

295 North Jimmy Doolittle Rd
Salt Lake City, UT 84116
(801)363-4250
www.wfrc.org



**Budget Committee
Meeting of October 13, 2016**

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Chairman | Mayor, Sandy

Mike Caldwell
Vice-Chairman | Mayor, Ogden

Mark Allen
Mayor, Washington Terrace

William Applegarth
Mayor, Riverton

Len Arave
Mayor, North Salt Lake

Matthew Bell
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Jackie Biskupski
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Kerry Gibson
Commissioner, Weber County

Michael H. Jensen
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Ben McAdams
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Commissioner, Davis County

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Mayor, Midvale

Bob Stevenson
Mayor, Layton

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Mayor, Bluffdale

Logan Wilde
Councilman, Morgan County

Senator Stuart Adams
Utah State Senate

Representative Brad Dee
Utah House of Representatives

Jerry Benson
Utah Transit Authority

Carlos Braceras
Utah Department of Transportation

Ken Bullock
Utah League of Cities & Towns

Adam Trupp
Utah Association of Counties

Robert Grow
Envision Utah

Evan Curtis
State Planning Coordinator

Andrew Gruber
Executive Director

AGENDA

There will be a meeting of the Budget Committee on **Thursday, October 13, 2016 at 10:00 a.m. in the WFRC offices located at 295 North Jimmy Doolittle Road, Salt Lake City, Utah.** The agenda for the meeting will be as follows:

1. **Call to Order** (Councilmember Michael Jensen)
2. **Public Comment**
3. **Budget Committee**
 - a. Information: Audit Report for FY16
 - b. ACTION: FY17 Budget and Work Program Amendments
4. **Executive Director's Report** (Andrew Gruber)
5. **Other Business**

Upcoming events:

- *UDOT Annual Conference – November 1-3*

Public participation is solicited without regard to age, sex, disability, race, color or national origin. Persons who require translation for a meeting should contact the WFRC's Title VI Administrator at 801-363-4250 or sam@wfrc.org at least 72 hours in advance.

Se solicita la participación del público, sin importar la edad, el sexo, la discapacidad, la raza, color o nacionalidad. Personas que requieren servicios de traducción deben contactar a WFRC's Administrador de Título VI al teléfono 801-363-4250 o sam@wfrc.org por lo menos 72 horas antes de la reunión.

October 6, 2016 DRAFT for Budget Committee Review

DATE: October 27, 2016
AGENDA ITEM: 3a
SUBJECT: **Information:** Draft Audit Report FY2016
PREPARED BY: Loveit Baumgardner

BACKGROUND:

An annual audit of the Council's financial records was performed and a final draft of the report issued as a result of that audit is included herein. The Budget Committee met with Tim Rees from the auditing firm of Karren Hendrix Stagg & Allen on October 13, 2016 to review the final draft of the audit report.

The auditors have issued an *unqualified opinion*. A summary of the audit results may be found on page 44 of the report. Tim Rees will be available to address any questions or concerns of the Council.

The final audit report will be submitted to those agencies requiring a copy of the report within 180 days of the close of the fiscal year.

RECOMMENDATION:

This item is for information only. No action is needed from the Council.

CONTACT PERSON:

Loveit Baumgardner (801) 363-4250 ext. 1102

EXHIBITS:

Wasatch Front Regional Council Financial Statements with Independent Auditors' Report for the Year Ended June 30, 2016.



WASATCH FRONT REGIONAL COUNCIL

Financial Statements With Independent Auditors' Report

For the Year Ended June 30, 2016

**WASATCH FRONT REGIONAL COUNCIL
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Members of the Council
Wasatch Front Regional Council
Salt Lake Council, Utah

We have audited the accompanying financial statements of the governmental activities and each major fund, of the Wasatch Front Regional Council, Utah, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Council'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.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Wasatch Front Regional Council, Utah, as of June 30, 2016, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and pension schedules on pages 3 through 8 and 29 through 34, 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 the Wasatch Front Regional Council, Utah's basic financial statements. The schedule of revenue and expenditures by program on pages 46 through 48 are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of revenue and expenditures by program 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. The schedule of revenue and expenditures by program 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. The schedule of expenditures of federal financial awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal financial awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 3, 2015, on our consideration of the Wasatch Front Regional Council, Utah'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 Wasatch Front Regional Council, Utah's internal control over financial reporting and compliance.



Karren, Hendrix, Stagg, Allen & Company
Salt Lake City, Utah
October 3, 2016

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Wasatch Front Regional Council (the Council), we offer readers of the Council's financial statements this narrative overview and analysis of the financial activities of the Council for the fiscal year ended June 30, 2016.

History and Background

The Wasatch Front Regional Council (WFRC) was organized as a volunteer association of local governments in March 1969, among Davis, Salt Lake, and Weber Counties and the cities within, for the purpose of establishing a review agency to comply with requirements to obtain federal grants and loans, and to address the solutions for regional problems. In June 1969, Tooele County and the municipalities within, and, in 1972 Morgan County and the municipalities within, joined the Regional Council. In June 2014, those portions of Box Elder County that were included in the Ogden/Layton urbanized area for transportation planning as defined by the U.S. Census Bureau joined the Regional Council. The WFRC was designated by the governor of Utah as the Metropolitan Planning Organization (MPO) for the Salt Lake and Ogden metropolitan areas in 1971. MPOs are agencies responsible for transportation planning in urbanized areas throughout the United States. Transportation planning in the region is a cooperative effort of state and local agencies, and as the MPO, the WFRC is responsible for coordinating this transportation planning process. In addition to the transportation planning process, the WFRC provides assistance to small communities with Community Development Block Grant (CDBG) applications, participates in developing comprehensive economic development strategies for the region, and provides a forum for local governments to cooperate in resolving problems and developing plans that are common to two or more counties or are regional in nature.

The Council consists of a governing board of twenty-one voting members, 19 elected officials representing local governments from Box Elder, Davis, Morgan, Salt Lake, Tooele and Weber counties, and one representative each from the Utah Department of Transportation and the Utah Transit Authority. The Council also includes six non-voting members representing the Utah State Senate, the Utah House of Representatives, the Utah State Planning Director, the Utah League of Cities and Towns, the Utah Association of Counties, and Envision Utah.

Transportation planning in the Salt Lake Area has been a continuing effort for over four decades. In the 1960's UDOT developed the first Long Range Plan for the area. Since 1973, the WFRC has developed Regional Transportation Plans and has updated them regularly. The process is comprehensive in nature, addressing all modes of transportation, including highways, transit, and active transportation. Transportation plans are also part of the comprehensive planning for the overall development of the region.

Two main products are developed through the transportation planning process. The first is a Regional Transportation Plan (RTP), which recommends improvements to highways, transit, and other modes, to meet the transportation needs of the area with a minimum 20-year planning horizon. The second is a Transportation Improvement Program (TIP). The TIP is a six-year capital improvement program for highway and transit and other transportation projects contained in the RTP. The RTP is updated every four years, while the TIP is approved annually.

During the fiscal year ended June 30, 2016, Wasatch Front Regional Council received funding from the following sources:

U.S. Dept of Transportation	\$3,344,666	60.0%
U.S. Dept of Housing/Urban Development	48,854	.8%
U.S. Dept of Commerce	60,000	1.1%
State of Utah	1,141,234	20.5%
Local Governments	708,646	12.6%
Other	<u>264,341</u>	<u>5.0%</u>
Total	<u>\$5,567,741</u>	<u>100.0%</u>

Financial Highlights

The following table summarizes changes in the Council's assets, liabilities, deferred outflows and deferred inflows:

	<u>2016</u>	<u>2015</u>	<u>Change</u>
Current assets	\$ 3,105,574	\$ 1,503,002	\$ 1,602,572
Pension assets	94	1,234	(1,140)
Capital Assets	333,295	400,232	(66,937)
Total assets	\$ 3,438,963	\$ 1,904,468	\$ 1,534,495
Deferred outflows	\$ 531,328	\$ 164,745	\$ 366,583
Current liabilities	2,312,269	695,861	1,616,408
Non-current liabilities	1,404,373	1,223,417	180,956
Total liabilities	\$ 3,716,642	\$ 1,919,278	\$ 1,797,364
Deferred inflows	\$ 104,403	\$ 96,246	\$ 8,157
Net position			
Net investment in capital assets	(42,706)	(48,768)	6,062
Restricted net position	94,633	94,466	167
Unrestricted net position	97,320	7,991	89,329
Total net position	\$ 149,247	\$ 53,689	\$ 95,558

Management considers the fluctuation in cash, receivables, prepaid expenses, and accrued payroll liabilities to be normal for this organization. Unearned revenue is advance payments received from local government and other sources for projects in process. Those projects are anticipated to be completed in subsequent fiscal years. The decrease in lease revenue bonds is a result of regular scheduled payments on the principal balance during the year. Throughout the year, the Council invested funds not immediately needed for operations with the Utah State Public Treasurer's Investment Fund (PTIF). Proceeds from those invested funds were \$8,133 for the year.

There was a 36% increase in revenue and expenditures for the year. The bulk of this is due to new projects that included: Mountain Accord Phase II Project Management; the Community Impact Board Regional Resource Management Planning project; and several joint planning projects with Utah Department of Transportation, Utah Transit Authority, and Mountainland Association of Governments. Management considers this to be normal for this organization. From time to time the Council enters into agreements with other agencies to conduct various transportation and other studies and support. For this fiscal year those included work on Transit Support, Salt Lake County Corridor Preservation, Salt Lake County Council of Governments administrative support, Community Impact Board, Economic Development planning, CDBG Small Cities support, Transportation and Land Use Connection Program, Tooele Valley Rural Planning Organization, Mobility Management, Transportation Model Development, and several joint planning projects.

Overview of the Financial Statements

The discussion and analysis is intended to serve as an introduction to Wasatch Front Regional Council's basic financial statements. This report is similar to the last fiscal year's and is in compliance with Governmental Accounting Standards Board Statement No. 34. In addition to the Management's

Discussion and Analysis, the report consists of government-wide financial statements, fund financial statements, and notes to the financial statements. The first several statements are highly condensed and present a government-wide view of the Council's finances. The governmental activities of the Wasatch Front Regional Council include transportation planning, providing technical assistance to and workshops for small communities for CDBG applications, administrative support to Salt Lake County Council of Governments, Economic Development planning, and other planning.

Government-wide Financial Statements. The government-wide *financial* statements are designed to provide readers with a broad overview of the Council's finances in a manner similar to private-sector business reporting.

The *statement of net position*, a component of the government-wide financial statements, presents information on all of the Council's assets and liabilities, with the difference between the two reported as *net position*. The Council's capital assets (land, buildings, and equipment) are included in this statement and reported net of their accumulated depreciation. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Council is improving or deteriorating. In evaluating the government's overall condition, however, additional non-financial factors should be considered such as the Council's economic outlook, changes in its demographics, and the condition of its capital assets.

The *statement of activities* presents revenue and expense information showing how the Council's net position changed during the fiscal year. To understand the basis of how these numbers are determined, it is important to note that changes in net position are reported whenever an event occurs that requires a revenue or expense to be recognized, regardless of when the related cash is received or disbursed (the accrual basis of accounting). For example, assessment revenue is reported when the assessments are billed, even though they may not be collected for some time after that date; and an obligation to pay a supplier is reported as an expense when the goods or services are received, even though the bill may not be paid until sometime later.

The government-wide financial statements can be found on pages 9 and 10 of this report.

Fund Financial Statements. A *fund* is a grouping of related accounts (revenue, expenses, assets, and liabilities) that is used to control resources that have been segregated for specific activities. The Wasatch Front Regional Council, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds utilized by the Council are accounted for in two governmental funds: the general fund and the special projects fund.

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the *government-wide financial statements*. However, for accounting and reporting purposes, government fund numbers are determined with a different approach. At the fund level, the focus is on changes in short-term spendable resources and the balance available to spend, rather than the long-term focus used for determining government-wide numbers. Because the focus is so different between fund statements and government-wide statements, reconciliation between the two types is necessary to understand how the numbers differ. Such reconciliation is provided on pages 12 and 14 of this report. The Council has two major funds which are the General Fund and the Special Projects Fund. The General Fund is used for administrative activities of the Council. The Special Projects Fund is used to account for regional planning activities. To demonstrate legal compliance, statements comparing budget-to actual numbers for both funds are included in the financial statements.

Financial Analysis

The Council's fund balance, may serve over time, as a useful indicator of an organization's financial position. In the case of the Council, assets exceeded liabilities by \$149,246 at the close of fiscal year ended June 30, 2016. Net assets are comprised of current assets and capital assets (property and

equipment). Currently the Council's capital assets net of related debt and depreciation is a negative \$42,705. This can be explained by a difference in the rate of depreciation versus the rate of reduction in the principal related to the purchase of the Council's office building. In September of 2001, the Council, through Davis County Municipal Building Authority, purchased the office building for its occupation by issue of Lease Revenue Bonds. The bonds are payable in semi-annual payments, including principal and interest, over a seventeen year period. The Council records depreciation on the building using a straight-line method over the same seventeen year period. At the end of the fiscal year 2016 the difference between the balance due on the bonds and the net depreciated value of the building and the value of the land was \$101,936. This difference will diminish as the bond principal payments increase over the years. The remaining fixed assets, including leasehold improvements and furniture and equipment, have a value net of depreciation of \$59,231 with no related debt. The Council uses these capital assets for day to day operations; consequently, these assets are not available for future spending.

