Working Session of the
Finance & Audit Committee

of the Board of Trustees of the Utah Transit Authority
Wednesday, June 13, 2018, 10:30 – 12:30 p.m.
Frontlines Headquarters, Golden Spike Rooms, 669 West 200 South, Salt Lake City

Committee Members: *Jeff Acerson, Committee Chair*

Cort Ashton
Dannie McConkie
Gina Chamness

Agenda

1.	Safety First Minute	Dave Goeres
2.	Oath of Office: Gina Chamness, Vice Chair	Rebecca Cruz
3.	Item(s) for Consent a. *Approval of May 9, 2018 Finance & Audit Meeting Report*	Jeff Acerson
4.	*April Financial Report & Dashboard*	Bob Biles
5.	*Comprehensive Annual Financial Report*	Keddington & Christensen, LLC
6.	*Pension Audit Report*	Keddington & Christensen, LLC
7.	Internal Audit Quarterly Report	Riana de Villiers
8.	Contracts, Disbursements & Change Order Review	Bob Biles
	a. Contract for Approval: *Provo-Orem BRT Signage (Revel TV)*	Janelle Robertson
	b. Contracts for Approval*: 5310 Grant Funds (First Step House; PARC; Work Activity Center; United Way of Utah Valley)*	Ryan Taylor
	c. Change Order for Approval – *TIGER Project: Farmington Sidewalks (Granite Construction)*	Bart Simmons
	d. Change Order for Approval: *Provo-Orem BRT Lighting (Utah Valley Transit Constructors)*	Janelle Robertson
9.	Capital Project Review	
	a. *TIGER Capital Project Approval (Granite Construction)*	Bart Simmons
10.	Real Estate Review	
	a. *Right of Way Contract for Provo-Orem TRIP*	Paul Drake
11.	Solicitation Review	
	a. *Bus Lifts for Meadowbrook*	Todd Mills
	b. *Applicant Tracking System*	Pablo Martinez
	c. *Depot District Clean Fuels Technology Center*	Greg Thorpe

12.	Other Business	Jeff Acerson
13.	Adjourn	Jeff Acerson

Public Comment: Members of the public are invited to provide comment during the general comment period at UTA's Board of Trustee meetings, or prior to any action on a board resolution at those meetings. Comment may be provided in person or online through www.rideuta.com. Additionally, public comment may be taken at committee meetings at the discretion of the committee chair. In order to be considerate of time and the agenda, comments are limited to 2 minutes per individual, or 5 minutes for a spokesperson designated to represent a group.

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.

Seat belts save lives – fasten yours!

UTA

SAFETY & SECURITY

June 2018

UTAH TRANSIT AUTHORITY BOARD OF TRUSTEES
Agenda Item Coversheet

DATE:	**June 13, 2018**
CONTACT PERSON:	**Rebecca Cruz,** Board of Trustees Support Manager
SUBJECT:	**Approval of May 9, 2018 Finance & Audit Meeting Report**
BACKGROUND:	The minutes have been distributed to the committee members and any revisions or changes will be incorporated.
PREFERRED ALTERNATIVE:	Approval
LEGAL REVIEW:	N/A
EXHIBITS:	1) 05-09-18 FAC Mtg Report - OPEN

HOME

Report of the Meeting
of the
Finance & Audit Committee (FAC) of the Utah Transit Authority (UTA)
held at UTA FrontLines Headquarters located at
669 West 200 South, Salt Lake City, Utah
May 9, 2018

Committee Members Present:

Jeff Acerson, Committee Chair
Cort Ashton
Gina Chamness (excused)
Dannie McConkie

Committee Members Excused/Not in Attendance: Three committee members were present with one excused. Also in attendance was Necia Christensen, who was participating on the agenda. Toby Mileski and Bret Millburn joined toward the end of the meeting.

Also attending were members of UTA staff.

Welcome and Call to Order. Chair Acerson welcomed attendees and called the meeting to order at 10:34 a.m. with three voting committee members present.

1. **Safety Minute.** Chair Acerson yielded the floor to Dave Goeres, UTA Chief Safety, Security and Technology Officer, for a brief safety message.

2. **Item(s) for Consent**
   - Approval of March 19, 2018 Finance & Audit Meeting Report
   - Approval of April 11, 2018 Finance & Audit Meeting Report
   - Approval of April 17, 2018 Finance & Audit Meeting Report

A motion to approve the consent agendas was made by Trustee McConkie and seconded by Trustee Christensen. The motion carried by unanimous consent.

3. **February & March Financial Reports & Dashboards**
   Bob Biles, Vice President of Finance, presented an overview of the reports.

   A motion to accept the financial reports and dashboards and forward to the full board was made by Trustee McConkie and seconded by Trustee Ashton. The motion passed by unanimous consent.

4. **Q1 2018 Quarterly Investment Report**
   Bob Biles presented the investment report for the first quarter of 2018. A motion to approve the report was made by Trustee Ashton and seconded by Trustee McConkie. The motion passed by unanimous consent.

5. **Contracting & Expenditure Authority**
   Bob Biles reviewed the proposed resolution which addresses granting contract and expenditure authority and remaining in compliance with Senate Bill 136. The resolution looks at three distinct sections which include: 1) contracts, 2) change orders and 3) disbursements.

   In-depth discussions occurred which included: questions regarding the process for reviewing and approving disbursements, procurement policy and procedure, as well as how the decisions of the two designees would be ratified by the entire Board. There was also some discussion as to how the approval process would fall within the Utah Open Meetings act.

   Todd Mills, Supply Chain Manager, outlined the procurement processes and explained that there is a system of checks and balances established which ensure that once the invoices are brought to the two committee members, that procurement procedures and regulations will have been adhered to. A brief explanation was also provided regarding the appeal process. Trustee Ashton was assured that a checklist would be provided to those designated as the trustees for approving the invoices in order to assist them with their stewardship over this new task. Steve Meyer, Acting Interim Executive Director, also provided additional information regarding the process and the checks and balances in place. Discussion on whether a Finance & Audit Committee review (rather than two committee members' review) would be more appropriate for review and approval of items under $1 million. It was clarified that the full Board would review and approve contracts, change orders and disbursements exceeding $999,999. Bob Biles, VP Finance, also provided detail descriptions of what the majority of the invoices include and defined what an "emergency" would constitute. Discussion ensued.

A motion to forward the resolution to the full Board of Trustees regarding Contracting & Expenditure Authority to the full board was made by Trustee Ashton and seconded by Trustee McConkie. The motion passed by unanimous consent.

6. Revenue Service Vehicle Lease

Bob Biles outlined the proposed resolution to lease new revenue vehicles as well as the reasons and logic behind leasing vs. purchasing. Budget constraints and interest rates were thoroughly reviewed.

A motion to send the resolution regarding Revenue Service Vehicle Leases to the full board was made by Trustee Ashton and was seconded by Trustee McConkie. The motion was approved by unanimous consent.

7. Disposition of Surplus Property

Disposition of excess property was presented by Paul Drake, Senior Manager of Real Estate and Transit Oriented Development. Mr. Drake presented a recommendation to reclassify three UTA-owned properties as surplus. Addresses and property descriptions were provided. These included:

1) Vacant property @ 2240 South 1040 West, West Valley City
2) Orem Transfer Facility Property @ 1145 South 750 East, Orem
3) Residence @ 8397 South Spaulding Court, West Jordan City

A motion was made by Trustee McConkie and seconded by Trustee Ashton to move the recommendation to reclassify listed properties to "surplus" and to authorize staff to solicit bids to the full board as shown in the proposed resolution. The motion was approved by unanimous consent.

8. Pension Plan Amendments

The Pension Committee has responsibility to oversee the pension plan of the Authority and conducts a semi-annual review of investments. As the committee chair, Trustee Christensen presented two proposed amendments to the Pension Plan. Based on the information presented by Cambridge Associates, LLC (UTA's investment advisor) and Milliman, Inc. (UTA's actuarial consultant) the resolution proposing the changes better aligns the Plan's assumption earning rate with the current outlook for future investment forecasts at 7% (vs. 7.25% which the assumed 10-year earning rate is currently at).

A motion to forward a recommendation for the proposed resolution regarding Pension Plan Amendments to reflect the 7% earnings assumption to the full board to accept the proposed amendments was made by Trustee Ashton and was seconded by Trustee McConkie. The motion was approved by unanimous consent.

9. **Update Ogden/Weber BRT**
   Steve Meyer provided a quick update on the Ogden/Weber State BRT project.

10. **Closed Session.** Chair Acerson indicated there were matters to be discussed in closed session relative to discussion of the purchase, exchange, lease or sale of real property.

    A motion to move into closed session was made by Trustee Ashton and seconded by Trustee McConkie. The motion carried by unanimous consent and the FAC moved into closed session at 11:58 a.m.

    Open Session. A motion to return to open session was made by Trustee Ashton and seconded by Trustee McConkie. The motion carried by unanimous consent and the FAC returned to open session at 12:10 p.m.

11. **Action Taken Regarding Matters Discussed in Closed Session.** No action was taken regarding the matter discussed in closed session.

12. **Other Business.** No other business was discussed.

13. **Adjournment.** The meeting was adjourned at 12:20 p.m. by motion.

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://www.utah.gov/pmn/sitemap/notice/458633.html *for entire content.*

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

UTAH TRANSIT AUTHORITY BOARD OF TRUSTEES

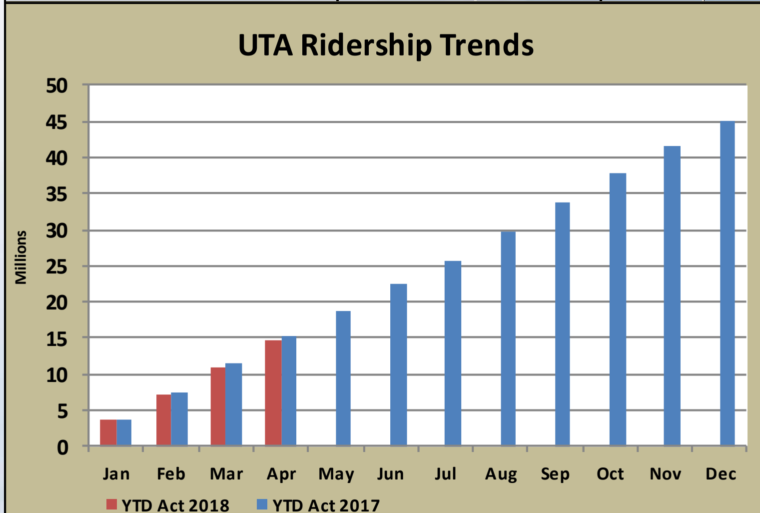
Agenda Item Coversheet

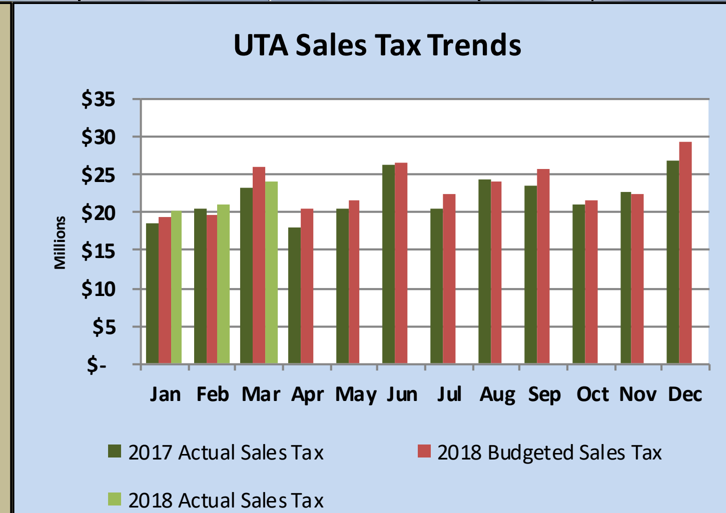
DATE:	**June 13, 2018**
CONTACT PERSON:	**Robert Biles,** VP of Finance
SUBJECT:	**Financial Report & Dashboard for April, 2018**
BACKGROUND:	In accordance with Board direction, staff prepares and presents monthly financial statements to the Board for their review.
PREFERRED ALTERNATIVE:	• Approve as presented
LEGAL REVIEW	N/A
EXHIBITS:	1. Dashboard: April 2018 2. Monthly Financial Report: April 2018

UTA Board Dashboard:

April 2018

Financial Metrics	Apr Actual	Apr Budget	Fav/ (Unfav)	%	YTD Actual	YTD Budget	Fav/ (Unfav)	%
Sales Tax (March '18 mm $)	$ 24.0	$ 25.9	$ (1.97)	-7.6%	$ 65.3	$ 64.9	$ 0.42	0.6%
Fare Revenue (mm)	$ 4.9	$ 4.4	$ 0.48	11.1%	$ 17.4	$ 16.0	$ 1.43	8.9%
Operating Exp (mm)	$ 20.6	$ 22.9	$ 2.35	10.3%	$ 86.5	$ 91.7	$ 5.20	5.7%
Investment Per Rider (IPR)	$ 4.24	$ 5.13	$ 0.89	17.3%	$ 4.74	$ 5.13	$ 0.39	7.6%
IPR adj for fuel savings	$ 4.36	$ 5.13	$ 0.77	15.0%	$ 4.77	$ 5.13	$ 0.36	7.0%
UTA Diesel Price ($/gal)	$ 2.56	$ 2.20	$ (0.36)	-16.4%	$ 2.17	$ 2.20	$ 0.03	1.3%
Operating Metrics	**Apr Actual**	**Apr-17**	**F/(UF)**	**%**	**YTD Actual**	**YTD 2017**	**F/(UF)**	**%**
Ridership (mm)	3.60	3.68	(0.1)	-2.2%	14.58	15.16	(0.6)	-3.8%
Alternative Fuels	**$/gal**				**YTD Actual**			
CNG Price (Bus Diesel Equiv rtl)	$ 1.21	Revenue Development (m$)			$ 25.55			
Debt Service	**Apr Actual**	**Apr-17**	**Var**	**%**	**YTD Actual**	**YTD 2017**	**Var**	**%**
Debt Service (net mm)	$ 9.64	$ 8.75	$ (0.89)	-10.2%	$ 37.22	$ 35.46	$ (1.77)	-5.0%





Utah Transit Authority
Financial Statement
(Unaudited)

April 30, 2018

HOME

KEY ITEM REPORT
(UNAUDITED)
As of April 30, 2018

EXHIBIT 1-1

		2018 YTD ACTUAL	2018 YTD BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)	% FAVORABLE (UNFAVORABLE)
1	Sales Tax	$ 88,761,071	$ 85,243,320	$ 3,517,751	4%
2	Passenger Revenue	$ 17,422,141	$ 15,993,675	1,428,466	9%
3	Other Revenue	$ 22,994,426	$ 24,577,000	(1,582,574)	-6%
4	Total Revenue	129,177,638	125,813,995	3,363,643	3%
5	Net Operating Expenses	(86,531,624)	(91,730,467)	5,198,843	6%
	Net Operating Income (Loss)	42,646,014	34,083,528	8,562,486	25%
6	Debt Service	37,222,611	35,859,855	(1,362,756)	-4%
7	Other Non-Operating Expenses	1,381,419	1,835,000	453,581	25%
8	Sale of Assets	(4,047,197)	-	4,047,197	
9	Contribution to Capital Reserves	$ 8,089,181	$ (3,611,327)	$ 11,700,508	
10	Bond Debt Service - Series 2007A CAB	122,886			
11	Amortization	(1,147,350)			
12	Depreciation	46,287,964			
13	Total Non-cash Items	$ 45,263,500			

GOALS

RIDERSHIP

	2017 Actual	April 2018	April 2017	Difference	2018 YTD	2017 YTD	Difference
14	45,119,780	3,602,655	3,684,049	-81,394	14,584,795	15,162,316	-577,521

REVENUE DEVELOPMENT

		YTD
15	Federal/Local/Regional	$25,553,335

OPERATING INVESTMENT PER RIDER Budgeted IPR is $5.13

			IPR			IPR (less diesel savings)
16	Net Operating Expense		$ 86,531,624	Net Operating Expense		$ 86,531,624
17	Less: Passenger Revenue	-	(17,422,141)	Less: Passenger Revenue	-	(17,422,141)
18				Plus: Diesel Savings	+	522,667
19	Subtotal		69,109,483	Subtotal		69,632,150
20	Divided by: Ridership	÷	14,584,795	Divided by: Ridership	÷	14,584,795
21	Investment per Rider		$ 4.74	Investment per Rider		$ 4.77

HOME

SUMMARY FINANCIAL DATA EXHIBIT 1-2
(UNAUDITED)
As of April 30, 2018

BALANCE SHEET

		4/30/2018	4/30/2017
	CURRENT ASSETS		
1	Cash	$ 12,142,212	$ 9,721,509
2	Investments (Unrestricted)	90,460,045	15,517,071
3	Investments (Restricted)	172,139,016	204,830,932
4	Receivables	57,002,985	62,180,466
5	Receivables - Federal Grants	21,753,394	17,212,791
6	Inventories	35,018,195	29,183,642
7	Prepaid Expenses	1,263,583	1,672,138
8	TOTAL CURRENT ASSETS	$ 389,779,430	$ 340,318,549
9	Property, Plant & Equipment (Net)	3,037,844,400	3,054,133,642
10	Other Assets	146,417,846	125,159,839
11	TOTAL ASSETS	$ 3,574,041,676	$ 3,519,612,030
12	Current Liabilities	21,898,430	$ 21,362,773
13	Other Liabilities	287,803,144	245,798,673
14	Net Pension Liability	100,876,554	112,925,121
15	Outstanding Debt	2,215,762,366	2,126,802,972
16	Equity	947,701,182	1,012,722,491
17	TOTAL LIABILITIES & EQUITY	$ 3,574,041,676	$ 3,519,612,030

RESTRICTED AND DESIGNATED CASH AND CASH EQUIVALENTS RECONCILIATION

		4/30/2018	4/30/2017
	RESTRICTED RESERVES		
18	Debt Service Reserves	35,042,900	39,082,733
19	2015A Sub Interest Reserves		1,495,109
20	2018 Bond Proceeds	59,928,106	
21	Debt Service Interest Payable	38,302,550	35,305,652
22	Risk Contingency	7,583,424	7,460,380
23	Box Elder County ROW (sales tax)	6,356,163	5,531,001
24	Mountain Accord	149,725	239,738
25	Joint Insurance Trust	4,044,096	3,256,602
26	UT County Bond Proceeds	10,292,901	49,503,046
27	Amounts held in escrow	10,439,151	4,410,169
28	TOTAL RESTRICTED RESERVES	$ 172,139,016	$ 146,284,431
	DESIGNATED OPERATING RESERVES		
29	Service Stabilization Reserve	$ 13,916,046	$ 13,525,550
30	Fuel Reserve	1,915,000	1,915,000
31	Parts Reserve	3,000,000	3,000,000
32	Operating Reserve	25,976,619	25,247,693
33	Early Debt Retirement Reserve	25,120,649	14,858,258
34	TOTAL DESIGNATED OPERATING RESERVES	$ 69,928,314	$ 58,546,501
35	TOTAL RESTRICTED AND DESIGNATED CASH AND EQUIVALENTS	$ 242,067,330	$ 204,830,932

SUMMARY FINANCIAL DATA
(UNAUDITED)
As of April 30, 2018

EXHIBIT 1-3

REVENUE & EXPENSES

		ACTUAL Apr-18	ACTUAL Apr-17	YTD 2018	YTD 2017
	REVENUE				
1	Passenger Revenue	$ 4,855,621	$ 4,279,566	$ 17,422,141	$ 16,983,346
2	Advertising Revenue	200,000	195,833	800,000	783,332
3	Investment Revenue	195,650	117,073	1,055,661	555,463
4	Sales Tax	22,905,858	23,938,200	88,761,071	84,990,236
5	Other Revenue	620,667	301,658	1,068,768	1,105,379
6	Fed Operations/Preventative Maint.	4,578,443	6,463,165	20,069,997	20,414,097
7	TOTAL REVENUE	$ 33,356,239	$ 35,295,495	$ 129,177,638	$ 124,831,853
	OPERATING EXPENSE				
8	Bus Service	$ 7,379,255	$ 6,951,731	$ 30,379,762	$ 29,146,679
9	Commuter Rail	2,138,347	1,713,856	7,640,149	7,163,162
10	Light Rail	1,990,592	2,766,249	11,673,500	10,354,260
11	Maintenance of Way	1,207,446	1,242,855	5,129,725	5,183,463
12	Paratransit Service	1,574,029	1,582,678	6,688,257	6,623,542
13	RideShare/Van Pool Services	218,290	252,403	802,061	909,446
14	Operations Support	3,755,745	3,592,808	14,845,541	14,425,236
15	Administration	2,295,196	2,265,507	9,372,629	9,106,608
16	TOTAL OPERATING EXPENSE	$ 20,558,900	$ 20,368,087	$ 86,531,624	$ 82,912,396
17	NET OPERATING INCOME (LOSS)	$ 12,797,339	$ 14,927,408	$ 42,646,014	$ 41,919,457
	NON-OPERATING EXPENSE (REVENUE)				
18	Planning & Development	$ 364,884	$ 423,642	$ 1,381,419	$ 1,604,292
19	Major Investment Studies		-	-	-
20	Offsetting Investment Studies		-	-	-
21	Bond Principal	949,445	729,167	3,247,446	2,916,668
22	Bond Interest	8,179,016	6,979,590	30,854,973	28,287,766
23	Bond Funded Interest - 2015A Sub		795,271	-	3,181,084
24	Bond Cost of Issuance/Fees	-	-	1,060,484	17,100
25	Lease Cost	514,896	248,218	2,059,708	1,054,303
26	Sale of Assets	(278,644)	-	(4,047,197)	(2,359,229)
27	TOTAL NON-OPERATING EXPENSE	$ 9,729,597	$ 9,175,888	$ 34,556,833	$ 34,701,984
28	CONTRIBUTION TO CAPITAL RESERVES	$ 3,067,742	$ 5,751,520	$ 8,089,181	$ 7,217,473
	OTHER EXPENSES (NON-CASH)				
29	Bond Debt Service - Series 2007A CAB	$ 53,816	$ 15,859	$ 122,886	$ 63,436
30	Bond Premium/Discount Amortization	(1,114,270)	(1,321,256)	(4,152,252)	(5,285,026)
31	Bond Refunding Cost Amortization	683,650	685,192	2,734,597	2,740,768
32	Future Revenue Cost Amortization	67,577	67,576	270,305	270,304
33	Depreciation	11,503,575	12,560,000	46,287,964	50,240,000
34	NET OTHER EXPENSES (NON-CASH)	$ 11,194,348	$ 12,007,371	$ 45,263,500	$ 48,029,482

HOME

ACTUAL REPORT
(UNAUDITED)
As of April 30, 2018

EXHIBIT 1-4

CURRENT MONTH

		ACTUAL Apr-18	BUDGET Apr-18	VARIANCE FAVORABLE (UNFAVORABLE)	% FAVORABLE (UNFAVORABLE)
	REVENUE				
1	Passenger Revenue	$ 4,855,621	$ 4,371,641	$ 483,980	11%
2	Advertising Revenue	200,000	200,000	-	0%
3	Investment Revenue	195,650	311,000	(115,350)	-37%
4	Sales Tax	22,905,858	20,369,323	2,536,535	12%
5	Other Revenue	620,667	564,333	56,334	10%
6	Fed Operations/Preventative Maint.	4,578,443	5,068,917	(490,474)	-10%
7	TOTAL REVENUE	$ 33,356,239	$ 30,885,214	$ 2,471,025	8%
	OPERATING EXPENSE				
8	Bus Service	$ 7,379,255	$ 7,986,848	$ 607,593	8%
9	Commuter Rail	2,138,347	1,894,202	(244,145)	-13%
10	Light Rail	1,990,592	2,927,705	937,113	32%
11	Maintenance of Way	1,207,446	1,474,959	267,513	18%
12	Paratransit Service	1,574,029	1,907,392	333,363	17%
13	RideShare/Van Pool Services	218,290	267,535	49,245	18%
14	Operations Support	3,755,745	3,751,169	(4,576)	0%
15	Administration	2,295,196	2,698,129	402,933	15%
16	TOTAL OPERATING EXPENSE	$ 20,558,900	$ 22,907,939	$ 2,349,039	10%
17	NET OPERATING INCOME (LOSS)	$ 12,797,339	$ 7,977,275	$ 4,820,064	60%
	NON-OPERATING EXPENSE (REVENUE)				
18	Planning & Development	$ 364,884	$ 458,750	$ 93,866	20%
19	Major Investment Studies	-	-	-	
20	Offsetting Investment Studies	-	-	-	
21	Bond Principal	949,445	764,667	(184,778)	-24%
22	Bond Interest	8,179,016	8,051,454	(127,562)	-2%
23	Bond Funded Interest - 2015A Sub	-		-	
24	Bond Cost of Issuance/Fees	-	5,458	5,458	100%
25	Lease Cost	514,896	515,020	124	0%
26	Sale of Assets	(278,644)	-	278,644	
27	TOTAL NON-OPERATING EXPENSE	$ 9,729,597	$ 9,795,349	$ 65,752	1%
28	CONTRIBUTION TO CAPITAL RESERVES	$ 3,067,742	$ (1,818,074)	$ 4,885,816	269%
	OTHER EXPENSES (NON-CASH)				
29	Bond Debt Service - Series 2007A CAB	$ 53,816			
30	Bond Premium/Discount Amortization	(1,114,270)			
31	Bond Refunding Cost Amortization	683,650			
32	Future Revenue Cost Amortization	67,577			
33	Depreciation	11,503,575			
34	NET OTHER EXPENSES (NON-CASH)	$ 11,194,348			

BUDGET TO ACTUAL REPORT
(UNAUDITED)
As of April 30, 2018

EXHIBIT 1-5

YEAR TO DATE

		ACTUAL Apr-18	BUDGET Apr-18	VARIANCE FAVORABLE (UNFAVORABLE)	% FAVORABLE (UNFAVORABLE)
	REVENUE				
1	Passenger Revenue	$ 17,422,141	$ 15,993,675	$ 1,428,466	9%
2	Advertising Revenue	800,000	800,000	-	0%
3	Investment Revenue	1,055,661	1,244,000	(188,339)	-15%
4	Sales Tax	88,761,071	85,243,320	3,517,751	4%
5	Other Revenue	1,068,768	2,257,333	(1,188,565)	-53%
6	Fed Operations/Preventative Maint.	20,069,997	20,275,667	(205,670)	-1%
7	TOTAL REVENUE	$ 129,177,638	$ 125,813,995	$ 3,363,643	3%
	OPERATING EXPENSE				
8	Bus Service	$ 30,379,762	$ 32,100,733	$ 1,720,971	5%
9	Commuter Rail	7,640,149	7,595,450	(44,699)	-1%
10	Light Rail	11,673,500	11,713,651	40,151	0%
11	Maintenance of Way	5,129,725	5,809,707	679,982	12%
12	Paratransit Service	6,688,257	7,630,057	941,800	12%
13	RideShare/Van Pool Services	802,061	1,069,641	267,580	25%
14	Operations Support	14,845,541	15,002,867	157,326	1%
15	Administration	9,372,629	10,808,361	1,435,732	13%
16	TOTAL OPERATING EXPENSE	$ 86,531,624	$ 91,730,467	$ 5,198,843	6%
17	NET OPERATING INCOME (LOSS)	$ 42,646,014	$ 34,083,528	$ 8,562,486	25%
	NON-OPERATING EXPENSE (REVENUE)				
18	Planning & Development	$ 1,381,419	$ 1,835,000	$ 453,581	25%
19	Major Investment Studies	-	-	-	
20	Offsetting Investment Studies	-	-	-	
21	Bond Principal	3,247,446	3,058,668	(188,778)	-6%
22	Bond Interest	30,854,973	30,719,274	(135,699)	0%
23	Bond Funded Interest - 2015A Sub	-	-	-	
24	Bond Cost of Issuance/Fees	1,060,484	21,833	(1,038,651)	-4757%
25	Lease Cost	2,059,708	2,060,080	372	0%
26	Sale of Assets	(4,047,197)	-	4,047,197	
27	TOTAL NON-OPERATING EXPENSE	$ 34,556,833	$ 37,694,855	$ 3,138,022	8%
28	CONTRIBUTION TO CAPITAL RESERVES	$ 8,089,181	$ (3,611,327)	$ 11,700,508	324%

	OTHER EXPENSES (NON-CASH)	
29	Bond Debt Service - Series 2007A CAB	$ 122,886
30	Bond Premium/Discount Amortization	(4,152,252)
31	Bond Refunding Cost Amortization	2,734,597
32	Future Revenue Cost Amortization	270,305
33	Depreciation	46,287,964
34	NET OTHER EXPENSES (NON-CASH)	$ 45,263,500

HOME

CAPITAL PROJECTS
(UNAUDITED)
As of April 30, 2018

EXHIBIT 1-6

		2018 ACTUAL	ANNUAL BUDGET	PERCENT
	EXPENSES			
1	REVENUE AND NON-REVENUE VEHICLES	$ 6,609,469	$ 23,516,922	28.1%
2	INFORMATION TECHNOLOGY	642,284	8,594,818	7.5%
3	FACILITIES, MAINTENANCE & ADMIN. EQUIP.	224,615	1,035,796	21.7%
4	CAPITAL PROJECTS	1,724,544	41,057,292	4.2%
5	PROVO OREM BRT	4,760,030	40,227,000	11.8%
6	AIRPORT STATION RELOCATION	376,037	22,901,499	1.6%
7	STATE OF GOOD REPAIR	3,222,413	29,674,141	10.9%
8	PROP 1 PROJECTS	698,274	11,067,067	6.3%
9	TIGER (INCLUDING PROP#1 TIGER)	77,134	13,104,294	0.6%
10	TOTAL	$ 18,334,799	$ 191,178,829	9.6%
	REVENUES			
14	GRANT	$ 1,304,565	$ 26,114,493	5.0%
16	PROVO-OREM TRIP	4,760,030	30,000,000	15.9%
17	LEASES (PAID TO DATE)	6,240,910	21,163,045	29.5%
18	BONDS	658,874	50,877,399	1.3%
19	LOCAL PARTNERS	-	14,318,487	0.0%
15	TRANSFER FROM OPERATING (PROP 1)	527,311	3,997,323	0.0%
20	UTA FUNDING	4,843,109	44,708,082	10.8%
21	TOTAL	$ 18,334,799	$ 191,178,829	9.6%

HOME

FAREBOX RECOVERY & IPR
(UNAUDITED)
As of April 30, 2018

EXHIBIT 1-7

BY SERVICE

	CURRENT MONTH		YEAR TO DATE	
	Apr-18	Apr-17	2018	2017
UTA				
Fully Allocated Costs	20,669,890	20,368,087	86,642,614	82,912,296
Passenger Farebox Revenue	4,855,621	4,279,566	17,422,142	16,983,346
Passengers	3,602,655	3,684,049	14,584,795	15,162,317
Farebox Recovery Ratio	23.5%	21.0%	20.1%	20.5%
Actual Investment per Rider	$4.39	$4.37	$4.75	$4.35
GOAL Investment per Rider				
BUS SERVICE				
Fully Allocated Costs	10,085,031	9,538,217	41,047,081	39,493,492
Passenger Farebox Revenue	1,861,007	1,836,476	6,969,994	6,629,996
Passengers	1,526,774	1,576,273	6,346,213	6,618,644
Farebox Recovery Ratio	18.5%	19.3%	17.0%	16.8%
Actual Investment per Rider	$5.39	$4.89	$5.37	$4.97
LIGHT RAIL SERVICE				
Fully Allocated Costs	5,069,082	5,701,754	24,136,480	22,322,873
Passenger Farebox Revenue	1,791,670	1,532,585	6,056,208	5,650,693
Passengers	1,503,610	1,540,130	5,940,102	6,218,541
Farebox Recovery Ratio	35.3%	26.9%	25.1%	25.3%
Actual Investment per Rider	$2.18	$2.71	$3.04	$2.68
COMMUTER RAIL SERVICE				
Fully Allocated Costs	3,366,470	2,950,654	12,557,539	12,189,456
Passenger Farebox Revenue	530,092	469,553	1,891,184	1,802,927
Passengers	395,714	377,797	1,602,841	1,588,596
Farebox Recovery Ratio	15.7%	15.9%	15.1%	14.8%
Actual Investment per Rider	$7.17	$6.57	$6.65	$6.54
PARATRANSIT				
Fully Allocated Costs	1,748,536	1,747,202	7,359,941	7,273,433
Passenger Farebox Revenue	346,261	116,074	1,197,786	1,565,851
Passengers	69,169	67,284	282,290	281,857
Farebox Recovery Ratio	19.8%	6.6%	16.3%	21.5%
Actual Investment per Rider	$20.27	$24.24	$21.83	$20.25
RIDESHARE				
Fully Allocated Costs	400,771	430,259	1,541,573	1,633,041
Passenger Farebox Revenue	326,592	324,878	1,306,970	1,333,878
Passengers	107,388	122,565	413,348	454,678
Farebox Recovery Ratio	81.5%	75.5%	84.8%	81.7%
Actual Investment per Rider	$0.69	$0.86	$0.57	$0.66

