

Comprehensive Annual Financial Report

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

For the Years Ended June 30, 2016 and 2015



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, 2016 AND 2015**

SALT LAKE CITY DEPARTMENT OF AIRPORTS
Salt Lake City, Utah
Financial Statements
For the Years Ended June 30, 2016 and 2015

TABLE OF CONTENTS

INTRODUCTORY SECTION	Page
Title Page	i
Table of Contents	ii
Letter of Transmittal	iv
Organizational Chart	ix
Certificate of Achievement	x
 FINANCIAL SECTION	
Independent Auditor’s Report.....	2
Management’s Discussion and Analysis.....	4
Basic Financial Statements:	
Statements of Net Position as of June 30, 2016 and 2015.....	14
Statements of Revenues, Expenses and Changes in Net Position for the Years Ended June 30, 2016 and 2015	16
Statements of Cash Flows for the Years Ended June 30, 2016 and 2015	17
Notes to Financial Statements	19
Required Supplementary Information:	
Schedule of Funding Progress of Retiree Healthcare and Life Insurance Plan	RSI-2
Schedule of the Proportionate Share of the Net Pension Liability	RSI-3
Schedule of Contributions	RSI-5
Notes to Required Supplementary Information	RSI-8
 STATISTICAL SECTION (Unaudited)	
Financial Trends	
Summary of Changes in Net Position.....	S2
Total Annual Revenues, Expenses and Changes in Net Position.....	S3-S4
Cash Flow Trend	S5-S6
Revenue Capacity	
Summary of Operating Revenue	S7
Major Revenue Sources.....	S8-S9
Ratios of Outstanding Debt.....	S10
Demographic and Economic Information	
Demographic and Economic Statistics	S11
Utah Principal Employers	S12-S13
Airport Employee Statistics	S14
Operating Information	
Summary of Operating Expenses.....	S15
Passenger and Operating Statistics	S16
Airline Passenger Statistics by Enplanement.....	S17
Summary of Capital Assets	S18
Insurance	
Schedule of Insurance Policies.....	S19

INTRODUCTORY SECTION

**THIS SECTION CONTAINS THE FOLLOWING
SUBSECTIONS:**

Letter of Transmittal
Organizational Chart
Certificate of Achievement



October 10, 2016

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 (Airport) for the fiscal year ended June 30, 2016 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 Airport'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, 2016 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 FY 2016 the terminal redevelopment program (TRP) completed 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, \$9 million is included in the FY 2017 budget to continue necessary concourse and terminal facility renovations. This includes funding for the continuing renovations of restrooms, boiler plant upgrades, and outside exterior panel replacements.

The FY 2017 budget includes \$25 million for airfield projects. This includes R/W 17-35 & R/W 14-32 pavement rehabilitation, airfield lighting and signage replacements, and the east apron pavement rehabilitation phase I. These airfield improvement projects ensure the safe operation of aircraft and preserve valuable assets.

The FY 2017 budget includes \$14.7 million for landside projects. This includes overlay of entrance and exit roads, parking access revenue control system, employee parking expansion, and fiber installation.

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 TRP, a \$2.2 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 2016, the Airport served over twice the number of passengers the facilities were originally designed to handle.

In conjunction with the TRP, the North Concourse Program (NCP) includes the development of a 30-gate midfield airside concourse to the north of the new airside concourse to be developed as part of the TRP. The Airport received unanimous support from all airlines serving SLC to build the north concourse in April 2016. It is currently estimated that the NCP will cost approximately \$737 million.

The Airport is currently ranked the 25th busiest in the United States, and 90th busiest in the world in terms of passenger numbers with over 318 scheduled daily departing flights serving more than 95 non-stop destinations. The Airport served approximately 22.6 million passengers in FY 2016 and is one of Delta's largest hubs.

Economic Condition

According to the 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 2015, Utah's employment rate decreased slightly to 3.7 percent in 2015 compared to 3.8 percent in 2014.

Utah's total personal income is estimated to have increased by 4.5 percent in 2015, in addition to the 4.5 percent increase in 2014. The 2015 increase in personal income was led by strong wage growth at 3 percent. Jobs were added across all industry sectors in the Utah economy during 2015, including significant expansion in the information sector driven by the corridor of technology firms that continued to expand as well as strong increase in financial activities.

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. Operating expenses increased by 18.2 percent while passengers increased 4.2 percent in FY 2016 over FY 2015. The majority of the increase in expenses relates to a large decrease in expenses in FY 2015 related to the discontinuance of certain post retirement health 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 \$3.69 for FY 2016 and \$3.65 for FY 2015, one of the lowest rates among large hub airports in the nation. The Airport has total cash balances of \$386 million to be utilized during the next decade for the 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 2016 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 be at 3.5 percent by the end of 2016. Personal income is expected to increase by 5.3 percent in 2016, which is 1.1 percent higher than the anticipated U.S. increase.

Salt Lake City Airport passengers are projected to increase by 1.5 percent and operations are projected to decrease by 1.4 percent during FY 2017. 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 2016 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 2016-2036, 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 2016 FAA forecast calls for U.S. carrier passenger growth over the next 20 years to average 2.1 percent per year. The Salt Lake City Airport forecasts an average annual growth rate of 2 percent in future years.

Construction on the 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 have been 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 new terminal is expected to be operational by fall 2020 with the entire TRP opening by summer 2024.

The NCP includes the development of 30 additional gates to accommodate additional passengers and aircraft to meet forecasted growth. The first phase of the NCP, which includes 20 aircraft gate positions, is expected to be operational by fall 2020 with the second phase of the NCP opening by summer 2024.

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.

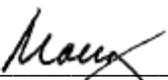
Awards and Acknowledgments

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, 2015.

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 and Eide Bailly, LLP. We extend our appreciation to the staff for their efficient and dedicated services. We also thank the members of the City Council, the Mayor and members of the Department of Airports Advisory Board of Directors for their interest and support in planning and conducting the financial operations of the Airport in a responsible and progressive manner.



Maureen Riley
Salt Lake City Department of Airports
Executive Director



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

ORGANIZATIONAL CHART

City of Salt Lake City, Utah

Mayor

Jackie Biskupski

City Council Members

District One	James Rogers, Chair
District Two	Andrew Johnston
District Three	Stan Penfold, Vice Chair
District Four	Derek Kitchen
District Five	Erin Mendenhall
District Six	Charlie Luke
District Seven	Lisa Adams

Department of Airports

Advisory Board Members

Igor Best-Devereux, Chair

J. T. Martin, Vice Chair

Robert Bergmann

Michael D. Gallivan

Natalie Gochnour

Sam Granato

Senator Karen Mayne

Cynthia D. Miller

Larry Pinnock

James Rogers

Executive Director

Maureen Riley

Directors

Admin & Commercial Services	John A. Buckner, Jr.
Airport Police	Craig Vargo
Engineering	Kevin F. Robins
Finance	Ryan R. Tesch
Information Management	Edwin Cherry
Maintenance	Ed Clayson
Operations	Peter L. Higgins
Planning & Environmental	Allen G. McCandless
Public Relations/Marketing	Nancy Volmer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

Salt Lake City Department of Airports
Utah

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2015

Executive Director/CEO

FINANCIAL SECTION

**THIS SECTION CONTAINS THE FOLLOWING
SUBSECTIONS:**

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



Independent Auditor's Report

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, 2016 and 2015, and the related statements of revenues, expenses and changes in net position and cash flows for the years then ended, and the related notes to the financial statements, which collectively comprise the Airport's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our 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, 2016 and 2015, 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, 2016 and 2015, the changes in its financial position, where applicable, its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters*Required Supplementary Information*

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

Other Information

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



Salt Lake City, Utah
October 10, 2016

SALT LAKE CITY DEPARTMENT OF AIRPORTS
(An Enterprise Fund of Salt Lake City Corporation)
Management's Discussion and Analysis
(UNAUDITED)

The following Management's Discussion and Analysis ("MD&A") of the Salt Lake City Department of Airports' activities and financial performance provides an introduction and overview to the financial statements for the fiscal years ended June 30, 2016 and 2015.

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 one of Delta's largest hubs. The Airport ranks as the 25th busiest in the United States and the 90th busiest in the world in terms of passenger numbers. In terms of operational movements, the Airport ranks 22nd busiest in the United States and 46th busiest in the world.

The Airport had experienced several years of small decreases in total passenger numbers in FY 2013 -0.9% and FY 2012 -2.9% while the U.S. economy continued to slowly recover. In FY 2016, FY 2015 and FY 2014, the economy and the airline industry have continued to rebound. Total passengers increased by 920,646, 1,088,560 and 501,981 in FY 2016, FY 2015 and FY 2014 to a total of 22,594,818, 21,674,172 and 20,585,612 passengers. Enplaned passengers alone increased by 459,303, 539,014 and 250,625 in FY 2016, FY 2015 and FY 2014 to a total of 11,293,011 10,833,708 and 10,294,694 enplaned passengers; a 4.2%, 5.2% and 2.5% increase in FY 2016, FY 2015 and FY 2014.

Salt Lake City International Airport provides 318 average daily departures to 95 non-stop destinations. Load factors increased to 88% from 87% in FY 2016 to FY 2015. The increase in international routes and the expansion of new airlines, Air Canada and KLM Royal Dutch, into the Salt Lake City market in FY 2016 has continued to increase seat capacity, number of daily flights, and passengers.

Total aircraft operations decreased -1.4% in FY 2016, -1.4% in FY 2015, and -1.9% in FY 2014. While aircraft operations continued to decrease, the landing weights increased by 380,685 million pounds

SALT LAKE CITY DEPARTMENT OF AIRPORTS
(An Enterprise Fund of Salt Lake City Corporation)
Management's Discussion and Analysis
(UNAUDITED)

(2.9%) in FY 2016 after an increase of 4.1% and 2.2% in FY 2015 and 2014. 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>FY2016</u>	<u>FY2015</u>	<u>FY2014</u>	<u>FY2013</u>
Enplanements	11,293,011	10,833,708	10,294,694	10,044,069
% increase (decrease) from prior year	4.2%	5.2%	2.5%	(0.8%)
Landed weight lb's (000's)	13,581,663	13,200,978	12,679,038	12,406,252
% increase (decrease) from prior year	2.9%	4.1%	2.2%	(1.6%)
Aircraft Operations - All Types	315,585	319,994	324,608	330,991
% decrease from prior year	(1.4%)	(1.4%)	(1.9%)	(3.5%)
Total # of passengers	22,594,818	21,674,172	20,585,612	20,083,631
% increase (decrease) from prior year	4.2%	5.3%	2.5%	(0.9%)

STATEMENT OF NET POSITION

The Department of Airports' net position was \$1,222,234,634 as of June 30, 2016. The total increase in net position during the year ended June 30, 2016 was \$64.3 million. The largest portion of the Airport's net position (71.1%) represents investment in capital assets (land, buildings, runways, taxiways, and equipment).

SALT LAKE CITY DEPARTMENT OF AIRPORTS
(An Enterprise Fund of Salt Lake City Corporation)
Management's Discussion and Analysis
(UNAUDITED)

STATEMENTS OF NET POSITION	June 30, 2016	June 30, 2015	June 30, 2014
ASSETS:			
Current and other assets	\$ 416,233,275	\$ 452,435,482	\$ 448,992,153
Capital assets	869,232,819	779,342,985	707,111,524
Deferred outflows	10,181,182	3,566,982	-
TOTAL ASSETS AND DEFERRED OUTFLOWS	1,295,647,276	1,235,345,449	1,156,103,677
LIABILITIES:			
Current liabilities	38,275,280	48,887,380	33,879,489
Noncurrent liabilities	33,200,094	26,347,885	12,555,302
Deferred inflows	1,937,268	2,128,856	-
Total Liabilities and deferred inflows	73,412,642	77,364,121	46,434,791
NET POSITION:			
Invested in capital assets	869,232,819	779,342,985	707,111,524
Restricted	143,297,687	196,438,862	179,263,493
Unrestricted	209,704,128	182,199,481	223,293,868
Total Net Position	1,222,234,634	1,157,981,328	1,109,668,885
TOTAL LIABILITIES, DEFERRED INFLOWS, AND NET POSITION	\$ 1,295,647,276	\$ 1,235,345,449	\$ 1,156,103,677

SUMMARY OF CHANGE IN NET POSITION	FY 2016	FY 2015	FY 2014
Operating revenues	\$ 141,032,588	\$ 132,270,113	\$ 126,999,226
Operating expenses	(90,065,096)	(76,208,684)	(87,615,100)
Operating Income before depreciation	50,967,492	56,061,429	39,384,126
Depreciation	(61,656,896)	(59,995,105)	(59,027,448)
Operating loss	(10,689,404)	(3,933,676)	(19,643,322)
NON-OPERATING REVENUE (EXPENSE) AND CAPITAL CONTRIBUTIONS:			
Passenger facility charges	42,805,519	40,976,537	38,437,248
Customer facility charges	15,613,155	15,606,695	14,848,663
Contributions and grants	14,230,033	15,148,122	17,916,389
Other, net	2,294,003	1,513,027	3,405,399
CHANGE IN NET POSITION	\$ 64,253,306	\$ 69,310,705	\$ 54,964,377

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

Restricted cash for construction has decreased as the Airport completed construction on the quick turn around facility (QTA), rental car facility site work, rental car service buildings, infrastructure, and temporary roadway construction and realignments. As of June 30, 2016, \$122,041,120 (9.5%) of Airport assets was restricted for construction compared with \$175,768,929 (14.3%) in FY2015, and \$159,105,779 (13.8%) in FY 2014. These amounts represent PFC and CFC that have been collected, but have not yet been reimbursed to general operating cash for PFC and CFC eligible construction projects. In addition, \$16,256,567 (1.3%) of Airport assets in FY 2016 were restricted for an operation and maintenance

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

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 cash and investments decreased in the current year as the Airport continued to finance the major terminal redevelopment program. Total available cash and investments, decreased by \$35.3 million in FY 2016. After restricted balances, the Airport unrestricted cash available for operating expenses and reserves for the terminal redevelopment program increased by \$17.8 million.

