



Utah Transit Authority

Board of Trustees

REGULAR MEETING AGENDA

669 West 200 South
Salt Lake City, UT 84101

Wednesday, June 28, 2023

9:00 AM

FrontLines Headquarters

The UTA Board of Trustees will meet in person at UTA FrontLines Headquarters (FLHQ) 669 W. 200 S., Salt Lake City, Utah.

For remote viewing, public comment, and special accommodations instructions, please see the meeting information following this agenda.

1. **Call to Order and Opening Remarks** Chair Carlton Christensen
2. **Pledge of Allegiance** Chair Carlton Christensen
3. **Safety First Minute** Mary DeLoretto
4. **Public Comment** Chair Carlton Christensen
5. **Consent** Chair Carlton Christensen
 - a. Approval of June 14, 2023 Board Meeting Minutes
 - b. 2022 UTA Annual Comprehensive Financial Report (ACFR) and National Transit Database (NTD) Agreed Upon Procedure Report
6. **Reports**
 - a. Executive Director's Report Jay Fox
 - UTA Tribute - Rose (Marie) Gallegos
 - b. Financial Report - April 2023 Viola Miller
Brad Armstrong
Daniel Hofer
7. **Resolutions**
 - a. R2023-06-05 - Resolution Designating Authorized Users for the Authority's Utah Public Treasurers' Investment Fund Accounts Viola Miller
Rob Lamph
 - b. R2023-06-06 - Resolution Authorizing Amendments to Escrow Agreements Executed in Connection with the Authority's Federally Taxable Sales Tax Revenue Refunding Bonds, Series 2019B and Series 2021; and Related Matters Troy Bingham
Brian Baker

8. Contracts, Disbursements and Grants

- | | | |
|----|---|----------------------------------|
| a. | Contract: Transit Management System Tablets
2024-2026 (Mobile Concepts Technology, LLC) | Tom Smith
Shawn Stephens |
| b. | Change Order: Cutaway Bus Purchase - Second
Order (Lewis Bus Group) | Kyle Stockley |
| c. | Change Order: On-Call Infrastructure Maintenance
Contract Task Order #23-099 - 2023 Grade Crossing
Other Track Materials (OTM) Procurement (Stacy
and Whitbeck, Inc) | Jared Scarbrough
Jacob Wouden |
| d. | Change Order: CNG Fuel for Depot District -
Contract Extension (Summit Energy, LLC) | Todd Mills
Andres Colman |

9. Discussion Items

- | | | |
|----|---|---------------------------------------|
| a. | UTA Moves 2050 - Long Range Transit Plan (LRTP) | Russ Fox
Alex Beim
Megan Waters |
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10. Other Business

Chair Carlton Christensen

- | | |
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| a. | Next Meeting: Wednesday, July 12th, 2023 at 9:00
a.m. |
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11. Closed Session

Chair Carlton Christensen

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| a. | Strategy Session to Discuss Collective Bargaining |
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12. Open Session

Chair Carlton Christensen

13. Adjourn

Chair Carlton Christensen

Meeting Information:

- Special Accommodation: Information related to this meeting is available in alternate format upon request by contacting adacompliance@rideuta.com or (801) 287-3536. Request for accommodations should be made at least two business days in advance of the scheduled meeting.
- Meeting proceedings may be viewed remotely by following the meeting portal link on the UTA Board Meetings page - <https://www.rideuta.com/Board-of-Trustees/Meetings>
- In the event of technical difficulties with the remote connection or live-stream, the meeting will proceed in person and in compliance with the Open and Public Meetings Act.
- Public Comment may be given live during the meeting by attending in person at the meeting location OR by joining the remote Zoom meeting below.
 - o Use this link: https://rideuta.zoom.us/webinar/register/WN_4pm7HiSLRISqEyRnfeC6jA and follow the instructions to register for the meeting (you will need to provide your name and email address).
 - o Sign on to the Zoom meeting through the URL provided after registering
 - o Sign on 5 minutes prior to the meeting start time.
 - o Use the "raise hand" function in Zoom to indicate you would like to make a comment.

- o Comments are limited to 3 minutes per commenter.
- Public Comment may also be given through alternate means. See instructions below.
 - o Comment online at <https://www.rideuta.com/Board-of-Trustees>
 - o Comment via email at boardoftrustees@rideuta.com
 - o Comment by telephone at 801-743-3882 option 5 (801-RideUTA option 5) – specify that your comment is for the board meeting.
 - o Comments submitted before 2:00 p.m. on Tuesday, June 27th will be distributed to board members prior to the meeting.
- Meetings are audio and video recorded and live-streamed
- Members of the Board of Trustees and meeting presenters will participate in person, however trustees may join electronically as needed with 24 hours advance notice.
- Motions, including final actions, may be taken in relation to any topic listed on the agenda.



U T A

Utah Transit Authority

MEETING MEMO

669 West 200 South
Salt Lake City, UT 84101

Board of Trustees

Date: 6/28/2023

TO: Board of Trustees
THROUGH: Jana Ostler, Board Manager
FROM: Jana Ostler, Board Manager

TITLE:

Approval of June 14, 2023 Board Meeting Minutes

AGENDA ITEM TYPE:

Minutes

RECOMMENDATION:

Approve the minutes of the June 14, 2023, Board of Trustees meeting

BACKGROUND:

A meeting of the UTA Board of Trustees was held in person at UTA Frontlines Headquarters and broadcast live via the UTA Board Meetings page on Wednesday June 14, 2023 at 9:00 a.m. Minutes from the meeting document the actions of the Board and summarize the discussion that took place in the meeting. A full audio recording of the meeting is available on the [Utah Public Notice Website](https://www.utah.gov/pmn/sitemap/notice/839059.html) <<https://www.utah.gov/pmn/sitemap/notice/839059.html>> and video feed is available through the [UTA Board Meetings page](https://rideuta.com/Board-of-Trustees/Meetings) <<https://rideuta.com/Board-of-Trustees/Meetings>>.

ATTACHMENTS:

1. 2023-06-14_BOT_Minutes_unapproved



Utah Transit Authority

Board of Trustees

MEETING MINUTES - Draft

669 West 200 South
Salt Lake City, UT 84101

Wednesday, June 14, 2023

9:00 AM

FrontLines Headquarters

Present: Trustee Jeff Acerson
Trustee Beth Holbrook

Excused: Chair Carlton Christensen

Also in attendance were UTA staff, media representatives, and interested community members.

1. Call to Order and Opening Remarks

Trustee Jeff Acerson welcomed attendees and called the meeting to order at 9:02 a.m. and noted he will be acting as Chair in the absence of Chair Christensen who is excused. He announced this is an in-person, recorded meeting, with live viewing available online and live public comment available in-person and via Zoom.

My BeUTAHful Community Student Art Competition

Trustee Acerson referred to the recent my BeUTAHful art competition and announced one winning piece of artwork will be showcased at each Board meeting. Today's piece is "Welcome Aboard" by Morgan Becker a 10th grade student.

2. Pledge of Allegiance

Attendees recited the Pledge of Allegiance.

3. Safety First Minute

Nichol Bourdeaux, UTA Chief Communications Officer, provided a brief safety message.

4. Public Comment

Written/Virtual comments

Trustee Acerson reported no written or online comments were received for the meeting.

In-Person Comments

Three in-person public comments were given at the meeting.

Dirk Burton, Mayor of West Jordan City, said he had noticed an odor recently while riding the TRAX red line. Jay Fox, UTA Executive Director, explained the odor is attributed to the protective coating from new seat covers UTA recently installed and the smell should dissipate soon.

Mayor Burton provided a second comment regarding a recent FrontRunner trip. He noticed a passenger was trying to board the FrontRunner when the doors were closing. Typically, the

doors would stay closed and the train would depart but in this instance, the operator was kind enough to allow the passenger to board. Mayor Burton said it was a kind gesture for which the operator should be commended.

Cristobal Villegas, a UTA employee, shared his experience as a member of the LGBTQ+ community. He said the recent removal of the UTA Pride bus from the Pride Parade was upsetting to him. He hoped in the future, UTA will be able to show more understanding regarding such matters.

Oscar Andrews, a local resident and motorcyclist, expressed his perception that UTA bus operators appear to show little regard for the safety of motorcyclists. He explained lanes intended for motorcycles are often blocked by buses or he is cut off by buses. He suggested installing sensors on the buses and training bus operators to drive safely around motorcyclists.

5. Consent

a. Approval of May 24, 2023 Board Meeting Minutes

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

6. Reports

a. Executive Director's Report

Mr. Fox presented year over year Ridership numbers for May 2023, and reported an overall systemwide ridership increase of 22% on all modes with a FrontRunner ridership increase of 24%. Mr. Fox noted that despite inclement weather during the winter months, service reliability was at 94%. He applauded the efforts of the UTA Facilities and Operating Teams for their work in keeping services running during this time.

b. Committee on Accessible Transportation (CAT) - Annual Report

Amanda Salmon, UTA Civil Rights Compliance Officer (ADA), was joined by Willie Black, CAT Committee Chair, to present the 2022 CAT annual report. A presentation was provided which focused on the following key areas:

- CAT Objectives
- 2022 Significant Contributions
- Improved Accessibility of UTA On Demand App
- Current Initiatives
- Progress on Visual Announcement Boards for Buses
- Past Initiatives
- Current and past Feedback

Ms. Salmon drew attention to the committee's biggest accomplishment this past year which was providing improved accessibility for the on-demand app in addition to identifying assistive technology options to enhance customer experiences.

Mr. Black referred to current initiatives including identifying assistive technology. He

referred to the Aira app which provides visual assistance by utilizing a camera phone to help users with sign reading and way finding. Ms. Salmon stated the Aira app has been recommended by the CAT committee to be utilized by UTA's customer service team to communicate and assist visually impaired customers in navigating services.

Ms. Salmon announced the ADA annual celebration will be held at UTA on July 25th from 12:00 - 2:00 p.m. Trustee Holbrook inquired on advertisement for this event. Ms. Salmon said James Larson, UTA Senior Communications & Marketing Strategist, has already been promoting the event.

Trustee Acerson applauded the committee's work and said it is a privilege to serve on the committee.

c. Safety and Security Report - Utah State Safety Oversight Program

Mr. Sheldon Shaw, UTA Safety & Security Director, was joined by Jim Golden, the Utah State Safety Oversight Program Manager, to present the 2022 annual State Safety Oversight (SSO) Program report.

Mr. Golden explained the purpose of the SSO program which provides support to assist with on-site safety and security performance and annual reviews. The program is supported by funds from the Federal Transit Administration (FTA). Safety reports are conducted each year and reports shared with UTA and the Governor's Office.

Mr. Golden provided a presentation which included a program overview, 2022-23 highlights, and planned activities for 2023.

He shared 2022-23 program highlights which included inspections, special audits, and event investigation. Planned activities in 2023 include a risk-based inspection program, FTA audit of UDOT SSO, and an hours of service audit.

Mr. Golden noted the agency's accidents and fatalities rate is low. Mr. Fox alluded to safety adjustments implemented following one of the fatalities which included giving operators the ability to sound their horn, even in the "no-horn" zone. Trustee Holbrook raised the question of operators using their horn in these zones and if that has been communicated to the public. Mr. Fox said operators use their discretion to sound their horn, especially if they fear a potential safety issue. He added no official complaints have been received regarding this practice other than one inquiry from an official.

7. Resolutions

a. R2023-06-01 - Resolution Approving the Proposed Second Amendment to the 2023-2027 Capital Plan

Viola Miller, UTA Chief Financial Officer, was joined by Daniel Hofer, UTA Director of Capital Assets & Project Controls, to request approval to adopt the agency's amended 2023-2027 capital plan.

Mr. Hofer reviewed the proposed amendment that modifies the 2023-2027 Capital Plan to:

- Include two new projects (workforce/enterprise asset management and operator restrooms throughout the system).
- Modify several project budgets in the plan to absorb new project additions.
- Move 2024 planned expenditures for the (TIGER) program into the 2023 budget.

Mr. Hofer reported the net impact of all adjustments will be an additional \$1 million in revenue-backed funds. He noted during the last Local Advisory Council (LAC) meeting, on May 31, 2023, LAC members asked UTA to consider the inclusion of projects for Salt Lake County's southeast and southwest service areas.

A motion was made by Trustee Holbrook, and seconded by Trustee Acerson, that this Resolution be approved. The motion carried by the following vote:

Aye: Trustee Holbrook, and Trustee Acerson

Absent: Chair Christensen

b. R2023-06-02 - Resolution Adopting the Authority's Amended 2023 Budget

Ms. Miller was joined by Mr. Hofer, and Brad Armstrong, UTA Director of Budget & Financial Strategy.

Ms. Miller outlined the agency's 2023 budget amendment request which seeks to:

- Adjust the budget for additional wage and benefit expenses associated with the ratified Collective Bargaining Agreement (ATU) contract.
- Adjust the budget for the impact of compensation changes to selected administrative positions to reflect current labor market conditions.
- Record changes to budget categories reflecting moves of positions between departments. Note: Changes as the result of these moves will not lead to a net increase in expense.
- Add two new projects to the 2023 Capital Plan
- Advance the adopted 2024 planned expenditures of an existing project to the 2023 budget year to facilitate delivery of that project

These changes result in an increase in 2023 budget authority by \$8.75 million.

A motion was made by Trustee Holbrook, and seconded by Trustee Acerson, that this Resolution be approved. The motion carried by the following vote:

Aye: Trustee Holbrook, and Trustee Acerson

Absent: Chair Christensen

c. R2023-06-03 - Resolution Modifying the Authority's Organizational Structure

Kim Shanklin, UTA Chief People Officer, introduced a resolution to modify the authority's organizational structure to change the name of the Service Development

Office to the Capital Services Office.

A motion was made by Trustee Holbrook, and seconded by Trustee Acerson, that this resolution be approved. The motion carried by the following vote:

Aye: Trustee Holbrook, and Trustee Acerson

Absent: Chair Christensen

d. R2023-06-04 - Resolution Authorizing the Executive Director to Execute Grants Agreements for Specified Projects

Ms. Miller was joined by Gregg Larson, UTA Manager of Grant Services, and Tracy Young, UTA Grants Director.

Ms. Young requested approval for a resolution authorizing grant agreement execution by the Executive Director for the 2023 Grant Awards for various projects as presented. She explained the authorization would speed up the grant awards process and allow the agency to be reimbursed in a timelier manner.

A motion was made by Trustee Holbrook, and seconded by Trustee Acerson, that this resolution be approved. The motion carried by the following vote:

Aye: Trustee Holbrook, and Trustee Acerson

Absent: Chair Christensen

8. Contracts, Disbursements and Grants

a. Contract: Master Task Ordering Agreement for Bus System Enhancement Design Services Consultant Pool A (AECOM Technical Services, Inc.)

Travis Colledge, UTA Project Manager, presented three separate contracts for system design services for three different pools.

- Pool A - Bus Stops
- Pool B - End of Line Facilities
- Pool C - Operator Restrooms

Mr. Colledge requested the board approve a master task ordering agreement with AECOM Technical Services Inc., for bus system enhancement design services for Pool A (Bus Stops). The total contract value is up to, but not exceeding, \$300,000, over a one year period with options for additional years, which would require future board approval.

A motion was made by Trustee Holbrook and seconded by Trustee Acerson, that this contract be approved. The motion carried by unanimous vote.

b. Contract: Master Task Ordering Agreement for Bus System Enhancement Design Services Consultant Pools A, B, C (Focus Engineering & Surveying, LLC.)

Mr. Colledge requested the board approve a master task ordering agreement with Focus Engineering & Surveying LLC., for bus system enhancement design services for Pools A, B, and C. The total contract value is up to, but not exceeding, \$500,000, over a one year period. Exercising additional option years would require future board

approval.

A motion was made by Trustee Holbrook and seconded by Trustee Acerson, that this contract be approved. The motion carried by unanimous vote.

c. Contract: Master Task Ordering Agreement for Bus System Enhancement Design Services Consultant Pools A, B, C (Kimley-Horn and Associates, Inc.)

Mr. Colledge requested the board approve a master task ordering agreement with Kimley-Horn and Associates, Inc., for bus system enhancement design services for Pools A, B, and C. The total contract value is up to, but not exceeding, \$500,000, over a one year period. Exercising additional option years would require future board approval.

A motion was made by Trustee Holbrook and seconded by Trustee Acerson, that this contract be approved. The motion carried by unanimous vote.

d. Contract: State of Good Repair Replacement of Network Switches and Associated Equipment (CVE Technologies Group, Inc)

Kyle Brimley, UTA IT Director, requested the board approve a \$262,950 contract with CVE Technologies Group, Inc., for State of Good Repair (SGR) replacement of network switches and associated equipment. These networking devices are part of UTA rail platform networks which support digital signage, ticket vending machines, security cameras, and additional network equipment.

A motion was made by Trustee Holbrook and seconded by Trustee Acerson, that this contract be approved. The motion carried by unanimous vote.

e. Contract: Timpanogos Bus Bay 4 Lift Replacement (Steril-Koni USA, Inc.)

Guy Miner, UTA Facilities Maintenance Manager, requested the board approve a contract with Steril-Koni USA, Inc. to replace the Timpanogos Bay 4 Bus Lift in the amount of \$455,294. The bus lift has exceeded its useful life and is beyond economical repair.

Questions regarding lead time differentials and articulated lift operation were posed by the board and answered by Mr. Miner.

A motion was made by Trustee Holbrook and seconded by Trustee Acerson, that this contract be approved. The motion carried by unanimous vote.

f. Contract: TRAX & Frontrunner Park-n-Ride Lots Asphalt Preservation - Seal Coating and Striping (Sumsion Construction DBA Eckles Paving)

Mr. Miner requested the board approve a contract in the amount of \$231,062 with Sumsion Construction, LC DBA Eckles Paving, to perform asphalt preservation, to include repairing cracks, sealing, coating, and restriping on the following TRAX and FrontRunner Park-n-Ride Lots:

- Orem FrontRunner, 1350 West 900 South Orem
- Draper Town Center, 1131 East Pioneer Road, Draper
- Kimballs Lane, 11796 South 700 East Sandy

- Crescent View, 361 East 1400 South Sandy
- Murray Central TRAX, 5144 South Cottonwood Street, Murray

Trustee Holbrook suggested customers be given advance notice of the construction at these Park-n-Ride lots

A motion was made by Trustee Holbrook and seconded by Trustee Acerson, that this contract be approved. The motion carried by unanimous vote.

g. Contract: Shepard Lane Interchange - Double Tracking Construction Betterment Agreement (Utah Department of Transportation)

Janelle Robertson, UTA Project Manager, requested board approval of the Utah Department of Transportation (UDOT) Double Tracking Construction Betterment contract as part of UDOT's new Shepard Lane Interchange project in the amount of \$3,576,341 to accommodate future double tracking. The project is included in the five year capital plan and the work will be performed and billed by UDOT in 2024.

A motion was made by Trustee Holbrook and seconded by Trustee Acerson, that this contract be approved. The motion carried by unanimous vote.

9. Service and Fare Approvals

a. Sponsored Fare Agreement: Trip Reduction Program/Free-Fare Days - Amendment Two (Division of Air Quality)

Jay Haight, UTA Senior Sales Representative - Fares Department, referenced the 2021 Fare Agreement with the Division of Air Quality (DAQ) to provide free fare days on UTA services during poor air quality days. On June 22, 2022, the board approved an extension to the original agreement (Amendment One) through June 30, 2023. Both UTA and DAQ wish to extend this agreement to June 30, 2024. The total contract value is \$492,000 and to date, UTA has utilized five free fare days for a total of \$367,314 leaving a remaining balance of \$124,686.

A motion was made by Trustee Holbrook, and seconded by Trustee Acerson, that this Fare Agreement be approved. The motion carried by unanimous vote.

10. Other Business

- a. Next Meeting: Wednesday, June 28th, 2023 at 9:00 a.m.

11. Closed Session

a. Strategy Session to Discuss Collective Bargaining

Trustee Acerson indicated there were matters to be discussed in closed session relative to collective bargaining.

A motion was made by Trustee Holbrook, and seconded by Trustee Acerson, for a closed session. The motion carried by unanimous vote and the meeting convened in closed session at 10:46 a.m. after a short break.

12. Open Session

A motion was made by Trustee Holbrook and seconded by Trustee Acerson to return to open session. The motion carried by unanimous vote and the meeting reconvened in Open Session at 11:11 a.m.

13. Adjourn

A motion was made by Trustee Holbrook, and seconded by Trustee Acerson, to adjourn the meeting. The motion carried by unanimous vote and the meeting adjourned at 11:12 a.m.

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

This document is not intended to serve as a full transcript as additional discussion may have taken place; please refer to the meeting materials and audio located at <https://www.utah.gov/pmn/sitemap/notice/839059.html> for entire content.

Meeting materials along with a time-stamped video recording may also be accessed at https://rideuta.granicus.com/player/clip/234?view_id=1&redirect=true&h=04ddab0dff6664cef9136553d6628b09

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

Approved Date:

Carlton J. Christensen
Chair, Board of Trustees



Utah Transit Authority

MEETING MEMO

669 West 200 South
Salt Lake City, UT 84101

Board of Trustees

Date: 6/28/2023

TO: Board of Trustees
THROUGH: Jay Fox, Executive Director
FROM: Viola Miller, Chief Financial Officer
PRESENTER(S): Troy Bingham, Comptroller

TITLE:

2022 UTA Annual Comprehensive Financial Report (ACFR) and National Transit Database (NTD) Agreed Upon Procedure Report

AGENDA ITEM TYPE:

Audit - Approval

RECOMMENDATION:

Accept the 2022 UTA Annual Comprehensive Financial Report (ACFR) and National Transit Database (NTD) Agreed Upon Procedure Report

BACKGROUND:

Provisions within the Public Transit District Act, 17B-2a-808.1(2)(o), UTA's By-Laws, Article VII, Section 6, and the Board of Trustee Policy 2.1, Financial Management, all require the use of a qualified independent auditing firm to conduct an annual financial audit and to present the results of their annual audit to the UTA's Audit Committee and the Board of Trustees. Crowe LLP was selected to conduct the 2020-2024 financial audits and NTD agreed upon procedures. They have completed reports and will present their results to UTA's Audit Committee at the June 26th meeting.

DISCUSSION:

Upon acceptance, UTA staff submits the 2022 Annual Comprehensive Financial Report ("ACFR") to the Government Finance Officers Association's Certificate of Excellence in Financial Reporting program by the deadline of June 30.

ALTERNATIVES:

The Board of Trustees may seek additional information and delay acceptance of the 2022 UTA Financial Audit Report

FISCAL IMPACT:

N/A

ATTACHMENTS:

- 1) 2022 Letter to the audit committee
- 2) 2022 ACFR which includes the Annual Comprehensive Financial Report, the Single Audit Report, and the Utah State Compliance Report
- 3) 2022 NTD Agreed Upon Procedure Report

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

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

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

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

AUDITOR'S RESPONSIBILITY UNDER GOVERNMENT AUDITING STANDARDS

As part of obtaining reasonable assurance about whether the Authority's financial statements are free of material misstatement, we performed tests of the Authority's compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts or disclosures. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

COMMUNICATIONS REGARDING OUR INDEPENDENCE FROM THE AUTHORITY

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

Additionally, we wish to communicate that we have no relationships with the Authority that, in our professional judgment, may reasonably be thought to bear on our independence and that we gave significant consideration to in reaching the conclusion that our independence has not been impaired.

PLANNED SCOPE AND TIMING OF THE AUDIT

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

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

SIGNIFICANT ACCOUNTING POLICIES AND MANAGEMENT JUDGMENTS AND ACCOUNTING ESTIMATES

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

Accounting Standard	Impact of Adoption
GASB Statement No. 87, "Leases" This Statement was issued to improve accounting and financial reporting for leases by governments. It requires recognition of certain lease assets and liabilities for leases that were previously classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. This Statement establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. A lessee will be required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor will be required to recognize a lease receivable and a deferred inflow of resources. Lessees and lessors should recognize short-term lease payments as outflows of resources and inflows of resources, respectively, based on the payment provisions of the lease contract.	Upon adoption of this Statement, the Authority recorded its lessee lease obligations as lease liabilities and right-to-use lease assets and its lessor lease arrangements as lease receivables and deferred inflows of resources. See Note 2 of the audited financial statements for more details on the impact of implementation of this Statement.
Significant Unusual Transactions.	No such matters noted

Accounting Standard	Impact of Adoption
Significant Accounting Policies in Controversial or Emerging Areas.	No such matters noted

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

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

Significant Accounting Estimate	Process Used by Management	Basis for Our Conclusions
Fair Values of Investment Securities and Other Financial Instruments	The disclosure of fair values of securities and other financial instruments requires management to use certain assumptions and estimates pertaining to the fair values of its financial assets and financial liabilities.	We tested the propriety of information underlying management's estimates.
Useful Lives of Capital Assets	Management has determined the economic useful lives of capital assets based on past history of similar types of assets, future plans as to their use, and other factors that impact their economic value to the Authority.	We tested the propriety of information underlying management's estimates.
Loss Contingencies	The Authority consults with legal counsel to evaluate outstanding litigation, claims and assessments. Factors that affect management's evaluation of litigation contingencies requiring disclosure include the nature of the contingencies and whether the outcome could have an effect on the consolidated financial statements.	Based on information obtained from the Authority's legal counsel regarding this matter and discussions with management, we concur with management's determination that the loss contingency does not meet conditions for accrual of being both probable and estimable, and, thus, no accrual is reported and no specific disclosures are required.
Pension Obligations	Amounts reported for pension obligations require management to use estimates that may be subject to significant change in the near term. These estimates are based on projection of the weighted average discount rate, rate of increase in future compensation levels, and weighted average expected long-term rate of return on pension assets.	We reviewed the reasonableness of these estimates and assumptions.

AUDITOR'S JUDGMENTS ABOUT QUALITATIVE ASPECTS OF SIGNIFICANT ACCOUNTING PRACTICES

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

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

CORRECTED AND UNCORRECTED MISSTATEMENTS

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

Refer to the attached schedule on page 7.

Uncorrected Misstatements: We are to inform you of uncorrected misstatements that were aggregated by us during the current engagement and pertaining to the latest and prior period(s) presented that were determined by management to be immaterial, both individually and in the aggregate, to the financial statements taken as a whole. For your consideration, we have distinguished misstatements between known misstatements and likely misstatements.

There were no such misstatements.

OTHER COMMUNICATIONS

Communication Item	Results
Other Information Included in an Annual Report Information may be prepared by management that accompanies or includes the financial statements. To assist your consideration of this information, you should know that we are required by audit standards to read such information and consider whether a material inconsistency exists between the other information and the financial statements. We are also to remain alert for indications that: • Material inconsistency exists between the other information and the auditor's knowledge obtained in the audit; or • A material misstatement of fact exists, or the other information is otherwise misleading. If we identify a material inconsistency between the other information and the financial statements, we are to seek a resolution of the matter.	We read the other information and noted no material inconsistencies or misstatement of facts based on our reading thereof.
Significant Difficulties Encountered During the Audit We are to inform you of any significant difficulties encountered in dealing with management related to the performance of the audit.	There were no significant difficulties encountered in dealing with management related to the performance of the audit.
Disagreements with Management We are to discuss with you any disagreements with management, whether or not satisfactorily resolved, about matters that individually or in the aggregate could be significant to the Authority's financial statements or the auditor's report.	During our audit, there were no such disagreements with management.
Difficulties or Contentious Matters We are required to discuss with the Those Charged with Governance any difficulties or contentious matters for which we consulted outside of the engagement team.	During the audit, there were no such issues for which we consulted outside the engagement team.
Circumstances that Affect the Form and Content of the Auditor's Report We are to discuss with you any circumstances that affect the form and content of the auditor's report, if any.	There are no such circumstances that affect the form and content of the auditor's report.
Consultations with Other Accountants If management consulted with other accountants about auditing and accounting matters, we are to inform you of such consultation, if we are aware of it, and provide our views on the significant matters that were the subject of such consultation.	We are not aware of any instances where management consulted with other accountants about auditing or accounting matters since no other accountants contacted us, which they are required to do by Statement on Auditing Standards No. 50, before they provide written or oral advice.
Representations the Auditor Is Requesting from Management We are to provide you with a copy of management's requested written representations to us.	We direct your attention to a copy of the letter of management's representation to us provided separately.

Communication Item	Results
Significant Issues Discussed, or Subject to Correspondence, With Management We are to communicate to you any significant issues that were discussed or were the subject of correspondence with management.	There were no such significant issues discussed, or subject to correspondence, with management.
Significant Related Party Findings or Issues We are to communicate to you significant findings or issues arising during the audit in connection with the Authority's related parties.	There were no such findings or issues that are, in our judgment, significant and relevant to you regarding your oversight of the financial reporting process.
Other Findings or Issues We Find Relevant or Significant We are to communicate to you other findings or issues, if any, arising during the audit that are, in our professional judgment, significant and relevant to you regarding your oversight of the financial reporting process.	There were no such other findings or issues that are, in our judgment, significant and relevant to you regarding your oversight of the financial reporting process.

