
SALT LAKE CITY COUNCIL STAFF REPORT

DATE: December 1, 2009

SUBJECT: Industrial Revenue Bond Application
Utah Pipe trades Education Trust Fund (UPTETF)

STAFF REPORT BY: Jennifer Bruno, Deputy Director

AFFECTED COUNCIL DISTRICTS: District 1

ADMINISTRATIVE DEPT: Community and Economic Development
AND CONTACT PERSON: Michael Akerlow, Small Business/Economic Development Manager

POTENTIAL MOTIONS:

1. **["I move that the Council"]** Adopt the attached resolution which:
 - a. Declares the intention of Salt Lake City to issue industrial revenue bonds, in the total principal amount not to exceed \$4,000,000, to be used to finance the costs of the acquisition, construction and improvement of facilities of the Utah Pipe Trades Education Trust Fund;
 - b. Sets the date of January 5th for a public hearing regarding the proposed issuance of bonds.

-or-

2. **["I move that the Council"]** Not adopt the attached resolution.

KEY ELEMENTS:

- A. Utah Pipe Trades Education Trust (UPTETF), the educational arm created by the United Association Pipe Trades Local 19, has submitted an application to Salt Lake City for a \$3,112,500 million Industrial Revenue Bond to construct a training facility in Salt Lake City. *For a more detailed explanation of what Industrial Revenue Bonds are, see background beginning on Page 2.*
1. The funds will be used in the construction of a 33,150 sq ft training facility consisting of administrative offices and lobby, a small lunchroom meeting area, eight instructional classrooms, and six hands-on training labs for welding, pipefitting, plumbing, air conditioning, refrigeration, and high purity application.
 2. The proposed site is in the International Center, located near the Salt Lake City International airport. This would allow the relocate the UPTETF from their current site in Davis County.
 3. The building is planned to be LEED Gold certified. To achieve this certification, the project has incorporated the following elements: bicycle storage, changing rooms, preferred parking for fuel-efficient vehicles, low-light pollution fixtures, low-water-usage fixtures, enhanced refrigerant management to reduce greenhouse gas emissions, and a plan to divert 95% of construction waste from landfills.
 4. The applicant is requesting the full cost of construction.
 5. The project will bring four full-time instructors, three clerical, two managers in addition to the apprentices.
 6. The United Association Pipe Trades Local 19 was chartered in 1890, and the formal training program began in the 1940s. UPTETF was established in 1981 to formalize

this apprenticeship program. The apprenticeship program has grown from 140 apprentices to 350 apprentices.

- B. There is no budget impact to Salt Lake City. UPTETF has paid the \$1,000 application fee, and has agreed to submit an additional \$14,000 at closing to reimburse the City for expenses entailed in issuing these bonds (including staff time).
- C. UPTETF is solely responsible for the repayment of these bonds, and is securing their bonds with Wells Fargo Bank as underwriter. The City is acting as a conduit for this transaction, and is lending its AAA credit rating to the tax-exempt bonds.
 - 1. This in no way obligates the City for repayments of the bond should UPTETF default (see background section for additional discussion of Industrial Revenue Bonds).
 - 2. The financial statements and independent auditor’s report for UPTETF are attached to the administration’s transmittal.
 - 3. The applicant has stated that they are able to repay the bonds using funds generated by dues that are dedicated to the “Building Fund” (approximately \$702,000 per year).
- D. The property is currently zoned M-1 (Light Manufacturing). It is surrounded on the South, West, and North sides by M-1.
 - 1. The surrounding uses are predominantly light manufacturing/industrial uses.
 - 2. The proposed activities include training for welding, pipefitting, plumbing and air conditioning.
- E. The City’s Industrial Revenue Bond Advisory Committee (consisting of representatives from various City Departments as well as bond counsel) reviewed the application on October 23 and forwarded a positive recommendation to the Council.
- F. If the Council is ok with proceeding with this request, the following is a tentative timetable for approval (*see item #F in the “Background” section for more detail on these steps*):

December 1	City Council receives briefing on the plan of financing
December 1	City Council approves Inducement Resolution and schedules public hearing (TEFRA) for the proposed bond issue
January 5	City Council holds TEFRA Hearing
January 12	City Council approves final bond resolution

BACKGROUND:

- A. Industrial Revenue Bonds (IRBs) are tax-exempt bonds issued by a qualified governmental entity for the tax benefit to a private organization – the governmental entity can lend its tax-exempt status and credit rating (if applicable) to the bond issuance, thereby securing a lower interest rate for the borrower and reducing the total cost of debt to the private entity.
- B. Repayment of these bonds relies exclusively upon revenues generated by the private entity, and is not considered an obligation of the issuing local governmental entity.
- C. The private entity enters into an agreement with a third party bank, that will be the purchaser of these bonds (in this case, GE Government Finance). This third party will be responsible should the revenue of the private entity not cover the debt service on the bond. The City is in no way liable for the private entity’s debt service.
- D. The IRS places a limit each year on the dollar amount of IRBs a State may authorize – referred to as a “volume cap.” Utah was authorized to receive \$256 million of volume cap in

calendar year 2007. The State legislature then decides where this volume cap is allotted. In 2007:

- 44% or \$112.6 million was allotted to Utah Housing Corporation for mortgages for first time homebuyers
- 33% or \$84.5 million was allotted to the State Board of Regents for student loans
- 11% or \$28.2 million was allotted to “affordable rental housing”
- 11% or \$28.2 million was allotted to “manufacturing”
- 1% or \$2.56 million was allotted to the “special use category” which is at the State’s discretion

E. The private organization seeking these bonds must apply for and receive an allocation of “volume cap” from the State to request a local entity issue these bonds.

F. Industrial Revenue Bond process steps:

1. The private entity would secure the volume cap from the state.
2. The private entity would secure a third party bank to purchase the bonds.
3. The private entity would complete and submit to Salt Lake City the Application for Industrial Revenue Bonds.
 - a. The application asks the private entity to identify rationale for seeking public support, what are possible positive economic, social, and physical benefits, how the development could contribute to the City’s goals, and how the development would increase jobs.
 - b. It also has the applicant provide detailed financial information, including a plan for repayment of bonds.
4. The application is then reviewed by a committee of City staff (the committee includes representatives from the Attorney’s Office, Housing and Neighborhood Development, Economic Development, City Treasurer’s Office, the Redevelopment Agency, and the City’s financial advisor). The committee discusses the application and makes a recommendation to either forward the request to the Council or request more information.
5. The application is presented to the Council in a work session briefing.
6. If the Council is agreeable, they adopt an “Inducement Resolution” (which indicates the official intent to pursue a bond), and schedule a TEFRA hearing (Tax Equity and Fiscal Responsibility Act) to allow interested members of the public to express their views regarding the issuance of bonds.
7. After the TEFRA hearing the Council may approve a final bond resolution, which would allow the funds to be released to the private entity.

cc: David Everitt, Frank Gray, Ed Rutan, Boyd Ferguson, LuAnn Clark, Karen Halladay, Sylvia Richards, Lehua Weaver

SALT LAKE CITY CORPORATION

FRANK B. GRAY
DIRECTOR

DEPARTMENT OF COMMUNITY & ECONOMIC DEVELOPMENT
OFFICE OF THE DIRECTOR

RALPH BECKER
MAYOR

MARY DE LA MARE-SCHAEFER
DEPUTY DIRECTOR

ROBERT FARRINGTON, JR.
DEPUTY DIRECTOR

CITY COUNCIL TRANSMITTAL



David Everitt, Chief of Staff

Date Received: 11/12/2009

Date Sent to City Council: 11/12/2009

TO: Salt Lake City Council
Carlton Christensen, Chair

DATE: November 10, 2009

FROM: Frank Gray, Community & Economic
Development Department Director

RE: Industrial Revenue Bond Application from Utah Pipe Trades Education Trust Fund

STAFF CONTACTS: Michael Akerlow, Small Business/Economic Development
Manager, at 801-535-7941 or michael.akerlow@slcgov.com

RECOMMENDATION: That the City Council (1) hold a briefing on December 1, 2009, (2) act on an Inducement Resolution and schedule a TEFRA Hearing on December 1, 2009 for January 5, 2010, (3) hold TEFRA Hearing on January 5, 2010, and (4) adopt Bond Resolution on January 12, 2010.