To increase return on restricted and reserved cash, the Airport began purchasing U.S. Treasury and 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 \$1,489,996 and U.S. Treasury and Agency securities were written up by \$424,819 to fair market value at June 30, 2016 to comply with GASB Statement No. 72. 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, \$115,167 was accrued for interest income earned but not yet paid for investments that are paid on a quarterly, rather than monthly, basis. See Note 2 for detailed information.

This year, available operating cash increased by \$17,836,937 (7.9%) because the Airport reimbursed operating cash from CFC restricted cash for CFC capital projects financed and completed in FY 2016. Non-operating cash from passenger facility charges, customer facility charges, and grants decreased, which was offset with the increase in available operating cash.

Airport cash payments for current year construction and land acquisitions in the amount of \$146.8 million were reimbursed by restricted PFC funds in the amount of \$42.5 million, CFC funds in the amount of \$69.2 million, and federal airport improvement program grants (AIP) of \$13.9 million. The remainder of expenditures for construction and an additional \$21.2 million in payments for capital equipment was provided by Airport operating cash.

Capital assets (net of accumulated depreciation) have increased by \$89,889,834 because of an increase in construction in progress of \$33,842,286 from current terminal redevelopment projects not yet completed along with an increase in buildings and improvements of \$100,102,139 for the car rental facilities capitalized in FY 2016.

In FY 2013 and FY 2016, 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 \$8.5 and \$7 million in FY 2016 and in FY 2015. 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, CFC, and Airport funds. For more detailed information on changes in capital assets, refer to Note 9 in the notes to the financial statements.

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

The Airport adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* in FY 2015. The Airport recorded deferred outflows of \$3,566,982 in FY 2015 which represent deferred outflow of resources (expenses) in future periods. Deferred outflows increased by \$6,614,200 in FY 2016 to \$10,181,182. The Airport also recorded deferred inflows of \$2,128,856 in FY 2015. Deferred inflows represent resources (revenue) that will be recognized in future periods. Deferred inflows decreased by \$191,588 in FY 2016 to \$1,937,268.

SUMMARY OF CASH FLOW ACTIVITIES	FY 2016	FY 2015	FY 2014
Cash flow from operating activities	\$ 52,396,285	\$ 51,185,560	\$ 45,327,882
Cash flow from investing activities	1,647,060	11,786,922	13,384,576
Cash flow (used) from noncapital and related financing	(10,043,327)	10,043,327	-
Cash flow from passenger facility charges	42,454,628	40,955,290	39,095,843
Cash flow from customer facility charges	15,849,823	15,673,325	15,563,232
Cash flow from grants	15,901,831	9,937,656	25,206,668
Cash flow from sale of capital assets and equipment	332,996	134,498	29,243
Payments for acquisition and construction of property	(154,026,174)	(130,785,419)	(70,623,007)
Cash and cash equivalents at beginning of year	376,002,617	367,071,458	299,087,023
Net increase (decrease) in cash	(35,486,878)	8,931,159	67,984,435
Cash and cash equivalents at end of year	\$ 340,515,739	\$ 376,002,617	\$ 367,071,458

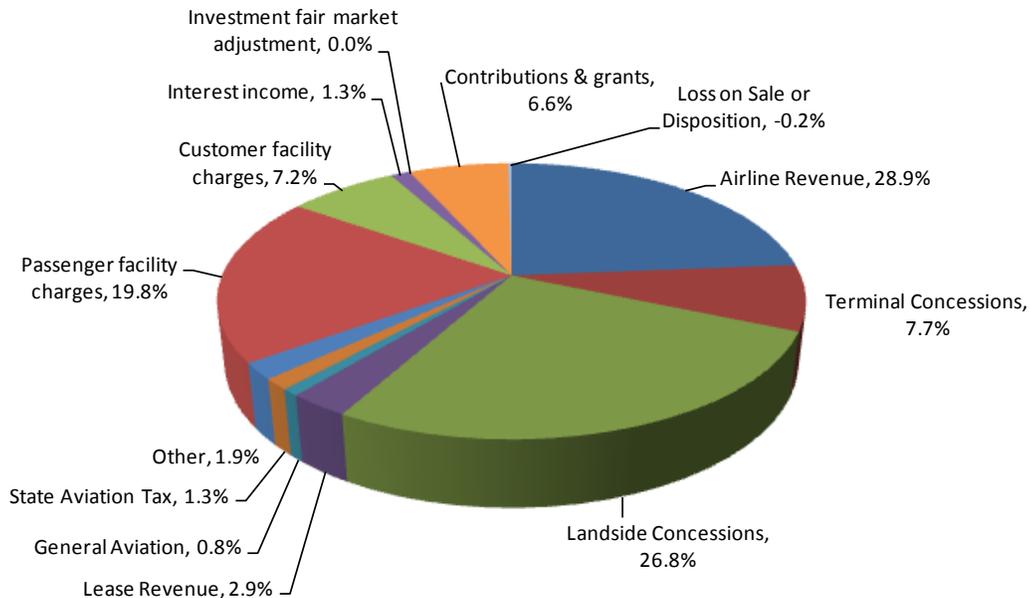
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

Operating income, before depreciation, was \$50,967,492 in FY 2016, compared with \$56,061,429 in FY 2015 and \$39,384,126 in FY 2014. With the inclusion of depreciation and non-operating revenue and expenses, the resulting change in net position for FY 2016 was \$64,253,306; FY 2015 was \$69,310,705; and FY 2014 was \$54,964,377.

SALT LAKE CITY DEPARTMENT OF AIRPORTS
(An Enterprise Fund of Salt Lake City Corporation)
Management's Discussion and Analysis
(UNAUDITED)

Revenues

The following chart shows the major sources of revenues and their relative percentage to total revenues for the year ended June 30, 2016:



	FY 2016 Amount	Percent of Total	FY 2015 Amount	Percent of Total	FY 2014 Amount	Percent of Total
Operating:						
Airline revenue	\$ 62,454,050	28.9%	\$ 59,419,828	28.9%	\$ 58,910,284	29.2%
Terminal concessions	16,636,680	7.7%	16,015,648	7.8%	15,154,010	7.5%
Landside concessions	57,986,313	26.8%	52,550,499	25.6%	49,198,708	24.4%
Lease revenue	6,184,789	2.9%	6,092,513	3.0%	6,179,608	3.1%
General aviation	1,785,189	0.8%	1,691,085	0.8%	1,661,603	0.8%
State aviation tax	2,795,768	1.3%	2,545,100	1.2%	2,343,408	1.2%
Other	4,131,028	1.9%	3,894,065	1.9%	3,841,904	1.9%
Operating revenues	151,973,817		142,208,738		137,289,525	
Less: Airline revenue sharing	(10,941,229)	-5.1%	(9,938,626)	-4.8%	(10,290,299)	-5.1%
Total operating	141,032,588	65.3%	132,270,112	64.4%	126,999,226	63.0%
Non-operating and capital contributions:						
Passenger facility charges	42,805,519	19.8%	40,976,537	19.9%	38,437,248	19.1%
Customer facility charges	15,613,155	7.2%	15,606,695	7.6%	14,848,663	7.4%
Interest income	2,782,668	1.3%	1,788,695	0.9%	1,964,326	1.0%
Investment fair market adjustment	(256)	0.0%	275,772	0.1%	1,566,019	0.8%
Contributions & grants	14,230,033	6.6%	15,148,122	7.4%	17,916,389	8.9%
Loss on sale or disposition	(488,409)	-0.2%	(551,440)	-0.3%	(124,946)	-0.1%
Total non-operating	74,942,710	34.7%	73,244,381	35.6%	74,607,699	37.0%
Total revenues	\$ 215,975,298	100.0%	\$ 205,514,493	100.0%	\$ 201,606,925	100.0%

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

SALT LAKE CITY DEPARTMENT OF AIRPORTS
(An Enterprise Fund of Salt Lake City Corporation)
Management’s Discussion and Analysis
(UNAUDITED)

Operating Revenues

Salt Lake City International Airport is served by seven domestic carriers: Alaska, American, Delta, Frontier, JetBlue, Southwest, and United. On July 1, 2014, the airlines and the Airport entered into a ten year Airport Use Agreement (AUA). Under the agreement, terminal rent calculations are on a compensatory basis, recovering costs allocated to the occupied facilities. Landing fee calculations are residual based, recovering net cost after the credits of nonairline revenue. Revenue sharing is available to signatory airlines under the agreement consisting of one dollar (\$1) per enplaned passenger, not to exceed 30% of net remaining revenue. The signatory airline revenue sharing increased by \$1,002,603 over the prior year from \$9,938,626 in FY 2015 to \$10,941,229 in FY 2016 based on the new agreement and when airlines signed on to the agreement.

Airline revenue, net of airline revenue sharing, has increased \$2,031,618 in FY 2016 over the prior year. Landing fees have increased by \$3,824,328 over the prior year. Terminal space and other building rentals have decreased by \$2,087,833. 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 2016 was \$3.69, a increase from the FY 2015 cost of \$3.65.

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 2016</u>	<u>FY 2015</u>	<u>FY 2014</u>
Terminal Rents (annual per square foot)	\$ 63.46	\$ 62.31	\$ 68.94
Landing Fees (per 1,000 lbs)	\$ 2.03	\$ 1.82	\$ 2.12

Non-airline concession revenues can be split into two major categories: (1) terminal concessions that include food service, retail, and advertising, and (2) landside concessions that consist of auto parking, rental car commissions, and ground transportation fees. Terminal concessions have increased by \$621,032 (3.9%) from FY 2015. The increase in terminal concession is a result of a full year of new concession contracts in place for FY 2016 and the increase in total passengers of 4.2%. Landside concessions have increased by \$5,435,814 (10.3%). Auto parking fees have increased \$2,291,532 (7.4%), and car rental fees and rents increased \$2,801,337 (14.5%). Ground transportation have increase \$342,945 (16.4%).

Non-operating Revenue

The Airport recorded \$14,230,033 in grants in FY 2016. These funds consisted of \$14,228,517 in AIP grants provided by the Federal Aviation Administration, and \$1,516 in State grant revenue. Airport improvement grants decreased from the prior year by \$898,064 (-5.9%). Passenger facility charges revenue in FY 2016 was \$42,805,519 including \$863,755 in interest on PFC deposited funds. This is a total increase of \$1,828,982 (4.5%) from the FY 2015 total of \$40,976,537, an increase of \$1,584,694 in PFC revenue and PFC interest revenue of \$244,288.

