

Annual Comprehensive Financial Report

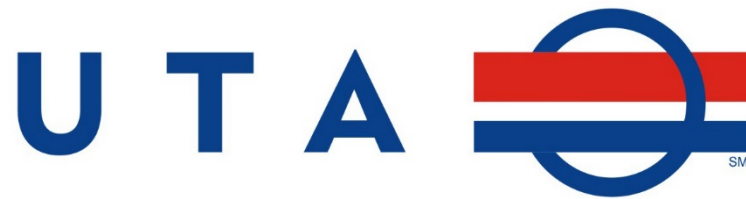
For Fiscal Year Ended
December 31, 2021



UTAH TRANSIT
AUTHORITY

a Component Unit of
the State of Utah





Our Mission

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



Annual Comprehensive Financial Report

For Fiscal Year Ended
December 31, 2021

Finance Department

William Greene
Chief Financial Officer

Troy Bingham
Comptroller



UTAH TRANSIT AUTHORITY
A Component Unit of the State of Utah



Introductory



For Fiscal Year Ended
December 31, 2021

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

June 17, 2022

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, 2021. 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 it 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, 2021, 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 2,642,086 and represents 78.5 percent of the state's total population.



Economy

Utah bounced back in 2021 from the pandemic recession shock. The state added a record-breaking 72,500 jobs over the year, recovering the 20,900 jobs lost in 2020 and gaining an additional 51,600 new jobs. Nationally, the jobs base is still 3.3% smaller than pre-pandemic. In 2021, only Utah and Idaho had more jobs than in 2019. The state's recovery has been widespread, but pockets of challenge remain. The leisure, hospitality and mining industries have yet to reach their 2019 peaks.

Though it has yet to fully add back all jobs lost in 2020, on account of both the severity of the loss and a tight labor market, the travel and tourism sector shone bright in 2021. Despite operating under pandemic conditions and international travel restrictions, Utah ski resorts experienced a record number of skier visits during the 2020-21 season. Net in-migration reached a 16-year high in 2021, with nearly 35,000 new residents moving in from out of state. Population growth, combined with job and wage growth and low interest rates, fueled the ongoing real estate and construction boom. The value of nonresidential construction reached a new peak of \$2.7 billion, and builders permitted a record 35,500 new dwelling units, despite supply-chain challenges and price pressures. Strong demand continues to boost home prices, which increased a never experienced 23.5% over the year.

The consensus forecast predicts another year of substantial economic expansion in Utah in 2022. The most pressing internal risks will be growth-driven challenges like a limited labor supply, increasing costs, and housing affordability. Declining fertility, 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 2022 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 Comprehensive Annual Financial Report (ACFR) for the fiscal year ended December 31, 2020. This was the twenty-eighth 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 Comprehensive Annual 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

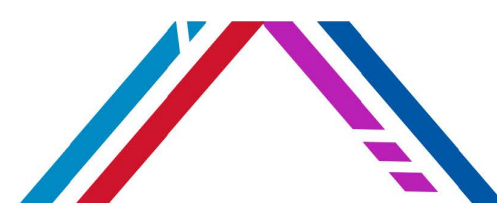
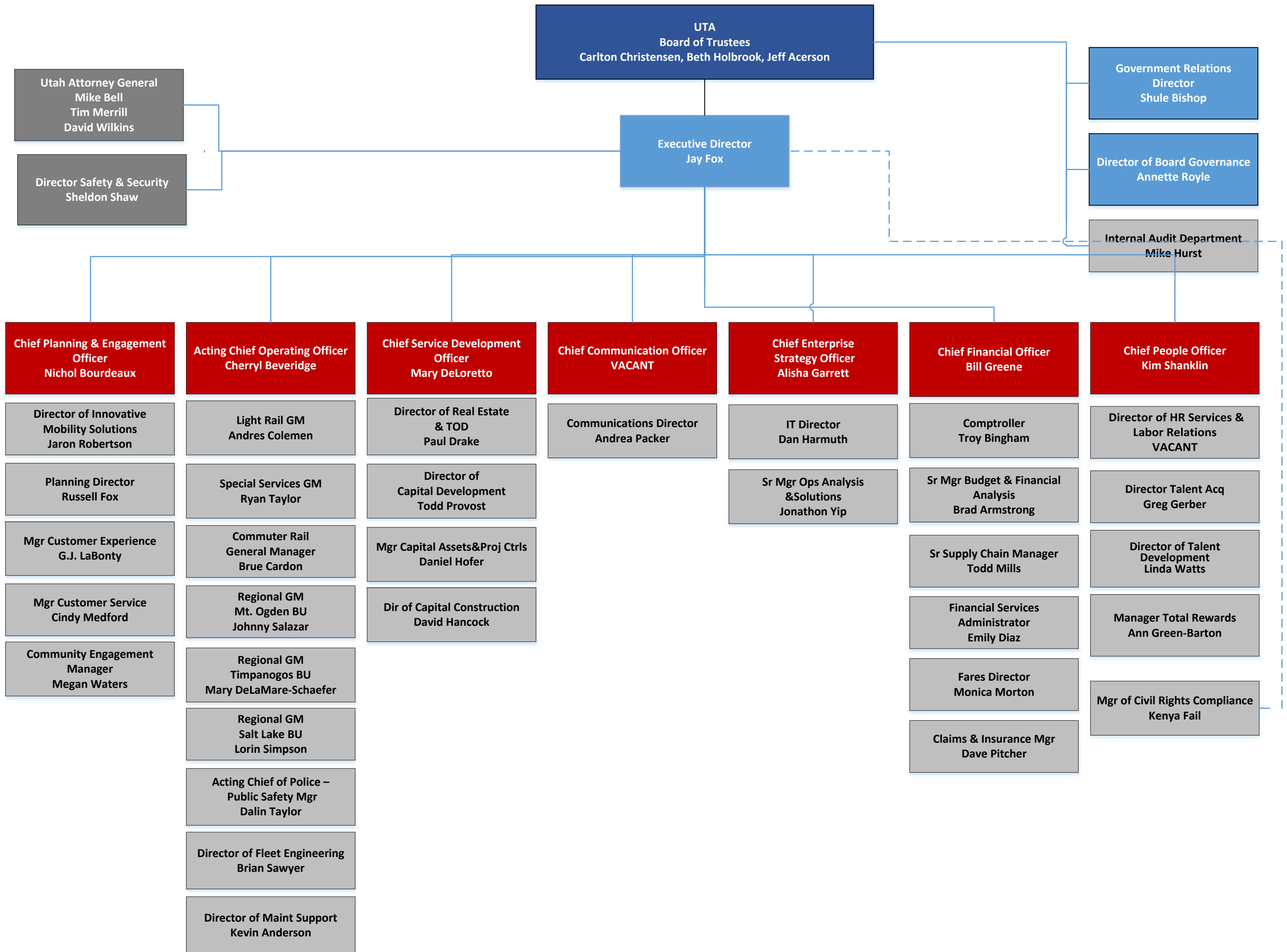
Utah Transit Authority

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2020

Christopher P. Morrill

Executive Director/CEO



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
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
INTERIM CHIEF OPERATING OFFICER Cheryl Beveridge
CHIEF PEOPLE OFFICER..... Kim Shanklin
CHIEF SERVICE DEVELOPMENT OFFICER Mary DeLoretto
CHIEF ENTERPRISE STRATEGY OFFICER..... Alisha Garrett
CHIEF COMMUNICATION OFFICER..... Vacant



Local Advisory Council Members

Name	Appointing Authority
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CHAIR

Julie Fullmer	Utah County COG
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VICE CHAIRS

Mark Johnson	Utah County COG
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Troy Walker	Salt Lake County COG
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MEMBERS

Erin Mendenhall	Salt Lake City
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Leonard Call	Weber Area COG
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Bob Stevenson	Davis Area COG
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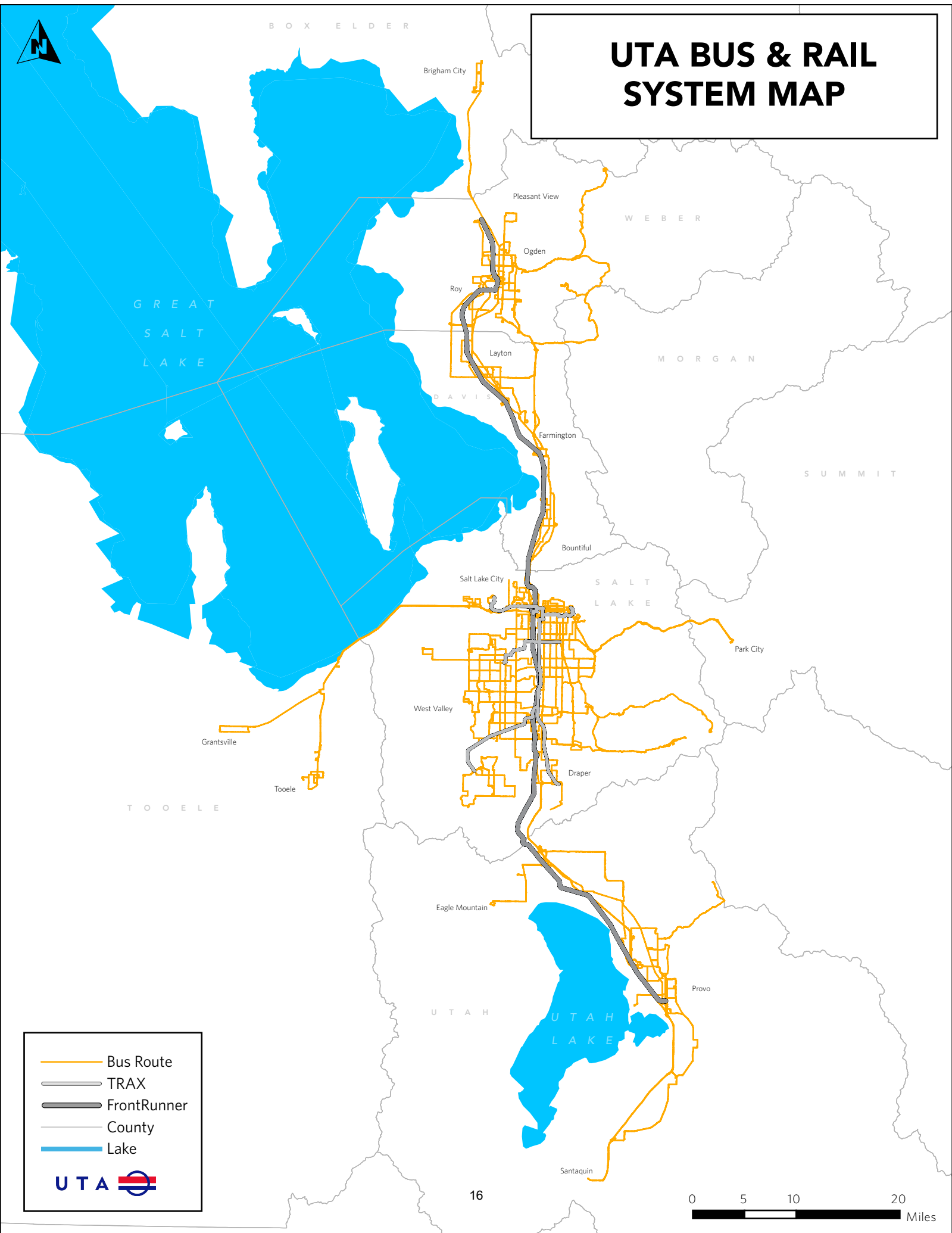
Karen Cronin	Box Elder COG/Tooele COG
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Dan Peay	Salt Lake County COG
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Trent Staggs	Salt Lake County COG
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UTA BUS & RAIL SYSTEM MAP



-  Bus Route
-  TRAX
-  FrontRunner
-  County
-  Lake



Financial



For Fiscal Year Ended
December 31, 2021

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 the 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, 2021, 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 the fiduciary activities of the Authority, as of December 31, 2021, 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.

Responsibilities of Management for the Financial Statements

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

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

(Continued)

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

(Continued)

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The schedule of revenues, expenses and changes in net position budget and 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 (CFR) 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 and 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 17, 2022 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 17, 2022

Utah Transit Authority's 2021 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, 2021. 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. 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 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 \$331,437,253 at December 31, 2021, which represents an increase of \$103,355,329 or 45.3 percent from the prior year.
- The total expenses of the Authority's increased 2.7 percent to \$574,219,498 during fiscal year 2021, while the Authority's total revenues increased by 13.2 percent to \$683,436,340.
- At December 31, 2021, the Authority had \$2,412,681,616 of debt outstanding, including \$57,670,000 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, 2021 were exceeded by its assets and deferred outflows by \$1,026,420,583.
- Revenues exceeded the budget by \$21,225,694; alternatively, operating expense savings of \$22,356,022 under the budget helped to provide additional available resources to fund the Authority's reserves available for future appropriation.
- For 2021, ridership increased by 1.8 percent compared to the prior year, with demand response growing the most in 2021, at 61.1 percent. Fare revenues contributed 4.2 percent of the total revenues for the Authority during fiscal year 2021.



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 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



Changes in Net Position

CONDENSED STATEMENTS OF NET POSITION

	2021	2020	<i>Difference</i>	<i>Percent difference</i>
Assets				
Current and other assets	\$ 668,133,227	\$ 529,958,949	\$ 138,174,278	26%
Capital assets, net	2,887,958,168	2,883,366,259	4,591,909	0%
Total assets	<u>3,556,091,395</u>	<u>3,413,325,208</u>	<u>142,766,187</u>	4%
Deferred outflows of resources	<u>135,869,962</u>	<u>140,645,019</u>	<u>(4,775,057)</u>	-3%
Liabilities				
Current liabilities	192,105,104	100,846,311	91,258,793	90%
Long-term liabilities	2,445,107,562	2,513,952,882	(68,845,320)	-3%
Total liabilities	<u>2,637,212,666</u>	<u>2,614,799,193</u>	<u>22,413,473</u>	1%
Deferred inflows of resources	<u>28,328,108</u>	<u>21,967,293</u>	<u>6,360,815</u>	29%
Net position				
Net investment in capital assets	667,968,269	648,605,411	19,362,858	3%
Restricted	27,015,061	40,516,406	(13,501,345)	-33%
Unrestricted	331,437,253	228,081,924	103,355,329	45%
Total net position	<u>\$ 1,026,420,583</u>	<u>\$ 917,203,741</u>	<u>\$ 109,216,842</u>	12%

Current and other assets increased from 2020 due to the Authority continued receipt of federal stimulus associated with CARES Act and Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) funding. These funds reimbursed the Authority for operating expenses previously paid with local sales taxes. This allowed the Authority to accumulate cash to offset losses in passenger fare and investment income effected by the downturn in the market due to the COVID-19 pandemic. The Authority was able to drawdown the remaining \$90,268,322 in CARES Act funding and an additional \$33,584,103 CRRSA Act. This offset what would have been local funding in the 2021 budget.

Current liabilities increased from 2020 due three factors. First, non-state accounts payables increased by \$18.7 million for large construction projects payments pending at year end. Second, larger principal payment of \$31.5 million being required in 2021 on long-term debt. Third, the State of Utah started transferring cash funds awarded in the 2021 Legislative Session of \$101.4 million to the Authority prior to spending the funds, so unearned revenue for the State of Utah was \$48.2 million at year end.

Deferred inflows of resources increased from 2020 due to the 2021 bond refunding which created a gain on refunding that will be amortized against interest expense over the remaining life of the 2015 bonds.

Restricted net position decreased from 2020 due to actions taken by the Authority to reduce the required debt service reserve from \$13,090,406 at the beginning of 2021 to \$3,243 by the end of 2021. These remaining amounts will be used to make the June 2022 interest payments on the 2010 and 2015 bonds.

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, 2021, the Authority's unrestricted net position increased \$109.2 million from December 31, 2020. This change can be attributed to change 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

	<u>2021</u>	<u>2020</u>	<u>Difference</u>	<u>Percent difference</u>
Operating revenues	\$ 30,386,187	\$ 34,880,272	\$ (4,494,085)	-13%
Operating expenses	472,933,325	459,473,189	13,460,136	3%
Excess of operating expenses over operating revenues	(442,547,138)	(424,592,917)	(17,954,221)	-4%
Non-operating revenues	584,816,562	544,637,971	40,178,591	7%
Non-operating expenses	101,286,173	99,898,505	1,387,668	1%
Income (loss) before contributions	40,983,251	20,146,549	20,836,702	-103%
Capital contributions	68,233,591	24,288,898	43,944,693	181%
Change in net position	<u>\$ 109,216,842</u>	<u>\$ 44,435,447</u>	<u>\$ 64,781,395</u>	-146%
Total net position, January 1	\$ 917,203,741	\$ 872,768,294		
Total net position, December 31	\$ 1,026,420,583	\$ 917,203,741		

SUMMARY OF REVENUES FOR THE YEAR ENDED DECEMBER 31

	<u>2021</u>	<u>2020</u>	<u>Difference</u>	<u>Percent difference</u>
Operating				
Passenger revenue	\$ 28,510,458	\$ 32,845,272	\$ (4,334,814)	-13%
Advertising	1,875,729	2,035,000	(159,271)	-8%
Total operating revenue	30,386,187	34,880,272	(4,494,085)	-13%
Non-operating				
Contributions from other gov'ts (sales tax)	433,360,729	361,590,707	71,770,022	20%
Federal noncapital assistance	130,631,095	160,258,318	(29,627,223)	-18%
Interest income	1,432,026	3,525,448	(2,093,422)	-59%
Sale of assets	1,411,431	927,566	483,865	52%
Build America Bond subsidy	8,158,624	8,893,288	(734,664)	-8%
Other	9,822,657	9,442,644	380,013	4%
Total non-operating revenue	584,816,562	544,637,971	40,178,591	7%
Capital contributions	68,233,591	24,288,898	43,944,693	181%
Total revenues	<u>\$ 683,436,340</u>	<u>\$ 603,807,141</u>	<u>\$ 79,629,199</u>	13%

Total revenues for the Authority's increased \$79.6 million, and total expenses increased \$14.8 million which resulted in a \$64.8 million increase in change in net position during the current year.

Passenger revenue as a portion of total revenues declined to 4.2 percent from 5.4 percent in 2020. This resulted in \$4.3 million less revenue, which is due to corporate fare contract revenues continue to decline even though overall ridership is slowly returning. Many of the Authority's corporate supporters have opted for contracts based on ridership during the COVID-19 pandemic rather than just general support of 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. 63.4 percent of total revenues are derived from sales taxes. Sales tax revenues increased by \$71.8 million driven mainly by a vibrant economy described in the letter of transmittal section.

