential gaps in assurance coverage of UTA's Level 1 Risks. This analysis will be used to determine future Internal Audit activities and future needs for outsourced audits.

1. **Technology** – this area has light assurance coverage in 2025. Adding future coverage is a difficult proposition. Technology auditing is highly technical work and the skills to independently audit do not exist internally, nor would it be financially feasible to add sufficient resources to cover assurance needs internally. Internal Audit and Information Technology are attempting to address this gap through collaboration during internal audits. Internal Audit informs Information Security what key technology systems are used by an audited department and Information Security determines if they should perform a security assessment. This arrangement is recent, and long-term success and feasibility will need to be determined.

   Quality assurance coverage could be increased through hiring outsourced auditors with specialized knowledge. Internal Audit presently lacks the budget to do this. UTA management and Board Governance may need to evaluate the necessity of increasing the budget for outsourced audits to bridge this gap.

   UTA is due for a Triennial Review by the Federal Transit Administration (FTA) in 2026. This will include elements of cybersecurity. Additionally, the Information Technology department had a third party complete a cybersecurity standards review in 2024.

2. **Strategy/Planning** – this area has light assurance coverage in 2025. The Office of the Legislative Auditor General is performing follow-up work to an audit completed in 2024 that heavily featured strategy and planning as topics. There are no internal assurance activities. This risk will need to be considered for the 2026 Internal Audit Plan.

3. **Regulatory Compliance** – this area has heavy assurance coverage in 2025, and the FTA Triennial Review is scheduled for 2026. No special considerations are needed at present.

4. **Infrastructure** – this area has moderate assurance coverage in 2025. A significant new project is the outsourced construction audit. The Capital Services department selected an upcoming construction project, and IA will hire a specialized auditor to audit the contractor's performance to the contract. We will look to repeat and expand outsourced construction auditing if this initial project is successful.

5. **Operational** – this area has heavy assurance coverage in 2025, both from internal and external providers.

6. **Financial** – this area has heavy assurance coverage in 2025 by virtue of the annual financial audit alone. Internal Audit also has several 2025 activities that relate to financial controls.

7. **Information Security** – this area has light coverage in 2025. See explanation for Technology risk above.

8. **Reputational** – this area has moderate coverage in 2025 over *topics* that affect UTA's reputation (for example, an environmental incident would damage UTA's reputation) but not the departments that are responsible for managing public relations and reputation. This risk will need to be considered for the 2026 Internal Audit Plan.

Attachment A: 2025 UTA Assurance Map

See the following inserted page for the 2025 UTA Assurance Map.

Attachment A: 2025 UTA Assurance Map

UTA Level 1 Risk	Risk Owner	Current/Actual Risk	Assurance Activity	Line	Assurance Provider
Technology	CESO	Moderate	Cybersecurity Assessment	Second	UTA IS
			Video Security	Third	UTA Internal Audit
Strategy/Planning	CESO, CPEO	Moderate	Legislative Audit Follow-up	External	OLAG
Regulatory Compliance	CESO	Moderate	ADA Service Monitoring - Bus	Second	UTA Data Quality & Ridership
			ADA Service Monitoring - Rail	First	UTA Rail Supervisors
			Bus Safety Audit	External	To be determined
			Buy America Compliance	Third	UTA Internal Audit
			Commuter Rail Safety	Third	UTA Internal Audit
			Construction Audit	External	To be determined
			Davis Bacon Apprenticeship Verification	Second	UTA Civil Rights
			Davis Bacon Field Interviews	Second	UTA Civil Rights
			DBE Commercially Useful Function Field Audits	Second	UTA Civil Rights
			DBE Good Faith Efforts Review	Second	UTA Civil Rights
			Drug and Alcohol Audit FRA	External	FRA
			Drug and Alcohol Audit FTA	External	FTA
			Drug and Alcohol Compliance	Third	UTA Internal Audit
			EE04 Report	Second	Civil Rights
			Environmental Governance	Third	UTA Internal Audit
			Hours of Service Audit	External	State Safety Oversight
			Legislative Audit Follow-up	External	OLAG
			Light Rail Safety	Third	UTA Internal Audit
			Maintenance Shop Inspections	Second	UTA Safety Department
			Special Services Operations	Third	UTA Internal Audit
			Station and Grade Crossing Inspections	Second	UTA Safety Department
			Vanpool Operations	Third	UTA Internal Audit
			Video Security	Third	UTA Internal Audit
Infrastructure	COO, CCSO	Moderate	ADA Design Reviews	Second	UTA Civil Rights
			Bus Safety Audit	External	To be determined
			Commuter Rail Safety	Third	UTA Internal Audit
			Construction Audit	External	To be determined
			Light Rail Safety	Third	UTA Internal Audit
			Video Security	Third	UTA Internal Audit
Operational	COO, CPO	Moderate	Bus Safety Audit	External	To be determined
			Commuter Rail Safety	Third	UTA Internal Audit
			Drug and Alcohol Audit	External	FTA
			Drug and Alcohol Audit	External	FRA
			Environmental Governance	Third	UTA Internal Audit
			Legislative Audit Follow-up	External	OLAG
			Light Rail Safety	Third	UTA Internal Audit
			Maintenance Shop Inspections	Second	UTA Safety Department
			Mount Ogden Bus Maintenance	Third	UTA Internal Audit
			Risk Based Inspections	External	State Safety Oversight
			Special Services Operations	Third	UTA Internal Audit
			Station and Grade Crossing Inspections	Second	UTA Safety Department
			Vanpool Operations	Third	UTA Internal Audit
Financial	CFO	Moderate	Buy America Compliance	Third	UTA Internal Audit
			Construction Audit	External	To be determined
			Financial Audit	External	Crowe LLP
			Purchase Card Program	Third	UTA Internal Audit
			Quarterly Expenditure Review	Third	UTA Internal Audit
Information Security	CESO	Moderate	Cybersecurity Assessment	Second	UTA IS
			Drug and Alcohol Audit	External	FTA
			Drug and Alcohol Audit	External	FRA
Reputational	CBSG, CCO	Mod-Low	Commuter Rail Safety	Third	UTA Internal Audit
			Drug and Alcohol Audit FRA	External	FRA
			Drug and Alcohol Audit FTA	External	FTA
			Drug and Alcohol Compliance	Third	UTA Internal Audit
			Environmental Governance	Third	UTA Internal Audit
			Light Rail Safety	Third	UTA Internal Audit
			Video Security	Third	UTA Internal Audit