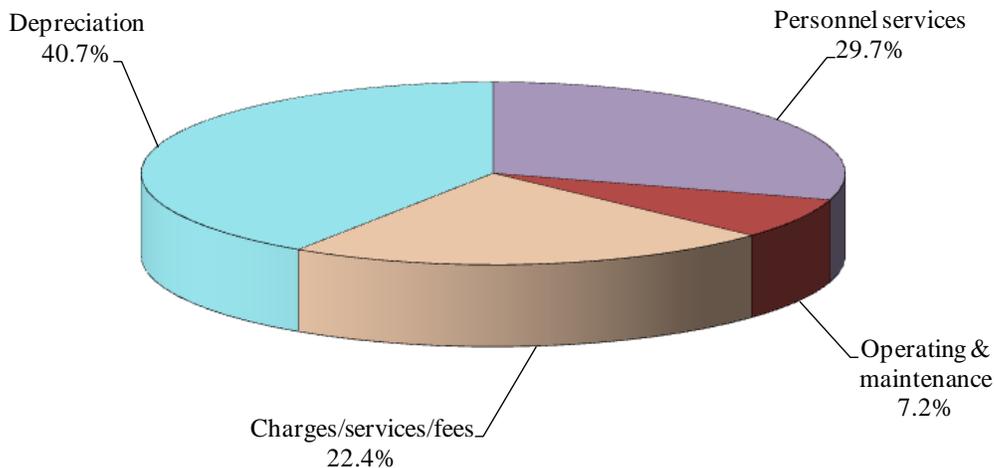
SALT LAKE CITY DEPARTMENT OF AIRPORTS
(An Enterprise Fund of Salt Lake City Corporation)
Management’s Discussion and Analysis
(UNAUDITED)

The Airport recorded a loss of \$488,409 on the disposition and sale of property and equipment in FY 2016. In FY 2015, the loss on the disposition and sale of property and equipment was \$551,440.

The average interest rate on investments that are held in the State Treasurer’s pool for FY 2016 was 0.7%, compared to FY 2015 of 0.5% and 0.5% in FY 2014. In FY 2016, FY 2015, and FY 2014 interest earned from the State Treasurer’s pool and depository accounts totaled \$1,586,767, \$1,275,022, and \$1,295,633 respectively. Interest income increased because of higher interest rates as the Federal Reserve is gradually increasing rates. As referred to previously in the discussion on the Airport’s cash balances, beginning in FY 2011, the Airport diversified its investments in U.S. Treasury and Agency notes to obtain a higher rate of return. Interest earned on these investments totaled \$465,649 in FY 2016 and \$513,902 in FY 2015 (after management fees). The weighted average yield, including discounts and premiums included at purchase, was 0.89%. The investment in these securities reduced the balance in the Utah State Treasurer’s pool. See Note 2 for cash investment details. The Airport recorded \$730,252 in interest income from financing CFC related projects from Airport reserves that will be paid back to the Airport through future CFC collections.

Expenses

A summary of expenses for the year ended June 30, 2016, including the amount and percentage of change in relation to prior year amounts, is as follows:



SALT LAKE CITY DEPARTMENT OF AIRPORTS
(An Enterprise Fund of Salt Lake City Corporation)
Management's Discussion and Analysis
(UNAUDITED)

	FY 2016	Percent	FY 2015	Percent	FY 2014	Percent
	Amount	of Total	Amount	of Total	Amount	of Total
Operating:						
Personnel services	\$ 45,096,184	29.7%	\$ 33,880,464	24.9%	\$ 44,916,215	30.6%
Operating and maintenance	10,939,934	7.2%	9,486,899	7.0%	10,755,484	7.3%
Charges/services/fees	34,028,978	22.4%	32,841,320	24.1%	31,943,401	21.8%
Total operating expenses before depreciation	90,065,096	59.3%	76,208,683	56.0%	87,615,100	59.7%
Depreciation	61,656,896	40.7%	59,995,105	44.0%	59,027,448	40.3%
Total expense	\$ 151,721,992	100.0%	\$ 136,203,788	100.0%	\$ 146,642,548	100.0%

Operating Expenses

Operating expenses before depreciation have increased by \$13,856,412 (18.2%) in the current fiscal year. These expenses decreased by \$11,406,417 (-13%) in FY 2015, and increased by \$144,374 (0.2%) in FY 2014. Personnel services have increased by \$11,215,720 (33.1%) in the current fiscal year. Most of this increase is related to changes to employee benefits of \$8,975,594 (234%). The large increase in benefits is based on changes to post retirement benefits in prior year. These expenses are back to expected amounts in the current year.

Operating and maintenance costs have increased by \$1,453,035 (15.3%) from prior year. Maintenance supplies have increased by \$1,584,982 (26.6%) because of higher use of chemicals throughout the airport, most notably the airfield, as winter weather was colder than the previous year. Automotive supplies increased \$181,109 (10.2%) compared to FY 2015 mostly because of an increase in tires and motive equipment supplies of \$177,457. Other supplies including computer supplies, small tools, and furniture have decreased by \$313,061. This decrease is caused by computer supplies being \$112,700 less than the prior year along with a decrease of \$131,025 in supplies for police and fire.

Expenses for charges and services have increased by \$1,187,657 (3.6%). The largest increase was from other professional and technical services of \$1,581,464. The Airport expensed \$1,149,935 in costs that were previously capitalized in construction in progress in prior years that were expensed in the current year as certain projects were discontinued or the asset was determined to relate to routine maintenance more than a capital asset. Aircraft Rescue Fire Fighting (ARFF) services have also increased \$282,867 with a greater number of firefighters being trained in the current year.

Depreciation expense increased by \$1,661,791 (2.8%) in FY 2016, increased by \$967,657 in FY 2015, and increased by \$1,899,845 in FY 2014. In FY 2013 and FY 2016, 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 2014, FY 2015, and FY 2016 and will continue in varying amounts throughout the program as these assets are fully depreciated over shorter remaining useful lives.

SALT LAKE CITY DEPARTMENT OF AIRPORTS
(An Enterprise Fund of Salt Lake City Corporation)
Management's Discussion and Analysis
(UNAUDITED)

CAPITAL EXPENDITURES

The most significant TRP projects completed in FY 2016 include the completed construction for the quick turn around facility (QTA), rental car facility site work, rental car service buildings, infrastructure, and temporary roadway construction and realignments.

Continuing projects include enabling work for the terminal, south concourse west, parking deck and central utility plant for the TRP commenced in FY 2016. This work includes excavation, utilities, ground improvements, demolition of old car rental facilities and re-routing terminal exit roads.

Other projects completed in FY 2016 include deicing pads, the overlay of several entrance and exit roads and information technology improvements. Smaller projects include roof replacements and restroom renovations throughout the Airport campus as well as fuel island improvements.

At the beginning of the fiscal year, Airport projects totaling \$185.8 million were in the process of construction. A total of \$113.5 million in projects and equipment were capitalized and placed in service, \$3.9 million was expensed, and \$219.6 million remains in construction in progress. The largest portion of the \$219.6 million of construction in progress is the terminal redevelopment program. The phased construction on the \$2.2 billion program will continue through 2024. The terminal building will be completed in 2020.

ECONOMIC OUTLOOK

Salt Lake City continues economic recovery as well as the airline industry. 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 long term facility needs and terminal redevelopment program to meet the future growth in air travel and meet the needs of its airline partners and the Utah community.

CONCLUSION

The Airport continues to meet the challenges of a 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.



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>	2016	2015
ASSETS		
Current Assets		
Cash and cash equivalents		
Unrestricted	\$ 10,000,000	\$ 10,000,000
Designated for future development	187,218,052	169,563,755
Current investments	752,459	-
Airline and rental fees receivable	23,821,101	25,256,794
Other current assets	4,204,614	5,131,437
Total current assets	225,996,226	209,951,986
Noncurrent Assets		
Restricted cash and cash equivalents		
Construction projects	120,284,608	120,376,610
Customer facility charges	1,756,512	55,392,319
Operation and maintenance reserve fund	16,256,567	15,669,933
Renewal and replacement reserve fund	5,000,000	5,000,000
Noncurrent investments	44,527,360	45,097,179
Total noncurrent assets and investments	187,825,047	241,536,041
Capital assets		
Land	99,346,721	99,156,549
Building and improvements	1,278,012,266	1,177,910,127
Equipment	139,679,250	133,821,404
Construction in progress	219,613,256	185,770,970
Total capital assets - at cost	1,736,651,493	1,596,659,050
Less accumulated depreciation	867,418,674	817,316,065
Net capital assets	869,232,819	779,342,985
Other assets		
Other receivables	1,916,772	858,587
Other long-term assets	495,230	88,868
Total other assets	2,412,002	947,455
Total noncurrent assets	1,059,469,868	1,021,826,481
Total assets	1,285,466,094	1,231,778,467
Deferred Outflows of Resources		
Pensions	10,181,182	3,566,982
Total assets and deferred outflows of resources	\$ 1,295,647,276	\$ 1,235,345,449

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>	2016	2015
LIABILITIES		
Current Liabilities		
Accounts payable	\$ 6,873,631	\$ 17,755,831
Accrued compensation	2,454,016	2,083,277
Other accrued liabilities	24,667,877	15,052,335
Deposits and advance rentals	4,279,756	3,716,920
Net OPEB obligation	-	235,690
Operating cash overdraft	-	10,043,327
Total current liabilities	38,275,280	48,887,380
Noncurrent Liabilities		
Noncurrent accrued compensation	3,629,123	3,682,739
Net pension liability	25,465,134	20,232,458
Pollution remediation	176,035	190,261
Other long-term liabilities	3,929,802	2,242,427
Total noncurrent liabilities	33,200,094	26,347,885
Total liabilities	71,475,374	75,235,265
Deferred Inflows of Resources		
Pensions	1,937,268	2,128,856
NET POSITION		
Restricted for construction projects	120,284,608	120,376,610
Restricted for customer facility charges	1,756,512	55,392,319
Restricted for operation and maintenance reserve fund	16,256,567	15,669,933
Restricted for renewal and replacement reserve fund	5,000,000	5,000,000
Total restricted	143,297,687	196,438,862
Net investment in capital assets	869,232,819	779,342,985
Unrestricted	209,704,128	182,199,481
Net position	1,222,234,634	1,157,981,328
Total liabilities, deferred inflows of resources, and net position	\$ 1,295,647,276	\$ 1,235,345,449

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 years ended June 30,</i>	2016	2015
Operating Revenues		
Airfield	\$ 31,809,896	\$ 27,688,088
Terminals	50,070,474	49,165,208
Landside	57,912,911	52,477,405
Auxiliary airports	939,098	852,204
General aviation	2,056,534	2,223,159
Support areas	7,149,854	7,484,591
Other	2,035,050	2,318,083
Operating revenues	151,973,817	142,208,738
Less airline revenue sharing	(10,941,229)	(9,938,626)
Total operating revenues	141,032,588	132,270,112
Operating Expenses		
Airfield	28,358,533	22,546,161
Terminals	37,150,225	32,598,386
Landside	11,237,669	9,788,597
Auxiliary airports	1,746,575	1,370,456
General aviation	996,707	1,112,793
Support areas	1,130,272	958,611
Roads and grounds	6,991,987	5,736,332
Other	2,453,128	2,097,347
Total operating expenses before depreciation	90,065,096	76,208,683
Operating Income Before Depreciation	50,967,492	56,061,429
Depreciation Expense	61,656,896	59,995,105
Operating Loss	(10,689,404)	(3,933,676)
Non-Operating Revenues (Expenses)		
Passenger facility charges	42,805,519	40,976,537
Customer facility charges	15,613,155	15,606,695
Loss on disposition of property and equipment	(488,409)	(551,440)
Interest income	2,782,668	1,788,695
Net increase (decrease) in the fair value of investments	(256)	275,772
Net non-operating income	60,712,677	58,096,259
Capital Contributions		
Contributions and grants, principally Airport Improvement Program	14,228,517	15,126,581
State grants	1,516	21,541
Total capital contributions	14,230,033	15,148,122
Net Position		
Increase in net position	64,253,306	69,310,705
Net Position, beginning of period	1,157,981,328	1,088,670,623
Net Position, end of period	\$ 1,222,234,634	\$ 1,157,981,328

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>	2016	2015
Cash Flows from Operating Activities		
Cash received from providing services	\$ 145,959,471	\$ 139,279,287
Cash paid for services by Salt Lake City Corporation	(7,042,979)	(6,977,802)
Cash paid to suppliers	(39,744,462)	(35,717,434)
Cash paid to employees	(46,775,745)	(45,398,491)
Net cash from operating activities	52,396,285	51,185,560
Cash Flows from Investing Activities		
Cash paid for investments	(13,460,168)	(30,052,037)
Cash proceeds from investments	13,423,406	39,995,748
Interest received on investments	1,683,822	1,843,211
Net cash from investing activities	1,647,060	11,786,922
Cash Flows from Noncapital and Related Financing Activities		
Cash overdraft with Salt Lake City Corporation pooled cash account	(10,043,327)	10,043,327
Net cash (used) from noncapital and related financing activities	(10,043,327)	10,043,327
Cash Flows from Capital and Related Financing Activities		
Purchase of capital equipment	(7,185,135)	(3,905,010)
Payments for acquisition and construction of capital assets	(146,841,039)	(126,880,409)
Passenger facility charges	41,594,312	40,335,823
Interest received on passenger facility charges	860,316	619,467
Customer facility charges	15,578,760	15,432,315
Interest received on customer facility charges	271,063	241,010
Proceeds from sale of capital assets and equipment	332,996	134,498
AIP and federal grants	15,900,315	9,916,115
State grants	1,516	21,541
Net cash (used) for capital and related financing activities	(79,486,896)	(64,084,650)
Net Increase (Decrease) in Cash and Cash Equivalents	(35,486,878)	8,931,159
Cash and Cash Equivalents - Beginning of Year	376,002,617	367,071,458
Cash and Cash Equivalents - End of Year	\$ 340,515,739	\$ 376,002,617

