Comprehensive Annual Financial Report

Salt Lake City Department of Airports

(An Enterprise Fund of Salt Lake City, Utah)

For the Years Ended June 30, 2014 and 2013

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

SALT LAKE CITY DEPARTMENT OF AIRPORTS
(An Enterprise Fund of Salt Lake City, Utah)

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEARS ENDED JUNE 30, 2014 AND 2013

SALT LAKE CITY DEPARTMENT OF AIRPORTS
Salt Lake City, Utah
Financial Statements
For the Years Ended June 30, 2014 and 2013

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INTRODUCTORY SECTION

THIS SECTION CONTAINS THE FOLLOWING SUBSECTIONS:

Letter of Transmittal
Organizational Chart

Salt Lake City
Department of Airports

October 18, 2014

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

Overview

The Comprehensive Annual Financial Report of the Salt Lake City Department of Airports (SLCDA) for the fiscal year ended June 30, 2014 is submitted herewith. This report was prepared by the Department'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 Department.

In developing and evaluating the Department's accounting system, consideration is given to the adequacy of internal control. 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 Department'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, 2014 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 the Airport's federal and state grant programs 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 Department's budget is prepared under the direction of the Airport Executive Director and Director of Finance, 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 Department of Airports is a department of the City of Salt Lake City, Utah. As an enterprise fund, users of the Department'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 4 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, and the first terminal building, currently Terminal One, was dedicated in 1960. Terminal Two was completed in 1978. Terminal One was expanded and remodeled in 1981, and a third air carrier runway and International Terminal were added in 1995. Another major runway was completed and opened in 1996, and in 1999, the Federal Aviation Administration opened a new air traffic control tower and terminal radar approach control facility. Since 2005, the Airport has upgraded Terminal Two, including bag claim carousel modifications, Explosive Detection Systems (EDS) and international gates, completed the north cargo apron, which was partially funded by federal funds, and completed rehabilitation of runway 16L/34R pavement. Current projects include the construction of runway deicing pads, partially funded with a federal stimulus package grant, construction of deicing pad support facilities, funded partially with PFC, and apron reconstruction projects.

Construction commenced in FY 2014 on the Terminal Redevelopment Program (TRP), a $1.8 billion capital improvement program to build new facilities to replace aging facilities, mitigate seismic risks, and prepare for future growth. The existing facilities were built to accommodate 10 million passengers annually, but in FY 2014, the airport served over twice the number of passengers the facilities were originally designed to handle.

The Airport is currently ranked the 27th busiest in North America, and 80th busiest in the world in terms of passenger numbers with over 309 scheduled daily departing flights serving more than 91 non-stop destinations. The Airport served approximately 20.6 million passengers in FY 2014 and is Delta's fourth largest hub.

Economic Condition

According to the most recently published State of Utah's 2014 Economic Outlook Report to the Governor, Utah typically grows more rapidly than the nation after a recession, and this pattern is continuing in the current recovery. During 2013, Utah's employment grew 3.3 percent compared to the national employment growth of 1.6 percent. Utah's unemployment rate also improved to 4.8 percent in 2013 compared to 5.7 percent in 2012.

Utah's total personal income is estimated to have increased by 4 percent in 2013, lower growth compared to the 5.2 percent increase in 2012. The 2013 increase in personal income was led by strong wage growth at 4.9 percent. Jobs were added across all industry sectors in the Utah economy during 2013, including significant expansion in the information sector driven by the corridor of technology firms that continued to expand.

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, the Airport has been a significant economic driver for Salt Lake City and the state of Utah for the past 50 years and will continue to underpin the economy. The Airport currently generates an estimated $1.1 billion in wages and income annually from an estimated 35,290 full-time jobs related to Airport business activities. 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 require a continued focus on operating costs, while maintaining service and safety. To reduce costs and increase efficiencies in FY 2014, the glycol recovery plant operations were brought in house, and certain contracts, including the janitorial and explosive detection system (EDS) contracts were evaluated and re-negotiated. This helped to reduce increases in operating expenses to only 0.17 percent while passengers increased 2.5 percent in FY 2014 over FY 2013.

The Airport is currently economically stable with no outstanding debt, but costs are escalating to maintain aging facilities. Efforts are continually made to control operating costs to the airlines and reduce airline cost per enplaned passenger, currently at $3.90 for FY 2014 and $3.84 for FY 2013 - one of the lowest rates among large hub airports in the nation. The Airport has total cash balances of $422 million to be utilized during the next decade for the Terminal Redevelopment Program (TRP) with the exception of certain restricted funds. Financing for this program is expected to be generated from federal grants, passenger facility charges (PFC), rental car customer facility charges (CFC), bonds, and Airport cash reserves.

Outlook

Over the last several years, Utah has outperformed a sluggish national economy. Absent any significant deterioration in the macro-economic environment, this trend is expected to continue. Improvements in the state's labor market will continue during 2014 with job growth at 3.1 percent, slightly below the state's long-term average. This growth is expected to bring Utah's unemployment level down to 4.2 percent by the end of 2014. Personal income is expected to increase by 5.3 percent in 2014, a 0.6 percent increase over the anticipated U.S. increase. Utah's per capita personal income is forecast to increase 3.6 percent in 2014, but is still forecast to decrease slightly to approximately 81.2 percent of U.S. per capita income.

Salt Lake City Airport passengers are forecast to increase by 3.75 percent and operations are forecast to increase by 2.79 percent during FY 2015. Flights remain fuller as airlines are matching capacity to demand resulting in little change to the daily flight and seat schedules. Airlines continue to streamline costs, implement other revenue sources, and operate more efficiently.

Current financial position, passenger statistics, and results from FY 2014 and earlier can be found in more detail in Management's Discussion and Analysis in this report.

Future Growth

According to the Federal Aviation Administration (FAA) Aerospace Forecast 2014-2034, as the economy recovers from the most serious economic downturn and the slowest recovery in recent history, aviation will continue to grow over the long run. Fundamentally, demand for aviation is driven by economic activity. As economic growth picks up, so will growth in the aviation industry. The 2014 FAA forecast calls for U.S. carrier passenger growth over the next 20 years to average 2.2 percent per year. The Salt Lake City Airport forecasts an average annual growth rate of 1.5 percent in future years.

Construction on the Terminal Redevelopment Program (TRP) is underway. The TRP will replace terminal facilities that are over 50 years old, require extensive maintenance, are not energy efficient and fail to meet current seismic standards. It is expected that the TRP will achieve Leadership in Energy and Environmental Design (LEED) silver certification as required by City ordinance. The TRP will consolidate passenger processing facilities into a single facility to serve all concourses as well as replace the existing parking garage, construct new terminal roadways, and a new central utility plant. Light rail and rental car services will be integrated into the new garage. A new site for car rental operations and servicing, and a quick turn-around facility for car rentals will also be built. The planned airport will have fewer gates (72 compared to the present 86), but will be capable of handling more passengers and aircraft. The number of parking spaces in the garage will double from 1,770 to 3,600. The main new terminal is expected to be operational by spring 2019 with the entire terminal complex complete by summer 2022 depending on future expansion options. The long-range master plan also allows for a future concourse to the north based upon increased passenger and gate requirements.

An Economic Impact Analysis report by GSBS Richman Consulting estimates the TRP will generate an additional 23,919 full time jobs, $1 billion in wages and income, make a $1.5 billion contribution to the local GDP and result in $3 billion in total economic output over the life of the project.

Awards and Acknowledgments

In FY 2014, the Airport received the following awards and acknowledgments:

- The American Concrete Institute (ACI) "Award of Excellence" for the End of Runway Deicing Program Deicing Pad 34L project

- The American Concrete Institute (ACI) "Award of Excellence" for the North Cargo Apron Expansion Phase III project

- The Salt Lake City Department of Airports' Control Center was designated as an Emergency Medical Dispatch Center of Excellence by the International Academies of Emergency Dispatch. This is the second time that the center has received this international accreditation, which is based on the implementation of and compliance with the Medical Priority Dispatch System (MPDS) and its associated Twenty Points of Excellence. Each accreditation lasts for three years. Salt Lake City International Airport is the first and only airport to receive this distinction.

- The Salt Lake City International Airport was selected for the Runner Up Balchen/Post Award for Excellence in Snow Removal at the Annual NEC/AAAE International Snow Symposium.

- Airports Council International awarded Salt Lake City International Airport fourth place in the Airport Service Quality Survey for 2013 in the size category of 15-25 million passengers.

- The Airport Law Enforcement Agencies Network (ALEAN) selected the Salt Lake City International Airports' Police Department as the ALEAN agency of the quarter for the second quarter of 2014.

- The Salt Lake City International Airports concession program was recognized with three awards by Airports Council International-North American (ACI-NA) Concessions Awards program. Thirty airport concessions awards were presented in the annual competition from over 200 nominations.

    - In the Best Innovative Consumer Experience Concept or Practice category, Salt Lake City International Airport was given a first place award for its Special Dietary Directory Program. Food options are listed by type and advertised for consumers with special needs or desires.

    - Second place award for Best Specialty Retail Program.

    - No Boundaries, a sport clothing and accessory store, was given an honorable mention in the Best New Retail Concept Category.

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, 2014.

In order to be awarded a Certificate of Achievement, the Airport must publish an easily readable and efficiently organized Comprehensive Annual 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 we 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 Department of Airports, along with the support of the Department of Management Services of Salt Lake City, and Eide Bailly, LLC. 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 of Directors for their interest and support in planning and conducting the financial operations of the Airport in a responsible and progressive manner.

Maureen Riley
Salt Lake City Department of Airports
Executive Director

Carol Dean
Carol Dean, CPA
Salt Lake City Department of Airports
Acting Director of Finance

ORGANIZATIONAL CHART
City of Salt Lake City, Utah

Mayor
Ralph Becker

City Council Members

District One	James Rogers
District Two	Kyle LaMalfa
District Three	Stan Penfold
District Four	Luke Garrott, Vice Chair
District Five	Erin Mendenhall
District Six	Charlie Luke, Chair
District Seven	Lisa Adams

Department of Airports
Advisory Board Members
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Michael D. Gallivan, Vice Chair
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Wayne Holland
David R. Ibarra
J. T. Martin
Russell B. Pack
Larry Pinnock
Michael Zuhl

Executive Director
Maureen Riley

Directors

Operations	Randall D. Berg
Maintenance	Peter L. Higgins
Finance	Vacant
Engineering	Kevin F. Robins
Planning & Environmental	Allen G. McCandless
Admin & Commercial Services	John A. Buckner, Jr.
Public Relations/Marketing	Barbara Gann
Information Management	Edwin Cherry

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Salt Lake City

Department of Airports

Utah

For its Comprehensive Annual Financial Report for the Fiscal Year Ended

June 30, 2013

Jeffrey R. Emser

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
Supplementary Information

EideBailly

CPAs & BUSINESS ADVISORS

Independent Auditor's Report

Advisory Board of Directors
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, 2014 and 2013, 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.

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. 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 respective financial position of the Airport as of June 30, 2014 and 2013 and the respective changes in its financial position and its cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasize 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, where applicable, 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, 2014 and 2013, the changes in its financial position, or where applicable, its cash flows for the years then ended in conformity with accounting principles generally accepted in the United State 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 taken as a whole. The introductory section, supplementary information, and statistical sections are presented for purposes of additional analysis and are not a required part of the financial statements. The introductory section, supplementary information and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Eide Bailly LLP

Salt Lake City, Utah
October 18, 2014

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)

The following Management's Discussion and Analysis ("MD&A") of the Salt Lake City Department of Airports' activities and financial performance provides an introduction and overview to the financial statements for the fiscal years ended June 30, 2014 and 2013.

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 Salt Lake City Department of Airports is an enterprise fund of the City of Salt Lake City, Utah, 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, 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 charge revenues ("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 Delta Air Line's fourth largest hub and its western most hub in the United States. The Airport ranks as the 27th busiest in North America and the 80th busiest in the world in terms of passenger numbers. In terms of operational movements, the airport ranks 21st busiest in North America and 37th busiest in the world.

The Airport had experienced several years of small increases in passengers until FY 2009 when passengers declined by -8.6% as a result of the downturn in the U.S. economy. The economy slowly improved in FY 2010 and FY 2011 and total passengers increased by 2.7% and 1.6%, respectively. Some of these increases were lost in FY 2013 (-0.9%) and FY 2012 (-2.9%) as total passenger numbers dropped while the U.S. economy continued to slowly recover.

In FY 2014, the economy and the airline industry are continuing to rebound from the FY 2009 downturn. Total passengers increased by 501,981 in FY 2014 to a total of 20,585,612. Enplaned passengers alone increased by 250,625 in FY 2014 to a total of 10,294,694; a 2.5% increase from FY 2013.

Salt Lake City International Airport provides 309 average daily departures to 91 non-stop destinations. Load factors have remained flat at 86% from FY 2013 to FY2014. The expansion of a new airline, Alaska Airlines, into the Salt Lake City market in December 2013 has slightly increased seat capacity, number of daily flights, and passengers.

Total aircraft operations decreased slightly in FY 2014 by -1.9% following a two year decrease of -3.5% in FY 2013 and -5.1% in FY 2012. While aircraft operations continued to decrease, the landing weights increased by 272,786 million pounds (+2.2%) in FY 2014 after a two year decrease. Both the decrease in operations and the increase in landing weight is consistent with the decrease in airlines switching from smaller regional jets to larger narrow body jets.

	FY 2014	FY 2013	FY 2012	FY 2011
Enplanements	10,294,694	10,044,069	10,125,086	10,429,397
% increase (decrease) from prior year	2.5%	(-0.8%)	(-2.9%)	1.5%
Landed weight (000's)	12,679,038	12,406,252	12,604,751	13,230,512
% increase (decrease) from prior year	2.20%	(-1.6%)	(-4.7%)	1.0%
Aircraft Operations - All Types	324,608	330,991	343,117	361,471
% increase (decrease) from prior year	(-1.9%)	(-3.5%)	(-5.1%)	(-1.5%)
Total # of passengers	20,585,612	20,083,631	20,263,192	20,870,896
% increase (decrease) from prior year	2.5%	(-0.9%)	(-2.9%)	1.6%

STATEMENT OF NET POSITION

The Department of Airports' net position was $1,109,668,886 as of June 30, 2014. This represents an increase of $55 million in FY 2014 and an increase of $52 million in FY 2013. The largest portion of the Airport's net position (63.6%) represents investment in capital assets (land, buildings, runways, taxiways, and equipment).

