

# **Annual Comprehensive Financial Report**

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

**For the Year Ended June 30, 2022**



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

**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
**FOR THE YEAR ENDED JUNE 30, 2022**

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

**SALT LAKE CITY DEPARTMENT OF AIRPORTS**  
**Salt Lake City Corporation**  
**Financial Statements**  
**For the Year Ended June 30, 2022**

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# INTRODUCTORY SECTION

THIS SECTION CONTAINS THE FOLLOWING  
SUBSECTIONS:

Letter of Transmittal  
Organizational Chart  
Certificate of Achievement





October 17, 2022

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

### **Overview**

The Annual Comprehensive Financial Report of the Salt Lake City Department of Airports (Airport) for the fiscal year ended June 30, 2022 is submitted herewith. This report was prepared by the Airport's Finance Division using generally accepted accounting principles (GAAP) for local governments as prescribed by the Governmental Accounting Standards Board (GASB). The accuracy of the data and the completeness and fairness of the presentations, including all disclosures, are the responsibility of the Airport.

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

Eide Bailly, LLP, an independent firm of Certified Public Accountants, has audited these basic financial statements and related notes. Their report is included herein. The goal of the independent audit is to provide reasonable assurance that the financial statements of the Airport for the fiscal year ended June 30, 2022 are free of material misstatements. This independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used, and significant estimates made by management.

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

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

## **Profile of the Salt Lake City Department of Airports**

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

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

Construction commenced in FY 2014 on the Terminal Redevelopment Program (TRP), a \$3.0 billion capital improvement program to build new facilities to replace aging facilities, mitigate seismic risks, and prepare for future growth. The old facilities were built to accommodate 10 million passengers annually, but in FY 2022, the Airport served over 25.5 million passengers which is more than double the number of passengers the facilities were originally designed to handle. In conjunction with the TRP, the North Concourse Program (NCP) includes the development of a 31-gate midfield airside concourse to the north of the new airside concourse to be developed as part of the TRP. The Airport received unanimous support from all airlines serving SLC to build the north concourse in April 2016. It is currently estimated that the NCP will cost approximately \$1.5 billion. Together, the TRP and NCP are now called The New SLC.

Passenger traffic decreased significantly due to the COVID-19 Pandemic in 2021 and the decision was made to accelerate Phase II of the TRP (South Concourse East) and place Phase II of the NCP (North Concourse East) on hold. South Concourse East will open all 22 gates in 2023 instead of staggered gate openings that would have been completed in 2025, completing the project 2 years earlier. As passenger traffic increased at a faster rate than predicted, NCP Phase II was given the green light and was renamed Phase III. Phase III will add eight gates to the North Concourse East and a new central tunnel that will connect the Terminal to Concourse B (North Concourse). Phase III will open in two phases, with 4 gates in 2024 and 4 gates in 2025.

The TRP construction activities for FY 2022 included the completion of the enclosure of South Concourse East and advancement of the interior build-out activities as well as Apron Paving around the building. The Central Tunnel Concrete Structure was also completed and readied for interior build-out activities to begin. The NCP activities for the 8-Gate expansion included the completion of sitework, stone columns, driven piles and foundations to ready the building for the start of Steel erection. Significant progress was also made on the east/west Taxilane Paving activities.

The FY 2022 budget also includes \$10.6 million for airfield projects. This includes pump house renovations, taxiway E reconstruction, and reconstruction of a vehicle gate. These airfield improvement projects ensure the safe operation of aircraft and preserve valuable assets. \$5.4 million is budgeted for terminal projects to build Concourse B maintenance facilities. \$8.2 million is budgeted for Auxiliary Airport projects. \$4.5 million for landside projects including expansion of the Park & Wait Lot and improvements to the terminal access roadways.

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

The Airport is currently ranked the 20<sup>th</sup> busiest in the United States, and 47<sup>th</sup> busiest in the world in terms of passenger numbers. The Airport provided 399 average daily departures to 95 non-stop destinations in June 2022, which is close to pre-pandemic levels. The Airport served approximately 25.5 million passengers in FY 2022 and is one of Delta's largest hubs.

### **Economic Condition**

The Fiscal Year 2022 financial results reflect improving conditions for both operating and non-operating revenues and expenses due to the global pandemic of COVID-19. The Airport acted quickly to manage operating and capital expenditures in response to sharp declines in passenger traffic beginning in March 2020 which continued into FY 2021. The Airport worked closely with the airlines, rental car providers, as well as food and beverage concessionaires to respond to the pandemic by adjusting schedules, delayed concession openings, as well as providing temporary financial relief to make sure the Airport and its airlines and concessions continue to have an effective partnership. The Airport saw consistent growth in passengers on a monthly basis in FY 2022 as the economy further recovered. The Airport received \$82.5 million in Coronavirus Aid, Relief, and Economic Security (CARES) Act funding granted in FY 2020, received \$23.4 million from the Coronavirus Response and Relief Supplemental Appropriation Act (CRRSAA) and \$91.7 million from the American Rescue Plan Act (ARPA) in FY 2021 from federal government grants which will continue to be used in FY 2022 through FY 2024. These relief programs help offset the loss of revenue in landside and terminal concession revenue and allow the Airport to stabilize rates and charges for the airlines and concessionaires.

According to the recently published State of Utah's 2022 Economic Report to the Governor, Utah leads all states in the rate of job growth since 2010. Utah's unemployment rate reached a high of 10.4% compared during the pandemic and has since declined to 2.7% for 2021. Over the course of 2022, Utah's unemployment rate decreased and still outpaces the national average. The consensus forecast predicts healthy growth for the state in the near future.

Utah's total personal income is estimated to have increased by 5.7% in 2021, in addition to the 7.8% increase in 2020. Every sector added jobs during the last year, including a 6.6% increase in Construction and 6.1% increase in Manufacturing. Leisure and Hospitality was one of the sectors affected most by the pandemic and it increased 11.5% last year.

The Airport plays an important role in supporting business and economic growth in the state. Its operations are a key component in providing affordable access to worldwide destinations for business and individuals. According to an analysis by GSBS Richman Consulting in 2018, the Airport has been a significant economic driver for Utah and its capital for the past 50 years and will continue to underpin the economy. Over the life of The New SLC, the Airport is projected to generate an \$2.1 billion in wages and income from an estimated 43,148 full-time jobs. Taking all spending into account, The New SLC is expected to contribute an estimated \$3.4 billion to Utah's GDP.

The Airport operates within the economic conditions of the national and local economy as well as the airline industry environment. An effective partnership between the airlines and the Airport requires a continued focus on operating costs, while maintaining service and safety. Operating expenses increased by 13.7%, while passengers increased 66.5% in FY 2022 compared to FY 2021. The large increase in operating costs relates to increased passengers and operating the new, larger airport for a full year compared to nine months in FY 2021. Costs increased for the salaries and benefits, janitorial, baggage handling systems, passenger boarding bridges, new software systems, and several other items.

The Airport borrowed \$1 billion of General Airport Revenue Bonds (GARB's) in February 2017, \$850.5 million in October 2018, and \$904.6 million in August 2021 to fund the ongoing construction of The New SLC. Efforts are continually made to control operating costs to the airlines and reduce airline cost per enplaned passenger, currently at \$8.11 for FY 2022, \$11.24 for FY 2021, and \$5.41 for FY 2020, one of the lowest rates among large hub airports in the nation. The Airport has total cash and investment balances of \$968 million to be utilized during the next several years for operating costs, CIP, as well as The New SLC, with the exception of certain restricted funds. Financing for The New SLC is generated from federal grants, PFCs, CFCs, bonds, and Airport cash reserves. The Airport will acquire additional funding in the future to fund the next phases of The New SLC.

### **Outlook**

Over the last several years, Utah has outperformed the national economy. Even with the ongoing pandemic this trend is expected to continue. Unemployment in Utah was 2.0% as of June 2022, well below the national average of 3.6%. Job growth is expected to continue as the economy continues to improve.

The budget for the Airport adopted for FY 2023 assumes that Salt Lake City Airport passengers are projected to increase by 10.8% during FY 2023 compared to the prior Fiscal Year. Full economic recovery from the pandemic is expected to occur in FY 2023. Flights have returned to pre-pandemic levels and several new routes continue to be added. The Airport and airlines are doing everything possible to keep costs down while passenger traffic continues to recover.

Current financial position, passenger statistics, and results from FY 2022 and earlier can be found in more detail in Management's Discussion and Analysis in this report.

### **Future Growth**

The Airport believes a full recovery to FY 2019 levels will occur in FY 2023. Demand for air travel is usually driven by economic activity, but analysts are now seeing a shift in that model based on passenger confidence as well as travel restrictions in flying during the pandemic. With the wide distribution of vaccines available to most age groups and demographics in the United States, leisure travel has returned much quicker than business travel which remains below normal based on company policies. In the Airport's FY 2023 budget, we are forecasting an increase of 10.8% of enplanements compared to those in FY 2022.

Construction on Phase II of the New SLC is well underway. The new terminal opened on September 15, 2020, along with the parking garage, gateway and Concourse A. Phase II of the TRP is scheduled to start to deliver gates as early as the spring of 2023 with the remaining gates being completed later in the fall of 2023. The TRP replaces terminal facilities that were over 50 years old, required extensive maintenance, lacked energy efficiency, and failed to meet current seismic standards. The New SLC received the award in Leadership in Energy and Environmental Design (LEED) gold certification as required by City ordinance. The TRP consolidates passenger processing facilities into a single facility to serve all concourses, as well as replaces the existing parking garage, constructs new terminal roadways, and



introduces a new central utility plant. Rental car services are integrated with the new garage. A new site for car rental operations and servicing, and a quick turn-around facility for car rentals, are operational. The new Airport will be capable of handling more passengers and aircraft. The number of parking spaces in the garage doubles from 1,770 to 3,600.

The NCP includes the development of 31 additional gates to accommodate additional passengers and aircraft to meet forecasted growth. The first phase of the NCP, which includes 20 aircraft gate positions and 19 hardstand positions, opened on time on October 27, 2020. Phase III of the NCP began construction in Q1 2022 and will finish connecting the central tunnel to the central plaza in the fall of 2024, with four additional gates coming online at the same time. The remaining four gates on concourse B will become operational in the fall of 2025.

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

### **Awards and Acknowledgments**


The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Salt Lake City Department of Airports for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2021.

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

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

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

  
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Bill Wyatt  
Salt Lake City Department of Airports  
Executive Director

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

# **ORGANIZATIONAL CHART**

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

### **Mayor**

Erin Mendenhall

### **City Council Members**

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

### **Department of Airports**

#### **Advisory Board Members**

Steve Price, Chair

Theresa Foxley, Vice Chair

Cynthia D. Miller

John Bradshaw

Roger Boyer

Arlyn Bradshaw

Karen Mayne

Tye Hoffman

Victoria Petro-Eschler

Dirk Burton

### **Executive Director**

Bill Wyatt

### **Directors**

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



Government Finance Officers Association

Certificate of  
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Presented to

**Salt Lake City Department of Airports  
Utah**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2021

*Christopher P. Morill*

Executive Director/CEO

# FINANCIAL SECTION

THIS SECTION CONTAINS THE FOLLOWING  
SUBSECTIONS:

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





## Independent Auditor's Report

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

### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the accompanying financial statements of the Salt Lake City Department of Airports (the "Airport") an enterprise fund of Salt Lake City Corporation, which comprise the statement of net position as of June 30, 2022, and the related statements of revenues, expenses and changes in net position and cash flows for the year then ended, and the related notes to the financial statements, which collectively comprise the Airport's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Airport as of June 30, 2022, and the respective changes in its financial position and its cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinion*

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

#### *Emphasis of Matter*

As discussed in Note 1, the financial statements of the Airport, are intended to present the financial position, the changes in financial position and cash flows of only that portion of Salt Lake City Corporation that is attributable to the transactions of the Airport. They do not purport to, and do not, present fairly the financial position of Salt Lake City Corporation as of June 30, 2022, the changes in its financial position, or, where applicable, its cash flows for the year then ended in accordance with

accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

### ***Responsibilities of Management for the Financial Statements***

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Airport's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information identified in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing

the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Other Information***

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

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

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

In accordance with Government Auditing Standards, we have also issued our report dated October 17, 2022 on our consideration of the Airport's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Airport's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Airport's internal control over financial reporting and compliance.



Salt Lake City, Utah  
October 17, 2022

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

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The following Management's Discussion and Analysis (MD&A) of the Salt Lake City Department of Airports' (Department) activities and financial performance provides an introduction and overview to the financial statements for the fiscal years ended June 30, 2022 and 2021.

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

**FINANCIAL STATEMENTS**

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

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

**FINANCIAL & OPERATIONAL HIGHLIGHTS**

The Salt Lake City International Airport serves the Salt Lake City metropolitan area as well as the surrounding areas of Utah, Idaho, Colorado, Nevada, and Wyoming. The Airport functions as one of the largest hubs for Delta Air Lines Inc. (Delta). The Airport ranks as the 20<sup>th</sup> busiest in the United States and the 47<sup>th</sup> busiest in the world in terms of passenger numbers (according to Airport Council International (ACI)). In terms of operational movements, ACI states that the Airport ranks 14<sup>th</sup> busiest in the United States and 16<sup>th</sup> busiest in the world.

The Airport had experienced several years of growth in total passenger numbers until the onset of the COVID-19 pandemic. In FY 2020, the economy entered a recession after several years of growth. The recession continued into FY 2021. Recovery began in the last quarter of FY 2021 and continued throughout FY 2022, where passenger levels reached 95% of pre-pandemic levels. Total passengers increased by 10.1 million in FY 2022 and decreased by 4.8 million in FY 2021 to a total of 25.5 million and 15.4 million passengers, respectively. Enplaned passengers increased by 5.1 million in FY 2022 and decreased by 2.4 million in FY 2021 to a total of 12.8 million and 7.7 million enplaned passengers: an increase of 66.0% and a decrease of 23.6%, respectively. In June 2021, the Airport provided 403 average daily departures to 89 domestic and 6 international destinations, including five new domestic destinations not served prior to the COVID-19 pandemic. In June 2022, the Airport provided 399 average daily departures to 89 domestic and 6 international destinations. Load factors increased to 85% in FY 2022 compared to 59% in FY 2021.



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

Total aircraft operations increased 8.7% in FY 2022 and 3.0% in FY 2021. Landed weights increased by 2 billion pounds, 14.3%, in FY 2022, and increased 426 million pounds, 3.1%, in FY 2021. The changes in operations and landed weights in FY 2021 are due to the COVID-19 pandemic.

	<u><b>FY 2022</b></u>	<u><b>FY 2021</b></u>
Enplanements (in thousands)	12,802	7,710
% increase from prior year	66.0%	(23.6%)
Landed weight lb's (in thousands)	15,989,165	13,987,653
% increase from prior year	14.3%	3.1%
Aircraft Operations - All Types (in thousands)	339	312
% increase (decrease) from prior year	8.7%	3.0%
Total # of passengers (in thousands)	25,510	15,414
% increase from prior year	65.5%	(23.7%)

**STATEMENT OF NET POSITION**

The Airports' net position was \$1.4 billion as of June 30, 2022. The total decrease in net position during the year ended June 30, 2022 was \$6.5 million. The largest portion of the Airport's net position (88.9%) represents net investment in capital assets (land, buildings, runways, taxiways, and equipment).

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

(Amounts in thousands)		
<b>STATEMENTS OF NET POSITION</b>	<b>June 30, 2022</b>	<b>June 30, 2021*</b>
<b>ASSETS:</b>		
Current and noncurrent assets	\$ 1,271,343	\$ 503,008
Capital assets	3,735,247	3,429,479
<b>TOTAL ASSETS</b>	<b>5,006,590</b>	<b>3,932,487</b>
<b>DEFERRED OUTFLOWS</b>	<b>5,511</b>	<b>4,413</b>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS</b>	<b>5,012,101</b>	<b>3,936,900</b>
<b>LIABILITIES:</b>		
Current liabilities	220,444	436,452
Noncurrent liabilities	3,144,141	2,068,013
<b>TOTAL LIABILITIES</b>	<b>3,364,585</b>	<b>2,504,465</b>
<b>DEFERRED INFLOWS</b>	<b>237,755</b>	<b>16,213</b>
<b>TOTAL LIABILITIES AND DEFERRED INFLOWS</b>	<b>3,602,340</b>	<b>2,520,678</b>
<b>NET POSITION:</b>		
Invested in capital assets	1,252,753	1,310,144
Restricted		
Capital Projects	40,565	35,106
Debt Service	337,178	180,507
Unrestricted	(220,735)	(109,535)
<b>Total Net Position</b>	<b>1,409,761</b>	<b>1,416,222</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS, AND NET POSITION</b>	<b>\$ 5,012,101</b>	<b>\$ 3,936,900</b>
<b>SUMMARY OF CHANGES IN NET POSITION</b>		
	<b>FY 2022</b>	<b>FY 2021</b>
Operating revenues	\$ 258,945	\$ 184,684
Operating expenses	(140,619)	(123,676)
Operating Income before depreciation	118,326	61,008
Depreciation	(144,019)	(100,890)
Operating (loss)	(25,693)	(39,882)
<b>NON-OPERATING REVENUES (EXPENSES)</b>		
Passenger facility charges	48,759	29,227
Customer facility charges	14,024	9,016
Interest expense	(116,832)	(86,108)
Other, net	1,535	(21,533)
Total Non-Operating Revenues (Expenses)	(52,514)	(69,399)
<b>CAPITAL CONTRIBUTIONS</b>		
Contributions and grants	71,746	94,931
Increase (decrease) in Net Position	(6,461)	(14,350)
Net Position, beginning of period	1,416,222	1,430,572
Net Position, end of period	\$ 1,409,761	\$ 1,416,222

\*The assets and deferred inflows of resources for FY 2021 were not restated to show the effects of GASB 87 for comparative purposes.

