

**RESOLUTION OF THE BOARD OF TRUSTEES OF THE UTAH TRANSIT  
AUTHORITY AUTHORIZING AND APPROVING A PRELIMINARY OFFICIAL  
STATEMENT AND AN OFFICIAL STATEMENT IN CONNECTION WITH THE  
ISSUANCE AND SALE OF THE AUTHORITY'S SALES TAX REVENUE  
REFUNDING BONDS; AND RELATED MATTERS.**

R2021-10-01

October 13, 2021

WHEREAS, the Utah Transit Authority (the "Authority") is a large public transit district organized under the laws of the State of Utah and was created to transact and exercise all of the powers provided for in the Utah Limited Purpose Local Government Entities - Local Districts Act and the Utah Public Transit District Act; and

WHEREAS, the Authority has previously authorized the issuance of its Sales Tax Revenue Refunding Bonds (to be issued in one or more series and with such other series or title designation(s) as may be determined) (the "Bonds") pursuant to a resolution R2021-09-04 adopted by the Board on September 22, 2021 (the "Bond Resolution") to refund a portion of its outstanding bonds; and

WHEREAS, in connection with the issuance of the Bonds, the Authority plans to use and distribute a Preliminary Official Statement (the "Preliminary Official Statement"), in substantially the form attached hereto as Exhibit B, and a final Official Statement (the "Official Statement"), in substantially the form as the Preliminary Official Statement; and

WHEREAS, the Authority now desires to approve the Preliminary Official Statement and the Official Statement and to authorize their use and distribution in connection with the issuance of the Bonds.

NOW, THEREFORE, it is hereby resolved by the Board of Trustees of the Utah Transit Authority, as follows:

1. The Board hereby approves the Preliminary Official Statement in substantially the form attached hereto as Exhibit B and hereby authorizes the utilization thereof in connection with the issuance of the Bonds and approves the Official Statement in substantially the same form as the Preliminary Official Statement with final pricing terms and authorizes the utilization thereof in connection with the issuance of the Bonds.
2. Any of the Board members or other officials of the Authority are hereby authorized to make any alterations, changes or additions to the Preliminary Official Statement and Official Statement within the financial parameters of the Bond Resolution, or which may be necessary to conform the same to the final terms of the Bonds, to correct errors or omissions therein, to complete the same, to remove ambiguities therefrom, or to conform the same to the provisions of said instruments, the Bond Resolution and this Resolution or any resolution adopted by the Board or the provisions of the laws of the State of Utah or the United States.

3. Appropriate officials of the Authority, and each of them, are hereby authorized and directed to execute and deliver for and on behalf of the Authority any or all additional certificates, documents and other papers and to perform all other acts they may deem necessary or appropriate in order to implement and carry out the matters authorized in this Resolution and the documents authorized and approved herein.
4. All resolutions or parts thereof in conflict herewith are, to the extent of such conflict, hereby repealed and this resolution shall be in full force and effect immediately upon its approval and adoption.
5. This resolution shall take effect immediately upon its approval and adoption.
6. All resolutions or parts thereof in conflict herewith are, to the extent of such conflict, hereby repealed and this Resolution shall be in full force and effect immediately upon its approval and adoption.

Approved and adopted this 13<sup>th</sup> day of October 2021.

DocuSigned by:

*Carlton Christensen*

9F729E1F2C184AC...

Carlton Christensen, Chair  
Board of Trustees

ATTEST:

DocuSigned by:

*Shirley A. Smith*

6D6A6B67F3AA459...

Secretary of the Authority



(Corporate Seal)

Approved As To Form:

DocuSigned by:

*David Wilkins*

5E3257B1CF02469...

Legal Counsel

## CERTIFICATE

The undersigned duly qualified Chair of the Board of Trustees of the Utah Transit Authority certifies that the foregoing is a true and correct copy of a resolution adopted at a legally convened meeting of the Board of Trustees held on October 13, 2021.

DocuSigned by:



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Carlton Christensen, Chair  
Board of Trustees

ATTEST:

DocuSigned by:



8D8A0B67F3AA439...


Secretary of the Authority



(Corporate Seal)

Approved As To Form:

DocuSigned by:



5E3257B1CF024B9...

Legal Counsel

STATE OF UTAH                    )  
   : ss.  
COUNTY OF SALT LAKE    )

I, Annette Royle , the duly qualified and acting Secretary of the Board of Trustees (the “Board”) of the Utah Transit Authority (the “Authority”) do hereby certify according to the records of the Board in my official possession that the foregoing constitutes a true and correct excerpt of the minutes of the meeting of the Board held on October 13, 2021, including a resolution (the “Resolution”) adopted at said meeting as said minutes and Resolution are officially of record in my possession.

IN WITNESS WHEREOF, I have hereunto subscribed my signature and impressed hereon the official seal of the Authority, this October 27, 2021.

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Secretary of the Authority

(SEAL)



EXHIBIT A

CERTIFICATE OF COMPLIANCE WITH  
OPEN MEETING LAW

I, Annette Royle, the undersigned Secretary of the Board of Trustees (the "Board") of the Utah Transit Authority (the "Authority"), do hereby certify, according to the records of the Authority in my official possession, and upon my own knowledge and belief, that in accordance with the requirements of Section 52-4-202, Utah Code Annotated, 1953, as amended, not less than twenty-four (24) hours public notice of the agenda, date, time and place of the October 13, 2021, public meeting held by the Board was given as follows:

(a) by causing a Notice, in the form attached hereto as Schedule B to be posted at the Authority's principal offices at least twenty-four (24) hours prior to the convening of the meeting, said Notice having continuously remained so posted and available for public inspection until the completion of the meeting; and

(b) by causing a copy of such Notice to be published on the Utah Public Notice Website (<http://pmn.utah.gov>) at least twenty-four (24) hours prior to the convening of the meeting.

In addition, the Notice of 2021 Annual Meeting Schedule for the Board (attached hereto as Schedule C) was given specifying the date, time and place of the regular meetings of the Board to be held during the year, by causing said Notice to be (i) posted on January 13, 2021 at the principal office of the Authority, (ii) provided to local media correspondents, or to newspapers of general circulation within the geographic jurisdiction of the Authority, at least once during the calendar year 2021 and (iii) published on the Utah Public Notice Website (<http://pmn.utah.gov>) during the current calendar year.

IN WITNESS WHEREOF, I have hereunto subscribed my official signature this October 13, 2021.

DocuSigned by:  
  
8D6A0B07F3AA439...  
Secretary of the Authority

(SEAL)



SCHEDULE B

NOTICE AND AGENDA OF THE OCTOBER 13, 2021 MEETING

# Entity: Utah Transit Authority

## Body: Board of Trustees

<b>Subject:</b>	Public Transit District
<b>Notice Title:</b>	Regular Meeting of the Utah Transit Authority Board of Trustees
<b>Meeting Location:</b>	669 W 200 S Salt Lake City UT 84101
<b>Event Date &amp; Time:</b>	October 13, 2021 October 13, 2021 09:00 AM
<b>Description/Agenda:</b>	<p>Board of Trustees</p> <p>REGULAR MEETING AGENDA</p> <p>Wednesday, October 13, 2021 9:00 AM FrontLines Headquarters UTA Board of Trustees will meet in person at UTA FrontLines Headquarters (FLHQ) 669 W. 200 South, Salt Lake City, Utah. For remote viewing, public comment, and special accommodations instructions, please see the meeting information following this agenda.</p> <ol style="list-style-type: none"> <li>1. Call to Order and Opening Remarks Chair Carlton Christensen</li> <li>2. Pledge of Allegiance Chair Carlton Christensen</li> <li>3. Safety First Minute Sheldon Shaw</li> <li>4. Public Comment Chair Carlton Christensen</li> <li>5. Consent Chair Carlton Christensen <ol style="list-style-type: none"> <li>a. Approval of September 13, 2021 Board of Trustees Budget Work Session Minutes</li> <li>b. Approval of September 14, 2021 Board of Trustees Budget Work Session Minutes</li> <li>c. Approval of September 16, 2021 Board of Trustees Budget Work Session Minutes</li> <li>d. Approval of September 17, 2021 Board of Trustees Budget Work Session Minutes</li> <li>e. Approval of September 23, 2021 Board of Trustees Budget Work Session Minutes</li> <li>f. Approval of September 22, 2021 Board Meeting Minutes</li> </ol> </li> </ol> <p>Board of Trustees REGULAR MEETING AGENDA October 13, 2021</p> <ol style="list-style-type: none"> <li>6. Reports <ol style="list-style-type: none"> <li>a. Agency Report <ul style="list-style-type: none"> <li>- Sponsored Fares Update</li> <li>- Mobile COVID-19 Vaccine Clinic, Ogden Transit Center</li> <li>- UTA Hosts American Bus Benchmarking Group (ABBG)</li> <li>- Recognition of Bus Rodeo Participants Mary DeLoretto</li> </ul> </li> <li>b. Financial Report - August 2021 Brad Armstrong Daniel Hofer</li> </ol> </li> <li>7. Resolutions</li> </ol>

a. R2021-10-01 - Resolution Authorizing and Approving a Preliminary Official Statement and an Official Statement in Connection with the Issuance and Sale of the Authority's Sales Tax Revenue Refunding Bonds; and Related Matters

Bill Greene

Brian Baker

b. R2021-10-02 - Resolution Authorizing the Execution of a Public Transportation COVID-19 Research Demonstration Grant Agreement for the E-Voucher System Phase 2 Development Project

Patti Garver

8. Contracts, Disbursements and Grants

a. Contract: Ogden/WSU BRT Signal

Materials/Prioritization System (State of Utah and Utah Department of Transportation)

David Hancock

Andrea Pullos

b. Change Order: Federal Monitoring Services Agreement Modification No. 5 - Final Payment to Independent Federal Monitors (Coblentz, Patch, Duffy and Bass LLP)

David Wilkins

c. Change Order: Microtransit Master Service

Agreement Service Order No.1 - Rose Park, Poplar Grove & Glendale Microtransit Service (River North Transit LLC - Via)

Nichol Bourdeaux

Jaron Robertson

d. Public Agreement: UTA - Salt Lake City Microtransit Cooperative Agreement

Nichol Bourdeaux

Jaron Robertson

Julianne Sabula

e. Pre-Procurements

- On-call Materials Test and Inspection

- Architectural Services

- Midvalley Connector Final Design

- UTA Facilities Structural Analysis

Todd Mills

Dane Cooley

Hal Johnson

9. Discussion Items

a. Tentative 2022 Budget Bill Greene

Brad Armstrong

b. UTA Policy - UTA.01.05 Drug and Alcohol Kim Shanklin

10. Other Business Chair Carlton Christensen

a. Next Meeting: Wednesday, October 27, 2021 at 9:00 a.m.

11. Closed Session Chair Carlton Christensen

a. Strategy Session to Discuss the Sale, Purchase, Exchange, or Lease of Real Property, Including Any Form of a Water Right or Water Shares

12. Open Session

13. Resolutions

a. R2021-10-03 - Resolution Approving Jordan Valley Transit Oriented Development Investment

Paul Drake

14. Adjourn Chair Carlton Christensen

Meeting Information:

- Members of the Board of Trustees and meeting presenters will participate in person, however trustees may join electronically as needed.

- Meeting proceedings may be viewed remotely by following the instructions and link on the UTA Board Meetings page -

<https://www.rideuta.com/Board-of-Trustees/Meetings>

- Public Comment may be given live during the meeting by attending in person at the meeting location.

- Public Comment may also be given through alternate means. See instructions below.

o Comment online at <https://www.rideuta.com/Board-of-Trustees>

o Comment via email at [boardoftrustees@rideuta.com](mailto:boardoftrustees@rideuta.com)

o Comment by telephone at 801-743-3882 option 5 (801-RideUTA option 5) - specify that your comment is for the board meeting.

o Comments submitted before 2:00 p.m. on Tuesday, October 12th will be distributed to board members prior to the meeting.

- Special Accommodation: Information related to this meeting is available in alternate format upon request by contacting [callredge@rideuta.com](mailto:callredge@rideuta.com) or (801) 287-3536. Request for accommodations should be made at least two business days in advance of the scheduled meeting.

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**Notice of Special Accommodations:**

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**Other information:**

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**Contact Information:**

Board of Trustees  
(801)262-5626  
[boardoftrustees@rideuta.com](mailto:boardoftrustees@rideuta.com)

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**Posted on:**

October 08, 2021 04:12 PM

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**Last edited on:**

October 08, 2021 04:12 PM

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Printed from Utah's Public Notice Website (<http://pmn.utah.gov/>)



# Utah Transit Authority

## Board of Trustees

### REGULAR MEETING AGENDA

669 West 200 South  
Salt Lake City, UT 84101

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**Wednesday, October 13, 2021**

**9:00 AM**

**FrontLines Headquarters**

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

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

1. **Call to Order and Opening Remarks** Chair Carlton Christensen
2. **Pledge of Allegiance** Chair Carlton Christensen
3. **Safety First Minute** Sheldon Shaw
4. **Public Comment** Chair Carlton Christensen
5. **Consent** Chair Carlton Christensen
  - a. Approval of September 13, 2021 Board of Trustees Budget Work Session Minutes
  - b. Approval of September 14, 2021 Board of Trustees Budget Work Session Minutes
  - c. Approval of September 16, 2021 Board of Trustees Budget Work Session Minutes
  - d. Approval of September 17, 2021 Board of Trustees Budget Work Session Minutes
  - e. Approval of September 23, 2021 Board of Trustees Budget Work Session Minutes
  - f. Approval of September 22, 2021 Board Meeting Minutes

**Board of Trustees****REGULAR MEETING AGENDA****October 13, 2021****6. Reports**

- a. Agency Report Mary DeLoretto
  - Sponsored Fares Update
  - Mobile COVID-19 Vaccine Clinic, Ogden Transit Center
  - UTA Hosts American Bus Benchmarking Group (ABBG)
  - Recognition of Bus Roadeo Participants
- b. Financial Report - August 2021 Brad Armstrong  
Daniel Hofer

**7. Resolutions**

- a. R2021-10-01 - Resolution Authorizing and Approving a Preliminary Official Statement and an Official Statement in Connection with the Issuance and Sale of the Authority's Sales Tax Revenue Refunding Bonds; and Related Matters Bill Greene  
Brian Baker
- b. R2021-10-02 - Resolution Authorizing the Execution of a Public Transportation COVID-19 Research Demonstration Grant Agreement for the E-Voucher System Phase 2 Development Project Patti Garver

**8. Contracts, Disbursements and Grants**

- a. Contract: Ogden/WSU BRT Signal Materials/Prioritization System (State of Utah and Utah Department of Transportation) David Hancock  
Andrea Pullos
- b. Change Order: Federal Monitoring Services Agreement Modification No. 5 - Final Payment to Independent Federal Monitors (Coblentz, Patch, Duffy and Bass LLP) David Wilkins
- c. Change Order: Microtransit Master Service Agreement Service Order No.1 - Rose Park, Poplar Grove & Glendale Microtransit Service (River North Transit LLC - Via) Nichol Bourdeaux  
Jaron Robertson
- d. Public Agreement: UTA - Salt Lake City Microtransit Cooperative Agreement Nichol Bourdeaux  
Jaron Robertson  
Julianne Sabula

**Board of Trustees****REGULAR MEETING AGENDA****October 13, 2021**

- |    |                                       |             |
|----|---------------------------------------|-------------|
| e. | Pre-Procurements                      | Todd Mills  |
| -  | On-call Materials Test and Inspection | Dane Cooley |
| -  | Architectural Services                | Hal Johnson |
| -  | Midvalley Connector Final Design      |             |
| -  | UTA Facilities Structural Analysis    |             |

**9. Discussion Items**

- |    |   |                               |
|----|---|-------------------------------|
| a. | Tentative 2022 Budget                   | Bill Greene<br>Brad Armstrong |
| b. | UTA Policy - UTA.01.05 Drug and Alcohol | Kim Shanklin                  |

**10. Other Business**

Chair Carlton Christensen

- |    |  |
|----|--|
| a. | Next Meeting: Wednesday, October 27, 2021 at 9:00 a.m. |
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**11. Closed Session**

Chair Carlton Christensen

- |    |  |
|----|--|
| a. | Strategy Session to Discuss the Sale, Purchase, Exchange, or Lease of Real Property, Including Any Form of a Water Right or Water Shares |
|----|--|

**12. Open Session****13. Resolutions**

- |    |  |            |
|----|--|------------|
| a. | R2021-10-03 - Resolution Approving Jordan Valley Transit Oriented Development Investment | Paul Drake |
|----|--|------------|

**14. Adjourn**

Chair Carlton Christensen

**Meeting Information:**

- Members of the Board of Trustees and meeting presenters will participate in person, however trustees may join electronically as needed.
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  - o Comments submitted before 2:00 p.m. on Tuesday, October 12th will be distributed to board members prior to the meeting.
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SCHEDULE C

NOTICE OF 2021 ANNUAL MEETING SCHEDULE FOR THE BOARD

**From:** [support@utah.gov](mailto:support@utah.gov)  
**To:** [Ostler, Jana \(Board Manager\)](#)  
**Subject:** Public Notice for Board of Trustees  
**Date:** Tuesday, December 22, 2020 6:06:59 PM

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# Utah Public Notice

## [Board of Trustees](#)

### [Notice of 2021 Meetings of the Utah Transit Authority Board of Trustees](#)

**Notice Date & Time:** 1/13/21 9:00 AM

#### **Description/Agenda:**

NOTICE OF ANNUAL MEETING SCHEDULE  
BOARD OF TRUSTEES OF THE UTAH TRANSIT AUTHORITY  
In accordance with the provisions of the Open and Public Meetings Act, public notice is hereby given that the Utah Transit Authority, a public transit district organized under the laws of the State of Utah, will hold its regular meetings and Audit Committee meetings at the location of 669 West 200 South, Salt Lake City, Utah 84101, or by remote participation in accordance with Utah Code  52-4-207 on the following dates and times:

Regular Board of Trustees Meetings:

Wednesday, January 13, 2021 9:00 a.m.  
Wednesday, January 27, 2021 9:00 a.m.  
Wednesday, February 10, 2021 9:00 a.m.  
Wednesday, February 24, 2021 9:00 a.m.  
Wednesday, March 10, 2021 9:00 a.m.  
Wednesday, March 24, 2021 9:00 a.m.  
Wednesday, April 7, 2021 9:00 a.m.  
Wednesday, April 14, 2021 9:00 a.m.  
Wednesday, April 28, 2021 9:00 a.m.  
Wednesday, May 12, 2021 9:00 a.m.  
Wednesday, May 26, 2021 9:00 a.m.  
Wednesday, June 9, 2021 9:00 a.m.  
Wednesday, June 23, 2021 9:00 a.m.  
Wednesday, June 30, 2021 9:00 a.m.  
Wednesday, July 14, 2021 9:00 a.m.  
Wednesday, July 28, 2021 9:00 a.m.  
Wednesday, August 4, 2021 9:00 a.m.  
Wednesday, August 11, 2021 9:00 a.m.  
Wednesday, August 25, 2021 9:00 a.m.  
Wednesday, September 8, 2021 9:00 a.m.  
Wednesday, September 22, 2021 9:00 a.m.  
Wednesday, October 6, 2021 9:00 a.m.  
Wednesday, October 13, 2021 9:00 a.m.  
Wednesday, October 27, 2021 9:00 a.m.  
Wednesday, November 3, 2021 9:00 a.m.

Wednesday, November 10, 2021 9:00 a.m.  
Wednesday, December 1, 2021 9:00 a.m.  
Wednesday, December 8, 2021 9:00 a.m.  
Wednesday, December 15, 2021 9:00 a.m.  
Regular Audit Committee Meetings:  
Monday, February 1, 2021 3:00 p.m.  
Monday, April 12, 2021 3:00 p.m.  
Monday, June 21, 2021 3:00 p.m.  
Monday, August 23, 2021 3:00 p.m.  
Monday, November 15, 2021 3:00 p.m.

2

The agenda of each meeting, together with the date, time and place of each meeting shall be posted in compliance with the requirements of the Utah Open and Public Meetings Act.

The Board of Trustees may invite brief comments or questions from the public before and/or during its regularly scheduled Board meetings. The Chair of the Board shall determine the format, duration, and timing of the public comment period. Persons desiring to address the Board at a regularly scheduled meeting will be given a limited amount of time to speak.

**Notice of Special Accommodations:**

Special Accommodation: Information related to this meeting is available in alternate format upon request by contacting [calldredge@rideuta.com](mailto:calldredge@rideuta.com) or (801) 287-3536. Request for accommodations should be made at least two business days in advance of the scheduled meeting.

**Notice of Electronic or telephone participation:**

Trustees of the Board may participate electronically.

**Other information:**

**Location:**

669 W 200 S, Salt Lake City, 84101

**Contact information:**

Board of Trustees , [boardoftrustees@rideuta.com](mailto:boardoftrustees@rideuta.com), (801)262-5626

**To stop receiving email notifications for this public body, please click this link:**

[Unsubscribe](#)

EXHIBIT B

PRELIMINARY OFFICIAL STATEMENT

(See Transcript Document No. 10)

**PRELIMINARY OFFICIAL STATEMENT DATED SEPTEMBER 27, 2021****NEW ISSUE**

**Ratings:** 2021 Senior Bonds—[Fitch “AA;” Moody’s “Aa2;” S&P “AA”]  
 2021 Subordinate Bonds—[Fitch “AA;” Moody’s “A1;” S&P “A+”]  
 See “MISCELLANEOUS—Bond Ratings” herein.

*The interest on the 2021 Bonds is included in gross income for federal income tax purposes.  
 Bond Counsel is also of the opinion that the interest on the 2021 Bonds is exempt from State of Utah individual income taxes.  
 See “TAX MATTERS” herein.*

**Utah Transit Authority**

**[\$445,420,000\*] Federally Taxable Sales Tax Revenue Refunding Bonds, Series 2021**  
**[\$26,245,000\*] Federally Taxable Subordinated Sales Tax Revenue Refunding Bonds, Series 2021**

The \$[445,420,000]\* Federally Taxable Sales Tax Revenue Refunding Bonds, Series 2021 (the “2021 Senior Bonds”) and the \$[26,245,000]\* Federally Taxable Subordinated Sales Tax Revenue Refunding Bonds, Series 2021 (the “2021 Subordinate Bonds”) and, together with the 2021 Senior Bonds, the “2021 Bonds”) are issued by the Authority as fully-registered bonds and, when initially issued, will be in book-entry form, registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York. DTC will act as securities depository for the 2021 Bonds.

Principal of and interest on the 2021 Bonds (interest payable June 15 and December 15 of each year, commencing December 15, 2021) are payable by Zions Bancorporation, National Association, Corporate Trust Department, Salt Lake City, Utah, as Paying Agent, to the registered owners thereof, initially DTC.

The 2021 Bonds are subject to redemption prior to maturity as described herein. See “THE 2021 BONDS—Redemption Provisions” herein.

The 2021 Bonds are being issued for the purpose of refunding certain senior and subordinate sales tax revenue bonds previously issued by the Authority and paying related costs of issuance. See “PLAN OF REFUNDING” herein.

The 2021 Senior Bonds, together with certain outstanding and additional senior lien parity obligations issued under the Senior Indenture (collectively, the “Senior Bonds”), are special limited obligations of the Authority that are payable solely from and secured by a pledge of Pledged Revenues and certain other moneys pledged therefor in the Senior Indenture.

The 2021 Subordinate Bonds, together with certain outstanding and additional parity obligations issued under the Subordinate Indenture (collectively, the “Subordinate Bonds”), are special limited obligations of the Authority that are payable solely from and secured by a pledge of Pledged Revenues and certain other moneys pledged therefor in the Subordinate Indenture, subject to the prior lien securing the Senior Bonds.

The principal and expected source of Pledged Revenues consists of certain sales and use taxes collected by the Authority. No assurance can be given that the Pledged Revenues will remain sufficient for the payment of principal of and interest on the 2021 Bonds, and the Authority is limited by Utah law in its ability to increase the rate of such taxes. See “INVESTMENT CONSIDERATIONS AFFECTING UTAH TRANSIT AUTHORITY AND THE 2021 BONDS” herein. The 2021 Bonds do not constitute a general obligation of the Authority and are not obligations of the State of Utah or any other agency or other political subdivision or entity of the State of Utah (other than the Authority). The Authority will not mortgage or grant any security interest in any of its physical assets to secure payment of the 2021 Bonds. See “SECURITY FOR THE 2021 BONDS” herein.

Dated: Date of Delivery<sup>1</sup>

Due: December 15, as shown on the inside front covers

**See the inside front covers for the maturities of the 2021 Bonds**

*This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire OFFICIAL STATEMENT to obtain information essential to the making of an informed investment decision.*

This OFFICIAL STATEMENT is dated [October \_\_, 2021], and the information contained herein speaks only as of that date.

**Wells Fargo**  
**Corporate & Investment Banking**

\* Preliminary; subject to change.

<sup>1</sup> The anticipated date of delivery is [Wednesday, October 27, 2021].

# Utah Transit Authority

**\$[445,420,000]\***

## Federally Taxable Sales Tax Revenue Refunding Bonds, Series 2021

**Dated: Date of Delivery<sup>1</sup>**

**Due: December 15, as shown below**

**\$\_\_\_\_\_ \* Serial Bonds**

<b>Due December 15*</b>	<b>CUSIP® 917567</b>	<b>Principal Amount*</b>	<b>Interest Rate</b>	<b>Yield/ Price</b>
2021.....		\$ 7,190,000	%	%
2022.....		9,245,000		
2023.....		9,285,000		
2024.....		9,330,000		
2025.....		9,400,000		
2026.....		46,675,000		
2027.....		44,685,000		
2028.....		45,280,000		
2029.....		45,985,000		
2030.....		1,355,000		
2031.....		1,355,000		
2032.....		40,755,000		
2033.....		41,575,000		
2034.....		42,440,000		
2035.....		43,670,000		
2036.....		47,215,000		

**\$\_\_\_\_\_ \* \_\_\_\_\_% Term Bond Due December 15, 20\_\_ \*—Priced to Yield \_\_\_\_\_%**

(CUSIP®917567 \_\_\_\_)

\* Preliminary; subject to change.

<sup>1</sup> The anticipated date of delivery is [Wednesday, October 27, 2021].

® CUSIP is a registered trademark of the American Bankers Association. CUSIP Global Services is managed on behalf of the American Bankers Association by S&P Capital IQ.

# Utah Transit Authority

**\$[26,245,000]\***

## Federally Taxable Subordinated Sales Tax Revenue Refunding Bonds, Series 2021

**Dated: Date of Delivery<sup>1</sup>**

**Due: December 15, as shown below**

**\$\_\_\_\_\_ \* Serial Bonds**

<b>Due December 15*</b>	<b>CUSIP® 917567</b>	<b>Principal Amount*</b>	<b>Interest Rate</b>	<b>Yield/ Price</b>
2021.....		\$ 465,000	%	%
2022.....		600,000		
2023.....		600,000		
2024.....		605,000		
2025.....		610,000		
2026.....		8,415,000		
2027.....		50,000		
2028.....		50,000		
2029.....		50,000		
2030.....		55,000		
2031.....		55,000		
2032.....		55,000		
2033.....		55,000		
2034.....		60,000		
2035.....		60,000		
2036.....		330,000		
2037.....		14,130,000		

**\$\_\_\_\_\_ \* \_\_\_\_\_% Term Bond Due December 15, 20\_\_ \*—Priced to Yield \_\_\_\_\_%**

(CUSIP®917567 \_\_\_\_)

\* Preliminary; subject to change.

<sup>1</sup> The anticipated date of delivery is [Wednesday, October 27, 2021].

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This OFFICIAL STATEMENT does not constitute an offer to sell, or the solicitation of an offer to buy, nor shall there be any sale of the 2021 Bonds (as defined herein) by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation, or sale. No dealer, broker, salesman or other person has been authorized to give any information or to make any representations other than those contained herein, and if given or made, such other informational representations must not be relied upon as having been authorized by any of Utah Transit Authority (the “Authority”); Zions Bancorporation, National Association, Corporate Trust Department, Salt Lake City, Utah (as Paying Agent and Trustee); Zions Public Finance Inc., Salt Lake City, Utah (as Municipal Advisor); Wells Fargo Corporate & Investment Banking, Salt Lake City, Utah; (the “Underwriter”); or any other entity. All other information contained herein has been obtained from the Authority, The Depository Trust Company, New York, New York and from other sources which are believed to be reliable. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this OFFICIAL STATEMENT nor the issuance, sale, delivery, or exchange of the 2021 Bonds, shall under any circumstance create any implication that there has been no change in the affairs of the Authority since the date hereof.

The 2021 Bonds have not been registered under the Securities Act of 1933, as amended, in reliance upon exemptions contained in such act. Any registration or qualification of the 2021 Bonds in accordance with applicable provisions of the securities laws of the states in which the 2021 Bonds have been registered or qualified and the exemption from registration or qualification in other states cannot be regarded as a recommendation thereof. Any representation to the contrary is unlawful.

***These 2021 Bonds have not been recommended by any federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this OFFICIAL STATEMENT. Any representation to the contrary is a criminal offense.***

***The yields/prices at which the 2021 Bonds are resold to the public may vary from the initial reoffering yields/prices on the inside cover pages of this OFFICIAL STATEMENT. In addition, the Underwriter may allow concessions or discounts from the initial resale prices of the 2021 Bonds to dealers and others. In connection with the offering of the 2021 Bonds, the Underwriter may engage in transactions that stabilize, maintain, or otherwise affect the price of the 2021 Bonds. Such transactions may include overallocments in connection with the purchase of 2021 Bonds and the purchase of 2021 Bonds to stabilize their market price. Such transactions, if commenced, may be discontinued at any time.***

***Forward-Looking Statements.*** Certain statements included or incorporated by reference in this OFFICIAL STATEMENT constitute “forward-looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used, such as “plan,” “project,” “forecast,” “expect,” “estimate,” “budget” or other similar words. ***The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements described to be materially different from any future resulting performance or achievements expressed or implied by such forward-looking statements. The Authority does not plan to issue any updates or revisions to those forward-looking statements if or when its expectations, or events, conditions, or circumstances on which such statements are based occur. Investors are cautioned not to place undue reliance on any such forward-looking statements. See “INVESTMENT CONSIDERATIONS AFFECTING UTAH TRANSIT AUTHORITY AND THE 2021 BONDS” and “PROJECTED DEBT SERVICE COVERAGE” herein.***

The CUSIP® (the Committee on Uniform Securities Identification Procedures) identification numbers are provided on the inside cover pages of this OFFICIAL STATEMENT and are being provided solely for the convenience of bondholders only, and the Underwriter, the Authority and the Municipal Advisor make no representation with respect to such numbers or undertake any responsibility for their accuracy. The CUSIP® numbers are subject to being changed after the issuance of the 2021 Bonds because of various subsequent actions including, but not limited to, a refunding in whole or in part of the 2021 Bonds.

***References to web site addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader’s convenience. Unless specified otherwise, such web sites and the information or links contained therein are not incorporated into, and are not part of, this OFFICIAL STATEMENT for purposes of, and as that term is defined in, United States Securities and Exchange Commission Rule 15c2-12.***

# OFFICIAL STATEMENT RELATED TO

## Utah Transit Authority

**\$[445,420,000]\***

**Federally Taxable Sales Tax Revenue Refunding Bonds, Series 2021**

and

**\$[26,245,000]\***

**Federally Taxable Subordinated Sales Tax Revenue Refunding Bonds,  
Series 2021**

### INTRODUCTION

This introduction is only a brief description of the 2021 Bonds (as hereinafter defined), the security and source of payment for the 2021 Bonds, and certain information regarding Utah Transit Authority (the “Authority”). The summary information contained herein is expressly qualified by reference to the entire OFFICIAL STATEMENT. Investors are urged to make a full review of the entire OFFICIAL STATEMENT as well as of the documents summarized or described herein.

The appendices attached hereto are an integral part of this OFFICIAL STATEMENT and should be read in conjunction herewith. See “APPENDIX A—COMPREHENSIVE ANNUAL FINANCIAL REPORT OF UTAH TRANSIT AUTHORITY FOR FISCAL YEAR 2020;” “APPENDIX B—EXTRACTS OF CERTAIN PROVISIONS OF THE SENIOR INDENTURE;” “APPENDIX C—EXTRACTS OF CERTAIN PROVISIONS OF THE SUBORDINATE INDENTURE;” “APPENDIX D—FORM OF OPINION OF BOND COUNSEL;” “APPENDIX E—FORM OF CONTINUING DISCLOSURE UNDERTAKING;” “APPENDIX F—BOOK-ENTRY SYSTEM;” and “APPENDIX G—CERTAIN INFORMATION REGARDING THE SERVICE AREA.”

When used herein the terms “Fiscal Year[s] 20YY” or “Fiscal Year[s] End[ed][ing] December 31, 20YY” shall refer to the year beginning on January 1 and ending on December 31 of the year indicated and the terms “Calendar Year[s] 20YY” or “Calendar Year[s] End[ed][ing] December 31, 20YY” shall refer to the year beginning on January 1 and ending on December 31 of the year indicated. Capitalized terms used but not otherwise defined herein have the same meaning as given to them in “APPENDIX B—EXTRACTS OF CERTAIN PROVISIONS OF THE SENIOR INDENTURE—Definitions” and “APPENDIX C—EXTRACTS OF CERTAIN PROVISIONS OF THE SUBORDINATE INDENTURE—Definitions,” as applicable.

### The Authority And The System; Revenues

*Authority.* The Authority, which was organized in 1970, operates and exists under the Public Transit District Act, Title 17B, Chapter 2a, Part 8, Utah Code Annotated 1953, as amended (the “Utah Code”), and other applicable provisions of Limited Purpose Local Government Entities—Local Districts, Title 17B, Utah Code (collectively, the “Transit Act”). The Authority’s service area (the “Service Area”) lies in the region commonly referred to as the Wasatch Front, located in the State of Utah.

The Service Area extends from the Wasatch Mountains on the east to the Great Salt Lake on the west, consists of an area of approximately 1,400 square miles, and covers all or portions of six principal counties (Box Elder, Davis, Salt Lake, Tooele, Utah, and Weber). The Service Area also includes a very small portion of Juab County. The total U.S. Census Bu-

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\* Preliminary; subject to change.

reau's 2020 Census population of these six principal counties is approximately 2,600,000, which represents 79.5% of the State's total population<sup>1</sup>.

*System.* The Authority owns and operates an integrated mass transit system (as more fully described herein, the "System"). The System includes: (i) a fleet of buses and vans; (ii) a light rail transit system; and (iii) a commuter rail system. See "UTAH TRANSIT AUTHORITY" below.

*Revenues.* The Authority receives its revenues from: (i) certain sales and use taxes charged in the Authority's Service Area; (ii) passenger fare revenues and other revenues attributable to the ownership and operation of the System; and (iii) other miscellaneous income. See "SECURITY FOR THE 2021 BONDS" below.

### **Impact Of Coronavirus (COVID-19)**

In December 2019, a novel strain of coronavirus known as COVID-19 ("COVID-19") began spreading throughout the world and has been characterized by the World Health Organization as a pandemic disease. COVID-19 is continuing to affect global, national, state, and local economic activity, including that of the Authority, and consequently is impacting the financial condition of the Authority. Because the OFFICIAL STATEMENT relies on historical data for financial information about the Authority, such information may not necessarily predict future trends accurately.

Significant developments regarding COVID-19 continue to occur daily and the extent to which COVID-19 may impact the Authority in the future is uncertain and cannot be predicted. *However, the Authority does not expect the various impacts of COVID-19 or the national, state, and local responses to the pandemic to have a material adverse impact on the Authority's ability to pay principal of and interest on its Bonds, including the 2021 Bonds. See "SECURITY FOR THE 2021 BONDS" below. For a discussion of the Authority's response to COVID-19 see "FINANCIAL INFORMATION REGARDING UTAH TRANSIT AUTHORITY—Management's Discussion And Analysis Of Financial Operations—Potential Impact Of The Coronavirus (COVID-19)" below.*

### **The 2021 Bonds; Purpose**

*The 2021 Bonds.* This OFFICIAL STATEMENT, including the cover page, introduction, and Appendices (the "OFFICIAL STATEMENT"), provides information in connection with the issuance and sale by the Authority of its \$[445,420,000]\* Federally Taxable Sales Tax Revenue Bonds, Series 2021 (the "2021 Senior Bonds") and its \$[26,245,000]\* Federally Taxable Subordinated Sales Tax Revenue Bonds, Series 2021 (the "2021 Subordinate Bonds" and together with the 2021 Senior Bonds, the "2021 Bonds or "2021 Bond"), initially issued in book-entry form.

*Purpose.* The 2021 Bonds are being issued for the purpose of refunding certain senior and subordinated sales tax revenue bonds previously issued by the Authority. Certain proceeds from the 2021 Bonds will be used to pay costs associated with issuance of the 2021 Bonds. See "PLAN OF REFUNDING" and "THE 2021 BONDS—Sources And Uses Of Funds" below.

### **Security And Source Of Payment**

The 2021 Bonds are special limited obligations of the Authority payable solely from the Pledged Revenues (as herein defined), as provided in the Senior Indenture and the Subordinate Indenture (as herein defined). The most significant source of Pledged Revenues is the sales and use taxes described below under "SECURITY FOR THE 2021 BONDS—Sales And Use Taxes—Pledge of Sales and Use Taxes" (the "Sales and Use Taxes"). The 2021 Bonds are not a general obligation or a pledge of the full faith and credit of the Authority, the State or any agency, instrumentality, or political subdivision thereof. The issuance of the 2021 Bonds shall not directly, indirectly, or contingently obligate the Authority or the State or any agency, instrumentality, or political subdivision thereof to levy any form of ad valorem taxation therefor.

There is no Debt Service Reserve Fund for the 2021 Senior Bonds or the 2021 Subordinate Bonds. See "SECURITY FOR THE 2021 BONDS—No Debt Service Reserve Fund For The 2021 Senior Bonds; Debt Service Reserve Fund For The Outstanding Senior Bonds" and "SECURITY FOR THE 2021 BONDS—No Debt Service Reserve Fund For The 2021 Subordinate Bonds; Debt Service Reserve Fund For The Outstanding Subordinate Bonds" below.

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<sup>1</sup> The Authority serves only portions of Box Elder and Tooele Counties (and a small portion of Juab County). The difference between the total population of the six principal counties served by the Authority and the population of the Service Area is estimated to be less than 1% (or approximately 25,000 people) of the counties' total population.

\* Preliminary; subject to change.

See also, “SECURITY FOR THE 2021 BONDS—Sales And Use Taxes” and “PROJECTED DEBT SERVICE COVERAGE” below.

### **Authorization Of The 2021 Senior Bonds; Outstanding Senior Bonds; Additional Senior Bonds**

*Authorization of the 2021 Senior Bonds.* The 2021 Senior Bonds are being issued pursuant to the Transit Act; the Utah Refunding Bond Act, Title 11, Chapter 27, Utah Code (the “Refunding Act”); and the Amended and Restated General Indenture of Trust, dated as of September 1, 2002, as previously amended and supplemented (the “Senior General Indenture”), between the Authority and Zion Bancorporation, National Association, Corporate Trust Department, Salt Lake City, Utah, as trustee (the “Trustee”); and as further supplemented and amended by a Fifteenth Supplemental Indenture of Trust, dated as of [October 1, 2021] between the Authority and the Trustee (the “Fifteenth Supplemental Senior Indenture” and, together with the Senior General Indenture, the “Senior Indenture”), providing for the issuance of the 2021 Senior Bonds.

*Outstanding Senior Bonds; Additional Senior Bonds.* The 2021 Senior Bonds, the bonds previously issued by the Authority pursuant to the Senior Indenture (the “Outstanding Senior Bonds”) and any additional bonds that may be issued from time to time under the Senior Indenture (the “Additional Senior Bonds” and, collectively with the Outstanding Senior Bonds and the 2021 Senior Bonds, the “Senior Bonds”), are equally and ratably secured by a pledge of Pledged Revenues and certain other funds, as provided in the Senior Indenture. Upon the issuance of the 2021 Senior Bonds, the Authority will have \$1,545,900,000\* aggregate principal amount of Senior Bonds outstanding under the Senior Indenture (as of the closing and delivery of the 2021 Senior Bonds and the refunding of the 2015A Senior Refunded Bonds, as hereinafter defined).

See “SECURITY FOR THE 2021 BONDS” below.

### **Authorization Of The 2021 Subordinate Bonds; Outstanding Subordinate Bonds; Additional Subordinate Bonds**

*Authorization of the 2021 Subordinate Bonds.* The 2021 Subordinate Bonds are being issued pursuant to the Transit Act; the Refunding Act; and the Subordinate General Indenture of Trust, dated as of July 1, 2006, as previously amended and supplemented (the “Subordinate General Indenture”), between the Authority and the Trustee; and as further supplemented and amended by a Fifteenth Supplemental Indenture of Trust, dated as of October 1, 2021 between the Authority and the Trustee (the “Fifteenth Supplemental Subordinate Indenture” and, together with the Subordinate General Indenture, the “Subordinate Indenture”), providing for the issuance of the 2021 Senior Bonds.

*The Senior Indenture and the Subordinate Indenture are referred to collectively herein as the “Indentures.”*

*Outstanding Subordinate Bonds; Additional Subordinate Bonds.* The 2021 Subordinate Bonds, the bonds previously issued by the Authority pursuant to the Subordinate Indenture (the “Outstanding Subordinate Bonds”) and any additional bonds that may be issued from time to time under the Subordinate Indenture (the “Additional Subordinate Bonds” and, collectively with the Outstanding Subordinate Bonds and the 2021 Subordinate Bonds, the “Subordinate Bonds”), are equally and ratably secured by a pledge of Pledged Revenues and certain other funds, as provided in the Subordinate Indenture. ***The lien on Sales and Use Taxes and other Pledged Revenues established under the Subordinate Indenture is junior to the lien on such Pledged Revenues established under the Senior Indenture.*** Upon the issuance of the 2021 Subordinate Bonds (and the refunding of the 2021 Subordinate Refunded Bonds as defined hereinafter), the Authority will have \$695,976,498\* aggregate principal amount of Subordinate Bonds outstanding under the Subordinate Indenture.

See “SECURITY FOR THE 2021 BONDS” and “DEBT STRUCTURE OF THE UTAH TRANSIT AUTHORITY—Future Issuance Of Debt; State of Utah Department of Transportation Loan” below.

### **Redemption Provisions**

The 2021 Bonds are subject to redemption prior to maturity as described herein. See “THE 2021 BONDS—Redemption Provisions” below.

### **Registration, Denominations, Manner Of Payment**

The 2021 Bonds are issuable only as fully-registered bonds and, when initially issued, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York (“DTC”) and DTC will act as securities

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\* Preliminary; subject to change.

depository for the 2021 Bonds. Purchases of 2021 Bonds will be made in book–entry form only, in \$5,000 principal amounts or any whole multiple thereof and, through brokers and dealers who are, or who act through, DTC Participants (as defined herein). Beneficial Owners (as defined herein) of the 2021 Bonds will not be entitled to receive physical delivery of bond certificates so long as DTC or a successor securities depository acts as the securities depository with respect to the 2021 Bonds. “Direct Participants,” “Indirect Participants” and “Beneficial Owners” are defined in “APPENDIX F—BOOK–ENTRY SYSTEM.”

Principal of and interest on the 2021 Bonds are payable by the Trustee to the registered owners of the 2021 Bonds. So long as Cede & Co. is the sole registered owner, it will, in turn, remit such principal and interest to its Direct Participants, for subsequent disbursements to the Beneficial Owners of the 2021 Bonds, as described in “APPENDIX F—BOOK–ENTRY SYSTEM.”

So long as DTC or its nominee is the sole registered owner of the 2021 Bonds, neither the Authority nor the Trustee will have any responsibility or obligation to any Direct or Indirect Participants of DTC, or the persons for whom they act as nominees, with respect to the payments to or the providing of notice for the Direct Participants, Indirect Participants, or the Beneficial Owners of the 2021 Bonds. Under these circumstances, references herein and in the respective Indentures to the “Bondowners” or “Registered Owners” of the 2021 Bonds shall mean Cede & Co. and shall not mean the Beneficial Owners of the 2021 Bonds.

### **Transfer Or Exchange; Regular Record Date**

*Transfer or Exchange.* If the book–entry system is terminated with respect to the 2021 Bonds, and in all cases in which the privilege of exchanging or transferring the 2021 Bonds is exercised, the Authority shall execute, and the Trustee shall authenticate and deliver, the 2021 Bonds in accordance with the provisions of the respective Indentures. For every such exchange or transfer of the 2021 Bonds, the Trustee shall require payment by the Registered Owner of any tax or other governmental charge required to be paid with respect to such exchange or transfer of the 2021 Bonds.

*Regular Record Date.* The Regular Record Date means the 15<sup>th</sup> day (whether or not a Business Day) next preceding each Interest Payment Date. The Special Record Date means such date as may be fixed for the payment of defaulted interest on the 2021 Bonds in accordance with the respective Indentures. The Authority and the Trustee shall not be required to transfer or exchange any 2021 Bond (i) during the period from and including any Regular Record Date, to and including the next succeeding Interest Payment Date, (ii) during the period from and including the day 15 days prior to any Special Record Date, to and including the date of the proposed payment pertaining thereto, (iii) during the period from and including the day 15 days prior to the mailing of notice calling any 2021 Bonds for redemption, to and including the date of such mailing, or (iv) at any time following the mailing of notice calling such 2021 Bond for redemption.

### **Tax Matters Regarding The 2021 Bonds**

The interest on the 2021 Bonds is included in gross income for federal income tax purposes.

*State of Utah.* Bond Counsel is of the opinion that the interest on the 2021 Bonds is exempt from State of Utah individual income taxes.

*No Other Opinion.* Bond Counsel expresses no opinion regarding any other tax consequences relating to ownership or disposition of or the accrual or receipt of interest on the 2021 Bonds.

See “TAX MATTERS” below.

### **Professional Services**

As of the date of this OFFICIAL STATEMENT the following have served in the capacity indicated in connection with the issuance of the 2021 Bonds:

*Registrar, Paying Agent, Escrow Agent and Trustee*

Zions Bancorporation National Association  
Corporate Trust Department  
One S Main St 12<sup>th</sup> Fl  
Salt Lake City UT 84133-1109  
801.844.7517 | f 801.594.8018  
[verena.critser@zionsbancorp.com](mailto:verena.critser@zionsbancorp.com)

*Bond Counsel*

Gilmore & Bell PC  
15 W S Temple Ste 1450  
Salt Lake City UT 84101  
801.364.5080 | f 801.364.5032  
[larsen@gilmorebell.com](mailto:larsen@gilmorebell.com)

*Municipal Advisor*

Zions Public Finance Inc  
One S Main St 18<sup>th</sup> Fl  
Salt Lake City UT 84133-1109  
801.844.7373 | f 801.844.4484  
[brian.baker@zionsbancorp.com](mailto:brian.baker@zionsbancorp.com)

**Conditions Of Delivery, Anticipated Date, Manner And Place Of Delivery**

The 2021 Bonds are offered, subject to prior sale, when, as and if issued and received by Wells Fargo Corporate & Investment Banking, Salt Lake City, Utah (the “Underwriter”), subject to the approval of legality by Gilmore & Bell, P.C., Bond Counsel to the Authority, and certain other conditions. Certain legal matters will be passed upon for the Authority by the Attorney General of the State of Utah. Certain legal matters regarding this OFFICIAL STATEMENT will be passed upon for the Underwriter by its counsel, Chapman and Cutler LLP. It is expected that the 2021 Bonds, in book-entry form, will be available for delivery to DTC or its agent on or about [Wednesday, October 27, 2021].

**Continuing Disclosure Undertaking**

The Authority will enter a continuing disclosure undertaking for the benefit of the Beneficial Owners of the 2021 Bonds. For a detailed discussion of this undertaking, previous undertakings, and timing of submissions, see “CONTINUING DISCLOSURE UNDERTAKING” below and “APPENDIX E—FORM OF CONTINUING DISCLOSURE UNDERTAKING.”

**Basic Documentation**

This OFFICIAL STATEMENT speaks only as of its date, and the information contained herein is subject to change. Brief descriptions of the Authority and the 2021 Bonds are included in this OFFICIAL STATEMENT. Such descriptions do not purport to be comprehensive or definitive. All references herein to the Senior Indenture, the Subordinate Indenture, and the 2021 Bonds are qualified in their entirety by reference to each such document.

Descriptions of the Indentures and the 2021 Bonds are qualified by reference to bankruptcy laws affecting the remedies for the enforcement of the rights and security provided therein and the effect of the exercise of the police power by any entity having jurisdiction. For extracts of the Senior Indenture see “APPENDIX B—EXTRACTS OF CERTAIN PROVISIONS OF THE SENIOR INDENTURE,” and for extracts of the Subordinate Indenture see “APPENDIX C—EXTRACTS OF CERTAIN PROVISIONS OF THE SUBORDINATE INDENTURE.”

**Contact Persons**

As of the date of this OFFICIAL STATEMENT, additional requests for information may be directed to Zions Public Finance Inc., Salt Lake City, Utah (the “Municipal Advisor”):

Brian Baker, Vice President, [brian.baker@zionsbancorp.com](mailto:brian.baker@zionsbancorp.com)  
Eric Pehrson, Senior Vice President, [eric.pehrson@zionsbancorp.com](mailto:eric.pehrson@zionsbancorp.com)  
Jeanette Harris, Vice President, [jeanette.harris@zionsbancorp.com](mailto:jeanette.harris@zionsbancorp.com)  
Zions Public Finance Inc  
One S Main St 18<sup>th</sup> Fl  
Salt Lake City UT 84133-1109  
801.844.7373 | f 801.844.4484

As of the date of this OFFICIAL STATEMENT, the chief contact person for the Authority concerning the 2021 Bonds is:

William C. Greene, Chief Financial Officer  
[wgreene@rideuta.com](mailto:wgreene@rideuta.com)  
 Utah Transit Authority  
 669 W 200 S  
 Salt Lake City UT 84101  
 801.287.3367

## CONTINUING DISCLOSURE UNDERTAKING

The Authority will enter into a Continuing Disclosure Undertaking (the “Disclosure Undertaking”) for the benefit of the Beneficial Owners of the 2021 Bonds to send certain information annually and to provide notice of certain events to the Municipal Securities Rulemaking Board (“MSRB”) through its Electronic Municipal Market Access system (“EMMA”) pursuant to the requirements of paragraph (b)(5) of Rule 15c2-12 (the “Rule”) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended. No person, other than the Authority, has undertaken, or is otherwise expected, to provide continuing disclosure with respect to the 2021 Bonds. The information to be provided on an annual basis, the events which will be noticed on an occurrence basis and other terms of the Disclosure Undertaking, including termination, amendment, and remedies, are set forth in the proposed form of Disclosure Undertaking in “APPENDIX E—FORM OF CONTINUING DISCLOSURE UNDERTAKING.”

***During the five years prior to the date of this OFFICIAL STATEMENT, the Authority has not failed to comply in any material respect with its prior undertakings pursuant to the Rule.***

The Disclosure Undertaking requires the Authority to submit its annual financial report (Fiscal Year Ending December 31) and other operating and financial information on or before July 18 of each year.

A failure by the Authority to comply with the Disclosure Undertaking will not constitute a default under the Indentures, and Beneficial Owners of the 2021 Bonds are limited to the remedies provided in the Disclosure Undertaking. See “APPENDIX E—FORM OF CONTINUING DISCLOSURE UNDERTAKING—Consequences of Failure of the Issuer to Provide Information.” A failure by the Authority to comply with the Disclosure Undertaking must be reported in accordance with the Rule and must be considered by any broker, dealer, or municipal securities dealer before recommending the purchase or sale of the 2021 Bonds in the secondary market. Any such failure may adversely affect the marketability of the 2021 Bonds.

## INVESTMENT CONSIDERATIONS AFFECTING UTAH TRANSIT AUTHORITY AND THE 2021 BONDS

*This section contains a general overview of certain risk factors which should be considered, in addition to the other matters set forth in this OFFICIAL STATEMENT, in evaluating an investment in the 2021 Bonds. This section is not meant to be a comprehensive or definitive discussion of the risks associated with an investment in the 2021 Bonds, and the order in which this information is presented does not necessarily reflect the relative importance of various risks. Potential investors in the 2021 Bonds are advised to consider the following factors, among others, and to review this entire OFFICIAL STATEMENT to obtain information essential to making of an informed investment decision. Any one or more of the investment considerations discussed below, among others, could adversely affect the financial condition of the Authority or its ability to make scheduled debt service payment on Bonds. There can be no assurance that other risks not discussed herein will not become material in the future.*

### Dependence On Sales And Use Tax Revenues

Pledged Revenues consist primarily of Sales and Use Taxes pledged under the Indentures. Sales and Use Taxes depend, to a large extent, on the strength of and growth in the local economy. Downturns in the economy (such as the effects of COVID-19) may adversely affect Sales and Use Taxes. *Many of such taxes are currently levied at the maximum rates permitted by law.* The availability of any increase in sales tax rates of the Authority is determined by the State and local governments who authorize and impose such taxes, or by the voters of the local governments pursuant to referendum, as applicable.

See “SECURITY FOR THE 2021 BONDS—Sales And Use Taxes” and “FINANCIAL INFORMATION REGARDING UTAH TRANSIT AUTHORITY—Management’s Discussion And Analysis Of Financial Operations—Impact Of The Coronavirus (COVID-19)” below.



In addition, Sales and Use Taxes are dependent on the volume of the transactions subject to the tax. The Utah State Legislature (the “Legislature”) has authority to revoke or diminish, directly or by expansion of exemptions to the sales tax base, the sales taxes available to the Authority. From time to time the Legislature has removed certain types of purchases from the sales tax, and, in recent years, there has been ongoing legislative discussion about sales tax in Utah. The Authority cannot predict what impact any future legislation affecting transit sales taxes may have on the Authority’s Sales and Use Taxes.

The Authority receives certain Sales and Use Taxes pursuant to interlocal agreements between the Authority and certain counties and cities within its Service Area. Each of such interlocal agreements extends at least until Fiscal Year 2045. The Authority’s right to receive certain of such Sales and Use Taxes following the expiration of the interlocal agreements may be limited. See “SECURITY FOR THE 2021 BONDS—Sales And Use Taxes—Interlocal Agreements” below.

### **Subordinate Bonds**

The Subordinate Bonds are secured by a junior lien on Pledged Revenues. Therefore, the security for the payment of the principal of and interest on the Subordinate Bonds is dependent on the Authority’s receipt of Pledged Revenues in amounts sufficient to meet the debt service requirements of the Subordinate Bonds after payment of the Senior Bonds. The Authority may issue additional Senior Bonds (as well as additional Subordinate Bonds) without Bondholder consent upon meeting certain coverage tests under the Senior Indenture, as described herein.

### **Federal Funding**

A significant portion of the Authority’s annual revenues derives from federal grants, including preventative maintenance grants. Preventative maintenance grants are federal formula grants received by the Authority pursuant to the current federal transportation funding legislation. Federal grant moneys do not constitute Revenues or Pledged Revenues for purposes of the Indentures to the extent that such moneys are prohibited by law from being pledged, but failure to receive such grant moneys could materially disrupt the operations and financial position of the Authority.

*The Authority was awarded a total of approximately \$176 million in federal funding under the Coronavirus Aid, Relief, and Economic Security Act (the “CARES Act”) to partially offset losses in sales tax revenues and other operational and capital costs relating to the COVID–19 health emergency. The Authority received approximately \$95.6 million in federal funding under the CARES Act in Fiscal Year 2020 and has received approximately \$80.4 million in CARES Act funding in Fiscal Year 2021.*

*The Authority was awarded and has received a total of approximately \$33.6 million in federal funding under the Coronavirus Response and Relief Supplemental Appropriations Act (the “CRRSA Act”) for Fiscal Year 2021 to partially offset losses in sales tax revenues and other operational and capital costs relating to the COVID–19 health emergency.*

*The Authority was awarded a total of approximately \$167.8 million in federal funding under the American Rescue Plan Act (the “ARP Act”) to partially offset losses in sales tax revenues and other operational and capital costs relating to the COVID–19 health emergency. The Authority anticipates receiving \$16 million in federal funding under the ARP Act in Fiscal Year 2021 and the remaining allocation of \$151.8 million in Fiscal Year 2022.*

See “FINANCIAL INFORMATION REGARDING UTAH TRANSIT AUTHORITY—Federal Grants” below.

### **Operations Risks**

Operations of the Authority may be affected by various factors beyond its direct control, such as labor and fuel cost volatility; the availability of parts and equipment and volatility in the cost of parts and equipment; federal decisions affecting funding for mass transit; local political decisions affecting road construction, traffic regulations, and zoning approvals for Authority facilities; and natural or manmade disasters that affect the ability of the Authority to operate its System. Revenues derived from operation of the System and available after payment of operation and maintenance expenses constitute only a small fraction, if any, of Pledged Revenues. See “SECURITY FOR THE 2021 BONDS—Sales And Use Taxes” below. These and other factors, however, could negatively impact public and political perception and support of the Authority, resulting in legislative and other local governmental decisions that adversely affect the amount of sales taxes the Authority may collect, and could otherwise adversely impact the Authority and its System.

## Climate Change Risk; Natural Disasters And Global Health Emergencies

There are potential risks to the Authority that are associated with changes to the climate over time and with increases in the frequency, timing, and severity of extreme weather events or droughts.

Natural disasters (including earthquakes, mudslides, wildfires/forest fires, heat waves, floods, windstorms, droughts, and avalanches) and continued, or future, global health emergencies are possible and may affect the State or the Service Area economies.

The State is in a region of seismic activity subject to earthquakes in varying strengths. On March 18, 2020 an earthquake of moderate size occurred with the epicenter located in Magna Metro Township, Utah (located approximately 15 miles west of Salt Lake City, Utah and within the Service Area of the Authority). The magnitude of such earthquake registered 5.7 on the Richter scale. The Authority suffered nominal damage (\$3,000) to its System and all damage has been repaired. See “UTAH TRANSIT AUTHORITY—Risk Management; Recent Seismic Activity; Cybersecurity” below.

Certain areas of the State have experienced drought conditions for at least part of the year in each of the last 10 years. The State has experienced large wildfire/forest fire seasons in which air quality across the State has been negatively impacted (including diminished air quality from wildfires/forest fires located outside the State from drifting air currents). Wildfires/forest fires can impact the State’s and the Service Area’s economy; cause respiratory health problems; result in loss of infrastructure, homes, and property; and destroy forestland, wildlife habitat and its resources.

***The Authority cannot predict how or when any climate-change-related events, natural disasters, or health emergencies may occur; no can it quantify the impact of such events on the Authority or its operations.***

## PLAN OF REFUNDING

The Authority previously issued (among others) its:

(i) \$668,655,000 Sales Tax Revenue Refunding Bonds, Series 2015A, dated February 25, 2015, currently outstanding in the principal amount of \$461,985,000 (the “2015A Senior Bonds”) to refund in advance of their maturity certain senior lien sales tax revenue bonds previously issued by the Authority; and

(ii) \$192,005,000 (original principal amount), Subordinated Sales Tax Revenue Refunding Bonds, Series 2015A, dated February 25, 2015), currently outstanding in the aggregate principal amount of \$58,180,000 (the “2015A Subordinate Bonds”), the original proceeds of which were used to refund prior subordinated sales tax revenue bonds previously issued by the Authority.

Proceeds from the 2021 Senior Bonds and the 2021 Subordinate Bonds, together with other legally available moneys, will be deposited with Zions Bancorporation, National Association, as Escrow Agent (the “Escrow Agent”), pursuant to an Escrow Agreement providing for the refunding of certain principal amounts of the 2015A Senior Bonds, and the 2015A Subordinate Bonds, between the Authority and the Escrow Agent (the “Escrow Agreement”) to establish an irrevocable trust escrow account (the “Escrow Account”), consisting of cash and government obligations of the United States of America. See “THE 2021 BONDS—Sources And Uses Of Funds” below.

Amounts in the Escrow Account shall be used to:

(i) pay interest on the 2015A Senior Bonds maturing on and after June 15, 2025\* (the “2015A Senior Refunded Bonds”) and to redeem the 2015A Senior Refunded Bonds at a redemption price of 100% of the principal amount thereof on June 15, 2025\* (the “2015A Senior Redemption Date”). The 2015A Senior Refunded Bonds mature on the dates and in the amounts, and bear interest at the rates, as follows:

Scheduled Maturity (June 15)*	Redemption Date*	CUSIP® 917567*	Principal Amount*	Interest Rate*	Redemption Price
2026.....	June 15, 2025	AN9	\$ 38,135,000	5.00%	100%
2027.....	June 15, 2025	AP4	40,090,000	5.00	100
2028.....	June 15, 2025	AQ2	42,145,000	5.00	100
2029.....	June 15, 2025	AR0	44,315,000	5.00	100
2032.....	June 15, 2025	AU3	40,175,000	4.00	100
2033.....	June 15, 2025	AV1	41,805,000	4.00	100
2034.....	June 15, 2025	AW9	43,490,000	4.00	100
2035.....	June 15, 2025	AX7	45,560,000	4.00	100
2036.....	June 15, 2025	AZ2	<u>47,415,000</u>	4.00	100
Totals .....			<u>\$383,130,000</u>		

(ii) pay interest on the 2015A Subordinate Bonds maturing on and after June 15, 2025\* (the “2015A Subordinate Refunded Bonds”) and to redeem the 2015A Subordinate Refunded Bonds at a redemption price of 100% of the principal amount thereof on June 15, 2025\* (the “2015A Subordinate Redemption Date”). The 2015A Subordinate Refunded Bonds mature on the dates and in the amounts, and bear interest at the rates, as follows:

Scheduled Maturity (June 15)*	Redemption Date*	CUSIP® 917567*	Principal Amount*	Interest Rate*	Redemption Price
2026.....	June 15, 2025	BM0	\$ 7,995,000	5.00%	100%
2037.....	June 15, 2025	FB0	<u>14,145,000</u>	5.00	100
Totals .....			<u>\$22,140,000</u>		

The cash and investments held in the Escrow Account will be sufficient to pay the interest falling due on (i) the 2015A Senior Refunded Bonds through the 2015A Senior Redemption Date and the redemption price of the 2015A Senior Refunded Bonds, due and payable on the 2015A Senior Redemption Date and (ii) the 2015A Subordinate Refunded Bonds through the 2015A Subordinate Redemption Date and the redemption price of the 2015A Subordinate Refunded Bonds, due and payable on the 2015A Subordinate Redemption Date.

The 2015A Senior Refunded Bonds and the 2015A Subordinate Refunded Bonds, are collectively the “2015 Refunded Bonds.”

Certain mathematical computations regarding the sufficiency of the investments held in the Escrow Account will be verified by Public Finance Partners LLC, Minneapolis, Minnesota. See “MISCELLANEOUS—Escrow Verification” below.

## THE 2021 BONDS

### General

The 2021 Bonds will be dated the date of original issuance and delivery<sup>1</sup> (the “Dated Date”) and will mature on December 15 of the years and in the amounts as set forth on the inside cover pages of this OFFICIAL STATEMENT.

The 2021 Bonds will bear interest from their Dated Date at the rates per annum set forth on the inside cover pages of this OFFICIAL STATEMENT. Interest on the 2021 Bonds is payable semiannually on each June 15 and December 15, commencing December 15, 2021. Interest on the 2021 Bonds shall be computed based on a 360 day year consisting of 12, 30 day months. Zions Bancorporation, National Association is the Trustee, Registrar and Paying Agent with respect to the 2021 Bonds (in such respective capacities, the “Trustee,” “Registrar” and “Paying Agent”). The Trustee, Bond Registrar and Paying Agent may resign or be removed, and a successor may be appointed in accordance with the Senior Indenture.

The 2021 Bonds will be issued as fully-registered bonds, initially in book-entry form, in the denomination of \$5,000 or any whole multiple thereof, not exceeding the amount of each maturity.

\* Preliminary; subject to change.

<sup>1</sup> The anticipated date of delivery is [Wednesday, October 27, 2021].

## Sources And Uses Of Funds

The proceeds from the sale of the 2021 Bonds are estimated to be applied as set forth below:

	2021 Senior Bonds	2021 Sub- ordinate Bonds	2021 Bonds
<i>Sources of Funds</i>			
Principal amount .....	\$	\$	\$
Original issue premium .....		—	—
Transfers from prior issue debt service funds .....	—	—	—
Total .....	\$	\$	\$
<i>Uses of Funds</i>			
Deposit to 2021 Escrow Account.....	\$	\$	\$
Costs of issuance.....			
Underwriters discount .....	—	—	—
Total .....	\$	\$	\$

(1) Includes legal fees, Escrow Agent fees, Trustee, Bond Registrar and Paying Agent fees, Municipal Advisor fees, rating agency fees, escrow verification fees, rounding amounts and other miscellaneous costs of issuance.

(Source: Municipal Advisor.)

## Redemption Provisions

*Optional Redemption.* The 2021 Bonds are subject to redemption prior to maturity at the option of the Authority, from such maturities or parts thereof as may be selected by the Authority, on or after [June 15, 2031], at a redemption price of 100% of the principal amount of the 2021 Bonds to be redeemed, plus accrued interest thereon to the date fixed for redemption.

*Make-Whole Redemption.* Prior to [June 15, 2031], the 2021 Bonds are subject to redemption prior to maturity at the option of the Authority, in whole or in part, on any Business Day, at the “make-whole redemption price” (the “Make-Whole Redemption Price”). The Make-Whole Redemption Price is the greater of (i) 100% of the principal amount of the 2021 Bonds to be redeemed and (ii) the sum of the present value of the remaining scheduled payments of principal and interest on the 2021 Bonds to be redeemed, not including any portion of those payments of interest accrued and unpaid as of the date on which the 2021 Bonds are to be redeemed, discounted to the date on which the 2021 Bonds are to be redeemed on a semi-annual basis, assuming a 360 day year consisting of 12, 30 day months, at the “Treasury Rate” (defined below) plus [25] basis points, plus, in each case, accrued and unpaid interest on the 2021 Bonds to be redeemed on the redemption date.

For purpose of determining the Make-Whole Redemption Price, Treasury Rate is, with respect to any redemption date for a particular 2021 Bond, the yield to maturity as of such redemption date of United States Treasury securities with a constant maturity, excluding inflation indexed securities (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) that has become publicly available at least two Business Days prior to the redemption date or, if such Statistical Release is no longer published, any publicly available source of similar market date) most nearly equal to the period from the redemption date to the maturity date of the 2021 Bond to be redeemed; provided, however, that if the period from the redemption date to such maturity date is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year shall be used.

The Make-Whole Redemption Price shall be determined by an independent accounting firm, investment banking firm or municipal advisor retained by the Authority at the Authority’s expense to calculate such Make-Whole Redemption Price. The Trustee and the Authority may conclusively rely on such determination of the Make-Whole Redemption Price by such independent accounting firm, investment banking firm or municipal advisor.

*Mandatory Sinking Fund Redemption of the 2021 Senior Bonds.* The 2021 Senior Bonds maturing on December 15, 20\_\_ are subject to mandatory sinking fund redemption at a price equal to 100% of the principal amount thereof plus accrued interest to the redemption date, on the dates and in the principal amounts as follows:

<u>Mandatory Sinking Fund Redemption Date</u>	<u>Sinking Fund Requirements</u>
December 15, 20__ .....	\$
December 15, 20__ .....	
December 15, 20__ (final maturity) .....	
Total .....	\$

Upon redemption of any 2021 Senior Bonds maturing on December 15, 20\_\_, other than by application of such mandatory sinking fund redemption, an amount equal to the principal amount so redeemed will be credited toward a part or all of any one or more of such mandatory sinking fund redemption amounts for the 2021 Senior Bonds maturing on December 15, 20\_\_, in such order of mandatory sinking fund date as shall be directed by the Authority.

*Mandatory Sinking Fund Redemption of the 2021 Subordinate Bonds.* The 2021 Subordinate Bonds maturing on December 15, 20\_\_ are subject to mandatory sinking fund redemption at a price equal to 100% of the principal amount thereof plus accrued interest to the redemption date, on the dates and in the principal amounts as follows:

<u>Mandatory Sinking Fund Redemption Date</u>	<u>Sinking Fund Requirements</u>
December 15, 20__ .....	\$
December 15, 20__ .....	
December 15, 20__ (final maturity) .....	
Total .....	\$

Upon redemption of any 2021 Subordinate Bonds maturing on December 15, 20\_\_, other than by application of such mandatory sinking fund redemption, an amount equal to the principal amount so redeemed will be credited toward a part or all of any one or more of such mandatory sinking fund redemption amounts for the 2021 Subordinate Bonds maturing on December 15, 20\_\_, in such order of mandatory sinking fund date as shall be directed by the Authority.

*Partial Redemption.* If less than all of the 2021 Bonds of any maturity are to be redeemed prior to maturity, (a) if the 2021 Bonds are in book-entry form at the time of such redemption, the Trustee shall instruct DTC to instruct the DTC Participants to select the specific 2021 Bonds for redemption on a pro rata pass through basis, and neither the Authority nor the Trustee shall have any responsibility to insure that DTC or its Participants properly select such 2021 Bonds for redemption, and (b) if the 2021 Bonds are not then in book-entry form at the time of such redemption, on each redemption date, the Trustee shall select the specific 2021 Bonds for redemption pro rata. The portion of any registered 2021 Bond of a denomination of more than \$5,000 to be redeemed will be in the principal amount of \$5,000 or any integral multiple thereof, and in selecting portions of such 2021 Bonds for redemption, the Trustee will treat each such 2021 Bond as representing that number of 2021 Bonds of \$5,000 denomination that is obtained by dividing the principal amount of such 2021 Bonds by \$5,000.

## Notice Of Redemption

Notice of redemption shall be given by the Trustee by first class mail, not less than 30 nor more than 60 days prior to the redemption date, to the registered owner of the 2021 Bonds at the address of such Bondowner as it appears in the registration books of the Authority kept by the Trustee. Each notice of redemption shall state (i) the complete official name and identifying number of the 2021 Bonds to be redeemed; (ii) any other descriptive information deemed to accurately identify the 2021 Bonds being redeemed, including, but not limited to, the dated date of and interest rate on such 2021 Bonds; (iii) in the case of a partial redemption, the respective principal amounts to be redeemed; (iv) the date of mailing of the redemption notice and the redemption date; (v) the redemption price; (vi) that on the redemption date the redemption price will become due and payable upon each such 2021 Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date; and (vii) the place where such 2021 Bonds are to be surrendered for payment of the redemption price.

Any notice mailed will be conclusively presumed to have been duly given, whether the Bondowner receives such notice. Failure to give such notice or any defect therein with respect to any 2021 Bond will not affect the validity of the proceedings for redemption with respect to any other 2021 Bond.

Each notice of redemption may further state that such redemption shall be conditional upon the Trustee's receiving, on or prior to the date fixed for redemption, moneys authorized by the Authority to be deposited therein that are sufficient to pay the redemption price of and interest on the 2021 Bonds to be redeemed and that if such moneys have not been so received the

notice shall be of no force or effect and the Authority shall not be required to redeem such 2021 Bonds. If such notice of redemption contains such a condition and such moneys are not so received, the redemption will not be made and the Registrar will within a reasonable time thereafter give notice, in the way the notice of redemption was given, that such moneys were not so received.

*For so long as a book–entry system is in effect with respect to the 2021 Bonds, the Registrar will mail notices of redemption to DTC or its successor. Any failure of DTC to convey such notice to any Direct Participants or any failure of the Direct Participants or Indirect Participants to convey such notice to any Beneficial Owner will not affect the sufficiency of the notice or the validity of the redemption of 2021 Bonds. See “THE 2021 BONDS—Book–Entry System” below.*

## Debt Service On The 2021 Bonds

### The 2021 Senior Bonds

Payment Date	The 2021 Senior Bonds		Period Total	Fiscal Total
	Principal*	Interest		
December 15, 2021 .....	\$ 7,190,000.00	\$	\$	\$
June 15, 2022 .....	0.00			
December 15, 2022 .....	9,245,000.00			
June 15, 2023 .....	0.00			
December 15, 2023 .....	9,285,000.00			
June 15, 2024 .....	0.00			
December 15, 2024 .....	9,330,000.00			
June 15, 2025 .....	0.00			
December 15, 2025 .....	9,400,000.00			
June 15, 2026 .....	0.00			
December 15, 2026 .....	46,675,000.00			
June 15, 2027 .....	0.00			
December 15, 2027 .....	44,685,000.00			
June 15, 2028 .....	0.00			
December 15, 2028 .....	45,280,000.00			
June 15, 2029 .....	0.00			
December 15, 2029 .....	45,985,000.00			
June 15, 2030 .....	0.00			
December 15, 2030 .....	1,335,000.00			
June 15, 2031 .....	0.00			
December 15, 2031 .....	1,335,000.00			
June 15, 2032 .....	0.00			
December 15, 2032 .....	40,755,000.00			
June 15, 2033 .....	0.00			
December 15, 2033 .....	41,575,000.00			
June 15, 2034 .....	0.00			
December 15, 2034 .....	42,440,000.00			
June 15, 2035 .....	0.00			
December 15, 2035 .....	43,670,000.00			
June 15, 2036 .....	0.00			
December 15, 2036 .....	47,215,000.00			
Totals .....	\$[445,420,000.00]	\$	\$	

\* Preliminary; subject to change.

(Source: Municipal Advisor.)

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**The 2021 Subordinate Bonds**

<u>Payment Date</u>	<u>The 2021 Subordinate Bonds</u>		<u>Period Total</u>	<u>Fiscal Total</u>
	<u>Principal*</u>	<u>Interest</u>		
December 15, 2021 .....	\$ 465,000.00	\$	\$	\$
June 15, 2022 .....	0.00			
December 15, 2022 .....	600,000.00			
June 15, 2023 .....	0.00			
December 15, 2023 .....	600,000.00			
June 15, 2024 .....	0.00			
December 15, 2024 .....	605,000.00			
June 15, 2025 .....	0.00			
December 15, 2025 .....	610,000.00			
June 15, 2026 .....	0.00			
December 15, 2026 .....	8,415,000.00			
June 15, 2027 .....	0.00			
December 15, 2027 .....	50,000.00			
June 15, 2028 .....	0.00			
December 15, 2028 .....	50,000.00			
June 15, 2029 .....	0.00			
December 15, 2029 .....	50,000.00			
June 15, 2030 .....	0.00			
December 15, 2030 .....	55,000.00			
June 15, 2031 .....	0.00			
December 15, 2031 .....	55,000.00			
June 15, 2032 .....	0.00			
December 15, 2032 .....	55,000.00			
June 15, 2033 .....	0.00			
December 15, 2033 .....	55,000.00			
June 15, 2034 .....	0.00			
December 15, 2034 .....	60,000.00			
June 15, 2035 .....	0.00			
December 15, 2035 .....	60,000.00			
June 15, 2036 .....	0.00			
December 15, 2036 .....	330,000.00			
June 15, 2037 .....	0.00			
December 15, 2037 .....	<u>14,130,000.00</u>			
Totals .....	<u>\$[26,245,000.00]</u>	\$	\$	

\* Preliminary; subject to change.

(Source: Municipal Advisor.)

**Book–Entry System**

DTC will act as securities depository for the 2021 Bonds. The 2021 Bonds will be issued as fully–registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully–registered 2021 Bond certificate will be issued for each maturity of the 2021 Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC or a “fast agent” of DTC. See “APPENDIX F—BOOK–ENTRY SYSTEM” for a more detailed discussion of the book–entry system and DTC.

**SECURITY FOR THE 2021 BONDS**

The 2021 Senior Bonds are special limited obligations of the Authority that are payable solely from the Pledged Revenues and certain moneys held under the Senior Indenture.

The 2021 Subordinate Bonds are special limited obligations of the Authority payable solely from the Pledged Revenues and certain moneys held under the Subordinate Indenture, *subject to the prior lien on Pledged Revenues securing the Senior Bonds*.

Pledged Revenues include: (i) Sales and Use Taxes; (ii) interest earnings on certain funds held under the respective Indentures; (iii) certain Direct Payments (as defined under the respective Indentures); and (iv) all other Revenues (including but not limited to passenger (fare) revenues, advertising revenues, fees, income, rents, and receipts received or earned by the Authority from the operation of the System) after payment of Operation and Maintenance Expenses of the System. Pledged Revenues do not include federal and state grant moneys that are prohibited by law from being pledged. Pledged Revenues do not include other sales taxes not pledged. *Payment of the principal of and interest on the Subordinate Bonds from Pledged Revenues is subject to the prior lien on Pledged Revenues securing the Senior Bonds, as described below under "Flow of Funds" below.*

The 2021 Bonds are not a general obligation or a pledge of the full faith and credit of the Authority, the State or any agency, instrumentality, or political subdivision of the State. The issuance of the 2021 Bonds shall not directly, indirectly, or contingently obligate the Authority, the State or any agency, instrumentality, or political subdivision of the State to levy any form of ad valorem taxation therefor. The Authority will not mortgage or grant any security interest in any of its physical assets to secure payment of the 2021 Bonds.

### **Flow Of Funds**

Under the Senior Indenture and the Subordinate Indenture, all Revenues (except earnings from the investment of amounts on deposit in the funds and accounts established under the Senior Indenture and the Subordinate Indenture, which shall be allocated as provided in the Senior Indenture and the Subordinate Indenture, respectively) shall be deposited by the Authority to the credit of the Revenue Fund and the Authority shall account for Sales and Use Taxes separate and apart from all other Revenues.

Under the Indentures, Sales and Use Taxes are applied as described in (a) and (b) below, prior to payment of Operation and Maintenance Expenses. Other Revenues are applied after payment of Operation and Maintenance Expenses, as described in paragraph (c).

(a) As a first lien and charge on the Sales and Use Taxes, the Authority is to transfer and deposit all available Sales and Use Taxes from the Revenue Fund into the following Funds or make payments therefrom (as applicable) pursuant to the Senior Indenture, in the following order of priority set forth below:

- (i) amounts required to be deposited in the Bond Fund established under the Senior Indenture to pay debt service on the Senior Bonds and any security instrument repayment obligations with respect to the Senior Bonds, as provided in the Senior Indenture;
- (ii) amounts required under the Senior Indenture to be deposited in the Reserve Instrument Fund or the Debt Service Reserve Fund established under the Senior Indenture; and
- (iii) to provide for the payment of Financing Expenses (Security Instrument Costs, Reserve Instrument Costs, and arbitrage rebate with respect to the Senior Bonds) when and as the same become due.

(b) As a second charge and lien on the Sales and Use Taxes and after the above payments have been made pursuant to the Senior Indenture, the Authority is to make the following transfers or payments pursuant to the Subordinate Indenture, in the order of priority set forth below:

- (i) amounts required to be deposited in the Bond Fund established under the Subordinate Indenture, to pay the debt service on the Subordinate Bonds and any security instrument repayment obligations with respect to the Subordinate Bonds, as provided in the Subordinate Indenture;
- (ii) amounts required under the Subordinate Indenture to be deposited in the Reserve Instrument Fund or the Debt Service Reserve Fund established under the Subordinate Indenture;
- (iii) to provide for the payment of Financing Expenses (Security Instrument Costs, Reserve Instrument Costs, and arbitrage rebate with respect to the Subordinate Bonds) when and as the same become due; and
- (iv) as the next charge and lien on the Sales and Use Taxes, the Authority shall allocate or transfer and deposit to the appropriate fund any debt service payments, reserve fund payments, debt reserve instrument costs and similar



payments which may be required pursuant to any obligations payable from Revenues on a basis subordinate to the Subordinate Indenture.

(c) The Operation and Maintenance Expenses shall be paid by the Authority from time to time as they become due and payable (i) at any time from the Revenues other than Sales and Use Taxes, Subordinate Direct Payments and Senior Direct Payments and (ii) from the Revenues constituting Sales and Use Taxes, Subordinate Direct Payments and Senior Direct Payments, but only after the charges on Sales and Use Taxes referenced above have been met.

(d) As necessary, after payment of unpaid Operation and Maintenance Expenses then due, the Authority will transfer and deposit any amounts in the Revenue Fund into the funds established under the Senior Indenture and the Subordinate Indenture, for the purposes and in the order of priority, set forth above. Subject to making the foregoing deposits, the Authority may use any moneys on deposit in the Revenue Fund for:

- (i) redemption of Senior Bonds or Subordinate Bonds for cancellation prior to maturity;
- (ii) refinancing, refunding, or advance refunding any Senior Bonds or Subordinate Bonds;
- (iii) application to, or accumulation of a reserve for, the purpose of applying toward, the costs of acquiring, constructing, equipping, or furnishing additional facilities to the System or improving, replacing, restoring, equipping, or furnishing any existing facilities;
- (iv) payment of indebtedness having a lien on the Pledged Revenues subordinate to that of the Subordinate Bonds and the Repayment Obligations; or
- (v) application for any other lawful purposes, as determined by the Authority.

See “APPENDIX B—EXTRACTS OF CERTAIN PROVISIONS OF THE SENIOR INDENTURE—Use of Funds” (page B-12) and “APPENDIX C—EXTRACTS OF CERTAIN PROVISIONS OF THE SUBORDINATE INDENTURE—Special Funds And Accounts” (page C-11) for additional information regarding the provisions of the Indentures relating to the application of Revenues.

## **Sales And Use Taxes**

### **Transit Sales Taxes**

*Mass Transit Tax.* Under Section 2213 of the Sales and Use Tax Act, Title 59, Chapter 12 of the Utah Code (the “Sales Tax Act”), counties, cities and towns may, upon meeting the statutory requirements to do so, levy a sales and use tax of up to 0.30% on taxable retail sales of tangible personal property and services (excluding food and food ingredients and various other property and services for which the Sales Tax Act provides an exemption) (“Taxable Sales”) within its boundaries, to fund a public transportation system (the “Mass Transit Tax”). However, the maximum rate for the Mass Transit Tax is 0.25% for any county, city, or town in which the Mass Transit Fixed Guideway Tax (defined below) is also levied.

*Additional Mass Transit Tax.* Under Section 2214 of the Sales Tax Act, any county, city, or town may, upon approval of the voters of such entity at an election, levy an additional sales tax to fund a system for public transit or a project or service related to an airport facility of up to 0.25% on all Taxable Sales within its boundaries (less 20% of such taxes in the case of counties of the first class (i.e., Salt Lake County), which is allocated to fund highway and other improvements) (the “Additional Mass Transit Tax”).

*Mass Transit Fixed Guideway Tax.* Under Section 2216 of the Sales and Use Tax Act, counties that do not levy, and do not contain any municipalities that levy, the Additional Mass Transit Tax, may, upon approval of the voters of the county at an election, levy a sales and use tax of up to 0.30% of Taxable Sales for public transit and transportation projects within the county (the “Mass Transit Fixed Guideway Tax”). Utah County is the only county in the Service Area that has levied the Mass Transit Fixed Guideway Tax (92% of which is dedicated to the Authority).

*County Option Transportation Tax.* In addition, under Section 2217 of the Sales Tax Act, counties may, upon approval of the voters of the county at an election, levy a sales and use tax of up to 0.25% of Taxable Sales for public transit and other transportation projects (the “County Option Transportation Tax”). Salt Lake County is the only county in the Service Area that has levied a County Option Transportation Tax that is dedicated to the Authority. Pursuant to the Sales Tax Act, county ordinance, and an interlocal agreement among the Utah Department of Transportation, the Authority, and Salt Lake County,

25% of Salt Lake County's County Option Transportation Tax is dedicated to highway projects and is not available to the Authority.

*Supplemental State Sales and Use Tax.* Pursuant to Section 2003 of the Sales Tax Act, the State levies a sales and use tax of up to 0.30% of Taxable Sales (the "Supplemental State Sales and Use Tax") within any city, town, or unincorporated area within a county of the first or second class in the Service Area that does not levy either the maximum 0.30% Mass Transit Tax or the maximum 0.30% Mass Transit Fixed Guideway Tax, as applicable. The Supplemental State Sales and Use Tax rate to be levied by the State within such counties equals the difference between 0.30% and the Mass Transit Tax rate or Mass Transit Fixed Guideway Tax rate, as applicable, that is levied in such areas. Currently, the State is levying a 0.05% Supplemental State Sales and Use Tax in Weber and Davis Counties. Each of the other municipalities and unincorporated areas within counties of the first and second class in the Service Area (Salt Lake County and Utah County) levies the maximum Mass Transit Tax and/or Mass Transit Fixed Guideway Tax.