A portion of the Council's net position has been reserved in accordance with provisions of the Lease Agreement with Davis County Municipal Building Authority for the final year's payment of the Lease Revenue Bonds issued for the purchase of the Council's office building.

The Council's net position increased by \$95,557 during the fiscal year due to interest earned on cash balances and differences in pension expense from implementing GAS B 68.

Key elements of the increase in net assets are as follows:

	<u>2016</u>	<u>2015</u>
Revenue		
Federal sources	\$ 3,453,520	\$ 3,108,191
State sources	1,141,234	241,410
Local sources	972,987	746,270
Interest income	8,133	3,870
Total revenue	<u>\$ 5,575,874</u>	<u>\$ 4,099,741</u>
Expenses		
Program	\$ 5,472,495	\$ 3,981,835
Interest	7,823	9,007
Total expenses	<u>\$ 5,480,318</u>	<u>\$ 3,990,842</u>
Increase in net position	\$ 95,557	\$ 108,899
Net position, beginning	<u>53,689</u>	<u>(55,210)</u>
Net position, ending	<u>\$ 149,246</u>	<u>\$ 53,689</u>

Debt

As of June 30, 2016, the Council's total debt for Lease Revenue Bonds used for the purchase of its office building amounted to \$376,000. The Lease Revenue Bonds were secured by specific revenue sources.

Additional information on the Council's debt can be found in Note 5 in the Notes to the Council's Financial Statements.

**Wasatch Front Regional Council Outstanding Debt
Revenue Bonds**

	2016	2015
Revenue bonds	\$ 376,000	\$ 449,000

Use of Reserved and Restricted Funds

The Council has funds with various restrictions. When an expense is incurred which meets the requirements to release the restriction, such restricted funds are first used to satisfy the expense followed by any unrestricted funds needed to satisfy the expense. The Council has reserved a portion of its cash for compensated absences and unemployment compensation.

Cash	\$ 501,739
Restricted cash	1,732,024

Budgetary Highlights

The Council approved its fiscal year 2016 budget on May 26, 2015. During the year the 2016 budget was amended to include \$2,260,840 in additional funding for projects such as Mountain Accord Phase II, Community Impact Board Resource Management, Transportation and Land Use Connection Program, and to account for funds carried forward from the previous year that were estimated at the time the budget was adopted. Several of these projects are multi-year in nature and are anticipated to be completed within the next two years.

Capital Assets

The Council's investment in property and equipment as of June 30, 2016, amounts to \$333,295, net of accumulated depreciation. This investment includes land, buildings, furniture, equipment and related improvements. The total decrease in the Council's investment in property and equipment for the current fiscal year was 16%. During the year the Council purchased furniture and equipment and leasehold improvements in the amount of \$23,876. The Council uses the straight-line method of depreciation over the estimated useful life of the assets.

**Property and Equipment
(Net of Depreciation)**

	2016	2015
Land	\$ 105,888	\$ 105,888
Buildings	168,176	224,234
Improvements	19,954	22,723
Furniture and equipment	39,277	47,387
Total	\$ 333,295	\$ 400,232

Requests for Information

This financial report is designed to provide a general overview of the Council's finances for all those with an interest. Questions regarding any of the information provided in this report or requests for additional information should be addressed to:

Wasatch Front Regional Council
295 North Jimmy Doolittle Road
Salt Lake City, Utah 84116
Attention: Loveit Baumgardner, Chief Financial Officer

WASATCH FRONT REGIONAL COUNCIL

Statement of Net Position

June 30, 2016

ASSETS

CURRENT ASSETS

Cash	\$ 501,739
Cash - restricted	1,732,024
Accounts receivable	869,170
Prepaid expenses	2,640
Total current assets	<u>3,105,573</u>

NON-CURRENT ASSETS (Net of depreciation)

Pension asset	<u>94</u>
Capital assets	
Land	105,888
Building	952,994
Leasehold improvements	298,572
Furniture and equipment	(1,024,159)
Total capital assets	<u>333,295</u>

Total assets 3,438,962

Deferred Outflows of Resources

Deferred Outflows Relating to Pensions 531,328

Total Deferred Outflows of Resources 531,328

LIABILITIES

CURRENT LIABILITIES

Accounts payable	388,019
Unearned revenue	1,637,390
Accrued interest on bonds	1,400
Compensated Absences (due within one year)	209,458
Lease revenue bond (due within one year)	76,000
Total current liabilities	<u>2,312,267</u>

Noncurrent Liabilities

Pension Liability	1,004,144
Compensated Absences (due after one year)	100,229
Lease revenue bond (due after one year)	300,000
Total noncurrent liabilities	<u>1,404,373</u>

Total liabilities 3,716,640

Deferred Inflows of resources

Deferred inflows relating to pensions 104,403

Total deferred inflows of resources 104,403

NET POSITION

Investment in capital assets, net of related debt	(42,706)
Restricted net position	94,633
Unrestricted net position	<u>97,320</u>

Total net position \$ 149,247

The accompanying notes are an integral part of this statement.

WASATCH FRONT REGIONAL COUNCIL

Statement of Activities For the Year Ended June 30, 2016

Net (Expense) Revenue and Changes in Net Position				
<u>Functions and Programs</u>	<u>Expenses</u>	<u>Program Revenue</u>		<u>Primary Government</u>
		<u>Operating Grants and Contributions</u>	<u>Other Grants and Contributions</u>	<u>Government Activities</u>
PRIMARY GOVERNMENT				
Government activities				
General Government	\$ 5,472,772	\$ 5,569,141	\$ -	\$ 96,369
Interest on long term debt	7,821	-	-	(7,821)
Total government activities	5,480,593	5,569,141	-	88,548
Total primary government	\$ 5,480,593	\$ 5,569,141	\$ -	\$ 88,548
General revenue				
Disposal of asses				(1,115)
Investment earnings				8,133
Total general revenue				7,018
Changes in net assets				95,566
NET POSITION, JULY 1				53,681
NET POSITION, JUNE 30				\$ 149,247

The accompanying notes are an integral part of this statement.

WASATCH FRONT REGIONAL COUNCIL

Balance Sheet Governmental Funds June 30, 2016

	<u>General</u>	<u>Special Projects</u>	<u>Total Governmental Funds</u>
<u>ASSETS</u>			
ASSETS			
Cash	\$ 801	\$ 500,938	\$ 501,739
Cash - restricted	94,633	1,637,392	1,732,025
Accounts receivable	-	867,770	867,770
Prepaid expenses	-	2,640	2,640
	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 95,434</u>	<u>\$ 3,008,740</u>	<u>\$ 3,104,174</u>
 <u>LIABILITIES AND FUND BALANCES</u>			
LIABILITIES			
Accounts payable	\$ -	\$ 388,018	\$ 388,018
Unearned revenue	-	1,637,392	1,637,392
Total liabilities	<u> </u>	<u>2,025,410</u>	<u>2,025,410</u>
FUND BALANCES			
Assigned - Compensated absences	-	309,687	309,687
Assigned - Unemployment compensation	-	134,611	134,611
Assigned - Special Projects	-	539,032	539,032
Restricted	94,633	-	94,633
Unassigned	801	-	801
Total fund balances	<u>95,434</u>	<u>983,330</u>	<u>1,078,764</u>
	<u> </u>	<u> </u>	<u> </u>
Total liabilities and fund balances	<u>\$ 95,434</u>	<u>\$ 3,008,740</u>	<u>\$ 3,104,174</u>

The accompanying notes are an integral part of this statement.

WASATCH FRONT REGIONAL COUNCIL
Reconciliation of the Balance Sheet
Governmental Funds to the Statement of Net Position
June 30, 2016

Total fund balance		\$ 1,078,764
Total net assets reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds. Those assets consist of:		
Land	\$ 105,889	
Building	952,993	
Leasehold improvements	44,262	
Furniture and equipment	298,572	
Less accumulated depreciation	<u>(1,068,421)</u>	
Total capital assets	<u>333,295</u>	333,295
Liability for compensated absences are not recognized at the fund level but are recognized for the government wide statement of net assets.		(309,688)
Pension liability is not recognized on the funds statement but is recorded on the government wide statement.		(1,004,144)
Deferred outflows is not recognized on the funds statement but is recorded on the government wide statement.		531,328
Deferred inflows is not recognized on the funds statement but is recorded on the government wide statement.		(104,403)
Pension asset is not recognized on the funds statement but is recognized on the government wide statement.		94
Lease revenue bonds for the purchase of the office building are not reported as fund liabilities. Both current and long-term portions are reported in the statement of net assets.		<u>(376,000)</u>
Total net assets of governmental activities		<u>\$ 149,246</u>

The accompanying notes are an integral part of this statement.

WASATCH FRONT REGIONAL COUNCIL
Statement of Revenue, Expenditures,
and Changes in Fund Balances - Governmental Funds
For the Year Ended June 30, 2016

	<u>General</u>	<u>Special Projects</u>	<u>Totals</u>
REVENUE			
Federal sources	\$ 57,927	\$ 3,395,593	\$ 3,453,520
State sources	19,142	1,122,091	1,141,233
Local sources	20,006	952,981	972,987
Interest	8,133	-	8,133
Total revenue	<u>105,208</u>	<u>5,470,665</u>	<u>5,575,873</u>
EXPENDITURES			
Administration	1,352	-	1,352
Planning	-	5,461,000	5,461,000
Capital outlay	23,876	-	23,876
Debt service			
Principal	73,000	-	73,000
Interest	6,422	-	6,422
Total expenditures	<u>104,650</u>	<u>5,461,000</u>	<u>5,565,650</u>
Revenue and other sources over (under) expenditures and other uses	<u>558</u>	<u>9,665</u>	<u>10,223</u>
Other sources			
Transfers	-	-	-
Total other sources	<u>-</u>	<u>-</u>	<u>-</u>
Total revenue under (over) expenditures and other sources	558	9,665	10,223
FUND BALANCE, JULY 1	<u>94,876</u>	<u>973,665</u>	<u>1,068,541</u>
FUND BALANCE, JUNE 30	<u>\$ 95,434</u>	<u>\$ 983,330</u>	<u>\$ 1,078,764</u>

The accompanying notes are an integral part of this statement.

WASATCH FRONT REGIONAL COUNCIL
Reconciliation of the Statement of Revenue, Expenditures, and Changes in
Funds Balances - Governmental Funds to the Statement of Activities
June 30, 2015

NET CHANGES IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$	10,223
<p>The change in net assets reported for governmental activities in the statement of activities is different because:</p> <p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay (\$23,876) is less than depreciation expense (\$89,699).</p>		
		(65,823)
<p>The increase in compensated absences is reported in the statement of activities but the liability is not recorded at the fund level.</p>		
		(15,096)
<p>Sale of assets proceeds is recognized on the fund statements but the Gain or loss is recognized in the government wide statements.</p>		
		(1,113)
<p>Pension expense is reduced by deferred outflows on the government wide statement.</p>		
		94,365
<p>Repayment of principal is an expenditure in the governmental funds but reduced the liability in the statement of net assets.</p>		
		73,000
Change in net position of governmental activities	\$	95,556

The accompanying notes are an integral part of this statement.

**WASATCH FRONT REGIONAL COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

NOTE 1—ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization – The Wasatch Front Regional Council (Council) is a voluntary organization comprised of representatives of local governments located along the Wasatch Front. The Council was organized in 1969 for the purpose of meeting at regular intervals to discuss and study community challenges of mutual interest and concern and to develop policy and action recommendations for ratification and implementation by the governments in the area served by the Council.

In evaluating how to define the government, for financial reporting purposes, management has considered all potential component units according to the criteria set forth in Governmental Accounting Standards Board's (GASB) Statement No. 14 and concluded there are no entities that are considered to be component units of the Council, nor is the Council considered a component unit of any other entity. Although the Council has entered a leasing agreement with Davis County Municipal Building Authority (the Authority) for its office building, the Authority is a separate entity and they are involved in leasing activities that are separate from the Council.

The Council's programs are funded by Federal grants, state appropriations and grants, and various local contributions, primarily on a year-to-year basis.

Basis of Accounting and Measurement Focus - Basis of accounting refers to when revenue and expenditures or expenses are recognized in the accounts and reported in the financial statements.

Government-wide statements are comprised of the statement of net position and the statement of activities. They contain information on all of the activities of the primary government. Most effects of inter-fund activities have been eliminated from these statements. The Statement of Net Position and the Statement of Activities are accounted for using the *economic resources measurement focus* and the *accrual basis of accounting*. Under the accrual basis of accounting, revenue is recorded when earned, and expenses are recorded at the time liabilities are incurred or the economic asset is used. Revenue, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. The statement of activities is presented to show the extent that program revenue of a given activity supports direct expense. Direct expenses are those that can clearly be associated with a particular activity or program. Program revenue is grants or other contributions that are restricted to operations or a specific activity. General revenue is investment earnings.

The *Governmental Fund Balance Sheet*, and the *Statement of Governmental Fund Revenue, and Expenditures and Changes in Fund Balance* use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenue is recognized when susceptible to accrual (i.e., when it becomes both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred. Expenditures related to principal and interest on general long-term debt is paid as incurred and compensated absences are recorded only when payment is due.