FAREBOX RECOVERY & IPR
(UNAUDITED)
As of April 30, 2018

EXHIBIT 1-8

BY TYPE

	CURRENT MONTH		YEAR TO DATE	
	Apr-18	Apr-17	2018	2017
FULLY ALLOCATED COSTS				
Bus Service	$10,085,031	$9,538,217	$41,047,081	$39,493,492
Light Rail Service	$5,069,082	$5,701,754	$24,136,480	$22,322,873
Commuter Rail Service	$3,366,470	$2,950,654	$12,557,539	$12,189,456
Paratransit	$1,748,536	$1,747,202	$7,359,941	$7,273,433
Rideshare	$400,771	$430,259	$1,541,573	$1,633,041
UTA	$20,669,890	$20,368,087	$86,642,614	$82,912,295
PASSENGER FAREBOX REVENUE				
Bus Service	$1,861,007	$1,836,476	$6,969,994	$6,629,996
Light Rail Service	$1,791,670	$1,532,585	$6,056,208	$5,650,693
Commuter Rail Service	$530,092	$469,553	$1,891,184	$1,802,927
Paratransit	$346,261	$116,074	$1,197,786	$1,565,851
Rideshare	$326,592	$324,878	$1,306,970	$1,333,878
UTA	$4,855,621	$4,279,566	$17,422,142	$16,983,345
PASSENGERS				
Bus Service	1,526,774	1,576,273	6,346,213	6,618,644
Light Rail Service	1,503,610	1,540,130	5,940,102	6,218,541
Commuter Rail Service	395,714	377,797	1,602,841	1,588,596
Paratransit	69,169	67,284	282,290	281,857
Rideshare	107,388	122,565	413,348	454,678
UTA	3,602,655	3,684,049	14,584,795	15,162,316
FAREBOX RECOVERY RATIO				
Bus Service	18.5%	19.3%	17.0%	16.8%
Light Rail Service	35.3%	26.9%	25.1%	25.3%
Commuter Rail Service	15.7%	15.9%	15.1%	14.8%
Paratransit	19.8%	6.6%	16.3%	21.5%
Rideshare	81.5%	75.5%	84.8%	81.7%
UTA	23.5%	21.0%	20.1%	20.5%
ACTUAL INVESTMENT PER RIDER				
Bus Service	$5.39	$4.89	$5.37	$4.97
Light Rail Service	$2.18	$2.71	$3.04	$2.68
Commuter Rail Service	$7.17	$6.57	$6.65	$6.54
Paratransit	$20.27	$24.24	$21.83	$20.25
Rideshare	$0.69	$0.86	$0.57	$0.66
UTA	$4.39	$4.37	$4.75	$4.35

SUMMARY OF ACCOUNTS RECEIVABLE

(UNAUDITED)

As of April 30, 2018

EXHIBIT 1-9

	Classification	Total	Current	31-60 Days	61-90 Days	90-120 Days	Over 120 Days
1	Federal Government [1]	$ 21,753,394	$ 21,753,394				
2	Local Contributions [2]	47,389,233	47,388,650				583
3	Pass Sales	434,318	434,264	(78,961)	1,322	2,029	75,664
4	Property Management	59,859	49,013	9,906	940	-	-
5	Vanpool/Rideshare	30,853	17,049	12,899	(4,477)	144	5,238
6	Product Sales and Development	421,760	320,132	22,444	29,386	(4)	49,802
7	Railway Worker Protection	1,800					1,800
8	Capital Development Agreements	2,221,647	973,825	-	-	1,000,443	247,379
9	Mobility Management	1,700	1,700	-			
10	Paratransit	11,250	11,250				-
11	Other [3]	6,430,565	6,430,565				
12	Total	$ 78,756,379	$ 77,379,842	$ (33,712)	$ 27,171	$ 1,002,612	$ 380,466

	Percentage Due by Aging	Current	31-60 Days	61-90 Days	90-120 Days	Over 120 Days
13	Federal Government [1]	100.0%	0.0%	0.0%	0.0%	0.0%
14	Local Contributions [2]	100.0%	0.0%	0.0%	0.0%	0.0%
15	Pass Sales	100.0%	-18.2%	0.3%	0.5%	17.4%
16	Property Management	81.9%	16.5%	1.6%	0.0%	0.0%
17	Vanpool/Rideshare	55.3%	41.8%	-14.5%	0.5%	17.0%
18	Product Sales and Development	75.9%	5.3%	7.0%	0.0%	11.8%
19	Railway Worker Protection	0.0%	0.0%	0.0%	0.0%	100.0%
20	Capital Development Agreements	43.8%	0.0%	0.0%	45.0%	11.1%
21	Mobility Management					
22	Paratransit	100.0%	0.0%	0.0%	0.0%	0.0%
23	Other	100.0%	0.0%	0.0%	0.0%	0.0%
24	Total	98.3%	0.0%	0.0%	1.3%	0.5%

[1] Federal preventive maintenance funds, federal RideShare funds, and federal interest subsidies for Build America Bonds

[2] Estimated sales tax to be distributed upon collection by the Utah State Tax Commission

[3] OCIP escrow, fuel tax credit, warranty parts out for repair

Note:

UTAH TRANSIT AUTHORITY BOARD OF TRUSTEES

Agenda Item Coversheet

DATE:	**June 13, 2018**
CONTACT PERSON:	**Robert Biles, VP Finance** **Troy Bingham, Comptroller**
SUBJECT:	**2017 UTA Financial Audit Report**
BACKGROUND:	The audit firm of Keddington and Christensen has conducted the 2017 financial audit in accordance with federal, state, and UTA Board requirements. This year's Comprehensive Annual Financial Report (CAFR) has been expanded from prior year's financial reports and statistics to include the Single Audit of Federal Grants expenditures and the report of compliance with Utah's Audit Guide. Having these documents in one report allows readers to have a more comprehensive financial picture of UTA financials and overall compliance. Representatives from Keddington and Christensen will be attendance at the meeting to present their audit report along with UTA accounting staff to answer any questions the Board or public has on amounts and statements in the CAFR and subsequent audit opinions.
PREFERRED ALTERNATIVE:	• Receive the audit report.
EXHIBITS:	a. 2017 Letter to Board Trustees b. 2017 CAFR which includes Annual Financial Statements, the Single Audit Report, and the Utah State Compliance Report c. 2017 NTD Agreed Upon Procedure Report

K&C
Keddington & Christensen, LLC
Certified Public Accountants

Gary K. Keddington, CPA
Phyl R. Warnock, CPA
Marcus K. Arbuckle, CPA

May 29, 2018

Board of Trustees
Utah Transit Authority
669 West 200 South
Salt Lake City, Utah 84101

We have audited the financial statements of the business-type activities of Utah Transit Authority (the Authority) for the year ended December 31, 2017. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards* and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated December 11, 2017. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Authority are described in Note 2 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2017. We noted no transactions entered into by the Authority during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate(s) affecting the Authority's financial statements was:

> Management's estimate of depreciation expense is based on the useful lives of the fixed assets. We evaluated the key factors and assumptions used to develop the Authority's reported depreciation expense in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Telephone (801) 590-2600
Fax (801) 265-9405

1455 West 2200 South, Suite 201
Salt Lake City, Utah 84119

Management Representations

We have requested certain representations from management that are included in the management representation letter dated May 29, 2018.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the Authority’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Authority’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

During our audit of the Authority’s Schedule of Expenditures of Federal Awards, we noted instances of noncompliance and weaknesses in the internal control over compliance described in Finding 2017-001 in the Schedule of Findings and Questioned Costs which we considered to be material instances of noncompliance, and a material weakness in internal control over compliance related to a compliance requirement. The Schedule of Findings and Questioned Costs can be found in the Authority’s Comprehensive Annual Financial Report (CAFR) as listed in the table of contents. We have included management’s response and corrective action plan in the Schedule of Findings and Questioned Costs.

The aforementioned finding resulted in the Authority receiving a Qualified opinion on compliance with the Equipment and Real Property Management compliance requirements of the Federal Transit Cluster major program.

Other Matters

We applied certain limited procedures to Management’s Discussion and Analysis, the Schedule of Changes in Net Pension Liability and Related Ratios, and Statement of Required Employer Contributions which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Restriction on Use

This information is intended solely for the information and use of the Board of Trustees and management of Utah Transit Authority and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Keddington & Christensen, LLC

Salt Lake City, Utah
May 29, 2018

HOME

Comprehensive Annual Financial Report

For Fiscal Years Ended December 31, 2017 and 2016

UTA

UTAH TRANSIT AUTHORITY

HOME

UTA Mission Statement

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

UTA Vision

We move people

Comprehensive Annual Financial Report

For Fiscal Years Ended
December 31, 2017 and 2016

Finance Department

Robert K. Biles
Vice President, Finance

Troy Bingham
Comptroller

UTAH TRANSIT AUTHORITY

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Introductory

For Fiscal Years Ended
December 31, 2017
and 2016

UTAH TRANSIT AUTHORITY

UTAH TRANSIT AUTHORITY

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

May 29, 2018

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, 2017 and 2016. This document has been prepared by the Authority's Finance Department using the guidelines recommended by the Government Finance Officers Association of the United States and Canada and conforms to accounting principles generally accepted in the United States of America and promulgated by the Governmental Accounting Standards Board.

Management assumes full responsibility for the completeness and reliability of the information contained in this report. Management bases their assurance upon a comprehensive framework of internal control that has been established for this purpose. To provide a reasonable basis for making these representations, management of the Authority has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the Authority's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement.

This report contains financial statements and statistical data which provide full disclosure of all the material financial operations of the Authority. The financial statements have been prepared on the accrual basis of accounting in conformance with generally accepted accounting principles. 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 16 member board of trustees which is the legislative body of the Authority and determines all questions of Authority policy. Twelve members of the Board of Trustees (one non-voting) are appointed by each county, municipality or combination of municipalities which have been annexed to the Authority. The Board also includes one member who is appointed by the State Transportation Commission who acts as a liaison between the Authority and the Transportation Commission, one member of the board is appointed by the Governor, one member is appointed by the Speaker of the Utah State House of Representatives and one member is appointed by the President of the State Senate.

All fifteen voting members have an equal vote as the Board of Trustees passes resolutions an ordinances and sets policies for the Authority.

The responsibility for the operation of the Authority is held by the President/CEO in accordance with the direction, goals and policies of the Authority's Board of Trustees. The President/CEO has full charge of the acquisition, construction, maintenance, and operation of the facilities of the Authority and of the administration of the business affairs of the Authority. The President/CEO supervises the executive staff which includes the Vice President of Operations, Vice President of External Affairs, Vice President of Finance, Chief Safety, Security, and Technology Officer, and Chief People Officer.

The Chief Executive Officer, General Counsel and the Internal Auditor for the Authority report to the Board of Trustees. An organizational chart which illustrates the reporting relationships follows in the introductory section.

The Regional General Managers and the General Manager of Rail Operations report to the Vice President of Operations. 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 2,465,000 and represents 79% of the state's total population.

UTA
UTAH TRANSIT AUTHORITY

Current Year Review

During the last year, UTA built upon its strong legacy of providing service, continuous achievement, and transit leadership. The information below provides a glimpse of the year's accomplishments.

Transit Service. UTA took advantage of multiple opportunities to improve service in 2017. In Northern Davis County, UTA used Prop 1 funds to increase bus service in Clearfield, Layton and Kaysville by providing a new FrontRunner connection, doubling the frequency of peak service on weekdays, adding night service, and adding Saturday service. In addition, Prop 1 funds were used to double the frequency of Sunday service on 26th St and Washington Blvd, two key corridors in Ogden.

In partnership with Park City, UTA added midday service to its Park City route and added additional trips during ski season by shortening the route to the Kimball Junction Transit Center in conjunction with Park City's new Electric Xpress route.

UTA was also able to leverage operating efficiencies to add more evening service on Weekdays and Saturdays on 5400 South in Salt Lake County. By trimming an unproductive section of the route, UTA was also able to increase frequency during off-peak hours and extend span of service on Fort Union Blvd.

While increasing the amount of transit service is important, just as important to transit riders is that the bus or train arrives on time. UTA's on-time reliability results by mode are shown below. They are near the highest results within the transit industry.

On-Time Reliability	2017	2016	2015
Bus	92.51%	91.07%	92.19%
TRAX	91.91%	94.49%	93.98%
FrontRunner	90.92%	89.96%	86.63%
Paratransit	96.80%	97.85%	97.92%
Streetcar	99.49%	99.50%	98.68%

System Enhancements. Keeping the transit system in a state of good repair is a high priority. During 2017, UTA continued the light rail vehicles overhaul program, inspected all rail bridges, installed new positive train control hardware and software at 90 of 155 locations, and completed 4 steel to plastic natural gas line conversions, eliminating stray current influence at those locations. Worn tactile areas at four light rail stations were replaced and six light rail and three commuter rail grade crossings were rehabilitated. Embedded track in four curves along 700 South were replaced and the rail supports on the State Street light rail bridge were reconstructed.

Ogden Hub

In conjunction with local government and transit rider input, 50 bus stops were upgraded with shelters and other amenities. As part of the first/last mile connection initiative, concept reports and environmental documents were prepared for over 100 connection projects. Construction of these projects will begin in 2018 with funding from a federal grant. Upgrades to the Riverside Bus Maintenance facility included a new fueling station, additional bus canopies and administrative building expansion/remodel. Upgrades to the Mount Ogden Bus Maintenance Facility included construction of additional employee parking and additional bus canopies.

During the year, UTA replaced forty-three (43) transit buses, seven (7) ski buses, twenty-three (23) paratransit vans, and thirty-six (36) Rideshare vans. Twenty-five articulated buses for the Provo-Orem Transportation Improvement Project were acquired and construction continued on the Provo-Orem Transportation Improvement Project.

Current Year Review (continued)

UTA entered into several air quality partnerships with the State of Utah, Salt Lake County, Salt Lake City, private firms, and other participating entities and participated in a consortium considering long-term mountain transportation needs. Development work continued for the Provo-Orem Transportation Improvement Project.

Ridership and Passenger Revenues. System ridership declined from 45.6 million in 2016 to 45.1million in 2017. Passenger revenues increased by $1.5 million to $52.1 million, a 3.0% increase from 2016 passenger revenues.

Transit-Oriented Development. 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 square foot office buildings, and work continued on a 192-room full-service hotel.

TRAX Train

Financial Stewardship. In December 2017, UTA advance refunded $111 million of its 2012 subordinate bonds through a $121 million bond issue. The 2017 advanced refunding bond issue closed prior to the 2018 changes in federal tax law which eliminated tax-exempt advance refunding opportunities. In February 2018, UTA sold its $115,540,000 Subordinated Sales Tax Revenue Refunding Bonds, Series 2018 to retire the above 2017 bond issue and the 2032 maturity (accreted value at redemption of $3.976 million) of the Subordinated Sales Tax Revenue and Refunding Bonds, Series 2007A. Net present value savings from these transactions totaled $5.6 million.

For the year, operating expenses were 3.6% below budget with lower than budgeted diesel fuel prices contributing almost 44% of the total $9.4 million operating savings. Personnel cost savings from transitional position vacancies and additional parts warranty recoveries comprised the rest of the favorable budget variance.

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.

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:

Provo-Orem Transportation Improvement Project. Construction began in 2016 on the combination bus rapid transit (BRT) and road project which is the result of a partnership between Utah County, the State of Utah, and UTA. UTA received a Federal Transit Administration Small Starts Grant in December of 2016. The BRT will connect the Orem FrontRunner station, Utah Valley University, Brigham Young University, and the Provo FrontRunner station with 6-minute peak service frequency. Service is expected to begin August 2018.

Bus Rapid Transit (BRT)

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 transit-oriented development 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 2018, including: $7.4 million for the overhaul of our oldest TRAX light rail vehicles, $6 million to initiate a two-year program of TRAX track work at the Delta interlocking, 150 South Main switches and 400 South Main half grand union replacement, $4.7 million for FrontRunner, and $1.1 million to replace vertical lift modules in three parts warehouses. Eighteen other state of good repair infrastructure projects are estimated to cost $4.1 million. Other 2018 plans include the replacement of 29 buses, 2 trolleys, 29 paratransit vehicles and 75 Rideshare vans at a cost of approximately $23.5 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 2018 are estimated at almost $13 million with all projects being completed by 2022.
- UTA will complete its work on the federally mandated ***Positive Train Control*** project in 2018, completing installation of the system prior to the December 2018 federal deadline.
- 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.

Future Plans (continued)


S-line Train

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.

- Funded by a grant from Salt Lake County, 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.
- To improve passenger safety, two TRAX intersections that connect multiple light rail lines will be equipped with ***red light signal enforcement*** infrastructure.

Electric Bus

- Five additional ***electric buses*** will be procured and placed into service, two by the University of Utah as a cross-campus shuttle and three by UTA primarily to provide service to the university.

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.

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 2018 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.

2017 Overview

Employment, Wages, and Labor Force

While not as strong as 2016, Utah's labor market performance was notably healthy in 2017, showing gains in both the volume of jobs and the number of labor force participants.

At the end of the year, approximately 69.4 percent of Utah's population age 16 and over was either employed or actively seeking work. Over the Great Recession, Utah's labor force participation lost roughly five percentage points, dropping from a decades-long average of 72.1 percent to a low of 67.2 percent. In the early years of post-recession recovery, labor force participation was slow to rebound; even prime working age adult participation failed to bounce back. 2017 appears to be a tide-changing year with most age groups returning to pre-recession participation levels. Momentum gains in entering and re-entering the labor force manifested themselves in other economic indicators as well: wages, unemployment, and job counts, signifying tightness in the state's labor markets.


UTA TRAX Technician

Labor force entrants were efficiently absorbed into payrolls in 2017. On average, the state exhibited an unemployment rate of 3.5 percent, meaning that approximately 54,500 individuals were unemployed each month of the year. Additionally, the labor force grew by over 51,000, a signal of job seekers' confidence in the state's economy.

Overall, roughly 43,500 jobs were added to the state's economy, an expansion of 3.5 percent. Six thousand fewer jobs were added in 2017 than 2016, but regardless, unemployment remained low throughout the year. The slightly fewer jobs added is likely a sign of tightening labor markets; labor supply in some fields may be lacking. As a result, employers may not be able to fill as many jobs as desired.

Every major industry group across the Utah economy added jobs in 2017. The decline in oil demand finally played itself out, with 2017 ending with a small employment increase over 2016. More significant gains were seen in industries such as construction, which grew by 5.4 percent, leisure and hospitality, growing at 5.1 percent, and professional and business services up 4.2 percent. The mix of fastest growing industries exemplifies the state's robust economic conditions, with incomes increasing, housing in high demand, and our tech sector blossoming.

Labor market gains have not been evenly distributed across the state. Accolades shining a light on the statewide economic conditions do not illustrate the struggles of some Utah counties where gains have been few. Efforts from policymakers and political leaders, reaching as high as the Governor's office, seek to remedy this phenomenon to ensure 2018 is an economic success for all corners of the state.

The Economic Condition and Outlook (continued)

Personal Income

Utah's total personal income in 2017 was an estimated $132.7 billion, a 6.3 percent increase from $124.9 billion in 2016. Utah's estimated 2017 per capita income was $42,691, up 4.3 percent from $40,925 in 2016. Both measures of personal income growth in Utah were higher in 2017 than in 2016, in which total personal income grew by 5.2 percent and per capita income grew by 3.1 percent. In the last two years, Utah's growth in total personal income and per capita income has been nearly twice the national average.

Taxable Sales

In 2017, total taxable sales in Utah increased by approximately 7.2 percent to an estimated $60.6 billion. A robust labor market and solid gains in wages and personal income were among the primary drivers of growth. In addition to solid growth in sales from existing taxpayers, additional tax collections from some online sellers who began collecting sales tax in 2017 bolstered growth. Other significant factors driving growth in Utah taxable sales include another strong year in the tourism industry and high consumer sentiment. Each major component of Utah taxable sales increased in 2017. Retail sales increased the most at 7.8 percent, followed by business investment purchases at 7.0 percent and taxable services at 5.2 percent.

Salt Lake Valley

2018 Outlook

Employment, Wages, and Labor Force

Tightening labor markets leading to restrictions in growth were anticipated in 2016 but did not manifest until 2017. As such, 2018 may exhibit additional slowing though still posting labor market growth. Employers will seek to absorb every source of labor supply possible, thus keeping the state's unemployment rate low. Wage growth may temper in comparison to 2017 but will still be driven by competition for skilled workers in key economic activity.

Forces external to the state may play a significant role in steering the labor market trajectory. As Congress builds out its final version of tax policy changes, it is yet to be determined to what extent those changes may have an effect on Utah consumers, employers, and job seekers.

Personal Income

Utah's total personal income in 2017 is estimated to have grown 6.3 percent. This is up from 5.2 percent in 2016 and nearly double the national average. The state's estimated 2017 per capita income growth also improved from 3.1 percent in 2016 to 4.3 percent in 2017.

With the ongoing economic expansion and robust labor market, Utah continues to attract economic migrants looking for work, a lower cost-of-living, and an attractive setting. However, even with the inflow of new workers, the strong pace of hiring and a low

The Economic Condition and Outlook (continued)

unemployment rate has challenged several industries with labor shortages. The competition to hire and retain a qualified workforce should continue to put upward pressure on wages and personal income.

As Utah looks to remain one of the top labor markets in the nation in 2018, preliminary forecasts show that both total personal income growth and per capita income growth will continue to see strong gains, albeit at a somewhat slower pace than the robust growth over the past two years.

Taxable Sales
Utah's strong labor economy, combined with high consumer confidence, should drive another year of steady gains in Utah taxable sales. Total taxable sales are forecasted to increase by 5.4 percent to $63.9 billion in 2018. Although slower than 2017, growth in retail sales is expected to increase by 5.1 percent in 2018, 1.2 percent higher than the 3.9 percent forecasted increase in U.S. nontaxable and taxable retail sales. Business investment purchases are forecasted to grow again in 2018, increasing by 5.6 percent, while taxable services should have another year of consistent growth, increasing by 5.1 percent.

Forecasted growth in 2018 is barring any significant changes in the broader macro-economic environment. Taxable sales forecasts are sensitive to changes in economic and political conditions. Specific conditions with the potential to impact 2018 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 and political conditions could result in changes to employment, disposable income, and consumer confidence, which will in turn affect Utah taxable sales.


UTA Bus Farebox

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.

During 2017, the Authority issued its $120,575,000 Subordinated Sales Tax Revenue Refunding Bonds, Series 2017. These bonds were issued to refund $111,155,000 of the then outstanding balance of its $295,520,000 Sales Tax Revenue Refunding Bonds, Series 2012, and paying costs associated with the issuance of the 2017 Bonds. As of December 31, 2017, the Authority had $2,062,103,566 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

FrontRunner Train

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, 2016. 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; Eric Vance, Photographer.

Sincerely,

Robert K. Biles
Vice President, Finance
Utah Transit Authority

Robert K. Biles

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Utah Transit Authority

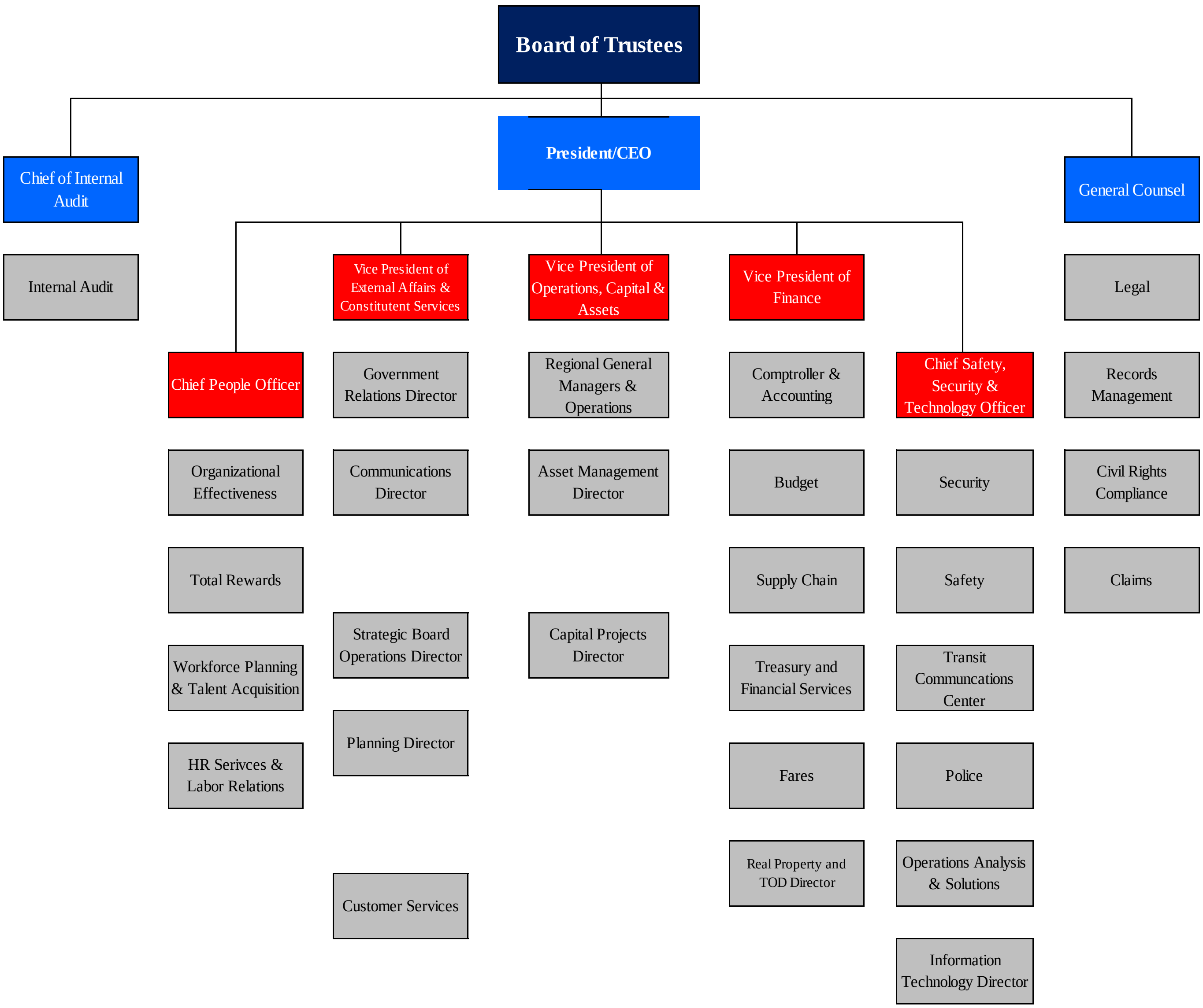
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2016

Christopher P. Morrill

Executive Director/CEO

Organizational Chart



Utah Transit Authority Board of Trustees
May 2018

Greg Bell
Board Chair

Gina Chamness
Board Co-Chair

Jeff Acerson

Cort G. Ashton

Necia Christensen

Alex Cragun

Karen Cronin

Babs DeLay

Jeff Hawker

Charles Henderson

Dannie McConkie

Robert McKinley

Toby Mileski

P. Bret Milburn

Troy Walker

Board of Trustees Appointments

Appointed By	Current Member	Term Ending	# Terms Served
Governor of the State of Utah	Greg Bell	September, 2020	1
Speaker of the House	Babs De Lay	January, 2020	1
The Municipalities within Salt Lake County and the municipalities of Grantsville and Tooele in Tooele County	Robert McKinley	December, 2017	1
Municipalities within Utah County	Jeff Acerson	November, 2019	1
President of the Senate	Cort Ashton	November, 2020	1
Salt Lake City	Alex Cragun	March, 2019	1
Municipalities within Weber County and Brigham City, Perry and Willard in Box Elder County	Toby Mileski	May, 2019	1
Municipalities within Salt Lake County and the municipalities of Grantsville and Tooele in Tooele County	Necia Christensen	May, 2019	5
Utah County	Vacant		
Municipalities within Salt Lake County and the municipalities of Grantsville and Tooele in Tooele County	Jeff Hawker	October, 2020	2
Salt Lake County	Charles G. Henderson	May, 2020	3
Utah Transportation Commission	Dannie R. McConkie	May, 2021	2
The municipalities within Davis County	P. Bret Millburn	August, 2020	3
The municipalities within Salt Lake County and the municipalities of Grantsville and Tooele in Tooele County	Gina Chamness	March, 2019	1
Municipalities within Salt Lake County and the municipalities of Grantsville and Tooele in Tooele County	Troy Walker	March, 2020	4
Municipalities and unincorporated areas within the district that are located within a county that is not annexed into the UTA district	Karen Cronin	October, 2020	1

Board of Trustees and Administration

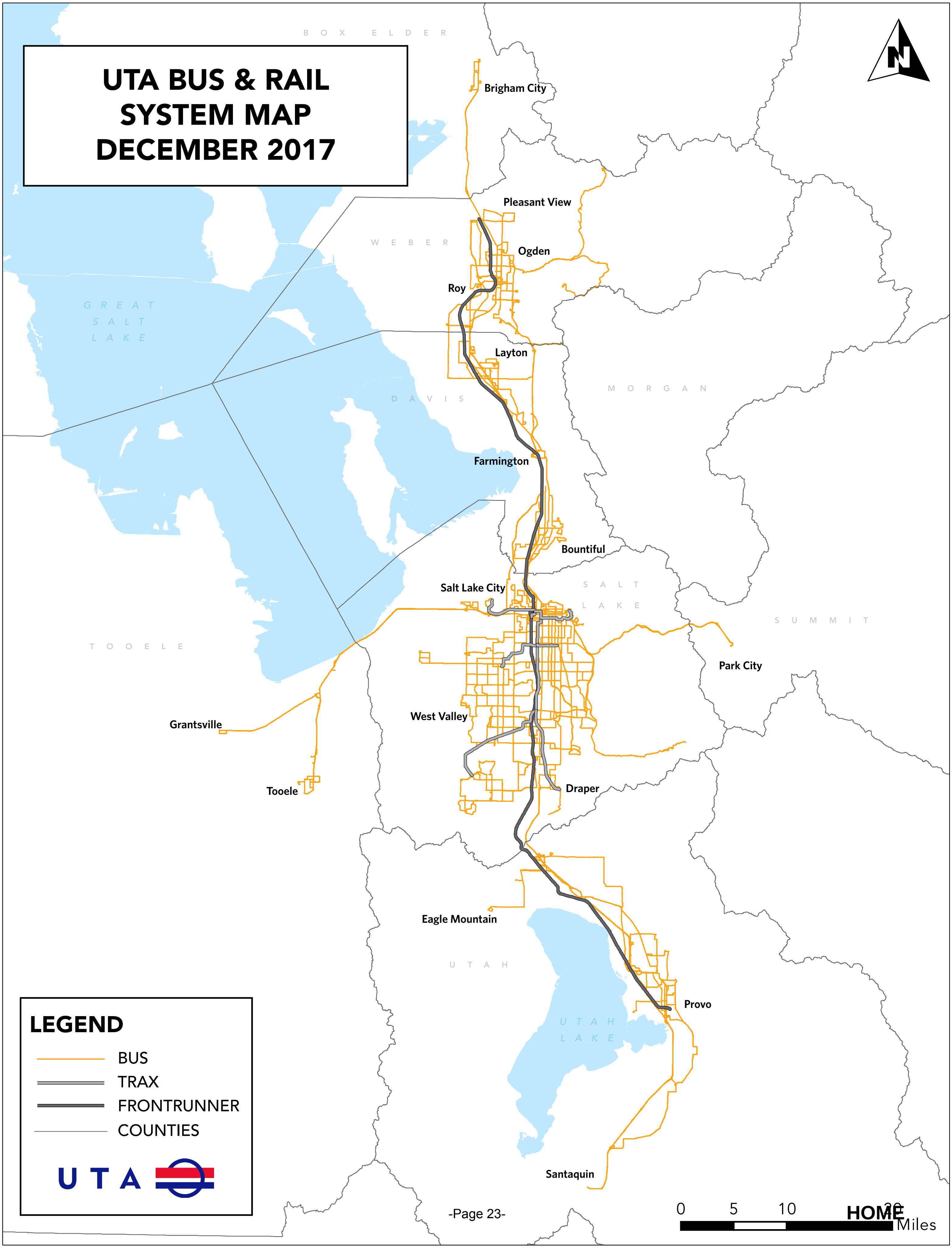
Board of Trustees as of May 29, 2018

Officers of the Authority

BOARD CHAIR .... Greg Bell
BOARD CO-CHAIR .... Gina Chamness
INTERIM EXECUTIVE DIRECTOR .... Steve Meyer
SECRETARY/TREASURER and VICE PRESIDENT FINANCE .... Robert K. Biles
COMPTROLLER .... Troy Bingham

Administration of the Authority

INTERIM EXECUTIVE DIRECTOR .... Steve Meyer
CHIEF OF INTERNAL AUDIT .... Riana de Villiers
VICE PRESIDENT OF EXTERNAL AFFAIRS .... Nichol Bourdeaux
VICE PRESIDENT FINANCE .... Robert K. Biles
VICE PRESIDENT OPERATIONS, CAPITAL & ASSETS .... Steve Meyer (Acting)
CHIEF PEOPLE OFFICER .... Kim Ulibarri
CHIEF SAFETY & SECURITY AND TECHNOLOGY OFFICER .... Dave Goeres


UTA BUS & RAIL
SYSTEM MAP
DECEMBER 2017
BOX ELDER
Brigham City
Pleasant View
WEBER
Ogden
Roy
GREAT SALT LAKE
Layton
DAVIS
MORGAN
Farmington
Bountiful
Salt Lake City
SALT LAKE
SUMMIT
TOOELE
Park City
West Valley
Grantsville
Tooele
Draper
Eagle Mountain
UTAH
Provo
UTAH LAKE
Santaquin
LEGEND
BUS
TRAX
FRONTRUNNER
COUNTIES
UTA
0
5
10
20
Miles

Financial

For Fiscal Years Ended
December 31, 2017
and 2016

UTAH TRANSIT AUTHORITY

Keddington & Christensen, LLC
Certified Public Accountants

Gary K. Keddington, CPA
Phyl R. Warnock, CPA
Marcus K. Arbuckle, CPA

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of Utah Transit Authority (the "Authority") as of and for the years ended December 31, 2017 and 2016, 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 Utah Transit Authority, as of December 31, 2017 and 2016, and the respective changes in net position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Telephone (801) 590-2600
Fax (801) 265-9405

1455 West 2200 South, Suite 201
Salt Lake City, Utah 84119

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 May 29, 2018, 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
May 29, 2018

This section of Utah Transit Authority's (the Authority) annual financial report presents our discussion and analysis of the Authority's financial performance during the fiscal years ended on December 31, 2017 and December 31, 2016.

