

# **Comprehensive Annual Financial Report**

**Salt Lake City Department of Airports**  
(An Enterprise Fund of Salt Lake City, Utah)

**For the Years Ended June 30, 2015 and 2014**



Salt Lake City  
Department of Airports

**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, 2015 AND 2014**

**SALT LAKE CITY DEPARTMENT OF AIRPORTS**  
**Salt Lake City, Utah**  
**Financial Statements**  
**For the Years Ended June 30, 2015 and 2014**

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## **INTRODUCTORY SECTION**

**THIS SECTION CONTAINS THE FOLLOWING  
SUBSECTIONS:**

Letter of Transmittal  
Organizational Chart



November 14, 2015

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, 2015 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, 2015 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 City's federal funds expenditures (which include the Airport's federal funds) for the year as part of the federally mandated Single Audit designed to meet the special needs of federal grantor agencies. That report is available in a separate report combined with Salt Lake City Corporation.

The 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 5 miles northwest of the downtown Salt Lake City business district. Beginning with a cinder-covered landing strip in a marshy pasture called Basque Flats in 1911; the Airport was originally used for aerobatic flights. Salt Lake City purchased 100 acres surrounding the landing strip for \$40.00 per acre in 1920, and the resulting airfield was named Woodward Field. The first commercial passenger flight took place in 1926 with two passengers perched atop U.S. mail sacks and in 1943 the Airport became a training base and replacement depot for the U.S. Air Force. The three runways were upgraded in 1950, and the first terminal building, currently Terminal One, was dedicated in 1961. Terminal Two was completed in 1978. Terminal One was expanded and remodeled in 1981, and a third air carrier runway was added in 1995, and International Terminal was added in 1996. 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 north cargo apron, which was partially funded by federal funds, and completed rehabilitation of runway 16L/34R pavement. In FY2015 the TRP program started construction for the quick turn around facility (QTA), rental car facility site work, rental car service buildings, infrastructure, and temporary roadway construction and realignments.

Because of the age of the terminal buildings and the need to provide reliable, safe, and efficient terminal facilities, \$15.2 million is included in the FY2016 budget to continue necessary concourse and terminal facility renovations. This includes funding for the continuing renovations of restrooms, portions of concourses B and C and their connectors, and outside exterior panel replacements.

The FY2016 budget includes \$47 million for Airfield Projects. This includes Taxiway S pavement reconstruction, airfield lighting and signage replacements, end of runway 16L deicing pad, and passenger loading bridge rehabilitations. These airfield improvement projects ensure the safe operation of aircraft and preserve valuable assets.

The FY16 budget includes \$8.8 million for Landside Projects. This includes overlay of entrance and exit roads, site improvements for a future convenience store, and Park & Wait lot relocation.

Funding for the Airport Capital Improvement Program (CIP) includes reserves generated by the Airport, Airport Improvement Program (AIP) grants from the FAA, Passenger Facility Charges (PFC), Customer Facility Charges (CFC), and future Airport bonds.

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 2015, the airport served over twice the number of passengers the facilities were originally designed to handle.

The Airport is currently ranked the 25th busiest in North America, and 85th busiest in the world in terms of passenger numbers with over 317 scheduled daily departing flights serving more than 91 non-stop destinations. The Airport served approximately 21.7 million passengers in FY 2015 and is Delta's fifth largest hub.

### **Economic Condition**

According to the most recently published State of Utah's 2015 Economic 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 2014, Utah's employment grew 3 percent compared to the national employment growth of 1.8 percent. Utah's unemployment rate also improved to 3.6 percent in 2014 compared to 4.4 percent in 2013.

Utah's total personal income is estimated to have increased by 4.1 percent in 2014, compared to the 4 percent increase in 2013. The 2014 increase in personal income was led by strong wage growth at 3.6 percent. Jobs were added across all industry sectors in the Utah economy during 2014, 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 Utah and its capital 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. 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 2015, the Airport reduced operating expenses by 13% while passengers increased 5.2 percent in FY 2015 over FY 2014. The majority of the decrease in expenses relates to changes in post retirement benefits.

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 \$3.65 for FY 2015 and \$3.90 for FY 2014, one of the lowest rates among large hub airports in the nation. The Airport has total cash balances of \$411 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 2015 with job growth at 2.5 percent, slightly below the state's long-term average. This growth is expected to cause Utah's unemployment level to remain constant at 3.6 percent by the end of 2015. Personal income is expected to increase by 4.7 percent in 2015, which is in line with the anticipated U.S. increase.

Salt Lake City Airport passengers are projected to increase by 2.8 percent and operations are projected to decrease by 1.42 percent during FY 2016. 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 2015 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 2015-2035, 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 2015 FAA forecast calls for U.S. carrier passenger growth over the next 20 years to average 2 percent per year. The Salt Lake City Airport forecasts an average annual growth rate of 1.7 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 with 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 (73 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 2020 with the entire terminal opening by summer 2022. The long-range master plan also allows for a future concourse to the north 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 2015, the Airport received the following awards and acknowledgments:

- 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 received an Honorable Mention for the 2015 Airports Going Green (AGG) award awarded by the Chicago Department of Aviation.

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.



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Maureen Riley  
Salt Lake City Department of Airports  
Executive Director



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Ryan R. Tesch, CPA  
Salt Lake City Department of Airports  
Director of Finance

# **ORGANIZATIONAL CHART**

## **City of Salt Lake City, Utah**

**Mayor**  
Ralph Becker

### **City Council Members**

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

### **Department of Airports Advisory Board Members**

Igor Best-Devereux, Vice Chair  
Christine Botosan  
Michael D. Gallivan, Chair  
Natalie Gochnour  
Wayne Holland  
David R. Ibarra  
J. T. Martin  
Larry Pinnock  
Michael Zuhl

**Executive Director**  
Maureen Riley

### **Directors**

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



Government Finance Officers Association

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Presented to

**Salt Lake City  
Department of Airports, Utah**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2014**

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



## 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, 2015 and 2014, 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 audits. We conducted our audits 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 financial position of the Airport as of June 30, 2015 and 2014, and the respective changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### Emphasis of Matter

As discussed in Note 1, the financial statements of the Airport are intended to present the financial position, the changes in financial position and cash flows of only that portion of the business-type activities and each major fund of Salt Lake City Corporation that is attributable to the transactions of the Airport. They do not purport to, and do not, present fairly the financial position of Salt Lake City

Corporation as of June 30, 2015 and 2014, the changes in its financial position, where applicable, its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

### **Change in Accounting Principle**

As discussed in Notes 1 and 13 to the financial statements, the Airport has adopted the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71 *Pension Transition for Contributions Made Subsequent to the Measurement Date*, which has resulted in a restatement of the net position as of July 1, 2014. In accordance with GASB Statement No. 68, the 2014 financial statements have not been restated to reflect this change. Our opinions are not modified with respect to this matter.

### **Other Matters**

#### *Required Supplementary Information*

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

#### *Other Information*

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



Salt Lake City, Utah  
November 14, 2015

**SALT LAKE CITY DEPARTMENT OF AIRPORTS  
(An Enterprise Fund of Salt Lake City Corporation)  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
(UNAUDITED)**

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The following Management’s Discussion and Analysis (“MD&A”) of the Salt Lake City Department of Airports’ activities and financial performance provides an introduction and overview to the financial statements for the fiscal years ended June 30, 2015 and 2014.

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 fifth largest hub. The Airport ranks as the 25th busiest in North America and the 85th busiest in the world in terms of passenger numbers. In terms of operational movements, the Airport ranks 23rd busiest in North America and 42<sup>nd</sup> busiest in the world.

The Airport had experienced several years of small decreases in total passenger numbers in FY 2013 (-0.8%) and FY 2012 (-2.9%) while the U.S. economy continued to slowly recover. In FY 2015 and FY 2014, the economy and the airline industry are continuing to rebound. Total passengers increased by 1,088,560 and 501,981 in FY 2015 and FY 2014 to a total of 21,674,172 and 20,585,612 passengers. Enplaned passengers alone increased by 539,014 and 250,625 in FY

2015 and FY 2014 to a total of 10,833,708 and 10,294,694 passengers; a 5.2% and 2.5% increase in FY 2015 and FY 2014.

Salt Lake City International Airport provides 317 average daily departures to 91 non-stop destinations. Load factors increased 86% to 87% from FY 2014 to FY 2015. The expansion of a new airline, Alaska Airlines, into the Salt Lake City market in December 2013 has continued to increase seat capacity, number of daily flights, and passengers based on a full year's worth of operations.

Total aircraft operations decreased -1.4% in FY 2015, -1.9% in FY 2014, and -3.5% in FY 2013. While aircraft operations continued to decrease, the landing weights increased by 521,940 million pounds (4.1%) in FY 2015 after an increase of 2.2% and decrease of 1.6% in FY 2014 and 2013. Both the decrease in operations and the increase in landing weights are consistent with airlines switching from smaller regional jets to larger narrow body jets.

	<u>FY 2015</u>	<u>FY 2014</u>	<u>FY 2013</u>	<u>FY 2012</u>
Enplanements	10,833,708	10,294,694	10,044,069	10,125,086
% increase (decrease) from prior year	5.2%	2.5%	(0.8%)	(2.9%)
Landed weight lb's (000's)	13,200,978	12,679,038	12,406,252	12,604,751
% increase (decrease) from prior year	4.1%	2.2%	(1.6%)	(4.7%)
Aircraft Operations - All Types	319,994	324,608	330,991	343,117
% decrease from prior year	(1.4%)	(1.9%)	(3.5%)	(5.1%)
Total # of passengers	21,674,172	20,585,612	20,083,631	20,263,192
% increase (decrease) from prior year	5.3%	2.5%	(0.9%)	(2.9%)

## STATEMENT OF NET POSITION

The Department of Airports' net position was \$1,157,981,328 as of June 30, 2015. As noted in Note 13 of the financial statement footnotes, the Airport adopted the provision of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, which resulted in a restatement of beginning net position as of July 1, 2014 of \$20,998,262. The total increase in net position during the year ended June 30, 2015 was \$69 million. The largest portion of the Airport's net position (67.3%) represents investment in capital assets (land, buildings, runways, taxiways, and equipment).

<b>STATEMENTS OF NET POSITION</b>	<b>June 30, 2015</b>	<b>June 30, 2014</b>	<b>June 30, 2013</b>
<b>ASSETS:</b>			
Current and other assets	\$ 452,435,482	\$ 448,992,153	\$ 413,262,722
Capital assets	779,342,985	707,111,524	670,459,258
Deferred outflows	3,566,982	-	-
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS</b>	<b>1,235,345,449</b>	<b>1,156,103,677</b>	<b>1,083,721,980</b>
<b>LIABILITIES:</b>			
Other liabilities	75,235,265	46,434,792	29,017,472
Deferred inflows	2,128,856	-	-
<b>Total Liabilities and deferred inflows</b>	<b>77,364,121</b>	<b>46,434,792</b>	<b>29,017,472</b>
<b>NET POSITION:</b>			
Invested in capital assets	779,342,985	707,111,524	670,459,258
Restricted	196,438,862	179,263,493	132,826,828
Unrestricted	182,199,481	223,293,868	251,418,422
<b>Total Net Position</b>	<b>1,157,981,328</b>	<b>1,109,668,885</b>	<b>1,054,704,508</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS, AND NET POSITION</b>	<b>\$ 1,235,345,449</b>	<b>\$ 1,156,103,677</b>	<b>\$ 1,083,721,980</b>
<b>SUMMARY OF CHANGE IN NET POSITION</b>			
	<b>FY 2015</b>	<b>FY 2014</b>	<b>FY 2013</b>
Operating revenues	\$ 132,270,112	\$ 126,999,226	\$ 123,855,450
Operating expenses	(76,208,683)	(87,615,100)	(87,470,726)
Operating Income before depreciation	56,061,429	39,384,126	36,384,724
Depreciation	(59,995,105)	(59,027,448)	(57,127,603)
Operating loss	(3,933,676)	(19,643,322)	(20,742,879)
<b>NON-OPERATING REVENUE (EXPENSE) AND CAPITAL CONTRIBUTIONS:</b>			
Passenger facility charges	40,976,537	38,437,248	37,534,715
Customer facility charges	15,606,695	14,848,663	14,308,670
Contributions and grants	15,148,122	17,916,389	22,558,966
Other, net	1,513,027	3,405,399	(1,580,052)
<b>CHANGE IN NET POSITION</b>	<b>\$ 69,310,705</b>	<b>\$ 54,964,377</b>	<b>\$ 52,079,420</b>

The amounts for June 30, 2014 and 2013 in the table above have not been restated for GASB 68 and 71

Restricted cash for construction has continued to grow because of increased balances for unreimbursed Customer Facility Charges (CFC's) and unreimbursed PFC's. As of June 30, 2015, \$175,768,929 (14.3%) of Airport assets was restricted for construction compared with \$159,105,779 (13.8%) in FY2014, and \$113,112,261 (10.4%) in FY 2013. 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, \$15,669,933 (1.3%) of Airport assets in FY 2015 was restricted for an operation and maintenance reserve fund, and \$5,000,000 (0.4%) was restricted for a renewal and replacement reserve fund as required by the Airport Use Agreement (AUA).

