

# **Annual Comprehensive Financial Report**

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

**For the Years Ended June 30, 2021 and 2020**



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

**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
**FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

**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 Years Ended June 30, 2021 and 2020**

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# INTRODUCTORY SECTION

THIS SECTION CONTAINS THE FOLLOWING  
SUBSECTIONS:

Letter of Transmittal  
Organizational Chart  
Certificate of Achievement





October 19, 2021

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, 2021 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, 2021 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 at West Jordan, and Tooele Valley Airport.

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 \$3.0 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 FY2020, the Airport served over 20 million passengers which is more than double the number of passengers the facilities were originally designed to handle. In conjunction with the TRP, the North Concourse Program (NCP) includes the development of a 31-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 \$1.5 billion.

Passenger traffic decreased significantly due to the COVID-19 Pandemic in 2021 and the decision was made to accelerate Phase II of the TRP (South Concourse East) and place Phase II of the NCP (North Concourse East) on hold. South Concourse East will open all 22 gates in 2023 instead of staggered gate openings that would have been completed in 2025, completing the project 2 years earlier. As passenger traffic increased at a faster rate than predicted, NCP Phase II was given the green light and was renamed Phase III. 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.

The TRP construction activities for FY 2021 included completion of the Terminal, South Concourse West, Central Utility Plant, Parking Garage, Gateway, roadways, airfield paving and the demolition of the old Parking Garage, Terminal, International Arrivals Building and Concourses. The NCP construction activities included the completion of North Concourse West and airfield paving.

The FY 2022 budget includes an additional \$165M for the Airport Redevelopment Project. This covers additional scope including upgrades to the passenger boarding bridges, cold bag storage, additional hardstand costs and escalation.

The FY 2022 budget also includes \$31.8 million for airfield projects. This includes north cargo apron development and taxiways Q, P, N, and H3 pavement rehabilitation. These airfield improvement projects ensure the safe operation of aircraft and preserve valuable assets. \$4.4 million is budgeted for Auxiliary Airport projects, \$2.3 million for landside projects including lighting wiring replacement and electric vehicle charging stations.

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 21<sup>st</sup> busiest in the United States, and 70<sup>th</sup> busiest in the world in terms of passenger numbers. The Airport provided 365 average daily departures to 95 non-stop destinations in June 2021, which is close to pre-pandemic levels. The Airport served approximately 15.4 million passengers in FY 2021 and is one of Delta's largest hubs.

### **Economic Condition**

The Fiscal Year 2021 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 continues to work 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 a consistent growth in passengers on a monthly basis in FY 2021 as the availability of vaccines became available to different age groups and demographics throughout the year with the highest month of passengers occurring in June of 2021. In addition to the \$82.5 million in Coronavirus Aid, Relief, and Economic Security (CARES) Act funding granted in FY 2020, the Airport accepted \$23.4 million from the Coronavirus Response and Relief Supplemental Appropriation Act (CRRSAA) and \$91.7 million American Rescue Plan Act (ARPA) from federal government grants which will continue to be used in FY 2022 through FY 2024 to 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 2021 Economic Report to the Governor, Utah leads all states in the rate of job growth since 2010. During 2020, a global pandemic swept the globe. Utah's unemployment rate increased to 10.4 percent compared to 2.3 percent for 2019. Over the course of 2021, Utah's unemployment rate decreased significantly and still outpaces the national average. The consensus forecast predicts increased uncertainty and moderation due to the ongoing pandemic, but still healthy growth for the state in the near future.

Utah's total personal income is estimated to have increased by 8.8 percent in 2020, in addition to the 5.8 percent increase in 2019. The 2020 increase in personal income was led by copious federal aid. Jobs were added across some industry sectors and decreased in others in the Utah economy during 2020, including significant expansion in the construction sector driven by increases in both residential and nonresidential projects. Many other sectors saw declines in jobs, including manufacturing, information, and government. The biggest decline was from leisure and hospitality, which saw a decrease of 12.3 percent in 2020.

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 2013, 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.

The Airport in 2013 generated an estimated \$1.1 billion in wages and income annually from an estimated 35,290 full-time jobs. Taking all spending into account, the airport contributes an estimated \$1.9 billion annually 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 12.5 percent, while passengers decreased 23.6 percent in FY 2021 compared to FY 2020 due to the COVID-19 pandemic. The large increase in operating costs relates to opening Phase I of the TRP and NCP in September and October 2020. Costs increased for the hardstand, 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 and \$850.5 million in October 2018 to fund the ongoing construction of the TRP and NCP. Efforts are continually made to control operating costs to the airlines and reduce airline cost per enplaned passenger, currently at \$11.25 for FY 2021 and \$5.41 for FY 2020, one of the lowest rates among large hub airports in the nation. The Airport has total cash and investment balances of \$398 million to be utilized during the next several years for operating costs, CIP as well as the TRP and NCP with the exception of certain restricted funds. Financing for the TRP and NCP are generated from federal grants, PFCs, CFCs, bonds, and Airport cash reserves. The Airport will acquire additional funding in the future to fund the next phase of the TRP and NCP.

## **Outlook**

Over the last several years, Utah has outperformed the national economy. Even with the ongoing pandemic this trend is expected to continue. Unemployment in Utah was 2.7% as of June 2021, well below the national average of 5.9%. Job growth is expected to recover as the economy continues to improve.

The budget for the Airport adopted for FY 2022 assumes that Salt Lake City Airport passengers are projected to increase by 49.2 percent during FY 2022 compared to the prior Fiscal Year. Full economic recovery from the pandemic is expected to occur in FY 2023 or FY 2024. Flights have returned to pre-pandemic levels and several new routes continue to be added. The Airport and airlines are doing everything possible to keep costs down while passenger traffic continues to recover.

Current financial position, passenger statistics, and results from FY 2021 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 to occur in FY 2023 or FY 2024. 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 making several vaccines available to most age groups and demographics in the United States, leisure travel has returned much quicker than business travel which remains suppressed or suspended based on company policies. In the Airport's FY 2022 budget, we are forecasting an increase of 49.2% of enplanements compared to those in FY 2021.

Construction on Phase II of the New SLC is well underway. The new terminal opened on September 15, 2020, along with the parking garage, gateway and Concourse A. Phase II of the TRP is scheduled to start to deliver gates as early as the spring of 2023 with the remaining gates being completed later in the fall of 2023. The TRP replaces terminal facilities that are over 50 years old, require extensive maintenance, are



not energy efficient, and fail to meet current seismic standards. The New SLC received an award 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 31 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 will begin construction in Q1 2022 and will finish connecting the central tunnel to the central plaza in the fall of 2024, with four additional gates coming online at the same time. The remaining four gates on concourse B will become operational in the fall of 2025.

In the 2020 State of Utah's Economic Report to the Governor it states that Salt Lake City is undergoing a 10-year \$3.6 billion remodel of the international airport that is expected to contribute \$3.3 billion to the economy. After this report was issued, the Airport increased the scope and size of the project to \$4.5 billion.

### **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 Comprehensive Annual Financial Report for the fiscal year ended June 30, 2020.

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 services. 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.

  
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Bill Wyatt  
Salt Lake City Department of Airports  
Executive Director

  
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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	Vacant
District Two	Dennis Faris
District Three	Chris Wharton
District Four	Ana Valdemoros
District Five	Darin Mano
District Six	Dan Dugan
District Seven	Amy Fowler, Chair

### **Department of Airports**

#### **Advisory Board Members**

Steve Price, Chair  
Theresa Foxley, Vice Chair  
Cynthia D. Miller  
Roger Boyer  
Arlyn Bradshaw  
Karen Mayne  
Tye Hoffman  
Larry Pinnock  
Dirk Burton

### **Executive Director**

Bill Wyatt

### **Directors**

Admin & Commercial Services	Shane Andreasen
Chief Operating Officer	Peter L. Higgins
Engineering	Kevin F. Robins
Finance	Brian Butler
Information Management	Edwin Cherry
Maintenance	Ed Clayton
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  
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Presented to

**Salt Lake City Department of Airports  
Utah**

For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

June 30, 2020

*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

### Report on the Financial Statements

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 statements of net position as of June 30, 2021 and 2020, and the related statements of revenues, expenses and changes in net position and cash flows for the years 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.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

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

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

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

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Airport as of June 30, 2021 and 2020, and the respective changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## **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 the business-type activities and each major fund 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, 2021 and 2020, the changes in its financial position, where applicable, its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

## **Other Matters**

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

### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The introductory section and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

## **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 19, 2021, 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 Salt Lake City Department of Airports' internal control over financial reporting and compliance.

*Eide Bailly LLP*

Salt Lake City, Utah  
October 19, 2021

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

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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, 2021 and 2020.

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 user charges. 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**

The 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). The Airport ranks as the 21<sup>st</sup> busiest in the United States and the 70<sup>th</sup> 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 12<sup>th</sup> busiest in the United States and 19<sup>th</sup> 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. Total passengers decreased by 4.8 million in FY 2021 and by 6.0 million in FY 2020, and increased by 1.4 million FY 2019 to a total of 15.4 million, 20.2 million, and 26.2 million passengers, respectively. Enplaned passengers decreased by 2.4 million in FY 2021 and by 3.0 million in FY 2020, and increased by 670 thousand FY 2019 to a total of 7.7 million, 10.1 million, and 13.1 million enplaned passengers; a decrease of 23.6% and 22.9%, and an increase of 5.4%, respectively. As of June 30, 2019, the Airport provided 370 average daily departures to 98 non-stop destinations. Due to the COVID-19 pandemic, airlines operating at the Airport reduced service and the Airport provided 143 average daily departures to 67 non-stop destinations in June 2020. In June 2021, the Airport had service to 89 domestic destinations and 6 international destinations, including five new domestic destinations not served prior to the COVID-19 pandemic. Load factors decreased to 59% in FY 2021 compared to 71% and 88% in FY 2020 and FY 2019. However, the June 2021 load factor jumped back up to 91%.



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

Total aircraft operations increased 3.0% in FY 2021, decreased 11.1% in FY 2019, and increased 2.7% in FY 2019. Landed weights increased by 426 million pounds, 3.1%, in FY 2021, decreased by 1,904 million pounds, -12.3%, in FY 2020, and increased by 556 million pounds, 3.7%, in FY 2019. The changes in operations and landed weights are due to the COVID-19 pandemic.

	<u>FY 2021</u>	<u>FY 2020</u>	<u>FY 2019</u>	<u>FY 2018</u>
Enplanements (in thousands)	7,710	10,096	13,090	12,420
% increase from prior year	(23.6%)	(22.9%)	5.4%	4.8%
Landed weight lb's (in thousands)	13,987,653	13,561,514	15,465,060	14,908,945
% increase from prior year	3.1%	(12.3%)	3.7%	3.5%
Aircraft Operations - All Types (in thousands)	312	303	341	332
% increase (decrease) from prior year	3.0%	(11.1%)	2.7%	2.8%
Total # of passengers (in thousands)	15,414	20,207	26,204	24,831
% increase from prior year	(23.7%)	(22.9%)	5.5%	4.8%

**STATEMENT OF NET POSITION**

The Airports' net position was \$1.4 billion as of June 30, 2021. The total decrease in net position during the year ended June 30, 2021 was \$14.4 million. The largest portion of the Airport's net position (92.9%) 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, 2021	June 30, 2020	June 30, 2019
<b>STATEMENTS OF NET POSITION</b>			
<b>ASSETS:</b>			
Current and other assets	\$ 503,008	\$ 719,956	\$ 1,413,134
Capital assets	3,429,479	3,035,212	2,303,130
<b>TOTAL ASSETS</b>	<b>3,932,487</b>	<b>3,755,168</b>	<b>3,716,264</b>
<b>DEFERRED OUTFLOWS</b>	<b>4,413</b>	<b>4,521</b>	<b>9,575</b>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS</b>	<b>3,936,900</b>	<b>3,759,689</b>	<b>3,725,839</b>
<b>LIABILITIES:</b>			
Current liabilities	436,452	211,714	183,921
Noncurrent liabilities	2,068,013	2,107,255	2,119,746
<b>TOTAL LIABILITIES</b>	<b>2,504,465</b>	<b>2,318,969</b>	<b>2,303,667</b>
<b>DEFERRED INFLOWS</b>	<b>16,213</b>	<b>10,148</b>	<b>5,020</b>
<b>TOTAL LIABILITIES AND DEFERRED INFLOWS</b>	<b>2,520,678</b>	<b>2,329,117</b>	<b>2,308,687</b>
<b>NET POSITION:</b>			
Invested in capital assets	1,310,144	1,217,266	1,121,415
Restricted			
Capital Projects	35,106	42,818	37,202
Debt Service	180,507	221,741	315,432
Unrestricted	(109,535)	(51,253)	(56,897)
<b>Total Net Position</b>	<b>1,416,222</b>	<b>1,430,572</b>	<b>1,417,152</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS, AND NET POSITION</b>	<b>\$ 3,936,900</b>	<b>\$ 3,759,689</b>	<b>\$ 3,725,839</b>
<b>SUMMARY OF CHANGES IN NET POSITION</b>			
	<b>FY 2021</b>	<b>FY 2020</b>	<b>FY 2019</b>
Operating revenues	\$ 184,684	\$ 161,326	\$ 173,461
Operating expenses	(123,676)	(109,903)	(98,433)
Operating Income before depreciation	61,008	51,423	75,029
Depreciation	(100,890)	(57,604)	(63,550)
Operating income (loss)	(39,882)	(6,181)	11,478
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Passenger facility charges	29,227	40,607	49,721
Customer facility charges	9,016	12,478	16,012
Interest expense	(86,108)	(85,498)	(72,223)
Other, net	(21,533)	20,889	43,239
<b>Total Non-Operating Revenues (Expenses)</b>	<b>(69,399)</b>	<b>(11,524)</b>	<b>36,749</b>
<b>CAPITAL CONTRIBUTIONS</b>			
Contributions and grants	94,931	31,125	14,285
Increase (decrease) in Net Position	(14,350)	13,420	62,512
Net Position, beginning of period	1,430,572	1,417,152	1,354,640
Net Position, end of period	\$ 1,416,222	\$ 1,430,572	\$ 1,417,152

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Restricted cash for construction has decreased \$49 million from the prior year as the Department continued to spend bond proceeds on the continuing construction of the Terminal Redevelopment Plan (TRP) and North Concourse Plan (NCP). As of June 30, 2021, \$216 million (7.1%) of Airport assets were restricted for construction compared with \$265 million (7.1%) in FY 2020, and \$903 million (24.3%) in FY 2019. 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, \$27.4 million of Airport assets in FY 2021 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 spent bond proceeds on the construction of both the TRP and NCP. Total available cash and investments decreased by \$270 million in FY 2021. After restricted balances, the Airport's unrestricted cash available for operating expenses and reserves for the TRP and NCP decreased by \$99 million.

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 \$817 thousand, and U.S. Treasury, Agency, and corporate bonds were increased by \$384 thousand to fair market value at June 30, 2021. 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, \$384 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 \$220 million (-54.8%) because the COVID-19 pandemic caused a reduction in operating revenue, and reimbursements to operating cash from PFC restricted cash or bond proceeds restricted cash for capital projects financed in FY 2021 did not cover the shortfall. Non-operating cash from PFCs, CFCs, and grants increased, which was offset with the decrease in available operating cash and bond proceeds.

Airport cash payments for current year construction and land acquisitions in the amount of \$592.6 million were reimbursed by restricted PFC funds in the amount of \$25.4 million, CFC funds in the amount of \$7.8 million, federal airport improvement program grants (AIP) of \$78.0 million, and proceeds of general airport revenue bonds (GARBs) in the amount of \$481.4 million. The remainder of cash outflows for construction as well as payments for capital equipment of \$7.6 million was provided by Airport operating cash.

