

# **Comprehensive Annual Financial Report**

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

**For the Years Ended June 30, 2011 and 2010**



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

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

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE YEARS ENDED JUNE 30, 2011 AND 2010**

**SALT LAKE CITY DEPARTMENT OF AIRPORTS**  
**Salt Lake City, Utah**  
**Financial Statements**  
**For the Years Ended June 30, 2011 and 2010**

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## **INTRODUCTORY SECTION**

**THIS SECTION CONTAINS THE FOLLOWING  
SUBSECTIONS:**

Letter of Transmittal  
Organizational Chart



October 17, 2011

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

### **Overview**

The Comprehensive Annual Financial Report of the Salt Lake City Department of Airports for the fiscal year ended June 30, 2011 is submitted herewith. This report was prepared by the Department's Finance Division, using generally accepted accounting principles (GAAP) for local governments as prescribed by the Governmental Accounting Standards Board (GASB). The accuracy of the data and the completeness and fairness of the presentations, including all disclosures, are the responsibility of the Department.

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

Hansen, Barnett & Maxwell, P.C., 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, 2011 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, Hansen, Barnett & Maxwell, P.C. audited the compliance requirements of the Airport's federal and state grant programs as part of the federally mandated Single Audit designed to meet the special needs of federal grantor agencies. That report is available in a separate report combined with Salt Lake City Corporation.

The Department's budget is prepared under the direction of the Airport Executive Director and Director of Finance, and is submitted to the Salt Lake City Council for approval and inclusion in the City budget as an enterprise fund.

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

The Department of Airports is a department of the City of Salt Lake City, Utah. As an enterprise fund, users of the Department's facilities provide the revenues to operate and maintain the facilities. The Airport does not use any tax revenues of Salt Lake City. 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 7 miles northwest of downtown Salt Lake City. Beginning with a cinder-covered landing strip in a marshy pasture called Basque Flats in 1911, the airport was originally used for aerobatic flights. Salt Lake City purchased 100 acres surrounding the landing strip for \$40.00 per acre in 1920, and the resulting airfield was named Woodward Field. The first commercial passenger flight took place in 1926 with two passengers perched atop U.S. mail sacks and in 1943 the Airport became a training base and replacement depot for the U.S. Air Force. The three runways were upgraded in 1950, and the first terminal building, currently Terminal One, was dedicated in 1960. Terminal Two was completed in 1978. Terminal One was expanded and remodeled in 1981, and a third air carrier runway and International Terminal were added in 1995. Another major runway was completed and opened in 1996, and in 1999, the Federal Aviation Administration opened a new air traffic control tower and terminal radar approach control facility. Since 2005, the Airport has upgraded Terminal Two, including bag claim carousel modifications, Explosive Detection Systems (EDS) and international gates. Current projects include the construction of runway deicing pads, partially funded with a federal stimulus package grant.

The Airport is currently ranked the 25th busiest in the United States, and 62nd busiest in the world in terms of passenger numbers with over 378 average scheduled daily departing flights serving more than 80 non-stop destinations. The Airport served approximately 20.9 million passengers in FY 2011 and is Delta's fourth largest hub. The Airport also ranks 18th in North America and 25th worldwide in terms of annual operations. International service has recently grown with the addition in FY 2008 of Delta Air Line's non-stop to Paris, France and an additional non-stop to Narita, Japan in FY 2009.

According to the US Department of Transportation annual statistics, for the first six months of 2011, the Airport consistently ranked within the top 8 ranking spots for the best on-time records of the 32 busiest airports in the nation, often placing first for the month.

## **Economic Condition**

According to the most recently published State of Utah's 2010 Economic Report to the Governor, Utah's economy contracted during FY 2010, but still compares favorably with substantial portions of the rest of the nation, and is leading the U.S. as recovery strengthens. Utah's population growth rate has declined, but remains the fastest growing State in the nation with a distinctive demographic profile that includes the nation's youngest population, highest fertility rate and largest household size. The State's most recent official July 1, 2010 population was estimated to be 2.8 million, only a nominal increase from 2009. Births, rather than immigration, make up most of this increase.

According to the State of Utah's 2011 Notes on the Economy, Utah's unemployment rate, along with the rest of the nation, remains high at 7.5% for the first half of 2011; an average of 102,300 unemployed Utahns. The report predicts that "employment is forecast to increase 1.7% for the year as a whole, with larger increases as the year progresses. Construction employment is forecast to increase, the first year of growth following three years of contraction". Construction employment decreased as non residential construction contracted severely, and the weakness of residential construction continued throughout 2011. Tourism and travel also contracted, but the Utah ski industry had its 4<sup>th</sup> best season ever in 2011 and visitors to the national parks increased for the fourth year in a row. The largest job losses were in construction and manufacturing offset by increases in education and health services, leisure and hospitality, professional and business services, mining, transportation, and utilities. However, Utah's workforce, business environment and individual industries have helped the State to weather the economic downturn better when compared to the national economy, and recovery is expected to be quicker than for most other states.

The Airport operates within the economic conditions of the national and local economy as well as the airline industry environment. While passengers have increased slightly during FY 2011, they have not returned to the former higher levels of FY 2008, following national trends. Fuel prices remain volatile, but have provided some economic relief to the industry. Airlines are continuing to respond to passenger demand and reduced revenues by increasing efficiencies, matching capacity to demand and reducing airline seat capacity, resulting in fewer, but fuller flights.

Total passengers have increased during FY 2011 by approximately 320,208 passengers (+1.6 %) at Salt Lake City International, and are forecasted to remain flat through fiscal year 2011.

Even though passenger numbers have increased, actual landings have decreased by 1.5% because of a reduced number of flights, but with fewer empty airline seats. However, landing fee revenue is comparable with fiscal year 2010 because of landing fee rate increases. Some other Airport revenues that correlate directly with passenger numbers have increased, particularly Airport parking and rental car concessions.

The Airport is currently economically stable with no outstanding debt, but costs are escalating to maintain aging facilities. Efforts are continually made to control operating costs to the airlines and reduce airline cost per enplaned passenger, currently at \$3.58 for FY 2011, one of the lowest

rates among large airports in the nation. The Airport has cash reserves of \$186 million to be utilized in the future for a major terminal redevelopment program. Financing for this program is expected to be generated from airport improvement grants (AIP), passenger facility charges (PFC), bonds, and Airport cash reserves.

## **Outlook**

The Airports and the services they provide are an engine for economic growth for Salt Lake City and the State of Utah. In the most recent study from 2004, the State of Utah's Department of Transportation – Division of Aeronautics prepared an economic impact study of Utah's airports. According to this study, the City's system of Airports provided a total economic benefit to the State of \$5.34 billion per year in spending for goods and services and 101,257 jobs with salary and benefits earnings of \$2.7 billion per year. Furthermore, Salt Lake City International Airport was ranked as one of Utah's largest industries and as the State's 5<sup>th</sup> largest employment site.

Current financial position, passenger statistics, and results from FY 2011 and earlier can be found in more detail in Management's Discussion and Analysis in this report.

## **Future Growth**

The condition of the U.S. economy, high unemployment, national security issues, fuel prices, and the financial weakness of most airlines contributed to declining national passenger volumes beginning after the events of September 2001. After initial declines during this same time, passengers in Salt Lake City continue a more recent trend of small annual increases. In fiscal year 2009, passengers decreased because of the major downturn in the national economy, but there was a 1.6% growth in fiscal year 2011, and a 2.9% growth in 2010. Some long term future passenger growth is expected, but at slower rates than previous years. Delta, the Airport's main carrier, merged with Northwest Airlines in fiscal year 2009, and is continuing to merge both airlines' route structures, and is forecast to decrease operations slightly in FY 2011.

Changes in the airline industry and the aging of Airport terminal buildings have required the Airport to re-evaluate its future plans and need for larger and more updated facilities. The Airport has been preparing, both operationally and financially, for this future expansion and will continue to assess the economic environment and need for the future terminal redevelopment program. The first phase of the expansion program - end of runway deicing facilities - has already begun with the assistance of a grant from the American Recovery and Reinvestment Act.

## **Awards and Acknowledgments**

In addition to awards for passenger satisfaction and on time performance, the Airport has received consistently high rankings in other areas. The Salt Lake City Airport was ranked 57<sup>th</sup> in a survey of the top 101 affordable U.S. airports according to Cheapflights Media. In an analysis of the Federal Aviation Administration's latest Runway Safety Report by TravelandLeisure.com, Salt Lake City International was ranked 12<sup>th</sup> of 15 for an exemplary runway safety record. They analyzed the 35 busiest commercial airports in the U.S. for the years 2006-2010. The Airport received two awards from the Utah Chapter of American Concrete Paving Association and the

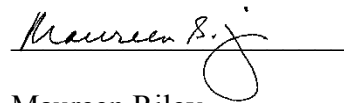
Utah Department of Transportation. The awards were for “Excellence in Paving” and were for the End of Runway Deicing Program and the employee parking lot bus lane reconstruction project.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Salt Lake City Department of Airports for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2010.

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

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

The production of this report is a cooperative effort of the Finance Division of the Department of Airports, along with the support of the Department of Management Services of Salt Lake City, and Hansen, Barnett & Maxwell, P.C. I extend my appreciation to the staff for their efficient and dedicated services. We also thank the members of the City Council, the Mayor and members of the Department of Airports Advisory Board of Directors for their interest and support in planning and conducting the financial operations of the Airport in a responsible and progressive manner.

A handwritten signature in cursive script, reading "Maureen Riley", is written over a horizontal line. The signature is positioned to the left of the typed name below.

Maureen Riley  
Salt Lake City Department of Airports  
Executive Director

# **ORGANIZATIONAL CHART**

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

**Mayor**  
Ralph Becker

### **City Council Members**

District One	Carlton J. Christensen
District Two	Van Turner
District Three	Stan Penfold, Vice Chair
District Four	Luke Garrott
District Five	Jill Remington-Love, Chair
District Six	J. T. Martin
District Seven	Soren D. Simonsen

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

Michael J. Bodell Sr.  
Igor Best-Devereux  
Michael D. Gallivan  
Natalie Gochnour  
Wayne Holland  
David Ibarra, Chair  
Russell B. Pack  
Andrea Wolcott  
Mike Zuhl, Vice Chair

Ex Officio Member – City Council  
Carlton Christensen

**Executive Director**  
Maureen Riley

### **Directors**

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

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Salt Lake City  
Department of Airports  
Utah

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2010

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



*Linda C. Dandson*

President

*Jeffrey R. Enos*

Executive Director

## **FINANCIAL SECTION**

**THIS SECTION CONTAINS THE FOLLOWING  
SUBSECTIONS:**

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

## INDEPENDENT AUDITORS' REPORT

Advisory Board of Directors  
Salt Lake City Department of Airports

We have audited the accompanying balance sheets of Salt Lake City Department of Airports (the "Airport"), an enterprise fund of Salt Lake City Corporation, as of June 30, 2011 and 2010, and the related statements of revenues, expenses and changes in net assets and cash flows for the years then ended. These financial statements are the responsibility of the Airport's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Airport as of June 30, 2011 and 2010, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Management's Discussion and Analysis and the Schedule of Funding Progress are not a required part of the financial statements, but are supplementary information required by accounting principles generally accepted in the United States of America. This information is the responsibility of the Airport's management. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of supplementary information. However, we did not audit the information and express no opinion on it.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The additional information is the responsibility of the Airport's management. Such additional information has been subjected to the auditing procedures applied in our audits of the financial statements and, in our opinion, is fairly stated in all material respects when considered in relation to the financial statements taken as a whole.

The introductory and statistical sections, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Airport. Such additional information has not been subjected to the auditing procedures applied in our audit of the basic financial statements and, accordingly, we express no opinion on it.

*Hansen, Barnett & Maxwell, P.C.*

**HANSEN, BARNETT & MAXWELL, P.C.**

Salt Lake City, Utah  
October 17, 2011

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

## **MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**

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The following Management's Discussion and Analysis ("MD&A") of the Salt Lake City Department of Airports' activities and financial performance provides an introduction and overview to the financial statements for the fiscal years ended June 30, 2011 and 2010.

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

### **FINANCIAL STATEMENTS**

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

Financial statements are prepared on an accrual basis in accordance with generally accepted accounting principles as set forth by the Governmental Accounting Standards Board ("GASB"). Revenues and expenses are recorded when earned and incurred, not when received or paid, with the exception of passenger facility charge revenues ("PFCs") that are recorded when received based upon 12 full months of revenue. Capital assets, except land and construction in progress, are depreciated over their useful lives. (See the notes to the financial statements for significant accounting policies.)

### **FINANCIAL & OPERATIONAL HIGHLIGHTS**

The Salt Lake City International Airport serves the Salt Lake City metropolitan area as well as the surrounding areas of Utah, Idaho, Colorado, Nevada, and Wyoming. The Airport functions as Delta Air Line's fourth largest hub and is the western-most hub in the United States. The Airport ranks as the 25<sup>th</sup> busiest in North America and the 62<sup>nd</sup> busiest in the world in terms of passenger numbers.

While dealing with an economic recession and declining passenger traffic, airlines serving Salt Lake City have been forced to adapt their operations by reducing flights or changing aircraft type to maximize passenger loads and reduce costs. The Airport had experienced several years of small increases in passengers until FY 2009 when passengers declined by 8.6% as a result of the downturn in the U.S. economy. As the economy slowly improved, total passengers increased by 320,208 in FY 2011 to a total of 20,870,896 representing an increase of 1.6% from FY 2010.