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


 Crowe LLP

Indianapolis, Indiana
 June 9, 2023

Utah Transit Authority
Schedule of Corrected Financial Statement Misstatements
December 31, 2022

Financial Statement Item	Debit	Credit	Increase (Decrease)				
			Assets / Deferred Outflows	Liabilities / Deferred Inflows	Net Position	Revenues	Expenses
1 Operating expenses	\$ 10,288,168						\$ 10,288,168
Capital assets (CIP)		\$ 10,288,168	\$ (10,288,168)				
<i>To reverse improper adjustment to transfer capital expenditures to construction in progress.</i>							
2 Restricted cash	\$ 21,840,805		\$ 21,840,805				
Unrestricted cash		\$ 21,840,805	\$ (21,840,805)				
<i>To reclassify cash balances that were not released from restriction until 2023.</i>							
Total impact on change in net position						<u><u>\$ (10,288,168)</u></u>	

Annual Comprehensive Financial Report

For Fiscal Year Ended December 31, 2022



a Component Unit of
the State of Utah





Our Mission

We Move You

Our Vision

Leading Utah's mobility solutions and improving quality of life

Annual Comprehensive Financial Report

For Fiscal Year Ended
December 31, 2022

Finance Department

William Greene / Viola Miller
Chief Financial Officers

Troy Bingham
Comptroller



UTAH TRANSIT AUTHORITY
A Component Unit of the State of Utah

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

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UTAH TRANSIT AUTHORITY

ANNUAL COMPREHENSIVE FINANCIAL REPORT

Years Ended December 31, 2022

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

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Introductory



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

June 9, 2023

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

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

Management's Assertions

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

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

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

The Annual Comprehensive Financial Report

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

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



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

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

Background

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

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

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

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

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

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

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



Economy

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

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

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

Scenario 1: Continuing Growth

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

Scenario 2: Shallow Recession

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

Scenario 3: Decelerating Growth

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

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

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



Awards

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

Acknowledgements

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



William Greene
Chief Financial Officer
Utah Transit Authority





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

Utah Transit Authority

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

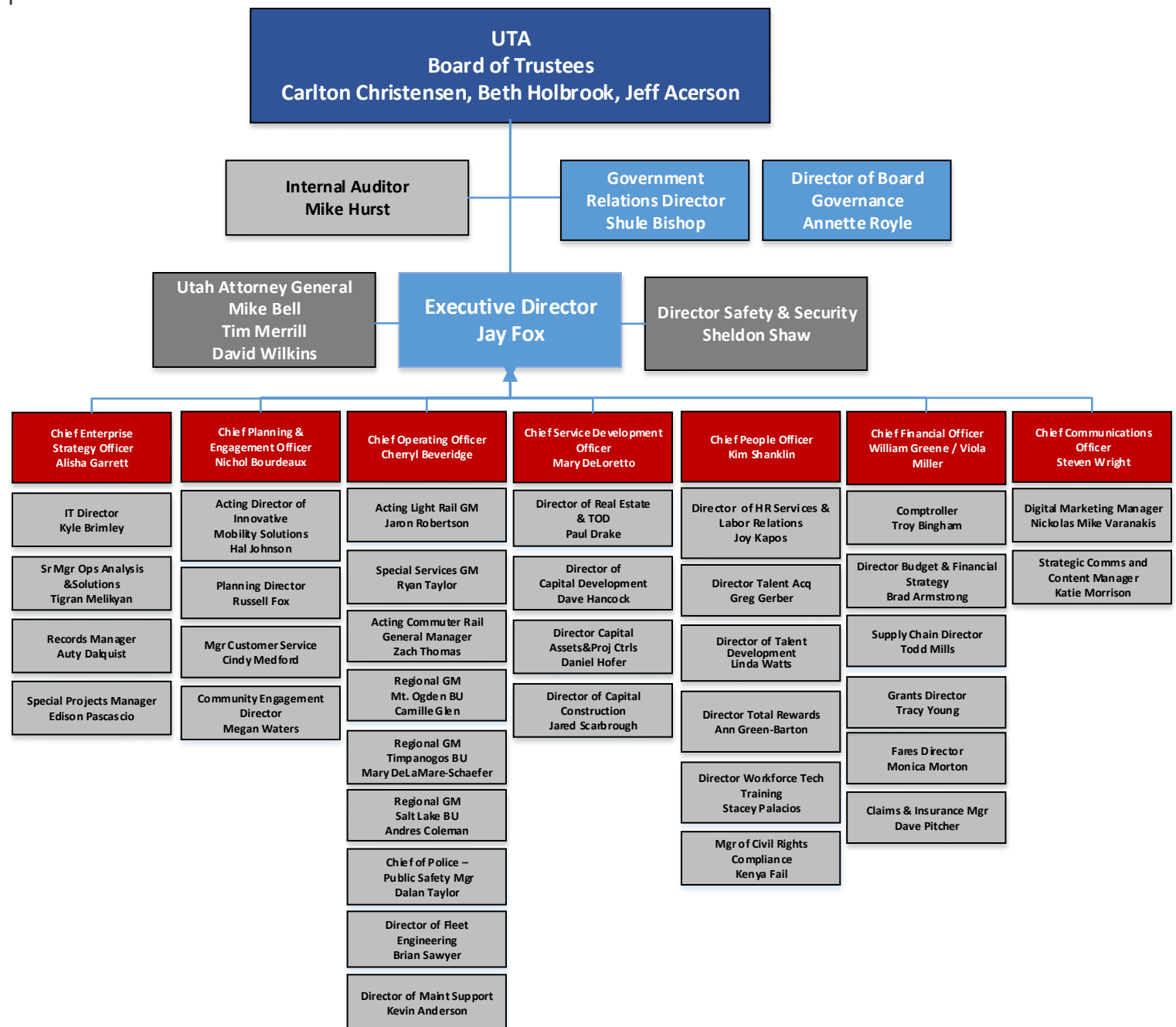
December 31, 2021

Executive Director/CEO

UTAH TRANSIT AUTHORITY ANNUAL COMPREHENSIVE FINANCIAL REPORT

Organizational Chart

Years Ended December 31, 2022



UTA Board of Trustees



Beth Holbrook
Davis, Weber and Box Elder Counties



Carlton Christensen
Board Chair
Salt Lake County



Jeff Acerson
Tooele and Utah Counties

Administration

Board of Trustees

BOARD CHAIR Carlton Christensen
BOARD TRUSTEE..... Beth Holbrook
BOARD TRUSTEE..... Jeff Acerson

Officers of the Authority

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

Administration of the Authority

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



Local Advisory Council Members

Name	Appointing Authority
------	----------------------

CHAIR

Mark Johnson	Utah County COG
--------------	-----------------

VICE CHAIRS

Troy Walker	Salt Lake County COG
-------------	----------------------

Bob Stevenson	Davis Area COG
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MEMBERS

Erin Mendenhall	Salt Lake City
-----------------	----------------

Neal Berube	Weber Area COG
-------------	----------------

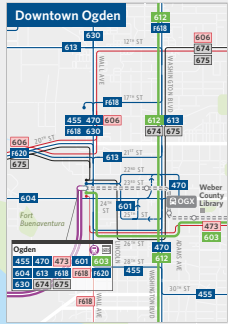
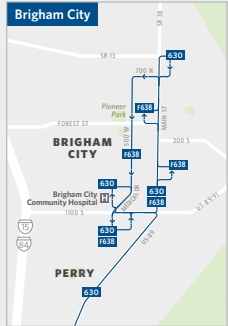
Karen Cronin	Box Elder COG/Tooele COG
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Dan Peay	Salt Lake County COG
----------	----------------------

Trent Staggs	Salt Lake County COG
--------------	----------------------

Julie Fullmer	Utah County COG
---------------	-----------------

Weber & Davis SYSTEM MAP



Legend



Rail

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



Bus

OGX (under construction)
Bus rapid transit (BRT) service opening August 2023

612 Frequent bus
Runs every 15 minutes

640 Regular bus
Runs every 30 or more minutes

650 Limited bus
Routes with limited service

675 Ski bus
Service to ski resorts
No service outside ski season—check rideuta.com/ski for exact dates

UTA On Demand
Microtransit service

Park-and-ride

Plan your trip

Transit, UTA's preferred trip planning app

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

More information at rideuta.com



Salt Lake County SYSTEM MAP

to Tooele

to Kimball Junction

to Kimball Junction

to Brighton via Solitude

to Alta via Snowbird

Legend



- FrontRunner**
Intercity train service running every 30-60 minutes Monday-Saturday only
- TRAX Blue Line**
Light rail service running every 15-30 minutes
- TRAX Green Line**
Light rail service running every 15-30 minutes
- S-Line**
Streetcar service running every 15-30 minutes



- Frequent bus**
Runs every 15 minutes
- Regular bus**
Runs every 30 or more minutes
- Limited bus**
Routes with limited service
- Ski bus**
Service to Big and Little Cottonwood canyons
No service outside ski season—check rideuta.com/ski for exact dates

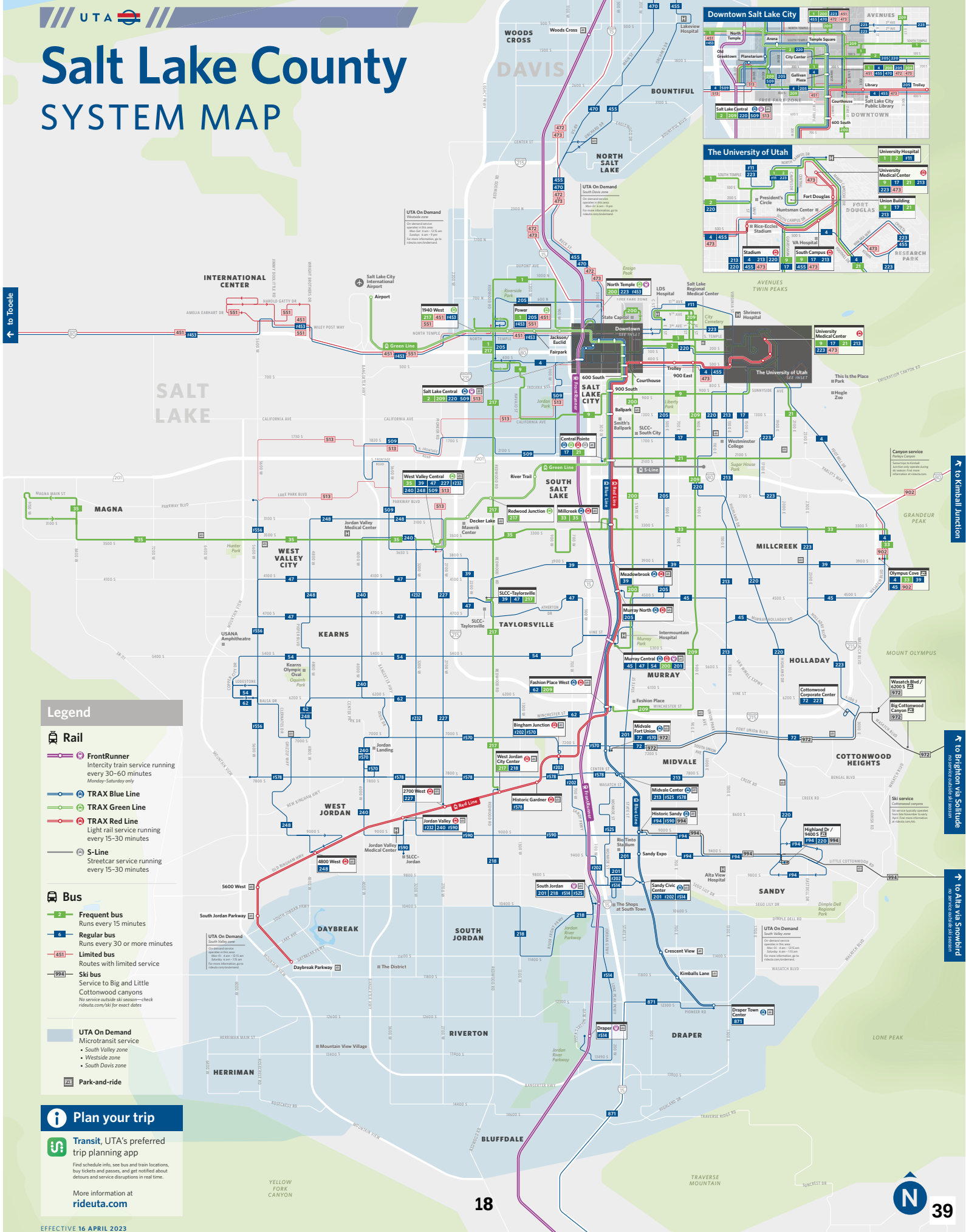
- UTA On Demand**
Microtransit service
 - South Valley zone
 - Westside zone
 - South Davis zone
- Park-and-ride**

Plan your trip

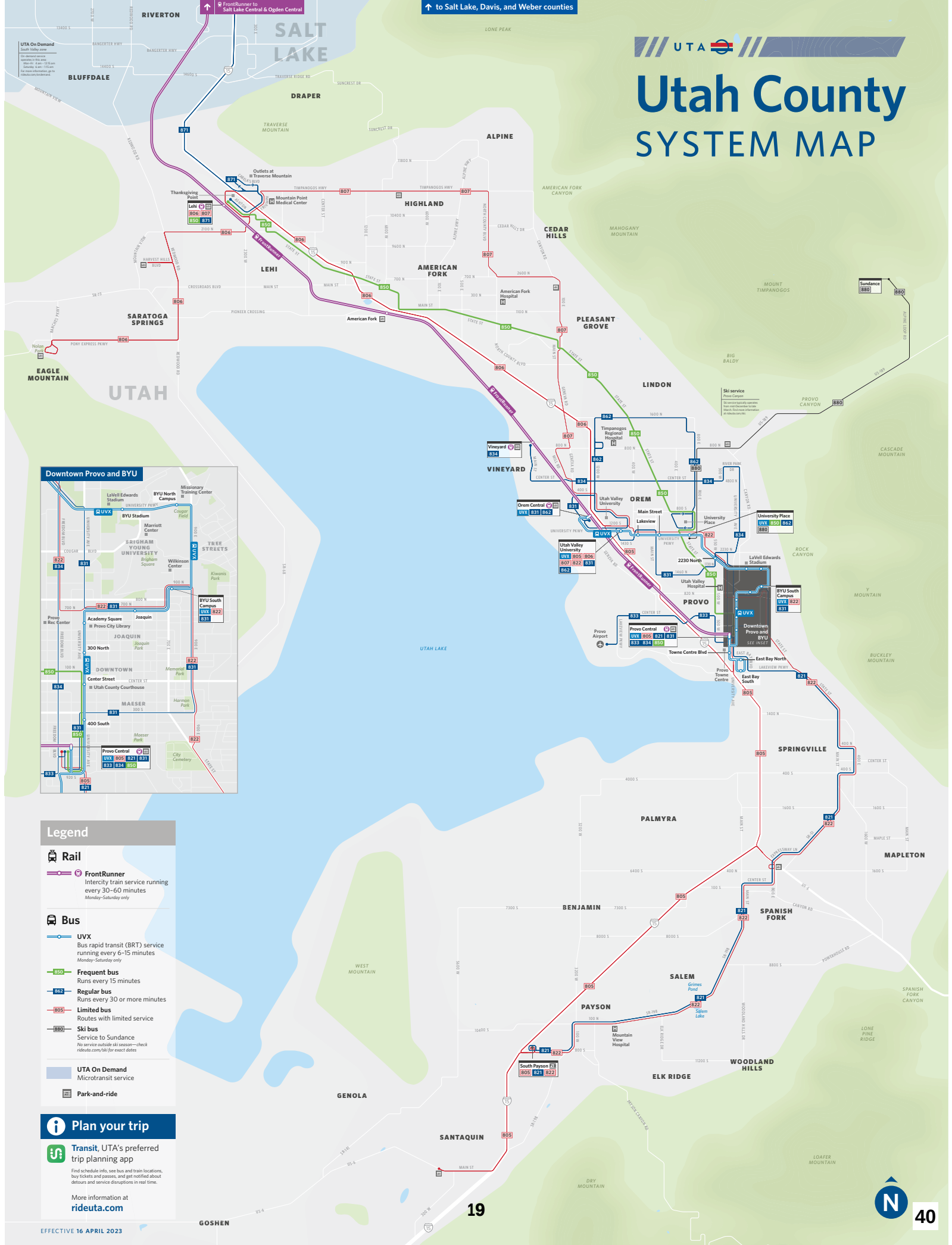
Transit, UTA's preferred trip planning app

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

More information at rideuta.com



Utah County SYSTEM MAP



Legend

Rail

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

Bus

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

Plan your trip

Transit, UTA's preferred trip planning app

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

More information at rideuta.com



Financial

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Utah Transit Authority
Salt Lake City, Utah

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

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

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

Basis for Opinions

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

Emphasis of Matter

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

Responsibilities of Management for the Financial Statements

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

(Continued)

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

(Continued)

Supplementary Information

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

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



Crowe LLP

Indianapolis, Indiana
June 9, 2023

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

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

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

FINANCIAL HIGHLIGHTS

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

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

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

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

CONDENSED STATEMENTS OF NET POSITION

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

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

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

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

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

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

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

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

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

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

SUMMARY OF REVENUES FOR THE YEAR ENDED DECEMBER 31

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

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

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

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

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

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

SUMMARY OF EXPENSES FOR THE YEAR ENDED DECEMBER 31

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

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

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

SUMMARY OF CAPITAL MAINTENANCE EXPENSES FOR THE YEAR ENDED DECEMBER 31

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

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

SUMMARY OF OPERATING EXPENSES FOR THE YEAR ENDED DECEMBER 31

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

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

CAPITAL ASSET AND DEBT ADMINISTRATION

CAPITAL ASSET ACTIVITY

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

Capital Assets

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

Long-Term Debt and Other Obligations

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

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

Bond Ratings

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

DEBT ADMINISTRATION

Effective date: April 2023

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

Limitations on Debt

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

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

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

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

ECONOMIC AND OPERATING FACTORS AND NEXT YEAR'S BUDGET

Key Economic Factors

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

Operating Statistics

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

RIDERSHIP COMPARISON

Source: National Transit Database

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

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

CONTACTING THE AUTHORITY'S FINANCIAL MANAGEMENT

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

STATEMENT OF NET POSITION

ASSETS

Current Assets:

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

Noncurrent Assets:

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

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

STATEMENT OF NET POSITION (continued)

DEFERRED OUTFLOWS OF RESOURCES

Advanced debt refunding - loss on refunding	\$ 93,512,404
Deferred outflows of resources related to pension	67,974,684
TOTAL DEFERRED OUTFLOWS OF RESOURCES	161,487,088

LIABILITIES

Current Liabilities:

Accounts payable:	
Other	38,935,794
State of Utah	1,846,425
Lease	253,947
Accrued liabilities, primarily payroll-related	8,081,279
Current portion of compensated absences	10,629,671
Current portion of accrued interest	3,849,362
Current portion of interlocal loan	1,595,000
Current portion of long-term debt	78,980,238
Accrued self-insurance liability	1,567,267
Unearned revenues:	
Other	11,858,318
State of Utah	60,081,867
Total Current Liabilities	217,679,168

Long-Term Liabilities:

Long-term compensated absences	4,748,411
Long-term deposits	49,007
Long-term lease payable	388,445
Long-term accrued interest	4,398,268
Interlocal loan	54,530,000
Long-term debt	2,237,433,835
Net pension liability	166,224,640
Total Long-term Liabilities	2,467,772,606
TOTAL LIABILITIES	2,685,451,774

DEFERRED INFLOWS OF RESOURCES

Advanced debt refunding - gain on refunding	5,169,498
Deferred inflows of resources for leases	2,529,265
Deferred inflows of resources related to pension	522,594
TOTAL DEFERRED INFLOWS OF RESOURCES	8,221,357

NET POSITION

Net investment in capital assets	666,552,866
Restricted for:	
Debt service	25,973,657
Interlocal agreements	11,074,257
Self-insurance deposits	7,113,959
Unrestricted	505,087,728
TOTAL NET POSITION	\$ 1,215,802,467

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

STATEMENT OF REVENUES, EXPENSES AND CHANGE IN NET POSITION

OPERATING REVENUES

Passenger fares	\$	33,499,144
Advertising		2,214,000
Total operating revenues		35,713,144

OPERATING EXPENSES

Bus service	135,508,533
Rail service	121,262,026
Demand response service	33,431,955
Other service	3,509,781
Operations support	62,562,572
Administration	64,959,236
Impairment expense	6,358,030
Depreciation and amortization	142,059,366
Total operating expenses	569,651,499

EXCESS OPERATING EXPENSES OVER OPERATING REVENUES

(533,938,355)

NON-OPERATING REVENUES (EXPENSES)

Contributions from other governments (sales tax)	480,925,766
Federal operating grants	215,063,965
Investment income	1,806,825
Reinvestment of proceeds from development agreements	19,368,007
Net gain on sale of capital assets	3,228,640
Other	11,692,301
Interest expense	(99,970,267)
Build America Bond subsidies	9,259,376
Net non-operating revenues	641,374,613

INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS

107,436,258

CAPITAL CONTRIBUTIONS

Federal grants	50,582,042
Local	30,992,114
Capital contribution	68,648

TOTAL CAPITAL CONTRIBUTIONS

81,642,804

CHANGE IN NET POSITION

\$ 189,079,062

Total Net Position, January 1 as restated (see Note 2W) \$ 1,026,723,405

Total Net Position, December 31 \$ 1,215,802,467

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

STATEMENT OF CASH FLOWS

Cash flows from operating activities:

Passenger receipts	\$ 34,850,574
Advertising receipts	2,322,000
Other receipts	12,152,141
Payments to vendors	(173,079,152)
Payments to employees	(165,876,890)
Employee benefits paid	(71,391,094)
Net cash used in operating activities	(361,022,421)

Cash flows from noncapital financing activities:

Sales tax receipts	481,715,011
Federal operating/maintenance grants	216,144,328
Net cash provided by noncapital financing activities	697,859,339

Cash flows from capital and related financing activities:

Contributions for capital projects	
Federal	65,945,015
Local	43,094,324
Payments of bonds	(55,735,000)
Payments on interlocal loan	(1,545,000)
Build America Bond subsidies received	9,259,376
Bond Interest payments	(89,697,630)
Proceeds from financing agreements	33,735,811
Payment on financing agreements	(9,294,772)
Proceeds from leases	642,392
Purchases of capital assets	(160,977,054)
Proceeds from the sale of property	3,228,639
Net cash used in capital and related financing activities	(161,343,899)

Cash flows from investing activities:

Interest on investments	1,806,825
Purchases of investments	(63,948,761)
Net cash used in investing activities	(62,141,936)

Net change in cash and cash equivalents	113,351,083
Cash and cash equivalents at beginning of year	321,840,442
Cash and cash equivalents at end of year	<u><u>\$ 435,191,525</u></u>

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

STATEMENT OF CASH FLOWS (continued)

Reconciliation of Cash to the Statement of Net Position

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

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

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

Information about noncash investing, capital, and financing activities:

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

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

STATEMENT OF FIDUCIARY NET POSITION

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

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

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

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

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

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

A. Organization

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

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

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

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

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

B. Reporting Entity

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

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

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

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting

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

B. Standards for Reporting Purposes

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

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

C. Federal Operating Grants

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

D. Federal Grants for Capital Expenditures

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

E. Classification of Revenues and Expenses

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

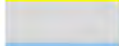
F. Contributions from Other Governments

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

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

May-20

Legend

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

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

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

G. Cash and Investments

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

H. Restricted Cash and Cash Equivalents

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

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

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

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

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

I. Designated Cash and Cash Equivalents

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

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

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

J. Investments

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

K. Receivables

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

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

L. Parts and Supplies Inventories

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

M. Capital Assets

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

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

Depreciable capital assets are assigned the following estimated useful lives:

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

N. Amount Recoverable – Interlocal Agreement

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

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

O. Other Assets

The Authority has entered into development agreements:

Thackeray Garn at South Jordan FrontRunner Station

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

STACK Real Estate at Jordan Valley TRAX Station

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

HPUTA East Village 3 LLC at Sandy TRAX Station

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

P. Lease Payable

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

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

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

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

Q. Compensated Absences

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

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

R. Risk Management

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

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

S. Pensions

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

T. Net Position

The Authority's net position is classified as follows:

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

U. Deferred Outflows of Resources

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

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

V. Deferred Inflows of Resources

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

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

W. Implemented Accounting Pronouncements

GASB Statement 99

Omnibus 2022

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

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

GASB Statement 87

Leases

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

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

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

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

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

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

GASB Statement 91

Conduit Debt Obligations

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

No effect on the Authority's financial statements.

GASB Implementation Guide No. 2019-3

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

No effect on the Authority's financial statements.

GASB Statement 92

Omnibus 2020

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

No effect on the Authority's financial statements.

GASB Statement 97

Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 deferred Compensations Plans

Takes effect for reporting periods beginning after June 15, 2021

No effect on the Authority's financial statements.

GASB Implementation Guide No. 2020-1

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

No effect on the Authority's financial statements.

X. Future Accounting Pronouncements

GASB Statement 94

Public-Private and Public-Public Partnerships and Availability Payment Arrangements

Takes effect for reporting periods beginning after June 15, 2022.

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

GASB Statement 96

Subscription-Based Information Technology Arrangements

Takes effect for reporting periods beginning after June 15, 2022

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

GASB Statement 99

Omnibus 2022

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

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

GASB Implementation Guide No. 2021-1

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

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

GASB Statement 100

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

Takes effect for reporting periods beginning after June 15, 2023

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

GASB Statement 101

Compensated Absences

Takes effect for reporting periods beginning after December 15, 2023

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

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

NOTE 3 – CASH AND CASH EQUIVALENTS

Unrestricted Cash and Investments

Consisting of the following as of December 31, 2022

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

Restricted Cash and Investments

Consisting of the following as of December 31, 2022

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

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

Cash Deposits

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

Investments

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

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

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

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

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

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

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

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

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

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

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

Level 2: Inputs include:

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

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

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

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

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

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

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

NOTE 4 - CAPITAL ASSETS

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

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

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

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

Depreciation/Amortization Expense by mode

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

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

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

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

NOTE 5 - LEASE ACTIVITIES

A. Lessee Activities

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

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

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

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

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

B. Lessor Activities

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

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

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

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

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

NOTE 6 – FEDERAL FINANCIAL ASSISTANCE

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

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

NOTE 7 – SELF-INSURANCE CLAIMS LIABILITY

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

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

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

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

NOTE 8 – PENSION PLANS

A. General Information

Defined Compensation Plan

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

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

Defined Contribution Plan

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

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

Retiree Medical Account

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

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

Defined Benefit Plan

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

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

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

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

B. Reporting

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

C. Membership

The Plan's membership consisted of the following:

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

D. Benefit Terms

Retirement Benefits

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

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

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

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

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

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

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

Early Retirement Benefits

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

Disability Benefits

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

Death Benefits

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

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

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

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

Lump Sum Distributions

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

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

E. Contributions

Employer Contribution Requirements

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

Participant Voluntary Contributions

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

F. Method of Accounting

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

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

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

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

Net pension liability

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

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

Deferred outflows of resources and deferred inflows of resources

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

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

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

Pension expense

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

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

Actuarial methods and assumptions

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

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

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

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

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

Discount rate

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

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

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

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

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

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

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

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

H. Investments

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

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

Investment Policy

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

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

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

Rate of Return

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

Target Allocations

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

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

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

I. Payment of Benefits

Benefit payments to participants are recorded upon distribution.

J. Administrative Expenses

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

K. Tax Status

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

L. Mutual Fund Asset Coverage

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

M. Cash Deposits

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

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

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

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

O. Credit Risk

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

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

P. Investment Interest Rate Risk

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

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

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

Q. Concentration of Credit Risk

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

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

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

Level 1

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

R. Net Asset Value per Share

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

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

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

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

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

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

S. Employer Contribution Requirements

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

SCHEDULE OF FIDUCIARY NET POSITION

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

SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION

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

NOTE 9 – JOINT INSURANCE TRUST

A. General Information

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

B. Reporting Entity

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

C. Membership

The Plan's membership consisted of:

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

D. Benefit Terms

Insurance Benefits

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

E. Contributions

Employer Contribution Requirements

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

Participant Matching Contributions

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

F. Method of Accounting

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

SCHEDULE OF FIDUCIARY NET POSITION

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

SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION

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

NOTE 10 – LIABILITIES

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

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

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

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

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

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

DIRECT BORROWINGS

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

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

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

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

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

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

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

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

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

Annual repayment requirements on the Direct Borrowings are:

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

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

OTHER RELATED DEBT

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

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

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

Changes in Debt Long-Term Liabilities

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

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

NOTE 11 – COMMITMENTS AND CONTINGENCIES

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

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

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

Required Supplementary Information

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

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

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

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

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

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

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

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

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

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

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

SCHEDULE OF REQUIRED EMPLOYER CONTRIBUTIONS - 10 YEARS

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

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

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

SCHEDULE OF INVESTMENT RETURNS

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

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

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

Supplementary Schedules

UTAH TRANSIT AUTHORITY
Supplementary Schedule
Year Ended December 31, 2022

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

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

COMBINING STATEMENT OF FIDUCIARY NET POSITION

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

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

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

Statistical

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

Financial Trends Information

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

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

Revenue Capacity Information

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

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

Debt Capacity Information

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

Debt Service Coverage

Demographic and Economic Information

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

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

Operating Information

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

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

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

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

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

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

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

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

REVENUE HISTORY BY SOURCE

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

EXPENSE HISTORY BY FUNCTION

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

¹ Includes major investment studies

² Reported as non-capitalized interest

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

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

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

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

¹ Includes Brigham City, Perry and Willard cities only

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

LOCAL TRANSIT SALES TAX RATES BY COUNTY - 10 YEARS

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

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

PRINCIPAL CONTRIBUTORS OF SALES TAX BY COUNTY - 2022 AND 2013

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

FARES - 10 YEARS

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

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

Source: UTA Fares Department

TOTAL OUTSTANDING DEBT BURDEN PER CAPITA

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

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

DEMOGRAPHIC AND ECONOMIC STATISTICS

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

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

YEARLY DEBT SERVICE COVERAGE

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

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

PRINCIPAL EMPLOYER - 2021 AND 2012

Employer	Industry	2021			2012		
		Employees	Rank	% Total Employment	Employees	Rank	% Total Employment
Intermountain Healthcare	Health Care	20,000 +	1	1.2%	20,000+	1	2.6%
University of Utah	Higher Education	20,000 +	2	1.2%	20,000+	2	1.8%
Wal-Mart Associates	Warehouse Clubs/Supercenters	20,000 +	3	1.2%	15,000-19,999	5	1.5%
State of Utah	State Government	20,000 +	4	1.2%	20,000+	3	1.7%
Brigham Young University	Higher Education	15,000-19,999	5	0.9%	15,000-19,999	4	1.6%
Hill Air Force Base	Federal Government	10,000-14,999	6	0.6%	10,000-14,999	6	1.0%
Davis County School District	Public Education	7,000-9,999	7	0.4%	7,000-9,999	9	0.7%
Smith's Food and Drug Centers	Grocery Stores	7,000-9,999	8	0.4%	5,000-6,999	10	0.6%
Utah State University	Higher Education	7,000-9,999	9	0.4%	7,000-9,999	8	0.8%
Alpine School District	Public Education	7,000-9,999	10	0.4%	—	—	—
Granite School District	Public Education	—	—	—	7,000-9,999	7	0.8%
Totals		133,000-154,994+		8.1%	126,000-152,000+		12.3%
Total Employment				1,636,150			1,259,337

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

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

FULL-TIME EQUIVALENT AUTHORITY EMPLOYEES - 10 YEARS

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

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

TREND STATISTICS - 10 YEARS

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

Source: NTD

Note: Does not include commuter bus or contract transportation.



OPERATING INDICATORS AND CAPITAL ASSETS - 10 YEARS

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

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

* including flex

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

UTA Benchmarking Group

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

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

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

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

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

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

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

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

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

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

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

Performance Measures

BUS SERVICE (DIRECTLY OPERATED & PURCHASED)

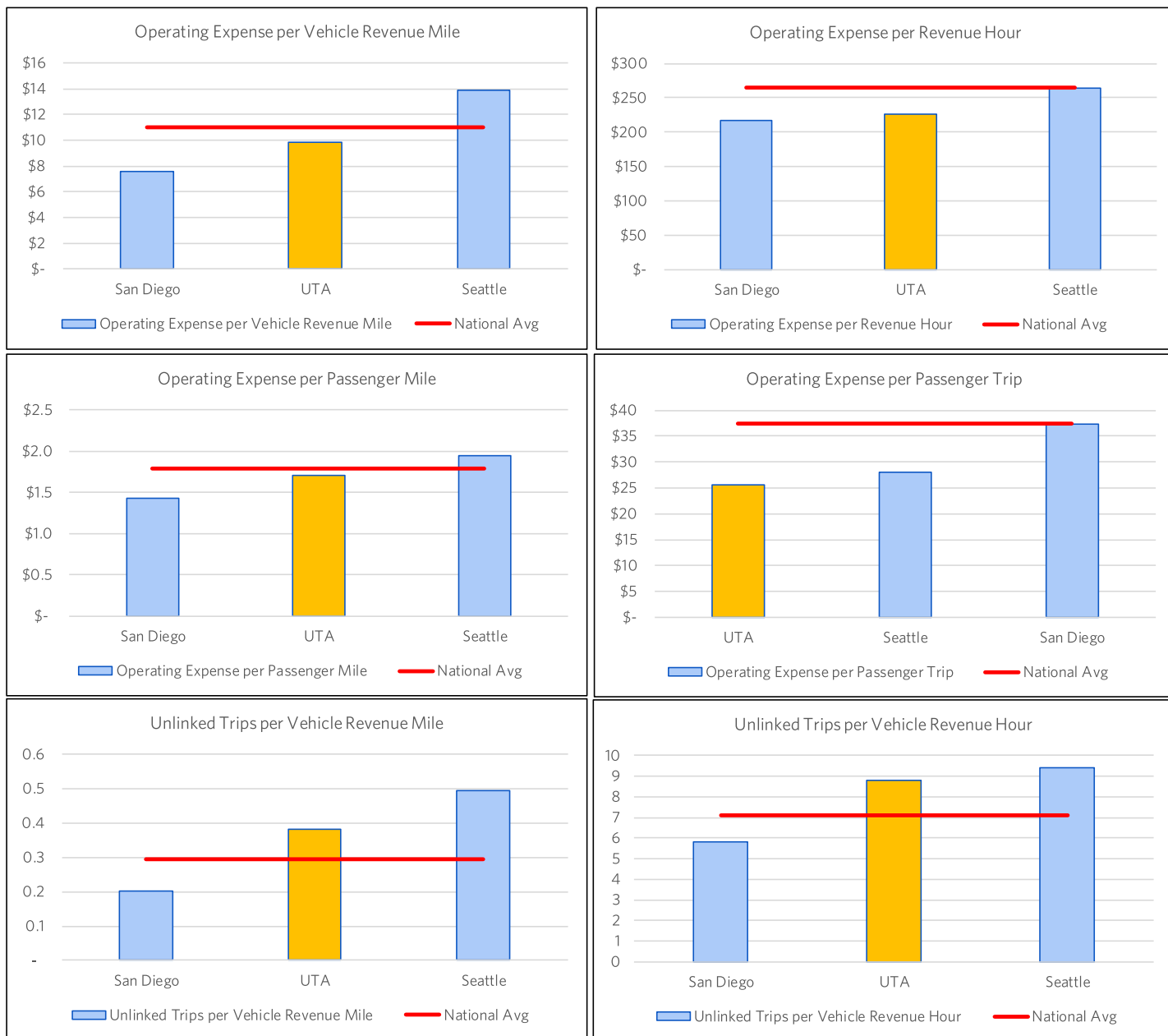
The following charts contain information from the Federal Transit Administration's National Database (NTD) for the most recent year available (2021) and compares the Authority's performance with other similar cities.