Acronym Legend:

ADA - The Americans with Disabilities Act
CBSG - Chief of Board Strategy and Governance
CCO - Chief Communications Officer
CCSO - Chief Capital Services Officer
CESO - Chief Enterprise Strategy Officer
CFO - Chief Financial Officer
COO - Chief Operating Officer
CPEO - Chief Planning and Engagement Officer
DBE - Disadvantaged Business Enterprise Program
FRA - Federal Railroad Administration
FTA - Federal Transit Administration
IS - Information Security
OLAG - Office of the Legislative Auditor General
UTA - Utah Transit Authority

Risk Level Scale:

High: 441 - 1,000
Mod-High: 360 - 440
Moderate: 144 - 359
Mod-Low: 81 - 143
Low: 1 - 80

669 West 200 South
Salt Lake City, UT 84101

Utah Transit Authority

MEETING MEMO

Audit Committee **Date:** 6/16/2025

TO:	Audit Committee
THROUGH:	Jay Fox, Executive Director
FROM:	Mike Hurst, Director Internal Audit
PRESENTER(S):	Mike Hurst, Director Internal Audit
	David Hancock, Chief Capital Services Officer
	Dan Hofer, Director of Capital Program and Support

TITLE:

Construction Cost Audit Report (24-02)

AGENDA ITEM TYPE:
Report

RECOMMENDATION:
Informational report for discussion.

BACKGROUND:
The 2024 Internal Audit Plan included audit engagement 24-02 Construction Cost. The project was initially conceived to be a more encompassing audit of construction contractor performance but in researching and planning, Internal Audit determined that a focus on the vendor HNTB would add the most immediate value.

The objectives of the audit were to review the invoicing and approval process, the extent that UTA relies on HNTB consultants as opposed to full-time employees, and identifying costs charged to UTA that are prohibited by federal regulation.

DISCUSSION:
Internal Audit will report on observations and recommendations from the audit.

ALTERNATIVES:
Not applicable

FISCAL IMPACT:
Not applicable

ATTACHMENTS:
24 - 02 Construction Cost (HNTB Contract) Audit Report

INTERNAL AUDIT

Construction Cost Audit

24-02

May 16, 2025

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Rating Matrix

Descriptor	Guide
High	Matters considered being fundamental to the maintenance of internal control or good corporate governance. These matters should be subject to agreed remedial action within three months.
Medium	Matters considered being important to the maintenance of internal control or good corporate governance. These matters should be subject to agreed remedial action within six months.
Low	Matters considered being of minor importance to the maintenance of internal control or good corporate governance or that represents an opportunity for improving the efficiency of existing processes. These matters should be subject to agreed remedial action and further evaluation within twelve months.

Distribution List

Title	For Action[1]	For Information	Reviewed prior to release
Audit Committee		*	
Executive Director		*	*
Chief Operating Officer	*	*	*
Director of Capital Program & Support	*	*	*
Chief Capital Services Officer	*	*	*

[1]For Action indicates that a person is responsible, either directly or indirectly depending on their role in the process, for addressing an audit finding.

Executive Summary

Introduction

The Utah Transit Authority ("UTA") Audit Committee directed the Internal Audit department ("IA") to conduct an assessment audit of UTA's Construction Cost processes. The Audit Committee approved the Audit Plan that included this engagement on December 18, 2023. Internal Audit refined the scope of this project with a specific emphasis on the vendor HNTB's contract performance. IA completed the audit in accordance with Global Internal Audit Standards published by the Institute of Internal Auditors.