Total passengers increased 2.7% in FY 2010. Enplaned passengers increased 170,447 in FY 2011 to a total of 10,429,397, a 1.7% increase from FY 2010.

As airlines continue to reduce seat capacity, the prior years' trend of reduced total aircraft operations continued with a 1.5% decrease in FY 2011 and a 1.2% decrease in FY 2010.

	FY 2011	FY 2010	FY 2009
Enplanements	10,429,397	10,276,871	9,994,429
% increase (decrease) from prior year	1.7%	2.8%	(-8.6%)
Landed weight (000's)	13,230,512	13,095,299	13,570,426
% increase (decrease) from prior year	1.0%	(-3.5%)	(-7.6%)
Aircraft Operations - All Types	361,471	367,158	371,728
% increase (decrease) from prior year	(-1.5%)	(-1.2%)	(-10.1%)
Total # of passengers	20,870,896	20,550,688	20,008,871
% increase (decrease) from prior year	1.6%	2.7%	(-8.6%)

## Balance Sheets

The Department of Airports' net assets were \$954,415,040 as of June 30, 2011. This represents an increase of \$37,783,090 in FY 2011, and an increase in FY 2010 of \$28,484,938.

Capital assets only (net of accumulated depreciation) have decreased by \$5,958,200. Capital assets are funded by federal airport improvement program grants (AIP), passenger facility charges (PFC), and Airport funds. During FY 2010, the Airport received two grants from the American Recovery and Reinvestment Act (ARRA). Approximately \$9 million was granted for the design and construction of deicing pad – taxiway L phase one, which was completed by the end of FY 2011. Another \$4 million ARRA grant was for the design and installation of closed circuit television cameras throughout the Airport, which at the end of FY 2011 was still in progress. The largest portion of the Airport's total assets (71%) represents investment in capital assets (land, buildings, runways, taxiways, and equipment).

Only \$31,091,207 (3.17%) of Airport assets in FY 2011, \$7,468,152 (.79%) in FY 2010, and \$1,524,815 (.17%) in FY 2009 were restricted for construction. These amounts represent passenger facility charges that have been collected, but have not yet been disbursed on PFC eligible construction projects. In addition, \$14,455,100 (1.47%) of Airport assets in FY 2011 were restricted for an operation and maintenance reserve fund, and \$5,000,000 (0.51%) was restricted for a renewal and replacement reserve fund as required by the new Airport Use Agreement (AUA) agreement, that began July 1, 2011.

Total cash decreased by \$897,337 in FY 2011, increased by \$34.5 million in FY 2010, and increased by \$29.5 million in FY 2009. Available cash decreased in FY 2011 because \$45 million was used to purchase investments in U.S. agency notes. Without these investments, total cash and cash equivalents would have increased by \$44.5 million.

Cash investments in the State treasurer's investment pool were adjusted to fair market value in FY 2011 by \$429,462. In addition, other U.S. agency note investments were adjusted to fair market value by \$230,920 in FY 2011. Total interest income from investments increased by \$180,266. However, actual cash received from investments in the current year decreased by \$98,185 as interest was accrued that was not yet paid for investments that are paid on a quarterly, rather than monthly, basis. See Note 2 for detailed investment information.

This year, operating cash increased \$3,003,421 (10.9%) because of increases in revenues generated from operations, particularly landing fees and concessions. Non-operating cash from passenger facility charges and grants increased from prior year. Current year construction and land acquisitions of \$48,157,447 were funded by non-operating revenue received from PFCs in the amount of \$38 million, \$14 million received from AIP, and \$2.4 million from ARRA funds. Actual cash received from AIP and ARRA funds was \$21.7 million, of which \$5.3 million of non-operating revenue had been accrued in the prior year.

After compliance with restrictions on PFC collected funds for approved construction, (\$31,091,207), and compliance with restrictions related to the new AUA agreement (\$19,455,100), all remaining Airport cash and investments, less \$10 million for current expenditures, have been designated to fund the future terminal expansion program, a \$44.1 million increase from FY 2010.

#### SUMMARY OF CASH FLOW ACTIVITIES

	FY 2011	FY 2010	FY 2009
Cash provided by operating activities	\$ 30,216,861	\$ 27,474,288	\$ 28,653,265
Cash provided by investing activities	(43,761,684)	1,723,269	3,249,138
Cash provided by passenger facility charges	38,561,931	37,484,965	36,202,667
Cash provided by grants	22,000,823	13,337,579	10,427,993
Cash provided from sale of capital assets & equipment	242,179	550,611	197,759
Payments for construction of property	(48,157,447)	(46,090,294)	(49,230,362)
Cash and cash equivalents at beginning of year	202,387,172	167,906,754	138,406,294
Cash and cash equivalents at end of year	201,489,835	202,387,172	167,906,754
Net increase (decrease) in cash	\$ (897,337)	\$ 34,480,418	\$ 29,500,459

<b>BALANCE SHEETS</b>	<b>June 30, 2011</b>	<b>June 30, 2010</b>	<b>June 30, 2009</b>
<b>ASSETS:</b>			
Current and other assets	\$ 283,178,402	\$ 240,970,436	\$ 203,097,889
Capital assets	696,643,334	702,601,533	706,410,813
<b>TOTAL ASSETS</b>	<b>979,821,736</b>	<b>943,571,969</b>	<b>909,508,702</b>
<b>LIABILITIES:</b>			
Other liabilities	25,406,697	26,940,020	21,361,691
<b>Total Liabilities</b>	<b>25,406,697</b>	<b>26,940,020</b>	<b>21,361,691</b>
<b>NET ASSETS:</b>			
Invested in capital assets	696,643,333	702,601,533	706,410,813
Restricted	50,546,307	7,468,152	1,524,815
Unrestricted	207,225,400	206,562,264	180,211,383
<b>Total net assets</b>	<b>954,415,040</b>	<b>916,631,949</b>	<b>888,147,011</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 979,821,737</b>	<b>\$ 943,571,969</b>	<b>\$ 909,508,702</b>
<b>SUMMARY OF CHANGE IN NET ASSETS</b>			
	<b>FY 2011</b>	<b>FY 2010</b>	<b>FY 2009</b>
Operating revenues	\$ 113,376,705	\$ 107,497,541	\$ 108,240,665
Operating expenses	(84,116,934)	(80,010,643)	(80,601,572)
Operating Income before depreciation	29,259,771	27,486,898	27,639,093
Depreciation	(50,438,401)	(49,576,610)	(49,234,710)
Operating loss	(21,178,630)	(22,089,712)	(21,595,617)
<b>NON-OPERATING REVENUE (EXPENSE) AND CAPITAL CONTRIBUTIONS:</b>			
Passenger facility charges	38,485,478	37,558,105	36,322,763
Contributions and grants	19,340,082	16,148,819	9,424,739
Other, net	1,136,161	(3,132,274)	3,535,526
<b>CHANGE IN NET ASSETS</b>	<b>\$ 37,783,091</b>	<b>\$ 28,484,938</b>	<b>\$ 27,687,411</b>

Net assets increased by \$37.8 in FY 2011 and \$28.5 in FY 2010. Total assets increased \$36.2 million in FY 2011 and \$34 million in FY 2010.

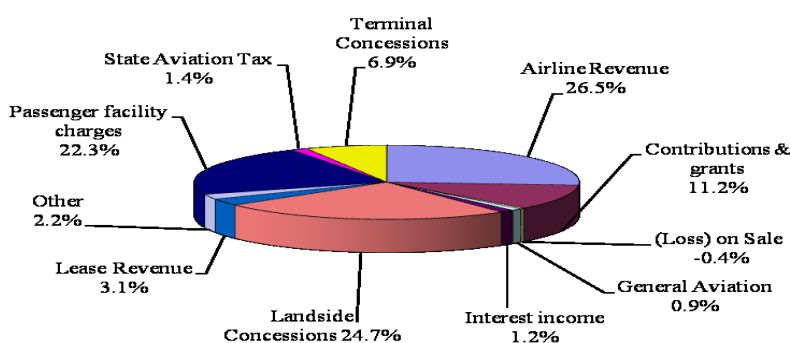
Capitalized assets, at cost, before depreciation have also increased by \$39 million as the Airport capitalized new projects that were in progress in prior year and completed in FY 2011. For more detailed information on changes in capital assets, refer to Note 9 in the notes to the financial statements.

## STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

Operating income, before depreciation, was \$29,259,771 in FY 2011, compared with \$27,486,898 in FY 2010 and \$27,639,093 in FY 2009. With the inclusion of depreciation and non-operating revenue and expenses, the resulting change in net assets for FY 2011 was \$37,783,090; FY 2010 was \$28,484,938; and FY 2009 was \$27,687,411.

### Revenues

The following chart shows the major sources of revenues and their relative percentage to total revenues for the year ended June 30, 2011.



	FY 2011 Amount	Percent of Total	FY 2010 Amount	Percent of Total	FY 2009 Amount	Percent of Total
<b>Operating:</b>						
Airline revenue	\$ 55,896,482	32.4%	\$ 43,393,004	27.4%	\$ 42,853,319	27.2%
Terminal concessions	11,931,270	6.9%	12,314,980	7.8%	12,368,176	7.9%
Landside concessions	42,652,835	24.7%	39,179,946	24.8%	40,705,301	25.8%
Lease revenue	5,335,360	3.1%	4,865,560	3.1%	4,890,369	3.1%
General aviation	1,625,624	0.9%	1,489,008	0.9%	1,531,016	1.0%
State aviation tax	2,478,684	1.4%	2,823,505	1.8%	2,337,463	1.5%
Other	3,741,063	2.2%	3,431,538	2.2%	3,555,021	2.3%
Operating revenues	123,661,318		107,497,541		108,240,665	
Less: airline revenue sharing	(10,284,613)	-5.9%	-		-	
Total operating	113,376,705	65.7%	107,497,541	68.0%	108,240,665	68.8%
<b>Non-operating &amp; capital contributions:</b>						
Passenger facility charges	38,485,479	22.3%	37,558,105	23.8%	36,322,763	23.1%
Interest income	1,903,535	1.2%	1,723,269	1.1%	3,664,984	2.3%
Contributions & grants	19,340,081	11.2%	16,148,819	10.2%	9,424,739	6.0%
(Loss) on Sale	(767,374)	-0.4%	(4,855,543)	-3.1%	(129,458)	-0.2%
Total non-operating	58,961,720	34.3%	50,574,650	32.0%	49,283,028	31.2%
Total revenues	\$ 172,338,425	100.0%	\$ 158,072,191	100.0%	\$ 157,523,693	100.0%

### Operating Revenues

Seven domestic signatory carriers and associated affiliates including American, Delta, Frontier, JetBlue, Southwest, United, and US Airways serve the Salt Lake City International Airport. On July 1, 2010, the airlines and the Airport entered into a new Airport Use Agreement (AUA). Under the new agreement, terminal rent calculations are on a compensatory basis, recovering costs allocated to the occupied facilities. Landing fee calculations are residual based, recovering net cost after the credits of nonairline revenue. Revenue sharing is available to signatory airlines under this new agreement. The Airport provides revenue sharing of one dollar (\$1) per enplaned passenger, not to exceed 30% of net remaining revenue.

Airline revenue has increased by \$12,503,478 in FY 2011. The increase in terminal rents and landing fees of approximately \$12,533,600 attributes mainly to the new AUA calculation and increased costs in the terminals because of aging facilities. Revenue sharing provided a credit to the airlines of \$10,284,613. While the airlines, particularly Delta, have cut flights to reduce operating costs, the Airport continues its efforts to keep airline costs low. The Airport cost per enplaned passenger (CPE) for FY11, was \$3.58, a slight increase from FY10 of \$3.41.

The Airport estimates AUA rates for terminal rents and landing fees through the budgeting process; however, at the end of each fiscal year, an adjustment-to-actual calculation occurs based on the year-end audit of the financial statements. FY 2011 adjustment resulted in the airlines owing the Airport \$221,424, which is included in the rates and charges for fiscal year 2013. Terminal rents and landing fees for the past three years are as follows:

	FY 2011	FY 2010	FY 2009
Terminal Rents (annually per square foot)	\$ 74.59	\$ 64.00	\$ 60.59
Landing Fees (per 1,000 lbs)	\$ 1.68	\$ 1.03	\$ 0.99

Concession revenues can be split into two major categories: (1) terminal concessions that include advertising, food service and retail, and (2) landside concessions that consist of auto parking, rental car commissions, and ground transportation fees. Terminal concessions have decreased Airport revenue by \$383,710 (-3.11%) from FY 2010. Retail and vending concessions have decreased \$296,772. Landside concessions have increased Airport revenue by \$3.4 million (8.86%). Auto parking commissions have increased \$1.2 million, car rental commissions and rents increased \$1.8 million and ground transportation fees increased \$375,440.

### **Non-operating Revenue**

The Airport recorded \$19,340,081 in capital grants in FY 2011. These funds consisted of \$15,335,220 in airport improvement program grants provided by the Federal Aviation Administration, \$4,003,626 in American Recovery and Reinvestment Act (ARRA) grants, and \$1,235 in state grants for construction. Airport improvement grants are higher than FY 2010 when the Airport received \$9,720,679. The ARRA grants are lower than FY 2010 when the Airport received \$6,262,383.

Passenger facility charges revenue in FY 2011 was \$38,485,478 including \$127,273 in interest on PFC deposited funds. This is an increase of \$927,372 from FY 2010 total of \$37,558,105.