#### **Pledge of Sales and Use Taxes**

*Pledge of Sales and Use Taxes.* Sales and Use Taxes received by the Authority and pledged under the Indentures consist of revenues received from the following transit sales taxes:

(i) a 0.30% Mass Transit Tax levied by Salt Lake County; by participating cities within Box Elder County (consisting of Brigham City, Willard City and Perry City); by participating cities within Tooele County (consisting of the cities of Tooele and Grantsville and the unincorporated areas known as Erda, Lakepoint, Lincoln and Stansbury Park) and a 0.25% Mass Transit Tax levied by Davis, Utah and Weber Counties and by the participating city in Juab County (Santquin City, which is located in Utah and Juab Counties) (the counties and cities identified in this paragraph are collectively referred to herein as the "Participating Counties," the "Participating Cities" or the "Participating Counties and Cities");

(ii) a 0.25% Additional Mass Transit Tax levied by Weber, Davis, and Salt Lake Counties (less 20% of such taxes, in the case of Salt Lake County, which is allocated to fund highway and other improvements) and by the Participating Cities in Box Elder County;

(iii) a 0.276% Mass Transit Fixed Guideway Tax levied by Utah County (92% of the 0.30% tax levy is dedicated to the Authority);

(iv) a 0.1875% (being 75% of 0.25%) County Option Transportation Tax levied by Salt Lake County;

(v) a 0.05% Supplemental State Sales and Use Tax that is levied by the State in Weber and Davis Counties; and

(vi) any other sales and use tax revenues legally available to the Authority that may be affirmatively pledged under the Indentures in the future.

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The following table shows the combined sales tax rates of each of the Participating Counties and Cities with respect to the portion of their transit taxes that is pledged under the Indenture:

Summary of Sales and Use Tax Rates (1)

<u>Participating County/City</u>	<u>Total Transit Sales Tax Rate Pledged</u>
Box Elder County (the Participating Cities) (2) .....	0.55 %
Davis County (1) (3).....	0.55
Salt Lake County (1) (4).....	0.6875
Tooele County (the Participating Cities) (1) (5).....	0.30
Utah County (1) (6) .....	0.526
Weber County (1) (2) .....	0.55
Juab County (the Participating City) (7).....	0.25

(1) ***Does not include revenues from the 0.10% sales tax received by Davis, Tooele, and Weber Counties pursuant to Section 59–12–2218 (the “County Option Proposition 1 Tax”) and does not include revenues from the 0.25% sales tax received by Salt Lake and Utah County pursuant to Section 59–12–2219 (the “Fourth Quarter Cent Tax”) as such revenues, collectively, do not constitute Pledged Revenues. See “Transit Sales Taxes Levied and Collected But Not Pledged as Pledged Revenues” below.***

- (2) Consists of the Mass Transit Tax (0.30%) and Additional Mass Transit Tax (0.25%).
- (3) Consists of the Mass Transit Tax (0.25%); the Supplemental State Sales and Use Tax (0.05%); and the Additional Mass Transit Tax (0.25%).
- (4) Consists of the Mass Transit Tax (0.30%); the Additional Mass Transit Tax (0.20%) (the total tax rate being levied at 0.25% with the Authority receiving 80% of 0.25% (or 0.20%) and the other 20% of 0.25% (or 0.05%) being allocated to highways and other improvements in the county); and the County Option Transportation Tax (0.1875%) (the total tax rate being levied at 0.25% with the Authority receiving 0.1875% and 0.0625% being allocated to highway projects pursuant to county ordinance).
- (5) Consists of the Mass Transit Tax (0.30%).
- (6) Consists of the Mass Transit Tax (0.25%) and the Mass Transit Fixed Guideway Tax (0.276%) (the total tax rate being levied at 0.30% with the Authority receiving 92% of 0.30% (or 0.276%) and the other 8% of 0.30% (or 0.024%) being allocated to highways and other improvements in the county).
- (7) Consists of the Mass Transit Tax (0.25%).

(Source: Authority.)

Transit sales taxes are collected together with other sales and use taxes by the Utah State Tax Commission monthly for most sales taxpayers. The Authority’s portion of the transit sales taxes is then remitted to the Authority by the Utah State Tax Commission on behalf of the Participating Counties and Cities or, with respect to certain Participating Counties and Cities that have not entered into Interlocal Agreements (defined below) with the Authority, by the Participating Counties and Cities themselves.

**Interlocal Agreements.** The Authority has entered into Interlocal Cooperation Agreements (the “Interlocal Agreements”) with Salt Lake County and Utah County, each of which extends at least to 2045. The Interlocal Agreements require such Participating Counties to allocate the Sales and Use Taxes levied by such entities to the Authority to the extent described above under “Pledge of Sales and Use Taxes.” The Interlocal Agreements authorize the Utah State Tax Commission to remit the Participating Counties’ respective Sales and Use Tax revenues directly to the Authority. The Authority is required to use the amounts allocated by the Participating Counties on System projects designated under the respective Interlocal Agreements.

**Transit Sales Taxes Levied and Collected But Not Pledged as Sales and Use Tax**

**County Option Proposition 1 Tax.** In 2015, the Legislature passed legislation allowing counties to place an additional local option sales tax for transportation purposes on their ballots in November 2015 (the “County Option Proposition 1 Tax”). For counties in which the Proposition 1 Tax was approved and which are served by the Authority, revenue is allocated among the counties, cities, and the Authority to address transportation needs. Voters approved the County Option Proposition 1 Tax in Davis, Weber, and Tooele Counties; with Davis and Weber Counties began collecting sales tax revenues in April 2016, and Tooele County collecting taxes in July 2016. The Authority will use funds generated by the County Option Proposition 1 Tax to improve its transit services in those specific counties. ***Sales tax revenues collected from the County Option Proposition 1 Tax are not included in sales taxes that constitute Sales and Use Tax.***

**Fourth Quarter Cent Tax.** In July 2019, the governing bodies of Utah County and Salt Lake County levied a 0.25% sales tax allowed under Section 2219 of the Sales Tax Act for an additional local option sales tax for transportation purposes (the

“Fourth Quarter Cent Tax”). The Authority will use funds generated by the Fourth Quarter Cent Tax to improve its transit services in those specific counties. *Sales tax revenues collected from the Fourth Quarter Cent Tax are not included in sales taxes that constitute Sales and Use Tax.*

**Historical Pledged Revenues (Sales and Use Tax collections) By County**

The following table shows the Authority’s Sales and Use Tax collections (of Pledged Revenues) by county, totals, and percentage change for the last 10 years.

For Fiscal Year 2020, approximately 61% of Sales and Use Tax was collected within Salt Lake County; approximately 18.7% was collected in Utah County; approximately 10.1% was collected in Davis County; approximately 8.5% was collected in Weber County; approximately 0.8% was collected in Tooele County; and approximately 0.8% was collected in Box Elder County.

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Historical Pledged Sales and Use Tax Collections

Fiscal Year Ended December 31	Salt Lake County			Utah County			Davis County			Weber County			Tooele County (1)			Box Elder County (2)			All Counties		
	Amount			Amount			Amount			Amount			Amount			Amount			Amount (3)		
	% change from prior year			% change from prior year			% change from prior year			% change from prior year			% change from prior year			% change from prior year			% change from prior year		
2020.....	\$ 190,235,738	4.1		\$ 58,255,482	15.2		\$ 31,591,779	11.0		\$ 26,523,795	14.4		\$ 2,509,946	58.8		\$ 2,404,175	19.1		\$ 311,520,915	8.0	
2019.....	182,715,200	4.6		50,579,613	10.8		28,471,461	5.5		23,182,152	5.5		1,581,029 (4)	(11.4)		2,019,035	6.4		288,548,490	5.7	
2018.....	174,704,191	6.9		45,665,232	6.1		26,980,557	4.1		21,973,666	6.2		1,785,303	3.1		1,898,307	(3.0)		273,007,256	6.3	
2017.....	163,407,565	6.7		43,023,303	11.5		25,930,110	7.2		20,692,601	7.3		1,731,431	12.8		1,957,740	9.3		256,742,750	7.6	
2016.....	153,201,907	4.3		38,601,427	6.6		24,178,637	4.3		19,277,984	5.0		1,534,674	0.9		1,790,353	15.3		238,584,982	4.8	
2015.....	146,866,479	5.5		36,221,930	7.3		23,178,724	8.0		18,362,502	5.1		1,521,097	9.9		1,552,291	9.4		227,703,023	6.1	
2014.....	139,199,088	4.9		33,752,513	5.8		21,459,683	7.2		17,469,093	6.0		1,384,631	2.6		1,418,268	9.0		214,683,276	5.3	
2013.....	132,741,112	2.8		31,905,764	4.3		20,023,042	7.1		16,486,468	5.6		1,349,366	(1.1)		1,300,577	1.6		203,806,329	3.6	
2012.....	129,169,357	7.6		30,576,235	10.2		18,692,038	4.5		15,611,940	4.5		1,364,179	13.0		1,279,794	4.3		196,693,543	7.4	
2011.....	120,094,110	6.9		27,743,162	9.2		17,880,017	5.4		14,939,966	1.9		1,207,539	(1.6)		1,226,730	(3.4)		183,091,524	6.5	
Average % change over 10 year period...		5.4			8.7			6.4			6.2			8.7			6.8			6.1	

- (1) Consists of the Participating Cities of Tooele, Grantsville and the unincorporated areas known as Erda, Lakepoint, Stansbury Park and Lincoln.
- (2) Consists of the Participating Cities of Brigham, Perry and Willard.
- (3) Due to the timing of collections and the accrual of the Authority's revenues, these amounts may not match the audited financial statements of the Authority.
- (4) The original amount of \$2,014,119 has been adjusted by \$433,090, due to an overpayment of Sales and Use Taxes.

(Source: The Authority.)

Monthly Sales And Use Tax Collections

The following table shows the Authority's Sales and Use Tax collections for Fiscal Years 2016 through 2020 and the actual and budgeted Sales and Use Tax for Fiscal Year 2021.

Period	Fiscal Year (1)					2021		
	2016	2017	2018	2019	2020	Actual (2)	Sales and Use	
							Tax Budget	Difference
January.....	\$ 16,067,751	\$ 17,833,314	\$ 19,618,448	\$ 20,838,701	\$ 24,558,206	\$ 24,409,327	\$ 23,023,980	\$ 1,385,347
February.....	16,170,707	19,850,509	20,385,220	20,559,616	18,943,698	23,770,014	21,315,001	2,455,013
March.....	23,637,140	22,316,190	23,157,586	24,796,772	26,168,853	33,312,615	26,305,181	7,007,434
April.....	17,050,500	17,413,722	20,612,496	20,829,268	21,819,110	30,320,724	22,494,567	7,826,157
May.....	19,164,112	19,884,544	24,216,560	23,976,784	24,198,800	29,235,858	25,779,419	3,456,439
June.....	21,530,800	25,321,478	24,707,456	26,665,103	28,672,188	37,593,621	28,579,738	9,013,883
July.....	19,926,594	19,697,155	23,149,874	24,300,898	26,039,597	27,815,291	27,089,000	726,291
August.....	20,566,224	23,626,608	22,752,181	23,429,525	25,359,168	-	26,364,000	-
September.....	22,047,531	22,604,228	24,573,060	25,610,551	31,001,534	-	29,835,000	-
October.....	18,334,089	20,438,810	21,141,108	23,338,141	23,975,731	-	25,229,000	-
November.....	18,965,164	21,790,948	22,031,791	24,623,109	28,683,574	-	26,082,000	-
December.....	25,124,370	25,965,242	26,661,476	29,580,022	32,100,456	-	31,709,000	-
Totals.....	\$ 238,584,982	\$ 256,742,748	\$ 273,007,256	\$ 288,548,490	\$ 311,520,915	\$ 206,457,450	\$ 313,805,886	\$ 31,870,564
% change from prior year.....	4.8%	7.6%	6.3%	5.7%	8.0%	-	-	-

- (1) *Sales and Use Taxes (and Pledged Revenues) exclude County Option Proposition 1 Tax and Fourth Quarter Cent Tax revenues* (collection of County Option Proposition 1 Tax revenues began in Fiscal Year 2016 with the Fourth Quarter Cent Tax began in July 2019). Unaudited final numbers; subject to change.
- (2) Unaudited; preliminary; subject to change. Sales and Use Taxes are received by the Authority on or about the 20th day of the second month following the month in which such Sales and Use Taxes accrue.

(Source: The Authority.)

See, also “APPENDIX A—COMPREHENSIVE ANNUAL FINANCIAL REPORT OF UTAH TRANSIT AUTHORITY FOR FISCAL YEAR 2020—Statistical Section—Local Contributions in the Form of Sales Tax by County—10 Years” (Comprehensive Annual Financial Report (“ACFR,” page 84); *however, such table includes all sales and use taxes (including the County Option Proposition 1 Tax (beginning in Fiscal Year 2016) and the Fourth Quarter Cent Tax, (beginning in Fiscal Year 2019, which taxes are not pledged under the Indenture).*

#### **No Debt Service Fund For The 2021 Senior Bonds; Debt Service Reserve Funds For Outstanding Senior Bonds**

Pursuant to the amendments made to the Senior Indenture in 2015, the Authority is not required to fund a Debt Service Reserve Fund for the 2021 Senior Bonds or any Additional Senior Bonds.

*The Senior Indenture establishes a Debt Service Reserve Fund with respect to Senior Bonds issued prior to 2015. Senior Bonds issued before 2015 will be secured by a Debt Service Reserve Fund (the amount securing the Senior Bonds issued before 2015 is \$42,562,600 and is secured by a debt serve reserve instrument issued by Assured Guaranty Municipal Corp.). This Debt Service Reserve Fund does not secure Senior Bonds issued in 2015 and thereafter, including the 2021 Bonds or any Additional Senior Bonds unless determined by the Authority under a future Supplemental Indenture.*

#### **No Debt Service Fund For The 2021 Subordinate Bonds; Debt Service Reserve Funds For Outstanding Subordinate Bonds**

Pursuant to the amendments made to the Subordinate Indenture in 2015, the Authority is not required to fund a Debt Service Reserve Fund for the 2021 Subordinate Bonds or any Additional Subordinate Bonds.

*The Subordinate Indenture establishes a Debt Service Reserve Fund with respect to certain Subordinate Bonds issued prior to 2015. The 2007 Subordinate Bonds are secured by a Debt Service Reserve Fund (in the amount of \$12,968,844; secured by a debt serve reserve instrument issued by National Public Finance Guarantee Corp.). The 2010 Subordinate Bonds are secured by a Debt Service Reserve Fund (in the amount of \$10,119,573; secured by a debt serve reserve instrument issued by Build America Mutual Corporation). These Debt Service Reserve Funds do not secure Subordinate Bonds issued in 2015 and thereafter, including the 2021 Subordinate Bonds or any Additional Subordinate Bonds unless determined by the Authority under a future Subordinate Supplemental Indenture.*

#### **Issuance Of Additional Senior Bonds And Additional Subordinate Bonds**

The Senior Indenture provides that Additional Senior Bonds may be issued upon satisfaction of certain requirements, including delivery by the Authority of a certificate to the effect that Adjusted Sales and Use Taxes are at least 200% of the maximum annual Aggregate Debt Service on all Senior Bonds to be outstanding upon the issuance of the Additional Senior Bonds.

Under the Subordinate Indenture no additional indebtedness, bonds or notes of the Authority payable on a priority ahead of the Subordinate Bonds or the Security Instrument Repayment Obligations with respect to the Subordinate Bonds out of Pledged Revenues shall be created or incurred, and no Additional Subordinate Bonds or other indebtedness of the Authority payable on a parity with the Subordinate Bonds or the Security Instrument Repayment Obligations out of Pledged Revenues shall be created or incurred unless certain requirements are satisfied, including delivery by the Authority of a certificate to the effect that Adjusted Sales and Use Taxes are at least 150%<sup>2</sup> of the maximum Aggregate Debt Service for any Bond Fund Year on all of the Subordinate Bonds and Senior Bonds to be Outstanding upon the issuance of such additional bonds.

“Adjusted Sales and Use Taxes” means Sales and Use Taxes in any consecutive 12 month period within the 24 calendar months next preceding the issuance of the applicable series of Additional Bonds, adjusted to take into account any increases in the sales and use taxes allocated to the Authority, to the extent that such increased amounts have been included as “Sales and Use Taxes” and are pledged under the respective Indenture. The Indentures may be amended and supplemented pursuant to its terms without the consent of the bondholders of the Subordinate Bonds.

See “DEBT STRUCTURE OF UTAH TRANSIT AUTHORITY—Future Issuance Of Debt; State of Utah Department of Transportation Loan” below.

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<sup>2</sup> The Fifteenth Supplemental Subordinate Indenture amended this ratio from 120% to 150% in October 2021.

## HISTORICAL DEBT SERVICE COVERAGE

The following table shows the past 10 Fiscal Years of debt service requirements for the Outstanding Senior Bonds, the Outstanding Subordinate Bonds, the historical Sales and Use Tax Revenues and the debt service coverage amounts.

Fiscal Year Ending December 31	Sales and Use Taxes	Senior Bonds		Subordinate Bonds		Total Bonds	
		Outstanding		Outstanding		Outstanding	
		Senior	Debt	Subordinate	Debt	Senior and	Debt
		Bonds	Service	Bonds	Service	Subordinate	Service
		Total Debt	Cover-	Total Debt	Cover-	Total Debt	Cover-
		Service (1)	age (2)	Service (3)	age (4)	Service	age (5)
2020.....	\$311,520,915	\$86,551,344	3.60	\$40,066,642	5.61	\$ 126,617,986	2.46
2019.....	288,548,490	72,016,562	4.01	42,090,069	5.14	114,106,631	2.53
2018.....	273,007,256	64,166,168	4.25	47,658,533	4.38	111,824,701	2.44
2017.....	256,742,750	62,283,380	4.12	43,189,348	4.50	105,472,728	2.43
2016.....	238,584,982	62,372,691	3.83	41,924,135	4.20	104,296,826	2.29
2015.....	227,703,023	58,997,559	3.86	37,310,652	4.52	96,308,211	2.36
2014.....	214,683,276	68,571,496	3.13	33,151,469	4.41	101,722,965	2.11
2013.....	203,806,329	68,924,181	2.96	32,565,180	4.14	101,489,361	2.01
2012.....	196,693,543	69,414,462	2.83	18,253,108	6.97	87,667,570	2.24
2011.....	183,091,524	69,423,774	2.64	19,817,054	5.74	89,240,828	2.05

- (1) Includes actual interest payments on the 2009B Senior Bonds (BABs) and does not reflect any federal interest subsidy payments.
- (2) Multiple of Sales and Use Taxes to debt service on the Senior Bonds.
- (3) Includes actual interest payments on the 2010 Subordinate Bonds (BABs) and does not reflect any federal interest subsidy payments.
- (4) Multiple of Sales and Use Taxes (after payment of debt service on the Senior Bonds) to debt service on the Subordinate Bonds.
- (5) Multiple of Sales and Use Taxes to debt service on the Senior Bonds and the Subordinate Bonds.

(Source: Municipal Advisor.)

For the Authority's presentation of a 10 year history of yearly debt service coverage see "APPENDIX A—COMPREHENSIVE ANNUAL FINANCIAL REPORT OF UTAH TRANSIT AUTHORITY FOR FISCAL YEAR 2020—Statistical Section—Yearly Debt Service Coverage" (ACFR page 86).

## PROJECTED DEBT SERVICE COVERAGE

*Forward Looking Projected Information.* The Authority does not as a matter of course make public projections as to future revenues, income, or other results. However, the management of the Authority has prepared the prospective financial information set forth below in the table "Projected Debt Service Coverage," to present Sales and Use Tax revenues of the Authority for Fiscal Year 2020. The accompanying prospective financial information was not prepared with a view toward public disclosure or with a view toward complying with the guidelines established by the American Institute of Certified Public Accountants with respect to prospective financial information, but, in the view of the Authority's management, was prepared on a reasonable basis, reflects the best currently available estimates and judgments and presents, to the best of management's knowledge and belief, the expected course of action and the expected future financial performance of the Authority, or was prepared by carrying forward historical information to future years. However, this information is not fact and should not be relied upon as necessarily indicative of future results, and readers of this OFFICIAL STATEMENT are cautioned not to place undue reliance on the prospective financial information.



Neither the Authority's independent auditors, nor any other independent accountants, have compiled, examined, or performed any procedures with respect to the prospective financial information contained herein, nor have they expressed any opinion or any other form of assurance on such information or its achievability, and assume no responsibility for, and disclaim any association with, the prospective financial information.

The assumptions and estimates underlying the prospective financial information are inherently uncertain and, although considered reasonable by the management of the Authority as of the date hereof, are subject to a wide variety of significant business, economic, and competitive risks and uncertainties, including execution by the Participating Counties and Cities of the Interlocal Agreements, that could cause actual results to differ materially from those contained in the prospective financial information. Accordingly, there can be no assurance that the prospective results are indicative of the future performance of the Authority or that the actual results will not differ materially from those presented in the prospective financial information. Inclusion of the prospective financial information in this OFFICIAL STATEMENT should not be regarded as a representation by any person that the results contained in the prospective financial information will be achieved.

*Projected Sales and Use Taxes. Recent Developments.* The Authority budgeted Sales and Use Tax collections for Fiscal Year 2021 to be collected at \$313,805,886 (not including the County Option Proposition 1 Tax and Fourth Quarter Cent Tax). See "SECURITY FOR THE 2021 BONDS—Monthly Sales And Use Tax Collections" above.

***The Authority has received its Sales and Use Tax collections for January 2021 through July 2021. The January through July 2021 amount is \$206,457,450 which is approximately \$36.1 million (or 21%) more than Sales and Use Tax collections for the period from January 2020 through July 2020 of \$170,400,452.***

The following table shows the debt service requirements for the 2021 Bonds, the Outstanding Senior Bonds, the Outstanding Subordinate Bonds, and projected debt service coverage based upon the Fiscal Year 2020 Sales and Use Taxes of \$311,520,915, for all years during which the Senior Bonds are scheduled to be outstanding (including for the years during which the 2021 Bonds are scheduled to be outstanding).

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Projected Debt Service Coverage

Fiscal Year Ending December 31	Sales and Use Taxes (1)	Senior Bonds*				Subordinate Bonds*				Total Bonds*	
		2021 Senior Bonds Debt Service*	Outstanding Senior Bonds Debt Service (2)	Total Senior Bonds Debt Service (2)	Debt Service Cover- age (3)	2021 Subordinate Bonds Debt Service*	Outstanding Subordinate Bonds Debt Service (4)	Total Subordinate Bonds Debt Service (4)	Debt Service Cover- age (5)	Outstanding Senior and Subordinate Bonds Total Debt Service (6)	Debt Service Cover- age (7)
2020.....	\$ 311,520,915	\$ 0	\$ 86,551,344	\$ 86,551,344	3.60	\$ 0	\$ 40,066,642	\$ 40,066,642	5.61	\$ 126,617,986	2.46
2021.....	311,520,915	8,481,962	85,590,170	94,072,132	3.31	549,656	40,582,864	41,132,520	5.29	135,204,652	2.30
2022.....	311,520,915	16,970,172	81,181,444	98,151,616	3.17	1,105,748	42,694,739	43,800,487	4.87	141,952,103	2.19
2023.....	311,520,915	16,971,342	87,070,812	104,042,154	2.99	1,102,628	45,346,864	46,449,492	4.47	150,491,646	2.07
2024.....	311,520,915	16,968,060	87,073,679	104,041,739	2.99	1,103,908	45,340,864	46,444,772	4.47	150,486,511	2.07
2025.....	311,520,915	16,967,152	89,009,875	105,977,027	2.94	1,103,705	45,344,239	46,447,944	4.43	152,424,971	2.04
2026.....	311,520,915	54,149,092	51,830,488	105,979,580	2.94	8,902,056	37,552,114	46,454,170	4.42	152,433,750	2.04
2027.....	311,520,915	51,626,997	49,853,886	101,480,883	3.07	432,710	55,682,239	56,114,949	3.74	157,595,832	1.98
2028.....	311,520,915	51,623,219	49,850,436	101,473,655	3.07	431,990	55,673,489	56,105,479	3.74	157,579,134	1.98
2029.....	311,520,915	51,630,906	49,859,545	101,490,451	3.07	431,170	61,926,289	62,357,459	3.37	163,847,910	1.90
2030.....	311,520,915	6,208,358	95,373,762	101,582,120	3.07	435,280	61,904,314	62,339,594	3.37	163,921,714	1.90
2031.....	311,520,915	6,204,595	95,377,581	101,582,176	3.07	434,246	61,924,914	62,359,160	3.37	163,941,336	1.90
2032.....	311,520,915	45,579,121	55,757,809	101,336,930	3.07	433,157	61,926,420	62,359,577	3.37	163,696,507	1.90
2033.....	311,520,915	45,571,795	78,023,273	123,595,068	2.52	431,985	39,567,045	39,999,030	4.70	163,594,098	1.90
2034.....	311,520,915	45,551,247	78,047,438	123,598,685	2.52	435,759	39,566,495	40,002,254	4.70	163,600,939	1.90
2035.....	311,520,915	45,834,835	77,757,525	123,592,360	2.52	434,361	39,567,201	40,001,562	4.70	163,593,922	1.90
2036.....	311,520,915	48,362,324	79,069,359	127,431,683	2.44	702,903	34,258,801	34,961,704	5.27	162,393,387	1.92
2037.....	311,520,915	-	125,833,888	125,833,888	2.48	14,494,554	22,068,075	36,562,629	5.08	162,396,517	1.92
2038.....	311,520,915	-	123,415,219	123,415,219	2.52	-	38,980,308	38,980,308	4.83	162,395,527	1.92
2039.....	311,520,915	-	99,960,375	99,960,375	3.12	-	62,436,883	62,436,883	3.39	162,397,258	1.92
2040.....	311,520,915	-	11,657,724	11,657,724	26.72	-	150,946,856	150,946,856	1.99	162,604,580	1.92
2041.....	311,520,915	-	79,316,687	79,316,687	3.93	-	66,369,476	66,369,476	3.50	145,686,163	2.14
2042.....	311,520,915	-	122,206,633	122,206,633	2.55	-	23,475,140	23,475,140	8.06	145,681,773	2.14
2043.....	311,520,915	-	4,445,000	4,445,000	70.08	-	-	-	-	4,445,000	70.08
2044.....	311,520,915	-	4,439,300	4,439,300	70.17	-	-	-	-	4,439,300	70.17
Totals.....		\$ 528,701,177	\$ 1,848,553,252	\$ 2,377,254,429		\$ 32,965,816	\$ 1,173,202,271	\$ 1,206,168,087		\$ 3,583,422,516	

\* Preliminary; subject to change.

(1) The Authority's Sales and Use Tax collections for Fiscal Year 2020 are \$311,520,915, excluding County Proposition 1 Taxes and Fourth Quarter Cent Tax. Projected Sales and Use Taxes Revenues are held constant based on such 2020 Sales and Use Tax collections. Also see "SECURITY FOR THE 2021 BONDS—Monthly Sales And Use Tax Collections" above.

(2) **Preliminary; subject to change. Assumes the 2015A Senior Refunded Bonds are refunded.** Includes actual interest payments on the 2009B Senior Bonds (Build America Bonds) and does not reflect any federal interest subsidy payments the Authority expects to receive. These principal and interest payments reflect any mandatory sinking fund principal payments.

(3) Multiple of Sales and Use Taxes to debt service on the Senior Bonds.

(4) **Preliminary; subject to change. Assumes the 2015A Subordinate Refunding Bonds are refunded.** Includes actual interest payments on the 2010 Subordinate Bonds (Build America Bonds) and does not include any federal interest subsidy payments the Authority expects to receive. These principal and interest payments reflect mandatory sinking fund principal payments.

(5) Multiple by which Sales and Use Taxes remaining after payment of debt service on the Senior Bonds are available to pay debt service on the Subordinate Bonds.

(6) Debt service includes actual principal and interest payments on Build America Bonds and does not reflect federal interest subsidy payments on such bonds, see "DEBT STRUCTURE OF THE UTAH TRANSIT AUTHORITY—Debt Service Schedule Of Outstanding Sales Tax Revenue Bonds By Fiscal Year" above.

(7) Multiple by which Sales and Use Taxes are available to pay aggregate debt service on the Senior Bonds and the Subordinate Bonds.

(Source: Municipal Advisor.)

See “DEBT STRUCTURE OF UTAH TRANSIT AUTHORITY—Outstanding Debt Of The Authority” below.

## **UTAH TRANSIT AUTHORITY**

### **General**

The Authority, which was organized in 1970, operates and exists under the Transit Act and other applicable provisions of Title 17B, Utah Code. 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 principal counties (Box Elder, Davis, Salt Lake, Tooele, Utah, and Weber). The Service Area also includes a very small portion of Juab County (for purposes of this OFFICIAL STATEMENT, Juab County’s information is not included in this OFFICIAL STATEMENT). The total population within the six principal counties is approximately 2,600,000, which represents 79.5% of the State’s total population.

A map of the Service Area including bus routes and rail alignments may be found in “APPENDIX A—COMPREHENSIVE ANNUAL FINANCIAL REPORT OF UTAH TRANSIT AUTHORITY FOR FISCAL YEAR 2020” (ACFR page 15).

The Authority’s business office is in Salt Lake City, Utah and it maintains a web site at <http://www.rideuta.com>. For the principal contact person at the Authority see “INTRODUCTION—Contact Persons” above.

There are three metropolitan statistical areas (“MSA”) contained in the Authority’s Service Area: the Salt Lake City MSA comprised of Salt Lake, Summit and Tooele Counties; the Provo–Orem MSA comprised of Utah and Juab Counties; and the Ogden–Clearfield MSA comprised of Davis, Morgan, and Weber Counties.

Information regarding the Authority’s 10 year histories of demographic and economic statistics (ACFR page 86), principal employers (ACFR page 87) and trend statistics (ACFR page 88) are provided in “APPENDIX A—COMPREHENSIVE ANNUAL FINANCIAL REPORT OF UTAH TRANSIT AUTHORITY FOR FISCAL YEAR 2020—Statistical Section” and for additional demographic and economic information regarding the Service Area and counties within the Service Area see “APPENDIX G—CERTAIN INFORMATION REGARDING THE SERVICE AREA.”

### **Service Facilities**

Service is currently provided from eight operations facilities located in Ogden City, Salt Lake City (two facilities, north and south), South Salt Lake City (three facilities), Midvale City, and Orem City. The Ogden City urbanized area bus fleet is served from the Mt. Ogden Division (Ogden, completed in 1986). The Salt Lake metropolitan area bus fleet is garaged and maintained in (i) the Central Division (Salt Lake City, renovated in 1987); (ii) the Meadowbrook Division (South Salt Lake City, completed in 1980); and (iii) the Riverside Division (South Salt Lake City, completed in 1997). The bus fleet servicing the Utah County area is serviced by the Mt. Timpanogos Facility (Orem City, completed in 1990, then reconfigured and doubled in size in 2018). Light rail operations and maintenance is performed from a facility located near the Authority’s railroad right-of-way in Midvale City (completed in 1999) and the Jordan River Service Center located in South Salt Lake City (completed in 2011). Commuter rail operations and maintenance is performed from a facility located near the Authority’s railroad right-of-way in Salt Lake City (completed in 2008).

### **Integrated Bus, Light Rail And Commuter Rail Systems**

*Bus Service.* Currently, the Authority has a fleet of 539 buses and 207 paratransit buses/vans throughout the Service Area.

In 2009, the Authority completed a Bus Rapid Transit (“BRT”) line that runs in Salt Lake County (from the unincorporated Magna area through West Valley City) to South Salt Lake City. In 2018, the Authority completed a BRT line that runs in Utah County (from Orem City, Utah through Provo City, Utah).

For performance measures regarding the Authority’s bus service as compared to other transit agencies throughout the United States for service efficiency and cost effectiveness see “APPENDIX A—COMPREHENSIVE ANNUAL FINAN-

CIAL REPORT OF UTAH TRANSIT AUTHORITY FOR FISCAL YEAR 2020—Statistical Section—Performance Measures—Bus Service” (ACFR pages 90 through 92).

*TRAX System; Light Rail Service and Facilities.* In 1999, the Authority began operating the TRAX System (as defined herein). The Authority currently operates 117 light rail vehicles (“LRVs”) on approximately 45 miles of light rail lines located within the boundaries of Salt Lake County.

The TRAX System segments have been built and opened in the following sequence:

- (1) the initial 15.8 mile rail line opened December 1999 and in 2008 this north/south line was extended from the downtown area to the Salt Lake Intermodal Hub;
- (2) a four mile line known as the University line opened December 2001 and in September 2003 the line was extended 1.5–miles to the Utah Medical Center;
- (3) a 10.6 mile line known as the Mid–Jordan line opened August 2011 connecting South Jordan City to the initial north/south line in Murray City;
- (4) a 5.1 mile line known as the West Valley line opened August 2011 connecting West Valley City to the initial north/south line in South Salt Lake City;
- (5) a six mile line known as the Airport line opened April 2013 connecting Salt Lake City International Airport to downtown Salt Lake City;
- (6) a 3.8 mile line known as the Draper line opened in August 2013 and extends the north/south line from Sandy City to Draper City; and
- (7) a two mile double track line known as the S line (the “S Line”) which single track opened in December 2013 and an additional track which opened in April 2019, connecting the north/south line, to the eastern area of Salt Lake City known as “Sugarhouse” (collectively, all light rail lines are known as the “TRAX System”).

The railroad right-of-way upon which the Authority operates a portion of the TRAX System shares tracks with several short-line railway carriers. The passenger and freight service are time-separated, with freight activities occurring only in the hours when the TRAX System is not operating.

*TRAX System Line Configuration.* The Blue line runs from Draper City in south Salt Lake County to the inter-modal hub in downtown Salt Lake City. The Red line runs from South Jordan City in the southwest part of Salt Lake County to the University of Utah and the University hospital on the east side of Salt Lake City. The Green line runs from West Valley City to the Salt Lake City International Airport. The S Line runs from the Sugarhouse area in Salt Lake City to a point on the Blue/Red/Green line in South Salt Lake City.

*FrontRunner System; Commuter Rail Service and Facilities.* In 2008, the Authority began operating the FrontRunner System. The first project of the FrontRunner System was a 45 mile commuter rail line that extends from Pleasant View City (Weber County) to the Salt Lake Intermodal Center in downtown Salt Lake City (Salt Lake County) (the “FrontRunner North”). In December 2012, the Authority opened a 44 mile long south extension to the FrontRunner System running from downtown Salt Lake City (Salt Lake County) to Provo City (Utah County) (“FrontRunner South”). The FrontRunner South and the FrontRunner North rail lines are collectively, the “FrontRunner System.” The Authority currently operates 81 commuter rail vehicles on its 88 mile, single-track commuter rail line. Commuter rail operations and maintenance is performed from a facility located near the Authority’s railroad right-of-way in Salt Lake City.

*TRAX System and FrontRunner Expansion.* In 2006 the Authority began the construction of the FrontLines Project (which project included the Jordan River Service Center (opened in August 2011); the FrontRunner South line; and the Mid–Jordan, West Valley, Airport and Draper light rail TRAX lines (collectively, the “FrontLines Project”). The FrontLines Project was completed in August 2013 (under budget and approximately one and a one-half years prior to its scheduled completion).

For performance measures regarding the Authority’s commuter and light rail service as compared to other transit agencies throughout the United States for service efficiency and cost effectiveness see “APPENDIX A—COMPREHENSIVE ANNUAL FINANCIAL REPORT OF UTAH TRANSIT AUTHORITY FOR FISCAL YEAR 2020—Statistical Section—Performance Measures—Commuter Rail” (ACFR pages 93 through 95) and “–Light Rail” (ACFR pages 99 through 101).

*Other Information.* Additional information regarding the Authority’s historical transit fares (ACFR page 85); operating indicators and capital assets (ACFR page 89); 10 year trend statistics for ridership, revenue miles to total miles, revenue hours, average fare per passenger, cost per revenue mile, and system cost per passenger (ACFR page 88) is provided in “APPENDIX A—COMPREHENSIVE ANNUAL FINANCIAL REPORT OF UTAH TRANSIT AUTHORITY FOR FISCAL YEAR 2020—Statistical Section.”

For performance measures regarding the Authority’s “demand response” for service efficiency and cost effectiveness as compared to other transit agencies throughout the United States see “APPENDIX A—COMPREHENSIVE ANNUAL FINANCIAL REPORT OF UTAH TRANSIT AUTHORITY FOR FISCAL YEAR 2020—Statistical Section—Performance Measures—Demand Response” (ACFR pages 96 through 98).

### **Ongoing Capital Projects Of The Authority**

The Authority annually prepares a five year capital plan and budgets future Fiscal Year capital expenditures in the Authority’s annual Fiscal Year budget. Capital projects of the Authority are funded from various sources such as federal grants, sales tax revenue bond proceeds, contributions from the Revenues of the Authority, lease proceeds, local partnership funds and State funds. Funds for projects budgeted for in the current Fiscal Year, and not used, may be carried forward into the next Fiscal Year. The Board of Trustees is preparing the Fiscal Year 2022 Tentative Budget and will adopt the final Fiscal Year 2022 Budget in December 2021 (which final budget will contain new and ongoing capital projects and budgeted funding amounts for Fiscal Year 2022).

*Fiscal Year 2021 Budget. Capital Projects.* Total capital projects expenditures budgeted for in Fiscal Year 2021 totaled approximately \$255.6 million (with projects to be funded from approximately \$146 million from the Authority’s Revenues (which Authority’s Revenues (in this case for capital projects) includes \$51.3 million from previously issued sales tax revenue bond proceeds); approximately \$75.8 million in federal grants; approximately \$33.75 million from local partnership contributions; and approximately \$28.3 million in lease proceeds).

The Authority’s System ongoing capital projects under the Fiscal Year 2021 Budget (and under the Fiscal Year 2022 proposed budget) include:

Ogden/WSU Bus Rapid Transit. The Ogden/Weber State University BRT Project is a 5.3 mile bus rapid transit project with 13 stations, connecting the FrontRunner System commuter rail station in downtown Ogden City, Utah with Weber State University and McKay–Dee Hospital. The project is scheduled to be completed in August 2022, with a total project cost estimated at \$99 million. Approximately \$52.58 million was in the Fiscal Year 2021 budget for this project (with \$42.5 million from federal grants; \$8.45 million from local partnership funds; and \$1.63 million from the Authority’s Revenues). The proposed budget for Fiscal Year 2022 includes expenditures of approximately \$37 million for this project.

Depot District Service Facility. This facility will replace the Authority’s existing Central bus facility. Construction began in Fiscal Year 2019 and is expected to be completed in Fiscal Year 2023. Costs have been estimated at approximately \$80 million. Approximately \$32.4 million was in the Fiscal Year 2021 budget for this project (with \$20 million from the Authority’s Revenues; \$9.9 million from federal grants; and \$2.5 million from the State). The tentative budget for Fiscal Year 2022 includes expenditures of approximately \$31.2 million for this project.

State of Good Repair Projects. These projects include replacement of service vehicles, information technology improvements, facilities, safety and administration equipment, and infrastructure repair projects (i.e., bus, light rail and commuter rehabilitation and replacement, rail repair and maintenance, bridge repair and maintenance, rail crossings repair and maintenance, etc.). Approximately \$110.9 million was proposed in the Fiscal Year 2021 budget for these projects (with approximately \$92.5 million from the Authority’s Revenues; \$10.9 million from local partnership funds; and \$7.4 million from federal grants). The tentative budget for Fiscal Year 2022 includes expenditures of approximately \$94.1 million for these various projects.

Various Other Capital Projects. These projects include bus station improvements, bridges, equipment rights-of-way acquisition, rail improvements, safety improvements and various other projects. Approximately \$59.73 million was in the Fiscal Year 2021 budget (with \$31.9 million from the Authority’s Revenues; \$16 million from federal grants; and \$11.9 million from local partnership funds). The tentative budget for Fiscal Year 2022 includes expenditures of approximately \$67.8 million for these various projects.

*Fiscal Year 2022 Proposed Budget. Capital Projects.* Total capital projects expenditures in the proposed budgeted for Fiscal Year 2022 totals approximately \$230.1 million (with projects to be funded from approximately \$120.4 million from the Authority’s Revenues (which Authority’s Revenues (in this case for capital projects) includes \$45.7 million from previously issued sales tax revenue bond proceeds and approximately \$23.5 million in lease proceeds); approximately \$69.8 million in federal grants; and approximately \$40 million from local partnerships).

Also see “DEBT STRUCTURE OF UTAH TRANSIT AUTHORITY—Future Issuance Of Debt; State of Utah Department of Transportation Loan” below.

Management

*Board of Trustees.* In November 2018, following statutory changes, oversight of the Authority was transitioned from a 16 member voluntary board of trustees to a three member full-time paid Board of Trustees (the “Board of Trustees”). The Governor appoints nominees from the three appointing districts within the Authority’s Service Area to serve as trustees. The names of the nominees are then forwarded to the State of Utah Senate for confirmation. Once confirmed, an appointee is sworn in as a Trustee.

In December 2018, the Governor appointed, and the Senate confirmed trustees, representing Salt Lake County (to a four year term), the district comprised of Davis, Weber, and Box Elder counties (to a three year term) and the district comprised of Utah and Tooele counties (to a two year term). There are no limits relative to the number of terms a trustee can serve. The Governor appointed the Salt Lake County trustee to serve as Chair of the Board of Trustees. After these initial staggered terms are completed, Trustees will serve four year terms.

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 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 for the Authority is provided by the Utah Attorney General’s Office.

As of the date of this OFFICIAL STATEMENT, the members of the Board of Trustees are as follows:

<u>Trustee/Representing</u>	<u>Years of Service</u>	<u>Expiration of Term</u>
Carlton Christensen, Chair .....Salt Lake County	4	December 2022
Beth Holbrook .....Davis, Weber, and Box Elder Counties	4	December 2021
Jeff Acerson.....Utah and Tooele Counties	1	December 2024

(Source: The Authority.)

Carlton Christensen, Board of Trustees, Chair. Mr. Christensen comes to the Authority after serving five years as the Director of Regional Transportation, Housing and Economic Development for Salt Lake County, Utah. Prior to joining Salt Lake County, Mr Christensen worked as a Community Development Representative for Zions Bank. Previously he worked for 18 years in finance and accounting for Zions Bank and for a property management development company. He has an extensive track record of public service including 16 years as a Council Member in Salt Lake City government. Mr. Christensen has also been the Chair of the Salt Lake City Redevelopment Agency and Salt Lake City Council; President of the Utah League of Cities & Towns; President of the Associates Board for the Museum of Natural History of Utah; an ex officio member of the Salt Lake City Airport Board; and Chair of the Wasatch Front Economic Development District. Mr. Christensen previously served on the Board of Shelter the Homeless and as a member of the Great Salt Lake Advisory Council. Mr. Christensen has been a Board of Trustee member since November 1, 2018.

Beth Holbrook, Board of Trustees, Member. Ms. Holbrook began her career in the financial sector, established a real estate firm in 2002 and in 2010 went to work for Zions Bank as the Director of the Business Resource Center in Salt Lake City. Ms. Holbrook would go on to become the Public Sector Solutions Manager for Waste Management of Utah. Ms. Holbrook was first elected to the Bountiful City Council in 2007 and has served on several boards including the Bountiful Power Commission, Planning Commission, and the Utility Facility Review Board. She is the outgoing President of the Utah League of Cities and Towns, having served there since 2011. Ms. Holbrook has been a Board of Trustee member since November 1, 2018.

Jeff Acerson, Board of Trustees, Member. Mr. Acerson comes to the Authority having already served in several Authority board and oversight positions. He began his career with 15 years in the software industry working with WordPerfect and Novell Corp. Mr. Acerson has an extensive track record of public service including serving Lindon City, Utah as both City Council Member and most recently as Mayor. He chaired the Utah Governor’s Coalition on Y2K, served as president of the Utah Jazz 100 Club, and worked with the Salt Lake Olympics and Special Olympics. Mr. Acerson has also taught leadership

development courses as an adjunct professor at Utah Valley University for the past 10 years. Mr. Acerson has been a Board of Trustee member since December 2, 2020.

*Local Advisory Council.* The Authority also has a nine member local advisory council whose duties include: (i) setting the compensation packages of the Board of Trustees; (ii) reviewing, approving, and recommending final adoption by the Board of Trustees of Authority’s service plans at least every two and one-half years; (iii) reviewing approving, and recommending final adoption by the Board of Trustees of project development plans, including funding, for all new capital development projects; (iv) reviewing, approving, and recommending final adoption by the Board of Trustees of any plan for a transit-oriented development where the Authority is involved; (v) at least annually, engaging with the safety and security team of the Authority to ensure coordination with local municipalities and counties; (vi) assisting with coordinated mobility and constituent services provided by the Authority; (vii) representing and advocating the concerns of citizens with the public transit district to the Board of Trustees, and (viii) consulting with the Board of Trustees on certain duties given to the Board of Trustees.

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 the local advisory council members are indefinite.

*Officers and Administration.* As of the date of this OFFICIAL STATEMENT, the officers of the Authority include: the Chair, Carlton Christensen of the Board of Trustees; the Interim Executive Director, Mary DeLoretto; the Chief Financial Officer, William C. Greene; the Comptroller, Troy Bingham; and the Secretary to the Board of Trustees, Annette Royle.

The responsibility for the operations of the Authority is held by the Executive Director in accordance with the direction, goals, and policies of the Board of Trustees. The administration of the Authority, as of the date of this OFFICIAL STATEMENT, is as follows:

<u>Office</u>	<u>Person</u>	<u>Years in Office</u>	<u>Years with Authority</u>
Interim Executive Director .....	Mary DeLoretto	<1	16
Chief Financial Officer.....	William C. Greene	1	1
Chief Communications and Marketing Officer .....	Nichol Bourdeaux	6	6
Acting Chief of Internal Audit.....	James Michael Hurst	<1	1
Chief Operating Officer.....	Eddy Cumins	4	11
Chief People Officer.....	Kim Ulibarri	6	15
Chief Services Development Officer.....	Mary DeLoretto	3	16
Chief Enterprise Strategy Officer .....	Alisha Garrett	1	9
Comptroller .....	Troy Bingham	4	4
Financial Services Administrator .....	Emily Diaz	3	3
Secretary to the Board of Trustees/Director of Board Governance .....	Annette Royle	1	4

(Source: The Authority.)

Mary DeLoretto, Interim Executive Director. Ms. DeLoretto has been with UTA for 16 years, starting as the Environmental Studies Manager. Ms. DeLoretto’s responsibilities grew the next several years to include grants administration, project controls, and capital project development. Since 2019, Ms. DeLoretto has been the Chief Service Development Officer at UTA. The Service Development Office includes Capital Development, Capital Construction, Real Estate, Transit-Oriented Development, Project Controls and Capital Asset Management. Ms. DeLoretto is the Interim Executive Director at UTA while a nation-wide search for a permanent Executive Director is ongoing.

William C. Green, Chief Financial Officer. Mr. Green joined the Authority as Chief Financial Officer in September 2020. Mr. Green has extensive and diverse experience in public transportation finance and administration. Prior to joining the Authority, he worked at King County, Washington as Chief Financial Officer for the Department of Transportation and later, for the Department of Local Services. Mr. Greene also worked for Washington Metropolitan Area Transit Authority (“WMATA”) where he served as the Managing Director of the Office of Budget and Management Services where he led the planning, development, and execution of WMATA’s combined \$2.7 billion annual capital and operating budgets. Mr. Greene also has experience in state government where he served as the Budget Director for Washington State Ferries.

## **Employee Workforce, Labor Relations, Retirement System, Other Post–Employment Benefits**

*Employee Workforce.* The Authority currently employs approximately 2,550 full–time equivalent employees (1,300 in bus/paratransit service operations, 625 in rail operations and 625 in operations and administration support). For a 10 year history of full–time equivalent employees of the Authority see “APPENDIX A—COMPREHENSIVE ANNUAL FINANCIAL REPORT OF UTAH TRANSIT AUTHORITY FOR FISCAL YEAR 2020–Statistical Section–Full–Time Equivalent Employees” (ACFR page 87).

*Labor Relations.* All the Authority’s operators, mechanics, and parts clerks are represented by Local 382 of the Amalgamated Transit Union (the “Union”). The Authority and the Union are operating under a collective bargaining agreement which was approved by the Authority and Union membership and signed on October 14, 2020, with an expiration date of December 31, 2022.

*Retirement System.* The Authority participates in a defined benefit pension plan (the “Retirement Plan”) that covers all eligible employees and provides retirement benefits to plan members and their beneficiaries. The Retirement Plan also provides disability benefits to plan members. Contributions by the Authority to the retirement plan are made in amounts determined by the Authority’s Pension Committee and approved by the Board of Trustees. The Authority’s funding policy for Fiscal Year 2020 was to contribute 16.3% of covered payroll.

As of December 31, 2020, the actuarial value of the net position in the Retirement Plan was \$274,757,350, representing 74.3% of total pension liabilities of \$376,688,506. The Authority also offers a deferred compensation plan to its employees. For additional detailed information regarding the Retirement Plan see “APPENDIX A—COMPREHENSIVE ANNUAL FINANCIAL REPORT OF UTAH TRANSIT AUTHORITY FOR FISCAL YEAR 2020–Notes to the Financial Statements–Note 7–Employee Benefit Plans” (ACFR page 50).

For a detailed 10 year history of the Authority’s changes in net pension liabilities and related ratios see “APPENDIX A—COMPREHENSIVE ANNUAL FINANCIAL REPORT OF UTAH TRANSIT AUTHORITY FOR FISCAL YEAR 2020–Required Supplementary Information–Schedule of Changes in Net Pension Liability and Related Ratios–10 Years” (ACFR page 74).

In Fiscal Year 2020, the Authority contributed \$24,273,996 to the retirement pension plan. For a 10 year history of actuarial determined contribution, actual Authority contribution, contribution deficiency (excess), covered payroll, and contribution as percentage of covered payroll see “APPENDIX A—COMPREHENSIVE ANNUAL FINANCIAL REPORT OF UTAH TRANSIT AUTHORITY FOR FISCAL YEAR 2020–Required Supplementary Information–Statement of Required Employer Contribution–10 Years” (ACFR page 76).

*Other Post–Employment Benefits.* The Authority does not provide any post–employment benefits other than those provided under its Retirement Plan.

## **Risk Management; Recent Seismic Activity; Cybersecurity**

*Risk Management.* The Authority is self–insured or has a self–insured retention for most property and casualty losses, including liability claims for personal injury and property damage, as well as worker’s compensation. The Utah Governmental Immunity Act, Title 63G, Chapter 7, Utah Code (the “Immunity Act”) limits liability of the Authority for damages for personal injury to \$745,200 for one person in any one occurrence, or \$3 million for two or more persons in any one occurrence. The Immunity Act limits liability of the Authority for property damage to \$295,000.

In addition, the Transit Act provides that in the case of claims and judgments in excess of the Authority’s ability to pay, no operating assets or fund of the Authority can be attached. The Transit Act provides that a court of competent jurisdiction shall have the power to require the levy of a tax to discharge any lawful claim against the Authority.

The Authority has a self–insurance reserve fund in a separate account at the Utah Public Treasurers’ Investment Fund in the amount of \$7,745,463 (reported balance in the Fiscal Year 2020 ACFR).

In addition to the self–insurance program and the protection of the Immunity Act, the Authority has also procured coverage under a corporate insurance program.



To protect itself against catastrophic property losses, the Authority has obtained an all-risk property policy with limits to \$1 billion, sub-limits for earthquake of \$220 million and for flood of \$110 million with a deductible of \$100,000 with percentage of value deductibles for earth movement, wind/hail damage and flood. The Authority also has premises liability coverage for most properties not associated with ongoing operations with primary and excess combined limits of \$3 million per occurrence and \$3 million aggregate.

For the Authority's Rideshare van pool vehicles there are primary and excess auto liability policies in place which provide coverage limits of \$4 million. While bus operations exposures fall under the Authority's self-insurance program, the rail exposures are covered by a Rail Liability insurance policy with primary and excess limits of \$95 million over a \$5 million self-insurance reserve.

The Authority also maintains an excess Workers Compensation policy which provides protection over the Authority's self-insured retention (\$1 million lifetime per claim with \$325,000 per accident per payment year) for statutory limits and \$2 million for employers' liability.

For trustees, officers and employees of the Authority, the Authority carries limits of \$2 million over a \$100,000 retention for Public Officials Errors and Omissions, and \$125,000 retention for employer's liability.

The Authority also carries a Government Crime policy with primary and excess limits of \$10 million.

Incidental coverages include fiduciary liability, notary bond, cyber and technology liability (see in this section "Cybersecurity" below) and Police Officer Professional Liability.

The Authority carries Blanket Excess Liability coverage of \$10 million which is excess over the Authority's self-insurance on auto, general liability, and excess over insurance limits for public officials and employment practices, Police Officer professional liability, and premises liability.

The insurance and self-insurance programs are both managed by the Claims and Insurance Manager in the Finance Division, while loss prevention and safety are managed by the Safety Manager under the Executive Director and security is managed by the Police Chief under the Chief Operations Officer.

The historical claims liability is reflected in the Authority's financial statements. See "APPENDIX A—COMPREHENSIVE ANNUAL FINANCIAL REPORT OF UTAH TRANSIT AUTHORITY FOR FISCAL YEAR 2020—Notes to the Financial Statements—Note 2. Summary of Significant Accounting Policies—Q. Risk Management" (ACFR page 40) and "—Note 6. Self-Insurance Claims Liability" (ACFR page 49).

*Recent Seismic Activity.* The State is in a region of seismic activity subject to earthquakes of varying strengths. The most recent earthquake of moderate size occurred in March 2020 which epicenter was located in the Township of Magna, Utah (located approximately 15 miles west of Salt Lake City, Utah and within the Service Area of the Authority). The magnitude of such earthquake registered 5.7 on the Richter scale. *The Authority suffered nominal damage (\$3,000) to its System and all damage was repaired.*

*Cybersecurity.* Cybersecurity incidents could result from unintentional events, or from deliberate attacks by unauthorized entities or individuals attempting to gain access to the Authority's systems technology for the purposes of misappropriating assets or information or causing operational disruption and damage. To mitigate the risk of business operations impact and/or damage by cybersecurity incidents or cyber-attacks, the Authority invests in multiple forms of cybersecurity and operational safeguards. The Authority is covered by several policies of insurance for cyber and technology risks.

## **Investment Of Funds**

*The State Money Management Act.* The State Money Management Act governs and establishes criteria for the investment of all public funds held by public treasurers in the State. The Money Management Act provides a limited list of approved investments, including qualified in-state and permitted out-of-state financial institutions, obligations of the State and political subdivisions of the State, U.S. Treasury and approved federal government agency and instrumentality securities, certain investment agreements and repurchase agreements and investments in corporate securities meeting certain ratings requirements. A portion of Authority funds may be invested in the Utah Public Treasurers' Investment Fund ("PTIF"), as discussed below. The Money Management Act establishes the State Money Management Council (the "Money Management Council") to exercise oversight of public deposits and investments. The Money Management Council is comprised of five

members appointed by the Governor of the State for terms of four years, after consultation with the State Treasurer and with the advice and consent of the State Senate.

The Authority is currently complying with all the provisions of the Money Management Act for all Authority operating funds.

*The Utah Public Treasurers' Investment Fund.* The PTIF is a local government investment fund, established in 1981, and managed by the State Treasurer. All investments in the PTIF must comply with the Money Management Act and rules of the Money Management Council. The PTIF invests primarily in money market securities. Securities in the PTIF include certificates of deposit, commercial paper, short-term corporate notes, obligations of the U.S. Treasury and securities of certain agencies of the federal government. By policy, the maximum weighted average adjusted life of the portfolio is not to exceed 90 days and the maximum final maturity of any security purchased by the PTIF is limited to five years. Safekeeping and audit controls for all investments owned by the PTIF must comply with the Money Management Act.

All securities purchased are delivered versus payment to the custody of the State Treasurer or the State Treasurer's safekeeping bank, assuring a perfected interest in the securities. Securities owned by the PTIF are completely segregated from securities owned by the State. The State has no claim on assets owned by the PTIF except for any investment of State moneys in the PTIF. Deposits are not insured or otherwise guaranteed by the State. Investment activity of the State Treasurer in the management of the PTIF is reviewed monthly by the Money Management Council and is audited by the State Auditor. The PTIF has no investment rating.

See "APPENDIX A—COMPREHENSIVE ANNUAL FINANCIAL REPORT OF UTAH TRANSIT AUTHORITY FOR FISCAL YEAR 2020—Notes to the Financial Statements—Note 3. Cash, Cash Equivalents and Investments" (ACFR page 44).

As of the date of this OFFICIAL STATEMENT, approximately \$366 million was invested in the PTIF (which amount includes approximately \$77.6 million of bond proceeds from 2018 and 2019 sales tax bond financings to be used for construction projects and \$36.2 million in restricted debt service reserve funds).

*Private Money Manager of Short-Term Investments.* In March 2014, the Authority contracted with a private money manager to manage a shorter-term investment portfolio with a maximum investment term of three years. The total allocation to the private money manager is currently approximately \$29.3 million.

### **The Authority's Service Area**

*General.* The Authority's Service Area lies in the region referred to as the "Wasatch Front." A map of the Authority's Service Area can be found in "APPENDIX A—COMPREHENSIVE ANNUAL FINANCIAL REPORT OF UTAH TRANSIT AUTHORITY FOR FISCAL YEAR 2020" (ACFR page 24).

*Salt Lake County.* Salt Lake County comprises an area of 764 square miles and accounts for approximately 46% of the population and approximately 57% of the private sector employment of the Service Area. Salt Lake City is the capital and largest city in the State. The principal cities include Salt Lake City, West Valley City, and Sandy City. Due to continuous economic and population growth, most of the cities in Salt Lake County have grown into a single large metropolitan area with Salt Lake City as its commercial center. The county's population increased approximately 15% from 2010 to 2020. The largest employment sectors are retail trade; health care and social assistance; professional, scientific, and technical services, and manufacturing. *For Fiscal Year 2020, approximately 61% of total Sales and Use Taxes were collected within Salt Lake County boundaries.*

*Utah County.* Utah County comprises an area of 1,998 square miles and accounts for approximately 25% of the population and approximately 22% of the private sector employment of the Service Area. The principal cities include Provo City and Orem City. The county's population increased approximately 28% from 2010 to 2020. The largest employment sectors are retail trade; health care and social assistance; construction; and education services. *For Fiscal Year 2020, approximately 18.7% of total Sales and Use Taxes were collected within Utah County boundaries.*

*Davis County.* Davis County comprises an area of 268 square miles and accounts for approximately 14% of the population and approximately 10% of the private sector employment of the Service Area. The principal cities include Bountiful, Clearfield, Clinton, Kaysville, Layton, and Syracuse. The county's population increased approximately 18% from 2010 to 2020. The largest employment sectors are retail trade; health care and social assistance; federal government; and

manufacturing. *For Fiscal Year 2020, approximately 10.1% of total Sales and Use Taxes were collected within Davis County boundaries.*

*Weber County.* Weber County comprises an area of 531 square miles and accounts for approximately 10% of the population and approximately 8% of the private sector employment of the Service Area. The principal city is Ogden City. The county's population increased approximately 13% from 2010 to 2020. The largest employment sectors are manufacturing; health care and social assistance; retail trade; and local government. *For Fiscal Year 2020, approximately 8.5% of total Sales and Use Taxes were collected within Weber County boundaries.*

*Tooele County.* The portion of Tooele County served by the Authority includes the cities of Tooele and Grantsville and some unincorporated areas. *For purposes of this OFFICIAL STATEMENT certain information regarding Tooele County includes the entire county rather than the portion of Tooele County included in the Service Area.* Tooele County comprises an area of 6,923 square miles (the second largest county in the State) and accounts for approximately 3% of the population and approximately 1.2% of the private sector employment of the Service Area. The principal cities include Tooele City and Grantsville City. The county's population increased approximately 25% from 2010 to 2020. The largest employment sectors are local government; manufacturing; retail trade, and health care and social assistance. *For Fiscal Year 2020, approximately 0.81% of total Sales and Use Taxes were collected within Tooele County boundaries.*

*Box Elder County.* The portion of Box Elder County served by the Authority includes the cities of Brigham, Perry and Willard and some unincorporated areas. *For purposes of this OFFICIAL STATEMENT certain information regarding Box Elder County includes the entire county rather than the portion of Box Elder County included in the Service Area.* Box Elder County comprises an area of 5,627 square miles (the fourth largest county in the State) and accounts for approximately 2% of the population and approximately 1.7% of the private sector employment of the Service Area. The principal city is Brigham City. The county's population increased approximately 15% from 2010 to 2020. The largest employment sectors are manufacturing; local government; retail trade; and transportation and warehousing. *For Fiscal Year 2020, approximately 0.77% of total Sales and Use Taxes were collected within Box Elder County boundaries.*

*Juab County.* Santaquin City boundaries are in Utah County and Juab County. A small portion of Santaquin City's boundaries in Juab County are within the Service Area and the Authority collects any sale tax revenues in this area. However, the generated sales tax revenues are insignificant when compared to other Participating Cities within the Service Area of the Authority and for purposes of this OFFICIAL STATEMENT will not be separately identified.

*Population.* The 2020 population of the Service Area, according to the U.S. Census Bureau, was approximately 2,600,000 people and accounts for 79.5% of the State's total population. Historical and current populations of the counties wholly or partly in the Service Area are shown below. *The population estimates include all of Box Elder and Tooele Counties although the Authority does not serve all the area in those counties.*

*Employment, Income, Construction and Certain Sales Taxes Summaries.* For certain industry and other data with respect to the Service Area and the counties that are in the Service Area, see "APPENDIX G—CERTAIN INFORMATION REGARDING THE SERVICE AREA."

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Population by County (1)

Year	Box Elder County		Davis County		Salt Lake County		Tooele County		Utah County		Weber County	
	Number	% change from prior period	Number	% change from prior period	Number	% change from prior period	Number	% change from prior period	Number	% change from prior period	Number	% change from prior period
2020 Census.....	57,666	15.4	362,679	18.3	1,185,238	15.1	72,698	24.9	659,399	27.7	262,223	13.4
2010 Census.....	49,975	16.9	306,479	28.2	1,029,655	14.6	58,218	42.9	516,564	40.2	231,236	17.7
2000 Census.....	42,745	17.2	238,994	27.2	898,387	23.8	40,735	53.1	368,536	39.8	196,533	24.1
1990 Census.....	36,485	9.8	187,941	28.3	725,956	17.3	26,601	2.2	263,590	20.9	158,330	9.5
1980 Census.....	33,222	18.1	146,540	48.0	619,066	35.0	26,033	20.8	218,106	58.3	144,616	14.5
1970 Census.....	28,129	12.2	99,028	52.9	458,607	19.7	21,545	20.6	137,776	28.8	126,278	14.0
1960 Census.....	25,061	27.0	64,760	109.8	383,035	39.3	17,868	22.1	106,991	30.6	110,744	32.9
1950 Census.....	19,734	4.8	30,867	95.6	274,895	29.9	14,636	60.3	81,912	42.7	83,319	46.9
1940 Census.....	18,832	-	15,784	-	211,623	-	9,133	-	57,382	-	56,714	-

Totals For All Counties			State of Utah		Total Counties' Population as a % of State	
Year	Amount	% change from prior period	Number	% change from prior period	Number	% change from prior period
2020 Census.....	2,599,903	18.6	3,271,616	18.4		79.5
2010 Census.....	2,192,127	22.7	2,763,885	23.8		79.3
2000 Census.....	1,785,930	27.7	2,233,169	29.6		80.0
1990 Census.....	1,398,903	17.8	1,722,850	17.9		81.2
1980 Census.....	1,187,583	36.3	1,461,027	37.9		81.3
1970 Census.....	871,363	23.0	1,059,453	18.9		82.2
1960 Census.....	708,459	40.2	890,727	29.3		79.5
1950 Census.....	505,363	36.8	688,862	25.2		73.4
1940 Census.....	369,468	-	550,310	-		67.1

(1) The Authority serves only portions of Box Elder and Tooele Counties. The difference between the total population of the six counties served by the Authority and the population of the Service Area is estimated to be less than 1% (or approximately 25,000 people) of the counties' total population.

(Source: U.S. Bureau of the Census.)

## DEBT STRUCTURE OF UTAH TRANSIT AUTHORITY

### Outstanding Debt Of The Authority

Upon the issuance of the 2021 Bonds the Authority will have the following debt outstanding.

Series	Purpose	Original Principal Amount	Final Maturity Date	Current Principal Outstanding
<b>Senior Debt (1):</b>				
2021 (a) .....	Refunding (taxable)	\$[445,420,000]*	December 15, 2036*	\$ [445,420,000]*
2020B .....	Refunding (taxable)	74,750,000	December 15, 2039	74,750,000
2020 .....	Refunding (taxable)	216,650,000	December 15, 2038	211,370,000
2019B .....	Refunding (taxable)	188,810,000	December 15, 2042	188,810,000
2019A .....	System projects	61,830,000	December 15, 2044	61,830,000
2018 .....	System projects	83,765,000	December 15, 2036	82,265,000
2015A (2) .....	Refunding	668,655,000	June 15, 2025 (12)*	78,855,000*
2009B (3) .....	System projects/BABs	261,450,000	June 15, 2039	261,450,000
2008A (4) .....	System projects	700,000,000	June 15, 2023 (13)	48,410,000
2006C (5) .....	Refunding	134,650,000	June 15, 2032	90,825,000
2005A (5) .....	Refunding	20,630,000	June 15, 2022	<u>1,915,000</u>
Total outstanding principal amount of Senior Bonds .....				<u>[1,545,900,000]*</u>
<b>Subordinate Debt (6):</b>				
2021 (a) .....	Refunding (taxable)	\$ [26,245,000]*	December 15, 2037*	[26,245,000]*
2019 .....	Refunding (taxable)	59,070,000	December 15, 2042	59,070,000
2018 (7) .....	Refunding	115,540,000	December 15, 2041	113,035,000
2016 (8) .....	Refunding	145,691,498	December 15, 2032	145,691,498
2015A (9) .....	Refunding	192,005,000	June 15, 2025 (14)	36,040,000
2010 (3) .....	System projects/BABs	200,000,000	June 15, 2040	200,000,000
2007A (10) (11) .....	Commuter rail/refund	261,124,109	June 15, 2035 (15)	<u>115,895,000</u>
Total outstanding principal amount of Subordinate Bonds .....				<u>[695,976,498]*</u>
Total outstanding principal amount of Senior and Subordinate Bonds .....				<u>\$[2,241,876,498]*</u>

\* Preliminary; subject to change.

- (a) **Ratings applied for from Moody's, S&P and Fitch.** For purposes of this OFFICIAL STATEMENT the 2021 Bonds will be considered issued and outstanding, and the 2015 Refunded Bonds will be considered refunded.
- (1) Unless otherwise indicated herein, the Senior Bonds are rated "AA" (negative outlook) by Fitch Ratings Inc. ("Fitch"); "Aa2" (stable outlook) by Moody's Investors Service, Inc. ("Moody's"); and "AA" (negative outlook) by S&P Global Ratings ("S&P"); as of this OFFICIAL STATEMENT.
- (2) Principal portions of this bond were refunded by the 2020 Senior Bonds and the 2021 Senior Bonds.
- (3) Issued as federally taxable Build America Bonds ("BABs").
- (4) Principal portions of this bond were refunded by the 2015A Senior Bonds.
- (5) These bonds are insured by Assured Guaranty Municipal Corporation ("AGM").
- (6) Unless otherwise indicated herein, the Subordinate Bonds are rated "AA" (negative outlook) by Fitch; "A1" (stable outlook) by Moody's; and "A+" (stable outlook) by S&P; as of this OFFICIAL STATEMENT.
- (7) The 2018 Subordinate Bonds maturing on December 15 of the years 2030, 2031, and 2033 through 2040 are insured by Build America Mutual Corporation ("BAM") and are rated "AA" (BAM insured; "A+" (stable outlook) underlying) by S&P; as of this OFFICIAL STATEMENT.
- (8) Principal portions of this bond (in the original issue amount of \$18,911,497.50) were issued as capital appreciation bonds.
- (9) Principal portions of this bond were refunded by the 2019 Subordinate Bonds, the 2019B Senior Bonds, and the 2021 Subordinate Bonds.
- (10) These bonds are insured by National Public Finance Guarantee Corp.
- (11) Principal portions of this bond were refunded by the 2015A Subordinate Bonds and the 2018 Subordinate Bonds.
- (12) Final maturity date after principal portions of these bonds was refunded by the 2020 Senior Bonds and the 2021 Senior Bonds.
- (13) Final maturity date after principal portions of these bonds was refunded by the 2015A Senior Bonds.
- (14) Final maturity date after principal portion of this bond was refunded by the 2021 Subordinate Bonds (with other principal portions refunded by the 2019 Subordinate Bonds and the 2019B Senior Bonds).
- (15) Final maturity date after principal portions of these bonds (the capital appreciation bonds portion) was refunded by the 2015A Subordinate Bonds and the 2018 Subordinate Bonds.

(Source: Municipal Advisor.)

For information presented as of Fiscal Year 2020 see the “APPENDIX A—COMPREHENSIVE ANNUAL FINANCIAL REPORT OF UTAH TRANSIT AUTHORITY FOR FISCAL YEAR 2020—Notes to the Financial Statements—Note 9—Liabilities” (ACFR page 64).

### Lease Obligations; Interlocal Utah County BRT Agreement

*Lease Obligations.* The Authority has entered into various lease purchase agreements for the acquisition of buses (diesel and natural gas), flex/paratransit vehicles, and vans and various support equipment. As of Fiscal Year 2020 the principal balance outstanding of the leased vehicles is \$57,263,278 with lease payments extending through Fiscal Year 2034. *In October 2021 (Fiscal Year 2021), the Authority expects to issue capital leases in the amount of approximately \$37.4 million.* The Authority’s expected future Fiscal Year lease payments (excluding leases to be issued in Fiscal Year 2021) are as follows.

<u>Fiscal Year</u>	<u>Lease Payments</u>
2021 .....	\$8,939,405
2022 .....	7,873,996
2023 .....	7,067,593
2024 .....	6,473,686
2025 .....	6,091,740
2026 .....	6,091,740
2027 .....	5,359,054
2028 .....	5,011,502
2029 .....	4,647,363
2030 .....	2,415,232
2031 .....	1,093,910
2032 .....	765,202
2033 .....	765,202
2034 .....	765,202

(Source: The Authority.)

The Authority budgets for these lease payments from available Revenues of the System.

The Authority intends to enter additional capital leases under its five year capital plan for Fiscal Year 2022 through Fiscal Year 2025 in the amount of approximately \$192.9 million for revenue service vehicles. It is estimated by the Authority to issue capital leases in Fiscal Year 2022 of approximately \$26.7 million; in Fiscal Year 2023 of approximately \$62 million; in Fiscal Year 2024 of approximately \$55 million; and in Fiscal Year 2025 of approximately \$49.2 million.

For additional information on these leases as of Fiscal Year 2020 see “APPENDIX A—COMPREHENSIVE ANNUAL FINANCIAL REPORT OF UTAH TRANSIT AUTHORITY FOR FISCAL YEAR 2020—Notes to the Financial Statements—Note 9—Liabilities (Financing Leases)” (ACFR pages 65 through 67).

*Interlocal Utah County BRT Agreement.* In August 2018, the Authority began operations of the Provo–Orem BRT. In 2016, Utah County issued \$65 million subordinated transportation sales tax revenue bonds, which proceeds were used to construct portions of the Provo–Orem BRT. The Authority and Utah County entered into an interlocal agreement that requires the Authority to reimburse Utah County for all bond costs (principal, interest, and cost of issuance) prior to December 31, 2028.

As of Fiscal Year 2020, the principal balance outstanding on this interlocal loan agreement is \$65,665,597. However, the Authority has also agreed to reimburse Utah County an additional \$10,422,107 (consisting of for interest on bonds; operation and maintenance support costs; project studies; and interest on operation and maintenance costs). Payments to Utah County for the additional \$10,422,107 are to be completely paid by the Authority by the end of Fiscal Year 2021. Revenues to pay for the interlocal loan agreement and the additional reimbursements are collected from the Utah County’s County Option Proposition 1 Tax, collected by the State Tax Commission, and then paid to the Authority.

Debt Service Schedule Of Outstanding Sales Tax Revenue Bonds By Fiscal Year

Senior Debt

Fiscal Year Ending December 31	Series 2021 \$445,420,000*		Series 2020B \$74,750,000		Series 2020 \$216,650,000		Series 2019B \$188,810,000		Series 2019A \$61,830,000		Series 2018 \$83,765,000		Series 2015A \$668,655,000	
	Principal*	Interest (a)	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2020.....	\$ -	\$ -	\$ -	\$ 3,517,025	\$ 5,280,000	\$ 3,517,025	\$ -	\$ 6,843,822	\$ -	\$ 2,642,367	\$ -	\$ 2,986,000 (b)	\$ 12,425,000	\$ 21,968,738
2021.....	7,190,000	1,291,962	0	4,710,409	4,990,000	4,710,409	0	6,500,728	0	2,509,900	0	3,537,400	18,235,000	12,742,613
2022.....	9,245,000	7,725,172	0	4,670,041	4,130,000	4,670,041	0	6,500,728	0	2,509,900	0	3,537,400	0	3,819,913
2023.....	9,285,000	7,686,343	0	4,629,278	4,170,000	4,629,278	0	6,500,728	0	2,509,900	0	3,537,400	8,030,000	3,619,913
2024.....	9,330,000	7,638,061	0	4,587,369	4,260,000	4,587,369	0	6,500,728	0	2,509,900	0	3,537,400	34,540,000	2,622,081
2025.....	9,400,000	7,567,153	0	4,538,028	4,315,000	4,538,028	0	6,500,728	1,935,000	2,509,900	0	3,537,400	36,285,000	888,125
2026.....	46,675,000	7,474,093	0	4,483,841	4,400,000	4,483,841	0	6,500,728	2,030,000	2,413,150	0	3,537,400	0	0 (6)
2027.....	44,685,000	6,941,998	0	4,420,195	2,400,000	4,420,195	0	6,500,728	2,135,000	2,311,650	0	3,537,400	0	0 (6)
2028.....	45,280,000	6,343,219	0	4,382,395	2,435,000	4,382,395	0	6,500,728	2,240,000	2,204,900	0	3,537,400	0	0 (6)
2029.....	45,985,000	5,645,907	0	4,341,292	2,480,000	4,341,292	0	6,500,728	2,350,000	2,092,900	0	3,537,400	0	0 (6)
2030.....	1,335,000	4,873,359	0	4,298,190	38,155,000	4,298,190	0	6,500,728	2,470,000	1,975,400	0	3,537,400	0	0 (6)
2031.....	1,355,000	4,849,596	0	3,617,886	38,835,000	3,617,886	0	6,500,728	2,595,000	1,851,900	0	3,537,400	0	0 (6)
2032.....	40,755,000	4,824,122	0	2,826,429	0	2,826,429	0	6,500,728	2,725,000	1,722,150	0	3,537,400	0	0 (6)
2033.....	41,575,000	3,996,795	2,835,000	2,164,239	0	2,826,429	0	6,500,728	2,860,000	1,585,900	19,420,000	3,537,400	0	0 (6)
2034.....	42,440,000	3,111,248	2,905,000	2,096,907	0	2,826,429	0	6,500,728	3,000,000	1,442,900	20,310,000	2,653,900	0	0 (6)
2035.....	43,670,000	2,164,836	2,965,000	2,025,009	0	2,826,429	0	6,500,728	3,120,000	1,322,900	20,830,000	1,841,500	0	0 (6)
2036.....	47,215,000	1,147,325	4,365,000	1,948,660	0	2,826,429	0	6,500,728	3,280,000	1,166,900	21,705,000	935,250	0	0 (6)
2037.....	-	-	-	1,831,896	50,260,000 (2)	2,826,429	3,215,000 (3)	6,500,728	3,440,000	1,002,900	-	-	0	0 (5)
2038.....	-	-	-	1,226,165	51,630,000 (2)	1,432,216	1,390,000 (3)	6,390,036	3,580,000	865,300	-	-	0	0 (5)
2039.....	-	-	-	616,572	-	-	870,000 (3)	6,342,178	3,720,000	722,100	-	-	-	-
2040.....	-	-	-	-	-	-	900,000 (3)	6,312,224	3,835,000 (4)	610,500	-	-	-	-
2041.....	-	-	-	-	-	-	68,590,000 (3)	6,281,237	3,950,000 (4)	495,450	-	-	-	-
2042.....	-	-	-	-	-	-	113,845,000 (3)	3,919,683	4,065,000 (4)	376,950	-	-	-	-
2043.....	-	-	-	-	-	-	-	-	4,190,000 (4)	255,000	-	-	-	-
2044.....	-	-	-	-	-	-	-	-	4,310,000 (4)	129,300	-	-	-	-
Totals.....	\$ 445,420,000	\$ 83,281,182	\$ 74,750,000	\$ 38,078,697	\$ 216,650,000	\$ 70,586,736	\$ 188,810,000	\$ 146,601,562	\$ 61,830,000	\$ 39,740,017	\$ 54,402,850	\$ 109,515,000	\$ 45,685,381	\$ 45,685,381

Fiscal Year Ending December 31	Series 2009B \$261,450,000		Series 2008A \$700,000,000		Series 2006C \$134,650,000		Series 2005A \$20,630,000		Senior Bonds Total Debt Service*		
	Principal	Interest (\$)	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest (\$)	Total Debt Service
2020.....	\$ -	\$ 15,522,287	\$ -	\$ 2,541,525 (9)	\$ 5,635,000	\$ 5,228,606	\$ 1,720,000	\$ 240,975	\$ 25,060,000	\$ 61,491,344	\$ 86,551,344
2021.....	0	15,522,287	0	2,541,525 (9)	5,950,000	4,924,500	1,815,000	148,181	37,280,000	56,792,132	94,072,132
2022.....	0	15,522,287	23,570,000	1,922,813	6,265,000	4,603,856	1,915,000	50,269	45,125,000	53,026,616	98,151,616
2023.....	0	15,522,287	24,840,000	652,050	6,605,000	4,266,019	-	-	52,930,000	51,112,155	104,042,155
2024.....	0	15,522,287	-	0 (9)	6,970,000 (10)	3,909,675	-	-	55,050,000	48,991,739	104,041,739
2025.....	0	15,522,287	-	0 (9)	7,335,000 (10)	3,534,169	-	-	59,215,000	46,762,028	105,977,028
2026.....	0	15,522,287	-	0 (9)	7,725,000 (11)	3,138,844	-	-	60,745,000	44,234,581	105,979,581
2027.....	0	15,522,287	-	0 (9)	8,140,000 (11)	2,722,388	-	-	57,360,000	41,120,883	101,480,883
2028.....	0	15,522,287	-	0 (9)	8,580,000 (12)	2,283,488	-	-	58,535,000	42,938,654	101,473,654
2029.....	0	15,522,287	-	0 (9)	9,050,000 (12)	1,820,700	-	-	59,865,000	41,625,452	101,490,452
2030.....	10,180,000 (7)	15,220,093	0	0 (9)	9,540,000 (13)	1,332,713	-	-	61,680,000	39,902,121	101,582,121
2031.....	10,825,000 (7)	14,596,560	0	0 (9)	10,035,000 (13)	818,869	-	-	63,645,000	37,937,177	101,582,177
2032.....	11,490,000 (7)	13,934,139	0	0 (9)	10,580,000 (13)	277,725	-	-	65,550,000	35,786,931	101,336,931
2033.....	23,395,000 (7)	12,898,578	0	0 (9)	-	-	-	-	90,085,000	33,510,068	123,595,068
2034.....	24,845,000 (7)	11,466,573	0	0 (9)	-	-	-	-	93,500,000	30,098,685	123,598,685
2035.....	26,380,000 (7)	9,945,959	0	0 (9)	-	-	-	-	96,965,000	26,627,360	123,592,360
2036.....	28,010,000 (7)	8,331,392	0	0 (9)	-	-	-	-	104,575,000	22,856,683	127,431,683
2037.....	29,745,000 (7)	6,616,935	0	0 (9)	-	-	-	-	107,055,000	18,778,888	125,833,888
2038.....	31,580,000 (7)	4,796,502	0	0 (9)	-	-	-	-	108,705,000	14,710,219	123,415,219
2039.....	65,000,000 (7)	1,929,525	-	-	-	-	-	-	90,350,000	9,610,375	99,960,375
2040.....	-	-	-	-	-	-	-	-	4,735,000	6,922,724	11,657,724
2041.....	-	-	-	-	-	-	-	-	72,540,000	6,776,687	79,316,687
2042.....	-	-	-	-	-	-	-	-	117,910,000	4,296,633	122,206,633
2043.....	-	-	-	-	-	-	-	-	4,190,000	255,000	4,445,000
2044.....	-	-	-	-	-	-	-	-	4,310,000	129,300	4,439,300
Totals.....	\$ 261,450,000	\$ 254,959,122	\$ 484,410,000	\$ 7,657,913	\$ 102,410,000	\$ 38,861,550	\$ 5,450,000	\$ 439,425	\$ 1,596,960,000	\$ 780,294,435	\$ 2,377,254,435

\* Preliminary; subject to change.  
(a) Preliminary; subject to change. Interest has been estimated at an average interest rate of 2% per annum.  
(b) Payment due after payments of capitalized interest on the 2018 Senior Bonds through June 15, 2020 (from certain proceeds of the 2018 Senior Bonds).  
(1) Mandatory sinking fund principal payments from a \$61,680,000 2.97% term bond due December 15, 2039.  
(2) Mandatory sinking fund principal payments from a \$101,890,000 2.774% term bond due December 15, 2038.  
(3) Mandatory sinking fund principal payments from a \$188,810,000 3.443% term bond due December 15, 2042.  
(4) Mandatory sinking fund principal payments from a \$20,330,000 3.00% term bond due December 15, 2044.  
(5) Principal and interest was refunded by the 2020 Senior Bonds.  
(6) Principal and interest was refunded by the 2021 Senior Bonds.  
(7) Mandatory sinking fund principal payments from a \$261,450,000 5.937% term bond due June 15, 2039.  
(8) Includes actual interest payments on the 2009B Senior Bonds (Build America Bonds) and does not reflect any federal interest subsidy payments the Authority expects to receive.  
(9) Principal and interest was refunded by the 2015A Senior Bonds.  
(10) Mandatory sinking fund principal payments from a \$14,305,000 5.25% term bond due June 15, 2025.  
(11) Mandatory sinking fund principal payments from a \$15,865,000 5.25% term bond due June 15, 2027.  
(12) Mandatory sinking fund principal payments from a \$17,630,000 5.25% term bond due June 15, 2029.  
(13) Mandatory sinking fund principal payments from a \$30,155,000 5.25% term bond due June 15, 2032.  
(Source: Zions Public Finance, Inc.)