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

COMMUTER BUS SERVICE (DIRECTLY OPERATED & PURCHASED)

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



City	State	Agency
San Diego	CA	MTS
Seattle	WA	ST

LIGHT RAIL SERVICE (DIRECTLY OPERATED & PURCHASED)

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



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

COMMUTER RAIL SERVICE (DIRECTLY OPERATED & PURCHASED)

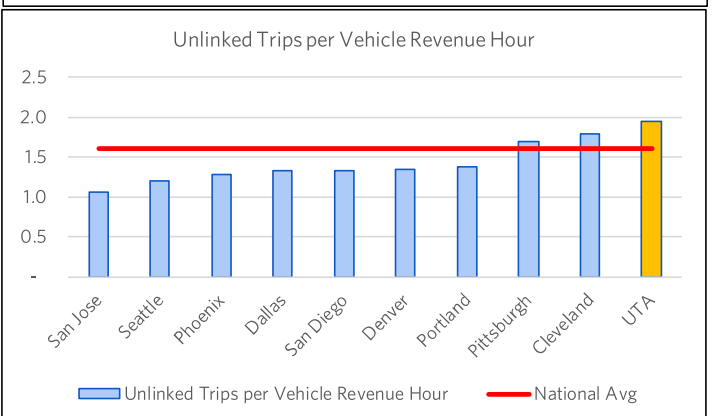
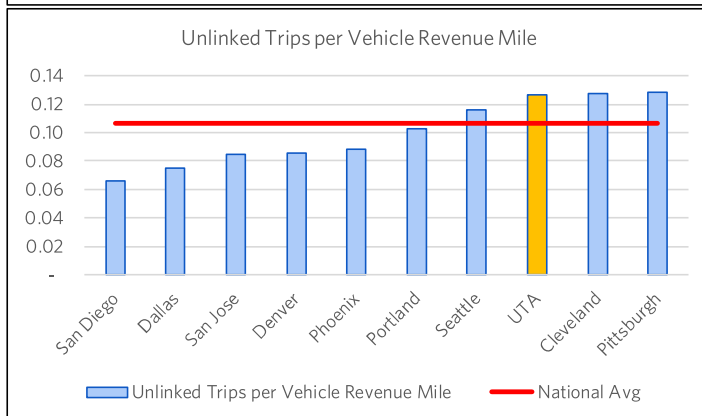
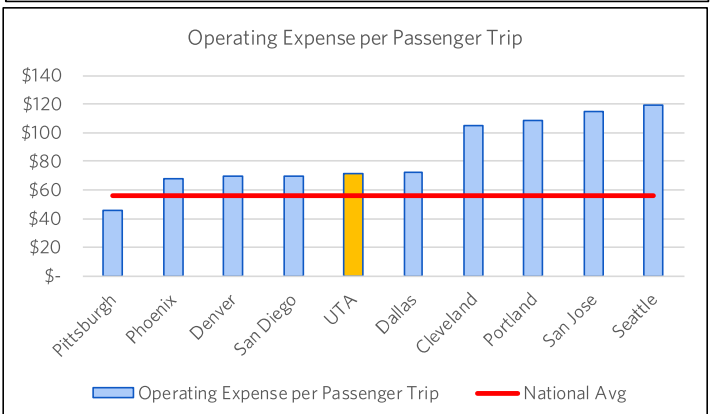
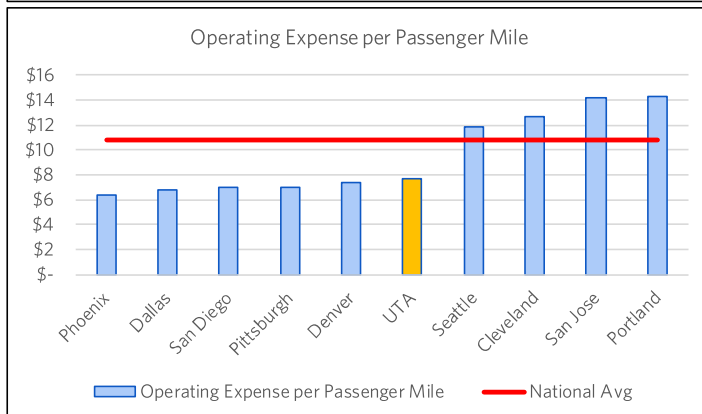
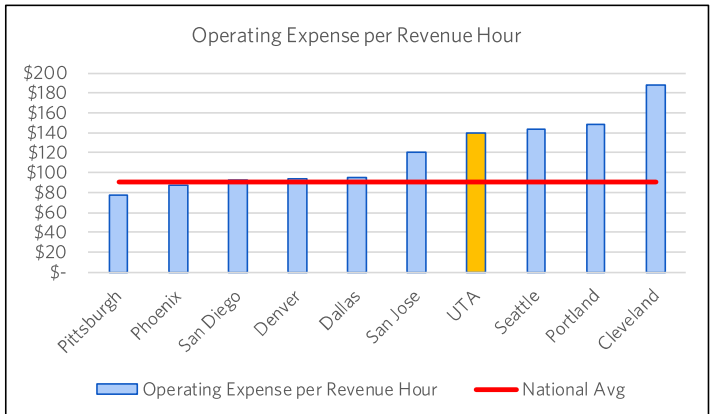
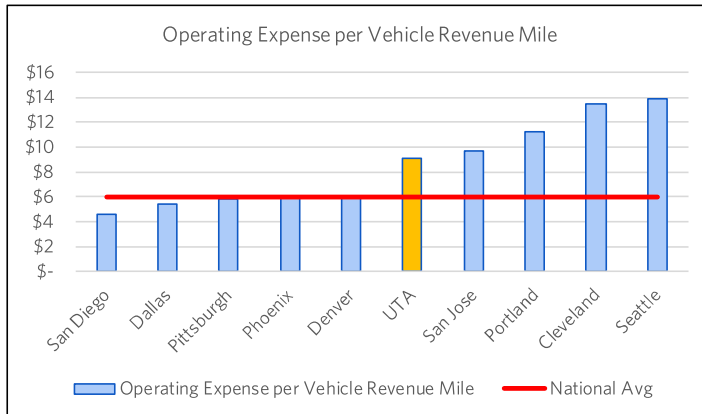
The following charts contain information from the Federal Transit Administration's National Database (NTD) for the most recent year available (2021) and compares the Authority's performance with other similar cities.



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

DEMAND RESPONSE SERVICE (DIRECTLY OPERATED & PURCHASED)

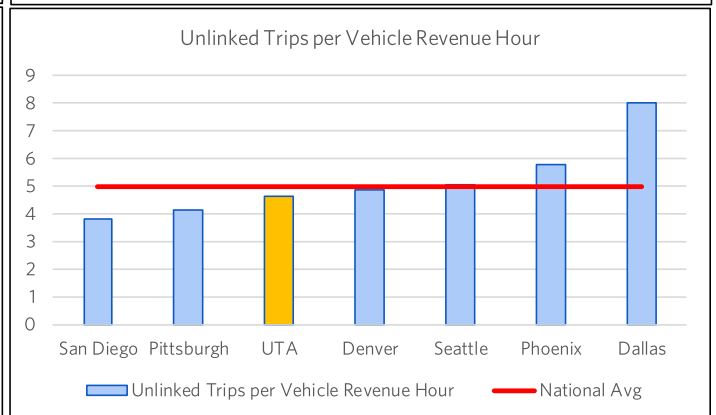
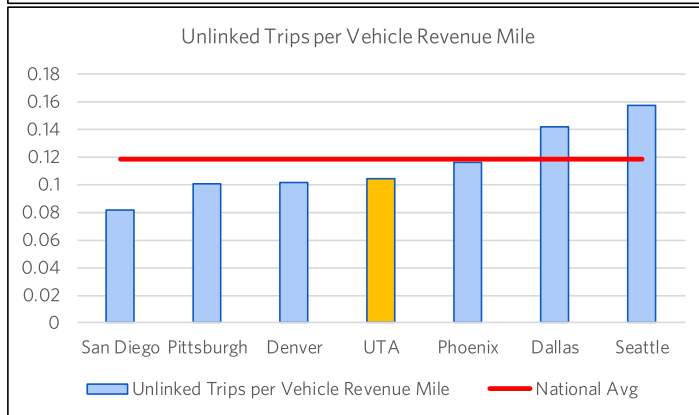
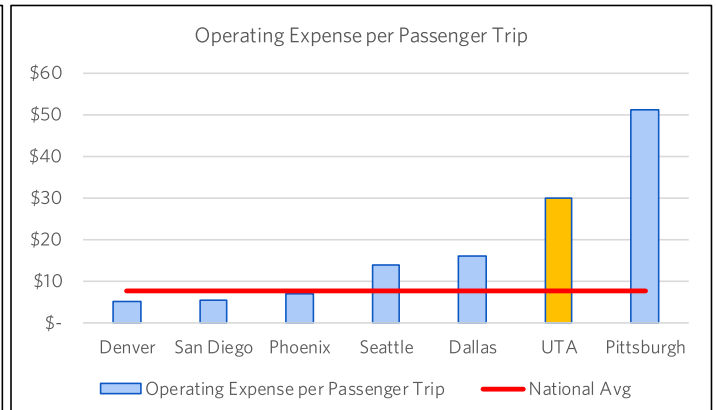
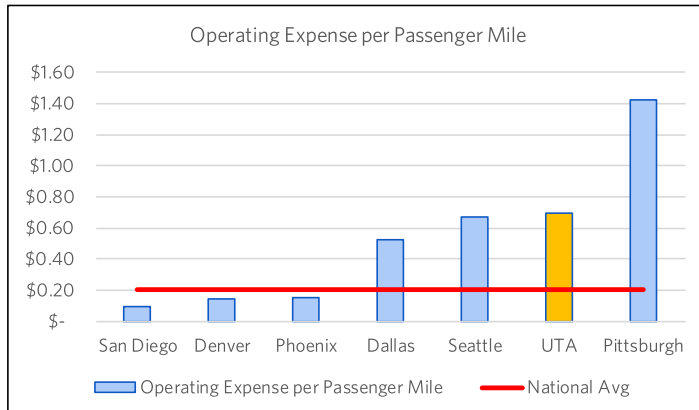
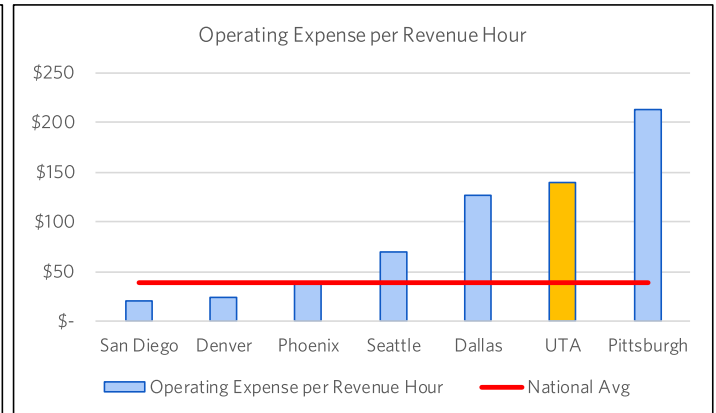
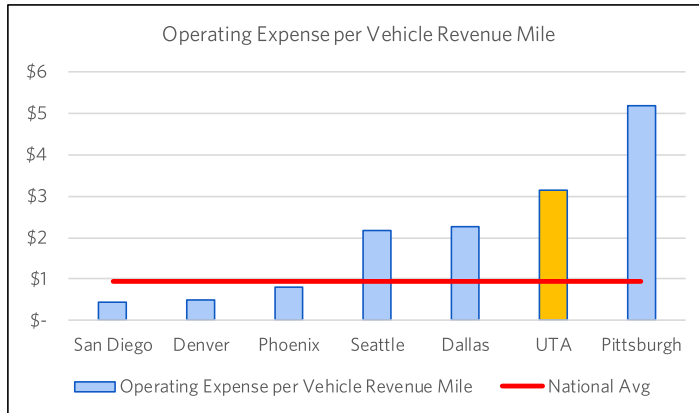
The following charts contain information from the Federal Transit Administration's National Database (NTD) for the most recent year available (2021) and compares the Authority's performance with other similar cities.



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

VAN POOL SERVICE (DIRECTLY OPERATED & PURCHASED)

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



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

City	State	Agency
Seattle	WA	KCM

Compliance

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

Board of Trustees
Utah Transit Authority
Salt Lake City, Utah

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the fiduciary activities of Utah Transit Authority (the Authority), a component unit of the State of Utah, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated June 9, 2023.

Report on Internal Control Over Financial Reporting

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

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

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

(Continued)

Report on Compliance and Other Matters

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

Purpose of this Report

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



Crowe LLP

Indianapolis, Indiana
June 9, 2023

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

Board of Trustees
Utah Transit Authority
Salt Lake City, Utah

Report on Compliance for Major Federal Program***Opinion on Major Federal Program***

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

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

Basis for Opinion on the Major Federal Program

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

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

Responsibilities of Management for Compliance

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

(Continued)

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

(Continued)

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

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

A handwritten signature in black ink that reads "Crowe LLP". The signature is written in a cursive, flowing style.

Crowe LLP

Indianapolis, Indiana
June 9, 2023

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

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

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

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

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

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

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

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

A. Basis of Accounting

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

B. Pass-Through Awards

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

C. Non-Cash Federal Assistance

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

D. Indirect Cost Rate

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

SECTION I – SUMMARY OF AUDITOR'S RESULTS

Financial Statements

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

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

☐ Yes ☒ No

Significant Deficiency(ies) identified?

☐ Yes ☒ None reported

Noncompliance material to financial statements noted?

☐ Yes ☒ No

Federal Awards

Internal control over major federal programs:

Material weakness(es) identified?

☐ Yes ☒ No

Significant Deficiencies identified not considered to be material weaknesses?

☐ Yes ☒ None reported

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

Unmodified

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

☐ Yes ☒ No

Identification of major federal programs:

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

Program/Cluster Title
Federal Transit Cluster

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

\$3,000,000

Auditee qualified as low-risk auditee?

☐ Yes ☒ No

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

None reported.

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

None reported.

Other Supplementary Schedules



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

Board of Trustees
Utah Transit Authority
Salt Lake City, Utah

Report On Compliance

Opinion on State Compliance

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

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

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

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

Basis for Opinion on State Compliance

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

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

(Continued)

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

(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

Indianapolis, Indiana
June 9, 2023

UTAH TRANSIT AUTHORITY

Independent Accountant's Report
On Applying Agreed-Upon Procedures

Year Ended December 31, 2022

INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

Management
Utah Transit Authority
Salt Lake City, Utah

We have performed the attached procedures on the Federal Funding Allocation Statistics Form FFA-10 (FFA-10), related to the Utah Transit Authority's (the Authority) compliance with the Federal Transit Administration's (FTA) Declarations section of the *2022 Policy Manual* and the Uniform System of Accounts (USOA) and Records and Reporting System; Final Rule, as specified in 49 CFR Part 630, Federal Register, January 15, 1993, as of December 31, 2022. The Authority is responsible for its compliance with those requirements.

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

The procedures and the associated findings are in Attachment A.

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

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

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


Crowe LLP

Indianapolis, Indiana
June 9, 2023

Attachment A

The procedures below were applied separately to each of the information systems used to develop the reported actual vehicle revenue miles (VRM), fixed guideway (FG), directional route miles (DRM), passenger miles traveled (PMT), and operating expenses (OE) of the Authority for the year ending December 31, 2022 for each of the following modes:

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

- a. Obtain and read a copy of written system procedures for reporting and maintaining data in accordance with NTD requirements and definitions set forth in 49 CFR Part 630 as presented in the *2022 Policy Manual*. If there are no procedures available, discuss the procedures with the personnel assigned responsibility for supervising the NTD data preparation and maintenance.

Procedure performed without exception.

- b. Discuss the procedures (written or informal) with the personnel assigned responsibility of supervising the preparation and maintenance of NTD data over:
 - The extent to which the transit agency followed the procedures on a continuous basis, and
 - Whether these transit personnel believe such procedures result in accumulation and reporting of data consistent with NTD definitions and requirements set forth in 49 CFR Part 630 dated January 15, 1993, and as presented in the *2022 Policy Manual*.

Procedure performed without exception.

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

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

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

We selected a haphazard sample of 24 total source documents across all modes from March, May, and September 2019, 2020 and 2021. We observed that the source documents were maintained for each year as required. Procedure performed without exception.

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

(Continued)

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

- f. Select a random sample of 3 source documents for each mode and observe whether supervisors' signatures are present. If supervisors' signatures are not required, inquire how personnel document supervisors' reviews.

We selected a haphazard sample of 24 total source documents across all modes. We observed supervisors' signatures on all modes and months except the following:

- For CBDO and MBDO, the March 2022 and May 2022 source documents could not be provided for one of the three services areas (two sets of source documents were missing). We obtained the Q2 2022 quarterly summary, which includes the May 2022 data, and observed the supervisor's signature. The Q1 2022 quarterly summary could not be provided.
- For LRDO, the May 2022 source documents could not be provided. We obtained the Q2 2022 quarterly summary, which includes the May 2022 data, and observed the supervisor's signature.
- For VPDO, the March 2022 and May 2022 source documents could not be provided. Per inquiry of management, the vanpool mode did not have a formal monthly review process until September 2022.

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

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

Procedure performed without exception.

- h. Observe the procedure for accumulating and recording passenger miles traveled (PMT) data and inquire whether the procedure is one of the methods specifically approved in the 2022 Policy Manual.

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

- i. Inquire with transit agency staff the transit agency's eligibility to conduct statistical sampling for PMT data every third year. Observe whether the transit agency meets NTD criteria that allow transit agencies to conduct statistical samples for accumulating PMT data every third year rather than annually by specifically observing the following:
- According to the 2010 Census, the public transit agency serves an UZA with a population less than 500,000.
 - The public transit agency directly operates fewer than 100 revenue vehicles in all modes in annual maximum revenue service (VOMS) (in any size UZA).
 - Service purchased from a seller is included in the transit agency's NTD report.
 - For transit agencies that meet one of the above criteria, observe the NTD documentation for the most recent mandatory sampling year (2017) and observe that statistical sampling was conducted and meets the 95 percent confidence and ± 10 percent precision requirements.
 - Inquire how the transit agency estimated annual PMT for the current report year.

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

(Continued)

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

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

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

We selected a haphazard sample of 24 total source documents from March 2022, May 2022, and September 2022 for each mode and recalculated PMT. Procedure performed without exception.

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

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

- m. For actual vehicle revenue mile (VRM) data, observe the collection and recording methodology and determine that deadhead miles are systematically excluded from the computation. This is accomplished as follows:
- If actual VRMs are calculated from schedules, observe the procedures used to subtract missed trips. Select a random sample of three days that service is operated and re-compute the daily total of missed trips and missed VRMs. Recalculate the arithmetical accuracy of the summary.
 - If actual VRMs are calculated from hubodometers, observe the procedures used to calculate and subtract deadhead mileage. Select a random sample of three hubodometer readings and observe that the stated procedures for hubodometer deadhead mileage adjustments are applied as prescribed. Recalculate the arithmetical accuracy of the summary of intermediate accumulations.
 - If actual VRMs are calculated from vehicle logs, select a random sample of three vehicle logs for each mode and observe that the deadhead mileage has been correctly computed in accordance with FTA definitions by recalculating deadhead mileage.

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

(Continued)

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

Procedure performed without exception.

- o. If fixed guideway or High Intensity Bus directional route miles (FG or HIB DRM) are reported, inquire of the person responsible for maintaining and reporting the NTD data whether the operations meet FTA definition of fixed guideway (FG) or High Intensity Bus (HIB) in that the service is:
- Rail, trolleybus (TB), ferryboat (FB), or aerial tramway (TR) or
 - Bus (MB, CB, or RB) service operating over exclusive or controlled access rights-of-way (ROW), and
 - i. Access is restricted
 - ii. Legitimate need for restricted access is demonstrated by peak period level of service D or worse on a parallel adjacent highway, and
 - iii. Restricted access is enforced for freeways; priority lanes used by other high occupancy vehicles (HOV) (i.e., vanpools (VP), carpools) must demonstrate safe operation.

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

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

Per inquiry with Staff, the computation of FG and HIB DRM is in accordance with FTA definitions. Additionally, no service changes resulted in an increase or decrease in DRMs.

- q. Inquire if any temporary interruptions in transit service occurred during the report year. If these interruptions were due to maintenance or rehabilitation improvements to a FG segment(s), the following apply to management:
- Report DRMs for the segment(s) for the entire report year if the interruption is less than 12 months in duration. Report the months of operation on the FG/HIB segments form as 12. The transit agency should document the interruption.
 - If the improvements cause a service interruption on the FG/HIB DRMs lasting more than 12 months, the transit agency should contact its NTD validation analyst to discuss. FTA will make a determination on how to report the DRMs.

Procedure performed without exception.

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

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

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

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

(Continued)

- t. Obtain the FG/HIB segments form. Inquire regarding the Agency Revenue Service Start Date for any segments added in the 2022 report year with the persons reporting NTD data. This is the commencement date of revenue service for each FG/HIB segment. Observe that the date reported is the date that the agency began revenue service. This may be later than the Original Date of Revenue Service if the transit agency is not the original operator. (Note: If a segment was added for the 2022 report year, the Agency Revenue Service Date must occur within the transit agency's 2022 fiscal year. Segments are grouped by like characteristics. Note that for apportionment purposes, under the State of Good Repair (§5337) and Bus and Bus Facilities (§5339) programs, the 7-year age requirement for fixed guideway/High Intensity Busway segments is based on the report year when the segment is first reported by any NTD transit agency. This pertains to segments reported for the first time in the current report year. (Even if a transit agency can document an Agency Revenue Service Start Date prior to the current NTD report year, FTA will only consider segments continuously reported to the NTD.)

We obtained the FG/HIB segments form. Per inquiry, there were no new segments added during the reporting year 2022.

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

Procedure performed without exception.

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

Procedure performed without exception.

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

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

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

Procedure performed with exception. The Authority utilizes four contractors across the various purchased transportation modes. For one of the contractors that provides MBPT and DRPT services, management could not provide the signed contract for the period from May 1, 2022, through December 31, 2022. For another contractor that provides DRPT services, management could not provide the signed contract for the period from June 1, 2022, through December 31, 2022. The procedure was performed without exception for the other two contractors.

(Continued)

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

The Authority provides services in three UZAs and one non-UZA. Per inquiry with Staff, the Authority uses ArcGIS mapping to allocate statistics based on route mileage. Procedure performed without exception.

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

Procedure performed without exception.



U T A

Utah Transit Authority

MEETING MEMO

669 West 200 South
Salt Lake City, UT 84101

Board of Trustees

Date: 6/28/2023

TO: Board of Trustees
FROM: Jay Fox, Executive Director
PRESENTER(S): Jay Fox, Executive Director

TITLE:

Executive Director's Report
- UTA Tribute - Rose (Marie) Gallegos

AGENDA ITEM TYPE:

Report

RECOMMENDATION:

Informational report for discussion

DISCUSSION:

Jay Fox, Executive Director, will report on recent activities of the agency and other items of interest.

- UTA Tribute - Rose Gallegos (Cherryl Beveridge, Michelle Wallace)



Utah Transit Authority

MEETING MEMO

669 West 200 South
Salt Lake City, UT 84101

Board of Trustees

Date: 6/28/2023

TO: Board of Trustees
THROUGH: Jay Fox, Executive Director
FROM: Viola Miller, Chief Financial Officer
PRESENTER(S): Viola Miller, Chief Financial Officer
Brad Armstrong, Director, Budget & Financial Strategy
Dan Hofer, Director, Capital Assets & Project Controls

TITLE:

Financial Report - April 2023

AGENDA ITEM TYPE:

Report

RECOMMENDATION:

Informational report for discussion

BACKGROUND:

The Board of Trustees Policy No. 2.1, Financial Management, directs the Chief Financial Officer to present monthly financial statements stating the Authority's financial position, revenues, and expense to the Board of Trustees as soon as practical with monthly and year-to-date budget versus actual report to be included in the monthly financial report. The April 2023 Monthly Financial Statements have been prepared in accordance with the Financial Management Policy and are being presented to the Board. Also provided, is the monthly Board Dashboard which summarizes key information from the April 2023 Monthly Financial Statements.

DISCUSSION:

At the June 28 meeting, the Chief Financial Officer and Director of Budget & Financial Strategy will review the Board Dashboard key items, passenger revenues, sales tax collections and operating expense variances and receive questions from the Board of Trustees. The Director of Capital Assets and Project Controls will also review the status of capital projects and receive questions from the Board of Trustees.

ALTERNATIVES:

n/a

FISCAL IMPACT:

n/a

ATTACHMENTS:

- April 2023 Board Dashboard
- Operating Variance Analysis_Memo April 2023
- April 2023 Monthly Financial Statements

Utah Transit Authority

Board Dashboard: April 30, 2023

Financial Metrics	Fav/ (Unfav)				Fav/ (Unfav)			
	Apr Actual	Apr Budget		%	YTD Actual	YTD Budget		%
Sales Tax (Mar '23 mm \$)	\$ 44.7	\$ 42.1	\$ 2.7	6.3%	\$ 115.2	\$ 107.6	\$ 7.6	7.1%
Fare Revenue (mm)	\$ 3.6	\$ 3.0	\$ 0.7	22.1%	\$ 12.2	\$ 11.5	\$ 0.6	5.6%
Operating Exp (mm)	\$ 32.9	\$ 32.9	\$ 0.0	0.1%	\$ 124.5	\$ 130.5	\$ 6.0	4.6%
Subsidy Per Rider (SPR)	\$ 10.9	\$ 11.1	\$ 0.2	1.9%	\$ 10.2	\$ 11.1	\$ 0.9	8.3%
UTA Diesel Price (\$/gal)	\$ 2.97	\$ 3.90	\$ 0.9	23.8%	\$ 3.15	\$ 3.90	\$ 0.7	19.2%
Operating Metrics	Apr Actual	Apr-22	F/ (UF)	%	YTD Actual	YTD 2022	F/ (UF)	%
Ridership (mm)	2.7	2.5	0.2	8.1%	11.0	9.9	1.1	11.0%
Energy Cost by Type (Three Month Average)								
Diesel (Cost per Mile)					\$ 0.60			
Unleaded Gas (Cost per Mile)					\$ 0.62			
CNG (Cost per Mile)					\$ 1.45			
Bus Propulsion Power (Cost per Mile)					\$ 1.13			
TRAX Propulsion Power (Cost per Mile)					\$ 1.11			



SUBJECT: April Variance Analysis

FROM: CFO – Viola Miller

TO: Executive Director – Jay Fox

DATE: June 7, 2023

Highlights

April 2023 UTA ridership exceeded forecast by 3.3% and April 2022 ridership by 8.1%.
2023 YTD UTA ridership exceeds forecast by 11.9% and the same period in 2022 by 11.0%.

April revenue exceeded budget by \$5.6M / 12.9%; YTD revenue exceeds budget by \$17.2M / 10.4%. Operating expenses were right on target in April with actuals coming in .1% under budget. YTD operating expenses are \$5.9M / 4.6% under budget.

Actual accrued April 2023 Sales Tax revenue is \$41.8M which is \$3.5M / 9.2% above budget. YTD 2023 Sales Tax revenue is \$150.8M which exceeds budget by \$5.0M / 3.4%. April 2023 Sales Tax revenue was \$963.5K / 2.3% lower than April 2022 and 2023 YTD Sales Tax Revenue is \$7.0M / 4.8% higher than the same period in 2022. *Note: UTA Sales Tax revenues are reported by the state with a one-to-two-month lag with current month numbers reflecting an accrued estimate.*

Diesel fuel cost in April 2023 was \$0.93 / 23.8% lower than budget. April 2023 diesel fuel cost averaged \$2.97 vs. April 2022 average price of \$4.29. 2023 YTD diesel average price is \$3.15 compared to budget diesel price of \$3.90.

2023 ANALYSIS

Ridership

(Comparison of YTD 2023 Actual Ridership to 2023 Forecast and 2022 Actual results)

UTA System Ridership YTD April 2023

YTD	Apr 2023 Actual	Apr 2023 Forecast	Apr 2022 Actual	Variance '22 Var	Variance 'F23 Var	Vs 2022 %	Vs F2023 %
Bus	5,874,692	5,269,827	5,045,911	828,781	604,866	16.4%	11.5%
Salt Lake	3,615,616	3,089,673	3,225,012	390,604	525,943	12.1%	17.0%
Ogden	980,583	1,126,123	782,728	197,855	(145,540)	25.3%	-12.9%
Timp	1,278,494	1,054,031	1,038,171	240,323	224,463	23.1%	21.3%
Light Rail	3,245,312	3,189,970	3,438,243	(192,931)	55,342	-5.6%	1.7%
FrontRunner	1,140,587	831,006	923,127	217,460	309,581	23.6%	37.3%
Micro Transit ¹	122,795	106,659	48,181	74,614	16,136	154.9%	15.1%
Paratransit	275,543	229,878	247,325	28,218	45,665	11.4%	19.9%
Van Pool	382,018	243,358	244,656	137,362	138,660	56.1%	57.0%
Total Ridership	11,040,948	9,870,698	9,947,444	1,093,504	1,170,250	11.0%	11.9%

¹ Micro Transit was a pilot program in 2019 & 2020

Systemwide

Systemwide, total ridership 2023 YTD was 11.0M compared to YTD ridership forecast of 9.9M (11.9% above forecast). This amounted to 1.1M more trips (11.0%) than in 2022. 2023 ridership was positively impacted by the Fare Free promotion occurring during the NBA Allstar weekend celebration in Salt Lake City.

Frontrunner carried 1.14M passengers YTD 2023 compared to a ridership forecast of 831K (37.3% above forecast). This figure is approximately 23.6% higher than 2022 ridership of 923K. ¹

TRAX ridership YTD in 2023 was 1.7% above the 2023 forecast with 55K more riders than projected. This is 5.6% lower than 2022 ridership of 3.44M riders.

Bus ridership YTD in 2023 was 5.88M as compared to a forecast of 5.27M (11.5% above forecast) and higher than 2022 ridership of 5.05M (16.4%).

Paratransit/Flex YTD 2023 ridership was above 2023 forecast of 230K by 19.9%, with UTA providing 276K trips. This is 11.4% higher than 2022 ridership of 248K.

Microtransit YTD ridership in 2023 is above forecast by 16K / 15.1%. Microtransit started south Davis County and Tooele County service in August of 2022, so YTD April 2022 values are not comparable.

Van Pool ridership YTD for 2023 was 382K versus a forecast of 244K, which is 57.0% above forecast. 2023 ridership is 56.1% higher than in 2022.

¹ Monthly forecasted ridership calculated using Planning 2023 monthly forecast by mode.