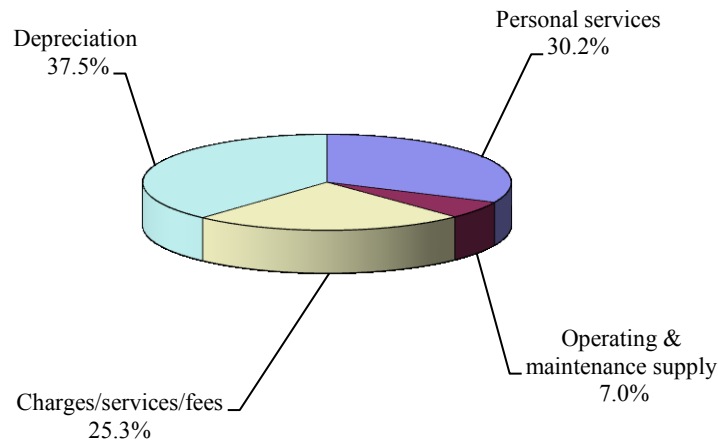
This increase is directly related to the increase in passengers.

The Airport recorded a loss of \$767,374 on the disposition of property and equipment. In FY 2010, the net loss on the disposition of property and equipment was \$4,855,543. Several runway and taxiway overlays, resurfaces and rehabilitations were replaced in the prior year.

The average interest rate on investments for FY 2011 was 0.61% compared to 0.68% in FY 2010 and 2.14% for FY 2009. Interest income has increased by \$180,267 in FY 2011 while interest income decreased by \$1,941,715 in FY 2010. In FY 2009, interest income was \$3,664,984. The decrease in the interest rate is because of the downturn in the economy. The Airport has increased its investments in U.S. Agency notes to obtain a higher rate of return. This reduced the balance in the state treasurer's pool. See Note 2 for cash investment details.

## Expenses

A summary of expenses for the year ended June 30, 2011, including the amount and percentage of change in relation to prior year amounts, is as follows:



	FY 2011 Amount	Percent of Total	FY 2010 Amount	Percent of Total	FY 2009 Amount	Percent of Total
Operating:						
Personal services	\$ 40,661,524	30.2%	\$ 41,330,135	31.9%	\$ 41,068,095	31.6%
Operating & maintenance supply	9,375,550	7.0%	7,691,979	5.9%	8,404,822	6.5%
Charges/services/fees	34,079,860	25.3%	30,988,529	23.9%	31,128,655	24.0%
Total operating before depreciation	84,116,934	62.5%	80,010,643	61.7%	80,601,572	62.1%
Depreciation	50,438,401	37.5%	49,576,610	38.3%	49,234,710	37.9%
Total operating expense	134,555,335	100.0%	129,587,253	100.0%	129,836,282	100.0%
Non-operating interest expense net	-	0.0%	-	0.0%	-	0.0%
Total expenses	\$ 134,555,335	100.0%	\$ 129,587,253	100.0%	\$ 129,836,282	100.0%

## **Operating Expenses**

Operating expenses (before depreciation) have increased by \$4.1 million (5.13%) in the current year. These expenses decreased by \$590,929 (0.73%) in FY 2010, and increased \$3.5 million (4.54%) in FY 2009.

Personnel services have decreased by \$668,611 mostly because of layoffs and the outsourcing of the shuttle bus operations. In addition, the Airport recorded an expense of \$1,423,000 for other postemployment benefit costs to comply with GASB 45 requirements; an increase of \$538,000 from FY 2010. For more information on other postemployment benefit costs and the Airport's future liabilities, see Note 7 as well as required supplemental information in the financial statements.

Operating and maintenance costs have increased by \$1,683,571 for motive equipment supplies, paint and painting supplies, electrical supplies, road and runway supplies, and various mechanical systems supplies. Fuel costs have also increased for Airport vehicles and shuttles.

Other costs for charges and services have increased by \$3,091,332. These costs include deicing services, legal fees, utilities, liability insurance and risk management premiums, ARFF services and other contractual services. Flight incentives totaling \$593,082 were expensed in compliance with agreements for international non-stop service to Paris, France and Narita, Japan.

Depreciation expense increased by \$861,791 in FY 2011, \$341,900 in FY 2010, and \$890,832 in FY 2009. Some new assets are being depreciated over a shorter life because of the anticipated future terminal redevelopment program.

## **CAPITAL EXPENDITURES**

Significant projects completed in FY 2011 include concourse B boarding bridge additions, concourse B additional passenger elevator, and joint sealing of runway 16R/34L. In addition, the deicing pad – taxiway L phase one was also completed for \$23 million.

At the beginning of the fiscal year, Airport projects totaling \$33.5 million were in the process of construction. A total of \$40.2 million in projects and equipment were capitalized and placed in service, \$1.2 million was expensed (including personnel costs), and \$36.3 million remains in construction in progress.

Projects completed in FY 2010 included terminal support area lighting upgrades, elevator and escalator upgrades, concourse apron rehabilitation, air handler replacements in Terminal One, facility improvements, and economy parking lot improvements. Additional land and buildings adjacent to Airport property were acquired for \$3.6 million and \$1.3 million in wetland mitigation credits were also purchased.

## CONCLUSION

The Airport continues to meet the challenges of a continually changing air travel industry that is responding to current national and local economic conditions. The Airport's strong financial position allows for flexibility to respond to the short-term problems created by the continued economic recession and changes in the industry. This financial position will also enable the Airport to continue to plan for our long term facility needs to meet the future growth in air travel and meet the needs of our airline partners and the Utah community.



Janelle Christiansen, CPA  
Director of Finance

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

<i>June 30,</i>	<b>2011</b>	<b>2010</b>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents		
Unrestricted	\$ 10,000,000	\$ 10,000,000
Designated for future development	140,943,528	184,919,020
Airline and rental fees receivable	15,972,167	18,600,775
Other current assets	3,286,623	2,918,727
<b>Total current assets</b>	<b>170,202,318</b>	<b>216,438,522</b>
<b>Noncurrent Assets</b>		
Restricted cash and cash equivalents		
Restricted for construction projects	31,091,207	7,468,152
Restricted for operation and maintenance reserve fund	14,455,100	-
Restricted for renewal and replacement reserve fund	5,000,000	-
Investments	45,385,581	-
<b>Total noncurrent assets</b>	<b>95,931,888</b>	<b>7,468,152</b>
<b>Capital assets</b>		
Land	91,861,797	91,123,016
Building and improvements	1,073,414,593	1,044,231,052
Equipment	122,313,110	116,012,358
Construction in progress	36,269,356	33,497,806
<b>Total capital assets - at cost</b>	<b>1,323,858,856</b>	<b>1,284,864,232</b>
Less accumulated depreciation		
Building and improvements	558,842,321	519,061,844
Equipment	68,373,201	63,200,855
<b>Total accumulated depreciation</b>	<b>627,215,522</b>	<b>582,262,699</b>
<b>Net capital assets</b>	<b>696,643,334</b>	<b>702,601,533</b>
<b>Other assets</b>		
Deferred charges	16,799,066	16,799,066
Other long-term assets	245,130	264,696
<b>Total other assets</b>	<b>17,044,196</b>	<b>17,063,762</b>
<b>Total noncurrent assets</b>	<b>809,619,418</b>	<b>727,133,447</b>
<b>Total Assets</b>	<b>\$ 979,821,736</b>	<b>\$ 943,571,969</b>

The accompanying notes are an integral part of these financial statements

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

<i>June 30,</i>	<b>2011</b>	<b>2010</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 4,540,758	\$ 9,877,056
Accrued compensation	1,149,225	1,139,896
Other accrued liabilities	7,722,343	5,211,667
Deposits and advance rentals	3,852,584	3,758,311
<b>Total current liabilities</b>	<b>17,264,910</b>	<b>19,986,930</b>
<b>Noncurrent Liabilities</b>		
Noncurrent compensation liability	3,785,220	4,043,754
Net OPEB obligation	3,974,000	2,551,000
Pollution remediation liability	154,278	191,750
Other long-term liabilities	228,288	166,586
<b>Total noncurrent liabilities</b>	<b>8,141,786</b>	<b>6,953,090</b>
<b>Total liabilities</b>	<b>25,406,696</b>	<b>26,940,020</b>
<b>Net Assets</b>		
Restricted for construction projects	31,091,207	7,468,152
Restricted for operation and maintenance reserve fund	14,455,100	-
Restricted for renewal and replacement reserve fund	5,000,000	-
Invested in capital assets	696,643,333	702,601,533
Unrestricted	207,225,400	206,562,264
<b>Total net assets</b>	<b>954,415,040</b>	<b>916,631,949</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 979,821,736</b>	<b>\$ 943,571,969</b>

The accompanying notes are an integral part of these financial statements

**SALT LAKE CITY DEPARTMENT OF AIRPORTS**  
**(An Enterprise fund of Salt Lake City Corporation)**  
**STATEMENTS OF REVENUES, EXPENSES**  
**AND CHANGES IN NET ASSETS**

<i>For the years ended June 30:</i>	<b>2011</b>	<b>2010</b>
<b>Operating Revenues</b>		
Airfield	\$ 26,790,645	\$ 17,830,841
Terminals	42,746,010	39,333,123
Landside	42,339,341	39,106,339
Auxiliary airports	631,234	595,416
General aviation	1,888,594	1,792,187
Support areas	6,924,048	6,840,304
Other	2,341,446	1,999,331
Operating revenues	123,661,318	107,497,541
Less: Airline revenue sharing	(10,284,613)	-
Total operating revenues	113,376,705	107,497,541
<b>Operating Expenses</b>		
Airfield	24,928,820	23,113,848
Terminals	37,086,995	37,244,771
Landside	10,706,997	9,474,984
Auxiliary airports	1,476,851	1,442,239
General aviation	1,031,487	1,498,930
Support areas	1,037,924	1,171,870
Roads and grounds	5,567,870	5,519,039
Other	2,279,990	544,962
Total operating expenses before depreciation	84,116,934	80,010,643
<b>Operating Income Before Depreciation</b>	29,259,771	27,486,898
<b>Depreciation Expense</b>	50,438,401	49,576,610
<b>Operating Loss</b>	(21,178,630)	(22,089,712)
Loss on disposition of property and equipment	(767,374)	(4,855,543)
Interest income	1,903,536	1,723,269
Net non-operating revenue (expense)	1,136,162	(3,132,274)
<b>Capital Contributions</b>		
Contributions and grants, principally Airport Improvement Program	19,338,846	15,983,062
Passenger Facility Charges	38,485,478	37,558,105
State grants	1,235	165,757
Total capital contributions	57,825,559	53,706,924
<b>Change in Net Assets</b>	37,783,091	28,484,938
<b>Net Assets - Beginning of Year</b>	916,631,949	888,147,011
<b>Net Assets - End of Year</b>	\$ 954,415,040	\$ 916,631,949

The accompanying notes are an integral part of these financial statements

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

<i>For the years ended June 30,</i>	<b>2011</b>	<b>2010</b>
<b>Cash Flows from Operating Activities</b>		
Cash received from providing services	\$ 113,613,165	\$ 107,585,920
Cash paid for services provided by Salt Lake City	(7,630,335)	(7,202,599)
Cash paid to suppliers	(35,003,496)	(31,178,327)
Cash paid to employees	(40,762,473)	(41,730,706)
Net cash provided by operating activities	30,216,861	27,474,288
<b>Cash Flows from Investing Activities</b>		
Cash paid to purchase investments	(45,154,661)	-
Interest received on investments	1,392,977	1,723,269
Net cash provided by investing activities	(43,761,684)	1,723,269
<b>Cash Flows from Capital and Related Financing Activities</b>		
Purchase of capital equipment	(4,589,898)	(6,909,592)
Payments for acquisition and construction of capital assets	(43,567,549)	(39,180,702)
Passenger Facility Charges	38,434,658	37,455,195
Interest received on Passenger Facility Charges	127,273	29,770
Proceeds from sale of capital assets and equipment	242,179	550,611
Airport Improvement Program and Federal Grants	21,999,588	13,271,790
State grants	1,235	65,789
Net cash provided by capital and related financing activities	12,647,486	5,282,861
<b>Net Increase in Cash and Cash Equivalents</b>	(897,337)	34,480,418
<b>Cash and Cash Equivalents - Beginning of Year</b>	202,387,172	167,906,754
<b>Cash and Cash Equivalents - End of Year</b>	\$ 201,489,835	\$ 202,387,172
<b>Reconciliation of Operating Loss to Net cash provided by operating activities</b>		
Operating loss	(21,178,630)	\$ (22,089,712)
Adjustments to reconcile loss from operations to net cash provided by operating activities:		
Depreciation	50,438,401	49,576,610
Decrease in assets:		
Accounts receivable and other current assets	2,481,783	170,621
Increase (decrease) in liabilities:		
Accounts payable/accrued expenses less non-operating accruals	(1,524,693)	(183,231)
Net cash provided by operating activities	\$ 30,216,861	\$ 27,474,288
<b>Schedule of Non-cash Capital Transactons</b>		
Loss on disposal of capital assets	\$ (767,374)	\$ (4,855,543)

The accompanying notes are an integral part of these financial statements

**SALT LAKE CITY DEPARTMENT OF AIRPORTS  
 (An Enterprise Fund of Salt Lake City Corporation)  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEARS ENDED JUNE 30, 2011 AND 2010**

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

**Organization** – The Salt Lake City Department of Airports (the “Airport”) is an enterprise fund of Salt Lake City Corporation (the “City”). Airport operations include Salt Lake City International Airport, South Valley Regional Airport and Tooele Valley Airport. The accompanying financial statements include the Salt Lake City Department of Airports Improvement, Revenue, Construction, Principal and Interest, Surplus, and Capitalized Interest funds.

