



Utah Transit Authority

Audit Committee

REGULAR MEETING AGENDA

669 West 200 South
Salt Lake City, UT 84101

Monday, June 22, 2026

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** Chair Carlton Christensen
3. **Consent** Chair Carlton Christensen
 - a. Approval of the March 9, 2026, Audit Committee Meeting Minutes
4. **Audit Committee Actions**
 - a. 2025 UTA Annual Comprehensive Financial Report (ACFR) and National Transit Database (NTD) Agreed upon Procedure Report Viola Miller
Rob Lamph
Brad Schelle
5. **Internal Audit Update**
 - a. Internal Audit Update Annette Royle
 - 2025 Internal Audit Plan Status
 - 2026 Internal Audit Plan Status
 - b. Open Issues Report - June 2026 Annette Royle
6. **Internal Audit Reports**
 - a. Vanpool Operations Audit Report (25-02) Luke Barber
Johanna Goss
Viola Miller
Michael Goldman
 - b. Bus Safety Audit Report (25-12) Luke Barber
Travis King
 - c. Light Rail Safety Audit Report (26-08) Luke Barber
Travis King
 - d. Information Technology Physical Environment and Security Audit Report (25-14) Luke Barber
Alisha Garrett

- | | | |
|----|--|----------------------------------|
| e. | Job Description Process Audit Report (25-15) | Johanna Goss
Ann Green-Barton |
| f. | Customer Support Governance Audit Report (26-01) | Johanna Goss
Nichol Bourdeaux |

7. 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) 287-3536. Requests 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> or via Zoom at https://bit.ly/UTA_Audit_06-22-26
- 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.



Utah Transit Authority

MEETING MEMO

669 West 200 South
Salt Lake City, UT 84101

Audit Committee

Date: 6/22/2026

TO: Audit Committee
FROM: Curtis Haring, Board Manager
PRESENTER(S): Chair Carlton Christensen

TITLE:

Approval of the March 9, 2026, Audit Committee Meeting Minutes

AGENDA ITEM TYPE:

Minutes

RECOMMENDATION:

Approve the minutes of the March 9, 2026, Audit Committee meeting.

BACKGROUND:

A meeting of the UTA Audit Committee was held in person at UTA Frontlines Headquarters and broadcast live via the UTA Public Meeting Web Portal on Monday, March 9, 2026, 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://www.utah.gov/pmn/sitemap/notice/1057995.html>](https://www.utah.gov/pmn/sitemap/notice/1057995.html) video feed is available through the [UTA Public Meeting Portal <https://rideuta.legistar.com/MeetingDetail.aspx?ID=1350748&GUID=86C0BDD2-F6EB-4014-A87A-349995F04B99>](https://rideuta.legistar.com/MeetingDetail.aspx?ID=1350748&GUID=86C0BDD2-F6EB-4014-A87A-349995F04B99).

ATTACHMENTS:

- 2026-03-09_AUDIT_Minutes_Unapproved



Utah Transit Authority

Audit Committee

MEETING MINUTES - Draft

669 West 200 South
Salt Lake City, UT 84101

Monday, March 9, 2026

3:00 PM

FrontLines Headquarters

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

Also attending were UTA staff and interested community members.

1. Call to Order & Opening Remarks

Chair Carlton Christensen welcomed attendees and called the meeting to order at 3:00 p.m.

2. Safety First Minute

Beth Holbrook, UTA Trustee, delivered a brief safety message.

3. Consent

- a. **Approval of the December 15, 2025 Audit Committee Meeting Minutes**
- b. **Audit Committee Charter Approval**

A motion was made by Council Member Bob Stevenson, and seconded by Trustee Holbrook, to approve the consent agenda. The motion carried by a unanimous vote.

4. Audit Committee Actions

- a. **2026 Internal Audit Charter Approval**

Mike Hurst, UTA Director of Internal Audit, presented the 2026 Internal Audit Charter, which has been updated to include the Director of Internal Audit as a member of the Ethics Committee. Hurst noted that Internal Audit will not audit the ethics program, which will be done by a third party appointed by the Chief of Board Strategy and Governance.

A motion was made by Council Member Stevenson, and seconded by Council Member Hall, that this 2026 Internal Audit Charter be approved as presented. The motion carried by a unanimous vote.

b. 2026 Internal Audit Plan Approval

Mike Hurst submitted the 2026 Audit Plan for approval. This plan is based on assessments of risk and input from management.

- Internal Audit is proposing the following projects for the 2026 Internal Audit Plan:

- 26-01 Customer Support Governance Audit
- 26-02 Capital Asset Accounting
- 26-03 Information Technology System Key Control Audit
- 26-04 Federal Funding Compliance Audit
- 26-05 Real Estate Limited Scope Audit
- 26-06 Claims Governance Audit
- 26-07 Accounting Separation of Duties Audit
- 26-08 Light Rail Safety Audit
- 26-09 Commuter Rail Safety Audit
- 26-10 Sole Source Procurement Audit

Discussion ensued. Questions regarding audit prioritization, audit timelines, internal auditing requirements, and outstanding audit statuses were asked and answered by staff.

A motion was made by Trustee Holbrook, and seconded by Council Member Stevenson, to approve this plan. The motion carried by a unanimous vote.

5. Internal Audit Update**a. Internal Audit Update****– 2025 Internal Audit Plan Status**

Mike Hurst reported on the status of projects from the 2025 Internal Audit Plan. Projects were tracked and have a current status listed as in progress, completed, or an expected completion date.

Discussion ensued. Questions regarding potential updates for the construction audit, how internal audits are constructed, and anticipated policy changes were asked and answered by staff.

b. 2025 Internal Audit Quality Assurance Review Results

Mike Hurst gave a report on the observations and corrective actions plans obtained from the 2025 Quality Assurance Review.

Gaps of conformance and action plans included:

- Document one-on-one meetings with staff.
- Formalize how competencies of outside service providers are evaluated.
- Implement an overall engagement conclusion.

c. 2025 Fraud Risk Assessment

Mike Hurst reported on the results and observations from the 2025 Fraud Risk Assessment. The Utah Office of the State Auditor requires the agency to annually complete a checklist. The checklist verifies the existence of policies, control activities, and separation of duties that are essential to a strong control environment where the likelihood of fraud is reduced. The 2025 checklist was completed jointly by the Finance Department and Internal Audit delivering the low-risk score of 385/395. This report will be submitted to the State Auditor before June 30, 2026.

d. Open Issues Report - March 2026

Mike Hurst was joined by Kim Shanklin, UTA Chief of Staff, Andres Colman, Chief Operations Officer, and Christie Giles, UTA Enterprise Risk Management Administrator.

Staff discussed outstanding issues since the last report at the Audit Committee meeting on December 15, 2025. 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 monitor progress. During 2025, nineteen issues were open and by December 2025, four had been completed. To date, three more issues have been resolved.

Discussion ensued. Questions regarding purchase card access for former employees and progress on audio announcements were asked and answered by staff.

At 3:46 p.m. Bob Stevenson left the meeting.

6. Internal Audit Reports**a. Video Security Audit Report (25-04)**

Mike Hurst was joined by Johanna Goss, UTA Senior Internal Auditor, Cody Steffensen, UTA Video Security Supervisor, and Dalan Taylor, UTA Chief of Police to report on observations and recommendations from the video security audit. UTA has video security cameras installed in facilities and on certain vehicles as a tool for safety and security.

This audit evaluated:

- Governance
- Risk management activities of the department
- Video security program controls
- Police department use of body cameras

Recommendations included:

- Matching UTA Policy and the collective bargaining policy
- Adopting Standard Operating Procedures

- Having UTA Police officers use body cameras

Committee members asked about police body camera use at other transit agencies. Staff responded they are assessing that issue.

7. Other Business

- a. Next Meeting: Monday, June 22, 2026 at 3:00 p.m.

8. Adjourn

A motion was made by Trustee Acerson, and seconded by Trustee Holbrook, to adjourn the meeting. The motion carried by a unanimous vote and the meeting adjourned at 4:05 p.m.

Transcribed by Cherilyn Bradford
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/pm/sitemap/notice/1057995.html> for entire content. Meeting materials, along with a time-stamped video recording, are also accessible at <https://rideuta.granicus.com/player/clip/437>.

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

Approved Date:

Carlton J. Christensen
Chair, Board of Trustees



Utah Transit Authority

MEETING MEMO

669 West 200 South
Salt Lake City, UT 84101

Audit Committee

Date: 6/22/2026

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

TITLE:
2025 UTA Annual Comprehensive Financial Report (ACFR) and National Transit Database (NTD) Agreed upon Procedure Report

AGENDA ITEM TYPE:
Audit Action

RECOMMENDATION:
Review and recommend acceptance of the 2025 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 2025-2029 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 2025 UTA Financial Audit Report and National Transit Database Agreed Upon Procedure Report will be presented for acceptance by the Board of Trustees on June 24th.

Upon acceptance by the Board of Trustees, UTA staff will submit the 2025 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 2025 UTA Financial Audit Report to the Board of Trustees.

FISCAL IMPACT:

N/A

ATTACHMENTS:

- 2025 Letter to the Board of Trustees and Audit Committee (SAS114 Letter)
- 2025 ACFR which includes the Annual Comprehensive Financial Report, the Single Audit Report, and the Utah State Compliance Report
- 2025 Management Letter
- 2025 NTD Agreed Upon Procedure Report

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. We have determined that the provision of the service is not prohibited and it will not create a threat to the auditor's independence.

Relationship	Safeguards
<p>Non-Audit Services: We were engaged to perform the following non-audit services during your last fiscal year:</p> <ul style="list-style-type: none"> • Assistance with preparation of your financial statements • Assistance with preparation of your data collection form 	<p>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.</p>

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 on December 3, 2025.

- 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 in its oversight role, we also provide the following:

Accounting Standard	Impact of Adoption
<p>GASB Statement No. 102, <i>Certain Risk Disclosures</i> The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints.</p>	<p>Adoption of this Statement did not have a material impact on the Authority's financial position or results of operations.</p>
<p>Significant Unusual Transactions.</p>	<p>No such matters noted</p>

Accounting Standard	Impact of Adoption
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 fixed 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.
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.

Please 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.

Please refer to the attached schedule on page 7.

OTHER COMMUNICATIONS

Communication Item	Results
<p>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:</p> <ul style="list-style-type: none"> • 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. <p>If we identify a material inconsistency between the other information and the financial statements, we are to seek a resolution of the matter.</p>	<p>We read the other information and noted no material inconsistencies or misstatement of facts based on our reading thereof.</p>
<p>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.</p>	<p>There were no significant difficulties encountered in dealing with management related to the performance of the audit.</p>
<p>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.</p>	<p>During our audit, there were no such disagreements with management.</p>
<p>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.</p>	<p>During the audit, there were no such issues for which we consulted outside the engagement team.</p>
<p>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.</p>	<p>There are no such circumstances that affect the form and content of the auditor's report.</p>
<p>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.</p>	<p>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.</p>
<p>Representations the Auditor Is Requesting from Management We are to provide you with a copy of management's requested written representations to us.</p>	<p>We direct your attention to a copy of the letter of management's representation to us provided separately.</p>

Communication Item	Results
<p>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.</p>	<p>There were no such significant issues discussed, or subject to correspondence, with management.</p>
<p>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.</p>	<p>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.</p>
<p>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.</p>	<p>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.</p>

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

Indianapolis, Indiana
June 9, 2026

Utah Transit Authority
Schedule of Corrected Financial Statement Misstatements
December 31, 2025

Financial Statement Item	Debit	Credit	Increase (Decrease)				
			Assets / Deferred Outflows	Liabilities / Deferred Inflows	Net Position	Revenues	Expenses
1 Capital Outlay		11,552,707	-	-	-	-	(11,552,707)
Construction in Progress	11,552,707		11,552,707	-	-	-	-
			11,552,707	-	-	-	(11,552,707)
<i>To transfer capitalizable project expenses from expense to Construction in Progress (CIP)</i>							
2 Capital Outlay	25,981,143		-	-	-	-	25,981,143
Construction in Progress		25,981,143	(25,981,143)	-	-	-	-
			(25,981,143)	-	-	-	25,981,143
<i>To reverse capitalization of project costs in 2025 that were already capitalized in 2024</i>							
Total impact on change in net position							\$ (14,428,436)

Utah Transit Authority
Schedule of Uncorrected Financial Statement Misstatements
December 31, 2025

Financial Statement Item	Debit	Credit	Increase (Decrease)				
			Assets / Deferred Outflows	Liabilities / Deferred Inflows	Net Position	Revenues	Expenses
1 Depreciable Capital Assets	6,640,976		6,640,976	-	-	-	-
Construction in Progress		6,640,976	(6,640,976)	-	-	-	-
			-	-	-	-	-
<i>To transfer completed project placed into service prior to 12/31 from construction in progress to a depreciable capital asset account</i>							
2 Accumulated Depreciation	20,928,354		20,928,354	-	-	-	-
Depreciation Expense		20,928,354	-	-	-	-	(20,928,354)
			20,928,354	-	-	-	(20,928,354)
<i>To correct over-depreciation of assets capitalized in 2025</i>							
3 Accumulated Depreciation	6,548,278		6,548,278	-	-	-	-
Depreciation Expense		6,548,278	-	-	-	-	(6,548,278)
			6,548,278	-	-	-	(6,548,278)
<i>To true-up accumulated depreciation and depreciation expense of revenue vehicles under the prospective method</i>							
Total waived impact on change in net position							\$ 27,476,632

Annual Comprehensive Financial Report



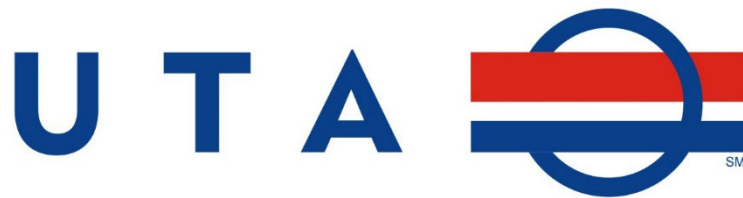
UTA 

For Fiscal
Year Ended
December
31, 2025

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

Annual Comprehensive Financial Report

For Fiscal Year Ended
December 31, 2025

Finance Department

Viola Miller
Chief Financial Officer

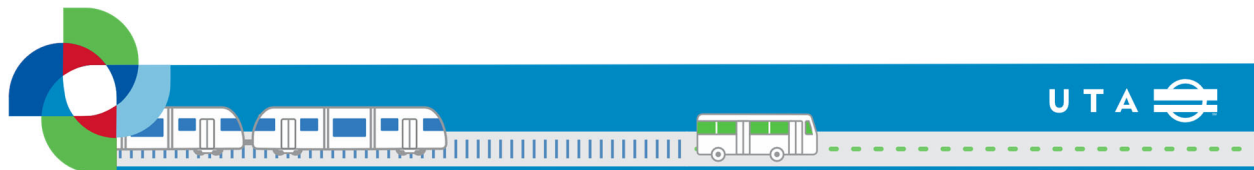
Rob Lamph
Comptroller



UTAH TRANSIT AUTHORITY
A Component Unit of the State of Utah

UTAH TRANSIT AUTHORITY
 ANNUAL COMPREHENSIVE FINANCIAL REPORT
 Year Ended December 31, 2025

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UTAH TRANSIT AUTHORITY
 ANNUAL COMPREHENSIVE FINANCIAL REPORT
 Year Ended December 31, 2025

STATISTICAL SECTION (Unaudited)

Revenue Capacity

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

Local Contributions in the Form of Sales Tax by County	115
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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.

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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.

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UTAH TRANSIT AUTHORITY
ANNUAL COMPREHENSIVE FINANCIAL REPORT
Year Ended December 31, 2025

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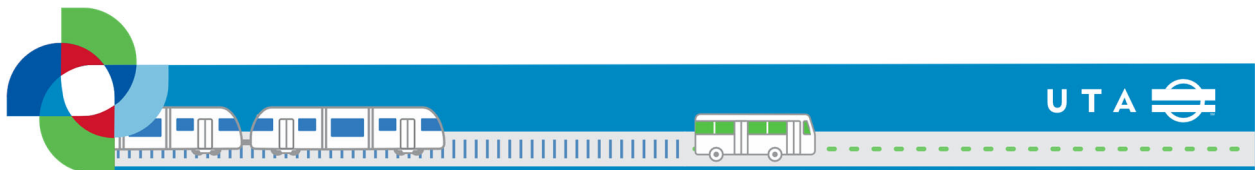
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Introductory



June 9, 2026

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

We are pleased to present the Annual Comprehensive Financial Report (ACFR) of the Utah Transit Authority (the Authority) for the fiscal year ended December 31, 2025. The Authority’s Finance Department prepared this report in accordance with guidelines established by the Government Finance Officers Association of the United States and Canada and in conformity with accounting principles generally accepted in the United States of America, as 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 reliable information for the preparation of financial 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 reflects 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 undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984, as amended in 1996 P.L. 104-156 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, 2025, are free of material misstatements. 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.

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 (UTA) was incorporated on March 3, 1970, under the authority of the Utah Public Transit District Act of 1969, with the mission of providing an integrated and efficient public mass transportation system for communities across northern Utah. Since its creation, the Authority has grown from a small regional bus provider into one of the most comprehensive multimodal transit systems in the western United States, offering bus, light rail, commuter rail, streetcar, paratransit, vanpool, and innovative on-demand mobility services.

The Authority is governed by a three-member, full-time Board of Trustees appointed by the Governor and confirmed by the Utah State Senate. This governance structure ensures statewide oversight, accountability, and alignment with Utah’s long-term transportation and economic development priorities. Supporting the Board is a nine-member Local Advisory Council, representing counties and cities throughout the service area. The council provides essential regional input, ensuring that local needs, growth patterns, and community priorities are reflected in UTA’s planning and operations.

UTA serves the largest concentration of population in the State of Utah, commonly referred to as the Wasatch Front. This rapidly growing metropolitan corridor includes Salt Lake, Davis, Utah, and Weber Counties; the cities of Tooele and Grantsville; unincorporated communities in Tooele County; and the cities of Brigham City, Perry, and Willard in Box Elder County. The region is characterized by significant economic activity, high rates of in-migration, and increasing demand for reliable and sustainable transportation options.

As of 2025, the population within UTA’s service area is approximately 2.8 million residents, representing roughly 80 percent of Utah’s total population. Continued population growth, urbanization, and economic expansion along the Wasatch Front underscore the critical role UTA plays in supporting mobility, reducing congestion, improving air quality, and enhancing quality of life for the communities it serves.

Economy

Utah’s economy continued to demonstrate strong fundamentals in 2025, including steady employment growth, continued population growth, and ongoing business investment. Employment growth remained above the national average, driven by technology, advanced manufacturing, healthcare, and construction.

Wage growth moderated but remained positive, supported by a tight labor market and continued business investment.

Population growth continued at a healthy pace, with a 1.4% increase in 2025. Net migration remained the primary driver of growth, reflecting Utah's economic opportunities, quality of life, and relatively low unemployment rate. Urbanization along the Wasatch Front continued to intensify, with more than 90% of Utah residents living in urbanized areas.

Housing affordability remained a significant challenge, prompting increased state and regional focus on transit-oriented development, multimodal transportation planning, and infrastructure investment.

Public Transit Trends in 2025

Public transit usage across Utah experienced notable growth in 2025, continuing the upward trend that began in 2023. Key drivers included:

- Record ridership recovery, with systemwide boardings surpassing pre-pandemic levels for the first time.
- Expanded service reliability, supported by fleet modernization and improved real-time information systems.
- Continued adoption of zero-fare and reduced-fare programs, particularly among students, seniors, and low-income riders.
- Growth in FrontRunner and TRAX ridership, driven by population density increases and rising roadway congestion.
- Strong demand for microtransit and on-demand services, especially in Utah County and west Salt Lake County.

These trends reflect the region's growing reliance on public transportation as a critical component of economic mobility, environmental sustainability, and regional connectivity.

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, 2024. This was the thirtieth consecutive year that the Authority has received this prestigious award.

Public Transit System of the Year – 2025

In 2025, the Utah Transit Authority was awarded Public Transit System of the Year (mid-sized), by the American Public Transportation Association, recognizing outstanding achievements in service innovation, ridership growth, sustainability initiatives, and community engagement. This national recognition reflects the dedication of UTA's employees, leadership, and regional partners in delivering high-quality, equitable, and forward-looking transit services.



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 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
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

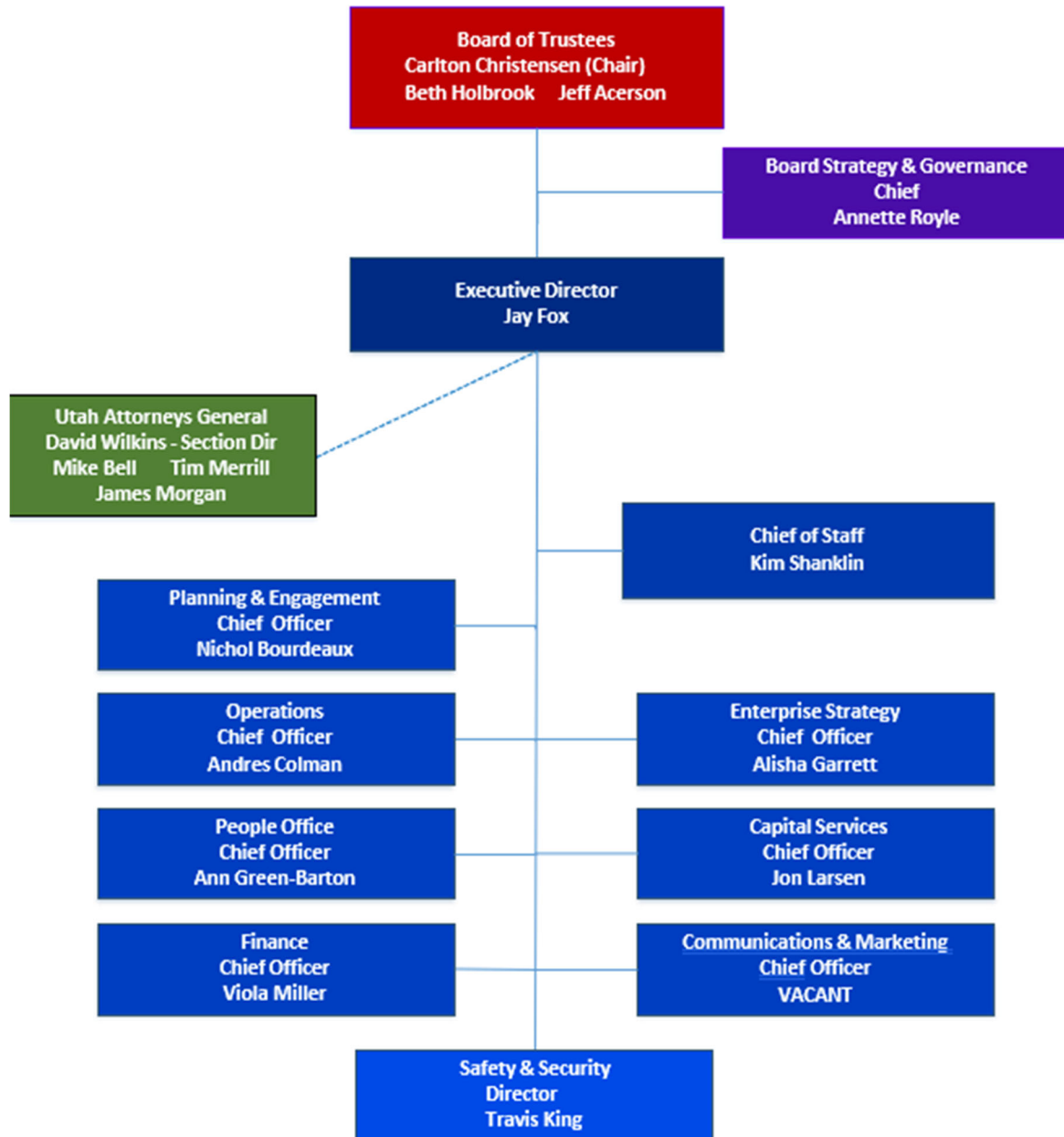
December 31, 2024

Christopher P. Morrill

Executive Director/CEO



UTAH TRANSIT AUTHORITY



UTA Board of Trustees



Beth Holbrook
Davis, Weber and Box Elder
Counties



Carlton Christensen
Board Chair
Salt Lake County



Jeff Acerson
Tooele and Utah Counties



ADMINISTRATION

Board of Trustees

BOARD 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

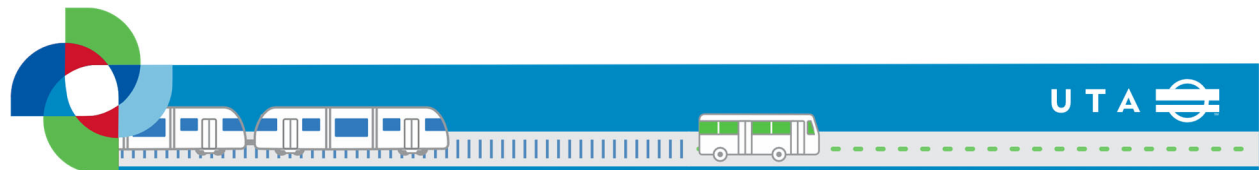
Administration of the Authority

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

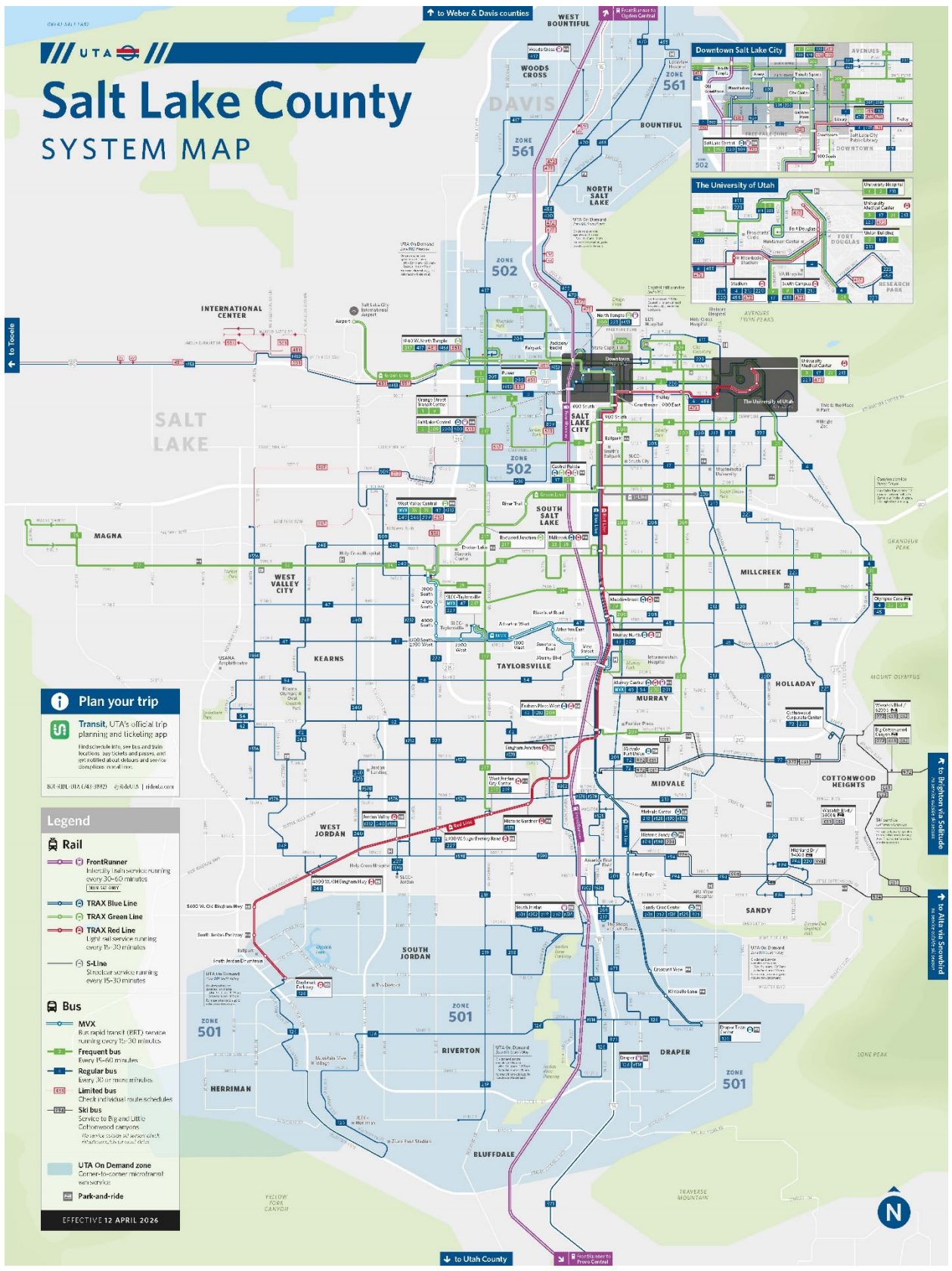
Name	Appointing Authority
CHAIR	
Bob Stevenson	Davis Area COG
VICE CHAIRS	
Natalie Hall	Salt Lake County COG
Neal Berube	Weber Area COG
MEMBERS	
Karen Cronin	Box Elder COG/Tooele COG
Erin Mendenhall	Salt Lake City
Dirk Burton	Salt Lake County COG
Julie Fullmer	Utah County COG
Mark Johnson	Utah County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



06147 3/11/2020



Salt Lake County SYSTEM MAP



Plan your trip

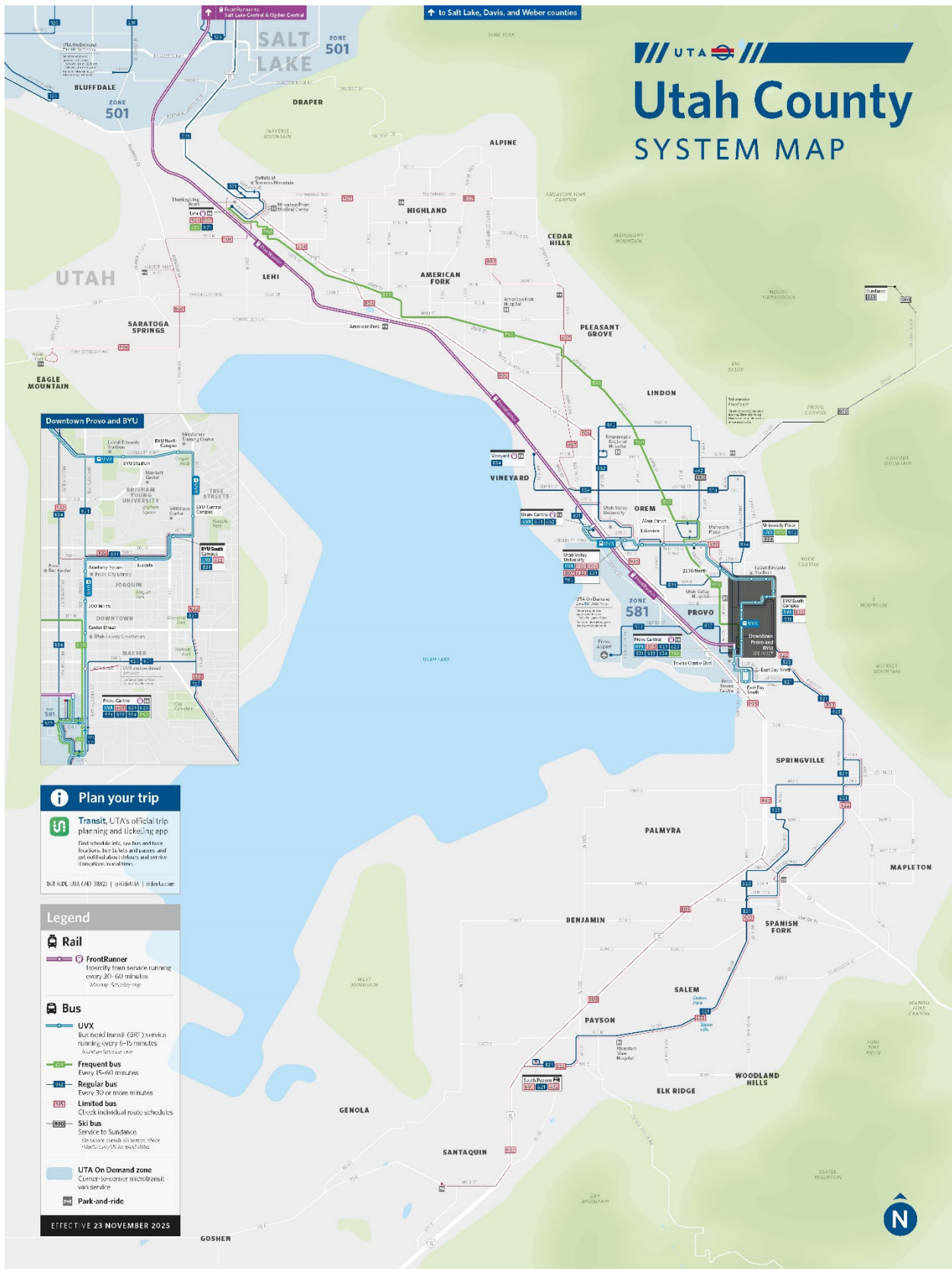
Transit, UTA's official trip planning and ticketing app
Includes schedule info, bus and train locations, fare tickets and passes, and get notified about delays and service changes in real time.

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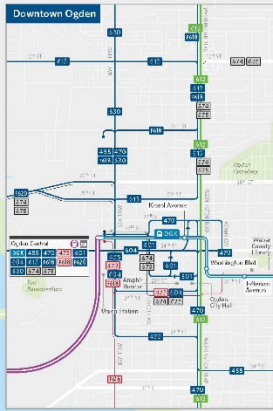
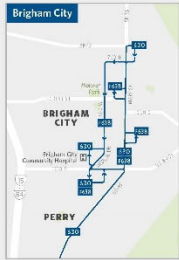
Legend

- Rail**
 - FrontRunner**
Inland Valley light rail service running every 30-60 minutes
MON-FRI ONLY
 - TRAX Blue Line**
 - TRAX Green Line**
 - TRAX Red Line**
Light rail service running every 15-30 minutes
 - S-Line**
Streetcar service running every 15-30 minutes
- Bus**
 - MXV**
Bus rapid transit (BRT) service running every 15-30 minutes
 - Frequent bus**
Every 15-60 minutes
 - Regular bus**
Every 30 or more minutes
 - Limited bus**
Check individual route schedules
 - Ski bus**
Services to Big and Little Cottonwood canyons
15-minute trips at set times check individual route for exact details
- UTA On Demand zone**
Corner-to-corner microtransit network
- Park-and-ride**

EFFECTIVE 12 APRIL 2026



Weber & Davis SYSTEM MAP



Plan your trip

Transit, UTA's official trip planning and ticketing app

This website lists bus routes, train locations, buy tickets and passes, and get real-time arrival and departure disruptions in real time.

801-402-4004 (435-393-7) 989-8011A utah.gov

Legend

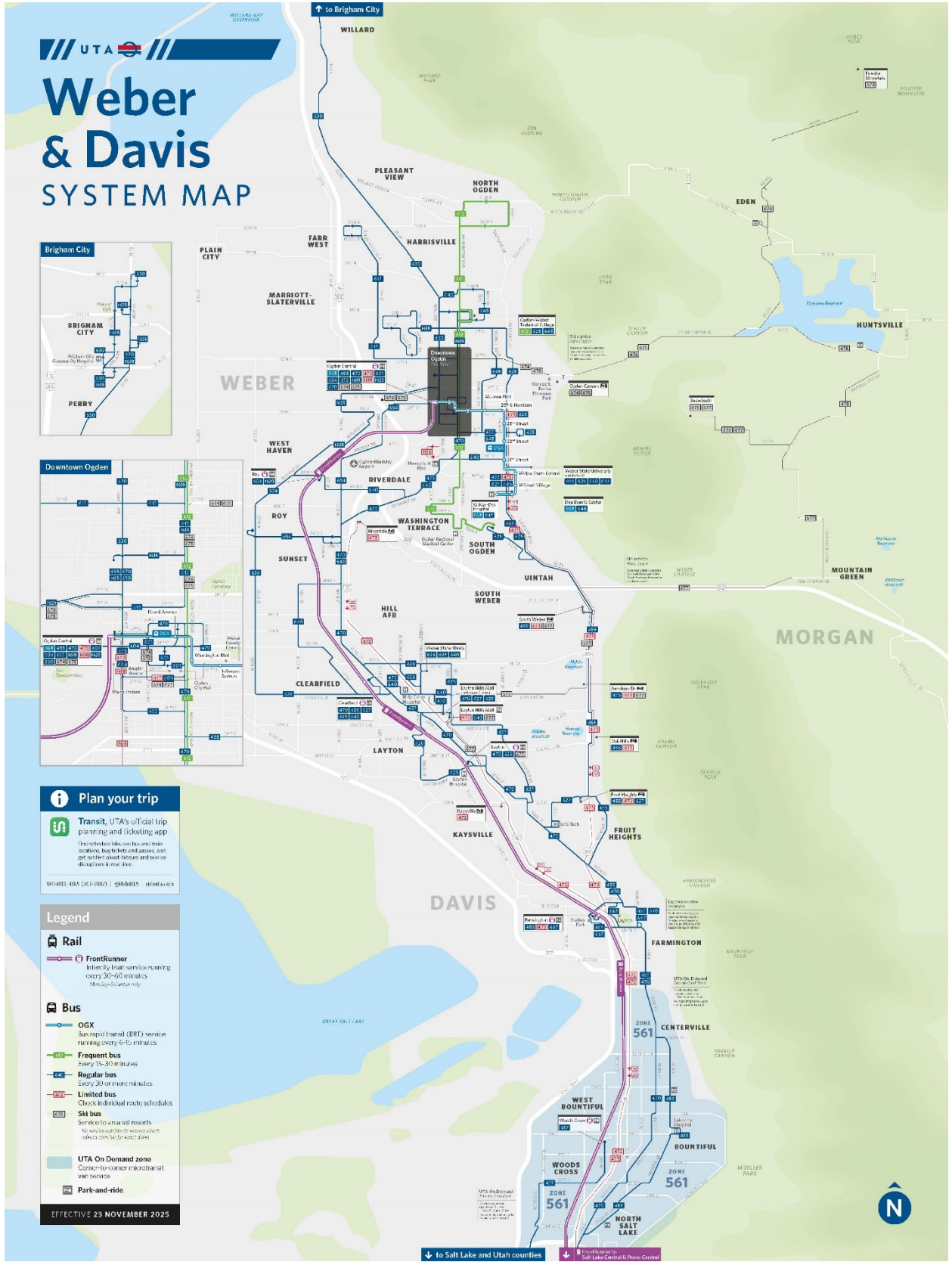
Rail

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

Bus

- OGX**
Bus rapid transit (BRT) service running every 5-15 minutes
- Frequent bus**
Every 15-30 minutes
- Regular bus**
Every 30 or more minutes
- Limited bus**
Check individual route schedules
- Ski bus**
Service to ski and resorts. No reservations necessary. Check website for specific dates.
- UTA On Demand zone**
Corner-to-corner microtransit van service
- Park-and-ride**

EFFECTIVE 23 NOVEMBER 2025



Financial



INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Utah Transit Authority
Salt Lake City, Utah

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

We have audited the financial statements of the business-type activities and fiduciary activities of the Utah Transit Authority (the Authority), a component unit of the State of Utah, as of and for the year ended December 31, 2025, 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, 2025, 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.

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.

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.

(Continued)

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 8, 2026 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.



Crowe LLP

Indianapolis, Indiana
June 9, 2026

Utah Transit Authority’s fiscal year 2025 marked a year of meaningful financial and operational progress, reflecting the organization’s commitment to long-term sustainability, disciplined resource management, and strategic investment in the region’s mobility network. The results presented in this Management’s Discussion and Analysis (MD&A) highlight how the Authority strengthened its financial position while advancing major capital priorities and responding to evolving ridership and economic conditions across the Wasatch Front.

This MD&A provides an analytical overview of the Authority’s financial activities for the year ended December 31, 2025. It should be read in conjunction with the transmittal letter and the accompanying financial statements, which together present a comprehensive picture of the Authority’s financial health and operational performance.

Because of the significant operational and financial relationships between the Authority and its component units—the Joint Insurance Trust and the Pension Trust—this discussion focuses on the Total Reporting Entity. This consolidated view offers the most complete understanding of the Authority’s financial position, including resources held for employee benefits and long-term obligations.

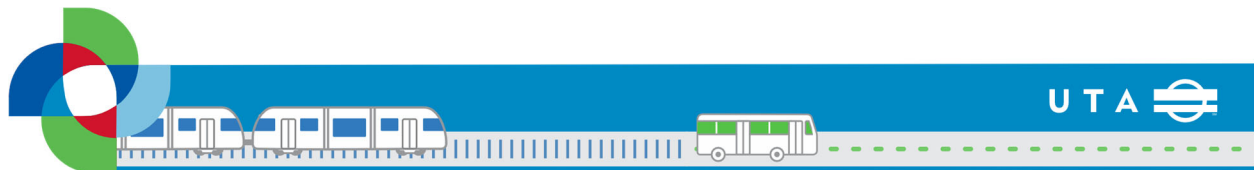
The Authority’s 2025 financial performance demonstrates continued progress toward the Authority’s strategic goals: maintaining a resilient financial structure, investing in system modernization, and supporting reliable, accessible transit service for a growing region. Strong revenue growth, stable operating costs, and increased capital funding contributed to a substantial improvement in net position, reinforcing the Authority’s capacity to meet both current service needs and future infrastructure demands.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial section of the Authority’s Annual Comprehensive Financial Report is designed to help readers understand the Authority’s overall financial condition, the resources available to support transit services, and the obligations that must be managed over time. The statements provide both a broad, long-term perspective and a detailed view of specific operational and fiduciary activities.

The financial section includes four primary components:

- Management’s Discussion and Analysis (MD&A) offers an analytical narrative of financial performance, major trends, and key factors affecting the Authority’s results.
- Basic Financial Statements present the core financial information for the Authority and its fiduciary activities.
- Required Supplementary Information (RSI) includes schedules related to pensions, OPEB, and budgetary comparisons that provide important context for long-term obligations and funding progress.
- Supplementary Information provides additional detail on fiduciary funds and other supporting schedules.



UTAH TRANSIT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended December 31, 2025

Government-Wide Financial Statements

The government-wide statements present UTA from a long-term, economic-resources perspective, similar to a private-sector enterprise. These statements include:

- Statement of Net Position Shows all assets, liabilities, and deferred items, providing a snapshot of the Authority's financial standing at year-end.
- Statement of Revenues, Expenses, and Changes in Net Position Reports the results of operations and how the Authority's net position changed during the year.
- Statement of Cash Flows Details cash inflows and outflows from operating, capital, and financing activities.

Fiduciary Fund Financial Statements

The fiduciary statements report the activities of the Joint Insurance Trust and the Pension Trust, which hold resources for the benefit of employees and retirees. These assets are legally separate and cannot be used to support UTA's operations. The statements include:

- Statement of Fiduciary Net Position
- Statement of Changes in Fiduciary Net Position

These statements provide transparency into the management of employee-related benefit programs and long-term obligations.

Notes and Supplementary Information

The notes to the financial statements offer essential explanations and additional detail that support the numbers presented in the statements. They include information on accounting policies, capital assets, debt, pensions, OPEB, and other key areas. Required supplementary information and combining statements further enhance understanding of the Authority's financial structure and fiduciary activities.

Together, these components provide a comprehensive and transparent view of UTA's financial position, operational performance, and long-term commitments.



Major Features of Utah Transit Authority's Financial Statements		
	Government-Wide Statements	Fund Statements Fiduciary Funds
Scope	Entire Authority (except fiduciary funds). The Authority operates in a manner similar to private businesses.	Instances in which the Authority is the trustee or agent for someone else's resources, such as the retirement plan or medical plans of employees
Required Financial Statements	Statement of net position Statement of 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 revenues and expenses during the years, regardless of when cash is received or paid



FINANCIAL HIGHLIGHTS

Top Financial Highlight	2025 Result	Change from 2024	Why It Matters
Total Revenues Surged	\$892.8M	+36%	Sales tax revenues, major growth in federal assistance for preventative maintenance, and a sharp rise in capital contributions helped strengthen long-term financial capacity.
Net Position Increased Significantly	\$1.342B	+14%	Reflects improved liquidity, capital investment, and reduced liabilities. Indicates a stronger financial foundation.
Capital Contributions Jumped	\$184.2M	+362%	Collection of prior year formula grant funds. Major funding for fleet replacement, corridor improvements, and modernization projects.
Operating Expenses Held Nearly Flat	\$634.0M	+3%	Cost discipline in bus/rail operations and non-labor areas offset wage growth and depreciation increases.
Debt Obligations Declined	\$2.2B Total Debt	-\$3.5M	Despite taking on new-money bonding to advance capital projects, strategic refunding and tendering still improved the overall debt profile, with AA+/AA/Aa2 ratings firmly maintained.



CONDENSED STATEMENTS OF NET POSITION

	<u>2025</u>	<u>2024</u>	<i>Difference</i>	<i>Percent Difference</i>
Assets				
Current and other assets	\$ 815,644,348	\$ 725,067,661	\$ 90,576,687	12%
Capital assets, net	<u>2,996,209,616</u>	<u>2,903,732,533</u>	<u>92,477,083</u>	3%
Total assets	<u>3,811,853,964</u>	<u>3,628,800,194</u>	<u>183,053,770</u>	5%
Deferred outflows of resources	<u>104,594,384</u>	<u>124,344,640</u>	<u>(19,750,256)</u>	-16%
Liabilities				
Current liabilities	190,332,882	221,131,885	(30,799,003)	-14%
Long-term liabilities	<u>2,271,648,511</u>	<u>2,334,087,180</u>	<u>(62,438,669)</u>	-3%
Total liabilities	<u>2,461,981,393</u>	<u>2,555,219,065</u>	<u>(93,237,672)</u>	-4%
Deferred inflows of resources	<u>112,743,500</u>	<u>25,759,036</u>	<u>86,984,464</u>	338%
Net position				
Net investment in capital assets	859,887,598	775,525,771	84,361,827	11%
Restricted	90,703,813	99,156,029	(8,452,216)	-9%
Unrestricted	<u>391,132,044</u>	<u>297,484,933</u>	<u>93,647,111</u>	31%
Total net position	<u>\$ 1,341,723,455</u>	<u>\$ 1,172,166,733</u>	<u>\$ 169,556,722</u>	14%

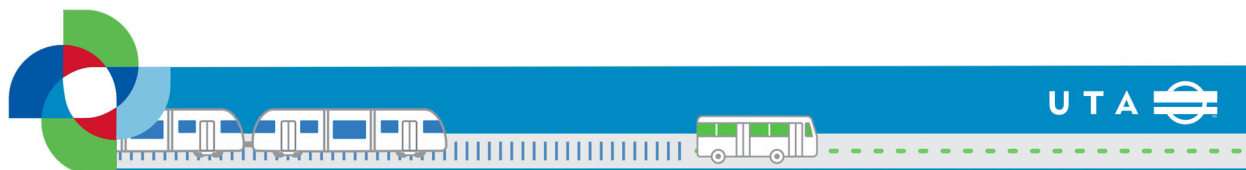
UTA’s overall financial position strengthened meaningfully in 2025, reflecting disciplined financial management, strong revenue performance, and continued investment in long-term capital assets. Total assets, deferred items, liabilities, and net position all shifted in ways that reinforce the Authority’s financial resilience and its capacity to support future service and infrastructure needs.

Assets

Total assets increased by \$183.1 million (5%), driven by growth in both current resources and capital investments.

- Current and other assets rose 12%, supported by higher cash balances, increased receivables tied to sales tax and federal assistance, and the timing of grant reimbursements.
- Net capital assets increased 3%, reflecting ongoing investment in fleet, facilities, and system improvements that outpaced annual depreciation.

These trends demonstrate UTA’s continued commitment to maintaining a strong liquidity position while advancing major capital priorities.



Deferred Outflows of Resources

Deferred outflows decreased \$19.8 million (16%), primarily due to changes in pension-related items and the amortization of prior-year deferred balances. These fluctuations are typical of long-term benefit programs and do not indicate operational or financial stress.

Liabilities

Total liabilities declined \$93.2 million (4%), improving UTA's long-term financial flexibility.

- Current liabilities fell 14%, reflecting lower accounts payable and reduced short-term obligations as several capital projects moved toward completion.
- Long-term liabilities decreased 3%, driven by scheduled debt service payments and reductions in net pension liabilities.

The reduction in liabilities strengthens UTA's balance sheet and supports future borrowing capacity.

Deferred Inflows of Resources

Deferred inflows increased \$87.0 million, largely due to actuarial changes in pension and OPEB valuations. These adjustments reflect updated demographic and economic assumptions and are consistent with long-term benefit plan dynamics.

Net Position

UTA's total net position increased by \$169.6 million (14%), marking a significant improvement over the prior year and underscoring the Authority's strong financial trajectory.

- Net investment in capital assets grew 11%, reflecting both new assets placed into service and ongoing debt repayment.
- Restricted net position decreased modestly as planned use of restricted funds supported eligible capital and program expenditures.
- Unrestricted net position increased 31%, driven by strong revenue performance, stable operating costs, and lower liabilities.

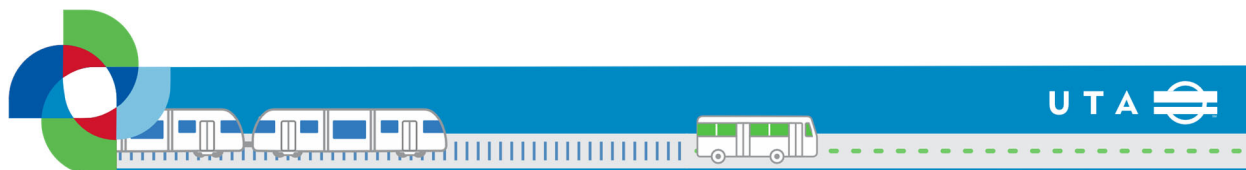
Overall, the 2025 results show a more robust financial foundation, improved liquidity, and enhanced capacity to support future operations and capital needs.



