

Regular Meeting of the
Advisory Council of the Utah Transit Authority

Wednesday, June 12, 2019, 1:00 p.m.
Utah Transit Authority Headquarters
669 West 200 South, Salt Lake City, Utah
Golden Spike Conference Rooms



1. **Call to Order & Opening Remarks** **Chair Jeff Acerson**
2. **Pledge of Allegiance** **Chair Jeff Acerson**
3. **Safety First Minute** **Sheldon Shaw**
4. **Public Comment Period** **Karen Cronin**
5. **Approval of March 20, 2019 Advisory Board Meeting Minutes** **Chair Jeff Acerson**
6. **Board of Trustees Report** **Carlton Christensen and Beth Holbrook**
7. **Agency Report** **Steve Meyer**
8. **Audit Committee Report** **Chair Jeff Acerson and Troy Walker**
 - a. 2018 Comprehensive Annual Financial Report (CAFR)
9. **Policy Consultation** **Lisa Bohman**

State statute 17B-2a-808.1 Section 2(t) indicates that board policies shall be developed and approved by the UTA Board of Trustees in consultation with the UTA Local Advisory Council.

 - a. Board Policy 1.1 Process for Establishing Board Policies
 - b. Board Policy 1.2 Ethics
 - c. Board Policy 2.1 Financial Management
 - d. Board Policy 2.2 Contract Authority and Procurement
 - e. Board Policy 3.1 Advertising and Naming
 - f. Board Policy 4.2 Public Records
 - g. Board Policy 5.2 Real Property
 - h. Revision of Bylaws

10. Budget Consultation

State statute 17B-2a-808.1 Section 2(c) indicates that annual budgets shall be created and approved by the UTA Board of Trustees after consultation with the UTA Local Advisory Council.

- a. Budget Process Overview
- b. 2019 Amended Budget

Bob Biles

11. Discussion Items

- a. Introduction to Capital Projects Five Year Plan
- b. Safety and Security Report and
FTA State Safety Oversight Certification Report

Mary DeLoretto
Sheldon Shaw and
Jim Golden (UDOT)

12. Other Business

- a. Next meeting: July 17, 2019, 1:00 p.m.

Chair Jeff Acerson

13. Adjourn

Chair Jeff Acerson

Public Comment: Members of the public are invited to provide comment during the public comment period. Comment may be provided in person or online through www.rideuta.com. In order to be considerate of time and the agenda, comments are limited to 2 minutes per individual or 5 minutes for a designated spokesperson representing a group. Comments may also be sent via e-mail to advisorycouncil@rideuta.com.

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

**You don't have eyes on the back of your head,
be aware of your surroundings.**





Minutes of the Regular Meeting of the
Advisory Board of the Utah Transit Authority

Wednesday, March 20, 2019, 1:00 p.m.
Utah Transit Authority Headquarters, 669 West 200 South, Salt Lake City, Utah
Golden Spike Conference Rooms

UTA Advisory Board Members Present:

Jeff Acerson
Jacqueline Biskupski
Leonard Call
Erik Craythorne

Karen Cronin
Robert Hale
Clint Smith
Troy Walker

Advisory Board Members Excused/Not in Attendance:

Julie Fullmer

Also attending were members of UTA staff, as well as interested citizens and members of the media.

Welcome and Call to Order

Chair Acerson welcomed attendees and called the meeting to order at 1:01 p.m. with eight board members present. Following Chair Acerson's opening remarks, the advisory board and meeting attendees recited the Pledge of Allegiance.

Oath of Office

Cathie Griffiths performed the oath of office for Advisory Board Alternate Dan Peay.

Safety Minute

Chair Acerson yielded the floor to Lamont Worthy, UTA Video Security Administrator, for a brief safety message.

Public Comment Period

Member Cronin introduced Jim Riding, Mayor of West Jordan City, who gave public comment in support of the West Jordan Station Area Plan.

Approval of February 20, 2019 Advisory Board Meeting Minutes

A motion to approve the February 20, 2019 Advisory Board Meeting Minutes was made by Member Smith and seconded by Member Craythorne. The motion carried unanimously.

Agency Report

Steve Meyer, UTA Interim Executive Director, stated that the Capital Investment Grant Report released by the Federal Transit Administration has rated the Ogden Bus Rapid Transit Project, which is a big step forward for that project. Mr. Meyer reported on successful free fare days that took place February 28 and March 1, indicating that 96,000 pounds of net emissions were reduced during the free fare days. Chair Acerson asked if any board members received feedback from constituents regarding free fare days. Member Biskupski mentioned that more notice and advertising for free fare days would be useful.

Board of Trustees Report

UTA Board of Trustees Chair Carlton Christensen reported on some of the accomplishments and activities of the trustees during their first few months since their appointments. Trustee Christensen also spoke about a recent change in the organizational structure of the UTA.

Discussion Items

Mid-Valley Connector BRT Update

Mary DeLoretto, UTA Director of Capital Projects, presented an update with consultant Loretta Markham on the Mid-Valley Bus Rapid Transit (BRT) Project. The new BRT project will connect Murray Central TRAX/FrontRunner Station with the Salt Lake Community College (SLCC) Redwood Campus and West Valley Central TRAX Station and includes about 1.4 miles of exclusive bus lanes on 4500 South. Other features of the project include complete streets with enhanced bike and pedestrian facilities, new transit hub at SLCC, new shared-use path connecting the Jordan River Parkway Trail to the North Jordan Canal, and additional bus bays at Murray Central Station. Next steps for this project include adoption of the locally preferred alternative (LPA) by West Valley City, finalization of the funding plan, approval of the capital project plan by the advisory board, and approval by the UTA Board of Trustees. Questions regarding ridership and the impact of the BRT on local service were posed by the advisory board and answered by the presenters. Mayor Kristie Overson of Taylorsville expressed gratitude for the advisory board's support of this project and the advancement of east-west connections which are so important in the Salt Lake valley.

Coordinated Mobility

Eddy Cumins, UTA Chief Operating Officer, introduced the Coordinated Mobility Program and Ryan Taylor, UTA Coordinated Mobility Manager. Mr. Taylor explained that Coordinated Mobility aims to connect people with transportation solutions through collaborative partnerships. UTA, working in local coordinating councils and with local partners, has instituted innovative programs to bridge some of the gaps in transportation availability, including providing funding for accessible vehicles. Mr. Taylor thanked Senator Harper for his support of the program and for helping secure funds from the legislature to advance mobility efforts. Mr. Taylor reported that UTA is working to establish an overarching plan for a comprehensive solution to the problem of mobility limitations. Questions were posed by the advisory board and answered by Mr. Taylor regarding interface with flex routes, paratransit programs, and the percentage of the community mobility needs currently being filled.

AR2019-03-01 Approving Ogden Central, Midvale TRAX, and West Jordan City Center Station Area Plans

Ogden Central Station

Paul Drake, UTA Senior Manager of Real Estate and Transit-Oriented Development, accompanied by Kevin Leo, UTA Transit-Oriented Development Project Specialist, gave a brief introduction to the station area plans to be presented, emphasizing that approval of the plans does not constitute approval to move forward with development, rather approval of the vision of the plans for future consideration.

Greg Montgomery, Planner for Ogden City, spoke about Ogden's efforts to rebrand itself and revitalize the downtown area, explaining that students from Utah State University recently completed senior projects envisioning what could happen around the Ogden transit hub development. Mr. Drake presented details of the Ogden Central Station Area Plan, explaining that stakeholders engaged in an extensive public outreach effort to develop the plan, which includes mixed-use, multi-modal development. Other elements of the proposed plan include pedestrian accessibility, bike share, and integrated bike facilities. UTA controls 12 acres of the land under consideration for development near Ogden Central Station. Member Biskupski asked questions regarding housing possibilities and the potential to clean up the site to make it suitable for residential building. Mr. Drake explained the steps needed to make housing a possibility.

Midvale TRAX Station

Mr. Drake presented the Midvale Station Area Plans with Brian Berndt, Midvale Assistant City Manager, and consultant Christine Richmond. The Midvale Station Area Plans include two separate but partially overlapping sites with distinct plans (7200 South and Center Street). Both plans are the result of a robust community outreach process for master planning. Mr. Drake, explained that the vision for 7200 South includes a mixed-use urban core with high density residential housing and ground floor office space, elements designed for humans rather than automobiles, a focus on hotels and hospitality, and branding the area as a regional gateway to recreation. The Center Street Station Area Plan includes mixed-use office and retail space with transitions to high density residential housing, and a focus on branding the area as a village center and activity hub. Member Hale, Mayor of Midvale City, spoke about the benefits of UTA ski bus lines along the 7200 South corridor and emphasized that the plans would encourage visitors to utilize hotels along the corridor for easy access to canyon recreation.

West Jordan

Scott Langford, Development Services Director for West Jordan City, introduced the West Jordan City Center Station Area Plan and reported on some of the development that is already taking place near the development site. Jim Riding, West Jordan City Mayor, emphasized that this

location is ideal for increasing density because of its proximity to transit stops and other existing community resources such as the library and government offices. Mr. Drake presented details of the West Jordan plan including the vision for a mixed-use urban downtown with high density residential, commercial, and entertainment spaces that are pedestrian and bike friendly. Questions regarding Jordan School District participation and facilities were asked by advisory board members and answered by Mayor Riding.

Mr. Meyer commended the cities and other agencies for their collaborative efforts in creating the station area plans. Member Cronin asked for clarification regarding next steps and how the process for site selection flows through the Transit-Oriented Development (TOD) System Analysis Tool previously presented to the advisory board. Mr. Drake addressed the question clarifying that voting in favor of these plans does not indicate they are selected to move forward to the development stage. Final selection of TOD sites will be made by the UTA Board of Trustees using results from the aforementioned TOD System Analysis Tool. Member Smith commented on the importance of the transportation elements of the plans as well as the need for funding to bring these plans to fruition.

Member Call moved to approve Resolution AR2019-03-01 Approving Ogden Central, Midvale TRAX, and West Jordan City Center Station Area Plans. Member Walker seconded the motion and all voted in favor.

Trustee Retirement Benefits

Kim Ulibarri, UTA Chief People Officer, reminded the advisory board that during the January advisory board meeting, members identified concerns regarding the retirement benefit for trustees and asked for other options to consider. The concern is that a trustee serving a single term on the board (four years or less) would not have an opportunity for vesting in the UTA defined benefit plan, which requires 5 years of employment. Research performed by UTA staff found that the most common alternative to a defined benefit plan is an employer-paid defined contribution plan. Ms. Ulibarri presented data from comparable organizations indicating the percent of salary deposited by an employer into a defined contribution plan for an appointed employee as an alternative to a defined benefit. Of the organizations included in the comparison, the average defined contribution percentage was 15.2%. Questions regarding the pool of comparables and the current defined contribution plan were posed by the advisory board and answered by Ms. Ulibarri.

Member Walker made a motion to approve an employer-paid defined contribution for the members of the UTA Board of Trustees at 15.5%. Member Craythorne seconded the motion and all voted in favor.

Other Business

The next meeting of the advisory board will be June 12, 2019 at 1:00 p.m.

Adjournment

The meeting was adjourned at 2:26 p.m. with a motion by Member Smith, second by Member Biskupski, and a unanimous vote in favor.

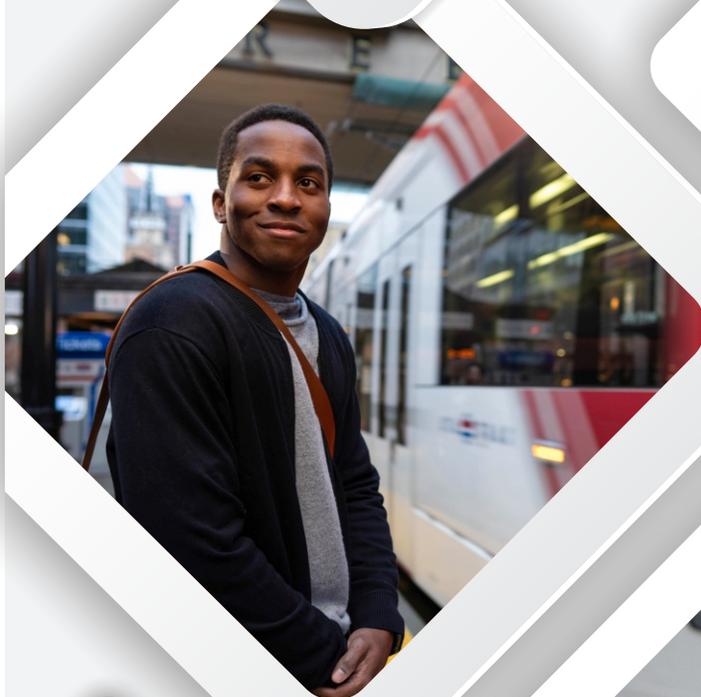
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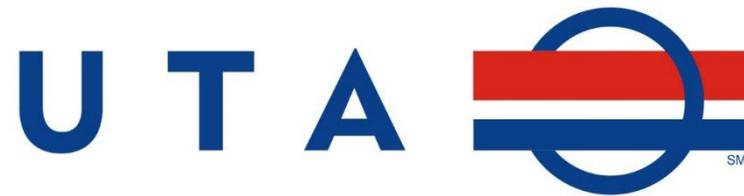
This document is not intended to serve as a full transcript as additional discussion may have taken place; please refer to the meeting materials, audio, or video located at <https://utah.gov/pmn/sitemap/notice/522373.html> for entire content.

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

Comprehensive Annual Financial Report

For Fiscal Years Ended
December 31, 2018 and 2017





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 Years Ended
December 31, 2018 and 2017**

Finance Department

Robert K. Biles
Chief Financial Officer

Troy Bingham
Comptroller



UTAH TRANSIT AUTHORITY

UTAH TRANSIT AUTHORITY
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 Years Ended December 31, 2018 and 2017

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UTAH TRANSIT AUTHORITY
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 Years Ended December 31, 2018 and 2017

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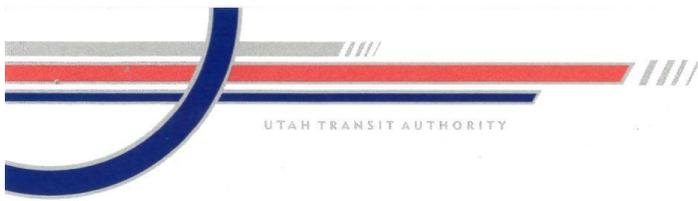
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Introductory

For Fiscal Years Ended
December 31, 2018 and 2017





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

June 10, 2019

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

We are pleased to submit to you the Comprehensive Annual Financial Report (CAFR) of the Utah Transit Authority (the Authority) for the fiscal years ended December 31, 2018 and 2017. 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.

This report contains financial statements and statistical data which provide full disclosure of all the material financial operations of the Authority. The financial statement and statistical information are the representation of the Authority's management which bears the responsibility for their accuracy, completeness and fairness.

The financial statements have been prepared on the accrual basis of accounting in conformance with generally accepted accounting principles. The Authority is accounted for as a single enterprise fund. This CAFR 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

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

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

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

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

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, 2017, the population of the Authority's service area is approximately 2,463,000 and represents 79.4% of the state's total population.

Current Year Review

Besides building upon its strong legacy of providing service, continuous achievement, and transit leadership, the year also brought about significant changes to UTA's governance. The information below reviews the governance changes as well as providing a glimpse of the year's accomplishments.

Governance. In November 2018, following statutory changes, oversight of UTA transitioned from a 16-member voluntary Board of Trustees to 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 appointments are then forwarded to the Senate for confirmation. Once confirmed, an appointee is sworn in as a Trustee.

The Governor appointed and the Senate confirmed Trustees representing Salt Lake County (four year term), the district comprised of Davis, Weber, and Box Elder counties (three-year term), and the district comprised of Utah and Tooele counties (two-year term). After these initial staggered terms are completed, Board members will serve four-year terms. 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.

A nine-member Local Advisory Council ("LAC") was also created. LAC 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 LAC members are indefinite.

LAC duties include reviewing, approving, and recommending final adoption by the Board of Trustees of UTA's service plans, project development plans and funding for all new capital development projects, and any plan for a transit-oriented development where UTA is involved, engaging with the safety and security team of UTA to ensure coordination with local municipalities and counties, assisting with coordinated mobility and constituent services provided by UTA, representing and advocating the concerns of citizens with the public transit district to the Board of Trustees, consulting with the Board of Trustees on certain duties given to the Board of Trustees, and setting the compensation packages of the Board of Trustees.



UVX Bus

Under the direction of the Board of Trustees, the Executive Director is charged with certain responsibilities, some of which require coordination with, or providing advice to, the Board of Trustees.

Transit Service. In August 2018 UTA began operations on the new Utah Valley Express (UVX) Bus Rapid Transit Line in Provo and Orem. UVX serves two major universities, BYU and UVU; Historic Downtown Provo; two regional malls, University Place and Provo Towne Centre, and the Provo and Orem FrontRunner stations. This line represented a significant increase in service for the area, with peak-hour headways

Current Year Review (continued)

improving from every 15 minutes to every 6 minutes. In conjunction with the increase in service and an expanded pass program with BYU and UVU, ridership on the corridor increased from 2,373 average weekday boardings to 9,440.

Other improvements to service during this time include replacing MAX limited-stop service on 3500 South with local service on routes 33 and 35 to increase coverage. A new flex route, F605 was added in Bountiful and Centerville in December, to serve areas that were not previously covered by fixed-route service. UTA also extended service to the new IHC hospital in Layton and provided additional service to industrial areas on the west side of Salt Lake City.

In 2018 UTA made multiple adjustments to train and bus schedules due to the implementation of Positive Train Control on FrontRunner. These schedule adjustments have helped improve the on-time performance of FrontRunner, even as PTC impacted the end to end running time of the alignment. UTA also discontinued unproductive service on FrontRunner between Ogden and Pleasant View Stations. This service was replaced by additional bus service on Route 616.

UTA's on-time reliability results by mode are shown below. They are near the highest results within the transit industry.

Mode	2018	2017	2016	2015
Bus	91.41%	92.51%	91.07%	92.19%
TRAX	93.60%	91.91%	94.49%	93.98%
FrontRunner	85.92%	90.92%	89.96%	86.63%
Paratransit	94.74%	96.80%	97.85%	97.92%
Streetcar	99.41%	99.49%	99.50%	98.68%

System Enhancements. Keeping the transit system in a state of good repair is a high priority. During 2018, UTA continued the light rail vehicles overhaul program, inspected all rail bridges, installed new positive train control hardware at all remaining locations and installed positive train control software on the FrontRunner North alignment. UTA participated with Dominion Energy in stray current monitoring and completed an overhead catenary isolation project to help in its stray current mitigation efforts. UTA also completed curved rail replacements at three locations.

Last year, UTA replaced 24 transit buses, 36 paratransit and FLEX vehicles, and 50 rideshare vans and also purchased 4 new trolley buses for service expansion. And in conjunction with local government and transit rider input, over 80 bus stops were upgraded with shelters and other amenities.

As part of the first/last mile connection initiative, 60 ADA ramps, 7 bike lanes, and 2 sidewalk projects were constructed in 2018 with funding from a federal grant. Another bike lane and a multi-use trail were started last year and will be completed in the spring of 2019. Additional first/last mile projects to be constructed in 2019 under this program include bike lanes, pedestrian bridges, trails, sidewalks, and bike share facilities.

Current Year Review (continued)

Environmental work was completed last year for a BRT line in Ogden. This 6-mile line will connect from our Ogden FrontRunner station to Weber State University and McKay Dee Hospital. The design phase of the Ogden BRT project will begin in 2019.

Ridership and Passenger Revenues. System ridership declined from 45.1 million in 2017 to 44.2 million in 2018. Passenger revenues declined by \$107,311 to \$52.1 million, a 0.21% decrease from 2017 passenger revenues.

Transit-Oriented Development. Four apartment buildings at the Sandy East Village TOD (“EV”), including 336 residential units, were sold at a record price for the area. A single-tenant office building at EV was also sold for a considerable profit. At the South Jordan TOD, work was completed on a 192-room full-service hotel, and ground was broken on a second 180,000 square foot, preleased office building. UTA also finalized a ground lease agreement for property at the 3900 South Meadowbrook TRAX Station, allowing for a 152-unit, mixed-use, mixed-income project.

Financial Stewardship. In March 2018, UTA retired \$121 million of its 2017 subordinate bonds and refunded \$3.4 million of its 2007A subordinate bonds through a \$116 million bond issue. Net present value savings from these transactions totaled \$5.6 million.

For the year, operating expenses were 0.2% below budget. Variances of budget to actual by expense category, in millions, are shown below.

Expense Category	Favorable (Unfavorable)
Parts and Warranty Recovery	\$2.43
Utilities	1.98
Services	1.67
Wages & Benefits	1.15
All Other Operating	(1.89)
Fuel	(2.28)
Capitalized Costs	(2.50)
Total	\$0.56

Current Year Review (continued)

For a more complete review of the Authority's current year financial activities, please refer to section two which contains the Auditor's Report, Management's Discussion and Analysis, the Financial Statements and accompanying notes.



Utah Transit Authority at Dusk



Future Plans

UTA will continue its partnerships with federal, state, and local governments and stakeholders to identify and provide innovative, cost-effective, and successful transit solutions for the Wasatch Front community.

Future plans include the following:

UTA Service Choices.

UTA is initiating an update to its Five-Year Mobility Plan with a robust community engagement process called UTA Service Choices. Through a survey, community leader workshops, public open houses and more, UTA is soliciting input from the community on how they would like to see UTA prioritize bus network resources. This process will result in a new bus network plan and vision that will guide future service changes and investments.

Transit Oriented Development (TOD) projects.

As noted in the Current Year section, there are three active TODs with phases completed or under construction. Additional projects and development phases in Sandy, West Jordan, South Jordan, South Salt Lake, and Provo are in various stages of planning and approvals. UTA will continue to work on these and other TOD projects to ensure that UTA's TOD goals and standards are met.

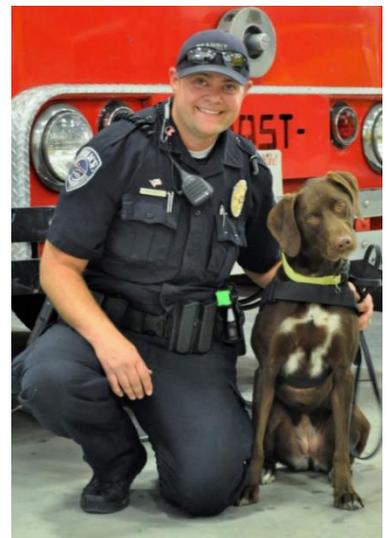
State of Good Repair (SOGR).

Recent transportation infrastructure failures in various parts of the United States increased the emphasis to ensure that future long-term infrastructure maintenance and replacement needs were identified, funded, and completed in a timely manner. In the next year, UTA will continue to refine its long-term SOGR work plan with an emphasis on development and approval of a detailed five-year work plan.

Several SOGR infrastructure projects are scheduled for 2019, including: \$11.1 million for information technology software and equipment replacement, \$10.3 million for the overhaul of our oldest TRAX light rail vehicles, \$6.6 million for TRAX track work at the Delta interlocking, 150 South Main switches and 400 South Main half grand union replacement, \$5 million for vehicle replacements, \$4.0 million for FrontRunner engine rebuilds, \$2.5 million for facility and safety equipment, and \$1.8 million for rail replacement. All other state of good repair infrastructure projects are estimated to cost \$5.3 million.

Anticipated Capital Projects.

- In conjunction with six counties, two metropolitan planning agencies, and dozens of Utah cities, UTA was notified in late 2016 that it had been awarded a \$20 million TIGER grant which will be matched with local funding to improve *transit access* as well as trails and bikeways feeding into the transit system over the next five years. Projects in 2019 are estimated at almost \$15 million with all projects being completed by 2022.
- Salt Lake City International Airport is undergoing a \$3.6 billion renovation, including the relocation of its terminal building. The relocation of the terminal requires the realignment of UTA's light rail green line, the *Airport Line Project*, to a more central, transit-friendly location by 2020 at an estimated cost of \$25 million. The project is currently in design with construction scheduled to start in 2019.



UTA PD Officer Southworth & K9 Kaiya
Winners of the 2018 UPOA Canine Trials

Future Plans (continued)

- The **Depot District Service Facility** will replace the existing aging and undersized Central bus facility, allowing for growth of bus service, housing up to 150 alternative and standard fuel buses with the ability to expand to 250 buses in the future. The initial phase of the project constructed the compressed natural gas fueling and fare collection buildings on the site. Construction is expected to begin in late 2019 with the facility opening in 2021. The 2019 budget is \$27.3 million. Estimated cost for the facility is \$75.6 million.
- Funded by a grant from Salt Lake County worth \$5.9 million, two blocks of the **S-Line** in South Salt Lake will be double tracked. This will allow the S-Line to operate at 15-minute headways between the Sugar House area in Salt Lake City and the City of South Salt Lake. Work on these two blocks will be completed in 2019.
- Rapid growth within the Sandy TOD is accelerating the need to construct a 300-stall parking structure. Funded by a \$2 million STP grant from FHWA and \$3.4 million of proceeds from the sale of adjacent property, the parking structure is anticipated to be completed in 2019.



Depot District Clean Fuels Technology Center Drawings

New funding.

Salt Lake City and UTA entered into an interlocal agreement in early 2019 for additional purchased service in certain routes within Salt Lake City. This purchased service, in the amount of \$5.4 million, provides for 15-minute headways and expanded hours of operation on three bus routes as well as the purchase of ten additional buses. This new service begins in August 2019.

Salt Lake County Commissioners approved implementation of the 4th quarter sales tax effective January 1, 2019. Beginning July 1, 2019, UTA will begin receiving its 40% share of this sales tax. Sales tax revenue of \$11.4 million was included in the 2019 budget for the last half of 2019 collections. Specific service and capital uses will be jointly developed by Salt Lake County and UTA in 2019.

Future Plans (continued)

Utah County Commissioners approved implementation of the 4th quarter sales tax effective January 1, 2019. Beginning July 1, 2019, UTA will begin receiving its 40% share of this sales tax. Utah County and UTA entered into an interlocal agreement in October 2018 which specifies the use of this sales tax. UTA revenues from this sales tax shall be used in the following priority order:

- Make principal and interest payments on Utah County's 2016 Bonds for the Utah Valley Express.
- Pay for the additional operating and maintenance costs of Utah Valley Express with the annual amount limited to \$2.5 million in 2019 with a 2.4% annual growth factor applied thereafter.
- Reimbursement to Utah County for principal and interest previously paid on the Utah County 2016 Bonds.
- Reimbursement to Utah County for operations and maintenance costs for the Utah Valley Express previously paid to UTA.
- Reimbursement to Utah County for \$2.8 million previously paid to UTA pursuant to a September 2013 Design Funding Agreement.
- Reimbursement to Utah County for interest accrued on amounts paid to UTA for Utah Valley Express operations and maintenance costs.
- Deposit into a reserve account to provide for early redemption of the Utah County 2016 Bonds.
- Once the Utah County 2016 bonds are redeemed, UTA's revenues may be used for new transit service and any major transit projects within Utah County. The new transit service and major transit projects are subject to various consultation and approval requirements under state law and a service level agreement with Utah County.

Over the next few years, UTA will seek to build upon its reputation as a successful and innovative transit organization by increasing service reliability, strategically adding cost-effective service, and improving passenger amenities while maintaining strong financial management.



S-Line Train



The Economic Condition and Outlook

The Utah Governor's Office of Management and Budget in collaboration with the David Eccles School of Business at the University of Utah, prepared the 2019 Economic Report to the Governor. The Economic Report focuses on an estimated summary of the previous year and a forecast for the forthcoming year. The primary goal of the report is to improve the reader's understanding of the Utah economy. The report is a collaborative effort of both public and private entities which devote a significant amount of time to this report ensuring that it contains the latest economic and demographic information. Below are several excerpts from the Economic Report. For more detailed information, the entire report is available on the Gardner Policy Institute's website at <http://gardner.utah.edu>.

2018 Overview

Employment, Wages, and Labor Force

Continued strong labor market statistics in 2018 were a welcome surprise for an economy that seemed stretched to its limit at the close of 2017. Anticipated labor supply shortages were expected to cause some slowing for 2018, yet the year continued as a solid extension of 2017 trends.

The state's labor force grew by roughly 2.8 percent over the year, stretching its ranks to over 1.6 million in order to meet the growing demands of Utah's employers. Prime economic conditions drew new entrants to the labor force but did not raise the rate at which adults in the state participated in the labor market. Labor force participation remained unchanged from last year at 69.4 percent and still below the state's pre-Great Recession rate of 72.1 percent. Given that 2017 saw a small surge in the participation rate, it was anticipated that the acceleration would continue through 2018.

As expected with a growing economy, the unemployment rate remained low throughout the year, ending at an average of 3.1 percent which equates to fewer than 50,000 unemployed individuals per month throughout the year. Demand for skilled workers was especially high. Utahans with a Bachelor's degree or higher experienced an unemployment rate well under 2.0 percent in 2018.

Changes to federal tax policy appear to have had a positive effect on workers' paychecks. The average annual wage for payroll employees in the state was \$47,441, a \$1,715 increase from the prior year and a full percentage point higher than the prior year's increase.

Due to the challenges of spreading the economic boom throughout all corners of our state, executive leadership called for economic development attention to be given to state's rural counties with the specific goal of creating 25,000 jobs therein by 2020. At the close of 2018 the state remained ahead of the pace necessary to reach the goal, with over 18,000 jobs having been created since the goal's inception in 2017. While the larger rural counties naturally have led the way in creating the jobs, key shoulder counties such as Wasatch have outperformed, contributing more than their relative share, mainly as the result of spillover from the booming neighboring urban counties.



The Economic Condition and Outlook (continued)

Personal Income

Utah's total personal income in 2018 was an estimated \$143.1 billion, a 6.1 percent increase from \$134.8 billion in 2017. Utah's estimated 2018 per capita income was \$45,174, up 3.9 percent from \$43,459 in 2017. Both measures of estimated personal income growth in Utah were higher in 2018 than in 2017. In 2017, total personal income grew by 5.0 percent and per capita income grew by 3.0 percent. Additionally, Utah's 2018 estimated personal income growth and per capita personal income growth were higher than national averages.

Taxable Sales

In 2018, total taxable sales in Utah increased by approximately 6.9 percent to an estimated \$65.2 billion. A labor market that is among the best in the nation and solid gains in wages and personal income were among the primary drivers of growth. High levels of both consumer and business confidence and a strong tourism industry were also factors propelling the economy. Each major component of Utah taxable sales increased in 2018. Business investment increased the most at 9.8 percent, followed by retail sales at 6.0 percent and taxable services at 5.2 percent.

2019 Outlook

Employment, Wages, and Labor Force

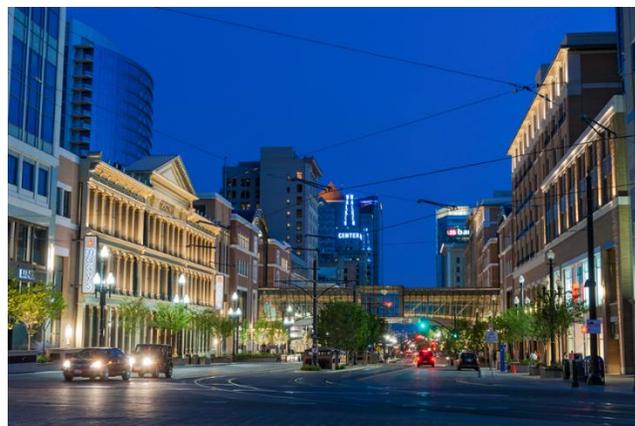
Lack of labor supply will continue as a point of concern in 2019 and may likely cause job growth to slow unless labor force participation is stimulated or population in migration increases. Housing affordability could influence both but in dissimilar ways. The need to increase household income to afford the purchase of a home could draw more individuals into the labor market. In migration, on the other hand, could put more upward pressure on housing prices, eventually making further in-migration a costly trend. Wages should further rise as employers continue to struggle filling positions, although 2019 should not be as strong as 2018 which was stimulated by federal tax cuts.

Policy decisions at the national level will continue to be a significant, yet unknown factor in predicting the economic trajectory for Utah in 2019. Trade policy is in flux, with tariffs now an emerging tool for shaping relationships between the United States and our trade partners. How that plays out economically is a question yet to be answered.

Personal Income

Utah's total personal income in 2018 is estimated to have grown 6.1 percent; this is up from 5.0 percent in 2017, and higher than the estimated national average of 4.6 percent. The state's estimated 2018 per capita personal income growth of 3.9 percent is also higher than the state's growth in 2017, and higher than the estimated 2018 per capita income growth nationwide of 3.5 percent.

In 2019, Utah looks to remain one of the top labor markets and centers for growth in the nation. The state



Downtown Salt Lake City

The Economic Condition and Outlook (continued)

has consistently experienced some of the fastest employment growth in the country since 2015, and this trend is likely to continue into 2019. With the unemployment rate hovering around 3.0 percent, and likely to fall further, businesses will face increased competition for a qualified workforce. This dynamic should lead to higher wages and put upward pressure on personal income.

While personal income should continue to expand in Utah in 2019, some headwinds may emerge. If the state's already tight labor market is unable to draw more individuals into the labor force, the lack of workers could act as a constraint on growth.

At the national level, worries over an economic slowdown are growing, and faster-than-anticipated interest rate hikes by the Federal Reserve could cool investment and overall economic activity in the state. With headwinds in mind, preliminary forecasts for Utah in 2019 predict strong total personal income growth above the national average; though growth will likely be slower than in 2018.

Taxable Sales

Utah's strong labor economy should drive another year of solid growth in Utah taxable sales. Total taxable sales are forecasted to increase by 6.0 percent to \$69.1 billion in 2019. However, given that we are late in the business cycle, the likelihood of a slowdown or downturn is increasing. The slowing in the rate of growth for total taxable sales from 6.9 percent in 2018 to 6.0 percent in 2019 communicates this potential risk.

Senate Bill 2001, passed in the 2018 Second Special Session, will significantly affect taxable sales in 2019. This legislation, which followed the *South Dakota v. Wayfair* Supreme Court decision, requires remote sellers without physical nexus in the state to remit sales tax beginning January 1, 2019. The forecasted increase in retail sales of 9.2 percent in 2019 includes the increase in taxable sales expected from this legislative change. Senate Bill 2001 also created a sales tax exemption for purchases of manufacturing and mining equipment with an economic life of less than three years. Exempting purchases of these items from sales and use tax is expected to significantly reduce taxable business investment purchases in 2019. As a result, taxable business investment purchases is forecasted to decline by 6.4 percent in 2019. Overall impacts to total taxable sales due to Senate Bill 2001 are expected to be minimal as these two changes approximately offset each other. Taxable services is expected to have another year of consistent growth, increasing by an estimated 5.4 percent.

Forecasted growth in 2019 is barring any significant changes in the broader macroeconomic environment. Taxable sales forecasts are sensitive to changes in economic and political conditions. Specific conditions with the potential to impact 2019 taxable sales are primarily external in nature and include, but are not limited to, monetary and tax policy decisions, national political climate, commodity prices, and geopolitical instability. Any significant changes in these and other economic or political conditions could result in changes to employment, disposable income, and consumer confidence, which will in turn affect Utah taxable sales.



Debt Administration

The Authority has sold Sales Tax Revenue Bonds to partially finance the purchase and construction of various capital assets, and to refund other outstanding bond issues. Payment of debt service on the outstanding bonds is secured by a pledge of sales tax revenues and other revenues of the Authority

In February 2018, the Authority issued its \$83,765,000 Sales Tax Revenue Bonds, Series 2018 to fund the construction or replacement of transit capital assets including positive train control, relocation of the Airport TRAX station, the Utah Valley Express bus rapid transit system, Phase 1 of the Depot District maintenance facility, a bus maintenance facility in Tooele County, and replacement of two TRAX interlocking systems. True interest cost for the bonds was 3.597%.

In February 2018, the Authority issued its \$115,540,000 Subordinated Sales Tax Revenue Refunding Bonds, Series 2018. These bonds were issued to refund the then outstanding balance of its \$132,329,109 Series 2007A Subordinate Lien Capital Appreciation Bond in the amount to \$3,415,000 and to retire the then outstanding balance of its \$120,575,000 Sales Tax Revenue Refunding Bonds, Series 2017 in the amount of \$120,575,000. True interest cost for the bonds was 3.694%.

As of December 31, 2018, the Authority had \$2,127,656,498 in outstanding bonds.

For a more complete review of the Authority's financing activities please refer to Section Two which contains the Auditors Report, Management's Discussion and Analysis, the Financial Statements and accompanying notes.

Independent Audit

State law requires that the Authority cause an independent audit to be performed on an annual basis. The Authority's independent auditors, Keddington and Christensen, LLC, have rendered an unqualified audit report on the Authority's financial statements. The auditor's report on the financial statements with accompanying notes is included in the Financial Section of the Comprehensive Annual Financial Report.

The Authority also has a single audit of all federally funded programs administered by this agency as a requirement for continued funding eligibility. The Single Audit is mandatory for most local government including the Utah Transit Authority.



Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Utah Transit Authority for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2017. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both general accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgments

The preparation of the Comprehensive Annual Financial Report on a timely basis requires dedicated extra efforts of the staff of several departments. I wish to express my appreciation to all department staff and managers who contributed to this report with special recognition to Teri Black, Executive Assistant; Troy Bingham, Comptroller; the Accounting Department Employees of UTA; Blair Lewis, Graphic Artist; and Eric Vance, Photographer.

