

Annual Comprehensive Financial Report

**Salt Lake City Department of Airports
An Enterprise Fund of Salt Lake City Corporation
Utah**

For the Year Ended June 30, 2023



SALT LAKE CITY DEPARTMENT OF AIRPORTS
An Enterprise Fund of Salt Lake City Corporation
Utah

ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2023

Prepared by
the Airport Finance Division
Salt Lake City International Airport
Salt Lake City, Utah

SALT LAKE CITY DEPARTMENT OF AIRPORTS
Salt Lake City Corporation
Financial Statements
For the Year Ended June 30, 2023

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INTRODUCTORY SECTION

THIS SECTION CONTAINS THE FOLLOWING
SUBSECTIONS:

Letter of Transmittal
Organizational Chart
Certificate of Achievement





October 16, 2023

Honorable Mayor and City Council Members
Salt Lake City Department of Airports Advisory Board
Salt Lake City, Utah

Overview

The Annual Comprehensive Financial Report of the Salt Lake City Department of Airports (Airport) for the fiscal year ended June 30, 2023, is submitted herewith. This report was prepared by the Airport's Finance Division using generally accepted accounting principles (GAAP) for local governments as prescribed by the Governmental Accounting Standards Board (GASB). The accuracy of the data and the completeness and fairness of the presentations, including all disclosures, are the responsibility of the Airport.

In developing and evaluating the Airport's accounting system, consideration is given to the adequacy of internal control over financial reporting. The management of the Airport has established a comprehensive internal control framework that is designed to provide management with reasonable, but not absolute, assurance that assets are safeguarded from loss from unauthorized use or disposition; and transactions are executed in accordance with management's authorization and recorded properly for the preparation of the financial statements. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived; and the evaluation of costs and benefits requires estimates and judgments by management. We believe that the Airport's internal control processes adequately safeguard assets, provide reasonable assurance that financial transactions are recorded properly, and that to the best of our knowledge and belief, this report is complete and reliable in all material respects.

Eide Bailly, LLP, an independent firm of Certified Public Accountants, has audited these basic financial statements and related notes. Their report is included herein. The goal of the independent audit is to provide reasonable assurance that the financial statements of the Airport for the fiscal year ended June 30, 2023, are free of material misstatements. This independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used, and significant estimates made by management.

Additionally, Eide Bailly, LLP, audited the compliance requirements of Salt Lake City's (City) federal funds expenditures (which include the Airport's federal funds) for the year as part of the federally mandated Single Audit designed to meet the special needs of federal grantor agencies. That report is available in a separate report combined with Salt Lake City Corporation.

The Airport's budget is prepared under the direction of the Airport Executive Director and Chief Financial Officer (CFO), and is submitted to the Salt Lake City Council for approval and inclusion in the City budget as an enterprise fund.

Profile of the Salt Lake City Department of Airports

The Airport is a department of the city of Salt Lake City, Utah. As an enterprise fund, users of the Airport's facilities provide the revenues to operate and maintain the facilities. The Airport is financially self-sustaining with revenue generated from airline and other tenant fees, grants, passenger facility charges (PFC), rental car customer facility charges (CFC), concessions, vehicle parking, fuel, and leases for office and hangar space. The Airport operates three facilities – Salt Lake City International Airport, South Valley Regional Airport (SVRA) at West Jordan, and Tooele Valley Airport (TVY).

Salt Lake City International Airport is located 5 miles northwest of the downtown Salt Lake City business district. Beginning with a cinder-covered landing strip in a marshy pasture called Basque Flats in 1911, the Airport was originally used for aerobatic flights. Salt Lake City purchased 100 acres surrounding the landing strip for \$40.00 per acre in 1920, and the resulting airfield was named Woodward Field. The first commercial passenger flight took place in 1926 with two passengers perched atop U.S. mail sacks, and in 1943 the Airport became a training base and replacement depot for the U.S. Air Force. The three runways were upgraded in 1950, a third air carrier runway was added in 1995. In 1999 the Federal Aviation Administration opened a new air traffic control tower and terminal radar approach control facility. The first terminal building, previously terminal one, was dedicated in 1961. Terminal two was completed in 1978. Terminal one was expanded and remodeled in 1981 and an international terminal was added in 1996. In 2020, terminal one, terminal two and the international terminal were demolished. These were replaced with a new consolidated terminal and new linear concourses A (South Concourse West) and B (North Concourse West). A new parking garage, gateway center and central utility plant also opened in 2020.

Construction commenced in FY 2014 on the Terminal Redevelopment Program (TRP), a \$2.86 billion capital improvement program to build new facilities to replace aging facilities, mitigate seismic risks, and prepare for future growth. The old facilities were built to accommodate 10 million passengers annually, but in FY 2023, the Airport served over 26.4 million passengers which is more than 2.5 times the number of passengers the old facilities were designed to handle. In conjunction with the TRP, the North Concourse Program (NCP) includes the development of a 47-gate midfield airside concourse to the north of the new airside concourse to be developed as part of the TRP. The Airport received unanimous support from all airlines serving SLC to build the north concourse in April 2016. It is currently estimated that the NCP will cost approximately \$2.27 billion. Together, the TRP and NCP are now called The New SLC.

South Concourse East (Phase II) opened 5 gates in May 2023 and the remaining 17 gates will open by October 31st of this year which is two years earlier based on an aggressive rephasing due to the Covid-19 global pandemic and will officially complete the TRP program. Phase III will add eight gates to the North Concourse East and a new central tunnel that will connect the Terminal to Concourse B (North Concourse). Phase III will open in two phases, with 4 gates in 2024 and 4 gates in 2025. Due to a strong passenger recovery and growth in Salt Lake City, the airlines requested that the Airport consider building the remaining 16 gates on Concourse B as part of Phase IV which was contemplated in the future for the complete buildout of 47 gates on Concourse B. The Airport renegotiated the Airline Use Agreement (AUA) that was set to expire for all airlines on June 30, 2024 except for Delta and United that had agreements through June 30, 2034. As of June 30, 2023 airlines that accounted for over 98% of FY 2022 passengers have executed the revised AUA that begins on July 1, 2024 and gave support for the 16 gate expansion of Phase IV that is scheduled to open in two phases, with 5 gates in 2025, and the remaining 11 gates and a permanent hardstand that can accommodate up to 4 hardstand positions by 2026 which will complete the NCP program.

The TRP construction activities included opening the first 5 Gates on Concourse A east and the advancement of the interior build-out activities and Apron Paving activities to open the balance of the Concourse A east gates by October 31, 2023. The Central Tunnel interior build-out activities are well

underway and on track to place the High Speed Baggage Conveyor from Concourse A to Concourse B in service by May 17, 2024. The NCP construction activities for the 8-Gate Expansion included completion of Structural Steel and start of interior build-out activities. The NCP Phase IV 16-Gate Expansion Design and Construction Procurement was completed supporting a planned construction start in FY 2024. The east/west taxiways also opened in FY 2023.

The FY 2023 budget also includes \$10.6 million for airfield projects. This includes pump house renovations, taxiway E reconstruction, and reconstruction of a vehicle gate. These airfield improvement projects ensure the safe operation of aircraft and preserve valuable assets. \$5.4 million is budgeted for terminal projects to build Concourse B maintenance facilities. \$8.2 million is budgeted for Auxiliary Airport projects. \$4.5 million for landside projects including expansion of the Park & Wait Lot and improvements to the terminal access roadways.

Funding for the airport capital improvement program (CIP) includes funds generated by the Airport, PFCs, CFCs, Airport revenue bonds, future Airport bonds, Airport funds, and reimbursements from the airport improvement program (AIP) grants from the Federal Aviation Administration (FAA).

The Airport is currently ranked the 22nd busiest in the United States, and 60th busiest in the world in terms of passenger numbers. The Airport provided 317 average daily departures to 96 non-stop destinations in June 2023. The Airport served approximately 26.4 million passengers in FY 2023 and is one of Delta's largest hubs.

Economic Condition

The Fiscal Year 2023 financial results reflect improving conditions for both operating and non-operating revenues and expenses due to the global pandemic of COVID-19. The Airport acted quickly to manage operating and capital expenditures in response to sharp declines in passenger traffic beginning in March 2020 which continued into FY 2021. The Airport worked closely with the airlines, rental car providers, as well as food and beverage concessionaires to respond to the pandemic by adjusting schedules, delayed concession openings, as well as providing temporary financial relief to make sure the Airport and its airlines and concessions continue to have an effective partnership. The Airport saw consistent growth in passengers on a monthly basis in FY 2023 as the economy further recovered. The Airport received \$82.5 million in Coronavirus Aid, Relief, and Economic Security (CARES) Act funding granted in FY 2020, received \$23.4 million from the Coronavirus Response and Relief Supplemental Appropriation Act (CRRSAA) and \$91.7 million from the American Rescue Plan Act (ARPA) in FY 2021 from federal government grants which will continue to be used in FY 2023 through FY 2024. These relief programs help offset the loss of revenue in landside and terminal concession revenue and allow the Airport to stabilize rates and charges for the airlines and concessionaires.

According to the recently published State of Utah's 2023 Economic Report to the Governor, Utah leads all states in the rate of job growth since 2010. Utah's unemployment rate reached a high of 10.4% during the pandemic and has since declined to 2.0% for 2022. Over the course of 2022, Utah's unemployment rate decreased and still outpaces the national average. The Census forecast predicts healthy growth for the state in the near future.

Utah's total personal income is estimated to have increased by 2.8% in 2022, in addition to the 5.7% increase in 2021. Every sector added jobs during the last year, including a 9.1% increase in Mining, a 7.2% increase in Information, and a 7.3% in Leisure and Hospitality.

The Airport plays an important role in supporting business and economic growth in the state. Its operations are a key component in providing affordable access to worldwide destinations for business and individuals.

According to an analysis by GSBS Richman Consulting in 2018, the Airport has been a significant economic driver for Utah and its capital for the past 50 years and will continue to underpin the economy. Over the life of The New SLC, the Airport is projected to generate \$2.1 billion in wages and income from an estimated 43,148 full-time jobs. Taking all spending into account, The New SLC is expected to contribute an estimated \$3.4 billion to Utah's GDP.

The Airport operates within the economic conditions of the national and local economy as well as the airline industry environment. An effective partnership between the airlines and the Airport requires a continued focus on operating costs, while maintaining service and safety. Operating expenses increased by 22.4%, while passengers increased 3.6% in FY 2023 compared to FY 2022. The large increase in operating costs relates to increased passengers, additional employees to operate the new, larger airport, and increased service and maintenance contracts, primarily in janitorial, baggage handling systems, passenger boarding bridges, new software systems, and several other items.

The Airport borrowed \$1 billion of General Airport Revenue Bonds (GARB's) in February 2017, \$850.5 million in October 2018, and \$904.6 million in August 2021 to fund the ongoing construction of The New SLC. Efforts are continually made to control operating costs to the airlines and reduce airline cost per enplaned passenger, currently at \$8.28 for FY 2023, \$8.11 for FY 2022, and \$11.24 for FY 2021, one of the lowest rates among large hub airports in the nation. The Airport has total cash and investment balances of \$568 million to be utilized during the next several years for operating costs, CIP, as well as The New SLC, with the exception of certain restricted funds. Financing for The New SLC is generated from federal grants, PFCs, CFCs, bonds, and Airport cash reserves. The Airport will acquire additional funding in the future to fund the next phases of The New SLC.

Outlook

Over the last several years, Utah has outperformed the national economy. Unemployment in Utah was 2.4% as of June 2023, well below the national average of 3.6%. Job growth is expected to continue as the economy continues to improve.

The budget for the Airport adopted for FY 2024 assumes that Salt Lake City Airport passengers are projected to increase by 7.7% during FY 2024 compared to the prior fiscal year. The Airport achieved full economic recovery from the pandemic during FY 2023 as passengers were greater than FY 2019. Flights have returned to pre-pandemic levels and several new routes were added.

Current financial position, passenger statistics, and results from FY 2023 and earlier can be found in more detail in Management's Discussion and Analysis in this report.

Future Growth

The Airport believes a full recovery to FY 2019 levels occurred in FY 2023. Demand for air travel is usually driven by economic activity, but analysts are now seeing a shift in that model based on passenger confidence as well as travel restrictions in flying during the pandemic. With the wide distribution of vaccines available to most age groups and demographics in the United States, leisure travel has returned much quicker than business travel which remains below normal based on company policies. In the Airport's FY 2024 budget, we are forecasting an increase of 7.7% of enplanements compared to those in FY 2023.

The TRP replaces terminal facilities that were over 50 years old, required extensive maintenance, lacked energy efficiency, and failed to meet current seismic standards. The New SLC received the award in Leadership in Energy and Environmental Design (LEED) gold certification as required by City ordinance.

The TRP consolidates passenger processing facilities into a single facility to serve all concourses, as well as replaces the existing parking garage, constructs new terminal roadways, and introduces a new central utility plant. Rental car services are integrated with the new garage. A new site for car rental operations and servicing, and a quick turn-around facility for car rentals, are operational. The new Airport will be capable of handling more passengers and aircraft. The number of parking spaces in the garage doubles from 1,770 to 3,600.

The NCP includes the development of 47 additional gates to accommodate additional passengers and aircraft to meet forecasted growth. The first phase of the NCP, which includes 20 aircraft gate positions and 19 hardstand positions, opened on time on October 27, 2020. Phase III of the NCP began construction in Q1 2022 and will finish connecting the central tunnel to the central plaza in the fall of 2024, with five additional gates coming online at the same time. The remaining four gates on concourse B will become operational in the fall of 2025. Phase IV of the NCP will begin in July 2023 and the first 5 gates will be delivered at the same time as the last 4 gates of Phase III in the fall of 2025. The remaining 11 gates and 4 permanent hardstand positions will open in the fall of 2026 and will conclude the NCP program as well as The New SLC.

An economic impact report of the Salt Lake City International Airport was prepared in July of 2020. In the report it states the direct impacts on the annual statewide economic impact was \$6.3 billion with an additional \$5.1 billion in indirect impacts for a total of \$11.4 billion dollars.

Awards and Acknowledgments

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Salt Lake City Department of Airports for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2022.


In order to be awarded a Certificate of Achievement, the Airport must publish an easily readable and efficiently organized Annual Comprehensive Financial Report, the contents of which conform to program standards. Such reports must satisfy both Generally Accepted Accounting Principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to Certificate of Achievement Program requirements and are submitting it to the GFOA to determine its eligibility for another certificate.

The production of this report is a cooperative effort of the Finance Division of the Airport and Eide Bailly, LLP. We extend our appreciation to the staff for their efficient and dedicated service. We also thank the members of the City Council, the Mayor, and members of the Department of Airports Advisory Board for their interest and support in planning and conducting the financial operations of the Airport in a responsible and progressive manner.



Bill Wyatt
Salt Lake City Department of Airports
Executive Director



Brian Butler, CPA
Salt Lake City Department of Airports
Chief Financial Officer

ORGANIZATIONAL CHART

City of Salt Lake City, Utah

Mayor

Erin Mendenhall

City Council Members

District One	Victoria Petro-Eschler, Vice Chair
District Two	Alejandro Puy
District Three	Chris Wharton
District Four	Ana Valdemoros
District Five	Darin Mano, Chair
District Six	Dan Dugan
District Seven	Sarah Young

Department of Airports Advisory Board Members

Theresa Foxley, Chair
John Bradshaw, Vice Chair
Steve Price
Roger Boyer
Arlyn Bradshaw
Tye Hoffman
Victoria Petro-Eschler
Dirk Burton
Hoang Nguyen
Jess Bird

Executive Director

Bill Wyatt

Directors

Admin & Commercial Services	Shane Andreasen
Chief Operating Officer	Peter L. Higgins
Design and Construction Management	Melyssa Trnavskis
Chief Financial Officer	Brian Butler
Information Management	Edwin Cherry
Maintenance	Ed Clayson
Operational Readiness, Activation, and Transition	Medardo Gomez
Operations	Treber Andersen
Planning & Environmental	Brady Fredrickson
Public Relations/Marketing	Nancy Volmer



Government Finance Officers Association

Certificate of
Achievement
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in Financial
Reporting

Presented to

**Salt Lake City Department of Airports
Utah**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION

THIS SECTION CONTAINS THE FOLLOWING
SUBSECTIONS:

Independent Auditor's Report
Management's Discussion and Analysis
Basic Financial Statements and Notes
Required Supplementary Information





Independent Auditor's Report

Honorable Mayor and City Council of Salt Lake City
Salt Lake City Department of Airports
Salt Lake City, Utah

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Salt Lake City Department of Airports (the "Airport") an enterprise fund of Salt Lake City Corporation, which comprise the statement of net position as of June 30, 2023, and the related statements of revenues, expenses and changes in net position and cash flows for the year then ended, and the related notes to the financial statements, which collectively comprise the Airport's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Airport as of June 30, 2023, and the respective changes in its financial position and its cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Airport and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in Note 1, the financial statements of the Airport, are intended to present the financial position, the changes in financial position and cash flows of only that portion of Salt Lake City Corporation that is attributable to the transactions of the Airport. They do not purport to, and do not, present fairly the financial position of Salt Lake City Corporation as of June 30, 2023, the changes in its financial position, or, where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

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Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Airport's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Airport's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Airport's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information identified in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and 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

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 16, 2023 on our consideration of the Airport'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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Airport's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Airport's internal control over financial reporting and compliance.



Salt Lake City, Utah
October 16, 2023

SALT LAKE CITY DEPARTMENT OF AIRPORTS
Management's Discussion and Analysis
(unaudited)

The following Management's Discussion and Analysis (MD&A) of the Salt Lake City Department of Airports' (Department) activities and financial performance provides an introduction and overview to the financial statements for the fiscal years ended June 30, 2023 and 2022.

The information in this MD&A has been prepared by Airport management and should be used in combination with the accompanying financial statements and notes as well as supplemental information in order to provide a complete understanding of the data contained in the financial statements.

FINANCIAL STATEMENTS

The Airport is an enterprise fund of Salt Lake City Corporation (City) and is supported wholly by airport generated revenues. The Department is responsible for the operation and maintenance of the City's three airports: Salt Lake City International Airport (Airport), South Valley Regional Airport, and Tooele Valley Airport. No general tax fund revenues are used for the administration, promotion, operation or maintenance of the airports in the system.

Financial statements are prepared on an accrual basis in accordance with generally accepted accounting principles as set forth by the Governmental Accounting Standards Board (GASB). Revenues and expenses are recorded when earned and incurred, not when received or paid, with the exception of passenger facility charges (PFCs) that are recorded when received based upon twelve full months of revenue. Capital assets, except land and construction in progress, are depreciated over their useful lives. See the notes to the financial statements for significant accounting policies.

FINANCIAL & OPERATIONAL HIGHLIGHTS

Salt Lake City International Airport serves the Salt Lake City metropolitan area as well as the surrounding areas of Utah, Idaho, Colorado, Nevada, and Wyoming. The Airport functions as one of the largest hubs for Delta Air Lines Inc. (Delta) and ranks as the 22nd busiest in the United States and the 60th busiest in the world in terms of passenger numbers (according to Airport Council International (ACI)). In terms of operational movements, ACI states that the Airport ranks 20th busiest in the United States and 30th busiest in the world.

The Airport had experienced several years of growth in total passenger numbers until the onset of the COVID-19 pandemic. In FY 2020, the economy entered a recession after several years of growth. The recession continued into FY 2021. Recovery began in the last quarter of FY 2021 and continued throughout FY 2023, where passenger levels exceeded pre-pandemic levels. Total passengers increased by 911 thousand in FY 2023 and by 10.1 million in FY 2022 to a total of 26.4 million and 25.5 million passengers, respectively. Enplaned passengers increased by 341 thousand in FY 2023 and by 5.1 million in FY 2022 to a total of 13.1 million and 12.8 million enplaned passengers: an increase of 2.7% and 66.0%, respectively. In June 2022, the Airport provided 399 average daily departures to 89 domestic and 6 international destinations. In June 2023, the Airport provided 317 average daily departures to 90 domestic and 6 international destinations. Load factors increased to 88.6% in FY 2023 compared to 85.1% in FY 2022.

Total aircraft operations decreased 5.6% in FY 2023 and increased 8.7% in FY 2022. Landed weights decreased by 391 million pounds, (2.4%), in FY 2023, and increased 2 billion pounds, 14.3%, in FY 2022.

SALT LAKE CITY DEPARTMENT OF AIRPORTS
Management's Discussion and Analysis
(unaudited)

Larger planes with higher load factors contributed to the increase in passengers and decrease in landed weight and operations.

	<u>FY 2023</u>	<u>FY 2022</u>
Enplanements (in thousands)	13,143	12,802
% increase from prior year	2.7%	66.0%
Landed weight lb's (in thousands)	15,598,332	15,989,165
% increase from prior year	(2.4%)	14.3%
Aircraft Operations - All Types (in thousands)	320	339
% increase (decrease) from prior year	(5.6%)	8.7%
Total # of passengers (in thousands)	26,421	25,510
% increase from prior year	3.6%	65.5%

STATEMENT OF NET POSITION

The Airports' net position was \$1.4 billion as of June 30, 2023. The total increase in net position during the year ended June 30, 2023 was \$3.5 million. The largest portion of the Airport's net position (87.3%) represents net investment in capital assets (land, buildings, runways, taxiways, and equipment).