Debt Service Schedule Of Outstanding Sales Tax Revenue Bonds By Fiscal Year--continued

Subordinate Debt

Fiscal Year Ending December 31	Series 2021 \$26,245,000*		Series 2019 \$59,070,000		Series 2018 \$115,540,000		Series 2016 \$145,691,497.50		Series 2015A \$192,065,000		Series 2012 (a) \$295,520,000	
	Principal*	Interest (b)	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2020.....	\$ 0	\$ 0	\$ 0	\$ 2,219,698	\$ 440,000	\$ 5,112,894	\$ 0	\$ 4,602,300	\$ 2,850,000	\$ 3,243,750	\$ 0	\$ 1,472,000 (7)
2021.....	465,000	84,656	0	2,108,420	3,235,000	5,090,894	0	4,602,300	5,840,000	2,501,500	0	0 (7)
2022.....	600,000	505,748	0	2,108,420	3,395,000	4,929,144	0	4,602,300	8,875,000	1,580,125	0	0 (7)
2023.....	600,000	502,628	0	2,108,420	3,565,000	4,759,394	0	4,602,300	6,750,000	1,189,500	0	0 (7)
2024.....	605,000	498,908	0	2,108,420	3,745,000	4,581,144	0	4,602,300	7,100,000	843,250	0	0 (7)
2025.....	610,000	493,705	0	2,108,420	3,930,000	4,395,894	0	4,602,300	13,315,000	332,875	0	0 (7)
2026.....	8,415,000	487,056	0	2,108,420	4,025,000	4,197,394	0	4,602,300	0	0 (4)	0	0 (7)
2027.....	50,000	382,710	0	2,108,420	4,170,000	3,996,144	18,175,000	4,602,300	0	0 (5)	0	0 (7)
2028.....	50,000	381,990	0	2,108,420	4,375,000	3,787,644	18,715,000	4,057,050	0	0 (5)	0	0 (7)
2029.....	50,000	381,170	0	2,108,420	4,580,000	3,568,894	28,865,000	3,495,600	0	0 (5)	0	0 (7)
2030.....	55,000	380,280	0	2,108,420	4,795,000	3,350,144	29,915,000	2,441,000	0	0 (5)	0	0 (7)
2031.....	55,000	379,246	0	2,108,420	5,010,000	3,131,000	31,110,000	1,244,400	0	0 (5)	0	0 (7)
2032.....	55,000	378,157	0	2,108,420	5,235,000	2,915,894	18,911,498	13,443,503 (2)	0	0 (5)	0	0 (7)
2033.....	55,000	376,986	0	2,108,420	5,470,000	2,698,144	0	0	0	0 (5)	0	0 (7)
2034.....	60,000	375,759	0	2,108,420	5,720,000	2,480,894	0	0	0	0 (5)	0	0 (7)
2035.....	60,000	374,361	0	2,108,420	5,980,000	2,273,644	0	0	0	0 (5)	0	0 (7)
2036.....	330,000	372,903	17,400,000	2,108,420	6,250,000	2,066,394	0	0	0	0 (5)	0	0 (7)
2037.....	14,130,000	364,554	0	1,518,038	445,000	2,863,331	0	0 (3)	0	0 (5)	0	0 (7)
2038.....	—	—	0	1,518,038	460,000	2,675,081	0	—	—	—	0 (6)	0 (7)
2039.....	—	—	0	1,518,038	475,000	2,480,831	0	—	—	—	0 (6)	0 (7)
2040.....	—	—	0	1,518,038	490,000	2,295,581	0	—	—	—	0	0 (8)
2041.....	—	—	19,030,000 (1)	1,518,038	510,000	2,110,331	0	—	—	—	0	0 (9)
2042.....	—	—	22,650,000 (1)	825,140	530,000	1,925,081	0	—	—	—	0	0 (9)
Totals.....	\$ 26,245,000	\$ 6,720,816	\$ 59,070,000	\$ 44,369,749	\$ 113,475,000	\$ 79,766,656	\$ 145,691,498	\$ 61,499,953	\$ 44,730,000	\$ 9,691,000	\$ 0	\$ 1,472,000

Subordinate Bonds

Total Debt Service*		Total		Total Debt Service*	
Principal	Interest (11)	Principal	Interest (11)	Principal	Interest (11)
\$ 6,140,000	\$ 33,926,642	\$ 6,140,000	\$ 33,926,642	\$ 40,066,642	\$ 40,066,642
9,540,000	31,592,519	9,540,000	31,592,519	41,132,519	41,132,519
12,870,000	30,930,487	12,870,000	30,930,487	43,800,487	43,800,487
16,210,000	29,234,492	16,210,000	29,234,492	46,449,492	46,449,492
17,010,000	29,434,772	17,010,000	29,434,772	46,444,772	46,444,772
17,855,000	28,592,944	17,855,000	28,592,944	46,447,944	46,447,944
18,550,000	27,904,170	18,550,000	27,904,170	46,454,170	46,454,170
28,830,000	27,284,949	28,830,000	27,284,949	56,114,949	56,114,949
29,905,000	26,200,479	29,905,000	26,200,479	56,105,479	56,105,479
37,285,000	25,072,459	37,285,000	25,072,459	62,357,459	62,357,459
38,750,000	23,589,594	38,750,000	23,589,594	62,339,594	62,339,594
40,390,000	21,969,160	40,390,000	21,969,160	62,359,160	62,359,160
33,928,080	19,509,031	33,928,080	19,509,031	62,359,577	62,359,577
20,490,000	18,467,254	20,490,000	18,467,254	39,999,031	39,999,031
21,535,000	17,371,562	21,535,000	17,371,562	40,002,254	40,002,254
22,630,000	16,801,704	22,630,000	16,801,704	40,001,562	40,001,562
18,160,000	16,017,629	18,160,000	16,017,629	34,961,704	34,961,704
20,545,000	14,790,308	20,545,000	14,790,308	36,562,629	36,562,629
24,190,000	12,691,883	24,190,000	12,691,883	38,980,308	38,980,308
49,745,000	7,816,856	49,745,000	7,816,856	62,436,883	62,436,883
143,130,000	3,259,476	143,130,000	3,259,476	150,946,856	150,946,856
63,110,000	825,140	63,110,000	825,140	66,369,476	66,369,476
22,650,000	—	22,650,000	—	23,475,140	23,475,140
\$ 707,956,498	\$ 498,211,587	\$ 707,956,498	\$ 498,211,587	\$ 1,206,168,085	\$ 1,206,168,085

- \* Preliminary; subject to change.
- (a) Preliminary; subject to change. Interest has been estimated at an average interest rate of 2.33% per annum.
- (b) This bond issue is included in this table because final principal and interest payments occurred in Fiscal Year 2020.
- (1) Mandatory sinking fund principal payments from a \$41,670,000 3.643% term bond due December 15, 2042.
- (2) Capital Appreciation Bonds due on December 15, 2032 in the amount of \$32,355,000 (\$18,911,498 in principal and \$13,443,503 in interest).
- (3) The original principal amount of this term bond was \$45,300,000 (\$31,155,000 was refunded by the 2019B Senior Bonds and the 2019 Subordinate Bonds and the remaining principal of \$14,145,000 was refunded by the 2021 Subordinate Bonds).
- (4) Principal and interest was refunded by the 2021 Subordinate Bonds.
- (5) Principal and interest was refunded by the 2019B Senior Bonds and the 2019 Subordinate Bonds.
- (6) Principal and interest was refunded by the 2020B Senior Bonds.
- (7) Principal and interest was refunded by the 2020 Senior Bonds, the 2019B Senior Bonds and the 2017 Subordinate Bonds.
- (8) Principal and interest was refunded by the 2017 Subordinate Bonds.
- (9) Principal and interest was refunded by the 2019B Senior Bonds.
- (10) Mandatory sinking fund principal payments from a \$200,000,000 5.705% term bond due June 15, 2040.
- (11) Includes actual interest payments on the 2010 Subordinate Bonds (Build America Bonds) and does not reflect any federal interest subsidy payments the Authority expects to receive.
- (12) The capital appreciation bonds portion, of the 2007A Subordinate Bonds, were refunded by the 2015A Subordinate Bonds and the 2018 Subordinate Bonds.
- (Source: Zions Public Finance, Inc.)



**Debt Service Schedule Of Outstanding Sales Tax Revenue Bonds By Fiscal Year—continued**

Fiscal Year Ending December 31	<b>Total All Debt*</b>		
	<b>Senior and Subordinated Debt</b>		
	<b>Total Principal</b>	<b>Total Interest (1)</b>	<b>Total Debt Service (1)</b>
2020.....	\$ 31,200,000	\$ 95,417,986	\$ 126,617,986
2021.....	46,820,000	88,384,652	135,204,652
2022.....	57,995,000	83,957,103	141,952,103
2023.....	69,145,000	81,346,647	150,491,647
2024.....	72,060,000	78,426,511	150,486,511
2025.....	77,070,000	75,354,972	152,424,972
2026.....	79,295,000	73,138,750	152,433,750
2027.....	86,190,000	71,405,832	157,595,832
2028.....	88,440,000	69,139,133	157,579,133
2029.....	97,150,000	66,697,911	163,847,911
2030.....	100,430,000	63,491,714	163,921,714
2031.....	104,035,000	59,906,337	163,941,337
2032.....	93,981,498	69,715,011	163,696,508
2033.....	110,575,000	53,019,099	163,594,099
2034.....	115,035,000	48,565,939	163,600,939
2035.....	119,595,000	43,998,923	163,593,923
2036.....	122,735,000	39,658,388	162,393,388
2037.....	127,600,000	34,796,517	162,396,517
2038.....	132,895,000	29,500,526	162,395,526
2039.....	140,095,000	22,302,258	162,397,258
2040.....	147,865,000	14,739,580	162,604,580
2041.....	135,650,000	10,036,163	145,686,163
2042.....	140,560,000	5,121,773	145,681,773
2043.....	4,190,000	255,000	4,445,000
2044.....	4,310,000	129,300	4,439,300
Totals.....	<u>\$ 2,304,916,498</u>	<u>\$ 1,278,506,023</u>	<u>\$ 3,583,422,520</u>

\* Preliminary; subject to change.

- (1) Includes actual interest payments on the 2010 Subordinate Bonds (Build America Bonds) and the 2009B Senior Bonds (Build America Bonds) and does not reflect any federal interest subsidy payments the Authority expects to receive. Such subsidy payments equal up to \$9,426,300 per year, but are subject to federal sequestration reductions, including reductions at the current sequestration rate of 5.7% of the interest subsidy payments that, but for such reduction, would have been paid with respect to such bonds. Such reduction rate applies until the end of the federal government's current fiscal year (September 30, 2022), at which time the sequestration rate is subject to change. The Authority cannot predict the amount of reduction in subsidy payments for subsequent years due to sequestration or the period of time that such subsidy payments will be reduced due to sequestration.

(Source: Zions Public Finance, Inc.)

## No Defaulted Obligations

The Authority has never failed to pay principal of and interest on its financial obligations when due.

## Future Issuance Of Debt; State of Utah Department of Transportation Loan

*Future Issuance of Debt.* The Authority may issue additional Senior Bonds or Subordinate Bonds in accordance with the Indentures, or may enter into leases or other obligations during the next several years to finance additional System projects should the need arise or to refund other bonds. *Currently, the Authority has no formal plans for the issuance of additional sales tax revenue bonds.*

*State of Utah Department of Transportation Loan.* In May 2021, the Legislature authorized \$264 million of general obligation bonds, to be issued by the State, for transportation projects for the Utah Department of Transportation (“UDOT”). The legislation authorizes UDOT to loan \$232 million of general obligation bond proceeds to the Authority to double track certain strategic commuter rail sections of the FrontRunner System (the “FrontRunner System Double Tracking Project”). As part of that loan, the Authority agrees to pay UDOT \$5 million per year for 15 years.

The Authority will budget in its Fiscal Year 2022 budget, a \$5 million payment to UDOT, however, the FrontRunner System Double Tracking Project has not be scheduled as a current project and the State has not issued its general obligation bonds for UDOT. If the FrontRunner System Double Tracking Project does not begin in Fiscal Year 2022, the Authority will budget the \$5 million payment to UDOT in Fiscal Year 2023. The Authority will budget this loan payment from available Revenues of the System.

Also see “UTAH TRANSIT AUTHORITY—Ongoing Capital Projects Of The Authority” above.

## FINANCIAL INFORMATION REGARDING UTAH TRANSIT AUTHORITY

### Management’s Discussion And Analysis Of Financial Operations

*Impact Of The Coronavirus (COVID–19).* The COVID–19 outbreak in the United States has produced nationwide economic uncertainties that have impacted the Authority. The extent of the continued impact of COVID–19 on the Authority’s operational and financial performance will depend upon certain developments, including duration and spread of the outbreak. The State’s first confirmed case of COVID–19 was on March 6, 2020. Public health data and other information related to the State is published at <https://coronavirus.utah.gov/>. See in this section “Ongoing COVID–19” below.

#### *All Sales Tax Revenues.*

*Fiscal Year 2020 Collections.* For Fiscal Year 2020, the Authority budgeted \$347,567,000 for collections of all sales tax revenues within the Authority’s Service Area. Actual collections for all sales tax revenue for Fiscal Year 2020 totaled \$361,590,707 (which was \$14,023,707 (or 4%) more than the budgeted Fiscal Year 2020 amount).

*Fiscal Year 2021 Current Collections.* For Fiscal Year 2021, the Authority budgeted \$364,088,000 for collections of all sales tax revenues within the Authority’s Service Area. From January 2021 through July 2021 the Authority has collected from all sales tax revenues \$239,687,517 (which is \$41,846,299 (or 21.2%) more than the actual Fiscal Year 2020 collections of \$197,841,218 as compared to the same time period). Actual all sales tax revenues of \$239,687,517 is \$37,126,394 (or 18.3%) more when compared to the 2021 Fiscal Year Budget of \$202,561,123 (for the same time period).

*Fiscal Year 2022 Projected Collections.* For Fiscal Year 2022, the Authority has projected \$382,292,000 for collections of all sales tax revenues within the Authority’s Service Area. Projected all sales tax revenues of \$382,292,000 would be \$18,204,000 (or 5%) more when compared to the 2021 Fiscal Year Budget of \$364,088,000 (for the same time period).

*Sales and Use Taxes (Pledged Revenues).*

*Fiscal Year 2020 Budget and Collections.* The Authority budgeted Sales and Use Tax collections for Fiscal Year 2020 at \$300,142,712. The Authority received \$311,520,915 in Sales and Use Tax collections for Fiscal Year 2020 (which actual collections were \$11,378,203 (or 3.4%) more than the budgeted amount).

*Fiscal Year 2021 Current Collections.* The Authority budgeted Sales and Use Tax collections for Fiscal Year 2021 to be collected at \$313,805,886 (which is \$13.6 million (or 4.6%) more than the 2020 Fiscal Year Budget amount of \$300,142,712).

The Authority has received its Sales and Use Tax collections for January 2021 through July 2021 of \$206,457,450 which is approximately \$36.1 million (or 21%) more as compared to the Sales and Use Tax collections for January 2020 through July 2020 of \$170,400,452. The Sales and Use Tax revenues of \$206,457,450 when compared to the 2021 Fiscal Year Budget of \$174,586,886 (for same time period) is \$31,870,564 (or 18.3%) more.

*Fiscal Year 2022 Projected Collections.* For Fiscal Year 2022, the Authority has projected \$361,014,000 for Sales and Use Tax collections within the Authority's Service Area. Projected Sales and Use Tax collections of \$361,014,000 would be \$47,208,114 (or 15%) more when compared to the 2021 Fiscal Year Budget of \$313,805,886 (for the same time period).

*Ridership; System Operating Expense Reduction in Fiscal Year 2020.* Ridership on the Authority's System declined by 47.2% in Fiscal Year 2020 by as a result of COVID-19. Passenger fare revenues from ridership historically represented approximately 10 to 12% of the Revenues of the Authority (with ridership, under COVID-19, now at 5% of Revenues of the Authority). In response to the declining ridership at the start of COVID-19, the Authority reduce expenses for operation, by cutting System services on April 1, 2020, by 50% and reductions continued through late August 2020, at which point, the Authority increased System services to a 91% service level. These System service reductions were estimated to have saved the Authority approximately \$20 million in operation and administration expenses for Fiscal Year 2020. Currently the System is operating at a pre-COVID-19 service level of 91%.

*Federal CARES Act, CRRSA Act and ARP Act Funding.* The Authority has been awarded a total of approximately \$377.4 million in federal funding under various federal acts to partially offset losses in sales tax revenues and other operational and capital costs related to the COVID-19 health emergency.

For Fiscal Year 2020 the Authority received \$95.6 million in CARES Act funding. For Fiscal Year 2021 the Authority has or will receive approximately \$130 million in federal funding (\$80.4 million in CARES Act funding; \$33.6 million in CRRSA Act funding; and \$16 million in ARP Act funding). For Fiscal Year 2022 the Authority expects to receive \$151.8 million in ARP Act funding. For a detail discussion regarding these federal funding acts see "FINANCIAL INFORMATION REGARDING UTAH TRANSIT AUTHORITY—Federal Grants" below.

*Ongoing COVID-19.* The COVID-19 outbreak is ongoing, and its dynamic nature leads to uncertainties, including with respect to (i) the geographic spread of the virus; (ii) the severity of the disease; (iii) the duration of the outbreak; (iv) actions that may be taken by governmental authorities to contain or mitigate the outbreak; (v) the development of medical therapeutics or vaccinations; (vi) the impact of the outbreak on the local, national or global economy; and (vii) the impact of the outbreak and actions taken in response to the outbreak on the Authority's revenues, expenses and financial condition. The Authority continues to mitigate the risks of all its patrons and employees through the use of personal protective equipment and strengthened cleaning regimens on all vehicles, stations, and stops.

***However, the Authority does not expect the various impacts of COVID-19 or the national, state, and local responses to the pandemic to have a material adverse impact on the Authority's ability to pay principal of and interest on its Bonds.*** See "SECURITY FOR THE 2021 BONDS" above.

## **Fund Structure; Accounting Basis**

The accounting policies of the Authority conform to accounting principles generally accepted in the United States as well as standards promulgated by the Governmental Accounting Standards Board pronouncements for governmental units.

The Authority has a single enterprise fund and uses the accrual method of accounting and the capital maintenance measurement focus. Under this method revenues are recognized when they are earned, and expenses are recognized when they are

incurred. See “APPENDIX A—COMPREHENSIVE ANNUAL FINANCIAL REPORT OF UTAH TRANSIT AUTHORITY FOR FISCAL YEAR 2020—Notes to the Financial Statements—Note 2. Summary of Significant Accounting Policies” (ACFR page 45).

### **Budget Process**

For a detailed discussion of the Authority’s budgeting procedures see “APPENDIX A—COMPREHENSIVE ANNUAL FINANCIAL REPORT OF UTAH TRANSIT AUTHORITY FOR FISCAL YEAR 2020—Notes to the Financial Statements—Note 2. Summary of Significant Accounting Policies; Q. Budgetary and Accounting Controls” (ACFR page 50).

### **Designated Reserve Funds Of The Authority**

*General Reserve.* In Fiscal Year 2019, the Authority changed the name of the Operating Reserve to the General Reserve (this reserve to be used as a working capital account throughout each Fiscal Year) and in April 2020 changed the maximum amount in the reserve from 12% to 18% of budgeted operating expenses. For Fiscal Year 2019, the amount on deposit in the reserve was \$36,660,000 and for Fiscal Year 2020, the amount on deposit in the reserve was \$58,778,000 (in April 2020, the Authority transferred \$20,940,000 from the Debt Reduction Reserve to the General Reserve). The balance in the General Reserve is \$58,778,000 as reported in the Fiscal Year 2020 ACFR. *As of the date of this OFFICIAL STATEMENT, the Authority has not withdrawn (or added to) any moneys in the General Reserve.*

*Capital Replacement Reserve.* In Fiscal Year 2019 the Authority created a Capital Replacement Reserve to be used for capital repair or replacement costs due to extraordinary circumstances. In April 2020 the Authority revised the reserve amount (from 3.5% of operating budget) to 1% of property, facilities, and equipment costs. The Board of Trustees must give its prior approval before funds are used. For Fiscal Year 2019, the amount on deposit in this reserve was \$10,700,000 and for Fiscal Year 2020, the amount on deposit in the fund was \$44,338,000 (in April 2020, the Authority transferred \$19,300,000 from the Debt Reduction Reserve to the Capital Replacement Reserve and contributed \$14,338,000 in Fiscal Year 2020 from past and current bond refunding savings). The balance in the Capital Replacement Reserve is \$44,338,000 as reported in the Fiscal Year 2020 ACFR. *As of the date of this OFFICIAL STATEMENT, the Authority has not withdrawn (or added to) any moneys in the Capital Replacement Reserve.*

*Debt Reduction Reserve.* In September 2012, the Authority established a debt service reserve and rate stabilization fund that is intended to be used for one or more of the following purposes: funding positive differences between actual variable interest expense and budgeted variable interest expense; payment of scheduled debt service, if necessary; retirement of debt prior to maturity; self-funding debt service reserves for new bond issues; and providing collateral for short-term bank lines of credit (the “Debt Reduction Reserve”). Pursuant to the Board of Trustee’s policy, the Authority intends to fund this fund from: any savings derived during periods in which actual variable interest expense is less than budgeted variable interest expense (if any variable debt is outstanding); savings from interest expense on refunding bonds; budget contributions and certain other moneys. In April 2020, the Board revised the amount held in the Debt Reduction Reserve, by transferring money into the General Reserve and the Capital Replacement Reserve (in Fiscal Year 2019 the amount on deposit was \$71,341,000). Other than the April 2020 transfers, the balance in the Debt Reduction Reserve is \$30,000,000 as reported in the Fiscal Year 2020 ACFR. *As of the date of this OFFICIAL STATEMENT, the Authority has not withdrawn (or added to) any moneys in the Debt Reduction Reserve.*

*Service Sustainability Reserve.* In Fiscal Year 2008, the Authority established a stabilization (service) reserve that is intended to be used to mitigate the impact on service rates or preserve service levels when the Authority faces a revenue shortfall or cost overrun due to extraordinary circumstances, such as an economic downturn or a rapid rise in fuel prices (the “Service Sustainability Reserve”). Pursuant to the Board of Trustee’s policy, the Authority intends to maintain the Service Sustainability Reserve balance to an amount equal to approximately 3% of the Authority’s annual budgeted operating expense. For Fiscal Year 2019, the amount on deposit in this reserve was \$9,166,000. The balance in the Service Sustainability Reserve is \$9,796,000 as reported in the Fiscal Year 2020 ACFR. *As of the date of this OFFICIAL STATEMENT, the Authority has not withdrawn (or added to) any moneys in the Service Sustainability Reserve.*

*Self-Insurance Reserve.* The balance in the Self-Insurance Reserve is \$7,745,463 as reported in the Fiscal Year 2020 ACFR. *As of the date of this OFFICIAL STATEMENT, the Authority has not withdrawn (or added to) any moneys in the Self-Insurance Reserve.*

*Catastrophic Reserve.* In August 2021, the Authority created a Catastrophic Reserve in the amount of \$1.1 million. The Authority will fund this reserve in September 2021, from legally available moneys on hand. The purpose of this fund is to be used in case of catastrophic events affecting the Authority.

Neither the General Reserve, the Capital Replacement Reserve, the Debt Reduction Reserve, the Service Sustainability Reserve, the Self-Insurance Reserve, nor the Catastrophic Reserve are pledged as security for the 2021 Bonds and the Board of Trustees may determine to modify its policies with respect to such funds from time to time.

**The Authority's Unaudited Monthly Financial Summaries (January 2021 through August 31, 2021)**

The summaries contained herein were extracted from the Authority's internal monthly unaudited financial statements for August 31, 2021 (which is the latest financial information available as of the date of this OFFICIAL STATEMENT).

The information presented is the Authority's Balance Sheet as of August 31, 2021; the Revenues and Expenditures from January 1, 2021 through August 31, 2021 (with comparisons for 2021 and 2020 with actuals numbers and year-to-date numbers); and the Budget to Actual of Revenues and Expenditures from January 1, 2021 through August 31, 2021.

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**SUMMARY FINANCIAL DATA**  
**(UNAUDITED)**

EXHIBIT 1-2

As of August 31, 2021

**BALANCE SHEET**

	8/31/2021	8/31/2020
<b>CURRENT ASSETS</b>		
1 Cash	\$ 15,087,175	\$ 8,739,880
2 Investments (Unrestricted)	299,158,511	156,763,539
3 Investments (Restricted)	121,219,347	172,417,572
4 Receivables	70,868,470	65,170,354
5 Receivables - Federal Grants	84,436,699	17,645,556
6 Inventories	34,701,191	36,390,304
7 Prepaid Expenses	23,070	12,738
8 <b>TOTAL CURRENT ASSETS</b>	<b>\$ 625,494,463</b>	<b>\$ 457,139,943</b>
9 Property, Plant & Equipment (Net)	2,895,722,853	2,885,641,237
10 Other Assets	144,885,244	151,515,566
11 <b>TOTAL ASSETS</b>	<b>\$ 3,666,102,560</b>	<b>\$ 3,494,296,746</b>
12 Current Liabilities	81,844,160	\$ 75,386,532
14 Net Pension Liability	96,783,597	103,864,839
15 Outstanding Debt	2,405,346,445	2,452,272,533
16 Net Investment in Capital Assets	694,070,596	
17 Restricted Net Position	36,685,917	
18 Unrestricted Net Position	351,371,845	862,772,842
19 <b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>\$ 3,666,102,560</b>	<b>\$ 3,494,296,746</b>

**RESTRICTED AND DESIGNATED CASH AND CASH EQUIVALENTS RECONCILIATION**

<b>RESTRICTED RESERVES</b>		
20 Debt Service Reserves	\$ 3,235	\$ 3,825,627
21 2010/2015 Bond DSR Proceeds	550,818	24,157,366
22 2018 Bond Proceeds	13,272,767	22,180,839
23 2019 Bond Proceeds	64,313,229	69,856,608
24 Debt Service Interest Payable	26,529,166	25,478,429
25 Risk Contingency Fund	8,039,220	8,003,962
26 Box Elder County ROW (sales tax)	1,784,551	6,947,632
27 Joint Insurance Trust	-	7,660,270
28 Davis County Escrow	523,075	1,149,162
29 SL County Escrow	8	207,764
30 Amounts held in escrow	6,203,278	2,949,913
31 <b>TOTAL RESTRICTED RESERVES</b>	<b>\$ 121,219,347</b>	<b>\$ 172,417,572</b>
<b>DESIGNATED GENERAL AND CAPITAL RESERVES</b>		
32 General Reserves	\$ 58,778,000	\$ 57,600,000
33 Service Sustainability Reserves	9,796,000	9,600,000
34 Capital Reserve	44,338,000	30,000,000
35 Debt Reduction Reserve	30,000,000	30,000,000
36 <b>TOTAL DESIGNATED GENERAL AND CAPITAL RESERVES</b>	<b>\$ 142,912,000</b>	<b>\$ 127,200,000</b>
37 <b>TOTAL RESTRICTED AND DESIGNATED CASH AND EQUIVALENTS</b>	<b>\$ 264,131,347</b>	<b>\$ 299,617,572</b>

**SUMMARY FINANCIAL DATA**  
**(UNAUDITED)**

EXHIBIT 1-3

As of August 31, 2021

**REVENUE & EXPENSES**

	ACTUAL Aug-21	ACTUAL Aug-20	YTD 2021	YTD 2020
<b>OPERATING REVENUE</b>				
1 Passenger Revenue	\$ 2,601,166	\$ 1,724,525	\$ 19,472,067	\$ 23,180,785
2 Advertising Revenue	246,653	208,334	905,739	1,666,667
3 <b>TOTAL OPERATING REVENUE</b>	<b>\$ 2,847,819</b>	<b>\$ 1,932,859</b>	<b>\$ 20,377,806</b>	<b>\$ 24,847,452</b>
<b>OPERATING EXPENSE</b>				
4 Bus Service	\$ 9,893,463	\$ 7,936,802	\$ 71,650,678	\$ 68,286,678
5 Commuter Rail	2,148,590	1,554,086	14,812,234	14,146,130
6 Light Rail	3,221,516	2,238,096	25,597,645	23,286,644
7 Maintenance of Way	1,601,084	1,460,895	12,827,756	12,179,378
8 Paratransit Service	1,999,049	1,789,826	15,832,396	14,841,431
9 RideShare/Van Pool Services	361,152	633,960	2,258,277	2,069,002
10 Microtransit	390,007		1,198,985	
11 Operations Support	3,991,670	3,577,318	32,647,237	31,777,668
12 Administration	2,750,899	2,151,223	20,765,804	21,234,001
13 Planning/Capital Development/Real Estate	707,815	333,719	4,172,577	3,072,497
14 Non-Departmental	-		-	-
15 <b>TOTAL OPERATING EXPENSE</b>	<b>\$ 27,065,245</b>	<b>\$ 21,675,925</b>	<b>\$ 201,763,589</b>	<b>\$ 190,893,429</b>
16 <b>NET OPERATING INCOME (LOSS)</b>	<b>\$ (24,217,426)</b>	<b>\$ (19,743,066)</b>	<b>\$ (181,385,783)</b>	<b>\$ (166,045,977)</b>
<b>NON-OPERATING EXPENSE (REVENUE)</b>				
17 Investment Revenue	(121,065)	(133,114)	(866,508)	(2,634,547)
18 Sales Tax Revenue <sup>1</sup>	(41,084,370)	(41,564,834)	(269,399,621)	(220,887,110)
19 Other Revenue	(670,705)	(326,837)	(4,565,602)	(4,853,887)
20 Fed Operations/Preventative Maint. Revenue	(17,304,318)	(13,119,217)	(174,326,408)	(96,304,390)
21 Bond Interest	7,240,169	7,464,390	58,683,433	63,203,288
22 Bond Interest UTCT	162,591	166,223	1,299,675	1,327,212
23 Bond Cost of Issuance/Fees	14,600	13,700	83,850	1,099,450
24 Lease Interest	98,108	798,182	817,062	5,983,937
25 Sale of Assets	6,578,789	(108,176)	770,004	2,135,732
26 <b>TOTAL NON-OPERATING EXPENSE</b>	<b>\$ (45,086,201)</b>	<b>\$ (46,809,683)</b>	<b>\$ (387,504,115)</b>	<b>\$ (250,930,315)</b>
27 <b>CONTRIBUTION TO RESERVES</b>	<b>\$ 20,868,775</b>	<b>\$ 27,066,617</b>	<b>\$ 206,118,332</b>	<b>\$ 84,884,338</b>
<b>OTHER EXPENSES (NON-CASH)</b>				
27 Bond Premium/Discount Amortization	(369,378)	(385,187)	(3,013,078)	(4,452,496)
28 Bond Refunding Cost Amortization	293,695	274,239	2,349,556	2,830,648
29 Future Revenue Cost Amortization	67,576	67,576	540,609	540,609
30 Depreciation	5,109,430	11,316,347	96,500,122	88,763,829
31 <b>NET OTHER EXPENSES (NON-CASH)</b>	<b>\$ 5,101,323</b>	<b>\$ 11,272,975</b>	<b>\$ 96,377,209</b>	<b>\$ 87,682,590</b>

<sup>1</sup> Current Year Sales Taxes YTD Include Actuals Plus Two Prior Month Accruals

**BUDGET TO ACTUAL REPORT**  
**(UNAUDITED)**

EXHIBIT 1-5

As of August 31, 2021

**YEAR TO DATE**

	ACTUAL	BUDGET	VARIANCE	%
	Aug-21	Aug-21	FAVORABLE (UNFAVORABLE)	FAVORABLE (UNFAVORABLE)
<b>OPERATING REVENUE</b>				
1 Passenger Revenue	\$ (19,472,067)	\$ (20,604,000)	\$ (1,131,933)	-5%
2 Advertising Revenue	(905,739)	(880,000)	25,739	3%
3 <b>TOTAL OPERATING REVENUE</b>	<b>\$ (20,377,806)</b>	<b>\$ (21,484,000)</b>	<b>\$ (1,106,194)</b>	<b>-5%</b>
<b>OPERATING EXPENSE</b>				
4 Bus Service	\$ 71,650,678	\$ 72,330,316	\$ 679,638	1%
5 Commuter Rail	14,812,234	16,030,612	1,218,378	8%
6 Light Rail	25,597,645	27,071,346	1,473,701	5%
7 Maintenance of Way	12,827,756	13,062,453	234,697	2%
8 Paratransit Service	15,832,396	15,980,237	147,841	1%
9 RideShare/Van Pool Services	2,258,277	2,429,712	171,435	7%
10 Microtransit	1,198,985	1,979,818	780,833	39%
11 Operations Support	32,647,237	35,424,873	2,777,636	8%
12 Administration	20,765,804	26,051,731	5,285,927	20%
13 Planning/Capital Development/Real Estate	4,172,577	3,848,287	(324,290)	-8%
14 Non-Departmental	-	546,833	546,833	100%
15 <b>TOTAL OPERATING EXPENSE</b>	<b>\$ 201,763,589</b>	<b>\$ 214,756,218</b>	<b>\$ 12,992,629</b>	<b>6%</b>
16 <b>NET OPERATING INCOME (LOSS)</b>	<b>\$ (181,385,783)</b>	<b>\$ (193,272,218)</b>	<b>\$ 11,886,435</b>	<b>6%</b>
<b>NON-OPERATING EXPENSE (REVENUE)</b>				
17 Investment Revenue	\$ (866,508)	\$ (3,204,667)	\$ 2,338,159	-73%
18 Sales Tax Revenue	(269,399,621)	(233,149,768)	(36,249,853)	16%
19 Other Revenue	(4,565,602)	(7,108,667)	2,543,065	-36%
20 Fed Operations/Preventative Maint. Revenue	(174,326,408)	(114,338,000)	(59,988,408)	52%
21 Bond Interest	58,683,433	57,589,186	(1,094,247)	-2%
22 Bond Interest UTCT	1,299,675	1,311,728	12,053	1%
23 Bond Cost of Issuance/Fees	83,850	45,800	(38,050)	-83%
24 Lease Interest	817,062	844,430	27,368	3%
25 Sale of Assets	770,004	-	(770,004)	
26 <b>TOTAL NON-OPERATING EXPENSE (REVENUE)</b>	<b>\$ (387,504,115)</b>	<b>\$ (298,009,957)</b>	<b>\$ 89,494,158</b>	<b>30%</b>
27 <b>CONTRIBUTION TO RESERVES</b>	<b>\$ 206,118,332</b>	<b>\$ 104,737,739</b>		



## **Five Year Financial Summaries**

The summaries contained herein were extracted from the Authority's audited financial statements for Fiscal Years 2016 through 2020. The summaries themselves are unaudited. *The Authority's audited financial statements for Fiscal Year 2021 must be completed under State law by June 30, 2022.*

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## Utah Transit Authority

## Statement of Net Position

	As of December 31 (1)				
	2020	2019	2018	2017 (2)	2016
Assets and deferred outflows of resources					
Assets					
Current assets					
Cash and cash equivalents.....	\$ 185,542,606	\$ 121,247,679	\$ 103,037,555	\$ 85,459,300	\$ 103,689,945
Receivables					
Contributions from other governments (sales tax).....	70,537,845	61,526,161	50,725,259	49,421,054	45,646,114
Federal grants.....	28,866,419	16,963,742	24,146,542	44,106,915	13,611,438
Other.....	7,084,940	6,016,947	4,443,339	17,002,669	20,837,335
State of Utah.....	3,619,783	7,270,213	9,930,141	—	—
Parts and supplies inventories.....	34,422,837	36,043,834	35,551,784	31,689,267	28,361,640
Investments.....	20,061,732	—	—	—	—
Restricted cash and cash equivalents (bond funds).....	16,457,844	892,005	—	—	—
Prepaid expenses.....	2,448,303	2,299,133	2,842,013	2,783,802	2,627,731
Restricted receivables.....	—	1,843,015	—	—	—
Total current assets.....	369,042,309	254,102,729	230,676,633	230,463,007	214,774,203
Noncurrent assets					
Restricted assets (cash equivalents and investments)					
Escrow funds.....	106,067,907	105,638,304	66,174,772	28,754,015	34,837
Bond funds.....	13,093,632	44,906,842	47,668,250	42,768,329	51,279,017
Self-insurance deposits.....	7,745,463	7,932,069	7,716,809	7,534,841	7,431,600
Interlocal agreements.....	4,236,800	6,778,351	7,040,441	6,355,541	5,663,895
Represented employee benefits.....	—	4,596,492	4,133,950	3,894,919	3,269,716
Total restricted assets.....	131,143,802	169,852,058	132,734,222	89,307,645	67,679,065
Depreciable capital assets					
Infrastructure.....	2,500,620,104	2,499,683,484	2,515,426,407	2,528,679,092	2,660,455,033
Revenue vehicles.....	752,974,669	752,446,315	753,650,299	757,025,778	768,632,495
Building and building improvements.....	213,225,412	245,182,707	302,473,214	132,444,199	—
Land improvements.....	148,507,252	105,928,156	79,140,497	12,300,402	—
Leased land improvements.....	84,485,965	84,485,965	75,804,461	—	—
Leased revenue vehicles.....	71,632,600	66,592,155	60,365,705	—	—
Equipment.....	66,536,885	60,703,740	144,817,612	326,289,349	—
Intangibles.....	54,745,003	18,292,597	9,585,417	22,537,996	—
Other property and equipment.....	—	—	—	—	420,530,145
Right-of-ways.....	—	—	—	—	314,026,833
Land and improvements.....	—	—	—	—	130,401,281
Construction in progress.....	—	—	—	—	98,584,168
Total depreciable capital assets.....	3,892,727,890	3,833,315,119	3,941,263,612	3,779,276,816	4,392,629,955
Non-depreciable capital assets					
Land.....	410,537,405	408,225,179	440,917,126	425,736,158	—
Construction in progress.....	137,936,777	139,699,345	109,972,902	205,102,231	—
Total non-depreciable capital assets.....	548,474,182	547,924,524	550,890,028	630,838,389	—
Total capital assets.....	4,441,202,072	4,381,239,643	4,492,153,640	4,410,115,205	4,392,629,955
Less accumulated depreciation and amortization.....	(1,557,835,813)	(1,431,847,732)	(1,402,256,629)	(1,341,405,330)	(1,288,032,621)
Amount recoverable—interlocal agreement.....	20,272,838	21,236,873	22,047,787	22,858,702	23,516,495
Other assets.....	9,500,000	9,500,000	9,698,840	8,000,000	—
Total noncurrent assets.....	3,044,282,899	3,149,980,842	3,254,377,860	3,188,876,222	3,195,792,894
Total assets.....	3,413,325,208	3,404,083,571	3,485,054,493	3,419,339,229	3,410,567,097
Deferred outflows of resources					
Advanced debt refunding.....	118,677,922	88,145,622	88,490,542	97,189,416	101,200,263
Resources related to pensions.....	21,967,097	13,459,954	31,930,657	12,571,775	15,577,900
Total deferred outflows of resources.....	140,645,019	101,605,576	120,421,199	109,761,191	116,778,163
Total assets and deferred outflows of resources.....	\$ 3,553,970,227	\$ 3,505,689,147	\$ 3,605,475,692	\$ 3,529,100,420	\$ 3,527,345,260
Liabilities, deferred inflows of resources and net position					
Liabilities					
Current liabilities					
Current portion of long-term debt.....	\$ 46,922,208	\$ 33,413,386	\$ 24,126,320	\$ 14,815,329	\$ 11,733,893
Accounts payable					
Other.....	21,721,896	19,533,745	37,169,641	54,120,255	26,979,344
State of Utah.....	309,217	29,679	138,224	—	—
Unearned revenue.....	11,267,779	11,883,008	11,622,768	6,218,000	6,546,753
Current portion of accrued interest.....	9,266,627	4,614,297	4,165,847	4,096,739	4,226,445
Accrued liabilities, primarily payroll-related.....	8,455,516	11,811,462	10,718,710 (1)	20,199,621	19,533,949
Current portion of interlocal loan.....	1,885,735	—	—	—	—
Accrued self-insurance liability.....	1,017,333	862,650	1,155,787	1,495,598	2,336,975
Current portion of compensated absences.....	—	1,664,512	2,010,345 (1)	—	—
Payable from restricted assets.....	—	—	—	153,913	263,096
Total current liabilities.....	100,846,311	83,812,739	91,107,642	101,099,455	71,620,455
Long-term liabilities					
Long-term debt.....	2,334,703,811	2,415,488,275	2,385,014,132	2,316,957,516	2,269,803,569
Long-term net pension liability.....	96,783,597	103,864,839	131,548,114	100,876,554	112,925,121
Interlocal loan.....	63,779,861	—	—	—	—
Long-term compensated absences.....	14,338,107	10,768,696	9,513,471 (1)	—	—
Long-term accrued interest.....	2,990,412	7,332,852	5,614,014	4,541,169	1,603,827
Long-term deposits.....	1,357,094	—	—	—	—
Long-term self-insurance liability.....	—	—	—	—	2,758,839
Total long-term liabilities.....	2,513,952,882	2,537,454,662	2,531,689,731	2,422,375,239	2,387,091,356
Total liabilities.....	2,614,799,193	2,621,267,401	2,622,797,373	2,523,474,694	2,458,711,811
Deferred inflows of resources					
Resources related to pension.....	21,967,293	11,653,452	3,383,699	11,948,307	5,489,735
Net position					
Net investment in capital assets.....	648,605,411	692,675,681	827,646,243	894,275,843	924,260,135
Unrestricted.....	228,081,924	113,143,840	85,088,927 (1)	39,001,859 (1)	71,502,447 (1)
Restricted for					
Debt service.....	29,551,476	44,906,842	47,668,250	42,768,329	51,279,017
Self-insurance deposits.....	6,728,130	7,932,069	7,716,809	7,534,841	7,431,600
Interlocal agreements.....	4,236,800	9,513,370	7,040,441	6,201,628	5,400,799
Represented employee benefits.....	—	4,596,492	4,133,950	3,894,919	3,269,716
Total net position.....	917,203,741	872,768,294	979,294,620	993,677,419	1,063,143,714
Total liabilities, deferred inflows of resources and net position.....	\$ 3,553,970,227	\$ 3,505,689,147	\$ 3,605,475,692	\$ 3,529,100,420	\$ 3,527,345,260

(1) Restated in Fiscal Year 2019 financial statements. (2) Restated in Fiscal Year 2018 financial statements.

(Source: Information derived from the Authority's audited financial statements, compiled by Zions Public Finance, Inc.)

## Utah Transit Authority

### Statement of Revenues, Expenses and Changes in Net Position

	Fiscal Year Ended December 31				
	2020	2019	2018	2017	2016
Operating revenues					
Passenger fares.....	\$ 32,845,272	\$ 52,649,054	\$ 52,051,892	\$ 52,159,203	\$ 50,624,354
Advertising.....	2,035,000	2,462,500	2,412,500	2,366,667	2,266,667
Total operating revenues.....	<u>34,880,272</u>	<u>55,111,554</u>	<u>54,464,392</u>	<u>54,525,870</u>	<u>52,891,021</u>
Operating expense					
Depreciation.....	139,089,219	146,112,123	80,565,077 (2)	149,440,887	153,573,216
Bus service.....	107,390,047	104,570,413	96,719,747	88,928,063	85,841,973
Rail service.....	96,041,283	77,972,467	75,157,087	72,895,607	84,165,069
Operation support.....	46,463,776	47,056,444	45,557,749	41,932,571	37,831,682
Administration.....	44,545,686	36,738,745	39,593,947	31,423,844	37,636,519
Paratransit service.....	22,646,903	23,121,527	21,857,632	19,572,367	19,341,116
Other service.....	3,296,275	3,247,699	3,056,191	2,982,176	2,949,643
Capital maintenance projects.....	—	19,078,502	38,654,111	20,602,425	—
Major investment studies.....	—	—	—	—	1,204,124
Total operating expense.....	<u>459,473,189</u>	<u>457,897,920</u>	<u>401,161,541</u>	<u>427,777,940</u>	<u>422,543,342</u>
Excess of operating expenses over operating revenues.....	<u>(424,592,917)</u>	<u>(402,786,366)</u>	<u>(346,697,149)</u>	<u>(373,252,070)</u>	<u>(369,652,321)</u>
Non-operating revenues (expenses)					
Contributions for other governments (sales tax) (1)...	361,590,707	317,797,604	282,933,591	265,770,775	245,008,417
Federal operating grants.....	160,258,318	69,746,231	61,820,668	62,313,994	59,772,235
Other.....	9,442,644	(45,372,222)	8,155,668	3,954,893	3,108,191
Build America Bond subsidies.....	8,893,288	—	—	—	—
Investment income.....	3,525,448	6,821,490	6,525,872	2,873,787	1,732,939
Sale of assets.....	927,566	—	—	—	—
Interest expense.....	(99,898,505)	(87,541,906)	(91,000,388)	(88,190,962)	(85,415,870)
Federal planning grants.....	—	—	—	—	3,562,534
Recoverable sales tax—interlocal agreement.....	—	—	—	—	(810,914)
Net non-operating revenues.....	<u>444,739,466</u>	<u>261,451,197</u>	<u>268,435,411</u>	<u>246,722,487</u>	<u>226,957,532</u>
Income (loss) before contributions.....	<u>20,146,549</u>	<u>(141,335,169)</u>	<u>(78,261,738)</u>	<u>(126,529,583)</u>	<u>(142,694,789)</u>
Capital contributions					
Federal grants.....	20,898,309	16,395,068	31,585,004	53,960,024	17,054,298
Local.....	3,238,849	17,383,709	12,151,003	2,850,116	3,110,314
Capital contributions.....	151,740	1,030,066	20,142,932	253,148	—
Total capital contributions.....	<u>24,288,898</u>	<u>34,808,843</u>	<u>63,878,939</u>	<u>57,063,288</u>	<u>20,164,612</u>
Changes in net position.....	<u>44,435,447</u>	<u>(106,526,326)</u>	<u>(14,382,799)</u>	<u>(69,466,295)</u>	<u>(122,530,177)</u>
Total net position, January 1.....	<u>872,768,294</u>	<u>979,294,620</u>	<u>993,677,419</u>	<u>1,063,143,714</u>	<u>1,185,673,891</u>
Total net position, December 31.....	<u>\$ 917,203,741</u>	<u>\$ 872,768,294</u>	<u>\$ 979,294,620</u>	<u>\$ 993,677,419</u>	<u>\$ 1,063,143,714</u>

(1) Includes the collection of all sales and use taxes (including those sales and use taxes levied for County Option Proposition 1 Tax and Fourth Quarter Cent Tax).

(2) The Authority restated its capital assets and the associated accumulated depreciation of those assets.

(Source: Information derived from the Authority's audited financial statements, compiled by Zions Public Finance, Inc.)

For information regarding the Authority's 10 year history of net position and changes in net position see "APPENDIX A—COMPREHENSIVE ANNUAL FINANCIAL REPORT OF UTAH TRANSIT AUTHORITY FOR FISCAL YEAR 2020" (ACFR page 82).

### **Other Financial Information**

Additional financial information regarding the Authority's 10 year revenue history by source and expense history by function see "APPENDIX A—COMPREHENSIVE ANNUAL FINANCIAL REPORT OF UTAH TRANSIT AUTHORITY FOR FISCAL YEAR 2020" (ACFR page 83).

### **Federal Grants**

*FAST Act.* Federal grants for various public transit purposes historically have been authorized by the United States Congress under multiple-year authorizing legislation. The current legislative authorization was provided by "Fixing America's Surface Transportation Act," (the "FAST Act") which was enacted December 4, 2015. The FAST Act was set to expire on September 30, 2020. On September 30, 2020, Congress passed a continuing resolution which extended the FAST Act authorization through September 30, 2021.

*Federal CARES Act.* In March 2020, the President of the United States signed the CARES Act into law. Under the CARES Act, the Department of Transportation, Federal Transit Administration (the "FTA") is allocating \$25 billion to recipients of urbanized area and rural area formula funds, with \$22.7 billion to large and small urban areas. CARES Act funding will provide a 100% federal share, with no local match required, and will be available to support capital, operating, and other expenses generally eligible under those programs to prevent, prepare for, and respond to COVID-19. Operating expenses incurred beginning on January 20, 2020 for all rural and urban recipients, even those in large urban areas, are also eligible, including operating expenses to maintain transit services as well as paying for administrative leave for transit personnel due to reduced operations during an emergency. *The Authority was awarded a total of approximately \$176 million in federal funding under the CARES Act to partially offset losses in sales tax revenues and other operational and capital costs. The Authority received approximately \$95.6 million in federal funding under the CARES Act for Fiscal Year 2020 and has received approximately \$80.4 million in CARES Act funding in Fiscal Year 2021. The Authority has received all of its CARES Act funding allocation.*

*Federal CRRSA Act.* In December 2020, the President of the United States signed the CRRSA Act into law. Under the CRRSA Act, FTA is allocating \$13.26 billion to recipients of urbanized areas affected by the COVID-19 pandemic. *The Authority was awarded and has received a total of approximately \$33.6 million in federal funding under the CRRSS Act for Fiscal Year 2021 to partially offset losses in sales tax revenues and other operational and capital costs. The Authority has received all of its CRRSS Act funding allocation.*

*Federal ARPA Act.* In March 2021, the President of the United States signed the ARP Act into law. The ARP Act provides \$30.5 billion of funding for transit agencies (distributed by the FTA) affected by the COVID-19 pandemic. *The Authority was awarded a total of approximately \$167.8 million in federal funding under the ARP Act to partially offset losses in sales tax revenues and other operational and capital costs. The Authority anticipates receiving \$16 million in federal funding under the ARP Act in Fiscal Year 2021 and the remaining allocation of \$151.8 million in Fiscal Year 2022.*

The Authority is also taking various actions to prioritize and reduce costs and seek other federal funding as it becomes available.

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*Preventive Maintenance, Operating and Planning Grants.* For the years shown, the Authority has received federal formula grants from FTA that include funds for preventive maintenance, operating and planning (including CARES Act and ARRP Act federal grants) in the following amounts:

<u>Fiscal Year Ended December 31</u>	<u>Preventive Maintenance and Operating Grants</u>	<u>Planning Grants</u>
2020.....	\$160,258,318 (1)	\$ 0
2019.....	69,746,231	0
2018.....	61,820,668	0
2017.....	62,313,994	0
2016.....	59,772,235	3,562,534

(1) Includes \$95,617,240 in CARES Act funding and \$64,641,078 in preventive maintenance and operating grant funding.

(Source: The Authority's historical Annual Comprehensive Financial Reports ("ACFR"); compiled by Zions Public Finance, Inc.)

See, also "APPENDIX A—COMPREHENSIVE FINANCIAL REPORT OF UTAH TRANSIT AUTHORITY FOR FISCAL YEAR 2020—Notes to the Financial Statements—Note 5—Federal Financial Assistance" (ACFR page 49) and "—Statistical Section—Revenue History by Source 10 Years" (ACFR page 83).

*Capital Grants.* In addition, the Authority receives capital fund grants from FTA under several programs for planning and capital assistance; new start small rail projects; limited bus rapid transit assistance; bus and rail preventative maintenance; bus and bus facilities. The following table shows the federal capital grants received by the Authority for the years shown. Amounts vary from year to year according to a variety of factors, including System needs for capital and availability of federal moneys (including CARES Act and ARRP Act federal grants).

<u>Fiscal Year Ended December 31</u>	<u>Rail/ TRAX System</u>	<u>Other Capital</u>	<u>Total Capital Grants</u>
2020.....	\$0	\$20,898,309 (1)	\$20,898,309
2019.....	0	16,559,238	16,559,238
2018.....	0	31,585,004	31,585,004
2017.....	0	53,960,024	53,960,024
2016.....	0	17,054,298	17,054,298

(1) Includes \$19,608,177 in other capital grants and \$1,290,132 in CARES Act funding.

(Source: The Authority's ACFR's; compiled by Zions Public Finance, Inc.)

See "APPENDIX A—COMPREHENSIVE FINANCIAL REPORT OF UTAH TRANSIT AUTHORITY FOR FISCAL YEAR 2020—Notes to the Financial Statements—Note 5—Federal Financial Assistance" (ACFR page 49) and "—Statistical Section—Revenue History by Source 10—Years" (ACFR page 83). See, also "INVESTMENT CONSIDERATIONS AFFECTING UTAH TRANSIT AUTHORITY AND THE 2021 BONDS—Federal Funding" above.

*No Pledge of Grant Moneys.* None of the federal grant moneys described under this section constitutes Revenues or Pledged Revenues for purposes of the Senior Indenture or the Subordinate Indenture, to the extent that such moneys are prohibited by law from being pledged. However, the Indentures require the Authority to use such moneys for System operation and maintenance expenses to the extent received for that purpose. See "SECURITY FOR THE 2021 BONDS" above.

## LEGAL MATTERS

### Absence Of Litigation Concerning The 2021 Bonds

The office of the Attorney General of the State of Utah has officially advised that, to its knowledge, there is no pending or threatened litigation that would legally stop, enjoin, or prohibit the issuance, sale, or delivery of the 2021 Bonds.

## Ongoing Litigation To Which The Authority Is A Party

Because of the magnitude of the Authority's bus and rail operations, the Authority is routinely a party in personal injury, wrongful death, property disputes and other tort litigation. As of the date of this OFFICIAL STATEMENT, the Authority is a defendant in several such lawsuits, and has received notices of claim with respect to other matters for which litigation has not yet commenced. Such lawsuits and notices of claim are at various stages in the litigation/claims process and seek damages in varied amounts.

The Authority is primarily self-insured with respect to its day-to-day operations. The self-insurance program maintained by the Authority applies to liability claims for death and personal injuries, vehicle property damage and workers' compensation. The procurement of insurance from third-party carriers is generally limited to (i) excess coverage with respect to railroad liability and worker's compensation exposures; (ii) insurance programs the Authority procures with respect to construction of major capital projects, and (iii) discrete programs of the Authority, such as the Authority's vanpool leasing program. The Authority funds its self-insurance reserves in an amount determined by annual actuarial studies. The self-insurance reserves, in the amount of \$7,745,463 (the reported balance in the Fiscal Year 2020 ACFR), are held in a separate account with the PTIF. The Authority has allocated a portion of the reserve account to cover its anticipated liability exposure (as determined by the Authority's Risk Management Department) in each of the tort matters currently pending or threatened against the Authority. The amounts allocated to cover its perceived liability exposure are premised upon the continued applicability of the liability limits imposed by the Immunity Act. The applicability of the Immunity Act and its limits to the Authority has been affirmed by the Utah Supreme Court.

The Authority is also routinely involved in contract-related disputes. This contract litigation or threatened litigation generally involves either the construction contracts related to the Authority's large capital projects or collective bargaining agreements with the Union. These matters are not subject to the liability limits imposed by the Immunity Act. The Authority has allocated a portion of the reserve account to cover the anticipated liability exposure (as determined by the Authority's Risk Management Department) stemming from contract-related disputes pending or threatened as of the date of this OFFICIAL STATEMENT.

Also see "APPENDIX A—COMPREHENSIVE ANNUAL FINANCIAL REPORT OF UTAH TRANSIT AUTHORITY FOR FISCAL YEAR 2020—Notes to the Financial Statements—Note 2. Summary of Significant Accounting Policies—Q. Risk Management" (ACFR page 40) and "—Notes to the Financial Statements—Note 6. Self-Insurance Claims Liability" (ACFR page 49).

## General

Certain legal matters incident to the authorization and issuance of the 2021 Bonds are subject to the approving opinion of Gilmore & Bell, P.C., Bond Counsel to the Authority. The approving opinion of Bond Counsel will be delivered with the 2021 Bonds in substantially the form set forth in "APPENDIX D—FORM OF OPINION OF BOND COUNSEL." Certain legal matters will be passed upon for the Authority by the Attorney General of the State of Utah. Certain legal matters regarding this OFFICIAL STATEMENT will be passed upon for the Underwriter by Chapman and Cutler LLP.

The various legal opinions to be delivered concurrently with the delivery of the 2021 Bonds express the professional judgment of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon, or of the future performance of parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

## TAX MATTERS

### Tax Status Of The 2021 Bonds

*No Federal Tax Exemption.* The interest on the 2021 Bonds is included in gross income for federal income tax purposes, in accordance with an owner's normal method of accounting.

*State of Utah Tax Exemption.* In the opinion of Gilmore & Bell, P.C., Bond Counsel to the Authority, under the law existing as of the issue date of the 2021 Bonds, the interest on the 2021 Bonds is exempt from State individual income taxes.

*No Other Opinions.* Bond Counsel is expressing no opinion regarding other federal, state, or local tax consequences arising with respect to the 2021 Bonds, except as expressly provided herein. Purchasers of the 2021 Bonds should consult their tax advisors as to the applicability of these tax consequences and other income tax consequences of the purchase, ownership, and disposition of the 2021 Bonds, including the possible application of state, local, foreign, and other tax laws.

## **Other Tax Consequences**

*[Original Issue Discount.* For federal income tax purposes, original issue discount is the excess of the stated redemption price at maturity of a 2021 Bond over its issue price. The issue price of a 2021 Bond is the first price at which a substantial amount of the 2021 Bonds of that maturity have been sold to the public. If the original issue discount on a 2021 Bond is more than a de minimis amount (generally  $\frac{1}{4}$  of 1% of the stated redemption price at maturity of the 2021 Bond multiplied by the number of complete years to its maturity date), then that 2021 Bond will be treated as issued with original issue discount. The amount of original issue discount that accrues to an owner of a 2021 Bond during any accrual period generally equals (1) the issue price of that 2021 Bond, plus the amount of original issue discount accrued in all prior accrual periods, multiplied by (2) the yield to maturity on that 2021 Bond (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period), minus (3) any interest payable on that 2021 Bond during that accrual period. The amount of original issue discount accrued in a particular accrual period will be considered to be received ratably on each day of the accrual period, will be included in gross income for federal income tax purposes, and will increase the owner's tax basis in that 2021 Bond. Prospective investors should consult their own tax advisors concerning the calculation and accrual of original issue discount.]

*Sale, Exchange, or Retirement of 2021 Bonds.* Upon the sale, exchange, or retirement (including redemption) of a 2021 Bond, an owner of the 2021 Bond generally will recognize gain or loss in an amount equal to the difference between the amount of cash and the fair market value of any property received on the sale, exchange, or retirement of the 2021 Bond (other than in respect of accrued and unpaid interest) and such owner's adjusted tax basis in the 2021 Bond. To the extent a 2021 Bond is held as a capital asset, such gain or loss will be capital gain or loss and will be long-term capital gain or loss if the 2021 Bond has been held for more than 12 months at the time of sale, exchange, or retirement.

Further, if the Authority establishes a legal defeasance of any 2021 Bond, that 2021 Bond or may be deemed to be retired and "reissued" for U.S. federal income tax purposes as a result of the defeasance. In that event, in general, an owner will recognize taxable gain or loss equal to the difference between (i) the amount realized from the deemed sale, exchange or retirement (less any accrued qualified stated interest) and (ii) the owner's adjusted tax basis in the 2021 Bond.

*Reporting Requirements.* In general, information reporting requirements will apply to certain payments of principal, interest and premium paid on the 2021 Bonds, and to the proceeds paid on the sale of the 2021 Bonds, other than certain exempt recipients (such as corporations and foreign entities). A backup withholding tax will apply to such payments if the owner fails to provide a taxpayer identification number or certification of foreign or other exempt status or fails to report in full dividend and interest income. The amount of any backup withholding from a payment to an owner will be allowed as a credit against the owner's federal income tax liability.

*Collateral Federal Income Tax Consequences.* Prospective purchasers of the 2021 Bonds should be aware that ownership of the 2021 Bonds may result in collateral federal income tax consequences to certain taxpayers. Bond Counsel expresses no opinion regarding these tax consequences. Purchasers of 2021 Bonds should consult their tax advisors as to the applicability of these tax consequences and other federal income tax consequences of the purchase, ownership, and disposition of the 2021 Bonds, including the possible application of state, local, foreign, and other tax laws.

## **MISCELLANEOUS**

### **Bond Ratings**

As of the date of this OFFICIAL STATEMENT, Fitch, Moody's, and S&P have assigned their municipal bond ratings of ["AA" (negative outlook), "Aa2" (stable outlook), and "AA" (stable outlook), respectively, to the 2021 Bonds.]

The Authority has furnished to each rating agency rating the 2021 Bonds information about the Authority and the 2021 Bonds, including information not included in this OFFICIAL STATEMENT. Generally, rating agencies base their ratings on that information and on independent investigations, studies and assumptions made by each rating agency. There can be no assurance that ratings will continue for any given period or that they will not be revised downward or withdrawn entire-

ly by a rating agency if, in the judgment of that rating agency, circumstances warrant the revision or withdrawal of the ratings. Those circumstances may include, among other things, changes in, or unavailability of, information relating to the Authority or the 2021 Bonds. Any downward revision or withdrawal of a rating may have an adverse effect on the market price of the 2021 Bonds.

### **Trustee**

The obligations and duties of the Trustee under the Indentures are described in the Indentures, and the Trustee has undertaken only those obligations and duties that are expressly set out in the Indentures. The Trustee has not independently passed upon the validity of the 2021 Bonds, the security therefor, the adequacy of the provisions for payment thereof or the inclusion in gross income for federal tax purposes of the interest on the 2021 Bonds. The Trustee may resign or be removed or replaced as provided in the Indentures.

### **Escrow Verification**

Public Finance Partners LLC, Minneapolis, Minnesota, will verify the accuracy of the mathematical computations concerning the adequacy of the maturing principal amounts of and interest earned on the obligations of the United States of America, together with other escrowed moneys to be placed in the Escrow Account, to pay when due pursuant to prior redemption the redemption price of, and interest on the 2015 Refunded Bonds.

### **Underwriter**

*The Underwriter has reviewed the information in this OFFICIAL STATEMENT in accordance with, and as a part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.*

**2021 Senior Bonds.** The Underwriter has agreed, subject to certain conditions, to purchase all 2021 Senior Bonds from the Authority. The Underwriter is obligated to accept delivery and pay for all the 2021 Senior Bonds, if any are delivered, at an aggregate price of \$\_\_\_\_\_, being an amount equal to the par amount of the 2021 Bonds, less an Underwriters' fee of \$\_\_\_\_\_.

**2021 Subordinate Bonds.** The Underwriter has agreed, subject to certain conditions, to purchase all 2021 Subordinate Bonds from the Authority. The Underwriter is obligated to accept delivery and pay for all the 2021 Subordinate Bonds, if any are delivered, at an aggregate price of \$\_\_\_\_\_, being an amount equal to the par amount of the 2021 Subordinate Bonds, less an Underwriters' fee of \$\_\_\_\_\_.

The Underwriter may resell the 2021 Bonds to the public at prices which may be higher or lower than the prices set forth on the inside cover pages of this OFFICIAL STATEMENT.

The Underwriter and its affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, investment management, principal investment, hedging, financing, and brokerage activities.

In the ordinary course of their various business activities, the Underwriter and its affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own accounts and for the accounts of its customers and may at any time hold long and/or short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the Authority.

Wells Fargo Corporate & Investment Banking is the trade name used for the corporate banking, capital markets and investment banking services of Wells Fargo & Company and its subsidiaries, including Wells Fargo Bank, National Association ("WFBNA"), which conducts its municipal securities sales, trading and underwriting operations through the Wells Fargo Bank, N.A. Municipal Finance Group, a separately identifiable department of WFBNA, registered with the U.S. Securities and Exchange Commission as a municipal securities dealer pursuant to Section 15B(a) of the Securities Exchange Act of 1934.

WFBNA acting through its Municipal Finance Group, the sole underwriter of the 2021 Bonds, has entered into an agreement (the "WFA Distribution Agreement") with its affiliate, Wells Fargo Clearing Services, LLC (which uses the trade name "Wells Fargo Advisors") ("WFA"), for the distribution of certain municipal securities offerings, including the



2021 Bonds. Pursuant to the WFA Distribution Agreement, WFBNA will share a portion of its underwriting or remarketing agent compensation, as applicable, with respect to the 2021 Bonds with WFA. WFBNA has also entered into an agreement (the “WFSLLC Distribution Agreement”) with its affiliate Wells Fargo Securities, LLC (“WFSLLC”), for the distribution of municipal securities offerings, including the 2021 Bonds. Pursuant to the WFSLLC Distribution Agreement, WFBNA pays a portion of WFSLLC’s expenses based on its municipal securities transactions. WFBNA, WFSLLC, and WFA are each wholly-owned subsidiaries of Wells Fargo & Company.

### **Municipal Advisor**

The Authority has entered into an agreement with the Municipal Advisor where under the Municipal Advisor provides financial recommendations and guidance to the Authority with respect to preparation for sale of the 2021 Bonds, timing of sale, taxable and tax-exempt bond market conditions, costs of issuance and other factors related to the sale of the 2021 Bonds. The Municipal Advisor has read and participated in the drafting of certain portions of this OFFICIAL STATEMENT and has supervised the completion and editing thereof. The Municipal Advisor has not audited, authenticated, or otherwise verified the information set forth in the OFFICIAL STATEMENT, or any other related information available to the Authority, with respect to accuracy and completeness of disclosure of such information, and the Municipal Advisor makes no guaranty, warranty or other representation respecting accuracy and completeness of the OFFICIAL STATEMENT or any other matter related to the OFFICIAL STATEMENT.

### **Independent Auditors**

The financial statements of the Authority as of December 31, 2020 and for the year then ended, included in this OFFICIAL STATEMENT, have been audited by Crowe LLP, Indianapolis, Indiana (“Crowe”), as stated in their report in “APPENDIX A—COMPREHENSIVE ANNUAL FINANCIAL REPORT OF UTAH TRANSIT AUTHORITY FOR FISCAL YEAR 2020” (ACFR page 17). Crowe has not been engaged to perform and has not performed, since the date of their report included in the Fiscal Year 2020 ACFR, any procedures on the financial statements addressed in the Fiscal Year 2020 ACFR. Crowe has not participated in the preparation or review of this OFFICIAL STATEMENT. Based upon their non-participation, they have not consented to the use of their name in this OFFICIAL STATEMENT.

### **Additional Information**

All quotations contained herein from and summaries and explanations of the State Constitution, statutes, programs, laws of the State, court decisions, and the Indentures, do not purport to be complete, and reference is made to the State constitution, statutes, programs, laws of the State, court decisions, and the Indentures for full and complete statements of their respective provisions.

Any statements in this OFFICIAL STATEMENT involving matters of opinion, whether expressly so stated, are intended as such and not as representations of fact.

The appendices attached hereto are an integral part of this OFFICIAL STATEMENT and should be read in conjunction with the foregoing material.

***For purposes of compliance with Rule 15c2-12 of the United States Securities and Exchange Commission, as amended, and in effect on the date hereof, this PRELIMINARY OFFICIAL STATEMENT constitutes an official statement of the Authority that has been deemed final by the Authority as of its date except for the omission of no more than the information permitted by Rule 15c2-12.***

This OFFICIAL STATEMENT and its distribution and use have been duly authorized by the Authority.

**Utah Transit Authority**

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## APPENDIX A

### COMPREHENSIVE ANNUAL FINANCIAL REPORT OF UTAH TRANSIT AUTHORITY FOR FISCAL YEAR 2020

The ACFR of the Authority for Fiscal Year 2020 is contained herein. *The Authority's annual financial reports for Fiscal Year 2021 must be completed under State law by June 30, 2022.*

#### **Government Finance Officers Association; Certificate of Achievement for Excellence in Financial Reporting**

The Government Finance Officers Association of the United States and Canada (“GFOA”) have awarded a Certificate of Achievement for Excellence in Financial Reporting to the Authority for its ACFR for the 27<sup>th</sup> consecutive year, beginning with Fiscal Year 1993 through Fiscal Year 2019.

For the Fiscal Year 2019 certificate see “APPENDIX A—COMPREHENSIVE ANNUAL FINANCIAL REPORT OF UTAH TRANSIT AUTHORITY FOR FISCAL YEAR 2020—Introductory Section—Certificate of Achievement for Excellence in Financial Reporting” (ACFR page 10).

The Authority has submitted its Fiscal Year 2020 ACFR to GFOA to determine its eligibility for a Certificate of Achievement. The Authority believes that its Fiscal Year 2020 ACFR continues to meet the Certificate of Achievement program requirements.

To be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only.

#### **Government Finance Officers Association; Distinguished Budget Presentation Award**

GFOA has presented a Distinguished Budget Presentation Award to the Authority for its annual budget for the 21<sup>st</sup> consecutive year, beginning with Fiscal Year 2000 through Fiscal Year 2020.

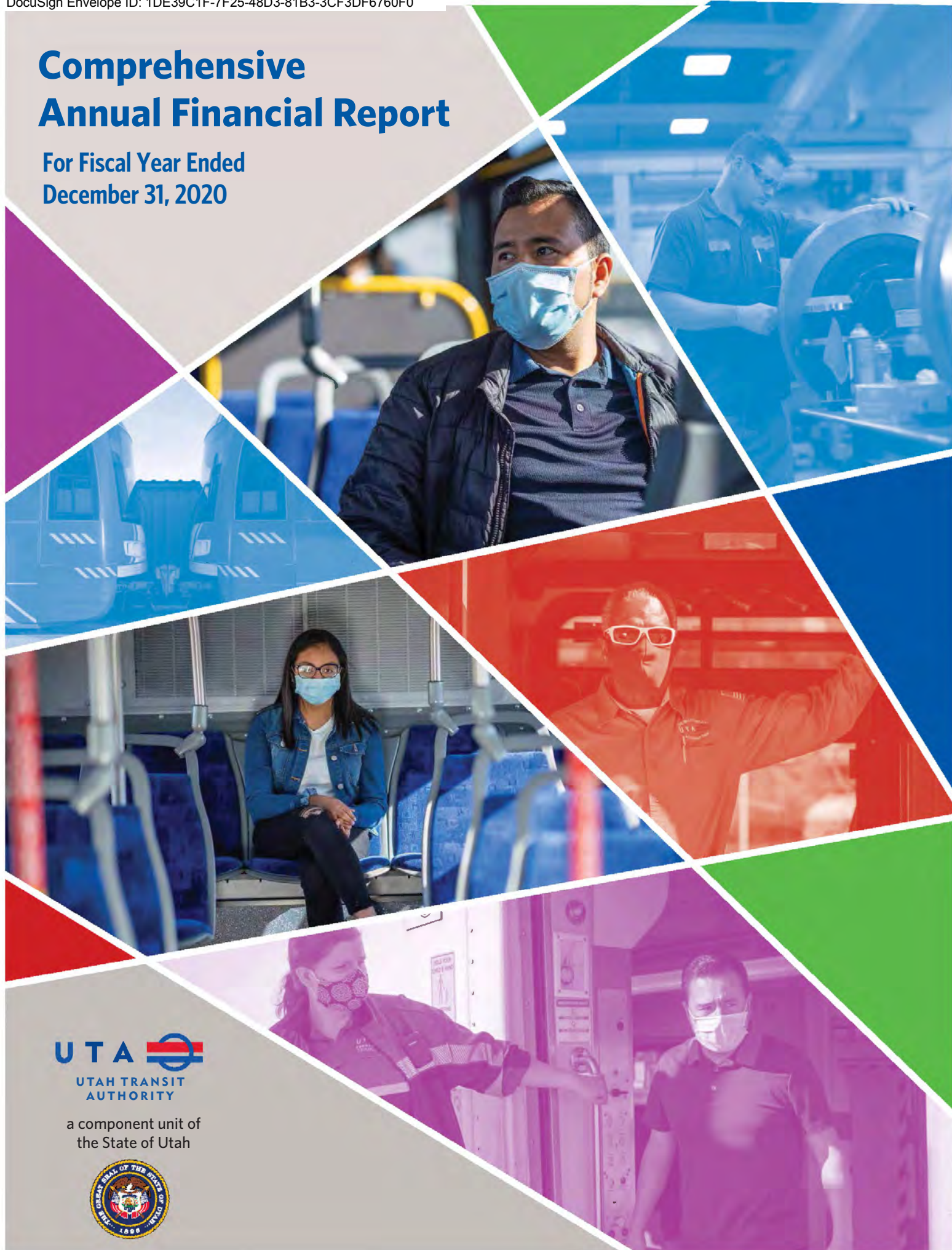
To receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan and as a communications device. The award is valid for a period of one year only.

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# Comprehensive Annual Financial Report

For Fiscal Year Ended  
December 31, 2020



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.

# **Comprehensive Annual Financial Report**

For Fiscal Year Ended  
December 31, 2020

Finance Department

**William Greene**  
Chief Financial Officer

**Troy Bingham**  
Comptroller



UTAH TRANSIT AUTHORITY  
A Component Unit of the State of Utah



# Introductory Section



UTAH TRANSIT AUTHORITY  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 Years Ended December 31, 2020

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**UTAH TRANSIT AUTHORITY**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
Years Ended December 31, 2020

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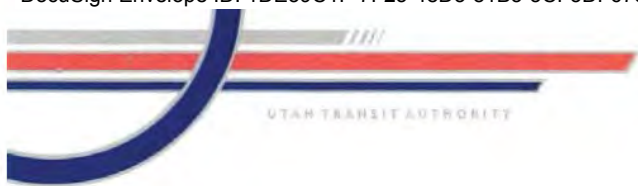
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Salt Lake City, Utah 84101  
1-888-RIDE-UTA  
[www.rideuta.com](http://www.rideuta.com)

May 21, 2021

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, 2020. 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 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 controls that have been established for this purpose. To provide a reasonable basis for making these representations, Authority management has established a comprehensive internal control framework that is designed both to protect the Authority's assets from loss, theft, or misuse and to compile sufficient statements in conformity with generally accepted accounting principles (GAAP). Because the cost of internal controls should not outweigh their benefits, the Authority's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement.

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, 2020, 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 generally GAAP. 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.

## Management's Representations

This report consists of management representations concerning the Authority's finances. Consequently, management assumes full responsibility for the completeness and reliability of all information presented in this report. To provide a reasonable basis for making these representations, the Authority's management has established a comprehensive internal control framework designed to ensure that the assets of the Authority are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with GAAP. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. 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.

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 that begins on page 20 and should be read in conjunction with it.

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

The 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 approves budgets, sets fare, hires, sets the salaries, and develops performance targets and evaluations for the Executive Director, Internal Auditor, Chief People Officer, Chief Safety, Security, and Technology Officer, 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.

According to the U.S. Census Bureau population estimates of July 1, 2018, the population of the Authority's service area is approximately 2,618,206 and represents 79 percent of the state's total population.

Utah's decade long economic expansion, the longest on record, ended in 2020 with the emergence of COVID-19. The public health crisis presented the greatest challenge to the Utah economy since the Great Recession. In the early spring, the forecast for 2020 was bleak as the unemployment rate in April climbed to roughly 10 percent. But as the year unfolded, the resiliency of the Utah economy was on full display. By November, Utah's year-over employment was down 0.2 percent, one of the smallest employment declines of any state, and the unemployment rate had dropped to 4.3 percent. Nationwide unemployment rate was 6.7 percent for the same period.

Although the job market in Utah has fared better than in any other state, not all industries escaped the impact of COVID-19. Tourism has been hard hit, data for accommodations services (hotels and motels) show a drop of 22 percent in lodging. Restaurants and fast-food establishments have also been hurt, but the impact appears to be less than expected. Take-out and delivery have given some buffer to sit-down restaurants. Retail sales activity overall has been surprisingly strong. The 2021 forecast for taxable retail sales shows an increase of 13.3 percent, with building, nurseries and grocery stores particularly strong.

While the public health crisis has been tragic, the impact of the pandemic on the Utah economy has been much milder than initially expected. A strong recovery is forecast for 2021, with employment increasing by 58,000 jobs, which would be the largest single-year increase in employment in Utah's history.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Authority for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended December 31, 2019. This was the twenty-seventh 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.

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 Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

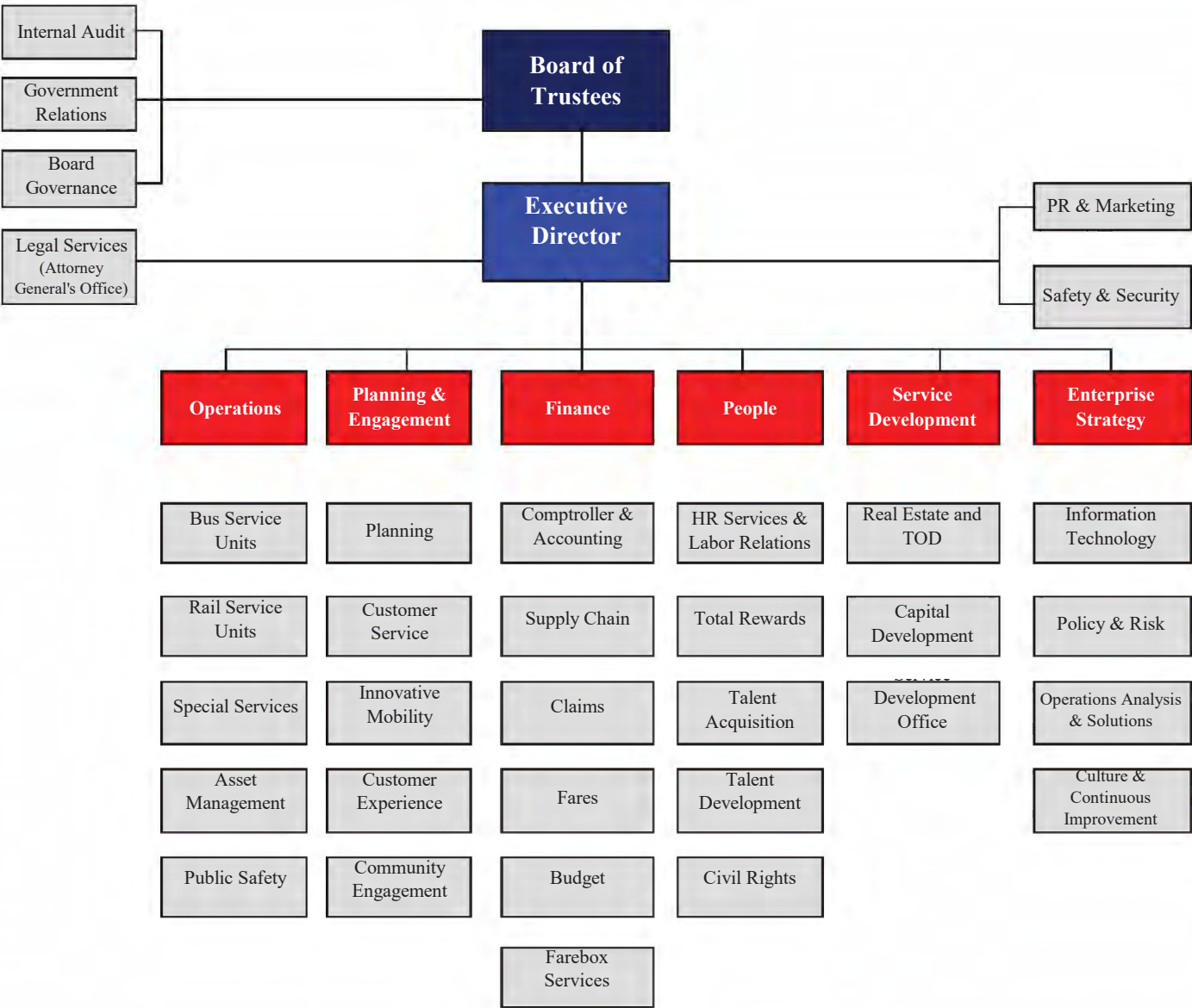
December 31, 2019

*Christopher P. Morrell*

Executive Director/CEO



Organizational Chart



## 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 .....Carolyn Gonot  
TREASURER .....William Greene  
COMPTROLLER.....Troy Bingham  
SECRETARY .....Annette Royle

Administration of the Authority

EXECUTIVE DIRECTOR .....Carolyn Gonot  
CHIEF OF INTERNAL AUDIT .....Ronald Ellis  
CHIEF COMMUNICATIONS AND MARKETING OFFICER .....Nichol Bourdeaux  
CHIEF FINANCIAL OFFICER ..... William Greene  
CHIEF OPERATING OFFICER .....Eddy Cumins  
CHIEF PEOPLE OFFICER ..... Kim Ulibarri  
CHIEF SERVICE DEVELOPMENT OFFICER .....Mary DeLoretto  
CHIEF ENTERPRISE STRATEGY OFFICER .....Alisha Garrett



## Local Advisory Council Members

Name.....	Appointing Authority
Mark Johnson.....	Utah County COG
Erin Mendenhall.....	Salt Lake City
Leonard Call .....	Weber Area COG
Erik Craythorne .....	Davis Area COG
Karen Cronin .....	Box Elder COG/Tooele COG
Julie Fullmer .....	Utah County COG
Robert Hale.....	Salt Lake County COG
Clint Smith.....	Salt Lake County COG
Troy Walker .....	Salt Lake County COG





# 2020 UTA BUS & RAIL SYSTEM MAP



Bus Route

TRAX

FrontRunner

County

Lake



# Financial



**Crowe LLP**  
Independent Member Crowe Global

## INDEPENDENT AUDITOR'S REPORT

Board of Trustees  
Utah Transit Authority  
Salt Lake City, Utah

### **Report on the Financial Statements**

We have audited the accompanying 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, 2020, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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(Continued)

## ***Opinions***

In our opinion, the 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, 2020, 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.

## ***Emphasis of Matter***

As discussed in Note 2 to the financial statements, during the year ended December 31, 2020, the Authority adopted new accounting guidance, GASB Statement No. 84, *Fiduciary Activities*, which resulted in reporting an additional employee benefit trust fund for the Joint Insurance Trust. Our opinions are not modified with respect to this matter.

## ***Other Matters***

### ***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, although not a part of the basic financial statements, is required by 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.

### ***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 introductory section, statistical section, 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.

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 the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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.

The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

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(Continued)

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2021, 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 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 30, 2021

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THE UTAH TRANSIT AUTHORITY  
FINANCIAL SECTION  
Year Ended December 31, 2020

## MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of The Utah Transit Authority's annual financial report presents our discussion and analysis of financial performance during the fiscal year ending on December 31, 2020.

Following this Management's Discussion and Analysis are the basic financial statements of the Authority, together with the notes thereto, which are essential to a full understanding of the information contained in the financial statements.

## FINANCIAL STATEMENTS

The Authority's financial statements are prepared on an accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP), promulgated by the Governmental Accounting Standards Board (GASB). The Authority reports as a single enterprise fund with two fiduciary funds. Revenues are recognized when earned and expenses are recognized in the period in which they are incurred. See the notes to the financial statements for a summary of the Authority's significant accounting policies.

## CONDENSED STATEMENTS OF NET POSITION

	2020	2019	Difference	Percent difference
<b>Assets</b>				
Current and other assets	\$ 529,958,949	\$ 454,691,660	\$ 75,267,289	17%
Capital assets, net	2,883,366,259	2,949,391,911	(66,025,652)	-2%
Total assets	3,413,325,208	3,404,083,571	9,241,637	0%
<b>Deferred outflows of resources</b>	140,645,019	101,605,576	39,039,443	38%
<b>Liabilities</b>				
Current liabilities	100,846,311	83,812,739	17,033,572	20%
Long-term liabilities	2,513,952,882	2,537,454,662	(23,501,780)	-1%
Total liabilities	2,614,799,193	2,621,267,401	(6,468,208)	0%
<b>Deferred inflows of resources</b>	21,967,293	11,653,452	10,313,841	89%
<b>Net position</b>				
Net investment in capital assets	648,605,411	692,675,681	(44,070,270)	-6%
Restricted	40,516,406	66,948,773	(26,432,367)	-39%
Unrestricted	228,081,924	113,143,840	114,938,084	102%
Total net position	\$ 917,203,741	\$ 872,768,294	\$ 44,435,447	5%

Current and other assets increased from 2019 due to the Authority receipt of federal stimulus associated with CARES Act. 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 \$95,617,240 in CARES Act funding. This offset what would have been local funding in the 2020 Budget.

Capital assets, net of related debt decreased from 2019 due to an additional year of depreciation and amortization expense of \$139,089,219 less the addition of new assets of \$73,559,238 in 2020 that replaced or added to the Authority's existing assets.



**THE UTAH TRANSIT AUTHORITY**  
**FINANCIAL SECTION**  
Year Ended December 31, 2020

CONDENSED STATEMENTS OF NET POSITION (continued)

Deferred outflows of resources increased from 2019 due to two significant taxable debt refundings that refinanced the 2012 tax exempt bonds entirely and a large portion of the 2015 tax exempt bonds. These advance refundings resulted in additional bond amounts being issued to satisfy the unearned interest on previous debt of \$44,002,809 and \$4,762,116 in March and November 2020. These amounts are amortized as interest expenses on the new bonds over the remaining life of the new bonds.

Current liabilities increased from 2019 due to \$17,033,572 in additional principal payment being required in 2020 on long-term debt.

Deferred inflows of resources increased from 2019 due to investment returns significantly exceeding the pension earnings assumption by \$10,313,841.

Restricted net position decreased from 2019 due to actions taken by the Authority in April 2020, to remove cash debt service reserves for bonds issued in 2010 and 2015, but instead used pledged securities to insure the bond holders. The required debt service reserve was reduced from \$33,026,104 at the beginning of 2020 to \$13,090,406 by the end of 2020. These remaining amount will be used to make the June 2021 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, 2020, the Authority's unrestricted net position increased \$114,938,084 from December 31, 2019. 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

	2020	2019	Difference	Percent difference
Operating revenues	\$ 34,880,272	\$ 55,111,554	\$ (20,231,282)	-37%
Operating expenses	459,473,189	457,897,920	1,575,269	0%
Excess of operating expenses over operating revenues	(424,592,917)	(402,786,366)	(21,806,551)	-5%
Non-operating revenues	544,637,971	409,257,534	135,380,437	33%
Non-operating expenses	99,898,505	147,806,337	(47,907,832)	-32%
Income (loss) before contributions	20,146,549	(141,335,169)	161,481,718	114%
Capital contributions	24,288,898	34,808,843	(10,519,945)	-30%
Change in net position	\$ 44,435,447	\$ (106,526,326)	\$ 150,961,773	142%
Total net position, January 1	\$ 872,768,294	\$ 979,294,620		
Total net position, December 31	\$ 917,203,741	\$ 872,768,294		



THE UTAH TRANSIT AUTHORITY  
FINANCIAL SECTION  
Year Ended December 31, 2020

SUMMARY OF REVENUES FOR THE YEAR ENDED DECEMBER 31

	<u>2020</u>	<u>2019</u>	<i>Difference</i>	<i>Percent difference</i>
Operating				
Passenger revenue	\$ 32,845,272	\$ 52,649,054	\$ (19,803,782)	-38%
Advertising	2,035,000	2,462,500	(427,500)	-17%
Total operating revenue	<u>34,880,272</u>	<u>55,111,554</u>	<u>(20,231,282)</u>	-37%
Non-operating				
Contributions from other gov'ts (sales tax)	361,590,707	317,797,604	43,793,103	14%
Federal noncapital assistance	160,258,318	69,746,231	90,512,087	130%
Interest income	3,525,448	6,821,490	(3,296,042)	-48%
Sale of assets	927,566	1,653,736	(726,170)	-44%
Build America Bond subsidy	8,893,288	8,891,430	1,858	0%
Other	9,442,644	4,347,043	5,095,601	117%
Total non-operating revenue	<u>544,637,971</u>	<u>409,257,534</u>	<u>135,380,437</u>	33%
Capital contributions	24,288,898	34,808,843	(10,519,945)	-30%
Total revenues	<u>\$ 603,807,141</u>	<u>\$ 499,177,931</u>	<u>\$ 104,629,210</u>	21%

The COVID-19 pandemic started in March 2020, and had a major effect on ridership. Passenger revenue typically accounts for 10 to 12 percent of the Authority's overall revenues. The pandemic has reduced the ratio of passenger revenue to overall revenue to five percent in 2020. CARES Act funding from the federal government was meant to offset those immediate revenue losses, but a substantial portion of passenger revenue is generated from non-exchange like contracts with local partners. In late 2020, these local partners started to renegotiate contracts amounts and timing of payments due to lack of ridership during the pandemic. The impact of these corporate passenger revenue reductions will be felt more in 2021.