Sincerely,



Robert K. Biles
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

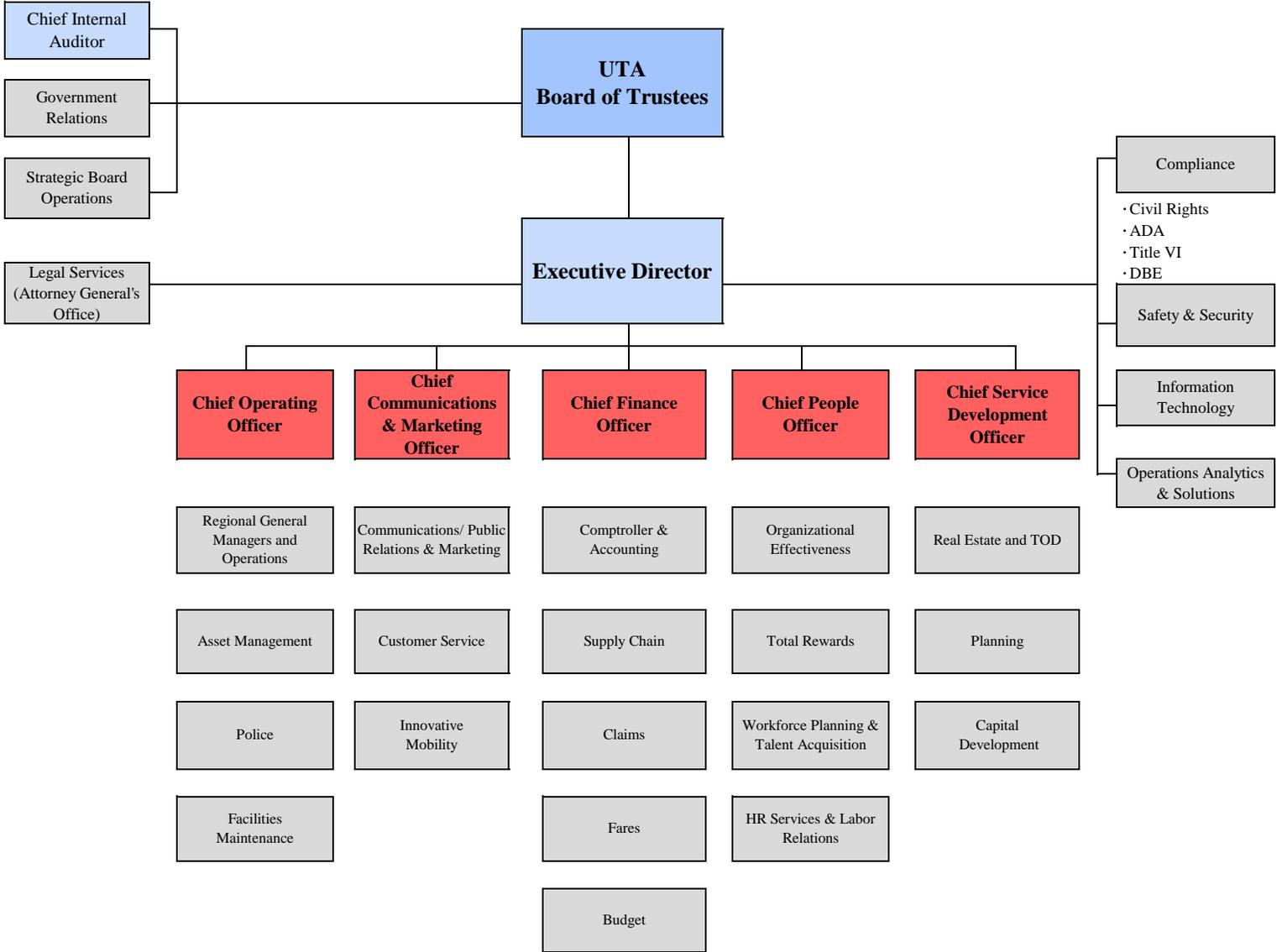
December 31, 2017

Christopher P. Morrill

Executive Director/CEO

Organizational Chart

Revised 4/10/2019



UTA Board of Trustees



Beth Holbrook



Carlton Christensen
Board Chair



Kent Millington



Board of Trustees and Administration

Board of Trustees

BOARD CHAIR	Carlton Christensen
BOARD TRUSTEE	Beth Holbrook
BOARD TRUSTEE	Kent Millington

Officers of the Authority

BOARD CHAIR	Carlton Christensen
INTERIM EXECUTIVE DIRECTOR	Steve Meyer
SECRETARY/TREASURER AND CHIEF FINANCIAL OFFICER	Robert K. Biles
COMPTROLLER.....	Troy Bingham

Administration of the Authority

INTERIM EXECUTIVE DIRECTOR	Steve Meyer
CHIEF OF INTERNAL AUDIT	Riana de Villiers
CHIEF COMMUNICATIONS AND MARKETING OFFICER	Nichol Bourdeaux
CHIEF FINANCIAL OFFICER	Robert K. Biles
CHIEF OPERATING OFFICER	Eddie Cumins
CHIEF PEOPLE OFFICER	Kim Ulibarri
CHIEF SERVICE DEVELOPMENT OFFICER	Michael DeMers



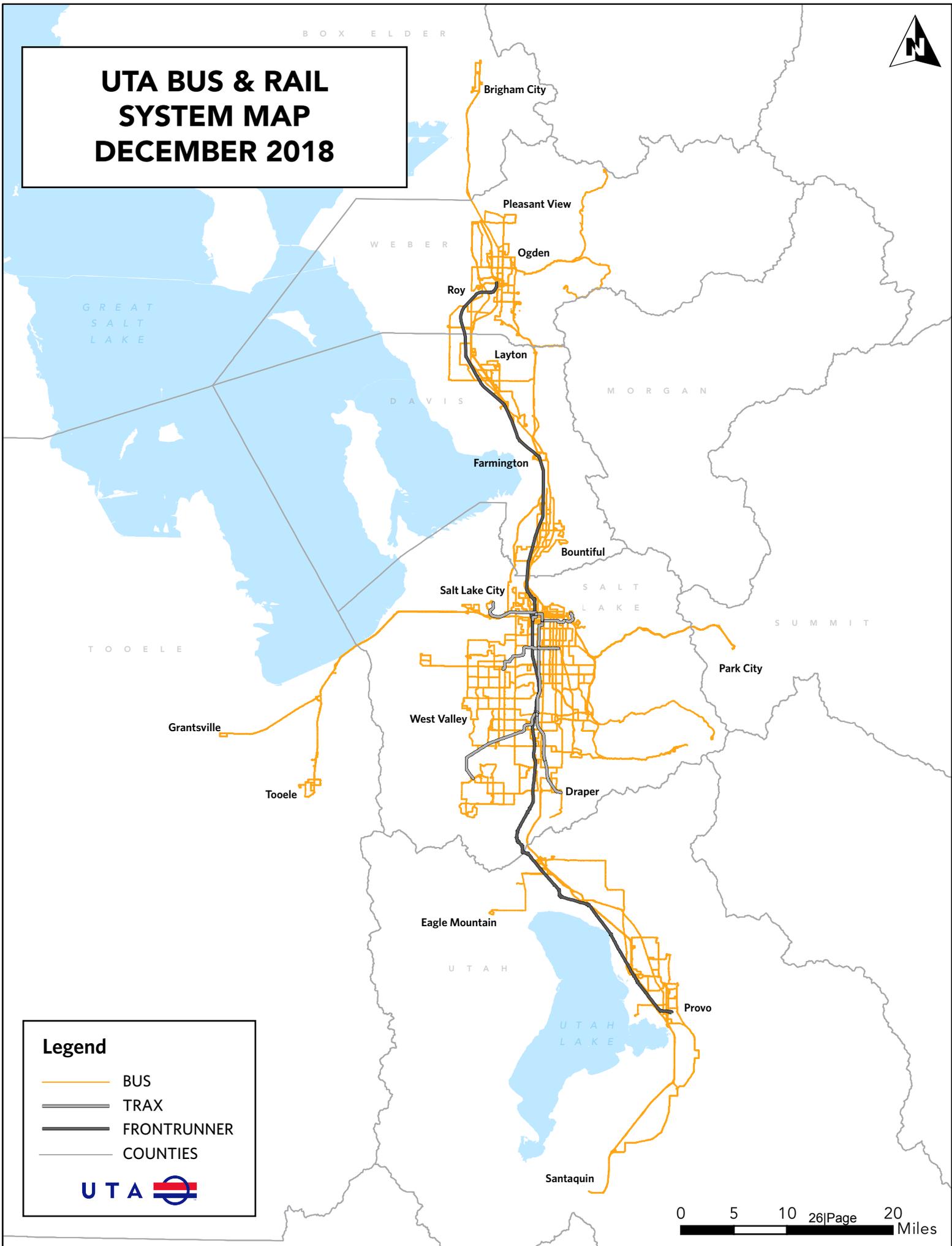
Advisory Council Committee Members

Board of Trustees

Name.....	Appointing Authority
Jeff Acerson	Utah County COG
Jacqueline Biskupski	Salt Lake City
Leonard Call	Davis COG
Erik Craythorne	Weber COG
Karen Cronin	Box Elder/Tooele COGs
Julie Fullmer	Utah County COG
Robert Hale.....	Salt Lake County COG
Clint Smith.....	Salt Lake COG
Troy Walker	Salt Lake COG



UTA BUS & RAIL SYSTEM MAP DECEMBER 2018



Legend

- BUS
- TRAX
- FRONTRUNNER
- COUNTIES

Financial

For Fiscal Years Ended
December 31, 2018 and 2017





KEDDINGTON & CHRISTENSEN, CPAS
CERTIFIED PUBLIC ACCOUNTANTS

Gary K. Keddington, CPA
Phyl R. Warnock, CPA
Marcus K. Arbuckle, CPA
Steven M. Rowley, CPA

INDEPENDENT AUDITOR'S REPORT

To the 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, discretely presented component unit, and the remaining fund information of Utah Transit Authority (the "Authority"), component unit of the State of Utah, as of and for the years ended December 31, 2018 and 2017, 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 audits. We conducted our audits 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.

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, discretely presented component unit, and the remaining fund information of Utah Transit Authority, as of December 31, 2018 and 2017, and the respective changes in net position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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 schedule of contributions, and notes to the required supplementary information 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 the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Utah Transit Authority's basic financial statements. The introductory section and statistical sections as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The supplemental budget to actual schedule, and schedule of expenditures of federal awards as listed in the table of contents 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 supplemental budget to actual schedule, and 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 and statistical sections 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 4, 2019, 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 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.

Keddington & Christensen, LLC

Keddington & Christensen, LLC
Salt Lake City
June 4, 2019

UTAH TRANSIT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
Years Ended December 31, 2018 and 2017

This section of Utah Transit Authority's (UTA) annual financial report presents our discussion and analysis of UTA's financial performance during the fiscal years ended on December 31, 2018 and December 31, 2017.

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

FINANCIAL STATEMENTS

UTA's financial statements are prepared on an accrual basis in accordance with accounting principles generally accepted in the United States of America (GAAP), promulgated by the Governmental Accounting Standards Board. UTA reports as a single enterprise fund. 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 UTA's significant accounting policies.

CONDENSED STATEMENTS OF NET POSITION

	<u>2018</u>	<u>2017</u>	<i>Difference</i>	<i>Percent difference</i>	<u>2016</u>
Assets					
Current and other assets	\$ 395,157,482	\$ 350,629,354	\$ 44,528,128	13%	\$ 305,969,763
Capital assets, net	<u>3,089,897,011</u>	<u>3,068,709,875</u>	<u>21,187,136</u>	1%	<u>3,104,597,334</u>
Total assets	<u>3,485,054,493</u>	<u>3,419,339,229</u>	<u>65,715,264</u>	2%	<u>3,410,567,097</u>
Deferred outflows of resources	<u>120,421,199</u>	<u>109,761,191</u>	<u>10,660,008</u>	10%	<u>116,778,163</u>
Liabilities					
Current liabilities	100,621,113	101,099,455	(478,342)	0%	71,620,455
Long-term liabilities	<u>2,522,176,260</u>	<u>2,422,375,239</u>	<u>99,801,021</u>	4%	<u>2,387,091,356</u>
Total liabilities	<u>2,622,797,373</u>	<u>2,523,474,694</u>	<u>99,322,679</u>	4%	<u>2,458,711,811</u>
Deferred inflows of resources	<u>3,383,699</u>	<u>11,948,307</u>	<u>(8,564,608)</u>	-72%	<u>5,489,735</u>
Net position					
Net investment in capital assets	827,646,243	894,275,843	(66,629,600)	-7%	924,260,135
Restricted	132,734,222	89,153,732	43,580,490	49%	67,415,969
Unrestricted	<u>18,914,155</u>	<u>10,247,844</u>	<u>8,666,311</u>	85%	<u>71,467,610</u>
Total net position	<u>\$ 979,294,620</u>	<u>\$ 993,677,419</u>	<u>\$ (14,382,799)</u>	-1%	<u>\$ 1,063,143,714</u>

2018 Results

In May 2018, the Utah Transit Authority sold \$83,765,000 of Senior Sales Tax Revenue bonds, Series 2018 (the "Series 2018 Bonds"). This bond transaction increased the amount held in escrow and the corresponding restricted net position of UTA. The remaining amount at the end of 2018 in escrow and restricted for future capital project expenses was \$51.7 million.

Every year the pension is evaluated by an actuary that determines the future cost in the pension based on the plan described in Footnote 7 of these financial statements. Due to an aging workforce that is growing closer to retirement and the increased year over year salaries increases of these employees, the assumption of the pension have increased \$19.0 million. Advance refunding gains from previous refunding continue to be amortize, so the net increase in the deferred outflow of resources only reflects a \$10.7 million increase.

The pension's investment rate of return decreased significantly from an 18.0% rate of return for 2017 to -7.8% for 2018. This resulted in \$8.6 million decrease in deferred inflow of resources in 2018.

UTAH TRANSIT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
Years Ended December 31, 2018 and 2017

CONDENSED STATEMENTS OF NET POSITION (continued)

2018 Results (continued)

An increase in unrestricted net position over time may serve as a useful indicator of a government entity's financial position. As of December 31, 2018, UTA's unrestricted net position increased \$8.7 million from the December 31, 2017 net position.

2017 Results

On December 29, 2017, Utah Transit Authority direct placed \$120,575,000 Sales Tax Revenue Refunding Bonds, Series 2017 (the "2017 Subordinate Bonds"). This bond transaction involved the refunding of parts of the 2012 UTA Subordinate Bonds. The primary purpose for issuing the 2017 Refunding, was to take advantage of advance refunding some of UTA's bond portfolio before the tax law changed in 2018. It should be noted that the true interest cost of the 2017 Bonds was 2.41%, while the true interest cost on the refunded issues were 4.048%. UTA's intention is to refund the 2017 bonds in March 2018 for an overall net present value savings.

UTA conducted a biennial inventory in fall of 2017. The inventory resulted in 1,553 records (\$87.0 million of original asset value) being removed from the books with a net book value of \$8.9 million. Sales of land, buildings, and vehicles during the normal course of the year accounted for the remaining \$27.9 million in reductions to capital assets in 2017 and \$17.9 million reduction to accumulated depreciation. Capital projects at UTA added \$134.8 million for 2017 while depreciation decreased remaining assets by \$149.4 million. The net effect of these transactions was a decrease in capital asset of \$35.9 million.

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

	<u>2018</u>	<u>2017</u>	<i>Difference</i>	<i>Percent difference</i>	<u>2016</u>
Operating revenues	\$ 54,464,392	\$ 54,525,870	\$ (61,478)	0%	\$ 52,891,021
Operating expenses	<u>401,161,541</u>	<u>\$ 427,777,940</u>	<u>(26,616,399)</u>	-6%	<u>422,543,342</u>
Excess of operating expenses over operating revenues	(346,697,149)	(373,252,070)	26,554,921	7%	(369,652,321)
Non-operating revenues	359,435,799	\$ 334,913,449	24,522,350	7%	313,184,316
Non-operating expenses	91,000,388	\$ 88,190,962	2,809,426	3%	86,226,784
Income (loss) before contributions	<u>(78,261,738)</u>	<u>(126,529,583)</u>	<u>48,267,845</u>	38%	<u>(142,694,789)</u>
Capital contributions	63,878,939	\$ 57,063,288	6,815,651	12%	20,164,612
Change in net position	<u>\$ (14,382,799)</u>	<u>\$ (69,466,295)</u>	<u>\$ 55,083,496</u>	79%	<u>\$ (122,530,177)</u>
Total net position, January 1	\$ 993,677,419	\$ 1,063,143,714			\$ 1,185,673,891
Total net position, December 31	\$ 979,294,620	\$ 993,677,419			\$ 1,063,143,714



UTAH TRANSIT AUTHORITY
MANAGEMENT’S DISCUSSION AND ANALYSIS
Years Ended December 31, 2018 and 2017

SUMMARY OF REVENUES FOR THE YEAR ENDED DECEMBER 31

	<u>2018</u>	<u>2017</u>	<i>Difference</i>	<i>Percent difference</i>	<u>2016</u>
Operating					
Passenger revenue	\$ 52,051,892	\$ 52,159,203	\$ (107,311)	0%	\$ 50,624,354
Advertising	2,412,500	2,366,667	45,833	2%	2,266,667
Total operating revenue	54,464,392	54,525,870	(61,478)	0%	52,891,021
Non-operating					
Contributions from other gov'ts (sales tax)	282,933,591	265,770,775	17,162,816	6%	245,008,417
Federal noncapital assistance	61,820,668	62,313,994	(493,326)	-1%	63,334,769
Interest income	6,525,872	2,873,787	3,652,085	127%	1,732,939
Other	8,155,668	3,954,893	4,200,775	106%	3,108,191
Total non-operating revenue	359,435,799	334,913,449	24,522,350	7%	313,184,316
Capital contributions	63,878,939	57,063,288	6,815,651	12%	20,164,612
Total revenues	<u>\$ 477,779,130</u>	<u>\$ 446,502,607</u>	<u>\$ 31,276,523</u>	7%	<u>\$ 386,239,949</u>

2018 Results

Since UTA does not have the ability to tax, it relies on contributions dedicated by other governments for the purpose of mass transit in the form of sales tax as supplementary income to operations and development. As Utah’s economy continues to improve and unemployment rates continue to decrease, this sales tax amount continues to increase. In 2018, UTA recognized \$17.2 million (6%) in increased contributions of sales tax.

Interest income has increased \$3.7 million due to a favorable rate of return environment and UTA having more funds to be able to invest at these terms. UTA continues to have positive returns on its current investments at transit oriented developments and those transactions in 2018 represent \$1.5 million of the increase from 2017.

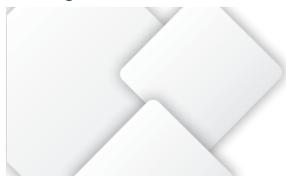
Other revenues reflects the final sales and divestitures from other transit-oriented development agreements which vary from year to year. This year’s increase can be attributed to sale of the Sandy East Village apartments for \$4.7 million at our Sandy Civic Center TRAX station in Sandy.

Capital contributions increased by \$7.0 million due to the state and local participation in the construction of the Provo-Orem Bus Rapid Transit line by donating the land under the dedicated lanes to UTA worth \$20.1 million at the time of the exchange.

2017 Results

Passenger revenue showed a slight increase of \$1.5 million (3%) in 2017. In 2017 UTA released its new mobile application for purchasing fares and continued consumer education campaigns on fare types that were already existing. This campaign has seen significant success in converting cash customers to electronic fare pay cards or the mobile application.

Since UTA does not have the ability to tax, it relies on contributions dedicated by other governments for the purpose of mass transit in the form of sales tax as supplementary income to operations and development. As Utah’s economy continues to improve and unemployment rates continue to decrease, this sales tax amount continues to increase. In 2017, UTA recognized \$20.8 million (8%) in increased contributions of sales tax.



UTAH TRANSIT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
Years Ended December 31, 2018 and 2017

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

2017 Results (continued)

In 2017, the investment market has been favorable. Treasury management made a concerted effort to have more funds available for investment transactions even with declining cash balances in escrow so interest income increased in 2017 by almost \$1.1 million (66%).

With the completion of the major rail lines, UTA has continued to assess property and liquidate land no longer needed to support UTA's purpose. In 2017, UTA sold approximately 22.15 acres of land which contributed approximately \$2.8 million in other revenue.

SUMMARY OF EXPENSES FOR THE YEAR ENDED DECEMBER 31

	<u>2018</u>	<u>2017</u>	<i>Difference</i>	<i>Percent difference</i>	<u>2016</u>
Operating expenses					
Bus service	\$ 96,719,747	\$ 88,928,063	\$ 7,791,684	9%	\$ 85,841,973
Rail service	75,157,087	72,895,607	2,261,480	3%	84,165,069
Paratransit service	21,857,632	19,572,367	2,285,265	12%	19,341,116
Other services	3,056,191	2,982,176	74,015	2%	2,949,643
Operations support	45,557,749	41,932,571	3,625,178	9%	37,831,682
Administration	39,593,947	31,423,844	8,170,103	26%	37,636,519
Major investment studies	-	-	-		1,204,124
Capital Maintenance Projects	38,654,111	20,602,425	18,051,686	88%	-
Depreciation	80,565,077	149,440,887	(68,875,810)	-46%	153,573,216
Total operating expenses	<u>\$ 401,161,541</u>	<u>\$ 427,777,940</u>	<u>\$ (26,616,399)</u>	-6%	<u>\$ 422,543,342</u>

SUMMARY OF EXPENSES FOR THE YEAR ENDED DECEMBER 31

2018 Results

The operational cost for all direct service decreased in 2018 by \$26.8 million as a result of a change in accounting estimate for depreciation that created a decrease in the current year depreciation expense (see Note 4 of the financials for more information on the current year impact).

Personnel cost for UTA in 2018 was 65.2% of total operating expense (including capital maintenance projects) less depreciation. Overall, personnel cost rose by \$19.4 million (10.3%) in 2018. Operating expense less personnel cost increased by \$22.7 million (25.5%), all of which is the result of increased system maintenance costs. Within operating expense, administration expense increased by \$8.1 million (26%), due to increased personnel, maintenance of the information systems infrastructure, increased risk management expense, and general pension related expense increases. Capital maintenance projects increased by \$18.1 million (88%), due to unreimbursed UDOT charges related to Provo-Orem BRT (\$10.3 million), TIGER project for other communities (\$5.6 million) that are new in 2018, and Light Rail vehicle damage repairs (\$1.8 million).

2017 Results

Overall expenses for 2017 increased \$5.2 million or 1% increase from 2016. Most differences within Administration and Operating Support between 2017 and 2016 can be attributed to a reorganization of department personnel that occurred in September 2017 to align department functions and leadership to accomplish UTA's goals and objectives. A significant decrease in rail services can be attributed to no significant reclassification of capital construction in progress back to rail operations and maintenance in 2017.

UTAH TRANSIT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
Years Ended December 31, 2018 and 2017

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

2017 Results (continued)

Those significant but infrequent non-capital expenses are now being captured in newly created category of Capital maintenance projects, instead of directly attributed to each mode of transit.

Like in most service agencies, personnel is the largest expense. Personnel cost for UTA in 2017 was 67.9% of total operating expense less depreciation. Overall, personnel cost rose by \$11.4 million (6.4%) in 2017. Operating expense less personnel cost decreased by \$1.2 million (1.3%) due changes in spending that can occur from department to department and year to year.

CAPITAL ASSET ACTIVITY

	2018	2017	Difference	Percent difference	2016
Land	\$ 440,917,126	\$ 425,736,158	\$ 15,180,968	4%	\$ 444,428,115
Construction in process	109,972,902	205,102,231	(95,129,329)	-46%	98,584,168
Infrastructure	2,515,426,407	2,528,679,092	(13,252,685)	-1%	2,660,455,033
Building and building improvements	302,473,214	132,444,199	170,029,015	128%	-
Revenue vehicles	753,650,299	757,025,778	(3,375,479)	0%	768,632,495
Leased revenue vehicles	60,365,705	-	60,365,705	-	-
Equipment	144,817,612	326,289,349	(181,471,737)	-56%	-
Land improvements	79,140,497	12,300,402	66,840,095	543%	-
Leased land improvements	75,804,461	-	75,804,461	-	-
Intangibles	9,585,417	22,537,996	(12,952,579)	-57%	-
Other	-	-	-	-	420,530,145
Accumulated depreciation and amortization	<u>(1,402,256,629)</u>	<u>(1,341,405,330)</u>	<u>(60,851,299)</u>	5%	<u>(1,288,032,621)</u>
Total capital assets, net	<u>\$ 3,089,897,011</u>	<u>\$ 3,068,709,875</u>	<u>\$ 21,187,136</u>	1%	<u>\$ 3,104,597,335</u>

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

2018 Results

In 2018, UTA more clearly defined what constituted an asset and relooked at the prior asset category assignments and asset useful lives. This resulted in large transfers of assets between categories and adjusted accumulated depreciation for each category of capital assets (see note 4 for more details).

UTA expended approximately \$86.0 million for capital assets in 2018 that increased construction in progress. UTA finished the development and construction of the Provo-Orem Bus Rapid Transit (BRT) route and associated maintenance facilities, Positive Train Control, the relocation of the Airport TRAX Station design, the double tracking of streetcar, the replacement of at TRAX bridge at 7200 South, and several other projects designed to enhance the system and passenger experience which added \$181.8 million to various asset categories in 2018.

UTA retired or disposed of \$23.9 million in historical asset value through land sales and buses and equipment auctions. The depreciable assets disposed in 2018, removed \$19.7 million of accumulated depreciation from the capital asset records.



UTAH TRANSIT AUTHORITY
 MANAGEMENT'S DISCUSSION AND ANALYSIS
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SUMMARY OF CAPITAL ASSET ACTIVITY (continued)

2017 Results

UTA expended approximately \$135.1 million for capital assets in 2017. Approximately \$28.3 million was expended for revenue vehicle replacements. This program included forty-three (43) buses, seven (7) ski buses, thirty-six (36) Rideshare vans, and twenty-three (23) paratransit vans. In 2017, UTA expended \$118.0 million on major strategic projects. This included the development and construction of the Provo-Orem Bus Rapid Transit (BRT) route, Positive Train Control, the Depot District (fueling and maintenance facility to support bus operations), and several other projects designed to enhance the system and passenger experience.

DEBT ADMINISTRATION

Bond rating agencies have rated UTA 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:

A. Ratings Summary

Effective: May 2018

	<u>Standard & Poor's</u>	<u>Fitch</u>	<u>Moody's</u>
Senior Lien Bonds			
Current rating	AAA	AA	Aa2
Outlook	Stable	Stable	Stable
Subordinate Lien Fixed Rate Bonds			
Current rating	A+	AA	A1
Outlook	Stable	Stable	Stable

Effective: August 2017

	<u>Standard & Poor's</u>	<u>Fitch</u>	<u>Moody's</u>
Senior Lien Bonds			
Current rating	AAA	AA	Aa2
Outlook	Stable	Stable	Stable
Subordinate Lien Fixed Rate Bonds			
Current rating	A+	AA	A1
Outlook	Stable	Stable	Stable

Readers wanting additional information should refer to Note 8 in the notes to financial statements

2018 Debt Issuance

During 2018, UTA issued the following subordinated and senior lien bonds:

Senior Sales Tax Revenue, Series 2018: \$83,765,000

Subordinated Sales Tax Revenue Refunding Bonds, Series 2018: \$115,540,000

Proceeds from the Series 2018 Senior Lien bond are being used for new capital projects financing. Proceeds from the Series 2018 Subordinated Lien bond issue were used to refund the Series 2017 revenue bonds (\$112.1 million) and Series 2007A revenue bonds (\$3.4 million).



UTAH TRANSIT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
Years Ended December 31, 2018 and 2017

SUMMARY OF DEBT ADMINISTRATION ACTIVITY (continued)

2017 Debt Issuance

During 2017, UTA issued the following bonds:

2017 Series Subordinate Lien revenue bonds: \$120,575,000

Proceeds from the Series 2017 Subordinate Lien bond issue were used to refund the majority of refundable maturities of the Series 2012A revenue bonds.

SIGNIFICANT ACTIVITIES

2018 Results

The governance of UTA was changed in 2018 as part of the State of Utah legislative session, and the new board started in the fall of 2018. This legislative change has allowed for more sales tax allocation to transit from counties in UTA's service area. The county commissioners in both Utah and Salt Lake County approved 4th quarter sales tax increases for their jurisdictions and UTA is scheduled to start receiving its 40% share of those sales taxes funds in the fall 2019.

Transit Service - On time performance for 2018 was 92.1%.

Transit-oriented Development (TOD) –

- Jordan Valley TOD construction has started on a new Starbucks
- Sandy East Village TOD sold the first phase of apartment buildings and the office building.
- 3900 South Meadowbrook TRAX Station TOD broke ground for the mixed-used office and residential facility that is already long-termed leased

UTA provided special event support for the following events:

- Warriors over the Wasatch Air Show
- Utah Jazz games
- University of Utah events
- Brigham Young University events
- Weber State events
- Utah Valley University events
- LDS Church General Conferences
- The Salt Lake City Marathon
- Other special events

2017 Results

Transit Service - In 2017, UTA continued to optimize and improve the transit system to provide opportunities for more customers. UTA offered 15-minute service and extended hours to the State Capitol building during the 2017 legislative session, leading to a 69.5% increase in ridership on Route 500 during the session.

UTAH TRANSIT AUTHORITY
 MANAGEMENT'S DISCUSSION AND ANALYSIS
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SIGNIFICANT ACTIVITIES (continued)

2017 Results (continued)

In Weber and Davis Counties, UTA replaced three low-performing routes with Paratransit and Vanpool service. The funds saved from these routes were combined with Proposition 1 money to implement planned service improvements to five routes in the area, including evening and weekend service. In addition, UTA continued to use Proposition 1 funds to improve bus stop access and amenities in Weber and Davis counties.

UTA's overhaul of ski service in Salt Lake County was completed in late 2016 but yielded a 25% increase in total ridership during the 2016-2017 ski season. UTA further refined ski service in 2017 to address overcrowding during high-demand times of day.

On time performance for 2017 was 91.7%.

Transit-oriented Development (TOD) - Two apartment buildings at the Jordan Valley TOD, including 270 residential units, were sold at a record price for the area. At the Sandy East Village TOD, construction was completed on a 150,000 square foot office building and a fourth residential building. At the South Jordan TOD, work was completed on the first of two 180,000 sf office buildings, and work continued on a 192-room full-service hotel.

Customer Service - UTA's new mobile application was launched in late September 2017 and by the end of the year was selling \$20,000 in tickets each month. UTA provided special event support for Utah Jazz games, University of Utah and Brigham Young University events, LDS Church General Conferences, the Salt Lake City Marathon, Salt Lake City Fan X, the Utah Arts Festival, and other special events.

Environment – As of December 31, 2017 over 72% of UTA's transit bus fleet are clean diesel, clean diesel electric hybrid and CNG. Buses, Frontrunner, TRAX and vanpool services eliminated more than 2,300 tons of air pollutants and 82,000 tons of greenhouse gas emissions from commuters who chose to ride transit verses driving.

RIDERSHIP COMPARISON

The following information provides an annual comparison of ridership by service for years 2018, 2017, and 2016.

Source: National Transit Database

	2018	2017	Difference	Percent difference	2016
Bus service	19,624,936	19,748,489	(123,553)	-1%	20,033,242
Light rail service	17,899,715	18,823,578	(923,863)	-5%	19,220,024
Commuter rail service	5,082,168	4,854,099	228,069	5%	4,545,849
Paratransit service	394,816	385,969	8,847	2%	389,019
Vanpools	1,174,696	1,264,410	(89,714)	-7%	1,333,781
Total ridership	<u>44,176,331</u>	<u>45,076,545</u>	<u>(900,214)</u>	<u>-2%</u>	<u>45,521,915</u>

2018 Results

In 2018, UTA realize a 2.0% decrease in overall ridership from 2017. Commuter Rail and Paratransit services showed slight increases in 2018 as demand for these services. Light Rail and Vanpool services experienced a decrease in ridership in 2018.



UTAH TRANSIT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
Years Ended December 31, 2018 and 2017

RIDERSHIP COMPARISON (continued)

2017 Results

In 2017, UTA realized a 1.0% decrease in overall ridership from 2016. However, commuter rail's attraction to the business commuter community resulted in a 6.8% increase in ridership. Ridership on all other transit declined.



UTAH TRANSIT AUTHORITY
 FINANCIAL STATEMENTS
 Year Ended December 31, 2018 and 2017

COMPARATIVE STATEMENTS OF NET POSITION

	<u>2018</u>	<u>2017</u>
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 103,037,555	\$ 85,459,300
Receivables		
Contributions from other governments (sales tax)	50,725,259	49,421,054
Federal grants	24,146,542	44,106,915
Other	4,443,339	17,002,669
State of Utah	9,930,141	-
Parts and supplies inventories	35,551,784	31,689,267
Prepaid expenses	2,842,013	2,783,802
Total Current Assets	<u>230,676,633</u>	<u>230,463,007</u>
Noncurrent Assets:		
Restricted assets (Cash equivalents and investments)		
Bonds funds	47,668,250	42,768,329
Interlocal agreements	7,040,441	6,355,541
Represented employee benefits	4,133,950	3,894,919
Escrow funds	66,174,772	28,754,015
Self-insurance deposits	7,716,809	7,534,841
Total restricted assets	<u>132,734,222</u>	<u>89,307,645</u>
Non-Depreciable Capital Assets:		
Land	440,917,126	425,736,158
Construction in progress	109,972,902	205,102,231
Total Non-Depreciable Capital Assets	<u>550,890,028</u>	<u>630,838,389</u>
Depreciable Capital Assets:		
Land improvements	79,140,497	12,300,402
Leased Land Improvements	75,804,461	-
Building and buildig improvements	302,473,214	132,444,199
Infrastructure	2,515,426,407	2,528,679,092
Revenue vehicles	753,650,299	757,025,778
Leased revenue vehicles	60,365,705	-
Equipment	144,817,612	326,289,349
Intangibles	9,585,417	22,537,996
Total Depreciable Capital Assets	<u>3,941,263,612</u>	<u>3,779,276,816</u>
Total Capital Assets	<u>4,492,153,640</u>	<u>4,410,115,205</u>
Less accumulated depreciation and amortization	(1,402,256,629)	(1,341,405,330)
Amount recoverable - interlocal agreement	22,047,787	22,858,702
Other assets	9,698,840	8,000,000
Total Noncurrent Assets	<u>3,254,377,860</u>	<u>3,188,876,222</u>
TOTAL ASSETS	<u>\$ 3,485,054,493</u>	<u>\$ 3,419,339,229</u>

UTAH TRANSIT AUTHORITY
 FINANCIAL STATEMENTS
 Year Ended December 31, 2018 and 2017

COMPARATIVE STATEMENTS OF NET POSITION (continued)

	<u>2018</u>	<u>2017</u>
DEFERRED OUTFLOWS OF RESOURCES		
Advanced debt refunding	\$ 88,490,542	\$ 97,189,416
Assumptions changes related to pensions	31,930,657	12,571,775
TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$ 120,421,199	\$ 109,761,191
LIABILITIES		
Current Liabilities:		
Accounts payable:		
Other	\$ 37,169,641	\$ 54,120,255
State of Utah	138,224	
Accrued liabilities, primarily payroll-related	22,242,526	20,199,621
Accrued interest	4,165,847	4,096,739
Accrued self-insurance liability	1,155,787	1,495,598
Current portion of long-term debt	24,126,320	14,815,329
Payable from restricted assets	-	153,913
Unearned revenue	11,622,768	6,218,000
Total Current Liabilities	100,621,113	101,099,455
Long-Term Liabilities:		
Long-term debt	2,385,014,132	2,316,957,516
Long-term accrued interest	5,614,014	4,541,169
Long-term self-insurance liability	-	-
Long-term net pension liability	131,548,114	100,876,554
Total Long-term Liabilities	2,522,176,260	2,422,375,239
TOTAL LIABILITIES	2,622,797,373	2,523,474,694
DEFERRED INFLOWS OF RESOURCES		
Changes to earnings on pension plan investments	3,383,699	11,948,307
TOTAL DEFERRED INFLOWS OF RESOURCES	3,383,699	11,948,307
NET POSITION		
Net investment in capital assets	827,646,243	894,275,843
Restricted for:		
Debt service	47,668,250	42,768,329
Interlocal agreements	7,040,441	6,201,628
Represented employee benefits	4,133,950	3,894,919
Escrow funds	66,174,772	28,754,015
Self-insurance deposits	7,716,809	7,534,841
Unrestricted	18,914,155	10,247,844
TOTAL NET POSITION	\$ 979,294,620	\$ 993,677,419

UTAH TRANSIT AUTHORITY
 FINANCIAL STATEMENTS
 Year Ended December 31, 2018 and 2017

COMPARATIVE STATEMENTS OF EXPENSES AND CHANGES IN NET POSITION

	<u>2018</u>	<u>2017</u>
OPERATING REVENUES		
Passenger fares	\$ 52,051,892	\$ 52,159,203
Advertising	2,412,500	2,366,667
Total operating revenues	<u>54,464,392</u>	<u>54,525,870</u>
OPERATING EXPENSES		
Bus service	96,719,747	88,928,063
Rail service	75,157,087	72,895,607
Paratransit service	21,857,632	19,572,367
Other service	3,056,191	2,982,176
Operations support	45,557,749	41,932,571
Administration	39,593,947	31,423,844
Capital maintenance projects	38,654,111	20,602,425
Depreciation	80,565,077	149,440,887
Total operating expenses	<u>401,161,541</u>	<u>427,777,940</u>
Excess of operating expenses over operating revenues	<u>(346,697,149)</u>	<u>(373,252,070)</u>
NON-OPERATING REVENUES (EXPENSES)		
Contributions from other governments (sales tax)	282,933,591	265,770,775
Federal preventative maintenance grants	61,820,668	62,313,994
Investment income	6,525,872	2,873,787
Other	8,155,668	3,954,893
Interest expense	(91,000,388)	(88,190,962)
Net non-operating revenues	<u>268,435,411</u>	<u>246,722,487</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS	<u>(78,261,738)</u>	<u>(126,529,583)</u>
Capital contributions:		
Federal grants	31,585,004	53,960,024
Local	12,151,003	2,850,116
Capital contribution	20,142,932	253,148
Total capital contributions	<u>63,878,939</u>	<u>57,063,288</u>
Change in Net Position	(14,382,799)	(69,466,295)
Total Net Position, January 1	<u>993,677,419</u>	<u>1,063,143,714</u>
TOTAL NET POSITION, DECEMBER 31	<u>\$ 979,294,620</u>	<u>\$ 993,677,419</u>

UTAH TRANSIT AUTHORITY
 FINANCIAL STATEMENTS
 Year Ended December 31, 2018 and 2017

COMPARATIVE STATEMENTS OF CASH FLOW

	<u>2018</u>	<u>2017</u>
Cash flows from operating activities:		
Passenger receipts	\$ 53,155,758	\$ 51,888,773
Advertising receipts	2,450,000	2,400,000
Payments to vendors	(137,245,416)	(61,003,247)
Payments to employees	(124,125,880)	(121,899,204)
Employee benefits paid	(81,158,163)	(72,204,917)
Net cash used in operating activities	<u>(286,923,701)</u>	<u>(200,818,595)</u>
Cash flows from noncapital financing activities:		
Contributions from other governments (sales tax)	283,545,887	261,995,834
Federal preventative maintenance grants	67,144,601	43,612,395
Other receipts (payments)	6,202,743	-
Net cash provided by noncapital financing activities	<u>356,893,231</u>	<u>305,608,229</u>
Cash flows from capital and related financing activities:		
Contributions for capital projects		
Federal	46,222,427	42,166,150
Local	16,414,407	2,850,116
Proceeds from the sale of revenue bonds	218,105,085	171,075,197
Deposit into escrow for refunding bonds	(125,172,395)	(120,367,951)
Payment of bond principal	(18,921,211)	(11,732,743)
Interest paid on revenue bonds	(105,194,215)	(101,448,581)
Proceeds from leases	14,377,000	27,141,000
Purchases of property, facilities, and equipment	(67,528,327)	(135,610,609)
Proceeds from the sale of property	5,948,541	22,508,754
Net cash used in capital and related financing activities	<u>(15,748,688)</u>	<u>(103,418,667)</u>
Cash flows from investing activities:		
Purchases of investments	-	(39,961,457)
Proceeds from the sales of investments	-	29,995,400
Interest on investments	5,062,618	3,492,448
Net cash provided by investing activities	<u>5,062,618</u>	<u>(6,473,609)</u>
Net increase in cash and cash equivalents	59,283,460	(5,102,642)
Cash and cash equivalents at beginning of year	136,807,856	141,910,498
Cash and cash equivalents at end of year	<u>\$ 196,091,316</u>	<u>\$ 136,807,856</u>

UTAH TRANSIT AUTHORITY
 FINANCIAL STATEMENTS
 Year Ended December 31, 2018 and 2017

COMPARATIVE STATEMENTS OF CASH FLOWS (continued)

	<u>2018</u>	<u>2017</u>
Reconciliation of Cash to the Statement of Net Position		
Cash and cash equivalents at year end from cash flows	\$ 196,091,316	\$ 136,807,856
Investments	39,680,462	37,959,089
	<u>\$ 235,771,778</u>	<u>\$ 174,766,945</u>
Cash and investments as reported on the Statement of Net Position		
Cash and cash equivalents	\$ 103,037,555	\$ 85,459,300
Restricted assets (cash equivalents and investments)		
Bonds funds	47,668,250	42,768,329
Interlocal agreements	7,040,441	6,355,541
Represented employee benefits	4,133,950	3,894,919
Escrow funds	66,174,772	28,754,015
Self-insurance deposits	7,716,809	7,534,841
	<u>\$ 235,771,777</u>	<u>\$ 174,766,945</u>
	<u>2018</u>	<u>2017</u>
Reconciliation of operating loss to net cash used in operating activities:		
Operating loss	\$ (346,697,149)	\$ (373,252,070)
Adjustments to reconcile excess of operating expenses over operating revenues to net cash used in operating activities:		
Pension expense	(2,748,070)	2,583,870
Depreciation	80,565,076	149,440,887
Changes in assets and liabilities:		
Receivables	-	-
Parts and supplies inventories	(3,862,516)	(3,327,623)
Prepaid expenses	(58,211)	(123,743)
Accounts payable - trade and restricted	(16,967,292)	27,031,728
Accrued liabilities	1,703,097	(2,934,547)
Unearned revenue	1,141,364	(237,097)
	<u>\$ (286,923,701)</u>	<u>\$ (200,818,595)</u>

See accompanying notes to the financial statements

UTAH TRANSIT AUTHORITY
 FINANCIAL STATEMENTS
 Year Ended December 31, 2018 and 2017

COMPARATIVE STATEMENT OF FIDUCIARY NET POSITION

	<u>2018</u>	<u>2017</u>
ASSETS		
Cash in Bank	\$ -	\$ 1,586,481
Cash Advanced Advance CFO	604,152	-
Cash in Utah State Treasury	-	5,607,680
Total Cash	<u>604,152</u>	<u>7,194,161</u>
Investments at fair value as determined by quoted market prices	192,047,892	196,506,139
Prepaid Benefits	1,095,081	-
Interest Receivable	-	8,422
Dividends Receivable	7,859	352
Accounts Receivable - Benefits	10,978	11,741
Accounts Receivable - Contributions	880,663	828,834
Total Receivables	<u>899,500</u>	<u>849,349</u>
Total Assets	194,646,625	204,549,649
LIABILITIES		
Accounts Payable	-	16,541
Withholding Taxes Payable	108,077	28,546
Total Liabilities	<u>108,077</u>	<u>45,087</u>
NET POSITION		
Net Position Held in Trust for Pension Benefits	<u>\$ 194,538,548</u>	<u>\$ 204,504,562</u>

UTAH TRANSIT AUTHORITY
 FINANCIAL STATEMENTS
 Year Ended December 31, 2018 and 2017

COMPARATIVE STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

	<u>2018</u>	<u>2017</u>
ADDITIONS		
Employer Contributions	\$ 22,355,434	\$ 20,506,163
Participant Voluntary Contributions	223,572	697,576
Total Contributions	<u>22,579,006</u>	<u>21,203,739</u>
Investment Income		
Net Appreciation in Fair Value of Investments	(17,276,731)	29,971,343
Interest	94,458	84,944
Dividends	1,193,815	1,134,918
Other Income	300	-
Total Investment Income	<u>(15,988,158)</u>	<u>31,191,205</u>
Less: Investment Expense	641,763	592,585
Net Investment Income	<u>(16,629,921)</u>	<u>30,598,620</u>
Total Additions	<u>5,949,085</u>	<u>51,802,359</u>
DEDUCTIONS		
Monthly Benefits Paid	10,824,630	9,724,391
Lump Sum Distributions	4,650,189	3,283,751
Administrative Expense	440,279	324,912
Total Deductions	<u>15,915,098</u>	<u>13,333,054</u>
NET INCREASE (DECREASE)	<u>(9,966,013)</u>	<u>38,469,305</u>
Net Position Held in Trust For Pension Benefits		
Beginning of Year	204,504,561	166,035,257
As of December 31	<u>\$ 194,538,548</u>	<u>\$ 204,504,562</u>

UTAH TRANSIT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
Years Ended December 31, 2018 and 2017

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

A. Organization

The Utah Transit Authority (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 total population within the six principal counties is approximately 2,463,015 which represents approximately 79.4% of the state's total population.