SALT LAKE CITY DEPARTMENT OF AIRPORTS
Management's Discussion and Analysis
(unaudited)

(Amounts in thousands)	June 30, 2023	June 30, 2022*
STATEMENTS OF NET POSITION		
ASSETS:		
Current and noncurrent assets	\$ 866,443	\$ 1,271,343
Capital assets	4,064,091	3,735,247
TOTAL ASSETS	4,930,534	5,006,590
DEFERRED OUTFLOWS	7,926	5,511
TOTAL ASSETS AND DEFERRED OUTFLOWS	4,938,460	5,012,101
LIABILITIES:		
Current liabilities	184,290	220,444
Noncurrent liabilities	3,129,280	3,144,141
TOTAL LIABILITIES	3,313,570	3,364,585
DEFERRED INFLOWS	211,645	237,755
NET POSITION:		
Invested in capital assets	1,233,778	1,252,753
Restricted		
Capital Projects	45,883	40,565
Debt Service	269,435	337,178
Unrestricted	(135,851)	(220,735)
Total Net Position	1,413,245	1,409,761
TOTAL LIABILITIES, DEFERRED INFLOWS, AND NET POSITION	\$ 4,938,460	\$ 5,012,101
SUMMARY OF CHANGES IN NET POSITION		
	FY 2023	FY 2022
Operating revenues	\$ 283,327	\$ 258,945
Operating expenses	(172,080)	(140,619)
Operating Income before depreciation	111,247	118,326
Depreciation	(148,449)	(144,019)
Operating (loss)	(37,202)	(25,693)
NON-OPERATING REVENUES (EXPENSES)		
Passenger facility charges	49,282	48,759
Customer facility charges	15,177	14,024
Interest expense	(117,346)	(116,832)
Other, net	31,101	1,535
Total Non-Operating Revenues (Expenses)	(21,786)	(52,514)
CAPITAL CONTRIBUTIONS		
Contributions and grants	62,472	71,746
Increase (decrease) in Net Position	3,484	(6,461)
Net Position, beginning of period	1,409,761	1,416,222
Net Position, end of period	\$ 1,413,245	\$ 1,409,761

*The assets and liabilities for FY 2022 were not restated to show the effects of GASB 96 for comparative purposes.

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Restricted cash for construction has decreased \$383 million from the prior year as the Department has been using bond funds for construction of The New SLC. As of June 30, 2023, \$315.3 million (16.5%) of Airport assets were restricted for construction compared with \$377.7 million (7.5%) in FY 2022. These amounts represent bond proceeds, passenger facility charges (PFCs) and customer facility charges (CFCs) that have been collected, but have not yet been reimbursed to general operating cash for TRP and NCP construction projects. In addition, \$33.3 million of Airport assets in FY 2023 were restricted for an operation and maintenance reserve fund, and \$5.0 million was restricted for a renewal and replacement reserve fund as required by the Airport Use Agreement (AUA) between the City and the signatory airlines operating at the Airport.

Total cash and investments decreased in the current year as the Airport used bond proceeds for building The New SLC. Total available cash and investments decreased by \$400 million in FY 2023. After restricted balances, the Airport's unrestricted cash available for operating expenses and reserves for The New SLC decreased by \$17 million. The Airport will continue to fund The New SLC with additional general airport revenue bonds (GARBs) that will replenish cash balances in FY 2024.

To increase return on restricted and reserved cash, the Department invested cash in the State Treasurer's investment pool as well as agency and corporate bonds. Cash investments in the State Treasurer's investment pool were increased by \$2.6 million, and U.S. Treasury, Agency, and corporate bonds were decreased by \$1.2 million to fair market value at June 30, 2023. The Airport has adjusted investments up or down to reflect fair market value, but when the investments are either called, or mature, they will be readjusted and current gains or losses recorded. At year end, \$718 thousand was accrued for interest income earned but not yet paid for investments that are paid on a quarterly basis, rather than monthly. See Note 2 for detailed information.

This year, available operating cash decreased by \$17.5 million (-6.9%) based on timing of the Airport using unrestricted cash on The New SLC before reimbursing itself from construction bond proceeds.

Airport cash payments for current year construction and land acquisitions in the amount of \$466.8 million were reimbursed by a combination of CFC funds in the amount of \$127 thousand, federal airport improvement program grants (AIP) of \$14.7 million, and proceeds of GARBs in the amount of \$405.2 million. The remainder of cash outflows for construction as well as payments for capital equipment of \$46.8 million was provided by Airport operating cash.

During FY 2023, the lease receivable and deferred inflow for leases decreased \$10.4 million from \$214.7 million in FY 2022 to \$204.3 million in FY 2023. There were three new leases added during the year but the overall balance decreased due to regular lease payments received.

During FY 2023, the Airport implemented GASB Standard No. 96 – *Subscription-Based Information Technology Arrangements* (SBITAs), which requires the Airport to recognize a subscription asset and a subscription liability at the commencement of the subscription term, with certain exceptions for short-term contracts. The subscription asset is measured as the initial measurement of the subscription liability plus the amount of capitalizable initial implementation costs. The subscription liability is measured as the present value of subscription payments expected to be made during the subscription term. For the year ended June 30, 2023, the Airport recorded a subscription asset for \$3.7 million and a subscription liability for \$1.5 million.

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Capital assets (net of accumulated depreciation) have increased by \$328.8 million. This increase is attributed to an increase in building, improvements, and equipment of \$233.9 million and land purchase of \$742 thousand. The subscription asset was recorded for \$3.7 million. There was a \$234.5 million increase in construction in progress and then an increase of \$144.0 million due to depreciation on all new assets capitalized last year.

Capital assets are currently funded by AIP, TSA grants, PFCs, CFCs, GARBs, and Airport funds. For more detailed information on changes in capital assets, refer to Note 4 in the notes to the financial statements.

The Airport recorded an increase in deferred outflows of \$2.4 million in FY 2023, increasing deferred outflows to \$7.9 million, which represent deferred outflow of resources (expenses) in future periods. The Airport also decreased deferred inflows by \$26.1 million in FY 2023, to \$211.6 million, which represent resources (revenues) that will be recognized in future periods.

SUMMARY OF CASH FLOW ACTIVITIES	FY 2023		FY 2022	
Cash flow from operating activities	\$	80,524	\$	105,722
Cash flow (used) from investing activities		34,702		(87,999)
Cash flow from passenger facility charges		48,273		49,695
Cash flow from customer facility charges		15,583		13,794
Cash flow from grants		54,370		96,730
Cash flow from sale of capital assets and equipment		99		234
Cash flow from revenue bond proceeds		-		1,139,949
Cash flow from line of credit proceeds		-		(267,600)
Cash flow from interest received from leases		5,046		4,679
Cash flow (used) for interest paid on subscription liability		(66)		-
Cash flow (used) for contribution of capital assets		(540)		(648)
Cash flow (used) for principal paid on revenue bonds		(21,920)		(1,140)
Cash flow (used) for interest paid on bonds		(136,371)		(111,585)
Cash flow (used) for bond issuance costs		(264)		(1,418)
Cash flow from other financing		-		3,818
<hr/>				
Payments for acquisition and construction of property		(475,493)		(470,003)
<hr/>				
Cash and cash equivalents at beginning of year		767,021		292,793
<hr/>				
Net (decrease) in cash		(396,057)		474,228
<hr/>				
Cash and cash equivalents at end of year	\$	370,964	\$	767,021

(amounts in thousands)

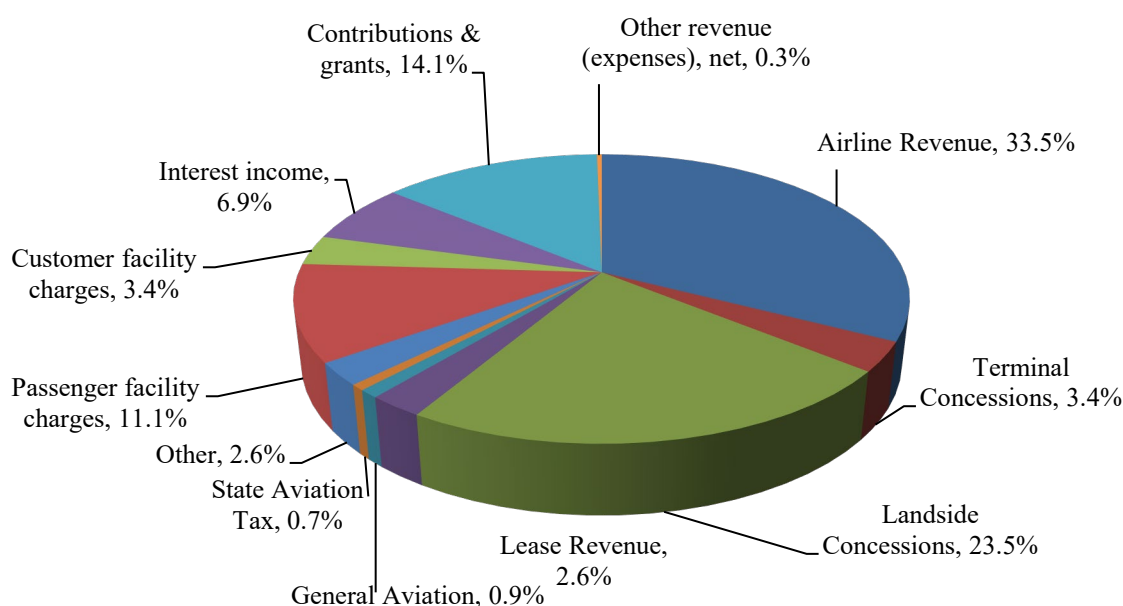
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

Operating income, before depreciation, was \$111.2 million in FY 2023, compared with \$118.3 million in FY 2022. With the inclusion of depreciation and non-operating revenue and expenses, the resulting change in net position was an increase of \$3.5 million in FY 2023 and decrease of \$6.5 million in FY 2022.

SALT LAKE CITY DEPARTMENT OF AIRPORTS
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Revenues

The following chart and table shows the major sources of revenues and the percentage to total revenues:
The year ended June 30, 2023:



(Amounts in thousands)	FY 2023 Amount	Percent of Total	FY 2022 Amount	Percent of Total
Operating revenues:				
Airline revenue	\$ 148,356	33.5%	\$ 136,820	34.3%
Terminal concessions	14,970 *	3.4%	22,757	5.7%
Landside concessions	103,903	23.5%	90,597	22.7%
Lease revenue	11,364	2.6%	10,525	2.6%
General aviation	4,128	0.9%	3,491	0.9%
State aviation tax	3,008	0.7%	2,891	0.7%
Other	11,442	2.6%	5,430	1.4%
Operating revenues	297,171		272,511	
Less: Airline revenue sharing	(13,844)	-3.1%	(13,566)	-3.4%
Total operating revenues	283,327	64.1%	258,945	65.0%
Non-operating revenues and capital contributions:				
Passenger facility charges	49,282	11.1%	48,759	12.2%
Customer facility charges	15,177	3.4%	14,024	3.5%
Interest income	30,645	6.9%	11,740	2.9%
Other revenue (expenses), net	1,378	0.3%	(6,547)	-1.6%
Contributions & grants	62,472	14.1%	71,746	18.0%
Total non-operating revenues	158,954	35.9%	139,722	35.0%
Total revenues	\$ 442,281	100.0%	\$ 398,667	100.0%

*Net of \$11.0 million in ARPA concession relief

SALT LAKE CITY DEPARTMENT OF AIRPORTS
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Operating Revenues

Salt Lake City International Airport is served by eight domestic carriers: Alaska, American, Delta, Frontier, JetBlue, Southwest, Spirit, and United. On July 1, 2014, all the airlines, except Spirit, and the Airport entered into a ten year Airport Use Agreement (AUA). Each AUA terminates on June 30, 2024, unless earlier terminated, except Delta and United have entered into an amendment to their AUA extending the term for an additional ten years to June 30, 2034. Due to a strong passenger recovery and growth in Salt Lake City, the airlines requested that the Airport consider building the remaining 16 gates on Concourse B as part of Phase IV. The Airport renegotiated the Airline Use Agreement (AUA) and as of June 30, 2023 airlines that accounted for over 98% of FY 2022 passengers have executed the revised AUA that begins on July 1, 2024. The new agreement goes through June 30, 2034, for all airlines except those that chose to sign a 20 year agreement, including Delta, Southwest, and Alaska Airlines. Any airline that chooses not to sign the updated AUA would become non-signatory on July 1, 2024. Spirit Airlines signed the AUA in May 2023, becoming a signatory airline at that time. Under the AUA, terminal rent calculations are on a compensatory basis, recovering costs allocated to the occupied facilities. Landing fee calculations are residual based, recovering net cost after the credits of nonairline revenue. Revenue sharing is available to Signatory Airlines that are parties to the AUA consisting of one dollar (\$1) per enplaned passenger, not to exceed 30% of net remaining revenue. The Signatory Airline revenue sharing increased by \$278 thousand compared to the prior year from \$13.6 million in FY 2022 to \$13.8 million in FY 2023.

Airline revenue, net of airline revenue sharing, has increased \$24.4 million in FY 2023 over the prior year. In FY 2020, the COVID-19 pandemic caused fewer flights, resulting in lower than expected landed weights and landing fees. In FY 2021, there were more flights, but load factor remained low, resulting in a minor increase. In FY 2022, load factors were back to normal levels. During FY 2021, the Airport completed and opened Phase I of the TRP and NCP. This resulted in higher square footage for terminal rents and the debt service on the Airport’s revenue bonds being included in terminal rents. In FY 2022, there was a full 12 months of the new square footage, with an additional five gates opening in May 2023 further increasing square footage. Landing fees increased by \$8.3 million in FY 2023 over the prior year. Terminal space and other building rentals have increased by \$3.0 million in FY 2023 compared to the prior year. As a valuable partner with the airlines, the Airport continues its efforts to keep airline costs low. The Airport cost per enplaned passenger (CPE) for FY 2023 was \$8.28, a small increase from the FY 2022 amount of \$8.11.

The Airport estimates AUA rates for terminal rents and landing fees through the budgeting process; however, at the end of each fiscal year an adjustment-to-actual calculation occurs based on the year-end financial results. Final terminal rents and landing fees for the past two years are as follows:

	<u>FY 2023</u>	<u>FY 2022</u>
Terminal Rents (annual per square foot)	\$ 135.71	\$ 136.12
Landing Fees (per 1,000 lbs)	\$ 3.09	\$ 2.77

Non-airline concession revenues are allocated into two major categories: (1) terminal concessions, which include food service, retail, and advertising, and (2) landside concessions, which consist of auto parking, rental car commissions, and ground transportation fees. Due to the COVID-19 pandemic, many of the Airport’s non-airline tenants suffered financially. Several terminal retail outlets and restaurants were forced to close. Rental cars and ground transportation were affected due to the decrease in passengers at the

SALT LAKE CITY DEPARTMENT OF AIRPORTS
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Airport. With the continuing recovery from the pandemic, many of these tenants have recovered and are operating under their normal contractual agreements. On the statement of revenues, expenses and changes in net position, terminal concessions revenues have decreased by \$7.8 million (-34.2%) from FY 2022. This is a result of ARPA concession relief funds awarded to both food and beverage and retail concessions being passed through to concessionaires from the Airport for \$11.0 million. Without the ARPA concession relief, terminal concession revenue increased by \$3.2 million due to the increase in passengers and the amount spent per passenger increasing. Landside concessions have increased by \$13.3 million (14.7%). Auto parking revenues have increased \$25.3 million (23.2%). Rental car revenues have increased \$675 thousand (1.9%). Ground transportation increased by \$1.3 million (20.5%). Rental cars and parking increased due to passenger numbers returning to normal and additional business travel. Parking revenue increased due to the larger garage capacity and more customers using the daily rate of \$35 rather than the economy rate of \$10. A trend in the industry is also longer vacations. The average cost per transaction in the economy lot increased \$5.89 from FY 2022 to FY 2023 and by \$3.17 in the parking garage over the same time.

Non-operating Revenues

The Airport recorded \$62.5 million in grants in FY 2023. These funds consisted of \$14.3 million in AIP grants provided by the Federal Aviation Administration, and \$48.1 million in ARPA Act grants. Airport federal grants decreased from the prior year by \$9.3 million (-12.9%) based on timing of grant applications and fewer funds received from the Covid relief grants. Passenger facility charge revenue in FY 2023 was \$49.3 million, including \$509 thousand in interest on PFC deposited funds. This is a total increase of \$523 thousand (1.1%) from the FY 2022 total of \$48.8 million, as a result of the increase in passengers. Customer facility charge revenue in FY 2023 was \$15.2 million. This is an increase of \$1.2 million (8.2%) from the FY 2022 total of \$14.0 million, because of the increase in passengers and more rental vehicles being reserved at the Airport.

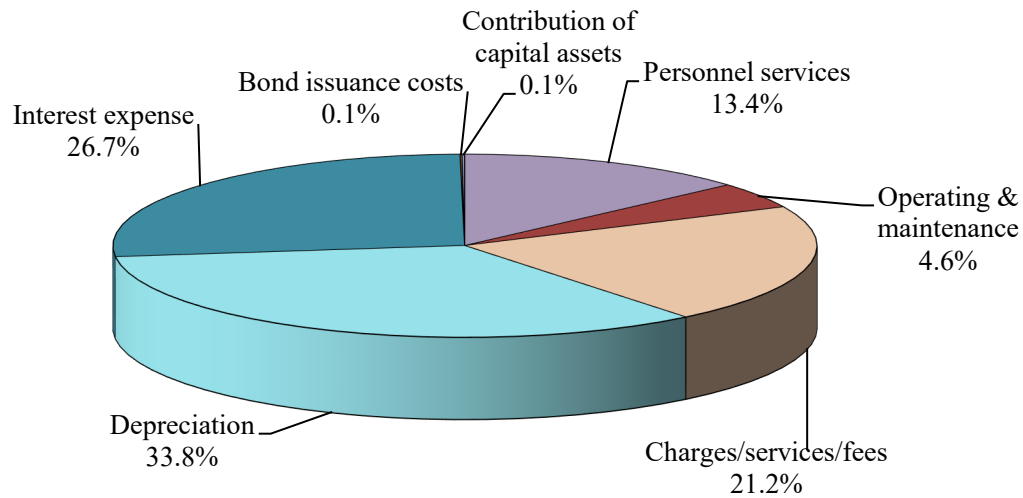
The Airport recorded a loss of \$7 thousand on the disposition and sale of property and equipment in FY 2023. The Airport recorded a loss of \$221 thousand on the disposition and sale of property and equipment in FY 2022.

The average interest rate on investments that are held in the State Treasurer's pool for FY 2023 was 3.8%, compared to 0.5% in FY 2022. In FY 2023 and FY 2022, interest earned from the State Treasurer's pool and depository accounts totaled \$24.8 million and \$6.5 million, respectively. Interest income increased because of the significant change in interest rates. As referred to previously in the discussion on the Airport's cash balances, beginning in FY 2011, the Airport diversified its investments in U.S. Treasury, Agency and Corporate notes to obtain a higher rate of return. Interest earned on these investments was \$5.8 million in FY 2023 and \$2.5 million in FY 2022 (after management fees). The weighted average yield, including discounts and premiums included at purchase, was 2.93%. The investment in these securities increased the balance in the Utah State Treasurer's pool. See Note 2 for cash investment details. The Airport recorded interest income of \$1.3 million in FY 2023 and \$1.3 million in FY 2022 from financing CFC related projects from Airport reserves that will be paid back to the Airport through future CFC collections.

SALT LAKE CITY DEPARTMENT OF AIRPORTS
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Expenses

A chart and summary of expenses for the year ended June 30, 2023, including the amount and percentage of change in relation to prior year amounts, is as follows:



(Amounts in thousands)	FY 2023	Percent of Total	FY 2022	Percent of Total
Operating expenses:				
Personnel services	\$ 58,989	13.4%	\$ 47,804	11.8%
Operating and maintenance	20,148	4.6%	13,673	3.4%
Charges/services/fees	92,943	21.2%	79,142	19.5%
Total operating expenses before depreciation	172,080	39.2%	140,619	34.7%
Depreciation	148,449	33.8%	144,019	35.5%
Total operating expenses	320,529	73.0%	284,638	70.2%
Non-operating expenses:				
Interest expense	117,346	26.7%	116,832	28.8%
Bond issuance costs	382	0.1%	3,010	0.7%
Contribution of capital assets	540	0.1%	648	0.2%
Total non-operating expenses	118,268	27.0%	120,490	29.7%
Total expenses	\$ 438,797	100.0%	\$ 405,128	100.0%

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Operating Expenses

During March and April 2020, at the beginning of the COVID-19 pandemic, the Airport took several steps to reduce operating and capital expenses. The Airport instituted a hiring freeze, suspended travel for all employees, and postponed work on several projects. These practices continued for about a year into March and April of 2021. The Airport began hiring at a slightly increased rate at that time and limited travel resumed. During FY 2022, hiring resumed to fully staff the new, larger facility and this practice continued into FY 2023. Operating costs increased from FY 2022 to FY 2023 and is further explained below.