In 2021, the federal government continued to contribute to the Authority for operating, maintenance, and administration assistance for \$90,268,322 in CARES Act funding and an additional \$33,584,103 in CRRSA Act funding. These allocations were based on a formula that factored in 2019 operating expenses of the Authority to determine the award amount. The funds received this year only constituted the first nine month of 2021 operating, maintenance, and administration expenses, and the remaining four months will be received in 2022 due to delays in filing for next round of federal stimulus funding. This delay led to the decrease of 29.6 million in 2021 federal noncapital assistance revenues.

Capital contributions increased by \$43.9 million due to state and local partners contributing more on capital projects in 2021. This can be expected, as local participation in new construction projects can vary from year to year and whether or not the project is grant funded.

SUMMARY OF EXPENSES FOR THE YEAR ENDED DECEMBER 31

	<u>2021</u>	<u>2020</u>	<i>Difference</i>	<i>Percent difference</i>
Operating expenses				
Bus service	\$ 108,575,280	\$ 107,390,047	\$ 1,185,233	1%
Rail service	94,943,238	96,041,283	(1,098,045)	-1%
Demand response service	27,083,173	22,646,903	4,436,270	20%
Other services	3,587,718	3,296,275	291,443	9%
Operations support	50,621,841	46,463,776	4,158,065	9%
Administration	54,073,187	44,545,686	9,527,501	21%
Depreciation	134,048,888	139,089,219	(5,040,331)	-4%
Total operating expenses	<u>472,933,325</u>	<u>459,473,189</u>	<u>13,460,136</u>	3%
Non-operating expenses				
Interest expense	101,286,173	99,898,505	1,387,668	1%
Total non-operating expenses	<u>101,286,173</u>	<u>99,898,505</u>	<u>1,387,668</u>	1%
Total expenses	<u>\$ 574,219,498</u>	<u>\$ 559,371,694</u>	<u>\$ 14,847,804</u>	3%

Operating expenses for 2021 increased \$14.8 million from 2020. The two most significant changes by mode are in demand response services and administration. The demand response service introduced a new type of service called microtransit that increased this mode by \$2.4 million. Demand response services experienced an overall increase in general demand in Utah and Salt Lake County post-COVID-19 (see ridership comparison).

Administration increases are related to capital maintenance expenses. Capital maintenance expenses are significant but infrequent non-capital expenses that are not directly attributed to each mode of transit. The following chart shows the amount allocated to each mode:



SUMMARY OF CAPITAL MAINTENCE EXPENSES FOR THE YEAR ENDED DECEMBER 31

	<u>2021</u>	<u>2020</u>	<u>Difference</u>	<u>Percent difference</u>
Capital Maintenance Expenses in Projects				
Bus service	\$ 1,050,751	\$ 2,935,739	\$ (1,884,988)	-64%
Rail service	16,279,011	22,009,771	(5,730,760)	-26%
Demand response service	162,543	4,802	157,741	3285%
Other service	3,030	-	3,030	
Administration	13,558,929	5,025,154	8,533,775	170%
Total capital maintenance expenses	<u>\$ 31,054,264</u>	<u>\$ 29,975,466</u>	<u>\$ 1,078,798</u>	4%

Like most transit service agencies, personnel cost is the Authority's largest expense. Personnel cost for the Authority in 2021 was 67.1 percent of total operating expense less depreciation expense. Overall, personnel cost increased \$1.2 million in 2021 due to the Authority increasing salaries less fringe expense reductions.

SUMMARY OF OPERATING EXPENSES FOR THE YEAR ENDED DECEMBER 31

	<u>2021</u>	<u>2020</u>	<u>Difference</u>	<u>Percent difference</u>
Operating expense less depreciation	\$ 338,884,437	\$ 320,383,970	\$ 18,500,467	5.8%
Wages	158,066,997	153,887,948	4,179,049	2.7%
Benefits	69,212,130	72,156,293	(2,944,163)	-4.1%
Operations less wages/benefits	111,605,310	94,339,729	17,265,581	18.3%
Personnel cost	<u>\$ 227,279,127</u>	<u>\$ 226,044,241</u>	\$ 1,234,886	0.5%
% of operating expense	67.1%	70.6%	-3.5%	-4.9%

Operating expense less personnel cost increased \$18.5 million due to raising inflation of cost for goods, mostly fuel, and services after the COVID-19 pandemic.

CAPITAL ASSET AND DEBT ADMINISTRATION

CAPITAL ASSET ACTIVITY

	<u>2021</u>	<u>2020</u>	<u>Difference</u>	<u>Percent difference</u>
Land	\$ 411,342,949	\$ 410,537,405	\$ 805,544	0%
Construction in process	203,927,118	137,936,777	65,990,341	48%
Infrastructure	2,508,863,889	2,500,620,104	8,243,785	0%
Building and building improvements	203,911,043	213,225,412	(9,314,369)	-4%
Revenue vehicles	748,886,006	752,974,669	(4,088,663)	-1%
Leased revenue vehicles	87,967,286	71,632,600	16,334,686	23%
Equipment	66,816,219	66,536,885	279,334	0%
Land improvements	178,487,488	148,507,252	29,980,236	20%
Leased land improvements	94,273,476	84,485,965	9,787,511	12%
Intangibles	57,097,309	54,745,003	2,352,306	4%
Accumulated depreciation and amortization	<u>(1,673,614,615)</u>	<u>(1,557,835,813)</u>	<u>(115,778,802)</u>	7%
Total capital assets, net	<u>\$ 2,887,958,168</u>	<u>\$ 2,883,366,259</u>	<u>\$ 4,591,909</u>	0%

Capital Assets

At the end of fiscal year 2021, the Authority had invested \$4.5 million in a broad range of capital assets, including land, buildings, improvements, equipment, infrastructure, and construction in progress. The Authority continued to better define categories of capital asset. This resulted in transfers of assets from building and building improvements category to infrastructure and land improvement categories (see Footnote 4 for more details).

Major Capital Asset Additions

This year's major Authority capital asset additions included the following:

- The increase in leased revenue vehicle assets reflects the purchase of the new 2021 revenue vehicle fleet.
- The Authority's construction in process activities for fiscal year 2021 included \$41.6 million expended on the Authority's new clean fuel maintenance facility construction, \$32.0 million on the future Ogden/Weber State bus rapid transit project, \$21.5 million for the new airport TRAX station, and \$15.2 million on double tracking FrontRunner in northern Utah County for the new Vineyard Station.

Long-Term Debt And Other Obligations

At year-end the Authority's 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 in each county. Of the Authority's debt, \$81.5 million represents leases secured solely by specified revenue vehicle that is pledged as collateral on the lien.

The Authority's total debt obligations decreased \$34.4 million during the 2021 fiscal year. The key components of the 2021 activities were the issuance of taxable refunding sales tax revenue bonds totaling \$383.1 million of 2015 senior lien sales tax revenue bonds and \$14.1 million of subordinate lien sales tax revenue bonds as well as new lease funding totaling \$32.0 million, coupled with principal retirements of \$62.7 million. More detailed information about the Authority's long-term debt is presented in Footnote 9 to the financial statements.

Bond Ratings

The Authority maintains ratings of AA from Fitch Ratings, Aa2 from Moody's Investors Services and AA from Standard and Poor's. All three ratings were reconfirmed during fiscal year 2021 refunding.

DEBT ADMINISTRATION

Source: Zions Bank Financial Advisors
 Effective date: November 2021

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



THE UTAH TRANSIT AUTHORITY
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 Year Ended December 31, 2021

Debt Service Coverage Ratio (DSCR)	Policy Minimum DSCR Requirements	Minimum DSCR Forecasted	Year of Minimum
Senior Lien	2.0x	3.60x	2022
Subordinate Lien	1.5x	4.54x	2040

The Authority's net coverage ratio would reach a minimum of 2.49 in 2022. Adherence to other minimum debt service coverage ratios are detailed in the table below:

Year	2022 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
2022	353,760,000	98,150,193	3.60	43,797,227	8.08	141,947,420	2.49
2023	375,324,000	104,039,742	3.61	46,453,711	8.08	150,493,453	2.49
2024	391,804,000	104,045,687	3.77	46,446,219	8.44	150,491,906	2.60
2025	406,779,000	105,978,989	3.84	46,447,174	8.76	152,426,163	2.67
2026	421,509,000	105,981,667	3.98	46,451,771	9.07	152,433,438	2.77
2027	436,199,000	101,946,084	4.28	56,198,041	7.76	158,144,125	2.76
2028	451,640,445	101,941,964	4.43	56,188,017	8.04	158,129,981	2.86
2029	467,628,516	104,906,327	4.46	62,439,403	7.49	167,345,730	2.79
2030	484,182,566	102,048,307	4.74	62,415,895	7.76	164,464,202	2.94
2031	501,322,629	102,055,492	4.91	62,439,893	8.03	164,495,385	3.05
2032	519,069,450	101,802,153	5.10	62,439,607	8.31	164,241,760	3.16
2033	537,444,508	124,060,994	4.33	40,077,991	13.41	164,138,985	3.27
2034	556,470,044	124,064,926	4.49	40,080,199	13.88	164,145,125	3.39
2035	576,169,083	124,062,891	4.64	40,078,514	14.38	164,141,405	3.51
2036	596,565,469	127,429,814	4.68	34,962,723	17.06	162,392,537	3.67
2037	617,683,887	125,833,888	4.91	36,563,777	16.89	162,397,665	3.80
2038	639,549,896	123,415,219	5.18	38,980,308	16.41	162,395,527	3.94
2039	662,189,962	99,960,375	6.62	62,436,883	10.61	162,397,258	4.08
2040	685,631,487	11,657,724	58.81	150,946,856	4.54	162,604,580	4.22
2041	709,902,842	79,316,687	8.95	66,369,476	10.70	145,686,163	4.87
2042	735,033,402	122,206,633	6.01	23,475,140	31.31	145,681,773	5.05
2043	761,053,585	4,445,000	171.22	-	-	4,445,000	171.22
2044	787,994,882	4,439,300	177.50	-	-	4,439,300	177.50

ECONOMIC AND OPERATING FACTORS AND NEXT YEAR'S BUDGETS

Key Economic Factors

- During 2020, an outbreak of a novel strain of coronavirus (COVID-19) emerged globally. As a result of the spread of COVID-19, economic uncertainties have arisen that could negatively impact the Authority's anticipated future revenues and operations for an indeterminable period of time. Other financial impacts could occur but are unknown as of the date of publication of this financial report.
- In response to the COVID-19 global pandemic, the federal government has made funding available via the Coronavirus Aid, Relief, and Economic Security ("CARES") Act and Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) funding to aid localities in their response to the health crisis. Expenditures of this federal funding are 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 2022 operating budget is \$36.6 million higher than 2021, which is a 11.2 percent increase from fiscal year 2021.

Operating Statistics

The following information provides an annual comparison of ridership by service for years 2021 and 2020.

RIDERSHIP COMPARISON

Source: National Transit Database

	2021	2020	Difference	Percent difference
Bus service	12,616,872	12,441,304	175,568	1.4%
Light rail service	8,403,862	8,247,364	156,498	1.9%
Commuter rail service	2,062,333	2,024,524	37,809	1.9%
Demand response service	301,505	187,112	114,393	61.1%
Other service	587,721	658,990	(71,269)	-10.8%
Total ridership	23,972,293	23,559,294	412,999	1.8%

The Authority had a 1.8 percent increase in ridership in 2021 and continues to recovery 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	\$	190,968,233
Investments		151,672,499
Restricted cash and cash equivalents (bond funds)		16,938,274
Receivables		
Contributions from other governments (sales tax)		83,728,630
Federal grants		32,359,923
Other		8,121,608
State of Utah		3,447,244
Parts and supplies inventories		34,175,227
Prepaid expenses		2,245,414
Total Current Assets		<u>523,657,052</u>

Noncurrent Assets:

Restricted cash equivalents and cash equivalents		
Bonds funds		3,243
Interlocal agreements		2,044,945
Escrow funds		102,795,975
Self-insurance deposits		9,089,772
Total restricted cash equivalents and cash equivalents		<u>113,933,935</u>
Non-depreciable capital assets		
Land		411,342,949
Construction in progress		203,927,118
Total non-depreciable capital assets		<u>615,270,067</u>
Depreciable Capital Assets:		
Land improvements		178,487,488
Leased Land Improvements		94,273,476
Building and building improvements		203,911,043
Infrastructure		2,508,863,889
Revenue vehicles		748,886,006
Leased revenue vehicles		87,967,286
Equipment		66,816,219
Intangibles		57,097,309
Total depreciable capital assets		<u>3,946,302,716</u>
Total capital assets		4,561,572,783
Less accumulated depreciation and amortization		<u>(1,673,614,615)</u>
Total capital assets, net depreciation		2,887,958,168
Amount recoverable - interlocal agreement		19,461,924
Other assets		11,080,316
Total Noncurrent Assets		<u>3,032,434,343</u>

TOTAL ASSETS **\$ 3,556,091,395**

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	\$ 111,434,804
Deferred outflows of resources related to pension	24,435,158
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>135,869,962</u>
LIABILITIES	
Current Liabilities:	
Accounts payable:	
Other	38,295,605
State of Utah	5,826,591
Accrued liabilities, primarily payroll-related	6,551,808
Current portion of compensated absences	10,238,900
Current portion of accrued interest	4,381,335
Current portion of interlocal loan	1,545,000
Current portion of long-term debt	64,946,585
Accrued self-insurance liability	1,061,173
Unearned revenues:	
Other	11,025,626
State of Utah	48,232,481
Total Current Liabilities	<u>192,105,104</u>
Long-Term Liabilities:	
Long-term compensated absences	4,385,260
Long-term deposits	46,559
Long-term accrued interest	3,643,226
Interlocal loan	56,125,000
Long-term debt	2,290,265,031
Long-term net pension liability	90,642,486
Total Long-term Liabilities	<u>2,445,107,562</u>
TOTAL LIABILITIES	<u>2,637,212,666</u>
DEFERRED INFLOWS OF RESOURCES	
Advanced debt refunding - gain on refunding	5,538,748
Deferred inflows of resources related to pension	22,789,360
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>28,328,108</u>
NET POSITION	
Net investment in capital assets	667,968,269
Restricted for:	
Debt service	16,941,517
Interlocal agreements	2,044,945
Self-insurance deposits	8,028,599
Unrestricted	331,437,253
TOTAL NET POSITION	<u>\$ 1,026,420,583</u>

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



UTAH TRANSIT AUTHORITY
 FINANCIAL STATEMENTS
 Year Ended December 31, 2021

STATEMENT OF REVENUES, EXPENSES AND CHANGE IN NET POSITION

OPERATING REVENUES	
Passenger fares	\$ 28,510,458
Advertising	1,875,729
Total operating revenues	<u>30,386,187</u>
OPERATING EXPENSES	
Bus service	108,575,280
Rail service	94,943,238
Demand response service	27,083,173
Other service	3,587,718
Operations support	50,621,841
Administration	54,073,187
Depreciation	134,048,888
Total operating expenses	<u>472,933,325</u>
EXCESS OPERATING EXPENSES OVER OPERATING REVENUES	<u>(442,547,138)</u>
NON-OPERATING REVENUES (EXPENSES)	
Contributions from other governments (sales tax)	433,360,729
Federal operating grants	130,631,095
Investment income	1,432,026
Net gain on sale of capital assets	1,411,431
Other	9,822,657
Interest expense	(101,286,173)
Build America Bond subsidies	8,158,624
Net non-operating revenues	<u>483,530,389</u>
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS	<u>40,983,251</u>
CAPITAL CONTRIBUTIONS	
Federal grants	48,642,468
Local	19,545,348
Capital contribution	45,775
TOTAL CAPITAL CONTRIBUTIONS	<u>68,233,591</u>
CHANGE IN NET POSITION	<u>109,216,842</u>
Total Net Position, January 1	917,203,741
Total Net Position, December 31	<u><u>\$ 1,026,420,583</u></u>

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

STATEMENT OF CASH FLOWS

Cash flows from operating activities:	
Passenger receipts	\$ 26,360,852
Advertising receipts	3,222,176
Other receipts	9,822,657
Payments to vendors	(101,160,108)
Payments to employees	(160,667,641)
Employee benefits paid	(75,067,384)
Net cash used in operating activities	<u>(297,489,448)</u>
Cash flows from noncapital financing activities:	
Sales tax receipts	420,342,483
Federal operating/maintenance grants	143,468,591
Net cash provided by noncapital financing activities	<u>563,811,074</u>
Cash flows from capital and related financing activities:	
Contributions for capital projects	
Federal	32,311,468
Local	66,578,541
Proceeds from revenue bond escrow deposits	3,412,754
Payments of bonds	(39,165,000)
Payments on interlocal loan	(7,995,597)
Build America Bond subsidies received	8,158,624
Bond Interest payments	(107,604,181)
Proceeds from leases	32,019,500
Payment on leases	(7,814,261)
Purchases of capital assets	(128,759,974)
Proceeds from the sale of property	1,411,431
Net cash used in capital and related financing activities	<u>(147,446,695)</u>
Cash flows from investing activities:	
Interest on investments	1,343,660
Purchases of investments	6,120,980
Proceeds from the sales of investments	(137,643,381)
Net cash used in investing activities	<u>(130,178,741)</u>
Net change in cash and cash equivalents	<u>(11,303,810)</u>
Cash and cash equivalents at beginning of year	333,144,252
Cash and cash equivalents at end of year	<u>\$ 321,840,442</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	\$ 321,840,442
Cash as reported on the Statement of Net Position	
Cash and cash equivalents	190,968,233
Restricted cash and cash equivalents	
Bonds funds	16,941,517
Interlocal agreements	2,044,945
Escrow funds	102,795,975
Self-insurance deposits	9,089,772
Total cash and cash equivalents	<u><u>\$ 321,840,442</u></u>

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

Operating loss	\$ (442,547,138)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation	134,048,888
Other operating revenues	9,822,657
Changes in deferred outflow/inflow of resources and net pension liability:	
Deferred outflows of resources related to pension	(2,468,061)
Deferred inflows of resources related to pension	822,067
Net pension liability	<u>(6,141,111)</u>
Total changes in deferred outflow/inflow of resources and net pension liability	(7,787,105)
Changes in assets and liabilities:	
Accounts receivable - Other and State of Utah	(1,036,668)
Parts and supplies inventories	247,610
Prepaid expenses	202,889
Accounts payable - Other and State of Utah	12,210,260
Accrued liabilities	(2,884,350)
Unearned revenue	<u>233,509</u>
Total changes in assets and liabilities:	8,973,250
Net cash used in operating activities	<u><u>\$ (297,489,448)</u></u>

Information about noncash investing, capital, and financing activities:

Change in fair value of investments	\$ 51,879
Capital asset acquisitions in accounts payable	15,772,798
Payments from refunding escrows:	
2015A Non-Taxable Bonds in Escrow	397,275,000

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	\$ 6,593,528
Cash in Utah State Treasury	1,057,161
Total Cash	<u>7,650,689</u>
Investments	
Global Equities	205,852,022
Fixed Income	73,221,266
Liquid Diversifiers	7,225,418
Real Assets	13,584,440
Money Market	13,440,201
Total Investments	<u>313,323,347</u>
Prepaid Benefits	1,454,872
Deposits	104,795
Receivables	-
Dividends Receivable	114
Accounts Receivable - Benefits	2,352
Accounts Receivable - Contributions	758,057
Total Receivables	<u>760,523</u>
TOTAL ASSETS	<u>323,294,226</u>
LIABILITIES	
Benefits Payable	16,944
Accounts Payable	2,213,084
TOTAL LIABILITIES	<u>2,230,028</u>
NET POSITION	
Restricted for:	
Pension	314,608,736
Benefits Other Than Pension	6,455,462
TOTAL NET POSITION	<u>\$ 321,064,198</u>

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	\$ 45,485,487
Participant Voluntary Contributions	811,291
Total Contributions	<u>46,296,778</u>
Net Investment Income	
Net Appreciation in Fair Value of Investments	27,973,070
Interest	18,008
Dividends	1,509,174
Total Investment Income	<u>29,500,252</u>
Less: Investment Expense	660,644
Net Investment Income	<u>28,839,608</u>
TOTAL ADDITIONS	<u>75,136,386</u>
DEDUCTIONS	
Monthly Benefits Paid	33,494,571
Lump Sum Distributions	5,668,150
Administrative Expense	581,298
TOTAL DEDUCTIONS	<u>39,744,019</u>
CHANGE IN NET POSITION	<u>35,392,367</u>
Total Net Position, January 1	<u>285,671,831</u>
Total Net Position, December 31	<u>\$ 321,064,198</u>

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.