The accounting policies of the Council conform to accounting principles generally accepted in the United States of America applicable to governmental units. The following is a summary of the more significant of such policies:

Short-Term Investments – Short-term investments are held by the Utah Public Treasurer's Investment Fund and are recorded at cost which approximates market value.

Capital Assets – The Council capitalizes all assets over \$1,000 and values the assets at historical

cost. Depreciation of capital assets is computed using the straight-line method over the following estimated useful lives:

Building and leasehold improvement	17 years
Furniture, fixtures and equipment	3-5 years

Unemployment Benefits – The Council, by agreement with the Utah State Department of Workforce Services, does not pay unemployment taxes. Instead, the Department of Workforce Services bills the Council directly for applicable unemployment benefits payable to former Council employees. The Council has assigned a portion of its General fund balance and deposits funds into a cash reserve account for the potential claims. Claims are recognized as an expense when the claim is filed.

Accrued Vacation Expense – The cost of employee vacations is recorded as an expenditure at the time it is earned by the employee and is charged to the programs on which the employee works.

Accrued Sick Leave – Sick leave benefits are vested and any unused benefits may be redeemed once annually as cash payments for any accrued hours over 80 hours or upon termination of employment.

Program Revenue – The Council reports program revenue, operating grants and contributions, and capital grants and contributions. General revenue includes all investment earnings.

Reconciliation of Government Wide and Fund Statements – Governmental funds use the current financial resources measurement focus and the modified accrual basis of accounting, while the government-wide financial statements use the economic resources measurement focus and the accrual basis of accounting. As a result, there are important differences between the assets, liabilities, revenue, and expenses or expenditures reported on the fund financial statements and the government-wide financial statements. As a result there must be reconciliation between the two statements to explain the differences. A reconciliation is included as part of the fund financial statements.

Inter-fund Transactions – In the normal course of its operations, the Council has various transactions between funds. Transfers are recognized as operating transfers in and out, respectively, by the funds receiving and providing the transfer.

Minimum Fund Balance – Utah Code requires that a minimum fund balance of 5% of the total general fund revenue be maintained and not budgeted.

Revenue From Local Sources – Revenue from local sources is generally used to meet matching revenue requirements related to Federal grants and for other approved projects. Such revenues from local sources are recognized in the period in which the funds are received. This revenue and the related receivables are principally with local governmental entities represented by the Council.

Expenditures – Major individual funds are reported in separate columns in the governmental funds statements. A fund is considered major if it is the general fund of the Council. Other funds are considered major if total assets, liabilities, revenue or expenditures are at least 10% of the corresponding total for all funds of that category or type.

Wasatch Front Regional Council has two major governmental funds; the general fund and the special projects fund. The general fund is the main operating fund and accounts for all the financial resources of the Council except those required to be accounted for in another fund. The special projects fund accounts for resources dedicated to regional planning projects.

Prepays – Payments made for goods and services that will benefit periods beyond June 30, 2016,

are recorded as prepaids.

Unearned Revenue – Funds which are specifically restricted as to their use are recorded as revenue when the related costs are incurred. Such funds received in advance of costs incurred are recorded as unearned revenue. Restricted sources are used before unrestricted sources.

Indirect Costs – Indirect costs are charged to the various programs on a monthly basis. Such costs are comprised of total overhead costs for the month and are allocated based on the total person-hours worked in each program.

Budget – Annual budgets are adopted by the Board of Council members. Budgets are submitted to the State of Utah. The budgets are adopted using *the modified accrual basis of accounting*.

Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Council to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimated maturities.

Deferred Inflows and Outflows

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to future periods and is not recognized as expenditures until that time. Currently, Wasatch Front has only one deferred outflow relating to pensions.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. Deferred inflows of resources, represent an acquisition of net position that applies to future periods and are not recognized as revenue until that time. Wasatch Front has only one deferred inflow related to pensions.

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 Retirement Systems Pension Plan (URS) and additions to and deductions from URS's fiduciary net position have been determined on the same basis as they are reported by URS. 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.

NOTE 2—CASH AND INVESTMENTS

The Council maintains a cash and investment pool, which includes cash on hand, one cash account, and one investment account.

The Council's deposit and investment policy is to follow the Utah Money Management Act. The Council does not have a separate deposit or investment policy that addresses specific types of deposit and investment risks to which the Council is exposed.

Utah State law requires that the Council's funds be deposited with a "qualified depository" as defined by the Utah Money Management Act. "Qualified depository" includes any depository institution which has been certified by the Utah State Commissioner of Financial Institutions as having met the requirements as defined in Rule 11 of the Utah Money Management Act. Rule 11 establishes the formula for determining the amount of public funds which a qualified depository may hold in order to minimize risk of loss and defines capital requirements which an institution must maintain to be eligible to accept public funds.

The Utah Money Management Act also governs the scope of securities allowed as appropriate

temporary investments for the Council and conditions for making investment transactions. Investment transactions are to be conducted through qualified depositories or primary reporting dealers.

As of June 30, 2016, the Council had the following deposits and investments:

<u>Deposit and Investment Type</u>	<u>Fair Value</u>
Cash on deposit	\$ 217,360
State Treasurer's investment pool	<u>2,132,557</u>
Total	<u>\$2,349,917</u>

The Council is authorized to invest in the Utah Public Treasurer's Investment Fund (PTIF), an external pooled investment fund managed by the Utah State Treasurer and subject to the Act and Council requirements. The PTIF is not registered with the SEC as an investment company, and deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah. The PTIF operates and reports to 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. As of June 30, 2016, the Utah Public Treasurer's Investment Fund was unrated.

As of June 30, 2016, the Council had the following investments:

Investment Maturities (in Years)

	<u>Fair Value</u>	<u>Less Than 1 Year</u>	<u>1 - 10 Years</u>	<u>More Than 10 Years</u>
State of Utah Public Treasurer Investment fund	\$ 2,132,557 <u>-</u>	\$ 2,132,557 <u>-</u>	\$ - <u>-</u>	\$ - <u>-</u>
Total investments	<u>\$ 2,132,557</u>	<u>\$ 2,132,557</u>	<u>\$ -</u>	<u>\$ -</u>

Credit Risk – Credit risk is the risk that the counterparty to an investment will not fulfill its obligations. The local government's policy for limiting the credit risk of investments is to comply with the Money Management Act.

Interest Rate Risk – Interest rate risk is the risk that, changes in interest rates of debt investments, will adversely affect the fair value of an investment. The Council manages its exposure to declines in fair value by only investing in the PTIF.

Custodial Credit Risk – Deposits – In the case of deposits, this is the risk that in the event of a bank failure, the Council's deposits may not be returned. As of June 30, 2016, \$217,360 of the Council's deposits were covered by federal insurance.

Custodial Credit Risk – Investments – In the case of investments, this is the risk that in the event of the failure of the counterparty, the Council will not be able to recover the value of its investments that are in the possession of an outside party. The Utah Public Treasurer's Investment Fund is an external deposit and investment pool wherein governmental entities are able to pool the monies from several entities to improve investment efficiency and yield. These monies are invested primarily in

money market securities and contain no withdrawal restrictions. As such, the monies invested in this fund are not insured and are uncollateralized, and are subject to the same market risks as any similar investment in money market funds.

Components of cash and investments (including interest earning deposits) on June 30, 2016, are as follows:

Cash on hand	\$ 300
Cash on deposit	100,906
Utah State Treasurer's investment pool	<u>2,132,557</u>
 Total	 <u><u>\$ 2,233,763</u></u>

Cash and investments are included in the accompanying statement of net assets as follows:

Cash on deposit	\$ 501,739
Restricted cash	<u>1,732,024</u>
 Total	 <u><u>\$ 2,233,763</u></u>

NOTE 3—ACCOUNTS RECEIVABLE

Accounts receivable from all sources as of June 30, 2016, consisted of the following:

There is no allowance for uncollectable accounts.

FHWA - Utah Department of Transportation	\$ 518,434
STP - Utah Department of Transportation	110,049
FTA - Utah Transit Authority	1,462
HUD - Utah Community & Economic Development	19,151
State of Utah - Utah Department of Transportation	18,695
State of Utah - Other	125,000
Other - Non-state and non-federal	<u>76,379</u>
 Total	 <u><u>\$ 869,170</u></u>

NOTE 4—PROPERTY AND EQUIPMENT

A summary of changes in property and equipment for the year ended June 30, 2016, is as follows:

	Balance June 30, 2015	Additions	Retirement	Balance June 30, 2016
Non-depreciated assets				
Land	\$ 105,888	\$ -	\$ -	\$ 105,888
Total non-depreciated assets	<u>105,888</u>	<u>-</u>	<u>-</u>	<u>105,888</u>
Depreciated assets				
Building	952,993	-	-	952,993
Leasehold improvements	44,262	-	-	44,262
Equipment, furniture, and fixtures	275,811	23,876	(1,115)	298,572
Total depreciated assets	<u>1,273,066</u>	<u>23,876</u>	<u>(1,115)</u>	<u>1,295,827</u>
Less accumulated depreciation				
Building	(728,759)	(56,058)	-	(784,817)
Leasehold improvements	(21,539)	(2,769)	-	(24,308)
Equipment, furniture, and fixtures	(228,424)	(31,986)	1,115	(259,295)
Total accumulated depreciation	<u>(978,722)</u>	<u>(90,813)</u>	<u>1,115</u>	<u>(1,068,420)</u>
Net property and equipment	<u>\$ 400,232</u>	<u>\$ (66,937)</u>	<u>\$ -</u>	<u>\$ 333,295</u>

Depreciation expense was \$90,813 for general government.

NOTE 5—LONG-TERM DEBT

On September 4, 2001, the Council acquired land and a building to house its offices. The building was acquired through the Davis County Municipal Building Authority (“Authority”). The Authority issued \$1,153,000 of Lease Revenue Bonds with adjustable interest rates ranging from 1.49% to 5.1% with an interest rate renewal every five years. The Lease Agreement between the Authority and the Council calls for semi-annual payments of interest and principal each February and August through September 1, 2019, which coincide with the payments due on the Lease Revenue Bonds. At the end of the lease term, the Council will receive title to the property. The Lease Agreement meets the criteria for a capital lease in accordance with *Government Accounting Standards*. The future lease payments equal to the bond principal payments are included as an adjustment to reconcile the fund balance sheet to the statement of net assets.

The future lease payments for bond principal and interest are as follows based on the current interest rates:

Year	Principal	Interest	Total
2017	\$ 76,000	\$ 5,319	\$ 81,319
2018	79,000	4,179	83,179
2019	83,000	2,987	85,987
2020	138,000	1,028	139,028
	<u>\$ 376,000</u>	<u>\$ 13,513</u>	<u>\$ 389,513</u>

A summary of changes in long-term debt for the year ended June 30, 2016, is as follows:

	Balance June 30, 2015	Additions	Reductions	Balance June 30, 2016	Due Within Within One Year
Lease revenue bond	\$ 449,000	\$ -	\$ 73,000	376,000	\$ 76,000
Compensated absences					
Sick leave	112,853	92,053	(83,663)	121,243	88,720
Vacation	181,740	148,704	(142,000)	188,444	120,738
Total	294,593	240,757	(225,663)	309,687	209,458
Total long-term liabilities	\$ 743,593	\$ 240,757	\$ (152,663)	\$ 685,687	\$ 285,458

NOTE 6—NET POSITION

The unrestricted net position on June 30, 2016, was designated by the Council for future programs, local matching for Federally-funded projects, compensated absences, and unemployment compensation. The reserved fund balance relates to cash held in a restricted account related to the lease revenue bonds and advance grant payments received for projects expected to be completed in the subsequent fiscal year.

NOTE 7—RISK MANAGEMENT

The Council is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the Council carries commercial insurance. The Council carries a Workers' Compensation Policy for which the premiums are based on past experience.

NOTE 8—RETIREMENT PLANS

General Information About the Pension Plan

Plan description: Eligible Plan participants are provided with pensions through the Utah Retirement Systems. The Utah Retirement Systems are comprised of the following pension trust funds:

- Public Employees Noncontributory Retirement System (Noncontributory System); is a multiple employer, cost sharing, public employee retirement system.
- Tier 2 Public Employees Contributory Retirement System (Tier 2 Public Employees System); is a multiple employer, cost sharing, public employee retirement system.

The Tier 2 Public Employees System became effective July 1, 2011. All eligible employees beginning on or after July 1, 2011, who have no previous service credit with any of the Utah Retirement Systems, are members of the Tier 2 Retirement System.

The Utah Retirement Systems (Systems) are established and governed by the respective sections of Title 49 of the Utah Code Annotated 1953, as amended. The Systems' defined benefit plans are amended statutorily by the State Legislature. The Utah State Retirement Office Act in title 49

provides for the administration of the Systems under the direction of the Board, whose members are appointed by the Governor. The Systems are fiduciary funds defined as pension (and other employee benefit) trust funds. URS is a component unit of the State of Utah. Title 49 of the Utah Code grants the authority to establish and amend the benefit terms. URS issues a publicly available financial report that can be obtained by writing Utah Retirement Systems, 560 East 200 South, Salt Lake City, Utah 84102, or visiting the website: www.urs.org.