Operating expenses before depreciation have increased by \$31.5 million (22.4%) in the current fiscal year. These expenses increased by \$16.9 million (13.7%) in FY 2022. Personnel services have increased by \$11.2 million (23.4%) in the current fiscal year. Salaries for the year increased, although a large portion of the difference is from pension expense related to GASB 68, which is further discussed in Note 6. Salaries and benefits increased \$5.4 million from FY 2022 to FY 2023, due to an Airport wide raise of 4.5% and hiring approximately seven new full-time employees. The Airport also averaged 11 more full-time employees in FY 2023 compared to FY 2022 due to the new employees and vacant positions being filled.

Operating and maintenance costs have increased by \$6.5 million (47.4%) from FY 2022. The primary causes for the change was an increase of \$4.7 million for chemicals. An increase in snowfall for the winter of FY 2023 required additional chemical purchases to ensure runways were clear.

Expenses for charges and services have increased by \$13.8 million (17.4%) from FY 2022. The largest increases were \$4.0 million for intergovernmental charges, \$2.5 million for janitorial costs, and \$1.2 million for parking shuttle costs. Intergovernmental charges increased due to higher police salaries and implementation of a new city-wide ERP system. The janitorial contract expenditures increased with wage increases and additional contract scope due to increased Airport square footage. Parking shuttle costs rose because of increased wages for drivers.

Depreciation expense increased by \$4.4 million (3.1%) in FY 2023 and by \$43.1 million (42.7%) in FY 2022. The increase in FY 2022 is due to a full year of depreciation for the new Airport facilities and capitalizing more parts that were completed.

NON-OPERATING EXPENSES

Non-operating expenses consist primarily of interest on long-term debt. Interest expense was \$117.3 million in FY 2023 and \$116.8 million in FY 2022. In FY 2019 the Airport early-adopted GASB 89 which no longer required the Airport to capitalize interest as part of the construction in process. Please see Note 1 for additional information. Additionally in FY 2023, the Airport incurred a \$540 thousand expenditure with the donation of screening lanes, machines, and maintenance to the Transportation Security Administration (TSA) for the opening of Phase I of The New SLC.

CAPITAL TRANSACTIONS

TRP construction activities for FY 2023 included completion of 5 gates on South Concourse East including apron, taxiway and hydrant fueling system. Four gates were opened in August 2023 with the remaining gates opening in October 2023. NCP construction activities included the work on the Central Tunnel, enabling work for the North Concourse East, phase III and paving for taxiways. In addition to the TRP and NCP activities, the Airport completed TVY Runway and Taxiway Rehabilitation, Pump House 1 Reconstruction, Taxiways P, Q, N and H3 Pavement Rehabilitation and Gate 39 Reconstruction.

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At the beginning of the fiscal year, Airport projects totaling \$1.3 billion were in the process of construction and an additional \$830 million projects were added. \$459.9 million in construction costs were spent during the year. A total of \$220.9 million in projects and equipment were capitalized and placed in service in FY 2023; \$1.3 million was expensed. \$985.1 million remains as construction in progress. The largest portion of the \$220.9 million of capitalized projects includes 5 gates in the South Concourse East, including associated apron and airfield work, TVY Runway and Taxiway Rehabilitation, Pump House 1 Reconstruction, Taxiways P, Q, N and H3 Pavement Rehabilitation and Gate 39 Reconstruction.

The phased construction on the \$5.1 billion The New SLC will continue through 2026. Phase I of the TRP went into service on September 15, 2020 with NCP going into service on October 20, 2020. Phase II (South Concourse East) opened 5 gates in May 2023 and will open 4 gates in August 2023 and the remaining 13 gates scheduled to open in October 2023. Phase III (North Concourse East) will open with 5 gates in Fall 2024 and 4 gates in Fall 2025. Phase IV will add 5 gates in Fall 2025 and 11 gates in Fall 2026. Additional information regarding capital assets can be found in Note 4 in the Notes to Financial Statements.

LONG-TERM DEBT

As of June 30, 2023 and 2022, the Airport had a total of \$3.1 billion and \$3.2 billion, respectively, of outstanding General Airport Revenue Bonds. These bonds mature from July 1, 2023 to July 1, 2051, with an interest rate of 4-5.25%. The bonds do not constitute debt of the City or a pledge of the full faith and credit of the City and are secured by Airport revenues. Additional information regarding long-term Airport debt can be found in Note 7 in the Notes to Financial Statements.

ECONOMIC OUTLOOK

The fiscal year 2023 financial results reflect economic recovery to both operating and non-operating revenues and expenses from the global pandemic of COVID-19. The Department continues to work closely with the airlines serving the Airport and other tenants to ensure a safe and pleasant experience for passengers. Projections indicate future passenger growth and new destinations. The Airport's strong financial position allows for flexibility to respond to the short-term problems created by an economic recession and changes in the industry. This financial position will also enable the Airport to plan for long term facility needs and redevelopment programs to meet the future growth in air travel and meet the needs of its airline partners and the Utah community.

CONCLUSION

The Airport continues to meet the challenges of a constantly changing air travel industry that is responding to current national and local economic conditions. While meeting these challenges, the Airport maintains its mission of managing, developing and promoting airports that provide quality transportation facilities and services, and a convenient travel experience. These facilities and services promote economic development by providing business and leisure travelers access to numerous domestic and international destinations.



Brian Butler, CPA
Chief Financial Officer

SALT LAKE CITY DEPARTMENT OF AIRPORTS
Statement of Net Position
(Amounts in Thousands)

<i>As of June 30,</i>	2023
ASSETS	
Current Assets	
Cash and cash equivalents	\$ 236,822
Restricted cash and cash equivalents	32,946
Restricted investments	49,406
Airline and rental fees receivable	61,838
Loans receivable	5,452
Leases receivable	41,633
Other assets	9,492
Total current assets	437,589
Noncurrent Assets	
Restricted cash and cash equivalents	101,196
Restricted investments	147,610
Loans receivable	15,920
Leases receivable	162,620
Other assets	1,508
Total noncurrent assets and investments	428,854
Capital assets	
Land	113,216
Building and improvements	3,696,363
Equipment	363,918
Subscription Asset	3,697
Construction in progress	988,017
Total capital assets - at cost	5,165,211
Less accumulated depreciation	1,101,120
Net capital assets	4,064,091
Total noncurrent assets	4,492,945
Total Assets	4,930,534
Deferred Outflows of Resources	7,926
Total Assets and Deferred Outflows of Resources	\$ 4,938,460

See Notes to Financial Statements

SALT LAKE CITY DEPARTMENT OF AIRPORTS
Statement of Net Position
(Amounts in Thousands)

<i>As of June 30,</i>	2023
LIABILITIES	
Current Liabilities	
Accounts payable	\$ 51,749
Accrued compensation	2,384
Interest payable	67,382
Other accrued liabilities	36,960
Current bonds payable	25,815
Total current liabilities	184,290
Noncurrent Liabilities	
Revenue bonds payable	3,089,772
Noncurrent compensation liability	5,079
Net pension liability	4,248
Other accrued liabilities	30,181
Total noncurrent liabilities	3,129,280
Total Liabilities	3,313,570
Deferred Inflows of Resources	
Deferred inflows - revenue collected in advance	7,286
Deferred inflows - leases	204,253
Deferred inflows - pension	106
Total Deferred Inflows of Resources	211,645
NET POSITION	
Net investment in capital assets	1,233,778
Restricted for	
Capital projects	45,883
Debt service	269,435
Unrestricted	(135,851)
Net Position	1,413,245
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 4,938,460

SALT LAKE CITY DEPARTMENT OF AIRPORTS
Statement of Revenues, Expenses, and Changes in Net Position
(Amounts in Thousands)

<i>for the Twelve month period ended June,</i>	2023
Operating Revenues	
Airline revenue	\$ 148,356
Terminal concessions	14,970
Landside concessions	103,903
Lease revenue	11,364
General aviation	4,128
State aviation tax	3,008
Other revenue	11,442
Operating revenues	297,171
Less airline revenue sharing	(13,844)
Total operating revenues	283,327
Operating Expenses	
Salaries and benefits	58,989
Materials and supplies	20,148
Maintenance contracts	22,171
Charges and services	30,906
Utilities	8,553
Inter-governmental	24,235
Other expenses	7,078
Total operating expenses before depreciation	172,080
Operating Income Before Depreciation	111,247
Depreciation Expense	148,449
Operating Loss	(37,202)
Non-Operating Revenues (Expenses)	
Passenger facility charges	49,282
Customer facility charges	15,177
Interest income	30,645
Interest expense	(117,346)
Bond issuance costs	(382)
Contribution of capital assets	(540)
Other revenue	1,378
Net non-operating loss	(21,786)
Capital Contributions	
Contributions and grants	62,472
Total capital contributions	62,472
Net Position	
Increase in net position	3,484
Net Position, beginning of period	1,409,761
Net Position, end of period	\$ 1,413,245

See Notes to Financial Statements

SALT LAKE CITY DEPARTMENT OF AIRPORTS
Statement of Cash Flows
(Amounts in Thousands)

<i>for the year ended June 30,</i>	2023
Cash Flows from Operating Activities	
Cash received from providing services	\$ 270,860
Cash paid for services for intra-governmental charges	(31,293)
Cash paid to suppliers	(98,825)
Cash paid to employees	(60,218)
Net cash from operating activities	80,524
Cash Flows from Investing Activities	
Cash paid for investments	(103,021)
Cash proceeds from investments	109,552
Interest received on investments and concession loans	24,343
Payments for concession loans	(1,164)
Payments received on concession loans	4,992
Net cash from investing activities	34,702
Cash Flows from Capital and Related Financing Activities	
Purchase of capital equipment	(8,695)
Payments for acquisition and construction of capital assets	(466,798)
Principal paid on revenue bonds	(21,920)
Payment for capital assets contributed to TSA	(540)
Interest paid on bonds and line of credit	(136,371)
Bond issuance costs	(264)
Interest paid on subscription liability	(66)
Interest received from leases	5,046
Passenger facility charges	48,273
Customer facility charges	15,583
Proceeds from sale of capital assets and equipment	99
Contributions and grants	54,370
Net cash used for capital and related financing activities	(511,283)
Net (Decrease) in Cash and Cash Equivalents	(396,057)
Cash and Cash Equivalents - Beginning of Year	767,021
Cash and Cash Equivalents - End of Year	\$ 370,964

See Notes to Financial Statements

SALT LAKE CITY DEPARTMENT OF AIRPORTS
Statement of Cash Flows
(Amounts in Thousands)

for the year ended June 30,

2023

Reconciliation of Operating Income to Net

Cash from Operating Activities

Operating loss	\$	(37,202)
Adjustments to reconcile operating loss to net cash from operating activities		
Depreciation		148,449
Pension benefit		(1,887)
Changes in assets and liabilities		
Airline and rental fee receivable		(18,083)
Other assets		(2,531)
Net pension asset		12,721
Deferred outflows		(2,415)
Accounts payable		(1,604)
Accrued compensation		720
Other accrued liabilities		(6,362)
Net pension liability		4,248
Deferred inflows		880
Deferred inflows - pension		(16,441)
Deposits and advance rentals		31
Net cash from operating activities	\$	80,524

Schedule of Non-cash Activities

Contributions and grants	\$	8,065
Passenger facility charges (includes interest)		1,009
Customer facility charges (includes interest)		(406)
Bond issuance costs		(118)
Contributions of capital assets		(540)
Net increase in fair value of investments		1,385
Loss on disposition of property		(205)
Lease receivable recognized on lessor lease transaction		30,183
Subscription asset recognized on SBITA transaction		3,478
Subscription liability recognized on SBITA transaction		(2,018)
Total Noncash Activities	\$	40,833

SALT LAKE CITY DEPARTMENT OF AIRPORTS
Notes to the Financial Statements
For the Year Ended June 30, 2023

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization – The Salt Lake City Department of Airports (Airport) is an enterprise fund of Salt Lake City Corporation (City). Airport operations include Salt Lake City International Airport, South Valley Regional Airport and Tooele Valley Airport.

Basis of Accounting – The accompanying financial statements have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The Airport’s activities are accounted for similar to those often found in the private sector using the flow of economic resources measurement focus and the accrual basis of accounting. All assets, liabilities, net position, revenues and expenses are accounted for through a single enterprise fund with revenues recorded when earned and expenses recorded at the time liabilities are incurred.

In accordance with the provisions of GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, the Airport has identified intangible assets consisting of aviation easements and water rights with indefinite lives that have been classified as non-amortized capital assets.

Annual Appropriated Budget – The Airport has a legally adopted annual budget which is not required to be reported.

Capital Assets – Capital assets, which consist of property and equipment, are recorded at cost when purchased. Cash outflows for the acquisition, construction, or equipping of capital projects, together with related design, architectural, and engineering fees, are capitalized with a capitalization threshold of \$20,000.

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

	<u>Years</u>
Buildings	10-50
Improvements	10-40
Equipment	3-20

No depreciation is provided on construction in progress until construction is complete and the asset is placed in service.

Capital Contributions – The Airport has received contributions and grants for aid in construction from various sources, principally from the Airport Improvement Program (AIP). Contributions and grants received for construction projects are recorded on an accrual basis as capital contributions. All other contributions and grants received for operating expenses are recorded as operating revenue.

Passenger Facility Charges – The Airport has received approval from the Federal Aviation Administration (FAA) to impose a passenger facility charge (PFC) of up to \$4.50 for each enplaned passenger that utilizes the Salt Lake International Airport. The charge is collected by all carriers and remitted to the Airport, less an \$0.11 per passenger handling fee. The proceeds from PFCs are restricted for use by the Airport for certain FAA approved projects and debt service on bonds used to fund PFC eligible projects per the Code of Federal Regulations (C.F.R) 158.13. PFC proceeds are recorded as non-operating revenues.

Customer Facility Charges – The Airport assesses a customer facility charge (CFC) to rental car concessionaires. Current charges, established by Salt Lake City ordinance, are \$5 per day with a limit of 12 days. The proceeds from CFCs are restricted for rental car facilities construction projects as part of the Terminal Redevelopment Project (TRP). CFC proceeds are recorded as non-operating revenues.

Restricted and Unrestricted Resources – Some Airport construction projects may contain more than one source of funding. The Airport is restricted by some sources to apply funds only to specific approved projects. The Airport’s priority is to utilize Airport Improvement Program (AIP) funds, then PFC and CFC funds, any State grants, TSA grants, and if needed, Airport funds unless specific restrictions on any fund source require different prioritization.

Cash and Cash Equivalents – The Airport considers all highly liquid debt instruments (including restricted assets) purchased with an original maturity of three months or less to be cash equivalents.

Investments – Investments are recorded at fair value and include any accrued interest. Accordingly, the change in fair value of investments is recognized as an increase or decrease to investment assets and investment income.

Accounts Receivable – An allowance for uncollectible accounts receivable is established by charges to operations for amounts required to maintain an adequate allowance, in management’s judgment, to cover anticipated losses from customer accounts. Such accounts are charged to the allowance when collection appears doubtful. Any subsequent recoveries are credited to the allowance account. As of June 30, 2023, the Airport does not anticipate any material losses on accounts receivable and no allowance has been established.

Loans Receivable – During the second half of FY 2020, construction of The New SLC was ongoing and the airlines and concessionaires began their buildouts in the new buildings. When the COVID-19 pandemic hit, many of the tenants were unable to continue funding their buildouts. In order to have the airlines and a certain amount of concessions open and operating when the TRP and NCP were completed, the Airport loaned funds to tenants to complete the buildouts. The Airport continued to loan funds through December 2020. These funds will be repaid by the end of FY 2025 with the exception on one loan going through FY 2034.

Lease Receivable - Lessor – The Airport, as a lessor, recognizes a lease receivable and a deferred inflow of resources at the commencement of the lease term, with certain exceptions for leases held as investments, certain regulated leases, short-term leases, and leases that transfer ownership of the underlying asset. The lease receivable is measured at the present value of the lease payments expected to be received during the lease term. The deferred inflow of resources should be measured as the value of the lease receivable in addition to any payments received at or before the commencement of the lease term that relate to future periods.

Subscription Asset – The Airport recognizes a subscription asset at the commencement of the subscription term, with certain exceptions for short-term contracts. The subscription asset is measured as the initial measurement of the subscription liability plus the capitalizable initial implementation costs. A subscription

asset should be amortized in a systematic and rational manner over the shorter of the subscription term or the useful life of the underlying IT Asset and the Airport uses the straight-line method of amortization.

Subscription Liability – Subscription liabilities represent the Airport’s obligation to make subscription payments arising from the subscription contract. Subscription liabilities are recognized at the subscription commencement date based on the present value of future subscription payments expected to be made during the subscription term. The present value of subscription payments is discounted based on a borrowing rate determined by the Airport.

Capitalization of Interest Costs – Previously, net interest costs incurred during the construction of the TRP as well as the NCP were capitalized as part of the historical costs of acquiring these assets. The interest earned on investments acquired with proceeds from tax-exempt borrowing (where such borrowings are restricted to the acquisition of the assets) was offset against the related interest costs in determining either the amount of interest to be capitalized or limitations on the amount of interest costs to be capitalized. Interest is not capitalized on construction costs funded by government grants, PFCs, or CFCs. Interest expense related to construction is expensed as incurred.

Total interest expense was approximately \$117.3 million for the year ended June 30, 2023, while no interest was capitalized as part of the cost of constructed assets.

Bond Discounts and Premiums – Bond discounts and premiums are deferred and amortized over the term of the bonds using the effective interest rate method. Bond discounts and premiums are presented as a reduction or addition to the face amount of the bonds payable.

Noise Mitigation Costs – Certain costs incurred in connection with the Airport’s noise mitigation program have been capitalized as part of land.

Pollution Remediation Obligations – In FY 2010, the Airport recorded operating expense and a future liability obligation of \$191 thousand associated with two pollution remediation sites, both associated with leaking underground fuel tanks from the early 1990s. In FY 2015, the Airport recorded additional operating expenses and future liability obligations of \$112 thousand for some additional leaking underground fuel tanks. Since 2010, the Airport has incurred \$183 thousand in costs for monthly monitoring at both sites. The liability recorded as of June 30, 2023 is \$121 thousand. The remainder of the liability is for future years’ ground water monitoring at the sites. Estimates of the expense and liability were based on the cost of the equipment upgrades as well as cost of a contract negotiated with an outside contractor for future monitoring. The potential exists for changes in these estimates, and both costs and future liabilities will be adjusted if necessary in future periods. The Airport is self-insured for incidents of this magnitude, and no insurance or other recoveries are anticipated.

Use of Estimates – The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual amounts could differ from those estimates.

Deferred Outflows and Deferred Inflows – In addition to assets, financial statements will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to future periods and will not be recognized as an outflow of resources (expense) until then. In addition to liabilities, the financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time.

Revenue and Expense Recognition – Revenue for services is recognized at the time the service is performed. Revenues from airlines, concessions, rental cars and parking are reported as operating revenues. Revenue transactions which are capital, financing, or investing related are reported as non-operating revenues. All expenses related to operating the Airport are reported as operating expenses. Interest expense, financing costs, and contributions of capital assets are reported as non-operating expenses.

Pensions – For purposes of measuring the net pension liability or asset, 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/deductions from the 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.

Recent Accounting Pronouncements – In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations*. The statement is meant to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The requirements of this statement are effective for reporting periods beginning after December 15, 2021. Earlier application is encouraged. The adoption of this accounting standard did not have a significant impact on the Airport's financial statements.

In March 2020, the GASB issued Statement No. 94 *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The statement is meant to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. The requirements of this statement are effective for reporting periods beginning after June 15, 2022. Earlier application is encouraged. The adoption of this accounting standard did not have a significant impact on the Airport's financial statements.

As of July 1, 2022, the Airport adopted GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (SBITAs). The implementation of this standard establishes that a SBITA results in a right to use subscription IT asset -an intangible asset - and a corresponding liability. The standard provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA. The Statement requires recognition of certain SBITA assets and liabilities for SBITAs that previously were recognized as outflows of resources based on the payment provisions of the contract. As a result of implementing this standard the Airport recognized a right to use subscription asset and subscription liability of \$3.5 million and \$2.0 million as of July 1, 2022, respectively. As a result of these adjustments there was no effect on beginning net position. The additional disclosures required by this standard are included in Notes 11 and 12.

In April 2022, the GASB issued Statement No. 99 *Omnibus 2022*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The requirements of this statement are effective for reporting periods beginning after June 15, 2022. Earlier application is encouraged. The adoption of this accounting standard did not have a significant impact on the Airport's financial statements.

In June 2022, the GASB issued Statement No. 100 *Accounting Changes and Errors – An Amendment of GASB Statement No. 62*. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this statement are effective for reporting periods beginning after June 15, 2023. Earlier application is encouraged. The Airport is currently evaluating the impact of this statement on the financial statements when implemented.

In June 2022, the GASB issued Statement No. 101 *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this statement are effective for reporting periods beginning after December 15, 2023. Earlier application is encouraged. The Airport is currently evaluating the impact of this statement on the financial statements when implemented.