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

FINANCIAL STATEMENTS

The Authority's financial statements are prepared on an accrual basis in accordance with accounting principles generally accepted in the United States of America (GAAP), promulgated by the Governmental Accounting Standards Board. The Authority 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 the Authority's significant accounting policies.

FINANCIAL HIGHLIGHTS

Sales tax revenues increased from 2016 to 2017 by 8.4%. Part of the 2017 increase was due to receiving a full year of increased sales tax from the transportation initiative (Prop 1) which was approved in November 2015 by Davis, Weber, and Tooele counties. Prop 1 increased sales tax by a quarter of one percent (.25%) with 40% of this revenue dedicated to support transit service and enhancements. The tax became effective in Davis and Weber counties on April 1, 2016 and in Tooele County on July 1, 2016. Comparison of the months July thru December from 2016 to 2017 showed an increase of 7.6% from 2016 to 2017.

UTA	2016 Actual	2017 Actual
JANUARY	$ 16,067,751	$ 18,440,036
FEBRUARY	16,172,705	20,532,787
MARCH	23,724,805	23,098,645
APRIL	17,612,801	18,072,401
MAY	19,791,779	20,592,751
JUNE	22,274,402	26,229,357
JULY	20,627,885	20,404,896
AUGUST	21,287,567	24,451,449
SEPTEMBER	22,832,983	23,398,910
OCTOBER	18,969,625	21,128,486
NOVEMBER	19,636,253	22,546,344
DECEMBER	26,009,863	26,874,713
	$ 245,008,417	**$ 265,770,775**

On December 29, 2017, the Authority direct placed $120.6 million of Subordinated Sales Tax Revenue Refunding Bonds. The purpose of these bonds was to refinance higher interest rate terms on previously issued bonds.

The Authority continues to recognize the importance of reserves. Reserves have been established for debt service, service stabilization, capital improvement, fuel and parts. These reserves were $53.9 million at the end of the year. Refunding savings of $2.8 million were included in that increase and added to the Debt Rate Service Stabilization reserve bringing its December 31, 2017 balance to $17.7 million.

Federal funding in the amount of $71 million dollars by the U.S. Department of Transportation and Federal Transit Administration and $39.3 million from UDOT with the remainder from Utah County of $65.0 million dollars for funding the construction of a 10.52 mile bi-directional Bus Rapid Transit (BRT) line located in Utah County. As of December 31, 2017 the Authority has spent $97.8 million dollars on the project. The project begins at the Orem Intermodal Center and ends at the Provo Intermodal Center and includes a total of 18 stations, an aerial bridge replacement with BRT guideway, bicycle, trail and pedestrian access site improvements, and construction of an expanded bus maintenance facility.

CONDENSED STATEMENTS OF NET POSITION

	2017	2016	Change	% Chg	2015
Assets					
Current and other assets	$ 350,629,354	$ 305,969,763	$ 44,659,591	15%	$ 311,052,850
Capital assets	3,068,709,875	3,104,597,334	(35,887,459)	1%	3,210,158,029
Total assets	3,419,339,229	3,410,567,097	8,772,132	0%	3,521,210,879
Deferred outflows of resources	109,761,191	116,778,163	(7,016,972)	6%	125,000,198
Liabilities					
Current liabilities	101,099,455	71,620,455	29,479,000	41%	66,390,159
Long-term liabilities	2,422,375,239	2,387,091,356	35,283,883	1%	2,392,487,053
Total liabilities	2,523,474,694	2,458,711,811	64,762,883	3%	2,458,877,212
Deferred inflows of resources	11,948,307	5,489,735	6,458,572	118%	1,659,974
Net position					
Net investment in capital assets	894,275,843	924,260,135	(29,984,292)	3%	1,031,142,715
Restricted	89,153,732	67,415,969	21,737,763	32%	78,064,113
Unrestricted	10,247,844	71,467,610	(61,219,766)	86%	76,467,063
Total net position	$ 993,677,419	$ 1,063,143,714	$ (69,466,295)	7%	$ 1,185,673,891

2017 Results

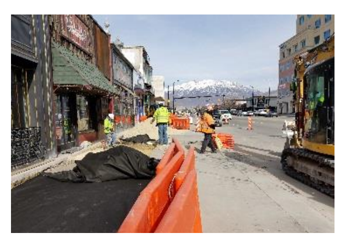
On December 29, 2017, Utah Transit Authority direct placed $120,575,000 Sales Tax Revenue Refunding Bonds, Series 2017 (the "2017 Subordinate Bonds"). This bond transaction involved the refunding of parts of the 2012 UTA Subordinate Bonds. The primary purpose for issuing the 2017 Refunding, was to take 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%. The Authority's intention is to refund the 2017 bonds in March 2018 for an overall net present value savings.

The Authority 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 the Authority 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.

An increase or decrease in net position over time may serve as a useful indicator of a government entity's financial position. As of December 31, 2017, the Authority's net position has decreased to $993.7 million from $1.1 billion due to less unrestricted assets at yearend and the same time long-term liabilities have increased for the year.

2016 Results

In 2016, the Authority was awarded $70.98 million in the form of a federal grant for the construction of the Provo-Orem Bus Rapid Transit system. This grant represented 50% of the cost of the project, with the remaining 50% funded by Utah County. This project increased receivables at year end by over $17.7 million, and increased construction in progress by $20 million.



Provo-Orem BRT Construction

CONDENSED STATEMENTS OF NET POSITION (continued)

2016 Results (continued)

In August 2016, the Utah Transit Authority sold its $145,691,497 Subordinated Sales Tax Revenue Refunding Bonds, Series 2016 (the "Series 2016 Bonds"). This bond transaction was issued for a total par amount of $145,691,497 and generated $12,932,675 of Reoffering Premium, and refunded the Authority's bond issues for Series 2013 (Senior Bonds), Series 2014A (Subordinate Bonds), and Series 2014B (Subordinate Bonds) in full. This issuance represented a refunding of all of the Authority's variable rate short-term bond debt and reduced the Authority's interest rate exposure. The Series 2016 Bonds and the Series 2015 Bonds allowed the Authority to consolidate its restricted reserve requirements.

The Series 2015 bond issuance included $20 million restricted for the payment of a portion of the outstanding principal and interest of the refunded bonds through 2017. This cash flow strategy is referred to as a crossover refunding. This restricted account contributed approximately $8.5 million towards outstanding principal and interest in 2016 which explains the reduction of restricted assets from 2015 to 2016.

Capital assets decreased by $105.5 million primarily due to depreciation expense of $153.6 million exceeding capital asset additions of $48.1 million. In addition, the Authority performed a comprehensive multi-year review of construction in progress reported under capital assets. This review identified many projects that no longer met the requirements for asset recognition and required restatement as expense. Restatement was applied beginning in 2014 for those projects under this criteria. The net effect was a reduction of capital assets in the amount of $14.2 million in 2014 and $9.5 million in 2015.

As the second year reporting the *Governmental Accounting Standards Board (GASB) Statement No. 68 Accounting and Financial Reporting for Pensions – an Amendment to GASB Statement No. 27,* the Authority recorded a net pension liability decrease of $4.5 million (3.8%) as a result of the Authority's continued dedication to contributing 16% of wages to the pension plan.

The Authority's Board remained steadfast in its dedication to building reserves for the stabilization of services and debt management. In 2016, the Board authorized an increase of almost $7.2 million to these reserves. At year end, these reserves equaled $58.5 million of cash and cash equivalents.

An increase in net position over time may serve as a useful indicator of a government entity's financial position. As of December 31, 2016, the Authority's net position decreased to $1.06 billion from $1.19 billion as of December 31, 2015. The majority of this change (96%) is directly attributed to the decrease in the net investment in capital assets due to depreciation and restatement, and the consolidation of the debt service reserve requirements.

UTA Board Meeting

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

	2017	2016	Change	% Chg	2015
Operating revenues	$ 54,525,870	$ 52,891,021	$ 1,634,849	3%	$ 54,346,242
Operating expenses	(427,777,940)	(422,543,342)	(5,234,598)	1%	(403,560,256)
Excess of operating expenses over operating revenues	(373,252,070)	(369,652,321)	(3,599,749)	1%	(349,214,014)
Non-operating revenues	334,913,449	313,184,316	21,729,133	7%	290,848,506
Non-operating expenses	(88,190,962)	(86,226,784)	(1,964,178)	2%	(81,386,242)
Income (loss) before contributions	(126,529,583)	(142,694,789)	16,165,206	11%	(139,751,750)
Capital contributions	57,063,288	20,164,612	36,898,676	183%	9,068,710
Change in net position	(69,466,295)	(122,530,177)	53,063,882	43%	(130,683,040)
Total net position, January 1	1,063,143,714	1,185,673,891			1,417,195,183
Prior period adjustment	-	-			(100,838,252)
Total net position, December 31	$ 993,677,419	$ 1,063,143,714			$ 1,185,673,891

SUMMARY OF REVENUES FOR THE YEAR ENDED DECEMBER 31

	2017	2016	Change	% Chg	2015
Operating					
Passenger revenue	$ 52,159,203	$ 50,624,354	$ 1,534,849	3%	$ 52,112,909
Advertising	2,366,667	2,266,667	100,000	4%	2,333,333
Total operating revenue	54,525,870	52,891,021	1,634,849	3%	54,446,242
Non-operating					
Contributions from other gov'ts (sales tax)	265,770,775	245,008,417	20,762,358	8%	227,703,023
Federal noncapital assistance	62,313,994	63,334,769	(1,020,775)	2%	52,000,012
Interest income	2,873,787	1,732,939	1,140,848	66%	2,831,406
Other	3,954,893	3,108,191	846,702	27%	8,314,065
Total non-operating revenue	334,913,449	313,184,316	21,729,133	7%	290,848,506
Capital contributions	57,063,288	20,164,612	36,898,676	183%	9,068,708
Total revenues	$ 446,502,607	$ 386,239,949	$ 60,262,658	16%	$ 354,363,456

2017 Results

Passenger revenue showed a slight increase of $1.5 million (3%) in 2017. In 2017 the Authority 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 the Authority 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, the Authority recognized $20.8 million (8%) in increased contributions of sales tax.

UTA FAREPAY

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

2016 Results

Passenger revenue showed a slight decrease of $1.5 million (2.9%) in 2016. This can be attributed to the low price of fuel and milder weather patterns. In addition, the Authority extended its FarePay discount fare program as a continued support of the conversion campaign from 2015.

Since the Authority 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 2016, the Authority recognized $17.3 million (6.2%) in increased contributions of sales tax. Of that increase, $6.4 million (37%) came from the quarter-cent sales tax of Prop 1.

Federal noncapital support increased by $11.3 million (22%) in 2016. This funding is distributed by the Federal Transit Administration (FTA) to transit agencies based on the age and use of their systems. As much of the Authority's rail system reaches the threshold of eligibility for federal preventive maintenance support, it is expected this funding will increase as demand for maintenance increases.

Capital contributions increased by over $11 million due to the federal and local participation in the construction of the Provo-Orem BRT line.

Provo-Orem BRT Platform Construction

SUMMARY OF EXPENSES FOR THE YEAR ENDED DECEMBER 31

	2017	2016	Change	% Chg	2015
Operating Expenses					
Bus service	$ 88,928,063	$ 85,841,973	$ 3,086,090	4%	$ 77,702,167
Rail service	72,895,607	84,165,069	(11,269,462)	13%	74,266,265
Paratransit service	19,572,367	19,341,116	231,251	1%	18,573,738
Other services	2,982,176	2,949,643	32,533	1%	2,971,534
Operatings support	41,932,571	37,831,682	4,100,889	11%	35,901,226
Administration	31,423,844	37,636,519	(6,212,675)	17%	32,443,603
Major investment studies	-	1,204,124	(1,204,124)	100%	658,400
Capital maintenance projects	20,602,425	-	20,602,425	100%	-
Depreciation	149,440,887	153,573,216	(4,132,329)	3%	161,043,323
Total operating expenses	$ 427,777,940	$ 422,543,342	$ 5,234,598	1%	$ 403,560,256

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

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 the Authority'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. 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 the Authority 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 to changes in spending that can occur from department to department and year to year.

2016 Results

Personnel cost for the Authority in 2016 was 66.2% of total operating expense less depreciation. Overall, personnel cost rose by $11.5 million (7.0%) in 2016.

The operational cost for all direct service increased in 2016 by $20.7 million as a result of increased system maintenance costs. These costs included the light rail vehicle mid-life overhaul project, pedestrian crossing upgrades, grade crossing replacements, tactile replacements, and other technology improvements to enhance the passenger experience.

Operating expense less personnel cost increased by $11.6 million (19.6%), all of which is the result of increased system maintenance costs.

Within operating expense, administration expense increased by $5.1 million (16%), due to increased personnel and maintenance of the information systems infrastructure and increased risk management expense.

CAPITAL ASSET ACTIVITY

	2017	2016	Change	% Chg	2015
Land and right of ways	$ 438,036,561	$ 444,428,114	$ (6,391,553)	1%	$ 444,484,721
Infrastructure	2,661,123,290	2,660,455,033	668,257	0%	2,660,455,033
Revenue vehicles	757,025,778	768,632,495	(11,606,717)	2%	778,085,676
Other	348,827,345	420,530,145	(71,702,800)	17%	420,778,076
Construction in process	205,102,231	98,584,168	106,518,063	108%	52,277,885
Accumulated Depreciation	(1,341,405,330)	(1,288,032,621)	(53,372,709)	4%	(1,145,923,364)
Total capital assets, net	$ 3,068,709,875	$ 3,104,597,334	$ (35,887,459)	1%	$ 3,210,158,027

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

2017 Results

The Authority 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, the Authority expended $118.0 million on major strategic projects. This included the development and construction of the Provo-Orem

CAPITAL ASSET ACTIVITY (continued)

2017 Results (continued)

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.

2016 Results

The Authority expended approximately $47.1 million for capital assets in 2016. Approximately $34.7 million was expended for major capital projects, with $20.6 million spent on the construction of the Provo-Orem BRT line and $11.6 million on the federally-mandated positive train control system. Additional projects include revenue vehicle replacement purchases, a fuel storage tank, and transit enhancements funded through Prop 1 sales tax.

DEBT ADMINISTRATION

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

A. Ratings Summary
Effective: August 2017

	Standard &Poor's	Fitch	Moody's
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 2016

	Standard &Poor's	Fitch	Moody's
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

A. 2017 Debt Issuance

During 2017, the Authority 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.

DEBT ADMINISTRATION (continued)

B. 2016 Debt Issuance

During 2016, the Authority issued the following subordinated lien bonds:

Subordinated Sales Tax Revenue Refunding Bonds, Series 2016: $147,691,497

Proceeds from the Series 2016 Subordinated Lien bond issue were used to refund the variable rate short-term refundable maturities of the Series 2013 revenue bonds ($13.9 million), Series 2014A revenue bonds ($80.4 million), and 2014B revenue bonds ($62.0 million).

C. Interest Expense

Interest expense increased to $88.2 million in 2017 from $85.4 million in 2016. The majority of this increase was the effect of the full year's interest burden of the Series 2016 bonds and restructuring of the Authority's interest expense to include obligation to Utah County for the Provo-Orem Bus Rapid Transit project debt.

SIGNIFICANT ACTIVITIES

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.

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.

Capitol Connector Bus

UTA's overhaul of ski service in Salt Lake County was completed in late 2016 and 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 square foot 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. The Authority 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 ComicCon, the Utah Arts Festival, and other special events.

SIGNIFICANT ACTIVITIES (continued)

2017 Results (Continued)

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.

Stewardship - The authority was awarded several grants including $4.2 million for buses, $5.4 million for Electric Buses, $3.5 million for Positive Train Control and $360K in other discretionary funds.

2016 Results

Transit Service - UTA took advantage of multiple opportunities to improve service in 2016. Most notable were the changes made possible by the adoption of Proposition One in Davis, Weber, and Tooele counties. These funds allowed UTA to implement two new bus routes and provide seven others with more early, late, and weekend service, an overall increase of 15% in annual bus service in Davis and Weber counties. In addition, UTA worked aggressively on improving 70 bus stops by using Proposition One funds to add shelters and benches and improve access to stops for mobility-disadvantaged customers. Over 500 hours of service was added in Tooele County.

In August, UTA was able to leverage federal grant money to add Saturday service to six flex routes, improving access to multiple destinations in Ogden and southwest Salt Lake County.

In December, UTA completed an overhaul of ski service that improved frequency on key corridors and added 35% more trips up Big and Little Cottonwood Canyons. This was a large effort that required cooperation among numerous internal and external stakeholders.

On time performance for 2016 was 91.3%.

Transit-oriented Development (TOD) - Jordan Valley TOD construction was completed and lease-up began on 270 residential units. Construction was also completed and lease-up began on 272 residential units at the Sandy East Village TOD. A fourth residential building started construction as well as a 150,000 square foot office building. At the South Jordan TOD, work commenced on the first of two 180,000 square foot office buildings as well as a full-service hotel.

Customer Service - UTA's redesigned website was launched. Signage and maps at UTA's TRAX and FrontRunner platforms were updated as were destination maps at the Airport station. Wayfinding signage was implemented at eight key stations.

The authority provided special event support for the Warriors over the Wasatch Air Show and the Veterans Administration Wheelchair Games as well as Utah Jazz games, University of Utah and Brigham Young University events, LDS Church General Conferences, the Salt Lake City Marathon, and other special events.

Environment - Adding 24 CNG buses raised the percentage of clean fuel vehicles in UTA's fleet to 62%. FrontRunner service eliminated 63.7 million commuter mile emissions and vanpooling reduced greenhouse gas emissions by 35.2 million pounds.

SIGNIFICANT ACTIVITIES (continued)

2016 Results (Continued)

Stewardship - The Authority was awarded several grants including $71 million in small starts funds for the Provo-Orem bus rapid transit system, $20 million in TIGER funds for first/last mile solutions, and $2.4 million in discretionary funds. Taking advantage of historically low borrowing costs, the Authority replaced $156 million in short-term notes with $146 million in long-term, fixed-rated debt. Net savings from the component rebuild shop totaled $1.3 million and CNG fuel savings from UTA's CNG fueling station topped $400,000.

RIDERSHIP COMPARISON

The following information provides an annual comparison of ridership by service for years 2017, 2016, and 2015.

Source: National Transit Database

	2017	2016	*Difference*	*Percent difference*	2015
Bus service	19,748,489	20,033,242	*(284,753)*	*-1.4%*	19,943,587
Light rail service	18,823,578	19,220,024	*(396,446)*	*-2.1%*	19,704,363
Commuter rail service	4,854,099	4,545,849	*308,250*	*6.8%*	4,645,305
Paratransit service	385,969	389,019	*(3,050)*	*-0.8%*	860,239
Vanpools	1,264,410	1,333,781	*(69,371)*	*-5.2%*	1,423,675
Total ridership	45,076,545	45,521,915	*(445,370)*	*-1.0%*	46,577,169

2017 Results

In 2017, the Authority 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 modes declined.

FrontRunner Station

2016 Results

In 2016, the Authority realized a 2.2% decrease in overall ridership from 2015. Bus service increased in 2016 as the Authority continued to evaluate the demand for service, including service to the ski resorts during the season and additional service enhancements funded through Prop 1 sales tax revenue. Light rail experienced a decrease in ridership which can be attributed to low fuel costs which directly affect ridership. Other services experienced little change.

UTA Ski Bus

COMPARATIVE STATEMENTS OF NET POSITION

	2017	2016
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 85,459,300	$ 103,689,945
Receivables		
Contributions from other governments (sales tax)	49,421,054	45,646,114
Federal grants	44,106,915	13,611,438
Other	17,002,669	20,837,335
Parts and supplies inventories	31,689,267	28,361,640
Prepaid expenses	2,783,802	2,627,731
Total Current Assets	230,463,007	214,774,203
Noncurrent Assets:		
Restricted assets (cash equivalents and investments)		
Bond funds	42,768,329	51,279,017
Interlocal agreements	6,355,541	5,663,895
Represented employee benefits	3,894,919	3,269,716
Escrow funds	28,754,015	34,837
Self-insurance deposits	7,534,841	7,431,600
Total restricted assets	89,307,645	67,679,065
Property, facilities and equipment:		
Land and improvements	123,227,897	130,401,281
Rights of way	314,808,664	314,026,833
Infrastructure	2,661,123,290	2,660,455,033
Revenue vehicles	757,025,778	768,632,495
Other property and equipment	348,827,345	420,530,145
Construction in progress	205,102,231	98,584,168
Total property, facilities and equipment	4,410,115,205	4,392,629,955
Less accumulated depreciation and amortization	(1,341,405,330)	(1,288,032,621)
Amount recoverable - interlocal agreement	22,858,702	23,516,495
Other assets	8,000,000	-
Total Noncurrent Assets	3,188,876,222	3,195,792,894
TOTAL ASSETS	$ 3,419,339,229	$ 3,410,567,097
DEFERRED OUTFLOWS OF RESOURCES		
Advanced debt refunding	$ 97,189,416	$ 101,200,263
Assumptions changes related to pensions	12,571,775	15,577,900
TOTAL DEFERRED OUTFLOWS OF RESOURCES	$ 109,761,191	$ 116,778,163

See accompanying notes to the financial statements.

COMPARATIVE STATEMENTS OF NET POSITION (continued)

	2017	2016
LIABILITIES		
Current Liabilities:		
Accounts payable	$ 54,120,255	$ 26,979,344
Accrued liabilities, primarily payroll-related	20,199,621	19,533,949
Accrued interest	4,096,739	4,226,445
Accrued self-insurance liability	1,495,598	2,336,975
Current portion of long-term debt	14,815,329	11,733,893
Payable from restricted assets	153,913	263,096
Unearned revenue	6,218,000	6,546,753
Total Current Liabilities	101,099,455	71,620,455
Long-Term Liabilities		
Long-term debt	2,316,957,516	2,269,803,569
Long-term accrued interest	4,541,169	1,603,827
Long-term self-insurance liabilities	-	2,758,839
Long-term net pension liability	100,876,554	112,925,121
Total Long-term Liabilities	2,422,375,239	2,387,091,356
TOTAL LIABILITIES	$ 2,523,474,694	$ 2,458,711,811
DEFERRED INFLOWS OF RESOURCES		
Changes to earnings on pension plan investments	$ 11,948,307	$ 5,489,735
TOTAL DEFERRED INFLOWS OF RESOURCES	$ 11,948,307	$ 5,489,735
NET POSITION		
Net investment in capital assets	$ 894,275,843	$ 924,260,135
Restricted for:		
Debt service	42,768,329	51,279,017
Interlocal agreements	6,201,628	5,400,799
Represented employee benefits	3,894,919	3,269,716
Escrow funds	28,754,015	34,837
Self-insurance deposits	7,534,841	7,431,600
Unrestricted	10,247,844	71,467,610
TOTAL NET POSITION	$ 993,677,419	$ 1,063,143,714

See accompanying notes to the financial statements.

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

	2017	2016
OPERATING REVENUES		
Passenger fares	$ 52,159,203	$ 50,624,354
Advertising	2,366,667	2,266,667
Total operating revenues	54,525,870	52,891,021
OPERATING EXPENSES		
Bus service	88,928,063	85,841,973
Rail Service	72,895,607	84,165,069
Paratransit service	19,572,367	19,341,116
Other service	2,982,176	2,949,643
Operations support	41,932,571	37,831,682
Administration	31,423,844	37,636,519
Major investment studies	-	1,204,124
Capital maintenance projects	20,602,425	-
Depreciation	149,440,887	153,573,216
Total operating expenses	427,777,940	422,543,342
Excess of operating expenses over operating revenues	(373,252,070)	(369,652,321)
NON-OPERATING REVENUES (EXPENSES)		
Contributions from other governments (sales tax)	265,770,775	245,008,417
Federal preventative maintenance grants	62,313,994	59,772,235
Federal planning grants	-	3,562,534
Investment income	2,873,787	1,732,939
Other	3,954,893	3,108,191
Interest expense	(88,190,962)	(85,415,870)
Recoverable sales tax - interlocal agreement	-	(810,914)
Net non-operating revenues	246,722,487	226,957,532
INCOME (LOSS) BEFORE CONTRIBUTIONS	(126,529,583)	(142,694,789)
Capital Contributions:		
Federal grants	53,960,024	17,054,298
Local	2,850,116	3,110,314
Capital contributions	253,148	-
Total capital contributions	57,063,288	20,164,612
Change in Net Position	(69,466,295)	(122,530,177)
Total Net Position, January 1	1,063,143,714	1,185,673,891
TOTAL NET POSITION, DECEMBER 31	$ 993,677,419	$ 1,063,143,714

See accompanying notes to the financial statements

COMPARATIVE STATEMENTS OF CASH FLOWS

	2017	2016
Cash flows from operating activities:		
Passenger receipts	$ 51,888,773	$ 52,415,749
Advertising receipts	2,400,000	2,350,000
Payments to vendors	(61,003,247)	(89,435,633)
Payments to employees	(121,899,204)	(120,050,277)
Employee benefits paid	(72,204,917)	(57,292,584)
Other receipts (payments)	-	2,387,104
Net cash used in operating activities	**(200,818,595)**	**(209,625,641)**
Cash flows from noncapital financing activities:		
Contributions from other governments (sales tax)	261,995,834	241,328,306
Federal preventative maintenance grants	43,612,395	62,709,565
Federal planning assistance grants	-	3,562,534
Other receipts (payments)	-	(11,974,847)
Net cash provided by noncapital financing activities	**305,608,229**	**295,625,558**
Cash flows from capital and related financing activities:		
Contributions for capital projects		
Federal	42,166,150	8,797,538
Local	2,850,116	2,629,071
Proceeds from the sale of revenue bonds	171,075,197	181,796,975
Deposit into escrow for refunding bonds	(120,367,951)	(156,360,000)
Payment of bond principal	(11,732,743)	(15,416,104)
Interest paid on revenue bonds	(101,448,581)	(93,649,947)
Proceeds from leases	27,141,000	-
Purchases of property, facilities, and equipment	(135,610,609)	(48,012,521)
Proceeds from the sale of property	22,508,754	477,031
Net cash used in capital and related financing activities	**(103,418,667)**	**(119,737,957)**
Cash flows from investing activities:		
Purchases of investments	(39,961,457)	(37,567,565)
Proceeds from the sales of investments	29,995,400	38,248,601
Interest on investments	3,492,448	694,709
Net cash provided by investing activities	**(6,473,609)**	**1,375,745**
Net increase in cash and cash equivalents	(5,102,642)	(32,362,295)
Cash and cash equivalents at beginning of year	141,910,498	174,272,793
Cash and cash equivalents at end of year	$ 136,807,856	$ 141,910,498

See accompanying notes to the financial statements.

COMPARATIVE STATEMENTS OF CASH FLOWS (continued)

	2017	2016
Reconciliation of Cash to the Statement of Net Position		
Cash and cash equivalents at year end from cash flows	$ 136,807,856	$ 141,910,498
Investments	37,959,089	29,458,512
Total cash and cash equivalents and investments	$ 174,766,945	$ 171,369,010
Cash and investments as reported on the Statement of Net Position		
Cash and cash equivalents	$ 85,459,300	$ 103,689,945
Restricted assets (cash equivalents and investments)		
Bonds funds	42,768,329	51,279,017
Interlocal agreements	6,355,541	5,663,895
Represented employee benefits	3,894,919	3,269,716
Escrow funds	28,754,015	34,837
Self-insurance deposits	7,534,841	7,431,600
Total cash and cash equivalents and investments	$ 174,766,945	$ 171,369,010

	2017	2016
Reconciliation of operating loss to net cash used in operating activities:		
Operating loss	$ (373,252,070)	$ (369,652,321)
Adjustments to reconcile excess of operating expenses over operating revenues to net cash used in operating activities:		
Pension expense	2,583,870	90,566
Depreciation	149,440,887	153,573,216
Other revenues	-	2,631,160
Changes in assets and liabilities:		
Receivables	-	(375,690)
Parts and supplies inventories	(3,327,623)	(6,490,356)
Prepaid expenses	(123,743)	107,506
Accounts payable - trade and restricted	27,031,728	6,907,580
Accrued liabilities	(2,934,547)	2,135,064
Unearned revenue	(237,097)	1,447,634
Net cash used in operating activities	$ (200,818,595)	$ (209,625,641)

See accompanying notes to the financial statements.

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 2,465,000 which represents approximately 79% 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 16 member Board of Trustees, which is the legislative body of the Authority and determines Authority policy. Twelve members of the Board of Trustees are appointed by each county municipality or combination of municipalities annexed to the Authority. In addition, one trustee is appointed by the Governor of Utah, one is appointed by the President of the State Senate, one is appointed by the Speaker of the State House of Representatives, and one is appointed by the State Transportation Commission.

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 Authority has no component units nor is it considered a component unit of any municipality or government. The Authority has, however, a slight connection with some municipalities by virtue of the fact that the Board of Trustees is appointed by the municipalities served by the Authority, and the municipalities serve as the taxing authority for sales tax contributed to support transit provided by the Authority.

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 nor are any municipalities financially accountable for the Authority. 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 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 93% 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 President/CEO 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

Property, facilities and equipment 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. 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.

Except for sales of assets in which the unit fair market value is less than $5,000 from the sale of property, proceeds from facilities and equipment purchased with funds provided by federal grants for capital expenditures are remitted to the FTA on the same percentage basis that such funds were provided by grant contracts with the FTA, or dedicated for use on other grant projects over and above the local match.

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

Land and Rights of Way	Not depreciated
Infrastructure and Land Improvements	5-50 years
Revenue Vehicles	5-25 years
Other Property and Equipment	3-20 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.

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 Mountain Accord and 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.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

	2017	2016
NET POSITION		
Net investment in capital assets	$ 894,275,843	$ 924,260,135
Restricted for:		
Debt Service	42,768,329	51,279,017
Interlocal agreements	6,201,628	5,400,799
Represented employee benefits	3,894,919	3,269,716
Escrow Fund	28,754,015	34,837
Self-insurance deposits	7,534,841	7,431,600
Unrestricted	10,247,844	71,467,610
TOTAL NET POSITION	$ 993,677,419	$ 1,063,143,714

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. 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 Board Planning and Development Committee.

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.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

R. Recent Accounting Pronouncements

GASB Statement 74
Financial Reporting for Postemployment Benefit Plans Other than Pension Plans
Took Effect: June 30, 2017

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

GASB Statement 77
Tax Abatement Disclosures
Took Effect: December 31, 2016

GASB Statement 78
Pension Provided through Certain Multiple-Employer Defined Benefit Pension Plans
Took Effect: December 31, 2016

GASB Statement 80
Blending Requirements for Certain Component Units-an amendment of GASB Statement No. 14
Took Effect: June 30, 2017

GASB Statement 81
Irrevocable Split-Interest Agreements
Takes 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

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.

The Authority is currently acting as the trustee of funds for use by a consortium of other governments called the Mountain Accord. 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:

	2017	2016
Early Debt Retirement	$ 17,699,386	$ 14,858,258
Fuel Reserve	1,915,000	1,915,000
Operating Reserve	25,976,619	25,247,693
Parts Reserve	3,000,000	3,000,000
Stabilization Reserve	13,916,046	13,525,550
Total designated cash and cash equivalents	**$ 62,507,051**	**$ 58,546,501**

- *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 President/CEO, 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 $17,352,094 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 funding sources.

NOTE 3 - CASH, CASH EQUIVALENTS AND INVESTMENTS (continued)

- *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)*

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, 2017 and 2016, the balances in the Authority's bank demand deposit accounts and certificate of deposit accounts according to the bank statements totaled $30,739,375 and $17,940,932, respectively, of which $274,040 and $286,388 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 credit quality rating of the external investment pool is unrated.

  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 fair market of its position in the pool as of 12/31/2017 is 1.00416858. 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.

NOTE 3 – CASH, CASH EQUIVALENTS AND INVESTMENTS (continued)

The following are the Authority's investment as of December 31, 2017:

		Investment Maturity (in years)		
		Less than 1	1-5	TOTAL
U.S. Agencies	BBB-/BBB+/AA-/A-/A/A+	$ -	$ 46,206,713	$ 46,206,713
Corporate Bonds	A+/A1/A+	6,030,103	12,298,729	19,017,832
MM - Cash		10,449,312	-	10,449,312
PTIF		15,226,091	-	15,226,091
Total Investments		$ 31,705,506	$ 59,194,442	$ 90,899,948

- *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.