Total resources of cash and investments decreased in the current year as the Airport started to finance the major terminal redevelopment program. Total available cash and investments,

decreased by \$3 million in FY 2015. After restricted balances, the Airport unrestricted cash available for operating expenses and reserves for the terminal redevelopment program decreased by \$20.2 million.

To increase return on restricted and reserved cash, the Airport began purchasing U.S. Agency notes 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 \$1,839,230 and U.S. Agency securities were written up by \$75,842 to fair market value at June 30, 2015 to comply with GASB Statement No. 31. 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, \$98,864 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 decreased by \$20,241,591 (-8.7%) because of projects financed for the major terminal redevelopment program. Non-operating cash from passenger facility charges, customer facility charges, and grants also increased and helped offset the decrease in available operating cash.

Airport cash payments for current year construction and land acquisitions in the amount of \$126.9 million were reimbursed by restricted PFC funds in the amount of \$8.7 million, and federal airport improvement program grants (AIP) of \$9.9 million. The remainder of expenditures for construction and an additional \$5.3 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.

Capital assets (net of accumulated depreciation) have increased by \$72,231,461 because of an increase in construction in progress of \$97,107,022 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 FY2014 and in FY2015. 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 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 CFCs collected and cash restricted is \$55,392,319. 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**

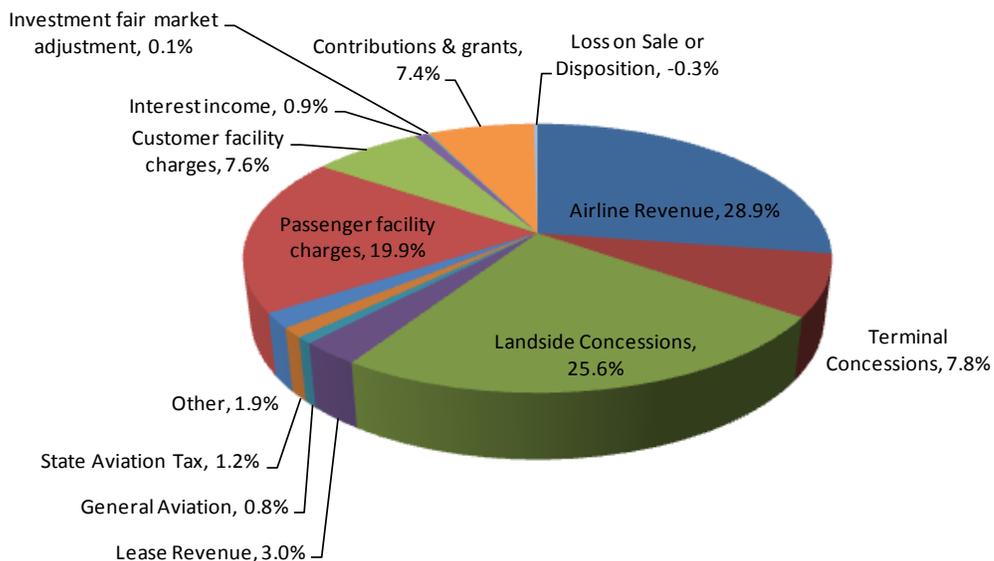
	FY 2015	FY 2014	FY 2013
Cash flow from operating activities	\$ 51,185,560	\$ 45,327,881	\$ 39,279,409
Cash flow from investing activities	11,786,922	13,384,576	(45,951,302)
Cash flow from noncapital and related financing	10,043,327	-	-
Cash flow from passenger facility charges	40,955,290	39,095,843	37,097,184
Cash flow from customer facility charges	15,673,325	15,563,232	14,571,677
Cash flow from grants	9,937,656	25,206,668	18,149,926
Cash flow from sale of capital assets and equipment	134,498	29,243	204,164
Payments for acquisition and construction of property	(130,785,419)	(70,623,007)	(45,700,302)
Cash and cash equivalents at beginning of year	367,071,458	299,087,023	281,436,266
Cash and cash equivalents at end of year	376,002,617	367,071,458	299,087,022
Net increase in cash	\$ 8,931,159	\$ 67,984,435	\$ 17,650,756

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

Operating income, before depreciation, was \$56,061,429 in FY 2015, compared with \$39,384,126 in FY 2014 and \$36,384,724 in FY 2013. With the inclusion of depreciation and non-operating revenue and expenses, the resulting change in net position for FY 2015 was \$69,310,705; FY 2014 was \$54,964,377; and FY 2013 was \$52,079,420.

**Revenues**

The following chart shows the major sources of revenues and their relative percentage to total revenues for the year ended June 30, 2015:



	FY 2015 Amount	Percent of Total	FY 2014 Amount	Percent of Total	FY 2013 Amount	Percent of Total
Operating:						
Airline revenue	\$ 59,419,828	28.9%	\$ 58,910,284	29.2%	\$ 58,212,376	29.6%
Terminal concessions	16,015,648	7.8%	15,154,010	7.5%	14,037,102	7.1%
Landside concessions	52,550,499	25.6%	49,198,708	24.4%	48,254,801	24.5%
Lease revenue	6,092,513	3.0%	6,179,608	3.1%	5,833,529	3.0%
General aviation	1,691,085	0.8%	1,661,603	0.8%	1,627,286	0.8%
State aviation tax	2,545,100	1.2%	2,343,408	1.2%	2,321,274	1.2%
Other	3,894,065	1.9%	3,841,904	1.9%	3,582,760	1.8%
Operating revenues	142,208,738		137,289,525		133,869,128	
Less: airline revenue sharing	(9,938,626)	-4.8%	(10,290,299)	-5.1%	(10,013,679)	-5.1%
Total operating	132,270,112	64.4%	126,999,226	63.0%	123,855,449	63.0%
Non-operating and capital contributions:						
Passenger facility charges	40,976,537	19.9%	38,437,248	19.1%	37,534,715	19.1%
Customer facility charges	15,606,695	7.6%	14,848,663	7.4%	14,308,670	7.3%
Interest income	1,788,695	0.9%	1,964,326	1.0%	1,814,881	0.9%
Investment fair market adjustment	275,772	0.1%	1,566,019	0.8%	(1,448,365)	-0.7%
Contributions & grants	15,148,122	7.4%	17,916,389	8.9%	22,558,966	11.5%
Loss on sale or disposition	(551,440)	-0.3%	(124,946)	-0.1%	(1,946,568)	-1.0%
Total non-operating	73,244,381	35.6%	74,607,699	37.0%	72,822,299	37.0%
Total revenues	\$ 205,514,493	100.0%	\$ 201,606,925	100.0%	\$ 196,677,748	100.0%

The amounts for June 30, 2014 and 2013 in the table above have not been restated for GASB 68 and 71

## Operating Revenues

Salt Lake City International Airport is served by eight domestic carriers: Alaska, American, Delta, Frontier, JetBlue, Southwest, United, and US Airways. On July 1, 2014, the airlines and the Airport entered into a ten year Airport Use Agreement (AUA). 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 decreased by \$351,673 over the prior year from \$10,290,299 in FY 2014 to \$9,938,626 in FY 2015 based on the new agreement and when airlines signed on to the agreement.

Airline revenue, net of airline revenue sharing, has increased \$861,217 in FY 2015 over the prior year. Landing fees have increased by \$846,136 over the prior year. Terminal space and other building rentals have increased by \$2,876,019. 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 2015 was \$3.65, a decrease from the FY 2014 cost of \$3.90.

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:

	<u>FY 2015</u>	<u>FY 2014</u>	<u>FY 2013</u>
Terminal Rents (annual per square foot)	\$ 62.31	\$ 68.94	\$ 71.35
Landing Fees (per 1,000 lbs)	\$ 1.82	\$ 2.12	\$ 1.91

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 \$861,638 (5.7%) from FY 2014. The increase in terminal concession is a result of a full year of new concession contracts in place for FY 2015 and the increase in total passengers of 5.2%. Landside concessions have increased by \$3,351,791 (6.8%). Auto parking fees have increased \$1,888,896 (6.5%), and car rental fees and rents increased \$1,277,278 (7.0%). Ground transportation have increase \$247,194 (14.3%).

### **Non-operating Revenue**

The Airport recorded \$15,148,122 in grants in FY 2015. These funds consisted of \$15,126,581 in AIP grants provided by the Federal Aviation Administration, and \$21,541 in State grant revenue for the reimbursement of police digital cameras. Airport improvement grants decreased from the prior year by \$2,768,267 (-15.5%).

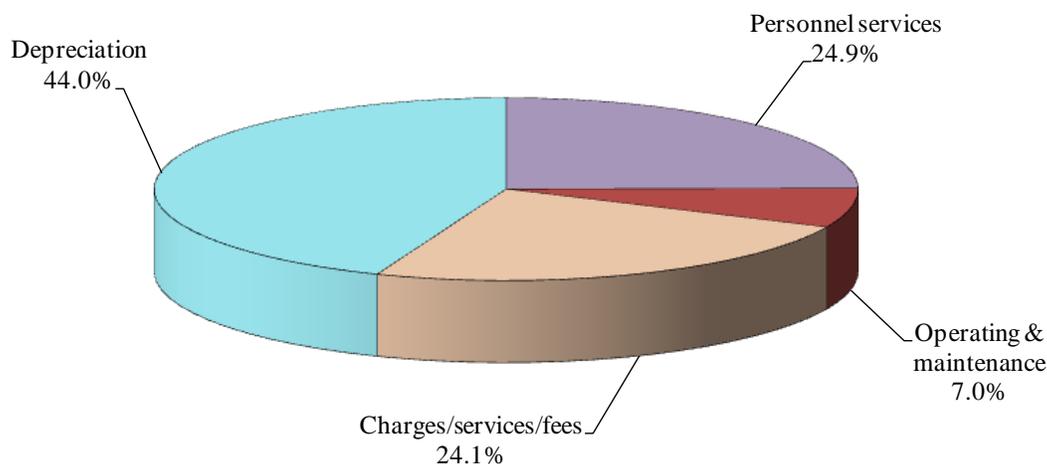
Passenger facility charges revenue in FY 2015 was \$40,976,537 including \$619,467 in interest on PFC deposited funds. This is a total increase of \$2,539,289 (6.6%) from the FY 2014 total of \$38,437,248, an increase of \$2,446,288 in PFC revenue and PFC interest revenue of \$93,001.

The Airport recorded a loss of \$551,440 on the disposition and sale of property and equipment in FY 2015. In FY 2014, the loss on the disposition and sale of property and equipment was \$124,946.

The average interest rate on investments that are held in the State Treasurer's pool for FY 2015 was 0.5%, compared to FY 2014 of 0.5% and 0.65% in FY 2013. In FY 2015, FY 2014, and FY 2013 interest earned from the State Treasurer's pool and depository accounts totaled \$1,275,022, \$1,295,633, and \$1,539,018 respectively. Interest income decreased slightly because of decreased cash balances and 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 U.S. Agency notes to obtain a higher rate of return. Interest earned on these investments totaled \$513,902 in FY 2015 and \$668,693 in FY 2014 (after management fees). The weighted average yield, including discounts and premiums included at purchase, was 0.93%. 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, 2015, including the amount and percentage of change in relation to prior year amounts, is as follows:



	FY 2015 Amount	Percent of Total	FY 2014 Amount	Percent of Total	FY 2013 Amount	Percent of Total
<b>Operating:</b>						
Personnel services	\$ 33,880,464	24.9%	\$ 44,916,215	30.6%	\$ 42,347,685	29.3%
Operating and maintenance	9,486,899	7.0%	10,755,484	7.3%	11,117,920	7.7%
Charges/services/fees	32,841,320	24.1%	31,943,401	21.8%	34,005,121	23.5%
<b>Total operating expenses before dep:</b>	<b>76,208,683</b>	<b>56.0%</b>	<b>87,615,100</b>	<b>59.7%</b>	<b>87,470,726</b>	<b>60.5%</b>
Depreciation	59,995,105	44.0%	59,027,448	40.3%	57,127,603	39.5%
<b>Total expense</b>	<b>\$ 136,203,788</b>	<b>100.0%</b>	<b>\$ 146,642,548</b>	<b>100.0%</b>	<b>\$ 144,598,329</b>	<b>100.0%</b>

## Operating Expenses

Operating expenses before depreciation have decreased by \$11,406,417 (-13%) in the current fiscal year. These expenses increased by \$144,374 (0.2%) in FY 2014, and increased by \$2,911,286 (3.4%) in FY 2013.

Personnel services have decreased by \$11,035,751 (-24.6%) in the current fiscal year. Most of this decrease is related to changes to employee benefits of \$11,393,200 (-74.9%). The large

decrease in benefits is based on changes to post retirement benefits. These expenses are expected to increase back to normal levels in future years.