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 and No. 39, 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.



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



NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting

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

B. Standards for Reporting Purposes

The financial statements of the Authority have been prepared in conformity with accounting principles generally accepted in the United States of America as prescribed by 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 50% to 93.7% 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.






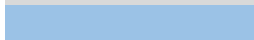
UTAH TRANSIT AUTHORITY
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F. Contributions from Other Governments

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

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. \$ 16,938,274

The Authority is required to maintain certain accounts in connection with the issuance of bonds which are restricted per the bond covenants. 3,243

The Authority has entered interlocal agreement with Box Elder County to restrict a certain increment of sales taxes collected in their county for FrontRunner expansion to Box Elder. 2,044,945

The Authority has issued bonds and leases in 2018, 2019, and 2020 for projects that are not complete to date and has entered into interlocal agreement to establish escrow accounts for specific projects. 102,795,975

The Authority is required to maintain certain accounts in connection with being self-insured in the State of Utah. 9,089,772

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	\$ 65,368,000
Service sustainability reserve	10,895,000
Capital replacement reserve	45,645,000
Debt reduction reserve	30,000,000
Total designated cash and cash equivalents	<u>\$ 151,879,000</u>

- *Designated for general reserves* - This component of cash including the risk reserve, funded at a level equal to at least twelve percent (12%) of the Authority's budgeted operating expense, excluding non-operating expense, to be used as a working capital account throughout the year. The Board has chosen to fund this reserve at eighteen percent (18%). The Treasurer will manage the use of



the funds in the general operating reserve. (*Utah Transit Authority Board Policy No. 2.1 Financial Management*)

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

J. Investments

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

K. Receivables

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

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.

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.

Depreciable capital assets are assigned the following estimated useful lives:

	<u>Years</u>
Land improvements	10 to 20
Leased land improvements	50
Building and building improvements	20 to 50
Infrastructure	5 to 75
Revenue service vehicles	4 to 35
Leased revenue service vehicles	4 to 14
Equipment	4 to 20
Intangible assets	4 to 20

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



\$1.5 million 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

\$8 million of proceeds from the first phase of the development was reinvested for a percentage interest in future profits at the site.

HPUTA East Village 3 LLC at Sandy TRAX Station

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

P. 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.

Q. 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.

R. 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.



S. Net Position

The Authority's net position is classified as follows:

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

T. 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

U. 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 of resources related to pensions



V. Implemented Accounting Pronouncements

GASB Statement 89

Accounting for Interest Cost Incurred before the End of a Construction Period
Takes effect for reporting periods beginning after December 15, 2020.
No effect on the Authority's financial statements as a result of adoption.

GASB Implementation Guide No. 2019-1

Took effect for FY 2021.

Revenue recognition for nonexchange (reimbursement grant) transactions cannot be recognized until grant agreement is fully executed. No effect on the Authority's financial statements as a result of adoption.

GASB Statement 93

Replacement of Interbank Offered Rates

Will take effect for FY 2022.

The Authority's will early implement because there is no agreement of the Authority that contain any reference to LIBOR. No effect on the Authority's financial statements as a result of adoption.

GASB Statement 98

The Annual Comprehensive Financial Report

Took effect for FY 2021.

The Authority's financial statements are now referred to as "The Annual Comprehensive Financial Report" or "ACFR."

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.

W. Future Accounting Pronouncements

GASB Statement 87

Leases

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

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

GASB Statement 91

Conduit Debt Obligations

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

No expected effect on the Authority's financial statements.

GASB Implementation Guide No. 2019-3

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

No expected effect on the Authority's financial statements.



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GASB Statement 92

Omnibus 2020

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

No expected effect on the Authority's financial statements.

GASB Statement 94

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

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

No expected effect on the Authority's 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 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 expected effect on the Authority's 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.

No expected effect on the Authority's financial statements for the remaining paragraphs.



NOTE 3 - CASH AND CASH EQUIVALENTS

Unrestricted Cash and Investments

Consisting of the following as of December 31, 2021:

Zions Bank	\$ 36,412,425
Cash on Hand	252,825
Chase Lease Drawdown	3,698,072
Public Treasurers Investment Fund (PTIF)	150,604,911
Total Cash and Cash Equivalents	<u>190,968,233</u>
<u>Chandler Investments</u>	
US Agencies	18,307,643
Money Market	119,335,739
<u>Zions Capital Advisors</u>	
US Agencies	1,521,467
PTIF	33,820
Corporate Bonds	12,473,831
Total Investments	<u>151,672,499</u>
Total Unrestricted Cash and Investments	<u><u>\$342,640,732</u></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, 2021, the balance in the Authority's bank demand deposit accounts and certificate of deposit accounts according to the bank statements totaled \$40,110,497 of which \$250,000 was covered by Federal depository insurance.



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

The Authority is authorized to invest in the Utah Public Treasurers' Investment Fund (PTIF), an external pooled investment fund managed by the Utah State Treasurer and subject to the Act and Council requirements. The pooled investment fund is fixed-rate corporate obligations and variable rate securities rated "A" or higher, or the equivalent of "A" or higher, by two nationally recognized statistical rating organizations. The PTIF is not registered with the SEC as an investment company and deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah. The PTIF operates and reports to the participants on an amortized cost basis. The income, gains and losses, net of administration fees of the PTIF are allocated based upon the participants' average daily balances.

Concentration of Credit Risk - To minimize credit risk, the Authority looks to diversify the investments with any one issuer. 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, 2021.

Investment	Credit Quality (Rating)	Amount	Credit Exposure as a % of Total Investment
Corporate Bonds			
Apple Inc	AA+	\$ 750,335	0.49%
Honeywell International	A	1,401,961	0.92%
Credit Suisse First Boston	A+	500,035	0.33%
BMW US Capital LLC	A	500,703	0.33%
United Parcel Service Inc	A-	750,602	0.49%
PNC Bank Na Pittsburgh PA	A	601,034	0.40%
Jackson National Life Global Funding	A	752,137	0.50%
Met Tower Global Funding	AA-	501,681	0.33%
Goldman Sachs Group Inc	BBB+	1,405,841	0.93%
Citigroup	BBB+	697,091	0.46%
Wells Fargo & Co	BBB+	399,235	0.26%
Truist Bank	A	1,005,317	0.66%
Toyota Motor Credit Corp	A+	500,060	0.33%
Daimler Finance North America	A-	1,351,395	0.89%



UTAH TRANSIT AUTHORITY
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Canadian Imperial Bank	BBB+	1,356,404	0.89%
Subtotal Corporate Bonds		<u>12,473,831</u>	
US Agencies			
FHLB Maturity 11/07/2022	AAA	1,521,467	1.00%
Federal Farm Credit Banks Maturity 06/08/2023	AAA	3,090,018	2.04%
Federal Home Loan Banks Maturity 11/09/2023	AAA	3,087,352	2.04%
US Treasury Note Maturity 09/30/2025	AAA	3,026,125	2.00%
US Treasury Note Maturity 01/31/2026	AAA	3,023,188	1.99%
US Treasury Note Maturity 05/31/2026	AAA	3,036,295	2.00%
US Treasury Note Maturity 09/30/2026	AAA	<u>3,044,665</u>	2.01%
Subtotal US Agencies		<u>19,829,110</u>	
Total Corporate Bonds and US Agencies Investments		<u>\$ 32,302,941</u>	21.30%

- *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, 2021:

Investments		Less than 1 year	1-3 years	Total
U.S. Agencies/Taxable US Govt Bonds	AAA	\$ 1,521,467	\$ 18,307,643	\$ 19,829,110
Corporate Bonds	A+,A,A-,AA+,AA-,BBB+	6,356,126	6,117,705	12,473,831
Money Market/PTIF	Not Rated	119,369,558		119,369,558
		<u>\$ 127,247,151</u>	<u>\$ 24,425,348</u>	<u>\$ 151,672,499</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:



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

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

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

The Authority invests with Zions Capital Advisors, Chandler Investments, and the Utah Public Treasurers Investment Fund. All three of these organizations meet the requirements of the Utah Money Management Act. The following are the Authority’s investment as of December 31, 2021 by organization and by fair value measurement:

	12/31/2021	Fair Value Measurements		
		Level 1	Level 2	Level 3
Zions Capital Advisors				
Agency	\$ 1,521,467	\$ -	\$ 1,521,467	\$ -
PTIF	33,820	33,820	-	-
Corporate	12,473,831	-	12,473,831	-
Chandler Investments				
Money Market	119,335,739	119,335,739	-	-
Agency	18,307,643	-	18,307,643	-
Total Investments by Fair Value Level	<u>\$ 151,672,499</u>	<u>\$ 119,369,559</u>	<u>\$ 32,302,940</u>	<u>\$ -</u>



UTAH TRANSIT AUTHORITY
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NOTE 4 - CAPITAL ASSETS

	Balance 1/1/2021	Increases	Transfers	Decreases	Balance 12/31/2021
Capital assets not being depreciated					
Land	\$ 410,537,405	\$ 2,980,645	\$ (2,175,101)	\$ -	\$ 411,342,949
Construction in Progress	137,936,777	138,735,679	-	(72,745,338)	203,927,118
Total capital assets not being depreciated	548,474,182	141,716,324	(2,175,101)	(72,745,338)	615,270,067
Capital assets being depreciated					
Land improvements	148,507,252	1,869,824	28,990,852	(880,440)	178,487,488
Leased Land Improvements	84,485,965	9,787,511	-	-	94,273,476
Buildings and Building Improvements	213,225,412	27,236,930	(28,813,036)	(7,738,263)	203,911,043
Infrastructure	2,500,620,104	12,316,260	-	(4,072,475)	2,508,863,889
Revenue Vehicles	752,974,669	69,467	5,250,476	(9,408,606)	748,886,006
Leased Revenue Vehicles	71,632,600	22,480,315	(6,145,629)	-	87,967,286
Equipment	66,536,885	3,387,930	717,337	(3,825,933)	66,816,219
Intangibles	54,745,003	1,815,023	2,175,101	(1,637,818)	57,097,309
Total capital assets being depreciated	3,892,727,890	78,963,260	2,175,101	(27,563,535)	3,946,302,716
Less: Accumulated depreciation					
Land Improvements	(82,838,296)	(4,709,998)	(10,575,274)	194,470	(97,929,098)
Leased Land Improvements	(4,858,293)	(2,289,328)	-	-	(7,147,621)
Buildings and Building Improvements	(101,935,425)	(3,895,015)	10,397,458	60,975	(95,372,007)
Infrastructure	(854,704,244)	(83,642,424)	-	3,873,395	(934,473,273)
Revenue Vehicles	(419,584,654)	(19,668,075)	(4,366,810)	9,212,405	(434,407,134)
Leased Revenue Vehicles	(19,944,113)	(8,215,889)	5,240,141	-	(22,919,861)
Equipment	(57,230,788)	(3,413,962)	(695,515)	3,820,344	(57,519,921)
Intangibles	(16,739,998)	(8,214,197)	-	1,108,495	(23,845,700)
Total accumulated depreciation	(1,557,835,811)	(134,048,888)	-	18,270,084	(1,673,614,615)
Capital assets being depreciated, net	2,334,892,079	(55,085,628)	2,175,101	(9,293,451)	2,272,688,101
Total capital assets, net	\$ 2,883,366,261	\$ 86,630,696	\$ -	\$ (82,038,789)	\$ 2,887,958,168

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

Depreciation Expense	
Bus service	\$ 18,986,203
Rail service	105,802,693
Demand response service	4,644,905
Other service	4,615,086
	<u>\$134,048,888</u>

Due to a change in Capital Asset Policy in 2018, UTA continues to make the asset transfers during each biennial inventory to ensure assets reflect the current definition. The net effect was a 20% increase in land improvements.



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This amount is due to the continued clarification to classify capital assets accurately and in accordance to the updated Capital Asset Policy. UTA has clearly distinguished the difference between a Land Improvement and a Building Improvement or Equipment and updates capital assets created prior to 2018 as they are identified. This will ensure consistency in classification.

An impairment analysis was performed at the end of 2021 to identify any assets no longer being used for their intended purpose, out of service due to damage, or transit route changes. UTA also analyzed assets previously impaired and identified whether they still needed to remain impaired. An accumulated depreciation increases of \$10,216,851 was recorded for assets out of service or not in use for an extended time-period over 1 year. Assets removed from the impairment list for the year include equipment that has been repaired to meet their intended use, the effect of these changes, reduced accumulated depreciation for \$181,400. The effect on accumulated depreciation is shown below:

<u>Impairment Accumulated Depreciation</u>	
Vehicles Out of Service	\$ (8,339,828)
Bus Shelters Not in Use	(13,847)
Building Not in Use	(384,378)
Commuter Rail Station Not in Use	(1,478,798)
Equipment Unimpaired	<u>181,400</u>
Net Effect on Accumulated Depreciation	<u><u>\$ (10,035,451)</u></u>



NOTE 5 – FEDERAL FINANCIAL ASSISTANCE

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

Operating assistance	
Federal preventive maintenance grants	\$ 6,778,670
Federal operating assistance - CARES grant	90,268,322
Federal operating assistance - CRRSAA grant	33,584,103
	<u>130,631,095</u>
Capital projects	
Federal capital projects	48,642,468
Total federal assistance	<u>\$ 179,273,563</u>

NOTE 6 – SELF-INSURANCE CLAIMS LIABILITY

Changes in the accrued claims liability in 2021, 2020 and 2019 were as follows:

	Beginning liability	Claims incurred and changes in estimates	Claim payments	Ending liability
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
2019	\$ 1,155,787	\$ 3,319,863	\$ (3,613,000)	\$ 862,650

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 7 – EMPLOYEE BENEFIT 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 2021 the Authority contributed \$1,960,105. 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 2021 the Authority contributed \$117,361. The deferred 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 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.

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 2021 the Authority contributed \$287,918. 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.



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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-sound basis, to provide assets sufficient to meet the benefits to be paid. Required employee contributions were discontinued effective June 1, 1992. Participants may make voluntary contributions as described below. Interest on existing account balances is credited at 5% per year.

Although the Authority has not expressed any intention to do so, the Authority has the right under the Plan to discontinue its contributions at any time and to terminate the Plan. In the event the Plan terminates, the trustee will liquidate all assets of the Plan and will determine the value of the trust fund as of the next business day following the date of such termination. The trustee will allocate assets of the Plan among the participants and beneficiaries as required by law. As of February 2016, U.S. Bank began serving as the administrator and custodian of the Plan, with Cambridge Associates, LLC (CA) serving as a third-party investment manager.

B. Reporting

The Defined Benefit 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, 2021
Fully Vested	1,542
Partially Vested	-
Not Vested	864
Inactive Participants Not Receiving Benefits	479
Retirees and Beneficiaries Receiving Benefits	776
Total	<u>3,661</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 2021, 29 participants elected to receive their benefit in the form of lump sum distribution. Lump sum distributions collectively totaled \$5,668,150. 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 2021 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 measureable in accordance with the terms of the Plan. Accordingly, the valuation of investments is shown at fair value and both realized and unrealized gains (losses) are included in net appreciation and depreciation in fair value of investments.

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



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

Net pension liability

At December 31, 2021, the Authority reported a net pension liability of \$90,642,486. The net pension liability was measured as of December 31, 2021 and was determined by an actuarial valuation as of January 1, 2021 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
12/31/2021	\$405,251,222	\$314,608,736	\$90,642,486	77.63%	\$153,983,509	58.87%

Deferred outflows of resources and deferred inflows of resources

At December 31, 2021, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2021	
	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	\$ (84,281)	\$ 15,889,719
Change of Assumptions	(359,608)	8,545,439
Net difference between projected and actual earnings	(22,345,471)	-
Total	\$ (22,789,360)	\$ 24,435,158

Pension expense

Year ending December 31,	Amount	For the year ended December 31, 2021, the Authority recognized pension expense of \$17,420,398. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:
2022	\$ 1,479,230	
2023	(4,605,765)	
2024	(639,704)	
2025	2,054,226	
2026	2,522,491	
Thereafter	835,320	
Total	\$ 1,645,798	



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Actuarial assumptions

The total pension liability in the January 1, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.30%
Salary Increases	5.40% per annum for the first five (5) years of employment; 3.40% per annum thereafter
Investment rate of return	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	2.06%

The actuarial assumptions used in the January 1, 2021 valuation were based on the results of an actuarial experience study for the five year period ending December 31, 2008. The measurement date is December 31, 2021.