- *Fair Value of Investments* – The Authority measures and records investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

    - Level 1 – Valuations based on quoted prices in active markets for identical assets or liabilities where the Authority has direct access. Since valuations are based on quoted prices readily and regularly available in an active market, valuation does not require any significant degree of judgement. Securities classified as Level 1 inputs include U.S. Government securities and certain other U.S. Agency and sovereign government obligations.

    - Level 2 – Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly. Securities classified as Level 2 include corporate and municipal bonds, and securitized certificates of deposit.

    - Level 3 – Valuations based on inputs that are unobservable and significant to overall fair value measurement.

Historic UTA Buses

NOTE 3 – CASH, CASH EQUIVALENTS AND INVESTMENTS (continued)

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, 2017 by organization and by fair value measurement:

		Fair Value Measurements		
	12/31/2017	Level 1	Level 2	Level 3
Zions Capital Advisors				
Agency	$ 46,206,713	$ 46,206,713		
Corporate	19,017,832		19,017,832	
Currency	10,298,347	10,298,347		
Total Zions Capital Advisor investments	75,522,892	56,505,060	19,017,832	-
Zions Trustee Investments				
Money market	150,965	150,965		
Total Zions Trustee investments	150,965	150,965	-	-
Public Treasurers Investment Fund	15,226,091		15,226,091	
Total investments by fair value level	$ 90,899,948	$ 56,656,025	$ 34,243,923	$ -

UTA Security

NOTE 4 – CAPITAL ASSETS

Construction in progress consists of $106.6 million for the Provo/Orem Bus Rapid Transit (BRT) that is expected to complete in August 2018, $25.5 million for federally-mandated Positive Train Control that is scheduled to complete at the end of 2018, $18.1 million for Clean Fuel Tech Center (Depot District) with an estimated project completion of 2019, and $28.3 million in revenue vehicles that were received and still being prepared for service.

A biennial inventory of capital assets resulted in a write off in the amount of $87.0 million (original cost). The items not found during the inventory were disposed of in 2017, along with items that no longer meet the definition of a capital asset.

	Balance 12/31/2016	Increases	Transfers	Decreases	Balance 12/31/2017
Capital assets not being depreciated					
Land	$ 120,228,636	$ -	$ -	$ (9,301,142)	$ 110,927,494
Rights of way	314,026,833	781,831	-	-	314,808,664
Construction in process	98,584,168	135,081,926	-	(28,563,863)	205,102,231
Total capital assets not being depreciated	532,839,637	135,863,757	-	(37,865,005)	630,838,389
Capital assets being depreciated					
Infrastructure	2,660,455,034	11,379,323	3,014,407	(13,725,473)	2,661,123,291
Revenue vehicles	768,632,495	7,007,046		(18,613,763)	757,025,778
Other property and equipment	420,530,145	3,448,002	(3,132,925)	(72,017,877)	348,827,345
Land improvements	10,172,645	3,450,300	118,518	(1,441,061)	12,300,402
Total capital assets being depreciated	3,859,790,319	25,284,671	-	(105,798,174)	3,779,276,816
Less: Accumulated depreciation					
Infrastructure	(641,678,702)	(79,781,488)	(3,302,928)	8,808,587	(715,954,531)
Revenue vehicles	(341,524,835)	(38,974,295)	101,368	18,475,526	(361,922,236)
Other property and equipment	(294,986,102)	(29,981,835)	3,220,285	67,343,005	(254,404,647)
Land improvements	(9,842,982)	(703,269)	(18,725)	1,441,060	(9,123,916)
Total accumulated depreciation	(1,288,032,621)	(149,440,887)	-	96,068,178	(1,341,405,330)
Capital assets being depreciated, net	2,571,757,698	(124,156,216)	-	(9,729,996)	2,437,871,486
Total capital assets, net	$ 3,104,597,335	$ 11,707,541	$ -	$ (47,595,001)	$ 3,068,709,875

	Balance 12/31/2015	Increases	Transfers	Decreases	Balance 12/31/2016
Capital assets not being depreciated					
Land	$ 120,285,242	$ -	$ -	$ (56,606)	$ 120,228,636
Rights of way	314,026,833	-	-	-	314,026,833
Construction in process	52,277,885	47,091,778	(785,495)	-	98,584,168
Total capital assets not being depreciated	486,589,960	47,091,778	(785,495)	(56,606)	532,839,637
Capital assets being depreciated					
Infrastructure	2,660,455,034	-	-	-	2,660,455,034
Revenue vehicles	778,085,676	690,215	390,458	(10,533,854)	768,632,495
Other property and equipment	420,778,076	308,484	395,037	(951,452)	420,530,145
Land improvements	10,172,645	-	-	-	10,172,645
Total capital assets being depreciated	3,869,491,431	998,699	785,495	(11,485,306)	3,859,790,319
Less: Accumulated depreciation					
Infrastructure	(561,696,515)	(79,982,187)	-	-	(641,678,702)
Revenue vehicles	(313,271,388)	(38,781,665)	-	10,528,218	(341,524,835)
Other property and equipment	(261,499,439)	(34,438,115)	-	951,452	(294,986,102)
Land improvements	(9,456,022)	(386,960)	-	-	(9,842,982)
Total accumulated depreciation	(1,145,923,364)	(153,588,927)	-	11,479,670	(1,288,032,621)
Capital assets being depreciated, net	2,723,568,067	(152,590,228)	785,495	(5,636)	2,571,757,698
Total capital assets, net	$ 3,210,158,027	$ (105,498,450)	$ -	$ (62,242)	$ 3,104,597,335

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.

	2017	2016
Operating assistance		
Federal preventive maintenance grants	$ 61,690,413	$ 59,772,235
Federal operating assistance grants	623,581	3,562,534
	62,313,994	63,334,769
Capital projects		
Federal capital projects	55,040,181	17,054,298
Prior Year Federal capital projects	(1,080,157)	-
	53,960,024	17,054,298
Total federal assistance	$ 116,274,018	$ 80,389,067

	Prior Year Federal Receivables	Received Operating assistance	Received Federal capital projects	Year End Federal Receivables	Total
2017	$ (13,611,438)	$ 43,612,393	$ 42,166,148	$ 44,106,915	$ 116,274,018
2016	$ (4,729,474)	$ 62,709,565	$ 8,797,538	$ 13,611,438	$ 80,389,067

NOTE 6 – SELF-INSURANCE CLAIMS LIABILITY

Changes in the accrued claims liability in 2017 and 2016 were as follows:

	Beginning liability	Changes in estimates	Claim payments	Ending liability
2017	$ 5,095,814	$ 1,082,185	$ (4,682,402)	$ 1,495,597
2016	$ 3,514,558	$ 3,344,989	$ (1,763,733)	$ 5,095,814

NOTE 7 – PENSION PLANS

A. General Information about the Pension Plan

Plan description: The Utah Transit Authority Employee Retirement Plan (the "Plan") is a single-employer defined benefit plan. The Plan's provisions were adopted by a resolution of the Authority's Board of Trustees, which appoints those who serve as trustees of the Plan. Any amendments to the Plan are adopted by a resolution of the Authority's Board of Trustees.

Benefits provided: The Plan covers all eligible employees and provides retirement benefits to Plan members and their beneficiaries. The Plan also provides disability benefits to Plan members. Retirement benefits are as follows:

Final average salary	**Years of service required**	**Age eligibility for benefit**	**Benefit percent per year**
Highest 5 years	5 years	Must be age 55 or older	2% for every year of service. A year of service consists of 1,000 hours worked during a calendar year.

NOTE 7 – PENSION PLANS (continued)

A. General Information about the Pension Plan (continued)

- *Participation: As of December 31, 2017, there were 2,084 active participants, 316 inactive participants, and 561 retirees and beneficiaries.*

- *Contributions:* Through December 31, 2017, contributions to the Plan were recommended by an annual actuarial report and are approved by the Authority's Board of Trustees. As of January 1, 2014, a contribution based on a percentage of payroll was approved by the Authority's Board of Trustees. This percentage will be reviewed by the Board of Trustees annually as updated actuarial valuation reports become available. The Board of Trustees approved a contribution rate of 15% for 2015, and 16% for 2016 through 2034. This contribution rate is consistent with the Authority's adopted Plan funding policy which is focused on restoring the Plan's funding status to 100% within 20 years. Post 2034 contributions are assumed equal to the 8.2% of pay normal cost rate (including administrative expenses) from the 01/01/2015 plan funding valuation. The actual amount contributed by the employer during the 2017 fiscal year was $20,506,163.

- *Reporting* - The Plan issues a publicly available financial report that includes financial statements and required supplementary information of that Plan. This report may be requested from the Authority's Comptroller's Office.

By mail:	Utah Transit Authority Comptroller's Office 669 West 200 South Salt Lake City, UT 84101
By email:	RLamph@rideuta.com
By phone:	(801) 287-2414

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

- *Net pension liability* - At December 31, 2017, the Authority reported a net pension liability of $100,876,554. The net pension liability was measured as of December 31, 2017, and was determined by an actuarial valuation as of January 1, 2017 and rolled-forward using generally accepted actuarial procedures.

- *Deferred outflows of resources and deferred inflows of resources* - At December 31, 2017, 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	$ 1,679,713	$ 4,192,687
Changes of assumptions	2,757,004	8,379,088
Net difference between projected and actual earnings	7,511,590	
Total	$ 11,948,307	$ 12,571,775

NOTE 7 – PENSION PLANS (continued)

B. Pension Assets, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

- *Pension expense* - For the year ended December 31, 2017, the Authority recognized pension expense of $1,178,965. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year ended December 31	Deferred outflows (inflows) of resources
2018	$ 1,178,965
2019	1,178,965
2020	(1,284,118)
2021	(2,652,191)
2022	1,025,966
Thereafter	1,175,881
Total	$ 623,468

- *Actuarial assumptions* - The total pension liability in the January 1, 2017 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, 2017 valuation were based on the results of an actuarial experience study for the five year period ending December 31, 2008.

- *Long-term rate of return:* 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 arithmetic real 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%	6.7%
Fixed Income	22%	4.0%
Liquid Diversifiers	10%	5.1%
Real Assets	4%	6.1%
Cash & Equivalents	1%	2.8%
Total	100%	5.9%

NOTE 7 – PENSION PLANS (continued)

B. Pension Assets, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

The 7.00% assumed investment rate of return is comprised of an inflation rate of 2.30% and a real return of 4.70% net of investment expense.

- *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	$ 344,030,898	$ 305,381,116	$ 273,258,910
Fiduciary net position	204,504,562	204,504,562	204,504,562
Net pension liability	139,526,336	100,876,554	68,754,348

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

	Increase (Decrease)		
	Total Pension Liability [a]	Plan Fiduciary Net Position [b]	Net Pension Liability [a] - [b]
Balances as of December 31, 2016	$ 278,960,378	$ 166,035,257	$ 112,925,121
Changes for the year:			
Service cost	8,368,262	-	8,368,262
Interest on total pension liability	20,368,031	-	20,368,031
Differences between expected and actual experience	4,915,564	-	4,915,564
Changes of assumptions	5,079,447	-	5,079,447
Employer contributions	-	20,506,163	(20,506,163)
Member voluntary contributions	697,576	697,576	-
Net investment income		30,598,620	(30,598,620)
Benefit payments	(13,008,142)	(13,008,142)	-
Administrative expenses		(324,912)	324,912
Balance as of December 31, 2017	$ 305,381,116	$ 204,504,562	$ 100,876,554

NOTE 7 – PENSION PLANS (continued)

C. Defined 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.

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:

Year ending December 31	Principal	Interest	Total
2018	$ 1,550,000	$ 412,650	$ 1,962,650
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
	$ 8,635,000	$ 1,181,119	$ 9,816,119

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

NOTE 8 – LONG TERM DEBT (continued)

B. Series 2006C Revenue Bond (continued)

Debt service requirements to maturity, including interest:

Year ending December 31	Principal	Interest	Total
2018	5,085,000	5,790,881	10,875,881
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
2023-2027	36,775,000	17,571,094	54,346,094
2028-2032	47,785,000	6,533,494	54,318,494
	$ 112,845,000	$ 50,169,394	$ 163,014,394

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

Year ending December 31	Principal	Interest	Total
2018	$ -	$ 200,002	$ 200,002
2019	-	210,188	210,188
2020	-	220,894	220,894
2021	-	232,145	232,145
2022	-	243,968	243,968
2023-2027	-	1,419,382	1,419,382
2028-2032	2,332,069	1,616,630	3,948,699
	$ 2,332,069	$ 4,143,209	$ 6,475,278

NOTE 8 – LONG TERM DEBT (continued)

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

Series 2007A Subordinate Lien Capital Interest Bond

Year ending December 31	Principal	Interest	Total
2018	$ 2,565,000	$ 6,136,875	$ 8,701,875
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
2023-2027	23,405,000	26,189,125	49,594,125
2028-2032	29,220,000	18,831,250	48,051,250
2033-2035	63,270,000	4,850,750	68,120,750
	$ 124,020,000	$ 79,468,500	$ 203,488,500

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.

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:

Year ending December 31	Principal	Interest	Total
2018	$ -	$ 2,850,488	$ 2,850,488
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
	$ 54,295,000	$ 13,204,407	$ 67,499,407

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% of the interest payable on the 2009B bonds. However due to federal sequestration, the Authority's subsidy payments for 2017 were discounted by 6.9%, or $374,863. The Authority has projected a continued discount of this subsidy in 2018 of 6.6%, or $358,564.82.

NOTE 8 – LONG TERM DEBT (continued)

E. Series 2009B Federally Taxable-Issuer Subsidy "Build America Bonds" (continued)

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:

Year ending December 31	Principal	Interest	Total	Scheduled Federal Subsidy Payment
2018	$ -	$ 15,522,287	$ 15,522,287	$ 5,432,800
2019	-	15,522,287	15,522,287	5,432,800
2020	-	15,522,287	15,522,287	5,432,800
2021	-	15,522,287	15,522,287	5,432,800
2022	-	15,522,287	15,522,287	5,432,800
2023-2027	-	77,611,433	77,611,433	27,164,002
2028-2032	32,495,000	74,795,366	107,290,366	26,734,229
2033-2037	132,375,000	49,259,437	181,634,437	19,039,062
2038-2039	96,580,000	6,726,023	103,306,023	-
	$ 261,450,000	$ 286,003,694	$ 547,453,694	$ 100,101,293

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% of the interest payable on the 2010A bonds. However due to federal sequestration, the Authority's subsidy payments for 2017 were discounted by 6.9%, or $275,552. The Authority has projected a continued discount of this subsidy in 2018 of 6.6% or $263,571.

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
2018	$ -	$ 11,410,000	$ 11,410,000	$ 3,993,500
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
2023-2027	-	57,050,000	57,050,000	19,967,500
2028-2032	-	57,050,000	57,050,000	19,967,500
2033-2037	5,970,000	56,879,706	62,849,706	19,967,500
2038-2040	194,030,000	22,155,082	216,185,082	7,694,676
	$ 200,000,000	$ 250,184,788	$ 450,184,788	$ 87,564,676

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:

Year ending December 31	Principal	Interest	Total
2018	$ -	$ 7,844,000	$ 7,844,000
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
2023-2027	-	39,220,000	39,220,000
2028-2032	-	39,220,000	39,220,000
2033-2037	31,600,000	37,768,400	69,368,400
2038-2042	140,000,000	22,462,500	162,462,500
	$ 171,600,000	$ 177,890,900	$ 349,490,900

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.

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:

Year ending December 31	Principal	Interest	Total
2018	$ -	$ 31,072,663	$ 31,072,663
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
2023-2027	157,080,000	132,154,494	289,234,494
2028-2032	201,605,000	83,815,000	285,420,000
2033-2037	227,540,000	38,667,850	266,207,850
2038	51,770,000	1,294,250	53,064,250
	$ 668,655,000	$ 408,467,759	$ 1,077,122,759

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:

Year ending December 31	Principal	Interest	Total
2018	$ -	$ 9,543,250	$ 9,543,250
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
2023-2027	43,610,000	38,373,500	81,983,500
2028-2032	49,205,000	26,799,625	76,004,625
2033-2037	81,625,000	11,419,125	93,044,125
	$ 192,005,000	$ 123,434,875	$ 315,439,875

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 December 31, 2017, $80,370,000 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:

Year ending December 31	Principal	Interest	Total
2018	$ -	$ 4,602,300	$ 4,602,300
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
2023-2027	18,175,000	23,011,500	41,186,500
2028-2031	108,605,000	11,238,050	119,843,050
	$ 126,780,000	$ 57,261,050	$ 184,041,050

NOTE 8 – LONG TERM DEBT (continued)

I. Series 2016 Revenue Bonds (continued)

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:

Year ending December 31	Principal	Interest	Total
2032	$ 18,911,498	$ 13,443,503	$ 32,355,001
	$ 18,911,498	$ 13,443,503	$ 32,355,001

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.

Year ending December 31	Principal	Interest	Total
2028	$ 65,000,000	$ 22,718,868	$ 87,718,868
	$ 65,000,000	$ 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:	$26,665,363

Debt service requirements to maturity, including interest:

Year ending December 31	Principal	Interest	Total
2018	$ -	$ 2,800,924	$ 2,800,924
2019	-	2,905,858	2,905,858
2020	120,575,000	2,905,857	123,480,857
	$ 120,575,000	$ 8,612,639	$ 129,187,639

NOTE 8 – LONG TERM DEBT (continued)

L. 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:

Year ending December 31	Principal	Interest	Total
2018	$ 411,755	$ 86,460	$ 498,215
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
2023-2027	2,175,679	107,805	2,283,484
	$ 4,323,228	$ 451,331	$ 4,774,559

M. 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:

Year ending December 31	Principal	Interest	Total
2018	$ 711,447	$ 20,200	$ 731,647
2019	720,885	10,762	731,647
2020	424,924	1,870	426,794
	$ 1,857,256	$ 32,832	$ 1,890,088

N. 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:

Year ending December 31	Principal	Interest	Total
2018	$ 399,765	$ 5,332	$ 405,097
2019	236,528	926	237,454
	$ 636,293	$ 6,258	$ 642,551

NOTE 8 – LONG TERM DEBT (continued)

O. 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:

Year ending December 31	Principal	Interest	Total
2018	$ 192,520	$ 35,187	$ 227,707
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
2023-2027	1,079,316	59,219	1,138,535
2028	169,623	1,156	170,779
	$ 2,243,724	$ 204,125	$ 2,447,849

P. 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:

Year ending December 31	Principal	Interest	Total
2018	$ 900,226	$ 39,355	$ 939,581
2019	912,006	27,575	939,581
2020	923,940	15,640	939,580
2021	700,881	3,804	704,685
	$ 3,437,053	$ 86,374	$ 3,523,427

Q. 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:

Year ending December 31	Principal	Interest	Total
2018	$ 410,448	$ 11,724	$ 422,172
2019	415,524	6,648	422,172
2020	315,012	1,616	316,628
	$ 1,140,984	$ 19,988	$ 1,160,972

NOTE 8 – LONG TERM DEBT (continued)

R. 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:

Year ending December 31	Principal	Interest	Total
2018	$ 1,942,449	$ 571,221	$ 2,513,670
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
2023-2027	10,503,525	1,098,029	11,601,554
2028-2029	4,349,002	98,261	4,447,263
	$ 24,390,000	$ 3,453,731	$ 27,843,731

S. 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:

Year ending December 31	Principal	Interest	Total
2018	$ 301,820	$ 25,734	$ 327,554
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
	$ 1,444,000	$ 67,793	$ 1,511,793

T. 2017 Issuance 4-Year Lease Financing

Purpose: Acquisition of 36 RideShare vans
Interest rates: 1.7700%
Original amount: $1,307,000

Debt service requirements to maturity, including interest:

Year ending December 31	Principal	Interest	Total
2018	$ 344,899	$ 22,020	$ 366,919
2019	324,287	14,407	338,694
2020	330,074	8,620	338,694
2021	307,740	2,730	310,470
	$ 1,307,000	$ 47,777	$ 1,354,777

NOTE 8 – LONG TERM DEBT (continued)

U. Capital Leased Assets

The following represents the assets acquired through the 2015, 2016 and 2017 series capital leases and the corresponding accumulated depreciation. The 2017 lease was funded November 29, 2017, but subsequent reimbursements to the Authority for vehicle purchases were not received until January 2018, and no 2017 vehicles were capitalized by the end of the fiscal year because they were being unfitted and registered for service after being received late in 2017.

	2015 Series Leases	2016 Series Leases	2017 Series Leases
Revenue vehicles			
12-year lease	$ 4,859,620	$ 2,409,786	-0-
5-year lease	3,626,139	2,085,810	-0-
4-year lease	1,587,375	1,107,052	-0-
Subtotal	$ 10,073,134	5,602,648	-0-
Accumulated depreciation	(3,108,408)	(884,281)	-0-
Total capital assets (net)	$ 6,964,726	$ 4,718,367	-0-

	Balance 12/31/2016	Additions	Reductions	Balance 12/31/2017	Amount 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
	2,092,554,651	198,216,197	(122,887,744)	2,167,883,105	14,815,328
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	
	188,982,964	-	(25,093,221)	163,889,740	
Total bonds	$ 2,281,537,615	$ 198,216,197	$(147,980,965)	$ 2,331,772,845	$ 14,815,328

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, 2017, the Authority also has purchasing commitments for several capital projects. The largest of these commitments are as follows:

- $24.8 million Provo-Orem BRT
- $4.9 million Positive Train Control
- $2.8 million TRAX Airport Relocation Design
- $2.3 million Timpanogos Business Unit Expansion
- $1.0 million Bus Replacements
- $0.9 million Ogden Business Unit Expansion

NOTE 10 –SUBSEQUENT EVENTS

On March 15, 2018, the Authority issued Senior Lien revenue bonds for $83,765,000 and Subordinate Lien revenue bonds for $115,540,000. Proceeds from the Series 2018 Senior Lien bond issue were used to reimburse and fund several capital projects including Positive Train Control, TRAX Airport Station relocation, Local Match for Provo-Orem BRT, design and construction of the Clean Fuel Tech Center (Depot District), TRAX Rail repair on Main & 400 South, Red Light Enforcement at Train Crossings, Tooele Bus Facility purchase and remodel, and 700 South Curve Replacement. Proceeds from the Subordinate Lien bond issue were used to refund the one maturity of the Series 2007A capital appreciation revenue bonds ($3.4 million) and all of the Series 2017A revenue bonds.


FrontRunner Train

The Authority was created pursuant to Utah State law, and the statutes governing such creation and operation are subject to change from time to time. Over the past year, a State legislative task force worked on proposed changes to Utah State law as it relates to the Authority. Senate Bill 136 passed by the Utah Legislature on March 7, 2018 and signed by the Governor March 22, 2018, enacted several changes to UTA governance. Those changes, among other things, (i) reduces the size of the Board of Trustees from 16 part-time members appointed by the local entities within the Authority and various State officials, to a three full-time member board of trustees nominated by the local entities within the Authority and appointed by the Governor of the State with the advice and consent of the State Senate, (ii) provides for a local advisory board to review plans of the Authority, receive public input and provide consultation and advice to the board of trustees regarding management and operation of the Authority, (iii) requires the Authority to obtain approval by the State's Bonding Commission prior to issuing any bonds, (iv) changes the name of the Authority to "Transit District Utah", and (v) requires the transition of legal counsel from in-house counsel to the Utah Attorney General's Office by July 1, 2019. The legislation grants counties the ability to impose transportation/transit sales taxes by a vote of the county governing body rather than referendum and the ability to impose an additional .2% transit sales tax. The legislation also requires that studies relating to the 1) Authority becoming a state agency and 2) the Authority's pension system becoming a part of the

NOTE 10 –SUBSEQUENT EVENTS (continued)

Utah Retirement System must be completed and reported to the Transportation Interim Committee by November 30, 2018 and September 30, 2019, respectively. Senate Bill 136 creates the Transportation and Tax Review Task Force comprised of state senators, representatives, and executive branch representatives which is empowered to review and make recommendations on changes to transportation funding, governance structures relevant to transportation and public transit, improvement to transportation and transit services, and simplifying and modernizing the state's tax system. The Authority cannot predict what additional legislation may be proposed in the future, or what impact, if any, such legislation could have on the Authority.

The Authority has performed an evaluation of subsequent events through April 27, 2018 which is the date the basic financial statements were available to be issued.

Required Supplementary Information

For Fiscal Years Ended
December 31, 2017
and 2016

UTAH TRANSIT AUTHORITY

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

	Year ending December 31,			
	2017	2016	2015	2014
Total Pension Liability				
Service cost	$ 8,368,262	$ 7,711,706	$ 7,545,807	$ 7,284,379
Interest on total pension liability	20,368,031	19,604,345	18,717,411	17,623,248
Member voluntary contributions	697,576	437,923	916,567	275,663
Differences between expected and actual experience	4,915,564	(927,077)	(1,973,177)	-
Changes of assumptions	5,079,447	(3,955,702)	7,725,363	-
Benefit payments	(13,008,142)	(12,980,615)	(11,554,824)	(10,181,732)
Net change in total pension liability	26,420,738	9,890,580	21,377,147	15,001,558
Total pension liability, beginning	278,960,378	269,069,798	247,692,651	232,691,093
Total pension liability, ending (a)	305,381,116	278,960,378	269,069,798	247,692,651
Fiduciary Net Position				
Employer contributions	20,506,163	19,603,952	16,745,254	15,366,694
Member voluntary contributions	697,576	437,923	916,567	275,663
Net investment income	30,598,620	7,591,211	(1,085,458)	5,946,916
Benefit payments	(13,008,142)	(12,980,615)	(11,554,824)	(10,181,732)
Administrative expenses	(324,912)	(249,141)	(244,011)	(219,504)
Net change in plan fiduciary net position	38,469,305	14,403,330	4,777,528	11,188,037
Fiduciary net position, beginning	166,035,257	151,631,927	146,854,399	135,666,362
Fiduciary net position, ending (b)	204,504,562	166,035,257	151,631,927	146,854,399
Net pension liability, ending (a) - (b)	$ 100,876,554	$ 112,925,121	$ 117,437,871	$ 100,838,252
Fiduciary net position as a % of total pension liability	66.97%	59.52%	56.35%	59.29%
Covered payroll	$ 126,690,540	$ 115,430,618	$ 110,727,134	$ 106,004,057
Net pension liability as a % of covered payroll	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.

STATEMENT OF REQUIRED EMPLOYER CONTRIBUTION – 10 YEARS

Year	Actuarially determined contribution	Contributions recognized by the plan	Contribution deficiency (excess)	Covered-employee Payroll	Contributions as a percentage of covered-employee payroll
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%
2008	7,679,956	7,679,956	-	75,324,187	10.20%

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

NOTE 1 – VALUATION DATE

The valuation date is January 1, 2017. This is the date as of which the actuarial valuation is performed. The measurement date is December 31, 2017. This is the date as of which the net pension liability is determined. The reporting date is December 31, 2017. 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, 2017 and 2016

UTAH TRANSIT AUTHORITY

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

	2017 Budget	2017 Actual	Favorable (Unfavorable)
Revenues			
Contributions from other gov'ts, sales tax	$258,109,000	$265,770,775	$7,661,775
Federal preventative maintenance grants	60,676,000	62,313,994	1,637,994
Passenger revenues	53,175,000	52,159,203	(1,015,797)
Advertising	2,333,000	2,366,667	33,667
Investment income	2,098,000	2,873,787	775,787
Other income	12,699,000	3,954,893	(8,744,107)
Total revenues	$389,090,000	$389,439,319	$349,319
Operating Expenses			
Bus services	$90,762,000	$88,928,063	$1,833,937
Rail services	76,253,000	72,895,607	3,357,393
Paratransit services	21,795,000	19,572,367	2,222,633
Other services (less non-operating)	2,576,000	2,313,313	262,687
Operations support	42,154,000	41,932,571	221,429
Administration (less non-operating)	30,911,000	26,537,509	4,373,491
Total operating expenses	$264,451,000	$252,179,430	$12,271,570
Non-Operating Expenses (Revenues)			
Interest expense	$97,174,000	$88,190,962	$8,983,038
Principal	12,670,000	12,252,726	417,274
Non-operating	10,812,000	5,555,198	5,256,802
Total non-operating expenses	$120,656,000	$105,998,886	$14,657,114
Total Operating and Non-Operating Expenses	$385,107,000	$358,178,316	$26,928,684
Capital Expenses (Revenues)			
Federal and local grants	($81,810,000)	($53,960,024)	($27,849,976)
Local contributions	(64,332,000)	(2,850,116)	(61,481,884)
Sale of assets	(9,511,000)	(3,398,553)	(6,112,447)
Capital lease	(49,090,000)	(31,395,382)	(17,694,618)
Project Expenses	245,966,000	155,684,351	90,281,649
Total capital expenses (revenues)	$41,223,000	$64,080,276	($22,857,276)

Project Expenses-less transfers to Capital Assets in 2017	$ (135,081,926)
Capital Maintenance Projects	$ 20,602,425
Total Revenues (Operating and Capital)	$ 481,043,394
- Less Total Expenses (Operating, Non-Operating, and Capital (after Capitalization)	$ (378,780,741)
- Less Depreciation Expense	$ (149,440,887)
+ Plus Principal Payments on Long-term Debt	$ 12,252,726
- Less Sale of Assets (Gross Cash Received)	$ (3,398,553)
- Less Proceeds of Capital Leases	$ (31,395,382)
+ Plus Capital Contributions to Assets	$ 253,148
Change in Net Position (Statement of Revenues, Exenses, and Changes in Net Position)	$ (69,466,295)

Statistical

For Fiscal Year Ended
December 31, 2017
and 2016

UTAH TRANSIT AUTHORITY

NET POSITION AS OF December 31 - 10 years

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Capital Investment in Net Assets	$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	$766,098,289
Restricted	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	3,932,060
Unrestricted	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	439,343,658
Total Net Position	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	1,209,374,007
Restatement	-		(9,497,521)	(115,047,267)	4,931,557					
Total Net Position, Restated	$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	$1,209,374,007

CHANGE IN NET POSITION - 10 YEARS

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Operating Revenues	$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	$34,906,043
Operating Expenses	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	223,794,244
Operating loss	(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)	(188,888,201)
Non-Operating Revenues	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	216,032,690
Income (loss) before capital contributions	(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)	27,144,489
Capital contributions	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	70,106,725
Change in net position	($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	$97,251,214

Revenue History by Source - 10 Years

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Operating	$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	$34,906,043
Sales taxes	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	188,547,380
Investment	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	16,070,989
Other	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	1,425,891
	327,125,325	302,740,568	293,194,736	277,972,335	261,653,292	247,360,721	231,774,151	215,543,543	219,204,751	240,950,303
Federal Grants										
Federal Preventative Maintenance Grants	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	32,908,557
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	12,768,044
Federal Capital Grants	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	65,383,547
	116,274,018	80,389,067	59,819,108	58,780,504	100,523,900	133,874,199	104,183,439	215,865,405	316,726,526	111,060,148
Other Capital Contributions	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	4,723,178
	$446,502,607	$386,239,949	$354,263,456	$340,116,522	$369,762,984	$394,877,718	$336,078,844	$434,455,381	$555,013,117	$356,733,629

Expense History by Function - 10 Years

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Bus Service	$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	$82,136,736
Rail Service	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	29,938,257
Paratransit Service	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	14,879,263
Other Service	2,982,176	2,949,643	2,918,871	3,183,892	701,656	596,583	535,897	589,356	517,571	321,241
Operations Support	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	23,561,835
Administration [1]	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	22,215,090
Depreciation	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	50,741,822
Interest [2]	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	35,455,355
Recoverable Sales Tax, Interlocal [3]	-	810,914	810,914	810,914	810,914	810,914	810,914	810,914	1,099,293	232,816
	$495,366,477	$508,770,126	$475,448,975	$490,748,785	$466,167,911	$368,595,395	$332,220,204	$275,392,001	$280,081,635	$259,482,415

[1] Includes major investment studies

[2] Reported as non-capitalized interest

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

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

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Box Elder [1]	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	1,155,713
Davis	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	17,857,247
Salt Lake	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	125,688,483
Tooele [2]	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	1,221,602
Utah	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	27,401,909
Weber	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	15,222,426
	$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	$188,547,380

[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

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Box Elder	0.5500%	0.5500%	0.5500%	0.5500%	0.5500%	0.5500%	0.5500%	0.5500%	0.5500%	0.3000%
Davis	0.6500%	0.6500%	0.5500%	0.5500%	0.5500%	0.5500%	0.5500%	0.5500%	0.5500%	0.5000%
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%	0.3000%	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%	0.5500%	0.5500%	0.5500%	0.5500%	0.5500%	0.5500%	0.5500%	0.5000%

PRINCIPAL CONTRIBUTORS OF SALES TAX BY COUNTY - 10 YEARS

	2017			2008		
	Rank	Percentage of contributions	Amount	Rank	Percentage of contributions	Amount
Salt Lake County	1	61.48%	$ 163,407,564	1	66.66%	$ 125,688,483
Utah County	2	16.19%	43,023,303	2	14.53%	27,401,909
Davis County	3	11.53%	30,633,547	3	9.47%	17,857,247
Weber County	4	9.20%	24,446,129	4	8.07%	15,222,426
Box Elder County	5	0.74%	1,957,740	6	0.61%	1,155,713
Tooele County	6	0.87%	2,302,492	5	0.65%	1,221,602
			$ 265,770,775			$ 188,547,380