Benefits provided: URS provides retirement, disability, and death benefits. Retirement benefits are as follows:

System	Final Average Salary	Years of Service Required and/or Age Eligible For Benefits	Benefit Percent Per Year of Service	COLA**
Noncontributory System	Highest 3 years	30 Years any age 25 Years any age* 20 Years age 60* 10 Years age 62* 4 Years age 65	2% Per year all years	Up to 4%
Tier 2 Public Employees System	Highest 5 years	35 Years any age 20 Years age 60* 10 Years age 62* 4 Years age 65	1.5% Per year all years	Up to 2.5%

* With actuarial reductions

** All post-retirement cost-of-living adjustments are non-compounding and are based on the original benefit except for Judges, which is a compounding benefit. The cost-of-living adjustments are also limited to the actual Consumer Price Index increase for the year, although unused CPI increases not met may be carried forward to subsequent years.

Contributions: As a condition of participation in the Systems, employers and/or employees are required to contribute certain percentages of salary and wages as authorized by statute and specified by the URS Board. Contributions are actuarially determined as an amount that, when combined with employee contributions (where applicable) is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability. Contribution rates are as follows:

	Employee Paid	Paid by Employer for Employee	Employer contribution Rate	Employer Rate for 401(k) Plan
Contribution System				
111 Local Government Div Tier 2	N/A	N/A	16.67	1.78
Noncontributory System				
15 Local Government Div. Tier 1	N/A	N/A	18.47	N/A
Tier 2 DC Only	N/A	N/A	6.89	10
211 Local Government				

Tier 2 rates include a statutory required contribution to finance the unfunded actuarial accrued liability of the Tier 1 plans.

For fiscal year ended June 30, 2016 the employer and employee contributions to the Systems were as follows:

System	<u>Employer Contributions</u>	<u>Employee Contributions</u>
Noncontributory system	\$ 275,203	N/A
Tier 2 Public Employees System	52,322	N/A
Tier 2 DC Only System	<u>5,914</u>	N/A
Total contributions	<u>\$ 333,439</u>	

Contributions reported are the URS Board approved required contributions by System. Contributions in the Tier 2 System are used to finance the unfunded liabilities in the Tier 1 Systems.

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

At June 30, 2016, we reported a net pension asset of \$94 and a net pension liability of \$1,004,144.

	<u>Proportionate Share</u>	<u>Net Pension Asset</u>	<u>Net Pension Liability</u>
Noncontributory System	0.1774581%	\$ -	\$1,004,144
Tier 2 Public Employees System	0.0420644%	<u>94</u>	<u>-</u>
Total		<u>\$ 94</u>	<u>\$1,004,144</u>

The net pension asset and liability was measured as of December 31, 2015, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2015, and rolled forward using generally accepted actuarial procedures. The proportion of the net pension asset and liability is equal to the ratio of the employer's actual contributions to the Systems during the plan year over the total of all employer contributions to the System during the plan year.

For the year ended June 30, 2016, we recognized pension expense of \$239,041.

At June 30, 2016, we reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 47,902
Changes in assumptions	-	56,501
Net difference between projected and actual earnings on pension plan investments	341,537	-
Changes in proportion and differences between contributions and proportionate share of contributions	23,559	-
Contributions subsequent to the measurement date	<u>166,233</u>	<u>-</u>
Total	<u>\$ 531,329</u>	<u>\$ 104,403</u>

\$166,233 was reported as deferred outflows of resources related to pension's results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2015. These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended December 31,</u>	Deferred Outflows (Inflows) of Resources
2016	\$ 60,055
2017	60,055
2018	61,043
2019	80,936
2020	(258)
Thereafter	(1,141)

Actuarial assumptions: The total pension liability in the December 31, 2015, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75 Percent
Salary increases	3.50 - 10.50 Percent, average, including inflation
Investment rate of return	7.5 Percent, net of pension plan investment expense, including inflation

Mortality rates were developed from actual experience and mortality tables, based on gender, occupation and age, as appropriate, with adjustments for future improvement in mortality based on Scale AA, a model developed by the Society of Actuaries.

The actuarial assumptions used in the January 1, 2015, valuation were based on the results of an actuarial experience study for the five-year period ending December 31, 2013.

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Expected Return Arithmetic Basis		
	Target Asset Allocation	Real Return Arithmetic Basis	Long-term Expected Portfolio Real Rate of Return
Equity securities	40%	7.06%	2.82%
Debt securities	20%	0.80%	0.16%
Real assets	13%	5.10%	0.66%
Private equity	9%	11.30%	1.02%
Asolute return	18%	3.15%	0.57%
Cash and cash equivalents	0%	0%	0%
Totals	100%		5.23%
Inflation			2.75%
			7.98%

The 7.50% assumed investment rate of return is comprised of an inflation rate of 2.75%, a real return of 4.75% that is net of investment expense.

Discount rate: The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from all participating employers will be made at contractually required rates that are actuarially determined and certified by the URS Board. Based on those 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 employees. 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.

Sensitivity of the proportionate share of the net pension asset and liability to changes in the discount rate: The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.50%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.50%) or 1 percentage-point higher (8.50%) than the current rate:

<u>System</u>	<u>1% Decrease (6.50%)</u>	<u>Discount Rate (7.50%)</u>	<u>1% Increase (8.50%)</u>
Non-contributory System	\$ 2,121,657	\$ 1,004,144	\$ 71,245
Tier 2 Public Employees System	17,240	(94)	(13,231)
Total	<u>\$ 2,138,897</u>	<u>\$ 1,004,050</u>	<u>\$ 58,014</u>

Pension plan fiduciary net position: Detailed information about the pension plan's fiduciary net position is available in the separately issued URS financial report.

Defined Contribution Savings Plans

The Defined Contribution Savings Plans are administered by the Utah Retirement Systems Board and are generally supplemental plans to the basic retirement benefits of the Retirement systems, but may also be used as primary retirement plans. These plans are voluntary tax-advantaged retirement savings programs authorized under sections 401(k), 457(b) and 408 of the Internal revenue code. Detailed information regarding plan provisions is available in the separately issued URS financial report.

401(a) Qualified Money Purchase Plan – The Council provides a 21.42% of salary retirement benefit for all regular, full-time and eligible part-time employees. From that amount, the Council first pays the required contribution to the Utah State Retirement Systems Tier 1 and Tier 2 Pension Plans (18.47% for Tier 1 and 14.91% plus 1.78% for Tier 2 for FY 2016). The Council then pays for a life and disability policy for each employee. Any remaining amounts are contributed to a privately administered 401(a) qualified money purchase plan.

401(k) Roth and 457 Defined Contribution Plans – The Council has established qualified 401(k) and 457 plans with the Utah State Retirement System. Employees may contribute up to the legally allowed contribution. The Council matches employee contributions up to a maximum 7.65% of salary, however these matching funds are contributed to the privately administered 401(a) Qualified Money Purchase Plan described above.

Social Security (FICA) Federal Program – The Council does not participate in the federal Social Security (FICA) Program.

	<u>2016</u>	<u>2015</u>	<u>2014</u>
401(k) Plan			
Employer contributions	\$ 15,086	\$ 14,046	\$ 8,422
5291	52,913	43,502	87,543
457 Plan			
Employer contributions	-	-	-
Employee contributions	164,779	130,912	114,100
Roth IRA Plan			
Employer contributions	N/A	N/A	N/A
Employee contributions	N/A	N/A	N/A

NOTE 9— ECONOMIC DEPENDENCY

The Council receives a substantial amount of its revenue from the U.S. Department of Transportation. This agency provides 60% of the Council's total revenue. Loss of this support could adversely affect the Council's activities.

NOTE 10— RESTRICTED CASH

The Council has restricted cash in the amount of \$94,632 for bond reserve funds and \$1,637,392 for advanced grant payments.

NOTE 11 – NEWLY ISSUED ACCOUNTING STANDARDS

The GASB has issued the following statements that will apply to government reporting in future years:

GASB 74 Financial reporting for post-employment benefit plans other than pension plans

GASB 75 Accounting and financial reporting for post-employment benefit plans other than pension plans

GASB 76 The hierarchy of General Accepted Accounting Principles for state and local governments

GASB 77 Tax abatement disclosures

GASB 79 Certain External Investment Pools and Pool Participants

GASB 80 Blending Requirement for Certain Component Units and Amendment of GSB No 14

GASB 81 Irrevocable Split- Interest Agreements

GASB 82 Pension Issues and Amendment OF GASB Statements NO 67, No 68, and No 73

The statements should not have a material effect on the financial statements.

NOTE 12— FUND BALANCE

These financial statements include the provisions of GASB Statement No. 54, which redefined how fund balances of the governmental funds are presented in the financial statement. Fund balances are classified as follows:

Non-spendable – Amounts that cannot be spent either because they are not in a spendable form or because they are legally or contractually required to be maintained intact.

Restricted – Amounts that can be spent only for specific purposes because of state or federal laws or externally imposed conditions by grantors or creditors.

Committed – Amounts that can be used only for specific purposes determined by a formal action of the Council.

Assigned – Amounts that are designated by the Council for a specific purpose but are not spendable until specific conditions are met.

Unassigned – All amounts not included in the other spendable classifications.

The details of the fund balances are included in the Governmental Funds Balance Sheet (page 11). Restricted funds are used first as appropriate. Assigned funds are used when specific conditions are met such as a request for reimbursement to Department of Workforce Services for a claim for unemployment compensation. Decreases to the fund balance first reduce Unassigned Fund Balance; in the event that Unassigned Fund Balance becomes zero, then Assigned and Committed Fund Balances are used in that order.

NOTE 13 — FUND TRANSFERS

There were no fund transfers in the fiscal year ended June 30, 2016.

REQUIRED SUPPLEMENTARY INFORMATION

WASATCH FRONT REGIONAL COUNCIL
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	Budgetary Basis	
REVENUE				
Federal sources	\$ 74,245	\$ 74,245	\$ 57,927	\$ (16,318)
State sources	28,232	28,232	19,142	(9,090)
Local sources	21,945	21,945	20,006	(1,939)
Interest	-	-	8,133	8,133
Total revenue	<u>124,422</u>	<u>124,422</u>	<u>105,208</u>	<u>(19,214)</u>
EXPENDITURES				
Operating expenses	-	-	1,352	1,352
Capital outlay	45,000	45,000	23,876	(21,124)
Principal	73,000	73,000	73,000	-
Interest	6,422	6,422	6,422	-
Total expenditures	<u>124,422</u>	<u>124,422</u>	<u>104,650</u>	<u>(19,772)</u>
Excess of revenue over expenditures (usage of fund balance)	-	-	558	558
Other sources				
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	-	558	558
FUND BALANCE, JULY 1	<u>94,876</u>	<u>94,876</u>	<u>94,876</u>	<u>-</u>
FUND BALANCE, JUNE 30	<u>\$ 94,876</u>	<u>\$ 94,876</u>	<u>\$ 95,434</u>	<u>\$ 558</u>

The accompanying notes are an integral part of this statement.

Wasatch Front Regional Council
Budgetary Comparison Schedule
Special Projects Fund
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	Budgetary Basis	
REVENUE				
Federal sources	\$ 3,619,104	\$ 4,266,864	\$ 3,395,593	\$ (871,271) a
State sources	138,176	1,388,384	1,122,091	(266,293)
Local sources	958,432	1,321,305	952,981	(368,324)
Total revenue	<u>4,715,712</u>	<u>6,976,553</u>	<u>5,470,665</u>	<u>(1,505,888)</u>
EXPENDITURES				
Planning	4,615,850	6,689,106	5,461,000	(1,228,106)
Total expenditures	<u>4,615,850</u>	<u>6,689,106</u>	<u>5,461,000</u>	<u>(1,228,106)</u>
Excess of revenue over expenditures (usage of fund balance)	<u>99,862</u>	<u>287,447</u>	<u>9,665</u>	<u>(277,782)</u>
Other sources				
Transfers in	<u> </u>	<u> </u>	<u>-</u>	<u>-</u>
Net change in fund balance	99,862	287,447	9,665	(277,782)
FUND BALANCE, JULY 1	<u>973,665</u>	<u>973,665</u>	<u>973,665</u>	<u>-</u>
FUND BALANCE, JUNE 30	<u>\$ 1,073,527</u>	<u>\$ 1,261,112</u>	<u>\$ 983,330</u>	<u>\$ (277,782)</u>

Footnote revenue variance

a - When new projects are added the entire contract is included in the budget year in which it was received however many projects are multi-year projects. Amounts not spent at the end of the fiscal year are carried forward and re-budgeted in subsequent years until the project is complete.

Wasatch Front Regional Council
Schedule of Required Supplementary Information
Schedule of the Proportionate Share of the Net Pension Liability
December 31, 2015
Last 10 Fiscal Years*

	Noncontributory System	Tier 2 Public Employees System
Proportion of the net pension liability (asset)	0.1774581%	0.0430644%
Proportionate share of the net pension liability (asset)	\$ 1,004,144	\$ (94)
Covered employee payroll	1,449,896	278,274
Proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	69.3%	-0.03%
Plan fiduciary net position as a percentage of the total pension liability	87.8%	100.2%

* In accordance with paragraph 81.a of GASB 68, employers will need to disclose a 10-year history proportionate share of the Net Pension Liability (Asset) in their RSI. This schedule will be build prospectively. The schedule above is only for the current year.