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>	2016	2015
Reconciliation of Operating Loss to Net cash provided by operating activities		
Operating loss	\$ (10,689,404)	\$ (3,933,676)
Adjustments to reconcile loss from operations to net cash provided by operating activities		
Depreciation	61,656,896	59,995,105
Pension benefit	(1,545,342)	(2,243,484)
Increase (decrease) in assets and liabilities		
Accounts receivable	(5,491,732)	(2,455,698)
Other assets	(973,433)	455,504
Deferred outflows	6,614,200	660,925
Accounts payable	(8,431,885)	8,228,241
Accrued compensation	(1,212,428)	136,580
Other liabilities	7,115,405	(4,822)
Net pension liability	5,232,676	(3,678,014)
Deferred inflows	(191,588)	2,128,856
Deposits and advance rentals	562,836	5,741
Net OPEB obligation	(235,690)	(8,212,310)
Pollution remediation	(14,226)	102,612
Net cash provided by operating activities	52,396,285	51,185,560
Schedule of Non-cash Transactions Affecting Net Position		
Capital contributions (Airport Improvement Program)	(1,553,148)	5,210,466
Passenger facility charges (includes interest)	350,891	21,247
Customer facility charges (includes interest)	34,395	174,380
Net increase (decrease) in fair value of investments	(256)	275,772
Loss on disposition of property	(821,405)	(685,939)
Total Noncash Transactions Affecting Net Position	\$ (1,989,523)	\$ 4,995,926

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, 2016 and 2015

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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

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	10-50
Improvements	10-40
Equipment	3-20

No depreciation is provided on construction in progress until construction is complete and the asset is placed in service. In FY 2013 and FY 2016, the Airport changed the estimated lives of some existing buildings, improvements, and other assets to reflect the demolition schedule of the terminal redevelopment program (TRP), resulting in shorter lives and additional annual depreciation expense. This increase in depreciation expense continued in FY 2016, 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 rental car facilities construction projects as part of the TRP. CFC proceeds are recorded as non-operating revenues.

Restricted and Unrestricted Resources – Some Airport construction projects may 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.

Investments – Investments are recorded at fair value in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*. Accordingly, the change in fair value of investments is recognized as an increase or decrease to investment assets and investment income.

Accounts Receivable – An allowance for uncollectible accounts receivable is established by charges to operations for amounts required to maintain an adequate allowance, in management’s judgment, to cover anticipated losses from customer accounts. Such accounts are charged to the allowance when collection appears doubtful. Any subsequent recoveries are credited to the allowance account. As of June 30, 2016 and 2015, 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 \$128,066 in costs for monthly monitoring at both sites including \$14,226 in FY 2016. The liability recorded as of June 30, 2016 is \$176,035. 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 – In addition to assets, financial statements will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time.

Revenue and Expense Recognition – Revenue for services is recognized at the time the service is performed. Revenues from airlines, concessions, rental cars and parking are reported as operating revenues. 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.

Recent Accounting Pronouncements – 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 December 2015, the GASB issued Statement No. 79, *Certain External Investment Pools and Pool Participants*. This statement establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. An external investment pool qualifies for that reporting if it meets all of the applicable criteria established in this

Statement. The specific criteria address (1) how the external investment pool transacts with participants; (2) requirements for portfolio maturity, quality, diversification, and liquidity; and (3) calculation and requirements of a shadow price. Significant noncompliance prevents the external investment pool from measuring all of its investments at amortized cost for financial reporting purposes. If an external investment pool does not meet the criteria established by this Statement, that pool should apply the provisions in paragraph 16 of Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, as amended. Statement 79 is effective for fiscal years 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 March 2016, the GASB issued Statement No. 82, *Pension Issues- An Amendment of GASB Statements 67, 68, and 73*. The statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. Statement 82 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.

NOTE 2 – DEPOSITS AND INVESTMENTS

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

	2016 Fair Value	2015 Fair Value
Deposits		
Petty Cash	\$ 1,650	\$ 1,150
Unrestricted cash in the City's pooled cash account	8,403,847	-
Utah State Treasurer's Investments Pool	328,880,505	372,619,492
Zion's Bank operating accounts	3,229,737	3,381,975
Total	\$ 340,515,739	\$ 376,002,617

The Airport maintains funds in the Salt Lake City Corporation's (City) 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 \$1,489,996 to the fair market value. The Airport's share of the State's investment pool is based on the amount invested.

It is the policy of the City to invest public funds in accordance with the principles of sound treasury management and in compliance with state and local laws, regulations, and other policies governing the investment of public funds, specifically, according to the terms and conditions of the Utah State Money Management Act of 1974 and Rules of the State Money Management Council as currently amended (Act) and the City's own written investment policy. The City may place Airport money in investments/deposits authorized by the Money Management Act (U.C.A. 51-7-11). In general these investments may be placed in the Utah State Public Treasurer's Investment Pool (Pool) subject to restrictions specified in the Act. The Utah Money Management Council oversees the Pool and works in close partnership with the Treasurer's Office, The Attorney General's office, the Utah Department of Financial Institutions and the State of Utah's Division of Securities to oversee public deposits and investments to ensure the safety of public funds in Utah.

Deposits

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, 2016 and 2015, the Airport had deposits with qualified depositories in accordance with the Utah Money Management Act totaling \$3,229,737 and \$3,424,437. Of these amounts, \$500,000 was covered by federal depository insurance. The remaining balances of \$2,729,737 and \$2,924,437 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 \$45,279,819 invested by the Airport, the entire amount was held in the Airport's name by the counterparty and was exposed to custodial credit risk. U.S. Agency notes are guaranteed by the federal government but are uninsured investments.

Fair Value of Investments

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

The Airport has the following recurring fair value measurements as of June 30, 2016;

- U.S. Treasury securities of \$38.3 million are valued using quoted market prices (Level 1 inputs)
- U.S. Agency securities of \$6.9 million are valued using quoted market prices (Level 1 inputs)

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

Debt Securities	Quality Ratings	FY 2016 Fair Value	FY 2015 Fair Value	Maturities (in years)
U.S Agency Notes				
FNMA	AA+/Aaa	\$ 753,397	\$ 10,762,306	1-5
FHLMC	AA+/Aaa	6,187,773	6,540,074	1-5
U.S Treasury Notes	AA+/Aaa	38,338,649	27,794,799	1-5
		<u>\$ 45,279,819</u>	<u>\$ 45,097,179</u>	

NOTE 3 – RESTRICTED OR DESIGNATED CASH AND CASH EQUIVALENTS

Certain cash and cash equivalents are restricted or designated:

- As of June 30, 2016 and 2015, \$120,284,608 and \$120,376,610, respectively, of PFC contributions are restricted for construction projects at the Airport under the PFC Program requirements.
- As of June 30, 2016 and 2015, \$1,756,512 and \$55,392,319, respectively, of CFC contributions are restricted for rental car construction projects at the Airport under the CFC Program requirements.
- As of June 30, 2016 and 2015, \$16,256,567 and \$15,669,333, 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, 2016 and 2015, Airport management designated \$232,497,871 and \$214,660,934, respectively, for future development projects. A portion of the 2016 and 2015 designation includes amounts in current and non-current investments.

NOTE 4 – CAPITAL ASSETS

The following is a summary of transactions affecting capital assets for the year ended June 30, 2016:

	Total June 30, 2015	Additions	Deletions	Total June 30, 2016
Capital Assets that are not depreciated:				
Land	\$ 99,156,549	\$ 190,172	\$ -	\$ 99,346,721
Construction in Progress	185,770,970	151,014,537	(117,172,251)	219,613,256
Total Capital Assets that are not being depreciated	284,927,519	151,204,709	(117,172,251)	318,959,977
Capital Assets that are depreciated:				
Buildings and improvements	1,177,910,127	111,184,492	(11,082,353)	1,278,012,266
Equipment	133,821,404	7,151,185	(1,293,339)	139,679,250
Sub-total	1,311,731,531	118,335,677	(12,375,692)	1,417,691,516
Less accumulated depreciations:				
Buildings and improvements	(721,562,999)	(52,693,340)	10,461,499	(763,794,840)
Equipment	(95,753,066)	(8,963,556)	1,092,788	(103,623,834)
Sub-total	(817,316,065)	(61,656,896)	11,554,287	(867,418,674)
Total Depreciable Capital Assets, net	494,415,466	56,678,781	(821,405)	550,272,842
Total Capital Assets, net	\$ 779,342,985	\$ 207,883,490	\$ (117,993,656)	\$ 869,232,819

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

	Total June 30, 2014	Additions	Deletions	Total June 30, 2015
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 Capital Assets that are not being depreciated	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

NOTE 5 – LIMITED OBLIGATION SPECIAL FACILITY REVENUE BONDS

Delta Air Lines, Inc. (Delta) issued Limited Obligation Special Facility Revenue Bonds (Special Bonds), series 2000, to finance the acquisition and construction of the Delta hangar, marketing, reservation and training center (Delta Facilities) at the Airport. The outstanding balance of the Special Bonds as of June 30, 2016 and 2015 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 6 – COMMITMENTS AND CONTINGENCIES

At June 30, 2016, the Airport was committed to contractors and vendors for approximately \$125,463,262 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 7 – PENSION PLANS

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

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

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

The Utah Retirement Systems (Systems) are established and governed by the respective sections of Title 49 of the Utah Code Annotated 1953, as amended. The Systems' defined benefit plans are amended statutorily by the State Legislature. The Utah State Retirement Office Act in Title 49 provides for the administration of the Systems under the direction of the Utah State Retirement Board, whose members are appointed by the Governor. The Systems are fiduciary funds defined as pension (and other employee benefit) trust funds. Systems is a component unit of the State of Utah. Title 49 of the Utah Code grants the authority to establish and amend the benefit terms.

Systems issues a publicly available financial report that can be obtained by writing Utah Retirement Systems, 560 E. 200 S, Salt Lake City, Utah 84102 or visiting the website: www.urs.org.

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

Summary of Benefits by System

System	Final Average Salary	benefit	Years of service required and/or age eligible for per year of service	Benefit percentage COLA**
Noncontributory System	Highest 3 Years	30 years any age 25 years any age* 20 years age 60* 10 years age 62* 4 years age 65	2.0% per year all years	Up to 4%
Contributory System	Highest 5 years	30 years any age 25 years any age* 20 years age 60* 10 years age 62* 4 years age 65	1.25% per year to June 1975; 2.0% per year July 1975 to present	Up to 4%
Public Safety System	Highest 3 years	20 years age 60 10 years age 62 4 years age 65	2.5% per year up to 20 years; 2.0% per year over 20 years	Up to 2.5% or 4% depending on employer
Tier 2 Public Employees System	Highest 5 years	35 years any age 20 years age 60* 10 years age 62* 4 years age 65	1.5% per year all years	Up to 2.5%
Tier 2 Public Safety and Firefighter System	Highest 5 years	25 years any age 20 years age 60* 10 years age 62* 4 years age 65	1.5% per year all years	Up to 2.5%

* with actuarial reductions

** All post-retirement cost-of-living adjustments are non-compounding and are based on the original benefit except for Judges, which is a compounding benefit. The cost-of-living adjustments are also limited to the actual Consumer Price Index (CPI) increase for the year, although unused CPI increases not met may be carried forward to subsequent years.

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

Utah Retirement Systems

	Employee Paid	Paid by Employer for Employee	Employer Contribution Rate	Employer rate for 401 (k) Plan
Contributory System				
11 Local Government Div - Tier 1	6.00	N/A	14.46	N/A
111 Local Government Div - Tier 2	N/A	N/A	16.67	1.78
Noncontributory System				
15 Local Government Div - Tier 1	N/A	N/A	18.47	N/A
Public Safety System				
Contributory				
122 Tier 2 Defined Benefit Hybrid Public Safety	N/A	N/A	34.92	1.33
Noncontributory				
44 Salt Lake City with 2.5% COLA	N/A	N/A	46.67	N/A
Tier 2 DC Only				
211 Local Government	N/A	N/A	6.69	10.00
222 Public Safety	N/A	N/A	24.25	12.00

Tier 2 rates include a statutory required contribution to finance the unfunded actuarial accrued liability of the Tier 1 plans.