FARES - 10 Years

	2017	2016	2015	2014	2013	2012 (4/1/12)	2011 (5/1/11)	2010 (11/1/10)	2009 (4/1/09)	2008 (1/1/08)
Cash Fares										
Base Fare	$2.50	$2.50	$2.50	$2.50	$2.50	$2.35	$2.25	$2.00	$2.00	$1.75
Senior Citizen/Disabled	1.25	1.25	1.25	1.25	1.25	1.15	1.10	1.00	1.00	0.85
Ski Bus	4.50	4.50	4.50	4.50	4.50	4.25	4.00	3.50	3.50	4.00
Paratransit (Flextrans)	4.00	4.00	4.00	4.00	4.00	3.50	2.75	2.50	2.50	2.25
Commuter Rail Base Rate	2.50	2.50	2.50	2.50	2.50	2.35	2.25	2.00	3.00	2.50
Commuter Rail Additional Station	0.60	0.60	0.60	0.60	0.60	0.55	0.50	0.50	0.50	0.50
Commuter Rail Maximum Rate	10.30	10.30	10.30	10.30	10.30	5.10	5.25	5.00	6.00	5.50
Exrpess	5.50	5.50	5.50	5.50	5.50	5.25	5.00	4.50	4.50	4.00
Streetcar	1.00	1.00	1.00	1.00	1.00	n/a	n/a	n/a	n/a	n/a
Monthly Passes										
Adult	$83.75	$83.75	$83.75	$83.75	$83.75	$78.50	$75.00	$67.00	$67.00	$58.50
Minor	62.75	62.75	62.75	62.75	62.75	58.75	56.25	49.75	49.75	43.50
College Student	62.75	62.75	62.75	62.75	62.75	58.75	56.25	49.75	49.75	43.50
Senior Citizen/Disabled	41.75	41.75	41.75	41.75	41.75	39.25	37.50	33.50	33.50	28.25
Express	198.00	198.00	198.00	198.00	198.00	189.00	180.00	162.00	162.00	145.00
Paratransit	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	84.00	76.00
Other Fares										
Day Pass	$6.25	$6.25	$6.25	$6.25	$6.25	$5.75	$5.50	$5.00	$5.00	$4.50
Group Pass	15.00	15.00	15.00	15.00	15.00	14.00	13.50	12.00	13.75	12.50
Summer Youth	99.00	99.00	99.00	99.00	n/a	n/a	n/a	n/a	99.50	87.00
Token - 10-Pack	22.50	22.50	22.50	22.50	22.50	21.00	20.25	17.75	17.75	17.50
Paratransit - 10-Ride Ticket	40.00	40.00	40.00	40.00	40.00	35.00	30.00	25.00	22.00	20.00
Paratransit - 30-Ride Ticket	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	54.00	48.50
Ski Day Pass	n/a	n/a	n/a	n/a	n/a	n/a	8.00	7.00	7.00	7.00

DEBT SERVICE COVERAGE - 10 YEARS

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Sales Tax	$ 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	$ 188,547,380
Debt Service Requirement										
Principal	8,750,000	13,570,000	11,445,000	7,810,000	7,450,000	7,615,000	7,300,000	6,960,000	6,665,000	6,395,000
Interest Net of Federal Subsidies	77,765,121	94,893,898	84,785,200	91,382,184	84,319,531	71,837,998	71,932,011	63,782,164	59,841,145	43,952,198
Total Debt Service Requirement	$ 86,515,121	$ 108,463,898	$ 96,230,200	$ 99,192,184	$ 91,769,531	$ 79,452,998	$ 79,232,011	$ 70,742,164	$ 66,506,145	$ 50,347,198
Coverage	3.07	2.26	2.37	2.16	2.22	2.48	2.31	2.43	2.58	3.74

Note Does not include Utah Count Provo Orem BRT debt

DEMOGRAPHIC AND ECONOMIC STATISTICS - 10 YEARS

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Population	3,101,833	2,377,256	2,335,999	2,303,781	2,266,836	2,233,268	2,201,736	2,158,269	2,110,991	2,060,110
Income (in millions)	$130,409,737	$93,617,901	$89,319,546	$85,916,480	$82,025,459	$77,738,053	$73,036,786	$71,636,728	$74,033,176	$71,400,077
Per Capita Personal Income	$42,043	$39,381	$38,236	$37,294	$36,185	$34,809	$33,172	$33,192	$35,070	$34,658
Utah Unemployment Rate	3.1%	3.4%	3.5%	3.5%	5.6%	6.0%	7.5%	6.0%	3.7%	2.6%

Source: US Dept of Commerce, Bureau of Economic Analysis, Regional Data (www.bea.gov)
Unemployement rate - Utah Department of Workforce Services
2017 data not available at the time of report

PRINCIPAL EMPLOYERS - 10 YEARS

		2016				2007		
Employer	Industry	Employees	Rank	% Total Employment	Employer	Employees	Rank	% Total Employment
Intermountain Healthcare	Health Care	20,000 +	1	1.4%	Intermountain Health Care	20000+	1	1.5%
University of Utah (Including Hospital)	Higher Education	20,000 +	2	1.4%	State of Utah	20000+	2	1.5%
State of Utah	State Government	20,000 +	3	1.4%	University of Utah	15000-19999	3	1.3%
Brigham Young University	Higher Education	15,000-19,999	4	1.2%	Brigham Young University	15000-19999	4	1.3%
Wal-Mart Associates	Warehouse Clubs/Supercenters	15,000-19,999	5	1.2%	Wal Mart Stores	15000-19999	5	0.9%
Hill Air Force Base	Federal Government	10,000-14,999	6	0.9%	Hill Air Force Base	10000-14999	6	0.9%
Utah State University	Higher Education	7,000-9,999	7	0.6%	Granite School District	7000-9999	9	0.6%
Davis County School District	Public Education	7,000-9,999	8	0.6%	Jordan School District	7000-9999	7	0.6%
Granite School District	Public Education	7,000-9,999	9	0.6%	Utah State University	7000-9999	10	0.5%
Smith's Food and Drug Centers	Grocery Stores	7,000-9,999	10	0.5%	Davis County School District	5000-6999	15	0.5%
Alpine School District	Public Education	7,000-9,999	11	0.5%	Convergys	5000-6999	12	0.5%
Jordan School District	Public Education	5,000-6,999	12	0.5%	Kroger Group	5000-6999	14	0.5%
Salt Lake County	Local Government	5,000-6,999	13	0.5%	Salt Lake County	5000-6999	8	0.6%
U.S. Postal Service	Federal Government	5,000-6,999	14	0.5%	Alpine School District	5000-6999	13	0.5%
Utah Valley University	Higher Education	5,000-6,999	15	0.5%	Internal Revenue Service	5000-6999	29	0.3%

Source: Department of workforce Services
Largest Employers by county https://jobs.utah.gov/wi/data/firm/majoremployers.html
Annual Report of Labor Market Information https://jobs.utah.gov/wi/pubs/em/annual/current/index.html
2017 data not available at time of report

FULL-TIME EQUIVALENT AUTHORITY EMPLOYEES - 10 YEARS

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Bus operations	1,030	1,028	951	945	911	963	950	998	1,023	1,050
Rail operations	580	563	527	542	526	506	425	335	314	293
Paratransit operations	191	192	188	183	176	168	168	140	141	141
Other services	9	9	12	10	10	12	11	11	11	10
Support services	365	366	349	323	335	293	284	239	249	256
Administration	243	212	210	207	195	217	224	238	242	224
Total	2,417	2,368	2,237	2,210	2,153	2,159	2,062	1,961	1,980	1,974

Source: Budget document

TREND STATISTICS - 10 YEARS

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Passengers										
Bus service	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	23,395,624
Rail service	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	16,182,145
Paratransit service	386,977	389,019	388,169	372,499	383,453	715,034	683,336	509,625	500,242	478,242
Vanpool service	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	1,657,697
Total passengers	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	41,713,708
Revenue Miles										
Bus service	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	16,759,734
Rail service	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	4,412,001
Paratransit service	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	2,939,442
Vanpool service	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	9,177,917
Total passengers	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	33,289,094
Total Miles										
Bus service	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	19,398,050
Rail service	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	4,454,559
Paratransit service	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	3,637,255
Vanpool service	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	9,177,917
Total miles	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	36,667,781
Passengers per Mile										
Bus service	1.13	1.30	1.34	1.29	1.25	1.41	1.36	1.32	1.23	1.40
Rail service	1.96	1.97	2.03	2.07	1.95	2.46	2.81	2.78	2.64	3.67
Paratransit service	0.14	0.16	0.17	0.15	0.13	0.22	0.17	0.18	0.17	0.16
Vanpool service	0.20	0.20	0.21	0.20	0.20	0.19	0.18	0.18	0.17	0.18
Total passengers per mile	1.16	1.25	1.28	1.26	1.18	1.27	1.19	1.20	1.13	1.25
Revenue Hours										
Bus service	1,258,448	1,087,055	1,070,139	1,108,894	933,662	834,985	866,268	897,294	904,282	895,943
Rail service	513,389	511,082	506,233	487,435	641,914	536,066	388,826	295,227	374,300	326,610
Paratransit service	162,198	162,734	160,383	164,527	191,016	227,013	300,760	201,994	211,369	208,896
Total revenue hours	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	1,431,449
Passengers per Revenue Hour										
Bus service	15.69	18.43	19.21	18.18	21.10	25.42	24.89	24.20	22.84	26.11
Rail service	46.12	46.50	48.10	49.93	35.54	36.23	43.58	50.10	39.29	49.55
Paratransit service	2.39	2.39	2.42	2.26	2.01	3.15	2.27	2.52	2.37	2.29
Total passengers per mile	22.65	25.09	26.08	25.48	24.28	25.88	25.19	26.54	24.07	27.98
Total System										
Fare revenue	$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	$33,439,374
Operating expense	$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	$173,052,423
Cost per revenue mile	$6.66	$7.36	$6.67	$6.39	$5.78	$5.77	$5.41	$5.46	$5.47	$5.20
Cost per passenger	$5.72	$5.91	$5.19	$5.08	$4.87	$4.55	$4.53	$4.53	$4.86	$4.15
Fare revenue per passenger	$1.16	$1.11	$1.12	$1.11	$1.13	$1.04	$0.98	$0.92	$0.90	$0.80

Note: Does not include commuter bus or contract transportation.

OPERATING INDICATORS AND CAPITAL ASSETS - 10 YEARS

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Number of bus routes*	119	125	126	121	119	125	119	127	128	120
Number of rail routes										
Light rail	4	4	4	4	4	3	3	3	3	3
Commuter rail	1	1	1	1	1	1	1	1	1	1
Average passengers (weekday)	156,288	155,873	161,862	161,339	152,644	152,934	142,186	134,736	141,047	139,911
Buses	582	567	555	535	493	570	495	496	501	481
Paratransit vehicles (buses/vans)	148	129		84	113	110	112	96	101	105
Rail vehicles										
Light rail	146	146	146	146	146	122	122	55	55	55
Commuter rail	81	81	81	81	81	57	55	37	37	34
Vanpool vehicles	453	503	495	479	470	494	485	414	403	452
Park and ride lots[1]		46	41							
Bus stops	6,100	6,196	6,250	6,250	6,273	6,333	6,600	6,645	6,410	6,380
Rail stations										
Light rail	57	57	57	51	51	41	41	28	28	28
Commuter rail	16	16	16	16	16	16	7	8	8	8

* Including flex
[1] As of 2017 started distinguishing between rail and non rail park and ride lots

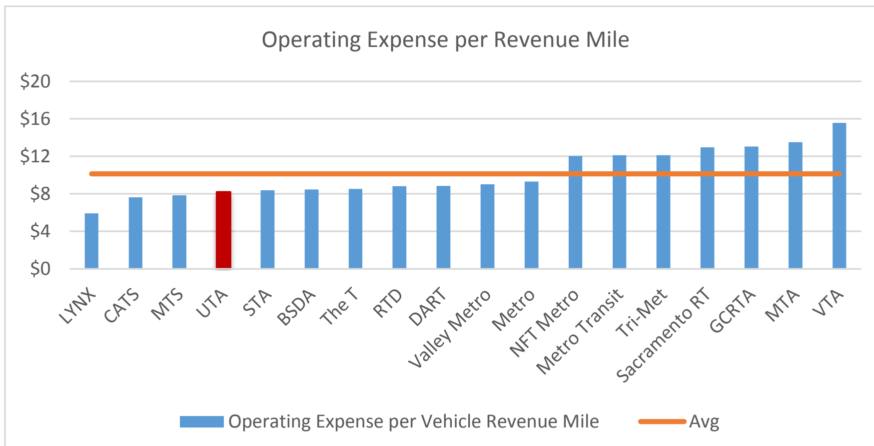
UTA
UTAH TRANSIT AUTHORITY

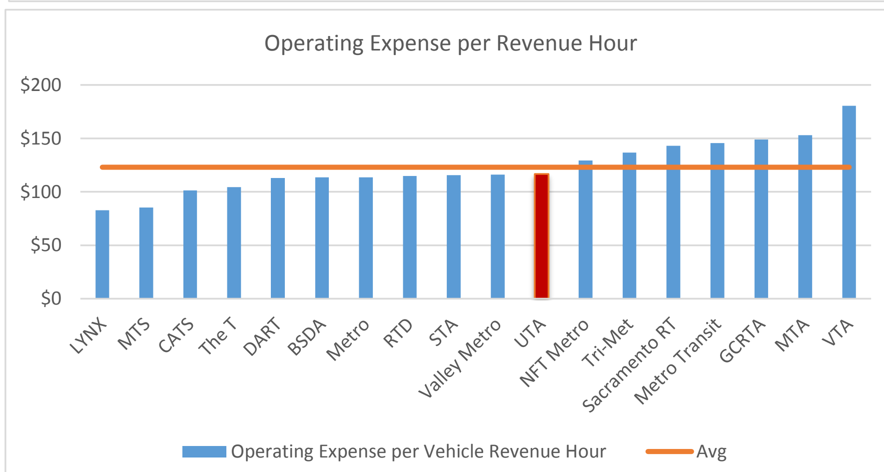
PERFORMANCE MEASURES - BUS SERVICE

The following charts contain information from the Federal Transit Administration's National Transit Database (NTD)) for the most recent year available (2016), and compares the Authority's performance with other like transit agencies.

Service Efficiency

City	Agency	Operating Expense per Vehicle Revenue Mile	Operating Expense per Vehicle Revenue Hour
Salt Lake City, UT	UTA	$ 8.21	$ 116.67
Baltimore, MD	MTA	13.51	153.04
Buffalo, NY	NFT Metro	12.05	129.31
Charlotte, NC	CATS	7.65	101.37
Cleveland, OH	GCRTA	13.05	148.86
Dallas, TX	DART	8.86	112.85
Denver, CO	RTD	8.82	114.86
Ft Worth, TX	The T	8.54	104.30
Houston, TX	Metro	9.33	113.58
Minneapolis, MN	Metro Transit	12.13	145.57
Orlando, FL	LYNX	5.93	82.70
Phoenix, AZ	Valley Metro	9.03	116.01
Portland, OR	Tri-Met	12.14	136.74
Sacramento, CA	Sacramento RT	12.98	142.98
San Diego	MTS	7.83	85.33
San Jose, CA	VTA	15.57	180.58
Spokane, WA	STA	8.38	115.62
St Louis, MO	BSDA	8.49	113.44
Average		$ 10.14	$ 122.99
Maximum		15.57	180.58
Minimum		5.93	82.70
Standard Deviation		2.61	24.71

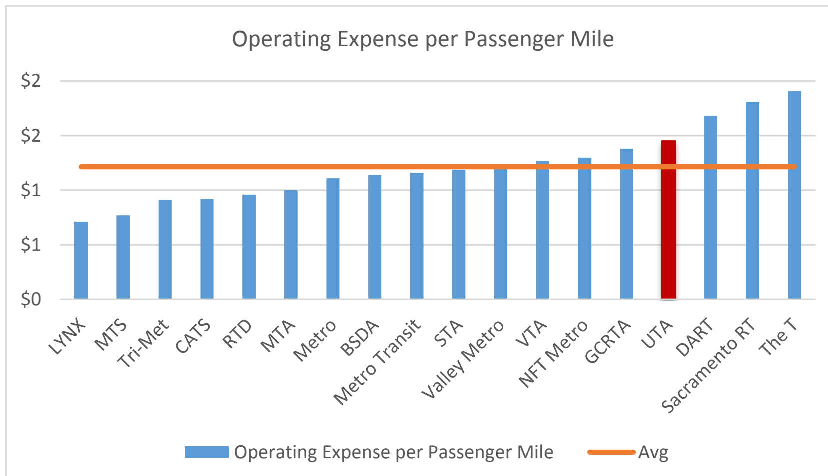


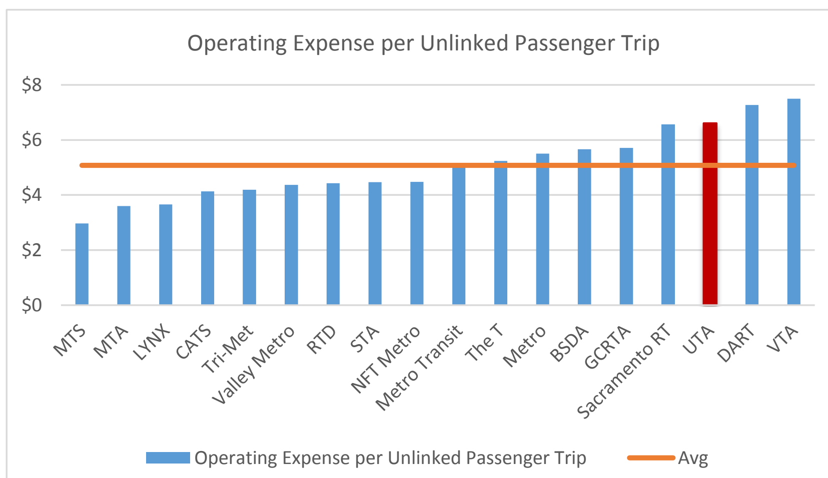


PERFORMANCE MEASURES - BUS SERVICE (continued)

Cost Effectiveness

City	Agency	Operating Expense per Passenger Mile	Operating Expense per Unlinked Passenger Trip
Salt Lake City, UT	UTA	$ 1.45	$ 6.61
Baltimore, MD	MTA	1.00	3.60
Buffalo, NY	NFT Metro	1.30	4.48
Charlotte, NC	CATS	0.92	4.13
Cleveland, OH	GCRTA	1.38	5.71
Dallas, TX	DART	1.68	7.27
Denver, CO	RTD	0.96	4.43
Ft Worth, TX	The T	1.91	5.24
Houston, TX	Metro	1.11	5.50
Minneapolis, MN	Metro Transit	1.16	5.06
Orlando, FL	LYNX	0.71	3.66
Phoenix, AZ	Valley Metro	1.20	4.37
Portland, OR	Tri-Met	0.91	4.19
Sacramento, CA	Sacramento RT	1.81	6.55
San Diego	MTS	0.77	2.97
San Jose, CA	VTA	1.27	7.50
Spokane, WA	STA	1.19	4.47
St Louis, MO	BSDA	1.14	5.66
Average		$ 1.22	$ 5.08
Maximum		1.91	7.50
Minimum		0.71	2.97
Standard Deviation		0.34	1.29

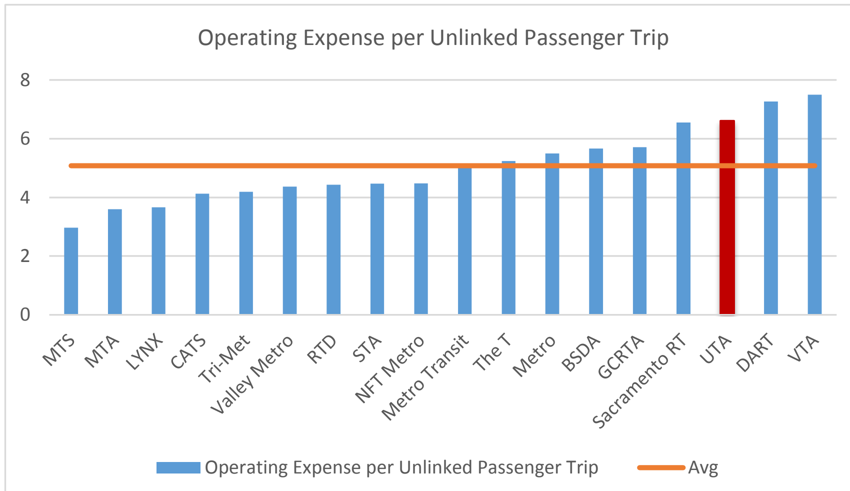


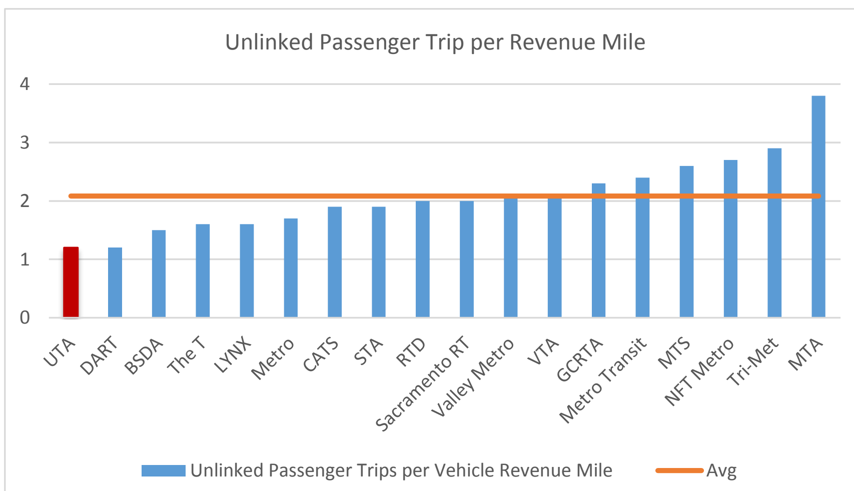


PERFORMANCE MEASURES - BUS SERVICE (continued)

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	17.70
Baltimore, MD	MTA	3.80	42.50
Buffalo, NY	NFT Metro	2.70	28.90
Charlotte, NC	CATS	1.90	24.50
Cleveland, OH	GCRTA	2.30	26.10
Dallas, TX	DART	1.20	15.50
Denver, CO	RTD	2.00	26.00
Ft Worth, TX	The T	1.60	19.90
Houston, TX	Metro	1.70	20.60
Minneapolis, MN	Metro Transit	2.40	28.80
Orlando, FL	LYNX	1.60	22.60
Phoenix, AZ	Valley Metro	2.10	26.50
Portland, OR	Tri-Met	2.90	32.70
Sacramento, CA	Sacramento RT	2.00	21.80
San Diego	MTS	2.60	28.70
San Jose, CA	VTA	2.10	24.10
Spokane, WA	STA	1.90	25.80
St Louis, MO	BSDA	1.50	20.00
Average		2.08	25.15
Maximum		3.80	42.50
Minimum		1.20	15.50
Standard Deviation		0.64	6.16



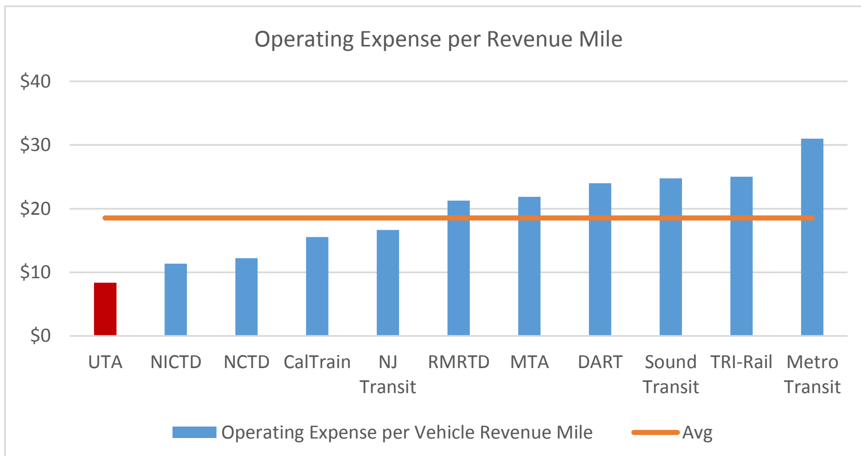


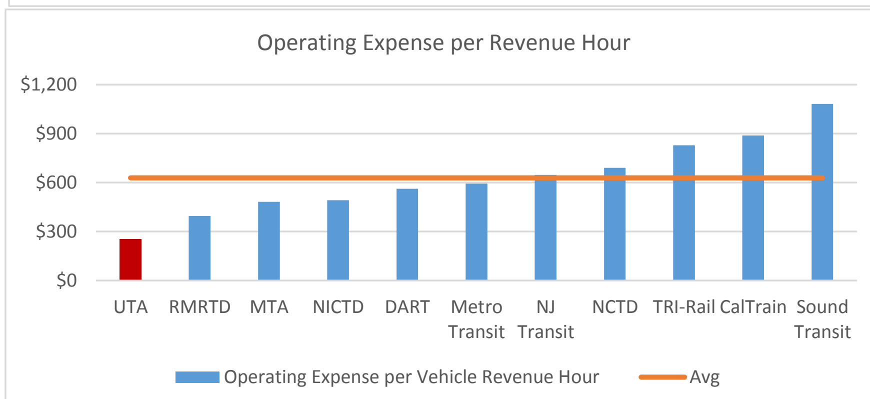
PERFORMANCE MEASURES - COMMUTER RAIL

The following charts contain information from the Federal Transit Administration's National Transit Database (NTD)) for the most recent year available (2016), and compares the Authority's performance with other like transit agencies.

Service Efficiency

City	Agency	Operating Expense per Vehicle Revenue Mile	Operating Expense per Vehicle Revenue Hour
Salt Lake City, UT	UTA	$ 8.37	$ 289.71
Albuquerque, NM	RMRTD	21.28	814.30
Baltimore, MD	MTA	21.85	841.15
Chesterton, IN	NICTD	11.36	410.20
Dallas, TX	DART	24.01	564.41
Minneapolis, MN	Metro Transit	30.99	1,222.41
Newark, NJ	NJ Transit	16.66	551.38
Oceanside, CA	NCTD	12.20	482.86
Pompano Beach, FL	TRI-Rail	25.03	721.81
San Carlos, CA	CalTrain	15.55	549.24
Seattle, WA	Sound Transit	24.75	749.30
Average		$ 19.28	$ 654.25
Maximum		30.99	1,222.41
Minimum		8.37	289.71
Standard Deviation		6.97	254.65

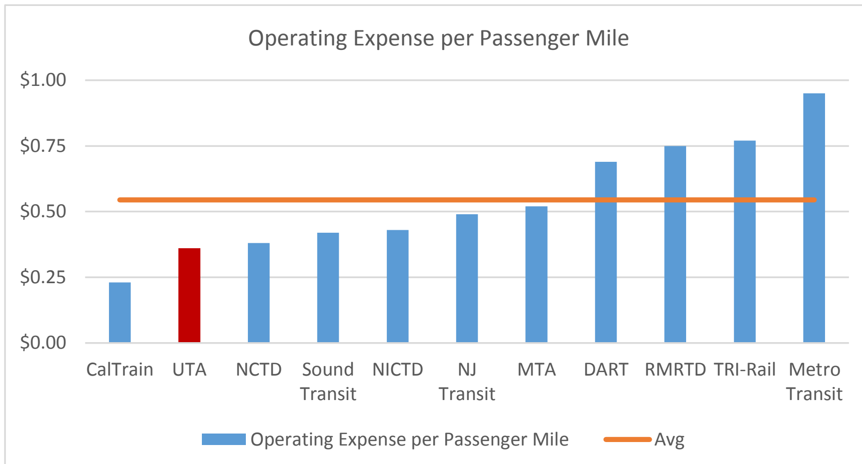


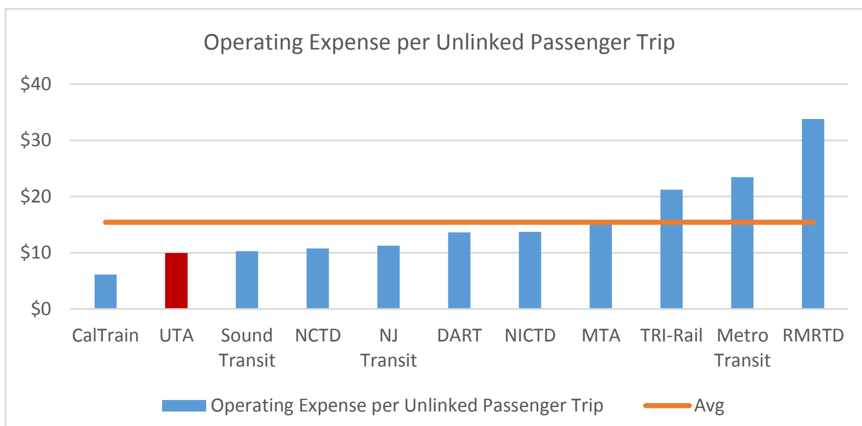


PERFORMANCE MEASURES - COMMUTER RAIL (continued)

Cost Effectiveness

City	Agency	Operating Expense per Vehicle Revenue Mile	Operating Expense per Vehicle Revenue Hour
Salt Lake City, UT	UTA	$ 0.36	$ 9.95
Albuquerque, NM	RMRTD	0.75	33.78
Baltimore, MD	MTA	0.52	15.57
Chesterton, IN	NICTD	0.43	13.72
Dallas, TX	DART	0.69	13.62
Minneapolis, MN	Metro Transit	0.95	23.45
Newark, NJ	NJ Transit	0.49	11.25
Oceanside, CA	NCTD	0.38	10.76
Pompano Beach, FL	TRI-Rail	0.77	21.22
San Carlos, CA	CalTrain	0.23	6.11
Seattle, WA	Sound Transit	0.42	10.30
Average		$ 0.54	$ 15.43
Maximum		0.95	33.78
Minimum		0.23	6.11
Standard Deviation		0.22	7.89

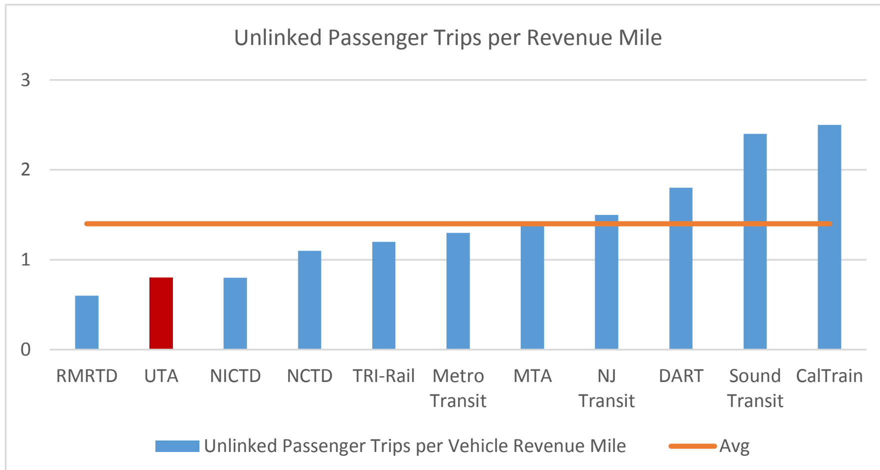


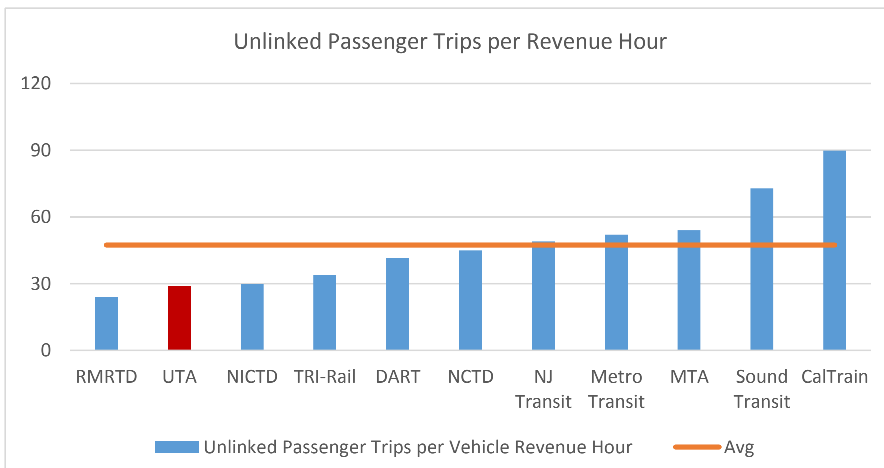


PERFORMANCE MEASURES - COMMUTER RAIL (continued)

Service Effectiveness

City	Agency	Unlinked Passenger Trips per Vehicle Revenue Mile	Unlinked Passenger Trips per Vehicle Revenue Hour
Salt Lake City, UT	UTA	0.80	29.10
Albuquerque, NM	RMRTD	0.60	24.10
Baltimore, MD	MTA	1.40	54.00
Chesterton, IN	NICTD	0.80	29.90
Dallas, TX	DART	1.80	41.50
Minneapolis, MN	Metro Transit	1.30	52.10
Newark, NJ	NJ Transit	1.50	49.00
Oceanside, CA	NCTD	1.10	44.90
Pompano Beach, FL	TRI-Rail	1.20	34.00
San Carlos, CA	CalTrain	2.50	89.80
Seattle, WA	Sound Transit	2.40	72.80
Average		1.40	47.38
Maximum		2.50	89.80
Minimum		0.60	24.10
Standard Deviation		0.62	19.79



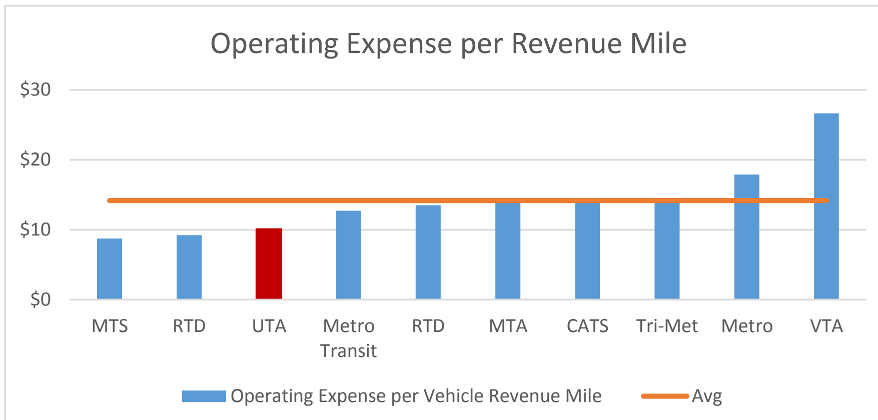


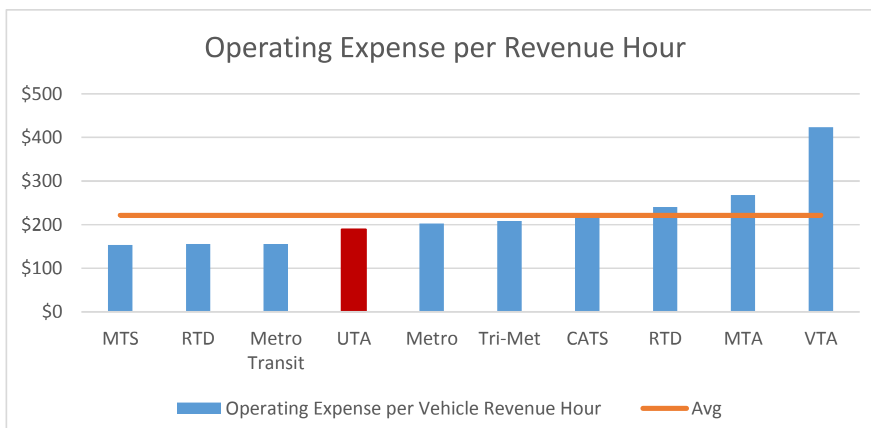
PERFORMANCE MEASURES - LIGHT RAIL

The following charts contain information from the Federal Transit Administration's National Transit Database (NTD)) for the most recent year available (2016), and compares the Authority's performance with other like transit agencies.