WASATCH FRONT REGIONAL COUNCIL
Schedule of Required Supplementary Information
Schedule of Contributions
Utah Retirement Systems

	As of Fiscal Year Ended June 30	Actuarial Determined Contributions	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency (excess)	Covered Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
Noncontributory system						
	2014	\$ 261,672	\$ 261,672	\$ -	\$ 1,513,432	17.29%
	2015	252,255	252,255	-	1,365,759	18.47%
	2016	275,203	275,203	-	1,489,997	18.47%
Tier 2 Public employees system *						
	2014	23,934	23,934	-	171,077	13.99%
	2015	33,858	33,858	-	226,625	14.94%
	2016	52,322	52,322	-	350,920	14.91%
Tier 2 Public Employees DC only system *						
	2014	3,182	3,182	-	7,021	5.58%
	2015	6,728	6,728	-	100,120	6.72%
	2016	5,914	5,914	-	88,400	6.69%

* Contributions in Tier 2 include an amortization rate to help fund the unfunded liabilities in the Tier 1 systems. Tier 2 systems were rerated effective July 1, 2011.

Paragraph 81.b of GASB 68 requires employers to disclose a 10-year history of contributions in RSI. Contributions as a percentage of covered-payroll may be different than the board certified rate due to rounding and other administrative issues.

WASATCH FRONT REGIONAL COUNCIL

Notes to Required Supplementary Information For the Fiscal Year Ended June 30, 2016

Changes of Assumptions

The following assumption changes were adopted from the most recent actuarial experience study. There was a decrease in the wage inflation assumption for all employee groups from 3.75% to 3.50%. Also there was a modification to the rate of salary increases for most groups. The payroll growth assumption was decreased from 3.5% to 3.25%. There was an improvement in the post retirement mortality assumption for female educators and minor adjustments to the pre retirement mortality assumption.

There were additional changes to certain demographic assumptions that generally resulted in: (1) more members are anticipated to terminate employment prior to retirement, (2) slightly fewer members are expected to become disabled, and (3) members are expected to retire at a slightly

SUPPLEMENTARY INFORMATION



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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND ON INTERNAL CONTROLS OVER COMPLIANCE IN ACCORDANCE WITH THE STATE OF UTAH LEGAL COMPLIANCE AUDIT GUIDE

We have audited the Wasatch Front Regional Council's compliance with general and major state program compliance requirements described in the *State of Utah Legal Compliance Audit Guide* for the year ended June 30, 2016. The general compliance requirements applicable to the Council are identified as follows:

- | | |
|-------------------------------------|------------------------------------|
| Cash Management | Fund Balance |
| Budgetary Compliance | Utah Retirement Systems Compliance |
| Utah Public Website | Treasure Bond |
| Restricted Cash and Related Revenue | Open and Public Meetings Act |

The Council did not receive any major state grants during the year ended June 30, 2016.

Management's Responsibility

Compliance with the requirements referred to above is the responsibility of the Council's management.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance with those requirements based on our audit.

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 of Utah Legal Compliance Audit Guide*. Those standards and the *State of Utah Legal Compliance Audit Guide* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above could have a material effect on the Council and its major programs, occurred. An audit includes examining, on a test basis, evidence about the Council'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. Our audit does not provide a legal determination of the Council's compliance with those requirements.

Opinion on General State Compliance Requirements

In our opinion, the Wasatch Front Regional Council complied, in all material respects, with the general compliance requirements identified above and the compliance requirements that are applicable to each of its major state programs for the year ended June 30, 2016.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the State Compliance Audit Guide and which is described in the

accompanying schedule of findings and recommendations as 2016-1. Our opinion on compliance is not modified with respect to this matter.

The response to the noncompliance findings identified in our audit is described in the findings and recommendations. Wasatch Front Regional Council'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 the Wasatch Front Regional Council is responsible for establishing and maintaining effective internal control over compliance with the compliance requirement referred to above. In planning and performing our audit, we considered the Wasatch Front Regional Council's internal control over compliance to determine the auditing procedures for the purpose of expressing our opinion on compliance, 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 Wasatch Front Regional Council's internal control over compliance.

A deficiency in internal control over compliance 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, noncompliance 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 compliance requirement will not be prevented, or detected and corrected, on a timely basis.

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 that might be deficiencies, significant deficiencies, or material weaknesses in internal control over compliance. We did not identify any deficiencies in internal control over compliance that we considered to be material weaknesses, as defined above. However, material weaknesses may exist that have not been identified.

Purpose of 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.



Karren, Hendrix, Stagg, Allen & Company
Salt Lake City, Utah
October 3, 2016



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

To the Council
Wasatch Front Regional Council, Utah

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Wasatch Front Regional Council, Utah, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise Wasatch Front Regional Council, Utah's basic financial statements and have issued our report thereon dated October 3, 2016.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Wasatch Front Regional Council, Utah's internal control over financial reporting (internal control) to determine the auditing 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 Wasatch Front Regional Council, Utah's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Wasatch Front Regional Council'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 over financial reporting 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 Wasatch Front Regional Council, Utah's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions, laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not

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

Purpose of this Report

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

A handwritten signature in blue ink that reads "Karren, Hendrix, Stagg, Allen & Company". The signature is written in a cursive, flowing style.

Karren, Hendrix, Stagg, Allen & Company
Salt Lake City, Utah
October 3, 2016



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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

Wasatch Front Regional Council
Salt Lake City, Utah

Report on Compliance for Each Major Federal Program

We have audited the Wasatch Front Regional Council's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Wasatch Front Regional Council, Utah's major federal programs for the year ended June 30, 2016. Wasatch Front Regional Council, Utah's major federal programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Wasatch Front Regional Council, Utah'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 OMB Circular A-133 *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 required that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the type 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 Wasatch Front Regional Council, Utah's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Wasatch Front Regional Council, Utah's compliance.

Opinion on Each Major Federal Program

In our opinion, the Wasatch Front Regional Council, Utah complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2016.

Report on Internal Control over Compliance

Management of the Wasatch Front Regional Council, Utah 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 Wasatch Front Regional Council, Utah's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion of the effectiveness of the Wasatch Front Regional Council, Utah'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 requirements 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. We did not identify any deficiencies in internal control over compliance which we consider to be material weakness. 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 over compliance and the results of that testing based on the requirement of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.



Karren Hendrix Stagg Allen and Company
Salt Lake City, Utah
October 3, 2016

**WASATCH FRONT REGIONAL COUNCIL
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2016**

U.S. Department	Description	Federal CFDA Number	2015-2016 Expenditures (Accrual Basis)
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
Federal Highway Administration	Consolidate Planning Grant (through Utah Department of Transportation)	20.205	\$ 2,874,454
Federal Highway Administration	Consolidated Planning Grant (through UDOT, through Mountainlands AOG)	20.205	53,355
Federal Highway Administration	STP Funds (through Utah Department of Transportation) Local	20.205	281,073
Federal Highway Administration	STP Funds (through Utah Department of Transportation) Local Planning Resource Program Weber & Davis Counties	20.205	130,690
Total Federal Highway Administration			3,339,572
Federal Transit Administration	Mobility Management Study (through Utah Transit Authority)	20.513	5,095
Total Federal Transit Administration			5,095
TOTAL U.S. DEPARTMENT OF TRANSPORTATION			3,344,667
<u>U.S. Department of Commerce</u>			
Department of Economic Development	Support for Planning Organizations	11.302	60,000
TOTAL DEPARTMENT OF COMMERCE			60,000
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>			
Community Development Block Grant	Small city CDBG assistance (from State Dept. of Community and Economic Development through Tooele County)	14.228	45,135
Community Development Block Grant	Planning and coordination (through West Jordan, UT)	14.218	3,719
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			48,854
TOTAL FEDERAL FINANCIAL ASSISTANCE			\$ 3,453,521

The accompanying notes are an integral part of this statement.

**WASATCH FRONT REGIONAL COUNCIL
NOTES TO FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2016**

NOTE 1 - PURPOSE OF THE SCHEDULE

The accompanying Schedule of Expenditures of Federal Awards is a supplementary schedule to the Council's financial statements and is presented for purposes of additional analysis. Because the schedule presents only a selected portion of the activities of the Council, it is not intended to, and does not, present financial position, changes in fund balances, or the current funds, revenue, expenditures, and other changes of the Council.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The information in the schedule is presented in accordance with OMB Circular A-133.

Federal Awards.

Pursuant to the Single Audit Act of 1984 (Public Law 98-502) the Single Audit Act Amendments of 1996 (Public Law 104-156) and OMB Circular A-133, federal awards are defined as assistance provided by a federal agency, either directly or indirectly in the form of grants, contracts, cooperative agreements, loans, loan guarantees, property, interest subsidies, insurance or direct appropriation. Accordingly, non-monetary federal assistance, including federal surplus property, would be included in federal awards, if applicable, and therefore, would be reported on the schedule in federal awards. Federal awards include direct federal cash assistance to individuals.

Type A and Type B Programs

The Single Audit Act Amendments of 1996 and OMB Circular A-133 establish the levels of expenditures or expenses to be used in defining Type A and Type B federal award programs. Type A programs, for the Council, are those programs which exceed \$300,000 in federal expenditures, distributions, or issuances for the fiscal year ended June 30, 2016.

Reporting Entity

The reporting entity is fully described in Note 1 of the Council financial statements. The schedule includes all federal award programs administered by the Council for the year ended June 30, 2016.

Basis of Accounting

The expenditures in the schedule are recognized as incurred based on the modified accrual basis of accounting and the cost accounting principles contained in OMB Circular A-87, Cost Principles for State and Local Governments. Under those cost principles certain types of expenditures are not allowable or are limited as to reimbursement.

Matching Costs

The schedule does not include matching expenditures.

Direct and Indirect Flow-Through Federal Assistance

Some of the Council's federal awards are received directly from the granting federal agency. However, the majority of federal awards as identified on the schedule are passed through a separate entity prior to receipt by the Council.

Sub-recipients

The Council does not pass through to any sub-recipients.

**WASATCH FRONT REGIONAL COUNCIL
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2016**

SUMMARY OF AUDITORS' RESULTS

1. The auditors' report expresses an unqualified opinion on the financial statements.
2. No significant deficiencies relating to the audit of the financial statements are reported.
3. No instances of noncompliance material to the financial statements of Wasatch Front Regional Council were disclosed by the audit.
4. No significant deficiencies relating to the audit of the major federal award programs is reported in the accompanying schedule.
5. The auditors' report on compliance for the major federal award program of Wasatch Front Regional Council expresses an unqualified opinion.
6. There are no audit findings relating to the federal award programs that are required to be reported.
7. The program tested as a major program was Federal Highway Administration, CFDA Number 20.205.
8. The threshold used for distinguishing Types A and B programs was \$300,000.
9. Wasatch Front Regional Council was determined to be low-risk auditee as defined by OMB Circular A-133.

FINDINGS - FINANCIAL STATEMENT AUDIT

None

FINDING AND QUESTIONED COSTS - MAJOR FEDERAL AWARDS PROGRAMS AUDIT

None

FINDINGS STATE COMPLIANCE 2016-1

Condition – The entity did not timely post the minutes to the public website.

Criteria – The state requires the minutes to be posted to the website site within three days after approval.

Cause – Change in personnel

Effect – The minutes were posted to the website but not within the three days after approval.

Recommendations – We recommend the entity train the new personnel to post the minutes to the web site within the three days after approval.

Client Response - WFRC had a change in personnel due to the retirement of the employee normally responsible for posting minutes on the websites. The former employee had posted the minutes on WFRC's website but had not done so on the Utah Public Information website. The new employee has subsequently received training and the minutes have been and continue to be posted as required.