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. In 2020, the Authority recognized \$43,793,103 increase in sales tax receipts as compared to 2019. This trend was not expected due to the economic downturn from the pandemic, but consumers increased buying during the pandemic, with strongest growth in online buying from typically commuter based counties in the Authority's service area.

In 2020, the federal government increased the amount contributed to the Authority for operating assistance by \$95,617,240 in the form of CARES Act funding. These allocations are based on a formula that factored in 2018 operating expenses of the Authority to determine the award amount.

Other revenues reflect the sales of assets, local supported routes, and miscellaneous revenues that collectively performed better than expected in 2020. The largest source of "other" revenue is from Salt Lake City for expanded and increased bus service levels in their city limits. The city paid \$4,106,847 for operations, administration, and capital leasing associated with these routes.

Capital contributions decreased by \$10,519,945 due to less State or local partners contributing less on capital projects in 2020. 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.

**THE UTAH TRANSIT AUTHORITY**  
**FINANCIAL SECTION**  
Year Ended December 31, 2020

SUMMARY OF EXPENSES FOR THE YEAR ENDED DECEMBER 31

	2020	2019	Difference	Percent difference
Operating expenses				
Bus service	\$ 107,390,047	\$ 104,570,413	\$ 2,819,634	3%
Rail service	96,041,283	77,972,467	18,068,816	23%
Paratransit service	22,646,903	23,121,527	(474,624)	-2%
Other services	3,296,275	3,247,699	48,576	1%
Operations support	46,463,776	47,056,444	(592,668)	-1%
Administration	44,545,686	36,738,745	7,806,941	21%
Capital Maintenance Projects	-	19,078,502	(19,078,502)	-100%
Depreciation	139,089,219	146,112,123	(7,022,904)	-5%
Total operating expenses	459,473,189	457,897,920	1,575,269	0%
Non-operating expenses				
Interest expense	99,898,505	96,433,336	3,465,169	4%
Net book value loss on disposal	-	51,373,001	(51,373,001)	-100%
Total non-operating expenses	99,898,505	147,806,337	(47,907,832)	-32%
Total expenses	\$ 559,371,694	\$ 554,331,256	\$ 5,040,438	1%

Operating expenses for 2020 increased \$8,598,173 from 2019 if depreciation is not included. In April 2020, service was cut to 50 percent of 2019 service levels as ridership dropped in reaction to the COVID-19 pandemic. By late August 2020, the Authority increased service levels to 91 percent of 2019 service levels in response to higher education restarting in the fall. The temporary reductions in service allowed the Authority to save money, but new COVID-19 cleaning protocols, and retention of staff cost being incurred as a response to the COVID-19 pandemic were greater than the temporary savings.

Capital maintenance expenses are significant but infrequent non-capital expenses that are not directly attributed to each mode of transit. Capital maintenance projects in 2020 are no longer reported as a separate mode, but are now incorporated in the modal expense they benefit. The following chart shows the amount allocated to each mode:

	2020	2019	Difference	Percent difference
Capital Maintenance Projects				
Bus service	\$ 2,935,739	\$ 6,064,120	\$ (3,128,381)	-52%
Rail service	22,009,771	9,534,221	12,475,550	131%
Paratransit service	4,802	48,291	(43,489)	-90%
Administration	5,025,154	3,431,870	1,593,284	46%
Total capital maintenance expenses	\$ 29,975,466	\$ 19,078,502	\$ 10,896,964	57%





THE UTAH TRANSIT AUTHORITY  
FINANCIAL SECTION  
Year Ended December 31, 2020

SUMMARY OF EXPENSES FOR THE YEAR ENDED DECEMBER 31 (continued)

	2020	2019	Difference	Percent difference
Operating expense less depreciation	\$ 320,383,970	\$ 311,785,797	\$ 8,598,173	2.8%
Wages	153,887,948	150,740,728	3,147,220	2.1%
Benefits	72,156,293	70,530,094	1,626,199	2.3%
Operations less wages/benefits	94,339,729	90,514,975	3,824,754	4.2%
Personnel cost	\$ 226,044,241	\$ 221,270,822	\$ 4,773,419	2.2%
% of operating expense	70.6%	71.0%	-0.4%	-0.6%

Like most transit service agencies, personnel is the Authority's largest expense. Personnel cost for the Authority in 2020 was 70.6 percent of total operating expense less depreciation expense. Overall, personnel cost increased \$4,773,419 in 2020 due to the Authority increasing salaries and holding staffing levels constant even when service level were reduced due to the COVID-19 pandemic. Federal operating assistance grants encouraged transit agencies to not reduce the workforce during the COVID-19 pandemic to provide service for transit dependent workers and help stimulate the economy.

Operating expense less personnel cost increased \$3,824,754 mainly due to cost for goods and services to respond to the COVID-19 pandemic.

CAPITAL ASSET ACTIVITY

	2020	2019	Difference	Percent difference
Land	\$ 410,537,405	\$ 408,225,179	\$ 2,312,226	1%
Construction in process	137,936,777	139,699,345	(1,762,568)	-1%
Infrastructure	2,500,620,104	2,608,295,878	(107,675,774)	-4%
Building and building improvements	213,225,412	136,570,313	76,655,099	56%
Revenue vehicles	752,974,669	752,446,315	528,354	0%
Leased revenue vehicles	71,632,600	66,592,155	5,040,445	8%
Equipment	66,536,885	64,604,128	1,932,757	3%
Land improvements	148,507,252	105,928,156	42,579,096	40%
Leased land improvements	84,485,965	84,485,965	-	0%
Intangibles	54,745,003	14,392,209	40,352,794	280%
Accumulated depreciation and amortization	(1,557,835,813)	(1,431,847,732)	(125,988,081)	9%
Total capital assets, net	\$ 2,883,366,259	\$ 2,949,391,911	\$ (66,025,652)	-2%

**\*\*Readers wanting additional information should refer to Note 4 in the notes to the financial statements\*\***

The Authority continued to better define categories of capital asset. This resulted in transfers of assets from infrastructure category to building and land improvement categories (see Footnote 4 for more details).

The increase of \$125,988,081 in accumulated depreciation and amortization represents an additional year of depreciation and amortization expenses less the non-cash losses from the disposal of assets that were not fully depreciated at time of disposal.

The increase in intangible assets reflects the capitalization of the Positive Train Control (PTC) software specific to FrontRunner for \$32,761,019 that took the Authority five years to develop. These train control systems were required for all heavy rail systems by the Federal Railroad Administration to insure safer operation with multiple trains operating on the same track network.

THE UTAH TRANSIT AUTHORITY  
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## DEBT ADMINISTRATION

Bond rating agencies have rated the Authority based on the types of bonds issued and an analysis of several financial conditions and influencing factors. The following chart summarizes those ratings by bond and agency:

### Ratings Summary

Source: Zions Bank Financial Advisors

Effective date: November 2020

	Standard & Poor's	Fitch	Moody's
Senior Lien Bonds			
Current rating	AA	AA	Aa2
Outlook	Negative	Negative	Stable
Subordinate Lien Fixed Rate Bonds			
Current rating	A+	AA	A1
Outlook	Stable	Negative	Stable

These 2020 rating reflected negative outlooks for both lien types for Fitch. Fitch's outlooks are transit industry wide responses due to the COVID-19 pandemic. Standard and Poor's also changed their outlook on senior lien bonds due to the Authority's proximity to debt limits described below.

**\*\*Readers wanting additional information should refer to Note 9 in the notes to financial statements\*\***

### New Issues

During 2020, the Authority issued the following bonds:

March 19, 2020 - \$216,650,000 of proceeds from the Federally Taxable Sales Tax Revenue Refunding Bonds, Series 2020 were used to refund the refundable maturities of the Series 2015 subordinate lien revenue bonds.

November 12, 2020 - \$74,750,000 of proceeds from the Federally Taxable Subordinate Sales Tax Revenue Refunding Bonds, Series 2020B were used to refund the remaining maturities of the Series 2012 subordinate lien revenue bonds.

### Limitations on Debt

If the Authority issues General Obligation Bonds, according to Utah State law, the amount of debt issued by the Authority cannot exceed three percent of the assessed valuation of real property located within the regional transit authority's district.

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

Debt Service Coverage Ratio (DSCR)	Policy Minimum DSCR Requirements	Minimum DSCR Forecasted	Year of Minimum
Senior Lien	2.0x	2.0x	2029
Subordinate Lien	1.2x	1.2x	2029

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SUMMARY OF DEBT ADMINISTRATION ACTIVITY (continued)

The Authority's net coverage ratio would reach a minimum of 2.29 in 2029 which corresponds to the first year of the Authority's maximum annual debt service projected. Adherence to other minimum debt service coverage ratios are detailed in the table below.

Year	2020 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 Projected Debt Service Coverage Ratio
2020	\$ 288,981,529	\$ 86,551,344	3.34	\$ 41,594,642	6.95	2.26
2021	313,598,560	94,076,195	3.33	41,136,364	7.62	2.32
2022	329,278,488	98,153,494	3.35	43,801,739	7.52	2.32
2023	345,742,412	104,042,862	3.32	46,453,864	7.44	2.30
2024	363,029,533	104,045,729	3.49	46,447,864	7.82	2.41
2025	381,181,010	105,981,925	3.60	46,451,239	8.21	2.50
2026	381,181,010	105,984,163	3.60	46,454,239	8.21	2.50
2027	381,181,010	104,006,936	3.66	56,389,489	6.76	2.38
2028	381,181,010	104,002,611	3.67	56,380,739	6.76	2.38
2029	381,181,010	104,020,220	3.66	62,633,539	6.09	2.29
2030	381,181,010	104,111,562	3.66	62,611,564	6.09	2.29
2031	381,181,010	104,115,381	3.66	62,632,164	6.09	2.29
2032	381,181,010	103,867,109	3.67	62,633,670	6.09	2.29
2033	381,181,010	126,122,973	3.02	40,274,295	9.46	2.29
2034	381,181,010	126,126,238	3.02	40,273,745	9.46	2.29
2035	381,181,010	126,125,325	3.02	40,274,451	9.46	2.29
2036	381,181,010	127,432,659	2.99	34,966,051	10.90	2.35
2037	381,181,010	125,833,888	3.03	36,566,700	10.42	2.35
2038	381,181,010	123,415,219	3.09	38,980,308	9.78	2.35
2039	381,181,010	99,960,375	3.81	62,436,883	6.11	2.35
2040	381,181,010	11,657,724	32.70	150,946,856	2.53	2.34
2041	381,181,010	79,316,687	4.81	66,369,476	5.74	2.62
2042	381,181,010	122,206,633	3.12	23,475,138	16.24	2.62
2043	381,181,010	4,445,000	85.76			85.76
2044	381,181,010	4,439,300	85.87			85.87

THE UTAH TRANSIT AUTHORITY  
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SUMMARY OF DEBT ADMINISTRATION ACTIVITY (continued)

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

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 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 to aid transit districts in their response to the health crisis. Expenditures of this federal funding are subject to audit by the Federal Transit Administration (FTA) 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 FTA. See the results of the Single Audit in the Authority's Single Audit Report for further information.

The fiscal year 2021 Authority Budget is \$326,546,000, which is a 3.2 percent increase from fiscal year 2020.

Operating Statistics

On time performance for 2020 was 90.6%.

The following information provides an annual comparison of ridership by service for years 2020 and 2019.

*Source: National Transit Database*

	<b>2020</b>	<b>2019</b>	<b>Difference</b>	<b>Percent difference</b>
Bus service	12,441,304	20,799,642	(8,358,338)	-40.2%
Light rail service	8,247,364	17,128,008	(8,880,644)	-51.8%
Commuter rail service	2,024,524	5,193,879	(3,169,355)	-61.0%
Paratransit service	187,112	388,265	(201,153)	-51.8%
Vanpools	658,990	1,068,364	(409,374)	-38.3%
Total ridership	23,559,294	44,578,158	(21,018,864)	-47.2%

The Authority had a 47.2 percent decrease in ridership in 2020 due to the COVID-19 pandemic.

Both commuter and light rail services have shown the largest drop in ridership due to less frequent service the Authority implemented in response to the reduced ridership. 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](mailto:tbingham@rideuta.com).

UTAH TRANSIT AUTHORITY  
 FINANCIAL SECTION  
 As of December 31, 2020

## STATEMENTS OF NET POSITION

	<u>2020</u>
<b>ASSETS</b>	
<b>Current Assets:</b>	
Cash and cash equivalents	\$ 185,542,606
Investments	20,061,732
Restricted cash and cash equivalents (bond funds)	16,457,844
Receivables	
Contributions from other governments (sales tax)	70,537,845
Federal grants	28,866,419
Other	7,084,940
State of Utah	3,619,783
Parts and supplies inventories	34,422,837
Prepaid expenses	2,448,303
<b>Total Current Assets</b>	<u>369,042,309</u>
<b>Noncurrent Assets:</b>	
Restricted assets (Cash equivalents and investments)	
Bonds funds	13,093,632
Interlocal agreements	4,236,800
Escrow funds	106,067,907
Self-insurance deposits	7,745,463
Total restricted assets	<u>131,143,802</u>
Non-depreciable capital assets	
Land	410,537,405
Construction in progress	137,936,777
Total non-depreciable capital assets	<u>548,474,182</u>
Depreciable Capital Assets:	
Land improvements	148,507,252
Leased Land Improvements	84,485,965
Building and building improvements	213,225,412
Infrastructure	2,500,620,104
Revenue vehicles	752,974,669
Leased revenue vehicles	71,632,600
Equipment	66,536,885
Intangibles	54,745,003
Total depreciable capital assets	<u>3,892,727,890</u>
Total capital assets	<u>4,441,202,072</u>
Less accumulated depreciation and amortization	<u>(1,557,835,813)</u>
Total capital assets, net depreciation	2,883,366,259
Amount recoverable - interlocal agreement	20,272,838
Other assets	9,500,000
<b>Total Noncurrent Assets</b>	<u>3,044,282,899</u>
<b>TOTAL ASSETS</b>	<u>\$ 3,413,325,208</u>

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



UTAH TRANSIT AUTHORITY  
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**STATEMENTS OF NET POSITION (continued)**

	<b>2020</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Advanced debt refunding	\$ 118,677,922
Deferred outflows of resources related to pension	21,967,097
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>140,645,019</b>
<b>LIABILITIES</b>	
<b>Current Liabilities:</b>	
Accounts payable:	
Other	21,721,896
State of Utah	309,217
Accrued liabilities, primarily payroll-related	8,455,516
Current portion of accrued interest	9,266,627
Current portion of interlocal loan	1,885,735
Current portion of long-term debt	46,922,208
Accrued self-insurance liability	1,017,333
Unearned revenue	11,267,779
<b>Total Current Liabilities</b>	<b>100,846,311</b>
<b>Long-Term Liabilities:</b>	
Long-term compensated absences	14,338,107
Long-term deposits	1,357,094
Long-term accrued interest	2,990,412
Interlocal loan	63,779,861
Long-term debt	2,334,703,811
Long-term net pension liability	96,783,597
<b>Total Long-term Liabilities</b>	<b>2,513,952,882</b>
<b>TOTAL LIABILITIES</b>	<b>2,614,799,193</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred inflows of resources related to pension	21,967,293
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>21,967,293</b>
<b>NET POSITION</b>	
Net investment in capital assets	648,605,411
Restricted for:	
Debt service	29,551,476
Interlocal agreements	4,236,800
Self-insurance deposits	6,728,130
Unrestricted	228,081,924
<b>TOTAL NET POSITION</b>	<b>\$ 917,203,741</b>

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

UTAH TRANSIT AUTHORITY  
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 Year Ended December 31, 2020

## **STATEMENT OF EXPENSES AND CHANGE IN NET POSTION**

	<b><u>2020</u></b>
<b>OPERATING REVENUES</b>	
Passenger fares	\$ 32,845,272
Advertising	2,035,000
Total operating revenues	<u>34,880,272</u>
<b>OPERATING EXPENSES</b>	
Bus service	107,390,047
Rail service	96,041,283
Paratransit service	22,646,903
Other service	3,296,275
Operations support	46,463,776
Administration	44,545,686
Depreciation	139,089,219
Total operating expenses	<u>459,473,189</u>
<b>EXCESS OPERATING EXPENSES OVER OPERATING REVENUES</b>	<u><b>(424,592,917)</b></u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>	
Contributions from other governments (sales tax)	361,590,707
Federal operating grants	160,258,318
Investment income	3,525,448
Sale of Assets	927,566
Other	9,442,644
Interest expense	(99,898,505)
Build America Bond subsidies	8,893,288
Net non-operating revenues	<u>444,739,466</u>
<b>INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS</b>	<u><b>20,146,549</b></u>
<b>CAPITAL CONTRIBUTIONS</b>	
Federal grants	20,898,309
Local	3,238,849
Capital contribution	151,740
<b>TOTAL CAPITAL CONTRIBUTIONS</b>	<u><b>24,288,898</b></u>
<b>CHANGE IN NET POSITION</b>	<u><b>\$ 44,435,447</b></u>
 Total Net Position, January 1	 \$ 872,768,294
 Total Net Position, December 31	 \$ 917,203,741

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

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FINANCIAL SECTION  
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## **STATEMENT OF CASHFLOWS**

**Cash flows from operating activities:**

Passenger receipts	\$ 30,683,121
Advertising receipts	453,553
Other receipts	9,442,644
Payments to vendors	(94,793,255)
Payments to employees	(154,354,190)
Employee benefits paid	(75,525,939)
<b>Net cash used in operating activities</b>	<b>(284,094,066)</b>

**Cash flows from noncapital financing activities:**

Sales tax receipts	356,229,453
Federal operating/maintenance grants	152,968,543
<b>Net cash provided by noncapital financing activities</b>	<b>509,197,996</b>

**Cash flows from capital and related financing activities:**

Contributions for capital projects	
Federal	16,285,407
Local	6,622,008
Proceeds from revenue bond escrow deposits	(2,724,320)
Payments of bonds	(31,200,000)
Payments on interlocal loan	(6,107,886)
Build America Bond subsidies received	8,893,288
Bond Interest payments	(96,774,945)
Proceeds from leases	12,590,000
Payment on leases	(7,513,809)
Purchases of capital assets	(67,520,440)
Proceeds from the sale of property	927,566
<b>Net cash used in capital and related financing activities</b>	<b>(166,523,131)</b>

**Cash flows from investing activities:**

Interest on investments	3,342,053
Purchases of investments	10,920,000
Proceeds from the sales of investments	(19,061,577)
<b>Net cash used in investing activities</b>	<b>(4,799,524)</b>

Net increase in cash and cash equivalents	\$ 53,781,275
Cash and cash equivalents at beginning of year	279,362,977
Cash and cash equivalents at end of year	333,144,252

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

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## **STATEMENT OF CASHFLOWS (continued)**

### **Reconciliation of Cash to the Statement of Net Position**

Cash and cash equivalents at year end from cash flows	\$ 333,144,252
Cash as reported on the Statement of Net Position	
Cash and cash equivalents	185,542,606
Restricted assets (cash equivalents)	
Bonds funds	29,551,476
Interlocal agreements	4,236,800
Escrow funds	106,067,907
Self-insurance deposits	7,745,463
<b>Total cash and cash equivalents</b>	<b>\$ 333,144,252</b>

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

Operating loss	\$ (424,592,917)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation	139,089,219
Other operating revenues	9,442,644
Changes in deferred outflow/inflow of resources and net pension liability:	
Deferred outflows of resources related to pension	(8,507,144)
Deferred inflows of resources related to pension	10,313,841
Net pension liability	(7,081,242)
Total changes in deferred outflow/inflow of resources and net pension liability	(5,274,545)
Changes in assets and liabilities:	
Accounts receivable - Other and State of Utah	1,667,028
Parts and supplies inventories	1,620,997
Prepaid expenses	(149,170)
Accounts payable - Other and State of Utah	(3,075,438)
Accrued liabilities	(146,279)
Unearned revenue	(2,675,605)
Total changes in assets and liabilities:	(2,758,467)
<b>Net cash used in operating activities</b>	<b>\$ (284,094,066)</b>

### **Information about noncash investing, capital, and financing activities:**

Change in fair value of investments	\$ 160,221
Capital asset acquisitions in accounts payable	10,691,789
Payments from refunding escrows:	
2012A Non-Taxable Bonds in Escrow	216,650,000
2015A Non-Taxable Bonds in Escrow	74,750,000

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

UTAH TRANSIT AUTHORITY  
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## STATEMENT OF FIDUCIARY NET POSITION

	<u>Pension and Other Employment Benefit Trust Funds</u>
<b>ASSETS</b>	
Cash in Bank	\$ 2,197,488
Cash in Utah State Treasury	444,578
Total Cash	<u>2,642,066</u>
Investments	
Global Equities	180,702,335
Fixed Income	59,948,353
Liquid Diversifiers	13,969,240
Real assets	10,947,340
Money Market	13,119,226
Total Investments	<u>278,686,494</u>
Prepaid Benefits	1,167,307
Deposits	104,795
Receivables	
Dividends Receivable	211
Accounts Receivable - Benefits	3,879
Accounts Receivable - Contributions	3,207,801
Total Receivables	<u>3,211,891</u>
<b>TOTAL ASSETS</b>	<u><b>285,812,553</b></u>
<b>LIABILITIES</b>	
Benefits Payable	10,722
Accounts Payable	130,000
<b>TOTAL LIABILITIES</b>	<u><b>140,722</b></u>
<b>NET POSITION</b>	
Restricted for:	
Pension	279,905,104
Benefit Other Than Pension	5,766,727
Total Net Position	<u><u><b>\$ 285,671,831</b></u></u>

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

UTAH TRANSIT AUTHORITY  
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## **STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**

	<b>Pension and Other Employment Benefit Trust Funds</b>
<b>ADDITIONS</b>	
Employer Contributions	\$ 44,079,123
Participant Voluntary Contributions	654,211
Total Contributions	<u>44,733,334</u>
Net Investment Income	
Net Appreciation in Fair Value of Investments	33,693,794
Interest	52,370
Dividends	919,037
Total Investment Income	<u>34,665,201</u>
Less: Investment Expense	<u>771,700</u>
Net Investment Income	<u>33,893,501</u>
<b>TOTAL ADDITIONS</b>	<b><u>78,626,835</u></b>
<b>DEDUCTIONS</b>	
Monthly Benefits Paid	31,939,232
Lump Sum Distributions	6,879,961
Administrative Expense	489,653
<b>TOTAL DEDUCTIONS</b>	<b><u>39,308,846</u></b>
<b>CHANGE IN NET POSITION</b>	<b><u>\$ 39,317,989</u></b>
Total Net Position, January 1, as restated	\$ 246,353,842
Total Net Position, December 31	\$ 285,671,831

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

UTAH TRANSIT AUTHORITY  
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**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 Utah State Senate for confirmation. Once confirmed, an appointee is sworn in as a trustee.

The 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 financials.

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 and notes to this account can be found in note 8 of these financial statements. 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 and notes to this account can be found in note 7 of these financial statements. Separate financial statements are not created.

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

These conclusions regarding the financial reporting entity are based on the concept of financial accountability. The Authority is accountable for a separate employee pension from the Utah State Retirement System and jointly administers a joint insurance trust with the collective bargaining group that

UTAH TRANSIT AUTHORITY  
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**NOTE 1 – DESCRIPTION OF THE AUTHORITY OPERATIONS AND DEFINITION (continued)**

represents active union employees. Additionally, the Authority has considered the provisions of GASB No. 39 which follows the concept of economic independence. The Authority does not raise or hold economic resources for the direct benefit of another governmental units. Also, other governments do not have the ability to access economic resources held by the Authority. This is evidenced by the fact that the Authority is a legally and fiscally separate and distinct organization under the provision of the Utah State Code.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

A. Basis of Accounting

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

B. Standards for Reporting Purposes

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

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

C. Federal Operating Grants

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

D. Federal Grants for Capital Expenditures

The U.S. Department of Transportation, through contracts between the Authority and the FTA, provides federal funds of 35% to 100% of the cost of property, facilities and equipment acquired by the Authority through federal grants. Grant funds for capital expenditures are earned and recorded as capital contribution revenue when the capital expenditures are made 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.



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Year Ended December 31, 2020

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

- *Non-operating revenues:* Non-operating revenues include activities that have the characteristics of non-exchange transactions and other revenue sources that are defined as non-operating revenues by GASB Statement No. 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting*, and GASB Statement No. 34. Examples of non-operating revenues would be the contributions from other governments (sales tax), federal grants and investment income.
- *Non-operating expenses:* Non-operating expenses include payments from transactions defined as capital and related financing, non-capital financing or investing activities.

F. Contributions from Other Governments

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

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

Salt Lake County	0.8500%
Davis County	0.6500%
Weber County	0.6500%
Box Elder County	0.5500%
Utah County	0.6300%
Tooele County	0.4000%

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.

	2020
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.	\$ 16,457,844
The Authority is required to maintain certain accounts in connection with the issuance of bonds which are restricted per the bond covenants.	13,093,632
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.	4,236,800
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.	106,067,907
The Authority is required to maintain certain accounts in connection with being self-insured in the State of Utah.	7,745,463

UTAH TRANSIT AUTHORITY  
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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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:

	2020
General reserve	\$ 58,778,000
Service sustainability reserve	9,796,000
Capital replacement reserve	44,338,000
Debt reduction reserve	30,000,000
Total designated cash and cash equivalents	<u>\$ 142,912,000</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 comprehensive annual 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

UTAH TRANSIT AUTHORITY  
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Year Ended December 31, 2020

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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 vehicles	8 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.

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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**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.

**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.

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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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 risk.
- *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, 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 related to pensions

U. Deferred Inflows of Resources

Deferred inflows of resources are reported in a separate section, immediately following liabilities, 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 inflows related to pensions

V. Implemented Accounting Pronouncements

GASB Statement 83  
*Certain Asset Retirement Obligations*  
Took effect for reporting periods beginning after June 15, 2019  
No effect on the Authority's financial statements

UTAH TRANSIT AUTHORITY  
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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

GASB Statement 84

*Fiduciary Activities*

Took effect for reporting periods beginning after December 15, 2019

This separated the Joint Insurance Trust as a blended component unit to a stand-alone fiduciary fund

GASB Statement Implementation Guide No. 2019-2

Took effect for reporting periods beginning after December 15, 2019

This separated the Joint Insurance Trust as a blended component unit to a stand-alone fiduciary fund

GASB Statement 88

*Certain Disclosures Related to Debt, including Direct Borrowing and Direct Placements*

Took effect for reporting periods beginning after June 15, 2019

The required more debt disclosures in the footnotes to the financial statements and regrouping of the Authority's long-term debt into direct borrowing and direct placement in those same footnotes

GASB Statement 90

*Majority Equity Interests—an amendment of GASB Statements No. 14 and No. 61*

Took effect for reporting periods beginning after December 15, 2019

No effect on the Authority's financial statements

GASB Implementation Guide No. 2018-1

Took effect for reporting periods beginning after June 15, 2019

No effect on the Authority's financial statements

**W. Future Accounting Pronouncements**

GASB Statement 87

*Leases*

Takes effect for reporting periods beginning after June 15, 2021

Management is currently evaluating the impact of this statement on the Authority's financial statements

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 expected effect on the Authority's 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. 2019-1

Takes effect for reporting periods beginning after June 15, 2020

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

GASB Statement 92

*Omnibus 2020*

Takes effect for reporting periods beginning after June 15, 2021

No expected effect on the Authority's financial statements



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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

GASB Statement 93

*Replacement of Interbank Offered Rates*

Takes effect for reporting periods beginning after June 15, 2020

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

No expected effect on the Authority's financial statements

GASB Statement 97

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

Takes effect for reporting periods beginning after June 15, 2021

No expected effect on the Authority's financial statements

GASB Implementation Guide No. 2020-1

Takes effect for reporting periods beginning after June 15, 2021

No expected effect on the Authority's financial statements

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### NOTE 3 – CASH AND CASH EQUIVALENTS

#### Unrestricted Cash and Investments

Consisting of the following as of December 31, 2020

Zions Bank	\$ 8,086,992
Cash on Hand	295,196
Zions Capital Advisors	
Public Treasurers Investment Fund	9,235,028
Public Treasurers Investment Fund	167,925,390
Total Cash and Cash Equivalents	185,542,606
Zions Capital Advisors	
Agency	1,551,622
Corporate	18,510,110
Total Investments	20,061,732
Total Cash and Investments	\$205,604,338

#### 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, 2020 and 2019, the balances in the Authority's bank demand deposit accounts and certificate of deposit accounts according to the bank statements totaled \$14,659,414 and \$42,611,072, respectively, of which \$250,000 and \$261,276 were covered by Federal depository insurance.

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



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**NOTE 3 – CASH AND CASH EQUIVALENTS (continued)**

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. The following investments are greater than 5% of the total portfolio and represent a concentration of credit risk to the portfolio as of December 31, 2020.

Investment	Credit Quality (Rating)	Amount	Credit Exposure as a % of Total Investment
Caterpillar Financial Services	A	\$ 1,402,213	6.99%
Honeywell International	A-	1,406,160	7.01%
Canadian Imperial Bank	BBB+	1,362,771	6.79%
Goldman Sachs Group Inc.	BBB+	1,413,039	7.04%
Truist Bank	A	1,007,778	5.02%
Federal Home Loan Bank	AAA	1,551,622	7.73%
America Honda Financial Corp	A-	1,003,664	5.00%
Comcast Corp	A-	1,003,078	5.00%
Daimler Finance North America	BBB+	1,359,825	6.78%
Investments > 5%		<u>\$ 11,510,151</u>	<u>57%</u>

- *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, 2020:

Investments		Less than 1	1-3 years	Total
U.S. Agencies	AAA	\$ 1,551,622	\$ -	\$ 1,551,622
Corporate Bonds	AAA, AA+ to AA-, A+ to A-, BBB+ to BBB-	5,997,867	12,512,243	18,510,110
Total Investments		<u>\$ 7,549,489</u>	<u>\$ 12,512,243</u>	<u>\$ 20,061,732</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).

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**NOTE 3 – CASH AND CASH EQUIVALENTS (continued)**

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

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

Level 2: Inputs include:

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

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

The Authority's corporate bonds are measured using quoted prices for similar assets in active markets.

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 and the Utah Public Treasurers Investment Fund. Both of these organizations meet the requirements of the Utah Money Management Act. The following are the Authority's investment as of December 31, 2020 by organization and by fair value measurement:

	12/31/2020	Fair Value Measurements		
		Level 1	Level 2	Level 3
Zions Capital Advisors				
Agency	\$ 1,551,622	\$ 1,551,622	\$ -	\$ -
Corporate	18,510,110	-	18,510,110	-
Total Investments by Fair Value Level	<u>\$ 20,061,732</u>	<u>\$ 1,551,622</u>	<u>\$ 18,510,110</u>	<u>\$ -</u>



UTAH TRANSIT AUTHORITY  
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**NOTE 4 – CAPITAL ASSETS**

	Balance 1/1/2020	Increases	Transfers	Decreases	Balance 12/31/2020
Capital assets not being depreciated					
Land	\$ 408,225,179	\$ 1,209,378	\$ (1,329,273)	\$ 2,432,121	\$ 410,537,405
Construction in Progress	39,699,345	72,660,597	-	(74,423,165)	37,936,777
Total capital assets not being depreciated	547,924,524	73,869,975	(1,329,273)	(71,991,044)	548,474,182
Capital assets being depreciated					
Land improvements	5,928,156	4,425,016	38,154,080	-	48,507,252
Leased Land Improvements	84,485,965	-	-	-	84,485,965
Buildings and Building Improvements	245,182,707	5,941,260	(37,830,846)	(67,709)	213,225,412
Infrastructure	2,499,683,484	10,981,092	(51,344)	(9,993,128)	2,500,620,104
Revenue Vehicles	752,446,315	-	5,471,965	(4,943,611)	752,974,669
Leased Revenue Vehicles	66,592,155	13,161,921	(8,081,554)	(39,922)	71,632,600
Equipment	60,703,740	5,114,889	1,149,626	(431,370)	66,536,885
Intangibles	18,292,597	33,935,060	2,517,346	-	54,745,003
Total capital assets being depreciated	3,833,315,119	73,559,238	1,329,273	(15,475,740)	3,892,727,890
Less: Accumulated depreciation					
Land Improvements	(57,701,976)	(7,221,307)	(18,106,382)	191,369	(82,838,296)
Leased Land Improvements	(3,172,841)	(1,685,452)	-	-	(4,858,293)
Buildings and Building Improvements	(103,589,326)	(16,394,014)	18,047,915	-	(101,935,425)
Infrastructure	(786,259,061)	(76,150,608)	89,814	7,615,611	(854,704,244)
Revenue Vehicles	(400,650,304)	(21,055,626)	(2,801,368)	4,922,644	(419,584,654)
Leased Revenue Vehicles	(16,991,444)	(8,305,307)	5,323,508	29,130	(19,944,113)
Equipment	(55,242,273)	(1,406,694)	(924,207)	342,386	(57,230,788)
Intangibles	(8,240,507)	(6,870,211)	(1,629,280)	-	(16,739,998)
Total accumulated depreciation	(1,431,847,732)	(139,089,219)	-	13,101,140	(1,557,835,813)
Capital assets being depreciated, net	2,401,467,387	(65,529,981)	1,329,273	(2,374,600)	2,334,892,079
Total capital assets, net	\$ 2,949,391,911	\$ 8,339,994	\$ -	\$ (74,365,644)	\$ 2,883,366,259

During 2020, UTA evaluated its capital assets and the associated accumulated depreciation of those assets and saw the need to better define asset useful lives for all Revenue Vehicles. This evaluation has led to change in useful lives of revenue vehicles to be consistent for all assets in those respective categories. These new useful lives reflect the changing understanding of how long a transit revenue vehicle is lasting after a decade of running service in the northern Utah environment. These changes in accounting estimates are reflected in the current year depreciation expense decrease from \$146.1 million in 2019 to \$139 million in 2020. Due to the revaluation of UTA's capital assets, a decrease in depreciation expense for 2020 of approximately \$7 million has been reflected for Revenue Vehicles in the financials. The change in useful life from 2019 to 2020 by vehicle type is illustrated below.

Change in Useful Lives	2019 to 2020
35 Ft. Bus	10 Years to 14 Years
40 Ft. Bus	12 Years to 14 Years
FLEX/Paratransit	6 Years to 8 Years
Vanpool Van	5 Years to 8 Years
Light Rail	25-27 Years to 30 Years
Commuter Rail	30 Years to 35 Years

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NOTE 4 - CAPITAL ASSETS (continued)

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

Depreciation Expense	2020
Bus Service	\$ 29,795,825
Rail Service	102,351,430
Paratransit Service	3,215,090
Other Services	3,726,874
Total Depreciation Expense	\$ 139,089,219

Management evaluates capital assets for impairment when events or changes in circumstances suggest that the service utility of a capital asset may have significantly and unexpectedly declined. This year's impairment loss was \$6,538,469 for the following assets:

<u>Impairment List</u>	<u>Asset #</u>	<u>Useful Life Currently</u>	<u>New Useful Life</u>
<b>Vehicles</b>			
Full-size Transit Vans w/ Lifts	17251	96 months	96 months
Full-size Transit Vans w/ Lifts	17252	96 months	96 months
Full-size Transit Vans w/ Lifts	17253	96 months	96 months
Full-size Transit Vans w/ Lifts	17254	96 months	96 months
Full-size Transit Vans w/ Lifts	17256	96 months	96 months
Wrecked Freightliner Bucket Truck	12628	60 months	Fully depreciated
Antique Bus	8101		600 months
9000 MCI Express	9056		600 months
9700 Gillig M-11	9740		600 months
9900 Gillig 40 Foot	9963		600 months
9900 Gillig 40 Foot	9977		600 months
GMC Antique Bus	2015		600 months
1998 SENATOR BUS	12654		Disposal happening in 2021
2012 Chevy Glaval	12208		600 months
Comet Car Out-of-Service	323	420 months	132 months
Comet Car Out-of-Service	302	420 months	132 months
Comet Car Out-of-Service	303	420 months	132 months
Comet Car Out-of-Service	305	420 months	132 months
Comet Car Out-of-Service	309	420 months	132 months
Comet Car Out-of-Service	310	420 months	132 months
Comet Car Out-of-Service	313	420 months	132 months
Comet Car Out-of-Service	315	420 months	132 months
Comet Car Out-of-Service	316	420 months	132 months
Comet Car Out-of-Service	317	420 months	132 months
Comet Car Out-of-Service	319	420 months	132 months
Comet Car Out-of-Service	320	420 months	132 months
<b>Building</b>			
Kiosk at SL Central	NEW9310	60 months	480 months

UTAH TRANSIT AUTHORITY  
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**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.

	<u>2020</u>
Operating assistance	
Federal preventive maintenance grants	\$ 64,465,168
Federal operating assistance – CARES grant	95,617,240
Federal operating assistance grants	<u>175,910</u>
	160,258,318
Capital projects	
Federal capital projects – CARES grant	1,290,132
Federal capital projects	<u>19,608,177</u>
	20,898,309
Total federal assistance	<u><u>\$ 181,156,627</u></u>

**NOTE 6 – SELF-INSURANCE CLAIMS LIABILITY**

Changes in the accrued claims liability in 2020, 2019 and 2018 were as follows:

	Beginning liability	Claims incurred and changes in estimates	Claim payments	Ending liability
2020	\$ 862,650	\$ 2,481,986	\$ (2,327,303)	\$ 1,017,333
2019	\$ 1,155,787	\$ 3,319,863	\$ (3,613,000)	\$ 862,650
2018	\$ 1,495,597	\$ 3,117,762	\$ (3,457,572)	\$ 1,155,787

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.

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## **NOTE 7 – EMPLOYEE BENEFIT PLANS**

### **A. General Information**

#### *Deferred 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 percent of the employee's annual salary. 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. 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. The deferred medical funds are not available to employees until termination, retirement, or death and can only be used for medical expenses with tax penalty.

All assets and income of the plan are held in trust for the exclusive benefit of the participants and their beneficiaries. 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 to 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 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 percent 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



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**NOTE 7 – EMPLOYEE BENEFIT PLANS (continued)**

business day following the date of such termination. The trustee will allocate assets of the Plan among the participants and beneficiaries as required by law.

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

**B. Reporting**

The Plan is administered by the Pension Committee that consists of five (5) members, one(1) Full Time Board Member, two (2) members appointed by the Amalgamated Transit Union Local 382 in accordance with a collective bargaining agreement and two members of staff appointed by the Board of Trustees. 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. The Plan does not issue a standalone report.

**C. Membership**

The Plan's membership consisted of the following:

<u>Active Participants</u>	<u>January 1, 2020</u>
Fully Vested	1,349
Partially Vested	-
Not Vested	1148
Inactive Participants Not Receiving Benefits	433
Retirees and Beneficiaries Receiving Benefits	717
<b>Total</b>	<b>3,647</b>

**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 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 percent of average compensation multiplied by the participant's years of service (not exceeding 20 years), plus
- 1.5 percent 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 percent for one year plus 2.0 percent for years in excess of 30 years not to exceed 75 percent of average compensation.

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

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

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**NOTE 7 – EMPLOYEE BENEFIT PLANS (continued)**

If employees terminate employment before rendering five 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 percent 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 percent 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 percent 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 percent, 75 percent or 50 percent 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 2020, 43 participants elected to receive their benefit in the form of lump sum distribution. Lump sum distributions collectively totaled \$6,879,961. Individuals are removed from the Plan's membership if they choose to take all of their benefit as a lump sum distribution.



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**NOTE 7 – EMPLOYEE BENEFIT PLANS (continued)**

**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 2020 was 16.3 percent of covered payroll.

*Participant Voluntary Contributions*

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

**F. Method of Accounting**

The Plan prepares its financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America, under which benefits, and expenses are recognized when due and payable and revenues are recorded in the accounting period in which they are earned and become measurable in accordance with the terms of the Plan. Accordingly, the valuation of investments is shown at fair value and both realized and unrealized gains (losses) are included in net appreciation and depreciation in fair value of investments. The plan reports in accordance with the requirements of GASB 67.

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

*Net pension liability*

On December 31, 2020, the Authority reported a net pension liability of \$96,783,597. The net pension liability was measured as of December 31, 2020 and was determined by an actuarial valuation as of January 1, 2020 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 Pension Liability as a Percentage Of Covered Payroll
12/31/2020	\$376,688,506	\$279,905,104	\$96,783,597	74.31%	\$152,297,365	63.55%

*Deferred outflows of resources and deferred inflows of resources*

On December 31, 2020, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2020	
	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	\$ (318,706)	\$ 10,706,609
Change of Assumptions	(958,957)	11,260,488
Net difference between projected and actual earnings	(20,689,630)	-
Contributions made subsequent		-
<b>Total</b>	<b>\$ (21,967,293)</b>	<b>\$ 21,967,097</b>

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**NOTE 7 – EMPLOYEE BENEFIT PLANS (continued)**

*Pension expense*

For the year ended December 31, 2020, the Authority recognized pension expense of \$17,979,414. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Year ending December 31,</u>	<u>Amount</u>
2021	\$ (1,642,838)
2022	2,035,321
2023	(4,049,674)
2024	(83,613)
2025	2,610,318
Thereafter	1,130,290
Total	\$ <u>(196)</u>

*Actuarial assumptions*

The total pension liability in the January 1, 2020 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)

The actuarial assumptions used in the January 1, 2020 valuation were based on the results of an actuarial experience study for the five-year period ending December 31, 2008.

*Discount rate*

The discount rate used to measure the total pension liability was 6.75 percent. Previous to 2020 a discount rate of 7% was used. 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 percent, as well as what the net pension liability would be if it were calculated using a discount rate 1.00 percent lower (5.75 percent) or 1.00 percent higher (7.75 percent) than the current rate.

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**NOTE 7 – EMPLOYEE BENEFIT PLANS (continued)**

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

	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
Total pension liability	\$ 430,302,012	\$ 376,688,506	\$ 332,559,650
Fiduciary net position	279,905,104	279,905,299	279,905,104
Net pension liability	\$ 150,396,908	\$ 96,783,597	\$ 52,654,546

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

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

	Increase (Decrease)		
	Total Pension Liability [a]	Plan Fiduciary Net Position [b]	Net Pension Liability [a]-[b]
Balances as of January 1, 2020	\$ 345,622,189	\$ 241,757,350	\$ 103,864,839
Charges for the year			
Service cost	10,653,870		10,653,870
Interest on total pension	24,263,256		24,263,256
Differences between expected and actual experience	4,292,503		4,292,503
Changes of assumptions	10,401,274		10,401,274
Plan provision (lump sum interest rate) change	1,019,977		1,019,977
Employer contributions		24,273,996	(24,273,996)
Member voluntary	83,988	83,988	-
Net investment income		33,846,064	(33,846,064)
Benefit payments	(19,648,551)	(19,648,551)	
Administrative expenses		(407,938)	407,938
Balance as of December 31, 2020	\$ 376,688,506	\$ 279,905,299	\$ 96,783,597

**H. Investments**

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

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

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**NOTE 7 – EMPLOYEE BENEFIT PLANS (continued)**

*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 classes is to remain within the following ranges:

	Policy Allocation	
	Target Allocation	Allowable Range
Global Equity	63%	51% - 75%
Liquid Diversifiers	10%	0% - 15%
Real Assets	4%	0% - 8%
Fixed Income	22%	12% - 32%
Cash & Equivalents	1%	0% - 5%

*Rate of Return*

The long-term rate of return is selected by the Plan's Pension Committee after a review of the expected inflation and long-term real returns, reflecting expected volatility and correlation. The assumption currently selected is 6.75 percent 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. For the year ended December 31, 2020 the Plan paid \$407,938 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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**NOTE 7 – EMPLOYEE BENEFIT PLANS (continued)**

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

	<u>2020</u>
Cash held in banking institution(s)	\$ 440,817

**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:			
2020	\$	59,948,353	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:			
2020	\$	59,948,353	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 percent or more of the Plan's fiduciary net position and investments as of December 31, invested with any one organization.

	<u>2020</u>
Equity funds:	
Two Sigma Active US All Cap &	\$ 26,268,193
Ssga - 3-10 Tr US Tres Indx Ed	15,295,979
Investments	
Fixed income:	
IR+M Core Bond Fund II	\$ 23,778,130

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**NOTE 7 – EMPLOYEE BENEFIT PLANS (continued)**

	Investment Assets at Fair Value as of December 31, 2020
	Level 1
Money Market Funds	\$ 11,069,957
Global Equity	73,640,827
Liquid Diversifier	-
Real Assets	9,159,952
Fixed Income	3,687,008
<b>Total Assets at Fair Value</b>	<b>\$ 97,557,744</b>

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, 2020.

	2020			
	Fair Value	Unfunded Commitment	Redemption Frequency	Redemption Notice Period
Global Equity	\$ 107,301,447	\$ -	Daily	Daily
Liquid Diversifier	13,969,239	\$ -	Daily	Daily
Real Assets	1,787,388	\$ -	Daily	Daily
Fixed Income	56,261,345	\$ -	Daily	Daily
<b>Total</b>	<b>\$ 179,319,419</b>	<b>\$ -</b>		

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

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

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

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

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**NOTE 7 – EMPLOYEE BENEFIT PLANS (continued)**

**S. Money-Weighted Rate of Return**

The money-weighted rate of return considers the changing amounts actually invested during a period and weights the amount of pension plan investments by the proportion of time they are available to return during that period. External cash flows are determined on a monthly basis and are assumed to occur at the middle

of each month. External cash inflows are netted with external cash outflows, resulting in a net external cash flow each month. The money-weighted rate of return is calculated net of investment expenses.

Fiscal Year Ending December 31 2020	Net Money-Weighted Rate of Return 13.88%
---	--

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

**T. Actuarial Valuation**

The total pension liability as of December 31, 2020, is based on the results of an actuarial valuation date of January 1, 2020 and rolled-forward using generally accepted actuarial procedures. The significant actuarial assumptions and methods used in the January 1, 2020 valuation are as follows:

- Actuarial Cost Method - Entry Age Normal
- Inflation - 2.30 percent
- Employer Annual Payroll Growth Including Inflation - 3.40 percent
- Salary Increases - 5.4 percent for the first five years of employment; 3.4 percent per annum thereafter
- Mortality - RP 2014 Blue Collar Mortality Table, with MP-2014 projection scale
- Investment Rate of Return - 6.75 percent, 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 percent

**U. 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, 2020, is summarized in the table below.

Asset Class	Target Asset Allocation	Geometric 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%

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**NOTE 7 – EMPLOYEE BENEFIT PLANS (continued)**

The 6.75 percent assumed investment rate of return is comprised of an inflation rate of 2.30 percent and a real return

**V. Discount Rate and Rate Sensitivity Analysis**

The discount rate used to measure the total pension liability was 6.75 percent. 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.

**W. 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 accordance with 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

**SCHEDULE OF FIDUCIARY NET POSITION**

	UTA Employee Retirement and Trust
<b>ASSETS</b>	
Cash in Bank	\$ 440,817
Investments	
Global Equities	180,702,335
Fixed Income	59,948,353
Liquid Diversifiers	13,969,240
Real Assets	10,947,340
Money Market	11,312,878
Total Investments	276,880,146
Prepaid Benefits	1,167,307
Receivables	
Dividends Receivable	211
Accounts Receivable - Benefits	3,879
Accounts Receivable - Contributions	1,423,466
Total Receivables	1,427,556
<b>TOTAL ASSETS</b>	<b>279,915,826</b>
<b>LIABILITIES</b>	
Benefits Payable	10,722
<b>TOTAL LIABILITIES</b>	<b>10,722</b>
<b>NET POSITION</b>	
Restricted for Pension	279,905,104



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**NOTE 7 – EMPLOYEE BENEFIT PLANS (continued)**

**SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION**

	UTA Employee Retirement and Trust
<b>ADDITIONS</b>	
Employer Contributions	\$ 24,273,996
Participant Voluntary Contributions	83,988
Total Contributions	24,357,984
Net Investment Income	
Net Appreciation in Fair Value of Investments	33,682,504
Interest	16,418
Dividends	919,037
Total Investment Income	34,617,959
Less: Investment Expense	771,700
Net Investment Income	33,846,259
<b>TOTAL ADDITIONS</b>	<b>58,204,243</b>
<b>DEDUCTIONS</b>	
Monthly Benefits Paid	12,768,590
Lump Sum Distributions	6,879,961
Administrative Expense	407,938
<b>TOTAL DEDUCTIONS</b>	<b>20,056,489</b>
<b>CHANGE IN NET POSITION</b>	<b>\$ 38,147,754</b>
Total Net Position (Restricted), January 1	\$ 241,757,350
Total Net Position (Restricted), December 31	\$ 279,905,104



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## **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 Other Employee Benefit Plan's membership consisted of:

	<u>December 31, 2020</u>
Active participants	1,417
Inactive participants not receiving benefits	288
Total	<u>1,705</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.

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**NOTE 8 – JOINT INSURANCE TRUST (continued)**

The plan does not issue a standalone report.

**SCHEDULE OF FIDUCIARY NET POSITION**

	Joint Insurance Trust
<b>ASSETS</b>	
Cash in Bank	\$ 1,756,671
Cash in Utah State Treasury	444,578
Total Cash	<u>2,201,249</u>
Investments	1,806,348
Deposits	104,795
Receivables	1,784,335
<b>TOTAL ASSETS</b>	<u><b>5,896,727</b></u>
<b>LIABILITIES</b>	
Accounts Payable	130,000
<b>TOTAL LIABILITIES</b>	<u><b>130,000</b></u>
<b>NET POSITION</b>	
Restricted for Benefits Other than Pension	<u><b>5,766,727</b></u>

**SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION**

	Joint Insurance Trust
<b>ADDITIONS</b>	
Employer Contributions	\$ 19,805,127
Participant Voluntary Contributions	570,223
Total Contributions	<u>20,375,350</u>
Net Investment Income	
Net Appreciation in Fair Value of Investments	11,290
Interest	35,952
Total Investment Income	<u>47,242</u>
<b>TOTAL ADDITIONS</b>	<u><b>20,422,592</b></u>
<b>DEDUCTIONS</b>	
Monthly Benefits Paid	19,170,642
Administrative Expense	81,715
<b>TOTAL DEDUCTIONS</b>	<u><b>19,252,357</b></u>
<b>CHANGE IN NET POSITION</b>	<u><b>\$ 1,170,235</b></u>
Total Net Position (Restricted), January 1	\$ 4,596,492
Total Net Position (Restricted), December 31	\$ 5,766,727

UTAH TRANSIT AUTHORITY  
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## **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 15<sup>th</sup> and December 15<sup>th</sup>. Interest expense is accrued for the 16 remaining days of December as part of accrued interest. The larger part of accrued interest is related to Utah County's 2016 Debt issuance. Previous year's principal and interest payments made by Utah County along with operation expense contributed for the Utah Valley Express bus route that started in August 2018 are in accrued interest. In 2019, Utah County and the Authority agreed a new 4<sup>th</sup> 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 March 19<sup>th</sup>, 2020, the Authority issued \$216,650,000 in Senior 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 Revenue Bonds. As a result the refunded bonds are considered defeased and a portion of liability for those bonds have been removed. The transaction resulted in a reduction of total debt service requirements by \$21,052,014 which resulted in an economic gain of \$17,464,464.

On November 12<sup>th</sup>, 2020, the Authority issued \$74,750,000 in Subordinated Lien 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 2012 Revenue Bonds. As a result the refunded bonds are considered totally defeased and the liability for those bonds have been removed. The transaction resulted in a reduction of total debt services requirements by \$11,074,073 which resulted in an economic gain of \$8,914,307.

In prior years, the Authority has refunded certain bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the refunded bonds. Accordingly, the trust account assets and the liability for the refunded bonds are not included in the Authority's financial statements. At December 31, 2020, \$217,309,832 of the 2012A Revenue Bond and \$348,598,949 of the 2015A Revenue Bond were defeased in irrevocable trust. In 2020, \$10,457,750 from the 2012A and \$15,057,250 from the 2015A were paid from these irrevocable trust accounts. Certain amounts that were paid during refunding are capitalized and amortized over the life of the debt and are reported as deferred amounts on refundings.

UTAH TRANSIT AUTHORITY  
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NOTE 9 - LIABILITIES (continued)

	Amount Outstanding	Amount Due Within One Year	Accrued Interest	Amount of Collateral
<b>DIRECT BORROWINGS:</b>				
<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. The Authority paid the November 1, 2020 bond principal and interest payment. The principal amount paid was \$1,410,000 and the interest paid was \$961,433.20. The amount owed to the County was reduced by those amounts. In 2020, the Authority will remit \$2,735,019 to Utah County for repayment of prior debt payments per the terms of Utah County 4 <sup>th</sup> Quarter Cent Sales Tax Inter-local Agreement.	\$65,665,597	\$1,885,735	\$5,219,241	-
Subtotal: Direct Borrowings - Inter-local Loan	\$65,665,597	\$1,885,735	\$5,219,241	-
<u>FINANCING LEASES:</u>				
\$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.	\$3,061,703	\$438,385	-	\$2,898,587
\$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.	\$1,656,614	\$202,175	-	\$1,601,667
\$4,546,000 5-Year Financing Lease, Series 2016, issued September 27, 2016, maturing monthly from October 27, 2016 through September 27, 2021, with interest payable monthly at rate of 1.3008%. A leasehold interest in 33 FLEX/Paratransit vehicles and equipment is pledged as security for the debt.	\$700,881	\$700,881	-	\$681,900
\$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.	\$18,735,162	\$1,919,557	-	\$18,123,125

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NOTE 9 - LIABILITIES (continued)

	Amount Outstanding	Amount Due Within One Year	Accrued Interest	Amount of Collateral
\$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.	\$569,105	\$294,449	-	\$558,208
\$1,307,000 4-Year Financing Lease (A vehicle was totaled and paid off in 2018, therefore the principle was reduced by \$28,893), Series 2017, issued November 30, 2017, maturing monthly from December 31, 2017 through November 30, 2021, with interest payable monthly at rate of 1.7700%. A leasehold interest in 36 RideShare vans is pledged as security for the debt.	\$298,511	\$298,511	-	\$290,539
\$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.	\$10,664,701	\$924,626	-	\$10,326,555
\$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.	\$229,285	\$76,323	-	\$214,790
\$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.	\$727,660	\$374,395	-	\$705,468
\$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.	\$4,679,158	\$393,169	-	\$4,454,104

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NOTE 9 - LIABILITIES (continued)

	Amount Outstanding	Amount Due Within One Year	Accrued Interest	Amount of Collateral
\$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.	\$2,027,279	\$538,901	-	-
\$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.	\$1,323,219	\$488,333	-	\$824,027
\$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 1.696%. A leasehold interest in 20 buses and equipment is pledged as security for the debt.	\$9,530,000	\$608,287	-	-
\$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 .964%. A leasehold interest in 25 Flex/Paratransit vehicles and 35 RideShare vans and equipment is pledged as security for the debt.	\$3,060,000	\$499,216	-	-
Subtotal Direct Borrowings: Financing Leases	\$57,263,278	\$7,757,208	-	\$40,678,970
<b>TOTAL DIRECT BORROWINGS</b>	<b>\$122,928,875</b>	<b>\$9,642,943</b>	<b>\$5,219,241</b>	<b>\$40,678,970</b>
<b>OTHER DEBT:</b>				
<u><b>REVENUE BONDS:</b></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%.	\$3,730,000	\$1,815,000	\$8,159	-
\$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%	\$96,775,000	\$5,950,000	\$211,695	-



UTAH TRANSIT AUTHORITY  
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NOTE 9 – LIABILITIES (continued)

	Amount Outstanding	Amount Due Within One Year	Accrued Interest	Amount of Collateral
\$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	-	\$105,897	-
\$668,655,000 Senior Revenue bonds, Series 2015A, issued February 25, 2015, maturing annually from June 15, 2015 through June 15, 2038, with interest payable semiannually at rates from 2.00-5.00%.	\$480,220,000	\$18,235,000	\$902,721	-
\$192,005,000 Subordinate Revenue bonds, Series 2015B, issued February 25, 2015, maturing annually from June 15, 2015 through June 15, 2037, with interest payable semiannually at rates from 3.00-5.00%.	\$64,020,000	\$5,840,000	\$133,375	-
\$145,691,498 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%.	\$113,035,000	\$3,235,000	\$212,120	-
\$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	-	\$249,577	-
\$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	-



UTAH TRANSIT AUTHORITY  
FINANCIAL SECTION  
Year Ended December 31, 2020

NOTE 9 - LIABILITIES (continued)

	Amount Outstanding	Amount Due Within One Year	Accrued Interest	Amount of Collateral
\$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%.	\$211,370,000	\$4,090,000	\$196,267	-
\$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	-	\$274,395	-
Subtotal Revenue Bonds	\$1,611,065,000	\$39,165,000	\$2,825,791	-
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 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% (\$5,432,800) 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% (\$3,993,500) of the interest payable on the 2010A bonds.	\$200,000,000	-	\$475,417	-

UTAH TRANSIT AUTHORITY  
FINANCIAL SECTION  
Year Ended December 31, 2020

NOTE 9 – LIABILITIES (continued)

	Amount Outstanding	Amount Due Within One Year	Accrued Interest	Amount of Collateral
Subtotal 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	-	\$2,848,380	-
Subtotal Capital Appreciation Bonds	\$18,911,498	-	\$2,848,380	-
<b>TOTAL OTHER DEBT</b>	<b>\$2,207,321,498</b>	<b>\$39,165,000</b>	<b>\$7,037,798</b>	<b>-</b>

OTHER 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
2021	39,165,000	96,047,559	135,212,559
2022	48,150,000	93,805,233	141,955,233
2023	59,260,000	91,236,726	150,496,726
2024	62,125,000	88,368,593	150,493,593
2025	67,060,000	85,373,164	152,433,164
2026-2030	431,605,000	374,990,061	806,595,061
2031-2035	544,171,498	288,273,854	832,445,352
2036-2040	671,075,000	141,121,663	812,196,663
2041-2044	284,710,000	15,542,236	300,252,236

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 in 2020 was 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.

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**NOTE 9 LONG-TERM LIABILITIES (continued)**

Annual repayment requirements on the Direct Borrowings are:

Year ending December 31,	Principal	Interest	Total
2021	9,642,943	3,075,301	12,718,245
2022	8,394,708	2,871,646	11,266,354
2023	7,775,699	2,679,223	10,454,922
2024	7,349,737	2,498,642	9,848,379
2025	7,144,436	2,324,815	9,469,251
2026-2030	79,338,088	7,635,819	86,973,907
2031-2034	3,283,264	106,253	3,389,517

Changes in Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2020 was as follows:

	Balance 1/1/2020	Additions	Reductions	Balance 12/31/2020	Due Within One Year
Other Debt:					
Sales Tax Revenue Bonds	2,198,209,467	291,400,000	(282,287,969)	2,207,321,498	39,165,000
Issuance premiums/(discounts)	132,932,460	(570,550)	(15,320,667)	117,041,243	-
Total Other Debt	2,331,141,927	290,829,450	(297,608,636)	2,324,362,741	39,165,000
Direct Borrowings					
Financing Lease Agreements	52,187,087	12,590,000	(7,513,809)	57,263,278	7,757,208
Inter-local Loan	68,077,030	3,696,453	(6,107,886)	65,665,597	1,885,735
Total Direct Borrowings	120,264,117	16,286,453	(13,621,695)	122,928,875	9,642,943
Total long-term liabilities	2,451,406,044	307,115,903	(311,230,331)	2,447,291,616	48,807,943

Compensated Absences

	Balance 1/1/2020	Additions	Reductions	Balance 12/31/2020
Total Vacation Liability	7,184,755	10,969,251	(9,073,774)	9,080,232
Total Sick Liability	5,248,453	1,204,730	(1,195,308)	5,257,875
Total Compensated Absences	12,433,208	12,173,981	(10,269,082)	14,338,107

**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.

UTAH TRANSIT AUTHORITY  
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Year Ended December 31, 2020

**NOTE 10 – COMMITMENTS AND CONTINGENCIES (continued)**

As of December 31, 2020, the Authority also has purchasing commitments of \$127.8 million for capital projects. The largest of these commitments are as follows:

- \$53.2 million Depot District
- \$19.1 million Bus Replacements
- \$13.5 million Light Rail Overhaul
- \$ 7.9 million TRAX Airport Relocation Design
- \$ 7.0 million Train Control Rehabilitation and Replacement
- \$ 5.5 million Sandy Civic Center Parking Structure
- \$ 4.8 million TIGER Grant Projects
- \$ 1.1 million Ogden-Weber State University Bus Rapid Transit
- \$ 0.7 million South Davis County Bus Rapid Transit

**NOTE 11 – SUBSEQUENT EVENTS**

On December 27, 2020, President Donald J. Trump signed the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) providing \$14 billion to transit agencies in the form of formula grant to help to respond to the COVID-19 pandemic. The total available amount for UTA that will be executed in a grant in the summer of 2021 is as follows:

<i>UZA</i>	<i>Amount</i>
<i>Salt Lake</i>	\$ 30,597,668
<i>Ogden</i>	760,201
<i>Provo</i>	2,226,234
<i>Total</i>	\$ 33,584,103

	<i>Amount</i>
<i>Enhance Mobility for Seniors and Individuals with Disabilities</i>	248,032

On March 11, 2021, President Joseph R. Biden signed the American Rescue Plan Act (ARPA) of 2021 providing \$30.5 billion to transit agencies in the form of formula grant to help to respond to the COVID-19 pandemic. The total available amount for UTA that will be executed in a grant in the fall of 2021 is as follows:

<i>UZA</i>	<i>Amount</i>
<i>Salt Lake</i>	\$ 108,443,995
<i>Ogden</i>	38,143,636
<i>Provo</i>	21,189,816
<i>Total</i>	\$ 167,777,447

	<i>Amount</i>
<i>Enhance Mobility for Seniors and Individuals with Disabilities</i>	248,035

Although the long-term economic impact of COVID-19 pandemic is unknown at this time, UTA anticipates that the three rounds of stimulus funding will allow UTA to carefully evaluate long-term financial impacts and make necessary adjustments, if any, to align its expenditures to a new level of revenue streams.

# **Required Supplementary Information**

UTAH TRANSIT AUTHORITY  
REQUIRED SUPPLEMENTARY INFORMATION  
Year Ended December 31, 2020

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

	2020	2019	2018
<b>Total Pension Liability</b>			
Service cost	\$ 10,653,870	\$ 10,244,115	\$ 9,550,863
Interest on total pension liability	24,263,256	22,947,802	21,512,781
Voluntary member contributions	83,988	298,803	223,572
Differences between expected and actual experience	4,292,503	3,347,505	4,893,150
Assumption changes or inputs	11,421,251	-	-
Benefits paid	(19,648,551)	(17,302,699)	(15,474,819)
<b>Net change in total pension liability</b>	<b>31,066,317</b>	<b>19,535,526</b>	<b>20,705,547</b>
Total pension liability - beginning	345,622,189	326,086,663	305,381,116
Total pension liability - ending (a)	376,688,506	345,622,189	326,086,663
<b>Plan Fiduciary Net Position</b>			
Contributions - employer	\$ 24,273,996	\$ 24,008,192	\$ 22,355,434
Contributions - members	83,988	298,803	223,572
Net investment income	33,846,454	40,648,932	-16,629,921
Benefits paid	(19,648,551)	(17,302,69)	(15,474,819)
Administrative expense	(407,938)	(434,427)	(440,279)
<b>Net change in plan fiduciary net position</b>	<b>38,147,949</b>	<b>47,218,801</b>	<b>(9,966,013)</b>
Plan fiduciary net position - beginning	241,757,350	194,538,549	204,504,562
Plan fiduciary net position - ending (b)	279,905,299	241,757,350	194,538,549
<b>Net pension liability / (asset) - ending (a-b)</b>	<b>\$ 96,738,597</b>	<b>\$ 103,864,839</b>	<b>\$ 131,548,114</b>
Plan fiduciary net position as a percentage of the total pension liability	74.31%	69.95%	59.66%
Projected covered employee payroll	\$ 152,297,365	\$ 141,812,999	\$ 132,521,079
Net pension liability as a percentage of covered employee payroll	63.55%	73.24%	99.27%

**Notes:**

2020: amounts reported as assumption changes or inputs resulted from lowering the discount rate from 7.00% to 6.75%.



UTAH TRANSIT AUTHORITY  
REQUIRED SUPPLEMENTARY INFORMATION  
Year Ended December 31, 2020

	2017	2016	2015	2014
<b>Total Pension Liability</b>				
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)
<b>Net change in total pension liability</b>	<b>26,420,738</b>	<b>9,890,580</b>	<b>21,377,147</b>	<b>15,001,558</b>
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
<b>Plan Fiduciary Net Position</b>				
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)
<b>Net change in plan fiduciary net position</b>	<b>38,469,305</b>	<b>14,403,330</b>	<b>4,777,528</b>	<b>11,188,037</b>
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>100,876,554</u>	\$ <u>112,925,121</u>	\$ <u>117,437,871</u>	\$ <u>100,838,252</u>
Plan fiduciary net position as a percentage of the total pension liability	66.97%	59.50%	56.40%	59.29%
Projected covered employee payroll	\$ 126,690,540	\$ 115,430,618	\$ 110,727,134	\$ 106,004,057
Net pension liability as a percentage of covered employee 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, 2020

**SCHEDULE OF REQUIRED EMPLOYER CONTRIBUTIONS - 10 YEARS**

Year	Actuarial Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contribution as Percentage of Covered Payroll
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%
2011	10,114,755	10,114,755	-	91,265,129	11.08%

**NOTE 1 - METHODS AND ASSUMPTIONS USED TO DETERMINE TOTAL PENSION LIABILITY AS OF  
 DECEMBER 31, 2020**

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, open
Remaining amortization period	13 years
Asset valuation method	Equal to the market value
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
Percent of Future Retirements	20%
Electing Lump Sum	

**Schedule of Investment Returns**

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

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

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



# Supplementary Schedules

UTAH TRANSIT AUTHORITY  
Supplementary Schedule  
Year Ended December 31, 2020

**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>
<b><u>Revenues</u></b>					
Contributions from other gov'ts, sales tax	\$347,567,000	\$ 499,000	\$348,066,000	\$361,590,707	\$ 13,524,707
Federal operating grants	67,911,000	-	\$67,911,000	160,258,318	92,347,318
Passenger revenues	55,182,000	-	\$55,182,000	32,845,272	(22,336,728)
Advertising	2,517,000	-	\$2,517,000	2,035,000	(482,000)
Investment income	7,577,000	-	\$7,577,000	3,525,448	(4,051,552)
Other income	11,101,000	250,000	\$11,351,000	9,594,384	(1,756,616)
Total revenues	491,855,000	749,000	492,604,000	569,849,129	77,245,129
<b><u>Operating Expenses</u></b>					
Bus services	112,342,000	-	112,342,000	107,390,047	4,951,953
Rail services	82,920,000	-	82,920,000	96,041,283	(13,121,283)
Paratransit services	24,637,000	250,000	24,887,000	22,646,903	2,240,097
Other services (less non-operating)	3,298,000	-	3,298,000	3,296,275	1,725
Operations support	50,331,000	22,000	50,353,000	46,463,776	3,889,224
Administration (less non-operating)	40,355,000	(22,000)	40,333,000	41,376,994	(1,043,994)
Total operating expenses	313,883,000	250,000	314,133,000	317,215,278	(3,082,278)
<b><u>Non-Operating Expenses (Revenues)</u></b>					
Interest expense	106,152,628	-	106,152,628	99,898,505	6,254,123
Build America Bond subsidies	(8,870,148)	-	(8,870,148)	(8,893,288)	23,140
Principal	38,632,520	-	38,632,520	44,821,695	(6,189,175)
Non-operating	5,945,000	499,000	6,444,000	3,168,692	3,275,308
Total non-operating expenses	141,860,000	499,000	142,359,000	138,995,604	3,363,396
<b><u>Total Operating and Non-Operating Expenses</u></b>	<b><u>\$455,743,000</u></b>	<b><u>\$ 749,000</u></b>	<b><u>\$456,492,000</u></b>	<b><u>\$456,210,882</u></b>	<b><u>\$ 281,118</u></b>
<b><u>Capital Expenses (Revenues)</u></b>					
Federal and local grants	\$ (39,363,000)	\$(20,989,130)	\$ (60,352,130)	\$ (20,898,309)	\$ (39,453,821)
State and local contributions	(17,116,000)	(13,070,870)	(30,186,870)	(3,238,849)	(26,948,021)
Capital lease	(30,340,000)	(2,785,400)	(33,125,400)	-	(33,125,400)
Bonds	(61,611,000)	28,751,500	(32,859,500)	-	(32,859,500)
Project Expenses	191,549,000	26,210,400	217,759,400	102,596,114	115,163,286
Total capital expenses (revenues)	\$ 43,119,000	\$ 18,116,500	\$ 61,235,500	\$ 78,458,956	\$ (17,223,456)
Project Expenses-less transfers to Capital Assets in 2020				\$ (72,854,307)	
Operations-less transfers to Capital Assets in 2020				(233,660)	
Capital Maintenance Projects				\$ 29,508,147	
Total Revenues (Operating and Capital)				\$ 593,986,287	
- Less Total Expenses (Operating, Non-Operating, and Capital (after Capitalization))				(485,719,029)	
- Less Depreciation Expense				(139,089,219)	
+ Plus Sale of Assets				927,566	
+ Plus Capital Maintenance Projects (Added into modes)					
Bus				2,903,387	
Rail				21,759,091	
Paratransit				(9,341)	
Administration				4,855,010	
+ Plus Principal Payments on Long-term Debt				44,821,695	
Change in Net Position (Statement of Revenues, Expenses, and Changes in Net Position)				\$ 44,435,447	

UTAH TRANSIT AUTHORITY  
 Supplementary Schedule  
 As of December 31, 2020

## **SCHEDULE OF FIDUCIARY NET POSITION**

	UTA Employee Retirement and Trust	Joint Insurance Trust	Total
<b>ASSETS</b>			
Cash in Bank	\$ 440,817	\$ 1,756,671	\$ 2,197,488
Cash in Utah State Treasury	-	444,578	444,578
Total Cash	440,817	2,201,249	2,642,066
Investments			
Global Equities	180,702,335	-	180,702,335
Fixed Income	59,948,353	-	59,948,353
Liquid Diversifiers	13,969,240	-	13,969,240
Real Assets	10,947,340	-	10,947,340
Money Market	11,312,878	1,806,348	13,119,226
Total Investments	276,880,146	1,806,348	278,686,494
Prepaid Benefits	1,167,307	-	1,167,307
Deposits	-	104,795	104,795
Receivables			
Dividends Receivable	211	-	211
Accounts Receivable - Benefits	3,879	-	3,879
Accounts Receivable - Contributions	1,423,466	1,784,335	3,207,801
Total Receivables	1,427,556	1,784,335	3,211,891
<b>TOTAL ASSETS</b>	<b>279,915,826</b>	<b>5,896,727</b>	<b>285,812,553</b>
<b>LIABILITIES</b>			
Benefits Payable	10,722	-	10,722
Accounts Payable	-	130,000	130,000
<b>TOTAL LIABILITIES</b>	<b>10,722</b>	<b>130,000</b>	<b>140,722</b>
<b>NET POSITION</b>			
Restricted for:			
Pension	279,905,104	-	279,905,104
Benefits Other than Pension	-	5,766,727	5,766,727
Total Net Position	<b>\$ 279,905,104</b>	<b>\$ 5,766,727</b>	<b>\$ 285,671,831</b>

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

UTAH TRANSIT AUTHORITY  
Supplementary Schedule  
Year Ended December 31, 2020

## **SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION**

	<b>UTA Employee Retirement and Trust</b>	<b>Joint Insurance Trust</b>	<b>Total</b>
<b>ADDITIONS</b>			
Employer Contributions	\$ 24,273,996	\$ 19,805,127	\$ 44,079,123
Participant Voluntary Contributions	83,988	570,223	654,211
Total Contributions	24,357,984	20,375,350	44,733,334
Net Investment Income			
Net Appreciation in Fair Value of Investments	33,682,504	11,290	33,693,794
Interest	16,418	35,952	52,370
Dividends	919,037	-	919,037
Total Investment Income	34,617,959	47,242	34,665,201
Less: Investment Expense	771,700	-	771,700
Net Investment Income	33,846,259	47,242	33,893,501
<b>TOTAL ADDITIONS</b>	<b>58,204,243</b>	<b>20,422,592</b>	<b>78,626,835</b>
<b>DEDUCTIONS</b>			
Monthly Benefits Paid	12,768,590	19,170,642	31,939,232
Lump Sum Distributions	6,879,961	-	6,879,961
Administrative Expense	407,938	81,715	489,653
<b>TOTAL DEDUCTIONS</b>	<b>20,056,489</b>	<b>19,252,357</b>	<b>39,308,846</b>
<b>CHANGE IN NET POSITION</b>	<b>\$ 38,147,754</b>	<b>\$ 1,170,235</b>	<b>\$ 39,317,989</b>
Total Net Position (Restricted), January 1	\$ 241,757,350	\$ 4,596,492	\$ 246,353,842
Total Net Position (Restricted), December 31	\$ 279,905,104	\$ 5,766,727	\$ 285,671,831

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

# Statistical



UTAH TRANSIT AUTHORITY  
STATISTICAL SECTION  
Year Ended December 31, 2020

### \*NET POSITION AS OF December 31 - 10 years

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Investment in Net Assets	\$ 704,734,181	\$ 692,675,681	\$ 827,646,243	\$ 894,275,843	\$ 924,260,135	\$ 1,040,640,236	\$ 1,230,633,230	\$ 1,327,585,097	\$ 1,364,803,454	\$ 1,366,337,801
Restricted	40,516,406	66,948,773	66,559,450	63,399,717	67,381,132	77,983,022	62,779,798	7,172,060	3,872,141	3,929,644
Unrestricted	228,081,924	113,143,840	85,088,927	39,001,957	71,502,447	76,548,154	137,991,170	242,347,746	304,834,237	276,960,064
Total Net Position	973,332,511	872,768,294	979,294,620	993,677,419	1,063,143,714	1,195,171,412	1,431,404,198	1,577,104,903	1,673,509,832	1,647,227,509
Restatement Position, Restated	\$ 973,332,511	\$ 872,768,294	\$ 979,294,620	\$ 993,677,419	\$ 1,063,143,714	\$ 1,185,673,891	\$ 1,316,356,931	\$ 1,582,036,460	\$ 1,673,509,832	\$ 1,647,227,509

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

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Operating Revenues	\$ 34,880,272	\$ 55,111,554	\$ 54,464,392	\$ 54,525,870	\$ 52,891,021	\$ 54,346,242	\$ 53,761,223	\$ 52,044,200	\$ 46,422,916	\$ 41,527,090
Operating Expenses	403,344,419	457,897,920	401,161,541	427,777,940	422,543,342	394,062,733	398,626,029	378,224,993	319,322,223	288,531,160
Operating loss	(368,464,147)	(402,786,366)	(346,697,149)	(373,252,070)	(369,652,321)	(339,716,491)	(344,864,806)	(326,180,793)	(272,899,307)	(247,004,070)
Non-Operating Revenues	444,739,466	261,451,197	268,435,411	246,722,487	226,957,532	209,462,264	182,843,232	173,520,664	200,370,290	205,877,440
Income (loss) before capital contributions	76,275,319	(141,355,169)	(78,261,738)	(126,529,583)	(142,694,789)	(130,254,227)	(162,021,574)	(152,660,129)	(72,529,017)	(41,126,630)
Change in net position	\$ 100,564,217	\$ 106,526,326	\$ (14,381,899)	\$ (69,466,295)	\$ (122,530,177)	\$ (121,185,519)	\$ (150,632,263)	\$ (96,404,929)	\$ 26,282,323	\$ 3,858,640

\*Source: Utah Transit Authority 2020 Comprehensive Annual Report



UTAH TRANSIT AUTHORITY  
STATISTICAL SECTION  
Year Ended December 31, 2020

**\*Revenue History by Source - 10 Years**

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Operating	\$ 34,880,272	\$ 55,111,554	\$ 182,843,232	\$ 54,525,870	\$ 52,891,021	\$ 54,346,242	\$ 53,761,223	\$ 52,044,200	\$ 46,422,916	\$ 41,527,090
Sales taxes	361,590,707	317,797,604	282,933,591	265,770,775	245,008,417	227,703,023	214,683,276	203,806,329	196,693,543	183,091,524
Investment	3,525,448	6,821,490	6,525,872	2,873,787	1,732,939	2,831,406	5,803,226	1,455,039	1,892,549	3,672,397
Sale of Assets	927,566									
Other	9,442,644	(45,372,222)	8,155,668	3,954,893	3,108,191	8,314,065	3,724,610	4,347,724	2,351,713	3,483,140
	<u>410,366,637</u>	<u>334,358,426</u>	<u>480,458,363</u>	<u>327,125,325</u>	<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>	<u>231,774,151</u>
Federal Grants										
Federal Preventative Maintenance Grants	160,258,318	69,746,231	61,820,668	62,313,994	59,772,235	49,452,677	47,760,737	47,986,240	46,719,891	47,735,443
Federal Planning Grants	-	-	-	-	3,562,534	2,547,335	2,994,139	3,868,252	1,985,766	11,583,980
Federal Capital Grants	20,898,309	16,395,068	31,585,906	53,960,024	17,054,298	7,819,096	8,025,628	48,669,408	85,168,542	44,864,016
	<u>181,156,627</u>	<u>86,141,299</u>	<u>93,406,574</u>	<u>116,274,018</u>	<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>	<u>104,183,439</u>
Other Capital Contributions	3,390,589	18,413,775	32,293,935	3,103,264	3,110,314	1,249,612	3,363,683	7,585,792	13,642,798	121,254
	<u>\$ 594,913,853</u>	<u>\$ 438,913,500</u>	<u>\$ 606,158,872</u>	<u>\$ 446,502,607</u>	<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>	<u>\$ 336,078,844</u>

**\*Expense History by Function - 10 Years**

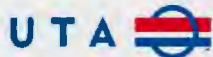
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Bus Service	\$ 107,567,163	104,570,413	\$ 96,719,747	\$ 88,928,063	\$ 85,841,973	\$ 77,092,676	\$ 79,060,631	\$ 78,894,435	\$ 78,894,799	\$ 81,208,651
Rail Service	96,140,305	77,972,467	75,157,087	72,895,607	84,165,069	67,254,632	70,365,953	61,086,101	46,049,338	38,135,480
Paratransit Service	22,677,516	23,121,527	21,858,532	19,572,367	19,341,116	18,511,580	18,748,699	18,202,211	17,516,117	16,054,555
Other Service	3,297,837	3,247,699	3,056,191	2,982,176	2,949,643	2,918,871	3,183,892	701,656	596,583	535,897
Operations Support	46,527,500	47,056,444	45,557,749	41,932,571	37,831,682	32,051,926	28,380,563	28,439,826	25,247,271	21,643,830
Administration <sup>1</sup>	43,734,772	36,738,745	39,593,947	31,423,844	38,840,643	35,189,725	35,409,918	28,533,912	26,664,222	26,340,573
Capital Maintenance Projects	-	19,078,502	38,654,111	20,602,425	-	-	-	-	-	-
Depreciation	139,089,219	146,112,123	80,565,077	149,440,887	153,573,216	161,043,323	163,476,373	162,366,852	124,353,893	104,612,174
Interest <sup>2</sup>	99,898,505	87,541,906	91,000,388	88,190,962	85,415,870	80,575,328	91,311,842	87,132,004	48,462,258	42,878,130
Recoverable Sales Tax, Interlocal <sup>3</sup>	810,914	810,914	810,914	810,914	810,914	810,914	810,914	810,914	810,914	810,914
	<u>\$ 560,182,608</u>	<u>\$ 546,250,740</u>	<u>\$ 492,973,743</u>	<u>\$ 516,779,816</u>	<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>	<u>\$ 332,220,204</u>

\*Source: Utah Transit Authority 2020 Annual Comprehensive Financial Report

<sup>1</sup> Includes major investment studies

<sup>2</sup> Reported as non-capitalized interest

<sup>3</sup> See Notes to the Financial Statement, Note 2.K



UTAH TRANSIT AUTHORITY  
STATISTICAL SECTION  
Year Ended December 31, 2020

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

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Box Elder <sup>1</sup>	\$ 2,404,175	\$ 2,019,035	\$ 1,898,308	\$ 1,957,740	\$ 1,790,352	\$ 1,552,291	\$ 1,418,268	\$ 1,300,577	\$ 1,279,794	\$ 1,226,730	\$ 1,269,478
Davis	37,364,965	33,674,864	31,883,835	30,633,547	27,606,440	23,178,724	21,459,683	20,023,042	18,692,038	17,880,017	16,964,089
Salt Lake	217,849,215	196,744,294	174,704,191	163,407,564	153,201,907	146,866,479	139,199,088	132,741,112	129,169,357	120,094,110	112,379,366
Tooele <sup>2</sup>	3,347,286	2,250,563	2,815,189	2,302,492	1,798,971	1,521,097	1,384,631	1,349,366	1,364,179	1,207,539	1,227,109
Utah	69,278,480	55,708,400	45,665,232	43,023,303	38,601,427	36,221,930	33,752,513	31,905,764	30,576,235	27,743,162	25,397,367
Weber	31,346,586	27,400,447	25,966,836	24,446,129	22,009,320	18,362,502	17,469,093	16,486,468	15,611,940	14,939,966	14,656,323
	<u>\$ 361,590,707</u>	<u>\$ 317,797,604</u>	<u>\$ 282,933,591</u>	<u>\$ 265,770,775</u>	<u>\$ 245,008,417</u>	<u>\$ 227,703,023</u>	<u>\$ 214,683,276</u>	<u>\$ 203,806,329</u>	<u>\$ 196,693,543</u>	<u>\$ 183,091,524</u>	<u>\$ 171,893,732</u>

<sup>1</sup> Includes Brigham City, Perry and Willard cities only

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

## LOCAL TRANSIT SALES TAX RATES BY COUNTY - 10 YEARS

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Box Elder	0.5500%	0.5500%	0.5500%	0.5500%	0.5500%	0.5500%	0.5500%	0.5500%	0.5500%	0.5500%	0.5500%
Davis	0.6500%	0.6500%	0.6500%	0.6500%	0.6500%	0.5500%	0.5500%	0.5500%	0.5500%	0.5500%	0.5500%
Salt Lake	0.8500%	0.7875%	0.6875%	0.6875%	0.6875%	0.6875%	0.6875%	0.6875%	0.6875%	0.6875%	0.6875%
Tooele	0.4000%	0.4000%	0.4000%	0.4000%	0.4000%	0.3000%	0.3000%	0.3000%	0.3000%	0.3000%	0.3000%
Utah	0.6300%	0.6260%	0.5260%	0.5260%	0.5260%	0.5260%	0.5260%	0.5260%	0.5260%	0.5260%	0.5260%
Weber	0.6500%	0.6500%	0.6500%	0.6500%	0.6500%	0.5500%	0.5500%	0.5500%	0.5500%	0.5500%	0.5500%

Source:

<https://tax.utah.gov/sales/rates#charts>

Utah State Tax Commission





UTAH TRANSIT AUTHORITY  
STATISTICAL SECTION  
Year Ended December 31, 2020

**\*PRINCIPAL CONTRIBUTORS OF SALES TAX BY COUNTY - 2010 and 2020**

2020				2010			
	Rank	Percentage of contributions	Amount		Rank	Percentage of contributions	Amount
Salt Lake County	1	60.25%	\$ 217,849,215		1	65.38%	\$ 112,379,366
Utah County	2	19.16%	69,278,480		2	14.78%	25,397,367
Davis County	3	10.33%	37,364,965		3	9.87%	16,964,089
Weber County	4	8.67%	31,346,586		4	8.53%	14,656,323
Box Elder County	5	0.66%	2,404,175		5	0.74%	1,269,478
Tooele County	6	0.93%	3,347,286		6	0.71%	1,227,109
			<u>\$ 361,590,707</u>				<u>\$ 171,893,732</u>

\*Source:

<https://tax.utah.gov/sales/rates#charts>

Utah State Tax Commission

**\*FARES - 10 Years**

	2020	2019	2018	2017	2016	2015	2014	2013 (4/1/12)	2012 (5/1/11)	2011 (11/1/10)
Cash Fares										
Base Fare	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.35	\$ 2.25
Senior Citizen/Disabled	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.15	1.10
Ski Bus	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.25	4.00
Paratransit (Flextrans)	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	3.50	2.75
Commuter Rail Base Rate	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.35	2.25
Commuter Rail Additional Station	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.55	0.50
Commuter Rail Maximum Rate	10.30	10.30	10.30	10.30	10.30	10.30	10.30	10.30	5.10	5.25
Express	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.25	5.00
Streetcar	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	n/a	n/a
Monthly Passes										
Adult	\$ 85.00	\$ 83.75	\$ 83.75	\$ 83.75	\$ 83.75	\$ 83.75	\$ 83.75	\$ 83.75	\$ 78.50	\$ 75.00
College Student	42.50	62.75	62.75	62.75	62.75	62.75	62.75	62.75	58.75	56.25
Senior Citizen/Disabled	42.50	41.75	41.75	41.75	41.75	41.75	41.75	41.75	39.25	37.50
Express	170.00	198.00	198.00	198.00	198.00	198.00	198.00	198.00	189.00	180.00
Other Fares										
Day Pass	\$ 6.25	\$ 6.25	\$ 6.25	\$ 6.25	\$ 6.25	\$ 6.25	\$ 6.25	\$ 6.25	\$ 5.75	\$ 5.50
Group Pass	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	14.00	13.50
Summer Youth	99.00	99.00	99.00	99.00	99.00	99.00	99.00	n/a	n/a	n/a
Token - 10-Pack	22.50	22.50	22.50	22.50	22.50	22.50	22.50	22.50	21.00	20.25
Paratransit - 10-Ride Ticket	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	35.00	30.00

\*Source: UTA Fares Department



UTAH TRANSIT AUTHORITY  
STATISTICAL SECTION  
Year Ended December 31, 2020

### TOTAL OUTSTANDING DEBT BURDEN PER CAPITA

Fiscal Year	Total Debt		Sales Tax Collected (Less Proposition 1 and 4th quarter cent)	Personal Income of UTA Service Area	Percentage of Personal Income	Per Capita
	Bonds	Leases				
2011	\$ 1,927,474,109	\$ -	\$ 183,091,524	\$ 77,524,222,000	2.49%	863.07
2012	2,083,194,109	-	196,693,543	83,156,237,000	2.51%	919.40
2013	2,077,184,109	-	203,806,329	85,699,968,000	2.42%	902.22
2014	2,072,399,109	-	214,683,276	91,063,808,000	2.28%	885.58
2015	2,099,242,069	11,272,688	227,703,023	98,213,376,000	2.14%	891.69
2016	2,070,183,567	19,605,173	238,584,981	104,042,124,000	1.99%	864.94
2017	2,136,303,567	46,394,866	256,742,750	110,124,169,000	1.94%	886.14
2018	2,211,117,114	56,038,716	273,007,256	118,270,822,000	1.87%	906.17
2019	2,196,731,498	52,187,203	288,548,490	125,338,146,000	1.75%	885.17
2020	2,207,321,498	57,263,279	311,520,915	-	-	-

Source: Note 9

Note: Does not include Utah County Provo Orem BRT debt  
2020 income numbers not available as of June 2021

### DEMOGRAPHIC AND ECONOMIC STATISTICS

Fiscal Year	Estimated Population	Personal Income in UTA Service Area	Per Capita Personal Income	Unemployment Rate
2011	2,233,268	\$ 77,524,222,000	\$ 34,713	6.7%
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%
<sup>1</sup> 2020	2,618,206	-	-	4.7%

Source: US Dept of Commerce, Bureau of Economic Analysis, Regional Data ([www.bea.gov](http://www.bea.gov))

Unemployment rate- Utah Department of Workforce Services

<sup>1</sup>2020 personal income numbers not available as of June 2021

### YEARLY DEBT SERVICE COVERAGE

Fiscal Year	Bond Payments		Sales Tax Collected (Less Proposition 1 and 4th quarter cent)	Coverage Ratio Sales Tax
	Principal	Interest		
2011	\$ 7,300,000	\$ 71,932,011	\$ 183,091,524	2.31
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	89,110,270	273,007,256	2.73
2019	17,500,000	98,602,388	288,548,490	2.49
2020	25,920,000	90,980,361	311,520,915	2.66

Source: Note 9

Note: Does not include Utah County Provo Orem BRT debt

UTAH TRANSIT AUTHORITY  
STATISTICAL SECTION  
Year Ended December 31, 2020

## PRINCIPAL EMPLOYERS - 2019 and 2009

2019					2009			
Employer	Industry	Employees	Rank	% Total Employment	Employer	Employees	Rank	% Total Employment
Intermountain Healthcare	Health Care	20,000 +	1	1.3%	Intermountain Health Care	20,000+	1	1.6%
University of Utah (Including Hospital)	Higher Education	20,000 +	2	1.3%	State of Utah	20,000+	2	1.6%
State of Utah	State Government	20,000 +	3	1.3%	Wal Mart Stores	15,000-19,999	3	1.2%
Brigham Young University	Higher Education	15,000-19,999	4	1.0%	Brigham Young University	15,000-19,999	4	1.6%
Wal-Mart Associates	Warehouse Clubs/Supercenters	15,000-19,999	5	1.0%	University of Utah	15,000-19,999	5	1.2%
Hill Air Force Base	Federal Government	10,000-14,999	6	0.6%	Hill Air Force Base	10,000-14,000	6	1.2%
Amazon.com Services	Courier/Express Delivery Service	10,000-14,999	7	0.6%	Granite School District	7,000-9,999	7	0.6%
Davis County School District	Public Education	7,000-9,999	8	0.4%	Davis County School District	7,000-9,999	8	0.6%
Utah State University	Higher Education	7,000-9,999	9	0.4%	Jordan School District	5,000-6,999	9	0.6%
Smith's Food and Drug Centers	Grocery Stores	7,000-9,999	10	0.4%	Kroger Group/ Smiths Marketplace	5,000-6,999	10	0.6%
Granite School District	Public Education	7,000-9,999	11	0.4%	Utah State University	5,000-6,999	11	0.6%
Alpine School District	Public Education	7,000-9,999	12	0.3%	Alpine School District	5,000-6,999	12	0.6%
Jordan School District	Public Education	7,000-9,999	13	0.3%	Salt Lake County	5,000-6,999	13	0.6%
Salt Lake County	Local Government	5,000-6,999	14	0.3%	Internal Revenue Service	5,000-6,999	14	0.6%
Utah Valley University	Higher Education	5,000-6,999	15	0.3%	US Postal Service	5,000-6,999	15	0.6%
Total Employment				1,564,782				1,245,016

Source: Department of Workforce Services  
Largest Employers by County  
Utah's Largest Employers 2009

<https://jobs.utah.gov/wi/data/library/firm/majoremployers.html>  
<http://www.operationriogrande.utah.gov/wi/pubs/em/pastreports/09annual/lrgstemp2009.pdf>

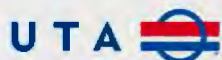
2020 data not available at time of report

Notes: <https://jobs.utah.gov/wi/data/library/firm/majoremployers.html>  
<https://jobs.utah.gov/wi/pubs/em/pastreports/11annual/lrgstemp.pdf>

## FULL-TIME EQUIVALENT AUTHORITY EMPLOYEES - 10 YEARS

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Bus operations	1104	1138	1089	1030	1028	951	945	911	963	950
Rail operations	625	631	611	580	563	527	542	526	506	425
Paratransit operations	200	204	196	191	191.5	188	183	176	168	168
Other services	10	10	8	9	9	12	10	10	12	11
Support services	417	433	413	365	366	349	323	335	293	284
Administration	187	184	180	243	212	210	207	195	217	224
Total	2543	2600	2496	2417	2368	2237	2210	2153	2159	2062

Source: UTA Budget Staff



UTAH TRANSIT AUTHORITY  
STATISTICAL SECTION  
Year Ended December 31, 2020

### TREND STATISTICS - 10 YEARS

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
<b>Passengers</b>										
Bus service	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	21,560,358
Rail service	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	16,944,264
Paratransit service	187,112	388,265	394,816	386,977	389,019	388,169	372,499	383,453	715,034	683,336
Vanpool service	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	1,417,183
<b>Total passengers</b>	<b>23,559,294</b>	<b>44,578,158</b>	<b>44,176,331</b>	<b>45,078,919</b>	<b>45,521,914</b>	<b>46,721,586</b>	<b>46,279,409</b>	<b>44,281,254</b>	<b>42,806,077</b>	<b>40,605,141</b>
<b>Revenue Miles</b>										
Bus service	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	15,869,340
Rail service	3,288,505	11,977,751	12,084,767	12,082,292	12,070,277	11,988,005	11,784,146	11,681,251	7,905,460	6,019,693
Paratransit service	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	4,094,325
Vanpool service	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	8,042,756
<b>Total Revenue Miles</b>	<b>26,310,500</b>	<b>39,469,381</b>	<b>39,149,927</b>	<b>38,713,262</b>	<b>36,556,604</b>	<b>36,383,889</b>	<b>36,818,003</b>	<b>37,373,312</b>	<b>33,803,276</b>	<b>34,026,114</b>
<b>Total Miles</b>										
Bus service	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	17,416,367
Rail service	3,323,282	12,098,162	12,285,634	12,202,976	12,189,876	12,368,934	11,814,332	11,773,929	7,987,022	6,073,807
Paratransit service	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	5,256,369
Vanpool service	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	8,042,756
<b>Total miles</b>	<b>28,944,654</b>	<b>42,971,105</b>	<b>42,264,851</b>	<b>41,815,386</b>	<b>39,474,209</b>	<b>39,958,274</b>	<b>39,383,449</b>	<b>39,511,385</b>	<b>36,183,010</b>	<b>36,789,299</b>
<b>Passengers per Mile</b>										
Bus service	0.80	1.15	1.10	1.13	1.30	1.34	1.29	1.25	1.41	1.36
Rail service	3.12	1.86	1.90	1.96	1.97	2.03	2.07	1.95	2.46	2.81
Paratransit service	0.11	0.13	0.14	0.14	0.16	0.17	0.15	0.13	0.22	0.17
Vanpool service	0.12	0.17	0.18	0.20	0.20	0.21	0.20	0.20	0.19	0.18
<b>Total Passengers per Revenue Mile</b>	<b>0.90</b>	<b>1.13</b>	<b>1.13</b>	<b>1.16</b>	<b>1.25</b>	<b>1.28</b>	<b>1.26</b>	<b>1.18</b>	<b>1.27</b>	<b>1.19</b>
<b>Revenue Hours</b>										
Bus service	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	866,268
Rail service	480,017	532,353	527,187	513,389	511,082	506,233	487,435	641,914	536,066	388,826
Paratransit service	116,174	181,749	180,342	162,198	162,734	160,383	164,527	191,016	227,013	300,760
<b>Total revenue hours</b>	<b>1,765,483</b>	<b>2,040,762</b>	<b>1,991,715</b>	<b>1,934,035</b>	<b>1,760,871</b>	<b>1,736,755</b>	<b>1,760,856</b>	<b>1,766,592</b>	<b>1,598,064</b>	<b>1,555,854</b>
<b>Passengers per Revenue Hour</b>										
Bus service	10.64	15.68	15.28	15.69	18.43	19.21	18.18	21.10	25.42	24.89
Rail service	21.40	41.93	43.59	46.12	46.50	48.10	49.93	35.54	36.23	43.58
Paratransit service	1.61	2.14	2.19	2.39	2.39	2.42	2.26	2.01	3.15	2.27
<b>Total passengers per mile</b>	<b>12.97</b>	<b>11.13</b>	<b>21.59</b>	<b>22.65</b>	<b>25.09</b>	<b>26.08</b>	<b>25.48</b>	<b>24.28</b>	<b>25.88</b>	<b>25.19</b>
<b>Total System</b>										
Fare revenue	\$ 32,845,272	\$ 52,649,054	\$ 48,122,586	\$ 52,159,202	\$ 50,624,354	\$ 52,112,909	\$ 51,461,223	\$ 49,977,533	\$ 44,489,583	\$ 39,693,757
Operating expense	320,787,400	311,785,797	300,954,051	257,734,612	268,970,126	242,516,933	235,149,656	215,858,141	194,968,330	183,918,986
Cost per revenue mile	12.19	7.90	7.69	6.66	7.36	6.67	6.39	5.78	5.77	5.41
Cost per passenger	13.62	6.99	6.81	5.72	5.91	5.19	5.08	4.87	4.55	4.53
Fare revenue per passenger	1.39	1.18	1.09	1.16	1.11	1.12	1.11	1.13	1.04	0.98

Note: Does not include commuter bus or contract transportation.