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

	<u>2025</u>	<u>2024</u>	<u>Difference</u>	<u>Percent Difference</u>
Operating revenues	\$ 40,296,460	\$ 41,347,838	\$ (1,051,378)	-3%
Operating expenses	<u>633,848,649</u>	<u>615,987,467</u>	<u>17,861,182</u>	3%
Operating income (loss)	(593,552,189)	(574,639,629)	(18,912,560)	3%
Non-operating revenues	668,283,967	576,687,194	91,596,773	16%
Non-operating expenses	<u>89,402,689</u>	<u>95,730,232</u>	<u>(6,327,543)</u>	-7%
Income (loss) before contributions	(14,670,911)	(93,682,667)	79,011,756	-84%
Capital contributions	<u>184,227,633</u>	<u>39,911,651</u>	<u>144,315,982</u>	362%
Change in net position	<u>\$ 169,556,722</u>	<u>\$ (53,771,016)</u>	<u>\$ 223,327,738</u>	-415%
Total net position, January 1	\$ 1,172,166,733	\$1,225,937,749		
Total net position, December 31	\$ 1,341,723,455	\$ 1,172,166,733		

UTA's operating and non-operating activities in 2025 resulted in a \$169.6 million increase in net position, a dramatic improvement from the prior year's decline of \$53.8 million. The turnaround reflects a combination of stable operating performance, strong growth in non-operating revenues, and a substantial increase in capital contributions that supported major system investments. The operating loss of \$593.6 million is consistent with UTA's role as a public transit provider, where operating costs are intentionally supported by dedicated tax revenues and federal assistance to maintain affordable and accessible service.



SUMMARY OF REVENUES FOR THE YEAR ENDED DECEMBER 31

	<u>2025</u>	<u>2024</u>	<i>Difference</i>	<i>Percent Difference</i>
Operating				
Passenger revenue	\$ 38,129,478	\$ 39,255,838	\$ (1,126,360)	-3%
Advertising	<u>2,166,982</u>	<u>2,092,000</u>	<u>74,982</u>	4%
Total operating revenue	40,296,460	41,347,838	(1,051,378)	-3%
Non-operating				
Contributions from other gov'ts (sales tax)	516,838,987	492,426,212	24,412,775	5%
Federal noncapital assistance	108,326,037	32,688,759	75,637,278	231%
Interest income	25,852,440	25,294,865	557,575	2%
Sale of assets	1,485,701	605,141	880,560	146%
Other	<u>15,780,802</u>	<u>25,672,217</u>	<u>(9,891,415)</u>	-39%
Total non-operating revenue	668,283,967	576,687,194	91,596,773	16%
Capital contributions	<u>184,227,633</u>	<u>39,911,651</u>	<u>144,315,982</u>	362%
Total revenues	<u>\$ 892,808,060</u>	<u>\$ 657,946,683</u>	<u>\$ 234,861,377</u>	36%

UTA's total revenues reached \$892.8 million in 2025, a 36% increase over the prior year and one of the strongest revenue performances in the Authority's history. This growth reflects both the strength of the regional economy and the significant federal and local support directed toward transit operations and capital development.

Operating Revenues

Operating revenues totaled \$40.3 million, a slight decline of 3% from 2024.

- Passenger revenue decreased modestly, reflecting ongoing shifts in travel patterns, service adjustments, and ridership trends across the Wasatch Front.
- Advertising revenue increased slightly, supported by improved contract performance and expanded digital advertising opportunities.

While operating revenues represent a relatively small portion of UTA's total funding structure, they remain an important indicator of customer activity and service utilization.



Non-Operating Revenues

Non-operating revenues increased 16%, driven by strong performance in several key categories:

- Sales tax revenues grew 5%, continuing a long-term trend of stable and reliable regional economic support for transit.
- Federal non-capital assistance increased significantly, rising 231% as new federal programs and one-time funding sources supported operations, service recovery, and system resilience.
- Interest income remained stable, benefiting from favorable market conditions.
- Proceeds from asset sales increased as UTA continued to manage and optimize its asset portfolio.
- Other revenues declined due to the timing of reimbursements and the completion of several one-time initiatives in the prior year.

These non-operating revenue sources play a critical role in sustaining UTA's operations and supporting long-term financial stability.

Capital Contributions

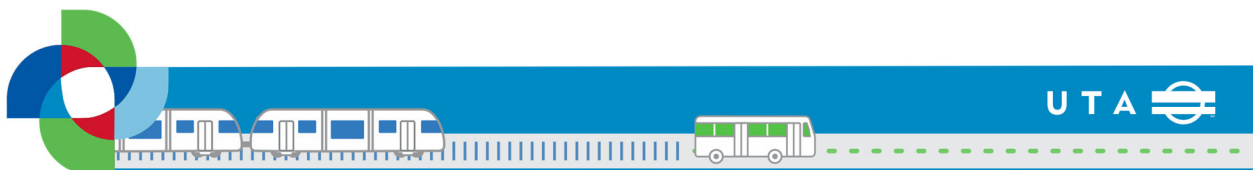
Capital contributions totaled \$184.2 million, a 362% increase from 2024. This substantial growth reflects the timing of federal and local funding for major capital projects, including:

- Fleet replacement and electrification
- Corridor and right-of-way improvements
- System modernization and state-of-good-repair initiatives

These contributions significantly strengthened UTA's financial position and advanced key strategic priorities.

Overall Revenue Performance

The combination of stable operating revenues, strong sales tax performance, substantial federal support, and major capital funding resulted in a robust revenue year for UTA. These trends enhance the Authority's ability to maintain reliable service, invest in critical infrastructure, and support the long-term mobility needs of the region.



SUMMARY OF EXPENSES FOR THE YEAR ENDED DECEMBER 31

	<u>2025</u>	<u>2024</u>	<u>Difference</u>	<u>Percent Difference</u>
Operating expenses				
Bus service	\$ 150,224,977	\$ 159,124,939	\$ (8,899,962)	-6%
Rail service	112,449,029	120,182,858	(7,733,829)	-6%
Demand response service	47,336,426	46,111,798	1,224,628	3%
Other services	3,542,680	5,043,420	(1,500,740)	-30%
Operations support	62,866,899	65,780,906	(2,914,007)	-4%
Administration	72,091,366	66,578,845	5,512,521	8%
Depreciation and amortization	<u>185,337,272</u>	<u>153,164,701</u>	<u>32,172,571</u>	21%
Total operating expenses	633,848,649	615,987,467	17,861,182	3%
Non-operating expenses				
Interest expense	<u>89,402,689</u>	<u>95,730,232</u>	<u>(6,327,543)</u>	-7%
Total non-operating expenses	<u>89,402,689</u>	<u>95,730,232</u>	<u>(6,327,543)</u>	-7%
 Total expenses	 <u>\$ 723,251,338</u>	 <u>\$ 711,717,699</u>	 <u>\$ 11,533,639</u>	 2%

UTA’s total expenses for 2025 increased modestly to \$723.3 million, reflecting stable operating cost control alongside higher depreciation tied to recent capital investments. Overall expense growth remained well aligned with service delivery needs and long-term asset management objectives.

Operating Expenses

Operating expenses totaled \$634.0 million, an increase of 3% compared to 2024. This increase was driven primarily by:

- Labor and fringe benefits, which rose modestly due to contractual wage adjustments, staffing stabilization, and higher benefit costs.
- Services, supplies, and maintenance, reflecting inflationary pressures, fleet maintenance activity, and systemwide operational support costs.
- Fuel and utilities, which remained relatively stable as efficiency initiatives and hedging strategies helped offset market volatility.

Despite these pressures, UTA continued to manage operating costs effectively, keeping expense growth consistent with service requirements and funding capacity.



Depreciation Expense

Depreciation expense increased 21% to \$185.3 million, reflecting the continued placement of new capital assets into service. Recent investments in vehicles, infrastructure, facilities, and technology expanded UTA’s asset base, resulting in higher non-cash depreciation costs. This increase is consistent with UTA’s long-term strategy to modernize and expand the transit system while maintaining a state of good repair.

Non-Operating Expenses

Non-operating expenses decreased 7%, primarily due to lower interest expense. Scheduled debt payments and the impact of prior refinancing activity reduced borrowing costs, improving the Authority’s overall cost structure and strengthening financial flexibility.

Expense Structure and Cost Management

UTA’s expense profile continues to reflect its role as a capital-intensive public transit provider. The combination of disciplined operating expense control, declining financing costs, and planned depreciation growth demonstrates effective financial stewardship as UTA balances service delivery with long-term asset management.

Overall, 2025 expense trends support the Authority’s ability to maintain reliable operations, manage financial risk, and sustain continued investment in the region’s transit infrastructure.

**SUMMARY OF CAPITAL MAINTENANCE EXPENSES FOR THE YEAR ENDED
DECEMBER 31**

	<u>2025</u>	<u>2024</u>	<u>Difference</u>	<u>Percent Difference</u>
Capital Maintenance Expenses in Projects				
Bus service	\$ (3,432,178)	\$ 10,319,080	\$ (13,751,258)	-133%
Rail service	10,482,845	19,700,180	(9,217,335)	-47%
Demand response service	397,861	2,936,247	(2,538,386)	-86%
Other service	<u>238,596</u>	<u>1,527,805</u>	<u>(1,289,209)</u>	-84%
Total capital maintenance expenses	<u>\$ 7,687,124</u>	<u>\$ 34,483,312</u>	<u>\$ (26,796,188)</u>	-78%

Capital maintenance remains a central component of UTA’s long-term strategy to ensure safe, reliable, and cost-effective transit service. In 2025, the Authority continued to prioritize state-of-good-repair investments across its fleet, facilities, and infrastructure, reinforcing system resilience while reducing future maintenance risk.

UTA’s capital maintenance activities are guided by comprehensive asset management plans that assess lifecycle conditions, replacement timing, and performance risk across all major asset classes. These plans support data-driven investment decisions and help align available funding with the Authority’s highest operational priorities.



UTAH TRANSIT AUTHORITY
MANAGEMENT’S DISCUSSION AND ANALYSIS
Year Ended December 31, 2025

During 2025, capital maintenance funding supported a wide range of initiatives, including:

- Fleet rehabilitation and replacement, ensuring vehicles remain reliable, accessible, and compliant with safety and emissions standards.
- Rail infrastructure maintenance, including track, signal, and power system upgrades that improve service reliability and reduce long-term maintenance costs.
- Facility and equipment upkeep, addressing aging buildings, maintenance facilities, and support infrastructure essential to daily operations.
- Technology and system enhancements, improving operational efficiency, safety monitoring, and asset tracking capabilities.

These investments contributed to improved asset condition and reduced deferred maintenance across several asset categories. While depreciation expense increased as new assets were placed into service, this trend reflects UTA’s proactive approach to renewing infrastructure and maintaining a modern transit system.

UTA’s commitment to capital maintenance also supports long-term financial sustainability. By addressing asset needs in a timely manner, the Authority reduces the risk of costly emergency repairs, service disruptions, and premature asset replacement. This disciplined approach enhances operational reliability while protecting public investment in the transit system.

Overall, 2025 capital maintenance activities demonstrate UTA’s continued focus on asset stewardship, service reliability, and long-term cost control, positioning the Authority to meet current service demands and future growth with a well-maintained and resilient infrastructure.

SUMMARY OF OPERATING EXPENSES FOR THE YEAR ENDED DECEMBER 31

	<u>2025</u>	<u>2024</u>	<u>Difference</u>	<u>Percent Difference</u>
Operating expense less depreciation and amortization	\$ 448,511,377	\$ 462,822,766	\$ (14,311,389)	-3%
Wages	221,055,270	206,525,624	14,529,646	7%
Benefits	<u>101,339,121</u>	<u>106,984,498</u>	<u>(5,645,377)</u>	-5%
Operations less wages/benefits	<u>126,116,986</u>	<u>149,312,644</u>	<u>(23,195,658)</u>	-16%
Personnel cost	<u>\$ 322,394,391</u>	<u>\$ 313,510,122</u>	<u>\$ 8,884,269</u>	3%
% of operating expense	71.9%	67.7%	4.1%	

UTA’s operating expense structure reflects the Authority’s role as a labor-intensive, service-oriented transit provider with significant responsibilities for fleet operations, infrastructure upkeep, and customer service. In 2025, the composition of operating expenses remained stable, demonstrating continued cost discipline and effective alignment of resources with service delivery priorities.

Labor and Fringe Benefits



Labor and fringe benefits represent the largest component of operating expenses. In 2025, these costs increased modestly, driven by negotiated wage adjustments, staffing normalization following prior service changes, and higher benefit-related expenses. Workforce stability remained a key focus, supporting safe operations, service reliability, and institutional expertise across UTA's system.

UTA continues to proactively manage labor costs through workforce planning, productivity improvements, and ongoing evaluation of staffing needs relative to service levels. These efforts help balance competitive compensation with long-term financial sustainability.

Services, Supplies, and Maintenance

Expenses related to services, supplies, and maintenance increased slightly, reflecting inflationary pressures and ongoing maintenance activity across vehicles, facilities, and infrastructure. These costs support:

- Routine fleet and facility maintenance
- Contracted professional and technical services
- Materials and parts required for daily operations
- Systemwide operational support functions

UTA's emphasis on preventive maintenance and asset management helps mitigate long-term costs while maintaining safe and reliable service.

Fuel and Utilities

Fuel and utilities expenses remained relatively stable during 2025. Operational efficiency initiatives, evolving fleet composition, and energy management strategies helped offset market price volatility. These costs continue to be monitored closely due to their sensitivity to external factors.

Overall Cost Management

UTA's operating expense profile demonstrates a balanced and sustainable structure. The modest growth in operating expenses aligns with service demands while avoiding disproportionate cost escalation. This disciplined approach enables the Authority to maintain service quality, support capital investment, and respond to future funding and ridership dynamics.

Overall, the stability of UTA's operating expense structure in 2025 reflects prudent financial management and a continued focus on delivering safe, reliable, and cost-effective transit service.



CAPITAL ASSET AND DEBT ADMINISTRATION

CAPITAL ASSET ACTIVITY

	<u>2025</u>	<u>2024</u>	<u>Difference</u>	<u>Percent Difference</u>
Land	\$ 423,496,690	\$ 418,464,657	\$ 5,032,033	1%
Construction in process	435,482,957	271,070,554	164,412,403	61%
Infrastructure	2,544,339,100	2,510,225,113	34,113,987	1%
Building and building improvements	271,422,627	270,542,878	879,749	0%
Revenue vehicles	700,800,655	690,657,075	10,143,580	1%
Financed revenue vehicles	141,287,030	139,927,793	1,359,237	1%
Financed non-revenue vehicles	11,196,481	5,945,563	5,250,918	88%
Equipment	88,283,733	78,508,873	9,774,860	12%
Land improvements	311,839,614	311,275,245	564,369	0%
Leasehold improvements	94,263,206	94,263,206	-	0%
Intangibles	105,994,975	90,325,103	15,669,872	17%
Accumulated depreciation and amortization	<u>(2,132,197,452)</u>	<u>(1,977,473,527)</u>	<u>(154,723,925)</u>	8%
Total capital assets, net	<u>\$ 2,996,209,616</u>	<u>\$ 2,903,732,533</u>	<u>\$ 92,477,083</u>	3%

UTA continued to make significant investments in capital assets during 2025, advancing system modernization, improving service reliability, and maintaining a strong state of good repair across the transit network. These investments reflect the Authority’s long-term capital strategy and its commitment to supporting current operations while preparing for future growth.

For more detailed information please refer to Note 4 – Capital Assets.

Capital Asset Overview

At year-end 2025, UTA’s capital assets remained heavily concentrated in transportation infrastructure, rolling stock, and supporting facilities. Major asset categories include:

- Rail and bus vehicles
- Guideway, track, and power systems
- Buildings, maintenance facilities, and park-and-ride lots
- Equipment, technology, and support assets

These assets form the backbone of UTA’s service delivery and represent a substantial long-term public investment.



Additions and Improvements

Capital asset additions during 2025 were primarily related to:

- Fleet acquisition and replacement, including continued modernization of bus and rail vehicles to improve reliability, accessibility, and operating efficiency
- Infrastructure enhancements, such as track, signal, and power system upgrades that support safer and more reliable rail operations
- Facility and yard improvements, addressing maintenance capacity, operational efficiency, and asset lifecycle needs
- Technology upgrades, supporting system monitoring, communications, and operational management

These investments were supported largely through federal grants, local funding sources, and dedicated capital programs, as reflected in the year's significant increase in capital contributions.

Depreciation and Asset Management

Depreciation expense increased in 2025 as capital assets placed into service expanded UTA's depreciable asset base. This increase is consistent with recent capital investment levels and reflects the Authority's proactive approach to renewing aging assets.

UTA manages capital assets using established depreciation schedules and asset-specific useful lives consistent with industry standards. Ongoing asset condition assessments and lifecycle planning help ensure depreciation trends align with actual asset utilization and replacement timing.

Asset Dispositions

During 2025, UTA completed routine disposals of aging or obsolete assets that had reached the end of their useful lives. Proceeds from asset sales increased compared to the prior year, reflecting improved timing of fleet retirements and property transactions. These disposals help optimize asset utilization and reduce ongoing maintenance requirements.

Long-Term Capital Outlook

UTA's capital asset activity in 2025 reinforces the Authority's commitment to long-term system viability and financial sustainability. By continuing to invest in core infrastructure and modern equipment, UTA positions itself to:

- Maintain reliable and safe transit service
- Reduce long-term operating and maintenance costs
- Support future service expansion and evolving travel demand

Overall, capital asset activity during 2025 reflects disciplined investment, effective asset stewardship, and alignment with Long-Term Debt and Other Obligations.



LONG-TERM DEBT

Debt administration is a key component of UTA's long-term financial management strategy, supporting major capital investments while maintaining affordability, flexibility, and strong credit fundamentals. In 2025, the Authority continued to manage its debt portfolio prudently, resulting in lower outstanding obligations and reduced financing costs.

Outstanding Debt Profile

UTA's outstanding long-term debt decreased during 2025 as a result of scheduled principal payments and the absence of new debt issuance for most capital needs. Capital projects during the year were largely supported through grants and other capital funding sources, reducing reliance on borrowing and preserving future debt capacity.

UTA's debt portfolio primarily consists of revenue bonds and other long-term obligations used to finance large-scale infrastructure and fleet investments. These instruments are structured to align debt service requirements with the useful lives of the assets financed, ensuring that costs are equitably distributed over time.

Debt Service Activity

During 2025, UTA made all required debt service payments on time and in full. Principal repayments reduced total outstanding debt, while interest expense declined due to lower debt balances and the continued benefit of prior refinancing efforts. As a result, overall debt service requirements decreased compared to the prior year.

Debt service obligations remained well within available pledged revenue levels, demonstrating strong coverage and a conservative approach to long-term financial commitments.

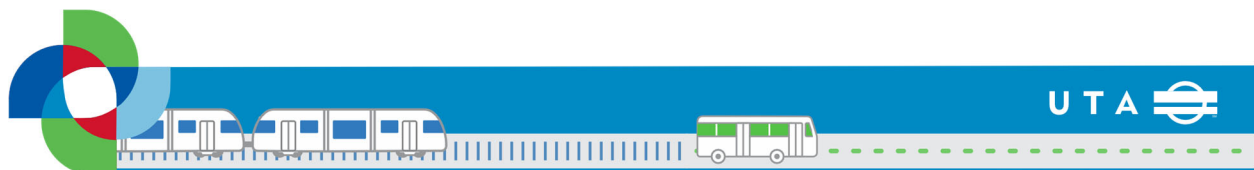
Affordability and Risk Management

UTA actively monitors its debt affordability through internal financial policies, long-range forecasts, and multi-year capital planning. These tools help ensure that debt issuance remains aligned with stable revenue sources and does not constrain operating flexibility.

The Authority does not utilize variable-rate debt or derivative financial instruments, limiting exposure to interest rate volatility and market risk. This conservative structure enhances predictability and supports long-term financial stability.

Role of Debt in Capital Strategy

Debt continues to serve as a strategic financing tool for major capital investments; however, 2025 results highlight UTA's increased ability to advance projects using grants and dedicated capital funding. This balanced approach reduces financing costs while preserving borrowing capacity for future system needs.



Overall Debt Position

UTA's reduced debt burden and lower interest costs in 2025 strengthened the Authority's financial position and improved long-term flexibility. Disciplined debt administration played a key role in supporting capital investment while maintaining affordability and protecting UTA's strong credit profile.

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: July 2025

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

UTA's outstanding bonds are rated by major national credit rating agencies, which evaluate the Authority's financial condition, revenue stability, debt burden, and governance practices. In 2025, UTA maintained strong investment-grade ratings, underscoring continued confidence in the Authority's ability to meet its long-term financial obligations.

Key factors supporting UTA's bond ratings include:

- Stable and diversified pledged revenue sources, led by dedicated sales tax revenues
- Disciplined financial and debt management practices
- Conservative debt structures with predictable repayment schedules
- Strong liquidity and an improving unrestricted net position
- Active capital planning and asset management

UTA's 2025 bonding activity was completed within the context of these established credit strengths and did not materially weaken its overall credit profile.

Debt Service Coverage Ratio (DSCR)	Policy Minimum DSCR Requirements	Minimum DSCR Forecasted	Year of Minimum
Senior Lien	2.0x	3.83x	2026
Subordinate Lien	1.5x	10.72x	2030

Adherence to other minimum debt service coverage ratios is detailed in the following table:

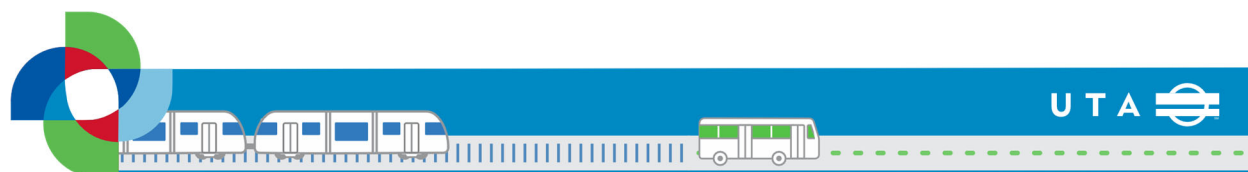


UTAH TRANSIT AUTHORITY
MANAGEMENT’S DISCUSSION AND ANALYSIS
Year Ended December 31, 2025

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
2026	455,091,799	118,896,407	3.83	30,462,997	14.94	149,359,404	3.05
2027	472,112,233	106,414,653	4.44	40,319,765	11.71	146,734,418	3.22
2028	489,108,273	106,408,109	4.60	40,309,741	12.13	146,717,850	3.33
2029	506,129,241	106,492,571	4.75	46,488,127	10.89	152,980,698	3.31
2030	523,742,538	113,043,459	4.63	48,868,027	10.72	161,911,486	3.23
2031	541,968,779	114,418,740	4.74	48,548,327	11.16	162,967,067	3.33
2032	560,829,292	112,159,846	5.00	50,887,583	11.02	163,047,429	3.44
2033	580,346,152	135,630,496	4.28	31,734,958	18.29	167,365,454	3.47
2034	600,542,198	136,822,246	4.39	31,734,408	18.92	168,556,654	3.56
2035	624,924,211	137,235,023	4.55	31,815,114	19.64	169,050,137	3.70
2036	650,296,134	144,334,636	4.51	23,499,323	27.67	167,833,959	3.87
2037	676,698,157	139,285,323	4.86	31,174,622	21.71	170,459,945	3.97
2038	704,172,102	137,325,914	5.13	33,862,220	20.80	171,188,134	4.11
2039	732,761,490	132,542,905	5.53	38,397,370	19.08	170,940,275	4.29
2040	762,511,606	128,648,733	5.93	41,980,152	18.16	170,628,885	4.47
2041	793,469,577	119,640,308	6.63	46,360,402	17.12	166,000,710	4.78
2042	825,684,442	142,996,855	5.77	15,048,964	54.87	158,045,819	5.22
2043	859,207,230	60,783,000	14.14	0	-	60,783,000	14.14
2044	894,091,044	60,782,300	14.71	0	-	60,782,300	14.71

Debt service coverage ratios remained well above minimum bond covenant requirements during 2025. Coverage was supported by solid pledged revenue performance, lower interest expense, and continued moderation of total outstanding debt.

Strong coverage levels provide assurance that pledged revenues are sufficient to meet annual debt service requirements while preserving flexibility for operations, capital investment, and future financial needs. The Authority’s coverage ratios also reflect conservative assumptions and prudent revenue forecasting practices.



Financial Flexibility and Market Access

UTA’s stable bond ratings and strong debt service coverage enhance its access to capital markets and help contain borrowing costs. These strengths are particularly important as the Authority continues to modernize its system and plan for long-term infrastructure needs.

By maintaining coverage levels comfortably above required thresholds, UTA preserves capacity to respond to future capital requirements, economic fluctuations, and funding opportunities without undue financial strain.

Overall Credit Assessment

UTA’s bond ratings and debt service coverage in 2025 highlight the effectiveness of the Authority’s financial management and long-term planning. The combination of strong pledged revenues, conservative debt policies, and improving financial position reinforces stakeholder confidence and supports continued investment in reliable, sustainable transit service.

For more detailed information about the Authority’s long-term debt please refer to Note 10 – Liabilities.

ECONOMIC AND OPERATING FACTORS

Key Economic Factors

Operating Statistics

The following information provides an annual comparison of ridership by service for years 2025 and 2024.

	<u>2025</u>	<u>2024</u>	<u>Difference</u>	<u>Percent Difference</u>
Bus service	20,038,507	20,163,298	(124,791)	-1%
Light rail service	13,279,001	13,509,954	(230,953)	-2%
Commuter rail service	4,106,305	4,128,459	(22,154)	-1%
Demand response service	645,308	934,004	(288,696)	-31%
Other service	<u>2,267,237</u>	<u>1,582,453</u>	<u>684,784</u>	<u>43%</u>
 Total ridership	 <u>40,336,358</u>	 <u>40,318,168</u>	 <u>18,190</u>	 <u>0%</u>

Total ridership for 2025 reached **40.34 million trips**, essentially unchanged from 2024 but reflecting meaningful shifts across individual service modes. While the year-over-year increase in total ridership was modest—an additional **18,190 trips**—the underlying trends highlight evolving travel patterns and service utilization across the system.

Overall, ridership levels remained steady, with shifts across modes reflecting broader regional travel patterns, service adjustments, and customer preferences. The Authority continues to monitor ridership trends closely to align service levels with demand, support system efficiency, and enhance the customer experience.



OVERALL FINANCIAL OUTLOOK

UTA's financial results for 2025 reflect a year of significant progress in strengthening the Authority's fiscal foundation while advancing critical capital and operational priorities. Strong revenue growth, disciplined expense management, and effective use of capital funding contributed to a substantial improvement in net position and enhanced long-term financial flexibility.

The Authority benefited from stable sales tax performance, increased federal assistance, and a significant rise in capital contributions, which together supported both ongoing operations and major infrastructure investments. These funding sources allowed UTA to modernize assets, maintain a strong state of good repair, and reduce reliance on operating resources for capital needs.

Operating performance remained stable during the year. While operating revenues declined modestly, operating expenses were well-controlled, reflecting continued emphasis on efficiency, workforce stability, and preventive maintenance. The resulting operating loss remains consistent with UTA's public service mission and funding model, which rely on dedicated tax revenues and external support to provide affordable, accessible transit service.

Capital investment continued at a robust pace in 2025, supported through a balanced combination of grants, pay-as-you-go funding, and strategic bonding. These investments strengthened the transit system's reliability, safety, and long-term sustainability while expanding UTA's asset base to support future service needs.

UTA's debt and credit position improved during the year. Outstanding debt declined overall despite targeted bonding activity, interest costs decreased, and debt service coverage remained strong. Favorable bond ratings and conservative debt structures continue to support market access and affordable financing for future capital priorities.

Looking ahead, UTA remains well positioned to respond to evolving transportation needs, economic conditions, and funding opportunities. The Authority's strong liquidity, growing unrestricted net position, disciplined financial practices, and active capital planning provide a solid foundation for continued investment in the region's mobility network.

Overall, 2025 demonstrates UTA's ability to balance operational responsibility with strategic growth, ensuring the delivery of reliable transit service today while building a sustainable system for the future.

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, 2025

ASSETS

Current Assets:

Cash and cash equivalents	\$ 156,269,744
Investments	224,246,419
Restricted cash and cash equivalents (bond funds)	13,820,617
Receivables	
Contributions from other governments (sales tax)	98,333,643
Federal grants	9,057,676
Other	8,273,982
State of Utah	476,147
Parts and supplies inventories	55,162,625
Prepaid expenses	8,625,838
Total Current Assets	<u>574,266,691</u>

Noncurrent Assets:

Restricted cash equivalents and investments	
Interlocal agreements	69,693,718
Escrow funds	111,830,316
Self-insurance deposits	9,669,936
Total noncurrent restricted cash equivalents and investments	<u>191,193,970</u>
Long-term lease receivables	2,068,190
Non-depreciable capital assets	
Land	423,496,690
Construction in progress	435,482,957
Total non-depreciable capital assets	<u>858,979,647</u>
Depreciable/amortized capital assets	
Land improvements	311,839,614
Leasehold improvements	94,263,206
Building and building improvements	271,422,627
Infrastructure	2,544,339,100
Revenue vehicles	700,800,655
Financed revenue vehicles	141,287,030
Financed non-revenue vehicles	11,196,481
Equipment	88,283,733
Intangibles	105,994,975
Total depreciable/amortized capital assets	<u>4,269,427,421</u>
Total capital assets	5,128,407,068
Less accumulated depreciation and amortization	<u>(2,132,197,452)</u>
Total capital assets, net depreciation and amortization	2,996,209,616
Amount recoverable - interlocal agreement	16,218,268
Other assets	31,897,229
Total Noncurrent Assets	<u>3,237,587,273</u>

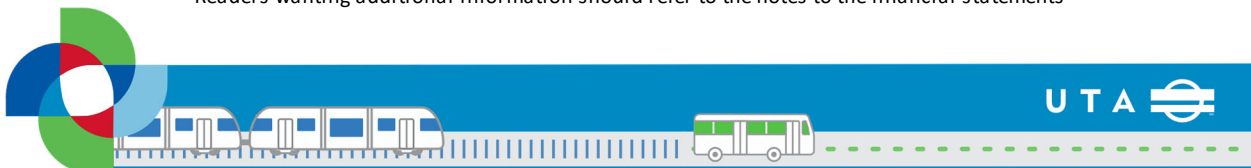
TOTAL ASSETS \$ 3,811,853,964

DEFERRED OUTFLOWS OF RESOURCES

Advanced debt refunding - loss on refunding	\$ 83,800,093
Deferred outflows of resources related to pension	<u>20,794,291</u>

TOTAL DEFERRED OUTFLOWS OF RESOURCES \$ 104,594,384

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



UTAH TRANSIT AUTHORITY
STATEMENT OF NET POSITION (continued)
As of December 31, 2025

LIABILITIES

Current Liabilities:

Accounts payable	
Other	\$ 37,252,774
Lease and subscription	6,554,785
Accrued liabilities, primarily payroll-related	20,253,771
Current portion of compensated absences	11,286,782
Current portion of accrued interest	10,306,937
Current portion of interlocal loan	1,750,000
Current portion of long-term debt	77,700,973
Accrued-self-insurance liability	2,480,459
Unearned revenues:	
Other	6,355,978
State of Utah	<u>16,390,423</u>
Total Current Liabilities	<u>190,332,882</u>

Long-Term Liabilities

Long-term compensated absences	6,053,546
Long-term deposits	131,677
Long-term lease and subscription payable	8,727,316
Long-term accrued interest	6,716,742
Interlocal loan	49,435,000
Long-term debt	2,122,087,565
Net pension liability	<u>78,496,665</u>
Total Long-term Liabilities	<u>2,271,648,511</u>

TOTAL LIABILITIES

\$ 2,461,981,393

DEFERRED INFLOWS OF RESOURCES

Advanced debt refunding - gain on refunding	\$ 65,102,412
Deferred inflows of resources for leases	2,219,072
Deferred inflows of resources related to pension	<u>45,422,016</u>

TOTAL DEFERRED INFLOWS OF RESOURCES

\$ 112,743,500

NET POSITION

Net investment in capital assets	\$ 859,887,598
Restricted for:	
Debt service	13,820,617
Interlocal agreements	69,693,718
Self-insurance deposits	7,189,478
Unrestricted	<u>391,132,044</u>

TOTAL NET POSITION

\$ 1,341,723,455

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, 2025

OPERATING REVENUES	
Passenger fares	\$ 38,129,478
Advertising	<u>2,166,982</u>
Total operating revenues	40,296,460
OPERATING EXPENSES	
Bus service	150,224,977
Rail service	112,449,029
Demand response service	47,336,426
Other service	3,542,680
Operations support	62,866,899
Administration	72,091,366
Depreciation and amortization	<u>185,337,272</u>
Total operating expenses	<u>633,848,649</u>
OPERATING INCOME (LOSS)	<u>(593,552,189)</u>
NON-OPERATING REVENUES (EXPENSES)	
Contributions from other governments (sales tax)	516,838,987
Federal operating grants	108,326,037
Investment income	25,852,440
Net gain on sale of capital assets	1,485,701
Other	15,780,802
Interest expense	<u>(89,402,689)</u>
Net non-operating revenues	<u>578,881,278</u>
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS	<u>(14,670,911)</u>
CAPITAL CONTRIBUTIONS	
Federal grants	129,901,183
Local	<u>54,326,450</u>
TOTAL CAPITAL CONTRIBUTIONS	<u>184,227,633</u>
CHANGE IN NET POSITION	<u>\$ 169,556,722</u>
Total Net Position, January 1	<u>\$ 1,172,166,733</u>
Total Net Position, December 31	\$ 1,341,723,455

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



UTAH TRANSIT AUTHORITY
STATEMENT OF CASH FLOWS
Year Ended December 31, 2025



Cash flows from operating activities:	
Passenger receipts	\$ 38,409,622
Advertising receipts	2,175,315
Other receipts	15,862,128
Payments to vendors	(144,718,754)
Payments to employees	(222,647,219)
Employee benefits paid	<u>(106,657,539)</u>
Net cash used in operating activities	(417,576,447)
 Cash flows from noncapital financing activities:	
Sales tax receipts	522,349,124
Federal operating/maintenance grants	<u>108,326,037</u>
Net cash provided by noncapital financing activities	630,675,161
 Cash flows from capital and related financing activities:	
Contributions for capital projects	
Federal	123,395,087
Local	26,382,568
Proceeds from bond issuance	492,520,000
Payments of bonds	(513,170,000)
Payments on interlocal loan	(1,700,000)
Bond interest payments	2,522,814
Payment on financing agreements	(13,921,368)
Payments on leases/subscriptions	(7,699,009)
Purchases of capital assets	<u>(267,012,787)</u>
Net cash used in capital and related financing activities	(158,682,695)
 Cash flows from investment activities:	
Interest on investments	25,852,440
Net sales of investments	<u>7,930,342</u>
Net cash used in investing activities	33,782,782
 Net change in cash and cash equivalents	 <u>88,198,801</u>
 Cash and cash equivalents at beginning of year	 229,598,453
 Cash and cash equivalents at end of year	 <u><u>\$ 317,797,254</u></u>

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



UTAH TRANSIT AUTHORITY
 STATEMENT OF CASH FLOWS (Continued)
 Year Ended December 31, 2025

Reconciliation of Cash to the Statement of Net Position

Cash and cash equivalents at year end from statement of cash flows	\$ 317,797,254
Cash as reported on the Statement of Net Position	
Cash and cash equivalents	156,269,744
Restricted cash and cash equivalents	
Bonds funds	13,820,617
Interlocal agreements	35,911,139
Escrow funds	111,830,316
Self-insurance deposits	<u>(34,562)</u>
Total cash and cash equivalents	<u><u>\$ 317,797,254</u></u>

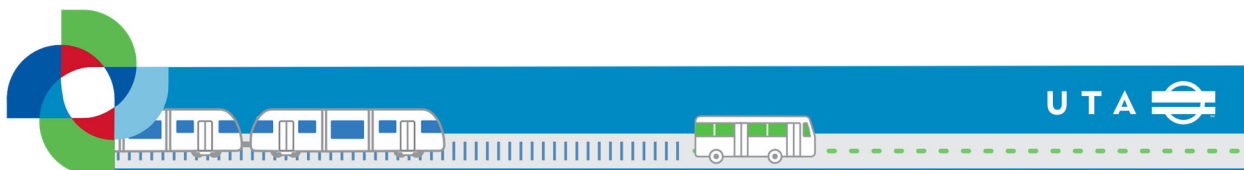
Reconciliation of operating loss to net cash used in operating activities:

Operating loss	\$ (593,552,189)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation and amortization	185,337,272
Other nonoperating revenues	15,780,802
Changes in deferred outflow/inflow of resources and net pension liability:	
Deferred outflows of resources related to pension	6,412,042
Deferred inflows of resources related to pension	45,096,627
Net pension liability	<u>(54,880,922)</u>
Total changes in deferred outflow/inflow of resources and net pension liability	<u>(3,372,253)</u>
Changes in assets and liabilities:	
Accounts and leases receivable	381,413
Parts and supplies inventories	(8,944,491)
Prepaid expenses	(664,163)
Accounts payable - Other and State of Utah	(9,332,516)
Accrued liabilities	(3,498,799)
Unearned revenue	280,144
Advertising unearned revenue	<u>8,333</u>
Total changes in assets and liabilities	<u>(21,770,079)</u>
Net cash used in operating activities	<u><u>\$ (417,576,447)</u></u>

Information about noncash investing, capital, and financing activities:

Change in fair value of investments	\$ (11,218,214)
Capital asset acquisitions in accounts payable and project retainage	594,377
Increases to leases and subscriptions	10,207,576
Amortization of premiums and losses on refunding debt	10,440,658
Accretion of interest on capital appreciation bonds	772,825

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



UTAH TRANSIT AUTHORITY
STATEMENT OF FIDUCIARY NET POSITION
As of December 31, 2025

	Pension and Other Employment Benefit Trust Funds
ASSETS	
Cash in Bank	\$ 13,248,314
Cash in Utah State Treasury	<u>321,062</u>
Total Cash	13,569,376
Investments	
Global Equities	271,357,179
Fixed Income	103,693,249
Private Equity	7,818,559
Real Assets	28,879,588
Money Market	<u>10,872,869</u>
Total Investments	422,621,444
Prepaid Benefits	1,810,103
Deposits	104,795
Receivables	
Dividends Receivable	23,924
Accounts Receivable - Benefits	2,006
Accounts Receivable - Contributions	<u>1,120,170</u>
Total Receivables	<u>1,146,100</u>
TOTAL ASSETS	<u>439,251,818</u>
LIABILITIES	
Benefits Payable	41,142
Accounts Payable	<u>2,949,855</u>
TOTAL LIABILITIES	<u>2,990,997</u>
NET POSITION	
Restricted for:	
Pension	423,435,931
Benefits Other Than Pension	<u>12,824,890</u>
Total Net Position	<u>\$ 436,260,821</u>

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



UTAH TRANSIT AUTHORITY
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 Year Ended December 31, 2025

	Pension and Other Employment Benefit Trust Funds
ADDITIONS	
Employer Contributions	\$ 62,757,357
Participant Voluntary Contributions	<u>7,445,866</u>
Total Contributions	70,203,223
Net Investment Income	
Net Appreciation in Fair Value of Investments	57,827,094
Interest	423,064
Dividends	<u>3,675,697</u>
Total Investment Income	61,925,855
Less: Investment Expense	<u>1,005,772</u>
Net Investment Income	<u>60,920,083</u>
TOTAL ADDITIONS	<u>131,123,306</u>
DEDUCTIONS	
Monthly Benefits Paid	50,334,646
Lump Sum Distributions	11,238,504
Administrative Expense	<u>712,261</u>
TOTAL DEDUCTIONS	<u>62,285,411</u>
CHANGE IN NET POSITION	<u>\$ 68,837,895</u>
Total Net Position, January 1	\$ 367,422,926
Total Net Position, December 31	\$ 436,260,821

**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.



UTAH TRANSIT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS – NOTE 1
Year Ended December 31, 2025

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 use 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 restricted 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 - 2025

Local Option Transportation Sales Tax in UTA's Service Area								
County	Mass Transit Tax (0.25% or 0.30%)*	Additional Mass Transit Tax (0.25%)	Mass Transit Fixed Guideway	County Option Transportation Tax	County Airport, Highway, Public	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)
	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
Salt Lake	0.30%	0.20%	Ineligible	0.25%	Ineligible	0.25%	Ineligible	0.20%
Utah	0.25%	Ineligible	0.300%	Ineligible	0.25%	0.25%	Ineligible	0.20%
Davis	0.25%	0.25%	Ineligible	Eligible	Ineligible	0.25%	0.05%	Eligible
Weber	0.30%	0.25%	Ineligible	Eligible	Ineligible	0.25%	0.05%	Eligible
Tooele (six cities)	0.30%	Eligible	Ineligible	Ineligible	Ineligible	0.25%	Ineligible	Ineligible
Box Elder (three cities)	0.30%	Eligible	Ineligible	Eligible	Ineligible	Eligible	Ineligible	Ineligible

Receiving this tax
Eligible
Ineligible



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. \$ 13,820,617

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. \$ 69,693,718

The Authority has issued bonds and leases in 2020, 2021, 2022, 2023, 2024 and 2025 for projects that are not complete to date and has entered into interlocal agreement to establish escrow accounts for specific projects. \$ 111,830,316

The Authority is required to maintain certain accounts in connection with being self-insured in the State of Utah. \$ 9,669,936

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	\$ 83,600,000
Service sustainability reserve	13,900,000
Capital replacement reserve	51,300,000
Debt reduction reserve	<u>30,000,000</u>
Total designated cash and cash equivalents	<u>\$ 178,800,000</u>

- *Designated for general reserves* – This component of cash including the risk reserve, funded at a level equal to at least twelve percent (12%) of the Authority’s budgeted operating expense, excluding non-operating expense, to be used as a working capital account throughout the year. The Board has chosen to fund this reserve at eighteen percent (18%). The Treasurer will manage the use of the funds in the general operating reserve. (*Utah Transit Authority Board Policy No. 2.1 Financial Management*)



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

J. Investments

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

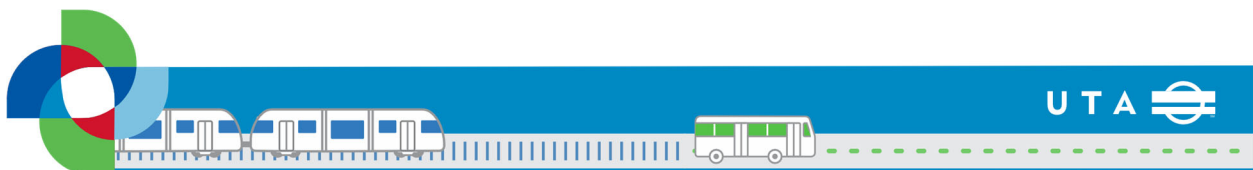
K. Receivables

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

The Authority's lease receivables are measured at the present value of the lease payments expected to be received during the lease term. 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 assets 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:

	<u>Years</u>
Land improvements	10 to 20
Leasehold improvements	50
Building and building improvements	20 to 50
Infrastructure	5 to 75
Revenue vehicles	4 to 35
Financed revenue vehicles	4 to 14
Financed non-revenue vehicles	8
Equipment	4 to 20
Intangible assets	
Software	5 to 10
Easements	20 to 50
Right to use lease buildings	2 to 6
Right to use lease land	2 to 10
Right to use subscription	3 to 10

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.

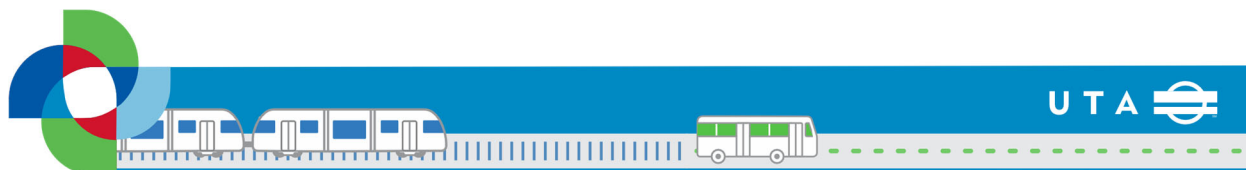
P. Lease and Subscriptions Payable

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 of, damage to, or destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The Authority is subject to the Utah Governmental Immunity Act, which limits the Authority's liability for third-party claims. The Authority is self-insured for public liability claims up to the applicable statutory limits, which vary based on the date of occurrence. The maximum statutory liability for any single occurrence is \$911,300 for one person and \$3,668,400 in the aggregate for two or more persons for incidents occurring on or after July 1, 2024. The Authority maintains self-insurance reserves of approximately \$9.7 million to fund anticipated losses related to these claims. In addition, the Authority has purchased excess umbrella liability insurance providing coverage above self-insured and statutory limits in the amount of approximately \$10 million per occurrence.

The Authority maintains railroad liability insurance coverage with aggregate limits of approximately \$100 million, subject to a self-insured retention of approximately \$5 million, to address risks associated with commuter and light rail operations.

The Authority is self-insured for workers' compensation claims up to approximately \$1 million per occurrence. Claims in excess of this retention are covered by \$2 million excess insurance up to statutory limits.

The Authority also carries commercial insurance coverage for certain operational risks, including but not limited to risks associated with cyber, police officer professional liability, terrorism liability, fiduciary, public official liability and non-revenue vehicles.

Additionally, the Authority maintains property coverage for damage up to \$1 billion, including flood insurance for properties located within designated flood hazard zones.

Liabilities for self-insured risks are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. These liabilities include an estimate of claims incurred but not reported and are based on historical experience, and currently available information.



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 and Brigham City in Box Elder County and with Utah 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 net assets that applies to 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 net assets that applies to 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 102

Certain Risk Disclosures

Takes effect for reporting periods beginning after June 15, 2024

There was no significant impact on the Authority's financial statements as a result of adoption.



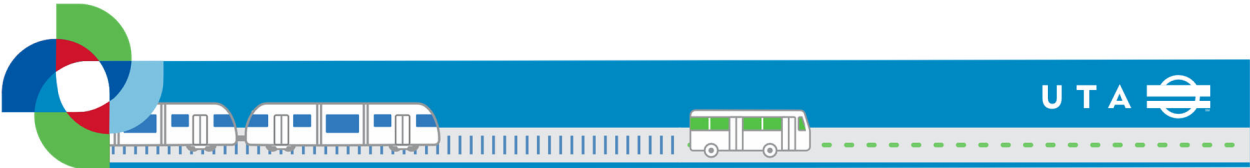
UTAH TRANSIT AUTHORITY
 NOTES TO THE FINANCIAL STATEMENTS – NOTE 3
 Year Ended December 31, 2025

NOTE 3 – CASH AND CASH EQUIVALENTS

Unrestricted Cash and Investments

Consisting of the following as of December 31, 2025

Zions Bank	\$ 28,896,830
Cash on Hand	239,368
Public Treasurers Investment Fund (PTIF)	<u>127,133,546</u>
Total Cash and Cash Equivalents	156,269,744
 Chandler Investments	
Money Market	61,569,762
US Government Issues	<u>162,676,657</u>
Total Unrestricted Investments	<u>224,246,419</u>
 Total Unrestricted Cash and Investments	<u>\$ 380,516,163</u>



UTAH TRANSIT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS – NOTE 3
Year Ended December 31, 2025

Restricted Cash and Investments

Consisting of the following as of December 31, 2025

Bond Funds (Zions Bank)		\$	13,820,617
Escrow Funds			
Chase Lease	\$	1,805,666	
Bank of America Lease (PTIF)		14,624,926	
Bond Proceeds (Zions Bank)		<u>95,399,724</u>	111,830,316
Interlocal Agreements			
Box Elder		4,635,139	
Perry		<u>31,276,000</u>	35,911,139
Self Insurance Deposits			
Zions Risk Account			<u>(34,562)</u>
Total Restricted Cash and Cash Equivalents			161,527,510
Interlocal Agreements			
Chandler Investment-Utah County			
Money Market	\$	58,618	
US Government Issues		<u>33,723,961</u>	33,782,579
Self Insurance Deposits			
Chandler Investment-Self Insurance			
Money Market	\$	217,103	
US Government Issues		<u>8,250,592</u>	8,467,695
Chandler Investment-Catastrophic			
Money Market	\$	79,094	
US Government Issues		<u>1,157,709</u>	<u>1,236,803</u>
Total Restricted Investments			<u>43,487,077</u>
Total Restricted Cash and Investments			<u>205,014,587</u>
Total Unrestricted and Restricted Cash and Investments			<u>\$ 585,530,750</u>

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>
Money market	\$ 61,569,762	\$ 354,815	\$ 61,924,577
U.S. Government issues	<u>162,676,657</u>	<u>43,132,262</u>	<u>205,808,919</u>
Total investments	<u>\$ 224,246,419</u>	<u>\$ 43,487,077</u>	<u>\$ 267,733,496</u>



Cash Deposits

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

Investments

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

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

At December 31, 2025, the balance in the Authority’s bank demand deposit accounts and certificate of deposit accounts according to the bank statements totaled \$34,859,669 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, 2025. A concentration of credit risk to the portfolio does exist with the FFCB and FHLB investments, which represent 6.77% and 9.48% of the total investment, respectively.