STATEMENTS OF NET POSITION		June 30, 2014		June 30, 2013		June 30, 2012
ASSETS:						
Current and other assets	$	448,992,153	$	413,262,722	$	345,385,075
Capital assets		707,111,524		670,459,258		682,910,165
TOTAL ASSETS		1,156,103,677		1,083,721,980		1,028,295,240
LIABILITIES:						
Other liabilities		46,434,792		29,017,472		25,670,152
Total Liabilities		46,434,792		29,017,472		25,670,152
NET POSITION:						
Invested in capital assets		707,111,524		670,459,258		682,910,165
Restricted		179,263,493		132,826,828		95,738,046
Unrestricted		223,293,868		251,418,422		223,976,877
Total Net Position		1,109,668,885		1,054,704,508		1,002,625,088
TOTAL LIABILITIES AND NET POSITION	$	1,156,103,677	$	1,083,721,980	$	1,028,295,240

SUMMARY OF CHANGE IN NET POSITION		FY 2014		FY 2013		FY 2012
Operating revenues	$	126,999,226	$	123,855,450	$	117,460,137
Operating expenses		(87,615,100)		(87,470,726)		(84,559,439)
Operating Income before depreciation		39,384,126		36,384,724		32,900,698
Depreciation		(59,027,448)		(57,127,603)		(49,802,772)
Operating loss		(19,643,322)		(20,742,879)		(16,902,074)
NON-OPERATING REVENUE (EXPENSE) AND CAPITAL CONTRIBUTIONS:						
Passenger facility charges		38,437,248		37,534,715		37,190,302
Customer facility charges		14,848,663		14,308,670		11,203,789
Contributions and grants		17,916,389		22,558,966		14,789,323
Other, net		3,405,399		(1,580,052)		1,928,708
CHANGE IN NET POSITION	$	54,964,377	$	52,079,420	$	48,210,049

Restricted cash for construction has continued to grow because of increased balances for customer facility charges (CFC) and unreimbursed PFC's. As of June 30, 2014, $159,105,776 (13.8%) of Airport assets were restricted for construction compared with $113,112,261 (10.4%) in FY2013, and $76,079,316 (7.4%) in FY 2012. These amounts represent passenger facility charges and customer facility charges that have been collected, but have not yet been reimbursed to general operating cash for PFC and CFC eligible construction projects. In addition, $15,157,717 (1.3%) of Airport assets in FY 2014 was restricted for an operation and maintenance reserve fund, and $5,000,000 (0.43%) was restricted for a renewal and replacement reserve fund as required by the Airport Use Agreement (AUA) agreement.

Total resources of cash and investments have increased in recent years as the Airport prepares to finance the major terminal redevelopment program. Total available cash and investments, increased by $59.06 million in FY 2014. After restricted balances, the Airport unrestricted cash available for operating expenses and reserves for the terminal redevelopment program increased by $12.6 million.

To increase return on restricted and reserved cash, the Airport began purchasing U.S. Agency notes and corporate securities in FY 2011. These investments reduced amounts that would have been invested in the State Treasurer's investment pool. Cash investments in the State Treasurer's investment pool were adjusted upward by $1,938,190 and U.S. agency securities were written down by $298,890 to fair market value at June 30, 2014 to comply with Government Accounting Standard Board Statement (GASBS) No. 31. During the last two months prior to June 30, 2013, U.S. yields jumped and volatility increased as market expectations shifted regarding the timing of changes in federal monetary policy, which resulted in a large write down to fair market value last year for investments in U.S agency and corporate securities. The Airport no longer has investments in corporate securities as of June 30, 2014. That write down was significantly reversed this year as the market responded to the federal government continuing to purchase Treasury and mortgage-backed securities on a monthly basis to keep interest rates low. These changes in market values are not realized, however, unless the assets are actually sold, which the Airport does not intend to do. 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, $236,306 was accrued for interest income earned but not yet paid for investments that are paid on a quarterly, rather than monthly, basis. See Note 2 for detailed information.

This year, available operating cash increased by $12,623,892 (5.5%) because of increases in revenues generated from operations, in particular, landside parking, car rental concessions, and food and retail concessions. Non-operating cash from passenger facility charges, customer facility charges, and grants also increased from the prior year.

Airport cash payments for current year construction and land acquisitions in the amount of $63.7 million were reimbursed by restricted PFC funds in the amount of $8 million, and $25.2 million was reimbursed with AIP grant funds. The remainder of expenditures for construction and an additional $2.4 million in payments for capital equipment was provided by Airport operating cash. No CFC funds have been spent to date, but funds collected have been restricted for future rental car facilities as part of the terminal redevelopment program beginning in FY 2015.

Capital assets (net of accumulated depreciation) have increased by $36,652,266 because of an increase in buildings and improvements of $41,876,360 resulting from capitalization of deferred prior years' terminal redevelopment costs, and an increase in construction in progress of $49,723,335 from current terminal redevelopment projects not yet completed.

In FY 2013, the Airport 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 depreciation expense of approximately $7 million in FY 2013 and in FY2014. Increased depreciation costs will continue in decreasing amounts throughout the program until assets that will be demolished and replaced are fully depreciated per the adjusted remaining lives. This will result in a higher amount of accumulated depreciation, and a reduction in net capital assets until additions to capital assets are made as a result of the terminal redevelopment program. Capital assets are currently funded by federal airport improvement program grants (AIP), PFC, and Airport funds. In addition, the Airport started collecting CFC in FY 2012. CFC funds will be used to construct future car rental facilities. The total amount of CFC collected and cash restricted is $39,514,605. For more detailed information on changes in capital assets, refer to Note 9 in the notes to the financial statements.

SUMMARY OF CASH FLOW ACTIVITIES

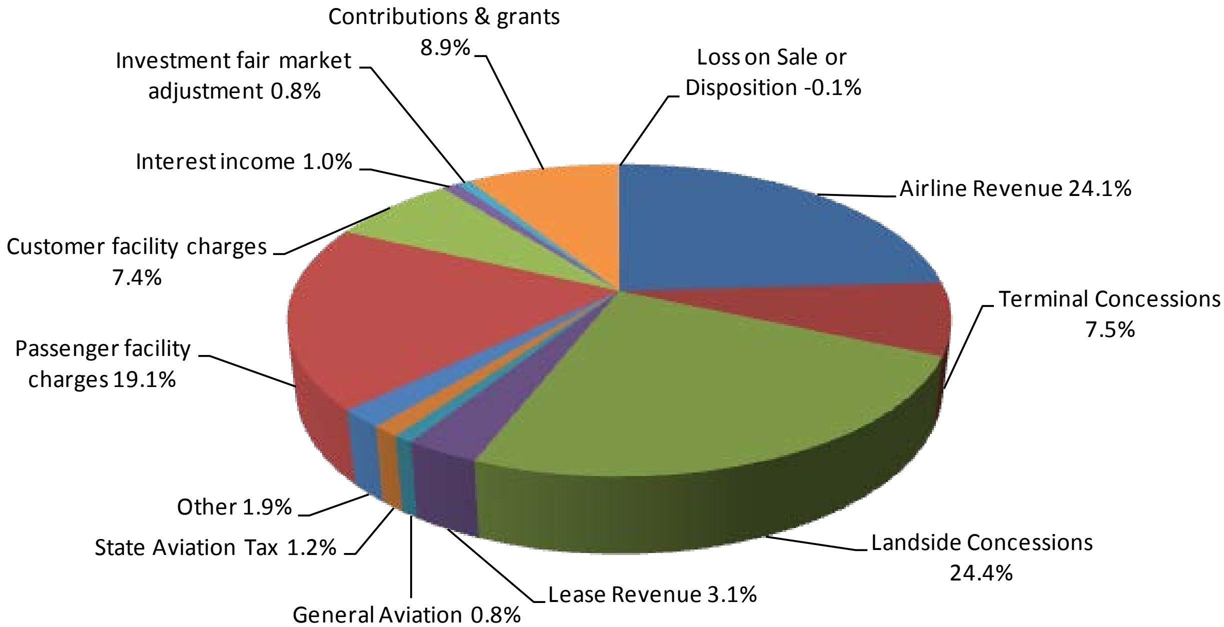
	FY 2014	FY 2013	FY 2012
Cash flow from operating activities	$ 45,327,881	$ 39,279,409	$ 24,923,026
Cash flow from investing activities	13,384,576	(45,951,302)	29,420,153
Cash flow from passenger facility charges	39,095,843	37,097,184	37,355,799
Cash flow from customer facility charges	15,563,232	14,571,677	10,044,933
Cash flow from grants	25,206,668	18,149,926	11,000,072
Cash flow from sale of capital assets and equipment	29,243	204,164	209,986
Payments for construction of property	(70,623,007)	(45,700,302)	(33,007,538)
Cash and cash equivalents at beginning of year	299,087,023	281,436,266	201,489,835
Cash and cash equivalents at end of year	367,071,458	299,087,023	281,436,266
Net increase in cash	$ 67,984,435	$ 17,650,757	$ 79,946,431

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

Operating income, before depreciation, was $39,384,126 in FY 2014, compared with $36,384,724 in FY 2013 and $32,900,698 in FY 2012. With the inclusion of depreciation and non-operating revenue and expenses, the resulting change in net assets for FY 2014 was $54,964,377; FY 2013 was $52,079,420; and FY 2012 was $48,210,049.

Revenues

The following chart shows the major sources of revenues and their relative percentage to total revenues for the year ended June 30, 2014:



	FY 2014 Amount	Percent of Total	FY 2013 Amount	Percent of Total	FY 2012 Amount	Percent of Total
Operating:						
Airline revenue	$ 58,910,284	29.2%	$ 58,212,376	29.6%	$ 57,768,888	31.6%
Terminal concessions	15,154,010	7.5%	14,037,102	7.1%	11,109,813	6.1%
Landside concessions	49,198,708	24.4%	48,254,801	24.5%	45,218,463	24.8%
Lease revenue	6,179,608	3.1%	5,833,529	3.0%	5,619,624	3.1%
General aviation	1,661,603	0.8%	1,627,286	0.8%	1,653,142	0.9%
State aviation tax	2,343,408	1.2%	2,321,274	1.2%	2,419,019	1.3%
Other	3,841,904	1.9%	3,582,760	1.8%	3,678,792	2.0%
Operating revenues	137,289,525		133,869,129		127,467,742	
Less: airline revenue sharing	(10,290,299)	-5.1%	(10,013,679)	-5.1%	(10,007,605)	-5.5%
Total operating	126,999,226	63.0%	123,855,450	63.0%	117,460,137	64.3%
Non-operating and capital contributions:						
Passenger facility charges	38,437,248	19.1%	37,534,715	19.1%	37,190,302	20.4%
Customer facility charges	14,848,663	7.4%	14,308,670	7.3%	11,203,789	6.1%
Interest income	1,964,326	1.0%	1,814,881	0.9%	1,818,745	1.0%
Investment fair market adjustment	1,566,019	0.8%	(1,448,365)	-0.7%	127,020	0.1%
Contributions & grants	17,916,389	8.9%	22,558,966	11.5%	14,789,323	8.1%
Loss on sale or disposition	(124,946)	-0.1%	(1,946,568)	-1.0%	(17,057)	0.0%
Total non-operating	74,607,699	37.0%	72,822,299	37.0%	65,112,122	35.7%
Total revenues	$ 201,606,925	100.0%	$ 196,677,749	100.0%	$ 182,572,259	100.0%

Operating Revenues

Salt Lake City International Airport is served by eight domestic signatory carriers: Alaska, American, Delta, Frontier, JetBlue, Southwest, United, and US Airways. On July 1, 2010, the airlines and the Airport entered into a three year Airport Use Agreement (AUA), which was extended through June 30, 2014. Under the agreement, terminal rent calculations are on a compensatory basis, recovering costs allocated to the occupied facilities. Landing fee calculations are residual based, recovering net cost after the credits of nonairline revenue. Revenue sharing is available to signatory airlines under the agreement consisting of one dollar ($1) per enplaned passenger, not to exceed 30% of net remaining revenue. The signatory airline revenue sharing increased by $276,620 over the prior year from $10,013,679 in FY 2013 to $10,290,299 in FY 2014 based on the increase of enplaned passengers.

Airline revenue, including airline revenue sharing, has increased $421,288 in FY 2014 over the prior year. Landing fees have increased by $1,549,033 over the prior year. Terminal space and other building rentals have decreased by $1,054,523. 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 2014 was $3.90, a slight increase from the FY 2013 cost of $3.84.

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 audit of the financial statements. Final terminal rents and landing fees for the past three years are as follows:

	FY 2014	FY 2013	FY 2012
Terminal Rents (annually per square foot)	$ 68.94	$ 71.35	$ 72.43
Landing Fees (per 1,000 lbs)	$ 2.12	$ 1.91	$ 1.85

Non airline concession revenues can be split into two major categories: (1) terminal concessions that include food service and retail, advertising, and (2) landside concessions that consist of auto parking, rental car commissions, and ground transportation fees. Terminal concessions have increased by $1,116,908 (8.0%) from FY 2013. The increase in terminal concession is a result of a full year of new concession contracts in place for FY 2014 and the increase in total passengers of 2.5%. Landside concessions have increased by $943,907 (2.0%). Auto parking fees have increased $609,444 (2.1%), and car rental fees and rents increased $581,636 (3.3%). These increases in Landside concessions are slightly offset by a decrease in ground transportation of $247,173 (-11.5%).

Non-operating Revenue

The Airport recorded $17,916,389 in grants in FY 2014. These funds consisted of $17,904,513 in airport improvement program grants (AIP) provided by the Federal Aviation Administration, and $11,876 in State grant revenue for the reimbursement of police digital cameras. Airport improvement grants decreased from the prior year by $4,623,937 (-20.6%).