There have been no changes in the assumptions or terms of the plan since the previous measurement date.

Discount rate

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

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

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

	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
Total pension liability	\$ 461,360,555	\$ 405,251,222	\$ 356,017,452
Fiduciary net position	314,608,736	314,608,736	314,608,736
Net pension liability	<u>146,751,819</u>	<u>90,642,486</u>	<u>41,408,716</u>



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

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

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	[a]	[b]	[a]-[b]
Balances as of January 1, 2020	\$ 376,688,506	\$ 279,905,104	\$ 96,783,402
Charges for the year			
Service cost	12,597,159	-	12,597,159
Interest on total pension liability	25,639,471	-	25,639,471
Differences between expected and actual experience	9,188,520	-	9,188,520
Changes of assumptions	-	-	-
Employer contributions	-	25,207,307	(25,207,307)
Member voluntary contributions	334,301	334,301	-
Net investment income	-	28,830,047	(28,830,047)
Benefit payments	(19,196,735)	(19,196,735)	-
Administrative expenses	-	(471,288)	471,288
Balance as of December 31, 2021	\$ 405,251,222	\$ 314,608,736	\$ 90,642,486

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 February 2016 to revise the asset classes. A normal weighting is now indicated for each asset class. The IPS was also amended to provide a list of prohibited investments.



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

	Policy Allocation	
	Target Allocation	Long Term Expected Return
Global Equity	63%	51% - 75%
Liquid Diversifiers	10%	0% - 15%
Real Assets	4%	0% - 8%
Alternatives	22%	12% - 32%
Cash & Equivalents	1%	0% - 5%

classes is to remain within the following ranges:

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.

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, 2021 the Plan paid \$471,288 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.



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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)	\$ 507,681
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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:			
2021	\$	73,221,266	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:			
2021	\$	73,221,266	Average effective duration: 5.3 years Average effective maturity: 7.5 years

Q. Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The following amounts represent 5% or more of the Plan's fiduciary net position and investments as of December 31, 2021 invested with any one organization.

Equity funds:		
Two Sigma Active US All Cap & Investments		\$ 32,018,412
Fixed income:		
IR+M Core Bond Fund II		\$ 26,468,445
iShares 7-10 Year Treasury Bond EFT		\$ 25,915,020



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The following are the Plan's investments as of December 31, 2021 measured at fair value:

	Investment Assets at Fair Value as of December 31, 2021
	<u>Level 1</u>
Money Market Funds	\$ 12,238,285
Global Equity	80,052,173
Liquid Diversifiers	-
Real Assets	10,461,393
Fixed Income	33,776,934
Total investments at Fair Value	\$ 136,528,785

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, 2021.

	2021			
	Fair Value	Unfunded Commitment	Redemption Frequency	Redemption Notice Period
Global Equities	\$ 125,799,849	\$ -	Daily	Daily
Liquid Diversifier	7,225,418	-	Daily	Daily
Real Assets	3,123,047	-	Daily	Daily
Fixed Income	39,444,332	-	Daily	Daily
Total	<u>\$ 175,592,646</u>	<u>\$ -</u>		

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

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 det 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. Actuarial Methods and Assumptions

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

- Actuarial Cost Method - Entry Age Normal
- Inflation - 2.30%
- Employer Annual Payroll Growth Including Inflation - 3.40%
- Salary Increases - 5.4% for the first five years of employment; 3.4% per annum thereafter
- Mortality - RP 2014 Blue Collar Mortality Table, with MP-2014 projection scale
- Investment Rate of Return - 6.75%, net of investment expenses
- Retirement Age - Table of rates by age and eligibility
- Cost of Living Adjustments - None
- Percent of Future Retirements Electing Lump Sum - 20%

T. 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, 2021, is summarized in the table below.

Asset Class	Target Asset Allocation	Long Term Expected Return
Global Equities	63%	6.8%
Fixed Income	22%	2.7%
Liquid Diversifiers	10%	3.4%
Real Assets	4%	5.1%
Cash & Equivalents	1%	1.6%
Total	100%	5.4%

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.



U. Discount Rate and Rate Sensitivity Analysis

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 that contributions will be made based on the actuarially determined rates. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all the projected future benefit payments of current Plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

V. 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	\$ 507,681
Investments	
Global Equities	205,852,022
Fixed Income	73,221,266
Liquid Diversifiers	7,225,418
Real Assets	13,584,440
Money Market	12,238,285
Total Investments	<u>312,121,431</u>
Prepaid Benefits	1,454,872
Receivables	
Dividends Receivable	114
Accounts Receivable - Benefits	2,352
Accounts Receivable - Contributions	539,230
Total Receivables	<u>541,696</u>
TOTAL ASSETS	<u>314,625,680</u>
LIABILITIES	
Benefits Payable	16,944
TOTAL LIABILITIES	<u>16,944</u>
NET POSITION	
Restricted for Pension	<u>\$ 314,608,736</u>



SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION

	UTA Employee Retirement and Trust
ADDITIONS	
Employer Contributions	\$ 25,207,307
Participant Voluntary Contributions	334,301
Total Contributions	<u>25,541,608</u>
Net Investment Income	
Net Appreciation in Fair Value of Investments	27,977,813
Interest	3,704
Dividends	1,509,174
Total Investment Income	29,490,691
Less: Investment Expense	660,644
Net Investment Income	<u>28,830,047</u>
TOTAL ADDITIONS	<u>54,371,655</u>
DEDUCTIONS	
Monthly Benefits Paid	13,528,585
Lump Sum Distributions	5,668,150
Administrative Expense	471,288
TOTAL DEDUCTIONS	<u>19,668,023</u>
CHANGE IN NET POSITION	<u>34,703,632</u>
Total Net Position (Restricted), January 1	<u>279,905,104</u>
Total Net Position (Restricted), December 31	<u><u>\$ 314,608,736</u></u>



NOTE 8 - 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, 2021</u>
Active participants	1,352
Inactive participants not receiving benefits	<u>182</u>
Total	<u><u>1,534</u></u>

D) Benefit Terms

Insurance Benefits

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

E) Contributions

Employer Contribution Requirements

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

Participant Matching Contributions

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



F) Method of Accounting

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

SCHEDULE OF FIDUCIARY NET POSITION

	Joint Insurance Trust
ASSETS	
Cash in Bank	\$ 6,085,847
Cash in Utah State Treasury	1,057,161
Total Cash	<u>7,143,008</u>
Investments	1,201,916
Deposits	104,795
Receivables	218,827
TOTAL ASSETS	<u>8,668,546</u>
LIABILITIES	
Accounts Payable	<u>2,213,084</u>
TOTAL LIABILITIES	<u>2,213,084</u>
NET POSITION	
Restricted for Benefits Other than Pension	<u><u>6,455,462</u></u>



SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION

	<u>Joint Insurance Trust</u>
ADDITIONS	
Employer Contributions	\$ 20,278,180
Participant Voluntary Contributions	476,990
Total Contributions	<u>20,755,170</u>
Net Investment Income	
Net Appreciation in Fair Value of Investments	(4,743)
Interest	14,304
Total Investment Income	9,561
TOTAL ADDITIONS	<u>20,764,731</u>
DEDUCTIONS	
Monthly Benefits Paid	19,965,986
Administrative Expense	110,010
TOTAL DEDUCTIONS	<u>20,075,996</u>
CHANGE IN NET POSITION	<u>688,735</u>
Total Net Position (Restricted), January 1	<u>5,766,727</u>
Total Net Position (Restricted), December 31	<u><u>\$ 6,455,462</u></u>



NOTE 9 - 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 compensate 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)

On November 10, 2021, the Authority issued \$431,625,000 in Senior Sales Tax Revenue Bonds and \$16,220,000 in Subordinate Sales Tax Revenue Bonds to provide resources to purchase qualifying open market securities which were placed in an irrevocable trust for the purpose of generating resources for the advanced refunding of certain 2015A Senior and Subordinate Revenue Bonds. As a result, the refunded bonds are considered defeased and a portion of liability for those bonds have been removed. The transaction partial refunding resulted in a reduction of total debt service requirements by \$20,338,129 which resulted in an economic gain of \$20,154,295. Interest on the prior bonds ranged from 4-5 percent depending on repayment year. Interest rates on the refunded amounts ranges from 0.347 percent to 2.989 percent in the new bonds.

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. The amount placed in trust due to the 2021 refunding was \$383,130,000 and \$14,145,000 for the senior and subordinate 2015 revenue bond liens, respectively. Accordingly, the trust account assets and the liability for the refunded bonds are not included in the Authority's financial statements.



UTAH TRANSIT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
Year Ended December 31, 2021

	Amount Outstanding	Amount Due Within One Year	Accrued 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.	\$ 57,670,000	\$ 1,545,000	\$ 381,103	\$ -
Subtotal: Direct borrowings - Inter-local loans:	\$ 57,670,000	\$ 1,545,000	\$ 381,103	\$ -

Financing Leases:

\$5,283,500 12-Year Financing Lease, 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.

\$ 2,623,318 \$ 447,639 \$ - \$ 2,447,216

\$2,480,000 12-Year Financing Lease, 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.

1,454,440 205,500 - 1,384,545

\$24,390,000 12-Year Financing Lease, 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.

16,815,605 1,963,077 - 16,603,356

\$1,444,000 5-Year Financing Lease, Series 2017, issued November 30, 2017, maturing monthly from December 31, 2017 through November 30, 2022, with interest payable monthly at rate of 1.8200%. A leasehold interest in 33 FLEX/Paratransit vehicles and equipment is pledged as security for the debt.

274,656 274,656 - 614,001

\$12,496,000 12-Year Financing Lease, 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.

9,740,074 955,557 - 9,440,403

\$381,000 5-Year Financing Lease, 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.

152,962 78,689 - 157,342

\$1,500,000 4-Year Financing Lease, Series 2018, issued November 28, 2018, maturing monthly from December 28, 2018 through November 30, 2022, with interest payable monthly at rate of 3.0220%. A leasehold interest in 60 RideShare vans is pledged as security for the debt.

343,341 343,341 - 442,787

\$5,190,000 12-Year Financing Lease, 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.

4,285,989 401,986 - 3,877,555

\$2,730,000 5-Year Financing Lease, 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.

1,488,378 549,284 - 1,646,349

\$1,960,000 4-Year Financing Lease, 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.

787,758 469,645 - 814,965

\$9,530,000 14-Year Financing Lease, 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.

8,921,712 618,685 - 8,221,679



UTAH TRANSIT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
Year Ended December 31, 2021

	Amount Outstanding	Amount Due Within One Year	Accrued Interest	Amount of Collateral
\$3,060,000 6-Year Financing Lease, 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.	2,560,784	503,627	-	2,184,211
\$28,160,000 14-Year Financing Lease, 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.	28,160,000	1,778,150	-	17,049,747
\$3,859,500 6-Year Financing Lease, 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.	3,859,500	621,749	-	-
Subtotal: Direct borrowings - Financing Leases:	\$ 81,468,517	\$ 9,211,585	\$ -	\$ 64,884,156
Total Direct borrowings:	\$ 139,138,517	\$ 10,756,585	\$ 381,103	\$ 64,884,156
Other Related Debt:				
<u>Revenue Bonds</u>				
\$20,630,000 Senior Revenue bonds, Series 2005A, issued August 10, 2005, maturing annually from June 15, 2005 through June 15, 2022, with interest payable semiannually at rates from 3.25-5.25%.	\$ 1,915,000	\$ 1,915,000	\$ 4,189	\$ -
\$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%	90,825,000	6,265,000	198,680	-
\$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%	48,410,000	23,570,000	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	-	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%.	44,035,000	8,875,000	91,740	-
\$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	-	147,392	-
\$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%.	109,800,000	3,395,000	205,381	-
\$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%.	207,280,000	4,130,000	194,585	-



UTAH TRANSIT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
Year Ended December 31, 2021

	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%.	431,625,000	7,385,000	745,210	-
\$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%.	16,220,000	200,000	39,092	-
Subtotal: Other Related Debt - Revenue Bonds:	\$ 1,622,470,000	\$ 55,735,000	\$ 2,636,563	\$ -
Current Interest Bonds				
\$128,795,000 Subordinate Current Interest Debt, Series 2007A, issued June 19, 2007, maturing annually from December 15, 2007 through June 15, 2035, with interest payable semiannually at a rate of 5.00%.	115,895,000	-	241,448	-
Subtotal: Other Related Debt - Current Interest Bonds:	\$ 115,895,000	\$ -	\$ 241,448	\$ -
Build America Bonds				
\$261,450,000 Senior Debt, Series 2009B, issued May 21, 2009, maturing annually from December 15, 2009 through June 15, 2029, with interest payable semiannually at a rate of 5.937%. The authority elected to treat the 2009B bonds as "Build America Bonds" for the purpose of the American Recovery and Investment Act of 2009 (the Recovery Act) and to receive a cash subsidy from the United States Treasury in connection therewith. Pursuant to the Recovery Act, the Authority anticipates cash subsidy payments from the United States Treasury equal to 35% less sequestration (\$5,123,131) 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 (\$3,765,871) 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	\$ -
Capital Appreciation Bonds				
\$18,911,498 Capital Appreciation Subordinate Debt, Series 2016, issued August 24, 2016, maturing December 15, 2032 at a rate of 3.32%	18,911,498	-	3,643,226	-
Subtotal: Other Related Debt - Capital Appreciation Bond:	\$ 18,911,498	\$ -	\$ 3,643,226	\$ -
Total Other Related Debt:	\$ 2,218,726,498	\$ 55,735,000	\$ 7,643,416	\$ -



UTAH TRANSIT AUTHORITY
 NOTES TO THE FINANCIAL STATEMENTS
 Year Ended December 31, 2021

DIRECT BORROWINGS

Beginning in 2015, UTA has secured capital leases annually for the purchase of buses, paratransit vehicles and vanpool commuter vans. The Capital Lease Agreements from 2015 through 2019 were secured from Banc of America Public Capital Corporation and the Capital Lease Agreement from 2020 through 2021 were secured through JP Morgan Chase Bank.

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.

Annual repayment requirements on the Direct Borrowings are:

Inter-local Loan			
Year ending December 31,	Principal	Interest	Total
2022	\$ 1,545,000	\$ 1,829,292	\$ 3,374,292
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
2027-2029	49,435,000	4,530,568	53,965,568

Leases			
Year ending December 31,	Principal	Interest	Total
2022	\$ 9,211,585	\$ 1,597,119	\$ 10,808,704
2023	8,603,278	1,412,655	10,015,933
2024	8,188,797	1,240,354	9,429,151
2025	7,971,697	1,075,508	9,047,205
2026	8,135,242	911,962	9,047,204
2027-2031	28,316,951	2,307,377	30,624,328
2032-2035	11,040,967	396,442	11,437,409

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
2022	\$ 55,735,000	\$ 86,212,420	\$ 141,947,420
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
2027-2031	475,300,000	334,330,442	809,630,442
2032-2036	562,366,498	256,693,314	819,059,812
2037-2041	684,050,000	111,431,192	795,481,192
2042-2044	149,060,000	5,506,073	154,566,073



UTAH TRANSIT AUTHORITY
 NOTES TO THE FINANCIAL STATEMENTS
 Year Ended December 31, 2021

Changes in Debt Long-Term Liabilities

Long-term debt liability activity for the year ended December 31, 2021 was as follows:

	Balance 1/1/2021	Additions	Reductions	Balance 12/31/2021	Due Within One Year
Direct Borrowings					
Financing Lease Agreements	\$57,263,278	\$32,019,500	\$(7,814,261)	\$81,486,517	\$9,211,585
Inter-local Loan	65,665,597	-	(7,995,597)	57,670,000	1,545,000
Total Direct Borrowings	122,928,875	32,019,500	(15,809,858)	139,138,517	10,756,585
Other Related Debt					
Sales Tax Revenue Bonds	1,611,065,000	447,845,000	(436,440,000)	1,622,470,000	55,735,000
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)	117,041,243	(54,286,799)	(7,737,843)	55,016,601	-
Total Other Related Debt	2,324,362,741	393,558,201	(444,177,843)	2,273,743,099	55,735,000
Total long-term debt liabilities	\$2,447,291,616	\$425,577,701	\$(459,987,701)	\$2,412,881,616	\$66,491,585
Compensated Absences					
Total Vacation Liability	\$9,080,232	\$11,362,139	\$(11,212,470)	\$9,229,901	\$9,012,182
Total Sick Liability	5,257,875	722,061	(585,677)	5,394,259	1,226,718
Total Compensated Absences	\$14,338,107	\$12,084,200	\$(11,798,147)	\$14,624,160	\$10,238,900



NOTE 10 – 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, 2021, the Authority also has purchasing commitments of \$299.8 million for capital projects that will be funded through a combination of debt, grants, and other revenue. The largest of these commitments are as follows:

- \$55.1 million Ogden-Weber State University Bus Rapid Transit
- \$35.1 million Depot District
- \$27.2 million Volkswagen Settlement Bus Replacements
- \$26.8 million Traction Power Rehabilitation and Replacement
- \$26.2 million Bus Replacements
- \$25.1 million Grade Crossing Rehabilitation and Replacement
- \$17.6 million Light Rail Overhaul
- \$17.0 million Train Control Rehabilitation and Replacement
- \$14.9 million TIGER Grant Projects
- \$12.5 million Point of the Mountain Project
- \$ 6.1 million Park City Low/No Emission Vehicle Grant
- \$ 4.4 million Commuter Rail Engine Overhaul
- \$ 3.5 million FrontRunner Business Plan
- \$ 2.5 million Sandy Parking Structure
- \$ 1.8 million Mid-Valley Connector
- \$ 1.7 million Stray Current Mitigation
- \$ 1.6 million Meadowbrook Maintenance Garage Expansion
- \$ 1.5 million Bus Engine/ Transmission Rehab and Replacement
- \$ 1.3 million Rail Communications On-Board Technology
- \$ 1.2 million Light Rail Vehicle Accident Repair
- \$ 1.2 million Vanpool Replacement
- \$ 0.9 million 650 South Main TRAX Station
- \$ 0.9 million Facility Rehab and Replacement
- \$ 0.8 million Positive Train Control
- \$ 0.8 million Rail Rehab and Replacement
- \$12.1 million Other Capital Projects



NOTE 11 -SUBSEQUENT EVENTS

As of June 17, 2022 there are no subsequent events to report for the Authority.