UTAH TRANSIT AUTHORITY
 NOTES TO THE FINANCIAL STATEMENTS – NOTE 3
 Year Ended December 31, 2025

- *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, 2025:

<u>Investment</u>	<u>Moody/S&P/Fitch Credit Quality (Rating)</u>	<u>Amount</u>	<u>Credit Exposure as a % of Total Investment</u>
U.S. Government Issues			
FHLMCMTN Maturity < 1YR	Aaa/AA+/AAA	\$ 1,306,901	0.49%
Federal Farm Credit Banks Maturity > 1YR	Aaa/AA+/AAA	13,506,661	5.04%
Federal Farm Credit Banks Maturity < 1YR	Aaa/AA+/AAA	4,635,782	1.73%
Federal Home Loan Banks Maturity < 1YR	Aaa/AA+/AAA	810,363	0.30%
Federal Home Loan Banks Maturity > 1YR	Aaa/AA+/AAA	24,570,577	9.18%
US Treasury Note Maturity < 1YR		41,486,079	15.50%
US Treasury Note Maturity > 1YR		<u>119,492,556</u>	<u>44.63%</u>
Total U.S. Government Issues		<u>\$ 205,808,919</u>	<u>76.87%</u>

<u>Investments</u>	<u>Less than 1 year</u>	<u>1-5 years</u>	<u>6-10 years</u>	<u>Total</u>
Money Market	\$ 61,924,577	\$ -	\$ -	\$ 61,924,577
U.S. Government Issues	<u>48,239,125</u>	<u>153,840,483</u>	<u>3,729,311</u>	<u>205,808,919</u>
	<u>\$ 110,163,702</u>	<u>\$ 153,840,483</u>	<u>\$ 3,729,311</u>	<u>\$ 267,733,496</u>

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

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

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



UTAH TRANSIT AUTHORITY
 NOTES TO THE FINANCIAL STATEMENTS – NOTE 3
 Year Ended December 31, 2025

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, 2025 by fair value measurement:

	<u>12/31/25</u>	<u>Fair Value Measurements</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Chandler Investments				
U.S. Government Issues	\$ 205,808,919	\$ -	\$ 205,808,919	\$ -
Money Market	<u>61,924,577</u>	<u>61,924,577</u>	<u>-</u>	<u>-</u>
Total Investments by Fair Value Level	<u>\$ 267,733,496</u>	<u>\$ 61,924,577</u>	<u>\$ 205,808,919</u>	<u>\$ -</u>



UTAH TRANSIT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS – NOTE 4
Year Ended December 31, 2025

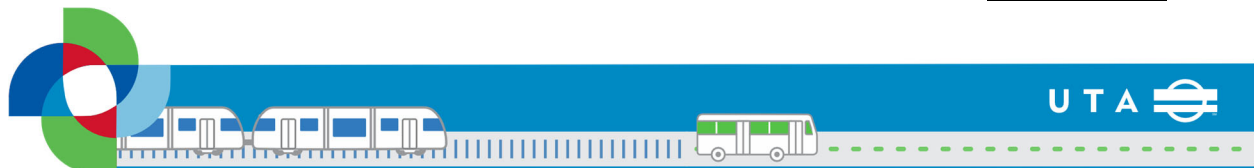
NOTE 4 – CAPITAL ASSETS

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

	Balance 1/1/2025	Increases	Transfers	Decreases	Balance 12/31/2025
Capital assets not being depreciated/amortized					
Land	\$ 418,464,657	\$ 6,037,532	\$ (996,284)	\$ (9,215)	\$ 423,496,690
Construction in Progress	271,070,554	277,930,949	-	(113,518,546)	435,482,957
Total capital assets not being depreciated/amortized	689,535,211	283,968,481	(996,284)	(113,527,761)	858,979,647
Capital assets being depreciated/amortized					
Land Improvements	311,275,245	6,554,421	(5,927,921)	(62,131)	311,839,614
Leasehold Improvements	94,263,206	-	-	-	94,263,206
Buildings and Building Improvements	270,542,878	977,965	-	(98,216)	271,422,627
Infrastructure	2,510,225,113	42,544,525	154,428	(8,584,966)	2,544,339,100
Revenue Vehicles	690,657,075	28,211,857	(464,929)	(17,603,348)	700,800,655
Financed Revenue Vehicles	139,927,793	601,861	790,566	(33,190)	141,287,030
Financed Non-Revenue Vehicles	5,945,563	5,212,592	38,326	-	11,196,481
Equipment	78,508,873	7,852,641	5,773,493	(3,851,274)	88,283,733
Intangibles					
Software	44,115,809	24,046	-	(9,500)	44,130,355
Easements	10,804,615	59,627	-	-	10,864,242
Other Intangibles	-	4,470	11,547,089	(478,101)	11,073,458
Right to Use Lease Buildings	5,837,411	-	(5,364,381)	-	473,030
Right to Use Lease Land	5,940,767	-	(5,550,387)	-	390,380
Right to Use Subscription	23,626,501	15,437,009	-	-	39,063,510
Total capital assets being depreciated/amortized	4,191,670,849	107,481,014	996,284	(30,720,726)	4,269,427,421
Less: Accumulated depreciation/amortization					
Land Improvements	(138,385,196)	(14,011,633)	1,021,914	47,353	(151,327,562)
Leasehold Improvements	(12,789,979)	(1,880,997)	-	-	(14,670,976)
Buildings and Building Improvements	(102,701,152)	(8,254,762)	-	46,870	(110,909,044)
Infrastructure	(1,124,664,736)	(100,640,940)	(140,743)	8,753,660	(1,216,692,759)
Revenue Vehicles	(423,151,937)	(29,213,841)	(231,584)	17,429,006	(435,168,356)
Financed Revenue Vehicles	(49,341,530)	(11,483,035)	(132,373)	24,913	(60,932,025)
Financed Non-Revenue Vehicles	(596,431)	(1,144,350)	-	-	(1,740,781)
Equipment	(67,073,490)	(6,395,779)	(881,173)	3,851,328	(70,499,114)
Intangibles					
Software	(40,687,552)	(1,265,495)	628,166	6,021	(41,318,860)
Easements	(6,722,597)	(219,585)	-	-	(6,942,182)
Other Intangibles	-	(163,115)	(656,681)	454,196	(365,600)
Right to Use Lease Buildings	(9,993)	(94,606)	(368,175)	-	(472,774)
Right to Use Lease Land	(1,098,412)	(52,617)	760,649	-	(390,380)
Right to Use Subscription	(10,250,522)	(10,516,517)	-	-	(20,767,039)
Total accumulated depreciation/amortization	(1,977,473,527)	(185,337,272)	-	30,613,347	(2,132,197,452)
Capital assets being depreciated/amortized, net	2,214,197,322	(77,856,258)	996,284	(107,379)	2,137,229,969
Total capital assets, net	\$ 2,903,732,533	\$ 206,112,223	\$ -	\$ (113,635,140)	\$ 2,996,209,616

Depreciation/Amortization Expense by mode:

Bus service	\$ 36,535,722
Rail service	136,560,039
Demand response service	6,756,461
Other service	5,485,050
	<u>\$ 185,337,272</u>



UTAH TRANSIT AUTHORITY
 NOTES TO THE FINANCIAL STATEMENTS – NOTE 5
 Year Ended December 31, 2025

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 2025:

	Balance as of 1/1/2025	Additions	Reductions	Balance as of 12/31/2025	Due in Less than a Year
Buildings	\$ 169,280	\$ -	\$ (64,202)	\$ 105,078	\$ 12,417
Land	85,718	100	(23,427)	62,391	22,383
Total lease payable	\$ 254,998	\$ 100	\$ (87,629)	\$ 167,469	\$ 34,800

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

	Interest	Principal	Total
Buildings			
2026	\$ 739	\$ 12,417	\$ 13,156
2027	115	41,519	41,634
2028	-	51,142	51,142
Total for buildings	854	105,078	105,932
Land			
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	231	3,461	3,692
2031-2034	276	11,474	11,750
Total for land	2,499	62,391	64,890
Total liability	\$ 3,353	\$ 167,469	\$ 170,822

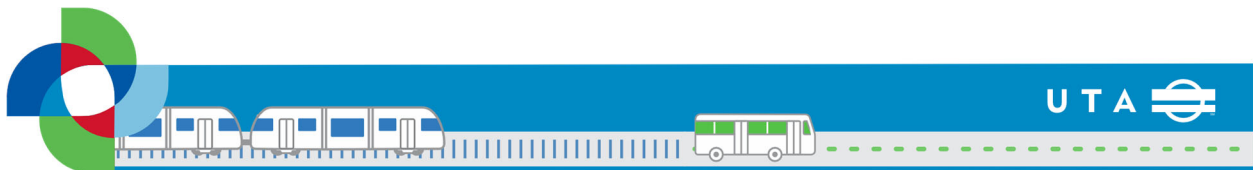


UTAH TRANSIT AUTHORITY
 NOTES TO THE FINANCIAL STATEMENTS – NOTE 5
 Year Ended December 31, 2025

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 .

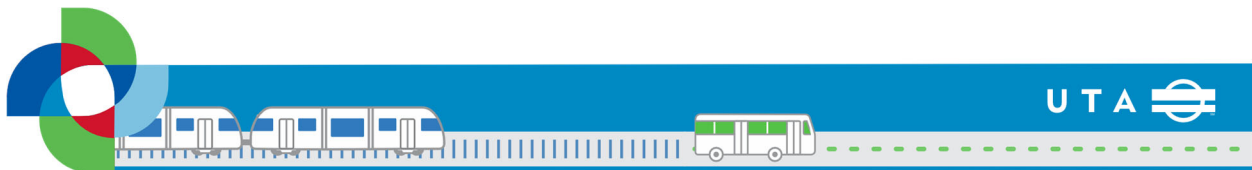
	Balance as of <u>1/1/2025</u>	<u>Additions</u>	<u>Reductions</u>	Balance as of <u>12/31/2025</u>	Due in Less than a Year
Buildings	\$ 15,592	\$ 145,122	\$ (61,567)	\$ 99,147	\$ 64,721
Land	<u>2,185,574</u>	<u>157,909</u>	<u>(156,436)</u>	<u>2,187,047</u>	<u>153,283</u>
Total lease receivable	<u>\$ 2,201,166</u>	<u>\$ 303,031</u>	<u>\$ (218,003)</u>	<u>\$ 2,286,194</u>	<u>\$ 218,004</u>



UTAH TRANSIT AUTHORITY
 NOTES TO THE FINANCIAL STATEMENTS – NOTE 5
 Year Ended December 31, 2025

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

	<u>Interest</u>	<u>Principal</u>	<u>Total</u>
Buildings			
2026	\$ 3,217	\$ 64,721	\$ 67,938
2027	<u>542</u>	<u>34,426</u>	<u>34,968</u>
Total for Buildings	<u>3,759</u>	<u>99,147</u>	<u>102,906</u>
	<u>Interest</u>	<u>Principal</u>	<u>Total</u>
Land			
2026	\$ 105,811	\$ 153,283	\$ 259,094
2027	102,679	32,240	134,919
2028	102,259	11,491	113,750
2029	101,748	3,021	104,769
2030	101,591	3,166	104,757
2031-2035	505,803	15,025	520,828
2036-2040	503,138	10,847	513,985
2041-2045	499,729	14,252	513,981
2045-2049	495,698	18,277	513,975
2051-2055	490,584	22,654	513,238
2056-2060	484,555	28,195	512,750
2061-2065	476,242	36,508	512,750
2066-2070	465,906	46,844	512,750
2071-2075	452,641	60,109	512,750
2076-2080	435,854	76,896	512,750
2081-2085	413,763	98,987	512,750
2086-2090	385,713	127,037	512,750
2090-2094	349,710	163,040	512,750
2096-2100	303,499	209,251	512,750
2101-2105	244,121	268,629	512,750
2106-2110	167,971	344,779	512,750
2111-2115	<u>70,232</u>	<u>442,516</u>	<u>512,748</u>
Total for Land	<u>7,259,247</u>	<u>2,187,047</u>	<u>9,446,294</u>
Total Receivable	<u>\$ 7,263,006</u>	<u>\$ 2,286,194</u>	<u>\$ 9,549,200</u>



UTAH TRANSIT AUTHORITY
 NOTES TO THE FINANCIAL STATEMENTS – NOTE 5
 Year Ended December 31, 2025

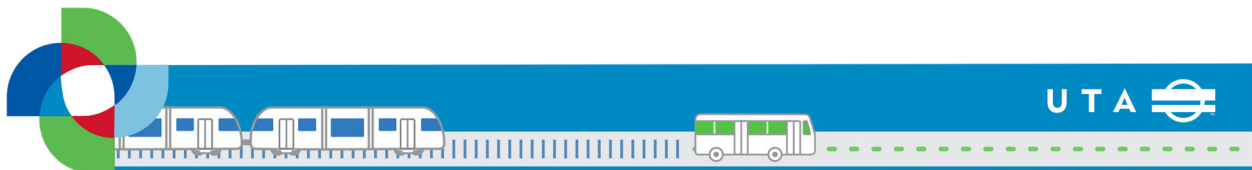
C. Software Subscription Activities

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 1/1/2025	Additions	Reductions	Balance as of 12/31/2025	Due in Less than a Year
Subscription liabilities	\$ 12,518,536	\$ 10,207,476	\$ (7,611,380)	\$ 15,114,632	\$ 6,519,985

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

	Interest	Principal	Total
2026	449,849	6,519,985	6,969,834
2027	297,708	3,121,380	3,419,088
2028	212,221	2,685,639	2,897,860
2029	129,306	987,936	1,117,242
3030	95,064	680,854	775,918
2031-2033	142,142	1,118,838	1,260,980
Total	\$ 1,326,290	\$ 15,114,632	\$ 16,440,922



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	\$	104,322,116
Federal operating assistance		<u>4,003,921</u>
		108,326,037
Capital projects		
Federal capital projects		<u>129,901,183</u>
Total federal assistance	\$	<u>238,227,220</u>

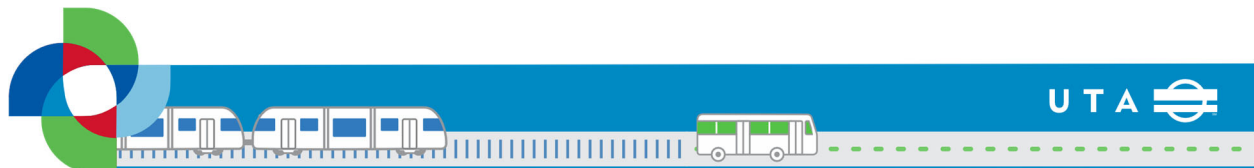
NOTE 7 – SELF-INSURANCE CLAIMS LIABILITY

Changes in the accrued claims liability in 2025 and 2024 were as follows:

	<u>Beginning Liability</u>	<u>Claims Incurred and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Ending Liability</u>
2025	\$ 1,918,471	\$ 2,205,755	\$ (1,643,767)	\$ 2,480,459
2024	1,671,735	2,267,086	(2,020,350)	1,918,471

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 settling 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 2025, the Authority contributed \$3,008,175. 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.

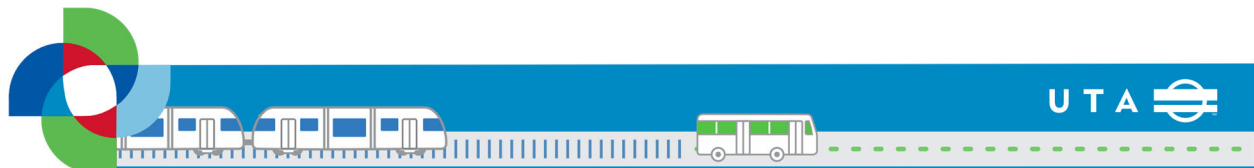
Defined Contribution Plan

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 Trustees, 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 2025, the Authority contributed \$97,444. 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 2025, the Authority contributed



\$1,349,240. 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:

<u>Participants</u>	<u>January 1, 2025</u>
Active	2,568
Terminated Vested and Other Inactive	575
Retirees and Beneficiaries	<u>862</u>
Total	<u><u>4,005</u></u>

D. Benefit Terms

Retirement Benefits

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

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

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

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

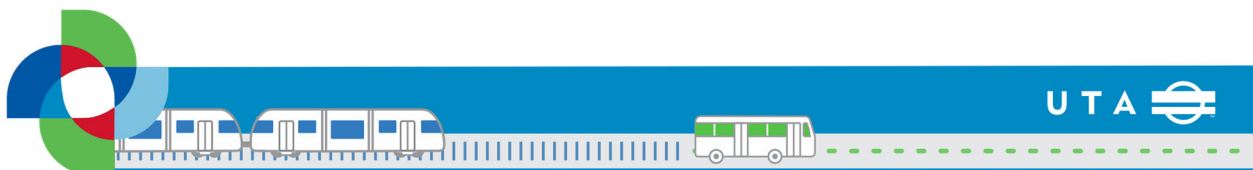
- 2.0% of average compensation multiplied by the participant’s years of service (not to exceed 37.5 years or 75% of average compensation)

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

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

Early Retirement Benefits

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



Disability Benefits

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

Death Benefits

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

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

- 1) A survivor's pension as if the participant had retired on the date before the death with a 100% joint and survivor annuity in effect, or
- 2) The present value of the survivor's pension, or
- 3) If a spouse of 2 or more years or a minor child, the participant's contribution with interest, plus 50% of the average compensation, payable in the form of a lump sum, or
- 4) 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 2025, 62 participants elected to receive their benefit in the form of lump sum distribution. Lump sum distributions collectively totaled \$11,238,504. 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 2025 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.



UTAH TRANSIT AUTHORITY
 NOTES TO THE FINANCIAL STATEMENTS – NOTE 8
 Year Ended December 31, 2025

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, 2025, the Authority reported a net pension liability of \$78,496,665. The net pension liability was measured as of December 31, 2025 and was determined by an actuarial valuation as of January 1, 2025 and rolled-forward using updated procedures.

<u>Date</u>	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Employers Net Pension Liability/(Asset)</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Plan Liability</u>	<u>Projected Covered Payroll</u>	<u>Net Position Liability as a Percentage Of Covered Payroll</u>
12/31/2025	\$501,932,596	\$423,435,931	78,496,665	84.36%	\$212,956,796	36.86%

Deferred Outflows of Resources and Deferred Inflows of Resources

At December 31, 2025, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>
Differences between expected and actual experience	\$ (226,787)	\$ 17,445,577
Change of Assumptions	(12,813,329)	3,348,714
Net difference between projected and actual earnings	<u>(32,381,900)</u>	<u>-</u>
Total	<u>\$ (45,422,016)</u>	<u>\$ 20,794,291</u>



UTAH TRANSIT AUTHORITY
 NOTES TO THE FINANCIAL STATEMENTS – NOTE 8
 Year Ended December 31, 2025

Pension Expense

For the year ended December 31, 2025, 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:

<u>Year ending December 31,</u>	<u>Amount</u>
2026	4,999,764
2027	(12,276,047)
2028	(8,434,268)
2029	(6,997,020)
2030	(1,266,852)
Thereafter	<u>(653,302)</u>
Total	<u>\$ (24,627,725)</u>

Actuarial Methods and Assumptions

The total pension liability in the January 1, 2025 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	PUB-2016 General Below Median Mortality Table, with MP-2021 Project Scale (Pre-retirement: Employee Table; Post-retirement: Annuitant Table)
Bond Buyer General Obligation 20-Bond Municipal Bond Index	4.83%

An actuarial valuation is conducted annually, reflecting annual updates to Plan participant census data and Plan asset levels. As part of the annual valuation process, each year the actuary performs by-source experience gain/loss analysis to assess the reasonableness of current actuarial valuation assumptions. Key valuation assumptions include investment return, retiree mortality, pay increases for employees, and rates of both retirement and pre-retirement turnover. When the annual experience gain/loss analysis indicates assumption updates are warranted, the proposed updates are reviewed by the Pension Committee and incorporated into the annual actuarial valuation results.

- 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 – 6.75%



UTAH TRANSIT AUTHORITY
 NOTES TO THE FINANCIAL STATEMENTS – NOTE 8
 Year Ended December 31, 2025

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	\$ 575,831,835	\$ 501,932,596	\$ 442,595,840
Fiduciary net position	<u>423,435,931</u>	<u>423,435,931</u>	<u>423,435,931</u>
Net pension liability	\$ 150,395,904	\$ 78,496,665	\$ 19,159,909

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, 2025	\$ 489,975,331	\$ 356,597,744	\$ 133,377,587
Charges for the year			
Service cost	17,193,185	-	17,193,185
Interest on total pension liability	33,296,532	-	33,296,532
Differences between expected and actual experience	(10,452,851)	-	(10,452,851)
Changes of assumptions	-	-	-
Employer contributions	-	34,794,230	(34,794,230)
Member voluntary contributions	154,574	154,574	-
Net investment income	-	60,795,286	(60,795,286)
Benefit payments	(28,234,175)	(28,234,175)	-
Administrative expenses	-	(671,728)	671,728
Balance as of December 31, 2025	<u>\$ 501,932,596</u>	<u>\$ 423,435,931</u>	<u>\$ 78,496,665</u>



H. Investments

All Plan investments are stated at fair value. Most types of marketable or actively traded investments are priced by nationally known vendors. In the event that an investment is not priced by the primary vendor, the Custodian (US Bank) engages a secondary vendor or other source. See Note 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	
	<u>Target Allocation</u>	<u>Long Term Expected Return</u>
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, 2025, 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, 2025 the Plan paid \$671,728 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)	\$ 586,831
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N. Risks and Uncertainties

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

O. Credit Risk

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

Fixed Income:			
	2025	\$ 103,693,249	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 Income:			
	2025	\$ 103,693,249	Average effective duration: 5.3 years Average effective maturity: 7.5 years



UTAH TRANSIT AUTHORITY
 NOTES TO THE FINANCIAL STATEMENTS – NOTE 8
 Year Ended December 31, 2025

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, 2025 invested with any one organization.

Equity funds:		
Two Sigma Active US All Cap	\$	40,588,250
JP Morgan Chase Bank	\$	34,347,378
Investments		
Fixed Income:		
IR+M Core Bond Fund II	\$	36,150,125

Investment Assets at Fair Value
 as of December 31, 2025

Level 1

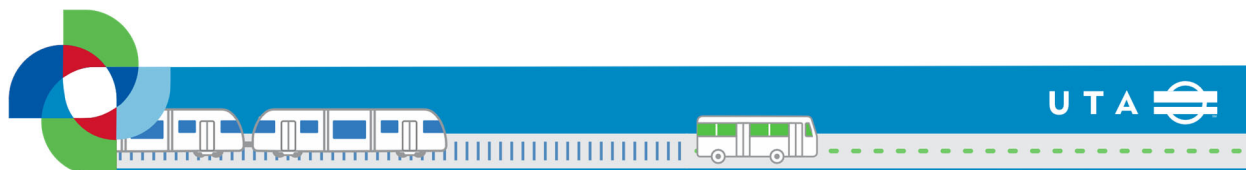
Money Market Funds	\$	8,547,386
Global Equity		271,357,179
Private Equity		7,818,559
Real Assets		28,879,588
Fixed Income		<u>103,693,249</u>
Total investments at Fair Value	\$	<u>420,295,961</u>

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, 2025.

	2025			
	<u>Fair Value</u>	<u>Unfunded Commitment</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>
Global Equities	\$ 271,357,179	\$ -	Daily	Daily
Private Equity	7,818,559	-	Daily	Daily
Real Assets	28,879,588	-	Daily	Daily
Fixed Income	<u>103,693,249</u>	-	Daily	Daily
Total	<u>\$ 411,748,575</u>	<u>\$ -</u>		

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.

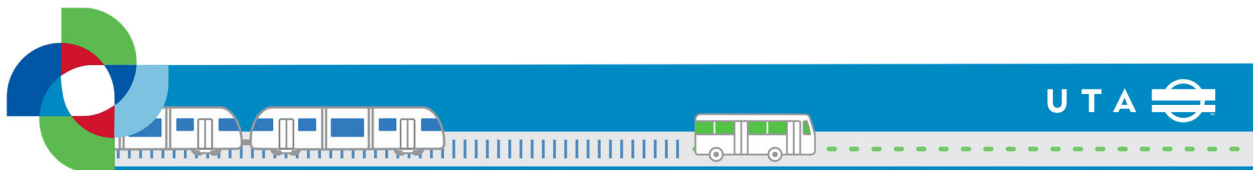
5. Employer Contribution Requirements

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.



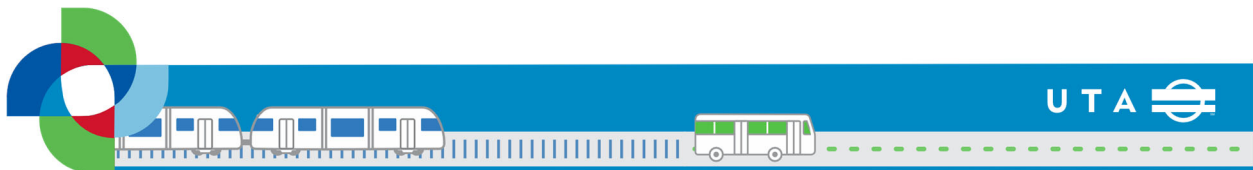
SCHEDULE OF FIDUCIARY NET POSITION

	<u>UTA Employee Retirement Trust</u>
ASSETS	
Cash in Bank	\$ 586,831
Investments:	
Global Equities	271,357,179
Fixed Income	103,693,249
Private Equity	7,818,559
Real Assets	28,879,588
Money Market	<u>8,547,386</u>
Total Investments	420,295,961
Prepaid Benefits	1,810,103
Receivables:	
Dividends Receivable	23,924
Accounts Receivable - Benefits	2,006
Accounts Receivable - Contributions	<u>1,071,237</u>
Total Receivables	1,097,167
TOTAL ASSETS	<u>423,790,062</u>
LIABILITIES	
Benefits Payable	41,142
Accounts Payable	<u>312,989</u>
TOTAL LIABILITIES	<u>354,131</u>
NET POSITION	
Restricted for pension	<u>\$ 423,435,931</u>



SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION

	<u>UTA Employee Retirement Trust</u>
ADDITIONS	
Employer Contributions	\$ 34,794,230
Participant Voluntary Contributions	<u>154,574</u>
Total Contributions	34,948,804
Net Investment Income	
Net Appreciation in Fair Value of Investments	57,819,686
Interest	305,675
Dividends	<u>3,675,697</u>
Total Investment Income	61,801,058
Less: Investment Expense	<u>1,005,772</u>
Net Investment Income	<u>60,795,286</u>
TOTAL ADDITIONS	95,744,090
DEDUCTIONS	
Monthly Benefits Paid	16,995,671
Lump Sum Distributions	11,238,504
Administrative Expense	<u>671,728</u>
TOTAL DEDUCTIONS	<u>28,905,903</u>
CHANGE IN NET POSITION	<u>\$ 66,838,187</u>
Total Net Position, January 1	\$ 356,597,744
Total Net Position, December 31	\$ 423,435,931



NOTE 9 – JOINT INSURANCE TRUST

A. General Information

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

B. Reporting Entity

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

C. Membership

The Plan’s membership consisted of:

	<u>December 31, 2025</u>
Active participants	1,622
Inactive participants not receiving benefits	<u>230</u>
Total	<u><u>1,852</u></u>

D. Benefit Terms

Insurance Benefits

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

E. Contributions

Employer Contribution Requirements

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

Participant Matching Contributions

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



UTAH TRANSIT AUTHORITY
 NOTES TO THE FINANCIAL STATEMENTS – NOTE 9
 Year Ended December 31, 2025

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.

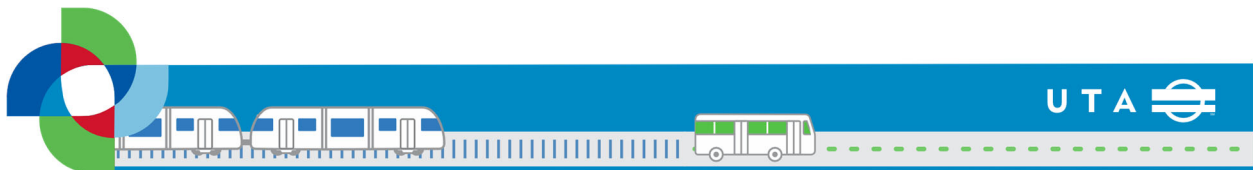
SCHEDULE OF FIDUCIARY NET POSITION

	Joint Insurance Trust
ASSETS	
Cash in Bank	\$ 12,661,483
Cash in Utah State Treasury	<u>321,062</u>
Total Cash	12,982,545
Investments - money markets	2,325,483
Deposits	104,795
Receivables	<u>48,933</u>
TOTAL ASSETS	15,461,756
LIABILITIES	
Accounts Payable	<u>2,636,866</u>
TOTAL LIABILITIES	<u>2,636,866</u>
NET POSITION	
Restricted for benefits other than pension	<u>\$ 12,824,890</u>



SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION

	<u>Joint Insurance Trust</u>
ADDITIONS	
Employer Contributions	\$ 27,963,127
Participant Voluntary Contributions	<u>7,291,292</u>
Total Contributions	35,254,419
Net Investment Income	
Net Appreciation in Fair Value of Investments	7,408
Interest	<u>117,389</u>
Total Investment Income	124,797
TOTAL ADDITIONS	35,379,216
DEDUCTIONS	
Monthly Benefits Paid	33,338,975
Administrative Expense	<u>40,533</u>
TOTAL DEDUCTIONS	<u>33,379,508</u>
CHANGE IN NET POSITION	<u>\$ 1,999,708</u>
Total Net Position, January 1	\$ 10,825,182
Total Net Position, December 31	\$ 12,824,890



NOTE 10 – LIABILITIES

The Authority issues revenue bonds, capital interest bonds, and capital appreciation bonds, and enters into long-term financing agreements in order to provide funding for major capital improvements and the acquisition of capital assets. Depending on the specific debt instrument, obligations may be secured either by the full faith and credit of the Authority or by specifically pledged revenues identified in the applicable bond documents. For financing agreements, leasehold interests in the vehicles or equipment being financed serve as collateral.

Interest payments on the Authority's revenue bonds are generally payable semiannually on June 15 and December 15. In 2019, Utah County and the Authority agreed that a new fourth-quarter-cent sales tax levied in Utah County for transit would be dedicated exclusively to repaying obligations incurred by the Authority related to the Utah Valley Express (UVX) bus rapid transit project.

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 on its bonds, the Trustee may pursue available legal or equitable remedies to enforce payment of principal, premium (if any), and interest, or to enforce other obligations of the Authority. However, the Authority's obligations with respect to its bonds are limited to pledged revenues as defined in the Amended and Restated General Indenture of Trust dated September 1, 2002. For debts secured by collateral or leasehold interests, remedies may include acceleration of remaining payments, repossession of pledged property, or other legal actions as provided in the Authority's standard lease-purchase agreement language.

The Authority has previously refunded certain bonds by placing the proceeds of new bonds into irrevocable trusts to provide for all future debt service on the refunded bonds. As a result, the related trust assets and refunded liabilities are not reported in the Authority's financial statements.

DIRECT BORROWINGS

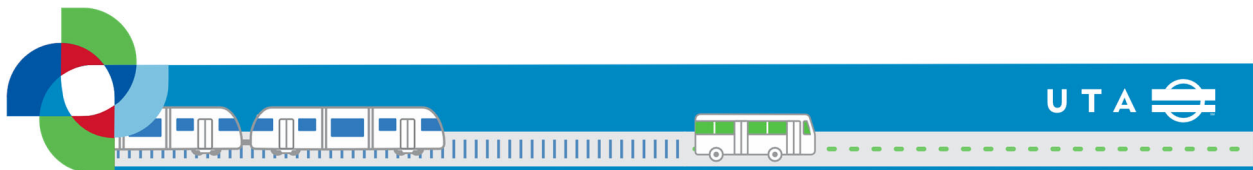
Beginning in 2015, UTA has annually secured direct-borrowing financing agreements for the purchase of buses, paratransit vehicles and vanpool vehicles. Agreements from 2015-2019 were issued through Banc of America Public Capital Corporation; agreements from 2020-2021 were issued through JP Morgan Chase Bank. In December 2022, the Authority entered into a five-year master financing agreement with Banc of America Public Capital Corporation (2022-2026), and in 2024 entered into an additional five-year master financing agreement with JPMorgan Chase Bank (2024-2028). These agreements transfer title of the financed vehicles to the Authority and are therefore reported as financed purchases rather than leases.

On December 22, 2016, Utah County issued a \$65 million Subordinated Transportation Sales Tax Revenue Bond to fund construction of the Utah Valley Express project. Under an interlocal agreement, the Authority is required to reimburse Utah County for all bond costs (principal, interest, and issuance costs) by December 31, 2028. As of December 31, 2025, the Authority owes only the remaining principal and interest on this obligation.



UTAH TRANSIT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS – NOTE 10
Year Ended December 31, 2025

In 2025, the Authority issued \$492,520,000 Sales Tax Revenue and Refunding Bonds, Series 2025 (the “2025 Bonds”). The 2025 Bonds were issued as fully registered, book-entry bonds through The Depository Trust Company (DTC). On June 27, 2025, the Authority released an Invitation to Tender Bonds (the “Tender Offer”), allowing holders of certain maturities of outstanding prior bonds to tender those bonds for purchase. A portion of the proceeds of the 2025 Bonds was used to purchase tendered bonds, refund certain non-tendered maturities, finance improvements to the Authority’s transit system, and pay issuance costs. No debt service reserve was funded for the 2025 Bonds. Principal and interest (payable each June 15 and December 15, beginning December 15, 2025) are payable by Zions Bancorporation, National Association, as Paying Agent. The 2025 Bonds are special limited obligations of the Authority, secured solely by pledged revenues under the Senior Indenture, consisting primarily of dedicated sales and use tax revenues. The 2025 Bonds do not constitute general obligations of the Authority, the State of Utah, or any other governmental entity, and no security interest in physical assets has been granted.



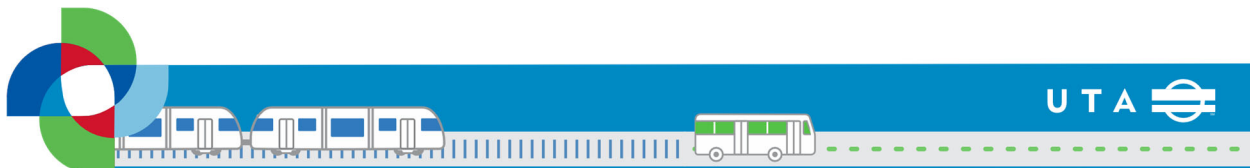
UTAH TRANSIT AUTHORITY
 NOTES TO THE FINANCIAL STATEMENTS – NOTE 10
 Year Ended December 31, 2025

	Amount Outstanding	Amount Due Within One Year
Direct Borrowings:		
<u>Inter-local loan:</u>		
On December 22, 2016, Utah County issued a \$65 million Subordinated Transportation Sales Tax Revenue Bond to be used for the construction of the Utah Valley Express bus route. The Authority and Utah County have entered into an inter-local agreement that requires the Authority to reimburse Utah County for all bond costs (principal, interest, and cost of issuance) prior to December 31, 2028. As of November 2024, UTA only owes the remaining bond principal and interest on the 2016 Utah County Subordinated Transportation Sales Tax Revenue Bond.	\$ 51,185,000	\$ 1,750,000
Subtotal: Direct Borrowings - Inter-local loans:	\$ 51,185,000	\$ 1,750,000
<u>Financing Agreements:</u>		
\$5,283,500 12-Year Financing Agreement, Series 2015, issued July 17, 2015, maturing monthly from August 17, 2015 through July 17, 2027, with interest payable monthly at rate of 2.0908%. A leasehold interest in 10 CNG buses and equipment is pledged as security for the debt.	\$ 775,262	\$ 486,651
\$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.	611,941	219,355
\$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.	8,687,071	2,147,253
\$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.	5,721,741	1,089,979
\$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.	2,623,138	439,280
\$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.	6,336,624	657,291
\$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.	522,329	522,329
\$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.	20,845,300	1,914,997
\$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.	1,321,368	656,227



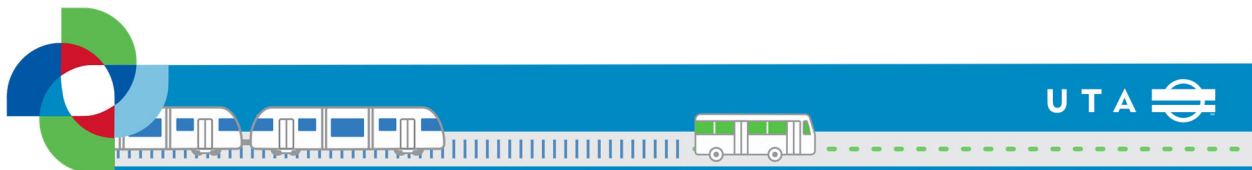
UTAH TRANSIT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS – NOTE 10
Year Ended December 31, 2025

	Amount Outstanding	Amount Due Within One Year
\$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.	\$ 20,773,583	\$ 1,524,274
\$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.	809,872	149,217
\$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.	3,988,422	1,276,591
\$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 interest in various buses and equipment is pledged as security for the debt.	13,979,863	909,186
\$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.	8,309,428	897,899
\$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.	2,259,495	339,298
\$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.	430,523	44,078
\$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.	2,539,520	357,068
Subtotal: Direct Borrowings - Financing Agreements:	\$ 100,535,480	\$ 13,630,973
Total Direct Borrowings:	\$ 151,720,480	\$ 15,380,973
Other Related Debt:		
<u>Revenue Bonds</u>		
\$134,650,000 Senior Revenue bonds, Series 2006C, issued October 24, 2006, maturing annually from June 15, 2007 through June 15, 2032, with interest payable semiannually at rates from 5.00% - 5.25%	\$ 63,650,000	\$ 7,725,000
\$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%.	7,995,000	7,995,000
\$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	-



UTAH TRANSIT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS – NOTE 10
Year Ended December 31, 2025

	Amount Outstanding	Amount Due Within One Year
\$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%.	\$ 62,275,000	\$ -
\$115,540,000 Subordinate Revenue bonds, Series 2018, issued March 15, 2018, maturing annually from June 15, 2018 through December 15, 2041 with interest payable semiannually at rates from 3.125-5.00%.	78,095,000	4,025,000
\$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%.	52,550,000	2,030,000
\$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%.	87,750,000	-
\$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%.	28,720,000	-
\$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%.	78,720,000	4,315,000
\$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%.	57,835,000	-
\$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%.	118,055,000	24,450,000
\$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%.	14,705,000	135,000
\$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	-
\$492,520,000 Senior Revenue Bonds, Series 2025, Issued July 29, 2025, Maturing annually from June 15, 2026 through December 15, 2044, with interest payable semiannually at a rate of 5.0%.	<u>492,520,000</u>	<u>13,395,000</u>
Subtotal: Other Related Debt - Revenue Bonds:	<u>\$ 1,855,985,000</u>	<u>\$ 64,070,000</u>



UTAH TRANSIT AUTHORITY
 NOTES TO THE FINANCIAL STATEMENTS – NOTE 10
 Year Ended December 31, 2025

	<u>Amount Outstanding</u>	<u>Amount Due Within One Year</u>
<u>Current Interest Bonds</u>		
\$128,795,000 Subordinate Current Interest Debt, Series 2007A, issued June 19, 2007, maturing annually from December 15, 2007 through June 15, 2035, with interest payable semiannually at a rate of 5.00%.	\$ 78,610,000	\$ -
Subtotal: Other Related Debt - Current Interest Bonds:	\$ 78,610,000	\$ -
<u>Capital Appreciation Bonds</u>		
\$18,911,498 Capital Appreciation Subordinate Debt, Series 2016, issued August 24, 2016, maturing December 15, 2032 at a rate of 3.32%	\$ 18,911,498	\$ -
Subtotal: Other Related Debt - Capital Appreciation Bond:	\$ 18,911,498	\$ -
Total Other Related Debt:	\$ 1,953,506,498	\$ 64,070,000
Total of Direct Borrowings and Other Related Debt:	\$ 2,105,226,978	\$ 79,450,973

Annual repayment requirements on the Direct Borrowings are:

Inter-local Loan

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending December 31,			
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	<u>45,765,000</u>	<u>1,451,666</u>	<u>47,216,666</u>
Total	\$ <u>51,185,000</u>	\$ <u>6,154,156</u>	\$ <u>57,339,156</u>

Financing Agreements

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending December 31,			
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	9,366,274	1,516,865	10,883,139
2031-2035	35,141,129	3,780,417	38,921,546
2036-2037	<u>5,159,371</u>	<u>181,965</u>	<u>5,341,336</u>
Total	\$ <u>100,535,480</u>	\$ <u>15,166,629</u>	\$ <u>115,702,109</u>



UTAH TRANSIT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS – NOTE 10
Year Ended December 31, 2025

OTHER RELATED DEBT

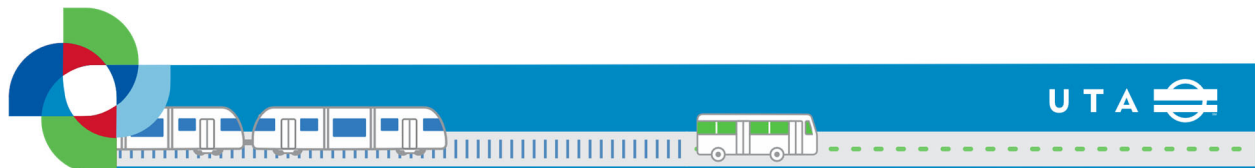
The Sales Tax Revenue Bonds are payable from and secured by UTA's sales and use tax revenue. UTA is required to maintain certain minimum deposits, as defined in the Indenture of Trust, to meet debt service requirements. Sales Tax Revenue Bonds debt service requirements to maturity are as follows:

Year ending December 31,	Principal	Interest	Total
2026	\$ 64,070,000	\$ 85,289,404	\$ 149,359,404
2027	63,800,000	82,934,418	146,734,418
2028	65,695,000	81,022,850	146,717,850
2029	74,900,000	78,080,698	152,980,698
2030	87,950,000	73,961,486	161,911,486
2031-2035	512,941,498	318,045,243	830,986,741
2036-2040	675,590,000	175,461,198	851,051,198
2041-2044	<u>408,560,000</u>	<u>37,051,829</u>	<u>445,611,829</u>
Total	<u>\$ 1,953,506,498</u>	<u>\$ 931,847,126</u>	<u>\$ 2,885,353,624</u>

CHANGES IN DEBT LONG-TERM LIABILITIES

Long-term debt liability activity for the year ended December 31, 2025 was as follows:

	Balance 1/1/2025	Additions	Reductions	Balance 12/31/2025	Due Within One Year
Direct Borrowings					
Financing Lease Agreements	\$ 113,778,854	\$ -	\$ (13,243,374)	\$ 100,535,480	\$ 13,630,973
Inter-local Loan	<u>52,885,000</u>	<u>-</u>	<u>(1,700,000)</u>	<u>51,185,000</u>	<u>1,750,000</u>
Total Direct Borrowings	166,663,854	-	(14,943,374)	151,720,480	15,380,973
Other Related Debt					
Sales Tax Revenue Bonds	1,876,635,000	492,520,000	(513,170,000)	1,855,985,000	64,070,000
Current Interest Bonds	78,610,000	-	-	78,610,000	-
Capital Appreciation Bonds	18,911,498	-	-	18,911,498	-
Unamortized premiums/ (discounts)	<u>113,504,773</u>	<u>44,297,576</u>	<u>(12,055,789)</u>	<u>145,746,560</u>	<u>-</u>
Total Other Related Debt	<u>2,087,661,271</u>	<u>536,817,576</u>	<u>(525,225,789)</u>	<u>2,099,253,058</u>	<u>64,070,000</u>
Total Direct Borrowings and Other Related Debt	<u>\$ 2,254,325,125</u>	<u>\$ 536,817,576</u>	<u>\$ (540,169,163)</u>	<u>\$ 2,250,973,538</u>	<u>\$ 79,450,973</u>
Compensated Absences					
Total Vacation Liability	\$ 12,481,520	\$ 13,120,070	\$ (14,561,739)	\$ 11,039,851	\$ 10,021,913
Total Sick Liability	<u>6,804,973</u>	<u>532,939</u>	<u>(1,037,435)</u>	<u>6,300,477</u>	<u>1,264,869</u>
Total Compensated Absences	<u>\$ 19,286,493</u>	<u>\$ 13,653,009</u>	<u>\$ (15,599,174)</u>	<u>\$ 17,340,328</u>	<u>\$ 11,286,782</u>



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, 2025, the Authority also has purchasing commitments of \$262.8 million for capital projects. The largest of these commitments are as follows:

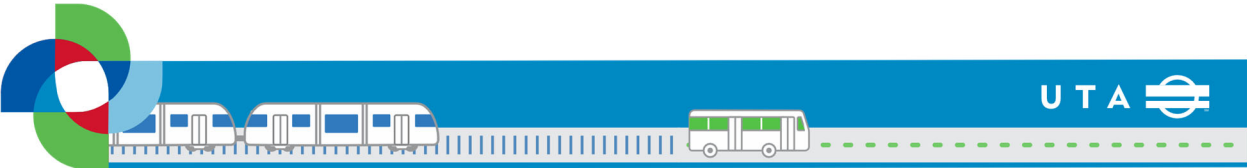
- 134.58 million SD100/SD160 Light Rail Vehicle Replacement
- 33.79 million Revenue Bus Replacement
- 13.53 million Fares Systems Replacement Program
- 12.93 million Light Rail Vehicle Rehab
- 6.16 million S-Line Expansion
- 5.87 million New Maintenance Training Facility
- 5.81 million Paratransit Replacement
- 5.78 million Maintenance System & OWATS Replacement
- 4.98 million Utah County Park & Ride Lots
- 3.98 million Mid-Valley Connector
- 3.74 million South Valley Transit
- 2.94 million Radio Communication System
- 2.33 million Wheel Truing Machine JRSC
- 1.86 million Frontrunner Double Tracking
- 1.86 million Program Management Support
- 1.45 million Non-Rev Service Vehicle Replacement
- 1.37 million LRV Repairs (1137 and 1122)
- 1.21 million IT Improvement Project
- 1.10 million Train Control Rehab and Replacement
- 1.05 million Van Pool Van Replacement
- 1.01 million Bridge Rehabilitation & Maintenance



NOTE 12 – SUBSEQUENT EVENTS

In March 2026, Utah Senate Bill 197 was enacted, initiating a significant restructuring of Utah Transit Authority’s governance model that will go into effect July 1, 2026. The legislation replaces the former three-member Board of Trustees with a single Executive Director appointed by the Governor and establishes a new seven-member Transit Commission responsible for oversight, strategic planning, and long-range capital prioritization. These changes are intended to align the Authority’s governance structure more closely with statewide transportation objectives and improve coordination with the Utah Department of Transportation. As of the date of this report, the Authority is preparing for the transition to the new governance framework, and the Authority is evaluating the operational and administrative impacts. While the full financial implications of the legislation cannot yet be determined, the Authority does not anticipate any immediate effect on its fiscal year-end financial statements.

In April 2026, the Authority held the grand opening of the new Midvalley Express (MVX) bus rapid transit line. The 7-mile BRT route provides enhanced connectivity between Murray Central and West Valley Central stations, serving key destinations and planned developments across Murray, Taylorsville, and West Valley City. MVX will operate as a Zero Fare service through April 2029. This new line represents a significant investment in regional mobility and is expected to improve transit access and support ongoing development in the Midvalley area.



Required Supplementary Information

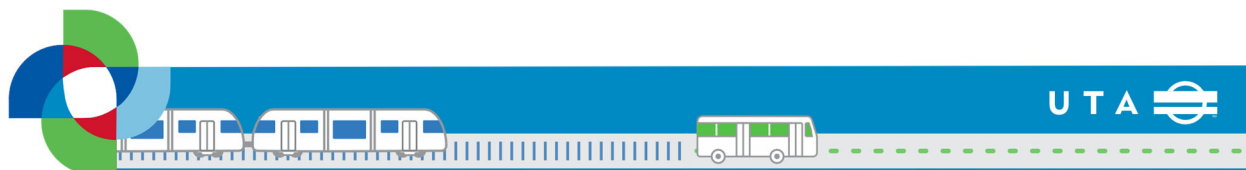


UTAH TRANSIT AUTHORITY
 REQUIRED SUPPLEMENTARY INFORMATION
 Year Ended December 31, 2025

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

	2025	2024	2023	2022
Total Pension Liability				
Service cost	\$ 17,193,185	\$ 15,704,877	\$ 14,308,127	\$ 12,293,940
Interest on total pension liability	33,296,532	31,065,694	29,160,956	27,443,651
Voluntary member contributions	154,574	61,008	346,127	116,525
Differences between expected and actual experience	(10,452,851)	11,089,872	6,654,184	(621,195)
Assumption changes or inputs	-	268,636	-	6,482,520
Benefits paid	<u>(28,234,175)</u>	<u>(25,075,336)</u>	<u>(22,266,119)</u>	<u>(22,309,358)</u>
Net change in total pension liability	11,957,265	33,114,751	28,203,275	23,406,083
Total pension liability – beginning	<u>489,975,331</u>	<u>456,860,580</u>	<u>428,657,305</u>	<u>405,251,222</u>
Total pension liability – ending (a)	501,932,596	489,975,331	456,860,580	428,657,305
Plan Fiduciary Net Position				
Contributions – employer	\$ 34,794,230	\$ 32,762,584	\$ 30,041,866	\$ 27,132,518
Contributions – members	154,574	61,008	346,127	116,525
Net investment income	60,795,286	34,959,003	44,606,252	(56,561,527)
Benefits paid	(28,234,175)	(25,075,336)	(22,266,119)	(22,309,358)
Administrative expense	<u>(671,728)</u>	<u>(686,426)</u>	<u>(583,880)</u>	<u>(554,229)</u>
Net change in plan fiduciary net position	66,838,187	42,020,833	52,144,246	(52,176,071)
Plan fiduciary net position – beginning	<u>356,597,744</u>	<u>314,576,911</u>	<u>262,432,665</u>	<u>314,608,736</u>
Plan fiduciary net position – ending (b)	<u>423,435,931</u>	<u>356,597,744</u>	<u>314,576,911</u>	<u>262,432,665</u>
Net pension liability / (asset) – ending (a-b)	<u>\$ 78,496,665</u>	<u>\$ 133,377,587</u>	<u>\$ 142,283,669</u>	<u>\$ 166,224,640</u>
Plan fiduciary net position as a percentage of the total pension liability	84.36%	72.78%	68.86%	61.22%
Projected covered employee payroll	\$ 212,956,796	\$ 195,272,130	\$ 173,115,453	\$ 160,831,897
Net pension liability as a percentage of covered payroll	36.86%	68.30%	82.19%	103.35%

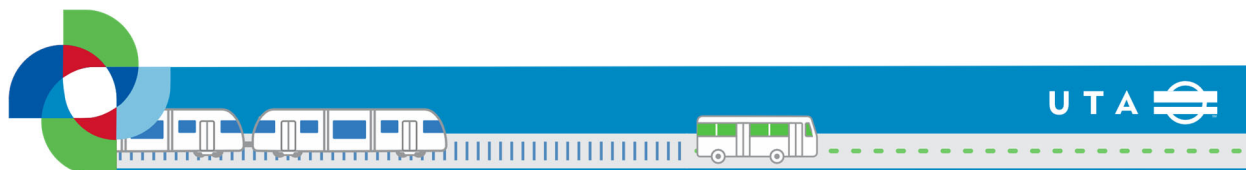
Schedule is intended to show information for 10 years.