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Restricted cash for construction has increased \$336 million from the prior year as the Department issued bonds in August 2021 to continue to fund the construction of The New SLC. As of June 30, 2022, \$377.7 million (7.5%) of Airport assets were restricted for construction compared with \$216 million (5.5%) in FY 2021, and \$265 million (7.1%) in FY 2020. These amounts represent bond proceeds, passenger facility charges (PFCs) and customer facility charges (CFCs) that have been collected, but have not yet been reimbursed to general operating cash for TRP and NCP construction projects. In addition, \$30.8 million of Airport assets in FY 2022 were restricted for an operation and maintenance reserve fund, and \$5.0 million was restricted for a renewal and replacement reserve fund as required by the Airport Use Agreement (AUA) between the City and the signatory airlines operating at the Airport.

Total cash and investments increased in the current year as the Airport received \$905 million dollars in bond proceeds in August 2021 to finance The New SLC. Total available cash and investments increased by \$571 million in FY 2022. After restricted balances, the Airport's unrestricted cash available for operating expenses and reserves for The New SLC increased by \$72 million.

To increase return on restricted and reserved cash, the Department invested cash in the State Treasurer's investment pool as well as agency and corporate bonds. Cash investments in the State Treasurer's investment pool were decreased by \$3.4 million, and U.S. Treasury, Agency, and corporate bonds were decreased by \$6.8 million to fair market value at June 30, 2022. 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, \$675 thousand was accrued for interest income earned but not yet paid for investments that are paid on a quarterly basis, rather than monthly. See Note 2 for detailed information.

This year, available operating cash increased by \$72 million (39.7%) because revenues recovered dramatically from the COVID-19 pandemic.

Airport cash payments for current year construction and land acquisitions in the amount of \$467.2 million were reimbursed by CFC funds in the amount of \$1.0 million, federal airport improvement program grants (AIP) of \$41.0 million, and proceeds of general airport revenue bonds (GARBs) in the amount of \$354.1 million. The remainder of cash outflows for construction as well as payments for capital equipment of \$71.1 million was provided by Airport operating cash.

During FY 2022, the Airport implemented GASB Standard No. 87 – Leases, which requires the Airport to recognize a lease receivable and a deferred inflow of resources at the commencement of the lease term, with certain exceptions for leases held as investments, certain regulated leases, short-term leases, and leases that transfer ownership of the underlying asset. The lease receivable is measured at the present value of the lease payments expected to be received during the lease term. The deferred inflow of resources should be measured as the value of the lease receivable in addition to any payments received at or before the commencement of the lease term that relate to future periods. For the year ended June 30, 2022, the Airport recorded a lease receivable and deferred inflow of resources for lease for \$214.7 million.

Capital assets (net of accumulated depreciation) have increased by \$305.7 million. This increase is attributed to an increase in building, improvements and equipment of \$39 million and land purchase of \$0.7 million. \$410 million is an increase in construction in progress and then a reduction of \$144 million due to depreciation on all new assets capitalized last year.

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

The Airport recorded an increase in deferred outflows of \$1.1 million in FY 2022, increasing deferred outflows to \$5.5 million, which represent deferred outflow of resources (expenses) in future periods. The Airport also increased deferred inflows by \$221.5 million in FY 2022, to \$237.8 million, which represent resources (revenues) that will be recognized in future periods.

<b>SUMMARY OF CASH FLOW ACTIVITIES</b>	<b>FY 2022</b>	<b>FY 2021</b>
Cash flow from operating activities	\$ 105,722	\$ 77,995
Cash flow (used) from investing activities	(87,999)	76,461
Cash flow from passenger facility charges	49,695	25,381
Cash flow from customer facility charges	13,794	7,788
Cash flow from grants	96,730	77,982
Cash flow from sale of capital assets and equipment	234	150
Cash flow from revenue bond proceeds	1,139,949	-
Cash flow from line of credit proceeds	(267,600)	267,600
Cash flow from interest received from leases	4,679	-
Cash flow (used) for contribution of capital assets	(648)	(9,029)
Cash flow (used) for principal paid on revenue bonds	(1,140)	-
Cash flow (used) for interest paid on bonds	(111,585)	(93,738)
Cash flow (used) for bond issuance costs	(1,418)	(491)
Cash flow from other financing	3,818	97
<b>Payments for acquisition and construction of property</b>	<b>(470,003)</b>	<b>(592,879)</b>
Cash and cash equivalents at beginning of year	292,793	455,477
<b>Net (decrease) in cash</b>	<b>474,228</b>	<b>(162,684)</b>
Cash and cash equivalents at end of year	\$ 767,021	\$ 292,793 <sup>1</sup>

(amounts in thousands)

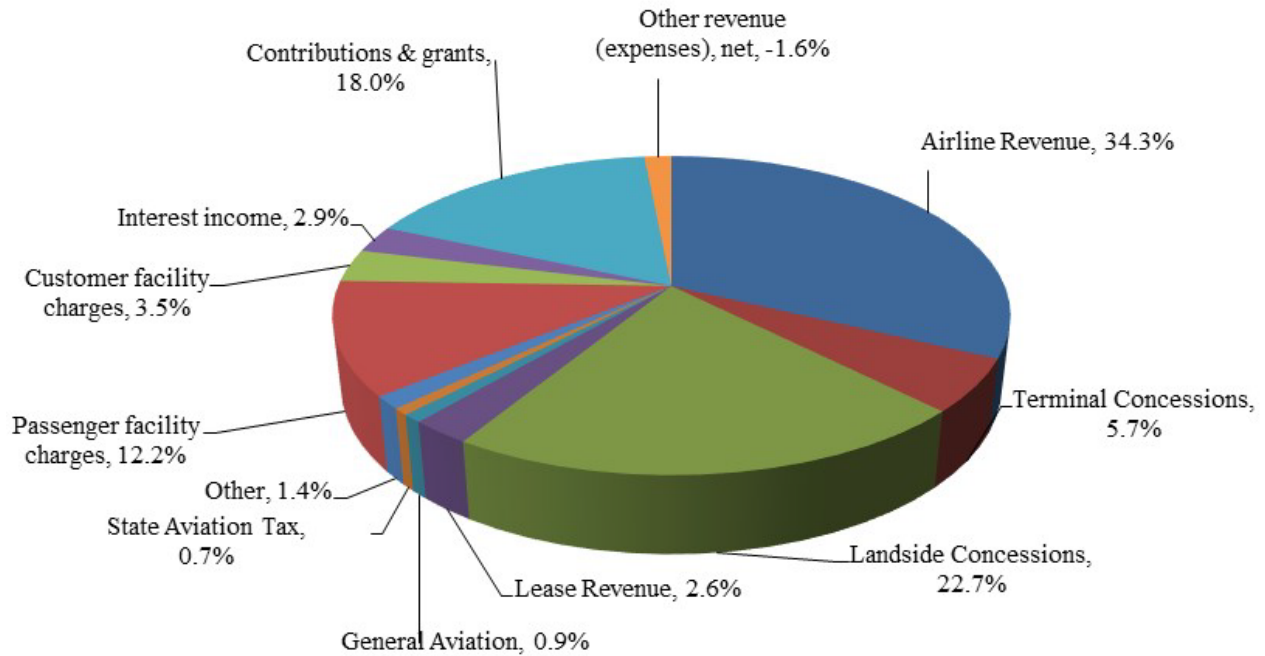
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**

Operating income, before depreciation, was \$118.3 million in FY 2022, compared with \$61.0 million in FY 2021. With the inclusion of depreciation and non-operating revenue and expenses, the resulting decrease in net position for FY 2022 was \$6.5 million. FY 2021 decreased by \$14.4 million.

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**Revenues**

The following chart and table shows the major sources of revenues and the percentage to total revenues:  
The year ended June 30, 2022:



(Amounts in thousands)	FY 2022 Amount	Percent of Total	FY 2021 Amount	Percent of Total
<b>Operating revenues:</b>				
Airline revenue	\$ 136,820	34.3%	\$ 109,691	35.9%
Terminal concessions	22,757	5.7%	12,677	4.1%
Landside concessions	90,597	22.7%	50,802	16.6%
Lease revenue	10,525	2.6%	8,140	2.7%
General aviation	3,491	0.9%	3,579	1.2%
State aviation tax	2,891	0.7%	2,258	0.7%
Other	5,430	1.4%	5,247	1.7%
Operating revenues	272,511		192,394	
Less: Airline revenue sharing	(13,566)	-3.4%	(7,710)	-2.5%
Total operating revenues	258,945	65.0%	184,684	60.4%
<b>Non-operating revenues and capital contributions:</b>				
Passenger facility charges	48,759	12.2%	29,227	9.6%
Customer facility charges	14,024	3.5%	9,016	2.9%
Interest income	11,740	2.9%	3,944	1.3%
Other revenue (expenses), net	(6,547)	-1.6%	(15,943)	-5.2%
Contributions & grants	71,746	18.0%	94,931	31.0%
Total non-operating revenues	139,722	35.0%	121,175	39.6%
Total revenues	\$ 398,667	100.0%	\$ 305,859	100.0%

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**Operating Revenues**

Salt Lake City International Airport is served by eight domestic carriers: Alaska, American, Delta, Frontier, JetBlue, Southwest, Spirit, and United. On July 1, 2014, all the airlines, except Spirit, and the Airport entered into a ten year Airport Use Agreement (AUA). Each AUA terminates on June 30, 2024, unless earlier terminated, except Delta and United have entered into an amendment to their AUA extending the term for an additional ten years to June 30, 2034. Each of the other Signatory Airlines has been offered the opportunity to extend the term of their AUA on the same terms as Delta, but as of October 17, 2022, none of the other Signatory Airlines has elected to extend the term of their AUA. Under the AUA, terminal rent calculations are on a compensatory basis, recovering costs allocated to the occupied facilities. Landing fee calculations are residual based, recovering net cost after the credits of nonairline revenue. Revenue sharing is available to Signatory Airlines that are parties to the AUA consisting of one dollar (\$1) per enplaned passenger, not to exceed 30% of net remaining revenue. The Signatory Airline revenue sharing increased by \$5.9 million compared to the prior year from \$7.7 million in FY 2021 to \$13.6 million in FY 2022. The increase in FY 2022 was caused by the economic recovery from the COVID-19 pandemic, which resulted in a return to near pre-pandemic levels of passengers at the Airport.

Airline revenue, net of airline revenue sharing, has increased \$21.3 million in FY 2022 over the prior year. In FY 2020, the COVID-19 pandemic caused fewer flights, resulting in lower than expected landed weights and landing fees. In FY 2021, there were more flights, but load factor remained low, resulting in a minor increase. In FY 2022, load factors were back to normal levels. During FY 2021, the Airport completed and opened Phase I of the TRP and NCP. This resulted in higher square footage for terminal rents and the debt service on the Airport’s revenue bonds being included in terminal rents. In FY 2022, there were a full 12 months of the new square footage. These factors caused the terminal rent rate to increase considerably. Landing fees increased by \$9.2 million in FY 2022 over the prior year. Terminal space and other building rentals have increased by \$17.5 million in FY 2022 compared to the prior year. As a valuable partner with the airlines, the Airport continues its efforts to keep airline costs low. The Airport cost per enplaned passenger (CPE) for FY 2022 was \$8.11, a decrease from the FY 2021 amount of \$11.24.

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

	<u>FY 2022</u>	<u>FY 2021</u>
Terminal Rents (annual per square foot)	\$ 136.12	\$ 112.76
Landing Fees (per 1,000 lbs)	\$ 2.77	\$ 2.54

Non-airline concession revenues are allocated into two major categories: (1) terminal concessions, which include food service, retail, and advertising, and (2) landside concessions, which consist of auto parking, rental car commissions, and ground transportation fees. Due to the COVID-19 pandemic, many of the Airport’s non-airline tenants suffered financially. Several in terminal retail outlets and restaurants were forced to close. Rental cars and ground transportation were affected due to the decrease in passengers at the Airport. With the continuing recovery from the pandemic, many of these tenants have recovered and are operating under their normal contractual agreements. Terminal concessions revenues have increased by \$10.1 million (79.5%) from FY 2021. The increase in terminal concession revenue is a result of the increase in total passengers of 65.5%, as well as having the majority of the concessions opened and operating for

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FY 2022. Landside concessions have increased by \$39.8 million (78.3%). Auto parking revenues have increased \$25.3 million (107.8%). Rental car revenues have increased \$11.1 million (45.5%). Ground transportation increased by \$3.4 million (116.1%). Rental cars and parking increased due to passenger numbers getting back to a normal, near pre-pandemic level. Parking also increased due to the larger garage and more people using the daily rate of \$35 rather than the economy rate of \$10.

**Non-operating Revenues**

The Airport recorded \$71.7 million in grants in FY 2022. These funds consisted of \$31.8 million in AIP grants provided by the Federal Aviation Administration, \$12.5 million in CARES Act grants, \$20.9 million in CRRSAA Act grants, and \$6.5 million in ARPA Act grants. Airport federal grants decreased from the prior year by \$23.2 million (-24.4%) based on timing of grant applications and fewer funds received from the CARES Act. Passenger facility charge revenue in FY 2022 was \$48.8 million, including \$82 thousand in interest on PFC deposited funds. This is a total increase of \$19.5 million (66.8%) from the FY 2021 total of \$29.2 million, as a result of the increase in passengers. Customer facility charge revenue in FY 2022 was \$14.0 million. This is an increase of \$5.0 million (55.5%) from the FY 2021 total of \$9.0 million, as a result of the increase in passengers.

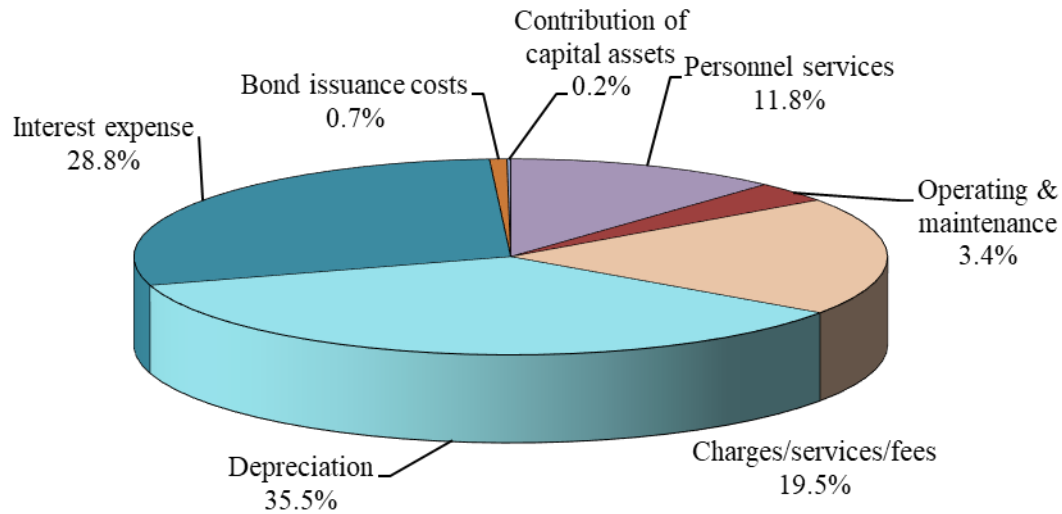
The Airport recorded a loss of \$221 thousand on the disposition and sale of property and equipment in FY 2022. The Airport recorded a loss of \$14.6 million on the disposition and sale of property and equipment in FY 2021 due to the decommissioning of many assets with the demolition of the old airport facilities.

The average interest rate on investments that are held in the State Treasurer's pool for FY 2022 was 0.5%, compared to 0.5% in FY 2021. In FY 2022 and FY 2021, interest earned from the State Treasurer's pool and depository accounts totaled \$6.5 million and \$3.1 million, respectively. Interest income increased because of the August 2021 bond issuance. As referred to previously in the discussion on the Airport's cash balances, beginning in FY 2011, the Airport diversified its investments in U.S. Treasury, Agency and Corporate notes to obtain a higher rate of return. Interest earned on these investments was \$2.5 million in FY 2022 and \$1.8 million in FY 2021 (after management fees). The weighted average yield, including discounts and premiums included at purchase, was 1.3%. The investment in these securities increased the balance in the Utah State Treasurer's pool. See Note 2 for cash investment details. The Airport recorded interest income of \$1.3 million in FY 2022 and \$1.6 million in FY 2021 from financing CFC related projects from Airport reserves that will be paid back to the Airport through future CFC collections.