**Basis of Accounting** – The accompanying financial statements have been prepared in conformity with generally accepted accounting principles as applied to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. In accordance with the provisions of GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that use Proprietary Fund Accounting*, the Airport has elected not to apply Financial Accounting Standards Board statements and interpretations issued after November 30, 1989.

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

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

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

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

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

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

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

No depreciation is provided on construction in progress until construction is complete and the asset is placed in service. Because of the proposed Airport expansion program, some new construction projects added to capital assets will not have an estimated life over 15 years. Those new assets that fit this category have been given a life of 15 years. No action has been taken as of June 30, 2011 to reduce the life of existing buildings and improvements that fit this category.

**Contributions and Grants** – The Airport has received contributions and grants for aid in construction from various sources, principally from the Federal Airport Improvement Program (“AIP”). Contributions and grants received for construction projects are recorded on an accrual basis as capital contributions. All other contributions and grants received for operating expenses are recorded as operating revenue. The Airport recorded two grants as operating revenues: one for reimbursement of security costs, and another for canine explosive detection security teams. The amount received for these grants was \$718,227 in FY 2011 and \$717,885 in FY 2010.

**Passenger Facility Charges** – The Airport has received approval from the Federal Aviation Administration (the “FAA”) to impose a Passenger Facility Charge (“PFC”) of up to \$4.50 for each enplaned passenger that utilizes the Salt Lake International Airport. The charge is collected by all carriers and remitted to the Airport, less a \$0.11 per passenger handling fee. The proceeds from PFCs are restricted for use by the Airport for certain FAA approved projects and debt service on bonds used to fund PFC eligible projects. PFC proceeds are recorded as non operating revenues. Cumulative PFC charges in the amount of \$601,300,598 have been authorized, of which \$541,293,429 has been received through June 30, 2011.

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

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

**Accounts Receivable** – An allowance for uncollectible accounts receivable is established by charges to operations for amounts required to maintain an adequate allowance, in management’s judgment, to cover anticipated losses from customer accounts. Such accounts are charged to the allowance when collection appears doubtful. Any subsequent recoveries are credited to the allowance account. As of June 30, 2011 and 2010, the Airport does not anticipate any material losses on accounts receivable, and no allowance is necessary.

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

**Pollution Remediation Obligations** – In FY 2010, the Airport recorded operating expense and a future liability obligation of \$191,750 associated with two pollution remediation sites, both associated with leaking underground fuel tanks. In FY 2011, the Airport upgraded the east side monitoring system which is a continuing recovery system from one of the remediation sites which resulted from a fuel spill in the early 1990s at a cost of approximately \$13,000. An additional \$25,000 was incurred for monthly monitoring at both sites. The remainder of the current liability of approximately \$154,000 is for future years’ ground water monitoring at the sites. Estimates of the expense and liability were based on the cost of the equipment upgrades as well as cost of a contract negotiated with an outside contractor for future monitoring. The potential exists for changes in these estimates, and both costs and future liabilities will

be adjusted if necessary in future periods. The Airport is self-insured for incidents of this magnitude, and no insurance or other recoveries are anticipated.

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

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

***Recent Accounting Pronouncements*** – In November 2010, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*. GASBS No. 60 improves consistency in reporting Service Concession Arrangements, thereby enhancing the comparability of the accounting and financial reporting of such arrangements among state and local governments. GASBS No. 60 is effective for financial statements for periods beginning after December 15, 2011. The Airport has not yet determined the effect on its financial statements, if any, upon adoption of GASBS No. 60.

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

## NOTE 2 – DEPOSITS AND INVESTMENTS

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

	<b>2011</b>	<b>2010</b>
	<b>Fair Value</b>	<b>Fair Value</b>
<b>Deposits</b>		
Petty Cash	\$ 1,590	\$ 1,390
Unrestricted cash in the City's pooled cash account	4,824,443	2,555,972
Utah State Treasurer's Investments Pool	193,889,816	197,494,378
Zion's Bank operating accounts	2,773,986	2,335,432
<b>Total</b>	<b>\$ 201,489,835</b>	<b>\$ 202,387,172</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.

It is the policy of Salt Lake City Corporation to invest public funds in accordance with the principles of sound treasury management and in compliance with state and local laws, regulations, and other policies governing the investment of public funds, specifically, according to the terms and conditions of the Utah State Money Management Act of 1974 and Rules of the State Money Management Council as currently amended (the "Act") and the City's own written investment policy. The City may place Airport money in investments/deposits authorized by the Money Management Act (U.C.A. 51-7-11). In general these investments may be placed in the Utah State Public Treasurer's Investment Pool subject to restrictions specified in the Act.

Investments in government agency securities and money market funds are held by an appointed trustee in accordance with the Revenue Bond Resolutions.

### ***Deposits***

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

*Custodial Credit Risk* - At June 30, 2011 and 2010, the Airport had deposits with qualified depositories in accordance with the Utah Money Management Act totaling \$2,773,986 and \$2,335,432. Of these amounts, \$500,000 in FY 2011 and \$500,000 in FY 2010 was covered by federal depository insurance. The remaining balances of \$2,273,986 and \$1,835,432 respectively, were uninsured and uncollateralized. The Commissioner of Financial Institutions assigns a public funds allotment to each qualified depository and monitors public funds held monthly. Local government deposits and repurchase agreements up to the allotment are not required by State law to be insured or delivered to the public treasurer. The Airport's deposits do not exceed the public funds allotment.

**Investments**

*Credit risk* – The City’s investment policies are governed by State statutes. In addition, the City has its own written investment policies. City funds, of which the Airport funds are part, are invested only in the following: (1) Negotiable or nonnegotiable deposits of qualified depositories (see definition of qualified depository under “Deposits” above); (2) Repurchase agreements with qualified depositories or certified dealers, acting as principal for securities of the United States Treasury or other authorized investments, only if these securities are delivered to the custody of the City Treasurer or the City’s safekeeping bank or are held by a qualified depository; (3) Commercial paper which is rated P-1 by Moody’s Investor Services or A-1 by Standard and Poor’s, Inc., having a remaining term to maturity of 270 days or less. Commercial paper can be purchased directly from the issuer provided proper delivery and safekeeping procedures are followed with a qualified depository of the City Treasurer’s safe-keeping bank or trust company; (4) Bankers’ acceptances that are eligible for discount at a federal reserve bank and which have a remaining term of maturity of 270 days or less; (5) Negotiable certificates of deposit of \$100,000 or more which have a remaining term to maturity of 365 days or less; (6) Obligations of the United States Treasury including United States Treasury Bills, United States Treasury Notes, and United States Treasury Bonds; (7) Obligations issued by or fully guaranteed as to principal and interest by the following agencies or instrumentalities of the United States in which a market is made by a primary reporting government securities dealer: Federal Home Loan Bank, Federal Farm Credit Bank, Federal National Mortgage Association; and (8) The Utah State Public Treasurer’s Investment Pool.

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

Investments made with unspent PFC revenue are in accordance with FAA guidelines.

*Custodial Credit Risk* – As of June 30, 2011 and 2010, 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. Accordingly, these investments have not been categorized for reporting purposes.

In addition, the Airport invested funds in U.S. Agency notes. Custodial credit risk for investments is the risk that, in the event of a failure of the counter party, the Airport will not be able to recover the value of the investment or collateral securities that are in the possession of an outside party. Of the \$45,385,581 invested by the Airport, the entire amount was held in the Airport’s name by the counterparty and was exposed to custodial credit risk. U.S. Agency notes are guaranteed by the federal government but are uninsured investments.

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

Debt Securities	Quality Ratings	FY 2011 Fair Value	FY 2010 Fair Value	Maturities (in years)
U.S Agency Notes				
FHLMC	Aaa/AAAe	\$ 10,010,541	\$ -	1-5
FNMA	Aaa/AAAe	10,010,823	-	1-5
FNMA	Aaa/AAAe	5,033,550	-	1-5
FFCB	Aaa/AAAe	20,330,667	-	1-5
		\$ 45,385,581	\$ -	

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

Certain cash and cash equivalents are restricted or designated:

- As of June 30, 2011 and 2010, \$31,091,207 and \$7,468,152, respectively, of PFC contributions are restricted for construction projects at the Airport under the PFC Program requirements.
- As of June 30, 2011 and 2010, \$14,455,100 and \$0, respectively, are restricted for an operation and maintenance reserve fund, and \$5,000,000 and \$0, respectively, for a renewal and replacement reserve fund per the Airport Use Agreement effective July 1, 2010.
- As of June 30, 2011 and 2010, Airport management designated \$186,329,109 and \$184,919,020, respectively, for future development projects. A portion of the 2011 designation includes amounts in non-current investments.

### **NOTE 4 – LIMITED OBLIGATION SPECIAL FACILITY REVENUE BONDS**

Delta Airlines, Inc. (“Delta”) issued Limited Obligation Special Facility Revenue Bonds (“Special Bonds”), series 2000, to finance the acquisition and construction of the Delta hangar, marketing, reservation and training center (the “Delta Facilities”) at the Airport. The outstanding balance of the Special Bonds as of June 30, 2011 and 2010 was \$23,510,000. The Special Bonds are special and limited obligations of the City and are considered conduit debt, and as such, do not constitute a debt of or a pledge of revenues of the City or the Airport, other than the rental revenues received on the Delta Facilities. As the Airport’s assignee, Delta is absolutely and unconditionally obligated under the lease agreement, dated June 1, 1987, between the Airport and Delta, to make all principal and interest payments to the Special Bonds’ trustee.

### **NOTE 5 – COMMITMENTS AND CONTINGENCIES**

At June 30, 2011, the Airport was committed to contractors and vendors for approximately \$36,675,212 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. 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.

## **NOTE 6 – PENSION PLANS**

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

**Future Legislative Changes** – The Utah Legislature enacted significant changes to the Utah State Retirement System in 2010 that affect all Salt Lake City pension plans effective July 1, 2011. Most notably, plans have been converted to a defined contribution plan for employees hired after the effective date. The City has not yet completed analysis for future fiscal years to determine the future affect on cost and future pension liabilities.

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

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

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

**Cost sharing multiple employer funding policy** – the contribution rates, which are actuarially determined at June 30, 2011 are:

	Employee contributions paid by City (100% vested)	City's contribution (vested upon retirement)
Contributory	6.00%	9.36%
Noncontributory	-	13.37%
Firefighters' System	16.18%	-

Salt Lake City Corporation contributions for the current fiscal year and for that of the two previous fiscal years were equal to the required contributions and are presented as follows:

System	June 30, 2011	June 30, 2010	June 30, 2009
Local Government Contributory System:			
Employer paid for employee contributions	\$ 402,456	\$ 441,934	\$ 481,433
Employer contributions	627,836	563,470	610,620
Local Government Noncontributory System	11,589,370	10,224,216	10,327,021
Firefighters' system:			
Employer paid for employee contributions	3,217,351	1,891,296	1,969,355

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

**Salt Lake City Public Safety Retirement System** – The percent of salary contribution rate for the Noncontributory plan was 35.71%. The rate is the actuarial determined rate, and is authorized by statute and specified by the Utah State Retirement Board. The annual pension cost for the City’s Noncontributory Public Safety Systems of \$10,092,763 for the fiscal year ended June 30, 2011 was equal to the City’s required and actual contributions. The required contribution was determined as part of the December 31, 2010 actuarial valuation using the entry age normal cost method. The actuarial assumptions include (a) a 4.8% investment rate of return (net of administrative expenses); (b) yearly salary increases are limited to a maximum of 9.75% plus a cost of living adjustment determined by the consumer price index at 5.27% (2.70% from inflation, 2.57% from membership growth); and (c) benefit paid cannot exceed 70% of final average salary (FAS) which is the highest three years’ earnings converted to a monthly average. The actuarial value of the Salt Lake City Public Safety Retirement System assets was determined using techniques that smooth the effects of short-term volatility in the fair value of investments over a 5-year period. The Salt Lake City Public Safety Retirement System unfunded actuarial accrued liability is being amortized over an open 20-year amortization period from the valuation date. Amortization payments are designed to remain level as a percent of payroll.

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

<u>Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage APC Contributed</u>	<u>Net Pension Obligation</u>
June 30, 2011	\$ 10,092,763	100%	-
June 30, 2010	9,729,879	100%	-
June 30, 2009	9,896,143	100%	-

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL) Entry Age</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funding Ratios</u>	<u>Covered Payroll</u>	<u>UAAL as a % of covered Payroll</u>
Dec 31, 2010	\$ 191,116,000	\$ 274,657,000	\$ 83,551,000	70%	\$ 27,865,000	300%
Dec 31, 2009	188,761,000	257,741,000	68,980,000	73%	27,781,000	248%
Jan 1, 2009	180,841,000	245,433,000	64,592,000	74%	27,413,000	236%

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

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

## NOTE 7 – OTHER POSTEMPLOYMENT BENEFITS

Effective July 1, 2007 the City implemented GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions (OPEB)*.

