Annual Comprehensive Financial Report

For Fiscal Year Ended December 31, 2025

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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Introductory

UTA

UTAH TRANSIT AUTHORITY

UTA

669 West 200 South

Salt Lake City, UT 84101

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.

UTAH TRANSIT AUTHORITY

UTA

669 West 200 South

Salt Lake City, UT 84101

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

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

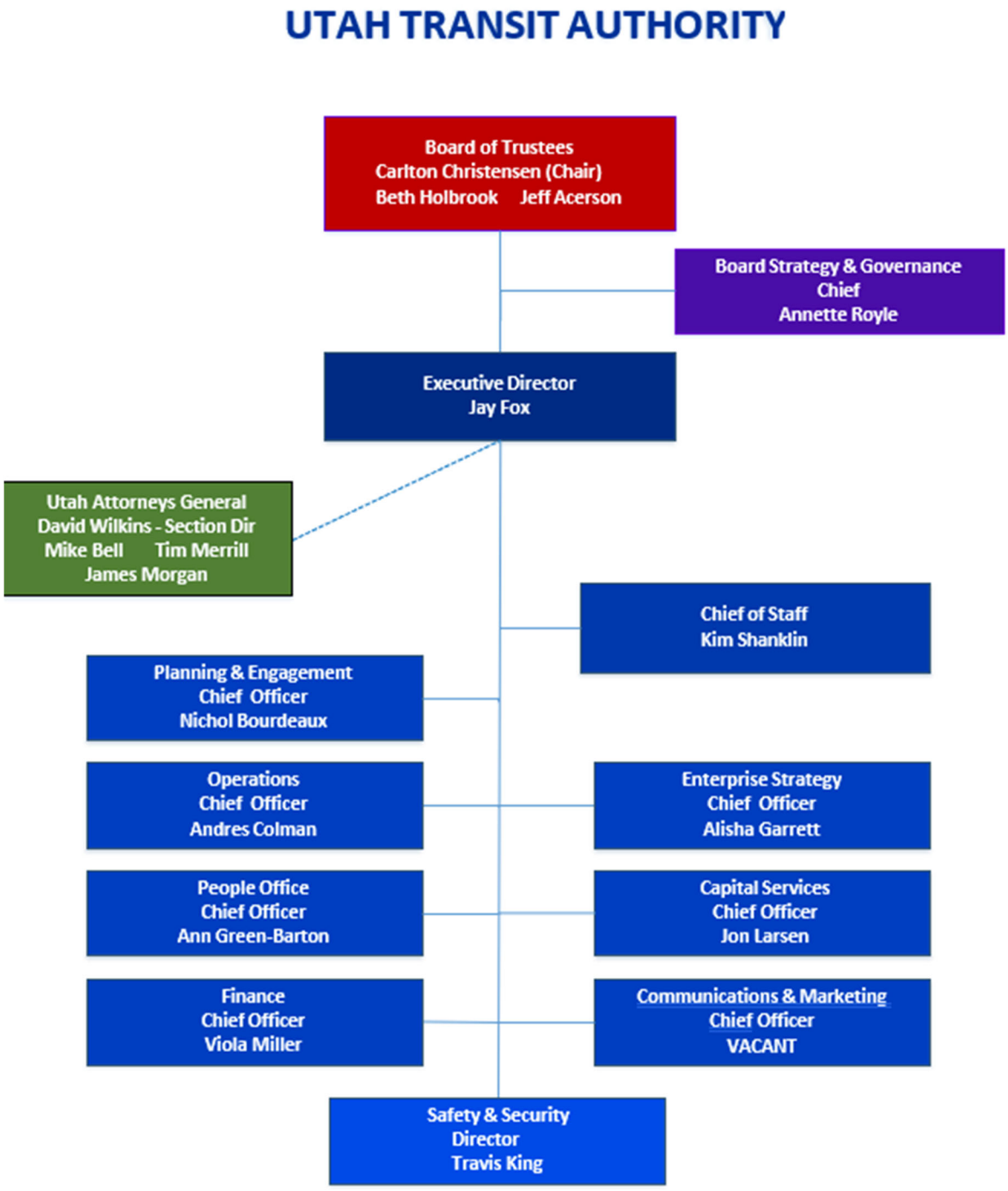
For its Annual Comprehensive Financial Report
For the Fiscal Year Ended

December 31, 2024

Christopher P. Morrill

Executive Director/CEO

UTAH TRANSIT AUTHORITY
ORGANIZATIONAL CHART
Year Ended December 31, 2025



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

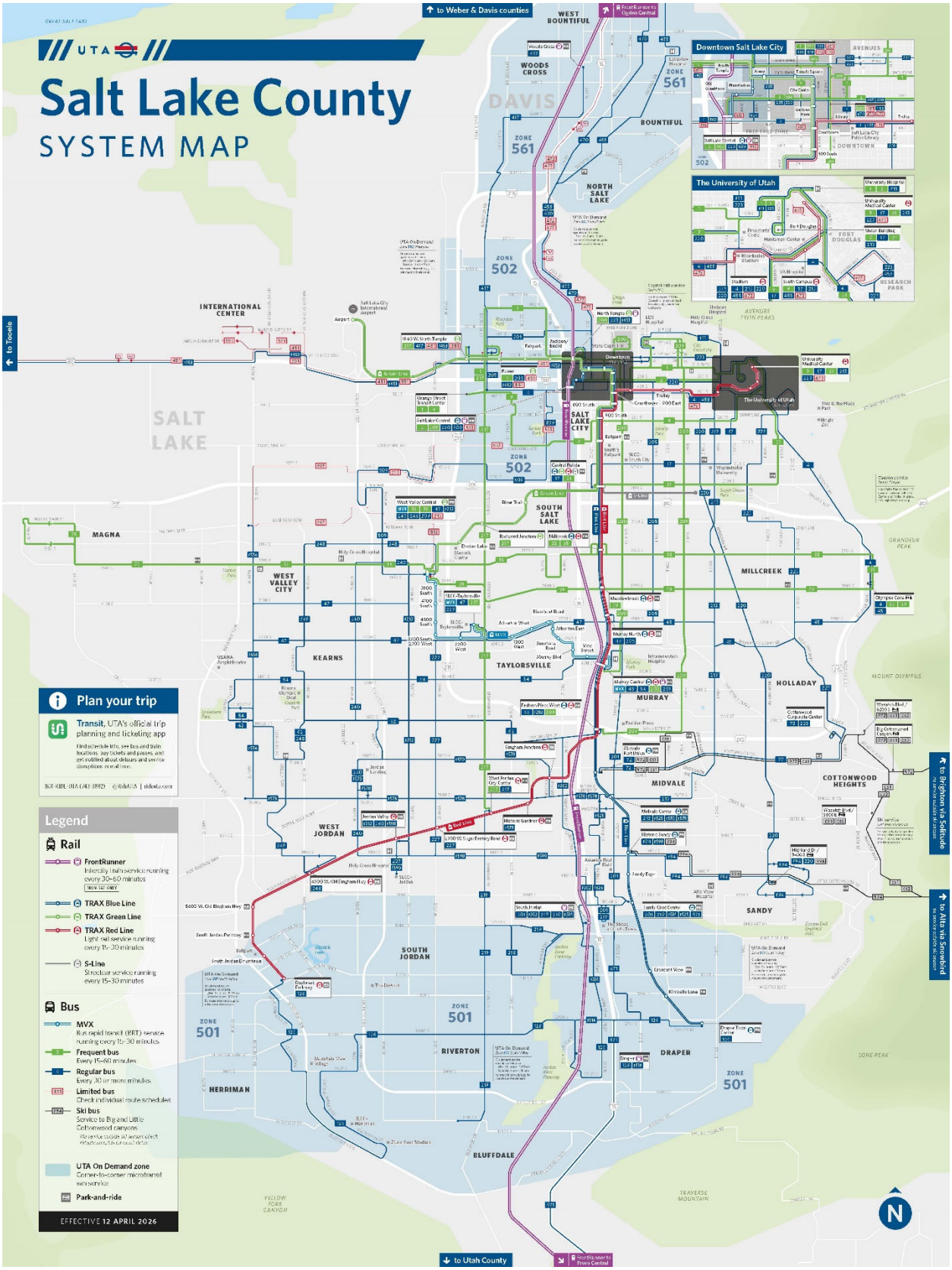
BOARD CHAIR ..... Carlton Christensen
EXECUTIVE DIRECTOR ..... Jay Fox
TREASURER ..... Viola Miller
COMPTROLLER ..... Rob Lamph
SECRETARY ..... Annette Royle