Background and Overview

To successfully deliver their Capital Program, UTA at times needs specialty services and additional staff resources from outside consultants. UTA contracts these consultants to complete specific tasks and projects, support strategic direction, and provide expert review informed by a national perspective. As a consultant service provider, HNTB performs a range of services on UTA's behalf, including but not limited to project management, construction inspection and oversight, right-of-way acquisition, surveying, public involvement assistance, stray current identification, environmental and design assistance, project controls, and design reviews. UTA collectively refers to these services as "program management services," which support many interrelated projects, tasks, and initiatives across multiple business units.

UTA selected HNTB through a competitive bid process in April 2021 to provide Program Management Services under a 3-year contract. The agreement included two optional 1-year extensions beyond the initial term. UTA designed this new Program Management Services Consultant (PMSC) contract to ensure continued progress toward delivering its 5-year capital plan, addressing ongoing state of good repair needs, and meeting other service requirements. In March 2025, UTA exercised the second 1-year extension to continue its partnership with HNTB.

Objectives and Scope

During the planning procedures, IA met with management and multiple project managers who had worked with HNTB throughout the contract's duration. The Attorney General's office also provided guidance on areas of concern related to the contract's performance. Based on the results of these interviews and the feedback received, IA defined the audit objectives and finalized the audit scope. The audit focused on the following areas:

1. Invoicing and Approval Process
IA reviewed the invoices that HNTB submitted for payment and tested them to identify who approved the project billings included in each invoice.

2. HNTB Consulting Needs that Exceeded the Hours of a Full-Time Employee
IA ran analytics to identify the HNTB consultant job descriptions that UTA used most frequently. We also tested the timesheets that HNTB employees submitted to determine whether 1) individual consultants worked more than 1,500 hours in a calendar year, and 2) any consultant job tasks that exceeded 2,000 hours within the calendar year.

3. Disallowed Costs that UTA may have Paid

UTA includes specific Federal procurement clauses that prohibit vendors from submitting certain expenses for payment or reimbursement. IA tested the receipts included in HNTB's invoice packets to determine whether any disallowed expenses, such as alcohol and entertainment, had been submitted.

IA set the audit period as April 1, 2021, through December 31, 2024.

Summary

1. Invoicing and Invoice Approval Process

IA downloaded all invoices that HNTB submitted during the audit period. Each invoice typically contained hundreds of pages, usually around 500, resulting in a total of more than 29,000 pages submitted during the audit period. Due to the volume and formatting, IA found it difficult to extract data efficiently for in-depth analysis. As a result, IA primarily conducted targeted sample reviews to provide a reasonable level of assurance that the submitted data was accurate.

For specific areas of in-depth testing, IA manually extracted data line by line from portions of the invoices. We tested the "approval summary" section of each invoice to determine whether the assigned Project Manager (PM) approved the payments for their respective projects. In most cases, the assigned PM provided the final approval. However, IA identified 126 instances where someone other than the assigned PM approved project costs within an invoice. PM approval is important because they are the ones most familiar with the project and can best determine if invoiced charges are valid. We address this issue in Finding 24-02-02 below.

2. HNTB Consulting Needs That Exceeded the Hours of a Full-Time Employee

Several HNTB contract specialties perform more than 2,000 annual hours of work for UTA. This suggests that UTA might better serve our needs by analyzing whether adding full-time employees to complete the work currently being contracted out.

3. Disallowed Costs That UTA May Have Paid

While reviewing HNTB's invoices, IA identified receipts that included charges for alcohol and entertainment—expenses disallowed under UTA's procurement policies. Due to limitations in data extraction, IA could not efficiently analyze all receipts submitted throughout the audit period. However, based on our sampling and review, IA believes these issues were frequent or extreme in amount.

Finding 24-02-01	Invoicing format should be defined	Risk Level: Medium

Criteria

The Committee of Sponsoring Organizations of the Treadway Commission ("COSO") publishes an integrated framework to guide organizations on best practices for internal controls. Component Three: Control Activities, Principle 10 of this framework, states:

> *The organization selects and develops control activities that contribute to the mitigation of risks to the achievement of objectives to acceptable levels.*

COSO further guides:

> *Verification – this method is used to address the completeness, accuracy, or validity of processing transactions.*

Contract Number 20-03384VW, with HNTB contains Paragraph 6. INCORPORATED DOCUMENTS state the following in sub-paragraph a.3 that the contract incorporates the following:

> *UTA's RFQs including, without limitations, all attached incorporated terms, conditions, federal clauses (as applicable), etc.*

Within the federal clauses that UTA incorporates is 2 CFR Subpart E General Provisions for Selected Items of Cost; Part 200.420-476 states:

> *Federal budgeting Allowable and Disallowed costs are identified; among these disallowed costs are items such as alcohol and entertainment.*

Condition

Currently the invoice format used by HNTB is a submission of a large PDF that typically exceeds 500 pages. Additionally, any expenses for travel and incidentals for the HNTB employees and any subcontractors submitted within the invoice. There is no standard format for how the receipts should be documented.