**WASATCH FRONT REGIONAL COUNCIL
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
PRIOR YEAR**

FINDINGS - FINANCIAL STATEMENT AUDIT

None

FINDING AND QUESTIONED COSTS - MAJOR FEDERAL AWARDS PROGRAMS AUDIT

None

WASATCH FRONT REGIONAL COUNCIL
SCHEDULE OF REVENUE AND EXPENDITURES BY PROGRAM
FOR THE YEAR ENDED JUNE 30, 2016

DESCRIPTION	CPG Grant	Transit Support	Local Government Service	Corridor Preservation	Salt Lake COG
REVENUE					
Federal sources:	\$ 2,874,454	\$ -	\$ -	\$ -	\$ 3,719
Total federal sources	<u>2,874,454</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,719</u>
State sources:					
State grants	140,000	-	-	-	-
State funds	-	-	-	12,849	-
Total state sources	<u>140,000</u>	<u>-</u>	<u>-</u>	<u>12,849</u>	<u>-</u>
Local sources:					
Cities and counties	26,059	-	11,884	-	53,540
Other	43,059	92,575	-	-	-
Total local sources	<u>69,118</u>	<u>92,575</u>	<u>11,884</u>	<u>-</u>	<u>53,540</u>
Total revenue	<u>3,083,572</u>	<u>92,575</u>	<u>11,884</u>	<u>12,849</u>	<u>57,258</u>
EXPENDITURES					
Salaries & employee benefits	2,294,143	77,979	-	11,097	45,403
Contractual services	168,536	-	-	-	-
Equipment - purchase	-	-	-	-	-
Equipment - rental	12,548	-	-	-	-
Equipment - repair/maintenance	-	-	-	-	-
Rent - building	11,454	-	-	-	700
Rent - building operating exp.	9,153	-	-	-	559
Travel	48,876	-	3,536	13	839
Training	22,537	-	-	-	320
Publications	3,359	-	-	-	-
Supplies & software	50,692	-	3,717	-	1,333
Telephone & data	24,613	-	-	-	896
Accounting	-	-	-	-	-
Dues and subscriptions	8,207	-	4,000	-	-
Insurance	-	-	-	-	-
Legal	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Bank charges and other	-	-	-	-	-
Debt service - principal	-	-	-	-	-
Debt service - interest	-	-	-	-	-
Indirect cost	429,453	14,595	631	1,739	7,209
Total expenditures	<u>3,083,572</u>	<u>92,575</u>	<u>11,884</u>	<u>12,849</u>	<u>57,258</u>
OTHER REVENUE (EXPENSES)					
Interest income	-	-	-	-	-
Total other revenue (expenses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenue over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (0)</u>	<u>\$ -</u>	<u>\$ -</u>

WASATCH FRONT REGIONAL COUNCIL
SCHEDULE OF REVENUE AND EXPENDITURES BY PROGRAM
FOR THE YEAR ENDED JUNE 30, 2016

DESCRIPTION	CIB \$2K Grant	Economic Development	CDBG Tooele	TLC SL	TLC WD
REVENUE					
Federal sources:	\$ -	\$ 60,000	\$ 45,135	\$ 281,073	\$ 130,690
Total federal sources	<u>-</u>	<u>60,000</u>	<u>45,135</u>	<u>281,073</u>	<u>130,690</u>
State sources:					
State grants	2,000	-	-	-	-
State funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total state sources	<u>2,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Local sources:					
Cities and counties	-	60,000	-	369,299	104,001
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total local sources	<u>-</u>	<u>60,000</u>	<u>-</u>	<u>369,299</u>	<u>104,001</u>
Total revenue	<u>2,000</u>	<u>120,000</u>	<u>45,135</u>	<u>650,372</u>	<u>234,691</u>
EXPENDITURES					
Salaries & employee benefits	1,722	87,774	38,120	65,509	29,621
Contractual services	-	-	-	566,747	195,883
Equipment - purchase	-	-	-	-	-
Equipment - rental	-	-	-	-	-
Equipment - repair/maintenance	-	-	-	-	-
Rent - building	-	-	-	-	-
Rent - building operating exp.	-	-	-	-	-
Travel	-	1,473	135	-	-
Training	-	6,982	217	-	-
Publications	-	-	-	-	-
Supplies & software	-	707	148	-	-
Telephone & data	-	550	-	-	-
Accounting	-	-	-	-	-
Dues and subscriptions	-	-	-	-	-
Insurance	-	-	-	-	-
Legal	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Bank charges and other	-	-	-	-	-
Debt service - principal	-	-	-	-	-
Debt service - interest	-	-	-	-	-
Indirect cost	278	22,513	6,515	18,116	9,187
Total expenditures	<u>2,000</u>	<u>120,000</u>	<u>45,135</u>	<u>650,372</u>	<u>234,691</u>
OTHER REVENUE (EXPENSES)					
Interest income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other revenue (expenses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenue over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 0</u>	<u>\$ -</u>	<u>\$ 0</u>

WASATCH FRONT REGIONAL COUNCIL
SCHEDULE OF REVENUE AND EXPENDITURES BY PROGRAM
FOR THE YEAR ENDED JUNE 30, 2016

DESCRIPTION	MAG Model Development	Performance Measures	GPI Decision Support	Street Design Tool	Mtn Accord Project Mgmt
REVENUE					
Federal sources:	\$ 53,355	\$ -	\$ -	\$ -	\$ -
Total federal sources	<u>53,355</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
State sources:					
State grants	-	-	-	-	-
State funds	-	-	-	11,760	718,925
Total state sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,760</u>	<u>718,925</u>
Local sources:					
Cities and counties	-	-	-	-	-
Other	-	5,000	200	-	-
Total local sources	<u>-</u>	<u>5,000</u>	<u>200</u>	<u>-</u>	<u>-</u>
Total revenue	<u>53,355</u>	<u>5,000</u>	<u>200</u>	<u>11,760</u>	<u>718,925</u>
EXPENDITURES					
Salaries & employee benefits	-	-	164	-	-
Contractual services	53,355	5,000	-	11,760	718,925
Equipment - purchase	-	-	-	-	-
Equipment - rental	-	-	-	-	-
Equipment - repair/maintenance	-	-	-	-	-
Rent - building	-	-	-	-	-
Rent - building operating exp.	-	-	-	-	-
Travel	-	-	-	-	-
Training	-	-	-	-	-
Publications	-	-	-	-	-
Supplies & software	-	-	-	-	-
Telephone & data	-	-	-	-	-
Accounting	-	-	-	-	-
Dues and subscriptions	-	-	-	-	-
Insurance	-	-	-	-	-
Legal	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Bank charges and other	-	-	-	-	-
Debt service - principal	-	-	-	-	-
Debt service - interest	-	-	-	-	-
Indirect cost	-	-	35	-	-
Total expenditures	<u>53,355</u>	<u>5,000</u>	<u>200</u>	<u>11,760</u>	<u>718,925</u>
OTHER REVENUE (EXPENSES)					
Interest income	-	-	-	-	-
Total other revenue (expenses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenue over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 0</u>	<u>\$ -</u>	<u>\$ -</u>

WASATCH FRONT REGIONAL COUNCIL
SCHEDULE OF REVENUE AND EXPENDITURES BY PROGRAM
FOR THE YEAR ENDED JUNE 30, 2016

DESCRIPTION	Tooele VLY LRP Update	Mobility Mgmt	TLC Tooele	CIB 250K	Legislative Consultant
REVENUE					
Federal sources:	\$ -	\$ 5,095	\$ -	\$ -	\$ -
Total federal sources	<u>-</u>	<u>5,095</u>	<u>-</u>	<u>-</u>	<u>-</u>
State sources:					
State grants	-	-	-	250,000	-
State funds	5,002	-	-	-	-
Total state sources	<u>5,002</u>	<u>-</u>	<u>-</u>	<u>250,000</u>	<u>-</u>
Local sources:					
Cities and counties	-	-	33,862	-	50,000
Other	-	-	-	-	-
Total local sources	<u>-</u>	<u>-</u>	<u>33,862</u>	<u>-</u>	<u>50,000</u>
Total revenue	<u>5,002</u>	<u>5,095</u>	<u>33,862</u>	<u>250,000</u>	<u>50,000</u>
EXPENDITURES					
Salaries & employee benefits	4,327	3,842	1,794	-	-
Contractual services	-	-	31,744	250,000	50,000
Equipment - purchase	-	-	-	-	-
Equipment - rental	-	-	-	-	-
Equipment - repair/maintenance	-	-	-	-	-
Rent - building	-	-	-	-	-
Rent - building operating exp.	-	-	-	-	-
Travel	58	-	-	-	-
Training	-	-	-	-	-
Publications	-	-	-	-	-
Supplies & software	-	-	-	-	-
Telephone & data	-	-	-	-	-
Accounting	-	-	-	-	-
Dues and subscriptions	-	-	-	-	-
Insurance	-	-	-	-	-
Legal	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Bank charges and other	-	-	-	-	-
Debt service - principal	-	-	-	-	-
Debt service - interest	-	-	-	-	-
Indirect cost	617	1,253	323	-	-
Total expenditures	<u>5,002</u>	<u>5,095</u>	<u>33,862</u>	<u>250,000</u>	<u>50,000</u>
OTHER REVENUE (EXPENSES)					
Interest income	-	-	-	-	-
Total other revenue (expenses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenue over (under) expenditures	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ -</u>	<u>\$ -</u>

WASATCH FRONT REGIONAL COUNCIL
SCHEDULE OF REVENUE AND EXPENDITURES BY PROGRAM
FOR THE YEAR ENDED JUNE 30, 2016

DESCRIPTION	Street Connectivity	WC2050 Consortium	Indirect	General fund	Special Projects Fund	Total
REVENUE						
Federal sources:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,453,520
Total federal sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	3,453,520
State sources:						-
State grants	-	-	-	-	-	392,000
State funds	698	-	-	-	-	749,234
Total state sources	<u>698</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	1,141,234
Local sources:						-
Cities and counties	-	-	-	-	-	708,646
Other	32,000	90,707	-	801	2,545	266,886
Total local sources	<u>32,000</u>	<u>90,707</u>	<u>-</u>	<u>801</u>	<u>2,545</u>	975,532
Total revenue	<u>32,698</u>	<u>90,707</u>	<u>-</u>	<u>801</u>	<u>2,545</u>	5,570,286
EXPENDITURES						
Salaries & employee benefits	-	-	311,287	-	2,545	2,975,328
Contractual services	32,698	17,620	-	-	-	2,102,268
Equipment - purchase	-	-	-	23,876	-	23,876
Equipment - rental	-	-	19,438	(31,986)	-	-
Equipment - repair/maintenance	-	-	25,337	-	-	25,337
Rent - building	-	-	49,249	(61,403)	-	-
Rent - building operating exp.	-	-	39,358	-	-	49,070
Travel	-	-	4,176	-	-	59,107
Training	-	-	48	-	-	30,104
Publications	-	-	-	-	-	3,359
Supplies & software	-	73,087	23,569	-	-	153,252
Telephone & data	-	-	5,859	-	-	31,917
Accounting	-	-	15,755	-	-	15,755
Dues and subscriptions	-	-	-	-	-	12,207
Insurance	-	-	12,051	-	-	12,051
Legal	-	-	6,340	-	-	6,340
Miscellaneous	-	-	-	-	-	-
Bank charges and other	-	-	-	1,352	-	1,352
Debt service - principal	-	-	-	73,000	-	73,000
Debt service - interest	-	-	-	6,422	-	6,422
Indirect cost	-	-	(512,466)	-	-	-
Total expenditures	<u>32,698</u>	<u>90,707</u>	<u>-</u>	<u>11,261</u>	<u>2,545</u>	5,580,746
OTHER REVENUE (EXPENSES)						
Interest income	-	-	-	8,133	-	8,133
Total other revenue (expenses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,133</u>	<u>-</u>	8,133
Excess of revenue over (under) expenditures	<u>\$ -</u>	<u>\$ (0)</u>	<u>\$ -</u>	<u>\$ (2,327)</u>	<u>\$ -</u>	\$ (2,327)

October 6, 2016 DRAFT for Budget Committee Review

DATE: October 27, 2016
AGENDA ITEM: 3b
SUBJECT: **PUBLIC HEARING AND ACTION:** Amend FY2017 Budget and Unified Planning Work Program (UPWP)
PREPARED BY: Loveit Baumgardner

BACKGROUND:

As WFRC completed FY'16 and we reviewed the final expenditures, actual spending came in lower than budgeted by \$920,579. This resulted mainly from spending on some contractual items that occurred more slowly than was anticipated or from items that were added to the FY'16 budget in the later months but did not begin work until FY'17. As a result, the amount of funds that carried forward from FY'16 into FY'17 was higher than was anticipated, resulting in an increase in the FY'17 budget as some spending shifts from FY'16 to FY'17.

There are also two new funding sources reflected in the proposed amended FY'17 budget including:

- \$200,000 in additional local funding from the City of Herriman for the Oquirrh Connection Study (the work scope is summarized in the UPWP amendment attached).
- \$49,300 from the University of Utah Kem C. Gardner Policy Institute for collaborative demographic data development.

The adjustments described above, along with a few minor changes in estimated expenditures, are reflected in the line items on the Expenditure by Function page. The adjustments also impact the projected carry-forward into FY'18, again reflecting on-going programs or multi-year projects that bridge the FY'17 and FY'18 years.

The footnotes that accompany this proposed amended budget provide more detail on the changes to funding sources, expenditures by function and expenditures by program.

RECOMMENDATION:

The WFRC Budget Committee and staff recommend that the Council take action "to amend the WFRC FY'17 Budget and Unified Planning Work Program as proposed."