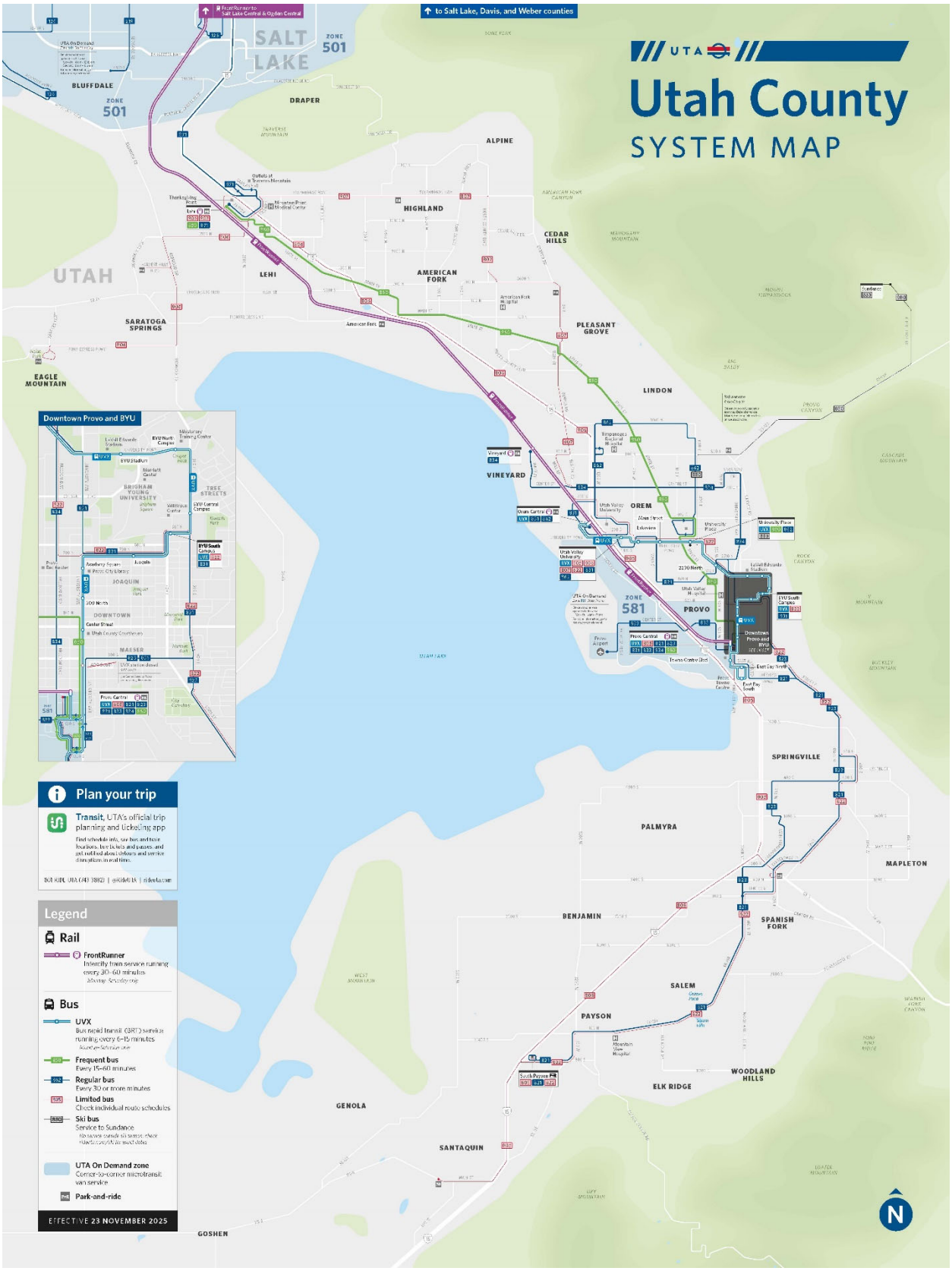
Administration of the Authority

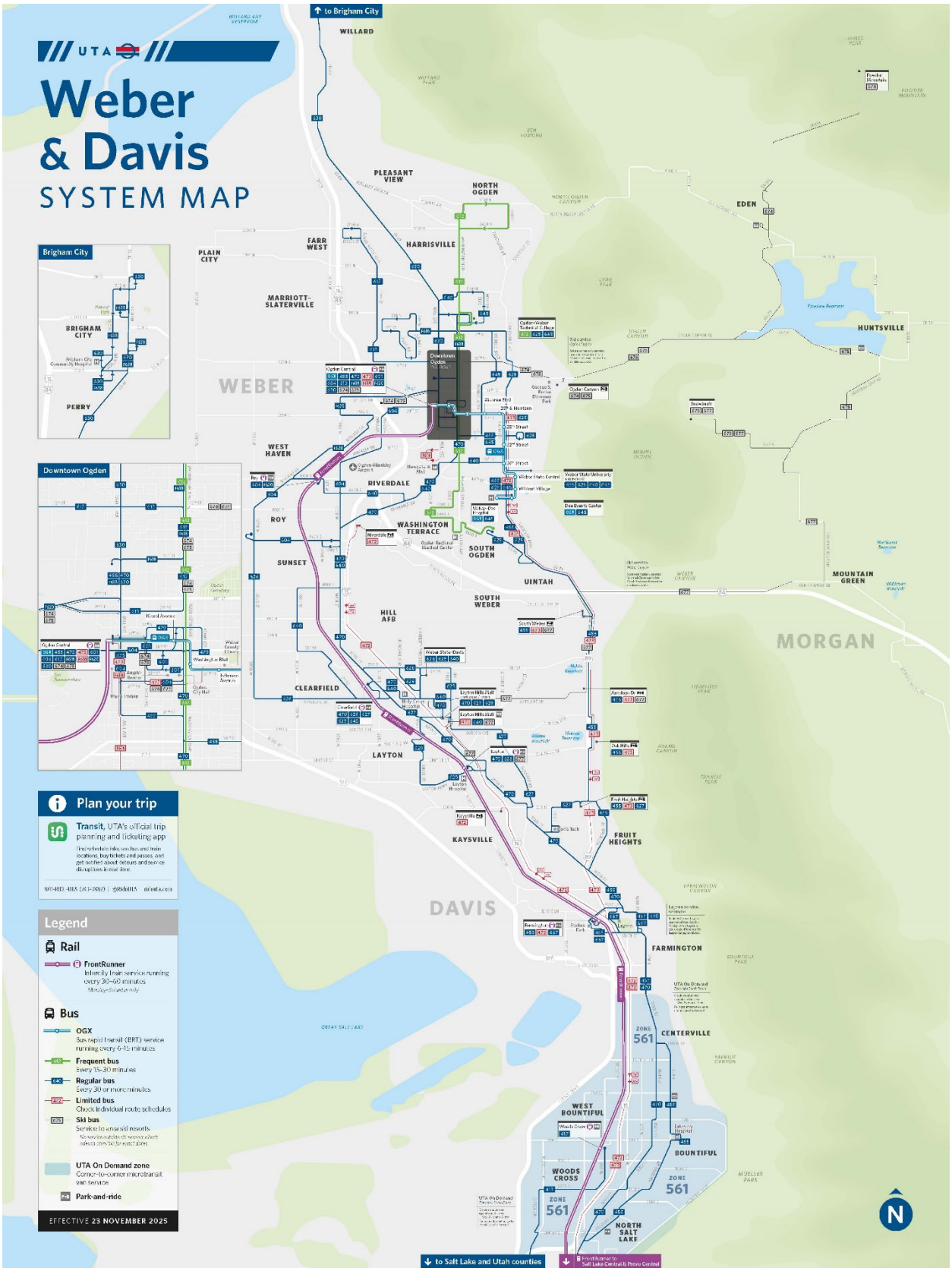
EXECUTIVE DIRECTOR ..... Jay Fox
CHIEF OF STAFF ..... Kim Shanklin
CHIEF OF INTERNAL AUDIT ..... Mike Hurst
CHIEF PLANNING AND ENGAGEMENT OFFICER ..... Nichol Bourdeaux
CHIEF FINANCIAL OFFICER ..... Viola Miller
CHIEF OPERATING OFFICER ..... Patrick Preusser
CHIEF PEOPLE OFFICER ..... Ann Green-Barton
CHIEF CAPITAL SERVICE OFFICER ..... Dave Hancock
CHIEF ENTERPRISE STRATEGY OFFICER ..... Alisha Garrett
CHIEF COMMUNICATION OFFICER ..... Heather Barnum

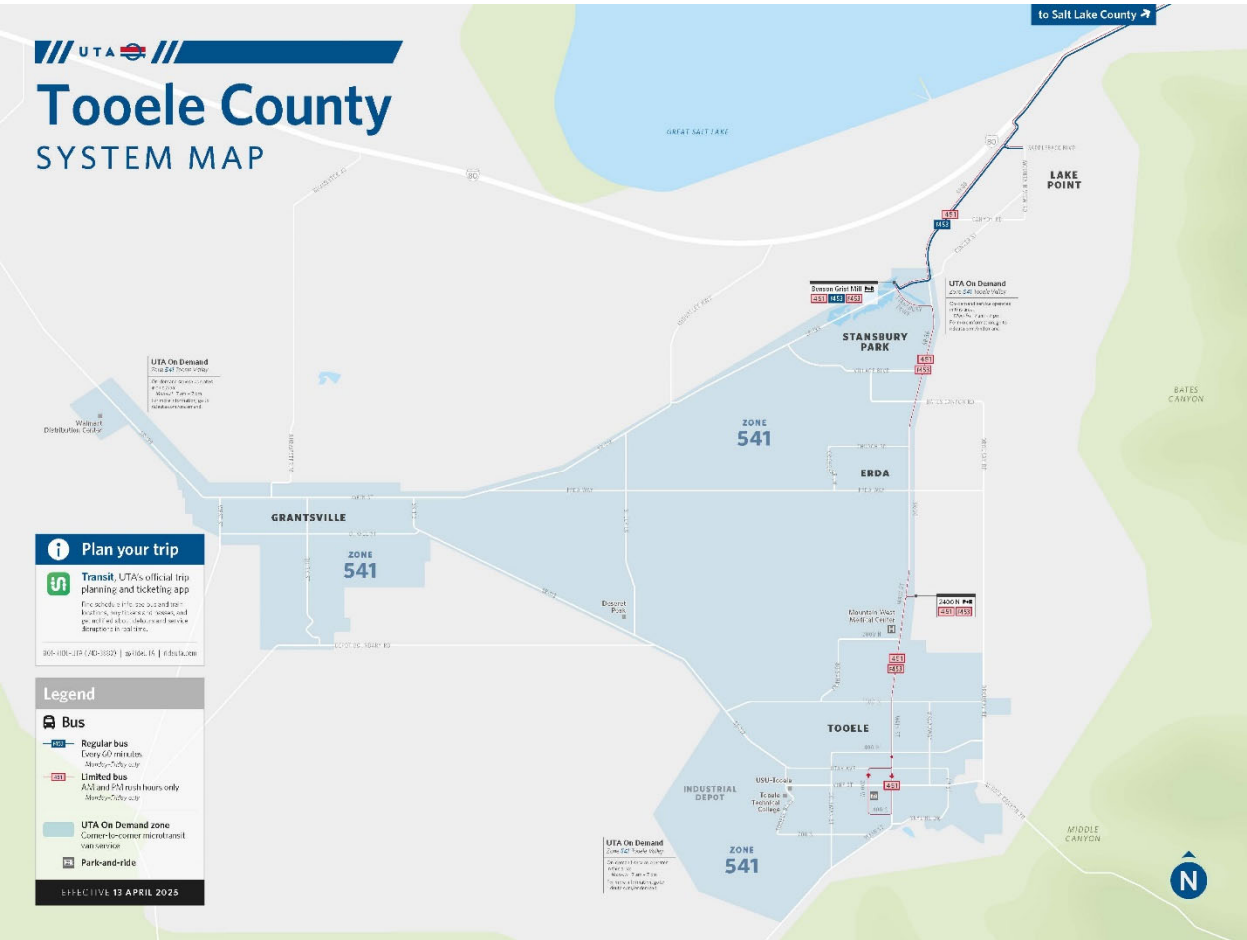
LOCAL ADVISORY COUNCIL MEMBERS

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


UTA
Salt Lake County
SYSTEM MAP
to Weber & Davis counties
to Tooele
to Utah County
to Brighton via Solitude
to Alta via Snowbird
Downtown Salt Lake City
The University of Utah
WEST BOUNTIFUL
WOODS CROSS
BOUNTIFUL
DAVIS
ZONE 561
NORTH SALT LAKE
ZONE 502
INTERNATIONAL CENTER
SALT LAKE
SALT LAKE CITY
SOUTH SALT LAKE
MAGNA
WEST VALLEY CITY
KEARNS
TAYLORSVILLE
MILLCREEK
MURRAY
HOLLADAY
MIDVALE
COTTONWOOD HEIGHTS
WEST JORDAN
SOUTH JORDAN
SANDY
RIVERTON
DRAPER
HERRIMAN
BLUFFDALE
ZONE 501
Plan your trip
Transit, UTA's official trip planning and ticketing app
Legend
Rail
FrontRunner
TRAX Blue Line
TRAX Green Line
TRAX Red Line
S-Line
Bus
MVX
Frequent bus
Regular bus
Limited bus
Ski bus
UTA On Demand zone
Park-and-ride
EFFECTIVE 12 APRIL 2026