NOTE 2 – DEPOSITS AND INVESTMENTS

Cash and cash equivalents are comprised of the following as of June 30, 2023 (amounts in thousands):

	2023	
	Fair Value	
Deposits		
Petty Cash	\$	1
Unrestricted cash in the City's pooled cash account		(17,504)
Utah State Treasurer's Investments Pool		382,157
Bank operating accounts		6,310
Total	\$	370,964

The Airport maintains funds in the City's pooled cash account. The Airport receives from or pays to the City an allocation of interest income or expense based upon its balance in the pooled cash account. Utah State Treasurer's Investment Pool balances reported in the Airport's Statement of Net Position include a write up of \$1.4 million to the fair market value. The Airport's share of the State's investment pool is based on the amount invested.

It is the policy of the City to invest public funds in accordance with the principles of sound treasury management and in compliance with state and local laws, regulations, and other policies governing the investment of public funds, specifically, according to the terms and conditions of the Utah State Money Management Act of 1974 and Rules of the State Money Management Council as currently amended (Act) and the City's own written investment policy. The City may place Airport money in investments/deposits authorized by the Money Management Act (U.C.A. 51-7-11). In general these investments may be placed

in the Utah State Public Treasurer's Investment Pool (Pool) subject to restrictions specified in the Act. The Utah Money Management Council oversees the Pool and works in close partnership with the Treasurer's Office, The Attorney General's office, the Utah Department of Financial Institutions and the State of Utah's Division of Securities to oversee public deposits and investments to ensure the safety of public funds in Utah.

Deposits

Custodial Credit Risk – As of June 30, 2023, the Airport had deposits with qualified depositories in accordance with the Utah Money Management Act totaling \$6.3 million. Of these amounts, \$500 thousand was covered by federal depository insurance. The remaining balance of \$5.8 million was uninsured and uncollateralized. The Commissioner of Financial Institutions assigns a public funds allotment to each qualified depository and monitors public funds held monthly. Local government deposits and repurchase agreements up to the allotment are not required by state law to be insured or delivered to the public treasurer. The Airport's deposits do not exceed the public funds allotment.

Investments

Credit Risk – State law requires that City funds, of which the Airport funds are part, be deposited with a “qualified depository” as defined by the 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 institution may accept. City policy provides that not more than 25% of total City funds or 25% of the qualified depository's allotment, whichever is less, may be invested in any one qualified depository. No more than 20% of total City funds may be invested in any one certified out-of-state financial institution.

The City's investment policies are governed by state statutes. In addition, the City has its own written investment policies. City funds, of which the Airport funds are part, are invested only in the following: (1) negotiable or nonnegotiable deposits of qualified depositories (see definition of qualified depository under “Deposits” above); (2) repurchase agreements with qualified depositories or certified dealers, acting as principal for securities of the United States Treasury or other authorized investments, only if these securities are delivered to the custody of the City Treasurer or the City's safekeeping bank or are held by a qualified depository; (3) commercial paper which is rated P-1 by Moody's Investor Services or A-1 by Standard and Poor's, Inc., having a remaining term to maturity of 270 days or less. Commercial paper can be purchased directly from the issuer provided proper delivery and safekeeping procedures are followed with a qualified depository of the City Treasurer's safe-keeping bank or trust company; (4) bankers' acceptances that are eligible for discount at a federal reserve bank and which have a remaining term of maturity of 270 days or less; (5) negotiable certificates of deposit of \$100k or more which have a remaining term to maturity of 365 days or less; (6) obligations of the United States Treasury including United States Treasury bills, United States Treasury notes, and United States Treasury bonds; (7) obligations issued by or fully guaranteed as to principal and interest by the following agencies or instrumentalities of the United States in which a market is made by a primary reporting government securities dealer: Federal Home Loan Bank (FHLMC), Federal Farm Credit Bank, Federal National Mortgage Association (FNMA); and (8) the Utah State Public Treasurer's Investment Pool.

Investment interest rate risk - The risk that changes in interest rates of debt investments will adversely affect the fair value of an investment. The City currently has no policy regarding investment interest rate risk. The Utah State Public Treasurer's Investment Pool is not rated, and the average maturities of those investments are not known.

Custodial Credit Risk – A substantial portion of the Airport's funds were invested in the Utah State Treasurer's Investment Pool, a pooled investments account that does not qualify for any of the above

categories. Oversight of the Utah State Treasurers Pool is internally managed by the Utah State Treasury Office, and the Utah Public Treasurer’s Investment Fund was unrated as of June 30, 2023, by any outside agency. This amount has been adjusted to fair value and reflects the fair value of the plan assets.

Investments made with unspent PFC revenue are in accordance with FAA guidelines. In addition, the Airport invested funds in U.S. Agency notes and corporate securities. Custodial credit risk for investments is the risk that, in the event of a failure of the counter party, the Airport will not be able to recover the value of the investment or collateral securities that are in the possession of an outside party. Of the \$197.0 million invested by the Airport, the entire amount was held in the Airport’s name by the counterparty and was exposed to custodial credit risk. U.S. Agency notes are guaranteed by the federal government but are uninsured investments.

Fair Value of Investments

The Airport categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The Airport has the following recurring fair value measurements as of June 30, 2023;

- U.S. Agency securities of \$49.6 million are valued using quoted market prices (Level 1 inputs)
- U.S. Treasury securities of \$99.9 million are valued using quoted market prices (Level 1 inputs)
- Corporate bond securities of \$47.5 million are valued using quoted market prices (Level 1 inputs)

The table below shows the maturities, quality ratings, and fair value of the Airport’s investments (amounts in thousands).

Debt Securities	Quality Ratings	FY 2023 Fair Value	Maturities (in years)
U.S Agency Notes			
FNMA		\$ 5,178	1-5
FHLMC		44,447	1-5
US Treasury Notes		99,864	1-5
Corporate Bonds	A/BBB+	47,527	5+
		\$ 197,016	

NOTE 3 – RESTRICTED OR DESIGNATED CASH AND CASH EQUIVALENTS

Certain cash and cash equivalents are restricted or designated:

- As of June 30, 2023, \$6.7 million of PFC contributions are restricted for construction projects at the Airport under the PFC program requirements.
- As of June 30, 2023, \$888 thousand of CFC contributions are restricted for rental car construction projects at the Airport under the CFC program requirements.
- As of June 30, 2023, \$15.8 million of cash is restricted for the use of construction of the TRP and NCP projects.

- As of June 30, 2023, \$47.2 million of cash is restricted for debt service and capitalized interest.
- As of June 30, 2023, \$25.2 million of cash is restricted for rolling coverage.
- As of June 30, 2023, \$33.3 million is restricted for an operation and maintenance reserve fund, and \$5 million for a renewal and replacement reserve fund per the Airport Use Agreement effective July 1, 2014.

NOTE 4 – CAPITAL ASSETS

The following is a summary of transactions affecting capital assets for the year ended June 30, 2023 (amounts in thousands):

	Total		Total	
	June 30, 2022	Additions	Deletions	June 30, 2023
Capital Assets that are not depreciated:				
Land	\$ 112,474	\$ 742		\$ 113,216
Construction in Progress	753,525	462,983	(228,490)	988,017
Total Capital Assets that are not being depreciated	865,999	463,724	(228,490)	1,101,233
Capital Assets that are depreciated:				
Buildings	2,030,749	146,802	(42)	2,177,508
Leased Buildings	159	345	-	504
Improvements	1,450,869	67,696	(213)	1,518,351
Equipment	344,572	23,627	(4,281)	363,918
Subscription Asset	-	3,697	-	3,697
Sub-total	3,826,349	242,167	(4,537)	4,063,978
Less accumulated depreciations:				
Land	-	-	-	-
Buildings	(227,273)	(70,405)	42	(297,636)
Leased Building	(110)	(106)	-	(216)
Improvements	(630,519)	(57,050)	213	(687,356)
Equipment	(99,199)	(19,820)	4,175	(114,845)
Subscription Asset	-	(1,068)	-	(1,068)
Sub-total	(957,101)	(148,449)	4,430	(1,101,120)
Total Depreciable Capital Assets, net	2,869,248	93,718	(106)	2,962,858
Total Capital Assets, net	\$ 3,735,246	\$ 557,442	\$ (228,597)	\$ 4,064,091

Depreciation expense for FY 2023 was \$148.5 million.
See Note 11 for more information on the subscription asset.

NOTE 5 – COMMITMENTS AND CONTINGENCIES

At June 30, 2023, the Airport was committed to contractors and vendors for approximately \$1.0 billion in conjunction with Airport construction programs.

The Airport receives significant financial assistance from the U.S. Government in the form of contracts and grants. Entitlement to these resources is generally contingent upon compliance with terms and conditions of the contract or grant agreements and applicable federal regulations, including the expenditure of the resources for eligible purposes. Substantially all federal grants and contracts are subject to a financial and compliance audit under federal regulations. Disallowance as a result of compliance audits becomes a liability of the Airport. In the opinion of management, the potential for a material liability because of future audit disallowance is remote.

There are various suits and claims pending against the Airport from third parties. In the opinion of legal counsel for the Airport and Airport management, these are not likely to have a material adverse impact on the Airport's financial statements.

NOTE 6 – PENSION PLANS

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);
- Public Employees Contributory Retirement System (Contributory System);
- The Public Safety Retirement System (Public Safety System) is a mixed agent and cost-sharing, multiple-employer retirement system;
- Tier 2 Public Employees Contributory Retirement System (Tier 2 Public Employees System) is a multiple-employer cost-sharing public employee retirement system;
- Tier 2 Public Safety and Firefighter Contributory Retirement System (Tier 2 Public Safety and Firefighters System) is a multiple-employer, cost-sharing, public employees retirement systems.

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 Noncontributory and Contributory Systems are single employer plans and the Tier 2 Systems are a multiemployer cost sharing.

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 Utah State Retirement 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 E. 200 S, 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:

Summary of Benefits by System

System	Final Average Salary	benefit	Years of service required and/or age eligible for per year of service	Benefit percentage 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	2.0% per year all years	Up to 4%
Contributory System	Highest 5 years	30 years any age 20 years age 60* 10 years age 62* 4 years age 65	1.25% per year to June 1975; 2.0% per year July 1975 to present	Up to 4%
Public Safety System	Highest 3 years	20 years any age 10 years age 60 4 years age 65	2.5% per year up to 20 years; 2.0% per year over 20 years	Up to 2.5% or 4% depending on employer
Firefighters System	Highest 3 years	20 years any age 10 years age 60 4 years age 65	2.5% per year up to 20 years; 2.0% per year over 20 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%
Tier 2 Public Safety and Firefighter	Highest 5 years	25 years any age 20 years age 60* 10 years age 62* 4 years age 65	1.5% per year to June 30, 2020; 2.0% per year July 1, 2020 to present	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 (CPI) increase for the year, although unused CPI increases not met may be carried forward to subsequent years.

Contribution Rate Summary

Contributions – As a condition of participation in Systems, employers and/or employees are required to contribute certain percentages of salary and wages as authorized by statute and specified by the Utah State Retirement 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 as of June 30, 2023 are as follows:

Utah Retirement Systems

	Employee	Employer	Employer 401 (k)
Contributory System			
11 Local Government Div - Tier 1	6.00	13.96	N/A
111 Local Government Div - Tier 2	N/A	16.01	0.18
Noncontributory System			
15 Local Government Div - Tier 1	N/A	17.97	N/A
Public Safety System			
Contributory			
122 Tier 2 Defined Benefit Hybrid Public Safety	2.59	38.28	N/A
Noncontributory			
44 Salt Lake City with 2.5% COLA	N/A	46.71	N/A
Firefighter Retirement System			
32 Other Division B	16.71	6.24	N/A
132 Tier 2 DB Hybrid	2.59	14.08	N/A
Tier 2 DC Only			
211 Local Government	N/A	6.19	10.00
222 Public Safety	N/A	24.28	14.00
232 Fire Fighters	N/A	0.08	14.00

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, 2023, the employer and employee contributions for the Airport to the Systems were as follows (amounts in thousands):

System		Employer Contributions	Employee Contributions
Noncontributory System	\$	2,539	N/A
Contributory System		62	27
Public Safety System		N/A	N/A
Tier 2 Public Employees System		333	892
Tier 2 Public Safety and Firefighter		N/A	N/A
Tier 2 Defined Contribution Only System		339	-
Tier 2 Defined Contribution Public Safety and Firefighter System		N/A	N/A
Total Contributions	\$	3,273	\$ 918

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

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

At June 30, 2023, the Airport reported a net pension asset of \$0 and a net pension liability of \$4.2 million. The following table shows the net pension asset and liability:

(Amounts in thousands)	Net Pension		Proportionate	Proportionate	Change
	Asset	Liability	Share	Share	
			December 31, 2022	December 31, 2021	
Noncontributory System	\$ -	\$ 3,088	1.80%	1.81%	-0.01%
Contributory System	-	328	3.19%	2.82%	0.37%
Public Safety System	-	-	0.00%	0.00%	0.00%
Tier 2 Public Employees System	-	832	0.76%	0.69%	0.07%
Tier 2 Public Safety and Firefighter System	-	-	0.00%	0.00%	0.00%
	<u>\$ -</u>	<u>\$ 4,248</u>			

The net pension asset and liability were measured as of December 31, 2022, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2022 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, 2023 the Airport recognized pension expense of \$3.7 million.

At June 30, 2023, the Airport reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

(Amounts in thousands)	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual	\$ 1,328	\$ 33
Changes in assumptions	776	14
Net difference between projected and actual earnings on pension plan investment	2,470	-
Changes in proportion and differences between contributions and proportionate share of contributions	149	59
Contributions subsequent to measurement	3,203	-
	<u>\$ 7,926</u>	<u>\$ 106</u>

\$3.2 million is reported as deferred outflows of resources related to pensions results from contributions made by the Airport prior to our fiscal year end, but subsequent to the measurement date of December 31, 2022.

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 (amounts in thousands):

<u>Year ended December 31,</u>	Net Deferred Outflows (Inflows) of Resources	
	2023	\$ (895)
	2024	\$ 95
	2025	\$ 1,134
	2026	\$ 4,107
	2027	\$ 33
	Thereafter	\$ 143

Noncontributory System Pension Expense, and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2023, the Airport recognized pension expense of \$1.4 million.

At June 30, 2023, the Airport reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>(Amounts in thousands)</u>	Deferred Outflows of Resources		Deferred Inflows of Resources	
Differences between expected and actual	\$	1,047	\$	-
Changes in assumptions		506		12
Net difference between projected and actual earnings on pension plan investment		2,037		-
Changes in proportion and differences between contributions and proportionate share of contributions		-		24
Contributions subsequent to measurement		1,538		-
	<u>\$</u>	<u>5,128</u>	<u>\$</u>	<u>36</u>

\$1.5 million reported as deferred outflows of resources related to pensions results from contributions made by the Airport prior to fiscal year end, but subsequent to the measurement date of December 31, 2022.

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 (amounts in thousands):

<u>Year ended December 31,</u>	Net Deferred Outflows (Inflows) of Resources	
2023	\$	(689)
2024	\$	73
2025	\$	873
2026	\$	3,162
2027	\$	26
Thereafter	\$	110

Contributory System Pension Expense, and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2023, the Airport recognized pension expense of \$699 thousand.

At June 30, 2023, the Airport reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

(Amounts in thousands)	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual	\$ -	\$ -
Changes in assumptions	-	-
Net difference between projected and actual earnings on pension plan investment	98	-
Changes in proportion and differences between contributions and proportionate share of contributions	-	-
Contributions subsequent to measurement	41	-
	\$ 139	\$ -

\$41 thousand reported as deferred outflows of resources related to pensions results from contributions made by the Airport prior to fiscal year end, but subsequent to the measurement date of December 31, 2022.

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 (amounts in thousands):

<u>Year ended December 31,</u>	<u>Net Deferred Outflows (Inflows) of Resources</u>
2023	\$ (19)
2024	\$ 2
2025	\$ 24
2026	\$ 87
2027	\$ 1
Thereafter	\$ 3

Tier 2 Public Employees Contributory Retirement System Pension Expense, and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2023, the Airport recognized pension expense of \$1.6 million.

At June 30, 2023, the Airport reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

(Amounts in thousands)	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual	\$ 281	\$ 33
Changes in assumptions	270	2
Net difference between projected and actual earnings on pension plan investment	336	-
Changes in proportion and differences between contributions and proportionate share of contributions	149	36
Contributions subsequent to measurement	1,623	-
	\$ 2,659	\$ 71

\$1.6 million reported as deferred outflows of resources related to pensions results from contributions made by the Airport prior to fiscal year end, but subsequent to the measurement date of December 31, 2022.

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 (amounts in thousands):

Year ended December 31,	Net Deferred Outflows (Inflows) of Resources
2023	\$ (187)
2024	\$ 20
2025	\$ 237
2026	\$ 858
2027	\$ 7
Thereafter	\$ 30

Actuarial Assumptions

The total pension liability in the December 31, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary increases	3.25 – 9.25 percent, average, including inflation
Investment rate of return	6.85 percent, net of pension plan investment expenses, including inflation.

Mortality rates were adopted from an actuarial experience study dated January 1, 2020. The retired mortality tables are developed using URS retiree experience and are based upon gender, occupation, and age as appropriate with projected improvement using 80% of the ultimate rates from the MP-2019 improvement assumption using a base year of 2020. The mortality assumption for active members is the PUB-2010 Employees Mortality Table for public employees, teachers, and public safety members, respectively.

The actuarial assumptions used in the January 1, 2022, valuation were based on an experience study of the demographic assumptions as of January 1, 2020, and a review of economic assumptions as of January 1, 2021.

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	35.00%	6.58%	2.30%
Debt securities	20.00%	1.08%	0.22%
Real assets	18.00%	5.72%	1.03%
Private equity	12.00%	9.80%	1.18%
Absolute return	15.00%	2.91%	0.44%
Cash and cash equivalents	0.00%	(0.11)%	0.00%
Totals	100%		5.17%
	Inflation		2.50%
	Expected Arithmetic Nominal Return		7.67%

The 6.85% assumed investment rate of return is comprised of an inflation rate of 2.50%, a real return of 4.35% that is net of investment expense.

Discount rate: The discount rate used to measure the total pension liability was 6.85%. 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 benefits 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. The discount rate does not use the Municipal Bond Index Rate.

Sensitivity of the proportionate share of the net pension asset and liability to changes in the discount rate: The following table presents the proportionate share of the net pension liability calculated using the discount rate of 6.85%, as well as what the proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.85%) or 1-percentage-point higher (7.85%) than the current rate (amounts in thousands):

System		1% Decrease		Discount Rate		1% Increase
		5.85%		6.85%		7.85%
Noncontributory System	\$	19,461	\$	3,088	\$	(10,593)
Contributory System		1,683		328		(822)
Public Safety System		-		-		-
Firefighters System		-		-		-
Tier 2 Public Employees System		3,636		832		(1,328)
Tier 2 Public Safety and Firefighter System		-		-		-
Total	\$	24,780	\$	4,248	\$	(12,743)

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 a primary retirement plan. 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.

The Airport participates in the following Defined Contribution Savings Plans with Utah Retirement Systems:

- *401(k) Plan
- *457(b) Plan
- *Roth IRA Plan
- *Traditional IRA Plan

Employee and employer contributions to the Utah Retirement Defined Contribution Savings Plans for the fiscal year ended June 30, 2023 were as follows (amounts in thousands):

	2023	2022	2021
401(k) Plan			
Employer Contributions	\$ 481	\$ 480	\$ 457
Employee Contributions	883	619	595
457 Plan			
Employer Contributions	-	-	-
Employee Contributions	421	374	208
Roth IRA Plan			
Employer Contributions	-	-	-
Employee Contributions	220	214	157
Traditional IRA Plan			
Employer Contributions	-	-	-
Employee Contributions	6	3	4

NOTE 7 – LONG-TERM DEBT

Changes in long-term debt for the year ended June 30, 2023 were as follows (amounts in thousands):

	July 1, 2022	Additions	Retirements	June 30, 2023	Amounts due within one year
Long-term debt					
Series 2017A and 2017B bonds	\$ 998,860	\$ -	\$ 20,345	\$ 978,515	\$ -
Series 2018A and 2018B bonds	850,550	-	-	850,550	24,000
Series 2021A and 2021B bonds	904,570	-	1,575	902,995	1,815
Unamortized net premiums	401,814	-	18,287	383,527	-
Line of credit	-	-	-	-	-
Total long-term debt	<u>\$ 3,155,794</u>	<u>\$ -</u>	<u>\$ 40,207</u>	3,115,587	<u>\$ 25,815</u>
Less current portion				(25,815)	
Noncurrent portion				<u>\$ 3,089,772</u>	

The General Airport Revenue Bonds are not general obligations but are limited obligations of the Airport payable solely from and secured by a pledge of net revenues. Neither the full faith and credit nor the taxing power of the City, to the extent of net revenues, is pledged to the payment of the General Airport Revenue Bonds.