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 van pool programs system wide.

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

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

B. Reporting Entity

The Authority has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, and GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units - An Amendment of GASB Statement No. 14*. Accordingly, 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 Pension Plan may be considered a fiduciary component unit. Due to the changes in governance in 2018, UTA is now 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 not financially accountable for any other organizations. 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 a governmental unit and other governmental units 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 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 Planning Assistance and Preventative Maintenance Grants

Federal planning assistance grants received from the Federal Transit Administration (FTA) and preventative maintenance grants are recognized as revenue and receivable during the period in which the related expenses are incurred and eligibility requirements are met. The FAST Act is a fully funded five-year authorization of surface transportation programs. This Act allows for the replacement and repair of aging infrastructure.

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.
- *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.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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	0.6875%
Davis County	0.6500%
Weber County	0.6500%
Box Elder County	0.5500%
Utah County	0.5260%
Tooele County	0.4000%

G. Cash and Cash Equivalents

Cash and cash equivalents 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. Investments

Cash in excess of operating requirements is invested by the Authority. The Authority's investments comply with the Utah Money Management Act, and are stated at fair value, which is primarily determined based upon quoted market prices at year end (Note 3).

Investment policy: The Authority's investment policy is established and may be amended by the Executive Director within the parameters established by the Board of Trustees and the Utah Money Management Act.

I. Receivables

Receivables consist primarily of amounts due to the Authority from sales tax collections, federal grants, local government partners, pass sales and investment income. Management does not believe any credit risk exists related to these receivables. As such there is no current provision for bad debts.

J. 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.



NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

K. Capital Assets

Capital Assets are stated at historical cost. Expenditures which substantially improve or extend the useful life of property are capitalized. Routine maintenance and repair costs are expensed as incurred. Railway infrastructure assets are capitalized when individual costs is at least \$50,000. Intangible software assets are capitalized when individual costs is at least \$10,000. All other property, facilities and equipment are capitalized if they have individual costs of at least \$5,000 and a useful life of over one year.

Depreciation is calculated using the straight-line method over the established useful lives of individual assets as follows:

• Revenue service vehicles	4-30 years
• Leased revenue service vehicles	4-12 years
• Intangibles	4-20 years
• Equipment	4-20 years
• Land improvements	10-25 years
• Leased Land Improvement	50 years
• Buildings and building improvements	20-50 years
• Infrastructure	5-75 years

L. 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.

M. Compensated Absences

Vacation pay is accrued and charged to compensation expense as earned. Sick pay benefits are accrued as vested by Authority employees.

N. 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 \$2,455,900 for incidents occurring after July 1, 2016. The Authority is self-insured for amounts up to this limit. 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.



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

O. 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.

P. 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.
- *Restricted for represented employee benefits:* This component of net position consists of the amount restricted by the Utah Transit Authority Bargaining Unit Employees’ Insurance Trust Account Agreement for the purpose of providing represented employee benefits.
- *Restricted for escrows:* This component of net position consists of the amount restricted by escrow agreement.
- *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.

NET POSITION	2018	2017
Net investment in capital assets	\$ 827,646,243	\$ 894,275,943
Restricted for:		
Debt Service	47,668,250	42,768,329
Interlocal agreements	7,040,441	6,201,628
Represented employee benefits	4,133,950	3,894,919
Escrow Fund	66,174,772	28,754,015
Self-insurance deposits	7,716,809	7,534,841
Unrestricted	18,914,154	10,247,844
TOTAL NET POSITION	\$ 979,294,620	\$ 993,677,419

UTAH TRANSIT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
Years Ended December 31, 2018 and 2017

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Q. Budgetary and Accounting Controls

The Authority's annual budgets are approved by the Board of Trustees, as provided for by law. Operating and non-operating revenues and expenditures are budgeted on the accrual basis, except for depreciation, bond principal and bond interest. Capital expenditures and grant reimbursements are budgeted on a project basis. Multi-year projects are approved in whole, but are budgeted based on estimated annual expenses.

The Authority adopts its annual budget in December of the preceding year based on recommendations of staff and the local advisory board.

The first step in developing the Authority's budget is a review of the Transit Development Program and Long Range Financial Plan. This plan then acts as a focus for the development of programs and objectives. Concurrent with the development of programs and objectives, revenues for the coming year are estimated. The estimates of the coming year's revenues are then used as a guide for the Authority to determine the amount of change in service to be provided in the following year. Once the level of service for the coming year is determined, each manager develops a departmental budget.

The departmental budgets are then combined to form a preliminary budget request.

The Executive staff reviews the programs, objectives and requests to balance the total budget with the project revenues and service requirements and priorities. Once the preliminary budget is balanced, the Board Finance and Operations Committee reviews the budget request.

Within 30 days after the tentative budget is approved by the Board, and at least 30 days before the Board adopts its final budget, the Board sends a copy of the tentative budget, a signature sheet and notice of the time and place for a budget hearing to the chief administrative officers and legislative bodies of each municipality and unincorporated county area within the district of the Authority.

Within 30 days after it is approved by the Board and at least 30 days before the Board adopts its final budget, the Board sends a copy of the tentative budget to the Governor and the Legislature for examination and comment.

Before the first day of each fiscal year, the Board adopts the final budget by an affirmative vote of a majority of all the trustees. Copies of the final budget are filed in the office of the Authority. If for any reason the Board has not adopted the final budget on or before the first day of any fiscal year, the tentative budget for such year, if approved by formal action of the Board, is deemed to be in effect for such fiscal year until the final budget for such fiscal year is adopted.

The Board may, by an affirmative vote of a majority of all trustees, adopt an amended final budget when reasonable and necessary, subject to any contractual conditions or a requirement existing at the time the need for such amendment arises.

Individual department budgets are monitored for authorized expenditures on a department total rather than on a department line-item basis.

The Board must approve all increases or decreases to the net operating expense line, total capital budget line and total operating revenue line of the Authority's operating and capital budgets.

The Authority's budgetary process follows Title 17B, Chapter 1, Section 702 of the Utah Code Annotated, as amended. The annual budget is submitted to the State Auditors' Office within 30 days of adoption.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

R. Recent Accounting Pronouncements

GASB Statement 75
Accounting and Financial Reporting for Postemployment Benefit Plans Other than Pensions
Took Effect: June 30, 2018

GASB Statement 81
Irrevocable Split-Interest Agreements
Took Effect: December 31, 2017

GASB Statement 82
Pension Issues-an amendment of GASB Statement No. 67, No. 68, and No. 73
Took Effect: June 15, 2017

GASB Statement 83
Certain Asset Retirement Obligations
Takes Effect: June 30, 2019

GASB Statement 84
Fiduciary Activities
Takes Effect: December 31, 2019

GASB Statement 85
Omnibus 2017
Took Effect: June 30, 2018

GASB Statement 86
Certain Debt Extinguishment Issues
Took Effect: June 30, 2018

GASB Statement 87
Leases
Takes Effect: December 31, 2020



UTAH TRANSIT AUTHORITY
 NOTES TO THE FINANCIAL STATEMENTS
 Years Ended December 31, 2018 and 2017

NOTE 3 – CASH, CASH EQUIVALENTS AND INVESTMENTS

A. Restricted Cash and Cash Equivalents

Restricted cash and cash equivalents are defined as funds restricted by legal requirement(s) outside of the Authority. The Authority is required to maintain certain accounts in connection with the issuance of bonds which are restricted per the bond covenants. In addition, the Authority is acting as the trustee of funds for a represented employee benefits trust.

B. 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:

	<u>2018</u>	<u>2017</u>
Early Debt Retirement	\$ 47,384,438	\$ 17,699,386
Fuel Reserve	1,915,000	1,915,000
Operating Reserve	28,507,000	25,976,619
Parts Reserve	3,000,000	3,000,000
Stabilization Reserve	15,272,000	13,916,046
Total designated cash and cash equivalents	<u>\$ 96,078,438</u>	<u>\$ 62,507,051</u>

- *Designated for early debt retirement reserves* - This component of net position consists of savings experienced in the amount of actual variable interest expense from budgeted variable interest expense for the same time period, one-time contributions as determined by the Executive Director, and any unused monies from debt service reserve funds established for specific bonds when no longer encumbered for the initially reserved debt. Permitted use of these reserves is defined in the *Executive Limitations Policy No. 2.4.6 Debt Service Reserve and Rate Stabilization Fund Created*.
- *Designated for fuel reserves* - This component of net position consists of the amount designated by the Board of Trustees to mitigate the financial impact of unexpected and rapidly rising fuel prices. (*Executive Limitations Policy No. 2.3.3 Budgeting*)
- *Designated for operating reserves* - This component of net position consists of 9.33% (one month expense, plus 1%) of the annual budgeted operating expense, and is required by the Board of Trustees. (*Executive Limitations Policy No. 2.3.3 Budgeting*) As of December 31, 2017, the designation for operating reserves had to be decreased to \$25,976,619 due to total amount of unrestricted cash available to designate. The low level of unrestricted cash was only temporary and the Authority was able to return to full designation of operating reserves in February 2018, after receiving some of the amounts owed to the Authority from other sources.
- *Designated for parts reserves* - This component of net position consists of the amount designated by the Board of Trustees to be accumulate funds in anticipation of a State of Good Repairs requirement. (*Executive Limitations Policy No. 2.3.3 Budgeting*)
- *Designated for stabilization reserves* - This component of net position consists of 5% of the Authority’s annual budget 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. (*Executive Limitations Policy No. 2.1.8 Service Stabilization Reserve Fund*)

UTAH TRANSIT AUTHORITY
 NOTES TO THE FINANCIAL STATEMENTS
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C. Deposits and Investments

Deposits and 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, 2018 and 2017, the balances in the Authority’s bank demand deposit accounts and certificate of deposit accounts according to the bank statements totaled \$17,599,147 and \$30,739,375, respectively, of which \$257,989 and \$274,040 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. 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 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.

The following are the Authority’s investment as of December 31, 2018:

		Investment Maturity (in years)		
		Less than 1	1-5	TOTAL
U.S. Agencies	AA-A+/A/A- BBB+/BBB	-	\$ 48,304,144	\$ 48,304,144
Corporate Bonds	A+/A1/A+	\$ 13,600,749	2,425,518	16,026,268
MM - Cash		2,436,098	-	2,438,098
PTIF		78,979,313	-	78,979,313
Total Investments		\$ 95,016,161	\$ 50,729,662	\$ 145,745,823

- *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 maximum adjusted weighted average maturity of the portfolio does not exceed 90 days.

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

The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has ability to access.

Level 2: Inputs to the valuation methodology include:

- Quoted prices for similar assets of liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

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

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement. The asset's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

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, 2018 by organization and by fair value measurement:

	12/31/2018	Fair Value Measurements		
		Level 1	Level 2	Level 3
Zions Capital Advisors				
Agency	\$ 48,304,144	\$ 48,304,144	-	-
Corporate	16,026,268	-	\$ 16,026,268	-
Currency	1,099,517	1,099,517	-	-
Total Zions Capital Advisor investments	65,429,928	49,403,661	16,026,268	-
Zions Trustee Investments				
Money market	1,336,581	1,336,581	-	-
Total Zions Trustee investments	1,336,581	1,336,581	-	-
Public Treasurers Investment Fund	78,979,313	-	78,979,315	-
Total investments by fair value level	\$ 145,745,823	\$ 50,740,242	\$ 95,005,581	-



UTAH TRANSIT AUTHORITY
 NOTES TO THE FINANCIAL STATEMENTS
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NOTE 4 – CAPITAL ASSETS

Construction in progress for 2018 consists of following large projects:

- \$27.8 million for Positive Train Control to be completed September 30, 2019
- \$18.0 million for the Depot District expected to be completed August 31, 2021
- \$5.4 million for the Sugar House Double Track project completed February 2, 2019
- \$4.3 million for the Airport TRAX Station with an expected completion of April 2, 2021
- \$3.9 million for the I-15 Road Widening at 7200 S by UDOT expected to be completed by September 27, 2019.

A biennial inventory of capital assets is planned to be completed the latter half of 2019.

	Balance 12/31/2017	Increases	Transfers	Decreases	Balance 12/31/2018
Capital assets not being depreciated					
Land	\$ 425,736,158	\$ 19,259,000	\$ -	\$ (4,078,032)	\$ 440,917,126
Construction in Progress	205,102,231	86,039,389	-	(181,168,717)	109,972,903
Total capital assets not being depreciated	<u>630,838,389</u>	<u>105,298,389</u>	<u>-</u>	<u>(185,246,749)</u>	<u>550,890,029</u>
Capital assets being depreciated					
Infrastructure	2,528,679,092	-	(13,252,685)	-	2,515,426,407
Buildings and Building Improvements	132,444,199	25,091,055	145,611,098	(673,138)	302,473,214
Revenue Vehicles	757,025,778	35,408,999	(23,891,478)	(14,893,000)	753,650,299
Leased Revenue Vehicles	-	42,343,725	18,047,840	(25,860)	60,365,705
Equipment	326,289,349	3,146,819	(180,348,041)	(4,270,515)	144,817,612
Land improvements	12,300,402	54,250	66,785,845	-	79,140,497
Leased Land Improvements	-	75,804,461	-	-	75,804,461
Intangibles	22,537,996	-	(12,952,579)	-	9,585,417
Total capital assets being depreciated	<u>3,779,276,816</u>	<u>181,849,309</u>	<u>-</u>	<u>(19,862,513)</u>	<u>3,941,263,612</u>
Less: Accumulated depreciation					
Infrastructure	(651,651,962)	(38,120,418)	(24,996,060)	-	(714,768,440)
Buildings and Building Improvements	(64,302,569)	8,055,469	(61,335,558)	655,299	(116,927,359)
Revenue Vehicles	(361,922,236)	(33,229,497)	9,795,521	14,769,202	(370,587,010)
Leased Revenue Vehicles	-	(5,871,145)	(4,928,991)	18,761	(10,781,375)
Equipment	(231,855,525)	(9,361,139)	98,668,483	4,270,515	(138,277,666)
Land Improvements	(9,123,916)	(1,909,583)	(30,189,913)	-	(41,223,412)
Leased Land Improvements	-	(128,764)	-	-	(128,764)
Intangibles	(22,549,122)	-	12,986,518	-	(9,562,604)
Total accumulated depreciation	<u>(1,341,405,330)</u>	<u>(80,565,077)</u>	<u>-</u>	<u>19,713,777</u>	<u>(1,402,256,630)</u>
Capital assets being depreciated, net	<u>2,437,871,486</u>	<u>101,284,233</u>	<u>-</u>	<u>(148,737)</u>	<u>2,539,006,982</u>
Total capital assets, net	<u>\$ 3,068,709,875</u>	<u>\$ 206,582,622</u>	<u>\$ -</u>	<u>\$ (185,395,486)</u>	<u>\$ 3,089,897,011</u>



UTAH TRANSIT AUTHORITY
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	Balance 12/31/2016	Increases	Transfers	Decreases	Balance 12/31/2017
Capital assets not being depreciated					
Land	\$ 434,255,469	\$ 781,831	\$ -	\$ (9,301,142)	\$ 425,736,158
Construction in Progress	98,584,168	135,081,926	-	(28,563,863)	205,102,231
Total capital assets not being depreciated	<u>532,839,637</u>	<u>135,863,757</u>	<u>-</u>	<u>(37,865,005)</u>	<u>630,838,389</u>
Capital assets being depreciated					
Infrastructure	2,660,455,034	11,379,323	(129,429,792)	(13,725,473)	2,528,679,092
Buildings and Building Improvements	-	-	132,444,199	-	132,444,199
Revenue Vehicles	768,632,495	7,007,046	-	(18,613,763)	757,025,778
Leased Revenue Vehicles	-	-	-	-	-
Equipment	420,530,145	3,448,002	(25,670,921)	(72,017,877)	326,289,349
Land improvements	10,172,645	3,450,300	118,518	(1,441,061)	12,300,402
Leased Land Improvements	-	-	-	-	-
Intangibles	-	-	22,537,996	-	22,537,996
Total capital assets being depreciated	<u>3,859,790,319</u>	<u>25,284,671</u>	<u>-</u>	<u>(105,798,174)</u>	<u>3,779,276,816</u>
Less: Accumulated depreciation					
Infrastructure	(641,678,702)	(79,781,488)	60,999,641	8,808,587	(651,651,962)
Buildings and Building Improvements	-	-	(64,302,569)	-	(64,302,569)
Revenue Vehicles	(341,524,835)	(38,974,295)	101,368	18,475,526	(361,922,236)
Leased Revenue Vehicles	-	-	-	-	-
Equipment	(294,986,102)	(29,981,835)	25,769,407	67,343,005	(231,855,525)
Land Improvements	(9,842,982)	(703,269)	(18,725)	1,441,060	(9,123,916)
Leased Land Improvements	-	-	-	-	-
Intangibles	-	-	(22,549,122)	-	(22,549,122)
Total accumulated depreciation	<u>(1,288,032,621)</u>	<u>(149,440,887)</u>	<u>-</u>	<u>96,068,178</u>	<u>(1,341,405,330)</u>
Capital assets being depreciated, net	<u>2,571,757,698</u>	<u>(124,156,216)</u>	<u>-</u>	<u>(9,729,996)</u>	<u>2,437,871,486</u>
Total capital assets, net	<u>\$ 3,104,597,335</u>	<u>\$ 11,707,541</u>	<u>\$ -</u>	<u>\$ (47,595,001)</u>	<u>\$ 3,068,709,875</u>

During 2018, UTA has evaluated its capital assets and the associated accumulated depreciation of those assets and saw the need to better define assets, their useful lives, and their categories. This evaluation has led to change in useful lives of all categories of assets to be consistent for all assets in those respective categories. These new useful lives reflect the changing understanding of how long a transit asset 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 \$149.4 million in 2017 to \$80.6 million in 2018. Due to the revaluation of UTA's capital assets, a decrease in depreciation expense for 2018 of \$57,255,598 has been reflected in the financials. The difference in accumulated depreciation by type of capital asset is illustrated below.

Categories in which Useful Lives were Lengthened	Accounting Effect
Infrastructure	\$ (39,148,990.68)
Buildings and Building Improvements	(10,642,078.09)
Revenue and Leased Revenue Vehicles	(5,747,813.46)
Land Improvements and Leased Land Improvements	(1,716,715.95)
Net Effect of Change in Accounting Estimate	<u>\$ (57,255,598.18)</u>

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

Depreciation Expense	2018	2017
Bus Service	\$ 17,144,994	\$ 20,842,359
Rail Service	56,825,449	119,310,559
Paratransit Service	4,290,318	5,678,317
Vanpool Service	2,304,317	3,609,652
Total Depreciation Expense	\$ <u>80,565,077</u>	\$ <u>149,440,888</u>



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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>2018</u>		<u>2017</u>
Operating assistance			
Federal preventive maintenance grants	\$ 59,382,716	\$	61,690,413
Federal operating assistance grants	<u>2,376,707</u>		<u>623,581</u>
	61,820,668		62,313,994
Capital projects			
Federal capital projects	31,585,004		55,040,181
Prior Year Federal capital projects	<u>4,041</u>		<u>(1,080,157)</u>
	31,589,045		53,960,024
Total federal assistance	<u>\$ 93,409,713</u>	\$	<u>116,274,018</u>
	<u>2018</u>		<u>2017</u>
Prior Year Federal Receivables	\$ (44,106,915)	\$	(13,611,438)
Received Operating Assistance	67,144,610		43,612,393
Received Federal Capital Projects	46,225,485		42,166,148
Year End Federal Receivables	<u>24,146,542</u>		<u>44,106,915</u>
Total Federal Assistance	<u>\$ 93,409,713</u>	\$	<u>116,274,018</u>

NOTE 6 – SELF-INSURANCE CLAIMS LIABILITY

Changes in the accrued claims liability in 2018 and 2017 were as follows:

	<u>Beginning liability</u>		<u>Changes in estimates</u>		<u>Claim payments</u>		<u>Ending liability</u>
2018	\$ 1,495,597	\$	3,117,762	\$	(3,457,572)	\$	1,155,787
2017	\$ 5,095,814	\$	1,082,185	\$	(4,682,402)	\$	1,495,597



NOTE 7 – PENSION PLANS

A) General Information

Deferred Compensation Plan

The Authority offers its employees a deferred compensation plan 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 deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

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

Defined Benefit Plan

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

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

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

As of February 2016, U.S. Bank began serving as the administrator and custodian of the Plan, with Cambridge Associates, LLC (CA) serving as a third-party investment manager. Prior to February 2016, Fidelity Investments served as the administrator and custodian of the Plan, with Soltis Investment Advisors serving as a third-party investment manager.

B) Reporting Entity

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

NOTE 7 – PENSION PLANS (CONTINUED)

Membership

The Plan’s membership consisted of:

	<u>January 1, 2018</u>	<u>January 1, 2017</u>
Active participants:		
Fully vested	1,377	1,359
Partially vested	-	-
Not vested	788	725
Inactive participants not receiving benefits	343	316
Participants due refunds	12	12
Retirees and beneficiaries receiving benefits	629	561
Total	<u>3,149</u>	<u>2,973</u>

C) 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 Administrative Plan prior to January 1, 1994, the annual benefit is based on a retirement benefit formula equal to:

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

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

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

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

If employees terminate employment before rendering 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% per year if the payments begin before age 65.

NOTE 7 – PENSION PLANS (CONTINUED)

Disability Benefits

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

Death Benefits

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

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

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

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

Lump Sum Distributions

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

During 2018 and 2017, 37 and 39 participants in each respective year elected to receive their benefit in the form of lump sum distribution. Lump sum distributions collectively totaled \$4,650,189 and \$3,283,751 for 2018 and 2017, respectively. Individuals are removed from the Plan's membership if they choose to take all of their benefit as a lump sum distribution.

D) Contributions

Employer Contribution Requirements

Contributions are received from the Authority in amounts determined by the Pension Committee and approved by the Board of Trustees based on the current collective bargaining agreement and the minimum and maximum funding levels recommended by the Plan's actuary.



NOTE 7 – PENSION PLANS (CONTINUED)

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.

E) Change in Plan Custodian

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.

F) Method of Accounting

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

GASB Statement No. 67, *Financial Reporting for Pension Plans*, which was adopted during the year ended December 31, 2014, addresses accounting and financial reporting requirements for pension plans. The requirements for GASB No. 67 require changes in presentation of the financial statements, notes to the financial statements, and required supplementary information. Significant changes include an actuarial calculation of total and net pension liability. It also includes comprehensive footnote disclosure regarding the pension liability, the sensitivity of the net pension liability to the discount rate, and increased investment disclosures. The implementation of GASB No. 67 did not significantly impact the accounting for accounts receivable and investment balances. The total pension liability, determined in accordance with GASB No. 67, is presented in Note 6 and in the Required Supplementary Information.



UTAH TRANSIT AUTHORITY
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NOTE 7 – PENSION PLANS (CONTINUED)

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

Net pension liability - At December 31, 2018, the Authority reported a net pension liability of \$131,548,114. The net pension liability was measured as of December 31, 2018, and was determined by an actuarial valuation as of January 1, 2018 and rolled-forward using generally accepted actuarial 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 Employee Payroll	Net position Liability as a percentage of Covered Employee Payroll
12/31/2018	\$326,086,663	\$194,538,549	\$131,548,114	59.66%	\$132,521,079	99.27%
12/31/2017	305,381,116	204,504,562	100,876,554	66.97%	126,690,540	79.62%
12/31/2016	278,960,378	166,035,257	112,925,121	59.50%	115,430,618	97.80%
12/31/2015	269,069,798	151,631,937	117,437,871	56.40%	110,727,134	106.10%
12/31/2014	247,692,651	146,854,399	100,838,252	59.30%	106,004,057	95.10%
1/1/2014	232,691,093	135,666,362	97,024,731	58.30%	102,099,985	95.00%

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

Deferred outflows of resources and deferred inflows of resources - At December 31, 2018, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	\$ (1,226,044)	\$ 7,632,639
Change of Assumptions	(2,157,655)	6,405,862
Net difference between projected and actual earnings	-	17,892,156
Contributions made subsequent	-	-
Total	<u>\$ (3,383,699)</u>	<u>\$ 31,930,657</u>

Pension expense - For the year ended December 31, 2018, the Authority recognized pension expense of \$25,103,504. 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>
2019	\$8,144,192
2020	5,681,109
2021	4,313,036
2022	7,991,195
2023	1,906,202
Thereafter	<u>511,224</u>
Total	<u>\$28,164,198</u>

NOTE 7 – PENSION PLANS (CONTINUED)

Actuarial assumptions - The total pension liability in the January 1, 2018 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	7.0%, net of investment expenses
Mortality	RP-2014 Blue Collar Mortality Table, with MP-2014 Project Scale (Pre-retirement; Employee Table; Post-retirement Annuitant Table)
Bond Buyer General Obligation 20- Bond Municipal Bond Index	3.44%

The actuarial assumptions used in the January 1, 2018 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 7.00%. 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.

The following sensitivity analysis assumes rate volatility of plus and minus one percent of the discount rate of 7.0%.

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
Total pension liability	\$ 367,575,226	\$ 326,086,663	\$ 291,631,806
Fiduciary net position	194,538,549	194,538,549	194,538,549
Net pension liability	173,036,677	131,548,114	97,093,257



NOTE 7 – PENSION PLANS (CONTINUED)

Schedule of changes in total pension liability, plan fiduciary net position, and net pension liability: The following table shows the change to the total pension liability, the plan fiduciary net position, and the net pension liability during the year.

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	[a]	[b]	[a]-[b]
Balances as of December 31, 2017	\$ 305,381,116	\$ 204,504,562	\$ 100,876,554
Charges for the year			
Service cost	9,550,863	-	9,550,863
Interest on total pension liability	21,512,781	-	21,512,781
Differences between expected and actual experience	4,893,150	-	-
Changes of assumptions	-	-	-
Employer contributions		22,355,434	(22,355,434)
Member voluntary contributions	223,572	223,572	-
Net investment income	-	(16,629,921)	16,629,921
Benefit payments	(15,474,819)	(15,474,819)	-
Administrative expenses	-	(440,279)	440,279
Balance as of December 31, 2018	<u>\$ 326,086,663</u>	<u>\$ 194,538,549</u>	<u>\$ 131,548,114</u>

H) Investments

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

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



NOTE 7 – PENSION 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.

I) Investments (continued)

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	Range
Global Equity	63%	51% - 75%
Liquid Diversifiers	10%	0% - 15%
Real Assets	4%	0% - 8%
Alternatives	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 7.00% per annum, net of investment expenses.

J) Payment of Benefits

Benefit payments to participants are recorded upon distribution.

K) Administrative Expenses

Expenses for the administration of the Plan are budgeted and approved by the Pension Committee. Administrative expenses are paid from investment earnings. Plan expenses are paid from Plan assets. For the years ended December 31, 2018 and 2017, the Plan paid \$440,279 and \$324,912 respectively, of administrative expenses. In April 2018 all administration of the plan was outsourced to Milliman and Advanced CFO. The board voted and approved this action at their January 2018 board meeting.

L) Use of Estimates

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, liabilities and changes therein and the disclosure of contingent assets and liabilities as of the date of the financial statements. Accordingly, actual results could differ from those estimates.



NOTE 7 – PENSION PLANS (CONTINUED)

M) 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.

N) 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.

O) 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.

P) Reclassifications

Certain amounts in the prior period presentation have been reclassified or added to conform to the current period financial statement presentation. These changes have no effect on previously reported amounts on the Comparative Statement of Changes in Fiduciary Net Position.

Q) Subsequent Events

The Plan has performed an evaluation of subsequent events through March 26, 2018, which is the date the basic financial statements were available to be issued. The IPS was amended effective February 2016 to identify Cambridge Associates, LLC (CA) as the investment manager, clarify the roles and responsibilities of the investment manager, and revise the long-term asset allocation policy for the Plan.

Starting in April 2018 all administration of the plan will be outsourced to Milliman and Advanced CFO. The board voted and approved this action at their January board meeting.

R) Cash Deposits

Custodial credit risk for cash deposits is the risk in the event of a bank failure, the Plan's cash deposits may not be returned. The Federal Deposit Insurance Corporation (FDIC) insures up to \$250,000 per depositor per institution. Cash deposits and account balances in excess of \$250,000 are uninsured and uncollateralized. The Plan has no formal policy for cash deposit custodial credit risk. Cash deposits are presented in the financial statements at cost plus accrued interest, which is market or fair value.

Cash equivalents include amounts invested in the Utah Public Treasurer's Investment Fund. The Plan considers short-term investments with an original maturity of 3 months or less to be cash equivalents.

	<u>2018</u>	<u>2017</u>
Cash held in banking institution(s)	\$ 604,152	\$ 1,586,481
Cash held in Utah Public Treasurer's Investment Fund	-	5,607,680
Total Cash	<u>\$ 604,152</u>	<u>\$ 7,194,161</u>

NOTE 7 – PENSION PLANS (CONTINUED)

S) Custodial Credit Risk

Custodial credit risk for investments is in the risk that the counterparty to an investment will not fulfill its obligations. The Plan has no formal policy for custodial credit risk.

The Plan's rated investments are show below.

Fixed Income:			
	2018	\$ 44,511,657	AA/Aa Rated
	2017	\$ 41,223,319	AA/Aa Rated

T) 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 Plan has no formal policy for investment interest rate risk. The table below shows the maturities of the Plan's investments.

Equity funds:			
	2018	\$121,933,057	No maturity dates
	2017	\$126,057,180	No maturity dates
Fixed Inc funds:			
	2018	\$ 44,511,657	Average effective duration: 5.3 years Average effective maturity: 7.5 years
	2017	\$ 41,223,319	Average effective duration: 5.3 years Average effective maturity: 7.5 years
Other funds:			
	2018	\$ 26,081,608	Average effective duration/maturity: n/a
	2017	\$ 29,225,640	Average effective duration/maturity: n/a

U) 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 Plan has no formal policy for concentration of credit risk. The following amounts represent 5% or more of the Plan's net position as of December 31, 2018 and/or 2017 invested with any one organization. (Investments with Fidelity representing less than 5% of the Plan's net position are not required to be disclosed, but are included in the detail of total Fidelity Investments in Note 4).

	<u>2018</u>	<u>2017</u>
Equity funds:		
Two Sigma Active US All Cap & Investments	\$ 16,287,880	\$ 631,784
Fixed funds:		
IR+M Core Bond Fund II	\$ 18,593,036	\$ 17,854,889
SSGA 3-10 US Treasury Index NL	-	-



NOTE 7 – PENSION PLANS (CONTINUED)

V) Fair Value Measurements

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

The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has ability to access.

Level 2: Inputs to the valuation methodology include:

- Quoted prices for similar assets of liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

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

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.



UTAH TRANSIT AUTHORITY
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NOTE 7 – PENSION PLANS (CONTINUED)

	<u>2018</u>	<u>2017</u>
Investments:		
Global Equity Funds:		
1607 Capital International Equity Fund	\$ 7,068,884	\$ 8,305,215
Arrowstreet International Equity	8,886,414	9,504,008
Artisan Global Value Institutional	6,504,923	7,932,866
Artisan Global Opportunities Trust	6,349,204	5,903,689
Causeway Emerging Markets Equity	6,547,729	6,402,017
Edgewood Growth Fund Institutional	7,054,931	5,764,661
Gqg Partners Intl Eqty	7,384,000	-
Independent Franchise Partners US Equity	7,196,531	7,743,633
Iridian Private Business Value Mid Cap	5,555,749	6,317,097
Iva International Fund I	2,921,780	-
John Hancock Disciplined Value I	6,086,912	6,732,130
Kiltearn Global Equity Fund	5,744,563	-
Mahout Global Emerging Markets	2,134,715	6,732,130
Mathews ASIA Small Companies	-	2,437,578
Oakmark International I	6,720,896	7,707,213
Overlook Partners Fund	2,477,772	-
RWC Horizon Equity Offshore Ltd.	4,695,445	2,871,724
RWC Horizon Equity Fund 97MSCLV	558,532	5,311,261
Two Sigma Active US All Cap & Investments	16,267,880	631,784
Vanguard FTSE Developed Markets EFT	1,871,213	13,389,450
Vanguard S&P 500 EFT	2,853,321	3,221,307
Wasatch Emerging Markets Small Cap	-	2,511,034
William Blair Small Cap Fund Class I	-	7,485,887
Total Global Equity Funds	<u>\$ 114,881,394</u>	<u>\$ 120,358,635</u>



UTAH TRANSIT AUTHORITY
 NOTES TO THE FINANCIAL STATEMENTS
 Years Ended December 31, 2018 and 2017

NOTE 7 – PENSION PLANS (CONTINUED)

	<u>2018</u>	<u>2017</u>
Polen Capital:		
Adobe Systems Inc.	\$ 392,300	\$ 461,056
Automatic Data Process.	405,948	334,343
Align Technology Inc.	142,412	233,744
Accenture Plc	308,530	308,783
Booking Holdings	155,017	-
Celgene Corp.	-	227,609
Dollar General	322,835	184,811
Facebook Inc.	414,224	433,915
Alphabet Inc.	597,961	556,639
Gartner Inc.	245,964	205,784
Mastercard Inc.	187,895	138,948
Microsoft Corp.	609,318	256,107
Nestle Sa	229,845	325,197
Nike Inc.	355,650	307,225
Nvidia Corp	147,918	-
Oracle	251,079	266,518
O Reilly	413,885	-
The Priceline Group	-	245,021
Regeneron	230,076	213,545
Starbucks Corp.	347,374	273,309
Visa Inc.	478,810	382,081
Zoetis Inc.	336,172	119,010
Total Polen Capital	<u>6,573,216</u>	<u>5,698,545</u>
Total Equity	<u>\$ 121,454,607</u>	<u>\$ 126,057,180</u>



UTAH TRANSIT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
Years Ended December 31, 2018 and 2017

NOTE 7 – PENSION PLANS (CONTINUED)

	2018	2017
Fixed Income Funds:		
1607 Capital Tax Fixed Income Fund	\$ 3,130,603	\$ 3,263,465
Double Line Core Plus 4L3	7,138,145	5,108,695
IR+M Core Bond Fund II	18,593,036	17,854,889
PIMCO Income Fund Institutional	6,327,452	5,291,044
State Street Global Adv. 3-10 US Treasury	9,322,421	9,705,226
Total Fixed Income Funds	<u>44,511,657</u>	<u>41,223,319</u>
Liquid Diversifier Funds:		
AQR Style Premia 97MSCMCV9	3,489,659	3,886,150
AQR Style Premia 97MSCNHU4	-	271,103
AQR Style Premia Fund S 4	-	-
AQR Style Premia Fund Ltd	-	-
CCP Core Macro Fund LP	-	4,376,922
Fort Global Offshore Fund	4,890,738	5,111,965
ISAM SYSTEMATIC 97MSCNDS3	212,508	225,238
ISAM Systematic Trend	1,824,493	2,191,348
Renaissance Institutional Equity	6,008,085	3,698,940
Total Liquid Diversifier Funds	<u>16,425,483</u>	<u>19,791,665</u>
Real Asset Funds:		
AEW Global Properties	1,587,870	1,660,234
T. Rowe Price Global Natural Resources	3,546,308	4,226,988
Vanguard Short Term Inflation Protected Sec	2,543,785	1,530,046
Total Real Assets	<u>7,677,963</u>	<u>7,417,269</u>
Cash & Equivalents:		
US Bank Cash (First American US Money Mkt	1,978,162	2,016,706
Total Cash and Equivalents	<u>1,978,162</u>	<u>2,016,706</u>
Total investments	<u>\$ 192,047,872</u>	<u>\$ 196,506,139</u>

W) 2018 and 2017 Valuation Methodology

Level 1 – These investments are measured at fair value based on quoted prices in active markets.

Level 2 – These investments are measured at fair value based on inputs other than quoted prices included within Level 1. Observable inputs include quoted prices for similar assets in active or non-active markets. While the underlying asset values are quoted prices for the mutual funds, the net asset value (NAV) of the mutual funds is not publicly quoted in an active market.

Level 3 – These Investments are valued at fair value based on information obtained from the investment issuer.



UTAH TRANSIT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
Years Ended December 31, 2018 and 2017

NOTE 7 – PENSION PLANS (CONTINUED)

The following tables set forth by level, within the fair value hierarchy, the Plan’s investments at fair value as of December 31, 2018 and December 31, 2017.

Investment Assets at Fair Value as of December 31, 2018				
	Fair Value	Level 1	Level 2	Level 3
Global Equities (NAV Level 2)	\$ 118,858,701	\$ 11,629,353	\$ 40,111,922	\$ 67,117,426
Fixed Income (NAV level 2)	44,511,657	-	6,327,452	38,184,205
Liquid diversifiers	19,347,261	-	2,921,780	16,425,481
Real assets (NAV level 2)	7,677,963	-	6,090,093	1,587,870
Money market	1,652,310	1,652,310	-	-
Total investments at fair value	\$ 192,047,892	\$ 13,281,663	\$ 55,451,247	\$ 123,314,982

Investment Assets at Fair Value as of December 31, 2017				
	Fair Value	Level 1	Level 2	Level 3
Global Equities (NAV Level 2)	\$ 126,057,180	\$ 11,430,886	\$ 49,768,407	\$ 64,857,888
Fixed Income (NAV level 2)	41,223,319	-	5,291,044	35,932,275
Liquid diversifiers	19,791,665	-	-	19,791,665
Real assets (NAV level 2)	7,417,269	-	5,757,035	1,660,234
Money market	2,016,706	2,016,706	-	-
Total investments at fair value	\$ 196,506,139	\$ 11,430,886	\$ 62,833,191	\$ 122,242,062

X) Net Asset Value Per Share

The mutual funds in the global equities, fixed income and real assets classes Level 2 are stated at net asset value or its equivalent, which is the practical expedient for estimating the fair value of those investments. The following tables provide additional disclosures concerning the investments measured at fair value based on NAV as of December 31, 2018 and 2017.

2018				
	Fair Value	Unfunded Commitment	Redemption Frequency	Redemption Notice Period
Global Equities (NAV Level 2)	\$ 40,111,922	\$ -	Daily	Daily
Fixed Income (NAV level 2)	6,327,452	-	Daily	Daily
Liquid diversifier(NAV level 2)	2,921,780	-	Daily	Daily
Real assets (NAV level 2)	6,090,093	-	Daily	Daily
Total	\$ 55,451,247	\$ -		

NOTE 7 – PENSION PLANS (CONTINUED)

	2017			
	<u>Fair Value</u>	<u>Unfunded Commitment</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>
Global Equities (NAV Level 2)	\$ 49,768,407	\$ -	Daily	Daily
Fixed Income (NAV level 2)	5,291,044	-	Daily	Daily
Real assets (NAV level 2)	5,757,035	-	Daily	Daily
Total	<u>\$ 60,816,485</u>	<u>\$ -</u>		

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

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.

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.

Y) 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.

<u>Fiscal Year Ending December 31</u>	<u>Net Money-Weighted Rate of Return</u>
2018	-7.77%
2017	18.01%



NOTE 7 – PENSION PLANS (CONTINUED)

Z) Net Pension Liability

The net pension liability is the Plan’s total pension liability determined in accordance with GASB No. 67, less the Plan’s fiduciary net position. The Plan’s net pension liability was \$131,548,114 and \$100,876,554 as of December 31, 2018 and December 31, 2017, respectively. A portion of this change is attributed to the Plan’s change of methods and assumptions.

The Plan’s net pension liability is mainly attributed to significant plan changes made during 1999 and 2011, which resulted in benefit increases. Fiduciary net position as a percent of total pension liability decreased to 59.81% at December 31, 2018 from 66.97% at December 31, 2017.