Source: NTD



UTAH TRANSIT AUTHORITY  
STATISTICAL SECTION  
Year Ended December 31, 2020

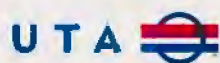
## OPERATING INDICATORS AND CAPITAL ASSETS - 10 YEARS

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Number of bus routes*	104	117	114	119	125	126	121	119	125	119
Number of rail routes										
Light rail	4	4	4	4	4	4	4	4	3	3
Commuter rail	1	1	1	1	1	1	1	1	1	1
Bus Service Miles (weekday)	63,025	62,742	57,378	56,162	53,612	49,625	51,629	55,733	64,186	64,493
Rail Service Miles (weekday)										
Light Rail	6,797	8,832	8,853	8,814	8,815	8,828	8,547	8,216	6,978	5,107
Commuter Rail	3,628	4,660	4,664	4,623	4,627	4,651	4,638	4,488	2,390	2,327
Average Passengers (weekday)	78,972	152,940	151,901	156,288	155,873	161,862	161,339	152,644	152,934	142,186
Buses	539	570	561	582	567	555	535	493	570	495
Paratransit vehicles (buses/vans)	207	198	182	148	129		84	113	110	112
Rail vehicles										
Light rail	117	117	146	146	146	146	146	146	122	122
Commuter rail	81	70	81	81	81	81	81	81	57	55
Vanpool vehicles	471	512	453	453	503	495	479	470	494	485
Park and ride lots <sup>1</sup>										
Rail Park and Ride	42	42	42	42	46	41				
Non-Rail and Ride Stations	12	12	12	12						
Bus Stops	6,120	6,247	6,100	6,100	6,196	6,250	6,250	6,273	6,333	6,600
Rail Stations										
Light Rail	57	57	57	57	57	57	51	51	41	41
Commuter Rail	17	17	16	16	16	16	16	16	16	7

Source: NTD  
UTA Capital Asset Record  
UTA Change-Day Roster

\* Including flex

<sup>1</sup> As of 2017 started distinguishing between rail and non rail park and ride lots





UTAH TRANSIT AUTHORITY  
STATISTICAL SECTION  
Year Ended December 31, 2019

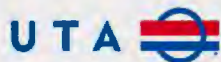
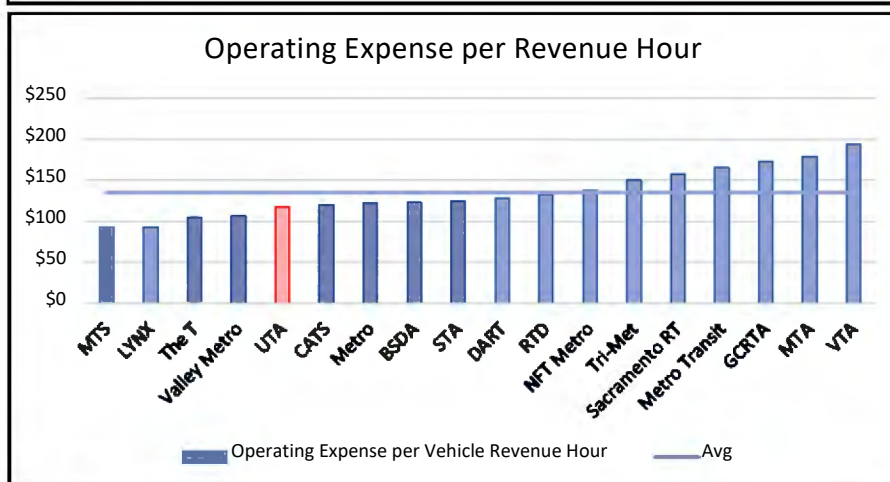
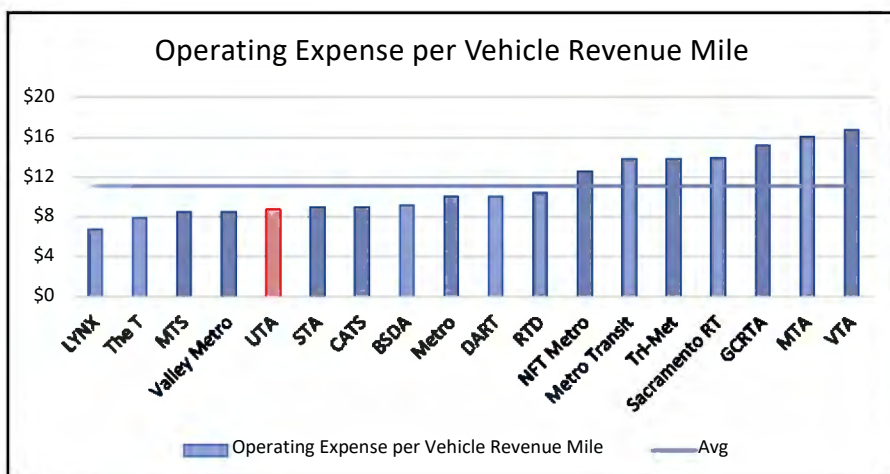
## PERFORMANCE MEASURES - BUS SERVICE

The following charts contain information from the Federal Transit Administration's National Transit Database (NTD) for the most recent year available (2019), and compares the Authority's performance with other like transit agencies.

### Service Efficiency

City	Agency	Operating Expense per Vehicle Revenue Mile	Operating Expense per Vehicle Revenue Hour
Salt Lake City, UT	UTA	\$ 8.75	\$ 116.93
Baltimore, MD	MTA	16.03	178.36
Buffalo, NY	NFT Metro	12.57	137.09
Charlotte, NC	CATS	9.03	119.57
Cleveland, OH	GCRTA	15.16	171.99
Dallas, TX	DART	10.10	127.99
Denver, CO	RTD	10.48	132.41
Ft Worth, TX	The T	7.90	105.23
Houston, TX	Metro	10.05	121.95
Minneapolis, MN	Metro Transit	13.79	165.23
Orlando, FL	LYNX	6.76	92.77
Phoenix, AZ	Valley Metro	8.51	106.67
Portland, OR	Tri-Met	13.80	149.57
Sacramento, CA	Sacramento RT	13.92	157.29
San Diego	MTS	8.47	92.24
San Jose, CA	VTA	16.74	194.04
Spokane, WA	STA	9.02	124.20
St Louis, MO	BSDA	9.15	122.72

Average	\$ 11.13	\$ 134.24
Maximum	16.74	194.04
Minimum	6.76	92.24
Standard Deviation	3.07	29.42



UTAH TRANSIT AUTHORITY  
STATISTICAL SECTION  
Year Ended December 31, 2019

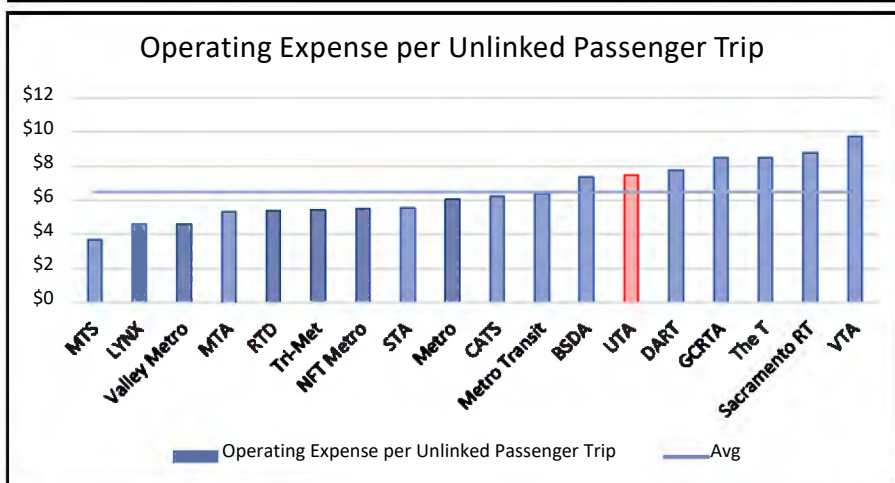
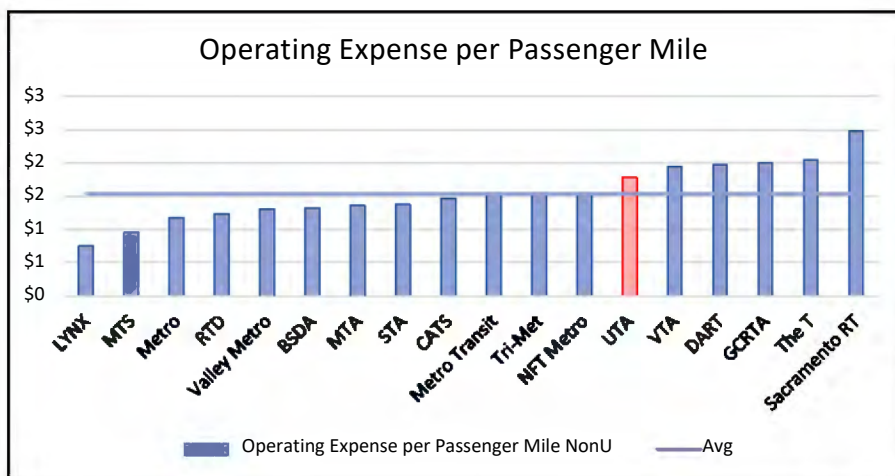
## PERFORMANCE MEASURES - BUS SERVICE

The following charts contain information from the Federal Transit Administration's National Transit Database (NTD) for the most recent year available (2019), and compares the Authority's performance with other like transit agencies.

### Service Efficiency

City	Agency	Operating Expense per Passenger Mile	Operating Expense per Unlinked Passenger Trip
Salt Lake City, UT	UTA	\$ 1.78	\$ 7.46
Baltimore, MD	MTA	1.36	5.31
Buffalo, NY	NFT Metro	1.55	5.50
Charlotte, NC	CATS	1.47	6.21
Cleveland, OH	GCRTA	2.01	8.46
Dallas, TX	DART	1.97	7.75
Denver, CO	RTD	1.23	5.40
Ft Worth, TX	The T	2.04	8.48
Houston, TX	Metro	1.17	6.03
Minneapolis, MN	Metro Transit	1.52	6.40
Orlando, FL	LYNX	0.75	4.58
Phoenix, AZ	Valley Metro	1.31	4.59
Portland, OR	Tri-Met	1.52	5.41
Sacramento, CA	Sacramento RT	2.48	8.76
San Diego	MTS	0.95	3.67
San Jose, CA	VTA	1.95	9.72
Spokane, WA	STA	1.37	5.53
St Louis, MO	BSDA	1.32	7.37

Average	\$ 1.54	\$ 6.48
Maximum	2.48	9.72
Minimum	0.75	3.67
Standard Deviation	0.43	1.68



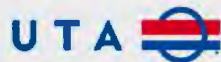
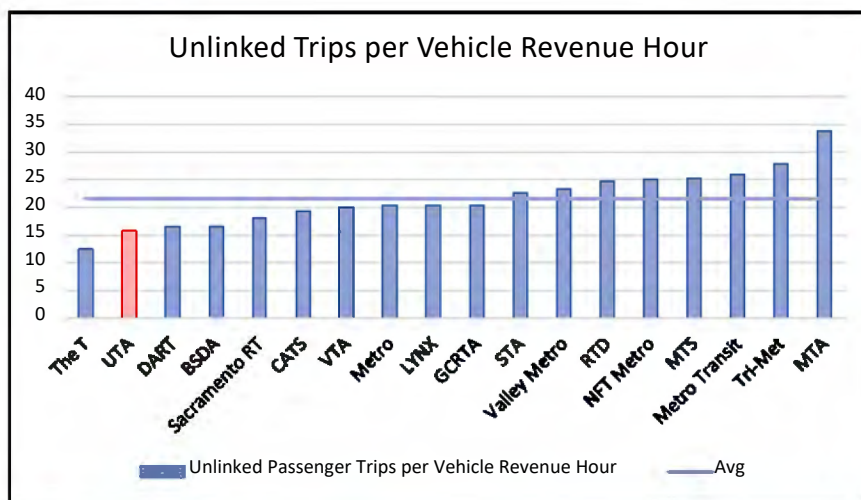
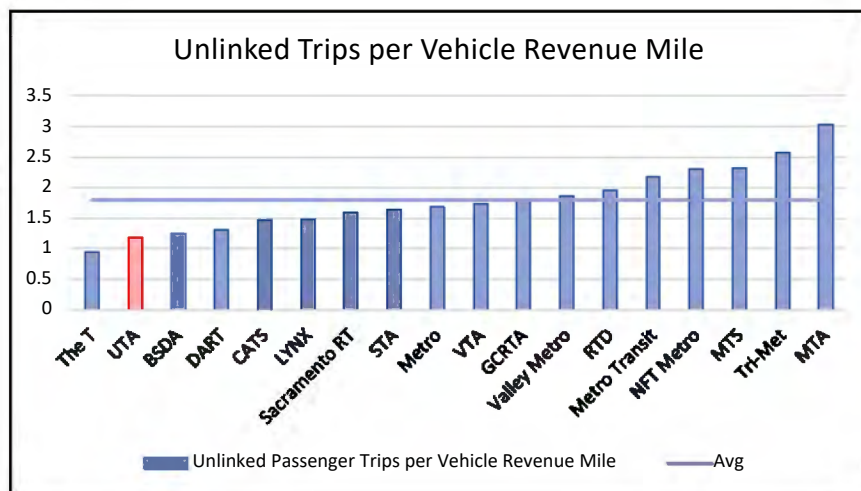
UTAH TRANSIT AUTHORITY  
STATISTICAL SECTION  
Year Ended December 31, 2019

## PERFORMANCE MEASURES - BUS SERVICE

The following charts contain information from the Federal Transit Administration's National Transit Database (NTD) for the most recent year available (2019), and compares the Authority's performance with other like transit agencies.

### Service Efficiency

City	Agency	Unlinked Passenger Trips per Vehicle Revenue Mile	Unlinked Passenger Trips per Vehicle Revenue Hour
Salt Lake City, UT	UTA	1.2	15.7
Baltimore, MD	MTA	3.0	33.6
Buffalo, NY	NFT Metro	2.3	24.9
Charlotte, NC	CATS	1.5	19.2
Cleveland, OH	GCRTA	1.8	20.3
Dallas, TX	DART	1.3	16.5
Denver, CO	RTD	1.9	24.5
Ft Worth, TX	The T	0.9	12.4
Houston, TX	Metro	1.7	20.2
Minneapolis, MN	Metro Transit	2.2	25.8
Orlando, FL	LYNX	1.5	20.3
Phoenix, AZ	Valley Metro	1.9	23.3
Portland, OR	Tri-Met	2.6	27.7
Sacramento, CA	Sacramento RT	1.6	18.0
San Diego	MTS	2.3	25.1
San Jose, CA	VTA	1.7	20.0
Spokane, WA	STA	1.6	22.4
St Louis, MO	BSDA	1.2	16.7
Average		1.8	21.5
Maximum		3.0	33.6
Minimum		0.9	12.4
Standard Deviation		0.5	5.0





UTAH TRANSIT AUTHORITY  
STATISTICAL SECTION  
Year Ended December 31, 2019

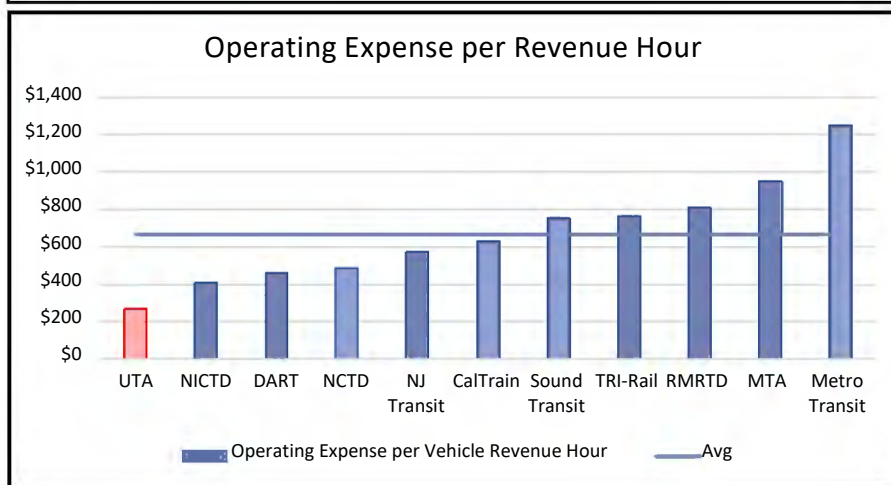
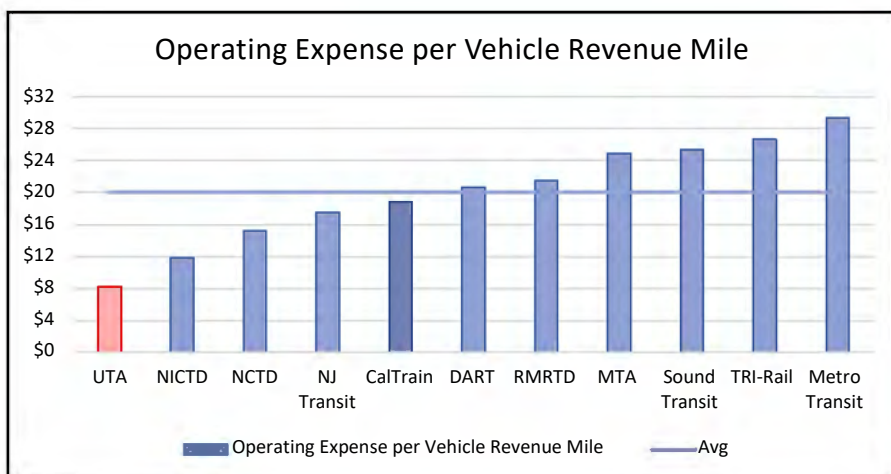
## PERFORMANCE MEASURES - COMMUTER RAIL

The following charts contain information from the Federal Transit Administration's National Transit Database (NTD) for the most recent year available (2019), and compares the Authority's performance with other like transit agencies.

### Service Efficiency

City	Agency	Operating Expense per Vehicle Revenue Mile	Operating Expense per Vehicle Revenue Hour
Salt Lake City, UT	UTA	\$ 8.20	\$ 265.75
Albuquerque, NM	RMRTD	21.51	807.56
Baltimore, MD	MTA	24.87	947.23
Chesterton, IN	NICTD	11.82	405.51
Dallas, TX	DART	20.69	457.79
Minneapolis, MN	Metro Transit	29.29	1,247.14
Newark, NJ	NJ Transit	17.50	570.25
Oceanside, CA	NCTD	15.24	485.57
Pompano Beach, FL	TRI-Rail	26.65	764.06
San Carlos, CA	CalTrain	18.87	630.19
Seattle, WA	Sound Transit	25.36	751.97

Average	\$ 20.00	\$ 666.64
Maximum	29.29	1,247.14
Minimum	8.20	265.75
Standard Deviation	6.50	277.18



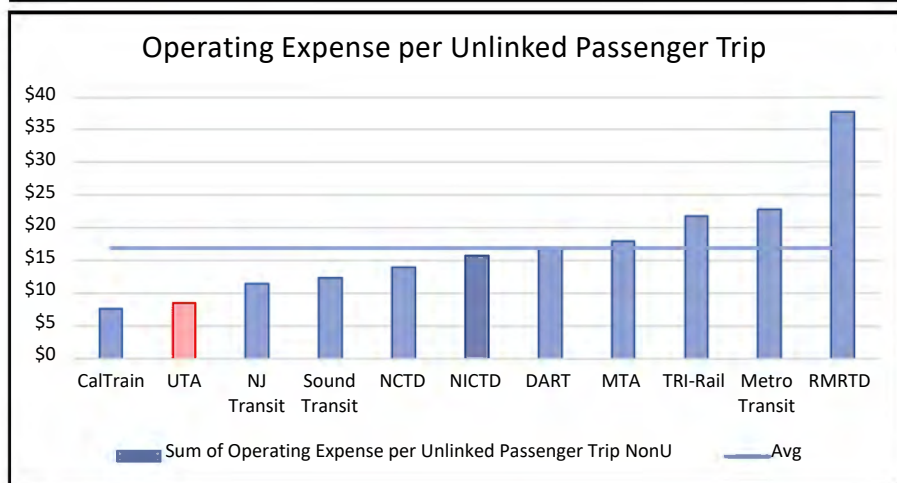
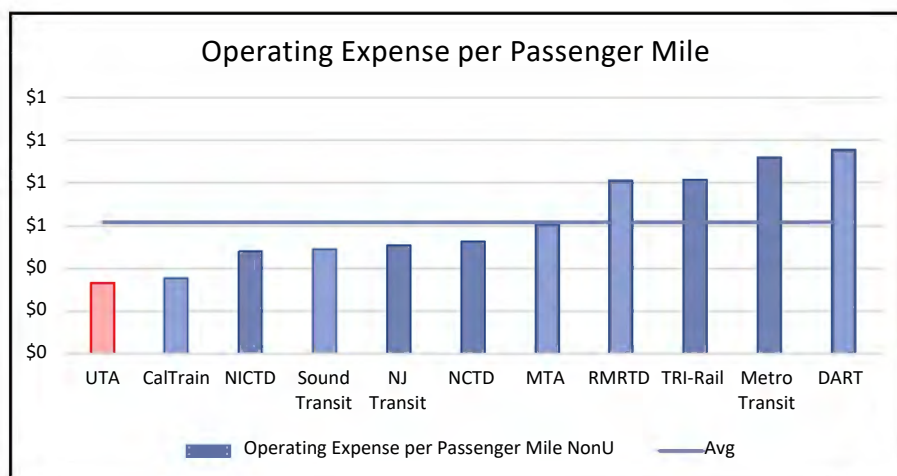
UTAH TRANSIT AUTHORITY  
STATISTICAL SECTION  
Year Ended December 31, 2019

## PERFORMANCE MEASURES - COMMUTER RAIL

The following charts contain information from the Federal Transit Administration's National Transit Database (NTD) for the most recent year available (2019), and compares the Authority's performance with other like transit agencies.

### Service Efficiency

City	Agency	Operating Expense per Passenger Mile	Operating Expense per Unlinked Passenger Trip
Salt Lake City, UT	UTA	\$ 0.33	\$ 8.53
Albuquerque, NM	RMRTD	0.81	37.71
Baltimore, MD	MTA	0.61	18.00
Chesterton, IN	NICTD	0.48	15.82
Dallas, TX	DART	0.96	16.84
Minneapolis, MN	Metro Transit	0.92	22.77
Newark, NJ	NJ Transit	0.51	11.44
Oceanside, CA	NCTD	0.53	13.94
Pompano Beach, FL	TRI-Rail	0.82	21.77
San Carlos, CA	CalTrain	0.35	7.71
Seattle, WA	Sound Transit	0.49	12.33
Average		\$ 0.62	\$ 16.99
Maximum		0.96	37.71
Minimum		0.33	7.71
Standard Deviation		0.22	8.41



UTAH TRANSIT AUTHORITY  
STATISTICAL SECTION  
Year Ended December 31, 2019

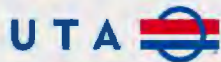
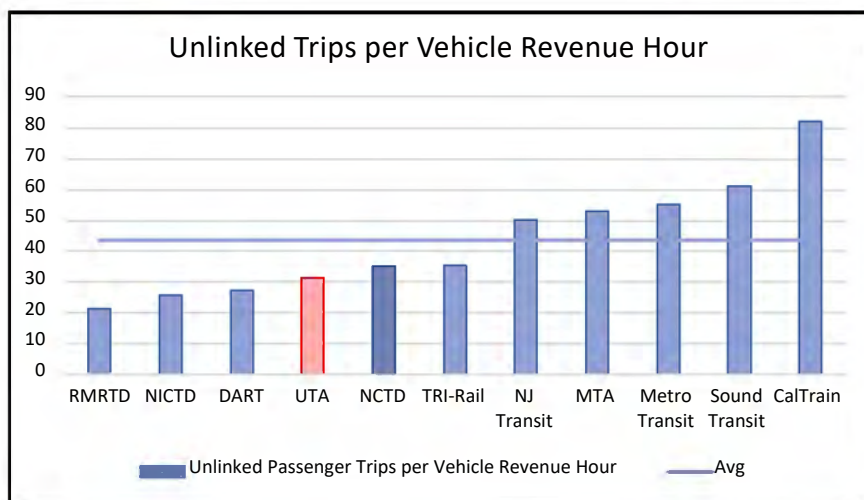
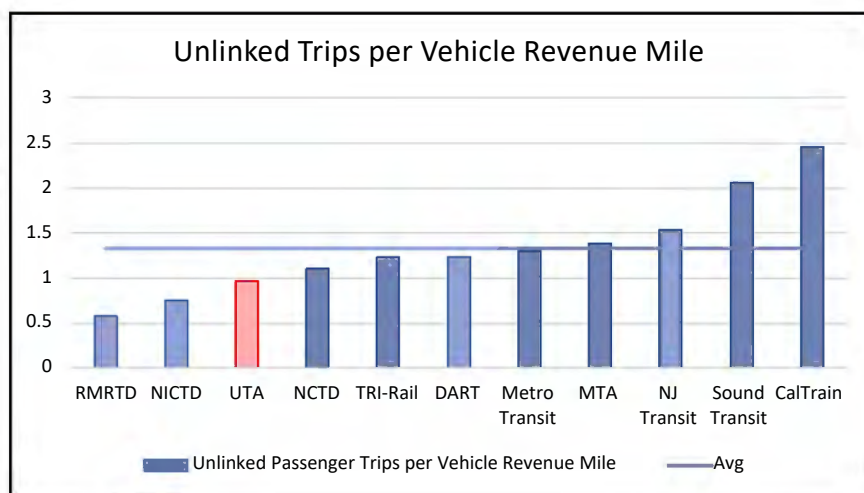
## PERFORMANCE MEASURES - COMMUTER RAIL

The following charts contain information from the Federal Transit Administration's National Transit Database (NTD) for the most recent year available (2019), and compares the Authority's performance with other like transit agencies.

### Service Efficiency

City	Agency	Unlinked Passenger Trips per Vehicle Revenue Mile	Unlinked Passenger Trips per Vehicle Revenue Hour
Salt Lake City, UT	UTA	1.0	31.2
Albuquerque, NM	RMRTD	0.6	21.4
Baltimore, MD	MTA	1.4	52.6
Chesterton, IN	NICTD	0.7	25.6
Dallas, TX	DART	1.2	27.2
Minneapolis, MN	Metro Transit	1.3	54.8
Newark, NJ	NJ Transit	1.5	49.8
Oceanside, CA	NCTD	1.1	34.8
Pompano Beach, FL	TRI-Rail	1.2	35.1
San Carlos, CA	CalTrain	2.4	81.7
Seattle, WA	Sound Transit	2.1	61.0

Average	1.3	43.2
Maximum	2.4	81.7
Minimum	0.6	21.4
Standard Deviation	0.5	18.4



UTAH TRANSIT AUTHORITY  
STATISTICAL SECTION  
Year Ended December 31, 2019

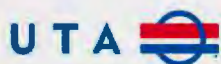
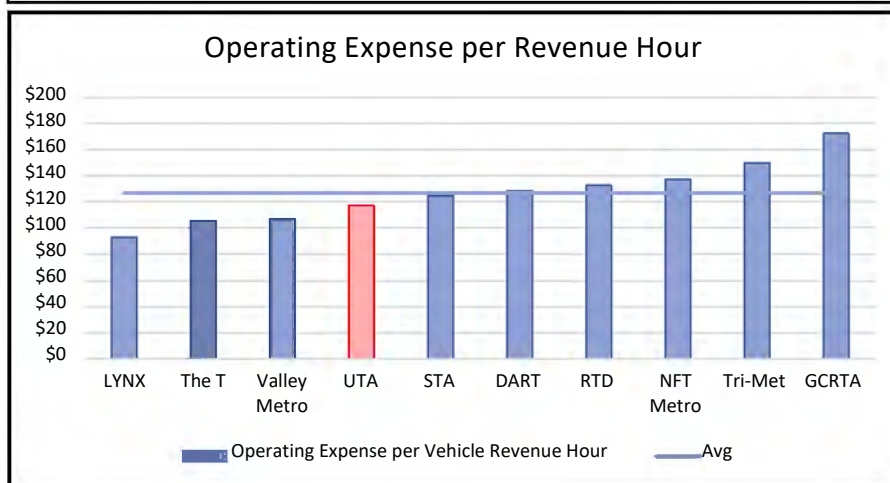
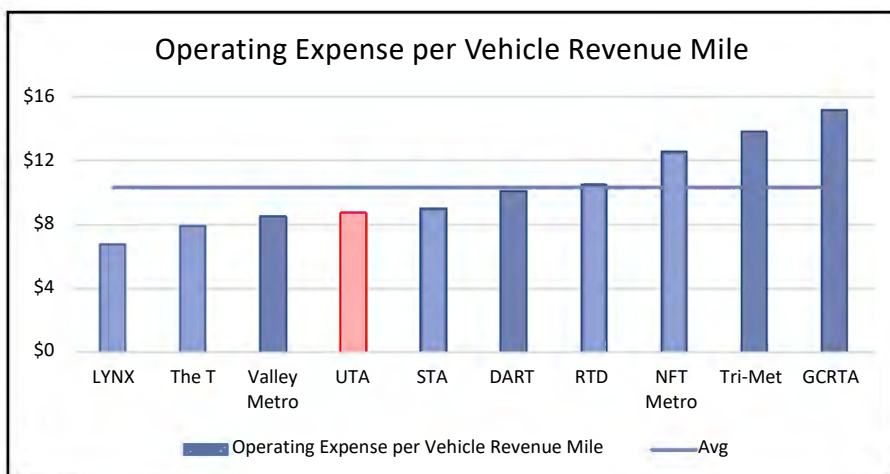
## PERFORMANCE MEASURES - DEMAND RESPONSE

The following charts contain information from the Federal Transit Administration's National Transit Database (NTD) for the most recent year available (2019), and compares the Authority's performance with other like transit agencies.

### Service Efficiency

City	Agency	Operating Expense per Vehicle Revenue Mile	Operating Expense per Vehicle Revenue Hour
Salt Lake City, UT	UTA	\$ 7.03	\$ 111.46
Buffalo, NY	NFT Metro	5.74	90.06
Cleveland, OH	GCRTA	9.21	132.75
Dallas, TX	DART	6.68	87.08
Denver, CO	RTD	4.62	74.23
Ft Worth, TX	The T	4.91	80.62
Orlando, FL	LYNX	3.25	51.74
Phoenix, AZ	Valley Metro	5.63	73.14
Portland, OR	Tri-Met	6.39	79.41
Spokane, WA	STA	6.08	91.08

Average	\$	5.95	\$ 87.16
Maximum		9.21	132.75
Minimum		3.25	51.74
Standard Deviation		1.59	22.15





UTAH TRANSIT AUTHORITY  
STATISTICAL SECTION  
Year Ended December 31, 2019

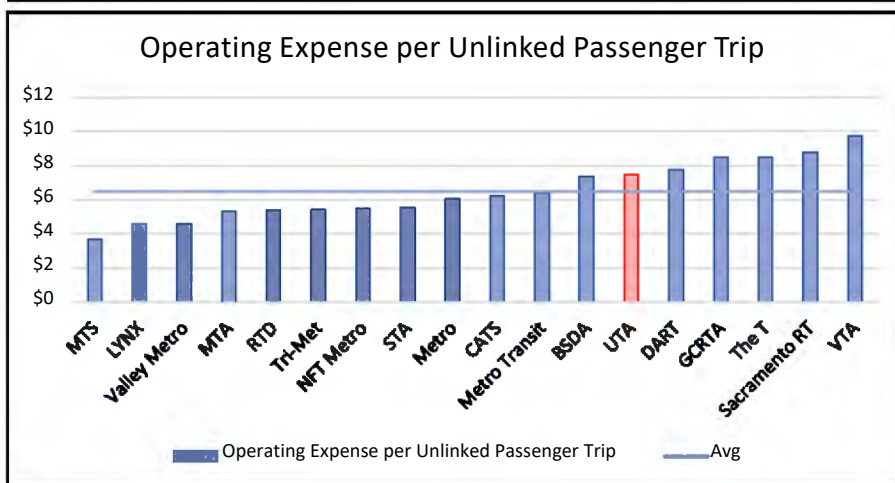
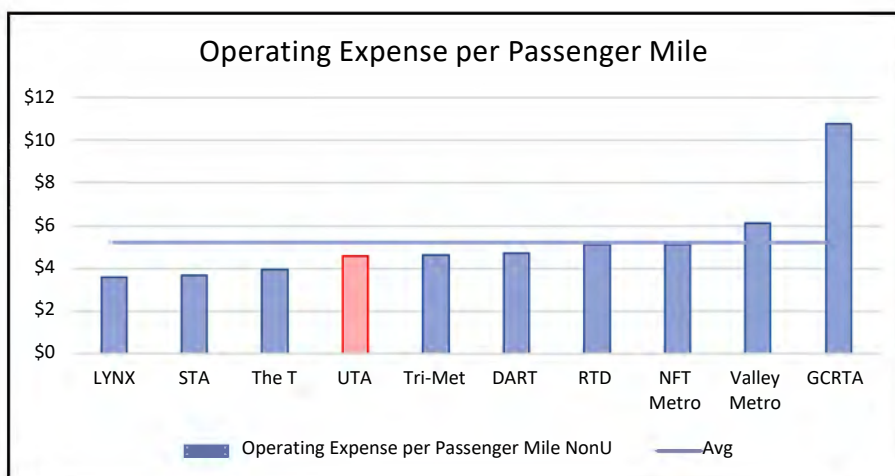
## PERFORMANCE MEASURES - DEMAND RESPONSE

The following charts contain information from the Federal Transit Administration's National Transit Database (NTD) for the most recent year available (2019), and compares the Authority's performance with other like transit agencies.

### Service Efficiency

City	Agency	Operating Expense per Passenger Mile	Operating Expense per Unlinked Passenger Trip
Salt Lake City, UT	UTA	\$ 4.58	\$ 52.17
Buffalo, NY	NFT Metro	5.14	49.22
Cleveland, OH	GCRTA	10.77	85.86
Dallas, TX	DART	4.72	47.23
Denver, CO	RTD	5.14	45.26
Ft Worth, TX	The T	3.97	43.97
Orlando, FL	LYNX	3.58	46.58
Phoenix, AZ	Valley Metro	6.15	55.75
Portland, OR	Tri-Met	4.62	42.58
Spokane, WA	STA	3.67	33.01

Average	\$ 5.23	\$ 50.16
Maximum	10.77	85.86
Minimum	3.58	33.01
Standard Deviation	2.09	13.93



UTAH TRANSIT AUTHORITY  
STATISTICAL SECTION  
Year Ended December 31, 2019

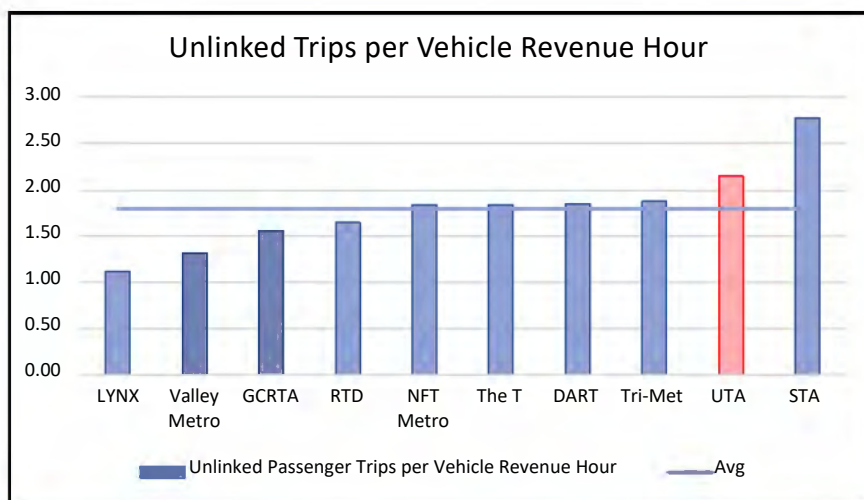
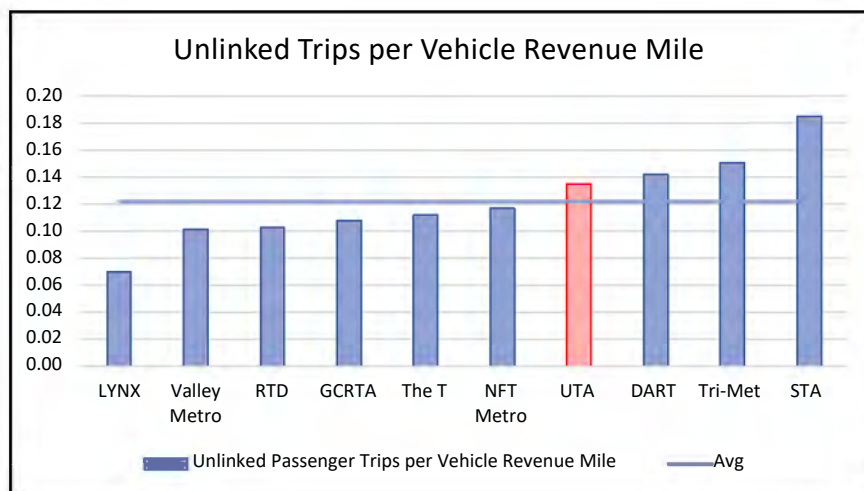
## PERFORMANCE MEASURES - DEMAND RESPONSE

The following charts contain information from the Federal Transit Administration's National Transit Database (NTD) for the most recent year available (2019), and compares the Authority's performance with other like transit agencies.

### Service Efficiency

City	Agency	Unlinked Passenger Trips per Vehicle Revenue Mile	Unlinked Passenger Trips per Vehicle Revenue Hour
Salt Lake City, UT	UTA	0.13	2.14
Buffalo, NY	NFT Metro	0.12	1.83
Cleveland, OH	GCRTA	0.11	1.55
Dallas, TX	DART	0.14	1.84
Denver, CO	RTD	0.10	1.64
Ft Worth, TX	The T	0.11	1.83
Orlando, FL	LYNX	0.07	1.11
Phoenix, AZ	Valley Metro	0.10	1.31
Portland, OR	Tri-Met	0.15	1.87
Spokane, WA	STA	0.18	2.76

Average	0.12	1.79
Maximum	0.18	2.76
Minimum	0.07	1.11
Standard Deviation	0.03	0.45



UTAH TRANSIT AUTHORITY  
STATISTICAL SECTION  
Year Ended December 31, 2019

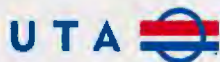
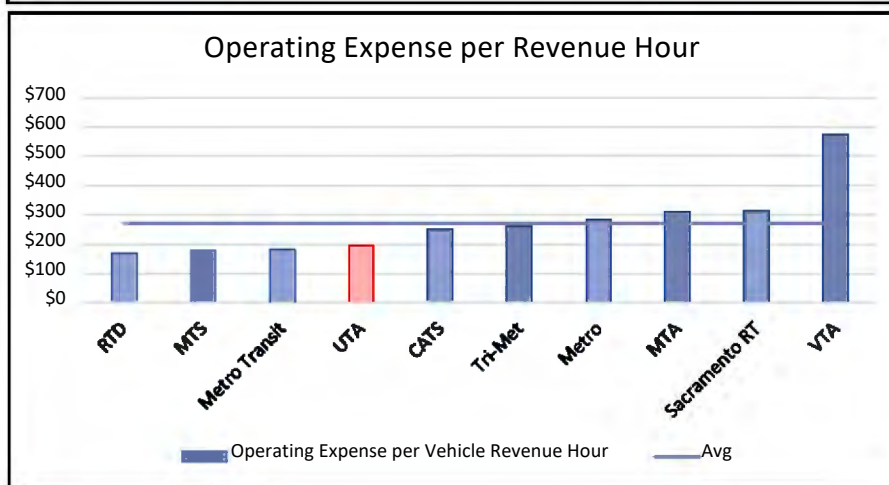
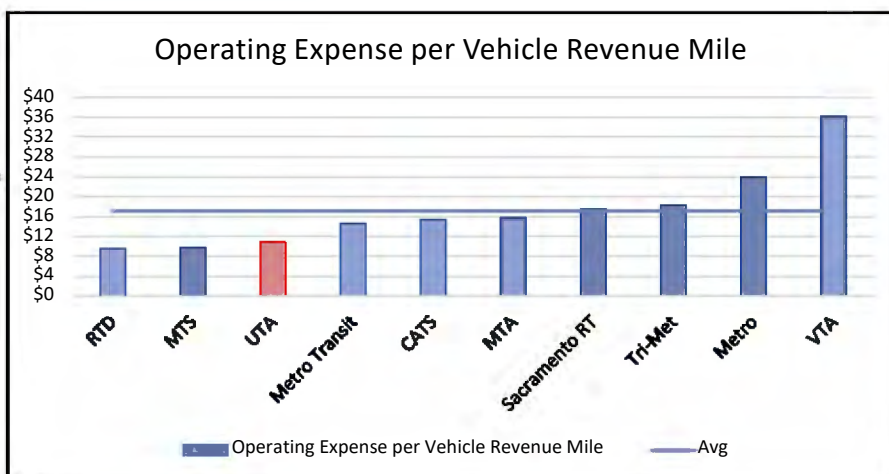
## PERFORMANCE MEASURES - LIGHT RAIL

The following charts contain information from the Federal Transit Administration's National Transit Database (NTD) for the most recent year available (2019), and compares the Authority's performance with other like transit agencies.

### Service Efficiency

City	Agency	Operating Expense per Vehicle Revenue Mile	Operating Expense per Vehicle Revenue Hour
Salt Lake City, UT	UTA	\$ 10.83	\$ 194.60
Baltimore, MD	MTA	15.87	309.31
Charlotte, NC	CATS	15.43	252.22
Denver, CO	RTD	9.57	168.59
Houston, TX	Metro	23.86	285.37
Minneapolis, MN	Metro Transit	14.61	181.61
Portland, OR	Tri-Met	18.37	261.13
Sacramento, CA	Sacramento RT	17.58	313.93
San Jose, CA	VTA	36.13	573.35
San Diego	MTS	9.80	177.41

Average	\$	17.20	\$ 271.75
Maximum		36.13	573.35
Minimum		9.57	168.59
Standard Deviation		7.95	119.47



UTAH TRANSIT AUTHORITY  
STATISTICAL SECTION  
Year Ended December 31, 2019

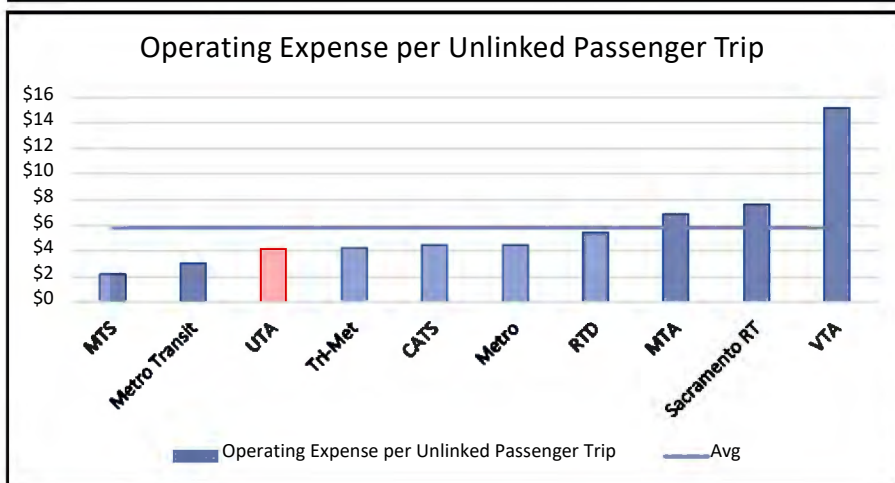
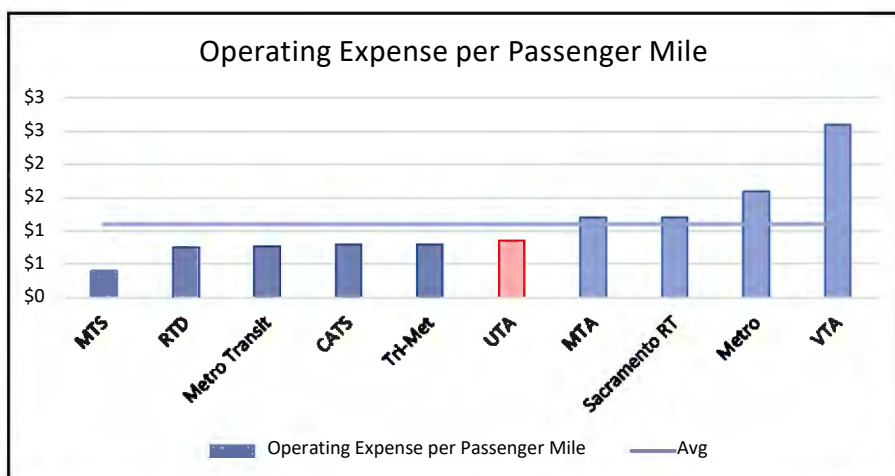
## PERFORMANCE MEASURES - LIGHT RAIL

The following charts contain information from the Federal Transit Administration's National Transit Database (NTD) for the most recent year available (2019), and compares the Authority's performance with other like transit agencies.

### Service Efficiency

City	Agency	Operating Expense per Passenger Mile	Operating Expense per Unlinked Passenger Trip
Salt Lake City, UT	UTA	\$ 0.86	\$ 4.15
Baltimore, MD	MTA	1.20	6.88
Charlotte, NC	CATS	0.79	4.45
Denver, CO	RTD	0.75	5.47
Houston, TX	Metro	1.59	4.48
Minneapolis, MN	Metro Transit	0.76	3.04
Portland, OR	Tri-Met	0.80	4.28
Sacramento, CA	Sacramento RT	1.20	7.65
San Jose, CA	VTA	2.59	15.16
San Diego	MTS	0.39	2.32

Average	\$ 1.09	\$ 5.79
Maximum	2.59	15.16
Minimum	0.39	2.32
Standard Deviation	0.62	3.66





UTAH TRANSIT AUTHORITY  
STATISTICAL SECTION  
Year Ended December 31, 2019

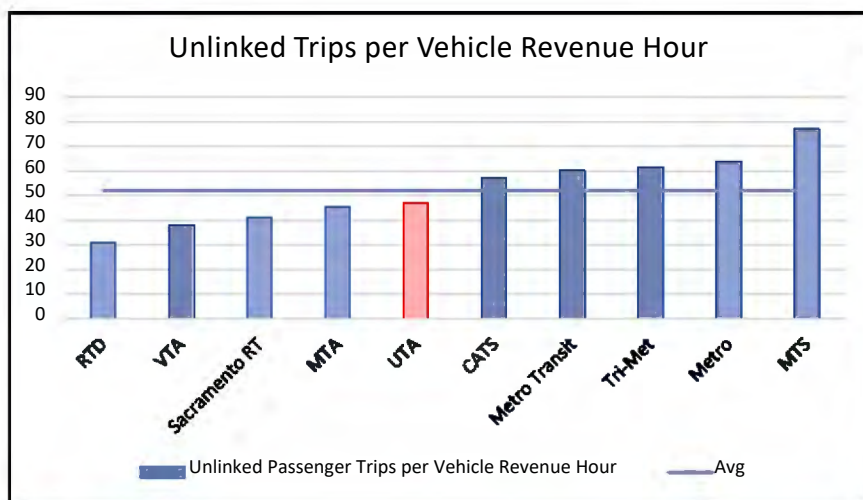
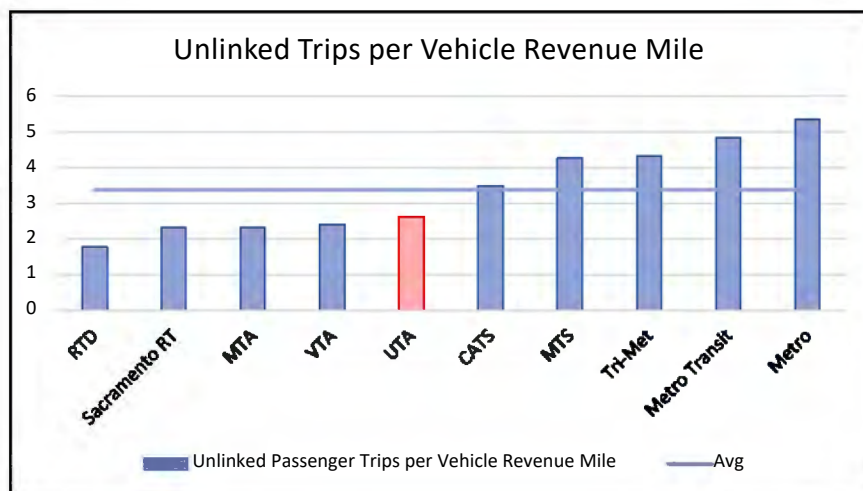
## PERFORMANCE MEASURES - LIGHT RAIL

The following charts contain information from the Federal Transit Administration's National Transit Database (NTD) for the most recent year available (2019), and compares the Authority's performance with other like transit agencies.

### Service Efficiency

City	Agency	Unlinked Passenger Trips per Vehicle Revenue Mile	Unlinked Passenger Trips per Vehicle Revenue Hour
Salt Lake City, UT	UTA	2.6	46.8
Baltimore, MD	MTA	2.3	45.0
Charlotte, NC	CATS	3.5	56.7
Denver, CO	RTD	1.7	30.8
Houston, TX	Metro	5.3	63.7
Minneapolis, MN	Metro Transit	4.8	59.8
Portland, OR	Tri-Met	4.3	61.1
Sacramento, CA	Sacramento RT	2.3	41.0
San Jose, CA	VTA	2.4	37.8
San Diego	MTS	4.2	76.6

Average	3.3	51.9
Maximum	5.3	76.6
Minimum	1.7	30.8
Standard Deviation	1.2	14.0



# Compliance



**Crowe LLP**  
Independent Member Crowe Global

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

Board of Trustees  
Utah Transit Authority  
Salt Lake City, Utah

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the fiduciary activities of Utah Transit Authority (the Authority), a component unit of the State of Utah, as of and for the year ended December 31, 2020, 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 30, 2021.

**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 2020-001 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 2020-002, 2020-003, and 2020-004 to be a significant deficiencies.

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(Continued)

## **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**

The Authority's response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The Authority's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

## **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 30, 2021

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**Crowe LLP**  
Independent Member Crowe Global

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

Board of Trustees  
Utah Transit Authority  
Salt Lake City, Utah

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

We have audited Utah Transit Authority's (the Authority), a component unit of the State of Utah, compliance with the types of compliance requirements described 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, 2020. 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.

**Management's Responsibility**

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the Authority's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Authority's compliance.

**Opinion on Each Major Federal Program**

In our opinion, the Authority complied, in all material respects, with the types of 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, 2020.

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(Continued)



## Report on Internal Control Over Compliance

Management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Authority's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's 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 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies 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, we identified a certain deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2020-002, that we consider to be a significant deficiency.

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

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

  
Crowe LLP

Indianapolis, Indiana  
June 30, 2021

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UTAH TRANSIT AUTHORITY  
Schedule of Expenditures of Federal Awards  
For the year ended December 31, 2020

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDING DECEMBER 31, 2020**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Grant Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
<b>U.S. DEPARTMENT OF TRANSPORTATION</b>					
<b>Federal Transit Cluster - Federal Transit Administration Programs</b>					
Federal Transit - Formula Grant	20.507	UT-2020-002-00		\$ -	\$ 5,131,844
Federal Transit - Formula Grant	20.507	UT-2020-004-01		-	42,815,775
FHWA Transfer to 5307 Urbanized Area Formula Grant	20.507	UT-2018-005		-	1,068,346
FHWA Transfer to 5307 Urbanized Area Formula Grant	20.507	UT-2020-012		-	497,866
FHWA Transfer to 5307 Urbanized Area Formula Grant	20.507	UT-2020-010		-	214,550
FHWA Transfer to 5307 Urbanized Area Formula Grant	20.507	UT-2021-001		-	2,767,790
FHWA Transfer to 5307 Urbanized Area Formula Grant	20.507	20-CMAQ 3500 Max Expansion		-	5,014
FHWA Transfer to 5307 Urbanized Area Formula Grant	20.507	20-CMAQ UT Cnty Bus Stop		-	170,896
					<u>52,672,081</u>
COVID-19 Grant - Federal Transit Formula Grant	20.507	UT-2020-007-00		-	96,907,372
20.507 Programs Total					<u>149,579,453</u>
State of Good Repair Grants Program	20.525	UT-2020-005-00		-	16,517,550
					<u>16,517,550</u>
5339 Bus and Bus Facilities Formula Program	20.526	UT-2017-002-00		-	339,900
5339 Bus and Bus Facilities Formula Program	20.526	UT-2018-010-00		-	1,031,544
5339 Bus and Bus Facilities Discretionary Program	20.526	UT-2018-011-00		-	7,479,699
					<u>8,851,143</u>
<b>Federal Transit Cluster - Federal Transit Administration Programs total</b>				-	174,948,146
<b>Transit Services Programs Cluster - Federal Transit Administration Programs</b>					
Federal Transit - Enhanced Mobility for Seniors and Individuals with Disabilities	20.513	UT-16-X006		-	50,548
Federal Transit - Enhanced Mobility for Seniors and Individuals with Disabilities	20.513	UT-2016-013		12,336	105,124
Federal Transit - Enhanced Mobility for Seniors and Individuals with Disabilities	20.513	UT-2017-015		175,206	221,547
Federal Transit - Enhanced Mobility for Seniors and Individuals with Disabilities	20.513	UT-2017-016		54,074	123,369
Federal Transit - Enhanced Mobility for Seniors and Individuals with Disabilities	20.513	UT-2017-017		399,867	482,655
Federal Transit - Enhanced Mobility for Seniors and Individuals with Disabilities	20.513	UT-2019-001		196,439	204,987
Federal Transit - Enhanced Mobility for Seniors and Individuals with Disabilities	20.513	UT-2019-002		76,683	118,615
Federal Transit - Enhanced Mobility for Seniors and Individuals with Disabilities	20.513	UT-2019-003		-	28,272
Federal Transit - Enhanced Mobility for Seniors and Individuals with Disabilities	20.513	UT-2020-003			150,098
<b>Transit Services Programs Cluster - Federal Transit Administration Programs</b>				<u>914,605</u>	<u>1,485,215</u>



UTAH TRANSIT AUTHORITY  
Schedule of Expenditures of Federal Awards  
For the year ended December 31, 2020

See accompanying notes to the schedule of expenditures of federal awards

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDING DECEMBER 31, 2020**  
**(Continued)**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Grant Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
<b>National Infrastructure Investment - Office of Secretary Programs</b>					
Office of Secretary - National Infrastructure Investment (TIGER)	20.933	UT-2018-002		-	4,354,551
<b>National Infrastructure Investment - Office of Secretary Programs total</b>				-	4,354,551
<b>Research &amp; Development Cluster</b>					
Public Transportation Research	20.514	UT-2017-012-00		-	243,368
<b>Research &amp; Development Cluster</b>				-	243,368
<b>TOTAL U.S. DEPARTMENT OF TRANSPORTATION</b>				914,605	181,031,280
<b>DEPARTMENT OF HOMELAND SECURITY</b>					
FEMA Rail and Transit Security Grant Program	97.075	17-RA-00042		-	3,113
FEMA Rail and Transit Security Grant Program	97.075	19-RA-00040		-	75,739
<b>TOTAL DEPARTMENT OF HOMELAND SECURITY</b>				-	78,852
<b>TOTAL FEDERAL AWARDS EXPENDED</b>				<b>\$ 914,605</b>	<b>\$ 181,110,132</b>

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

Federal preventative maintenance grants	\$160,258,318
Capital Contributions: Federal grants	<u>20,898,309</u>
Total per Comparative Statement of Revenues, Expenses and Change in Net Position (2020)	181,156,627
Total per Schedule of Expenditures of Federal Awards for the year ending December 31, 2020	<u>181,110,132</u>
Difference	46,495

Previous Over/(Under)stated Revenues reflected in 2019 Statement of Revenues, Expenses and Change in Net Position

Research & Development Cluster-Federal Transit Administration	CFDA#	Grant #	Amount
Public Transportation Research	20.514	UT-2017-012	<u>\$ 4,130</u>
Research & Development Cluster - Federal Transit Administration Program Total			<u>\$ 4,130</u>
Transit Services Program Cluster	CFDA#	Grant #	Amount
Enhanced Mobility for Seniors and Individuals with Disabilities	20.513	UT-16-0006	\$ 4,939
Enhanced Mobility for Seniors and Individuals with Disabilities	20.513	UT-2016-013	<u>\$ (55,556)</u>
Transit Services Program Cluster Total			<u>\$ (50,617)</u>
National Infrastructure Investment - Office of the Secretary Programs	CFDA#	Grant #	Amount
Office of Secretary- National Infrastructure Investment (TIGER)	20.933	UT-2018-002	<u>\$ (8)</u>
National Infrastructure Investment - Office of the Secretary Programs Total			<u>\$ (8)</u>
<b>Total Adjustment</b>			<u><b>\$ 46,495</b></u>

See accompanying notes to the schedule of expenditures of federal awards

UTAH TRANSIT AUTHORITY  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year Ended December 31, 2020

A. Basis of Accounting

The information in this schedule is presented on the accrual basis of accounting 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). Expenditures are recognized 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 from pass through awards of various state and other governmental agencies. The total amount of such pass-through awards is included in the supplementary schedule of expenditures of federal awards.

C. Non-Cash Federal Assistance

No non-cash federal assistance was received during the year ended December 31, 2020.

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  
For the year ended December 31, 2020

## 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 to GAAP:

Unmodified

Internal control over financial reporting:

Material weakness identified?

☒\_X\_ yes ☐\_no

Significant Deficiency

☒\_X\_ yes ☐\_none reported

Noncompliance material to financial statements noted? ☐\_yes ☒\_X\_no

### *Federal Awards*

Internal control over major federal programs:

Material weakness identified?

☐\_yes ☒\_X\_no

Significant Deficiency(s) identified

☒\_X\_ 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)?  
Identification of major federal programs:

☒\_X\_ yes ☐\_no

CFDA No(s).

20.507, 20.525, 20.526

Program/Cluster Title

Federal Transit Cluster

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

\$3,000,000

Auditee qualified as low-risk auditee?

☐\_yes ☒\_X\_no

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

### Finding 2020-001 – 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.

**UTAH TRANSIT AUTHORITY**  
**Schedule of Findings and Questioned Costs**  
For the year ended December 31, 2020

**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.

**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:** Management recognizes that due to the Technology ERP staff size, the ideal separation of duties, as called out by UTA's Internal Audit and this audit, is not feasible without the addition of several new employees that would be dedicated to JDE production promotions. To improve the compensating controls and mitigate the potential risk of a developer putting something into JDE production without the proper controls the following step will be taken:

Technology Management, based on the findings of UTA's Internal Audit department, will install and configure a privileged access method (PAM) solution for its ERP system. Staff who need access to Production for support and application upgrades will be required to make a request to access the production environment using the PAM system. The PAM system will issue temporary credentials, log and track all of the users' activities while they are in the production environment. UTA's Internal Audit has indicated to Technology that using a PAM access system would serve as a compensating control for Technologies separation of duties risk due to our small ERP support staff.

Log and activity documents from the PAM system for ERP access would be reviewed by management independent of the development staff and supervision on an anytime developers must access the production database. The level of detail will be based on the specific work performed which will be documented as a support ticket.

The intent is that Management implement these procedural changes by 12/31/2021.

**Finding 2020-002 – Internal Controls over Utility Disbursements (Significant Deficiency)**

**Information on Federal Program:**

CFDA Number and Program Name:

20.507 – Federal Transit Formula Grants

Federal Agency:

Department of Transportation

**Criteria:** Accounting principles generally accepted in the United States of America require management to design, implement, and maintain internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

2 CFR section 200.303 requires that non-Federal entities receiving Federal awards establish and maintain internal control over Federal awards that provides reasonable assurance that the non-Federal entity is managing the Federal awards in compliance with Federal statutes, regulations, and the terms and conditions of the Federal awards.

**Condition/Context:** Utility-related expenses are not reviewed and authorized for payment for prior to disbursement. Eight of the 60 randomly selected expenditures for the Federal Transit Cluster program related to utilities, and all lacked evidence of review and approval.

**Questioned Costs:** None identified.

**Effect:** The Authority's financial statements, specifically utility expenses, could be misstated due to fraud or error.

UTAH TRANSIT AUTHORITY  
 Schedule of Findings and Questioned Costs  
 For the year ended December 31, 2020

Cause: The Authority does not have a policy requiring the review and approval of utility invoices prior to payment due to the high volume of invoices and short payment terms. The invoices may be reviewed after payment has been made, but the process is informal and not documented.

Repeat Finding: No.

Recommendation: We recommend that the Authority implement a formal process requiring utility invoices to be reviewed prior to payment. The review may include the propriety of the location of the utility (if applicable), reasonableness of usage, and recalculation of extended amounts and tax rates.

Management's Response: Management agrees the current utility review process needs modifications. UTA Internal Audit identified utility control deficiencies in fall 2020 and will be presenting their finalized audit in June 2021. Management's response to internal audit is as follows:

"Management is currently working with a third party utility consultant to provide a recommendation on a utility management/oversight process. The consultant is using current client information and reaching out to other large government users to determine best practices. Once the report is received, management will provide alternatives to the Board of Trustees no later than July 31, 2021. Based on preliminary conversations with the consultant, the report will likely recommend procuring a third-party utilities service consultant and dedicated UTA support staff, or a combination of the two to properly manage the utility program. Based on guidance from the Board of Trustees, management will implement the preferred solution no later than September 30, 2021."

**Finding 2020-003 – 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. Fiduciary fund financial statements should be presented using the economic resources measurement focus and the accrual basis of accounting in accordance with GASB Statement No. 34.

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

1. Contributions related to 2020 that were received by the trust in 2021 were not properly accrued.
2. Contributions for one special payroll in 2020 were not included in the accounting records of the trust as they were not remitted by the Authority.
3. General journal entries to the trust financial statements are not formally reviewed and approved.

Effect: Employer contributions and contributions receivable in the fiduciary fund financial statements were understated by \$1,423,466 as of and for the year ending December 31, 2020.

The lack of a formal policy for review of journal entries 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.

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 Finance Officer and Chief People Officer will start developing a strategy to provide coordinated oversight of the four contractors currently administering the pension. This will include addressing the following areas of concern:

UTAH TRANSIT AUTHORITY  
 Schedule of Findings and Questioned Costs  
 For the year ended December 31, 2020

- Reconciling financial contributions from the Authority monthly with the monthly pension financial statements
- 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 at a repository for investment statements and audited financials
- 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 insure ongoing compliance

Given the breadth and scope of this review, the recommendations by the Chief Officers will be presented at the October 14, 2021 pension committee meeting and finalized at the December 9, 2021 pension committee. Coordination effort in the interim will continue to be an ad hoc effort by the Authority's human resource and accounting staff until a final recommendation is implemented.

**Finding 2020-004 – 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. Additionally, management is required to estimate the useful lives of capital assets at the time they are obtained and update the useful lives of the capital assets in a timely manner, as needed.

Condition/Context: During our testing over capital assets we noted that the capital assets module does not provide a report that presents the depreciation expense for a requested period of time. Additionally, we noted that initially when the estimated useful lives for certain revenue vehicles was updated in the current year, the adjustment was made retrospectively, rather than prospectively, resulting in current year depreciation expense being understated.

Effect: Reconciling the capital assets per the financial statements to the capital assets module within the financial system requires the use of a manual schedule that is prepared by management, which reduces the effectiveness of the controls the system has in place. Additionally, an audit adjustment was posted to correct the net book value of capital assets, which was overstated by approximately \$56.1 million and current year depreciation expense, which was understated by the same amount, due to the improper recording of the change in the useful lives.

Cause: The capital assets module of the accounting system does not provide the proper reporting required to easily agree capital assets or depreciation expense per the module to the financial statements. In addition, management determined that the estimated useful lives for revenue vehicles needed to be extended, however, they adjusted the value of the revenue vehicles retrospectively rather than prospectively as required by the accounting standards and also added back a portion of net book value to assets that were already fully depreciated.

Recommendation: We recommend that the Authority work with their software company (Oracle/JD Edwards) to ensure that they can get accurate reporting of their capital assets listing and activity from the system. Further, we recommend that when there is a change in accounting estimate related to the useful lives of capital assets, that the impact is recorded prospectively as required by the accounting standards.

UTAH TRANSIT AUTHORITY  
Schedule of Findings and Questioned Costs  
For the year ended December 31, 2020

Management's Response: Management agrees with the finding and has corrected the 2020 financial statements by the \$56.1 million in additional accumulated depreciation for revenue vehicles and depreciation expense. Accounting will work on system generated reports in Oracle/JD Edwards to provide accurate information on assets for set time periods for the fiscal 2021 audit. Accounting will continue to maintain a separate excel spreadsheet for revenue vehicles based on the prospective accounting guidance from this finding. The Authority will leave Oracle/JD Edwards at the retrospective calculation for revenue vehicles for federal reporting purposes for future Federal Transit Administration interactions. An accounting entry will be done for financial statement purposes each year to reconcile Oracle/JD Edwards to the correct prospective change in accounting estimate tracked by spreadsheet until the two amounts match in subsequent years.

**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**

See Finding 2020-002 in Section II.



# **Other Supplementary Information**



**Crowe LLP**  
Independent Member Crowe Global

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

Board of Trustees  
Utah Transit Authority  
Salt Lake City, Utah

**Report On Compliance**

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, 2020.

State compliance requirements were tested for the year ended December 31, 2020 in the following areas:

Budgetary Compliance Fund Balance  
Restricted Taxes and Related Revenues  
Open and Public Meetings Act  
Fraud Risk Assessment

**Management's Responsibility**

Management is responsible for compliance with the state requirements referred to above.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Authority's compliance based on our audit of the state compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the *State Compliance Audit Guide*. Those standards and the *State Compliance Audit Guide* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the state compliance requirements referred to above that could have a direct and material effect on a state compliance requirement occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each state compliance requirement referred to above. However, our audit does not provide a legal determination of the Authority compliance with those requirements.

**Opinion on Compliance**

In our opinion, the Authority complied, in all material respects, with the state compliance requirements referred to above for the year ended December 31, 2020.

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(Continued)

## Report On Internal Control over Compliance

Management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the state compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Authority's internal control over compliance with the state compliance requirements referred to above to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance with those state compliance requirements 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's 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 to detect and correct noncompliance with a state compliance requirement on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a state compliance requirement 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 state compliance requirement 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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



Crowe LLP

Indianapolis, Indiana  
June 30, 2021

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## APPENDIX B

### EXTRACTS OF CERTAIN PROVISIONS OF THE SENIOR INDENTURE

The following are extracts of certain provisions contained in the Senior General Indenture and are not to be considered as a full statement thereof. Reference is made to the Senior Indenture and the Fifteenth Supplemental Senior Indenture, for full details of all the terms of the 2021 Senior Bonds, the security provisions appertaining thereto, and the definition of any terms used but not defined in this OFFICIAL STATEMENT.

#### Definitions

As used in the Senior General Indenture, the following terms shall have the following meanings unless the context otherwise clearly indicates:

“Accreted Amount” means, with respect to Capital Appreciation Bonds of any Series and as of the date of calculation, the amount established pursuant to the Supplemental Indenture authorizing such Capital Appreciation Bonds as the amount representing the initial public offering price, plus the accumulated and compounded interest on such Bonds.

“Additional Bonds” means all Bonds issued under the Indenture other than the initial bonds issued thereunder.

“Adjusted Sales and Use Taxes” means Sales and Use Taxes in any consecutive 12-month period within the 24 calendar months next preceding the issuance of a Series of Additional Bonds adjusted to take into account increases in the sales and use taxes allocated to the Issuer, to the extent that such increased amounts have been included as “Sales and Use Taxes” and are pledged under the Indenture.

“Aggregate Debt Service” means, as of the date of calculation and with respect to any period, the sum of the amounts of Debt Service during such period for (a) all Series of Bonds Outstanding (or any designated portion thereof), and (b) any Repayment Obligations Outstanding.

“Amended and Restated General Indenture” means the Amended and Restated General Indenture of Trust.

“Authorized Amount” means, with respect to a Commercial Paper Program, the maximum Principal amount of commercial paper which is then authorized by the Issuer to be outstanding at any one time pursuant to such Commercial Paper Program.

“Authorized Representative” means the Executive Director (including any acting Executive Director), Chair of the Board of Trustees, Treasurer, or any other person at the time designated to act on behalf of the Issuer by a written instrument furnished to the Trustee containing the specimen signature of such person or persons and signed on behalf of the Issuer by its Executive Director or Treasurer. The written instrument may designate an alternate or alternates.

“Average Aggregate Debt Service” means, as of any date of calculation, the amount obtained by dividing (a) the sum of the Aggregate Debt Service on all Series of Bonds Outstanding and Repayment Obligations Outstanding computed for each Fiscal Year during which any Bonds are or will be Outstanding (or any designated portion thereof), by (b) the number of such Fiscal Years.

“Balloon Bonds” means, unless otherwise specified by the Issuer in a written direction to the Trustee (which direction shall also specify that the Debt Service on particular Bonds that would otherwise constitute “Balloon Bonds” shall instead be calculated on actual amortization), Bonds (and/or Security Instrument Repayment Obligations relating thereto), other than Bonds which mature within one-year of the date of issuance thereof, 25% or more of the Principal Installments on which (a) are due or (b) at the option of the Owner thereof may be redeemed, during any period of 12 consecutive months.

“Bond Fund” means the Utah Transit Authority Bond Fund created in the Indenture to be held by the Trustee and administered pursuant to the Indenture.

“Bond Fund Year” means the 12-month period beginning January 1 of each year and ending on the next succeeding December 31.

“Bondholder,” “Bondowner,” “Registered Owner” or “Owner” or any similar term means the registered owner of any Bonds authorized in the Indenture.

“Bonds” means bonds, notes, commercial paper or other obligations (other than Repayment Obligations) authorized by and at any time Outstanding pursuant to the Indenture, including the initial bonds issued thereunder and any Additional Bonds.

“Build America Bonds” means the interest subsidy bonds issuable by the Issuer under Sections 54AA and 6431 of the Code and a “qualified bond” under Section 54AA(g)(2) of the Code or such other tax credit bonds of substantially similar nature which may be hereafter authorized.

“Business Day” means any day, except a Saturday or Sunday, (i) on which banking business is transacted, but not including any day on which banks are authorized to be closed, in New York City or in the city in which the Trustee has its principal corporate trust office or, with respect to a related Series of Bonds, in the city in which any Security Instrument Issuer has its payment office for purposes of such Security Instrument, and (ii) on which the New York Stock Exchange is open.

“Capital Appreciation Bonds” means Bonds the interest on which (a) is compounded and accumulated at the rates and on the dates set forth in the Supplemental Indenture authorizing the issuance of such Bonds and designating them as Capital Appreciation Bonds, and (b) is payable upon maturity or redemption of such Bonds.

“Code” means the Internal Revenue Code of 1986, as amended. Each reference to a section of the Code shall be deemed to include the related United States Treasury Regulations.

“Commercial Paper Program” means commercial paper obligations with maturities of not more than 270–days from the dates of issuance thereof which are issued and reissued by the Issuer from time to time pursuant to the Indenture and are outstanding up to an Authorized Amount.

“Construction Fund” means the Utah Transit Authority Construction Fund created in the Indenture to be held by the Trustee and administered pursuant to the Indenture.