On March 1, 2021, the Airport entered into a short-term revolving credit facility in which the Airport can access up to \$300 million (line of credit) secured by one or more notes; which notes constitute subordinate obligations under the Subordinate Obligation Trust Indenture. The credit limit was reduce to \$150 million in September 2022. The interest for the line of credit will be based on the London interbank offered rate (LIBOR) and due monthly. In the case LIBOR ceases to be a reliable source for interest rates, an alternative interest rate will be determined. The Airport will also pay a commitment fee on any unused funds on a quarterly basis. The interest rate for the commitment fee will be determined by the current credit rating of the Airport's bonds. As of June 30, 2023, the Airport had no outstanding balance on the line of credit.

The maturity dates, interest rates, and principal amounts outstanding as of June 30, 2023 are as follows (amounts in thousands):

Long-term Debt	Maturity	Interest Rate	Amount Outstanding
			2023
General Airport Revenue Bonds			
Series 2017A	Annually July 1, 2023-2047	5%	\$ 808,925
Series 2017B	Annually July 1, 2023-2047	5%	169,590
Series 2018A	Annually July 1, 2023-2048	5%-5.25%	753,855
Series 2018B	Annually July 1, 2023-2048	5%	96,695
Series 2021A	Annually July 1, 2023-2051	4%-5%	775,520
Series 2021B	Annually July 1, 2023-2051	4%-5%	127,475
Total revenue bonds			2,732,060
Line of credit	September 3, 2023	Variable	-
Net unamortized premiums			383,527
Less current portion			(25,815)
Total long-term debt			<u>\$ 3,089,772</u>

The Airport term bonds are subject to certain optional redemption provisions. In addition the Airport bonds are subject to certain mandatory sinking fund redemption requirements.

Bond debt service requirements of the Airport for bonds payable to maturity as of June 30, 2023 are as follows (amounts in thousands):

Year:	General airport revenue bonds		Line of credit		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 25,815	\$ 133,588	\$ -	\$ 233	\$ 25,815	\$ 133,821
2025	25,065	132,316	-	-	25,065	132,316
2026	46,710	130,521	-	-	46,710	130,521
2027	51,205	128,074	-	-	51,205	128,074
2028	61,210	125,263	-	-	61,210	125,263
2029-2033	369,485	574,509	-	-	369,485	574,509
2034-2038	470,830	470,569	-	-	470,830	470,569
2039-2043	602,135	341,185	-	-	602,135	341,185
2044-2048	789,390	170,386	-	-	789,390	170,386
2049-2052	290,215	23,345	-	-	290,215	23,345
Total	<u>\$ 2,732,060</u>	<u>\$ 2,229,756</u>	<u>\$ -</u>	<u>\$ 233</u>	<u>\$ 2,732,060</u>	<u>\$ 2,229,989</u>

As of June 30, 2023, unspent Series 2021 bond proceeds was approximately \$15.8 million.

As of June 30, 2023, all the Series 2017 and 2018 bond proceeds have been spent. As of June 30, 2023, the Airport has no draws on the line of credit and has access to the full \$150 million.

NOTE 8 – OPERATING REVENUES

Airport operating revenues consist primarily of airline revenues, concession, and other rental revenues from parties who lease Airport facilities. Airport operating revenues consist of the following for the year ended June 30, 2023 (amounts in thousands):

	Amount	Percent of Total
Airline revenues	\$ 148,356	52.4%
Less: Airline revenue sharing	(13,844)	-4.9%
Concession and other rental revenues	145,807	51.5%
State aviation fuel tax	3,008	1.1%
Total operating revenues	<u>\$ 283,327</u>	<u>100.0%</u>

Airline revenues consist of the following for the year ended June 30, 2023 (amounts in thousands):

	Amount
Terminal space rentals	\$ 72,642
Landing fees	67,341
Aircraft remain overnight fees	423
Support buildings	4,435
Fuel farm	1,811
Passenger boarding bridge fees	1,704
Total	\$ 148,356

Charges from terminal space rentals and landing fees for most airlines are determined by the Airport Use Agreements that permit the Airport to recover the airlines' share of the operating costs of the terminal and airfield as defined in the agreement. Under the agreement, terminal rent calculations are on a compensatory basis, recovering costs allocated to the occupied facilities. Landing fee calculations are residual based, recovering net cost after the credits of non-airline revenue. Revenue sharing is available to signatory airlines under this new agreement. The Airport provides revenue sharing of one dollar (\$1) per enplaned passenger, not to exceed 30% of net remaining operating revenue.

NOTE 9 – LEASES

Lessor Agreements

The Airport, as a lessor, recognizes a lease receivable and a deferred inflow of resources at the commencement of the lease term, with certain exceptions for leases of assets held as investments, certain regulated leases, short-term leases, and leases that transfer ownership of the underlying asset. As lessor, the asset underlying the lease is not derecognized. The lease receivable is measured at the present value of the minimum lease payments expected to be received during the lease term. The deferred inflow of resources should be measured at the value of the lease receivable in addition to any payments received at or before the commencement of the lease term that relate to future periods.

For the purposes of the GASB No. 87 implementation, Airport Leases have been categorized as follows:

1. GASB No. 87 Leases - Included
2. GASB No. 87 Leases - Excluded Leases - Regulated
3. GASB No. 87 Leases - Excluded Leases - Short Term

GASB No. 87 - Included Leases

In accordance with GASB No. 87, the Airport recognizes a lease receivable and a deferred inflow of resources for leases the Airport categorizes as GASB No. 87 - Included. The Airport has grouped these leases into three categories: Concession Leases, Rental Car Leases, and Other Property Leases. Concession leases are leases for retail and food and beverage tenants at the Airport. Rental Car Leases are rental car agencies located at the Airport. Other Property Leases contain various leases for property and space located around the Airport. For the year ended June 30, 2023, the Airport reported lease revenue of \$40.6 million and interest revenue of \$5.1 million related to lease payments received.

GASB No. 87 - Included Leases for the year ended June 30, 2023, are summarized as follows (amounts in thousands):

	Beginning Lease Receivable	Receivable Additions	Implied Interest	Receivable Deduction	Annual Lease Revenue	Ending Lease Receivable
Concession Leases	\$ 92,109	\$ -	\$ 2,213	\$ 10,145	\$ 12,358	\$ 81,965
Rental Car Leases	106,699	-	2,387	27,255	29,642	79,444
Other Property Leases	15,843	30,183	493	3,183	3,675	42,844
	<u>\$ 214,652</u>	<u>\$ 30,183</u>	<u>\$ 5,093</u>	<u>\$ 40,582</u>	<u>\$ 45,675</u>	<u>\$ 204,253</u>

As of June 30, 2023, the lease receivable is \$41.6 million and \$162.6 million for current and non-current assets, respectively.

Concession Leases

The new Airport terminal and Concourse A opened in September 2020 and Concourse B opened in October 2020. At this time, all existing concession contracts were cancelled and new contracts went into effect. The Airport has 26 food and beverage locations managed by 6 operators and 33 retail locations managed by 5 operators. All food and beverage contracts are for ten years and retail contracts are for eight years. There are no options to extend. Each contract has a minimum annual guarantee (MAG) and a variable component (percentage of gross revenues). The tenant pays the higher amount of the MAG or variable amount. MAGs were set in each contract and increase to 90% of the prior year's rent, but cannot decrease. Based on these terms, the minimum payment will always be the initial MAG. The lease receivable is calculated using minimum payments due each year over the course of contract. The variable component is not used to calculate the lease receivable.

Due to the COVID-19 pandemic, all MAG payments were suspended and only the percentage rent was required. The suspension of MAG's was held until enplaned passengers reached a rate of 90% of FY 2019 recorded enplaned passengers for three consecutive months. This was an agreement with tenants and the Airport and occurred in June, July, and August 2021. Payments of MAGs were reinstated in September 2021. Also due to the pandemic, the contract termination dates for all tenants were moved to expire at the end of eight or ten years from the time the MAG payments were reinstated. All retail contracts expire on August 31, 2029, and all food and beverage contracts expire on August 31, 2031.

The lease receivable was reduced, and interest recognized of \$10.1 million and \$2.2 million, respectively. The deferred inflow was also reduced by \$10.1 million. The lease receivable was discounted to the net present value using the 30-year bond buyer index rate on July 1, 2021 (implementation date) of 2.53%. The Airport uses the 30-year bond buyer index rate in its Airline Use Agreement to record the return on investment on the unamortized portion of capitalized assets received from the signatory airlines. This applies to all assets with any useful life. The Airport considered this rate to be the most appropriate for leases of Airport property to match the return received from the airlines.

The Airport received \$15.1 million of revenue from the variable component on top of the lease payments.

Future minimum lease payments are as follows (amounts in thousands):

	<u>Principal</u>	<u>Interest</u>
2024	\$ 10,451	\$ 1,953
2025	10,764	1,685
2026	10,679	1,413
2027	10,843	1,142
2028	11,079	864
2029-2033	26,085	1,220
2034-2038	2,064	125

Rental Car Leases

As part of construction of the new airport, new rental car facilities were built. In March 2016, the Airport entered into a new ten year agreement with seven rental car agencies. Each agreement includes the rental of counter and office space, parking stalls, quick turnaround (QTA) space, QTA common space, QTA, storage space, and remote service site space. All contracts expire on February 28, 2026, and there are no options to extend. Each contract has a MAG and a variable component (10% of gross revenues), in addition to the space rentals. The tenant pays the higher amount of the MAG or variable amount. MAGs were set in each contract and increase a minimum of 3% each year. The lease receivable is calculated using the contractual amounts for the space rental and minimum payments due for percentage rent each year over the course of contract. The variable component is not used to calculate the lease receivable.

The lease receivable was reduced, and interest recognized of \$27.2 million and \$2.4 million, respectively. The deferred inflow was also reduced by \$27.2 million. The lease receivable was discounted to the net present value using the 30-year bond buyer index rate on July 1, 2021 (implementation date) of 2.53%.

The Airport received \$6.8 million of revenue from the variable component on top of the lease payments.

Future minimum lease payments are as follows (amounts in thousands):

	<u>Principal</u>	<u>Interest</u>
2024	\$ 28,624	\$ 1,681
2025	30,048	941
2026	20,772	198

Other Property Leases

The Airport has entered into several agreements to lease space inside the airport or property on airport grounds. These agreements include ground transportation booths, rooms for communication equipment, the weather service building, space to operate the hardstand consortium, land for the post office, land for the Delta MRT Center, land for the Delta Flight Operations Training Center and land for Boeing. The termination dates for these contracts range from May 2023 to May 2055, including all options expected to be exercised. The lease receivable is calculated using the contractual amounts for the space rental.

The lease receivable was reduced, and interest recognized of \$3.2 million and \$493 thousand, respectively. The deferred inflow was also reduced by \$3.2 million. The lease receivable was discounted to the net present value using the 30-year bond buyer index rate on July 1, 2021 (implementation date) of 2.53%.

Future minimum lease payments are as follows (amounts in thousands):

	<u>Principal</u>	<u>Interest</u>
2024	\$ 3,916	\$ 1,418
2025	4,098	1,301
2026	2,605	1,192
2027	2,212	1,115
2028	2,361	1,037
2029-2033	14,211	3,782
2034-2038	2,773	2,229
2039-2043	2,158	1,845
2044-2048	2,717	1,377
2049-2053	3,893	761
2054-2055	1,900	74

GASB No. 87 Excluded Leases – Regulated

In accordance with GASB No. 87, the Airport does not recognize a lease receivable and a deferred inflow of resources for regulated leases. Regulated leases are certain leases that are subject to external laws, regulations, or legal rulings, e.g. the U.S. Department of Transportation and the Federal Aviation Administration, regulated aviation leases between airports and air carriers and other aeronautical users. Regulated leases include Airline Use Agreement Signatory Airlines, Cargo Facilities, Corporate Hangars, Flight School and Skydiving, Fixed Based Operator, FAA Space Rental, Fuel System, National Guard, and the Delta and Skywest Maintenance Hangars, as follows:

Airline Use Agreement Signatory Airlines

The rights, services and privileges, including the lease of preferentially-assigned gates, an airline has in connection with the use of the airport and its facilities is addressed in the Airline Use Agreement (AUA). By definition, the AUA is considered a regulated lease and does not recognize a receivable and corresponded deferred inflow of resources. The Airport and certain airlines entered into the original ten year AUA that became effective July 1, 2014 and expires on June 30, 2024. Please see Management’s Discussion and Analysis for more information on the updated Airport Use Agreement.

The Airport has entered into an AUA with eight (8) passenger airlines and recognized terminal, cargo ramp, federal inspection services (FIS) facilities, and passenger boarding bridge lease revenue of \$72.6 million, \$260 thousand, \$2.7 million, and \$1.7 million, respectively, for the year ended June 30, 2023.

Due to the variable nature of the above revenues from year-to-year, expected future minimum payments are indeterminable.

Cargo Facilities

The Airport has entered into month-to-month agreements with 6 companies for space in cargo facilities located at the airport. Revenue from these companies was \$1.0 million for the year ended June 30, 2023.

The Airport has entered into agreements with 7 additional companies for space in cargo facilities. The termination dates range from February 28, 2023 to November 8, 2045. Only one contract has options to extend. They are on the second of 4 one-year extensions, all of which are anticipated to be used. Revenue from these companies was \$883 thousand for the year ended June 30, 2023.

Future minimum lease payments are as follows (amounts in thousands):

2024	\$	796
2025		509
2026		487
2027		487
2028		487
2029-2033		1,173
2034-2038		1,070
2039-2043		1,070
2044-2046		328

Corporate Hangars

The Airport has entered into several agreements with companies for corporate hangars and the associated ground rent. Termination dates for these contracts range from April 2023 to September 2042. There are no extension options for corporate hangars. Revenue for FY 2023 from corporate hangars was \$808 thousand.

Future minimum lease payments are as follows (amounts in thousands):

2024	\$	468
2025		428
2026		411
2027		295
2028		205
2029-2033		773
2034-2038		745
2039-2043		696

Flight School and Skydiving

The Airport has entered into one agreement for skydiving and five agreements with flight schools and training. Termination dates for these contracts range from March 2023 to April 2025. Any options in the contracts are expected to be used. Revenue for FY 2023 from flight schools and skydiving was \$132 thousand.

Future minimum lease payments are as follows (amounts in thousands):

2024	\$	58
2025		39

Fixed Based Operator

The Airport has entered into agreements with two fixed based operators to manage general aviation. Termination dates for these contracts are June 2025 and September 2042. There are no extension options for fixed based operators. Revenue for FY 2023 from fixed based operators was \$1.6 million.

Future minimum lease payments are as follows (amounts in thousands):

2024	\$ 1,059
2025	990
2026	892
2027	892
2028	955
2029-2033	4,890
2034-2038	3,116
2039-2043	1,489

FAA Space Rental

The Airport has entered into an agreement with the FAA for space for equipment. The lease expires on September 30, 2028 and there are no options to extend. Revenue for FY 2023 from this lease was \$9 thousand.

Future minimum lease payments are as follows (amounts in thousands):

2024	\$ 9
2025	9
2026	9
2027	9
2028	9
2029	2

Fuel System

The Airport has entered into an agreement with a company to lease and operate the fuel system. The lease expires on December 31, 2040 with an option to extend 5 years. The option is expected to be exercised. Revenue for FY 2023 from the fuel system lease was \$2.3 million.

Future minimum lease payments are as follows (amounts in thousands):

2024	\$ 1,821
2025	1,829
2026	1,839
2027	1,848
2028	1,858
2029-2033	9,443
2034-2038	9,731
2039-2041	4,986

National Guard

The Airport has entered into agreements with the Utah Air National Guard at Salt Lake City International Airport and the Utah National Guard at South Valley Regional Airport. Termination dates for these contracts are December 31, 2028 and December 31, 2045, respectively. There are no extension options. Revenue for FY 2023 from these contracts was \$157 thousand.

Future minimum lease payments are as follows (amounts in thousands):

2024	\$	157
2025		157
2026		157
2027		157
2028		157
2029-2033		467
2034-2038		431
2039-2043		431
2044-2046		216

Delta and Skywest Maintenance Hangars

The Airport has entered into agreements with Delta and Skywest for their maintenance hangars and associated ground rent. Delta’s agreement expired on May 31, 2023 and a new 10 year agreement was entered into on June 1, 2023, expiring on May 31, 2033, with no option to extend. Skywest’s agreement expires on November 18, 2027 with an option to extend 10 years. As of October 16, 2023, it is unknown if Skywest will exercise the option. Revenue for FY 2023 from the maintenance hangars was \$3.1 million.

Future minimum lease payments are as follows (amounts in thousands):

2024	\$	4,017
2025		4,058
2026		4,101
2027		4,144
2028		3,814
2029-2033		11,038

GASB No. 87 Excluded Leases – Short-term

In accordance with GASB No. 87, the Airport does not recognize a lease receivable and a deferred inflow of resources for leases short-term leases. Short-term leases are certain leases that, at the commencement of the lease term, has a maximum possible term under the lease contract of 12 months (or less), including any options to extend, regardless of their probability of being exercised. Month-to-month leases are considered short-term.

On various dates, the Airport entered into month-to-month agreements with several offsite rental car agencies. Revenue of \$2.8 million was recorded in the year ended June 30, 2023.

On various dates, the Airport entered into several month-to-month agreements for Airport property and land. Revenue of \$2.8 million was recorded in the year ended June 30, 2023.

Lessee Agreements

The Airport leases a building near the airport for ground transportation operations and inspections. The lease began on December 1, 2007 and expired December 31, 2022. An amendment to extend the agreement was signed in August 2022 for an additional 5 years, expiring on December 31, 2027. During FY 2023, the Airport paid principal on the lease and reduced the lease liability by \$98 thousand, recorded implied interest expense of \$10 thousand, and recorded depreciation expense of \$105 thousand.

Future minimum lease payments are as follows (amounts in thousands):

	Principal	Interest
2024	\$ 88	\$ 17
2025	96	13
2026	105	9
2027	114	5
2028	60	1

NOTE 10 – DEFERRED INLFOWS OF RESOURCES - LEASES

In accordance with GASB No. 87, the Airport recognizes a lease receivable and a deferred inflow of resources for leases the Airport categorizes as GASB No. 87 - Included. For these leases, the Airport is reporting deferred inflows of \$204.3 million as of June 30, 2023, and reported deferred lease revenue of \$40.6 million. These GASB No. 87 - Included leases for the year ended June 30, 2023 are summarized below:

	Beginning Deferred Inflows	Additional Deferred Inflows	Deferred Revenue Recognized	Ending Deferred Inflows
Concession Leases	\$ 92,109	\$ -	\$ (10,145)	\$ 81,965
Rental Car Leases	106,699	-	(27,255)	79,444
Other Property Leases	15,843	30,183	(3,183)	42,844
	<u>\$ 214,652</u>	<u>\$ 30,183</u>	<u>\$ (40,582)</u>	<u>\$ 204,253</u>

NOTE 11 – SUBSCRIPTION ASSET

During FY 2023, the Airport implemented GASB Statement No. 96 – *Subscription-Based IT Arrangements*. The Airport recognizes a right-to-use asset (subscription asset) at the commencement of the subscription term, with certain exceptions for short-term contracts. The subscription asset is measured as the sum of the following: (a) the amount of the initial measurement of the subscription liability, (b) payment associated with the contract made to the vendor at the commencement of the subscription term, and (c) capitalizable initial implementation costs.

The Airport recognized six contracts as subscription-based IT arrangements (SBITAs). They include contracts for map solutions in the SLCDA app and website, passenger boarding bridge maintenance systems, a DBE database, an enterprise asset management system, flight data for Airport Operations, and flight information for public viewing. All contracts but one have options to extend, and all are intended to be used. Expiration dates (including anticipated options to extend) range from December 2024 to June 2030. Rates change based on terms in each contract and rate changes are considered in the calculation of the subscription liability. There are no variable components related to any of the contracts. On July 1, 2022 (implementation date), the Airport recognized a subscription asset of \$3.5 million.

During the year, the Airport added \$219 thousand to the subscription asset and recognized amortization expense of \$1.1 million. On June 30, 2023, the subscription asset was \$3.7 million.

	Beginning Subscription Asset		Additions	Deletions	Ending Subscription Asset	
Subscription Asset	\$	3,478	\$ 219	\$ -	\$	3,697
Accumulated Amortization		-	1,068	-		1,068
Net Subscription Asset	\$	3,478	\$ (849)	\$ -	\$	2,629

NOTE 12 – SUBSCRIPTION LIABILITY

In accordance with GASB No. 96, the Airport recognizes a subscription liability at the commencement of the subscription term. The subscription liability is measured at the present value of subscription payments expected to be made during the subscription term.

All contracts with a recognized subscription asset also have a corresponding subscription liability and the same contract terms apply. On July 1, 2022 (implementation date), the Airport recognized a subscription liability of \$2.0 million.

The subscription liability was reduced, and interest expense recognized of \$2.0 million and \$66 thousand, respectively. The subscription liability was discounted to the net present value using the 30-year bond buyer index rate on July 1, 2022 (implementation date) of 3.82%. The Airport uses the 30-year bond buyer index rate in its Airline Use Agreement to record the return on investment on the unamortized portion of capitalized assets received from the signatory airlines. This applies to all assets with any useful life. The Airport considered this rate to be the most appropriate for subscription-based contracts. The other rate available to the Airport is our borrowing rate on bond issuances. Using that rate would yield an immaterial difference from the bond buyer index rate.