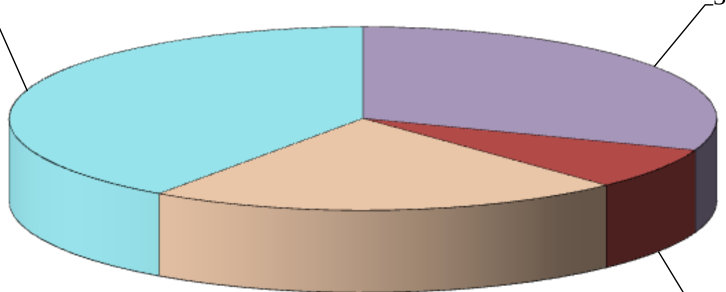
Passenger facility charges revenue in FY 2014 was $38,437,248 including $526,466 in interest on PFC deposited funds. This is a total increase of $902,533 (+2.4%) from the FY 2013 total of $37,534,715 - an increase of $874,021 in PFC revenue and PFC interest revenue of $28,513.

The Airport recorded a loss of $122,516 on the sale of property and equipment in FY 2014 in addition to the disposal and write off of various obsolete equipment in the amount of $2,430. The net loss on sale and disposition of property was $124,946. In FY 2013, the net loss on the disposition and sale of property and equipment was $1,946,568 because of the disposal and write off of a prior existing runway surface that was rehabilitated.

The average interest rate on investments that are held in the State Treasurer's pool for FY 2014 was 0.5%, compared to FY 2013 of 0.65% and 0.70% in FY 2012. In FY 2014, interest earned from the State Treasurer's pool and depository accounts totaled $1,295,633, and in FY 2013, $1,539,018. While interest income increased slightly because of increased cash balances and more diversified investments, interest rates have been held low by the federal government to stimulate the national economic recovery. As referred to previously in the discussion on the Airport's cash balances, beginning in FY 2011, the Airport diversified its investments in Corporate Securities and U.S. Agency Notes to obtain a higher rate of return. Interest earned on these investments totaled $668,693 in FY 2014 and $275,863 in FY 2013 (after management fees). The weighted average yield, including discounts and premiums included at purchase, was 1.83%. The investment in these securities reduced the balance in the Utah State Treasurer's pool. See Note 2 for cash investment details.

Expenses

A summary of expenses for the year ended June 30, 2014, including the amount and percentage of change in relation to prior year amounts, is as follows:



	FY 2014 Amount	Percent of Total	FY 2013 Amount	Percent of Total	FY 2012 Amount	Percent of Total
Operating:						
Personnel services	$ 44,916,215	30.6%	$ 42,347,685	29.3%	$ 41,344,674	30.7%
Operating and maintenance supply	10,755,484	7.3%	11,117,920	7.7%	8,998,719	6.7%
Charges/services/fees	31,943,401	21.8%	34,005,121	23.5%	34,216,046	25.5%
Total operating before depreciation	87,615,100	59.7%	87,470,726	60.5%	84,559,439	62.9%
Depreciation	59,027,448	40.3%	57,127,603	39.5%	49,802,772	37.1%
Total operating expense	146,642,547	100.0%	144,598,329	100.0%	134,362,211	100.0%
Total expenses	$ 146,642,547	100.0%	$ 144,598,329	100.0%	$ 134,362,211	100.0%

Operating Expenses

Operating expenses before depreciation have increased by $144,374 (0.2%) in the current fiscal year. These expenses increased by $2,911,286 (3.4%) in FY 2013, and increased by $442,505 (0.5%) in FY 2012.

Personnel services have increased by $2,568,530 (6.1%) over FY 2013. Most of this increase is in employee base salary of $1,445,294 (5.3%) and employee benefits, particularly employee retirement contributions of $424,224 (10.2%). The increase in employee base salary can be attributed to the addition of four full-time employees in FY 2014 and a 2.5% performance raise. This increase is offset by a reduction in contract expenses as the glycol plant operations were brought in-house. Capitalized engineer's salaries were reduced by $380,961 (27.8%) as more terminal redevelopment projects are managed by consultants, and higher threshold criteria for capitalizing salaries was implemented.

Operating and maintenance supply costs have decreased by $362,436 (-3.3%) from prior year. Janitorial supplies are down by $128,514 (-16.1%) because of efficiencies in the new janitorial contract that was re-negotiated in FY 2014. Electrical supplies are down by $139,441 (-19.4%) compared to FY 2013 because of the one-time replacement of lighting in the parking garage in the prior year. Roads and grounds supplies are down from prior year by $99,853 (-24.5%). Chemicals have increased slightly over prior year by $264,514 (12.6%) compared to a $1.2 million increase in FY 2013 over FY 2012. Beginning in FY 2012, regulatory agencies required the Airport to begin using more environmentally protective chemicals on the runways which greatly increased airfield chemical costs. This increase in chemicals is offset by decreases in various supplies such as communication equipment supplies, preventive maintenance for ARFF, other construction materials and supplies and non-capital office furniture.

Expenses for charges and services have decreased by $2,061,720 (-6.1%). These costs include deicing services, utilities, various maintenance contracts, fire personnel (ARFF) services and other professional and technical service contracts. The largest decrease was in the janitorial service expense which decreased from prior year by $1,514,823 (-19.0%) as a direct result of the new contract, and a decrease of over $1 million from the elimination of the glycol processing contract.

Depreciation expense increased by $1,899,845 (+3.3%) in FY 2014, increased by $7,324,831 in FY 2013, and increased by $635,629 in FY 2012. In this FY 2013, the Airport evaluated assets that would be demolished or replaced because of the terminal redevelopment program and changed the estimate of their remaining useful lives. This resulted in an additional depreciation expense of approximately $7 million in FY 2013 and in FY 2014. This will continue in varying amounts throughout the program as these assets are fully depreciated over shorter remaining useful lives.

CAPITAL EXPENDITURES

The most significant project completed in FY 2014 was the pavement rehabilitation of runway 16L/34R. Smaller projects include roof replacements, vehicle shop restroom renovation, and runway 34L deicing pad completion.

Continuing projects include pavement rehabilitation programs, the runway 34R deicing pad, terminal development planning and design processes, and completion of parking lots and rental car facilities in FY 2015 as part of the terminal redevelopment program.

Projects completed in FY 2013 included the runway 34L deicing pad, the north cargo apron expansion, and a new snow equipment storage building. Smaller projects included concourse and terminal improvements as part of the concession improvement program, carousel and bag belt replacements, and South Valley Regional Airport storm drain improvements.

At the beginning of the fiscal year, Airport projects totaling $38.9 million were in the process of construction. A total of $46.1 million in projects and equipment were capitalized and placed in service, $3.1 million was expensed, and $88.7 million remains in construction in progress. The largest portion of the $88.7 million of construction in progress is the terminal redevelopment program. The phased construction on the $1.8 billion program will continue through 2022. The terminal building will be completed in 2019.

ECONOMIC OUTLOOK

Salt Lake City continues economic recovery as well as the airline industry and projections indicate future passenger growth and new destinations The Airport’s strong financial position allows for flexibility to respond to the short-term problems created by the continued economic recession and changes in the industry. This financial position will also enable the Airport to plan for our long term facility needs and terminal redevelopment program to meet the future growth in air travel and meet the needs of our airline partners and the Utah community.

CONCLUSION

The Airport continues to meet the challenges of a continually changing air travel industry that is responding to current national and local economic conditions. While meeting these challenges, the Department of Airports 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 domestic and international destinations.

Carol Dean

Carol Dean, CPA
Acting Director of Finance

SALT LAKE CITY DEPARTMENT OF AIRPORTS

(An Enterprise Fund of Salt Lake City Corporation)

Statements of Net Position

June 30,		**2014**		**2013**
ASSETS				
Current Assets				
Cash and cash equivalents				
Unrestricted	$	10,000,000	$	10,000,000
Designated for future development		177,807,965		156,260,195
Current investments		-		10,024,503
Airline and rental fees receivable		21,565,284		29,015,858
Other current assets		4,590,837		3,825,953
Total current assets		213,964,087		209,126,509
Noncurrent Assets				
Restricted cash and cash equivalents				
Construction projects		119,591,171		89,094,581
Customer facility charges		39,514,605		24,017,680
Operation and maintenance reserve fund		15,157,717		14,714,567
Renewal and replacement reserve fund		5,000,000		5,000,000
Noncurrent investments		54,696,610		53,595,985
Total noncurrent assets and investments		233,960,103		186,422,813
Capital assets				
Land		93,005,224		93,005,224
Building and improvements		1,178,158,727		1,136,282,367
Equipment		130,771,810		130,728,697
Construction in progress		88,663,948		38,940,613
Total capital assets - at cost		1,490,599,709		1,398,956,900
Less accumulated depreciation				
Building and improvements		705,211,939		646,168,740
Equipment		78,276,246		82,328,902
Total accumulated depreciation		783,488,185		728,497,642
Net capital assets		707,111,523		670,459,258
Other assets				
Long-term development costs		-		16,799,066
Other receivables		933,551		889,896
Other long-term assets		134,411		24,437
Total other assets		1,067,962		17,713,399
Total noncurrent assets		942,139,589		874,595,471
Total Assets	$	1,156,103,676	$	1,083,721,980

See Notes to Financial Statements

SALT LAKE CITY DEPARTMENT OF AIRPORTS

(An Enterprise Fund of Salt Lake City Corporation)

Statements of Net Position

June 30,	2014	2013
LIABILITIES		
Current Liabilities		
Accounts payable	$ 11,090,428	$ 5,868,013
Accrued compensation	1,881,275	1,573,258
Other accrued liabilities	17,196,607	6,981,935
Deposits and advance rentals	3,711,179	3,771,077
Total current liabilities	33,879,489	18,194,283
Noncurrent Liabilities		
Noncurrent compensation liability	3,748,161	3,572,165
Net OPEB obligation	8,448,000	6,884,000
Pollution remediation liability	87,649	116,836
Other long-term liabilities	271,493	250,187
Total noncurrent liabilities	12,555,303	10,823,189
Total Liabilities	46,434,792	29,017,472
NET POSITION		
Restricted for construction projects	119,591,171	89,094,581
Restricted for customer facility charges	39,514,605	24,017,680
Restricted for operation and maintenance reserve fund	15,157,717	14,714,567
Restricted for renewal and replacement reserve fund	5,000,000	5,000,000
Total Restricted	179,263,493	132,826,828
Net investment in capital assets	707,111,524	670,459,258
Unrestricted	223,293,868	251,418,422
Net Position	$ 1,109,668,884	$ 1,054,704,508

See Notes to Financial Statements

SALT LAKE CITY DEPARTMENT OF AIRPORTS

(An Enterprise fund of Salt Lake City Corporation)

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

For the years ended June 30,	**2014**	**2013**
Operating Revenues		
Airfield	$ 28,986,244	$ 27,533,052
Terminals	45,732,747	45,410,572
Landside	49,064,037	48,119,056
Auxiliary airports	736,231	721,141
General aviation	2,089,127	2,028,469
Support areas	7,486,374	7,421,130
Other	3,194,765	2,635,709
Operating revenues	137,289,525	133,869,129
Less airline revenue sharing	(10,290,299)	(10,013,679)
Total operating revenues	126,999,226	123,855,450
Operating Expenses		
Airfield	27,040,934	25,848,088
Terminals	36,795,761	38,904,486
Landside	11,813,344	11,311,729
Auxiliary airports	1,575,915	1,500,433
General aviation	1,124,905	1,064,049
Support areas	1,039,306	1,019,395
Roads and grounds	6,000,384	5,679,770
Other	2,224,551	2,142,776
Total operating expenses before depreciation	87,615,100	87,470,726
Operating Income Before Depreciation	39,384,126	36,384,724
Depreciation Expense	59,027,448	57,127,603
Operating Loss	(19,643,322)	(20,742,879)
Non-Operating Revenues (Expenses)		
Passenger facility charges	38,437,248	37,534,715
Customer facility charges	14,848,663	14,308,670
Net loss on disposition of property and equipment	(124,946)	(1,946,568)
Interest income	1,964,326	1,814,881
Net increase (decrease) in the fair value of investments	1,566,019	(1,448,365)
Net non-operating income (expense)	56,691,310	50,263,333
Capital Contributions		
Contributions and grants, principally Airport Improvement Program	17,904,513	22,528,450
State grants	11,876	30,516
Total capital contributions	17,916,389	22,558,966
Net Position		
Increase in net position	54,964,377	52,079,420
Net Position, beginning of period	1,054,704,509	1,002,625,089
Net Position, end of period	$ 1,109,668,886	$ 1,054,704,509

See Notes to Financial Statements

SALT LAKE CITY DEPARTMENT OF AIRPORTS
(An Enterprise Fund of Salt Lake City Corporation)
STATEMENTS OF CASH FLOWS

For the years ended June 30,	**2014**	**2013**
Cash Flows from Operating Activities		
Cash received from providing services	$ 135,718,828	$ 129,242,964
Cash paid for services by Salt Lake City Corporation	(7,059,597)	(7,030,843)
Cash paid to suppliers	(39,568,428)	(40,752,838)
Cash paid to employees	(43,762,922)	(42,179,874)
Net cash from operating activities	45,327,881	39,279,409
Cash Flows from Investing Activities		
Cash paid for investments	-	(65,039,938)
Cash proceeds from investments	10,006,758	17,290,392
Interest received on investments	3,377,818	1,798,245
Net cash from investing activities	13,384,576	(45,951,302)
Cash Flows from Capital and Related Financing Activities		
Purchase of capital equipment	(2,546,300)	(2,367,264)
Payments for acquisition and construction of capital assets	(68,076,707)	(43,333,038)
Passenger facility charges	38,569,377	36,599,231
Interest received on passenger facility charges	526,466	497,953
Customer facility charges	15,310,554	14,465,461
Interest received on customer facility charges	252,678	106,216
Proceeds from sale of capital assets and equipment	29,243	204,164
AIP and federal grants	25,194,792	18,119,410
State grants	11,876	30,516
Net cash from capital and related financing activities	9,271,979	24,322,650
Net Increase in Cash and Cash Equivalents	67,984,435	17,650,757
Cash and Cash Equivalents - Beginning of Year	299,087,023	281,436,266
Cash and Cash Equivalents - End of Year	$ 367,071,458	$ 299,087,023

See Notes to Financial Statements

SALT LAKE CITY DEPARTMENT OF AIRPORTS
(An Enterprise Fund of Salt Lake City Corporation)
STATEMENTS OF CASH FLOWS (Continued)

For the years ended June 30,		**2014**		**2013**
Reconciliation of Operating Loss to Net cash provided by operating activities				
Operating loss	$	(19,643,322)	$	(20,742,879)
Adjustments to reconcile loss from operations to net cash provided by operating activities				
Depreciation		59,027,448		57,127,603
Decrease in assets				
Accounts receivable and other current assets		1,229,945		156,041
Increase in liabilities:				
Accounts payable/accrued expenses less non-operating accruals		4,713,810		2,738,644
Net cash provided by operating activities	**$**	**45,327,881**	**$**	**39,279,409**
Schedule of Non-cash Transactions Affecting Financial Position				
Capital contributions (Airport Improvement Program)	$	(7,290,279)	$	4,409,040
Passenger facility charges (includes interest)		(132,129)		437,531
Customer facility charges		(461,891)		(156,791)
Net increase (decrease) in fair value of investments		1,566,019		(1,448,365)
Loss on disposition of property		(154,189)		(2,150,732)
Total Noncash Transactions Affecting Financial Position	$	(6,472,469)	$	1,090,683

See Notes to Financial Statements

SALT LAKE CITY DEPARTMENT OF AIRPORTS
(An Enterprise Fund of Salt Lake City Corporation)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2014 AND 2013

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization – The Salt Lake City Department of Airports (the “Airport”) is an enterprise fund of Salt Lake City Corporation (the “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 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 assets, 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 avigation 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.