For fiscal year ended June 30, 2016, the employer and employee contributions to the Systems were as follows:

System		Employer Contributions	Employee Contributions
Noncontributory System	\$	3,867,388	N/A
Contributory System		115,561	-
Public Safety System		1,477,445	-
Tier 2 Public Employees System		671,425	-
Tier 2 Public Safety and Firefighter		138,902	-
Tier 2 Defined Contribution Only System		93,607	N/A
Tier 2 Defined Contribution Public Safety and Firefighter System		20,951	N/A
Total Contributions	\$	6,385,279	\$ -

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

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

At June 30, 2016, the Airport reported a net pension asset of \$11,783 and a net pension liability of \$25,465,134.

	Proportionate Share	Net Pension Asset	Net Pension Liability
Noncontributory System	2.58%	\$ -	\$ 14,585,608
Contributory System	2.10%	-	1,477,541
Public Safety System	11.05%	-	9,401,985
Tier 2 Public Employees System	0.69%	1,504	-
Tier 2 Public Safety and Firefighter System	0.70%	10,279	-
		<u>\$ 11,783</u>	<u>\$ 25,465,134</u>

The net pension asset and liability was measured as of December 31, 2015, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2015 and rolled forward using generally accepted actuarial procedures. The proportion of the net pension asset and liability is equal to the ratio of the employer's actual contributions to the Systems during the plan year over the total of all employer contributions to the System during the plan year.

For the year ended June 30, 2016, the Airport recognized pension expense of \$5,400,070.

At June 30, 2016, the Airport 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	\$ 169,641	\$ 855,909
Changes in assumptions	-	1,081,359
Net difference between projected and actual earnings on pension plan invest.	6,668,896	-
Changes in proportion and differences between contributions and proportionate share of contributions	83,057	-
Contributions subsequent to measurement	3,259,588	-
	<u>\$ 10,181,182</u>	<u>\$ 1,937,268</u>

\$3,259,588 reported as deferred outflows of resources related to pensions resulting from contributions by the Airport prior to our fiscal year end, but subsequent to the measurement date of December 31, 2015.

These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended December 31,</u>	<u>Net Deferred Outflows (Inflows) of Resources</u>
2016	1,117,754
2017	1,169,115
2018	1,417,640
2019	1,507,494
2020	(201,403)
Thereafter	(26,274)

Actuarial assumptions: The total pension liability in the December 31, 2015, 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.

Mortality rates were developed from actual experience and mortality tables, based on gender occupation and age, as appropriate, with adjustments for future improvement in mortality based on Scale AA, a model developed by the Society of Actuaries.

The actuarial assumptions used in the January 1, 2015, valuation were based on the results of an actuarial experience study for the five year period ending 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%
Totals	100%		5.23%
		Inflation	2.75%
		Expected Arithmetic Nominal Return	7.98%

The 7.50% 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 Systems 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 (asset) 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:

System		1% Decrease (6.50%)	Discount Rate (7.50%)	1% Increase (8.50%)
Noncontributory System	\$	30,817,941	\$ 14,585,608	\$ 1,034,863
Contributory System		2,602,090	1,477,541	533,430
Public Safety System		14,110,239	9,401,985	5,515,631
Tier 2 Public Employees System		275,808	(1,504)	(211,681)
Tier 2 Public Safety and Firefighter System		17,473	(10,279)	(31,590)
Total	\$	47,823,551	\$ 25,453,351	\$ 6,840,653

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

Defined Contribution Savings Plans

The Defined Contribution Savings Plans are administered by the Utah Retirement Systems Board and are generally supplemental plans to the basic retirement benefits of the Retirement Systems, but may also be used as a primary retirement plan. These plans are voluntary tax-advantaged retirement savings programs authorized under sections 401(k), 457(b), and 408 of the Internal Revenue code. Detailed information regarding plan provisions is available in the separately issued Systems financial report.

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

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

Employee and employer contributions to the Utah Retirement Defined Contribution Savings Plans for the fiscal year ended June 30 were as follows:

	<u>2016</u>	<u>2015</u>	<u>2014</u>
401(k) Plan			
Employer Contributions	\$ 286,481	\$ 237,043	\$ 166,635
Employee Contributions	622,041	620,400	626,072
457 Plan			
Employer Contributions	-	-	-
Employee Contributions	253,495	253,354	224,550
Roth IRA Plan			
Employer Contributions	N/A	N/A	N/A
Employee Contributions	80,573	62,629	49,447
Traditional IRA Plan			
Employer Contributions	N/A	N/A	N/A
Employee Contributions	\$ 3,516	\$ 3,193	\$ 3,103

NOTE 8 – OTHER POSTEMPLOYMENT BENEFITS

Plan Description – In addition to the pension benefits described in Note 6, the City provided postemployment health care and life insurance benefits through a single employer defined benefit plan, to all employees who retire from the City and qualify to retire from the Systems. A life insurance benefit has not been provided for new retirees for several years and, therefore, is a small and shrinking factor in the Plan. The continuing benefits are provided through Salt Lake City Corporation to all employees who retire and qualify to retire from the Utah State Retirement Systems. The 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 terminated as of January 1, 2016.

Funding Policy – The City currently pays for postemployment benefits on a “pay-as-you-go” basis.

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:

	<u>FY 2016</u>	<u>FY 2015</u>	<u>FY 2014</u>
Annual required contribution	\$ 122,944	\$ 527,355	\$ 1,922,000
Interest on net OPEB obligation	6,105	239,140	223,040
Adjustments to annual required contribution	<u>(262,820)</u>	<u>(8,687,140)</u>	<u>(279,040)</u>
Annual OPEB cost (benefit)	(133,771)	(7,920,645)	1,866,000
Contributions made	<u>(101,919)</u>	<u>(291,665)</u>	<u>(302,000)</u>
Increase (decrease) in net OPEB obligation	(235,690)	(8,212,310)	1,564,000
Net OPEB obligations - beginning of year	<u>235,690</u>	<u>8,448,000</u>	<u>6,884,000</u>
Net OPEB obligations - end of year	<u>\$ -</u>	<u>\$ 235,690</u>	<u>\$ 8,448,000</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 (Benefit)</u>	<u>Employer Contributions</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation Fiscal Year Ended</u>
June 30, 2016	\$ (133,771)	\$ 101,919	-76.19%	\$ -
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

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

	<u>FY 2016</u>	<u>FY 2015</u>	<u>FY 2014</u>
Actuarial valuation date	June 30, 2016	June 30, 2015	June 30, 2014
Actuarial accrued liability (AAL)	\$ -	\$ 508,931	\$ 17,930,000
Actuarial value of plan assets	-	-	-
Unfunded actuarial accrued liability (UAAL)	\$ -	\$ 508,931	\$ 17,930,000
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
UAAL as a percentage of covered payroll	0.00%	1.68%	60.27%

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, 2016, 2015, and 2014.

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 2016 actuarial valuation, the forecasted unit credit method was used. The actuarial assumptions included a 3.5% investment rate of return (net of administrative expenses) The actuarial value of assets was not determined as the City has not advance funded its obligation.

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 9 – OPERATING REVENUES

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

	2016		2015	
	Amount	Percent	Amount	Percent
Airline revenues	\$ 62,454,050	44.3%	\$ 59,419,828	45.0%
Less: Airline revenue sharing	(10,941,229)	-7.8%	(9,938,626)	-7.5%
Concession and other rental revenues	86,723,999	61.5%	80,243,810	60.7%
State aviation fuel tax	2,795,768	2.0%	2,545,100	1.8%
Total operating revenues	\$ 141,032,588	100.0%	\$ 132,270,112	100.0%

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

	2016	2015
Terminal space rentals	\$ 28,499,779	\$ 29,020,167
Landing fees	27,022,930	23,198,602
Aircraft remain overnight fees	258,250	224,600
Support buildings	4,314,313	4,879,154
Fuel farm	528,089	528,089
Passenger boarding bridge fees	1,830,689	1,569,216
Total	\$ 62,454,050	\$ 59,419,828

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:

	2016	2015
Car rental agencies	\$ 22,142,192	\$ 19,340,855
Auto parking facilities	33,408,537	31,117,005
Other airport facilities	30,858,719	29,466,895
Total	\$ 86,409,448	\$ 79,924,755

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

Year Ending June 30:

2017	\$ 44,821,330
2018	43,508,554
2019	40,784,551
2020	35,861,457
2021	35,691,974
2022-2026	125,421,024
2027-2031	10,241,408
2032-2036	4,304,547
2037-2041	2,524,750
Thereafter	934,225
Total	\$ 344,093,820

NOTE 10 – LONG-TERM LIABILITY ACTIVITY

Long-term liability activity for the year ended June 30, 2016 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Accrued compensation	\$ 5,766,016	\$ 3,671,492	\$ (3,354,369)	\$ 6,083,139	\$ 2,454,016
Net OPEB obligation	235,690	-	(235,690)	-	-
Net pension liability	20,232,458	5,232,676	-	25,465,134	-
Other long-term liabilities	2,432,688	3,733,850	(2,060,704)	4,105,834	2,054,805
Total long-term liabilities	\$ 28,666,852	\$ 12,638,018	\$ (5,650,763)	\$ 35,654,107	\$ 4,508,821

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Accrued compensation	\$ 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
Total long-term liabilities	\$ 14,436,578	\$25,772,001	\$(11,541,727)	\$ 28,666,852	\$ 2,407,202

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:

	2016	2015
General and administrative charges	\$ 2,446,073	\$ 2,429,895
Aircraft rescue and fire fighting services	4,596,906	4,314,039
Total	\$ 7,042,979	\$ 6,743,934

NOTE 12 – MAJOR CUSTOMER

The Airport received approximately \$29,880,704 (21.19%) of its operating revenue during 2016 and \$26,505,185 (20.4%) during 2015 from rentals and services provided to one airline.

NOTE 13 – SUBSEQUENT EVENTS

On September 14, 2016, the Airport received Signatory Airline approval of an increased budget of \$355 million to the TRP as required by the Airline Use Agreement dated July 1, 2014.

**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
For the Year Ended June 30:

<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, 2016	\$ -	\$ -	\$ -	0%	\$ -	0.00%
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%

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
December 31, 2015
Last 10 Fiscal Years *

Noncontributory System	2016	2015
Proportion of the net pension liability	2.58%	2.53%
Proportionate share of the net pension liability	\$14,585,608	\$10,985,264
Covered employee payroll	21,247,184	21,136,703
Proportionate share of the net pension liability as a percentage of its covered-employee payroll	68.6%	52.0%
Plan fiduciary net position as a percentage of the total pension liability	90.2%	90.2%
Contributory Retirement System	2016	2015
Proportion of the net pension liability	2.1%	2.62%
Proportionate share of the net pension liability	\$ 1,477,541	\$ 757,119
Covered employee payroll	895,733	1,404,853
Proportionate share of the net pension liability as a percentage of its covered-employee payroll	165.0%	53.9%
Plan fiduciary net position as a percentage of the total pension liability	94.0%	94.0%
Public Safety System	2016	2015
Proportion of the net pension liability	11.05%	11.65%
Proportionate share of the net pension liability	\$ 9,401,985	\$ 8,490,076
Covered employee payroll	3,157,535	3,291,629
Proportionate share of the net pension liability as a percentage of its covered-employee payroll	297.8%	257.9%
Plan fiduciary net position as a percentage of the total pension liability	76.7%	76.7%

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

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
December 31, 2015
Last 10 Fiscal Years *

Tier 2 Public Employees System	2016	2015
Proportion of the net pension liability (asset)	0.69%	0.80%
Proportionate share of the net pension liability (asset)	\$ (1,504)	\$ (24,140)
Covered employee payroll	4,451,591	3,908,741
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.0%	-0.6%
Plan fiduciary net position as a percentage of the total pension liability	103.5%	103.5%
Tier 2 Public Safety and Firefighter System	2016	2015
Proportion of the net pension liability (asset)	0.7%	1.0%
Proportionate share of the net pension liability (asset)	\$ (10,279)	\$ (15,414)
Covered employee payroll	418,681	430,894
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-2.5%	-3.6%
Plan fiduciary net position as a percentage of the total pension liability	120.5%	120.5%

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

SALT LAKE CITY DEPARTMENT OF AIRPORTS
(An Enterprise Fund of Salt Lake City Corporation)
Schedule of Required Supplementary Information
Schedule of Contributions
June 30, 2016
Last 10 Fiscal Years *