Operating and maintenance costs have decreased by \$1,268,585 (-11.8%) from prior year. Maintenance supplies are down by \$1,188,654 (-16.7%) because of lower use of chemicals throughout the airport, most notably the airfield, as winter weather was much milder than the previous year. Automotive supplies decreased \$453,236 (-20.3%) compared to FY 2014 mostly because of lower fuel prices causing a reduction in fuel expense of \$316,552. Tires and motive equipment supplies have decreased by \$136,684. Other supplies including computer supplies, small tools, and furniture have increased by \$373,305. This increase is caused by computer software increases of \$148,317 including new training software for airport employees and tenants.

Expenses for charges and services have increased by \$897,919 (2.8%). The largest increase was from Insurance Premiums at \$848,582 for risk management due to the increased construction activity related to the TRP. Professional and technical services has decreased \$560,505 including a \$102,972 decrease in legal fees and \$112,342 decrease in parking services expenses. These decreases are offset by an increase in Aircraft Rescue Fire Fighting (ARFF) services of \$128,482.

Depreciation expense increased by \$967,657 (1.6%) in FY 2015, increased by \$1,899,845 in FY 2014, and increased by \$7,324,831 in FY 2013. In 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 additional depreciation expense in FY 2013, FY 2014, and FY 2015 and will continue in varying amounts throughout the program as these assets are fully depreciated over shorter remaining useful lives.

## **CAPITAL EXPENDITURES**

The most significant projects completed in FY 2015 include the reconstruction of the apron east of spots 3 & 4, and the overlay of several entrance and exit roads. Smaller projects include roof replacements and restroom renovations throughout the Airport campus. Other projects completed include the remodel of the maintenance building and a portion of the apron at South Valley Regional Airport.

Continuing projects include the quick turn around facility (QTA), rental car facility site work, rental car service building, infrastructure, and temporary roadway construction and realignment as part of the terminal redevelopment program.

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

At the beginning of the fiscal year, Airport projects totaling \$88.7 million were in the process of construction. A total of \$31.1 million in projects and equipment were capitalized and placed in service, \$1.9 million was expensed, and \$185.8 million remains in construction in progress. The largest portion of the \$185.8 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 2020.

## **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.



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Ryan R Tesch, CPA  
Director of Finance

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

<i>June 30,</i>	<b>2015</b>	<b>2014</b>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents		
Unrestricted	\$ 10,000,000	\$ 10,000,000
Designated for future development	169,563,755	177,807,965
Airline and rental fees receivable	25,256,794	21,565,284
Other current assets	5,131,437	4,590,838
<b>Total current assets</b>	<b>209,951,986</b>	<b>213,964,087</b>
<b>Noncurrent Assets</b>		
Restricted cash and cash equivalents		
Construction projects	120,376,610	119,591,171
Customer facility charges	55,392,319	39,514,605
Operation and maintenance reserve fund	15,669,933	15,157,717
Renewal and replacement reserve fund	5,000,000	5,000,000
Noncurrent investments	45,097,179	54,696,610
<b>Total noncurrent assets and investments</b>	<b>241,536,041</b>	<b>233,960,103</b>
<b>Capital assets</b>		
Land	99,156,549	93,005,224
Building and improvements	1,177,910,127	1,178,158,727
Equipment	133,821,404	130,771,810
Construction in progress	185,770,970	88,663,948
<b>Total capital assets - at cost</b>	<b>1,596,659,050</b>	<b>1,490,599,709</b>
Less accumulated depreciation	817,316,065	783,488,185
<b>Net capital assets</b>	<b>779,342,985</b>	<b>707,111,524</b>
<b>Other assets</b>		
Other receivables	858,587	933,551
Other long-term assets	88,868	134,411
<b>Total other assets</b>	<b>947,455</b>	<b>1,067,962</b>
<b>Total noncurrent assets</b>	<b>1,021,826,482</b>	<b>942,139,589</b>
<b>Total Assets</b>	<b>1,231,778,467</b>	<b>1,156,103,676</b>
<b>Deferred Outflows of Resources</b>		
Pensions	3,566,982	-
<b>Total assets and deferred outflows of resources</b>	<b>\$ 1,235,345,449</b>	<b>\$ 1,156,103,676</b>

See Notes to Financial Statements

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

<i>June 30,</i>	<b>2015</b>	<b>2014</b>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Operating cash overdraft	\$ 10,043,327	\$ -
Accounts payable	17,755,831	11,090,428
Net OPEB obligation	235,690	-
Accrued compensation	2,083,277	1,881,275
Other accrued liabilities	15,052,335	17,196,607
Deposits and advance rentals	3,716,920	3,711,179
<b>Total current liabilities</b>	<b>48,887,380</b>	<b>33,879,489</b>
<b>Noncurrent Liabilities</b>		
Noncurrent compensation liability	3,682,739	3,748,161
Net OPEB obligation	-	8,448,000
Net pension liability	20,232,458	-
Pollution remediation liability	190,261	87,649
Other long-term liabilities	2,242,427	271,492
<b>Total noncurrent liabilities</b>	<b>26,347,885</b>	<b>12,555,302</b>
<b>Total Liabilities</b>	<b>75,235,265</b>	<b>46,434,791</b>
<b>Deferred Inflows of Resources</b>		
Pensions	2,128,856	-
<b>NET POSITION</b>		
Restricted for construction projects	120,376,610	119,591,171
Restricted for customer facility charges	55,392,319	39,514,605
Restricted for operation and maintenance reserve fund	15,669,933	15,157,717
Restricted for renewal and replacement reserve fund	5,000,000	5,000,000
<b>Total Restricted</b>	<b>196,438,862</b>	<b>179,263,493</b>
Net investment in capital assets	779,342,985	707,111,524
Unrestricted	182,199,481	223,293,868
<b>Net Position</b>	<b>\$ 1,157,981,328</b>	<b>\$ 1,109,668,885</b>

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**

<i>for the twelve month period ended June 30,</i>	<b>2015</b>	<b>2014</b>
<b>Operating Revenues</b>		
Airfield	\$ 27,688,088	\$ 28,986,244
Terminals	49,165,208	45,732,747
Landside	52,477,405	49,064,037
Auxiliary airports	852,204	736,231
General aviation	2,223,159	2,089,127
Support areas	7,484,591	7,486,374
Other	2,318,083	3,194,765
Operating revenues	142,208,738	137,289,525
Less airline revenue sharing	(9,938,626)	(10,290,299)
Total operating revenues	132,270,112	126,999,226
<b>Operating Expenses</b>		
Airfield	22,546,161	27,040,934
Terminals	32,598,386	36,795,761
Landside	9,788,597	11,813,344
Auxiliary airports	1,370,456	1,575,915
General aviation	1,112,793	1,124,905
Support areas	958,611	1,039,306
Roads and grounds	5,736,332	6,000,384
Other	2,097,347	2,224,552
Total operating expenses before depreciation	76,208,683	87,615,101
<b>Operating Income Before Depreciation</b>	56,061,429	39,384,125
<b>Depreciation Expense</b>	59,995,105	59,027,448
<b>Operating Loss</b>	(3,933,676)	(19,643,323)
<b>Non-Operating Revenues (Expenses)</b>		
Passenger facility charges	40,976,537	38,437,248
Customer facility charges	15,606,695	14,848,663
Loss on disposition of property and equipment	(551,440)	(124,946)
Interest income	1,788,695	1,964,326
Net increase in the fair value of investments	275,772	1,566,019
Net non-operating income	58,096,259	56,691,310
<b>Capital Contributions</b>		
Contributions and grants, principally Airport Improvement Program	15,126,581	17,904,513
State grants	21,541	11,876
Total capital contributions	15,148,122	17,916,389
<b>Net Position</b>		
Increase in net position	69,310,705	54,964,376
Net Position, beginning of period as restated	1,088,670,623	1,054,704,509
Net Position, end of period	\$ 1,157,981,328	\$ 1,109,668,885

See Notes to Financial Statements

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

<i>For the years ended June 30,</i>	<b>2015</b>	<b>2014</b>
<b>Cash Flows from Operating Activities</b>		
Cash received from providing services	\$ 139,279,287	\$ 135,718,828
Cash paid for services by Salt Lake City Corporation	(6,977,802)	(7,059,597)
Cash paid to suppliers	(35,717,434)	(39,568,428)
Cash paid to employees	(45,398,491)	(43,762,922)
<b>Net cash from operating activities</b>	<b>51,185,560</b>	<b>45,327,881</b>
<b>Cash Flows from Investing Activities</b>		
Cash paid for investments	(30,052,037)	-
Cash proceeds from investments	39,995,748	10,006,758
Interest received on investments	1,843,211	3,377,818
<b>Net cash from investing activities</b>	<b>11,786,922</b>	<b>13,384,576</b>
<b>Cash Flows from Noncapital and Related Financing Activities</b>		
Cash overdraft with City pooled cash account	10,043,327	-
<b>Net cash from noncapital and related financing activities</b>	<b>10,043,327</b>	<b>-</b>
<b>Cash Flows from Capital and Related Financing Activities</b>		
Purchase of capital equipment	(3,905,010)	(2,546,300)
Payments for acquisition and construction of capital assets	(126,880,409)	(68,076,707)
Passenger facility charges	40,335,823	38,569,377
Interest received on passenger facility charges	619,467	526,466
Customer facility charges	15,432,315	15,310,554
Interest received on customer facility charges	241,010	252,678
Proceeds from sale of capital assets and equipment	134,498	29,243
AIP and federal grants	9,916,115	25,194,792
State grants	21,541	11,876
<b>Net cash (used) from capital and related financing activities</b>	<b>(64,084,650)</b>	<b>9,271,979</b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>8,931,159</b>	<b>67,984,435</b>
<b>Cash and Cash Equivalents - Beginning of Year</b>	<b>367,071,458</b>	<b>299,087,023</b>
<b>Cash and Cash Equivalents - End of Year</b>	<b>\$ 376,002,617</b>	<b>\$ 367,071,458</b>

See Notes to Financial Statements

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

<i>For the years ended June 30,</i>	<b>2015</b>	<b>2014</b>
<b>Reconciliation of Operating Loss to Net cash provided by operating activities</b>		
Operating loss	\$ (3,933,676)	\$ (19,643,322)
Adjustments to reconcile loss from operations to net cash provided by operating activities		
Depreciation	59,995,105	59,027,448
Pension benefit	(2,243,484)	-
Decrease (increase) in assets		
Accounts receivable and other current assets	(1,339,269)	1,229,945
Increase (decrease) in liabilities:		
Accounts payable/accrued expenses less non-operating accruals	(1,293,116)	4,713,810
<b>Net cash provided by operating activities</b>	<b>\$ 51,185,560</b>	<b>\$ 45,327,881</b>
<b>Schedule of Non-cash Transactions Affecting Net Position</b>		
Capital contributions (Airport Improvement Program)	\$ 5,210,466	\$ (7,290,279)
Passenger facility charges (includes interest)	21,247	(132,129)
Customer facility charges	174,380	(461,891)
Net increase in fair value of investments	275,772	1,566,019
Loss on disposition of property	(685,939)	(154,189)
<b>Total Noncash Transactions Affecting Net Position</b>	<b>\$ 4,995,926</b>	<b>\$ (6,472,469)</b>

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, 2015 AND 2014**

**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 position, revenues and expenses are accounted for through a single enterprise fund with revenues recorded when earned and expenses recorded at the time liabilities are incurred.

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

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

**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:

	<u>Years</u>
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 2015, 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 (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, 2015 and 2014, 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. In FY 2015, the Airport recorded additional operating expenses and future liability obligations of \$112,351 for some additional leaking underground fuel tanks. Since 2010, the Airport has incurred \$113,840 in costs for monthly monitoring at both sites including \$9,739 in FY 2015. The additional liability recorded in the current year less payments made has increased the recorded future liability to \$190,261 as of June 30, 2015. 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.

***Deferred Outflows and Deferred Inflows*** – Deferred outflows on the statements of net position represent pension contributions made to the plan prior to our fiscal year end, but prior to the measurement date. They will be recognized as a reduction of the net pension liability in the upcoming fiscal year.

Deferred inflows on the statements of net position represent inflows of cash relating to a future period and will be recognized as pension expense in related fiscal years.

***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.

***Pensions*** – For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Utah Retirement Systems (URS) Pension Plan and additions to/deductions from the URS's fiduciary net position have been determined on the same basis as they are reported by URS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

***Implementation of GASB Statement No. 68 and GASB Statement No. 71*** – As of July 1, 2014, the Airport adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71 *Pension Transition for Contributions Made Subsequent to the Measurement Date*. The implementation of these standards requires governments calculate and report the costs and obligations associated with pensions in their basic financial statements. Employers are required to recognize pension amounts for all benefits provided through the plan which include the net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense. The effect of the implementation of these standards on beginning net position is disclosed in Note 13 and the additional disclosures required by these standards are included in Note 6.