Capital assets (net of accumulated depreciation) have increased by \$394 million. This increase is attributed primarily to an increase in equipment of \$172 million. Phase I of the TRP was completed and capitalized moving most of our construction in progress to building and improvements with a minimal net change between the two. The remaining increase to net capital assets is from a decrease in accumulated depreciation of \$267 million from the removal of so many assets related to the demolition of the Airport's old facilities.

In FY 2013 and FY 2016, the Department evaluated assets that would be demolished or replaced because of the terminal redevelopment program and re-estimated their remaining useful lives. This has resulted in an additional accelerated depreciation expense of approximately \$2.2 million for FY 2020 and \$7.6 million in FY 2019. There is no additional accelerated depreciation in FY 2021 because those assets that were accelerated in prior years were disposed of in the current year. This resulted in a higher amount of

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accumulated depreciation, and a reduction in net capital assets until additions to capital assets were made in FY 2021 as a result of the TRP and NCP. Capital assets are currently funded by AIP, TSA grants, PFCs, CFCs, bond proceeds, 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 adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* in FY 2015. The Airport recorded a reduction in deferred outflows of \$108 thousand in FY 2021, decreasing deferred outflows to \$4.4 million, which represent deferred outflow of resources (expenses) in future periods. The Airport also increased deferred inflows by \$6.1 million in FY 2021, to \$16.2 million, which represent resources (revenues) that will be recognized in future periods.

<b>SUMMARY OF CASH FLOW ACTIVITIES</b>	<b>FY 2021</b>	<b>FY 2020</b>	<b>FY 2019</b>
Cash flow from operating activities	\$ 77,995	\$ 43,391	\$ 67,290
Cash flow (used) from investing activities	76,461	303,941	(376,407)
Cash flow from passenger facility charges	25,381	44,460	49,571
Cash flow from customer facility charges	7,788	13,526	16,720
Cash flow from grants	77,982	30,056	2,696
Cash flow from sale of capital assets and equipment	150	108	159
Cash flow from revenue bond proceeds	-	-	931,456
Cash flow from line of credit proceeds	267,600	-	-
Cash flow (used) for contribution of capital assets	(9,029)	-	-
Cash flow (used) for interest paid on bonds	(93,738)	(100,026)	(50,000)
Cash flow (used) for bond issuance costs	(491)	-	(1,468)
Cash flow from other financing	97	2,166	8,043
<b>Payments for acquisition and construction of property</b>	<b>(592,879)</b>	<b>(746,014)</b>	<b>(694,319)</b>
Cash and cash equivalents at beginning of year	455,477	863,868	910,127
<b>Net (decrease) in cash</b>	<b>(162,684)</b>	<b>(408,392)</b>	<b>(46,259)</b>
Cash and cash equivalents at end of year	\$ 292,793	\$ 455,477	\$ 863,868

(amounts in thousands)

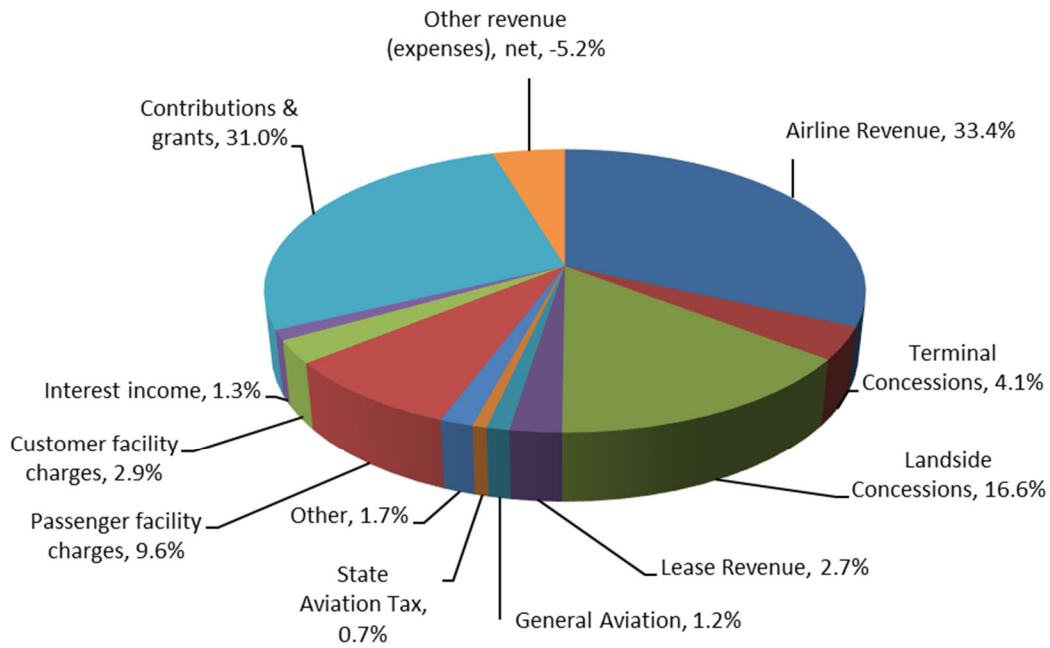
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**

Operating income, before depreciation, was \$61.0 million in FY 2021, compared with \$51.4 million in FY 2020, and \$75.0 million in FY 2019. With the inclusion of depreciation and non-operating revenue and expenses, the resulting decrease in net position for FY 2021 was \$14.4 million. FY 2020 increased by \$13.4 million, and FY 2019 increased by \$62.5 million.

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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, 2021:



(Amounts in thousands)	FY 2021 Amount	Percent of Total	FY 2020 Amount	Percent of Total	FY 2019 Amount	Percent of Total
<b>Operating revenues:</b>						
Airline revenue	\$ 109,691	35.9%	\$ 77,312	29.0%	\$ 75,635	25.2%
Terminal concessions	12,677	4.1%	16,681	6.3%	20,454	6.8%
Landside concessions	50,802	16.6%	58,691	22.0%	72,457	24.2%
Lease revenue	8,140	2.7%	8,746	3.3%	8,084	2.7%
General aviation	3,579	1.2%	3,009	1.1%	2,990	1.0%
State aviation tax	2,258	0.7%	2,344	0.9%	2,919	1.0%
Other	5,247	1.7%	4,640	1.7%	4,999	1.7%
Operating revenues	192,394		171,423		187,539	
Less: Airline revenue sharing	(7,710)	-2.5%	(10,097)	-3.8%	(14,077)	-4.7%
Total operating revenues	184,684	60.4%	161,326	60.6%	173,461	57.8%
<b>Non-operating revenues and capital contributions:</b>						
Passenger facility charges	29,227	9.6%	40,607	15.2%	49,721	16.5%
Customer facility charges	9,016	2.9%	12,478	4.7%	16,012	5.3%
Interest income	3,944	1.3%	19,361	7.3%	36,964	12.3%
Other revenue (expenses), net	(15,943)	-5.2%	1,528	0.6%	9,405	3.1%
Contributions & grants	94,931	31.0%	31,125	11.7%	14,285	4.9%
Total non-operating revenues	121,175	39.6%	105,099	39.4%	126,387	42.2%
Total revenues	\$ 305,859	100.0%	\$ 266,425	100.0%	\$ 299,848	100.0%

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**Operating Revenues**

Salt Lake City International Airport is served by seven domestic carriers: Alaska, American, Delta, Frontier, JetBlue, Southwest, and United. On July 1, 2014, the airlines and the Airport entered into a ten year Airport Use Agreement (AUA). Each AUA terminates on June 30, 2024, unless earlier terminated, except that Delta and United have entered into an amendment to their AUA extending the term for an additional ten years to June 30, 2034. Each of the other Signatory Airlines has been offered the opportunity to extend the term of their AUA on the same terms as Delta, but as of October 19, 2021, none of the other Signatory Airlines has elected to extend the term of their AUA. 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 decreased by \$2.4 million compared to the prior year from \$10.1 million in FY 2020 to \$7.7 million in FY 2021, and decreased by \$4.0 million from \$14.1 million in FY 2019 to \$10.1 million in FY 2020. The decrease in FY 2021 was caused by a reduction in flights from the airlines due to the COVID-19 pandemic for a majority of the year, which resulted in fewer passengers at the Airport.

Airline revenue, net of airline revenue sharing, has increased \$34.8 million in FY 2021 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. Terminal rents were not impacted by COVID-19 during FY 2020. 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. These factors caused the terminal rent rate to increase considerably. Landing fees increased by \$357 thousand in FY 2021 over the prior year. Terminal space and other building rentals have increased by \$34.4 million in FY 2021 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 2021 was \$11.25, an increase from the FY 2020 amount of \$5.41.

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 three years are as follows:

	<u>FY 2021</u>	<u>FY 2020</u>	<u>FY 2019</u>
Terminal Rents (annual per square foot)	\$ 112.76	\$ 78.51	\$ 75.62
Landing Fees (per 1,000 lbs)	\$ 2.54	\$ 2.64	\$ 2.29

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 in terminal retail outlets and restaurants were forced to close. Rental cars and ground transportation were affected due to the decrease in passengers at the Airport. Terminal concessions revenues have decreased by \$4.0 million (-24.0%) from FY 2020. The decrease in terminal concession revenue is a result of the decrease in total passengers of 23.6% caused by

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the COVID-19 pandemic. Landside concessions have decreased by \$7.9 million (-13.4%). Auto parking revenues have decreased \$4.5 million (-16.0%). Ground transportation decreased by \$2.4 million (-44.0%). Rental cars and parking decreased due to fewer passengers coming to the Airport, but Salt Lake City and Utah in general remained an attractive destination during the pandemic due to the many outdoor activities. Many people took rental cars to ski resorts and national parks and other locations rather than ground transportation (taxi, Uber, Lyft). The same is true for people coming to the Airport. Many more people parked at the Airport rather than using traditional ground transportation. This is shown in the smaller decreases in rental cars and parking and the large decrease in ground transportation.

**Non-operating Revenues**

The Airport recorded \$94.9 million in grants in FY 2021. These funds consisted of \$26.1 million in AIP grants provided by the Federal Aviation Administration, \$66.1 million in CARES Act grants, and \$2.8 million in CRRSAA Act grants. Airport federal grants increased from the prior year by \$63.8 million (205.0%) based on timing of grant applications and CARES Act and CRRSAA Act funding. Passenger facility charge revenue in FY 2021 was \$29.2 million, including \$67 thousand in interest on PFC deposited funds. This is a total decrease of \$11.4 million (-28.0%) from the FY 2020 total of \$40.6 million, as a result of the reduction in passengers due to COVID-19. Customer facility charge revenue in FY 2021 was \$9.0 million. This is a decrease of \$3.5 million (-27.7%) from the FY 2020 total of \$12.5 million, as a result of the reduction in passengers due to COVID-19.

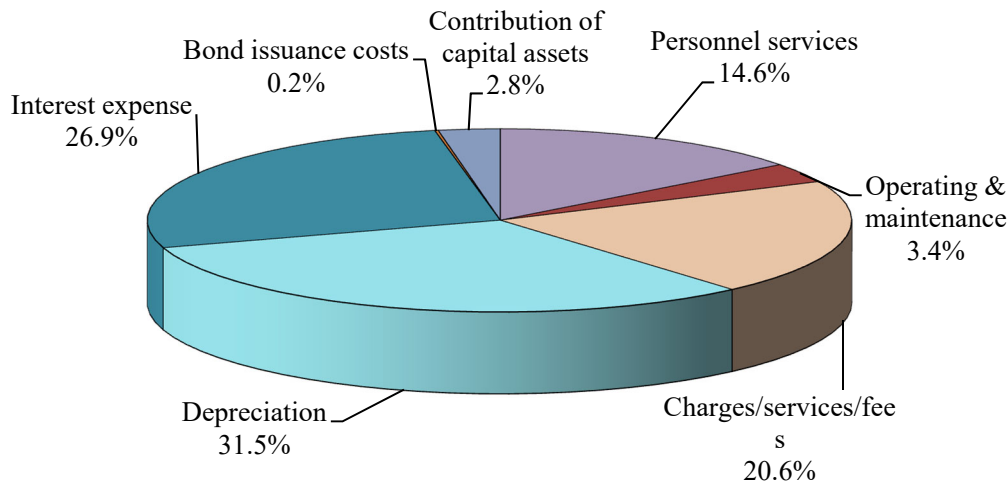
The Airport recorded a loss of \$14.6 million on the disposition and sale of property and equipment in FY 2021 due to the decommissioning of so many assets with the demolition of the old airport facilities. In FY 2020, the gain on the disposition and sale of property and equipment was \$44 thousand.

The average interest rate on investments that are held in the State Treasurer's pool for FY 2021 was 0.5%, compared to 2.0% in FY 2020, and 2.8% in FY 2019. In FY 2021, FY 2020, and FY 2019, interest earned from the State Treasurer's pool and depository accounts totaled \$3.1 million, \$17.4 million, and \$31.9 million, respectively. Interest income decreased because of lower balances in the State Treasurer's pool as the bond proceeds were spent from the pool, as well as decreasing interest rates from the Federal Reserve. 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 \$1.8 million in FY 2021, \$4.5 million in FY 2020, and \$5.0 million in FY 2019 (after management fees). The weighted average yield, including discounts and premiums included at purchase, was 1.04%. The investment in these securities reduced the balance in the Utah State Treasurer's pool. See Note 2 for cash investment details. The Airport recorded \$1.6 million in FY 2021, \$1.2 million in FY 2020 and \$1.3 million in FY 2019 of interest income from financing CFC related projects from Airport reserves that will be paid back to the Airport through future CFC collections.

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**Expenses**

A chart and summary of expenses for the year ended June 30, 2021, including the amount and percentage of change in relation to prior year amounts, is as follows:



(Amounts in thousands)	FY 2021	Percent of Total	FY 2020	Percent of Total	FY 2019	Percent of Total
<b>Operating expenses:</b>						
Personnel services	\$ 46,782	14.6%	\$ 48,584	19.2%	\$ 40,258	17.0%
Operating and maintenance	11,041	3.4%	12,381	4.9%	12,610	5.3%
Charges/services/fees	65,853	20.6%	48,938	19.3%	45,565	19.2%
<b>Total operating expenses before depreciation</b>	<b>123,676</b>	<b>38.6%</b>	<b>109,903</b>	<b>43.4%</b>	<b>98,433</b>	<b>41.5%</b>
Depreciation	100,890	31.5%	57,604	22.8%	63,550	26.8%
<b>Total operating expenses</b>	<b>224,566</b>	<b>70.1%</b>	<b>167,507</b>	<b>66.2%</b>	<b>161,983</b>	<b>68.3%</b>
<b>Non-operating expenses:</b>						
Interest expense	86,108	26.9%	85,498	33.8%	72,223	30.4%
Bond issuance costs	506	0.2%	-	0.0%	3,130	1.3%
Contribution of capital assets	9,029	2.8%	-	0.0%	-	0.0%
<b>Total non-operating expenses</b>	<b>95,643</b>	<b>29.9%</b>	<b>85,498</b>	<b>33.8%</b>	<b>75,353</b>	<b>31.7%</b>
<b>Total expenses</b>	<b>\$ 320,209</b>	<b>100.0%</b>	<b>\$ 253,005</b>	<b>100.0%</b>	<b>\$ 237,336</b>	<b>100.0%</b>



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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, banned travel for all employees, and halted or postponed work on several projects. These practices continued for about a year into March and April of 2021. The Airport began hiring at a small increased rate at that time and limited travel resumed. Operating costs increased from FY 2020 to FY 2021 due to the opening of new airport in September 2020 and is further explained below.