AA) Actuarial Methods and Assumptions

Actuarial valuation of the Plan involves estimates of the reported amounts and assumptions about the probability of occurrence of events into the future. Examples include assumptions about future mortality and future salary increases. Amounts determined regarding the net pension liability are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The last experience study was performed for the five consecutive calendar years ending December 31, 2008. The total pension liability as of December 31, 2018, is based on the results of an actuarial valuation date of January 1, 2018, and rolled-forward using generally accepted actuarial procedures. The significant actuarial assumptions and methods used in the January 1, 2018 valuation are as follows:

- Actuarial Cost Method – Entry Age Normal
- Inflation – 2.30%
- Employer Annual Payroll Growth Including Inflation – 3.40%
- Salary Increases – 5.4% for the first five years of employment; 3.4% per annum thereafter
- Mortality – RP 2014 Blue Collar Mortality Table, with MP-2014 projection scale
- Investment Rate of Return – 7.0%, 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%

BB) 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, 2017, is summarized in the table below.

Asset Class	Target Asset Allocation	Long Term Expected Return
Global Equities	63%	6.9%
Fixed Income	22%	4.4%
Liquid Diversifiers	10%	5.8%
Real Assets	4%	7.8%
Cash & Equivalents	1%	3.3%
Total	100%	6.5%

The 7.00% assumed investment rate of return is comprised of an inflation rate of 2.3% and a real return of 4.70% net of investment expense.

NOTE 7 – PENSION PLANS (CONTINUED)

CC)Discount Rate and Rate Sensitivity Analysis

The discount rate used to measure the total pension liability was 7.00%. The discount rate incorporates a municipal bond rate of 3.44% based on the Bond Buyer General, Obligation 20-Bond Municipal Bond Index. 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.

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 7.00%, as well as what the net pension liability would be if it were calculated using a discount rate 1.00% lower (6.00%) or 1.00% higher (8.00%) than the current rate.

	1.00% Decrease 6.00%	Current Rate 7.00%	1.00% Increase 8.00%
Total pension liability	\$ 367,575,226	\$ 326,086,663	\$ 291,631,806
Fiduciary net position	194,538,549	194,538,549	194,538,549
Net pension liability	173,036,677	131,548,114	97,093,257

DD)Employer Contribution Requirements

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

The Authority’s Board of Trustees adopted a contribution rate policy of 16% for 2017 and 16% for 2018 and subsequent years.

Employer contributions in 2018 and 2017 totaled \$22,355,434 and \$20,506,163 respectively, which represented 110.4% and 101.2% of the annual actuarial recommended contributions, respectively.

EE) Party-in-Interest Transactions

Cambridge Associates is the Plan’s investment manager and they charge fees for the services they provide, the transactions qualify as party-in-interest transactions. Fees paid by the Plan for the investment management services for the years ended December 31, 2018 and 2017 were \$364,729 and \$592,585, respectively.



UTAH TRANSIT AUTHORITY
 NOTES TO THE FINANCIAL STATEMENTS
 Years Ended December 31, 2018 and 2017

NOTE 8 – LONG TERM DEBT

The following provides detailed information about each of the Authority’s debt issuances along with a summary of the long-term debt activity for the year.

A. Series 2005A Revenue Bond

Purpose: Advanced refunding of the 1997 Series Revenue Bonds
 Interest rate: 3.25-5.25%
 Original amount: \$20,630,000

Debt service requirements to maturity, including interest:

<u>Year ending December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 1,635,000	\$ 329,044	\$ 1,964,044
2020	1,720,000	240,975	1,960,975
2021	1,815,000	148,181	1,963,181
2022	1,915,000	50,269	1,965,269
	<u>\$ 7,085,000</u>	<u>\$ 768,469</u>	<u>\$ 7,853,469</u>

Defeasence of Debt - On August 10, 2005, the Authority defeased certain 1997 Series revenue bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the Authority’s financial statements. The 1997 Series revenue bonds relating to this issuance were defeased on December 15, 2007.

B. Series 2006C Revenue Bond

Purpose: Advanced refunding of the 2002A Series revenue bonds
 Interest rates: 5.00-5.25%
 Original amount: \$134,650,000

Debt service requirements to maturity, including interest:

<u>Year ending December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 5,350,000	\$ 5,516,963	\$ 10,866,963
2020	5,635,000	5,228,606	10,863,606
2021	5,950,000	4,924,500	10,874,500
2022	6,265,000	4,603,856	10,868,856
2023	6,605,000	4,266,019	10,871,019
2024-2028	38,750,000	15,588,563	54,346,094
2029-2032	39,205,000	4,250,006	54,318,494
	<u>\$ 107,760,000</u>	<u>\$ 44,378,513</u>	<u>\$ 152,138,513</u>



NOTE 8 – LONG TERM DEBT (continued)

B. Series 2006C Revenue Bond (continued)

Defeasence of Debt - On October 24, 2006, the Authority defeased certain 2002A Series revenue bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the Authority’s financial statements. The 2002A Series revenue bonds relating to this issuance were defeased on December 15, 2012.

C. Series 2007A Capital Appreciation/Capitalized Interest Bond(s)

Purpose: Partial advanced refunding of the 2005B revenue bonds; construction and acquisition of improvements to the transit system.

Interest rates

Capital Appreciation Bonds: 4.55-5.05%
 Capital Interest Bonds: 5.00%

Original amount

Capital Appreciation Bonds: \$132,329,109
 Capital Interest Bonds: \$128,795,000

Debt service requirements to maturity, including interest:

Series 2007A Subordinate Lien Capital Appreciation Bond

On March 15, 2018 the remaining debt service for this bond was defeased through the issuance of the Series 2018 Sales Tax Revenue Subordinate Refunding Bond.

Series 2007A Subordinate Lien Capital Interest Bond

<u>Year ending December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 2,710,000	\$ 6,005,000	\$ 8,715,000
2020	2,850,000	5,866,000	8,716,000
2021	-	5,794,750	5,794,750
2022	-	5,794,750	5,794,750
2023	5,300,000	5,662,250	10,962,250
2024-2028	24,870,000	24,982,250	49,852,250
2029-2033	42,500,000	17,038,250	59,538,250
2034-2035	43,225,000	2,188,375	68,120,750
	\$ <u>121,455,000</u>	\$ <u>73,331,625</u>	\$ <u>194,786,625</u>

Defeasence of Debt - On June 19, 2007, the Authority defeased certain 2005B Series revenue bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the Authority’s financial statements. The 2005B Series revenue bonds relating to this issuance were defeased on December 15, 2015.



UTAH TRANSIT AUTHORITY
 NOTES TO THE FINANCIAL STATEMENTS
 Years Ended December 31, 2018 and 2017

NOTE 8 – LONG TERM DEBT (continued)

D. Series 2008A Revenue Bond

Purpose: Cost of acquisition and construction of certain improvements to the Authority’s transit system.
 Interest rates: 4.75-5.25%
 Original amount: \$700,000,000

Debt service requirements to maturity, including interest:

<u>Year ending December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 5,885,000	\$ 2,696,006	\$ 8,581,006
2020	-	2,541,525	2,541,525
2021	-	2,541,525	2,541,525
2022	23,570,000	1,922,813	25,492,813
2023	24,840,000	652,050	25,492,050
	<u>\$ 54,295,000</u>	<u>\$ 10,353,919</u>	<u>\$ 64,648,919</u>

E. Series 2009B Federally Taxable-Issuer Subsidy “Build America Bonds”

The Authority has elected to treat the 2009B bonds as “Build America Bonds” for the purposes 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 anticipated cash subsidy payments from the United States Treasury equal to 35% (\$5,085,101) of the interest payable on the 2009B bonds.

Purpose: Cost of acquisition and construction of certain improvements to the Authority’s transit system.
 Interest rates: 5.937%
 Original amount: \$261,450,000

Debt service requirements to maturity, including interest:

<u>Year ending December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Scheduled Federal Subsidy Payment</u>
2019	\$ -	\$ 15,522,286	\$ 15,522,286	\$ 5,432,800
2020	-	15,522,286	15,522,286	5,432,800
2021	-	15,522,286	15,522,286	5,432,800
2022	-	15,522,286	15,522,286	5,432,800
2023	-	15,522,286	15,522,286	5,432,800
2024-2028	-	77,611,433	77,611,433	27,164,001
2029-2033	55,890,000	72,171,656	128,061,656	25,260,080
2034-2038	140,560,000	41,157,362	181,717,362	14,405,077
2039	65,000,000	1,929,525	66,929,525	675,334
	<u>\$ 261,450,000</u>	<u>\$ 270,481,406</u>	<u>\$ 531,931,406</u>	<u>\$ 94,668,492</u>



UTAH TRANSIT AUTHORITY
 NOTES TO THE FINANCIAL STATEMENTS
 Years Ended December 31, 2018 and 2017

NOTE 8 – LONG TERM DEBT (continued)

F. Series 2010A Federally Taxable-Issuer Subsidy “Build America Bonds”

The Authority has elected to treat the 2010A bonds as “Build America Bonds” for the purposes 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 anticipated cash subsidy payments from the United States Treasury equal to 35% (\$3,709,776) of the interest payable on the 2010A bonds.

Purpose: Cost of acquisition and construction of certain improvements to the Authority’s transit system.
 Interest rates: 5.705%
 Original amount: \$200,000,000

Debt service requirements to maturity, including interest:

Year ending December 31	Principal	Interest	Total	Scheduled Federal Subsidy Payment
2019	\$ -	\$ 11,410,000	\$ 11,410,000	\$ 3,993,500
2020	-	11,410,000	11,410,000	3,993,500
2021	-	11,410,000	11,410,000	3,993,500
2022	-	11,410,000	11,410,000	3,993,500
2023	-	11,410,000	11,410,000	3,993,500
2024-2028	-	57,050,000	57,050,000	19,967,500
2029-2033	-	57,050,000	57,050,000	19,967,500
2034-2038	29,700,000	55,862,219	85,562,219	19,551,776
2039-2040	170,300,000	11,762,569	182,062,569	4,116,900
	<u>\$ 200,000,000</u>	<u>\$ 238,774,788</u>	<u>\$ 438,774,788</u>	<u>\$ 83,571,176</u>



UTAH TRANSIT AUTHORITY
 NOTES TO THE FINANCIAL STATEMENTS
 Years Ended December 31, 2018 and 2017

NOTE 8 – LONG TERM DEBT (continued)

G. Series 2012A Revenue Bond

Purpose: Refunding of \$32,020,000 of the 2006AB variable rate bonds; refunding of \$100,000,000 of the 2011AB variable rate bonds; and the cost of acquisition and construction of certain improvements to the Authority’s transit system.
 Interest rates: 4.00-5.00%
 Original amount: \$295,520,000

Debt service requirements to maturity, including interest:

<u>Year ending December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ -	\$ 7,844,000	\$ 7,844,000
2020	-	7,844,000	7,844,000
2021	-	7,844,000	7,844,000
2022	-	7,844,000	7,844,000
2023	-	7,844,000	7,844,000
2024-2028	-	39,220,000	40,631,200
2029-2033	1,440,000	39,191,200	39,220,000
2034-2038	50,485,000	36,126,700	86,611,700
2039-2042	119,675,000	16,289,000	135,964,000
	\$ <u>171,600,000</u>	\$ <u>170,046,900</u>	\$ <u>341,646,900</u>

Defeasence of Debt - On November 28, 2012, the Authority defeased all of the 2011AB variable rate revenue bonds, and certain 2006AB Series variable rate revenue bonds. The 2006AB and 2011AB Series revenue bonds relating to this issuance were defeased on November 28, 2012.

On December 28, 2017 a portion of the original debt service for this bond was defeased through the issuance of the \$120,575,000 Series 2017 Sales Tax Revenue Refunding Bond.

H. Series 2015A Revenue Bonds

On February 25, 2015, the Authority issued \$668,655,000 in senior sales tax revenue bonds and \$192,005,000 in subordinate sales tax revenue bonds to provide resources to purchase qualifying open market securities that were placed in an irrevocable trust for the purpose of generating resources for the advanced refunding of certain 2008A revenue bonds, certain 2009A revenue bonds, certain 2007A capital appreciation revenue bonds, and certain 2012A revenue bonds. These resources are intended to provide all future debt payments of \$904,901,591 of senior and subordinate sales tax revenue bonds. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the Authority’s financial statements. These advanced refundings were undertaken to reduce total debt service payments over the next 23 years by \$85,099,817, and resulted in an economic gain of \$77,660,118. As of December 31, 2017, \$4,245,000 of the 2012A Revenue Bond was defeased from the escrow fund.



UTAH TRANSIT AUTHORITY
 NOTES TO THE FINANCIAL STATEMENTS
 Years Ended December 31, 2018 and 2017

NOTE 8 – LONG TERM DEBT (continued)

H. Series 2015A Revenue Bonds (continued)

Series 2015A Senior Lien Revenue Bond

Purpose: Advanced refunding of \$645,705,000 of the 2008A revenue bonds and \$44,550,000 of the 2009A revenue bonds; debt service reserve
 Interest rates: 4.00-5.00%
 Original amount: \$668,655,000

Debt service requirements to maturity, including interest:

<u>Year ending December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ -	\$ 31,072,663	\$ 31,072,663
2020	12,425,000	30,769,238	43,194,238
2021	18,235,000	30,029,138	48,264,138
2022	-	29,592,463	29,592,463
2023	8,030,000	29,416,463	37,446,463
2024-2028	191,195,000	123,545,706	314,740,706
2029-2033	201,265,000	74,354,025	275,619,025
2034-2038	237,505,000	28,615,400	266,120,400
	\$ <u>668,655,000</u>	\$ <u>377,395,096</u>	\$ <u>1,046,050,096</u>

Series 2015A Subordinate Lien Revenue Bond

Purpose: Advanced refunding of \$129,997,040 of the 2007A capital appreciation revenue bonds and associated accreted interest of \$80,404,551, and \$4,245,000 of the 2012A revenue bonds; debt service reserve
 Interest rates: 3.00-5.00%
 Original amount: \$192,005,000

Debt service requirements to maturity, including interest:

<u>Year ending December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ -	\$ 9,543,250	\$ 9,543,250
2020	2,850,000	9,500,500	12,350,500
2021	5,840,000	9,311,750	15,151,750
2022	8,875,000	8,943,875	17,818,875
2023	6,750,000	8,553,250	15,303,250
2024-2024	45,750,000	36,139,500	81,983,500
2029-2033	51,825,000	24,273,875	76,098,875
2034-2037	70,115,000	7,625,625	77,740,625
	\$ <u>192,005,000</u>	\$ <u>113,891,625</u>	\$ <u>305,896,625</u>



UTAH TRANSIT AUTHORITY
 NOTES TO THE FINANCIAL STATEMENTS
 Years Ended December 31, 2018 and 2017

NOTE 8 – LONG TERM DEBT (continued)

I. Series 2016 Revenue Bonds

On August 24, 2016, the Authority issued \$145,691,497 in subordinate sales tax revenue bonds with a reoffering premium of \$12,932,675 to provide resources to purchase qualifying open market securities that were placed in an irrevocable trust for the purpose of generating resources for the advanced refunding of the 2013 revenue bonds and 2014AB revenue bonds. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the Authority’s financial statements. These advanced refundings were undertaken to remove the Authority’s short-term debt which reduced total debt service payments by \$156,360,000 over the next three (3) years. This issuance resulted in an economic loss of \$8,045,006. As of June 15, 2018, \$62,000,000 of the 2014A Revenue Bond was defeased from the escrow fund.

Series 2016 Subordinate Lien Revenue Bond

Purpose: Refunding of \$13,990,000 of the 2013 short-term bonds, and refunding of \$142,370,000 of the 2014AB short-term bonds.
 Interest rates: 3.00-4.00%
 Original amount: \$145,691,498

Debt service requirements to maturity, including interest:

<u>Year ending December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ -	\$ 4,602,300	\$ 4,602,300
2020	-	4,602,300	4,602,300
2021	-	4,602,300	4,602,300
2022	-	4,602,300	4,602,300
2023	-	4,602,300	4,602,300
2024-2028	36,890,000	22,466,250	59,356,250
2029-2031	89,890,000	7,181,000	97,071,000
	\$ <u>126,780,000</u>	\$ <u>52,658,750</u>	\$ <u>179,438,750</u>

Series 2016 Subordinate Lien Capital Appreciation Revenue Bond

Purpose: Refunding of \$13,990,000 of the 2013 short-term bonds, and refunding of \$142,370,000 of the 2014AB short-term bonds.
 Interest rates: 3.32004%
 Original amount: \$18,911,498

Debt service requirements to maturity, including interest:

<u>Year Ending December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2032	\$ 18,911,498	\$ 13,443,503	\$ 32,355,001
	\$ <u>18,911,498</u>	\$ <u>13,443,503</u>	\$ <u>32,355,001</u>



NOTE 8 – LONG TERM DEBT (continued)

J. Series 2016 Utah County Subordinated Transportation Sales Tax Revenue Bond

On December 22, 2016, Utah County issued a \$65 million subordinated transportation sales tax revenue bond to be used for the construction of the Provo-Orem BRT. 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 amount owed to Utah County increased by \$960,616 in FY 2018 based on an agreement which states that Utah County will loan UTA an amount of \$2,500,000 per year for operations and maintenance costs until December 31, 2028 or until the Authority assumes responsibility for such funding. The project opened on August 6, 2018, so the amount was prorated for the year.

<u>Year ending December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2028	\$ 65,960,616	\$ 22,718,868	\$ 87,718,868
	\$ 65,960,616	\$ 22,718,868	\$ 87,718,868

K. Series 2017 Sales Tax Revenue Refunding Bonds (Sub)

Purpose: Advanced refunding \$119,675,000 of the 2012 bonds. The cash flow savings as a result of the refunding is \$80,531,986

Interest rates: 2.41%

Original amount: \$120,575,000

Economic Gain as a result of refunding: \$26,665,362.89

On March 15, 2018 the original debt service for this bond was defeased through the issuance of the \$120,575,000 Series 2018 Sales Tax Revenue Subordinate Refunding Bond.

L. Series 2018 Revenue Bonds

On March 15, 2018, the Authority issued \$83,765,000 in senior sales tax revenue bonds and \$115,540,000 in subordinate sales tax revenue bonds to provide resources to purchase qualifying open market securities that were placed in an irrevocable trust for the purpose of generating resources for the advanced refunding of certain 2017 revenue bonds, certain 2007A revenue bonds, and to finance certain capital projects. These resources are intended to provide all future debt payments for the 2017 and 2007A Bonds in the amount of \$125,172,394 of sales tax revenue bonds. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the Authority’s financial statements. The advanced refundings were undertaken to reduce total debt service payments over the next 14 years by \$122,907,069, and resulted in an economic gain of \$5,587,749.09.

The financing for certain construction projects consisted of \$88,500,000 and include funds for the Salt Lake City Airport Light Rail Station relocation of \$24,905,000.



UTAH TRANSIT AUTHORITY
 NOTES TO THE FINANCIAL STATEMENTS
 Years Ended December 31, 2018 and 2017

NOTE 8 – LONG TERM DEBT (continued)

L. Series 2018 Revenue Bonds (continued)

Series 2018 Senior Lien Revenue Bond

Purpose: Finance Capital Projects - \$58,860,000 for other projects and \$24,905,000 for the Salt Lake City Airport Light Rail Station relocation.

Interest rates: 3.25-5.00%

Original amount: \$83,765,000

Debt service requirements to maturity, including interest:

<u>Year ending December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 1,500,000	\$ 3,612,400	\$ 5,112,400
2020	-	3,537,400	3,537,400
2021	-	3,537,400	3,537,400
2022	-	3,537,400	3,537,400
2023	-	3,537,400	3,537,400
2024-2028	-	17,687,000	17,687,000
2029-2033	19,420,000	17,687,000	37,107,000
2034-2036	62,845,000	5,430,650	68,275,650
	<u>\$ 83,765,000</u>	<u>\$ 58,566,650</u>	<u>\$ 142,331,650</u>

Series 2018 Subordinate Lien Revenue Bond

Purpose: Advanced refunding of \$112,125,000 of the 2017 revenue bonds and associated accreted interest of \$3,975,864, and \$3,415,000 of the 2007A revenue bonds; debt service reserve

Interest rates: 3.125-5.00%

Original amount: \$115,540,000

Debt service requirements to maturity, including interest:

<u>Year ending December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 420,000	\$ 5,133,894	\$ 5,553,894
2020	440,000	5,112,894	5,552,894
2021	3,235,000	5,090,894	8,325,894
2022	3,395,000	4,929,144	8,324,144
2023	3,565,000	4,759,394	8,324,394
2024-2028	20,245,000	20,956,219	41,201,219
2029-2033	13,775,000	16,917,631	30,692,631
2034-2038	2,155,000	14,548,950	16,703,950
2039-2041	66,665,000	7,451,530	74,116,530
	<u>\$ 113,895,000</u>	<u>\$ 84,900,550</u>	<u>\$ 198,795,550</u>



UTAH TRANSIT AUTHORITY
 NOTES TO THE FINANCIAL STATEMENTS
 Years Ended December 31, 2018 and 2017

NOTE 8 – LONG TERM DEBT (continued)

M. 2015 Issuance 12-Year Lease Financing

Purpose: Acquisition of 10 CNG buses and equipment
 Interest rates: 2.0908%
 Original amount: \$5,283,500

Debt service requirements to maturity, including interest:

<u>Year ending December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 420,447	\$ 77,768	\$ 498,215
2020	429,322	68,893	498,215
2021	438,385	59,830	498,215
2022	447,640	50,575	498,215
2023	457,089	41,126	498,215
2024-2027	1,718,648	66,679	1,785,327
	<u>\$ 3,911,531</u>	<u>\$ 364,871</u>	<u>\$ 4,276,402</u>

N. 2015 Issuance 5-Year Lease Financing

Purpose: Acquisition of 20 flex/paratransit vehicles
 Interest rates: 1.3186%
 Original amount: \$3,583,370

Debt service requirements to maturity, including interest:

<u>Year ending December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 720,885	\$ 10,762	\$ 731,647
2020	424,988	1,870	426,858
	<u>\$ 1,145,873</u>	<u>\$ 12,632</u>	<u>\$ 1,158,505</u>

O. 2015 Issuance 4-Year Lease Financing

Purpose: Acquisition of 50 RideShare vans
 Interest rates: 1.1778%
 Original amount: \$1,582,018

Debt service requirements to maturity, including interest:

<u>Year ending December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 243,467	\$ 910	\$ 44,377
	<u>\$ 243,467</u>	<u>\$ 910</u>	<u>\$ 244,377</u>



UTAH TRANSIT AUTHORITY
 NOTES TO THE FINANCIAL STATEMENTS
 Years Ended December 31, 2018 and 2017

NOTE 8 – LONG TERM DEBT (continued)

P. 2016 Issuance 12-Year Lease Financing

Purpose: Acquisition of 5 buses and equipment for use in the canyons for ski service
 Interest rates: 1.6322%
 Original amount: \$2,480,000

Debt service requirements to maturity, including interest:

<u>Year ending December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 195,686	\$ 32,021	\$ 227,707
2020	198,904	28,803	227,707
2021	202,175	25,532	227,707
2022	205,500	22,207	227,707
2023	208,879	18,828	227,707
2024-2028	1,040,061	41,546	1,081,607
	<u>\$ 2,051,205</u>	<u>\$ 168,937</u>	<u>\$ 2,220,142</u>

Q. 2016 Issuance 5-Year Lease Financing

Purpose: Acquisition of 33 flex/paratransit vehicles
 Interest rates: 1.3008%
 Original amount: \$4,546,000

Debt service requirements to maturity, including interest:

<u>Year ending December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 912,006	\$ 27,575	\$ 939,581
2020	923,940	15,640	939,580
2021	700,361	3,804	704,165
	<u>\$ 2,536,307</u>	<u>\$ 47,019</u>	<u>\$ 2,583,326</u>

R. 2016 Issuance 4-Year Lease Financing

Purpose: Acquisition of 56 RideShare vans
 Interest rates: 1.2298%
 Original amount: \$1,647,000

Debt service requirements to maturity, including interest:

<u>Year ending December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 415,524	\$ 6,648	\$ 422,172
2020	315,543	1,616	317,159
	<u>\$ 731,067</u>	<u>\$ 8,264</u>	<u>\$ 739,331</u>



UTAH TRANSIT AUTHORITY
 NOTES TO THE FINANCIAL STATEMENTS
 Years Ended December 31, 2018 and 2017

8 – LONG TERM DEBT (continued)

S. 2017 Issuance 12-Year Lease Financing

Purpose: Acquisition of 47 buses and equipment
 Interest rates: 2.2440%
 Original amount: \$24,390,000

Debt service requirements to maturity, including interest:

<u>Year ending December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 1,835,389	\$ 484,922	\$ 2,320,311
2020	1,877,001	443,310	2,320,311
2021	1,919,557	400,754	2,320,311
2022	1,963,077	357,234	2,320,311
2023	2,007,585	312,726	2,320,311
2024-2028	10,741,663	859,891	11,601,554
2029	2,103,279	23,672	2,126,951
	\$ <u>22,447,551</u>	\$ <u>2,882,509</u>	\$ <u>25,330,060</u>

T. 2017 Issuance 5-Year Lease Financing

Purpose: Acquisition of 13 flex/paratransit vehicles
 Interest rates: 1.8200%
 Original amount: \$1,444,000

Debt service requirements to maturity, including interest:

<u>Year ending December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 283,932	\$ 18,427	\$ 302,359
2020	289,143	13,216	302,359
2021	294,449	7,910	302,359
2022	274,656	2,506	277,162
	\$ <u>1,142,180</u>	\$ <u>42,059</u>	\$ <u>1,184,239</u>

U. 2017 Issuance 4-Year Lease Financing

Purpose: Acquisition of 36 RideShare vans
 Interest rates: 1.7700%
 Original amount: \$1,307,000 (**A vehicle was totaled and paid off in 2018, therefore principal was reduced by \$28,893**)

Debt service requirements to maturity, including interest:

<u>Year ending December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 314,520	\$ 14,017	\$ 328,538
2020	320,176	8,362	328,538
2021	297,713	2,648	300,361
	\$ <u>932,409</u>	\$ <u>25,027</u>	\$ <u>957,431</u>

UTAH TRANSIT AUTHORITY
 NOTES TO THE FINANCIAL STATEMENTS
 Years Ended December 31, 2018 and 2017

NOTE 8 – LONG TERM DEBT (continued)

V. 2018 Issuance 12-Year Lease Financing

Purpose: Acquisition of 24 buses and 2 Trolley style buses
 Interest rates: 3.295%
 Original amount: \$12,496,000

Debt service requirements to maturity, including interest:

<u>Year ending December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 865,736	\$ 396,411	\$ 1,262,147
2020	894,697	367,450	1,262,147
2021	924,626	337,521	1,262,147
2022	955,557	306,590	1,262,147
2023	987,522	274,625	1,262,147
2024-2028	5,455,798	854,938	6,310,736
2029-2030	2,341,197	77,918	2,419,115
	\$ <u>12,425,133</u>	\$ <u>2,615,453</u>	\$ <u>15,040,586</u>

W. 2018 Issuance 5-Year Lease Financing

Purpose: Acquisition of 36 flex/paratransit vehicles
 Interest rates: 3.057%
 Original amount: \$381,000

Debt service requirements to maturity, including interest:

<u>Year ending December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 71,802	\$ 10,467	\$ 82,269
2020	74,028	8,241	82,269
2021	76,323	5,946	82,269
2022	78,689	3,580	82,269
2023	74,273	1,140	75,413
	\$ <u>375,115</u>	\$ <u>29,374</u>	\$ <u>404,489</u>

X. 2018 Issuance 4-Year Lease Financing

Purpose: Acquisition of 60 RideShare vans
 Interest rates: 3.022%
 Original amount: \$1,500,000

Debt service requirements to maturity, including interest:

<u>Year ending December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 359,099	\$ 39,494	\$ 398,593
2020	370,103	28,490	398,593
2021	381,444	17,149	398,593
2022	359,916	5,461	365,377
	\$ <u>1,470,562</u>	\$ <u>90,594</u>	\$ <u>1,561,156</u>



UTAH TRANSIT AUTHORITY
 NOTES TO THE FINANCIAL STATEMENTS
 Years Ended December 31, 2018 and 2017

NOTE 8 – LONG TERM DEBT (continued)

Y. Capital Leased Assets

The following represents the assets acquired through the 2015, 2016, 2017 and 2018 series capital leases and the corresponding accumulated depreciation.

	2015 Series Leases		2016 Series Leases		2017 Series Leases		2018 Series Leases
Revenue vehicles							
12-year lease	\$ 4,859,620	\$	2,480,000	\$	23,680,879	\$	9,245,110
5-year lease	3,626,139		3,719,002		-		-
4-year lease	1,587,375		1,647,000		1,267,806		275,397
Subtotal	10,073,134		7,846,002		24,948,685		9,520,507
Accumulated depreciation	(5,094,073)		(3,599,034)		(2,657,979)		(139,879)
Total capital assets (net)	\$ 4,979,061	\$	4,246,968	\$	22,290,706	\$	9,380,628



UTAH TRANSIT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
Years Ended December 31, 2018 and 2017

NOTE 8 – LONG TERM DEBT (continued)

Long Term Debt Summary Table FY 2018

	Balance 12/31/2017	Additions	Reductions	Balance 12/31/2018	Amount due within one year
Bonds					
Series 2005A Revenue Bond	\$ 8,635,000	\$ -	\$ (1,550,000)	\$ 7,085,000	\$ 1,635,000
Series 2006C Revenue Bond	112,845,000	-	(5,085,000)	107,760,000	5,350,000
Series 2007A Capital Appreciation	2,332,069	-	(2,332,069)	-	-
Series 2007A Current Interest Bond	124,020,000	-	(2,565,000)	121,455,000	2,710,000
Series 2008A Revenue Bond	54,295,000	-	-	54,295,000	5,885,000
Series 2009B Build America Bond	261,450,000	-	-	261,450,000	-
Series 2010A Build America Bond	200,000,000	-	-	200,000,000	-
Series 2012A Revenue Bond	171,600,000	-	-	171,600,000	-
Series 2015A Revenue Bond (Sr)	668,655,000	-	-	668,655,000	-
Series 2015A Revenue Bond (Sub)	192,005,000	-	-	192,005,000	-
Series 2016 Revenue Bond	126,780,000	-	-	126,780,000	-
Series 2016 Capital Appreciation	18,911,498	-	-	18,911,498	-
Series 2016 UTCT	65,000,000	960,616	-	65,960,616	-
Series 2017 Revenue Bond (Sub)	120,575,000	-	(120,575,000)	-	-
Series 2018 Revenue Bond (Sr)	-	83,765,000	-	83,765,000	1,500,000
Series 2018 Revenue Bond (Sub)	-	115,540,000	(1,645,000)	113,895,000	420,000
2015 12-Year Lease	4,323,227	-	(411,696)	3,911,531	420,447
2015 5-Year Lease	1,857,256	-	(711,383)	1,145,873	720,885
2015 4-Year Lease	636,293	-	(392,826)	243,467	231,295
2016 12-Year Lease	2,243,724	-	(192,520)	2,051,204	195,686
2016 5-Year Lease	3,437,053	-	(900,746)	2,536,307	912,006
2016 4-Year Lease	1,140,985	-	(409,918)	731,067	415,524
2017 12-Year Lease	24,390,000	-	(1,942,449)	22,447,551	1,835,389
2017 5-Year Lease	1,444,000	-	(301,821)	1,142,179	283,931
2017 4-Year Lease	1,307,000	-	(374,592)	932,408	314,520
2018 12-Year Lease	-	12,496,000	(70,867)	12,425,133	865,736
2018 5-Year Lease	-	381,000	(5,885)	375,115	71,802
2018 4-Year Lease	-	1,500,000	(29,439)	1,470,561	359,099
	<u>2,167,883,105</u>	<u>214,642,616</u>	<u>(139,496,211)</u>	<u>2,243,029,510</u>	<u>24,126,320</u>
Unamortized Premiums					
Series 2005A Revenue Bond	176,244	-	(63,865)	112,379	
Series 2006C Revenue Bond	6,866,239	-	(822,061)	6,044,178	
Series 2007A Current Interest Bond	6,224,106	-	(483,106)	5,741,000	
Series 2008A Revenue Bond	1,450,701	-	(332,679)	1,118,022	
Series 2012A Revenue Bond	14,013,078	-	(562,398)	13,450,680	
Series 2015A Revenue Bond (Sr)	95,034,418	-	(9,085,303)	85,949,114	
Series 2015A Revenue Bond (Sub)	28,420,439	-	(2,738,465)	25,681,975	
Series 2016 Revenue Bond	11,704,515	-	(935,741)	10,768,774	
Series 2018 Revenue Bond (Sr)	-	7,562,137	(319,290)	7,242,847	
Series 2018 Revenue Bond (Sub)	-	10,277,332	(275,359)	10,001,973	
	<u>163,889,740</u>	<u>17,839,469</u>	<u>(15,618,267)</u>	<u>166,110,942</u>	
Total Long Term Debt	<u>\$ 2,331,772,845</u>	<u>\$ 232,482,085</u>	<u>\$(155,114,478)</u>	<u>\$ 2,409,140,452</u>	<u>\$ 24,126,320</u>

UTAH TRANSIT AUTHORITY
 NOTES TO THE FINANCIAL STATEMENTS
 Years Ended December 31, 2018 and 2017

NOTE 8 – LONG TERM DEBT (continued)

Long Term Debt Summary Table FY 2017

	Balance			Balance	Amount
	12/31/2016	Additions	Reductions	12/31/2017	due within
					one year
Bonds					
Series 2005A Revenue Bond	\$ 10,105,000	\$ -	\$ (1,470,000)	\$ 8,635,000	\$ 1,550,000
Series 2006C Revenue Bond	117,670,000	-	(4,825,000)	112,845,000	5,085,000
Series 2007A Capital Appreciation	2,332,069	-	-	2,332,069	-
Series 2007A Current Interest Bond	126,475,000	-	(2,455,000)	124,020,000	2,565,000
Series 2008A Revenue Bond	54,295,000	-	-	54,295,000	-
Series 2009B Build America Bond	261,450,000	-	-	261,450,000	-
Series 2010A Build America Bond	200,000,000	-	-	200,000,000	-
Series 2012A Revenue Bond	282,755,000	-	(111,155,000)	171,600,000	-
Series 2015A Revenue Bond (Sr)	668,655,000	-	-	668,655,000	-
Series 2015A Revenue Bond (Sub)	192,005,000	-	-	192,005,000	-
Series 2016 Revenue Bond	126,780,000	-	-	126,780,000	-
Series 2016 Capital Appreciation	18,911,498	-	-	18,911,498	-
Series 2016 UTCT	14,499,803	50,500,197	-	65,000,000	-
Series 2017 Revenue Bond (Sub)	-	120,575,000	-	120,575,000	-
2015 12-Year Lease	4,726,469	-	(403,242)	4,323,227	411,755
2015 5-Year Lease	2,559,388	-	(702,133)	1,857,256	711,447
2015 4-Year Lease	1,030,227	-	(393,934)	636,293	399,765
2016 12-Year Lease	2,433,129	-	(189,405)	2,243,724	192,520
2016 5-Year Lease	4,325,650	-	(888,597)	3,437,053	900,225
2016 4-Year Lease	1,546,418	-	(405,433)	1,140,985	410,448
2017 12-Year Lease	-	24,390,000	-	24,390,000	1,942,449
2017 5-Year Lease	-	1,444,000	-	1,444,000	301,820
2017 4-Year Lease	-	1,307,000	-	1,307,000	344,899
	<u>2,092,554,651</u>	<u>198,216,197</u>	<u>(122,887,744)</u>	<u>2,167,883,105</u>	<u>14,815,328</u>
Unamortized Premiums					
Series 2005A Revenue Bond	254,368	-	(78,125)	176,244	
Series 2006C Revenue Bond	7,742,907	-	(876,667)	6,866,239	
Series 2007A Current Interest Bond	6,726,090	-	(501,982)	6,224,106	
Series 2008A Revenue Bond	1,783,381	-	(332,679)	1,450,701	
Series 2012A Revenue Bond	24,557,337	-	(10,544,259)	14,013,078	
Series 2015A Revenue Bond (Sr)	104,119,722	-	(9,085,303)	95,034,418	
Series 2015A Revenue Bond (Sub)	31,158,903	-	(2,738,465)	28,420,439	
Series 2016 Revenue Bond	12,640,256	-	(935,741)	11,704,515	
	<u>188,982,964</u>	<u>-</u>	<u>(25,093,221)</u>	<u>163,889,740</u>	
Total Long Term Debt	<u>\$ 2,281,537,615</u>	<u>\$ 198,216,197</u>	<u>\$(147,980,965)</u>	<u>\$ 2,331,772,845</u>	<u>\$ 14,815,328</u>



UTAH TRANSIT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
Years Ended December 31, 2018 and 2017

NOTE 9 – COMMITMENTS AND CONTINGENCIES

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

As of December 31, 2018, the Authority also has purchasing commitments for several capital projects. The largest of these commitments are as follows:

- \$66.3 million Depot District
- \$ 8.7 million Bus Replacements
- \$ 5.9 million Sandy Civic Center Parking Structure
- \$ 5.2 million Electric Bus Implementation
- \$ 3.8 million TRAX Airport Relocation Design
- \$ 2.0 million Positive Train Control

NOTE 10 – SUBSEQUENT EVENTS

The Authority has no subsequent events to report and has performed an evaluation of subsequent events through June 4, 2019 which is the date the basic financial statements were available to be issued.

Required Supplementary Information

For Fiscal Years Ended
December 31, 2018 and 2017



UTAH TRANSIT AUTHORITY
 REQUIRED SUPPLEMENTARY INFORMATION
 Years Ended December 31, 2018 and 2017

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total Pension Liability					
Service cost	\$ 9,550,863	\$ 8,368,262	\$ 7,711,706	\$ 7,545,807	\$ 7,284,379
Interest on total pension liability	21,512,781	20,368,031	19,604,345	18,717,411	17,623,248
Voluntary member contributions	223,572	697,576	437,923	916,567	275,663
Gains or losses	4,893,150	4,915,564	(927,077)	(1,973,177)	-
Assumption changes or inputs	-	5,079,447	(3,955,702)	7,725,363	-
Benefits paid	(15,474,819)	(13,008,142)	(12,980,615)	(11,554,824)	(10,181,732)
Net change in total pension liability	20,705,547	26,420,738	9,890,580	21,377,147	15,001,558
Total pension liability - beginning	305,381,116	278,960,378	269,069,798	247,692,651	232,691,093
Total pension liability - ending (a)	326,086,663	305,381,116	278,960,378	269,069,798	247,692,651
Plan Fiduciary Net Position					
Contributions - employer	\$ 22,355,434	\$ 20,506,163	\$ 19,603,952	\$ 16,745,254	\$ 15,366,694
Contributions - members	223,572	697,576	437,923	916,567	275,663
Net investment income	(16,629,921)	30,598,620	7,591,211	(1,085,458)	5,946,916
Benefits paid	(15,474,819)	(13,008,142)	(12,980,615)	(11,554,824)	(10,181,732)
Administrative expense	(440,279)	(324,912)	(249,141)	(244,011)	(219,504)
Net change in plan fiduciary net position	(9,966,013)	38,469,305	14,403,330	4,777,528	11,188,037
Plan fiduciary net position - beginning	204,504,562	166,035,257	151,631,927	146,854,399	135,666,362
Plan fiduciary net position - ending (b)	194,538,549	204,504,562	166,035,257	151,631,927	146,854,399
Net pension liability / (asset) - ending (a-b)	\$ 131,548,114	\$100,876,554	\$112,925,121	\$ 117,437,871	\$ 100,838,252
Plan fiduciary net position as a percentage of the total pension liability	59.66%	66.97%	59.50%	56.40%	59.29%
Projected covered employee payroll	\$ 132,521,079	\$126,690,540	\$115,430,618	\$ 110,727,134	\$ 106,004,057
Net pension liability as a percentage of covered employee payroll	99.27%	79.62%	97.83%	106.06%	95.13%

This schedule is intended to present 10 years of information. Subsequent years will be added as the information becomes available.

UTAH TRANSIT AUTHORITY
 REQUIRED SUPPLEMENTARY INFORMATION
 Years Ended December 31, 2018 and 2017

STATEMENT OF REQUIRED EMPLOYER CONTRIBUTION – 10 YEARS

Year	Actuarial Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Projected Covered Employee Payroll	Contribution as Percentage of Covered Payroll
2018	\$21,203,373	\$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%
2010	10,047,874	10,047,874	-	93,259,215	10.77%
2009	10,658,339	10,658,339	-	88,834,546	12.00%

MONEY-WEIGHTED RATE OF RETURN – 10 YEARS

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
2018	-7.77%
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.