UTAH TRANSIT AUTHORITY
 REQUIRED SUPPLEMENTARY INFORMATION
 Year Ended December 31, 2025

	2021	2020	2019	2018
Total Pension Liability				
Service cost	\$ 12,597,159	\$ 10,653,870	\$ 10,244,115	\$ 9,550,863
Interest on total pension liability	25,639,471	24,263,256	22,947,802	21,512,781
Voluntary member contributions	334,301	83,988	298,803	223,572
Differences between expected and actual experience	9,188,520	4,292,503	3,347,505	4,893,150
Assumption changes or inputs	-	11,421,251	-	-
Benefits paid	<u>(19,196,735)</u>	<u>(19,648,551)</u>	<u>(17,302,699)</u>	<u>(15,474,819)</u>
Net change in total pension liability	28,562,716	31,066,317	19,535,526	20,705,547
Total pension liability – beginning	<u>376,688,506</u>	<u>345,622,189</u>	<u>326,086,663</u>	<u>305,381,116</u>
Total pension liability – ending (a)	405,251,222	376,688,506	345,622,189	326,086,663
Plan Fiduciary Net Position				
Contributions – employer	\$ 25,207,307	\$ 24,273,996	\$ 24,008,192	\$ 22,355,434
Contributions – members	334,301	83,988	298,803	223,572
Net investment income	28,830,047	33,846,259	40,648,932	(16,629,921)
Benefits paid	(19,196,735)	(19,648,551)	(17,302,699)	(15,474,819)
Administrative expense	<u>(471,288)</u>	<u>(407,938)</u>	<u>(434,427)</u>	<u>(440,279)</u>
Net change in plan fiduciary net position	34,703,632	38,147,754	47,218,801	(9,966,013)
Plan fiduciary net position – beginning	<u>279,905,104</u>	<u>241,757,350</u>	<u>194,538,549</u>	<u>204,504,562</u>
Plan fiduciary net position – ending (b)	<u>314,608,736</u>	<u>279,905,104</u>	<u>241,757,350</u>	<u>194,538,549</u>
Net pension liability / (asset) – ending (a-b)	<u>\$ 90,642,486</u>	<u>\$ 96,783,402</u>	<u>\$ 103,864,839</u>	<u>\$ 131,548,114</u>
Plan fiduciary net position as a percentage of the total pension liability	77.63%	74.31%	69.95%	59.66%
Projected covered employee payroll	\$ 153,983,509	\$ 152,297,365	\$ 141,812,999	\$ 132,521,079
Net pension liability as a percentage of covered payroll	58.87%	63.55%	73.24%	99.27%

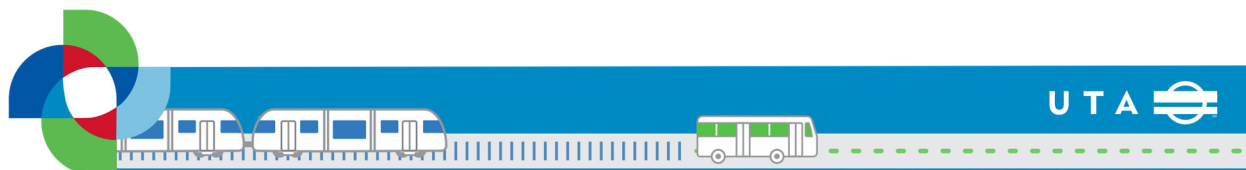
Schedule is intended to show information for 10 years.



UTAH TRANSIT AUTHORITY
 REQUIRED SUPPLEMENTARY INFORMATION
 Year Ended December 31, 2025

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

Schedule is intended to show information for 10 years.



UTAH TRANSIT AUTHORITY
 REQUIRED SUPPLEMENTARY INFORMATION
 Year Ended December 31, 2025

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
2025	\$ 30,879,879	\$ 34,794,230	\$ (3,914,351)	\$ 212,956,796	16.34%
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%

NOTE 1 – METHODS AND ASSUMPTIONS USED TO DETERMINE CONTRIBUTION RATES AS OF DECEMBER 31, 2025

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	18 years
Asset valuation method	5-year smoothed fair value 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	PUB-2016 General Below Median Mortality Table, with MP-2021 Projection Scale (Pre-retirement: Employee Table; Post-retirement: Annuitant Table)

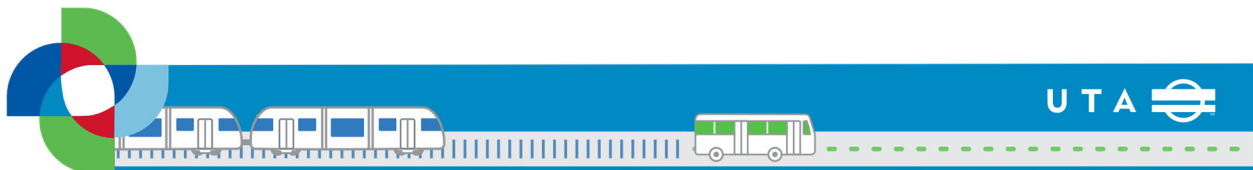


SCHEDULE OF INVESTMENT RETURNS

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.

<u>Fiscal Year Ending December 31</u>	<u>Net Money-Weighted Rate of Return</u>
2025	16.72%
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%

Schedule is intended to show information for 10 years.



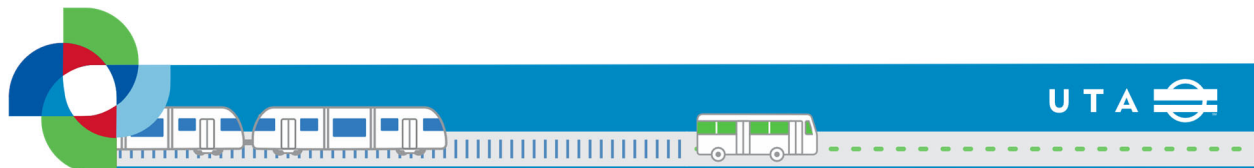
Supplementary Schedules



UTAH TRANSIT AUTHORITY
 SUPPLEMENTARY INFORMATION
 December 31, 2025

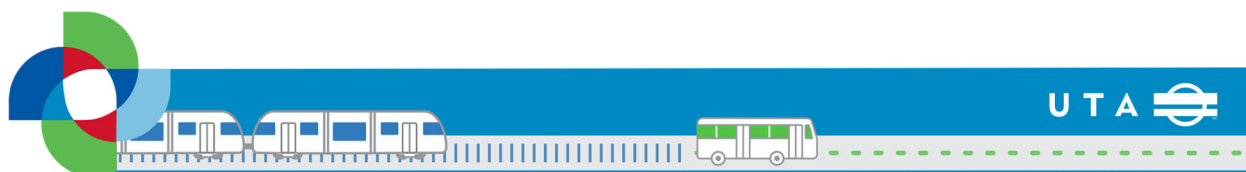
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION BUDGET TO ACTUAL

	Budget			Actual	Favorable (Unfavorable)
	Budget	Amendments	Amended Budget		
Revenues					
Contributions from other gov'ts, sales tax	\$ 505,193,000	\$ -	\$ 505,193,000	\$ 516,838,987	\$ 11,645,987
Federal operating grants	72,411,000	-	72,411,000	108,326,037	35,915,037
Passenger revenues	38,620,000	-	38,620,000	38,129,478	(490,522)
Advertising	2,351,000	-	2,351,000	2,166,982	(184,018)
Investment income	5,085,000	-	5,085,000	25,852,440	20,767,440
Other income	14,826,000	-	14,826,000	15,780,802	954,802
Total revenues	638,486,000	-	638,486,000	707,094,726	68,608,726
Operating Expenses					
Bus services	160,507,000	199,000	160,706,000	150,224,977	10,481,023
Rail services	105,738,000	1,900,000	107,638,000	112,449,029	(4,811,029)
Demand response services	46,802,000	-	46,802,000	47,336,426	(534,426)
Other services	4,034,000	-	4,034,000	3,542,680	491,320
Operations support	68,850,000	(1,857,000)	66,993,000	62,866,899	4,126,101
Administration (less non-operating)	78,579,000	(242,000)	78,337,000	72,091,366	6,245,634
Total operating expenses	464,510,000	-	464,510,000	448,511,377	15,998,623
Non-Operating Expenses					
Interest expense	99,799,000	-	99,799,000	89,402,689	10,396,311
Principal	65,428,000	-	65,428,000	75,293,337	(9,865,337)
Total non-operating expenses	165,227,000	-	165,227,000	164,696,026	530,974
Total Operating and Non-Operating Expenses	\$ 629,737,000	\$ -	\$ 629,737,000	\$ 613,207,403	\$ 16,529,597
Capital Expenses (Revenues)					
Federal and local grants	\$ (127,571,000)	\$ -	\$ (127,571,000)	\$ (129,901,183)	\$ 2,330,183
State and local contributions	(50,639,000)	-	(50,639,000)	(54,326,450)	3,687,450
Project expenses	330,231,000	-	330,231,000	282,445,676	47,785,324
Total capital expenses (revenues)	\$ 152,021,000	\$ -	\$ 152,021,000	\$ 98,218,043	\$ 53,802,957
Project expenses - less transfers to capital assets in 2025				(274,758,552)	
Capital project expenses not capitalized				\$ 7,687,124	
Reconciliation:					
Total revenues (operating and capital)				\$ 891,322,359	
- Less total expenses (operating, non-operating, and capital (after capitalization))				(620,894,527)	
- Less depreciation expense				(185,337,272)	
+ Plus gain on sale of assets				1,485,701	
+ Plus capital project expenses not capitalized (added into modes)					
Bus				(3,432,178)	
Rail				10,482,845	
Demand response				397,861	
Other service				238,596	
+ Plus principal payments on long-term debt				75,293,337	
Change in Net Position (Statement of Revenues, Expenses, and Changes in Net Position)				\$ 169,556,722	



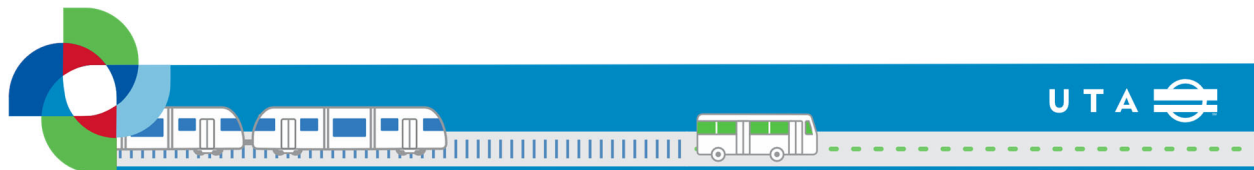
COMBINING STATEMENT OF FIDUCIARY NET POSITION

	UTA Employee Retirement Trust	Joint Insurance Trust	Total
ASSETS			
Cash in Bank	\$ 586,831	\$ 12,661,483	\$ 13,248,314
Cash in Utah State Treasury	<u>-</u>	<u>321,062</u>	<u>321,062</u>
Total Cash	586,831	12,982,545	13,569,376
Investments:			
Global Equities	271,357,179	-	271,357,179
Fixed Income	103,693,249	-	103,693,249
Private Equity	7,818,559	-	7,818,559
Real Assets	28,879,588	-	28,879,588
Money Market	<u>8,547,386</u>	<u>2,325,483</u>	<u>10,872,869</u>
Total Investments	420,295,961	2,325,483	422,621,444
Prepaid Benefits	1,810,103	-	1,810,103
Deposits	-	104,795	104,795
Receivables:			
Dividends Receivable	23,924	-	23,924
Accounts Receivable - Benefits	2,006	-	2,006
Accounts Receivable - Contributions	<u>1,071,237</u>	<u>48,933</u>	<u>1,120,170</u>
Total Receivables	1,097,167	48,933	1,146,100
TOTAL ASSETS	<u>423,790,062</u>	<u>15,461,756</u>	<u>439,251,818</u>
LIABILITIES			
Benefits Payable	41,142	-	41,142
Accounts Payable	<u>312,989</u>	<u>2,636,866</u>	<u>2,949,855</u>
TOTAL LIABILITIES	<u>354,131</u>	<u>2,636,866</u>	<u>2,990,997</u>
NET POSITION			
Restricted for:			
Pension	423,435,931	-	423,435,931
Benefits Other Than Pension	<u>-</u>	<u>12,824,890</u>	<u>12,824,890</u>
Total Net Position	<u>\$ 423,435,931</u>	<u>\$ 12,824,890</u>	<u>\$ 436,260,821</u>



COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

	UTA Employee Retirement Trust	Joint Insurance Trust	Total
ADDITIONS			
Employer Contributions	\$ 34,794,230	\$ 27,963,127	\$ 62,757,357
Participant Voluntary Contributions	<u>154,574</u>	<u>7,291,292</u>	<u>7,445,866</u>
Total Contributions	34,948,804	35,254,419	70,203,223
Net Investment Income			
Net Appreciation in Fair Value of Investments	57,819,686	7,408	57,827,094
Interest	305,675	117,389	423,064
Dividends	<u>3,675,697</u>	<u>-</u>	<u>3,675,697</u>
Total Investment Income	61,801,058	124,797	61,925,855
Less: Investment Expense	<u>1,005,772</u>	<u>-</u>	<u>1,005,772</u>
Net Investment Income	<u>60,795,286</u>	<u>124,797</u>	<u>60,920,083</u>
TOTAL ADDITIONS	95,744,090	35,379,216	131,123,306
DEDUCTIONS			
Monthly Benefits Paid	16,995,671	33,338,975	50,334,646
Lump Sum Distributions	11,238,504	-	11,238,504
Administrative Expense	<u>671,728</u>	<u>40,533</u>	<u>712,261</u>
TOTAL DEDUCTIONS	28,905,903	33,379,508	62,285,411
CHANGE IN NET POSITION	<u>\$ 66,838,187</u>	<u>\$ 1,999,708</u>	<u>\$ 68,837,895</u>
Total Net Position, January 1	\$ 356,597,744	\$ 10,825,182	\$ 367,422,926
Total Net Position, December 31	\$ 423,435,931	\$ 12,824,890	\$ 436,260,821



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 Change 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 in the Form of Sales Tax by County
- Local Transit Sales Tax Rates by County
- Principal Contributors of Sales Tax by County
- 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.

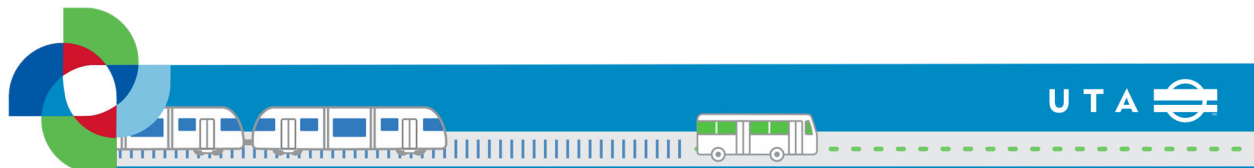
- Demographic and Economic Statistics
- Principal Employers

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 and Capital Assets 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.



UTAH TRANSIT AUTHORITY
 STATISTICAL SECTION – FINANCIAL TRENDS
 Year Ended December 31, 2025

NET POSITION AS OF DECEMBER 31 – 10 YEARS

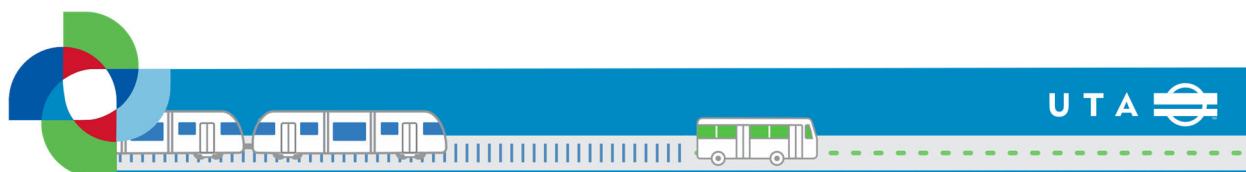
	2025	2024	2023 ²	2022	2021 ¹
Net Position as of December 31					
Capital investment in capital assets	\$ 859,063,896	\$ 775,525,771	\$ 718,712,321	\$ 666,552,866	\$ 667,968,269
Restricted	90,703,813	99,156,029	59,680,867	44,161,873	27,015,061
Unrestricted	391,955,746	297,484,933	448,770,685	505,087,728	331,437,253
Total net position	1,341,723,455	1,172,166,733	1,227,163,873	1,215,802,467	1,026,420,583
Restatement	-	-	(1,226,124)	-	302,822
Total restated net position	\$ 1,341,723,455	\$ 1,172,166,733	\$ 1,225,937,749	\$ 1,215,802,467	\$ 1,026,723,405
	2020	2019	2018	2017	2016
Net Position as of December 31					
Capital investment in capital assets	\$ 648,605,411	\$ 692,675,681	\$ 827,646,243	\$ 894,275,843	\$ 924,260,135
Restricted	40,516,406	66,948,773	66,559,450	60,399,717	67,381,132
Unrestricted	228,081,924	113,143,840	85,088,927	39,001,859	71,502,447
Total net position	917,203,741	872,768,294	979,294,620	993,677,419	1,063,143,714
Restatement	-	-	-	-	-
Total restated net position	\$ 917,203,741	\$ 872,768,294	\$ 979,294,620	\$ 993,677,419	\$ 1,063,143,714

CHANGE IN NET POSITION – 10 YEARS

	2025	2024	2023	2022	2021
Operating revenues	\$ 40,296,460	\$ 41,347,838	\$ 37,959,224	\$ 35,713,144	\$ 30,386,187
Operating expenses	633,848,649	615,987,467	579,128,611	569,651,499	472,933,325
Operating loss	(593,552,189)	(574,639,629)	(541,169,387)	(533,938,355)	(442,547,138)
Non-operating revenues	578,881,278	480,956,962	481,237,344	641,374,613	483,530,389
Income (loss) before capital contributions	(14,670,911)	(93,682,667)	(59,932,043)	107,436,258	40,983,251
Capital contributions	184,227,633	39,911,651	71,293,449	81,642,804	68,233,591
Change in net position	\$ 169,556,722	\$ (53,771,016)	\$ 11,361,406	\$ 189,079,062	\$ 109,216,842
	2020	2019	2018	2017	2016
Operating revenues	\$ 34,880,272	\$ 55,111,554	\$ 54,464,392	\$ 54,525,870	\$ 52,891,021
Operating expenses	459,473,189	457,897,920	401,161,541	427,777,940	422,543,342
Operating loss	(424,592,917)	(402,786,366)	(346,697,149)	(373,252,070)	(369,652,321)
Non-operating revenues	444,739,466	261,451,197	268,435,411	246,722,487	226,957,532
Income (loss) before capital contributions	20,146,549	(141,335,169)	(78,261,738)	(126,529,583)	(142,694,789)
Capital contributions	24,288,898	34,808,843	63,878,939	57,063,288	20,164,612
Change in net position	\$ 44,435,447	\$ (106,526,326)	\$ (14,382,799)	\$ (69,466,295)	\$ (122,530,177)

*Source: Utah Transit Authority 2025 Annual Comprehensive Financial Report

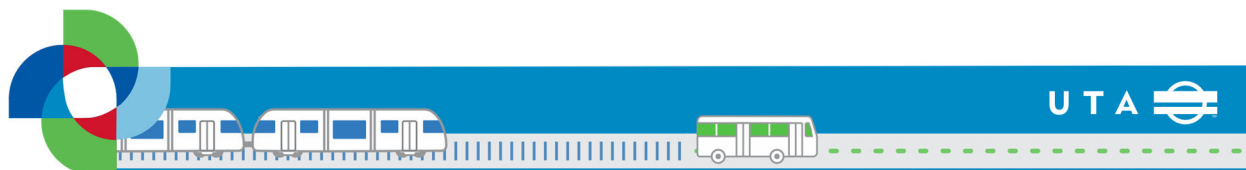
1. 2021 Net position restated due to GASB 87 Implementation in 2022.
2. 2023 Net position restated due to GASB 101 Implementation in 2024.



UTAH TRANSIT AUTHORITY
 STATISTICAL SECTION – FINANCIAL TRENDS
 Year Ended December 31, 2025

REVENUE HISTORY BY SOURCE

	2025	2024	2023	2022	2021
Operating	\$ 40,296,460	\$ 41,347,838	\$ 37,959,223	\$ 35,713,144	\$ 30,386,187
Sales taxes	516,838,987	492,426,212	482,427,243	480,925,766	433,360,729
Investment	25,852,440	25,294,865	31,955,716	1,806,825	1,432,026
Reinvestment of proceeds from development agreements	-	-	-	19,368,007	-
Net gain on sale of capital assets	1,485,701	605,141	(5,116,287)	3,228,640	1,411,431
Build America Bond Subsidies	-	-	9,426,300	9,259,376	8,158,624
Other	15,780,802	25,672,217	12,777,577	11,692,301	9,822,657
	600,254,390	585,346,273	569,429,773	561,994,059	484,571,654
Federal grants					
Federal preventive maintenance grants	104,322,116	32,570,217	62,979,264	47,286,518	-
Federal operating grants	4,003,921	118,542	646,635	167,777,447	130,631,095
Federal capital grants	129,901,183	29,526,049	45,176,230	50,582,042	48,642,468
	238,227,220	62,214,808	108,802,129	265,646,007	179,273,563
Other capital contributions	54,326,450	10,385,602	26,117,219	31,060,762	19,591,123
	\$ 892,808,060	\$ 657,946,683	\$ 704,349,121	\$ 858,700,828	\$ 683,436,340
	2020	2019	2018	2017	2016
Operating	\$ 34,880,272	\$ 55,111,554	\$ 54,464,392	\$ 54,525,870	\$ 52,891,021
Sales taxes	361,590,707	317,797,604	282,933,591	265,770,775	245,008,417
Investment	3,525,448	6,821,490	6,525,872	2,873,787	1,732,939
Reinvestment of proceeds from development agreements	-	-	-	-	-
Net gain on sale of capital assets	927,566	-	-	-	-
Build America Bond Subsidies	8,893,288	-	-	-	-
Other	9,442,644	(45,372,222)	8,155,668	3,954,893	3,108,191
	419,259,925	334,358,426	352,079,523	327,125,325	302,740,568
Federal grants					
Federal preventive maintenance grants	-	-	61,820,668	62,313,994	59,772,235
Federal operating grants	160,258,318	69,746,231	-	-	3,562,534
Federal capital grants	20,898,309	16,395,068	31,585,004	53,960,024	17,054,298
	181,156,627	86,141,299	93,405,672	116,274,018	80,389,067
Other capital contributions	3,390,589	18,413,775	32,293,935	3,103,264	3,110,314
	\$ 603,807,141	\$ 438,913,500	\$ 477,779,130	\$ 446,502,607	\$ 386,239,949



UTAH TRANSIT AUTHORITY
 STATISTICAL SECTION – FINANCIAL TRENDS
 Year Ended December 31, 2025

EXPENSE HISTORY BY FUNCTION

	2025	2024	2023	2022	2021
Bus service	\$ 150,224,977	\$ 159,124,939	\$ 151,499,433	\$ 135,508,533	\$ 108,575,280
Rail service	112,449,029	120,182,858	123,526,228	121,262,026	94,943,238
Paratransit service	47,336,426	46,111,798	37,727,338	33,431,955	27,083,173
Other service	3,542,680	5,043,420	3,691,915	3,509,781	3,587,718
Operations support	62,866,899	65,780,906	64,509,732	62,562,572	50,621,841
Administration ¹	72,091,366	66,578,845	50,442,038	64,148,322	53,262,273
Capital maintenance projects	-	-	-	-	-
Depreciation and amortization	185,337,272	153,164,701	146,921,013	142,059,366	134,048,888
Impairment expense	-	-	-	6,358,030	-
Interest ²	89,402,689	95,730,232	113,859,104	99,970,267	101,286,173
Recoverable sales tax, interlocal ³	810,914	810,914	810,914	810,914	810,914
	<u>\$ 724,062,252</u>	<u>\$ 712,528,613</u>	<u>\$ 692,987,715</u>	<u>\$ 669,621,766</u>	<u>\$ 574,219,498</u>

	2020	2019	2018	2017	2016
Bus service	\$ 107,390,047	\$ 104,570,413	\$ 96,719,747	\$ 88,928,063	\$ 85,841,973
Rail service	96,041,283	77,972,467	75,157,087	72,895,607	84,165,069
Paratransit service	22,646,903	23,121,527	21,857,632	19,572,367	19,341,116
Other service	3,296,275	3,247,699	3,056,191	2,982,176	2,949,643
Operations support	46,463,776	47,056,444	45,557,749	41,932,571	37,831,682
Administration ¹	43,734,772	35,927,831	38,783,033	30,612,930	38,840,643
Capital maintenance projects	-	19,078,502	38,654,111	20,602,425	-
Depreciation and amortization	139,089,219	146,112,123	80,565,077	149,440,887	153,573,216
Impairment expense	-	-	-	-	-
Interest ²	99,898,505	87,541,906	91,000,388	88,190,962	85,415,870
Recoverable sales tax, interlocal ³	810,914	810,914	810,914	810,914	810,914
	<u>\$ 559,371,694</u>	<u>\$ 545,439,826</u>	<u>\$ 492,161,929</u>	<u>\$ 515,968,902</u>	<u>\$ 508,770,126</u>

¹ Includes major investment studies

² Reported as non-capitalized interest

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



UTAH TRANSIT AUTHORITY
 STATISTICAL SECTION – REVENUE CAPACITY
 Year Ended December 31, 2025

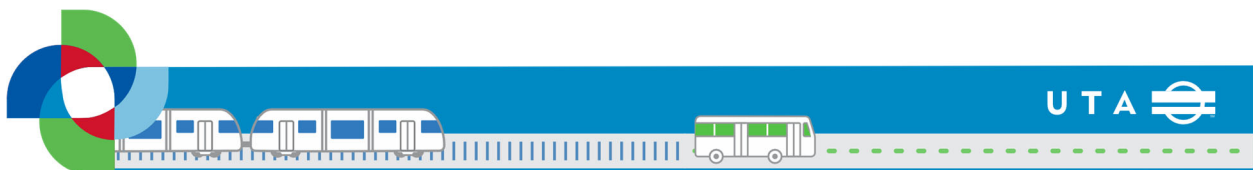
LOCAL CONTRIBUTIONS IN THE FORM OF SALES TAX BY COUNTY – 10 YEARS

	2025	2024	2023	2022	2021
Box Elder ¹	\$ 1,485,115	\$ 2,012,920	\$ 3,154,228	\$ 3,083,631	\$ 2,690,712
Davis	51,814,875	49,871,101	48,505,397	48,085,992	44,689,405
Salt Lake	309,628,821	296,350,313	291,603,977	291,511,290	260,485,953
Tooele ²	4,732,262	4,477,128	4,367,638	4,174,538	4,040,910
Utah	106,778,907	99,040,456	95,655,237	94,740,945	84,632,418
Weber	42,399,007	40,674,294	39,140,766	39,329,370	36,821,329
	<u>\$ 516,838,987</u>	<u>\$ 492,426,212</u>	<u>\$ 482,427,243</u>	<u>\$ 480,925,766</u>	<u>\$ 433,360,727</u>

	2020	2019	2018	2017	2016
Box Elder ¹	\$ 2,404,175	\$ 2,019,036	\$ 1,898,308	\$ 1,957,740	\$ 1,790,352
Davis	37,364,965	33,674,864	31,883,835	30,633,547	27,606,440
Salt Lake	217,849,215	196,744,294	174,704,191	163,407,564	153,201,907
Tooele ²	3,347,286	2,250,563	2,815,189	2,302,492	1,798,971
Utah	69,278,480	55,708,400	45,665,232	43,023,303	38,601,427
Weber	31,346,586	27,400,447	25,966,836	24,446,129	22,009,320
	<u>\$ 361,590,707</u>	<u>\$ 317,797,604</u>	<u>\$ 282,933,591</u>	<u>\$ 265,770,775</u>	<u>\$ 245,008,417</u>

¹ Includes Brigham City, Perry and Willard cities only

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



UTAH TRANSIT AUTHORITY
 STATISTICAL SECTION – REVENUE CAPACITY
 Year Ended December 31, 2025

LOCAL TRANSIT SALES TAX RATES BY COUNTY – 10 YEARS

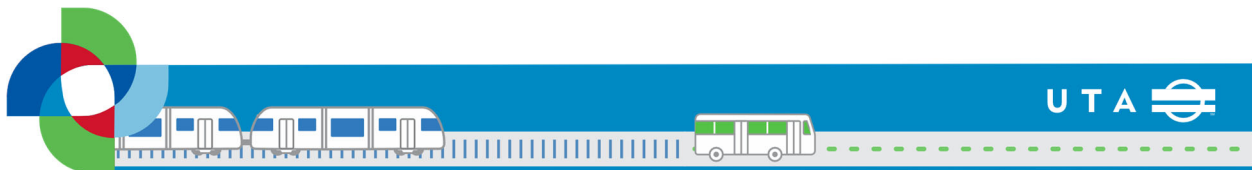
	2025	2024	2023	2022	2021
Box Elder	0.5500%	0.5500%	0.5500%	0.5500%	0.5500%
Davis	0.6500%	0.6500%	0.6500%	0.6500%	0.6500%
Salt Lake	0.7875%	0.7875%	0.7875%	0.7875%	0.8500%
Tooele	0.6500%	0.6500%	0.6500%	0.4000%	0.4000%
Utah	0.6260%	0.6260%	0.6260%	0.6260%	0.6260%
Weber	0.6500%	0.6500%	0.6500%	0.6500%	0.6500%

	2020	2019	2018	2017	2016
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	0.8500%	0.8500%	0.6875%	0.6875%	0.6875%
Tooele	0.4000%	0.4000%	0.4000%	0.4000%	0.4000%
Utah	0.6300%	0.6300%	0.5260%	0.5260%	0.5260%
Weber	0.6500%	0.6500%	0.6500%	0.6500%	0.6500%

Source: UTA Finance Department

PRINCIPAL CONTRIBUTORS OF SALES TAX BY COUNTY – 2024 AND 2015

	2025			2016		
	Rank	Percentage of contributions	Amount	Rank	Percentage of contributions	Amount
Salt Lake County	1	59.91%	\$309,628,821	1	62.53%	\$153,201,907
Utah County	2	20.66%	106,778,907	2	15.76%	38,601,427
Davis County	3	10.03%	51,814,875	3	11.27%	27,606,440
Weber County	4	8.20%	42,399,007	4	8.98%	22,009,320
Tooele County	5	0.92%	4,732,262	5	0.73%	1,798,971
Box Elder County	6	0.29%	1,485,115	6	0.73%	1,790,352
			\$ 516,838,987			\$ 245,008,417



UTAH TRANSIT AUTHORITY
 STATISTICAL SECTION – REVENUE CAPACITY
 Year Ended December 31, 2025

FARES - 10 YEARS

FARES - 10 YEARS

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
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	5.00	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	9.70	10.30	10.30	10.30	10.30	10.30
Express	5.00	5.00	5.00	5.00	5.00	5.50	5.50	5.50	5.50	5.50
Streetcar	2.50	2.50	2.50	2.50	2.50	1.00	1.00	1.00	1.00	1.00
Monthly Passes										
Adult	\$ 85.00	\$ 85.00	\$ 85.00	\$ 85.00	\$ 85.00	\$ 83.75	\$ 83.75	\$ 83.75	\$ 83.75	\$ 83.75
Minor	42.50	42.50	42.50	42.50	42.50	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
Senior Citizen/Disabled	42.50	42.50	42.50	42.50	42.50	41.75	41.75	41.75	41.75	41.75
Express	170.00	170.00	170.00	170.00	170.00	198.00	198.00	198.00	198.00	198.00
Other Fares										
Day Pass	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 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	49.00	99.00	99.00	99.00
Token - 10-Pack ¹	-	-	-	-	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



UTAH TRANSIT AUTHORITY
 STATISTICAL SECTION – DEBT CAPACITY
 Year Ended December 31, 2025

TOTAL OUTSTANDING DEBT BURDEN PER CAPITA

Fiscal Year	Total Debt				Leases and Subscriptions ¹	Sales Taxes Collected (less Proposition 1 and 4th quarter cent)	Personal Income of UTA Service Area	Percentage of Personal Income	Per Capita
	Bonds	Inter-Local	Financing Agreements						
2016	\$ 2,259,166,529	-	\$ 19,605,173.00	-	\$ 238,584,981	\$ 104,042,124,000	2.19%	\$ 943	
2017	2,300,193,307	65,000,000.00	46,394,866	-	256,742,750	110,124,169,000	2.19%	979	
2018	2,377,228,054	65,960,616	56,038,716	-	273,007,256	118,270,822,000	2.11%	999	
2019	2,329,663,958	67,050,616	52,187,203	-	288,548,490	125,338,146,000	1.95%	964	
2020	2,324,362,741	65,665,597	57,263,279	-	311,520,915	135,585,673,000	1.80%	939	
2021	2,273,743,099	57,670,000	81,486,033	-	262,251,079	149,994,848,000	1.61%	905	
2022	2,210,486,517	56,125,000	105,927,556	642,392	414,301,168	158,360,471,000	1.50%	880	
2023	2,114,974,785	54,530,000	123,290,344	11,426,871	415,168,658	173,991,581,000	1.32%	842	
2024	2,087,661,271	52,885,000	113,778,852	12,773,534	424,156,518	184,879,837,000	1.23%	833	
2025	2,099,253,058	51,185,000	100,535,480	15,282,101	444,520,735	-	-	-	

Source: Note 10
 2025 personal income numbers are not available at the preparation of this statement
¹ Leases and subscriptions added as a result of GASB 87 implementation in 2022 and GASB 96 implementation in 2023

YEARLY DEBT SERVICE COVERAGE

Fiscal Year	Bonds Payments		Sales Taxes Collected (less Proposition 1 and 4th quarter cent)	Coverage Ratio of Sales Taxes
	Principal	Interest		
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
2025	518,661,450	71,604,062	444,520,735	0.75

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



UTAH TRANSIT AUTHORITY
 STATISTICAL SECTION – DEMOGRAPHIC AND ECONOMIC INFORMATION
 Year Ended December 31, 2025

DEMOGRAPHIC AND ECONOMIC STATISTICS

Fiscal Year	Estimated Population	Personal Income in UTA Service Area	Per Capita Personal Income	Unemployment Rate
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	184,879,837,000	67,949	3.3%
2025	2,766,704	—	—	3.7%

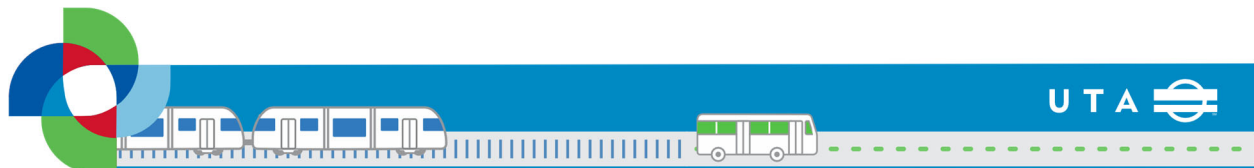
Source: US Dept of Commerce, Bureau of Economic Analysis, Regional Data (www.bea.gov)
 Unemployment rate- Utah Department of Workforce Services <https://jobs.utah.gov/wi/update/une/>

PRINCIPAL EMPLOYERS – 2024 AND 2015

Employer	Industry	2024			2015		
		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	1.1%
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	0.8%	15,000-19,999	4	1.1%
Hill Air Force Base	Federal Government	10,000-14,999	6	0.6%	10,000-14,999	6	0.7%
Davis County School District	Public Education	10,000-14,999	7	0.6%	7,000-9,999	7	0.5%
Utah State University	Higher Education	10,000-14,999	8	0.6%	7,000-9,999	9	0.5%
Northrop Grumman Corp	Aerospace Manufacturing	10,000-14,999	9	0.6%	—	—	—
Smith's Food and Drug Centers	Grocery Stores	7,000-9,999	10	0.4%	7,000-9,999	10	0.5%
Granite School District	Public Education	—	—	—	7,000-9,999	8	0.5%
	Totals	142,000-169,999+		8.0%	128,000-154,999+		9.1%
	Total Employment			1,774,702			1,409,952

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

Note: 2025 data was not available when this report was issued.

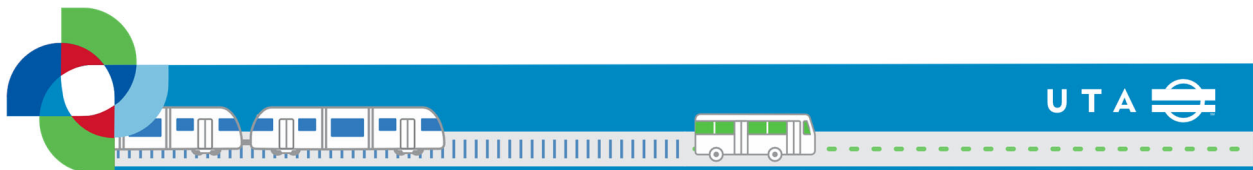


UTAH TRANSIT AUTHORITY
 STATISTICAL SECTION – OPERATING INFORMATION
 Year Ended December 31, 2025

FULL-TIME EQUIVALENT AUTHORITY EMPLOYEES – 10 YEARS

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Bus operations	1,271	1,233	1,180	1,073	1,069	1,104	1,138	1,089	1,030	1,028
Rail operations	648	648	641	600	594	625	631	611	580	563
Paratransit operations	203	203	196	193	190	200	203	196	191	192
Other services	17	16	11	10	10	10	10	8	9	9
Support services	502	489	508	452	453	417	433	413	365	366
Administration	334	304	259	227	190	187	184	180	243	212
Total	2,975	2,893	2,795	2,555	2,506	2,543	2,599	2,496	2,417	2,368

Source: UTA Budget Office
 Headcount Report 01/01/2026
 2025 Budget Book '24-'25



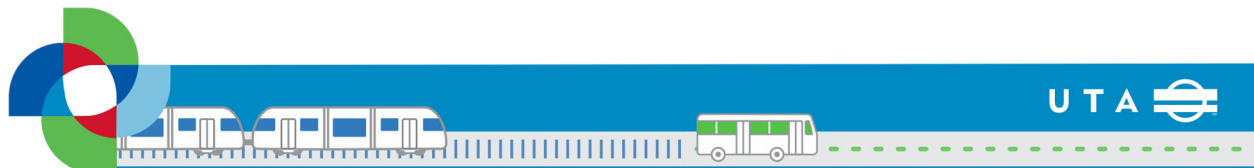
UTAH TRANSIT AUTHORITY
 STATISTICAL SECTION – OPERATING INFORMATION
 Year Ended December 31, 2025

TREND STATISTICS - 10 YEARS

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Passengers										
Bus service	20,684,934	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
Rail service	17,425,978	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
Paratransit service	225,118	223,788	212,688	201,822	301,505	187,112	388,265	394,816	386,977	389,019
Vanpool service	1,301,235	1,151,649	1,033,123	731,900	587,721	658,990	1,068,364	1,174,696	1,264,410	1,333,780
Total passengers	39,637,265	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
Revenue Miles										
Bus service	18,185,995	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
Rail service	10,615,991	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
Paratransit service	1,684,765	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
Vanpool service	8,135,439	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
Total Revenue Miles	38,622,190	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
Total Miles										
Bus service	20,657,475	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
Rail service	10,728,380	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
Paratransit service	2,028,858	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
Vanpool service	8,135,439	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
Total miles	41,550,152	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
Passengers per Mile										
Bus service	1.14	1.23	1.13	0.99	0.81	0.80	1.15	1.10	1.13	1.30
Rail service	1.64	1.66	1.46	2.47	0.96	1.01	1.86	1.90	1.96	1.97
Paratransit service	0.13	0.15	0.13	0.13	0.24	0.11	0.13	0.14	0.14	0.16
Vanpool service	0.16	0.15	0.14	0.12	0.10	0.12	0.17	0.18	0.20	0.20
Total passengers per mile	3.07	3.19	2.86	3.71	2.11	2.04	3.31	3.32	3.43	3.63
Revenue Hours										
Bus service	1,474,074	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
Rail service	482,370	515,372	593,970	493,398	511,973	480,016	532,353	527,187	513,389	511,082
Paratransit service	110,214	107,346	101,821	94,758	79,710	116,174	181,749	180,342	162,198	162,734
Total revenue hours	\$ 2,066,658	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
Passengers per Revenue Hour										
Bus service	14.03	14.84	13.85	12.48	10.27	10.64	15.68	15.28	15.69	18.43
Rail service	36.13	35.11	24.88	52.80	20.44	21.40	41.93	43.59	46.12	46.50
Paratransit service	2.04	2.08	2.09	2.13	3.78	1.61	2.14	2.19	2.39	2.39
Total passengers per revenue hour	52.20	52.03	40.82	67.41	34.49	33.65	59.75	61.06	64.20	67.32
Total System										
Fare revenue	\$ 38,129,478	\$ 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
Operating expense	\$ 448,511,376	\$ 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
Cost per revenue mile	11.61	9.59	11.02	11.82	10.40	9.66	7.90	8.19	6.66	7.36
Cost per passenger	11.32	8.91	11.38	13.19	14.46	13.60	6.99	7.26	5.72	5.91
Fare revenue per passenger	0.96	1.00	1.05	1.10	1.19	1.39	1.18	1.18	1.16	1.11

Source: NTD

Note: Does not include commuter bus or contract transportation.



UTAH TRANSIT AUTHORITY
 STATISTICAL SECTION – OPERATING INFORMATION
 Year Ended December 31, 2025

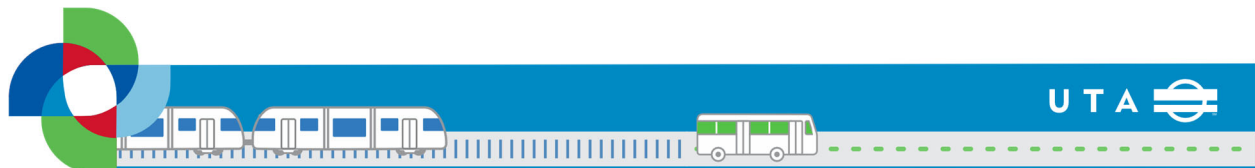
OPERATING INDICATORS AND CAPITAL ASSETS - 10 YEARS

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Number of bus routes *	88	80	120	83	95	104	117	114	119	125
Number of rail routes										
Light rail	4	4	4	4	4	4	4	4	4	4
Commuter rail	1	1	1	1	1	1	1	1	1	1
Bus service miles (weekday)	60,837	52,931	52,350	59,196	62,948	63,025	62,742	57,378	56,162	53,612
Rail service miles (weekday)										
Light rail	20,438	21,405	20,301	8,789	8,342	6,797	8,832	8,853	8,814	8,815
Commuter rail	13,755	13,727	13,399	4,504	3,727	3,628	4,660	4,664	4,623	4,627
Average passengers (weekday)	134,200	128,971	111,401	99,494	79,916	78,972	152,940	151,901	156,288	155,873
Buses	508	444	447	520	648	539	570	561	582	567
Paratransit vehicles (buses/vans)	177	80	80	187	188	207	198	182	148	129
Rail vehicles										
Light rail	117	114	114	114	117	117	117	146	146	146
Commuter rail	60	56	56	87	81	81	70	81	81	81
Vanpool vehicles	542	535	519	491	461	471	512	453	453	503
Park and ride lots ¹	—	—	—	—	—	—	—	—	—	46
Rail park and ride	43	41	41	41	42	42	42	42	42	—
Non-Rail park and ride	25	25	25	25	12	12	12	12	12	—
Bus stops	5,792	5,530	5,071	5,369	5,199	6,120	6,247	6,100	6,100	6,196
Rail stations										
Light rail	58	60	57	57	57	57	57	57	57	57
Commuter rail	17	17	17	17	17	17	17	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 (2024) aggregated by region.

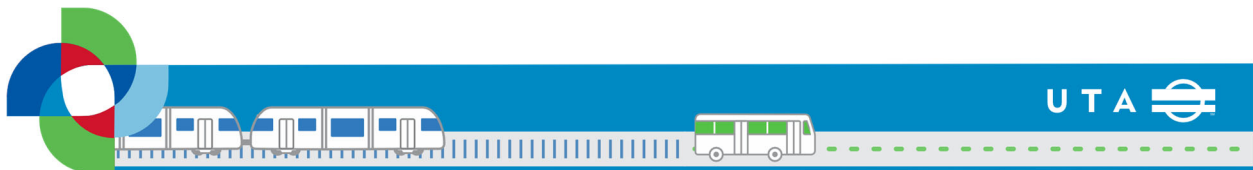
Transportation needs are as unique as the landscapes they inhabit. These needs are often met by a collection of agencies specializing in different modes of transit over one region. Comparisons at the agency level, therefore, often produce results that are difficult to interpret. However, much of this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

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

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

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

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



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

	Ridership	Op Budget	VR Hours	VR Miles	Farebox Return
Cleveland	25 mm	\$306 mm	1.6 mm	22 mm	11%
Dallas	55 mm	\$766 mm	3.4 mm	50 mm	5%
Denver	64 mm	\$893 mm	3.5 mm	48 mm	7%
Phoenix	44 mm	\$490 mm	3.5 mm	49 mm	6%
Pittsburgh	38 mm	\$506 mm	2.1 mm	27 mm	13%
Portland	69 mm	\$754 mm	3.0 mm	35 mm	8%
Salt Lake City	41 mm	\$464 mm	2.4 mm	41 mm	8%
San Diego	77 mm	\$387 mm	2.9 mm	45 mm	21%
San Jose	28 mm	\$486 mm	1.8 mm	22 mm	6%
Seattle	133 mm	\$1,618 mm	5.6 mm	73 mm	10%

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



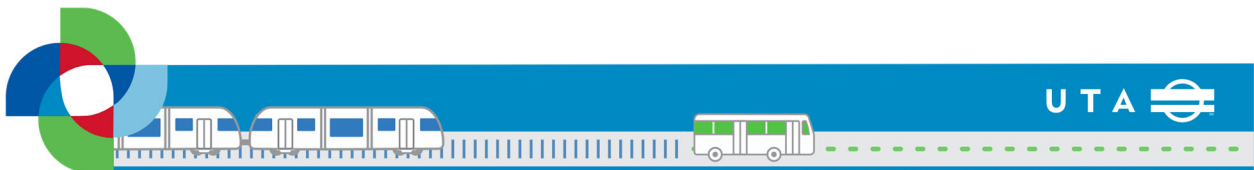
Performance Measures

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 (2024), 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 (2024), and compares the Authority's performance with other similar cities.

