

Annual Comprehensive Financial Report

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

For the Years Ended June 30, 2024 and 2023



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

**ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023**

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

SALT LAKE CITY DEPARTMENT OF AIRPORTS
Salt Lake City Corporation
Financial Statements
For the Years Ended June 30, 2024 and 2023

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INTRODUCTORY SECTION

THIS SECTION CONTAINS THE FOLLOWING SUBSECTIONS:

Letter of Transmittal
Organizational Chart
Certificate of Achievement





October 15, 2024

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

Overview

The Annual Comprehensive Financial Report of the Salt Lake City Department of Airports (Airport) for the fiscal year ended June 30, 2024, is submitted herewith. This report was prepared by the Airport's Finance Division using generally accepted accounting principles (GAAP) for local governments as prescribed by the Governmental Accounting Standards Board (GASB). The accuracy of the data and the completeness and fairness of the presentations, including all disclosures, are the responsibility of the Airport.

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

Eide Bailly, LLP, an independent firm of Certified Public Accountants, has audited these basic financial statements and related notes. Their report is included herein. The goal of the independent audit is to provide reasonable assurance that the financial statements of the Airport for the fiscal year ended June 30, 2024, are free of material misstatements. This independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used, and significant estimates made by management.

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

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

Profile of the Salt Lake City Department of Airports

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

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

Construction commenced in FY 2014 on the Terminal Redevelopment Program (TRP), a \$2.86 billion capital improvement program to build new facilities to replace aging facilities, mitigate seismic risks, and prepare for future growth. The old facilities were built to accommodate 10 million passengers annually, but in FY 2024, the Airport served over 28 million passengers which is almost three times the number of passengers the old facilities were designed to handle. In conjunction with the TRP, the North Concourse Program (NCP) includes the development of a 47-gate midfield airside concourse to the north of the new airside concourse to be developed as part of the TRP. The Airport received unanimous support from all airlines serving SLC to build the north concourse in April 2016. It is currently estimated that the NCP will cost approximately \$2.27 billion. Together, the TRP and NCP are now called The New SLC.

South Concourse East (Phase II) opened 5 gates in May 2023 and the remaining 17 gates in October 2023, which was two years earlier based on an aggressive rephasing due to the Covid-19 global pandemic and officially completed the TRP program. Phase III will add eight gates to the North Concourse East and a new central tunnel that will connect the Terminal to Concourse B (North Concourse). Phase III will open in two phases, with 5 gates in October 2024 and 4 additional gates in October 2025. Due to a strong passenger recovery and growth in Salt Lake City, the airlines requested that the Airport consider building the remaining 16 gates on Concourse B as part of Phase IV which was contemplated in the future for the complete buildout of 47 gates on Concourse B. The Airport renegotiated the Airline Use Agreement (AUA) which expired for all airlines on June 30, 2024, except for Delta and United that had agreements through June 30, 2034. As of June 30, 2024 airlines that accounted for over 98% of FY 2023 passengers have executed the revised AUA that begins on July 1, 2024 and gave support for the 16 gate expansion of Phase IV that is scheduled to open in two phases, with 5 gates in October 2025, and the remaining 11 gates and a permanent hardstand that can accommodate up to 4 hardstand positions by October 2026 which will complete the NCP program.

The TRP construction activities included opening the last 17 Gates on Concourse A east as well as the Apron Paving associated with those gates. The Central Tunnel interior build-out activities are complete and the High Speed Baggage Conveyor from Concourse A to Concourse B was put into service in May 2024.

The NCP construction activities for the 8-Gate Expansion included completion of interior buildout of the entire eight gate expansion as well as the apron paving on the south side. The NCP Phase IV 16-Gate Expansion is nearing completion of Structural Steel.

The FY 2024 budget also includes \$95.6 million for airfield projects. This includes decommissioning R/W 14-32 & T/W improvements (design), replace pumps in glycol pump stations, taxiway F reconstruction (G-F1), taxiway U & V design and construction including the roadway alignment. These airfield improvement projects ensure the safe operation of aircraft and preserve valuable assets. \$13.8 million is budgeted for Auxiliary Airport projects which includes TVY water & sewer improvements and hangar site development. \$63.4 million for landside projects including south employee parking lot development and surplus canal relocation.