DOCUMENT TYPE: Briefing/Resolution

BUDGET IMPACT: None – Utah Pipe Trades Education Trust Fund has paid a \$1,000 non-refundable application fee and will submit an additional \$14,000 at closing to reimburse the City for expenses entailed in issuing the bonds including City personnel time, and related expenses incurred in the evaluation process.

BACKGROUND:

Utah Pipe Trades Education Trust Fund (UPTETF), a 501(c)(3) organization, has submitted an application to Salt Lake City for a \$3,112,500 industrial revenue bond. The funds will be used in the construction of a 33,150 square foot training facility consisting of administrative offices and lobby, a small lunchroom meeting area, eight instructional classrooms for related classroom instruction, and six hands-on training labs for welding, pipefitting, plumbing, air-conditioning,

refrigeration, and high purity application. The classrooms and instructional labs will be equipped with the latest high-tech instructional equipment. It is proposed that the building will be LEED Gold certified.

Industrial Revenue Bonds (IRB's), also referred to as Industrial Development Bonds (IDB's) or Private Activity Bonds, are tax-exempt bonds issued by a qualified governmental entity for the benefit of a private organization. IRS regulations place a "volume cap" on each state for the dollar amount of IRB's that can be issued in any one calendar year. The volume cap varies based on the population of each state. Tax-exempt debt of nonprofit, 501(c)(3) organizations is not subject to volume cap restrictions. Repayment of these bonds relies exclusively upon revenues generated by the private entity and is not considered an obligation of the issuing local governmental entity, sometimes referred to as the "conduit."

Once the City Council is briefed on a "conduit" financing project and gives their approval to proceed with the financing of the project, the next step is for them to adopt an Inducement Resolution and schedule a TEFRA (Tax Equity and Fiscal Responsibility Act) Hearing. An Inducement Resolution indicates the conduit issuer's first "official action" or evidence of official intent to issue private activity bonds and it determines the point after which the user of the project being financed can be reimbursed for capital costs paid or incurred in connection with the acquisition and construction of the project. TEFRA requires as a precondition to excluding interest from gross income for federal income tax purposes on all qualified private activity bonds that 1) a public hearing to allow interested members of the public to express their views regarding the issuance of the bonds; and 2) that the nature of the improvements and projects for which the financing funds will be allocated are presented.

DISCUSSION:

The United Association Pipe Trades Local 19 was chartered in 1890 and the formal apprenticeship program of on-the-job training and classroom-related instruction began in the late 1940's. The apprenticeship program was established to train pipe tradesmen in plumbing, pipefitting, welding, and heating ventilation air-conditioning and refrigeration. The program continued in various forms until May 1, 1981, when the UPTETF was established. In the early years the related classroom instruction was offered at many locations including Utah Technical College in Salt Lake City and Provo, Ogden Weber Technical School in Ogden, and College of Eastern Utah in Price. In 1976 the Utah Technical College in Provo moved to the Utah Valley State College in Orem. In 1993 the UPTETF opened its own 7,300 square foot training facility, a satellite school associated with SLCC in north Salt Lake City. At that time, the training program incorporated journeyman upgrade training to complement the apprentice training. In 1999 the UPTETF initiated an academic portion of the program in which the apprentices are required to complete the general education requirements in addition to the apprenticeship classroom-related instruction to receive the AAS Degree from SLCC. The program continued to grow to over 350 apprentices. In 2006, the UPTETF trustees decided to build a larger facility with newer technology to accommodate the increased numbers of apprentices in the program. A site was selected in Salt Lake City at 640 North Billy Mitchell Drive in the International Center west of the Salt Lake City International Airport. Construction of that facility is no ongoing.

The project will be LEED Gold certified. To achieve such certification, UPTETF will be incorporating a number of sustainable elements, including: promoting alternative transportation by providing bicycle storage, changing room, and preferred parking for fuel-efficient vehicles; reduce light pollution levels; water use reduction by 72%; reduce overall building water usage by 56%; enhanced refrigerant management system; and 95% of construction waste to be diverted from landfills.

Moving the UPTETF Training Facility to Salt Lake City from Davis County will have a positive economic impact on the community by bringing the related revenue and employee income tax base to Salt Lake City.

PUBLIC PROCESS:

The City's Industrial Revenue Bond Advisory Committee reviewed the application on October 23, 2009 and recommended favorable action by the City Council.

Attachments:

- (1) IRB Application from Utah Pipe Trades Education Trust Fund
- (2) Inducement Resolution

Salt Lake City Corporation
INDUSTRIAL REVENUE BOND APPLICATION

PART A: APPLICANT INFORMATION

1. Name of Applicant:

Utah Pipe Trades Education Trust Fund (UPTETF)

2. Address of applicant:

900 North 400 West Suite #4
North Salt Lake, Utah 84054

3. Attachment A: Include a brief history of your company.

The United Association Pipe Trades Local 19 was chartered in 1890 and the formal apprenticeship program of on-the-job training and classroom-related instruction began in the late 1940's. The apprenticeship program was established to train Pipe Tradesmen in Plumbing, Pipefitting, Welding, and Heating Ventilation Air-conditioning and Refrigeration. The program continued in various forms until May 1, 1981, when the UPTETF was established. In the early years the related classroom instruction was offered at many locations including Utah Technical College in Salt Lake City and Provo, Ogden Weber Technical School in Ogden, and College of Eastern Utah in Price. In 1976 the Utah Technical College in Salt Lake City moved to the Redwood Road Campus of Salt Lake Community College (SLCC) and later the Utah Technical College in Provo moved to the Utah Valley State College in Orem. In 1993 the UPTETF opened its own 7,300 square foot Training Facility, a satellite school associated with SLCC, in North Salt Lake City. At that time, the Training Program incorporated Journeyman upgrade training to complement the Apprentice Training. In 1999 the UPTETF initiated an academic portion of the program in which the apprentices are required to complete the general education requirements in addition to the apprenticeship classroom-related instruction to receive their AAS Degree from SLCC. The program continued to grow to over 350 apprentices. In 2006 the UPTETF trustees decided to build a larger facility with newer technology to accommodate the increased numbers of apprentices in the program. A site was selected in SLC at 640 North Billy Mitchell Drive in the International Center west of Salt Lake City International Airport. Construction of that facility is now ongoing.

4. Name and address of all other major business officers and investors supporting this application.

Utah Pipe Trades Education Trust Fund

Local 140 (State) Joint Apprenticeship Committee (Trustees)

Management Trustees

Frank Moss (801) 292-6846
Moss Industries Fax (801) 292-6848
1462 West 1500 South (801) 580-1706
Woods Cross, UT 84087

Ray Wilcox (801) 255-9333
M S I Fax (801) 561-4673
6906 South 300 West
Midvale, UT 84047

Dave Katsanevas (801) 973-1225
C.C.I. (801) 975-7204
P.O. Box 25788
SLC, UT 84125-0788

Bob Bergman (801) 364-7768
U.M.C.A. Fax (801) 531-7725
669 South 200 East Cell (801) 556-8622

Labor Trustees

Kreg Crofts (801) 973-6784
Local 140 (801) 973-2327
2261 South Redwood Road
SLC, UT 84119

Larry Facer (801) 973-6784
Local 140 Fax (801) 973-2327
2261 South Redwood Road
SLC, UT 84119

Tom Lewis (801) 731-3179
4561 West 2550 South Cell (801) 920-5271
Ogden, UT 84401

Kelly Wheat (801) 745-0833
P.O. Box 530 Cell (801) 725-0496
Huntsville, UT 84317

5. Name and address of bond counsel (bond counsel must be retained before application is considered complete for processing):

Mr. Blake Wade
Ballard Spahr LLP
One Utah Center, Suite 800
201 South Main Street
Salt Lake City, UT 84111-2221

6. Name and address of proposed underwriter or purchaser of bonds:

Wells Fargo Bank, N.A.
280 West 1500 South
Bountiful, UT 84010

PART B: PROJECT INFORMATION

1. Name and description of the project (minimum of one page):

Utah Pipe Trades Education Trust Fund (UPTETF) Training Facility. The project is a 33,150 square foot Training Facility consisting of Administrative Offices and lobby, a small lunchroom meeting area, eight instructional classrooms for Related Classroom Instruction and six hands-on training labs for welding, pipefitting, plumbing, air-conditioning, refrigeration, and high purity application. The classrooms and instructional labs will be equipped with the latest high tech instructional equipment.