Inventory – Inventories, consisting of warehouse inventories for machine parts and maintenance supplies, and road and runway supplies consisting of sand, salt, fuel, and chemicals, are valued using a weighted average cost method.

Capital Assets – Capital assets, which consist of property and equipment, are recorded at cost when purchased. Expenditures 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:

	Years
Buildings	40-50
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, the Airport changed the estimated lives of some existing buildings, improvements, and other assets to reflect the demolition schedule of the terminal redevelopment program, resulting in shorter lives and additional annual depreciation expense. This increase in depreciation expense continued in FY 2104, and will continue until those assets are fully depreciated or demolished.

Contributions and Grants – 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 (the “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 a $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 a rental car facility to be built as part of the terminal redevelopment program. CFC proceeds are recorded as non operating revenues.

Restricted and Unrestricted Resources – Some Airport construction projects may receive more than one source of funding. The Airport is restricted by some sources to apply funds only to specific approved projects. The Airport priority is to utilize AIP funds, then PFC funds, any State 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.

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, 2014 and 2013, the Airport does not anticipate any material losses on accounts receivable, and no allowance is necessary.

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 $191,750 associated with two pollution remediation sites, both associated with leaking underground fuel tanks from the early 1990s. Since 2010, the Airport has incurred $104,101 in costs for monthly monitoring at both sites including $29,188 in FY 2014. These amounts have reduced the recorded future liability to $87,649 as of June 30, 2014. 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 generally accepted accounting principles 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.

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. 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 and financing costs are reported as non-operating expenses.

Recent Accounting Pronouncements – In November 2010, GASB (Governmental Accounting Standards Board issued GASBS (GASB Statement) No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1980 FASB (Financial Accounting Standard Board) and AICPA (American Institute of Certified Public Accountants) Pronouncements.* GASBS No. 62 will incorporate into the GASB's authoritative literature, certain accounting and financial reporting guidance that is included in the FASB and AICPA pronouncements issued on or before November 30, 1989, which does not conflict or contradict GASB pronouncements. GASBS No. 62 eliminates the election as required by GASBS No. 20 *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That use Proprietary Fund Accounting*, to apply post-November 30, 1989 FASB Statements and Interpretations that do not conflict with or contradict GASB pronouncements. However, those entities can continue to apply, as other accounting literature, post-November 30, 1989 FASB pronouncements that do not conflict or contradict with GASB pronouncements. GASBS No. 62 is effective for financial statements for periods beginning after June 15, 2012. The Airport has determined there is no material effect on its financial statements upon adoption of GASBS No. 62.

In June 2011, GASB issued GASBS No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position.* GASBS No. 63 establishes standards for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and also requires related disclosures. The Airport has implemented GASBS No. 63 effective FY 2013 and has determined that there are no defined assets or liabilities that meet the definition of deferred outflows or deferred inflows. Prior year's Balance Sheets have been revised to comply with reporting of changes in Net Position.

In March 2012, GASB issued GASBS No. 65, *Items Previously Reported as Assets and Liabilities.* GASBS No. 65 specifies items that were previously reported as assets and liabilities that should now be reported as deferred outflows of resources, deferred inflows of resources, outflows of resources, or inflows of resources. GASBS No. 65 is effective for financial statements for periods beginning after December 15, 2013. The Airport has determined that there are no defined assets or liabilities meeting the definition of deferred outflows or deferred inflows upon adoption of GASBS No. 65.

In March 2012, GASB issued GASBS No. 66, *Technical Corrections - 2012, an amendment of GASB Statements No. 10 and No. 62.* GASBS No. 66 is effective for financial statements for periods beginning after December 15, 2012. The Airport has determined there is no material effect on its financial statements upon adoption of GASBS No. 66.

In June 2012, GASB issued GASBS No. 68, *Accounting and Financial Reporting for Pensions, an amendment of GASB Statement No. 27*. This Statement replaces the requirements of GASBS No. 27 and GASBS No. 50 related to pension plans that are administered through trusts or equivalent arrangements. GASBS No. 68 is effective for financial statements for financial statements for periods beginning after June 15, 2014. The Airport has not yet determined the effect on its financial statements upon adoption of GASBS No. 68.

In January 2013, GASB issued GASBS No. 69, *Government Combinations and Disposals of Government Operations.* This Statement establishes accounting and financial reporting standards for mergers, acquisitions, and transfers of operations. The Statement also provides guidance on how to determine the gain or loss on a disposal of governmental operations and applies to all state and local governmental entities. The requirements of this Statement should be applied prospectively and is effective for government combinations and disposals of government operations occurring in financial reporting periods beginning after December 15, 2013. The Airport has not yet determined the effect on its financial statements upon adoption of GASBS No. 69.

In April 2013, GASB issued GASBS No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees.* This Statement establishes accounting and financial reporting standards for situations where a state or local government, as a guarantor, agrees to indemnify a third-party obligation holder under specified conditions. Guidance is provided for situations where a state or local government extends or receives a nonexchange financial guarantee. The requirements of this Statement are effective for financial statements for reporting periods beginning after June 15, 2013. The Airport has not yet determined the effect on its financial statements upon adoption of GASBS No. 70.

NOTE 2 – DEPOSITS AND INVESTMENTS

Cash and cash equivalents are comprised of the following as of June 30:

	2014 Fair Value	2013 Fair Value
Deposits		
Petty Cash	$ 1,150	$ 1,250
Unrestricted cash in the City's pooled cash account	8,249,526	502,011
Utah State Treasurer's Investments Pool	353,939,512	293,811,826
Zion's Bank operating accounts	4,881,270	4,771,936
Total	$ 367,071,459	$ 299,087,023

The Airport maintains funds in the City’s pooled cash account. The Airport receives from or pays to the City an allocation of interest income or expense based upon its balance in the pooled cash account. Utah State Treasurer's Investment Pool balances reported in the Airport's Statement of Net Position include a write up of $1,938,190 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 Salt Lake City Corporation 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 (the “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 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
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 Utah Money Management Act. "Qualified depository" includes any depository institution which has been certified by the Utah State Commissioner of Financial Institutions as having met the requirements as defined in Rule 11 of the Utah Money Management Act. Rule 11 establishes the formula for determining the amount of public funds which a qualified 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.

Custodial Credit Risk - At June 30, 2014 and 2013, the Airport had deposits with qualified depositories in accordance with the Utah Money Management Act totaling $4,881,270 and $4,771,936. Of these amounts, $500,000 in FY 2014 and $500,000 in FY 2013 was covered by federal depository insurance. The remaining balances of $4,381,270 and $4,271,936 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 – 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 $100,000 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, Federal Farm Credit Bank, Federal National Mortgage Association; and (8) The Utah State Public Treasurer's Investment Pool.

Investment interest rate risk - is the risk that changes in interest rates of debt investments will adversely affect the fair value of an investment. The 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, 2013 by any outside agency. This amount has been adjusted to market and reflects the fair market 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 $54,696,610 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.

The table below shows the maturities, quality ratings, and fair value of the Airport's investments.

Debt Securities	Quality Ratings	FY 2014 Fair Value	FY 2013 Fair Value	Maturities (in years)
U.S Agency Notes				
FNMA	AA+/Aaa	$ 20,009,460	$ 19,578,940	1-5
FHLMC	AA+/Aaa	4,994,400	4,912,285.00	1-5
FNMA	AA+/Aaa	9,873,630	9,760,360.00	1-5
FHLB	AA+/Aaa	19,819,120	19,322,560.00	5+
Corporate Securities				
Goldman Sachs	A-/A3	-	8,037,097	Matured
Goldman Sachs	A-/A3	-	2,009,246	Matured
		$ 54,696,610	$ 63,620,488	

NOTE 3 – RESTRICTED OR DESIGNATED CASH AND CASH EQUIVALENTS

Certain cash and cash equivalents are restricted or designated:

- As of June 30, 2014 and 2013, $119,591,171 and $89,094,581, respectively, of PFC contributions are restricted for construction projects at the Airport under the PFC Program requirements.

- As of June 30, 2014 and 2013, $39,514,605 and $24,017,680 respectively, of CFC contributions are restricted for rental car construction projects at the Airport under the CFC Program requirements.

- As of June 30, 2014 and 2013, $15,157,717 and $14,714,567, respectively, are restricted for an operation and maintenance reserve fund, and $5,000,000 and $5,000,000, respectively, for a renewal and replacement reserve fund per the Airport Use Agreement effective July 1, 2010.

- As of June 30, 2014 and 2013, Airport management designated $232,504,575 and $219,880,683, respectively, for future development projects. A portion of the 2014 and 2013 designation includes amounts in current and non-current investments.

NOTE 4 – 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 (the "Delta Facilities") at the Airport. The outstanding balance of the Special Bonds as of June 30, 2014 and 2013 was $23,510,000. The Special Bonds are special and 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.

NOTE 5 – COMMITMENTS AND CONTINGENCIES

At June 30, 2014, the Airport was committed to contractors and vendors for approximately $61,763,435 in conjunction with Airport construction programs.

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

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

NOTE 6 – PENSION PLANS

Identification – The City participates in three cost-sharing multiple-employer public employee retirement systems (PERS) and one multiple-employer agent PERS. These are defined benefit retirement plans covering public employees of the State of Utah and employees of participating local governmental entities. The systems are administered under the direction of the Utah State Retirement Board whose members are appointed by the governor of Utah.

Legislative Changes – The Utah Legislature enacted significant changes to the Utah State Retirement System in 2010 that affected all Salt Lake City pension plans effective July 1, 2011. Employees hired before July 1, 2011 will continue participation in the current defined benefit plan, referred to as Tier 1. Employees hired after the effective date have a choice of two plans, referred to as Tier 2. The Tier 2 retirement plans for both public employees and the public safety and firefighter system consist of two options – the Tier 2 Hybrid Retirement system that combines a pension and 401(k) plan, or the Tier 2 Defined Contribution Plan which is 401(k) only. For Tier 2 plans, the pension contribution is based on the yearly pension contribution rate. The difference between 10% or 12% (based on the plan) and the pension contribution rate is contributed to a 401(k). If the pension contribution rate exceeds 10% or 12%, the employee must pay the additional amount above the 10% or 12% respectively. The City has not yet completed analysis for future fiscal years to determine the future affect on cost and future pension liabilities.

Current Plan Provisions – Airport police officers are covered by the Public Safety Contributory and Noncontributory System (Public Safety System), the one multiple employer-agent system. Firefighters are covered by the Firemen's System and substantially all other permanent City employees are covered by either the Contributory System or the Noncontributory System, either Tier 1 or Tier 2 systems. The Noncontributory System was implemented in 1986 as a result of legislation by the State of Utah. The Noncontributory System is mandatory for all new full time employees other than police and firefighters. Current employees were given the opportunity to remain with their present retirement plan or to convert membership to the new Noncontributory system that provides a benefit formula using a three-year rather than a five-year average salary. Other legislation enhanced death benefits for public employees, removed time limitations on re-deposits in the Firemen's System, amended the laws on disability within the Public Safety System, and tightened the laws governing refunds. The systems are established and governed by the respective sections of Chapter 49 of the Utah Code Annotated 1951 as amended. The Utah State Retirement Office Act in Chapter 49 provides for the administration of the Utah Retirement Systems and Plans under the direction of the Utah State Retirement Board. The systems issue a publicly available financial report that includes financial statements and required supplementary information for the Local Governmental Contributory Retirement System, Local Governmental Noncontributory Retirement System, Public Safety Contributory Retirement System, Public Safety Noncontributory Retirement System, and Firefighters Retirement System. A copy of the report may be obtained by writing to the Utah Retirement Systems, 540 East 200 South, Salt Lake City, UT 84102 or by calling 1-800-365-8772.