Timesheets for HNTB employees and subcontractor employees are also provided with the invoice. There is not an effective way to directly tie the hours submitted by a contractor to the project they worked on, which further complicates the invoice review process.

Cause

The contract lacks clarity in how HNTB, or other vendors, should provide invoices.

Effect

The quality of reviews is impacted by the length and format of invoices. It is difficult to identify which project these expenses are associated with and ensure that the charges are allocated to the correct project and expense code. Additionally, unallowable costs may be charged to UTA without detection.

IA identified instances where HNTB submitted receipts for entertainment activities during our audit. Examples include multiple instances of bowling events, golf tournament registration, and alcohol purchases. These were found through carefully targeted searches. Even with advanced analytical tools available to IA, the format and volume of the invoices made it infeasible to thoroughly audit individual line items in a cost-effective manner. We could not determine the full extent of unallowable costs. This limitation would also be experienced by project managers who must review the invoices.

Recommendation

1) Future contracts should have clear requirements for invoice documentation and format.
2) Management should develop and document standard procedures for invoice review and approval.

Management Response and Action Plan

Management agrees with this recommendation and is appreciative of the feedback. The invoicing process has been difficult to navigate at times. Management will incorporate this feedback and include it in the upcoming RFQu release for the upcoming Program Management Services Contract and ensure a clear and easy to understand invoicing process and format are included in the contract documents.

In addition, Management will provide it's PM's with instructions on how the invoice approval should be performed and what figures they should look for during their review.

While management will try to streamline this as much as possible, it may not be able to do much about the overall size of the invoice submissions. Backup documentation for hours billed, and expenses incurred are required. Where a program management team may be supporting several dozen projects, the back-up documentation required also grows based on the required backup documentation.

Responsible Individual(s)

Director- Capital Programming and Support

Target Completion Date

July 31st, 2025, for incorporation into the RFQu release.
December 31st for incorporation into the final contract documents for the next Program Management Services Contract.

Finding 24-02-02	Approvals should be Performed by the Assigned PM	Risk Level: Medium

Criteria

COSO Component Three: Control Activities, Principle 3 states:

> *Management establishes with board oversight, structures, reporting lines, and appropriate authorities and responsibilities in the pursuit of the organization's objectives.*
>
> This principle further states that;
> *Duties are segregated to reduce the risk of inappropriate conduct in the pursuit of objectives, and requisite checks and balances occur from the highest to the lowest level of the organization (e.g., defining roles, responsibilities, and performance measures…Third party service providers who are tasked with carrying out activities on behalf of the entity understand the extent of their decision-making rights.*

Condition
IA identified 126 instances when someone other than the directly assigned Project Manager (PM) approved project costs within invoices from HNTB.

Cause
The contract with HNTB states:

> *Payment for all invoice amounts not specifically disapproved by UTA shall be provided to Consultant within thirty (30) calendar days of invoice submittal.*

This contract language puts a great deal of pressure on UTA personnel to approve the invoiced costs quickly. Management confirmed that there has been discussion and even disagreement between HNTB and UTA's contract manager regarding when the payment terms should start, or if there is an allowance for UTA to review and approve the invoice prior to the "Net 30" period beginning.

Effect
PMs are the most familiar with their projects and its various inputs. Invoice approval by someone other than the PM increases the risk of unallowable costs and incorrect costs being charged to UTA.

Recommendation
1) In the future the appropriate project manager must approve all invoices.
2) Future contract provisions should clearly define the invoice approval process and specify the period within which UTA is authorized to review then approve invoices prior to payment to the vendor.

Management Response and Action Plan
Management agrees with this recommendation and is appreciative of the feedback. The invoicing process has been difficult to navigate at times. Management will incorporate this feedback and include it in the upcoming RFQu release for the upcoming Program Management Services Contract and ensure a clear and easy to understand invoicing process is included. This structure will take into account future Project Manager review to make it clearer how invoices should be submitted and where the backup documentation needs to be placed throughout the submitted invoice. UTA will also make clear the conditions that would restart an approval process clock.

Management would point out that most of those 127 identified instances were likely completed by either a Director or a Chief in the event an assigned PM was unable to approve the invoice in time to maintain the required processing timeline. While this does follow the natural escalation of approvals, this should also be called out in the new RFQu release.

Responsible Individual(s)
Director- Capital Programming and Support

Target Completion Date
July 31st, 2025 for incorporation into the RFQu release.
December 31st for incorporation into the final contract documents for the next Program Management Services Contract.