The project will be LEED Gold certified. A few of the things we are doing to achieve Gold certification are:

Site

Promote alternative transportation by providing bicycle storage, changing room, and preferred parking for fuel-efficient vehicles.

Maximize open space and minimize stormwater quantity.

Reduce heat island effect through selecting highly reflective roofing system.

Reduce light pollution levels.

Water

Water use reduction on landscaping by 72%.

Reduce overall building water use by 56%.

Energy & Atmosphere

Building is 28% more energy efficient than current standards.

Enhanced refrigerant management (HVAC systems and coolants selected) to minimize greenhouse gas and ozone depleting emissions.

Materials

95% of construction waste to be diverted from landfills.

Recycled content of building materials to equal +20% and Regional material of +20%.

Certified wood.

Indoor Environmental Quality

Flush-out building prior to occupancy to get rid of construction contaminants.

Low emitting materials being used (paints, sealants, adhesives, carpet, and wood products).

Indoor chemical/pollutant source control to minimize exposure of building occupants to potentially hazardous particulates and pollutants.

Controllability of lighting and HVAC systems to maximize occupant comfort (including a verification survey to be done after occupancy).

Daylighting in +75% of occupied spaces and allow outdoor views in +90% occupied spaces.

Any questions regarding the project's LEED certification please contact:

Cory Ferguson, LEED AP

Associate, Architect

PGAW Architects

5263 South Commerce Drive

Murray, Utah 84107

801.266.4669 (phone)

801.262.6122 (fax)

2. Address of project:

640 North Billy Mitchell Road

Salt Lake City, Utah 84116

3. Type of Industry:

Hotel/Tourism

Light Industry

Heavy Industry

Regional Scale Retail

Community Scale Retail

Neighborhood Scale Retail

Commercial/Office

Research and Development

High Density Housing

Low Density Housing/Infill

X Other (Specify) Training Facility for Utah Pipe Trades Education Trust

4. Rationale for seeking public support for Industrial Revenue Bond approval:

As a 501 (c) (3) institution we are seeking an Industrial Revenue Bond in order to acquire a lower interest rate for our project.

5. Will the project have a positive economic impact on the community?

Moving the UPTETF Training Facility from Davis County to Salt Lake City will have a positive economic impact on the community by bringing the related revenue and employee income tax base to SLC.

6. What social and physical benefits will be realized by the City?

The program will help to provide the community with highly skilled and trained craftsmen in the Pipe Trades industry. There is a projected statewide shortage of these highly skilled and trained craftsmen. High paying jobs for these highly skilled and trained craftsmen translate into a higher income tax base and revenue growth for the local economy.

7. Does the project contribute to the development of underutilized property in the City?

In attending the member meetings of SLICCAMA, the building association at the Salt Lake City International Center, the other members of that association were pleased and excited that UPTETF would be building their Training Facility in the International Center. There is still underutilized undeveloped property within the International Center, although all the property on the North end of Billy Mitchell Road will now be developed. Ours was the final undeveloped parcel in our immediate neighborhood. We feel that quality of our program and facility will only help attract future development of the International Center.

8. Does the project generate synergies for the development of surrounding properties?

See Number 7 above

9. Does the project serve unmet needs of City residents?

With the shortage of trained and skilled craftsmen in the construction trades now and even projected greater in the future in the Salt Lake City as well as in the State of Utah, the UPTETF Training Program fills a vital need in training future construction trades craftsmen. These craftsmen have many additional opportunities upon completion of the program to become owners, engineers, estimators, and supervision of mechanical, plumbing, and Industrial piping companies.

PART C: FINANCIAL INFORMATION

1. Attachment B: Include audited financials of the applicant for the last three years.
2. Attachment C: Include operating statements.
3. Amount of proposed Industrial Revenue Bond: \$3,112,500
4. Is an application for the State allocation required?

No

If so, when will the application be made? N/A

Be aware that the allocation expires 90 days after approval by the State if the bonds are not sold.

5. Credit Enhancement. All publicly offered revenue bonds issued by the City on behalf of a Private Entity shall be credit enhanced by either a bond insurance policy issued by a "AAA"-rated municipal bond insurer, or by a direct-pay letter-of-credit from a financial institution with at least a "AA" rating. Evidence of the availability of such bond insurance or letter-of-credit shall be provided to the City with the initial application.

Bond insurance: N/A

Direct-pay-letter-of-credit: N/A

Provider: _____

Rating: N/A

In the case where the proposed bonds are to be sold on a private placement basis to a sophisticated investor or group of sophisticated investors, the City's credit enhancement requirement will be waived once the City has received written confirmation from a sophisticated investor that it understands the risks associated with this type of investment and that under no circumstance will non-payment or a default on the bonds constitute or impose upon the City any financial obligation or liability.

Sophisticated Investor: Wells Fargo Bank, N.A. A sophisticated investor representation will be provided.

6. Anticipated method and terms of bonding:

Bank loan in the form of a tax-exempt bond. Preliminarily configured as follows:

Debt Service Schedule

<u>Date</u>	<u>Principal</u>
11/01/2009	7,200.00
11/01/2010	88,600.00
11/01/2011	93,600.00
11/01/2012	98,800.00
<hr/>	
11/01/2013	104,300.00
11/01/2014	110,000.00
11/01/2015	116,100.00
11/01/2016	122,600.00
11/01/2017	129,400.00
11/01/2018	136,600.00
<hr/>	
11/01/2019	2,105,300.00
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Total	\$3,112,500.00

7. What impact will the proposed expansion have on your company?

In the sixteen years that the program has been in North Salt Lake City, the program has grown from approximately 140 apprentices to 350 apprentices. During those years the amount of Journeyman upgrade training has grown as well. With the proposed State Legislation requiring continuing education credits for Plumbing License renewal, this upgrade training will continue to grow.

8. Identify your sources and uses of funds:

The UPTETF is funded by an Employer Contribution of \$0.65 per hour for every hour worked on the job by every member of the Local Union, averaging 2,000,000 man hours per year. This is \$1,300,000.00 per year divided into \$598,000.00 per year or 46% for the regular operations of the program and \$702,000.00 per year or 54% for the Building Fund.

9. How will the bond be repaid?

The bond will be repaid with the monies generated by the Building Fund.

10. Estimated annual tax revenue generated by project:

We are a 501 (c) (3) tax exempt program.

Total Payroll Value

Total Current Payroll	Estimated in 1 Yr.	Estimated in 5 Yrs.
\$375,000.00	\$750,000.00	\$900,000.00

Property Valuations

Total Valuation	Estimated in 1 Yr.	Estimated in 5 Yrs.
\$4,150,000.00	_____	_____

Gross Taxable Sales

Current Taxable Sales	Estimated in 1 Yr.	Estimated in 5 Yrs.
\$0.00	\$0.00	\$0.00

*Note: UPTETF is a 501 (c) (3) tax exempt nonprofit Trust Fund and has no annual sales.

11. Description of all collateral required to finance the project:

UPTETF will secure the Wells Fargo loan with the building we are constructing and the land described as follows:

Lot 3A, Salt Lake International Center Plat 5 – Amended Lot 3, An industrial subdivision located in the northeast quarter of Section 36, Township 1 North, Range 2 West, Salt Lake Base and meridian, Salt Lake County, Utah

PART D: EMPLOYMENT INFORMATION

1. How many new jobs will be created, at what levels, and what percentage of the applicant's total payroll will they comprise?

We intend to transition from evening apprenticeship classes to daytime classes requiring four new full time instructors and one new clerical employee, for an increase of over 100 % in payroll.

2. Specify the classification and number of **permanent** jobs created:

<u>Classification</u>	Present Employment	Proposed Employment	5 Year Proposed	10 Year Proposed
Executives/Mgrs	two	same	same	same
Professionals	_____	_____	_____	_____
Craftsmen (skilled)	_____	_____	_____	_____
Laborers (Unskilled)	_____	_____	_____	_____
Office/Clerical	three	four	same	same
Services/Sales	_____	_____	_____	_____
Other (Specify)				
Full time instructors	none	four	same	same

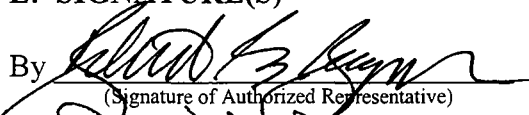
3. For each type of employment classification, specify the average annual wage:

<u>Classification</u>	Current Average Annual Wage
Executives/Mgrs.	\$95,000.00
Professionals	_____
Craftsmen (Skilled)	_____
Laborers (Unskilled)	_____
Office/Clerical	\$60,000.00
Services/Sales	_____
Other (Specify)	
New full time instructors	\$90,000.00

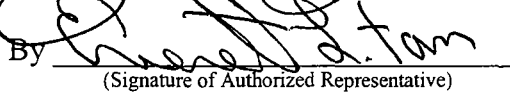
4. Specify the classification and number of **temporary** jobs created:

The temporary jobs created by the UPTETF project will only exist during the construction phase and we are unsure of the number of craftsmen who will be utilized during that phase.