“Cost” or “Costs” or “Cost of a Project,” or any phrase of similar import, in connection with a Project or with the refunding of any bonds, means all costs and expenses which are properly chargeable thereto under generally accepted accounting principles or which are incidental to the financing, acquisition and construction of a Project, or the refunding of any bonds, including, without limiting the generality of the foregoing:

- (a) amounts payable to contractors and costs incident to the award of contracts;
- (b) cost of labor, facilities and services furnished by the Issuer and its employees or others, materials and supplies purchased by the Issuer or others and permits, and licenses obtained by the Issuer or others;
- (c) engineering, architectural, legal, planning, underwriting, accounting and other professional and advisory fees;
- (d) premiums for contract bonds and insurance during construction and costs on account of personal injuries and property damage in the course of construction and insurance against the same;
- (e) interest expenses, including interest on the Series of Bonds;
- (f) printing, engraving and other expenses of financing, including fees of Rating Agency and fees and costs of issuing the Series of Bonds (including costs of interest rate caps and costs related to interest rate exchanges (or the elimination thereof));
- (g) costs, fees and expenses in connection with the acquisition of real and personal property or rights therein, including premiums for title insurance;
- (h) costs of equipment, rolling stock and furnishings purchased by the Issuer and necessary to the completion and proper operation of a Project;
- (i) amounts required to repay temporary loans or notes made to finance the costs of a Project;
- (j) cost of site improvements performed in anticipation of a Project;
- (k) moneys necessary to fund the Funds created under the Indenture;
- (l) costs of the capitalization with proceeds of a Series of Bonds issued under the Indenture of any operation and maintenance expenses and other working capital appertaining to any facilities to be acquired for a Project and of any interest on a Series of Bonds for any period not exceeding the period estimated by the Issuer to effect the construction of a Project plus one–year, as provided in the Indenture, of any discount on Bonds or other securities, and of any reserves for the payment of the principal of and interest on a Series of Bonds, of any replacement expenses and of any other cost of issuance of a Series of Bonds or other securities, Security Instrument Costs and Reserve Instrument Costs;
- (m) costs of amending any indenture or other instrument authorizing the issuance of or otherwise appertaining to a Series of Bonds;
- (n) all other expenses necessary or desirable and appertaining to a Project, as estimated or otherwise ascertained by the Issuer, including costs of contingencies for a Project; and
- (o) payment to the Issuer of such amounts, if any, as shall be necessary to reimburse the Issuer in full for advances and payments theretofore made or costs theretofore incurred by the Issuer for any item of Costs so long as such reimbursement does not adversely affect the excludability of interest on the related Bonds from gross income for federal income tax purposes.

In the case of any refunding or redeeming any bonds, “Cost” includes, without limiting the generality of the foregoing, the items listed in (c), (e), (f) and (k) above, advertising and other expenses related to the redemption of such bonds to be redeemed and the redemption price of such bonds (and the accrued interest payable on redemption to the extent not otherwise provided for).

“Cross-over Date” means with respect to Cross-over Refunding Bonds the date on which the Principal portion of the related Cross-over Refunded Bonds is to be paid or redeemed from the proceeds of such Cross-over Refunding Bonds.

“Cross-over Refunded Bonds” means Bonds or other obligations refunded by Cross-over Refunding Bonds.

“Cross-over Refunding Bonds” means Bonds issued for the purpose of refunding Bonds or other obligations if the proceeds of such Cross-over Refunding Bonds are irrevocably deposited in escrow in satisfaction of the requirements of Section 11-27-3, Utah Code, to secure the payment on an applicable redemption date or maturity date of the Cross-over Refunded Bonds (subject to possible use to pay Principal of the Cross-over Refunding Bonds under certain circumstances) and the earnings on such escrow deposit are required to be applied to pay interest on the Cross-over Refunding Bonds until the Cross-over Date.

“Current Interest Bonds” means Bonds not constituting Capital Appreciation Bonds. Interest on Current Interest Bonds shall be payable periodically on the Interest Payment Dates provided therefor in a Supplemental Indenture.

“Debt Service” means, for any particular Fiscal Year and for any Series of Bonds and any Repayment Obligations, an amount equal to the sum of (a) all interest payable during such Fiscal Year on such Series of Bonds plus (b) the Principal Installments payable during such Fiscal Year on (i) such Bonds Outstanding, calculated on the assumption that Bonds Outstanding on the day of calculation cease to be Outstanding by reason of, but only by reason of, payment either upon maturity or application of any Sinking Fund Installments required by the Indenture, and (ii) such Repayment Obligations then outstanding;

provided, however, that for the purposes of the issuance of Additional Bonds,

(1) when calculating the Principal Installments payable during such Fiscal Year, there shall be treated as payable in such Fiscal Year the amount of Principal Installments which would have been payable during such Fiscal Year had the Principal of each Series of Balloon Bonds Outstanding and the related Repayment Obligations then Outstanding (or arising therefrom) been amortized, from their date of issuance over a period of 30 years, on a level debt service basis at an interest rate equal to the rate borne by such Balloon Bonds on the date of calculation, provided that if the date of calculation is within 12-months before the actual maturity of such Balloon Bonds or Repayment Obligations, the full amount of Principal payable at maturity shall be included in such calculation;

(2) when calculating interest payable during such Fiscal Year for any Series of Variable Rate Bonds or Repayment Obligations bearing interest at a variable rate which cannot be ascertained for any particular Fiscal Year, it shall be assumed that such Series of Variable Rate Bonds or related Repayment Obligations will bear interest at such market rate of interest applicable to such Series of Variable Rate Bonds or related Repayment Obligations as shall be established for this purpose in the opinion of the Issuer’s financial advisor, underwriter or similar agent (which market rate of interest may be based upon a recognized comparable market index, an average of interest rates for prior years or otherwise, so long as such estimates are based upon then current market conditions);

(3) when calculating interest payable during such Fiscal Year for any Series of Variable Rate Bonds which are issued with a floating rate and with respect to which an Interest Rate Swap is in effect in which the Issuer has agreed to pay a fixed interest rate, such Series of Variable Rate Bonds shall be deemed to bear interest at the effective fixed annual rate thereon as a result of such Interest Rate Swap; provided that such effective fixed annual rate may be utilized only if such Interest Rate Swap does not result in a reduction or withdrawal of any rating then in effect with respect to the Bonds and so long as such Interest Rate Swap is contracted to remain in full force and effect;

(4) when calculating interest payable during such Fiscal Year for any Series of Bonds which are issued with a fixed interest rate and with respect to which an Interest Rate Swap is in full force and effect in which the Issuer has agreed to pay a floating amount, Debt Service shall include the interest payable on such Series of Bonds, less fixed amounts to be received by the Issuer under such Interest Rate Swap plus the amount of the floating payments (estimated in a manner similar to that described in (2) above, unless another method of estimation is more appropriate, in the opinion of the Issuer’s financial advisor, underwriter or similar agent for such floating payments) to be made by the Issuer under the Interest Rate Swap; provided that the above described calculation of Debt Service may be utilized only if such Interest Rate Swap does not result in a reduction or withdrawal of any rating then in effect with respect to the Bonds and so long as such Interest Rate Swap is contracted to remain in full force and effect;

(5) when calculating interest payable during such Fiscal Year with respect to any Commercial Paper Program, “Debt Service” shall mean an amount equal to the sum of all principal and interest payments that would be payable during such



Fiscal Year assuming that the Authorized Amount of such Commercial Paper Program is amortized on a level debt service basis over a period of 30-years beginning on the date of calculation or, if later, the last day of the period during which obligations can be issued under such Commercial Paper Program, and bearing interest at such market rate of interest applicable to such Commercial Paper Program as shall be established for this purpose in the opinion of the Issuer's financial advisor, underwriter or similar agent (which market rate of interest may be based upon a recognized comparable market index, an average of interest rates for prior years or otherwise); and

(6) when calculating interest payable on Bonds that are Paired Obligations, the interest rate on such Bonds shall be the resulting linked rate or effective fixed interest rate to be paid by the Issuer with respect to such Paired Obligations;

and further provided, however, that there shall be excluded from "Debt Service" (x) interest on Bonds (including Cross-over Refunding Bonds or Cross-over Refunded Bonds) to the extent that Escrowed Interest or capitalized interest is available to pay such interest, (y) Principal on Cross-over Refunded Bonds to the extent that the proceeds of Cross-over Refunding Bonds are on deposit in an irrevocable escrow in satisfaction of the requirements of Section 11-27-3, Utah Code, and such proceeds or the earnings thereon are required to be applied to pay such Principal (subject to the possible use to pay the Principal of the Cross-over Refunding Bonds under certain circumstances) and such amounts so required to be applied are sufficient to pay such Principal, and (z) Repayment Obligations to the extent that payments on Pledged Bonds relating to such Repayment Obligations satisfy the Issuer's obligation to pay such Repayment Obligations.

"Debt Service Reserve Fund" means the Utah Transit Authority Debt Service Reserve Fund created in the Indenture to be held by the Trustee and administered pursuant to the Indenture.

"Debt Service Reserve Requirement" means (a) for all Bonds issued under the Indenture prior to February 25, 2015, an amount equal to the least of (i) 10% of the proceeds of all such Series of Bonds determined on the basis of their original principal amount (unless with respect to a Series of Bonds original issue premium or original issue discount exceeds 2% of original principal for the applicable Series of Bonds, then determined on the basis of initial purchase price to the public); (ii) the maximum Aggregate Debt Service for such Bonds for any Fiscal Year while such Bonds will be Outstanding; and (iii) 125% of the Average Aggregate Debt Service for such Bonds and (b) for all Bonds issued under the Indenture on or after February 25, 2015 the amount, if any specified in the related Supplemental Indenture. The Debt Service Reserve Requirement may be funded by a Reserve Instrument as provided in the Indenture. Upon any refunding of Bonds issued hereunder prior to February 25, 2015, the aggregate Debt Service Reserve Requirement for the Bonds issued prior to February 25, 2015 then Outstanding shall be determined based upon the Bonds issued prior to February 25, 2015 to be Outstanding immediately following such refunding. The Debt Service Reserve Requirement for all of the Bonds issued under the Indenture prior to February 25, 2015 shall secure all of such Bonds issued prior to February 25, 2015 on a parity basis and all Bonds issued on or after February 25, 2015 shall have no claim to the amounts on deposit in the Debt Service Reserve Fund for the Bonds issued prior to such date and all Bonds issued on or after February 25, 2015 shall only have claim to the amounts on deposit, if any, in a related subaccount of the Debt Service Reserve Fund created for such Series of Bonds.<sup>1</sup>

"Direct Payments" means the interest subsidy payments received by the Issuer from the Internal Revenue Service pursuant to Section 6431 of the Code or other similar programs with respect to Bonds issued under the Indenture.

"Escrowed Interest" means amounts irrevocably deposited in escrow in accordance with the requirements of Section 11-27-3, Utah Code, in connection with the issuance of Additional Bonds for refunding purposes or Cross-over Refunding Bonds secured by such amounts or earnings on such amounts which are required to be applied to pay interest on such Cross-over Refunding Bonds or the related Cross-over Refunded Bonds.

"Event of Default" means with respect to any default or event of default under the Indenture any occurrence or event specified in and defined by the Indenture.

"Favorable Opinion" means an opinion of Bond Counsel to the effect that the action proposed to be taken is authorized or permitted by the Indenture and any applicable Supplemental Indenture and will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Bonds which are the subject of such opinion.

"Financing Expenses" means Security Instrument Costs, Reserve Instrument Costs and arbitrage rebate required to be paid to the United States with respect to the Bonds.

"First Supplemental Indenture" means the First Supplemental Indenture of Trust dated October 1, 1997.

"Fiscal Year" means the 12-month period beginning January 1 of each year and ending December 31 of such year, or such other fiscal year of the Issuer as may be prescribed by law.

"Fitch" means Fitch, Inc.

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<sup>1</sup> As amended by the Tenth Supplemental Senior Indenture.

“Government Obligations” means (i) direct and general obligations of the United States of America, or those which are unconditionally guaranteed as to principal and interest by the same, and (ii) pre-refunded municipal obligations meeting the following criteria:

- (a) The municipal obligations may not be callable prior to maturity or, alternatively, the trustee has received irrevocable instructions concerning their calling and redemption;
- (b) The municipal obligations are secured by cash or securities described in subparagraph (i) above (the “Defeasance Obligations”), which cash or Defeasance Obligations may be applied only to interest, principal, and premium payments of such municipal obligations;
- (c) The principal and interest of the Defeasance Obligations (plus any cash in the fund) are sufficient to meet the liabilities of the municipal obligations;
- (d) The Defeasance Obligations serving as security for the municipal obligations must be held by an escrow agent or a trustee;
- (e) The Defeasance Obligations are not available to satisfy any other claims, including those against the trustee or escrow agent; and
- (f) The Defeasance Obligations are rated “AAA” by S&P and “Aaa” by Moody’s.

Additionally, evidences of ownership of proportionate interests in future interest and principal payments of Defeasance Obligations are permissible. Investments in these proportionate interests are limited to circumstances wherein (i) a bank or trust company acts as custodian and holds the underlying obligations; (ii) the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor of the underlying obligations; and (iii) the underlying obligations are held in a special account separate and apart from the custodian’s general assets, and are not available to satisfy any claim of the custodian, any person claiming through the custodian or any person to whom the custodian may be obligated.

“Indenture” means the Original Indenture as amended and restated in whole by the Amended and Restated General Indenture of Trust, as from time to time amended or supplemented by Supplemental Indentures in accordance with the terms of the Indenture.

“Interest Payment Date” means the stated payment date of an installment of interest on the Bonds.

“Interest Rate Swap” means an agreement between the Issuer or the Trustee (at the written direction of the Issuer) and a Swap Counterparty related to Bonds of one or more Series whereby a variable rate cash flow (which may be subject to any interest rate cap) on a principal or notional amount is exchanged for a fixed rate of return on an equal principal or notional amount. If the Issuer or the Trustee (at the written direction of the Issuer) enters into more than one Interest Rate Swap with respect to a Series of Bonds, each Interest Rate Swap shall specify the same payment dates.

“Issuer” means Utah Transit Authority and its successors.

“Moody’s” means Moody’s Investors Service.

“Operation and Maintenance Expenses” means all necessary and reasonable expenses of maintaining and operating the System, including all necessary operating expenses, current maintenance charges, expenses of reasonable upkeep and repairs, properly allocated share of charges for insurance, and all other expenses incidental to the operation of the System, including the cost of merchandise for resale, promotional and advertising expenses, services, utilities and personnel and all allocated general administrative expenses of the Issuer, but shall exclude depreciation. As more fully provided in the Indenture, the Issuer shall establish a budget for Operation and Maintenance Expenses for each Fiscal Year and, except as otherwise provided in the Indenture, Operation and Maintenance Expenses in any Fiscal Year shall not exceed the amount budgeted for such items in the Issuer’s final budget (as the same may be amended from time to time) for such Fiscal Year.

“Original Indenture” means the General Indenture of Trust dated as of October 1, 1997 between the Issuer and the Trustee. Upon the execution and delivery of the Amended and Restated General Indenture the Original Indenture shall be superseded by the Amended and Restated General Indenture.

“Outstanding” or “Bonds Outstanding” means at any date all Bonds which have not been canceled which have been or are being authenticated and delivered by the Trustee under the Indenture, except:

- (a) Any Bond or portion thereof which at the time has been paid or deemed paid pursuant to the Indenture; and
- (b) Any Bond in lieu of or in substitution for which a new Bond shall have been authenticated and delivered under the Indenture.

“Paired Obligations” means any Series (or portion thereof) of Bonds designated as Paired Obligations in the Supplemental Indenture authorizing the issuance or incurrence thereof, which are simultaneously issued or incurred (i) the principal of which

is of equal amount maturing and to be redeemed (or cancelled after acquisition thereof) on the same dates and in the same amounts, and (ii) the interest rates which, taken together, result in an irrevocably fixed interest rate obligation of the Issuer for the terms of such Bonds.

“Paying Agent” means the Trustee, appointed as the initial paying agent for the Bonds pursuant to the Indenture, and any additional or successor paying agent appointed pursuant to the Indenture.

“Permitted Investments” means any of the following securities:

- (i) Government Obligations;
- (ii) Obligations of any of the following federal agencies which obligations represent full faith and credit obligations of the United States of America: the Export–Import Bank of the United States; the Government National Mortgage Association; the Federal Financing Bank; the Farmer’s Home Administration; the Federal Housing Administration; the Maritime Administration; General Services Administration, Small Business Administration; or the Department of Housing and Urban Development (PHA’s);
- (iii) Money market funds rated “AAAm” or “AAAm–G” or better by S&P;
- (iv) Commercial paper which is rated at the time of purchase in the single highest classification, “P–1” by Moody’s or “A–1+” by S&P, and which matures not more than 270–days after the date of purchase;
- (v) Bonds, notes or other evidences or indebtedness rated “AAA” by S&P and “Aaa” by Moody’s issued by the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation with remaining maturities not exceeding three–years;
- (vi) United States dollar denominated deposit accounts, federal funds and banker’s acceptances with domestic commercial banks which have a rating on their short term certificates of deposit on the date of purchase of “A–1” or “A–1+” by S&P and “P–1” by Moody’s and maturing no more than 360–days after the date of purchase (ratings on holding companies are not considered as the rating of the bank);
- (vii) the fund held by the Treasurer for the State of Utah and commonly known as the Utah Public Treasurers’ Investment Fund;
- (viii) Repurchase agreements with (1) any domestic bank, or domestic branch of a foreign bank, the long term debt of which is rated at least “A” by S&P and Moody’s; or (2) any broker–dealer with “retail customers” or a related affiliate thereof which broker–dealer has, or the parent company (which guarantees the provider) of which has, long–term debt rated at least “A” by S&P and Moody’s, which broker–dealer falls under the jurisdiction of the Securities Investors Protection Corporation; or (3) any other entity rated “A” or better by S&P and Moody’s and acceptable to the Security Instrument Issuer, if any, provided that:
  - (A) The market value of the collateral is maintained at levels and upon such conditions as would be acceptable to S&P and Moody’s to maintain an “A” rating in an “A” rated structured financing (with a market value approach and without regard to the long–term debt rating of the provider);
  - (B) The Trustee or a third party acting solely as agent therefor or for the Issuer (the “Holder of the Collateral”) has possession of the collateral or the collateral has been transferred to the Holder of the Collateral in accordance with applicable state and federal laws (other than by means of entries on the transferor’s books);
  - (C) The repurchase agreement shall state and an opinion of counsel shall be rendered at the time such collateral is delivered that the Holder of the Collateral has a perfected first priority security interest in the collateral, any substituted collateral and all proceeds thereof (in the case of bearer securities, this means the Holder of the Collateral is in possession);
  - (D) All other requirements of S&P in respect of repurchase agreements shall be met.
  - (E) The repurchase agreement shall provide that if during its term the provider’s rating by either Moody’s or S&P is withdrawn or suspended or falls below “A–” by S&P or “A3” by Moody’s, as appropriate, the provider must, at the direction of the Issuer or the Trustee (who shall give such direction if so directed by the Insurer), within 10–days of receipt of such direction, repurchase all collateral and terminate the agreement, with no penalty or premium to the Issuer or Trustee.

Notwithstanding the above, if a repurchase agreement has a term of 270 days or less (with no evergreen provision), collateral levels need not be as specified in (A) above, so long as such collateral levels are 103% or better and the provider is rated at least “A” by S&P and Moody’s, respectively;

(ix) Investment agreements with a domestic or foreign bank or corporation (other than a life or property casualty insurance company) the long-term debt of which, or, in the case of a guaranteed corporation the long-term debt, or, in the case of a monoline financial guaranty insurance company, claims paying ability, of the guarantor is rated at least “AA” by S&P and “Aa” by Moody’s; provided that, by the terms of the investment agreement:

(A) interest payments are to be made to the Trustee at time and in amounts as necessary to pay debt service (or, if the investment agreement is for the construction fund, construction draws) on the Bonds;

(B) the invested funds are available for withdrawal without penalty or premium, at any time upon not more than seven-days’ prior notice; the Issuer and the Trustee agree to give or cause to be given notice in accordance with the terms of the investment agreement so as to receive funds thereunder with no penalty or premium paid;

(C) the investment agreement shall state that is the unconditional and general obligation of, and is not subordinated to any other obligation of, the provider thereof or, if the provider is a bank, the agreement or the opinion of counsel shall state that the obligation of the provider to make payments thereunder ranks *pari passu* with the obligations of the provider to its other depositors and its other unsecured and unsubordinated creditors;

(D) the Issuer or the Trustee receives the opinion of domestic counsel (which opinion shall be addressed to the Issuer and the Reserve Instrument Provider) that such investment agreement is legal, valid, binding and enforceable upon the provider in accordance with its terms and of foreign counsel (if applicable) in form and substance acceptable, and addressed to, the Insurer;

(E) the investment agreement shall provide that if during its term

(i) the provider’s rating by either S&P or Moody’s falls below “AA–” or “Aa3”, respectively, the provider shall, at its option, within 10-days of receipt of publication of such downgrade, either (i) collateralize the investment agreement by delivering or transferring in accordance with applicable state and federal laws (other than by means of entries on the provider’s books) to the Issuer, the Trustee or a third party acting solely as agent therefor (the “Holder of the Collateral”) collateral free and clear of any third-party liens or claims the market value of which collateral is maintained at levels and upon such conditions as would be acceptable to S&P and Moody’s to maintain an “A” rating in an “A” rated structured financing (with a market value approach and without regard to the long-term debt rating of the provider); or (ii) repay the principal of and accrued but unpaid interest on the investment, and

(ii) the provider’s rating by either S&P or Moody’s is withdrawn or suspended or falls below “A–” or “A3,” respectively, the provider must, at the direction of the Issuer or the Trustee (who shall give such direction if so directed by the Insurer), within 10-days of receipt of such direction, repay the principal of and accrued but unpaid interest on the investment, in either case with no penalty or premium to the Issuer or Trustee, and

(F) the investment agreement shall state and an opinion of counsel shall be rendered, in the event collateral is required to be pledged by the provider under the terms of the investment agreement, at the time such collateral is delivered, that the Holder of the Collateral has a perfected first priority security interest in the collateral, any substituted collateral and all proceeds thereof (in the case of bearer securities, this means the Holder of the Collateral is in possession);

(G) the investment agreement must provide that if during its term

(i) the provider shall default in its payment obligations, the provider’s obligations under the investment agreement shall, at the direction of the Issuer or the Trustee (who shall give such direction if so directed by the Insurer), be accelerated and amounts invested and accrued but unpaid interest thereon shall be repaid to the Issuer or Trustee, as appropriate, and

(ii) the provider shall become insolvent, not pay its debts as they become due, be declared or petition to be declared bankrupt, etc. (“event of insolvency”), the provider’s obligations shall automatically be accelerated and amounts invested and accrued but unpaid interest thereon shall be repaid to the Issuer or Trustee, as appropriate and

(x) any investments or securities permitted for investment of public funds under the State Money Management Act of 1974, Title 51, Chapter 7, Utah Code as amended from time to time.<sup>2</sup>

<sup>2</sup> This paragraph (x) is added in the amendment provided in the Tenth Supplemental Senior Indenture.

“Pledged Bonds” means any Bonds that have been (i) pledged or in which any interest has otherwise been granted to a Security Instrument Issuer as collateral security for Security Instrument Repayment Obligations or (ii) purchased and held by a Security Instrument Issuer pursuant to a Security Instrument.

“Pledged Revenues” means (i) the Sales and Uses Taxes, plus (ii) interest earned by and profits derived from the sale of investments in the funds and accounts created by the Indenture, plus (iii) Direct Payments, plus (iv) all other Revenues (if any) after provision has been made for the payment from the Revenues described in this subparagraph (iv) of the Operation and Maintenance Expenses.

“Principal” means (a) with respect to any Capital Appreciation Bond, the Accreted Amount thereof (the difference between the stated amount to be paid at maturity and the Accreted Amount being deemed unearned interest), except as used in connection with the authorization and issuance of Bonds and with the order of priority of payment of Bonds after an Event of Default, in which case “Principal” means the initial public offering price of a Capital Appreciation Bond (the difference between the Accreted Amount and the initial public offering price being deemed interest), and (b) with respect to any Current Interest Bond, the principal amount of such Bond payable at maturity.

“Principal Installment” means, as of any date of calculation, (a) with respect to any Series of Bonds, so long as any Bonds thereof are Outstanding, (1) the Principal amount of Bonds of such Series due on a certain future date for which no Sinking Fund Installments have been established, or (2) the unsatisfied balance (determined as provided in the definition of “Sinking Fund Installment”) of any Sinking Fund Installment due on a certain future date for Bonds of such Series, plus the amount of the sinking fund redemption premiums, if any, which would be applicable upon redemption of such Bonds on such future date in a Principal amount equal to such unsatisfied balance of such Sinking Fund Installment, or (3) if such future dates coincide as to different Bonds of such Series, the sum of such Principal amount of Bonds and of such unsatisfied balance of such Sinking Fund Installment due on such future date plus such applicable redemption premiums, if any, and (b) with respect to any Repayment Obligations, the principal amount of such Repayment Obligations due on a certain future date.

“Project” means the acquisition or construction of additions, extensions, facilities, equipment or buildings for use as, or improvements to or equipment or furnishings for, the System.

“Put Bond” means any Bond which is part of a Series of Bonds which is subject to purchase by the Issuer, its agent or a third party from the Owner of the Bond pursuant to provisions of the Supplemental Indenture authorizing the issuance of the Bond and designating it as a “Put Bond.”

“Rating Agency” means Moody’s, Fitch or S&P and their successors and assigns to the extent such agencies then maintain a rating of the Bonds at the request of the Issuer. If any of such corporations cease to act as a securities rating agency, the Issuer may, with the approval of the Trustee, designate any nationally recognized securities rating agency as a replacement.

“Registrar” means the Trustee (or other party designated as Registrar by Supplemental Indenture), appointed as the initial registrar for the Bonds pursuant to the Indenture, and any additional or successor registrar appointed pursuant to the Indenture.

“Regular Record Date” means, with respect to any Interest Payment Date for any Series of Bonds, the date specified as the Regular Record Date in the Supplemental Indenture authorizing the issuance of such Series of Bonds.

“Remarketing Agent” means a remarketing agent or commercial paper dealer appointed by the Issuer pursuant to a Supplemental Indenture.

“Repayment Obligations” means, collectively, all outstanding Security Instrument Repayment Obligations and Reserve Instrument Repayment Obligations.

“Reserve Instrument” means a device or instrument issued by a Reserve Instrument Provider to satisfy all or any portion of the Debt Service Reserve Requirement applicable to a Series of Bonds. The term “Reserve Instrument” includes, by way of example and not of limitation, letters of credit, bond insurance policies, surety bonds, standby bond purchase agreements, lines of credit and other devices.

“Reserve Instrument Agreement” means any agreement entered into by the Issuer and a Reserve Instrument Provider pursuant to a Supplemental Indenture and/or the applicable portions of a Supplemental Indenture providing for the issuance by such Reserve Instrument Provider of a Reserve Instrument.

“Reserve Instrument Costs” means all fees, premiums, expenses and similar costs, other than Reserve Instrument Repayment Obligations, required to be paid to a Reserve Instrument Provider pursuant to a Reserve Instrument Agreement. Each Reserve Instrument Agreement shall specify the fees, premiums, expenses and costs constituting Reserve Instrument Costs.

“Reserve Instrument Coverage” means, as of any date of calculation, the aggregate amount available to be paid to the Trustee pursuant to the Indenture under all Reserve Instruments.

“Reserve Instrument Fund” means the Utah Transit Authority Reserve Instrument Fund created in the Indenture to be held by the Trustee and administered pursuant to the Indenture.

“Reserve Instrument Limit” means, as of any date of calculation and with respect to any Reserve Instrument, the maximum aggregate amount available to be paid under such Reserve Instrument into the Debt Service Reserve Fund assuming for purposes of such calculation that the amount initially available under each Reserve Instrument has not been reduced or that the amount initially available under each Reserve Instrument has only been reduced as a result of the payment of principal of the applicable Series of Bonds.

“Reserve Instrument Provider” means any bank or other financial institution having at least a rating of “AA–” and “Aa3” by S&P and Moody’s, respectively, or its equivalent or any insurance company or surety company rated in the highest rating category by S&P and Moody’s and, if rated by A. M. Best & Company, rated in the highest rating category by A. M. Best & Company, issuing a Reserve Instrument.

“Reserve Instrument Repayment Obligations” means, as of any date of calculation and with respect to any Reserve Instrument Agreement, those outstanding amounts payable by the Issuer under such Reserve Instrument Agreement to repay the Reserve Instrument Provider for payments previously made by it pursuant to a Reserve Instrument. There shall not be included in the calculation of Reserve Instrument Repayment Obligations any Reserve Instrument Costs. Each Reserve Instrument Agreement and the Supplemental Indenture authorizing the execution and delivery of such Reserve Instrument Agreement shall specify the amounts payable under it which, when outstanding, shall constitute Reserve Instrument Repayment Obligations and the Reserve Instrument Agreement shall specify the portions of such amounts that are allocable as principal of and as interest on such Reserve Instrument Repayment Obligations.

“Revenue Fund” means the Utah Transit Authority Revenue Fund created in the Indenture to be held by the Issuer and administered pursuant to the Indenture.

“Revenues” means (i) all revenues, including but not limited to fare box revenues, advertising revenues, fees, income, rents and receipts received or earned by the Issuer from or attributable to the ownership and operation of the System, together with all interest earned by and profits derived from the sale of investments in the related funds thereof and the Funds and accounts created under the Indenture or proceeds derived from the sale of any part of the System, (ii) the Sales and Use Taxes, (iii) Direct Payments, and (iv) any other legally available funds of the Issuer from other sources, properly budgeted on an annual basis for the payment of Operation and Maintenance Expenses and principal and interest on the Bonds; provided, however, that Revenues shall not include federal and State capital and operating grant monies received by the Issuer in connection with the operation of the System, to the extent inclusion therein is prohibited by State or federal law and regulations. The Indenture requires that such grant monies be used for Operation and Maintenance Expenses to the extent received for that purpose.

“S&P” means Standard & Poor’s Ratings Services, a Division of the McGraw–Hill Companies.

“Sales and Use Taxes” means collectively, (i) the 0.25% or 0.30%, as may be applicable within the various jurisdictions of the Issuer, sales and use tax revenues received by the Issuer pursuant to Section 59–12–501, Utah Code Annotated 1953, as amended and any tax received pursuant to Section 59–12–2003 as a result of a tax levy under Section 59–12–501 at less than 0.30% (where applicable), (ii) the 0.25% sales and use tax revenues received by the Issuer from within Weber, Davis and Salt Lake Counties pursuant to Section 59–12–502, Utah Code Annotated 1953, as amended (less 20% of such sales and use tax revenues collected within Salt Lake County which must be allocated to other purposes pursuant to Section 59–12–502(5)(b), Utah Code Annotated 1953, as amended), (iii) the 0.276% (being 92% of 0.30%) sales and use tax revenues received by the Issuer from within Utah County pursuant to Section 59–12–1503, Utah Code Annotated 1953, as amended, (iv) the 0.1875% sales and use tax revenues received by Issuer from within Salt Lake County pursuant to Section 59–12–1703, Utah Code Annotated 1953, as amended and (v) any other sales and use tax revenues legally available to the Issuer and affirmatively pledged under the Indenture by Supplemental Indenture.

“Security Instrument” means an instrument or other device issued by a Security Instrument Issuer to pay, or to provide security or liquidity for, a Series of Bonds. The term “Security Instrument” includes, by way of example and not of limitation, letters of credit, bond insurance policies, standby bond purchase agreements, lines of credit and other security instruments and credit enhancement or liquidity devices; provided, however, that no such device or instrument shall be a “Security Instrument” for purposes of the Indenture unless specifically so designated in a Supplemental Indenture authorizing the use of such device or instrument.

“Security Instrument Agreement” means any agreement entered into by the Issuer and a Security Instrument Issuer pursuant to a Supplemental Indenture and/or the applicable portions of a Supplemental Indenture providing for the issuance by such Security Instrument Issuer of a Security Instrument.

“Security Instrument Costs” means, with respect to any Security Instrument, all fees, premiums, expenses and similar costs, other than Security Instrument Repayment Obligations, required to be paid to a Security Instrument Issuer pursuant to a

Security Instrument Agreement or the Supplemental Indenture authorizing the use of such Security Instrument. Such Security Instrument Agreement or Supplemental Indenture shall specify any fees, premiums, expenses and costs constituting Security Instrument Costs.

“Security Instrument Issuer” means any bank or other financial institution, insurance company, surety company or other institution issuing a Security Instrument.

“Security Instrument Repayment Obligations” means, as of any date of calculation and with respect to any Security Instrument Agreement, any outstanding amounts payable by the Issuer under the Security Instrument Agreement or the Supplemental Indenture authorizing the use of such Security Instrument to repay the Security Instrument Issuer for payments previously or concurrently made by the Security Instrument Issuer pursuant to a Security Instrument. There shall not be included in the calculation of the amount of Security Instrument Repayment Obligations any Security Instrument Costs. Each Security Instrument Agreement or the Supplemental Indenture authorizing the use of such Security Instrument shall specify any amounts payable under it which, when outstanding, shall constitute Security Instrument Repayment Obligations and shall specify the portions of any such amounts that are allocable as principal of and as interest on such Security Instrument Repayment Obligations.

“Serial Bonds” means all Bonds other than Term Bonds.

“Series” means all of the Bonds authenticated and delivered on original issuance and identified pursuant to the Supplemental Indenture authorizing such Bonds as a separate Series of Bonds, and any Bonds thereafter authenticated and delivered in lieu thereof or in substitution, therefore.

“Sinking Fund Installment” means an amount so designated pursuant to a Supplemental Indenture. The portion of any such Sinking Fund Installment remaining after the deduction of any such amounts credited pursuant to the Indenture toward the same (or the original amount of any such Sinking Fund Installment if no such amounts shall have been credited toward the same) shall constitute the unsatisfied balance of such Sinking Fund Installment for the purpose of calculation of Sinking Fund Installments due on a future date.

“Special Record Date” means such date as may be fixed for the payment of defaulted interest on the Bonds in accordance with the Indenture.

“State” means the State of Utah.

“Supplemental Indenture” means any indenture between the Issuer and the Trustee entered into pursuant to and in compliance with the provisions of Indenture.

“Swap Counterparty” means a member of the International Swap Dealers Association rated in one of the three top rating categories by at least one of the Rating Agencies and meeting the requirements of applicable laws of the State. The documentation with respect to each Interest Rate Swap shall require the Swap Counterparty to maintain its rating in one of the three top rating categories by at least one of the Rating Agencies.

“Swap Payments” means as of each payment date specified in an Interest Rate Swap, the amount, if any, payable to the Swap Counterparty by the Trustee on behalf of the Issuer.

“Swap Receipts” means as of each payment date specified in an Interest Rate Swap, the amount, if any, payable to the Trustee for the account of the Issuer by the Swap Counterparty.

“System” means the Issuer’s public transit system, together with any additions, repairs, renewals, replacements, expansions, extensions and improvements to said System, or any part thereof, hereafter acquired or constructed, and together with all lands, easements, interests in land, licenses, water rights and rights of way of the Issuer and all other works, property, structures, equipment of the Issuer and contract rights and other tangible and intangible assets of the Issuer now or hereafter owned or used in connection with, or related to said System.

“Term Bonds” means the Bonds which shall be subject to retirement by operation of mandatory sinking fund redemptions from the Bond Fund.

“Trustee” means Zions First National Bank, Salt Lake City, Utah, or any successor corporation resulting from or surviving any consolidation or merger to which it or its successors may be a party and any successor trustee at any time serving as successor trustee under the Indenture.

“Utah Code” means Utah Code Annotated 1953, as amended.

“Variable Rate Bonds” means, as of any date of calculation, Bonds the terms of which on such date of calculation are such that interest thereon for any future period of time is expressed to be calculated at a rate which is not susceptible of a precise determination.



## The Bonds

*Limited Obligation.* The Bonds and the Repayment Obligations are not a general obligation indebtedness or pledge of the full faith and credit of the Issuer or of the State or any agency, instrumentality or political subdivision thereof, but are special limited obligations of the Issuer payable from and secured solely by the Pledged Revenues and other monies in funds and accounts held by the Trustee under the Indenture, except as provided in the Indenture, the Issuer pledges and assigns the same as provided in the Granting Clause of the Indenture. The issuance of the Bonds and delivery of any Security Instrument Agreement or Reserve Instrument Agreement shall not, directly, indirectly or contingently, obligate the Issuer or the State or any agency, instrumentality or political subdivision thereof to levy any form of ad valorem taxation, therefore.

### *Provisions Regarding Bonds Secured by a Security Instrument.*

(a) The Issuer may include such provisions in a Supplemental Indenture authorizing the issuance of a Series of Bonds secured by a Security Instrument as the Issuer deems appropriate, including:

(i) So long as the Security Instrument is in full force and effect, and payment on the Security Instrument is not in default, (A) the Security Instrument Issuer shall be deemed to be the Owner of the Outstanding Bonds of such Series (I) when the approval, consent or action of the Bondowners for such Series of Bonds is required or may be exercised under the Indenture and (II) following an Event of Default and (B) the Indenture may not be amended in any manner which adversely affects the rights of such Security Instrument Issuer without its prior written consent.

(ii) In the event that the Principal and redemption price, if applicable, and interest due on any Series of Bonds Outstanding shall be paid under the provisions of a Security Instrument, all covenants, agreements and other obligations of the Issuer to the Bondowners of such Series of Bonds shall continue to exist and such Security Instrument Issuer shall be subrogated to the rights of such Bondowners in accordance with the terms of such Security Instrument.

(b) In addition, such Supplemental Indenture may establish such provisions as are necessary to provide relevant information to the Security Instrument Issuer and to provide a mechanism for paying Principal Installments and interest on such Series of Bonds from the Security Instrument.

*Covenant Against Creating or Permitting Liens; Subordinated Indebtedness.* Except for the pledge of Pledged Revenues to secure payment of the Bonds and Repayment Obligations under the Indenture, the Issuer covenants that the Pledged Revenues are and will be free and clear of any pledge, lien, charge or encumbrance thereon or with respect thereto; provided, however, that nothing contained in the Indenture shall prevent the Issuer from issuing, if and to the extent permitted by law, indebtedness having a lien on Pledged Revenues subordinated to that of the Bonds and the Repayment Obligations.

## Use of Funds

### *Use of Construction Fund.*

(a) So long as an Event of Default shall not have occurred and be continuing, moneys deposited in the appropriate account in the Construction Fund shall be paid out by the Trustee in order to pay the Cost of a Project, in each case within three Business Days (or within such longer period as is reasonably required to liquidate investments in the Construction Fund if required to make such payment) after the receipt by the Trustee of a written requisition stating the following:

(i) that the Trustee shall disburse sums in the manner specified by and at the direction of an Authorized Representative of the Issuer to the person or entity designated in such written requisition, and that the amount set forth therein is justly due and owing and constitutes a Cost of a Project based upon itemized claims substantiated in support thereof; and

(ii) that the amount remaining in the applicable account in the Construction Fund after such disbursement is made, together with the amount of unencumbered Pledged Revenues, if any, which the Issuer reasonably estimates will be deposited in the applicable account in the Construction Fund during the period of construction of a Project from the investment of moneys on deposit in the applicable account in the Construction Fund, will, together with any other moneys lawfully available or reasonably expected to become available for payment of the Cost of a Project and after payment of the amount requested in said requisition, be sufficient to pay the remaining Cost of a Project in accordance with the plans and specifications therefor then in effect; it being understood that no moneys from the applicable account in the Construction Fund may be expended unless, after giving effect thereto, the funds remaining in the applicable account in the Construction Fund, together with such other funds and income and lawfully available monies and monies reasonably expected to become available, are expected to be sufficient to pay the remaining Cost of the Project.

(b) Upon receipt of such requisition, the Trustee shall pay the obligation set forth in such requisition out of moneys in the applicable account in the Construction Fund. In making such payments the Trustee may rely upon such requisition.

(c) An Authorized Representative of the Issuer shall deliver to the Trustee, within 90–days after the substantial completion of a Project, a certificate stating:

(i) that such Project has been substantially completed in accordance with the plans and specifications therefor, as amended from time to time, and stating the date of substantial completion for such Project; and

(ii) that the Issuer is of the opinion that such Project has been fully paid for and no claim or claims exist against the Issuer or against such Project out of which a lien based on furnishing labor or material exists or might ripen; provided, however, there may be excepted from the foregoing statement any claim or claims out of which a lien exists or might ripen in the event that the Issuer intends to contest such claim or claims, in which event such claim or claims shall be described to the Trustee.

(d) In the event the certificate filed with the Trustee pursuant to paragraph (c) above shall state that there is a claim or claims in controversy which create or might ripen into a lien, there shall be filed with the Trustee a similar certificate when and as such claim or claims shall have been fully paid or otherwise discharged.

(e) The Trustee and the Issuer shall keep and maintain adequate records pertaining to each account within the Construction Fund and all disbursements therefrom.

(f) Upon completion of a Project and payment of all costs and expenses incident thereto and the filing with the Trustee of documents required by the Indenture, any balance remaining in the applicable account in the Construction Fund relating to such Project shall, at the written direction of the Issuer delivered to the Trustee, (i) be applied to pay capitalizable costs for projects related to the System or any other lawful purpose, subject in either case to receipt of a Favorable Opinion, (ii) be deposited in the Bond Fund, to be applied, as directed by the Issuer, (A) toward the redemption or purchase of the Series of Bonds issued to finance such Project or (B) to the payment of principal and interest next falling due on such Series of Bonds or (iii) any combination of the foregoing purposes.

(g) Upon the occurrence and continuance of an Event of Default under the Indenture, amounts on deposit in the Construction Fund may be applied toward the payment of Bonds issued under the Indenture.

*Use of Revenue Fund.*

(a) All Revenues (except earnings from the investment of amounts on deposit in the funds and accounts established under the Indenture, which shall be allocated as provided in the Indenture) shall be deposited by the Issuer to the credit of the Revenue Fund and the Issuer shall account for Sales and Use Taxes and Direct Payments separate and apart from all other Revenues.

(b) As a first lien and charge on the Sales and Use Taxes and Direct Payments, the Issuer shall transfer and deposit all available Sales and Use Taxes and Direct Payments from the Revenue Fund into the following Funds or make payments therefrom (as applicable) in the following order of priority the amounts set forth below:

(i) (A) Unless otherwise provided for and described by Supplemental Indenture, on or before the first Business Day of each month (commencing for each new Series of Bonds with the first Business Day of the month following the delivery date of such Series of Bonds), the Issuer shall transfer and deposit into the Bond Fund an amount equal to one–sixth of the interest payable on the Bonds (or, if the first Interest Payment Date is less than six–months away, the Issuer shall deposit into the Bond Fund an amount sufficient to total the interest payable on the Bonds in equal monthly installments) on the next succeeding Interest Payment Date and if Principal is payable on the Bonds in the 12–months succeeding such transfers, one–twelfth of Principal next payable on the Bonds (or, if the first Principal payable on the Bonds is less than 12–months away, the Issuer shall deposit into the Bond Fund an amount sufficient to total the Principal payable on the Bonds in equal monthly installments). In addition, all deficiencies in required deposits to the Bond Fund shall also be supplied. Said deposits shall be reduced, as appropriate, by (x) any income derived from the investment of the Bond Fund, and (y) any other deposits made to the Bond Fund pursuant to the Indenture; and (B) to the extent required by the Supplemental Indenture, on any Security Instrument Repayment Obligations promptly on each such payment date as the same become due and payable, whether at maturity or by redemption.

(ii) On an equal and parity lien basis (A) to the accounts maintained in the Reserve Instrument Fund, with respect to all Reserve Instruments which are in effect and are expected to continue in effect, such amount of the remaining Sales and Use Taxes and Direct Payments, or a ratable portion (taking into account the amount to be transferred pursuant to subparagraph (B) of this paragraph (ii)) of the amount so remaining if less than the amount necessary, that is required to be paid, including all Reserve Instrument Repayment Obligations, on or before the next such transfer or deposit of Sales and Use Taxes and Direct Payments into the Reserve Instrument Fund, to the Reserve Instrument Provider pursuant to any Reserve Instrument Agreement, other than Reserve Instrument Costs, in order to cause the Reserve Instrument Coverage to equal the Reserve Instrument Limit, such that the Reserve Instrument Coverage shall equal the Reserve Instrument Limit within one–year from any draw date under the Reserve Instrument; and (B) to the accounts maintained in Debt Service Reserve Fund any amounts required by the Indenture and by any Supplemental Indenture to accumulate therein the applicable Debt

Service Reserve Requirement at the times and in the amounts provided in the Indenture and in any Supplemental Indenture, or a ratable portion (taking into account the amount to be transferred pursuant to subparagraph (A) of this paragraph (ii)) of remaining Sales and Use Taxes and Direct Payments if less than the amount necessary.

(iii) To provide for the payment of Financing Expenses when and as the same become due.

(c) As a second charge and lien on the Sales and Use Taxes and Direct Payments, the Issuer shall allocate or transfer and deposit to the appropriate fund any debt service payments, reserve fund payments, debt reserve instrument costs and similar payments which may be required pursuant to any obligations payable from Revenues on a basis subordinate to the lien of the Indenture.

(d) The Operation and Maintenance Expenses shall be paid by the Issuer from time to time as they become due and payable (i) at any time from the Revenues other than Sales and Use Taxes and Direct Payments and (ii) from the Revenues constituting Sales and Use Taxes and Direct Payments, but only after the charges on Sales and Use Taxes and Direct Payments referenced in paragraphs (b) and (c) above, have been met. Prior to the commencement of each Fiscal Year, the Issuer shall establish and present to its governing board for approval a final budget including amounts for Operation and Maintenance Expenses for the ensuing Fiscal Year. Operation and Maintenance Expenses in any Fiscal Year shall not exceed the amount budgeted for such items in the Issuer's final budget (as the same may be amended from time to time) for such Fiscal Year. The limitations of the preceding sentence shall not be construed to prevent the Issuer from amending any budget or from making expenditures in excess of budgeted amounts in the event of any emergency or similar circumstances.

(e) As necessary, after payment of unpaid Operation and Maintenance Expenses then due, the Issuer shall transfer and deposit with the Trustee from amounts on deposit in the Revenue Fund to the extent of Revenues available in the Revenue Fund, into the Funds or for the purposes and in the order of priority the amounts as set forth in paragraph (b) and (c) above.

(f) Subject to making the foregoing deposits, the Issuer may use any moneys on deposit in the Revenue Fund for:

- (i) redemption of Bonds for cancellation prior to maturity by depositing the same into the Bond Fund;
- (ii) refinancing, refunding, or advance refunding of any Bonds;
- (iii) to apply to, or to accumulate a reserve for the purpose of applying toward the costs of acquiring, constructing, equipping or furnishing additional facilities to the System or improving, replacing, restoring, equipping or furnishing any existing facilities;
- (iv) payment of indebtedness having a lien on the Pledged Revenues subordinate to that of the Bonds and the Repayment Obligations; or
- (v) application for any other lawful purposes as determined by the Issuer.

*Use of Bond Fund.*

(a) The Trustee shall make deposits, as and when received, as follows:

- (i) the amounts provided for by the Indenture shall be deposited into the Bond Fund;
- (ii) all moneys payable by the Issuer as specified in the Indenture shall be deposited into the Bond Fund. Any payments made by a Security Instrument Issuer with respect to a Series of Bonds shall be deposited into the Bond Fund and used solely to pay the related Series of Bonds, subject to the provisions of the Supplemental Indenture authorizing the issuance of such Series of Bonds;
- (iii) any amount in the Construction Fund shall be transferred to the Bond Fund to the extent required by the Indenture upon completion of a Project;
- (iv) all moneys required to be transferred to the Bond Fund from the Debt Service Reserve Fund or from a Reserve Instrument or Instruments then in effect shall be deposited into the Bond Fund as provided in the Indenture; and
- (v) all other moneys received by the Trustee under the Indenture when accompanied by directions from the person depositing such moneys that such moneys are to be paid into the Bond Fund, shall be deposited into the Bond Fund.

(b) Except as provided in the Indenture, as provided in this paragraph and as otherwise provided by Supplemental Indenture, moneys in the Bond Fund shall be expended solely for the following purposes and in the following order of priority:

- (i) on or before each Interest Payment Date for each Series of Bonds, the amount required for the interest payable on such date;
- (ii) on or before each Principal Installment due date, the amount required for the Principal Installment payable on such due date; and

(iii) on or before each redemption date for each Series of Bonds, the amount required for the payment of redemption price of and accrued interest on such Bonds then to be redeemed.

Such amounts shall be applied by the Paying Agents to pay Principal Installments and redemption price of, and interest on the related Series of Bonds.

The Trustee shall pay out of the Bond Fund to the Security Instrument Issuer, if any, that has issued a Security Instrument with respect to such Series of Bonds an amount equal to any Security Instrument Repayment Obligation then due and payable to such Security Instrument Issuer. Except as otherwise specified in a related Supplemental Indenture all such Security Instrument Repayment Obligations shall be paid on a parity with the payments to be made with respect to principal and interest on the Bonds; provided that amounts paid under a Security Instrument shall be applied only to pay the related Series of Bonds. If payment is so made on Pledged Bonds held for the benefit of the Security Instrument Issuer, a corresponding payment on the Security Instrument Repayment Obligation shall be deemed to have been made (without requiring an additional payment by the Issuer) and the Trustee shall keep its records accordingly.

The Issuer authorizes and directs the Trustee to withdraw sufficient funds from the Bond Fund to pay principal of and interest on the Bonds and on Security Instrument Repayment Obligations as the same become due and payable and to make said funds so withdrawn available to the Trustee and any paying agent for the purpose of paying said principal and interest.

(c) Except as otherwise provided in a Supplemental Indenture authorizing a Series of Bonds, amounts accumulated in the Bond Fund with respect to any Sinking Fund Installment (together with amounts accumulated therein with respect to interest on the Bonds for which such Sinking Fund Installment was established) shall, if so directed by the Issuer in a written request not less than 30-days before the due date of such Sinking Fund Installment, be applied by the Trustee to (1) the purchase of Bonds of the Series and maturity for which such Sinking Fund Installment was established, (2) the redemption at the applicable sinking fund redemption price of such Bonds, if then redeemable by their terms, or (3) any combination of (1) and (2). All purchases of any Bonds pursuant to this subsection (c) shall be made at prices not exceeding the applicable sinking fund redemption price of such Bonds plus accrued interest, and such purchases shall be made in such manner as the Issuer shall direct the Trustee. The applicable sinking fund Redemption Price (or Principal amount of maturing Bonds) of any Bonds so purchased or redeemed shall be deemed to constitute part of the Bond Fund until such Sinking Fund Installment date for the purpose of calculating the amount of such Fund. As soon as practicable after the 60<sup>th</sup> day preceding the due date of any such Sinking Fund Installment, the Trustee shall proceed to call for redemption on such due date, by giving notice as required by the Indenture, Bonds of the Series and maturity for which such Sinking Fund Installment was established (except in the case of Bonds maturing on a Sinking Fund Installment date) in such amount as shall be necessary to complete the retirement of the unsatisfied balance of such Sinking Fund Installment. The Trustee shall pay out of the Bond Fund to the appropriate Paying Agents, on or before such redemption date (or maturity date), the amount required for the redemption of the Bonds so called for redemption (or for the payment of such Bonds then maturing), and such amount shall be applied by such Paying Agents to such redemption (or payment). All expenses in connection with the purchase or redemption of Bonds shall be paid by the Issuer as Operation and Maintenance Expenses. Upon any redemption (otherwise than pursuant to Sinking Fund Installments) of Bonds for which Sinking Fund Installments have been established, or any purchase in lieu thereof, there shall be credited by the Trustee toward the Sinking Fund Installment requirement thereafter to become due with respect thereto, the amount of the Bonds so redeemed or purchased in lieu thereof, to the respective sinking fund redemption dates as directed by the Issuer.

(d) After payment in full of the principal of and interest on all Bonds issued under the Indenture (or after provision has been made for the payment thereof as provided in the Indenture so that such Bonds are no longer Outstanding), all agreements relating to all outstanding Security Instrument Repayment Obligations and Reserve Instrument Repayment Obligations, in accordance with their respective terms, the fees, charges and expenses of the Trustee and any paying agent, any other amounts required to be paid under the Indenture and under any Security Instrument Agreement and any Reserve Instrument Agreement, all amounts remaining in the Bond Fund shall be paid to the Issuer.

*Use of Debt Service Reserve Fund.*<sup>3</sup> Except as required to make up any deficiencies in the Bond Fund as provided in the Indenture and subject to the immediately following sentence, moneys in the Debt Service Reserve Fund shall at all times be maintained in an amount not less than the applicable Debt Service Reserve Requirement. In calculating the amount on deposit in each account in the Debt Service Reserve Fund, the amount, if any, of the related Reserve Instrument Coverage will be treated as an amount on deposit in such account in the Debt Service Reserve Fund. Each Supplemental Indenture authorizing the issuance of a Series of Bonds shall specify the Debt Service Reserve Requirement applicable to such Series sufficient to cause the Debt Service Reserve Fund to equal the Debt Service Reserve Requirement, which amount shall be deposited immediately upon the issuance and delivery of such Series from (a) proceeds from the sale thereof or from any other legally available source, or (b) by a Reserve Instrument or Instruments, or (c) any combination thereof. If amounts on deposit in the Debt Service Reserve Fund shall, at any time, be less than the Debt Service Reserve Requirement, all Security Instrument Issuers shall be

<sup>3</sup> As amended by the Tenth Supplemental Senior Indenture.

notified immediately of such deficiency, and such deficiency shall be made up at the time and in the manner indicated in the Indenture.

In the event funds on deposit in the Debt Service Reserve Fund are needed to make up any deficiencies in the Bond Fund as aforementioned, and there is insufficient cash available in the Debt Service Reserve Fund to make up such deficiency and Reserve Instruments applicable to such Series of Bonds are in effect, the Trustee shall immediately make a demand for payment on such Reserve Instruments, to the maximum extent authorized by such Reserve Instruments, in the amount necessary to make up such deficiency, and immediately deposit such payment upon receipt thereof into the Bond Fund for application to such deficiencies.

In the event a Reserve Instrument is terminated in accordance with its terms, the Issuer shall be required either (i) to fund the Debt Service Reserve Requirement at the time of termination of the Reserve Instrument or (ii) to provide a substitute Reserve Instrument which provides the same Reserve Instrument Coverage, and which is provided by a Reserve Instrument Provider that is acceptable to the Trustee.

Funds at any time on deposit in the accounts maintained in the Debt Service Reserve Fund in excess of the amount required to be maintained therein (taking into account the amount of related Reserve Instrument Coverage) may at any time be transferred to the Bond Fund at the direction of the Issuer or, in connection with the replacement of amounts on deposit therein with a Reserve Instrument, utilized by the Issuer for any other lawful purpose, with a Favorable Opinion, pursuant to the terms of the Supplemental Indenture or resolution of the Issuer authorizing such Reserve Instrument.

With respect to Bonds issued under the Indenture prior to February 25, 2015 in the event that amounts on deposit in the related subaccount of the Debt Service Reserve Fund are insufficient to make up any deficiency in the Bond Fund with respect to a related Series of Bonds, amounts on deposit in any other subaccount of the Debt Service Reserve Fund created with respect to Bonds issued prior to February 25, 2015 may be used for such purpose and all of such subaccounts in the Debt Service Reserve Fund shall secure all Bonds issued under the Indenture prior to February 25, 2015 on a parity lien basis and the amounts in such subaccounts (including any amounts drawn on a Reserve Instrument for a Series of Bonds issued prior to February 25, 2015) do not secure Bonds issued under the Indenture on or after February 25, 2015.

With respect to Bonds issued on or after and notwithstanding anything contained elsewhere in the Indenture to the contrary, any account maintained within the Debt Service Reserve Fund for a Series of Bonds issued on or after February 25, 2015 and any Reserve Instrument for a Series of Bonds issued on or after February 25, 2015, shall only be drawn upon with respect to the Series of Bonds to which such account or Reserve Instrument applies.

*Reserve Instrument Fund.* There shall be paid into the Reserve Instrument Fund the amounts required by the Indenture and by a Supplemental Indenture to be so paid. The amounts in the Reserve Instrument Fund shall, from time to time, be applied by the Trustee on behalf of the Issuer to pay the Reserve Instrument Repayment Obligations which are due and payable to any Reserve Instrument Provider under any applicable Reserve Instrument Agreement.

*Investment of Funds.* Any moneys in the Bond Fund, the Reserve Instrument Fund, the Construction Fund, the Debt Service Reserve Fund or any other funds or accounts created by the Indenture may, at the discretion and authorization of an Authorized Representative of the Issuer, be invested in Permitted Investments. Such investments shall be held by the Trustee, and when the Trustee determines it necessary to use the moneys in the Funds for the purposes for which the Funds were created, it shall, at the discretion of an Authorized Representative of the Issuer, liquidate at prevailing market prices as much of the investments as may be necessary and apply the proceeds to such purposes. All income derived from the investment of the Construction Fund, the Bond Fund, the Reserve Instrument Fund and the Debt Service Reserve Fund and shall be maintained in said respective Funds and disbursed along with the other moneys on deposit therein as provided in the Indenture. Any moneys in the Revenue Fund may, at the discretion and authorization of an Authorized Representative of the Issuer, be invested in investments permitted by the Utah State Money Management Act, as it may be amended from time to time.

*Trust Funds.* All monies and securities received by the Trustee under the provisions of the Indenture shall be trust funds under the terms hereof and shall not be subject to lien or attachment of any creditor of the State or any political subdivision, body, agency, or instrumentality thereof or of the Issuer and shall not be subject to appropriation by any legislative body or otherwise. Such monies and securities shall be held in trust and applied in accordance with the provisions of the Indenture. Except for monies held to satisfy (i) the obligations, if any, of the Issuer under the Code with respect to arbitrage rebate and (ii) principal or redemption price of, and interest on, any Bonds previously matured or called for redemption or deemed paid in accordance with the Indenture (to be held for the benefit of the holders of such Bonds only), unless and until disbursed pursuant to the terms of the Indenture, all such monies and securities (and the income therefrom) shall be held by the Trustee as security for payment of the principal, premium, if any, and interest on the Bonds, for payment of Security Instrument Repayment Obligations and Reserve Instrument Repayment Obligations and the fees and expenses of the Trustee payable under the Indenture.

*Purchase of Bonds.* The Issuer may purchase Bonds of any Series from any available funds at public or private sale, as and when and at such prices as the Issuer may in its discretion determine, subject to applicable law and so long as such purchase is not made with funds drawn on a Security Instrument without the prior written consent of such Security Instrument Issuer. All Bonds so purchased shall at such times as shall be selected by the Issuer be delivered to and cancelled by the Trustee or any Registrar and (except with respect to a Commercial Paper Program) no Bonds of such Series shall be issued in place thereof. In the case of the purchase of Bonds of a Series and maturity for which Sinking Fund Installments shall have been established, the Issuer shall, by a written request delivered to the Trustee, elect the manner in which the Principal amount of such Bonds shall be credited toward Sinking Fund Installments, consistent with the procedures of the Indenture.

## **Covenants**

*General Covenants.* The Issuer covenants and agrees with each and every Registered Owner of the Bonds issued under the Indenture, Security Instrument Issuer and Reserve Instrument Provider that:

(a) The Issuer covenants to comply with the applicable provisions of the title known as “Limited Purpose Local Government and Entities–Local Districts,” Title 17B, Utah Code including in particular Section 17B–2a–815, Utah Code.

(b) Each Registered Owner, Reserve Instrument Provider, and Security Instrument Issuer shall have a right, in addition to all other rights afforded it by the laws of the State, to apply to and obtain from any court of competent jurisdiction such decree or order as may be necessary to require the Issuer to use its best efforts to charge or collect reasonable rates for services supplied by the System sufficient to meet all requirements of the Indenture and of any applicable Reserve Instrument Agreement or Security Instrument Agreement.

(c) So long as any Bonds, Security Instrument Repayment Obligations or Reserve Instrument Repayment Obligations are Outstanding, proper books of record and account will be kept by the Issuer separate and apart from all other records and accounts, showing complete and correct entries of all transactions relating to the System and the funds or accounts confirmed or established under the Indenture. Each Registered Owner, Reserve Instrument Provider, Security Instrument Issuer, or any duly authorized agent or agents thereof, shall have the right at all reasonable times to inspect all records, accounts and data relating thereto and to inspect the System. Except as otherwise provided in the Indenture, the Issuer further agrees that it will within 180–days following the close of each Fiscal Year cause an audit of such books and accounts to be made by an independent firm of certified public accountants, showing the receipts and disbursements for account of the System and such funds and accounts, and that such audit will be available for inspection by each Registered Owner, Reserve Instrument Provider and Security Instrument Issuer.

All expenses incurred in compiling the information required by the Indenture shall be regarded and paid as an Operation and Maintenance Expense

*Lien of Bonds; Equality of Liens.*<sup>4</sup> The Bonds and any Security Instrument Repayment Obligations constitute an irrevocable first lien upon the Pledged Revenues. The Issuer covenants that the Bonds and any Security Instrument Repayment Obligations are equitably and ratably secured by a first lien on the Pledged Revenues (except that (i) the portion of Pledged Revenues representing principal or redemption price of, and interest on, any Bonds previously matured or called for redemption or deemed paid in accordance with the Indenture shall be held for the benefit of the holders of such Bonds only and (ii) the moneys on deposit in the Debt Service Reserve Fund secure only certain of the Bonds as provided in the Indenture) and shall not be entitled to any priority one over the other in the application of the Pledged Revenues regardless of the time or times of the issuance or delivery of the Bonds or Security Instrument, it being the intention of the Issuer that there shall be no priority among the Bonds or the Security Instrument Repayment Obligations regardless of the fact that they may be actually issued and/or delivered at different times.

Any assignment or pledge from the Issuer to a Reserve Instrument Provider of (i) proceeds of the issuance and sale of Bonds, (ii) Pledged Revenues, or (iii) funds and accounts established or confirmed by the Indenture, including investments, if any, thereof, is and shall be subordinate to the assignment and pledge effected by the Indenture to the Registered Owners of the Bonds and to the Security Instrument Issuers.

*Payment of Principal, Premium and Interest.* The Issuer covenants that it will punctually pay or cause to be paid the Principal of, premium, if any, and interest on every Bond issued under the Indenture, any Security Instrument Repayment Obligations and any Reserve Instrument Repayment Obligations, in strict conformity with the terms of the Bonds, the Indenture, any Security Instrument Agreement and any Reserve Instrument Agreement, according to the true intent and meaning of the Indenture. The Principal of and interest on the Bonds, any Security Instrument Repayment Obligations and any Reserve Instrument Repayment Obligations are payable solely from the Pledged Revenues (except to the extent paid out of monies attributable to Bond proceeds or other funds created under the Indenture or the income from the temporary investment thereof), which Pledged Revenues are specifically pledged and assigned to the payment thereof in the manner and to the extent specified in the

<sup>4</sup> As amended by the Tenth Supplemental Senior Indenture.

Indenture, and nothing in the Bonds, the Indenture any Security Instrument Agreement or any Reserve Instrument Agreement should be considered as pledging any other funds or assets of the Issuer for the payment thereof.

*List of Bondholders.* The Registrar will keep on file at its principal office a list of the names and addresses of the Registered Owners of all Bonds which are from time to time registered on the registration books in the hands of the Trustee as Registrar for the Bonds. At reasonable times and under reasonable regulations established by the Trustee, said list may be inspected and copied by the Issuer or by the Registered Owners (or a designated representative thereof) of 10% or more in principal amount of Bonds then Outstanding, such ownership and the authority of any such designated representative to be evidenced to the reasonable satisfaction of the Trustee. The Registrar shall maintain a list of the names and addresses of the Owners of all Bonds and upon any transfer shall add the name and address of the new Bondowner and eliminate the name and address of the transferor Bondowner. Such lists, together with all other records of ownership, registration, transfer, and exchange of the Bonds and of persons to whom payment with respect to such obligations is made, are “private” or “confidential” as defined in Title 63, Chapter 2, Utah Code, or any successor provision of law.

*Management of System.*

(a) The Issuer, in order to assure the efficient management and operation of its System, will employ competent and experienced management, and will use its best efforts to see that its System is properly operated and maintained in good condition and an efficient manner.

(b) The Issuer will at all times cause the System to be maintained, preserved and kept in good repair, working order and condition so that the operating efficiency thereof will be of a high character. The Issuer will cause all necessary and proper repairs and replacements to be made so that the business carried on in connection with the System may be properly and advantageously conducted at all times in a manner consistent with prudent management, and that the rights and security of the Owners of the Bonds, Security Instrument Issuers and Reserve Instrument Issuers may be fully protected and preserved.

*Power to Own the System and Collect Rates, Fares and Fees; Provision for Sale or Lease and Leaseback Transactions.* The Issuer has, and will have so long as any Bonds are Outstanding, or Repayment Obligations are Outstanding, good, right and lawful power to own the System and to fix and collect rates, fares, fees and other charges in connection with the System. No revenue-producing facility or service of the System shall be leased, furnished or supplied free, but shall always be leased, furnished or supplied so as to produce Revenues, provided that the Issuer reserves the right to lease, furnish or supply free any such facility or service to the extent that such action does not materially adversely affect the Issuer’s ability to perform its obligations under the Indenture. In addition, the Issuer may dispose of any assets of the System which are no longer needed for the efficient operations thereof or which have been replaced by other System assets.

To the extent permitted by applicable law, the Issuer shall be entitled to sell or lease all or any portion of the System so long as the Issuer delivers to the Trustee (i) a Favorable Opinion and (ii) a written certificate to the effect that such portion of the System will continue to be used, controlled, and possessed by the Issuer for the benefit of the System

*Maintenance of Revenues.* The Issuer will at all times comply in all material respects with all terms, covenants and provisions, express and implied, of all contracts and agreements entered into by it for System use and services and all other contracts or agreements affecting or involving the System or business of the Issuer with respect thereto. The Issuer shall promptly collect all charges due for the System use and service supplied by it as the same become due, and shall at all times maintain and promptly and vigorously enforce its rights against any person who does not pay such charges when due. The Issuer shall establish policies, rules and fees, charges and rentals as shall be necessary to (i) assure maximum use and occupancy of the System and the services thereof and (ii) yield sufficient Revenues to meet the obligations of the Issuer under the Indenture.

*Use of Certain Grants.* The Issuer covenants that any federal or State capital or operating grant monies received by the Issuer which are prohibited by the provisions of the Indenture from being included as Revenues, shall be used for the purposes for which such grants were given, including payment of Operation and Maintenance Expenses.

*Continuation of Sales Tax Revenues.* The Issuer shall take all reasonable and legally permissible actions which it determines are necessary to assure the continued receipt by the Issuer for use as provided in the Indenture of the Sales and Use Taxes and shall oppose any effort to eliminate or divert the same.

*Direct Payment Authorization.* The Issuer authorizes and directs the Trustee in the Indenture to take all necessary actions to effectively carry out the duties required to apply for and accept Direct Payments from the Internal Revenue Service on behalf of the Issuer under Sections 54AA and 6431 of the Code or such other tax provisions of substantially similar nature which may be hereafter authorized, including, but not limited to, filing and signing IRS Form 8038-CP, receiving the Direct Payment on the Issuer’s behalf, and using such Direct Payment to pay Debt Service on the Bonds. For fixed rate bonds, the Trustee shall file the 8038-CP at least 80 days (but not more than 90 days) before the relevant Interest Payment Date (unless otherwise directed by a change in regulations). For variable rate bonds, the Trustee shall file the 8038-CP for reimbursements in arrears within 25 days after the last Interest Payment Date within the quarterly period for which reimbursement is being requested

(unless otherwise directed by a change in regulations). The Issuer covenants under the Indenture that it will deposit the Direct Payments with the Trustee for use in paying Debt Service on the Bonds.

## **Default Provisions**

*Events of Default.* Each of the following events is declared an “Event of Default” under the Indenture:

- (a) if payment of any installment of interest on any of the Bonds shall not be made by or on behalf of the Issuer (other than pursuant to a Security Instrument Agreement) when the same shall become due and payable, or
- (b) if payment of the principal of or the redemption premium, if any, on any of the Bonds shall not be made by or on behalf of the Issuer (other than pursuant to a Security Instrument Agreement) when the same shall become due and payable, either at maturity or by proceedings for redemption in advance of maturity or through failure to fulfill any payment to any fund under the Indenture or otherwise; or
- (c) if payment of the purchase price for a Put Bond shall not be made by or on behalf of the Issuer when the same shall become due and payable; or
- (d) if an order or decree shall be entered, with the consent or acquiescence of the Issuer, appointing a receiver or custodian for any of the Revenues, or approving a petition filed against the Issuer seeking reorganization of the Issuer under the federal bankruptcy laws or any other similar law or statute of the United States of America or any state thereof, or if any such order or decree, having been entered without the consent or acquiescence of the Issuer, shall not be vacated or discharged or stayed on appeal within 60–days after the entry thereof; or
- (e) if any proceeding shall be instituted, with the consent or acquiescence of the Issuer, for the purpose of effecting a composition between the Issuer and its creditors or for the purpose of adjusting the claims of such creditors pursuant to any federal or state statute now or hereafter enacted, if the claims of such creditors are or may be under any circumstances payable from Revenues; or
- (f) if (i) the Issuer is adjudged insolvent by a court of competent jurisdiction, or (ii) an order, judgment or decree be entered by any court of competent jurisdiction appointing, without the consent of the Issuer, a receiver, trustee, or custodian of the Issuer or of the whole or any part of their property and any of the aforesaid adjudications, orders, judgments, or decrees shall not be vacated or set aside or stayed within 60–days from the date of entry thereof; or
- (g) if the Issuer shall file a petition or answer seeking reorganization, relief or any arrangement under the federal bankruptcy laws or any other applicable law or statute of the United States of America or any state thereof; or
- (h) if, under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction shall assume custody or control of the Issuer or of the whole or any substantial part of the property of the Issuer, and such custody or control shall not be terminated within 60–days from the date of assumption of such custody or control; or
- (i) if the Issuer shall default in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Bonds or the Indenture or any Supplemental Indenture on the part of the Issuer to be performed, other than as set forth above and such default shall continue for 60–days (or such longer period as may be approved by the Trustee if in its opinion remedial actions are being diligently pursued by the Issuer) after written notice specifying such Event of Default and requiring the same to be remedied shall have been given to the Issuer by the Trustee, which may give such notice in its discretion and shall give such notice at the written request of the Registered Owners of not less than 25% in aggregate principal amount of the Bonds then Outstanding under the Indenture; provided that any failure by the Issuer to make payment as described in subparagraph (a) or (b) of this paragraph shall not constitute an Event of Default with respect to any Bond if the Supplemental Indenture authorizing the issuance of such Bond provides that due and punctual payment by a Security Instrument Issuer or a Reserve Instrument Issuer shall not give rise to an Event of Default and such payment is, in fact, duly and punctually made; and provided, further that the provisions of the Indenture are subject to the following limitations: if by reason of acts of God; strikes, lockouts or other similar disturbances; acts of public enemies; orders of any kind of the government of the United States or the State or any department, agency, political subdivision, court or official of the State which asserts jurisdiction over the Issuer; orders of any kind of civil or military authority; insurrections; riots; epidemics; landslides; lightning; earthquakes; volcanoes; fires, hurricanes; tornadoes; storms; floods; washouts; droughts; arrests; restraint of government and people; civil disturbances; explosions; or any cause or event not reasonably within the control of the Issuer, the Issuer is unable in whole or part to carry out any one or more of its respective agreements or obligations contained in the Indenture (other than as described in (a) through (h) above) such default shall not constitute an “Event of Default” under the Indenture so long as such cause or event continues.

The Trustee shall give notice to any Security Instrument Issuer or Reserve Instrument Issuer of any Event of Default known to the Trustee within five Business Days after it has knowledge thereof.



*Remedies; Rights of Registered Owners.* Upon the occurrence of an Event of Default, the Trustee may pursue any available remedy by suit at law or in equity to enforce the payment of the principal of, premium, if any, and interest on the Bonds then Outstanding or to enforce any obligations of the Issuer under the Indenture.

If an Event of Default shall have occurred, and if requested so to do by (i) Registered Owners of not less than 25% in aggregate Principal amount of the Bonds then Outstanding, (ii) Security Instrument Issuers at that time providing Security Instruments which are in full force and effect and not in default on any payment obligation and which secure not less than 25% in aggregate Principal amount of Bonds at the time Outstanding, or (iii) any combination of Bondowners and Security Instrument Issuers described in (i) and (ii) above representing not less than 25% in aggregate Principal amount of Bonds at the time Outstanding, and indemnified as provided in the Indenture, the Trustee shall be obligated to exercise such one or more of the rights and powers conferred by the Indenture as the Trustee, being advised by counsel, shall deem most expedient in the interest of the Registered Owners and the Security Instrument Issuers.

No remedy by the terms of the Indenture conferred upon or reserved to the Trustee (or to the Registered Owners or to the Security Instrument Issuers) is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Trustee, the Registered Owners or the Security Instrument Issuers or now or hereafter existing at law or in equity or by statute.

No delay or omission to exercise any right or power accruing upon any Event of Default shall impair any such right or power or shall be construed to be a waiver of any Event of Default or acquiescence therein; and every such right and power may be exercised from time to time and as often as may be deemed expedient.

No waiver of any Event of Default under the Indenture, whether by the Trustee, the Registered Owners or the Security Instrument Issuers, shall extend to or shall affect any subsequent Event of Default or shall impair any rights or remedies consequent thereon.

*Right of Registered Owners and Security Instrument Issuers to Direct Proceedings.* Anything in the Indenture to the contrary notwithstanding, unless a Supplemental Indenture provides otherwise, either (i) the Registered Owners of a majority in aggregate Principal amount of the Bonds then Outstanding, (ii) the Security Instrument Issuers at the time providing Security Instruments which are in full force and effect and not in default on any payment obligation and which secure not less than 50% in aggregate Principal amount of Bonds at the time Outstanding, or (iii) any combination of Bondowners and Security Instrument Issuers described in (i) and (ii) above representing not less than 50% in aggregate Principal amount of Bonds at the time Outstanding, shall have the right, at any time, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the time, method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of the Indenture, or for the appointment of a receiver or any other proceedings under the Indenture; provided, that such direction shall not be otherwise than in accordance with the provisions of law and of the Indenture.

*Application of Monies.*<sup>5</sup> All Pledged Revenues and moneys received by the Trustee pursuant to any right given or action taken under the default provisions the Indenture shall be applied in the following order:

(a) To the payment (i) the reasonable and proper charges and expenses of the Trustee and the reasonable fees and disbursements of its counsel and (ii) Financing Expenses.

(b) To the payment of the principal of, premium, if any, and interest then due and payable on the Bonds and the Security Instrument Repayment Obligations as follows:

(i) Unless the Principal of all the Bonds shall have become due and payable, all such moneys shall be applied:

FIRST—To the payment to the persons entitled thereto of all installments of interest then due on the Bonds and the interest component of any Security Instrument Repayment Obligations then due, in the order of the maturity of the installments of such interest and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or privilege; and

SECOND—To the payment to the persons entitled thereto of the unpaid Principal of and premium, if any, on the Bonds which shall have become due (other than Bonds called for redemption for the payment of which moneys are held pursuant to the provisions of the Indenture), in the order of their due dates, and the Principal component of any Security Instrument Repayment Obligations then due, and, if the amount available shall not be sufficient to pay in full all the Bonds and the Principal component of any Security Instrument Repayment Obligations due on any particular date, then to the payment ratably, according to the amount of Principal due on such date, to the persons entitled thereto without any discrimination or privilege.

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<sup>5</sup> As amended by the Tenth Supplemental Senior Indenture.

(ii) If the principal of all the Bonds shall have become due and payable, all such moneys shall be applied to the payment of the Principal and interest then due and unpaid upon the Bonds and Security Instrument Repayment Obligations, without preference or priority of Principal over interest or of interest over Principal, or of any installment of interest over any other installment of interest, or of any Bond or Security Instrument Repayment Obligation over any other Bond or Security Instrument Repayment Obligation, ratably, according to the amounts due respectively for Principal and interest, to the persons entitled thereto without any discrimination or privilege.

(iii) After payment of (i) or (ii) above as applicable, to the payment of all obligations owed to all Reserve Instrument Providers, ratably, according to the amounts due without any discrimination or preference under any applicable agreement related to any Reserve Instrument Agreement.

Whenever monies are to be applied pursuant to the provisions of the Indenture, such monies shall be applied at such times, and from time to time, as the Trustee shall determine, having due regard to the amounts of such monies available for such application and the likelihood of additional monies becoming available for such application in the future. Whenever the Trustee shall apply such funds, it shall fix the date (which shall be an Interest Payment Date unless it shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of Principal paid on such dates shall cease to accrue.

Notwithstanding the foregoing, (i) amounts on deposit in any subaccount of the Debt Service Reserve Fund shall not be applied to pay the principal of or interest on Bonds which are not secured by such subaccount in the Debt Service Reserve Fund, and (ii) for purposes of (b)(i) and (ii) above, amounts paid with respect to Bonds secured by a subaccount in the Debt Service Reserve Fund from amounts on deposit in the subaccount of the Debt Service Reserve Fund shall be deemed to be unpaid for purposes of the ratable application of Pledged Revenues received by the Trustee pursuant to the exercise of remedies under the Indenture.

*Remedies Vested in Trustee.* All rights of action (including the right to file proof of claims) under the Indenture or under any of the Bonds may be enforced by the Trustee without the possession of any of the Bonds or the production thereof in any trial or other proceedings related thereto and any such suit or proceedings instituted by the Trustee shall be brought in its name as Trustee without the necessity of joining as plaintiffs or defendants any Registered Owners of the Bonds, and any recovery of judgment shall be for the equal benefit of the Registered Owners of the Outstanding Bonds.

*Rights and Remedies of Registered Owners.* Except as provided in the Indenture, no Registered Owner of any Bond or Security Instrument Issuer or Reserve Instrument Provider shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of the Indenture or for the execution of any trust thereof or for the appointment of a receiver or any other remedy under the Indenture, unless an Event of Default has occurred of which the Trustee has been notified as provided in the Indenture, or of which it is deemed to have notice, nor unless also Registered Owners of not less than 25% in aggregate principal amount of the Bonds then Outstanding or Security Instrument Issuers at the time providing Security Instruments which are in full force and effect and are not in default on any payment obligation and which secure not less than 25% in aggregate principal amount of Bonds at the time Outstanding shall have made written request to the Trustee and shall have offered reasonable opportunity either to proceed to exercise the powers granted in the Indenture or to institute such action, suit or proceeding in its own name, nor unless also they have offered to the Trustee indemnity as provided in the Indenture nor unless the Trustee shall thereafter fail or refuse to exercise the powers granted in the Indenture, or to institute such action, suit or proceeding in its own name or names. Such notification, request and offer of indemnity are declared in every case at the option of the Trustee to be conditions precedent to the execution of the powers and trust of the Indenture, and to any action or cause of action for the enforcement of the Indenture, or for the appointment of a receiver or for any other remedy under the Indenture; it being understood and intended that no one or more Registered Owner of the Bonds or Security Instrument Issuer or Reserve Instrument Provider shall have any right in any manner whatsoever to affect, disturb or prejudice the lien of the Indenture by its action or to enforce any right under the Indenture except in the manner provided in the Indenture, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner provided in the Indenture and for the equal benefit of the Registered Owners of all Bonds then Outstanding and all Security Instrument Issuers at the time providing Security Instruments and all Reserve Instrument Providers at the time providing Reserve Instruments. Nothing contained in the Indenture shall, however, affect or impair the right of any Registered Owner or Security Instrument Issuer to enforce the covenants of the Issuer to pay the Principal of, premium, if any, and interest on each of the Bonds and Security Instrument Repayment Obligations at the time, place, from the source and in the manner in said Bonds or Security Instrument Repayment Obligations expressed.

*Termination of Proceedings.* In case the Trustee, any Bondowner or any Security Instrument Issuer shall have proceeded to enforce any right under the Indenture and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Trustee, the Bondowner, or Security Instrument Issuer, then and in every such case the Issuer and the Trustee shall be restored to their former positions and rights under the Indenture, and all rights, remedies and powers of the Trustee shall continue as if no such proceedings had been taken.

*Waivers of Events of Default.* The Trustee may in its discretion, and with the prior written consent of all Security Instrument Issuers at the time providing Security Instruments which are in full force and effect and not in default of any payment obligation, waive any Event of Default under the Indenture and its consequences and shall do so upon the written request of the Registered Owners of (a) a majority in aggregate Principal amount of all the Bonds then Outstanding or Security Instrument Issuers at the time providing Security Instruments which are in full force and effect and are not in default on any payment obligation and which secure not less than 50% in aggregate Principal amount of Bonds at the time Outstanding in respect of which an Event of Default in the payment of Principal and interest exists, or (b) a majority in aggregate Principal amount of the Bonds then Outstanding or Security Instrument Issuers at the time providing Security Instruments which are in full force and effect and are not in default on any payment obligation and which secure not less than 50% in aggregate Principal amount of Bonds at the time Outstanding in the case of any other Event of Default; provided, however, that there shall not be waived (i) any Event of Default in the payment of the Principal of any Bonds at the date of maturity specified therein, or (ii) any default in the payment when due of the interest on any such Bonds, unless prior to such waiver or rescission all arrears of interest, with interest (to the extent permitted by law) at the rate borne by the Bonds in respect of which such Event of Default shall have occurred on overdue installments of interest and all arrears of payments of Principal and premium, if any, when due, and all expenses of the Trustee in connection with such Event of Default, shall have been paid or provided for, and in case of any such waiver or rescission, or in case any proceeding taken by the Trustee on account of any such Event of Default shall have been discontinued or abandoned or determined adversely, then and in every such case the Issuer, the Trustee, the Registered Owners and the Security Instrument Issuers shall be restored to their former positions and rights under the Indenture, respectively, but no such waiver or rescission shall extend to any subsequent or other Event of Default, or impair any right consequent thereon.

### **The Trustee**

*Notice of Default.* The Trustee shall not be required to take notice or be deemed to have notice of any Event of Default under the Indenture, except an Event of Default described in (a) or (b) of the section entitled “Events of Default” above, unless the Trustee shall be specifically notified in writing of such Default by the Issuer, a Security Instrument Issuer or by the Registered Owners of at least 25% in the aggregate Principal amount of the Bonds then Outstanding and all notices or other instruments required by the Indenture to be delivered to the Trustee must, in order to be effective, be delivered at the principal corporate trust office of the Trustee, and in the absence of such notice so delivered, the Trustee may conclusively presume there is no Event of Default except as aforesaid.

*Fees, Charges and Expenses of Trustee.* The Trustee shall be entitled to payment or reimbursement for reasonable fees for its services rendered as Trustee under the Indenture and all advances, counsel fees and other expenses reasonably and necessarily made or incurred by the Trustee in connection with such services. The Trustee shall be entitled to payment and reimbursement for the reasonable fees and charges of the Trustee as Paying Agent and Registrar for the Bonds. Upon an Event of Default, but only upon an Event of Default, the Trustee shall have a right of payment prior to payment on account of interest or principal of, or premium, if any, on any Bond for the foregoing advances, fees, costs and expenses incurred, except for amounts held in trust to pay the principal, premium, interest or purchase price of Bonds in accordance with the Indenture and except for amounts paid under a Security Instrument.

*Trustee's Right to Own and Deal in Bonds.* The bank or trust company acting as Trustee under the Indenture, and its directors, officers, employees or agents, may in good faith buy, sell, own, hold and deal in any of the Bonds issued under the Indenture and secured by the Indenture, and may join in any action which any Bondholder may be entitled to take with like effect as if such bank or trust company were not the Trustee under the Indenture.

### **Supplemental Indentures**

*Supplemental Indentures Not Requiring Consent of Registered Owners, Security Instrument Issuers and Reserve Instrument Providers.* The Issuer and the Trustee may, without the consent of, or notice to, any of the Registered Owners or Reserve Instrument Providers, but with notice to any Security Instrument Issuer, enter into an indenture or indentures supplemental to the Indenture, as shall not be inconsistent with the terms and provisions of the Indenture, for any one or more of the following purposes:

- (a) To provide for the issuance of Additional Bonds in accordance with the provisions of the Indenture;
- (b) To cure any ambiguity or formal defect or omission which will not materially adversely affect the Owners of the Bonds;
- (c) To grant to or confer upon the Trustee for the benefit of the Registered Owners, any Security Instrument Issuers and any Reserve Instrument Providers any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Registered Owners, any Security Instrument Issuers and any Reserve Instrument Providers or any of them, provided, however, that the prior written consent of any related Security Instrument Issuer is obtained;
- (d) To subject to the Indenture additional revenues or other revenues, properties, collateral or security;

(e) To make any other change to the Indenture which, in the judgment of the Trustee, is not materially prejudicial to the interests of the Registered Owners, the Trustee, any Security Instrument Issuer or any Reserve Instrument Provider, provided, however, that the prior written consent of any related Security Instrument Issuer is obtained;

(f) To make any change necessary (i) to establish or maintain the exemption from federal income taxation of interest on any Series of Bonds as a result of any modifications or amendments to Section 148 of the Code (or any successor provision of law) or interpretations thereof by the Internal Revenue Service, or (ii) to comply with the provisions of Section 148(f) of the Code (or any successor provision of law), including provisions for the payment of all or a portion of the investment earnings of any of the Funds established under the Indenture to the United States of America;

(g) If the Bonds affected by such change are rated by a Rating Agency, to make any change which does not result in a reduction of the rating applicable to any of the Bonds so affected, provided that if any of the Bonds so affected are secured by a Security Instrument, such change must be approved in writing by the related Security Instrument Issuer;

(h) If the Bonds affected by such change are secured by a Security Instrument, to make any change approved in writing by the related Security Instrument Issuer, provided that if any of the Bonds so affected are rated by a Rating Agency, such change shall not result in a reduction of the rating applicable to any of the Bonds so affected; and

(i) To provide for the appointment of a successor Trustee, a Paying Agent, a separate or co-trustee, a Remarketing Agent or a Transfer Agent.