***Recent Accounting Pronouncements*** – In February 2015, the GASB issued Statement No. 72, *Fair Value Measurement and Application*. This statement provides guidance for determining a fair value measurement for financial reporting purposes and guidance for applying fair value to certain investments and disclosure related to all fair value measurements. The Statement requires a government to use valuation techniques that are appropriate under the circumstances and for which sufficient data are available to measure fair value. The techniques should be consistent with one or more of the following approaches: the market approach, the cost approach, or the income approach. Statement No. 72 is effective for financial statements for periods beginning after June 15, 2015 and early application is encouraged. The Airport is currently evaluating the impact of these statements on the financial statements when implemented.

In June 2015, the GASB issued Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. This Statement establishes requirements for defined benefit pensions that are not within the scope of *Statement No. 68 Accounting and Financial Reporting for Pensions*, as well as for

the assets accumulated for purposes of providing those pensions. In addition, it establishes requirements for defined contributions pensions that are not within the scope of Statement No. 68. It also amends certain provisions of Statement No. 67, *Financial Reporting for Pension Plans*, and Statement No. 68 for pensions plans and pensions that are within their respective scopes. The requirements of this Statement extend the approach to accounting and financial reporting established in Statement No. 68 to all pensions, with modifications as necessary to reflect that for accounting and financial reporting purposes, any assets accumulated for pensions that are provided through pension plans that are not administered through trusts that meet the criteria specified in Statement No. 68 should not be considered pension plan assets. It also requires that information similar to that required by Statement 68 be included in notes to financial statements and required supplementary information by all similarly situated employers and nonemployer contributing entities. Statement No. 73 is effective for fiscal years beginning after June 15, 2016 and early application is encouraged. The Airport has not elected to implement these statements early. The Airport is currently evaluating the impact of these statements on the financial statements when implemented.

In June 2015, the GASB issued Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. This Statement replaces Statements No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*. It also includes requirements for defined contribution OPEB plans that replace the requirements for those OPEB plans in Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, as amended, Statement No. 43, and Statement No. 50, *Pension Disclosures*. Statement No. 75 establishes new accounting and financial reporting requirements for governments whose employees are provided with OPEB, as well as for certain nonemployer governments that have a legal obligation to provide financial support for OPEB provided to the employees of other entities. The provisions in Statement 74 are effective for fiscal years beginning after June 15, 2016. The Airport is currently evaluating the impact of these statements on the financial statements when implemented.

In June 2015, the GASB issued Statement No. 75, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions*, which supersedes Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions*, as amended and No. 57 *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, for OPEB. This statement establishes new accounting and financial reporting requirements for OPEB plans and establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined benefit OPEB, the Statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Note disclosure and required supplementary information requirements about defined benefit OPEB also are addressed. Statement 75 is effective for fiscal years beginning after June 15, 2017 and early application is encouraged. The Airport is currently evaluating the impact of these statements on the financial statements when implemented.

In June 2015, the GASB issued Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, which supersedes Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. This statement reduces the Generally Accepted Accounting Principles (GAAP) hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. Statement No. 76 is effective for financial statements for periods beginning after June 15, 2015 and should be applied retroactively. The adoption of this standard is not expected to have a material impact on the financial statements.

## NOTE 2 – DEPOSITS AND INVESTMENTS

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

	2015 Fair Value	2014 Fair Value
<b>Deposits</b>		
Petty Cash	\$ 1,150	\$ 1,150
Unrestricted cash in the City's pooled cash account	-	8,249,526
Utah State Treasurer's Investments Pool	372,619,491	353,939,512
Zion's Bank operating accounts	3,381,975	4,881,270
<b>Total</b>	<b>\$ 376,002,617</b>	<b>\$ 367,071,458</b>

The Airport maintains funds in the City's pooled cash account. The Airport receives from or pays to the City an allocation of interest income or expense based upon its balance in the pooled cash account. Utah State Treasurer's Investment Pool balances reported in the Airport's Statement of Net Position include a write up of \$1,839,230 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 (Act) and the City's own written investment policy. The City may place Airport money in investments/deposits authorized by the Money Management Act (U.C.A. 51-7-11). In general these investments may be placed in the Utah State Public Treasurer's Investment Pool (Pool) subject to restrictions specified in the Act. The Utah Money Management Council oversees the Pool and works in close partnership with the Treasurer's Office, The Attorney General's office, the Utah Department of Financial Institutions and the State of Utah's Division of Securities to oversee public deposits and investments to ensure the safety of public funds in Utah.

### ***Deposits***

***Credit Risk*** – State law requires that City funds, of which the Airport funds are part, be deposited with a “qualified depository” as defined by the Act. “Qualified depository” includes any depository institution which has been certified by the Utah State Commissioner of Financial Institutions as having met the requirements as defined in Rule 11 of the Utah Money Management Act. Rule 11 establishes the formula for determining the amount of public funds which a qualified institution may accept. City policy provides that not more than 25% of total City funds or 25% of the qualified depository's allotment, whichever is less, may be invested in any one qualified depository. Not more than 20% of total City funds may be invested in any one certified out-of-state financial institution.

***Custodial Credit Risk*** - At June 30, 2015 and 2014, the Airport had deposits with qualified depositories in accordance with the Utah Money Management Act totaling \$3,424,437 and \$4,881,270. Of these amounts, \$500,000 was covered by federal depository insurance. The remaining balances of \$2,924,437 and \$4,381,270 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* - 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, 2015 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 \$45,097,179 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 2015 Fair Value	FY 2014 Fair Value	Maturities (in years)
U.S Agency Notes				
FNMA	AA+/Aaa	\$ 10,762,306	\$ 29,883,090	1-5
FHLMC	AA+/Aaa	6,540,074	4,994,400	1-5
Treasury	AA+/Aaa	27,794,799	-	1-5
FHLB	AA+/Aaa	-	19,819,120	5+
		<u>\$ 45,097,179</u>	<u>\$ 54,696,610</u>	

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

Certain cash and cash equivalents are restricted or designated:

- As of June 30, 2015 and 2014, \$120,376,610 and \$119,591,171, respectively, of PFC contributions are restricted for construction projects at the Airport under the PFC Program requirements.
- As of June 30, 2015 and 2014, \$55,392,319 and \$39,514,605 respectively, of CFC contributions are restricted for rental car construction projects at the Airport under the CFC Program requirements.
- As of June 30, 2015 and 2014, \$15,669,333 and \$15,157,717, 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, 2014.
- As of June 30, 2015 and 2014, Airport management designated \$214,660,934 and \$232,504,575, respectively, for future development projects. A portion of the 2015 and 2014 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 (Delta Facilities) at the Airport. The outstanding balance of the Special Bonds as of June 30, 2015 and 2014 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, 2015, the Airport was committed to contractors and vendors for approximately \$123,702,312

in conjunction with Airport construction programs.

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

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

#### **NOTE 6 – PENSION PLANS**

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

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

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

The URS is established and governed by the respective sections of Title 49 of the Utah Code Annotated 1953, as amended. The URS' defined benefit plans are amended statutorily by the State Legislature. The Utah State Retirement Office Act in Title 49 provides for the administration of the URS under the direction of the URS Board, whose members are appointed by the Governor. The URS are fiduciary funds defined as pension (and other employee benefit) trust funds. URS is a component unit of the State of Utah. Title 49 of the Utah Code grants the authority to establish and amend the benefit terms. URS issues a publicly available financial report that can be obtained by writing Utah Retirement Systems, 560 E. 200 S, Salt Lake City, Utah 84102 or visiting the website: [www.urs.org](http://www.urs.org).

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

System	Final Average Salary	Years of service required and/or age eligible for benefit	Benefit percent per year of service
Noncontributory System	Highest 3 years	30 years any age 25 years any age* 20 years age 60* 10 years age 62* 4 years age 65	2.0% per year all years
Contributory System	Highest 5 years	30 years any age 20 years age 60* 10 years age 62* 4 years age 65	1.25% per year to June 1975: 2.00% per year July 1975 to present
Public Safety System	Highest 3 years	20 years any age 10 years age 60 4 years age 65	2.5% per year up to 20 years; 2.0% per year over 20 years
Firefighters System	Highest 3 years	20 years any age 10 years age 60 4 years age 65	2.5% per year up to 20 years; 2.0% per year over 20 years
Tier 2 Public Employees System	Highest 5 years	30 years any age 25 years any age* 20 years age 60* 10 years age 62* 4 years age 65	1.5% per year all years
Tier 2 Public Safety and Firefighter System	Highest 5 years	25 years any age 20 years any age 60* 10 years age 62* 4 years age 65	1.5% per year all years

\*with actuarial deductions

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

## Utah Retirement Systems

	<u>Employee Paid</u>	<u>Paid by Employer for Employee</u>	<u>Employer Contribution Rates</u>
Contributory System			
11 - Local Governmental Division Tier 1	N/A	6.000%	14.460%
111- Local Governmental Division Tier 2	N/A	N/A	14.830%
Noncontributory System			
15 - Local Governmental Division Tier 1	N/A	N/A	18.470%
Public Safety Retirement System			
44 - Other Division A Noncontributory Tier 1	N/A	N/A	46.670%
122 - Other Division A Contributory Tier 2	N/A	N/A	34.970%
Firefighters System			
32 - Division B Tier 1	N/A	16.710%	6.590%
132 - Division B Tier 2	N/A	N/A	10.800%

## **Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflow of Resources Related to Pensions**

At December 31, 2014, the Airport reported a net pension asset of \$39,553 and a net pension liability of \$20,232,458.

	<u>Proportionate Share</u>	<u>Net Pension Asset</u>	<u>Net Pension Liability</u>
Noncontributory System	10.3049442%	\$ -	\$ 10,985,264
Contributory System	9.1296806%	-	757,119
Public Safety System	100%	-	8,490,076
Tier 2 Public Employees System	2.4971198%	24,140	-
Tier 2 Public Safety and Firefighter System	4.7101635%	15,413	-
Total Net Pension Asset/Liability		<u>\$ 39,553</u>	<u>\$ 20,232,458</u>

The net pension asset and liability was measured as of December 31, 2014, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2014 and rolled forward using generally accepted actuarial procedures. The proportion of the net pension asset and liability was based on a projection of the long term share of contributions to the pension plan relative to the projected contribution of all participating employers.

For the year ended December 31, 2014, the Airport recognized pension expense of \$4,168,507. At December 31, 2014, the reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 503	\$ 608,566
Changes in assumptions	-	1,520,290
Net difference between projected and actual earnings on pension plan investments	355,889	-
Contributions subsequent to the measurement date	3,210,590	-
Total	\$ 3,566,982	\$ 2,128,856

\$3,210,590 reported as deferred outflows of resources related to pensions resulting from contributions by the Airport subsequent to the measurement date will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30	Deferred Outflows (Inflows) of Resources
2016	(\$463,037)
2017	(\$425,165)
2018	(\$409,696)
2019	(\$228,899)
2020	(\$135,502)
Thereafter	(\$110,165)

Actuarial assumptions: The total pension liability in the December 31, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75 percent
Salary increases	3.50 – 10.50 percent, average, including inflation
Investment rate of return	7.50 percent, net of pension plan investment expenses, including inflation.

Active member mortality rates are a function of the member's gender, occupation, and age and are developed based upon plan experience. Retiree mortality assumptions are highlighted in the table below.

**Retired Member Mortality**

Class of Member

**Educators**

Men EDUM (90%)

Women EDUF (100%)

**Public Safety and Firefighters**

Men RP 2000mWC (100%)

Women EDUF (120%)

**Local Government, Public Employees**

Men RP 2000mWC (100%)

Women EDUF (120%)

*EDUM = Constructed mortality table based on actual experience of male educators multiplied by a given percentage*

*EDUF = Constructed mortality table based on actual experience of female educators multiplied by given percentage*

*RP 2000mWC = RP 2000 Combined mortality table for males with white collar adjustments multiplied by given percentage*

The actuarial assumptions used in the January 1, 2014, valuation were based on the results of an actuarial experience study for the five year period of January 1, 2008 – December 31, 2013.

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

Asset class	Expected Return Arithmetic Basis		
	Target Asset Allocation	Real Return Arithmetic Basis	Long-Term Expected Portfolio Real Rate of Return
Equity securities	40%	7.06%	2.82%
Debt securities	20%	0.80%	0.16%
Real assets	13%	5.10%	0.66%
Private equity	9%	11.30%	1.02%
Absolute return	18%	3.15%	0.57%
Cash and cash equivalents	0%	0.00%	0.00%
<b>Totals</b>	<b>100%</b>		<b>5.23%</b>
		<b>Inflation</b>	<b>2.75%</b>
		<b>Expected Arithmetic Nominal Return</b>	<b>7.98%</b>

The 7.5% assumed investment rate of return is comprised of an inflation rate of 2.75%, a real return of 4.75% that is net of investment expense.

Discount rate: The discount rate used to measure the total pension liability was 7.50 %. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from all participating employers will be made at contractually required rates that are actuarially determined and certified by the URS Board. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefits payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

	1% Decrease (6.50%)	Discount Rate (7.50%)	1% Increase (8.50%)
<b>Proportionate share of</b>			
Net pension liability	\$ 44,142,561	\$ 20,232,458	\$ 413,143

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

**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 URS. 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 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. These plans are terminating as of January 1, 2016.