UTA
Utah County
SYSTEM MAP
to Salt Lake, Davis, and Weber counties
SALT LAKE
ZONE 501
BLUFFDALE
DRAPER
ALPINE
HIGHLAND
CEDAR HILLS
LEHI
AMERICAN FORK
UTAH
SARATOGA SPRINGS
EAGLE MOUNTAIN
PLEASANT GROVE
LINDON
VINEYARD
OREM
PROVO
ZONE 581
SPRINGVILLE
PALMYRA
MAPLETON
BENJAMIN
SPANISH FORK
SALEM
PAYSON
WOODLAND HILLS
ELK RIDGE
GENOLA
SANTAQUIN
GOSHEN
Downtown Provo and BYU
Plan your trip
Transit, UTA's official trip planning and ticketing app
Legend
Rail
FrontRunner
Bus
UVX
Frequent bus
Regular bus
Limited bus
Ski bus
UTA On Demand zone
Park-and-ride
EFFECTIVE 23 NOVEMBER 2025
N


UTA
Weber & Davis
SYSTEM MAP
to Brigham City
WILLARD
PLEASANT VIEW
NORTH OGDEN
EDEN
HUNTSVILLE
FARR WEST
HARRISVILLE
PLAIN CITY
MARRIOTT-SLATERVILLE
WEBER
WEST HAVEN
RIVERDALE
ROY
SUNSET
WASHINGTON TERRACE
SOUTH OGDEN
UINTAH
MOUNTAIN GREEN
SOUTH WEBER
HILL AFB
MORGAN
CLEARFIELD
LAYTON
KAYSVILLE
FRUIT HEIGHTS
DAVIS
FARMINGTON
CENTERVILLE
WEST BOUNTIFUL
BOUNTIFUL
WOODS CROSS
NORTH SALT LAKE
ZONE 561
Brigham City
BRIGHAM CITY
PERRY
Downtown Ogden
Plan your trip
Transit, UTA's official trip planning and ticketing app
Legend
Rail
FrontRunner
Intercity train service running every 30–60 minutes
Bus
OGX
Bus rapid transit (BRT) service running every 6-15 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 ski resorts
UTA On Demand zone
Corner-to-corner microtransit van service
Park-and-ride
EFFECTIVE 23 NOVEMBER 2025
to Salt Lake and Utah counties
FrontRunner to Salt Lake Central & Provo Central
N


UTA
Tooele County
SYSTEM MAP
to Salt Lake County
GREAT SALT LAKE
LAKE POINT
STANSBURY PARK
ZONE 541
ERDA
GRANTSVILLE
ZONE 541
TOOELE
INDUSTRIAL DEPOT
ZONE 541
BATES CANYON
MIDDLE CANYON
Plan your trip
Transit, UTA's official trip planning and ticketing app
Legend
Bus
Regular bus
Limited bus
AM and PM rush hours only
UTA On Demand zone
Corner-to-corner microtransit van service
Park-and-ride
EFFECTIVE 13 APRIL 2025
N

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 e ectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Crowe LLP

Crowe LLP

Indianapolis, Indiana
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.

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 Financials Statements	Statement of net position Statement of revenues, expenses, and change in net position Statement of cash flows	Statement of fiduciary net position Statement of changes in fiduciary net position
Basis of Accounting and Measurement Focus	Accrual basis of accounting and economic resources measurement focus	Accrual basis of accounting and economic resources measurement focus
Type of Deferred Outflow/Inflow, Asset Liability Information	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both financial and capital, and short-term and long-term; the Authority's fiduciary funds do not currently contain capital assets although they could
Type of Outflow/Inflow Information	All revenues and expenses during the year, regardless of when cash is received or paid	All 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

	2025	2024	*Difference*	*Percent Difference*
Assets				
Current and other assets	$ 815,644,348	$ 725,067,661	$ 90,576,687	*12%*
Capital assets, net	2,996,209,616	2,903,732,533	92,477,083	*3%*
Total assets	3,811,853,964	3,628,800,194	183,053,770	*5%*
Deferred outflows of resources	104,594,384	124,344,640	(19,750,256)	*-16%*
Liabilities				
Current liabilities	190,332,882	221,131,885	(30,799,003)	*-14%*
Long-term liabilities	2,271,648,511	2,334,087,180	(62,438,669)	*-3%*
Total liabilities	2,461,981,393	2,555,219,065	(93,237,672)	*-4%*
Deferred inflows of resources	112,743,500	25,759,036	86,984,464	*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	391,132,044	297,484,933	93,647,111	*31%*
Total net position	$ 1,341,723,455	$ 1,172,166,733	$ 169,556,722	*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

	2025	2024	Difference	Percent Difference
Operating revenues	$ 40,296,460	$ 41,347,838	$ (1,051,378)	-3%
Operating expenses	633,848,649	615,987,467	17,861,182	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	89,402,689	95,730,232	(6,327,543)	-7%
Income (loss) before contributions	(14,670,911)	(93,682,667)	79,011,756	-84%
Capital contributions	184,227,633	39,911,651	144,315,982	362%
Change in net position	$ 169,556,722	$ (53,771,016)	$ 223,327,738	-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

	2025	2024	*Difference*	*Percent Difference*
Operating				
Passenger revenue	$ 38,129,478	$ 39,255,838	$ (1,126,360)	*-3%*
Advertising	2,166,982	2,092,000	74,982	*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	15,780,802	25,672,217	(9,891,415)	*-39%*
Total non-operating revenue	668,283,967	576,687,194	91,596,773	*16%*
Capital contributions	184,227,633	39,911,651	144,315,982	*362%*
Total revenues	$ 892,808,060	$ 657,946,683	$ 234,861,377	*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

	2025	2024	*Difference*	*Percent Difference*
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	185,337,272	153,164,701	32,172,571	*21%*
Total operating expenses	633,848,649	615,987,467	17,861,182	*3%*
Non-operating expenses				
Interest expense	89,402,689	95,730,232	(6,327,543)	*-7%*
Total non-operating expenses	89,402,689	95,730,232	(6,327,543)	*-7%*
Total expenses	$ 723,251,338	$ 711,717,699	$ 11,533,639	*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

	2025	2024	*Difference*	*Percent Difference*
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	238,596	1,527,805	(1,289,209)	*-84%*
Total capital maintenance expenses	$ 7,687,124	$ 34,483,312	$ (26,796,188)	*-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.

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

	2025	2024	*Difference*	*Percent Difference*
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	101,339,121	106,984,498	(5,645,377)	*-5%*
Operations less wages/benefits	126,116,986	149,312,644	(23,195,658)	*-16%*
Personnel cost	$ 322,394,391	$ 313,510,122	$ 8,884,269	*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

	2025	2024	*Difference*	*Percent Difference*
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	(2,132,197,452)	(1,977,473,527)	(154,723,925)	*8%*
Total capital assets, net	$ 2,996,209,616	$ 2,903,732,533	$ 92,477,083	*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:

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.

	2025	2024	*Difference*	*Percent Difference*
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	2,267,237	1,582,453	684,784	*43%*
Total ridership	40,336,358	40,318,168	18,190	*0%*

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		574,266,691
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		191,193,970
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		858,979,647
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		4,269,427,421
Total capital assets		5,128,407,068
Less accumulated depreciation and amortization		(2,132,197,452)
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		3,237,587,273
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		20,794,291
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		16,390,423
Total Current Liabilities		190,332,882
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		78,496,665
Total Long-term Liabilities		2,271,648,511
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		45,422,016
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		391,132,044
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		2,166,982
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		185,337,272
Total operating expenses		633,848,649
OPERATING INCOME (LOSS)		(593,552,189)
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		(89,402,689)
Net non-operating revenues		578,881,278
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS		(14,670,911)
CAPITAL CONTRIBUTIONS		
Federal grants		129,901,183
Local		54,326,450
TOTAL CAPITAL CONTRIBUTIONS		184,227,633
CHANGE IN NET POSITION	$	169,556,722
Total Net Position, January 1	$	1,172,166,733
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		(106,657,539)
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		108,326,037
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		(267,012,787)
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		7,930,342
Net cash used in investing activities		33,782,782
Net change in cash and cash equivalents		88,198,801
Cash and cash equivalents at beginning of year		229,598,453
Cash and cash equivalents at end of year	$	317,797,254

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		(34,562)
Total cash and cash equivalents	$	317,797,254
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		(54,880,922)
Total changes in deferred outflow/inflow of resources and net pension liability		(3,372,253)
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 reveue		280,144
Advertisting unearned revenue		8,333
Total changes in assets and liabilities		(21,770,079)
Net cash used in operating activities	$	(417,576,447)
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	321,062
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	10,872,869
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	1,120,170
Total Receivables	1,146,100
TOTAL ASSETS	**439,251,818**
LIABILITIES	
Benefits Payable	41,142
Accounts Payable	2,949,855
TOTAL LIABILITIES	**2,990,997**
NET POSITION	
Restricted for:	
Pension	423,435,931
Benefits Other Than Pension	12,824,890
Total Net Position	**$ 436,260,821**

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	7,445,866
Total Contributions	70,203,223
Net Investment Income	
Net Appreciation in Fair Value of Investments	57,827,094
Interest	423,064
Dividends	3,675,697
Total Investment Income	61,925,855
Less: Investment Expense	1,005,772
Net Investment Income	60,920,083
TOTAL ADDITIONS	**131,123,306**
DEDUCTIONS	
Monthly Benefits Paid	50,334,646
Lump Sum Distributions	11,238,504
Administrative Expense	712,261
TOTAL DEDUCTIONS	**62,285,411**
CHANGE IN NET POSITION	**$ 68,837,895**
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.

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	30,000,000
Total designated cash and cash equivalents	$ 178,800,000

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

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

J. Investments

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

K. Receivables

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

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

L. Parts and Supplies Inventories

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

M. Capital Assets

Capital assets include land and land improvements, right of way, buildings and building improvements, infrastructure, vehicles, equipment, intangibles, as well as any lease capital assets in these categories. Capital assets, other than infrastructure and intangible software, are defined by UTA policy as 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:

	Years
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.