Operating Financial Results

April 2023

MONTHLY RESULTS					FISCAL YEAR 2023 Dollars in Millions	YEAR-TO-DATE RESULTS					
Prior Year Actual	Current Year			Prior Year Actual		Current Year					
	Actual	Budget	Variance			Actual	Budget	Variance			
					Revenue						
\$ 42.8	\$ 41.8	\$ 38.3	\$ 3.5	9.2%	Sales Tax (Apr accrual)	\$ 143.9	150.8	\$ 145.9	\$ 5.0	3.4%	
3.8	3.6	3.0	0.7	22.1%	Fares	28.5	12.2	11.5	0.6	5.6%	
15.4	0.1	-	0.1	0.0%	Federal	130.6	0.1	-	0.1	0.0%	
1.5	3.0	1.8	1.2	69.7%	Other *	30.1	18.5	7.1	11.4	161.5%	
\$ 63.5	\$ 48.5	\$ 43.0	\$ 5.6	12.9%	TOTAL REVENUE	\$ 333.1	\$ 181.6	\$ 164.5	\$ 17.2	10.4%	
					Expense						
\$ 13.4	\$ 17.1	\$ 15.4	\$ (1.7)	-11.2%	Salary/Wages	\$ 55.4	\$ 62.3	\$ 61.9	\$ (0.4)	-0.6%	
6.6	7.6	7.8	0.2	3.1%	Fringe Benefits	26.9	28.9	31.4	2.5	8.1%	
2.2	3.5	2.9	(0.7)	-22.7%	Services	7.7	11.3	11.9	0.6	5.0%	
2.8	2.4	2.0	(0.4)	-18.9%	Parts	5.7	8.5	7.8	(0.7)	-9.4%	
2.0	2.4	3.0	0.5	17.7%	Fuel	8.0	10.8	12.1	1.3	10.5%	
0.7	0.0	0.5	0.5	92.9%	Utilities	2.4	3.1	2.1	(1.0)	-49.0%	
0.9	1.3	2.3	1.1	46.6%	Other	3.6	3.8	7.1	3.3	46.2%	
(1.6)	(1.4)	(1.0)	(0.5)	47.2%	Capitalized Cost	(2.4)	(4.3)	(3.9)	(0.4)	9.3%	
\$ 26.9	\$ 32.9	\$ 32.9	\$ 0.0	0.1%	TOTAL EXPENSE	\$ 107.4	\$ 124.5	\$ 130.5	\$ 5.9	4.6%	
\$ 6.8	\$ 6.8	\$ 6.6	\$ (0.2)	-2.5%	Debt Service	\$ 27.4	\$ 27.0	\$ 26.6	\$ (0.4)	-1.3%	
\$ 29.7	\$ 8.8	\$ 3.4	\$ 5.4	158.9%	Contrib. Capital/Reserves	\$ 150.8	\$ 30.1	\$ 7.4	\$ 22.8	307.8%	
*Does not include Sale of Assets					Favorable/(Unfavorable)	*Does not include Sale of Assets: \$1.94 M					Favorable/(Unfavorable)

*Does not include Sale of Assets

Favorable/(Unfavorable)

*Does not include Sale of Assets: \$1.94 M Favorable/(Unfavorable)

Revenue

Sales Tax Revenue

Due to a lag in reporting from the State of Utah, actual sales tax revenues are reported with a one to two-month delay. The results shown above (from April financial statements) reflect accrued sales tax revenues through April 2023.

As shown above, 2023 sales tax revenues (including accruals for April in the financial statements) were \$150.8M, \$5.0M above budget. Actual sales tax year-over-year growth in March 2023 for almost all counties in UTA's service area appear to have dropped from double-digit growth rates that we have seen in prior periods.

Fare Revenue

YTD passenger revenue was slightly above budget in April, with total fare revenue of \$12.2M compared to a budget of \$11.5M. The small positive variance can be attributed to the recognition of revenue from a sunset provision for a discontinued pass program.

Federal Operating Revenue

YTD Federal revenues were budgeted at \$0M in recognition of delays related to labor issues impacting the award of federal grants. Federal operating revenues will be recognized when delays in grant approvals and processing are completed, which may take several additional months. The \$130K received in April are funds directly related to our 5310 FTA Grant Program. These funds will be passed-through UTA and disbursed to the qualified agencies and communities in our service area.

Other Revenue

Other revenue sources were \$11.4M* / 161.5% above budget. Actual investment revenue, driven by higher rates of return on investments than expected, was \$11.7M above budget. There were small negative variances that made up the difference in lease, TOD, and fee revenues.

UTA has moved to a longer-term investment strategy paired with increasing PTIF interest rates, which represented an opportunity for investment returns on a cash basis to exceed budgeted targets for 2023.

**Includes \$6M of mark to market adjustments that will be reconciled at year end.*

Expenditures

Operating expenses YTD through April were under budget by \$5.9M / 4.6%. The explanation of the underrun is described below along with adjusted expectations when taking delays into account.

Salary and Wages

YTD salary and wages were \$400K / 0.6% over budget, primarily due to bonuses paid upon a ratification vote of the new Collective Bargaining Agreement (CBA).

Overtime

Overtime was \$1.71M over budget YTD, relative to a total overtime budget of \$3.43M.

YTD operator overtime was \$1.06M / 47.0% over budget. Salt Lake Bus was over budget by \$662K, Ogden by \$235K, Light Rail by \$25K, Riverside by \$57K and Timpanogos by \$63K with smaller differences elsewhere. This situation is primarily a function of business units use of overtime to compensate for operator shortages minimal impacts from higher overtime rates paid during NBA All Star Weekend.

Non-operator (primarily Bargaining maintenance) YTD overtime was \$649K / 55.0% over budget. Asset Management overtime was over budget by \$136K / 48.7% with employee vacancies impacting this number. Asset Management had significant vacancies in Facilities and MOW that necessitated more overtime in this category (regular wages were \$329K under budget). Also contributing was Salt Lake Bus maintenance at \$133K (73.2% above budget), Commuter Rail at \$66K (88.1% above budget), Public Safety at \$100K (221.7% above budget) and Ogden Maintenance at \$69K (319.9% above budget). Other smaller amounts contributed to the balance.

Fringe

YTD fringe benefit expenses were under budget by \$2.5M / 8.1% primarily due to the impact of vacancies discussed above.

Vacancies

UTA's vacancy rate is 8.6% YTD at the end of April versus a vacancy rate of 8.2% the end of December 2022. Vacancies contribute to the positive wage variance but also contributes to the higher-than-expected overtime expense.

Non-Labor Summary

YTD non-labor categories were favorable \$3.0M favorable primarily due to positive variances of \$600K in Services, \$1.3M in Fuel, and \$3.3M in Other, with negative offsets in Parts \$(700K) and \$(100K) in Utilities.

Services

Services were favorable by \$600K / 5.0% due to:

- Paratransit contracted service (under \$104K / 7.2%). Associated primarily with impacts of accrual adjustments for outsourced paratransit services and delays in invoicing.
- Legal (under \$249K / 37.3%). Attorney General billings are up to date. External Counsel support is under budget.
- Capital Development (under \$245K / 47.5%). Lower expenses in professional technical services (\$89K) and special studies (\$155K).
- Microtransit (under \$714K / 25.7%). Amount has dropped from March's balance and expectations are that they should be close to budget by August.
- Communications (under \$64K / 18.8%). Budgeted amounts in external agency services are expected to be incurred later in the year than originally planned.
- Balance of items spread across other groups in organization.

Parts

YTD, Parts were over budget by \$700K (on a \$7.8M budget). The largest contributing operating unit was Commuter Rail at \$514K / 46.4% over budget, with smaller amounts being both over and under budget in other operating units. Commuter Rail indicates they have been replacing higher cost components at a rate much higher than experience would have indicated.

Commuter Rail replaced 14 traction motors in Q1 of 2023 and an additional five in April. In addition, three battery tray sets were replaced, a turbocharger was replaced, and three brand new rail car axles. These were all unexpected failures that unfortunately are high-cost parts.

In addition, we are under budget YTD on warranty credits \$390K. Warranty credits are received when maintenance groups return a part that is within the warranty period. These credits offset parts expense.

Fuel and Power

YTD, fuel and power expenses were about \$1.3M under budget. Diesel fuel and gasoline expenses were \$2.3M under budget and CNG fuel was \$895K over planned budget spend. The CNG fuel over budget amount is directly related to a spike in natural gas prices in

January and February. Additionally, diesel gallon usage was under budget by 86K gallons for an approximate diesel savings of \$335K.

Propulsion power was over budget \$121K but is expected to normalize by the end of May. Light rail was \$109K above budget, Salt Lake Bus propulsion power was \$16K over planned spend, and Ogden Bus propulsion power was \$1.3K over budget. These overages are offset by underspending of \$5K in Microtransit propulsion power budget.

Other

YTD Other expense has a positive variance of \$3.3M / 46.2%. Insurance related expense was \$1.12M under budget. Training, travel, and employee awards were under budget \$532K. Other Miscellaneous and contingency expenses were under budget \$1.49M / 94.4%. This amount is primarily comprised of \$958K from the People office for the purpose of salaries and wage increases reflected in the amended budget. The other remaining large variance is Operations contingency of \$479K. The balance of the variance is spread in smaller values among multiple categories across the organization.

Utilities

YTD Utility expenses were \$1.0M / 49.0% higher than budget. This variance is down from a YTD March amount of \$1.5M. Primary cause of this variance is directly related to January and February's spike in natural Gas prices. Prices increased from approximately \$11 per MMBtu in December to \$50 per MMBtu in January. This increase was over 355% in one month. Since then, prices have declined, with the latest information showing April costs to approximately \$12 per MMBtu. In addition, Summit Energy has some delayed invoicing from January and February. The Facilities group has also experienced additional Utility charges related directly to the extraordinary winter weather through March.

Capitalized Cost

YTD Capitalized Cost are slightly under budget, with small amounts associated with Light Rail accruals. Variances in this area have improved with recent changes in process, driven by the Comptroller's office and Operations.

April 2023 Results

Ridership

(Comparison of April 2023 Actual Ridership to 2023 Forecast and 2022 Actual results)

UTA System Ridership April 2023

MTD	Apr 2023 Actual	Apr 2023 Forecast	Apr 2022 Actual	Variance '22 Var	Variance 'F23 Var	Vs 2022 %	Vs F2023 %
Bus	1,419,549	1,331,520	1,232,633	186,916	88,029	15.2%	6.6%
Salt Lake	879,372	780,783	777,973	101,399	98,589	13.0%	12.6%
Ogden	234,504	280,375	193,801	40,703	(45,871)	21.0%	-16.4%
Timp	305,673	270,361	260,858	44,815	35,312	17.2%	13.1%
Light Rail	776,060	850,287	865,886	(89,826)	(74,227)	-10.4%	-8.7%
FrontRunner	279,293	256,214	240,918	38,375	23,079	15.9%	9.0%
Micro Transit ¹	30,825	32,885	14,866	15,959	(2,060)	107.4%	-6.3%
Paratransit	67,648	61,640	63,137	4,511	6,008	7.1%	9.7%
Van Pool	114,555	70,009	68,249	46,306	44,546	67.8%	63.6%
Total Ridership	2,687,930	2,602,555	2,485,689	202,241	85,375	8.1%	3.3%

¹ Micro Transit was a pilot program in 2019 & 2020

April's total ridership was 2.7M, which was 85K / 3.3% above forecast. This was 202K / 8.1% higher than in 2022.

Frontrunner carried 279K passengers in April which was 9.0% higher than the forecast of 256K. This figure is 15.9% higher than 2022 ridership of 241K.²

TRAX ridership in April was down 8.7% from the April forecast of 850K riders. This is 10.4% below April 2022 ridership of 865K riders.

Bus ridership in April was 88K / 6.6% higher as compared to a forecast of 1.3M and 15.2% higher than 2022 ridership of 1.23M.³

Paratransit/Flex ridership was above April forecast of 62K by 9.7%, with UTA providing 68K trips. This is 7.1% higher than 2022 ridership for the same period.

² Monthly forecasted ridership calculated using Planning 2023 yearly forecast by mode.

³ April 2023 Ridership report. UVX numbers included in total Bus ridership numbers.

Microtransit ridership in April was below forecast by 2K or down 6.3%. Microtransit started South Davis County and Tooele County service in August of 2022, April 2022 values are not comparable.

Vanpool ridership for April was 115K versus a forecast of 70K, which is 63.6% above forecast. Ridership is 67.8% higher than the same month in 2022.

MONTHLY RESULTS						FISCAL YEAR 2023 Dollars in Millions	YEAR-TO-DATE RESULTS					
Prior Year Actual	Current Year						Prior Year Actual	Current Year				
	Actual	Budget	Variance					Actual	Budget	Variance		
\$ 42.8	\$ 41.8	\$ 38.3	\$ 3.5	9.2%	Revenue		\$ 143.9	150.8	\$ 145.9	\$ 5.0	3.4%	
3.8	3.6	3.0	0.7	22.1%	Sales Tax (Apr accrual)		28.5	12.2	11.5	0.6	5.6%	
15.4	0.1	-	0.1	0.0%	Fares		130.6	0.1	-	0.1	0.0%	
1.5	3.0	1.8	1.2	69.7%	Federal		30.1	18.5	7.1	11.4	161.5%	
					Other *							
\$ 63.5	\$ 48.5	\$ 43.0	\$ 5.6	12.9%	TOTAL REVENUE		\$ 333.1	\$ 181.6	\$ 164.5	\$ 17.2	10.4%	
					Expense							
\$ 13.4	\$ 17.1	\$ 15.4	\$ (1.7)	-11.2%	Salary/Wages		\$ 55.4	\$ 62.3	\$ 61.9	\$ (0.4)	-0.6%	
6.6	7.6	7.8	0.2	3.1%	Fringe Benefits		26.9	28.9	31.4	2.5	8.1%	
2.2	3.5	2.9	(0.7)	-22.7%	Services		7.7	11.3	11.9	0.6	5.0%	
2.8	2.4	2.0	(0.4)	-18.9%	Parts		5.7	8.5	7.8	(0.7)	-9.4%	
2.0	2.4	3.0	0.5	17.7%	Fuel		8.0	10.8	12.1	1.3	10.5%	
0.7	0.0	0.5	0.5	92.9%	Utilities		2.4	3.1	2.1	(1.0)	-49.0%	
0.9	1.3	2.3	1.1	46.6%	Other		3.6	3.8	7.1	3.3	46.2%	
(1.6)	(1.4)	(1.0)	(0.5)	47.2%	Capitalized Cost		(2.4)	(4.3)	(3.9)	(0.4)	9.3%	
\$ 26.9	\$ 32.9	\$ 32.9	\$ 0.0	0.1%	TOTAL EXPENSE		\$ 107.4	\$ 124.5	\$ 130.5	\$ 5.9	4.6%	
\$ 6.8	\$ 6.8	\$ 6.6	\$ (0.2)	-2.5%	Debt Service		\$ 27.4	\$ 27.0	\$ 26.6	\$ (0.4)	-1.3%	
\$ 29.7	\$ 8.8	\$ 3.4	\$ 5.4	158.9%	Contrib. Capital/Reserves		\$ 150.8	\$ 30.1	\$ 7.4	\$ 22.8	307.8%	

*Does not include Sale of Assets

Favorable/(Unfavorable)

*Does not include Sale of Assets: \$1.94 M

Favorable/(Unfavorable)

Revenue

For the month of April, sales tax revenues were \$41.8M. Farebox revenue was 22.1% above budget, primarily related to the recognition of revenue from a discontinued fare pass product.

There were no Federal PM payments recorded for the month as the formula grants are pending due to grant processing delays and delays related to labor issues. Once these grants are approved, UTA will be able draw down an estimated \$55M in accrued eligible operational expenses dating back to 2022 and \$30M in 2023 – which will be recorded as Federal income in 2023. The \$130K received in April are funds directly related to our 5310 FTA Grant Program. These funds will be passed-through UTA and disbursed to the qualified agencies and communities in our service area.

Other revenues came in higher than budget with a \$1.2M variance. Positive variance was primarily driven by higher-than-expected investment returns, as discussed above.

Expenditures

The April expense variance of \$46K (rounds to \$0 on table) or 0.1% below budget. Salaries and Wages were over budget \$1.7M. An underspend of \$200K in Fringe expense is related to the

Agency's vacancies. An overspend in Service of \$700K due to timing of services/invoices and a \$500K underspend in Fuel due to lower than budgeted pricing also contributed to the positive variance. Other Expenses totaling \$1.1M below budget were related to the agency's contingency amounts and insurance positive variances.

Comments on notable impacts to the variance are as follows:

Salary: \$1.7M over budget. In April, \$2.0M in signing bonuses were paid upon the ratification vote of the new Collective Bargaining Agreement (CBA).

Parts: \$400K above budget for the month of April. Commuter Rail spending on parts was \$100K over budgeted plan because of unexpected replacement of three battery trays and a supercharger. Light Rail was above budget \$225K due primarily to an accelerated maintenance schedule. Light Rail YTD remains under budget regarding parts. Other small variances in smaller amounts were experienced in other operating units.

Services: \$700K spend over budget, 22.7% over plan. Information Technology department 5200 is above budget \$233K due to a budget timing issue related to SAAS software and software related licensing. Actual expenses are not in alignment with the forecasted timing of expenses. This issue should be resolved by the end of June. Enterprise Strategy is above budget by \$158K. This issue is similar regarding the timing of budgeted consulting services versus actual expense of those services. Facilities is above budget \$105K / 48.5%. Primarily due to an extended winter season of snow removal, unexpected door maintenance at the Warm Spring Commuter Rail facility, and several building maintenance issues across the system.

Fuel/Power: Under budget \$500K / 17.7%, driven by a lower monthly average price of \$2.97 per gallon versus a budgeted diesel amount of \$3.90. In addition, the April price of unleaded fuel was \$2.90 compared to the budget price of \$3.10. There continues to be a lingering above budget CNG cost from the large price increase in January and February coupled with a correction to CNG entries posted to incorrect accounts.

Utilities: Under budget by \$500K / 92.9%, actual utility expenses should now normalize with budgeted expenses. Under budget in April is primarily due to a reclass entry moving CNG expenses from Facilities department to Salt Lake Bus Unit fuel.

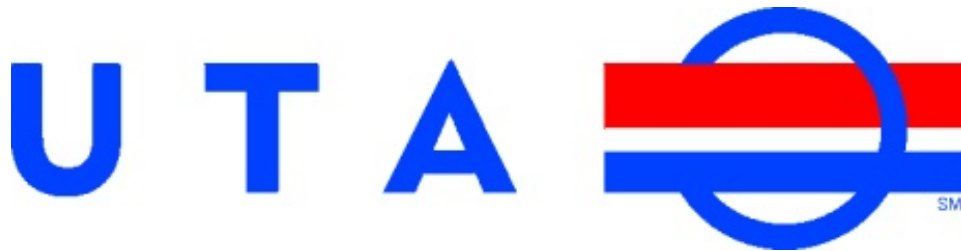
Capitalized Cost: \$0.5M under budget (47.2% variance) for April. Most of this variance is associated with Light Rail and Fleet Engineering. Accounting's continued work with Light Rail and Asset Management has helped this area to have more timely and accurate reporting.

Utah Transit Authority

Financial Statement

(Unaudited)

April 30, 2023



	2023 YTD ACTUAL	2023 YTD BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)	% FAVORABLE (UNFAVORABLE)
1 Operating Revenue	\$ (12,965,743)	\$ (12,323,268)	\$ 642,475	5%
2 Operating Expenses	124,519,950	130,479,473	5,959,523	5%
3 Net Operating Income (Loss)	(111,554,207)	(118,156,205)	6,601,998	6%
4 Capital Revenue	(7,767,173)	(85,383,167)	(77,615,994)	-91%
5 Capital Expenses	63,650,425	106,332,333	42,681,908	40%
6 Net Capital Income (Loss)	(55,883,253)	(20,949,167)	(34,934,086)	-167%
7 Sales Tax	(150,832,424)	(145,854,001)	4,978,423	3%
8 Other Revenue	(17,841,837)	(6,293,000)	11,548,837	184%
9 Debt Service	26,974,341	26,621,219	(353,122)	-1%
10 Sale of Assets	1,934,137	-	(1,934,137)	
11 Net Non-Operating Income (Loss)	139,765,783	125,525,782	14,240,001	11%
12 Contribution to Cash Balance	<u>\$ (27,671,677)</u>	<u>\$ (13,579,590)</u>	<u>\$ (14,092,087)</u>	<u>104%</u>
13 Amortization	3,881,958			
14 Depreciation	46,047,322			
15 Total Non-cash Items	<u>\$ 49,929,280</u>			

STATISTICS

RIDERSHIP

2022 Actual	<u>April 2023</u>	<u>April 2022</u>	<u>Difference</u>	<u>2023 YTD</u>	<u>2022 YTD</u>	<u>Difference</u>
16 31,439,554	2,687,930	2,485,689	202,241	11,040,948	9,947,442	1,093,506

OPERATING SUBSIDY PER RIDER -

	SPR
17 Net Operating Expense	\$ 124,519,950
18 Less: Passenger Revenue	- (12,191,743)
19 Subtotal	112,328,207
20 Divided by: Ridership	÷ 11,040,948
21 Subsidy per Rider	<u>\$ 10.17</u>

SUMMARY FINANCIAL DATA
(UNAUDITED)
As of April 30, 2023

EXHIBIT 1-2

BALANCE SHEET

	4/30/2023	4/30/2022
CURRENT ASSETS		
1 Cash	\$ 28,038,493	\$ 53,186,293
2 Investments (Unrestricted)	494,414,488	422,483,209
3 Investments (Restricted)	158,381,658	147,745,530
4 Receivables	100,765,301	81,211,594
5 Receivables - Federal Grants	3,872,754	24,782,047
6 Inventories	40,076,025	33,565,332
7 Prepaid Expenses	777,285	1,039,813
8 TOTAL CURRENT ASSETS	<u>\$ 826,326,004</u>	<u>\$ 764,013,818</u>
9 Property, Plant & Equipment (Net)	2,911,852,259	2,917,293,294
10 Other Assets	113,849,709	144,857,589
11 TOTAL ASSETS	<u><u>\$3,852,027,972</u></u>	<u><u>\$ 3,826,164,701</u></u>
12 Current Liabilities	78,702,295	86,417,700
14 Net Pension Liability	90,642,486	96,783,597
15 Outstanding Debt	2,402,686,795	2,410,296,400
16 Net Investment in Capital Assets	775,466,801	684,895,404
17 Restricted Net Position	54,627,225	79,109,602
18 Unrestricted Net Position	449,902,370	468,661,998
19 TOTAL LIABILITIES & EQUITY	<u><u>\$3,852,027,972</u></u>	<u><u>\$ 3,826,164,701</u></u>

RESTRICTED AND DESIGNATED CASH AND CASH EQUIVALENTS RECONCILIATION

RESTRICTED RESERVES		
20 2018 Bond Proceeds	31,076	\$ 5,245,247
21 2019 Bond Proceeds	3,119,071	42,890,267
22 Debt Service Interest Payable	91,617,733	66,745,697
23 Risk Contingency Fund	8,047,455	8,040,096
24 Catastrophic Risk Reserve Fund	1,113,176	1,100,130
25 Box Elder County ROW (sales tax)	1,437,411	1,885,546
26 Utah County 4th Qtr (sales tax)	10,794,224	2,298,902
27 Amounts held in escrow	42,221,512	19,539,645
28 TOTAL RESTRICTED RESERVES	<u>\$ 158,381,658</u>	<u>\$ 147,745,530</u>
DESIGNATED GENERAL AND CAPITAL RESERVES		
29 General Reserves	72,100,000	65,368,000
30 Service Sustainability Reserves	12,017,000	10,895,000
31 Capital Reserve	46,541,000	45,645,000
32 Debt Reduction Reserve	30,000,000	30,000,000
33 TOTAL DESIGNATED GENERAL AND CAPITAL RESERVES	<u>\$ 160,658,000</u>	<u>\$ 151,908,000</u>
34 TOTAL RESTRICTED AND DESIGNATED CASH AND EQUIVALENTS	<u><u>\$ 319,039,658</u></u>	<u><u>\$ 299,653,530</u></u>

SUMMARY FINANCIAL DATA
(UNAUDITED)
As of April 30, 2023

EXHIBIT 1-3

REVENUE & EXPENSES

	ACTUAL Apr-23	ACTUAL Apr-22	YTD 2023	YTD 2022
OPERATING REVENUE				
1 Passenger Revenue	\$ (3,619,736)	\$ (3,768,638)	\$ (12,191,743)	\$ (11,129,605)
2 Advertising Revenue	(193,500)	(185,500)	(774,000)	(725,500)
3 TOTAL OPERATING REVENUE	<u>\$ (3,813,236)</u>	<u>\$ (3,954,138)</u>	<u>\$ (12,965,743)</u>	<u>\$ (11,855,105)</u>
OPERATING EXPENSE				
4 Bus Service	\$ 11,476,381	\$ 9,597,436	\$ 43,169,775	\$ 39,404,771
5 Commuter Rail	2,572,560	1,719,892	9,946,232	7,884,959
6 Light Rail	4,211,761	3,515,378	14,648,706	12,812,277
7 Maintenance of Way	1,499,169	1,879,083	6,992,949	6,577,598
8 Paratransit Service	2,398,934	1,690,841	8,706,372	7,850,593
9 RideShare/Van Pool Services	298,706	245,443	1,108,496	805,403
10 Microtransit	742,746	492,298	2,282,674	1,760,676
11 Operations Support	5,558,058	4,630,920	22,873,389	18,295,993
12 Administration	4,118,527	3,141,423	14,791,357	11,959,234
13 Non-Departmental			-	-
14 TOTAL OPERATING EXPENSE	<u>\$ 32,876,842</u>	<u>\$ 26,912,714</u>	<u>\$ 124,519,950</u>	<u>\$ 107,351,504</u>
15 NET OPERATING (INCOME) LOSS	<u>\$ 29,063,606</u>	<u>\$ 22,958,576</u>	<u>\$ 111,554,207</u>	<u>\$ 95,496,399</u>
NON-OPERATING EXPENSE (REVENUE)				
16 Investment Revenue	(1,889,278)	(373,634)	(14,072,200)	(608,179)
17 Sales Tax Revenue ¹	(41,787,230)	(42,750,693)	(150,832,424)	(143,866,575)
18 Other Revenue	(918,276)	(970,995)	(3,637,417)	(3,711,128)
19 Fed Operations/Preventative Maint. Revenue	(132,220)	(15,417,976)	(132,220)	(125,377,353)
20 Bond Interest	6,258,971	6,537,638	25,035,886	26,150,553
21 Bond Interest UTCT	148,357	152,433	593,428	609,734
22 Bond Cost of Issuance/Fees	500	11,500	2,450	42,100
23 Lease Interest	409,227	136,328	1,342,577	553,808
24 Sale of Assets	19,275	3,528,841	1,934,137	3,476,301
25 TOTAL NON-OPERATING EXPENSE (REVENUE)	<u>\$ (37,890,674)</u>	<u>\$ (49,146,558)</u>	<u>\$ (139,765,783)</u>	<u>\$ (242,730,739)</u>
26 CONTRIBUTION TO RESERVES	<u>\$ 8,827,068</u>	<u>\$ 26,187,982</u>	<u>\$ 28,211,576</u>	<u>\$ 147,234,340</u>
OTHER EXPENSES (NON-CASH)				
27 Bond Premium/Discount Amortization	(339,685)	121,633	(1,358,741)	486,531
28 Bond Refunding Cost Amortization	1,242,599	137,092	4,970,394	548,371
29 Future Revenue Cost Amortization	67,577	67,577	270,305	270,305
30 Depreciation	11,345,992	11,628,197	46,047,322	46,345,028
31 NET OTHER EXPENSES (NON-CASH)	<u>\$ 12,316,483</u>	<u>\$ 11,954,499</u>	<u>\$ 49,929,280</u>	<u>\$ 47,650,235</u>

¹ Current Year Sales Taxes YTD Include Actuals Plus Two Prior Month Accruals

BUDGET TO ACTUAL REPORT
(UNAUDITED)
As of April 30, 2023

EXHIBIT 1-4

CURRENT MONTH

	ACTUAL	BUDGET	VARIANCE	%
	Apr-23	Apr-23	FAVORABLE (UNFAVORABLE)	FAVORABLE (UNFAVORABLE)
OPERATING REVENUE				
1 Passenger Revenue	\$ (3,619,736)	\$ (2,964,847)	\$ 654,889	22%
2 Advertising Revenue	(193,500)	(193,500)	-	0%
3 TOTAL OPERATING REVENUE	<u>\$ (3,813,236)</u>	<u>\$ (3,158,347)</u>	<u>\$ 654,889</u>	21%
OPERATING EXPENSE				
4 Bus Service	\$ 11,476,381	11,006,888	\$ (469,493)	-4%
5 Commuter Rail	2,572,560	2,534,412	(38,148)	-2%
6 Light Rail	4,211,761	3,780,334	(431,427)	-11%
7 Maintenance of Way	1,499,169	1,804,382	305,213	17%
8 Paratransit Service	2,398,934	2,262,450	(136,484)	-6%
9 RideShare/Van Pool Services	298,706	332,910	34,204	10%
10 Microtransit	742,746	766,024	23,278	3%
11 Operations Support	5,558,058	5,154,184	(403,874)	-8%
12 Administration	4,118,527	5,281,427	1,162,900	22%
13 Non-Departmental	-	-	-	
14 TOTAL OPERATING EXPENSE	<u>\$ 32,876,842</u>	<u>\$ 32,923,011</u>	<u>\$ 46,169</u>	0%
15 NET OPERATING (INCOME) LOSS	<u>\$ 29,063,606</u>	<u>\$ 29,764,664</u>	<u>\$ 701,058</u>	-2%
NON-OPERATING EXPENSE (REVENUE)				
16 Investment Revenue	\$ (1,889,278)	\$ (605,000)	\$ 1,284,278	212%
17 Sales Tax Revenue	(41,787,230)	(38,254,922)	3,532,308	9%
18 Other Revenue	(918,276)	(969,500)	(51,224)	-5%
19 Fed Operations/Preventative Maint. Revenue	(132,220)		132,220	
20 Bond Interest	6,258,971	6,258,972	1	0%
21 Bond Interest UTCT	148,357	148,357	-	0%
22 Bond Cost of Issuance/Fees	500	6,500	6,000	92%
23 Lease Interest	409,227	233,812	(175,415)	-75%
24 Sale of Assets	19,275	-	(19,275)	
25 TOTAL NON-OPERATING EXPENSE (REVENUE)	<u>\$ (37,890,674)</u>	<u>\$ (33,181,781)</u>	<u>\$ 4,708,893</u>	14%
26 CONTRIBUTION TO RESERVES	<u>\$ 8,827,068</u>	<u>\$ 3,417,117</u>		

BUDGET TO ACTUAL REPORT BY CHIEF
(UNAUDITED)
As of April 30, 2023

EXHIBIT 1-4A

CURRENT MONTH

	ACTUAL	BUDGET	VARIANCE	%
	Apr-23	Apr-23	FAVORABLE (UNFAVORABLE)	FAVORABLE (UNFAVORABLE)
OPERATING EXPENSE				
1 Board of Trustees	\$ 232,036	\$ 262,250	\$ 30,214	12%
2 Executive Director	336,785	530,245	193,460	36%
3 Chief Communication Officer	464,095	442,472	(21,623)	-5%
4 Chief Planning and Engagement Officer	1,391,113	1,415,833	24,720	2%
5 Chief Finance Officer	1,322,277	1,467,612	145,335	10%
6 Chief Operating Officer	25,708,196	25,319,638	(388,558)	-2%
7 Chief People Officer	1,251,442	954,461	(296,981)	-31%
8 Chief Development Officer	226,894	737,049	510,155	69%
9 Chief Enterprise Strategy Officer	1,944,004	1,793,451	(150,553)	-8%
10 Non-Departmental	-	-	-	
11 TOTAL OPERATING EXPENSE	<u>\$ 32,876,842</u>	<u>\$ 32,923,011</u>	<u>\$ 46,169</u>	0%