A brief summary of current eligibility and benefits is presented as follows:

TIER 1 PLANS

	Contributory System	Noncontributory System	Public Safety Contributory and Noncontributory and Firefighters' Systems
Highest average salary	Highest 5 years	Highest 3 years	Highest 3 years
Years of service required and/or age eligible for benefit	30 years any age 4 years age 65	30 years any age 4 years age 65	20 years any age 10 years age 60 4 years age 65
		(with actuarial reduction) 25 years before age 60	
	20 years age 60-61 10 years age 62-64	20 years age 60-61 10 years age 62-64	
Benefit percent per year of service	1.15% per yr to June 1967 1.25% per yr Jul 1967 to Jun 1975 2.00% per yr Jul 1975 to present	Beginning Jul 1, 1990 all new retirees in the Noncontributory system are paid 2% per yr	2.5% per yr up to 20 years 2.0% per yr over 20 years

TIER 2 PLANS

	Public Employees		**Public Safety and Firefighters Systems**	
	Tier 2 Hybrid System	Tier 2 Defined Contribution System	Tier 2 Hybrid System	Tier 2 Defined Contribution System
Highest average salary	Highest 5 years	N/A	Highest 5 years	N/A
Employer Contribution	10% of salary between pension and 401(k)	10% of salary to 401(k)	12% of salary between pension and 401(k)	12% of salary to 401(k)
Years of service required and/or age eligible for benefit	35 years any age 4 years age 65	35 years any age 4 years age 65	25 years any age 4 years age 65	25 years any age 4 years age 65
	(with actuarial reduction) 25 years before age 60 20 years age 60-61 10 years age 62-64	(with actuarial reduction) 25 years before age 60 20 years age 60-61 10 years age 62-64	(with actuarial reduction) 25 years before age 60 20 years age 60-61 10 years age 62-64	(with actuarial reduction) 25 years before age 60 20 years age 60-61 10 years age 62-64
Benefit % per year of service	1.5% per yr	1.5% per yr	1.5% per yr	1.5% per yr

Cost sharing multiple employer funding policy – the contribution rates, which are actuarially determined at June 30, 2014 are:

	Employee contributions paid by City (100% vested)	City's contribution (vested upon retirement)
Tier 1		
Contributory	6.00%	13.28%
Noncontributory	N/A	17.29%
Firefighters' system	16.71%	4.46%
Tier 2		
Contributory	N/A	13.99%
Noncontributory	N/A	17.29%
Firefighters' System	N/A	11.02%

The following information is based on Salt Lake City Corporation in total. The Utah State Retirement system does not complete actuarial analysis or report on individual City departments, such as the Airport. Salt Lake City Corporation contributions for the current fiscal year and for that of the two previous fiscal years were equal to the required contributions and are presented as follows:

System	June 30, 2014	June 30, 2013	June 30, 2012
Local Government Contributory System:			
Employer paid for employee contributions Tier 1 & Tier 2	$ 306,478	$ 336,675	$ 372,910
Employer contributions Tier 1 & Tier 2	1,546,043	1,170,704	766,799
Local Government Noncontributory System Tier 1	15,460,123	14,267,085	12,151,299
Firefighters' system:			
Employer paid for employee contributions Tier 1 & Tier 2	3,573,491	3,490,538	3,336,388

Assets of the plans are not segregated by entity within the plan. Therefore, it is not possible to determine the portion of contributions applicable to each entity.

Salt Lake City Public Safety Retirement System – The percent of salary contribution rate for the Noncontributory plan for Tier 1 was 44.83%, 33.27% for Hybrid Tier 2, and 34.36% for the Tier 2 Defined Contribution plan. The rate is the actuarial determined rate, and is authorized by statute and specified by the Utah State Retirement Board. The annual pension cost for the City's Noncontributory Public Safety Systems of $12,739,612 for the fiscal year ended June 30, 2014 was equal to the City's required and actual contributions. The required contribution was determined as part of the June 30, 2014 actuarial valuation using the entry age normal cost method. The actuarial assumptions include (a) 7.5% investment rate of return (net of administrative expenses) and (b) forecasted salary increases are assumed to increase 3.5%. The investment rate of return includes an inflation component of 2.75%. The actuarial value of the Salt Lake City Public Safety Retirement System assets was determined using techniques that smooth the effects of short-term volatility in the fair value of investments over a 5-year period. The Salt Lake City Public Safety Retirement System unfunded actuarial accrued liability is being amortized over an open 20-year amortization period from the valuation date. Amortization payments are designed to remain level as a percent of payroll.

Trend information and the Schedule of Funding progress over a three-year period for the Salt Lake City Public Safety Contributory and Noncontributory Tier 1 Retirement System are presented as follows:

Year Ending	Annual Pension Cost (APC)	Percentage APC Contributed	Net Pension Obligation
June 30, 2014	$ 12,889,574	100%	-
June 30, 2013	11,938,483	100%	-
June 30, 2012	10,343,234	100%	-

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Entry Age	Unfunded AAL (UAAL)	Funding Ratios	Covered Payroll	UAAL as a % of covered Payroll
Dec 31, 2013	$ 210,673,000	$ 306,859,000	$ 96,186,000	68.7%	$ 28,016,000	343%
Dec 31, 2012	192,462,000	294,025,000	101,563,000	65.5%	27,324,000	372%
Dec 31, 2011	190,934,000	285,613,000	94,679,000	66.9%	28,730,000	329%

Assets of the Public Safety Retirement System are not segregated by entity within the plan. Therefore, it is not possible to determine the portion of contributions to each entity.

Historical trend information - Historical trend information for the past 10 years is available in a separately issued financial report issued by the Utah Retirement Systems. These statistical trends provide information about progress made in accumulating sufficient assets to pay benefits when due.

NOTE 7 – OTHER POSTEMPLOYMENT BENEFITS

Plan Description – In addition to the pension benefits described in Note 6, the City provides postemployment health care and life insurance benefits through a single employer defined benefit plan, to all employees who retire from the City and qualify to retire from the Systems. A life insurance benefit has not been provided for new retirees for several years and, therefore, is a small and shrinking factor in the Plan. The continuing benefits are provided through Salt Lake City Corporation to all employees who retire and qualify to retire from the Utah State Retirement Systems. The benefits, benefit levels, employee contributions, and employer contributions are governed by City policy and can be amended at any time. The plan is not accounted for as a trust fund as an irrevocable trust has not been established to account for the plan. The plan does not issue a separate report. The activity of the plan is reported in the City's Risk Management Fund, an internal service fund.

Funding Policy – The City currently pays for postemployment benefits on a "pay-as-you-go" basis. Although the City is studying the establishment of a trust that would be used to accumulate and invest assets necessary to pay for the accumulated liability, these financial statements assume that "pay-as-you-go" funding will continue.

Annual OPEB Cost and Net OPEB Obligation – The Airport's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the employer's annual required contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is forecasted to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. The following table shows the components of the Airport's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Airport's net OPEB obligation:

The Airport's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the year ended June 30, is as follows:

	FY 2014	FY 2013	FY 2012
Annual required contribution	$ 1,922,000	$ 1,786,000	$ 1,699,000
Interest on net OPEB obligation	223,040	67,144	125,275
Adjustments to annual required contribution	(279,040)	(89,144)	(135,275)
Annual OPEB cost (expense)	1,866,000	1,764,000	1,689,000
Contributions made	(302,000)	(314,000)	(229,000)
Increase in net OPEB obligation	1,564,000	1,450,000	1,460,000
Net OPEB obligations - beginning of year	6,884,000	5,434,000	3,974,000
Net OPEB obligations - end of year	$ 8,448,000	$ 6,884,000	$ 5,434,000

Fiscal Year Ended	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation Fiscal Year Ended
June 30, 2014	$ 1,866,000	$ 302,000	16.18%	$ 8,448,000
June 30, 2013	1,764,000	314,000	17.80%	6,884,000
June 30, 2012	1,689,000	229,000	13.56%	5,434,000

Funded Status and Funding Progress—The funded status of the Airport's portion of the plan as of June 30, is as follows:

	FY 2014	FY 2013	FY 2012
Actuarial valuation date	June 30, 2014	June 30, 2013	June 30, 2012
Actuarial accrued liability (AAL)	$ 17,930,000	$ 17,013,000	$ 16,226,000
Actuarial value of plan assets	-	-	-
Unfunded actuarial accrued liability (UAAL)	17,930,000	17,013,000	16,226,000
Funded ratio (actuarial value of plan assets/AAL)	0.00%	0.00%	0.00%
Covered payroll (active plan members)	29,751,709	25,860,736	29,079,601
UAAL as a percentage of covered payroll	60.27%	65.79%	55.80%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, shown as required supplementary information following the notes to the financial statements, presents the results of OPEB valuations as of June 30, 2014, 2013, and 2012.

Actuarial Methods and Assumptions—Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the fiscal year 2014 actuarial valuation, the forecasted unit credit method was used. The actuarial assumptions included a 3.5% investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of 10% initially, reduced by decrements to an ultimate rate of 5.0% after ten years. Covered payroll included a 3.5% inflation assumption. The actuarial value of assets was not determined as the City has not advance funded its obligation. The unfunded actuarial accrued liability (UAAL) is being amortized as a level percentage of payroll over a closed thirty year period.

The City also provides health, dental and employee assistance benefits to terminated employees under the federal Consolidated Omnibus Budget Reconciliation Act (COBRA). Substantially all employees are eligible for these benefits upon termination of employment with the City. Depending upon the qualifying event, former employees are eligible for either 18 or 36 months of benefits under this act. The premiums for this coverage plus a 2% administrative charge are paid 100% by the former employee.

NOTE 8 – OPERATING REVENUES

Airport operating revenues consist primarily of airline revenues and rental revenues from parties who lease Airport facilities. Airport operating revenues consist of the following for the year ended June 30:

	2014		2013	
	Amount	**Percent**	**Amount**	**Percent**
Airline revenues	$ 58,910,284	46.2%	$ 58,212,376	47.0%
Less: Airline revenue sharing	(10,290,299)	-8.1%	(10,013,679)	-8.1%
Concession and other rental revenues	76,035,833	59.7%	73,335,479	59.2%
State aviation fuel tax	2,343,408	2.0%	2,321,274	1.9%
Total operating revenues	$ 126,999,226	100.0%	$ 123,855,450	100.0%

Airline revenues consist of the following for the years ended June 30:

	2014	2013
Terminal space rentals	$ 26,583,203	$ 27,379,803
Landing fees	25,229,521	23,661,790
Aircraft remain overnight fees	127,750	99,550
Support buildings	4,910,485	4,884,030
Fuel farm	528,089	577,866
Passenger loading bridge fees	1,531,237	1,609,336
Total	$ 58,910,284	$ 58,212,376

Charges from terminal space rentals and landing fees for most airlines are determined by 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 agreements. The most recent Agreement was signed effective July 1, 2010 with an option for a one year extension by the mutual agreement of the airlines and the Airport which has since been implemented and the agreement now terminates June 30, 2014. 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 (the majority of which was based on a percentage of tenant sales) for the year ended June 30:

		2014		**2013**
Car rental agencies	$	18,063,577	$	17,481,940
Auto parking facilities		29,228,110		28,618,665
Other airport facilities		28,430,790		26,908,850
Total	$	75,722,477	$	73,009,456

Minimum future rentals to be received on these non-cancelable leases as of June 30, 2014 for each of the next five years and for five-year increments thereafter are as follows:

Year Ending June 30:		
2015	$	22,158,612
2016		20,745,999
2017		19,673,240
2018		19,090,651
2019		16,517,077
2020-2025		43,081,567
2026-2030		5,442,377
2031-2035		2,746,670
2036-2040		1,450,133
2041-2045		927,486
Total	$	151,833,812

NOTE 9 – CAPITAL ASSETS

The following is a summary of transactions affecting capital assets for the year ended June 30, 2014:

	Total June 30, 2013	Additions	Deletions	Total June 30, 2014
Capital Assets that are not depreciated:				
Land	$ 93,005,224	$ -	$ -	$ 93,005,224
Construction in Progress	38,940,612	91,091,816	(41,368,481)	88,663,947
Total	131,945,836	91,091,816	(41,368,481)	181,669,171
Capital Assets that are depreciated:				
Buildings and improvements	1,136,282,368	43,802,178	(1,925,818)	1,178,158,728
Equipment	130,728,696	2,308,389	(2,265,276)	130,771,809
Sub-total	1,267,011,064	46,110,567	(4,191,094)	1,308,930,537
Less accumulated depreciations:				
Buildings and improvements	(646,168,740)	(50,236,491)	1,925,818	(694,479,413)
Equipment	(82,328,902)	(8,790,957)	2,111,087	(89,008,772)
Sub-total	(728,497,642)	(59,027,448)	4,036,905	(783,488,185)
Total Depreciable Capital Assets, net	538,513,422	(12,916,881)	(154,189)	525,442,352
Total Capital Assets, net	$ 670,459,258	$ 78,174,935	$ (41,522,670)	$ 707,111,523

The following is a summary of transactions affecting capital assets for the year ended June 30, 2013:

	Total June 30, 2012	Additions	Deletions	Total June 30, 2013
Capital Assets that are not depreciated:				
Land	$ 92,882,695	$ 122,529	$ -	$ 93,005,224
Construction in Progress	43,275,101	20,617,123	(24,951,612)	38,940,612
Total	136,157,796	20,739,652	(24,951,612)	131,945,836
Capital Assets that are depreciated:				
Buildings and improvements	1,093,176,030	48,076,128	(4,969,790)	1,136,282,368
Equipment	128,570,233	3,868,786	(1,710,323)	130,728,696
Sub-total	1,221,746,263	51,944,914	(6,680,113)	1,267,011,064
Less accumulated depreciations:				
Buildings and improvements	(599,873,034)	(48,340,735)	2,045,029	(646,168,740)
Equipment	(75,120,860)	(8,786,868)	1,578,826	(82,328,902)
Sub-total	(674,993,894)	(57,127,603)	3,623,855	(728,497,642)
Total Depreciable Capital Assets, net	546,752,369	(5,182,689)	(3,056,258)	538,513,422
Total Capital Assets, net	$ 682,910,165	$ 15,556,963	$ (28,007,870)	$ 670,459,258

NOTE 10 – LONG-TERM LIABILITY ACTIVITY

Long-term liability activity for the year ended June 30, 2014 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Compensation liability	$ 5,145,423	$ 3,562,881	$ (3,078,868)	$ 5,629,436	$ 1,881,275
Net OPEB obligation	6,884,000	1,564,000	-	8,448,000	-
Other long-term liabilities	367,024	-	(7,882)	359,142	29,187
Total long-term liabilities	$ 12,396,447	$ 5,126,881	$ (3,086,750)	$ 14,436,578	$ 1,910,462

Long-term liability activity for the year ended June 30, 2013 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Compensation liability	$ 5,102,450	$ 3,082,141	$ (3,039,168)	$ 5,145,423	$ 1,573,258
Net OPEB obligation	5,434,000	1,450,000	-	6,884,000	-
Other long-term liabilities	391,737	36,694	(61,407)	367,024	20,400
Total long-term liabilities	$ 10,928,187	$ 4,568,835	$ (3,100,575)	$ 12,396,447	$ 1,593,658

NOTE 11 – CHARGES FROM SALT LAKE CITY CORPORATION

Operating expenses include certain costs and expenses charged to the Airport by other funds of the City. These charges, under the terms of the 1989 Bond Resolution and the Airport Use Agreements, did not exceed the cost of the services provided and are as follows for the year ended June 30:

	2014	2013
General and administrative charges	$ 2,929,772	$ 2,874,977
Aircraft rescue and fire fighting services	4,185,557	4,152,430
Total	$ 7,115,329	$ 7,027,406

NOTE 12 – MAJOR CUSTOMER

The Airport received approximately $27,531,143 (21.7%) of its operating revenue during 2014 and $27,142,572 (21.9 %) during 2013 from rentals and services provided to one airline.