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)	127,133,546
Total Cash and Cash Equivalents	156,269,744
Chandler Investments	
Money Market	61,569,762
US Government Issues	162,676,657
Total Unrestricted Investments	224,246,419
Total Unrestricted Cash and Investments	$ 380,516,163

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)	95,399,724	111,830,316
Interlocal Agreements		
Box Elder	4,635,139	
Perry	31,276,000	35,911,139
Self Insurance Deposits		
Zions Risk Account		(34,562)
Total Restricted Cash and Cash Equivalents		161,527,510
Interlocal Agreements		
Chandler Investment-Utah County		
Money Market	$ 58,618	
US Government Issues	33,723,961	33,782,579
Self Insurance Deposits		
Chandler Investment-Self Insurance		
Money Market	$ 217,103	
US Government Issues	8,250,592	8,467,695
Chandler Investment-Catastophic		
Money Market	$ 79,094	
US Government Issues	1,157,709	1,236,803
Total Restricted Investments		43,487,077
Total Restricted Cash and Investments		205,014,587
Total Unrestricted and Restricted Cash and Investments		$ 585,530,750

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

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.

- *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:

Investment	Moody/S&P/Fitch Credit Quality (Rating)	Amount	Credit Exposure as a % of Total Investment
U.S. Government Issues			
FHLMCMTN Maturity < 1YR	Aaa/AA+/AAA	$ 1,306,901	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		119,492,556	44.63%
Total U.S. Government Issues		$ 205,808,919	76.87%

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

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

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

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

Level 2: Inputs include:

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

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

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

The Authority invests with Zions Capital Advisors, Chandler Investments, and the Utah Public Treasurers Investment Fund. All three of these organizations meet the requirements of the Utah Money Management Act. The following are the Authority's investments as of December 31, 2025 by fair value measurement:

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

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
	$ 185,337,272

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

B. Lessor Activities

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

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

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

	Interest	Principal	Total
Buildings			
2026	$ 3,217	$ 64,721	$ 67,938
2027	542	34,426	34,968
Total for Buildings	3,759	99,147	102,906

	Interest	Principal	Total
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	70,232	442,516	512,748
Total for Land	7,259,247	2,187,047	9,446,294
Total Receivable	$ 7,263,006	$ 2,286,194	$ 9,549,200

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	4,003,921
	108,326,037
Capital projects	
Federal capital projects	129,901,183
Total federal assistance	$ 238,227,220

NOTE 7 – SELF-INSURANCE CLAIMS LIABILITY

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

	Beginning Liability	Claims Incurred and Changes in Estimates	Claim Payments	Ending Liability
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 setting all unpaid claims. Accordingly, the amount of the liability for unpaid losses and related liabilities and the related provisions included in financial statements may be more or less than the actual cost of settling all unpaid claims. Adjustments to claim liabilities are made annually, based on subsequent developments and experience, and are included in operations as made.

NOTE 8 – PENSION PLANS

A. General Information

Defined Compensation Plan
The 457 Deferred Compensation Plan is offered by the Authority to its employees. The plan was created in accordance with Internal Revenue Code Section 457. The plan is available to all employees on a voluntary basis and permits them to defer a portion of their salaries until future years. The Authority will match $2 for every $3 the employee contributes up to 2% of the employee's annual salary. In 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:

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

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.

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.

Date	Total Pension Liability	Plan Fiduciary Net Position	Employers Net Pension Liability/(Asset)	Plan Fiduciary Net Position as a Percentage of the Total Plan Liability	Projected Covered Payroll	Net Position Liability as a Percentage Of Covered Payroll
12/31/2025	$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:

	Deferred Inflows of Resources	Deferred Outflows of Resources
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	(32,381,900)	-
Total	$ (45,422,016)	$ 20,794,291

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:

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

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%

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	423,435,931	423,435,931	423,435,931
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	$ 501,932,596	$ 423,435,931	$ 78,496,665

H. Investments

All Plan investments are stated at fair value. Most types of marketable or actively traded investments are priced by nationally known vendors. In the event that an investment is not priced by the primary vendor, the Custodian (US Bank) engages a secondary vendor or other source. See Note 3- Investments, Fair Value Measurements.

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

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

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

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

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

Target Allocations

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

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

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	103,693,249
Total investments at Fair Value	$ 420,295,961

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

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

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

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

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

S. Employer Contribution Requirements

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

SCHEDULE OF FIDUCIARY NET POSITION

	UTA Employee Retirement Trust
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	8,547,386
Total Investments	420,295,961
Prepaid Benefits	1,810,103
Receivables:	
Dividends Receivable	23,924
Accounts Receivable - Benefits	2,006
Accounts Receivable - Contributions	1,071,237
Total Receivables	1,097,167
TOTAL ASSETS	423,790,062
LIABILITIES	
Benefits Payable	41,142
Accounts Payable	312,989
TOTAL LIABILITIES	354,131
NET POSITION	
Restricted for pension	$ 423,435,931

SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION

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

	December 31, 2025
Active participants	1,622
Inactive participants not receiving benefits	230
Total	1,852

D. Benefit Terms

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

E. Contributions

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

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

F. Method of Accounting

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

SCHEDULE OF FIDUCIARY NET POSITION

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

SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION

	Joint Insurance Trust
ADDITIONS	
Employer Contributions	$ 27,963,127
Participant Voluntary Contributions	7,291,292
Total Contributions	35,254,419
Net Investment Income	
Net Appreciation in Fair Value of Investments	7,408
Interest	117,389
Total Investment Income	124,797
TOTAL ADDITIONS	35,379,216
DEDUCTIONS	
Monthly Benefits Paid	33,338,975
Administrative Expense	40,533
TOTAL DEDUCTIONS	33,379,508
CHANGE IN NET POSITION	$ 1,999,708
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.

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.

	Amount Outstanding	Amount Due Within One Year
Direct Borrowings:		
Inter-local Loan:		
On December 22, 2016, Utah County issued a $65 million Subordinated Transportation Sales Tax Revenue Bond to be used for the construction of the Utah Valley Express bus route. The Authority and Utah County have entered into an inter-local agreement that requires the Authority to reimburse Utah County for all bond costs (principal, interest, and cost of issuance) prior to December 31, 2028. As of November 2024, UTA only owes the remaining bond principal and interest on the 2016 Utah County Subordinated Transportation Sales Tax Revenue Bond.	$ 51,185,000	$ 1,750,000
Subtotal: Direct Borrowings - Inter-local loans:	**$ 51,185,000**	**$ 1,750,000**
Financing Agreements:		
$5,283,500 12-Year Financing Agreement, Series 2015, issued July 17, 2015, maturing monthly from August 17, 2015 through July 17, 2027, with interest payable monthly at rate of 2.0908%. A leasehold interest in 10 CNG buses and equipment is pledged as security for the debt.	$ 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

	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:		
Revenue Bonds		
$134,650,000 Senior Revenue bonds, Series 2006C, issued October 24, 2006, maturing annually from June 15, 2007 through June 15, 2032, with interest payable semiannually at rates from 5.00% - 5.25%	$ 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	-

	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	-
$492,520,000 Senior Revenue Bonds, Series 2025, Issued July 29, 2025, Maturing annually from June 15, 2026 through December 15, 2044, with interest payable semiannually at a rate of 5.0%.	492,520,000	13,395,000
Subtotal: Other Related Debt - Revenue Bonds:	**$ 1,855,985,000**	**$ 64,070,000**

	Amount Outstanding	Amount Due Within One Year
Current Interest Bonds		
$128,795,000 Subordinate Current Interest Debt, Series 2007A, issued June 19, 2007, maturing annually from December 15, 2007 through June 15, 2035, with interest payable semiannually at a rate of 5.00%.	$ 78,610,000	$ -
Subtotal: Other Related Debt - Current Interest Bonds:	**$ 78,610,000**	**$ -**
Capital Appreciation Bonds		
$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

Year ending December 31,	Principal	Interest	Total
2026	$ 1,750,000	$ 1,623,588	$ 3,373,588
2027	1,805,000	1,568,078	3,373,078
2028	1,865,000	1,510,824	3,375,824
2029	45,765,000	1,451,666	47,216,666
Total	$ 51,185,000	$ 6,154,156	$ 57,339,156

Financing Agreements

Year ending December 31,	Principal	Interest	Total
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	5,159,371	181,965	5,341,336
Total	$ 100,535,480	$ 15,166,629	$ 115,702,109

OTHER RELATED DEBT

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

	Principal	Interest	Total
Year ending December 31,			
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	408,560,000	37,051,829	445,611,829
Total	$ 1,953,506,498	$ 931,847,126	$ 2,885,353,624

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	52,885,000	-	(1,700,000)	51,185,000	1,750,000
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)	113,504,773	44,297,576	(12,055,789)	145,746,560	-
Total Other Related Debt	2,087,661,271	536,817,576	(525,225,789)	2,099,253,058	64,070,000
Total Direct Borrowings and Other Related Debt	$ 2,254,325,125	$ 536,817,576	$ (540,169,163)	$ 2,250,973,538	$ 79,450,973

Compensated Absences	Balance 1/1/2025	Additions	Reductions	Balance 12/31/2025	Due Within One Year
Total Vacation Liability	$ 12,481,520	$ 13,120,070	$ (14,561,739)	$ 11,039,851	$ 10,021,913
Total Sick Liability	6,804,973	532,939	(1,037,435)	6,300,477	1,264,869
Total Compensated Absences	$ 19,286,493	$ 13,653,009	$ (15,599,174)	$ 17,340,328	$ 11,286,782

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

UTA

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	(28,234,175)	(25,075,336)	(22,266,119)	(22,309,358)
Net change in total pension liability	11,957,265	33,114,751	28,203,275	23,406,083
Total pension liability – beginning	489,975,331	456,860,580	428,657,305	405,251,222
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	(671,728)	(686,426)	(583,880)	(554,229)
Net change in plan fiduciary net position	66,838,187	42,020,833	52,144,246	(52,176,071)
Plan fiduciary net position – beginning	356,597,744	314,576,911	262,432,665	314,608,736
Plan fiduciary net position – ending (b)	423,435,931	356,597,744	314,576,911	262,432,665
Net pension liability / (asset) – ending (a-b)	$ 78,496,665	$ 133,377,587	$ 142,283,669	$ 166,224,640
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	(19,196,735)	(19,648,551)	(17,302,699)	(15,474,819)
Net change in total pension liability	28,562,716	31,066,317	19,535,526	20,705,547
Total pension liability – beginning	376,688,506	345,622,189	326,086,663	305,381,116
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	(471,288)	(407,938)	(434,427)	(440,279)
Net change in plan fiduciary net position	34,703,632	38,147,754	47,218,801	(9,966,013)
Plan fiduciary net position – beginning	279,905,104	241,757,350	194,538,549	204,504,562
Plan fiduciary net position – ending (b)	314,608,736	279,905,104	241,757,350	194,538,549
Net pension liability / (asset) – ending (a-b)	$ 90,642,486	$ 96,783,402	$ 103,864,839	$ 131,548,114
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.

	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	(13,008,142)	(12,980,615)
Net change in total pension liability	26,420,738	9,890,580
Total pension liability – beginning	278,960,378	269,069,798
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	(324,912)	(249,141)
Net change in plan fiduciary net position	38,469,305	14,403,330
Plan fiduciary net position – beginning	166,035,257	151,631,927
Plan fiduciary net position – ending (b)	204,504,562	166,035,257
Net pension liability / (asset) – ending (a-b)	$ 100,876,554	$ 112,925,121
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.