Service Efficiency

City	Agency	Operating Expense per Vehicle Revenue Mile	Operating Expense per Vehicle Revenue Hour
Salt Lake City, UT	UTA	$ 10.08	$ 189.33
Baltimore, MD	MTA	13.87	268.32
Charlotte, NC	CATS	14.49	220.58
Denver, CO	RTD	9.21	155.16
Houston, TX	Metro	17.90	202.45
Minneapolis, MN	Metro Transit	12.73	155.21
Portland, OR	Tri-Met	14.53	208.72
Sacramento, CA	RTD	13.49	240.34
San Diego, CA	MTS	8.71	153.27
San Jose, CA	VTA	26.63	423.09
Average		$ 14.16	$ 221.65
Maximum		26.63	423.09
Minimum		8.71	153.27
Standard Deviation		5.20	80.41

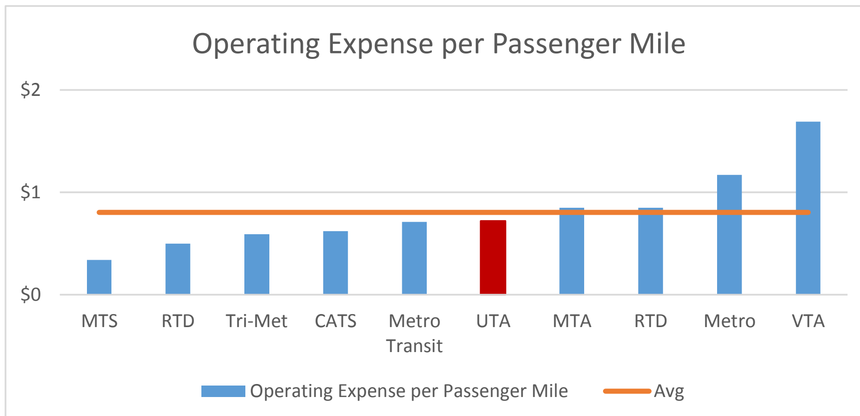


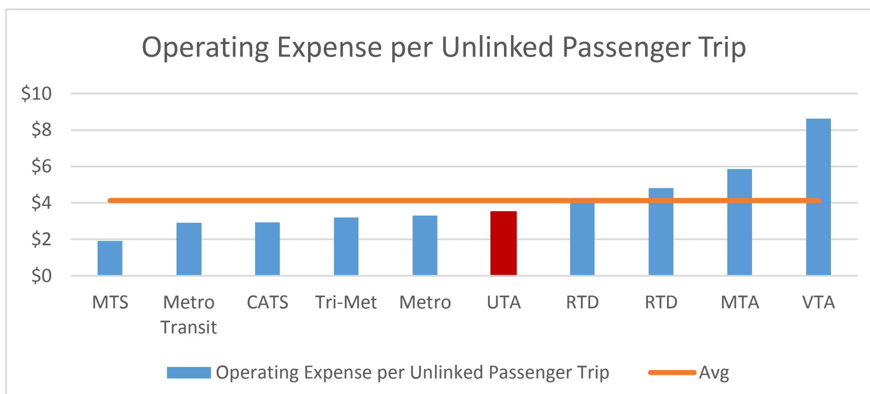


PERFORMANCE MEASURES - LIGHT RAIL (continued)

Cost Effectiveness

City	Agency	Operating Expense per Passenger Mile	Operating Expense per Unlinked Passenger Trip
Salt Lake City, UT	UTA	$ 0.72	$ 3.50
Baltimore, MD	MTA	0.85	5.86
Charlotte, NC	CATS	0.62	2.93
Denver, CO	RTD	0.50	4.26
Houston, TX	Metro	1.17	3.30
Minneapolis, MN	Metro Transit	0.71	2.90
Portland, OR	Tri-Met	0.59	3.20
Sacramento, CA	RTD	0.85	4.82
San Diego, CA	MTS	0.34	1.91
San Jose, CA	VTA	1.69	8.62
Average		$ 0.80	$ 4.13
Maximum		1.69	8.62
Minimum		0.34	1.91
Standard Deviation		0.38	1.93

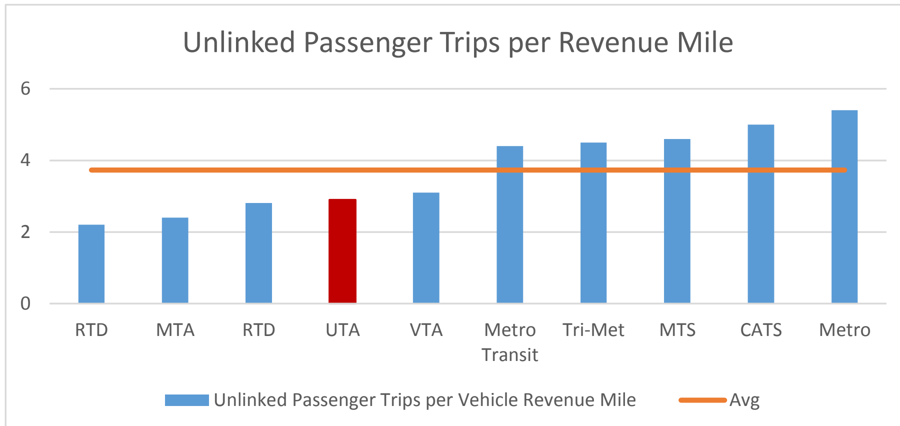


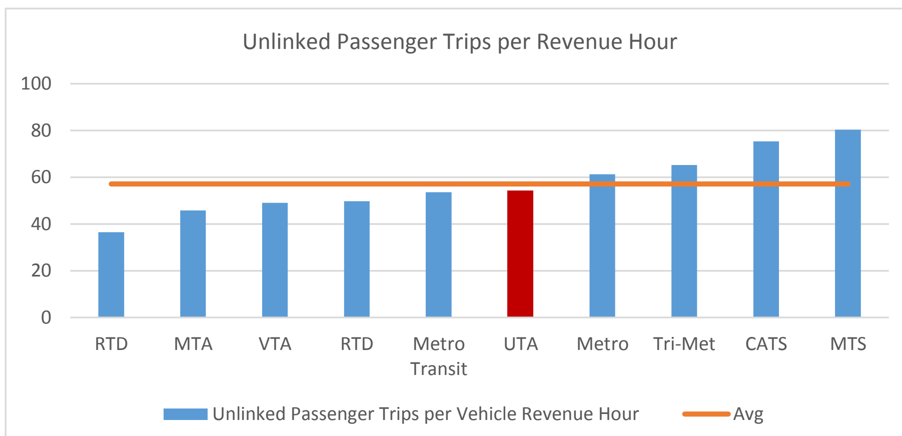


PERFORMANCE MEASURES - LIGHT RAIL (continued)

Service Effectiveness

City	Agency	Unlinked Passenger Trips per Vehicle Revenue Mile	Unlinked Passenger Trips per Vehicle Revenue Hour
Salt Lake City, UT	UTA	2.90	54.20
Baltimore, MD	MTA	2.40	45.80
Charlotte, NC	CATS	5.00	75.30
Denver, CO	RTD	2.20	36.50
Houston, TX	Metro	5.40	61.30
Minneapolis, MN	Metro Transit	4.40	53.60
Portland, OR	Tri-Met	4.50	65.20
Sacramento, CA	RTD	2.80	49.80
San Diego, CA	MTS	4.60	80.40
San Jose, CA	VTA	3.10	49.10
Average		3.73	57.12
Maximum		5.40	80.40
Minimum		2.20	36.50
Standard Deviation		1.17	13.53



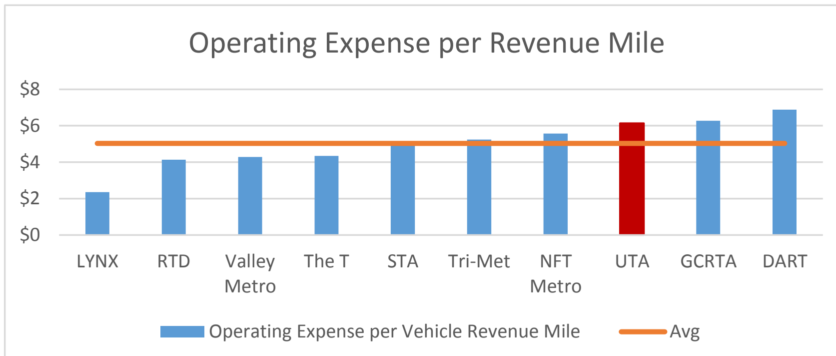


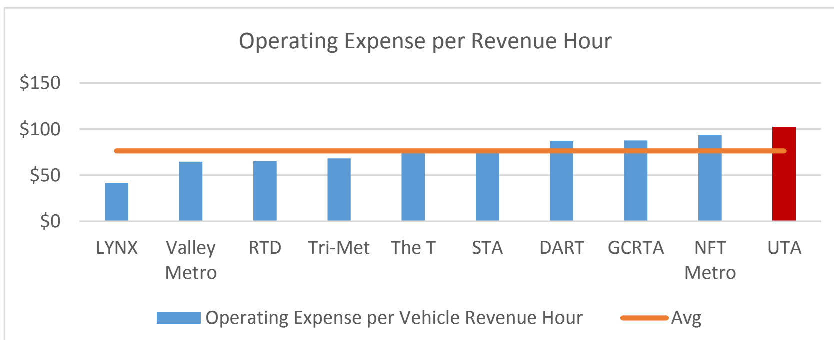
PERFORMANCE MEASURES - DEMAND RESPONSE

The following charts contain information from the Federal Transit Administration's National Transit Database (NTD)) for the most recent year available (2016), 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	$ 6.14	$ 102.14
Buffalo, NY	NFT Metro	5.57	93.40
Cleveland, OH	GCRTA	6.28	87.75
Dallas, TX	DART	6.87	86.84
Denver, CO	RTD	4.13	65.31
Fort Worth, TX	The T	4.35	75.29
Orlando, FL	LYNX	2.35	41.40
Phoenix, AZ	Valley Metro	4.29	64.62
Portland, OR	Tri-Met	5.25	68.39
Spokane, WA	STA	5.08	78.60
Average		$ 5.03	$ 76.37
Maximum		6.87	102.14
Minimum		2.35	41.40
Standard Deviation		1.31	17.47

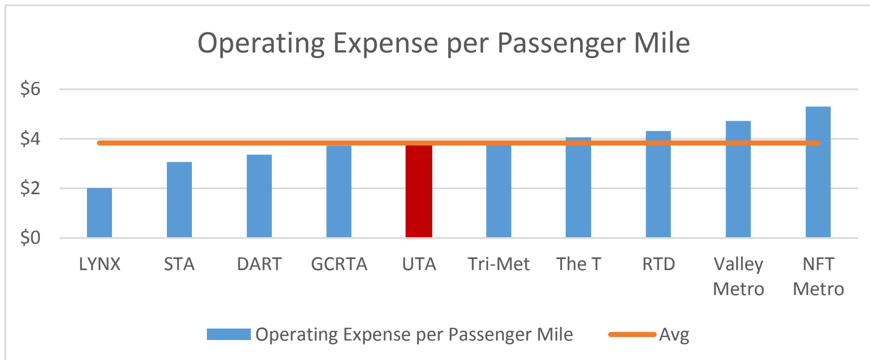


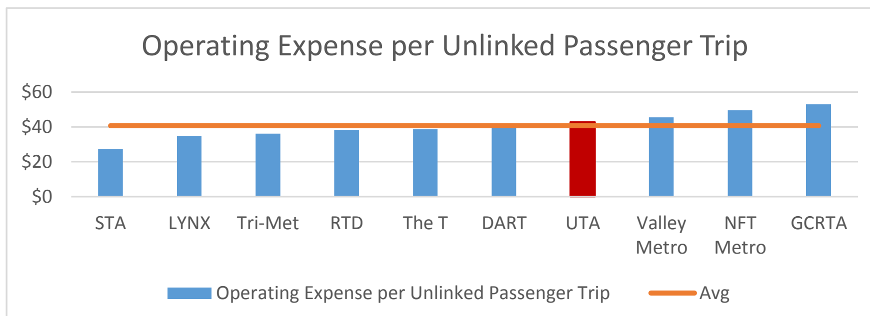


PERFORMANCE MEASURES - DEMAND RESPONSE (continued)

Cost Effectiveness

City	Agency	Operating Expense per Passenger Mile	Operating Expense per Unlinked Passenger Trip
Salt Lake City, UT	UTA	$ 3.87	$ 42.73
Buffalo, NY	NFT Metro	5.30	49.58
Cleveland, OH	GCRTA	3.72	52.97
Dallas, TX	DART	3.36	40.76
Denver, CO	RTD	4.32	38.26
Fort Worth, TX	The T	4.05	38.58
Orlando, FL	LYNX	2.01	34.81
Phoenix, AZ	Valley Metro	4.72	45.46
Portland, OR	Tri-Met	3.90	36.04
Spokane, WA	STA	3.07	27.32
Average		$ 3.83	$ 40.65
Maximum		5.30	52.97
Minimum		2.01	27.32
Standard Deviation		0.90	7.47

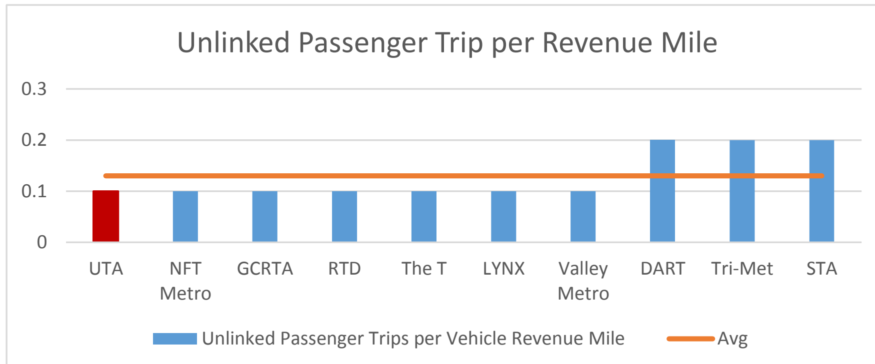


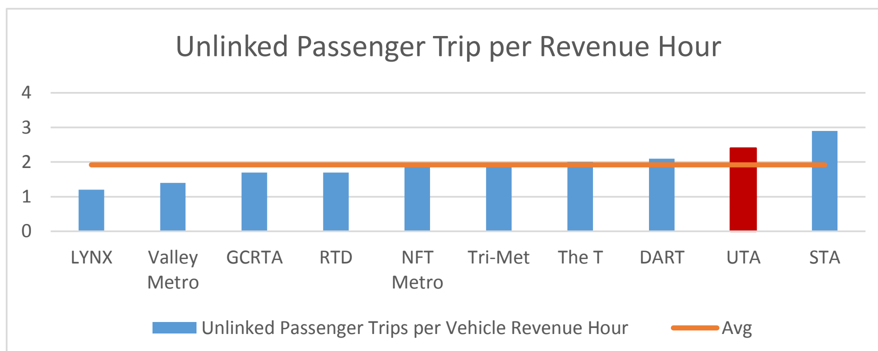


PERFORMANCE MEASURES - DEMAND RESPONSE (continued)

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	1.70
Dallas, TX	DART	0.20	2.10
Denver, CO	RTD	0.10	1.70
Fort Worth, TX	The T	0.10	2.00
Orlando, FL	LYNX	0.10	1.20
Phoenix, AZ	Valley Metro	0.10	1.40
Portland, OR	Tri-Met	0.20	1.90
Spokane, WA	STA	0.20	2.90
Average		0.13	1.92
Maximum		0.20	2.90
Minimum		0.10	1.20
Standard Deviation		0.05	0.48





Compliance

For Fiscal Years Ended
December 31, 2017
and 2016

UTAH TRANSIT AUTHORITY

Keddington & Christensen, LLC
Certified Public Accountants

Gary K. Keddington, CPA
Phyl R. Warnock, CPA
Marcus K. Arbuckle, CPA

INDEPDENDENT 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 Utah Transit Authority (the "Authority") as of and for the years ended December 31, 2017 and 2016, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated May 29, 2018.

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.

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 statements 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

Keddington & Christensen, LLC
Salt Lake City
May 29, 2018

Keddington & Christensen, LLC
Certified Public Accountants

Gary K. Keddington, CPA
Phyl R. Warnock, CPA
Marcus K. Arbuckle, 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, 2017. 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 each major federal program. However, our audit does not provide a legal determination of the Authority's compliance.

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1455 West 2200 South, Suite 201
Salt Lake City, Utah 84119

Basis for Qualified Opinion on Federal Transit 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) described in finding number 2017-001 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 that program.

Qualified Opinion on Federal Transit 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 for the year ended December 31, 2017.

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.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2017-001, that we consider to be a material weakness.

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

Keddington & Christensen, LLC
Salt Lake City, Utah
May 29, 2018

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS for the year ending December 31, 2017

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA 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			$ 66,242
Federal Transit - Capital investment Grants	20.500			4,982
Federal Transit - Capital investment Grants	20.500			191,514
Federal Transit - Capital investment Grants	20.500			38,987,676
Federal Transit - Capital investment Grants	20.500			4,273,770
Federal Transit - Capital investment Grants	20.500			24,815
Federal Transit - Capital investment Grants	20.500			2,829,086
Total Federal Transit - Capital investment Grants				46,378,085
Federal Transit - Formula Grant	20.507			200,754
Federal Transit - Formula Grant	20.507			874,660
Federal Transit - Formula Grant	20.507			1,466,969
Federal Transit - Formula Grant	20.507			46,495,102
Total Federal Transit - Formula Grant				49,037,485
Federal Transit - State of Good Repair Grants Program	20.525			12,973,066
Bus and Bus Facilities Formula Program	20.526			5,346,689
Federal Transit Cluster - Federal Transit Administration Programs Total				**$ 113,735,325**
Transit Services Programs Cluster - Federal Transit Administration Programs				
Federal Transit - Enahanced Mobility for Seniors and Individuals with Disabilities	20.513		$ 179,991	$ 303,545
Federal Transit - Enahanced Mobility for Seniors and Individuals with Disabilities	20.513		54,990	172,331
Federal Transit - Enahanced Mobility for Seniors and Individuals with Disabilities	20.513			11,824
Federal Transit - Enahanced Mobility for Seniors and Individuals with Disabilities	20.513			7,793
Federal Transit - Enahanced Mobility for Seniors and Individuals with Disabilities	20.513			26,767
Total Federal Transit - Enahanced Mobility for Seniors and Individuals with Disabilities			234,981	522,260
Utah Department of Transportation - Job Access and Reverse Commute Program	20.516	11-8785		133,233
Utah Department of Transportation - Job Access and Reverse Commute Program	20.516	17-8233		134,519
Total Utah Department of Transportation - Job Access and Reverse Commute Program				267,752
Utah Department of Transportation - New Freedom Program	20.521	17-8233		134,519
Transit Services Program Cluster - Federal Transit Administration Programs total			**$ 234,981**	**$ 924,531**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS for the year ending December 31, 2017 (Continued)

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
Highway Planning & Construction Cluster - Federal Highway Administration Programs				
Federal Transit Administration - Highway Planning and Construction (CMAQ)	20.205	CMAQ-PM2.5		$ 623,581
Utah Department of Transportation - Highway Planning and Construction (CMAQ)	20.205	17-8508		120,245
Highway Planning & Construction Cluster - Federal Highway Administration Programs total				$ 743,826
Federal Railroad Administration Program				
Railroad Safety Technology Grants	20.321			$ 1,696,787
Federal Transit Administration Programs				
Federal Transit - Public Transportation Research	20.514			46,500
Federal Transit - Public Transportation Research	20.514			41,120
Total Federal Transit - Public Transportation Research				87,620
Total U.S. Department of Transportation			**$ 234,981**	**$ 117,188,089**
Department of Housing and Urban Development				
Salt Lake County - Community Development Block Grant	14.225	1812JH		31,061
Total Department of Housing and Urban Development				**$ 31,061**
Department of Homeland Security				
FEMA Rail and Transit Security Grant Program	97.075			67,416
FEMA Rail and Transit Security Grant Program	97.075			67,509
FEMA Rail and Transit Security Grant Program	97.075			-
Total Department of Homeland Security				$ 134,925
Total Federal Awards Expended			**$ 234,981**	**$ 117,354,075**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS for the year ending December 31, 2017 (Continued)

Reconciliation of federal expenditures to federal revenues	
Comparative Statement of Revenues, Expenses and Change in Net Position (2017)	
Federal preventative maintenance grants	$ 62,313,994
Capital Contributions: Federal grants	53,960,024
Total per Comparative Statement of Revenues, Expenses and Change in Net Position (2017)	116,274,018
Total per Schedule of Expenditures of Federal Awards for the year ending December 31, 2017	117,354,075
Difference	$ (1,080,057)

Previous Over/(Under)stated Revenues reflected in 2017 Statement of Revenues, Expenses and Change in Net Position

Federal Transit Administration Direct Programs	**CFDA#**	**Grant #**	**Amount**
Federal Transit – Capital Investment Grants	20.500	UT-03-0071	$ 1,080,481
Federal Transit – Capital Investment Grants	20.500	UT-04-0026	(473)
Federal Transit – Capital Investment Grants	20.500	UT-79-0001	(7,706)
Federal Transit – Capital Investment Grants	20.500	UT-04-0025	242
Total Federal Transit – Capital Investment Grants			1,072,544
Federal Transit – Formula Grant	20.507	UT-90-X071	30
Federal Transit – Formula Grant	20.507	UT-90-X073	(770)
Total Federal Transit – Formula Grant			740
Federal Transit Administration Direct Programs Total			**1,071,804**
Transit Services Program Cluster			
New Freedom Program	20.521	11-8785	8,253
Transit Services Program Cluster Total			8,253
Total Adjustment			**$ 1,080,057**

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, 2017.

D. Subrecipients

The Authority provided $234,981 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.

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? ____yes _X_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

Dollar threshold used to distinguish between Type A and Type B Programs $ 3,000,000

Auditee qualified as low-risk auditee? ____yes _X_no

Section II. Financial Statement Findings

None reported.

Section III. Federal Award Findings and Questions Cost

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.

Views of Responsible Officials and Planned Corrective Action: 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, 2017
and 2016

UTAH TRANSIT AUTHORITY

K&C

Keddington & Christensen, LLC
Certified Public Accountants

Gary K. Keddington, CPA
Phyl R. Warnock, CPA
Marcus K. Arbuckle, 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 with General State Compliance Requirements

We have audited Utah Transit Authority's (the "Authority") compliance with the applicable general state compliance requirements described in the *State Compliance Audit Guide,* issued by the Office of the Utah State Auditor, that could have a direct and material effect on the Authority for the year ended December 31, 2017.

General state compliance requirements were tested for the year ended December 31, 2017 in the following areas:

Budgetary Compliance
Fund Balance
Restricted Taxes
Open and Public Meetings Act
Treasurer's Bond

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 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.

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Salt Lake City, Utah 84119

Opinion on General State Compliance Requirements

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, 2017.

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

Keddington & Christensen, LLC
Salt Lake City, Utah
May 29, 2018

Keddington & Christensen, LLC
Certified Public Accountants

Gary K. Keddington, CPA
Phyl R. Warnock, CPA
Marcus K. Arbuckle, CPA

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

The Board of Trustees
Utah Transit Authority

The Federal Transit Authority (FTA) has established the following standards with regard to the data reported to it in the Federal Funding Allocation Statistics form (FFA-10) of the Utah Transit Authority's (UTA) annual National Transit Database (NTD) report:

- A system is in place and maintained for recording data in accordance with NTD definitions. The correct data are being measured and no systematic errors exist.
- A system is in place to record data on a continuing basis, and the data gathering is an ongoing effort.
- Source documents are available to support the reported data and are maintained for FTA review and audit for a minimum of three years following FTA's receipt of the NTD report. The data are fully documented and securely stored.
- A system of internal controls is in place to ensure the data collection process is accurate and that the recording system and reported comments are not altered. Documents are reviewed and signed by a supervisor, as required.
- The data collection methods are those suggested by FTA or otherwise meet FTA requirements.
- The deadhead miles, computed as the difference between the reported total actual vehicle miles data and the reported total actual vehicle revenue miles (VRM) data, appear to be accurate.
- Data are consistent with prior reporting periods and other facts known about transit agency operations.

We have applied the procedures to the data contained in the accompanying FFA-10 form for the year ending December 31, 2017. Such procedures, which were agreed to and specified by FTA in Exhibit 68 of the Declarations section of the *2017 NTD Policy Manual* and were agreed to by UTA, were applied to assist you in evaluating whether UTA complied with the standards described in the first paragraph of this part and that the information included in the NTD report Federal Funding Allocation Statistics form for the year ending December 31, 2017 is presented in conformity with the requirements of the Uniform System of Accounts (USOA) and Records and Reporting System; Final Rule, as specified in 49 CFR Part 630, Federal Register, dated January 15, 1993 and as presented in the *2017 NTD Policy Manual*. This report is intended solely for your information and for FTA and should not be used by those who did not participate in determining the procedures.

UTA's management is responsible for UTA's compliance with those requirements, including preparation of the NTD report FFA-10 form for the year ended December 31, 2017. This agreed-upon engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described above either for the purpose for which this report has been requested or for any other purpose.

The procedures were applied separately to each of the information systems used to develop the reported actual vehicle revenue miles (VRM), fixed guideway directional route miles (FG DRM), passenger miles traveled (PMT), and operating expenses (OE) of UTA for the year ending December 31, 2017, for each of the following modes:

- Motor Bus—directly operated
- Motor Bus—purchased transportation
- Demand Response—directly operated
- Demand Response—purchased transportation
- Van Pool—directly operated
- Light Rail—directly operated
- Commuter Bus—directly operated
- Commuter Rail—directly operated

The following information and findings came to our attention as a result of performing the procedures described above as specified in the *2017 NTD Policy Manual*.

2017 NTD Policy Manual Exhibit 68 procedure 'y':

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

Findings:
The Authority could not provide documentation used for determining the allocation method. We were therefore unable to verify the allocation method between UZAs and non-UZAs. This finding relates to the following modes:

- Motor Bus—directly operated
- Commuter Bus—directly operated
- Commuter Rail—directly operated

2017 NTD Policy Manual Exhibit 68 procedure 'z':

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

***2017 NTD Policy Manual* Exhibit 68 procedure ‘z’ (Continued)**:

Findings:
We compared the 2017 VRM, PMT, and OE, as well as FG DRM data to the information reporting in the prior year and determined there was a decrease in OE of 23.86%. Upon inquiry of Stephanie Martin (Accounting and Data Analyst): OE decreased due to an adjustment to account allocations. She went through every account, and reassigned a number of them to more realistic allocations. This resulted in the decrease in OE.

- Commuter Rail—directly operated

We compared the 2017 VRM, PMT, and OE, as well as FG DRM data to the information reporting in the prior year and determined there was an increase in PMT of 27.29%. Upon inquiry of Stephanie Martin (Accounting and Data Analyst): PMT changed because average trip length changed. The 100% sampling of all trips increased from 4.02 to 4.46. This resulted in an increase in PMT.

- Motor Bus—purchased transportation

We were not engaged to, and did not, conduct an examination, the objective of which would be the expression of an opinion on compliance. Accordingly, we do not express such an opinion. Also, we do not express an opinion on UTA’s system of internal control taken as a whole. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you. This report relates only to the information described above, and does not extend to UTA’s financial statements taken as a whole, or the forms in UTA’s NTD report other than the Federal Funding Allocation Statistics Form (FFA-10) for any date or period.

This report is intended solely for your information and the use of the board of trustees and management of UTA and of FTA and is not intended to be and should not be used by anyone other than the specified parties.

Keddington & Christensen, LLC

Keddington & Christensen, LLC
Salt Lake City, Utah
May 10, 2018

UTAH TRANSIT AUTHORITY BOARD OF TRUSTEES

Agenda Item Coversheet

DATE:	**June 13, 2018**
CONTACT PERSON:	**Robert Biles, VP Finance** **Troy Bingham, Comptroller**
SUBJECT:	**2017 UTA Pension Audit Report**
BACKGROUND:	The audit firm of Keddington and Christensen has conducted the 2017 financial audit in accordance with federal, state, and UTA Board requirements. Representatives from Keddington and Christensen will be attendance at the meeting to present their audit report.
PREFERRED ALTERNATIVE:	• Receive the audit report.
EXHIBITS:	a. 2017 Letter to Board Trustees b. 2017 Pension Financial Statements

Keddington & Christensen, LLC
Certified Public Accountants

Gary K. Keddington, CPA
Phyl R. Warnock, CPA
Marcus K. Arbuckle, CPA

May 15, 2018

To the Board of Trustees of the
Utah Transit Authority Employee
Retirement Plan and Trust Agreement
Salt Lake City, Utah

We have audited the financial statements of the Utah Transit Authority Employee Retirement Plan and Trust Agreement (the Plan) for the year ended December 31, 2017, and have issued our report thereon dated May 15, 2018. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter provided to management at the beginning of our audit. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Plan are described in Note 2 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the current year. We noted no transactions entered into by the Plan during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

> Throughout the notes to the financial statements and the supplementary information reliance is placed on the estimates provided to management by the actuary. We evaluated the key factors and assumptions used to develop the estimates by the actuary in determining that they are reasonable in relation to the financial statements taken as a whole.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. There were no such misstatements.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial, accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated May 15, 2018.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Plan's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management prior to retention as the Company's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

With respect to the supplementary information accompanying the financial statements, which is required by the Governmental Accounting Standards Board, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with auditing standards generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records and reports used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of the Board of Trustees of the Utah Transit Authority Employee Retirement Plan and Trust Agreement and management of the Plan and is not intended to be and should not be used by anyone other than these specified parties.