UTAH TRANSIT AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
Years Ended December 31, 2018 and 2017

NOTE 1 – VALUATION DATE

The valuation date is January 1, 2018. This is the date as of which the actuarial valuation is performed. The measurement date is December 31, 2018. This is the date as of which the net pension liability is determined. The reporting date is December 31, 2018. This is the employer’s fiscal year ending date.

NOTE 2 – METHODS AND ASSUMPTIONS USED TO DETERMINE CONTRIBUTION RATES

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, open
Remaining amortization period	18 years
Asset valuation method	5-year smoothed market less unrealized
Cost of Living Adjustments	None
Inflation	2.3%
Salary increases	5.40% per annum for the first five years of employment; 3.40% per annum thereafter
Investment rate of return	7.00%, 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



Supplementary Schedules

For Fiscal Years Ended
December 31, 2018 and 2017



UTAH TRANSIT AUTHORITY
 SUPPLEMENTARY SCHEDULE (Unaudited)
 Years Ended December 31, 2018 and 2017

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION BUDGET (Non-GAAP Budget Basis) AND ACTUAL

	<u>2018 Budget</u>	<u>2018 Actual</u>	<u>Favorable (Unfavorable)</u>
<u>Revenues</u>			
Contributions from other gov'ts, sales tax	\$278,909,000	\$282,933,591	\$4,024,591
Federal preventative maintenance grants	60,827,000	61,820,668	993,668
Passenger revenues	50,337,000	52,051,892	1,714,892
Advertising	2,483,000	2,412,500	(70,500)
Investment income	3,732,000	6,525,872	2,793,872
Other income	6,772,000	8,155,668	1,383,668
Total revenues	<u>403,060,000</u>	<u>413,900,191</u>	<u>10,840,191</u>
<u>Operating Expenses</u>			
Bus services	\$97,522,000	\$96,719,747	\$802,253
Rail services	76,339,000	75,157,087	1,181,913
Paratransit services	23,010,000	21,858,532	1,151,468
Other services (less non-operating)	3,210,000	3,056,191	153,809
Operations support	45,154,000	45,557,749	(403,749)
Administration (less non-operating)	32,394,000	34,784,200	(2,390,200)
Total operating expenses	<u>277,629,000</u>	<u>277,133,506</u>	<u>495,494</u>
<u>Non-Operating Expenses (Revenues)</u>			
Interest expense	104,777,000	91,000,388	13,776,612
Principal	9,200,000	10,845,000	(1,645,000)
Non-operating	5,505,000	4,809,747	695,253
Total non-operating expenses	<u>119,482,000</u>	<u>106,655,135</u>	<u>12,826,865</u>
<u>Total Operating and Non-Operating Expenses</u>	<u>\$397,111,000</u>	<u>\$383,788,641</u>	<u>\$13,322,359</u>
<u>Capital Expenses (Revenues)</u>			
Federal and local grants	(\$56,114,493)	(\$31,585,904)	(\$24,528,589)
Local contributions	(14,318,487)	(12,151,003)	(2,167,484)
Capital lease	(21,163,045)	-	(21,163,045)
Bonds	(50,877,399)	-	(50,877,399)
Project Expenses	191,178,829	124,693,500	66,485,329
Total capital expenses (revenues)	<u>\$48,705,405</u>	<u>\$80,956,593</u>	<u>(\$32,251,188)</u>
Project Expenses-less transfers to Capital Assets in 2018		<u>(86,039,389)</u>	
Capital Maintenance Projects		<u>38,654,111</u>	
Total Revenues (Operating and Capital)		457,637,098	
- Less Total Expenses (Operating, Non-Operating, and Capital (after Capitalization)		(422,442,752)	
- Less Depreciation Expense		(80,565,077)	
- Less Non-Cash Capital Contributions		20,142,932	
+ Plus Principal Payments on Long-term Debt		<u>10,845,000</u>	
Change in Net Position (Statement of Revenues, Expenses, and Changes in Net Position)		<u>\$ (14,382,799)</u>	

Statistical

For Fiscal Years Ended
December 31, 2018 and 2017



UTAH TRANSIT AUTHORITY
 STATISTICAL SECTION
 Year Ended December 31, 2018 and 2017

NET POSITION AS OF December 31 - 10 years

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Capital Investment in Net Assets	\$ 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	\$ 1,133,832,808	\$ 953,013,398
Restricted	132,734,222	89,153,732	67,415,969	78,064,113	62,860,625	7,252,625	3,952,493	3,929,644	4,071,242	3,813,103
Unrestricted	18,914,155	10,247,844	71,467,610	76,467,063	137,910,343	242,267,181	304,753,885	276,960,064	505,464,819	527,478,988
Total Net Position	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	1,643,368,869	1,484,305,489
Restatement	-	-	-	(9,497,521)	(115,047,267)	4,931,557	-	-	-	-
Total Net Position, Restated	\$ 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	\$ 1,643,368,869	\$ 1,484,305,489

CHANGE IN NET POSITION - 10 YEARS

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Operating Revenues	\$ 54,464,392	\$ 54,525,870	\$ 52,891,021	\$ 54,346,242	\$ 53,761,223	\$ 52,044,200	\$ 46,422,916	\$ 41,527,090	\$ 36,893,396	\$ 35,163,780
Operating Expenses	401,161,541	427,777,940	422,543,342	394,062,733	398,626,029	378,224,993	319,322,223	288,531,160	257,267,580	255,931,379
Operating loss	(346,697,149)	(373,252,070)	(369,652,321)	(339,716,491)	(344,864,806)	(326,180,793)	(272,899,307)	(247,004,070)	(220,374,184)	(220,767,599)
Non-Operating Revenues	268,435,411	246,722,487	226,957,532	209,462,264	182,843,232	173,520,664	200,370,290	205,877,440	219,663,490	220,089,438
Income (loss) before capital contributions	(78,261,738)	(126,529,583)	(142,694,789)	(130,254,227)	(162,021,574)	(152,660,129)	(72,529,017)	(41,126,630)	(710,694)	(678,161)
Capital contributions	63,879,839	57,063,288	20,164,612	9,068,708	11,389,311	56,255,200	98,811,340	44,985,270	159,744,074	275,609,643
Change in net position	\$ (14,381,899)	\$ (69,466,295)	\$ (122,530,177)	\$ (121,185,519)	\$ (150,632,263)	\$ (96,404,929)	\$ 26,282,323	\$ 3,858,640	\$ 159,033,380	\$ 274,931,482



UTAH TRANSIT AUTHORITY
 STATISTICAL SECTION
 Year Ended December 31, 2018 and 2017

Revenue History by Source - 10 Years

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Operating	\$ 54,464,392	\$ 54,525,870	\$ 52,891,021	\$ 54,346,242	\$ 53,761,223	\$ 52,044,200	\$ 46,422,916	\$ 41,527,090	\$ 36,893,396	\$ 35,163,780
Sales taxes	282,933,591	265,770,775	245,008,417	227,703,023	214,683,276	203,806,329	196,693,543	183,091,524	171,893,732	171,854,169
Investment	6,525,872	2,873,787	1,732,939	2,831,406	5,803,226	1,455,039	1,892,549	3,672,397	3,827,161	9,389,045
Other	8,155,668	3,954,893	3,108,191	8,314,065	3,724,610	4,347,724	2,351,713	3,483,140	2,929,254	2,797,757
	<u>352,079,523</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>	<u>215,543,543</u>	<u>219,204,751</u>
Federal Grants										
Federal Preventative										
Maintenance Grants	61,820,668	62,313,994	59,772,235	49,452,677	47,760,737	47,986,240	46,719,891	47,735,443	46,500,000	44,974,000
Federal Planning										
Grants		-	3,562,534	2,547,335	2,994,139	3,868,252	1,985,766	11,583,980	12,637,764	15,224,723
Federal Capital Grants	31,585,104	53,960,024	17,054,298	7,819,096	8,025,628	48,669,408	85,168,542	44,864,016	156,727,641	256,527,803
	<u>93,405,772</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>	<u>215,865,405</u>	<u>316,726,526</u>
Other Capital										
Contributions	32,293,935	3,103,264	3,110,314	1,249,612	3,363,683	7,585,792	13,642,798	121,254	3,046,433	19,081,840
	<u>\$ 477,779,230</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>	<u>\$ 434,455,381</u>	<u>\$ 555,013,117</u>

Expense History by Function - 10 Years

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Bus Service	\$ 96,719,747	\$ 88,928,063	\$ 85,841,973	\$ 77,092,676	\$ 79,060,631	\$ 78,894,435	\$ 78,894,799	\$ 81,208,651	\$ 79,522,988	\$ 79,054,373
Rail Service	75,157,087	72,895,607	84,165,069	67,254,632	70,365,953	61,086,101	46,049,338	38,135,480	33,787,601	34,681,800
Paratransit Service	21,858,532	19,572,367	19,341,116	18,511,580	18,748,699	18,202,211	17,516,117	16,054,555	14,570,401	14,595,021
Other Service	3,056,191	2,982,176	2,949,643	2,918,871	3,183,892	701,656	596,583	535,897	589,356	517,571
Operations Support	45,557,749	41,932,571	37,831,682	32,051,926	28,380,563	28,439,826	25,247,271	21,643,830	23,147,075	26,083,512
Administration ¹	39,593,947	31,423,844	38,840,643	35,189,725	35,409,918	28,533,912	26,664,222	26,340,573	22,286,055	26,105,521
Capital Maintenance										
Projects	38,654,111	20,602,425	-	-	-	-	-	-	-	-
Depreciation	80,565,077	149,440,887	153,573,216	161,043,323	163,476,373	162,366,852	124,353,893	104,612,174	83,364,104	74,893,581
Interest ²	91,000,388	88,190,962	85,415,870	80,575,328	91,311,842	87,132,004	48,462,258	42,878,130	17,313,507	23,050,963
Recoverable Sales Tax,										
Interlocal ³	810,914	810,914	810,914	810,914	810,914	810,914	810,914	810,914	810,914	1,099,293
	<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>	<u>\$ 275,392,001</u>	<u>\$ 280,081,635</u>

¹ Includes major investment studies

² Reported as non-capitalized interest

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

UTAH TRANSIT AUTHORITY
 STATISTICAL SECTION
 Year Ended December 31, 2018 and 2017

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

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Box Elder ¹	\$ 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	\$ 1,297,586
Davis	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	17,091,892
Salt Lake	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	112,076,511
Tooele ²	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	1,136,816
Utah	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	25,222,227
Weber	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	15,029,137
	<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>	<u>\$ 171,854,169</u>

¹ Includes Brigham City, Perry and Willard cities only

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

LOCAL TRANSIT SALES TAX RATES BY COUNTY - 10 YEARS

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Box Elder	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%	0.5500%	0.5500%	0.5500%	0.5500%	0.5500%	0.5500%	0.5500%
Salt Lake	0.6875%	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%	0.3000%	0.3000%	0.3000%	0.3000%	0.3000%	0.3000%	0.3000%
Utah	0.5260%	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%	0.5500%	0.5500%	0.5500%	0.5500%	0.5500%	0.5500%	0.5500%



UTAH TRANSIT AUTHORITY
 STATISTICAL SECTION
 Year Ended December 31, 2018 and 2017

PRINCIPAL CONTRIBUTORS OF SALES TAX BY COUNTY - 2009 and 2018

	2018			2009		
	Rank	Percentage of contributions	Amount	Rank	Percentage of contributions	Amount
Salt Lake County	1	61.75%	\$ 174,704,191	1	65.22%	\$ 112,076,511
Utah County	2	16.14%	45,665,232	2	14.68%	25,222,227
Davis County	3	11.27%	31,883,835	3	9.95%	17,091,892
Weber County	4	9.18%	25,966,836	4	8.75%	15,029,137
Box Elder County	5	0.67%	1,898,308	5	0.76%	1,297,586
Tooele County	6	1.00%	2,815,189	6	0.66%	1,136,816
			<u>\$ 282,933,591</u>			<u>\$ 171,854,169</u>

FARES - 10 Years

	2018	2017	2016	2015	2014	2013	2012 (4/1/12)	2011 (5/1/11)	2010 (11/1/10)	2009 (4/1/09)
Cash Fares										
Base Fare	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.35	\$ 2.25	\$ 2.00	\$ 2.00
Senior Citizen/Disabled	1.25	1.25	1.25	1.25	1.25	1.25	1.15	1.10	1.00	1.00
Ski Bus	4.50	4.50	4.50	4.50	4.50	4.50	4.25	4.00	3.50	3.50
Paratransit (Flextrans)	4.00	4.00	4.00	4.00	4.00	4.00	3.50	2.75	2.50	2.50
Commuter Rail Base Rate	2.50	2.50	2.50	2.50	2.50	2.50	2.35	2.25	2.00	3.00
Commuter Rail Additional Station	0.60	0.60	0.60	0.60	0.60	0.60	0.55	0.50	0.50	0.50
Commuter Rail Maximum Rate	10.30	10.30	10.30	10.30	10.30	10.30	5.10	5.25	5.00	6.00
Express	5.50	5.50	5.50	5.50	5.50	5.50	5.25	5.00	4.50	4.50
Streetcar	1.00	1.00	1.00	1.00	1.00	1.00	n/a	n/a	n/a	n/a
Monthly Passes										
Adult	\$ 83.75	\$ 83.75	\$ 83.75	\$ 83.75	\$ 83.75	\$ 83.75	\$ 78.50	\$ 75.00	\$ 67.00	\$ 67.00
Minor	62.75	62.75	62.75	62.75	62.75	62.75	58.75	56.25	49.75	49.75
College Student	62.75	62.75	62.75	62.75	62.75	62.75	58.75	56.25	49.75	49.75
Senior Citizen/Disabled	41.75	41.75	41.75	41.75	41.75	41.75	39.25	37.50	33.50	33.50
Express	198.00	198.00	198.00	198.00	198.00	198.00	189.00	180.00	162.00	162.00
Paratransit	n/a	n/a	n/a	84.00						
Other Fares										
Day Pass	\$ 6.25	\$ 6.25	\$ 6.25	\$ 6.25	\$ 6.25	\$ 6.25	\$ 5.75	\$ 5.50	\$ 5.00	\$ 5.00
Group Pass	15.00	15.00	15.00	15.00	15.00	15.00	14.00	13.50	12.00	13.75
Summer Youth	99.00	99.00	99.00	99.00	99.00	99.00	n/a	n/a	n/a	99.50
Token - 10-Pack	22.50	22.50	22.50	22.50	22.50	22.50	21.00	20.25	17.75	17.75
Paratransit - 10-Ride Ticket	40.00	40.00	40.00	40.00	40.00	40.00	35.00	30.00	25.00	22.00
Paratransit - 30-Ride Ticket	n/a	n/a	n/a	54.00						
Ski Day Pass	n/a	8.00	7.00	7.00						

UTAH TRANSIT AUTHORITY
 STATISTICAL SECTION
 Year Ended December 31, 2018 and 2017

DEBT SERVICE COVERAGE - 10 YEARS

Fiscal Year	Bonds		Sales Taxes Collected (less Proposition 1)	Coverage Ratio of Sales Taxes	Personal Income of UTA Service Area	Percentage of Personal Income	Per Capita
	Principle	Interest					
2009	\$ 6,665,000	\$ 59,841,145	\$ 171,854,169	2.58	\$ 71,636,728,000	0.09%	\$ 30.81
2010	6,960,000	63,782,164	171,893,732	2.43	73,036,786,000	0.10%	32.13
2011	7,300,000	71,932,011	183,091,524	2.31	77,738,053,000	0.10%	35.48
2012	7,615,000	71,837,998	196,693,543	2.48	82,025,459,000	0.10%	35.05
2013	7,450,000	84,319,531	203,806,329	2.22	85,916,480,000	0.11%	39.83
2014	7,810,000	91,382,184	214,683,276	2.16	89,319,546,000	0.11%	42.46
2015	11,445,000	84,785,200	227,703,023	2.37	93,617,901,000	0.10%	40.48
2016	13,570,000	94,893,898	238,584,981	2.20	103,831,295,168	0.10%	44.00
2017	8,750,000	77,765,121	256,742,750	2.97	109,771,147,642	0.08%	34.80
2018	10,845,000	89,110,270	273,007,256	2.73	n/a	n/a	n/a

Source: Note 8

Note: Does not include Utah County Provo Orem BRT debt
 2018 income numbers not available as of June 2019

DEMOGRAPHIC AND ECONOMIC STATISTICS - 10 YEARS

Fiscal Year	Estimated Population	Personal Income in UTA Service Area	Per Capita Personal Income	Unemployment Rate	
2009	2,158,269	\$71,636,728,000	\$33,192	6.0%	
2010	2,201,736	73,036,786,000	33,172	7.5%	
2011	2,233,268	77,738,053,000	34,809	6.0%	
2012	2,266,836	82,025,459,000	36,185	5.6%	
2013	2,303,781	85,916,480,000	37,294	3.5%	
2014	2,335,999	89,319,546,000	38,236	3.5%	
2015	2,377,256	93,617,901,000	39,381	3.4%	
2016	2,418,075	103,772,062,000	42,915	3.1%	Percentage of Utah
2017	2,463,015	108,805,744,000	44,176	3.0%	79.40%
2018	n/a	n/a	n/a	3.0%	

Source: US Dept of Commerce, Bureau of Economic Analysis, Regional Data (www.bea.gov)
 Unemployment rate- Utah Department of Workforce Services
 2018 statistic not available as of June 2019



UTAH TRANSIT AUTHORITY
 STATISTICAL SECTION
 Year Ended December 31, 2018 and 2017

PRINCIPAL EMPLOYERS - 2009 and 2017

2017					2009				
Employer	Industry	Employees	Rank	% Total Employment	Employer	Employees	Rank	% Total Employment	
Intermountain Healthcare	Health Care	20,000 +	1	1.3%	Intermountain Healthcare	15,250-20,498	1	1.5%	
University of Utah (inc. Hospital)	Higher Education	20,000 +	1	1.3%	State of Utah	14,700-22,494	4	1.4%	
State of Utah	State Government	20,000 +	1	1.3%	University of Utah	15,000-19,999	2	1.5%	
Brigham Young University	Higher Education	15,000-19,999	4	1.0%	Brigham Young University	15,000-19,999	2	1.5%	
Wal-Mart Associates	Warehouse Clubs/Supercenters	15,000-19,999	4	1.0%	Wal Mart Stores	9,250-14,494	6	0.9%	
Hill Air Force Base	Federal Government	10,000-14,999	6	0.7%	Hill Air Force Base	10,000-14,494	5	1.0%	
Utah State University	Higher Education	7,000-9,999	7	0.5%					
Davis County School District	Public Education	7,000-9,999	7	0.5%	Davis County School District	7,000-9,999	7	0.7%	
Granite School District	Public Education	7,000-9,999	7	0.5%	Granite School District	7,000-9,999	7	0.7%	
Smith's Food and Drug Centers	Grocery Stores	7,000-9,999	7	0.5%					
Alpine School District	Public Education	7,000-9,999	7	0.5%	Alpine School District	5,000-6,999	10	0.5%	
Jordan School District	Public Education	5,000-6,999	8	0.3%	Jordan School District	7,000-9,999	7	0.7%	
Salt Lake County	Local Government	5,000-6,999	8	0.3%	Salt Lake County	5,000-6,999	10	0.5%	
U.S. Postal Service	Federal Government	5,000-6,999	8	0.3%					
Utah Valley University	Higher Education	5,000-6,999	8	0.3%					
Total Employment				1,510,208				1,020,408	

Source: Department of Workforce Services

Largest Employers by County

Annual Report of Labor Market Information

2018 data not available at time of report

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

<https://jobs.utah.gov/wi/pubs/em/annual/current/index.html>

FULL-TIME EQUIVALENT AUTHORITY EMPLOYEES - 10 YEARS

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Bus operations	1039	1030	1028	951	945	911	963	950	998	1023
Rail operations	573	580	563	527	542	526	506	425	335	314
Paratransit operations	203	191	191.5	188	183	176	168	168	140	141
Other services	9	9	9	12	10	10	12	11	11	11
Support services	412	365	366	349	323	335	293	284	239	249
Administration	212	243	212	210	207	195	217	224	238	242
Total	2447	2417	2368	2237	2210	2153	2159	2062	1961	1980

Source: Budget document



UTAH TRANSIT AUTHORITY
 STATISTICAL SECTION
 Year Ended December 31, 2018 and 2017

TREND STATISTICS - 10 YEARS

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Passengers										
Bus service	19,624,935	19,749,855	20,033,242	20,560,068	20,165,174	19,695,711	21,222,669	21,560,358	21,716,864	20,657,019
Rail service	22,981,884	23,677,677	23,765,873	24,349,674	24,337,451	22,814,274	19,421,608	16,944,264	14,790,418	14,707,601
Paratransit service	394,816	386,977	389,019	388,169	372,499	383,453	715,034	683,336	509,625	500,242
Vanpool service	1,174,696	1,264,410	1,333,780	1,423,675	1,404,285	1,387,816	1,446,766	1,417,183	1,346,949	1,353,697
Total passengers	44,176,331	45,078,919	45,521,914	46,721,586	46,279,409	44,281,254	42,806,077	40,605,141	38,363,856	37,218,559
Revenue Miles										
Bus service	17,911,404	17,454,404	15,462,834	15,367,510	15,660,520	15,706,028	15,091,645	15,869,340	16,412,862	16,777,762
Rail service	12,084,767	12,082,292	12,070,277	11,988,005	11,784,146	11,681,251	7,905,460	6,019,693	5,312,506	5,568,699
Paratransit service	2,798,928	2,727,127	2,505,343	2,293,887	2,513,535	2,932,842	3,252,193	4,094,325	2,799,362	2,928,929
Vanpool service	6,354,828	6,449,439	6,518,150	6,734,487	6,859,802	7,053,191	7,553,978	8,042,756	7,342,322	7,800,016
Total Revenue Miles	39,149,927	38,713,262	36,556,604	36,383,889	36,818,003	37,373,312	33,803,276	34,026,114	31,867,052	33,075,406
Total Miles										
Bus service	20,247,617	19,899,364	17,511,624	17,662,486	17,864,847	17,191,018	16,553,983	17,416,367	18,820,702	19,342,359
Rail service	12,285,634	12,202,976	12,189,876	12,368,934	11,814,332	11,773,929	7,987,022	6,073,807	5,365,270	5,626,707
Paratransit service	3,376,772	3,263,607	3,254,559	3,192,367	2,844,468	3,493,247	4,088,027	5,256,369	3,473,129	3,637,806
Vanpool service	6,354,828	6,449,439	6,518,150	6,734,487	6,859,802	7,053,191	7,553,978	8,042,756	7,342,322	7,800,016
Total miles	42,264,851	41,815,386	39,474,209	39,958,274	39,383,449	39,511,385	36,183,010	36,789,299	35,001,423	36,406,888
Passengers per Mile										
Bus service	1.10	1.13	1.30	1.34	1.29	1.25	1.41	1.36	1.32	1.23
Rail service	1.90	1.96	1.97	2.03	2.07	1.95	2.46	2.81	2.78	2.64
Paratransit service	0.14	0.14	0.16	0.17	0.15	0.13	0.22	0.17	0.18	0.17
Vanpool service	0.18	0.20	0.20	0.21	0.20	0.20	0.19	0.18	0.18	0.17
Ttl. Passengers per Revenue Mile	1.13	1.16	1.25	1.28	1.26	1.18	1.27	1.19	1.20	1.13
Revenue Hours										
Bus service	1,284,186	1,258,448	1,087,055	1,070,139	1,108,894	933,662	834,985	866,268	897,294	904,282
Rail service	527,187	513,389	511,082	506,233	487,435	641,914	536,066	388,826	295,227	374,300
Paratransit service	180,342	162,198	162,734	160,383	164,527	191,016	227,013	300,760	201,994	211,369
Total revenue hours	1,991,715	1,934,035	1,760,871	1,736,755	1,760,856	1,766,592	1,598,064	1,555,854	1,394,515	1,489,951
Passengers per Revenue Hour										
Bus service	15.28	15.69	18.43	19.21	18.18	21.10	25.42	24.89	24.20	22.84
Rail service	43.59	46.12	46.50	48.10	49.93	35.54	36.23	43.58	50.10	39.29
Paratransit service	2.19	2.39	2.39	2.42	2.26	2.01	3.15	2.27	2.52	2.37
Total passengers per mile	21.59	22.65	25.09	26.08	25.48	24.28	25.88	25.19	26.54	24.07
Total System										
Fare revenue	\$48,122,586	\$52,159,202	\$50,624,354	\$52,112,909	\$51,461,223	\$49,977,533	\$44,489,583	\$39,693,757	\$35,160,063	\$33,530,449
Operating expense	\$300,954,051	\$257,734,612	\$268,970,126	\$242,516,933	\$235,149,656	\$215,858,141	\$194,968,330	\$183,918,986	\$173,903,476	\$181,037,798
Cost per revenue mile	\$7.69	\$6.66	\$7.36	\$6.67	\$6.39	\$5.78	\$5.77	\$5.41	\$5.46	\$5.47
Cost per passenger	\$6.81	\$5.72	\$5.91	\$5.19	\$5.08	\$4.87	\$4.55	\$4.53	\$4.53	\$4.86
Fare revenue per passenger	\$1.09	\$1.16	\$1.11	\$1.12	\$1.11	\$1.13	\$1.04	\$0.98	\$0.92	\$0.90

Note: Does not include commuter bus or contract transportation.
 Source: NTD

UTAH TRANSIT AUTHORITY
 STATISTICAL SECTION
 Year Ended December 31, 2018 and 2017

OPERATING INDICATORS AND CAPITAL ASSETS - 10 YEARS

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Number of bus routes*	114	119	125	126	121	119	125	119	127	128
Number of rail routes										
Light rail	4	4	4	4	4	4	3	3	3	3
Commuter rail	1	1	1	1	1	1	1	1	1	1
Bus Service Miles (weekday)	57,378	56,162	53,612	49,625	51,629	55,733	64,186	64,493	67,012	68,537
Rail Service Miles (weekday)										
Light Rail	8,853	8,814	8,815	8,828	8,547	8,216	6,978	5,107	3,910	3,684
commuter Rail	4,664	4,623	4,627	4,651	4,638	4,488	2,390	2,327	2,469	2,725
Average Passengers (weekday)	151,901	156,288	155,873	161,862	161,339	152,644	152,934	142,186	134,736	141,047
Buses	561	582	567	555	535	493	570	495	496	501
Paratransit vehicles (buses/vans)	182	148	129		84	113	110	112	96	101
Rail vehicles										
Light rail	146	146	146	146	146	146	122	122	55	55
Commuter rail	81	81	81	81	81	81	57	55	37	37
Vanpool vehicles	453	453	503	495	479	470	494	485	414	403
Park and ride lots ¹			46	41						
Rail Park and Ride	42	42								
Non-Rail and and ride	12	12								
Bus Stops	6,100	6,100	6,196	6,250	6,250	6,273	6,333	6,600	6,645	6,410
Rail Stails										
Light Rail	57	57	57	57	51	51	41	41	28	28
Commuter Rail	16	16	16	16	16	16	16	7	8	8

* Including flex

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

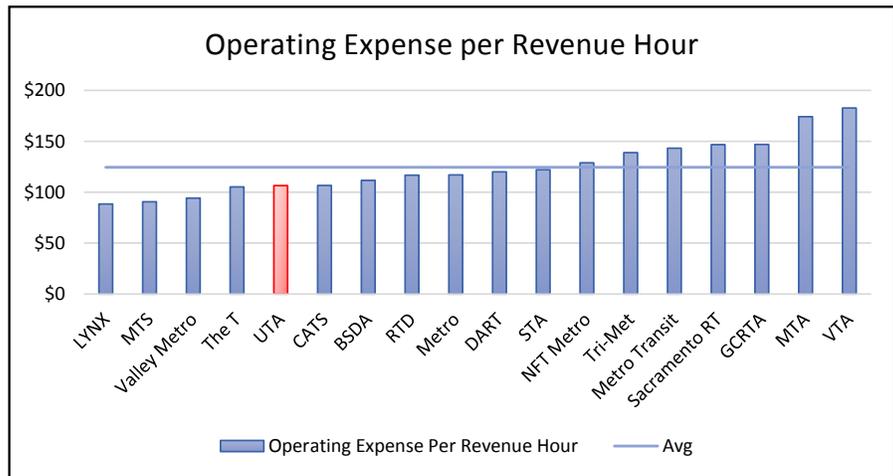
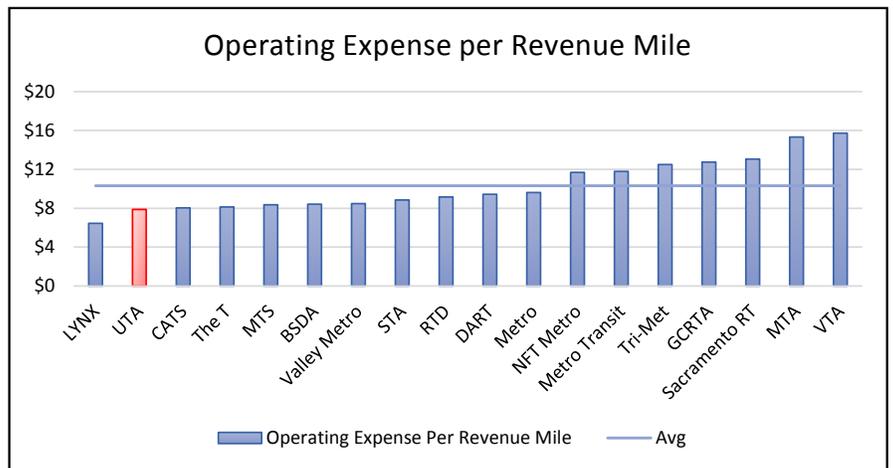


PERFORMANCE MEASURES - BUS SERVICE

The following charts contain information from the Federal Transit Administration's National Transit Database (NTD)) for the most recent year available (2017), 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	\$ 7.88	\$ 106.47
Baltimore, MD	MTA	15.33	174.13
Buffalo, NY	NFT Metro	11.69	128.85
Charlotte, NC	CATS	8.04	106.62
Cleveland, OH	GCRTA	12.75	146.88
Dallas, TX	DART	9.44	119.99
Denver, CO	RTD	9.16	116.73
Ft Worth, TX	The T	8.13	105.21
Houston, TX	Metro	9.62	116.98
Minneapolis, MN	Metro Transit	11.79	143.21
Orlando, FL	LYNX	6.45	88.41
Phoenix, AZ	Valley Metro	8.48	94.20
Portland, OR	Tri-Met	12.50	138.86
Sacramento, CA	Sacramento RT	13.06	146.68
San Diego	MTS	8.36	90.60
San Jose, CA	VTA	15.73	182.65
Spokane, WA	STA	8.85	122.07
St Louis, MO	BSDA	8.42	111.58
Average		\$ 10.32	\$ 124.45
Maximum		15.73	182.65
Minimum		6.45	88.41
Standard Deviation		2.69	26.69

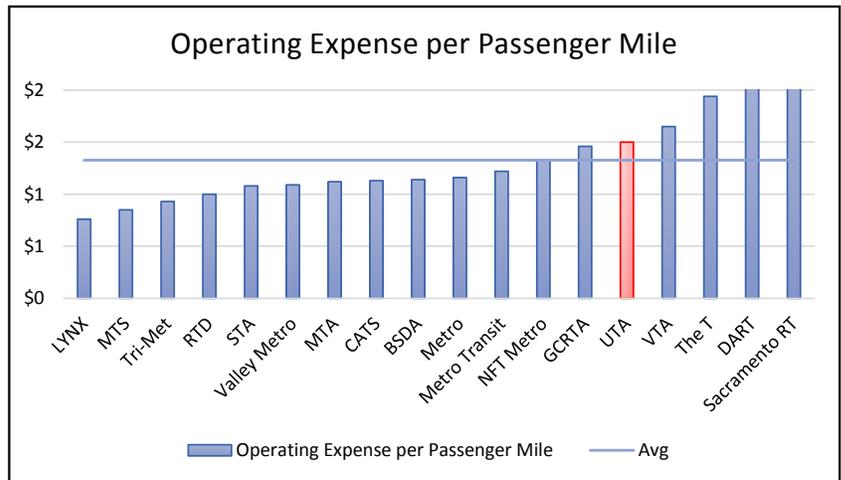


UTAH TRANSIT AUTHORITY
 STATISTICAL SECTION
 Year Ended December 31, 2018 and 2017

PERFORMANCE MEASURES - BUS SERVICE (continued)

Cost Effectiveness

City	Agency	Operating Expense per Passenger Mile	Operating Expense per Unlinked Passenger Trip
Salt Lake City, UT	UTA	\$ 1.50	\$ 6.75
Baltimore, MD	MTA	1.12	4.34
Buffalo, NY	NFT Metro	1.33	4.62
Charlotte, NC	CATS	1.13	4.59
Cleveland, OH	GCRTA	1.46	6.12
Dallas, TX	DART	2.22	8.15
Denver, CO	RTD	1.00	5.02
Ft Worth, TX	The T	1.94	5.89
Houston, TX	Metro	1.16	5.73
Minneapolis, MN	Metro Transit	1.22	5.07
Orlando, FL	LYNX	0.76	4.20
Phoenix, AZ	Valley Metro	1.09	4.09
Portland, OR	Tri-Met	0.93	4.53
Sacramento, CA	Sacramento RT	2.30	7.96
San Diego	MTS	0.85	3.31
San Jose, CA	VTA	1.65	8.49
Spokane, WA	STA	1.08	4.82
St Louis, MO	BSDA	1.14	6.11
Average		\$ 1.33	\$ 5.54
Maximum		2.30	8.49
Minimum		0.76	3.31
Standard Deviation		0.44	1.49

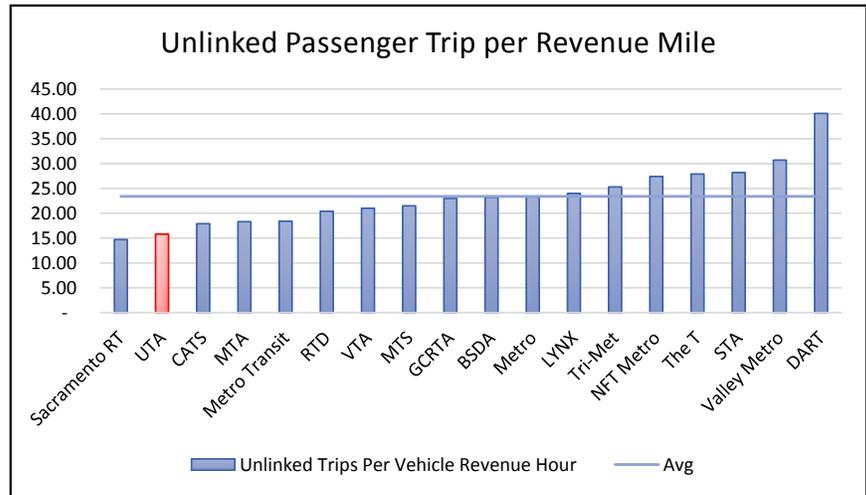
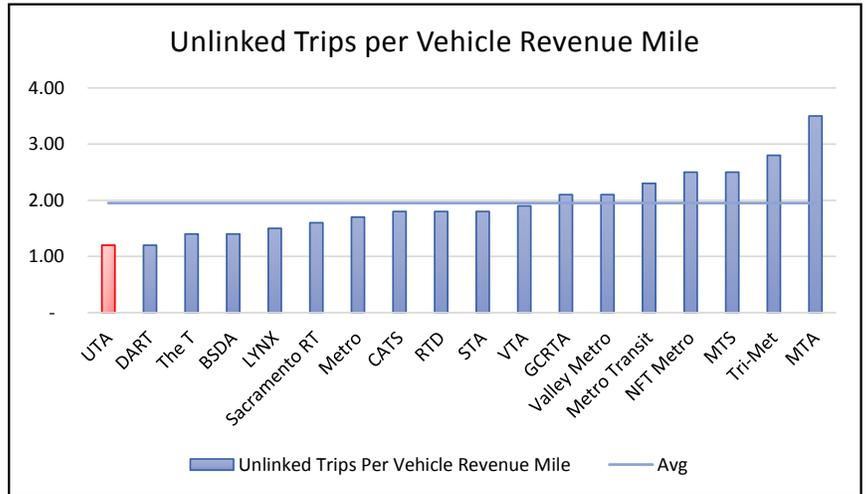


UTAH TRANSIT AUTHORITY
 STATISTICAL SECTION
 Year Ended December 31, 2018 and 2017

PERFORMANCE MEASURES - BUS SERVICE (continued)

Service Effectiveness

City	Agency	Unlinked Passenger Trips per Vehicle Revenue Mile	Unlinked Passenger Trips per Vehicle Revenue Hour
Salt Lake City, UT	UTA	1.20	15.80
Baltimore, MD	MTA	3.50	40.10
Buffalo, NY	NFT Metro	2.50	27.90
Charlotte, NC	CATS	1.80	23.20
Cleveland, OH	GCRTA	2.10	24.00
Dallas, TX	DART	1.20	14.70
Denver, CO	RTD	1.80	23.30
Ft Worth, TX	The T	1.40	17.90
Houston, TX	Metro	1.70	20.40
Minneapolis, MN	Metro Transit	2.30	28.20
Orlando, FL	LYNX	1.50	21.00
Phoenix, AZ	Valley Metro	2.10	23.00
Portland, OR	Tri-Met	2.80	30.70
Sacramento, CA	Sacramento RT	1.60	18.40
San Diego	MTS	2.50	27.40
San Jose, CA	VTA	1.90	21.50
Spokane, WA	STA	1.80	25.30
St Louis, MO	BSDA	1.40	18.30
Average		1.95	23.39
Maximum		3.50	40.10
Minimum		1.20	14.70
Standard Deviation		0.60	6.08



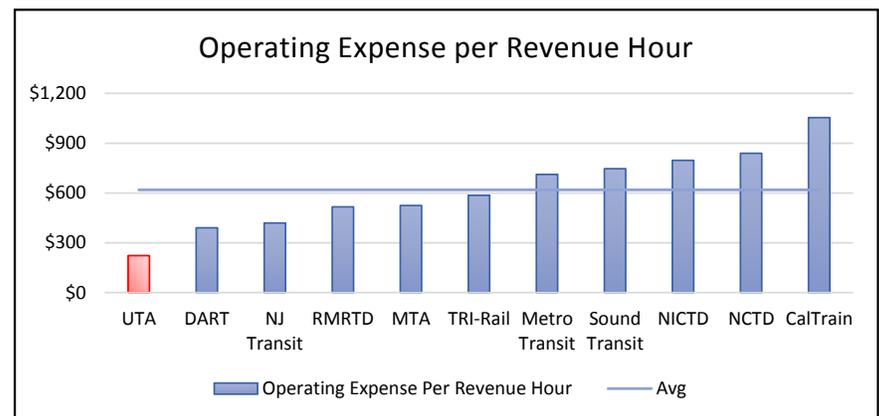
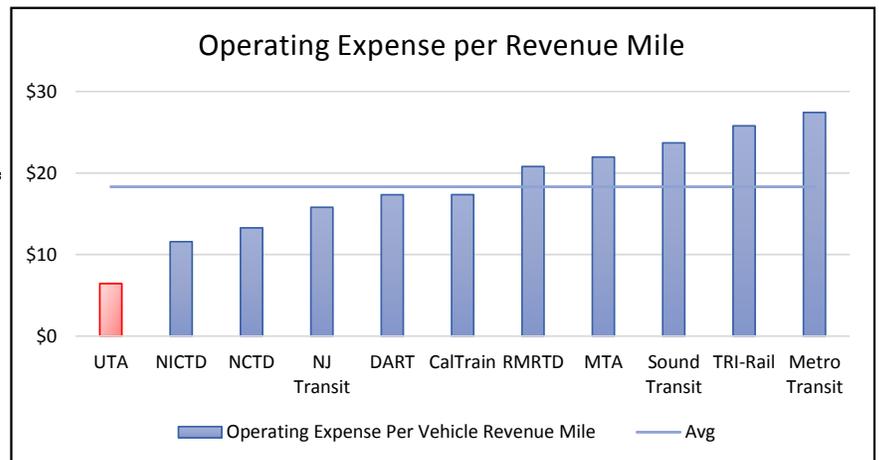
PERFORMANCE MEASURES - COMMUTER RAIL

The following charts contain information from the Federal Transit Administration's National Transit Database (NTD)) for the most recent year available (2017), 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	\$ 6.44	\$ 222.55
Albuquerque, NM	RMRTD	20.80	796.25
Baltimore, MD	MTA	21.96	838.89
Chesterton, IN	NICTD	11.58	418.98
Dallas, TX	DART	17.34	390.06
Minneapolis, MN	Metro Transit	27.43	1,053.85
Newark, NJ	NJ Transit	15.80	516.24
Oceanside, CA	NCTD	13.27	524.37
Pompano Beach, FL	TRI-Rail	25.79	746.03
San Carlos, CA	CalTrain	17.35	585.80
Seattle, WA	Sound Transit	23.70	711.69