Finding 24-02-03 Management should track HNTB specialties used — Risk Level: Low

Criteria

COSO Component Five: Control Environment, Principle 4 states:

> *The organization demonstrates a commitment to attract, develop, and retain competent individuals in alignment with objectives.*

COSO guidance on this principle elaborates:

> *The commitment to competence is supported by and embedded in the human resource management processes for attracting, developing, evaluating, and retaining the right fit of management, other personnel and outsourced providers. The adequate number of resources is determined and periodically readjusted considering the relative importance of risks to be mitigated to support the achievement of the entity's objectives.*

Condition

IA extracted and reviewed HNTB's employee timesheet data from 2022 to determine whether any consultants exceeded 1,500 hours, which is roughly 75% of a full-time employee's workload, or surpassed 2,000 hours, which is equivalent to full-time work over a year.

Our analysis shows that 13 HNTB employees worked more than 1,500 hours for UTA in 2022. Additionally, five consultant job types, shown in the table below, exceeded 2,000 hours during the year, with Engineer I accounting for over 4,000 hours – or the equivalent of two full-time employees.

Table 1. 2022 Total Hours by HNTB Employee Classification

HNTB Employee Classifications	Total Hours
Engineer I	4,607
Construction Management	3,424
Project Manager	3,360
Project Controls	3,302
Systems & Signals Engineer	3,128

Cause

The UTA process for obtaining new headcount is a long and deliberate process. This ensures that UTA does not increase employee headcount without careful documentation and analysis of needs. However, this can leave departments with urgent short-term needs that must be met to achieve objectives.

Effect

1. Outsourced help is not as cost-effective as hiring UTA's own employees. The contract with the outsourced provider has a much higher hourly cost. For example, in 2025 the average contract rate for HNTB assistance ranges is $198.02 per hour. In contrast, UTA's pays administrative employees an average hourly rate of $38.75 with benefits. We could not readily calculate an average hourly rate for benefits, but that rate for a Director level employee within the Capital Services department was $29.91 in 2024. Using that figure as an approximation for benefits cost, that gives a total rate of $68.66 for UTA employees versus $198.02 for HNTB consultants.

2. Continued reliance on contractors increases the risk of losing continuity and core competencies when the contract lapses or is put out for rebidding.

Recommendation

Management should develop a tracking mechanism to identify specific specialties that UTA uses for over 2,000 hours per year. Management can then use this data to build cases for additional headcount as appropriate.

Management Response and Action Plan

Management agrees with this recommendation. UTA has always approached its capital staffing plan to where it has a core group of individuals and then it uses consultants to fill in the peaks meaning those resources that are used more occasionally or more aggressively for a short amount of time are filled by consultants. This makes it easier when the job is done, for UTA and the consultants to part ways if needed. However, UTA should really take a look at what roles are being filled by consultants year after year and see if the number of those core roles can/should be brought in house.

Management will commit to establishing a review process at the end of each year where costs for the consultants are evaluated for different roles. The review will look at the number of consultants filling the roles, their hours worked, and total cost. This will be evaluated with the Chief Capital Services Officer in Q1, and a decision will be made on if additional headcounts should be requested based on potential cost savings and likelihood of there being consistent work to be performed by the new UTA role.

Management would also just ask that we compare the UTA hourly rate and the HNTB rates as fairly as possible. The HNTB rates are fully burdened and include an Overhead rate multiplier. UTA will look at the savings in terms of a fully loaded UTA hourly rate (base salary + fringe benefits) is probably the most fair comparison in terms of what UTA is paying for people to work here.

Responsible Individual(s)

Director- Capital Programming and Support

Target Completion Date

April 1st, 2026

Finding 24-02-04 Contract to be structured as Master Task Order (MTO) Risk Level: Medium

Criteria

Board of Trustees Policy No. 2.2 "Contract Authority, Procurement and Grants" III.D.1. and III.D.2 states:

> *The Board of Trustees will review and approve contracts that exceed a total value of $200.000 over the life of the contract, including any option year. The Board of Trustees will review and approve the following contract change orders:*
>
> > *a. change orders that increase the total contract value to $200,000 or more*
> > *b. change orders for contracts with a total value over $200,000 that increase the total contract by 15% or more*
> > *c. all change orders over $200,000.*

Condition

The existing contract allows for scope and therefore cost expansion without direct Board or Change Order Committee approval. The HNTB contract defines the scope of work and "not to exceed" amounts, both by total contract and annual spend. Specific projects and related amounts are executed within the parameters of the total contract and not treated as distinct projects requiring Board approval (if projected cost is over $200,000). Yet, individual tasks, or portions of work within the overall contract do exceed $200,000 and will have additions of $200,000 or more. This is not a violation of the policy stated in the Criteria section, but it is not within the intent of the policy.

Cause

Not applicable

Effect

The contract with HNTB grew from an initial three-year contract with a total approximate cost of $17 million, approximately $5.7 million per year. While the most recent change order to exercise the second option extending the contract to five years has increased the final contract amount to $43,382,015 and an average cost of approximately $8.6 million per year.