Operating expenses before depreciation have increased by \$13.8 million (12.5%) in the current fiscal year. These expenses increased by \$11.5 million (11.7%) in FY 2020, and decreased by \$1.5 million (-1.5%) in FY 2019. Personnel services have decreased by \$1.8 million (-3.7%) in the current fiscal year. The change is primarily due to pension expense related to GASB 68, which is further discussed in Note 7. Salaries and benefits remained flat between FY 2021 and FY 2020

Operating and maintenance costs have decreased by \$1.3 million (-10.8%) from FY 2020. The primary cause for the change is a decrease of \$2.0 million for chemicals. The winter months were much lighter compared to prior years so it wasn't necessary to use and purchase as many chemicals for the airfield. There were minor increases in other areas to make up the difference.

Expenses for charges and services have increased by \$16.9 million (34.6%) from FY 2020. The largest increase was for \$5.7 million of hardstand expenses that didn't exist in FY 2020. There were additional costs for the janitorial contract, passenger boarding bridges, baggage handling system, new software programs, and the central receiving and distribution center.

Depreciation expense increased by \$43.3 million (75.1%) in FY 2021, decreased by \$5.9 million (-9.4%) in FY 2020, and decreased by \$277 thousand (-0.4%) in FY 2019. The increase in depreciation expense is based on the capitalization of over \$2 billion in capital assets with the completion of Phase I of the TRP and NCP. The decrease in FY 2020 and FY 2019 was due to growth in construction in process with fewer assets being capitalized and more assets being retired as the TRP and NCP were nearly completed.

**NON-OPERATING EXPENSES**

Non-operating expenses consist primarily of interest on long-term debt. Interest expense was \$86.1 million in FY 2021 and \$85.5 million in FY 2020. 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. The Airport had bond issuance costs of \$506 thousand in FY 2021. Additionally in FY 2021, the Airport incurred a \$9.0 million expenditure as a contribution of capital assets related to a donation to the Transportation Security Administration (TSA) of their screening lanes and machines for the opening of Phase I of the TRP and North Concourse Program NCP.

**CAPITAL TRANSACTIONS**

TRP construction activities for FY2021 included completion of the Terminal, South Concourse West, Central Utility Plant, Parking Garage, Gateway, Roadways, and Airfield Paving. NCP construction activities included the completion of North Concourse West and Airfield paving. In addition to the TRP and NCP activities, the Airport completed Taxiway K Pavement Rehabilitation, Taxiway E Reconstruction, Gates 10 and 11 relocation, Airfield lighting rehabilitation phase IV, and a Parking Access Revenue Control System.

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At the beginning of the fiscal year, Airport projects totaling \$2.415 billion were in the process of construction and an additional \$480 million construction cost during the year. A total of \$2.510 billion in projects and equipment was capitalized and placed in service in FY 2021, \$9.4 million was expensed, and \$344 million remains as construction in progress. The largest portion of the \$2.510 billion of capitalized projects included TRP and NCP projects.

The phased construction on the \$4.5 billion TRP and NCP programs will continue through 2025. Phase I of the TRP went into service on September 15, 2020 with NCP going into service on October 20, 2020. Phase II will be complete in 2023 and Phase III in 2025. Additional information regarding capital assets can be found in Note 4 in the Notes to Financial Statements.

**LONG-TERM DEBT**

As of June 30, 2021 and 2020, the Airport had a total of \$2 billion each year outstanding in General Airport Revenue Bonds. These bonds mature from July 1, 2021 to July 1, 2048 with an interest rate of 5-5.25%. 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. As of June 30, 2021, the Airport had an outstanding balance on a line of credit of \$267.6 million. Additional information regarding long-term Airport debt can be found in Note 8 in the Notes to Financial Statements.

**ECONOMIC OUTLOOK**

The fiscal year 2021 financial results reflect changes to both operating and non-operating revenues and expenses due to the global pandemic of COVID-19. The Department continues to work closely with the airlines serving the Airport and other tenants to respond to the pandemic and ensure a safe and pleasant experience for passengers. While there has been an increase in passengers using the Airport since the beginning of the pandemic, recovery to return to FY 2019 levels will be dependent on the return of business and international travel around the country and world.

**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*

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Brian Butler, CPA  
Chief Financial Officer

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

<i>As of June 30,</i>	<b>2021</b>	<b>2020</b>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 181,080	\$ 279,643
Restricted cash and cash equivalents	12,271	107,607
Restricted investments	34,234	22,753
Investments	-	26,980
Airline and rental fees receivable	57,967	37,612
Loans receivable	7,347	-
Other assets	6,141	5,492
<b>Total current assets</b>	<b>299,040</b>	<b>480,087</b>
<b>Noncurrent Assets</b>		
Restricted cash and cash equivalents	99,442	68,227
Restricted investments	69,669	66,349
Investments	921	95,812
Loans receivable	31,895	8,002
Other assets	2,041	1,479
<b>Total noncurrent assets and investments</b>	<b>203,968</b>	<b>239,869</b>
<b>Capital assets</b>		
Land	111,696	111,696
Building and improvements	3,445,894	1,419,993
Equipment	341,458	169,490
Construction in progress	344,426	2,414,787
<b>Total capital assets - at cost</b>	<b>4,243,474</b>	<b>4,115,966</b>
Less accumulated depreciation	813,995	1,080,754
<b>Net capital assets</b>	<b>3,429,479</b>	<b>3,035,212</b>
<b>Total noncurrent assets</b>	<b>3,633,447</b>	<b>3,275,081</b>
<b>Total Assets</b>	<b>3,932,487</b>	<b>3,755,168</b>
<b>Deferred Outflows of Resources</b>	<b>4,413</b>	<b>4,521</b>
<b>Total Assets and Deferred Outflows of Resources</b>	<b>\$ 3,936,900</b>	<b>\$ 3,759,689</b>

See Notes to Financial Statements

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

<i>As of June 30,</i>	<b>2021</b>	<b>2020</b>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 69,143	\$ 57,374
Accrued compensation	1,716	1,354
Interest payable	46,578	46,389
Other accrued liabilities	50,275	106,597
Current portion of bonds payable	1,140	-
Line of credit	267,600	-
<b>Total current liabilities</b>	<b>436,452</b>	<b>211,714</b>
<b>Noncurrent Liabilities</b>		
Revenue bonds payable, net of current portion	2,031,105	2,040,064
Noncurrent compensation liability	4,360	3,801
Net pension liability	1,152	8,431
Other accrued liabilities	31,396	54,959
<b>Total noncurrent liabilities</b>	<b>2,068,013</b>	<b>2,107,255</b>
<b>Total Liabilities</b>	<b>2,504,465</b>	<b>2,318,969</b>
<b>Deferred Inflows of Resources</b>		
Deferred inflows - revenue collected in advance	7,269	5,155
Deferred inflows - pension	8,944	4,993
<b>Total Deferred Inflows of Resources</b>	<b>16,213</b>	<b>10,148</b>
<b>NET POSITION</b>		
Net investment in capital assets	1,310,144	1,217,266
Restricted for		
Capital projects	35,106	42,818
Debt service	180,507	221,741
Unrestricted	(109,535)	(51,253)
<b>Net Position</b>	<b>1,416,222</b>	<b>1,430,572</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Net Position</b>	<b>\$ 3,936,900</b>	<b>\$ 3,759,689</b>

See Notes to Financial Statements

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

<i>for the Twelve month period ended June,</i>	<b>2021</b>	<b>2020</b>
<b>Operating Revenues</b>		
Airline revenue	\$ 109,691	\$ 77,312
Terminal concessions	12,677	16,681
Landside concessions	50,802	58,691
Lease revenue	8,140	8,746
General aviation	3,579	3,009
State aviation tax	2,258	2,344
Other revenue	5,247	4,640
Operating revenues	192,394	171,423
Less airline revenue sharing	(7,710)	(10,097)
Total operating revenues	184,684	161,326
<b>Operating Expenses</b>		
Salaries and benefits	46,782	48,584
Materials and supplies	11,041	12,381
Maintenance contracts	12,592	11,071
Charges and services	24,618	11,069
Utilities	6,664	5,697
Inter-governmental	18,427	18,123
Other expenses	3,552	2,978
Total operating expenses before depreciation	123,676	109,903
<b>Operating Income Before Depreciation</b>	61,008	51,423
<b>Depreciation Expense</b>	100,890	57,604
<b>Operating Loss</b>	(39,882)	(6,181)
<b>Non-Operating Revenues (Expenses)</b>		
Passenger facility charges	29,227	40,607
Customer facility charges	9,016	12,478
Interest income	3,944	19,361
Interest expense	(86,108)	(85,498)
Bond issuance costs	(506)	-
Contribution of capital assets	(9,029)	-
Other revenue (expenses), net	(15,943)	1,528
Net non-operating expenses	(69,399)	(11,524)
<b>Capital Contributions</b>		
Contributions and grants	94,931	31,125
Total capital contributions	94,931	31,125
<b>Net Position</b>		
Increase (decrease) in net position	(14,350)	13,420
Net Position, beginning of period	1,430,572	1,417,152
Net Position, end of period	\$ 1,416,222	\$ 1,430,572

See Notes to Financial Statements

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

<i>For the years ended June 30,</i>	<b>2021</b>	<b>2020</b>
<b>Cash Flows from Operating Activities</b>		
Cash received from providing services	\$ 205,068	\$ 160,183
Cash paid for services for intra-governmental charges	(18,427)	(18,123)
Cash paid to suppliers	(58,171)	(49,941)
Cash paid to employees	(50,474)	(48,728)
<b>Net cash from operating activities</b>	<b>77,995</b>	<b>43,391</b>
<b>Cash Flows from Investing Activities</b>		
Cash paid for investments	(233,930)	(993,131)
Cash proceeds from investments	339,160	1,286,272
Interest received on investments and concession loans	4,995	16,325
Payments for concession loans	(36,984)	(5,524)
Payments received on concession loans	3,220	-
<b>Net cash from investing activities</b>	<b>76,461</b>	<b>303,941</b>
<b>Cash Flows from Capital and Related Financing Activities</b>		
Purchase of capital equipment	(7,591)	(13,763)
Payments for acquisition and construction of capital assets	(585,288)	(732,251)
Payment for capital assets contributed to TSA	(9,029)	-
Proceeds from line of credit	267,600	-
Interest paid on bonds and line of credit	(93,738)	(100,026)
Bond issuance costs	(491)	-
Passenger facility charges	25,381	44,460
Customer facility charges	7,788	13,526
Proceeds from sale of capital assets and equipment	150	108
Contributions and grants	77,982	30,056
Other financing	97	2,166
<b>Net cash used for capital and related financing activities</b>	<b>(317,140)</b>	<b>(755,724)</b>
<b>Net (Decrease) in Cash and Cash Equivalents</b>	<b>(162,684)</b>	<b>(408,392)</b>
<b>Cash and Cash Equivalents - Beginning of Year</b>	<b>455,477</b>	<b>863,868</b>
<b>Cash and Cash Equivalents - End of Year</b>	<b>\$ 292,793</b>	<b>\$ 455,477</b>

See Notes to Financial Statements

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

<i>for the Year month period ended June,</i>	<b>2021</b>	<b>2020</b>
<b>Reconciliation of Operating Income to Net</b>		
<b>Cash from Operating Activities</b>		
Operating loss	\$ (39,882)	\$ (6,181)
Adjustments to reconcile operating loss to net cash from operating activities		
Depreciation	100,890	57,604
Pension benefit	(3,659)	(440)
Changes in assets and liabilities		
Airline and rental fee receivable	(2,825)	4,530
Other assets	649	137
Net pension asset	440	-
Deferred outflows	(108)	(5,054)
Accounts payable	11,108	(360)
Accrued compensation	776	378
Other accrued liabilities	11,914	(3,086)
Net pension liability	(7,279)	(9,306)
Deferred inflows	5,964	5,128
Deposits and advance rentals	7	41
<b>Net cash from operating activities</b>	<b>77,995</b>	<b>43,391</b>
<b>Schedule of Non-cash Transactions Affecting Net Position</b>		
Contributions and grants	16,949	1,069
Passenger facility charges (includes interest)	3,846	(3,853)
Customer facility charges (includes interest)	1,228	(1,048)
Bond issuance costs	(15)	-
Contributions of capital assets	(9,029)	
Net increase in fair value of investments	-	(682)
Loss on disposition of property	(14,947)	(64)
<b>Total Noncash Transactions Affecting Net Position</b>	<b>\$ (1,968)</b>	<b>\$ (4,578)</b>

See Notes to Financial Statements

**SALT LAKE CITY DEPARTMENT OF AIRPORTS**  
**Notes to the Financial Statements**  
**For the Years Ended June 30, 2021 and 2020**

**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 \$5,000.

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. In FY 2013 and FY 2016, the Airport changed the estimated lives of some existing buildings, improvements, and other assets to reflect the demolition schedule of the Terminal Redevelopment Program (TRP), resulting in shorter lives and additional annual depreciation expense.

**Capital Contributions** – The Airport has received contributions and grants for aid in construction from various sources, principally from the Federal 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 Code of Federal Regulations (C.F.R) 158.13. PFC proceeds are recorded as non-operating revenues.

***Customer Facility Charges*** – In FY 2012, the Airport began assessing 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 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 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, 2021 and 2020, 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 Terminal Redevelopment Program (TRP) and North Concourse Project (NCP) 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.

***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. In FY 2019 the Airport early-adopted GASB 89 which no longer requires the Airport to capitalize interest as part of the construction in process.

Total interest expense was approximately \$86.1 and \$85.5 million for the years ended June 30, 2021 and 2020, 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 \$180 thousand in costs for monthly monitoring at both sites. The liability recorded as of June 30, 2020 is \$124 thousand. The remainder of the current 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 position that applies to a future period(s) 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 position that applies to a future period(s) 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, 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 June 2017, the GASB issued Statement No. 87, *Leases*. The statement is meant to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This statement increases the usefulness of governments’ financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow resources, thereby enhancing the relevance and consistency of information about governments’ leasing activities. The requirements of this statement are effective for reporting periods beginning after June 15, 2021. Early adoption is encouraged. The Airport is currently evaluating the impact of this statement on the financial statements when implemented.

In August 2018, the GASB issued Statement No. 90, *Majority Equity Interests – An Amendment of GASB Statements No. 14 and No. 61*. The statement is meant to improve the consistency and comparability of reporting a government’s majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government’s holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. The requirements of this statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged. This statement will not impact the Airport.

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 Airport is currently evaluating the impact of this statement on the financial statements when implemented.

In January 2020, the GASB issued Statement No. 92, *Omnibus 2020*. The statement is meant to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The requirements of this statement are effective for reporting periods beginning after June 15, 2021. Earlier application is encouraged. The Airport is currently evaluating the impact of this statement on the financial statements when implemented.

In March 2020, the GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*. Some governments have entered into agreements in which variable payments made or received depend on an interbank offered rate (IBOR)—most notably, the London Interbank Offered Rate (LIBOR). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates, by either changing the reference rate or adding or changing fallback provisions related

to the reference rate. The requirements of this statement are effective for reporting periods beginning after June 15, 2020, December 31, 2021, and June 15, 2021 depending on the topic. Earlier application is encouraged. The Airport is currently evaluating the impact of this statement on the financial statements when implemented.

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 Airport is currently evaluating the impact of this statement on the financial statements when implemented.

In May 2020, the GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later. The Airport is currently evaluating the impact of this statement on the financial statements when implemented.

In May 2020, the GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. The requirements of this statement are effective for reporting periods beginning after June 15, 2022. The Airport is currently evaluating the impact of this statement on the financial statements when implemented.

In June 2020, the GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans)

that meet the definition of a pension plan and for benefits provided through those plans. The requirements of this statement are effective for reporting periods beginning after December 15, 2019 and June 15, 2021 depending on the topic. This statement will have minimal impact on the Airport.