Noncontributory System		2016	2015
Actuarial determined contributions	\$	3,867,388	\$ 4,073,284
Contributions in relation to the contractually required contribution		(3,867,388)	(4,073,284)
Contribution deficiency		-	-
Covered employee payroll		22,734,677	21,045,633
Contributions as a percentage of covered-employee payroll		17.8%	19.4%
Contributory Retirement System		2016	2015
Actuarial determined contributions	\$	115,561	\$ 185,747
Contributions in relation to the contractually required contribution		(115,561)	(185,747)
Contribution deficiency		-	-
Covered employee payroll		958,442	1,398,800
Contributions as a percentage of covered-employee payroll		12.5%	13.3%
Public Safety System		2016	2015
Actuarial determined contributions	\$	1,477,445	\$ 1,574,167
Contributions in relation to the contractually required contribution		(1,477,445)	(1,574,167)
Contribution deficiency		-	-
Covered employee payroll		3,378,590	3,277,446
Contributions as a percentage of covered-employee payroll		45.1%	48.0%

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

SALT LAKE CITY DEPARTMENT OF AIRPORTS
(An Enterprise Fund of Salt Lake City Corporation)
Schedule of Required Supplementary Information
Schedule of Contributions
June 30, 2016
Last 10 Fiscal Years **

Tier 2 Public Employee System*	2016	2015
Actuarial determined contributions	\$ 671,425	\$ 368,683
Contributions in relation to the contractually required contribution	(671,425)	(368,683)
Contribution deficiency	-	-
Covered employee payroll	4,763,243	3,891,900
Contributions as a percentage of covered-employee payroll	13.5%	9.5%
Tier 2 Public Safety and Firefighter System*	2016	2015
Actuarial determined contributions	\$ 138,902	\$ 54,469
Contributions in relation to the contractually required contribution	(138,902)	(54,469)
Contribution deficiency	-	-
Covered employee payroll	447,992	429,037
Contributions as a percentage of covered-employee payroll	24.1%	12.7%
Tier 2 Public Employees DC Only System*	2016	2015
Actuarial determined contributions	\$ 93,607	\$ -
Contributions in relation to the contractually required contribution	(93,607)	-
Contribution deficiency	-	-
Covered employee payroll	4,763,243	-
Contributions as a percentage of covered-employee payroll	13.5%	0.0%

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

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

SALT LAKE CITY DEPARTMENT OF AIRPORTS
(An Enterprise Fund of Salt Lake City Corporation)
Schedule of Required Supplementary Information
Schedule of Contributions
June 30, 2016
Last 10 Fiscal Years **

Tier 2 Public Safety and Firefighter DC Only System*	2016	2015
Actuarial determined contributions	\$ 20,951	\$ -
Contributions in relation to the contractually required contribution	(20,951)	-
Contribution deficiency	-	-
Covered employee payroll	447,992	-
Contributions as a percentage of covered-employee payroll	24.1%	0.0%

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

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

SALT LAKE CITY DEPARTMENT OF AIRPORTS
(An Enterprise Fund of Salt Lake City Corporation)
Notes to Required Supplementary Information
For Fiscal Year Ended June 30, 2016

Changes in Assumptions:

The following assumption changes were adopted from the most recent actuarial experience study. There was a decrease in the wage inflation assumption for all employee groups from 3.75% to 3.50%. Also there was a modification to the rate of salary increases for most groups. The payroll growth assumption was decreased from 3.5% to 3.25%. There was an improvement in the post retirement mortality assumption for female educators and minor adjustments to the pre retirement mortality assumption.

There were additional changes to certain demographic assumptions that generally resulted in: (1) more members are anticipated to terminate employment prior to retirement, (2) slightly fewer members are expected to become disabled, and (3) members are expected to retire at a slightly later age.

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.

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

SALT LAKE CITY DEPARTMENT OF AIRPORTS

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

	<u>2016</u>	<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>
Net Position										
Invested in capital assets - net of debt	\$ 869,232,819	\$ 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
Restricted	143,297,687	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
Unrestricted	<u>209,704,128</u>	<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>
Total Net Position	<u>\$1,222,234,634</u>	<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>

* Balance has not been restated for GASB 68

SALT LAKE CITY DEPARTMENT OF AIRPORTS

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

For the twelve month period ended June 30,

	2016	2015	2014	2013	2012
Operating Revenues					
Airfield	\$ 31,809,896	\$ 27,688,088	\$ 28,986,244	\$ 27,533,052	\$ 27,360,062
Terminals	50,070,474	49,165,208	45,732,747	45,410,572	42,580,560
Landside	57,912,911	52,477,405	49,064,037	48,119,056	45,110,330
Auxiliary airports	939,098	852,204	736,231	721,141	670,645
General aviation	2,056,534	2,223,159	2,089,127	2,028,469	2,097,232
Support areas	7,149,854	7,484,591	7,486,374	7,421,130	7,098,323
Other	2,035,050	2,318,083	3,194,765	2,635,709	2,550,590
Operating revenues	151,973,817	142,208,738	137,289,525	133,869,129	127,467,742
Less: Airline revenue sharing	(10,941,229)	(9,938,626)	(10,290,299)	(10,013,679)	(10,007,605)
Total operating revenues	141,032,588	132,270,112	126,999,226	123,855,450	117,460,137
Operating Expenses					
Airfield	28,358,533	22,546,161	27,040,934	25,848,088	25,680,150
Terminals	37,150,225	32,598,386	36,795,761	38,904,486	37,776,228
Landside	11,237,669	9,788,597	11,813,344	11,311,729	9,608,951
Auxiliary airports	1,746,575	1,370,456	1,575,915	1,500,433	1,699,831
General aviation	996,707	1,112,793	1,124,905	1,064,049	1,266,518
Support areas	1,130,272	958,611	1,039,306	1,019,395	944,635
Roads and grounds	6,991,987	5,736,332	6,000,384	5,679,770	5,667,708
Other	2,453,128	2,097,347	2,224,552	2,142,776	1,915,418
Total operating expenses before depreciation	90,065,096	76,208,683	87,615,101	87,470,726	84,559,439
Operating Income Before Depreciation	50,967,492	56,061,429	39,384,125	36,384,724	32,900,698
Depreciation	61,656,896	59,995,105	59,027,448	57,127,603	49,802,772
Operating Loss	(10,689,404)	(3,933,676)	(19,643,323)	(20,742,879)	(16,902,074)
Non-operating Revenues (Expenses)					
Passenger Facility Charges	42,805,519	40,976,537	38,437,248	37,534,715	37,190,302
Customer Facility Charges	15,613,155	15,606,695	14,848,663	14,308,670	11,203,789
Net Bond interest expense	-	-	-	-	-
Loss on disposition of property and equipment	(488,409)	(551,440)	(124,946)	(1,946,568)	(17,057)
Interest	2,782,668	1,788,695	1,964,326	1,814,881	1,818,745
Increase (decrease) in the fair value of investments	(256)	275,772	1,566,019	(1,448,365)	127,020
Net non-operating revenue (expense)	60,712,677	58,096,259	56,691,310	50,263,333	50,322,799
Capital Contributions	14,230,033	15,148,122	17,916,389	22,558,966	14,789,323
Net Position					
Increase in Net Position	64,253,306	69,310,705	54,964,376	52,079,420	48,210,048
Net Position, Beginning of Period	1,157,981,328	1,088,670,623	1,054,704,509*	1,002,625,089*	954,415,040*
Net Position, End of Period	\$ 1,222,234,634	\$ 1,157,981,328	\$ 1,109,668,885*	\$ 1,054,704,509*	\$ 1,002,625,088*

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 Last Ten Fiscal Years

<i>For the twelve month period ended June 30,</i>	2011	2010	2009	2008	2007
Operating Revenues					
Airfield	\$ 26,790,645	\$ 17,830,841	\$ 17,576,572	\$ 17,041,231	\$ 17,447,036
Terminals	42,746,010	39,333,123	38,715,525	40,780,653	39,186,737
Landside	42,339,341	39,106,339	40,705,508	42,019,377	38,564,113
Auxiliary airports	631,234	595,416	647,640	597,301	481,292
General aviation	1,888,594	1,792,187	1,767,020	1,751,666	1,731,062
Support areas	6,924,048	6,840,304	6,758,534	6,656,579	6,296,655
Other	2,341,446	1,999,331	2,069,865	1,878,650	1,721,453
Operating revenues	123,661,318	107,497,541	108,240,664	110,725,457	105,428,348
Less: Airline revenue sharing	(10,284,613)	-	-	-	-
Total operating revenues	113,376,705	107,497,541	108,240,664	110,725,457	105,428,348
Operating Expenses					
Airfield	24,928,820	23,113,848	23,046,623	23,759,267	21,956,091
Terminals	37,086,995	37,244,771	36,225,604	33,560,092	30,783,170
Landside	10,706,997	9,474,984	10,726,598	9,234,475	9,125,939
Auxiliary airports	1,476,851	1,442,239	1,322,687	2,226,838	1,590,148
General aviation	1,031,487	1,498,930	1,111,004	1,199,764	1,165,358
Support areas	1,037,924	1,171,870	1,301,920	1,416,904	1,318,534
Roads and grounds	5,567,870	5,519,039	6,161,016	4,841,807	4,259,840
Other	2,279,990	544,962	706,120	862,730	322,070
Total operating expenses before depreciation	84,116,934	80,010,643	80,601,572	77,101,877	70,521,150
Operating Income Before Depreciation	29,259,771	27,486,898	27,639,092	33,623,580	34,907,198
Depreciation	50,438,401	49,576,610	49,234,710	48,343,878	40,738,185
Operating Loss	(21,178,630)	(22,089,712)	(21,595,618)	(14,720,298)	(5,830,987)
Non-operating Revenues (Expenses)					
Passenger Facility Charges	38,485,478	37,558,105	36,322,763	40,061,013	41,020,327
Customer Facility Charges	-	-	-	-	-
Net Bond interest expense	-	-	-	(7,850,696)	(2,584,929)
Loss on disposition of property and equipment	(767,374)	(4,855,543)	(129,458)	(1,327,215)	(5,265,537)
Interest	1,903,536	1,723,269	3,664,984	7,463,453	8,374,123
Increase in the fair value of investments	-	-	-	-	-
Net non-operating revenue (expense)	39,621,640	34,425,831	39,858,289	38,346,555	41,543,984
Capital Contributions	19,340,081	16,148,819	9,424,739	8,207,756	26,957,341
Net Position					
Increase in Net Position	37,783,091	28,484,938	27,687,410	31,834,013	62,670,338
Net Position, Beginning of Period	916,631,949*	888,147,011*	860,459,600*	828,625,587*	765,955,251*
Net Position, End of Period	\$ 954,415,040*	\$ 916,631,949*	\$ 888,147,010*	\$ 860,459,600*	\$ 828,625,589*

Source: Salt Lake City Department of Airports Audited Financial Statements

*Balance has not been restated for GASB 68.

SALT LAKE CITY DEPARTMENT OF AIRPORTS

CASH FLOW TREND

Last Ten Fiscal Years

	2016	2015	2014	2013	2012
Cash Flows from Operating Activities					
Cash received from providing services	\$ 145,959,471	\$ 139,279,287	\$ 135,718,828	\$ 129,242,964	\$ 112,979,420
Cash paid for services by Salt Lake City	(7,042,979)	(6,977,802)	(7,059,597)	(7,030,843)	(7,132,893)
Cash paid to suppliers	(39,744,462)	(35,717,434)	(39,568,428)	(40,752,838)	(40,583,394)
Cash paid to employees	(46,775,745)	(45,398,491)	(43,762,922)	(42,179,874)	(40,340,107)
Net cash from operating activities	52,396,285	51,185,560	45,327,881	39,279,409	24,923,026
Cash Flows from Investing Activities					
Interest received on investments/Paid for investments	1,647,060	11,786,922	13,384,575	(45,951,302)	29,420,153
Net cash from investing activities	1,647,060	11,786,922	13,384,575	(45,951,302)	29,420,153
Cash Flows from Noncapital and Related Financing Activities					
Cash overdraft with City pooled cash account	(10,043,327)	10,043,327	-	-	-
Net cash from noncapital and related financing activities	(10,043,327)	10,043,327	-	-	-
Cash Flows from Capital and Related Financing Activities					
Purchase of capital equipment	(7,185,135)	(3,905,010)	(2,546,300)	(2,367,263)	(2,212,323)
Payments for acquisition and construction of capital assets	(146,841,039)	(126,880,409)	(68,076,707)	(43,333,038)	(30,795,215)
Passenger Facility Charges	41,594,312	40,335,823	38,569,377	36,599,231	37,003,305
Interest received on Passenger Facility Charges	860,316	619,467	526,466	497,953	352,494
Customer Facility Charges	15,578,760	15,432,315	15,310,554	14,465,461	10,012,992
Interest received on Customer Facility Charges	271,063	241,010	252,678	106,216	31,941
Proceeds from sale of property	332,996	134,498	29,243	204,164	209,986
Airport improvement grants	15,900,315	9,916,115	25,194,792	18,119,410	11,000,072
State grants	1,516	21,541	11,876	30,516	-
Net cash from capital and related financing activities	(79,486,896)	(64,084,650)	9,271,979	24,322,650	25,603,252
Net Increase (Decrease) in Cash and Cash Equivalents	(35,486,878)	8,931,159	67,984,435	17,650,757	79,946,431
Cash and Cash Equivalents - Beginning of Year	376,002,617	367,071,458	299,087,023	281,436,266	201,489,835
Cash and Cash Equivalents - End of Year	\$ 340,515,739	\$ 376,002,617	\$ 367,071,458	\$ 299,087,023	\$ 281,436,266