During the contract period between April 2021 through December 2024 there have been fourteen (14) separate instances when projects within the contract had an annual spend increases above the $200,000 threshold. These change orders do not have the required Board oversight and accountability because of the contract structure. Contract oversight and control is lessened as the scope continues to grow and unrelated departments are using the contract. This lowers overall accountability to the Board of Trustees by obscuring the work performed under the contract.

Recommendation

1. Future contracts should adopt a Master Task Order (MTO) format, or similar, to ensure that Board oversight is applied at a project level.

2. Management should work with the Board Office to define a streamlined approval process, due to the volume of single projects executed under the contract.

Management Response and Action Plan

Management will work with the Executive Director and Board Office to find a way to streamline this process. Management does want to highlight this is a different contract structure than a typical deliverable contract where the primary purpose of this contract is for staff augmentation and an hourly rate contract that has a wide scope and is intended to provide nimbleness and allows UTA to be reactive and fill needs outlined in the scope of work.

Management would be receptive to reporting on overall contract expenditures periodically throughout the year. Management would advise against requiring this contract to be run as an MTO agreement due to the sizeable and increased burden on staff such a contract structure would require and would negate a lot of the benefits that come from utilizing a typical program management services contract.

Management would again highlight that this contract, over a five-year period, only experienced three (3) change orders as defined by the contract requirements. The first one was driven by the Legislative session where FrontRunner 2X went to UDOT. This required UTA to cancel a separate program management services contract that had been set up for that specific effort. The first HNTB change order incorporated a lot of those costs that were under that contract. While this increased the HNTB contract, the overall program management services amount UTA would have incurred with two program management contracts was ultimately reduced. The other two change orders were solely for exercising of additional contract year options and anticipated associated costs for each year.

Target Completion Date

Management to meet with the Executive Director and Board Office to find path forward by end of June 2025. Would like to have this path forward included in the upcoming RFQu for the next Program Management Services Contract UTA will advertise. Hoping to release that in August of 2025.

Responsible Individual(s)

Director- Capital Programming and Support

669 West 200 South
Salt Lake City, UT 84101

Utah Transit Authority

MEETING MEMO

Audit Committee **Date:** 6/16/2025

Not the TO:	Audit Committee
THROUGH:	Jay Fox, Executive Director
FROM:	Mike Hurst, Director Internal Audit
PRESENTER(S):	Mike Hurst, Director Internal Audit

TITLE:

Mount Ogden Bus Maintenance Audit Report (25-10)

AGENDA ITEM TYPE:
Report

RECOMMENDATION:
Informational report for discussion.

BACKGROUND:
Internal Audit conducted an audit of Mount Ogden Bus Maintenance as part of the 2025 Internal Audit Plan. The objective of the audit was to evaluate governance, risk management activities of the department, and timeliness of the performance preventative maintenance on buses. The latter topic was not completed because an insufficient sample size existed. The report for this Audit Committee meeting documents recommendations around updating procedure and job description documents. Staff anticipate a sufficient sample size will exist by October 2025 and that preventative maintenance testing will be performed then with anticipated reporting to the Audit Committee at the meeting scheduled for December 15, 2025.

DISCUSSION:
Internal Audit will report on observations and recommendations from the audit.

ALTERNATIVES:
Not applicable

FISCAL IMPACT:
Not applicable

ATTACHMENTS:
25-10 Mount Ogden Bus Maintenance Audit Report

INTERNAL AUDIT

Mount Ogden Bus Maintenance Audit

25-10

June 9, 2025

Table of Contents

Rating Matrix

Descriptor	Guide
High	Matters considered being fundamental to the maintenance of internal control or good corporate governance. These matters should be subject to agreed remedial action within three months.
Medium	Matters considered being important to the maintenance of internal control or good corporate governance. These matters should be subject to agreed remedial action within six months.
Low	Matters considered being of minor importance to the maintenance of internal control or good corporate governance or that represents an opportunity for improving the efficiency of existing processes. These matters should be subject to agreed remedial action and further evaluation within twelve months.

Distribution List

Title	For Action[1]	For Information	Reviewed prior to release
Audit Committee		*	
Executive Director		*	*
Chief Operating Officer	*	*	*
Regional General Manager – Mount Ogden Business Unit		*	
Manager Vehicle Performance and Maintenance – Mount Ogden Business Unit		*	

[1]For Action indicates that a person is responsible, either directly or indirectly depending on their role in the process, for addressing an audit finding.

Executive Summary

Introduction

The Utah Transit Authority ("UTA") Audit Committee directed the Internal Audit department ("IA") to conduct a performance audit over bus maintenance at the Mount Ogden Business Unit. The Audit Committee approved the Audit Plan that included this engagement on March 10, 2025. IA completed the audit in accordance with Global Internal Audit Standards published by the Institute of Internal Auditors.