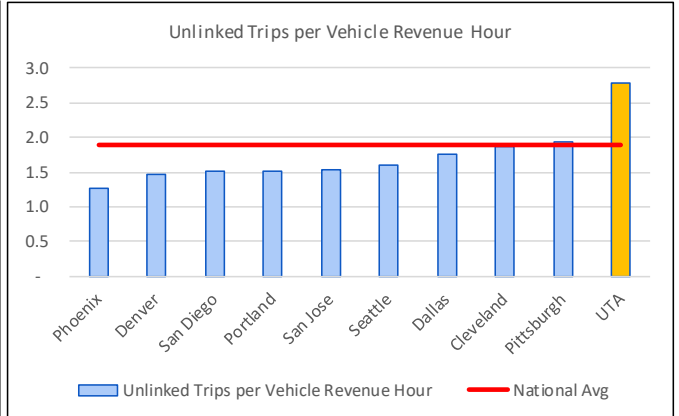
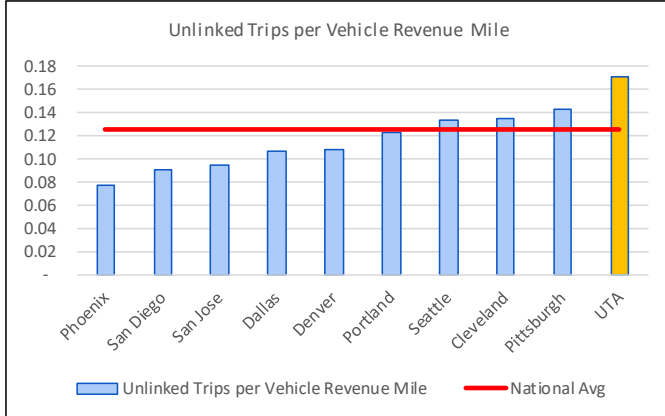
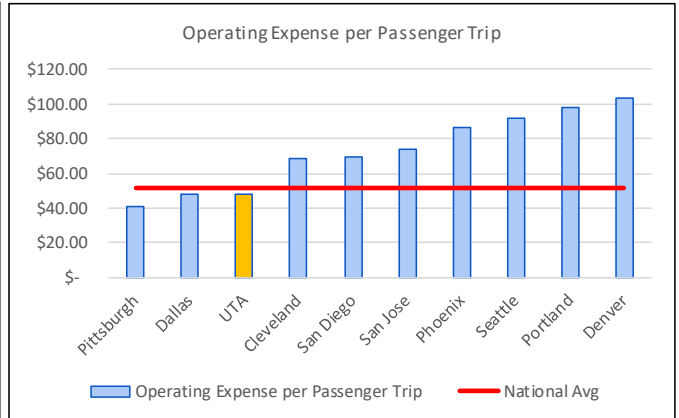
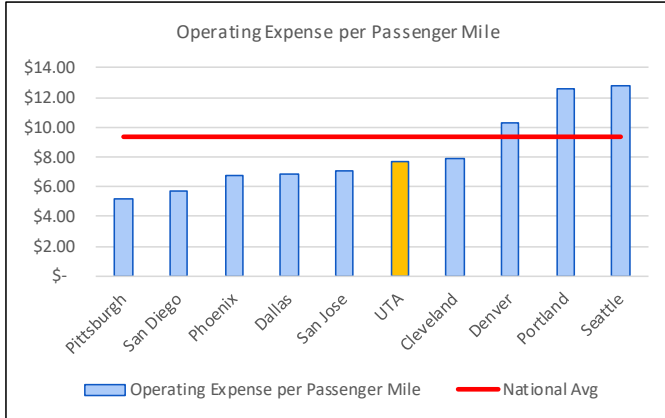
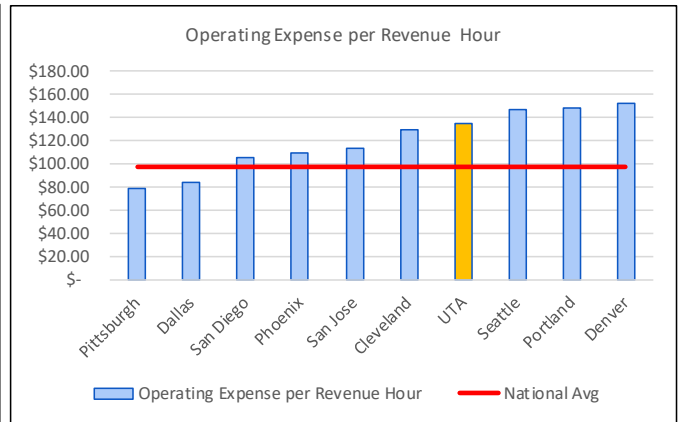
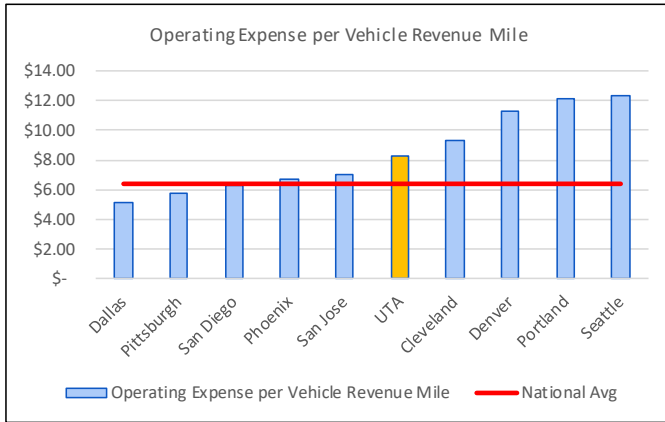


State	Agency
Dallas	TX DART
Denver	CO RTD
Seattle	WA ST

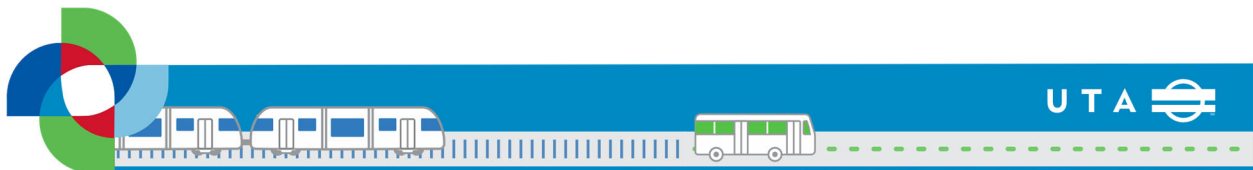


DEMAND RESPONSE SERVICE (DIRECTLY OPERATED & PURCHASED)

The following charts contain information from the Federal Transit Administration's National Database (NTD) for the most recent year available (2024), and compares the Authority's performance with other similar cities.

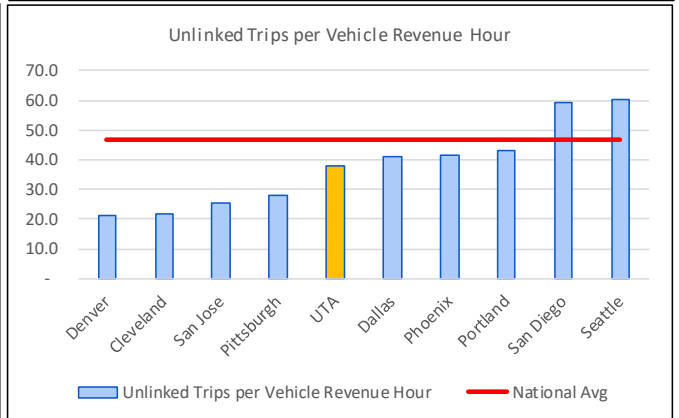
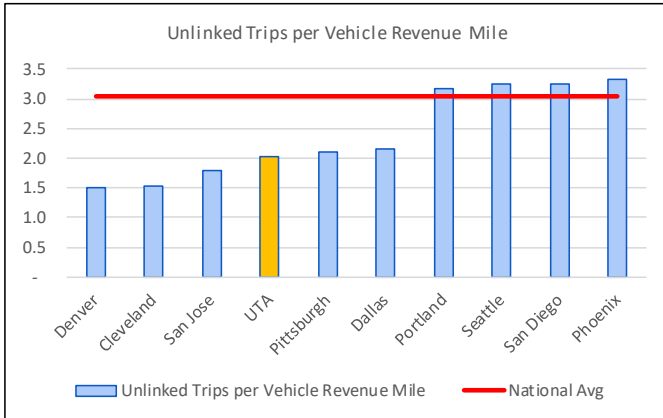
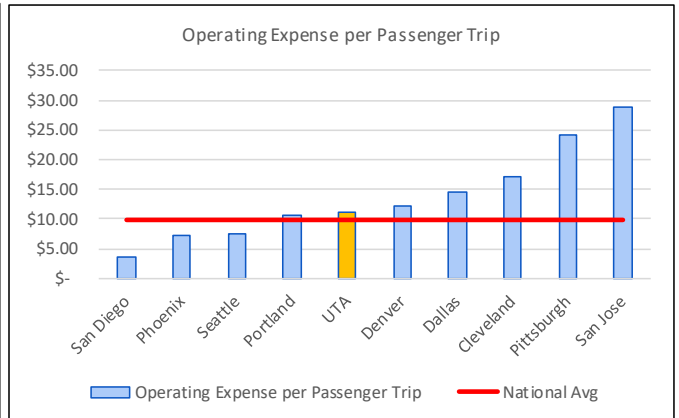
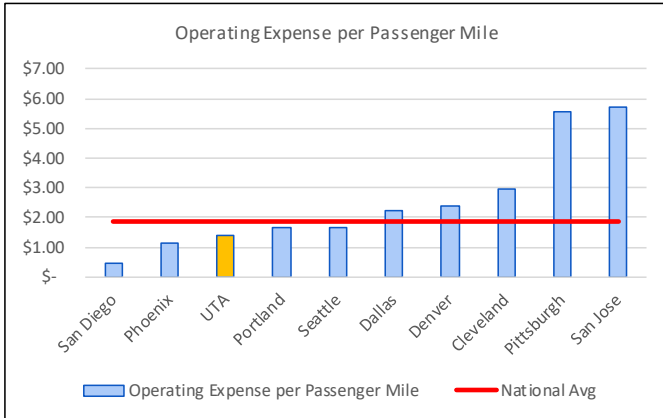
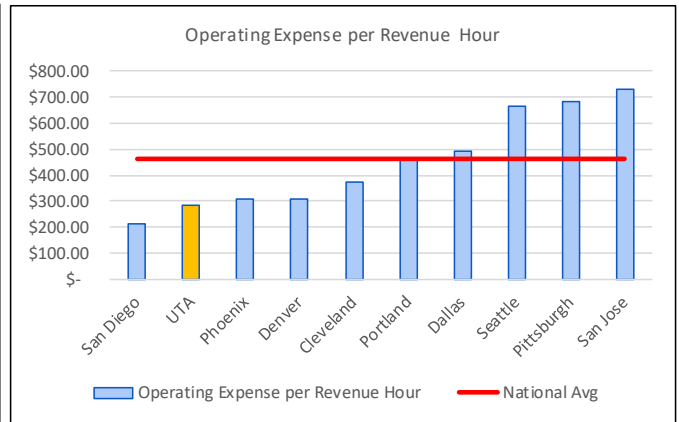
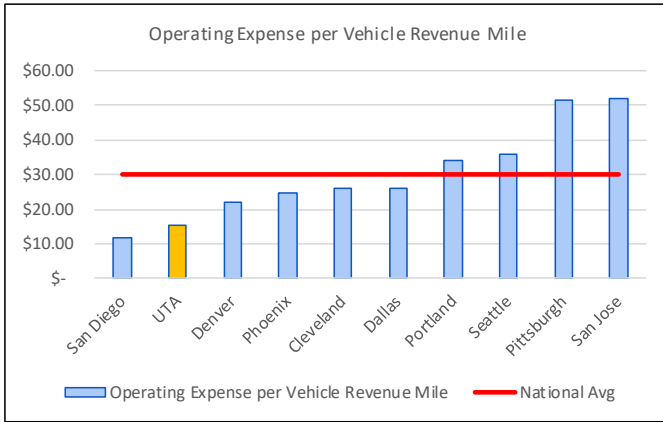


City	State	Agency	City	State	Agency
Cleveland	OH	GCRTA	Portland	OR	RC SMS
Dallas	TX	DART	San Diego	CA	MTS
Denver	CO	RTD	San Jose	CA	VTA
Phoenix	AZ	VM	Seattle	WA	KCM
Pittsburgh	PA	ACTA			



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 (2024), 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 (2024), and compares the Authority's performance with other similar cities.

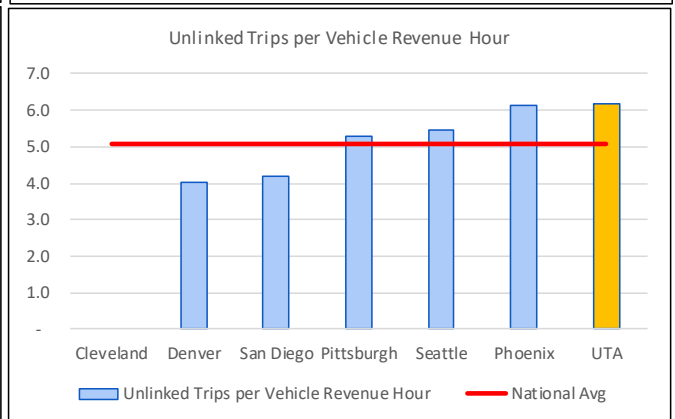
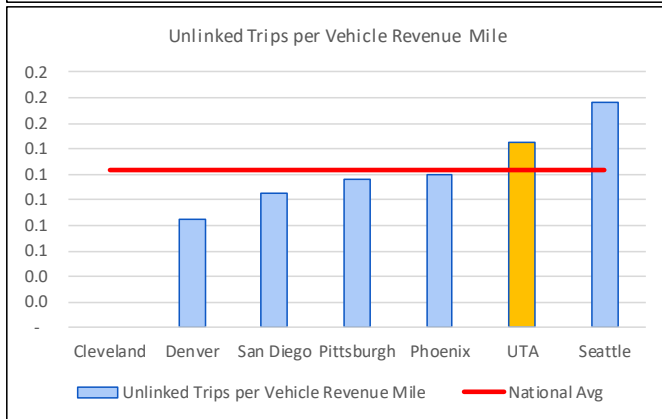
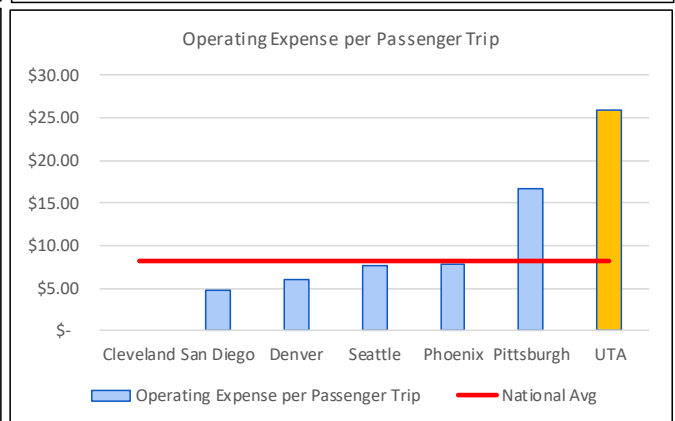
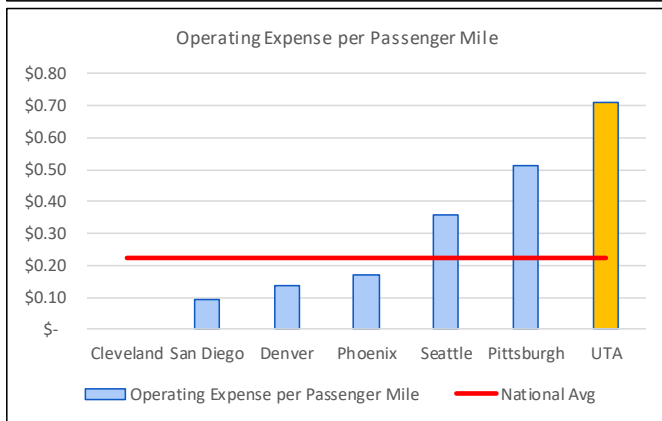
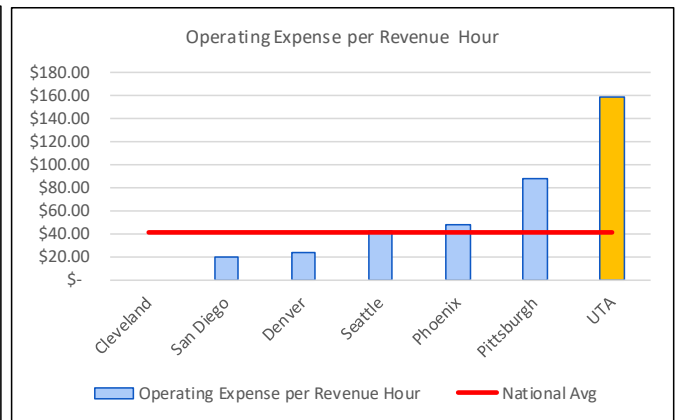
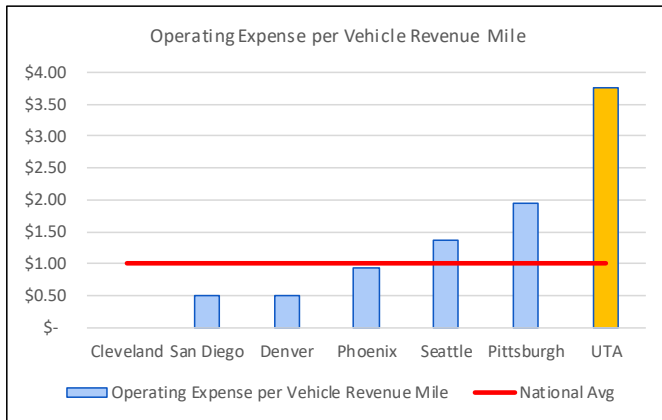


City	State	Agency	City	State	Agency
Cleveland	OH	GCRTA	Portland	OR	TriMet
Dallas	TX	DART	San Diego	CA	MTS
Denver	CO	RTD	San Jose	CA	VTA
Phoenix	AZ	VM	Seattle	WA	KCM
Pittsburgh	PA	PRT			



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 (2024), and compares the Authority's performance with other similar cities.



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

City	State	Agency
Seattle	WA	KCM



Compliance



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

Board of Trustees
Utah Transit Authority
Salt Lake City, Utah

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the fiduciary activities of Utah Transit Authority (the Authority), a component unit of the State of Utah, as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated June 9, 2026.

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a certain deficiency in internal control, described as finding 2025-001 in the accompanying schedule of findings and questioned costs, that we consider to be a material weakness.

(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

Indianapolis, Indiana
June 9, 2026

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

Board of Trustees
Utah Transit Authority
Salt Lake City, Utah

Report on Compliance for Major Federal Program

Opinion on Major Federal Program

We have audited Utah Transit Authority's (the Authority), a component unit of the State of Utah, compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on the Authority's major federal program for the year ended December 31, 2025. The Authority's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2025.

Basis for Opinion on 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.

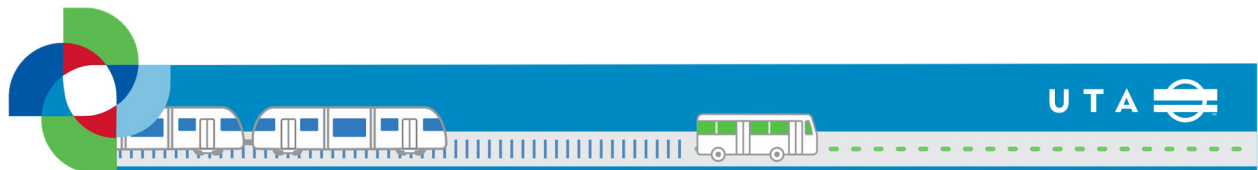
A handwritten signature in black ink that reads "Crowe LLP". The letters are cursive and fluid.

Crowe LLP

Indianapolis, Indiana
June 9, 2026

UTAH TRANSIT AUTHORITY
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 Year Ended December 31, 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		\$ -	\$ 3,247,625
Federal Transit - Capital Investment Grants	20.500	UT-2023-008-00		-	(4,692)
Federal Transit - Capital Investment Grants	20.500	UT-2023-030-00		-	166,621
Federal Transit - Capital Investment Grants	20.500	UT-2023-038-00		-	418,656
Federal Transit - Capital Investment Grants	20.500	UT-2025-006-00		-	43,582,451
				<u>-</u>	<u>47,410,661</u>
Federal Transit Formula Grants	20.507	UT-2023-007-00		-	1,959,897
Federal Transit Formula Grants	20.507	UT-2024-017-00		-	617,098
Federal Transit Formula Grants	20.507	UT-2025-010-00		-	725,001
Federal Transit Formula Grants	20.507	UT-2025-011-00		-	750,000
Federal Transit Formula Grants	20.507	UT-2025-013-00		-	59,877
Federal Transit Formula Grants	20.507	UT-2025-018-00		-	2,000,000
Federal Transit Formula Grants	20.507	UT-2025-019-00		-	214,296
Federal Transit Formula Grants	20.507	UT-2025-020-01		-	3,189,862
Federal Transit Formula Grants	20.507	UT-2025-022-00		-	1,147,382
Federal Transit Formula Grants	20.507	UT-2025-023-00		-	2,871,450
Federal Transit Formula Grants	20.507	UT-2025-030-01		-	316,982
Federal Transit Formula Grants	20.507	UT-2025-031-00		-	52,755,535
Federal Transit Formula Grants	20.507	UT-2025-034-00		-	960,365
Federal Transit Formula Grants	20.507	UT-2025-035-00		-	670,271
Federal Transit Formula Grants	20.507	UT-2025-001-00		-	618,238
Federal Transit Formula Grants	20.507	UT-2026-002-00		-	599,405
				<u>-</u>	<u>69,455,659</u>
State of Good Repair	20.525	UT-2024-006-00		-	37,443,036
State of Good Repair	20.525	UT-2025-002-00		-	31,512,242
State of Good Repair	20.525	UT-2025-033-00		-	31,464,052
				<u>-</u>	<u>100,419,330</u>
Bus and Bus Facilities Formula Program	20.526	UT-2024-007-00		-	6,324
Bus and Bus Facilities Formula Program	20.526	UT-2025-032-00		-	16,268,596
				<u>-</u>	<u>16,274,920</u>
				<u>-</u>	<u>233,560,570</u>
Transit Services Programs Cluster - Federal Transit Administration Programs					
Enhanced Mobility for Seniors and Individuals with Disabilities	20.513	UT-2021-011-00		7,767	7,767
Enhanced Mobility for Seniors and Individuals with Disabilities	20.513	UT-2023-013-00		37,087	37,087
Enhanced Mobility for Seniors and Individuals with Disabilities	20.513	UT-2023-014-00		102,948	102,948
Enhanced Mobility for Seniors and Individuals with Disabilities	20.513	UT-2023-023-00		68,284	68,284
Enhanced Mobility for Seniors and Individuals with Disabilities	20.513	UT-2023-024-00		150,420	192,539
Enhanced Mobility for Seniors and Individuals with Disabilities	20.513	UT-2023-026-00		207,111	238,142
Enhanced Mobility for Seniors and Individuals with Disabilities	20.513	UT-2023-027-00		(3,034)	96,190
Enhanced Mobility for Seniors and Individuals with Disabilities	20.513	UT-2024-018-00		420,172	482,727
Enhanced Mobility for Seniors and Individuals with Disabilities	20.513	UT-2024-019-00		331,368	352,766
Enhanced Mobility for Seniors and Individuals with Disabilities	20.513	UT-2025-001-00		969,941	969,941
Enhanced Mobility for Seniors and Individuals with Disabilities	20.513	UT-2025-003-00		937,109	937,109
Enhanced Mobility for Seniors and Individuals with Disabilities	20.513	UT-2025-004-00		408,562	408,562
Enhanced Mobility for Seniors and Individuals with Disabilities	20.513	UT-2025-005-00		402,571	402,571
				<u>4,040,306</u>	<u>4,296,633</u>
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	20.505	UT-2023-009-00		-	101,473
National Infrastructure Investments	20.933	UT-2023-031-00		-	29,731
Public Transportation Research, Technical Assistance, and Training	20.514	UT-2021-020-00		-	358
Public Transportation Innovation - Federal Transit Administration Programs					
Public Transportation Innovation	20.530	UT-2021-004-00		-	48,990
Public Transportation Innovation	20.530	UT-2022-014-00		-	14,741
				<u>-</u>	<u>63,731</u>
				<u>4,040,306</u>	<u>238,052,496</u>
TOTAL U.S. DEPARTMENT OF TRANSPORTATION					
				<u>4,040,306</u>	<u>238,052,496</u>
TOTAL FEDERAL AWARDS EXPENDED					
				<u>\$ 4,040,306</u>	<u>\$ 238,052,496</u>



UTAH TRANSIT AUTHORITY
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 Year Ended December 31, 2025

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

Federal Preventative Maintenance grants	\$ 108,326,037
Capital Contributions: Federal grants	129,901,183
Total per Statement of Revenues, Expenses and Change in Net Position (2025)	<u>238,227,220</u>
Total per Schedule of Expenditures of Federal Awards for the year ending December 31, 2025	<u>238,052,496</u>
Difference	<u>\$ 174,724</u>

Previous Over/(Under)stated Revenues reflected in 2025 Statement of Revenues, Expenses and Change in Net Position

Federal Transit Cluster	ALN	Grant #	<u>Amount</u>
Federal Transit - Capital Investment Grants	20.500	UT-2023-008-00	\$ 31,956
Federal Transit - Capital Investment Grants	20.500	UT-2023-038-00	<u>(32,316)</u>
			(360)
Federal Transit Formula Grants	20.507	UT-2023-025-00	(1)
Federal Transit Formula Grants	20.507	UT-2024-017-00	39,293
Federal Transit Formula Grants	20.507	UT-2025-010-00	(1)
Federal Transit Formula Grants	20.507	UT-2025-019-00	(17,174)
Federal Transit Formula Grants	20.507	UT-2025-023-00	2
Federal Transit Formula Grants	20.507	UT-2025-031-00	1
Federal Transit Formula Grants	20.507	UT-2025-034-00	<u>1</u>
			<u>22,121</u>
State of Good Repair	20.525	UT-2024-006-00	<u>(1)</u>
			<u>(1)</u>
Bus and Bus Facilities Formula Program	20.526	UT-2018-010-00	(2)
Bus and Bus Facilities Formula Program	20.526	UT-2024-007-00	(22,473)
Bus and Bus Facilities Formula Program	20.526	UT-2025-032-00	<u>(1)</u>
			<u>(22,476)</u>
Transit Services Program Cluster	ALN	Grant #	
Enhanced Mobility for Seniors and Individuals with Disabilities	20.513	UT-2021-009-01	572
Enhanced Mobility for Seniors and Individuals with Disabilities	20.513	UT-2021-011-00	(27,520)
Enhanced Mobility for Seniors and Individuals with Disabilities	20.513	UT-2023-013-00	(1)
Enhanced Mobility for Seniors and Individuals with Disabilities	20.513	UT-2023-024-00	(1)
Enhanced Mobility for Seniors and Individuals with Disabilities	20.513	UT-2023-026-00	(76,635)
Enhanced Mobility for Seniors and Individuals with Disabilities	20.513	UT-2023-027-00	2,688
Enhanced Mobility for Seniors and Individuals with Disabilities	20.513	UT-2024-018-00	(76,633)
Enhanced Mobility for Seniors and Individuals with Disabilities	20.513	UT-2024-019-00	<u>17,174</u>
			<u>(160,356)</u>
	ALN	Grant #	
Public Transportation Innovation	20.514	UT-2021-020-00	(13,155)
Public Transportation Innovation	20.530	UT-2022-014-00	231
Areas of Persistent Poverty Planning Study	20.505	UT-2023-009-00	<u>(728)</u>
			<u>(13,652)</u>
Total Adjustment			<u>\$ (174,724)</u>



UTAH TRANSIT AUTHORITY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 2025

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, 2025.

D. Indirect Cost Rate

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



UTAH TRANSIT AUTHORITY
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 Year Ended December 31, 2025

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

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

Unmodified

Internal control over financial reporting:

Material weakness(es) identified? Yes No

Significant deficiency(ies) identified? Yes None reported

Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major federal programs:

Material weakness(es) identified? Yes No

Significant deficiencies identified not considered to be material weaknesses? Yes None reported

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

Unmodified

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

Yes No

Identification of major federal programs:

Assistance Listing Number(s).
 20.500, 20.507, 20.525, 20.526

Program/Cluster Title
 Federal Transit Cluster

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

\$ 3,000,000

Auditee qualified as low-risk auditee?

Yes No



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

Finding 2025-001 – Accounting for Capital Assets and Subscription Assets (Material Weakness)

Criteria: 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.

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

1. Capital project expenses are not being capitalized timely.
 - a. There was an ongoing project related to traction power renovations with costs incurred during the year that remained in expense and were allocated to modes as of December 31, 2025. The costs were subsequently determined to be capitalizable and added to Construction in Progress in 2025.
 - b. Additionally, there was a separate ongoing project related to a bus rapid transit line for which duplicate costs were added to Construction in Progress in both 2024 and 2025. The costs were incurred in 2024, then reclassified to a different expense account in 2025 to reflect a change in funding source and subsequently re-added to Construction in Progress. The duplicate costs were removed from Construction in Progress in 2025.
 - c. There was one project included in Construction in Progress (CIP) as of December 31, 2025 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 and delays in grant closeouts. Because the project had not yet been transferred to the appropriate capital asset account, the assets have also not yet begun depreciating.
2. Depreciation expense is not being calculated correctly. During 2025, the Authority completed renovations to traction power substations and capitalized the renovation costs to the Infrastructure capital asset account. The assets were added to the capital asset module with a start date of 2003 to match the start date of the original substation asset and a useful life of 15 years, therefore the assets were depreciated in full during 2025.
3. Management does not maintain a comprehensive, centralized listing of all active subscription agreements, which resulted in several errors to the calculation of the right to use subscription asset and liability.
 - a. The Authority recorded several additions to subscription assets and liabilities during 2025 for agreements that were entered into prior to 2025.
 - b. All subscription assets that were added in 2024 were not properly amortized during fiscal year 2025, resulting in an overstatement of the net subscription asset balances.
 - c. Management has not removed fully amortized subscriptions that have reached the end of their term from the books, causing the right to use subscription asset and accumulated amortization balances to be grossed up.



UTAH TRANSIT AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2025

Effect:

1. 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 posted that increased Construction in Progress by \$14.4 million and decreased operating expenses by the same amount. A third audit adjustment was waived that resulted in Construction in Progress being overstated by \$6.6 million and depreciable capital assets being understated by the same amount.
2. Depreciation expense is not being calculated correctly on new capital asset additions. An audit adjustment was waived that resulted in accumulated depreciation and depreciation expense being overstated by \$20.9 million.
3. Information technology arrangements are not being properly tracked. All errors identified were determined to be immaterial individually and in the aggregate, therefore no audit adjustments were proposed.

Cause:

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 enter the start date and useful life of capital asset additions into the capital asset module, therefore depreciation was not calculated correctly.
3. Management did not maintain a comprehensive, centralized listing of all active subscription agreements and did not properly evaluate new subscription agreements entered into during the year.

Identification as a Repeat Finding: Yes – see Finding 2024-001

Recommendations:

1. We recommend that the Authority implement policies and procedures to evaluate capital project expenses timely and review the set-up of new capital assets within the capital asset module.
2. 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.
3. We recommend that the Authority implement policies and procedures to identify and track all information technology arrangements and evaluate their applicability under the provisions of GASB Statement No. 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.



UTAH TRANSIT AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2025

Management's Response: Management concurs with the finding and is implementing corrective actions to strengthen controls over capital asset accounting, project closeout, and subscription-based IT arrangements.

For capital asset accounting, management has adopted policies requiring timely capitalization of costs, including the use of new or "child" assets where appropriate for expenditures that extend asset life. Standard operating procedures are being updated to ensure accurate asset setup, timely transfer of projects from construction in progress, and proper depreciation. Coordination between accounting and asset management functions has been enhanced, and a Contracts Management Office, anticipated in 2026, will further improve oversight and data quality.

To address project closeout and CIP management, management has established regular coordination between project managers and accounting, implemented processes to improve the timeliness of asset recognition (including mass uploads), and required contractors to provide asset-level detail throughout project lifecycles. These procedures are being formalized and incorporated into year-end closing processes.

For subscription-based IT arrangements, management will complete implementation of a centralized tracking system and ensure all arrangements are identified, evaluated, and recorded in accordance with GASB 96. Procedures are being established to support accurate recognition, amortization, and ongoing monitoring.

Management believes these actions will significantly improve the timeliness, accuracy, and completeness of capital asset and related financial reporting and will remediate the identified deficiencies.

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.



UTAH TRANSIT AUTHORITY
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
Year Ended December 31, 2025

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

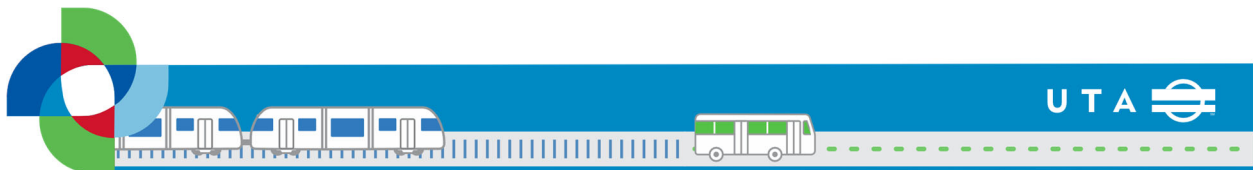
Condition/Context: The following conditions were identified in our testing of capital assets:

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.

Status: Not Resolved – see Finding 2025-001



Other Supplementary Schedules



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

Board of Trustees
Utah Transit Authority
Salt Lake City, Utah

Report On Compliance

Opinion on State Compliance

We have audited the Utah Transit Authority's (the Authority), a component unit of the State of Utah, compliance with the applicable state compliance requirements described in the *State Compliance Audit Guide*, issued by the Office of the State Auditor, for the year ended December 31, 2025.

State compliance requirements were tested for the year ended December 31, 2025 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, 2025.

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.

(Continued)

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.

A handwritten signature in black ink that reads "Crowe LLP". The letters are cursive and fluid.

Crowe LLP

Indianapolis, Indiana
June 9, 2026

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

In planning and performing our audit of the financial statements of the Utah Transit Authority (“Authority”) as of and for the year ended December 31, 2025, in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, we considered the Authority’s internal control over financial reporting (“internal control”) as a basis for designing our auditing procedures for the purpose of expressing our opinion 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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified certain matters that we are required to or wish to communicate to you. Matters communicated in this letter are classified as follows:

- **Material Weakness** – A material weakness is a deficiency, or 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.
- **Significant Deficiency** – A significant deficiency is a deficiency, or 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.
- **Deficiency** – A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis.

Accounting for Capital Assets and Subscription Assets (recurring)	Material Weakness
Control Deficiency:	<p>The following conditions were identified in the Authority’s accounting for capital assets and subscription-based information technology arrangements:</p> <ol style="list-style-type: none"> 1. Capital project expenses are not being capitalized timely. <ol style="list-style-type: none"> a. There was an ongoing project related to traction power renovations with costs incurred during the year that remained in expense and were allocated to modes as of December 31, 2025. The costs were subsequently determined to be capitalizable and added to Construction in Progress in 2025. b. Additionally, there was a separate ongoing project related to a bus rapid transit line for which duplicate costs were added to Construction in Progress in both 2024 and 2025. The costs were incurred in 2024, then reclassified to a different expense account in 2025 to reflect a change in funding source and subsequently re-added to Construction in Progress. The duplicate costs were removed from Construction in Progress in 2025. c. There was one project included in Construction in Progress (CIP) as of December 31, 2025 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 and delays in grant closeouts. Because the project had not yet been transferred to the appropriate capital asset account, the assets have also not yet begun depreciating. 2. Depreciation expense is not being calculated correctly. During 2025, the Authority completed renovations to traction power substations and capitalized the renovation costs to the Infrastructure capital asset account. The assets were added to the capital asset module with a start date of 2003 to match the start date of the original substation asset and a useful life of 15 years, therefore the assets were depreciated in full during 2025. 3. Management does not maintain a comprehensive, centralized listing of all active subscription agreements, which resulted in several errors to the calculation of the right to use subscription asset and liability. <ol style="list-style-type: none"> a. The Authority recorded several additions to subscription assets and liabilities during 2025 for agreements that were entered into prior to 2025. b. All subscription assets that were added in 2024 were not properly amortized during fiscal year 2025, resulting in an overstatement of the net subscription asset balances. c. Management has not removed fully amortized subscriptions that have reached the end of their term from the books.
Potential Effect:	<p>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 posted that increased Construction in Progress by \$14.4 million and decreased operating expenses by the same amount. A third audit adjustment was waived that resulted in Construction in Progress being overstated by \$6.6 million and depreciable capital assets being understated by the same amount.</p> <p>Depreciation expense is not being calculated correctly on new capital asset additions. An audit adjustment was waived that resulted in accumulated depreciation and depreciation expense being overstated by \$20.9 million.</p> <p>Lastly, information technology arrangements are not being properly tracked, however, all errors identified were determined to be immaterial individually and in the aggregate, therefore no audit adjustments were proposed.</p>

Recommendation:	<ol style="list-style-type: none"> 1. We recommend that the Authority implement policies and procedures to evaluate capital project expenses timely and review the set-up of new capital assets within the capital asset module. 2. 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. 3. We recommend that the Authority implement policies and procedures to identify and track all information technology arrangements and evaluate their applicability under the provisions of GASB Statement No. 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.
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Schedule of Expenditures of Federal Awards (SEFA) Reporting (recurring)	Deficiency
Control Deficiency:	Federal expenditures reported on the SEFA were understated due to management not including cumulative eligible expenditures for a grant award. Specifically, approximately \$2.9 million of eligible expenditures had been recognized as federal grant revenue and receivable as of December 31, 2025 but were not initially reflected on the SEFA. The SEFA was prepared using current-year expenditures only and did not incorporate previously incurred costs that became eligible as a result of grant budget revisions. Management subsequently recalculated cumulative eligible expenditures and updated the SEFA to align with recorded grant revenue.
Potential Effect:	Grant revenue and expenditures reported on the SEFA may be misstated due to incomplete or inaccurate identification of eligible expenditures, particularly when grant modifications or budget revisions occur.
Recommendation:	<ol style="list-style-type: none"> 1. We recommend that management implement controls to ensure the SEFA includes cumulative eligible expenditures for each federal award, including amounts incurred in prior periods but recognized in the current year. 2. We recommend that management establish procedures to evaluate grant budget revisions and changes in eligibility criteria to ensure all qualifying expenditures are identified and appropriately reported. 3. We recommend that management perform and document a reconciliation between the SEFA and the general ledger as part of the year-end close process, with evidence of review and resolution of any differences.

GASB 101 – Compensated Absences (recurring)	Deficiency
Control Deficiency:	The Authority implemented GASB Statement 101, <i>Compensated Absences</i> , during the year ended December 31, 2024 and developed a new methodology for determining the sick leave accrual. The methodology was based on a limited analysis of historical data of terminations and also did not consider the amount of sick leave that is more likely than not to be used prior to termination of employment.
Recommendation:	We recommend that management perform a detailed historical analysis calculation to assess their estimates applied in the calculation of the compensated absences liability

Timely Disbursements (recurring)		Deficiency
Control Deficiency:	There were some invoices selected for testing that were not paid within 60 days of receiving the invoice as required by Utah State Law.	
Recommendation:	We recommend that management implement controls and processes to ensure customers and vendors are paid within the stated 60 day period.	

Grant Revenue and Receivables		Deficiency
Control Deficiency:	<ol style="list-style-type: none"> 1. During testing of one Transit Transportation Investment Program Funds (TTIF) funding arrangement, it was noted that the Authority did not record the 4th quarter payment of the funding arrangement as local grant revenue and grant receivable, of which both were understated by \$614k. 2. During testing of a cost reimbursement funding arrangement between the Authority and the Utah Department of Transportation (UDOT), it was noted that two requests for reimbursement submitted during 2025 pertained to expenditures incurred under the agreement during 2024 and should have been recognized as revenue in that period. As a result, revenue was overstated by \$738k. 	
Recommendation:	We recommend management enhance reconciliation processes surrounding local grant revenue and unearned revenue to ensure receipts and reconciled to revenue and revenue is recorded in accordance with its funding type.	

Revenue Vehicle Depreciation (recurring)		Deficiency
Control Deficiency:	Management is using a manual spreadsheet to track accumulated depreciation and current period depreciation expense for certain revenue vehicles. In 2025, management did not prepare the revenue vehicle depreciation analysis or make a manual adjustment to true up depreciation. Crowe determined the impact to be immaterial.	
Recommendation:	We recommend management prepare the revenue vehicle depreciation analysis and make a manual adjustment to true up accumulated depreciation.	

The purpose of this letter 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. This letter 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. Accordingly, this letter is not suitable for any other purpose.

The Authority's written response to the deficiencies and material weakness identified in our audit was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.



Crowe LLP

Indianapolis, Indiana
June 9, 2026

UTAH TRANSIT AUTHORITY

Independent Accountant's Report
On Applying Agreed-Upon Procedures

Year Ended December 31, 2025

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 *2025 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, 2025. 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

Indianapolis, Indiana
June 8, 2026

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, 2025 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 *2025 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 *2025 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 basis 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 *2025 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 (2025) 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 CRDO, LRDO, CBDO, 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 DRDO, DRPT, and VPDO 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 2025, May 2025, and September 2025 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 MBDO, CRDO, and LRDO modes report FG and HIB DRM. All modes 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 were no service changes reported for any of the modes with FG/HIB DRM. Crowe reconciled the total to the FG/HIB DRM reported on the Federal Funding Allocation Statistics form without exception.

- 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 reporter 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 2025 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 2025 report year, the Agency Revenue Service Date must occur within the transit agency's 2025 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 were no new segments added during the year for any modes with FG/HIB DRM. Procedure performed without exception.

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

We reconciled the expenses per the audited financial data to the expenses reported on the NTD forms and identified a variance of approximately \$21.9 million, or 4.7%. Per inquiry with Staff, the NTD forms were prepared using preliminary financial data and were not adjusted to match the financial data as of the report submission date. Staff is aware of the variance and plans to update the financial data in a subsequent revision.

- 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.

- y. 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.



Utah Transit Authority

MEETING MEMO

669 West 200 South
Salt Lake City, UT 84101

Audit Committee

Date: 6/22/2026

TO: Audit Committee
FROM: Annette Royle, Chief of Board Strategy & Governance
PRESENTER(S): Annette Royle, Chief of Board Strategy & Governance

TITLE:

Internal Audit Update

- 2025 Internal Audit Plan Status
- 2026 Internal Audit Plan Status

AGENDA ITEM TYPE:

Report

RECOMMENDATION:

Informational presentation for discussion.

BACKGROUND:

Internal Audit creates an annual plan listing planned audit activities. The 2025 Internal Audit Plan was approved by the Audit Committee on March 10, 2025 and an amendment was approved by the Audit Committee on December 15, 2025. The 2026 Internal Audit Plan was approved by the Audit Committee on March 9, 2026. Internal Audit reports on the status of activities listed on the Plans at each Audit Committee meeting.

DISCUSSION:

Internal Audit will report on the status of projects from the 2025 and 2026 Internal Audit Plans.

ALTERNATIVES:

Not applicable

FISCAL IMPACT:

Not applicable

ATTACHMENTS:

Not applicable



Utah Transit Authority

MEETING MEMO

669 West 200 South
Salt Lake City, UT 84101

Audit Committee

Date: 6/22/2026

TO: Audit Committee
FROM: Annette Royle, Chief of Board Strategy & Governance
PRESENTER(S): Annette Royle, Chief of Board Strategy & Governance

TITLE:

Open Issues Report - June 2026

AGENDA ITEM TYPE:

Report

RECOMMENDATION:

Informational 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 activity around outstanding issues since the last report at the Audit Committee meeting on March 9, 2026.

ALTERNATIVES:

Not applicable

FISCAL IMPACT:

Not applicable

ATTACHMENTS:

Open Issue Report June 2026 - Public Copy



INTERNAL AUDIT

Open Audit Recommendation Report

June 15, 2026

Contains sensitive security information that should not be publicized. Such information is classified as Protected pursuant to Utah Code 63G-2-106 and 63G-2-305(12). Such information is also controlled under 49 CFR parts 15 and 1520 and may not be released publicly without appropriate authorization. This information has been redacted for public release.

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Rating Matrix

Descriptor	Guide
High	Major uncertainties are present. More is unknown than is known. No experience and/or data is available. Structure and resources are not established.
Moderate-high (Mod-high)	Many uncertainties are present. Experience and/or data are limited. Structure and resources are incomplete, unproven and/or immature.
Moderate (Mod)	Some uncertainties are present. As much is known as is unknown. Sufficient experience and data exist but may not be fully utilized. Structure and resources are adequate.
Low-moderate (Low-mod)	Minor uncertainties are present. Strong experience and data exist. Structure and resources are well designed and supported.
Low	Little to no uncertainties remain. Significant experience and data exist and are fully utilized. Structure and resources are robust.

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	*	*	*

¹For 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 22, 2026, Audit Committee to document follow-up activities since the Audit Committee meeting that was held on March 9, 2026.

Executive Summary

This report includes three sections:

Appendix A: Overview Status of Open Issues

This report includes a summary of 34 open audit findings dating from April 2021 – March 2026. In March, three (3) new open audit findings were added to this report, and eight open items have since been closed (and summarized in Appendix C). At the Audit Committee’s June meeting, six (6) new audit reports will be presented which include 18 new open audit findings to be added to this report for management’s response.

The report includes a column showing the date the issue was reported to the Audit Committee and color code to indicate age of the finding - green for issues reported after June 2025 (past year), yellow for issues reported between 6/2024-6/2025, and red for issues reported prior to 6/2024.

Appendix B: Detail Status of Open Issues

This appendix provides more detail on the 35 open audit findings.

Appendix C: Issues Closed Since Last Report

Eight (8) open issues have been closed since the last report given to the Audit Committee on March 11, 2026. A summary of those resolutions can be found in this appendix.

Appendix A: Overview Status of Open Issues

	Engagement Name	Issue Name	Current Status	Risk Rating	Due Date	Reported Date
1	20-07 Preliminary Assessment of the Capital Projects Process	R-20-07-03 Project Management Policy	Open	Mod	3/31/2026	4/19/2021
2	20-07 Preliminary Assessment of the Capital Projects Process	R-20-07-04 Budget Monitoring	Open	Low-Mod	3/31/2026	4/19/2021
3	21-02 Preliminary Assessment: Utilities Management	R-21-02-04 Standard Operating Procedures	Open	Mod	3/31/2026	10/17/2022
4	21-03 Preliminary Assessment of Maintenance of Way Systems	R-21-01 Training Development Resources	Open	Mod	3/31/2026	6/21/2021
5	21-04 Bus Operations and Safety Preliminary Assessment	R-21-05 Standard Operating Procedures Updates	Open	Mod	3/31/2026	8/23/2021
6	22-02 Preliminary Assessment of Light Rail Operations	R-22-03 Standard Operating Procedure Updates LR	Open	Mod	3/31/2026	10/17/2022
7	23-02 Preliminary Assessment of the Vehicle Disposal Process	R-23-02-1 Board Approval Over \$200k	Open	Low	3/31/2026	12/18/2023
8	23-03 Preliminary Assessment of 1099 Reporting	R-23-03-1 Required 1099 Forms were not issued	Open	Mod	12/31/2025	6/24/2024
9	23-03 Preliminary Assessment of 1099 Reporting	R-23-03-2 Claims vendors, physicians and attorneys were not sent a 1099	Open	Mod	12/31/2025	6/24/2024
10	23-04 Preliminary Assessment of the Transit Communication Ce	R-23-04-1 Safety and Security Procedures	Open	Mod	3/31/2026	3/11/2024
11	23-05 Limited Scope Assessment of the Vendor Master File	R-23-05-01 Vendor Master File Process Issue	Open	Mod	12/31/2025	10/16/2023
12	23-11 Recruitment Assessment	R-23-11-B Standard Operating Procedures Recruitment	Open	Mod	3/31/2026	6/26/2023
13	24-06 Preliminary Assessment of Payroll Process	R-24-06-01 Vacation Sell-back exceeded policy	Open	Low-Mod	3/31/2026	9/23/2024
14	25-01 Environmental Governance Audit	25-01-01 Develop and Adopt DESP Policy	Open	Mod	11/7/2026	12/15/2025
15	25-01 Environmental Governance Audit	25-01-02 Develop SOPs for high priority tasks listed in DESP Policy	Open	Mod	11/7/2026	12/15/2025
16	25-01 Environmental Governance Audit	25-01-03 Job Description Review	Open	Low	11/7/2026	12/15/2025
17	25-03 Purchase Card Program Audit (R25-03-01)	R-25-03-01 Transaction Approval can be changed by Employees	Open	Mod-High	9/22/2026	9/22/2025
18	25-03 Purchase Card Program Audit (R25-03-02)	R-25-03-02 Open P-Card Account for a Former Employee	Open	Mod	9/22/2026	9/22/2025
19	25-03 Purchase Card Program Audit (R25-03-03)	R-25-03-03 Approvers who left UTA employment can still be assigned appro	Open	High	9/22/2026	9/22/2025
20	25-03 Purchase Card Program Audit (R25-03-04)	R-25-03-04 Online Purchases are being shipped to non-UTA addresses	Open	Mod	9/22/2026	9/22/2025
21	25-03 Purchase Card Program Audit	R-25-03-06 Training for transaction approvers does not exist	Open	Low	9/22/2026	9/22/2025
22	25-03 Purchase Card Program Audit	R-25-03-07 P-Cards have been used to purchase individual meals	Open	Low	9/22/2026	9/22/2025
23	25-03 Purchase Card Program Audit	R-25-03-08 Purchase transactions lack detailed information required by po	Open	Low-Mod	9/22/2026	9/22/2025
24	25-05 Special Services Operations Audit	R-25-05-01 Standard Operating Procedures Need Reviewed	Open	Mod	9/22/2026	9/22/2025
25	25-05 Special Services Operations Audit	R-25-05-02 Job Description Documents Need Reviewed	Open	Low	9/22/2026	9/22/2025
26	25-05 Special Services Operations Audit	R-25-05-03 Scheduling Call Time Goals	Open	Low	9/22/2026	9/22/2025
27	25-05 Special Services Operations Audit	R-25-05-04 Scheduling Process Formalization	Open	Mod	9/22/2026	9/22/2025
28	25-05 Special Services Operations Audit	R-25-05-05 Employee Licensing Records	Open	Low-Mod	9/22/2026	9/22/2025
29	25-07 Buy America Compliance Audit	25-07-01 Insufficient reviews of minimum domestic content results	Open	Mod	3/31/2027	12/15/2025
30	25-10 Mount Ogden Bus Maintenance Audit	R-25-10-01 Standard Operating Procedures Need Reviewed	Open	Mod	6/16/2026	6/16/2025
31	25-10 Mount Ogden Bus Maintenance Audit	R-25-10-02 Job Description Documents Need Reviewed	Open	Low	6/16/2026	6/16/2025
32	25-04 Video Security Audit	R-25-04-01 Complete and Adopt Video Security Policy Edits	Open	Low-Mod	1/28/2027	3/9/2026
33	25-04 Video Security Audit	R-25-04-02 Complete and Adopt Video Security Agency SOP	Open	Low-Mod	1/28/2027	3/9/2036
34	25-04 Video Security Audit	R-25-04-03 Video Security Body Camera Adoption	Open	Low-Mod	1/28/2027	3/9/2046
<p><i>Note:</i> The report includes a column showing the date the issue was reported to the Audit Committee and color code to indicate age of the finding - green for issues reported after June 2025 (past year), yellow for issues reported between 6/2024-6/2025, and red for issues reported prior to 6/2024.</p>						
<p>Issues Closed Since Last Audit Committee Report on 3/19/2026</p>						
1	21-04 Bus Operations and Safety Preliminary Assessment	R-21-04 Securement Training	Closed	Mod	3/31/2026	8/23/2021
2	21-06 Preliminary Assessment of Fuel Costs	R-21-06-06 Pre- and Post-Fueling Checklists	Closed	Mod	3/31/2026	11/15/2021
3	22-06 Performance Audit of Support Fleet	R-22-06-2 Support Fleet Policies and Procedures	Closed	Mod	3/31/2026	6/27/2022
4	22-06 Performance Audit of Support Fleet	R-22-06-3 Opportunities to Right-Size the Support Fleet	Closed	Low	3/31/2026	6/27/2022
5	23-11 Recruitment Assessment	R-23-11-C Key Performance Indicators	Closed	Low	7/31/2025	6/26/2023
6	23-11 Recruitment Assessment	R-23-11-E Leadership Strategy Sessions	Closed	Mod-High	7/31/2025	6/26/2023
7	23-11 Recruitment Assessment	R-23-11-G Process Expectations	Closed	Low	3/31/2026	6/26/2023
8	25-03 Purchase Card Program Audit	R-25-03-05 Cardholders & Approvers did not complete the required training	Closed	Low	9/22/2026	9/22/2025

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-20-07-03 Project Management Policy

Risk Level: Mod

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 Status from Internal Audit:

No update since last Audit Committee meeting.