**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:

	FY 2015	FY 2014	FY 2013
Annual required contribution	\$ 527,355	\$ 1,922,000	\$ 1,786,000
Interest on net OPEB obligation	239,140	223,040	67,144
Adjustments to annual required contribution	<u>(8,687,140)</u>	<u>(279,040)</u>	<u>(89,144)</u>
Annual OPEB cost (expense)	(7,920,645)	1,866,000	1,764,000
Contributions made	<u>(291,665)</u>	<u>(302,000)</u>	<u>(314,000)</u>
Increase in net OPEB obligation	(8,212,310)	1,564,000	1,450,000
Net OPEB obligations - beginning of year	<u>8,448,000</u>	<u>6,884,000</u>	<u>5,434,000</u>
Net OPEB obligations - end of year	<u><u>\$ 235,690</u></u>	<u><u>\$ 8,448,000</u></u>	<u><u>\$ 6,884,000</u></u>

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:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Employer Contributions</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation Fiscal Year Ended</u>
June 30, 2015	\$ (7,920,645)	\$ 291,655	-3.68%	\$ 235,690
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

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

	FY 2015	FY 2014	FY 2013
Actuarial valuation date	June 30, 2015	June 30, 2014	June 30, 2013
Actuarial accrued liability (AAL)	\$ 508,931	\$ 17,930,000	\$ 17,013,000
Actuarial value of plan assets	-	-	-
Unfunded actuarial accrued liability (UAAL)	\$ 508,931	\$ 17,930,000	\$ 17,013,000
Funded ratio (actuarial value of plan assets/AAL)	0.00%	0.00%	0.00%
Covered payroll (active plan members)	\$ 30,326,662	\$ 29,751,709	\$ 25,860,736
UAAL as a percentage of covered payroll	1.68%	60.27%	65.79%

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, 2015, 2014, and 2013.

**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 2015 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 advanced 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:

	2015		2014	
	Amount	Percent	Amount	Percent
Airline revenues	\$ 59,419,828	44.7%	\$ 58,910,285	46.2%
Less: Airline revenue sharing	(9,938,626)	-7.5%	(10,290,299)	-8.1%
Concession and other rental revenues	80,243,810	60.7%	76,035,832	59.7%
State aviation fuel tax	2,545,100	1.9%	2,343,408	2.0%
<b>Total operating revenues</b>	<b>\$ 132,270,112</b>	<b>100.0%</b>	<b>\$ 126,999,226</b>	<b>100.0%</b>

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

	2015	2014
Terminal space rentals	\$ 29,020,167	\$ 26,583,203
Landing fees	23,198,602	25,229,521
Aircraft remain overnight fees	224,600	127,750
Support buildings	4,879,155	4,910,485
Fuel farm	528,089	528,089
Passenger loading bridge fees	1,569,216	1,531,237
<b>Total</b>	<b>\$ 59,419,828</b>	<b>\$ 58,910,285</b>

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, 2014 and the agreement terminates on June 30, 2024. Under the new agreement, terminal rent calculations are

on a compensatory basis, recovering costs allocated to the occupied facilities. Landing fee calculations are residual based, recovering net cost after the credits of nonairline revenue. Revenue sharing is available to signatory airlines under this new agreement. The Airport provides revenue sharing of one dollar (\$1) per enplaned passenger, not to exceed 30% of net remaining operating revenue.

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

	<b>2015</b>	<b>2014</b>
Car rental agencies	\$ 19,340,855	\$ 18,063,577
Auto parking facilities	31,117,005	29,228,110
Other airport facilities	<u>29,466,895</u>	<u>28,430,790</u>
<b>Total</b>	<b>\$ 79,924,755</b>	<b>\$ 75,722,477</b>

Minimum future rentals to be received on these non-cancelable leases as of June 30, 2015 for each of the next five years and for five-year increments thereafter are as follows:

<b>Year Ending June 30:</b>	
2016	\$ 22,755,107
2017	21,203,725
2018	20,143,537
2019	17,318,880
2020	13,041,703
2021-2025	34,768,113
2026-2030	11,084,906
2031-2035	3,306,006
2036-2040	1,081,658
Thereafter	<u>775,594</u>
<b>Total</b>	<b>\$ 145,479,229</b>

## NOTE 9 – CAPITAL ASSETS

The following is a summary of transactions affecting capital assets for the year ended June 30, 2015:

	<b>Total</b>			<b>Total</b>
	<b>June 30, 2014</b>	<b>Additions</b>	<b>Deletions</b>	<b>June 30, 2015</b>
Capital Assets that are not depreciated:				
Land	\$ 93,005,224	\$ 6,151,325	\$ -	\$ 99,156,549
Construction in Progress	88,663,948	128,690,971	(31,583,949)	185,770,970
Total	181,669,172	134,842,296	(31,583,949)	284,927,519
Capital Assets that are depreciated:				
Buildings and improvements	1,178,158,727	24,366,226	(24,614,826)	1,177,910,127
Equipment	130,771,810	5,287,932	(2,238,338)	133,821,404
Sub-total	1,308,930,537	29,654,158	(26,853,164)	1,311,731,531
Less accumulated depreciations:				
Buildings and improvements	(694,490,412)	(51,060,410)	23,987,823	(721,562,999)
Equipment	(88,997,773)	(8,934,695)	2,179,402	(95,753,066)
Sub-total	(783,488,185)	(59,995,105)	26,167,225	(817,316,065)
Total Depreciable Capital Assets, net	525,442,352	(30,340,947)	(685,939)	494,415,466
Total Capital Assets, net	\$ 707,111,524	\$ 104,501,349	\$ (32,269,888)	\$ 779,342,985

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

	<b>Total</b>			<b>Total</b>
	<b>June 30, 2013</b>	<b>Additions</b>	<b>Deletions</b>	<b>June 30, 2014</b>
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)	88,663,948
Total	131,945,836	91,091,816	(41,368,481)	181,669,172
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	(646,179,739)	(50,236,491)	1,925,818	(694,490,412)
Equipment	(82,317,903)	(8,790,957)	2,111,087	(88,997,773)
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)	\$ 707,111,524

## NOTE 10 – LONG-TERM LIABILITY ACTIVITY

Long-term liability activity for the year ended June 30, 2015 was as follows:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>	<b>Due Within One Year</b>
Compensation liability	\$ 5,629,436	\$ 3,369,642	\$ (3,233,062)	\$ 5,766,016	\$ 2,083,277
Net OPEB obligation	8,448,000	-	(8,212,310)	235,690	235,690
Net pension liability	-	20,232,458	-	20,232,458	-
Other long-term liabilities	359,142	2,169,901	(96,355)	2,432,688	88,235
<b>Total long-term liabilities</b>	<b>\$ 14,436,578</b>	<b>\$ 25,772,000</b>	<b>\$ (11,541,726)</b>	<b>\$ 28,666,852</b>	<b>\$ 2,407,202</b>

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

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>	<b>Due Within One Year</b>
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
<b>Total long-term liabilities</b>	<b>\$ 12,396,447</b>	<b>\$ 5,126,881</b>	<b>\$ (3,086,750)</b>	<b>\$ 14,436,578</b>	<b>\$ 1,910,462</b>

## 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:

	<b>2015</b>	<b>2014</b>
General and administrative charges	\$ 2,429,895	\$ 2,929,772
Aircraft rescue and fire fighting services	4,314,039	4,185,557
<b>Total</b>	<b>\$ 6,743,934</b>	<b>\$ 7,115,329</b>

## NOTE 12 – MAJOR CUSTOMER

The Airport received approximately \$26,505,185 (20.04%) of its operating revenue during 2015 and \$27,531,143 (21.7%) during 2014 from rentals and services provided to one airline.

### NOTE 13 – ADOPTION OF NEW STANDARD

As of July 1, 2014, the Airport adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71 *Pension Transition for Contributions Made Subsequent to the Measurement Date*. The implementation of these standards requires governments calculate and report the cost and obligations associated with pensions in their financial statements, including additional note disclosures and required supplementary information. Beginning net position was restated to retroactively report the beginning net pension liability and deferred outflows of resources related to contributions made after the measurement date as follows:

Net Position as previously reported at June 30, 2014:	\$ 1,109,668,885
Prior period adjustment:	
Net Pension Liability	23,904,318
Deferred Outflows	2,906,056
Total prior period adjustment	<u>20,998,262</u>
Net Position as restated, July 1, 2014	<u><u>\$ 1,088,670,623</u></u>

**REQUIRED  
SUPPLEMENTAL SCHEDULES**

**SALT LAKE CITY 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 Airport's Portion of the Plan**  
**Year Ended June 30, 2015**

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Annualized Covered Payroll</u>	<u>UAAL as a % of Covered Payroll</u>
July 1, 2015	\$ -	\$ 508,931	\$ 508,931	0%	\$ 30,326,662	1.68%
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%

**SALT LAKE CITY DEPARTMENT OF AIRPORTS**  
**(An Enterprise Fund of Salt Lake City Corporation)**  
**Schedule of Required Supplementary Information**  
**SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**

	<u>Noncontributory System</u>	<u>Contributory Retirement System</u>	<u>Public Safety System</u>	<u>Tier 2 Public Employees System</u>	<u>Tier 2 Public Safety and Firefighter System</u>
Proportion of the net pension liability (asset)	10.3049442%	9.2196806%	100%	2.4971198%	4.7101635%
Proportionate share of the net pension liability (asset)	\$ 10,985,264	\$ 757,119	\$ 8,490,076	\$ (24,140)	\$ (15,414)
Covered employee payroll	\$ 21,136,703	\$ 1,404,853	\$ 3,291,629	\$ 3,908,741	\$ 430,894
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	52.0%	53.9%	257.9%	-0.6%	-3.6%
Plan fiduciary net position as a percentage of the total pension liability	90.2%	94.0%	76.7%	103.5%	120.5%

**SALT LAKE CITY DEPARTMENT OF AIRPORTS**  
**(An Enterprise Fund of Salt Lake City Corporation)**  
**Schedule of Required Supplementary Information**  
**SCHEDULE OF CONTRIBUTIONS**

	Noncontributory System	Contributory Retirement System	Public Safety System	Tier 2 Public Employees System	Tier 2 Public Safety and Firefighter System
Contractually required contribution	\$ 4,073,284	\$ 185,747	\$ 1,574,167	\$ 368,683	\$ 54,469
Contributions in relation to the contractually required contribution	(4,073,284)	(185,747)	(1,574,167)	(368,683)	(54,469)
Contribution deficiency	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll	\$ 21,045,633	\$ 1,398,800	\$ 3,277,446	\$ 3,891,900	\$ 429,037
Contributions as a percentage of covered-employee payroll	19.35%	13.28%	48.03%	9.47%	12.70%

\* Contributions as a percentage of covered-employee payroll may be different than the Board certified rate due to rounding or other administrative issues.

**STATISTICAL SECTION**  
**(unaudited)**

**STATISTICAL SECTION**  
(Unaudited)

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

<b><u>Contents</u></b>	<b><u>Schedules</u></b>
<b>Financial Trends</b> This schedule contains trend information to help the reader understand how the Airport’s financial performance and well-being have changed over time.	<b>S2-S6</b>
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the Airport’s revenue sources.	<b>S7-S9</b>
<b>Debt Capacity</b> This schedule presents information to help the reader assess the affordability of the Airport’s current levels of outstanding debt and the compliance with minimum debt ratios.	<b>S10</b>
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the Airport’s financial activities take place.	<b>S11-S14</b>
<b>Operating Information</b> 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.	<b>S15-S18</b>
<b>Insurance</b> This schedule contains the various insurance policies and their terms to help the reader understand the insurance coverage of the Airport.	<b>S19</b>

**SALT LAKE CITY DEPARTMENT OF AIRPORTS**

**SUMMARY OF CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS**

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
<b>Net Position</b>										
Invested in capital assets - net of debt	\$ 779,342,985	\$ 707,111,524	\$ 670,459,258	\$ 682,910,165	\$ 696,643,333	\$ 702,601,533	\$ 706,410,813	\$ 706,206,409	\$ 630,676,461	\$ 606,134,276
Restricted	196,438,862	179,263,493	132,826,828	95,738,046	50,546,307	7,468,152	1,524,815	705,505	7,425,353	5,275,077
Unrestricted	<u>182,199,481</u>	<u>223,293,868*</u>	<u>251,418,422</u>	<u>223,976,877</u>	<u>207,225,400</u>	<u>206,562,264</u>	<u>180,211,383</u>	<u>153,547,686</u>	<u>190,523,773</u>	<u>158,074,069</u>
<b>Total Net Position</b>	<u>\$1,157,981,328</u>	<u>\$1,109,668,885</u>	<u>\$1,054,704,508</u>	<u>\$1,002,625,088</u>	<u>\$ 954,415,040</u>	<u>\$ 916,631,949</u>	<u>\$ 888,147,011</u>	<u>\$ 860,459,600</u>	<u>\$ 828,625,587</u>	<u>\$ 769,483,422</u>