CONTACT PERSON:

Loveit Baumgardner (801) 363-4250 ext. 1102

EXHIBITS:

Draft Amended Budget FY2017 with Footnotes
Draft Amendment to FY2017 Unified Planning Work Program

**Draft - Amended
Wasatch Front Regional Council FY 2017 Budget
Source of Funds**

	FY 2016 Actual	FY 2017 Budget as approved 5/26/16	FY 2017 Budget as proposed		
Federal Sources:					
Federal Highway Administration - PL	1,591,786	1,936,812	2,494,204	29%	1
Federal Highway Administration - STP	1,111,762	1,600,000	1,656,505	4%	1
Federal Transit Administration	641,118	646,023	646,023	0%	
Dept. of Housing and Urban Development	48,854	50,000	50,000	0%	
Economic Development Administration	60,000	60,000	66,000	10%	2
Total Federal Sources	3,453,520	4,292,835	4,912,732	14%	
State Sources:					
Utah GOMB (CPG match)	140,000	140,000	140,000	0%	
Mountain Accord	718,925	1,000,000	1,281,076	28%	1
Community Impact Board	252,000	2,000	2,000	0%	
UDOT - Tooele Valley RTP	5,002	0	3,197	100%	1
UDOT - Joint Planning Studies	12,458	0	31,302	100%	1
UDOT - Corridor Preservation SL County	12,849	25,628	25,628	0%	
Total State Sources	1,141,234	1,167,628	1,483,202	27%	
Local Sources:					
Special Project Funds	649,962	537,291	918,745	71%	1,3,4,5
Transit Sales Tax	135,634	121,147	121,147	0%	
Local Contribution	181,805	304,964	537,622	76%	1
Interest Income	8,133	4,500	4,500	0%	
Total Local Sources	975,533	967,902	1,582,014	63%	
TOTAL SOURCES	5,570,286	6,428,365	7,977,949	24%	

**Draft - Amended
Wasatch Front Regional Council FY 2017 Budget**

Expenditure by Function

Expenditure	FY 2016	FY 2017	FY 2017	
	Actual	Budget as approved 5/26/16	Budget as proposed	
Salaries/Employee Benefits	2,975,328	3,407,605	3,407,605	0%
Contractual	2,102,268	2,224,250	3,062,784	38% 5
Equipment Purchase (net)	-8,110	13,979	13,979	0%
Equipment Maintenance	25,337	32,496	32,496	0%
Equipment Depreciation	31,986	31,021	31,021	0%
Rent	61,403	250,000	250,000	0%
Building Operation/R & M	49,070	84,203	84,203	0%
Travel	59,107	68,222	68,222	0%
Training	30,104	40,500	40,500	0%
Printing and Publication	3,359	24,487	24,487	0%
Supplies/Software & Licenses	153,252	126,710	126,710	0%
Telephone/Data	31,917	32,136	32,136	0%
Audit and Accounting	15,755	26,883	26,883	0%
Dues & Subscriptions	12,207	14,579	14,579	0%
Insurance	12,051	17,000	17,000	0%
Legal	6,340	5,000	5,000	0%
Bank Charges	1,352	1,300	1,300	0%
Debt service (net)	18,019	0	0	0%
Change in fund balance	-10,460	-10,779	-10,779	0%
Total Expenditures	5,570,286	6,389,592	7,228,127	13%
Amounts expected to carry into next FY		38,773	749,822	6
TOTAL BUDGET	5,570,286	6,428,365	7,977,949	24%

**Draft - Amended
Wasatch Front Regional Council FY 2017 Budget**

Expenditure by Program

Program	FY 2016	FY 2017	FY 2017		
	Actual	Budget as approved 5/26/16	Budget as proposed		
Consolidated Transportation Planning Grant	3,174,279	3,707,946	4,322,887	17%	1
UTA Project Support	92,575	78,088	78,088	0%	
Tooele Valley RPO	0	10,000	10,515	5%	1
Tooele Valley RTP Update	5,002	0	3,197	100%	1
Local Government Service	15,232	147,412	328,522	123%	1
Model Development (MAG)	53,355	55,000	55,000	0%	
Salt Lake County Council of Governments	57,258	72,291	103,556	43%	1
Mobility Management	5,095	10,000	10,000	0%	
CDBG - Tooele	45,135	50,000	50,000	0%	
Community Impact Board	252,000	2,000	2,000	0%	
Joint Planning Studies	49,658	0	39,302	100%	1
Economic Development	120,000	120,000	132,000	10%	2
Oquirrh Connection	0	0	200,000	100%	3
Gardner Policy Institute Demographic Data	0	0	49,300	100%	4
Corridor Preservation - Salt Lake County	12,847	25,628	25,628	0%	
Utah State Legislative Consultant	50,000	50,000	50,000	0%	
Mountain Accord	718,925	1,000,000	1,281,076	28%	1
Transportation & Land Use Connection	918,925	1,100,000	1,236,878	12%	1
TOTAL EXPENDITURES	5,570,286	6,428,365	7,977,949	24%	

**Draft - Amended
Wasatch Front Regional Council FY 2017 Budget**

Local Contributions

County	FY 2016	FY 2017	FY 2017
	Actual	Budget as approved 5/26/16	Budget as proposed
Box Elder, 1 voting member	12,533	12,533	12,533
Davis, 4 voting members	66,842	66,842	66,842
Morgan, 1 voting member	12,533	12,533	12,533
Salt Lake, 8 voting members	133,682	133,682	133,682
Tooele, 1 voting member	12,533	12,533	12,533
Weber, 4 voting members	66,842	66,842	66,842
TOTAL	304,965	304,965	304,965

Wasatch Front Regional Council

Draft FY'17 Amended Budget – October 27, 2016

Footnotes

1. These changes include amounts budgeted in FY'16 but not spent prior to fiscal year end or changes in estimated amounts that were anticipated to be carried forward from FY'16. These changes reflect the multi-year nature of ongoing projects and many of these are expected to be completed in FY'17 or FY'18.
2. Increase in funds from Economic Development Administration reflects actual grant received. Matching funds will come from existing sources.
3. Includes \$200,000 in funds from the City of Herriman for the Oquirrh Connection Study. This study will examine the engineering and financial feasibility of establishing a direct paved roadway connection between the Tooele Valley and the Salt Lake Valley. WFRC will use \$180,000 of these funds to hire a consultant to assist with the study.
4. Includes \$49,300 from the University of Utah, Kem C. Gardner Policy Institute (GPI) for collaborative demographic data development. This project will collaboratively develop data about current land use in Weber, Davis, Salt Lake and Utah counties and assist in the development of analytical tools that can be used to evaluate proposed development patterns in terms of data, parameters and variables. WFRC will use \$35,000 of these funds to hire a consultant to assist with the work.
5. The bulk of the increase in contractual expenditures results from projects budgeted in FY'16 that are ongoing and expected to be completed in FY'17 and FY'18. The increase also includes two new projects: the Oquirrh Connection Study and GPI collaborative demographic data development. Contractual expenditures include: \$145,000 for travel model development, \$76,474 for communications and public outreach, \$100,000 for the Wasatch Front Central Corridor Study, \$50,000 for legislative consulting, \$1,281,076 for Mountain Accord Phase II, \$180,000 for the Oquirrh Connection Study, \$35,000 for GPI collaborative demographic data development, \$968,043 for the Transportation and Land Use Connection community projects, \$5,636 for Provo/Orem BRT Study, \$7,000 for the Bike Share Regionalization Study, \$44,302 for the Street Connectivity Study, \$15,000 for the First/Last Mile Study, \$7,500 for key Travel Demand Model enhancements, \$2,500 for the NTIC Effect of Compact Development on Traffic Study, \$3,750 for the University of Utah high-level transit scenario analysis tool, \$7,500 for the University of Utah modeling enhancement work, and \$134,003 for other planning studies.
6. The increase in amounts expected to carry forward into the next fiscal year is for projects that are not expected to be completed before the end of FY'17 and will continue in FY'18.

**AMENDMENT TO THE
WASATCH FRONT REGIONAL COUNCIL
UNIFIED PLANNING WORK PROGRAM**

**FOR THE OGDEN-LAYTON AND
SALT LAKE-WEST VALLEY URBANIZED AREAS**

FISCAL YEAR 2017

OCTOBER, 2016

**In Cooperation With:
Utah Department of Transportation
Utah Transit Authority**

The amended text (*italicized*) is shown under the heading Oquirrh Connection Study at the end of section D.2 below.

D.2 PLAN REFINEMENT AND SPECIAL STUDIES

OBJECTIVES:

To analyze and recommend long-term policies and short to medium range actions for implementation of the Regional Transportation Plan.

To conduct special studies of highway and transit systems as they relate to the Regional Transportation Plan and UTA, UDOT or local plans and projects.

To develop complete street standards and tools so that future road projects more fully consider non-auto modes and plans in their design.

ANTICIPATED PRODUCTS:

- Mountain Accord Study
- Complete Streets Toolbox and Outreach
- Utah Collaborative Active Transportation Study (UCATS) Phase II
- Wasatch Front Central Corridor Study
- Park and Ride Master Plan
- Redwood Road Corridor Traffic, Transit and Land Use Study
- Southwest Salt Lake County Transit Study
- Sandy/South Jordan Circulator
- TRAX Operational and Capacity Improvements Study
- 5 Year Bus Service Plan
- Core Transit Network Study
- Commuter Rail Study
- Joint Projects Studies
- Foothill Study
- Street Connectivity Study
- Other Planning Studies

BACKGROUND:

Mountain Accord Study

In 2009 Envision Utah in partnership with Salt Lake County studied the future of canyons east of Salt Lake Valley in a study called Wasatch Canyons Tomorrow. As part of the study, they held two public hearings and administered an on-line survey on a range of policy strategies. Among the recommendations from the study was the exploration of public transit service improvements to the Wasatch Canyons. In October 2011, Salt Lake County and Utah Transit Authority signed an agreement to conduct the Mountain Transportation Study. Salt Lake County managed this project in partnership with the US Forest Service, UTA, WFRC, and UDOT. The project consisted of three distinct studies: 1) a parking study, 2) a transportation feasibility study for Big and Little Cottonwood Canyons, and 3) a transportation feasibility study for Millcreek Canyon, all of which were completed in 2012.

In early 2014 the Mountain Accord Program Charter was signed by local and regional elected officials, State legislators, state and regional transportation agencies, special interest groups

and our federal partners with the US Forest Service, and both the Federal Transit and Highway Administrations. The goals and principles established were to participate in true collaboration to enhance regional transportation systems, protect the environment and natural resources, strengthen the regional economy and ensure high quality recreational experiences. During 2014 and 2015 considerable public outreach was conducted.

In July 2015 the Accord was signed by a large cross section of elected officials, state agencies and local and regional representatives. The Accord set into motion the current projects taking place along and within the central Wasatch, including: land exchange (private lands for public lands) within Big and Little Cottonwood Canyons, a Federal Lands designation for the Central Wasatch, an I-80 corridor study from Salt Lake City to Park City and US 40, and a Transportation Planning, Engineering and GIS Mapping Study.

Complete Streets Toolbox Development and Outreach

Complete Streets is a concept to ensure that all users are considered each time a street investment is made, to guide jurisdictions in making context sensitive decisions, and to aid in the economical development of an integrated, multi-modal transportation system. “Complete Streets” help provide regional mobility by providing a variety of interconnected transportation choices, which is a Wasatch Choice for 2040 Growth Principle.

In August 2011, regional leaders in Complete Streets efforts met for the first time to coordinate efforts and identify the mission and next steps for Complete Streets efforts in the region. The mission of WFRC Complete Street efforts is to collaborate to provide education, technical assistance, identification of funding options, and a framework of local and regional actions that will encourage balanced accommodation of all users within the transportation network.

Utah Collaborative Active Transportation Study (UCATS)

The purpose of this project has been to develop a unified plan and strategy to address the current transportation system’s “gaps” and challenges for bicyclists and pedestrians. The project seeks to identify funding sources for bicycle and pedestrian infrastructure. A large-scale, long-term investment in an active transportation network would increase mobility, enhance connectivity both generally and to transit stations, increase transportation options, and promote increased health and community livability. The Utah Transit Authority, the Utah Department of Transportation, and WFRC are combining resources for this project to study active transportation. Phase 1 of the study developed a regional “backbone” bicycle network and identified 25 priority active transportation infrastructure projects.

Wasatch Front Central Corridor Study

The idea for an I-15/ FrontRunner corridor long-term mobility study grew from a multi-agency recognition that solutions to maintaining and improving mobility in the vicinity of I-15 will take some combination of creative, innovative, and perhaps expensive solutions. It also stems from awareness of the incredible significance of this corridor for regional mobility and the Wasatch Front economy overall. Given the significant mobility challenges facing the I-15/ FrontRunner corridor, it makes sense for WFRC, MAG, UDOT, and UTA to continue a shared approach for resolving these challenges. The study would inform the 2019 WFRC (and potentially MAG) RTP, and more detailed plans from UDOT, UTA, and potentially other stakeholders (cities, Salt Lake County, etc.).

Park and Ride Master Plan

The Park & Ride Master Plan document includes counts and demand to address monitoring, impacts on air quality, coordination with land use and TOD, asset management, potential shared parking arrangements, and to make capital development, safety and security, and policy recommendations. This effort will support Wasatch Choice for 2040 land use, transit network and accessibility.

Redwood Road Corridor Traffic, Transit and Land Use Study

The Redwood Road corridor is a major north-south arterial corridor in central Salt Lake County. Significant transit ridership and traffic volumes warrant an especially integrated approach to determining transportation solutions.

Southwest Salt Lake County Transit Study

A feasibility study began in 2010 to identify a transit project to serve South Jordan, Herriman, Riverton, and Draper that would create a connection between the Daybreak TRAX station and the Draper FrontRunner station. Based on the results of the feasibility study, a more detailed study began in 2013 to identify an alignment for the project. The Southwest Salt Lake County Transit project included a market study, telephone surveys, WFRC ridership modeling, a funding analysis, and a traffic study for the western terminus, refinement of the alignments and project purpose & need, and determining federal requirements for corridor preservation. Progress in 2015 and early 2016 for the project focused on public open houses and preserving the corridor. The cities involved in the project worked to adopt the alignment through resolutions and incorporate it into each city's Transportation Master Plan. In addition, numerous open houses were held to inform and gather comment from the public.