PART E: SIGNATURE(S)

By 
(Signature of Authorized Representative)

ROBERT G. BENJAMIN
(Please Print Name)

By 
(Signature of Authorized Representative)

EVERETT L. FACEN
(Please Print Name)

Date: 10-2-09

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 09/30/09
 Accrual Basis

Utah Pipe Trades Educational Program Profit & Loss YTD Comparison September 2009

	Sep 09	Oct '08 - Sep 09
Ordinary Income/Expense		
Income		
Safety Training	0.00	7,875.00
Emp Cont Bldg Fund	0.00	-76,038.00
Emp. Cont.	0.00	565,805.25
Interest Check	0.00	42.34
Interest Other	0.00	11,425.43
Misc. Income	0.00	762.20
Re Books	10,866.00	61,591.43
Re Tuition	0.00	39.00
Total Income	10,866.00	571,502.65
Expense		
Auto Expense	0.00	746.25
Bad Debts	0.00	3,001.00
Bldg Rep & Main	0.00	1,753.57
Cash	0.00	-3.00
Cert Welder Prg	0.00	387.79
Comp. Ceremony	0.00	4,783.52
Computer	42.50	983.04
Condo Fees	212.93	2,555.16
Contrib & Promotional Items		
Gifts Given	0.00	840.00
Total Contrib & Promotional Items	0.00	840.00
Copier		
Copier Lease	240.31	2,828.52
Maintenance	101.41	1,440.62
Supplies	0.00	1,044.90
Total Copier	341.72	5,314.04
Drug Testing	246.00	298.00
Dues & Subscrip	60.00	585.00
Emp Benefits		
Health & Wel	2,626.90	33,561.56
ITF	32.00	384.00
Natl Pension	720.00	8,640.00
Officers Pension	1,889.77	21,561.17
Opeiu Pension	1,192.38	16,231.43
Pension	1,005.60	8,457.60
Retirement	266.17	3,955.45
Emp Benefits - Other	30.45	87.15
Total Emp Benefits	7,763.27	92,878.36
Fidelity Bond	0.00	243.00
Fiduciary Ins.	0.00	2,926.00
Inst Training		
Ann Arbor	0.00	7,838.54
Other Training	0.00	550.00
Total Inst Training	0.00	8,388.54
Insurance	0.00	2,856.00
Janitorial		
Monthly Service	886.43	7,412.54
Other	1,125.00	1,125.00
Supplies	129.52	1,793.79
Total Janitorial	2,140.95	10,331.33
Journeyman Trng	75.00	6,212.50
L&P Fees	0.00	3,200.00
Meetings	0.00	1,390.44
Office	20.86	4,845.57
Payroll		
Comp FICA	992.13	17,010.24
Comp MCARE	232.02	3,978.17
Comp SDI	0.00	834.69
Comp SUI	0.00	64.75
Gross	16,002.28	260,565.51
Total Payroll	17,226.43	282,453.36

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 09/30/09
 Accrual Basis

**Utah Pipe Trades Educational Program
 Profit & Loss YTD Comparison
 September 2009**

	<u>Sep 09</u>	<u>Oct '08 - Sep 09</u>
Payroll Expenses	0.10	12,156.43
Postage	0.00	3,001.92
Postage Meter		
Maintenance Agree	0.00	50.00
Postage Meter Rental	0.00	750.00
Supplies	0.00	175.00
Total Postage Meter	0.00	975.00
Seminars & Conf	125.00	4,552.54
Service Charge	0.00	888.39
Ship. & Hand.	194.64	3,683.78
Telephone		
Internet Wireless Highspeed	0.00	1,039.35
Wireless	48.32	573.02
Telephone - Other	110.50	2,501.73
Total Telephone	158.82	4,114.10
Text Books		
Apprentice Text	3,765.12	67,434.78
Instructor Text	284.00	686.00
Total Text Books	4,049.12	68,120.78
Trng Materials	2,144.78	50,454.47
Tuition	2,852.00	8,234.00
Utilities		
Electricity	587.89	6,721.01
Gas	0.00	5,501.13
Sewer	0.00	120.00
Water	21.00	252.00
Total Utilities	608.89	12,594.14
Total Expense	38,263.01	605,745.02
Net Ordinary Income	-27,397.01	-34,242.37
Other Income/Expense		
Other Income		
Contribution for New Equipment	0.00	5,000.00
Total Other Income	0.00	5,000.00
Net Other Income	0.00	5,000.00
Net Income	-27,397.01	-29,242.37

**Utah Pipe Trades
Educational Trust Fund**

**Financial Statements
and
Independent Auditors' Report**
September 30, 2006 and 2005

Utah Pipe Trades Educational Trust Fund

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Certified Public Accountants (a professional corporation)
1785 West Printers Row Salt Lake City, Utah 84119 (801) 972-4800 Fax (801) 972-8941

INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
Utah Pipe Trades Educational Trust Fund
Salt Lake City, Utah

We have audited the accompanying statement of net assets available for benefits of Utah Pipe Trades Educational Trust Fund as of September 30, 2006, and the related statements of changes in net assets available for benefits and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of Utah Pipe Trades Educational Trust Fund as of September 30, 2006, and the changes in its net assets available for benefits and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The 2005 financial statements were compiled by us, and our report thereon, dated December 12, 2005, stated we did not audit or review those financial statements and, accordingly, expressed no opinion or other form of assurance on them.

Salt Lake City, Utah
February 19, 2007

**Utah Pipe Trades
Educational Trust Fund**

Statements of Net Assets Available for Benefits

September 30	Audited 2006	Compiled 2005
Assets		
Current assets:		
Cash and cash equivalents	\$ 799,646	\$ 467,822
Contribution receivable	141,981	41,564
Accounts receivable	2,669	1,245
Total current assets	944,296	510,631
Property and equipment:		
Land, building and improvements	374,469	374,469
Furniture, fixtures and equipment	91,855	91,855
Vehicles	10,293	10,293
Less accumulated depreciation	(250,841)	(238,775)
Property and equipment, net	225,776	237,842
Total assets	1,170,072	748,473
Liabilities		
Current liabilities:		
Accounts payable	11,989	2,630
Payroll taxes payable	11,311	11,600
Accrued liabilities	1,581	-
Total current liabilities	24,881	14,230
Net assets available for benefits	1,145,191	734,243
Total liabilities and net assets available for benefits	\$ 1,170,072	\$ 748,473

See accompanying notes to financial statements

**Utah Pipe Trades
Educational Trust Fund**

Statements of Changes in Net Assets Available for Benefits

For the years ended September 30	Audited 2006	Compiled 2005
Additions:		
Employer contributions	\$ 855,829	\$ 609,404
Tuition reimbursement	37,179	26,841
Interest Income	17,211	4,587
Miscellaneous reimbursements and other	8,497	1,177
Total additions	918,716	642,009
Deductions:		
Administrative salaries	209,171	201,556
Employees' pension and health and welfare insurance	77,148	76,594
Supplemental instruction and school expenses	70,719	48,147
Training supplies	30,930	26,166
Journeymen training	20,954	14,268
Taxes - payroll	16,809	16,890
Office expenses	16,096	10,933
Utilities	14,068	14,058
Depreciation	12,066	13,372
Janitorial	7,611	8,517
Advertising	7,096	4,204
Insurance	6,204	6,442
Postage	5,655	5,604
Accounting and professional fees	3,675	2,750
Drug testing	3,515	1,525
Company ceremony	3,339	2,047
Dues and subscriptions	1,050	618
Building and grounds maintenance	794	917
Meetings	694	337
Mortgage interest	174	-
Miscellaneous	-	18
Total deductions	507,768	454,963
Net increase	410,948	187,046
Net assets available for benefits, beginning of year	734,243	547,197
Net assets available for benefits, end of year	\$ 1,145,191	\$ 734,243