	Beginning Subscription Liability	Additions	Implied Interest Expense	Liability Deduction	Annual Subscription Payment	Ending Subscription Liability
Subscription Liability	\$ 2,018	\$ -	\$ 66	\$ 566	\$ 631	\$ 1,452

Future minimum subscription payments are as follows (amounts in thousands):

	<u>Principal</u>	<u>Interest</u>
2024	\$ 609	\$ 45
2025	528	22
2026	126	9
2027	67	6
2028	41	4
2029-2030	81	3

NOTE 13 – LONG-TERM LIABILITY ACTIVITY

Long-term liability activity for the year ended June 30, 2023 was as follows (amounts in thousands):

	Beginning				Ending	Due Within
	Balance	Additions	Reductions		Balance	One Year
Accrued compensation	\$ 6,403	\$ 6,966	\$ (5,906)	\$	7,463	\$ 2,384
Net pension liability	-	4,248	-		4,248	-
Other long-term liabilities	20,809	11,470	(2,708)		29,571	15,007
Total long-term liabilities	\$ 27,212	\$ 22,684	\$ (8,614)	\$	41,282	\$ 17,391

Other long-term liabilities consist of \$120 thousand for pollution remediation, \$29.3 million for contract retainage on the Airport's construction contracts for The New SLC, and \$152 thousand for advance deposits on aircraft hangars. The current portion is the amount due within one year and is estimated by the Airport based on historical collections.

NOTE 14 – INTER-GOVERNMENTAL CHARGES

The City provides various services to the Airport, including data processing, investing, financial services, police, and firefighting services. Starting on January 1, 2019, the Airport Police combined with Salt Lake City Police, and all wages, benefits, and operating expenses will be charged as inter-governmental charges going forward. These expenses have been included in operating expenses and are as follows for the year ended June 30, 2023 (amounts in thousands):

	2023
General and administrative charges	\$ 6,434
Aircraft rescue and fire fighting services	7,166
Police services	10,635
Total	\$ 24,235

NOTE 15 – MAJOR CUSTOMER

The Airport received approximately \$71.1 million (25.1%) of its operating revenue during 2023 from rentals and services provided to one airline.

NOTE 16 – SUBSEQUENT EVENTS

On July 19, 2023, the Airport issued \$600,000,000 of Series 2023A (AMT) bonds. The proceeds of the bonds are being used to finance portions of the Terminal Redevelopment Program and the North Concourse Program. These two redevelopment programs are referred to as the New SLC.

On September 3, 2023, the Airport terminated its line of credit, which was set to expire in March 2024.

**REQUIRED
SUPPLEMENTAL INFORMATION**



SALT LAKE CITY DEPARTMENT OF AIRPORTS
Schedule of Required Supplementary Information
Schedule of the Proportionate Share of the Net Pension Liability
Utah Retirement Systems
December 31, 2022
Last 10 Fiscal Years *
(Amounts in Thousands)

Noncontributory System	2022	2021	2020	2019	2018	2017	2016	2015	2014
Proportion of the net pension liability (asset)	1.80%	1.81%	2.00%	2.15%	2.54%	2.55%	2.65%	2.58%	2.53%
Proportionate share of the net pension liability (asset)	\$ 3,088	\$ (10,386)	\$ 1,028	\$ 8,097	\$ 16,534	\$ 11,188	\$ 17,029	\$ 14,586	\$ 10,985
Covered payroll	15,093	14,863	16,395	17,436	18,072	20,761	22,028	21,247	21,137
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	20.5%	-69.9%	6.3%	46.4%	91.5%	53.9%	77.3%	68.6%	52.0%
Plan fiduciary net position as a percentage of its covered payroll	97.5%	108.7%	99.2%	93.7%	87.0%	91.9%	87.3%	90.2%	90.2%
Contributory Retirement System	2022	2021	2020	2019	2018	2017	2016	2015	2014
Proportion of the net pension liability (asset)	3.19%	2.82%	2.46%	2.20%	2.73%	3.15%	3.39%	2.1%	2.62%
Proportionate share of the net pension liability (asset)	\$ 328	\$ (2,041)	\$ -	\$ 144	\$ 857	\$ 256	\$ 1,113	\$ 1,478	\$ 757
Covered payroll	669	610	-	453	395	639	814	896	1,405
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	49.1%	-334.6%	0.0%	31.8%	216.8%	40.1%	136.7%	165.0%	53.9%
Plan fiduciary net position as a percentage of its covered payroll	97.7%	115.9%	103.9%	98.6%	91.2%	98.2%	92.9%	94.0%	94.0%
Public Safety System	2022	2021	2020	2019	2018	2017	2016	2015	2014
Proportion of the net pension liability (asset)	0.00%	0.00%	0.00%	0.00%	10.38%	10.38%	10.04%	11.05%	11.65%
Proportionate share of the net pension liability (asset)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,946	\$ 9,205	\$ 9,402	\$ 8,490
Covered payroll	-	-	-	-	-	3,113	3,121	3,158	3,292
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	0.0%	0.0%	0.0%	0.0%	0.0%	287.3%	294.9%	297.8%	257.9%
Plan fiduciary net position as a percentage of its covered payroll	86.2%	95.5%	85.9%	80.4%	73.7%	77.3%	74.0%	76.7%	76.7%

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

SALT LAKE CITY DEPARTMENT OF AIRPORTS
Schedule of Required Supplementary Information
Schedule of the Proportionate Share of the Net Pension Liability
Utah Retirement Systems
December 31, 2022
Last 10 Fiscal Years *
(Amounts in Thousands)

Tier 2 Public Employees System	2022	2021	2020	2019	2018	2017	2016	2015	2014
Proportion of the net pension liability (asset)	0.76%	0.69%	0.86%	0.84%	0.68%	0.67%	0.68%	0.69%	0.80%
Proportionate share of the net pension liability (asset)	\$ 832	\$ (294)	\$ 124	\$ 190	\$ 347	\$ 59	\$ 76	\$ (2)	\$ (24)
Covered payroll	8,185	7,971	9,602	9,494	9,460	6,570	5,571	4,452	3,909
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	10.2%	-3.7%	1.3%	2.0%	3.7%	0.9%	1.4%	0.0%	-0.6%
Plan fiduciary net position as a percentage of its covered payroll	92.3%	103.8%	98.3%	96.5%	90.8%	97.4%	95.1%	103.5%	103.5%
Tier 2 Public Safety and Firefighter System	2022	2021	2020	2019	2018	2017	2016	2015	2014
Proportion of the net pension liability (asset)	0.00%	0.00%	0.00%	0.00%	0.56%	0.56%	0.99%	0.7%	1.0%
Proportionate share of the net pension liability (asset)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (7)	\$ (9)	\$ (10)	\$ (15)
Covered payroll	-	-	-	-	-	593	815	419	431
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	0.0%	0.0%	0.0%	0.0%	0.0%	-1.1%	-1.1%	-2.5%	-3.6%
Plan fiduciary net position as a percentage of its covered payroll	96.4%	102.8%	93.1%	89.6%	95.6%	103.0%	103.6%	120.5%	120.5%

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

SALT LAKE CITY DEPARTMENT OF AIRPORTS
Schedule of Required Supplementary Information
Schedule of Contributions
June 30, 2023
Last 10 Fiscal Years *
(Amounts in Thousands)

Noncontributory System	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarial determined contributions	\$ 2,808	\$ 2,666	\$ 2,941	\$ 3,153	\$ 3,226	\$ 3,864	\$ 3,883	\$ 3,867	\$ 4,073
Contributions in relation to the contractually required contribution	(2,808)	(2,666)	(2,941)	(3,153)	(3,226)	(3,864)	(3,883)	(3,867)	(4,073)
Contribution deficiency	-	-	-	-	-	-	-	-	-
Covered payroll	20,729	20,851	20,325	20,941	21,576	22,947	22,395	22,735	21,046
Contributions as a percentage of covered payroll	13.5%	12.8%	14.5%	15.1%	15.0%	16.8%	17.3%	17.8%	19.4%
Contributory Retirement System	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarial determined contributions	\$ 31	\$ 30	\$ 27	\$ 27	\$ 26	\$ 100	\$ 121	\$ 116	\$ 186
Contributions in relation to the contractually required contribution	(31)	(30)	(27)	(27)	(26)	(100)	(121)	(116)	(186)
Contribution deficiency	-	-	-	-	-	-	-	-	-
Covered payroll	918	855	659	545	472	706	827	958	1,399
Contributions as a percentage of covered payroll	3.4%	3.5%	4.1%	5.0%	5.5%	14.1%	14.7%	12.5%	13.3%
Public Safety System	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarial determined contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,402	\$ 1,376	\$ 1,477	\$ 1,574
Contributions in relation to the contractually required contribution	-	-	-	-	-	(1,402)	(1,376)	(1,477)	(1,574)
Contribution deficiency	-	-	-	-	-	-	-	-	-
Covered payroll	-	-	-	-	-	3,441	3,173	3,379	3,277
Contributions as a percentage of covered payroll	0.0%	0.0%	0.0%	0.0%	0.0%	40.7%	43.4%	45.1%	48.0%

* In accordance with paragraph 81.a of GASB 68, employers will need to disclose a 10-year history of their contributions in their RSI. The 10-year schedule will need to be built prospectively. The schedule above is for the nine years currently available.

SALT LAKE CITY DEPARTMENT OF AIRPORTS
Schedule of Required Supplementary Information
Schedule of Contributions
June 30, 2023
Last 10 Fiscal Years **
(Amounts in Thousands)

Tier 2 Public Employee System*	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarial determined contributions	\$ 3,314	\$ 2,772	\$ 2,870	\$ 2,392	\$ 2,431	\$ 815	\$ 543	\$ 671	\$ 369
Contributions in relation to the contractually required contribution	(3,314)	(2,772)	(2,870)	(2,392)	(2,431)	(815)	(543)	(671)	(369)
Contribution deficiency	-	-	-	-	-	-	-	-	-
Covered payroll	11,241	11,182	10,516	8,898	9,953	6,399	5,004	4,763	3,892
Contributions as a percentage of covered payroll	29.5%	24.8%	27.3%	26.9%	24.4%	12.7%	10.9%	13.5%	9.5%
Tier 2 Public Safety and Firefighter System*	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarial determined contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 112	\$ 126	\$ 139	\$ 54
Contributions in relation to the contractually required contribution	-	-	-	-	-	(112)	(126)	(139)	(54)
Contribution deficiency	-	-	-	-	-	-	-	-	-
Covered payroll	-	-	-	-	-	565	732	448	429
Contributions as a percentage of covered payroll	0.0%	0.0%	0.0%	0.0%	0.0%	19.9%	17.2%	24.1%	12.7%
Tier 2 Public Employees DC Only System*	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarial determined contributions	\$ 72	\$ 72	\$ 72	\$ 72	\$ 325	\$ 109	\$ 72	\$ 94	\$ -
Contributions in relation to the contractually required contribution	(72)	(72)	(72)	(72)	(325)	(109)	(72)	(94)	-
Contribution deficiency	-	-	-	-	-	-	-	-	-
Covered payroll	243	289	263	267	1,329	656	829	4,763	-
Contributions as a percentage of covered payroll	29.5%	24.9%	27.3%	26.9%	24.4%	16.6%	8.6%	13.5%	0.0%
Tier 2 Public Safety and Firefighter DC Only System*	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarial determined contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18	\$ 17	\$ 21	\$ -
Contributions in relation to the contractually required contribution	-	-	-	-	-	(18)	(17)	(21)	-
Contribution deficiency	-	-	-	-	-	-	-	-	-
Covered payroll	-	-	-	-	-	91	97	448	-
Contributions as a percentage of covered payroll	0.0%	0.0%	0.0%	0.0%	0.0%	19.9%	17.2%	24.1%	0.0%

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

** In accordance with paragraph 81.a of GASB 68, employers will need to disclose a 10-year history of their contributions in their RSI. The 10-year schedule will need to be built prospectively. The schedule above is for the nine years currently available.

SALT LAKE CITY DEPARTMENT OF AIRPORTS
Notes to Required Supplementary Information
For Fiscal Year Ended June 30, 2023

Changes in Assumptions:

No changes were made in actuarial assumptions from the prior year's valuation.

STATISTICAL SECTION (Unaudited)



STATISTICAL SECTION
(Unaudited)

This part of the Salt Lake City Department of Airport’s Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information states about the Airport’s overall financial health.

<u>Contents</u>	<u>Schedules</u>
Financial Trends This schedule contains trend information to help the reader understand how the Airport’s financial performance and well-being have changed over time.	S2-S6
Debt Capacity This schedule presents information to help the reader assess the affordability of the Airport’s current levels of outstanding debt and the compliance with minimum debt ratios.	S7-S8
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the Airport’s financial activities take place.	S9-S12
Insurance This schedule contains the various insurance policies and their terms to help the reader understand the insurance coverage of the Airport.	S13
Operating Information These schedules provide contextual information about the Airport’s operations and resources to help readers use financial statement information to understand and assess the Airport’s economic condition.	S14-S25

SALT LAKE CITY DEPARTMENT OF AIRPORTS

**SUMMARY OF CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Amounts in Thousands)**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Net Position										
Invested in capital assets - net of debt	\$ 1,233,778	\$ 1,252,753	\$ 1,310,144	\$ 1,217,266	\$ 1,121,415	\$ 1,201,228	\$ 761,198	\$ 869,233	\$ 779,343	\$ 707,112
Restricted										
Capital Projects	45,883	40,565	35,106	42,818	37,202	32,693	189,115	143,297	196,439	179,263
Debt Service	269,435	337,178	180,507	221,741	315,432	200,842	240,783	-	-	-
Unrestricted	<u>(135,851)</u>	<u>(220,735)</u>	<u>(109,535)</u>	<u>(51,253)</u>	<u>(56,897)</u>	<u>(80,123)</u>	<u>96,713</u>	<u>209,704</u>	<u>182,199</u>	<u>223,294*</u>
Total Net Position	<u>\$ 1,413,245</u>	<u>\$ 1,409,761</u>	<u>\$ 1,416,222</u>	<u>\$ 1,430,572</u>	<u>\$ 1,417,152</u>	<u>\$ 1,354,640</u>	<u>\$ 1,287,809</u>	<u>\$ 1,222,234</u>	<u>\$ 1,157,981</u>	<u>\$ 1,109,669</u>

* Balance has not been restated for GASB 68

SALT LAKE CITY DEPARTMENT OF AIRPORTS

TOTAL ANNUAL REVENUES, EXPENSES AND CHANGES IN NET POSITION

**Last Ten Fiscal Years
(Amounts in Thousands)**

For the twelve month period ended June 30,

	2023	2022	2021	2020	2019
Operating Revenues					
Airline revenue	\$ 148,356	\$ 136,820	\$ 109,691	\$ 77,312	\$ 75,635
Terminal concessions	14,970	22,757	12,677	16,681	20,454
Landside concessions	103,903	90,597	50,802	58,691	72,457
Lease revenue	11,364	10,525	8,140	8,746	8,084
General aviation	4,128	3,491	3,579	3,009	2,990
State aviation tax	3,008	2,891	2,258	2,344	2,919
Other revenue	11,442	5,430	5,247	4,640	4,999
Operating revenues	297,171	272,511	192,394	171,423	187,539
Less: Airline revenue sharing	(13,844)	(13,566)	(7,710)	(10,097)	(14,077)
Total operating revenues	283,327	258,945	184,684	161,326	173,461
Operating Expenses					
Salaries and benefits	58,989	47,804	46,782	48,584	40,258
Materials and supplies	20,148	13,673	11,041	12,381	12,610
Maintenance contracts	22,171	19,106	12,592	11,071	10,538
Charges and services	30,906	28,232	24,618	11,069	12,970
Utilities	8,553	7,176	6,664	5,697	5,721
Inter-governmental	24,235	20,243	18,427	18,123	13,543
Other expenses	7,078	4,385	3,552	2,978	2,793
Total operating expenses before depreciation	172,080	140,619	123,676	109,903	98,433
Operating Income Before Depreciation	111,247	118,326	61,008	51,423	75,029
Depreciation	148,449	144,019	100,890	57,604	63,550
Operating Income (Loss)	(37,202)	(25,693)	(39,882)	(6,181)	11,478
Non-Operating Revenues (Expenses)					
Passenger facility charges	49,282	48,759	29,227	40,607	49,721
Customer facility charges	15,177	14,024	9,016	12,478	16,012
Interest income	30,645	11,740	3,944	19,361	36,964
Net bond interest expense	(117,346)	(116,832)	(86,108)	(85,498)	(72,223)
Bond issuance costs	(382)	(3,010)	(506)	-	(3,130)
Contribution of capital assets	(540)	(648)	(9,029)	-	-
Other revenue (expenses), net	1,378	(6,547)	(15,943)	1,528	9,405
Net non-operating revenues	(21,786)	(52,513)	(69,397)	(11,524)	36,749
Capital Contributions	62,472	71,746	94,931	31,125	14,285
Net Position					
Increase (decrease) in net position	3,484	(6,461)	(14,350)	13,420	62,512
Net Position, beginning of period	1,409,761	1,416,222	1,430,572	1,417,152	1,354,640
Net Position, end of period	\$ 1,413,245	\$ 1,409,761	\$ 1,416,222	\$ 1,430,572	\$ 1,417,152

Source: Salt Lake City Department of Airports Audited Financial Statements

SALT LAKE CITY DEPARTMENT OF AIRPORTS

TOTAL ANNUAL REVENUES, EXPENSES AND CHANGES IN NET POSITION
Continued Last Ten Fiscal Years

(Amounts in Thousands)

For the twelve month period ended June 30,

	2018	2017	2016	2015	2014
Operating Revenues					
Airline revenue	\$ 70,572	\$ 66,639	\$ 62,454	\$ 59,420	\$ 58,910
Terminal concessions	19,193	18,120	16,637	16,016	15,154
Landside concessions	68,081	64,408	57,986	52,550	49,199
Lease revenue	7,539	6,927	6,185	6,093	6,180
General aviation	2,661	2,334	1,785	1,691	1,662
State aviation tax	3,122	2,983	2,796	2,545	2,343
Other revenue	6,245	5,564	4,131	3,894	3,841
Operating revenues	177,413	166,975	151,974	142,209	137,289
Less: Airline revenue sharing	(13,007)	(12,169)	(10,941)	(9,939)	(10,290)
Total operating revenues	164,406	154,806	141,033	132,270	126,999
Operating Expenses					
Salaries and benefits	50,076	49,350	45,096	33,880	44,916
Materials and supplies	11,343	11,725	10,940	9,486	10,755
Maintenance contracts	9,034	8,399	8,202	7,827	7,778
Charges and services	12,175	13,730	10,484	8,571	9,125
Utilities	5,649	6,317	6,539	6,679	6,580
Inter-governmental	8,395	6,339	6,043	5,783	5,589
Other expenses	3,304	3,599	2,761	3,983	2,872
Total operating expenses before depreciation	99,976	99,459	90,065	76,209	87,615
Operating Income Before Depreciation	64,430	55,347	50,968	56,061	39,384
Depreciation	63,827	63,665	61,657	59,995	59,027
Operating Loss	603	(8,318)	(10,689)	(3,934)	(19,643)
Non-Operating Revenues (Expenses)					
Passenger facility charges	47,739	45,750	42,804	40,976	38,437
Customer facility charges	15,740	16,157	15,613	15,607	14,849
Net Bond interest expense	(34,675)	(14,480)	-	-	-
Loss on disposition of property and equipment	-	-	-	-	(125)
Bond issuance costs	-	(3,454)	-	-	-
Interest income	21,783	8,006	2,783	1,789	1,964
Increase in the fair value of investments	-	-	(488)	(276)	1,566
Other revenue (expenses), net	(2,501)	4,120	-	-	-
Net non-operating revenues (expenses)	48,086	56,099	60,712	58,096	56,691
Capital Contributions	18,142	17,794	14,230	15,148	17,916
Net Position					
Increase (decrease) in net position	66,831	65,575	64,253	69,310	54,964
Net Position, beginning of period	1,287,809	1,222,234	1,157,981	1,088,671	1,054,705 *
Net Position, end of period	\$ 1,354,640	\$ 1,287,809	\$ 1,222,234	\$ 1,157,981	\$ 1,109,669 *

Source: Salt Lake City Department of Airports Audited Financial Statements

*Balance has not been restated for GASB 68.