Average	\$	18.31	\$ 618.61
Maximum		27.43	1,053.85
Minimum		6.44	222.55
Standard Deviation		6.38	237.44

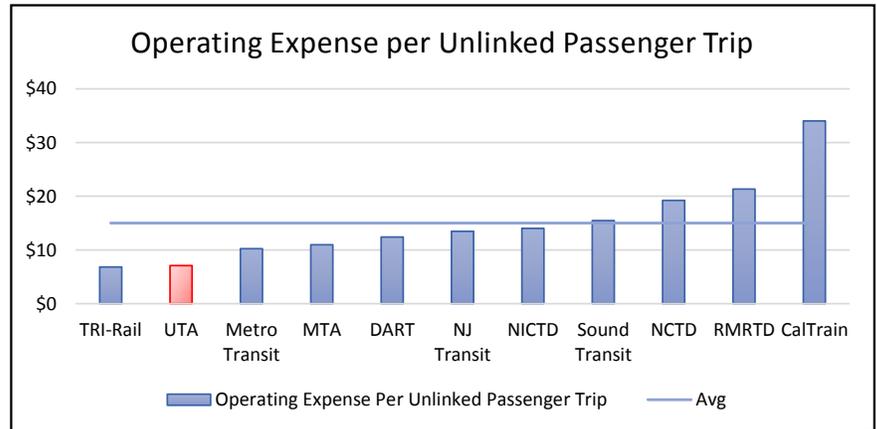
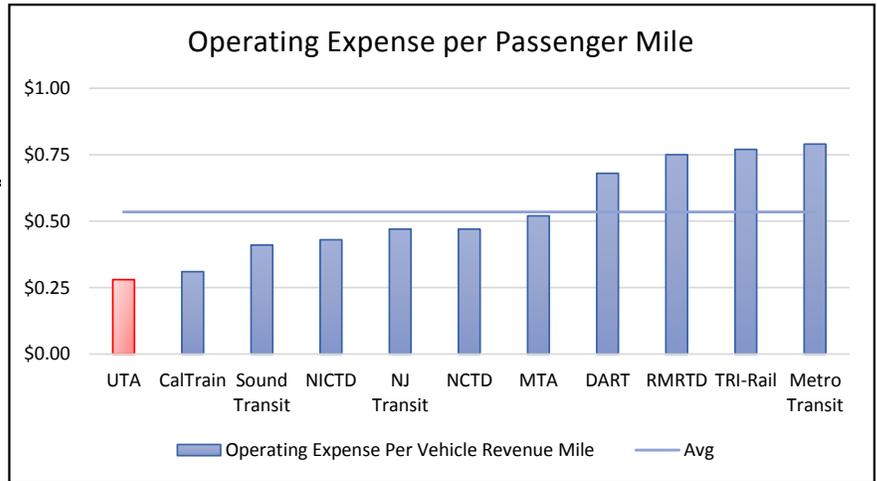


UTAH TRANSIT AUTHORITY
 STATISTICAL SECTION
 Year Ended December 31, 2018 and 2017

PERFORMANCE MEASURES - COMMUTER RAIL (continued)

Cost Effectiveness

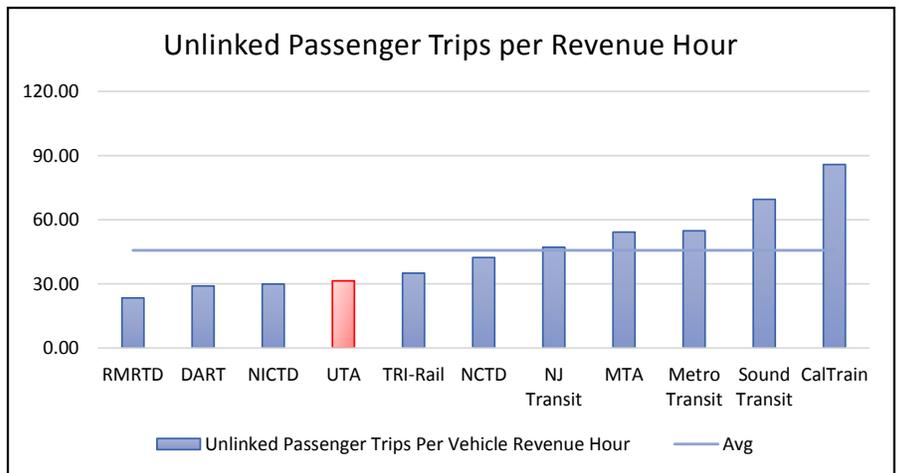
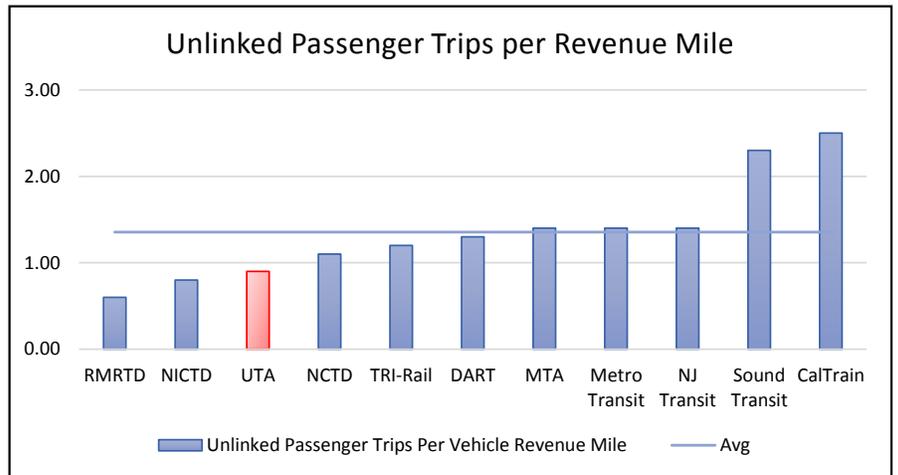
City	Agency	Operating Expenses Per Passenger Mile	Operating Expenses Per Unlinked Passenger Trip
Salt Lake City, UT	UTA	\$ 0.28	\$ 7.09
Albuquerque, NM	RMRTD	0.75	34.03
Baltimore, MD	MTA	0.52	15.47
Chesterton, IN	NICTD	0.43	14.02
Dallas, TX	DART	0.68	13.47
Minneapolis, MN	Metro Transit	0.79	19.23
Newark, NJ	NJ Transit	0.47	10.97
Oceanside, CA	NCTD	0.47	12.41
Pompano Beach, FL	TRI-Rail	0.77	21.34
San Carlos, CA	CalTrain	0.31	6.83
Seattle, WA	Sound Transit	0.41	10.24
Average		\$ 0.53	\$ 15.01
Maximum		0.79	34.03
Minimum		0.28	6.83
Standard Deviation		0.18	7.74



PERFORMANCE MEASURES - COMMUTER RAIL (continued)

Service Effectiveness

City	Agency	Unlinked Passenger Trips per Vehicle Revenue Mile	Unlinked Passenger Trips per Vehicle Revenue Hour
Salt Lake City, UT	UTA	0.90	31.40
Albuquerque, NM	RMRTD	0.60	23.40
Baltimore, MD	MTA	1.40	54.20
Chesterton, IN	NICTD	0.80	29.90
Dallas, TX	DART	1.30	29.00
Minneapolis, MN	Metro Transit	1.40	54.80
Newark, NJ	NJ Transit	1.40	47.10
Oceanside, CA	NCTD	1.10	42.30
Pompano Beach, FL	TRI-Rail	1.20	35.00
San Carlos, CA	CalTrain	2.50	85.80
Seattle, WA	Sound Transit	2.30	69.50
Average		1.35	45.67
Maximum		2.50	85.80
Minimum		0.60	23.40
Standard Deviation		0.58	19.20

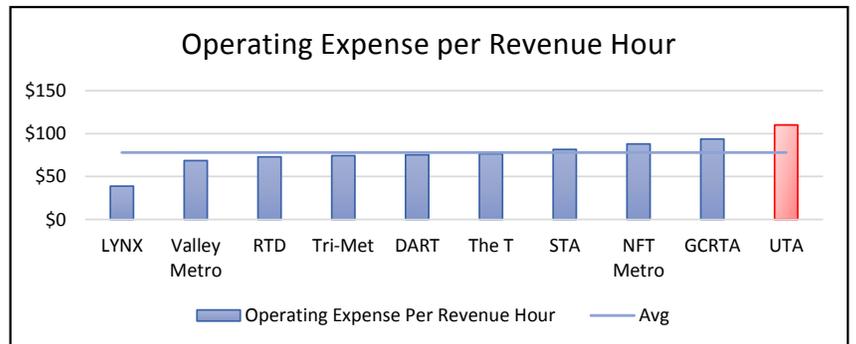
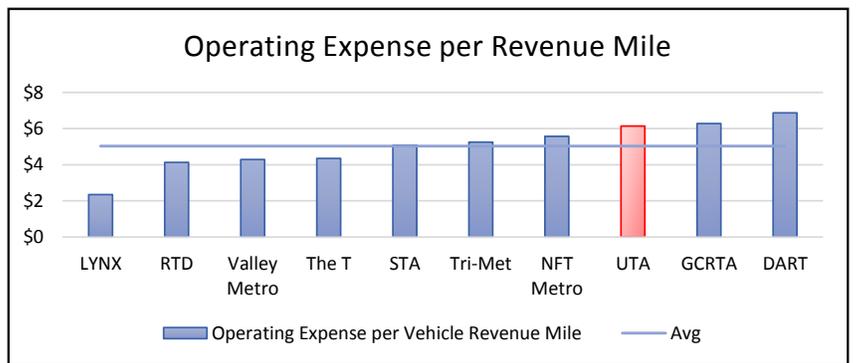


PERFORMANCE MEASURES - DEMAND RESPONSE

The following charts contain information from the Federal Transit Administration's National Transit Database (NTD)) for the most recent year available (2017), 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	\$ 6.55	\$ 110.06
Buffalo, NY	NFT Metro	5.71	87.94
Cleveland, OH	GCRTA	6.56	93.67
Dallas, TX	DART	5.94	75.25
Denver, CO	RTD	4.66	72.92
Fort Worth, TX	The T	4.88	76.48
Orlando, FL	LYNX	2.20	38.79
Phoenix, AZ	Valley Metro	5.32	68.53
Portland, OR	Tri-Met	5.78	74.35
Spokane, WA	STA	5.39	81.55
Average		\$ 5.30	\$ 77.95
Maximum		6.56	110.06
Minimum		2.20	38.79
Standard Deviation		1.25	18.44



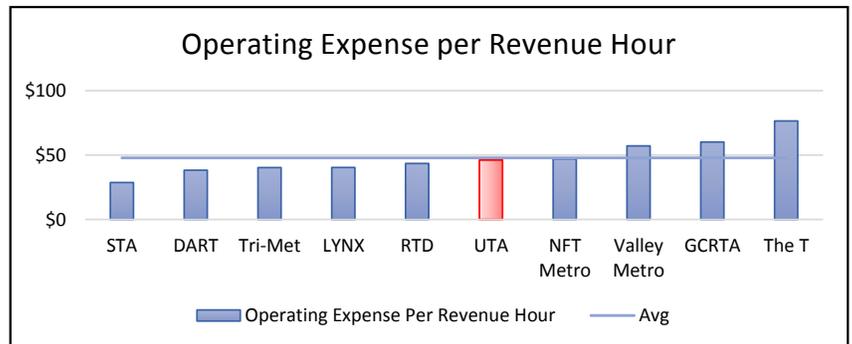
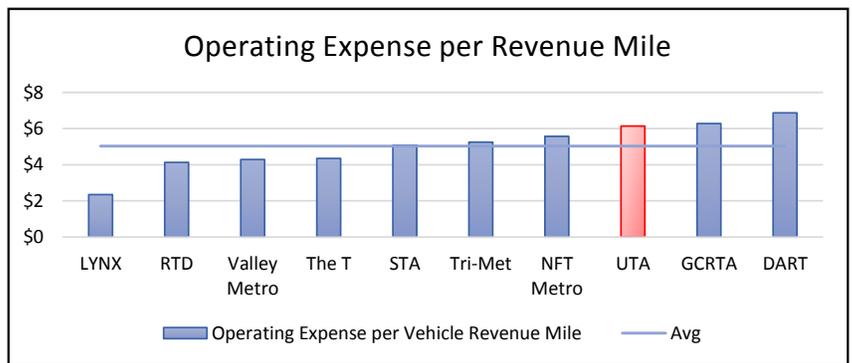
UTAH TRANSIT AUTHORITY
 STATISTICAL SECTION
 Year Ended December 31, 2018 and 2017

PERFORMANCE MEASURES - DEMAND RESPONSE (continued)

The following charts contain information from the Federal Transit Administration's National Transit Database (NTD)) for the most recent year available (2017), and compares the Authority's performance with other like transit agencies.

Cost Effectiveness

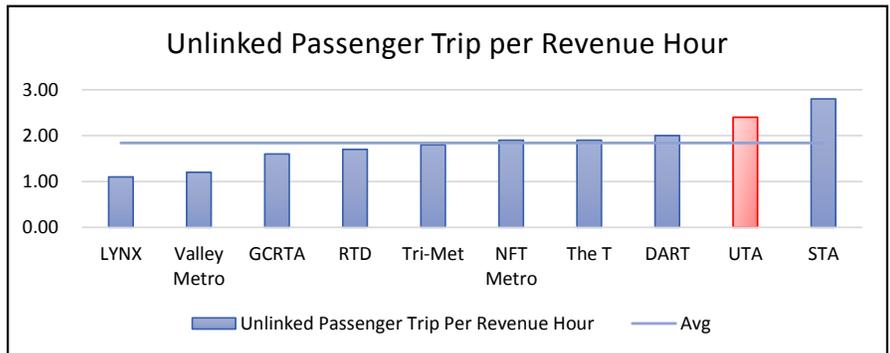
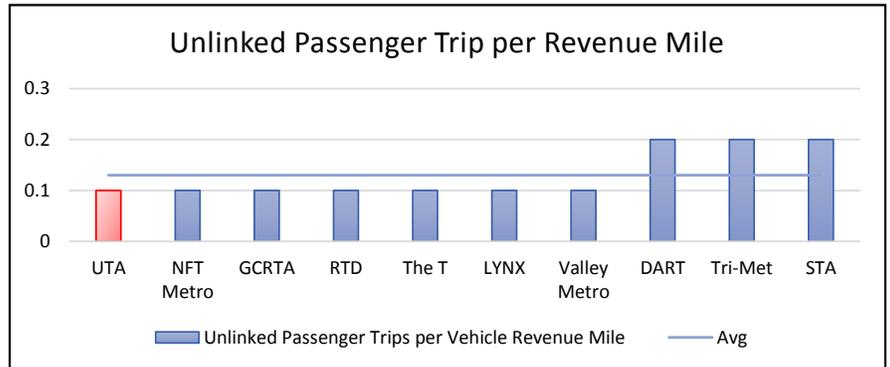
City	Agency	Operating Expense per Vehicle Revenue Mile	Operating Expense per Vehicle Revenue Hour
Salt Lake City, UT	UTA	\$ 4.22	\$ 46.13
Buffalo, NY	NFT Metro	5.37	47.02
Cleveland, OH	GCRTA	7.30	60.14
Dallas, TX	DART	3.18	38.23
Denver, CO	RTD	4.99	43.47
Fort Worth, TX	The T	4.88	76.48
Orlando, FL	LYNX	4.01	40.37
Phoenix, AZ	Valley Metro	5.93	57.12
Portland, OR	Tri-Met	4.39	40.29
Spokane, WA	STA	3.19	28.68
Average		\$ 4.75	\$ 47.79
Maximum		7.30	76.48
Minimum		3.18	28.68
Standard Deviation		1.26	13.55



PERFORMANCE MEASURES - DEMAND RESPONSE (continued)

Service Effectiveness

City	Agency	Unlinked Passenger Trips per Vehicle Revenue Mile	Unlinked Passenger Trips per Vehicle Revenue Hour
Salt Lake City, UT	UTA	0.10	2.40
Buffalo, NY	NFT Metro	0.10	1.90
Cleveland, OH	GCRTA	0.10	1.60
Dallas, TX	DART	0.20	2.00
Denver, CO	RTD	0.10	1.70
Fort Worth, TX	The T	0.10	1.90
Orlando, FL	LYNX	0.10	1.10
Phoenix, AZ	Valley Metro	0.10	1.20
Portland, OR	Tri-Met	0.20	1.80
Spokane, WA	STA	0.20	2.80
Average		0.13	1.84
Maximum		0.20	2.80
Minimum		0.10	1.10
Standard Deviation		0.05	0.51



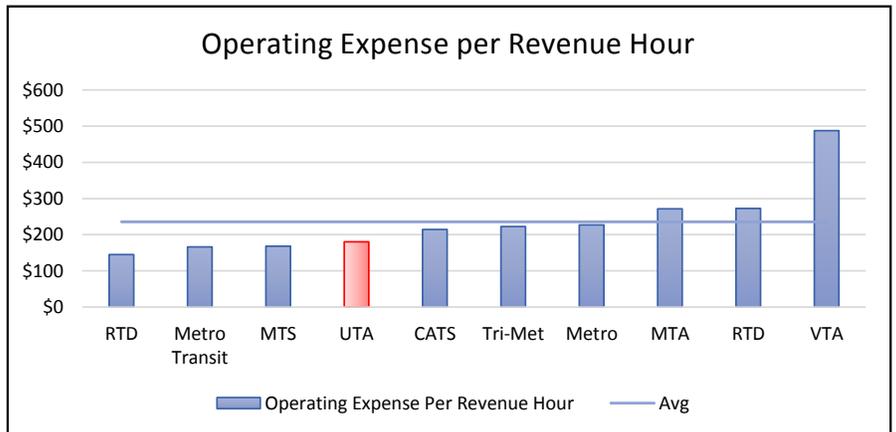
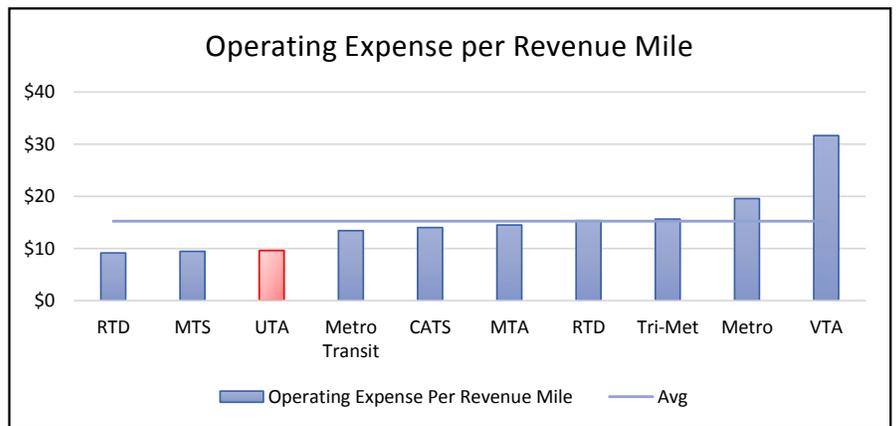
PERFORMANCE MEASURES - LIGHT RAIL

The following charts contain information from the Federal Transit Administration's National Transit Database (NTD)) for the most recent year available (2017), 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	\$ 9.61	\$ 180.35
Baltimore, MD	MTA	14.50	271.50
Charlotte, NC	CATS	14.01	214.45
Denver, CO	RTD	9.14	145.09
Houston, TX	Metro	19.57	227.04
Minneapolis, MN	Metro Transit	13.42	166.23
Portland, OR	Tri-Met	15.63	222.51
Sacramento, CA	RTD	15.34	272.55
San Diego, CA	MTS	9.45	168.24
San Jose, CA	VTA	31.65	487.58

Average	\$ 15.23	\$ 235.55
Maximum	31.65	487.58
Minimum	9.14	145.09
Standard Deviation	6.63	98.56

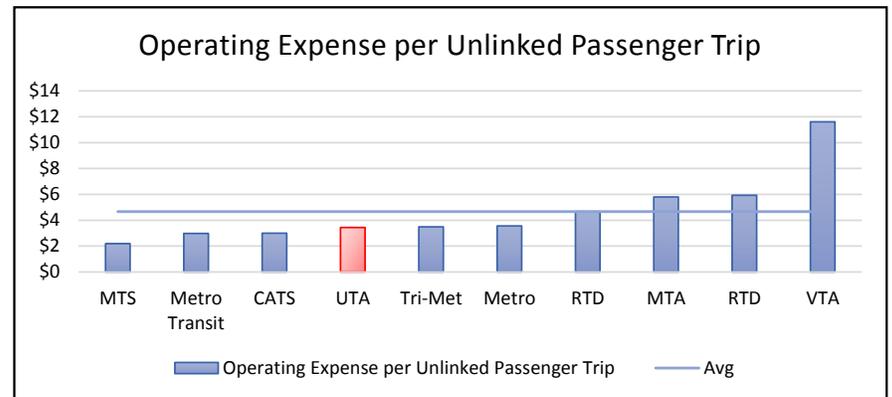
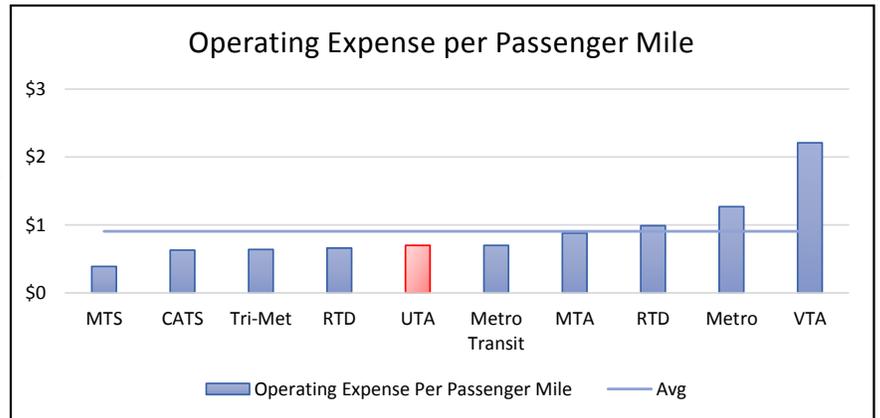


UTAH TRANSIT AUTHORITY
 STATISTICAL SECTION
 Year Ended December 31, 2018 and 2017

PERFORMANCE MEASURES - LIGHT RAIL (continued)

Cost Effectiveness

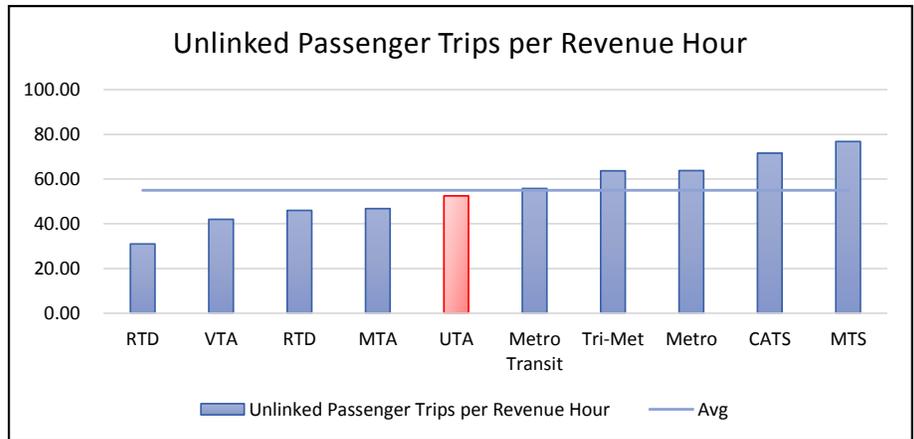
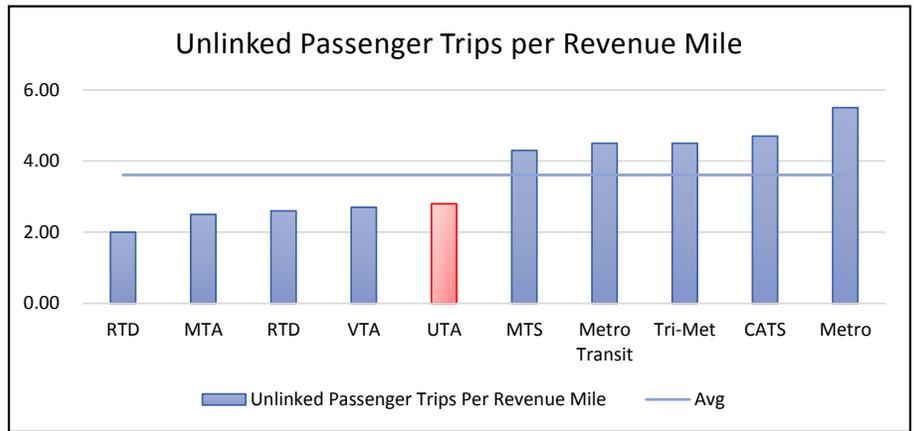
City	Agency	Operating Expense per Passenger Mile	Operating Expense per Unlinked Passenger Trip
Salt Lake City, UT	UTA	\$ 0.70	\$ 3.44
Baltimore, MD	MTA	0.88	5.80
Charlotte, NC	CATS	0.63	3.00
Denver, CO	RTD	0.66	4.67
Houston, TX	Metro	1.27	3.56
Minneapolis, MN	Metro Transit	0.70	2.98
Portland, OR	Tri-Met	0.64	3.49
Sacramento, CA	RTD	0.99	5.93
San Diego, CA	MTS	0.39	2.19
San Jose, CA	VTA	2.21	11.61
Average		\$ 0.91	\$ 4.67
Maximum		2.21	11.61
Minimum		0.39	2.19
Standard Deviation		0.52	2.73



PERFORMANCE MEASURES - LIGHT RAIL (continued)

Service Effectiveness

City	Agency	Unlinked Passenger Trips per Vehicle Revenue Mile	Unlinked Passenger Trips per Vehicle Revenue Hour
Salt Lake City, UT	UTA	2.80	52.50
Baltimore, MD	MTA	2.50	46.80
Charlotte, NC	CATS	4.70	71.60
Denver, CO	RTD	2.00	31.00
Houston, TX	Metro	5.50	63.80
Minneapolis, MN	Metro Transit	4.50	55.80
Portland, OR	Tri-Met	4.50	63.70
Sacramento, CA	RTD	2.60	46.00
San Diego, CA	MTS	4.30	76.80
San Jose, CA	VTA	2.70	42.00
Average		3.61	55.00
Maximum		5.50	76.80
Minimum		2.00	31.00
Standard Deviation		1.21	14.16



Compliance

For Fiscal Years Ended
December 31, 2018 and 2017





KEDDINGTON & CHRISTENSEN, CPAS
CERTIFIED PUBLIC ACCOUNTANTS

Gary K. Keddington, CPA
Phyl R. Warnock, CPA
Marcus K. Arbuckle, CPA
Steven M. Rowley, CPA

**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***

To the 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 the *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities, the discretely presented component unit, and the remaining fund information of Utah Transit Authority (the "Authority"), as of and for the years ended December 31, 2018 and 2017, 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 4, 2019.

Internal Control Over Financial Reporting

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

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

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

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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Keddington & Christensen, LLC

Keddington & Christensen, LLC
Salt Lake City
June 4, 2019



KEDDINGTON & CHRISTENSEN, CPAS
CERTIFIED PUBLIC ACCOUNTANTS

Gary K. Keddington, CPA
Phyl R. Warnock, CPA
Marcus K. Arbuckle, CPA
Steven M. Rowley, CPA

**INDEPENDENT AUDITOR'S REPORT ON
COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE**

To the 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") 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, 2018. 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 qualified and unmodified opinions on compliance for major federal programs. However, our audit does not provide a legal determination of the Authority's compliance.

Basis for Qualified Opinion on Federal Transit Cluster and Transit Services Program Cluster

As described in the accompanying schedule of findings and questioned costs, the Authority did not comply with requirements regarding the Federal Transit Cluster (CFDA 20.500, 20.507, 20.525, and 20.526), and Transit Services Programs Cluster (CFDA 20.513, 20.516, and 50.521) described in finding number 2018-001 for Equipment and Real Property Management. Compliance with such requirements is necessary, in our opinion, for the Authority to comply with the requirements applicable to those programs.

Qualified Opinion on Federal Transit Cluster and Transit Services Program Cluster

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, 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 the Federal Transit Cluster and Transit Services Program Cluster for the year ended December 31, 2018.

Unmodified Opinion on the Other 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 other major federal programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended December 31, 2018.

Other Matters

The Authority's response to the noncompliance finding 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.

Report on Internal Control Over Compliance

Management of Utah Transit 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 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.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph 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. However, as discussed below, we identified a certain deficiency in internal control over compliance that we consider to be a material weakness.

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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2018-001 to be a material weakness.

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.

The Authority's response to the internal control over compliance finding 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.

Keddington & Christensen, LLC

Keddington & Christensen, LLC
Salt Lake City, Utah
June 4, 2019

UTAH TRANSIT AUTHORITY
 Schedule of Expenditures of Federal Funds (Continued)
 For the year ended December 31, 2018

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS for the year ending December 31, 2018

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
U.S. DEPARTMENT OF TRANSPORTATION					
Federal Transit Cluster - Federal Transit Administration Programs					
Federal Transit - Capital investment Grants	20.500	UT-2016-007-00		\$ 39,050	
Federal Transit - Capital investment Grants	20.500	UT-2017-001-00			20,445,072
Federal Transit - Capital investment Grants	20.500	UT-2017-006-00			176,086
Total Capital Investment Grants					<u>20,660,208</u>
Federal Transit - Formula Grant	20.507	UT-2018-009.00			44,071,452
Federal Transit - Formula Grant	20.507	UT-2018-005			2,325,122
Federal Transit - Formula Grant	20.507	UT-2018-006			348,000
Total Federal Transit-Formula Grant					<u>46,744,574</u>
Federal Transit - State of Good Repairs	20.525	UT-2018-004.00			<u>15,311,264</u>
Bus and Bus Facilities Formula Program	20.526	UT-2017-002.00			213,153
Bus and Bus Facilities Formula Program	20.526	UT-2017-013-00			19,707
Bus and Bus Facilities Formula Program	20.526	UT-2018-010-00			12,664
Total Bus and Bus Facilities Formula Program					<u>245,524</u>
Federal Transit Cluster - Federal Transit Administration Programs total				\$ -	\$ 82,961,570
Transit Services Programs Cluster - Federal Transit Administration Programs					
Federal Transit - Enhanced Mobility for Seniors and Individuals with Disabilities	20.513	UT-16-0006		268,476	372,844
Federal Transit - Enhanced Mobility for Seniors and Individuals with Disabilities	20.513	UT-2016-013		1,343,627	1,412,988
Federal Transit - Enhanced Mobility for Seniors and Individuals with Disabilities	20.513	UT-2017-015			69,815
Federal Transit - Enhanced Mobility for Seniors and Individuals with Disabilities	20.513	UT-2017-016			41,974
Federal Transit - Enhanced Mobility for Seniors and Individuals with Disabilities	20.513	UT-2017-017		53,035	288,227
Total Enhanced Mobility for Seniors and Individuals with Disabilities				<u>1,665,138</u>	<u>2,185,848</u>
Utah Department of Transportation - Job Access and Reverse Commute Program	20.516	17-8233	11-8785		388,138
Utah Department of Transportation - Job Access and Reverse Commute Program	20.516	UT-37-X0003	17-8233		184,511
Total UDOT Job Access and Reverse Commute Program				<u>-</u>	<u>572,649</u>
Utah Department of Transportation - New Freedom Program	20.521	17-8233	11-8785		241,847
Utah Department of Transportation - New Freedom Program	20.521	UT-37-X0003	17-8233		184,511
Total UDOT- New Freedom Program					<u>426,358</u>
Transit Services Program Cluster - Federal Transit Administration Programs total				\$ 1,665,138	\$ 3,184,855

UTAH TRANSIT AUTHORITY
 Schedule of Expenditures of Federal Funds (Continued)
 For the year ended December 31, 2018

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS for the year ending December 31, 2018 (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
National Infrastructure Investment - Federal Transit Administration Programs					
Federal Transit Administration - National Infrastructure Investment (TIGER)	20.933	UT-2018-002			4,096,689
National Infrastructure Investment - Federal Transit Administration Programs total				\$ -	\$ 4,096,689
Highway Planning & Construction Cluster - Federal Highway Administration Programs					
Federal Highway Administration - Highway Planning and Construction (CMAQ)	20.505	17-8508	17-8508		127,595
Federal Highway Administration - Highway Planning and Construction (CMAQ)	20.505	20-CMAQ-19			1,080,363
Highway Planning & Construction Cluster - Federal Highway Administration Programs total				\$ -	1,207,958
Federal Railroad Administration Program					
Railroad Safety Technology Grants	20.321	UT-2017-011			1,748,624
Federal Transit Administration Programs					
Federal Transit - Capital investment Grants	20.514	UT-2017-012-00			29,814
TOTAL U.S. DEPARTMENT OF TRANSPORTATION				\$ -	\$ 93,229,510
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT					
CDGB - Entitlement Grants Cluster	14.225	1812JH	1812JH		68,366
TOTAL DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				\$ -	\$ 68,366
DEPARTMENT OF HOMELAND SECURITY					
FEMA Rail and Transit Security Grant Program	97.075	15-RA-00035			22,363
FEMA Rail and Transit Security Grant Program	97.075	16-RA-00045			86,457
FEMA Rail and Transit Security Grant Program	97.075	17-RA-00042			3,017
TOTAL DEPARTMENT OF HOMELAND SECURITY				\$ -	\$ 111,837
TOTAL FEDERAL AWARDS EXPENDED				\$ 1,665,138	\$ 93,409,713



UTAH TRANSIT AUTHORITY
 Schedule of Expenditures of Federal Funds (Continued)
 For the year ended December 31, 2018

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS for the year ending December 31, 2018 (Continued)

Reconciliation of federal expenditures to federal revenues	
Comparative Statement of Revenues, Expenses and Change in Net Position (2018)	
Federal preventative maintenance grants	\$ 61,820,668
Capital Contributions: Federal grants	<u>31,585,004</u>
Total per Comparative Statement of Revenues, Expenses and Change in Net Position (2018)	93,405,672
Total per Schedule of Expenditures of Federal Awards for the year ending December 31, 2018	<u>93,409,713</u>
Difference	<u>\$ (4,041)</u>

Previous Over/(Under)stated Revenues reflected in 2018 Statement of Revenues, Expenses and Change in Net Position

Transit Services Program Cluster	CFDA#	Grant #	Amount
Federal Transit – Enhanced Mobility for Seniors and Individuals with disabilities	20.513	UT-2016-013	\$ <u>4,041</u>
Total Federal Transit – Transit Services Program Cluster Total			<u>4,041</u>
Total Adjustment			<u>\$ 4,041</u>



UTAH TRANSIT AUTHORITY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 2018

A. Basis of Accounting

The supplementary schedule of expenditures of federal awards is prepared on the accrual basis of accounting.

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, 2018.

D. Subrecipients

The Authority provided \$1,665,138 of federal award funds to subrecipients during the year.

E. 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, 2018 and 2017

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 yes X none reported

Noncompliance material to financial statements noted? yes X no

Federal Awards

Internal control over major federal programs:

- Material weakness identified? X yes no
- Significant Deficiency(s) identified yes X none reported

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

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

 X yes no

Identification of major federal programs:

CFDA No(s).	Names of Federal Program or Cluster
20.500, 20.507, 20.525, 20.526	Federal Transit Administration Program Cluster
20.513, 20.516, 20.521,	Transit Services Program Cluster
20.933	National Infrastructure Investment

Dollar threshold used to distinguish between Type A and Type B Programs \$ 2,802,291

Auditee qualified as low-risk auditee? yes X no

Section II. Financial Statement Findings

None reported.



Section III. Federal Award Findings and Questions Cost

MATERIAL WEAKNESS

2018 – 001 Noncompliance and Internal Control over Compliance

Program Name/CFDA Title: Federal Transit Cluster, Transit Services Program Cluster

CFDA Numbers: 20.500, 20.507, 20.525, 20.526, 20.513, 20.516, 20.521

Federal Agency: U.S. Department of Transportation

Questioned Costs: \$0

Requirement: Equipment and Real Property Management

Criteria: The Authority is required to properly track and safeguard equipment purchased with federal funds. This is accomplished by maintaining asset records with sufficient descriptions or other identifying information to properly locate assets purchased with federal funds. Additionally, the Authority is required to perform inventory counts of such equipment at least every two years.

Condition: During our tests of compliance over Equipment and Real Property Management, it was noted that in our sample of 40 items, in 3 instances the sampled item could not be located.

Cause: The 2017 inventory of the Authority's smaller equipment purchased with federal funds was not sufficiently thorough to ensure disposition of items were properly reflected in the Authority's records.

Effect: If equipment is not tracked more carefully, there is a risk that equipment may be misappropriated or otherwise disposed of and not properly reflected in the records.

Context: The Authority maintains asset listings of two main categories: 1) rolling stock (busses, trains, vehicles, etc.) and 2) equipment. Rolling stock makes up the majority of the value of assets related to this compliance requirement. Additionally, rolling stock is necessary to the Authority's day-to-day operations and are tracked as individual assets with serial numbers, asset numbers, and other identifying information. The discrepancies observed related primarily to equipment which were older and fully depreciated according to the Authority's records.

Recommendation: We recommend the Authority more carefully plan and perform inventory counts over smaller equipment.



UTAH TRANSIT AUTHORITY
Schedule of Findings and Questioned Costs
For the year ended December 31, 2018 and 2017

MATERIAL WEAKNESS

2017 – 001 Noncompliance and Internal Control over Compliance

Program Name/CFDA Title: Federal Transit Cluster
CFDA Numbers: 20.500, 20.507, 20.525, and 20.526
Federal Agency: U.S. Department of Transportation
Questioned Costs: \$0
Requirement: Equipment and Real Property Management

Criteria: The Authority is required to properly track, safeguard, and maintain equipment purchased with federal funds. This is accomplished by maintaining asset records with sufficient descriptions or other identifying information to properly locate assets purchased with federal funds. Additionally, the Authority is required to perform inventory counts of such equipment at least every two years.

Condition: During our tests of compliance over Equipment and Real Property Management, it was noted that in our sample of 40 items, in 7 instances the sampled item could not be located, and in 2 other instances, the sampled items did not appear to be properly maintained.

Cause: The descriptions or other identifying information maintained on those 7 items was not sufficient to locate those assets. Also, the inventory of the Authority's smaller equipment purchased with federal funds was not sufficiently thorough to ensure disposition of items were properly reflected in the Authority's records.

Effect: If equipment is not tracked more carefully, there is a risk that equipment may be misappropriated or otherwise disposed of and not properly reflected in the records.

Context: The Authority maintains asset listings of two main categories: 1) rolling stock (busses, trains, vehicles, etc.) and 2) equipment. Rolling stock makes up the majority of the value of assets related to this compliance requirement. Additionally, rolling stock is necessary to the Authority's day-to-day operations and are tracked as individual assets with serial numbers, asset numbers, and other identifying information. Due to the large number of equipment items and their relatively small dollar amount, equipment is sometimes grouped together and historically has not been adequately described or identified in the Authority's records. The discrepancies observed related primarily to equipment which were older and fully depreciated according to the Authority's records.

Recommendation: We recommend the Authority ensure sufficient identifying information is maintained on the smaller equipment purchased with federal funds. We also recommend the Authority more carefully plan and perform inventory counts over smaller equipment.

UTAH TRANSIT AUTHORITY
Schedule of Findings and Questioned Costs
For the year ended December 31, 2018 and 2017



Views of Responsible Officials and Planned Corrective Action:

2018-001 Views: Management agrees with the Finding 2018-001. The correction of the capital asset records held by the Authority and the internal controls surrounding the entire inventory started in 2017 but was not planned to be completed by the 2018 audit. After the 2018 inventory is complete by December 31, 2019, UTA will be able to find and identify all asset (including grant funded asset). The item not found should have been removed as part of the 2017 capital asset write-off.

2017-001 Views: Management agrees with the Finding 2017-001. The correction of the capital asset records held by the Authority and the internal controls surrounding the entire inventory started in 2017 but was not planned to be completed by the 2017 audit. Six (6) of the items identified in the forty (40) items sampled were assets misclassified as equipment but will be reclassified and identifying in 2018 as part of redefining non-movable asset classifications and descriptions. After this project is complete by September 30, 2018, UTA will be able to find and identify all asset (including grant funded asset). The remaining item not found should have been removed as part of the 2017 capital asset write-off. The proper maintenance of grant funded assets will be addressed in 2018 through policy and proper assignment of oversight of all assets held by the Authority.