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**Expenses**

A chart and summary of expenses for the year ended June 30, 2022, including the amount and percentage of change in relation to prior year amounts, is as follows:



<b>(Amounts in thousands)</b>	<b>FY 2022</b>	<b>Percent of Total</b>	<b>FY 2021</b>	<b>Percent of Total</b>
<b>Operating expenses:</b>				
Personnel services	\$ 47,804	11.8%	\$ 46,782	14.6%
Operating and maintenance	13,673	3.4%	11,041	3.4%
Charges/services/fees	79,142	19.5%	65,853	20.6%
<b>Total operating expenses before depreciation</b>	<b>140,619</b>	<b>34.7%</b>	<b>123,676</b>	<b>38.6%</b>
Depreciation	144,019	35.5%	100,890	31.5%
<b>Total operating expenses</b>	<b>284,638</b>	<b>70.2%</b>	<b>224,566</b>	<b>70.1%</b>
<b>Non-operating expenses:</b>				
Interest expense	116,832	28.8%	86,108	26.9%
Bond issuance costs	3,010	0.7%	506	0.2%
Contribution of capital assets	648	0.2%	9,029	2.8%
<b>Total non-operating expenses</b>	<b>120,490</b>	<b>29.7%</b>	<b>95,643</b>	<b>29.9%</b>
<b>Total expenses</b>	<b>\$ 405,128</b>	<b>100.0%</b>	<b>\$ 320,209</b>	<b>100.0%</b>



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**(unaudited)**

**Operating Expenses**

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

Operating expenses before depreciation have increased by \$16.9 million (13.7%) in the current fiscal year. These expenses increased by \$13.8 million (12.5%) in FY 2021. Personnel services have increased by \$1.0 million (2.2%) in the current fiscal year. Salaries for the year increased more, but were offset due to pension expense related to GASB 68, which is further discussed in Note 6. Salaries and benefits increased \$5.1 million from FY 2021 to FY 2022. This is due to an Airport wide raise of 4.5% and hiring approximately 35 new full time employees.

Operating and maintenance costs have increased by \$2.6 million (23.8%) from FY 2021. The primary causes for the change are an increase of \$700 thousand for chemicals and an increase in fuel of \$1.0 million. The winter months required more chemicals to clear the runway than the prior year and fuel costs rose to record levels this year. There were minor increases in other areas to make up the difference.

Expenses for charges and services have increased by \$13.3 million (20.2%) from FY 2021. The largest increases were for \$2.1 million each for hardstand expenses and a new service contract to manage IT systems that didn't exist in FY 2021. Hardstand operations expanded significantly with the growth in passengers over the course of the year. There were additional costs for the janitorial contract of \$1.7 million, and vertical transportation maintenance work for \$1.7 million. There were also increases in police and fire services, out of town travel, IMS services, and international flight incentives.

Depreciation expense increased by \$43.1 million (42.7%) in FY 2022 and by \$43.3 million (75.1%) in FY 2021. The increase in FY 2022 is due to a full year of depreciation for the new Airport facilities and capitalizing more parts that were completed. The increase in depreciation expense in FY 2021 is based on the capitalization of over \$2 billion in capital assets with the completion of Phase I of the TRP and NCP.

**NON-OPERATING EXPENSES**

Non-operating expenses consist primarily of interest on long-term debt. Interest expense was \$116.8 million in FY 2022 and \$86.1 million in FY 2021. In FY 2019 the Airport early-adopted GASB 89 which no longer required the Airport to capitalize interest as part of the construction in process. Please see Note 1 for additional information. The Airport had bond issuance costs of \$3.0 million in FY 2022 related to the August 5, 2021 bond issuance. Additionally in FY 2022, the Airport incurred a \$648 thousand expenditure as a contribution of capital assets related to a donation to the Transportation Security Administration (TSA) of their screening lanes and machines and maintenance for the opening of Phase I of The New SLC.

**CAPITAL TRANSACTIONS**

TRP construction activities for FY 2022 included continuing work on South Concourse East including apron, taxiway and hydrant fueling system. NCP construction activities included the work on the Central Tunnel, enabling work for the North Concourse East, phase III and paving for taxiways. In addition to the

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TRP and NCP activities, the Airport completed the SLCDA Master Plan, Taxiway E Reconstruction, F1-F2, Glycol Plant/Wildlife Offices, Airfield Lighting Wiring Rehabilitation Phase V, and the QTA Deck Coating.

At the beginning of the fiscal year, Airport projects totaling \$344.4 million were in the process of construction and an additional \$444.6 million construction costs were spent during the year. A total of \$40.4 million in projects and equipment were capitalized and placed in service in FY 2022; \$1.6 million was expensed. \$753.6 million remains as construction in progress. The largest portion of the \$40.4 million of capitalized projects includes Terminal Building, South Concourse West, SLCDA Master Plan, Glycol Plant/Wildlife Offices, Airfield Lighting Wiring Rehabilitation Phase V, and Taxiway G Centerline PCC Panel Replacement.

The phased construction on the \$4.5 billion NEW SLC will continue through 2025. Phase I of the TRP went into service on September 15, 2020 with NCP going into service on October 20, 2020. Phase II (South Concourse East) will open with 4 gates in Spring 2023 and 18 gates in Fall 2023. Phase III (North Concourse East) will open with 4 gates in Fall 2024 and 4 gates in Fall 2025. Additional information regarding capital assets can be found in Note 4 in the Notes to Financial Statements.

**LONG-TERM DEBT**

As of June 30, 2022 and 2021, the Airport had a total of \$3.2 billion and \$2.0 billion, respectively, of outstanding General Airport Revenue Bonds. These bonds mature from July 1, 2021 to July 1, 2051 with an interest rate of 4-5.25%. The bonds do not constitute debt of the City or a pledge of the full faith and credit of the City and are secured by Airport revenues. Additional information regarding long-term Airport debt can be found in Note 7 in the Notes to Financial Statements.

**ECONOMIC OUTLOOK**

The fiscal year 2022 financial results reflect economic recovery to both operating and non-operating revenues and expenses from the global pandemic of COVID-19. The Department continues to work closely with the airlines serving the Airport and other tenants to ensure a safe and pleasant experience for passengers. While there has been an increase in passengers using the Airport since the beginning of the pandemic, recovery to return to FY 2019 levels is expected in FY 2023 but will be dependent on the continued return of business and international travel around the country and world.

**CONCLUSION**

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

*Brian Butler*

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Brian Butler, CPA  
Chief Financial Officer

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

<i>As of June 30,</i>	<b>2022</b>
<b>ASSETS</b>	
<b>Current Assets</b>	
Cash and cash equivalents	\$ 254,273
Restricted cash and cash equivalents	350,410
Restricted investments	36,526
Airline and rental fees receivable	42,139
Loans receivable	5,136
Leases receivable	40,474
Other assets	6,964
<b>Total current assets</b>	<b>735,922</b>
<b>Noncurrent Assets</b>	
Restricted cash and cash equivalents	162,338
Restricted investments	164,585
Investments	1
Loans receivable	19,997
Leases receivable	174,178
Net pension asset	12,721
Other assets	1,601
<b>Total noncurrent assets and investments</b>	<b>535,421</b>
<b>Capital assets</b>	
Land	112,474
Building and improvements	3,481,777
Equipment	344,572
Construction in progress	753,525
<b>Total capital assets - at cost</b>	<b>4,692,348</b>
Less accumulated depreciation	957,101
<b>Net capital assets</b>	<b>3,735,247</b>
<b>Total noncurrent assets</b>	<b>4,270,668</b>
<b>Total Assets</b>	<b>5,006,590</b>
<b>Deferred Outflows of Resources</b>	<b>5,511</b>
<b>Total Assets and Deferred Outflows of Resources</b>	<b>\$ 5,012,101</b>

See Notes to Financial Statements

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

<i>As of June 30,</i>	<b>2022</b>
<b>LIABILITIES</b>	
<b>Current Liabilities</b>	
Accounts payable	\$ 35,970
Accrued compensation	1,938
Interest payable	68,195
Other accrued liabilities	92,421
Current bonds payable	21,920
<b>Total current liabilities</b>	<b>220,444</b>
<b>Noncurrent Liabilities</b>	
Revenue bonds payable	3,133,874
Noncurrent compensation liability	4,465
Other accrued liabilities	5,802
<b>Total noncurrent liabilities</b>	<b>3,144,141</b>
<b>Total Liabilities</b>	<b>3,364,585</b>
<b>Deferred Inflows of Resources</b>	
Deferred inflows - revenue collected in advance	6,556
Deferred inflows - leases	214,652
Deferred inflows - pension	16,547
<b>Total Deferred Inflows of Resources</b>	<b>237,755</b>
<b>NET POSITION</b>	
Net investment in capital assets	1,252,753
Restricted for	
Capital projects	40,565
Debt service	337,178
Unrestricted	(220,735)
<b>Net Position</b>	<b>1,409,761</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Net Position</b>	<b>\$ 5,012,101</b>

See Notes to Financial Statements

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

<i>for the Twelve month period ended June 30,</i>	<b>2022</b>
<b>Operating Revenues</b>	
Airline revenue	\$ 136,820
Terminal concessions	22,757
Landside concessions	90,597
Lease revenue	10,525
General aviation	3,491
State aviation tax	2,891
Other revenue	5,430
Operating revenues	272,511
Less airline revenue sharing	(13,566)
Total operating revenues	258,945
<b>Operating Expenses</b>	
Salaries and benefits	47,804
Materials and supplies	13,673
Maintenance contracts	19,106
Charges and services	28,232
Utilities	7,176
Inter-governmental	20,243
Other expenses	4,385
Total operating expenses before depreciation	140,619
<b>Operating Income Before Depreciation</b>	<b>118,326</b>
<b>Depreciation Expense</b>	<b>144,019</b>
<b>Operating Loss</b>	<b>(25,693)</b>
<b>Non-Operating Revenues (Expenses)</b>	
Passenger facility charges	48,759
Customer facility charges	14,024
Interest income	11,740
Interest expense	(116,832)
Bond issuance costs	(3,010)
Contribution of capital assets	(648)
Other revenue (expenses), net	(6,547)
Net non-operating loss	(52,514)
<b>Capital Contributions</b>	
Contributions and grants	71,746
Total capital contributions	71,746
<b>Net Position</b>	
Decrease in net position	(6,461)
Net Position, beginning of period	1,416,222
Net Position, end of period	\$ 1,409,761

See Notes to Financial Statements

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

<i>for the year ended June 30,</i>	<b>2022</b>
<b>Cash Flows from Operating Activities</b>	
Cash received from providing services	\$ 261,707
Cash paid for services for intra-governmental charges	(8,694)
Cash paid to suppliers	(92,277)
Cash paid to employees	(55,014)
<b>Net cash from operating activities</b>	<b>105,722</b>
<b>Cash Flows from Investing Activities</b>	
Cash paid for investments	(148,314)
Cash proceeds from investments	40,776
Interest received on investments and concession loans	6,756
Payments for concession loans	(2,232)
Payments received on concession loans	15,015
<b>Net cash used for investing activities</b>	<b>(87,999)</b>
<b>Cash Flows from Capital and Related Financing Activities</b>	
Purchase of capital equipment	(2,716)
Payments for acquisition and construction of capital assets	(467,287)
Principal paid on revenue bonds	(1,140)
Proceeds from issuance of revenue bonds payable	1,139,949
Payment for capital assets contributed to TSA	(648)
Payment on line of credit	(267,600)
Interest paid on bonds and line of credit	(111,585)
Bond issuance costs	(1,418)
Interest received from leases	4,679
Passenger facility charges	49,695
Customer facility charges	13,794
Proceeds from sale of capital assets and equipment	234
Contributions and grants	96,730
Other financing	3,818
<b>Net cash from capital and related financing activities</b>	<b>456,505</b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>474,228</b>
<b>Cash and Cash Equivalents - Beginning of Year</b>	<b>292,793</b>
<b>Cash and Cash Equivalents - End of Year</b>	<b>\$ 767,021</b>

See Notes to Financial Statements

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

<i>for the year ended June 30,</i>	<b>2022</b>
<b>Reconciliation of Operating Income to Net</b>	
<b>Cash from Operating Activities</b>	
Operating loss	\$ (25,693)
Adjustments to reconcile operating loss to net cash from operating activities	
Depreciation	144,019
Pension benefit	(6,928)
Changes in assets and liabilities	
Airline and rental fee receivable	(1,030)
Other assets	(1,070)
Net pension asset	(12,280)
Deferred outflows	(1,098)
Accounts payable	(4,054)
Accrued compensation	128
Other accrued liabilities	7,953
Net pension liability	(1,152)
Deferred inflows - revenue collected in advance	(761)
Deferred inflows - pension	7,603
Deposits and advance rentals	85
<b>Net cash from operating activities</b>	<b>105,722</b>
<b>Schedule of Non-cash Activities</b>	
Contributions and grants	(24,984)
Passenger facility charges (includes interest)	(936)
Customer facility charges (includes interest)	230
Bond issuance costs	(1,592)
Contributions of capital assets	(239)
Net decrease in fair value of investments	(10,144)
Loss on disposition of property	(690)
Lease receivable recognized on lessor lease transaction	17,443
<b>Total Noncash Activities</b>	<b>\$ (20,912)</b>

**SALT LAKE CITY DEPARTMENT OF AIRPORTS**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2022**

**NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

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

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

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

**Capital Assets** – Capital assets, which consist of property and equipment, are recorded at cost when purchased. Cash outflows for the acquisition, construction, or equipping of capital projects, together with related design, architectural, and engineering fees, are capitalized with a capitalization threshold of \$5,000.

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

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

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

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



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

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

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

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

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

***Accounts Receivable*** – An allowance for uncollectible accounts receivable is established by charges to operations for amounts required to maintain an adequate allowance, in management’s judgment, to cover anticipated losses from customer accounts. Such accounts are charged to the allowance when collection appears doubtful. Any subsequent recoveries are credited to the allowance account. As of June 30, 2022, the Airport does not anticipate any material losses on accounts receivable and no allowance has been established.

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

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

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

Total interest expense was approximately \$116.8 million for the year ended June 30, 2022, while no interest was capitalized as part of the cost of constructed assets.

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

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

**Pollution Remediation Obligations** – In FY 2010, the Airport recorded operating expense and a future liability obligation of \$191 thousand associated with two pollution remediation sites, both associated with leaking underground fuel tanks from the early 1990s. In FY 2015, the Airport recorded additional operating expenses and future liability obligations of \$112 thousand for some additional leaking underground fuel tanks. Since 2010, the Airport has incurred \$183 thousand in costs for monthly monitoring at both sites. The liability recorded as of June 30, 2022 is \$121 thousand. The remainder of the liability is for future years’ ground water monitoring at the sites. Estimates of the expense and liability were based on the cost of the equipment upgrades as well as cost of a contract negotiated with an outside contractor for future monitoring. The potential exists for changes in these estimates, and both costs and future liabilities will be adjusted if necessary in future periods. The Airport is self-insured for incidents of this magnitude, and no insurance or other recoveries are anticipated.

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

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

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

**Pensions** – For purposes of measuring the net pension liability or asset, deferred outflows of resources and

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

***Recent Accounting Pronouncements*** – During FY 2022, the Airport adopted GASB Statement No. 87, *Leases*. GASB originally issued this statement in June 2017. The statement is meant to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset. A lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The adoption of this statement did not result in a restatement of net position as of July 1, 2021, however, it did result in a restatement of lease receivable and deferred inflow of resources – leases as of July 1, 2021 as described in Notes 9 and 10.

During FY 2022, the Airport adopted Governmental Accounting Standards Board Statement No. 98 – *The Annual Comprehensive Financial Report*, effective for reporting periods beginning after January 1, 2021. This standard replaces an existing term but does not otherwise establish new accounting and financial requirements. The adoption of this accounting standard did not have a significant effect on the Airport's financial statements.

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

In January 2020, the GASB issued Statement No. 92, *Omnibus 2020*. The statement is meant to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The requirements of this statement are effective for reporting periods beginning after June 15, 2021. The adoption of this accounting standard did not have a significant impact on the Airport's financial statements.

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

June 15, 2020, December 31, 2021, and June 15, 2021 depending on the topic. The adoption of this accounting standard did not have a significant impact on the Airport's financial statements.

In March 2020, the GASB issued Statement No. 94 *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The statement is meant to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. The requirements of this statement are effective for reporting periods beginning after June 15, 2022. Earlier application is encouraged. The Airport is currently evaluating the impact of this statement on the financial statements when implemented.

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

In June 2020, the GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The requirements of this statement are effective for reporting periods beginning after December 15, 2019 and June 15, 2021 depending on the topic. The adoption of this accounting standard did not have a significant impact on the Airport's financial statements.