See accompanying notes to financial statements

**Utah Pipe Trades
Educational Trust Fund**

Statements of Cash Flows

For the years ended September 30	Audited 2006	Compiled 2005
Cash flows from operating activities:		
Change in net assets	\$ 410,948	\$ 187,046
Adjustments to reconcile change in net assets to cash provided (used) by operating activities:		
Depreciation	12,066	13,372
(Increase) decrease in operating assets:		
Contribution receivable	(100,417)	(13,712)
Accounts receivable	(1,424)	173
Increase (decrease) in operating liabilities:		
Accounts payable	9,359	(3,864)
Payroll taxes payable	(289)	8,042
Accrued liabilities	1,581	-
Net cash provided by operations	331,824	191,057
Cash flows from investing activities:		
Acquisition of property and equipment	-	(1,066)
Net cash used by investing activities	-	(1,066)
Net increase in cash and equivalents	331,824	189,991
Cash and equivalents, beginning of year	467,822	277,831
Cash and equivalents, end of year	\$ 799,646	\$ 467,822

See accompanying notes to financial statements.

Utah Pipe Trades Educational Trust Fund

Notes to Financial Statements

**Note 1 -
Organization**

The Utah Pipe Trades Educational Trust Fund (the Program) was organized July 1, 1955 as a nonprofit corporation located in Salt Lake City, Utah. The program was formed for the purpose of maintaining and administering an industry apprenticeship and journeyman training and educational program. Employers contribute to the Program for each hour worked by program participants based on current collective bargaining agreements.

**Note 2 - Significant
accounting policies**

Management estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of additions and deductions to net assets during the reporting period. Actual results could differ from those estimates.

Basis of accounting - The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Cash and cash equivalents - The Program considers cash and cash equivalents to be highly liquid debt instruments with a maturity of three months or less when purchased. Cash equivalents consist of unrestricted cash held in checking, savings, and money fund accounts. The Program had no excess holdings as of September 30, 2006 or September 30, 2005. The Program has uninsured money market funds of \$662,644 and \$377,491 as of September 30, 2006 and 2005, respectively, with brokerage accounts, which have a portfolio maturity of 31 days or less and are considered a cash equivalent.

Contributions receivable - Employer contributions received after the end of the program year, for hours worked prior to the end of the program year, are recorded as contributions receivable.

Property and equipment - Depreciation is provided in amounts sufficient to relate the cost of depreciable assets to operations over their estimated lives using the straight-line method. The estimated lives used in determining depreciation are:

	Years
Building and improvements	31
Furniture, fixtures and equipment	5-10
Vehicles	5

Maintenance and repairs, which do not materially extend the useful lives, and minor replacements are charged to expense as incurred. Major renewals and improvements are capitalized. The cost of property sold or otherwise disposed of and the related accumulated depreciation are relieved from the accounts, and any gains or losses arising from sale or disposal are recognized in the year of sale or disposition.

Utah Pipe Trades Educational Trust Fund

Notes to Financial Statements (continued)

**Note 2 - Significant
accounting policies
(continued)**

Advertising expense - The Program follows the policy of charging the costs of advertising to expense as incurred. Advertising expense for the years ended September 30, 2006 and 2005 were \$7,096 and \$4,204, respectively.

Tax status - The Program is exempt from payment of Federal income taxes under the provision of the Internal Revenue Code Section 501(c)(3).

**Note 3 - Priorities
upon termination**

It is the intent of the trustees to continue the Program in full force and effect. However, in the unlikely event of termination and in order to safeguard against any unforeseen contingencies, the right to discontinue the program is reserved to the trustees. In the event of termination, the trustees shall first satisfy or make provisions to satisfy the obligations of the Program. Any remaining fund assets will be distributed in such manner as will, in the opinion of the trustees, bring about the purpose of the program. Termination shall not permit any part of the Program to be used for or diverted to purposes other than the exclusive benefit of the participants.

**Note 4 - Pension
plans**

The Program's full-time employees are covered by non-contributory and contributory pension plans. These plans provide benefits for various employees. The plans provide defined benefit and defined contribution accounts to eligible participants. The amount charged to pension cost and contributed to the plans in 2006 and 2005 was \$46,874 and \$45,757, respectively.

**Utah Pipe Trades
Educational Trust Fund**

**Financial Statements
and
Accountants' Compilation Report**

September 30, 2007
with audited numbers as of September 30, 2006

**Utah Pipe Trades
Educational Trust Fund**

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Certified Public Accountants (a professional corporation)

1785 West Printers Row Salt Lake City, Utah 84119 (801) 972-4800 Fax (801) 972-8941

Accountants' Compilation Report

To the Board of Trustees
Utah Pipe Trades Educational Trust Fund
Salt Lake City, Utah

We have compiled the accompanying statement of net assets available for benefits of **Utah Pipe Trades Educational Trust Fund** as of September 30, 2007, and the related statements of changes in net assets available for benefits and cash flows for the year then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements for the year ended September 30, 2007 and, accordingly, do not express an opinion or any other form of assurance on them.

The financial statements for the year ended September 30, 2006, were audited by us, and we expressed an unqualified opinion on them in our report dated February 19, 2007, but we have not performed any auditing procedures since that date.

Salt Lake City, Utah
January 29, 2008

**Utah Pipe Trades
Educational Trust Fund**

Statements of Net Assets Available for Benefits

September 30	Compiled 2007	Audited 2006
Assets		
Current assets:		
Cash and cash equivalents	\$ 1,719,115	\$ 799,646
Contribution receivable	116,752	141,981
Accounts receivable	2,931	2,669
Total current assets	1,838,798	944,296
Property and equipment:		
Land, building and improvements	401,219	374,469
Furniture, fixtures and equipment	106,978	91,855
Vehicles	10,292	10,293
Less accumulated depreciation	(262,668)	(250,841)
Property and equipment, net	255,821	225,776
Total assets	2,094,619	1,170,072
Liabilities		
Current liabilities:		
Accounts payable	534	11,989
Payroll taxes payable	10,023	11,311
Accrued liabilities	-	1,581
Total current liabilities	10,557	24,881
Net assets available for benefits	2,084,062	1,145,191
Total liabilities and net assets available for benefits	\$ 2,094,619	\$ 1,170,072

See accompanying notes to financial statements

**Utah Pipe Trades
Educational Trust Fund**

Statements of Changes in Net Assets Available for Benefits

For the years ended September 30	Compiled 2007	Audited 2006
Additions:		
Employer contributions	\$ 1,418,154	\$ 855,829
Tuition reimbursement	62,551	37,179
Interest Income	53,567	17,211
Miscellaneous reimbursements and other	2,936	8,497
Total additions	1,537,208	918,716
Deductions:		
Administrative salaries	235,330	209,171
Supplemental instruction and school expenses	121,010	70,719
Employees' pension and health and welfare insurance	87,980	77,148
Training supplies	40,529	30,930
Taxes - payroll	19,403	16,809
Office expenses	16,580	16,096
Utilities	14,670	14,068
Depreciation	11,827	12,066
Janitorial	9,063	7,611
Postage	7,359	5,655
Accounting and professional fees	6,500	3,675
Advertising	6,448	7,096
Insurance	5,967	6,204
Journeyman training	5,473	20,954
Company ceremony	3,106	3,339
Drug testing	3,077	3,515
Building and grounds maintenance	1,973	794
Dues and subscriptions	1,217	1,050
Meetings	696	694
Miscellaneous	116	-
Mortgage interest	13	174
Total deductions	598,337	507,768
Net increase	938,871	410,948
Net assets available for benefits, beginning of year	1,145,191	734,243
Net assets available for benefits, end of year	\$ 2,084,062	\$ 1,145,191

See accompanying notes to financial statements

**Utah Pipe Trades
Educational Trust Fund**

Statements of Cash Flows

For the years ended September 30	Compiled 2007	Audited 2006
Cash flows from operating activities:		
Change in net assets	\$ 938,871	\$ 410,948
Adjustments to reconcile change in net assets to cash provided by operating activities:		
Depreciation	11,827	12,066
(Increase) decrease in operating assets:		
Contribution receivable	25,229	(100,417)
Accounts receivable	(262)	(1,424)
Increase (decrease) in operating liabilities:		
Accounts payable	(11,455)	9,359
Payroll taxes payable	(1,288)	(289)
Accrued liabilities	(1,581)	1,581
Net cash provided by operations	961,341	331,824
Cash flows from investing activities:		
Acquisition of property and equipment	(41,872)	-
Net cash (used) by investing activities	(41,872)	-
Net increase in cash and equivalents	919,469	331,824
Cash and equivalents, beginning of year	799,646	467,822
Cash and equivalents, end of year	\$ 1,719,115	\$ 799,646

See accompanying notes to financial statements.