YEAR TO DATE

	ACTUAL	BUDGET	VARIANCE	%
	Apr-22	Apr-22	FAVORABLE (UNFAVORABLE)	FAVORABLE (UNFAVORABLE)
OPERATING EXPENSE				
12 Board of Trustees	\$ 938,010	\$ 1,049,000	\$ 110,990	11%
13 Executive Director	1,466,141	2,011,680	545,539	27%
14 Chief Communication Officer	1,396,314	1,428,138	31,824	2%
15 Chief Planning and Engagement Officer	4,570,877	5,567,670	996,793	18%
16 Chief Finance Officer	4,792,541	5,763,506	970,965	17%
17 Chief Operating Officer	97,957,818	99,713,615	1,755,797	2%
18 Chief People Officer	4,901,848	4,060,190	(841,658)	-21%
19 Chief Development Officer	1,561,982	2,932,196	1,370,214	47%
20 Chief Enterprise Strategy Officer	6,934,419	7,953,478	1,019,059	13%
21 Non-Departmental	-	-	-	
22 TOTAL OPERATING EXPENSE	<u>\$ 124,519,950</u>	<u>\$ 130,479,473</u>	<u>\$ 5,959,523</u>	5%

BUDGET TO ACTUAL REPORT
(UNAUDITED)
As of April 30, 2023

EXHIBIT 1-5

YEAR TO DATE

	ACTUAL	BUDGET	VARIANCE	%
	Apr-22	Apr-22	FAVORABLE (UNFAVORABLE)	FAVORABLE (UNFAVORABLE)
OPERATING REVENUE				
1 Passenger Revenue	\$ (12,191,743)	\$ (11,549,268)	\$ 642,475	6%
2 Advertising Revenue	(774,000)	(774,000)	-	0%
3 TOTAL OPERATING REVENUE	<u>\$ (12,965,743)</u>	<u>\$ (12,323,268)</u>	<u>\$ 642,475</u>	5%
OPERATING EXPENSE				
4 Bus Service	\$ 43,169,775	\$ 45,242,688	\$ 2,072,913	5%
5 Commuter Rail	9,946,232	10,197,895	251,663	2%
6 Light Rail	14,648,706	14,912,625	263,919	2%
7 Maintenance of Way	6,992,949	7,128,842	135,893	2%
8 Paratransit Service	8,706,372	8,957,917	251,545	3%
9 RideShare/Van Pool Services	1,108,496	1,331,640	223,144	17%
10 Microtransit	2,282,674	3,064,096	781,422	26%
11 Operations Support	22,873,389	20,415,830	(2,457,559)	-12%
12 Administration	14,791,357	19,227,940	4,436,583	23%
13 Non-Departmental	-	-	-	
14 TOTAL OPERATING EXPENSE	<u>\$ 124,519,950</u>	<u>\$ 130,479,473</u>	<u>\$ 5,959,523</u>	5%
15 NET OPERATING (INCOME) LOSS	<u>\$ 111,554,207</u>	<u>\$ 118,156,205</u>	<u>\$ 6,601,998</u>	6%
NON-OPERATING EXPENSE (REVENUE)				
16 Investment Revenue	\$ (14,072,200)	\$ (2,415,000)	\$ 11,657,200	483%
17 Sales Tax Revenue	(150,832,424)	(145,854,001)	4,978,423	3%
18 Other Revenue	(3,637,417)	(3,878,000)	(240,583)	-6%
19 Fed Operations/Preventative Maint. Revenue	(132,220)	-	132,220	
20 Bond Interest	25,035,886	25,035,888	2	0%
21 Bond Interest UTCT	593,428	615,978	22,550	4%
22 Bond Cost of Issuance/Fees	2,450	22,550	20,100	89%
23 Lease Interest	1,342,577	946,803	(395,774)	-42%
24 Sale of Assets	1,934,137	-	(1,934,137)	
25 TOTAL NON-OPERATING EXPENSE (REVENUE)	<u>\$ (139,765,783)</u>	<u>\$ (125,548,332)</u>	<u>\$ 14,217,451</u>	11%
26 CONTRIBUTION TO RESERVES	<u>\$ 28,211,576</u>	<u>\$ 7,392,127</u>		

	2023 ACTUAL	ANNUAL BUDGET	PERCENT
EXPENSES			
1 REVENUE AND NON-REVENUE VEHICLES	\$ 26,030,891	\$ 92,249,000	28.2%
2 INFORMATION TECHNOLOGY	1,116,571	17,690,000	6.3%
3 FACILITIES, MAINTENANCE & ADMIN. EQUIP.	5,576,338	12,441,000	44.8%
4 CAPITAL PROJECTS	7,940,804	108,062,000	7.3%
5 STATE OF GOOD REPAIR	10,014,618	51,309,000	19.5%
6 DEPOT DISTRICT	6,019,622	12,001,000	50.2%
7 OGDEN/WEBER STATE BRT	3,278,900	14,785,000	22.2%
8 TIGER	3,672,682	10,460,000	35.1%
9 TOTAL	<u>\$ 63,650,425</u>	<u>\$ 318,997,000</u>	20.0%
REVENUES			
10 GRANT	\$ 5,003,377	\$ 120,700,000	4.1%
11 STATE CONTRIBUTION	494,175	19,338,000	2.6%
12 LEASES (PAID TO DATE)	-	41,755,000	0.0%
13 BONDS	-	62,847,500	0.0%
14 LOCAL PARTNERS	2,269,621	11,509,000	19.7%
15 UTA FUNDING	55,883,253	62,847,500	88.9%
16 TOTAL	<u>\$ 63,650,425</u>	<u>\$ 318,997,000</u>	20.0%

BY SERVICE

	CURRENT MONTH		YEAR TO DATE	
	Apr-23	Apr-22	2023	2022
UTA				
Fully Allocated Costs	32,876,822	26,912,714	124,519,929	107,351,504
Passenger Farebox Revenue	3,619,736	3,768,638	12,191,743	11,129,605
Passengers	2,687,930	2,485,689	11,040,948	9,947,442
Farebox Recovery Ratio	11.0%	14.0%	9.8%	10.4%
Actual Subsidy per Rider	\$10.88	\$9.31	\$10.17	\$9.67
BUS SERVICE				
Fully Allocated Costs	16,224,485	13,410,925	61,642,211	54,245,903
Passenger Farebox Revenue	1,429,880	1,546,607	5,319,361	5,026,448
Passengers	1,419,549	1,232,633	5,874,692	5,045,911
Farebox Recovery Ratio	8.8%	11.5%	8.6%	9.3%
Actual Subsidy per Rider	\$10.42	\$9.63	\$9.59	\$9.75
LIGHT RAIL SERVICE				
Fully Allocated Costs	8,804,157	7,782,691	32,781,087	28,150,804
Passenger Farebox Revenue	672,706	757,666	2,295,261	2,333,990
Passengers	776,060	865,886	3,245,312	3,438,242
Farebox Recovery Ratio	7.6%	9.7%	7.0%	8.3%
Actual Subsidy per Rider	\$10.48	\$8.11	\$9.39	\$7.51
COMMUTER RAIL SERVICE				
Fully Allocated Costs	3,858,554	2,850,565	15,860,253	12,690,830
Passenger Farebox Revenue	402,338	436,858	1,502,566	1,545,582
Passengers	279,293	240,918	1,140,587	923,127
Farebox Recovery Ratio	10.4%	15.3%	9.5%	12.2%
Actual Subsidy per Rider	\$12.37	\$10.02	\$12.59	\$12.07
MICROTRANSIT				
Fully Allocated Costs	820,132	554,481	2,584,028	1,968,610
Passenger Farebox Revenue	43,247	19,021	150,300	45,431
Passengers	30,825	14,866	122,795	48,181
Farebox Recovery Ratio	5.3%	3.4%	5.8%	2.3%
Actual Subsidy per Rider	\$25.20	\$36.02	\$19.82	\$39.92
PARATRANSIT				
Fully Allocated Costs	2,553,358	1,824,165	9,332,512	8,538,089
Passenger Farebox Revenue	751,407	759,363	1,620,030	1,146,814
Passengers	67,648	63,137	275,543	247,325
Farebox Recovery Ratio	29.4%	41.6%	17.4%	13.4%
Actual Subsidy per Rider	\$26.64	\$16.86	\$27.99	\$29.88
RIDESHARE				
Fully Allocated Costs	616,135	489,887	2,319,837	1,757,268
Passenger Farebox Revenue	320,157	249,123	1,304,225	1,031,340
Passengers	114,555	68,249	382,018	244,656
Farebox Recovery Ratio	52.0%	50.9%	56.2%	58.7%
Actual Subsidy per Rider	\$2.58	\$3.53	\$2.66	\$2.97

BY TYPE

	CURRENT MONTH		YEAR TO DATE	
	Apr-23	Apr-22	2023	2022
FULLY ALLOCATED COSTS				
Bus Service	\$16,224,485	\$13,410,925	\$61,642,211	\$54,245,903
Light Rail Service	\$8,804,157	\$7,782,691	\$32,781,087	\$28,150,804
Commuter Rail Service	\$3,858,554	\$2,850,565	\$15,860,253	\$12,690,830
Microtransit	\$820,132	\$554,481	\$2,584,028	\$1,968,610
Paratransit	\$2,553,358	\$1,824,165	\$9,332,512	\$8,538,089
Rideshare	\$616,135	\$489,887	\$2,319,837	\$1,757,268
UTA	<u>\$32,876,822</u>	<u>\$26,912,714</u>	<u>\$124,519,929</u>	<u>\$107,351,504</u>
PASSENGER FAREBOX REVENUE				
Bus Service	\$1,429,880	\$1,546,607	\$5,319,361	\$5,026,448
Light Rail Service	\$672,706	\$757,666	\$2,295,261	\$2,333,990
Commuter Rail Service	\$402,338	\$436,858	\$1,502,566	\$1,545,582
Microtransit	\$43,247	\$19,021	\$150,300	\$45,431
Paratransit	\$751,407	\$759,363	\$1,620,030	\$1,146,814
Rideshare	\$320,157	\$249,123	\$1,304,225	\$1,031,340
UTA	<u>\$3,619,736</u>	<u>\$3,768,638</u>	<u>\$12,191,743</u>	<u>\$11,129,605</u>
PASSENGERS				
Bus Service	1,419,549	1,232,633	5,874,692	5,045,911
Light Rail Service	776,060	865,886	3,245,312	3,438,242
Commuter Rail Service	279,293	240,918	1,140,587	923,127
Microtransit	30,825	14,866	122,795	48,181
Paratransit	67,648	63,137	275,543	247,325
Rideshare	114,555	68,249	382,018	244,656
UTA	<u>2,687,930</u>	<u>2,485,689</u>	<u>11,040,948</u>	<u>9,947,442</u>
FAREBOX RECOVERY RATIO				
Bus Service	8.8%	11.5%	8.6%	9.3%
Light Rail Service	7.6%	9.7%	7.0%	8.3%
Commuter Rail Service	10.4%	15.3%	9.5%	12.2%
Microtransit	5.3%	3.4%	5.8%	2.3%
Paratransit	29.4%	41.6%	17.4%	13.4%
Rideshare	52.0%	50.9%	56.2%	58.7%
UTA	<u>11.0%</u>	<u>14.0%</u>	<u>9.8%</u>	<u>10.4%</u>
ACTUAL SUBSIDY PER RIDER				
Bus Service	\$10.42	\$9.63	\$9.59	\$9.75
Light Rail Service	\$10.48	\$8.11	\$9.39	\$7.51
Commuter Rail Service	\$12.37	\$10.02	\$12.59	\$12.07
Microtransit	\$25.20	\$36.02	\$19.82	\$39.92
Paratransit	\$26.64	\$16.86	\$27.99	\$29.88
Rideshare	\$2.58	\$3.53	\$2.66	\$2.97
UTA	<u>\$10.88</u>	<u>\$9.31</u>	<u>\$10.17</u>	<u>\$9.67</u>

SUMMARY OF ACCOUNTS RECEIVABLE
(UNAUDITED)
As of April 30, 2023

EXHIBIT 1-9

Classification	Total	Current	31-60 Days	61-90 Days	90-120 Days	Over 120 Days
1 Federal Grants Government ¹	\$ 3,872,754	\$ 3,872,754	-	-	-	-
2 Sales Tax Contributions	80,328,375	60,739,955	\$ 19,588,420	-	-	-
3 Warranty Recovery	1,961,604	1,961,604	-	-	-	-
4 Build America Bond Subsidies	6,074,040	785,525	785,525	\$ 785,525	\$ 785,525	\$ 2,931,940
5 Product Sales and Development	2,108,926	871,991	73,723	969,285	15,720	178,207
6 Pass Sales	(30,744)	156,218	9,871	(11,197)	49,158	(234,794)
7 Property Management	185,568	55,639	4,475	(630)	11,224	114,860
8 Vanpool/Rideshare	103,746	63,979	11,819	9,916	1,728	16,304
9 Salt Lake City Agreement	567,405	567,405	-	-	-	-
10 Planning	-	-	-	-	-	-
11 Capital Development Agreements	5,022,702	-	5,022,702	-	-	-
12 Other	(3,244,123)	(3,244,123)	-	-	-	-
13 Total	<u>\$ 96,950,253</u>	<u>\$ 65,830,947</u>	<u>\$ 25,496,535</u>	<u>\$ 1,752,899</u>	<u>\$ 863,355</u>	<u>\$ 3,006,517</u>

Percentage Due by Aging

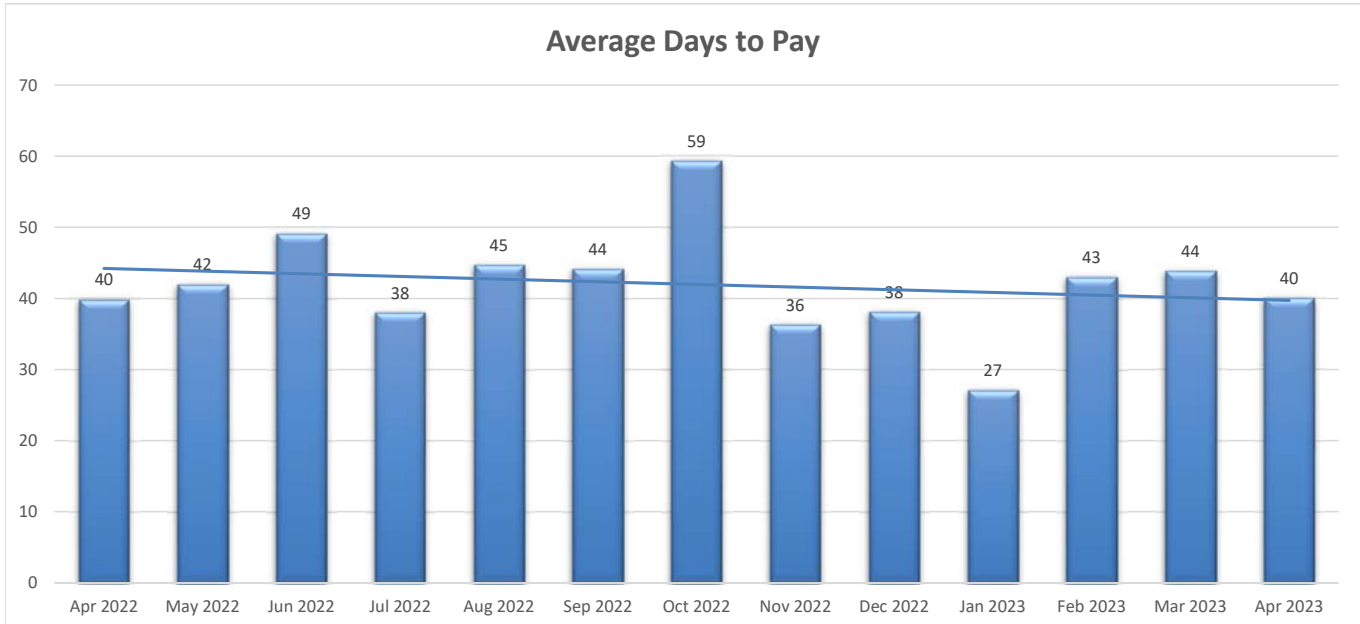
14 Federal Grants Government ¹	100.0%	0.0%	0.0%	0.0%	0.0%
15 Sales Tax Contributions	75.6%	24.4%	0.0%	0.0%	0.0%
16 Warranty Recovery	100.0%	0.0%	0.0%	0.0%	0.0%
17 Build America Bond Subsidies	12.9%	12.9%	12.9%	12.9%	48.3%
18 Product Sales and Development	41.3%	3.5%	46.0%	0.7%	8.5%
19 Pass Sales	-508.1%	-32.1%	36.4%	-159.9%	763.7%
20 Property Management	30.0%	2.4%	-0.3%	6.0%	61.9%
21 Vanpool/Rideshare	61.7%	11.4%	9.6%	1.7%	15.7%
22 Salt Lake City Agreement	100.0%	0.0%	0.0%	0.0%	0.0%
23 Planning					
24 Capital Development Agreements	0.0%	100.0%	0.0%	0.0%	0.0%
25 Other	100.0%	0.0%	0.0%	0.0%	0.0%
26 Total	67.9%	26.3%	1.8%	0.9%	3.1%

¹ Federal preventive maintenance funds and federal RideShare funds

SUMMARY OF APPROVED DISBURSEMENTS OVER \$200,000
FROM APRIL 1, 2023 THROUGH APRIL 30, 2023
(UNAUDITED)

EXHIBIT 1-10

Contract # and Description		Contract Date	Vendor	Check #	Date	Check Total
			LARRY H. MILLER CHEVROLET	894531	4/5/2023	243,258.00
19-03125BM	DIESEL AND UNLEADED FUEL	12/23/2019	RHINEHART OIL CO. INC.	894532	4/5/2023	360,709.50
20-03384VW	PROJECT MGMT SERVICES	4/17/2021	HNTB CORPORATION	894533	4/5/2023	624,640.61
18-2741	DEPOT DISTRICT TECHNOLOGY CENTER	8/23/2018	BIG-D CONSTRUCTION	894534	4/5/2023	2,066,437.10
R2022-04-01			UTAH STATE TAX WITHHOLDING	WITHDRAWAL	4/6/2023	301,273.95
R2022-04-01			CAMBRIDGE ASSOCIATES, LLC.	ZION-ACH	4/6/2023	962,243.40
21-3410VW	FRONTRUNNER PROGRAM MANGEMENT	5/28/2021	KIMLEY-HORN AND ASSOCIATES INC.	894598	4/11/2023	300,497.97
20-3382VW	ON-CALL POSITIVE TRAIN CONTROL	3/2/2021	ROCKY MOUNTAIN SYSTEMS SERVICE	894599	4/11/2023	1,061,120.89
21-3530BM	ADMIN MEDICAL INSURANCE	5/3/2022	PEHP	ZION-ACH	4/14/2023	284,455.02
20-03243PP	ADA PARATRANSIT AND ROUTE DEVIATION	6/1/2020	MV PUBLIC TRANSPORTATION	894683	4/19/2023	306,947.47
19-03125BM	DIESEL AND UNLEADED FUEL	12/23/2019	RHINEHART OIL CO. INC.	894684	4/19/2023	523,495.86
21-03506AB	ELECTRIC FORD TRANSITS	2/10/2022	CREATIVE BUS SALES, INC.	894685	4/19/2023	619,638.64
22-3633BM	OFFICE FURNITURE FOR DEPOT DISTRICT	11/12/2022	HENRIKSEN BUTLER DESIGN LLC	894686	4/19/2023	624,546.60
16-1680PP	40 FOOT DIESEL AND CNG BUSES	5/1/2016	GILLIG CORPORATION	894687	4/19/2023	4,749,795.57
16-1680PP	40 FOOT DIESEL AND CNG BUSES	5/1/2016	GILLIG CORPORATION	894714	4/20/2023	9,429,196.50
R2022-04-01			UTAH STATE TAX WITHHOLDING	WITHDRAWAL	4/20/2023	357,806.43
R2022-04-01			CAMBRIDGE ASSOCIATES, LLC.	ZION-ACH	4/20/2023	1,130,446.16
R2022-04-01			ROCKY MOUNTAIN POWER	374621	4/26/2023	373,214.82
19-03125BM	DIESEL AND UNLEADED FUEL	12/23/2019	RHINEHART OIL CO. INC.	894798	4/26/2023	309,682.97
17-2455JH	LOCOMOTIVE REMANUFACTURER	8/22/2018	MOTIVE POWER, INC	894799	4/26/2023	392,183.00
22-03546VW	APPRENTICESHIP TRAINING CURRICULUM	5/14/2022	XPAN INTERACTIVE USA INC.	894800	4/26/2023	405,955.71
19-03043BM	SALT LAKE COUNTY MICROTRANSIT	7/2/2019	VIA TRANSPORTATION INC	894801	4/26/2023	586,979.14
20-03384VW	PROJECT MGMT SERVICES	4/17/2021	HNTB CORPORATION	894802	4/26/2023	637,209.23
18-2398TP	TIGER GRANT CONSTRUCTION CONTRACT	4/11/2018	GRANITE CONSTRUCTION COMPANY	894803	4/26/2023	1,629,587.99
R2023-03-03	TINSLEE MEADOWS	3/22/2023	HICKMAN LAND TITLE COMPANY	WIRE	4/26/2023	1,661,262.00





Utah Transit Authority

MEETING MEMO

669 West 200 South
Salt Lake City, UT 84101

Board of Trustees

Date: 6/28/2023

TO: Board of Trustees
THROUGH: Jay Fox, Executive Director
FROM: Viola Miller, Chief Financial Officer
PRESENTER(S): Viola Miller, Chief Financial Officer
Rob Lamph, Assistant Treasurer

TITLE:

R2023-06-05 - Resolution Designating Authorized Users for the Authority's Utah Public Treasurers' Investment Fund Accounts

AGENDA ITEM TYPE:

Resolution

RECOMMENDATION:

Adopt Resolution R2023-06-05 authorizing the Treasurer (Chief Financial Officer), Comptroller and Assistant Treasurer as authorized users for the Utah Public Treasurers' Investment Fund (PTIF) Accounts.

BACKGROUND:

The Board of Trustees Policy 2.1, Financial Management, authorizes the Treasurer to open and close bank accounts and ensure that only authorized users are provided access to bank accounts.

This resolution updates the list of personnel that are authorized and empowered by the Board of Trustees to act on behalf of the Agency to access funds, direct transactions, and add, delete, or make changes to Utah Public Treasurers' Investment Fund (PTIF) accounts.

DISCUSSION:

On January 11, 2023, the Board of Trustees adopted Resolution R2023-01-01 designating authorized users for the Utah Transit Authority's Utah Public Treasurers' Investment Fund Accounts.

Since the January 11, 2023 Board action, there have been organizational changes including the hiring of a new Chief Financial Officer (CFO). The proposed resolution will designate the following as authorized users of the UTA's PTIF investment fund accounts: Viola Miller, CFO/Treasurer; Troy Bingham, Comptroller; and Rob Lamph, Assistant Treasurer.

ALTERNATIVES:

None

FISCAL IMPACT:

None

ATTACHMENTS:

R2023-06-05 Resolution Designating Authorized Users for Utah Public Treasurers' Investment Fund Accounts

**RESOLUTION OF THE BOARD OF TRUSTEES OF THE UTAH
TRANSIT AUTHORITY DESIGNATING AUTHORIZED USERS FOR
THE AUTHORITY'S UTAH PUBLIC TREASURERS' INVESTMENT
FUND ACCOUNTS**

R2023-06-05

June 28, 2023

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

WHEREAS, the Utah Public Treasurers' Investment Fund ("PTIF") is available to state and local government entities, including local public transit districts, to provide a short-term cash investment vehicle; and

WHEREAS, PTIF invests only in securities authorized by the Utah State Money Management Act, UTAH CODE § 51-7-1, *et seq.*, including investment-grade corporate notes, top tier commercial paper, money market mutual funds, and U.S. Government agency obligations; and

WHEREAS, the Authority currently maintains accounts with PTIF because they provide the Authority with a means to safely invest funds at a competitive interest rate while maintaining a high degree of liquidity; and

WHEREAS, the Authority is required to designate PTIF users to access funds, to direct transactions, to add, delete, or make changes to bank accounts tied to PTIF accounts, to open or close accounts, and to execute any necessary forms in connection with such changes on behalf of the Authority; and

WHEREAS, the Authority requires the approval of two designated users prior to accessing funds, directing transactions, adding, deleting, or making changes to bank accounts tied to PTIF accounts, opening or closing accounts, and executing any necessary forms in connection with such changes to PTIF accounts; and

WHEREAS, the Board, in Board of Trustees Policy 2.1 has established the policies for the financial management of the Authority; and

WHEREAS, the Board, via resolution and policy, namely Board of Trustees Policy 2.1 has delegated some financial responsibilities to Officers and executives of the Authority, and desires by Resolution to reflect their authority to handle funds, make investments, and disburse Authority monies.

WHEREAS, the Board of the Authority desires to designate Viola Miller, Chief Financial Officer and Treasurer; Troy Bingham, Comptroller; and Robert Lamph, Assistant Treasurer as authorized users on its PTIF accounts.

R2023-06-05

1

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

1. That Resolution R2023-01-01 is hereby rescinded in its entirety.
2. That Viola Miller, Troy Bingham, and Robert Lamph are hereby designated as PTIF users.
3. That Annette Royle is directed to execute the Public Entity Resolution in substantially the same form as Exhibit A to this resolution and Viola Miller is directed to file it with the Utah Office of State Treasurer.
4. That this Resolution shall remain in full force and effect until written revocation is delivered by the Authority to the Utah Office of State Treasurer.
5. That the Board hereby ratifies any and all actions taken by the Authority's management, staff, and counsel to give effect to this Resolution.
6. That the corporate seal be attached hereto.

Approved and adopted this 28th day of June 2023.

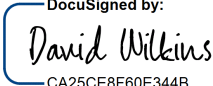
Carlton Christensen, Chair
Board of Trustees

ATTEST:

Secretary of the Authority

(Corporate Seal)

Approved As To Form:

DocuSigned by:

CA25CE8F60E344B

Legal Counsel

EXHIBIT A
(Authorized Public Treasurers' Investment Fund Signers for UTA)



Office of the State Treasurer

Public Entity Resolution

1. Certification of Authorized Individuals

I, Annette Royle (Name) hereby certify that the following are authorized: to add or delete users to access and/or transact with PTIF accounts; to add, delete, or make changes to bank accounts tied to PTIF accounts; to open or close PTIF accounts; and to execute any necessary forms in connection with such changes on behalf of Utah Transit Authority (Name of Legal Entity). Please list at least two individuals. Each individual must have a unique email.

Name	Title	Email	Signature(s)
Viola Miller	CFO & Treasurer	Viola.Miller@rideuta.com	
Troy Bingham	Comptroller	TBingham@rideuta.com	
Robert Lamph	Assistant Treasurer	RLamph@rideuta.com	

The authority of the named individuals to act on behalf of Utah Transit Authority (Name of Legal Entity) shall remain in full force and effect until written revocation from Utah Transit Authority (Name of Legal Entity) is delivered to the Office of the State Treasurer.

2. Signature of Authorization

I, the undersigned, Secretary of the Authority (Title) of the above named entity, do hereby certify that the forgoing is a true copy of a resolution adopted by the governing body for banking and investments of said entity on the 28th day of June, 2023, at which a quorum was present and voted; that said resolution is now in full force and effect; and that the signatures as shown above are genuine.

Signature	Date	Printed Name	Title
		Annette Royle	Secretary of the Authority

STATE OF UTAH)
)
COUNTY OF _____)

Subscribed and sworn to me on this 28th day of June, 2023, by
Annette Royle (Name), as Secretary of the Authority (Title) of
Utah Transit Authority (Name of Entity), proved to me on the basis of
satisfactory evidence to be the person(s) who appeared before me.

(seal)

Signature_____



Utah Transit Authority

MEETING MEMO

669 West 200 South
Salt Lake City, UT 84101

Board of Trustees

Date: 6/28/2023

TO: Board of Trustees
THROUGH: Jay Fox, Executive Director
FROM: Viola Miller, CFO
PRESENTER(S): Troy Bingham, Comptroller
Brian Baker, Zion Public Finance

TITLE:

R2023-06-06 - Resolution Authorizing Amendments to Escrow Agreements Executed in Connection with the Authority's Federally Taxable Sales Tax Revenue Refunding Bonds, Series 2019B and Series 2021; and Related Matters

AGENDA ITEM TYPE:

Resolution

RECOMMENDATION:

The Board of Trustees approve resolution R2023-06-06 authorizing amendments to escrow agreements executed in connection with the Authority's Federally Taxable Sales Tax Revenue Refunding Bonds, Series 2019B and Series 2021

BACKGROUND:

UTA's finance staff and municipal advisor have presented an opportunity to the Authority to consider selling the current 2019 and 2021 bond escrows and re-populating them with more efficient State and Local Government Securities (SLGS). State statutes governing UTA require several steps to consider a bond escrow substitution. Staff has consulted with the Local Advisory Council and now needs the Board of Trustees to act on a resolution to set terms of the potential escrow swap and to authorize financial agents to carry out the process. Staff will then start working with Zions Public Finance (the municipal advisor), Gilmore Bell (bond counsel), and Causey, Demgen & Moore PC (bidding and verification agent) to prepare bidding and legal documents for the escrow substitution.

DISCUSSION:

In November 2019 and 2021 escrows were originally created for 2015 Bond Refundings, UTA bid out the

escrow and received better results from treasury securities than SLGS at that time. Currently, the shift in rates allows for a restructuring to capture savings and make the existing escrows more efficient. Present opportunities to generate cash savings are now available by doing an escrow substitution. The combined escrows hold approximately \$500 million in securities that mature 15-30 days before they are needed to defease bonds in 2023-2025.

If approved by the Board, current escrow securities could be liquidated and SLGS would be purchased with those proceeds for less than the amount of the securities sold. UTA could execute the escrow substitution on any day where the bond market rallies through the day (so that the rates on the sold escrow securities will be lower compared to the available SLGS rates that were published in the morning). The difference between the price the escrow is liquidated for and the cost of the SLGS necessary to re-populate the escrow is UTA's cash savings. SLGS rates are known at 8 AM Utah time, UTA would complete the escrow liquidation per the following parameters:

- Net savings should exceed \$400,000
- The sale should occur within 3 months

The resolution would provide an exception to these parameters if at least two designated Board Officers were in agreement on the savings amount and/or time limit needed to change.

ALTERNATIVES:

Additional parameters could be set, escrow substitution can be stopped at this time.

FISCAL IMPACT:

Estimated savings to UTA of \$400,000 or greater.