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

The Airport is currently ranked the 22nd busiest in the United States, and 86th busiest in the world in terms of passenger numbers. The Airport provided 336 average daily departures to 96 non-stop destinations in June 2024. The Airport served approximately 28.0 million passengers in FY 2024 and is one of Delta's largest hubs.

Economic Condition

The Fiscal Year 2024 financial results reflect strong conditions for both operating and non-operating revenues and expenses due to the underlying growth of the economic region and new gates and air service coming online. The Airport consistently achieved record numbers of passengers on a monthly basis in FY 2024. The Airport received \$91.7 million from the American Rescue Plan Act (ARPA) in FY 2021 from federal government grants with the last \$37.1 used in FY 2024. This relief programs help offset the loss of revenue in landside and terminal concession revenue and allow the Airport to stabilize rates and charges for the airlines and concessionaires.

According to the recently published State of Utah's 2023 Economic Report to the Governor, Utah had its highest labor force participation rate since 2010. Utah's unemployment rate reached a high of 10.4% during the pandemic and has since declined to 2.6% (estimated) for 2023. Over the course of 2023, Utah's unemployment rate increased slightly and still outpaces the national average. The Census forecast predicts healthy growth for the state in the near future.

Utah's total personal income is estimated to have increased by 5.6% in 2022, which was the seventh highest in the nation. Industry sector job growth remained largely positive in 2023, but not to the degree experienced in 2022. The information industry underwent job losses, likely influenced by higher interest rates. All other industries grew, but several at only a tepid pace.

The Airport plays an important role in supporting business and economic growth in the state. Its operations are a key component in providing affordable access to worldwide destinations for business and individuals. According to an analysis by GSBS Richman Consulting in 2024, the Airport has been a significant economic driver for Utah and its capital for the past 50 years and will continue to underpin the economy. Over the life of The New SLC, the Airport is projected to generate \$3.9 billion in wages and income from an estimated 4k full-time jobs. Taking all spending into account, The New SLC is expected to contribute an estimated \$5.3 billion to Utah's GDP.

The Airport operates within the economic conditions of the national and local economy as well as the airline industry environment. An effective partnership between the airlines and the Airport requires a continued focus on operating costs, while maintaining service and safety. Operating expenses increased by 9.6%, while passengers increased 6.0% in FY 2024 compared to FY 2023. The large increase in operating costs relates to increased passengers, additional employees to operate the new, larger airport, and increased service and maintenance contracts, primarily in janitorial, baggage handling systems, passenger boarding bridges, new software systems, and several other items.

The Airport borrowed \$1 billion of General Airport Revenue Bonds (GARB's) in February 2017, \$850.5 million in October 2018, \$904.6 million in August 2021, and \$600 million in August 2023 to fund the ongoing construction of The New SLC. Efforts are continually made to control operating costs to the airlines and reduce airline cost per enplaned passenger, currently at \$9.97 for FY 2024, \$8.28 for FY 2023, \$8.11 for FY 2022, remaining very competitive among large hub airports in the nation. The Airport has total cash and investment balances of \$889 million to be utilized during the next several years for operating costs, CIP, as well as The New SLC, except for certain restricted funds. Financing for The New SLC is generated from federal grants, PFCs, CFCs, bonds, and Airport cash reserves. The Airport will acquire additional funding in the future to fund the final phases of The New SLC.

Outlook

Over the last several years, Utah has outperformed the national economy. Unemployment in Utah was 3.0% as of June 2024, well below the national average of 4.1%. Job growth is expected to continue although at a more tepid pace.

The budget for the Airport adopted for FY 2025 assumes that Salt Lake City Airport passengers are projected to increase by 7.7% compared to the prior fiscal year. The Airport achieved full economic recovery from the pandemic during FY 2023 as passengers were greater than FY 2019. Flights have returned to pre-pandemic levels and several new routes were added.

Current financial position, passenger statistics, and results from FY 2024 and earlier can be found in more detail in Management's Discussion and Analysis in this report.

Future Growth

The Airport achieved a record number of passengers of 28.0 million in FY2024 that exceeded the previous record in FY2023 of 26.4 million. Demand for air travel is usually driven by economic activity, and the airport has seen a larger return of business travel than in prior years. Leisure travel continues to be very strong as there remains confidence in the economy and people willing to spend money on air travel. In the Airport's FY 2025 budget, we are forecasting an increase of 4.8% of enplanements compared to those in FY 2024.