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

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

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

	FY 2011	FY 2010	FY 2009
Annual required contribution	\$ 1,430,182	\$ 1,335,000	\$ 1,399,000
Interest on net OPEB obligation	149,962	94,717	52,000
Adjustments to annual required contribution	52,856	(86,717)	(48,000)
Annual OPEB cost (expense)	1,633,000	1,343,000	1,403,000
Contributions made	(210,000)	(458,000)	(764,068)
Increase in net OPEB obligation	1,423,000	885,000	638,932
Net OPEB obligations - beginning of year	2,551,000	1,666,000	1,027,068
Net OPEB obligations - end of year	<u>\$ 3,974,000</u>	<u>\$ 2,551,000</u>	<u>\$ 1,666,000</u>

The Airport's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the year ended June 30, 2011 is as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Employer Contributions</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation Fiscal Year Ended</u>
June 30, 2011	\$ 1,633,000	\$ 210,000	12.86%	\$ 3,974,000
June 30, 2010	1,343,000	458,000	34.10%	2,551,000
June 30, 2009	1,403,000	764,068	54.46%	1,666,000

**Funded Status and Funding Progress**—The funded status of the Airport's portion of the plan as of June 30, 2011 was as follows:

	<u>FY 2011</u>	<u>FY 2010</u>	<u>FY 2009</u>
Actuarial valuation date	July 1, 2009	July 1, 2009	July 1, 2008
Actuarial accrued liability (AAL)	\$ 13,273,000	\$ 13,273,000	\$ 13,444,000
Actuarial value of plan assets	-	-	-
Unfunded actuarial accrued liability (UAAL)	13,273,000	13,273,000	13,444,000
Funded ratio (actuarial value of plan assets/AAL)	0.00%	0.00%	0.00%
Covered payroll (active plan members)	29,064,923	30,156,107	29,870,230
UAAL as a percentage of covered payroll	45.67%	44.01%	45.01%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, shown as required supplementary information following the notes to the financial statements, presents the results of OPEB valuations as of June 30, 2011, 2010, and 2009.

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

In the fiscal year 2011 actuarial valuation, the projected unit credit method was used. The actuarial assumptions included a 5.0% investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of 10% initially, reduced by decrements to an ultimate rate of 5.0% after ten years. Covered payroll included a 3.5% inflation assumption. The actuarial value of assets was not determined as the City has not advance funded its obligation. The unfunded actuarial accrued liability (UAAL) is being amortized as a level percentage of payroll over a closed thirty year period.

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

#### NOTE 8 – OPERATING REVENUES

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

	2011		2010	
	Amount	Percent	Amount	Percent
Airline revenues	\$ 55,896,482	49.3%	\$ 43,393,004	40.4%
Less: Airline revenue sharing	(10,284,613)	-9.1%	-	0.0%
Concession and other rental revenues	65,286,151	57.6%	61,281,032	57.0%
State aviation fuel tax	2,478,685	2.2%	2,823,505	2.6%
<b>Total operating revenues</b>	<b>\$ 113,376,705</b>	<b>100.0%</b>	<b>\$ 107,497,541</b>	<b>100.0%</b>

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

	2011	2010
Terminal space rentals	\$ 27,190,762	\$ 22,933,925
Landing fees	22,279,249	13,540,584
Aircraft remain overnight fees	92,250	-
Support buildings	4,731,409	4,802,574
Fuel farm	519,285	604,168
Passenger paging fees	-	337,800
Passenger loading bridge fees	1,083,527	1,173,953
<b>Total</b>	<b>\$ 55,896,482</b>	<b>\$ 43,393,004</b>

Charges from terminal space rentals and landing fees for most airlines are determined by Airport Use Agreements that permit the Airport to recover the airlines' share of the operating costs of the terminal and airfield as defined in the agreements. A new Use Agreement was signed effective July 1, 2010, terminating on June 30, 2013 with an option for a one year extension by the mutual agreement of the airlines and the Airport. Under the new agreement, terminal rent calculations are on a compensatory basis, recovering costs allocated to the occupied facilities. Landing fee calculations are residual based, recovering net cost after the credits of nonairline revenue. Revenue sharing is available to signatory airlines under this new agreement. The Airport provides revenue sharing of one dollar (\$1) per enplaned passenger, not to exceed 30% of net remaining operating revenue.

The Airport has entered into several operating lease agreements with parties who lease Airport facilities (primarily car rental agencies, auto parking facility operators, and concessionaires). The Airport received the following rental revenues (the majority of which was based on a percentage of tenant sales) for the year ended June 30:

	<b>2011</b>	<b>2010</b>
Car rental agencies	\$ 16,346,210	\$ 14,504,799
Auto parking facilities	25,067,429	23,811,391
Other airport facilities	23,404,785	22,497,457
<b>Total</b>	<b>\$ 64,818,424</b>	<b>\$ 60,813,647</b>

Minimum future rentals to be received on these non-cancelable leases as of June 30, 2011 for each of the next five years and for five-year increments thereafter are as follows:

**Year Ending June 30:**

2012	\$ 55,024,718
2013	40,714,700
2014	11,673,469
2015	10,982,796
2016	10,957,685
2017-2021	48,434,248
2022-2026	18,168,479
2027-2031	4,324,781
2032-2036	362,814
2037-2041	221,610
2042-2046	199,449
<b>Total</b>	<b>\$ 201,064,749</b>

**NOTE 9 – CAPITAL ASSETS**

The following is a summary of transactions affecting capital assets for the year ended June 30, 2011:

	<b>Total June 30, 2010</b>	<b>Additions</b>	<b>Deletions</b>	<b>Total June 30, 2011</b>
<b>Capital Assets that are not depreciated:</b>				
Land	\$ 91,123,016	\$ 738,781	\$ -	\$ 91,861,797
Construction in Progress	33,497,806	25,139,139	(22,367,589)	36,269,356
Total	124,620,822	25,877,920	(22,367,589)	128,131,153
<b>Capital Assets that are depreciated:</b>				
Buildings and improvements	1,044,231,052	31,653,246	(2,469,705)	1,073,414,593
Equipment	116,012,358	10,326,178	(4,025,425)	122,313,110
Sub-total	1,160,243,410	41,979,424	(6,495,130)	1,195,727,703
<b>Less accumulated depreciations:</b>				
Buildings and improvements	(519,061,844)	(41,685,805)	1,905,328	(558,842,321)
Equipment	(63,200,855)	(8,752,596)	3,580,250	(68,373,201)
Sub-total	(582,262,699)	(50,438,401)	5,485,578	(627,215,522)
Total Depreciable Capital Assets, net	577,980,711	(8,458,977)	(1,009,552)	568,512,181
<b>Total Capital Assets, net</b>	<b>\$ 702,601,533</b>	<b>\$ 17,418,943</b>	<b>\$ (23,377,141)</b>	<b>\$ 696,643,334</b>

The following is a summary of transactions affecting capital assets for the year ended June 30, 2010:

	<b>Total June 30, 2009</b>	<b>Additions</b>	<b>Deletions</b>	<b>Total June 30, 2010</b>
Capital Assets that are not depreciated:				
Land	\$ 88,110,384	\$ 3,012,632	\$ -	\$ 91,123,016
Construction in Progress	22,371,597	26,119,807	(14,993,599)	33,497,805
Total	<u>110,481,981</u>	<u>29,132,439</u>	<u>(14,993,599)</u>	<u>124,620,821</u>
Capital Assets that are depreciated:				
Buildings and improvements	1,043,871,730	27,746,156	(27,386,835)	1,044,231,051
Equipment	110,006,239	9,465,442	(3,459,323)	116,012,358
Sub-total	<u>1,153,877,968</u>	<u>37,211,598</u>	<u>(30,846,158)</u>	<u>1,160,243,409</u>
Less accumulated depreciations:				
Buildings and improvements	(499,967,827)	(41,431,652)	22,337,635	(519,061,844)
Equipment	(57,981,310)	(8,144,958)	2,925,413	(63,200,855)
Sub-total	<u>(557,949,137)</u>	<u>(49,576,610)</u>	<u>25,263,048</u>	<u>(582,262,699)</u>
Total Depreciable Capital Assets, net	<u>595,928,831</u>	<u>(12,365,012)</u>	<u>(5,583,110)</u>	<u>577,980,710</u>
Total Capital Assets, net	<u>\$ 706,410,812</u>	<u>\$ 16,767,427</u>	<u>\$ (20,576,709)</u>	<u>\$ 702,601,531</u>

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

Long-term liability activity for the year ended June 30, 2011 was as follows:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>	<b>Due Within One Year</b>
Compensation liability	\$ 7,293,836	\$ 4,986,189	\$ (3,371,580)	\$ 8,908,445	\$ 1,149,225
Other long-term liabilities (Deposits)	166,586	74,051	(12,348)	228,289	-
Total long-term liabilities	<u>\$ 7,460,422</u>	<u>\$ 5,060,240</u>	<u>\$ (3,383,928)</u>	<u>\$ 9,136,734</u>	<u>\$ 1,149,225</u>

Long-term liability activity for the year ended June 30, 2010 was as follows:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>	<b>Due Within One Year</b>
Compensation liability	\$ 6,318,835	\$ 4,002,591	\$ (3,027,590)	\$ 7,293,836	\$ 1,139,896
Other long-term liabilities (Deposits)	151,544	20,777	(5,735)	166,586	-
Total long-term liabilities	<u>\$ 6,470,379</u>	<u>\$ 4,023,368</u>	<u>\$ (3,033,325)</u>	<u>\$ 7,460,422</u>	<u>\$ 1,139,896</u>

Compensation liabilities due within one year, as noted above, are combined with accrued payroll and shown as current portion of accrued compensation on the balance sheet. The long term portion of the compensation liability is presented on the balance sheet as noncurrent compensation liability and net OPEB obligation.

Compensation liabilities due within one year, as noted above, are combined with accrued payroll and shown as current portion of accrued compensation on the balance sheet. The long term portion of the compensation liability is presented on the balance sheet as noncurrent compensation liability and net OPEB obligation.

**NOTE 11 – CHARGES FROM SALT LAKE CITY CORPORATION**

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

	<b>2011</b>	<b>2010</b>
General and administrative charges	\$ 3,829,232	\$ 3,580,993
Aircraft rescue and fire fighting services	3,840,392	3,689,410
<b>Total</b>	<b>\$ 7,669,624</b>	<b>\$ 7,270,403</b>

**NOTE 12 – MAJOR CUSTOMER**

The Airport received approximately \$24,661,696 (21.8%) of its operating revenue during 2011 and \$21,304,951 (19.8 %) during 2010 from rentals and services provided to one airline.

**REQUIRED  
SUPPLEMENTAL SCHEDULES**

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

**Schedule of Funding Progress for the Agency's Portion of the Plan  
Year Ended June 30, 2011**

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Annualized Covered Payroll</u>	<u>UAAL as a % of Covered Payroll</u>
July 1, 2011	\$ -	\$ 13,273,000	\$ 13,273,000	0%	\$ 29,064,923	45.67%
July 1, 2010	-	13,273,000	13,273,000	0%	30,156,107	44.01%
July 1, 2009	-	13,444,000	13,444,000	0%	29,870,230	45.01%

## **SUPPLEMENTAL SCHEDULES**

**SALT LAKE DEPARTMENT OF AIRPORTS**  
**(An Enterprise Fund of Salt Lake City Corporation)**  
**SCHEDULE OF INSURANCE POLICIES**  
**JUNE 30, 2011**

<b>Type</b>	<b>Policy</b>	<b>Limits</b>	<b>Description</b>	<b>Expiration</b>	
<b>General Liability</b>	Chartis PL 007741005-01	\$50,000,000 per occurrence	Bodily injury and property damage, Hangar Keepers Legal Liability	7/1/12	
		\$50,000,000 each offense	Personal & Advertising Injury		
		\$250,000 any one fire	Fire Legal Liability		
		\$50,000,000 excess of primary \$500,000	Excess Off-Premises Automobile Liability		
<b>Total GL Coverage \$500,000,000 - No Deductible</b>					
<b>Property Insurance</b>	FM Global Insurance #UW506	\$500,000,000 per occurrence; Claim specific limits apply	Airport terminals, concourses, buildings, runways, contents, equipment, fuel farm, business interruption	7/1/12	
<b>Per Insured Location - \$100,000 Deductible</b>					
<b>Bonds</b>	(1) Travelers Insurance 105289983	\$10,000,000	Public official bond No deductible	7/1/12	
		\$1,000,000 per loss	Public employee dishonesty \$50,000 deductible	7/1/12	
			\$25,000 per occurrence		Theft, disappearance and destruction \$500 deductible
			\$25,000 per occurrence		Forgery and alteration \$250 deductible
<b>Excess Work/Comp</b>	Safety National	\$50,000 per occurrence	Money orders & Counterfeit currency	Continuous	
		\$40,000,000	Employer's liability 1.5M SIR		
<b>Auto Physical</b>	Self Insured	Statutory			

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

**STATISTICAL SECTION**  
(unaudited)

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

<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-S5</b>
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the Airport’s revenue sources.	<b>S6-S8</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>S9</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>S10-S12</b>
<b>Operating Information</b> These schedules contain service and infrastructure data to help the reader understand how the information in the Airport’s financial report relates to the services the Airport provides and the activities it performs.	<b>S13-S16</b>