SALT LAKE CITY DEPARTMENT OF AIRPORTS

CASH FLOW TREND

**Last Ten Fiscal Years
(Amounts in Thousands)**

	2023	2022	2021	2020	2019
Cash Flows from Operating Activities					
Cash received from providing services	\$ 270,860	\$ 261,707	\$ 205,068	\$ 160,183	\$ 178,994
Cash paid for services by Salt Lake City	(31,293)	(8,694)	(18,427)	(18,123)	(13,543)
Cash paid to suppliers	(98,825)	(92,277)	(58,171)	(49,941)	(48,326)
Cash paid to employees	(60,218)	(55,014)	(50,474)	(48,728)	(49,835)
Net cash from operating activities	80,524	105,722	77,995	43,391	67,290
Cash Flows from Investing Activities					
Interest received on investments/Paid for investments	34,702	(87,999)	76,461	303,941	(376,407)
Net cash from investing activities	34,702	(87,999)	76,461	303,941	(376,407)
Cash Flows from Capital and Related Financing Activities					
Purchase of capital equipment	(8,695)	(2,716)	(7,591)	(13,763)	(5,504)
Payments for acquisition and construction of capital assets	(466,798)	(467,287)	(585,288)	(732,251)	(688,815)
Principal paid on revenue bonds	(21,920)	(1,140)	-	-	-
Payment for capital assets contributed to TSA	(540)	(648)	(9,029)	-	-
Proceeds on line of credit	-	-	267,600	-	-
Payment on line of credit	-	(267,600)	-	-	-
Proceeds from issuance of revenue bonds payable	-	1,139,949	-	-	931,456
Bond issuance costs	(264)	(1,418)	(491)	-	(1,468)
Interest paid on bonds and line of credit	(136,371)	(111,585)	(93,738)	(100,026)	(50,000)
Interest paid on subscription liability	(66)	-	-	-	-
Interest received from leases	5,046	4,679	-	-	-
Passenger Facility Charges	48,273	49,695	25,381	44,460	49,571
Customer Facility Charges	15,583	13,794	7,788	13,526	16,720
Proceeds from sale of property	99	234	150	108	159
Airport improvement grants	54,370	96,730	77,982	30,056	2,696
Other financing	-	3,818	97	2,166	8,043
Net cash from capital and related financing activities	(511,283)	456,505	(317,140)	(755,724)	262,858
Net Increase (Decrease) in Cash and Cash Equivalents	(396,057)	474,228	(162,684)	(408,392)	(46,259)
Cash and Cash Equivalents - Beginning of Year	767,021	292,793	455,477	863,868	910,127
Cash and Cash Equivalents - End of Year	\$ 370,964	\$ 767,021	\$ 292,793	\$ 455,477	\$ 863,868

Source: Salt Lake City Department of Airports Audited Financial Statements

SALT LAKE CITY DEPARTMENT OF AIRPORTS

**CASH FLOW TREND
Continued Last Ten Fiscal Years
(Amounts in Thousands)**

	2018	2017	2016	2015	2014
Cash Flows from Operating Activities					
Cash received from providing services	\$ 169,134	\$ 156,314	\$ 145,959	\$ 139,279	\$ 135,719
Cash paid for services by Salt Lake City	(8,395)	(7,247)	(7,043)	(6,978)	(7,060)
Cash paid to suppliers	(46,948)	(37,228)	(39,744)	(35,717)	(39,568)
Cash paid to employees	(53,380)	(48,872)	(46,776)	(45,398)	(43,763)
Net cash from operating activities	60,411	62,967	52,396	51,186	45,328
Cash Flows from Investing Activities					
Interest received on investments/Paid for investments	(25,623)	6,677	1,647	11,787	13,385
Net cash from investing activities	(25,623)	6,677	1,647	11,787	13,385
Cash Flows from Noncapital and Related Financing Activities					
Cash overdraft with City pooled cash account		-	(10,043)	10,043	-
Net cash from noncapital and related financing activities	-	-	(10,043)	10,043	-
Cash Flows from Capital and Related Financing Activities					
Purchase of capital equipment	(2,920)	(6,861)	(7,185)	(3,905)	(2,546)
Payments for acquisition and construction of capital assets	(501,523)	(271,753)	(146,841)	(126,880)	(68,077)
Proceeds from issuance of revenue bonds payable	-	1,124,493	-	-	-
Bond issuance costs	-	(1,391)	-	-	-
Interest paid on bonds and line of credit	(42,778)	-	-	-	-
Passenger Facility Charges	47,474	44,932	42,454	40,955	39,096
Customer Facility Charges	15,656	16,129	15,850	15,673	15,563
Interest received on Customer Facility Charges		-	333	134	-
Proceeds from sale of property	136	208	15,902	9,938	29
Airport improvement grants	19,735	22,500	-	-	25,206
Other financing	1,142	-	-	-	-
Net cash from capital and related financing activities	(463,078)	928,257	(79,487)	(64,084)	9,271
Net Increase (Decrease) in Cash and Cash Equivalents	(428,290)	997,901	(35,487)	8,932	67,984
Cash and Cash Equivalents - Beginning of Year	1,338,417	340,516	376,003	367,071	299,087
Cash and Cash Equivalents - End of Year	\$ 910,127	\$ 1,338,417	\$ 340,516	\$ 376,003	\$ 367,071

Source: Salt Lake City Department of Airports Audited Financial Statements

SALT LAKE CITY DEPARTMENT OF AIRPORTS

**Ratios of Outstanding Debt
As of June 30
(Amounts in Thousands)**

Ratio of Bond Debt Service to Total Operating Expenses

General Revenue bonds	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Principal	\$ 21,920	\$ 1,140	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	134,781	110,029	93,928	92,778	78,637	50,000	17,778	-	-	-
Total Debt Service	\$ 156,701	\$ 111,169	\$ 93,928	\$ 92,778	\$ 78,637	\$ 50,000	\$ 17,778	\$ -	\$ -	\$ -
Total Operating Expenses	\$ 172,080	\$ 140,619	\$ 123,676	\$ 109,903	\$ 98,433	\$ 99,976	\$ 99,459	\$ 90,065	\$ 76,209	\$ 87,615
Ratio of Bond Debt Service to Total Operating Expenses	91.1%	79.1%	75.9%	84.4%	79.9%	50.0%	17.9%	0%	0%	0%

Debt Service per Enplaned Passenger

Total Debt Service	\$ 156,701	\$ 111,169	\$ 93,928	\$ 92,778	\$ 78,637	\$ 50,000	\$ 17,778	\$ -	\$ -	\$ -
Enplaned passengers	13,143	12,802	7,710	10,096	13,090	12,420	11,850	11,293	10,834	10,295
Debt Service per Enplaned Passenger	\$ 11.92	\$ 8.68	\$ 12.18	\$ 9.19	\$ 6.01	\$ 4.03	\$ 1.50	\$ -	\$ -	\$ -

Total Outstanding Debt per Enplaned Passenger

Outstanding debt										
2021A series	\$ 959,445	\$ 969,275	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2021B series	161,808	163,551	-	-	-	-	-	-	-	-
2018A series	812,668	815,607	818,425	821,126	823,625	-	-	-	-	-
2018B series	105,736	106,188	106,621	107,036	107,420	-	-	-	-	-
2017A series	886,417	906,493	911,485	915,226	918,724	922,178	925,498	-	-	-
2017B series	189,513	194,680	195,714	196,676	197,574	198,463	199,314	-	-	-
Line of credit	-	-	267,600	-	-	-	-	-	-	-
Total Outstanding debt	\$ 3,115,587	\$ 3,155,794	\$ 2,299,845	\$ 2,040,064	\$ 2,047,343	\$ 1,120,641	\$ 1,124,812	\$ -	\$ -	\$ -
Enplaned Passengers	13,143	12,802	7,710	10,096	13,090	12,420	11,850	11,293	10,834	10,295
Outstanding Debt per Enplaned Passenger	\$ 237.05	\$ 246.51	\$ 298.29	\$ 202.07	\$ 156.41	\$ 90.23	\$ 94.92	\$ -	\$ -	\$ -

Source: Salt Lake City Department of Airports audited financial statements and statistics reports

SALT LAKE CITY DEPARTMENT OF AIRPORTS

**Annual Debt Service Coverage
As of June 30
(Amounts in Thousands)**

	2023	2022	2021
Revenues	\$ 283,327	\$ 258,945	\$ 184,684
Less Operation and Maintenance Expenses of the Airport System*	<u>(134,944)</u>	<u>(100,937)</u>	<u>(57,573)</u>
Net Revenues	148,383	158,008	127,111
Plus Transfers	<u>-</u>	<u>10,462</u>	<u>13,801</u>
Total Available for Debt Service	<u>\$ 148,383</u>	<u>\$ 168,470</u>	<u>\$ 140,912</u>
Annual Debt Service on Outstanding Bonds**	<u>\$ 69,203</u>	<u>\$ 63,304</u>	<u>\$ 56,353</u>
Annual Debt Service Coverage	214%	266%	250%

* Operating expenses are net of CARES, CRRSSA, or ARPA Funds

** Annual Debt Service is net of pledged PFC's to pay debt service

Note: The Airport's senior bond indenture requires that the Airport's net revenues (revenues minus operating and maintenance expense) plus other available funds, as defined in the senior Indenture, be sufficient to provide debt service coverage of 125% of the annual debt service requirement on senior bonds; and the Airport's subordinate bond indenture requires that the Airport's subordinate revenues (revenues minus operating and maintenance expenses minus senior bond debt service and reserve deposits) plus other available funds, as defined in the subordinate Indenture, be sufficient to provide debt service coverage of 115% of the annual debt service requirement on subordinate obligations.

Note: This will be a 10 year schedule, like the other statistical schedules and will be build prospectively. The schedule above is for the two years currently available.

Source Airport annual financial reports and management records

SALT LAKE CITY DEPARTMENT OF AIRPORTS
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Salt Lake City, Utah Population (1)	Personal Income (amounts expressed in thousands) (2)	Per Capita Personal Income (2)(4)	Number of residents 18 years and older (1)	Unemployment Rate (3)
2023	est. 204,657	unavailable	unavailable	unavailable	2.4%
2022	200,478	8,436,315	42,081	161,986	2.4%
2021	199,723	7,345,612	36,779	159,379	3.1%
2020	200,567	6,961,881	34,711	160,824	8.3%
2019	194,188	6,399,271	32,954	153,512	2.8%
2018	191,446	5,970,818	31,188	150,894	3.1%
2017	190,679	5,420,623	28,428	149,552	3.3%
2016	189,267	5,640,724	29,803	147,619	3.3%
2015	188,141	5,844,600	31,065	145,634	3.6%
2014	186,740	5,122,278	24,730	144,645	3.7%

- Sources:
(1) U.S. Census Bureau Projections
(2) Utah State Tax Commission
(3) U.S. Department of Labor; State of Utah Workforce Services
(4) U.S. Census Bureau Median Household Income

SALT LAKE CITY DEPARTMENT OF AIRPORTS

**Utah Principal Employers
Current Year and Ten Years Ago**

June 30, 2023

Employer	Number of Employees	Rank	Percent of all Employees
Intermountain Health Care	20,000	1	12.90%
University of Utah (Including Hospital)	20,000	2	12.90%
Walmart	20,000	4	12.90%
State of Utah	20,000	3	12.90%
Brigham Young University	20,000	5	12.90%
Hill Air Force Base	15,000	6	9.68%
Davis County School District	10,000	7	6.45%
Smith's Food and Drug Centers	10,000	8	6.45%
Utah State University	10,000	9	6.45%
Alpine School District	10,000	10	6.45%
Total Employees of Principal Employers	155,000		100.0%

June 30, 2014

Employer	Number of Employees	Rank	Percent of all Employees
Intermountain Health Care	20,000	1	13.16%
University of Utah (Including Hospital)	20,000	2	13.16%
State of Utah	20,000	3	13.16%
Brigham Young University	20,000	4	13.16%
Walmart	20,000	5	13.16%
Hill Air Force Base	15,000	6	9.87%
Davis County School District	10,000	7	6.58%
Granite School District	10,000	8	6.58%
Utah State University	10,000	9	6.58%
Smith's Food and Drug Centers	7,000	10	4.61%
Total Employees of Principal Employers	152,000		100.00%

Source: Workforce Services - based on yearly averages
Information from the City's Business Licensing Division

SALT LAKE CITY DEPARTMENT OF AIRPORTS

AIRPORT EMPLOYEE STATISTICS

Full-Time Equivalent Employees as of Fiscal Year-End
Last Ten Fiscal Years

Fiscal Year	Director's Office	Public Relations	Planning & Capital Programming	Finance & Accounting	Admin & Commercial Services	Information Technology	Engineering	Maintenance	Operations	Police	Total
2023	5	4	10	13	15	31	15	261	177	**	531
2022	5	4	8	13	14	29	21	262	164	**	520
2021	5	4	8	14	14	29	23	246	155	**	498
2020	5	4	8	14	13	30	23	242	159	**	498
2019	6	3	8	19	13	27	25	223	148	**	472
2018	6	2	8	19	13	23	25	226	142	62	526
2017	6	2	8	19	13	25	26	222	142	62	525
2016	6	2	8	20	13	25	25	221	191	*	511
2015	6	2	8	19	13	25	25	215	193	*	506
2014	5	2	8	21	14	25	29	217	200	*	521

Note: Airport employees have been re-assigned to their respective divisions as reorganizations have occurred. This did not usually result in the addition of FTEs.

* Prior to fiscal year 2017, police employees were grouped with operations employees.

**On January 1, 2019 Airport Police merged with the Salt Lake City Police Department and are no longer employed directly by the Airport.

SALT LAKE CITY DEPARTMENT OF AIRPORTS

SUMMARY OF CAPITAL ASSETS

	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Military										
Acres of land leased to military	194	194	194	135	135	135	135	135	135	135
Annual rent from military leases	\$156,794	\$156,794	\$156,794	\$153,712	\$153,712	\$153,712	\$153,712	\$150,969	\$140,144	\$136,968
Terminal - General										
Number of passenger terminals	1	1	1	3	3	3	3	3	3	3
Total square feet	3,987,095	3,870,095	3,870,095	1,060,184	1,090,067	1,090,067	1,090,067	1,090,067	1,102,400	1,102,400
Non-Retail Space - number of sq. ft.										
Counter space	6,604	6,604	6,604	7,614	7,614	7,614	7,614	7,614	7,614	7,614
Airline office	91,452	91,452	91,452	42,569	42,569	42,569	42,569	42,569	42,569	42,369
Other office (i.e. TSA, SLCDA, concession offices)	88,582	88,582	88,582	61,865	61,865	61,865	61,865	61,865	61,865	61,865
Common use areas	1,215,155	1,140,560	1,140,560	584,370	584,370	584,370	584,370	584,370	584,370	584,370
Retail Space - Pre-Security										
Food and beverage	5,095	5,164	608	2,674	2,674	2,674	2,674	2,674	2,674	2,674
Newsstands	1,684	1,684	1,684	184	184	184	184	184	184	184
Other concessions (vending)	-	-	-	264	264	264	264	264	264	264
Retail Space - Secured Area										
Food and beverage	40,891	39,129	24,402	50,280	50,280	50,280	50,280	50,280	50,280	50,280
Newsstands	7,445	9,654	9,654	7,721	7,721	7,721	7,721	7,721	7,721	7,721
Specialty Retail	19,525	20,295	16,133	15,019	15,019	15,019	15,019	15,019	15,001	15,001
Other concessions	1,860	721	721	152	152	152	152	152	96	96
Parking										
Short-term/ 4 Level Parking Garage (Number of spaces)	3,469	3,469	3,469	1,845	1,845	1,845	1,845	1,845	1,774	1,766
Long-term (Number of spaces)	10,294	10,548	10,548	10,463	10,463	10,463	9,703	9,703	10,070	10,055
Tenant Employee Lot/ Lot E (Number of spaces)	4,309	4,309	4,309	2,950	2,950	2,950	2,950	2,950	2,950	2,950
Park and Wait Lot (Number of spaces)	132	120	120	120	120	120	120	82	82	82
Cargo										
Total SF of airport buildings leased for cargo use, including warehouse, office, etc.	249,674	249,674	249,674	206,620	184,592	202,896	202,896	202,896	202,896	202,896
Total SF of ground leased for cargo, incl. warehousing, office, etc.	929,211	929,211	929,211	757,939	757,939	797,939	797,939	797,939	727,939	727,939
Runways (feet)										
34L/16R	150 x 12,000	150 x 12,000	150 x 12,000	150 x 12,000	150 x 12,000	150 x 12,000	150 x 12,000	150 x 12,000	150 x 12,000	150 x 12,000
34R/16L	150 x 12,003	150 x 12,003	150 x 12,003	150 x 12,003	150 x 12,003	150 x 12,003	150 x 12,003	150 x 12,003	150 x 12,003	150 x 12,003
35/17	150 x 9,596	150 x 9,596	150 x 9,596	150 x 9,596	150 x 9,596	150 x 9,596	150 x 9,596	150 x 9,596	150 x 9,596	150 x 9,596
32/14	150 x 4,892	150 x 4,892	150 x 4,892	150 x 4,892	150 x 4,892	150 x 4,892	150 x 4,892	150 x 4,892	150 x 4,892	150 x 4,892
Acres										
Total Acres Owned by Airport	9,365	9,365	9,352	9,663	9,663	9,663	9,663	9,633	9,510	9,426
Total AOA Acres	3,121	3,121	3,121	3,325	3,325	3,325	3,325	3,325	3,375	3,375

Source: Salt Lake Department of Airports AAAE Survey results.
New Airport concessions program completed at calendar year-end 2020.

SALT LAKE CITY DEPARTMENT OF AIRPORTS

SCHEDULE OF INSURANCE POLICIES

<u>Coverage Type</u>	<u>Carrier / Policy #</u>	<u>Policy Limits</u>	<u>Description / Deductibles</u>
Crime and Fidelity	National Union Fire Insurance 01-310-37-16	\$1,000,000	Employee Theft - Per Loss Coverage, \$20,000 deductible
		\$1,000,000	Funds Transfer Fraud, \$20,000 deductible
		\$1,000,000	Computer Fraud, \$20,000 deductible
		\$50,000	Theft of Money & Securities, \$2,500 deductible
		\$50,000	Money Orders and Counterfeit Money, \$2,500 deductible
		\$50,000	Inside or Outside Premises - Robbery or Safe Burglary of Other Property, \$2,500 deductible
Excess Workers' Comp	Safety National SP 4066907	\$25,000	Forgery or Alteration, \$1,000 deductible
		Statutory	Statutory Limits
		\$1,000,000	\$1,000,000 Self-Insured Retention (SIR) per occurrence
Cyber	Coalition Insurance Solutions C-4LQV-205722-CYBER-2023	\$5,000,000	Employers' Liability maximum limit of indemnity per occurrence
			Third-Party Liability: Media, Privacy and Cyber Security, Privacy Regulatory Defense, Awards and Fines, \$500,000 retention First Party Coverage: Data Recovery, Cyber Extortion and Ransomware. Data Breach Response and Crisis Management Coverage, \$500,000 retention
General Liability	AIG AP 007741005	\$500,000,000	Bodily Injury, Property Damage, Auto Liability on Airport
		\$500,000,000	Premises, Hangarkeepers Liability
		\$50,000,000 each offense	Personal & Advertising Injury, Incidental Medical Malpractice
		\$50,000,000 Excess of SIR	Excess Auto Legal Liability Off-Premises \$500,000 SIR
		\$150,000,000	War Liability/TRIA Liability
Property Insurance	Lexington Insurance Co. 014498273	\$1,000,000,000	Airport Terminal, Concourses, Buildings, Runways, Taxiways
		Sublimits apply	Equipment, Fuel Farm, Materials, Machinery
		\$100,000,000	Earth Movement and Flood 2% deductible per location; \$100,000 min. \$5,000,000 max.
		\$500,000,000	Windstorm or Hail 5% deductible, \$250,000 min.
		\$200,000,000	Business Interruption 2% deductible per location; \$100,000 min. \$5,000,000 max.
Comm. Auto Liability	Granite State Auto Insurance 02-CA-023317118	Not covered	Terrorism, Certified & Non-Certified Acts
		\$1,000,000	Scheduled Autos Only
Dept. of Airports		\$0 deductible	

**Salt Lake City International Airport
O&D and Connecting Enplaned Passengers**

Fiscal Year	O&D Enplaned Passengers	% Change From Prior FY	Connecting Enplaned Passengers	% Change From Prior FY	Total Enplaned Passengers	% Change From Prior FY
2014	5,317,054	0.8	4,977,640	4.4	10,294,694	2.5
2015	5,748,372	8.1	5,085,336	2.2	10,833,708	5.2
2016	6,138,625	6.8	5,154,449	1.4	11,293,074	4.2
2017	6,643,195	8.2	5,207,025	1.0	11,850,220	4.9
2018	7,201,438	8.4	5,218,734	0.2	12,420,172	4.8
2019	7,543,142	4.7	5,546,991	6.3	13,090,133	5.4
2020	5,861,766	(22.3)	4,233,966	(23.7)	10,095,732	(22.9)
2021	4,353,659	(25.7)	3,356,694	(20.7)	7,710,353	(23.6)
2022	7,648,356	75.7	5,153,862	53.5	12,802,218	66.0
2023	7,852,013 *	2.7	5,291,097 *	2.7	13,143,110 *	2.7

Sources: Total Enplanements: Department Records; USDOT (via Diio) for O&D passengers.
Connecting passengers were derived by subtracting USDOT-reported O&D passengers from Department-reported total enplanments.

* O&D passengers for FY 2023 from USDOT are not yet available. As such, the figure has been forecast using percentages from FY 2022.