The TRP replaces terminal facilities that were over 50 years old, required extensive maintenance, lacked energy efficiency, and failed to meet current seismic standards. The New SLC received the award in Leadership in Energy and Environmental Design (LEED) gold certification as required by City ordinance. The TRP consolidates passenger processing facilities into a single facility to serve all concourses, as well as replaces the existing parking garage, constructs new terminal roadways, and introduces a new central utility plant. Rental car services are integrated with the new garage. The new site for car rental operations and servicing, and a quick turn-around facility for car rentals, are operational. The new Airport will be capable of handling more passengers and aircraft. The number of parking spaces in the garage doubles from 1,770 to 3,600.

The NCP includes the development of 47 additional gates as well as 4 hardstand positions to accommodate additional passengers and aircraft to meet forecasted growth. The first phase of the NCP, which includes 20 aircraft gate positions and 19 hardstand positions, opened on time on October 27, 2020. Phase III of the NCP began construction in Q1 2022 and will finish connecting the central tunnel to the central plaza in the fall of 2024, with five additional gates coming online at the same time. The remaining four gates on concourse B will become operational in the fall of 2025. Phase IV of the NCP began in July 2023 and the first 5 gates will be delivered at the same time as the last 4 gates of Phase III in the fall of 2025. The remaining 11 gates and 4 permanent hardstand positions will open in the fall of 2026 and will conclude the NCP program as well as The New SLC.

An economic impact report of the Salt Lake City International Airport was prepared in April of 2024. In the report it states for every dollar spent on the New SLC, an additional \$1.99 is generated in the economy as a result of the indirect and induced effects of the original expenditure.

Awards and Acknowledgments

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Salt Lake City Department of Airports for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2023.

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

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

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

Bill Wyatt

Bill Wyatt
Salt Lake City Department of Airports
Executive Director

Brian Butler

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

ORGANIZATIONAL CHART

City of Salt Lake City, Utah

Mayor

Erin Mendenhall

City Council Members

| | |
|----------------|---------------------------|
| District One | Victoria Petro, Chair |
| District Two | Alejandro Puy |
| District Three | Chris Wharton, Vice Chair |
| District Four | Eva Lopez Chavez |
| District Five | Darin Mano |
| District Six | Dan Dugan |
| District Seven | Sarah Young |

Department of Airports

Advisory Board Members

Theresa Foxley, Chair

John Bradshaw, Vice Chair

Steve Price

Roger Boyer

Arlyn Bradshaw

Luz Escamilla

Victoria Petro

Dirk Burton

Hoang Nguyen

Nathan Rafferty

Craig Smith

Executive Director

Bill Wyatt

Directors

| | |
|--------------------------------------|-------------------|
| Real Estate & Commercial Development | Shane Andreasen |
| Chief Operating Officer | Peter L. Higgins |
| Design and Construction Management | Melyssa Trnavskis |
| Chief Financial Officer | Brian Butler |
| Information Management | Edwin Cherry |
| Maintenance | Ed Clayson |
| Operations | Treber Andersen |
| Planning & Environmental | Brady Fredrickson |
| Public Relations/Marketing | Nancy Volmer |



Government Finance Officers Association

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

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION

**THIS SECTION CONTAINS THE FOLLOWING
SUBSECTIONS:**

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





Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Salt Lake City Department of Airports (the "Airport") an enterprise fund of Salt Lake City Corporation, which comprise the statements of net position as of June 30, 2024 and 2023, and the related statements of revenues, expenses and changes in net position and cash flows for the years then ended, and the related notes to the financial statements, which collectively comprise the Airport's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Airport as of June 30, 2024 and 2023, and the respective changes in its financial position and its cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Emphasis of Matter

As discussed in Note 1, the financial statements of the Airport, are intended to present the financial position, the changes in financial position and cash flows of only that portion of Salt Lake City Corporation that is attributable to the transactions of the Airport. They do not purport to, and do not, present fairly the financial position of Salt Lake City Corporation as of June 30, 2024 and 2023, the changes in its financial position, or, where applicable, its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

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Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Airport's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 15, 2024, on our consideration of the Airport's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Airport's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Airport's internal control over financial reporting and compliance.