No modification or amendment shall be permitted pursuant to paragraph (g) or (h) unless the Issuer delivers to the Trustee an opinion of nationally recognized bond counsel to the effect that such modification or amendment will not adversely affect the tax-exempt status or validity of any Bonds affected by such modification or amendment.

*Supplemental Indentures Requiring Consent of Registered Owners, Security Instrument Issuers and Reserve Instrument Providers; Waivers and Consents by Registered Owners.* Exclusive of Supplemental Indentures covered by the Indenture and subject to the terms and provisions contained in this paragraph, and not otherwise, the Registered Owners of 66 2/3% in aggregate Principal amount of the Bonds then Outstanding shall have the right, from time to time, anything contained in the Indenture to the contrary notwithstanding, to (i) consent to and approve the execution by the Issuer and the Trustee of such other indenture or indentures supplemental to the Indenture as shall be deemed necessary and desirable by the Issuer for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in the Indenture or in any Supplemental Indenture, or (ii) waive or consent to the taking by the Issuer of any action prohibited, or the omission by the Issuer of the taking of any action required, by any of the provisions of the Indenture or of any indenture supplemental hereto; provided, however, that nothing in this paragraph contained shall permit or be construed as permitting (a) an extension of the stated maturity or reduction in the Principal amount of, or reduction in the rate of or extension of the time of paying of interest on, or reduction of any premium payable on the redemption of, or the elimination of tender rights with respect to, any Bond, without the consent of the Registered Owner of such Bond, or (b) a reduction in the amount or extension of the time of any payment required by any fund established under the Indenture applicable to any Bonds without the consent of the Registered Owners of all the Bonds which would be affected by the action to be taken, or (c) a reduction in the aforesaid aggregate Principal amount of Bonds, the Registered Owners of which are required to consent to any such waiver or Supplemental Indenture, or (d) affect the rights of the Registered Owners of less than all Bonds then Outstanding, without the consent of the Registered Owners of all the Bonds at the time Outstanding which would be affected by the action to be taken. In addition, no supplement to the Indenture shall modify the rights, duties or immunities of the Trustee, without the written consent of the Trustee. If a Security Instrument or a Reserve Instrument is in effect with respect to any Series of Bonds Outstanding and if a proposed modification or amendment would affect such Series of Bonds, then, except as described in the Indenture, neither the Indenture nor any Supplemental Indenture with respect to such Series of Bonds shall be modified or amended at any time without the prior written consent of the related Security Instrument Issuer or Reserve Instrument Provider, as applicable. Copies of any such modifications, amendments or supplements permitted under the Indenture shall be sent to each Rating Agency at least 10-days prior to the effective date thereof.

## **Discharge of Indenture**

If the Issuer shall pay or cause to be paid, or there shall be otherwise paid or provision for payment made to or for the Registered Owners of the Bonds, the Principal of and interest due or to become due thereon at the times and in the manner stipulated therein, and shall pay or cause to be paid to the Trustee all sums of moneys due or to become due according to the provisions of the Indenture, and to all Security Instrument Issuers and all Reserve Instrument Providers all sums of money due or to become due accordingly to the provisions of any Security Instrument Agreements and Reserve Instrument Agreements, as applicable, then these presents and the estate and rights granted by the Indenture shall cease, determine and be void, whereupon the Trustee shall cancel and discharge the lien of the Indenture, and release, assign and deliver unto the Issuer any and all the estate, right, title and interest in and to any and all rights assigned or pledged to the Trustee, held by the Trustee, or otherwise subject to the lien of the Indenture, except moneys or securities held by the Trustee for the payment of the Principal of and

interest on the Bonds, the payment of amounts pursuant to any Security Instrument Agreements or the payment of amounts pursuant to any Reserve Instrument Agreements.

Any Bond shall be deemed to be paid within the meaning of the Indenture when payment of the Principal of such Bond, plus interest thereon to the due date thereof (whether such due date be by reason of maturity or upon redemption as provided in the Indenture, or otherwise), either (a) shall have been made or caused to have been made in accordance with the terms thereof, or (b) shall have been provided by irrevocably depositing with or for the benefit of the Trustee, in trust and irrevocably setting aside exclusively for such payment, any combination of (i) moneys sufficient to make such payment, or (ii) Government Obligations, maturing as to principal and interest in such amount and at such times as will insure the availability of sufficient moneys to make such payment, and all necessary and proper fees, compensation and expenses of the Trustee and any paying agent pertaining to the Bond with respect to which such deposit is made shall have been paid or the payment thereof provided for to the satisfaction of the Trustee. At such times as a Bond shall be deemed to be paid under the Indenture, as aforesaid, it shall no longer be secured by or entitled to the benefits of the Indenture, except for the purposes of any such payment from such moneys or Government Obligations.

Notwithstanding the foregoing, in the case of Bonds, which by their terms may be redeemed prior to their stated maturity, no deposit under the immediately preceding paragraph shall be deemed a payment of such Bonds as aforesaid until the Issuer shall have given the Trustee, in form satisfactory to the Trustee, irrevocable instructions:

(a) stating the date when the Principal of each such Bond is to be paid, whether at maturity or on a redemption date (which shall be any redemption date permitted by the Indenture);

(b) to instruct the Trustee to call for redemption pursuant to the Indenture any Bonds to be redeemed prior to maturity pursuant to subparagraph (a) above; and

(c) to instruct the Trustee to mail, as soon as practicable, in the manner prescribed by the Indenture, a notice to the Registered Owners of such Bonds that the deposit required by this paragraph has been made with the Trustee and that such Bonds are deemed to have been paid in accordance with the Indenture and stating the maturity or redemption date upon which moneys are to be available for the payment of the principal or redemption price, if applicable, on said Bonds as specified in subparagraph (a) above. If the redemption date for all Bonds, payment for which is to be provided by deposit of moneys or Government Obligations or both, shall fall within 120 days of the mailing of the notice of redemption, then the notices referred to in subparagraph (b) above and this subparagraph (c) may be combined.

Any moneys so deposited with the Trustee as provided in the Indenture may at the direction of the Issuer also be invested and reinvested in Government Obligations, maturing in the amounts and times as set forth in the Indenture, and all income from all Government Obligations in the hands of the Trustee pursuant to the Indenture which is not required for the payment of the Bonds and interest thereon with respect to which such moneys shall have been so deposited shall be deposited in the Bond Fund as and when realized and collected for use and application as are other moneys deposited in that fund.

Notwithstanding any provision of the Indenture, all moneys or Government Obligations set aside and held in trust pursuant to the provisions of the Indenture for the payment of Bonds (including interest thereon) shall be applied to and used solely for the payment of the particular Bonds (including interest thereon) with respect to which such moneys or Government Obligations have been so set aside in trust.

Anything in the Indenture to the contrary notwithstanding, if moneys or Government Obligations have been deposited or set aside with the Trustee pursuant to the Indenture for the payment of Bonds and such Bonds shall not have in fact been actually paid in full, no amendment to the provisions of the Indenture shall be made without the consent of the Registered Owner of each Bond affected thereby.

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## APPENDIX C

### EXTRACTS OF CERTAIN PROVISIONS OF THE SUBORDINATE INDENTURE

The following are extracts of certain provisions contained in the Subordinate General Indenture and are not to be considered as a full statement thereof. Reference is made to the Subordinate Indenture and the Fifteenth Supplemental Subordinate Indenture for full details of all the terms of the 2021 Subordinate Bonds, the security provisions appertaining thereto, and the definition of any terms used but not defined in this OFFICIAL STATEMENT.

#### Definitions

As used in the Subordinate Indenture, the following terms shall have the following meanings unless the context otherwise clearly indicates:

“Accreted Amount” means, with respect to Capital Appreciation Bonds of any Series and as of the date of calculation, the amount established pursuant to the Supplemental Indenture authorizing such Capital Appreciation Bonds as the amount representing the initial public offering price, plus the accumulated and compounded interest on such Bonds.

“Additional Bonds” means all Bonds issued under the Indenture other than the Initial Bonds.

“Adjusted Sales and Use Taxes” means Sales and Use Taxes in any consecutive 12-month period within the 24 calendar months next preceding the issuance of a Series of Additional Bonds adjusted to take into account increases in the sales and use taxes allocated to the Issuer, to the extent that such increased amounts have been included as “Sales and Use Taxes” and are pledged under the Indenture.

“Aggregate Debt Service” means, as of the date of calculation and with respect to any period, the sum (as applicable) of the amounts of Debt Service during such period for (a) all Series of Bonds Outstanding (or any designated portion thereof), (b) any Repayment Obligations Outstanding and (c) all Senior Bonds Outstanding.

“Authorized Amount” means, with respect to a Commercial Paper Program, the maximum Principal amount of commercial paper which is then authorized by the Issuer to be outstanding at any one time pursuant to such Commercial Paper Program.

“Authorized Representative” means the Executive Director (including any acting Executive Director), Chair of the Board of Trustees, Treasurer, or any other person at the time designated to act on behalf of the Issuer by a written instrument furnished to the Trustee containing the specimen signature of such person or persons and signed on behalf of the Issuer by its Executive Director or Treasurer. The written instrument may designate an alternate or alternates.

“Average Aggregate Debt Service” means, as of any date of calculation, the amount obtained by dividing (a) the sum of the Aggregate Debt Service on all Series of Bonds Outstanding and Repayment Obligations Outstanding computed for each Fiscal Year during which any Bonds are or will be Outstanding (or any designated portion thereof) by (b) the number of such Fiscal Years.

“Balloon Bonds” means, unless otherwise specified by the Issuer in a written direction to the Trustee (which direction shall also specify that the Debt Service on particular Bonds that would otherwise constitute “Balloon Bonds” shall instead be calculated based on actual amortization), Bonds (and/or Security Instrument Repayment Obligations relating thereto) or Senior Bonds (as applicable), other than Bonds or Senior Bonds (as applicable) which mature within one year of the date of issuance thereof, 25% or more of the Principal Installments on which (a) are due or (b) at the option of the Owner thereof may be redeemed, during any period of 12 consecutive months. So long as Bonds insured by National Public Finance Guarantee Corp. are Outstanding under the Indenture, the written direction of the Issuer specified in the preceding sentence shall (except in the case of the 2010 Subordinate Bonds) be accompanied by the written consent of National Public Finance Guarantee Corp.

“Bond Fund” means the Utah Transit Authority Subordinated Bond Fund created in the Indenture to be held by the Trustee and administered pursuant to the Indenture.

“Bond Fund Year” means the 12-month period beginning January 1 of each year and ending on the next succeeding December 31, except that the first Bond Fund Year shall begin on the date of delivery of the Initial Bonds and shall end on the next succeeding December 31.

“Bondholder,” “Holder,” “Bondowner,” “Registered Owner” or “Owner” or any similar term means the registered owner of any Bonds authorized by the Indenture.

“Bonds” means bonds, notes, commercial paper, or other obligations (other than Repayment Obligations) authorized by and at any time Outstanding pursuant to the Indenture, including the Initial Bonds and any Additional Bonds.

“Build America Bonds” means the interest subsidy bonds issuable by the Issuer under Sections 54AA and 6431 of the Code and a “qualified bond” under Section 54AA(g)(2) of the Code or such other tax credit bonds of substantially similar nature which may be hereafter authorized.

“Business Day” means, except as provided by a Supplemental Indenture, any day, except a Saturday or Sunday, (a) on which banking business is transacted, but not including any day on which banks are authorized to be closed, in New York City or in the city in which the Trustee has its principal corporate trust office or, with respect to a related Series of Bonds, in the city in which any Security Instrument Issuer has its payment office for purposes of such Security Instrument, and (b) on which the New York Stock Exchange is open.

“Capital Appreciation Bonds” means Bonds the interest on which (a) is compounded and accumulated at the rates and on the dates set forth in the Supplemental Indenture authorizing the issuance of such Bonds and designating them as Capital Appreciation Bonds, and (b) is payable upon maturity or redemption of such Bonds.

“Code” means the Internal Revenue Code of 1986, as amended. Each reference to a section of the Code shall be deemed to include the related United States Treasury Regulations.

“Commercial Paper Program” means commercial paper obligations with maturities of not more than 270 days from the dates of issuance thereof which are issued and reissued by the Issuer from time to time pursuant to the Indenture and are outstanding up to an Authorized Amount.

“Construction Fund” means the Utah Transit Authority Subordinated Construction Fund created in the Indenture to be held by the Trustee and administered pursuant to the Indenture.

“Cost” or “Costs” or “Cost of a Project,” or any phrase of similar import, in connection with a Project or with the refunding of any bonds, means all costs and expenses which are properly chargeable thereto under generally accepted accounting principles or which are incidental to the financing, acquisition and construction of a Project, or the refunding of any bonds, including, without limiting the generality of the foregoing:

- (a) amounts payable to contractors and costs incident to the award of contracts;
- (b) cost of labor, facilities and services furnished by the Issuer and its employees or others, materials and supplies purchased by the Issuer or others and permits, and licenses obtained by the Issuer or others;
- (c) engineering, architectural, legal, planning, underwriting, accounting and other professional and advisory fees;
- (d) premiums for contract bonds and insurance during construction and costs on account of personal injuries and property damage in the course of construction and insurance against the same;
- (e) interest expenses, including interest on a Series of Bonds;
- (f) printing, engraving and other expenses of financing, including fees of Rating Agency and fees and costs of issuing the Series of Bonds (including costs of interest rate caps and costs related to interest rate exchanges (or the elimination thereof));
- (g) costs, fees and expenses in connection with the acquisition of real and personal property or rights therein, including premiums for title insurance;
- (h) costs of equipment, rolling stock and furnishings purchased by the Issuer and necessary to the completion and proper operation of a Project;
- (i) amounts required to repay temporary loans or notes made to finance the costs of a Project;
- (j) cost of site improvements performed in anticipation of a Project;
- (k) moneys necessary to fund the Funds created under the Indenture;
- (l) costs of the capitalization with proceeds of a Series of Bonds issued under the Indenture of any operation and maintenance expenses and other working capital appertaining to any facilities to be acquired for a Project and of any interest on a Series of Bonds for any period not exceeding the period estimated by the Issuer to effect the construction of a Project plus one year, as provided in the Indenture, of any discount on Bonds or other securities, and of any reserves for the payment of the principal of and interest on a Series of Bonds, of any replacement expenses and of any other cost of issuance of a Series of Bonds or other securities, Security Instrument Costs and Reserve Instrument Costs;
- (m) costs of amending any indenture or other instrument authorizing the issuance of or otherwise appertaining to a Series of Bonds;
- (n) all other expenses necessary or desirable and appertaining to a Project, as estimated or otherwise ascertained by the Issuer, including costs of contingencies for a Project; and



(o) payment to the Issuer of such amounts, if any, as shall be necessary to reimburse the Issuer in full for advances and payments theretofore made or costs theretofore incurred by the Issuer for any item of Costs.

In the case of any refunding or redeeming any bonds or other obligations, “Cost” includes, without limiting the generality of the foregoing, the items listed in (c), (e), (f), (i), (k), (l), (m) and (o) above, advertising and other expenses related to the redemption of such bonds to be redeemed and the redemption price of such bonds (and the accrued interest payable on redemption to the extent not otherwise provided for).

“Cross-over Date” means with respect to Cross-over Refunding Bonds the date on which the Principal portion of the related Cross-over Refunded Bonds is to be paid or redeemed from the proceeds of such Cross-over Refunding Bonds.

“Cross-over Refunded Bonds” means Bonds, Senior Bonds or other obligations refunded by Cross-over Refunding Bonds.

“Cross-over Refunding Bonds” means Bonds issued for the purpose of refunding Bonds, Senior Bonds or other obligations if the proceeds of such Cross-over Refunding Bonds are irrevocably deposited in escrow in satisfaction of the requirements of Section 11–27–3, Utah Code, to secure the payment on an applicable redemption date or maturity date of the Cross-over Refunded Bonds (subject to possible use to pay Principal of the Cross-over Refunding Bonds under certain circumstances) and the earnings on such escrow deposit are required to be applied to pay interest on the Cross-over Refunding Bonds until the Cross-over Date.

“Current Interest Bonds” means Bonds not constituting Capital Appreciation Bonds. Interest on Current Interest Bonds shall be payable periodically on the Interest Payment Dates provided therefor in a Supplemental Indenture.

“Debt Service” means, for any particular Fiscal Year and for any Series of Bonds, Senior Bonds (to the extent applicable) and any Repayment Obligations, an amount equal to the sum of (a) all interest payable during such Fiscal Year on such Series of Bonds and Senior Bonds plus (b) the Principal Installments payable during such Fiscal Year on (i) such Bonds and Senior Bonds Outstanding, calculated on the assumption that Bonds and Senior Bonds Outstanding on the day of calculation cease to be Outstanding by reason of, but only by reason of, payment either upon maturity or application of any Sinking Fund Installments required by the Indenture (or the Senior Indenture, as applicable), and (ii) such Repayment Obligations then outstanding;

provided, however,

(i) when calculating the Principal Installments payable during such Fiscal Year, there shall be treated as payable in such Fiscal Year the amount of Principal Installments which would have been payable during such Fiscal Year had the Principal of each Series of Balloon Bonds Outstanding and the related Repayment Obligations then Outstanding (or arising therefrom) been amortized, from the end of the fifth Bond Fund Year succeeding their date of issuance over a period of 25 years thereafter, on a level debt service basis at an interest rate equal to the rate borne by such Balloon Bonds on the date of calculation, provided that if the date of calculation is within 12 months before the actual maturity of such Balloon Bonds or Repayment Obligations, the full amount of Principal payable at maturity shall be included in such calculation;

(ii) when calculating interest payable during such Fiscal Year for any Series of Variable Rate Bonds or Repayment Obligations bearing interest at a variable rate which cannot be ascertained for any particular Fiscal Year, it shall be assumed that such Series of Variable Rate Bonds or related Repayment Obligations will bear interest at such market rate of interest applicable to such Series of Variable Rate Bonds or related Repayment Obligations as shall be established for this purpose in the opinion of the Issuer’s financial advisor, underwriter or similar agent (which market rate of interest may be based upon a recognized comparable market index, an average of interest rates for prior years or otherwise, so long as such estimates are based upon then current market conditions);

(iii) when calculating interest payable during such Fiscal Year for any Series of Variable Rate Bonds which are issued with a floating rate and with respect to which an Interest Rate Swap is in effect in which the Issuer has agreed to pay a fixed interest rate, such Series of Variable Rate Bonds shall be deemed to bear interest at the effective fixed annual rate thereon as a result of such Interest Rate Swap; provided that such effective fixed annual rate may be utilized only if such Interest Rate Swap does not result in a reduction or withdrawal of any rating then in effect with respect to the Bonds and so long as such Interest Rate Swap is contracted to remain in full force and effect;

(iv) when calculating interest payable during such Fiscal Year for any Series of Bonds which are issued with a fixed interest rate and with respect to which an Interest Rate Swap is in full force and effect in which the Issuer has agreed to pay a floating amount, Debt Service shall include the interest payable on such Series of Bonds, less fixed amounts to be received by the Issuer under such Interest Rate Swap plus the amount of the floating payments (estimated in a manner similar to that described in (ii) above unless another method of estimation is more appropriate in the opinion of the Issuer’s financial advisor, underwriter or similar agent, for such floating payments) to be made by the Issuer under the Interest Rate Swap; provided that the above described calculation of Debt Service may be utilized

only if such Interest Rate Swap does not result in a reduction or withdrawal of any rating then in effect with respect to the Bonds and so long as such Interest Rate Swap is contracted to remain in full force and effect;

(v) when calculating interest payable during such Fiscal Year with respect to any Commercial Paper Program, “Debt Service” shall mean an amount equal to the sum of all principal and interest payments that would be payable during such Fiscal Year assuming that the Authorized Amount of such Commercial Paper Program is amortized on a level debt service basis over a period of 30 years beginning on the date of calculation or, if later, the last day of the period during which obligations can be issued under such Commercial Paper Program, and bearing interest at such market rate of interest applicable to such Commercial Paper Program as shall be established for this purpose in the opinion of the Issuer’s financial advisor, underwriter or similar agent (which market rate of interest may be based upon a recognized comparable market index, an average of interest rates for prior years or otherwise); and

(vi) when calculating interest payable on Bonds or Senior Bonds that are Paired Obligations, the interest rate on such Bonds or Senior Bonds shall be the resulting linked rate or effective fixed interest rate to be paid by the Issuer with respect to such Paired Obligations;

and *further provided, however*, that there shall be excluded from “Debt Service” (x) interest on Bonds and Senior Bonds (including Cross-over Refunding Bonds or Cross-over Refunded Bonds) to the extent that Escrowed Interest or capitalized interest is available to pay such interest, (y) Principal on Cross-over Refunded Bonds to the extent that the proceeds of Cross-over Refunding Bonds are on deposit in an irrevocable escrow in satisfaction of the requirements of Section 11–27–3, Utah Code, and such proceeds or the earnings thereon are required to be applied to pay such Principal (subject to the possible use to pay the Principal of the Cross-over Refunding Bonds under certain circumstances) and such amounts so required to be applied are sufficient to pay such Principal, and (z) Repayment Obligations to the extent that payments on Pledged Bonds relating to such Repayment Obligations satisfy the Issuer’s obligation to pay such Repayment Obligations.

“Debt Service Reserve Fund” means the Utah Transit Authority Subordinated Debt Service Reserve Fund created in the Indenture to be held by the Trustee and administered pursuant to the Indenture.

“Debt Service Reserve Requirement” for each Series of Bonds issued under the Indenture means the amount, if any, specified in the related Supplemental Indenture. The Debt Service Reserve Requirement may be funded by a Reserve Instrument as provided in the Indenture. Upon the issuance of Additional Bonds or upon any refunding of Bonds issued under the Indenture the aggregate Debt Service Reserve Requirement for the Bonds then Outstanding and the Additional Bonds, if any, to be so issued shall be determined based upon the Bonds to be Outstanding immediately following the issuance of the Additional Bonds or such refunding.

“Direct Payments” means the interest subsidy payments received by the Issuer from the Internal Revenue Service pursuant to Section 6431 of the Code or other similar programs with respect to the Bonds issued under the Indenture.

“Escrowed Interest” means amounts irrevocably deposited in escrow in accordance with the requirements of Section 11–27–3, Utah Code, in connection with the issuance of Additional Bonds for refunding purposes or Cross-over Refunding Bonds secured by such amounts or earnings on such amounts which are required to be applied to pay interest on such Cross-over Refunding Bonds or the related Cross-over Refunded Bonds.

“Event of Default” means with respect to any default or event of default under the Indenture any occurrence or event specified in and defined under the caption, “Default Provisions—Events of Default.”

“Favorable Opinion” means an opinion of Bond Counsel to the effect that the action proposed to be taken is authorized or permitted by the Indenture and any applicable Supplemental Indenture and will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Bonds which are the subject of such opinion.

“Financing Expenses” means Security Instrument Costs, Reserve Instrument Costs and arbitrage rebate required to be paid to the United States with respect to the Bonds.

“Fiscal Year” means the 12-month period beginning January 1 of each year and ending December 31 of such year, or such other fiscal year of the Issuer as may be prescribed by law.

“Fitch” means Fitch Ratings.

“General Indenture” means the Subordinate General Indenture of Trust.

“Government Obligations” means (i) direct and general obligations of the United States of America, or those which are unconditionally guaranteed as to principal and interest by the same, and (ii) pre-refunded municipal obligations meeting the following criteria:

(a) The municipal obligations may not be callable prior to maturity or, alternatively, the trustee has received irrevocable instructions concerning their calling and redemption;

(b) The municipal obligations are secured by cash or securities described in subparagraph (i) above (the “Defeasance Obligations”), which cash or Defeasance Obligations may be applied only to interest, principal and premium payments of such municipal obligations;

(c) The principal and interest of the Defeasance Obligations (plus any cash in the fund) are sufficient to meet the liabilities of the municipal obligations;

(d) The Defeasance Obligations serving as security for the municipal obligations must be held by an escrow agent or a trustee;

(e) The Defeasance Obligations are not available to satisfy any other claims, including those against the trustee or escrow agent; and

(f) The Defeasance Obligations are rated “AAA” by S&P and “Aaa” by Moody’s.

Additionally, evidence of ownership of proportionate interests in future interest and principal payments of Defeasance Obligations are permissible. Investments in these proportionate interests are limited to circumstances wherein (i) a bank or trust company acts as custodian and holds the underlying obligations; (ii) the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor of the underlying obligations; and (iii) the underlying obligations are held in a special account separate and apart from the custodian’s general assets, and are not available to satisfy any claim of the custodian, any person claiming through the custodian or any person to whom the custodian may be obligated.

“Indenture” means the Subordinated General Indenture of Trust as from time to time amended or supplemented by Supplemental Indentures in accordance with the terms of the Indenture.

“Initial Bonds” means the first Series of Bonds issued under the Indenture.

“Interest Payment Date” means the stated payment date of an installment of interest on the Bonds.

“Interest Rate Swap” means an agreement between the Issuer or the Trustee (at the written direction of the Issuer) and a Swap Counterparty related to Bonds of one or more Series whereby a variable rate cash flow (which may be subject to any interest rate cap) on a principal or notional amount is exchanged for a fixed rate of return on an equal principal or notional amount. If the Issuer or the Trustee (at the written direction of the Issuer) enters into more than one Interest Rate Swap with respect to a Series of Bonds or Senior Bonds (to the extent applicable), each Interest Rate Swap shall specify the same payment dates.

“Issuer” means the Utah Transit Authority and its successors.

“Moody’s” means Moody’s Investors Service.

“Operation and Maintenance Expenses” means all necessary and reasonable expenses of maintaining and operating the System, including all necessary operating expenses, current maintenance charges, expenses of reasonable upkeep and repairs, properly allocated share of charges for insurance, and all other expenses incidental to the operation of the System, including the cost of merchandise for resale, promotional and advertising expenses, services, utilities and personnel and all allocated general administrative expenses of the Issuer, but shall exclude depreciation. As more fully provided in the Indenture, the Issuer shall establish a budget for Operation and Maintenance Expenses for each Fiscal Year and, except as otherwise provided in the Indenture, Operation and Maintenance Expenses in any Fiscal Year shall not exceed the amount budgeted for such items in the Issuer’s final budget (as the same may be amended from time to time) for such Fiscal Year.

“Outstanding” or “Bonds Outstanding” means at any date all Bonds which have not been canceled which have been or are being authenticated and delivered by the Trustee under the Indenture, except:

(a) Any Bond or portion thereof which at the time has been paid or deemed paid pursuant to the Indenture; and

(b) Any Bond in lieu of or in substitution for which a new Bond shall have been authenticated and delivered under the Indenture.

“Paired Obligations” means any Series (or portion thereof) of Bonds or Senior Bonds (as applicable) designated as Paired Obligations in the Supplemental Indenture authorizing the issuance or incurrence thereof, which are simultaneously issued or incurred (i) the principal of which is of equal amount maturing and to be redeemed (or cancelled after acquisition thereof) on the same dates and in the same amounts, and (ii) the interest rates which, taken together, result in an irrevocably fixed interest rate obligation of the Issuer for the terms of such Bonds or Senior Bonds (as applicable).

“Paying Agent” means the Trustee, appointed as the initial paying agent for the Bonds, and any additional or successor paying agent appointed pursuant to the Indenture.

“Permitted Investments” means any of the following securities:

- (i) Government Obligations;
- (ii) obligations of any of the following federal agencies which obligations represent full faith and credit obligations of the United States of America: the Export-Import Bank of the United States; the Government National Mortgage Association; the Federal Financing Bank; the Farmer's Home Administration; the Federal Housing Administration; the Maritime Administration; General Services Administration, Small Business Administration; or the Department of Housing and Urban Development (PHA's);
- (iii) money market funds rated "AAAm" or "AAAm-G" or better by S&P;
- (iv) commercial paper which is rated at the time of purchase in the single highest classification, "Prime 1" by Moody's or "A-1+" by S&P, and which matures not more than 270 days after the date of purchase;
- (v) bonds, notes or other evidence or indebtedness rated "AAA" by S&P and "Aaa" by Moody's issued by the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation with remaining maturities not exceeding three years;
- (vi) U.S. dollar denominated deposit accounts, federal funds and banker's acceptances with domestic commercial banks which have a rating on their short term certificates of deposit on the date of purchase of "A-1" or "A-1+" by S&P and "Prime 1" by Moody's and maturing no more than 360 days after the date of purchase (ratings on holding companies are not considered as the rating of the bank);
- (vii) the fund held by the Treasurer for the State of Utah and commonly known as the Utah Public Treasurers' Investment Fund; and
- (viii) any investment or securities permitted for investment of public funds under the State Money Management Act of 1974, Title 51, Chapter 7, Utah Code.

"Pledged Bonds" means any Bonds that have been (a) pledged or in which any interest has otherwise been granted to a Security Instrument Issuer as collateral security for Security Instrument Repayment Obligations or (b) purchased and held by a Security Instrument Issuer pursuant to a Security Instrument.

"Pledged Revenues" means (i) the Sales and Uses Taxes, plus (ii) interest earned by and profits derived from the sale of investments in the funds and accounts created by the Indenture, plus (iii) Direct Payments and Senior Direct Payments, plus (iv) all other Revenues (if any) after provision has been made for the payment from the Revenues described in this subparagraph (iv) of the Operation and Maintenance Expenses.

"Principal" means (a) with respect to any Capital Appreciation Bond, the Accreted Amount thereof (the difference between the stated amount to be paid at maturity and the Accreted Amount being deemed unearned interest), except as used in connection with the authorization and issuance of Bonds and Senior Bonds and with the order of priority of payment of Bonds after an Event of Default, in which case "Principal" means the initial public offering price of a Capital Appreciation Bond (the difference between the Accreted Amount and the initial public offering price being deemed interest), and (b) with respect to any Current Interest Bond, the principal amount of such Bond or Senior Bond payable at maturity.

"Principal Installment" means, as of any date of calculation, (a) with respect to any Series of Bonds or Senior Bonds (to the extent applicable), so long as any Bonds thereof are Outstanding, (1) the Principal amount of Bonds and Senior Bonds of such Series due on a certain future date for which no Sinking Fund Installments have been established, or (2) the unsatisfied balance (determined as provided in the definition of "Sinking Fund Installment") of any Sinking Fund Installment due on a certain future date for Bonds of such Series and Senior Bonds, plus the amount of the sinking fund redemption premiums, if any, which would be applicable upon redemption of such Bonds or Senior Bonds on such future date in a Principal amount equal to such unsatisfied balance of such Sinking Fund Installment, or (3) if such future dates coincide as to different Bonds of such Series or Senior Bonds, the sum of such Principal amount of Bonds or Senior Bonds and of such unsatisfied balance of such Sinking Fund Installment due on such future date plus such applicable redemption premiums, if any, and (b) with respect to any Repayment Obligations, the principal amount of such Repayment Obligations due on a certain future date.

"Project" means the acquisition or construction of additions, extensions, facilities, equipment, or buildings for use as, or improvements to or equipment or furnishings for, the System.

"Put Bond" means any Bond which is part of a Series of Bonds which is subject to purchase by the Issuer, its agent or a third party from the Owner of the Bond pursuant to provisions of the Supplemental Indenture authorizing the issuance of the Bond and designating it as a "Put Bond."

"Rating Agency" means Moody's, Fitch or S&P and their successors and assigns to the extent such agencies then maintain a rating of the Bonds at the request of the Issuer. If any of such corporations cease to act as a securities rating agency, the Issuer may, with the approval of the Trustee, designate any nationally recognized securities rating organization as a replacement.

“Rating Category” or “Rating Categories” mean one or more of the generic rating categories of a Rating Agency, without regard to any refinement or gradation of such rating category or categories by a numerical modifier or otherwise.

“Registrar” means the Trustee (or other party designated as Registrar by Supplemental Indenture), appointed as the initial registrar for the Bonds pursuant to the Indenture, and any additional or successor registrar appointed pursuant to the Indenture.

“Regular Record Date” means, with respect to any Interest Payment Date for any Series of Bonds, the date specified as the Regular Record Date in the Supplemental Indenture authorizing the issuance of such Series of Bonds.

“Remarketing Agent” means a remarketing agent or commercial paper dealer appointed by the Issuer pursuant to a Supplemental Indenture.

“Repayment Obligations” means, collectively, all outstanding Security Instrument Repayment Obligations and Reserve Instrument Repayment Obligations.

“Reserve Instrument” means a device or instrument issued by a Reserve Instrument Provider to satisfy all or any portion of the Debt Service Reserve Requirement applicable to a Series of Bonds. The term “Reserve Instrument” includes, by way of example and not of limitation, letters of credit, bond insurance policies, surety bonds, standby bond purchase agreements, lines of credit and other devices.

“Reserve Instrument Agreement” means any agreement entered into by the Issuer and a Reserve Instrument Provider pursuant to a Supplemental Indenture and/or the applicable portions of a Supplemental Indenture providing for the issuance by such Reserve Instrument Provider of a Reserve Instrument.

“Reserve Instrument Costs” means all fees, premiums, expenses and similar costs, other than Reserve Instrument Repayment Obligations, required to be paid to a Reserve Instrument Provider pursuant to a Reserve Instrument Agreement. Each Reserve Instrument Agreement shall specify the fees, premiums, expenses and costs constituting Reserve Instrument Costs.

“Reserve Instrument Coverage” means, as of any date of calculation, the aggregate amount available to be paid to the Trustee pursuant to the Indenture under all Reserve Instruments.

“Reserve Instrument Fund” means the Utah Transit Authority Subordinated Reserve Instrument Fund created in the Indenture to be held by the Trustee and administered pursuant to the Indenture.

“Reserve Instrument Limit” means, as of any date of calculation and with respect to any Reserve Instrument, the maximum aggregate amount available to be paid under such Reserve Instrument into the Debt Service Reserve Fund assuming for purposes of such calculation that the amount initially available under each Reserve Instrument has not been reduced or that the amount initially available under each Reserve Instrument has only been reduced as a result of the payment of principal of the applicable Series of Bonds.

“Reserve Instrument Provider” means any bank or other financial institution having at least a rating of “AA–” and “Aa3” by S&P and Moody’s, respectively, or its equivalent or any insurance company or surety company rated in the highest rating category by S&P and Moody’s and, if rated by A. M. Best & Company, rated in the highest rating category by A. M. Best & Company, issuing a Reserve Instrument.

“Reserve Instrument Repayment Obligations” means, as of any date of calculation and with respect to any Reserve Instrument Agreement, those outstanding amounts payable by the Issuer under such Reserve Instrument Agreement to repay the Reserve Instrument Provider for payments previously made by it pursuant to a Reserve Instrument. There shall not be included in the calculation of Reserve Instrument Repayment Obligations any Reserve Instrument Costs.

“Revenue Fund” means the Utah Transit Authority Revenue Fund created in the Senior Indenture to be held by the Issuer and administered pursuant to the provisions of the Senior Indenture.

“Revenues” means (i) all revenues, including but not limited to fare box revenues, advertising revenues, fees, income, rents and receipts received or earned by the Issuer from or attributable to the ownership and operation of the System, together with all interest earned by and profits derived from the sale of investments in the related funds thereof and the Funds and accounts created under the Indenture or proceeds derived from the sale of any part of the System, (ii) the Sales and Use Taxes, (iii) Direct Payments and Senior Direct Payments and (iv) any other legally available funds of the Issuer from other sources, properly budgeted on an annual basis for the payment of Operation and Maintenance. Expenses and principal and interest on the Bonds; provided, however, that Revenues shall not include federal and State capital and operating grant moneys received by the Issuer in connection with the operation of the System, to the extent inclusion therein is prohibited by State or federal law and regulations. Sections 6.1 and 6.15 of the Indenture require that such grant moneys be used for Operation and Maintenance Expenses to the extent received for that purpose.

“S&P” means Standard & Poor’s Ratings Services, a division of The McGraw–Hill Companies, Inc.

“Sales and Use Taxes” means collectively, (i) the 0.25% or 0.30%, as may be applicable within the various jurisdictions of the Issuer, sales and use tax revenues received by the Issuer pursuant to Section 59–12–501, Utah Code Annotated 1953, as amended and any tax received pursuant to Section 59–12–2003 as a result of a tax levy under Section 59–12–501 at less than 0.30% (where applicable), (ii) the 0.25% sales and use tax revenues received by the Issuer from within Weber, Davis and Salt Lake Counties pursuant to Section 59–12–502, Utah Code Annotated 1953, as amended (less 20% of such sales and use tax revenues collected within Salt Lake County which must be allocated to other purposes pursuant to Section 59–12–502(5)(b), Utah Code Annotated 1953, as amended), (iii) the 0.276% (being 92% of 0.30%) sales and use tax revenues received by the Issuer from within Utah County pursuant to Section 59–12–1503, Utah Code Annotated 1953, as amended, (iv) the 0.1875% sales and use tax revenues received by the Issuer from within Salt Lake County pursuant to Section 59–12–1703, Utah Code Annotated 1953, as amended and (v) any other sales and use tax revenues legally available to the Issuer and affirmatively pledged under the Indenture by Supplemental Indenture.<sup>1</sup>

“Security Instrument” means an instrument or other device issued by a Security Instrument Issuer to pay, or to provide security or liquidity for, a Series of Bonds. The term “Security Instrument” includes, by way of example and not of limitation, letters of credit, bond insurance policies, standby bond purchase agreements, lines of credit and other security instruments and credit enhancement or liquidity devices (but does not include a Reserve Instrument); provided, however, that no such device or instrument shall be a “Security Instrument” for purposes of the Indenture unless specifically so designated in a Supplemental Indenture authorizing the use of such device or instrument.

“Security Instrument Agreement” means any agreement entered into by the Issuer and a Security Instrument Issuer pursuant to a Supplemental Indenture and/or the applicable portions of a Supplemental Indenture providing for the issuance by such Security Instrument Issuer of a Security Instrument.

“Security Instrument Costs” means, with respect to any Security Instrument, all fees, premiums, expenses, and similar costs, other than Security Instrument Repayment Obligations, required to be paid to a Security Instrument Issuer pursuant to a Security Instrument Agreement or the Supplemental Indenture authorizing the use of such Security Instrument. Such Security Instrument Agreement or Supplemental Indenture shall specify any fees, premiums, expenses, and costs constituting Security Instrument Costs.

“Security Instrument Issuer” means any bank or other financial institution, insurance company, surety company or other institution issuing a Security Instrument.

“Security Instrument Repayment Obligations” means, as of any date of calculation and with respect to any Security Instrument Agreement, any outstanding amounts payable by the Issuer under the Security Instrument Agreement or the Supplemental Indenture authorizing the use of such Security Instrument to repay the Security Instrument Issuer for payments previously or concurrently made by the Security Instrument Issuer pursuant to a Security Instrument. There shall not be included in the calculation of the amount of Security Instrument Repayment Obligations any Security Instrument Costs.

“Senior Bonds” means all bonds issued under the Senior Indenture in compliance with the provisions thereof and the provisions of the Indenture.

“Senior Direct Payments” means the interest subsidy payments received by the Issuer from the Internal Revenue Service pursuant to Section 6431 of the Code or other similar programs with respect to bonds issued under the Senior Indenture.

“Senior Indenture” means the General Indenture of Trust dated as of October 1, 1997, as amended and restated, by the Amended and Restated General Indenture of Trust dated as of September 1, 2002 and as amended and supplemented, all between the Issuer and Zions First National Bank, as trustee.

“Serial Bonds” means all Bonds other than Term Bonds.

“Series” means all of the Bonds authenticated and delivered on original issuance and identified pursuant to the Supplemental Indenture authorizing such Bonds as a separate Series of Bonds, and any Bonds thereafter authenticated and delivered in lieu thereof or in substitution therefor.

“Sinking Fund Installment” means an amount so designated pursuant to a Supplemental Indenture. The portion of any such Sinking Fund Installment remaining after the deduction of any such amounts credited pursuant to the Indenture toward the same (or the original amount of any such Sinking Fund Installment if no such amounts shall have been credited toward the same) shall constitute the unsatisfied balance of such Sinking Fund Installment for the purpose of calculation of Sinking Fund Installments due on a future date.

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<sup>1</sup> The Utah Code sections referenced in this definition have been recodified under the Utah Code provisions identified under the caption “SECURITY FOR THE 2021 BONDS—Sales and Uses Taxes.”

“Special Record Date” means such date as may be fixed for the payment of defaulted interest on the Bonds in accordance with the Indenture.

“State” means the State of Utah.

“Supplemental Indenture” means any indenture between the Issuer and the Trustee entered into pursuant to and in compliance with the provisions of the Indenture.

“Swap Counterparty” means a member of the International Swap Dealers Association rated in one of the three top Rating Categories by at least one of the Rating Agencies and meeting the requirements of applicable laws of the State.

“Swap Payments” means as of each payment date specified in an Interest Rate Swap, the amount, if any, payable to the Swap Counterparty by the Trustee on behalf of the Issuer. Swap Payments (i) shall be net of any amounts payable to the Issuer by the Swap Counterparty under said Interest Rate Swap and (ii) do not include any Termination Payments.

“Swap Receipts” means as of each payment date specified in an Interest Rate Swap, the amount, if any, payable to the Trustee for the account of the Issuer by the Swap Counterparty.

“System” means the Issuer’s public transit system, together with any additions, repairs, renewals, replacements, expansions, extensions and improvements to said System, or any part thereof, hereafter acquired or constructed, and together with all lands, easements, interests in land, licenses, water rights and rights of way of the Issuer and all other works, property, structures, equipment of the Issuer and contract rights and other tangible and intangible assets of the Issuer now or hereafter owned or used in connection with, or related to said System.

“Term Bonds” means the Bonds which shall be subject to retirement by operation of mandatory sinking fund redemptions from the Bond Fund.

“Termination Payments” means the amount payable to the Swap Counterparty by the Issuer with respect to the early termination or modification of an Interest Rate Swap. Termination Payments may only be payable from and secured by Pledged Revenues after payment of all amounts then due pursuant to the Indenture.

“Trustee” means Zions First National Bank, Salt Lake City, Utah, or any successor corporation resulting from or surviving any consolidation or merger to which it or its successors may be a party and any successor trustee at any time serving as successor trustee under the Indenture.

“Utah Code” means Utah Code Annotated 1953, as amended.

“Variable Rate Bonds” means, as of any date of calculation, Bonds and Senior Bonds (as applicable) the terms of which on such date of calculation are such that interest thereon for any future period of time is expressed to be calculated at a rate which is not susceptible to a precise determination.

## **The Bonds**

*Limited Obligation.* The Bonds and the Repayment Obligations are not a general obligation indebtedness or pledge of the full faith and credit of the Issuer or of the State or any agency, instrumentality or political subdivision thereof, but are special limited obligations of the Issuer payable from and secured solely by the Pledged Revenues (subordinated to the lien of the Senior Indenture) and other moneys in funds and accounts held by the Trustee under the Indenture (except for moneys held to satisfy obligations with respect to arbitrage rebate) and, except as provided in the Indenture, the Issuer pledges and assigns the same as provided in the Granting Clause of the Indenture. The issuance of the Bonds and delivery of any Security Instrument Agreement or Reserve Instrument Agreement shall not, directly, indirectly, or contingently, obligate the Issuer or the State or any agency, instrumentality or political subdivision thereof to levy any form of *ad valorem* taxation therefor.

### *Provisions Regarding Bonds Secured by a Security Instrument.*

(a) The Issuer may include such provisions in a Supplemental Indenture authorizing the issuance of a Series of Bonds secured by a Security Instrument as the Issuer deems appropriate, including:

(i) So long as the Security Instrument is in full force and effect, and payment on the Security Instrument is not in default, (A) the Security Instrument Issuer shall be deemed to be the Owner of the Outstanding Bonds of such Series (I) when the approval, consent or action of the Bondowners for such Series of Bonds is required or may be exercised under the Indenture and (II) following an Event of Default and (B) the Indenture may not be amended in any manner which affects the rights of such Security Instrument Issuer without its prior written consent.

(ii) In the event that the Principal and redemption price, if applicable, and interest due on any Series of Bonds Outstanding shall be paid under the provisions of a Security Instrument, all covenants, agreements, and other obligations of the Issuer to the Bondowners of such Series of Bonds shall continue to exist and such Security Instrument Issuer shall be subrogated to the rights of such Bondowners in accordance with the terms of such Security Instrument.

(b) In addition, such Supplemental Indenture may establish such provisions as are necessary to provide relevant information to the Security Instrument Issuer and to provide a mechanism for paying Principal Installments and interest on such Series of Bonds from the Security Instrument.

*Covenant Against Creating or Permitting Liens; Subordinated Indebtedness.* Except for the pledge of Pledged Revenues to secure payment of the Senior Bonds and the Bonds and Repayment Obligations under the Indenture, the Issuer covenants that the Pledged Revenues are and will be free and clear of any pledge, lien, charge or encumbrance thereon or with respect thereto; provided, however, that nothing contained in the Indenture shall; prevent the Issuer from issuing, if and to the extent permitted by law, indebtedness having a lien on Pledged Revenues subordinated to that of the Bonds and the Repayment Obligations.

*Interest Rate Swap.* The Issuer may provide for the execution of an Interest Rate Swap in connection with the Bonds issued under the Indenture. The obligation of the Issuer to pay Swap Payments may be secured with (a) a parity lien on the Pledged Revenues with the lien thereon of Debt Service on the related Bonds, if the requirements of the Indenture are met in connection with the execution of the Interest Rate Swap or (b) a subordinate lien on the Pledged Revenues, all as established by a Supplemental Indenture related to the Series of Bonds executed upon the issuance of such Series of Bonds or at any time subsequent thereto. Termination Payments may only be payable from and secured by Revenues after payment of all amounts then due pursuant to the Indenture.

Notwithstanding anything to the contrary, "Operation and Maintenance Expenses" shall not include any decrease in the value of an Interest Rate Swap which is required by its terms or by any applicable accounting principles to be marked to market. Furthermore, "Revenues" shall not include any increase in the value of any Interest Rate Swap which is required by its terms or by any applicable accounting principles to be marked to market.

### **Special Funds And Accounts**

#### *Use of Construction Fund.*

(a) So long as an Event of Default shall not have occurred and be continuing, moneys deposited in the appropriate account in the Construction Fund shall be paid out by the Trustee in order to pay the Cost of a Project, in each case within three Business Days (or within such longer period as is reasonably required to liquidate investments in the Construction Fund if required to make such payment) after the receipt by the Trustee of a written requisition stating the following:

(i) that the Trustee shall disburse sums in the manner specified by and at the direction of an Authorized Representative of the Issuer to the person or entity designated in such written requisition, and that the amount set forth therein is justly due and owing and constitutes a Cost of a Project based upon itemized claims substantiated in support thereof; and

(ii) that the amount remaining in the applicable account in the Construction Fund after such disbursement is made, together with the amount of unencumbered Pledged Revenues, if any, which the Issuer reasonably estimates will be deposited in the applicable account in the Construction Fund during the period of construction of a Project from the investment of moneys on deposit in the applicable account in the Construction Fund, will, together with any other moneys lawfully available or reasonably expected to become available for payment of the Cost of a Project and after payment of the amount requested in said requisition, be sufficient to pay the remaining Cost of a Project in accordance with the plans and specifications therefor then in effect; it being understood that no moneys from the applicable account in the Construction Fund may be expended unless, after giving effect thereto, the funds remaining in the applicable account in the Construction Fund, together with such other funds and income and lawfully available moneys and moneys reasonably expected to become available, are expected to be sufficient to pay the remaining Cost of the Project.

(b) Upon receipt of such requisition, the Trustee shall pay the obligation set forth in such requisition out of moneys in the applicable account in the Construction Fund. In making such payments the Trustee may rely upon such requisition.

(c) An Authorized Representative of the Issuer shall deliver to the Trustee, within 90 days after the substantial completion of a Project, a certificate stating that:

(i) such Project has been substantially completed in accordance with the plans and specifications therefor, as amended from time to time, and stating the date of substantial completion for such Project; and

(ii) the Issuer is of the opinion that such Project has been fully paid for and no claim or claims exist against the Issuer or against such Project out of which a lien based on furnishing labor or material exists or might ripen; provided, however, there may be excepted from the foregoing statement any claim or claims out of which a lien exists or might ripen in the event that the Issuer intends to contest such claim or claims, in which event such claim, or claims shall be described to the Trustee.



(d) In the event that the certificate filed with the Trustee pursuant to paragraph (c) above shall state that there is a claim or claims in controversy which create or might ripen into a lien, there shall be filed with the Trustee a similar certificate when and as such claim or claims shall have been fully paid or otherwise discharged.

(e) The Trustee and the Issuer shall keep and maintain adequate records pertaining to each account within the Construction Fund and all disbursements therefrom.

(f) Upon completion of a Project and payment of all costs and expenses incident thereto and the filing with the Trustee of documents required by the Indenture, any balance remaining in the applicable account in the Construction Fund relating to such Project shall, at the written direction of the Issuer delivered to the Trustee, be (i) applied to pay capitalizable costs for projects related to the System or any other lawful purpose subject in either case to receipt of a Favorable Opinion, (ii) deposited in the Bond Fund, to be applied, as directed by the Issuer, (A) toward the redemption or purchase of the Series of Bonds issued to finance such Project or (B) to the payment of principal and interest next falling due on such Series of Bonds or (iii) any combination of the foregoing purposes.

(g) Notwithstanding anything in the Indenture to the contrary, upon the occurrence and continuance of an Event of Default under the Indenture, amounts on deposit in the Construction Fund may be applied toward the payment of Bonds issued under the Indenture.

*Use of Bond Fund.*

(a) The Trustee shall make deposits, as and when received, as follows:

(i) the amounts representing accrued interest on a Series of Bonds shall be deposited into the Bond Fund;

(ii) all moneys payable by the Issuer as specified in the Indenture shall be deposited into the Bond Fund. Any payments made by a Security Instrument Issuer with respect to a Series of Bonds shall be deposited into the Bond Fund (or a segregated account for such purpose) and used solely to pay the related Series of Bonds, subject to the provisions of the Supplemental Indenture authorizing the issuance of such Series of Bonds;

(iii) any amount remaining in the Construction Fund with respect to a Project shall be transferred to the Bond Fund to the extent remaining upon completion of such Project;

(iv) all moneys required to be transferred to the Bond Fund from the Debt Service Reserve Fund or from a Reserve Instrument or Instruments then in effect shall be deposited into the Bond Fund as provided in the Indenture; and

(v) all other moneys received by the Trustee under the Indenture when accompanied by directions from the person depositing such moneys that such moneys are to be paid into the Bond Fund, shall be deposited into the Bond Fund.

(b) Except as provided in the Indenture, as provided in this paragraph, and as otherwise provided by Supplemental Indenture, moneys in the Bond Fund shall be expended solely for the following purposes and in the following order of priority:

(i) on or before each Interest Payment Date for each Series of Bonds, the amount required for the interest payable on such date;

(ii) on or before each Principal Installment due date, the amount required for the Principal Installment payable on such due date; and

(iii) on or before each redemption date for each Series of Bonds, the amount required for the payment of redemption price of and accrued interest on such Bonds then to be redeemed.

Such amounts shall be applied by the Paying Agents to pay Principal Installments and redemption price of, and interest on the related Series of Bonds.

The Trustee shall pay out of the Bond Fund to the Security Instrument Issuer, if any, that has issued a Security Instrument with respect to such Series of Bonds an amount equal to any Security Instrument Repayment Obligation then due and payable to such Security Instrument Issuer. Except as otherwise specified in a related Supplemental Indenture all such Security Instrument Repayment Obligations shall be paid on a parity with the payments to be made with respect to principal and interest on the Bonds; *provided* that amounts paid under a Security Instrument shall be applied only to pay the related Series of Bonds. If payment is so made on Pledged Bonds held for the benefit of the Security Instrument Issuer, a corresponding payment on the Security Instrument Repayment Obligation shall be deemed to have been made (without requiring an additional payment by the Issuer) and the Trustee shall keep its records accordingly.

The Issuer authorizes and directs the Trustee to withdraw sufficient funds from the Bond Fund to pay principal of and interest on the Bonds and on Security Instrument Repayment Obligations as the same become due and payable and to make said funds so withdrawn available to the Trustee and any paying agent for the purpose of paying said principal and interest.

(c) Except as otherwise provided in a Supplemental Indenture authorizing a Series of Bonds, amounts accumulated in the Bond Fund with respect to any Sinking Fund Installment (together with amounts accumulated therein with respect to interest on the Bonds for which such Sinking Fund Installment was established) shall, if so directed by the Issuer in a written request not less than 60 days before the due date of such Sinking Fund Installment, be applied by the Trustee to (1) the purchase of Bonds of the Series and maturity for which such Sinking Fund Installment was established, (2) the redemption at the applicable sinking fund redemption price of such Bonds, if then redeemable by their terms, or (3) any combination of (1) and (2). All purchases of any Bonds pursuant to this subsection (c) shall be made at prices not exceeding the applicable sinking fund redemption price of such Bonds plus accrued interest, and such purchases shall be made in such manner as the Issuer shall direct the Trustee. The applicable sinking fund redemption price (or Principal amount of maturing Bonds) of any Bonds so purchased or redeemed shall be deemed to constitute part of the Bond Fund until such Sinking Fund Installment date for the purpose of calculating the amount of such Fund. As soon as practicable after the 60th day preceding the due date of any such Sinking Fund Installment, the Trustee shall proceed to call for redemption on such due date, by giving notice as required by the Indenture, Bonds of the Series and maturity for which such Sinking Fund Installment was established (except in the case of Bonds maturing on a Sinking Fund Installment date) in such amount as shall be necessary to complete the retirement of the unsatisfied balance of such Sinking Fund Installment. The Trustee shall pay out of the Bond Fund to the appropriate Paying Agents, on or before such redemption date (or maturity date), the amount required for the redemption of the Bonds so called for redemption (or for the payment of such Bonds then maturing), and such amount shall be applied by such Paying Agents to such redemption (or payment). All expenses in connection with the purchase or redemption of Bonds shall be paid by the Issuer as Operation and Maintenance Expenses. Upon any redemption (otherwise than pursuant to Sinking Fund Installments) of Bonds for which Sinking Fund Installments have been established, or any purchase in lieu thereof, there shall be credited by the Trustee toward the Sinking Fund Installment requirement thereafter to become due with respect thereto, the amount of the Bonds so redeemed or purchased in lieu thereof, to the respective sinking fund redemption dates as directed by the Issuer.

(d) After payment in full of the principal of and interest on all Bonds issued under the Indenture (or after provision has been made for the payment thereof as provided in the Indenture so that such Bonds are no longer Outstanding), all agreements relating to all outstanding Security Instrument Repayment Obligations and Reserve Instrument Repayment Obligations, in accordance with their respective terms, the fees, charges and expenses of the Trustee and any paying agent, any other amounts required to be paid under the Indenture and under any Security Instrument Agreement and any Reserve Instrument Agreement, all amounts remaining in the Bond Fund shall be paid to the Issuer.

*Use of Debt Service Reserve Fund.* Except as otherwise provided under this subheading and subject to the immediately following sentence, moneys in each account in the Debt Service Reserve Fund shall at all times be maintained in an amount not less than the applicable Debt Service Reserve Requirement. In calculating the amount on deposit in each account in the Debt Service Reserve Fund, the amount, if any, of the related Reserve Instrument Coverage will be treated as an amount on deposit in such account in the Debt Service Reserve Fund. Each Supplemental Indenture authorizing the issuance of a Series of Bonds shall specify the Debt Service Reserve Requirement applicable to such Series which amount shall be deposited immediately upon the issuance and delivery of such Series from (a) proceeds from the sale thereof or from any other legally available source, or (b) by a Reserve Instrument or Instruments, or (c) any combination thereof. Funds on deposit in each account in the Debt Service Reserve Fund shall be used solely to make up any deficiencies in the Bond Fund relating to the payment of debt service on the applicable Series of Bonds. If amounts on deposit in an account in the Debt Service Reserve Fund shall, at any time, be less than the applicable Debt Service Reserve Requirement, all Security Instrument Issuers shall be notified immediately of such deficiency, and such deficiency shall be made up at the time and in the manner indicated in the Indenture.

In the event funds on deposit in an account in the Debt Service Reserve Fund are needed to make up any deficiencies in the Bond Fund as aforementioned, and there is insufficient cash available in such account in the Debt Service Reserve Fund to make up such deficiency and Reserve Instruments applicable to such Series of Bonds are in effect, the Trustee shall immediately make a demand for payment on such Reserve Instruments, to the maximum extent authorized by such Reserve Instruments, in the amount necessary to make up such deficiency, and immediately deposit such payment upon receipt thereof into the Bond Fund for application to such deficiencies.

In the event a Reserve Instrument is terminated in accordance with its terms, the Issuer shall be required either (i) to fund the Debt Service Reserve Requirement at the time of termination of the Reserve Instrument, or (ii) to provide a substitute Reserve Instrument which provides the same Reserve Instrument Coverage, and which is provided by a Reserve Instrument Provider that is acceptable to the Trustee.

Funds at any time on deposit in the accounts maintained in the Debt Service Reserve Fund in excess of the amount required to be maintained therein (taking into account the amount of related Reserve Instrument Coverage) may at any time be transferred to the Bond Fund, at the direction of the Issuer or, in connection with the replacement of amounts on deposit therein with a Reserve Instrument, utilized by the Issuer for any other lawful purpose, with a Favorable Opinion, pursuant to the terms of the Supplemental Indenture or resolution of the Issuer authorizing such Reserve Instrument.

Notwithstanding anything contained elsewhere in the Indenture to the contrary, any account maintained within the Debt Service Reserve Fund for a Series of Bonds and any Reserve Instrument for a Series of Bonds, shall only be drawn upon with respect to the Series of Bonds to which such account or Reserve Instrument applies.

*Reserve Instrument Fund.* There shall be paid into the Reserve Instrument Fund the amounts required by the Indenture and by a Supplemental Indenture to be so paid. The amounts in the Reserve Instrument Fund shall, from time to time, be applied by the Trustee on behalf of the Issuer to pay the Reserve Instrument Repayment Obligations which are due and payable to any Reserve Instrument Provider under any applicable Reserve Instrument Agreement.

*Investment of Funds.* Any moneys in the Bond Fund, the Reserve Instrument Fund, the Construction Fund, the Debt Service Reserve Fund or any other funds or accounts created by the Indenture may, at the discretion and authorization of an Authorized Representative of the Issuer, be invested in Permitted Investments. Such investments shall be held by the Trustee, and when the Trustee determines it necessary to use the moneys in the Funds for the purposes for which the Funds were created, it shall, at the discretion of an Authorized Representative of the Issuer, liquidate at prevailing market prices as much of the investments as may be necessary and apply the proceeds to such purposes. All income derived from the investment of the Construction Fund, the Bond Fund, the Reserve Instrument Fund and the Debt Service Reserve Fund shall be maintained in said respective Funds and disbursed along with the other moneys on deposit therein as provided in the Indenture. Any moneys in the Revenue Fund may, at the discretion and authorization of an Authorized Representative of the Issuer, be invested in investments permitted by the Utah State Money Management Act, as it may be amended from time to time.

*Trust Funds.* All moneys and securities received by the Trustee under the provisions of the Indenture shall be trust funds under the terms hereof and shall not be subject to lien or attachment of any creditor of the State or any political subdivision, body, agency, or instrumentality thereof or of the Issuer and shall not be subject to appropriation by any legislative body or otherwise. Such moneys and securities shall be held in trust and applied in accordance with the provisions of the Indenture. Except for moneys held to satisfy (i) the obligations, if any, of the Issuer under the Code with respect to arbitrage rebate and (ii) principal or redemption price of, and interest on, any Bonds previously matured or called for redemption or deemed paid in accordance with the Indenture (to be held for the benefit of the holders of such Bonds only), unless and until disbursed pursuant to the terms of the Indenture, all such moneys and securities (and the income therefrom) shall be held by the Trustee as security for payment of the principal, premium, if any, and interest on the Bonds for payment of Security Instrument Repayment Obligations and Reserve Instrument Repayment Obligations and the fees and expenses of the Trustee payable under the Indenture.

*Method of Valuation and Frequency of Valuation.* In computing the amount in any fund or account, Permitted Investments shall be valued at the market price thereof. With respect to all funds and accounts except the Debt Service Reserve Fund, valuation shall occur at least annually. Amounts in each account of the Debt Service Reserve Fund shall be valued at least semiannually and marked-to-market at least annually, except in the event of a withdrawal from any of such accounts in the Debt Service Reserve Fund (other than a withdrawal of amounts above the required level), whereupon amounts in such account shall be valued immediately after such withdrawal and monthly thereafter until amounts in such account in the Debt Service Reserve Fund are at the required level. If amounts on deposit in the Debt Service Reserve Fund shall, at any time, be less than the applicable Debt Service Reserve Requirement, any Security Instrument Issuer of the related Series of Bonds, if any, shall be notified immediately of such deficiency, and (except with respect to the termination of a Reserve Instrument) such deficiency shall be made up as provided in the Indenture over a period of not more than 12 months.

*Purchase of Bonds.* The Issuer may purchase Bonds of any Series from any available funds at public or private sale, as and when and at such prices as the Issuer may in its discretion determine, subject to applicable law and so long as such purchase is not made with funds drawn on a Security Instrument without the prior written consent of such Security Instrument Issuer. All Bonds so purchased shall at such times as shall be selected by the Issuer be delivered to and cancelled by the Trustee or any Registrar and (except with respect to a Commercial Paper Program) no Bonds of such Series shall be issued in place thereof. In the case of the purchase of Bonds of a Series and maturity for which Sinking Fund Installments shall have been established, the Issuer shall, by a written request delivered to the Trustee, elect the manner in which the Principal amount of such Bonds shall be credited toward Sinking Fund Installments, consistent with the procedures of the Indenture.

## **Covenants**

*General Covenants.* The Issuer hereby covenants and agrees with each and every Registered Owner of the Bonds issued under the Indenture, Security Instrument Issuer and Reserve Instrument Provider that:

(a) The Issuer covenants to comply with the applicable provisions of the title known as “Limited Purpose Local Government Entities—Local Districts,” Title 17B, Utah Code including in particular Section 17B–2a–815, Utah Code.

(b) Each Registered Owner, Reserve Instrument Provider, and Security Instrument Issuer shall have a right, to apply to and obtain from any court of competent jurisdiction such decree or order as may be necessary to require the Issuer to use its best efforts to charge or collect reasonable rates for services supplied by the System sufficient to meet all requirements of the Indenture and of any applicable Reserve Instrument Agreement or Security Instrument Agreement; and

(c) So long as any Bonds, Security Instrument Repayment Obligations or Reserve Instrument Repayment Obligations are Outstanding, proper books of record and account will be kept by the Issuer separate and apart from all other records and accounts, showing complete and correct entries of all transactions relating to the System and the funds or accounts confirmed or established under the Indenture. Each Registered Owner, Reserve Instrument Provider, Security Instrument Issuer or any duly authorized agent or agents thereof shall have the right at all reasonable times to inspect all records, accounts and data relating thereto and to inspect the System. Except as otherwise provided in the Indenture, the Issuer further agrees that it will within one hundred eighty (180) days following the close of each Fiscal Year cause an audit of such books and accounts to be made by an independent firm of certified public accountants, showing the receipts and disbursements for account of the System and such funds and accounts, and that such audit will be available for inspection by each Registered Owner, Reserve Instrument Provider and Security Instrument Issuer.

All expenses incurred in compiling the information required above shall be regarded and paid as an Operation and Maintenance Expense.

*Lien of Bonds; Equality of Liens.* Other than the Senior Bonds, there are no other obligations that enjoy a lien (prior to, or on a parity with, or subordinate to that created under the Indenture) upon the Pledged Revenues. The Bonds and any Security Instrument Repayment Obligations constitute an irrevocable second lien upon the Pledged Revenues, subject only to the lien of the Senior Indenture. Except as otherwise expressly provided in the Indenture or in a related Supplemental Indenture, the Issuer covenants that the Bonds and any Security Instrument Repayment Obligations are equally and proportionally secured by a second lien on the Pledged Revenues (except that the portion of Pledged Revenues representing principal or redemption price of, and interest on, any Bonds previously matured or called for redemption or deemed paid in accordance with the Indenture shall be held for the benefit of the holders of such Bonds only) and shall not be entitled to any priority one over the other in the application of the Pledged Revenues regardless of the time or times of the issuance or delivery of the Bonds or Security Instrument, it being the intention of the Issuer that there shall be no priority among the Bonds or the Security Instrument Repayment Obligations regardless of the fact that they may be actually issued and/or delivered at different times.

Any assignment or pledge from the Issuer to a Reserve Instrument Provider of (i) proceeds of the issuance and sale of Bonds, (ii) Pledged Revenues, or (iii) funds and accounts established or confirmed by the Indenture, including investments, if any, thereof, is and shall be subordinate to the assignment and pledge effected by the Indenture to the Registered Owners of the Bonds and to the Security Instrument Issuers.

*Payment of Principal, Premium and Interest.* The Issuer covenants that it will punctually pay or cause to be paid the Principal of, premium, if any, and interest on every Bond issued under the Indenture, any Security Instrument Repayment Obligations, and any Reserve Instrument Repayment Obligations, in strict conformity with the terms of the Bonds, the Indenture, any Security Instrument Agreement and any Reserve Instrument Agreement, according to the true intent and meaning hereof and thereof. The Principal of and interest on the Bonds, any Security Instrument Repayment Obligations and any Reserve Instrument Repayment Obligations are payable solely from the Pledged Revenues (except to the extent paid out of moneys attributable to Bond proceeds or other funds created under the Indenture or the income from the temporary investment thereof), which Pledged Revenues are hereby specifically pledged and assigned to the payment thereof in the manner and to the extent specified in the Indenture, and nothing in the Bonds, the Indenture, any Security Instrument Agreement or any Reserve Instrument Agreement should be considered as pledging any other funds or assets of the Issuer for the payment thereof.

*List of Bondholders.* The Registrar will keep on file at its principal office a list of the names and addresses of the Registered Owners of all Bonds which are from time to time registered on the registration books in the hands of the Trustee as Registrar for the Bonds. At reasonable times and under reasonable regulations established by the Trustee, said list may be inspected and copied by the Issuer or by the Registered Owners (or a designated representative thereof) of 10% or more in principal amount of Bonds then Outstanding, such ownership and the authority of any such designated representative to be evidenced to the reasonable satisfaction of the Trustee. The Registrar shall maintain a list of the names and addresses of the Owners of all Bonds and upon any transfer shall add the name and address of the new Bondowner and eliminate the name and address of the transferor Bondowner. Such lists, together with all other records of ownership, registration, transfer, and exchange of the Bonds and of persons to whom payment with respect to such obligations is made, are “private” or “confidential” as defined in Title 63, Chapter 2, Utah Code, or any successor provision of law.

*Management of System.*

(a) The Issuer, in order to assure the efficient management and operation of its System, will employ competent and experienced management, and will use its best efforts to see that its System is properly operated and maintained in good condition and an efficient manner.

(b) The Issuer will at all times cause the System to be maintained, preserved, and kept in good repair, working order and condition so that the operating efficiency thereof will be of a high character. The Issuer will cause all necessary and proper repairs and replacements to be made so that the business carried on in connection with the System may be properly and advantageously conducted at all times in a manner consistent with prudent management, and that the rights and security of the Owners of the Bonds, Security Instrument Issuers and Reserve Instrument Issuers may be fully protected and preserved.

*Power to Own the System and Collect Rates and Fees; Provision for Sale or Lease and Leaseback Transactions.* The Issuer has, and will have so long as any Bonds are Outstanding, or Repayment Obligations are Outstanding, good, right, and lawful power to own the System and to fix and collect rates, fares, fees and other charges in connection with the System. No revenue-producing facility or service of the System shall be leased, furnished, or supplied free, but shall always be leased, furnished or supplied so as to produce Revenues, provided that the Issuer reserves the right to lease, furnish or supply free any such facility or service to the extent that such action does not materially adversely affect the Issuer's ability to perform its obligations under the Indenture. In addition, the Issuer may dispose of any assets of the System which are no longer needed for the efficient operations thereof or which have been replaced by other System assets.

To the extent permitted by applicable law, the Issuer shall be entitled to sell or lease all or any portion of the System so long as the Issuer delivers to the Trustee (i) a Favorable Opinion and (ii) a written certificate to the effect that such portion of the System will continue to be used, controlled, and possessed by the Issuer for the benefit of the System.

*Maintenance of Revenues.* The Issuer will at all times comply in all material respects with all terms, covenants, and provisions, express and implied, of all contracts and agreements entered into by it for System use and services and all other contracts or agreements affecting or involving the System or business of the Issuer with respect thereto. The Issuer shall promptly collect all charges due for the System use and service supplied by it as the same become due, and shall at all times maintain and promptly and vigorously enforce its rights against any person who does not pay such charges when due. The Issuer shall establish policies, rules and fees, charges and rentals as shall be necessary to (i) assure maximum use and occupancy of the System and the services thereof and (ii) yield sufficient Revenues to meet the obligations of the Issuer under the Senior Indenture and the Indenture.

*Use of Certain Grants.* The Issuer hereby covenants that any federal or State capital or operating grant moneys received by the Issuer which are prohibited by the provisions of the Indenture from being included as Revenues, shall be used for the purposes for which such grants were given, including payment of Operation and Maintenance Expenses.

*Debt Limitation.* Notwithstanding anything in the Indenture to the contrary, the Issuer shall not issue any general obligation bonds which exceed in the aggregate 3% of the fair market value of the taxable property within the boundaries of the Issuer.

*Continuation of Sales Tax Revenues.* The Issuer shall take all reasonable and legally permissible actions which it determines are necessary to assure the continued receipt by the Issuer for use as provided in the Indenture of the Sales and Use Taxes and shall oppose any effort to eliminate or divert the same.

**Default Provisions**

*Events of Default.* Each of the following events is hereby declared an "Event of Default" under the Indenture:

(a) if payment of any installment of interest on any of the Bonds shall not be made by or on behalf of the Issuer (other than pursuant to a Security Instrument Agreement) when the same shall become due and payable; or

(b) if payment of the principal of or the redemption premium, if any, on any of the Bonds shall not be made by or on behalf of the Issuer (other than pursuant to a Security Instrument Agreement) when the same shall become due and payable, either at maturity or by proceedings for redemption in advance of maturity or through failure to fulfill any payment to any fund under the Indenture or otherwise; or

(c) if an order or decree shall be entered, with the consent or acquiescence of the Issuer, appointing a receiver or custodian for any of the Revenues, or approving a petition filed against the Issuer seeking reorganization of the Issuer under the federal bankruptcy laws or any other similar law or statute of the United States of America or any state thereof, or if any such order or decree, having been entered without the consent or acquiescence of the Issuer, shall not be vacated or discharged or stayed on appeal within 60 days after the entry thereof; or

(d) if any proceeding shall be instituted, with the consent or acquiescence of the Issuer, for the purpose of effecting a composition between the Issuer and its creditors or for the purpose of adjusting the claims of such creditors pursuant to

any federal or state statute now or hereafter enacted, if the claims of such creditors are or may be under any circumstances payable from Revenues; or

(e) if (i) the Issuer is adjudged insolvent by a court of competent jurisdiction, or (ii) an order, judgment or decree be entered by any court of competent jurisdiction appointing, without the consent of the Issuer, a receiver, trustee, or custodian of the Issuer or of the whole or any part of their property and any of the aforesaid adjudications, orders, judgments or decrees shall not be vacated or set aside or stayed within 60 days from the date of entry thereof; or

(f) if the Issuer shall file a petition or answer seeking reorganization, relief or any arrangement under the federal bankruptcy laws or any other applicable law or statute of the United States of America or any state thereof; or

(g) if, under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction shall assume custody or control of the Issuer or of the whole or any substantial part of the property of the Issuer, and such custody or control shall not be terminated within 60 days from the date of assumption of such custody or control; or

(h) if the Issuer shall default in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Bonds or the Indenture or any Supplemental Indenture on the part of the Issuer to be performed, other than as set forth above and such default shall continue for 60 days (or such longer period as may be approved by the Trustee if in its opinion remedial actions are being diligently pursued by the Issuer) after written notice specifying such Event of Default and requiring the same to be remedied shall have been given to the Issuer by the Trustee, which may give such notice in its discretion and shall give such notice at the written request of the Registered Owners of not less than 25% in aggregate principal amount of the Bonds then Outstanding under the Indenture;

provided that any failure by the Issuer to make payment as described in subparagraph (a) or (b) of this paragraph shall not constitute an Event of Default with respect to any Bond if the Supplemental Indenture authorizing the issuance of such Bond provides that due and punctual payment by a Security Instrument Issuer or a Reserve Instrument Issuer shall not give rise to an Event of Default and such payment is, in fact, duly and punctually made; and *provided, further* that the provisions of subparagraph (h) above are subject to the following limitations: if by reason of acts of God; strikes, lockouts or other similar disturbances; acts of public enemies; orders of any kind of the government of the United States or the State or any department, agency, political subdivision, court or official of the State which asserts jurisdiction over the Issuer; orders of any kind of civil or military authority; insurrections; riots; epidemics; landslides; lightning; earthquakes; volcanoes; fires, hurricanes; tornadoes; storms; floods; washouts; droughts; arrests; restraint of government and people; civil disturbances; explosions; or any cause or event not reasonably within the control of the Issuer, the Issuer is unable in whole or part to carry out any one or more of its respective agreements or obligations contained in the Indenture (other than as described in (a) through (b) above) such default shall not constitute an "Event of Default" so long as such cause or event continues.

The Trustee shall give notice to any Security Instrument Issuer and Reserve Instrument Issuer of any Event of Default actually known to the Trustee within five Business Days after it has actual knowledge thereof

*Remedies; Rights of Registered Owners.* Upon the occurrence of an Event of Default, the Trustee may pursue any available remedy by suit at law or in equity to enforce the payment of the principal of, premium, if any, and interest on the Bonds then Outstanding or to enforce any obligations of the Issuer under the Indenture.

If an Event of Default shall have occurred, and if requested so to do by (i) Registered Owners of not less than 25% in aggregate Principal amount of the Bonds then Outstanding, (ii) Security Instrument Issuers at that time providing Security Instruments which are in full force and effect and not in default on any payment obligation and which secure not less than 25% in aggregate Principal amount of Bonds at the time Outstanding, or (iii) any combination of Bondowners and Security Instrument Issuers described in (i) and (ii) above representing not less than 25% in aggregate Principal amount of Bonds at the time Outstanding, and indemnified, the Trustee shall be obligated to exercise such one or more of the rights and powers conferred by the provisions described under this caption as the Trustee, being advised by counsel, shall deem most expedient in the interest of the Registered Owners and the Security Instrument Issuers.

No remedy by the terms hereof conferred upon or reserved to the Trustee (or to the Registered Owners or to the Security Instrument Issuers) is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Trustee, the Registered Owners or the Security Instrument Issuers or now or hereafter existing at law or in equity or by statute.

No delay or omission to exercise any right or power accruing upon any Event of Default shall impair any such right or power or shall be construed to be a waiver of any Event of Default or acquiescence therein; and every such right and power may be exercised from time to time and as often as may be deemed expedient.

No waiver of any Event of Default, whether by the Trustee, the Registered Owners, or the Security Instrument Issuers, shall extend to or shall affect any subsequent Event of Default or shall impair any rights or remedies consequent thereon.

*Right of Registered Owners and Security Instrument Issuers to Direct Proceedings.* Anything in the Indenture to the contrary notwithstanding, unless a Supplemental Indenture provides otherwise, either (i) the Registered Owners of a majority in aggregate Principal amount of the Bonds then Outstanding, (ii) the Security Instrument Issuers at the time providing Security Instruments which are in full force and effect and not in default on any payment obligation and which secure not less than 50% in aggregate Principal amount of Bonds at the time Outstanding, or (iii) any combination of Bondowners and Security Instrument Issuers described in (i) and (ii) above representing not less than 50% in aggregate Principal amount of Bonds at the time Outstanding, shall have the right, at any time, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the time, method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of the Indenture, or for the appointment of a receiver or any other proceedings under the Indenture; provided, that such direction shall not be otherwise than in accordance with the provisions of law and of the Indenture.

*Application of Moneys.* All Pledged Revenues and moneys received by the Trustee pursuant to any right given or action taken under the default provisions of the Indenture shall be applied in the following order:

(a) To the payment of (i) the reasonable and proper fees, charges and expenses of the Trustee and the reasonable fees and disbursements of its counsel and (ii) Financing Expenses;

(b) To the payment of the principal of, premium, if any, and interest then due and payable on the Bonds and the Security Instrument Repayment Obligations as follows:

(i) Unless the Principal of all the Bonds shall have become due and payable, all such moneys shall be applied:

FIRST—To the payment to the persons entitled thereto of all installments of interest then due on the Bonds and the interest component of any Security Instrument Repayment Obligations then due, in the order of the maturity of the installments of such interest and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or privilege; and

SECOND—To the payment to the persons entitled thereto of the unpaid Principal of and premium, if any, on the Bonds which shall have become due (other than Bonds called for redemption for the payment of which moneys are held pursuant to the provisions of the Indenture), in the order of their due dates, and the Principal component of any Security Instrument Repayment Obligations then due, and, if the amount available shall not be sufficient to pay in full all the Bonds and the Principal component of any Security Instrument Repayment Obligations due on any particular date, then to the payment ratably, according to the amount of Principal due on such date, to the persons entitled thereto without any discrimination or privilege.

(ii) If the principal of all the Bonds shall have become due and payable, all such moneys shall be applied to the payment of the Principal and interest then due and unpaid upon the Bonds and Security Instrument Repayment Obligations, without preference or priority of Principal over interest or of interest over Principal, or of any installment of interest over any other installment of interest, or of any Bond or Security Instrument Repayment Obligation over any other Bond or Security Instrument Repayment Obligation, ratably, according to the amounts due respectively for Principal and interest, to the persons entitled thereto without any discrimination or privilege.

(iii) After payment of (i) and (ii) above as applicable, to the payment of all obligations owed to all Reserve Instrument Providers, ratably, according to the amounts due without any discrimination or preference under any applicable agreement related to any Reserve Instrument Agreement.

Subject to the provisions of the Senior Indenture, whenever moneys are to be applied pursuant to the provisions of the Indenture, such moneys shall be applied at such times, and from time to time, as the Trustee shall determine, having due regard to the amounts of such moneys available for such application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Trustee shall apply such funds, it shall fix the date (which shall be an Interest Payment Date unless it shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of Principal paid on such dates shall cease to accrue.

*Remedies Vested in Trustee.* All rights of action (including the right to file proof of claims) under the Indenture or under any of the Bonds may be enforced by the Trustee without the possession of any of the Bonds or the production thereof in any trial or other proceedings related thereto and any such suit or proceedings instituted by the Trustee shall be brought in its name as Trustee without the necessity of joining as plaintiffs or defendants any Registered Owners of the Bonds, and any recovery of judgment shall be for the equal benefit of the Registered Owners of the Outstanding Bonds.

*Rights and Remedies of Registered Owners.* Except as provided in the last sentence of this paragraph, no Registered Owner of any Bond or Security Instrument Issuer or Reserve Instrument Provider shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of the Indenture or for the execution of any trust thereof or for the appointment of a receiver or any other remedy under the Indenture, unless an Event of Default has occurred of which the Trustee has

been notified as provided in the Indenture, or of which it is deemed to have notice, nor unless also Registered Owners of not less than 25% in aggregate principal amount of the Bonds then Outstanding or Security Instrument Issuers at the time providing Security Instruments which are in full force and effect and are not in default on any payment obligation and which secure not less than 25% in aggregate principal amount of Bonds at the time Outstanding shall have made written request to the Trustee and shall have offered reasonable opportunity either to proceed to exercise the powers granted in the Indenture or to institute such action, suit or proceeding in its own name, nor unless also they have offered to the Trustee indemnity as provided in the Indenture nor unless the Trustee shall thereafter fail or refuse to exercise the powers granted in the Indenture, or to institute such action, suit or proceeding in its own name or names. Such notification, request and offer of indemnity are hereby declared in every case at the option of the Trustee to be conditions precedent to the execution of the powers and trust of the Indenture, and to any action or cause of action for the enforcement of the Indenture, or for the appointment of a receiver or for any other remedy under the Indenture; it being understood and intended that no one or more Registered Owner of the Bonds or Security Instrument Issuer or Reserve Instrument Provider shall have any right in any manner whatsoever to affect, disturb or prejudice the lien of the Indenture by its action or to enforce any right under the Indenture except in the manner provided in the Indenture, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner provided in the Indenture and for the equal benefit of the Registered Owners of all Bonds then Outstanding and all Security Instrument Issuers at the time providing Security Instruments and all Reserve Instrument Providers at the time providing Reserve Instruments. Nothing contained in the Indenture shall, however, affect or impair the right of any Registered Owner or Security Instrument Issuer to enforce the covenants of the Issuer to pay the Principal of, premium, if any, and interest on each of the Bonds and Security Instrument Repayment Obligations at the time, place, from the source and in the manner in said Bonds or Security Instrument Repayment Obligations expressed.

*Termination of Proceedings.* In case the Trustee, any Bondowner or any Security Instrument Issuer shall have proceeded to enforce any right under the Indenture and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Trustee, the Bondowner, or Security Instrument Issuer, then and in every such case the Issuer and the Trustee shall be restored to their former positions and rights under the Indenture, and all rights, remedies and powers of the Trustee shall continue as if no such proceedings had been taken.

*Waivers of Events of Default.* The Trustee may in its discretion, and with the prior written consent of all Security Instrument Issuers at the time providing Security Instruments which are in full force and effect and not in default of any payment obligation, waive any Event of Default under the Indenture and its consequences and shall do so upon the written request of the Registered Owners of (a) a majority in aggregate Principal amount of all the Bonds then Outstanding or Security Instrument Issuers at the time providing Security Instruments which are in full force and effect and are not in default on any payment obligation and which secure not less than 50% in aggregate Principal amount of Bonds at the time Outstanding in respect of which an Event of Default in the payment of Principal and interest exists, or (b) a majority in aggregate Principal amount of the Bonds then Outstanding or Security Instrument Issuers at the time providing Security Instruments which are in full force and effect and are not in default on any payment obligation and which secure not less than 50% in aggregate Principal amount of Bonds at the time Outstanding in the case of any other Event of Default; provided, however, that there shall not be waived (i) any Event of Default in the payment of the Principal of any Bonds at the date of maturity specified therein, or (ii) any default in the payment when due of the interest on any such Bonds, unless prior to such waiver or rescission all arrears of interest, with interest (to the extent permitted by law) at the rate borne by the Bonds in respect of which such Event of Default shall have occurred on overdue installments of interest and all arrears of payments of Principal and premium, if any, when due, and all expenses of the Trustee in connection with such Event of Default, shall have been paid or provided for, and in case of any such waiver or rescission, or in case any proceeding taken by the Trustee on account of any such Event of Default shall have been discontinued or abandoned or determined adversely, then and in every such case the Issuer, the Trustee, the Registered Owners and the Security Instrument Issuers shall be restored to their former positions and rights under the Indenture, respectively, but no such waiver or rescission shall extend to any subsequent or other Event of Default, or impair any right consequent thereon.

## **The Trustee**

*Notice of Default.* The Trustee shall not be required to take notice or be deemed to have notice of any Event of Default under the Indenture, except an Event of Default described in (a) or (b) of the section entitled "Events of Default" above, unless the Trustee shall be specifically notified in writing of such Default by the Issuer, a Security Instrument Issuer or by the Registered Owners of at least 25% in the aggregate Principal amount of the Bonds then Outstanding and all notices or other instruments required by the Indenture to be delivered to the Trustee must, in order to be effective, be delivered at the principal corporate trust office of the Trustee, and in the absence of such notice so delivered, the Trustee may conclusively presume there is no Event of Default except as aforesaid.

*Fees, Charges and Expenses of Trustee.* The Trustee shall be entitled to payment or reimbursement for reasonable fees for its services rendered as Trustee under the Indenture and all advances, counsel fees and other expenses reasonably and necessarily made or incurred by the Trustee in connection with such services. The Trustee shall be entitled to payment and reimbursement for the reasonable fees and charges of the Trustee as Paying Agent and Registrar for the Bonds. Upon an Event of



Default, but only upon an Event of Default, the Trustee shall have a right of payment prior to payment on account of interest or principal of, or premium, if any, on any Bond for the foregoing advances, fees, costs and expenses incurred, except for amounts held in trust to pay the principal, premium, interest or purchase price of Bonds in accordance with the Indenture and except for amounts paid under a Security Instrument.