Utah Pipe Trades Educational Trust Fund

Notes to Financial Statements

**Note 1 -
Organization**

The Utah Pipe Trades Educational Trust Fund (the Program) was organized July 1, 1955 as a nonprofit corporation located in Salt Lake City, Utah. The program was formed for the purpose of maintaining and administering an industry apprenticeship and journeyman training and educational program. Employers contribute to the Program for each hour worked by program participants based on current collective bargaining agreements.

**Note 2 - Significant
accounting policies**

Management estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of additions and deductions to net assets during the reporting period. Actual results could differ from those estimates.

Basis of accounting - The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Cash and cash equivalents - The Program considers cash and cash equivalents to be highly liquid debt instruments with a maturity of three months or less when purchased. Cash equivalents consist of unrestricted cash held in checking, savings, and money fund accounts. As of September 30, 2007 and September 2006, the Company had cash balances of \$1,411,700 and \$490,521, respectively, in excess of Federal Deposit Insurance Corporation insured limits.

Contributions receivable - Employer contributions received after the end of the program year, for hours worked prior to the end of the program year, are recorded as contributions receivable.

Property and equipment - Depreciation is provided in amounts sufficient to relate the cost of depreciable assets to operations over their estimated lives using the straight-line method. The estimated lives used in determining depreciation are:

	Years
Building and improvements	31
Furniture, fixtures and equipment	5-10
Vehicles	5

Maintenance and repairs, which do not materially extend the useful lives, and minor replacements are charged to expense as incurred. Major renewals and improvements are capitalized. The cost of property sold or otherwise disposed of and the related accumulated depreciation are relieved from the accounts, and any gains or losses arising from sale or disposal are recognized in the year of sale or disposition.

**Utah Pipe Trades
Educational Trust Fund**

Notes to Financial Statements (continued)

**Note 2 - Significant
accounting policies
(continued)**

Advertising expense - The Program follows the policy of charging the costs of advertising to expense as incurred. Advertising expense for the years ended September 30, 2007 and 2006 were \$6,448 and \$7,096, respectively.

Tax status - The Program is exempt from payment of Federal income taxes under the provision of the Internal Revenue Code Section 501(c)(3).

**Note 3 - Priorities
upon termination**

It is the intent of the trustees to continue the Program in full force and effect. However, in the unlikely event of termination and in order to safeguard against any unforeseen contingencies, the right to discontinue the program is reserved to the trustees. In the event of termination, the trustees shall first satisfy or make provisions to satisfy the obligations of the Program. Any remaining fund assets will be distributed in such manner as will, in the opinion of the trustees, bring about the purpose of the program. Termination shall not permit any part of the Program to be used for or diverted to purposes other than the exclusive benefit of the participants.

**Note 4 - Pension
plans**

The Program's full-time employees are covered by non-contributory and contributory pension plans. These plans provide benefits for various employers. The plans provide defined benefit and defined contribution accounts to eligible participants. The amount charged to pension cost and contributed to the plans in 2007 and 2006 was \$53,841 and \$46,874, respectively.

**Utah Pipe Trades
Educational Trust Fund**

**Financial Statements
and
Accountants' Compilation Report**
September 30, 2008 and 2007

**Utah Pipe Trades
Educational Trust Fund**

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Haynie &
Company

Certified Public Accountants (a professional corporation)
1785 West Printers Row Salt Lake City, Utah 84119 (801) 972-4800 FAX (801) 972-8941

Accountants' Compilation Report

To the Board of Trustees
Utah Pipe Trades Educational Trust Fund
Salt Lake City, Utah

We have compiled the accompanying statements of net assets available for benefits of **Utah Pipe Trades Educational Trust Fund** as of September 30, 2008 and 2007, and the related statements of changes in net assets available for benefits and cash flows for the years then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements for the years ended September 30, 2008 and 2007 and, accordingly, do not express an opinion or any other form of assurance on them.

Haynie & Co

Salt Lake City, Utah
December 11, 2008

**Utah Pipe Trades
Educational Trust Fund**

Statements of Net Assets Available for Benefits

September 30	2008	2007
Assets		
Current assets:		
Cash and cash equivalents	\$ 2,188,199	\$ 1,719,115
Contribution receivable	140,811	116,752
Accounts receivable	3,724	2,931
Total current assets	2,332,734	1,838,798
Property and equipment:		
Land, building and improvements	992,276	401,219
Furniture, fixtures and equipment	107,079	106,978
Vehicles	10,293	10,292
Less accumulated depreciation	(277,312)	(262,668)
Property and equipment, net	832,336	255,821
Total assets	\$ 3,165,070	\$ 2,094,619
Liabilities		
Current liabilities:		
Accounts payable	\$ 1,463	\$ 534
Accrued liabilities	10,783	10,023
Total current liabilities	12,246	10,557
Net assets available for benefits	3,152,824	2,084,062
Total liabilities and net assets available for benefits	\$ 3,165,070	\$ 2,094,619

See accompanying notes to financial statements and accountants' compilation report

**Utah Pipe Trades
Educational Trust Fund**

Statements of Changes in Net Assets Available for Benefits

For the years ended September 30	2008	2007
Additions:		
Employer contributions	\$ 1,577,241	\$ 1,418,154
Tuition reimbursement	72,856	62,551
Interest income	64,784	53,567
Miscellaneous reimbursements and other	503	2,936
Total additions	1,715,384	1,537,208
Deductions:		
Administrative salaries	261,900	235,330
Supplemental instruction and school expenses	116,860	121,010
Employees' pension and health and welfare insurance	93,347	87,980
Training supplies	53,221	40,529
Taxes - payroll	21,086	19,403
Office expenses	16,302	16,580
Utilities	15,359	14,670
Journeymen training	14,704	5,473
Depreciation	14,644	11,827
Janitorial	10,726	9,063
Postage	7,662	7,359
Insurance	6,127	5,967
Company ceremony	4,079	3,106
Accounting and professional fees	3,250	6,500
Advertising	2,012	6,448
Drug testing	1,634	3,077
Building and grounds maintenance	1,599	1,973
Meetings	1,435	696
Dues and subscriptions	600	1,217
Mortgage interest	75	13
Miscellaneous	-	116
Total deductions	646,622	598,337
Net increase	1,068,762	938,871
Net assets available for benefits, beginning of year	2,084,062	1,145,191
Net assets available for benefits, end of year	\$ 3,152,824	\$ 2,084,062

See accompanying notes to financial statements and accountants' compilation report

**Utah Pipe Trades
Educational Trust Fund**

Statements of Cash Flows

For the years ended September 30	2008	2007
Cash flows from operating activities:		
Change in net assets	\$ 1,068,762	\$ 938,871
Adjustments to reconcile change in net assets to cash provided by operating activities:		
Depreciation	14,644	11,827
(Increase) decrease in operating assets:		
Contribution receivable	(24,059)	25,229
Accounts receivable	(793)	(262)
Increase (decrease) in operating liabilities:		
Accounts payable	929	(11,455)
Accrued liabilities	760	(2,869)
Net cash provided by operations	1,060,243	961,341
Cash flows from investing activities:		
Acquisition of property and equipment	(591,159)	(41,872)
Net cash used by investing activities	(591,159)	(41,872)
Net increase in cash and equivalents	469,084	919,469
Cash and equivalents, beginning of year	1,719,115	799,646
Cash and equivalents, end of year	\$ 2,188,199	\$ 1,719,115

See accompanying notes to financial statements and accountants' compilation report

Utah Pipe Trades Educational Trust Fund

Notes to Financial Statements

Note 1 - Organization - The Utah Pipe Trades Educational Trust Fund (the Program) was organized July 1, 1955 as a nonprofit corporation located in Salt Lake City, Utah. The program was formed for the purpose of maintaining and administering an industry apprenticeship and journeyman training and educational program. Employers contribute to the Program for each hour worked by program participants based on current collective bargaining agreements.