ATTACHMENTS:

Resolution

**RESOLUTION OF THE BOARD OF TRUSTEES OF THE UTAH TRANSIT
AUTHORITY AUTHORIZING AMENDMENTS TO ESCROW AGREEMENTS
EXECUTED IN CONNECTION WITH THE AUTHORITY'S FEDERALLY
TAXABLE SALES TAX REVENUE REFUNDING BONDS, SERIES 2019B AND
SERIES 2021; AND RELATED MATTERS**

R2023-06-06

June 28, 2023

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

WHEREAS, pursuant to the provisions of the Public Transit District Act (UTAH CODE § 17B-2a-801, *et seq.*) and the Utah Refunding Bond Act (UTAH CODE § 11-27-1, *et seq.*) (collectively, the "Act"), the Board has authority to issue bonds of the Authority to refinance any improvements, facilities or property which the Authority is authorized to acquire for use in the Authority's public transit system (the "System") located within the boundaries of its transit district (the "District"); and

WHEREAS, the Board has previously issued various series of its sales tax revenue bonds (collectively, the "Outstanding Bonds"), for the purpose of financing and refinancing improvements and additions to the System; and

WHEREAS, the Board of Trustees (the "Board") of the Authority has previously entered into (i) an Escrow Deposit Agreement dated as of November 1, 2021 (the "2021 Escrow Agreement") to provide for the advance refunding of the Authority's Federally Taxable Sales Tax Revenue Refunding Bonds, Series 2021 (the "2021 Refunding Bonds") and (ii) an Escrow Deposit Agreement dated as of November 1, 2019 (the "2019B Escrow Agreement" and collectively with the 2021 Escrow Agreement, the "Escrow Agreements") to provide for the advance refunding of the Authority's Federally Taxable Sales Tax Revenue Refunding Bonds, Series 2019B (the "2019B Refunding Bonds"); and

WHEREAS, the Board now desires to amend the Escrow Agreements to reinvest certain funds and related matters to provide additional savings to the Authority related to the 2021 Refunding Bonds and the 2019B Refunding Bonds (the "Amendments") provided that (i) such net savings are in excess of \$400,000 (the "Escrow Savings Threshold") and (ii) such Amendments are executed within three months from the date of this Resolution; subject to the possible extension and exceptions listed in the following paragraph; and

WHEREAS, in order to allow the Authority, with the advice of its financial advisor, Zions Public Finance, Inc. (the "Financial Advisor"), flexibility in the timing and execution of the Amendments, the Board desires to grant to any two of (i) the Treasurer of the Authority, (ii) the Executive Director of the Authority, (iii) the Chair

R2023-06-06

1

of the Board (or in the absence of Chair of the Board, the Acting Chair of the Board as appointed by the Chair) or (iv) the Comptroller of the Authority (collectively, the "Designated Officers") the authority to: (a) proceed with the finalization and execution of the Amendments if the net savings are within 10% of the Savings Threshold and (b) extend the three month time period to accomplish the Amendments by an additional three months; and

NOW, THEREFORE, it is hereby resolved by the Board of Trustees of the Utah Transit Authority, as follows:

Section 1. Terms defined in the foregoing recitals shall have the same meaning when used in the body of this Resolution.

Section 2. The Amendments are hereby authorized, approved and confirmed. The Designated Officers of the Authority are hereby authorized to approve the final terms for the Amendments and the Designated Officers may execute and deliver the Amendments for and on behalf of the Authority with final terms as may be established for the Amendments within the Savings Threshold and within three months from the date of this Resolution, provided that two of the Designated Officers may agree to (i) proceed with such Amendments if the Savings Threshold is reduced by ten (10) percent and (ii) extend the length of time to accomplish the Amendments by an additional three months, and with such alterations, changes or additions as may be necessary or as may be authorized by Section 3 hereof, with such approval to be conclusively established by the execution of the Amendments by the Designated Officers.

Section 3. The Designated Officers are authorized to make any alterations, changes or additions to the Amendments, or any other document herein authorized and approved which may be necessary to correct errors or omissions therein, to complete the same, to remove ambiguities therefrom, to conform the same to other provisions of said instruments, to the provisions of this resolution adopted by the Board or the provisions of the laws of the State of Utah or the United States or to the agreement with the lessor.

Section 4. Any of the Designated Officers are hereby authorized and directed to execute and deliver for and on behalf of the Board and the Authority any or all additional certificates, documents and other papers (including escrow and investment agreements) and to perform all other acts they may deem necessary or appropriate in order to implement and carry out the matters authorized in this Resolution and the documents authorized and approved herein.

Section 5. The Designated Officers are hereby authorized to take all action necessary or reasonably required by the Amendments to carry out, give effect to and consummate the transactions as contemplated thereby and are authorized to take all action necessary in conformity with this Resolution.

Section 6. The Designated Officers and other appropriate officials of the Authority, and each of them, are hereby authorized and directed to execute and deliver for and on behalf of the Authority any or all additional certificates, documents and other papers and to perform all other acts they may deem necessary or appropriate in order to implement and carry out the matters authorized in this Resolution and the documents authorized and approved herein.

Section 7. If any provisions of this Resolution should be held invalid, the invalidity of such provisions shall not affect the validity of any of the other provisions of this Resolution.

Section 8. All resolutions of the Board or parts thereof inconsistent herewith, are hereby repealed to the extent only of such inconsistency. This repealer shall not be construed as reviving any bylaw, order, resolution or ordinance or part thereof.

Section 9. This Resolution shall become effective immediately upon its adoption.

APPROVED AND ADOPTED this June 28, 2023.

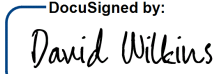
Carlton Christensen, Chair
Board of Trustees

ATTEST:

Secretary of the Authority

Approved As To Form:

(Corporate Seal)

DocuSigned by:

CA25CF8F60E344B

Legal Counsel



Utah Transit Authority

MEETING MEMO

669 West 200 South
Salt Lake City, UT 84101

Board of Trustees

Date: 6/28/2023

TO: Board of Trustees
THROUGH: Jay Fox, Executive Director
FROM: Alisha Garrett, Chief Enterprise Strategy Officer
PRESENTER(S): Tom Smith, IT Network Support Manager
Shawn Stephens, IT Project Manager

TITLE:

Contract: Transit Management System Tablets 2024-2026 (Mobile Concepts Technology, LLC)

AGENDA ITEM TYPE:

Procurement Contract/Change Order

RECOMMENDATION:

Approve award and authorize the Executive Director to execute a contract and associated disbursements with Mobile Concepts Technology, LLC in the amount of \$435,250.00 to purchase tablets used on our revenue vehicles.

BACKGROUND:

UTA selected Panasonic Toughbook A3 10 Inch Android tablets as our equipment of choice for running the newly created Transit Management System Mobile Data Device software. The tablets have proven to be a very capable and reliable computing solution. Panasonic launched the A3 in June of 2019, and we began installing them in FrontRunner trains in the fall of 2019. The pandemic that started in 2020 greatly reduced the number of sales that Panasonic forecasted over the next 3 years and in April of 2023 they announced they would no longer produce the A3 beyond EOY 2023. UTA is leveraging a reduced price from Mobile Concepts Technology, LLC, which is on State Contract PA2214 to supply our next 3 years of new bus builds and new train acquisitions at which time UTA will re-evaluate our needs for a Mobile Data Device. The tablets have an Operating System End of Life until 2027 and parts will be available until 2029.

DISCUSSION:

Currently the A3 tablets is performing above expectations and UTA had planned on using the tablets for the foreseeable future in our buses and trains. Procuring a supply of tablets and docks with extended warranties will allow UTA to continue to add new buses and trains as necessary and have spares if needed until we can

source a new Mobile Data Device when we grow closer to the expiration date of 2027 for our current hardware.

CONTRACT SUMMARY:

Contractor Name:	Mobile Concepts Technology, LLC
Contract Number:	PO # 17049, State Contract #PA2214
Base Contract Effective Dates:	10/30/2015 - 07/31/2023
Extended Contract Dates:	N/A
Existing Contract Value:	N/A
Amendment Amount:	N/A
New/Total Contract Value:	\$435,250.00
Procurement Method:	Utah State Contract PA2214
Budget Authority:	2023 Capital Budget

ALTERNATIVES:

Significant research and testing would need to be launched immediately to find a suitable replacement to accommodate the upcoming new vehicles. Decisions about supporting more than one type of device would also need to be made. The price of the alternative tablets would likely be higher and therefore require additional funding.

FISCAL IMPACT:

The original budget for Transit Management System has planned sufficient funds to cover this procurement.

ATTACHMENTS:

UTA ORDER 17049

Link to [State Contract PA2214 <https://statecontracts.utah.gov/Contract/Details/PA2214-IT-Technology%7Cb675eaa3-8f23-4c68-8f0b-343e493f1832>](https://statecontracts.utah.gov/Contract/Details/PA2214-IT-Technology%7Cb675eaa3-8f23-4c68-8f0b-343e493f1832)

Mobile Concepts Technology, LLC
Dept 730088
PO Box 660919
Dallas TX 75266-0919



Utah Transit Authority

An Equal Opportunity Employer

PURCHASE ORDER NUMBER
OG

17049

PO Number Must Appear On All Invoices And Shipments

VENDOR NUMBER

1500068

PO DATE

5/26/2023

SEND INVOICE TO:

SHIP TO:

AP@RIDEUTA.COM

ATTENTION: RECEIVING

669 W 200 S

3600 S 700 W

SLC, UT 84101

Salt Lake City UT 84119

801-287-3008

www.rideuta.com

ORDER TAKEN BY

BUYER

Dang, Jenny

FOB

*

PAGE NUMBER

1 of 1

Confirmation: Do not Duplicate

Utah Transit Authority Is Tax Exempt

Total PO Value: 435,250.00

Ship as soon as possible. Early Shipments Allowed

LINE #	REQ #	CONFIRMED DELIVERY DATE	QUANTITY	PART NUMBER ACCOUNT CODE	DESCRIPTION	UNIT PRICE	TOTAL PRICE
1	00012150	5/26/23	235 EA	40-2217.68912	Panasonic WiFi Tablet Casey Brock	1000.0000	235,000.00
2	00012150	5/26/23	15 EA	40-2217.68912	Panasonic LTE Tablet Casey Brock	1100.0000	16,500.00
3	00012150	5/26/23	250 EA	40-2217.68912	Tablet Dock Casey Brock	510.0000	127,500.00
4	00012150	5/26/23	250 EA	40-2217.68912	Ultimate Care Warranty	225.0000	56,250.00

State contract PA2214

DocuSigned by:

Mike Bell

70E33A415BA44F6...

Utah Assistant Attorney General

5/31/2023

DocuSigned by:

Jasmine Wright

2AA75AEF6E09462...

Sr. Sales Operations Coordinator

5/31/2023

Unless otherwise expressly agreed in a written document executed by Utah Transit Authority ("UTA"), this Purchase Order is subject to UTA's standard terms and conditions revision date: September 2020, effective as of the date of this Purchase Order. UTA's standard terms and conditions are found at https://rideuta.com/-/media/Files/Home/Terms_Conditions_UTAGeneralStandard7821.ashx. Vendor's acceptance of this Purchase Order is limited to the express terms of UTA's standard terms and conditions, without modification. Vendor's delivery of the Goods or commencement of performance of Services identified in this Purchase Order are effective modes of acceptance. Any proposal for additional or different terms or any attempt by Vendor to vary in any degree any of the terms of the Contract, are hereby objected to and rejected (and this Purchase Order shall be deemed accepted by Vendor without the additional or different terms).

If this Purchase order is purchased using a State Contract, then terms and conditions are pursuant to that State Contract.



Utah Transit Authority

MEETING MEMO

669 West 200 South
Salt Lake City, UT 84101

Board of Trustees

Date: 6/28/2023

TO: Board of Trustees
THROUGH: Jay Fox, Executive Director
FROM: Mary DeLoretto, Chief Capital Services Officer
PRESENTER(S): Kyle Stockley, Manager of Capital Vehicles

TITLE:

Change Order: Cutaway Bus Purchase - Second Order (Lewis Bus Group)

AGENDA ITEM TYPE:

Procurement Contract/Change Order

RECOMMENDATION:

Approve the second order under the current 5-year cutaway bus contract with Lewis Bus Group and authorize the Executive Director to execute the contract and associated disbursements in the amount of \$4,825,208 for 32 buses.

BACKGROUND:

On April 27, 2022, the Board of Trustees approved a five-year contract with Lewis Bus Group to purchase cutaway buses. The buses are replacement vehicles for the Special Services business unit and cover Paratransit and Flex Route services. A base order was approved and placed when the original contract was executed. UTA is now requesting a second order of cutaway buses.

DISCUSSION:

This second order under the contract with Lewis Bus Group consists of 10 Flex Route vehicles, and 22 Paratransit vehicles. The pricing presented includes inflationary increases similar in nature to the ones previously approved by the board in recent fixed route bus orders with other vendors. The industry has seen significant increases in the cost of materials necessitating price increases beyond regular PPI escalation. This procurement is part of the 5-year capital plan and is intended to follow the bus replacement schedule which targets a 6-year replacement cycle for Paratransit vehicles. Pricing is \$170,200 for a Flex Route bus and \$141,964 for a Paratransit bus.

CONTRACT SUMMARY:

Contractor Name:	Lewis Bus Group (Dealer)
Contract Number:	21-03444-1AB
Base Contract Effective Dates:	4/2022 thru 4/2027
Extended Contract Dates:	N/A
Existing Contract Value:	\$4,819,000
Amendment Amount:	\$4,825,208
New/Total Contract Value:	\$9,644,208
Procurement Method:	RFP best value
Budget Authority:	Part of 5-year capital plan

ALTERNATIVES:

Pursue procurement through a different contract or solicitation. This would delay delivery until at least 2024.

FISCAL IMPACT:

These costs are included in the approved 5-year capital plan

ATTACHMENTS:

Second Order - Cutaway Buses (Lewis Bus Group)



May 25, 2023

Lewis Bus Group
Attn: Jason Lewis
1009 Recreation Way
North Salt Lake City, UT 84054

RE: CONTRACT 21-03444AB; Paratransit Flex Route Cut-Away Vehicles

**SECOND ORDER NOTICE TO PROCEED
For Ten (10) Flex Route Buses, Twenty-Two (22) Para Transit Buses**

Dear Mr. Lewis:

This letter shall confirm UTA's second order of ten (10) Flex Route Buses, twenty-two (22) Para Transit Buses from Lewis Bus Group pursuant to the Contract, effective May 3, 2022.

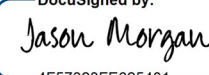
These vehicles shall be manufactured as outlined in the Authority's Specifications provided in the RFP dated September 13, 2021, the above-referenced Contract and Lewis Bus Group's Quality Price Summary dated March 24, 2023.

The Vehicles are as follows:

Quantity	Description	U/Price	Total Price
Paratransit Cutaway Buses			
22	Paratransit Buses	\$112,000.00	\$2,464,000.00
22	Chassis year change fee	\$900.00	\$19,800.00
22	PPI/Inflation Adjustment	\$29,064.00	\$639,408.00
	Subtotal	\$141,964.00	\$3,123,208.00
Flex Route Cutaway Vehicles			
10	Flex Route Cutaway Vehicles	\$134,000.00	\$1,340,000.00
10	Chassis year change fee	\$900.00	\$9,000.00
10	PPI/Inflation Adjustment	\$35,300.00	\$353,000.00
	Subtotal	\$170,200.00	\$1,702,000.00
Total			
	Total Amount of Order		\$ 4,825,208.00

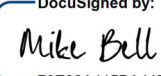
The award of the second order is total amount of \$4,825,208.00 Additionally, delivery of all items shall be completed no later than December 31, 2024. The vehicle shall be delivered to the UTA Meadowbrook Office.

LEWIS BUS GROUP

DocuSigned by:
 6/2/2023
4F57323FE625401...
Signature

Jason Morgan
Printed Name

President
Title

DocuSigned by:
 70E33A415BA44F6...
Michael Bell
Assistant Attorney General
UTA Counsel

UTAH TRANSIT AUTHORITY

Mary DeLoretto
Chief Capital Service Officer

Jay Fox
Executive Director



Utah Transit Authority

MEETING MEMO

669 West 200 South
Salt Lake City, UT 84101

Board of Trustees

Date: 6/28/2023

TO: Board of Trustees
THROUGH: Jay Fox, Executive Director
FROM: Mary DeLoretto, Chief Capital Services Officer
PRESENTER(S): Jared Scarbrough, Director of Capital Construction
Jacob Wouden, Rail Infrastructure Project Manager

TITLE:

Change Order: On-Call Infrastructure Maintenance Contract Task Order #23-099 - 2023 Grade Crossing Other Track Materials (OTM) Procurement (Stacy and Whitbeck, Inc)

AGENDA ITEM TYPE:

Procurement Contract/Change Order

RECOMMENDATION:

Approve task order 23-099 to the on-call maintenance contract with Stacy and Witbeck in the amount of \$254,141 and authorize the Executive Director to execute the task order and associated disbursements to procure the required track materials (boot, steel ties, transitions tie clips/insulators, and rebar) required to construct 10 embedded grade crossings located throughout the TRAX system.

BACKGROUND:

In October 2020, UTA released a request for procurement (RFP) for an on-call maintenance contractor focused specifically on infrastructure assets. Bids were received and evaluated, and Stacy and Witbeck, Inc. was selected as the winner based on overall scoring using the best value format. The UTA Board of Trustees approved the contract and authorized the Executive Director to execute the contract with Stacy and Witbeck Inc. on January 27, 2021. This contract is for three-years and will be coming up for reprocurement in 2024.

UTA's rail infrastructure is at an age where yearly rehabilitations and replacements need to occur to maintain the infrastructure in a state of good repair. These projects typically address three concerns:

- 1) Passenger ride quality
- 2) Automobile cross-traffic ride quality
- 3) Potential stray current issues

DISCUSSION:

UTA Staff is requesting approval of task order 23-099 with Stacy and Witbeck, Inc. in the amount of \$254,141. The scope of this request is to procure material for the 10 grade crossings due to be replaced/constructed in 2023. The Task Order has been determined to be within the scope of the master Task Ordering Agreement. The Task Order pricing has been determined to be fair and reasonable based on both a UTA Independent Cost Estimate and performance of a Price Analysis.

CONTRACT SUMMARY:

Contractor Name:	Stacy and Witbeck Inc.
Contract Number:	20-03349-99
Base Contract Effective Dates:	January 1, 2021 through December 31, 2023
Extended Contract Dates:	N/A
Existing Contract Value:	\$28,315,305,
Amendment Amount:	\$254,141
New/Total Contract Value:	\$28,569,446
Procurement Method:	RFP best value modification
Budget Authority:	2023-2027 Capital Plan

ALTERNATIVES:

Due to the complexity of rail replacement work, starting a new procurement would delay the ten 2023 grade crossing projects 18 months due to the selection process and ordering materials. If the at-grade crossings are not replaced, the rails will continue to deteriorate and cause service interruptions. If delayed long enough, the rails would be out of a state of good repair and could become a severe safety issue. Due to the lead time of the materials needed for replacement, an unplanned replacement could impact service for over a year, which could significantly delay service if not replaced. This is a key strategic alignment area for our operation team.

FISCAL IMPACT:

This budget is included in the 2023-2027 Capital Plan

ATTACHMENTS:

- 1) Contract

TASK ORDER NO 23-099

TASK ORDER NAME: 2023 OTM Procurement

PROJECT CODE: SGR385 20-7385.63000.1010

This is Task Order No. 23-099 to the On Call Maintenance Contract entered into by and between Utah Transit Authority (UTA) and Stacy and Witbeck, Inc. (Contractor) as of February 2nd, 2021. This Task Order is part of the On Call Maintenance Contract and is governed by the terms thereof.

The purpose of this Task Order is to specifically define the scope, schedule, lump sum price, and other terms applicable to the work identified herein.

UTA and Contractor hereby agree as follows:

1.0 SCOPE OF SERVICES

The scope of work for the Task Order 23-099 is hereby attached and incorporated into this Task Order.

2.0 SCHEDULE

The Substantial Completion Date for this Task is December 31st, 2023. The Final Acceptance Date for this Task is December 31st, 2023.

3.0 LUMP SUM PRICE

The price for this task order is a not to exceed \$254,141.00. Invoices will be billed on monthly basis for work completed to date.

4.0 APPLICABILITY OF FEDERAL CLAUSES

UTA Civil Rights has set a Disadvantaged Business Enterprises (DBE) participation of Race Neutral for Task Order 23-099. Contractor is therefore not required to submit the DBE Participation Form (Appendix A-1) or Good Faith Efforts Form (Appendix A-3) at completion of this Task Order. All other Federal Clauses and required Certifications or Assurances contained in Exhibit D are still applicable.

IN WITNESS WHEREOF, this Task Order has been executed by UTA and the Contractor or its appointed representative

UTAH TRANSIT AUTHORITY:

STACY AND WITBECK, INC.:

By: _____
Jay Fox, Executive Director Date
> \$200,000

By: _____

By: _____
Mary DeLoretto, Chief Service Development Ofc. Date
< 200,000

Date: _____

By: _____
Jared Scarbrough, Director of Capital Construction Date
< \$75,000

By: _____
Jacob Wouden, Project Manager Date
< \$25,000

Michael L Bell
Legal Review

Digitally signed by Michael L Bell
Date: 2023.06.02 10:16:27 -0600

Procurement Review

Stacy and Witbeck

January 23, 2023

On Call Services

Mr. Kyle Stockley
Rail Infrastructure Project Manager
Utah Transit Authority
2264 South 900 West
South Salt Lake City, UT 84119

Reference: On-Call Transit Infrastructure Construction, Maintenance and Repair
Project No: 20-03349VW

Subject: 23-605 - 2023 Grade Crossing OTM Procurement

Dear Kyle:

We are pleased to provide the attached cost estimate to procure the required track materials (boot, steel ties, transitions tie clips/insulators, and rebar) required to construct 10 embedded grade crossings located at the following locations throughout the TRAX system:

- Duckhorn Drive
- South Jordan Parkway
- Pipestone Way
- Lake Run Road
- Burntside Ave.
- Bingham Rim Road
- 10200 South
- 300 West
- Redwood Rd.
- 2320 South

Exclusions:

- Railroad Flagging
- Track to Earth Testing
- Sales Tax on Permanent Materials

Clarifications:

- Please see detailed list of each bid item below.
- The unit costs for each bid item includes the costs of insurance, bond, and risk at the agreed upon rates.
- The scope of work is inclusive of only the items and scope that are listed below. Any other items of work or changes to the below scope will need to be repriced.

1958 West North Temple
Salt Lake City, UT 84116
801.666.7840 (office) 801.432.7849 (fax)

Stacy and Witbeck

Bid Item 1000 – Field Engineering and Project Controls – 1 LS – Total of \$9,034.00 – This bid item includes Stacy and Witbeck field support from field engineer to manage construction. The field engineer will also perform pre-task planning and coordination with UTA. This item also includes office manager time for payroll and accounts payable.

Bid Item 2000 – Safety Program and Administration – 1 LS – Total of \$1,521.00 – Cost of Safety Supplies, safety personnel to visit the site, and incidental drug testing.

Bid Item 4000 – Embedded OTM Procurement – 1 LS – Total of \$132,981.00 – This bid item includes the cost to purchase and unload all necessary rail boot and epoxy coated steel ties required for all 10 crossings.

Bid Item 4100 – Rebar Procurement – 1 LS – Total of \$79,589.00 – This bid item includes the cost to purchase, deliver, and unload the required epoxy coated rebar for all 10 crossings.

Bid Item 4200 – Transition Tie OTM Procurement – 1 LS – Total of \$13,286.00 – This bid item includes the cost to purchase and unload all necessary clips, insulators, and pads on the UTA provided concrete transition ties.

Bid Item 100000 – Fee (7.5%) – 1 LS – Total of \$17,730.00 – This is the agreed to 7.5% GMGC fee.

The total price for this scope of work is **\$254,141.00**

If you have any questions, please contact me.

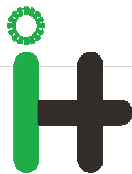
Sincerely,
Stacy and Witbeck, Inc.



Collin Christensen
Project Manager

1958 West North Temple
Salt Lake City, UT 84116
801.666.7840 (office) 801.432.7849 (fax)

<u>Biditem</u>	<u>Description</u>	<u>Quantity</u>	<u>Units</u>	<u>Unit Price</u>	<u>Bid Total</u>
1000	Field Engineering & Project Controls	1.000	LS	9,034.00	9,034.00
2000	Safety Program & Administration	1.000	LS	1,521.00	1,521.00
4000	Embedded OTM Procurement	1.000	LS	132,981.00	132,981.00
4100	Rebar Procurement	1.000	LS	79,589.00	79,589.00
4200	Transition Tie OTM Procurement	1.000	LS	13,286.00	13,286.00
Subtotal					\$236,411.00
100000	Fee (7.5%)	1.000	LS	17,730.00	17,730.00
Bid Total =====>					\$254,141.00



Iron Horse Engineering Co.

Corporate Office
15567 Main Market RD
Parkman OH 44080
Phone 440-548-2005
Fax 440-548-2115

Quotation To:

Collin Christensen
Stacy and Witbeck
Mobile: 801.420.1708
cchristensen@stacywitbeck.com

Larry Margolin
Engineer Sales Manager
Phone 971-645-5276
larrym@ironhorseeng.com

Confidential: Intended only for the use of the parties receiving this quotation
Any transmission of information contained herein in any format is expressly forbidden
without written consent from IronHorse Engineering.

Quotation #: 2301-4003 R1
Project: Salt Lake City UTA
Date: 01/23/23

QUANTITY	UNIT	PART #	ITEMS/DESCRIPTION	UNIT PRICE	TOTAL
4,500	LF	IHEC 115# RailBoot Part # 12.320	IHECO 115RE Rail Boot for 115RE Embedded Rail Installation accessories included: Joining Cuff Tape, zip ties and rail head tape.	\$12.96	\$58,320.00
23	Rolls	IHECO Rail Head Tape	9" with Rail Head Tape for embedded track pours. 100 yards per roll - 300lf 23 rolls = 6,210LF	\$102.00	\$2,346.00
8	Rolls	IHECO Cuff tape Part # 32.106	Sticky back Cuff tape. 12" wide x 50 LF EPDM Joint Cuff Tape	\$212.00	\$1,696.00
220	EA	IHEC 115# Steel Tie Part #22.189	Steel Support Tie for booted 115RE Rail. Single Rail with 1:40 cant shims and epoxy coating. Shipped with 2ea 1-1/4" Leveling legs (13" Long), 4x4 Base Plates, 4ea 12.310 Clips, 4ea Bolts, Washers.	\$188.00	\$41,360.00
2	EST	Freight	Single Truckload Freight from Ohio	\$5,000.00	\$10,000.00

Terms and Conditions

- 1 These prices constitute a qualified offer by IHECO to furnish the material listed above, based on the information we currently have regarding the types and quantity of materials to be furnished for this project. We reserve the right to amend these prices if we are subsequently furnished material specs and plans which vary from previous information, or if quantities for any part are significantly changed.
- 2 Production: 12-16 weeks
- 3 Prices are based on truck load shipments. Customer will pay for freight on any less than truckload (LTL) shipments that are made at the request of the customer
- 4 Prices are quoted FOB Parkman, OH, USA - Freight To Salt Lake City - based on full truck loads
- 5 Prices will remain in effect for 180 days and held with letter of intent.
- 6 Prices do not include any taxes, duties or tariffs of any kind.
- 7 Commercial Terms of Payment: TBD
- 8 All products listed conform to "Buy America" requirements.
- 9 No returns accepted after 90days, shortages must be reported within 3 days. Returns on stock items only, no returns on custom orders. Returns are subject to a 30% restocking fee.
- 10 Included on-site training and support by IronHorse Representatives periodically and as needed.

Notes on Reels and Steel Shipping Crates: Ironhorse Railboot shipped on steel reels, it is understood the contractor will break down reels for COD full truck return to Ironhorse.
Ironhorse OTM shipped in steel crates and are expected to be returned with boot reels. Ironhorse does not charge upfront for reels but expects to be able to re-use them for future jobs upon return in workable shape. Ironhorse will charge \$350 for Each steel reel not returned. We understand that our steel crate shipping containers are great on the jobsite but we do expect receive them back. Ironhorse will charge \$100 for Each steel crate not returned.

Submitted By: Iron Horse Engineering Co.

Larry Margolin 1/23/2023
Larry Margolin Date

Portland, Oregon USA
971-645-5276

DG & S Construction**P.O. Box 730 West Jordan, UT 84084****(801) 280-3680 Fax (801) 280-8370****Email: danielbarela1@comcast.com****(DBE Contractor)****Bid Date:** January 23, 2023 (Revised)**Contact:** Dan Barela**To:** Stacy and Witbeck
Project: 2023 UTA Crossing**Fax:**
Project #:

Furnish & Install Reinforcing Steel Only				FOB Jobsite		Taxes Included
Bid Item	Description			Est Qty	Unit Price	
	Epoxy Rebar UTA Track Crossing Approximately 2,140' Per Email 1/9/2023 (Will Call Harris's Yard)					
	Reinforcing Steel Material		LB	47,100	1.34	63,114.00
	Installation of reinforcing steel		LB	47,100	1.25	58,875.00
	Delivery per Location		EA			350.00
	Addendums #					

Prices are good for Seven (7) days. Letter of intent to Subcontract must be in our office no later than 7 days after bid opening.

Wage Rate Union Ironworker, Reinforcing Decision # UT20230044 1/6/2023

- ❖ **BID DOES NOT INCLUDE:** Pre-stressed Reinforcing, Special Grades, Welding Rebar to Piling, Welded Wire Fabric, Special End Preps (Threading, Sawing, etc.), Smooth Round Bar, No Drilling or Epoxying of Rebar, Mechanical Splices & Couplers, Labor or Accessories for Post Tensioning. Electrical Ductbank Reinforcing, Masonry Reinforcing, Dowel Baskets.
- ❖ Price for a Payment & Performance Bond & costs associated with obtaining a bond. (Rate 2.8%)
- 1. General Contractor to provide adequate and necessary hoisting, dowel protection, sanitation facilities, necessary templates, scaffolding and safety handrail. General Contractor must ensure that trucks are unloaded within 50 feet of final placement.
- 2. The unit prices provided herein are based on the estimated quantities provided to bidder for the sole purpose of submitting this proposal. In the event the actual shipped quantities increase from the estimate, any material provided beyond the estimated quantities will be charged at a unit rate reflecting current market pricing. In the event quantities decrease for any reason whatsoever from estimated quantities, bidder shall be compensated for all costs associated with reduction in quantities.
- 3. The pricing of this proposal is based on delivery start date of no later than **2/11/2023**. If the start of project is delayed, all material be subject to any increased costs incurred prior to the actual start date. Any material provided after **1/3/2024** will be subject to all additive supplier and producer price increases imposed from the date of this bid.
- 4. All material shipped to jobsite to be billed at unit rates quoted, including standees and support bar. General Contractor to carry a min. of 4%-5% for standees, support, & splices.
- 5. Our bid is based on our safety program which matches Utah OSHA Regulations. If your company safety program requires anything above those regulations, any costs related to those higher standards shall be at your expense.
- 6. Any insurance required by the Contractor over what DG & S carries shall be at the Contractor's expense
- 7. Subcontractor (DG & S) shall be given adequate time to complete work on project. Contractor must give a minimum of two days (48 Hours) of lead time to provide manpower to the various stages of construction.
- 8. Our bid is based on a forty-hour work week (General Contractor work week). Anything over eight hours per day forty hours per week is overtime. Regular work shifts 7:00 AM to 3:30 PM.
- 9. Contractor needs to furnish a construction schedule before DG & S commences work on project.
- 10. Partial payments to subcontractor must be made at the same percentage as payment to Contractor by Owner. All progress payments not made to subcontractor within 20 calendar days after Contractor receive such payments from Owner are subject to a Finance Charge. The Finance Charge is computed by a "Periodic Rate", of 1 1/2% per month (18% annually). Should legal action be necessary for collection, Contractor must pay all legal fees including attorney fees.
- 11. The Subcontractor's retention will be reduced proportionally as the Contractors retention is reduced by the Owner.
- 12. DG & S Contractor's License #: 251634-5501 General liability carried by DG & S: General Aggregate \$2,000,000

Sales Quotation

Sold-To-Party
STACY AND WITBECK, INC. UT Invoices: khodges@stacywitbeck.com 1958 WEST NORTH TEMPLE SALT LAKE CITY UT 84116

Ship-To-Party
STACY AND WITBECK, INC. ATTN: COLLIN CHRISTENSEN 801.420.1708 1958 WEST NORTH TEMPLE SALT LAKE CITY UT 84116

Information	
Sales Quote No.	20014223
Document Date	01/13/2023
Customer No.	1002287
Currency	USD
Contact Person	MARK HAMMONS
Contact Phone	(509) 921-7878
Contact Email	MHAMMONS@LBFOSTER.COM
Validity Start Date	01/13/2023
Validity End Date	02/13/2023
Job Number	

Header Information
Re: UT Salt Lake City UTA OTM Gross Weight: 3,500 LB Net Weight: 3,500 LB Terms of payment: Net 30 days, Subject to Corporate Credit Approval Terms of Delivery: DAT SALT LAKE CITY, UT L.B. Foster Company Confidential and Proprietary Information. Intended for recipient's use only.