Background and Overview

The Mount Ogden Business Unit ("Mt. Ogden") provides fixed route bus services to Weber County and parts of Davis and Box Elder Counties. As of April 2025, Mt. Ogden has 115 buses and maintenance for the buses are performed in-house by UTA employees. The Fleet Engineering department issues inspection forms used by Mt. Ogden that determine the timing and procedures of regular maintenance.

Objectives and Scope

IA based the audit objectives and scope on the results of planning procedures that included discussions with management, and assessments of risk and fraud risk. The topics for the audit were:

1. Governance
   IA reviewed policies and procedure documents, maintenance manuals, and job description documents.

2. Risk Management
   IA verified if management was participating in training and surveys from the Enterprise Risk Management department.

3. Maintenance Performance
   IA tested the performance of inspections to verify timeliness. Additionally, IA analyzed the age of the Mt. Ogden bus fleet, the experience of their employees, and their maintenance expenditures in comparison to other UTA fixed route business units. This analysis was for information purposes only, to set context for their performance.

IA set the audit period as January 1, 2024, through February 28, 2025.

Summary

1. Governance

IA found that management keeps extensive and highly specific maintenance manuals for each bus model in the fleet. This is a strong practice that ensures mechanics have access to accurate information from the manufacturer to properly service the bus fleet.

IA reviewed the safety-related standard operating procedures ("SOP"), 14 in total, to determine how recently management has updated them. Management has not updated any of the SOPs in the past five years. We note that these SOPs are not within sole control of Mt. Ogden management but is common to all bus operation units. We recommend that management at the appropriate level work with the Safety department to review these SOPs and make any necessary updates.

IA reviewed the job description documents for maintenance related positions, six in total, to determine the age of the documents, if minimum experience is described, and if job duties are listed. All the job descriptions were at least five years old, one (Coach Cleaner) did not describe the minimum experience required, and four had a low level of details for the job duty description. We note that these job descriptions are not within sole control of Mt. Ogden management but is common to all bus operation units. We recommend that management at the appropriate level work with the Human Resources department review these job descriptions and make any necessary updates.

2. Risk Management

IA confirmed that management has participated in all expected risk management activities with the Enterprise Risk Management department, including completing training and risk surveys.

3. Maintenance Performance

IA postponed the test of inspections until at least October 2025. Management knew about issues with inspection timeliness in June 2024 and took steps to address the issue. The audit period therefore covers periods that we know have issues. The sample for inspection timeliness needs to begin in July 2024 to account for corrections management have made, however, that is not large enough period to create a sufficient sample size to test. IA will perform this test around October 2025, when a sufficient sample size is reached.

IA ran analysis on the attributes of fleet age, employee experience, and maintenance spend at Mt. Ogden compared to other bus business units at UTA. These attributes influence the results achieved. Our purpose was to set the context of the work environment at Mt. Ogden relative to their peers. We do not draw any conclusions or recommendations based on this analysis.

First, Mt. Ogden has an older fleet than any other business unit, as shown below in Table 1.

Table 1. Average Mileage per Vehicle

Location	Number of Vehicles	Average Mileage per Vehicle
Mt. Ogden	115	322,184
Meadowbrook	150	259,238
Central	82	253,934
Timpanogos	77	190,775

The average mileage per vehicle Mt. Ogden is about 63,000 more than the location with the second highest average.

Additional analysis showed that 40% of buses at Mt. Ogden are older than 10 years, compared to a combined 16% older than 10 years at the other locations. 38% of buses at other locations are newer than five years, compared to 30% at Mt. Ogden. We expect maintenance needs to increase as vehicles get older. Mt. Ogden maintains the oldest fleet at UTA, which increases the relative difficulty of their task relative to their peers.

Second, the team at Mt. Ogden has a similar level of experience to Meadowbrook and Timpanogos. Each of these locations have similar percentages of Master Journeyists (most experienced), Journeysists, and Mechanics/Technician Apprentice (least experienced). The average years of experience at these locations is about 11 years.

The outlier in experience is the Central location. Their average years of experience is 14 and they have a significantly higher percentage of Master Journeyists and a significantly lower percentage of Mechanics/Technician Apprentice than the other three locations.

Third, Mt. Ogden spends less per bus in four out five spend categories related to maintenance. See Table 2 below.

Table 2. Maintenance Spend Comparison

Spend Category	Average Spend per Bus (All Locations)	Spend per Bus (Mt. Ogden)
Regular Wages	$31,136	$25,420
Other Fluids	$1,401	$1,213
Lease of Tires : Buses	$4,273	$4,327
Repair Parts	$11,976	$9,744
Shop Tools	$510	$174

Mt. Ogden spends less on maintenance per bus than other locations

Attachment A: Detail of Recommendations

Finding 25-10-01 Standard Operating Procedures Need Reviewed — Risk Level: Low

Criteria

UTA Board of Trustees Policy No. 1.1 "Process for Establishing Board Policies", II.D.1. states,

> *All policies and procedures including Board policies, UTA Policies, and Standard Operating Procedures will be reviewed for revision or confirmation as required by statute at least every three years.*

Condition

IA reviewed the age of safety related standard operating procedures ("SOPs") to determine the age. Management has not updated any of the SOPs in the last three years. See Table 2 below.