## NOTE 2 – DEPOSITS AND INVESTMENTS

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

	2021 Fair Value	2020 Fair Value
<b>Deposits</b>		
Petty Cash	\$ 1	\$ 1
Unrestricted cash in the City's pooled cash account	174	814
Utah State Treasurer's Investments Pool	288,216	451,682
Bank operating accounts	4,401	2,980
<b>Total</b>	<b>\$ 292,793</b>	<b>\$ 455,477</b>

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 includes a write up of \$1.3 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* - At June 30, 2021 and 2020, the Airport had deposits with qualified depositories in accordance with the Utah Money Management Act totaling \$4.4 and \$3.0 million. Of these amounts, \$500 thousand was covered by federal depository insurance. The remaining balances of \$3.9 and \$2.5 million, respectively, were 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. Not 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, 2021 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 \$104.8 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, 2021 and 2020;

- U.S. Agency securities of \$23.4 and \$41.9 million are valued using quoted market prices (Level 1 inputs)
- U.S. Treasury securities of \$46.0 and \$119.2 million are valued using quoted market prices (Level 1 inputs)
- Corporate bond securities of \$35.4 and \$50.8 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 2021 Fair Value	FY 2020 Fair Value	Maturities (in years)
U.S Agency Notes				
FNMA	AA+/Aaa	\$ 13,117	\$ 18,466	1-5
FHLMC	AA+/Aaa	10,719	23,427	1-5
US Treasury Notes	AA+/Aaa	46,365	119,226	1-5
Corporate Bonds	A/BBB+	34,624	50,774	5+
		<u>\$ 104,824</u>	<u>\$ 211,894</u>	

### NOTE 3 – RESTRICTED OR DESIGNATED CASH AND CASH EQUIVALENTS

Certain cash and cash equivalents are restricted or designated:

- As of June 30, 2021 and 2020, \$2.6 and \$12.1 million, respectively, of PFC contributions are restricted for construction projects at the Airport under the PFC program requirements.
- As of June 30, 2021 and 2020, \$101 thousand and \$2.4 million, respectively, of CFC contributions are restricted for rental car construction projects at the Airport under the CFC program requirements.
- As of June 30, 2021 and 2020, \$2 thousand and \$367 thousand, respectively, of cash is restricted for the use of construction of the TRP and NCP projects.
- As of June 30, 2021 and 2020, \$60.7 million and \$132.6 million, respectively, of cash is restricted for debt service and capitalized interest.
- As of June 30, 2021 and 2020, \$15.9 million and \$0, respectively, of cash is restricted for rolling coverage.
- As of June 30, 2021 and 2020, \$27.4 and \$23.6 million, respectively, are 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, 2021 (amounts in thousands):

	Total June 30, 2020	Additions	Deletions	Total June 30, 2021
Capital Assets that are not depreciated:				
Land	\$ 111,696	\$ -	\$ -	\$ 111,696
Construction in Progress	2,414,787	489,310	(2,559,670)	344,426
Total Capital Assets that are not being depreciated	2,526,483	489,310	(2,559,670)	456,122
Capital Assets that are depreciated:				
Buildings	503,142	1,740,489	(235,107)	2,008,524
Improvements	916,851	604,387	(83,868)	1,437,370
Equipment	169,490	235,439	(63,471)	341,458
Sub-total	1,589,483	2,580,315	(382,447)	3,787,352
Less accumulated depreciation:				
Buildings	(348,421)	(41,619)	230,756	(159,283)
Improvements	(605,963)	(45,911)	77,372	(574,502)
Equipment	(126,370)	(13,361)	59,521	(80,210)
Sub-total	(1,080,754)	(100,891)	367,650	(813,995)
Total Depreciable Capital Assets, net	508,729	2,479,424	(14,797)	2,973,357
Total Capital Assets, net	\$ 3,035,212	\$ 2,968,734	\$ (2,574,467)	\$ 3,429,479

The following is a summary of transactions affecting capital assets for the year ended June 30, 2020 (amounts in thousands):

	Total June 30, 2019	Additions	Deletions	Total June 30, 2020
Capital Assets that are not depreciated:				
Land	\$ 105,129	\$ 6,567	\$ -	\$ 111,696
Construction in Progress	1,663,407	785,016	(33,635)	2,414,787
Total Capital Assets that are not being depreciated	1,768,536	791,583	(33,635)	2,526,483
Capital Assets that are depreciated:				
Buildings	505,431	6,732	(9,022)	503,142
Improvements	910,295	6,980	(424)	916,851
Equipment	152,311	18,091	(912)	169,490
Sub-total	1,568,037	31,803	(10,358)	1,589,483
Less accumulated depreciation:				
Buildings	(341,448)	(15,937)	8,964	(348,421)
Improvements	(572,246)	(34,141)	424	(605,963)
Equipment	(119,749)	(7,527)	905	(126,370)
Sub-total	(1,033,443)	(57,604)	10,293	(1,080,754)
Total Depreciable Capital Assets, net	534,594	(25,801)	(64)	508,729
Total Capital Assets, net	\$ 2,303,130	\$ 765,781	\$ (33,700)	\$ 3,035,212

In FY 2020, the Airport acquired \$6.6 million of land. When the land is acquired, the transaction runs through construction in progress (CIP) and is capitalized as land afterwards, causing an addition and deletion to CIP. The decrease in CIP is greater than the increase in capital asset additions due to a portion of the decrease going to land and the rest to capital assets.



## **NOTE 5 – LIMITED OBLIGATION SPECIAL FACILITY REVENUE BONDS**

Delta Air Lines, Inc. (Delta) issued Limited Obligation Special Facility Revenue Bonds (Special Bonds), series 2000, to finance the acquisition and construction of the Delta hangar, marketing, reservation and training center (Delta Facilities) at the Airport. The Special Bonds are limited obligations of the City and are considered conduit debt, and as such, do not constitute a debt of or a pledge of revenues of the City or the Airport, other than the rental revenues received on the Delta Facilities. As the Airport's assignee, Delta is absolutely and unconditionally obligated under the lease agreement, dated June 1, 1987, between the Airport and Delta, to make all principal and interest payments to the Special Bonds' trustee. The outstanding balance of the Special Bonds as of June 30, 2020 was \$23.5 million. On April 15, 2021, Delta directed the trustee to immediately cancel the \$23,510,000 principal amount of the series 2000. The cancelled bonds are no longer deemed to be outstanding as of June 30, 2021.

## **NOTE 6 – COMMITMENTS AND CONTINGENCIES**

At June 30, 2021, the Airport was committed to contractors and vendors for approximately \$604 million 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 claims pending against the Airport from third parties. In anticipation of opening Phase I of the TRP and NCP, claims arose related to inefficiencies and lost productivity due to numerous change orders and additional work. Based on the facts available at the time, management accrued \$40.0 million in FY 2020, which was the estimated amount of litigation probable to have a negative outcome. During FY 2021, this claim was settled. In the opinion of legal counsel for the Airport and Airport management, all other claims are not likely to have a material adverse impact on the Airport's financial statements.

## **NOTE 7 – 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.

Systems 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](http://www.urs.org).

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

### Summary of Benefits by System

System	Final Average Salary	Years of Service Required and/or Age Eligible for Benefit	Benefit Percentage per Year of Service	COLA**
Noncontributory System	Highest 3 Years	30 years any age 25 years any age* 20 years age 60* 10 years age 62* 4 years age 65	2.0% per year all years	Up to 4%
Contributory System	Highest 5 years	30 years any age 25 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 age 60 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
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*	1.5% per year all years	Up to 2.5%

\* with actuarial reductions

\*\* All post-retirement cost-of-living adjustments are non-compounding and are based on the original benefit except for Judges, which is a compounding benefit. The cost-of-living adjustments are also limited to the actual Consumer Price Index (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. Contributions rates as of June 30, 2021 are as follows:

### Utah Retirement Systems

	Employee	Employer	Employer 401 (k)
<b>Contributory System</b>			
11 Local Government Div - Tier 1	6.00%	14.46%	N/A
111 Local Government Div - Tier 2	N/A	14.91%	1.78%
<b>Noncontributory System</b>			
15 Local Government Div - Tier 1	N/A	18.47%	N/A
<b>Public Safety System</b>			
<b>Contributory</b>			
122 Tier 2 Defined Benefit Hybrid Public Safety	N/A	34.92%	1.33%
<b>Noncontributory</b>			
44 Salt Lake City with 2.5% COLA	N/A	46.67%	N/A
<b>Tier 2 DC Only</b>			
211 Local Government	N/A	6.69%	10.00%
222 Public Safety	N/A	24.25%	12.00%

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, 2021, the employer and employee contributions for the Airport to the Systems were as follows (amounts in thousands):

System		Employer Contributions		Employee Contributions
Noncontributory System	\$	2,868		N/A
Contributory System		54		23
Public Safety System		-		-
Tier 2 Public Employees System		475		1,097
Tier 2 Public Safety and Firefighter		-		-
Tier 2 Defined Contribution Only System		314		N/A
Tier 2 Defined Contribution Public Safety and Firefighter System		N/A		N/A
<b>Total Contributions</b>	\$	3,711	\$	1,120

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, 2021 and 2020, the Airport reported a net pension asset of \$440 thousand and \$0, respectively, and a net pension liability of \$1.2 million and \$8.4 million, respectively. The following table shows the net pension asset and liability:

(Amounts in thousands)	Net Pension		Proportionate	Proportionate	Change
	Asset	Liability	Share December 31, 2020	Share December 31, 2019	
Noncontributory System	\$ -	\$ 1,028	2.00%	2.15%	-0.14%
Contributory System	440	-	2.46%	2.20%	0.26%
Public Safety System	-	-	0.00%	0.00%	0.00%
Tier 2 Public Employees System	-	124	0.86%	0.84%	0.02%
Tier 2 Public Safety and Firefighter System	-	-	0.00%	0.00%	0.00%
	<u>\$ 440</u>	<u>\$ 1,152</u>			

(Amounts in thousands)	Net Pension		Proportionate	Proportionate	Change
	Asset	Liability	Share December 31, 2019	Share December 31, 2018	
Noncontributory System	\$ -	\$ 8,097	2.15%	2.25%	-0.10%
Contributory System	-	144	2.20%	2.11%	0.09%
Public Safety System	-	-	0.00%	0.00%	0.00%
Tier 2 Public Employees System	-	190	0.84%	0.81%	0.03%
Tier 2 Public Safety and Firefighter System	-	-	0.00%	0.00%	0.00%
	<u>\$ -</u>	<u>\$ 8,431</u>			

The net pension asset and liability was measured as of December 31, 2020, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2020 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 years ended June 30, 2021 and 2020, the Airport recognized pension expense of \$1.8 million and \$5.5 million respectively.

At June 30, 2021 and 2020, the Airport reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

(Amounts in thousands)	June 30, 2021	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual	\$ 1,494	\$ 57
Changes in assumptions	157	139
Net difference between projected and actual earnings on pension plan investment	-	8,618
Changes in proportion and differences between contributions and proportionate share of contributions	188	131
Contributions subsequent to measurement	2,574	-
	<u>\$ 4,413</u>	<u>\$ 8,944</u>

(Amounts in thousands)	June 30, 2020	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual	\$ 790	\$ 181
Changes in assumptions	939	5
Net difference between projected and actual earnings on pension plan investment	-	4,600
Changes in proportion and differences between contributions and proportionate share of contributions	144	206
Contributions subsequent to measurement	2,649	-
	\$ 4,521	\$ 4,993

\$2.6 million and \$2.6 million, respectively, are 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, 2020 and 2019, respectively.

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>
2021	(1,992)
2022	(959)
2023	(2,911)
2024	(1,357)
2025	17
Thereafter	96

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

For the year ended June 30, 2021, the Airport recognized pension expense of \$837 thousand.

At June 30, 2021, the Airport reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

(Amounts in thousands)	June 30, 2021	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual	\$ 1,380	\$ -
Changes in assumptions	-	135
Net difference between projected and actual earnings on pension plan investment	-	7,509
Changes in proportion and differences between contributions and proportionate share of contributions	-	131
Contributions subsequent to measurement	1,507	-
	\$ 2,887	\$ 7,774

(Amounts in thousands)	June 30, 2020	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual	\$ 737	\$ 116
Changes in assumptions	858	-
Net difference between projected and actual earnings on pension plan investment	-	4,095
Changes in proportion and differences between contributions and proportionate share of contributions	-	206
Contributions subsequent to measurement	1,601	-
	<u>\$ 3,196</u>	<u>\$ 4,417</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, 2020.

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
2021	(1,793)
2022	(863)
2023	(2,619)
2024	(1,221)
2025	15
Thereafter	87

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

For the year ended June 30, 2021, the Airport recognized pension expense of (-\$225) thousand.

At June 30, 2021, the Airport reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

(Amounts in thousands)	June 30, 2021	
	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	-	747
Changes in proportion and differences between contributions and proportionate share of contributions	-	-
Contributions subsequent to measurement	46	-
	<u>\$ 46</u>	<u>\$ 747</u>

(Amounts in thousands)	June 30, 2020	
	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	-	360
Changes in proportion and differences between contributions and proportionate share of contributions	-	-
Contributions subsequent to measurement	39	-
	\$ 39	\$ 360

\$46 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, 2020.

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
2021	\$ (209)
2022	(101)
2023	(306)
2024	(143)
2025	2
Thereafter	10

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

For the year ended June 30, 2021, the Airport recognized pension expense of \$1.2 million.

At June 30, 2021, the Airport reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

(Amounts in thousands)	June 30, 2021	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual	\$ 114	\$ 57
Changes in assumptions	157	5
Net difference between projected and actual earnings on pension plan investment	-	362
Changes in proportion and differences between contributions and proportionate share of contributions	188	-
Contributions subsequent to measurement	1,022	-
	\$ 1,482	\$ 423

(Amounts in thousands)	June 30, 2020	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual	\$ 53	\$ 65
Changes in assumptions	81	5
Net difference between projected and actual earnings on pension plan investment	-	146
Changes in proportion and differences between contributions and proportionate share of contributions	142	-
Contributions subsequent to measurement	1,009	-
	<u>\$ 1,286</u>	<u>\$ 216</u>

\$1.0 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, 2020.

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>
2021	\$ 10
2022	5
2023	15
2024	7
2025	(0)
Thereafter	(0)

### **Actuarial Assumptions**

The total pension liability in the December 31, 2020, 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 – 9.75 percent, average, including inflation
Investment rate of return	6.95 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, 2020, valuation were based on the results of an actuarial experience study for the five year period ending December 31, 2019.



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:

<b>Asset class</b>	<b>Expected Return Arithmetic Basis</b>		
	<b>Target Asset Allocation</b>	<b>Real Return Arithmetic Basis</b>	<b>Long-Term Expected Portfolio Real Rate of Return</b>
Equity securities	37.00%	6.30%	2.33%
Debt securities	20.00%	0.00%	0.00%
Real assets	15.00%	6.19%	0.93%
Private equity	12.00%	9.50%	1.14%
Absolute return	16.00%	2.75%	0.44%
Cash and cash equivalents	0.00%	0.00%	0.00%
<b>Totals</b>	<b>100%</b>		<b>4.84%</b>
	<b>Inflation</b>		<b>2.50%</b>
	<b>Expected Arithmetic Nominal Return</b>		<b>7.34%</b>

The 6.95% assumed investment rate of return is comprised of an inflation rate of 2.50%, a real return of 4.45% that is net of investment expense.

**Discount rate:** The discount rate used to measure the total pension liability was 6.95%. 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. The discount rate remained unchanged at 6.95%.