Required Supplementary Information



For Fiscal Year Ended
December 31, 2021

UTAH TRANSIT AUTHORITY
 REQUIRED SUPPLEMENTARY INFORMATION
 Year Ended December 31, 2021

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

	2021	2020	2019	2018
Total Pension Liability				
Service cost	\$ 12,597,159	\$ 10,653,870	\$ 10,244,115	\$ 9,550,863
Interest on total pension liability	25,639,471	24,263,256	22,947,802	21,512,781
Voluntary member contributions	334,301	83,988	298,803	223,572
Differences between expected and actual experience	9,188,520	4,292,503	3,347,505	4,893,150
Assumption changes or inputs	0	11,421,251	0	0
Benefits paid	(19,196,735)	(19,648,551)	(17,302,699)	(15,474,819)
Net change in total pension liability	28,562,716	31,066,317	19,535,526	20,705,547
Total pension liability - beginning	376,688,506	345,622,189	326,086,663	305,381,116
Total pension liability - ending (a)	405,251,222	376,688,506	345,622,189	326,086,663
Plan Fiduciary Net Position				
Contributions - employer	\$ 25,207,307	\$ 24,273,996	\$ 24,008,192	\$ 22,355,434
Contributions - members	334,301	83,988	298,803	223,572
Net investment income	28,830,047	33,846,259	40,648,932	(16,629,921)
Benefits paid	(19,196,735)	(19,648,551)	(17,302,699)	(15,474,819)
Administrative expense	(471,288)	(407,938)	(434,427)	(440,279)
Net change in plan fiduciary net position	34,703,632	38,147,754	47,218,801	(9,966,013)
Plan fiduciary net position - beginning	279,905,104	241,757,350	194,538,549	204,504,562
Plan fiduciary net position - ending (b)	314,608,736	279,905,104	241,757,350	194,538,549
Net pension liability / (asset) - ending (a-b)	\$ 90,642,486	\$ 96,783,402	\$103,864,839	\$131,548,114
Plan fiduciary net position as a percentage of the total pension liability	77.63%	74.31%	69.95%	59.66%
Covered payroll	\$153,983,509	\$152,297,365	\$141,812,999	\$132,521,079
Net pension liability as a percentage of covered payroll	58.87%	63.55%	73.24%	99.27%

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



UTAH TRANSIT AUTHORITY
 REQUIRED SUPPLEMENTARY INFORMATION
 Year Ended December 31, 2021

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total Pension Liability				
Service cost	\$ 8,368,262	\$ 7,711,706	\$ 7,545,807	\$ 7,284,379
Interest on total pension liability	20,368,031	19,604,345	18,717,411	17,623,248
Voluntary member contributions	697,576	437,923	916,567	275,663
Differences between expected and actual experience	4,915,564	(927,077)	(1,973,177)	0
Assumption changes or inputs	5,079,447	(3,955,702)	7,725,363	0
Benefits paid	(13,008,142)	(12,980,615)	(11,554,824)	(10,181,732)
Net change in total pension liability	<u>26,420,738</u>	<u>9,890,580</u>	<u>21,377,147</u>	<u>15,001,558</u>
Total pension liability - beginning	278,960,378	269,069,798	247,692,651	232,691,093
Total pension liability - ending (a)	305,381,116	278,960,378	269,069,798	247,692,651
Plan Fiduciary Net Position				
Contributions - employer	\$ 20,506,163	\$ 19,603,952	\$ 16,745,254	\$ 15,366,694
Contributions - members	697,576	437,923	916,567	275,663
Net investment income	30,598,620	7,591,211	(1,085,458)	5,946,916
Benefits paid	(13,008,142)	(12,980,615)	(11,554,824)	(10,181,732)
Administrative expense	(324,912)	(249,141)	(244,011)	(219,504)
Net change in plan fiduciary net position	<u>38,469,305</u>	<u>14,403,330</u>	<u>4,777,528</u>	<u>11,188,037</u>
Plan fiduciary net position - beginning	166,035,257	151,631,927	146,854,399	135,666,362
Plan fiduciary net position - ending (b)	204,504,562	166,035,257	151,631,927	146,854,399
Net pension liability / (asset) - ending (a-b)	<u><u>\$100,876,554</u></u>	<u><u>\$112,925,121</u></u>	<u><u>\$117,437,871</u></u>	<u><u>\$100,838,252</u></u>
Plan fiduciary net position as a percentage of the total pension liability	66.97%	59.50%	56.40%	59.29%
Covered payroll	\$126,690,540	\$115,430,618	\$110,727,134	\$106,004,057
Net pension liability as a percentage of covered payroll	79.62%	97.83%	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, 2021

SCHEDULE OF REQUIRED EMPLOYER CONTRIBUTIONS - 10 YEARS

<u>Year</u>	<u>Actuarial Determined Contribution</u>	<u>Actual Employer Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contribution as Percentage of Covered Payroll</u>
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%
2012	12,206,257	11,645,982	560,275	96,750,285	12.04%

NOTE 1 - METHODS AND ASSUMPTIONS USED TO DETERMINE CONTRIBUTION RATES AS OF DECEMBER 31, 2021

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

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



For Fiscal Year Ended
December 31, 2021

UTAH TRANSIT AUTHORITY
 SUPPLEMENTARY SCHEDULES
 Year Ended December 31, 2021

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

	<u>Budget</u>	<u>Budget Amendments</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Favorable (Unfavorable)</u>
Revenues					
Contributions from other gov'ts, sales tax	\$ 364,088,000	\$ -	\$ 364,088,000	\$ 433,360,729	\$ 69,272,729
Federal operating grants	171,507,000	-	\$171,507,000	130,631,095	(40,875,905)
Passenger revenues	31,979,000	-	\$31,979,000	28,510,458	(3,468,542)
Advertising	1,363,000	-	\$1,363,000	1,875,729	512,729
Investment income	4,807,000	-	\$4,807,000	1,432,026	(3,374,974)
Other income	1,066,300	-	\$1,066,300	9,822,657	(840,343)
Total revenues	<u>584,407,000</u>	<u>-</u>	<u>584,407,000</u>	<u>605,632,694</u>	<u>21,225,694</u>
Operating Expenses					
Bus services	1,079,250,000	1,100,209	1,099,250,209	1,085,752,280	449,929
Rail services	84,326,000	17,360,096	101,686,096	94,943,238	6,742,858
Demand response services	24,025,000	3,261,543	27,286,543	27,083,173	203,370
Other services	3,645,000	3,030	3,648,030	3,587,718	60,312
Operations support	53,541,000	(349,000)	53,192,000	50,621,841	2,570,159
Administration (less non-operating)	46,691,000	1,069,423	57,383,423	45,054,028	12,329,395
Total operating expenses	<u>320,153,000</u>	<u>32,068,301</u>	<u>352,221,301</u>	<u>329,865,278</u>	<u>22,356,023</u>
Non-Operating Expenses (Revenues)					
Interest expense	98,474,000	-	98,474,000	101,286,173	(2,812,173)
Build America Bond subsidies	(8,870,000)	-	(8,870,000)	(8,158,624)	(711,376)
Principal	53,762,000	-	53,762,000	48,461,745	5,300,255
Non-operating	9,102,000	109,000	9,211,000	9,019,159	191,841
Total non-operating expenses	<u>152,468,000</u>	<u>109,000</u>	<u>152,577,000</u>	<u>150,608,453</u>	<u>1,968,547</u>
Total Operating and Non-Operating Expenses	<u>\$ 472,621,000</u>	<u>\$ 32,177,301</u>	<u>\$ 504,798,301</u>	<u>\$ 480,473,731</u>	<u>\$ 24,324,570</u>
Capital Expenses (Revenues)					
Federal and local grants	\$ (75,793,000)	\$ -	\$ (75,793,000)	\$ (48,642,468)	\$ (27,150,532)
State and local contributions	(33,748,000)	-	(33,748,000)	(19,545,348)	(14,202,652)
Capital lease	(28,306,000)	-	(28,306,000)	-	(28,306,000)
Bonds	(51,259,000)	-	(51,259,000)	-	(51,259,000)
Project Expenses	255,619,000	(32,177,300)	223,441,700	170,912,980	52,528,720
Total capital expenses (revenues)	<u>\$ 66,513,000</u>	<u>\$ (32,177,300)</u>	<u>\$ 34,335,700</u>	<u>\$ 102,725,164</u>	<u>\$ (68,389,464)</u>
Project Expenses-less transfers to Capital Assets in 2021				(139,015,587)	
Operations Capital Outlay Expenses				279,907	
Capital Project Expenses Not Capitalized				<u>\$ 32,177,300</u>	
Reconciliation:					
Total Revenues (Operating and Capital)				\$ 673,820,510	
- Less Total Expenses (Operating, Non-Operating, and Capital (after Capitalization))				(512,651,031)	
- Less Depreciation Expense				(134,048,888)	
+ Plus Sale of Assets				1,411,431	
+ Plus Capital Project Expenses Not Capitalized (Added into modes)					
Bus				1,100,209	
Rail				17,212,096	
Demand Response				162,543	
Other Service				3,030	
Administration				13,699,423	
+ Plus Principal Payments on Long-term Debt				48,461,745	
+ Plus Capital Contributions to Assets				45,775	
Change in Net Position (Statement of Revenues, Expenses, and Changes in Net Position)				<u>\$ 109,216,842</u>	



Combining Statement of Fiduciary Net Position

	UTA Employee Retirement and Trust	Joint Insurance Trust	Total
ASSETS			
Cash in Bank	\$ 507,681	\$ 6,085,847	\$ 6,593,528
Cash in Utah State Treasury	-	1,057,161	1,057,161
Total Cash	507,681	7,143,008	7,650,689
Investments			
Global Equities	205,852,022	-	205,852,022
Fixed Income	73,221,266	-	73,221,266
Liquid Diversifiers	7,225,418	-	7,225,418
Real Assets	13,584,440	-	13,584,440
Money Market	12,238,285	1,201,916	13,440,201
Investments	312,121,431	1,201,916	313,323,347
Prepaid Benefits	1,454,872	-	1,454,872
Deposits	-	104,795	104,795
Receivables			
Dividends Receivable	114	-	114
Accounts Receivable - Benefits	2,352	-	2,352
Accounts Receivable - Contributions	539,230	218,827	758,057
Total Receivables	541,696	218,827	760,523
TOTAL ASSETS	314,625,680	8,668,546	323,294,226
LIABILITIES			
Benefits Payable	16,944	-	16,944
Accounts Payable	-	2,213,084	2,213,084
TOTAL LIABILITIES	16,944	2,213,084	2,230,028
NET POSITION			
Restricted for:			
Pension	314,608,736	-	314,608,736
Benefits Other than Pension	-	6,455,462	6,455,462
Total Net Position	\$ 314,608,736	\$ 6,455,462	\$321,064,198



Combining Statement of Changes in Fiduciary Net Position

	UTA Employee Retirement and Trust	Joint Insurance Trust	Total
ADDITIONS			
Employer Contributions	\$ 25,207,307	\$ 20,278,180	\$ 45,485,487
Participant Voluntary Contributions	334,301	476,990	811,291
Total Contributions	25,541,608	20,755,170	46,296,778
Net Investment Income			
Net Appreciation in Fair Value of Investments	27,977,813	(4,743)	27,973,070
Interest	3,704	14,304	18,008
Dividends	1,509,174	-	1,509,174
Total Investment Income	29,490,691	9,561	29,500,252
Less: Investment Expense	660,644	-	660,644
Net Investment Income	28,830,047	9,561	28,839,608
TOTAL ADDITIONS	54,371,655	20,764,731	75,136,386
DEDUCTIONS			
Monthly Benefits Paid	13,528,585	19,965,986	33,494,571
Lump Sum Distributions	5,668,150	-	5,668,150
Administrative Expense	471,288	110,010	581,298
TOTAL DEDUCTIONS	19,668,023	20,075,996	39,744,019
CHANGE IN NET POSITION	34,703,632	688,735	35,392,367
Total Net Position (Restricted), January 1	279,905,104	5,766,727	285,671,831
Total Net Position (Restricted), December 31	\$ 314,608,736	\$ 6,455,462	\$ 321,064,198



Statistical



For Fiscal Year Ended
December 31, 2021

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

	2021	2020	2019	2018	2017
Net Position as of December 31					
Capital investment in capital assets	\$667,968,269	\$648,605,411	\$692,675,681	\$827,646,243	\$894,275,843
Restricted	27,015,061	40,516,406	66,948,773	66,559,450	60,399,717
Unrestricted	331,437,253	228,081,924	113,143,840	85,088,927	39,001,859
Total net position	1,026,420,583	917,203,741	872,768,294	979,294,620	993,677,419
Restatement	-	-	-	-	-
Total restated net position	\$1,026,420,583	\$917,203,741	\$872,768,294	\$979,294,620	\$993,677,419

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

	2021	2020	2019	2018	2017
Operating revenues	\$30,386,187	\$34,880,272	\$55,111,554	\$54,464,392	\$54,525,870
Operating expenses	472,933,325	459,473,189	457,897,920	401,161,541	427,777,940
Operating loss	(442,547,138)	(424,592,917)	(402,786,366)	(346,697,149)	(373,252,070)
Non-operating revenues	483,530,389	444,739,466	261,451,197	268,435,411	246,722,487
Income (loss) before capital contributions	40,983,251	20,146,549	(141,335,169)	(78,261,738)	(126,529,583)
Capital contributions	68,233,591	24,288,898	34,808,843	63,878,939	57,063,288
Change in net position	\$109,216,842	\$44,435,447	\$ (106,526,326)	\$ (14,382,799)	\$ (69,466,295)

*Source: Utah Transit Authority 2021 Annual Comprehensive Financial Report



***NET POSITION AS OF December 31 - 10 Years (Continued)**

	2016	2015	2014	2013	2012
Net Position as of December 31					
Capital investment in capital assets	\$924,260,135	\$1,040,640,236	\$1,230,633,230	\$1,327,585,097	\$1,364,803,454
Restricted	67,381,132	77,983,022	62,779,798	7,172,060	3,872,141
Unrestricted	71,502,447	76,548,154	137,991,170	242,347,746	304,834,237
Total net position	1,063,143,714	1,195,171,412	1,431,404,198	1,577,104,903	1,673,509,832
Restatement	-	(9,497,521)	(115,047,267)	4,931,557	-
Total restated net position	\$1,063,143,714	\$1,185,673,891	\$1,316,356,931	\$1,582,036,460	\$1,673,509,832

***CHANGE IN NET POSITION - 10 YEARS (Continued)**

	2016	2015	2014	2013	2012
Operating revenues	\$52,891,021	\$54,346,242	\$53,761,223	\$52,044,200	\$46,422,916
Operating expenses	422,543,342	394,062,733	398,626,029	378,224,993	319,322,223
Operating loss	(369,652,321)	(339,716,491)	(344,864,806)	(326,180,793)	(272,899,307)
Non-operating revenues	226,957,532	209,462,264	182,843,232	173,520,664	200,370,290
Income (loss) before capital contributions	(142,694,789)	(130,254,227)	(162,021,574)	(152,660,129)	(72,529,017)
Capital contributions	20,164,612	9,068,708	11,389,311	56,255,200	98,811,340
Change in net position	\$ (122,530,177)	\$ (121,185,519)	\$ (150,632,263)	\$ (96,404,929)	\$26,282,323

*Source: Utah Transit Authority 2021 Annual Comprehensive Financial Report



REVENUE HISTORY BY SOURCE

	2021	2020	2019	2018	2017
Operating	\$ -	\$ 34,880,272	\$ 55,111,554	\$ 54,464,392	\$ 54,525,870
Sales taxes	130,631,095	361,590,707	317,797,604	282,933,591	265,770,775
Investment	1,411,431	3,525,448	6,821,490	6,525,872	2,873,787
Sale of Assets	9,822,657	927,566	-	-	-
Build America Bond Subsidies	8,158,624	8,893,288	-	-	-
Other	(101,286,173)	9,442,644	(45,372,222)	8,155,668	3,954,893
	48,737,634	419,259,925	334,358,426	352,079,523	327,125,325
Federal grants					
Federal preventive maintenance grants	-	-	-	61,820,668	62,313,994
Federal operating grants	1,432,026	160,258,318	69,746,231	-	-
Federal capital grants	19,545,348	20,898,309	16,395,068	31,585,906	53,960,024
	20,977,374	181,156,627	86,141,299	93,406,574	116,274,018
Other capital contributions	68,279,366	3,390,589	18,413,775	32,293,935	3,103,264
	\$137,994,374	\$603,807,141	\$438,913,500	\$477,780,032	\$446,502,607

EXPENSE HISTORY BY FUNCTION

	2021	2020	2019	2018	2017
Bus service	\$ 94,943,238	\$ 107,390,047	\$ 104,570,413	\$ 96,719,747	\$ 88,928,063
Rail service	27,083,173	96,041,283	77,972,467	75,157,087	72,895,607
Paratransit service	3,587,718	22,646,903	23,121,527	21,857,632	19,572,367
Other service	50,621,841	3,296,275	3,247,699	3,056,191	2,982,176
Operations support	54,073,187	46,463,776	47,056,444	45,557,749	41,932,571
Administration ¹	-	44,545,686	36,738,745	39,593,947	30,612,930
Capital Maintenance Projects	-	-	19,078,502	38,654,111	20,602,425
Depreciation	472,933,325	139,089,219	146,112,123	80,565,077	149,440,887
Interest ²	(8,158,624)	99,898,505	87,541,906	91,000,388	88,190,962
Recoverable sales tax, interlocal ³	810,914	810,914	810,914	810,914	810,914
	\$ 695,894,772	\$ 560,182,608	\$ 546,250,740	\$ 492,972,843	\$ 515,968,902

¹ Includes major investment studies

² Reported as non-capitalized interest

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



REVENUE HISTORY BY SOURCE (Continued)