\* Balance has not been restated for GASB 68

**SALT LAKE CITY DEPARTMENT OF AIRPORTS**

**TOTAL ANNUAL REVENUES, EXPENSES AND CHANGES IN NET POSITION**

	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
<b>Operating Revenues</b>					
Airfield	\$ 27,688,088	\$ 28,986,244	\$ 27,533,052	\$ 27,360,062	\$ 26,790,645
Terminals	49,165,208	45,732,747	45,410,572	42,580,560	42,746,010
Landside	52,477,405	49,064,037	48,119,056	45,110,330	42,339,341
Auxiliary airports	852,204	736,231	721,141	670,645	631,234
General aviation	2,223,159	2,089,127	2,028,469	2,097,232	1,888,594
Support areas	7,484,591	7,486,374	7,421,130	7,098,323	6,924,048
Other	2,318,083	3,194,765	2,635,709	2,550,590	2,341,446
Operating revenues	142,208,738	137,289,525	133,869,129	127,467,742	123,661,318
Less: Airline revenue sharing	(9,938,626)	(10,290,299)	(10,013,679)	(10,007,605)	(10,284,613)
Total operating revenues	132,270,112	126,999,226	123,855,450	117,460,137	113,376,705
<b>Operating Expenses</b>					
Airfield	22,546,161	27,040,934	25,848,088	25,680,150	24,928,820
Terminals	32,598,386	36,795,761	38,904,486	37,776,228	37,086,995
Landside	9,788,597	11,813,344	11,311,729	9,608,951	10,706,997
Auxiliary airports	1,370,456	1,575,915	1,500,433	1,699,831	1,476,851
General aviation	1,112,793	1,124,905	1,064,049	1,266,518	1,031,487
Support areas	958,611	1,039,306	1,019,395	944,635	1,037,924
Roads and grounds	5,736,332	6,000,384	5,679,770	5,667,708	5,567,870
Other	2,097,347	2,224,551	2,142,776	1,915,418	2,279,990
Total operating expenses before depreciation & rebates	76,208,683	87,615,100	87,470,726	84,559,439	84,116,934
<b>Operating Income Before Depreciation &amp; Rebates</b>	56,061,429	39,384,126	36,384,724	32,900,698	29,259,771
<b>Depreciation</b>	59,995,105	59,027,448	57,127,603	49,802,772	50,438,401
<b>Airline Fuel &amp; Enplaned Passenger Rebates</b>	-	-	-	-	-
<b>Operating Loss</b>	(3,933,676)	(19,643,322)	(20,742,879)	(16,902,074)	(21,178,630)
<b>Non-operating Revenues (Expenses)</b>					
Passenger Facility Charges	40,976,537	38,437,248	37,534,715	37,190,302	38,485,478
Customer Facility Charges	15,606,695	14,848,663	14,308,670	11,203,789	-
Net Bond interest expense	-	-	-	-	-
Loss on disposition of property and equipment	(551,440)	(124,946)	(1,946,568)	(17,057)	(767,374)
Interest	1,788,695	1,964,326	1,814,881	1,818,745	1,903,536
Increase in the fair value of investments	275,772	1,566,019	(1,448,365)	127,020	-
Net non-operating revenue (expense)	58,096,259	56,691,310	50,263,332	50,322,799	39,621,640
<b>Capital Contributions</b>	15,148,122	17,916,389	22,558,966	14,789,323	19,340,081
<b>Net Position</b>					
Increase in Net Position	69,310,705	54,964,377	52,079,420	48,210,049	37,783,091
Net Position, Beginning of Period	1,088,670,622	1,054,704,509*	1,002,625,089	954,415,040	916,631,949
Net Position, End of Period	\$ 1,157,981,327	\$ 1,109,668,886*	\$ 1,054,704,509	\$ 1,002,625,089	\$ 954,415,040

Source: Salt Lake City Department of Airports Audited Financial Statements

\*Balance has not been restated for GASB 68.

**SALT LAKE CITY DEPARTMENT OF AIRPORTS**

**TOTAL ANNUAL REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
Continued

	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>
<b>Operating Revenues</b>					
Airfield	\$ 17,830,841	\$ 17,576,572	\$ 17,041,231	\$ 17,447,036	\$ 15,672,079
Terminals	39,333,123	38,715,525	40,780,653	39,186,737	35,603,460
Landside	39,106,339	40,705,508	42,019,377	38,564,113	35,443,013
Auxiliary airports	595,416	647,640	597,301	481,292	470,001
General aviation	1,792,187	1,767,020	1,751,666	1,731,062	1,526,029
Support areas	6,840,304	6,758,534	6,656,579	6,296,655	6,318,159
Other	1,999,331	2,069,865	1,878,650	1,721,453	1,750,358
Operating revenues	<u>107,497,541</u>	<u>108,240,664</u>	<u>110,725,457</u>	<u>105,428,348</u>	<u>96,783,099</u>
Less: Airline revenue sharing	-	-	-	-	-
Total operating revenues	107,497,541	108,240,665	110,725,457	105,428,348	96,783,099
<b>Operating Expenses</b>					
Airfield	23,113,848	23,046,623	23,759,267	21,956,091	20,370,500
Terminals	37,244,771	36,225,604	33,560,092	30,783,170	26,841,931
Landside	9,474,984	10,726,598	9,234,475	9,125,939	9,053,418
Auxiliary airports	1,442,239	1,322,687	2,226,838	1,590,148	1,029,352
General aviation	1,498,930	1,111,004	1,199,764	1,165,358	1,105,330
Support areas	1,171,870	1,301,920	1,416,904	1,318,534	1,187,008
Roads and grounds	5,519,039	6,161,016	4,841,807	4,259,840	3,676,846
Other	544,962	706,120	862,730	322,070	475,884
Total operating expenses before depreciation & rebates	<u>80,010,643</u>	<u>80,601,572</u>	<u>77,101,877</u>	<u>70,521,150</u>	<u>63,740,269</u>
<b>Operating Income Before Depreciation &amp; Rebates</b>	27,486,898	27,639,093	33,623,580	34,907,198	33,042,830
<b>Depreciation</b>	49,576,610	49,234,710	(48,343,878)	(40,738,185)	(40,812,398)
<b>Airline Fuel &amp; Enplaned Passenger Rebates</b>	-	-	-	-	(4,981,216)
<b>Operating Loss</b>	(22,089,712)	(21,595,617)	(14,720,298)	(5,830,987)	(12,750,784)
<b>Non-operating Revenues (Expenses)</b>					
Passenger Facility Charges	37,558,105	36,322,763	40,061,013	41,020,327	40,386,628
Customer Facility Charges	-	-	(7,850,696)	(2,584,929)	(2,235,115)
Net Bond interest expense	-	-	(1,327,215)	(5,265,537)	(2,255,849)
Loss on disposition of property and equipment	(4,855,543)	(129,458)	7,463,453	8,374,123	5,868,368
Interest	1,723,269	3,664,984	-	-	-
Increase in the fair value of investments	-	-	-	-	-
Net non-operating revenue (expense)	<u>34,425,831</u>	<u>39,858,289</u>	<u>38,346,555</u>	<u>41,543,984</u>	<u>41,764,032</u>
<b>Capital Contributions</b>	16,148,819	9,424,739	8,207,756	26,957,341	19,836,783
<b>Net Position</b>					
Increase in Net Position	28,484,938	27,687,411	31,834,013	62,670,336	48,850,031
Net Position, Beginning of Period	888,147,011	860,459,600	828,625,587	765,955,251	720,633,391
Net Position, End of Period	<u>\$ 916,631,949</u>	<u>\$ 888,147,011</u>	<u>\$ 860,459,600</u>	<u>\$ 828,625,587</u>	<u>\$ 769,483,422</u>

Source: Salt Lake City Department of Airports Audited Financial Statements

**SALT LAKE CITY DEPARTMENT OF AIRPORTS**

**CASH FLOW TREND**

	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
<b>Cash Flows from Operating Activities</b>					
Cash received from providing services	\$ 139,279,287	\$ 135,718,828	\$ 129,242,964	\$ 112,979,420	\$ 113,613,165
Cash paid for services by Salt Lake City	(6,977,802)	(7,059,597)	(7,030,843)	(7,132,893)	(7,630,335)
Cash paid to suppliers	(35,717,434)	(39,568,428)	(40,752,838)	(40,583,394)	(35,003,496)
Cash paid to employees	(45,398,491)	(43,762,922)	(42,179,874)	(40,340,107)	(40,762,473)
Net cash from operating activities	51,185,560	45,327,881	39,279,409	24,923,026	30,216,861
<b>Cash Flows from Investing Activities</b>					
Interest received on investments/Paid for investments	11,786,922	13,384,575	(45,951,302)	29,420,153	(43,761,684)
Net cash from investing activities	11,786,922	13,384,575	(45,951,302)	29,420,153	(43,761,684)
<b>Cash Flows from Noncapital and Related Financing Activities</b>					
Cash overdraft with City pooled cash account	10,043,327	-	-	-	-
Net cash from noncapital and related financing activities	10,043,327	-	-	-	-
<b>Cash Flows from Capital and Related Financing Activities</b>					
Purchase of capital equipment	(3,905,010)	(2,546,300)	(2,367,263)	(2,212,323)	(4,589,898)
Payments for acquisition and construction of capital assets	(126,880,409)	(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 rate swap buyout	-	-	-	-	-
Retirement of bonds	-	-	-	-	-
Interest received on Passenger Facility Charges	619,467	526,466	497,953	352,494	127,273
Customer Facility Charges	15,432,315	15,310,554	14,465,461	10,012,992	-
Interest received on Customer Facility Charges	241,010	252,678	106,216	31,941	-
Proceeds from sale of property	134,498	29,243	204,164	209,986	242,179
Airport improvement grants	9,916,115	25,194,792	18,119,410	11,000,072	21,999,588
State grants	21,541	11,876	30,516	-	1,235
Net cash from capital and related financing activities	(64,084,650)	9,271,979	24,322,650	25,603,252	12,647,486
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	8,931,159	67,984,435	17,650,757	79,946,431	(897,337)
<b>Cash and Cash Equivalents - Beginning of Year</b>	367,071,458	299,087,023	281,436,266	201,489,835	202,387,172
<b>Cash and Cash Equivalents - End of Year</b>	\$ 376,002,617	\$ 367,071,458	\$ 299,087,023	\$ 281,436,266	\$ 201,489,835

Source: Salt Lake City Department of Airports Audited Financial Statements

**SALT LAKE CITY DEPARTMENT OF AIRPORTS**

**CASH FLOW TREND**

Continued

	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>
<b>Cash Flows from Operating Activities</b>					
Cash received from providing services	\$ 107,585,920	\$ 110,945,787	\$ 111,482,289	\$ 104,474,589	\$ 97,895,363
Cash paid for services by Salt Lake City	(7,202,599)	(7,086,753)	(6,749,952)	(7,268,085)	(6,142,421)
Cash paid to suppliers	(31,178,327)	(33,507,538)	(32,073,630)	(27,395,493)	(30,237,205)
Cash paid to employees	(41,730,706)	(41,698,230)	(38,446,997)	(37,852,966)	(34,350,051)
<b>Net cash from operating activities</b>	<b>27,474,288</b>	<b>28,653,266</b>	<b>34,211,710</b>	<b>31,958,045</b>	<b>27,165,686</b>
<b>Cash Flows from Investing Activities</b>					
Interest received on investments/Paid for investments	1,723,269	3,249,138	7,463,732	8,374,123	5,868,368
<b>Net cash from investing activities</b>	<b>1,723,269</b>	<b>3,249,138</b>	<b>7,463,732</b>	<b>8,374,123</b>	<b>5,868,368</b>
<b>Cash Flows from Capital and Related Financing Activities</b>					
Purchase of capital equipment	(6,909,592)	(11,515,550)	(4,583,710)	(4,375,748)	(3,908,393)
Payments for acquisition and construction of capital assets	(39,180,702)	(37,714,812)	(75,971,706)	(65,812,694)	(68,672,799)
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)
Interest paid on bonds	-	-	(1,932,004)	(2,036,169)	(1,832,386)
Passenger Facility Charges	37,455,195	36,136,068	40,849,829	40,066,631	39,860,072
Interest received on Passenger Facility Charges	29,770	66,599	184,354	176,488	157,715
Customer Facility Charges	-	-	-	-	-
Interest received on Customer Facility Charges	-	-	-	-	-
Proceeds from sale of property	550,611	197,759	616,409	117,675	783,451
Airport improvement grants	13,271,790	10,130,491	12,228,683	24,457,730	16,799,450
State grants	65,789	297,502	202,498	83,520	364,331
<b>Net cash from capital and related financing activities</b>	<b>5,282,861</b>	<b>(2,401,943)</b>	<b>(83,353,605)</b>	<b>(15,108,047)</b>	<b>(20,473,559)</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>34,480,418</b>	<b>29,500,461</b>	<b>(41,678,163)</b>	<b>25,224,121</b>	<b>12,560,495</b>
<b>Cash and Cash Equivalents - Beginning of Year</b>	<b>167,906,754</b>	<b>138,406,294</b>	<b>180,084,457</b>	<b>154,860,335</b>	<b>142,299,840</b>
<b>Cash and Cash Equivalents - End of Year</b>	<b>\$ 202,387,172</b>	<b>\$ 167,906,754</b>	<b>\$ 138,406,294</b>	<b>\$ 180,084,456</b>	<b>\$ 154,860,335</b>