Salt Lake City, Utah
October 15, 2024

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

The following Management's Discussion and Analysis (MD&A) of the Salt Lake City Department of Airports' (Department) activities and financial performance provides an introduction and overview to the financial statements for the fiscal years ended June 30, 2024, 2023, and 2022.

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

FINANCIAL STATEMENTS

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

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

FINANCIAL & OPERATIONAL HIGHLIGHTS

Salt Lake City International Airport serves the Salt Lake City metropolitan area as well as the surrounding areas of Utah, Idaho, Colorado, Nevada, and Wyoming. The Airport functions as one of the largest hubs for Delta Air Lines Inc. (Delta) and ranks as the 22nd busiest in the United States and the 86th busiest in the world in terms of passenger numbers (according to Airport Council International (ACI)). In terms of operational movements, ACI states that the Airport ranks 23rd busiest in the United States and 45th busiest in the world.

Passenger levels exceeded pre-pandemic levels in FY 2023 and continued to grow in FY 2024. Total passengers increased by 1.6 million in FY 2024, 911 thousand in FY 2023, and 10.1 million in FY 2022 to a total of 28.0 million, 26.4 million, and 25.5 million passengers, respectively. Enplaned passengers increased by 707 thousand in FY 2024, 341 thousand in FY 2023, and 5.1 million in FY 2022 to a total of 13.9 million, 13.1 million, and 12.8 million enplaned passengers: an increase of 5.4%, 2.7%, and 66.0%, respectively. In June 2022, the Airport provided 399 average daily departures to 89 domestic and 6 international destinations. In June 2022, the Airport provided 399 average daily departures to 89 domestic and 6 international destinations. In June 2023, the Airport provided 317 average daily departures to 90 domestic and 6 international destinations. In June 2024, the Airport provided 336 average daily departures to 90 domestic and 6 international destinations. Load factors decreased in FY 2024 to 85.4% compared to 88.6% in FY 2023 and 85.1% in FY 2022.

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

Total aircraft operations increased 1.6% in FY 2024, decreased 5.6% in FY 2023, and increased 8.7% in FY 2022. Landed weights increased 974 million pounds, 6.2%, in FY 2024. They decreased by 391 million pounds, (2.4%), in FY 2023, and increased 2 billion pounds, 14.3%, in FY 2022. In FY 2024, the Airport had more flights, including new routes, and bigger planes that led to an increase in passengers and landed weight, but a lower load factor.

| | FY 2024 | FY 2023 | FY 2022 |
|--|----------------|----------------|----------------|
| Enplanements (in thousands) | 13,850 | 13,143 | 12,802 |
| % increase from prior year | 5.4% | 2.7% | 66.0% |
| | | | |
| Landed weight lb's (in thousands) | 16,573,137 | 15,598,332 | 15,989,165 |
| % increase from prior year | 6.2% | (2.4%) | 14.3% |
| | | | |
| Aircraft Operations - All Types (in thousands) | 325 | 320 | 339 |
| % increase (decrease) from prior year | 1.6% | (5.6%) | 8.7% |
| | | | |
| Total# of passengers (in thousands) | 28,010 | 26,421 | 25,510 |
| % increase from prior year | 6.0% | 3.6% | 65.5% |

STATEMENT OF NET POSITION

The Airports' net position was \$1.5 billion as of June 30, 2024, \$1.4 billion as of June 30, 2023, and \$1.4 billion as of June 30, 2022. The total increase in net position was \$62.6 million in FY 2024, \$3.5 million in FY 2023, and a decrease of \$6.5 million in FY 2022. The largest portion of the Airport's net position (70.3%) in FY 2024 represents net investment in capital assets (land, buildings, runways, taxiways, and equipment).