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.

Fiscal Year Ending December 31	Net Money-Weighted Rate of Return
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

UTA

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

	Budget	Budget Amendments	Amended Budget	Actual	Favorable (Unfavorable)
Revenues					
Contributions from other gov'ts, sales tax	$ 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	-	321,062	321,062
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	8,547,386	2,325,483	10,872,869
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	1,071,237	48,933	1,120,170
Total Receivables	1,097,167	48,933	1,146,100
TOTAL ASSETS	**423,790,062**	**15,461,756**	**439,251,818**
LIABILITIES			
Benefits Payable	41,142	-	41,142
Accounts Payable	312,989	2,636,866	2,949,855
TOTAL LIABILITIES	**354,131**	**2,636,866**	**2,990,997**
NET POSITION			
Restricted for:			
Pension	423,435,931	-	423,435,931
Benefits Other Than Pension	-	12,824,890	12,824,890
Total Net Position	**$ 423,435,931**	**$ 12,824,890**	**$ 436,260,821**

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	154,574	7,291,292	7,445,866
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	3,675,697	-	3,675,697
Total Investment Income	61,801,058	124,797	61,925,855
Less: Investment Expense	1,005,772	-	1,005,772
Net Investment Income	60,795,286	124,797	60,920,083
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	671,728	40,533	712,261
TOTAL DEDUCTIONS	**28,905,903**	**33,379,508**	**62,285,411**
CHANGE IN NET POSITION	**$ 66,838,187**	**$ 1,999,708**	**$ 68,837,895**
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.

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.

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

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
	$ 724,062,252	$ 712,528,613	$ 692,987,715	$ 669,621,766	$ 574,219,498

	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
	$ 559,371,694	$ 545,439,826	$ 492,161,929	$ 515,968,902	$ 508,770,126

[1] Includes major investment studies

[2] Reported as non-capitalized interest

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

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

	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
	$ 516,838,987	$ 492,426,212	$ 482,427,243	$ 480,925,766	$ 433,360,727

	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
	$ 361,590,707	$ 317,797,604	$ 282,933,591	$ 265,770,775	$ 245,008,417

[1] Includes Brigham City, Perry and Willard cities only

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

LOCAL TRANSIT SALES TAX RATES BY COUNTY – 10 YEARS

	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

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

TOTAL OUTSTANDING DEBT BURDEN PER CAPITA

Fiscal Year	Total Debt Bonds	Inter-Local	Financing Agreements	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
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 Principal	Interest	Sales Taxes Collected (less Proposition 1 and 4th quarter cent)	Coverage Ratio of Sales Taxes
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

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

		2024			2015		
Employer	**Industry**	**Employees**	**Rank**	**% Total Employment**	**Employees**	**Rank**	**% Total Employment**
Intermountain Healthcare	Health Care	20,000 +	1	1.1%	20,000+	1	1.4%
University of Utah	Higher Education	20,000 +	2	1.1%	20,000+	3	1.4%
Wal-Mart Associates	Warehouse Clubs/Supercenters	20,000 +	3	1.1%	15,000-19,999	5	1.1%
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 Se https://jobs.utah.gov/wi/data/library/firm/majoremployers.html
https://jobs.utah.gov/jsp/utalmis/#/laborforce

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

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

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.

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[1])

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

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

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

	Ridership	Op Budget	VR Hours	VR Miles	Farebox Return
Cleveland	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.

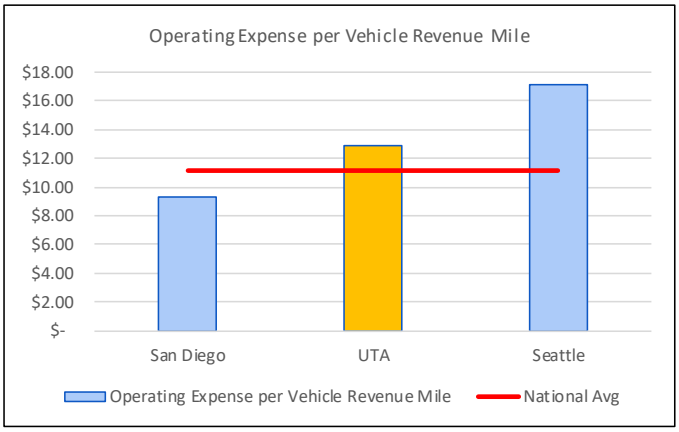
Cities that closely align with UTA in the above metrics, but without strong overlap in relevant transit modes were eliminated from the benchmarking group. The following benchmarking performance measures are presented by mode, where only cities that participate in each mode will appear in the charts.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

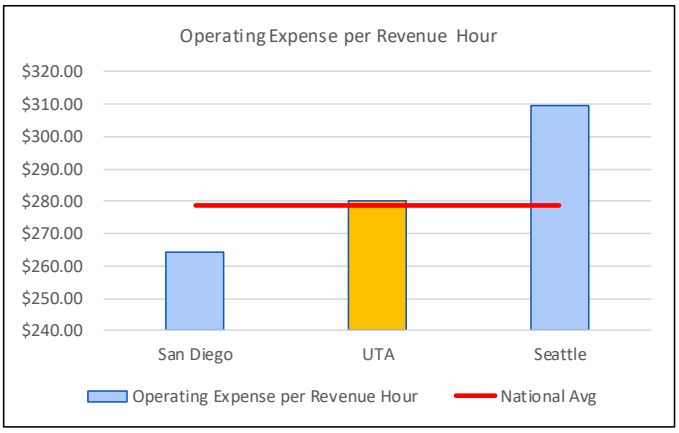
Transit Mode:	Bus	Commuter Bus	Rail	Commuter Rail	Demand Response	Van Pool
Cleveland	x		x		x	
Dallas	x		x	x	x	x
Denver	x		x	x	x	x
Phoenix	x		x		x	x
Pittsburgh	x		x		x	x
Portland	x		x	x	x	
Salt Lake City	x	x	x	x	x	x
San Diego	x	x	x		x	x
San Jose	x		x		x	
Seattle	x	x	x	x	x	x

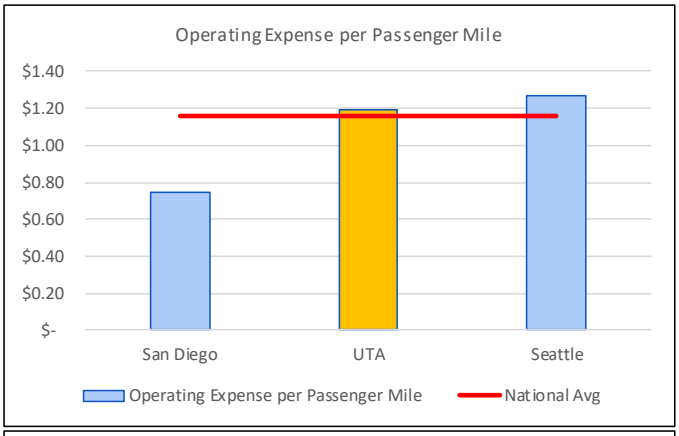
Performance Measures

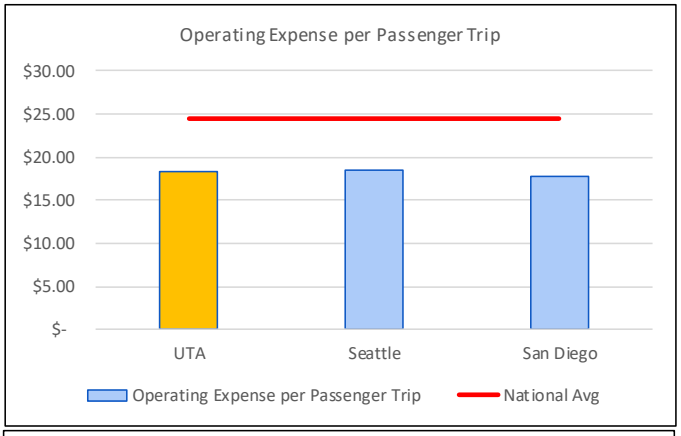
COMMUTER BUS SERVICE (DIRECTLY OPERATED & PURCHASED)

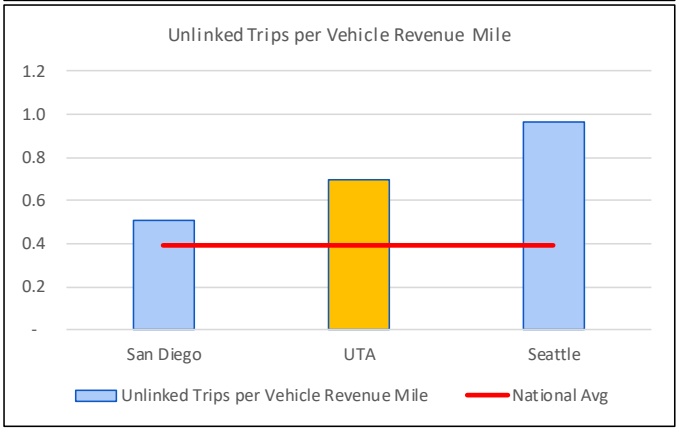
The following charts contain information from the Federal Transit Administration's National Database (NTD) for the most recent year available (2024), and compares the Authority's performance with other similar cities.