**Salt Lake City Department of Airports**

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

	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>
<b>Operating Revenues</b>					
Airfield	\$ 26,790,645	\$ 17,830,841	\$ 17,576,572	\$ 17,041,231	\$ 17,447,036
Terminals	42,746,010	39,333,123	38,715,525	40,780,653	39,186,737
Landside	42,339,341	39,106,339	40,705,508	42,019,377	38,564,113
Auxiliary airports	631,234	595,416	647,640	597,301	481,292
General aviation	1,888,594	1,792,187	1,767,020	1,751,666	1,731,062
Support areas	6,924,048	6,840,304	6,758,534	6,656,579	6,296,655
Other	341,446	1,999,331	2,069,865	1,878,650	1,721,453
<b>Operating revenues</b>	<b>123,661,318</b>	<b>105,498,210</b>	<b>106,170,800</b>	<b>108,846,807</b>	<b>103,706,895</b>
Less: Airline revenue sharing	(10,284,613)	-	-	-	-
<b>Total operating revenues</b>	<b>113,376,705</b>	<b>105,498,210</b>	<b>106,170,800</b>	<b>108,846,807</b>	<b>103,706,895</b>
<b>Operating Expenses</b>					
Airfield	24,928,820	23,113,848	23,046,623	23,759,267	21,956,091
Terminals	37,086,995	37,244,771	36,225,604	33,560,092	30,783,170
Landside	10,706,997	9,474,984	10,726,598	9,234,475	9,125,939
Auxiliary airports	1,476,851	1,442,239	1,322,687	2,226,838	1,590,148
General aviation	1,031,487	1,498,930	1,111,004	1,199,764	1,165,358
Support areas	1,037,924	1,171,870	1,301,920	1,416,904	1,318,534
Roads and grounds	5,567,870	5,519,039	6,161,016	4,841,807	4,259,840
Other	2,279,990	544,962	706,120	862,730	322,070
<b>Total operating expenses before depreciation &amp; rebates</b>	<b>84,116,934</b>	<b>80,010,643</b>	<b>80,601,572</b>	<b>77,101,877</b>	<b>70,521,150</b>
<b>Operating Income Before Depreciation &amp; Rebates</b>	<b>29,259,771</b>	<b>25,487,567</b>	<b>25,569,228</b>	<b>31,744,930</b>	<b>33,185,745</b>
<b>Depreciation</b>	<b>50,438,401</b>	<b>49,576,610</b>	<b>49,234,710</b>	<b>(48,343,878)</b>	<b>(40,738,185)</b>
<b>Airline Fuel &amp; Enplaned Passenger Rebates</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Operating Income (Loss)</b>	<b>(21,178,630)</b>	<b>(22,089,712)</b>	<b>(21,595,617)</b>	<b>(14,720,298)</b>	<b>(5,830,987)</b>
<b>Non-operating Revenues (Expenses)</b>					
Net Bond interest expense	-	-	-	(7,850,696)	(2,584,929)
Gain (loss) on disposition of property and equipment	(767,374)	(4,855,543)	(129,458)	(1,327,215)	(5,265,537)
Interest income	1,903,535	1,723,269	3,664,984	7,463,453	8,374,123
<b>Net non-operating revenue (expense)</b>	<b>1,136,161</b>	<b>(3,132,274)</b>	<b>3,535,526</b>	<b>(1,714,458)</b>	<b>523,657</b>
<b>Total Capital Contributions</b>	<b>57,825,560</b>	<b>53,706,924</b>	<b>45,747,502</b>	<b>48,268,769</b>	<b>67,977,668</b>
<b>Change in Net Assets</b>	<b>37,783,091</b>	<b>28,484,938</b>	<b>27,687,411</b>	<b>31,834,013</b>	<b>62,670,338</b>
<b>Net Assets - Beginning of Year as Previously Reported</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>769,483,422</b>
<b>Prior Period Adjustment</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(3,528,171)</b>
<b>Net Assets - Beginning of Year as Restated</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>765,955,251</b>
<b>Net Assets - Beginning of Year</b>	<b>916,631,949</b>	<b>888,147,011</b>	<b>860,459,600</b>	<b>828,625,587</b>	<b>-</b>
<b>Net Assets - End of Year</b>	<b>954,415,040</b>	<b>916,631,949</b>	<b>888,147,011</b>	<b>860,459,600</b>	<b>828,625,587</b>
<b>Net Assets at Year End Composed of:</b>					
Investment in Capital Assets, net of related debt	696,643,335	702,601,533	706,410,813	706,206,409	628,947,775
Restricted	50,546,307	7,468,152	1,524,815	705,505	7,425,353
Unrestricted	207,225,398	206,562,264	180,211,383	153,547,686	192,252,459
<b>Total Net Assets</b>	<b>\$ 954,415,040</b>	<b>\$ 916,631,949</b>	<b>\$ 888,147,011</b>	<b>\$ 860,459,600</b>	<b>\$ 828,625,587</b>

Source: Salt Lake City Department of Airports Audited Financial Statements

**Salt Lake City Department of Airports**

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

	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
<b>Operating Revenues</b>					
Airfield	\$ 15,672,079	\$ 16,107,268	\$ 14,949,270	\$ 22,186,104	\$ 19,828,271
Terminals	35,603,460	32,430,654	28,466,432	33,847,103	34,595,312
Landside	35,443,013	32,584,986	28,622,719	25,510,672	26,484,388
Auxiliary airports	470,001	446,978	412,564	386,639	349,969
General aviation	1,526,029	1,472,099	1,465,394	1,377,029	1,406,142
Support areas	6,318,159	6,361,259	6,227,550	6,286,855	5,913,931
Other	1,750,358	1,745,307	1,728,707	2,369,747	3,117,962
<b>Total operating revenues</b>	<b>95,032,741</b>	<b>89,403,244</b>	<b>80,143,929</b>	<b>89,594,402</b>	<b>88,578,013</b>
Less: Airline revenue sharing	-	-	-	-	-
<b>Total operating revenues</b>	<b>95,032,741</b>	<b>89,403,244</b>	<b>80,143,929</b>	<b>89,594,402</b>	<b>88,578,013</b>
<b>Operating Expenses</b>					
Airfield	20,370,500	19,886,980	20,385,635	18,260,113	16,680,632
Terminals	26,841,931	25,434,872	22,727,558	23,113,117	21,654,149
Landside	9,053,418	8,937,435	8,285,659	8,211,767	7,810,218
Auxiliary airports	1,029,352	745,697	886,552	931,874	893,797
General aviation	1,105,330	885,994	983,809	927,144	1,100,074
Support areas	1,187,008	1,039,911	960,906	655,653	924,614
Roads and grounds	3,676,846	3,344,412	4,250,816	3,694,901	3,967,959
Other	475,884	674,424	658,136	679,195	610,120
<b>Total operating expenses before depreciation &amp; rebates</b>	<b>63,740,269</b>	<b>60,949,725</b>	<b>59,139,071</b>	<b>56,473,764</b>	<b>53,641,563</b>
Operating Income Before Depreciation & Rebates	31,292,472	30,198,826	22,733,565	35,490,385	38,054,412
<b>Depreciation</b>	<b>(40,812,398)</b>	<b>(39,435,645)</b>	<b>(38,777,109)</b>	<b>(38,270,476)</b>	<b>(34,327,813)</b>
<b>Airline Fuel &amp; Enplaned Passenger Rebates</b>	<b>(4,981,216)</b>	<b>(4,065,301)</b>	<b>(2,164,051)</b>	<b>(1,287,631)</b>	<b>(1,183,864)</b>
Operating Income (Loss)	(12,750,784)	(13,302,120)	(18,207,595)	(4,067,722)	2,542,735
<b>Non-operating Revenues (Expenses)</b>					
Net Bond interest expense	(2,235,115)	(1,274,260)	(12,007,083)	(6,410,823)	(5,029,122)
Gain (loss) on disposition of property and equipment	(2,255,849)	1,310,507	2,013,255	(1,902,034)	(489,704)
Interest income	5,868,368	3,007,120	2,253,612	2,680,009	2,633,951
Net non-operating revenue (expense)	1,377,404	3,043,367	(7,740,216)	(5,632,848)	(2,884,875)
<b>Total Capital Contributions</b>	<b>60,223,411</b>	<b>57,499,816</b>	<b>48,154,954</b>	<b>44,537,040</b>	<b>53,777,730</b>
<b>Change in Net Assets</b>	<b>48,850,031</b>	<b>47,241,063</b>	<b>22,207,143</b>	<b>34,836,470</b>	<b>53,435,590</b>
<b>Net Assets - Beginning of Year as Previously Reported</b>					
<b>Prior Period Adjustment</b>	-	-	-	-	-
<b>Net Assets - Beginning of Year as Restated</b>					
<b>Net Assets - Beginning of Year</b>	<b>720,633,391</b>	<b>673,392,328</b>	<b>651,185,185</b>	<b>616,348,715</b>	<b>562,913,125</b>
Net Assets - End of Year	769,483,422	720,633,391	673,392,328	651,185,185	616,348,715
<b>Net Assets at Year End Composed of:</b>					
Investment in Capital Assets, net of related debt	606,134,276	575,448,680	542,922,175	484,856,895	507,854,675
Restricted	5,275,077	5,210,447	6,195,685	19,458,956	11,053,000
Unrestricted	158,074,069	139,974,264	124,274,468	146,869,334	97,441,040
<b>Total Net Assets</b>	<b>\$ 769,483,422</b>	<b>\$ 720,633,391</b>	<b>\$ 673,392,328</b>	<b>\$ 651,185,185</b>	<b>\$ 616,348,715</b>

Source: Salt Lake City Department of Airports Audited Financial Statements

**Salt Lake City Department of Airports**

**CASH FLOW TREND**

	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>
<b>Cash Flows from Operating Activities</b>				
Cash received from providing services	\$ 113,613,165	\$ 107,585,920	\$ 110,945,787	\$ 111,482,289
Cash paid for services by Salt Lake City	(7,630,335)	(7,202,599)	(7,086,753)	(6,749,952)
Cash paid to suppliers	(35,003,496)	(31,178,327)	(33,507,538)	(32,073,630)
Cash paid to employees	(40,762,473)	(41,730,706)	(41,698,230)	(38,446,997)
<b>Net cash provided by operating activities</b>	<b>\$ 30,216,861</b>	<b>\$ 27,474,288</b>	<b>\$ 28,653,266</b>	<b>\$ 34,211,710</b>
<b>Cash Flows from Investing Activities</b>				
Interest received on investments/Paid for investments	\$ (43,761,684)	\$ 1,723,269	\$ 3,249,138	\$ 7,463,732
<b>Net cash provided by investing activities</b>	<b>\$ (43,761,684)</b>	<b>\$ 1,723,269</b>	<b>\$ 3,249,138</b>	<b>\$ 7,463,732</b>
<b>Cash Flows from Capital and Related Financing Activities</b>				
Purchase of capital equipment	\$ (4,589,898)	\$ (6,909,592)	\$ (11,515,550)	\$ (4,583,710)
Payments for acquisition and construction of capital assets	(43,567,549)	(39,180,702)	(37,714,812)	(75,971,706)
Payments for prior year accrued non-operating rebates	-	-	-	(2,797,958)
Principal payments made on bonds	-	-	-	(52,150,000)
Interest rate swap buyout	-	-	-	-
Interest paid on bonds	-	-	-	(1,932,004)
Net Proceeds from debt issuance	-	-	-	-
Use of bond proceeds, paid to Skywest	-	-	-	-
Retirement of bonds	-	-	-	-
Cash paid for retirement of refinanced bonds	-	-	-	-
Passenger Facility Charges	38,434,658	37,455,195	36,136,068	40,849,829
Interest received on Passenger Facility Charges	127,273	29,770	66,599	184,354
Proceeds from sale of property	242,179	550,611	197,759	616,409
Airport improvement program and Federal grants	21,999,588	13,271,790	10,130,491	12,228,683
State grants	1,235	65,789	297,502	202,498
<b>Net cash used in capital and related financing activities</b>	<b>\$ 12,647,486</b>	<b>\$ 5,282,861</b>	<b>\$ (2,401,944)</b>	<b>\$ (83,353,605)</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>\$ (897,337)</b>	<b>\$ 34,480,418</b>	<b>\$ 29,500,460</b>	<b>\$ (41,678,163)</b>
<b>Cash and Cash Equivalents - Beginning of Year</b>	<b>202,387,172</b>	<b>167,906,754</b>	<b>138,406,294</b>	<b>180,084,457</b>
<b>Cash and Cash Equivalents - End of Year</b>	<b>\$ 201,489,835</b>	<b>\$ 202,387,172</b>	<b>\$ 167,906,754</b>	<b>\$ 138,406,294</b>