	2016	2015	2014	2013	2012
Operating	\$ 52,891,021	\$ 54,346,242	\$ 53,761,223	\$ 52,044,200	\$ 46,422,916
Sales taxes	245,008,417	227,703,023	214,683,276	203,806,329	196,693,543
Investment	1,732,939	2,831,406	5,803,226	1,455,039	1,892,549
Sale of Assets	-	-	-	-	-
Build America Bond Subsidies	-	-	-	-	-
Other	3,108,191	8,314,065	3,724,610	4,347,724	2,351,713
	<u>302,740,568</u>	<u>293,194,736</u>	<u>277,972,335</u>	<u>261,653,292</u>	<u>247,360,721</u>
Federal grants					
Federal preventive maintenance grants	59,772,235	49,452,677	47,760,737	47,986,240	46,719,891
Federal operating grants	3,562,534	2,547,335	2,994,139	3,868,252	1,985,766
Federal capital grants	17,054,298	7,819,096	8,025,628	48,669,408	85,168,542
	<u>80,389,067</u>	<u>59,819,108</u>	<u>58,780,504</u>	<u>100,523,900</u>	<u>133,874,199</u>
Other capital contributions	3,110,314	1,249,612	3,363,683	7,585,792	13,642,798
	<u>\$386,239,949</u>	<u>\$354,263,456</u>	<u>\$340,116,522</u>	<u>\$369,762,984</u>	<u>\$394,877,718</u>

EXPENSE HISTORY BY FUNCTION (Continued)

	2016	2015	2014	2013	2012
Bus service	\$ 85,841,973	\$ 77,092,676	\$ 79,060,631	\$ 78,894,435	\$ 78,894,799
Rail service	84,165,069	67,254,632	70,365,953	61,086,101	46,049,338
Paratransit service	19,341,116	18,511,580	18,748,699	18,202,211	17,516,117
Other service	2,949,643	2,918,871	3,183,892	701,656	596,583
Operations support	37,831,682	32,051,926	28,380,563	28,439,826	25,247,271
Administration ¹	38,840,643	35,189,725	35,409,918	28,533,912	26,664,222
Capital Maintenance Projects					
Depreciation	153,573,216	161,043,323	163,476,373	162,366,852	124,353,893
Interest ²	85,415,870	80,575,328	91,311,842	87,132,004	48,462,258
Recoverable sales tax, interlocal ³	810,914	810,914	810,914	810,914	810,914
	<u>\$ 508,770,126</u>	<u>\$ 475,448,975</u>	<u>\$ 490,748,785</u>	<u>\$ 466,167,911</u>	<u>\$ 368,595,395</u>

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

	2021	2020	2019	2018	2017
Box Elder ¹	\$ 2,690,712	\$ 2,404,175	\$ 2,019,035	\$ 1,898,308	\$ 1,957,740
Davis	44,689,405	37,364,965	33,674,864	31,883,835	30,633,547
Salt Lake	260,485,953	217,849,215	196,744,294	174,704,191	163,407,564
Tooele ²	4,040,910	3,347,286	2,250,563	2,815,189	2,302,492
Utah	84,632,418	69,278,480	55,708,400	45,665,232	43,023,303
Weber	36,821,329	31,346,586	27,400,447	25,966,836	24,446,129
	<u>\$ 433,360,729</u>	<u>\$ 361,590,707</u>	<u>\$ 317,797,604</u>	<u>\$ 282,933,591</u>	<u>\$ 265,770,775</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 Linc

LOCAL TRANSIT SALES TAX RATES BY COUNTY - 10 YEARS

	2021	2020	2019	2018	2017
Box Elder	0.5500%	0.5500%	0.5500%	0.5500%	0.5500%
Davis	0.6500%	0.6500%	0.6500%	0.6500%	0.6500%
Salt Lake	0.8500%	0.8500%	0.8500%	0.6875%	0.6875%
Tooele	0.4000%	0.4000%	0.4000%	0.4000%	0.4000%
Utah	0.6260%	0.6300%	0.6300%	0.5260%	0.5260%
Weber	0.6500%	0.6500%	0.6500%	0.6500%	0.6500%



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

	2016	2015	2014	2013	2012
Box Elder ¹	\$ 1,790,352	\$ 1,552,291	\$ 1,418,268	\$ 1,300,577	\$ 1,279,794
Davis	27,606,440	23,178,724	21,459,683	20,023,042	18,692,038
Salt Lake	153,201,907	146,866,479	139,199,088	132,741,112	129,169,357
Tooele ²	1,798,971	1,521,097	1,384,631	1,349,366	1,364,179
Utah	38,601,427	36,221,930	33,752,513	31,905,764	30,576,235
Weber	22,009,320	18,362,502	17,469,093	16,486,468	15,611,940
	<u>\$ 245,008,417</u>	<u>\$ 227,703,023</u>	<u>\$ 214,683,276</u>	<u>\$ 203,806,329</u>	<u>\$ 196,693,543</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 Linc

LOCAL TRANSIT SALES TAX RATES BY COUNTY - 10 YEARS (Continued)

	2016	2015	2014	2013	2012
Box Elder	0.5500%	0.5500%	0.5500%	0.5500%	0.5500%
Davis	0.6500%	0.5500%	0.5500%	0.5500%	0.5500%
Salt Lake	0.6875%	0.6875%	0.6875%	0.6875%	0.6875%
Tooele	0.4000%	0.3000%	0.3000%	0.3000%	0.3000%
Utah	0.5260%	0.5260%	0.5260%	0.5260%	0.5260%
Weber	0.6500%	0.5500%	0.5500%	0.5500%	0.5500%



PRINCIPAL CONTRIBUTORS OF SALES TAX BY COUNTY - 2021 AND 2011

	2021		
	Rank	Percentage of contributions	Amount
Salt Lake County	1	60.11%	\$ 260,485,953
Utah County	2	19.53%	84,632,418
Davis County	3	10.31%	44,689,405
Weber County	4	8.50%	36,821,329
Box Elder County	5	0.62%	2,690,712
Tooele County	6	0.93%	4,040,910
			<u>\$ 433,360,729</u>

FARES - 10 YEARS

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

*Source: UTA Fares Department



PRINCIPAL CONTRIBUTORS OF SALES TAX BY COUNTY - 2021 AND 2011 (Continued)

Rank		2011	
		Percentage of contributions	Amount
1	Salt Lake County	65.59%	\$ 120,094,110
2	Utah County	15.15%	27,743,162
3	Davis County	9.77%	17,880,017
4	Weber County	8.16%	14,939,966
5	Box Elder County	0.67%	1,226,730
6	Tooele County	0.66%	1,207,539
			<u>\$ 183,091,524</u>

FARES - 10 YEARS (Continued)

	2016	2015	2014	2013	2012
Cash Fares					
Base Fare	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.35
Senior Citizen/Disabled	1.25	1.25	1.25	1.25	1.15
Ski Bus	4.50	4.50	4.50	4.50	4.25
Paratransit (Flextrans)	4.00	4.00	4.00	4.00	3.50
Commuter Rail Base Rate	2.50	2.50	2.50	2.50	2.35
Commuter Rail Additional Station	0.60	0.60	0.60	0.60	0.55
Commuter Rail Maximum Rate	10.30	10.30	10.30	10.30	5.10
Express	5.50	5.50	5.50	5.50	5.25
Streetcar	1.00	1.00	1.00	1.00	n/a
Monthly Passes					
Adult	\$ 83.75	\$ 83.75	\$ 83.75	\$ 83.75	\$ 78.50
Minor	62.75	62.75	62.75	62.75	58.75
College Student	62.75	62.75	62.75	62.75	58.75
Senior Citizen/Disabled	41.75	41.75	41.75	41.75	39.25
Express	198.00	198.00	198.00	198.00	189.00
Other Fares					
Day Pass	\$ 6.25	\$ 6.25	\$ 6.25	\$ 6.25	\$ 5.75
Group Pass	15.00	15.00	15.00	15.00	14.00
Summer Youth	99.00	99.00	99.00	n/a	n/a
Token - 10-Pack	22.50	22.50	22.50	22.50	21.00
Paratransit - 10-Ride Ticket	40.00	40.00	40.00	40.00	35.00

*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	Leases				
2012	\$ 2,142,639,468	-	\$ -	\$ 196,693,543	\$ 83,156,237,000	2.58%	\$ 945.64
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	262,251,079	-	-	913.26

Source: Note 9
 2021 income numbers not available as of May 2021

DEMOGRAPHIC AND ECONOMIC STATISTICS

Fiscal Year	Estimated Population	Personal Income in UTA Service Area	Per Capita Personal Income	Unemployment Rate
2012	2,265,811	\$ 83,156,237,000	\$ 36,700	5.4%
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	2,642,086	-	-	2.3%

Source: US Dept of Commerce, Bureau of Economic Analysis, Regional Data (www.bea.gov)
 Unemployment rate- Utah Department of Workforce Services <https://jobs.utah.gov/wi/update/une/>
<https://worldpopulationreview.com/us-counties/states/ut>
 US Bureau of Labor Statistics <https://data.bls.gov/timeseries/LASST490000000000003>

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		
2012	\$ 7,615,000	\$ 71,837,998	\$ 196,693,543	2.48
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	262,251,079	1.78

Source: Statement of Expenses and Change in Net Position, and Note 9, Sales Tax Revenue Bonds



PRINCIPAL EMPLOYER - 2020 AND 2010

Employer	Industry	2020		
		Employees	Rank	% Total Employment
Intermountain Healthcare	Health Care	20,000 +	1	1.2%
University of Utah	Higher Education	20,000 +	2	1.2%
State of Utah	State Government	20,000 +	3	1.2%
Brigham Young University	Higher Education	15,000-19,999	4	0.9%
Wal-Mart Associates	Warehouse Clubs/Supercenters	20,000 +	5	1.2%
Hill Air Force Base	Federal Government	10,000-14,999	6	0.6%
US Postal Service	Federal Government	10,000-14,999	7	0.6%
Davis County School District	Public Education	7,000-9,999	8	0.4%
Utah State University	Higher Education	7,000-9,999	9	0.4%
Smith's Food and Drug Centers	Grocery Stores	7,000-9,999	10	0.4%
Granite School District	Public Education	7,000-9,999	11	0.4%
Alpine School District	Public Education	7,000-9,999	12	0.3%
Jordan School District	Public Education	7,000-9,999	13	0.3%
Salt Lake County	Local Government	5,000-6,999	14	0.3%
Utah Valley University	Higher Education	5,000-6,999	15	0.3%
Total Employment				1,632,215

Source: Department of Workforce Services

<https://jobs.utah.gov/wi/data/library/firm/majoremployers.html>

<http://www.dws.state.ut.us/wi/pubs/em/pastreports/11annual/11annual.pdf>

2021 data not available

<https://jobs.utah.gov/wi/data/library/firm/majoremployers.html>

<https://jobs.utah.gov/wi/pubs/em/pastreports/11annual/lrgstemp.pdf>

<https://beta.bls.gov/dataViewer/view/timeseries/LAUST490000000000005;jse:ssionid=157EB1C83D61925001914BA2E5AD33CE>

<http://www.operationriogrande.utah.gov/wi/pubs/em/pastreports/09annual/lrgstemp2009.pdf>



PRINCIPAL EMPLOYER - 2020 AND 2010

Employer		2010		
		Employees	Rank	% Total Employment
Intermountain Health Care	Hospitals	20,000+	1	1.6%
State of Utah	State Government	20,000+	2	1.6%
University of Utah	Higher Education	20,000+	3	1.6%
Brigham Young University	Higher Education	15,000-19,999	4	1.2%
Wal Mart Stores	Discount Store	15,000-19,999	5	1.2%
Hill Air Force Base	Defense	10,000-14,999	6	0.8%
Granite School District	Public Education	7,000-9,999	7	0.6%
Utah State University	Higher Education	7,000-9,999	8	0.6%
Davis County School District	Public Education	7,000-9,999	9	0.6%
Kroger Group/ Smiths Marketplace	Food/Discount Store	5,000-6,999	10	0.4%
Alpine School District	Public Education	5,000-6,999	11	0.4%
Internal Revenue Service	Public Taxation	5,000-6,999	12	0.4%
Salt Lake County	Local Government	5,000-6,999	13	0.4%
US Postal Service	Postal Service	5,000-6,999	14	0.4%
Jordan School District	Public Education	5,000-6,999	15	0.4%
Total Employment				1,256,238



FULL-TIME EQUIVALENT AUTHORITY EMPLOYEES - 10 YEARS

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Bus operations	1,069	1,104	1,138	1,089	1,030	1,028	951	945	911	963
Rail operations	595	625	631	611	580	563	527	542	526	506
Paratransit operations	190	200	204	196	191	192	188	183	176	168
Other services	10	10	10	8	9	9	12	10	10	12
Support services	453	417	433	413	365	366	349	323	335	293
Administration	190	187	184	180	243	212	210	207	195	217
Total	2,506	2,543	2,599	2,496	2,417	2,368	2,237	2,210	2,153	2,159

Source: UTA Budget Office
 Headcount Report 01/01/2022



TREND STATISTICS - 10 YEARS

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Passengers										
Bus service	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	21,222,669
Rail service	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	19,421,608
Paratransit service	301,505	187,112	388,265	394,816	386,977	389,019	388,169	372,499	383,453	715,034
Vanpool service	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	1,446,766
Total passengers	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	42,806,077
Revenue Miles										
Bus service	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	15,091,645
Rail service	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	7,905,460
Paratransit service	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	3,252,193
Vanpool service	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	7,553,978
Total Revenue Miles	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	33,803,276
Total Miles										
Bus service	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	16,553,983
Rail service	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	7,987,022
Paratransit service	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	4,088,027
Vanpool service	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	7,553,978
Total miles	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	36,183,010
Passengers per Mile										
Bus service	0.81	0.80	1.15	1.10	1.13	1.30	1.34	1.29	1.25	1.41
Rail service	0.96	1.01	1.86	1.90	1.96	1.97	2.03	2.07	1.95	2.46
Paratransit service	0.24	0.11	0.13	0.14	0.14	0.16	0.17	0.15	0.13	0.22
Vanpool service	0.10	0.12	0.17	0.18	0.20	0.20	0.21	0.20	0.20	0.19
Total passengers per mile	0.72	0.71	1.13	1.13	1.16	1.25	1.28	1.26	1.18	1.27
Revenue Hours										
Bus service	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	834,985
Rail service	511,973	480,016	532,353	527,187	513,389	511,082	506,233	487,435	641,914	536,066
Paratransit service	79,710	116,174	181,749	180,342	162,198	162,734	160,383	164,527	191,016	227,013
Total revenue hours	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	1,598,064
Passengers per Revenue Hour										
Bus service	10.27	10.64	15.68	15.28	15.69	18.43	19.21	18.18	21.10	25.42
Rail service	20.44	21.40	41.93	43.59	46.12	46.50	48.10	49.93	35.54	36.23
Paratransit service	3.78	1.61	2.14	2.19	2.39	2.39	2.42	2.26	2.01	3.15
Total passengers per mile	12.85	12.97	21.32	21.59	22.65	25.09	26.08	25.48	24.28	25.88
Total System										
Fare revenue	\$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	\$44,489,583
Operating expense	\$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	\$194,968,330
Cost per revenue mile	10.40	9.66	7.90	8.19	6.66	7.36	6.67	6.39	5.78	5.77
Cost per passenger	14.46	13.60	6.99	7.26	5.72	5.91	5.19	5.08	4.87	4.55
Fare revenue per passenger	1.19	1.39	1.18	1.18	1.16	1.11	1.12	1.11	1.13	1.04

Source: NTD

Note: Does not include commuter bus or contract transportation.



OPERATING INDICATORS AND CAPITAL ASSETS - 10 YEARS

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Number of bus routes *	95	104	117	114	119	125	126	121	119	125
Number of rail routes										
Light rail	4	4	4	4	4	4	4	4	4	3
Commuter rail	1	1	1	1	1	1	1	1	1	1
Bus service miles (weekday)	62,948	63,025	62,742	57,378	56,162	53,612	49,625	51,629	55,733	64,186
Rail service miles (weekday)										
Light rail	8,342	6,797	8,832	8,853	8,814	8,815	8,828	8,547	8,216	6,978
Commuter rail	3,727	3,628	4,660	4,664	4,623	4,627	4,651	4,638	4,488	2,390
Average passengers (weekday)	79,916	78,972	152,940	151,901	156,288	155,873	161,862	161,339	162,644	152,934
Buses	648	539	570	561	582	567	555	535	493	570
Paratransit vehicles (buses/vans)	188	207	198	182	148	129		84	113	110
Rail vehicles										
Light rail	117	117	117	146	146	146	146	146	146	122
Commuter rail	81	81	70	81	81	81	81	81	81	57
Vanpool vehicles	461	471	512	453	453	503	495	479	470	494
Park and ride lots ¹						46	41			
Rail park and ride	42	42	42	42	42					
Non-Rail park and ride	12	12	12	12	12					
Bus stops	5,199	6,120	6,247	6,100	6,100	6,196	6,250	6,250	6,273	6,333
Rail stations										
Light rail	57	57	57	57	57	57	57	51	51	41
Commuter rail	17	17	17	16	16	16	16	16	16	16