Keddington & Christensen, LLC

Salt Lake City, Utah
May 15, 2018

Utah Transit Authority Employee Retirement Plan and Trust Agreement

Financial Statements as of and for the Years Ended December 31, 2017 and 2016, and Independent Auditors' Report

TABLE OF CONTENTS

K&C

Keddington & Christensen, LLC
Certified Public Accountants

Gary K. Keddington, CPA
Phyl R. Warnock, CPA
Marcus K. Arbuckle, CPA

INDEPENDENT AUDITORS' REPORT

To the Board of Trustees and Participants in the
Utah Transit Authority Employee Retirement Plan:

We have audited the accompanying financial statements of Utah Transit Authority Employee Retirement Plan and Trust Agreement (the "Plan"), which comprise the comparative statements of fiduciary net position as of December 31, 2017 and 2016, and the related comparative statement of changes in fiduciary net position for the years then ended, and the related notes to the financial statements.

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 of error.

Auditors' Responsibility

Our responsibility is to express an opinion 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. 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 Plan'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 Plan's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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Opinions

In our opinion, the financial statements referred to above present fairly, in all materials respects, the financial position of Utah Transit Authority Employee Retirement Plan and Trust Agreement as of December 31, 2017 and 2016, and the changes in its financial position 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 Schedules of Changes in Net Pension Liability, of Net Pension Liability, of Employer Contributions, and of Investment Returns 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.

Management has omitted Management's Discussion and Analysis that accounting principles generally accepted in the United States of America requires to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

Keddington & Christensen

May 15, 2018

HOME

UTAH TRANSIT AUTHORITY
EMPLOYEE RETIREMENT PLAN AND TRUST AGREEMENT
Comparative Statements of Fiduciary Net Position
As of December 31, 2017 and 2016

	2017	2016
ASSETS		
Cash and cash equivalents [1]	$ 7,194,161	$ 4,208,109
Investments at fair value		
Global equity funds	126,057,180	104,234,251
Fixed income funds	41,223,319	34,765,365
Liquid diversifier funds	19,791,665	13,567,952
Real asset funds	7,417,269	6,826,687
Money market funds	2,016,706	1,769,265
Total investments [2]	196,506,139	161,163,520
Receivables:		
Contributions receivable	828,834	757,386
Dividends receivable	352	352
Interest receivable	8,422	-
Other receivables	11,741	15,252
Total receivables	849,349	772,990
Total assets	204,549,649	166,144,619
LIABILITIES		
Accounts payable	45,087	109,362
Total liabilities	45,087	109,362
NET ASSETS		
Net position restricted for pensions	$ 204,504,562	$ 166,035,257

[1] See Note 3A
[2] See Notes 3, 4, and 5

See accompanying notes to financial statements

UTAH TRANSIT AUTHORITY
EMPLOYEE RETIREMENT PLAN AND TRUST AGREEMENT
Comparative Statements of Changes in Fiduciary Net Position
For the Years Ended December 31, 2017 and 2016

	2017	2016
ADDITIONS:		
Contributions:		
Employer contributions	$ 20,506,163	$ 19,603,952
Participant voluntary contributions	697,576	437,923
Total contributions	21,203,739	20,041,875
Investment income:		
Net (depreciation) appreciation in fair value of investments	29,971,343	6,289,587
Interest	84,944	32,340
Dividends	1,134,918	1,709,382
Other income	-	365
Total investment income	31,191,205	8,031,674
Less: Investment expense [1]	592,585	440,463
Net investment income	30,598,620	7,591,211
Total additions	51,802,359	27,633,086
DEDUCTIONS:		
Monthly benefits paid	9,724,391	8,491,594
Lump sum benefits paid	3,283,751	4,489,021
Administrative expense [2]	324,912	249,141
Total deductions	13,333,054	13,229,756
NET INCREASE	38,469,305	14,403,330
Net position restricted for pensions		
Beginning of year	166,035,257	151,631,927
End of year	$ 204,504,562	$ 166,035,257

[1] See Note 8
[2] See Note 2D

See accompanying notes to financial statements

NOTE 1 – DESCRIPTION OF PLAN

The following information includes a brief description of the Utah Transit Authority (the “Authority”) Employee Retirement Plan and Trust Agreement (the “Plan”). The Plan summary is provided for general information purposes only. Participants should refer to the Plan agreement for more complete information.

A) General Information

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

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

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

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

C) Membership

The Plan’s membership consisted of:

	January 1, 2017	January 1, 2016
Active participants:		
Fully vested	1,359	1,305
Partially vested	-	-
Not vested	725	668
Inactive participants not receiving benefits	316	312
Participants due refunds	12	12
Retirees and beneficiaries receiving benefits	561	515
Total	2,973	2,812

NOTE 1 – DESCRIPTION OF PLAN (continued)

D) Benefit Terms

Retirement Benefits

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

For participants who began participating in the 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 three years of service, they forfeit the right to receive their non-vested accrued plan benefits.

Early Retirement Benefits

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

Disability Benefits

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

Death Benefits

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

NOTE 1 – DESCRIPTION OF PLAN (continued)

D) Benefit Terms (continued)

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 2017 and 2016, 41 and 49 participants in each respective year elected to receive their benefit in the form of lump sum distribution. Lump sum distributions collectively totaled $3,283,751 and $4,489,021 for 2017 and 2016, respectively. Individuals are removed from the Plan's membership if they choose to take all of their benefit as a lump sum distribution.

E) Contributions

Employer Contribution Requirements

Contributions are received from the Authority in 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.

Participant Voluntary Contributions

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

F) 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.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A) 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.

B) Investments

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

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

Investment Policy

The Pension Committee has adopted an Investment Policy Statement (IPS). The IPS is reviewed by the Pension Committee once a year, and was amended effective February 2016 to revise the asset classes. A normal weighting is now indicated for each asset class. The IPS was also amended to provide a list of prohibited investments.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B) 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.

C) Payment of Benefits

Benefit payments to participants are recorded upon distribution.

D) 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, 2017 and 2016, the Plan paid $324,912 and $249,141 respectively, of administrative expenses.

E) 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 and liabilities at December 31, 2017 and 2016 and additions and deductions during the years then ended. The actual outcome of the estimates could differ from the estimates made in the preparation of the financial statements.

F) 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.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

G) 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.

H) 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.

I) 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.

J) Subsequent Events

The Plan has performed an evaluation of subsequent events through May 15, 2018, which is the date the basic financial statements were available to be issued.

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.

NOTE 3 – DEPOSITS AND INVESTMENT RISK DISCLOSURES

A) 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.

	2017	2016
Cash held in banking institution(s)	$ 1,696,470	$ 992,365
Cash held in Utah Public Treasurer's Investment Fund	5,607,680	3,216,317
	$ 7,304,150	$ 4,208,682

NOTE 3 – DEPOSITS AND INVESTMENT RISK DISCLOSURES (continued)

B) 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:			
2017	$	41,223,319	AA/Aa Rated
2016	$	34,765,365	AA/Aa Rated

C) 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:		
2017	$126,057,180	No maturity dates
2016	$104,234,251	No maturity dates
Fixed Inc funds:		
2017	$ 41,223,319	Average effective duration: 5.3 years Average effective maturity: 7.5 years
2016	$ 34,765,365	Average effective duration: 5.3 years Average effective maturity: 7.5 years
Other funds:		
2017	$ 29,225,640	Average effective duration/maturity: n/a
2016	$ 22,163,904	Average effective duration/maturity: n/a

D) 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, 2017 and 2016 invested with any one organization.

	2017	2016
Equity funds:		
Two Sigma Active US All Cap & Investments	$ 16,689,071	$ 13,389,450
Fixed funds:		
IR+M Core Bond Fund II	$ 17,854,889	$ 17,253,079
SSGA 3-10 US Treasury Index NL	-	8,777,310

NOTE 4 – INVESTMENTS

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.

	2017	2016
Investments:		
Global Equity Funds:		
1607 Capital International Equity Fund	$ 8,305,215	$ 6,289,980
Arrowstreet International Equity	9,504,008	7,325,968
Artisan Global Value Institutional	7,932,866	6,509,491
Artisan Global Opportunities Trust	5,903,689	5,266,097
Causeway Emerging Markets Equity	6,402,017	4,580,108
Edgewood Growth Fund Institutional	5,764,660	6,253,986
Independent Franchise Partners US Equity	7,743,633	7,325,856
Iridian Private Business Value Mid Cap	6,317,097	5,154,076
John Hancock Disciplined Value I	6,732,130	5,647,827
Kiltearn Partners Global Equity Fund	6,886,461	6,810,259
Mahout Global Emerging Markets	2,437,578	-
Mathews ASIA Small Companies	-	1,892,263
Oakmark International Fund Class	7,707,213	-
Oakmark International I	-	5,928,667
Overlook Partners Fund	2,871,724	2,091,858

NOTE 4 – INVESTMENTS (continued)

RWC Horizon Equity Fund	$ 5,311,261	$ 4,269,052
RWC Horizon EQ Fund 97MSCLV	631,784	507,812
Two Sigma Investments	16,689,071	6,738,996
Two Sigma Act US All Cap 2016	-	6,650,454
Vanguard FTSE Developed Markets EFT	3,221,307	3,941,351
Vanguard S&P 500 EFT	2,511,034	5,268,871
William Blair Small Cap Fund Class I	7,485,887	5,781,279
Subtotal Global Equity Funds with Cambridge	$ 120,358,635	$ 104,234,251

Polen Capital:		
Adobe Systems Inc.	$ 461,056	-
Automatic Data Process.	334,343	-
Align Technology Inc.	233,744	-
Accenture Plc	308,783	-
Celgene Corp.	227,609	-
Dollar General	184,811	-
Facebook Inc.	433,915	-
Alphabet Inc.	556,639	-
Gartner Inc.	205,784	-
Mastercard Inc.	138,949	-
Microsoft Corp.	256,107	-
Nestle Sa	224,898	
Nike Inc.	325,198	-
Oracle	307,225	-
O'Reilly	266,518	-
The Priceline Group	245,021	-
Regeneron	213,545	-
Starbucks Corp.	273,309	-
Visa Inc.	382,081	-
Zoetis Inc.	119,010	-
Subtotal Global Equity Funds with Polen Capital	$ 5,698,545	-
Total Global Equity Funds	$ 126,057,180	$ 104,234,251

NOTE 4 – INVESTMENTS (continued)

	2017	2016
Fixed Income Funds:		
1607 Capital Tax Fixed Income Fund	$ 3,263,465	$ 3,097,740
Double Line Core Plus 4L3	5,108,695	-
IR+M Core Bond Fund II	17,854,889	17,253,079
PIMCO Income Fund Institutional	5,291,044	5,837,236
State Street Global Adv. 3-10 US Treasury	9,705,226	8,577,310
Total Fixed Income Funds	$ 41,223,319	$ 34,765,365
Liquid Diversifier Funds:		
AQR Style Premia 97MSCMCV9	$ 3,886,150	$ -
AQR Style Premia 97MSCNHU4	271,103	-
AQR Style Premia Fund S 4	-	1,479,566
AQR Style Premia Fund Ltd	-	1,971,096
CCP Core Macro Fund LP	4,376,922	3,471,949
Fort Global Offshore Fund	5,111,965	4,499,191
ISAM SYSTEMATIC 97MSCNDS3	255,238	-
ISAM Systematic Trend	2,191,348	2,146,150
Renaissance Institutional Equity	3,698,940	-
Total Liquid Diversifier Funds	$ 19,791,666	$ 13,567,952
Real Asset Funds:		
AEW Global Properties	$ 1,660,234	$ 1,490,696
T. Rowe Price Global Natural Resources	4,226,988	3,818,430
Vanguard Short Term Inflation Protected Sec	1,530,046	1,517,561
Total Real Asset Funds	$ 7,417,268	$ 6,826,687
Cash & Equivalents:		
US Bank Cash (First American US Money Mkt	$ 2,016,706	$ 1,769,265
Total Cash & Equivalents	$ 2,016,706	$ 1,769,265
Total investments	**$ 196,506,139**	**$ 161,163,520**

NOTE 4 – INVESTMENTS (continued)

2017 and 2016 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.

The following tables set forth by level, within the fair value hierarchy, the Plan's investments at fair value as of December 31, 2017 and December 31, 2016.

	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

	Investment Assets at Fair Value as of December 31, 2016			
	Fair Value	**Level 1**	**Level 2**	**Level 3**
Global Equities (NAV Level 2)	$ 104,234,250	$ 9,210,221	$ 42,027,214	$ 52,996,814
Fixed Income (NAV level 2)	34,765,366	-	5,837,236	28,928,130
Liquid diversifiers	13,567,952	-	-	13,567,952
Real assets (NAV level 2)	6,826,687	-	5,335,991	1,490,696
Money market	1,769,265	-	1,769,265	-
Total investments at fair value	$ 161,163,520	$ 9,210,221	$ 54,969,706	$ 96,983,593

NOTE 4 – INVESTMENTS (continued)

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, 2017 and 2016.

2017

	Fair Value	Unfunded Commitment	Redemption Frequency	Redemption Notice Period
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	$ 60,816,485	$ -		

2016

	Fair Value	Unfunded Commitment	Redemption Frequency	Redemption Notice Period
Global Equities (NAV Level 2)	$ 42,027,214	$ -	Daily	Daily
Fixed Income (NAV level 2)	5,837,236	-	Daily	Daily
Real assets (NAV level 2)	5,335,991	-	Daily	Daily
Total	$ 53,200,441	$ -		

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.

NOTE 5 – MONEY-WEIGHTED RATE OF RETURN

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

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

NOTE 6 – NET PENSION LIABILITY

A) 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 $100,876,554 and $112,925,121 as of December 31, 2017 and December 31, 2016, respectively.

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 increased to 66.97% at December 31, 2017 from 59.52% at December 31, 2016.

B) 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, 2017, is based on the results of an actuarial valuation date of January 1, 2017, and rolled-forward using generally accepted actuarial procedures. The significant actuarial assumptions and methods used in the January 1, 2017 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

NOTE 6 – NET PENSION LIABILITY (continued)

B) Actuarial Methods and Assumptions (continued)

- Cost of Living Adjustments – None
- Percent of Future Retirements Electing Lump Sum – 20%

C) 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%	6.1%
Fixed Income	22%	4.3%
Liquid Diversifiers	10%	5.4%
Real Assets	4%	7.2%
Cash & Equivalents	1%	3.1%
Total	100%	5.9%

D) 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	$ 344,030,898	$ 305,381,116	$ 273,258,910
Fiduciary net position	204,504,562	204,504,562	204,504,562
Net pension liability	139,526,336	100,876,554	68,754,348

NOTE 7 – 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 2016 and 16.3% for 2017 and subsequent years.

Employer contributions in 2017 and 2016 totaled $20,506,163 and $19,603,952 respectively, which represented 101.2% and 114.3% of the annual actuarial recommended contributions, respectively.

NOTE 8 – 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, 2017 and 2016 were $592,585 and $440,463, respectively.

UTAH TRANSIT AUTHORITY
EMPLOYEE RETIREMENT PLAN AND TRUST AGREEMENT
Required Supplementary Information
For the Years Ended December 31, 2017 and 2016

SCHEDULE OF CHANGES IN NET PENSION LIABILITY

	2017	2016	2015	2014
Total Pension Liability				
Service cost	$ 8,368,262	$ 7,711,706	$ 7,545,807	$ 7,284,379
Interest on total pension liability	20,368,031	19,604,345	18,717,411	17,623,248
Voluntary member contributions	697,576	437,923	916,567	275,663
Gains (Losses)	4,915,564	(927,077)	(1,973,177)	-
Assumption changes or inputs	5,079,447	(3,955,702)	7,725,363	-
Benefits paid	(13,008,142)	(12,980,615)	(11,554,824)	(10,181,732)
Net change in total pension liability	26,420,738	9,890,580	21,377,147	15,001,558
Total pension liability - beginning	278,960,378	269,069,798	247,692,651	232,691,093
Total pension liability - ending (a)	$305,381,116	$278,960,378	$269,069,798	$247,692,651
Plan Fiduciary Net Position				
Contributions - employer	$ 20,506,163	$ 19,603,952	$ 16,745,254	$ 15,366,694
Contributions - members	697,576	437,923	916,567	275,663
Net investment income	30,598,620	7,591,211	(1,085,458)	5,946,916
Benefits paid	(13,008,142)	(12,980,615)	(11,554,824)	(10,181,732)
Administrative expense	(324,912)	(249,141)	(244,011)	(219,504)
Net change in plan fiduciary net position	38,469,305	14,403,330	4,777,528	11,188,037
Plan fiduciary net position - beginning	166,035,257	151,631,927	146,854,399	135,666,362
Plan fiduciary net position - ending (b)	204,504,562	166,035,257	151,631,927	146,854,399
Net pension liability / (asset) - ending (a-b)	$100,876,554	$112,925,121	$117,437,871	$100,838,252
Plan fiduciary net position as a percentage of the total pension liability	66.97%	59.52%	56.35%	59.29%
Projected covered employee payroll	$126,690,540	$115,430,618	$110,727,134	$106,004,057
Net pension liability as a percentage of covered employee payroll	79.62%	97.83%	106.06%	95.13%

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

SCHEDULE OF NET PENSION LIABILITY

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
12/31/2017	$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.

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Year	Actuarial Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Projected Covered Employee Payroll	Contribution as Percentage of Covered Payroll
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%
2008	7,679,956	7,679,956	-	75,324,187	10.20%

SCHEDULE OF INVESTMENT RETURNS

Year	Annual weighted-average rate of return (net of investment expense)
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 BOARD OF TRUSTEES

Agenda Item Coversheet

DATE:	**June 13, 2018**
CONTACT PERSON:	**Bob Biles, Vice President Finance**
SUBJECT:	**Finance and Audit Committee approval of new contracts and certain change orders and disbursements.**
BACKGROUND:	In its meeting of May 23, 2018, the Board approved Resolution 2018-05-09 which established the Board's approval process for new contracts, change orders, and disbursements. Under this resolution, the Finance and Audit Committee has been granted the authority to approve new contracts over \$200,000 but less than \$1,000,000, change orders which bring the total contract amount to more than \$200,000 but less than \$1,000,000, change orders on contracts over \$200,000 but less than \$1,000,000 which exceed 15% of the previous total contract amount, and certain disbursements over \$200,000 but less than \$1,000,000. Accordingly, Exhibit A provides a list of contracts and change orders which require the Finance and Audit Committee's approval. Items approved will be forwarded to the Board for its review and consent.
PREFERRED ALTERNATIVE:	Approve.
EXHIBITS:	• Exhibit A – Contracts and Change Orders Requiring Finance and Audit Committee Approval

Procurements & Change-orders over $200K

Exhibit A

Item #	Type	Project Title	Detailed description & purpose	Vendor (or potential vendors)	Total Contract Value	Change-orders: Change-order amount	Change-orders: Total contract amount after change-order	Change-orders: Percentage change	Contract Start Date	Contract End Date (incl. options)	Included in 2018 budget?	Solicitation method	Number of firms which responded to solicitation	Total contract amount of next lowest bidder
2	Contract	Revel TV Provo Orem BRT Signage	Signage for BRT with install and cell coverage	Revel TV	$240,000	$0	N/A	N/A	6/1/2018	5/31/2021	Yes	RFP	Five	$ 342,645.00
4	5310 Contract	5310 Contract	First Step House 5310 Contract	First Step House	$395,386	$0	N/A	N/A	6/1/2018	5/31/2021	Yes	5310 Grant	One	N/A
5	5310 Contract	5310 Contract	PARC 5310 Contract	PARC	$292,638	$0	N/A	N/A	6/1/2018	5/31/2021	Yes	5310 Grant	One	N/A
6	5310 Contract	5310 Contract	Work Activity Center 5310 Contract	Work Activity Center	$426,622	$0	N/A	N/A	6/1/2018	5/31/2021	Yes	5310 Grant	One	N/A
7	5310 Contract	5310 Contract	United Way of Utah County 5310 Contract	United Way of Utah Valley	$260,000	$0	N/A	N/A	6/1/2018	5/31/2021	Yes	5310 Grant	One	N/A
18	Change-order	Tiger Grant Pre-construction & Construction Services	Early work package for construction of sidewalks at the new Farmington High School.	Granite Construction	$297,390	$185,000	$482,390	62%	4/11/2018	12/31/2021	Yes	RFP	NA	NA
19	Change-order	Provo-Orem BRT Construction Services	Orem City lighting enhancements	Utah Valley Transit Constructors	$106,883,032	$385,315	$107,268,347	0.4%	7/15/2015	2/4/2019	Yes	RFP	NA	NA
20	Capital Project	Tiger Grant Pre-construction & Construction Services	2018 Phase II Tiger grant projects construction	Granite Construction	$516,428	$10,399,923	$10,916,351	2014%	4/11/2018	12/31/2021	Yes	RFP	NA	NA

Item #: 2

Project: Provo - Orem BRT (MSP09618)

Project Manager: Ron Cameron

Contract Administrator: Brian Motes

Heading: 23 Passenger Information Signs

Impacted Area(s): Provo/Orem BRT

Source of Funds: Project Budget for Enhancements

Action Requested: Approval

Included in 2018 Budget? Yes

Contract #: 18-2721BM

Solicitation Method: RFP

Contractor: Revel TV

Total Contract Value: $239,987

Contract Start Date: 6/1/2018

Contract End Date (Incl. Options): 5/30/2021

Number of responding firms: 2

Next lowest bidder: $ 342,645

Detailed Description & Purpose: The purchase and installation of twenty-three passenger information signs for the Provo/Orem BRT Transportation Improvement Project. These signs will be positioned at each of the 23 platform stations and will display a map of the system as well as real-time bus arrival information.

Attachments: None

Once approved, please forward to Contract Administrator

UTA

CONTRACT ROUTING SHEET

Agenda Item No.:
Board Review Date:

CONTRACT SECTION

1) Contract/P.O. No. **18-2612TP** *(Assigned by Purchasing)* Contract Administrator: **Brian Motes**

Project Manager: **Ron Cameron**

2) Contract Type ☐ A. A&E/Design ☐ B. Blanket PO ☐ C. Construction ☑ D. Goods ☐ E. Modification ☐ E. Option ☐ F. Other ___________ ☐ G. Renewal ☑ H. Services ☐ I. Task Orders

3) Procurement Method ☐ RFQ (Quote) ☐ IFB (Low Bid) ☐ RFQU (Qualification) ☐ RFP (Best-value) ☐ Sole source ☐ Other: ___________

4) Contract Title **Passenger Information Signs for the Provo/Orem Transportation Improvement Project**

5) Description / Purpose *(of contract or project)* **23 Passenger Information Signs are needed for the Provo/Orem Transportation Improvement Project**

6) Contractor Name **RevelTV**

7) Effective Dates Beginning: **07/01/18** Ending: **07/01/21**

8) Option to renew? ☐ Yes ☑ No Renewal terms **Includes 3 years of recurring costs with cellular.**

FINANCIAL SECTION

9) Total Board Approval Amount: $ 239,987.00

9a) Current Contract Value: $ 239,987.00

9b) Amendment Amount: $ -

9d) New Contract Value (including all amendments) $ -

9e) Is the amount an estimate? ☐ Yes ☑ No

(Estimate if per transaction cost)

9f) *If estimated, how was the estimate calculated?* N/A

10) Is the amount a one-time purchase or annual recurring purchase? ☐ One-time ☐ Recurring

11) Account Code **5310 Subrecipients Funds** Capital Project Code

12) Budgeted? ☑ Yes ☐ No Budget amount: **$ 239,987.00**

13) Will this contract require support from another department? ☑ Yes ☐ No

14) If so, is the other department(s) aware of this contract and the required support? ☑ Yes ☐ No

15) If box 2a or 2c is checked, has the Qualified Heath Insurance Certificate been verified? ☐ Yes ☐ No

SIGNATURE SECTION

	Route to?		Initials	
Attorney/Legal	☑ Yes			Bart Simmons
Accounting Reviewed	☑ Yes			Bryan Steele

16) Approval Signatures

		Route to?		Initials	
Up to $10K	Manager/Program Manager	☐ Yes	☑ No		Ron Cameron
Up to $50K	Dir, Sr. Mgr, RGM, or Chief/VP	☐ Yes	☑ No		
Up to $100K	Chief/VP, or Dir, Sr. Mgr, RGM (Capital, Maint., Ops. only)	☑ Yes	☐ No		David Goeres
Over $100K	Executive Director	☑ Yes	☐ No		W. Steve Meyer
Over $200K	Board Approval	☑ Yes	☐ No		Approval Date

If Yes, route to the Sr. Supply Chain Manager for board meeting agenda and approval

Item #: 4

Project: 5310 Contract

Project Manager: Ryan Taylor

Contract Administrator: Brian Motes

Heading: First Step House 5310 Contract

Impacted Area(s): Mobility

Source of Funds: Federal

Action Requested: Approval

Included in 2018 Budget? Yes

Contract #: 18-2721BM

Solicitation Method: 5310 Grant

Contractor: First Step House

Total Contract Value: $395,386

Contract Start Date: 6/1/2018

Contract End Date (Incl. Options): 6/30/2021

Number of responding firms: 1

Next lowest bidder: $ N/A

Detailed Description & Purpose:

UTA administers the **FTA 5310 Grant** program for three urbanized areas of Utah. These are primarily located in the UTA service district. This contract is for FTA 5310 Grant Funds that are pass-through dollars to eligible organizations that serve seniors and people with disabilities. No UTA funds are expended in the 5310 Grant contracts. Funding is FTA Grant monies and local match provided by the local entities. The Scope of Work includes the purchase of one expansion bus, one expansion sedan and radio equipment to replace existing vehicle equipment that have reached the end of their useful lives. This grant also includes operation costs to provide enhanced transportation service to seniors and people with disabilities beyond what is currently available.

Attachments: None

UTA

Once approved, please forward to Contract Administrator

CONTRACT ROUTING SHEET

Agenda Item No.:
Board Review Date:

CONTRACT SECTION

1) Contract/P.O. No. **18-2721BM** *(Assigned by Purchasing)* Contract Administrator: **Brian Motes**
Project Manager: **Holly Mahoney**

2) Contract Type ☐ A. A&E/Design ☐ B. Blanket PO ☐ C. Construction ☐ D. Goods ☐ E. Modification ☐ E. Option ☐ F. Other __________ ☐ G. Renewal ☑ H. Services ☐ I. Task Orders

3) Procurement Method ☐ RFQ (Quote) ☐ IFB (Low Bid) ☐ RFQU (Qualification) ☐ RFP (Best-value) ☐ Sole source ☑ Other: 5310

4) Contract Title **5310 First Step House**

5) Description / Purpose *(of contract or project)* **FY2015-17 Sec 5310 Salt Lake/West Valley Capital, Operating, Enhanced Mobility of Seniors and Individuals with Disabilities**

6) Contractor Name **First Step House**

7) Effective Dates Beginning: **05/01/18** Ending: **06/30/21**

8) Option to renew? ☐ Yes ☑ No Renewal terms **N/A**

FINANCIAL SECTION

9) Total Board Approval Amount: $ 395,386.00
9a) Current Contract Value: $ 395,386.00
9b) Amendment Amount: $ -
9d) New Contract Value (including all amendments) $ -
9e) Is the amount an estimate? ☐ Yes ☑ No
(Estimate if per transaction cost)

9f) *If estimated, how was the estimate calculated?* N/A

10) Is the amount a one-time purchase or annual recurring purchase? ☐ One-time ☐ Recurring

11) Account Code **5310 Subrecipients Funds** Capital Project Code

12) Budgeted? ☑ Yes ☐ No Budget amount: **$ 395,386.00**

13) Will this contract require support from another department? ☑ Yes ☐ No

14) If so, is the other department(s) aware of this contract and the required support? ☑ Yes ☐ No

15) If box 2a or 2c is checked, has the Qualified Heath Insurance Certificate been verified? ☐ Yes ☐ No

SIGNATURE SECTION

	Route to?	Initials	
Attorney/Legal	☑ Yes		Jerry Syenquist
Accounting Reviewed	☑ Yes		Bryan Steele

16) Approval Signatures

		Route to?		Initials	
Up to $10K	Manager/Program Manager	☐ Yes	☑ No		Ryan Taylor
Up to $50K	Dir, Sr. Mgr, RGM, or Chief/VP	☐ Yes	☑ No		Cherryl Beveridge
Up to $100K	Chief/VP, or Dir, Sr. Mgr, RGM (Capital, Maint., Ops. only)	☑ Yes	☐ No		Cherryl Beveridge
Over $100K	Executive Director	☑ Yes	☐ No		W. Steve Meyer
Over $200K	Board Approval	☑ Yes	☐ No		Approval Date

If Yes, route to the Sr. Supply Chain Manager for board meeting agenda and approval

Item #: 5

Project: 5310 Contract

Project Manager: Ryan Taylor

Contract Administrator: Brian Motes

Heading: Pioneer Adult Rehabilitation Center (PARC) 5310 Contract

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Impacted Area(s): Mobility

Source of Funds: Federal

Action Requested: Approval

Included in 2018 Budget? Yes

Contract #: 18-2671BM

Solicitation Method: 5310 Grant

Contractor:

Pioneer Adult Rehabilitation Center (PARC)

Total Contract Value: $292,638

Contract End Date (Incl. Options): 6/30/2021

Contract Start Date: 6/1/2018

Number of responding firms: 1

Next lowest bidder: $ N/A

Detailed Description & Purpose:

UTA administers the **FTA 5310 Grant** program for three urbanized areas of Utah. These are primarily located in the UTA service district. This contract is for FTA 5310 Grant Funds that are flow through dollars to eligible organizations that serve seniors and people with disabilities. No UTA funds are expended in the 5310 Grant contracts. Funding is FTA Grant monies and local match provided by the local entities. The Scope of Work includes the operation costs to provide enhanced transportation service to seniors and people with disabilities beyond what is currently available.

Attachments: None

Once approved, please forward to Contract Administrator

CONTRACT ROUTING SHEET

Agenda Item No.:
Board Review Date:

CONTRACT SECTION

1) Contract/P.O. No. **18-2671BM** *(Assigned by Purchasing)* Contract Administrator: **Brian Motes**

Project Manager: **Holly Mahoney**

2) Contract Type ☐ A. A&E/Design ☐ B. Blanket PO ☐ C. Construction ☐ D. Goods ☐ E. Modification ☐ E. Option ☐ F. Other __________ ☐ G. Renewal ☑ H. Services ☐ I. Task Orders

3) Procurement Method ☐ RFQ (Quote) ☐ IFB (Low Bid) ☐ RFQU (Qualification) ☐ RFP (Best-value) ☐ Sole source ☑ Other: 5310

4) Contract Title **5310 PARC**

5) Description / Purpose *(of contract or project)* **FY2015-17 Sec 5310 Ogden Layton Capital, Enhanced Mobility of Seniors and Individuals with Disabilities**

6) Contractor Name **PARC**

7) Effective Dates Beginning: **05/01/18** Ending: **06/30/21**

8) Option to renew? ☐ Yes ☑ No Renewal terms **N/A**

FINANCIAL SECTION

9) Total Board Approval Amount: $ 292,638.00
9a) Current Contract Value: $ 292,638.00
9b) Amendment Amount: $ -
9d) New Contract Value (including all amendments) $ -
9e) Is the amount an estimate? ☐ Yes ☑ No

(Estimate if per transaction cost)

9f) *If estimated, how was the estimate calculated?* N/A

10) Is the amount a one-time purchase or annual recurring purchase? ☐ One-time ☐ Recurring

11) Account Code **5310 Subrecipients Funds** Capital Project Code

12) Budgeted? ☑ Yes ☐ No Budget amount: **$ 292,638.00**

13) Will this contract require support from another department? ☑ Yes ☐ No

14) If so, is the other department(s) aware of this contract and the required support? ☑ Yes ☐ No

15) If box 2a or 2c is checked, has the Qualified Heath Insurance Certificate been verified? ☐ Yes ☐ No

SIGNATURE SECTION

	Route to?	Initials	
Attorney/Legal	☑ Yes		*Jerry Syenquist*
Accounting Reviewed	☑ Yes		*Bryan Steele*

16) Approval Signatures

		Route to?		Initials	
Up to $10K	Manager/Program Manager	☐ Yes	☑ No		*Ryan Taylor*
Up to $50K	Dir, Sr. Mgr, RGM, or Chief/VP	☐ Yes	☑ No		*Cherryl Beveridge*
Up to $100K	Chief/VP, or Dir, Sr. Mgr, RGM (Capital, Maint., Ops. only)	☑ Yes	☐ No		*Cherryl Beveridge*
Over $100K	Executive Director	☑ Yes	☐ No		*W. Steve Meyer*
Over $200K	Board Approval	☑ Yes	☐ No		*Approval Date*

If Yes, route to the Sr. Supply Chain Manager for board meeting agenda and approval

Item #: 6

Project: 5310 Contract

Project Manager: Ryan Taylor

Contract Administrator: Brian Motes

Heading: The Work Activity Center 5310 Contract

Impacted Area(s): Mobility

Source of Funds: Federal

Action Requested: Approval

Included in 2018 Budget? Yes

Contract #: 18-2679BM

Solicitation Method: 5310 Grant

Contractor:

The Work Activity Center

Total Contract Value: $426,622

Contract End Date (Incl. Options): 6/30/2021

Contract Start Date: 6/1/2018

Number of responding firms: 1

Next lowest bidder: $ N/A

Detailed Description & Purpose:

UTA administers the **FTA 5310 Grant** program for three urbanized areas of Utah. These are primarily located in the UTA service district. This contract is for FTA 5310 Grant Funds that are flow through dollars to eligible organizations that serve seniors and people with disabilities. No UTA funds are expended in the 5310 Grant contracts. Funding is FTA Grant monies and local match provided by the local entities. The Scope of Work includes the operation costs to provide enhanced transportation service to seniors and people with disabilities beyond what is currently available.