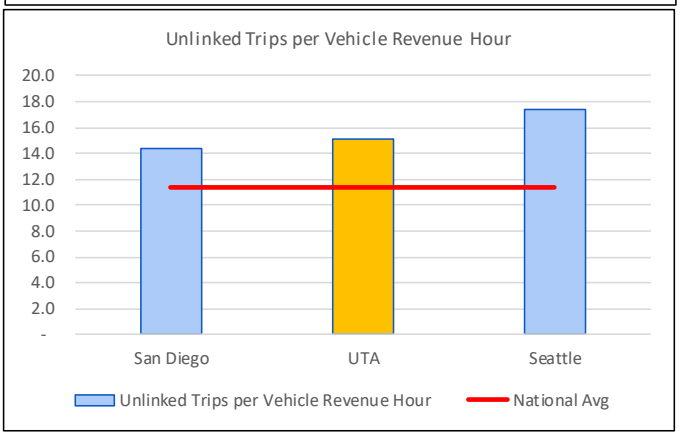








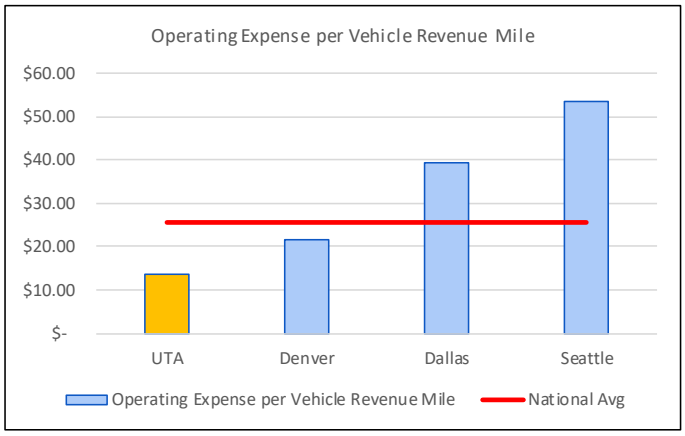


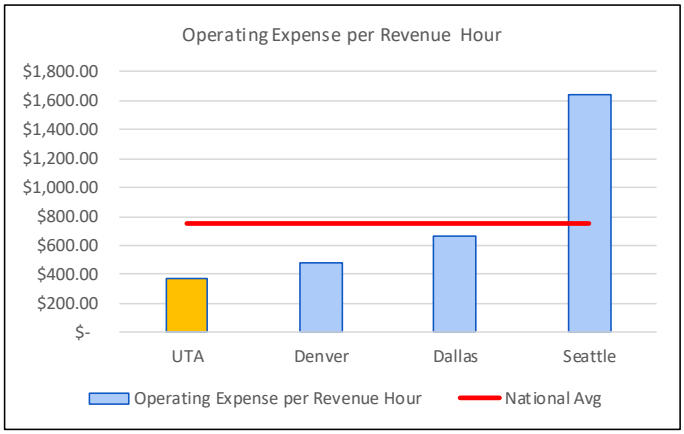


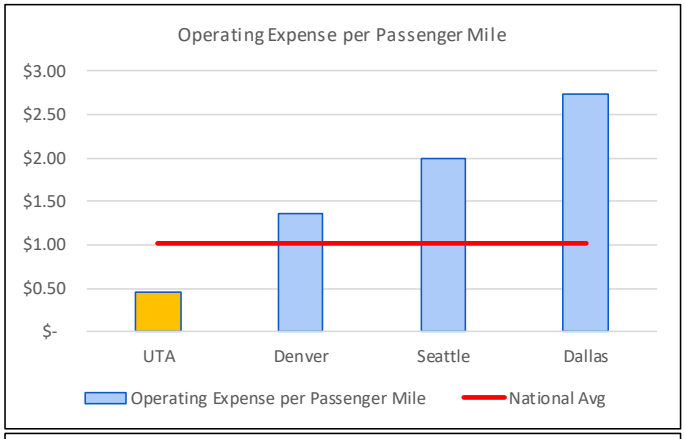
City	State	Agency
San Diego	CA	MTS
Seattle	WA	ST

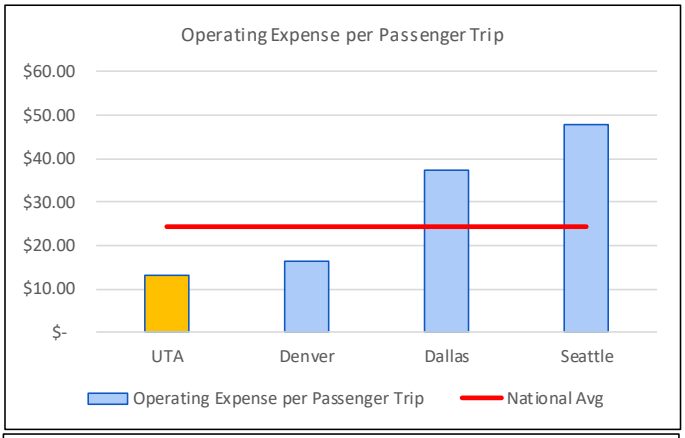
COMMUTER RAIL SERVICE (DIRECTLY OPERATED & PURCHASED)

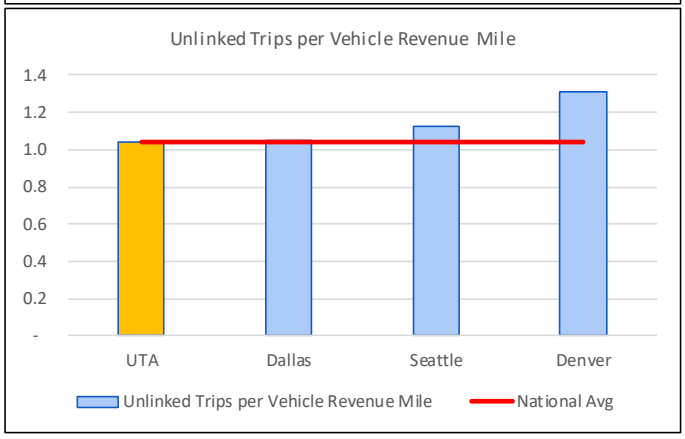
The following charts contain information from the Federal Transit Administration's National Database (NTD) for the most recent year available (2024), and compares the Authority's performance with other similar cities.

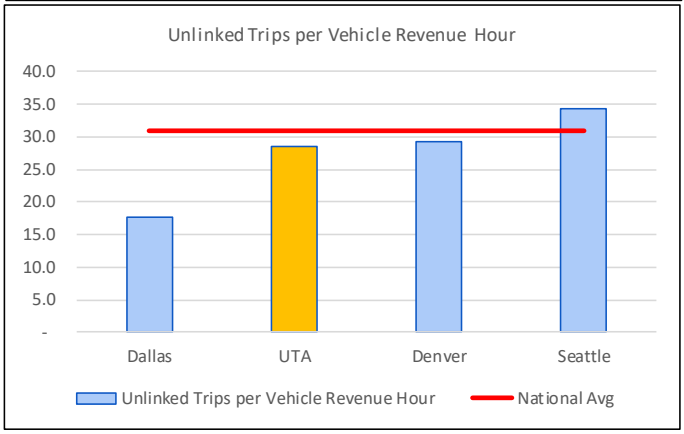








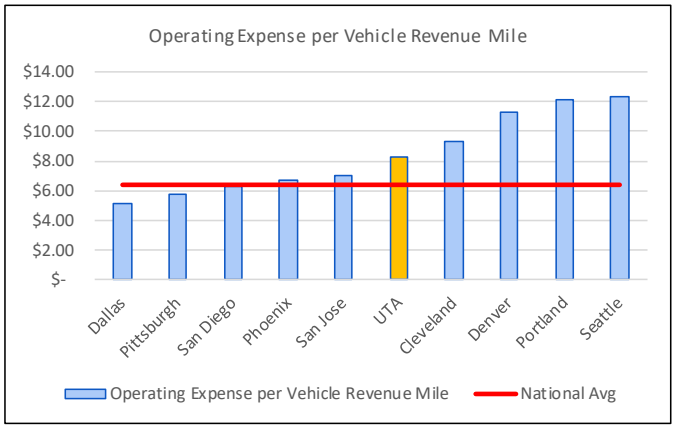


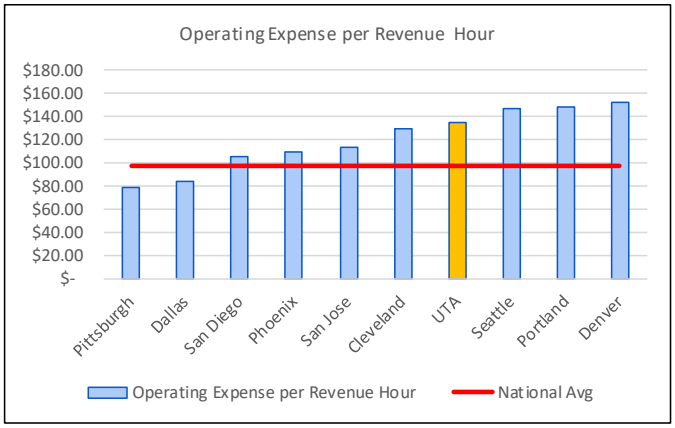


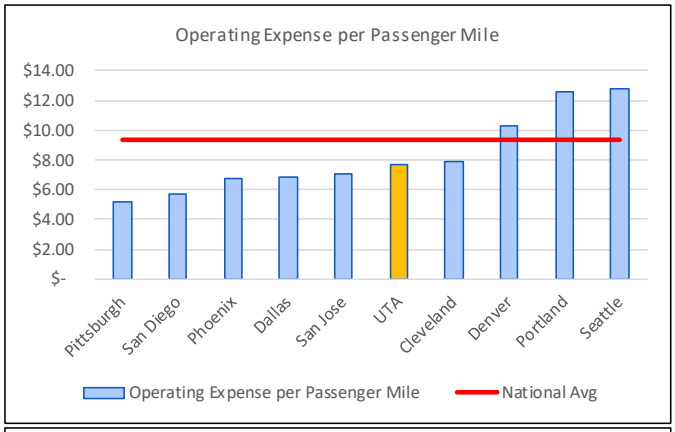
	State	Agency
Dallas	TX	DART
Denver	CO	RTD
Seattle	WA	ST

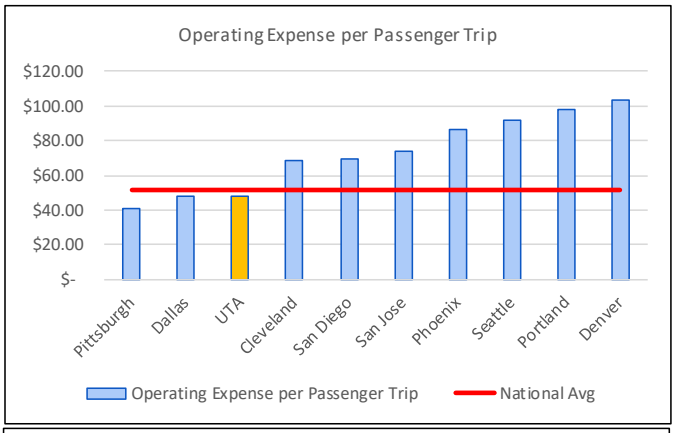
DEMAND RESPONSE SERVICE (DIRECTLY OPERATED & PURCHASED)

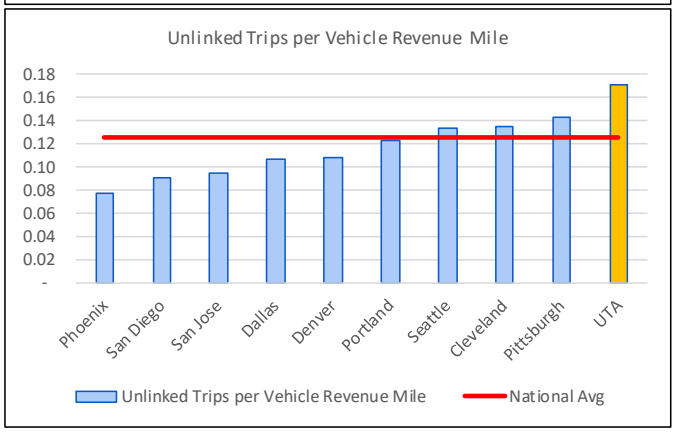
The following charts contain information from the Federal Transit Administration's National Database (NTD) for the most recent year available (2024), and compares the Authority's performance with other similar cities.