## NOTE 2 – DEPOSITS AND INVESTMENTS

Cash and cash equivalents are comprised of the following as of June 30, 2022 (amounts in thousands):

	<b>2022</b>	
	<b>Fair Value</b>	
<b>Deposits</b>		
Petty Cash	\$	1
Unrestricted cash in the City's pooled cash account		(10,531)
Utah State Treasurer's Investments Pool		772,149
Bank operating accounts		5,402
<b>Total</b>	<b>\$</b>	<b>767,021</b>

The Airport maintains funds in the City's pooled cash account. The Airport receives from or pays to the City an allocation of interest income or expense based upon its balance in the pooled cash account. Utah State Treasurer's Investment Pool balances reported in the Airport's Statement of Net Position includes a write down of \$10.1 million to the fair market value. The Airport's share of the State's investment pool is based on the amount invested.

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

### ***Deposits***

*Custodial Credit Risk* – As of June 30, 2022, the Airport had deposits with qualified depositories in accordance with the Utah Money Management Act totaling \$5.4 million. Of these amounts, \$500 thousand was covered by federal depository insurance. The remaining balances of \$4.9 million was uninsured and uncollateralized. The Commissioner of Financial Institutions assigns a public funds allotment to each qualified depository and monitors public funds held monthly. Local government deposits and repurchase agreements up to the allotment are not required by state law to be insured or delivered to the public treasurer. The Airport's deposits do not exceed the public funds allotment.

### ***Investments***

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

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

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

*Custodial Credit Risk* – A substantial portion of the Airport's funds were invested in the Utah State Treasurer's Investment Pool, a pooled investments account that does not qualify for any of the above categories. Oversight of the Utah State Treasurers Pool is internally managed by the Utah State Treasury Office, and the Utah Public Treasurer's Investment Fund was unrated as of June 30, 2022 by any outside agency. This amount has been adjusted to fair value and reflects the fair value of the plan assets.

Investments made with unspent PFC revenue are in accordance with FAA guidelines. In addition, the Airport invested funds in U.S. Agency notes and corporate securities. Custodial credit risk for investments is the risk that, in the event of a failure of the counter party, the Airport will not be able to recover the value of the investment or collateral securities that are in the possession of an outside party. Of the \$201.1 million invested by the Airport, the entire amount was held in the Airport's name by the counterparty and was exposed to custodial credit risk. U.S. Agency notes are guaranteed by the federal government but are uninsured investments.

### ***Fair Value of Investments***

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

The Airport has the following recurring fair value measurements as of June 30, 2022;

- U.S. Agency securities of \$33.4 million are valued using quoted market prices (Level 1 inputs)
- U.S. Treasury securities of \$112.5 million are valued using quoted market prices (Level 1 inputs)
- Corporate bond securities of \$55.2 million are valued using quoted market prices (Level 1 inputs)

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

Debt Securities	Quality Ratings	FY 2022 Fair Value	Maturities (in years)
U.S Agency Notes			
FNMA		\$ 6,802	1-5
FHLMC		26,630	1-5
US Treasury Notes		112,478	1-5
Corporate Bonds	A/BBB+	55,202	5+
		<u>\$ 201,112</u>	

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

Certain cash and cash equivalents are restricted or designated:

- As of June 30, 2022, \$3.7 million of PFC contributions are restricted for construction projects at the Airport under the PFC program requirements.
- As of June 30, 2022, \$1.0 million of CFC contributions are restricted for rental car construction projects at the Airport under the CFC program requirements.
- As of June 30, 2022, \$337.5 million of cash is restricted for the use of construction of the TRP and NCP projects.
- As of June 30, 2022, \$110.4 million of cash is restricted for debt service and capitalized interest.
- As of June 30, 2022, \$24.3 million of cash is restricted for rolling coverage.
- As of June 30, 2022, \$30.8 million is restricted for an operation and maintenance reserve fund, and \$5 million for a renewal and replacement reserve fund per the Airport Use Agreement effective July 1, 2014.

## NOTE 4 – CAPITAL ASSETS

The following is a summary of transactions affecting capital assets for the year ended June 30, 2022 (amounts in thousands):

	Total			Total
	June 30, 2021	Additions	Deletions	June 30, 2022
Capital Assets that are not depreciated:				
Land	\$ 111,696	\$ 778	\$ -	\$ 112,474
Construction in Progress	344,426	449,243	(40,145)	753,525
Total Capital Assets that are not being depreciated	456,122	450,021	(40,145)	865,999
Capital Assets that are depreciated:				
Buildings	2,008,525	22,383	-	2,030,908
Improvements	1,437,370	14,637	(1,138)	1,450,869
Equipment	341,458	3,344	(230)	344,572
Sub-total	3,787,353	40,364	(1,368)	3,826,349
Less accumulated depreciations:				
Buildings	(159,282)	(68,101)	-	(227,383)
Improvements	(574,502)	(56,699)	683	(630,519)
Equipment	(80,210)	(19,219)	230	(99,199)
Sub-total	(813,994)	(144,019)	913	(957,101)
Total Depreciable Capital Assets, net	2,973,359	(103,655)	(455)	2,869,248
Total Capital Assets, net	\$ 3,429,481	\$ 346,366	\$ (40,600)	\$ 3,735,247

Depreciation expense for FY 2022 was \$144.0 million.

## NOTE 5 – COMMITMENTS AND CONTINGENCIES

At June 30, 2022, the Airport was committed to contractors and vendors for approximately \$782 million in conjunction with Airport construction programs.

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

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



## NOTE 6 – PENSION PLANS

*Plan Description* – Eligible plan participants are provided with pensions through the Utah Retirement Systems. The Utah Retirement Systems are comprised of the following Pension Trust Funds:

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

The Tier 2 Public Employees System became effective July 1, 2011. All eligible employees beginning on or after July 1, 2011 who have no previous service credit with any of the Utah Retirement Systems, are members of the Tier 2 Retirement System. The Noncontributory and Contributory Systems are single employer plans and the Tier 2 Systems are a multiemployer cost sharing.

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

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

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

## Summary of Benefits by System

System	Final Average Salary	benefit	Years of service required and/or age eligible for per year of service	Benefit percentage COLA**
Noncontributory System	Highest 3 Years	30 years any age 25 years any age* 20 years age 60* 10 years age 62* 4 years age 65	2.0% per year all years	Up to 4%
Contributory System	Highest 5 years	30 years any age 20 years age 60* 10 years age 62* 4 years age 65	1.25% per year to June 1975; 2.0% per year July 1975 to present	Up to 4%
Public Safety System	Highest 3 years	20 years any age 10 years age 60 4 years age 65	2.5% per year up to 20 years; 2.0% per year over 20 years	Up to 2.5% or 4% depending on employer
Tier 2 Public Employees System	Highest 5 years	35 years any age 20 years age 60* 10 years age 62* 4 years age 65	1.5% per year all years	Up to 2.5%
Tier 2 Public Safety and Firefighter	Highest 5 years	25 years any age 20 years age 60* 10 years age 62* 4 year age 65	1.5% per year to June 30, 2020; 2.0% per year July 1, 2020 to present	Up to 2.5%

\* with actuarial reductions

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

## Contribution Rate Summary

*Contributions* – As a condition of participation in Systems, employers and/or employees are required to contribute certain percentages of salary and wages as authorized by statute and specified by the Utah State Retirement Board. Contributions are actuarially determined as an amount that, when combined with employee contributions (where applicable) is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability. Contribution rates as of June 30, 2022 are as follows:

## Utah Retirement Systems

	<u>Employee</u>	<u>Employer</u>	<u>Employer 401 (k)</u>
<b>Contributory System</b>			
11 Local Government Div - Tier 1	6.00	14.46	N/A
111 Local Government Div - Tier 2	N/A	16.07	0.62
<b>Noncontributory System</b>			
15 Local Government Div - Tier 1	N/A	18.47	N/A
<b>Public Safety System</b>			
<b>Contributory</b>			
122 Tier 2 Defined Benefit Hybrid Public Safety	2.27	38.28	N/A
<b>Noncontributory</b>			
44 Salt Lake City with 2.5% COLA	N/A	46.71	N/A
<b>Firefighter Retirement System</b>			
32 Other Division B	16.71	7.24	N/A
132 Tier 2 DB Hybrid	2.27	14.08	N/A
<b>Tier 2 DC Only</b>			
211 Local Government	N/A	6.69	10.00
222 Public Safety	N/A	24.28	14.00
232 Fire Fighters	N/A	0.08	14.00

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

For fiscal year ended June 30, 2022, the employer and employee contributions for the Airport to the Systems were as follows (amounts in thousands):

<u>System</u>		<u>Employer Contributions</u>	<u>Employee Contributions</u>
Noncontributory System	\$	2,559	N/A
Contributory System		60	-
Public Safety System		N/A	N/A
Tier 2 Public Employees System		382	-
Tier 2 Public Safety and Firefighter		N/A	N/A
Tier 2 Defined Contribution Only System		290	-
Tier 2 Defined Contribution Public Safety and Firefighter System		N/A	N/A
Total Contributions	\$	3,291	\$ -

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

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

At June 30, 2022, the Airport reported a net pension asset of \$12.7 million and a net pension liability of \$0. The following table shows the net pension asset and liability:

(Amounts in thousands)	Net Pension Asset	Net Pension Liability	Proportionate Share December 31, 2021	Proportionate Share December 31, 2020	Change
Noncontributory System	\$ 10,386	\$ -	1.81%	2.00%	-0.19%
Contributory System	2,041	-	2.82%	2.46%	0.36%
Public Safety System	-	-	0.00%	0.00%	0.00%
Tier 2 Public Employees System	294	-	0.69%	0.86%	-0.17%
Tier 2 Public Safety and Firefighter System	-	-	0.00%	0.00%	0.00%
	<u>\$ 12,721</u>	<u>\$ -</u>			

The net pension asset and liability were measured as of December 31, 2021, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2021 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, 2022 the Airport recognized pension expense of (\$1.3) million.

At June 30, 2022, the Airport reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

(Amounts in thousands)	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual	\$ 1,231	\$ 38
Changes in assumptions	1,249	70
Net difference between projected and actual earnings on pension plan investment	-	16,381
Changes in proportion and differences between contributions and proportionate share of contributions	165	59
Contributions subsequent to measurement	2,867	-
	<u>\$ 5,512</u>	<u>\$ 16,548</u>

\$2.9 million is reported as deferred outflows of resources related to pensions results from contributions made by the Airport prior to our fiscal year end, but subsequent to the measurement date of December 31, 2021.

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

<u>Year ended December 31,</u>	<b>Net Deferred Outflows (Inflows) of Resources</b>
2022	(2,899)
2023	(4,776)
2024	(3,757)
2025	(2,632)
2026	25
Thereafter	134

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

For the year ended June 30, 2022, the Airport recognized pension expense of (\$1.6) million.

At June 30, 2022, the Airport reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>(Amounts in thousands)</u>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual	\$ 1,088	\$ -
Changes in assumptions	975	67
Net difference between projected and actual earnings on pension plan investment	-	13,983
Changes in proportion and differences between contributions and proportionate share of contributions	-	59
Contributions subsequent to measurement	1,386	-
	<u>\$ 3,449</u>	<u>\$ 14,109</u>

\$1.4 million reported as deferred outflows of resources related to pensions results from contributions made by the Airport prior to fiscal year end, but subsequent to the measurement date of December 31, 2021.

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

<u>Year ended December 31,</u>	<b>Net Deferred Outflows (Inflows) of Resources</b>
2022	(2,512)
2023	(4,138)
2024	(3,255)
2025	(2,280)
2026	22
Thereafter	116

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

For the year ended June 30, 2022, the Airport recognized pension expense of (\$661) thousand.

At June 30, 2022, the Airport reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

(Amounts in thousands)	<b>Deferred Outflows of Resources</b>		<b>Deferred Inflows of Resources</b>	
Differences between expected and actual	\$	-	\$	-
Changes in assumptions		-		-
Net difference between projected and actual earnings on pension plan investment		-		1,672
Changes in proportion and differences between contributions and proportionate share of contributions		-		-
Contributions subsequent to measurement		34		-
	\$	34	\$	1,672

\$34 thousand reported as deferred outflows of resources related to pensions results from contributions made by the Airport prior to fiscal year end, but subsequent to the measurement date of December 31, 2021.

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

<b><u>Year ended December 31,</u></b>	<b>Net Deferred Outflows (Inflows) of Resources</b>
2022	(349)
2023	(574)
2024	(452)
2025	(316)
2026	3
Thereafter	16

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

For the year ended June 30, 2022, the Airport recognized pension expense of \$1.0 million.

At June 30, 2022, the Airport reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

(Amounts in thousands)	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual	\$ 143	\$ 38
Changes in assumptions	274	3
Net difference between projected and actual earnings on pension plan investment	-	726
Changes in proportion and differences between contributions and proportionate share of contributions	165	-
Contributions subsequent to measurement	1,446	-
	<b>\$ 2,028</b>	<b>\$ 767</b>

\$1.4 million reported as deferred outflows of resources related to pensions results from contributions made by the Airport prior to fiscal year end, but subsequent to the measurement date of December 31, 2021.

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

<u>Year ended December 31,</u>	<b>Net Deferred Outflows (Inflows) of Resources</b>
2022	(39)
2023	(64)
2024	(50)
2025	(35)
2026	-
Thereafter	2

### **Actuarial Assumptions**

The total pension liability in the December 31, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The actuarial assumptions used in the January 1, 2021, valuation were based on the results of an actuarial experience study for the five year period ending December 31, 2019.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<b>Asset class</b>	<b>Expected Return Arithmetic Basis</b>		
	<b>Target Asset Allocation</b>	<b>Real Return Arithmetic Basis</b>	<b>Long-Term Expected Portfolio Real Rate of Return</b>
Equity securities	37.00%	6.58%	2.43%
Debt securities	20.00%	(0.28)%	(0.06)%
Real assets	15.00%	5.77%	0.87%
Private equity	12.00%	9.85%	1.18%
Absolute return	16.00%	2.91%	0.47%
Cash and cash equivalents	0.00%	(1.01)%	0.00%
<b>Totals</b>	<b>100%</b>		<b>4.89%</b>
	<b>Inflation</b>		<b>2.50%</b>
	<b>Expected Arithmetic Nominal Return</b>		<b>7.39%</b>

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

**Discount rate:** The discount rate used to measure the total pension liability was 6.85%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from all participating employers will be made at contractually required rates that are actuarially determined and certified by the URS Board. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate does not use the Municipal Bond Index Rate. The discount rate was reduced from 6.95% to 6.85% from the prior measurement date.

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



<b>System</b>		<b>1% Decrease</b>		<b>Discount Rate</b>		<b>1% Increase</b>
		<b>5.85%</b>		<b>6.85%</b>		<b>7.85%</b>
Noncontributory System	\$	5,585	\$	(10,386)	\$	(23,710)
Contributory System		(814)	\$	(2,041)		(3,081)
Public Safety System		-		-		-
Firefighters System		-		-		-
Tier 2 Public Employees System		1,752		(294)		(1,865)
Tier 2 Public Safety and Firefighter System		-		-		-
<b>Total</b>	<b>\$</b>	<b>6,523</b>	<b>\$</b>	<b>(12,721)</b>	<b>\$</b>	<b>(28,656)</b>

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

### Defined Contribution Savings Plans

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

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

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

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

	<b>2022</b>	<b>2021</b>	<b>2020</b>
<b>401(k) Plan</b>			
Employer Contributions	\$ 480	\$ 457	\$ 389
Employee Contributions	619	595	563
<b>457 Plan</b>			
Employer Contributions	-	-	-
Employee Contributions	374	208	315
<b>Roth IRA Plan</b>			
Employer Contributions	-	-	-
Employee Contributions	214	157	191
<b>Traditional IRA Plan</b>			
Employer Contributions	-	-	-
Employee Contributions	3	4	15

## NOTE 7 – LONG-TERM DEBT

Changes in long-term debt for the year ended June 30, 2022 were as follows (amounts in thousands):

	July 1, 2021	Additions	Retirements	June 30, 2022	Amounts due within one year
Long-term debt					
Series 2017A and 2017B bonds	\$ 1,000,000	\$ -	\$ 1,140	\$ 998,860	\$ 20,345
Series 2018A and 2018B bonds	850,550	-	-	850,550	-
Series 2021A and 2021B bonds	-	904,570	-	904,570	1,575
Unamortized net premiums	181,695	237,147	17,029	401,814	-
Line of credit	267,600	-	267,600	-	-
Total long-term debt	<u>\$ 2,299,845</u>	<u>\$ 1,141,717</u>	<u>\$ 285,769</u>	3,155,794	<u>\$ 21,920</u>
Less current portion				(21,920)	
Noncurrent portion				<u>\$ 3,133,874</u>	

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

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

The maturity dates, interest rates, and principal amounts outstanding as of June 30, 2022 are as follows (amounts in thousands):

Long-term Debt	Maturity	Interest Rate	Amount Outstanding
General Airport Revenue Bonds			
Series 2017A	Annually July 1, 2021-2047	5%	\$ 825,105
Series 2017B	Annually July 1, 2021-2047	5%	173,755
Series 2018A	Annually July 1, 2023-2048	5%-5.25%	753,855
Series 2018B	Annually July 1, 2023-2048	5%	96,695
Series 2021A	Annually July 1, 2022-2051	4%-5%	776,925
Series 2021B	Annually July 1, 2022-2051	4%-5%	127,645
Total revenue bonds			<u>2,753,980</u>
Line of credit	March 1, 2024	Variable	-
Net unamortized premiums			401,814
Less current portion			(21,920)
Total long-term debt			<u>\$ 3,133,874</u>

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

Bond debt service requirements of the Airport for bonds payable to maturity as of June 30, 2022 are as follows (amounts in thousands):

Year:	General airport revenue bonds		Line of credit		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 21,920	\$ 134,781	\$ -	\$ 2,100	\$ 21,920	\$ 136,881
2024	25,815	133,588	-	1,400	25,815	134,988
2025	25,065	132,316	-	-	25,065	132,316
2026	46,710	130,521	-	-	46,710	130,521
2027	51,205	128,074	-	-	51,205	128,074
2028-2032	349,535	592,322	-	-	349,535	592,322
2033-2037	448,415	493,529	-	-	448,415	493,529
2038-2042	570,250	369,249	-	-	570,250	369,249
2043-2047	748,670	208,915	-	-	748,670	208,915
2048-2052	466,395	41,242	-	-	466,395	41,242
<b>Total</b>	<b>\$ 2,753,980</b>	<b>\$ 2,364,537</b>	<b>\$ -</b>	<b>\$ 3,500</b>	<b>\$ 2,753,980</b>	<b>\$ 2,368,037</b>

On August 5, 2021 the Airport issued \$776,925,000 of Series 2021A (AMT), and \$127,645,000 of Series 2021B (Non-AMT) bonds. The proceeds of the bonds are being used to finance portions of the TRP and NCP. As of June 30, 2022, unspent Series 2021 bond proceeds was approximately \$337.5 million.