**SALT LAKE CITY DEPARTMENT OF AIRPORTS**

**SUMMARY OF OPERATING REVENUE  
Last Ten Fiscal Years**

(in thousands)

Fiscal Year	Total Operating Revenue	Airline Revenues			Car Rental	Auto Parking Facilities	Other Terminal Rentals	Other Revenues
		Landing Fees	Terminal Space Rentals	Other Airline Revenues				
2015	\$ 132,270	\$ 23,199	\$ 19,082	\$ 7,201	\$ 19,341	\$ 31,117	\$ 29,467	\$ 2,864
2014	127,000	25,000	16,522	7,098	18,064	29,228	28,431	2,657
2013	123,856	23,662	17,577	7,171	17,482	28,619	26,909	2,436
2012	117,460	23,059	17,820	6,881	16,697	26,282	23,862	2,859
2011	113,377	22,092 *	17,093 *	6,427	16,346	25,067	23,405	2,947
2010	107,497	13,541	22,934	6,918	14,505	23,811	22,497	3,291
2009	108,241	13,528	22,277	7,051	14,149	25,714	22,698	2,824
2008	110,725	12,888	23,645	7,099	16,314	24,817	22,955	3,007
2007	105,428	12,352	23,482	6,632	15,350	22,409	21,069	4,134
2006	96,783	11,214	22,157	6,622	14,550	20,196	18,619	3,425

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**

Airline	FY 2015				FY 2014				FY 2013			
	Landing Fees	% of Total	Rents	% of Total	Landing Fees	% of Total	Rents	% of Total	Landing Fees	% of Total	Rents	% of Total
Alaska	\$ 883,199	3.8%	\$ 713,901	2.4%	\$ 168,097	0.7%	\$ 223,773	0.8%	\$ -	0.0%	\$ -	0.0%
American	\$ 815,279	3.5%	872,795	3.0%	814,017	3.2%	728,831	2.7%	614,990	2.6%	641,617	2.3%
Atlantic Southeast	\$ -	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Continental	\$ -	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Delta	\$ 14,785,876	63.7%	22,152,503	75.5%	18,163,390	72.0%	20,115,735	75.7%	16,124,564	68.1%	21,141,310	77.3%
Frontier	\$ 420,253	1.8%	428,313	1.5%	620,397	2.5%	537,409	2.0%	453,303	1.9%	429,066	1.6%
JetBlue	\$ 393,071	1.7%	367,856	1.3%	346,375	1.4%	389,244	1.5%	320,445	1.4%	392,074	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%	-	0.0%	-	0.0%	34,477.00	0.1%	-	0.0%	-	0.0%
Southwest	\$ 2,105,315	9.1%	2,791,697	9.5%	2,894,809	11.5%	2,611,600	9.8%	2,727,311	11.5%	2,739,943	10.0%
TWA	\$ -	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
United	\$ 943,503	4.1%	1,242,081	4.2%	1,010,114	4.0%	1,212,695	4.6%	919,057	3.9%	1,281,770	4.7%
US Airways	\$ 746,796	3.2%	758,756	2.6%	785,109	3.1%	578,730	2.2%	600,890	2.5%	585,931	2.1%
Other (Charter, Cargo & Commuter)	\$ 2,105,310	9.1%	0	0.0%	427,213	1.7%	150,709	0.6%	1,901,230	8.0%	140,406	0.5%
<b>Totals:</b>	<b>\$ 23,198,602</b>	<b>100.0%</b>	<b>\$ 29,327,902</b>	<b>100.0%</b>	<b>\$ 25,229,521</b>	<b>100.0%</b>	<b>\$ 26,583,203</b>	<b>100.0%</b>	<b>\$ 23,661,790</b>	<b>100.0%</b>	<b>\$ 27,352,117</b>	<b>100.0%</b>

Airline	FY 2012				FY 2011			
	Landing Fees	% of Total	Rents	% of Total	Landing Fees	% of Total	Rents	% of Total
Alaska	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%
American	644,786	2.8%	647,812	2.4%	521,885	2.4%	656,853	2.4%
Atlantic Southeast	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Continental	226,801	1.0%	269,963	1.0%	203,134	0.9%	274,802	1.0%
Delta	15,690,656	68.0%	21,076,035	77.1%	8,806,571	39.9%	20,957,229	76.5%
Frontier	437,767	1.9%	417,372	1.5%	345,312	1.6%	426,147	1.6%
JetBlue	399,400	1.7%	379,479	1.4%	338,306	1.5%	422,451	1.5%
Northwest	-	0.0%	-	0.0%	784,714	3.6%	-	0.0%
Shuttle America	-	0.0%	-	0.0%	100,655	0.5%	-	0.0%
SkyWest	-	0.0%	-	0.0%	5,860,938	26.5%	-	0.0%
Southwest	2,897,047	12.6%	2,776,427	10.2%	2,802,150	12.7%	2,874,872	10.5%
TWA	-	0.0%	-	0.0%	-	0.0%	-	0.0%
United	725,102	3.1%	1,062,153	3.9%	587,626	2.7%	1,098,258	4.0%
US Airways	502,412	2.2%	571,381	2.1%	410,462	1.9%	574,250	2.1%
Other (Charter, Cargo & Commuter)	1,535,446	6.7%	137,649	0.5%	1,330,151	6.0%	122,259	0.4%
<b>Totals:</b>	<b>\$ 23,059,417</b>	<b>100.0%</b>	<b>\$ 27,338,271</b>	<b>100.0%</b>	<b>\$ 22,091,904</b>	<b>100.0%</b>	<b>\$ 27,407,121</b>	<b>100.0%</b>

Source: Salt Lake City Department of Airports Revenue System

**MAJOR REVENUE SOURCES  
LAST TEN FISCAL YEARS**

Continued

Airline	FY 2010				FY 2009				FY 2008			
	Landing Fees	% of Total	Rents	% of Total	Landing Fees	% of Total	Rents	% of Total	Landing Fees	% of Total	Rents	% of Total
Alaska	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%
American	321,684	2.4%	720,244	3.0%	309,112	2.3%	622,671	2.8%	273,576	2.1%	601,007	2.6%
Atlantic Southeast	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Continental	111,120	0.8%	255,330	1.1%	114,010	0.8%	349,000	1.6%	130,215	1.0%	419,583	1.8%
Delta	4,675,304	34.5%	17,948,842	75.0%	4,796,034	35.5%	13,253,648	59.1%	4,749,080	36.8%	13,883,108	59.1%
Frontier	262,797	1.9%	360,100	1.5%	316,103	2.3%	331,059	1.5%	266,190	2.1%	348,706	1.5%
JetBlue	182,660	1.3%	365,380	1.5%	266,547	2.0%	351,455	1.6%	265,025	2.1%	414,555	1.8%
Northwest	583,453	4.3%	36,757	0.2%	221,680	1.6%	239,723	1.1%	140,869	1.1%	491,997	2.1%
Shuttle America	30,427	0.2%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
SkyWest	3,959,249	29.2%	27,926	0.1%	3,639,573	26.9%	3,358,689	15.0%	3,684,705	28.6%	2,996,161	12.8%
Southwest	1,767,067	13.1%	2,505,123	10.5%	2,042,372	15.1%	2,369,707	10.6%	1,782,140	13.8%	2,531,227	10.8%
TWA	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
United	393,347	2.9%	956,268	4.0%	438,887	3.2%	1,057,553	4.7%	251,523	2.0%	1,249,146	5.3%
US Airways	228,532	1.7%	558,294	2.3%	234,914	1.7%	491,721	2.2%	252,120	2.0%	526,310	2.2%
Other (Charter, Cargo & Commuter)	1,024,942	7.6%	196,528	0.8%	1,149,067	8.5%	10,170	0.0%	1,093,106	8.5%	29,650	0.1%
<b>Totals:</b>	<b>\$ 13,540,584</b>	<b>100.0%</b>	<b>\$ 23,930,791</b>	<b>100.0%</b>	<b>\$ 13,528,299</b>	<b>100.0%</b>	<b>\$ 22,435,396</b>	<b>100.0%</b>	<b>\$ 12,888,550</b>	<b>100.0%</b>	<b>\$ 23,491,450</b>	<b>100.0%</b>

Airline	FY 2007				FY 2006			
	Landing Fees	% of Total	Rents	% of Total	Landing Fees	% of Total	Rents	% of Total
Alaska	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%
American	268,498	2.2%	585,786	2.5%	229,256	2.0%	658,697	3.0%
Atlantic Southeast	315,902	2.6%	223,400	1.0%	583,002	5.2%	178,547	0.8%
Continental	103,520	0.8%	324,775	1.4%	86,899	0.8%	304,886	1.4%
Delta	4,520,674	36.6%	13,618,173	58.4%	4,296,901	38.3%	12,889,245	58.4%
Frontier	235,938	1.9%	330,086	1.4%	173,410	1.5%	299,583	1.4%
JetBlue	141,372	1.1%	236,684	1.0%	96,837	0.9%	216,285	1.0%
Northwest	140,110	1.1%	489,942	2.1%	134,790	1.2%	467,943	2.1%
Shuttle America	75,390	0.6%	228,655	1.0%	149,874	1.3%	272,409	1.2%
SkyWest	3,163,080	25.6%	2,696,222	11.6%	2,416,220	21.5%	2,407,080	10.9%
Southwest	1,547,876	12.5%	2,554,391	11.0%	1,254,676	11.2%	2,405,274	10.9%
TWA	-	0.0%	-	0.0%	-	0.0%	-	0.0%
United	262,188	2.1%	1,172,425	5.0%	399,520	3.6%	1,332,835	6.0%
US Airways	204,873	1.7%	416,988	1.8%	143,525	1.3%	387,234	1.8%
Other (Charter, Cargo & Commuter)	1,372,948	11.1%	427,979	1.8%	1,249,430	11.1%	263,845	1.2%
<b>Totals:</b>	<b>\$ 12,352,369</b>	<b>100.0%</b>	<b>\$ 23,305,506</b>	<b>100.0%</b>	<b>\$ 11,214,340</b>	<b>100.0%</b>	<b>\$ 22,083,863</b>	<b>100.0%</b>

Source: Salt Lake Department of Airports Revenue System

**SALT LAKE CITY DEPARTMENT OF AIRPORTS**

**Ratios of Outstanding Debt  
As of June 30**

**Ratio of Bond Debt Service to Total Operating Expenses**

**General Revenue bonds**

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Principal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,650,000	\$ 4,025,000
Interest	-	-	-	-	-	-	-	-	2,584,929	2,235,115
<b>Total Debt Service</b>	<b>\$ -</b>	<b>\$ 5,234,929</b>	<b>\$ 6,260,115</b>							
Total Operating Expenses	\$ 76,208,683	\$ 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
<b>Ratio of Bond Debt Service to Total Operating Expenses</b>	<b>0%</b>	<b>7.4%</b>	<b>9.8%</b>							

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

Total Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,234,929	\$ 6,260,115
Enplaned passengers	10,833,708	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
<b>Debt Service per Enplaned Passenger</b>	<b>\$ -</b>	<b>\$ 0.48</b>	<b>\$ 0.57</b>							

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

Outstanding debt										
2004A series	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 29,500,000	\$ 31,000,000
2004B series	-	-	-	-	-	-	-	-	22,650,000	23,800,000
2001 series	-	-	-	-	-	-	-	-	-	-
2000A series	-	-	-	-	-	-	-	-	-	-
1993C series	-	-	-	-	-	-	-	-	-	-
1993Bb series	-	-	-	-	-	-	-	-	-	-
1993A series	-	-	-	-	-	-	-	-	-	-
<b>Total Outstanding debt</b>	<b>\$ -</b>	<b>\$ 52,150,000</b>	<b>\$ 54,800,000</b>							
Enplaned Passengers	10,833,708	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
<b>Outstanding Debt per Enplaned Passenger</b>	<b>\$ -</b>	<b>\$ 4.77</b>	<b>\$ 5.02</b>							

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**

<b>Fiscal Year Ended June 30,</b>	<b>Population (1)</b>	<b>Personal Income (amounts expressed in thousands) (2)</b>	<b>Per Capita Personal Income (2)(4)</b>	<b>Number of residents 18 years and older (1)</b>	<b>Unemployment Rate (3)</b>
2015	191,180	unavailable	unavailable	unavailable	3.7%
2014	190,884	9,110,918	47,730	147,935	3.4%
2013	189,314	8,576,140	45,301	147,718	5.0%
2012	189,899	8,427,997	44,381	147,172	6.0%
2011	186,440	8,882,513	45,205	144,406	7.4%
2010	183,102	9,404,633	48,511	140,959	6.9%
2009	181,698	8,603,388	51,760	140,130	3.3%
2008	180,651	7,805,389	47,624	138,773	2.6%
2007	178,858	7,075,096	39,557	138,773	2.6%
2006	178,097	6,906,825	38,781	138,773	4.4%