REQUIRED
SUPPLEMENTAL SCHEDULES

SALT LAKE DEPARTMENT OF AIRPORTS
(An Enterprise Fund of Salt Lake City Corporation)
ADDITIONAL INFORMATION
SCHEDULE OF FUNDING PROGRESS
RETIREE HEALTHCARE AND LIFE INSURANCE PLAN

Schedule of Funding Progress for the Agency's Portion of the Plan
Year Ended June 30, 2014

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Annualized Covered Payroll	UAAL as a % of Covered Payroll
July 1, 2014	$ -	$ 17,930,000	$ 17,930,000	0%	$ 29,751,709	60.27%
July 1, 2013	-	17,013,000	17,013,000	0%	25,860,736	65.79%
July 1, 2012	-	16,226,000	16,226,000	0%	29,079,601	55.80%

SUPPLEMENTAL SCHEDULES

SALT LAKE DEPARTMENT OF AIRPORTS
(An Enterprise Fund of Salt Lake City Corporation)
SCHEDULE OF INSURANCE POLICIES
JUNE 30, 2014

Coverage Type	Carrier / Policy #	Policy Limits	Description / Deductibles	Expiration
General Liability Dept. of Airports	Chartis AP 007741005-03	$500,000,000 per occurrence	Bodily Injury / Property Damage, Auto Liability on Airport Premises, Hangarkeepers Liability	7/1/14
		$50,000,000 each offense	Personal & Advertising Injury Incidental Medical Malpractice	
		$250,000 any one fire	Fire Legal Liability	
		$50,000,000 Excess of SIR	Excess Auto Legal Liability Off-Premises; SIR $500,000	
	Total GL Coverage $500,000,000 - No Deductible			
Property Insurance	Lexington Insurance Co. 014498273	$500,000,000 Per occurrence; Claim specific limits apply	Airport Terminals, Concourses, Buildings, Runways, Taxiways, Equipment, Fuel Farm, Materials, Machinery	7/1/14
		$100,000,000	Windstorm or Hail 5% deductible, $250,000 min.	
		$211,599,602	Business Interruption 2% deductible per location $100,000 min. $5,000,000 max.	
		$150,000,000	Earth Movement and Flood 2% deductible per location $100,000 min. $5,000,000 max.	
		Not covered	Terrorism, Certified & Non-Certified Acts	
Comm. Auto Liability Dept. of Airports	Chubb 000073580106	$500,000 $0 deductible	Only Scheduled Autos Covered	7/1/14
Professional Liability Tier 1	XL CEO7420105	$15,000,000 $250,000 Excess of SIR	Financial loss protection for Project Owners	10/4/23
Tier 2	Swiss Re H2X000092300	$20,000,000		
Tier 3	Catlin Specialty XLS6784921013	$15,000,000		
Bonds	(1) Hartford Insurance 52BSBGI7676	$10,000,000	Treasurer's Bond $0 Deductible	6/4/15
	(2) Hartford Insurance 00FA023369013	$1,000,000 per occurrence	Public Employee Dishonesty $50,000 Deductible	7/1/14
		$50,000 per occurrence	Money, Securities and Other Property $2,500 deductible	
		$50,000 per occurrence	Money Orders and Counterfeit Currency $0 deductible	
		$25,000 per occurrence	Depositors Forgery and Alteration $500 deductible	
Excess Workers' Comp	Safety National SP4049184	$40,000,000 after SIR	Excess Workers' Compensation $1,000,000 SIR per claim	7/1/14
		$1,000,000 max per occurrence	Employers' Liability coverage	
Comm. Auto Liability	Self Insured	Statutory		Continuous

STATISTICAL SECTION
(unaudited)

STATISTICAL SECTION
(Unaudited)

This part of the Salt Lake City 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 says about the Airport's overall financial health.

Contents	**Schedules**
Financial Trends This schedule contains trend information to help the reader understand how the Airport's financial performance and well-being have changed over time.	**S2-S5**
Revenue Capacity These schedules contain information to help the reader assess the Airport's revenue sources.	**S6–S8**
Debt Capacity This schedule presents information to help the reader assess the affordability of the Airport's current levels of outstanding debt and the compliance with minimum debt ratios.	**S9**
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the Airport's financial activities take place.	**S10–S13**
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the Airport's financial report relates to the services the Airport provides and the activities it performs.	**S14–S17**

Salt Lake City Department of Airports

TOTAL ANNUAL REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION

	2014	2013	2012	2011	2010
Operating Revenues					
Airfield	$ 28,986,244	$ 27,533,052	$ 27,360,062	$ 26,790,645	$ 17,830,841
Terminals	45,732,747	45,410,572	42,580,560	42,746,010	39,333,123
Landside	49,064,037	48,119,056	45,110,330	42,339,341	39,106,339
Auxiliary airports	736,231	721,141	670,645	631,234	595,416
General aviation	2,089,127	2,028,469	2,097,232	1,888,594	1,792,187
Support areas	7,486,374	7,421,130	7,098,323	6,924,048	6,840,304
Other	3,194,765	2,635,709	2,550,590	2,341,446	1,999,331
Operating revenues	137,289,525	133,869,129	127,467,742	123,661,318	107,497,541
Less: Airline revenue sharing	(10,290,299)	(10,013,679)	(10,007,605)	(10,284,613)	-
Total operating revenues	126,999,226	123,855,450	117,460,137	113,376,705	107,497,541
Operating Expenses					
Airfield	27,040,934	25,848,088	25,680,150	24,928,820	23,113,848
Terminals	36,795,761	38,904,486	37,776,228	37,086,995	37,244,771
Landside	11,813,344	11,311,729	9,608,951	10,706,997	9,474,984
Auxiliary airports	1,575,915	1,500,433	1,699,831	1,476,851	1,442,239
General aviation	1,124,905	1,064,049	1,266,518	1,031,487	1,498,930
Support areas	1,039,306	1,019,395	944,635	1,037,924	1,171,870
Roads and grounds	6,000,384	5,679,770	5,667,708	5,567,870	5,519,039
Other	2,224,551	2,142,776	1,915,418	2,279,990	544,962
Total operating expenses before depreciation & rebates	87,615,100	87,470,726	84,559,439	84,116,934	80,010,643
Operating Income Before Depreciation & Rebates	39,384,126	36,384,724	32,900,698	29,259,771	27,486,898
Depreciation	59,027,448	57,127,603	49,802,772	50,438,401	49,576,610
Airline Fuel & Enplaned Passenger Rebates	-	-	-	-	-
Operating Loss	(19,643,322)	(20,742,879)	(16,902,074)	(21,178,630)	(22,089,712)
Non-operating Revenues (Expenses)					
Passenger Facility Charges	38,437,248	37,534,715	37,190,302	38,485,478	37,558,105
Customer Facility Charges	14,848,663	14,308,670	11,203,789	-	
Net Bond interest expense	-	-	-	-	-
Gain (loss) on disposition of property and equipment	(124,946)	(1,946,568)	(17,057)	(767,374)	(4,855,543)
Interest income	1,964,326	1,814,881	1,818,745	1,903,536	1,723,269
Net increase (decrease) in the fair value of investments	1,566,019	(1,448,365)	127,020	-	-
Net non-operating revenue (expense)	56,691,310	50,263,332	50,322,799	39,621,640	34,425,831
Capital Contributions	17,916,389	22,558,966	14,789,323	19,340,081	16,148,819
Net Position					
Increase in Net Position	54,964,377	52,079,420	48,210,049	37,783,091	28,484,938
Net Position, Beginning of Period	1,054,704,509	1,002,625,089	954,415,040	916,631,949	888,147,011
Net Position, End of Period	$ 1,109,668,886	$ 1,054,704,509	$ 1,002,625,089	$ 954,415,040	$ 916,631,949

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

	2009	2008	2007	2006	2005
Operating Revenues					
Airfield	$ 17,576,572	$ 17,041,231	$ 17,447,036	$ 15,672,079	$ 16,107,268
Terminals	38,715,525	40,780,653	39,186,737	35,603,460	32,430,654
Landside	40,705,508	42,019,377	38,564,113	35,443,013	32,584,986
Auxiliary airports	647,640	597,301	481,292	470,001	446,978
General aviation	1,767,020	1,751,666	1,731,062	1,526,029	1,472,099
Support areas	6,758,534	6,656,579	6,296,655	6,318,159	6,361,259
Other	2,069,865	1,878,650	1,721,453	1,750,358	1,745,307
Operating revenues	108,240,665	110,725,457	105,428,348	96,783,099	91,148,551
Less: Airline revenue sharing	-	-	-	-	-
Total operating revenues	108,240,665	110,725,457	105,428,348	96,783,099	91,148,551
Operating Expenses					
Airfield	23,046,623	23,759,267	21,956,091	20,370,500	19,886,980
Terminals	36,225,604	33,560,092	30,783,170	26,841,931	25,434,872
Landside	10,726,598	9,234,475	9,125,939	9,053,418	8,937,435
Auxiliary airports	1,322,687	2,226,838	1,590,148	1,029,352	745,697
General aviation	1,111,004	1,199,764	1,165,358	1,105,330	885,994
Support areas	1,301,920	1,416,904	1,318,534	1,187,008	1,039,911
Roads and grounds	6,161,016	4,841,807	4,259,840	3,676,846	3,344,412
Other	706,120	862,730	322,070	475,884	674,424
Total operating expenses before depreciation & rebates	80,601,572	77,101,877	70,521,150	63,740,269	60,949,725
Operating Income Before Depreciation & Rebates	27,639,093	33,623,580	34,907,198	33,042,830	30,198,826
Depreciation	49,234,710	(48,343,878)	(40,738,185)	(40,812,398)	(39,435,645)
Airline Fuel & Enplaned Passenger Rebates	-	-	-	(4,981,216)	(4,065,301)
Operating Loss	(21,595,617)	(14,720,298)	(5,830,987)	(12,750,784)	(13,302,120)
Non-operating Revenues (Expenses)					
Passenger Facility Charges	36,322,763	40,061,013	41,020,327	40,386,628	38,376,148
Customer Facility Charges					
Net Bond interest expense	-	(7,850,696)	(2,584,929)	(2,235,115)	(1,274,260)
Gain (loss) on disposition of property and equipment	(129,458)	(1,327,215)	(5,265,537)	(2,255,849)	1,310,507
Interest income	3,664,984	7,463,453	8,374,123	5,868,368	3,007,120
Investment fair market value adjustment	-	-	-	-	-
Net non-operating revenue (expense)	39,858,289	38,346,555	41,543,984	41,764,032	41,419,515
Capital Contributions	9,424,739	8,207,756	26,957,341	19,836,783	19,123,668
Net Position					
Increase in Net Position	27,687,411	31,834,013	62,670,336	48,850,031	47,241,063
Net Position, Beginning of Period	860,459,600	828,625,587	765,955,251	720,633,391	673,392,328
Net Position, End of Period	$ 888,147,011	$ 860,459,600	$ 828,625,587	$ 769,483,422	$ 720,633,391

Source: Salt Lake City Department of Airports Audited Financial Statements

Salt Lake City Department of Airports

CASH FLOW TREND

	2014	2013	2012	2011
Cash Flows from Operating Activities				
Cash received from providing services	$ 135,718,828	$ 129,242,964	$ 112,979,420	$ 113,613,165
Cash paid for services by Salt Lake City	(7,059,597)	(7,030,843)	(7,132,893)	(7,630,335)
Cash paid to suppliers	(39,568,428)	(40,752,838)	(40,583,394)	(35,003,496)
Cash paid to employees	(43,762,922)	(42,179,874)	(40,340,107)	(40,762,473)
Net cash from operating activities	45,327,881	39,279,409	24,923,026	30,216,861
Cash Flows from Investing Activities				
Interest received on investments/Paid for investments	13,384,575	(45,951,302)	29,420,153	(43,761,684)
Net cash from investing activities	13,384,575	(45,951,302)	29,420,153	(43,761,684)
Cash Flows from Capital and Related Financing Activities				
Purchase of capital equipment	(2,546,300)	(2,367,263)	$ (2,212,323)	(4,589,898)
Payments for acquisition and construction of capital assets	(68,076,707)	(43,333,038)	(30,795,215)	(43,567,549)
Payments for prior year accrued non-operating rebates	-	-	-	-
Principal payments made on bonds	-	-	-	-
Interest paid on bonds	-	-	-	-
Passenger Facility Charges	38,569,377	36,599,231	37,003,305	38,434,658
Interest received on Passenger Facility Charges	526,466	497,953	352,494	127,273
Customer Facility Charges	15,310,554	14,465,461	10,012,992	-
Interest received on Customer Facility Charges	252,678	106,216	31,941	-
Proceeds from sale of property	29,243	204,164	209,986	242,179
Airport improvement grants	25,194,792	18,119,410	11,000,072	21,999,588
State grants	11,876	30,516	-	1,235
Net cash from capital and related financing activities	9,271,979	24,322,650	25,603,252	12,647,486
Net Increase (Decrease) in Cash and Cash Equivalents	67,984,435	17,650,757	79,946,431	(897,337)
Cash and Cash Equivalents - Beginning of Year	299,087,023	281,436,266	201,489,835	202,387,172
Cash and Cash Equivalents - End of Year	$ 367,071,458	$ 299,087,023	$ 281,436,266	$ 201,489,835