Source: Salt Lake City Department of Airports Audited Financial Statements

**CASH FLOW TREND**  
**Continued**

	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>	<b>2002</b>
<b>Cash Flows from Operating Activities</b>						
Cash received from providing services	\$ 104,474,589	\$ 97,895,363	\$ 93,052,375	\$ 88,587,322	\$ 88,476,654	\$ 92,153,896
Cash paid for services by Salt Lake City	(7,268,085)	(6,142,421)	(6,041,479)	(5,972,695)	(5,669,226)	(6,100,833)
Cash paid to suppliers	(27,395,493)	(30,237,205)	(31,026,663)	(22,836,104)	(21,004,933)	(20,724,809)
Cash paid to employees	(37,852,966)	(34,350,051)	(33,357,997)	(32,501,704)	(30,932,413)	(29,305,703)
<b>Net cash provided by operating activities</b>	<b>\$ 31,958,045</b>	<b>\$ 27,165,686</b>	<b>\$ 22,626,236</b>	<b>\$ 27,276,819</b>	<b>\$ 30,870,082</b>	<b>\$ 36,022,551</b>
<b>Cash Flows from Investing Activities</b>						
Interest received on investments	\$ 8,374,123	\$ 5,868,368	\$ 3,013,217	\$ 2,251,987	\$ 2,679,637	\$ 2,633,951
<b>Net cash provided by investing activities</b>	<b>\$ 8,374,123</b>	<b>\$ 5,868,368</b>	<b>\$ 3,013,217</b>	<b>\$ 2,251,987</b>	<b>\$ 2,679,637</b>	<b>\$ 2,633,951</b>
<b>Cash Flows from Capital and Related Financing Activities</b>						
Purchase of capital equipment	\$ (4,375,748)	\$ (3,908,393)	\$ (3,899,936)	\$ (8,850,716)	\$ (2,293,307)	\$ (3,483,915)
Payments for acquisition and construction of capital assets	(65,812,694)	(68,672,799)	(57,287,191)	(37,378,550)	(17,560,755)	(49,802,375)
Payments for prior year accrued non-operating rebates	(5,135,480)	-	-	-	-	-
Principal payments made on bonds	(2,650,000)	(4,025,000)	(3,050,000)	(3,590,000)	(7,055,000)	(5,935,000)
Interest rate swap buyout	-	-	-	(10,055,000)	(1,847,000)	-
Interest paid on bonds	(2,036,169)	(1,832,386)	(1,450,805)	(3,988,909)	(6,342,565)	(6,704,571)
Net Proceeds from debt issuance	-	-	-	-	-	18,895,642
Use of bond proceeds, paid to Skywest	-	-	-	-	-	(18,744,856)
Retirement of bonds	-	-	-	(44,245,655)	-	-
Cash paid for retirement of refinanced bonds	-	-	-	(2,651,244)	-	-
Passenger Facility Charges	40,066,631	39,860,072	37,884,340	33,908,850	32,109,725	33,916,315
Interest received on Passenger Facility Charges	176,488	157,715	90,450	103,472	80,538	89,176
Proceeds from sale of property	117,675	783,451	1,437,100	2,487,299	189,910	-
Airport improvement grants	24,457,730	16,799,450	19,073,545	13,403,400	7,630,950	22,077,558
Airport improvement grants	-	-	-	-	-	-
State grants	83,520	364,331	164,950	328,531	140,104	193,329
<b>Net cash used in capital and related financing activities</b>	<b>\$ (15,108,047)</b>	<b>\$ (20,473,559)</b>	<b>\$ (7,037,547)</b>	<b>\$ (60,528,522)</b>	<b>\$ 5,052,600</b>	<b>\$ (9,498,697)</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>\$ 25,224,121</b>	<b>\$ 12,560,495</b>	<b>\$ 18,601,906</b>	<b>\$ (30,999,716)</b>	<b>\$ 38,602,319</b>	<b>\$ 29,157,805</b>
<b>Cash and Cash Equivalents - Beginning of Year</b>	<b>154,860,335</b>	<b>142,299,840</b>	<b>123,697,934</b>	<b>154,697,650</b>	<b>116,095,331</b>	<b>86,937,526</b>
<b>Cash and Cash Equivalents - End of Year</b>	<b>\$ 180,084,457</b>	<b>\$ 154,860,335</b>	<b>\$ 142,299,840</b>	<b>\$ 123,697,934</b>	<b>\$ 154,697,650</b>	<b>\$ 116,095,331</b>

Source: Salt Lake City Department of Airports Audited Financial Statements

**Salt Lake City Department of Airports**

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

(in thousands)

Fiscal Year	Total Operating Revenue	Airline Revenues			Car Rental	Auto Parking Facilities	Other Terminal Rentals	Other Revenues
		Landing Fees	Terminal Space Rentals	Other Airline Revenues				
2002	<b>91,696</b>	15,908	23,946	4,903	10,385	15,640	17,952	2,962
2003	<b>91,964</b>	18,153	24,141	5,742	9,777	15,245	15,457	3,449
2004	<b>81,873</b>	10,921	18,769	5,431	12,055	16,009	15,559	3,129
2005	<b>91,149</b>	11,259	20,459	6,742	12,963	18,984	16,994	3,748
2006	<b>96,783</b>	11,214	22,157	6,622	14,550	20,196	18,619	3,425
2007	<b>105,428</b>	12,352	23,482	6,632	15,350	22,409	21,069	4,134
2008	<b>110,725</b>	12,888	23,645	7,099	16,314	24,817	22,955	3,007
2009	<b>108,241</b>	13,528	22,277	7,051	14,149	25,714	22,698	2,824
2010	<b>107,497</b>	13,541	22,934	6,918	14,505	23,811	22,497	3,291
2011	<b>113,377</b>	22,092	17,093	6,427	16,346	25,067	23,405	2,947

Source: Salt Lake City Department of Airports Audited Financial Statements

Salt Lake City Department of Airports

MAJOR REVENUE SOURCES  
LAST TEN FISCAL YEARS

Airline	FY 2011				FY 2010				FY 2009			
	Landing Fees	% of Total	Rents	% of Total	Landing Fees	% of Total	Rents	% of Total	Landing Fees	% of Total	Rents	% of Total
American	\$ 521,885	2.4%	\$ 656,853	2.4%	\$ 321,684	2.4%	\$ 720,244	3.0%	\$ 309,112	2.3%	\$ 622,671	2.8%
Atlantic Southeast	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Continental	203,134	0.9%	274,802	1.0%	111,120	0.8%	255,330	1.1%	114,010	0.8%	349,000	1.6%
Delta	8,806,571	39.9%	20,957,229	0.76466	4,675,304	34.5%	17,948,842	75.0%	4,796,034	35.5%	13,253,648	59.1%
Frontier	345,312	1.6%	426,147	1.6%	262,797	1.9%	360,100	1.5%	316,103	2.3%	331,059	1.5%
JetBlue	338,306	1.5%	422,451	1.5%	182,660	1.3%	365,380	1.5%	266,547	2.0%	351,455	1.6%
Northwest	784,714	3.6%	-	0.0%	583,453	4.3%	36,757	0.2%	221,680	1.6%	239,723	1.1%
Shuttle America	100,655	0.5%	-	0.0%	30,427	0.2%	-	0.0%	-	0.0%	-	0.0%
SkyWest	5,860,938	26.5%	-	0.0%	3,959,249	29.2%	27,926	0.1%	3,639,573	26.9%	3,358,689	15.0%
Southwest	2,802,150	12.7%	2,874,872	10.5%	1,767,067	13.1%	2,505,123	10.5%	2,042,372	15.1%	2,369,707	10.6%
TWA	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
United	587,626	2.7%	1,098,258	4.0%	393,347	2.9%	956,268	4.0%	438,887	3.2%	1,057,553	4.7%
US Airways	410,462	1.9%	574,250	2.1%	228,532	1.7%	558,294	2.3%	234,914	1.7%	491,721	2.2%
Other (Charter, Cargo & Commuter)	1,330,151	6.0%	122,259	0.4%	1,024,942	7.6%	196,528	0.8%	1,149,067	8.5%	10,170	0.0%
<b>Totals:</b>	<b>\$ 22,091,904</b>	<b>100.0%</b>	<b>\$ 27,407,121</b>	<b>100.0%</b>	<b>\$ 13,540,584</b>	<b>100.0%</b>	<b>\$ 23,930,791</b>	<b>100.0%</b>	<b>\$ 13,528,299</b>	<b>100.0%</b>	<b>\$ 22,435,396</b>	<b>100.0%</b>

Airline	FY 2008				FY 2007			
	Landing Fees	% of Total	Rents	% of Total	Landing Fees	% of Total	Rents	% of Total
American	\$ 273,576	2.1%	\$ 601,007	2.6%	\$ 268,498	2.2%	\$ 585,786	2.5%
Atlantic Southeast	0	0.0%	0	0.0%	315,902	2.6%	223,400	1.0%
Continental	130,215	1.0%	419,583	1.8%	103,520	0.8%	324,775	1.4%
Delta	4,749,080	36.8%	13,883,108	59.1%	4,520,674	36.6%	13,618,173	58.4%
Frontier	266,190	2.1%	348,706	1.5%	235,938	1.9%	330,086	1.4%
JetBlue	265,025	2.1%	414,555	1.8%	141,372	1.1%	236,684	1.0%
Northwest	140,869	1.1%	491,997	2.1%	140,110	1.1%	489,942	2.1%
Shuttle America	0	0.0%	0	0.0%	75,390	0.6%	228,655	1.0%
SkyWest	3,684,705	28.6%	2,996,161	12.8%	3,163,080	25.6%	2,696,222	11.6%
Southwest	1,782,140	13.8%	2,531,227	10.8%	1,547,876	12.5%	2,554,391	11.0%
TWA	-	0.0%	-	0.0%	-	0.0%	-	0.0%
United	251,523	2.0%	1,249,146	5.3%	262,188	2.1%	1,172,425	5.0%
US Airways	252,120	2.0%	526,310	2.2%	204,873	1.7%	416,988	1.8%
Other (Charter, Cargo & Commuter)	1,093,106	8.5%	29,650	0.1%	1,372,948	11.1%	427,979	1.8%
<b>Totals:</b>	<b>\$ 12,888,550</b>	<b>100.0%</b>	<b>\$ 23,491,450</b>	<b>100.0%</b>	<b>\$ 12,352,369</b>	<b>100.0%</b>	<b>\$ 23,305,506</b>	<b>100.0%</b>

Source: Salt Lake City Department of Airports Revenue System

**MAJOR REVENUE SOURCES  
LAST TEN FISCAL YEARS**

Continued

Airline	FY 2006				FY 2005				FY 2004			
	Landing Fees	% of Total	Rents	% of Total	Landing Fees	% of Total	Rents	% of Total	Landing Fees	% of Total	Rents	% of Total
American	\$ 229,256	2.0%	\$ 658,697	3.0%	\$ 246,760	2.2%	\$ 611,587	3.0%	\$ 294,631	2.7%	\$ 681,153	3.7%
Atlantic Southeast	583,002	5.2%	178,547	0.8%	315,973.00	2.8%	100,319.00	0.5%	-	0.0%	-	0.0%
Continental	86,899	0.8%	304,886	1.4%	117,854	1.0%	293,025	1.5%	125,039	1.1%	275,238	1.5%
Delta	4,296,901	38.3%	12,889,245	58.4%	4,496,286	39.9%	11,669,749	57.8%	4,836,530	44.3%	10,570,065	57.2%
Frontier	173,410	1.5%	299,583	1.4%	136,011	1.2%	274,321	1.4%	140,866	1.3%	256,538	1.4%
JetBlue	96,837	0.9%	216,285	1.0%	79,884	0.7%	201,489	1.0%	81,356	0.7%	105,542	0.6%
Northwest	134,790	1.2%	467,943	2.1%	134,513	1.2%	440,308	2.2%	119,130	1.1%	368,906	2.0%
Shuttle America	149,874.00	1.3%	272,409.00	1.2%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
SkyWest	2,416,220	21.5%	2,407,080	10.9%	2,579,199	22.9%	2,253,878	11.2%	2,166,387	19.8%	2,098,653	11.4%
Southwest	1,254,676	11.2%	2,405,274	10.9%	1,213,453	10.8%	2,220,317	11.0%	1,238,844	11.3%	2,060,085	11.1%
TWA	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
United	399,520	3.6%	1,332,835	6.0%	289,160	2.6%	1,335,192	6.6%	326,343	3.0%	1,235,266	6.7%
US Airways	143,525	1.3%	387,234	1.8%	127,511	1.1%	356,821	1.8%	119,037	1.1%	335,861	1.8%
Other (Charter, Cargo & Commuter)	1,249,430	11.1%	263,845	1.2%	1,522,739	13.5%	430,931	2.1%	1,472,558	13.5%	501,561	2.7%
<b>Totals:</b>	<b>\$ 11,214,340</b>	<b>100.0%</b>	<b>\$ 22,083,863</b>	<b>100.0%</b>	<b>\$ 11,259,343</b>	<b>100.0%</b>	<b>\$ 20,187,937</b>	<b>100.0%</b>	<b>\$ 10,920,721</b>	<b>100.0%</b>	<b>\$ 18,488,868</b>	<b>100.0%</b>

Airline	FY 2003				FY 2002			
	Landing Fees	% of Total	Rents	% of Total	Landing Fees	% of Total	Rents	% of Total
American	\$ 497,513	2.7%	\$ 866,682	3.6%	\$ 368,706	2.3%	\$ 951,559	4.0%
Atlantic Southeast	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Continental	160,112	0.9%	373,243	1.6%	171,687	1.1%	406,764	1.7%
Delta	9,471,146	52.2%	14,063,979	59.2%	8,612,117	54.1%	14,254,115	60.5%
Frontier	202,212	1.1%	309,042	1.3%	149,314	0.9%	323,710	1.4%
JetBlue	110,233	0.6%	219,856	0.9%	59,169	0.4%	136,738	0.6%
Northwest	222,052	1.2%	444,422	1.9%	199,451	1.3%	473,873	2.0%
Shuttle America	-	0.0%	-	0.0%	-	0.0%	-	0.0%
SkyWest	2,873,138	15.8%	2,645,065	11.1%	2,205,978	13.9%	2,171,855	9.2%
Southwest	1,989,910	11.0%	2,259,969	9.5%	1,719,041	10.8%	2,484,598	10.6%
TWA	0	0.0%	0	0.0%	75,730	0.5%	22,517	0.1%
United	643,123	3.5%	1,688,899	7.1%	669,530	4.2%	1,821,794	7.7%
US Airways	236,117	1.3%	433,730	1.8%	205,405	1.3%	458,603	1.9%
Other (Charter, Cargo & Commuter)	1,747,519	9.6%	445,624	1.9%	1,471,654	9.3%	43,384	0.2%
<b>Totals:</b>	<b>\$ 18,153,076</b>	<b>100.0%</b>	<b>\$ 23,750,512</b>	<b>100.0%</b>	<b>\$ 15,907,784</b>	<b>100.0%</b>	<b>\$ 23,549,509</b>	<b>100.0%</b>