*Trustee's Right to Own and Deal In Bonds.* The bank or trust company acting as Trustee under the Indenture, and its directors, officers, employees, or agents, may in good faith buy, sell, own, hold and deal in any of the Bonds issued under the Indenture and secured by the Indenture, and may join in any action which any Bondholder may be entitled to take with like effect as if such bank or trust company were not the Trustee under the Indenture.

## **Supplemental Indentures**

*Supplemental Indentures Not Requiring Consent of Registered Owners, Security Instrument Issuers and Reserve Instrument Providers.* The Issuer and the Trustee may, without the consent of, or notice to, any of the Registered Owners or Reserve Instrument Providers, but with notice to any Security Instrument Issuer, enter into an indenture or indentures supplemental to the Indenture, as shall not be inconsistent with the terms and provisions of the Indenture, for any one or more of the following purposes:

- (a) To provide for the issuance of Additional Bonds in accordance with the provisions of the Indenture;
- (b) To cure any ambiguity or formal defect or omission which will not materially adversely affect the Owners of the Bonds;
- (c) To grant to or confer upon the Trustee for the benefit of the Registered Owners, any Security Instrument Issuers, and any Reserve Instrument Providers any additional rights, remedies, powers, or authority that may lawfully be granted to or conferred upon the Registered Owners, any Security Instrument Issuers and any Reserve Instrument Providers or any of them, provided, however, that the prior written consent of any related Security Instrument Issuer is obtained;
- (d) To subject to the Indenture additional revenues or other revenues, properties, collateral, or security;
- (e) To make any other change to the Indenture which, in the judgment of the Trustee, is not materially prejudicial to the interests of the Registered Owners, the Trustee, any Security Instrument Issuer or any Reserve Instrument Provider, provided, however, that the prior written consent of any related Security Instrument Issuer is obtained;
- (f) To make any change necessary (i) to establish or maintain the exemption from federal income taxation of interest on any Series of Bonds as a result of any modifications or amendments to Section 148 of the Code (or any successor provision of law) or interpretations thereof by the Internal Revenue Service, or (ii) to comply with the provisions of Section 148(f) of the Code (or any successor provision of law), including provisions for the payment of all or a portion of the investment earnings of any of the Funds established under the Indenture to the United States of America;
- (g) If the Bonds affected by such change are rated by a Rating Agency, to make any change which does not result in a reduction of the rating applicable to any of the Bonds so affected, provided that if any of the Bonds so affected are secured by a Security Instrument, such change must be approved in writing by the related Security Instrument Issuer;
- (h) If the Bonds affected by such change are secured by a Security Instrument, to make any change approved in writing by the related Security Instrument Issuer, provided that if any of the Bonds so affected are rated by a Rating Agency, such change shall not result in a reduction of the rating applicable to any of the Bonds so affected; and
- (i) To provide for the appointment of a successor Trustee, a Paying Agent, a separate or co-trustee, a Remarketing Agent, or a Transfer Agent.

No modification or amendment shall be permitted pursuant to paragraph (g) or (h) unless the Issuer delivers to the Trustee an opinion of nationally recognized bond counsel to the effect that such modification or amendment will not adversely affect the tax-exempt status or validity of any Bonds affected by such modification or amendment.

*Supplemental Indenture Requiring Consent of Registered Owners, Security Instrument Issuers and Reserve Instrument Providers; Waivers and Consents by Registered Owners.* Exclusive of Supplemental Indentures covered by the Indenture and subject to the terms and provisions contained in this paragraph, and not otherwise, the Registered Owners of at least a majority in aggregate Principal amount of the Bonds then Outstanding shall have the right, from time to time, anything contained in the Indenture to the contrary notwithstanding, to (i) consent to and approve the execution by the Issuer and the Trustee of such other indenture or indentures supplemental to the Indenture as shall be deemed necessary and desirable by the Issuer for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in the Indenture or in any Supplemental Indenture, or (ii) waive or consent to the taking by the Issuer of any action prohibited, or the omission by the Issuer of the taking of any action required, by any of the provisions of the Indenture or of any Supplemental Indenture; provided, however, that nothing in this paragraph contained shall permit or be construed as permitting (a) an extension of the stated maturity or reduction in the Principal amount of, or reduction in the rate of or extension of the time of

paying of interest on, or reduction of any premium payable on the redemption of, or the elimination of tender rights with respect to, any Bond, without the consent of the Registered Owner of such Bond, or (b) a reduction in the amount or extension of the time of any payment required by any fund established under the Indenture applicable to any Bonds without the consent of the Registered Owners of all the Bonds which would be affected by the action to be taken, or (c) a reduction in the aforesaid aggregate Principal amount of Bonds, the Registered Owners of which are required to consent to any such waiver or Supplemental Indenture, or (d) affect the rights of the Registered Owners of less than all Bonds then Outstanding, without the consent of the Registered Owners of all the Bonds at the time Outstanding which would be affected by the action to be taken. In addition, no supplement to the Indenture shall modify the rights, duties, or immunities of the Trustee, without the written consent of the Trustee. If a Security Instrument or a Reserve Instrument is in effect with respect to any Series of Bonds Outstanding and if a proposed modification or amendment would affect such Series of Bonds, then, except as described in the Indenture, neither the Indenture nor any Supplemental Indenture with respect to such Series of Bonds shall be modified or amended at any time without the prior written consent of the related Security Instrument Issuer or Reserve Instrument Provider, as applicable. Copies of any such modifications or amendments for which Security Instrument Issuer consent is required shall be sent to each Rating Agency.

### **Discharge of Indenture**

If the Issuer shall pay or cause to be paid, or there shall be otherwise paid or provision for payment made to or for the Registered Owners of the Bonds, the Principal of and interest due or to become due thereon at the times and in the manner stipulated therein, and shall pay or cause to be paid to the Trustee all sums of moneys due or to become due according to the provisions of the Indenture, and to all Security Instrument Issuers and all Reserve Instrument Providers all sums of money due or to become due accordingly to the provisions of any Security Instrument Agreements and Reserve Instrument Agreements, as applicable, then the presents and the estate and rights granted by the Indenture shall cease, determine and be void, whereupon the Trustee shall cancel and discharge the lien of the Indenture, and release, assign and deliver unto the Issuer any and all the estate, right, title and interest in and to any and all rights assigned or pledged to the Trustee, held by the Trustee, or otherwise subject to the lien of the Indenture, except moneys or securities held by the Trustee for the payment of the Principal of and interest on the Bonds, the payment of amounts pursuant to any Security Instrument Agreements or the payment of amounts pursuant to any Reserve Instrument Agreements.

Any Bond shall be deemed to be paid within the meaning of the Indenture when payment of the Principal of such Bond, plus interest thereon to the due date thereof (whether such due date be by reason of maturity or upon redemption as provided in the Indenture, or otherwise), either (a) shall have been made or caused to have been made in accordance with the terms thereof, or (b) shall have been provided by irrevocably depositing with or for the benefit of the Trustee, in trust and irrevocably setting aside exclusively for such payment, any combination of (i) moneys sufficient to make such payment, or (ii) non-callable Government Obligations, maturing as to principal and interest in such amount and at such times as will insure the availability of sufficient moneys to make such payment, and all necessary and proper fees, compensation and expenses of the Trustee and any paying agent pertaining to the Bond with respect to which such deposit is made shall have been paid or the payment thereof provided for to the satisfaction of the Trustee. At such times as a Bond shall be deemed to be paid under the Indenture, as aforesaid, it shall no longer be secured by or entitled to the benefits of the Indenture, except for the purposes of any such payment from such moneys or Government Obligations.

Notwithstanding the foregoing, in the case of Bonds, which by their terms may be redeemed prior to their stated maturity, no deposit under the immediately preceding paragraph shall be deemed a payment of such Bonds as aforesaid until the Issuer shall have given the Trustee, in form satisfactory to the Trustee, irrevocable instructions:

- (a) stating the date when the Principal of each such Bond is to be paid, whether at maturity or on a redemption date (which shall be any redemption date permitted hereby);
- (b) to instruct the Trustee to call for redemption pursuant to the Indenture any Bonds to be redeemed prior to maturity pursuant to subparagraph (a) above; and
- (c) to instruct the Trustee to mail, as soon as practicable, in the manner prescribed by the Indenture, a notice to the Registered Owners of such Bonds and to each related Security Instrument Issuer that the deposit required by this paragraph has been made with the Trustee and that such Bonds are deemed to have been paid in accordance with the Indenture and stating the maturity or redemption date upon which moneys are to be available for the payment of the principal or redemption price, if applicable, on said Bonds as specified in subparagraph (a) above. If the redemption date for all Bonds, payment for which is to be provided by deposit of moneys or Government Obligations or both, shall fall within 120 days of the mailing of the notice of redemption, then the notices referred to in subparagraph (b) above and this subparagraph (c) may be combined.

Any moneys so deposited with the Trustee as provided in the Indenture may at the direction of the Issuer also be invested and reinvested in Government Obligations, maturing in the amounts and times as set forth in the Indenture, and all income from all Government Obligations in the hands of the Trustee pursuant to the Indenture which is not required for the payment of the

Bonds and interest thereon with respect to which such moneys shall have been so deposited shall be deposited in the Bond Fund as and when realized and collected for use and application as are other moneys deposited in that fund.

Notwithstanding any provision of the Indenture, all moneys or Government Obligations set aside and held in trust pursuant to the provisions of the Indenture for the payment of Bonds (including interest thereon) shall be applied to and used solely for the payment of the particular Bonds (including interest thereon) with respect to which such moneys or Government Obligations have been so set aside in trust.

Anything in the Indenture to the contrary notwithstanding, if moneys or Government Obligations have been deposited or set aside with the Trustee pursuant to the Indenture for the payment of Bonds and such Bonds shall not have in fact been actually paid in full, no amendment to the provisions of the Indenture shall be made without the consent of the Registered Owner of each Bond affected thereby.

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**APPENDIX D****FORM OF OPINION OF BOND COUNSEL**

Upon the delivery of the 2021 Bonds, Gilmore & Bell, P.C., Bond Counsel to the Authority, proposes to issue its final approving opinion in substantially the following form:

We have acted as bond counsel to the Utah Transit Authority (the "Authority") in connection with the issuance by the Authority of its \$\_\_\_\_\_ Federally Taxable Sales Tax Revenue Refunding Bonds, Series 2021 and its \$\_\_\_\_\_ Federally Taxable Subordinated Sales Tax Revenue Refunding Bonds, Series 2021 (collectively, the "Bonds"). The Bonds are being issued pursuant to (i) resolutions of the Authority adopted on September 22, 2021 and October 13, 2021; (ii) either the Amended and Restated General Indenture of Trust dated as of September 1, 2002, as heretofore amended and supplemented, and as further amended and supplemented by the Fifteenth Supplemental Indenture of Trust dated as of \_\_\_\_\_ 1, 2021 (collectively, the "Senior Indenture"), or the Subordinate General Indenture of Trust, dated as of July 1, 2006, as heretofore amended and supplemented, and as further amended and supplemented by the Fifteenth Supplemental Subordinate Indenture of Trust dated as of \_\_\_\_\_ 1, 2021 (collectively, the "Subordinate Indenture"), each between the Authority and Zions Bancorporation, National Association, as trustee (the "Trustee"); and (iii) the Utah Refunding Bond Act, Title 11, Chapter 27, Utah Code Annotated 1953, as amended. The Bonds are being issued to (a) refund certain outstanding bonds of the Authority and (b) pay costs of issuing the Bonds.

Our services as bond counsel have been limited to the preparation of the legal proceedings and supporting certificates authorizing the issuance of the Bonds under the applicable laws of the State of Utah and to a review of the transcript of such proceedings and certificates. As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation. Our examination has been limited to the foregoing as they exist or are in effect as of the date hereof. Our opinion is limited to the matters expressly set forth herein, and we express no opinion concerning any other matters.

Based on our examination and the foregoing, we are of the opinion as of the date hereof and under existing law, as follows:

1. The Authority is validly existing as a public transit district under the laws of the State of Utah with the power to execute the Senior Indenture and Subordinate Indenture (collectively, the "Indentures"), perform the agreements on its part contained therein, and issue the Bonds.
2. The Indentures have been authorized, executed and delivered by the Authority, constitute valid and binding obligations of the Authority enforceable against the Authority, and create a valid lien on the respective Pledged Revenues (as defined in each respective Indenture), and the other amounts pledged under each respective Indenture for the security of the related Bonds, with the lien of the Subordinate Indenture being subject to the prior lien of the Senior Indenture as to certain of the revenues pledged thereunder.
3. The Bonds are valid and binding special obligations of the Authority payable solely from the respective Pledged Revenues and other amounts pledged therefor in the related Indenture, and the Bonds do not constitute a general obligation indebtedness of the Authority within the meaning of any State of Utah constitutional provision or statutory limitation, nor a charge against the general credit of the Authority.
4. The interest on the Bonds is included in gross income for federal income tax purposes.
5. Interest on the Bonds is exempt from State of Utah individual income taxes.

In rendering our opinion, we wish to advise you that:

(a) The rights of the holders of the Bonds and the enforceability thereof and of the documents identified in this opinion may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable, and their enforcement may also be subject to the application of equitable principles and the exercise of judicial discretion in appropriate cases;

(b) We express no opinion herein as to the accuracy, adequacy, or completeness of the Official Statement or any other offering material relating to the Bonds; and

(c) Except as set forth above, we express no opinion regarding any other tax consequences relating to the ownership or disposition of, or the accrual or receipt of interest on, the Bonds.

Respectfully submitted,

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## APPENDIX E

### FORM OF CONTINUING DISCLOSURE UNDERTAKING

#### CONTINUING DISCLOSURE UNDERTAKING

FOR THE PURPOSE OF PROVIDING  
CONTINUING DISCLOSURE INFORMATION  
UNDER PARAGRAPH (b)(5) OF RULE 15c2-12

October \_\_, 2021

This Continuing Disclosure Undertaking (the “*Agreement*”) is executed and delivered by the Utah Transit Authority (the “*Issuer*”) in connection with the issuance of its \$\_\_\_\_\_ aggregate principal amount of Federally Taxable Sales Tax Revenue Refunding Bonds, Series 2021 (the “*Senior Bonds*”) and \$\_\_\_\_\_ aggregate principal amount of Federally Taxable Sales Subordinated Tax Revenue Refunding Bonds, Series 2021 (the “*Subordinate Bonds*” and, collectively with the Senior Bonds, the “*Bonds*”).

In consideration of the issuance of the Bonds by the Issuer and the purchase of such Bonds by the beneficial owners thereof, the Issuer covenants and agrees as follows:

1. **PURPOSE OF THIS AGREEMENT.** This Agreement is executed and delivered by the Issuer as of the date set forth below, for the benefit of the beneficial owners of the Bonds and in order to assist the Participating Underwriter in complying with the requirements of the Rule (as defined below). The Issuer represents that it will be the only obligated person with respect to the Bonds at the time the Bonds are delivered to the Participating Underwriter and that no other person is expected to become so committed at any time after issuance of the Bonds.

2. **DEFINITIONS.** The terms set forth below shall have the following meanings in this Agreement, unless the context clearly otherwise requires.

*Annual Financial Information* means the financial information and operating data described in *Exhibit I*.

*Annual Financial Information Disclosure* means the dissemination of disclosure concerning Annual Financial Information and the dissemination of the Audited Financial Statements as set forth in Section 4.

*Audited Financial Statements* means the audited financial statements of the Issuer prepared pursuant to the standards and as described in *Exhibit I*.

*Commission* means the Securities and Exchange Commission.

*Dissemination Agent* means any agent designated as such in writing by the Issuer and which has filed with the Issuer a written acceptance of such designation, and such agent’s successors and assigns.

*EMMA* means the MSRB through its Electronic Municipal Market Access system for municipal securities disclosure or through any other electronic format or system prescribed by the MSRB for purposes of the Rule.

*Exchange Act* means the Securities Exchange Act of 1934, as amended.

*Financial Obligation* means (a) a debt obligation, (b) a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or (c) a guarantee of (a) or (b) in this definition; *provided however*, the term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

*MSRB* means the Municipal Securities Rulemaking Board.

*Participating Underwriter* means each broker, dealer or municipal securities dealer acting as an underwriter in the primary offering of the Bonds.

*Reportable Event* means the occurrence of any of the Events with respect to the Bonds set forth in *Exhibit II*.

*Reportable Events Disclosure* means dissemination of a notice of a Reportable Event as set forth in Section 5.

*Rule* means Rule 15c2-12 adopted by the Commission under the Exchange Act, as the same may be amended from time to time.

*State* means the State of Utah.

*Undertaking* means the obligations of the Issuer pursuant to Sections 4 and 5.

3. CUSIP NUMBER/FINAL OFFICIAL STATEMENT. The CUSIP Numbers of the Bonds are:

**Senior Bonds**

DECEMBER 15 OF THE YEAR	AMOUNT MATURING	CUSIP NUMBER
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**Subordinate Bonds**

DECEMBER 15 OF THE YEAR	AMOUNT MATURING	CUSIP NUMBER
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The Final Official Statement relating to the Bonds is dated October \_\_, 2021 (the “*Final Official Statement*”). The Issuer will include the CUSIP Numbers in all disclosure described in Sections 4 and 5 of this Agreement.

4. ANNUAL FINANCIAL INFORMATION DISCLOSURE. Subject to Section 8 of this Agreement, the Issuer hereby covenants that it will disseminate its Annual Financial Information and its Audited Financial Statements (in the form and by the dates set forth in *Exhibit I*) to EMMA in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission at the time of delivery of such information and by such time so that such entities receive the information by the dates specified. MSRB Rule G-32 requires all EMMA filings to be in word-searchable PDF format. This requirement extends to all documents to be filed with EMMA, including financial statements and other externally prepared reports.

If any part of the Annual Financial Information can no longer be generated because the operations to which it is related have been materially changed or discontinued, the Issuer will disseminate a statement to such effect as part of its Annual Financial Information for the year in which such event first occurs.

If any amendment or waiver is made to this Agreement, the Annual Financial Information for the year in which such amendment or waiver is made (or in any notice or supplement provided to EMMA) shall contain a narrative description of the reasons for such amendment or waiver and its impact on the type of information being provided.

5. REPORTABLE EVENTS DISCLOSURE. Subject to Section 8 of this Agreement, the Issuer hereby covenants that it will disseminate in a timely manner (not in excess of ten business days after the occurrence of the Reportable Event) Reportable Events Disclosure to EMMA in such manner and format and accompanied by identifying information as is prescribed by the



MSRB or the Commission at the time of delivery of such information. MSRB Rule G-32 requires all EMMA filings to be in word-searchable PDF format. This requirement extends to all documents to be filed with EMMA, including financial statements and other externally prepared reports. Notwithstanding the foregoing, notice of optional or unscheduled redemption of any Bonds or defeasance of any Bonds need not be given under this Agreement any earlier than the notice (if any) of such redemption or defeasance is given to the Bondholders pursuant to the Resolution.

6. CONSEQUENCES OF FAILURE OF THE ISSUER TO PROVIDE INFORMATION. The Issuer shall give notice in a timely manner to EMMA of any failure to provide Annual Financial Information Disclosure when the same is due hereunder.

In the event of a failure of the Issuer to comply with any provision of this Agreement, the beneficial owner of any Bond may seek mandamus or specific performance by court order, to cause the Issuer to comply with its obligations under this Agreement. The beneficial owners of 25% or more in principal amount of the Bonds outstanding may challenge the adequacy of the information provided under this Agreement and seek specific performance by court order to cause the Issuer to provide the information as required by this Agreement. A default under this Agreement shall not be deemed an Event of Default under the Resolution, and the sole remedy under this Agreement in the event of any failure of the Issuer to comply with this Agreement shall be an action to compel performance.

7. AMENDMENTS; WAIVER. Notwithstanding any other provision of this Agreement, the Issuer by resolution or ordinance authorizing such amendment or waiver, may amend this Agreement, and any provision of this Agreement may be waived, if:

(a) (i) The amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, including without limitation, pursuant to a “no-action” letter issued by the Commission, a change in law, or a change in the identity, nature, or status of the Issuer, or type of business conducted; or

(ii) This Agreement, as amended, or the provision, as waived, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(b) The amendment or waiver does not materially impair the interests of the beneficial owners of the Bonds, as determined either by parties unaffiliated with the Issuer, or by approving vote of Bondholders pursuant to the terms of the Resolution at the time of the amendment or waiver.

In the event that the Commission or the MSRB or other regulatory authority shall approve or require Annual Financial Information Disclosure or Reportable Events Disclosure to be made to a central post office, governmental agency or similar entity other than EMMA or in lieu of EMMA, the Issuer shall, if required, make such dissemination to such central post office, governmental agency or similar entity without the necessity of amending this Agreement.

8. TERMINATION OF UNDERTAKING. The Undertaking of the Issuer shall be terminated hereunder if the Issuer shall no longer have any legal liability for any obligation on or relating to repayment of the Bonds under the Resolution. The Issuer shall give notice to EMMA in a timely manner if this Section is applicable.

9. DISSEMINATION AGENT. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

10. ADDITIONAL INFORMATION. Nothing in this Agreement shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or including any other information in any Annual Financial Information Disclosure or notice of occurrence of a Reportable Event, in addition to that which is required by this Agreement. If the Issuer chooses to include any information from any document or notice of occurrence of a Reportable Event in addition to that which is specifically required by this Agreement, the Issuer shall have no obligation under this Agreement to update such information or include it in any future disclosure or notice of occurrence of a Reportable Event. If the Issuer is changed, the Issuer shall disseminate such information to EMMA.

11. BENEFICIARIES. This Agreement has been executed in order to assist the Participating Underwriter in complying with the Rule; however, this Agreement shall inure solely to the benefit of the Issuer, the Dissemination Agent, if any, and the beneficial owners of the Bonds, and shall create no rights in any other person or entity.

12. RECORDKEEPING. The Issuer shall maintain records of all Annual Financial Information Disclosure and Reportable Events Disclosure, including the content of such disclosure, the names of the entities with whom such disclosure was filed and the date of filing such disclosure.

13. ASSIGNMENT. The Issuer shall not transfer its obligations under the Resolution unless the transferee agrees to assume all obligations of the Issuer under this Agreement or to execute an Undertaking under the Rule.

14. GOVERNING LAW. This Agreement shall be governed by the laws of the State of Utah.

Dated the date first above written.

UTAH TRANSIT AUTHORITY

By \_\_\_\_\_  
its \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
Treasurer

APPROVED AS TO FORM:

\_\_\_\_\_  
Legal Counsel for the  
Utah Transit Authority

## EXHIBIT I

### ANNUAL FINANCIAL INFORMATION AND TIMING AND AUDITED FINANCIAL STATEMENTS

*“Annual Financial Information”* means financial information and operating data of the type contained in the Official Statement in the tables under the captions, “SECURITY FOR THE BONDS–Historical Pledged Sales and Use Tax Collections,” “HISTORICAL DEBT SERVICE COVERAGE,” “DEBT STRUCTURE OF UTAH TRANSIT AUTHORITY–Outstanding Debt of the Authority,” “FINANCIAL INFORMATION REGARDING UTAH TRANSIT AUTHORITY–Five-Year Financial Summaries,” and “FINANCIAL INFORMATION REGARDING UTAH TRANSIT AUTHORITY–Federal Grants.”

All or a portion of the Annual Financial Information and the Audited Financial Statements as set forth below may be included by reference to other documents which have been submitted to EMMA or filed with the Commission. If the information included by reference is contained in a Final Official Statement, the Final Official Statement must be available on EMMA; the Final Official Statement need not be available from the Commission. The Issuer shall clearly identify each such item of information included by reference.

Annual Financial Information exclusive of Audited Financial Statements will be submitted to EMMA by 200 days after the last day of the Issuer’s fiscal year. Audited Financial Statements as described below should be filed at the same time as the Annual Financial Information. If Audited Financial Statements are not available when the Annual Financial Information is filed, unaudited financial statements shall be included.

Audited Financial Statements will be prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. Audited Financial Statements will be submitted to EMMA within 30 days after availability to Issuer or, if later, by the date prescribed in the immediately preceding paragraph.

If any change is made to the Annual Financial Information as permitted by Section 4 of the Agreement, the Issuer will disseminate a notice of such change as required by Section 4.

## EXHIBIT II

### EVENTS WITH RESPECT TO THE BONDS FOR WHICH REPORTABLE EVENTS DISCLOSURE IS REQUIRED

1. Principal and interest payment delinquencies
2. Non-payment related defaults, if material
3. Unscheduled draws on debt service reserves reflecting financial difficulties
4. Unscheduled draws on credit enhancements reflecting financial difficulties
5. Substitution of credit or liquidity providers, or their failure to perform
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security
7. Modifications to the rights of security holders, if material
8. Bond calls, if material, and tender offers
9. Defeasances
10. Release, substitution or sale of property securing repayment of the securities, if material
11. Rating changes
12. Bankruptcy, insolvency, receivership or similar event of the Issuer\*
13. The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material
15. Incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders, if material
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.

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\* This event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer.

## APPENDIX F

### BOOK-ENTRY SYSTEM

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.6 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has an S&P rating of "AA+." The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at <http://www.dtcc.com>.

Purchases of 2021 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2021 Bonds on DTC's records. The ownership interest of each actual purchaser of each 2021 Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the 2021 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in 2021 Bonds, except if use of the book-entry system for the 2021 Bonds is discontinued.

To facilitate subsequent transfers, all 2021 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of 2021 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the 2021 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 2021 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of 2021 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the 2021 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the bond documents. For example, Beneficial Owners of 2021 Bonds may wish to ascertain that the nominee holding the 2021 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all the 2021 Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to 2021 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Authority as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the 2021 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the 2021 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detailed information from the Authority or the Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent, or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Authority or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the 2021 Bonds at any time by giving reasonable notice to the Authority or the Paying Agent. Under such circumstances, if a successor depository is not obtained, 2021 Bond certificates are required to be printed and delivered.

The Authority may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, 2021 Bond certificates will be printed and delivered to DTC.

*The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Authority believes to be reliable, but the Authority takes no responsibility for the accuracy thereof.*

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## **APPENDIX G**

### **CERTAIN INFORMATION REGARDING THE SERVICE AREA**

The economic and demographic information provided below has been collected from sources that the Authority considers to be reliable. Because it is difficult to obtain timely economic and demographic information, the economic condition of the Service Area may not be fully apparent in all of the publicly available local and regional economic statistics provided herein. In particular, the economic statistics provided herein may not fully capture the impact of current economic conditions. The information as presented in this section is historic in nature and generally predates COVID-19. It is not possible to predict whether the trends shown below will continue in the future.

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Employment, Income, Construction, and Sales Taxes Within The Service Area and the State of Utah

Labor Force, Nonfarm Jobs and Wages within the Service Area

	Calendar Year (1)					% change from prior year				
	2020	2019	2018	2017	2016	2015	2019-20	2018-19	2017-18	2016-17
Civilian labor force.....	1,323,699	1,303,635	1,271,955	1,254,529	1,220,447	1,181,562	1.5	2.5	1.4	2.8
Employed persons.....	1,263,137	1,270,691	1,234,464	1,215,104	1,180,854	840,669	(0.6)	2.9	1.6	2.9
Unemployed persons.....	60,562	32,944	37,491	39,425	39,593	40,893	83.8	(12.1)	(4.9)	(0.4)
Total private sector (average).....	1,075,318	1,088,753	1,059,485	1,023,683	992,752	958,232	(1.2)	2.8	3.5	3.1
Agriculture, forestry, fishing and hunting.....	2,927	2,806	2,716	2,695	2,713	2,616	4.3	3.3	0.8	(0.7)
Mining.....	3,354	3,069	3,273	2,798	2,806	3,093	9.3	(6.2)	17.0	(0.3)
Utilities.....	2,064	2,192	2,208	2,190	2,162	2,194	(5.8)	(0.7)	0.8	1.3
Construction.....	92,992	88,704	84,754	79,640	75,026	69,015	4.8	4.7	6.4	6.1
Manufacturing.....	112,564	114,118	111,112	108,093	105,674	103,550	(1.4)	2.7	2.8	2.3
Wholesale trade.....	47,920	47,039	46,031	45,936	45,148	45,061	1.9	2.2	0.2	1.7
Retail trade.....	136,339	138,962	138,626	135,256	132,541	127,206	(1.9)	0.2	2.5	2.0
Transportation and warehousing.....	54,041	52,035	49,718	46,716	44,219	42,162	3.9	4.7	6.4	5.6
Information.....	35,596	36,502	35,018	35,352	33,571	31,394	(2.5)	4.2	(0.9)	5.3
Finance and insurance.....	65,928	62,922	61,609	59,350	57,486	55,220	4.8	2.1	3.8	3.2
Real estate, rental and leasing.....	17,542	17,424	16,709	15,897	17,154	14,763	0.7	4.3	5.1	(7.3)
Professional, scientific, and technical services.....	100,283	97,297	92,576	85,417	82,141	78,700	3.1	5.1	8.4	4.0
Management of companies and enterprises.....	19,897	19,416	18,974	19,202	19,396	19,128	2.5	2.3	(1.2)	(1.0)
Admin., support, waste mgmt., remediation.....	81,831	84,879	84,265	82,661	81,845	78,024	(3.6)	0.7	1.9	1.0
Education services.....	45,413	46,856	45,491	44,502	41,998	39,684	(3.1)	3.0	2.2	6.0
Health care and social assistance.....	129,480	130,005	126,229	122,601	118,836	114,141	(0.4)	3.0	3.0	3.2
Arts, entertainment and recreation.....	14,418	18,422	17,605	17,120	16,211	14,864	(21.7)	4.6	2.8	5.6
Accommodation and food services.....	82,394	93,530	90,780	87,262	85,069	82,640	(11.9)	3.0	4.0	2.6
Other services.....	33,229	35,248	34,435	33,674	33,142	32,469	(5.7)	2.4	2.3	1.6
Unclassified establishments.....	17	110	57	6	65	125	(84.5)	93.0	850.0	(90.8)
Total public sector (average).....	193,478	197,265	192,603	190,946	187,094	182,735	(1.9)	2.4	0.9	2.1
Federal.....	35,813	34,045	32,928	32,865	32,872	31,846	5.2	3.4	0.2	(0.0)
State.....	65,268	67,217	64,788	64,110	62,152	60,351	(2.9)	3.7	1.1	3.2
Local.....	92,400	96,004	94,887	93,972	92,070	90,538	(3.8)	1.2	1.0	2.1
Total payroll (in millions).....	\$ 71,705	\$ 66,730	\$ 62,270	\$ 57,912	\$ 54,616	\$ 50,176	7.5	7.2	7.5	6.0
Average monthly wage.....	\$ 4,138	\$ 3,825	\$ 3,688	\$ 3,546	\$ 3,466	\$ 3,354	8.2	3.7	4.0	2.3
Average employment.....	211,466	214,336	208,681	202,438	196,179	185,008	(1.3)	2.7	3.1	3.2
Establishments.....	87,679	83,695	80,001	76,248	73,846	71,371	4.8	4.6	4.9	3.3

(1) Utah Department of Workforce Services.



Employment, Income, Construction, and Sales Taxes Within The Service Area and the State of Utah—continued

Personal Income; Per Capita Personal Income; Median Household Income within the Service Area and the State of Utah (1)

	Calendar Year					% change from prior year				
	2019	2018	2017	2016	2015	2014	2018-19	2017-18	2016-17	2015-16
Total Personal Income (in \$1,000's)										
Service Area (totals).....	\$ 125,338,146	\$ 118,270,822	\$ 110,124,169	\$ 104,042,124	\$ 98,213,376	\$ 91,063,808	6.0	7.4	5.8	5.9
State of Utah.....	156,896,281	148,240,621	136,996,815	128,900,615	121,954,105	113,140,896	5.8	8.2	6.3	5.7
Total Per Capita Personal Income										
Service Area (average).....	44,940	42,948	40,663	39,160	37,782	35,887	4.6	5.6	3.8	3.6
State of Utah.....	48,939	47,008	44,178	42,375	40,899	38,524	4.1	6.4	4.3	3.6
Median Household Income										
Service Area (average).....	78,078	72,946	70,175	66,731	64,724	62,348	7.0	3.9	5.2	3.1
State of Utah.....	75,705	71,381	68,395	65,931	62,961	60,943	6.1	4.4	3.7	4.7

Construction within the Service Area (2)

	Calendar Year					% change from prior year				
	2020	2019	2018	2017	2016	2015	2019-20	2018-19	2017-18	2016-17
Number new dwelling units.....	24,138.0	21,183.0	18,944.0	17,001.0	15,498.0	13,785.0	13.9	11.8	11.4	9.7
New (in \$1,000's)										
Residential value.....	\$ 5,106,707.7	\$ 4,406,279.3	\$ 3,929,734.0	\$ 3,497,319.1	\$ 3,030,102.8	\$ 2,923,630.9	15.9	12.1	12.4	15.4
Non-residential value.....	2,082,816.7	2,002,329.9	1,724,490.4	1,840,094.0	2,023,918.2	1,518,860.0	4.0	16.1	(6.3)	(9.1)
Additions, alterations, repairs (in \$1,000's)										
Residential value.....	427,558.8	233,121.9	223,153.9	196,020.3	217,315.0	192,759.8	83.4	4.5	13.8	(9.8)
Non-residential value.....	1,183,518.2	1,038,754.2	731,837.7	788,343.0	1,241,903.4	620,602.1	13.9	41.9	(7.2)	(36.5)
Total construction value (in \$1,000's).....	\$ 8,800,601.4	\$ 7,680,485.3	\$ 6,609,215.9	\$ 6,321,776.3	\$ 6,513,239.4	\$ 5,255,852.8	14.6	16.2	4.5	(2.9)

Sales Taxes Within the Service Area and the State of Utah (3)

	Calendar Year					% change from prior year				
	2020	2019	2018	2017	2016	2015	2019-20	2018-19	2017-18	2016-17
Gross Taxable Sales (in \$1,000's)										
Service Area (totals).....	\$ 58,496,264	\$ 54,011,508	\$ 50,958,935	\$ 48,048,596	\$ 44,751,363	\$ 42,576,417	8.3	6.0	6.1	7.4
State of Utah.....	74,730,706	68,923,140	64,982,524	61,031,692	56,502,434	53,933,277	8.4	6.1	6.5	8.0
Local Sales and Use Tax Distribution										
Service Area (totals) (and all cities).....	\$ 540,461,746	\$ 506,828,626	\$ 482,744,679	\$ 446,501,082	\$ 423,450,272	\$ 404,459,424	6.6	5.0	8.1	5.4

(1) U.S. Department of Commerce; Bureau of Economic Analysis and U.S. Census Bureau  
(2) University of Utah Bureau of Economic and Business Research, Utah Construction Report.  
(3) Utah State Tax Commission.

Box Elder County

Labor Force, Nonfarm Jobs and Wages within Box Elder County

	Calendar Year (1)						% change from prior year				
	2020	2019	2018	2017	2016	2015	2019-20	2018-19	2017-18	2016-17	2015-16
Civilian labor force.....	26,424	25,904	25,442	25,317	24,683	23,965	2.0	1.8	0.5	2.6	3.0
Employed persons.....	25,272	25,222	24,693	24,486	23,821	23,077	0.2	2.1	0.8	2.8	3.2
Unemployed persons.....	1,152	682	749	831	862	888	68.9	(8.9)	(9.9)	(3.6)	(2.9)
Total private sector (average).....	18,125	18,551	18,017	17,270	16,971	15,750	(2.3)	3.0	4.3	1.8	7.8
Agriculture, forestry, fishing and hunting.....	396	381	396	397	377	388	3.9	(3.8)	(0.3)	5.3	(2.8)
Mining.....	37	29	26	31	24	18	27.6	11.5	(16.1)	29.2	33.3
Utilities.....	42	42	43	41	38	42	0.0	(2.3)	4.9	7.9	(9.5)
Construction.....	1,924	1,818	1,585	1,402	1,508	1,418	5.8	14.7	13.1	(7.0)	6.3
Manufacturing.....	6,131	6,365	6,066	6,030	5,555	5,152	(3.7)	4.9	0.6	8.6	7.8
Wholesale trade.....	678	648	616	613	570	567	4.6	5.2	0.5	7.5	0.5
Retail trade.....	1,960	1,957	1,974	1,851	1,817	1,820	0.2	(0.9)	6.6	1.9	(0.2)
Transportation and warehousing.....	1,718	1,618	1,549	1,498	1,424	1,322	6.2	4.5	3.4	5.2	7.7
Information.....	72	101	103	96	92	98	(28.7)	(1.9)	7.3	4.3	(6.1)
Finance and insurance.....	322	323	312	296	273	271	(0.3)	3.5	5.4	8.4	0.7
Real estate, rental and leasing.....	100	83	93	93	83	81	20.5	(10.8)	0.0	12.0	2.5
Professional, scientific, and technical services.....	351	338	327	317	243	239	3.8	3.4	3.2	30.5	1.7
Management of companies and enterprises.....	0	0	4	6	379	0	0.0	(100.0)	(33.3)	(98.4)	0.0
Admin., support, waste mgmt., remediation.....	793	1,112	1,279	1,089	1,060	785	(28.7)	(13.1)	17.4	2.7	35.0
Education services.....	149	144	139	129	141	135	3.5	3.6	7.8	(8.5)	4.4
Health care and social assistance.....	1,708	1,808	1,746	1,717	1,734	1,675	(5.5)	3.6	1.7	(1.0)	3.5
Arts, entertainment and recreation.....	208	242	240	226	219	194	(14.0)	0.8	6.2	3.2	12.9
Accommodation and food services.....	1,569	1,567	1,573	1,501	1,458	1,349	0.1	(0.4)	4.8	2.9	8.1
Other services.....	364	356	343	335	353	344	2.2	3.8	2.4	(5.1)	2.6
Unclassified establishments.....	0	0	0	0	0	0	-	-	-	-	-
Total public sector (average).....	2,871	2,895	2,826	2,838	2,773	2,758	(0.8)	2.4	(0.4)	2.3	0.5
Federal.....	188	175	175	185	190	192	7.4	0.0	(5.4)	(2.6)	(1.0)
State.....	208	206	205	221	217	216	1.0	0.5	(7.2)	1.8	0.5
Local.....	2,476	2,514	2,445	2,431	2,366	2,350	(1.5)	2.8	0.6	2.7	0.7
Total payroll (in millions).....	\$ 900	\$ 869	\$ 810	\$ 751	\$ 631	\$ 663	3.6	7.3	7.9	19.0	(4.8)
Average monthly wage.....	\$ 3,573	\$ 3,378	\$ 3,237	\$ 3,114	\$ 3,098	\$ 2,986	5.8	4.4	3.9	0.5	3.8
Average employment.....	20,996	21,446	20,843	20,107	16,971	18,507	(2.1)	2.9	3.7	18.5	(8.3)
Establishments.....	1,442	1,408	1,382	1,327	1,140	1,242	2.4	1.9	4.1	16.4	(8.2)

(1) Utah Department of Workforce Services.

Box Elder County--continued

Personal Income; Per Capita Personal Income; Median Household Income within Box Elder County and the State of Utah (1)

	Calendar Year					% change from prior year			
	2019	2018	2017	2016	2015	2014	2019-20	2018-19	2017-18
Total Personal Income (in \$1,000's)									
Box Elder County.....	\$ 2,276,646	\$ 2,099,459	\$ 1,948,667	\$ 1,824,833	\$ 1,751,368	\$ 1,686,163	8.4	7.7	6.8
State of Utah.....	156,896,281	148,240,621	136,996,815	128,900,615	121,954,105	113,140,896	5.8	8.2	6.3
Total Per Capita Personal Income									
Box Elder County.....	40,621	38,237	36,102	34,447	33,793	32,869	6.2	5.9	4.8
State of Utah.....	48,939	47,008	44,178	42,375	40,899	38,524	4.1	6.4	4.3
Median Household Income									
Box Elder County.....	69,380	62,689	63,624	57,875	58,380	56,313	10.7	(1.5)	9.9
State of Utah.....	75,705	71,381	68,395	65,931	62,961	60,943	6.1	4.4	3.7

Construction within Box Elder County (2)

	Calendar Year					% change from prior year			
	2020	2019	2018	2017	2016	2015	2019-20	2018-19	2017-18
Number new dwelling units.....	348.0	250.0	270.0	296.0	203.0	184.0	39.2	(7.4)	(8.8)
New (in \$1,000's)									
Residential value.....	\$ 78,829.6	\$ 45,696.4	\$ 54,393.0	\$ 55,062.1	\$ 42,447.6	\$ 43,602.1	72.5	(16.0)	(1.2)
Non-residential value.....	11,662.4	6,936.7	18,773.7	13,302.5	16,640.4	16,426.7	68.1	(63.1)	41.1
Additions, alterations, repairs (in \$1,000's)									
Residential value.....	3,402.5	3,239.6	3,890.5	8,003.7	2,544.2	2,053.6	5.0	(16.7)	(51.4)
Non-residential value.....	808.1	657.5	11,780.4	4,746.9	11,073.6	2,104.8	22.9	(94.4)	148.2
Total construction value (in \$1,000's).....	\$ 94,702.6	\$ 56,530.2	\$ 88,837.5	\$ 81,115.1	\$ 72,705.8	\$ 64,187.2	67.5	(36.4)	9.5

Sales Taxes Within Box Elder County and the State of Utah (3)

	Calendar Year					% change from prior year			
	2020	2019	2018	2017	2016	2015	2019-20	2018-19	2017-18
Gross Taxable Sales (in \$1,000's)									
Box Elder County.....	\$ 970,868	\$ 828,515	\$ 791,128	\$ 769,249	\$ 705,401	\$ 642,186	17.2	4.7	2.8
State of Utah.....	74,730,706	68,923,140	64,982,524	61,031,692	56,502,434	53,933,277	8.4	6.1	6.5
Local Sales and Use Tax Distribution									
Box Elder County (and all cities).....	\$ 10,130,203	\$ 9,559,994	\$ 9,108,391	\$ 8,461,516	\$ 7,917,852	\$ 7,263,938	6.0	5.0	7.6

(1) U.S. Department of Commerce; Bureau of Economic Analysis and U.S. Census Bureau  
(2) University of Utah Bureau of Economic and Business Research, Utah Construction Report  
(3) Utah State Tax Commission.

Davis County

Labor Force, Nonfarm Jobs and Wages within Davis County

	Calendar Year (1)					% change from prior year					
	2020	2019	2018	2017	2016	2015	2019-20	2018-19	2017-18	2016-17	2015-16
Civilian labor force.....	175,905	173,800	169,969	168,545	164,341	159,878	1.2	2.3	0.8	2.6	2.8
Employed persons.....	168,737	169,589	165,119	163,348	159,150	154,456	(0.5)	2.7	1.1	2.6	3.0
Unemployed persons.....	7,168	4,211	4,850	5,197	5,191	5,422	70.2	(13.2)	(6.7)	0.1	(4.3)
Total private sector (average).....	104,227	104,136	101,799	98,078	94,078	92,321	0.1	2.3	3.8	4.3	1.9
Agriculture, forestry, fishing and hunting.....	440	405	386	393	379	365	8.6	4.9	(1.8)	3.7	3.8
Mining.....	258	93	131	128	134	157	177.4	(29.0)	2.3	(4.5)	(14.6)
Utilities.....	85	84	100	117	121	115	1.2	(16.0)	(14.5)	(3.3)	5.2
Construction.....	10,789	11,041	10,720	10,216	9,931	9,171	(2.3)	3.0	4.9	2.9	8.3
Manufacturing.....	13,329	13,992	13,739	12,087	11,786	12,031	(4.7)	1.8	13.7	2.6	(2.0)
Wholesale trade.....	2,404	2,493	2,450	2,627	2,518	2,703	(3.6)	1.8	(6.7)	4.3	(6.8)
Retail trade.....	15,311	15,285	15,101	15,276	14,770	14,090	0.2	1.2	(1.1)	3.4	4.8
Transportation and warehousing.....	5,453	5,202	4,973	5,064	4,580	4,324	4.8	4.6	(1.8)	10.6	5.9
Information.....	1,031	1,067	1,056	1,208	1,171	1,244	(3.4)	1.0	(12.6)	3.2	(5.9)
Finance and insurance.....	2,996	3,028	2,991	2,639	2,529	2,508	(1.1)	1.2	13.3	4.3	0.8
Real estate, rental and leasing.....	1,590	1,511	1,460	1,342	1,335	1,344	5.2	3.5	8.8	0.5	(0.7)
Professional, scientific, and technical services.....	10,271	9,211	8,884	8,657	8,212	8,191	11.5	3.7	2.6	5.4	0.3
Management of companies and enterprises.....	1,061	1,085	1,114	957	1,002	885	(2.2)	(2.6)	16.4	(4.5)	13.2
Admin., support, waste mgmt., remediation.....	6,025	5,580	5,328	5,528	5,476	6,141	8.0	4.7	(3.6)	0.9	(10.8)
Education services.....	3,466	3,184	3,201	2,747	2,514	2,256	8.9	(0.5)	16.5	9.3	11.4
Health care and social assistance.....	14,476	14,237	13,670	13,172	12,339	11,851	1.7	4.1	3.8	6.8	4.1
Arts, entertainment and recreation.....	2,606	3,230	3,029	3,055	2,810	2,896	(19.3)	6.6	(0.9)	8.7	(3.0)
Accommodation and food services.....	9,474	10,144	10,119	9,662	9,261	8,974	(6.6)	0.2	4.7	4.3	3.2
Other services.....	3,602	3,669	3,735	3,599	3,588	3,438	(1.8)	(1.8)	3.8	0.3	4.4
Unclassified establishments.....	0	0	0	0	0	5	-	-	-	-	-
Total public sector (average).....	29,189	29,240	28,476	28,302	27,287	26,364	(0.2)	2.7	0.6	3.7	3.5
Federal.....	14,419	13,799	13,279	13,443	13,282	12,574	4.5	3.9	(1.2)	1.2	5.6
State.....	1,800	1,786	1,761	1,719	1,167	1,016	0.8	1.4	2.4	47.3	14.9
Local.....	12,971	13,655	13,436	13,140	12,838	12,773	(5.0)	1.6	2.3	2.4	0.5
Total payroll (in millions).....	\$ 6,832	\$ 6,281	\$ 5,946	\$ 5,545	\$ 5,186	\$ 3,577	8.8	5.6	7.2	6.9	45.0
Average monthly wage.....	\$ 4,267	\$ 3,924	\$ 3,803	\$ 3,656	\$ 3,561	\$ 3,229	8.7	3.2	4.0	2.7	10.3
Average employment.....	133,415	133,376	130,275	126,380	121,365	92,321	0.0	2.4	3.1	4.1	31.5
Establishments.....	9,269	8,931	8,667	8,306	8,057	7,550	3.8	3.0	4.3	3.1	6.7

(1) Utah Department of Workforce Services.

Davis County--continued

Personal Income; Per Capita Personal Income; Median Household Income within Davis County and the State of Utah (1)

	Calendar Year					% change from prior year			
	2019	2018	2017	2016	2015	2014	2018-19	2017-18	2016-17
Total Personal Income (in \$1,000' s)									
Davis County.....	\$ 17,213,443	\$ 16,249,437	\$ 15,233,658	\$ 14,581,987	\$ 13,651,237	\$ 12,753,079	5.9	6.7	4.5
State of Utah.....	156,896,281	148,240,621	136,996,815	128,900,615	121,954,105	113,140,896	5.8	8.2	6.3
Total Per Capita Personal Income									
Davis County.....	48,423	46,281	43,944	42,762	40,799	38,797	4.6	5.3	2.8
State of Utah.....	48,939	47,008	44,178	42,375	40,899	38,524	4.1	6.4	4.3
Median Household Income									
Davis County.....	87,610	84,381	80,433	77,095	72,268	70,797	3.8	4.9	4.3
State of Utah.....	75,705	71,381	68,395	65,931	62,961	60,943	6.1	4.4	3.7

Construction within Davis County (2)

	Calendar Year					% change from prior year			
	2020	2019	2018	2017	2016	2015	2019-20	2018-19	2017-18
Number new dwelling units.....									
New (in \$1,000' s)	2,620.0	1,689.0	2,230.0	1,870.0	1,721.0	1,693.0	55.1	(24.3)	19.3
Residential value.....	\$ 596,030.9	\$ 412,402.3	\$ 474,600.4	\$ 382,115.3	\$ 377,935.2	\$ 366,998.2	44.5	(13.1)	24.2
Non-residential value.....	195,330.6	111,759.1	145,931.2	152,743.4	172,821.1	370,979.7	74.8	(23.4)	(4.5)
Additions, alterations, repairs (in \$1,000' s)									
Residential value.....	39,823.3	33,180.0	41,588.6	23,864.3	29,958.4	28,639.5	20.0	(20.2)	74.3
Non-residential value.....	55,342.1	64,186.6	47,312.9	44,383.0	73,250.4	52,720.3	(13.8)	35.7	6.6
Total construction value (in \$1,000' s).....	\$ 886,526.9	\$ 621,528.0	\$ 709,433.1	\$ 603,106.0	\$ 653,965.1	\$ 819,337.7	42.6	(12.4)	17.6

Sales Taxes Within Davis County and the State of Utah (3)

	Calendar Year					% change from prior year			
	2019	2018	2017	2016	2015	2014	2019-20	2018-19	2017-18
Gross Taxable Sales (in \$1,000' s)									
Davis County.....	\$ 6,665,893	\$ 6,028,609	\$ 5,703,853	\$ 5,483,478	\$ 5,141,617	\$ 4,897,829	10.6	5.7	4.0
State of Utah.....	74,730,706	68,923,140	64,982,524	61,031,692	56,502,434	53,933,277	8.4	6.1	6.5
Local Sales and Use Tax Distribution									
Davis County (and all cities).....	\$ 68,087,630	\$ 64,146,777	\$ 61,459,271	\$ 57,264,199	\$ 54,122,907	\$ 51,284,441	6.1	4.4	7.3

(1) U.S. Department of Commerce; Bureau of Economic Analysis and U.S. Census Bureau  
(2) University of Utah Bureau of Economic and Business Research, Utah Construction Report  
(3) Utah State Tax Commission.

Salt Lake County

Labor Force, Nonfarm Jobs and Wages within Salt Lake County

	Calendar Year (1)						% change from prior year				
	2020	2019	2018	2017	2016	2015	2019-20	2018-19	2017-18	2016-17	2015-16
Civilian labor force.....	642,357	634,741	619,396	614,498	601,570	585,134	1.2	2.5	0.8	2.1	2.8
Employed persons.....	609,766	618,767	601,161	595,348	582,448	265,279	(1.5)	2.9	1.0	2.2	119.6
Unemployed persons.....	32,591	15,974	18,235	19,150	19,122	19,855	104.0	(12.4)	(4.8)	0.1	(3.7)
Total private sector (average).....	616,236	629,291	612,475	595,855	581,825	565,635	(2.1)	2.7	2.8	2.4	2.9
Agriculture, forestry, fishing and hunting.....	350	292	250	220	214	192	19.9	16.8	13.6	2.8	11.5
Mining.....	2,704	2,647	2,853	2,407	2,428	2,696	2.2	(7.2)	18.5	(0.9)	(9.9)
Utilities.....	1,422	1,551	1,548	1,470	1,439	1,532	(8.3)	0.2	5.3	2.2	(6.1)
Construction.....	45,874	42,773	40,033	38,050	35,777	33,452	7.2	6.8	5.2	6.4	7.0
Manufacturing.....	56,542	57,832	56,664	55,973	54,492	53,357	(2.2)	2.1	1.2	2.7	2.1
Wholesale trade.....	33,576	32,920	32,076	32,285	32,050	31,414	2.0	2.6	(0.6)	0.7	2.0
Retail trade.....	71,584	74,020	74,000	72,156	71,791	69,427	(3.3)	0.0	2.6	0.5	3.4
Transportation and warehousing.....	38,483	37,394	35,636	33,012	31,579	30,334	2.9	4.9	7.9	4.5	4.1
Information.....	20,175	20,567	20,040	20,200	18,888	17,959	(1.9)	2.6	(0.8)	6.9	5.2
Finance and insurance.....	49,823	48,296	47,602	46,313	45,194	43,228	3.2	1.5	2.8	2.5	4.5
Real estate, rental and leasing.....	11,559	11,606	11,121	10,660	12,025	9,840	(0.4)	4.4	4.3	(11.4)	22.2
Professional, scientific, and technical services.....	62,121	60,431	56,611	52,861	51,656	49,355	2.8	6.7	7.1	2.3	4.7
Management of companies and enterprises.....	16,543	16,177	15,878	16,493	16,263	16,622	2.3	1.9	(3.7)	1.4	(2.2)
Admin., support, waste mgmt., remediation.....	50,310	53,258	53,232	52,748	52,777	50,397	(5.5)	0.0	0.9	(0.1)	4.7
Education services.....	15,645	16,169	15,502	14,889	13,975	13,016	(3.2)	4.3	4.1	6.5	7.4
Health care and social assistance.....	67,650	68,533	67,023	66,255	64,613	62,061	(1.3)	2.3	1.2	2.5	4.1
Arts, entertainment and recreation.....	7,150	9,678	9,486	9,313	8,806	7,751	(26.1)	2.0	1.9	5.8	13.6
Accommodation and food services.....	44,593	53,040	51,317	49,477	48,772	47,803	(15.9)	3.4	3.7	1.4	2.0
Other services.....	20,469	22,293	21,795	21,287	21,018	20,758	(8.2)	2.3	2.4	1.3	1.3
Unclassified establishments.....	17	108	57	6	59	105	-	-	-	-	-
Total public sector (average).....	103,548	107,455	105,383	104,593	102,621	100,193	(3.6)	2.0	0.8	1.9	2.4
Federal.....	11,689	11,460	11,323	11,368	11,433	11,115	2.0	1.2	(0.4)	(0.6)	2.9
State.....	48,830	50,776	48,683	47,719	46,631	45,306	(3.8)	4.3	2.0	2.3	2.9
Local.....	43,029	45,219	45,377	45,507	44,557	43,771	(4.8)	(0.3)	(0.3)	2.1	1.8
Total payroll (in millions).....	\$ 44,452	\$ 41,767	\$ 38,876	\$ 36,455	\$ 34,589	\$ 32,692	6.4	7.4	6.6	5.4	5.8
Average monthly wage.....	\$ 5,146	\$ 4,724	\$ 4,513	\$ 4,337	\$ 4,211	\$ 4,120	8.9	4.7	4.1	3.0	2.2
Average employment.....	719,784	736,746	717,857	700,449	684,445	661,297	(2.3)	2.6	2.5	2.3	3.5
Establishments.....	50,584	48,075	45,856	43,798	42,765	41,519	5.2	4.8	4.7	2.4	3.0

(1) Utah Department of Workforce Services.

Salt Lake County--continued

Personal Income; Per Capita Personal Income; Median Household Income within Salt Lake County and the State of Utah (1)

	Calendar Year						% change from prior year				
	2019	2018	2017	2016	2015	2014	2018-19	2017-18	2016-17	2015-16	2014-15
Total Personal Income (in \$1,000's)											
Salt Lake County.....	\$ 64,341,937	\$ 60,971,412	\$ 56,946,401	\$ 53,946,312	\$ 51,331,831	\$ 47,593,717	5.5	7.1	5.6	5.1	7.9
State of Utah.....	156,896,281	148,240,621	136,996,815	128,900,615	121,954,105	113,140,896	5.8	8.2	6.3	5.7	7.8
Total Per Capita Personal Income											
Salt Lake County.....	55,446	53,079	50,097	48,162	46,569	43,664	4.5	6.0	4.0	3.4	6.7
State of Utah.....	48,939	47,008	44,178	42,375	40,899	38,524	4.1	6.4	4.3	3.6	6.2
Median Household Income											
Salt Lake County.....	79,941	73,619	71,396	68,404	65,549	62,536	8.6	3.1	4.4	4.4	4.8
State of Utah.....	75,705	71,381	68,395	65,931	62,961	60,943	6.1	4.4	3.7	4.7	3.3

Construction within Salt Lake County (2)

	Calendar Year						% change from prior year				
	2020	2019	2018	2017	2016	2015	2019-20	2018-19	2017-18	2016-17	2015-16
Number new dwelling units.....	10,533.0	9,798.0	8,150.0	6,602.0	8,328.0	6,058.0	7.5	20.2	23.4	(20.7)	37.5
New (in \$1,000's)											
Residential value.....	\$ 1,925,074.5	\$ 1,804,752.7	\$ 1,470,556.5	\$ 1,288,967.8	\$ 1,406,216.3	\$ 1,029,441.8	6.7	22.7	14.1	(8.3)	36.6
Non-residential value.....	935,831.3	1,188,464.2	951,421.3	979,451.0	803,698.8	595,354.5	(21.3)	24.9	(2.9)	21.9	35.0
Additions, alterations, repairs (in \$1,000's)											
Residential value.....	195,471.6	110,826.6	89,998.6	86,352.0	106,592.6	83,507.4	76.4	23.1	4.2	(19.0)	27.6
Non-residential value.....	975,316.1	734,589.0	503,313.2	544,894.7	950,431.8	352,053.5	32.8	46.0	(7.6)	(42.7)	170.0
Total construction value (in \$1,000's).....	\$ 4,031,693.5	\$ 3,838,632.5	\$ 3,015,289.6	\$ 2,899,665.5	\$ 3,266,939.5	\$ 2,060,357.2	5.0	27.3	4.0	(11.2)	58.6

Sales Taxes Within Salt Lake County and the State of Utah (3)

	Calendar Year						% change from prior year				
	2020	2019	2018	2017	2016	2015	2019-20	2018-19	2017-18	2016-17	2015-16
Gross Taxable Sales (in \$1,000's)											
Salt Lake County.....	\$ 31,377,749	\$ 30,093,152	\$ 28,846,015	\$ 27,084,521	\$ 25,415,491	\$ 24,256,515	4.3	4.3	6.5	6.6	4.8
State of Utah.....	74,730,706	68,923,140	64,982,524	61,031,692	56,502,434	53,933,277	8.4	6.1	6.5	8.0	4.8
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(1) U.S. Department of Commerce; Bureau of Economic Analysis and U.S. Census Bureau  
(2) University of Utah Bureau of Economic and Business Research, Utah Construction Report  
(3) Utah State Tax Commission.

Tooele County

Labor Force, Nonfarm Jobs and Wages within Tooele County

	Calendar Year (1)					% change from prior year					
	2020	2019	2018	2017	2016	2015	2019-20	2018-19	2017-18	2016-17	2015-16
Civilian labor force (3).....	35,084	34,002	33,206	32,306	30,826	29,520	3.2	2.4	2.8	4.8	4.4
Employed persons.....	33,417	33,024	32,099	31,139	29,655	28,294	1.2	2.9	3.1	5.0	4.8
Unemployed persons.....	1,667	978	1,107	1,167	1,171	1,226	70.4	(11.7)	(5.1)	(0.3)	(4.5)
Total private sector (average).....	13,407	12,402	12,081	12,152	11,889	11,183	8.1	2.7	(0.6)	2.2	6.3
Agriculture, forestry, fishing and hunting.....	103	102	100	101	106	97	1.0	2.0	(1.0)	(4.7)	9.3
Mining.....	144	108	78	82	91	92	33.3	38.5	(4.9)	(9.9)	(1.1)
Utilities.....	26	26	24	28	0	0	0.0	8.3	(14.3)	0.0	0.0
Construction.....	1,128	1,015	934	861	769	734	11.1	8.7	8.5	12.0	4.8
Manufacturing.....	2,095	1,496	1,481	1,399	1,632	1,710	40.0	1.0	5.9	(14.3)	(4.6)
Wholesale trade.....	170	165	178	174	171	155	3.0	(7.3)	2.3	1.8	10.3
Retail trade.....	2,033	1,934	1,870	1,846	1,854	1,736	5.1	3.4	1.3	(0.4)	6.8
Transportation and warehousing.....	1,613	1,432	1,467	1,590	1,434	1,168	12.6	(2.4)	(7.7)	10.9	22.8
Information.....	162	279	309	428	193	140	(41.9)	(9.7)	(27.8)	121.8	37.9
Finance and insurance.....	191	196	190	227	209	192	(2.6)	3.2	(16.3)	8.6	8.9
Real estate, rental and leasing.....	109	107	106	112	103	107	1.9	0.9	(5.4)	8.7	(3.7)
Professional, scientific, and technical services.....	545	503	470	463	459	490	8.3	7.0	1.5	0.9	(6.3)
Management of companies and enterprises.....	0	0	0	0	0	0	0.0	0.0	0.0	0.0	0.0
Admin., support, waste mgmt., remediation.....	1,039	1,006	1,023	1,279	1,420	1,249	3.3	(1.7)	(20.0)	(9.9)	13.7
Education services.....	412	393	306	223	189	129	4.8	28.4	37.2	18.0	46.5
Health care and social assistance.....	1,660	1,652	1,575	1,488	1,383	1,306	0.5	4.9	5.8	7.6	5.9
Arts, entertainment and recreation.....	204	231	256	241	238	277	(11.7)	(9.8)	6.2	1.3	(14.1)
Accommodation and food services.....	1,402	1,404	1,380	1,332	1,310	1,269	(0.1)	1.7	3.6	1.7	3.2
Other services.....	452	428	414	362	394	390	5.6	3.4	14.4	(8.1)	1.0
Unclassified establishments.....	0	0	0	0	0	0	-	-	-	-	-
Total public sector (average).....	4,111	4,125	4,037	3,996	3,924	3,837	(0.3)	2.2	1.0	1.8	2.3
Federal.....	1,272	1,247	1,232	1,226	1,255	1,256	2.0	1.2	0.5	(2.3)	(0.1)
State.....	161	166	170	198	193	189	(3.0)	(2.4)	(14.1)	2.6	2.1
Local.....	2,678	2,712	2,636	2,572	2,476	2,392	(1.3)	2.9	2.5	3.9	3.5
Total payroll (in millions).....	\$ 786	\$ 693	\$ 658	\$ 646	\$ 623	\$ 593	13.4	5.3	1.9	3.7	5.1
Average monthly wage.....	\$ 3,737	\$ 3,492	\$ 3,402	\$ 3,332	\$ 3,282	\$ 3,290	7.0	2.6	2.1	1.5	(0.2)
Average employment.....	17,517	16,527	16,118	16,148	15,813	15,020	6.0	2.5	(0.2)	2.1	5.3
Establishments.....	1,255	1,209	1,167	1,111	1,077	1,055	3.8	3.6	5.0	3.2	2.1

(1) Utah Department of Workforce Services.



**Personal Income; Per Capital Personal Income; Median Household Income within Tooele County and the State of Utah (1**

	Calendar Year						% change from prior year				
	2020	2019	2018	2017	2016	2015	2019-20	2018-19	2017-18	2016-17	2015-16
Number new dwelling units.....											
New (in \$1,000's)	636.0	520.0	389.0	242.0	266.0	392.0	22.3	33.7	60.7	(9.0)	(32.1)
Residential value.....	\$ 142,854.5	\$ 76,099.1	\$ 58,895.0	\$ 42,888.2	\$ 45,949.5	\$ 80,389.5	87.7	29.2	37.3	(6.7)	(42.8)
Non-residential value.....	37,741.5	20,466.7	9,656.1	14,461.1	19,146.6	14,762.9	84.4	112.0	(33.2)	(24.5)	29.7
Additions, alterations, repairs (in \$1,000's)											
Residential value.....	4,018.7	1,722.8	1,115.5	840.7	2,146.6	3,639.2	133.3	54.4	32.7	(60.8)	(41.0)
Non-residential value.....	3,380.1	2,947.4	6,249.0	1,662.1	1,172.0	3,109.7	14.7	(52.8)	276.0	41.8	(62.3)
Total construction value (in \$1,000's).....	\$ 187,994.8	\$ 101,236.0	\$ 75,915.6	\$ 59,852.1	\$ 68,414.7	\$ 101,901.3	85.7	33.4	26.8	(12.5)	(32.9)

	Calendar Year						% change from prior year				
	2020	2019	2018	2017	2016	2015	2019-20	2018-19	2017-18	2016-17	2015-16
Gross Taxable Sales (in \$1,000's)											
Tooele County.....	\$ 1,080,726	\$ 895,264	\$ 799,153	\$ 767,810	\$ 694,345	\$ 701,819	20.7	12.0	4.1	10.6	(1.1)
State of Utah.....	74,730,706	68,923,140	64,982,524	61,031,692	56,502,434	53,933,277	8.4	6.1	6.5	8.0	4.8
	Fiscal Year						% change from prior year				
	2020	2019	2018	2017	2016	2015	2019-20	2018-19	2017-18	2016-17	2015-16
Local Sales and Use Tax Distribution											
Tooele County (and all cities).....	\$ 12,210,108	\$ 10,965,051	\$ 10,295,945	\$ 9,414,298	\$ 8,972,130	\$ 8,607,694	11.4	6.5	9.4	4.9	4.2

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Utah County

Labor Force, Nonfarm Jobs and Wages within Utah County

	Calendar Year (1)					% change from prior year					
	2020	2019	2018	2017	2016	2015	2019-20	2018-19	2017-18	2016-17	2015-16
Civilian labor force (3).....	314,022	307,609	299,036	290,640	278,913	265,907	2.1	2.9	2.9	4.2	4.9
Employed persons.....	302,248	300,283	290,741	282,093	270,282	257,217	0.7	3.3	3.1	4.4	5.1
Unemployed persons.....	11,774	7,326	8,295	8,547	8,631	8,690	60.7	(11.7)	(2.9)	(1.0)	(0.7)
Total private sector (average).....	235,602	234,595	227,528	215,105	204,381	192,924	0.4	3.1	5.8	5.2	5.9
Agriculture, forestry, fishing and hunting.....	1,222	1,229	1,189	1,169	1,209	1,166	(0.6)	3.4	1.7	(3.3)	3.7
Mining.....	170	151	133	100	72	88	12.6	13.5	33.0	38.9	(18.2)
Utilities.....	283	285	291	326	350	289	(0.7)	(2.1)	(10.7)	(6.9)	21.1
Construction.....	25,809	24,950	24,611	22,769	21,151	18,585	3.4	1.4	8.1	7.6	13.8
Manufacturing.....	19,427	19,679	19,134	18,313	17,611	17,641	(1.3)	2.8	4.5	4.0	(0.2)
Wholesale trade.....	7,181	7,122	7,152	6,748	6,408	6,715	0.8	(0.4)	6.0	5.3	(4.6)
Retail trade.....	33,112	33,133	32,931	31,761	29,879	28,092	(0.1)	0.6	3.7	6.3	6.4
Transportation and warehousing.....	4,052	3,630	3,519	3,339	3,085	2,899	11.6	3.2	5.4	8.2	6.4
Information.....	13,660	13,812	12,786	12,643	12,462	11,186	(1.1)	8.0	1.1	1.5	11.4
Finance and insurance.....	7,485	6,089	5,808	5,413	5,003	4,873	22.9	4.8	7.3	8.2	2.7
Real estate, rental and leasing.....	3,218	3,165	3,006	2,819	2,618	2,356	1.7	5.3	6.6	7.7	11.1
Professional, scientific, and technical services.....	22,109	21,825	21,332	18,472	17,256	16,407	1.3	2.3	15.5	7.0	5.2
Management of companies and enterprises.....	1,855	1,715	1,559	1,373	1,409	1,191	8.2	10.0	13.5	(2.6)	18.3
Admin., support, waste mgmt., remediation.....	15,824	15,443	15,106	13,922	13,228	12,306	2.5	2.2	8.5	5.2	7.5
Education services.....	24,350	25,499	24,972	25,218	24,019	23,096	(4.5)	2.1	(1.0)	5.0	4.0
Health care and social assistance.....	30,556	29,978	28,590	26,648	25,540	24,307	1.9	4.9	7.3	4.3	5.1
Arts, entertainment and recreation.....	2,789	3,036	2,636	2,472	2,369	2,164	(8.1)	15.2	6.6	4.3	9.5
Accommodation and food services.....	18,055	19,336	18,502	17,394	16,770	15,806	(6.6)	4.5	6.4	3.7	6.1
Other services.....	5,667	5,746	5,462	5,375	5,146	4,913	(1.4)	5.2	1.6	4.5	4.7
Unclassified establishments.....	0	2	0	0	6	15	-	-	-	-	-
Total public sector (average).....	32,053	32,242	31,313	30,748	30,168	29,288	(0.6)	3.0	1.8	1.9	3.0
Federal.....	1,164	1,073	1,051	1,012	970	919	8.5	2.1	3.9	4.3	5.5
State.....	9,227	9,112	8,960	8,919	8,687	8,439	1.3	1.7	0.5	2.7	2.9
Local.....	21,663	22,058	21,302	20,818	20,511	19,931	(1.8)	3.5	2.3	1.5	2.9
Total payroll (in millions).....	\$ 13,689	\$ 12,358	\$ 11,464	\$ 10,256	\$ 9,515	\$ 8,780	10.8	7.8	11.8	7.8	8.4
Average monthly wage.....	\$ 4,262	\$ 3,859	\$ 3,691	\$ 3,476	\$ 3,380	\$ 3,293	10.4	4.6	6.2	2.8	2.6
Average employment.....	267,655	266,837	258,841	245,853	234,548	222,212	0.3	3.1	5.3	4.8	5.6
Establishments.....	18,571	17,700	16,718	15,719	14,955	14,302	4.9	5.9	6.4	5.1	4.6

(1) Utah Department of Workforce Services.

Utah County-continued

Personal Income; Per Capita Personal Income; Median Household Income within Utah County and the State of Utah (1)

	Calendar Year						% change from prior year				
	2019	2018	2017	2016	2015	2014	2018-19	2017-18	2016-17	2015-16	2014-15
Total Personal Income (in \$1,000's)											
Utah County .....	\$ 27,354,876	\$ 25,649,738	\$ 23,588,869	\$ 22,057,569	\$ 20,421,646	\$ 18,636,498	6.6	8.7	6.9	8.0	9.6
State of Utah .....	156,896,281	148,240,621	136,996,815	128,900,615	121,954,105	113,140,896	5.8	8.2	6.3	5.7	7.8
Total Per Capita Personal Income											
Utah County .....	42,995	41,269	38,878	37,367	35,661	33,241	4.2	6.2	4.0	4.8	7.3
State of Utah .....	48,939	47,008	44,178	42,375	40,899	38,524	4.1	6.4	4.3	3.6	6.2
Median Household Income											
Utah County .....	79,505	75,296	70,461	69,568	65,425	60,957	5.6	6.9	1.3	6.3	7.3
State of Utah .....	75,705	71,381	68,395	65,931	62,961	60,943	6.1	4.4	3.7	4.7	3.3

Construction within Utah County (2)

	Calendar Year					% change from prior year					
	2020	2019	2018	2017	2016	2015	2019-20	2018-19	2017-18	2016-17	2015-16
Number new dwelling units.....	8,419.0	7,314.0	6,709.0	6,836.0	3,988.0	4,474.0	15.1	9.0	(1.9)	71.4	(10.9)
New (in \$1,000's)											
Residential value.....	\$ 2,046,312.6	\$ 1,781,204.9	\$ 1,633,741.0	\$ 1,508,031.0	\$ 968,083.0	\$ 1,242,257.3	14.9	9.0	8.3	55.8	(22.1)
Non-residential value.....	830,804.7	582,391.5	521,700.4	622,026.0	901,707.9	448,656.2	42.7	11.6	(16.1)	(31.0)	101.0
Additions, alterations, repairs (in \$1,000's)											
Residential value.....	168,122.2	67,272.4	65,582.4	62,385.4	59,457.4	61,020.6	149.9	2.6	5.1	4.9	(2.6)
Non-residential value.....	111,031.5	188,063.3	130,301.0	142,336.9	162,322.4	168,177.0	(41.0)	44.3	(8.5)	(12.3)	(3.5)
Total construction value (in \$1,000's).....	\$ 3,156,271.0	\$ 2,618,932.1	\$ 2,351,324.8	\$ 2,334,779.3	\$ 2,091,570.7	\$ 1,920,111.1	20.5	11.4	0.7	11.6	8.9

Sales Taxes Within Utah County and the State of Utah (3)

	Calendar Year						% change from prior year				
	2020	2019	2018	2017	2016	2015	2019-20	2018-19	2017-18	2016-17	2015-16
Gross Taxable Sales (in \$1,000's)											
Utah County .....	\$ 12,811,206	\$ 11,242,703	\$ 10,164,378	\$ 9,556,494	\$ 8,679,093	\$ 8,151,076	14.0	10.6	6.4	10.1	6.5
State of Utah.....	74,730,706	68,923,140	64,982,524	61,031,692	56,502,434	53,933,277	8.4	6.1	6.5	8.0	4.8
											</

(1) U.S. Department of Commerce; Bureau of Economic Analysis and U.S. Census Bureau  
(2) University of Utah Bureau of Economic and Business Research, Utah Construction Report  
(3) Utah State Tax Commission.

Weber County

Labor Force, Nonfarm Jobs and Wages within Weber County

	Calendar Year (1)							% change from prior year				
	2020	2019	2018	2017	2016	2015		2019-20	2018-19	2017-18	2016-17	2015-16
Civilian labor force .....	129,907	127,579	124,906	123,223	120,114	117,158		1.8	2.1	1.4	2.6	2.5
Employed persons .....	123,697	123,806	120,651	118,690	115,498	112,346		(0.1)	2.6	1.7	2.8	2.8
Unemployed persons .....	6,210	3,773	4,255	4,533	4,616	4,812		64.6	(11.3)	(6.1)	(1.8)	(4.1)
Total private sector (average) .....	87,721	89,778	87,585	85,223	83,608	80,419		(2.3)	2.5	2.8	1.9	4.0
Agriculture, forestry, fishing and hunting .....	416	397	395	415	428	408		4.8	0.5	(4.8)	(3.0)	4.9
Mining .....	41	41	52	50	57	42		0.0	(21.2)	4.0	(12.3)	35.7
Utilities .....	206	204	202	208	214	216		1.0	1.0	(2.9)	(2.8)	(0.9)
Construction .....	7,468	7,107	6,871	6,342	5,890	5,655		5.1	3.4	8.3	7.7	4.2
Manufacturing .....	15,040	14,754	14,028	14,291	14,598	13,659		1.9	5.2	(1.8)	(2.1)	6.9
Wholesale trade .....	3,911	3,691	3,559	3,489	3,431	3,507		6.0	3.7	2.0	1.7	(2.2)
Retail trade .....	12,339	12,633	12,750	12,366	12,430	12,041		(2.3)	(0.9)	3.1	(0.5)	3.2
Transportation and warehousing .....	2,722	2,759	2,574	2,213	2,117	2,115		(1.3)	7.2	16.3	4.5	0.1
Information .....	496	676	724	777	765	767		(26.6)	(6.6)	(6.8)	1.6	(0.3)
Finance and insurance .....	5,111	4,990	4,706	4,462	4,278	4,148		2.4	6.0	5.5	4.3	3.1
Real estate, rental and leasing .....	966	952	923	871	990	1,035		1.5	3.1	6.0	(12.0)	(4.3)
Professional, scientific, and technical services .....	4,886	4,989	4,952	4,647	4,315	4,018		(2.1)	0.7	6.6	7.7	7.4
Management of companies and enterprises .....	438	439	419	373	343	430		(0.2)	4.8	12.3	8.7	(20.2)
Admin., support, waste mgmt., remediation .....	7,840	8,480	8,297	8,095	7,884	7,146		(7.5)	2.2	2.5	2.7	10.3
Education services .....	1,391	1,467	1,371	1,296	1,160	1,052		(5.2)	7.0	5.8	11.7	10.3
Health care and social assistance .....	13,430	13,797	13,625	13,321	13,227	12,941		(2.7)	1.3	2.3	0.7	2.2
Arts, entertainment and recreation .....	1,461	2,005	1,958	1,813	1,769	1,582		(27.1)	2.4	8.0	2.5	11.8
Accommodation and food services .....	7,301	8,039	7,889	7,896	7,498	7,439		(9.2)	1.9	(0.1)	5.3	0.8
Other services .....	2,675	2,756	2,686	2,716	2,643	2,626		(2.9)	2.6	(1.1)	2.8	0.6
Unclassified establishments .....	0	0	0	0	0	0		-	-	-	-	-
Total public sector (average) .....	21,706	21,308	20,568	20,469	20,321	20,295		1.9	3.6	0.5	0.7	0.1
Federal .....	7,081	6,291	5,868	5,631	5,742	5,790		12.6	7.2	4.2	(1.9)	(0.8)
State .....	5,042	5,171	5,009	5,334	5,257	5,185		(2.5)	3.2	(6.1)	1.5	1.4
Local .....	9,583	9,846	9,691	9,504	9,322	9,321		(2.7)	1.6	2.0	2.0	0.0
Total payroll (in millions) .....	\$ 5,046	\$ 4,762	\$ 4,516	\$ 4,259	\$ 4,072	\$ 3,871		6.0	5.4	6.0	4.6	5.2
Average monthly wage .....	\$ 3,842	\$ 3,573	\$ 3,479	\$ 3,358	\$ 3,265	\$ 3,203		7.5	2.7	3.6	2.8	1.9
Average employment .....	109,427	111,086	108,153	105,692	103,929	100,688		(1.5)	2.7	2.3	1.7	3.2
Establishments .....	6,558	6,372	6,211	5,987	5,852	5,703		2.9	2.6	3.7	2.3	2.6

(1) Utah Department of Workforce Services.

Weber County--continued

Personal Income; Per Capital Personal Income; Median Household Income within Weber County and the State of Utah (1)

	Calendar Year						% change from prior year				
	2019	2018	2017	2016	2015	2014	2018-19	2017-18	2016-17	2015-16	2014-15
Total Personal Income (in \$1,000's)											
Weber County.....	\$ 11,373,189	\$ 10,717,887	\$ 10,041,593	\$ 9,430,948	\$ 9,002,538	\$ 8,456,883	6.1	6.7	6.5	4.8	6.5
State of Utah.....	156,896,281	148,240,621	136,996,815	128,900,615	121,954,105	113,140,896	5.8	8.2	6.3	5.7	7.8
Total Per Capita Personal Income											
Weber County.....	43,707	41,916	39,915	38,162	37,067	35,215	4.3	5.0	4.6	3.0	5.3
State of Utah.....	48,939	47,008	44,178	42,375	40,899	38,524	4.1	6.4	4.3	3.6	6.2
Median Household Income											
Weber County.....	71,835	68,106	62,937	62,768	58,786	59,293	5.5	8.2	0.3	6.8	(0.9)
State of Utah.....	75,705	71,381	68,395	65,931	62,961	60,943	6.1	4.4	3.7	4.7	3.3

Construction within Weber County (2)

	Calendar Year						% change from prior year				
	2020	2019	2018	2017	2016	2015	2019-20	2018-19	2017-18	2016-17	2015-16
Number new dwelling units.....	1,582.0	1,612.0	1,196.0	1,155.0	992.0	984.0	(1.9)	34.8	3.5	16.4	0.8
New (in \$1,000's)											
Residential value.....	\$ 317,605.6	\$ 286,123.9	\$ 237,548.1	\$ 220,254.7	\$ 189,471.2	\$ 160,942.0	11.0	20.4	7.9	16.2	17.7
Non-residential value.....	71,446.2	92,311.7	77,007.7	58,110.0	109,903.4	72,680.0	(22.6)	19.9	32.5	(47.1)	51.2
Additions, alterations, repairs (in \$1,000's)											
Residential value.....	16,720.5	16,880.5	20,978.3	14,574.2	16,615.8	13,899.5	(0.9)	(19.5)	43.9	(12.3)	19.5
Non-residential value.....	37,640.3	48,310.4	32,881.2	50,319.4	43,653.2	42,436.8	(22.1)	46.9	(34.7)	15.3	2.9
Total construction value (in \$1,000's).....	\$ 443,412.6	\$ 443,626.5	\$ 368,415.3	\$ 343,258.3	\$ 359,643.6	\$ 289,958.3	(0.0)	20.4	7.3	(4.6)	24.0

Sales Taxes Within Weber County and the State of Utah (3)

	Calendar Year						% change from prior year				
	2020	2019	2018	2017	2016	2015	2019-20	2018-19	2017-18	2016-17	2015-16
Gross Taxable Sales (in \$1,000's)											
Weber County.....	\$ 5,589,822	\$ 4,923,265	\$ 4,654,408	\$ 4,387,044	\$ 4,115,416	\$ 3,926,992	13.5	5.8	6.1	6.6	4.8
State of Utah.....	74,730,706	68,923,140	64,982,524	61,031,692	56,502,434	53,933,277	8.4	6.1	6.5	8.0	4.8
Local Sales and Use Tax Distribution											
Weber County (and all cities).....	\$ 52,488,967	\$ 49,292,418	\$ 46,621,195	\$ 43,556,944	\$ 41,165,444	\$ 39,832,325	6.5	5.7	7.0	5.8	3.3

(1) U.S. Department of Commerce; Bureau of Economic Analysis and U.S. Census Bureau  
(2) University of Utah Bureau of Economic and Business Research, Utah Construction Report  
(3) Utah State Tax Commission.

## Employers

Major employers in the Authority's Service Area and the approximate number of employees include:

	<u>Employees</u>
<i>Box Elder County</i>	
Autoliv (manufacturing) .....	1,000–2,000
Box Elder County School District (public education).....	1,000–2,000
Wal Mart (warehouse clubs/supercenters) .....	1,000–2,000
ATK Launch Systems (manufacturing; aerospace).....	500–1,000
West Liberty Foods (manufacturing; food).....	500–1,000
<i>Davis County</i>	
U.S. Department of Defense (national security; Hill Air Force Base) .....	10,000–15,000
Davis School District (primary education).....	7,000–10,000
Kroger Group Cooperative (department store) .....	2,000–3,000
ATK Lynch Systems (manufacturing; aerospace) .....	2,000–3,000
ATK Space Systems (manufacturing; aerospace) .....	2,000–3,000
Wal Mart (warehouse clubs/supercenters) .....	2,000–3,000
Lagoon Corporation (amusement parks).....	1,000–2,000
Lifetime Products (manufacturing; sporting and athletic).....	1,000–2,000
Progrexion Teleservices (other professional, scientific, and technical) .....	1,000–2,000
<i>Salt Lake County</i>	
State of Utah (state government).....	20,000+
University of Utah (higher education, health care) .....	20,000+
Intermountain Health Center (health care).....	15,000–20,000
U.S. Government .....	10,000–15,000
Church of Jesus Christ of Latter-day Saints (religious).....	7,000–10,000
Granite School District (public education).....	7,000–10,000
Wal Mart (warehouse clubs/supercenters) .....	7,000–10,000
Zions Bancorporation (financial services) .....	7,000–10,000
<i>Tooele County</i>	
Tooele County School District (public education).....	1,000–2,000
Wal Mart (warehouse clubs/supercenters) .....	1,000–2,000
U.S. Government .....	1,000–2,000
<i>Utah County</i>	
Brigham Young University (private higher education).....	15,000–20,000
Alpine School District (public education).....	7,000–10,000
Utah Valley University (higher education) .....	7,000–10,000
Nebo School District (public education) .....	3,000–4,000
Utah Valley Regional Medical Center (health care) .....	3,000–4,000
Vivint Inc. (building equipment contractors).....	3,000–4,000
Doterra International (direct selling establishments) .....	2,000–3,000
State of Utah (state government).....	2,000–3,000
Wal Mart (warehouse clubs/supercenters) .....	2,000–3,000
<i>Weber County</i>	
U.S. Department of Treasury (public finance activities).....	5,000–7,000
Weber County School District (public education) .....	4,000–5,000
Intermountain Health Care (health care) .....	3,000–4,000
Weber State University (higher education) .....	3,000–4,000
Autoliv (manufacturing) .....	2,000–3,000
America First Credit Union (credit union).....	2,000–3,000

(Source: Utah Department of Workforce Services. July 2021.)

**Rate of Unemployment—Annual Average (not seasonally adjusted)**

<u>Year</u>	<u>Box Elder County</u>	<u>Davis County</u>	<u>Salt Lake County</u>	<u>Tooele County</u>	<u>Utah County</u>	<u>Weber County</u>	<b><u>State of Utah</u></b>	<b><u>United States</u></b>
2021 (1) .....	2.2%	2.2%	2.6%	2.7%	2.1%	2.7%	2.6%	5.4%
2020 .....	4.4	4.1	5.1	4.8	3.7	4.8	4.7	8.1
2019 .....	2.6	2.4	2.5	2.9	2.4	3.0	2.6	3.8
2018 .....	2.9	2.9	2.9	3.3	2.8	3.4	3.0	3.9
2017 .....	3.3	3.1	3.1	3.6	2.9	3.7	3.3	4.4
2016 .....	3.5	3.2	3.2	3.8	3.1	3.8	3.4	4.9

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(1) Preliminary; subject to change. As of July 2021, not seasonally adjusted.

(Source: Utah Department of Workforce Services.)

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