As of June 30, 2022, all of the Series 2017 and 2018 bond proceeds have been spent. As of June 30, 2022, the Airport has no draws on the line of credit and has access to the full \$300 million.

## NOTE 8 – OPERATING REVENUES

Airport operating revenues consist primarily of airline revenues, concession, and other rental revenues from parties who lease Airport facilities. Airport operating revenues consist of the following for the year ended June 30, 2022 (amounts in thousands):

	Amount	Percent of Total
Airline revenues	\$ 136,820	52.8%
Less: Airline revenue sharing	(13,566)	-5.2%
Concession and other rental revenues	132,800	51.3%
State aviation fuel tax	2,891	1.1%
<b>Total operating revenues</b>	<b>\$ 258,945</b>	<b>100.0%</b>

Airline revenues consist of the following for the year ended June 30, 2022 (amounts in thousands):

	<b>Amount</b>
Terminal space rentals	\$ 83,480
Landing fees	45,158
Aircraft remain overnight fees	400
Support buildings	4,346
Fuel farm	1,805
Passenger boarding bridge fees	1,631
<b>Total</b>	<b>\$ 136,820</b>

Charges from terminal space rentals and landing fees for most airlines are determined by the Airport Use Agreements that permit the Airport to recover the airlines' share of the operating costs of the terminal and airfield as defined in the agreement. The most recent agreement was signed effective July 1, 2014 and the agreement terminates on June 30, 2034 for Delta and United, who have both signed an extension. The agreement terminates on June 30, 2024 for all other airlines. 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 non-airline revenue. Revenue sharing is available to signatory airlines under this new agreement. The Airport provides revenue sharing of one dollar (\$1) per enplaned passenger, not to exceed 30% of net remaining operating revenue.

## **NOTE 9 – LEASES**

### **Lessor Agreements**

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

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

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

### ***GASB No. 87 - Included Leases***

In accordance with GASB No. 87, the Airport recognizes a lease receivable and a deferred inflow of resources for leases the Airport categorizes as GASB No. 87 - Included. The Airport has grouped these leases into three categories: Concession Leases, Rental Car Leases, and Other Property Leases. Concession leases are leases for retail and food and beverage tenants at the Airport. Rental Car Leases are rental car agencies located at the Airport. Other Property Leases contain various leases for property and space located around the Airport. The Airport recorded a lease receivable and deferred inflow of resources of \$197.2 million on July 1, 2021 related to these leases. For the year ended June 30, 2022, the Airport reported lease revenue of \$30.4 million and interest revenue of \$4.6 million related to lease payments received.

GASB No. 87 - Included Leases for the year ended June 30, 2022 are summarized as follows (amounts in thousands):

	<b>Beginning Lease Receivable</b>	<b>Receivable Additions</b>	<b>Implied Interest</b>	<b>Receivable Deduction</b>	<b>Annual Lease Revenue</b>	<b>Ending Lease Receivable</b>
Concession Leases	\$ 100,332	\$ -	\$ 2,049	\$ 8,223	\$ 10,272	\$ 92,109
Rental Car Leases	78,738	47,085	2,199	19,124	21,323	106,699
Other Property Leases	18,138	722	431	3,017	3,448	15,842
	<u>\$ 197,208</u>	<u>\$ 47,807</u>	<u>\$ 4,679</u>	<u>\$ 30,364</u>	<u>\$ 35,043</u>	<u>\$ 214,652</u>

As of June 30, 2022, the lease receivable is \$40.5 million and \$174.2 million for current and non-current assets, respectively.

### Concession Leases

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

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

The Airport recorded a lease receivable and deferred inflow of resources on the Statement of Net Position on July 1, 2021, in the amount of \$100.3 million. The lease receivable was reduced, and interest recognized of \$8.2 million and \$2.0 million, respectively. The deferred inflow was also reduced by \$8.2 million. The lease receivable was discounted to the net present value using the 30-year bond buyer index rate on July 1, 2021 (implementation date) of 2.53%. The Airport uses the 30-year bond buyer index rate in its Airline Use Agreement to record the return on investment on the unamortized portion of capitalized assets received from the signatory airlines. This applies to all assets with any useful life. The Airport considered this rate to be the most appropriate for leases of Airport property to match the return received from the airlines.

The Airport received \$13.8 million of revenue from the variable component on top of the lease payments.

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

	<u>Principal</u>	<u>Interest</u>
2023	\$10,145	\$ 2,213
2024	10,451	1,953
2025	10,764	1,685
2026	10,679	1,413
2027	10,843	1,142
2028-2032	36,773	2,027
2033-2037	2,200	180
2038	255	2

### **Rental Car Leases**

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

The Airport recorded a lease receivable and deferred inflow of resources on the Statement of Net Position on July 1, 2021, in the amount of \$78.7 million. The lease receivable was reduced, and interest recognized of \$19.1 million and \$2.2 million, respectively. The deferred inflow was also reduced by \$19.1 million. The lease receivable was discounted to the net present value using the 30-year bond buyer index rate on July 1, 2021 (implementation date) of 2.53%.

The Airport received \$15.2 million of revenue from the variable component on top of the lease payments.

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

	<u>Principal</u>	<u>Interest</u>
2023	\$ 27,255	\$2,387
2024	28,624	1,681
2025	30,048	941
2026	20,772	198

### **Other Property Leases**

The Airport has entered into several agreements to lease space inside the airport or property on airport grounds. These agreements include ground transportation booths, rooms for communication equipment, the weather service building, space to operate the hardstand consortium, land for the post office, land for the Delta MRT Center, and land for Boeing. The termination dates for these contracts range from May 2023 to December 2039, including all options expected to be exercised. The lease receivable is calculated using the contractual amounts for the space rental.

The Airport recorded a lease receivable and deferred inflow of resources on the Statement of Net Position on July 1, 2021, in the amount of \$18.1 million. The lease receivable was reduced, and interest recognized of \$3.0 million and \$430 thousand, respectively. The deferred inflow was also reduced by \$3.0 million. The lease receivable was discounted to the net present value using the 30-year bond buyer index rate on July 1, 2021 (implementation date) of 2.53%.

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

	<u>Principal</u>	<u>Interest</u>
2023	\$3,075	\$ 365
2024	2,698	292
2025	2,767	223
2026	1,148	167
2027	627	149
2028-2032	3,312	499
2033-2037	2,149	115
2038-2040	68	2

#### ***GASB No. 87 Excluded Leases – Regulated***

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

#### **Airline Use Agreement Signatory Airlines**

The rights, services and privileges, including the lease of preferentially-assigned gates, an airline has in connection with the use of the airport and its facilities is addressed in the Airline Use Agreement (AUA). By definition, the AUA is considered a regulated lease and does not recognize a receivable and corresponded deferred inflow of resources. The Airport and certain airlines entered into the original ten year AUA that became effective July 1, 2014 and expires on June 30, 2024. In FY 2018 Delta entered into an amended AUA that extended the term of the original agreement ten years to June 30, 2034. Since then only United has agreed to the amended extension.

The Airport has entered into an AUA with seven (7) passenger airlines and recognized terminal, cargo ramp, federal inspection services (FIS) facilities, and passenger boarding bridge lease revenue of \$69.9 million, \$241 thousand, \$2.8 million, and \$1.6 million, respectively, for the year ended June 30, 2022.

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

#### **Cargo Facilities**

The Airport has entered into month-to-month agreements with 5 companies for space in cargo facilities located at the airport. Revenue from these companies was \$840 thousand for the year ended June 30, 2022.

The Airport has entered into agreements with 7 additional companies for space in cargo facilities. The termination dates range from February 28, 2023 to November 8, 2045. Only one contract has options to extend. They are on the second of 4 one-year extensions, all of which are anticipated to be used. Revenue from these companies was \$931 thousand for the year ended June 30, 2022.

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

2023	\$ 897
2024	796
2025	509
2026	487
2027	487
2028-2032	1,445
2033-2037	1,070
2038-2042	1,070
2043-2046	542

### **Corporate Hangars**

The Airport has entered into several agreements with companies for corporate hangars and the associated ground rent. Termination dates for these contracts range from April 2023 to July 2042. There are no extension options for corporate hangars. Revenue for FY 2022 from corporate hangars was \$661 thousand.

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

2023	\$ 741
2024	405
2025	360
2026	337
2027	221
2028-2032	427
2033-2037	258
2038-2042	248

### **Flight School and Skydiving**

The Airport has entered into one agreement for skydiving and five agreements with flight schools and training. Termination dates for these contracts range from March 2023 to April 2025. Any options in the contracts are expected to be used. Revenue for FY 2022 from flight schools and skydiving was \$110 thousand.

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

2023	\$ 103
2024	58
2025	39

### **Fixed Based Operator**

The Airport has entered into agreements with two fixed based operators to manage general aviation. Termination dates for these contracts are June 2025 and September 2042. There are no extension options for fixed based operators. Revenue for FY 2022 from fixed based operators was \$1.4 million.



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

2023	\$ 1,083
2024	1,059
2025	990
2026	892
2027	892
2028-2032	4,810
2033-2037	3,797
2038-2042	1,769
2043	74

### **FAA Space Rental**

The Airport has entered into an agreement with the FAA for space for equipment. The lease expires on September 30, 2028 and there are no options to extend. Revenue for FY 2022 from this lease was \$9 thousand.

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

2023	\$ 9
2024	9
2025	9
2026	9
2027	9
2028-2029	12

### **Fuel System**

The Airport has entered into an agreement with a company to lease and operate the fuel system. The lease expires on December 31, 2040 with an option to extend 5 years. The option is expected to be exercised. Revenue for FY 2022 from the fuel system lease was \$1.8 million.

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

2023	\$ 1,812
2024	1,821
2025	1,829
2026	1,839
2027	1,848
2028-2032	9,390
2033-2037	9,670
2038-2041	6,957

### **National Guard**

The Airport has entered into agreements with the Utah Air National Guard at Salt Lake City International Airport and the Utah National Guard at South Valley Regional Airport. Termination dates for these contracts are December 31, 2028 and December 31 2045, respectively. There are no extension options. Revenue for FY 2022 from these contracts was \$157 thousand.

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

2023	\$	157
2024		157
2025		157
2026		157
2027		157
2028-2032		544
2033-2037		431
2038-2042		431
2043-2046		302

### **Delta and Skywest Maintenance Hangars**

The Airport has entered into agreements with Delta and Skywest for their maintenance hangars and associated ground rent. Delta's agreement expires on May 31, 2023 with no option to extend. A new agreement is expected to be negotiated. Skywest's agreement expires on November 18, 2027 with an option to extend 10 years. As of October 17, 2022, it is unknown if Skywest will exercise the option. Revenue for FY 2022 from the maintenance hangars was \$2.9 million.

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

2023	\$	3,013
2024		2,320
2025		2,320
2026		2,320
2027		2,320
2028-2029		2,688

### ***GASB No. 87 Excluded Leases – Short-term***

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

On various dates, the Airport entered into month-to-month agreements with several offsite rental car agencies. Revenue of \$2.4 million was recorded in the year ended June 30, 2022.

On various dates, the Airport entered into several month-to-month agreements for Airport property and land. Revenue of \$2.5 million was recorded in the year ended June 30, 2022.

### **Lessee Agreements**

The Airport leases a building near the airport for ground transportation operations and inspections. The lease began on December 1, 2007 and expires December 31, 2022 with no options to extend. An amendment to extend the agreement is being negotiated. In association with this lease, the Airport recorded a right to use asset and lease liability of \$165 thousand. During FY 2022, the Airport paid principal on the lease and reduced the lease liability by \$109 thousand, recorded implied interest expense of \$5 thousand, and recorded depreciation expense of \$110 thousand.

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

	Principal	Interest
2023	\$ 56,732	\$ 758

#### NOTE 10 – DEFERRED INFLOWS OF RESOURCES - LEASES

In accordance with GASB No. 87, the Airport recognizes a lease receivable and a deferred inflow of resources for leases the Airport categorizes as GASB No. 87 - Included. For these leases, the Airport is reporting Deferred Inflows of \$197.2 million as of July 1, 2021, and reported deferred lease revenue of \$30.4 million. These GASB No. 87 - Included leases for the year ended June 30, 2022 are summarized below:

	Beginning Deferred Inflows	Additional Deferred Inflows	Deferred Revenue Recognized	Ending Deferred Inflows
Concession Leases	\$ 100,332	\$ -	\$ (8,223)	\$ 92,109
Rental Car Leases	78,738	47,085	(19,124)	106,699
Other Property Leases	18,138	723	(3,017)	15,844
	<u>\$ 197,208</u>	<u>\$ 47,808</u>	<u>\$ (30,364)</u>	<u>\$ 214,652</u>

#### NOTE 11 – LONG-TERM LIABILITY ACTIVITY

Long-term liability activity for the year ended June 30, 2022 was as follows (amounts in thousands):

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Accrued compensation	\$ 6,076	\$ 5,876	\$ (5,549)	\$ 6,403	\$ 1,938
Net pension liability	1,152	-	(1,152)	-	-
Other long-term liabilities	31,396	16,146	(26,733)	20,809	15,007
Total long-term liabilities	<u>\$ 38,624</u>	<u>\$ 22,022</u>	<u>\$ (33,434)</u>	<u>\$ 27,212</u>	<u>\$ 16,945</u>

Other long-term liabilities consist of \$120 thousand for pollution remediation, \$20.5 million for contract retainage on the Airport's construction contracts for The New SLC, and \$154 thousand for advance deposits on aircraft hangars. The current portion is the amount due within one year and is estimated by the Airport based on historical collections.

## **NOTE 12 – INTER-GOVERNMENTAL CHARGES**

The City provides various services to the Airport, including data processing, investing, financial services, police, and firefighting services. Starting on January 1, 2019, the Airport Police combined with Salt Lake City Police, and all wages, benefits, and operating expenses will be charged as inter-governmental charges going forward. These expenses have been included in operating expenses and are as follows for the year ended June 30, 2022 (amounts in thousands):

	<b>2022</b>
General and administrative charges	\$ 5,180
Aircraft rescue and fire fighting services	5,890
Police services	9,173
<b>Total</b>	<b>\$ 20,243</b>

## **NOTE 13 – MAJOR CUSTOMER**

The Airport received approximately \$54.1 million (20.9%) of its operating revenue during 2022 from rentals and services provided to one airline.

## **NOTE 14 – SUBSEQUENT EVENTS**

On September 26, 2022, the Airport reduced the accessible amount on the line of credit from \$300 million to \$150 million.