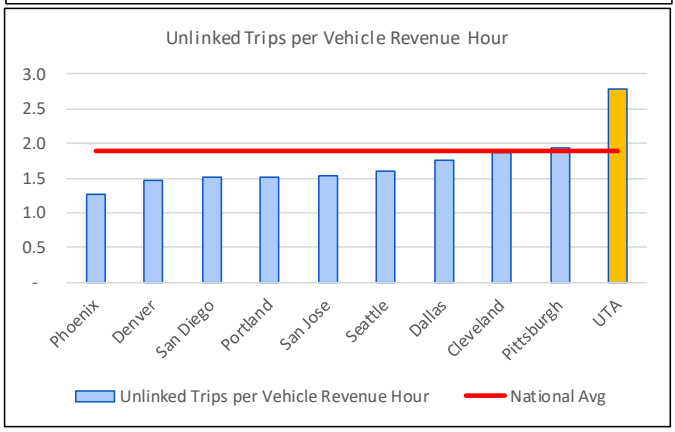








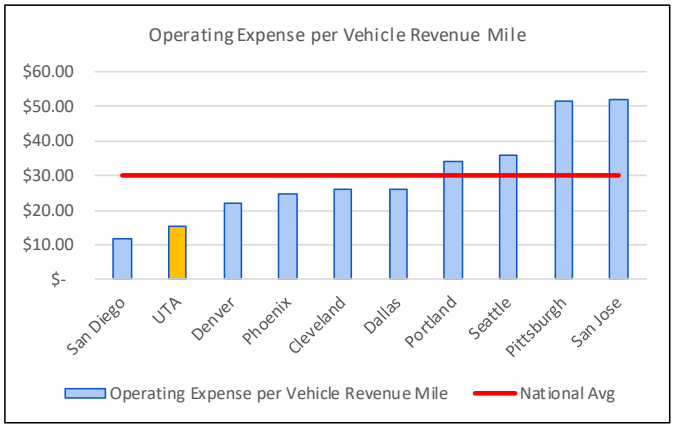


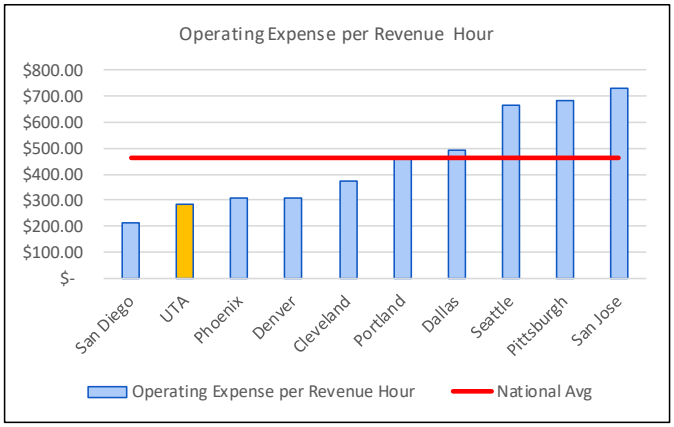


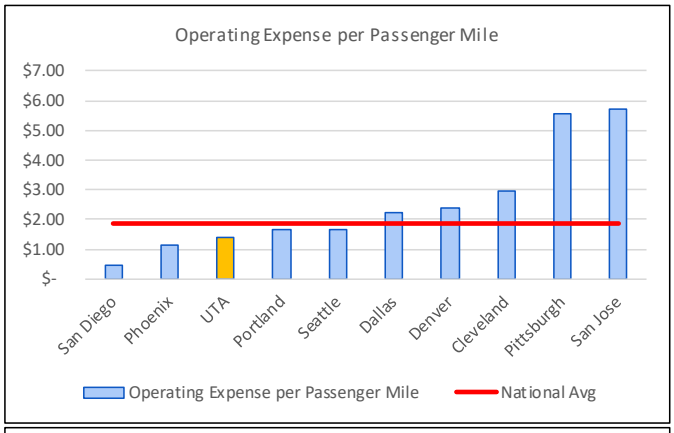
City	State	Agency	City	State	Agency	
Cleveland	OH	GCRTA	Portland	OR	RC	SMS
Dallas	TX	DART	San Diego	CA	MTS	
Denver	CO	RTD	San Jose	CA	VTA	
Phoenix	AZ	VM	Seattle	WA	KCM	
Pittsburgh	PA	ACTA				

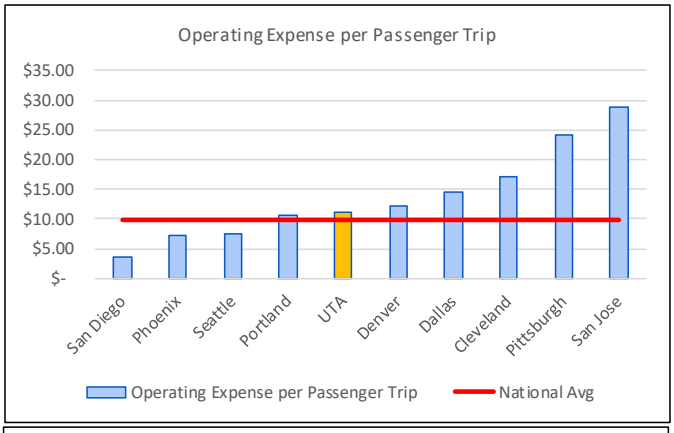
LIGHT RAIL SERVICE (DIRECTLY OPERATED & PURCHASED)

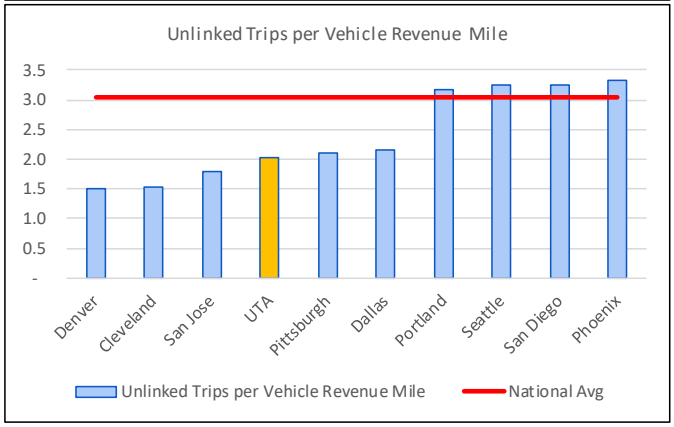
The following charts contain information from the Federal Transit Administration's National Database (NTD) for the most recent year available (2024), and compares the Authority's performance with other similar cities.

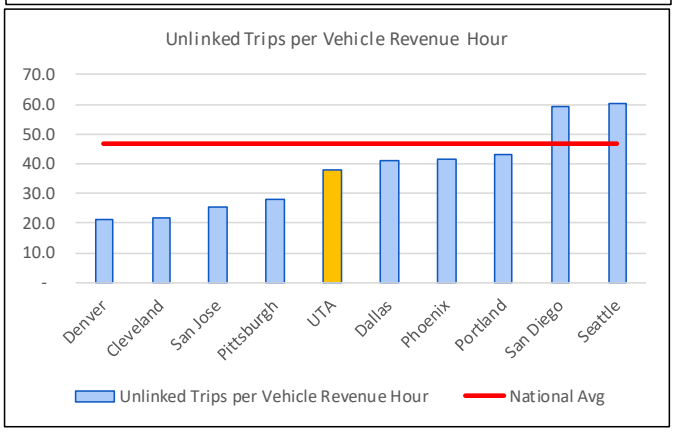








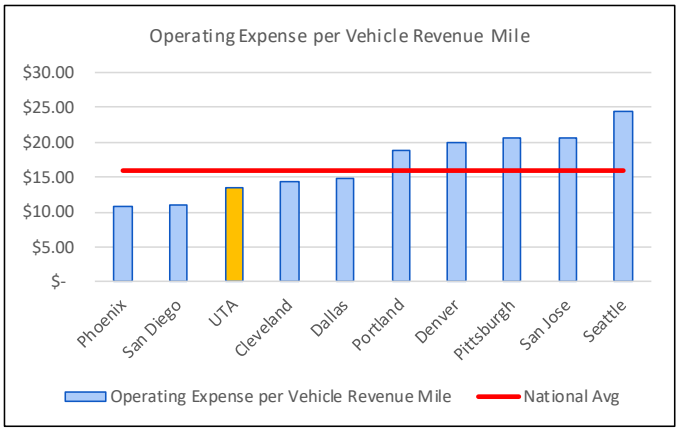


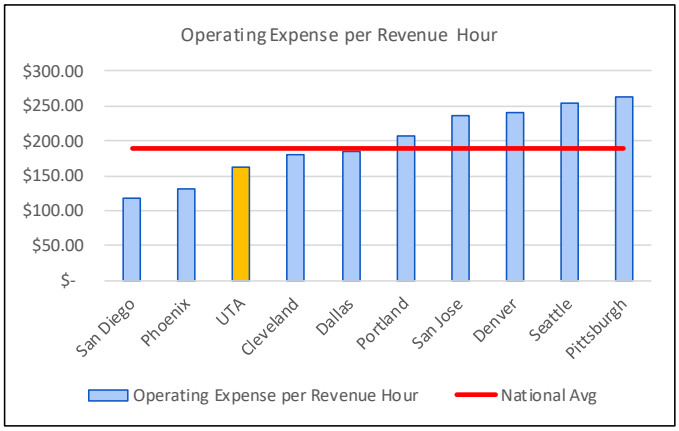


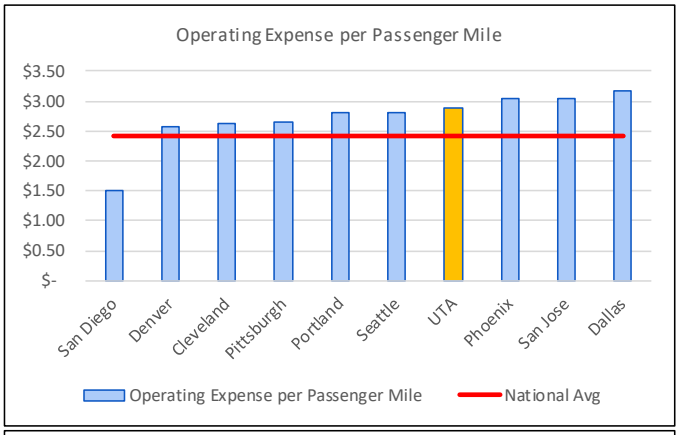
City	State	Agency
Cleveland	OH	GCRTA
Dallas	TX	DART
Denver	CO	RTD
Phoenix	AZ	VMR
Pittsburgh	PA	PRT
Portland	OR	TriMet
San Diego	CA	MTS
San Jose	CA	VTA
Seattle	WA	ST