Source: Salt Lake City Department of Airports Audited Financial Statements

CASH FLOW TREND
Continued

	2010	2009	2008	2007	2006	2005
Cash Flows from Operating Activities						
Cash received from providing services	$ 107,585,920	$ 110,945,787	$ 111,482,289	$ 104,474,589	$ 97,895,363	$ 93,052,375
Cash paid for services by Salt Lake City	(7,202,599)	(7,086,753)	(6,749,952)	(7,268,085)	(6,142,421)	(6,041,479)
Cash paid to suppliers	(31,178,327)	(33,507,538)	(32,073,630)	(27,395,493)	(30,237,205)	(31,026,663)
Cash paid to employees	(41,730,706)	(41,698,230)	(38,446,997)	(37,852,966)	(34,350,051)	(33,357,997)
Net cash from operating activities	27,474,288	28,653,266	34,211,710	31,958,045	27,165,686	22,626,236
Cash Flows from Investing Activities						
Interest received on investments/Paid for investments	1,723,269	3,249,138	7,463,732	8,374,123	5,868,368	3,013,217
Net cash from investing activities	1,723,269	3,249,138	7,463,732	8,374,123	5,868,368	3,013,217
Cash Flows from Capital and Related Financing Activities						
Purchase of capital equipment	(6,909,592)	(11,515,550)	(4,583,710)	(4,375,748)	(3,908,393)	(3,899,936)
Payments for acquisition and construction of capital assets	(39,180,702)	(37,714,812)	(75,971,706)	(65,812,694)	(68,672,799)	(57,287,191)
Payments for prior year accrued non-operating rebates	-	-	(2,797,958)	(5,135,480)	-	-
Principal payments made on bonds	-	-	(52,150,000)	(2,650,000)	(4,025,000)	(3,050,000)
Interest paid on bonds	-	-	(1,932,004)	(2,036,169)	(1,832,386)	(1,450,805)
Passenger Facility Charges	37,455,195	36,136,068	40,849,829	40,066,631	39,860,072	37,884,340
Interest received on Passenger Facility Charges	29,770	66,599	184,354	176,488	157,715	90,450
Customer Facility Charges	-	-	-	-	-	-
Interest received on Customer Facility Charges	-	-	-	-	-	-
Proceeds from sale of property	550,611	197,759	616,409	117,675	783,451	1,437,100
Airport improvement grants	13,271,790	10,130,491	12,228,683	24,457,730	16,799,450	19,073,545
State grants	65,789	297,502	202,498	83,520	364,331	164,950
Net cash from capital and related financing activities	5,282,861	(2,401,944)	(83,353,605)	(15,108,047)	(20,473,559)	(7,037,547)
Net Increase (Decrease) in Cash and Cash Equivalents	34,480,418	29,500,460	(41,678,163)	25,224,121	12,560,495	18,601,906
Cash and Cash Equivalents - Beginning of Year	167,906,754	138,406,294	180,084,457	154,860,335	142,299,840	123,697,934
Cash and Cash Equivalents - End of Year	$ 202,387,172	$ 167,906,754	$ 138,406,294	$ 180,084,457	$ 154,860,335	$ 142,299,840

Source: Salt Lake City Department of Airports Audited Financial Statements

Salt Lake City Department of Airports

SUMMARY OF OPERATING REVENUE
Last Ten Fiscal Years

(in thousands)

		Airline Revenues						
Fiscal Year	**Total Operating Revenue**	Landing Fees	Terminal Space Rentals	Other Airline Revenues	Car Rental	Auto Parking Facilities	Other Terminal Rentals	Other Revenues
2005	**$ 91,149**	$ 11,259	$ 20,459	$ 6,742	$ 12,963	$ 18,984	$ 16,994	$ 3,748
2006	**96,783**	11,214	22,157	6,622	14,550	20,196	18,619	3,425
2007	**105,428**	12,352	23,482	6,632	15,350	22,409	21,069	4,134
2008	**110,725**	12,888	23,645	7,099	16,314	24,817	22,955	3,007
2009	**108,241**	13,528	22,277	7,051	14,149	25,714	22,698	2,824
2010	**107,497**	13,541	22,934	6,918	14,505	23,811	22,497	3,291
2011	**113,377**	22,092 *	17,093 *	6,427	16,346	25,067	23,405	2,947
2012	**117,460**	23,059	17,820	6,881	16,697	26,282	23,862	2,859
2013	**123,856**	23,662	17,577	7,171	17,482	28,619	26,909	2,436
2014	**126,999**	25,000	16,522	7,098	18,063	29,228	28,432	2,656

Source: Salt Lake City Department of Airports Audited Financial Statements
* Net of passenger revenue credits beginning Fiscal Year 2011.

Salt Lake City Department of Airports

MAJOR REVENUE SOURCES
LAST TEN FISCAL YEARS

	FY 2014				FY 2013				FY 2012			
Airline	**Landing Fees**	**% of Total**	**Rents**	**% of Total**	**Landing Fees**	**% of Total**	**Rents**	**% of Total**	**Landing Fees**	**% of Total**	**Rents**	**% of Total**
Alaska	$ 168,097	0.7%	$ 223,773	0.8%	$ -	0.0%	$ -	0.0%	$ -	0.0%	$ -	0.0%
American	814,017	3.2%	728,831	2.7%	614,990	2.6%	641,617	2.3%	644,786	2.8%	647,812	2.4%
Atlantic Southeast	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Continental	-	0.0%	-	0.0%	-	0.0%	0	0.0%	226,801	1.0%	269,963	1.0%
Delta	18,163,390	72.0%	20,115,735	75.7%	16,124,564	68.1%	21,141,310	77.3%	15,690,656	68.0%	21,076,035	77.1%
Frontier	620,397	2.5%	537,409	2.0%	453,303	1.9%	429,066	1.6%	437,767	1.9%	417,372	1.5%
JetBlue	346,375	1.4%	389,244	1.5%	320,445	1.4%	392,074	1.4%	399,400	1.7%	379,479	1.4%
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%	34,477.00	0.1%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Southwest	2,894,809	11.5%	2,611,600	9.8%	2,727,311	11.5%	2,739,943	10.0%	2,897,047	12.6%	2,776,427	10.2%
TWA	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
United	1,010,114	4.0%	1,212,695	4.6%	919,057	3.9%	1,281,770	4.7%	725,102	3.1%	1,062,153	3.9%
US Airways	785,109	3.1%	578,730	2.2%	600,890	2.5%	585,931	2.1%	502,412	2.2%	571,381	2.1%
Other (Charter, Cargo & Commuter)	427,213	1.7%	150,709	0.6%	1,901,230	8.0%	140,406	0.5%	1,535,446	6.7%	137,649	0.5%
Totals:	$ 25,229,521	100.0%	$ 26,583,203	100.0%	$ 23,661,790	100.0%	$ 27,352,117	100.0%	$ 23,059,417	100.0%	$ 27,338,271	100.0%

	FY 2011				FY 2010			
Airline	**Landing Fees**	**% of Total**	**Rents**	**% of Total**	**Landing Fees**	**% of Total**	**Rents**	**% of Total**
Alaska	$ -	0.0%	$ -	0.0%	$ -	0.0%	$ -	0.0%
American	521,885	2.4%	656,853	2.4%	321,684	2.4%	720,244	3.0%
Atlantic Southeast	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Continental	203,134	0.9%	274,802	1.0%	111,120	0.8%	255,330	1.1%
Delta	8,806,571	39.9%	20,957,229	76.5%	4,675,304	34.5%	17,948,842	75.0%
Frontier	345,312	1.6%	426,147	1.6%	262,797	1.9%	360,100	1.5%
JetBlue	338,306	1.5%	422,451	1.5%	182,660	1.3%	365,380	1.5%
Northwest	784,714	3.6%	-	0.0%	583,453	4.3%	36,757	0.2%
Shuttle America	100,655	0.5%	-	0.0%	30,427	0.2%	-	0.0%
SkyWest	5,860,938	26.5%	-	0.0%	3,959,249	29.2%	27,926	0.1%
Southwest	2,802,150	12.7%	2,874,872	10.5%	1,767,067	13.1%	2,505,123	10.5%
TWA	-	0.0%	-	0.0%	-	0.0%	-	0.0%
United	587,626	2.7%	1,098,258	4.0%	393,347	2.9%	956,268	4.0%
US Airways	410,462	1.9%	574,250	2.1%	228,532	1.7%	558,294	2.3%
Other (Charter, Cargo & Commuter)	1,330,151	6.0%	122,259	0.4%	1,024,942	7.6%	196,528	0.8%
Totals:	$ 22,091,904	100.0%	$ 27,407,121	100.0%	$ 13,540,584	100.0%	$ 23,930,791	100.0%

Source: Salt Lake City Department of Airports Revenue System

MAJOR REVENUE SOURCES
LAST TEN FISCAL YEARS
Continued

Airline	FY 2009 Landing Fees	FY 2009 % of Total	FY 2009 Rents	FY 2009 % of Total	FY 2008 Landing Fees	FY 2008 % of Total	FY 2008 Rents	FY 2008 % of Total	FY 2007 Landing Fees	FY 2007 % of Total	FY 2007 Rents	FY 2007 % of Total
Alaska	$ -	0.0%	$ -	0.0%	$ -	0.0%	$ -	0.0%	$ -	0.0%	$ -	0.0%
American	309,112	2.3%	622,671	2.8%	273,576	2.1%	601,007	2.6%	268,498	2.2%	585,786	2.5%
Atlantic Southeast	-	0.0%	-	0.0%	-	0.0%	-	0.0%	315,902	2.6%	223,400	1.0%
Continental	114,010	0.8%	349,000	1.6%	130,215	1.0%	419,583	1.8%	103,520	0.8%	324,775	1.4%
Delta	4,796,034	35.5%	13,253,648	59.1%	4,749,080	36.8%	13,883,108	59.1%	4,520,674	36.6%	13,618,173	58.4%
Frontier	316,103	2.3%	331,059	1.5%	266,190	2.1%	348,706	1.5%	235,938	1.9%	330,086	1.4%
JetBlue	266,547	2.0%	351,455	1.6%	265,025	2.1%	414,555	1.8%	141,372	1.1%	236,684	1.0%
Northwest	221,680	1.6%	239,723	1.1%	140,869	1.1%	491,997	2.1%	140,110	1.1%	489,942	2.1%
Shuttle America	-	0.0%	-	0.0%	-	0.0%	-	0.0%	75,390	0.6%	228,655	1.0%
SkyWest	3,639,573	26.9%	3,358,689	15.0%	3,684,705	28.6%	2,996,161	12.8%	3,163,080	25.6%	2,696,222	11.6%
Southwest	2,042,372	15.1%	2,369,707	10.6%	1,782,140	13.8%	2,531,227	10.8%	1,547,876	12.5%	2,554,391	11.0%
TWA	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
United	438,887	3.2%	1,057,553	4.7%	251,523	2.0%	1,249,146	5.3%	262,188	2.1%	1,172,425	5.0%
US Airways	234,914	1.7%	491,721	2.2%	252,120	2.0%	526,310	2.2%	204,873	1.7%	416,988	1.8%
Other (Charter, Cargo & Commuter)	1,149,067	8.5%	10,170	0.0%	1,093,106	8.5%	29,650	0.1%	1,372,948	11.1%	427,979	1.8%
Totals:	$ 13,528,299	100.0%	$ 22,435,396	100.0%	$ 12,888,550	100.0%	$ 23,491,450	100.0%	$ 12,352,369	100.0%	$ 23,305,506	100.0%

Airline	FY 2006 Landing Fees	FY 2006 % of Total	FY 2006 Rents	FY 2006 % of Total	FY 2005 Landing Fees	FY 2005 % of Total	FY 2005 Rents	FY 2005 % of Total
American	$ 229,256	2.0%	$ 658,697	3.0%	$ 246,760	2.2%	$ 611,587	3.0%
Atlantic Southeast	583,002	5.2%	178,547	0.8%	315,973	2.8%	100,319	0.5%
Continental	86,899	0.8%	304,886	1.4%	117,854	1.0%	293,025	1.5%
Delta	4,296,901	38.3%	12,889,245	58.4%	4,496,286	39.9%	11,669,749	57.8%
Frontier	173,410	1.5%	299,583	1.4%	136,011	1.2%	274,321	1.4%
JetBlue	96,837	0.9%	216,285	1.0%	79,884	0.7%	201,489	1.0%
Northwest	134,790	1.2%	467,943	2.1%	134,513	1.2%	440,308	2.2%
Shuttle America	149,874	1.3%	272,409	1.2%	-	0.0%	-	0.0%
SkyWest	2,416,220	21.5%	2,407,080	10.9%	2,579,199	22.9%	2,253,878	11.2%
Southwest	1,254,676	11.2%	2,405,274	10.9%	1,213,453	10.8%	2,220,317	11.0%
TWA	-	0.0%	-	0.0%	-	0.0%	-	0%
United	399,520	3.6%	1,332,835	6.0%	289,160	2.6%	1,335,192	6.6%
US Airways	143,525	1.3%	387,234	1.8%	127,511	1.1%	356,821	1.8%
Other (Charter, Cargo & Commuter)	1,249,430	11.1%	263,845	1.2%	1,522,739	13.5%	430,931	2.1%
Totals:	$ 11,214,340	100.0%	$ 22,083,863	100.0%	$ 11,259,343	100.0%	$ 20,187,937	100.0%

Source: Salt Lake City Department of Airports Revenue System

Salt Lake City Department of Airports

Ratios of Outstanding Debt
As of June 30, 2014

Ratio of Bond Debt Service to Total Operating Expenses										
General Revenue bonds	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Principal	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 2,650,000	$ 4,025,000	$ 3,050,000
Interest	-	-	-	-	-	-	-	2,584,929	2,235,115	1,274,260
Total Debt Service	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 5,234,929	$ 6,260,115	$ 4,324,260
Total Operating Expenses	$ 87,615,100	$ 87,470,726	$ 84,559,439	$ 84,116,934	$ 80,010,643	$ 80,601,572	$ 77,101,877	$ 70,521,148	$ 63,740,269	$ 60,949,725
Ratio of Bond Debt Service to Total Operating Expenses	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**7.4%**	**9.8%**	**7.1%**

Debt Service per Enplaned Passenger (does not include 1996A passenger facility bond)

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Total Debt Service	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 5,234,929	$ 6,260,115	$ 4,324,260
Enplaned passengers	10,294,694	10,044,069	10,125,086	10,429,397	10,258,950	9,994,429	10,933,154	10,928,135	10,909,219	10,211,587
Debt Service per Enplaned Passenger	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 0.48**	**$ 0.57**	**$ 0.42**

Total Outstanding Debt per Enplaned Passenger (Includes 1996A series passenger facility bond)