Source: Salt Lake City Department of Airports Revenue System

Salt Lake City Department of Airports

**Ratios of Outstanding Debt  
As of June 30, 2011**

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

General Revenue bonds	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Principal	\$ -	\$ -	\$ -	\$ -	\$ 2,650,000	\$ 4,025,000	\$ 3,050,000	\$ 3,590,000	\$ 7,055,000	\$ 5,935,000
Interest	-	-	-	-	2,584,929	2,235,115	1,274,260	12,007,083	6,410,823	5,029,122
Total Debt Service	\$ -	\$ -	\$ -	\$ -	\$ 5,234,929	\$ 6,260,115	\$ 4,324,260	\$ 15,597,083	\$ 13,465,823	\$ 10,964,122
Total Operating Expenses	\$ 84,117	\$ 80,010	\$ 80,602	\$ 77,101,877	\$ 70,521,148	\$ 63,740,269	\$ 60,949,725	\$ 59,139,071	\$ 56,473,764	\$ 53,641,563
<b>Ratio of Bond Debt Service to Total Operating Expenses</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>7.4%</b>	<b>9.8%</b>	<b>7.1%</b>	<b>26.4%</b>	<b>23.8%</b>	<b>20.4%</b>

In FY 2000, the Airport voluntarily paid off the 1990 series bond in the amount of \$19,280,000, and in FY 1998, paid off the 1994A series bond in the amount of \$21,400,000

**Passenger Facility Bonds (1996A series)**

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Principal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	-	-	-	-	-	-	-	-	-	-
Total Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

The 1996A series bond was funded by passenger facility fees and not operating revenues of the Airport

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

Total Debt Service	\$ -	\$ -	\$ -	\$ -	\$ 5,234,929	\$ 6,260,115	\$ 4,324,260	\$ 15,597,083	\$ 13,465,823	\$ 10,964,122
Enplaned passengers	10,429,397	10,258,950	9,994,429	10,933,154	10,928,135	10,909,219	10,211,587	9,137,259	9,298,384	9,165,141
<b>Debt Service per Enplaned Passenger</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 0.48</b>	<b>\$ 0.57</b>	<b>\$ 0.42</b>	<b>\$ 1.71</b>	<b>\$ 1.45</b>	<b>\$ 1.20</b>

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

Outstanding debt										
2004A series	\$ -	\$ -	\$ -	\$ -	\$ 29,500,000	\$ 31,000,000	\$ 33,275,000	\$ 35,000,000	\$ -	\$ -
2004B series	-	-	-	-	22,650,000	23,800,000	25,550,000	26,875,000	-	-
2001 series	-	-	-	-	-	-	-	-	18,400,000	19,200,000
2000A series	-	-	-	-	-	-	-	-	18,960,000	19,110,000
1996A series	-	-	-	-	-	-	-	-	-	-
1993C series	-	-	-	-	-	-	-	-	-	2,855,000
1993Bb series	-	-	-	-	-	-	-	-	27,995,000	29,040,000
1993A series	-	-	-	-	-	-	-	-	33,350,000	34,210,000
1993 series	-	-	-	-	-	-	-	-	10,930,000	12,275,000
1990 series	-	-	-	-	-	-	-	-	-	-
Total Outstanding debt	\$ -	\$ -	\$ -	\$ -	\$ 52,150,000	\$ 54,800,000	\$ 58,825,000	\$ 61,875,000	\$ 109,635,000	\$ 116,690,000
Enplaned Passengers	10,429,397	10,258,950	9,994,429	10,933,154	10,928,135	10,909,219	10,211,587	9,137,259	9,298,384	9,165,141
<b>Outstanding Debt per Enplaned Passenger</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4.77</b>	<b>\$ 5.02</b>	<b>\$ 5.76</b>	<b>\$ 6.77</b>	<b>\$ 11.79</b>	<b>\$ 12.73</b>

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

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

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

<b>Fiscal Year Ended June 30,</b>	<b>Population (1)</b>	<b>Personal Income (amounts expressed in thousands) (2)</b>	<b>Per Capita Personal Income (2)</b>	<b>Number of residents 18 years and older (1)</b>	<b>Unemployment Rate (3)</b>
2002	183,056	\$ 6,741,062	\$ 36,825	138,773	7.3%
2003	181,027	6,775,808	37,430	138,773	6.7%
2004	179,894	6,841,042	38,028	138,773	5.4%
2005	178,605	6,906,825	38,671	138,773	4.9%
2006	178,097	7,075,096	39,726	138,773	4.4%
2007	178,858	7,805,389	43,640	138,773	2.6%
2008	180,651	8,603,388	47,624	138,773	2.6%
2009	181,698	9,404,633	51,760	140,130	3.3%
2010	183,102	8,882,513	48,511	140,959	6.9%
2011	Not Available	Not Available	Not Available	Not Available	7.6%

Sources:

- (1) U.S. Census Bureau Projections
- (2) Utah State Tax Commission - 2009 Personal Income and Per Capita Personal Income are estimated
- (3) U.S. Department of Labor; State of Utah Workforce Services

**Salt Lake City Department of Airports  
Salt Lake City Principal Employers  
June 30, 2011**

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

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

**Salt Lake City Department of Airports**

**EMPLOYEE STATISTICS**

Full-Time Equivalent Employees as of Fiscal Year-End

<u>Fiscal Year</u>	<u>Director's Office</u>	<u>Public Relations</u>	<u>Planning &amp; Capital Programming</u>	<u>Finance &amp; Accounting</u>	<u>Admin &amp; Commercial Services</u>	<u>Information Technology</u>	<u>Engineering</u>	<u>Maintenance</u>	<u>Operations</u>	<u>Total</u>
2003	3.5	1.0	10.0	16.5	25.0	0.0	41.0	229.0	211.8	537.8
2004	2.5	1.0	10.0	16.5	25.0	0.0	40.5	222.0	209.8	527.3
2005	2.5	1.0	10.0	14.5	25.0	0.0	38.0	226.0	213.8	530.8
2006	2.0	1.0	10.0	15.0	25.0	0.0	37.0	230.5	205.8	526.3
2007	2.0	1.0	8.0	14.0	23.0	0.0	37.0	231.5	205.8	522.3
2008	1.0	1.0	9.0	15.5	26.0	0.0	34.0	236.0	214.3	536.8
2009	10.0	1.0	9.0	15.5	20.0	0.0	35.5	238.0	239.8	568.8
2010	6.0	1.0	9.0	16.0	22.0	0.0	36.0	239.0	232.8	561.8
2011	6.0	1.0	9.0	16.0	9.5	24.0	26.5	203.0	196.1	491.1

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.  
**Actual FTE figures are not available before 2003.**

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

**SALT LAKE CITY DEPARTMENT OF AIRPORTS**

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

(in thousands)

Fiscal Year	Total Operating Expense	Personal Services	Utilities	Operational Maintenance Supplies	Salt Lake City Administration	Fire Services	Charges/ Services/ Fees
2002	\$ 53,642	\$ 28,108	\$ 3,139	\$ 5,010	\$ 2,457	\$ 3,159	\$ 11,769
2003	56,474	29,471	3,089	5,549	2,111	3,217	13,037
2004	59,139	30,668	3,327	6,651	2,924	3,226	12,343
2005	60,950	31,474	3,488	6,158	2,949	3,328	13,553
2006	63,740	31,856	3,945	7,428	3,179	3,455	13,877
2007	70,521	34,868	4,811	7,493	3,559	3,708	16,082
2008	77,102	38,349	4,556	8,374	3,371	3,917	18,535
2009	80,602	41,068	4,407	8,405	3,674	3,854	19,194
2010	80,010	41,330	4,927	7,692	3,581	3,689	18,791
2011	84,117	40,661	5,405	9,376	3,829	3,840	21,006

Source: Salt Lake City Department of Airports Audited Financial Statements

**Salt Lake City Department of Airports**

**PASSENGER AND OPERATING STATISTICS  
Last Ten Fiscal Years**

Fiscal Year	Aircraft Operations	Landed Weight (Pounds in 000)	Total Enplaned Passengers	% Increase (Decrease) Enplaned Passengers	Cargo (Pounds)	Cargo % Increase (Decrease)
2002	390,661	14,757,003	9,165,141	-6.3%	420,560,644	8.53%
2003	401,392	14,666,673	9,298,384	1.5%	481,337,004	14.45%
2004	412,738	13,858,333	9,137,259	-1.7%	467,034,910	-2.97%
2005	428,525	14,611,315	10,211,587	11.8%	435,715,118	-6.71%
2006	440,462	14,831,796	10,909,219	6.8%	382,825,663	-12.14%
2007	424,463	14,484,504	10,928,135	0.2%	385,126,843	0.60%
2008	413,335	14,680,300	10,933,154	0.0%	371,321,796	-3.58%
2009	371,728	13,570,426	9,994,429	-8.6%	302,988,996	-18.40%
2010	367,158	13,095,299	10,258,950	2.6%	298,972,507	-1.33%
2011	361,471	13,230,512	10,429,397	1.7%	316,859,115	5.98%

Source: Salt Lake Department of Airports Audited Financial Statements

**SALT LAKE CITY DEPARTMENT OF AIRPORTS  
AIRLINE PASSENGER STATISTICS  
by Enplanement**

Carrier	Percent of Total		Percent of Total		2009	2008	2007	2006	2005	2004	2003	2002
	2011	2011	2010	2010								
Delta	4,443,278	42.6%	3,905,063	38.1%	3,857,563	4,322,691	4,313,703	4,598,633	4,478,569	4,272,490	4,945,251	5,109,417
Delta Connections	3,408,787	32.7%	3,631,109	35.4%	3,148,551	3,615,008	3,701,278	3,596,360	3,176,829	2,366,662	1,858,625	1,581,560
Southwest	1,294,142	12.4%	1,282,688	12.5%	1,332,212	1,473,085	1,455,018	1,307,637	1,135,174	1,076,813	1,072,777	1,040,454
United	348,987	3.3%	363,585	3.5%	370,143	239,090	265,256	294,838	317,576	343,540	381,411	476,250
American	270,015	2.6%	280,391	2.7%	272,420	291,591	292,579	279,626	259,815	284,399	289,661	316,705
US Airways	186,041	1.8%	168,845	1.6%	176,728	200,211	186,505	154,380	131,363	137,513	167,267	186,379
Mesa Air	7,141	0.1%	14,536	0.1%	16,008	30,526	34,654	72,628	97,208	94,926	47,525	4,416
Northwest	-	0.0%	143,283	1.4%	278,214	131,915	136,744	157,351	173,014	134,788	135,159	142,004
Pinnacle	-	0.0%	-	0.0%	-	1,848	4,688	13,770	12,775	11,034	-	-
Continental	103,510	1.0%	92,066	0.9%	92,561	102,902	110,331	109,151	135,003	139,384	113,630	140,513
Express Jet	6,500	0.1%	14,995	0.1%	17,760	33,441	41,225	40,315	27,165	18,135	-	-
Frontier	185,679	1.8%	202,547	2.0%	215,895	247,606	221,404	163,046	126,949	124,416	107,558	86,091
JetBlue	173,662	1.7%	154,697	1.5%	213,994	239,759	149,753	110,686	104,055	102,552	89,412	48,747
Other	1,655	0.0%	5,145	0.1%	1,282	3,481	14,997	7,550	21,822	16,097	75,045	23,863
Aeromexico	-	0.0%	-	0.0%	1,098	-	-	3,248	14,270	14,510	15,063	8,742
	<b>10,429,397</b>	<b>100.0%</b>	<b>10,258,950</b>	<b>100.0%</b>	<b>9,994,429</b>	<b>10,933,154</b>	<b>10,928,135</b>	<b>10,909,219</b>	<b>10,211,587</b>	<b>9,137,259</b>	<b>9,298,384</b>	<b>9,165,141</b>

Source: Salt Lake City Department of Airports Revenue System

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

	<b>June 30, 2011</b>	<b>June 30, 2010</b>
<b>Military</b>		
Acres of land leased to military	135	135
Annual rent from military leases	\$136,968	\$136,968
<b>Terminal - General</b>		
Number of passenger terminals	3	3
Total square feet	1,102,400	1,102,400
<b>Non-Retail Space - number of sq. ft.</b>		
Counter space	7,614	7,614
Airline office	42,369	42,369
Other office (i.e. TSA, SLCDA, concession offices)	47,882	47,882
Common use areas	644,935	644,935
<b>Retail Space - Pre-Security</b>		
Food and beverage	1,998	1,998
Newsstands	250	250
Specialty Retail	-	-
Other concessions (vending)	497	497
<b>Retail Space - Secured Area</b>		
Food and beverage	45,454	45,454
Newsstands	4,891	4,891
Specialty Retail	13,994	13,994
Other concessions	-	-
<b>Parking</b>		
Short-term / 4 Level Parking Garage (Number of spaces)	1,767	1,847
Long-term (Number of spaces)	10,066	10,066
Tenant Employee Lot (Number of spaces)	2,955	2,966
Park and Wait Lot (Number of spaces)	81	81
<b>Cargo</b>		
Total SF of airport buildings leased for cargo use, including warehouse, office, etc.	202,896	202,896
Total SF of ground leased for cargo, incl. warehousing, office, etc.	727,939	727,939
<b>Runways (feet)</b>		
34L/16R	150 x 12,000	150 x 12,000
34R/16L	150 x 12,003	150 x 12,003
35/17	150 x 9,596	150 x 9,596
32/14	150 x 4,892	150 x 4,892
<b>Acres</b>		
Total Acres Owned by Airport	9,426	9,426
Total AOA Acres	3,375	3,375

Source: Salt Lake Department of Airports AAAE Survey results.

\* Data for previous years unavailable.