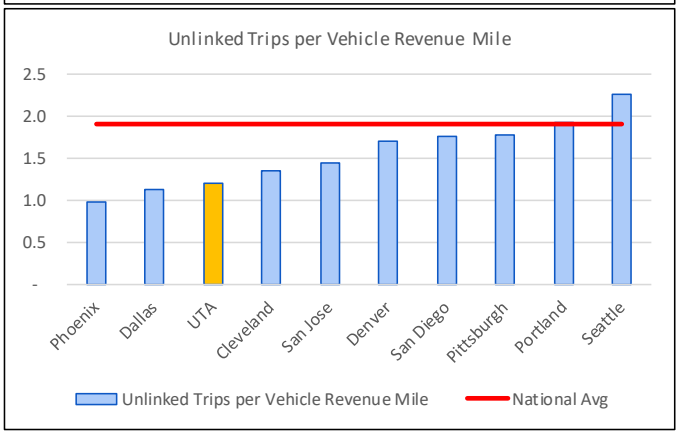
BUS SERVICE (DIRECTLY OPERATED & PURCHASED)

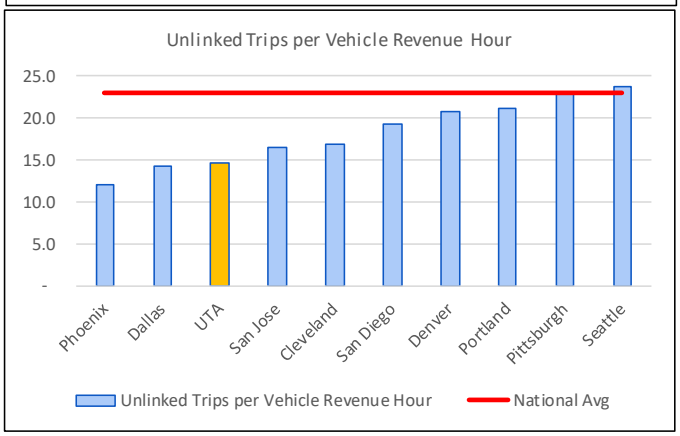
The following charts contain information from the Federal Transit Administration's National Database (NTD) for the most recent year available (2024), and compares the Authority's performance with other similar cities.







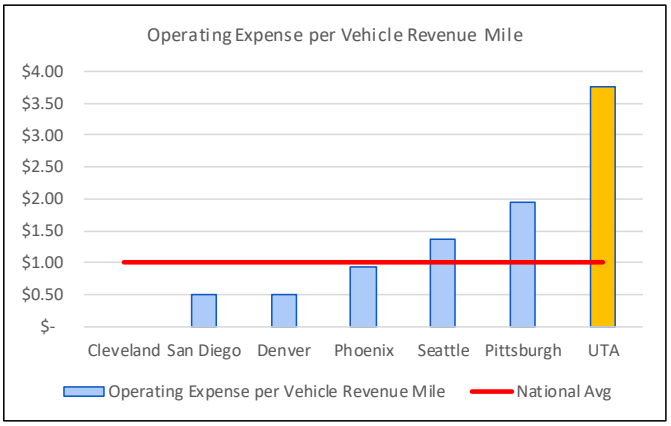


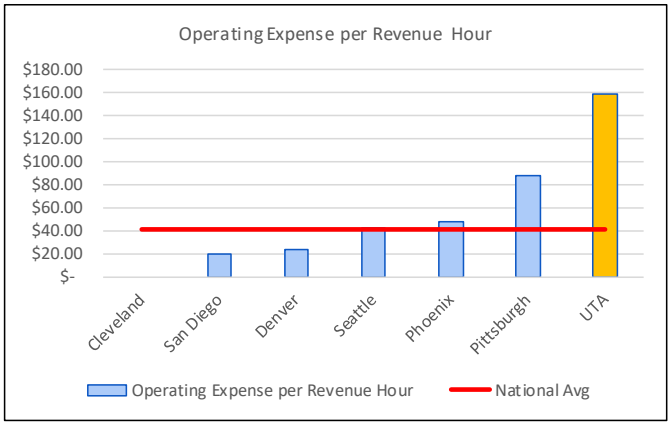


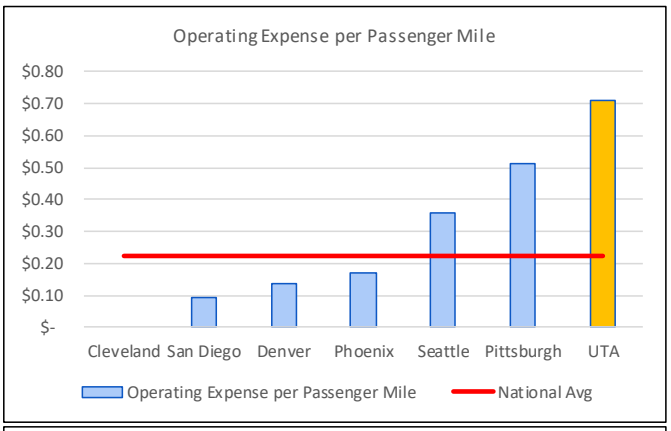
City	State	Agency			City	State	Agency		
Cleveland	OH	GCRTA			Portland	OR	TriMet	RC	SMS
Dallas	TX	DART			San Diego	CA	MTS		
Denver	CO	RTD			San Jose	CA	VTA		
Phoenix	AZ	VM	VMR		Seattle	WA	KCM		
Pittsburgh	PA	PRT							

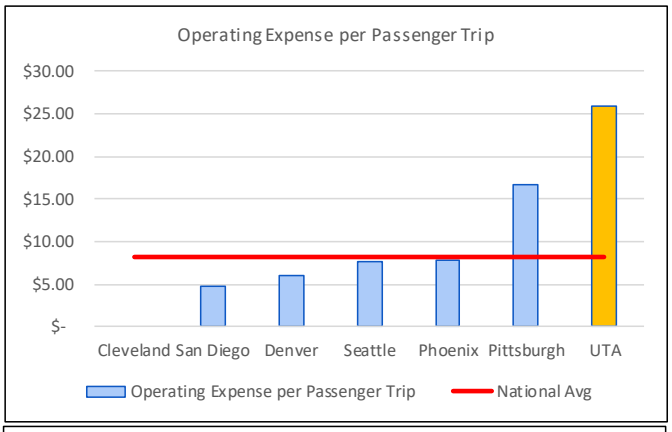
VAN POOL SERVICE (DIRECTLY OPERATED & PURCHASED)

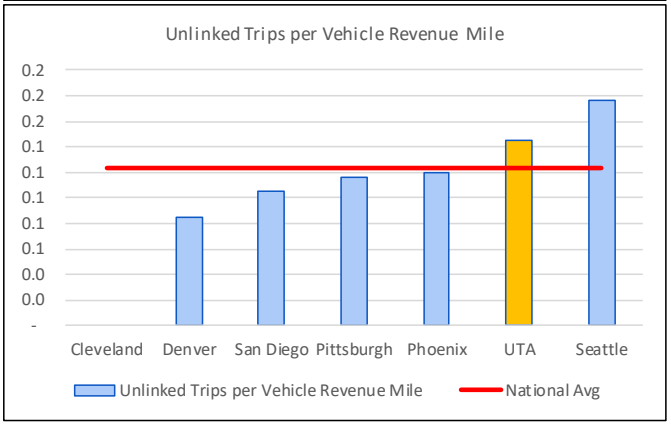
The following charts contain information from the Federal Transit Administration's National Database (NTD) for the most recent year available (2024), and compares the Authority's performance with other similar cities.

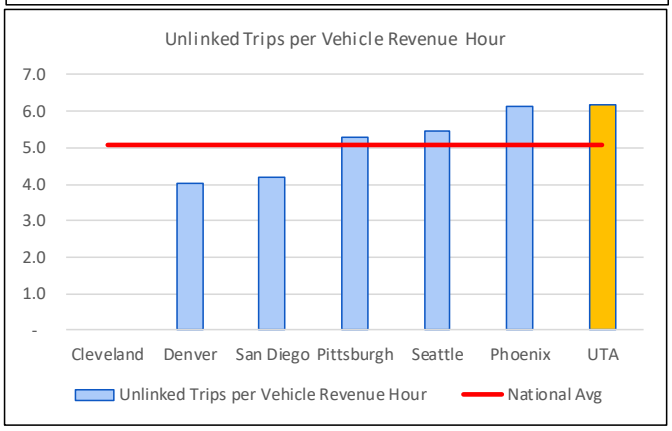












City	State	Agency	City	State	Agency
Dallas	TX	DART	Seattle	WA	KCM
Denver	CO	DRCOG			
Phoenix	AZ	VM			
Pittsburgh	PA	SPC			
San Diego	CA	SANDAG			

Compliance

Crowe

Crowe LLP
Independent Member Crowe Global

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

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.

Crowe LLP

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
				-	47,410,661
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-2026-001-00		-	618,238
Federal Transit Formula Grants	20.507	UT-2026-002-00		-	599,405
				-	69,455,659
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
				-	100,419,330
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
				-	16,274,920
Federal Transit Cluster - Federal Transit Administration Programs total				**-**	**233,560,570**
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
Transit Services Programs Cluster - Federal Transit Administration Programs				4,040,306	**4,296,633**
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
Public Transportation Innovation - Federal Transit Aministration Programs total				**-**	**63,731**
Federal Transit Administration Programs total				**4,040,306**	**238,052,496**
TOTAL U.S. DEPARTMENT OF TRANSPORTATION				**4,040,306**	**238,052,496**
TOTAL FEDERAL AWARDS EXPENDED				**$ 4,040,306**	**$ 238,052,496**

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)	238,227,220
Total per Schedule of Expenditures of Federal Awards for the year ending December 31, 2025	238,052,496
Difference	$ 174,724

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

Federal Transit Cluster	ALN	Grant #	Amount
Federal Transit - Capital Investment Grants	20.500	UT-2023-008-00	$ 31,956
Federal Transit - Capital Investment Grants	20.500	UT-2023-038-00	(32,316)
			(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	1
			22,121
State of Good Repair	20.525	UT-2024-006-00	(1)
			(1)
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	(1)
			(22,476)
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	17,174
			(160,356)
	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	(728)
			(13,652)
Total Adjustment			$ (174,724)

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.

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?	X Yes	___ No
Significant deficiency(ies) identified?	___ Yes	X None reported
Noncompliance material to financial statements noted?	___ Yes	X No

Federal Awards

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

Identification of major federal programs:

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

Dollar threshold used to distinguish between Type A and Type B Programs	$ 3,000,000	
Auditee qualified as low-risk auditee?	X Yes	___ No

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

Finding 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.

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.

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.

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

UTA

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.

Crowe LLP

Crowe LLP

Indianapolis, Indiana
June 9, 2026