Source: Salt Lake City Department of Airports Audited Financial Statements

SALT LAKE CITY DEPARTMENT OF AIRPORTS

CASH FLOW TREND
Continued Last Ten Fiscal Years

	2011	2010	2009	2008	2007
Cash Flows from Operating Activities					
Cash received from providing services	\$ 113,613,165	\$ 107,585,920	\$ 110,945,787	\$ 111,482,289	\$ 104,474,589
Cash paid for services by Salt Lake City	(7,630,335)	(7,202,599)	(7,086,753)	(6,749,952)	(7,268,085)
Cash paid to suppliers	(35,003,496)	(31,178,327)	(33,507,538)	(32,073,630)	(27,395,493)
Cash paid to employees	(40,762,473)	(41,730,706)	(41,698,230)	(38,446,997)	(37,852,966)
Net cash from operating activities	30,216,861	27,474,288	28,653,266	34,211,710	31,958,045
Cash Flows from Investing Activities					
Interest received on investments/Paid for investments	(43,761,684)	1,723,269	3,249,138	7,463,732	8,374,123
Net cash from investing activities	(43,761,684)	1,723,269	3,249,138	7,463,732	8,374,123
Cash Flows from Capital and Related Financing Activities					
Purchase of capital equipment	(4,589,898)	(6,909,592)	(11,515,550)	(4,583,710)	(4,375,748)
Payments for acquisition and construction of capital assets	(43,567,549)	(39,180,702)	(37,714,812)	(75,971,706)	(65,812,694)
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)
Interest paid on bonds	-	-	-	(1,932,004)	(2,036,169)
Passenger Facility Charges	38,434,658	37,455,195	36,136,068	40,849,829	40,066,631
Interest received on Passenger Facility Charges	127,273	29,770	66,599	184,354	176,488
Proceeds from sale of property	242,179	550,611	197,759	616,409	117,675
Airport improvement grants	21,999,588	13,271,790	10,130,491	12,228,683	24,457,730
State grants	1,235	65,789	297,502	202,498	83,520
Net cash from capital and related financing activities	12,647,486	5,282,861	(2,401,943)	(83,353,605)	(15,108,047)
Net Increase (Decrease) in Cash and Cash Equivalents	(897,337)	34,480,418	29,500,461	(41,678,163)	25,224,121
Cash and Cash Equivalents - Beginning of Year	202,387,172	167,906,754	138,406,294	180,084,457	154,860,335
Cash and Cash Equivalents - End of Year	\$ 201,489,835	\$ 202,387,172	\$ 167,906,755	\$ 138,406,294	\$ 180,084,456

Source: Salt Lake City Department of Airports Audited Financial Statements

SALT LAKE CITY DEPARTMENT OF AIRPORTS

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

(in thousands)

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				
2016	\$ 141,033	\$ 27,023	\$ 17,559	\$ 6,931	\$ 22,142	\$ 33,409	\$ 30,859	\$ 3,110
2015	132,270	23,199	19,082	7,200	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

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 2016				FY 2015				FY 2014			
	Landing Fees	% of Total	Rents	% of Total	Landing Fees	% of Total	Rents	% of Total	Landing Fees	% of Total	Rents	% of Total
Alaska	\$ 964,887	3.6%	\$ 1,066,971	3.8%	\$ 883,199	3.8%	\$ 713,901	2.4%	\$ 168,097	0.7%	\$ 223,773	0.8%
American*	1,713,222	6.3%	1,332,896	4.8%	815,279	3.5%	872,795	3.0%	814,017	3.2%	728,831	2.7%
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	17,576,910	65.1%	21,242,431	76.2%	14,785,876	63.7%	22,152,503	75.5%	18,163,390	72.0%	20,115,735	75.7%
Frontier	377,232	1.4%	352,437	1.3%	420,253	1.8%	428,313	1.5%	620,397	2.5%	537,409	2.0%
JetBlue	472,074	1.7%	300,714	1.1%	393,071	1.7%	367,856	1.3%	346,375	1.4%	389,244	1.5%
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%	-	0.0%	-	0.0%	34,477	0.1%
Southwest	2,434,577	9.0%	2,454,134	8.8%	2,105,315	9.1%	2,791,697	9.5%	2,894,809	11.5%	2,611,600	9.8%
TWA	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
United	1,204,677	4.5%	1,102,739	4.0%	943,503	4.1%	1,242,081	4.2%	1,010,114	4.0%	1,212,695	4.6%
US Airways*	-	0.0%	-	0.0%	746,796	3.2%	758,756	2.6%	785,109	3.1%	578,730	2.2%
Other (Charter, Cargo & Commuter)	2,279,351	8.4%	-	0.0%	2,105,310	9.1%	-	0.0%	427,213	1.6%	150,709	0.6%
Totals:	\$ 27,022,930	100.0%	\$ 27,852,322	100.0%	\$ 23,198,602	100.0%	\$ 29,327,902	100.0%	\$ 25,229,521	100.0%	\$ 26,583,203	100.0%

Airline	FY 2013				FY 2012			
	Landing Fees	% of Total	Rents	% of Total	Landing Fees	% of Total	Rents	% of Total
Alaska	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%
American	614,990	2.6%	641,617	2.3%	644,786	2.8%	647,812	2.4%
Atlantic Southeast	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Continental	-	0.0%	0	0.0%	226,801	1.0%	269,963	1.0%
Delta	16,124,564	68.1%	21,141,310	77.3%	15,690,656	68.0%	21,076,035	77.1%
Frontier	453,303	1.9%	429,066	1.6%	437,767	1.9%	417,372	1.5%
JetBlue	320,445	1.4%	392,074	1.4%	399,400	1.7%	379,479	1.4%
Northwest	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Shuttle America	-	0.0%	-	0.0%	-	0.0%	-	0.0%
SkyWest	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Southwest	2,727,311	11.5%	2,739,943	10.0%	2,897,047	12.6%	2,776,427	10.2%
TWA	-	0.0%	-	0.0%	-	0.0%	-	0.0%
United	919,057	3.9%	1,281,770	4.7%	725,102	3.1%	1,062,153	3.9%
US Airways	600,890	2.5%	585,931	2.1%	502,412	2.2%	571,381	2.1%
Other (Charter, Cargo & Commuter)	1,901,230	8.1%	140,406	0.6%	1,535,446	6.7%	137,649	0.4%
Totals:	\$ 23,661,790	100.0%	\$ 27,352,117	100.0%	\$ 23,059,417	100.0%	\$ 27,338,271	100.0%

Source: Salt Lake City Department of Airports Revenue System

*During FY 2016, US Airways merged with American Airlines

SALT LAKE CITY DEPARTMENT OF AIRPORTS

**MAJOR REVENUE SOURCES
LAST TEN FISCAL YEARS**

Continued

Airline	FY 2011				FY 2010				FY 2009			
	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	521,885	2.4%	656,853	2.4%	321,684	2.4%	720,244	3.0%	309,112	2.3%	622,671	2.8%
Atlantic Southeast	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Continental	203,134	0.9%	274,802	1.0%	111,120	0.8%	255,330	1.1%	114,010	0.8%	349,000	1.6%
Delta	8,806,571	39.9%	20,957,229	76.5%	4,675,304	34.5%	17,948,842	75.0%	4,796,034	35.5%	13,253,648	59.1%
Frontier	345,312	1.6%	426,147	1.6%	262,797	1.9%	360,100	1.5%	316,103	2.3%	331,059	1.5%
JetBlue	338,306	1.5%	422,451	1.5%	182,660	1.3%	365,380	1.5%	266,547	2.0%	351,455	1.6%
Northwest	784,714	3.6%	-	0.0%	583,453	4.3%	36,757	0.2%	221,680	1.6%	239,723	1.1%
Shuttle America	100,655	0.5%	-	0.0%	30,427	0.2%	-	0.0%	-	0.0%	-	0.0%
SkyWest	5,860,938	26.5%	-	0.0%	3,959,249	29.2%	27,926	0.1%	3,639,573	26.9%	3,358,689	15.0%
Southwest	2,802,150	12.7%	2,874,872	10.5%	1,767,067	13.1%	2,505,123	10.5%	2,042,372	15.1%	2,369,707	10.6%
TWA	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
United	587,626	2.7%	1,098,258	4.0%	393,347	2.9%	956,268	4.0%	438,887	3.2%	1,057,553	4.7%
US Airways	410,462	1.9%	574,250	2.1%	228,532	1.7%	558,294	2.3%	234,914	1.7%	491,721	2.0%
Other (Charter, Cargo & Commuter)	1,330,151	5.8%	122,259	0.4%	1,024,942	7.7%	196,529	0.8%	1,149,067	8.6%	10,170	0.0%
Totals:	\$ 22,091,904	100.0%	\$ 27,407,121	100.0%	\$ 13,540,584	100.0%	\$ 23,930,793	100.0%	\$ 13,528,299	100.0%	\$ 22,435,396	100.0%

Airline	FY 2008				FY 2007			
	Landing Fees	% of Total	Rents	% of Total	Landing Fees	% of Total	Rents	% of Total
Alaska	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%
American	273,576	2.1%	601,007	2.6%	268,498	2.2%	585,786	2.5%
Atlantic Southeast	-	0.0%	-	0.0%	315,902	2.6%	223,400	1.0%
Continental	130,215	1.0%	419,583	1.8%	103,520	0.8%	324,775	1.4%
Delta	4,749,080	36.8%	13,883,108	59.1%	4,520,674	36.6%	13,618,173	58.4%
Frontier	266,190	2.1%	348,706	1.5%	235,938	1.9%	330,086	1.4%
JetBlue	265,025	2.1%	414,555	1.8%	141,372	1.1%	236,684	1.0%
Northwest	140,869	1.1%	491,997	2.1%	140,110	1.1%	489,942	2.1%
Shuttle America	-	0.0%	-	0.0%	75,390	0.6%	228,655	1.0%
SkyWest	3,684,705	28.6%	2,996,161	12.8%	3,163,080	25.6%	2,696,222	11.6%
Southwest	1,782,140	13.8%	2,531,227	10.8%	1,547,876	12.5%	2,554,391	11.0%
TWA	-	0.0%	-	0.0%	-	0.0%	-	0.0%
United	251,523	2.0%	1,249,146	5.3%	262,188	2.1%	1,172,425	5.0%
US Airways	252,120	2.0%	526,310	2.1%	204,873	1.7%	416,988	1.8%
Other (Charter, Cargo & Commuter)	1,093,107	8.4%	29,650	0.1%	1,372,948	11.2%	427,979	1.8%
Totals:	\$ 12,888,550	100.0%	\$ 23,491,450	100.0%	\$ 12,352,369	100.0%	\$ 23,305,506	100.0%

Source: Salt Lake City Department of Airports Revenue System

SALT LAKE CITY DEPARTMENT OF AIRPORTS

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

Ratio of Bond Debt Service to Total Operating Expenses

General Revenue bonds

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Principal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,650,000
Interest	-	-	-	-	-	-	-	-	-	2,584,929
Total Debt Service	\$ -	\$ 5,234,929								
Total Operating Expenses	\$ 90,065,096	\$ 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
Ratio of Bond Debt Service to Total Operating Expenses	0%	7.4%								

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

Total Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,234,929
Enplaned passengers	11,293,011	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
Debt Service per Enplaned Passenger	\$ -	\$ 0.48								

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

Outstanding debt										
2004A series	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 29,500,000
2004B series	-	-	-	-	-	-	-	-	-	22,650,000
2001 series	-	-	-	-	-	-	-	-	-	-
2000A series	-	-	-	-	-	-	-	-	-	-
1993C series	-	-	-	-	-	-	-	-	-	-
1993Bb series	-	-	-	-	-	-	-	-	-	-
1993A series	-	-	-	-	-	-	-	-	-	-
Total Outstanding debt	\$ -	\$ 52,150,000								
Enplaned Passengers	11,293,011	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
Outstanding Debt per Enplaned Passenger	\$ -	\$ 4.77								

Note: In fiscal year 2008, the Airport voluntarily paid off the 2004A series and the 2004B series bonds.