Item	Material	Quantity	Unit Price	Amount
10	RM15090 CLIP E-CLIP PA ECL-2055 USA	1,400 EA	4.68 USD	6,552.00
20	RM15103 INSULATOR E-CLIP PA INS-4263	1,400 EA	1.82 USD	2,548.00
30	RM15110 PAD E-CLIP PA 7028E6	700 EA	3.40 USD	2,380.00
40	CT_TRUCK_CHARGES TRUCKING CHARGES	1 EA	515.25	515.25
Items total:				11,995.25
Final amount:				11,995.25

- Quote is valid for 30 days. Concrete tie pricing is fixed and firm for an order placed within 30 days and all ties shipped within 90 days of executed Purchase Order. Please reconfirm pricing prior to placing an order.
- Any changes in design, specifications, quantities, or delivery instructions will require a re-quote.
- Prices do not include sales tax, customs, duty, or brokerage fees.
- Lead-time based on plant capacity at the time of fully executed Purchase Order and receipt of approved submittals.
- Price excludes independent outside lab testing of ties and OTM but can be provided for an additional fee.*
- CXT® concrete ties will be produced and tested per AREMA and PCI guidelines following CXT's Specification.
- Any variances between CXT's standard operating procedures and the customer specification identified in our internal bid review shall be resolved prior to the execution of a purchase order.



Utah Transit Authority

MEETING MEMO

669 West 200 South
Salt Lake City, UT 84101

Board of Trustees

Date: 6/28/2023

TO: Board of Trustees
THROUGH: Jay Fox, Executive Director
FROM: Viola Miller, Chief Finance Officer
PRESENTER(S): Todd Mills, Director of Supply Chain
Andres Colman, Regional General Manager Salt Lake Business Unit

TITLE:

Change Order: CNG Fuel for Depot District - Contract Extension (Summit Energy, LLC)

AGENDA ITEM TYPE:

Procurement Contract/Change Order

RECOMMENDATION:

Ratify executed 1-year extension for contract #18-2549-1 with Summit Energy in the amount of \$535,000 and authorize the Executive Director to execute the associated disbursements.

BACKGROUND:

In 2018 UTA posted a Request for Proposal solicitation for Compressed Natural Gas (CNG) to be used to fuel the Salt Lake Business Unit CNG bus fleet for revenue service. Summit Energy was awarded the contract and has been providing CNG to the new Depot District fuel station since its' construction.

DISCUSSION:

The current contract with Summit Energy expires on June 30, 2023. Staff is requesting a 1-year contract extension through June 30, 2024 during which time we will work with Dominion Energy to switch our fueling source to Dominion going forward. The next available cycle for Dominion Energy to purchase additional shares to meet our demand is January - March 2024 at which time we will issue a letter of intent, followed by a contract execution in May 2024, and service beginning July 1, 2024.

CONTRACT SUMMARY:

Contractor Name: Summit Energy, LLC
Contract Number: 18-2549-1

Base Contract Effective Dates:	May 9, 2018 - June 30, 2023
Extended Contract Dates:	July 1, 2023 - June 30, 2024
Existing Contract Value:	\$3,960,709
Amendment Amount:	\$535,000
New/Total Contract Value:	\$4,495,709
Procurement Method:	Request For Proposal
Budget Authority:	SLBU Operating Expense

ALTERNATIVES:

CNG buses would have to be driven to Dominion Energy’s fuel station at 1140 W. 200 S. to refuel.

FISCAL IMPACT:

CNG Fuel is included in the Salt Lake Business Unit’s operating expense budget.

ATTACHMENTS:

Exhibit B: Transaction Confirmation for immediate delivery (extension)

Base Contract for Sale and Purchase of Natural Gas

This Base Contract is entered into as of the following date: May 7, 2018

The parties to this Base Contract are the following

PARTY A Summit Energy, LLC	PARTY NAME	PARTY B Utah Transit Agency
201 S Main, 20 th Floor Salt Lake City, UT 84111	ADDRESS	669 South 200 West Salt Lake City, UT 84101
<u>summitcorp.net</u>	BUSINESS WEBSITE	<u>www.rideuta.com</u>
159859586	CONTRACT NUMBER	16-2549PP
159859586	D-U-N-S® NUMBER	
☒ US FEDERAL: 84-1404868 ☐ OTHER	TAX ID NUMBERS	☒ US FEDERAL: ☐ STATE
Utah	JURISDICTION OF ORGANIZATION	Utah
☐ Corporation ☒ LLC ☐ Limited Partnership ☐ Partnership ☐ LLP ☐ Other	COMPANY TYPE	☐ Corporation ☐ LLC ☐ Limited Partnership ☐ Partnership ☐ LLP ☒ Other <u>Public Transit District</u>
	GUARANTOR (IF APPLICABLE)	
CONTACT INFORMATION		
201 S Main, Salt Lake City, UT 84111 ATTN: <u>Operations</u> TELE: <u>435-940-9001</u> FAX: <u>435-940-9002</u> EMAIL: <u>robert@se-cos.com</u>	• COMMERCIAL	ATTN: <u>GREG THORPE</u> TELE: <u>801-747-8817</u> FAX: _____ EMAIL: <u>gthorpe@rideuta.com</u>
201 S Main, Salt Lake City, UT 84111 ATTN: <u>Operations</u> TELE: <u>435-940-9001</u> FAX: <u>435-940-9002</u> EMAIL: <u>robert@se-cos.com</u>	• SCHEDULING	ATTN: <u>Chris Elser</u> TELE: <u>801-287-1963</u> FAX: _____ EMAIL: <u>celser@rideuta.com</u>
201 S Main, Salt Lake City, UT 84111 ATTN: <u>Contract Administration</u> TELE: <u>435-940-9001</u> FAX: <u>435-940-9002</u> EMAIL: <u>bruce@summitcorp.net</u>	• CONTRACT AND LEGAL NOTICES	ATTN: <u>Pat Postell</u> TELE: <u>801-237-3060</u> FAX: _____ EMAIL: <u>ppostell@rideuta.com</u>
201 S Main, Salt Lake City, UT 84111 ATTN: <u>Credit Department</u> TELE: <u>435-940-9001</u> FAX: <u>435-940-9002</u> EMAIL: <u>sbrower@se-cos.com</u>	• CREDIT	ATTN: _____ TELE: _____ FAX: _____ EMAIL: _____
201 S Main, Salt Lake City, UT 84111 ATTN: <u>Contract Administration</u> TELE: <u>435-940-9001</u> FAX: <u>435-940-9002</u> EMAIL: <u>bruce@summitcorp.net</u>	• TRANSACTION CONFIRMATIONS	ATTN: <u>Kevin Anderson</u> TELE: <u>801-237-3026</u> FAX: _____ EMAIL: <u>kanderson@rideuta.com</u>
ACCOUNTING INFORMATION		
201 S Main, Salt Lake City, UT 84111 ATTN: <u>Credit Department</u> TELE: <u>435-940-9001</u> FAX: <u>435-940-9002</u> EMAIL: <u>sbrower@se-cos.com</u>	• INVOICES • PAYMENTS • SETTLEMENTS	ATTN: <u>Troy Bingham</u> TELE: <u>801-287-2360</u> FAX: _____ EMAIL: <u>Tbingham@rideuta.com</u>
BANK: <u>Zions Bank, One South Main, Salt Lake City, UT 84133</u> ABA: <u>124000054</u> ACCT: <u>002277093</u> OTHER DETAILS: _____	WIRE TRANSFER NUMBERS (IF APPLICABLE)	BANK: _____ ABA: _____ ACCT: _____ OTHER DETAILS: _____
BANK: <u>Zions Bank, One South Main, Salt Lake City, UT 84133</u> ABA: <u>124000054</u> ACCT: <u>002277093</u> OTHER DETAILS: _____	ACH NUMBERS (IF APPLICABLE)	BANK: _____ ABA: _____ ACCT: _____ OTHER DETAILS: _____
ATTN: _____ ADDRESS: _____	CHECKS (IF APPLICABLE)	ATTN: _____ ADDRESS: _____

Base Contract for Sale and Purchase of Natural Gas

(Continued)

This Base Contract incorporates by reference for all purposes the General Terms and Conditions for Sale and Purchase of Natural Gas published by the North American Energy Standards Board. The parties hereby agree to the following provisions offered in said General Terms and Conditions. In the event the parties fail to check a box, the specified default provision shall apply. Select the appropriate box(es) from each section.

Section 1.2 Transaction Procedure ☒ Oral (default) OR ☐ Written	Section 10.2 Additional Events of Default ☒ No Additional Events of Default (default) ☐ Indebtedness Cross Default ☐ Party A. _____ ☐ Party B. _____ ☐ Transactional Cross Default Specified Transactions. _____
Section 2.7 Confirm Deadline ☒ 2 Business Days after receipt (default) OR ☐ _____ Business Days after receipt	
Section 2.8 Confirming Party ☒ Seller (default) OR ☐ Buyer	
Section 3.2 Performance Obligation ☒ Cover Standard (default) OR ☐ Spot Price Standard	Section 10.3.1 Early Termination Damages ☒ Early Termination Damages Apply (default) OR ☐ Early Termination Damages Do Not Apply
Note: The following Spot Price Publication applies to both of the immediately preceding.	
Section 2.3.1 Spot Price Publication ☒ Gas Daily Midpoint (default) OR ☐ _____	Section 10.3.2 Other Agreement Setoffs ☒ Other Agreement Setoffs Apply (default) ☒ Bilateral (default) ☐ Triangular OR ☐ Other Agreement Setoffs Do Not Apply
Section 6 Taxes ☒ Buyer Pays At and After Delivery Point (default) OR ☐ Seller Pays Before and At Delivery Point	
Section 7.2 Payment Date ☒ 25 th Day of Month following Month of delivery (default) OR ☐ Day of Month following Month of delivery	Section 15.6 Choice Of Law <u>Utah</u>
Section 7.2 Method of Payment ☐ Wire transfer (default) ☐ Automated Clearinghouse Credit (ACH) ☒ Check	Section 15.10 Confidentiality ☐ Confidentiality applies (default) OR ☒ Confidentiality does not apply
Section 7.7 Netting ☒ Netting applies (default) OR ☐ Netting does not apply	
☐ Special Provisions Number of sheets attached: _____ ☐ Addendum(s): _____	

IN WITNESS WHEREOF, the parties hereto have executed this Base Contract in duplicate.

Summit Energy, LLC By: <u>B. Rigby</u> 5-10-2018 Bruce Rigby Vice President, Marketing	PARTY NAME SIGNATURE PRINTED NAME TITLE	Customer Name By: <u>Steve Meyer</u> 5/21/18 Steve Meyer Interim Executive Director
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By: Mary DeLoretto Mary DeLoretto

Approved as to form

General Terms and Conditions Base Contract for Sale and Purchase of Natural Gas

SECTION 1. PURPOSE AND PROCEDURES

1.1. These General Terms and Conditions are intended to facilitate purchase and sale transactions of Gas on a Firm or Interruptible basis. "Buyer" refers to the party receiving Gas and "Seller" refers to the party delivering Gas. The entire agreement between the parties shall be the Contract as defined in Section 2.9.

The parties have selected either the "Oral Transaction Procedure" or the "Written Transaction Procedure" as indicated on the Base Contract.

Oral Transaction Procedure:

1.2. The parties will use the following Transaction Confirmation procedure. Any Gas purchase and sale transaction may be effectuated in an EDI transmission or telephone conversation with the offer and acceptance constituting the agreement of the parties. The parties shall be legally bound from the time they so agree to transaction terms and may each rely thereon. Any such transaction shall be considered a "writing" and to have been "signed". Notwithstanding the foregoing sentence, the parties agree that Confirming Party shall, and the other party may, confirm a telephonic transaction by sending the other party a Transaction Confirmation by facsimile, EDI or mutually agreeable electronic means within three Business Days of a transaction covered by this Section 1.2 (Oral Transaction Procedure) provided that the failure to send a Transaction Confirmation shall not invalidate the oral agreement of the parties. Confirming Party adopts its confirming letterhead, or the like, as its signature on any Transaction Confirmation as the identification and authentication of Confirming Party. If the Transaction Confirmation contains any provisions other than those relating to the commercial terms of the transaction (i.e., price, quantity, performance obligation, delivery point, period of delivery and/or transportation conditions), which modify or supplement the Base Contract or General Terms and Conditions of this Contract (e.g., arbitration or additional representations and warranties), such provisions shall not be deemed to be accepted pursuant to Section 1.3 but must be expressly agreed to by both parties, provided that the foregoing shall not invalidate any transaction agreed to by the parties.

Written Transaction Procedure:

1.2. The parties will use the following Transaction Confirmation procedure. Should the parties come to an agreement regarding a Gas purchase and sale transaction for a particular Delivery Period, the Confirming Party shall, and the other party may, record that agreement on a Transaction Confirmation and communicate such Transaction Confirmation by facsimile, EDI or mutually agreeable electronic means, to the other party by the close of the Business Day following the date of agreement. The parties acknowledge that their agreement will not be binding until the exchange of nonconflicting Transaction Confirmations or the passage of the Confirm Deadline without objection from the receiving party, as provided in Section 1.3.

1.3. If a sending party's Transaction Confirmation is materially different from the receiving party's understanding of the agreement referred to in Section 1.2, such receiving party shall notify the sending party via facsimile, EDI or mutually agreeable electronic means by the Confirm Deadline, unless such receiving party has previously sent a Transaction Confirmation to the sending party. The failure of the receiving party to so notify the sending party in writing by the Confirm Deadline constitutes the receiving party's agreement to the terms of the transaction described in the sending party's Transaction Confirmation. If there are any material differences between timely sent Transaction Confirmations governing the same transaction, then neither Transaction Confirmation shall be binding until or unless such differences are resolved including the use of any evidence that clearly resolves the differences in the Transaction Confirmations. In the event of a conflict among the terms of (i) a binding Transaction Confirmation pursuant to Section 1.2, (ii) the oral agreement of the parties which may be evidenced by a recorded conversation, where the parties have selected the Oral Transaction Procedure of the Base Contract, (iii) the Base Contract, and (iv) these General Terms and Conditions, the terms of the documents shall govern in the priority listed in this sentence.

1.4. The parties agree that each party may electronically record all telephone conversations with respect to this Contract between their respective employees, without any special or further notice to the other party. Each party shall obtain any necessary consent of its agents and employees to such recording. Where the parties have selected the Oral Transaction Procedure in Section 1.2 of the Base Contract, the parties agree not to contest the validity or enforceability of telephonic recordings entered into in accordance with the requirements of this Base Contract.

SECTION 2. DEFINITIONS

The terms set forth below shall have the meaning ascribed to them below. Other terms are also defined elsewhere in the Contract and shall have the meanings ascribed to them herein.

2.1. "Additional Event of Default" shall mean Transactional Cross Default or Indebtedness Cross Default, each as and if selected by the parties pursuant to the Base Contract.

2.2. "Affiliate" shall mean, in relation to any person, any entity controlled, directly or indirectly, by the person, any entity that controls, directly or indirectly, the person or any entity directly or indirectly under common control with the person. For this purpose, "control" of any entity or person means ownership of at least 50 percent of the voting power of the entity or person.

- 2.3. "Alternative Damages" shall mean such damages, expressed in dollars or dollars per MMBtu, as the parties shall agree upon in the Transaction Confirmation, in the event either Seller or Buyer fails to perform a Firm obligation to deliver Gas in the case of Seller or to receive Gas in the case of Buyer.
- 2.4. "Base Contract" shall mean a contract executed by the parties that incorporates these General Terms and Conditions by reference; that specifies the agreed selections of provisions contained herein; and that sets forth other information required herein and any Special Provisions and addendum(s) as identified on page one.
- 2.5. "British thermal unit" or "Btu" shall mean the International BTU, which is also called the Btu (IT)
- 2.6. "Business Day(s)" shall mean Monday through Friday, excluding Federal Banking Holidays for transactions in the U.S.
- 2.7. "Confirm Deadline" shall mean 5:00 p.m. in the receiving party's time zone on the second Business Day following the Day a Transaction Confirmation is received or, if applicable, on the Business Day agreed to by the parties in the Base Contract; provided, if the Transaction Confirmation is time stamped after 5:00 p.m. in the receiving party's time zone, it shall be deemed received at the opening of the next Business Day.
- 2.8. "Confirming Party" shall mean the party designated in the Base Contract to prepare and forward Transaction Confirmations to the other party
- 2.9. "Contract" shall mean the legally-binding relationship established by (i) the Base Contract, (ii) any and all binding Transaction Confirmations and (iii) where the parties have selected the Oral Transaction Procedure in Section 1.2 of the Base Contract, any and all transactions that the parties have entered into through an EDI transmission or by telephone, but that have not been confirmed in a binding Transaction Confirmation, all of which shall form a single integrated agreement between the parties.
- 2.10. "Contract Price" shall mean the amount expressed in U.S. Dollars per MMBtu to be paid by Buyer to Seller for the purchase of Gas as agreed to by the parties in a transaction.
- 2.11. "Contract Quantity" shall mean the quantity of Gas to be delivered and taken as agreed to by the parties in a transaction
- 2.12. "Cover Standard", as referred to in Section 3.2, shall mean that if there is an unexcused failure to take or deliver any quantity of Gas pursuant to this Contract, then the performing party shall use commercially reasonable efforts to (i) if Buyer is the performing party, obtain Gas, (or an alternate fuel if elected by Buyer and replacement Gas is not available), or (ii) if Seller is the performing party, sell Gas, in either case, at a price reasonable for the delivery or production area, as applicable, consistent with the amount of notice provided by the nonperforming party; the immediacy of the Buyer's Gas consumption needs or Seller's Gas sales requirements, as applicable; the quantities involved; and the anticipated length of failure by the nonperforming party.
- 2.13. "Credit Support Obligation(s)" shall mean any obligation(s) to provide or establish credit support for, or on behalf of, a party to this Contract such as cash, an irrevocable standby letter of credit, a margin agreement, a prepayment, a security interest in an asset, guaranty, or other good and sufficient security of a continuing nature.
- 2.14. "Day" shall mean a period of 24 consecutive hours, coextensive with a "day" as defined by the Receiving Transporter in a particular transaction
- 2.15. "Delivery Period" shall be the period during which deliveries are to be made as agreed to by the parties in a transaction.
- 2.16. "Delivery Point(s)" shall mean such point(s) as are agreed to by the parties in a transaction.
- 2.17. "EDI" shall mean an electronic data interchange pursuant to an agreement entered into by the parties, specifically relating to the communication of Transaction Confirmations under this Contract
- 2.18. "EFP" shall mean the purchase, sale or exchange of natural Gas as the "physical" side of an exchange for physical transaction involving gas futures contracts. EFP shall incorporate the meaning and remedies of "Firm", provided that a party's excuse for nonperformance of its obligations to deliver or receive Gas will be governed by the rules of the relevant futures exchange regulated under the Commodity Exchange Act.
- 2.19. "Firm" shall mean that either party may interrupt its performance without liability only to the extent that such performance is prevented for reasons of Force Majeure, provided, however, that during Force Majeure interruptions, the party invoking Force Majeure may be responsible for any Imbalance Charges as set forth in Section 4.3 related to its interruption after the nomination is made to the Transporter and until the change in deliveries and/or receipts is confirmed by the Transporter
- 2.20. "Gas" shall mean any mixture of hydrocarbons and noncombustible gases in a gaseous state consisting primarily of methane
- 2.21. "Guarantor" shall mean any entity that has provided a guaranty of the obligations of a party hereunder.
- 2.22. "Imbalance Charges" shall mean any fees, penalties, costs or charges (in cash or in kind) assessed by a Transporter for failure to satisfy the Transporter's balance and/or nomination requirements.
- 2.23. "Indebtedness Cross Default" shall mean if selected on the Base Contract by the parties with respect to a party, that it or its Guarantor, if any, experiences a default, or similar condition or event however therein defined, under one or more agreements or instruments, individually or collectively, relating to indebtedness (such indebtedness to include any obligation whether present or future, contingent or otherwise, as principal or surety or otherwise) for the payment or repayment of borrowed money in an aggregate amount greater than the threshold specified in the Base Contract with respect to such party or its Guarantor, if any, which results in such indebtedness becoming immediately due and payable.

- 2.24. "Interruptible" shall mean that either party may interrupt its performance at any time for any reason, whether or not caused by an event of Force Majeure, with no liability, except such interrupting party may be responsible for any Imbalance Charges as set forth in Section 4.3 related to its interruption after the nomination is made to the Transporter and until the change in deliveries and/or receipts is confirmed by Transporter.
- 2.25. "MMBtu" shall mean one million British thermal units, which is equivalent to one dekatherm.
- 2.26. "Month" shall mean the period beginning on the first Day of the calendar month and ending immediately prior to the commencement of the first Day of the next calendar month.
- 2.27. "Payment Date" shall mean a date, as indicated on the Base Contract, on or before which payment is due Seller for Gas received by Buyer in the previous Month.
- 2.28. "Receiving Transporter" shall mean the Transporter receiving Gas at a Delivery Point, or absent such receiving Transporter, the Transporter delivering Gas at a Delivery Point.
- 2.29. "Scheduled Gas" shall mean the quantity of Gas confirmed by Transporter(s) for movement, transportation or management.
- 2.30. "Specified Transaction(s)" shall mean any other transaction or agreement between the parties for the purchase, sale or exchange of physical Gas, and any other transaction or agreement identified as a Specified Transaction under the Base Contract.
- 2.31. "Spot Price" as referred to in Section 3.2 shall mean the price listed in the publication indicated on the Base Contract, under the listing applicable to the geographic location closest in proximity to the Delivery Point(s) for the relevant Day; provided, if there is no single price published for such location for such Day, but there is published a range of prices, then the Spot Price shall be the average of such high and low prices. If no price or range of prices is published for such Day, then the Spot Price shall be the average of the following: (i) the price (determined as stated above) for the first Day for which a price or range of prices is published that next precedes the relevant Day; and (ii) the price (determined as stated above) for the first Day for which a price or range of prices is published that next follows the relevant Day.
- 2.32. "Transaction Confirmation" shall mean a document, similar to the form of Exhibit A, setting forth the terms of a transaction formed pursuant to Section 1 for a particular Delivery Period.
- 2.33. "Transactional Cross Default" shall mean if selected on the Base Contract by the parties with respect to a party, that it shall be in default, however therein defined, under any Specified Transaction.
- 2.34. "Termination Option" shall mean the option of either party to terminate a transaction in the event that the other party fails to perform a Firm obligation to deliver Gas in the case of Seller or to receive Gas in the case of Buyer for a designated number of days during a period as specified on the applicable Transaction Confirmation.
- 2.35. "Transporter(s)" shall mean all Gas gathering or pipeline companies, or local distribution companies, acting in the capacity of a transporter, transporting Gas for Seller or Buyer upstream or downstream, respectively, of the Delivery Point pursuant to a particular transaction.

SECTION 3. PERFORMANCE OBLIGATION

- 3.1. Seller agrees to sell and deliver, and Buyer agrees to receive and purchase, the Contract Quantity for a particular transaction in accordance with the terms of the Contract. Sales and purchases will be on a Firm or Interruptible basis, as agreed to by the parties in a transaction.

The parties have selected either the "Cover Standard" or the "Spot Price Standard" as indicated on the Base Contract.	
Cover Standard:	
3.2.	The sole and exclusive remedy of the parties in the event of a breach of a Firm obligation to deliver or receive Gas shall be recovery of the following: (i) in the event of a breach by Seller on any Day(s), payment by Seller to Buyer in an amount equal to the positive difference, if any, between the purchase price paid by Buyer utilizing the Cover Standard and the Contract Price, adjusted for commercially reasonable differences in transportation costs to or from the Delivery Point(s), multiplied by the difference between the Contract Quantity and the quantity actually delivered by Seller for such Day(s) excluding any quantity for which no replacement is available; or (ii) in the event of a breach by Buyer on any Day(s), payment by Buyer to Seller in the amount equal to the positive difference, if any, between the Contract Price and the price received by Seller utilizing the Cover Standard for the resale of such Gas, adjusted for commercially reasonable differences in transportation costs to or from the Delivery Point(s), multiplied by the difference between the Contract Quantity and the quantity actually taken by Buyer for such Day(s) excluding any quantity for which no sale is available; and (iii) in the event that Buyer has used commercially reasonable efforts to replace the Gas or Seller has used commercially reasonable efforts to sell the Gas to a third party, and no such replacement or sale is available for all or any portion of the Contract Quantity of Gas, then in addition to (i) or (ii) above, as applicable, the sole and exclusive remedy of the performing party with respect to the Gas not replaced or sold shall be an amount equal to any unfavorable difference between the Contract Price and the Spot Price, adjusted for such transportation to the applicable Delivery Point, multiplied by the quantity of such Gas not replaced or sold. Imbalance Charges shall not be recovered under this Section 3.2, but Seller and/or Buyer shall be responsible for Imbalance Charges, if any, as provided in Section 4.3. The amount of such unfavorable difference shall be payable five Business Days after presentation of the performing party's invoice, which shall set forth the basis upon which such amount was calculated.

Spot Price Standard:

3.2. The sole and exclusive remedy of the parties in the event of a breach of a Firm obligation to deliver or receive Gas shall be recovery of the following (i) in the event of a breach by Seller on any Day(s), payment by Seller to Buyer in an amount equal to the difference between the Contract Quantity and the actual quantity delivered by Seller and received by Buyer for such Day(s), multiplied by the positive difference, if any, obtained by subtracting the Contract Price from the Spot Price; or (ii) in the event of a breach by Buyer on any Day(s), payment by Buyer to Seller in an amount equal to the difference between the Contract Quantity and the actual quantity delivered by Seller and received by Buyer for such Day(s), multiplied by the positive difference, if any, obtained by subtracting the applicable Spot Price from the Contract Price. Imbalance Charges shall not be recovered under this Section 3.2, but Seller and/or Buyer shall be responsible for Imbalance Charges, if any, as provided in Section 4.3. The amount of such unfavorable difference shall be payable five Business Days after presentation of the performing party's invoice, which shall set forth the basis upon which such amount was calculated.

3.3. Notwithstanding Section 3.2, the parties may agree to Alternative Damages in a Transaction Confirmation executed in writing by both parties.

3.4. In addition to Sections 3.2 and 3.3, the parties may provide for a Termination Option in a Transaction Confirmation executed in writing by both parties. The Transaction Confirmation containing the Termination Option will designate the length of nonperformance triggering the Termination Option and the procedures for exercise thereof, how damages for nonperformance will be compensated, and how liquidation costs will be calculated.

SECTION 4. TRANSPORTATION, NOMINATIONS, AND IMBALANCES

4.1. Seller shall have the sole responsibility for transporting the Gas to the Delivery Point(s). Buyer shall have the sole responsibility for transporting the Gas from the Delivery Point(s).

4.2. The parties shall coordinate their nomination activities, giving sufficient time to meet the deadlines of the affected Transporter(s). Each party shall give the other party timely prior Notice, sufficient to meet the requirements of all Transporter(s) involved in the transaction, of the quantities of Gas to be delivered and purchased each Day. Should either party become aware that actual deliveries at the Delivery Point(s) are greater or lesser than the Scheduled Gas, such party shall promptly notify the other party.

4.3. The parties shall use commercially reasonable efforts to avoid imposition of any Imbalance Charges. If Buyer or Seller receives an invoice from a Transporter that includes Imbalance Charges, the parties shall determine the validity as well as the cause of such Imbalance Charges. If the Imbalance Charges were incurred as a result of Buyer's receipt of quantities of Gas greater than or less than the Scheduled Gas, then Buyer shall pay for such Imbalance Charges or reimburse Seller for such Imbalance Charges paid by Seller. If the Imbalance Charges were incurred as a result of Seller's delivery of quantities of Gas greater than or less than the Scheduled Gas, then Seller shall pay for such Imbalance Charges or reimburse Buyer for such Imbalance Charges paid by Buyer.

SECTION 5. QUALITY AND MEASUREMENT

All Gas delivered by Seller shall meet the pressure, quality and heat content requirements of the Receiving Transporter. The unit of quantity measurement for purposes of this Contract shall be one MMBtu dry. Measurement of Gas quantities hereunder shall be in accordance with the established procedures of the Receiving Transporter.

SECTION 6. TAXES

The parties have selected either "Buyer Pays At and After Delivery Point" or "Seller Pays Before and At Delivery Point" as indicated on the Base Contract.

Buyer Pays At and After Delivery Point:

Seller shall pay or cause to be paid all taxes, fees, levies, penalties, licenses or charges imposed by any government authority ("Taxes") on or with respect to the Gas prior to the Delivery Point(s). Buyer shall pay or cause to be paid all Taxes on or with respect to the Gas at the Delivery Point(s) and all Taxes after the Delivery Point(s). If a party is required to remit or pay Taxes that are the other party's responsibility hereunder, the party responsible for such Taxes shall promptly reimburse the other party for such Taxes. Any party entitled to an exemption from any such Taxes or charges shall furnish the other party any necessary documentation thereof.

Seller Pays Before and At Delivery Point:

Seller shall pay or cause to be paid all taxes, fees, levies, penalties, licenses or charges imposed by any government authority ("Taxes") on or with respect to the Gas prior to the Delivery Point(s) and all Taxes at the Delivery Point(s). Buyer shall pay or cause to be paid all Taxes on or with respect to the Gas after the Delivery Point(s). If a party is required to remit or pay Taxes that are the other party's responsibility hereunder, the party responsible for such Taxes shall promptly reimburse the other party for such Taxes. Any party entitled to an exemption from any such Taxes or charges shall furnish the other party any necessary documentation thereof.

SECTION 7. BILLING, PAYMENT, AND AUDIT

7.1. Seller shall invoice Buyer for Gas delivered and received in the preceding Month and for any other applicable charges, providing supporting documentation acceptable in industry practice to support the amount charged. If the actual quantity delivered is not known by the billing date, billing will be prepared based on the quantity of Scheduled Gas. The invoiced quantity will then be adjusted to the actual quantity on the following Month's billing or as soon thereafter as actual delivery information is available.

7.2. Buyer shall remit the amount due under Section 7.1 in the manner specified in the Base Contract, in immediately available funds, on or before the later of the Payment Date or 10 Days after receipt of the invoice by Buyer; provided that if the Payment Date is not a Business Day, payment is due on the next Business Day following that date. In the event any payments are due Buyer hereunder, payment to Buyer shall be made in accordance with this Section 7.2.

7.3. In the event payments become due pursuant to Sections 3.2 or 3.3, the performing party may submit an invoice to the nonperforming party for an accelerated payment setting forth the basis upon which the invoiced amount was calculated. Payment from the nonperforming party will be due five Business Days after receipt of invoice.

7.4. If the invoiced party, in good faith, disputes the amount of any such invoice or any part thereof, such invoiced party will pay such amount as it concedes to be correct; provided, however, if the invoiced party disputes the amount due, it must provide supporting documentation acceptable in industry practice to support the amount paid or disputed without undue delay. In the event the parties are unable to resolve such dispute, either party may pursue any remedy available at law or in equity to enforce its rights pursuant to this Section.

7.5. If the invoiced party fails to remit the full amount payable when due, interest on the unpaid portion shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under "Money Rates" by The Wall Street Journal, plus two percent per annum, or (ii) the maximum applicable lawful interest rate.

7.6. A party shall have the right, at its own expense, upon reasonable Notice and at reasonable times, to examine and audit and to obtain copies of the relevant portion of the books, records, and telephone recordings of the other party only to the extent reasonably necessary to verify the accuracy of any statement, charge, payment, or computation made under the Contract. This right to examine, audit, and to obtain copies shall not be available with respect to proprietary information not directly relevant to transactions under this Contract. All invoices and billings shall be conclusively presumed final and accurate and all associated claims for under- or overpayments shall be deemed waived unless such invoices or billings are objected to in writing, with adequate explanation and/or documentation, within two years after the Month of Gas delivery. All retroactive adjustments under Section 7 shall be paid in full by the party owing payment within 30 Days of Notice and substantiation of such inaccuracy.