Sandy/South Jordan Circulator

In 2015, UTA, in cooperation with Sandy City and the City of South Jordan, completed a 15-month circulator study to examine transportation needs within an area of both Sandy and South Jordan that included the Sandy Expo TRAX station, Sandy Civic Center TRAX station, the South Jordan FrontRunner station, and the River Park Corporate Center. The results of the study recommended two alignments, one bus or streetcar option and one bus-only option.

TRAX Operational and Capacity Improvements Study

Following an unprecedented expansion in TRAX light rail infrastructure and service that was completed in 2013, UTA was able to track the performance of the service for two years without the influence of construction and uncertain effects of expansion. At the same time, long range plans continue to include additional light rail extensions. UTA's light rail business unit requested help from the planning department to analyze capacity and load distribution. Subsequently, the performance data suggested that analysis on ridership and reliability were also needed. Budget constraints required this work to be done internally.

5 Year Bus Service Plan

UTA is conducting an evaluation of all services in order to define service standards and improve the productivity and efficiency of all UTA services. This evaluation will be utilized to create a 5 year specific service plan for bus services.

Core Network Study

Following the Network Study that recommended a matrix of high frequency bus service - called Bus Plus - many of the identified corridors were included in WFRC's 2015 RTP as "Enhanced Bus". The Service Planning Group began looking into what that service would look like. The Service Planners convened a week long retreat to define what they came to call the Core Network, which is similar but not exactly the same as the RTP nor the Network Study results.

Commuter Rail Study

Through the Next Tier meeting process, the commuter rail business unit provided a list of needs and desires for the improvement of FrontRunner operations. Among them were: customer information, fare collection, station improvements, train length capacity expansion, double-tracking for 15-minute headways and maintenance, reduced travel time, and service expansion to additional cities and businesses. Instead of looking at each request separately, planning and commuter rail thought a holistic approach to understand how these issues are related and how they might be implemented in phases with respect to time was the most comprehensive and efficient way to proceed.

Joint Projects Studies

The Wasatch Front Regional Council (WFRC), Mountainland Association of Governments (MAG), Utah Department of Transportation (UDOT) and the Utah Transit Authority (UTA) each recognize that the long and short range transportation plans and projects across the Wasatch Front often require significant cooperation and coordination among their respective agencies. In 2012 the agencies cooperatively agreed to establish the Joint Projects Committee (JPC). The JPC was organized and meets regularly to provide a forum for discussion of all transportation planning and programming issues impacting the Wasatch Front and from those discussions emerge areas of common need.

In 2013 a legal agreement called the "Joint Projects Master Collaborative Planning Agreement" was signed by all parties to give the committee a vehicle for putting financial resources toward these joint projects. As new projects and budgets are agreed upon, amendments to that agreement are developed and signed by the parties. These have included items such as joint multi-modal corridor planning, before-after studies, joint performance measures, first and last mile evaluations, active transportation and street design criteria.

Foothill Study

Salt Lake City, UDOT, University of Utah and UTA have come together to evaluate transportation options for the Foothill corridor. Salt Lake City is leading the study. The study area extends from the University of Utah to I-80.

Street Connectivity Study

The purpose of this study is to examine the benefits of street connectivity and summarize the results to inform decision-makers and stakeholders how street connectivity can benefit their communities, both at a local and regional level, and to identify opportunities and provide recommendations on how to implement elements of connectivity into their communities. WFRC, the Mountainland Association of Governments, the Utah Department of Transportation, and the Utah Transit Authority are combining resources for this project. A

request for proposals was released in November 2015 to solicit a consultant to complete the Street Connectivity Study.

WORK STATEMENT:

Mountain Accord Study

The work is following Federal Transit Administration NEPA processes, and may result in one or more federal and local actions.

Wasatch Front Regional Council, in partnership with the Mountain Accord Executive Board, has procured the Program Director for Phase II of the Mountain Accord Process and is responsible for administration of the Program Director's contract. This position and the associated work/staff of the position will assure timely progression of the program. The Program Director is responsible for managing and coordinating Phase II of the Mountain Accord in coordination with the Mountain Accord Executive Board and under the direction of the Mountain Accord Management Team.

Required responsibilities of the Program Director include: Development of program schedule, budget and overall organizational structure for the Accord; development of an "organizational strategic plan"; strategic planning on all upcoming projects and Mountain Accord elements; program-wide public engagement and relations; development of financial resources for Mountain Accord activities; internal and external conflict resolution; coordination of legislative responsibilities required for land trades and protections; and economic, environmental and transportation analyses. The work may be performed by the Program Director, subcontractors, or other contracted entities.

WFRC will participate as a member of the Mountain Accord Management Team, and provide technical staff assistance to the program. WFRC will also continue to provide oversight and staff support to the development and management of the Mountain Travel Model during Phase II.

During the first half of FY 2017, a Phase II Transportation Study of the Cottonwood Canyons will develop and recommend short and long-term solutions to the transportation issues facing the canyons. The short-term study is tasked to identify, analyze and recommend solutions to the immediate transportation needs of the Cottonwood Canyons, solutions that could be implemented during the winter 2016/2017, summer 2017, and over the next 5-10 years. Recommendations for long-term solutions would likely be a range of options that could be included in the 2050 Regional Transportation Plan. Specific tasks include evaluation of BCC and LCC connection options, evaluation of parking solutions, including to serve the Parley's Canyon corridor, and development of a framework for data collection and evaluation to aid in decision making and to track performance of implemented solutions. This study will be coordinated with other Phase II work currently taking place.

Complete Streets Toolbox Development and Outreach

The purpose of this project is to develop a web-based, interactive street design dialogue tool to surmount barriers inherent to street design communications. The project is to be built in three phases. The current phase is underway and is scheduled to be unveiled on May 20th, 2014. This first phase includes creation of initial tool management, best practice

recommendation, and cross-section building capabilities within the tool. The second phase has been funding and will likely commence shortly after May 20th. The second phase will build on these initial capabilities and allow built cross-sections to be drawn in longitudinal plan views upon Google Earth. The third phase is anticipated to, among other things, continue to improve the design recommendations capability of and ease of use of the tool with particular attention to intersection design.

Utah Collaborative Active Transportation Study (UCATS)

A second phase of the UCATS is anticipated to begin in 2014 and may continue into 2015. This phase will likely focus on preparing projects identified in phase 1 to be able to move forward.

Wasatch Front Central Corridor Study

The primary study area will be Salt Lake County, between Redwood Road and 700 East. The secondary study area will be large enough to incorporate regionally affected roadway and transit facilities and induced land use impacts. The principal goal of the study is to develop a balanced, integrated transportation solution for the mobility needs in the I-15/ FrontRunner corridor. Strategies to be considered include:

- Road capacity
- Transit capacity
- Technology
- Surface street connections
- Last mile improvements
- Policy strategies, including but not limited to, pricing and acceptable levels of congestion

Land use impacts on will be considered both within the corridor and those that may be induced from major capacity improvements. Land use changes that work with and maximize transportation investment will also be explored.

A policy and technical committee has been formed. UDOT is managing the project on behalf of all the agencies involved.

This effort was awarded a TIGER Planning grant, totaling over \$800,000. This brings the project budget between agencies to \$1.5 million.

The project began in calendar year 2015 and is scheduled for conclusion by end of calendar year 2016. The effort will be closely coordinated with the regional transportation plan process and key findings will inform efforts of all participating agencies.

Park and Ride Master Plan

The plan document was originally drafted in 2014 year end, with ongoing utilization continuing through 2015. An update will be performed in 2016 taking into account current and past utilization and origin/destination data based upon license plate scans. This includes coordinating with UTA Police to obtain license plate scan data at all UTA rail Park & Ride lots and analyzing the data to inform recommendations and findings in the Park & Ride Master Plan.

Redwood Road Corridor Traffic, Transit and Land Use Study

The scope of work for the Redwood Road Transportation Study has been finalized, in which the intention is to analyze and identify the transportation needs for the entire corridor that includes transit enhancements, roadway improvements, and active transportation opportunities through 2040. The partners involved in the study include UTA, UDOT, WFRC, Salt Lake County, Salt Lake City, West Valley City, Taylorsville, West Jordan, South Jordan, and Sandy City. The outcome of the study will be the identification of an inclusive Preferred Transportation Alternative for the corridor and next steps for short-term and long-term implementation including phasing and project development. The Redwood Road Corridor study is expected to kick-off in early spring 2016 with an anticipated completion date sometime in the summer of 2017.

Southwest Salt Lake County Transit Study

UTA work will continue during FY 2017 to complete city resolutions for all project cities and complete corridor preservation on the affected alignment.

Sandy/South Jordan Circulator

The next steps for the Sandy/South Jordan Circulator project in FY 2017 will be to evaluate the most cost-effective routes and examine funding options for the preferred alternative(s).

TRAX Operational and Capacity Improvements Study

UTA's light rail business unit was able to hire a business analyst to provide internal information on ridership and reliability using data that is regularly collected. Therefore, in FY 2017, this planning work will concentrate more on developing draft purpose and needs for projects in the long range plans. They include, but are not limited to: 400 South Connector and its relationship to Airport to University service, additional north south capacity in downtown Salt Lake City and its relationship to streetcar, and the Draper extension to Utah County.

5 Year Bus Service Plan

Based on results from development of service standards and a comprehensive system analysis, UTA will develop a Service Improvement Plan for the years between 2017 and 2020. The Service Improvement Plan will define service alignments and service levels for all UTA services. This plan will be based on existing resources and will prioritize service improvements based on a scale of high, medium and low scores. Criteria for the scale will also be developed during FY 2017.

Core Network Study

This study will analyze existing conditions such as ridership, reliability, travel time, stops, and markets and prioritize corridors for improved bus service. Additional analysis will be performed to determine best stop locations, TSP implementation and/or queue jump locations, and ridership gains for what will become UTA's core (committed) bus network. Finally, costs, vehicle requirements, branding and phasing will be determined to assure the system can be programmed into future funding plans. Anticipated completion date is within 2016.

Commuter Rail Study

This study will evaluate several potential improvements to FrontRunner service that have been identified and how they might be implemented in phases. UTA has budgeted local funds for the study in 2016. A scope of work will be finalized and funding partners will be secured in order to proceed with the project. A package is expected to be produced for solicitation of proposals for completion of the study.

Joint Projects Studies

Potential joint projects studies during FY 2017 include a Joint Corridors Study, Data Management and GIS, Performance Based Planning and Management, and a study to examine the Draper to Lehi TRAX extension. Other projects may be included during the program period as they are identified and resources are available.

Foothill Study

The stakeholders organized a project steering committee to develop project goals. They have defined eight goals for the project: 1. Preserve and enhance communities along the corridor; 2. Move people through the whole corridor; 3. Enable access to destinations by all modes along and across the corridor; 4. Contribute to complete transportation networks; 5. Manage transportation demand by providing options; 6. Enhance safety for all users; 7. Develop a strategy for broadly acceptable and achievable change; and 8. Create an ongoing inclusive process. These corridor goals and the performance measures will be used to help the parties determine corridor opportunities and evaluate potential future projects. The focus of the study is to identify improvements that can be implemented in the next 5 to 10 years.

Street Connectivity Study

The Study will quantify the benefits of street connectivity and summarize the results to inform decision-makers and stakeholders how street connectivity can benefit their communities, both at a local and regional level. The Study will also provide a guideline to implement elements of connectivity into local communities. In the spirit of assisting and partnering with municipalities, this study includes case studies of three communities – Layton, Tooele, and Lehi. The case studies are intended to assess the current conditions and barriers to street connectivity. For each case study, there will be a review of the current state of the street network, identification of opportunities to connect the network, an analysis of connectivity performance measures, and a cost-benefit analysis of implementing greater connectivity. WFRC will provide the project management for the street connectivity study. However, all major decisions will be made by a committee consisting of representatives from MAG, UDOT, UTA, and WFRC. Anticipated completion of the study is fall 2016.

Other Planning Studies

It is recognized that the need for other planning studies may arise in FY 2017. For example, analysis of operational improvements along certain corridors may occur. There may also be studies of transit options in additional corridors. Other possibilities are smaller transit projects such as for standalone park and ride lots, spot highway improvements, or complete street elements. Consultant assistance may be required in some of these studies.

Oquirrh Connection Study

This study will focus on evaluating the engineering and financial feasibility of constructing a new or improved roadway connection between southwest Salt Lake County and the Tooele Valley. The feasibility analysis will also include evaluation of transit, freight, and active

transportation usage, and will examine up to three possible alignments. The study will involve a high-level travel demand analysis and assessment of transportation, land use, economic, recreational, and environmental impacts and benefits. An evaluation of short-term improvements that could be made to existing facilities will also be accomplished. A consultant will conduct most of the technical analysis and report preparation, guided by both a technical committee and a policy committee, with representation from local governments, WFRC, MAG, UDOT, UTA, and other stakeholders. The study is scheduled to be completed by the end of the fiscal year and consultant management will be provided by WFRC staff.

RESPONSIBLE AGENCIES:

WFRC, UTA, UDOT