Note 2 - Significant accounting policies - **Management estimates** - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of additions and deductions to net assets during the reporting period. Actual results could differ from those estimates.

Basis of accounting - The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Cash and cash equivalents - The Program considers cash and cash equivalents to be highly liquid debt instruments with a maturity of three months or less when purchased. Cash equivalents consist of unrestricted cash held in checking, savings, and money fund accounts. As of September 30, 2008 and 2007, the Program had cash balances of \$1,783,911 and \$1,411,700, respectively, in excess of Federal Deposit Insurance Corporation insured limits.

Contributions receivable - Employer contributions received after the end of the program year, for hours worked prior to the end of the program year, are recorded as contributions receivable.

Property and equipment - Depreciation is provided in amounts sufficient to relate the cost of depreciable assets to operations over their estimated lives using the straight-line method. The estimated lives used in determining depreciation are:

	Years
Building and improvements	31
Furniture, fixtures and equipment	5-10
Vehicles	5

Maintenance and repairs, which do not materially extend the useful lives, and minor replacements are charged to expense as incurred. Major renewals and improvements are capitalized. The cost of property sold or otherwise disposed of and the related accumulated depreciation are relieved from the accounts, and any gains or losses arising from sale or disposal are recognized in the year of sale or disposition.

Utah Pipe Trades Educational Trust Fund

Notes to Financial Statements (continued)

Note 2 - Advertising expense - The Program follows the policy of charging the costs of advertising to expense as incurred. Advertising expense for the years ended September 30, 2008 and 2007 were \$2,012 and \$6,448, respectively.

Note 3 - Tax status - The Program is exempt from payment of Federal income taxes under the provision of the Internal Revenue Code Section 501(c)(3).

Significant accounting policies (continued)

Note 3 - Priorities upon termination - It is the intent of the trustees to continue the Program in full force and effect. However, in the unlikely event of termination and in order to safeguard against any unforeseen contingencies, the right to discontinue the program is reserved to the trustees. In the event of termination, the trustees shall first satisfy or make provisions to satisfy the obligations of the Program. Any remaining fund assets will be distributed in such manner as will, in the opinion of the trustees, bring about the purpose of the program. Termination shall not permit any part of the Program to be used for or diverted to purposes other than the exclusive benefit of the participants.

Note 4 - Pension plans - The Program's full-time employees are covered by non-contributory and contributory pension plans. These plans provide benefits for various employers. The plans provide defined benefit and defined contribution accounts to eligible participants. The amount charged to pension cost and contributed to the plans for the years ended September 30, 2008 and 2007 was \$58,159 and \$53,841, respectively.

Salt Lake City, Utah

December 1, 2009

The City Council of Salt Lake City, Utah (the "Council"), met in regular session at its regular meeting place in Salt Lake City, Utah on December 1, 2009, at 7:00 p.m., with the following members of the Council present:

Present:

Carlton Christensen	Chair
JT Martin	Vice Chair
Luke Garrott	Council Member
K. Eric Jergensen	Council Member
Jill Remington Love	Council Member
Søren Dahl Simonsen	Council Member
Van Blair Turner	Council Member

There were also present:

Ralph Becker	Mayor
Edwin P. Rutan, II	City Attorney
Christine Meeker	City Recorder

Absent:

After the meeting had been duly called to order and after other matters not pertinent to this Resolution had been discussed, a Certificate of Compliance with Open Meeting Law with respect to this December 1, 2009, meeting was presented to the Council, a copy of which is attached hereto as Exhibit A.

After due deliberation, the following Resolution was considered, fully discussed and, pursuant to motion made by _____ and seconded by _____, was adopted by the following vote:

Those voting YEA:

Those voting NAY:

This Resolution was then signed by the Chair and recorded by the City Recorder. The Resolution is as follows:

RESOLUTION NO. _____

A resolution of the City Council of Salt Lake City, Utah (the "City") authorizing the issuance and sale of not more than \$4,000,000 aggregate principal amount of the City's Facility Revenue Bonds, Series 2010A (Utah Pipe Trades Project) to finance the costs of the acquisition, construction and improvement of facilities for the Utah Pipe Trades Education Trust Fund; providing for the publication of a Notice of Bonds to be Issued and a Notice of Public Hearing; providing for the running of a contest period; and related matters.

WHEREAS, the City is authorized by the Utah Industrial Facilities and Development Act, Chapter 17, Title 11, Utah Code Annotated 1953, as amended, (the "Act") to issue revenue bonds for the purpose of defraying the cost of acquiring, constructing, equipping and furnishing land, buildings, facilities and improvements which are suitable for use for any business purposes and that title to or in such facilities may at all times remain in the Borrower and in such case the bonds of the City shall be secured by a pledge of one or more notes, debentures, bonds or other secured or unsecured debt obligations of the Borrower; and

WHEREAS, there has been presented to the City at this meeting a request from Utah Pipe Trades Education Trust Fund (the "Borrower"), asking the City to adopt a resolution authorizing the issuance and sale of the City's facility revenue bonds, the proceeds of which will be used to finance expenditures incurred by the Borrower for the acquisition, construction, improvement, equipping and furnishing of facilities for use as offices and laboratories to be located in Salt Lake City, Utah (the "Project"); and

WHEREAS, the Bonds shall be special limited obligations of the City payable solely from and secured by revenues, rights, interests and collections pledged by the Borrower and shall not constitute nor give rise to a general obligation or liability (legal or equitable) of the City or of the State of Utah or of any subdivision thereof or a charge against either of their general credit or taxing power; and

WHEREAS, the City has determined that it would be in furtherance of the purposes of the City and the Act to issue not more than \$4,000,000 of its Facility Revenue Bonds, Series 2010A (Utah Pipe Trades Project) (the "Bonds") for the purpose of financing the Project; and

WHEREAS, Section 11-17-16 of the Act provides for the publication of a Notice of Bonds to be Issued, and the City desires to publish such a notice at this time in compliance with the Act with respect to the Bonds and to give notice of a public hearing to be held by the City with respect to the Bonds; and

WHEREAS, the Bonds are expected to be issued pursuant to a Loan Agreement in substantially the form which was before the City Council at the time of adoption of this Resolution:

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF SALT LAKE CITY, UTAH, AS FOLLOWS:

Section 1. All terms defined in the foregoing recitals hereto shall have the same meanings when used herein.

Section 2. All action heretofore taken (not inconsistent with the provisions of this Resolution), by the City and by the officers of the City directed toward the issuance of the Bonds are hereby ratified, approved and confirmed.

Section 3. In order to finance the acquisition, construction, improvement, equipping and furnishing of the Project with the resulting public benefits which will flow therefrom, the City hereby expresses its intent to finance certain qualified expenditures incurred with respect to the Project with proceeds of an issue of Bonds issued and sold pursuant to the provisions of the Act in a principal amount sufficient to pay the cost of financing the Project, together with costs incident to the authorization, sale and issuance of the Bonds (to the extent permitted by law), the aggregate cost of the Project and the cost of authorization, sale and issuance of the Bonds being presently estimated not to exceed \$4,000,000. The Council hereby authorizes the issuance of the Bonds and declares its intention to issue the Bonds according to the provisions of this Resolution, the Loan Agreement in substantially the form attached hereto as Exhibit B, and a Final Bond Resolution, to be adopted at or about the time of the sale of the Bonds. In addition, the Council hereby expresses the intent of the City to reimburse qualified costs of the Project in accordance with the provisions of Treasury Regulation Section 1.150-2. Notwithstanding anything herein contained to the contrary the City shall have no liability to the Borrower for any costs or funds advanced if the Bonds are not issued.

Section 4. The City is expected to loan the proceeds of the Bonds to the Borrower pursuant to a Loan Agreement between the City, Wells Fargo Bank, N.A. (the "Bank") and the Borrower whereby the Borrower will be obligated, among other things, (i) to make payments to the Bank in amounts and at times sufficient to pay the principal of and premium, if any, and interest on all of the Bonds and (ii) to provide, or cause to be provided, collateral or other security to secure payment of the Bonds in such manner and in such amounts as the Bank, as purchaser of the Bonds, deems appropriate. The City has not authorized the pledge of its credit for the payment of the Bonds or the financing of the Project.