Table 3. Date Updated for Safety Related Standard Operating Procedures

Standard Operating Procedure Title	Date Updated
Safety Inspections and Audits	8/21/2015
Walking-Working Surfaces	8/21/2015
Fall Protection	5/31/2017
Roadway Response Safety	8/21/2015
Hot Work (cutting/welding) Plan	5/31/2017
Spray Finishing Operations	8/21/2014
Respiratory Protection Plan	8/21/2015
Confined Space (Permit and Non-Permit)	11/15/2019
Hazard Energy Control (Lockout/Tagout)	5/31/2017
Power Industrial Truck and Forklift Safety Program	8/21/2015
Overhead Lifting (Crane and Hoist Operation)	5/31/2017
Machine/Equipment Safety and Guarding Plan	8/21/2015
Exposure Control Plan (Blood-Borne Pathogens)	6/29/2017
Regulatory Inspection Response	8/21/2015

No safety-related SOPs have been reviewed in the past three years.

Cause
Not applicable.

Effect

- Employees' safety may be compromised if safety-related SOPs are not up to date with current procedures.
- Many safety-related SOPs are created to comply with regulations and laws. Outdated SOPs may not be aligned with these regulations and laws, increasing the risk of a non-compliance finding from oversight agencies.

Recommendation
Operations management should work with the Safety Department to review safety-related SOPs and make necessary updates.

Management Response and Action Plan

Management agrees with the recommendation. We acknowledge the need to keep procedures current to ensure alignment with regulatory requirements and industry best practices.

We are in the process of establishing a new quality management function that will guide and support systematic review, revision, and control of documented procedures within operations, maintenance, and public safety. This work includes the deployment of a quality management system designed to elevate our procedures, strengthen compliance, and proactively identify/mitigate operational risks. We are continuing to mature our culture of excellence…one where safety, documented information, and accountability are shared values. This will help ensure that procedures are consistently updated.

Action Plan:

- Review the related procedures in collaboration with the Safety Department.
- Prioritize procedures based on regulatory urgency, operational impact, and risk.
- Implement a recurring review schedule aligned with UTA policy and industry standards.
- Deploy a quality management system to support document control and compliance tracking.

Responsible
Chief Operating Officer

Target Completion Date
August 2026

Finding 25-10-02 Job Description Documents Need Reviewed — Risk Level: Low

Criteria
UTA Human Resources recommends that managers review job descriptions that are more than five years old.

Condition
IA reviewed the job descriptions for maintenance employees to verify the age of the documents, and that minimum experience and job duties are described. Management has not updated any of the job descriptions in the past five years. Additionally, several job descriptions have low details for job duties.

Table 4. Job Description Attributes

Job Title	Last Updated	Minimum Experience Described	Job Duties Described
Bus Vehicle Maintenance Supervisor	09/2019	Yes	Yes
Journeyist	06/2015	Yes	Yes – low level of details
Manager Vehicle Performance & Maintenance	04/2020	Yes	Yes
Mechanic/Technician Apprentice	03/2020	Yes	Yes – low level of details
Service Employee	03/2020	Yes	Yes – low level of details
Coach Cleaner	11/2014	No	Yes – low level of details

Bus maintenance job descriptions have not been updated in five years

Cause
Not applicable

Effect
- Accurate and complete job descriptions are essential to management for the following reasons:
    - Establishing roles and responsibilities, which is a key component of formal governance.
    - Setting and enforcing expectations with employees.
    - Job descriptions are a primary input to determining employee pay. Inadequate pay can lead to staffing shortages.
    - Ensuring that key tasks are formally accounted for.

Recommendation
Operations management should work with Human Resources to review all job description documents and make necessary updates.

Management Response and Action Plan

Management concurs with the recommendation. Accurate and current job descriptions are foundational to governance, role definition, and workforce planning.

We are initiating a phased effort to update maintenance-related job descriptions. We will begin with non-union positions to ensure alignment across modes and consistency in job expectations. Union-represented job descriptions will follow, recognizing that additional coordination with labor partners may be required.

This review will ensure essential duties are well-defined, minimum qualifications are accurate, and descriptions reflect the current needs and expectations of each role.

Action Plan:

- Review and update non-union maintenance job descriptions in collaboration with the People Office.
- Coordinate with the People Office to review and update union-represented job descriptions.
- Ensure all updated job descriptions include minimum experience requirements and detailed essential duties.
- Establish a formal review cycle for job descriptions going forward.

Responsible
Chief Operating Officer

Target Completion Date
January 2026