Attachments: None

Once approved, please forward to Contract Administrator

CONTRACT ROUTING SHEET

Agenda Item No.:
Board Review Date:

CONTRACT SECTION

1) Contract/P.O. No. **18-2679BM** *(Assigned by Purchasing)* Contract Administrator: **Brian Motes**

Project Manager: **Holly Mahoney**

2) Contract Type ☐ A. A&E/Design ☐ B. Blanket PO ☐ C. Construction ☐ D. Goods ☐ E. Modification ☐ E. Option ☐ F. Other ___________ ☐ G. Renewal ☑ H. Services ☐ I. Task Orders

3) Procurement Method ☐ RFQ (Quote) ☐ IFB (Low Bid) ☐ RFQU (Qualification) ☐ RFP (Best-value) ☐ Sole source ☑ Other: 5310

4) Contract Title **5310 The Work Activity Center**

5) Description / Purpose *(of contract or project)* **FY2015-17 Sec 5310 Salt Lake/West Valley Capital, Operating, Enhanced Mobility of Seniors and Individuals with Disabilities**

6) Contractor Name **The Work Activity Center**

7) Effective Dates Beginning: **05/01/18** Ending: **06/30/21**

8) Option to renew? ☐ Yes ☑ No Renewal terms **N/A**

FINANCIAL SECTION

9) Total Board Approval Amount:	$ 426,622.00
9a) Current Contract Value:	$ 426,622.00
9b) Amendment Amount:	$ -
9d) New Contract Value (including all amendments)	$ -

9e) Is the amount an estimate? ☐ Yes ☑ No

(Estimate if per transaction cost)

9f) *If estimated, how was the estimate calculated?* N/A

10) Is the amount a one-time purchase or annual recurring purchase? ☐ One-time ☐ Recurring

11) Account Code **5310 Subrecipients Funds** Capital Project Code

12) Budgeted? ☑ Yes ☐ No Budget amount: **$ 426,622.00**

13) Will this contract require support from another department? ☑ Yes ☐ No

14) If so, is the other department(s) aware of this contract and the required support? ☑ Yes ☐ No

15) If box 2a or 2c is checked, has the Qualified Heath Insurance Certificate been verified? ☐ Yes ☐ No

SIGNATURE SECTION

	Route to?	Initials	
Attorney/Legal	☑ Yes		*Jerry Syenquist*
Accounting Reviewed	☑ Yes		*Bryan Steele*

16) Approval Signatures

		Route to?		Initials	
Up to $10K	Manager/Program Manager	☐ Yes	☑ No		*Ryan Taylor*
Up to $50K	Dir, Sr. Mgr, RGM, or Chief/VP	☐ Yes	☑ No		*Cherryl Beveridge*
Up to $100K	Chief/VP, or Dir, Sr. Mgr, RGM (Capital, Maint., Ops. only)	☑ Yes	☐ No		*Cherryl Beveridge*
Over $100K	Executive Director	☑ Yes	☐ No		*W. Steve Meyer*
Over $200K	Board Approval	☑ Yes	☐ No		*Approval Date*

If Yes, route to the Sr. Supply Chain Manager for board meeting agenda and approval

Item #: 7

Project: 5310 Contract

Project Manager: Ryan Taylor

Contract Administrator: Brian Motes

Heading: **United Way Community Services of Utah Valley Para-transit 5310 Contract**

Impacted Area(s): Mobility

Source of Funds: Federal

Action Requested: Approval

Included in 2018 Budget? Yes

Contract #: 18-2677BM

Contractor:

United Way Community Services

Utah Valley Para-transit

Solicitation Method: 5310 Grant

Total Contract Value: $260,000

Contract Start Date: 6/1/2018

Contract End Date (Incl. Options): 6/30/2021

Number of responding firms: 1

Next lowest bidder: $ N/A

Detailed Description & Purpose:

UTA administers the **FTA 5310 Grant** program for three urbanized areas of Utah. These are primarily located in the UTA service district. This contract is for FTA 5310 Grant Funds that are pass-through dollars to eligible organizations that serve seniors and people with disabilities. No UTA funds are expended in the 5310 Grant contracts. Funding is FTA Grant monies and local match provided by the local entities. The Scope of Work includes the purchase of three 14 passenger cutaway buses to replace existing vehicles which have exceeded their useful lives. This grant also includes the purchase of one accessible minivan to provide service expansion.

Attachments: None

Once approved, please forward to Contract Administrator

CONTRACT ROUTING SHEET

Agenda Item No.:
Board Review Date:

CONTRACT SECTION

1) Contract/P.O. No. **18-2677BM** *(Assigned by Purchasing)* Contract Administrator: **Brian Motes**
Project Manager: **Holly Mahoney**

2) Contract Type ☐ A. A&E/Design ☐ B. Blanket PO ☐ C. Construction ☐ D. Goods ☐ E. Modification ☐ E. Option ☐ F. Other _________ ☐ G. Renewal ☑ H. Services ☐ I. Task Orders

3) Procurement Method ☐ RFQ (Quote) ☐ IFB (Low Bid) ☐ RFQU (Qualification) ☐ RFP (Best-value) ☐ Sole source ☑ Other: 5310

4) Contract Title **5310 United Way Community Services Utah Valley Paratransit**

5) Description / Purpose *(of contract or project)* **FY2015-17 Sec 5310 Provo Orem Capital, Enhanced Mobility of Seniors and Individuals with Disabilities**

6) Contractor Name **United Way Community Services Utah Valley Paratransit**

7) Effective Dates Beginning: **05/01/18** Ending: **06/30/21**

8) Option to renew? ☐ Yes ☑ No Renewal terms **N/A**

FINANCIAL SECTION

9) Total Board Approval Amount:	$ 260,000.00
9a) Current Contract Value:	$ 260,000.00
9b) Amendment Amount:	$ -
9d) New Contract Value (including all amendments)	$ -

9e) Is the amount an estimate? ☐ Yes ☑ No
(Estimate if per transaction cost)

9f) *If estimated, how was the estimate calculated?* N/A

10) Is the amount a one-time purchase or annual recurring purchase? ☐ One-time ☐ Recurring

11) Account Code **5310 Subrecipients Funds** Capital Project Code

12) Budgeted? ☑ Yes ☐ No Budget amount: **$ 260,000.00**

13) Will this contract require support from another department? ☑ Yes ☐ No

14) If so, is the other department(s) aware of this contract and the required support? ☑ Yes ☐ No

15) If box 2a or 2c is checked, has the Qualified Heath Insurance Certificate been verified? ☐ Yes ☐ No

SIGNATURE SECTION

	Route to?		Initials	
Attorney/Legal	☑ Yes			*Jerry Syenquist*
Accounting Reviewed	☑ Yes			*Bryan Steele*

16) Approval Signatures

		Route to?		Initials	
Up to $10K	Manager/Program Manager	☐ Yes	☑ No		*Ryan Taylor*
Up to $50K	Dir, Sr. Mgr, RGM, or Chief/VP	☐ Yes	☑ No		*Cherryl Beveridge*
Up to $100K	Chief/VP, or Dir, Sr. Mgr, RGM (Capital, Maint., Ops. only)	☑ Yes	☐ No		*Cherryl Beveridge*
Over $100K	Executive Director	☑ Yes	☐ No		*W. Steve Meyer*
Over $200K	Board Approval	☑ Yes	☐ No		*Approval Date*

If Yes, route to the Sr. Supply Chain Manager for board meeting agenda and approval

Project: Tiger Grant Projects (MSP205)

Project Manager: Richard Miller **Presented by:** Richard Miller

Heading: Early Work Package for Construction of Sidewalks at New Farmington High School

---

Impacted Area(s): Budget, Scope **Source of Funds:** Project Budget

Action Requested: Approval

Total Project Budget: $13,536,552

Contract #: 18-2398TP

Contractor: Granite Construction Company **Contract Value:**

Original Contract Value:	$297,390
Approved Change Orders to Date:	N/A
Current Contract Value:	$297,390

UTA Original Estimate:	$185,000
Contractor Original Estimate:	$185,000
Negotiated Amount:	$185,000

Description of Request:

This change order is for an early work package for construction of sidewalks at the new Farmington High School. This is a schedule critical item that has to be completed by August 1, 2018 to coincide with the opening of the new high school. The estimated cost of $185,000 is based on our preliminary quantities. UTA will complete independent cost estimate and contractor will submit their cost once the final quantities have been determined. Any difference in cost above or below the $185,000 will be addressed in a separate change order.

Justification: Early work package for a schedule critical item that has to be completed by August 1, 2018 to coincide with the opening of the new high school.

Attachments: None

Project: Provo - Orem BRT (MSP096)

Project Manager: Janelle Robertson **Presented by:** Janelle Robertson

Heading: CNA - Orem City lighting enhancements

Impacted Area(s): Budget, Scope **Source of Funds:** Project Budget for Enhancements

Action Requested: Approval

Total Project Budget: $165,127,403

Contract #: 15-1251TP

Contractor: Utah Valley Transit Constructors **Contract Value:**

Original Contract Value:	$250,000
Approved Change Orders to Date:	$106,633,032
Current Contract Value:	$106,883,032

UTA Original Estimate:	$356,364
Contractor Original Estimate:	$393,588
Negotiated Amount:	$385,315

Description of Request:

Per request from Orem City, tree lighting and additional street lighting is to be installed along University Parkway. This includes installation of 32 additional street lights, and 213 additional landscape/tree lights along the corridor. Work is to be funded out of enhancement budget approved by PROTRIP executive committee and the UTA in December 2017.

Justification: Additional scope.

Attachments: None

HOME

UTAH TRANSIT AUTHORITY BOARD OF TRUSTEES
Agenda Item Coversheet

DATE:	**June 13, 2018**
CONTACT PERSON:	**Bart Simmons,** Senior Counsel
SUBJECT:	**R2018-06-XX CMGC Contract for First/Last Mile Project (TIGER Grant)**
BACKGROUND:	Resolution 2018-05-09 authorized the Board of Trustees to establish separate approval processes for contracts, expenses, and change orders for major capital projects. This Resolution, R2018-06-XX, provides authorization to move forward with implementation of the TIGER Project funded through federal grant dollars. This capital project planned with cities, counties and other public stakeholders will facilitate access and improve connections to the Authority's public transit system. R2018-06-XX authorizes UTA to move forward with Phase 2 Amendments authorizing construction for the project up to $10,399,923 as approved in the Agency's 2018 capital budget.
PREFERRED ALTERNATIVE:	Approve, forwarding resolution to the Board of Trustees
LEGAL REVIEW:	Legal has reviewed the transaction
EXHIBITS:	R2018-06-XX CMGC Contract for First/Last Mile Project

RESOLUTION OF THE BOARD OF TRUSTEES OF UTAH TRANSIT AUTHORITY AUTHORIZING EXECUTION OF AMENDMENTS UNDER CONSTRUCTION MANAGER/GENERAL CONTRACTOR CONTRACT FOR FIRST/LAST MILE CONNECTION PROGRAM OF PROJECTS

R2018-6-XX June 27, 2018

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

WHEREAS, for the past several years, the Authority has been working with cities, counties and other public stakeholders (the "Stakeholders") on a jointly planned program of capital projects that will facilitate access and improve connections to the Authority's public transit system (collectively the "Projects"); and

WHEREAS, the Authority has: (i) obtained a grant of federal assistance (the "TIGER Grant") for these Projects; (ii) secured (or contracted to secure) local match commitments from the Stakeholders for certain Stakeholder-sponsored Projects; and (iii) budgeted Authority funds for certain Authority-sponsored Projects; and

WHEREAS, on April 11, 2018, the Authority executed a Construction Manager/General Contractor Agreement (the "CM/GC Contract") with Granite Construction Company (the "Contractor"); and

WHEREAS, the CM/GC Contract provides for the Contractor to perform design reviews, value engineering, and other preconstruction services necessary to develop a final scope, schedule and budget for each of the Projects; and

WHEREAS, the CM/GC Contract establishes an initial $297,390 not-to-exceed amount (the "TIGER Grant Preconstruction Budget") for preconstruction services; and

WHEREAS, the CM/GC Contract provides that, as part of the preconstruction services, the Authority and the Contractor will attempt to negotiate a lump sum price for each Project based upon an open book cost estimating process, utilizing profit factors and cost methodologies that were determined through a competitive contracting process and set forth in the CM/GC Contract; and

WHEREAS, the CM/GC Contract also provides that, once the scope, schedule and lump sum price for a Project have been agreed as part of the preconstruction services, the Authority and the Contractor will execute amendments to the CM/GC Contract (“Phase 2 Amendments”) to: (i) authorize the Contractor to commence construction services for Projects or groups of Projects; and (ii) increase the not-to-exceed contract amount to reflect such authorization; and

WHEREAS, the Phase 2 Amendments for several Stakeholder-sponsored Projects will need to be executed in the next several weeks and months in order to facilitate construction during the 2018 and 2019 construction seasons, and in order to meet the Authority’s contractual commitments to the Stakeholders; and

WHEREAS, the lump sum amounts for some Phase 2 Amendments may exceed the amounts that could otherwise be approved under the Executive Director’s statutory change order authority; and

WHEREAS, the Board-approved 2018 capital budget of $13,104,294 for the Projects includes up to $10,399,923 in additional construction funding (the “TIGER Grant Construction Budget”) which has been allocated to the construction phase for Projects under the CM/GC Contract; and

WHEREAS, the TIGER Grant Construction Budget includes Tiger Grant funding, local match commitments from Stakeholders and budgeted Authority funding: and

WHEREAS, the Authority’s Board of Trustees (the “Board”) desires to provide the Executive Director with authority to approve Phase 2 Amendments during the 2018 calendar year consistent with the overall TIGER Grant Construction Budget; and

WHEREAS, this Resolution is issued pursuant to the Board’s authority to establish a separate approval process for contracts, expenses and change orders for major capital projects.

NOW, THEREFORE, BE IT RESOLVED by the Board of the Authority:

1. That the Execute Director and/or his designees are authorized to execute Phase 2 Amendments with respect to Stakeholder-sponsored Projects from time to time as preconstruction services are completed with respect to such Projects.

2. That the cumulative amount obligated under any Phase 2 Amendments executed by the Executive Director pursuant to such authority shall not exceed the TIGER Grant Construction Budget.

3. That any Phase 2 Amendment that would cause the Authority to exceed the TIGER Grant Construction Budget shall require additional approval of the Board.

4. That any Phase 2 Amendment for a Stakeholder-sponsored Project shall not include a lump sum price exceeding the sum of: (i) the Tiger Grant funds that have been budgeted for such project; and (ii) the total local match commitment provided by or on behalf of the applicable Stakeholder.

5. That all expenditures under the Phase 2 Amendments must be presented to the Board as informational items in accordance with Board Resolution No. R2018-05-09.

6. That the corporate seal be attached hereto.

Approved and adopted this 27th day of June 2018.

____
Greg Bell, Chair
Board of Trustees

ATTEST:

____
Robert K. Biles, Secretary/Treasurer

(Corporate Seal)

CERTIFICATE

The undersigned duly qualified Chair of the Board of Trustees of the Utah Transit Authority certifies that the foregoing is a true and correct copy of a resolution adopted at a legally convened meeting of the Board of Trustees held on the 27th day of June, 2018.

____

Greg Bell, Chair
Board of Trustees

____

Robert K. Biles, Secretary/Treasurer

Approved As To Form:

____

Legal Counsel

UTAH TRANSIT AUTHORITY BOARD OF TRUSTEES

Agenda Item Coversheet

DATE:	**June 27, 2018**
CONTACT PERSON:	**Paul Drake,** Sr. Manager – Real Estate and TOD
SUBJECT:	**Right of Way Contract for Provo-Orem TRIP**
BACKGROUND:	Construction for the Provo-Orem TRIP project is well underway. The Agency has been working diligently to secure right-of-way and construction rights for the project. Agency staff has finalized negotiations on a 0.48 acre strip required for the project and is ready to close the transaction.
PREFERRED ALTERNATIVE:	Approve as proposed.
LEGAL REVIEW:	Legal has reviewed the transaction
EXHIBITS:	• R2018-06-XX Approving Provo-Orem Right of Way Real Estate Acquisition • Right of Way Contract

Property Acquisition, Encumbrance or Disposal over $500K

Exhibit B

Item	Landowner	Detailed description & purpose	Source of Funds	UTA Appraisal Amount	Landowner Appraisal (if any)	Final Purchase Price	FTA Concurrence required?	FTA Concurrence received?	Within Budgeted amount for Project ROW?
AA	Lowe's Home Centers, LLC, as successor in interest to Eagle Hardware & Garden, Inc., a limited liability company of the State of North Carolina	S-0265(23)3 - Provo/Orem Transportation Improvement Project - Right of Way/TCE for expanded roadway to accommodate BRT lanes	Project	$ 530,600	n/a	$ 530,600	Yes	Yes	Yes

RESOLUTION OF THE BOARD OF TRUSTEES OF THE UTAH TRANSIT AUTHORITY AUTHORIZING THE PURCHASE OF REAL PROPERTY

R2018-06-XX June 27, 2018

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

WHEREAS, the Authority is in the process of constructing the Provo Orem Transportation Improvement Project (the "Project") in Utah County; and

WHEREAS, the Authority requires approximately 0.476 acres of property in fee and approximately 1.062 acres for a temporary construction easement located at approximately 140 West University Parkway, Orem, UT 84058 (the "Property") for the purpose of widening University Parkway and related Project improvements; and

WHEREAS, the Authority has obtained a certified appraisal identifying the value of the Property to be $ 530,600.

NOW, THEREFORE, BE IT RESOLVED by the Board of the Authority (the "Board"):

1. That the Board hereby approves the purchase of the Property in the amount of $530,600.

2. That the Board hereby approves the contract for the purchase of the Property attached hereto as Exhibit A.

3. That the Executive Director and his or her designee(s) are authorized to execute the attached contract and any closing statements, escrow forms and other documents and instruments, and take any additional actions as may be necessary or prudent to complete the purchase in accordance with the terms indicated herein.

4. That the Board hereby ratifies any and all actions previously taken by the Authority's management and staff with regard to the purchase of the Property.

5. That the corporate seal be attached hereto.

Approved and adopted this 27th day of June 2018.

Greg Bell, Chair
Board of Trustees

ATTEST:

Robert K. Biles, Secretary/Treasurer

(Corporate Seal)

CERTIFICATE

The undersigned duly qualified Chair of the Board of Trustees of the Utah Transit Authority certifies that the foregoing is a true and correct copy of a resolution adopted at a legally convened meeting of the Board of Trustees held on the 27th day of June 2018

____
Greg Bell, Chair
Board of Trustees

____
Robert K. Biles, Secretary/Treasurer

Approved As To Form:

____
Legal Counsel

Utah Transit Authority
Right of Way Contract
Fee Simple Acquisition - Strip

Project No: S-0265(23)3 Parcel No.(s): 124:A, 124:E

Pin No: 10266 Job/Proj No: Project Location: Provo/Orem Transportation Improvement Project
County of Property: UTAH Tax ID / Sidwell No: 38:208:0001
Property Address: 140 West University Parkway OREM UT, 84058
Owner's Address: PO Box 1000, Mooresville, NC,28115
Primary Phone: 801-229-1485 Owner's Home Phone: Owner's Work Phone: (801)229-1485
Owner / Grantor (s): Lowe's Home Centers, LLC, as successor in interest to Eagle Hardware & Garden, Inc., a limited liability company of the State of North Carolina
. Grantee: Utah Transit Authority (UTA)

IN CONSIDERATION of the foregoing and other considerations hereinafter set forth, it is mutually agreed by the parties as follows:
The Grantor hereby agrees to convey and sell by Special Warranty Deed, Temporary Easement a parcel(s) of land known as parcel number(s) 124:A, 124:E for transportation purposes. This contract is to be returned to: Gale Padgett(Consultant), Right of
Way Agent c/o Utah Transit Authority (UTA), 669 W. 200 South, Salt Lake City, UT 84101.

1. Grantor will transfer property free of all liens and encumbrances except recorded easements, subject to the special warranties.
2. Paragraph 2 intentionally omitted.
3. Grantor shall leave the property in the same condition, as it was when this contract was signed. No work, improvement, or alteration will be done to the property other than what is provided for in this agreement. Grantor agrees to maintain the property until UTA takes possession.
4. Grantor agrees to pay any and all taxes assessed against this property to the date of closing.
5. UTA shall pay the Grantor and or other parties of interest for the real property in the deed(s) and/or easement(s) referenced above.
6. "Transportation Purposes" is defined as follows: The public use for which the property or property right is being acquired herein, may include but is not limited to the following possible uses by UDOT, UTA and/or the City: the construction and improvement of a highway or roadway, which may include interchanges, entry and exit ramps, frontage roads, bridges, overpasses, rest areas, buildings, signs and traffic control devices, turning lanes, dedicated bus lanes, curbing, curb and gutter, safety zones and areas, sidewalks and pedestrian crossings, bus shelters and facilities, station platforms and related facilities, placement of utilities, clear zones, maintenance facilities, detention or retention ponds, environmental mitigation, maintenance stations, material storage, bio fuel production, slope protections, drainage appurtenance, noise abatement, landscaping, transit, project caused statutory relocations, and other related transportation uses.
7. The Grantor(s) is aware that Utah Code Ann. Sect. 78B-6-520.3 provides that in certain circumstances, the seller of property which is being acquired for a particular public use, is entitled to receive an offer to repurchase the property at the same price that the seller received, before the property can be put to a different use. Grantor(s) waives any right grantor may have to repurchase the property being acquired herein, and waives any rights Grantor(s) may have under Utah Code Ann. Sect. 78B-6-520.3.
8. Grantor shall indemnify and hold harmless Grantee from and against any and all claims, demands and actions, including costs, from lien holders or lessees of the property, subject to the special warranties.
9. Upon execution of this contract by the parties, Grantor grants UTA, its contractors, permittees, and assigns, including but not limited to, utilities and their contractors, the right to immediately occupy and commence construction or other necessary activity on the property acquired for the state transportation project.

Additional Terms:

Grantor was paid for the following items:
Fee Acquisition: $414,380.00, Improvements: 20,719 sf of sprinklered sod/grass = $25,899.00, Temporary Construction Easement $90,301.00. These amounts are reflected in the Total Selling Price.

Landscaping and site improvements that will be impacted by the project that are located within the areas of the temporary construction easement will be replaced by UTA's contractor as part of the project.

UTA's contractor will relocate 6 parking lot lights as part of the project.

Enacted in 2018, Section 17B-2a-803.1 of the Utah Code changes the name of Utah Transit Authority to Transit District of Utah, but provides that Utah Transit Authority shall implement the change over time and as resources permit. Notwithstanding the timing or manner of this change, the Parties acknowledge that any such name change, or lack thereof, will only pertain to Utah Transit Authority's name, and will not affect the duties and obligations of the Parties set forth in this Agreement or otherwise. For the sake of simplicity, this contract refers to that large public transit district as Utah Transit Authority or UTA.

Utah Transit Authority
Right of Way Contract
Fee Simple Acquisition - Strip

Project No: S-0265(23)3 Parcel No.(s): 124:A, 124:E

Pin No: 10266 Job/Proj No: Project Location: Provo/Orem Transportation Improvement Project
County of Property: UTAH Tax ID / Sidwell No: 38:208:0001
Property Address: 140 West University Parkway OREM UT, 84058
Owner's Address: PO Box 1000, Mooresville, NC,28115
Primary Phone: 801-229-1485 Owner's Home Phone: Owner's Work Phone: (801)229-1485
Owner / Grantor (s): Lowe's Home Centers, LLC, as successor in interest to Eagle Hardware & Garden, Inc., a limited liability company of the State of North Carolina
. Grantee: Utah Transit Authority (UTA)

Upon execution by all required parties, this Contract shall represent the entire agreement between the parties and supersedes all previous negotiations and agreements, including that certain Right of Entry and Occupancy Agreement, between the parties in full. The Deposit made pursuant to that certain Right of Entry and Occupancy Agreement shall be credited toward and be included in (and not in addition to) the Total Selling Price.

CONFIRMATION OF AGENCY DISCLOSURE. Buyer and Seller acknowledge prior written receipt of agency disclosure provided by their respective agent that has disclosed the agency relationships confirmed below. At the signing of the Purchase Contract;

Seller's Agent______________________________________, represents seller.
Seller's Brokerage____________________________________, represents seller.

Buyer's Agent______________________________________, represents purchaser.
Buyer's Brokerage____________________________________, represents purchaser.

Total Selling Price $530,600.00

Grantor's Initials

Grantor understands this agreement is an option until approved by the Senior Manager of Real Estate and Transit Oriented Development. Grantors acknowledge and accept the percent of ownership listed below and agree that the portion of the total selling price they each receive, will correspond with their respective percent of ownership.

__________ This Contract may be signed in counterparts by use of counterpart signature pages, and each counterpart signature page shall constitute a part of this Contract as if all Grantors signed on the same page.

Percent **Date**

__________ 100%

____
Lowe's Home Centers, LLC, as successor in interest to Eagle Hardware & Garden, Inc., a limited liability company of the State of North Carolina

Right of Way Agents

____
Gale Padgett (Consultant) / Acquisition Agent

____
Eric Lyon / Team Leader

____
Senior Manager of Real Estate and Transit Oriented Development

____
Project Manager

____
Vice President of Finance

____
Interim Executive Director

UTAH TRANSIT AUTHORITY BOARD OF TRUSTEES
Agenda Item Coversheet

DATE:	**May 23, 2018**
CONTACT PERSON:	**Todd Mills,** Senior Supply Chain Manager
SUBJECT:	**Solicitation Review**
BACKGROUND:	Staff will provide a preliminary review of solicitations underway for requisition and ultimate procurement. This is an informational report only.
PREFERRED ALTERNATIVE:	No Board Action required
EXHIBITS:	Solicitation Summaries for: • Bus Lifts for Meadowbrook • Applicant Tracking System • Depot District Clean Fuels Technology Center

Procurements & Change-orders over $200K

Exhibit C

						Change-orders								
Item #	Type	Project Title	Detailed description & purpose	Vendor (or potential vendors)	Total Contract Value	Change-order amount	Total contract amount after change-order	Percentage change	Contract Start Date	Contract End Date (incl. options)	Included in 2018 budget?	Solicitation method	Number of firms which responded to solicitation	Total contract amount of next lowest bidder
9	Solicitation	Lifts for Meadowbrook	Bus Lifts for Meadowbrook	Stertil-Koni, Rotary Lift	$225,000	$0	N/A	N/A	6/1/2018	One time purchase	Yes	IFB	Not out for bid yet	N/A
3	Solicitation	Applicant Tracking System	Applicant tracking system to replace current system.	TBD	$500,000	$0	N/A	N/A	1/1/2019	1/1/2024	Yes	RFP	Not out for bid yet	N/A
11	Solicitation	Depot District Clean Fuels Technology Center	CM/GC procurment for the phased construction of the new Bus Technology, Maintenance and Operations Facility	TBD	$4,200,000	$0	N/A	N/A	9/1/2018	9/1/2021	Yes	RFP	Not out for bid yet	N/A

Item #: 9

Project: Bus Lift Replacement for Meadowbrook

Project Manager: Johnny Johnson

Contract Administrator: Brian Motes

Heading: Bus lift replacement for Meadowbrook

Impacted Area(s): Bus Maintenance

Source of Funds: UTA

Action Requested: Review scope prior to solicitation

Included in 2018 Budget? Yes

Contract #: 18-2740BM

Solicitation Method: RFP

Contractor: TBD

Total Contract Value: $225,000

Contract Start Date: TBD

Contract End Date (Incl. Options): TBD

Number of responding firms: TBD

Next lowest bidder: $

Detailed Description & Purpose: Meadowbrook's bus hoists are 35 plus years old and in need of replacement. The hoist in bay 22 is unusable and has deteriorated to an unsafe condition. This requisition specifies complete removal and replacement of the in-ground hoist.

Attachments: None

R57RSSREQ

REQUISITION FOR PURCHASE-RSS

18-2740BM

Requisition Number 5177 OU **Department** 3800 FACILITIES **Requested By** 1662 Johnson, Johnny **Date** 4/13.
Request Date

X3051

(C) 801-557-7637

Title MB Bus Lift Replacement Bay 22

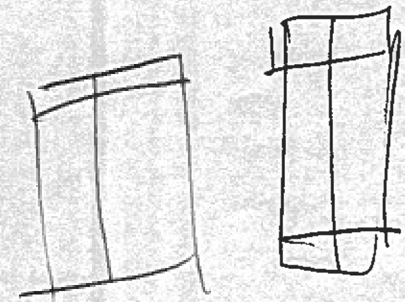
Justification Meadowbrooks bus hoists are 35 plus years old and in need of replacement. The lift in bay 22 is unusuable and has deteriorated to an unsafe condition. This requisition specifies complete removal and replacement of the in-ground hoist. Documentation is attached.

Local

Line	Description	Qty	UoM	Unit Price	Extended	Line Status	Account Number	Subledger-Type	Percent
1.000	Bus lift 3 post @ MB bay 22	1	EA	*************	225,000.00	Approved	40-7382.68912	SGR38218 C	100.0000

Approval History

Process ID	Line No.	Approver Number and Name		Approver Action Taken	Date and Time Updated	
4873	Order Level	1256648	Anderson, Kevin R	Approved	4/13/2018	204528
4873	Order Level	1317232	Edwards, Michael Paul	Approved	4/25/2018	210519
4873	Order Level	4835	Meyer, William Steven	Approved	4/26/2018	135525
4873	Order Level	1316526	Goeres, David H	Approved	4/26/2018	155233



CoPurch

17-2292JH

Item #: **3**

Project: Applicant tracking system

Project Manager: Pablo Martinez

Contract Administrator: Teressa Pickett

Heading: Applicant Tracking System to replace current system

Impacted Area(s): HR and IT

Source of Funds: UTA

Action Requested: Approval

Included in 2018 Budget? Yes

Contract #: 18-2743TP

Contractor: To Be Determined

Total Contract Value: could be $500,000

Contract Start Date: 1/1/2019

Number of responding firms: None yet

Next lowest bidder: $ N/A

Solicitation Method: RFP

Contract End Date (Incl. Options): 1/1/2024

Detailed Description & Purpose:

Applicant tracking system to recruit, hire and onboard new employees. This is a one year contract, with 4 one-year options. Each year should be approximately $100,000.

We are seeking a new system because the current "Cornerstone" system doesn't have...

- Consistent reporting that is easy to access and interpret.
- Doesn't offer integration with current recruiting tool e.g. Hireview, Skillsurvey, and JD Edwards. Requiring us to enter same information into multiple systems.
- Cornerstone support is not meeting the needs of the organization when issues arise, either unresponsive or fail to provide solutions in a timely manner.
- Passive candidate storage or career event tools, this is currently manager my excel files
- Unable to contact candidates though the system and keep a record of each contact
- No event or passive candidate management tool

This will improve our operations by…

- Integrating with UTA current HR and recruiting system e.g Hireview, SkillSurvey, and JD Edwards
    - Creating a one stop shop to access needed recruiting tools
    - Reduce Errors by information being shared between systems and not having to be reentered into multiple systems

- Provide easy access to recruiting analytics needed for compliance reporting plus real time data
- Create a seamless candidate experience to help decrease time to fill and time to hire
- Provide an integrated onboarding process, which will allow the candidate to complete new hire paperwork before their first day plus sign documents electronically to reduce the need to print paper forms
- Provide an Event tool to help reduce the need to collect paper resumes and provide a way to engage with candidate after event, this will lead to better event ROI.

Attachments: None

Item #: **3**

Project: Depot District Technology Center

Project Manager: Greg Thorpe

Contract Administrator: Teressa Pickett

Heading: Depot District Clean Fuels Technology Center

Impacted Area(s): **TBD**

Source of Funds: Local and Federal

Action Requested: Approval

Included in 2018 Budget? **Yes**

Contract #: 18-2741TP

Solicitation Method: RFP

Contractor: TBD

Total Contract Value: $4,200,000

Contract Start Date: 9/1/2018

Contract End Date (Incl. Options): 9/1/2021

Number of responding firms: TBD

Next lowest bidder: $ N/A

Detailed Description & Purpose:

Utah Transit Authority (UTA) is seeking a contractor to perform Construction Manager/General Contractor (CM/GC) services for the Depot District Clean Fuels Technology Center. The Project includes the phased construction of buildings and facilities designed for implementation of a new bus technology, maintenance and operation facility for alternative energy fueled vehicles including diesel, natural gas, electric and other alternative fuels.

Attachments: None

REQUISITION FOR PURCHASE-RSS

Requisition Number 5134 OU **Department** 6800 CAPITAL PROJECTS & DEVELOPMENT

Requested By 1208990 Thorpe, E Gregory **Date** 4/5/2018

Request Date

Title Depot District Tech Cntr CM/GC **Justification**

Line	Description	Qty	UoM	Unit Price	Extended	Line Status	Account Number	Subledger-Type	Percent
1.000	Precon & Construction 2018	1	LS	************	4,200,000.00	Approved	40-3102.68912	MSP10216 C	100.0000

Approval History

Process ID	Line No.	Approver Number and Name		Approver Action Taken	Date and Time Updated	
4840	Order Level	4835	Meyer, William Steven	Approved	4/5/2018	180803
4840	Order Level	1723	Benson, Jerry R	Approved	4/5/2018	234212

HOME