**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 6.95%, 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 (5.95%) or 1-percentage-point higher (7.95%) than the current rate (amounts in thousands):

System	1% Decrease 5.95%	Discount Rate (6.95%)	1% Increase (7.95%)
Noncontributory System	\$ 17,828	\$ 1,028	\$ (12,977)
Contributory System	-	-	-
Public Safety System	-	-	(1)
Tier 2 Public Employees System	2,083	124	(1,375)
Tier 2 Public Safety and Firefighter System	-	-	-
Total	\$ 19,910	\$ 1,152	\$ (14,352)

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 were as follows (amounts in thousands):

<b>401(k) Plan</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
Employer Contributions	\$ 457	\$ 349	\$ 332
Employee Contributions	595	575	598
 <b>457 Plan</b>			
Employer Contributions	-	-	-
Employee Contributions	208	293	312
 <b>Roth IRA Plan</b>			
Employer Contributions	N/A	N/A	N/A
Employee Contributions	206	157	145
 <b>Traditional IRA Plan</b>			
Employer Contributions	N/A	N/A	N/A
Employee Contributions	\$ 4	\$ 12	\$ 13

## NOTE 8 – LONG-TERM DEBT

Changes in long-term debt for the year ended June 30, 2021 were as follows (amounts in thousands):

	<b>2021</b>				
	<u>July 1, 2020</u>	<u>Additions</u>	<u>Retirements</u>	<u>June 30, 2021</u>	<u>Amounts due within one year</u>
Long-term debt					
Series 2017A and 2017B bonds	\$ 1,000,000	\$ -	\$ -	\$ 1,000,000	\$ 1,140
Series 2018A and 2018B bonds	850,550	-	-	850,550	-
Unamortized net premiums	189,514	-	7,819	181,695	-
Line of credit	-	267,600	-	267,600	267,600
Total long-term debt	<u>\$ 2,040,064</u>	<u>\$ 267,600</u>	<u>\$ 7,819</u>	2,299,845	<u>\$ 268,740</u>
Less current portion				<u>(268,740)</u>	
Noncurrent portion				<u>\$ 2,031,105</u>	

Changes in long-term debt for the year ended June 30, 2020 were as follows (amounts in thousands):

	<b>2020</b>				
	<u>July 1, 2019</u>	<u>Additions</u>	<u>Retirements</u>	<u>June 30, 2020</u>	<u>Amounts due within one year</u>
Long-term debt					
Series 2017A and 2017B bonds	\$ 1,000,000	\$ -	\$ -	\$ 1,000,000	\$ -
Series 2018A and 2018B bonds	850,550	-	-	850,550	-
Unamortized net premiums	196,793	-	7,279	189,514	-
Total long-term debt	<u>\$ 2,047,343</u>	<u>\$ -</u>	<u>\$ 7,279</u>	<u>\$ 2,040,064</u>	<u>\$ -</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 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, 2021, the Airport had an outstanding balance of \$267.6 million on the line of credit, with the entire amount being due March 1, 2024, the maturity date of the line of credit.

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

Long-term Debt	Maturity	Interest Rate	Amount Outstanding	
			2021	2020
General Airport Revenue Bonds				
Series 2017A	Annually July 1, 2021-2047	5%	\$ 826,210	\$ 826,210
Series 2017B	Annually July 1, 2021-2047	5%	173,790	173,790
Series 2018A	Annually July 1, 2023-2048	5%-5.25%	753,855	753,855
Series 2018B	Annually July 1, 2023-2048	5%	96,695	96,695
Total revenue bonds			1,850,550	1,850,550
Line of credit	March 1, 2024	Variable	267,600	-
Net unamortized premiums			181,695	189,514
Less current portion			(268,740)	-
Total long-term debt			\$ 2,031,105	\$ 2,040,064

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, 2021 are as follows (amounts in thousands):

Year:	General airport revenue bonds		Line of credit		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 1,140	\$ 92,749	\$ 267,600	\$ 2,340	\$ 268,740	\$ 95,089
2023	20,345	92,212	-	2,100	20,345	94,312
2024	24,000	91,103	-	1,400	24,000	92,503
2025	16,020	90,103	-	-	16,020	90,103
2026	31,285	88,920	-	-	31,285	88,920
2027-2031	233,815	413,733	-	-	233,815	413,733
2032-2036	313,700	344,553	-	-	313,700	344,553
2037-2041	400,360	255,716	-	-	400,360	255,716
2042-2046	511,005	142,241	-	-	511,005	142,241
2047-2049	298,880	19,569	-	-	298,880	19,569
<b>Total</b>	<b>\$ 1,850,550</b>	<b>\$ 1,630,899</b>	<b>\$ 267,600</b>	<b>\$ 5,840</b>	<b>\$ 2,118,150</b>	<b>\$ 1,636,739</b>

As of June 30, 2021, all of the Series 2017 and 2018 bond proceeds have been spent. As of June 30, 2021, all of the line of credit proceeds have been spent.

## NOTE 9 – 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 (amounts in thousands):

	2021		2020	
	Amount	Percent of Total	Amount	Percent of Total
Airline revenues	\$ 109,691	59.4%	\$ 77,312	47.9%
Less: Airline revenue sharing	(7,710)	-4.2%	(10,097)	-6.3%
Concession and other rental revenues	80,445	43.6%	91,767	56.9%
State aviation fuel tax	2,258	1.2%	2,344	1.5%
<b>Total operating revenues</b>	<b>\$ 184,684</b>	<b>100.0%</b>	<b>\$ 161,326</b>	<b>100.0%</b>

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

	2021	2020
Terminal space rentals	\$ 65,988	\$ 34,645
Landing fees	35,996	35,638
Aircraft remain overnight fees	511	158
Support buildings	4,454	4,419
Fuel farm	1,170	539
Passenger boarding bridge fees	1,572	1,913
<b>Total</b>	<b>\$ 109,691</b>	<b>\$ 77,312</b>

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. The most recent agreement was signed effective July 1, 2014 and the agreement terminates on June 30, 2024. Under the new 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 nonairline 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.

The Airport has entered into several operating lease agreements with parties who lease Airport facilities (primarily car rental agencies, auto parking facility operators, and concessionaires). The Airport received the following rental revenues for the year ended June 30 (amounts in thousands):

	2021	2020
Car rental agencies	\$ 24,317	\$ 25,372
Auto parking facilities	23,491	27,974
Other airport facilities	32,637	38,421
<b>Total</b>	<b>\$ 80,445</b>	<b>\$ 91,767</b>

Minimum future rentals to be received on these non-cancelable leases as of June 30, for each of the next five years and for five-year increments thereafter are as follows (amounts in thousands):

<b>Year Ending June 30:</b>	
2022	51,918
2023	47,207
2024	43,021
2025	43,459
2026	35,177
2027-2031	45,674
2032-2036	5,424
2037-2041	2,842
2042-2046	1,284
Thereafter	-
<b>Total</b>	<b>\$ 276,006</b>

#### **NOTE 10 – LONG-TERM LIABILITY ACTIVITY**

Long-term liability activity for the year ended June 30, 2021 was as follows (amounts in thousands):

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>	<b>Due Within One Year</b>
Accrued compensation	\$ 5,155	\$ 5,385	\$ (4,464)	\$ 6,076	\$ 1,716
Net pension liability	8,431	-	(7,279)	1,152	-
Other long-term liabilities	54,959	40,566	(64,130)	31,396	31,396
<b>Total long-term liabilities</b>	<b>\$ 68,545</b>	<b>\$ 45,951</b>	<b>\$ (75,872)</b>	<b>\$ 38,624</b>	<b>\$ 33,112</b>

Long-term liability activity for the year ended June 30, 2020 was as follows (amounts in thousands):

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>	<b>Due Within One Year</b>
Accrued compensation	\$ 4,503	\$ 5,256	\$ (4,604)	\$ 5,155	\$ 1,354
Net pension liability	17,737	-	(9,306)	8,431	-
Other long-term liabilities	51,110	74,102	(70,253)	54,959	54,959
<b>Total long-term liabilities</b>	<b>\$ 73,350</b>	<b>\$ 79,358</b>	<b>\$ (84,163)</b>	<b>\$ 68,545</b>	<b>\$ 56,313</b>

## NOTE 11 – 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 (amounts in thousands):

	<b>2021</b>		<b>2020</b>
General and administrative charges	\$ 4,449	\$	4,204
Aircraft rescue and fire fighting services	5,262		5,587
Police services	8,717		8,332
<b>Total</b>	<b>\$ 18,427</b>	<b>\$</b>	<b>18,123</b>

## NOTE 12 – MAJOR CUSTOMER

The Airport received approximately \$50.1 million (27.1%) of its operating revenue during 2021 and \$40.7 million (24.9%) during 2020 from rentals and services provided to one airline.

## NOTE 13 – SUBSEQUENT EVENTS

On August 5, 2021 the Airport issued \$776,928,000 of Series 2021A (AMT), and \$127,645,000 of Series 2021B (Non-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.

The Airport repaid the full amount of the outstanding line of credit balance in August 2021 from bond proceeds from this latest issuance.

**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, 2020**  
**Last 10 Fiscal Years \***  
**(Amounts in Thousands)**

<b>Noncontributory System</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Proportion of the net pension liability	2.00%	2.15%	2.54%	2.55%	2.65%	2.58%	2.53%
Proportionate share of the net pension liability	\$ 1,028	\$ 8,097	\$ 16,534	\$ 11,188	\$ 17,029	\$ 14,586	\$ 10,985
Covered payroll	16,395	17,436	18,072	20,761	22,028	21,247	21,137
Proportionate share of the net pension liability as a percentage of its covered payroll	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	87.0%	87.0%	87.0%	91.9%	87.3%	90.2%	90.2%
<b>Contributory Retirement System</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Proportion of the net pension liability	2.46%	2.20%	2.73%	3.15%	3.39%	2.1%	2.62%
Proportionate share of the net pension liability	\$ -	\$ 144	\$ 857	\$ 256	\$ 1,113	\$ 1,478	\$ 757
Covered payroll	-	453	395	639	814	896	1,405
Proportionate share of the net pension liability as a percentage of its covered payroll	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	91.2%	91.2%	91.2%	98.2%	92.9%	94.0%	94.0%
<b>Public Safety System</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Proportion of the net pension liability	0.00%	0.00%	10.38%	10.38%	10.04%	11.05%	11.65%
Proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ 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 as a percentage of its covered payroll	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	73.7%	73.7%	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 seven 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, 2020**  
**Last 10 Fiscal Years \***  
**(Amounts in Thousands)**

<b>Tier 2 Public Employees System</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Proportion of the net pension liability (asset)	0.86%	0.84%	0.68%	0.67%	0.68%	0.69%	0.80%
Proportionate share of the net pension liability (asset)	\$ 124	\$ 190	\$ 347	\$ 59	\$ 76	\$ (2)	\$ (24)
Covered payroll	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	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	90.8%	90.8%	90.8%	97.4%	95.1%	103.5%	103.5%
<b>Tier 2 Public Safety and Firefighter System</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Proportion of the net pension liability (asset)	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%	-1.1%	-1.1%	-2.5%	-3.6%
Plan fiduciary net position as a percentage of its covered payroll	95.6%	95.6%	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 seven years currently available.

**SALT LAKE CITY DEPARTMENT OF AIRPORTS**  
**Schedule of Required Supplementary Information**  
**Schedule of Contributions**  
**June 30, 2021**  
**Last 10 Fiscal Years \***  
**(Amounts in Thousands)**

<b>Noncontributory System</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Actuarial determined contributions	\$ 2,941	\$ 3,153	\$ 3,226	\$ 3,864	\$ 3,883	\$ 3,867	\$ 4,073
Contributions in relation to the contractually required contribution	(2,941)	(3,153)	(3,226)	(3,864)	(3,883)	(3,867)	(4,073)
Contribution deficiency	-	-	-	-	-	-	-
Covered payroll	20,325	20,941	21,576	22,947	22,395	22,735	21,046
Contributions as a percentage of covered payroll	14.5%	15.1%	15.0%	16.8%	17.3%	17.8%	19.4%
<b>Contributory Retirement System</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Actuarial determined contributions	\$ 27	\$ 27	\$ 26	\$ 100	\$ 121	\$ 116	\$ 186
Contributions in relation to the contractually required contribution	(27)	(27)	(26)	(100)	(121)	(116)	(186)
Contribution deficiency	-	-	-	-	-	-	-
Covered payroll	659	545	472	706	827	958	1,399
Contributions as a percentage of covered payroll	4.1%	5.0%	5.5%	14.1%	14.7%	12.5%	13.3%
<b>Public Safety System</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
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%	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 seven years currently available.

**SALT LAKE CITY DEPARTMENT OF AIRPORTS**  
**Schedule of Required Supplementary Information**  
**Schedule of Contributions**  
**June 30, 2021**  
**Last 10 Fiscal Years \*\***  
**(Amounts in Thousands)**

<b>Tier 2 Public Employee System*</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Actuarial determined contributions	\$ 2,870	\$ 2,392	\$ 2,431	\$ 815	\$ 543	\$ 671	\$ 369
Contributions in relation to the contractually required contribution	(2,870)	(2,392)	(2,431)	(815)	(543)	(671)	(369)
Contribution deficiency	-	-	-	-	-	-	-
Covered payroll	10,516	8,898	9,953	6,399	5,004	4,763	3,892
Contributions as a percentage of covered payroll	27.3%	26.9%	24.4%	12.7%	10.9%	13.5%	9.5%
<b>Tier 2 Public Safety and Firefighter System*</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
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%	19.9%	17.2%	24.1%	12.7%
<b>Tier 2 Public Employees DC Only System*</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Actuarial determined contributions	\$ 72	\$ 72	\$ 325	\$ 109	\$ 72	\$ 94	\$ -
Contributions in relation to the contractually required contribution	(72)	(72)	(325)	(109)	(72)	(94)	-
Contribution deficiency	-	-	-	-	-	-	-
Covered payroll	263	267	1,329	656	829	4,763	-
Contributions as a percentage of covered payroll	27.3%	26.9%	24.4%	16.6%	8.6%	13.5%	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 seven years currently available.

**SALT LAKE CITY DEPARTMENT OF AIRPORTS**  
**(An Enterprise Fund of Salt Lake City Corporation)**  
**Schedule of Required Supplementary Information**  
**Schedule of Contributions**  
**June 30, 2021**  
**Last 10 Fiscal Years \*\***  
**(Amounts in Thousands)**

<b>Tier 2 Public Safety and Firefighter DC Only System*</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
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%	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 seven years currently available.

**SALT LAKE CITY DEPARTMENT OF AIRPORTS**  
**Notes to Required Supplementary Information**  
**For Fiscal Year Ended June 30, 2021**

**Changes in Assumptions:**

The assumptions and methods used to calculate the total pension liability remain unchanged from the prior year.

# STATISTICAL SECTION (Unaudited)



**STATISTICAL SECTION**  
(Unaudited)

This part of the Salt Lake City Department of Airport's Comprehensive Annual 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.