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, 2015**

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

**June 30, 2014**

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

**June 30, 2013**

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

**June 30, 2012**

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

**June 30, 2011**

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

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

**SALT LAKE CITY DEPARTMENT OF AIRPORTS**

**Utah Principal Employers  
Continued**

**June 30, 2010**

<b>Employer</b>	<b>Number of Employees</b>	<b>Rank</b>	<b>Percent of all Employees</b>
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%
<b>Total Employees of Principal Employers</b>	<b>50,800</b>		<b>100.00%</b>

**June 30, 2009**

<b>Employer</b>	<b>Number of Employees</b>	<b>Rank</b>	<b>Percent of all Employees</b>
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%
<b>Total Employees of Principal Employers</b>	<b>49,200</b>		<b>100.00%</b>

**June 30, 2008**

<b>Employer</b>	<b>Number of Employees</b>	<b>Rank</b>	<b>Percent of all Employees</b>
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%
<b>Total Employees of Principal Employers</b>	<b>114,000</b>		<b>100.00%</b>

**June 30, 2007**

<b>Employer</b>	<b>Number of Employees</b>	<b>Rank</b>	<b>Percent of all Employees</b>
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%
<b>Total Employees of Principal Employers</b>	<b>111,000</b>		<b>100.00%</b>

**June 30, 2006**

<b>Employer</b>	<b>Number of Employees</b>	<b>Rank</b>	<b>Percent of all Employees</b>
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
<b>Total Employees of Principal Employers</b>	<b>not available</b>		<b>not available</b>

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**

**AIRPORT EMPLOYEE STATISTICS**

Full-Time Equivalent Employees as of Fiscal Year-End

<u>Fiscal Year</u>	<u>Director's Office</u>	<u>Public Relations</u>	<u>Planning &amp; Capital Programming</u>	<u>Finance &amp; Accounting</u>	<u>Admin &amp; Commercial Services</u>	<u>Information Technology</u>	<u>Engineering</u>	<u>Maintenance</u>	<u>Operations</u>	<u>Total</u>
2015	6	2	8	19	13	25	25	215	193	506
2014	5	2	8	21	14	25	29	217	200	521
2013	5	1	8	21	12	24	29	213	202	515
2012	5	1	9	20	12	23	29	202	192	493
2011	5	1	8	20	10	21	27	201	194	487
2010	6	1	9	16	22	0	36	239	233	562
2009	10	1	9	16	20	0	36	238	240	570
2008	1	1	9	16	26	0	34	236	215	538
2007	2	1	8	14	23	0	37	232	206	523
2006	2	1	10	15	25	0	37	231	206	527

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.

**SALT LAKE CITY DEPARTMENT OF AIRPORTS**

**SUMMARY OF OPERATING EXPENSES  
Last Ten Fiscal Years**

(in thousands)

Fiscal Year	<b>Total Operating Expense</b>	Personnel Services	Utilities	Operational Maintenance Supplies	Salt Lake City Administration	Fire Services	Charges/ Services/ Fees
2015	\$ <b>76,209</b>	\$ 33,880	\$ 6,313	\$ 9,487	\$ 2,430	\$ 4,314	\$ 19,784
2014	<b>87,615</b>	44,916	6,209	10,755	3,003	4,185	18,547
2013	<b>87,470</b>	42,347	6,122	11,118	3,935	4,152	19,796
2012	<b>84,559</b>	41,345	5,630	8,999	3,721	4,091	20,773
2011	<b>84,117</b>	40,661	5,405	9,376	3,829	3,840	21,006
2010	<b>80,010</b>	41,330	4,927	7,692	3,581	3,689	18,791
2009	<b>80,602</b>	41,068	4,407	8,405	3,674	3,854	19,194
2008	<b>77,102</b>	38,349	4,556	8,374	3,371	3,917	18,535
2007	<b>70,521</b>	34,868	4,811	7,493	3,559	3,708	16,082
2006	<b>63,740</b>	31,856	3,945	7,428	3,179	3,455	13,877

Source: Salt Lake City Department of Airports Audited Financial Statements

**SALT LAKE CITY DEPARTMENT OF AIRPORTS**

**PASSENGER AND OPERATING STATISTICS**

**Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>Aircraft Operations</u>	<u>Landed Weight (Pounds in 000)</u>	<u>Total Enplaned Passengers</u>	<u>% Increase (Decrease) Enplaned Passengers</u>	<u>Cargo (Pounds)</u>	<u>Cargo % Increase (Decrease)</u>
2015	319,994	13,200,978	10,833,708	5.2%	330,711,580	1.6%
2014	324,608	12,679,038	10,294,694	2.5%	325,535,553	-5.2%
2013	330,991	12,406,252	10,044,069	-0.8%	343,524,586	-0.7%
2012	343,119	12,604,750	10,125,086	-2.9%	346,060,862	9.2%
2011	361,471	13,230,512	10,429,397	1.7%	316,859,115	6.0%
2010	367,158	13,095,299	10,258,950	2.6%	298,972,507	-1.3%
2009	371,728	13,570,426	9,994,429	-8.6%	302,988,996	-18.4%
2008	413,335	14,680,300	10,933,154	0.0%	371,321,796	-3.6%
2007	424,463	14,484,504	10,928,135	0.2%	385,126,843	0.6%
2006	440,462	14,831,796	10,909,219	6.8%	382,825,663	-12.1%

Source: Salt Lake City Department of Airports Audited Financial Statements

**SALT LAKE CITY DEPARTMENT OF AIRPORTS**  
**AIRLINE PASSENGER STATISTICS BY ENPLANEMENT**

<b>Carrier</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>
Delta	5,169,789	4,786,379	4,577,728	4,434,499	4,443,278	3,905,063	3,857,563	4,322,691	4,313,703	4,598,633
Delta Connections	2,439,969	2,722,929	2,843,644	3,014,370	3,408,787	3,631,109.00	3,148,551	3,615,008	3,701,278	3,596,360
Southwest	1,162,229	1,172,540	1,197,613	1,247,493	1,294,142	1,282,688.00	1,332,212	1,473,085	1,455,018	1,307,637
United	495,477	448,191	444,126	459,993	348,987	363,585.00	370,143	239,090	265,256	294,838
Alaska Air	406,866	73,034	-	-	-	-	-	-	-	-
American	391,751	314,425	292,155	302,377	270,015	280,391	272,420	291,591	292,579	279,626
US Airways	317,519	332,652	274,438	231,708	186,041	168,845	176,728	200,211	186,505	154,380
Mesa Air	-	-	-	-	7,141	14,536	16,008	30,526	34,654	72,628
Northwest	-	-	-	-	-	143,283	278,214	131,915	136,744	157,351
Pinnacle	-	-	-	-	-	-	-	1,848	4,688	13,770
Continental	-	-	-	-	103,510	92,066	92,561	102,902	110,331	109,151
Express Jet	-	-	-	-	6,500	14,995	17,760	33,441	41,225	40,315
Frontier	237,965	238,532	216,726	221,769	185,679	202,547	215,895	247,606	221,404	163,046
JetBlue	201,794	163,083	167,249	209,498	173,662	154,697	213,994	239,759	149,753	110,686
Other	10,349	42,929	30,390	3,379	1,655	5,145	1,282	3,481	14,997	7,550
Aeromexico	-	-	-	-	-	-	1,098	-	-	3,248
	<b>10,833,708</b>	<b>10,294,694</b>	<b>10,044,069</b>	<b>10,125,086</b>	<b>10,429,397</b>	<b>10,258,950</b>	<b>9,994,429</b>	<b>10,933,154</b>	<b>10,928,135</b>	<b>10,909,219</b>

Source: Salt Lake City Department of Airports Revenue System

**SALT LAKE CITY DEPARTMENT OF AIRPORTS  
SUMMARY OF CAPITAL ASSETS**

	<b>June 30, 2015</b>	<b>June 30, 2014</b>	<b>June 30, 2013</b>	<b>June 30, 2012</b>	<b>June 30, 2011</b>	<b>June 30, 2010</b>
<b>Military</b>						
Acres of land leased to military	135	135	135	135	135	135
Annual rent from military leases	\$136,968	\$136,968	\$136,968	\$136,968	\$136,968	\$136,968
<b>Terminal - General</b>						
Number of passenger terminals	3	3	3	3	3	3
Total square feet	1,102,400	1,102,400	1,102,400	1,102,400	1,102,400	1,102,400
<b>Non-Retail Space - number of sq. ft.</b>						
Counter space	7,614	7,614	7,614	7,614	7,614	7,614
Airline office	42,569	42,369	42,369	42,369	42,369	42,369
Other office (i.e. TSA, SLCDA, concession offices)	61,865	61,865	47,882	47,882	47,882	47,882
Common use areas	584,370	584,370	598,343	644,935	644,935	644,935
<b>Retail Space - Pre-Security</b>						
Food and beverage	2,674	2,674	2,788	1,998	1,998	1,998
Newsstands	184	184	212	250	250	250
Specialty Retail	-	-	-	-	-	-
Other concessions (vending)	264	264	238	497	497	497
<b>Retail Space - Secured Area</b>						
Food and beverage	50,280	50,280	49,836	45,454	45,454	45,454
Newsstands	7,721	7,721	7,697	4,891	4,891	4,891
Specialty Retail	15,001	15,001	13,419	13,994	13,994	13,994
Other concessions	96	96	140	-	-	-
<b>Parking</b>						
Short-term / 4 Level Parking Garage (Number of spaces)	1,774	1,766	1,766	1,766	1,767	1,847
Long-term (Number of spaces)	10,070	10,055	10,057	10,057	10,066	10,066
Tenant Employee Lot (Number of spaces)	2,950	2,950	2,950	2,950	2,955	2,966
Park and Wait Lot (Number of spaces)	82	82	81	81	81	81
<b>Cargo</b>						
Total SF of airport buildings leased for cargo use, including warehouse, office, etc.	202,896	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	727,939
<b>Runways (feet)</b>						
34L/16R	150 x 12,000					
34R/16L	150 x 12,003					
35/17	150 x 9,596					
32/14	150 x 4,892					
<b>Acres</b>						
Total Acres Owned by Airport	9,510	9,426	9,426	9,426	9,426	9,426
Total AOA Acres	3,375	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.**

**SALT LAKE CITY DEPARTMENT OF AIRPORTS**  
**SCHEDULE OF INSURANCE POLICIES**  
**JUNE 30, 2015**

Coverage Type	Carrier / Policy #	Policy Limits	Description / Deductibles	Expiration
<b>Bonds</b>	(1) Hartford Insurance 52BSBG17676	\$10,000,000	Treasurer's Bond \$0 Deductible	6/4/16
	(2) Hartford Insurance 52FA023369014	\$1,000,000	Crimeshield Advanced Bond Employee Theft \$50,000 Deductible	7/1/15
		\$50,000	Money, Securities and Other Property \$2,500 deductible	
		\$50,000	Money Orders and Counterfeit Currency, \$0 deductible	
		\$25,000	Depositors Forgery and Alteration \$500 deductible	
		\$25,000	Computer Systems Restoration Expenses, \$0 deductible	
		\$25,000	Identity Recovery Expenses Reimbursement, \$0 deductible	
		\$25,000	Depositors Forgery and Alteration, \$0 deductible	
<b>Excess Workers' Comp</b>	Safety National SP4051454	\$40,000,000 after SIR	Excess Workers' Compensation \$1,000,000 Self-Insured Retention (SIR) per occurrence	7/1/15
		\$1,000,000 per occurrence	Employers' Liability coverage	
<b>Comm. Auto Liability</b>	Self Insured	Statutory min. + \$200,000		Continuous
<b>General Liability</b> Dept. of Airports	AIG AP 007741005-04	\$500,000,000	Bodily Injury, Property Damage, Auto Liability on Airport Premises, Hangarkeepers Liability	7/1/15
		\$50,000,000 each offense	Personal & Advertising Injury, Incidental Medical Malpractice	
		\$250,000	Fire Legal Liability	
		\$50,000,000 Excess of SIR	Excess Auto Legal Liability Off-Premises SIR \$500,000	
		<i>Total GL Coverage \$500,000,000 - No Deductible</i>		
<b>Property Insurance</b> Dept. of Airports	Lexington Insurance Co. 014498273	\$500,000,000 Sublimits apply	Airport Terminals, Concourses, Buildings, Runways, Taxiways Equipment, Fuel Farm, Materials, Machinery	7/1/15
		\$150,000,000	Earth Movement and Flood 2% deductible per location; \$100,000 min. \$5,000,000 max.	
		\$100,000,000	Windstorm or Hail 5% deductible, \$250,000 min.	
		\$156,704,503	Business Interruption 2% deductible per location; \$100,000 min. \$5,000,000 max.	
		Not covered	Terrorism, Certified & Non-Certified Acts	
<b>Comm. Auto Liability</b> Dept. of Airports	Ohio Casualty - Liberty 55852111	\$500,000 \$0 deductible	Only Scheduled Autos Covered	7/1/15