**REQUIRED  
SUPPLEMENTAL INFORMATION**



**SALT LAKE CITY DEPARTMENT OF AIRPORTS**  
**Schedule of Required Supplementary Information**  
**Schedule of the Proportionate Share of the Net Pension Liability**  
**Utah Retirement Systems**  
**December 31, 2021**  
**Last 10 Fiscal Years \***  
**(Amounts in Thousands)**

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

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

**SALT LAKE CITY DEPARTMENT OF AIRPORTS**  
**Schedule of Required Supplementary Information**  
**Schedule of the Proportionate Share of the Net Pension Liability**  
**Utah Retirement Systems**  
**December 31, 2021**  
**Last 10 Fiscal Years \***  
**(Amounts in Thousands)**

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

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

**SALT LAKE CITY DEPARTMENT OF AIRPORTS**  
**Schedule of Required Supplementary Information**  
**Schedule of Contributions**  
**June 30, 2022**  
**Last 10 Fiscal Years \***  
**(Amounts in Thousands)**

<b>Noncontributory System</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Actuarial determined contributions	\$ 2,666	\$ 2,941	\$ 3,153	\$ 3,226	\$ 3,864	\$ 3,883	\$ 3,867	\$ 4,073
Contributions in relation to the contractually required contribution	(2,666)	(2,941)	(3,153)	(3,226)	(3,864)	(3,883)	(3,867)	(4,073)
Contribution deficiency	-	-	-	-	-	-	-	-
Covered payroll	20,851	20,325	20,941	21,576	22,947	22,395	22,735	21,046
Contributions as a percentage of covered payroll	12.8%	14.5%	15.1%	15.0%	16.8%	17.3%	17.8%	19.4%
<b>Contributory Retirement System</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Actuarial determined contributions	\$ 30	\$ 27	\$ 27	\$ 26	\$ 100	\$ 121	\$ 116	\$ 186
Contributions in relation to the contractually required contribution	(30)	(27)	(27)	(26)	(100)	(121)	(116)	(186)
Contribution deficiency	-	-	-	-	-	-	-	-
Covered payroll	855	659	545	472	706	827	958	1,399
Contributions as a percentage of covered payroll	3.5%	4.1%	5.0%	5.5%	14.1%	14.7%	12.5%	13.3%
<b>Public Safety System</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Actuarial determined contributions	\$ 16,646	\$ -	\$ -	\$ -	\$ 1,402	\$ 1,376	\$ 1,477	\$ 1,574
Contributions in relation to the contractually required contribution	(16,646)	-	-	-	(1,402)	(1,376)	(1,477)	(1,574)
Contribution deficiency	-	-	-	-	-	-	-	-
Covered payroll	-	-	-	-	3,441	3,173	3,379	3,277
Contributions as a percentage of covered payroll	0.0%	0.0%	0.0%	0.0%	40.7%	43.4%	45.1%	48.0%

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



**SALT LAKE CITY DEPARTMENT OF AIRPORTS**  
**Schedule of Required Supplementary Information**  
**Schedule of Contributions**  
**June 30, 2022**  
**Last 10 Fiscal Years \*\***  
**(Amounts in Thousands)**

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

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

\*\* In accordance with paragraph 81.a of GASB 68, employers will need to disclose a 10-year history of their contributions in their RSI. The 10-year schedule will need to be built prospectively. The schedule above is for the eight 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, 2022**  
**Last 10 Fiscal Years \*\***  
**(Amounts in Thousands)**

<b>Tier 2 Public Safety and Firefighter DC Only System*</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Actuarial determined contributions	\$ -	\$ -	\$ -	\$ -	\$ 18	\$ 17	\$ 21	\$ -
Contributions in relation to the contractually required contribution	-	-	-	-	(18)	(17)	(21)	-
Contribution deficiency	-	-	-	-	-	-	-	-
Covered payroll	-	-	-	-	91	97	448	-
Contributions as a percentage of covered payroll	0.0%	0.0%	0.0%	0.0%	19.9%	17.2%	24.1%	0.0%

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

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

**SALT LAKE CITY DEPARTMENT OF AIRPORTS**  
**Notes to Required Supplementary Information**  
**For Fiscal Year Ended June 30, 2022**

**Changes in Assumptions:**

The investment return assumption was decreased by 0.10% to 6.85% for use in the January 1, 2021 actuarial valuation. This assumption change was based on analysis performed by the actuary and adopted by the Utah State Retirement Board. The demographic assumptions were reviewed and updated in the January 1, 2020 actuarial valuation and are currently scheduled to be reviewed in the year 2023.

# STATISTICAL SECTION (Unaudited)



**STATISTICAL SECTION**  
(Unaudited)

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

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

**SALT LAKE CITY DEPARTMENT OF AIRPORTS**

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
<b>Net Position</b>										
Invested in capital assets - net of debt	\$ 1,252,753	\$ 1,310,144	\$ 1,217,266	\$ 1,121,415	\$ 1,201,228	\$ 761,198	\$ 869,233	\$ 779,343	\$ 707,112	\$ 670,459
Restricted										
Capital Projects	40,565	35,106	42,818	37,202	32,693	189,115	143,297	196,439	179,263	132,827
Debt Service	337,178	180,507	221,741	315,432	200,842	240,783	-	-	-	-
Unrestricted	(220,735)	(109,535)	(51,253)	(56,897)	(80,123)	96,713	209,704	182,199	223,294*	251,418*
<b>Total Net Position</b>	<u>\$ 1,409,761</u>	<u>\$ 1,416,222</u>	<u>\$ 1,430,572</u>	<u>\$ 1,417,152</u>	<u>\$ 1,354,640</u>	<u>\$ 1,287,809</u>	<u>\$ 1,222,234</u>	<u>\$ 1,157,981</u>	<u>\$ 1,109,669</u>	<u>\$ 1,054,704</u>

\* Balance has not been restated for GASB 68

**SALT LAKE CITY DEPARTMENT OF AIRPORTS**

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

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

*For the twelve month period ended June 30,*

	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
<b>Operating Revenues</b>					
Airline revenue	\$ 136,820	\$ 109,691	\$ 77,312	\$ 75,635	\$ 70,572
Terminal concessions	22,757	12,677	16,681	20,454	19,193
Landside concessions	90,597	50,802	58,691	72,457	68,081
Lease revenue	10,525	8,140	8,746	8,084	7,539
General aviation	3,491	3,579	3,009	2,990	2,661
State aviation tax	2,891	2,258	2,344	2,919	3,122
Other revenue	5,430	5,247	4,640	4,999	6,245
Operating revenues	272,511	192,394	171,423	187,539	177,413
Less: Airline revenue sharing	(13,566)	(7,710)	(10,097)	(14,077)	(13,007)
Total operating revenues	258,945	184,684	161,326	173,461	164,406
<b>Operating Expenses</b>					
Salaries and benefits	47,804	46,782	48,584	40,258	50,076
Materials and supplies	13,673	11,041	12,381	12,610	11,343
Maintenance contracts	19,106	12,592	11,071	10,538	9,034
Charges and services	28,232	24,618	11,069	12,970	12,175
Utilities	7,176	6,664	5,697	5,721	5,649
Inter-governmental	20,243	18,427	18,123	13,543	8,395
Other expenses	4,385	3,552	2,978	2,793	3,304
Total operating expenses before depreciation	140,619	123,676	109,903	98,433	99,976
<b>Operating Income Before Depreciation</b>	118,326	61,008	51,423	75,029	64,430
<b>Depreciation</b>	144,019	100,890	57,604	63,550	63,827
<b>Operating Income (Loss)</b>	(25,693)	(39,882)	(6,181)	11,478	603
<b>Non-Operating Revenues (Expenses)</b>					
Passenger facility charges	48,759	29,227	40,607	49,721	47,739
Customer facility charges	14,024	9,016	12,478	16,012	15,740
Interest income	11,740	3,944	19,361	36,964	21,783
Net bond interest expense	(116,832)	(86,108)	(85,498)	(72,223)	(34,675)
Bond issuance costs	(3,010)	(506)	-	(3,130)	-
Contribution of capital assets	(648)	(9,029)	-	-	-
Other revenue (expenses), net	(6,547)	(15,943)	1,528	9,405	(2,501)
Net non-operating revenues	(52,514)	(69,397)	(11,524)	36,749	48,086
<b>Capital Contributions</b>	71,746	94,931	31,125	14,285	18,142
<b>Net Position</b>					
Increase (decrease) in net position	(6,461)	(14,350)	13,420	62,512	66,831
Net Position, beginning of period	1,416,222	1,430,572	1,417,152	1,354,640	1,287,809
Net Position, end of period	\$ 1,409,761	\$ 1,416,222	\$ 1,430,572	\$ 1,417,152	\$ 1,354,640

Source: Salt Lake City Department of Airports Audited Financial Statements

**SALT LAKE CITY DEPARTMENT OF AIRPORTS**

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

(Amounts in Thousands)

*For the twelve month period ended June 30,*

	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
<b>Operating Revenues</b>					
Airline revenue	\$ 66,639	\$ 62,454	\$ 59,420	\$ 58,910	\$ 58,213
Terminal concessions	18,120	16,637	16,016	15,154	14,037
Landside concessions	64,408	57,986	52,550	49,199	48,255
Lease revenue	6,927	6,185	6,093	6,180	5,834
General aviation	2,334	1,785	1,691	1,662	1,580
State aviation tax	2,983	2,796	2,545	2,343	2,321
Other revenue	5,564	4,131	3,894	3,841	3,629
Operating revenues	166,975	151,974	142,209	137,289	133,869
Less: Airline revenue sharing	(12,169)	(10,941)	(9,939)	(10,290)	(10,014)
Total operating revenues	154,806	141,033	132,270	126,999	123,855
<b>Operating Expenses</b>					
Salaries and benefits	49,350	45,096	33,880	44,916	42,348
Materials and supplies	11,725	10,940	9,486	10,755	11,118
Maintenance contracts	8,399	8,202	7,827	7,778	9,473
Charges and services	13,730	10,484	8,571	9,125	9,685
Utilities	6,317	6,539	6,679	6,580	6,479
Inter-governmental	6,339	6,043	5,783	5,589	5,425
Other expenses	3,599	2,761	3,983	2,872	2,942
Total operating expenses before depreciation	99,459	90,065	76,209	87,615	87,470
<b>Operating Income Before Depreciation</b>	55,347	50,968	56,061	39,384	36,385
<b>Depreciation</b>	63,665	61,657	59,995	59,027	57,127
<b>Operating Loss</b>	(8,318)	(10,689)	(3,934)	(19,643)	(20,742)
<b>Non-Operating Revenues (Expenses)</b>					
Passenger facility charges	45,750	42,804	40,976	38,437	37,535
Customer facility charges	16,157	15,613	15,607	14,849	14,309
Net Bond interest expense	(14,480)	-	-	-	-
Loss on disposition of property and equipment	-	-	-	(125)	(1,947)
Bond issuance costs	(3,454)	-	-	-	-
Interest income	8,006	2,783	1,789	1,964	1,814
Increase in the fair value of investments	-	(488)	(276)	1,566	(1,448)
Other revenue (expenses), net	4,120	-	-	-	-
Net non-operating revenues (expenses)	56,099	60,712	58,096	56,691	50,263
<b>Capital Contributions</b>	17,794	14,230	15,148	17,916	22,559
<b>Net Position</b>					
Increase (decrease) in net position	65,575	64,253	69,310	54,964	52,080
Net Position, beginning of period	1,222,234	1,157,981	1,088,671	1,054,705 *	1,002,625 *
Net Position, end of period	\$ 1,287,809	\$ 1,222,234	\$ 1,157,981	\$ 1,109,669 *	\$ 1,054,705 *

Source: Salt Lake City Department of Airports Audited Financial Statements

\*Balance has not been restated for GASB 68.





**SALT LAKE CITY DEPARTMENT OF AIRPORTS**

**CASH FLOW TREND**

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

	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
<b>Cash Flows from Operating Activities</b>					
Cash received from providing services	\$ 261,707	\$ 205,068	\$ 160,183	\$ 178,994	\$ 169,134
Cash paid for services by Salt Lake City	(8,694)	(18,427)	(18,123)	(13,543)	(8,395)
Cash paid to suppliers	(92,277)	(58,171)	(49,941)	(48,326)	(46,948)
Cash paid to employees	(55,014)	(50,474)	(48,728)	(49,835)	(53,380)
Net cash from operating activities	105,722	77,995	43,391	67,290	60,411
<b>Cash Flows from Investing Activities</b>					
Interest received on investments/Paid for investments	(87,999)	76,461	303,941	(376,407)	(25,623)
Net cash from investing activities	(87,999)	76,461	303,941	(376,407)	(25,623)
<b>Cash Flows from Capital and Related Financing Activities</b>					
Purchase of capital equipment	(2,716)	(7,591)	(13,763)	(5,504)	(2,920)
Payments for acquisition and construction of capital assets	(467,287)	(585,288)	(732,251)	(688,815)	(501,523)
Principal paid on revenue bonds	(1,140)	-	-	-	-
Payment for capital assets contributed to TSA	(648)	(9,029)	-	-	-
Proceeds on line of credit	-	267,600	-	-	-
Payment on line of credit	(267,600)	-	-	-	-
Proceeds from issuance of revenue bonds payable	1,139,949	-	-	931,456	-
Bond issuance costs	(1,418)	(491)	-	(1,468)	-
Interest paid on bonds and line of credit	(111,585)	(93,738)	(100,026)	(50,000)	(42,778)
Interest received from leases	4,679	-	-	-	-
Passenger Facility Charges	49,695	25,381	44,460	49,571	47,474
Customer Facility Charges	13,794	7,788	13,526	16,720	15,656
Proceeds from sale of property	234	150	108	159	136
Airport improvement grants	96,730	77,982	30,056	2,696	19,735
Other financing	3,818	97	2,166	8,043	1,142
Net cash from capital and related financing activities	456,505	(317,140)	(755,724)	262,858	(463,078)
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	474,228	(162,684)	(408,392)	(46,259)	(428,290)
<b>Cash and Cash Equivalents - Beginning of Year</b>	292,793	455,477	863,868	910,127	1,338,417
<b>Cash and Cash Equivalents - End of Year</b>	\$ 767,021	\$ 292,793	\$ 455,477	\$ 863,868	\$ 910,127

Source: Salt Lake City Department of Airports Audited Financial Statements

**SALT LAKE CITY DEPARTMENT OF AIRPORTS**

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

	2017	2016	2015	2014	2013
<b>Cash Flows from Operating Activities</b>					
Cash received from providing services	\$ 156,314	\$ 145,959	\$ 139,279	\$ 135,719	\$ 129,243
Cash paid for services by Salt Lake City	(7,247)	(7,043)	(6,978)	(7,060)	(7,031)
Cash paid to suppliers	(37,228)	(39,744)	(35,717)	(39,568)	(40,753)
Cash paid to employees	(48,872)	(46,776)	(45,398)	(43,763)	(42,180)
Net cash from operating activities	62,967	52,396	51,186	45,328	39,279
<b>Cash Flows from Investing Activities</b>					
Interest received on investments/Paid for investments	6,677	1,647	11,787	13,385	(45,951)
Net cash from investing activities	6,677	1,647	11,787	13,385	(45,951)
<b>Cash Flows from Noncapital and Related Financing Activities</b>					
Cash overdraft with City pooled cash account	-	(10,043)	10,043	-	-
Net cash from noncapital and related financing activities	-	(10,043)	10,043	-	-
<b>Cash Flows from Capital and Related Financing Activities</b>					
Purchase of capital equipment	(6,861)	(7,185)	(3,905)	(2,546)	(2,367)
Payments for acquisition and construction of capital assets	(271,753)	(146,841)	(126,880)	(68,077)	(43,333)
Payments for prior year accrued non-operating rebates	-	-	-	-	-
Proceeds from issuance of revenue bonds payable	1,124,493	-	-	-	-
Bond issuance costs	(1,391)	-	-	-	-
Passenger Facility Charges	44,932	42,454	40,955	39,096	37,097
Customer Facility Charges	16,129	15,850	15,673	15,563	14,572
Interest received on Customer Facility Charges	-	333	134	-	-
Proceeds from sale of property	208	15,902	9,938	29	204
Airport improvement grants	22,500	-	-	25,206	18,150
Net cash from capital and related financing activities	928,257	(79,487)	(64,084)	9,271	24,323
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	997,901	(35,487)	8,932	67,984	17,651
<b>Cash and Cash Equivalents - Beginning of Year</b>	340,516	376,003	367,071	299,087	281,436
<b>Cash and Cash Equivalents - End of Year</b>	\$ 1,338,417	\$ 340,516	\$ 376,003	\$ 367,071	\$ 299,087

Source: Salt Lake City Department of Airports Audited Financial Statements

**SALT LAKE CITY DEPARTMENT OF AIRPORTS**

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

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

<b>General Revenue bonds</b>	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Principal	\$ 1,140	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	110,029	93,928	92,778	78,637	50,000	17,778	-	-	-	-
<b>Total Debt Service</b>	<b>\$ 111,169</b>	<b>\$ 93,928</b>	<b>\$ 92,778</b>	<b>\$ 78,637</b>	<b>\$ 50,000</b>	<b>\$ 17,778</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Total Operating Expenses	\$ 140,619	\$ 123,676	\$ 109,903	\$ 98,433	\$ 99,976	\$ 99,459	\$ 90,065	\$ 76,209	\$ 87,615	\$ 87,471
<b>Ratio of Bond Debt Service to Total Operating Expenses</b>	<b>79.1%</b>	<b>75.9%</b>	<b>84.4%</b>	<b>79.9%</b>	<b>50.0%</b>	<b>17.9%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>

**Debt Service per Enplaned Passenger**

Total Debt Service	\$ 111,169	\$ 93,928	\$ 92,778	\$ 78,637	\$ 50,000	\$ 17,778	\$ -	\$ -	\$ -	\$ -
Enplaned passengers	12,802	7,710	10,096	13,090	12,420	11,850	11,293	10,834	10,295	10,044
<b>Debt Service per Enplaned Passenger</b>	<b>\$ 8.68</b>	<b>\$ 12.18</b>	<b>\$ 9.19</b>	<b>\$ 6.01</b>	<b>\$ 4.03</b>	<b>\$ 1.50</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**Total Outstanding Debt per Enplaned Passenger**