<b><u>Contents</u></b>	<b><u>Schedules</u></b>
<b>Financial Trends</b> This schedule contains trend information to help the reader understand how the Airport's financial performance and well-being have changed over time.	<b>S2-S6</b>
<b>Debt Capacity</b> 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.	<b>S7-S8</b>
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the Airport's financial activities take place.	<b>S9-S13</b>
<b>Insurance</b> This schedule contains the various insurance policies and their terms to help the reader understand the insurance coverage of the Airport.	<b>S14</b>
<b>Operating Information</b> 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.	<b>S15-S26</b>



**SALT LAKE CITY DEPARTMENT OF AIRPORTS**

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
<b>Net Position</b>										
Invested in capital assets - net of debt	\$ 1,310,144	\$ 1,217,266	\$ 1,121,415	\$ 1,201,228	\$ 761,198	\$ 869,233	\$ 779,343	\$ 707,112	\$ 670,459	\$ 682,910
Restricted										
Capital Projects	35,106	42,818	37,202	32,693	189,115	143,297	196,439	179,263	132,827	95,738
Debt Service	180,507	221,741	315,432	200,842	240,783	-	-	-	-	-
Unrestricted	<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>	<u>251,418*</u>	<u>223,977*</u>
<b>Total Net Position</b>	<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>	<u>\$ 1,054,704</u>	<u>\$ 1,002,625</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,*

	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
<b>Operating Revenues</b>					
Airline Revenue	\$ 109,691	\$ 77,312	\$ 75,635	\$ 70,572	\$ 66,639
Terminal Concessions	12,677	16,681	20,454	19,193	18,120
Landside Concessions	50,802	58,691	72,457	68,081	64,408
Lease Revenue	8,140	8,746	8,084	7,539	6,927
General Aviation	3,579	3,009	2,990	2,661	2,334
State Aviation Tax	2,258	2,344	2,919	3,122	2,983
Other	5,247	4,640	4,999	6,245	5,564
Operating revenues	192,394	171,423	187,539	177,413	166,975
Less: Airline revenue sharing	(7,710)	(10,097)	(14,077)	(13,007)	(12,169)
Total operating revenues	184,684	161,326	173,461	164,406	154,806
<b>Operating Expenses</b>					
Salaries & Benefits	46,782	48,584	40,258	50,076	49,350
Materials & Supplies	11,041	12,381	12,610	11,343	11,725
Maintenance contracts	12,592	11,071	10,538	9,034	8,399
Charges and Services	24,618	11,069	12,970	12,175	13,730
Utilities	6,664	5,697	5,721	5,649	6,317
Inter-Governmental	18,427	18,123	13,543	8,395	6,339
Other	3,552	2,978	2,793	3,304	3,599
Total operating expenses before depreciation	123,676	109,903	98,433	99,976	99,459
<b>Operating Income Before Depreciation</b>	61,008	51,423	75,029	64,430	55,347
<b>Depreciation</b>	100,890	57,604	63,550	63,827	63,665
<b>Operating Income (Loss)</b>	(39,882)	(6,181)	11,478	603	(8,318)
<b>Non-operating Revenues (Expenses)</b>					
Passenger Facility Charges	29,227	40,607	49,721	47,739	45,750
Customer Facility Charges	9,016	12,478	16,012	15,740	16,157
Net Bond interest expense	3,944	(85,498)	(72,223)	(34,675)	(14,480)
Bond issuance costs	(86,108)	-	(3,130)	-	(3,454)
Contribution of capital assets	(506)	-	-	-	-
Interest income	(9,029)	19,361	36,964	21,783	8,006
Other revenue (expenses), net	(15,943)	1,528	9,405	(2,501)	4,120
Net non-operating revenues	(69,397)	(11,524)	36,749	48,086	56,099
<b>Capital Contributions</b>	94,931	31,125	14,285	18,142	17,794
<b>Net Position</b>					
Increase (decrease) in Net Position	(14,350)	13,420	62,512	66,831	65,575
Net Position, Beginning of Period	1,430,572	1,417,152	1,354,640	1,287,809	1,222,234
Net Position, End of Period	\$ 1,416,222	\$ 1,430,572	\$ 1,417,152	\$ 1,354,640	\$ 1,287,809

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,*

	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
<b>Operating Revenues</b>					
Airline Revenue	\$ 62,454	\$ 59,420	\$ 58,910	\$ 58,213	\$ 57,769
Terminal Concessions	16,637	16,016	15,154	14,037	11,110
Landside Concessions	57,986	52,550	49,199	48,255	45,218
Lease Revenue	6,185	6,093	6,180	5,834	5,620
General Aviation	1,785	1,691	1,662	1,580	1,611
State Aviation Tax	2,796	2,545	2,343	2,321	2,419
Other	4,131	3,894	3,841	3,629	3,721
<b>Operating revenues</b>	<b>151,974</b>	<b>142,209</b>	<b>137,289</b>	<b>133,869</b>	<b>127,468</b>
Less: Airline revenue sharing	(10,941)	(9,939)	(10,290)	(10,014)	(10,008)
<b>Total operating revenues</b>	<b>141,033</b>	<b>132,270</b>	<b>126,999</b>	<b>123,855</b>	<b>117,460</b>
<b>Operating Expenses</b>					
Salaries & Benefits	45,096	33,880	44,916	42,348	41,345
Materials & Supplies	10,940	9,486	10,755	11,118	8,999
Maintenance contracts	8,202	7,827	7,778	9,473	9,006
Charges and Services	10,484	8,571	9,125	9,685	11,002
Utilities	6,539	6,679	6,580	6,479	5,978
Inter-Governmental	6,043	5,783	5,589	5,425	5,343
Other	2,761	3,983	2,872	2,942	2,886
<b>Total operating expenses before depreciation</b>	<b>90,065</b>	<b>76,209</b>	<b>87,615</b>	<b>87,470</b>	<b>84,559</b>
<b>Operating Income Before Depreciation</b>	<b>50,968</b>	<b>56,061</b>	<b>39,384</b>	<b>36,385</b>	<b>32,901</b>
<b>Depreciation</b>	<b>61,657</b>	<b>59,995</b>	<b>59,027</b>	<b>57,127</b>	<b>49,803</b>
<b>Operating Loss</b>	<b>(10,689)</b>	<b>(3,934)</b>	<b>(19,643)</b>	<b>(20,742)</b>	<b>(16,902)</b>
<b>Non-operating Revenues (Expenses)</b>					
Passenger Facility Charges	42,804	40,976	38,437	37,535	37,190
Customer Facility Charges	15,613	15,607	14,849	14,309	11,204
Net Bond interest expense	-	-	-	-	-
Loss on disposition of property and equipment	-	-	(125)	(1,947)	(17)
Interest Income	2,783	1,789	1,964	1,814	1,819
Increase in the fair value of investments	(488)	(276)	1,566	(1,448)	127
<b>Net non-operating revenues (expenses)</b>	<b>60,712</b>	<b>58,096</b>	<b>56,691</b>	<b>50,263</b>	<b>50,323</b>
<b>Capital Contributions</b>	<b>14,230</b>	<b>15,148</b>	<b>17,916</b>	<b>22,559</b>	<b>14,789</b>
<b>Net Position</b>					
Increase in Net Position	64,253	69,310	54,964	52,080	48,210
Net Position, Beginning of Period	1,157,981	1,088,671	1,054,705*	1,002,625*	954,415*
<b>Net Position, End of Period</b>	<b>\$ 1,222,234</b>	<b>\$ 1,157,981</b>	<b>\$ 1,109,669</b>	<b>\$ 1,054,705</b>	<b>\$ 1,002,625</b>

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)**

	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
<b>Cash Flows from Operating Activities</b>					
Cash received from providing services	\$ 205,068	\$ 160,183	\$ 178,994	\$ 169,134	\$ 156,314
Cash paid for services by Salt Lake City	(18,427)	(18,123)	(13,543)	(8,395)	(7,247)
Cash paid to suppliers	(58,171)	(49,941)	(48,326)	(46,948)	(37,228)
Cash paid to employees	(50,474)	(48,728)	(49,835)	(53,380)	(48,872)
<b>Net cash from operating activities</b>	<b>77,995</b>	<b>43,391</b>	<b>67,290</b>	<b>60,411</b>	<b>62,967</b>
<b>Cash Flows from Investing Activities</b>					
Interest received on investments/Paid for investments	76,461	303,941	(376,407)	(25,623)	6,677
<b>Net cash from investing activities</b>	<b>76,461</b>	<b>303,941</b>	<b>(376,407)</b>	<b>(25,623)</b>	<b>6,677</b>
<b>Cash Flows from Capital and Related Financing Activities</b>					
Purchase of capital equipment	(7,591)	(13,763)	(5,504)	(2,920)	(6,861)
Payments for acquisition and construction of capital assets	(585,288)	(732,251)	(688,815)	(501,523)	(271,753)
Payment for capital assets contributed to TSA	(9,029)	-	-	-	-
Proceeds on line of credit	267,600	-	-	-	-
Proceeds from issuance of revenue bonds payable	-	-	931,456	-	1,124,493
Bond issuance costs	(491)	-	(1,468)	-	(1,391)
Interest paid on bonds and line of credit	(93,738)	(100,026)	(50,000)	(42,778)	-
Passenger Facility Charges	25,381	44,460	49,571	47,474	44,932
Customer Facility Charges	7,788	13,526	16,720	15,656	16,129
Proceeds from sale of property	150	108	159	136	208
Airport improvement grants	77,982	30,056	2,696	19,735	22,500
Other financing	97	2,166	8,043	1,142	-
<b>Net cash from capital and related financing activities</b>	<b>(317,140)</b>	<b>(755,724)</b>	<b>262,858</b>	<b>(463,078)</b>	<b>928,257</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>(162,684)</b>	<b>(408,392)</b>	<b>(46,259)</b>	<b>(428,290)</b>	<b>997,901</b>
<b>Cash and Cash Equivalents - Beginning of Year</b>	<b>455,477</b>	<b>863,868</b>	<b>910,127</b>	<b>1,338,417</b>	<b>340,516</b>
<b>Cash and Cash Equivalents - End of Year</b>	<b>\$ 292,793</b>	<b>\$ 455,477</b>	<b>\$ 863,868</b>	<b>\$ 910,127</b>	<b>\$ 1,338,417</b>

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)**

	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
<b>Cash Flows from Operating Activities</b>					
Cash received from providing services	\$ 145,959	\$ 139,279	\$ 135,719	\$ 129,243	\$ 112,979
Cash paid for services by Salt Lake City	(7,043)	(6,978)	(7,060)	(7,031)	(7,133)
Cash paid to suppliers	(39,744)	(35,717)	(39,568)	(40,753)	(40,583)
Cash paid to employees	(46,776)	(45,398)	(43,763)	(42,180)	(40,340)
<b>Net cash from operating activities</b>	<b>52,396</b>	<b>51,186</b>	<b>45,328</b>	<b>39,279</b>	<b>24,923</b>
<b>Cash Flows from Investing Activities</b>					
Interest received on investments/Paid for investments	1,647	11,787	13,385	(45,951)	29,420
<b>Net cash from investing activities</b>	<b>1,647</b>	<b>11,787</b>	<b>13,385</b>	<b>(45,951)</b>	<b>29,420</b>
<b>Cash Flows from Noncapital and Related Financing Activities</b>					
Cash overdraft with City pooled cash account	(10,043)	10,043	-	-	-
<b>Net cash from noncapital and related financing activities</b>	<b>(10,043)</b>	<b>10,043</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash Flows from Capital and Related Financing Activities</b>					
Purchase of capital equipment	(7,185)	(3,905)	(2,546)	(2,367)	(2,212)
Payments for acquisition and construction of capital assets	(146,841)	(126,880)	(68,077)	(43,333)	(30,795)
Passenger Facility Charges	42,454	40,955	39,096	37,097	37,356
Customer Facility Charges	15,850	15,673	15,563	14,572	10,013
Interest received on Customer Facility Charges	333	134	-	-	32
Proceeds from sale of property	15,902	9,938	29	204	210
Airport improvement grants	-	-	25,206	18,150	11,000
<b>Net cash from capital and related financing activities</b>	<b>(79,487)</b>	<b>(64,084)</b>	<b>9,271</b>	<b>24,323</b>	<b>25,603</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>(35,487)</b>	<b>8,932</b>	<b>67,984</b>	<b>17,651</b>	<b>79,946</b>
<b>Cash and Cash Equivalents - Beginning of Year</b>	<b>376,003</b>	<b>367,071</b>	<b>299,087</b>	<b>281,436</b>	<b>201,490</b>
<b>Cash and Cash Equivalents - End of Year</b>	<b>\$ 340,516</b>	<b>\$ 376,003</b>	<b>\$ 367,071</b>	<b>\$ 299,087</b>	<b>\$ 281,436</b>

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**

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Principal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	93,928	92,778	78,637	50,000	17,778	-	-	-	-	-
Total Debt Service	\$ 93,928	\$ 92,778	\$ 78,637	\$ 50,000	\$ 17,778	\$ -	\$ -	\$ -	\$ -	\$ -
Total Operating Expenses	\$ 123,676	\$ 109,903	\$ 98,433	\$ 99,976	\$ 99,459	\$ 90,065	\$ 76,209	\$ 87,615	\$ 87,471	\$ 84,559
<b>Ratio of Bond Debt Service to Total Operating Expenses</b>	<b>75.9%</b>	<b>84.4%</b>	<b>79.9%</b>	<b>50.0%</b>	<b>17.9%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>

**Debt Service per Enplaned Passenger**

Total Debt Service	\$ 93,928	\$ 92,778	\$ 78,637	\$ 50,000	\$ 17,778	\$ -	\$ -	\$ -	\$ -	\$ -
Enplaned passengers	7,710	10,096	13,090	12,420	11,850	11,293	10,834	10,295	10,044	10,125
<b>Debt Service per Enplaned Passenger</b>	<b>\$ 12.18</b>	<b>\$ 9.19</b>	<b>\$ 6.01</b>	<b>\$ 4.03</b>	<b>\$ 1.50</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**Total Outstanding Debt per Enplaned Passenger**

Outstanding debt										
2018A series	\$ 818,425	\$ 821,126	\$ 823,625	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2018B series	106,621	107,036	107,420	-	-	-	-	-	-	-
2017A series	911,485	915,226	918,724	922,178	925,498	-	-	-	-	-
2017B series	195,714	196,676	197,574	198,463	199,314	-	-	-	-	-
Line of credit	267,600	-	-	-	-	-	-	-	-	-
Total Outstanding debt	\$ 2,299,845	\$ 2,040,064	\$ 2,047,343	\$ 1,120,641	\$ 1,124,812	\$ -	\$ -	\$ -	\$ -	\$ -
Enplaned Passengers	7,710	10,096	13,090	12,420	11,850	11,293	10,834	10,295	10,044	10,125
<b>Outstanding Debt per Enplaned Passenger</b>	<b>\$ 298.29</b>	<b>\$ 202.07</b>	<b>\$ 156.41</b>	<b>\$ 90.23</b>	<b>\$ 94.92</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

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)**

	<u>2021</u>
Revenues	\$184,684
Less Operation and Maintenance Expenses of the Airport System*	<u>(57,573)</u>
Net Revenues	127,111
Plus Transfers	<u>13,801</u>
Total Available for Debt Service	<u>\$140,912</u>
Annual Debt Service on Outstanding Bonds**	<u>\$ 56,353</u>
<b>Annual Debt Service Coverage</b>	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 one year currently available.