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

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

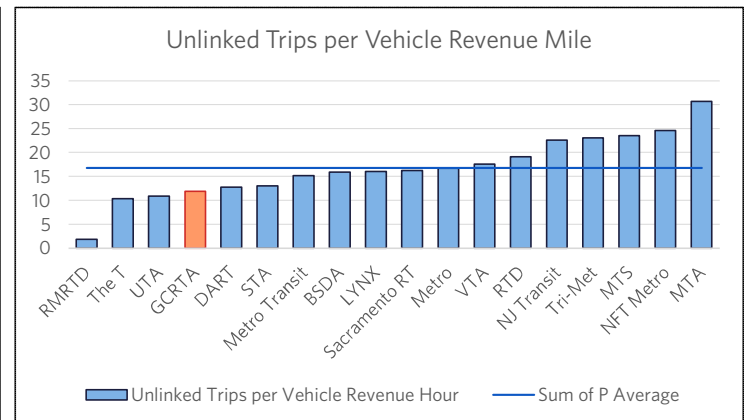
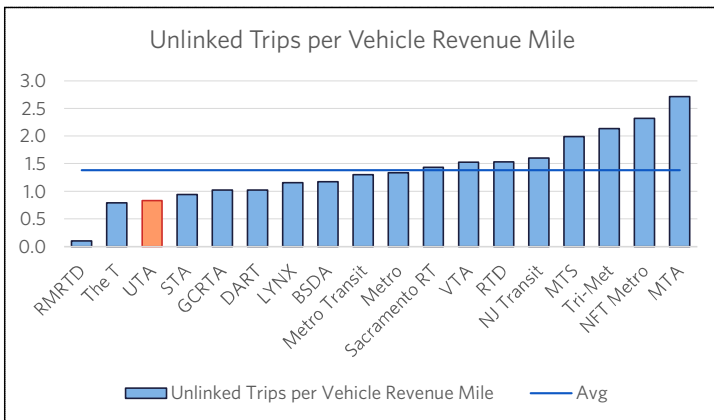
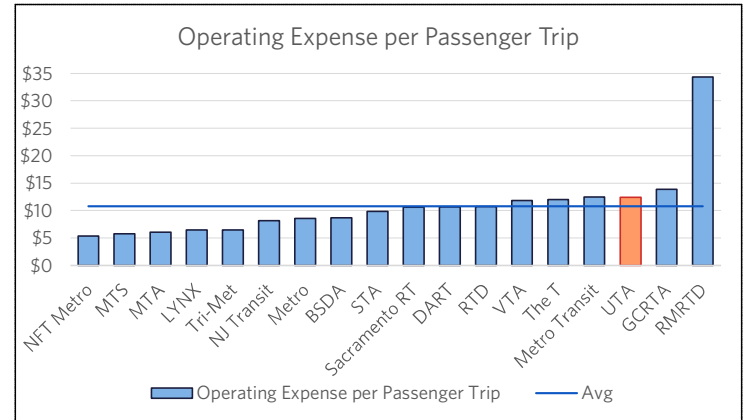
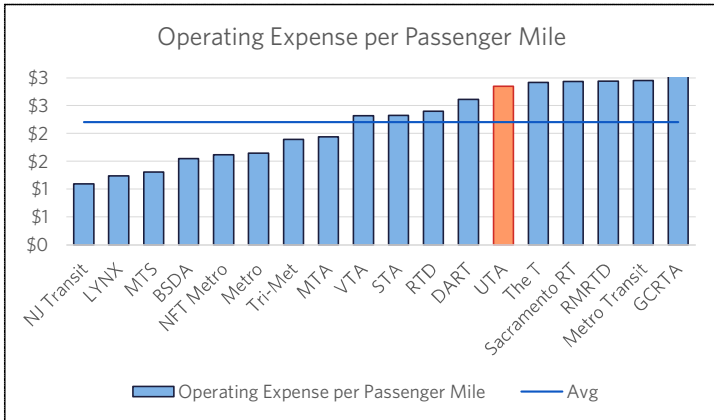
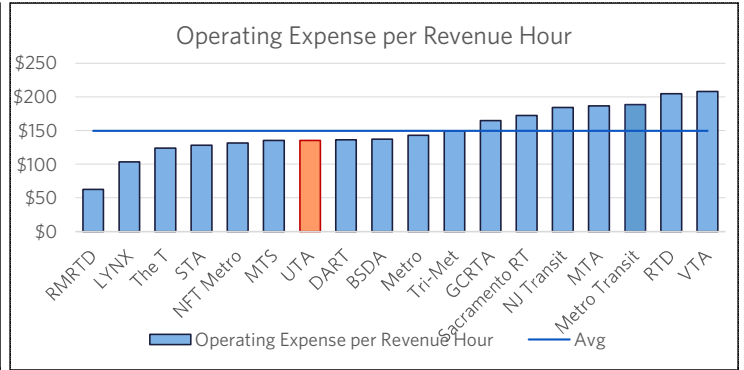
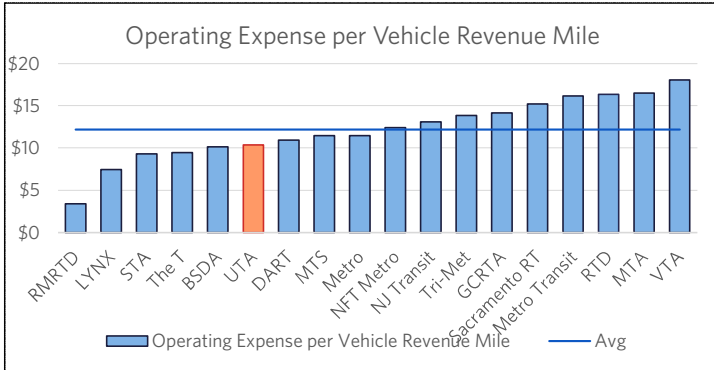
* including flex

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



PERFORMANCE MEASURES - BUS SERVICE

The following charts contain information from the Federal Transit Administration's National Database (NTD) for the most recent year available (2020), and compares the Authority's performance with other like transit agencies.

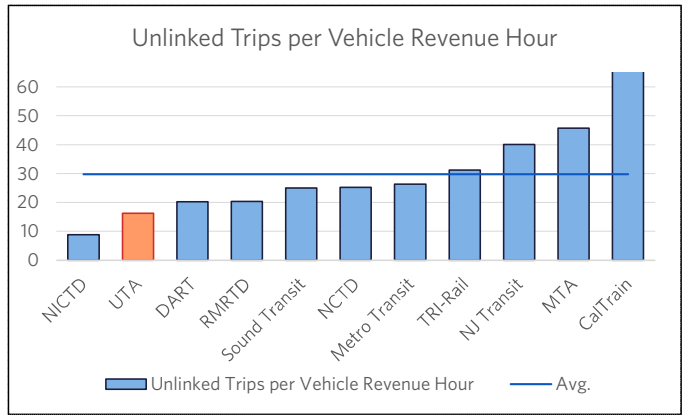
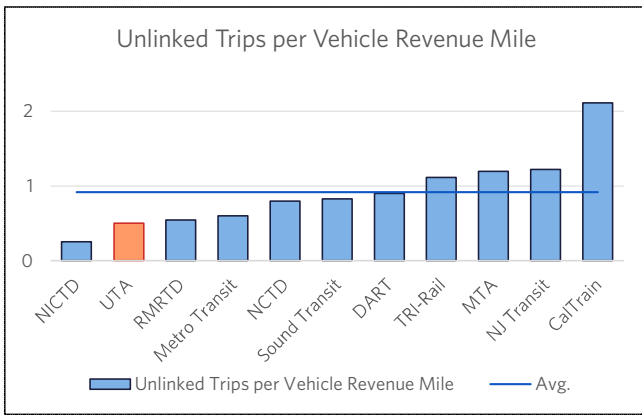
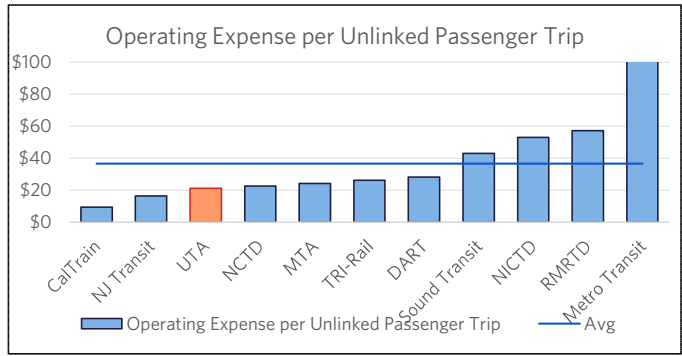
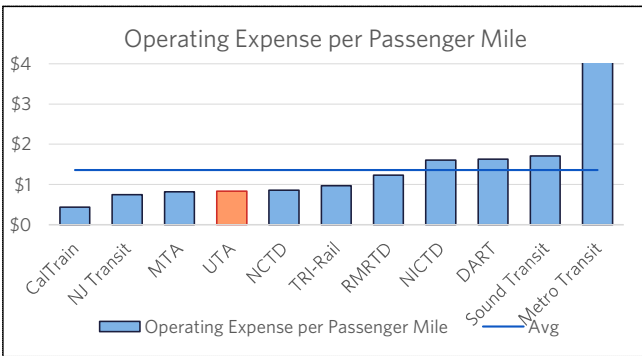
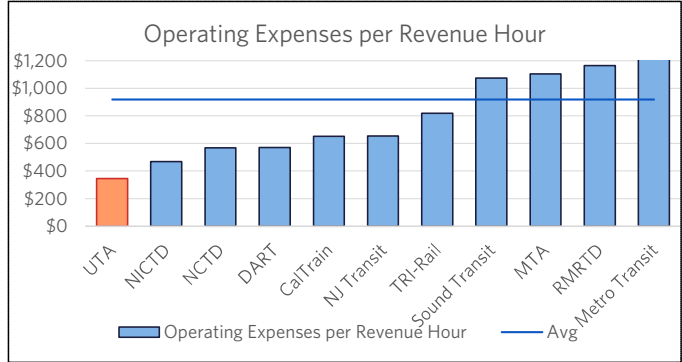
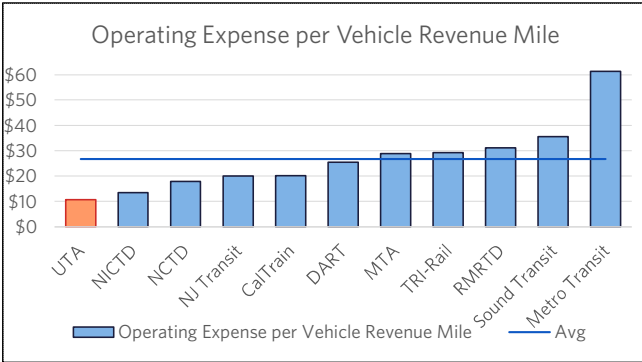


City, State	Agency
Saint Louis, MO	BSDA
Dallas, TX	DART
Cleveland, OH	GCRTA
Orlando, FL	LYNX
Houston, TX	Metro
Minneapolis, MN	Metro Transit
Baltimore, MD	MTA
San Diego, CA	MTS
Buffalo, NY	NFT Metro

City, State	Agency
Newark, NJ	NJ Transit
Albuquerque, NM	RMRTD
Denver, CO	RTD
Sacramento, CA	Sacramento RT
Spokane, WA	STA
Fort Worth, TX	The T
Portland, OR	Tri-Met
Salt Lake City, UT	UTA
San Jose, CA	VTA

PERFORMANCE MEASURES - COMMUTER RAIL SERVICE

The following charts contain information from the Federal Transit Administration's National Database (NTD) for the most recent year available (2020), and compares the Authority's performance with other like transit agencies.



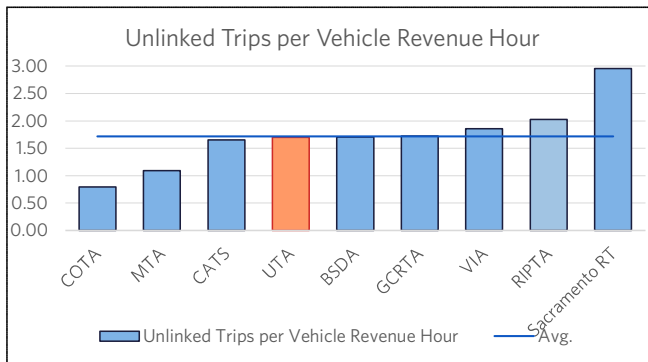
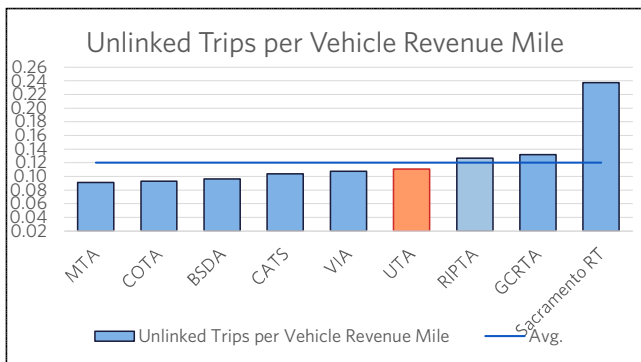
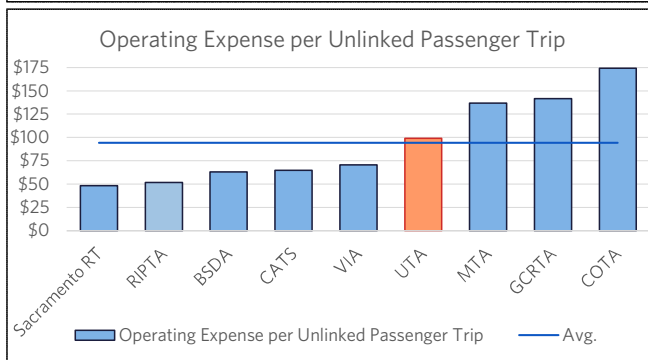
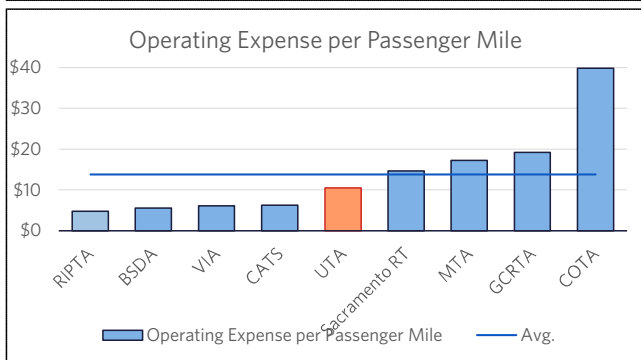
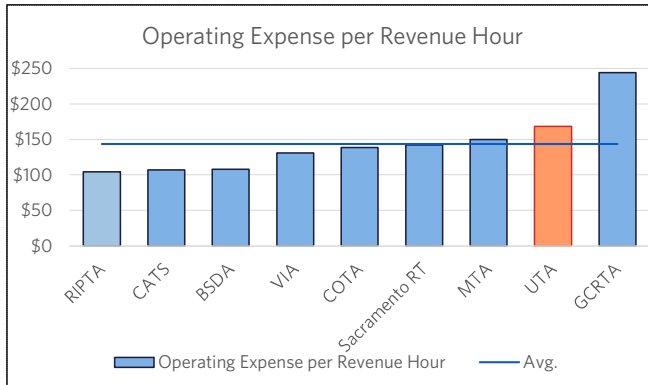
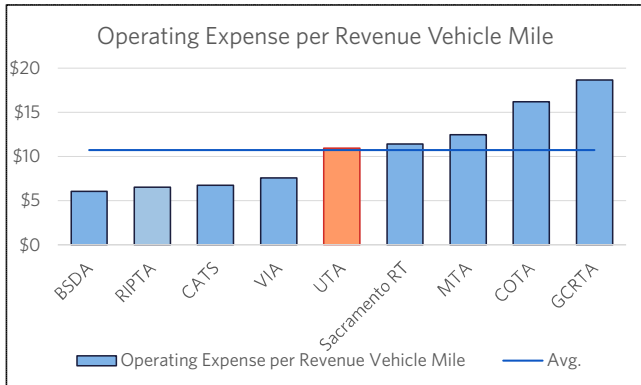
City, State	Agency
San Carlos, CA	CalTrain
Dallas, TX	DART
Minneapolis, MN	Metro Transit
Baltimore, MD	MTA
Oceanside, CA	NCTD
Chesterton, IN	NICTD

City, State	Agency
Newark, NJ	NJ Transit
Albuquerque, NM	RMRTD
Seattle, WA	Sound Transit
Pompano Beach, FL	TRI-Rail
Salt Lake City, UT	UTA



PERFORMANCE MEASURES - DEMAND RESPONSE

The following charts contain information from the Federal Transit Administration's National Database (NTD) for the most recent year available (2020), and compares the Authority's performance with other like transit agencies.



City, State
 Saint Louis, MO
 Charlotte, NC
 Cleveland, OH
 Baltimore, MD
 Sacramento, CA

Agency
 BSDA
 CATS
 GCRTA
 MTA
 Sacramento RT

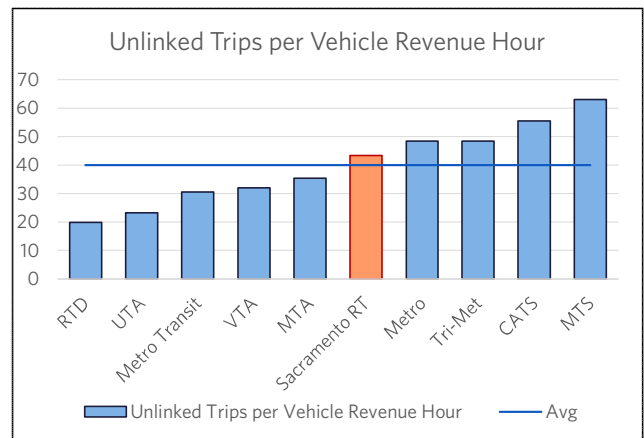
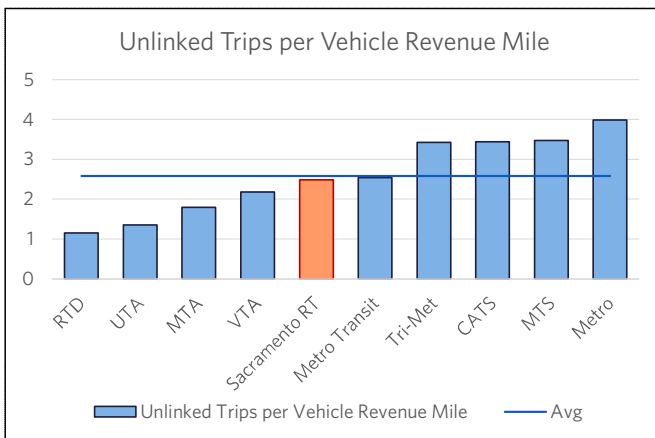
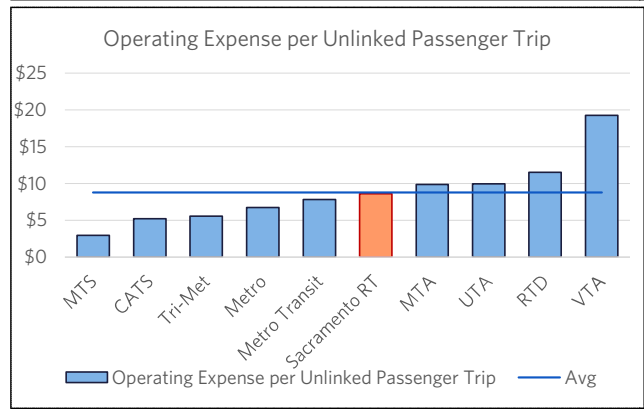
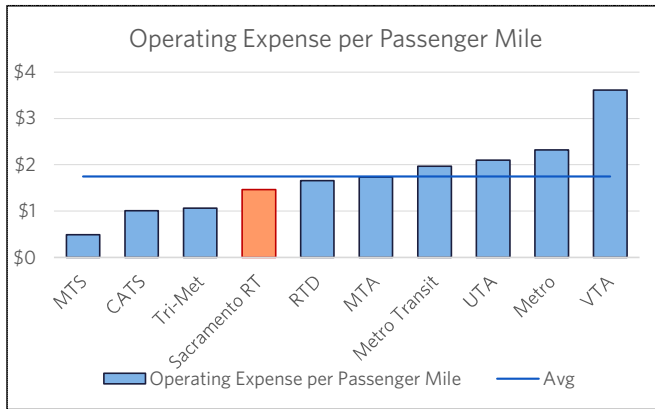
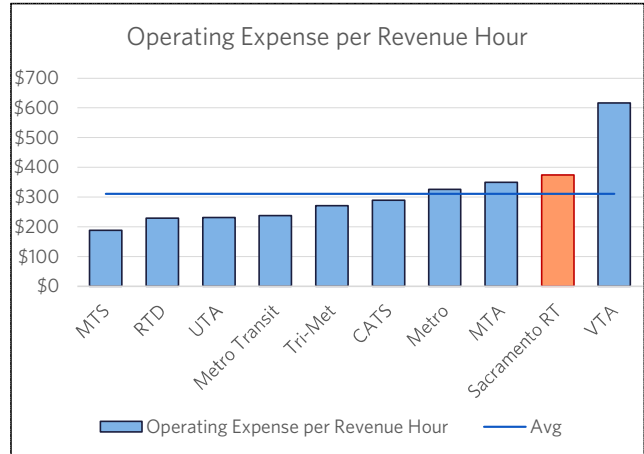
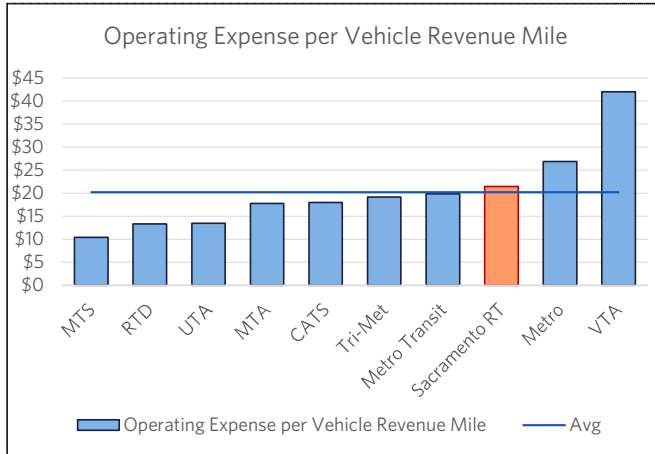
City, State
 Salt Lake City, UT
 San Antonio, TX
 Providence, RI
 Columbus, OH