Outstanding debt										
2021A series	\$ 969,275	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2021B series	163,551	-	-	-	-	-	-	-	-	-
2018A series	815,607	818,425	821,126	823,625	-	-	-	-	-	-
2018B series	106,188	106,621	107,036	107,420	-	-	-	-	-	-
2017A series	906,493	911,485	915,226	918,724	922,178	925,498	-	-	-	-
2017B series	194,680	195,714	196,676	197,574	198,463	199,314	-	-	-	-
Line of credit	-	267,600	-	-	-	-	-	-	-	-
<b>Total Outstanding debt</b>	<b>\$ 3,155,794</b>	<b>\$ 2,299,845</b>	<b>\$ 2,040,064</b>	<b>\$ 2,047,343</b>	<b>\$ 1,120,641</b>	<b>\$ 1,124,812</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Enplaned Passengers	12,802	7,710	10,096	13,090	12,420	11,850	11,293	10,834	10,295	10,044
<b>Outstanding Debt per Enplaned Passenger</b>	<b>\$ 246.51</b>	<b>\$ 298.29</b>	<b>\$ 202.07</b>	<b>\$ 156.41</b>	<b>\$ 90.23</b>	<b>\$ 94.92</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

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

**SALT LAKE CITY DEPARTMENT OF AIRPORTS**

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

	2022	2021
Revenues	\$258,945	\$184,684
Less Operation and Maintenance Expenses of the Airport System*	(100,937)	(57,573)
Net Revenues	158,008	127,111
Plus Transfers	15,301	13,801
Total Available for Debt Service	\$173,309	\$140,912
Annual Debt Service on Outstanding Bonds**	\$ 63,304	\$ 56,353
<b>Annual Debt Service Coverage</b>	274%	250%

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

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

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

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

Source Airport annual financial reports and management records

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

<b>Fiscal Year Ended June 30,</b>	<b>Salt Lake City, Utah Population (1)</b>	<b>Personal Income (amounts expressed in thousands) (2)</b>	<b>Per Capita Personal Income (2)(4)</b>	<b>Number of residents 18 years and older (1)</b>	<b>Unemployment Rate (3)</b>
2022	est. 200,478	unavailable	unavailable	unavailable	2.0%
2021	199,723	7,345,612	36,779	159,379	3.1%
2020	200,567	6,961,881	34,711	160,824	8.3%
2019	194,188	6,399,271	32,954	153,512	2.8%
2018	191,446	5,970,818	31,188	150,894	3.1%
2017	190,679	5,420,623	28,428	149,552	3.3%
2016	189,267	5,640,724	29,803	147,619	3.3%
2015	188,141	5,844,600	31,065	145,634	3.6%
2014	186,740	5,122,278	24,730	144,645	3.7%
2013	186,009	4,862,647	26,142	143,965	4.4%

Sources:

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

**SALT LAKE CITY DEPARTMENT OF AIRPORTS**  
**Utah Principal Employers**  
**Current Year and Ten Years Ago**

**June 30, 2022**

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

**June 30, 2013**

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

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

**SALT LAKE CITY DEPARTMENT OF AIRPORTS**

**AIRPORT EMPLOYEE STATISTICS**

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

Fiscal Year	Director's Office	Public Relations	Planning & Capital Programming	Finance & Accounting	Admin & Commercial Services	Information Technology	Engineering	Maintenance	Operations	Police	Total
2022	5	4	8	13	14	29	21	262	164	**	520
2021	5	4	8	14	14	29	23	246	155	**	498
2020	5	4	8	14	13	30	23	242	159	**	498
2019	6	3	8	19	13	27	25	223	148	**	472
2018	6	2	8	19	13	23	25	226	142	62	526
2017	6	2	8	19	13	25	26	222	142	62	525
2016	6	2	8	20	13	25	25	221	191	*	511
2015	6	2	8	19	13	25	25	215	193	*	506
2014	5	2	8	21	14	25	29	217	200	*	521
2013	5	1	8	21	12	24	29	213	202	*	515

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

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

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



**SALT LAKE CITY DEPARTMENT OF AIRPORTS**

**SUMMARY OF CAPITAL ASSETS**

	<b>June 30, 2022</b>	<b>June 30, 2021</b>	<b>June 30, 2020</b>	<b>June 30, 2019</b>	<b>June 30, 2018</b>	<b>June 30, 2017</b>	<b>June 30, 2016</b>	<b>June 30, 2015</b>	<b>June 30, 2014</b>	<b>June 30, 2013</b>
<b>Military</b>										
Acres of land leased to military	194	194	135	135	135	135	135	135	135	135
Annual rent from military leases			\$153,712	\$153,712	\$153,712	\$153,712	\$150,969	\$140,144	\$136,968	\$136,968
<b>Terminal - General</b>										
Number of passenger terminals	1	1	3	3	3	3	3	3	3	3
Total square feet	3,870,095	3,870,095	1,060,184	1,090,067	1,090,067	1,090,067	1,090,067	1,102,400	1,102,400	1,102,400
<b>Non-Retail Space - number of sq. ft.</b>										
Counter space	6,604	6,604	7,614	7,614	7,614	7,614	7,614	7,614	7,614	7,614
Airline office	91,452	91,452	42,569	42,569	42,569	42,569	42,569	42,569	42,369	42,369
Other office (i.e. TSA, SLCDA, concession offices)	88,582	88,582	61,865	61,865	61,865	61,865	61,865	61,865	61,865	47,882
Common use areas	1,140,560	1,140,560	584,370	584,370	584,370	584,370	584,370	584,370	584,370	598,343
<b>Retail Space - Pre-Security</b>										
Food and beverage	5,164	608	2,674	2,674	2,674	2,674	2,674	2,674	2,674	2,788
Newsstands	1,684	1,684	184	184	184	184	184	184	184	212
Specialty Retail	-	-	-	-	-	-	-	-	-	-
Other concessions (vending)	-	-	264	264	264	264	264	264	264	238
<b>Retail Space - Secured Area</b>										
Food and beverage	39,129	24,402	50,280	50,280	50,280	50,280	50,280	50,280	50,280	49,836
Newsstands	9,654	9,654	7,721	7,721	7,721	7,721	7,721	7,721	7,721	7,697
Specialty Retail	20,295	16,133	15,019	15,019	15,019	15,019	15,019	15,001	15,001	13,419
Other concessions	721	721	152	152	152	152	152	96	96	140
<b>Parking</b>										
Short-term / 4 Level Parking Garage (Number of spaces)	3,469	3,469	1,845	1,845	1,845	1,845	1,845	1,774	1,766	1,766
Long-term (Number of spaces)	10,548	10,548	10,463	10,463	10,463	9,703	9,703	10,070	10,055	10,057
Tenant Employee Lot / Lot E (Number of spaces)	4,309	4,309	2,950	2,950	2,950	2,950	2,950	2,950	2,950	2,950
Park and Wait Lot (Number of spaces)	120	120	120	120	120	120	82	82	82	81
<b>Cargo</b>										
Total SF of airport buildings leased for cargo use, including warehouse, office, etc.	249,674	249,674	206,620	184,592	202,896	202,896	202,896	202,896	202,896	202,896
Total SF of ground leased for cargo, incl. warehousing, office, etc.	929,211	929,211	757,939	757,939	797,939	797,939	797,939	727,939	727,939	727,939
<b>Runways (feet)</b>										
34L/16R	150 x 12,000	150 x 12,000	150 x 12,000	150 x 12,000	150 x 12,000	150 x 12,000	150 x 12,000	150 x 12,000	150 x 12,000	150 x 12,000
34R/16L	150 x 12,003	150 x 12,003	150 x 12,003	150 x 12,003	150 x 12,003	150 x 12,003	150 x 12,003	150 x 12,003	150 x 12,003	150 x 12,003
35/17	150 x 9,596	150 x 9,596	150 x 9,596	150 x 9,596	150 x 9,596	150 x 9,596	150 x 9,596	150 x 9,596	150 x 9,596	150 x 9,596
32/14	150 x 4,892	150 x 4,892	150 x 4,892	150 x 4,892	150 x 4,892	150 x 4,892	150 x 4,892	150 x 4,892	150 x 4,892	150 x 4,892
<b>Acres</b>										
Total Acres Owned by Airport	9,365	9,352	9,663	9,663	9,663	9,663	9,633	9,510	9,426	9,426
Total AOA Acres	3,121	3,121	3,325	3,325	3,325	3,325	3,325	3,375	3,375	3,375

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

**SALT LAKE CITY DEPARTMENT OF AIRPORTS**

**SCHEDULE OF INSURANCE POLICIES**

<b>Coverage Type</b>	<b>Carrier / Policy #</b>	<b>Policy Limits</b>	<b>Description / Deductibles</b>
<b>Crime and Fidelity</b>	National Union Fire Insurance 01-426-40-59	\$1,000,000	Employee Theft - Per Loss Coverage, \$20,000 deductible
		\$1,000,000	Funds Transfer Fraud, \$20,000 deductible
		\$1,000,000	Computer Fraud, \$20,000 deductible
		\$50,000	Theft of Money & Securities, \$2,500 deductible
		\$50,000	Money Orders and Counterfeit Money, \$2,500 deductible
		\$50,000	Inside or Outside Premises - Robbery or Safe Burglary of Other Property, \$2,500 deductible
<b>Excess Workers' Comp</b>	Safety National SP 4066907	\$25,000	Forgery or Alteration, \$1,000 deductible
		\$30,000,000	Maximum limit of indemnity per occurrence
		\$1,000,000	\$1,000,000 Self-Insured Retention (SIR) per occurrence
<b>Cyber</b>	Coalition Insurance Solutions C-4LQV-205722-CYBER-2022	\$5,000,000	Employers' Liability maximum limit of indemnity per occurrence
			Third-Party Liability: Media, Privacy and Cyber Security, Privacy Regulatory Defense, Awards and Fines, \$500,000 retention First Party Coverage: Data Recovery, Cyber Extortion and Ransomware. Data Breach Response and Crisis Management Coverage, \$500,000 retention
<b>General Liability</b> Dept. of Airports	AIG AP 007741005	\$500,000,000	Bodily Injury, Property Damage, Auto Liability on Airport
		\$500,000,000	Premises, Hangarkeepers Liability
		\$50,000,000 each offense	Personal & Advertising Injury, Incidental Medical Malpractice
		\$50,000,000 Excess of SIR	Excess Auto Legal Liability Off-Premises \$500,000 SIR
		\$150,000,000	War Liability/TRIA Liability
<b>Property Insurance</b> Dept. of Airports	Lexington Insurance Co. 014498273	\$1,000,000,000	Airport Terminal, Concourses, Buildings, Runways, Taxiways
		Sublimits apply	Equipment, Fuel Farm, Materials, Machinery
		\$100,000,000	Earth Movement and Flood 2% deductible per location; \$100,000 min. \$5,000,000 max.
		\$500,000,000	Windstorm or Hail 5% deductible, \$250,000 min.
		\$200,000,000	Business Interruption 2% deductible per location; \$100,000 min. \$5,000,000 max.
<b>Comm. Auto Liability</b> Dept. of Airports	Granite State Auto Insurance 02-CA-023317118	Not covered	Terrorism, Certified & Non-Certified Acts
		\$1,000,000 \$0 deductible	Scheduled Autos Only

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

<u>Fiscal Year</u>	<u>O&amp;D Enplaned Passengers</u>	<u>% Change From Prior FY</u>	<u>Connecting Enplaned Passengers</u>	<u>% Change From Prior FY</u>	<u>Total Enplaned Passengers</u>	<u>% Change From Prior FY</u>
2013	5,276,135	2.1	4,767,934	(3.8)	10,044,069	(0.8)
2014	5,317,054	0.8	4,977,640	4.4	10,294,694	2.5
2015	5,748,372	8.1	5,085,336	2.2	10,833,708	5.2
2016	6,138,625	6.8	5,154,449	1.4	11,293,074	4.2
2017	6,643,195	8.2	5,207,025	1.0	11,850,220	4.9
2018	7,201,438	8.4	5,218,734	0.2	12,420,172	4.8
2019	7,543,142	4.7	5,546,991	6.3	13,090,133	5.4
2020	5,861,766	(22.3)	4,233,966	(23.7)	10,095,732	(22.9)
2021	4,353,659	(25.7)	3,356,694	(20.7)	7,710,353	(23.6)
2022	7,228,786 *	66.0	5,573,432 *	66.0	12,802,218 *	66.0

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

\* O&D passengers for FY 2022 from USDOT are not yet available. As such, the figure has been forecast using percentages from FY 2021.

**Airlines Operating in FY 2022  
At Salt Lake City International Airport**

**Signatory Airlines**

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

**Non-signatory & Affiliate Airlines\***

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

**All Cargo Airlines**

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

**Foreign Flag Airlines\***

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

\* Affiliated Signatory Airlines shown in parentheses.

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

<u>Airline</u>	<u>FY 2013</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>	<b>Market Share FY 2013</b>	<b>Market Share FY 2022</b>
Delta Air Lines	4,578	4,786	5,170	5,597	6,097	6,431	6,869	5,587	4,172	7,364	73.9%	73.4%
Delta Connection*	2,844	2,723	2,440	2,329	2,184	2,298	2,563	1,778	1,420	2,039	0.0% *	0.0% *
Southwest Airlines	1,198	1,173	1,162	1,214	1,216	1,310	1,300	982	758	1,327	11.9%	10.4%
American Airlines**	567	647	713	752	747	775	740	555	520	688	5.6%	5.4%
United Airlines	444	443	491	552	596	608	663	475	350	596	4.4%	4.7%
Alaska Air	26	112	407	409	421	379	333	253	182	295	0.3%	2.3%
JetBlue Airways	167	163	202	232	296	363	358	274	113	249	1.7%	1.9%
Frontier	217	239	238	198	246	243	263	191	194	217	2.2%	1.7%
Other	4	9	10	10	47	13	2	1	0	27	0.0%	0.2%
<b>Total</b>	<u>10,044</u>	<u>10,295</u>	<u>10,834</u>	<u>11,293</u>	<u>11,850</u>	<u>12,420</u>	<u>13,090</u>	<u>10,096</u>	<u>7,710</u>	<u>12,802</u>		

\*Percentage included with Delta

\*\*Including US Airways

Note: Amounts may not add due to rounding.

Source: Department Records

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

	<b>Fiscal Year Ended June 30</b>									
	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Passenger Aircraft	236,860	237,646	237,948	237,294	247,150	250,904	253,578	216,320	219,808	245,840
Cargo	17,942	18,102	18,484	19,434	20,240	20,382	20,618	20,604	20,672	20,296
General Aviation	74,145	66,670	60,824	50,879	48,843	53,695	61,117	63,326	68,469	69,370
Military	2,044	2,190	2,738	7,978	7,202	7,037	5,751	2,792	3,190	3,001
<b>Total Operations</b>	<b>330,991</b>	<b>324,608</b>	<b>319,994</b>	<b>315,585</b>	<b>323,435</b>	<b>332,018</b>	<b>341,064</b>	<b>303,042</b>	<b>312,139</b>	<b>338,507</b>
Annual Change	(-3.5%)	(-1.9%)	(-1.4%)	(-1.4%)	2.5%	2.7%	2.7%	(-11.1%)	3.0%	8.4%

Source: Department Records

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

	<b>Fiscal Year Ended June 30</b>									
	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Airlines	11,463,695	11,740,729	12,202,986	12,511,833	13,303,497	13,737,381	14,263,691	12,315,209	12,631,435	14,668,929
Cargo	942,557	938,309	997,992	1,069,830	1,106,147	1,171,564	1,201,369	1,246,304	1,356,217	1,320,235
<b>Total</b>	<b>12,406,252</b>	<b>12,679,038</b>	<b>13,200,978</b>	<b>13,581,663</b>	<b>14,409,644</b>	<b>14,908,945</b>	<b>15,465,060</b>	<b>13,561,513</b>	<b>13,987,652</b>	<b>15,989,164</b>
Annual Change	(-1.6%)	2.2%	4.1%	2.9%	6.1%	3.5%	3.7%	(-12.3%)	3.1%	14.3%

Source: Department Records

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

	<b>Fiscal Year Ended June 30</b>									
	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Cargo	171,762	162,767	165,356	175,453	183,525	190,143	203,950	199,985	212,260	202,246
Mail	14,417	14,674	15,773	16,420	17,020	20,712	20,293	21,400	27,865	25,109
<b>Total</b>	<b>186,179</b>	<b>177,441</b>	<b>181,129</b>	<b>191,873</b>	<b>200,545</b>	<b>210,855</b>	<b>224,243</b>	<b>221,385</b>	<b>240,125</b>	<b>227,355</b>
Annual Change	1.6%	(-4.7%)	2.1%	5.9%	4.5%	5.1%	6.3%	(-1.3%)	8.5%	(-5.3%)