Source Airport annual financial reports and management records

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

<b>Fiscal Year Ended June 30,</b>	<b>Salt Lake City, Utah Population (1)</b>	<b>Personal Income (amounts expressed in thousands) (2)</b>	<b>Per Capita Personal Income (2)(4)</b>	<b>Number of residents 18 years and older (1)</b>	<b>Unemployment Rate (3)</b>
2021	est. 200,831	unavailable	unavailable	unavailable	2.7%
2020	199,723	6,962,194	34,711	157,781	6.4%
2019	200,576	6,609,782	32,954	160,824	3.2%
2018	194,188	6,399,271	32,954	153,512	3.1%
2017	193,744	6,042,488	31,188	150,151	3.5%
2016	192,672	5,477,280	23,850	160,159	3.9%
2015	190,884	5,688,916	29,803	148,684	3.7%
2014	191,180	5,939,007	31,065	148,165	4.2%
2013	189,314	5,192,883	27,430	147,718	5.0%
2012	188,010	4,914,957	26,142	147,172	6.0%

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  
Last Ten Fiscal Years**

**June 30, 2021**

<b>Employer</b>	<b>Number of Employees</b>	<b>Rank</b>	<b>Percent of all Employees</b>
University of Utah (Including Hospital)	20,000	1	12.90%
Intermountain Health Care	20,000	2	12.90%
State of Utah	20,000	3	12.90%
Walmart	20,000	4	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%
Utah State University	10,000	8	6.45%
Granite School District	10,000	9	6.45%
Smith's Food and Drug Centers	10,000	10	6.45%
<b>Total Employees of Principal Employers</b>	<b>155,000</b>		<b>100.0%</b>

**June 30, 2020**

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

**June 30, 2019**

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

**June 30, 2018**

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

**June 30, 2017**

<b>Employer</b>	<b>Number of Employees</b>	<b>Rank</b>	<b>Percent of all Employees</b>
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%
Granite School District	10,000	7	6.58%
Smith's Food and Drug Centers	10,000	8	6.58%
Utah State University	10,000	9	6.58%
Davis County School District	7,000	10	4.61%
<b>Total Employees of Principal Employers</b>	<b>152,000</b>		<b>100.0%</b>

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

**SALT LAKE CITY DEPARTMENT OF AIRPORTS**

**Utah Principal Employers  
Continued Last Ten Fiscal Years**

**June 30, 2016**

<b>Employer</b>	<b>Number of Employees</b>	<b>Rank</b>	<b>Percent of all Employees</b>
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%
Granite School District	10,000	7	6.58%
Davis County School District	7,000	8	4.61%
Utah State University	10,000	9	6.58%
Smith's Food and Drug Centers	10,000	10	6.56%
<b>Total Employees of Principal Employers</b>	<b>152,000</b>		<b>100.00%</b>

**June 30, 2015**

<b>Employer</b>	<b>Number of Employees</b>	<b>Rank</b>	<b>Percent of all Employees</b>
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%
Granite School District	10,000	7	6.58%
Jordan School District	10,000	8	6.58%
Utah State University	10,000	9	6.58%
Davis County School District	7,000	10	4.61%
<b>Total Employees of Principal Employers</b>	<b>152,000</b>		<b>100.00%</b>

**June 30, 2014**

<b>Employer</b>	<b>Number of Employees</b>	<b>Rank</b>	<b>Percent of all Employees</b>
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%
<b>Total Employees of Principal Employers</b>	<b>152,000</b>		<b>100.00%</b>

**June 30, 2013**

<b>Employer</b>	<b>Number of Employees</b>	<b>Rank</b>	<b>Percent of all Employees</b>
Intermountain Health Care	20,000	1	13.16%
State of Utah	20,000	2	13.16%
University of Utah (Including Hospital)	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%
U.S. Department of Treasury	10,000	9	6.58%
Smith's Food and Drug	7,000	10	4.61%
<b>Total Employees of Principal Employers</b>	<b>152,000</b>		<b>100.00%</b>

**June 30, 2012**

<b>Employer</b>	<b>Number of Employees</b>	<b>Rank</b>	<b>Percent of all Employees</b>
Intermountain Health Care	20,000	1	15.87%
University of Utah	20,000	2	15.87%
State of Utah	20,000	3	15.87%
Brigham Young University	15,000	4	11.90%
Walmart	15,000	5	11.90%
Hill Air Force Base	10,000	6	7.94%
Granite School District	7,000	7	5.56%
Utah State University	7,000	8	5.56%
Davis County School District	7,000	9	5.56%
Smith's Food and Drug	5,000	10	3.97%
<b>Total Employees of Principal Employers</b>	<b>126,000</b>		<b>100.00%</b>

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
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
2013	5	1	8	21	12	24	29	213	202	*	515
2012	5	1	9	20	12	23	29	202	192	*	493

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**

	<b>June 30, 2021</b>	<b>June 30, 2020</b>	<b>June 30, 2019</b>	<b>June 30, 2018</b>	<b>June 30, 2017</b>	<b>June 30, 2016</b>	<b>June 30, 2015</b>	<b>June 30, 2014</b>	<b>June 30, 2013</b>	<b>June 30, 2012</b>
<b>Military</b>										
Acres of land leased to military	194	135	135	135	135	135	135	135	135	135
Annual rent from military leases	\$153,712	\$153,712	\$153,712	\$153,712	\$153,712	\$150,969	\$140,144	\$136,968	\$136,968	\$136,968
<b>Terminal - General</b>										
Number of passenger terminals	1	3	3	3	3	3	3	3	3	3
Total square feet	3,870,095	1,060,184	1,090,067	1,090,067	1,090,067	1,090,067	1,102,400	1,102,400	1,102,400	1,102,400
<b>Non-Retail Space - number of sq. ft.</b>										
Counter space	6,604	7,614	7,614	7,614	7,614	7,614	7,614	7,614	7,614	7,614
Airline office	91,452	42,569	42,569	42,569	42,569	42,569	42,569	42,369	42,369	42,369
Other office (i.e. TSA, SLCD, concession offices)	88,582	61,865	61,865	61,865	61,865	61,865	61,865	61,865	47,882	47,882
Common use areas	1,140,560	584,370	584,370	584,370	584,370	584,370	584,370	584,370	598,343	644,935
<b>Retail Space - Pre-Security</b>										
Food and beverage	608	2,674	2,674	2,674	2,674	2,674	2,674	2,674	2,788	1,998
Newsstands	1,684	184	184	184	184	184	184	184	212	250
Specialty Retail	-	-	-	-	-	-	-	-	-	-
Other concessions (vending)	-	264	264	264	264	264	264	264	238	497
<b>Retail Space - Secured Area</b>										
Food and beverage	24,402	50,280	50,280	50,280	50,280	50,280	50,280	50,280	49,836	45,454
Newsstands	9,654	7,721	7,721	7,721	7,721	7,721	7,721	7,721	7,697	4,891
Specialty Retail	16,133	15,019	15,019	15,019	15,019	15,019	15,001	15,001	13,419	13,994
Other concessions	721	152	152	152	152	152	96	96	140	-
<b>Parking</b>										
Short-term / Parking Garage (Number of spaces)	3,469	1,845	1,845	1,845	1,845	1,845	1,774	1,766	1,766	1,766
Long-term (Number of spaces)	10,548	10,463	10,463	10,463	9,703	9,703	10,070	10,055	10,057	10,057
Tenant Employee Lot (Number of spaces)	4,309	2,950	2,950	2,950	2,950	2,950	2,950	2,950	2,950	2,950
Park and Wait Lot (Number of spaces)	120	120	120	120	120	82	82	82	81	81
<b>Cargo</b>										
Total SF of airport buildings leased for cargo use, including warehouse, office, etc.	249,674	206,620	184,592	202,896	202,896	202,896	202,896	202,896	202,896	202,896
Total SF of ground leased for cargo, incl. warehousing, office, etc.	929,211	757,939	757,939	797,939	797,939	797,939	727,939	727,939	727,939	727,939
<b>Runways (feet)</b>										
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
<b>Acres</b>										
Total Acres Owned by Airport	9,352	9,663	9,663	9,663	9,663	9,633	9,510	9,426	9,426	9,426
Total AOA Acres	3121	3,325	3,325	3,325	3,325	3,325	3,375	3,375	3,375	3,375

Source: Salt Lake Department of Airports AAAE Survey results.  
New Airport concessions program completed at calendar year-end 2012.

**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>
<b>Crime and Fidelity</b>	National Union Fire Insurance 01-426-40-59	\$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
<b>Excess Workers' Comp</b>	Safety National SP 4060862	\$25,000	Forgery or Alteration, \$1,000 deductible
		\$30,000,000	Maximum limit of indemnity per occurrence
			\$1,000,000 Self-Insured Retention (SIR) per occurrence
		\$1,000,000	Employers' Liability maximum limit of indemnity per occurrence
<b>Cyber</b>	Indian Harbor Insurance Co. MTP903369904	\$5,000,000	Third-Party Liability: Media, Privacy and Cyber Security, Privacy Regulatory Defense, Awards and Fines, \$50,000 retention First Party Coverage: Data Recovery, Cyber Extortion and Ransomware. Data Breach Response and Crisis Management Coverage, \$50,000 retention
<b>Excess Liability</b>	Safety National Casualty Corp.		\$1,000,000 SIR per occurrence applies to each line of coverage
Commercial General Liability	GLE4058876	\$2,000,000	\$4,000,000 aggregate limit CGL
Business Auto Liability	CA6675714	\$2,000,000	\$2,000,000 combined single limit and maximum limit of indemnity
Law Enforcement Liability	SLE6675337	\$2,000,000	\$2,000,000 aggregate limit
Public Officials and Emp Practices	SP06675338	\$2,000,000	\$2,000,000 aggregate limit
<b>General Liability</b>	AIG	\$500,000,000	Bodily Injury, Property Damage, Auto Liability on Airport
Dept. of Airports	AP 007741005	\$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
<b>Property Insurance</b>	Lexington Insurance Co. 014498273	\$1,000,000,000	Airport Terminal, Concourses, Buildings, Runways, Taxiways
Dept. of Airports		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.
		Not covered	Terrorism, Certified & Non-Certified Acts
<b>Comm. Auto Liability</b>	Granite State Auto Insurance	\$1,000,000	Scheduled Autos Only
Dept. of Airports	02-CA-023317118	\$0 deductible	

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

<u>Fiscal Year</u>	<u>O&amp;D Enplaned Passengers</u>	<u>% Change From Prior FY</u>	<u>Connecting Enplaned Passengers</u>	<u>% Change From Prior FY</u>	<u>Total Enplaned Passengers</u>	<u>% Change From Prior FY</u>
2012	5,169,664	1.0	4,955,422	(6.7)	10,125,086	(2.9)
2013	5,276,135	2.1	4,767,934	(3.8)	10,044,069	(0.8)
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	4,476,771 *	(23.6)	3,233,582 *	(23.6)	7,710,353 *	(23.6)

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 2021 from USDOT are not yet available. As such, the figure has been forecast using percentages from FY 2020.

**Airlines Operating in FY 2021  
At Salt Lake City International Airport**

**Signatory Airlines**

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

**Affiliate Airlines\***

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Compass Airlines (AA, Delta)  
Express Jet (UAL)  
GoJet (UAL)  
Horizon Air (AK)  
Mesa Airlines (AA, UAL)  
Republic Airlines (UAL)  
SkyWest Airlines (AK, AA, Delta, UAL)

**All Cargo Airlines**

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Air Transport International, Inc.  
Ameriflight, LLC  
Corporate Air  
Empire Airlines  
FedEx  
Southern Air (operates DHL Express service)  
United Parcel Service

**Foreign Flag Airlines\***

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Aeromexico (Delta)  
KLM Royal Dutch Airlines (Delta)

\* Affiliated Signatory Airlines shown in parentheses.

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

<u>Airline</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>	<b>Market Share</b> <b>FY 2012</b>	<b>Market Share</b> <b>FY 2021</b>
Delta Air Lines	4,434	4,578	4,786	5,170	5,597	6,097	6,431	6,869	5,587	4,172	73.6%	72.5%
Delta Connection*	3,014	2,844	2,723	2,440	2,329	2,184	2,298	2,563	1,778	1,420	0.0% *	0.0% *
Southwest Airlines	1,247	1,198	1,173	1,162	1,214	1,216	1,310	1,300	982	758	12.3%	9.8%
American Airlines**	534	567	647	713	752	747	775	740	555	520	5.3%	6.7%
United Airlines	460	444	443	491	552	596	608	663	475	350	4.5%	4.5%
Alaska Air	-	26	112	407	409	421	379	333	253	182	0.0%	2.4%
JetBlue Airways	209	167	163	202	232	296	363	358	274	113	2.1%	1.5%
Frontier	222	217	239	238	198	246	243	263	191	194	2.2%	2.5%
Other	<u>3</u>	<u>4</u>	<u>9</u>	<u>10</u>	<u>10</u>	<u>47</u>	<u>13</u>	<u>2</u>	<u>1</u>	<u>0</u>	0.0%	0.0%
Total	<u>10,125</u>	<u>10,044</u>	<u>10,295</u>	<u>10,834</u>	<u>11,293</u>	<u>11,850</u>	<u>12,420</u>	<u>13,090</u>	<u>10,096</u>	<u>7,710</u>		

\*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)**

	<b>Fiscal Year Ended June 30</b>									
	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Passenger Aircraft	249,040	236,860	237,646	237,948	237,294	247,150	250,904	253,578	216,320	219,808
Cargo	16,520	17,942	18,102	18,484	19,434	20,240	20,382	20,618	20,604	20,672
General Aviation	73,389	74,145	66,670	60,824	50,879	48,843	53,695	61,117	63,326	68,469
Military	4,170	2,044	2,190	2,738	7,978	7,202	7,037	5,751	2,792	3,190
<b>Total Operations</b>	<b><u>343,119</u></b>	<b><u>330,991</u></b>	<b><u>324,608</u></b>	<b><u>319,994</u></b>	<b><u>315,585</u></b>	<b><u>323,435</u></b>	<b><u>332,018</u></b>	<b><u>341,064</u></b>	<b><u>303,042</u></b>	<b><u>312,139</u></b>
Annual Change	(-5.1%)	(-3.5%)	(-1.9%)	(-1.4%)	(-1.4%)	2.5%	2.7%	2.7%	-11.1%	3.0%

Source: Department Records

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

	<b>Fiscal Year Ended June 30</b>									
	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Airlines	11,731,536	11,463,695	11,740,729	12,202,986	12,511,833	13,303,497	13,737,381	14,263,691	12,315,209	12,631,435
Cargo	873,214	942,557	938,309	997,992	1,069,830	1,106,147	1,171,564	1,201,369	1,246,304	1,356,217
<b>Total</b>	<b>12,604,750</b>	<b>12,406,252</b>	<b>12,679,038</b>	<b>13,200,978</b>	<b>13,581,663</b>	<b>14,409,644</b>	<b>14,908,945</b>	<b>15,465,060</b>	<b>13,561,514</b>	<b>13,987,653</b>
Annual Change	(-4.7%)	(-1.6%)	2.2%	4.1%	2.9%	6.1%	3.5%	3.7%	-12.3%	3.1%

Source: Department Records

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

	<b>Fiscal Year Ended June 30</b>									
	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Cargo	173,030	171,762	162,767	165,356	175,453	183,525	190,143	203,950	199,985	212,260
Mail	10,213	14,417	14,674	15,773	16,420	17,020	20,712	20,293	21,400	27,865
<b>Total</b>	<b><u>183,243</u></b>	<b><u>186,179</u></b>	<b><u>177,441</u></b>	<b><u>181,129</u></b>	<b><u>191,873</u></b>	<b><u>200,545</u></b>	<b><u>210,855</u></b>	<b><u>224,243</u></b>	<b><u>221,385</u></b>	<b><u>240,125</u></b>
Annual Change	10.7%	1.6%	(-4.7%)	2.1%	5.9%	4.5%	5.1%	6.3%	-1.3%	8.5%