**Airlines Operating in FY2023
At Salt Lake City International Airport**

Signatory Airlines

Alaska Airlines (AK)
American Airlines (AA)
Delta Air Lines (Delta)
Frontier Airlines
JetBlue Airlines
Southwest Airlines
Spirit Airlines
United Airlines (UAL)

Non-signatory & Affiliate Airlines*

Envoy Air (AA)
Express Jet (UAL)
Horizon Air (AK)
Mesa Airlines (AA, UAL)
Republic Airlines (AA, UAL)
SkyWest Airlines (AK, AA, Delta, UAL)
Sun Country Airlines

All Cargo Airlines

ABX Air
AirNet Express
Alpine Aviation
Ameriflight, LLC
Amerijet International
Ameristar Air Cargo
Atlas Air
Corporate Air
Empire Airlines
FedEx
Gem Air
Global Crossing Airlines
Kalitta Air
Northern Air Cargo
Sun Country Airlines
Swift Air
United Parcel Service
Western Air Express

Foreign Flag Airlines*

Aeromexico (Delta)
Air Canada
Eurowings Discover
KLM Royal Dutch Airlines (Delta)

* Affiliated Signatory Airlines shown in parentheses.

**Salt Lake City International Airport
Market Share of Enplaned Passengers
(000's)**

Airline	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	Market Share FY 2014	Market Share FY 2023
Delta Air Lines	4,786	5,170	5,597	6,097	6,431	6,869	5,587	4,172	7,364	7,716	72.9%	71.8%
Delta Connection*	2,723	2,440	2,329	2,184	2,298	2,563	1,778	1,420	2,039	1,715	0.0% *	0.0% *
Southwest Airlines	1,173	1,162	1,214	1,216	1,310	1,300	982	758	1,327	1,405	11.4%	10.7%
American Airlines**	647	713	752	747	775	740	555	520	688	641	6.3%	4.9%
United Airlines	443	491	552	596	608	663	475	350	596	617	4.3%	4.7%
JetBlue Airways	163	202	232	296	363	358	274	113	249	307	1.6%	2.3%
Alaska Air	112	407	409	421	379	333	253	182	295	289	1.1%	2.2%
Frontier	239	238	198	246	243	263	191	194	217	222	2.3%	1.7%
Spirit	-	-	-	-	-	-	-	-	21	209	0.0%	1.6%
Other	9	10	10	47	13	2	1	0	6	22	0.1%	0.2%
Total	10,295	10,834	11,293	11,850	12,420	13,090	10,096	7,710	12,802	13,143		

*Percentage included with Delta

**Including US Airways

Note: Amounts may not add due to rounding.

Source: Department Records

**Salt Lake City International Airport
Historical Aircraft Operations
(Total Landings & Takeoffs)**

	Fiscal Year Ended June 30									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Passenger Aircraft	237,646	237,948	237,294	247,150	250,904	253,578	216,320	219,808	245,840	232,416
Cargo	18,102	18,484	19,434	20,240	20,382	20,618	20,604	20,672	20,296	17,082
General Aviation	66,670	60,824	50,879	48,843	53,695	61,117	63,326	68,469	69,370	66,339
Military	2,190	2,738	7,978	7,202	7,037	5,751	2,792	3,190	3,001	4,156
Total Operations	<u>324,608</u>	<u>319,994</u>	<u>315,585</u>	<u>323,435</u>	<u>332,018</u>	<u>341,064</u>	<u>303,042</u>	<u>312,139</u>	<u>338,507</u>	<u>319,993</u>
Annual Change	(-1.9%)	(-1.4%)	(-1.4%)	2.5%	2.7%	2.7%	(-11.1%)	3.0%	8.4%	(-5.5%)

Source: Department Records

Salt Lake City International Airport
Historical Landed Weights
(Amounts in Thousands of Pounds)

	Fiscal Year Ended June 30									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Airlines	11,740,729	12,202,986	12,511,833	13,303,497	13,737,381	14,263,691	12,315,209	12,631,435	14,668,929	14,432,456
Cargo	938,309	997,992	1,069,830	1,106,147	1,171,564	1,201,369	1,246,304	1,356,217	1,320,235	1,165,877
Total	<u>12,679,038</u>	<u>13,200,978</u>	<u>13,581,663</u>	<u>14,409,644</u>	<u>14,908,945</u>	<u>15,465,060</u>	<u>13,561,513</u>	<u>13,987,652</u>	<u>15,989,164</u>	<u>15,598,332</u>
Annual Change	2.2%	4.1%	2.9%	6.1%	3.5%	3.7%	(-12.3%)	3.1%	14.3%	(-2.4%)

Source: Department Records

Salt Lake City International Airport
Historical Air Cargo and Mail
(amounts in U.S. tons)

	Fiscal Year Ended June 30									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Cargo	162,767	165,356	175,453	183,525	190,143	203,950	199,985	212,260	202,246	179,715
Mail	14,674	15,773	16,420	17,020	20,712	20,293	21,400	27,865	25,109	21,305
Total	177,441	181,129	191,873	200,545	210,855	224,243	221,385	240,125	227,355	201,021
Annual Change	(-4.7%)	2.1%	5.9%	4.5%	5.1%	6.3%	(-1.3%)	8.5%	(-5.3%)	(-11.6%)

Source: Department Records

**SALT LAKE CITY DEPARTMENT OF AIRPORTS
TOTAL ANNUAL REVENUES AND EXPENSES**

	Fiscal Year Ended June 30				
	2019	2020	2021	2022	2023
Operating Revenues					
Airfield	\$ 40,799,238	\$ 40,689,749	\$ 40,792,381	\$ 51,530,131	\$ 60,502,141
Terminals	60,286,589	58,015,237	84,092,806	111,698,594	109,869,990
Landside	72,852,990	58,885,211	51,311,766	90,523,390	103,971,398
Auxiliary Airports	2,031,742	2,138,371	2,106,100	2,492,699	3,174,953
General Aviation	2,392,266	2,568,559	3,381,032	3,260,293	3,465,024
Support Areas	6,437,741	5,957,045	6,319,366	5,161,656	5,965,097
Other	2,739,183	3,169,004	4,390,798	7,843,314	10,222,660
Operating revenues	187,539,749	171,423,176	192,394,249	272,510,077	297,171,263
Less: Airline revenue sharing	(14,076,885)	(10,096,880)	(7,710,155)	(13,566,127)	(13,844,449)
Total operating revenues	173,462,864	161,326,296	184,684,094	258,943,950	283,326,814
Operating Expenses					
Airfield	31,305,225	32,866,248	31,303,986	39,396,566	53,036,267
Terminals	40,435,158	47,183,508	65,663,460	73,755,975	81,137,468
Landside	10,081,900	11,223,893	12,704,070	15,075,369	20,402,261
Auxiliary Airports	4,241,437	4,534,580	4,386,332	4,292,035	5,898,905
General Aviation	877,645	892,387	747,824	39,952	373,746
Support Areas	1,661,436	1,600,159	1,644,206	1,562,360	2,604,651
Roads and Grounds	7,670,463	8,516,862	5,108,025	4,599,614	5,422,850
Other	2,161,008	3,085,500	2,118,334	1,897,243	3,204,291
Total operating expenses before depreciation	98,434,272	109,903,136	123,676,237	140,619,114	172,080,439
Operating Income Before Depreciation	75,028,592	51,423,160	61,007,857	118,324,836	111,246,375
Depreciation	63,549,763	57,604,443	100,890,159	144,018,609	148,449,313
Operating Income/(Loss)	11,478,829	(6,181,283)	(39,882,302)	(25,693,773)	(37,202,938)
Non-operating Revenues (Expenses)					
Passenger Facility Charges	49,720,539	40,607,278	29,227,051	48,759,002	49,282,454
Customer Facility Charges	16,012,445	12,477,986	9,015,981	14,024,129	15,177,082
Net Bond interest expense	(72,222,513)	(85,497,741)	(86,108,427)	(116,831,638)	(117,346,361)
Bond issuance costs	(3,129,538)	-	(506,009)	(3,010,366)	(381,981)
Interest Income	36,964,373	19,360,991	3,944,378	11,740,156	30,645,108
Contribution of capital assets	-	-	(9,028,611)	(647,664)	(539,720)
Other revenue (expenses), net	9,405,217	1,527,746	(15,942,595)	(6,546,909)	1,377,677
Net non-operating revenues (expenses)	36,750,523	(11,523,740)	(69,398,232)	(52,513,290)	(21,785,741)
Capital Contributions	14,284,968	31,124,710	94,930,936	71,745,501	62,471,709
Net Position					
Increase (decrease) in Net Position	62,514,320	13,419,687	(14,349,598)	(6,461,562)	3,483,030
Net Position, Beginning of Period	1,354,640,396	1,417,154,716	1,430,574,403	1,416,224,805	1,409,763,243
Net Position, End of Period	\$ 1,417,154,716	\$ 1,430,574,403	\$ 1,416,224,805	\$ 1,409,763,243	\$ 1,413,246,273

Source: Salt Lake City Department of Airports Audited Financial Statements

**SALT LAKE CITY DEPARTMENT OF AIRPORTS
TOTAL ANNUAL REVENUES AND EXPENSES**

	Fiscal Year Ended June 30				
	2014	2015	2016	2017	2018
Operating Revenues					
Airfield	\$ 28,986,244	\$ 27,688,088	\$ 31,809,896	\$ 35,333,251	\$ 37,850,416
Terminals	45,732,747	49,165,208	50,070,474	52,951,540	56,371,640
Landside	49,064,037	52,477,405	57,912,911	64,364,602	68,304,466
Auxiliary Airports	736,231	852,204	939,098	1,523,721	1,782,152
General Aviation	2,089,127	2,223,159	2,056,534	2,262,353	2,526,808
Support Areas	7,486,374	7,484,591	7,149,854	7,449,642	7,662,008
Other	3,194,765	2,318,083	2,035,050	3,090,190	2,915,551
Operating revenues	137,289,525	142,208,738	151,973,817	166,975,299	177,413,041
Less: Airline revenue sharing	(10,290,299)	(9,938,626)	(10,941,229)	(12,169,163)	(13,007,308)
Total operating revenues	126,999,226	132,270,112	141,032,588	154,806,136	164,405,733
Operating Expenses					
Airfield	27,040,934	22,546,161	28,358,533	30,038,981	31,484,601
Terminals	36,795,761	32,598,386	37,150,225	40,038,056	41,079,201
Landside	11,813,344	9,788,597	11,237,669	12,336,435	12,522,236
Auxiliary Airports	1,575,915	1,370,456	1,746,575	3,054,345	3,253,108
General Aviation	1,124,905	1,112,793	996,707	2,890,348	995,461
Support Areas	1,039,306	958,611	1,130,272	1,347,481	1,235,761
Roads and Grounds	6,000,384	5,736,332	6,991,987	7,165,486	6,876,733
Other	2,224,551	2,097,347	2,453,128	2,588,726	2,529,250
Total operating expenses before depreciation	87,615,100	76,208,683	90,065,096	99,459,858	99,976,351
Operating Income Before Depreciation	39,384,126	56,061,429	50,967,492	55,346,278	64,429,382
Depreciation	59,027,448	59,995,105	61,656,896	63,664,986	63,826,718
Operating Loss	(19,643,322)	(3,933,676)	(10,689,404)	(8,318,708)	602,664
Non-operating Revenues (Expenses)					
Passenger Facility Charges	38,437,248	40,976,537	42,805,519	45,750,397	47,739,461
Customer Facility Charges	14,848,663	15,606,695	15,613,155	16,157,076	15,740,068
Net Bond interest expense	-	-	-	(14,479,594)	(34,674,629)
Bond issuance costs	-	-	-	4,551,541	21,782,631
Interest Income	1,964,326	1,788,695	2,782,668	-	-
Other revenue (expenses), net	1,441,073	(275,668)	(488,665)	4,120,819	(2,501,999)
Net non-operating revenues (expenses)	56,691,310	58,096,259	60,712,677	56,100,239	48,085,532
Capital Contributions	17,916,389	15,148,122	14,230,033	17,793,909	18,142,126
Net Position					
Increase in Net Position	54,964,377	69,310,705	64,253,306	65,575,440	66,830,322
Net Position, Beginning of Period	1,054,704,509	1,088,670,623 *	1,157,981,328	1,222,234,634	1,287,810,074
Net Position, End of Period	\$ 1,109,668,886 *	\$ 1,157,981,328	\$ 1,222,234,634	\$ 1,287,810,074	\$ 1,354,640,396

Source: Salt Lake City Department of Airports Audited Financial Statements

*Difference between ending balance at 6/30/14 and beginning balance at 7/1/14 reflects GASB 68 requirements

SALT LAKE CITY DEPARTMENT OF AIRPORTS
SUMMARY OF OPERATING REVENUES
(Amounts in Thousands)
Fiscal Year Ended June 30,

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Landing Fees	\$ 25,000	\$ 23,199	\$ 27,023	\$ 30,020	\$ 32,742	\$ 35,434	\$ 35,638	\$ 35,996	\$ 45,158	\$ 53,497
Airline Terminal Space Rentals	26,812	29,019	28,500	29,775	31,028	33,432	34,645	66,680	83,480	86,486
Other Airline Revenues	7,098	7,201	6,931	6,844	6,799	6,769	7,031	7,015	8,182	8,373
Car Rental	18,064	19,341	22,142	27,186	29,181	29,856	25,372	24,317	35,378	36,053
Auto Parking Facilities	29,228	31,117	33,409	34,297	35,323	36,297	27,974	23,491	48,813	60,140
Other Terminal Rentals	28,431	29,467	30,859	35,042	39,041	42,046	37,634	31,608	48,015	49,286
Other Revenues	2,657	2,864	3,110	3,811	4,441	3,704	3,129	3,287	3,485	3,336
Credit Revenue Sharing	(10,290)	(9,938)	(10,941)	(12,169)	(13,007)	(14,077)	(10,097)	(7,710)	(13,566)	(13,844)
Total Operating Revenues	\$ 127,000	\$ 132,270	\$ 141,033	\$ 154,806	\$ 165,548	\$ 173,461	\$ 161,326	\$ 184,684	\$ 258,945	\$ 283,327

Source: Department Records

SALT LAKE CITY DEPARTMENT OF AIRPORTS
SOURCES OF AIRLINE REVENUES
(Amounts in Thousands)

Airline (includes affiliates)	FY 2021				FY 2022				FY 2023			
	Landing Fees	% of Total	Rents	% of Total	Landing Fees	% of Total	Rents	% of Total	Landing Fees	% of Total	Rents	% of Total
Alaska	\$ 687	1.9%	\$ 1,814	2.9%	\$ 960	2.1%	\$ 2,333	3.0%	\$ 1,079	2.0%	\$ 2,535	3.3%
American*	1,507	4.2%	3,916	6.3%	2,037	4.5%	4,832	6.2%	2,137	4.0%	5,193	6.7%
Delta	24,625	68.4%	42,745	68.4%	29,909	66.2%	54,593	70.0%	36,884	68.9%	52,640	67.5%
Frontier	513	1.4%	1,659	2.7%	622	1.4%	2,114	2.7%	666	1.2%	2,307	3.0%
JetBlue	406	1.1%	1,669	2.7%	750	1.7%	2,347	3.0%	954	1.8%	2,467	3.2%
Southwest	2,388	6.6%	7,187	11.5%	4,053	9.0%	7,181	9.2%	5,061	9.5%	3,636	4.7%
Spirit	-	0.0%	-	0.0%	-	0.0%	-	0.0%	548	1.0%	4,144	5.3%
United	1,155	3.2%	3,475	5.6%	1,867	4.1%	4,578	5.9%	2,158	4.0%	5,075	6.5%
Other (1)	4,715	13.1%	-	0.0%	4,960	11.0%	-	0.0%	4,010	7.5%	-	0.0%
Totals:	\$ 35,996	100.0%	\$ 62,465	100.0%	\$ 45,158	100.0%	\$ 77,978	100.0%	\$ 53,497	100.0%	\$ 77,997	100.0%

Airline (includes affiliates)	FY 2019				FY 2020			
	Landing Fees	% of Total	Rents	% of Total	Landing Fees	% of Total	Rents	% of Total
Alaska	\$ 851	2.4%	\$ 819	2.5%	\$ 826	2.3%	\$ 984	2.8%
American	1,858	5.2%	1,300	4.0%	1,646	4.6%	1,959	5.7%
Delta	23,534	66.4%	24,671	75.9%	23,850	66.9%	25,431	73.6%
Frontier	540	1.5%	494	1.5%	484	1.4%	548	1.6%
JetBlue	875	2.5%	508	1.6%	796	2.2%	664	1.9%
SkyWest	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Southwest	3,250	9.2%	3,225	9.9%	3,078	8.6%	3,357	9.7%
United	1,655	4.7%	1,501	4.6%	1,451	4.1%	1,632	4.7%
Other (1)	2,871	8.1%	-	0.0%	3,507	9.8%	-	0.0%
Totals:	\$ 35,434	100.0%	\$ 32,518	100.0%	\$ 35,638	100.0%	\$ 34,575	100.0%

Source: Department Records

(1) Includes charter, cargo, and commuter

**SALT LAKE CITY DEPARTMENT OF AIRPORTS
SOURCES OF AIRLINE REVENUES
(Amounts in Thousands)**

Airline (includes affiliates)	FY 2016				FY 2017				FY 2018			
	Landing Fees	% of Total	Rents	% of Total	Landing Fees	% of Total	Rents	% of Total	Landing Fees	% of Total	Rents	% of Total
Alaska	\$ 965	3.6%	\$ 1,067	3.8%	\$ 1,053	3.5%	\$ 957	3.3%	\$ 973	3.0%	\$ 1,025	3.3%
American	1,713	6.3%	1,333	4.8%	1,537	5.1%	1,239	4.3%	1,727	5.3%	1,250	4.0%
Delta	17,577	65.1%	21,242	76.2%	19,438	64.9%	21,831	74.8%	21,136	64.7%	23,227	74.8%
Frontier	377	1.4%	352	1.3%	483	1.6%	449	1.5%	480	1.5%	483	1.6%
JetBlue	472	1.7%	301	1.1%	631	2.1%	435	1.5%	854	2.6%	478	1.5%
Southwest	2,435	9.0%	2,454	8.8%	2,832	9.4%	2,882	9.9%	3,219	9.8%	3,056	9.9%
United	1,205	4.5%	1,103	4.0%	1,342	4.5%	1,348	4.6%	1,483	4.5%	1,396	4.5%
US Airways	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Other (1)	2,279	8.4%	-	0.0%	2,704	9.0%	-	0.0%	2,870	8.8%	84	0.3%
Totals:	\$ 27,023	100.0%	\$ 27,852	100.0%	\$ 30,020	100.0%	\$ 29,141	100.0%	\$ 32,742	100.0%	\$ 30,999	100.0%

Airline (includes affiliates)	FY 2014				FY 2015			
	Landing Fees	% of Total	Rents	% of Total	Landing Fees	% of Total	Rents	% of Total
Alaska	\$ 168	0.7%	\$ 224	0.8%	\$ 883	3.8%	\$ 714	2.4%
American	814	3.3%	729	2.7%	815	3.5%	873	3.0%
Delta	18,163	72.7%	20,116	75.8%	14,786	63.7%	22,153	75.5%
Frontier	620	2.5%	537	2.0%	420	1.8%	428	1.5%
JetBlue	346	1.4%	389	1.5%	393	1.7%	368	1.3%
Southwest	2,895	11.6%	2,612	9.8%	2,105	9.1%	2,792	9.5%
United	1,010	4.0%	1,213	4.6%	944	4.1%	1,242	4.2%
US Airways	785	3.1%	579	2.2%	747	3.2%	759	2.6%
Other (Charter, Cargo & Commuter)	198	0.7%	151	0.6%	2,105	9.1%	-	0.0%
Totals:	\$ 25,000	100.0%	\$ 26,549	100.0%	\$ 23,199	100.0%	\$ 29,328	100.0%

Source: Department Records

(1) During FY 2016, US Airways merged with American Airlines

(2) Includes charter, cargo, and commuter

**SALT LAKE CITY DEPARTMENT OF AIRPORTS
SUMMARY OF OPERATING EXPENSES**

(Amounts in Thousands)

Fiscal Year Ended June 30,

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Personnel Services	\$ 44,916	\$ 33,880	\$ 45,096	\$ 49,350	\$ 50,076	\$ 40,258	\$ 48,584	\$ 46,782	\$ 47,804	\$ 58,989
Charges/Services/Fees	18,547	19,785	20,811	24,901	23,996	26,300	25,118	40,762	51,723	60,154
Operational Maintenance Supplies	10,755	9,487	10,940	11,725	11,343	12,610	12,381	11,041	13,673	20,148
Utilities	6,209	6,313	6,175	5,946	6,166	5,721	5,697	6,664	7,176	8,553
Fire Services	4,185	4,314	4,597	4,886	5,130	5,364	5,587	5,262	5,890	7,166
Police Services	-	-	-	-	-	3,891 *	8,332	8,717	9,173	10,636
Salt Lake City Administration	3,003	2,430	2,446	2,651	3,265	4,288	4,204	4,448	5,180	6,434
Total Operating Expenses	\$ 87,615	\$ 76,209	\$ 90,065	\$ 99,459	\$ 99,976	\$ 98,433	\$ 109,903	\$ 123,676	\$ 140,619	\$ 172,080

Source: Department Records

* Starting on January 1, 2019, the Airport Police combined with Salt Lake City Police, and all wages, benefits, and operating expenses will be broken out separately.