Source: Department Records



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

	Fiscal Year Ended June 30				
	2018	2019	2020	2021	2022
<b>Operating Revenues</b>					
Airfield	\$ 37,850,416	\$ 40,799,238	\$ 40,689,749	\$ 40,792,381	\$ 51,530,131
Terminals	56,371,640	60,286,589	58,015,237	84,092,806	111,698,594
Landside	68,304,466	72,852,990	58,885,211	51,311,766	90,523,390
Auxiliary Airports	1,782,152	2,031,742	2,138,371	2,106,100	2,492,699
General Aviation	2,526,808	2,392,266	2,568,559	3,381,032	3,260,293
Support Areas	7,662,008	6,437,741	5,957,045	6,319,366	5,161,656
Other	2,915,551	2,739,183	3,169,004	4,390,798	7,843,314
Operating revenues	177,413,041	187,539,749	171,423,176	192,394,249	272,510,077
Less: Airline revenue sharing	(13,007,308)	(14,076,885)	(10,096,880)	(7,710,155)	(13,566,127)
<b>Total operating revenues</b>	<b>164,405,733</b>	<b>173,462,864</b>	<b>161,326,296</b>	<b>184,684,094</b>	<b>258,943,950</b>
<b>Operating Expenses</b>					
Airfield	31,484,601	31,305,225	32,866,248	31,303,986	39,396,566
Terminals	41,079,201	40,435,158	47,183,508	65,663,460	73,755,975
Landside	12,522,236	10,081,900	11,223,893	12,704,070	15,075,369
Auxiliary Airports	3,253,108	4,241,437	4,534,580	4,386,332	4,292,035
General Aviation	995,461	877,645	892,387	747,824	39,952
Support Areas	1,235,761	1,661,436	1,600,159	1,644,206	1,562,360
Roads and Grounds	6,876,733	7,670,463	8,516,862	5,108,025	4,599,614
Other	2,529,250	2,161,008	3,085,500	2,118,334	1,897,243
<b>Total operating expenses before depreciation</b>	<b>99,976,351</b>	<b>98,434,272</b>	<b>109,903,136</b>	<b>123,676,237</b>	<b>140,619,114</b>
<b>Operating Income Before Depreciation</b>	<b>64,429,382</b>	<b>75,028,592</b>	<b>51,423,160</b>	<b>61,007,857</b>	<b>118,324,836</b>
<b>Depreciation</b>	<b>63,826,718</b>	<b>63,549,763</b>	<b>57,604,443</b>	<b>100,890,159</b>	<b>144,018,609</b>
<b>Operating Income/(Loss)</b>	<b>602,664</b>	<b>11,478,829</b>	<b>(6,181,283)</b>	<b>(39,882,302)</b>	<b>(25,693,773)</b>
<b>Non-operating Revenues (Expenses)</b>					
Passenger Facility Charges	47,739,461	49,720,539	40,607,278	29,227,051	48,759,002
Customer Facility Charges	15,740,068	16,012,445	12,477,986	9,015,981	14,024,129
Net Bond interest expense	(34,674,629)	(72,222,513)	(85,497,741)	(86,108,427)	(116,831,638)
Bond issuance costs	-	(3,129,538)	-	(506,009)	(3,010,366)
Interest Income	21,782,631	36,964,373	19,360,991	3,944,378	11,740,156
Contribution of capital assets	-	-	-	(9,028,611)	(647,664)
Other revenue (expenses), net	(2,501,999)	9,405,217	1,527,746	(15,942,595)	(6,546,909)
<b>Net non-operating revenues (expenses)</b>	<b>48,085,532</b>	<b>36,750,523</b>	<b>(11,523,740)</b>	<b>(69,398,232)</b>	<b>(52,513,290)</b>
<b>Capital Contributions</b>	<b>18,142,126</b>	<b>14,284,968</b>	<b>31,124,710</b>	<b>94,930,936</b>	<b>71,745,501</b>
<b>Net Position</b>					
Increase (decrease) in Net Position	66,830,322	62,514,320	13,419,687	(14,349,598)	(6,461,562)
Net Position, Beginning of Period	1,287,810,074	1,354,640,396	1,417,154,716	1,430,574,403	1,416,224,805
<b>Net Position, End of Period</b>	<b>\$ 1,354,640,396</b>	<b>\$ 1,417,154,716</b>	<b>\$ 1,430,574,403</b>	<b>\$ 1,416,224,805</b>	<b>\$ 1,409,763,243</b>

Source: Salt Lake City Department of Airports Audited Financial Statements

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

	Fiscal Year Ended June 30				
Operating Revenues	2013	2014	2015	2016	2017
Airfield	\$ 27,533,052	\$ 28,986,244	\$ 27,688,088	\$ 31,809,896	\$ 35,333,251
Terminals	45,410,572	45,732,747	49,165,208	50,070,474	52,951,540
Landside	48,119,056	49,064,037	52,477,405	57,912,911	64,364,602
Auxiliary Airports	721,141	736,231	852,204	939,098	1,523,721
General Aviation	2,028,469	2,089,127	2,223,159	2,056,534	2,262,353
Support Areas	7,421,130	7,486,374	7,484,591	7,149,854	7,449,642
Other	2,635,709	3,194,765	2,318,083	2,035,050	3,090,190
Operating revenues	133,869,129	137,289,525	142,208,738	151,973,817	166,975,299
Less: Airline revenue sharing	(10,013,679)	(10,290,299)	(9,938,626)	(10,941,229)	(12,169,163)
<u>Total operating revenues</u>	123,855,450	126,999,226	132,270,112	141,032,588	154,806,136
<b>Operating Expenses</b>					
Airfield	25,848,088	27,040,934	22,546,161	28,358,533	30,038,981
Terminals	38,904,486	36,795,761	32,598,386	37,150,225	40,038,056
Landside	11,311,729	11,813,344	9,788,597	11,237,669	12,336,435
Auxiliary Airports	1,500,433	1,575,915	1,370,456	1,746,575	3,054,345
General Aviation	1,064,049	1,124,905	1,112,793	996,707	2,890,348
Support Areas	1,019,395	1,039,306	958,611	1,130,272	1,347,481
Roads and Grounds	5,679,770	6,000,384	5,736,332	6,991,987	7,165,486
Other	2,142,776	2,224,551	2,097,347	2,453,128	2,588,726
<u>Total operating expenses before depreciation</u>	87,470,726	87,615,100	76,208,683	90,065,096	99,459,858
<b>Operating Income Before Depreciation</b>	36,384,724	39,384,126	56,061,429	50,967,492	55,346,278
<b>Depreciation</b>	57,127,603	59,027,448	59,995,105	61,656,896	63,664,986
<b>Operating Loss</b>	(20,742,879)	(19,643,322)	(3,933,676)	(10,689,404)	(8,318,708)
<b>Non-operating Revenues (Expenses)</b>					
Passenger Facility Charges	37,534,715	38,437,248	40,976,537	42,805,519	45,750,397
Customer Facility Charges	14,308,670	14,848,663	15,606,695	15,613,155	16,157,076
Net Bond interest expense	-	-	-	-	(14,479,594)
Bond issuance costs	-	-	-	-	8,005,230
Interest Income	1,814,881	1,964,326	1,788,695	2,782,668	-
Other revenue (expenses), net	(3,394,933)	1,441,073	(275,668)	(488,665)	4,120,819
<u>Net non-operating revenues (expenses)</u>	50,263,333	56,691,310	58,096,259	60,712,677	56,100,239
<b>Capital Contributions</b>	22,558,966	17,916,389	15,148,122	14,230,033	17,793,909
<b>Net Position</b>					
Increase in Net Position	52,079,420	54,964,377	69,310,705	64,253,306	65,575,440
Net Position, Beginning of Period	1,002,625,089	1,054,704,509	1,088,670,623 *	1,157,981,328	1,222,234,634
<u>Net Position, End of Period</u>	\$ 1,054,704,509	\$ 1,109,668,886 *	\$ 1,157,981,328	\$ 1,222,234,634	\$ 1,287,810,074

Source: Salt Lake City Department of Airports Audited Financial Statements

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

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

(Amounts in Thousands)

**Fiscal Year Ended June 30,**

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Landing Fees	\$ 23,662	\$ 25,000	\$ 23,199	\$ 27,023	\$ 30,020	\$ 32,742	\$ 35,434	\$ 35,638	\$ 35,996	\$ 45,158
Airline Terminal Space Rentals	27,590	26,812	29,019	28,500	29,775	31,028	33,432	34,645	66,680	83,480
Other Airline Revenues	7,171	7,098	7,201	6,931	6,844	6,799	6,769	7,031	7,015	8,182
Car Rental	17,482	18,064	19,341	22,142	27,186	29,181	29,856	25,372	24,317	35,378
Auto Parking Facilities	28,619	29,228	31,117	33,409	34,297	35,323	36,297	27,974	23,491	48,813
Other Terminal Rentals	26,909	28,431	29,467	30,859	35,042	39,041	42,046	37,634	31,608	48,015
Other Revenues	2,436	2,657	2,864	3,110	3,811	4,441	3,704	3,129	3,287	3,485
Credit Revenue Sharing	(10,014)	(10,290)	(9,938)	(10,941)	(12,169)	(13,007)	(14,077)	(10,097)	(7,710)	(13,566)
<b>Total Operating Revenues</b>	<u>\$ 123,855</u>	<u>\$ 127,000</u>	<u>\$ 132,270</u>	<u>\$ 141,033</u>	<u>\$ 154,806</u>	<u>\$ 165,548</u>	<u>\$ 173,461</u>	<u>\$ 161,326</u>	<u>\$ 184,684</u>	<u>\$ 258,945</u>

Source: Department Records

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

Airline (includes affiliates)	FY 2020				FY 2021				FY 2022			
	Landing Fees	% of Total	Rents	% of Total	Landing Fees	% of Total	Rents	% of Total	Landing Fees	% of Total	Rents	% of Total
Alaska	\$ 826	2.3%	\$ 984	2.8%	\$ 687	1.9%	\$ 1,814	2.9%	\$ 960	2.1%	\$ 2,333	3.0%
American*	1,646	4.6%	1,959	5.7%	1,507	4.2%	3,916	6.3%	2,037	4.5%	4,832	6.2%
Delta	23,850	66.9%	25,431	73.6%	24,625	68.4%	42,745	68.4%	29,909	66.2%	54,593	70.0%
Frontier	484	1.4%	548	1.6%	513	1.4%	1,659	2.7%	622	1.4%	2,114	2.7%
JetBlue	796	2.2%	664	1.9%	406	1.1%	1,669	2.7%	750	1.7%	2,347	3.0%
Southwest	3,078	8.6%	3,357	9.7%	2,388	6.6%	7,187	11.5%	4,053	9.0%	7,181	9.2%
United	1,451	4.1%	1,632	4.7%	1,155	3.2%	3,475	5.6%	1,867	4.1%	4,578	5.9%
Other (1)	3,507	9.8%	-	0.0%	4,715	13.1%	-	0.0%	4,960	11.0%	-	0.0%
<b>Totals:</b>	<b>\$ 35,638</b>	<b>100.0%</b>	<b>\$ 34,575</b>	<b>100.0%</b>	<b>\$ 35,996</b>	<b>100.0%</b>	<b>\$ 62,465</b>	<b>100.0%</b>	<b>\$ 45,158</b>	<b>100.0%</b>	<b>\$ 77,978</b>	<b>100.0%</b>

Airline (includes affiliates)	FY 2018				FY 2019			
	Landing Fees	% of Total	Rents	% of Total	Landing Fees	% of Total	Rents	% of Total
Alaska	\$ 973	3.0%	\$ 1,025	3.3%	\$ 851	2.4%	\$ 819	2.5%
American	1,727	5.3%	1,250	4.0%	1,858	5.2%	1,300	4.0%
Delta	21,136	64.7%	23,227	74.8%	23,534	66.4%	24,671	75.9%
Frontier	480	1.5%	483	1.6%	540	1.5%	494	1.5%
JetBlue	854	2.6%	478	1.5%	875	2.5%	508	1.6%
SkyWest	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Southwest	3,219	9.8%	3,056	9.9%	3,250	9.2%	3,225	9.9%
United	1,483	4.5%	1,396	4.5%	1,655	4.7%	1,501	4.6%
Other (1)	2,870	8.8%	84	0.3%	2,871	8.1%	-	0.0%
<b>Totals:</b>	<b>\$ 32,742</b>	<b>100.0%</b>	<b>\$ 30,999</b>	<b>100.0%</b>	<b>\$ 35,434</b>	<b>100.0%</b>	<b>\$ 32,518</b>	<b>100.0%</b>

Source: Department Records  
(1) Includes charter, cargo, and commuter

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

Airline (includes affiliates)	FY 2015				FY 2016				FY 2017			
	Landing Fees	% of Total	Rents	% of Total	Landing Fees	% of Total	Rents	% of Total	Landing Fees	% of Total	Rents	% of Total
American	815	3.5%	873	3.0%	1,713	6.3%	1,333	4.8%	1,537	5.1%	1,239	4.3%
Continental	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Delta	14,786	63.7%	22,153	75.5%	17,577	65.1%	21,242	76.2%	19,438	64.9%	21,831	74.8%
Frontier	420	1.8%	428	1.5%	377	1.4%	352	1.3%	483	1.6%	449	1.5%
JetBlue	393	1.7%	368	1.3%	472	1.7%	301	1.1%	631	2.1%	435	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%	-	0.0%
Southwest	2,105	9.1%	2,792	9.5%	2,435	9.0%	2,454	8.8%	2,832	9.4%	2,882	9.9%
United	944	4.1%	1,242	4.2%	1,205	4.5%	1,103	4.0%	1,342	4.5%	1,348	4.6%
US Airways	747	3.2%	759	2.6%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Other (1)	2,105	9.1%	-	0.0%	2,279	8.4%	-	0.0%	2,704	9.0%	-	0.0%
<b>Totals:</b>	<b>\$ 23,199</b>	<b>100.0%</b>	<b>\$ 29,328</b>	<b>100.0%</b>	<b>\$ 27,023</b>	<b>100.0%</b>	<b>\$ 27,852</b>	<b>100.0%</b>	<b>\$ 30,020</b>	<b>100.0%</b>	<b>\$ 29,141</b>	<b>100.0%</b>

Airline (includes affiliates)	FY 2013				FY 2014			
	Landing Fees	% of Total	Rents	% of Total	Landing Fees	% of Total	Rents	% of Total
American	615	2.6%	642	2.3%	814	3.3%	729	2.7%
Continental	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Delta	16,125	68.1%	21,141	77.3%	18,163	72.7%	20,116	75.7%
Frontier	453	1.9%	429	1.6%	620	2.5%	537	2.0%
JetBlue	320	1.4%	392	1.4%	346	1.4%	389	1.5%
Northwest	-	0.0%	-	0.0%	-	0.0%	-	0.0%
SkyWest	-	0.0%	-	0.0%	-	0.0%	34	0.1%
Southwest	2,727	11.5%	2,740	10.0%	2,895	11.6%	2,612	9.8%
United	919	3.9%	1,282	4.7%	1,010	4.0%	1,213	4.6%
US Airways	601	2.5%	586	2.1%	785	3.1%	579	2.2%
Other (Charter, Cargo & Commuter)	1,901	8.1%	140	0.6%	198	0.7%	151	0.6%
<b>Totals:</b>	<b>\$ 23,662</b>	<b>100.0%</b>	<b>\$ 27,352</b>	<b>100.0%</b>	<b>\$ 25,000</b>	<b>100.0%</b>	<b>\$ 26,583</b>	<b>100.0%</b>

Source: Department Records

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

(2) Includes charter, cargo, and commuter

**SALT LAKE CITY DEPARTMENT OF AIRPORTS**  
**SUMMARY OF OPERATING EXPENSES**  
(Amounts in Thousands)

**Fiscal Year Ended June 30,**

	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Personnel Services	\$ 41,345	\$ 42,347	\$ 44,916	\$ 33,880	\$ 45,096	\$ 49,350	\$ 50,076	\$ 40,258	\$ 48,584	\$ 46,782	\$ 47,804
Charges/Services/Fees	20,773	19,796	18,547	19,785	20,811	24,901	23,996	26,300	25,118	40,762	51,723
Operational Maintenance Supplies	8,999	11,118	10,755	9,487	10,940	11,725	11,343	12,610	12,381	11,041	13,673
Utilities	5,630	6,122	6,209	6,313	6,175	5,946	6,166	5,721	5,697	6,664	7,176
Fire Services	4,091	4,152	4,185	4,314	4,597	4,886	5,130	5,364	5,587	5,262	5,890
Police Services	-	-	-	-	-	-	-	3,891 *	8,332	8,717	9,173
Salt Lake City Administration	3,721	3,935	3,003	2,430	2,446	2,651	3,265	4,288	4,204	4,448	5,180
<b>Total Operating Expenses</b>	<b>\$ 84,559</b>	<b>\$ 87,470</b>	<b>\$ 87,615</b>	<b>\$ 76,209</b>	<b>\$ 90,065</b>	<b>\$ 99,459</b>	<b>\$ 99,976</b>	<b>\$ 98,433</b>	<b>\$ 109,903</b>	<b>\$ 123,676</b>	<b>\$ 140,619</b>

Source: Department Records

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