Source: Department Records

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

	Fiscal Year Ended June 30				
	2017	2018	2019	2020	2021
<b>Operating Revenues</b>					
Airfield	\$ 35,333,251	\$ 37,850,416	\$ 40,799,238	\$ 40,689,749	\$ 40,792,381
Terminals	52,951,540	56,371,640	60,286,589	58,015,237	84,092,806
Landside	64,364,602	68,304,466	72,852,990	58,885,211	51,311,766
Auxiliary Airports	1,523,721	1,782,152	2,031,742	2,138,371	2,106,100
General Aviation	2,262,353	2,526,808	2,392,266	2,568,559	3,381,032
Support Areas	7,449,642	7,662,008	6,437,741	5,957,045	6,319,366
Other	3,090,190	2,915,551	2,739,183	3,169,004	4,390,798
Operating revenues	166,975,299	177,413,041	187,539,749	171,423,176	192,394,249
Less: Airline revenue sharing	(12,169,163)	(13,007,308)	(14,076,885)	(10,096,880)	(7,710,155)
<b>Total operating revenues</b>	<b>154,806,136</b>	<b>164,405,733</b>	<b>173,462,864</b>	<b>161,326,296</b>	<b>184,684,094</b>
<b>Operating Expenses</b>					
Airfield	30,038,981	31,484,601	31,305,225	32,866,248	31,303,986
Terminals	40,038,056	41,079,201	40,435,158	47,183,508	65,663,460
Landside	12,336,435	12,522,236	10,081,900	11,223,893	12,704,070
Auxiliary Airports	3,054,345	3,253,108	4,241,437	4,534,580	4,386,332
General Aviation	2,890,348	995,461	877,645	892,387	747,824
Support Areas	1,347,481	1,235,761	1,661,436	1,600,159	1,644,206
Roads and Grounds	7,165,486	6,876,733	7,670,463	8,516,862	5,108,025
Other	2,588,726	2,529,250	2,161,008	3,085,500	2,118,334
<b>Total operating expenses before depreciation</b>	<b>99,459,858</b>	<b>99,976,351</b>	<b>98,434,272</b>	<b>109,903,136</b>	<b>123,676,237</b>
<b>Operating Income Before Depreciation</b>	<b>55,346,278</b>	<b>64,429,382</b>	<b>75,028,592</b>	<b>51,423,160</b>	<b>61,007,857</b>
<b>Depreciation</b>	<b>63,664,986</b>	<b>63,826,718</b>	<b>63,549,763</b>	<b>57,604,443</b>	<b>100,890,159</b>
<b>Operating Income/(Loss)</b>	<b>(8,318,708)</b>	<b>602,664</b>	<b>11,478,829</b>	<b>(6,181,283)</b>	<b>(39,882,302)</b>
<b>Non-operating Revenues (Expenses)</b>					
Passenger Facility Charges	45,750,397	47,739,461	49,720,539	40,607,278	29,227,051
Customer Facility Charges	16,157,076	15,740,068	16,012,445	12,477,986	9,015,981
Net Bond interest expense	(14,479,594)	(34,674,629)	(72,222,513)	(85,497,741)	(86,108,427)
Bond issuance costs	(3,453,689)	-	(3,129,538)	-	(506,009)
Interest Income	8,005,230	21,782,631	36,964,373	19,360,991	3,944,378
Contribution of capital assets	-	-	-	-	(9,028,611)
Other revenue (expenses), net	4,120,819	(2,501,999)	9,405,217	1,527,746	(15,942,595)
<b>Net non-operating revenues (expenses)</b>	<b>56,100,239</b>	<b>48,085,532</b>	<b>36,750,523</b>	<b>(11,523,740)</b>	<b>(69,398,232)</b>
<b>Capital Contributions</b>	<b>17,793,909</b>	<b>18,142,126</b>	<b>14,284,968</b>	<b>31,124,710</b>	<b>94,930,936</b>
<b>Net Position</b>					
Increase (decrease) in Net Position	65,575,440	66,830,322	62,514,320	13,419,687	(14,349,598)
Net Position, Beginning of Period	1,222,234,634	1,287,810,074	1,354,640,396	1,417,154,716	1,430,574,403
<b>Net Position, End of Period</b>	<b>\$ 1,287,810,074</b>	<b>\$ 1,354,640,396</b>	<b>\$ 1,417,154,716</b>	<b>\$ 1,430,574,403</b>	<b>\$ 1,416,224,805</b>

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				
	2012	2013	2014	2015	2016
<b>Operating Revenues</b>					
Airfield	\$ 27,360,062	\$ 27,533,052	\$ 28,986,244	\$ 27,688,088	\$ 31,809,896
Terminals	42,580,560	45,410,572	45,732,747	49,165,208	50,070,474
Landside	45,110,330	48,119,056	49,064,037	52,477,405	57,912,911
Auxiliary Airports	670,645	721,141	736,231	852,204	939,098
General Aviation	2,097,232	2,028,469	2,089,127	2,223,159	2,056,534
Support Areas	7,098,323	7,421,130	7,486,374	7,484,591	7,149,854
Other	2,550,590	2,635,709	3,194,765	2,318,083	2,035,050
Operating revenues	127,467,742	133,869,129	137,289,525	142,208,738	151,973,817
Less: Airline revenue sharing	(10,007,605)	(10,013,679)	(10,290,299)	(9,938,626)	(10,941,229)
<u>Total operating revenues</u>	<u>117,460,137</u>	<u>123,855,450</u>	<u>126,999,226</u>	<u>132,270,112</u>	<u>141,032,588</u>
<b>Operating Expenses</b>					
Airfield	25,680,150	25,848,088	27,040,934	22,546,161	28,358,533
Terminals	37,776,228	38,904,486	36,795,761	32,598,386	37,150,225
Landside	9,608,951	11,311,729	11,813,344	9,788,597	11,237,669
Auxiliary Airports	1,699,831	1,500,433	1,575,915	1,370,456	1,746,575
General Aviation	1,266,518	1,064,049	1,124,905	1,112,793	996,707
Support Areas	944,635	1,019,395	1,039,306	958,611	1,130,272
Roads and Grounds	5,667,708	5,679,770	6,000,384	5,736,332	6,991,987
Other	1,915,418	2,142,776	2,224,551	2,097,347	2,453,128
<u>Total operating expenses before depreciation</u>	<u>84,559,439</u>	<u>87,470,726</u>	<u>87,615,100</u>	<u>76,208,683</u>	<u>90,065,096</u>
<b>Operating Income Before Depreciation</b>	32,900,698	36,384,724	39,384,126	56,061,429	50,967,492
<b>Depreciation</b>	49,802,772	57,127,603	59,027,448	59,995,105	61,656,896
<b>Operating Loss</b>	(16,902,074)	(20,742,879)	(19,643,322)	(3,933,676)	(10,689,404)
<b>Non-operating Revenues (Expenses)</b>					
Passenger Facility Charges	37,190,302	37,534,715	38,437,248	40,976,537	42,805,519
Customer Facility Charges	11,203,789	14,308,670	14,848,663	15,606,695	15,613,155
Net Bond interest expense	-	-	-	-	-
Bond issuance costs	-	-	-	-	-
Interest Income	1,818,745	1,814,881	1,964,326	1,788,695	2,782,668
Other revenue (expenses), net	109,964	(3,394,933)	1,441,073	(275,668)	(488,665)
<u>Net non-operating revenues (expenses)</u>	<u>50,322,800</u>	<u>50,263,333</u>	<u>56,691,310</u>	<u>58,096,259</u>	<u>60,712,677</u>
<b>Capital Contributions</b>	14,789,323	22,558,966	17,916,389	15,148,122	14,230,033
<b>Net Position</b>					
Increase in Net Position	48,210,049	52,079,420	54,964,377	69,310,705	64,253,306
Net Position, Beginning of Period	954,415,040	1,002,625,089	1,054,704,509	1,088,670,623	1,157,981,328
<u>Net Position, End of Period</u>	<u>\$ 1,002,625,089</u>	<u>\$ 1,054,704,509</u>	<u>* \$ 1,109,668,886</u>	<u>* \$ 1,157,981,328</u>	<u>* \$ 1,222,234,634</u>

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,**

	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Landing Fees	\$ 23,059	\$ 23,662	\$ 25,000	\$ 23,199	\$ 27,023	\$ 30,020	\$ 32,742	\$ 35,434	\$ 35,638	\$ 35,996
Airline Terminal Space Rentals	27,827	27,590	26,812	29,019	28,500	29,775	31,028	33,432	34,645	66,680
Other Airline Revenues	6,881	7,171	7,098	7,201	6,931	6,844	6,799	6,769	7,031	7,015
Car Rental	16,697	17,482	18,064	19,341	22,142	27,186	29,181	29,856	25,372	24,317
Auto Parking Facilities	26,282	28,619	29,228	31,117	33,409	34,297	35,323	36,297	27,974	23,491
Other Terminal Rentals	23,862	26,909	28,431	29,467	30,859	35,042	39,041	42,046	37,634	31,608
Other Revenues	2,860	2,436	2,657	2,864	3,110	3,811	4,441	3,704	3,129	3,287
Credit Revenue Sharing	(10,008)	(10,014)	(10,290)	(9,938)	(10,941)	(12,169)	(13,007)	(14,077)	(10,097)	(7,710)
<b>Total Operating Revenues</b>	<b>\$ 117,460</b>	<b>\$ 123,855</b>	<b>\$ 127,000</b>	<b>\$ 132,270</b>	<b>\$ 141,033</b>	<b>\$ 154,806</b>	<b>\$ 165,548</b>	<b>\$ 173,461</b>	<b>\$ 161,326</b>	<b>\$ 184,684</b>

Source: Department Records

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

Airline (includes affiliates)	FY 2019				FY 2020				FY 2021			
	Landing Fees	% of Total	Rents	% of Total	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%	\$ 687	1.9%	\$ 1,814	2.9%
American*	1,858	5.2%	1,300	4.0%	1,646	4.6%	1,959	5.7%	1,507	4.2%	3,916	6.3%
Delta	23,534	66.4%	24,671	75.9%	23,850	66.9%	25,431	73.6%	24,625	68.4%	42,745	68.4%
Frontier	540	1.5%	494	1.5%	484	1.4%	548	1.6%	513	1.4%	1,659	2.7%
JetBlue	875	2.5%	508	1.6%	796	2.2%	664	1.9%	406	1.1%	1,669	2.7%
Southwest	3,250	9.2%	3,225	9.9%	3,078	8.6%	3,357	9.7%	2,388	6.6%	7,187	11.5%
United	1,655	4.7%	1,501	4.6%	1,451	4.1%	1,632	4.7%	1,155	3.2%	3,475	5.6%
Other (1)	2,871	8.1%	-	0.0%	3,507	9.8%	-	0.0%	4,715	13.1%	-	0.0%
<b>Totals:</b>	<b>\$ 35,434</b>	<b>100.0%</b>	<b>\$ 32,518</b>	<b>100.0%</b>	<b>\$ 35,638</b>	<b>100.0%</b>	<b>\$ 34,575</b>	<b>100.0%</b>	<b>\$ 35,996</b>	<b>100.0%</b>	<b>\$ 62,465</b>	<b>100.0%</b>

Airline (includes affiliates)	FY 2017				FY 2018			
	Landing Fees	% of Total	Rents	% of Total	Landing Fees	% of Total	Rents	% of Total
Alaska	\$ 1,053	3.5%	\$ 957	3.3%	\$ 973	3.0%	\$ 1,025	3.3%
American	1,537	5.1%	1,239	4.3%	1,727	5.3%	1,250	4.0%
Delta	19,438	64.9%	21,831	74.8%	21,136	64.7%	23,227	74.8%
Frontier	483	1.6%	449	1.5%	480	1.5%	483	1.6%
JetBlue	631	2.1%	435	1.5%	854	2.6%	478	1.5%
SkyWest	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Southwest	2,832	9.4%	2,882	9.9%	3,219	9.8%	3,056	9.9%
United	1,342	4.5%	1,348	4.6%	1,483	4.5%	1,396	4.5%
Other (1)	2,704	9.0%	-	0.0%	2,870	8.8%	84	0.3%
<b>Totals:</b>	<b>\$ 30,020</b>	<b>100.0%</b>	<b>\$ 29,141</b>	<b>100.0%</b>	<b>\$ 32,742</b>	<b>100.0%</b>	<b>\$ 30,999</b>	<b>100.0%</b>

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 2014				FY 2015				FY 2016			
	Landing Fees	% of Total	Rents	% of Total	Landing Fees	% of Total	Rents	% of Total	Landing Fees	% of Total	Rents	% of Total
American	814	3.3%	729	2.7%	815	3.5%	873	3.0%	1,713	6.3%	1,333	4.8%
Continental	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Delta	18,163	72.7%	20,116	75.7%	14,786	63.7%	22,153	75.5%	17,577	65.1%	21,242	76.2%
Frontier	620	2.5%	537	2.0%	420	1.8%	428	1.5%	377	1.4%	352	1.3%
JetBlue	346	1.4%	389	1.5%	393	1.7%	368	1.3%	472	1.7%	301	1.1%
Northwest	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Shuttle America	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
SkyWest	-	0.0%	34	0.1%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Southwest	2,895	11.6%	2,612	9.8%	2,105	9.1%	2,792	9.5%	2,435	9.0%	2,454	8.8%
United	1,010	4.0%	1,213	4.6%	944	4.1%	1,242	4.2%	1,205	4.5%	1,103	4.0%
US Airways	785	3.1%	579	2.2%	747	3.2%	759	2.6%	-	0.0%	-	0.0%
Other (1)	198	0.7%	151	0.6%	2,105	9.1%	-	0.0%	2,279	8.4%	-	0.0%
<b>Totals:</b>	<b>\$ 25,000</b>	<b>100.0%</b>	<b>\$ 26,583</b>	<b>100.0%</b>	<b>\$ 23,199</b>	<b>100.0%</b>	<b>\$ 29,328</b>	<b>100.0%</b>	<b>\$ 27,023</b>	<b>100.0%</b>	<b>\$ 27,852</b>	<b>100.0%</b>

Airline (includes affiliates)	FY 2012				FY 2013			
	Landing Fees	% of Total	Rents	% of Total	Landing Fees	% of Total	Rents	% of Total
American	\$ 645	2.8%	\$ 648	2.4%	615	2.6%	642	2.3%
Continental	227	1.0%	270	1.0%	-	0.0%	-	0.0%
Delta	15,691	68.0%	21,076	77.1%	16,125	68.1%	21,141	77.3%
Frontier	438	1.9%	417	1.5%	453	1.9%	429	1.6%
JetBlue	399	1.7%	379	1.4%	320	1.4%	392	1.4%
Northwest	-	0.0%	-	0.0%	-	0.0%	-	0.0%
SkyWest	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Southwest	2,897	12.6%	2,776	10.2%	2,727	11.5%	2,740	10.0%
United	725	3.1%	1,062	3.9%	919	3.9%	1,282	4.7%
US Airways	502	2.2%	571	2.1%	601	2.5%	586	2.1%
Other (Charter, Cargo & Commuter)	1,535	6.7%	138	0.4%	1,901	8.1%	140	0.6%
<b>Totals:</b>	<b>\$ 23,059</b>	<b>100.0%</b>	<b>\$ 27,338</b>	<b>100.0%</b>	<b>\$ 23,662</b>	<b>100.0%</b>	<b>\$ 27,352</b>	<b>100.0%</b>

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,**

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Personnel Services	\$ 41,345	\$ 42,347	\$ 44,916	\$ 33,880	\$ 45,096	\$ 49,350	\$ 50,076	\$ 40,258	\$ 48,584	\$ 46,782
Charges/Services/Fees	20,773	19,796	18,547	19,785	20,811	24,901	23,996	26,300	25,118	40,762
Operational Maintenance Supplies	8,999	11,118	10,755	9,487	10,940	11,725	11,343	12,610	12,381	11,041
Utilities	5,630	6,122	6,209	6,313	6,175	5,946	6,166	5,721	5,697	6,664
Fire Services	4,091	4,152	4,185	4,314	4,597	4,886	5,130	5,364	5,587	5,262
Police Services	-	-	-	-	-	-	-	3,891 *	8,332 *	8,717
Salt Lake City Administration	3,721	3,935	3,003	2,430	2,446	2,651	3,265	4,288	4,204	4,448
<b>Total Operating Expenses</b>	<b>\$ 84,559</b>	<b>\$ 87,470</b>	<b>\$ 87,615</b>	<b>\$ 76,209</b>	<b>\$ 90,065</b>	<b>\$ 99,459</b>	<b>\$ 99,976</b>	<b>\$ 98,433</b>	<b>\$ 109,903</b>	<b>\$ 123,676</b>

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.