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

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

Fiscal Year Ended June 30,	Population (1)	Personal Income (amounts expressed in thousands) (2)	Per Capita Personal Income (2)(4)	Number of residents 18 years and older (1)	Unemployment Rate (3)
2016	192,672	unavailable	unavailable	unavailable	3.9%
2015	190,884	5,688,916	29,803	148,684	3.7%
2014	191,180	5,939,007	31,065	148,165	4.2%
2013	189,314	5,192,883	27,430	147,718	5.0%
2012	188,010	4,914,957	26,142	147,172	6.0%
2011	186,440	4,142,137	22,217	144,406	7.6%
2010	183,102	4,967,557	27,130	140,959	7.1%
2009	180,772	4,822,455	26,677	140,130	5.4%
2008	178,810	4,384,242	24,519	138,773	3.4%
2007	178,965	4,404,150	24,609	138,773	2.8%

Sources:

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

SALT LAKE CITY DEPARTMENT OF AIRPORTS

Utah Principal Employers

Last Ten Fiscal Years

June 30, 2016

Employer	Number of Employees	Rank	Percent of all Employees
Intermountain Health Care	20,000	1	13.16%
University of Utah (Including Hospital)	20,000	2	13.16%
State of Utah	20,000	3	13.16%
Brigham Young University	20,000	4	13.16%
Walmart	20,000	5	13.16%
Hill Air Force Base	15,000	6	9.87%
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	4.59%
Total Employees of Principal Employers	152,000		100.00%

June 30, 2015

Employer	Number of Employees	Rank	Percent of all Employees
Intermountain Health Care	20,000	1	13.16%
University of Utah (Including Hospital)	20,000	2	13.16%
State of Utah	20,000	3	13.16%
Brigham Young University	20,000	4	13.16%
Walmart	20,000	5	13.16%
Hill Air Force Base	15,000	6	9.87%
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	4.59%
Total Employees of Principal Employers	152,000		100.00%

June 30, 2014

Employer	Number of Employees	Rank	Percent of all Employees
Intermountain Health Care	20,000	1	13.16%
University of Utah (Including Hospital)	20,000	2	13.16%
State of Utah	20,000	3	13.16%
Brigham Young University	20,000	4	13.16%
Walmart	20,000	5	13.16%
Hill Air Force Base	15,000	6	9.87%
Davis County School District	10,000	7	6.58%
Granite School District	10,000	8	6.58%
Utah State University	10,000	9	6.58%
Smith's Food and Drug	7,000	10	4.59%
Total Employees of Principal Employers	152,000		100.00%

June 30, 2013

Employer	Number of Employees	Rank	Percent of all Employees
Intermountain Health Care	20,000	1	13.16%
State of Utah	20,000	2	13.16%
University of Utah (Including Hospital)	20,000	3	13.16%
Brigham Young University	20,000	4	13.16%
Walmart	20,000	5	13.16%
Hill Air Force Base	15,000	6	9.87%
Davis County School District	10,000	7	6.58%
Granite School District	10,000	8	6.58%
U.S. Department of Treasury	10,000	9	6.58%
Smith's Food and Drug	7,000	10	4.59%
Total Employees of Principal Employers	152,000		100.00%

June 30, 2012

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

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

SALT LAKE CITY DEPARTMENT OF AIRPORTS

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

June 30, 2011

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

June 30, 2010

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

June 30, 2009

Employer	Number of Employees	Rank	Percent of all Employees
University of Utah	15,000	1	30.49%
State of Utah	9,000	2	18.29%
Intermountain Health Care	7,000	3	14.23%
L3 Communications Systems West	3,200	4	6.50%
Salt Lake City School District	3,300	5	6.71%
Salt Lake City Corporation	2,900	6	5.89%
U.S. Post Office	2,600	7	5.28%
Skywest Airlines	2,400	8	4.88%
ARUP	2,300	9	4.67%
O.C. Tanner	1,500	10	3.06%
Total Employees of Principal Employers	49,200		100.00%

June 30, 2008

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

June 30, 2007

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

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

SALT LAKE CITY DEPARTMENT OF AIRPORTS

AIRPORT EMPLOYEE STATISTICS

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

<u>Fiscal Year</u>	<u>Director's Office</u>	<u>Public Relations</u>	<u>Planning & Capital Programming</u>	<u>Finance & Accounting</u>	<u>Admin & Commercial Services</u>	<u>Information Technology</u>	<u>Engineering</u>	<u>Maintenance</u>	<u>Operations</u>	<u>Total</u>
2016	6	2	8	20	13	25	25	221	191	511
2015	6	2	8	19	13	25	25	215	193	506
2014	5	2	8	21	14	25	29	217	200	521
2013	5	1	8	21	12	24	29	213	202	515
2012	5	1	9	20	12	23	29	202	192	493
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

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	Total Operating Expense	Personnel Services	Utilities	Operational Maintenance Supplies	Salt Lake City Administration	Fire Services	Charges/ Services/ Fees
2016	\$ 90,065	\$ 45,096	\$ 6,175	\$ 10,940	\$ 2,446	\$ 4,597	\$ 20,811
2015	76,209	33,880	6,313	9,487	2,430	4,314	19,785
2014	87,615	44,916	6,209	10,755	3,003	4,185	18,547
2013	87,470	42,347	6,122	11,118	3,935	4,152	19,796
2012	84,559	41,345	5,630	8,999	3,721	4,091	20,773
2011	84,117	40,661	5,405	9,376	3,829	3,840	21,006
2010	80,010	41,330	4,927	7,692	3,581	3,689	18,791
2009	80,602	41,068	4,407	8,405	3,674	3,854	19,194
2008	77,102	38,349	4,556	8,374	3,371	3,917	18,535
2007	70,521	34,868	4,811	7,493	3,559	3,708	16,082

Source: Salt Lake City Department of Airports Audited Financial Statements

SALT LAKE CITY DEPARTMENT OF AIRPORTS

PASSENGER AND OPERATING STATISTICS

Last Ten Fiscal Years

Fiscal Year	Aircraft Operations	Landed Weight (Pounds in 000)	Total Enplaned Passengers	% Increase (Decrease) Enplaned Passengers	Cargo (Pounds)	Cargo % Increase (Decrease)
2016	315,585	13,581,663	11,293,011	4.2%	350,905,974	6.1%
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%

Source: Salt Lake City Department of Airports Audited Financial Statements

SALT LAKE CITY DEPARTMENT OF AIRPORTS

**AIRLINE PASSENGER STATISTICS BY ENPLANEMENT
Last Ten Fiscal Years**

Carrier	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Delta	5,597,224	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
Delta Connections	2,328,834	2,439,969	2,722,929	2,843,644	3,014,370	3,408,787	3,631,109	3,148,551	3,615,008	3,701,278
Southwest	1,213,838	1,162,229	1,172,540	1,197,613	1,247,493	1,294,142	1,282,688	1,332,212	1,473,085	1,455,018
United	551,594	495,477	448,191	444,126	459,993	348,987	363,585	370,143	239,090	265,256
Air Canada	2,458	-	-	-	-	-	-	-	-	-
Alaska Air	409,410	406,866	73,034	-	-	-	-	-	-	-
American	588,833	391,751	314,425	292,155	302,377	270,015	280,391	272,420	291,591	292,579
US Airways	162,672	317,519	332,652	274,438	231,708	186,041	168,845	176,728	200,211	186,505
Mesa Air	-	-	-	-	-	7,141	14,536	16,008	30,526	34,654
Northwest	-	-	-	-	-	-	143,283	278,214	131,915	136,744
Pinnacle	-	-	-	-	-	-	-	-	1,848	4,688
Continental	-	-	-	-	-	103,510	92,066	92,561	102,902	110,331
Express Jet	-	-	-	-	-	6,500	14,995	17,760	33,441	41,225
Frontier	198,495	237,965	238,532	216,726	221,769	185,679	202,547	215,895	247,606	221,404
JetBlue	231,940	201,794	163,083	167,249	209,498	173,662	154,697	213,994	239,759	149,753
KLM Royal Dutch	3,835	-	-	-	-	-	-	-	-	-
Other	3,878	10,349	42,929	30,390	3,379	1,655	5,145	1,282	3,481	14,997
Aeromexico	-	-	-	-	-	-	-	1,098	-	-
	11,293,011	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

Source: Salt Lake City Department of Airports Revenue System

SALT LAKE CITY DEPARTMENT OF AIRPORTS

SUMMARY OF CAPITAL ASSETS

	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013	June 30, 2012	June 30, 2011	June 30, 2010
Military							
Acres of land leased to military	135	135	135	135	135	135	135
Annual rent from military leases	\$136,968	\$136,968	\$136,968	\$136,968	\$136,968	\$136,968	\$136,968
Terminal - General							
Number of passenger terminals	3	3	3	3	3	3	3
Total square feet	1,090,067	1,102,400	1,102,400	1,102,400	1,102,400	1,102,400	1,102,400
Non-Retail Space - number of sq. ft.							
Counter space	7614	7614	7614	7,614	7,614	7,614	7,614
Airline office	42569	42569	42369	42,369	42,369	42,369	42,369
Other office (i.e. TSA, SLCDA, concession offices)	61,865	61,865	61,865	47,882	47,882	47,882	47,882
Common use areas	584,370	584,370	584,370	598,343	644,935	644,935	644,935
Retail Space - Pre-Security							
Food and beverage	2,674	2,674	2,674	2,788	1,998	1,998	1,998
Newsstands	184	184	184	212	250	250	250
Specialty Retail	-	-	-	-	-	-	-
Other concessions (vending)	264	264	264	238	497	497	497
Retail Space - Secured Area							
Food and beverage	50,280	50,280	50,280	49,836	45,454	45,454	45,454
Newsstands	7,721	7,721	7,721	7,697	4,891	4,891	4,891
Specialty Retail	15,019	15,001	15,001	13,419	13,994	13,994	13,994
Other concessions	152	96	96	140	-	-	-
Parking							
Short-term / 4 Level Parking Garage (Number of spaces)	1,845	1,774	1,766	1,766	1,766	1,767	1,847
Long-term (Number of spaces)	9,703	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	2,950	2,955	2,966
Park and Wait Lot (Number of spaces)	82	82	82	81	81	81	81
Cargo							
Total SF of airport buildings leased for cargo use, including warehouse, office, etc.	202,896	202,896	202,896	202,896	202,896	202,896	202,896
Total SF of ground leased for cargo, incl. warehousing, office, etc.	797,939	727,939	727,939	727,939	727,939	727,939	727,939
Runways (feet)							
34L/16R	150 x 12,000						
34R/16L	150 x 12,003						
35/17	150 x 9,596						
32/14	150 x 4,892						
Acres							
Total Acres Owned by Airport	9,633	9,510	9,426	9,426	9,426	9,426	9,426
Total AOA Acres	3325	3375	3375	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

Coverage Type	Carrier / Policy #	Policy Limits	Description / Deductibles	Expiration
Bonds	(1) Hartford Insurance 52BSBG17690	\$10,000,000	Treasurer's Bond \$0 Deductible	6/4/17
	(2) Hartford Insurance 52FA023369015	\$1,000,000	Crimeshield Advanced (Employee Blanket Bond) Employee Dishonesty \$50,000 Deductible	7/1/16
		\$1,000,000	Computer and Funds Transfer Fraud, \$50,000 deductible	
		\$50,000	Credit, Debit or Charge Card Forgery \$2,500 deductible	
		\$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, \$1,000 deductible	
		\$25,000	Identity Recovery Expenses Reimbursement, \$0 deductible	
Excess Workers' Comp	Safety National SP4053159	\$40,000,000	Excess Workers' Compensation	7/1/16
		Excess of SIR	\$1,000,000 Self-Insured Retention (SIR) per occurrence	
		\$1,000,000 per occurrence	Employers' Liability coverage	
General Liability Dept. of Airports	AIG AP 007741005-55	\$500,000,000	Bodily Injury, Property Damage, Auto Liability on Airport Premises, Hangarkeepers Liability	6/30/16
		\$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 \$500,000 SIR	
Property Insurance Dept. of Airports	Lexington Insurance Co. 014498273	\$500,000,000	Airport Terminals, Concourses, Buildings, Runways, Taxiways Equipment, Fuel Farm, Materials, Machinery	6/30/16
		Sublimits apply		
		\$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	
Comm. Auto Liability Dept. of Airports	Ohio Casualty - Liberty Mutual 55852111	\$500,000 \$0 deductible	Scheduled Autos Only	6/30/16