Current Management Status Update:

Management has drafted a library of SOPs reflecting the current control environment and is working to finalize them.

Issue Owner:

Chief Capital Services Officer

Current Due Date:

3/31/2026

Recommendation R-20-07-04 Budget Monitoring

Risk Level: Low-Mod

Audit Committee Report Date: April 19, 2021

Current Status: Open

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 Status from Internal Audit:

No update since last Audit Committee meeting.

Current Management Status Update:

Management is evaluating budget monitoring processes to ensure adequacy in the current control environment.

Issue Owner:
Chief Capital Services Officer

Current Due Date:
3/31/2026

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

Recommendation R-21-01 Training Development Resources

Risk Level: Mod

Audit Committee Report Date: June 21, 2021

Current Status: Open

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 Status from Internal Audit:

No update since last Audit Committee meeting.

Current Management Status Update:

Management has established an FRA Compliance Committee composed senior leaders all from all departments that are regulated and interface with the FRA and State Safety Oversight, including MOW. The committee is working with a consultant to help conduct a gap analysis and provide recommendations for FRA compliance across functions, with a primary focus on MOW training. Management has completed a Scope of Work and the project is proceeding as outlined below:

- Task 1 – Project Management
- Task 2 – Discovery and Gap Analysis
- Task 3 – Implementation strategies
- Task 4 – Training, Staff Development, and Final Report

Issue Owner:
Chief Operations Officer

Current Due Date:
3/31/2026

C. 21-02 Preliminary Assessment: Utilities Management

Recommendation R-21-02-04 Standard Operating Procedures

Risk Level: Mod

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 Status from Internal Audit:

No update since last Audit Committee meeting.

Current Management Status Update:

Facilities has completed a first draft of a new Utilities Management Standard Operating Procedure.

Issue Owner:

Chief Operations Officer

Current Due Date:

3/31/2026

D. 21-04 Bus Operations and Safety Preliminary Assessment

Recommendation R-21-05 Standard Operating Procedure Updates

Risk Level: Mod

Audit Committee Report Date: August 23, 2021

Current Status: Open

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 Status from Internal Audit:

No update since last Audit Committee meeting.

Current Management Status Update:

Finance and Operations executives are meeting to agree on Fares enforcement for Personal Care Attendants and to reflect that agreement in Fares policy and Operations SOPs.

Issue Owner:
Chief Operations Officer

Current Due Date:
3/31/2026

E. 22-02 Preliminary Assessment of Light Rail Operations

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

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 Status from Internal Audit:
No update since the last Audit Committee meeting.

Current Management Status Update:

Management has made changes to the 2026 *Transit Agency Safety Plan* and our *Operating Instruction Creation & Revision Procedure* (LRD-00010). Out of 140 instructions identified:

- 59 instructions will remain standalone and are in the process of being rewritten (32 of 59 complete)
- 81 instructions are in the process of being merged into 30 new or existing instructions.
- 10 new instructions have been identified for creation.

All of these documents will or are being updated to align with the 2025 operations document format.

Issue Owner:
Chief Operations Officer

Current Due Date:
3/31/2026

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

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

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 Status from Internal Audit:

No update since the last Audit Committee meeting.

Current Management Status Update:

Management is reviewing the process for vehicle sales exceeding \$200,000 within the new UTA governance structure.

Issue Owner:

Chief Finance Officer

Current Due Date:

3/31/2026

G. 23-03 Preliminary Assessment of 1099 Reporting

Recommendation R-23-03-1 Required 1099 Forms were not issued	Risk Level: Mod
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 Status from Internal Audit:

Internal Audit completed three follow-up audits by testing 1099 reporting for calendar years 2023, 2024 and most recently 2025 with the assistance of a Certified Public Accountant. These audit tests continued to identify inconsistencies with 1099 reporting outcomes and Internal Audit has made the following Recommendations to Management:

- Management should consider outsourcing 1099 reporting to an accounting firm.
- If Management determines it is not financially or strategically feasible to outsource 1099 reporting, the following actions should be taken:
 - a. Management should research specialty software to assist with 1099 compliance; Workday may potentially have these capabilities.
 - b. Management should review the Supplier Master Information table within JD Edwards and ensure that suppliers are set up in the system as their correct entity type (corporation, s-corporation, etc).
 - c. Management should have employees who prepare Form 1099 attend extensive and recurring training on compliance.

This audit recommendation remains open.

Current Management Status Update:

A Vendor Setup/Modification Requirements SOP and a new 1099 Processing Checklist are established to accurately trigger 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 moderate 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 Status from Internal Audit:

Internal Audit completed three follow-up audits by testing 1099 reporting for calendar years 2023, 2024 and most recently 2025 with the assistance of a Certified Public Accountant. These audit tests continued to identify inconsistencies with 1099 reporting outcomes and Internal Audit has made the following Recommendations to Management:

- Management should consider outsourcing 1099 reporting to an accounting firm.
- If Management determines it is not financially or strategically feasible to outsource 1099 reporting, the following actions should be taken:
 - a. Management should research specialty software to assist with 1099 compliance; Workday may potentially have these capabilities.
 - b. Management should review the Supplier Master Information table within JD Edwards and ensure that suppliers are set up in the system as their correct entity type (corporation, s-corporation, etc).
 - c. Management should have employees who prepare Form 1099 attend extensive and recurring training on compliance.

This audit recommendation remains open.

Current Management Status Update:

An IRS Form W-9 Requirements for Claims Settlement SOP and a new 1099 Processing Checklist have been established to accurately trigger 1099s.

Issue Owner:
Chief Financial Officer

Current Due Date:
12/31/2025

H. 23-04 Preliminary Assessment Transit Communication Center

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

Recommendation:

[Redacted]

Current Status from Internal Audit:
No update since last Audit Committee meeting.

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:
Director of Safety and Security

Current Due Date:
3/31/2026

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

Recommendation R-23-05-01 Vendor Master File Process Issue	Risk Level: Mod
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 Status from Internal Audit:
No update since last Audit Committee meeting.

Current Management Status Update:

A Vendor Setup/Modification Requirements SOP and a new 1099 Processing Checklist are drafted to ensure all vendor information is collected.

Issue Owner:

Chief Finance Officer

Current Due Date:

12/31/2025

J. 23-11 Recruitment Assessment

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

Recommendation:

- Update standard operating procedures and include SLAs.

Current Status from Internal Audit:

No update since last Audit Committee meeting.

Current Management Status Update:

Management is updating the Talent Acquisition standard operating procedures to align with Workday processes.

Issue Owner:

Chief People Officer

Current Due Date:

3/31/2026

K. 24-06 Preliminary Assessment of Payroll Process

Recommendation R-24-06-01 Vacation Sell-back exceeded policy	Risk Level: Low-Mod
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 Status from Internal Audit:

No update since last Audit Committee meeting.

Current Management Status Update:

Management has implemented an audit in Workday to control vacation sell-back that exceeds policy and is monitoring the audit for accuracy and to enhance the process as needed.

Issue Owner:

Chief Finance Officer

Current Due Date:

3/31/2026

L. 25-03 Purchase Card Program Audit

Recommendation 25-03-01 [REDACTED]	Level: Mod-High
Audit Committee Report Date: September 22, 2025	Current Status: Open

Recommendation:

[REDACTED]

2. Establish role-based approval rules within the P-Card system, if possible, that permit only designated approvers to approve transactions. [REDACTED]
3. If possible, disable self-assignment of approvers within the P-Card system to prevent cardholders from selecting their own approvers. [REDACTED]
4. Perform a full access review of all current approvers and cardholders to validate authority levels and role appropriateness. [REDACTED]
5. Update P-Card training materials to include explicit instruction on approval routing requirements and restrictions. [REDACTED]

Current Status from Internal Audit:

No update since the last Audit Committee meeting.

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:

Chief Finance Officer

Current Due Date:

9/22/2026

Recommendation 25-03-02 [REDACTED]

Risk Level: Mod

Audit Committee Report Date: September 22, 2025

Current Status: Open

Recommendation:

[REDACTED]

Current Status from Internal Audit:

No update since last Audit Committee meeting.

Current Management Status Update:

Due to sensitivity of this issue, details of corrective action will not be published until it is complete.

[REDACTED]

Issue Owner:

Chief Finance Officer

Current Due Date:

9/22/2026

Recommendation 25-03-03 [REDACTED]

Risk Level: High

Audit Committee Report Date: September 22, 2025

Current Status: Open

[REDACTED]

Recommendation:

[REDACTED]

[REDACTED]

Current Status from Internal Audit:

No update since last Audit Committee meeting.

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:

Chief Finance Officer

Current Due Date:

9/22/2026

Recommendation 25-03-04 [REDACTED]

Risk Level: Mod

Audit Committee Report Date: September 22, 2025

Current Status: Open

[REDACTED]

Current Status from Internal Audit:

No update since last Audit Committee meeting.

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:

Chief Finance Officer

Current Due Date:

9/22/2026

Recommendation 25-03-05 P-Card Training

Risk Level: Low

Audit Committee Report Date: September 22, 2025

Current Status: Open

**Original title was "Cardholders & Approvers did not complete the required training".*

Recommendation:

1. Update policies and SOPs to clearly mandate annual training for all cardholders and approvers.
2. Identify cardholders and approvers who have not completed training in the past year and require completion.

Current Status from Internal Audit:

No update since last Audit Committee meeting.

Current Management Status Update:

Management has obtained a list of all cardholders who have not completed their annual training from the LMS Technical Coordinator. These individuals have been notified by email and given 30 days to complete the requirement. Cardholders who do not comply within that timeframe will have their P-Cards deactivated. The annual training requirement is automated in LMS and assigned to every cardholder. The P-Card SOP has been updated to state that failure to complete annual training by the due date will result in deactivation. Additionally, Management will implement a monthly review of LMS training records to ensure compliance and promptly deactivate cards for any cardholders who have not met the requirement.

Issue Owner:

Chief Finance Officer

Current Due Date:

9/22/2026

Recommendation 25-03-06 Training for transaction approvers does not exist

Risk Level: Low

Audit Committee Report Date: September 22, 2025

Current Status: Open

Recommendation:

1. Develop and deploy a targeted training module for transaction approvers. This training should cover review responsibilities, documentation requirements, and policy compliance.
2. Integrate training compliance tracking into the learning management system (LMS) and establish triggers to notify Finance or Program Administrators when an approver lacks required training.
3. Require periodic refresher training for all transaction approvers, regardless of P-Card holder status.
4. Review and update internal policies to reflect the need for distinct training requirements for different user roles within the P-Card system.

Current Status from Internal Audit:

No update since last Audit Committee meeting.

Current Management Status Update:

Management is collaborating with the Corporate Instructional Designer to develop formal training for approvers, ensuring they have a clear and consistent understanding of their responsibilities in the P-Card process. This training will be assigned to all approvers through the LMS, with completion tracked for accountability. In addition, an annual refresher training requirement will be established, and both the initial and refresher training requirements will be incorporated into the P-Card SOP to reinforce compliance and maintain consistency across the program.

Issue Owner:

Chief Finance Officer

Current Due Date:

9/22/2026

Recommendation 25-03-07 P-Cards have been used to purchase individual meals	Risk Level: Low
Audit Committee Report Date: September 22, 2025	Current Status: Open

Recommendation:

1. Reinforce meal policy requirements through targeted refresher training for all P-Card holders and transaction approvers, emphasizing documentation expectations for meals.
2. Strengthen documentation guidance by providing a template for meal purchase descriptions that includes fields for attendees, purpose, and justification.
3. Update the approval process to include a mandatory checklist for business meal purchases that requires confirming the number of attendees, meeting purpose, and exclusion of unauthorized items.

Current Status from Internal Audit:

No update since last Audit Committee meeting.

Current Management Status Update:

Management is developing a mandatory checklist template to document required information for meal purchases. While the U.S. Bank system has limited customization capabilities and cannot accommodate an embedded template or checklist, Management is creating an offline template to be attached to transactions in US Bank. Monitoring and verification of compliance will therefore be conducted manually. Management has adopted Internal Audit’s “potential” single meal identification method and incorporate it into the Administrator’s monthly close process and will send a reminder email to all cardholders reinforcing this policy. In addition, cardholder and approver LMS training will be updated to emphasize requirements related to food purchases.

Issue Owner:

Chief Finance Officer

Current Due Date:

9/22/2026

**Original title was "Purchase transactions lack detailed information required by policy".*

Recommendation:

1. Update training materials and procedures to emphasize the importance of complete descriptions, supporting documentation, and timely approvals.
2. Enforce system validation rules that require detailed descriptions, receipt uploads, and selection of an approver before a transaction can be submitted for review.
3. Develop automated reminders and escalation protocols for reconcilers and approvers who fail to complete tasks within the 8-day reconciliation window.
4. Implement periodic compliance audits to identify users with repeat deficiencies and refer issues to department leadership for follow-up.
5. Restrict P-Card privileges temporarily or permanently for cardholders or approvers who fail to meet policy requirements after notice or retraining.

Current Status from Internal Audit:

No update since last Audit Committee meeting.

Current Management Status Update:

Management has updated the P-Card SOP and will update the training materials and Approver training to emphasize the importance of entering complete purchase descriptions, attaching supporting documentation, and ensuring timely approvals during the reconciliation process. To strengthen compliance, Management has worked with U.S. Bank to remove the system's auto-population of cost center numbers in the description field, ensuring that users must now enter a proper purchase description. Management will work with U.S. Bank where possible to activate automated reminders and escalation protocols for reconcilers and approvers who do not complete their tasks within the eight-day reconciliation window. These reminders will be applied consistently across all cardholder accounts. The P-Card SOP already specifies that accounts not reconciled or approved for two consecutive months will be deactivated, with reactivation requiring CFO approval. We will continue to enforce this policy and, where necessary, restrict P-Card privileges temporarily or permanently for cardholders or approvers who fail to meet policy requirements after notice or retraining. Finally, we will continue conducting periodic compliance audits to identify repeat deficiencies. Any issues identified will be referred to department leadership for follow-up and corrective action.

Issue Owner:

Chief Finance Officer

Current Due Date:

9/22/2026

M. 25-05 Special Services Operations Audit

Recommendation 25-05-01 Standard Operating Procedures Need Reviewed

Risk Level: Mod

Audit Committee Report Date: September 22, 2025

Current Status: Open

Recommendation:

Operations management should work with the Safety Department and to review safety-related SOPs and make necessary updates.

Current Status from Internal Audit:

No update since last Audit Committee meeting.

Current Management Status Update:

Management has established a Standard Operating Procedures working group that is finalizing draft edits of SOPs.

Issue Owner:

Chief Operations Officer

Current Due Date:

6/25/2026

Recommendation 25-05-02 Job Description Documents Need Reviewed

Risk Level: Low

Audit Committee Report Date: September 22, 2025

Current Status: Open

Recommendation:

Operations management should work with Human Resources to review all job description documents and make necessary updates.

Current Status from Internal Audit:

No update since last Audit Committee meeting.

Current Management Status Update:

Special Services managers have been assigned to review job descriptions for their areas of responsibility. Reviews are in progress.

Issue Owner:

Chief Operations Officer

Current Due Date:

6/25/2026

Recommendation 25-05-03 Scheduling Call Time Goals

Risk Level: Low

Audit Committee Report Date: September 22, 2025

Current Status: Open

Recommendation:

IA recommends that management reevaluate scheduling staffing needs to assess if increased staff would shorten average call hold times.

IA recommends that management reevaluate scheduling call time goals. If maintaining the current goal of fielding all calls under two minutes is determined to be practicable, IA recommends that Management provide targeted training and oversight to reduce call times.

Current Status from Internal Audit:

No update since last Audit Committee meeting.

Current Management Status Update:

Management has hired three new staff members and is repurposing an existing role to create a supervisor role in Quality and Assurance. Management also is reviewing hold time metrics to ensure they are accurate and will collect and monitor data to verify performance levels.

Issue Owner:

Chief Operations Officer

Current Due Date:

6/25/2026

Recommendation 25-05-04 Scheduling Process Formalization

Risk Level: Mod

Audit Committee Report Date: September 22, 2025

Current Status: Open

Recommendation:

IA recommends that after the successful implementation of Workforce Management that the updated scheduling process be formalized as a Standard Operation Procedure.

Current Status from Internal Audit:

No update since last Audit Committee meeting.

Current Management Status Update:

Management is creating a standard operating procedure that documents the process of completing Paratransit next-day trip assignments with driver assignments.

Issue Owner:

Chief Operations Officer

Current Due Date:

6/25/2026

N. 25-10 Mount Ogden Bus Maintenance Audit

Recommendation R-25-10-01 Standard Operating Procedures Need Reviewed

Risk Level: Mod

Audit Committee Report Date: June 16, 2025

Current Status: Open

Recommendation:

- Operations management should work with the Safety Department to review safety-related SOPs and make necessary updates.

Current Status from Internal Audit:

No update since last Audit Committee meeting.

Current Management Status Update:

Management is 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 procedures, strengthen compliance, and proactively identify/mitigate operational risks.

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.

Issue Owner:

Chief Operations Officer

Current Due Date:

June 16, 2026

Recommendation R-25-10-02 Job Description Documents Need Reviewed

Risk Level: Low

Audit Committee Report Date: June 16, 2025

Current Status: Open

Recommendation:

Operations management should work with Human Resources to review all job description documents and make necessary updates.

Current Status from Internal Audit:

No update since last Audit Committee meeting.

Current Management Status Update:

Management is in the process of working with HR/Talent Acquisition to review job descriptions. Action Plan:

- Review current job descriptions with maintenance
- Work with the Maintenance General Manager/ Bus Maintenance Director for any new job descriptions needed

Issue Owner:

Chief Operations Officer

Current Due Date:

June 16, 2026

O. 25-01 Environmental Governance Audit

Recommendation R-25-01-01 Develop and Adopt DESP Policy	Risk Level: Mod
Audit Committee Report Date: December 15, 2025	Current Status: Open

Recommendation:

1. IA recommends that management work with UTA’s Continuous Improvement team to create process maps for the high priority tasks to define the structure, participants, inputs, and outputs of those tasks. These process maps will assist in identifying the necessary elements to include in policy, SOP, and job descriptions.
2. IA recommends that management develop and adopt a singular policy that specifically documents the DESP team’s regulatory oversight, authority, structures, reporting lines, and appropriate authorities and responsibilities in the pursuit of objectives with sufficient detail over the following high priority tasks:
 - A. SPCC plan development and compliance activities for required facilities.
 - i. Description of what is included in an SPCC plan.
 - ii. Description of activities relating to the SPCC such as:
 - Petroleum Storage Tank (PST) testing and registration
 - PST inspections of aboveground and underground tanks
 - Collection of Auto Tank Gauging records
 - iii. Description of when (frequency, due dates, etc.) each task is to be completed.
 - iv. Description of outputs (such as formal documents, reports, filings, etc.) for all activities.
 - v. Documenting standards regulating all outputs.
 - B. SWPP plan development and compliance activities for required facilities.
 - i. Description of what is included in an SWPP plan.
 - ii. Description of activities relating to the SWPP such as:
 - Facility storm water permit registration.
 - Comprehensive site compliance evaluations.
 - Non-storm water discharge evaluations.
 - Visual inspection of facilities and storm drainage.
 - Routine inspection of facilities and storm drainage.
 - Sand/Oil/Ground water sampling.
 - iii. Description of when (frequency, due dates, etc.) each task is to be completed.

- iv. Description of outputs (such as formal documents, reports, filings, etc.) for all activities.
 - v. Documenting standards and regulations related to activities and outputs.
- C. Industrial Waste compliance management for required facilities.
- i. Description of compliance activities relating to Industrial Waste management including:
 - o Registration for Hazardous Material Permits
 - o Sewer sampling reports
 - o Hazardous Material disposal process
 - ii. Description of when (frequency, due dates, etc.) each task is to be completed.
 - iii. Description of outputs (such as formal documents, reports, filings, etc.) for all activities.
 - iv. Documenting standards and regulations related to activities and outputs.
- D. NEP requirements for UTA Capital Development projects.
- i. Description of activities relating to NEPA and environmental study reports for Capital Development projects including:
 - o Construction Storm Water Permits
 - o Environmental evaluations
 - ii. Description of when (frequency, due dates, etc.) each task is to be completed.
 - iii. Description of outputs (such as formal documents, reports, filings, etc.) for all activities.
 - iv. Documenting standards and regulations related to activities and outputs.
- E. UTA's Sustainability plan development and strategy.
- i. Description of what is included in UTA's Sustainability plan.
 - ii. Description of activities relating to Sustainability including:
 - o UTA Sustainability Report
 - o Sustainability Steering Committee
 - iii. Description of when (frequency, due dates, etc.) each task is to be completed.
 - iv. Description of outputs (such as formal documents, reports, filings, etc.) for all compliance activities.
 - v. Documenting standards and regulations related to activities and outputs.

Current Status from Internal Audit:

No update since last audit Committee meeting.

Current Management Status Update:

The DESP team currently operates under an existing Environmental Protection Policy and a Sustainability Policy. Management Action Plan:

- Review and update, if necessary, existing Environmental Protection Policy (2024 policy approved by policy committee and sent to Board of Trustees for final approval was delayed due to policy/sop process update/review by outside legal counsel). The Environmental Protection policy will cover environmental compliance (industrial wastewater, SPCC, & SWPPP) and NEPA.
- Review and update, if necessary, existing, Board approved, Sustainability Policy, approved October 11, 2023. The Sustainability Policy will be a standalone policy for sustainability and cross-referenced in the Environmental Protection policy.

Issue Owner:
Chief Capital Services Officer

Current Due Date:
November 7, 2026

Recommendation R-25-01-02 Develop SOPs for high priority tasks*

Risk Level: Mod

Audit Committee Report Date: December 15, 2025

Current Status: Open

**The original title was “Develop SOPs for high priority tasks listed in DESP Policy”.*

Recommendation:

1. IA recommends that management work with UTA’s Continuous Improvement team to create process maps for the high priority tasks to define the structure, participants, inputs, and outputs of those tasks. These process maps will assist in identifying the necessary elements to include in SOP.

2. IA recommends that management develop and adopt SOPs for the following high priority tasks:

A. SPCC plans.

- v. List steps for staff to complete the task.
- vi. List steps for staff to complete all necessary activities, such as:
 - o Petroleum Storage Tank (PST) testing and registration
 - o PST inspections of aboveground and underground tanks
 - o Collection of Auto Tank Gauging records
- vii. Description of who within the DESP team performs each task.
- viii. Description of other stakeholders (other UTA departments, third parties, etc.) involved in the completion of each task.
 - o If other offices are performing work, management will need to work with those offices to adopt Agency SOP.
- ix. Description of where the outputs (such as formal documents, reports, filings, etc.) are stored and where, when, and by whom they are distributed.

B. SWPP plans

- i. List steps for staff to complete the task.

- ii. List steps for staff to complete all necessary activities, such as:
 - Facility storm water permit registration.
 - Comprehensive site compliance evaluations.
 - Non-storm water discharge evaluations.
 - Visual inspection of facilities and storm drainage.
 - Routine inspection of facilities and storm drainage.
 - Sand/Oil/Ground water sampling.
- iii. Description of who within the DESP team performs each task.
- iv. Description of other stakeholders (other UTA departments, third parties, etc.) involved in the completion of each task.
 - If other offices are performing work, management will need to work with those offices to adopt Agency SOP.
- v. Description of where the outputs (such as formal documents, reports, filings, etc.) are stored and where, when, and by whom they are distributed.

C. Industrial Waste management

- i. List steps for staff for all necessary activities, such as:
 - Registration for Hazardous Material Permits
 - Sewer sampling reports
 - Hazardous Material disposal process
- ii. Description of who within the DESP team performs each task.
- iii. Description of other stakeholders (other UTA departments, third parties, etc.) involved in the completion of each task.
 - If other offices are performing work, management will need to work with those offices to adopt Agency SOP.
- iv. Description of where the outputs (such as formal documents, reports, filings, etc.) are stored and where, when, and by whom they are distributed.

D. NEPA and environmental evaluations for Capital Development projects

- i. List steps for staff to complete all necessary activities, such:
 - Construction Storm Water Permits
 - Environmental evaluations

- ii. Description of who within the DESP team performs each task.
- iii. Description of other stakeholders (other UTA departments, third parties, etc.) involved in the completion of each task.
 - o If other offices are performing work, management will need to work with those offices to adopt Agency SOP.
- iv. Description of where the outputs (such as formal documents, reports, filings, etc.) are stored and where, when, and by whom they are distributed.

E. UTA’s Sustainability plan development and compliance activities.

- i. List steps for staff to complete all necessary activities, such as:
 - o UTA Sustainability Report
 - o Sustainability Steering Committee
- ii. Description of who within the DESP team performs each task.
- iii. Description of other stakeholders (other UTA departments, third parties, etc.) involved in the completion of each task.
 - o If other offices are performing work, management will need to work with those offices to adopt Agency SOP.
- iv. Description of where the outputs (such as formal documents, reports, filings, etc.) are stored and where, when, and by whom they are distributed.

Current Status from Internal Audit:

No update since last Audit Committee meeting..

Current Management Status Update:

The DESP team currently operates under an existing Environmental Review SOP and an existing SWPPP SOP. Management Action Plan:

- Draft and adopt an Industrial Wastewater SOP.
- Update current Environmental Review Process SOP dated 2007 and adopt.
- Draft and adopt an SPCC SOP.
- Draft and adopt a Sustainability SOP.
- Update current SWPPP SOP dated 2004 and adopt.

Issue Owner:

Chief Capital Services Officer

Current Due Date:

November 7, 2026

Recommendation:

1. IA recommends that management work with UTA’s Continuous Improvement team to create process maps for the high priority tasks to define the structure, participants, inputs, and outputs of those tasks. These process maps will assist in identifying the necessary elements to include in job descriptions.
2. Management should work with Human Resources to review all job description documents and make necessary updates. Job descriptions should align with updated policy and SOPs.

Current Status from Internal Audit:

No update since last Audit Committee meeting.

Current Management Status Update:

Management is working with Human Resources to review all job description documents and make necessary updates. Job descriptions will align with updated policy and SOPs, as appropriate.

Issue Owner:

Chief Capital Services Officer

Current Due Date:

November 7, 2026

P. 25-07 Buy America Compliance Audit

Recommendation:

IA recommend that management develop procedures to evaluate the accuracy of minimum domestic content percentages stated by manufacturers and perform those procedures in all bus procurements.

Current Status from Internal Audit:

Management submitted a new action plan for the issue. This demonstrates ongoing attention to the matter.

Current Management Status Update:

Management reviewed existing frameworks for light rail vehicle procurement during Q4 2025 and is developing bus procurement verification procedures during Q1 2026 to implement during Q2-Q3 2026 rail vehicle procurements.

Issue Owner:
Chief Capital Services Officer

Current Due Date:
November 5, 2026

Q. 25-04 Video Security Audit

Recommendation R-25-04-01 Complete and Adopt Video Security Policy Edits **Risk Level: Low-mod**
Audit Committee Report Date: March 9, 2026 **Current Status: Open**

Recommendation:

1. We recommend that Video Security management finalize and adopt the recent review of UTA’s Video Security Policy.
2. We recommend that Video Security management update the policy so that language around prohibited video security usage matches UTA’s Collective Bargaining Agreement.

Current Status from Internal Audit:

No update since last Audit Committee meeting.

Current Management Status Update:

Management has completed corrective action. UTA.03.02 Video Security UTA Policy was adopted by the Board of Trustees on April 23, 2026.

Issue Owner:

Director of Safety and Security

Current Due Date:

January 28, 2027

Recommendation R-25-04-02 Complete and Adopt Video Security Agency SOP **Risk Level: Low-mod**
Audit Committee Report Date: March 9, 2026 **Current Status: Open**

Recommendation:

1. We recommend that Video Security management finalize and adopt the Video Security SOP to formally set the key controls of Video Security processes.
2. We recommend that Video Security management consider dividing the Video Security SOP into two separate SOP documents focusing on the following:
 - a. Video System Access, Requests, and Retention, including retention abilities and schedules of all video security systems.
 - b. Reporting System Issues and Assessments, including establishing schedules for completing and tracking functionality assessments.

Current Status from Internal Audit:

No update since last Audit Committee meeting.

Current Management Status Update:

Management is proceeding with Video Security SOP updates.

Issue Owner:

Director of Safety and Security

Current Due Date:

January 28, 2027

Recommendation R-25-04-03 Video Security Body Camera Adoption	Risk Level: Low-mod
Audit Committee Report Date: March 9, 2026	Current Status: Open

Recommendation:

1. We recommend that Video Security management work with the UTA Police Department to determine the advisability and feasibility of incorporating body cameras into UTA’s video security measures.
 - a. Considerations in the evaluation should include cost, legal, data management, civil rights considerations, and public relations considerations.

Current Status from Internal Audit:

No update since last Audit Committee meeting.

Current Management Status Update:

Management is engaged in finding and selecting a vendor for the body camera feasibility study. Concurrently, Management is investigating body camera platforms and functionality.

Issue Owner:

Director of Safety and Security

Current Due Date:

January 28, 2027

Appendix C: Issues Closed Since Last Report

A. 21-04 Bus Operations and Safety Preliminary Assessment

Recommendation R-21-04 Securement Training

Risk Level: Mod

Audit Committee Report Date: August 23, 2021

Current Status: Closed

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 Status from Internal Audit:

Management has created a Securement Training for Paratransit and Fixed Route operators and training assignments are made through Workday.

B. 21-06 Preliminary Assessment of Fuel Costs

Recommendation R-21-06-06 Pre- and Post-Fueling Checklists*

Risk Level: Mod

Audit Committee Report Date: November 15, 2021

Current Status: Closed

**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 Status from Internal Audit:

Management 1) Implemented monthly Laserfiche reporting to Maintenance Managers; 2) Established a quarterly oversight report from Environmental Services to the COO aligning fuel deliveries against pre- and post-fueling checklist completion; and 3) Updated the Fuel and Fluid Delivery and Unloading SOP in November 2025.

C. 22-06 Performance Audit of Support Fleet

Recommendation R-22-06-2 Support Fleet Policies and Procedures

Risk Level: Mod

Audit Committee Report Date: June 27, 2022

Current Status: Closed

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 Status from Internal Audit:

Management adopted a non-revenue vehicle fleet policy on 3/30/2026. The Workday system shows two active trainings related to non-revenue vehicles, one for employees and one for supervisors. Management has addressed the recommendations and the issue will be closed.

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

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 Status from Internal Audit:

Management has implemented requirements for vehicle use threshold and controls to identify vehicles that do not meet those thresholds. Departments are required to submit justification to retain vehicles that do not meet use thresholds. The issue can be closed based on the strength of the control environment.

D. 23-11 Recruitment Assessment

Recommendation R-23-11-C Key Performance Indicators	Risk Level: Low
Audit Committee Report Date: June 26, 2023	Current Status: Closed

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

Current Status from Internal Audit:

Management submitted this issue for closure as accepting risk with the following explanation:

Management acknowledges the open Internal Audit issue related to Talent Acquisition (TA) key performance indicators (KPIs). After further review and discussion, we are asking to accept the risks at this time due to significant changes within the Talent Acquisition team's leadership, structure, and operating environment.

The TA team developed and implemented key metrics and dashboards in 2025, aligned to monitor team level workflows and hiring outcomes (previously provided metric and dashboarding summary). These metrics provide the Acting Director and me with visibility into requisition and hiring volume, cycle times, workload distribution, and hiring manager satisfaction. However, we are not ready to use these metrics to set team member/team KPIs.

The TA team's focus over the next year is intentionally centered on re-aligning and strengthening the team's foundational capabilities. This includes re-examining team structure, re-evaluating workflow distribution, refining and standardizing hiring processes, and cross training TA team members on all hiring modalities to ensure operational flexibility and continuity. These efforts are critical precursors to the implementation of individual/team KPIs and are necessary to ensure fairness, consistency, and accuracy in performance measurements (see 2026 TA One Page for initiatives tied to this).

Despite the absence of KPI based performance expectations, the TA team has successfully met all agency hiring needs in recent years. The agency was fully staffed for April 2025 Change Day (despite major service additions and staffing needs) and is on track to be fully staffed for April 2026 Change Day, demonstrating that current team performance is effectively supporting agency's hiring needs.

Additionally, the agency is engaged in broader work that redefines how employee and leader performance will be examined and rated going forward, including the rollout of Leadership Competencies and a more consistent agency-wide performance review framework. Implementing KPI based performance expectations ahead of this work imposes requirements on the TA team that exceed the agency's current maturity in performance management practices.

We believe acceptance of these risks is appropriate at this time given the reasons outlined above. We will continue to monitor and reassess these items as performance frameworks mature and TA processes and structure stabilize, at which point additional performance measures and process expectations may be required.

Internal Audit accepts the reasoning as presented. Management would be better served by submitting for closure after “re-examining team structure, re-evaluating workflow distribution, refining and standardizing hiring process, and cross training TA team members...”, however UTA's usual performance management procedures will accomplish the goal of this recommendation.

The job market is favorable to employers as of writing (April 2026) but these conditions change. Management needs to be prepared to continue success when hiring conditions are less ideal. We encourage management to be diligent and thoughtful in setting an environment for the Talent Acquisition team to thrive.

Recommendation R-23-11-E Leadership Strategy Sessions

Risk Level: Mod-High

Audit Committee Report Date: June 26, 2023

Current Status: Closed - Remediated

Recommendation:

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

Current Status from Internal Audit:

IA documented that management has completed strategic planning dating back to at least 2024. This is sufficient evidence to close the issue.

Recommendation R-23-11-G Process Expectations

Risk Level: Low

Audit Committee Report Date: June 26, 2023

Current Status: Closed – Management Accepts Risk

Recommendation:

- Communicate expectations with Hiring Managers and other teams on processes and SLAs.

Current Status from Internal Audit:

Management submitted this issue for closure as accepting risk with the following explanation:

Management acknowledges the open Internal Audit issue related to Talent Acquisition process expectations. After further review and discussion, we are asking to accept the risk at this time due to significant changes within the Talent Acquisition team’s leadership, structure, and operating environment.

Regarding process expectations, many of the TA team processes have changed as a direct result of Workday implementation. Processes and workflows continue to be actively monitored and refined to align with new system functionality. At this time, we need flexibility to transition and update workflows/process expectations among the People Office teams with where and how processes flow in Workday. Workflows that used to be solely TA team responsibilities will now transition to HR team responsibilities. We need time to evaluate the flow of our work and make adjustments before process expectations and documentation are finalized.

We believe acceptance of this risk is appropriate at this time given the reasons outlined above. We will continue to monitor and reassess these items as performance frameworks mature and TA processes and structure stabilize, at which point additional performance measures and process expectations may be required.

Internal Audit does not agree with this reasoning for accepting the risk. Changes to leadership and information systems only further the need to communicate with hiring managers and processes. However, we do not believe that an undue amount of risk is being accepted.

E. 25-05 Special Services Operations Audit

Recommendation 25-05-05 Employee Licensing Records

Risk Level: Low-Mod

Audit Committee Report Date: September 22, 2025

Current Status: Closed

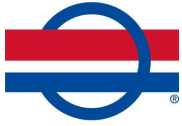
Recommendation:

- IA recommends that records of CDL licensure of employees driving revenue vehicles is maintained in a manner where business units can reconcile which employees are coming up on their five-year CDL license expiration date.

Current Status from Internal Audit:

The CDL process is designed to be self-service in Workday. Employees are notified when CDLs are expiring. Reports are sent to service unit admins to schedule renewal appointments. Employees are responsible for updating CDL records in their Workday profiles.

Management created a new process: Office Specialists schedule operators to update their CDLs 45 days ahead of expiration. To identify operators with expiring CDLs, they pull reports from Workforce Management (WFM). They compare the WFM report to a Yondu report that comes from Workday. Operators upload their renewed CDL records in their Workday profiles. HRBPs review and confirm/reject the updated documentation.



U T A

Utah Transit Authority

669 West 200 South
Salt Lake City, UT 84101

MEETING MEMO

Audit Committee

Date: 6/22/2026

TO: Audit Committee
FROM: Annette Royle, Chief of Board Strategy & Governance
PRESENTER(S): Luke Barber, Senior Internal Auditor
Johanna Goss, Senior Internal Auditor
Michael Goldman, Special Services Program Manager
Viola Miller, Chief Financial Officer

TITLE:

Vanpool Operations Audit Report (25-02)

AGENDA ITEM TYPE:

Report

RECOMMENDATION:

Informational report for discussion.

BACKGROUND:

The 2025 Internal Audit Plan included audit engagement 25-02 Vanpool Operations. The Vanpool Operations program is a subdivision of UTA's Special Services business unit. The department manages commuter assistance programs, including 511 vanpool and rideshare routes. Key functions include fleet management of over 500 vehicles, oversight of participant contracts, and monitoring program performance.

DISCUSSION:

This audit evaluated the governance, risk management, vehicle maintenance, customer experience and accounting practices of the department. Internal Audit will report on observations and recommendations from the audit.

ALTERNATIVES:

Not applicable

FISCAL IMPACT:

Not applicable

ATTACHMENTS:

Vanpool Operations Audit Report (25-02)



INTERNAL AUDIT

Vanpool Operations Audit

25-02

March 9, 2026

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Rating Matrix

Descriptor	Guide
High	Major uncertainties are present. More is unknown than is known. No experience and/or data is available. Structure and resources are not established.
Moderate-high	Many uncertainties are present. Experience and/or data are limited. Structure and resources are incomplete, unproven and/or immature.
Moderate	Some uncertainties are present. As much is known as is unknown. Sufficient experience and data exist but may not be fully utilized. Structure and resources are adequate.
Low-moderate	Minor uncertainties are present. Strong experience and data exist. Structure and resources are well designed and supported.
Low	Little to no uncertainties remain. Significant experience and data exist and are fully utilized. Structure and resources are robust.

Distribution List

Title	For Action ¹	For Information	Reviewed prior to release
Audit Committee		*	
Executive Director		*	*
Chief Operations Officer		*	*
Special Services General Manager		*	*
Special Services Program Manager	*	*	*
Chief Financial Officer	*	*	*

¹For 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 audit of UTA's Vanpool program. The Audit Committee approved the Audit Plan that included this engagement on March 10, 2025.

Background and Overview

The Vanpool operations program is a subdivision UTA's Special Services business unit. The department manages commuter assistance programs, including 511 vanpool and rideshare routes. Key functions include fleet management of over 500 vehicles, oversight of participant contracts, and monitoring program performance.

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

Evaluation of policies and procedure documents, instruction manuals, and job descriptions to assess Vanpool's governance.

2. Risk Management

Verification of management's participation in training and surveys from the Enterprise Risk Management department.

3. Vehicle Maintenance

Review of vehicle maintenance records to ensure compliance with Vanpool maintenance objectives.

4. Customer Experience

IA conducted a survey of Vanpool participants for user feedback to assist management's consideration of potential opportunities for improvement.

5. Accounting Practices

Assessment of key controls within the Vanpool Accounts Receivable process, focusing on separation of duties, billing accuracy, revenue and expense booking, and mileage calculations.

The audit period was Jan 1, 2022, through October 31, 2025.

Summary

1. Governance

Three job descriptions that have not been reviewed in the past five years and another with no date listing the last update. 12 standard operating procedures (SOP) have not been reviewed in the past three years. IA recommends that management review and update job descriptions and SOPs and as appropriate, ensuring that all governing documents align and cover business unit key functions.

2. Risk Management

Management has participated in all expected risk management activities with the Enterprise Risk Management department, including the completion of training and risk surveys.

3. Vehicle Maintenance

IA confirmed that vehicle maintenance objectives are being sufficiently met.

4. Customer Experience

We received 342 survey responses from Vanpool participants. Feedback was largely positive with common requested areas of improvement including roadside assistance, availability of Vanpool staff for communication with customers, vehicle maintenance, and vehicle cleanliness. IA provided the results to management for their information and consideration.

5. Accounting Practices

Two software systems are relevant for the Vanpool accounting process. JD Edwards (JDE) is used for the general accounting of revenue and expenses and for billing and recording payments for corporate customers. Accounting department staff are the primary users of this system. Vanpool uses a software called RidePro to calculate, assign and manage the actual routes for all customers. RidePro is also used to invoice and receive payments for PerPerson (individual, non-corporate) customers.

IA documented a lack of separation of duties within RidePro. One Rideshare Accountant creates and edits customer accounts in JD Edwards and RidePro, generates and sends invoices in RidePro, and processes credits and adjustments. Management does not perform regular reviews of account changes, billings, or adjustments. Without compensating controls, the organization increases the risk that errors or improper transactions will go undetected.

We also identified issues within Vanpool's billing accuracy. During testing of Vanpool's corporate customers, IA found that some invoices used outdated rate calculations instead of corporate rates approved by the UTA Board of Trustees (Board). Testing of PerPerson routes also identified significant over- and under-billings compared to Board-approved rates. These errors reflect weak controls over rate implementation and monitoring.

Vanpool calculates monthly route mileage in order to determine a billing tier for each customer. IA recalculated mileage for 25 routes and found that 13 varied by more than two miles, including one variance of 102 miles fewer than recorded. Because mileage drives billing rates, inaccurate route data directly affects revenue. We recommend that management review route mileage and correct any discrepancies detected.

Revenues generated for the PerPerson Vanpool routes are booked into JDE each month using a RidePro revenue report which is then entered into JDE via a journal entry. IA reconciled RidePro collections to revenue recorded in JD Edwards from January 2023 through October 2025. Although most months showed no material variances, July 2024 through January 2025 reflected recurring differences, with the largest exceeding \$69,000. Management did not detect or resolve these variances in a timely manner. Additionally, approximately \$111,000 of expenses was understated because of booking errors made by the Accounting team. We recommend that management address these errors and implement periodic reconciliations to detect future errors.

Overall Engagement Conclusion

Overall, UTA’s Vanpool department has a strong strategic and customer-oriented focus. Governance over the business unit exists, however there are opportunities for improvement by reviewing SOPs and job descriptions for clarity and coverage of all key functions. Vanpool needs to improve monitoring activities for required participant licensing and training program completion. In these areas, the overall significance of the findings in the aggregate is low to moderate.

Related to accounting functions, the lack of separation of duties within the Vanpool department is a significant control weakness and the department needs greater support from the Accounting department. The accounting errors noted are of moderate significance. In these areas, the overall significance of the findings in the aggregate is moderate to high.

Attachment A: Detail of Recommendations

Finding R-25-02-01

Job Description Review

Risk Level: Low

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 Five: Control Environment, Principle 3 of this framework, states:

Management establishes, with board oversight, structures, reporting lines and appropriate authorities and responsibilities in the pursuit of objectives.

COSO further guides in principle 4:

The organization demonstrates a commitment to attract, develop, and retain competent individuals in alignment with objectives.

Principle 5 states,

The organization holds individuals accountable for their internal control responsibilities in the pursuit of objectives.

The Points of Focus for Principle 5 clarifies further,

Management and the board of directors establish the mechanisms to communicate and hold individuals accountable for performance of internal control responsibilities across the organization and implement corrective action as necessary.

The UTA People Office recommends that managers review job descriptions that are more than five years old.

Condition

IA reviewed the job descriptions for Vanpool employees to verify the age of the documents, minimum experience requirements, and job duties are described. Three of the seven job descriptions reviewed have not been updated within the past five years and another job description does not have a date listed indicating when it was last reviewed.

Table 1. Vanpool Job Description Review Summary

Job Title	Last Updated
Administrator Maintenance (Vanpool)	No date listed
Special Services Program Manager	02/2023
Senior Office Specialist - Vanpool	05/2022
Vanpool Data and Security Administrator	10/2021
Supervisor of Maintenance (Vanpool)	07/2019
Rideshare Product Representative	05/2019
Accountant-Rideshare	10/2017

Cause

Not determined.

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 management has formally accounted for key tasks.
- Create staffing model in line with Vanpool organizational excellence strategic initiatives.

Recommendation

1. Management should work with Human Resources to review all job description documents and make necessary updates. Job descriptions should align with all policies and SOPs.

Management Response and Action Plan

Management agrees with the finding. Management will perform the following corrective actions: 1. Review job descriptions by May 31, 2026 to ensure alignment with Policies and SOPs. 2. Complete updates by August 31, 2026, and forward to HR. The root cause of this situation is that UTA doesn't have a formal schedule for job description reviews; in practice, job descriptions are updated as new individuals are hired into roles.

Target Completion Date

8/31/2026

Responsible Individual(s)

Special Services General Manager

Finding R-25-02-02

Standards Operation Procedure Review

Risk Level: Moderate

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 or a revision schedule adopted by the Board by resolution.

The Authority will conduct an external legal review of UTA Policies every three (3) years to assess their sufficiency and compliance with federal and state requirements.

COSO Component 7: Control Activities Principle 12 states,

The organization deploys control activities through policies that establish what is expected and in procedures that put policies into action.

The Points of Focus for Principle 12 further states,

Management establishes control activities that are built into business processes and employees’ day-to-day activities through policies establishing what is expected and relevant procedures specifying actions.

Management establishes responsibility and accountability for control activities with management (or other designated personnel) of the business unit or function in which the relevant risks reside.

Condition

IA reviewed the SOP for Vanpool to document tasks, compliance measures, controls, and the age of the documents. 12 of 15 SOPs have not been reviewed within the past three years and the other three are due for review in July 2026.

Table 2. Vanpool Standard Operating Procedure Review Summary

Standard Operating Procedure Title	Last Updated
Vanpool Driver Certification and Training	07/2023
Vanpool Complaints	07/2023
Vanpool Incidents and Accidents	07/2023
Rideshare Customer Account Balances	10/2020
Rideshare Fuel Card Administration	10/2019
Vanpool Customer Payment Plans	03/2019
Vanpool Customer Account Balances	12/2018
Grant and Program Performance Reporting	03/2018
Vanpool Customer Contracts	03/2018
Vanpool Minimum Participants	03/2018
Scheduled PM Inspections and Repairs	03/2018
Maintain State of Good Repair (SGR) of Fleet	03/2018
Vanpool Vehicle Asset Locations/Status	03/2018
Vanpool Vehicle Procurement	03/2018

Cause

Not determined.

Effect

- Outdated operating procedures may be obsolete, unclear, and can decrease business unit effectiveness.
- A lack of formal SOPs may result in inconsistent performance standards and uncompleted tasks.
- Individuals may rely on personal judgement and informal workarounds to fulfill responsibilities without documented and required procedures.
- Teams are vulnerable to the loss of institutional knowledge when relying on individual knowledge instead of formal governing documents.

Recommendation

1. Management should review all SOPs and make necessary updates. SOPs should align with all policies and job descriptions within the business unit.

Management Response and Action Plan

Management agrees with the finding and will take the following corrective actions: 1. Review identified procedures and draft revision submitted by August 31, 2026. 2. Approval by October 1, 2026. Root Cause: No formal review process has been established.

Target Completion Date

10/1/2026

Responsible Individual(s)

Special Services General Manager

Finding R-25-02-03

RidePro Software Access

Risk Level: Mod-High

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 objectives.

COSO further guides:

Management and the board of directors delegate authority, define responsibilities, and use appropriate processes and technology to assign responsibility and [separate] duties as necessary at the various levels of the organization.

Condition

IA documented account access for the RidePro software and found that 12 accounts have ‘Admin’ access. Admin is the highest level of access within the software making it possible for the user to set up new accounts, edit existing accounts, and set up new software user profiles. This access is appropriate for certain users but is not

needed for all employees in a process with adequate separation of duties. Additionally, five users with ‘Admin’ accounts also have ‘Commuter’ access.

Cause

Management did not design and enforce role-based access controls within the RidePro management software. Specifically, management granted ‘Admin’ access without formally defining responsibilities, assessing access requirements, or separating duties. Additionally, management did not coordinate access and profile setup with UTA’s Information Technology department.

Effect

- Unnecessary Admin access increases the risk of unauthorized or inappropriate system changes, including the creation or modification of user accounts and profiles without proper oversight. This condition weakens separation of duties, reduces accountability, and heightens the risk of errors, fraud, or data integrity issues within the RidePro system.
- UTA has the goal of reducing customer complaints by 5%. Without proper data review controls, customers and route data may be inaccurately entered or edited. Inaccurate rider data or billing errors may directly generate complaints.
- UTA employees with ‘Admin’ access who use the Vanpool service have the ability to alter their own records, including billing information.

Recommendation

Management should strengthen internal controls over access and editing rights for RidePro by:

1. Reviewing all RidePro user access and restrict Admin profiles to only those employees whose job responsibilities require elevated privileges.
2. Coordinate with the Information Technology and Accounting departments to design and implement formal role-based access controls aligned with defined job functions and appropriately separated duties.
3. Management should require supervisory approval for all access changes within the RidePro software.
4. Periodically review user access rights in JD Edwards and RidePro to ensure access aligns with job responsibilities, follows the principle of least privilege, and reflects management’s fraud risk considerations.

Management Response and Action Plan

Management will alter securities of the Rideshare team to the appropriate levels.

Management will additionally require the Vanpool employees to get supervisor approval for appropriate role access.

Program Manager will conduct an annual review of access rights for Vanpool staff.

Target Completion Date

3/22/2027

Responsible Individual(s)

Special Services General Manager

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 objectives.

Further insight from Principle 3 states:

Duties are [separated] to reduce the risk of inappropriate conduct in the pursuit of objectives, and requisite checks and balances occur from the highest to the lowest levels of the organization (e.g., defining roles, responsibilities, and performance measures in a manner to reduce any potential for conflicts of interest.)

COSO Principle 8 also states:

The organization considers the potential for fraud in assessing risks to the achievement of objectives.