Section 5. In accordance with provisions of the Act and in order to comply with Section 147(f) of the Internal Revenue Code of 1986, as amended, the City Recorder is hereby authorized to publish one (1) time in The Salt Lake Tribune, a newspaper of general circulation within the City, a "Notice of Bonds to be Issued and of Public Hearing" at least fourteen (14) days prior to January 5, 2010, the hearing date set forth in said Notice, and the Council will meet in public session on January 5, 2010 to receive public comment on the proposed issuance of Bonds. The City Recorder shall also cause a copy of this Resolution (together with all exhibits hereto) to be kept on file in her office in Salt Lake City, Utah, for public examination during the regular business hours of the City until at least thirty (30) days from and after the date of publication thereof. The

Notice of Bonds to be Issued and of Public Hearing shall be in substantially the following form:

NOTICE OF BONDS TO BE ISSUED
AND OF PUBLIC HEARING
CITY COUNCIL OF
SALT LAKE CITY, UTAH

NOTICE IS HEREBY GIVEN pursuant to the provisions of the Utah Industrial Facilities and Development Act, Title 11, Chapter 17, Utah Code Annotated 1953, as amended (the "Act"), that on December 1, 2009, the City Council (the "Council") of Salt Lake City, Utah (the "City") adopted a resolution (the "Resolution") in which it authorized the issuance of the City's Facility Revenue Bonds, Series 2010A (Utah Pipe Trades Project) (the "Bonds") in the aggregate principal amount of not to exceed \$4,000,000. Pursuant to the Resolution, the City proposes to lend the proceeds of the Bonds to Utah Pipe Trades Education Trust Fund, a Utah non-profit corporation or an affiliate (the "Owner") for the purpose of financing the costs of the acquisition, construction, improvement, equipping and furnishing of an approximately 33,000 square-foot facility to be constructed on approximately 6.5 acres of land (the "Project"), to be located at approximately 640 North Billy Mitchell Road, Salt Lake City, Utah, to be owned and used by the Owner as offices, classrooms and laboratories.

NOTICE IS FURTHER GIVEN that, in connection with the City's proposed issuance of the Bonds, the City will meet on Tuesday, January 5, 2010 at 451 South State Street, Room 315, Salt Lake City, Utah, at 7:00 p.m. for the purpose of conducting a public hearing. Interested individuals are invited to express their views, both orally and in writing, on the proposed issue of the Bonds and the location and nature of the Project. Comments at the public hearing are invited. Written comments may be submitted to the City at its Council's office located at 451 South State Street, Room 304, Salt Lake City, Utah, until 5:00 p.m. on January 4, 2010. Additional information may be obtained from the City at its office shown above or by calling (801) 535-7600. Subsequent to the hearing, the Council will consider approving the Bonds for the Project.

The City is authorized to issue the Bonds pursuant to the Act. The Bonds will be special limited obligations of the City payable solely from amounts provided by the Owner, including monies and securities held from time to time under a Loan Agreement under which the Bonds are expected to be issued (the "Loan Agreement"). The Bonds and the interest thereon will not be a debt of the City or of the State of Utah or any political subdivision, and neither the City nor the State of Utah or any political subdivision will be liable thereon, and in no event will the Bonds or the interest thereon be payable out of any funds or properties other than those of the City expressly provided therefor under the Loan Agreement. The Bonds will not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction.

The Bonds are to be issued and sold by the City pursuant to the Resolution, including as part of said Resolution a form of the Loan Agreement and said Loan Agreement shall contain such terms and provisions as shall be approved by the City at the time of adoption of a Final Bond Resolution. A copy of the Resolution and the Loan Agreement are on file in the office of the City Recorder of the City at 451 South State Street, Room 415, Salt Lake City, Utah, where they may be examined during regular

business hours of the City Recorder from 8:00 a.m. to 5:00 p.m. for a period of at least thirty (30) days from and after the date of publication of this notice.

NOTICE IS FURTHER GIVEN that a period of thirty (30) days from and after the date of the publication of this notice is provided by law during which any person in interest shall have the right to contest the legality of the Resolution, the Loan Agreement, or the Bonds, or any provision made for the security and payment of the Bonds, and that after such time, no one shall have any cause of action to contest the regularity, formality or legality thereof for any cause whatsoever.

Date: December 1, 2009

SALT LAKE CITY, UTAH

/s/ Christine Meeker
City Recorder

Published in The Salt Lake Tribune

Section 6. If any provisions of this resolution should be held invalid, the invalidity of such provision shall not affect the validity of any of the other provisions of this resolution.

Section 7. No member of the City Council or employee of the City has any interest, direct or indirect, in the transactions contemplated by the City as described herein.

Section 8. All resolutions of the City or parts thereof, inconsistent herewith, are hereby repealed to the extent only of such inconsistency.

Section 9. This resolution shall become effective immediately upon its adoption.

PASSED AND APPROVED BY THE CITY COUNCIL OF SALT LAKE CITY,
UTAH THIS 1ST DAY OF DECEMBER, 2009.

Chair

(S E A L)

ATTEST:

City Recorder

PRESENTATION TO THE MAYOR

The foregoing resolution was presented to the Mayor for his approval or disapproval on _____, 2009.

By: _____
Chair

MAYOR'S APPROVAL OR DISAPPROVAL

The foregoing resolution is hereby approved on this _____, 2009.

By: _____
Mayor

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

I, Christine Meeker, the undersigned duly appointed, qualified and acting City Recorder of Salt Lake City, Utah (the "City"), do hereby certify:

1. The foregoing pages are a true, perfect and complete copy of a resolution duly adopted by the City Council of the City during proceedings of the City Council of the City, had and taken at a lawful regular meeting of said City Council held at the City offices in Salt Lake City, on the 1st day of December, 2009, commencing at the hour of 7:00 p.m., as recorded in the regular official book of the proceedings of the City kept in my office, and said proceedings were duly had and taken as therein shown, and the meeting therein shown was duly held, and the persons therein were present at said meeting as therein shown.

2. All members of said City Council of said City were duly notified of said meeting, pursuant to law.

3. There will be published one time in The Salt Lake Tribune, a newspaper having general circulation in Salt Lake City, Utah, a Notice of Bonds to be Issued and of Public Hearing, the affidavit of which publication will, when available, be attached hereto.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said City this 1st day of December, 2009.

By: _____
 City Recorder

(S E A L)

EXHIBIT A

CERTIFICATE OF COMPLIANCE WITH OPEN MEETING LAW

I, Christine Meeker, the undersigned City Recorder of Salt Lake City, Utah (the "City"), do hereby certify, according to the records of the City in my official possession, and upon my own knowledge and belief, that in accordance with the requirements of Section 52-4-202, Utah Code Annotated, 1953, as amended, I gave not less than twenty-four (24) hours public notice of the agenda, date, time, and place of the December 1, 2009, public meeting held by the City Council as follows:

(a) By causing a Notice, in the form attached hereto as Schedule 1, to be posted at the City's principal offices on November __, 2009, at least twenty-four (24) hours prior to the convening of the meeting, said Notice having continuously remained so posted and available for public inspection until the completion of the meeting;

(b) By causing a Notice, in the form attached hereto as Schedule 1, to be delivered to The Salt Lake Tribune on November __, 2009, at least twenty-four (24) hours prior to the convening of the meeting; and

(c) By causing a Notice, in the form attached hereto as Schedule 1, to be posted on the Utah Public Notice Website (<http://pmn.utah.gov>) at least twenty-four (24) hours prior to the convening of the meeting.

In addition, the 2009 Notice of Annual Meeting Schedule for the City Council, in the form attached hereto as Schedule 2, was given specifying the date, time and place of the regular meetings of said City Council to be held during the year, by causing said Notice to be (i) posted on _____, at the principal office of the City Council, (ii) provided to at least one newspaper of general circulation within the City on _____ and (iii) published on the Utah Public Notice Website (<http://pmn.utah.gov>) during the current calendar year.

IN WITNESS WHEREOF, I have hereunto subscribed my official signature this 1st day of December, 2009.

By: _____
City Recorder

(S E A L)

SCHEDULE 1

SCHEDULE 2

EXHIBIT B

LOAN AGREEMENT

(See Transcript Document No. ___)

AFFIDAVIT OF PUBLICATION OF
NOTICE OF BONDS TO BE ISSUED AND OF PUBLIC HEARING