Other Supplementary Information

For Fiscal Years Ended
December 31, 2018 and 2017





KEDDINGTON & CHRISTENSEN, CPAS
CERTIFIED PUBLIC ACCOUNTANTS

Gary K. Keddington, CPA
Phyl R. Warnock, CPA
Marcus K. Arbuckle, CPA
Steven M. Rowley, CPA

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

To the Board of Trustees,
Utah Transit Authority
Salt Lake City, Utah

Report on Compliance

We have audited Utah Transit Authority's (the "Authority") compliance with the applicable state compliance requirements described in the *State Compliance Audit Guide*, issued by the Office of the State Auditor, that could have a direct and material effect on the Authority for the year ended December 31, 2018.

State compliance requirements were tested for the year ended December 31, 2018 in the following areas:

- Budgetary Compliance
- Fund Balance
- Restricted Taxes and Related Restricted Revenue
- Open and Public Meetings Act
- Treasurer's Bond
- Special and Local Service District Board Members

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 with each state compliance requirement referred to above. However, our audit does not provide a legal determination of the Authority's compliance with those requirements.

Opinion on Compliance

In our opinion, Utah Transit Authority complied, in all material respects, with the state compliance requirements referred to above for the year ended December 31, 2018.

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.

Keddington & Christensen, LLC

Keddington & Christensen, LLC
Salt Lake City, Utah
June 4, 2019



Process For Establishing Board Policies

Board of Trustees Policy No. 1.1

Application: Board of Trustees and Local Advisory Council

- I. Purpose: The purpose of this policy is to establish the process for the adoption of Board policies and for the approval of UTA policies that fall under the responsibility of the Executive Director.
- II. Policy:
 - A. The Board will adopt Board policies pursuant to the following process.
 - 1. At the Board’s request, the Executive Director or designee will draft a proposed policy.
 - 2. The Executive Director will present the proposed policy to the Board for discussion and direction.
 - 3. The Executive Director or Board Trustees will consult with the Local Advisory Council regarding the proposed policy.
 - 4. The Executive Director will present the proposed policy to the Board for final adoption by resolution.
 - B. The Board will review UTA policies pursuant to the following process.
 - 1. The Executive Director will submit the proposed UTA policy to the Board for review.
 - 2. The Board will approve the proposed UTA policy in its consent agenda or direct the Executive Director to make further revisions to the proposed policy.

Cross References: Utah Code Ann. §17B-2a-808.1(2)(t).

Revision/Review History:

Date of Local Advisory Council Consultation	Board of Trustees Approval (Resolution Number)	Action
		Revised and Renumbered from Board Policy 4.1.4 to Board Policy 1.1

Ethics

Board of Trustees Policy No. 1.2

Application: Board of Trustees and Local Advisory Council

I. Purpose: The individuals comprising the Authority's Board of Trustees and the Local Advisory Council commit themselves to observe high professional and ethical standards in order to maintain public confidence in the integrity of the Authority. The purpose of this policy is to set forth standards of ethical conduct for Trustees and Members.

II. Definitions:

- A. "Compliance Officer" means an individual appointed by the Executive Director to carry out the responsibilities identified in this Policy.
- B. "Conflict of Interest" means a personal or economic interest, outside employment, outside interest or other circumstance or relationship that impairs the ability to discharge duties in an ethical manner consistent with the best interests of the Authority.
- C. "Ethics Officer" means the individual appointed by the Board of Trustees to act in that capacity on behalf of the Authority.
- D. "Member" means an individual appointed to the Local Advisory Council.
- E. "Relative" means a father, mother, husband, wife, son, daughter, sister, brother, uncle, aunt, nephew, niece, first cousin, grand parent, and grandchild, including in-laws, step relations and relationships through adoption, as well as individuals in a personal relationship of a romantic or intimate nature.
- F. "Trustee" means an individual appointed to the Authority's Board of Trustees.

III. Policy:

A. Ethical Standards

- 1. Members, Trustees, the Executive Director, Chief Officers, and employees of the Authority will comply with applicable statutory ethical requirements, including those set forth in the Utah Public Officers' and Employees' Ethics Act.
- 2. Trustees, as employees of the Authority, will also comply with UTA Policy 1.1.11 – Ethics and Ethics Reporting.

B. Conflicts of Interest

- 1. Members and Trustees will promptly disclose any Conflicts of Interest in writing to the applicable Chair and to the Authority's Ethics Officer.

2. The Ethics Officer will notify the appointing jurisdiction of a Member or Trustee in writing of any Conflicts of Interest disclosed or identified.
3. In the event a Member or Trustee becomes aware of a Conflict of Interest during or immediately prior to a Board of Trustees meeting or Advisory Council meeting, the Member or Trustee will verbally disclose the Conflict of Interest. The disclosure will be reflected in the meeting minutes.
4. A Member or Trustee having a Conflict of Interest will recuse himself or herself from deliberations and votes related to the Conflict of Interest and leave the meeting for the duration of that issue being discussed
5. If a Member or Trustee discloses a Conflict of Interest on an issue being considered and does not voluntarily recuse himself or herself, the Board of Trustees or Advisory Council, as applicable, may, by simple majority vote to:
 - a. Determine if the Member or Trustee with the Conflict of Interest will be recused from voting on the particular issue;
 - b. Determine if the Member or Trustee with the Conflict of Interest will participate in a discussion on the particular issue;
 - c. Determine if the Member or Trustee with the Conflict of Interest will leave the meeting room during discussions on the particular issue; or
 - d. Determine other conditions or actions as appropriate.
6. A Member or Trustee's ownership of investment property within a 0.5 mile radius, as the crow flies, from any FrontRunner, TRAX station, or transit-oriented development will be considered to be a Conflict of Interest requiring disclosure. The ownership of investment property within a 0.5 mile radius of a bus stop is not considered to be a Conflict of Interest.

C. Nepotism

1. The Authority will not hire Relatives of current Trustees and Members.
2. If a Trustee or Member is appointed and has a Relative who currently works for the Authority, the Trustee and Member will disclose the relationship to their appointing authority and take steps to mitigate any Conflict of Interest following their appointment. If the Trustee or Member fails to mitigate the Conflict of Interest regarding the Relative, the Board of Trustees or the Local Advisory Council may take any of the actions described in Section B(5).

D. Code of Conduct

1. As set forth in the Authority's Bylaws, Members and Trustees will complete and submit an Annual Certification of Code of Conduct prior to being seated and at least annually thereafter on October 31. If October 31 falls on a Saturday or Sunday, the Code of Conduct will be due on the Monday following October 31.
2. The Ethics Officer, in consultation with the Compliance Officer, will revise the Annual Certification of Board Member Code of Conduct as needed.

E. Financial Disclosure Report

1. As set forth in the Authority's Bylaws, Members and Trustees will complete and submit a Financial Disclosure Report prior to being seated and at least annually thereafter on October 31. If October 31 falls on a Saturday or Sunday, the Financial Disclosure Report will be due on the Monday following October 31.

2. Members and Trustees will submit a revised Financial Report within ten business days if there is a material change in the information previously disclosed in the most recently completed Financial Report.
3. The Ethics Officer and Compliance Officer will review Financial Disclosure Reports for Conflicts of Interest. If Conflicts of Interest have been disclosed, the Ethics Officer and Compliance Officer will attempt to resolve them with the Member or Trustee. If the issue cannot be resolved, the Ethics Officer will submit the disclosure to the Chair of the Board of Trustees and the Chair of the Local Advisory Council. If the issue involves the Chair of the Board of Trustees or the Chair of the Local Advisory Council, the Ethics Officer will submit the disclosure to the Audit Committee.
4. The Ethics Officer will notify the appointing jurisdiction of a Member or Trustee in writing of any Conflicts of Interest disclosed in the Financial Disclosure Report.
5. Financial Disclosure Reports will be classified as public records under the Government Records Access and Management Act.
6. The Authority's Ethics Officer, in consultation with the Compliance Officer, will revise the Financial Disclosure Report as needed.

F. Ethics Complaints

1. Ethics complaints alleging violations of the Utah Public Officers' and Employees' Ethics Act against Trustees, Members, the Executive Director, Chief Officers, and employees will be referred to the Political Subdivision Ethics Review Commission for resolution.
2. Ethics complaints involving Trustees, Members, the Executive Director, Chief Officers, and employees that do not allege violations of the Utah Public Officers' and Employees' Ethics Act or do not meet the requirements for a complaint under the standards of the Political Subdivision Ethics Review Commission will be investigated by the Ethics Officer or an independent investigator appointed by the Ethics Officer, if necessary. The Ethics Officer will submit written findings of investigations involving Trustees and Members to the Chair of the Board of Trustees and the Chair of the Local Advisory Council. If the investigation involves the Chair of the Board of Trustees or the Chair of the Local Advisory Council, the Ethics Officer will submit the written findings of the investigation to the Audit Committee. The Executive Director will designate an investigator to investigate ethics complaints against the Ethics Officer.
3. Following the receipt of written findings of an ethics investigation from the Ethics Officer or the Political Subdivision Ethics Review Commission, the Local Advisory Council or the Board of Trustees may consider the adoption of a resolution of public censure and/or a resolution recommending the removal of a Member or Trustee as determined by a majority vote at a regularly scheduled meeting. If a resolution is adopted, a copy will be forwarded to the appropriate appointing authority.

- IV. Cross References: Utah Public Officers' and Employees' Ethics Act, Utah Code Ann. §67-16-101; Political Subdivisions Ethics Review Commission Utah Code Ann. §63A-15-103; UTA Policy 1.1.11 - Ethics and Ethics Reporting.

Revision/Review History:

Local Advisory Council Review	Board of Trustees Review	Resolution	Action

DRAFT

Financial Management

Board of Trustees Policy No. 2.1

Application: Board of Trustees and Local Advisory Board

- I. Purpose: The purpose of this policy is to provide financial oversight of the Authority; plan for its long-term financial needs; maintain and protect Authority assets and infrastructure; and develop, communicate, and implement appropriate internal controls regarding financial and risk management.
- II. Policy:
 - A. Reserves
 1. The Authority will maintain the following reserves:
 - a. General operating reserves, 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 Treasurer will manage the use of the funds in the general operating reserve.
 - b. Service stabilization reserve funded at a level equal to three percent (3%) of the Authority's budgeted operating expense, excluding non-operating expense, to be used to avoid service reductions at such times as the Authority faces a revenue shortfall or cost overrun due to extraordinary circumstances. The Board of Trustees must give its prior approval before funds in the service stabilization reserve are used.
 - c. Bond reserves funded at a level required by bond covenants to be used for the payment of debt service in the event that the Authority fails to make scheduled bond principal and interest payments. The Board of Trustees must give its prior approval before funds in the bond reserve are used.
 - d. Capital replacement reserve to reach a level equal to 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.
 2. The Board of Trustees may establish other reserves and make additional contributions to existing reserves.
 3. Reserve balances will be reported on the Authority's monthly financial statements.

4. Upon the use of any service stabilization, bond or capital replacement reserves, the Board of Trustees will, by resolution, establish a timeline for the full reimbursement of the reserves within 60 months after their first use and begin to restore reserves used no later than 24 months after their first use.

B. Grants

1. The allocation of anticipated formula fund grants will be determined during the annual budget process.
2. Any discretionary grant pursued by the Authority will be consistent with the Authority's mission and strategic priorities.
3. The Executive Director will notify the Board of Trustees if a discretionary grant of \$200,000 or more is being sought.

C. Investments

1. The Board of Trustees will, after consultation with the Advisory Council, control investment of all Authority funds and funds held as part of the Authority's retirement system, and employee deferred compensation 457 plans.
2. The Authority's Pension Committee will manage the investment of the Authority's retirement system and employee deferred compensation 457 plan funds pursuant to the Pension Committee's Investment Policy, which shall be reviewed and approved by the Board of Trustees prior to adoption.
3. The Treasurer will manage the investment of all non-retirement Authority funds in compliance with applicable laws.

D. Debt

1. The Board of Trustees will, after consultation with the Advisory Council and with the approval of the State Bond Commission, approve all bond issuances.
2. The Board of Trustees will approve contracts for bond counsel, financial advisors, and bond underwriters.
3. The Board of Trustees will approve the method of sale for each bond issuance.
4. The Board of Trustees will, after consultation with the Advisory Council, approve the issuance of all other financial instruments.
5. The Executive Director will manage the debt and other financial instruments issuance processes.

E. Financial Reporting

1. UTA's books and accounts will be maintained with generally accepted accounting principles set by the Governmental Accounting Standards Board for governmental enterprise funds.
2. The Chief Financial Officer will prepare and present to the Board a summary of investments, investment activity, and investment performance compared to benchmarks as soon as practical after the end of each calendar quarter.

3. The Chief Financial Officer will present monthly financial statements stating the Authority's financial position, revenues, and expenses to the Board of Trustees as soon as practical. Monthly and year-to-date budget versus actual reports will be included in the monthly financial report to the Board.
4. Other required financial reports, including the National Transit Database and State Transparency, will be prepared in accordance with federal and state reporting requirements and made on a timely basis.

F. Risk Management

1. The Executive Director will submit an annual report to the Board of Trustees on the status of the Authority's risk management program.
2. The Authority will maintain Public Officials Errors and Omissions Insurance in an amount determined to adequately protect the Authority.
3. The Executive Director will, as necessary, procure other insurance to compensate for losses that would adversely affect the Authority.

G. Internal and External Controls

1. The Authority will maintain a system of internal controls to safeguard its assets against loss, check the accuracy and reliability of its accounting data, and promote operational efficiency.
2. The Chief Internal Auditor will develop an internal audit program that complies with the International Standards for the Professional Practice of Internal Auditing.
3. The Treasurer is responsible for the opening and closing of bank accounts and ensuring that only authorized users are provided access to bank accounts.
4. As provided for in the Authority's Bylaws, the Board of Trustees will select a qualified independent auditing firm to conduct an annual financial audit. The auditing firm will present the results of its annual audit to the Authority's Audit Committee and the Board of Trustees.

H. Long-term Financial Planning

1. The Executive Director will develop a long-term (20 years or longer) financial plan incorporating the Board of Trustees' strategic plan, identifying the Authority's long-term financial challenges and proposed solutions based upon reasonable projections of revenue and expense including operations and maintenance, reasonably anticipated new funding programs, capital expansion, maintenance of a state of good repair of existing assets, asset replacement, and debt issuance. The Executive Director will update the long-term financial plan three times a year.
2. The Board of Trustees will review the long-term financial plan annually and report it to the State Bonding Commission.

I. Budgeting

1. As provided for in the Authority’s Bylaws, the Authority will prepare an annual budget and the Board of Trustees, after consultation with the Advisory Council, will approve the budget.
2. The Board of Trustees may amend or supplement the budget at any time after its adoption.
3. The Executive Director may make administrative adjustments to an adopted budget without Board of Trustee approval as long as those changes will not have a significant policy impact or affect budgeted year-end fund balances.

J. Capital

1. The Executive Director will develop a five-year capital plan and update it every year for inclusion in the annual budget process discussions and approvals. The five-year capital plan will be fiscally constrained and will maintain all assets at a state of good repair to protect the Authority’s capital investment and minimize future maintenance and replacement costs.

Revision/Review History:

Local Advisory Council Review	Board of Trustees Review	Resolution	Action

Comparison of Reserve Requirements
Current and Proposed
June 12, 2019

<u>Reserve Type</u>	<u>Requirement</u>	<u>Current</u>		<u>Proposed</u>	
		2019 Requirement	Percentage of Operations Budget	Proposed Requirement	Percentage of Operations Budget
<u>General and Capital Reserves</u>					
General Reserves					
Working Capital	9 1/3% of budgeted operating expense	\$ 28,639,000			
Risk Contingency	Self insurance	\$ 7,700,000			
Fuel	30 cents per gallon	\$ 1,915,000			
Parts	\$3 million minimim; \$6 million maximum	\$ 3,000,000			
Total General Reserves		<u>\$ 41,254,000</u>	13.5%	\$ 36,660,000	12.0%
Service Sustainability Reserves		\$ 15,272,000	5.0%	\$ 9,166,000	3.0%
Capital Reserves		<u>\$ -</u>	<u>0.0%</u>	<u>\$ 10,700,000</u>	<u>3.5%</u>
Total Operating and Capital Reserves		<u><u>\$ 56,526,000</u></u>	<u>18.5%</u>	<u><u>\$ 56,526,000</u></u>	<u>18.5%</u>
<u>Debt Reserves</u>					
Bond Reserves	Per Bond Covenant	\$ 38,564,000	N/A	\$ 38,564,000	N/A
Debt Reduction	Bond Refunding Savings	<u>\$ 71,341,000</u>	N/A	<u>\$ 71,341,000</u>	N/A
Total Debt Reserves		<u><u>\$ 109,905,000</u></u>		<u><u>\$ 109,905,000</u></u>	



Contract Authority and Procurement

Board of Trustees Policy No. 2.2

Application: Board of Trustees and Local Advisory Council

- I. Purpose: The purpose of this policy is to establish the authority, duties, and responsibilities of the Board of Trustees and Chief Procurement Officer related to the Authority's procurement activities. It also establishes contracts, change orders, and disbursements that must be approved by the Board of Trustees.
- II. Definitions:
 - A. "Chief Procurement Officer" means the individual designated by the Board to oversee the Authority's procurement related activity.
- III. Policy:
 - A. Delegation of Authority
 1. The Board of Trustees designates the Chief Financial Officer as the Authority's Chief Procurement Officer.
 2. The Chief Procurement Officer will establish policies and procedures to ensure the Authority's procurements are carried out in compliance with applicable state and federal laws and the Authority's policies.
 3. The Chief Procurement Officer will establish a Code of Conduct to govern the actions and performance of all Authority employees and designated agents of the Authority engaged in procurement activities.
 - B. Procurement Protest Appeals
 1. The Chief Procurement Officer will review and decide procurement protests submitted by vendors.
 2. An appeal of the Chief Procurement Officer's decision on a procurement protest must be submitted in writing to the Board of Trustees within five business days following the date of the decision.
 3. The Board of Trustees will review the appeal and the decision of the Chief Procurement Officer, hear information from the appellant and the Chief Procurement Officer, and issue a final determination in writing to the Chief Procurement Officer and the appellant.
 - C. Former Employees
 1. The Authority may procure goods and services from former employees after one year of separation. The Authority may procure goods and services from former employees within the first year of separation under the following conditions:
 - a. There is no personal or organizational conflict of interest

- b. The term of the contract does not exceed six months
- c. The amount obligated does not exceed \$25,000
- d. The procurement conforms to applicable laws
- e. The Executive Director provides written notification to the Board of Trustees in advance.

2. The Board of Trustees must approve procurement of any goods or services with entities that hire former employees or who are represented by former employees within the twelve months following the employee’s separation from UTA if the situation creates a Conflict of Interest as determined by the Chief Procurement Officer.

D. Contract, Change-order, and Disbursement Authority

- 1. The Board of Trustees will review and approve contracts that exceed a total value of \$200,000 over the life of the contract, including any option years.
- 2. The Board of Trustees will review and approve the following contract change-orders:
 - a. change orders that increase the total contract value to \$200,000 or more
 - b. change orders for contracts with a total value over \$200,000 that increase the total contract by 15% or more
 - c. all change orders over \$200,000
- 3. The Board of Trustees will review and approve payment disbursements with a value of \$200,000 or more. The Board may preapprove disbursements equal to or great than \$200,000 by resolution.
- 4. The Executive Director may approve change orders, contracts, and disbursements described above in order to meet an urgent need for goods and services prior to approval by the Board of Trustees if the Authority will sustain serious injury if the change order, contract, or disbursement is not approved immediately. The Executive Director will report the approval of any change order, contract, or disbursement resulting from an urgent need to the Board of Trustees at its next scheduled meeting.

IV. Cross References: UTA Policies 1.1.11 – Ethics and Ethics Reporting; 1.2.2 – Technology Hardware and Software Procurement Policy; 1.2.3 – Purchase Card Policy; 1.2.4 – Health Insurance Requirements in UTA Design and Construction Contracts; 3.1.1 – Spending Authority Policy; 3.1.6 – Contracting Authority Policy; 1.1.7 – Procurement and Contracting Code of Conduct; 1.2.2 – Procurement Standing Operating Procedure.

Revision/Review History:

Local Advisory Council Review	Board of Trustees Review	Resolution	Action

Advertising and Naming

Board of Trustees Policy No. 3.1

Application: Board of Trustees and Local Advisory Council

I. Purpose: The Board of Trustees allows for advertising on the Authority's facilities, vehicles, and electronic media in compliance with contractual agreements, local ordinances, and State and federal laws to provide information to the public and to generate additional revenue to support the Authority's public transit operations. This policy establishes the standard for advertising appearing on the Authority's vehicles and facilities. It also establishes the process for naming stations, facilities, and service brands.

II. Policy:

A. Advertising

The agency will not allow advertising on Authority vehicles, electronic media, or transit facilities that:

1. Is false, misleading, or deceptive
2. Promotes or depicts an illegal activity, good, or service
3. Contains explicit sexual material, obscene material, or material harmful to minors as set forth in state law
4. Promotes alcohol in a manner inconsistent with federal and state law
5. Promotes tobacco products in a manner inconsistent with federal and state law
6. Depicts violence, anti-social behavior, sexual conduct, nudity, or sexual excitement as those terms are defined in state law
7. Includes language that is obscene, vulgar, indecent, or profane
8. Promotes or depicts materials, instruments, devices, items, products, or paraphernalia that are designed for use in connection with sexual conduct as defined in state law
9. Contains images or information that demeans an individual or group of individuals on account of race, color, religion, national origin, gender, age, disability, or sexual orientation
10. Constitutes libel as defined in state law
11. Is inconsistent with any contractual agreement between the Authority and any governmental entity
12. Promotes subject matter other than that relating to a commercial transaction or relating to a product or service sponsored by a governmental entity located in the state of Utah that does not otherwise conflict with the Authority's mission and goals
13. Is contrary to any applicable local ordinance

B. Naming of Authority Stations, Facilities, and Service Brands

1. The Board of Trustees will approve naming of stations, facilities, and service brands.
2. The Authority will select primary station names that assist customers in navigating its transit system, such as names that incorporate geographical coordinates.
3. The Authority will select secondary station names that relate to geographical landmarks, public activities, or names that have historical or cultural significance to the immediate area in which the station is located.
4. The Authority will not name any stations, facilities, or service brands after any individual, either living or deceased.

C. The Board of Trustees will approve requests for sponsorships.

Revision/Review History:

Local Advisory Council Review	Board of Trustees Review	Resolution	Action



Public Records

Board of Trustees Policy No. 4.2

Application: Board of Trustees and Local Advisory Council

- I. Purpose: The purpose of this policy is to describe the Authority's commitment to the Governmental Records Access and Management Act ("GRAMA"), establish the appeals process for GRAMA Requests that have been denied, and identify the provisions of GRAMA that do not apply to the Authority due to its status as a political subdivision.
- II. Definitions:
 - A. "GRAMA Request" means a request for records submitted under the provisions of the Governmental Records Access and Management Act.
- III. Policy:
 - A. Requests for Records
 1. To request records from UTA, a requester must submit a written request to an Authority Records Officer on forms provided by the Authority or submit an electronic request to GRAMA@rideuta.com or openrecords.utah.gov. Requests must include the information required by GRAMA.
 2. Requested records will be classified and produced in compliance with the provisions of GRAMA.
 - B. Appeal Process
 1. A requester or interested party may appeal the Authority's denial of a GRAMA Request to the Authority's Executive Director within thirty days of the decision.
 2. If the Executive Director denies the appeal, the requester or interested party may appeal the decision to the State Records Committee within thirty days of the Executive Director's decision.
 - C. Fees
 1. Changes to the Authority's GRAMA Fee Schedule, available on the Authority's website, will be approved by the Board of Trustees.
 2. Individuals requesting records may inspect public records free of charge during the Authority's business hours.
 - D. Applicability of GRAMA

As a political subdivision, the following sections of GRAMA do not apply to the Authority.

 1. 63G-2-104. Administrative Procedures Act not applicable.

2. Title 63G, Chapter 4, Administrative Procedures Act, does not apply to this chapter except as provided in Section 63G-2-603.
3. 63G-2-208. Public repository of legislative email.
4. 63G-2-702. Applicability to the judiciary.
5. 63G-2-703. Applicability to the Legislature.

IV. Cross References: Governmental Records Access and Management Act, Utah Code, §63G-2-101, *et seq.*

Revision/Review History:

Local Advisory Council Review	Board of Trustees Review	Resolution	Action

DRAFT



Real Property

Board of Trustees Policy No. 5.2

Application: Board of Trustees and Local Advisory Council

- I. Purpose: The purpose of this policy is to guide the acquisition, disposition, encumbrance, or other commitment or contracts for control or use of the Authority's real property.

- II. Definitions:
 - A. "Approved Capital Project" means a capital project approved by the Board of Trustees that includes a budget and a series of deliverables contemplating the purchase, sale, or use of real property.

 - B. "Real Property Transaction" means the acquisition, disposition, encumbrance, or other commitment or contract for the control or use of the Authority's real property.

- III. Policy:
 - A. Real Property Transactions
 1. The Board of Trustees will approve Real Property Transactions that:
 - a. have an aggregate value of \$200,000 or more, except when authority has been delegated for an Approved Capital Project as described in paragraph A(3) below
 - b. cause the Real Property Transaction line item in an Approved Capital Project budget to be exceeded
 - c. must be acquired through the use of eminent domain
 - d. result in a purchase price that exceeds the fair market value plus an administrative settlement permitted by federal regulations
 - e. convey property rights that interfere with the Authority's intended use of the property, transit operations, or continuing control of the property as required by federal regulations
 - f. result in the contracted sale or revenue amount previously approved by the Board of Trustees to decrease by fifteen percent (15%) or more
 - g. result in the contracted purchase or payment amount previously approved by the Board of Trustees to increase by fifteen percent (15%) or more
 - h. are for the acquisition, disposition or development of real property for the purpose of transit-oriented development

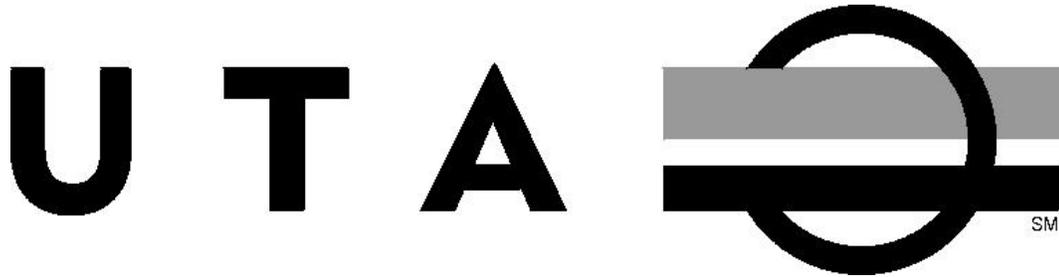
 2. The Board of Trustees will approve Real Property Transactions of \$1 million or greater by resolution.

3. The Board of Trustees may establish parameters by resolution that delegate authority to the Executive Director to approve Real Property Transactions of \$200,000 or more that have been included in an Approved Capital Project budget.
- B. Classification of Real Property
1. The Authority will classify real property as Transit Critical, Transit-Oriented Development, or Surplus.
 2. The Board of Trustees will approve the following reclassifications of real property:
 - a. Transit Critical to Transit-Oriented Development
 - b. Transit Critical to Surplus
 - c. Transit-Oriented Development to Surplus
- C. Annual Report
- The Executive Director will present an annual report to the Board of Trustees that includes an inventory of the Authority's real property and a list of property acquisitions and dispositions occurring since the previous year's report.

Cross References: UTA Policy 3.1.1; UTA Transit-Oriented Development Strategic Plan.

Revision/Review History:

Local Advisory Council Review	Board of Trustees Review	Resolution	Action



BYLAWS OF THE

UTAH TRANSIT AUTHORITY

Approved by Board of Trustees 11-28-2018
Draft May 21, 20192018-11-01

BYLAWS OF THE UTAH TRANSIT AUTHORITY

TABLE OF CONTENTS

Section 1. Creation.

The Utah Transit Authority (the “Authority”) was created pursuant to the Utah Limited Purpose Local Government Entities - Local Districts Act, Title 17B, Chapter One – and the Utah Public Transit District Act, Chapter 2(a), Part 8 of the Utah Code Annotated 1953, as amended (the “Act”), and is a public transit district organized under the laws of the State of Utah. The Authority is comprised of its Board of Trustees, which ~~shall~~may hereinafter be referred to as the Board and its appointees shall be referred to as Trustees; the Local Advisory ~~Board of Trustees~~Council, which shall hereinafter be referred to as the Advisory ~~Board~~Council and its appointees shall be referred to as Members; officers; management; and employees. It is a political subdivision of the State of Utah with those powers specifically granted in the Act and with implied powers necessary to carry out the objectives and purposes of a public transit district.

Section 2. Duties.

A. Trustees and Members shall act in the best interest of the Authority and in accordance with the Constitutions and laws of the United States of America and the State of Utah, the Act, as well as adopted policies.

B. Trustees and Members have a duty to exercise due care, to act with reasonable skill and diligence, and to perform the duties of their office honestly, faithfully, and to the best of their abilities.

C. Trustees and Members have a fiduciary duty to the entire transit district. They have a duty of loyalty and shall articulate and consider the interests of constituencies in the District and then take actions based on the best interest of the entire transit district.

D. Trustees, Members, and their alternates have a duty to complete an annual Financial Disclosure Report, sign an annual Code of Conduct, provide prompt disclosure of conflict of interests, and recuse themselves from discussing or voting on issues for which they have a conflict of interest.

E. Trustees and Members have a duty to comply with the State of Utah's Government Records Access and Management Act and to maintain records consistent with applicable retention schedules adopted by the Authority.

F. Trustees and Members have a duty to comply with the State of Utah's Public Officers' and Employees' Ethics Act.

G. Trustees and Members have a duty to maintain the confidentiality of non-public information obtained in their official capacities. They shall not disclose or improperly use non-public information for actual or anticipated personal, economic, or political gain, or for the actual or anticipated personal, economic, or political gain of any other person. They shall not rely on non-public information obtained in an official capacity to acquire a pecuniary interest in any property, transaction, or enterprise.

H. Each Trustee and Member shall report the business of the Authority to their appointing jurisdictions.

Section 3. Oath of Office.

The oath of office shall be given to all Trustees and Members before commencing the duties of the office.

Section 4. Indemnification.

Trustees and Members shall be defended by the Authority against any action, suit or proceeding arising from an act or omission alleged to have been committed within the scope of the individual's official capacity with the Authority to the full extent allowed by applicable law.

Section 5. Attendance.

Each Trustee and Member is expected to serve faithfully, attend all meetings and perform other assignments in compliance with Board of Trustees and Advisory ~~Board-Council~~ policies.

ARTICLE II — THE BOARD OF TRUSTEES

Section 1. Qualifications, Appointment, Number and Terms of Office.

The required number of Trustees, the terms of office, qualifications, and the process of appointment to the Board of Trustees, shall all be as set forth in the Act, as amended.

Section 2. Powers.

The Board of Trustees shall have the powers provided in the Act, these Bylaws, and other applicable law.

Section 3. Compensation.

The Advisory ~~Board-Council~~ shall set the compensation of the Board of Trustees.

Section 4. ~~Board-Officers.~~

The officers of the Board of Trustees shall consist of all Trustees of the Board, Secretary, Executive Director, Treasurer, Comptroller, and Internal Auditor.

Section 5. Appointment of ~~Board-Officers.~~

The ~~Board Chair~~ Chair of the Board of Trustees shall be appointed by the Governor of the State of Utah. The Board of Trustees shall appoint an Executive Director by an affirmative vote of a

majority of the Board of Trustees, as well as a Secretary, Treasurer, Comptroller, and Internal Auditor. Officers, with the approval of the Board Chair, may temporarily delegate their responsibilities to another Trustee or administrative staff during a short-term absence of the officer.

Section 6. Responsibilities of Officers.

A. Board Chair.

The Chair shall preside at all Board of Trustee meetings and all joint meetings of the Board and the Advisory ~~Board~~Council, set the agenda for Board of Trustee meetings in consultation with the other Trustees, coordinate the agenda for Advisory ~~Board~~Council meetings with the Advisory ~~Board~~Council Chair, and shall establish the duration and timing of public comment. The Chair shall also ensure the proper administration of the Utah Transit Authority Employee Retirement Plan and Trust Agreement.

B. Board Secretary.

The Secretary shall attest to all resolutions, ordinances, or orders passed by the Board of Trustees and shall ensure that all necessary documents are filed with appropriate entities.

C. Treasurer.

The Treasurer may be chosen from among the members of the Board of Trustees except that the Board Chair may not be appointed as Treasurer. The Treasurer shall serve as custodian of all money, bonds, or other securities of the Authority and, in consultation with the Advisory ~~Board~~Council, shall ensure that the Authority complies with the requirements of the State of Utah's Money Management Act.

D. Comptroller.

The ~~Controller~~Comptroller shall oversee the Authority's accounting and financial reporting.

E. Internal Auditor.

The Internal Auditor shall objectively review the Authority's key processes and related internal controls; evaluate and improve the Authority's risk management, control, and governance processes; and report assessment results and recommendations as required by the Act. The Internal Auditor shall also serve as the Authority's Ethics Officer and shall investigate complaints of ethical violations. The Audit Committee shall adopt a charter establishing the scope of the Internal Auditor's responsibilities and shall review it annually.

Section 7. Appointment of Staff.

The Board of Trustees shall hire qualified individuals, set salaries, and develop performance targets and evaluations for the Executive Director, ~~Chief Internal Auditor, and any vice president/chief officer-level officer; the Chief Safety, Security, and Technology Officer; and the Chief People Officer.~~

Section 8. Removal of Officers.

Trustees shall serve at the pleasure of the Governor of the State of Utah. The Executive Director may be removed pursuant to the terms of the Act. All other officers serve at the pleasure of the Board of Trustees and may be removed by a majority vote.

Section 9. Voting Rights and Quorum.

Each Trustee may cast one vote on all questions, orders, resolutions, and ordinances coming before the Board. A majority of all Trustees constitutes a quorum for the transaction of Board of Trustee business. Except as otherwise provided in these Bylaws or applicable State law, a majority vote or more of a quorum is sufficient to carry any order, resolution, ordinance or proposition before the Board of Trustees.

ARTICLE III — THE LOCAL ADVISORY ~~BOARD~~COUNCIL

Section 1. Qualifications and Appointment.

The required number of Members, the terms of office, qualifications, and the process of appointment to the ~~Local~~ Advisory ~~Board~~Council (~~“Advisory Board”~~), shall all be as set forth in the Act, as amended.

Section 2. Powers.

The Advisory ~~Board~~Council shall have the powers provided in the Act, these Bylaws, and other applicable law.

Section 3. Compensation and Reimbursement.

Advisory ~~Board~~Council Members shall be compensated in compliance with Utah Administrative Code R25-5 Payment of Meeting Compensation (Per Diem) to Boards. Members shall be reimbursed for mileage associated with travel to official UTA meetings and functions at the Internal Revenue Service rate. Members shall be reimbursed at the State of Utah’s reimbursement rate for meals purchased when representing the Authority in their official capacity as Advisory Council Members.

Section 4. ~~Advisory Board~~ Officers.

The officers of the Advisory ~~Board~~Council shall consist of a Chair, Vice-Chair, and Second Vice-Chair. Officers, with the approval of the Advisory Council Chair, may temporarily delegate their responsibilities to another Member during a short-term absence of the officer.

Section 5. Election/Appointment ~~of Advisory Board~~ Officers.

Members of the Advisory ~~Board~~Council shall nominate and elect a Chair, Vice-Chair, and Second Vice-Chair by majority vote from among that body.

Section 6. Term of Office ~~for Advisory Board Officers.~~

Officers of the Advisory ~~Board-Council~~ shall serve for a period of one year. The Advisory Council Chair may serve a maximum of two one-year terms.

Section 7. Duties ~~of Officers.~~

A. Advisory ~~Board-Council~~ Chair.

The Advisory ~~Board-Council~~ Chair shall preside at all Advisory ~~Board-Council~~ meetings. The Advisory ~~Board-Council~~ Chair shall ensure that the Advisory ~~Board-Council~~ carries out its duties under the Act and shall coordinate the agenda with the Board Chair to accomplish this end. The Advisory ~~Board-Council~~ Chair shall serve as the liaison with the Board.

B. Advisory ~~Board-Council~~ Vice-Chair.

In the absence of the Advisory ~~Board-Council~~ Chair, the Advisory ~~Board-Council~~ Vice-Chair shall carry out the duties of the Advisory ~~Board-Council~~ Chair.

C. Advisory ~~Board-Council~~ Second Vice-Chair.

The Advisory ~~Board-Council~~ Second Vice-Chair shall attest to all resolutions, ordinances, or orders passed by the Advisory ~~Board-Council~~.

Section 8. Removal from Office.

Advisory ~~Board-Council~~ Officers may be removed by a majority vote of the Advisory ~~Board-Council~~. Advisory ~~Board-Council~~ Members may be removed by a majority vote of the Advisory ~~Board-Council~~ for ethical violations or criminal conduct.

Section 9. Voting Rights and Quorum.

Each Member may cast one vote on all questions, orders, resolutions, and ordinances coming before the Advisory ~~Board-Council~~. A majority of all Members constitutes a quorum for the

transaction of Advisory ~~Board-Council~~ business. Except as otherwise provided in these Bylaws or applicable State law, an affirmative vote by fifty percent or more of a quorum is sufficient to carry any order, resolution, ordinance or proposition before the Advisory ~~Board-Council~~. A quorum is not required for the adoption of a motion to adjourn.

Section 10. Alternate ~~Board-Council~~ Member Representation.

Each appointing authority shall have the right to select alternative representatives (“Alternate”) to the Advisory ~~Board-Council~~ so that each appointing authority may be adequately represented. Each appointing authority desirous of selecting an Alternate shall do so in accordance with the procedures for selecting ~~Board-Council~~ Members. If the appointing authority’s Member is not present at a meeting of the Advisory ~~Board-Council~~ or a committee meeting, then a properly designated Alternate may participate in the meeting, make motions, count toward a quorum, and vote in matters before the Advisory ~~Board-Council~~. Alternates should take steps necessary to be fully informed on actions to be taken at meetings in which they represent their appointing authority.

ARTICLE IV — EXECUTIVE DIRECTOR

Section 1. Powers.

The Executive Director shall have all of the powers, duties, and responsibilities granted and imposed by the Act and those assigned by the Board of Trustees. In the event the position of Executive Director is vacant, an Interim Executive Director may be given an interim appointment by the Board of Trustees until the position can be filled.

Section 2. Compensation.

The compensation of the Executive Director shall be established by the Board of Trustees.

Section 3. Removal of Executive Director.

The removal of an Executive Director shall be governed by the Act.

ARTICLE V — COMMITTEES

Section 1. Committees.

The Board of Trustees may establish standing or ad hoc committees (“Committees”) deemed appropriate and shall designate their functions. Committees shall be established, amended or disbanded by adoption of a Board Resolution at a duly noticed Board of Trustees meeting. Committees shall meet as needed or as determined by the Board Chair and, once established, by the Committee chair. Members of Committees shall be appointed by the Board Chair and serve at the pleasure of the Board Chair.

Section 2. Committee on Accessible Transportation.

The Authority establishes an advisory committee on accessible transportation (“Committee on Accessible Transportation” or “CAT”) to offer recommendations to the Board of Trustees on accessibility issues related to the Authority’s facilities, equipment, routes, plans and programs. The CAT serves in an advisory capacity. It shall be governed and membership determined by a charter authorized and approved by the Board of Trustees that is consistent with its charge as an advisory committee to the Authority. The Board Chair shall appoint Members or Trustees to serve as liaison to the CAT.

~~Section 3. — Pension Committee.~~

~~—The Authority establishes a Pension Committee to manage the Utah Transit Authority Employee Retirement Plan and Trust Agreement (“Plan”). Representation on the Pension Committee shall comply with the Plan and applicable contractual obligations of the Authority.~~

Section 34. Audit Committee.

The Authority establishes an Audit Committee to direct the Internal Auditor to conduct audits determined to be most critical to the organization and to hear ~~the results of those reports~~ from the

Internal Auditor and external auditors. The Audit Committee shall consist of the Board of Trustees, the Chair of the Advisory ~~Board~~Council, and the Vice-Chair of the Advisory ~~Board~~Council. The Chair of the Board of Trustees shall serve as the Chair of the Audit Committee. The Audit Committee shall function under the terms of an adopted charter, which it shall review annually.

ARTICLE VI — MEETINGS OF THE BOARD AND ADVISORY ~~BOARD~~COUNCIL

Section 1. Open and Public Meetings.

All meetings of the Board of Trustees, its Committees, and the Advisory ~~Board~~Council shall be open to the public and comply with the State of Utah's Open and Public Meeting Act.