Agency
 UTA
 VIA
 RIPTA
 COTA



PERFORMANCE MEASURES - LIGHT RAIL

The following charts contain information from the Federal Transit Administration's National Database (NTD) for the most recent year available (2020), and compares the Authority's performance with other like transit agencies.



City, State	Agency
Charlotte, NC	CATS
Houston, TX	Metro
Minneapolis, MN	Metro Transit
Baltimore, MD	MTA
San Diego, CA	MTS

City, State	Agency
Denver, CO	RTD
Sacramento, CA	Sacramento RT
Portland, OR	Tri-Met
Salt Lake City, UT	UTA
San Jose, CA	VTA

Compliance



For Fiscal Year Ended
December 31, 2021

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, 2021, 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 17, 2022.

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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as 2021-001 to be a material weakness.

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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as 2021-002 and 2021-003 to be significant deficiencies.

(Continued)

Report on Compliance and Other Matters

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

The Authority's Response to Findings

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

Purpose of this Report

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



Crowe LLP

Indianapolis, Indiana
June 17, 2022

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

Board of Trustees
Utah Transit Authority
Salt Lake City, Utah

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Utah Transit Authority's (the Authority), a component unit of the State of Utah, compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on each of the Authority's major federal programs for the year ended December 31, 2021. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2021.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each 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 each 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

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify a certain deficiency in internal control over compliance that we consider to be a significant deficiency.

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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2021-004, to be a significant deficiency.

(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.

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

The Authority is responsible for preparing a corrective action plan to address each audit finding included in our auditor's report. The Authority's corrective action plan was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

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.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the business-type activities and the fiduciary activities of the Authority as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements. We issued our report thereon dated June 17, 2022, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is 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 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 expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



Crowe LLP

Indianapolis, Indiana
June 17, 2022

UTAH TRANSIT AUTHORITY
 Schedule of Expenditures of Federal Awards
 For the year ended December 31, 2021

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		\$ -	\$ 22,836,345
Federal Transit - Capital investment Grants	20.500	UT-2021-014-02		-	3,950,001
				-	26,786,346
Federal Transit - Formula Grant	20.507	UT-2018-005-00		-	931,654
Federal Transit - Formula Grant	20.507	UT-2020-004-01		-	6,778,670
COVID-19 Grant (CARES) - Formula Grant	20.507	UT-2020-007-00		-	90,268,322
COVID-19 Grant (CRRSAA) - Formula Grant	20.507	UT-2021-019-00		-	33,584,103
FHWA Transfer to 5307 Urbanized Area Formula Grant	20.507	UT-2020-010		-	858,201
				-	132,420,950
Bus and Bus Facilities Formula Program	20.526	UT-2018-010-00		-	8,948,790
Bus and Bus Facilities Discretionary Program	20.526	UT-2018-011-00		-	6,120,301
				-	15,069,091
Federal Transit Cluster - Federal Transit Administration Programs total				-	174,276,387
Transit Services Programs Cluster - Federal Transit Administration Programs					
Federal Transit - Enhanced Mobility for Seniors and Individuals with Disabilities	20.513	UT-16-X006		-	4,749
Federal Transit - Enhanced Mobility for Seniors and Individuals with Disabilities	20.513	UT-2016-013		13,078	40,059
Federal Transit - Enhanced Mobility for Seniors and Individuals with Disabilities	20.513	UT-2017-015		9,692	87,812
Federal Transit - Enhanced Mobility for Seniors and Individuals with Disabilities	20.513	UT-2017-016		48,793	147,163
Federal Transit - Enhanced Mobility for Seniors and Individuals with Disabilities	20.513	UT-2017-017		148,204	295,319
Federal Transit - Enhanced Mobility for Seniors and Individuals with Disabilities	20.513	UT-2019-001		85,674	147,255
Federal Transit - Enhanced Mobility for Seniors and Individuals with Disabilities	20.513	UT-2019-002		86,704	148,050
Federal Transit - Enhanced Mobility for Seniors and Individuals with Disabilities	20.513	UT-2019-003		-	78,286
Federal Transit - Enhanced Mobility for Seniors and Individuals with Disabilities	20.513	UT-2021-005		-	194,165
Federal Transit - Enhanced Mobility for Seniors and Individuals with Disabilities	20.513	UT-2021-007		-	23,391
Federal Transit - Enhanced Mobility Pilot Program	20.513	UT-2020-003		-	233,170
Federal Transit - Suicide Prevention Research and Demonstration Project	20.513	UT-2021-004		-	152,363
Federal Transit - Enhanced Mobility for Seniors and Individuals with Disabilities	20.513	UT-2021-006		-	27,026
Transit Services Programs Cluster - Federal Transit Administration Programs				392,145	1,578,808
Federal Transit Administration Programs total				392,145	175,855,195



UTAH TRANSIT AUTHORITY
 Schedule of Expenditures of Federal Awards
 For the year ended December 31, 2021

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
National Infrastructure Investment - Federal Transit Administration Programs					
Federal Transit Administration - National Infrastructure Investment (TIGER)	20.933	UT-2018-002		\$ -	\$ 3,624,166
National Infrastructure Investment - Federal Transit Administration Programs total				-	3,624,166
TOTAL U.S. DEPARTMENT OF TRANSPORTATION				392,145	179,479,361
DEPARTMENT OF HOMELAND SECURITY					
FEMA Rail and Transit Security Grant Program	97.075	17-RA-00042		-	10,100
FEMA Rail and Transit Security Grant Program	97.075	19-RA-00040		-	22,856
TOTAL DEPARTMENT OF HOMELAND SECURITY				-	32,956
TOTAL FEDERAL AWARDS EXPENDED				\$ 392,145	\$ 179,512,318

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

Federal Preventative Maintenance grants	\$ 130,631,095
Capital Contributions: Federal grants	48,642,468
Total per Statement of Revenues, Expenses and Change in Net Position (2021)	179,273,563
Total per Schedule of Expenditures of Federal Awards for the year ending December 31, 2021	179,512,318
Difference	238,755

Previous Over/(Under)stated Revenues reflected in 2020 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-2016-013	40,059
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-2017-017	74,195
Enhanced Mobility for Seniors and Individuals with Disabilities	20.513	UT-2020-003	124,461
			<u>238,717</u>
National Infrastructure Investment - Office of the Secretary Programs	ALN	Grant #	Amount
Office of Secretary - National Infrastructure Investment (TIGER)	20.933	UT-2018-002	38
			<u>38</u>
Total Adjustment			<u>\$ 238,755</u>



UTAH TRANSIT AUTHORITY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 2021

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, 2021.

D. Indirect Cost Rate

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



UTAH TRANSIT AUTHORITY
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 Year ended December 31, 2021

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
 20.933

Program/Cluster Title
 Federal Transit Cluster
 National Infrastructure Investments

Dollar threshold used to distinguish between type A and type B programs:

\$3,000,000

Auditee qualified as low-risk auditee?

Yes No

(Continued)

UTAH TRANSIT AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year ended December 31, 2021

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

Finding 2021-001 – Information Technology Controls over Change Management (Material Weakness)

Criteria: Internal controls over information systems are a key component of an organization’s control environment. Entities should have internal controls including policies and procedures requiring appropriate segregation of duties for key process cycles. Where adequate segregation of duties cannot be employed via system access restrictions, detective and monitoring review controls should be established that adequately mitigate such risks.

Condition/Context: Segregation of duties does not exist between individuals with access to the general ledger source code and individuals responsible for implementing changes to the source code into the production environment.

Effect: Unauthorized or uncontrolled changes to general ledger software could be made to the application source code, which could impact system availability, data integrity, and information confidentiality.

Cause: Individuals with application development access have the ability to modify source code and deploy the changes into production. The Authority has a policy that source code changes are required to be reviewed by a second individual, however there are no system limitations or other restrictions to prevent unapproved changes from being placed into production. Furthermore, effective compensating controls are not in place to monitor and review source code changes that may have circumvented the policy requirement.

Identification as a Repeat Finding: This finding was reported in the immediately prior audit as Finding 2020-001.

Recommendation: We recommend that the Authority modify its policies and procedures to ensure that source code changes are initiated with appropriate authorization and management oversight and approval is obtained prior to implementing the changes into the production environment. If access to development and production cannot be restricted, a compensating monitoring control should be implemented wherein an independent individual reviews source code changes for propriety.

Management’s Response: Technology Management installed and configured privileged access management (PAM) solution for its ERP system in late December 2021. The PAM solution would provide the necessary detective and monitoring review controls to satisfy the audit finding. Staff who need access to the production environment for support and application upgrades are required to make an access request, first through the Technology Change Control Board (TCCB) and then through the PAM solution. The PAM system will issue temporary credentials and maintain logs that track all developer activities during the session.

Staff is currently working on how documentation and approval will work in the new software. After reviewing the process with Crowe LLP staff in April 2022, UTA will implement the necessary changes and responsibilities in Technology Management by August 2022.

Log activity and session recordings from the PAM system for ERP are reviewed and will be independent of development staff and supervision anytime developers must access the production environment. Detailed documentation of the specific work performed is part of the existing change control process.

(Continued)

UTAH TRANSIT AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year ended December 31, 2021

Finding 2021-002 – Financial Reporting Controls over Pension Trust (Significant Deficiency)

Criteria: 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, including the design, implementation, and maintenance of internal controls.

Condition/Context: The following conditions were identified in our testing of the pension trust:

1. General journal entries to the trust financial statements are not formally reviewed and approved.
2. Reconciliations of trust balances and activity are not formally reviewed and approved.

Effect: The lack of a formal policy for review of journal entries and reconciliations could result in misstatement of the trust financial statements due to error or fraud as unauthorized or inaccurate transactions could go undetected.

Cause: The Authority does not have a policy requiring the review and approval of pension trust journal entries or reconciliation of pension trust activity reported in the financial statements to the underlying records and source data.

Identification as a Repeat Finding: This finding was reported in the immediately prior audit as Finding 2020-003.

Recommendation: We recommend the Authority's management increase oversight of all third-parties involved in the administration of the pension trust by designing and implementing controls over the reconciliation of pension trust activity reported in the financial statements. Specifically, management should ensure that transactions and balances, including investment activity, contributions, benefit payments, and other general journal entries reported in the trust financial statements reconcile to the underlying detail maintained by the Authority, the custodian, and any other Third Party Administrators.

Management's Response: Management agrees with the finding. The Chief Financial Officer and Chief People Officer will continue to lead development of an agency strategy to provide coordinated oversight of pension administration including all existing contractors. This will include addressing the following areas of concern:

- Monitoring journal entries performed by the pension accounting firm in the pension accounting system and trial balance
- Reviewing financial statements integrated into the yearly financials of the Authority for completeness and accurate actuarial information
- Serving as a repository for investment statements and audited financial statements
- Reviewing pension benefit calculations
- Insuring retention of documentation on employee retirement choices
- Follow-up on monthly payments of taxes and annual tax reporting to the various states and the federal government
- Implementing regulatory and compliance changes with the various pension contracts to ensure ongoing compliance

Given the breadth and scope of this review, the recommendations by the Chief Officers will be presented at the fall 2022 pension committee meeting and finalized at the last pension committee meeting of 2022.

(Continued)

UTAH TRANSIT AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year ended December 31, 2021

Finding 2021-003 – Accounting for Capital Assets (Significant Deficiency)

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

Condition/Context: In 2020, management reassessed the useful lives of certain capital assets outside of the general ledger system and began using a manual spreadsheet to track accumulated depreciation and current period depreciation expense. During our testing of management’s spreadsheet in the current year audit, we identified several formula errors resulting in an overstatement of 2021 depreciation expense of approximately \$3.2 million. In addition, in 2021 management changed the initial start date of the new useful lives, and as a result, the 2020 depreciation expense was overstated by approximately \$5.1 million, which caused 2021 depreciation expense to be understated by the same amount.

Effect: Use of a manual schedule reduces the effectiveness of the controls the system has in place, increasing risk of misstatement to the financial statements.

Cause: The capital assets module of the accounting system does not track these specific capital assets using their appropriate reassessed useful lives, requiring management to use a manual spreadsheet to recalculate the appropriate depreciation expense in the financial statements.

Identification as a Repeat Finding: This finding was reported in the immediately prior audit as Finding 2020-004.

Recommendation: We recommend that the Authority work with their software company (Oracle/JD Edwards) to adjust the useful lives of capital assets within the system to reflect the appropriate depreciation and remaining useful lives so the system calculations can be relied on for future financial reporting, rather than a manual spreadsheet. The Authority has also received several findings in a recent Federal Transit Administration Financial Management Oversight report citing additional deficiencies in internal control policies and procedures regarding capital assets that should be considered in addition to this finding.

Management’s Response: Management understands the recommendation, but as a Federal Grantee, the Authority is trying to keep its FTA mandated Transit Asset Management Plan and financial system referencing a common depreciation schedule. Prior Authority management were aggressive (understated the useful life) in their depreciation methods for revenue vehicles and were not consistent with asset depreciation as document in the FTA approved Transit Asset Management Plan. Keeping Oracle/JD Edwards at the retrospective calculation for revenue vehicle depreciation for federal reporting purposes is in the best interest of the Authority for Federal Transit Administration compliance.

The Authority is aware of the miscalculation in the referenced 2021 excel spreadsheet for revenue vehicles based on the prospective accounting guidance from this finding but feel this issue has been already resolved for 2022 after the auditor’s review in June 2022. An accounting entry will be done as part of the 2022 financial statement to reconcile Oracle/JD Edwards to the correct prospective change in accounting estimate tracked by spreadsheet until the two amounts match in subsequent years.

As to the findings in the Federal Transit Administration Financial Management Oversight Report, The Authority’s staff has developed individual plans for each of the four capital asset related findings with the Federal Transit Administration and the corrective actions are currently on-going. These finding will be resolved by December 31, 2022.

(Continued)

UTAH TRANSIT AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year ended December 31, 2021

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

Finding 2021-004 – Federal Transit Cluster Cash Management (Significant Deficiency)

Criteria: Per 2 CFR section 200.305(b), non-federal entities must minimize the time elapsing between the transfer of funds from the US Treasury or pass-through entity and disbursement by the non-federal entity for direct program or project costs and the proportionate share of allowable indirect costs.

Questioned Cost: None identified.

Condition/Context: We selected a sample of 60 disbursements to test whether the Authority had disbursed the funds prior to the date of the reimbursement request from the Department of Transportation. For 4 of the disbursement sample selections, management was unable to identify which specific reimbursement request the expenditure was included in and thus we were unable to identify whether the funds were properly disbursed prior to the reimbursement request.

Effect: The Authority is not in compliance with the cash management requirements of Uniform Guidance and may not have disbursed the funds prior to the date of the reimbursement request from the Department of Transportation.

Cause: Due to turnover in the Authority's grants management they were unable to identify and provide supporting documentation of the individual expenditures that comprised certain reimbursement requests.

Identification as a Repeat Finding: N/A

Recommendation: We recommend that the Authority maintain detailed supporting documentation for each reimbursement request that includes a listing of individual allowable expenditures that reimbursement is being requested for.

Management's Response: Management agrees with the finding and has already taken steps in drawdown documentation in 2022 to add more detail to the request for future references.

Other Supplementary Schedules



For Fiscal Year Ended
December 31, 2021

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, 2021.

State compliance requirements were tested for the year ended December 31, 2021 in the following areas:

- Budgetary Compliance
- Restricted Taxes and Related Revenues
- Fraud Risk Assessment
- Government Fees

In our opinion, the Authority complied, in all material respects, with the compliance requirements referred to above for the year ended December 31, 2021.

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.

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.

(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 and the *State Compliance Audit Guide* will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Authority's compliance with the requirements as a whole.

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

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

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

Report on Internal Control over Compliance

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

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

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

(Continued)

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

Crowe LLP

Crowe LLP

Indianapolis, Indiana
June 17, 2022