Condition

IA conducted an interview with management to understand the Separation of Duties (SOD) environment within the Accounts Receivable process for Vanpool. A single Vanpool employee is responsible for creating and editing corporate account information within JD Edwards for corporate customers. The same employee also sends all billings and receives credit and adjustment requests from customers and then processes and makes the adjustments in RidePro.

Management has not implemented compensating controls, such as reviews and approvals, to reduce the risk associated with no separation of duties.

Cause

Management did not design and implement appropriate separation of duties primarily because of small staff size.

Effect

- Lack of separation of duties heightens the risk of financial misstatement, larceny, regulatory scrutiny, and reputational damage.
- Separation of duties is also crucial to protect employees from false accusations of misconduct and negative perceptions.

Recommendation

1. Management should work with the Accounting department to design and implement a system of formal separation of duties.
2. Management should work with the Accounting department to create compensating controls for limitations or situations that prevent full separation. Compensating controls could include:
 - Monitoring activities, such as exception reports for significant changes and adjustments.
 - Trend analysis of credits and write-offs.
 - A recurring and documented management review process that includes evidence of review, remediation of exceptions, and final approval.

Management Response and Action Plan

Finance is working with Vanpool to delineate the separation of duties for accounts receivable. This may involve changes to policy, process, and structure within both Accounting and Vanpool.

Target Completion Date

6/4/2027

Responsible Individual(s)

Chief Financial Officer

Finding R-25-02-05	Corporate and Personal Billing	Risk Level: Moderate
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Criteria

COSO Component Three: Control Activities, Principle 13 states:

The organization obtains or generates and uses relevant, quality information to support the functioning of internal control.

COSO further guides:

Information systems produce information that is timely, current, accurate, complete, accessible, protected, and verifiable and retained. Information is reviewed to assess its relevance in supporting the internal control components.

Vanpool rates are established by approval from the UTA Board of Trustees. Current rates were approved July 31, 2024 and became effective December 1, 2024.

Condition

IA reviewed a sample of 39 invoices billed to corporate customers to verify that Vanpool was billing correct rates. Nine invoices were not billed correctly. See Table 3 below for details.

Table 3. Corporate Invoice Billing Errors

Invoice Number	Invoice Date	Invoiced Amount	Correct Rate	Variance Over/(Under)
795578	2/1/2025	\$635	\$840	(\$205)
796539	7/1/2025	\$435	\$840	(\$405)
796539	7/1/2025	\$1,575	\$1,910	(\$335)
796539	7/1/2025	\$905	\$840	\$65
796539	7/1/2025	\$1,710	\$1,775	(\$65)
796779	8/1/2025	\$435	\$505	(\$70)
796999	9/1/2025	\$435	\$705	(\$270)
796999	9/1/2025	\$435	\$570	(\$135)
796999	9/1/2025	\$505	\$970	(\$465)

IA reconciled actual billing of individual customers (referred to as PerPerson Routes) to amounts that should have been billed based on Board approved rates. This latter figure was calculated by determining the billable amount per customer for each PerPerson Route and multiplying that rate by the number of riders the route had in the month tested. We found significant over- and under-billings. Table 4 below summarizes the aggregate results of our three-month sample testing.

Table 4. PerPerson Routes Billing Errors

Month	Count of PerPerson Routes Tested	Count of PerPerson Routes with Billing Variance	Total Billing Variance Over/(Under)
12/2024	256	114	(\$13,448)
02/2025	261	107	(\$17,419)
05/2025	278	79	(\$17,010)
09/2025	284	65	(\$14,575)

Cause

Management stated that Vanpool route data has been updated since the rate sheets were implemented, however the static page used to calculate the invoices has not been updated. In addition, management did not perform a sufficient review of billing data to ensure accuracy and alignment with approved rates.

Management did not respond to requests for explanations for the PerPerson Route reconciliation, so precise root cause could not be determined. The most likely cause is that the rates were relatively new for the months sampled. The system used to create invoices may not have been updated to reflect the rate changes.

Effect

- Management has a goal to meet budget within 2%. Under-billing customers reduces revenue and management’s capacity to meet budget goals.
- UTA has a goal to achieve a 45% increase in Net Promoter Score by 2030. Incorrect billing can lead to customer disputes and damage UTA’s reputation, decreasing the likelihood of achieving this goal.

Recommendation

IA recommends that management implement controls to ensure that customers are accurately billed the Board-approved Vanpool rates. Specific controls could include:

1. Establish a formal review and reconciliation process to verify invoiced amounts against approved rates prior to billing.
2. Periodically review rate tables used in the billing system.

Management Response and Action Plan

Management agrees that a reconciliation process should be implemented. Due to staffing limitations it is not possible to reconcile every invoice prior to billing.

1. Management will establish a randomized sample review of monthly invoices to ensure accurate rates prior to billing.
2. Management will annually review rate tables in the billing system.

Target Completion Date

9/30/2026

Responsible Individual(s)

Special Services General Manager

Finding R-25-02-06

Inaccurate Route Mileage

Risk Level: Low-Mod

Criteria

COSO Component Three: Control Activities, Principle 13 states:

The organization obtains or generates and uses relevant, quality information to support the functioning of internal control.

COSO further guides:

Information systems produce information that is timely, current, accurate, complete, accessible, protected, and verifiable and retained. Information is reviewed to assess its relevance in supporting the internal control components.

Condition

Vanpool rates are divided into mileage tiers and a customer's tier is determined by how many miles their route travels in a month. Internal Audit reviewed a sample of 25 Vanpool routes and recalculated the mileage using Google Maps. Thirteen of the routes had mileage variances greater than two miles, with the highest variance being 102 miles less than the route mileage on record.

Cause

Management did not respond to requests for comment on the results of this test, so precise root cause could not be determined.

Effect

- Routes with too high of mileage will cause UTA to overbill customers. This can cause a diminished relationship and reputation with those customers.
- Management has a goal to meet budget within 2%. Incorrect mileage may lead to under-billing which would reduce revenue and management's capacity to meet budget goals.

Recommendation

1. IA recommends that management review Vanpool route mileage for accuracy.

Management Response and Action Plan

Management agrees that billing to mileage should be as accurate as possible. In Vanpool staff experience, Google maps is dynamic and the routes selected and applications used have slightly different routing and mileage even on the same roads. The Ridepro software utilizes Google Maps so the software used for auditing is the same.

The Ridepro software also has a built-in safety net for our customers by asking them to confirm their route distance, origin, destination, pick-ups, and drop-offs before submitting their monthly report.

Management has also built in an additional 50 miles to each pricing tier to avoid charging more based on the small distance variance.

Vanpool staff will perform a randomized route and mileage evaluation twice per year.

Target Completion Date

2/27/2027

Responsible Individual(s)

Special Services General Manager

Finding R-25-02-07 Vanpool expenses misstated in accounting records Risk Level: Moderate

Criteria

COSO Component Three: Control Activities, Principle 13 states:

The organization obtains or generates and uses relevant, quality information to support the functioning of internal control.

COSO further guides:

Information systems produce information that is timely, current, accurate, complete, accessible, protected, and verifiable and retained. Information is reviewed to assess its relevance in supporting the internal control components.

Condition

IA reconciled Vanpool fuel card expense amounts reported from Laserfiche to the JD Edwards accounting system. The reconciliation covered January 1, 2022, to October 31, 2025. The following variances (rounded) were noted:

- A payment of \$73,435 was coded correctly on January 31, 2022, but was booked into the general ledger a second time on March 2, 2022.
- IA calculated a \$1,078 variance across three transactions in 2024. The exact cause of the difference could not be determined.
- An expense of \$185,418 on July 31, 2025, was incorrectly booked to a different department’s account, causing an understatement of Vanpool’s expenses.

Cause

The Accounting department took responsibility for this error, though no cause was apparent. Absent further information, the default root cause for such errors is a lack of management oversight and lack of sufficient training.

Effect

Accurate accounting records are essential for management to make accurate operational decisions. These errors represent an understatement of approximately \$111,000 of Vanpool’s expenses. This difference could lead to

management not seeking funding that they need, increasing spending of funds that they don't have access to, fast-tracking investments, etc.

Recommendation

1. IA recommends that Accounting correct all material expense misstatements.
2. IA recommends that Accounting implement oversight and/or reconciliation procedures to detect accounting misstatements.

Management Response and Action Plan

Finance is working with Vanpool to reconcile the misstated fuel card expenses and provide an improved process going forward. This may involve changes to policy, process, and structure within both Accounting and Vanpool.

Target Completion Date

6/4/2027

Responsible Individual(s)

Chief Financial Officer

Finding R-25-02-08	Vanpool revenue misstated in accounting records	Risk Level: Moderate
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Criteria

COSO Component Three: Control Activities, Principle 13 states:

The organization obtains or generates and uses relevant, quality information to support the functioning of internal control.

COSO further guides:

Information systems produce information that is timely, current, accurate, complete, accessible, protected, and verifiable and retained. Information is reviewed to assess its relevance in supporting the internal control components.

Condition

IA reconciled collected revenue amounts reported by the RidePro system to the amounts booked in the JD Edwards accounting system. The reconciliation covered January 2023 through October 2025. 22 months had no variance and five more had an immaterial variance. However, from the period of July 2024 through January 2025, each month had variances, the highest being over \$69,000 in January 2025. See table 5 below for details.

Table 5. RidePro Revenue Variance, July 2024 – January 2025

Month	Ride Pro Collected Amount	Accounting System Reported Amount	Variance Over/(Under)
07/2024	\$199,671	\$199,944	\$273
08/2024	\$198,999	\$218,827	\$19,828

09/2024	\$196,054	\$197,102	\$1,048
10/2024	\$198,044	\$199,901	\$1,857
11/2024	\$207,115	\$148,096	(\$59,019)
12/2024	\$210,749	\$145,975	(\$64,774)
01/2025	\$222,907	\$153,873	(\$69,034)

Cause

The Accounting department took responsibility for this error, though no cause was apparent. Absent further information, the default root cause for such errors is a lack of management oversight and lack of sufficient training.

Effect

Accurate accounting records are essential for management to make accurate operational decisions. For example, in this seven-month period approximately \$169,000 of revenue was underreported. This difference could lead to management seeking funding they don't need, reducing spending unnecessarily, delaying or cancelling investments, etc.

Recommendation

1. IA recommends that Accounting correct all material revenue misstatements.
2. IA recommends that Accounting implement oversight and/or reconciliation procedures to detect accounting misstatements.

Management Response and Action Plan

Finance is working with Vanpool to reconcile the misstated revenue and provide an improved process going forward. This may involve changes to policy, process, and structure within both Accounting and Vanpool.

Target Completion Date

6/4/2027

Responsible Individual(s)

Chief Financial Officer

Finding R-25-02-09	Document Retention Recommendations	Risk Level: Mod-Low
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Criteria

COSO Component Four: Information & Communication, Principle 13 states:

The organization obtains or generates and uses relevant, quality information to support the functioning of internal control.

The Points of Focus for Principle 13 further elaborates:

*Information systems produce information that is timely, current, accurate, complete, **accessible**, protected, and **verifiable and retained**. Information is reviewed to assess its relevance in supporting internal control components (emphasis added with bold).*

Condition

The following recommendations are given as opportunities to improve the Vanpool recordkeeping system.

Cause

Not determined.

Effect

When accurate information is not easy to find or provide, management may have trouble reviewing problems, tracking performance, and making timely decisions. This can make it more difficult to improve service reliability, reduce customer complaints, and grow ridership and Vanpool groups.

Incomplete or inaccessible operational data may reduce management's ability to analyze service reliability, mechanical performance trends, and safety incidents, which could affect efforts to achieve 95% reliability, increase miles between road calls, and reduce passenger injuries and Vanpool accidents, as outlined in the Customer Experience objectives.

From an Organizational Excellence perspective, the lack of readily accessible and verifiable information may limit management's ability to effectively track maintenance performance, monitor preventive maintenance completion rates, evaluate driver performance metrics, and identify factors contributing to lost time injuries.

Finally, the current practices for data retention relies heavily on the institutional knowledge of current employees to locate and produce information. The risk of UTA losing this knowledge can be reduced by improving the way Vanpool retains and organizes documentation.

Recommendation

Management should strengthen information governance practices to ensure relevant operational data is captured, retained, and readily accessible to support internal control activities. Specifically, management should:

1. Establish standard procedures for documenting exceptions and operational decisions.
2. Define data ownership and accountability to ensure responsible personnel maintain and provide requested documentation.
3. Periodically review information quality and accessibility to confirm that data supports management oversight, performance monitoring, and internal control activities.
4. Reconcile the list of driver's licenses on file for Vanpool drivers to the current list of Vanpool drivers.
5. Reconcile training records and ensure that any training documentation gaps or actual uncompleted training is addressed.
6. Work with the Finance department to create standard document and information retention policies for financial records.

Management Response and Action Plan

Management agrees there is room for improvement in our data governance practices.

Management will create a standard procedure for documenting exceptions and operational decisions.

Management will define data ownership and accountability to ensure responsible personnel maintain appropriate documentation.

Management will work with the ESO office to identify and reconcile any gaps in the driver's license and training records.

Management will work with the Finance and Records departments to create standard document and information retention policies for Vanpool financial records.

Target Completion Date

3/12/2027

Responsible Individual(s)

Special Services General Manager



Utah Transit Authority

MEETING MEMO

669 West 200 South
Salt Lake City, UT 84101

Audit Committee

Date: 6/22/2026

TO: Audit Committee
THROUGH: Annette Royle, Chief of Board Strategy and Governance
FROM: Luke Barber, Senior Internal Auditor
PRESENTER(S): Luke Barber, Senior Internal Auditor
Travis King, Director of Safety and Security

TITLE:

Bus Safety Audit Report (25-12)

AGENDA ITEM TYPE:
Report

RECOMMENDATION:
Informational report for discussion.

BACKGROUND:
The 2025 Internal Audit Plan included an outsourced audit of bus safety practices and procedures. The audit was performed by auditors from the American Public Transportation Association ("APTA"). APTA had a field visit the week of October 6, 2025 and subsequently issued an audit report.

DISCUSSION:
Internal Audit will report on APTA's recommendations from the audit. The Safety team will discuss action plans to address the recommendations.

ALTERNATIVES:
Not applicable.

FISCAL IMPACT:
Not applicable.

ATTACHMENTS:

Bus Safety Audit Report (25-12)

Management Response - UTA Bus Safety Audit



Bus Safety Management Audit Report FOR UTAH TRANSIT AUTHORITY

Conducted as a service of the
American Public Transportation
Bus Safety Management Audit Program



American Public Transportation Association
1300 I Street, NW
Suite 1200 East
Washington, DC 20005
Brian Alberts, Senior Director – Safety & Advisory Services

Safety Review Background

The **Bus Safety Review Program (BSRP)** of APTA is designed to provide participating bus transit systems with a process for the development and implementation of a Public Transportation Agency Safety Plan (PTASP) (formerly System Safety Program Plan or SSPP) that is specific to an individual system's needs. The program also provides for a periodic Safety Review for which a transit system has implemented its PTASP.

The BSRP was developed by the APTA Bus Safety Review Board (BSRB) in conjunction with the APTA Bus Safety Committee to ensure that the highest standards for safety are maintained. The BSRB initiated the Safety Accreditation Task Force to review system safety programs and activities within the bus transit industry and to develop the formal program. Under the BSRB's direction, the task force recommended the format outlined in APTA's *Manual for the Development of Bus Transit System Safety Program Plans*. After approval, APTA's Executive Committee inaugurated the Bus Safety Review Program. The program continues to contribute to the bus industry's ability to maintain effective self-regulatory safety programs.

What This Safety Review Represents

The Safety Review for Utah Transit Authority was conducted October 6–10, 2025, by APTA representatives Brian Alberts and Jim Brown. The Safety Review was conducted in accordance with provisions of the APTA *Manual for the Development of Bus Transit System Safety Program Plans*. Agency liaison Michael Hurst effectively coordinated the meetings and interviews held with representatives from all major departments within the Utah Transit Authority.

This preliminary report represents the findings of the Safety Review relative to the PTASP. All APTA recommendations, unless related to established industry standards, are nonbinding and may be accepted or rejected after management review by the authority. The Preliminary Safety Review Report period extends over the next 45 working days and allows Utah Transit the opportunity to investigate the Safety Review findings and take corrective action to resolve as many findings as possible before the Final Report is issued. Supplemental forms have been included with this report that provide comments on findings for which the safety reviewers may either recommend corrective action to comply with the PTASP or suggest enhancements to

augment the present PTASP. The Safety Review team will receive any additional information from the Utah Transit Authority to correct, clarify or upgrade a finding prior to issuing the Final Safety Review Report.

How to Respond to the Safety Review

The numerical notations on the Safety Review Checklist determine the status of the observation by the Safety Review team and are defined as follows:

1: Conforms: Meets Plan Requirements. Complies with program standards set by the industry and requires no additional action by the transit system.

2: Conforms with Continuous Improvement Opportunity. Complies with program standards set by the industry with opportunities for improvement noted.

3: Nonconformance: Program Improvement Needed. Does not meet program plan requirements and/or standards set by the industry and requires immediate attention by the transit system, detailed in a Safety Improvement Plan.

4. Unable to review or not applicable.

The BSRP focuses on a bus system's PTASP and the implementation of such plan. The Safety Review report prepared under the BSRP reviews the PTASP and evaluates the extent to which a system's management processes are complying with the plan. The Safety Review report does not, and is not intended to, represent an in-depth review or Safety Review of the safety of the bus system itself or of its operations and should not be relied on as such.

Utah Transit Authority must advise APTA's Safety office during the Preliminary Report period of any item that may be appealed. Such items will be reviewed and, if not resolved, referred to the APTA Bus Safety Committee for review and disposition. Safety Improvement Plans and Strategic Plans for items noted in the Safety Review findings as "2" and "3" are to be filed by Utah Transit for inclusion in the Final Safety Review Report. The Safety Improvement Plan is based upon program guidelines and outlines the measures a transit system will take to bring its System Safety Program into compliance with its written plan and/or enhancements to strengthen that element. A schedule of proposed implementation dates is a part of the Safety Improvement Plan. The Safety Improvement Plan is issued with the Final Report and forms the basis for the post-Safety Review, along with any open items.

SAFETY REVIEW OVERVIEW

The Safety Review encompasses all elements of the Utah Transit Authority System Safety Program and the means for its implementation. The Safety Review focused on reviewing processes, documents and records, and interviewing managers in each department, to verify that all elements of the System Safety Program were developed, implemented and reviewed on an ongoing basis.

The important aspect of the program is that it offers the system the benefit of having an outside, independent evaluation to the extent to which its own management processes are tracking all the items necessary to maximize safety in the areas of operations, maintenance, training, inspections and employee testing. While the Safety Review Program does not evaluate the actual physical conditions of the safety-reviewed transit systems, the safety management practices of the participating systems are evaluated to help each system determine if its own System Safety Management Program is up to the accepted, contemporary standards.

Transit systems participating in the APTA Safety Review Program will be expected to ensure that all the items contained in the “Checklist” portion of this document have been incorporated into their respective PTASPs. However, as it is fully realized that each system is somewhat unique and that PTASPs must allow for the characteristics of each system, this document does not prescribe an absolute format for PTASPs. Rather, it offers a suggested format along with the type of methodology that will accomplish the purposes of system safety. The final choice of methodology to ensure that these checklist items are accomplished will rest with each transit system itself. The methodology must, however, be demonstrable from a safety compliance assessment perspective and properly documented by the system.

It should be emphasized that the PTASP establishes the safety philosophy of the entire organization and provides the means for implementation. APTA Safety Reviews are implemented in order to:

- establish a safety program on a system-wide basis;
- provide a medium through which a property can display its commitment to safety;
- provide a framework for the implementation of safety policies and the achievement of related goals and objectives;
- satisfy federal and state requirements;
- meet accepted industry guidelines and safety compliance assessment provisions; and
- satisfy self-insurance provisions.

In order for a Safety Review to be effective, the results must be used for positive, all-encompassing corrective actions. This does not occur if the Safety Review Report is not an official document that is automatically provided to all appropriate levels of management. Various techniques, such as Safety Review coordination meetings and management briefings, can be used to make the process as unobtrusive as possible while still providing valuable input to each department being reviewed, as to areas of concern and possible corrective actions. No matter which method is chosen, it is important to design the process so it is construed as a positive force in the organization.

It should be emphasized that the Safety Review process is only a management tool that provides assistance in discovering possible problem areas. By itself, it should not be considered an internal regulatory or decision-making process. Final authority for all decisions always rests within the management structure as prescribed by the individual organization.

SAFETY REVIEW SUMMARY

The Safety Review team verified, through documentation, the implementation of programs such as employee safety, system-wide maintenance programs, project safety and security certification, data management, employee training, hazard management, and employee and public safety communications.


The efforts of the Utah Transit Authority to achieve a strong degree of program implementation in all areas of system operation are due to the effectiveness of its management and a strong commitment to voluntarily comply with all safety recommendations. All departments are encouraged to continue their efforts toward further development and effectiveness of the Utah Transit Authority's PTASP.

The Safety Review team found many of the essential elements of the Utah Transit Authority's PTASP to be well-developed. Management is fully aware of the importance of safety throughout the organization. However, the Utah Transit Authority is encouraged to continue the system-wide implementation of all system safety programs. The Utah Transit Authority should continue to focus on updating its Bus accident and incident investigation response capabilities, as well as its staff training, new equipment technology hazard analysis (JHA), operator fatigue management, rules compliance program, and employee safety training (e.g., OSHA) relevant to their respective roles and responsibilities.

The Utah Transit Authority is commended for its continuing efforts to improve system safety through its robust employee safety programs, internal and external safety communications, capital and maintenance programs, state of good repair (SOGR) and data analysis initiatives.

The Safety Review team expresses sincere gratitude for the assistance and cooperation afforded by the entire Utah Transit Authority staff and congratulates the Utah Transit Authority on another very successful safety review.

**January 2026
BSRB**

AMERICAN PUBLIC TRANSPORTATION ASSOCIATION BUS SAFETY REVIEW PROGRAM			
	CONTROL: Utah Transit Authority (UTA)	1	DATE OF SAFETY REVIEW October 6–10, 2025
FINDINGS AND OBSERVATIONS		SUPPLEMENTAL FORM	

GENERAL RECOMMENDATIONS


Note: The recommendations below are intended to provide basic guidelines and a summary of findings to several areas of Utah Transit Authority (UTA). Please refer to the appropriate section below for specific details that are applicable to the different areas of responsibility.

Effective Practices

1. APTA commends the UTA management team for its continued commitment to its safety program. UTA staff continue to demonstrate due diligence in identifying opportunities to improve the safety and security of their customers and employees. This open commitment to UTA’s safety and security provides an excellent foundation for a proactive safety culture that can be supported by all UTA employees. **(1.8)**
2. To improve labor and management communication efficiencies on matters affecting UTA safety and security, the labor/management team are developing a Joint Labor-Management Safety Committee Meeting Charter. APTA acknowledges this safety communications initiative. **(4.14)**
3. As a means to continually reinforce safety communications throughout the organization, every meeting starts with a safety-moment topic. APTA commends this practice. **(1.14)**

Opportunities for Improvement

4. UTA’s 2025 organizational strategy includes five key areas of focus that present a great visual throughout the organization and provide visibility on organizational priorities, deliverables and objectives. Although the focus on safety and security was embedded within the scope of these five key areas, the audit team didn’t see safety and security specifically mentioned as one of the major areas of focus. In the 2024 Agency Safety Plan (ASP), it is stated that safety is the agency’s “first priority” and should ultimately be clearly reflected in the organizational strategy and priorities. **(1.9)**
5. The UTA Safety Division is responsible for supporting the application of the ASP for all service modes. Rail safety and security regulatory requirements often demand an increased level of safety resources. APTA recommends that UTA perform an assessment of its current level of organizational safety resources required to effectively support the application of the UTA Bus Safety Plan provisions. **(1.5)**

AMERICAN PUBLIC TRANSPORTATION ASSOCIATION BUS SAFETY REVIEW PROGRAM			
	CONTROL: Utah Transit Authority (UTA)	2	DATE OF SAFETY REVIEW October 6–10, 2025
FINDINGS AND OBSERVATIONS		SUPPLEMENTAL FORM	

SAFETY

Effective Practices

1. UTA has multiple means available for reporting hazards (e.g., hazard forms, reporting to management, and close-call reporting through Lighthouse). The agency has established an effective reporting culture. APTA commends these reporting initiatives. **(4.20)**
2. Auditors attended the safety huddle meeting at Timpanogos and found it to be a very effective means of communication to discuss division safety trends, initiatives and follow-up actions. APTA noted several innovations at the Timpanogos facility, including robust performance and safety trend analysis and bus camera protectors. APTA commends this safety communications and review process. **(1.14)**
3. Safety Committees exist on a business unit and local level to enhance safety communications. Issues that cannot be resolved are raised to the Safety & Security Review Committee (SSRC). **(4.14)**
4. APTA acknowledges that Service Units are required to conduct two drills per year. One drill must be an evacuation drill. Service Units may use real world incidents to fulfill these requirements. Additionally, Seminars, Drills, Tabletop and Full-Scale Exercises may also qualify for a second drill to support emergency preparedness requirements. Annual drills are tracked by Emergency Management. **(4.11)**
5. Safety administrators are assigned to respective facilities (agency-wide) to improve workplace/employee safety. This provides an effective means to improve safety communications and coordination with managing facility safety and program initiatives. APTA commends this practice. **(1.17)**
6. Facilities have conducted arc flash assessments for all locations. APTA acknowledges this hazard assessment safety practice. **(2.1)**

Opportunities for Improvement

7. The UTA bus accident and incident investigation does not appear to be as robust as its rail process. APTA recommends that UTA review current bus industry accident/incident investigation recommended practices and update its procedures, training and resources needed to effectively support a robust process. APTA RT-OP-S-002-02, “Rail Transit Accident/Incident Notification and Investigation Requirements,” and FTA Report No. 0204, “Effective Practices in Bus Transit

**AMERICAN PUBLIC TRANSPORTATION ASSOCIATION
BUS SAFETY REVIEW PROGRAM**



**CONTROL: Utah Transit Authority
(UTA)**

3


**DATE OF SAFETY REVIEW
October 6–10, 2025**

FINDINGS AND OBSERVATIONS

SUPPLEMENTAL FORM

Accident Investigation,” are excellent resources to review when considering updates required to the existing bus accident/incident investigation process. Once the procedure is approved, training should be provided to all affected personnel to reinforce the consistent application of the procedure. **(3.1)**

8. UTA does not have the resources to effectively respond to all bus accidents. It is primarily left up to transit supervisors to respond and gather post-incident information. APTA recommends that UTA assess its current resources designated to the bus accident and incident investigation process and ensure that staff allocation and training are sufficient to fulfill procedural requirements that are consistent with industry standards. **(3.1)**
9. UTA bus accident investigators have not attended TSI training in several years. APTA recommends designated personnel responsible for accident and incident investigations attend the “Bus Accident Investigation” course, which can be hosted at UTA in the future. **(3.2)**
10. UTA does well with safety-related communication via emails, social media, etc. There is some safety signage present in the shops, depots, and garages. Electronic boards are utilized in some facilities (Ogden, Meadowbrook) to communicate maintenance tasks and other data. APTA recommends expanding effective communication practices throughout the system. **(1.14)**
11. Although the facilities APTA visited mostly followed desired safety practices, safety should continue to focus on high-priority needs (e.g., electric bus battery storage) through safety assurance inspection and oversight processes. **(2.2)**
12. There was no formalized internal audit safety assurance process established for bus. APTA recommends that Safety develop an internal safety audit program for bus that aligns with the process established in the Rail division. **(3.17)**
13. During the tours of the maintenance facilities, it was noted that safety signage (safety promotion) in common areas could be improved, including in both the bus maintenance and bus operations areas. APTA recommends that Safety work with the communications and marketing team to implement a program to further promote safety awareness throughout the system. **(1.14)**
14. A safety issue was raised concerning the Timpanogos BRT line (UVX) involving cars fouling the BRT dedicated lane and hitting the buses. APTA acknowledges that UTA is evaluating this issue to improve safety and recommends an operational hazard analysis be completed on this line as part of the assessment process. It is also suggested that UTA update the website to include hazard awareness associated with bus lanes and motorist clearances. **(3.1)**

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HUMAN RESOURCES/LABOR RELATIONS

Effective Practices

1. UTA screens its employees for sleep apnea, established a second job restriction requirements for its safety sensitive personnel, and provides fitness-for-duty training for its supervisory personnel. APTA acknowledges these fatigue management practices. **(4.16)**
2. UTA has an Employee Assistance Program (EAP) and provides onsite access to a medical physician. APTA commends these employee support initiatives. **(4.16)**
3. UTA has identified its key positions and has initiated a management leadership development and succession planning process. APTA commends this initiative. **(3.50)**

Opportunities for Improvement

4. UTA does not have a formalized Hours of Service (HOS) policy for Bus safety-sensitive personnel. APTA recommends the development of a formalized HOS policy for Bus consistent with its Rail practices and industry standards. Please see [APTA RT-OP-S-015-09](#), “Train Operator Hours-of-Service Requirements,” for more information on HOS. **(4.19)**

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OPERATOR TRAINING

Effective Practices

1. UTA recently procured a bus simulator to support operating training and post incident simulations. APTA commends this training program investment. **(4.1)**
2. New bus operator training time has been increased to approximately 10 weeks and includes more time for behind-the-wheel training. APTA acknowledges this practice. **(4.1)**
3. De-escalation training at UTA is taught directly by its bus operators. APTA commends this initiative and leading industry practice. **(4.3)**

Opportunities for Improvement

4. At the time of this audit, there was no refresher training being conducted for bus operators. UTA is in the process of implementing refresher training every five years. APTA acknowledges this initiative and recommends that UTA consider further progressing its operator refresher training initiative to be consistent with industry standards (every one to two years). Also, UTA should consider conducting refresher training for operators out of service for an extended period (e.g., more than six months). **(4.3)**
5. Operator training competency is primarily assessed through an on-the-job training (OJT) assessment. In addition to OJT, APTA recommends that UTA also consider incorporating more of the standard competency evaluation process of examinations and tests (including pass/fail or written exams with a certain percentage for passing grade). **(4.2, 4.4)**
6. UTA previously utilized an operator mentor program to support new operators following completion of the training program. Given the higher accident rate trend of new operators, APTA recommends that UTA reconsider the development of an operator-mentor program to further support new operators during the probationary period (or during their first year of service). **(3.49)**

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SECURITY

Effective Practices

1. UTA initiated a pilot program involving the installation of monitors on 50 buses that are focused on passengers and have plans to increase this initiative to 50 additional buses. APTA commends this security enhancement/crime deterrent initiative. **(4.20)**
2. UTA is planning to conduct security Threat and Vulnerability Assessments (TVAs) for its major facilities. APTA acknowledges this security initiative. **(4.23)**

Opportunities for Improvement

3. UTA has security measures in place to mitigate vulnerabilities at all rail facilities, but not at all bus facilities. Contingent on the results of the pending TVA assessments, APTA recommends initiating recommended mitigation measures to address bus facilities identified with system vulnerabilities. **(4.23)**

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OPERATIONS

Effective Practices

1. Operations perform accident trend “hot spot” analyses and direct supervision to assess and identify recommended mitigation measures. APTA commends this accident/incident trend analysis, hazards assessment and mitigation process. **(3.4)**

Opportunities for Improvement

2. UTA provides 10 minutes for its bus operators to complete its vehicle pre-trip inspection process. APTA recommends that UTA do an assessment to see if the 10-minute pre-trip inspection is still sufficient given the scope of vehicle equipment to be inspected prior to going into revenue service. UTA should review for comparison other bus properties vehicle pre-trip inspection processes with similar fleets to support its decision on any future changes to this important safety process. **(3.17)**
3. APTA visited all UTA Bus Divisions during the safety audit process and noted several excellent program initiatives. APTA recommends that UTA develop a formalized process to share its effective practices across all Bus Divisions. **(1.17)**
4. UTA does not have a formalized hours of service (HOS) policy for Bus safety-sensitive personnel. APTA recommends the development of a formalized HOS policy for Bus consistent with its Rail practices and industry standards. Please see [APTA RT-OP-S-015-09](#), “Train Operator Hours-of-Service Requirements,” for more information on HOS (*also noted under Human Resources*). APTA also recommends that UTA Bus Operations managers review best practices for fatigue management, including route scheduling, HOS and fitness-for-duty checks. **(4.19)**
5. The Bus Operations rules compliance program is not formalized. APTA recommends that Bus assess adopting a rules observations and compliance program as currently applied in the Rail division. **(3.49)**


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RISK MANAGEMENT

Effective Practices

1. UTA is progressively establishing a robust enterprise risk management program. APTA considers this initiative as a leading industry practice, as it displays that UTA is committed to effectively managing this industry-wide issue. **(3.8)**
2. UTA has established an Organizational Excellence Department, which is designed to proactively support end user departments with implementing priority initiatives. APTA commends UTA for its commitment and innovative approach to effectively supporting priority program initiatives. **(3.13)**


**AMERICAN PUBLIC TRANSPORTATION ASSOCIATION
BUS SAFETY REVIEW PROGRAM**

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<p align="center">FINDINGS AND OBSERVATIONS</p>		<p align="center">SUPPLEMENTAL FORM</p>	

PROCUREMENT

Effective Practices


1. Throughout each of the four Bus facility tours and in discussion with the Procurement Department, APTA observed that UTA has established an overall effective hazardous material program. APTA acknowledges this program. **(3.56)**

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COMMUNICATIONS AND MARKETING

Effective Practices

1. UTA continues to be proactive in reinforcing safety communications throughout the organization to include weekly safety messages (emails to staff), safety posters, meeting safety topics, safety awareness campaigns, website safety information, videos, social media messages and safety awareness campaigns. APTA commends UTA’s focus on both internal and external safety communications. **(1.14)**

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CAPITAL PROJECTS

Effective Practices

1. UTA Capital Projects has established a robust safety and security certification process as required for FTA-funded “major projects.” APTA commends the application of this safety assurance process. **(3.29)**

Opportunities for Improvement


2. In addition to applying the safety and security certification process as mandated by the FTA for “major projects,” APTA recommends that UTA consider its application based on the project assessment of potential safety hazards and risk. For example, the procurement of battery electric buses introduces new technology, facility modifications and procedural changes and would benefit from the application of this thorough safety assurance process to ensure that all potential safety hazards have been identified and effectively mitigated to acceptable levels. **(3.16)**
3. To further enhance systemwide service management and emergency response efficiencies, APTA recommends that UTA consider consolidating the four control and communications centers into one fully integrated control center. This includes Meadowbrook – Police & Bus TCC; Warm Springs – Commuter Rail; Jordan River – TRAX; and Riverside – Paratransit. In addition to existing TCC critical functions, APTA recommends that UTA also consider including power control functions as part of any future TCC consolidation plans to enhance power control management efficiencies for both planned and unplanned power outages. **(1.17)**

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INFORMATION TECHNOLOGY (IT)

Effective Practices

1. The UTA cybersecurity program is robust and includes a cybersecurity plan, testing agency-wide, mandatory training for personnel, and National Institute of Standards and Technology (NIST) compliance. APTA commends this program. **(4.23)**
2. UTA conducts tabletop exercises to test the application of its cybersecurity plan. APTA acknowledges this initiative. **(4.11)**

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FACILITIES MAINTENANCE

Effective Practices

1. Facilities Maintenance has maintained a consistently high level of preventative maintenance compliance. APTA commends this achievement. **(3.21)**
2. Facilities maintenance provides updated State of Good Repair (SOGR) condition assessments to determine priority project requirements. APTA commends this initiative. **(3.23)**
3. Facility maintenance utilizes a decentralized staff allocation structure to enhance interdepartmental collaboration and ownership of facility conditions and safety priorities. APTA commends this resource allocation initiative. **(3.13)**

Opportunities for Improvement

4. There is a need to assess Facility Maintenance staff safety training requirements based on current equipment maintenance responsibilities and tasks. At a minimum, it is recommended that maintenance staff receive OSHA safety training courses applicable to their responsibilities. **(4.7)**

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VEHICLE MAINTENANCE TRAINING

Effective Practices

1. The Bus Maintenance Training Department has established a comprehensive and robust apprenticeship program to qualify maintenance personnel as journeymen. APTA commends this training program. **(3.37)**

Opportunities for Improvement

2. There is a need to assess Vehicle Maintenance staff safety training requirements based on current equipment maintenance responsibilities and tasks. APTA recommends that maintenance staff receive OSHA safety training courses applicable to their responsibilities. **(3.51)**
3. Maintenance training and qualification needs can be excessive, and Vehicle Maintenance is currently short on necessary positions to support maintenance requirements. Current challenges with the maintenance apprenticeship program include a lack of available shop staff resources and time (three-plus years program) to take on apprentices; competition throughout the SLC area for this skill set (i.e., the private sector/higher pay); and many retirements that are projected to occur soon. APTA recommends that UTA assess its current apprentice program constraints and initiate actions to ensure that the program remains a viable means of delivering qualified staff as needed to efficiently and safely maintain its bus fleets. **(3.50)**

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FACILITY TOURS

Effective Practices

1. The District Depot, Meadowbrook and Timpanogos facilities’ housekeeping is excellent, and all facilities are well-organized. Overall, the majority of locations visited were in compliance with the safe hazardous material program. APTA acknowledges this program. **(4.21)**

Opportunities for Improvement

2. The introduction of the BEB fleet to the UTA facilities has brought on new challenges with the proper storage of vehicles and parts. APTA recommends that an assessment of each facility be conducted to ensure that safe practices are being followed to support the BEB fleets and that they align with upcoming APTA standards. **(3.42)**
3. The Ogden maintenance facility is severely limited in capacity and requires assistance with the proper storage of electric fleet bus batteries. APTA recommends that UTA conduct a follow-up assessment of this facility’s battery storage practices and initiate recommendations as applicable to ensure consistent compliance with regulatory requirements. **(3.56)**
4. Maintenance staff at the Ogden facility are unsure of the hazards when working around the BEB fleet. APTA recommends conducting a JHA and providing additional training on safe practices as well as troubleshooting on BEBs (as warranties are expiring). **(3.24)**



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ACTION NEEDED

APTA Safety Element #	Recommendation (as stated in APTA report)	Corrective Action/Comment (transit agency)	To Be Completed On or Before	Assigned Responsibility	Element Status (to be completed by agency designee)
General Recommendations 4	UTA's 2025 organizational strategy includes five key areas of focus that present a great visual throughout the organization and provide visibility on organizational priorities, deliverables and objectives. Although the focus on safety and security was embedded within the scope of these five key areas, the audit team didn't see safety and security specifically mentioned as one of the major areas of focus. In the 2024 Agency Safety Plan (ASP), it is stated that safety is the agency's "first priority" and should ultimately be clearly reflected in the organizational strategy and priorities. (1.9)	Safety elements are already incorporated into all key areas of the existing organizational strategies as an underlying focus. E4 Low	N/A	Travis King	CLOSED – No Further Action
General Recommendations 5	The UTA Safety Division is responsible for supporting the application of the ASP for all service modes. Rail safety and security regulatory requirements often demand an increased level of safety resources. APTA recommends that UTA perform an assessment of its current level of organizational safety resources required to effectively support the application of the UTA Bus Safety Plan provisions. (1.5)	A Corrective Action Plan to be developed to assess the current safety staffing levels based on industry standards and best practices to adequately support the agency's safety plan. C3 MED	12/31/2026	Travis King	In-process



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ACTION NEEDED

APTA Safety Element #	Recommendation (as stated in APTA report)	Corrective Action/Comment (transit agency)	To Be Completed On or Before	Assigned Responsibility	Element Status (to be completed by agency designee)
Safety 7	<p>The UTA bus accident and incident investigation does not appear to be as robust as its rail process. APTA recommends that UTA review current bus industry accident/incident investigation recommended practices and update its procedures, training and resources needed to effectively support a robust process. APTA RT-OP-S-002-02, "Rail Transit Accident/Incident Notification and Investigation Requirements," and FTA Report No. 0204, "Effective Practices in Bus Transit Accident Investigation," are excellent resources to review when considering updates required to the existing bus accident/incident investigation process. Once the procedure is approved, training should be provided to all affected personnel to reinforce the consistent application of the procedure. (3.1)</p>	<p>Develop a Corrective Action Plan to improve tracking for bus collisions and conducting bus collision investigations. Staffing levels limit the ability for safety personnel to respond to all bus collisions. Currently, the agency is relying on bus supervisors to conduct investigations. Training for bus supervisors conducting these accident investigations needs to be assessed. Detailed investigations into bus collisions may help determine safety mitigations to prevent collisions and help management awareness of risks to the bus system.</p> <p>B3 Serious</p>	12/31/2026	Safety	In-process
Safety 8	<p>UTA does not have the resources to effectively respond to all bus accidents. It is primarily left up to transit supervisors to respond and gather post-incident information. APTA recommends that UTA assess its current resources designated to the bus accident and incident investigation process and ensure that staff allocation and training are sufficient to fulfill procedural requirements that are consistent with industry standards. (3.1)</p>	<p>Develop a Corrective Action Plan to improve tracking for bus collisions and conducting bus collision investigations. Staffing levels limit the ability for safety personnel to respond to all bus collisions. Currently, the agency is relying on bus supervisors to conduct investigations. Training for bus supervisors conducting these accident investigations needs to be assessed. Detailed investigations into bus collisions may help determine safety mitigations to prevent collisions and help management awareness of risks to the bus system. Combine CAP with SAFETY 7 recommendation.</p> <p>A4 Med</p>	12/31/2026	Safety	In-process



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ACTION NEEDED

APTA Safety Element #	Recommendation (as stated in APTA report)	Corrective Action/Comment (transit agency)	To Be Completed On or Before	Assigned Responsibility	Element Status (to be completed by agency designee)
Safety 9	UTA bus accident investigators have not attended TSI training in several years. APTA recommends designated personnel responsible for accident and incident investigations attend the “Bus Accident Investigation” course, which can be hosted at UTA in the future. (3.2)	Develop a Corrective Action Plan to improve tracking for bus collisions and conducting bus collision investigations. Staffing levels limit the ability for safety personnel to respond to all bus collisions. Currently, the agency is relying on bus supervisors to conduct investigations. Training for bus supervisors conducting these accident investigations needs to be assessed. Detailed investigations into bus collisions may help determine safety mitigations to prevent collisions and help management awareness of risks to the bus system. Combine CAP with SAFETY 7 recommendation. A4 Med	12/31/2026	Safety	In-process
Safety 10	UTA does well with safety-related communication via emails, social media, etc. There is some safety signage present in the shops, depots, and garages. Electronic boards are utilized in some facilities (Ogden, Meadowbrook) to communicate maintenance tasks and other data. APTA recommends expanding effective communication practices throughout the system. (1.14)	Current practices are effective. Each shop has effective communication methods. E4 Low	N/A	Safety	CLOSED – No further action
Safety 11	Although the facilities APTA visited mostly followed desired safety practices, safety should continue to focus on high-priority needs (e.g., electric bus battery storage) through safety assurance inspection and oversight processes. (2.2)	Current facilities inspections are looking for fire hazards including storage around battery electric bus. D2 Med	N/A	Safety	CLOSED – No further action



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ACTION NEEDED

APTA Safety Element #	Recommendation (as stated in APTA report)	Corrective Action/Comment (transit agency)	To Be Completed On or Before	Assigned Responsibility	Element Status (to be completed by agency designee)
Safety 12	There was no formalized internal audit safety assurance process established for bus. APTA recommends that Safety develop an internal safety audit program for bus that aligns with the process established in the Rail division. (3.17)	Under ISO certification, UTA conducted regular internal audits. Internal audits were discontinued in 2020. Internal audit would verify safety practices and identify corrective actions. Internal audit team has limited resources to conduct a complete bus system audit. Safety to develop a Corrective Action Plan for setting an internal audit schedule. E3 Med	12/31/2026	Safety	In-process
Safety 13	During the tours of the maintenance facilities, it was noted that safety signage (safety promotion) in common areas could be improved, including in both the bus maintenance and bus operations areas. APTA recommends that Safety work with the communications and marketing team to implement a program to further promote safety awareness throughout the system. (1.14)	Maintenance shops have effective communication methods. Safety team is already working with communications marketing team for safety promotion. E4 Low	N/A	Safety	CLOSED – No further action
Safety 14	A safety issue was raised concerning the Timpanogos BRT line (UVX) involving cars fouling the BRT dedicated lane and hitting the buses. APTA acknowledges that UTA is evaluating this issue to improve safety and recommends an operational hazard analysis be completed on this line as part of the assessment process. It is also suggested that UTA update the website to include hazard awareness associated with bus lanes and motorist clearances. (3.1)	Develop a Corrective Action Plan to assess left turns in the UVX system. Identify potential collision hazards and delays along the dedicated bus only lanes due to improper signage and warnings. C3 Med	12/31/2026	Safety & Operations	In-process



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ACTION NEEDED

APTA Safety Element #	Recommendation (as stated in APTA report)	Corrective Action/Comment (transit agency)	To Be Completed On or Before	Assigned Responsibility	Element Status (to be completed by agency designee)
Human Resources/ Labor Relations 4	UTA does not have a formalized hours of service (HOS) policy for Bus safety-sensitive personnel. APTA recommends the development of a formalized HOS policy for Bus consistent with its Rail practices and industry standards. Please see APTA RT-OP-S-015-09 , "Train Operator Hours-of-Service Requirements," for more information on HOS. (4.19)	Human resources and operations to form a working group that will review agency needs and policies around hours of service. C3 Med	12/31/2026	Operations & Human Resources	In-process
Operator Training 4	At the time of this audit, there was no refresher training being conducted for bus operators. UTA is in the process of implementing refresher training every five years. APTA acknowledges this initiative and recommends that UTA consider further progressing its operator refresher training initiative to be consistent with industry standards (every 1 to 2 years). Also, UTA should consider conducting refresher training for operators out of service for an extended period (e.g., more than six months). (4.3)	A return-to-work refresher training is already in place. UTA is in processes of developing a more formalized refresher training for bus operators that will include all operators out for an extended period of time. A formal process to implement the upcoming bus simulator into the refresher training is also being considered. These steps were in process prior to the APTA audit and no further action is necessary. D4 LOW	N/A	Training	CLOSED - No Further Action
Operator Training 5	Operator training competency is primarily assessed through an on-the-job training (OJT) assessment. In addition to OJT, APTA recommends that UTA also consider incorporating more of the standard competency evaluation process of examinations and tests (including pass/fail or written exams with a certain percentage for passing grade). (4.2, 4.4)	UTA will consider opportunities for including written examinations and policy sign off for bus operations but does not plan to deviate from the current OJT training practices that adequately demonstrate operator proficiency. E4 LOW	N/A	Training	CLOSED - No Further Action



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ACTION NEEDED

APTA Safety Element #	Recommendation (as stated in APTA report)	Corrective Action/Comment (transit agency)	To Be Completed On or Before	Assigned Responsibility	Element Status (to be completed by agency designee)
Operator Training 6	UTA previously utilized an operator mentor program to support new operators following completion of the training program. Given the higher accident rate trend of new operators, APTA recommends that UTA reconsider the development of an operator-mentor program to further support new operators during the probationary period (or during their first year of service). (3.49)	Problems with the previous mentorship program and the collective bargaining agreement. The mentorship program was replaced with supervisor check-ins during the first-year driver probationary period. Specific Probationary Supervisors are currently adjusting their check-in points to increase overview for new drivers. D4 LOW		Operations	CLOSED – No further action
Security 3	UTA has security measures in place to mitigate vulnerabilities at all rail facilities, but not at all bus facilities. Contingent on the pending TVA assessments, APTA recommends initiating recommended mitigation measures to address bus facilities identified with system vulnerabilities. (4.23)	Update TVA's for all bus yard facilities. Security to develop a Corrective Action Plan for conducting TVA's in the bus maintenance facilities and implement an ongoing process to update the TVAs. C2 Serious	4/1/2027	Security	In-Process
Operations 2	UTA provides 10 minutes for its bus operators to complete its vehicle pre-trip inspection process. APTA recommends that UTA do an assessment to see if the 10-minute pre-trip inspection is still sufficient given the scope of vehicle equipment to be inspected prior to going into revenue service. UTA should review for comparison other bus properties vehicle pre-trip inspection processes with similar fleets to support its decision on any future changes to this important safety process. (3.17)	Develop a Corrective Action Plan for operations to assess the time needed for pre-trip inspections and assess time for operator tasks prior to reporting to their buses. Include difference in fleet type for these pre-trip inspections. D4 LOW	4/1/2027	Safety & Operations	In-Process



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ACTION NEEDED

APTA Safety Element #	Recommendation (as stated in APTA report)	Corrective Action/Comment (transit agency)	To Be Completed On or Before	Assigned Responsibility	Element Status (to be completed by agency designee)
Operations 3	APTA visited all UTA Bus Divisions during the safety audit process and noted several excellent program initiatives. APTA recommends that UTA develop a formalized process to share its effective practices across all Bus Divisions. (1.17)	Bus maintenance forum and operations management meetings are already in place to share best maintenance and operations practices across all divisions. UTA is in process of reorganizing to a centralized leadership model that will allow for better information sharing across the bus divisions. E4 LOW	N/A	Operations	CLOSED – No further action
Operations 4	UTA does not have a formalized hours of service (HOS) policy for Bus safety-sensitive personnel. APTA recommends the development of a formalized HOS policy for Bus consistent with its Rail practices and industry standards. Please see APTA RT-OP-S-015-09 , “Train Operator Hours-of-Service Requirements,” for more information on HOS (also noted under Human Resources). APTA also recommends that UTA Bus Operations managers review best practices for fatigue management, including route scheduling, HOS and fitness-for-duty checks. (4.19)	UTA is currently following DOT regulations for commercial drivers operating time. A working group to review agency needs and policies around hours of service. Combine Corrective Action Plan with HR & Labor 4. D3 Med	12/31/2026	Operations & Human Resources	In-process
Operations 5	The Bus Operations rules compliance program is not formalized. APTA recommends that Bus assess adopting a rules observations and compliance program as currently applied in the Rail division. (3.49)	Develop a CAP to assess the needs and affects of a rules observation compliance program. E4 Low	12/31/2026	Operations	In-Process



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ACTION NEEDED

APTA Safety Element #	Recommendation (as stated in APTA report)	Corrective Action/Comment (transit agency)	To Be Completed On or Before	Assigned Responsibility	Element Status (to be completed by agency designee)
Capital Projects 2	In addition to applying the safety and security certification process as mandated by the FTA for “major projects,” APTA recommends that UTA consider its application based on the project assessment of potential safety hazards and risk. For example, the procurement of battery electric buses introduces new technology, facility modifications and procedural changes and would benefit from the application of this thorough safety assurance process to ensure that all potential safety hazards have been identified and effectively mitigated to acceptable levels. (3.16)	<p>Develop a Corrective Action Plan to implement a standardized process to assess safety hazards and risks associated with new technology procurements, modeled after the agency’s existing “major projects” safety review process.</p> <p>D3 Medium</p>	12/31/2026	Safety and Fleet Engineering	In-process



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ACTION NEEDED

APTA Safety Element #	Recommendation (as stated in APTA report)	Corrective Action/Comment (transit agency)	To Be Completed On or Before	Assigned Responsibility	Element Status (to be completed by agency designee)
Capital Projects 3	To further enhance systemwide service management and emergency response efficiencies, APTA recommends that UTA consider consolidating the four control and communications centers into one fully integrated control center. This includes Meadowbrook – Police & Bus TCC; Warm Springs – Commuter Rail; Jordan River – TRAX; and Riverside – Paratransit. In addition to existing TCC critical functions, APTA recommends that UTA also consider including power control functions as part of any future TCC consolidation plans to enhance power control management efficiencies for both planned and unplanned power outages. (1.17)	APTA's recommendation to consolidate UTA's control and communications centers align with the agency's efforts to improve systemwide coordination and efficiency. Over the past year, UTA has taken an important step by implementing a consolidated leadership structure, with all control and dispatch functions now reporting to a single director. This change will improve alignment, communication, and decision-making across operations. UTA will continue to evaluate opportunities to further integrate control center functions, including the potential development of a fully integrated control center. While consolidation remains a long-term goal, progress will depend on available funding and overall capital priorities, and a timeline has not yet been established. As part of this effort, UTA will also evaluate the potential inclusion of power control functions to improve coordination during both planned and unplanned power events. E4 Low	N/A	Transit Control	CLOSED – No further action
Facilities Maintenance 4	There is a need to assess Facility Maintenance staff safety training requirements based on current equipment maintenance responsibilities and tasks. At a minimum, it is recommended that maintenance staff receive OSHA safety training courses applicable to their responsibilities. (4.7)	Safety to write a corrective action plan to evaluate required OSHA safety training, determine appropriate delivery methods (vendor, in-person, or electronic), and coordinate with the Training Department for scheduling and delivery. B3 Serious	12/31/2026	Safety & Training	In-process



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 Date of Audit: October 6–10, 2025

ACTION NEEDED

APTA Safety Element #	Recommendation (as stated in APTA report)	Corrective Action/Comment (transit agency)	To Be Completed On or Before	Assigned Responsibility	Element Status (to be completed by agency designee)
Vehicle Maintenance Training 2	There is a need to assess Vehicle Maintenance staff safety training requirements based on current equipment maintenance responsibilities and tasks. APTA recommends that maintenance staff receive OSHA safety training courses applicable to their responsibilities. (3.51)	Safety to write a corrective action plan to evaluate required OSHA safety training, determine appropriate delivery methods (vendor, in-person, or electronic), and coordinate with the Training Department for scheduling and delivery. B3 Serious	12/31/2026	Safety & Training	In-process
Vehicle Maintenance Training 3	Maintenance training and qualification needs can be excessive, and Vehicle Maintenance is currently short on necessary positions to support maintenance requirements. Current challenges with the maintenance apprenticeship program include a lack of available shop staff resources and time (three-plus years program) to take on apprentices; competition throughout the SLC area for this skill set (i.e., the private sector/ higher pay); and many retirements that are projected to occur soon. APTA recommends that UTA assess its current apprentice program constraints and initiate actions to ensure that the program remains a viable means of delivering qualified staff as needed to efficiently and safely maintain its bus fleets. (3.50)	UTA focuses on quality training and continues assessing the frequency needs for training based on staffing levels. UTA will continue to work with the union and DOL contractual processes to deliver training. UTA's current competency based training determines how frequently training is needed. E4 Low	N/A	Training & VM	CLOSED - No further action
Facility Tours 2	The introduction of the BEB fleet to the UTA facilities has brought on new challenges with the proper storage of vehicles and parts. APTA recommends that an assessment of each facility be conducted to ensure that safe practices are being followed to support the BEB fleets and that they align with upcoming APTA standards. (3.42)	Develop a Corrective Action Plan to assess the safety hazards around electric bus storage and how other bus vehicles and assets are stored around BEBs. 1E Medium	12/31/2026	Safety and Vehicle Maint.	In-process



Utah Transit Authority Safety Improvement Plan (SIP) Status Report
 APTA Bus Safety Management Program
 Date of Audit: October 6–10, 2025

ACTION NEEDED

APTA Safety Element #	Recommendation (as stated in APTA report)	Corrective Action/Comment (transit agency)	To Be Completed On or Before	Assigned Responsibility	Element Status (to be completed by agency designee)
Facility Tours 3	The Ogden maintenance facility is severely limited in capacity and requires assistance with the proper storage of electric fleet bus batteries. APTA recommends that UTA conduct a follow-up assessment of this facility's battery storage practices and initiate recommendations as applicable to ensure consistent compliance with regulatory requirements. (3.56)	Develop a Corrective Action Plan to assess the safety hazards around electric bus storage and how other bus vehicles and assets are stored around BEBs. 1E Medium	12/31/2026	Safety and Vehicle Maint.	In-process
Facility Tours 4	Maintenance staff at the Ogden facility are unsure of the hazards when working around the BEB fleet. APTA recommends conducting a JHA and providing additional training on safe practices as well as troubleshooting on BEBs (as warranties are expiring). (3.24)	Current training is provided by the BEB vendor and through the Weber State University electric vehicle program. UTA safety and vehicle maintenance to do an assessment of the safety hazards around electric bus maintenance and determine if additional in-house or vendor training is necessary. Develop a Corrective Action Plan to conduct these assessments. E4 Low	12/31/2026	Safety & VM	In-process



Utah Transit Authority

MEETING MEMO

669 West 200 South
Salt Lake City, UT 84101

Audit Committee

Date: 6/22/2026

TO: Audit Committee
FROM: Annette Royle, Chief of Board Strategy & Governance
PRESENTER(S): Luke Barber, Senior Internal Auditor
Travis King, Director of Safety & Security

TITLE:

Light Rail Safety Audit Report (26-08)

AGENDA ITEM TYPE:
Report

RECOMMENDATION:
Informational report for discussion.