7.7. Unless the parties have elected on the Base Contract not to make this Section 7.7 applicable to this Contract, the parties shall net all undisputed amounts due and owing, and/or past due, arising under the Contract such that the party owing the greater amount shall make a single payment of the net amount to the other party in accordance with Section 7; provided that no payment required to be made pursuant to the terms of any Credit Support Obligation or pursuant to Section 7.3 shall be subject to netting under this Section. If the parties have executed a separate netting agreement, the terms and conditions therein shall prevail to the extent inconsistent herewith.

SECTION 8. TITLE, WARRANTY, AND INDEMNITY

8.1. Unless otherwise specifically agreed, title to the Gas shall pass from Seller to Buyer at the Delivery Point(s). Seller shall have responsibility for and assume any liability with respect to the Gas prior to its delivery to Buyer at the specified Delivery Point(s). Buyer shall have responsibility for and assume any liability with respect to said Gas after its delivery to Buyer at the Delivery Point(s).

8.2. Seller warrants that it will have the right to convey and will transfer good and merchantable title to all Gas sold hereunder and delivered by it to Buyer, free and clear of all liens, encumbrances, and claims EXCEPT AS PROVIDED IN THIS SECTION 8.2 AND IN SECTION 15.8, ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR OF FITNESS FOR ANY PARTICULAR PURPOSE, ARE DISCLAIMED.

8.3. Seller agrees to indemnify Buyer and save it harmless from all losses, liabilities or claims including reasonable attorneys' fees and costs of court ("Claims"), from any and all persons, arising from or out of claims of title, personal injury (including death) or property damage from said Gas or other charges thereon which attach before title passes to Buyer. Buyer agrees to indemnify Seller and save it harmless from all Claims, from any and all persons, arising from or out of claims regarding payment, personal injury (including death) or property damage from said Gas or other charges thereon which attach after title passes to Buyer.

8.4. The parties agree that the delivery of and the transfer of title to all Gas under this Contract shall take place within the Customs Territory of the United States (as defined in general note 2 of the Harmonized Tariff Schedule of the United States 19 U.S.C. §1202, General Notes, page 3); provided, however, that in the event Seller took title to the Gas outside the Customs Territory of the United States, Seller represents and warrants that it is the importer of record for all Gas entered and delivered into the United States, and shall be responsible for entry and entry summary filings as well as the payment of duties, taxes and fees, if any, and all applicable record keeping requirements.

8.5. Notwithstanding the other provisions of this Section 8, as between Seller and Buyer, Seller will be liable for all Claims to the extent that such arise from the failure of Gas delivered by Seller to meet the quality requirements of Section 5.

SECTION 9. NOTICES

9.1. All Transaction Confirmations, invoices, payment instructions, and other communications made pursuant to the Base Contract ("Notices") shall be made to the addresses specified in writing by the respective parties from time to time.

9.2. All Notices required hereunder shall be in writing and may be sent by facsimile or mutually acceptable electronic means, a nationally recognized overnight courier service, first class mail or hand delivered.

9.3. Notice shall be given when received on a Business Day by the addressee. In the absence of proof of the actual receipt date, the following presumptions will apply. Notices sent by facsimile shall be deemed to have been received upon the sending party's receipt of its facsimile machine's confirmation of successful transmission. If the day on which such facsimile is received is

not a Business Day or is after five p.m. on a Business Day, then such facsimile shall be deemed to have been received on the next following Business Day. Notice by overnight mail or courier shall be deemed to have been received on the next Business Day after it was sent or such earlier time as is confirmed by the receiving party. Notice via first class mail shall be considered delivered five Business Days after mailing.

9.4. The party receiving a commercially acceptable Notice of change in payment instructions or other payment information shall not be obligated to implement such change until ten Business Days after receipt of such Notice.

SECTION 10. FINANCIAL RESPONSIBILITY

10.1. If either party ("X") has reasonable grounds for insecurity regarding the performance of any obligation under this Contract (whether or not then due) by the other party ("Y") (including, without limitation, the occurrence of a material change in the creditworthiness of Y or its Guarantor, if applicable), X may demand Adequate Assurance of Performance. "Adequate Assurance of Performance" shall mean sufficient security in the form, amount, for a term, and from an issuer, all as reasonably acceptable to X, including, but not limited to cash, a standby irrevocable letter of credit, a prepayment, a security interest in an asset or guaranty. Y hereby grants to X a continuing first priority security interest in, lien on, and right of setoff against all Adequate Assurance of Performance in the form of cash transferred by Y to X pursuant to this Section 10.1. Upon the return by X to Y of such Adequate Assurance of Performance, the security interest and lien granted hereunder on that Adequate Assurance of Performance shall be released automatically and, to the extent possible, without any further action by either party.

10.2. In the event (each an "Event of Default") either party (the "Defaulting Party") or its Guarantor shall: (i) make an assignment or any general arrangement for the benefit of creditors; (ii) file a petition or otherwise commence, authorize, or acquiesce in the commencement of a proceeding or case under any bankruptcy or similar law for the protection of creditors or have such petition filed or proceeding commenced against it; (iii) otherwise become bankrupt or insolvent (however evidenced); (iv) be unable to pay its debts as they fall due; (v) have a receiver, provisional liquidator, conservator, custodian, trustee or other similar official appointed with respect to it or substantially all of its assets; (vi) fail to perform any obligation to the other party with respect to any Credit Support Obligations relating to the Contract; (vii) fail to give Adequate Assurance of Performance under Section 10.1 within 48 hours but at least one Business Day of a written request by the other party; (viii) not have paid any amount due the other party hereunder on or before the second Business Day following written Notice that such payment is due; or (ix) be the affected party with respect to any Additional Event of Default; then the other party (the "Non-Defaulting Party") shall have the right, at its sole election, to immediately withhold and/or suspend deliveries or payments upon Notice and/or to terminate and liquidate the transactions under the Contract, in the manner provided in Section 10.3, in addition to any and all other remedies available hereunder.

10.3. If an Event of Default has occurred and is continuing, the Non-Defaulting Party shall have the right, by Notice to the Defaulting Party, to designate a Day, no earlier than the Day such Notice is given and no later than 20 Days after such Notice is given, as an early termination date (the "Early Termination Date") for the liquidation and termination pursuant to Section 10.3.1 of all transactions under the Contract, each a "Terminated Transaction". On the Early Termination Date, all transactions will terminate, other than those transactions, if any, that may not be liquidated and terminated under applicable law ("Excluded Transactions"), which Excluded Transactions must be liquidated and terminated as soon thereafter as is legally permissible, and upon termination shall be a Terminated Transaction and be valued consistent with Section 10.3.1 below. With respect to each Excluded Transaction, its actual termination date shall be the Early Termination Date for purposes of Section 10.3.1.

The parties have selected either "Early Termination Damages Apply" or "Early Termination Damages Do Not Apply" as Indicated on the Base Contract.

Early Termination Damages Apply:

10.3.1. As of the Early Termination Date, the Non-Defaulting Party shall determine, in good faith and in a commercially reasonable manner, (i) the amount owed (whether or not then due) by each party with respect to all Gas delivered and received between the parties under Terminated Transactions and Excluded Transactions on and before the Early Termination Date and all other applicable charges relating to such deliveries and receipts (including without limitation any amounts owed under Section 3.2), for which payment has not yet been made by the party that owes such payment under this Contract and (ii) the Market Value, as defined below, of each Terminated Transaction. The Non-Defaulting Party shall (x) liquidate and accelerate each Terminated Transaction at its Market Value, so that each amount equal to the difference between such Market Value and the Contract Value, as defined below, of such Terminated Transaction(s) shall be due to the Buyer under the Terminated Transaction(s) if such Market Value exceeds the Contract Value and to the Seller if the opposite is the case, and (y) where appropriate, discount each amount then due under clause (x) above to present value in a commercially reasonable manner as of the Early Termination Date (to take account of the period between the date of liquidation and the date on which such amount would have otherwise been due pursuant to the relevant Terminated Transactions).

For purposes of this Section 10.3.1, "Contract Value" means the amount of Gas remaining to be delivered or purchased under a transaction multiplied by the Contract Price, and "Market Value" means the amount of Gas remaining to be delivered or purchased under a transaction multiplied by the market price for a similar transaction at the Delivery Point determined by the Non-Defaulting Party in a commercially reasonable manner. To ascertain the Market Value, the Non-Defaulting Party may consider, among other valuations, any or all of the settlement prices of NYMEX Gas futures contracts, quotations from leading dealers in energy swap contracts or physical gas trading markets, similar sales or purchases and any other bona fide third-party offers, all adjusted for the length of the term and differences in transportation costs. A party shall not be required to enter into a replacement transaction(s) in order to determine the Market Value. Any extension(s) of the term of a transaction to which parties are not bound as of the Early Termination Date (including but not limited to "evergreen provisions") shall not be considered in determining Contract Values and

Market Values. For the avoidance of doubt, any option pursuant to which one party has the right to extend the term of a transaction shall be considered in determining Contract Values and Market Values. The rate of interest used in calculating net present value shall be determined by the Non-Defaulting Party in a commercially reasonable manner.

Early Termination Damages Do Not Apply:

10.3.1. As of the Early Termination Date, the Non-Defaulting Party shall determine, in good faith and in a commercially reasonable manner, the amount owed (whether or not then due) by each party with respect to all Gas delivered and received between the parties under Terminated Transactions and Excluded Transactions on and before the Early Termination Date and all other applicable charges relating to such deliveries and receipts (including without limitation any amounts owed under Section 3.2), for which payment has not yet been made by the party that owes such payment under this Contract.

The parties have selected either "Other Agreement Setoffs Apply" or "Other Agreement Setoffs Do Not Apply" as indicated on the Base Contract.

Other Agreement Setoffs Apply:

Bilateral Setoff Option:

10.3.2. The Non-Defaulting Party shall net or aggregate, as appropriate, any and all amounts owing between the parties under Section 10.3.1, so that all such amounts are netted or aggregated to a single liquidated amount payable by one party to the other (the "Net Settlement Amount"). At its sole option and without prior Notice to the Defaulting Party, the Non-Defaulting Party is hereby authorized to setoff any Net Settlement Amount against (i) any margin or other collateral held by a party in connection with any Credit Support Obligation relating to the Contract, and (ii) any amount(s) (including any excess cash margin or excess cash collateral) owed or held by the party that is entitled to the Net Settlement Amount under any other agreement or arrangement between the parties.

Triangular Setoff Option:

10.3.2. The Non-Defaulting Party shall net or aggregate, as appropriate, any and all amounts owing between the parties under Section 10.3.1, so that all such amounts are netted or aggregated to a single liquidated amount payable by one party to the other (the "Net Settlement Amount"). At its sole option, and without prior Notice to the Defaulting Party, the Non-Defaulting Party is hereby authorized to setoff (i) any Net Settlement Amount against any margin or other collateral held by a party in connection with any Credit Support Obligation relating to the Contract; (ii) any Net Settlement Amount against any amount(s) (including any excess cash margin or excess cash collateral) owed by or to a party under any other agreement or arrangement between the parties; (iii) any Net Settlement Amount owed to the Non-Defaulting Party against any amount(s) (including any excess cash margin or excess cash collateral) owed by the Non-Defaulting Party or its Affiliates to the Defaulting Party under any other agreement or arrangement; (iv) any Net Settlement Amount owed to the Defaulting Party against any amount(s) (including any excess cash margin or excess cash collateral) owed by the Defaulting Party to the Non-Defaulting Party or its Affiliates under any other agreement or arrangement; and/or (v) any Net Settlement Amount owed to the Defaulting Party against any amount(s) (including any excess cash margin or excess cash collateral) owed by the Defaulting Party or its Affiliates to the Non-Defaulting Party under any other agreement or arrangement.

Other Agreement Setoffs Do Not Apply:

10.3.2 The Non-Defaulting Party shall net or aggregate, as appropriate, any and all amounts owing between the parties under Section 10.3.1, so that all such amounts are netted or aggregated to a single liquidated amount payable by one party to the other (the "Net Settlement Amount"). At its sole option and without prior Notice to the Defaulting Party, the Non-Defaulting Party may setoff any Net Settlement Amount against any margin or other collateral held by a party in connection with any Credit Support Obligation relating to the Contract.

10.3.3. If any obligation that is to be included in any netting, aggregation or setoff pursuant to Section 10.3.2 is unascertained, the Non-Defaulting Party may in good faith estimate that obligation and net, aggregate or setoff, as applicable, in respect of the estimate, subject to the Non-Defaulting Party accounting to the Defaulting Party when the obligation is ascertained. Any amount not then due which is included in any netting, aggregation or setoff pursuant to Section 10.3.2 shall be discounted to net present value in a commercially reasonable manner determined by the Non-Defaulting Party.

10.4. As soon as practicable after a liquidation, Notice shall be given by the Non-Defaulting Party to the Defaulting Party of the Net Settlement Amount, and whether the Net Settlement Amount is due to or due from the Non-Defaulting Party. The Notice shall include a written statement explaining in reasonable detail the calculation of the Net Settlement Amount, provided that failure to give such Notice shall not affect the validity or enforceability of the liquidation or give rise to any claim by the Defaulting Party against the Non-Defaulting Party. The Net Settlement Amount as well as any setoffs applied against such amount pursuant to Section 10.3.2, shall be paid by the close of business on the second Business Day following such Notice, which date shall not be earlier than the Early Termination Date. Interest on any unpaid portion of the Net Settlement Amount as adjusted by setoffs, shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under "Money Rates" by The Wall Street Journal, plus two percent per annum; or (ii) the maximum applicable lawful interest rate.

10.5. The parties agree that the transactions hereunder constitute a "forward contract" within the meaning of the United States Bankruptcy Code and that Buyer and Seller are each "forward contract merchants" within the meaning of the United States Bankruptcy Code.

10.6. The Non-Defaulting Party's remedies under this Section 10 are the sole and exclusive remedies of the Non-Defaulting Party with respect to the occurrence of any Early Termination Date. Each party reserves to itself all other rights, setoffs, counterclaims and other defenses that it is or may be entitled to arising from the Contract.

10.7. With respect to this Section 10, if the parties have executed a separate netting agreement with close-out netting provisions, the terms and conditions therein shall prevail to the extent inconsistent herewith.

SECTION 11. FORCE MAJEURE

11.1. Except with regard to a party's obligation to make payment(s) due under Section 7, Section 10.4, and Imbalance Charges under Section 4, neither party shall be liable to the other for failure to perform a Firm obligation, to the extent such failure was caused by Force Majeure. The term "Force Majeure" as employed herein means any cause not reasonably within the control of the party claiming suspension, as further defined in Section 11.2

11.2. Force Majeure shall include, but not be limited to, the following: (i) physical events such as acts of God, landslides, lightning, earthquakes, fires, storms or storm warnings, such as hurricanes, which result in evacuation of the affected area, floods, washouts, explosions, breakage or accident or necessity of repairs to machinery or equipment or lines of pipe, (ii) weather related events affecting an entire geographic region, such as low temperatures which cause freezing or failure of wells or lines of pipe, (iii) interruption and/or curtailment of Firm transportation and/or storage by Transporters; (iv) acts of others such as strikes, lockouts or other industrial disturbances, riots, sabotage, insurrections or wars, or acts of terror; and (v) governmental actions such as necessity for compliance with any court order, law, statute, ordinance, regulation, or policy having the effect of law promulgated by a governmental authority having jurisdiction. Seller and Buyer shall make reasonable efforts to avoid the adverse impacts of a Force Majeure and to resolve the event or occurrence once it has occurred in order to resume performance

11.3. Neither party shall be entitled to the benefit of the provisions of Force Majeure to the extent performance is affected by any or all of the following circumstances: (i) the curtailment of interruptible or secondary Firm transportation unless primary, in-path, Firm transportation is also curtailed; (ii) the party claiming excuse failed to remedy the condition and to resume the performance of such covenants or obligations with reasonable dispatch, or (iii) economic hardship, to include, without limitation, Seller's ability to sell Gas at a higher or more advantageous price than the Contract Price, Buyer's ability to purchase Gas at a lower or more advantageous price than the Contract Price, or a regulatory agency disallowing, in whole or in part, the pass through of costs resulting from this Contract, (iv) the loss of Buyer's market(s) or Buyer's inability to use or resell Gas purchased hereunder, except, in either case, as provided in Section 11.2; or (v) the loss or failure of Seller's gas supply or depletion of reserves, except, in either case, as provided in Section 11.2. The party claiming Force Majeure shall not be excused from its responsibility for Imbalance Charges

11.4. Notwithstanding anything to the contrary herein, the parties agree that the settlement of strikes, lockouts or other industrial disturbances shall be within the sole discretion of the party expending such disturbance.

11.5. The party whose performance is prevented by Force Majeure must provide Notice to the other party. Initial Notice may be given orally; however, written Notice with reasonably full particulars of the event or occurrence is required as soon as reasonably possible. Upon providing written Notice of Force Majeure to the other party, the affected party will be relieved of its obligation, from the onset of the Force Majeure event, to make or accept delivery of Gas, as applicable, to the extent and for the duration of Force Majeure, and neither party shall be deemed to have failed in such obligations to the other during such occurrence or event.

11.6. Notwithstanding Sections 11.2 and 11.3, the parties may agree to alternative Force Majeure provisions in a Transaction Confirmation executed in writing by both parties

SECTION 12. TERM

This Contract may be terminated on 30 Day's written Notice, but shall remain in effect until the expiration of the latest Delivery Period of any transaction(s). The rights of either party pursuant to Section 7.6, Section 10, Section 13, the obligations to make payment hereunder, and the obligation of either party to indemnify the other, pursuant hereto shall survive the termination of the Base Contract or any transaction

SECTION 13. LIMITATIONS

FOR BREACH OF ANY PROVISION FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS PROVIDED, SUCH EXPRESS REMEDY OR MEASURE OF DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY. A PARTY'S LIABILITY HEREUNDER SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. IF NO REMEDY OR MEASURE OF DAMAGES IS EXPRESSLY PROVIDED HEREIN OR IN A TRANSACTION, A PARTY'S LIABILITY SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY. SUCH DIRECT ACTUAL DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. UNLESS EXPRESSLY HEREIN PROVIDED, NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION OR OTHERWISE. IT IS THE INTENT OF THE PARTIES THAT THE LIMITATIONS HEREIN IMPOSED ON REMEDIES AND THE MEASURE OF DAMAGES BE WITHOUT REGARD TO THE CAUSE OR CAUSES RELATED THERETO, INCLUDING THE NEGLIGENCE OF ANY PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE. TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID HEREUNDER ARE LIQUIDATED, THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, OR OTHERWISE OBTAINING AN ADEQUATE REMEDY IS INCONVENIENT AND THE DAMAGES CALCULATED HEREUNDER CONSTITUTE A REASONABLE APPROXIMATION OF THE HARM OR LOSS.

SECTION 14. MARKET DISRUPTION

If a Market Disruption Event has occurred then the parties shall negotiate in good faith to agree on a replacement price for the Floating Price (or on a method for determining a replacement price for the Floating Price) for the affected Day, and if the parties have not so agreed on or before the second Business Day following the affected Day then the replacement price for the Floating Price shall be determined within the next two following Business Days with each party obtaining, in good faith and from non-affiliated market participants in the relevant market, two quotes for prices of Gas for the affected Day of a similar quality and quantity in the geographical location closest in proximity to the Delivery Point and averaging the four quotes. If either party fails to provide two quotes then the average of the other party's two quotes shall determine the replacement price for the Floating Price. "Floating Price" means the price or a factor of the price agreed to in the transaction as being based upon a specified index. "Market Disruption Event" means, with respect to an index specified for a transaction, any of the following events: (a) the failure of the index to announce or publish information necessary for determining the Floating Price; (b) the failure of trading to commence or the permanent discontinuation or material suspension of trading on the exchange or market acting as the index; (c) the temporary or permanent discontinuance or unavailability of the index; (d) the temporary or permanent closing of any exchange acting as the index; or (e) both parties agree that a material change in the formula for or the method of determining the Floating Price has occurred. For the purposes of the calculation of a replacement price for the Floating Price, all numbers shall be rounded to three decimal places. If the fourth decimal number is five or greater, then the third decimal number shall be increased by one and if the fourth decimal number is less than five, then the third decimal number shall remain unchanged.

SECTION 15. MISCELLANEOUS

15.1. This Contract shall be binding upon and inure to the benefit of the successors, assigns, personal representatives, and heirs of the respective parties hereto, and the covenants, conditions, rights and obligations of this Contract shall run for the full term of this Contract. No assignment of this Contract, in whole or in part, will be made without the prior written consent of the non-assigning party (and shall not relieve the assigning party from liability hereunder), which consent will not be unreasonably withheld or delayed; provided, either party may (i) transfer, sell, pledge, encumber, or assign this Contract or the accounts, revenues, or proceeds hereof in connection with any financing or other financial arrangements, or (ii) transfer its interest to any parent or Affiliate by assignment, merger or otherwise without the prior approval of the other party. Upon any such assignment, transfer and assumption, the transferor shall remain principally liable for and shall not be relieved of or discharged from any obligations hereunder.

15.2. If any provision in this Contract is determined to be invalid, void or unenforceable by any court having jurisdiction, such determination shall not invalidate, void, or make unenforceable any other provision, agreement or covenant of this Contract.

15.3. No waiver of any breach of this Contract shall be held to be a waiver of any other or subsequent breach.

15.4. This Contract sets forth all understandings between the parties respecting each transaction subject hereto, and any prior contracts, understandings and representations, whether oral or written, relating to such transactions are merged into and superseded by this Contract and any effective transaction(s). This Contract may be amended only by a writing executed by both parties.

15.5. The interpretation and performance of this Contract shall be governed by the laws of the jurisdiction as indicated on the Base Contract, excluding, however, any conflict of laws rule which would apply the law of another jurisdiction.

15.6. This Contract and all provisions herein will be subject to all applicable and valid statutes, rules, orders and regulations of any governmental authority having jurisdiction over the parties, their facilities, or Gas supply, this Contract or transaction or any provisions thereof.

15.7. There is no third party beneficiary to this Contract.

15.8. Each party to this Contract represents and warrants that it has full and complete authority to enter into and perform this Contract. Each person who executes this Contract on behalf of either party represents and warrants that it has full and complete authority to do so and that such party will be bound thereby.

15.9. The headings and subheadings contained in this Contract are used solely for convenience and do not constitute a part of this Contract between the parties and shall not be used to construe or interpret the provisions of this Contract.

15.10. Unless the parties have elected on the Base Contract not to make this Section 15.10 applicable to this Contract, neither party shall disclose directly or indirectly without the prior written consent of the other party the terms of any transaction to a third party (other than the employees, lenders, royalty owners, counsel, accountants and other agents of the party, or prospective purchasers of all or substantially all of a party's assets or of any rights under this Contract, provided such persons shall have agreed to keep such terms confidential) except (i) in order to comply with any applicable law, order, regulation, or exchange rule, (ii) to the extent necessary for the enforcement of this Contract, (iii) to the extent necessary to implement any transaction, (iv) to the extent necessary to comply with a regulatory agency's reporting requirements including but not limited to gas cost recovery proceedings; or (v) to the extent such information is delivered to such third party for the sole purpose of calculating a published index. Each party shall notify the other party of any proceeding of which it is aware which may result in disclosure of the terms of any transaction (other than as permitted hereunder) and use reasonable efforts to prevent or limit the disclosure. The existence of this Contract is not subject to this confidentiality obligation. Subject to Section 13, the parties shall be entitled to all remedies available at law or in equity to enforce, or seek relief in connection with this confidentiality obligation. The terms of any transaction hereunder shall be kept confidential by the parties hereto for one year from the expiration of the transaction.

In the event that disclosure is required by a governmental body or applicable law, the party subject to such requirement may disclose the material terms of this Contract to the extent so required, but shall promptly notify the other party, prior to disclosure.

and shall cooperate (consistent with the disclosing party's legal obligations) with the other party's efforts to obtain protective orders or similar restraints with respect to such disclosure at the expense of the other party.

15.11. The parties may agree to dispute resolution procedures in Special Provisions attached to the Base Contract or in a Transaction Confirmation executed in writing by both parties

15.12. Any original executed Base Contract, Transaction Confirmation or other related document may be digitally copied, photocopied, or stored on computer tapes and disks (the "Imaged Agreement"). The Imaged Agreement, if introduced as evidence on paper, the Transaction Confirmation, if introduced as evidence in automated facsimile form, the recording, if introduced as evidence in its original form, and all computer records of the foregoing, if introduced as evidence in printed format, in any judicial, arbitration, mediation or administrative proceedings will be admissible as between the parties to the same extent and under the same conditions as other business records originated and maintained in documentary form. Neither Party shall object to the admissibility of the recording, the Transaction Confirmation, or the Imaged Agreement on the basis that such were not originated or maintained in documentary form. However, nothing herein shall be construed as a waiver of any other objection to the admissibility of such evidence

DISCLAIMER: The purposes of this Contract are to facilitate trade, avoid misunderstandings and make more definite the terms of contracts of purchase and sale of natural gas. Further, NAESB does not mandate the use of this Contract by any party. NAESB DISCLAIMS AND EXCLUDES, AND ANY USER OF THIS CONTRACT ACKNOWLEDGES AND AGREES TO NAESB'S DISCLAIMER OF, ANY AND ALL WARRANTIES, CONDITIONS OR REPRESENTATIONS, EXPRESS OR IMPLIED, ORAL OR WRITTEN, WITH RESPECT TO THIS CONTRACT OR ANY PART THEREOF, INCLUDING ANY AND ALL IMPLIED WARRANTIES OR CONDITIONS OF TITLE, NON-INFRINGEMENT, MERCHANTABILITY, OR FITNESS OR SUITABILITY FOR ANY PARTICULAR PURPOSE (WHETHER OR NOT NAESB KNOWS, HAS REASON TO KNOW, HAS BEEN ADVISED, OR IS OTHERWISE IN FACT AWARE OF ANY SUCH PURPOSE), WHETHER ALLEGED TO ARISE BY LAW, BY REASON OF CUSTOM OR USAGE IN THE TRADE, OR BY COURSE OF DEALING. EACH USER OF THIS CONTRACT ALSO AGREES THAT UNDER NO CIRCUMSTANCES WILL NAESB BE LIABLE FOR ANY DIRECT, SPECIAL, INCIDENTAL, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES ARISING OUT OF ANY USE OF THIS CONTRACT.

EXHIBIT A
TRANSACTION CONFIRMATION
FOR IMMEDIATE DELIVERY

	Date: May 7, 2018 Transaction Confirmation #
This Transaction Confirmation is subject to the Base Contract between Seller and Buyer dated May 7, 2018. The terms of this Transaction Confirmation are binding unless disputed in writing within 2 Business Days of receipt unless otherwise specified in the Base Contract.	
SELLER: Summit Energy, LLC 201 S Main, 20 th Floor Salt Lake City, UT 84111 Attn: Bruce Rigby Phone: 801-787-8888 Fax: 435-940-9002 Base Contract No. _____ Transporter: _____ Transporter Contract Number: _____	BUYER: Utah Transit Authority 669 South 200 West Salt Lake City, UT 84101 Attn: Pat Postell Phone: 801-287-3080 Fax: _____ Base Contract No. <u>18-2549PP</u> Transporter: _____ Transporter Contract Number: _____
Contract Price: Inside FERC Northwest Rockies Monthly Index minus \$0.02/MMBtu.	
Delivery Period: Begin: <u>July 1, 2018</u> End: <u>June 30, 2023</u>	
Performance Obligation and Contract Quantity: (Select One)	
Firm (Fixed Quantity): _____ MMBtus/day ☐ EFP	Firm (Variable Quantity): <u>ALL</u> MMBtus/day Minimum <u>ALL</u> MMBtus/day Maximum subject to Section 4.2. at election of ☐ Buyer or ☒ Seller
Interruptible: Up to _____ MMBtus/day	
Delivery Point(s): <u>Dominion Energy City Gate(s)</u> (If a pooling point is used, list a specific geographic and pipeline location)	
Special Conditions: Contract Price does not include Dominion Pipeline transportation, Dominion Pipeline fuel and Dominion Energy Fuel. A fee of \$0.026/MMBtu will be added for covering daily imbalance fees. Seller will reimburse any penalties charged by Dominion Energy, as long as Firm Demand contracts are sufficiently set up by Buyer. Seller shall perform gas nominations on behalf of Buyer. Enacted in 2018, Section 17B-2a-803.1 of the Utah Code changes the name of Utah Transit Authority to Transit District of Utah, but provides that UTA shall implement the change over time and as resources permit. Notwithstanding the timing or manner of this change, the Parties acknowledge that any such name change, or lack thereof will only pertain to UTA's name, and will not affect the duties and obligations of the parties set forth in this Agreement or otherwise.	
Seller: <u>Summit Energy, LLC</u> By: <u>[Signature]</u> Title: <u>V.P. Natural Gas</u> Date: <u>5-10-2018</u>	Buyer: <u>Utah Transit Authority</u> By: <u>[Signature]</u> Title: <u>Interim Executive Director</u> Date: <u>May 9, 2018</u>



Utah Transit Authority

MEETING MEMO

669 West 200 South
Salt Lake City, UT 84101

Board of Trustees

Date: 6/28/2023

TO: Board of Trustees
THROUGH: Jay Fox, Executive Director
FROM: Nichol Bordeaux, Chief Planning and Engagement Officer
PRESENTER(S): Russ Fox, Director of Planning
Alex Beim, Manager of Long Range and Strategic Planning
Megan Waters, Director of Community Engagement

TITLE:

UTA Moves 2050 - Long Range Transit Plan (LRTP)

AGENDA ITEM TYPE:

Discussion

RECOMMENDATION:

Informational item for discussion

BACKGROUND:

UTA is developing UTA Moves 2050, a 30-year Long Range Transit Plan (LRTP) focused on understanding and responding to the future needs of the communities we serve. This plan will provide a comprehensive, system-wide vision to guide UTA's planning into the future.

The primary goals of the LRTP process are to:

- **Strengthen partnerships with the communities UTA serves** through collaborative plan development
- **Assess long-term transit needs** through data collection and analysis, as well as public engagement
- **Develop a system-wide vision for the future** to meet anticipated needs through improvements across all modes of the transit system
- **Establish strategies for implementation** through financial analysis and identification of potential partnerships and resources needed to achieve the long-term vision

The LRTP will serve as a complementary planning process to the Regional Transportation Plans (RTPs) developed by MAG and WFRC. Like the RTPs, the LRTP is planned for adoption in 2023 and will be updated on

a 4-year cycle. Unlike the RTPs, the LRTP will include all aspects of local and regional transit service delivery across the UTA service area.

DISCUSSION:

In alignment with the 2030 UTA Strategic plan, UTA has developed a draft 30-year vision informed by existing MAG, WFRC, and UTA plans, as well as a system-wide needs assessment.

The draft vision contains four investment strategies:

- 1) Maintain our System
- 2) Enhance the System
- 3) Expand the Frequent Service Network
- 4) Serve Growth Areas

The next step in the process will be to gather feedback on potential investment strategies through a robust community outreach process. The draft vision will then be refined, and a fiscally constrained implementation plan will be developed.

ALTERNATIVES:

N/A

FISCAL IMPACT:

The project consultant budget is \$349,000, with \$125,000 budgeted for 2022 and \$224,00 budgeted for 2023.

ATTACHMENTS:

None



Utah Transit Authority

MEETING MEMO

669 West 200 South
Salt Lake City, UT 84101

Board of Trustees

Date: 6/28/2023

TO: Board of Trustees
THROUGH: Jay Fox, Executive Director
FROM: Jay Fox, Executive Director
PRESENTER(S): Carlton Christensen, Chair of Board of Trustees

TITLE:

Strategy Session to Discuss Collective Bargaining

AGENDA ITEM TYPE:

Closed Session

RECOMMENDATION:

Approve moving to closed session for discussion of collective bargaining.

BACKGROUND:

Utah Open and Public Meetings Act allows for the Board of Trustees to meet in a session closed to the public for various specific purposes.

DISCUSSION:

The purpose for this closed session is:

- Strategy session to discuss collective bargaining