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Outstanding debt										
2004A series	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 29,500,000	$ 31,000,000	$ 33,275,000
2004B series	-	-	-	-	-	-	-	22,650,000	23,800,000	25,550,000
2001 series	-	-	-	-	-	-	-	-	-	-
2000A series	-	-	-	-	-	-	-	-	-	-
1993C series	-	-	-	-	-	-	-	-	-	-
1993Bb series	-	-	-	-	-	-	-	-	-	-
1993A series	-	-	-	-	-	-	-	-	-	-
Total Outstanding debt	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 52,150,000	$ 54,800,000	$ 58,825,000
Enplaned Passengers	10,294,694	10,044,069	10,125,086	10,429,397	10,258,950	9,994,429	10,933,154	10,928,135	10,909,219	10,211,587
Outstanding Debt per Enplaned Passenger	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 4.77**	**$ 5.02**	**$ 5.76**

Note: In fiscal year 2008, the Airport voluntarily paid off the 2004A series and the 2004B series bonds.
Source: Salt Lake City Department of Airports audited financial statements and statistics reports

Salt Lake City Department of Airports
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Population (1)	Personal Income (amounts expressed in thousands) (2)	Per Capita Personal Income (2)(4)	Number of residents 18 years and older (1)	Unemployment Rate (3)
2005	178,605	6,841,042	38,303	138,773	4.9%
2006	178,097	6,906,825	38,781	138,773	4.4%
2007	178,858	7,075,096	39,557	138,773	2.6%
2008	180,651	7,805,389	47,624	138,773	2.6%
2009	181,698	8,603,388	51,760	140,130	3.3%
2010	183,102	9,404,633	48,511	140,959	6.9%
2011	186,440	8,882,513	45,205	144,406	7.4%
2012	189,899	8,427,997	44,381	147,172	6.0%
2013	189,314	8,576,140	45,301	147,718	5.0%
2014	191,180	unavailable	unavailable	unavailable	3.7%

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

Salt Lake City Department of Airports
Utah Principal Employers
June 30, 2014

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

June 30, 2013

Employer	Number of Employees	Rank	Percent of all Employees
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%
Total Employees of Principal Employers	152,000		100.00%

June 30, 2012

Employer	Number of Employees	Rank	Percent of all Employees
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%
Total Employees of Principal Employers	126,000		100.00%

June 30, 2011

Employer	Number of Employees	Rank	Percent of all Employees
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%
Alpine School District	5,000	10	3.97%
Total Employees of Principal Employers	126,000		100.00%

Source: Workforce Services - based on yearly averages
Information from the City's Business Licensing Division
Data not available before 2006.

Salt Lake City Department of Airports
Utah Principal Employers
Continued

June 30, 2010

Employer	Number of Employees	Rank	Percent of all Employees
University of Utah	15,000	1	29.53%
State of Utah	9,000	2	17.72%
Intermountain Health Care	7,000	3	13.78%
Salt Lake City School District	5,000	4	9.84%
L3 Communication Systems West	3,200	5	6.30%
Salt Lake City Corporation	2,800	6	5.51%
U.S. Post Office	2,600	7	5.12%
Skywest Airlines	2,400	8	4.72%
ARUP	2,300	9	4.53%
O.C. Tanner	1,500	10	2.95%
Total Employees of Principal Employers	50,800		100.00%

June 30, 2009

Employer	Number of Employees	Rank	Percent of all Employees
University of Utah	15,000	1	30.49%
State of Utah	9,000	2	18.29%
Intermountain Health Care	7,000	3	14.23%
L3 Communications Systems West	3,200	4	6.50%
Salt Lake City School District	3,300	5	6.71%
Salt Lake City Corporation	2,900	6	5.89%
U.S. Post Office	2,600	7	5.28%
Skywest Airlines	2,400	8	4.88%
ARUP	2,300	9	4.67%
O.C. Tanner	1,500	10	3.05%
Total Employees of Principal Employers	49,200		100.00%

June 30, 2008

Employer	Number of Employees	Rank	Percent of all Employees
Intermountain Health Care	20,000	1	17.54%
State of Utah	20,000	2	17.54%
University of Utah	15,000	3	13.16%
Brigham Young University	15,000	4	13.16%
Walmart	10,000	5	8.77%
Hill Air Force Base	10,000	6	8.77%
Granite School District	7,000	7	6.14%
Jordan School District	7,000	8	6.14%
Davis County School District	5,000	9	4.39%
Utah State University	5,000	10	4.39%
Total Employees of Principal Employers	114,000		100.00%

June 30, 2007

Employer	Number of Employees	Rank	Percent of all Employees
Intermountain Health Care	20,000	1	18.02%
State of Utah	20,000	2	18.02%
University of Utah	15,000	3	13.51%
Brigham Young University	15,000	4	13.51%
Walmart	10,000	5	9.01%
Hill Air Force Base	7,000	6	6.31%
Granite School District	7,000	7	6.31%
Jordan School District	7,000	8	6.31%
Davis County School District	5,000	9	4.50%
Utah State University	5,000	10	4.50%
Total Employees of Principal Employers	111,000		100.00%

June 30, 2006

Employer	Number of Employees	Rank	Percent of all Employees
University of Utah	not available	1	not available
Intermountain Health Care	not available	2	not available
State of Utah	not available	3	not available
Delta Airlines	not available	4	not available
Salt Lake City Corporation	not available	5	not available
U.S. Post Office	not available	6	not available
Zions Bank	not available	7	not available
Qwest Corporation	not available	8	not available
Skywest Airlines	not available	9	not available
Wells Fargo Bank	not available	10	not available
Total Employees of Principal Employers	not available		not available

Source: Workforce Services - based on yearly averages
Information from the City's Business Licensing Division
Data not available before 2006.

Salt Lake City Department of Airports

EMPLOYEE STATISTICS

Full-Time Equivalent Employees as of Fiscal Year-End

Fiscal Year	Director's Office	Public Relations	Planning & Capital Programming	Finance & Accounting	Admin & Commercial Services	Information Technology	Engineering	Maintenance	Operations	Total
2005	3	1	10	15	25	0	38	226	214	532
2006	2	1	10	15	25	0	37	231	206	527
2007	2	1	8	14	23	0	37	232	206	523
2008	1	1	9	16	26	0	34	236	215	538
2009	10	1	9	16	20	0	36	238	240	570
2010	6	1	9	16	22	0	36	239	233	562
2011	5	1	8	20	10	21	27	201	194	487
2012	5	1	9	20	12	23	29	202	192	493
2013	5	1	8	21	12	24	29	213	202	515
2014	5	2	8	21	14	25	29	217	200	521

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

Source: Salt Lake Department of Airports Budget Book and vacancies reports (unaudited)

SALT LAKE CITY DEPARTMENT OF AIRPORTS

SUMMARY OF OPERATING EXPENSES
Last Ten Fiscal Years

(in thousands)

Fiscal Year	**Total Operating Expense**	Personal Services	Utilities	Operational Maintenance Supplies	Salt Lake City Administration	Fire Services	Charges/ Services/ Fees
2005	**$ 60,950**	$ 31,474	$ 3,488	$ 6,158	$ 2,949	$ 3,328	$ 13,553
2006	**63,740**	31,856	3,945	7,428	3,179	3,455	13,877
2007	**70,521**	34,868	4,811	7,493	3,559	3,708	16,082
2008	**77,102**	38,349	4,556	8,374	3,371	3,917	18,535
2009	**80,602**	41,068	4,407	8,405	3,674	3,854	19,194
2010	**80,010**	41,330	4,927	7,692	3,581	3,689	18,791
2011	**84,117**	40,661	5,405	9,376	3,829	3,840	21,006
2012	**84,559**	41,345	5,630	8,999	3,721	4,091	20,773
2013	**87,470**	42,347	6,122	11,118	3,935	4,152	19,796
2014	**87,615**	44,916	6,209	10,755	3,003	4,185	18,547

Source: Salt Lake City Department of Airports Audited Financial Statements

Salt Lake City Department of Airports

PASSENGER AND OPERATING STATISTICS
Last Ten Fiscal Years

Fiscal Year	Aircraft Operations	Landed Weight (Pounds in 000)	Total Enplaned Passengers	% Increase (Decrease) Enplaned Passengers	Cargo (Pounds)	Cargo % Increase (Decrease)
2005	428,525	14,611,315	10,211,587	11.8%	435,715,118	-6.71%
2006	440,462	14,831,796	10,909,219	6.8%	382,825,663	-12.14%
2007	424,463	14,484,504	10,928,135	0.2%	385,126,843	0.60%
2008	413,335	14,680,300	10,933,154	0.0%	371,321,796	-3.58%
2009	371,728	13,570,426	9,994,429	-8.6%	302,988,996	-18.40%
2010	367,158	13,095,299	10,258,950	2.6%	298,972,507	-1.33%
2011	361,471	13,230,512	10,429,397	1.7%	316,859,115	5.98%
2012	343,119	12,604,750	10,125,086	-2.9%	346,060,862	15.75%
2013	330,991	12,406,252	10,044,069	-0.8%	343,524,586	14.90%
2014	324,608	12,679,038	10,294,694	2.5%	325,535,553	2.74%

Source: Salt Lake Department of Airports Audited Financial Statements

SALT LAKE CITY DEPARTMENT OF AIRPORTS
AIRLINE PASSENGER STATISTICS
by Enplanement

Carrier	2014	Percent of Total 2014	2013	Percent of Total 2013	2012	Percent of Total 2012	2011	2010	2009	2008	2007	2006	2005
Delta	4,786,379	46.5%	4,577,728	45.6%	4,434,499	43.8%	4,443,278	3,905,063	3,857,563	4,322,691	4,313,703	4,598,633	4,478,569
Delta Connections	2,722,929	26.4%	2,843,644	28.3%	3,014,370	29.8%	3,408,787	3,631,109	3,148,551	3,615,008	3,701,278	3,596,360	3,176,829
Southwest	1,172,540	11.4%	1,197,613	11.9%	1,247,493	12.3%	1,294,142	1,282,688	1,332,212	1,473,085	1,455,018	1,307,637	1,135,174
United	448,191	4.4%	444,126	4.4%	459,993	4.5%	348,987	363,585	370,143	239,090	265,256	294,838	317,576
Alaska Air	73,034	0.7%	-	0.0%	-	0.0%	-	-	-	-	-	-	-
American	314,425	3.1%	292,155	2.9%	302,377	3.0%	270,015	280,391	272,420	291,591	292,579	279,626	259,815
US Airways	332,652	3.2%	274,438	2.7%	231,708	2.3%	186,041	168,845	176,728	200,211	186,505	154,380	131,363
Mesa Air	-	0.0%	-	0.0%	-	0.0%	7,141	14,536	16,008	30,526	34,654	72,628	97,208
Northwest	-	0.0%	-	0.0%	-	0.0%	-	143,283	278,214	131,915	136,744	157,351	173,014
Pinnacle	-	0.0%	-	0.0%	-	0.0%	-	-	-	1,848	4,688	13,770	12,775
Continental	-	0.0%	-	0.0%	-	0.0%	103,510	92,066	92,561	102,902	110,331	109,151	135,003
Express Jet	-	0.0%	-	0.0%	-	0.0%	6,500	14,995	17,760	33,441	41,225	40,315	27,165
Frontier	238,532	2.3%	216,726	2.2%	221,769	2.2%	185,679	202,547	215,895	247,606	221,404	163,046	126,949
JetBlue	163,083	1.6%	167,249	1.7%	209,498	2.1%	173,662	154,697	213,994	239,759	149,753	110,686	104,055
Other	42,929	0.4%	30,390	0.3%	3,379	0.0%	1,655	5,145	1,282	3,481	14,997	7,550	21,822
Aeromexico	-	-	-	0.0%	-	0.0%	-	-	1,098	-	-	3,248	14,270
	10,294,694	100.0%	**10,044,069**	100.0%	**10,125,086**	100.0%	**10,429,397**	**10,258,950**	**9,994,429**	**10,933,154**	**10,928,135**	**10,909,219**	**10,211,587**

Source: Salt Lake City Department of Airports Revenue System

SALT LAKE CITY DEPARTMENT OF AIRPORTS
SUMMARY OF CAPITAL ASSETS

	June 30, 2014	June 30, 2013	June 30, 2012	June 30, 2011	June 30, 2010
Military					
Acres of land leased to military	135	135	135	135	135
Annual rent from military leases	$136,968	$136,968	$136,968	$136,968	$136,968
Terminal - General					
Number of passenger terminals	3	3	3	3	3
Total square feet	1,102,400	1,102,400	1,102,400	1,102,400	1,102,400
Non-Retail Space - number of sq. ft.					
Counter space	7,614	7,614	7,614	7,614	7,614
Airline office	42,369	42,369	42,369	42,369	42,369
Other office (i.e. TSA, SLCDA, concession offices)	61,865	47,882	47,882	47,882	47,882
Common use areas	584,370	598,343	644,935	644,935	644,935
Retail Space - Pre-Security					
Food and beverage	2,674	2,788	1,998	1,998	1,998
Newsstands	184	212	250	250	250
Specialty Retail	-	-	-	-	-
Other concessions (vending)	264	238	497	497	497
Retail Space - Secured Area					
Food and beverage	50,280	49,836	45,454	45,454	45,454
Newsstands	7,721	7,697	4,891	4,891	4,891
Specialty Retail	15,001	13,419	13,994	13,994	13,994
Other concessions	96	140	-	-	-
Parking					
Short-term / 4 Level Parking Garage (Number of spaces)	1,766	1,766	1,766	1,767	1,847
Long-term (Number of spaces)	10,055	10,057	10,057	10,066	10,066
Tenant Employee Lot (Number of spaces)	2,950	2,950	2,950	2,955	2,966
Park and Wait Lot (Number of spaces)	82	81	81	81	81
Cargo					
Total SF of airport buildings leased for cargo use, including warehouse, office, etc.	202,896	202,896	202,896	202,896	202,896
Total SF of ground leased for cargo, incl. warehousing, office, etc.	727,939	727,939	727,939	727,939	727,939
Runways (feet)					
34L/16R	150 x 12,000	150 x 12,000	150 x 12,000	150 x 12,000	150 x 12,000
34R/16L	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
32/14	150 x 4,892	150 x 4,892	150 x 4,892	150 x 4,892	150 x 4,892
Acres					
Total Acres Owned by Airport	9,426	9,426	9,426	9,426	9,426
Total AOA Acres	3,375	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.

Note: Data for previous years unavailable.