BACKGROUND:

The 2026 Internal Audit Plan included audit engagement 26-08 Light Rail Safety. The Light Rail Safety Audit is an annual review required by the Federal Transit Administration (FTA) through a State Safety Oversight (SSO) agency (performed for UTA by the Utah Department of Transportation). Audit procedures are primarily based on checklists published by the FTA. Internal Audit's scope is limited to reporting observations. It is within the scope of the SSO agency what observations, if any, require corrective action plans. The SSO agency is required to provide a report to UTA's governing body and the FTA annually.

DISCUSSION:

Internal Audit will report on observations from the audit. Because the SSO is responsible for governing any corrective action plan, this audit report does not have a management response. The purpose of this report is to inform the Audit Committee that this specific project on the 2026 Internal Audit Plan has been completed.

ALTERNATIVES:

Not applicable

FISCAL IMPACT:

Not applicable

ATTACHMENTS:

Light Rail Safety Memorandum (26-08)

Date: June 5, 2026
To: Peter Jager, State Safety Oversight Program Manager
Cc: Travis King, Director Safety & Security; Audit Committee for the Utah Transit Authority
From: Luke Barber and Johanna Goss, Senior Internal Auditors
Subject: 2026 Light Rail Safety Audit Results

Background

Utah Transit Authority (“UTA”) Internal Audit (“IA”) annually completes a Light Rail Safety audit required by State Safety Oversight (“SSO”). The audit is listed on the 2026 Audit Plan approved by the UTA Audit Committee on March 9, 2026.

The audit procedures are based on checklists published by the Federal Transit Administration (“FTA”) and topics are covered on a three-year rotating basis. The audit results are owned by SSO, who coordinates with UTA Safety management to determine if corrective action plans are needed to address any Findings of Non-compliance or Compliance with Recommendations.

Scope

The 2026 Light Rail Audit was completed by Mike Hurst, Director Internal Audit for UTA, and Johanna Goss, Senior Internal Auditor who both hold the certification Public Transportation Safety Certification Program – Rail certification that is required to be assigned the audit, and the Transit Safety and Security Program – Rail certification, as well as Luke Barber, Senior Internal Auditor who holds the certification Public Transportation Safety Certification Program – Bus certification that is required to be assigned the audit, and the Transit Safety and Security Program – Rail certification.

The audit period of review was January 1, 2025 – December 31, 2025, with information from other periods considered as necessary.

The following TASP topics were covered:

1. TASP Element #1 Authority and policy Statement
2. TASP Element #3 Overview of Management Structure
3. TASP Element #6 Hazardous Materials Program
4. TASP Element #7 Internal Safety Audit/Review Program
5. TASP Element #9 Safety Data Collection and Analysis
6. TASP Element #14 Facilities, Structures, and Equipment Inspections
7. TASP Element #15 Maintenance Audits and Inspection Program
8. TASP Element #18 TASP Implementation Activities and Responsibilities
9. TASP Element #20 Local, State, and Federal Requirements

The following System Security (“SSP”) topics were covered:

1. SSP Element #5 Threat and Vulnerability Identification, Assessment and Resolution
2. SSP Element #6 Implementation and Evolution of the System Security Plan (SSP)
3. SSP Element #7 Modification of the SSP

Results

The following summarize each element of the audit, divided into Findings of Non-compliance and Compliance with Recommendations. IA was conservative in judging something Non-compliance. SSO and Management will want to carefully review the language of this report to determine what action plans are appropriate.

1. TASP Element #1 Authority and policy Statement

Findings of Non-compliance:

No issues that the auditor considers non-compliance.

Compliance with Recommendations:

IA found that a number of operations and maintenance personnel were not aware of who the Light Rail Safety Administrator is. IA recommends that the Safety Department identify ways to make the Light Rail staff aware of who the Safety Administrator is through regular contact.

2. TASP Element #3 Overview of Management Structure

Findings of Non-compliance:

No issues that the auditor considers non-compliance.

Compliance with Recommendations:

IA reviewed the TASP noting that there are currently two versions, one adopted in 2024 and a 2026 version awaiting approval from the JLMSC at which point it will be adopted. IA recommends that the 2026 TASP be approved by the JLMSC and adopted.

3. TASP Element #6 Hazardous Materials Program

Findings of Non-compliance:

No issues that the auditor considers non-compliance.

Compliance with Recommendations:

IA discovered that some employees were not confident they knew appropriate measures to cleanup if a chemical were spilled. IA recommends that the Safety Department find ways to make the Light Rail staff aware of where to locate hazardous material information within the UTA SharePoint website.

4. TASP Element #7 Internal Safety Audit/Review Program

Findings of Non-compliance:

No issues that the auditor considers non-compliance.

Compliance with Recommendations:

Auditor has no recommendations.

5. TASP Element #9 Safety Data Collection and Analysis

Findings of Non-compliance:

No issues that the auditor considers non-compliance.

Compliance with Recommendations:

Auditor has no recommendations.

6. TASP Element #14 Facilities, Structures, and Equipment Inspections

Findings of Non-compliance:

No issues that the auditor considers non-compliance.

Compliance with Recommendations:

Auditor observed the electronic OSHA injury/illness log. Management has concerns about the form because there is no centralized list and it does not go to everyone in management. IA recommends that Safety identify ways to make the form readily available to all members of management, and/or create a centralized distribution list.

7. TASP Element #15 Maintenance Audits and Inspection Program

Findings of Non-compliance:

No issues that the auditor considers non-compliance.

Compliance with Recommendations:

Auditor has no recommendations.

8. TASP Element #18 TASP Implementation Activities and Responsibilities

Findings of Non-compliance:

No issues that the auditor considers non-compliance.

Compliance with Recommendations:

Auditor has no recommendations.

9. TASP Element #20 Local, State, and Federal Requirements

Findings of Non-compliance:

No issues that the auditor considers non-compliance.

Compliance with Recommendations:

Auditor has no recommendations.

1. SSP Element #5 Threat and Vulnerability Identification, Assessment and Resolution

Findings of Non-compliance:

No issues that the auditor considers non-compliance.

Compliance with Recommendations:

Auditor has no recommendations.

2. SSP Element #6 Implementation and Evolution of the System Security Plan (SSP)

Findings of Non-compliance:

No issues that the auditor considers non-compliance.

Compliance with Recommendations:

The auditor noted that the SSP could be improved by adding more specific instructions on how to evaluate the severity of issues in determining whether a CAP is necessary and recommends that Security take steps to develop and include these instructions in the SSP.

3. SSP Element #7 Modification of the SSP

Findings of Non-compliance:

No issues that the auditor considers non-compliance.

Compliance with Recommendations:

Auditor has no recommendations.



Utah Transit Authority

MEETING MEMO

669 West 200 South
Salt Lake City, UT 84101

Audit Committee

Date: 6/22/2026

TO: Audit Committee
FROM: Annette Royle, Chief of Board Strategy & Governance
PRESENTER(S): Luke Barber, Senior Internal Auditor
Alisha Garrett, Chief Enterprise Strategy Officer

TITLE:

Information Technology Physical Environment and Security Audit Report (25-14)

AGENDA ITEM TYPE:
Report

RECOMMENDATION:
Informational report for discussion.

BACKGROUND:

The 2025 Internal Audit Plan included audit engagement 25-14 Information Technology Physical Environment and Security. UTA's Information Technology (IT) Department supports nearly 3,000 employees by maintaining the organization's network infrastructure and servers as well as providing critical technology assets, including laptops, mobile phones, and touchpads. Effective physical and environmental security controls help protect these assets, support business operations, and reduce the risk of service disruptions, unauthorized access, equipment damage, and data loss.

DISCUSSION:

This audit evaluated the governance, design and implementation of physical security, and design and implementation of environmental security. Internal Audit will report on observations and recommendations from the audit.

ALTERNATIVES:

Not applicable

FISCAL IMPACT:

Not applicable

ATTACHMENTS:

Information Technology Physical Environment and Security Audit Report (25-14)



**Information Technology (IT) Physical and Environmental
Security Audit
25-14**

June 5, 2026

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Risk Rating Matrix

Descriptor	Guide
High	Major uncertainties are present. More is unknown than is known. No experience and/or data is available. Structure and resources are not established.
Moderate-high	Many uncertainties are present. Experience and/or data are limited. Structure and resources are incomplete, unproven and/or immature.
Moderate	Some uncertainties are present. As much is known as is unknown. Sufficient experience and data exist but may not be fully utilized. Structure and resources are adequate.
Low-moderate	Minor uncertainties are present. Strong experience and data exist. Structure and resources are well designed and supported.
Low	Little to no uncertainties remain. Significant experience and data exist and are fully utilized. Structure and resources are robust.

Distribution List

Title	For Action ¹	For Information	Reviewed prior to release
Audit Committee		*	
Executive Director		*	*
Chief Enterprise Strategy Officer	*	*	*
IT Director	*	*	*
IT Network Support Manager	*	*	*

¹For 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 audit to verify that management has established governance over UTA's Information Technology Physical and Environmental Security. The Audit Committee approved an amendment to the 2025 Audit Plan that included this engagement on December 15, 2025.

Background and Overview

UTA's Information Technology (IT) Department supports nearly 3,000 employees by maintaining the organization's network infrastructure and servers as well as providing critical technology assets, including laptops, mobile phones, and touchpads. Effective physical and environmental security controls help protect these assets, support business operations, and reduce the risk of service disruptions, unauthorized access, equipment damage, and data loss.

UTA maintains technology infrastructure across multiple owned facilities, each of which contains data closets or data centers that house network and server equipment. In addition, the Company leases rack space for primary technology servers from two third-party providers: the University of Utah and Valor C3. These facilities host critical systems that support the UTA's daily operations and service delivery.

The IT Network Support Manager and Network Support staff are primarily responsible for implementing and maintaining physical and environmental security controls over IT infrastructure. Their responsibilities include the oversight of physical access to technology assets, monitoring environmental conditions, protecting equipment from physical threats, and supporting the secure operation of data centers and telecommunications spaces.

This audit evaluated the design and effectiveness of physical and environmental security controls over IT facilities, equipment, and supporting infrastructure. The review focused on measures intended to safeguard critical technology assets, restrict unauthorized access, and maintain reliable operating conditions across UTA's locations and third-party hosted environments.

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. Oversight and Governance
2. Design and Implementation of Physical Security
3. Design and Implementation of Environmental Security

Executive Summary

1. Governance

UTA has established governance structures and assigned responsibilities for overseeing physical and environmental security within the IT environment. The IT Network Support Manager and Network Support staff are responsible for administering controls that protect critical technology infrastructure and assets. The audit evaluated the policies, procedures, roles, and oversight mechanisms that support the management of physical and environmental security risks across UTA-owned facilities and third-party hosted environments.

2. Design and Implementation of Physical Security

UTA maintains physical security controls designed to protect technology assets located in data centers, data closets, and other restricted IT areas. These controls include measures to restrict unauthorized access to critical infrastructure, safeguard IT equipment, and support the security of facilities that house network and server resources. The audit reviewed the design and implementation of physical access controls across UTA locations and at third-party hosting facilities operated by the University of Utah and Valor C3.

3. Design and Implementation of Physical Security

UTA has implemented environmental security measures intended to maintain appropriate operating conditions for critical technology infrastructure and reduce the risk of service disruptions caused by environmental hazards. These controls include monitoring and protective measures for equipment located in data centers and telecommunications spaces. The audit assessed the design and implementation of environmental safeguards supporting the availability, reliability, and protection of IT systems and infrastructure.

Criteria

ISACA standards state that identification badges (and other types of identification tokens) are used as a means of identifying individuals, associating access authority with the identified person, and controlling access through integration with physical access devices.

Condition

Management discovered that some employees who don't need access have access to some of the doors within UTA's facilities for restricted areas. The vendor acknowledged that there are multiple naming issues with the portals and readers that are causing this issue.

Cause

Management and the vendor did not maintain an accurate and standardized naming convention for access control portals and readers within the physical access management system. As a result, access permissions were assigned incorrectly, granting employees access to restricted areas that was not required for their job responsibilities.

Effect

Unauthorized or unnecessary access to restricted areas increases the risk of physical security breaches, unauthorized exposure to sensitive assets or information, and noncompliance with established access control requirements. Inaccurate access assignments may also impair management's ability to effectively monitor, review, and enforce physical access restrictions.

Recommendation

1. Management should work with the vendor to correct portal and reader naming inconsistencies and validate that all access control devices are accurately identified within the system.
2. Management should perform a comprehensive review of employee access rights and remove access privileges that are not supported by business or operational requirements.
3. Management should establish and enforce standardized naming conventions and change management procedures for access control devices to ensure accurate access provisioning and ongoing system integrity.
4. Management should implement periodic access reviews to verify that physical access privileges remain appropriate and aligned with employees' current job responsibilities and the principle of least privilege.

Management Response and Action Plan:

Management Response and Action Plan:

Management concurs with the finding. Access to data centers, data closets, and other critical IT areas must be governed as an enterprise risk control, not only as a technical or departmental process. While IT is responsible for supporting and administering many of these controls, multiple groups may have a legitimate business need to access these areas, including Facilities, Security, vendors, contractors, and certain operational staff.

Management will develop and implement a formal documentation governing access to critical IT areas. The policy will define access eligibility, approval authority, business justification requirements, emergency access expectations, vendor and contractor access requirements, documentation standards, and periodic access review expectations. This documentation will provide the governance and authority needed to support consistent enforcement of related work instructions across departments.

Management will also work with the access control vendor to identify the ability to improve and correct portal and reader naming inconsistencies and validate that access control devices are accurately identified in the system. Once the system information is corrected, management will review current access to restricted IT areas and revoke access that is not supported by job responsibilities, operational need, or an approved exception.

To sustain the control environment, management will establish standardized naming conventions, set expectations for change control for access control devices, and conduct recurring access reviews. These actions will help ensure physical access remains accurate, appropriate, and aligned with the principle of least privilege

Responsible:

IT Director

Target Completion Date:

6/03/2027

Finding 25-14-02 Enterprise-wide emergency response plan for critical IT areas Risk Level: Moderate

Criteria

ISACA standards state that an emergency response plan should exist that outlines how the enterprise responds to and recovers from emergencies, disasters and other significant incidents impacting its information-processing facilities.

The plan should be:

- Approved by senior management
- Clearly define key roles and responsibilities for emergency operations
- Covers types of emergency situations and significant events that are most likely to affect the facility.
- Is current and relevant (i.e. addresses existing and potential threats at the site/facility).

Condition

Management acknowledged that current “back to paper” plans are outdated and in need of updating.

Cause

Management has not implemented a formal process to periodically review, update, and approve emergency response documentation. Consequently, the existing “back to paper” plans no longer reflect current business operations, personnel responsibilities, systems, or potential emergency scenarios.

Effect

The organization may not respond to or recover from a disruption in a timely and effective manner due to outdated emergency procedures. This increases the risk of operational disruption, extended downtime, unclear roles and responsibilities during an emergency, and non-compliance with established standards and leading practices.

Recommendation

1. Management should review, update, and formally approve emergency response plans to ensure they remain current and effective. The revised plans should clearly define roles and responsibilities, address relevant emergency scenarios, reflect current business operations and technology environments.
2. Management should also develop a process to include periodic review and testing to maintain readiness and compliance with organizational requirements and industry standards.

Management Response and Action Plan:

Management would like to clarify that the Emergency response plan does not have the same purpose as the back-to-paper plans. This management response will address the outdated paper-based plans in relation to disaster recovery.

Management will update the “back to paper” procedures to reflect the current operating environment and likely disruption scenarios. The updated plans will define roles and responsibilities, communication expectations, escalation steps, manual workarounds, recovery priorities, and coordination requirements for events that impact critical IT areas or the business processes that depend on them.

Management will also establish clear ownership, formal leadership approval, periodic review, and testing expectations. This will help ensure the plans remain current, actionable, and understood by the teams that may need to execute them during an incident.

These actions are intended to strengthen UTA’s ability to respond to disruptions, reduce avoidable downtime, and support continuity of operations when critical IT areas or supporting infrastructure are impacted.

Responsible:

IT Director

Target Completion Date:

6/03/2027

Finding 25-14-03 Update contract with the U of U to current standards Risk Level: Low

Criteria

ISACA standards state that the enterprise should include physical and environmental security requirements in contracts with third parties to protect against or minimize the impact of losses attributable to third-party services or personnel. This includes the enterprise’s physical and environmental security requirements are contractually cascaded to the service providers (e.g., personnel screening, personnel training and awareness).

Condition

UTA currently contracts with the University of Utah (U of U) and Valor C3 to lease server space at existing data centers. In reviewing the contracts IA noted that the Master Agreement with the U of U was outdated having been first executed in 2011. Additionally, the agreement does not contain language addressing the following areas:

- Incentivizes or obligates the service provider to perform/meet set service expectations.
- Allows the organizations to assess the performance of service providers, e.g., periodic reporting and right to audit, third-party assurance, security certification, performance appraisal, compliance, etc.

Cause

Management did not establish or consistently execute a formal contract governance and review process to ensure that third-party agreements remain current and incorporate required security, performance, monitoring, and compliance provisions. Consequently, the agreement with the University of Utah was not periodically reassessed and updated to reflect evolving business, operational, and security requirements.

Effect

Outdated and incomplete contractual provisions limit UTA’s ability to hold service providers accountable for meeting defined service and security expectations. The absence of performance measurements, reporting, audit, and assurance requirements reduces management’s visibility into the effectiveness of third-party controls and increases the risk that security, compliance, or operational issues may go undetected or unresolved. This may also expose UTA to service disruptions, inadequate protection of critical infrastructure, and potential noncompliance with established governance and security standards.

Recommendation

1. Management should review and update the agreement with the University of Utah to incorporate current business, operational, physical security, and information security requirements, including clearly defined service expectations and responsibilities.
2. Management should ensure that all data center and third-party hosting agreements include measurable service level requirements, performance metrics, and provisions that establish accountability for service delivery and security obligations.
3. Management should incorporate contractual rights to monitor and assess service provider performance, including periodic reporting requirements, right-to-audit clauses, independent assurance reports, security certifications, compliance attestations, and other relevant oversight mechanisms.
4. Management should establish a formal third-party contract management process that requires periodic reviews of vendor agreements to verify that contractual terms remain current, address applicable risks, and align with organizational policies, regulatory requirements, and industry standards.

Management Response and Action Plan:

The University of Utah agreement supports critical technology infrastructure and should be reviewed from contract governance and vendor risk management perspectives.

Management will coordinate with Procurement, Legal, IT leadership, and other relevant stakeholders to review the existing University of Utah and any other data center and third-party hosting agreement(s) and determine the appropriate path for updating, amending, or replacing them at the next renewal opportunity.

Management will not establish a formal third-party vendor contract management process because UTA is standing up a contract management department to oversee this function.

Responsible:

IT Director

Target Completion Date:

6/03/2027



Utah Transit Authority

MEETING MEMO

669 West 200 South
Salt Lake City, UT 84101

Audit Committee

Date: 6/22/2026

TO: Audit Committee
FROM: Annette Royle, Chief of Board Strategy & Governance
PRESENTER(S): Johanna Goss, Senior Internal Auditor
Ann Green-Barton, Chief People Officer

TITLE:

Job Description Process Audit Report (25-15)

AGENDA ITEM TYPE:

Report

RECOMMENDATION:

Informational report for discussion.

BACKGROUND:

The 2025 Internal Audit Plan included audit engagement 25-15 Job Descriptions Process. A UTA job description is the formal document created to reference responsibilities and structure of a position. They are important to set management's expectations of employees, support recruitment, evaluate employee performance, and ensure internal equity and consistency.

Job descriptions at UTA are primarily drafted by the hiring manager of the position, with assistance and input from the Human Resources Business Partner (HRBP) and Compensation teams, both part of the People Office. The Compensation Program Manager (CPM) provides the final review and approval for a job description to be adopted.

DISCUSSION:

This audit evaluated the governance activities, completeness, and accuracy of job description documents. Internal Audit will report on observations and recommendations from the audit.

ALTERNATIVES:

Not applicable

FISCAL IMPACT:

Not applicable

ATTACHMENTS:

Job Description Process Report (25-15)



Job Description Process 25-15

April 8, 2026

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Risk Rating Matrix

Descriptor	Guide
High	Major uncertainties are present. More is unknown than is known. No experience and/or data is available. Structure and resources are not established.
Moderate-high	Many uncertainties are present. Experience and/or data are limited. Structure and resources are incomplete, unproven and/or immature.
Moderate	Some uncertainties are present. As much is known as is unknown. Sufficient experience and data exist but may not be fully utilized. Structure and resources are adequate.
Low-moderate	Minor uncertainties are present. Strong experience and data exist. Structure and resources are well designed and supported.
Low	Little to no uncertainties remain. Significant experience and data exist and are fully utilized. Structure and resources are robust.

Distribution List

Title	For Action ¹	For Information	Reviewed prior to release
Audit Committee		*	
Executive Director		*	*
Chief People Officer	*	*	*
Director Human Resources	*	*	*
Compensation Program Manager	*	*	*

¹For 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 audit of controls related to job description documents. The Audit Committee approved the amendment to the Audit Plan that included this engagement on December 15, 2025.

Background and Overview

A job description is the formal document created to reference responsibilities and structure of a position. They are important to set management's expectations of employees, support recruitment, evaluate employee performance, and ensure internal equity and consistency.

Job descriptions at UTA are primarily drafted by the hiring manager of the position, with assistance and input from the Human Resources Business Partner (HRBP) and Compensation teams, both part of the People Office. The Compensation Program Manager (CPM) provides the final review and approval for a job description to be adopted.

Objectives and Scope

The engagement objectives were: 1) Verify that governance over job descriptions is established and current 2) Verify the completeness and accuracy of key aspects of job description documents.

The audit period was 1/1/2025 – 12/31/2025. IA reviewed additional periods as necessary.

Summary

IA reviewed the formal governance around job description, including policy, standard operating procedure (SOP), training, and a sample of job descriptions documents was reviewed. We assessed compliance with Board policy and alignment with internal control guidance published by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

UTA's job description related policy and SOP have not been updated within required timeframes and no longer reflects current practices. As a result, responsibilities are unclear, practices have drifted from documented procedures, and job descriptions lack consistency and sufficient standardization. These conditions increase the risk of inconsistent decision-making, loss of institutional knowledge, and challenges in accountability, compensation decisions, and workforce planning.

People Office personnel have strong professional capabilities to guide hiring managers in writing or revising job descriptions and then making decisions based on those drafts. The internal control environment can be strengthened by documenting and standardizing strong practices. We note that People Office management was aware of these issues and that their 2026 strategic goals includes an initiative to address them.

Overall, IA views these governance issues and recommendations as being of low-moderate significance. Governance documents are important to preserve institutional knowledge and as a control against inexperienced or inadequate performance. However, the People Office currently has strong stability and strong performance in this area. This lowers the urgency and overall significance of the issues.

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.

COSO Principle 3 states,

Management establishes, with board oversight, structures, reporting lines, and appropriate authorities and responsibilities in the pursuit of objectives.

The Points of Focus for Principle 3 further states,

Management designs and evaluates lines of reporting for each entity structure to enable execution of authorities and responsibilities and flow of information to manage the activities of the entity.

COSO Principle 12 states,

The organization deploys control activities through policies that establish what is expected and in procedures that put policies into action.

The Points of Focus for Principle 12 further states,

Management establishes control activities that are built into business processes and employees’ day-to-day activities through policies establishing what is expected and relevant procedures specifying actions.

Management establishes responsibility and accountability for control activities with management (or other designated personnel) of the business unit or function in which the relevant risks reside.

Condition

IA reviewed Utah Transit Authority Corporate Policy No. 6.7.2.1 *Administrative Job Evaluation, Job Recruitment, and Job Reassignment* to determine that adequate authority is described and that it has been updated in the past three years.

The last revision date for this document is 9/12/2017, which is past the three-year requirement of Board policy as of writing. The document does not clearly define who owns a job description, but it does describe responsibility for periodic review of administrative – but not non-administrative- job descriptions. The time period for required review of job descriptions is undefined. The policy also references the “Office of Human Resources”, which is an outdated term (it is now called the People Office), and “Senior Compensation Analyst”, which is an outdated job title (now called Compensation Program Manager).

Cause

Management stated that time and resources were the primary reasons that this policy was not updated.

Effect

- A lack of policy may cause uncertainty in department responsibilities and expectations.
- Unclear department responsibilities can lead to practical drift from standards and increasing the risk of error.
- Teams are vulnerable to the loss of institutional knowledge when relying on individual knowledge instead of developed governing documents.
- Internal use and understanding of requirements may differ among business units without a clear and formalized policy.
- Teams without clear internal governance documents may lack authority to ensure organizational compliance.

Recommendation

1. Management should review Utah Transit Authority Corporate Policy No. 6.7.2.1 *Administrative Job Evaluation, Job Recruitment, and Job Reassignment* and ensure:
 - a. Policy matches current procedures.
 - b. Policy clearly defines who owns a job description document.
 - c. Position and department titles are updated.
 - d. Expand policy to include responsibility for non-administrative job descriptions.
 - e. Define how frequently job descriptions should be reviewed.

Management Response and Action Plan

UTA Corporate Policy No. 6.7.2.1 is part of the policy review conducted with UTA and Fabian Vancott. The decision was made to make this a People Office SOP and is being reviewed by HR, Compensation and CPO to address the recommendations above.

Target Completion Date

September 30, 2026

Responsible Individual(s)

- Director, Human Resources
- Chief People Officer

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 or a revision schedule adopted by the Board by resolution.

The Authority will conduct an external legal review of UTA Policies every three (3) years to assess their sufficiency and compliance with federal and state requirements.

COSO Component 7: Control Activities Principle 12 states,

The organization deploys control activities through policies that establish what is expected and in procedures that put policies into action.

The Points of Focus for Principle 12 further states,

Management establishes control activities that are built into business processes and employees’ day-to-day activities through policies establishing what is expected and relevant procedures specifying actions.

Management establishes responsibility and accountability for control activities with management (or other designated personnel) of the business unit or function in which the relevant risks reside.

Condition

IA reviewed Utah Transit Authority Standard Operating Procedure No. HR-310 *Job Description Creation/Updates* to determine if described procedures are current and that it has been updated in the past three years.

The SOP was last updated 7/26/2018, which is past the three-year requirement of Board policy as of writing.

The following list catalogues inaccuracies or process drift within the SOP. 1) The job title "Senior Compensation Analyst" is outdated. It is now "Compensation Program Manager" (CPM). 2) The Human Resource Business Partner (HRBP) intakes the job analysis questionnaire and Physical Requirements form, not the HRBP and CPM, as stated. 3) The manager of the position writes the job description, not the HRBP or CPM. 4) The position incumbent should not be a participant in reviewing job descriptions, as stated in the SOP. 5) It is inaccurate that the manager signs the final job description and forwards it to the HRBP or CPM. The CPM signs first. 6) Managers do not "approve" external job matches, it is more guidance and calibration. 7) UTA does not use the database called "Reward" any longer. 8) The CPM does not review market analysis with the HRBP and Director of Total Rewards (DTR). 9) The term "pay lane" is outdated. 10) The job slotting process is not as structured as described in section 7 b) i). 11) The HRBP and DTR do not review pay lane analysis. 12) Exempt classification determination only occurs if a position could be exempt, contrary to what is stated in the SOP. 13) Salary lanes are not typically documented on job descriptions. 14) The meaning of the procedures described in section 10 were not clear to the CPM and are inaccurate. 15) The CPM signs the job description, not the DTR. 16) The CPM may be the one who notifies manager of pay lane and pay changes, in addition to the HRBP. 17) The policy mentioned in section 12 has been replaced. 18) An incumbent should not be able to appeal a market match or pay lane, as stated in the SOP. 19) An HRPB may notify an executive of an appeal. 20) The Compensation Review Committee (CRC) does not resolve appeals; the Chief People Officer does. 21) The CPM does not go back to the manager for

feedback if a market match cannot be found. 22) If an appeal has equal or unfair pay implications, the CPM would involve Legal, not an outside consultant, as stated in the SOP. 23) There is not a final appeals meeting between the CRC and the Executive and manager. The final decision is communicated via email. 24) Job classification appeals are not official appeals. 25) The appeals section has references to incumbents being part of an appeal. This would not be allowed in practice. 26) The SOP states that there are no exceptions to the SOP. Exceptions are possible in practice. 27) The document has some sections missing numbering.

Additionally, IA reviewed management's practices for version control. Management applies sufficient control to generally reconstruct version history and authenticate documents. In this regard, the control is effective. The SOP does not explicitly mention version control but does outline required signatures and that the CPM "archives documents for future reference/audits." The control environment could be improved with formal procedures described in SOP.

Cause

Management stated that time and resources were the primary reasons that this policy was not updated.

Effect

- A lack of formal SOPs may result in inconsistent performance standards and uncompleted tasks.
- Individuals may rely on personal judgement and informal workarounds to fulfill responsibilities without prescribed standards of procedure.
- Teams are vulnerable to the loss of institutional knowledge when relying on individual knowledge instead of formal governing documents.

Recommendation

1. Management should review Utah Transit Authority Standard Operating Procedure No. HR-310 *Job Description Creation/Updates* and ensure:
 - a. Procedures are updated to document current practices.
 - b. The numbering of the document is corrected.
 - c. Version control procedures are formally developed and documented.

Management Response and Action Plan

Review and update of HR SOP 310 is part of Job Description Strategic Initiative to align with current practices and to develop and document version control procedures.

Target Completion Date

September 30, 2026

Responsible Individual(s)

- Director, Human Resources
- Chief People Officer

Criteria

COSO Component Five: Control Environment, Principle 3 of this framework, states:

Management establishes, with board oversight, structures, reporting lines and appropriate authorities and responsibilities in the pursuit of objectives.

COSO further guides in principle 4:

The organization demonstrates a commitment to attract, develop, and retain competent individuals in alignment with objectives.

Principle 5 states,

The organization holds individuals accountable for their internal control responsibilities in the pursuit of objectives.

The Points of Focus for Principle 5 clarifies further,

Management and the board of directors establish the mechanisms to communicate and hold individuals accountable for performance of internal control responsibilities across the organization and implement corrective action as necessary.

Condition

IA reviewed a sample of 50 administrative job descriptions to verify that the date of last update was within three years (this was a judgmentally selected time frame, as management has not formally defined how often they should be updated) and the presence of key attributes, such as essential functions, physical requirements, work environment, etc.

17/48 had not been reviewed since 2023 and two did not list a date. Notable attributes with a high rate of compliance include Objective, Essential Functions, Required Education and Experience, and Physical Demands. Several attributes had low rates of compliance, such as stating hours per week the position works, making an equal employment statement, and union eligibility. The test attributes were primarily sourced from guidance provided by the professional organization SHRM (Society for Human Resource Management). They represent best practices, not requirements UTA are bound to, so recommendations will not be given to address specific categories (like hours per week) but the attribute variety found in testing shows that greater standardization is needed.

Additionally, management could not locate a signed copy of the job description for the Compensation Program Manager.

Cause

The lack of time and resources prevents management from regularly updating job descriptions.

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 management has formally accounted for key tasks.

Recommendation

1. Management should formally define how frequently a job description needs to be updated.
2. Management should update job descriptions, with priority towards documents past the update requirement and positions with active recruitment.
3. Management should develop and require a standard template and guidance to assist hiring managers with drafting job descriptions.
4. Management should develop tracking alerts to identify job descriptions that go past the update requirement.
5. Management should sign and file the job description for the Compensation Program Manager.

Management Response and Action Plan

The recommendations above will be addressed as part of the 2026 Strategic Initiative for the Compensation department: Job Description Project.

1. Frequency of job description reviews is currently every 5 years.
2. This is also part of the project and compensation has already started identifying positions past the requirement date and reviews are already underway for any new or changed positions requiring an active recruitment.
3. We have a standard template; part of the project is to improve it.
4. Yondu report existed to track this, will add to the project to recreate with Workday.
5. Project will address signatures and filing of job descriptions.

Target Completion Date

September 30, 2026

Responsible Individual(s)

- Director, Human Resources
- Chief People Officer



Utah Transit Authority

MEETING MEMO

669 West 200 South
Salt Lake City, UT 84101

Audit Committee

Date: 6/22/2026

TO: Audit Committee
FROM: Annette Royle, Chief of Board Strategy & Governance
PRESENTER(S): Johanna Goss, Senior Internal Auditor
Nichol Bourdeaux, Chief Planning & Engagement Officer

TITLE:

Customer Support Governance Audit Report (26-01)

AGENDA ITEM TYPE:

Report

RECOMMENDATION:

Informational report for discussion.

BACKGROUND:

The 2026 Internal Audit Plan included audit engagement 26-01 Customer Support Governance. UTA's Customer Service Department is under the leadership of the Planning and Engagement Office. The Customer Service team works with customers in person, over the phone, and through computer communications to ensure a positive experience, provide accurate service information, and offer tailored support to customers' needs. The department is also responsible for assisting customers in finding items that have been lost and collected from UTA property.

DISCUSSION:

This audit evaluated the governance and risk management activities of the department. Internal Audit will report on observations and recommendations from the audit.

ALTERNATIVES:

Not applicable

FISCAL IMPACT:

Not applicable

ATTACHMENTS:

Customer Support Governance Report (26-01)



INTERNAL AUDIT

Customer Support Governance Audit

26-01

May 15, 2026

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Risk Rating Matrix

Descriptor	Guide
High	Major uncertainties are present. More is unknown than is known. No experience and/or data is available. Structure and resources are not established.
Moderate-high	Many uncertainties are present. Experience and/or data are limited. Structure and resources are incomplete, unproven and/or immature.
Moderate	Some uncertainties are present. As much is known as is unknown. Sufficient experience and data exist but may not be fully utilized. Structure and resources are adequate.
Low-moderate	Minor uncertainties are present. Strong experience and data exist. Structure and resources are well designed and supported.
Low	Little to no uncertainties remain. Significant experience and data exist and are fully utilized. Structure and resources are robust.

Distribution List

Title	For Action ¹	For Information	Reviewed prior to release
Audit Committee		*	
Executive Director		*	*
Chief Planning & Engagement Officer		*	*
Manager of Customer Service	*	*	*

¹For 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 governance audit over UTA's Customer Service (CS) department. The Audit Committee approved the Audit Plan that included this engagement on March 9, 2026.

Background and Overview

Governance over UTA's Customer Service department is under the leadership of the Planning and Engagement office. The CS team works with customers in person, over the phone, and through computer communications to ensure a positive experience, provide accurate service information, and offer tailored support to customers' needs. The CS team is also responsible for assisting customers in finding items that have been lost and collected from UTA property.

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 internal policies, standards of procedure (SOP), completed training, and job description documents to evaluate how the team's structure is sustained to quickly respond to customer needs efficiently. IA walked through the governance of the UTA Ambassador program and visited all customer service centers to verify secure practices of UTA's Lost and Found. Additionally, IA documented key performance indicators tracked by the CS team and reviewed current tracking efforts within quality assurance practices.
2. Risk Management
IA verified management's participation in training and surveys from the Enterprise Risk Management department.

IA set the audit period as January 1, 2025, through March 31, 2026.

Executive Summary

1. Governance

IA reviewed the prioritized responsibilities performed by the CS department and any reference to those tasks in department policies, relevant standard operating procedures (SOP) and job descriptions of the CS team.

We determined that the documentation of these responsibilities varies from work instructions to SOPs and needs a full review. Management is currently performing a review and reorganization of the governing documents to ensure

that all CS personnel have accurate information on how to approach diverse customer needs while also formalizing the governance over UTA's customer call center, customer service centers, and managing UTA service alerts. IA also assessed governing documentation of UTA's Ambassador program and found documentation that needs proper formalization. IA recommends that management reviews, formalizes, and organizes for easy dissemination all standards of procedure relating to UTA's customer call center, customer service centers, service alerts, and UTA's Ambassador program.

IA reviewed the job descriptions for all CS team positions. Although job descriptions exist for all key positions, they do not accurately document many responsibilities tied to UTA's customer call center, customer service centers, and management of UTA service alerts within CS leadership roles. Standardized past practice of rotating duties among leadership positions was a significant cause of this issue. Over time, operational drift has created more specialized roles within unique areas of the CS department. As a result, management should carefully review all job descriptions to ensure they assign prioritized responsibilities to the appropriate roles and structure all positions to support suitable task supervision. IA recommends reviewing all job descriptions to fully document role responsibilities and confirm that supervisory duties align appropriately across roles.

IA examined the training conducted during the reporting period and found that staff did not adequately track a small portion of the training. Adoption and utilization of the newly acquired Workday system reduces the risk of undocumented training. IA recommends transferring all training content and completion documentation into Workday to ensure employees complete the training requirements for their positions.

2. Risk Management

IA confirmed that management has participated in all expected risk management activities with the Enterprise Risk Management department, including the completion of training and risk surveys.

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 or a revision schedule adopted by the Board by resolution.

Committee of Sponsoring Organizations of the Treadway Commission (COSO) Principle 12 states,

The organization deploys control activities through policies that establish what is expected and in procedures that put policies into action.

The Points of Focus for Principle 12 further states,

Management establishes control activities that are built into business processes and employees’ day-to-day activities through policies establishing what is expected and relevant procedures specifying actions.

Management establishes responsibility and accountability for control activities with management (or other designated personnel) of the business unit or function in which the relevant risks reside.

Condition

Current versions of SOPs are informal, lack organization, and may be inaccurate due to practical drift.

Cause

Not applicable

Effect

- A lack of formal SOPs may result in inconsistent performance standards and uncompleted tasks.
- Individuals may rely on personal judgement and informal workarounds to fulfill responsibilities without prescribed standards of procedure.
- Teams are vulnerable to the loss of institutional knowledge when relying on individual knowledge or on unorganized governing documents.

Recommendation

1. IA recommends that management work with UTA’s Continuous Improvement team to create process maps for tasks to define the structure, participants, inputs, and outputs of those tasks. These process maps will assist in identifying the necessary elements to include in SOPs and job descriptions.
2. IA recommends that management review and develop SOPs to UTA’s standards to address the high priority responsibilities relating to:

- A. UTA Call Center
- B. Lost and Found Management
- C. Customer Support for Passes and Fares
- D. Service Alerts
- E. UTA Ambassador Program

Management Response and Action Plan:

I concur with the findings that our SOPs need to be reviewed for possible updates and moved into a better structure for ease of use. The customer service Manager shall be responsible for establishing guidelines for process improvement of our documentation and for reviewing and updating all department Standard Operating Procedures (SOPs). The customer service Supervisors shall be accountable for reviewing and updating the instructions and training materials for their respective teams. An annual review date will also be set for each document. The goal is to ensure processes are accurate and up to date with a manageable review process annually.

Responsible:

Customer Service Manager

Target Completion Date:

5/26/2027

Finding 26-01-02 Job Description Review	Risk Level: Moderate
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Criteria

UTA Human Resources recommends that managers review job descriptions that are more than five years old.

Committee of Sponsoring Organizations of the Treadway Commission (COSO) Principle 3 states,

Management establishes, with board oversight, structures, reporting lines and appropriate authorities and responsibilities in the pursuit of objectives.

Committee of Sponsoring Organizations of the Treadway Commission (COSO) Principle 4 states,

The organization demonstrates a commitment to attract, develop, and retain competent individuals in alignment with objectives.

Committee of Sponsoring Organizations of the Treadway Commission (COSO) Principle 5 states,

The organization holds individuals accountable for their internal control responsibilities in the pursuit of objectives.

The Points of Focus for Principle 5 further states,

Management and the board of directors establish the mechanisms to communicate and hold individuals accountable for performance of internal control responsibilities across the organization and implement corrective action as necessary.

Condition

IA reviewed the job descriptions for CS employees to verify the age of the documents, minimum experience requirements, and job duties are described. Seven of the thirteen job descriptions reviewed have not been updated within the past five years. Additionally, practical drift of duties has since created more specialized roles for unique areas within the CS team.

Table 1. Job Description Attributes

Job Title	Last Updated	Additional Comments
Customer Focus Specialist	10/1/2018	
Customer Relations Specialist	5/1/2022	
Customer Service Lead Specialist	4/1/2023	
Customer Service Supervisor	6/1/2018	This job description lacks supervisory duties relating to specialized areas of UTA Call Center, Customer Service Centers, and Service Alerts.
Customer Service Training Specialist	N/A	Job description is missing documentation of initial creation and any dates of review.
Incident Communication Specialist	11/1/2022	
Items Recovery Specialist	4/1/2018	
Manager of Customer Service	2/1/2017	
Quality Assurance Analyst	7/1/2021	
Senior Incident Communication Specialist	3/1/2025	
Senior Contact Center Agent	3/1/2017	
Senior Customer Focus Specialist	6/1/2017	
Employee Volunteer Coordinator	12/1/2022	

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 management has formally accounted for key tasks.

Recommendation

1. Management should work with Human Resources to review all job description documents and make necessary updates to include accurate duties for prioritized responsibilities. Job descriptions should align with all updated SOPs.
2. Review roles to ensure that all are positioned within the team to allow for suitable supervision of tasks.

Management Response and Action Plan:

I concur with this finding, and I am working with the Strategic Culture partner in the People Office to review the job descriptions for active roles in the department. Once reviewed and updated, the job descriptions will be sent to HR for review and approval. The goal is to ensure that the work being conducted by each position accurately reflects the respective roles and responsibilities.

Responsible:

Customer Service Manager

Target Completion Date:

5/26/2027

Finding 26-01-03 CS training content and documentation transfer to Workday Risk Level: Low

Criteria

Committee of Sponsoring Organizations of the Treadway Commission (COSO) Principle 4 states,

The organization demonstrates a commitment to attract, develop, and retain competent individuals in alignment with objectives.

The Points of Focus for Principle 4 further states,

The human resources function on an organization can often help define competence and staffing levels by job role, facilitating training and maintaining completion records, and evaluation the relevance and adequacy of individual professional development in relation to the entity’s needs.

...

Management at different levels establishes the structures and processes to:

Train – Enable individuals to develop competencies appropriate for assigned roles and responsibilities, reinforce standards of conduct and expected of levels of competence for particular assignments tailor training based on roles and needs, and consider a mix of delivery techniques, including classroom instruction, self-study, and on-the-job training.

Condition

Training records of required training conducted during the reporting period are incomplete.

Cause

Management did not consistently follow standardized processes for documenting and tracking employee training completion. In addition, decentralized training administration and the reliance on manual methods limited management's ability to document accurate training records.

Effect

- Accurate training records are essential to management for the following reasons:
 - Identifying skill gaps in employees to assist in further professional development.
 - Confirming that employees have all the necessary competencies to fulfill their job duties.
 - Setting and enforcing expectations with employees.

Recommendation

1. IA recommends that all training content and documentation of training completion be transferred to Workday to ensure that all employees have completed training requirements for their positions.
2. IA recommends that management periodically review employee training records to verify completion of required training and identify overdue or needed training among staff.

Management Response and Action Plan:

I concur with this finding and have been working with HR and UTA's Training department to move our training from MS Teams into Workday. Customer Service Manager shall be responsible for establishing goals and timelines for the Customer Service Training Specialist to facilitate the conversion and transition of the CS training modules into Workday, ensuring that tracking is incorporated into the process. Customer Service Supervisors will support the CS Training Specialist by supplying training materials to ensure the accuracy of the move and the current process for the training document. The goal is to transfer all customer service training documents and tracking records from MS Teams to Workday, ensuring that employees' training and experience are integrated into their personnel profile for their current and future roles at UTA.

Responsible:

Customer Service Manager

Target Completion Date:

5/26/2027