Section 2. Meeting Schedule.

At the beginning of each fiscal year, the Board of Trustees and Advisory ~~Board~~Council shall establish a regular meeting schedule by resolution.

Section 3. Special Meetings.

The Chair of the Board of Trustees shall call Special Meetings of the Board of Trustees and joint Special Meetings of the Board of Trustees and Advisory ~~Board~~Council as necessary. The Chair of the Advisory ~~Board~~Council shall call Special Meetings of the Advisory ~~Board~~Council as necessary.

Section 4. Notice of Meetings.

Notice of all regular meetings, special meetings and emergency meetings of the Board of Trustees and Advisory ~~Board~~Council shall be by electronic means to Trustees and Members at electronic mail address as shown in the records of the Authority. Notice of emergency meetings shall be given to Trustees and Members at least twenty-four hours before the meeting, if possible. In the event twenty-four hour notice is not possible, each Trustee and Member shall receive the best notice which practicably can be given. Notice for emergency meetings may be oral, written, or electronic.

Notices of meetings shall contain the date, time, place, and an agenda for the meeting. Notice of meetings shall be posted on the Utah Public Notice Website.

Section 5. Minutes of Meetings.

Minutes of meetings shall be prepared and available to the public as required by the State of Utah's Open and Public Meetings Act.

Section 6. Electronic Attendance at Meetings.

A Trustee or Member may attend a meeting via electronic means if the Trustee or Member provides twenty-four hour advance notice to the applicable Chair. A Trustee or Member attending a meeting electronically shall be counted as present for purposes of a quorum and may fully participate and vote. Only one Trustee or Member is required to be physically present for meetings that other Trustees or Members attend electronically.

Section 7. Order of Business.

The business of all meetings of the Board of Trustees and Advisory ~~Board~~ Council shall be transacted as far as practicable in the order of business set forth in the agenda. At any meeting where a new Trustee and Member is to take the oath of office and be seated, such ceremony shall be conducted prior to the determination of a quorum.

ARTICLE VII — CONDUCTING BUSINESS

Section 1. Resolutions, Orders and Ordinances — Vote Recorded.

Each and every formal action by the Board of Trustees and Advisory ~~Board~~ Council shall be taken by the passage of a resolution, order or ordinance by the Board of Trustees or Advisory ~~Board~~ Council. Resolutions and ordinances shall be by roll call vote with each affirmative and negative vote recorded. Proposed resolutions and ordinances shall be forwarded to each Trustee and

Member by electronic means at least twenty-four hours before the ordinance is presented for adoption. All resolutions and ordinances passed by the Board of Trustees and Advisory Board Council shall be authenticated as soon as practicable after their passage by the signature of the applicable Chair and attested to by the Board Secretary or Advisory Board Council Second Vice-Chair, and kept in the official records of the Authority. A record of meetings of the Board of Trustees and Advisory Board Council shall be made and retained as provided by law.

Section 2. Adoption and Amendment of Bylaws.

These Bylaws may be adopted and amended by an affirmative vote by a majority of the Board of Trustees after consultation with the Advisory Board Council.

Section 3. Fiscal Year.

The fiscal year of the Authority shall commence on January 1 and end on December 31 of each calendar year.

Section 4. Principal Place of Business.

The principal place of business for the Authority, and the location of all offices and departments, shall be determined from time to time by the Board of Trustees. The Board Secretary shall publish the location of the principal place of business in the Government Entity Database maintained by the Division of Corporations of the State of Utah.

Section 5. Budget.

The Authority shall prepare an annual budget for the consideration of the Board of Trustees each year in compliance with applicable law. After analyzing the proposed budget and making any corrections or revisions that it may find necessary and consulting with the Advisory Board Council, the Board of Trustees shall adopt a final annual budget prior to the end of each fiscal year.

Section 6. Audit Reports.

A. Annual Audit.

The Board of Trustees shall cause an annual audit of the Authority's financial statements to be conducted in accordance with generally accepted auditing standards following the end of each fiscal year and in compliance with the Act. The audit shall be performed by an independent certified public accounting firm selected by the Board of Trustees. The auditor shall provide a signed auditor's opinion as to the fair presentation of the financial position of the Authority and the results of Authority operations and changes in its financial position for the fiscal year ended. The audit shall be made available in compliance with the Act.

B. Other Audits.

In consultation with the Advisory ~~Board~~Council, the Board of Trustees may cause audits other than the annual audit to be made, which shall be made available in compliance with the Act.

**UTAH TRANSIT AUTHORITY
AMENDED 2019 OPERATING BUDGET
June 12, 2019**

	2019 Final Budget	TOD Project Manager (7 months)	Utah County 4th Quarter (4 months collections)	Coordinated Mobility from SB003 - \$250,000 one-time and \$70,000 on-going	2019 Amended Budget
<u>Revenue</u>					
1 Sales Tax	\$ 311,796,000		3,065,000		\$ 314,861,000
2 Federal Preventative Maintenance	66,188,000				\$ 66,188,000
3 Passenger Revenue	53,420,000				\$ 53,420,000
4 Advertising	2,467,000				\$ 2,467,000
5 Investment Income	8,582,000				\$ 8,582,000
6 Other Revenues	3,545,000	68,000		320,000	\$ 3,933,000
7 Salt Lake City	5,356,000				\$ 5,356,000
8 Salt Lake County (S-Line)	500,000				\$ 500,000
9 Utah County	2,500,000		(830,000)		\$ 1,670,000
10 Motor Vehicle Registration to UDOT	2,400,000				\$ 2,400,000
11 Total Revenue	456,754,000	68,000	2,235,000	320,000	459,377,000
<u>Operating Expense</u>					
12 Bus	102,107,000				\$ 102,107,000
13 Commuter Rail	29,064,000				\$ 29,064,000
14 Light Rail	49,906,000				\$ 49,906,000
15 Paratransit Service	22,918,000				\$ 22,918,000
16 Rideshare/Vanpool	3,221,000			320,000	\$ 3,541,000
17 Operations Support	48,097,000				\$ 48,097,000
18 General & Administrative	33,689,000				\$ 33,689,000
19 Salt Lake City service	4,950,000				\$ 4,950,000
20 Salt Lake County service	11,479,000				\$ 11,479,000
21 Total Operating Expense	305,431,000	-	-	320,000	305,751,000

Non-Operating Expense

22	Planning/Real Estate/TOD/Major Program Development	6,083,000	68,000			6,151,000
23	Total Non-operating Expense	6,083,000	68,000	-	-	6,151,000

Debt Service

24	Principal and Interest	119,584,000		2,235,000		121,819,000
25	Contribution to Early Debt Retirement Reserve	23,735,000				23,735,000
26	Contribution to Reserves	1,921,000				1,921,000
27	Total Debt Service and Reserves	145,240,000	-	2,235,000	-	147,475,000
28	Total Expense	\$ 456,754,000	\$ 68,000	\$ 2,235,000	\$ 320,000	\$ 459,377,000

**UTAH TRANSIT AUTHORITY
AMENDED 2019 CAPITAL BUDGET - SUMMARY
June 12, 2019**

<u>Funding Sources</u>	2019 Final Budget	2018 Capital Carryover Adjustment			2019 Amended Budget
29 UTA Current Year Funding	\$ 23,113,000				\$ 23,113,000
30 2018 UTA Carryover Funding	23,439,000	(2,200,562)			21,238,438
31 Grants	50,031,000	12,367,278			62,398,278
32 Local Partner Contributions	11,009,000	6,004,733			17,013,733
33 State Contribution	4,677,000	388,699			5,065,699
34 2018 Bond Proceeds	19,020,000	6,057,792			25,077,792
35 Leasing	10,090,000	1,013,282			11,103,282
36 Total Funding Sources	141,379,000	23,631,222	-	-	165,010,222

<u>Expense</u>					
37 Provo-Orem TRIP	2,500,000	8,091,896			10,591,896
38 Airport Station Relocation	2,650,000	-			2,650,000
39 State of Good Repair	46,754,000	390,243			47,144,243
40 Other Capital Projects	89,475,000	15,149,083			104,624,083
41 Total Expense	\$ 141,379,000	\$ 23,631,222	\$ -	\$ -	\$ 165,010,222

Exhibit 1 - 2019 Capital Budget Amendment - Reason for Changes

Project name	2019 Capital Budget	Reallocation of 2019 Budget Between Projects	New Project - Not Previously Budgeted	Project Estimate Change in Budgeted Project	Project Budget Unchanged - Adjustment for Carryover Amount	Amended 2019 Capital Budget
1 Provo-Orem TRIP	\$ 2,500,000	\$ -	\$ -	\$ -	\$ 8,091,896	\$ 10,591,896
3 Airport Station Relocation	\$ 2,650,000	\$ -	\$ -	\$ -	\$ -	\$ 2,650,000
5 State of Good Repair						
6 Revenue / Service Vehicles						
7 Replacement Buses	\$ -					
8 Replacement Paratransit	2,880,000	-	-	-	(224,833)	2,655,167
9 Van pool Van replacement	1,960,000	-	-	-	1,238,115	3,198,115
10 Non-Rev Service Vehicle Replacement	200,000	-	-	-	(180,548)	19,452
11 Total Revenue/Service Vehicles	\$ 5,040,000	\$ -	\$ -	\$ -	\$ 832,734	\$ 5,872,734
13 Information Technology						
14 Central Division Fluid Management System (Graco Matrix System)	\$ 33,000	\$ -	\$ -	\$ -	\$ -	\$ 33,000
15 IT Allocation for Projects	1,300,000	(1,300,000)	-	-	-	-
16 Improve MDX on TRAX Trains	-	10,000	-	-	-	10,000
17 AppDev and Enhancemnts	-	300,000	-	-	(13,939)	286,061
18 JDE Time / Labor Improvements	80,000	-	-	(80,000)	-	-
19 New MS SQL Server Licenses	66,000	-	-	(66,000)	-	-
20 Radio Communication Infrastructure	185,414	90,000	-	-	(116,192)	159,222
21 Server, Storage Infrastructure Equipment and Software	75,000	135,000	-	-	(67,576)	142,424
22 Rail Communication On-Board Technology	308,494	-	-	-	(95,026)	213,468
23 Info Security Equip & SW (PCI Compliance and Cyber Security)	400,000	315,000	-	-	(307,736)	407,264
24 Bus Communication On-Board Technology	437,000	250,000	-	-	(189,956)	497,044
25 Information Builders Licenses	31,750	-	-	(31,750)	-	-
26 WiFi Towers	150,000	-	-	-	(410)	149,590
27 IT Managed Reserves	467,968	-	-	-	(269,502)	198,466
28 Vanpool-02 Driver Tracking and Database System	55,000	-	-	-	-	55,000
29 WFRC Grant Passenger Info Improvements	1,459,831	-	-	-	-	1,459,831
30 AppDev JDE System Upgrade	258,638	-	-	-	(21,913)	236,725
31 Legal SW	288,685	-	-	-	(91,605)	197,080
32 Fares System Improvements	199,336	-	-	-	(136,495)	62,841
33 CoordM-04 ITS Development	164,975	-	-	-	89,633	254,608
34 Network & Infrastructure Equipment	251,223	200,000	-	-	(241,903)	209,320
35 IVR Passenger Callout	200,995	-	-	-	(60,728)	140,267
36 Front Runner PA System	27,600	-	-	(20,654)	(6,946)	-
37 Sire to Onbase Migration and Upgrade	15,600	-	-	(15,600)	-	-
38 Meadowbrook Data Center Replacement	11,871	-	-	-	(11,871)	-
39 Mobile Ticketing App	121,048	-	-	(121,048)	-	-
40 FrontRunner WiFi Enhancements	150,910	-	-	-	(90,220)	60,690
41 Trapeze Enhancements	100,000	-	-	(70,000)	-	30,000
42 TOPS Software Web Based	18,676	-	-	(18,676)	-	-

Exhibit 1 - 2019 Capital Budget Amendment - Reason for Changes

Project name	2019 Capital Budget	Reallocation of 2019 Budget		New Project - Not Previously Budgeted	Project Estimate Change in Budgeted Project	Project Budget Unchanged - Adjustment for Carryover Amount	Amended 2019 Capital Budget
		Budget Between Projects					
43 System Infrastructure and Enhancements	12,171	-	-	-	(484)	(11,687)	-
44 Electronic Fare Collection	3,293,112	-	-	-	-	(509,777)	2,783,335
45 Rail Passenger Info	476,235	-	-	-	-	(17,633)	458,602
46 TC-1 Timekeeping Upgrade	480,000	-	-	-	-	-	480,000
47 VTCLI Marketing	-	-	-	-	-	8,880	8,880
48 Total Information Technology	\$ 11,120,532	\$ -	\$ -	\$ -	\$ (424,212)	\$ (2,162,602)	\$ 8,533,718
49							
50 Facilities, Safety, & Admin Equip.							
51 Office Equipment Reserve	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ (706)	\$ 99,294
52 Equipment Managed Reserve	425,000	-	-	-	-	-	425,000
53 Facilities Managed Reserve	1,100,000	(792,000)	-	-	-	-	308,000
54 Replacement Lift at Meadowbrook	-	165,000	-	-	-	-	165,000
55 Replacement Lift at Ogden	-	225,000	-	-	-	-	225,000
56 UPS Replacemnt at Riverside	-	25,000	-	-	-	-	25,000
57 Boiler Pump at Warm Springs	-	40,000	-	-	-	-	40,000
58 Fire Monitoring system Upgrade at Ogden	-	25,000	-	-	-	-	25,000
59 Ogden Fuel Door Replacement	-	12,000	-	-	-	-	12,000
60 Concrete /Asphalt Repair and Replacement	-	200,000	-	-	-	-	200,000
61 Oil/Water Separator at Riverside	-	100,000	-	-	-	-	100,000
62 Corridor Fencing - Replacement	50,000	-	-	-	-	130,418	180,418
63 Camera Sustainability	50,000	-	-	-	-	5,732	55,732
64 Access Control for Data Rooms	-	15,000	-	-	-	8,442	23,442
65 Ballastic Vest Replacement	-	15,000	-	-	-	(360)	14,640
66 Bus Camera Overhaul/Replacement	-	50,000	-	-	-	-	50,000
67 Camera Coverage on PCC Cabinets	-	35,000	-	-	-	-	35,000
68 Canine Detection Dog(s)	-	8,000	-	-	-	-	8,000
69 Emergency Operations Training	-	10,000	-	-	-	-	10,000
70 Facilities Security SGR	-	30,000	-	-	-	-	30,000
71 Fall Arrest - Track 3 MRSC and Track 10 JRSC	-	40,000	-	-	-	-	40,000
72 Fall Arrest - Wheel Truing Machine	-	20,000	-	-	-	-	20,000
73 Laptop Replacement	-	35,000	-	-	-	-	35,000
74 Meadowbrooke West Employee Parking Lot Gate Improvements	-	30,000	-	-	-	-	30,000
75 Mini Robot	-	12,000	-	-	-	-	12,000
76 Next Crossing Camera Installation	-	35,000	-	-	-	7,210	42,210
77 Riverside Employee Parking Lot Fencing	-	50,000	-	-	-	-	50,000
78 Police Vehicle Replacement	-	215,000	-	-	-	32,681	247,681
79 Safety projects	822,169	(600,000)	-	-	-	(184,123)	38,046
80 Tasers	-	-	-	-	-	101,734	101,734
81 Body Cameras	-	-	-	-	-	115,000	115,000
82 Bus Safety Security	-	-	-	-	-	36,724	36,724
83 Emergency Management Items	-	-	-	-	-	4,652	4,652
84 Public Awareness Campaign	-	-	-	-	-	28,574	28,574
85 Camera Coverage on Platforms	-	-	-	-	-	7,788	7,788

Exhibit 1 - 2019 Capital Budget Amendment - Reason for Changes

	Project name	Reallocation of 2019			Project Estimate Change in Budgeted Project	Project Budget Unchanged - Adjustment for Carryover Amount	Amended 2019 Capital Budget
		2019 Capital Budget	Budget Between Projects	New Project - Not Previously Budgeted			
86	Steel Bucket Replacements	-	-	-	-	23,000	23,000
87	Total Facilities, Safety, & Admin Equip.	\$ 2,547,169	\$ -	\$ -	\$ -	\$ 316,766	\$ 2,863,935
88							
89	Infrastructure State of Good Repair Projects						
90	Main St/4th S HGU Interlocking Rehab switches/ frogs	\$ 4,743,940	\$ -	\$ -	\$ 283,821	\$ (283,821)	\$ 4,743,940
91	Bridge Rehabilitation & Maintenance	278,000	-	-	-	41,543	319,543
92	Bus Engine/Transmission Replacements	1,000,000	-	-	(130,000)	1,015,733	1,885,733
93	Commuter Rail Cab and Coach Car Overhaul Program	500,000	-	-	-	-	500,000
94	FrontRunner Platform Snowmelt System Repairs	30,000	-	-	-	-	30,000
95	Light Rail Grade Crossing Program	856,273	-	-	-	(56,273)	800,000
96	SD Light Rail Vehicle Overhaul	5,273,388	-	-	-	(720,271)	4,553,117
97	SGR Repair LRV	948,000	-	-	(311,445)	93,445	730,000
98	S70 Light Rail Vehicle Overhaul	4,096,000	-	-	-	-	4,096,000
99	Signal and Grade Crossing Bungalow Batteries	70,000	-	-	-	-	70,000
100	Stray Current Mitigation	600,000	-	-	-	(179,069)	420,931
101	TPSS Component Replacement	600,000	-	-	-	-	600,000
102	Delta and 150 Interlocking Replacement	1,889,542	-	-	-	2,110,458	4,000,000
103	Rail Replacement Work	1,847,472	-	-	-	97,550	1,945,022
104	Paint Room Bldg. 8	242,928	-	-	130,000	18,567	391,495
105	Prime Mover Turbocharger Replacement	192,545	(4,225)	-	-	(188,320)	-
106	Prime Mover Engine Rebuild	3,889,562	4,225	-	-	(443,882)	3,449,905
107	Asset Management SW	10,000	-	-	-	1,212	11,212
108	Other	477,869	(547,284)	-	-	69,415	-
109	OCS Wire Survey		100,000	100,000			200,000
110	Grounding for SoJo Signal House		71,443				71,443
111	C - Car Tires	500,209	-	-	-	(275,209)	225,000
112	OK Building Roof	-	375,841	-	-	-	375,841
113	RFID Tracking System	-	-	-	-	5,157	5,157
114	820 North Provo Ped Improvements	-	-	-	-	74,360	74,360
115	Locomotive HEP Engine	-	-	-	-	248,647	248,647
116	CR Grade Crossing	-	-	-	-	25,826	25,826
117	Roof Replacements	-	-	-	-	58,259	58,259
118	Bus Lift Replacements	-	-	-	-	25,083	25,083
119	II Plug Installations	-	-	-	-	17,342	17,342
120	Total State of Good Repair	\$ 28,045,728	\$ -	\$ 100,000	\$ (27,624)	\$ 1,755,752	\$ 29,873,856
121	Total State of Good Repair	\$ 46,753,429	\$ -	\$ 100,000	\$ (451,836)	\$ 742,650	\$ 47,144,243
122							
123	Capital Projects						
124	Capital Projects						
125	Ogden/Weber State University BRT Design	\$ 1,700,000	\$ -	\$ -	\$ -	\$ 2,408,924	\$ 4,108,924
126	Prop #1 Davis County Improvements	2,070,753	-	-	-	(112,889)	1,957,864
127	Prop #1 Weber County Improvements	199,271	-	-	-	362,761	562,032

Exhibit 1 - 2019 Capital Budget Amendment - Reason for Changes

	2019 Capital Budget	Reallocation of 2019 Budget Between Projects	New Project - Not Previously Budgeted	Project Estimate Change in Budgeted Project	Project Budget Unchanged - Adjustment for Carryover Amount	Amended 2019 Capital Budget
128 Prop#1 Tooele County Improvements	71,576	-	-	-	(2,208)	69,368
129 Positive Train Control	5,598,884	-	-	-	(417,785)	5,181,099
130 TIGER Program of Projects	15,012,832	-	-	-	(906,109)	14,106,723
131 UVU Ped Bridge	2,000,000	-	-	-	-	2,000,000
132 3300/3500 South MAX Expansion & Optimization	268,154	-	-	-	-	268,154
133 Box Elder Right of Way Preservation	4,693,670	-	-	-	279,247	4,972,917
134 Clearfield FR Station Trail	268,154	-	-	-	-	268,154
135 Depot District- Phased Project, 2018 Phase 1 and Future Phases	27,342,434	-	-	-	(226,617)	27,115,817
136 SLCounty ROW Preservation/SWSLCo Transit Corridor	-	-	-	-	-	-
137 Sugar House Double Tracking	2,898,725	-	-	(998,725)	(700,000)	1,200,000
138 UDOT 1-15 Widening/7200 South bridge replacement	1,511,613	-	-	-	672,461	2,184,074
139 Update Bike Cars on FrontRunner	296,699	-	-	-	-	296,699
140 Stairs to and Heated Apron on Track 15 at JRSC	150,000	-	-	-	-	150,000
141 System-Wide ADA Bus Stop Imp	100,000	-	-	-	(16,396)	83,604
142 Paint Booth at Warm Springs	450,000	-	-	-	-	450,000
143 Warm Springs Fabrication Shop	78,395	-	-	-	-	78,395
144 South Davis BRT	1,200,000	-	-	-	(681)	1,199,319
145 DSI Inventory software & scanners	104,200	(104,200)	-	-	-	-
146 Badge Access and Cameras for Part Rooms	-	104,200	-	-	-	104,200
147 Wayfinding Signage Plan	747,951	-	-	-	245,609	993,560
148 Weber Cnty CR ROW Preservation	450,000	-	-	-	50,000	500,000
149 SW SLCounty ROW preservation	600,000	-	-	(600,000)	-	-
150 MOW Building - Clearfield	350,000	-	-	-	-	350,000
151 Signal Pre-emption Projects w/UDOT	622,831	-	-	-	398,944	1,021,775
152 Sandy Parking Structure	4,436,023	-	-	-	1,804,256	6,240,279
153 Prop #1 for Tiger - Tooele County	61,147	-	-	(61,147)	-	-
154 20-1717 - 5310 Prgm-SLC/WVC	2,303,894	-	-	-	(143,625)	2,160,269
155 20-1716 - 5310 Prgm-PRO/OREM	528,125	-	-	-	1,467	529,592
156 20-1715 - 5310 Prgm-OGD/LAY	928,700	-	-	-	(447)	928,253
157 5310 Grant UT-2016-013 Utah County UZA	410,922	-	-	-	(366,512)	44,410
158 5310 Grant UT-2016-013 Davis/Weber UZA	756,593	-	-	-	(568,425)	188,168
159 5310 Grant UT-2016-013 Salt Lake UZA	1,201,785	-	-	-	(908,682)	293,103
160 Electric Bus Purchase Lo/No Grant	237,165	-	-	-	5,846,532	6,083,697
161 FTA 5310 Funds as designated recipient	527,317	-	-	-	(375,239)	152,078
162 FL 2015 ROW	456,323	-	-	-	70,994	527,317
163 Tooele Bus Facility	2,291,147	-	-	-	(1,017,932)	1,273,215
164 Salt Lake City Buses	5,250,000	-	-	-	-	5,250,000
165 U of U Union Building Hub	399,400	-	-	-	-	399,400
166 Sharp/Tintic Rail	100,444	-	-	6,029,856	-	6,130,300
167 Park City Electric Bus Replacement	-	-	2,897,267	-	-	2,897,267
168 Vanpool Vineyard Expansion	-	-	135,000	-	-	135,000
169 Point of Mountain AA	800,000	-	-	-	-	800,000
170 UTA ADA Bus Stop Improvements UTCO	-	-	675,000	-	-	675,000

Exhibit 1 - 2019 Capital Budget Amendment - Reason for Changes

	Project name	2019 Capital Budget	Reallocation of 2019 Budget Between Projects	New Project - Not Previously Budgeted	Project Estimate Change in Budgeted Project	Project Budget Unchanged - Adjustment for Carryover Amount	Amended 2019 Capital Budget
171	TVM Replacement Program	-	-	-	-	25,810	25,810
172	Downtown TRAX Signal Improvements	-	-	-	-	11,100	11,100
173	650 South TRAX Station	-	-	-	-	200,000	200,000
174	Timp Fit Factory Remodel	-	-	-	-	32,272	32,272
175	Police Substation and Customer Service Booth at Provo IMC	-	-	-	-	424,875	424,875
176	Total Capital Projects	\$ 89,475,127	\$ -	\$ 3,707,267	\$ 4,369,984	\$ 7,071,705	\$ 104,624,083
177	Total Capital Budget	\$ 141,378,556	\$ -	\$ 3,807,267	\$ 3,918,148	\$ 15,906,251	\$ 165,010,222

Exhibit 2 - Amended 2019 Capital Budget Detail

Project Name	2019 Amended Budget	Bonds	Grants	Lease	State Funding	Local Partners	UTA Funded
1 Provo-Orem TRIP	\$ 10,591,896	\$ 6,968,557	\$ 3,623,339	\$ -	\$ -	\$ -	\$ -
2							
3 Airport Station Relocation	\$ 2,650,000	\$ 2,650,000	\$ -	\$ -	\$ -	\$ -	\$ -
4							
5 State of Good Repair							
6 Revenue / Service Vehicles							
7 Replacement Buses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8 Replacement Paratransit	2,655,167	-	-	2,655,167	-	-	-
9 Van pool Van replacement	3,198,115	-	-	3,198,115	-	-	-
10 Non-Rev Service Vehicle Replacement	19,452	-	-	-	-	-	19,452
11 Total Revenue/Service Vehicles	\$ 5,872,734	\$ -	\$ -	\$ 5,853,282	\$ -	\$ -	\$ 19,452
12							
13 Information Technology							
14 Central Division Fluid Management System (Graco Matrix System)	\$ 33,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 33,000
15 IT Allocation for Capital Projects	-	-	-	-	-	-	-
16 Improve MDX on TRAX Trains	10,000	-	-	-	-	-	10,000
17 AppDev and Enhancemnts	286,061	-	-	-	-	-	286,061
18 JDE Time / Labor Improvements	-	-	-	-	-	-	-
19 New MS SQL Server Licenses	-	-	-	-	-	-	-
20 Radio Communication Infrastructure	159,222	-	-	-	-	-	159,222
21 Server, Storage Infrastructure Equipment and Software	142,424	-	-	-	-	-	142,424
22 Rail Communication On-Board Technology	213,468	-	-	-	-	-	213,468
23 Info Security Equip & SW (PCI Compliance and Cyber Security)	407,264	-	-	-	-	-	407,264
24 Bus Communication On-Board Technology	497,044	-	-	-	-	-	497,044
25 Information Builders Licenses	-	-	-	-	-	-	-
26 WiFi Towers	149,590	-	-	-	-	-	149,590
27 IT Capital Pool	198,466	-	-	-	-	-	198,466
28 Vanpool-02 Driver Tracking and Database System	55,000	-	-	-	-	-	55,000
29 WFRC Grant Passenger Info Improvements	1,459,831	-	1,361,000	-	-	-	98,831
30 AppDev JDE 9.2 System Upgrade	236,725	-	-	-	-	-	236,725
31 Legal SW	197,080	-	-	-	-	-	197,080
32 Fares System Improvements	62,841	-	-	-	-	-	62,841
33 CoordM-04 ITS Development	254,608	-	187,750	-	-	-	66,858
34 Network & Infrastructure Equipment	209,320	-	-	-	-	-	209,320
35 IVR Passenger Callout	140,267	-	-	-	-	-	140,267
36 Front Runner PA System	-	-	-	-	-	-	-
37 Sire to Onbase Migration and Upgrade	-	-	-	-	-	-	-
38 Meadowbrook Data Center Replacement	-	-	-	-	-	-	-

Exhibit 2 - Amended 2019 Capital Budget Detail

Project Name	2019 Amended Budget	Bonds	Grants	Lease	State Funding	Local Partners	UTA Funded
39 Mobile Ticketing App	-	-	-	-	-	-	-
40 FrontRunner WiFi Enhancements	60,690	-	-	-	-	-	60,690
41 Trapeze Enhancements	30,000	-	-	-	-	-	30,000
42 TOPS Software Web Based	-	-	-	-	-	-	-
43 System Infrastructure and Enhancements	-	-	-	-	-	-	-
44 Electronic Fare Collection	2,783,335	-	-	-	-	-	2,783,335
45 Rail Passenger Info	458,602	-	-	-	-	-	458,602
46 TC-1 Timekeeping Upgrade	480,000	-	-	-	-	-	480,000
47 VTCLI Marketing	8,880	-	8,880	-	-	-	-
48 Total Information Technology	\$ 8,533,718	\$ -	\$ 1,557,630	\$ -	\$ -	\$ -	\$ 6,976,088
49							
50 Facilities, Safety, & Admin Equip.							
51 Office Equipment Reserve	\$ 99,294	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 99,294
52 Equipment Managed Reserve	425,000	-	-	-	-	-	425,000
53 Facilities Managed Reserve	308,000	-	-	-	-	-	308,000
54 Replacement Lift at Meadowbrook	165,000	-	-	-	-	-	165,000
55 Replacement Lift at Ogden	225,000	-	-	-	-	-	225,000
56 UPS Replacemnt at Riverside	25,000	-	-	-	-	-	25,000
57 Boiler Pump at Warm Springs	40,000	-	-	-	-	-	40,000
58 Fire Monitoring system Upgrade at Ogden	25,000	-	-	-	-	-	25,000
59 Ogden Fuel Door Replacement	12,000	-	-	-	-	-	12,000
60 Concrete /Asphalt Repair and Replacement	200,000	-	-	-	-	-	200,000
61 Oil/Water Separator at Riverside	100,000	-	-	-	-	-	100,000
62 Corridor Fencing - Replacement	180,418	-	-	-	-	-	180,418
63 Camera Sustainability	55,732	-	-	-	-	-	55,732
64 Access Control for Data Rooms	23,442	-	-	-	-	-	23,442
65 Ballastic Vest Replacement	14,640	-	-	-	-	-	14,640
66 Bus Camera Overhaul/Replacement	50,000	-	-	-	-	-	50,000
67 Camera Coverage on PCC Cabinets	35,000	-	-	-	-	-	35,000
68 Canine Detection Dog(s)	8,000	-	8,000	-	-	-	-
69 Emergency Operations Training	10,000	-	-	-	-	-	10,000
70 Facilities Security SGR	30,000	-	-	-	-	-	30,000
71 Fall Arrest - Track 3 MRSC and Track 10 JRSC	40,000	-	-	-	-	-	40,000
72 Fall Arrest - Wheel Truing Machine	20,000	-	-	-	-	-	20,000
73 Laptop Replacement	35,000	-	-	-	-	-	35,000
74 Meadowbrooke West Employee Parking Lot Gate Improvements	30,000	-	-	-	-	-	30,000
75 Mini Robot	12,000	-	-	-	-	-	12,000
76 Next Crossing Camera Installation	42,210	-	-	-	-	-	42,210

Exhibit 2 - Amended 2019 Capital Budget Detail

Project Name	2019 Amended Budget	Bonds	Grants	Lease	State Funding	Local Partners	UTA Funded
77 Riverside Employee Parking Lot Fencing	50,000	-	-	-	-	-	50,000
78 Police Vehicle Replacement	247,681	-	-	-	-	-	247,681
79 Safety projects	38,046	-	-	-	-	-	38,046
80 Tasers	101,734	-	-	-	-	-	101,734
81 Body Cameras	115,000	-	-	-	-	-	115,000
82 Bus Safety Security	36,724	-	-	-	-	-	36,724
83 Emergency Management Items	4,652	-	-	-	-	-	4,652
84 Public Awareness Campaign	28,574	-	28,574	-	-	-	-
85 Camera Coverage on Platforms	7,788	-	-	-	-	-	7,788
86 Steel Bucket Replacements	23,000	-	-	-	-	-	23,000
87 Total Facilities, Safety, & Admin Equip.	\$ 2,863,935	\$ -	\$ 36,574	\$ -	\$ -	\$ -	\$ 2,827,361
88							
89 Infrastructure State of Good Repair Projects							
90 Main St/4th S HGU Interlocking Rehab switches/ frogs	\$ 4,743,940	\$ 4,460,119	\$ -	\$ -	\$ -	\$ -	\$ 283,821
91 Bridge Rehabilitation & Maintenance	319,543	-	-	-	-	-	319,543
92 Bus Engine/Transmission Replacements	1,885,733	-	-	-	-	-	1,885,733
93 Commuter Rail Cab and Coach Car Overhaul Program	500,000	-	-	-	-	-	500,000
94 FrontRunner Platform Snowmelt System Repairs	30,000	-	-	-	-	-	30,000
95 Light Rail Grade Crossing Program	800,000	-	-	-	-	-	800,000
96 SD Light Rail Vehicle Overhaul	4,553,117	-	-	-	-	-	4,553,117
97 SGR Repair LRV	730,000	-	-	-	-	-	730,000
98 S70 Light Rail Vehicle Overhaul	4,096,000	-	-	-	-	-	4,096,000
99 Signal and Grade Crossing Bungalow Batteries	70,000	-	-	-	-	-	70,000
100 Stray Current Mitigation	420,931	-	-	-	-	-	420,931
101 TPSS Component Replacement	600,000	-	-	-	-	-	600,000
102 Delta and 150 Interlocking Replacement	4,000,000	4,000,000	-	-	-	-	-
103 Rail Replacement Work	1,945,022	1,945,022	-	-	-	-	-
104 Paint Room Bldg. 8	391,495	-	-	-	-	-	391,495
105 Prime Mover Turbocharger Replacement	-	-	-	-	-	-	-
106 Prime Mover Engine Rebuild	3,449,905	-	600,000	-	-	-	2,849,905
107 Asset Management SW	11,212	-	-	-	-	-	11,212
108 Other	-	-	-	-	-	-	-
109 OCS Wire Survey	200,000	-	-	-	-	-	200,000
110 Grounding for SoJo CR Signal House	71,443	-	-	-	-	-	71,443
111 C - Car Tires	225,000	-	-	-	-	-	225,000
112 OK Building Roof	375,841	-	-	-	-	-	375,841
113 RFID Tracking System	5,157	-	-	-	-	-	5,157
114 820 North Provo Ped Improvements	74,360	-	-	-	-	74,360	-

Exhibit 2 - Amended 2019 Capital Budget Detail

		2019 Amended				State	Local	
Project Name	Budget	Bonds	Grants	Lease	Funding	Partners	UTA Funded	
115	Locomotive HEP Engine	248,647	-	-	-	-	-	248,647
116	CR Grade Crossing	25,826	-	-	-	-	-	25,826
117	Roof Replacements	58,259	-	-	-	-	-	58,259
118	Bus Lift Replacements	25,083	-	-	-	-	-	25,083
119	IJ Plug Installations	17,342	-	-	-	-	-	17,342
120	Total State of Good Repair	29,873,856	10,405,141	600,000	-	-	74,360	18,794,355
121	Total State of Good Repair	\$ 47,144,243	\$ 10,405,141	\$ 2,194,204	\$ 5,853,282	\$ -	\$ 74,360	\$ 28,617,256
122								
123	Capital Projects							
124	Capital Projects							
125	Ogden/Weber State University BRT Design	\$ 4,108,924	\$ -	\$ 1,500,000	\$ -	\$ -	\$ 2,500,000	\$ 108,924
126	Prop #1 Davis County Improvements	1,957,864	-	-	-	-	-	1,957,864
127	Prop #1 Weber County Improvements	562,032	-	-	-	-	-	562,032
128	Prop#1 Tooele County Improvements	69,368	-	-	-	-	-	69,368
129	Positive Train Control	5,181,099	2,324,735	2,856,364	-	-	-	-
130	TIGER Program of Projects	14,106,723	-	9,861,881	-	-	4,075,444	169,398
131	UVU Ped Bridge	2,000,000	-	-	-	-	-	2,000,000
132	3300/3500 South MAX Expansion & Optimization	268,154	-	250,000	-	-	-	18,154
133	Box Elder Right of Way Preservation	4,972,917	-	-	-	-	-	4,972,917
134	Clearfield FR Station Trail	268,154	-	250,000	-	-	-	18,154
135	Depot District- Phased Project, 2018 Phase 1 and Future Phases	27,115,817	1,456,144	21,025,974	-	4,633,699	-	-
136	SLCounty ROW Preservation/SWSLCo Transit Corridor	-	-	-	-	-	-	-
137	Sugar House Double Tracking	1,200,000	-	819,637	-	-	-	380,363
138	UDOT 1-15 Widening/7200 South bridge replacement	2,184,074	-	-	-	-	2,184,074	-
139	Update Bike Cars on FrontRunner	296,699	-	276,612	-	-	-	20,087
140	Stairs to and Heated Apron on Track 15 at JRSC	150,000	-	-	-	-	-	150,000
141	System-Wide ADA Bus Stop Imp	83,604	-	-	-	-	-	83,604
142	Paint Booth at Warm Springs	450,000	-	-	-	-	-	450,000
143	Warm Springs Fabrication Shop	78,395	-	-	-	-	-	78,395
144	South Davis BRT	1,199,319	-	-	-	-	1,199,319	-
145	DSI Inventory software & scanners	-	-	-	-	-	-	-
146	Badge Access and Cameras for Part Rooms	104,200	-	-	-	-	-	104,200
147	Wayfinding Signage Plan	993,560	-	-	-	-	-	993,560
148	Weber Cnty CR ROW Preservation	500,000	-	-	-	-	500,000	-
149	SW SLCounty ROW preservation	-	-	-	-	-	-	-
150	MOW Building - Clearfield	350,000	-	-	-	-	-	350,000
151	Signal Pre-emption Projects w/UDOT	1,021,775	-	-	-	-	1,021,775	-
152	Sandy Parking Structure	6,240,279	-	2,000,000	-	-	2,484,253	1,756,026

Exhibit 2 - Amended 2019 Capital Budget Detail

	Project Name	2019 Amended Budget	Bonds	Grants	Lease	State Funding	Local Partners	UTA Funded
153	Prop #1 for Tiger - Tooele County	-	-	-	-	-	-	-
154	20-1717 - 5310 Prgrm-SLC/WVC	2,160,269	-	1,416,630	-	-	680,826	62,813
155	20-1716 - 5310 Prgrm-PRO/OREM	529,592	-	429,475	-	-	70,205	29,912
156	20-1715 - 5310 Prgrm-OGD/LAY	928,253	-	663,741	-	-	245,471	19,041
157	5310 Grant UT-2016-013 Utah County UZA	44,410	-	42,523	-	-	-	1,887
158	5310 Grant UT-2016-013 Davis/Weber UZA	188,168	-	126,214	-	-	55,536	6,418
159	5310 Grant UT-2016-013 Salt Lake UZA	293,103	-	188,818	-	-	88,013	16,272
160	Electric Bus Purchase Lo/No Grant	6,083,697	-	5,397,287	-	-	360,000	326,410
161	FTA 5310 Funds as designated recipient	152,078	-	123,812	-	-	11,448	16,818
162	FL 2015 ROW	527,317	-	-	-	-	-	527,317
163	Tooele Bus Facility	1,273,215	1,273,215	-	-	-	-	-
164	Salt Lake City Buses	5,250,000	-	-	5,250,000	-	-	-
165	U of U Union Building Hub	399,400	-	372,361	-	-	27,039	-
166	Sharp/Tintic Rail Consolidation	6,130,300	-	5,594,344	-	182,000	235,970	117,986
167	Park City Electric Bus Replacement	2,897,267	-	2,290,000	-	-	500,000	107,267
168	Vanpool Vineyard Expansion	135,000	-	125,860	-	-	-	9,140
169	Point of Mountain AA	800,000	-	-	-	250,000	500,000	50,000
170	UTA ADA Bus Stop Improvements UTCO	675,000	-	629,302	-	-	-	45,698
171	TVM Replacement Program	25,810	-	-	-	-	-	25,810
172	Downtown TRAX Signal Improvements	11,100	-	-	-	-	-	11,100
173	650 South TRAX Station	200,000	-	-	-	-	200,000	-
174	Timp Fit Factory Remodel	32,272	-	-	-	-	-	32,272
175	Police Substation and Customer Service Booth at Provo IMC	424,875	-	339,900	-	-	-	84,975
176	Total Capital Projects	104,624,083	5,054,094	56,580,735	5,250,000	5,065,699	16,939,373	15,734,182
177	Total Amended Capital Budget	165,010,222	\$ 25,077,792	\$ 62,398,278	\$ 11,103,282	\$ 5,065,699	\$ 17,013,733	\$ 44,351,438
178	Adopted 2019 Capital Budget	141,379,000	19,020,000	50,031,000	10,090,000	4,677,000	11,009,000	46,552,000
179	Increase (decrease) from Adopted 2019 Capital Budget	23,631,222	6,057,792	12,367,278	1,013,282	388,699	6,004,733	(2,200,562)