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

| (Amounts in thousands) | June 30, 2024 | June 30, 2023 | June 30, 2022* |
|--|---------------------|---------------------|---------------------|
| STATEMENTS OF NET POSITION | | | |
| ASSETS: | | | |
| Current and noncurrent assets | \$ 1,166,293 | \$ 866,443 | \$ 1,271,343 |
| Capital assets | 4,423,583 | 4,064,091 | 3,735,247 |
| TOTAL ASSETS | 5,589,876 | 4,930,534 | 5,006,590 |
| DEFERRED OUTFLOWS | 10,272 | 7,926 | 5,511 |
| TOTAL ASSETS AND DEFERRED OUTFLOWS | 5,600,148 | 4,938,460 | 5,012,101 |
| LIABILITIES: | | | |
| Current liabilities | 199,526 | 184,290 | 220,444 |
| Noncurrent liabilities | 3,749,114 | 3,129,280 | 3,144,141 |
| TOTAL LIABILITIES | 3,948,640 | 3,313,570 | 3,364,585 |
| DEFERRED INFLOWS | 175,699 | 211,645 | 237,755 |
| NET POSITION: | | | |
| Invested in capital assets | 1,037,482 | 1,169,374 | 1,252,753 |
| Restricted | | | |
| Capital projects | 49,264 | 45,883 | 40,565 |
| Debt service | 139,961 | 126,183 | 337,178 |
| Unrestricted | 249,102 | 71,805 | (220,735) |
| Total Net Position | 1,475,809 | 1,413,245 | 1,409,761 |
| TOTAL LIABILITIES, DEFERRED INFLOWS, AND NET POSITION | \$ 5,600,148 | \$ 4,938,460 | \$ 5,012,101 |
| SUMMARY OF CHANGES IN NET POSITION | FY 2024 | FY 2023 | FY 2022 |
| Operating revenues | \$ 326,658 | \$ 283,327 | \$ 258,945 |
| Operating expenses | (184,444) | (172,080) | (140,619) |
| Operating Income before depreciation | 142,214 | 111,247 | 118,326 |
| Depreciation and amortization | (162,698) | (148,449) | (144,019) |
| Operating (loss) | (20,484) | (37,202) | (25,693) |
| NON-OPERATING REVENUES (EXPENSES) | | | |
| Passenger facility charges | 51,933 | 49,282 | 48,759 |
| Customer facility charges | 16,943 | 15,177 | 14,024 |
| Interest expense | (143,045) | (117,346) | (116,832) |
| Other, net | 56,984 | 31,101 | 1,535 |
| Total Non-Operating Revenues (Expenses) | (17,185) | (21,786) | (52,514) |
| CAPITAL CONTRIBUTIONS | | | |
| Contributions and grants | 100,233 | 62,472 | 71,746 |
| Increase (decrease) in Net Position | 62,564 | 3,484 | (6,461) |
| Net Position, beginning of period | 1,413,245 | 1,409,761 | 1,416,222 |
| Net Position, end of period | \$ 1,475,809 | \$ 1,413,245 | \$ 1,409,761 |

*The assets and liabilities for FY 2022 were not restated to show the effects of GASB 96 for comparative purposes.

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Restricted cash for construction has increased \$186 million from the prior year as the Department issued a new bond series in FY 2024 for construction of The New SLC. As of June 30, 2024, \$189.2 million (3.4%) of Airport assets were restricted for construction and debt service compared with \$172.1 million (3.5%) in FY 2023 and \$377.7 million (7.5%) in FY 2022. These amounts represent bond proceeds, passenger facility charges (PFCs) and customer facility charges (CFCs) that have been collected but have not yet been reimbursed to general operating cash for TRP and NCP construction projects. In addition, \$37.5 million of Airport assets in FY 2024 were restricted for an operation and maintenance reserve fund, and \$5.0 million was restricted for a renewal and replacement reserve fund as required by the Airport Use Agreement (AUA) between the City and the signatory airlines operating at the Airport.

Total cash and investments increased in the current year as the Airport received bond proceeds for building The New SLC. Total available cash and investments increased by \$321 million in FY 2024, decreased by \$400 million in FY 2023, and increased by \$571 million in FY 2022. After restricted balances, the Airport's unrestricted cash available for operating expenses and reserves for The New SLC increased by \$81 million in FY 2024, decreased by \$17 million in FY 2023, and increased by \$72 million in FY 2022. The Airport will continue to fund The New SLC with additional general airport revenue bond (GARBs) proceeds and an interim credit facility.

To increase return on restricted and reserved cash, the Department invested cash in the State Treasurer's investment pool as well as agency and corporate bonds. Cash investments in the State Treasurer's investment pool were increased by \$807 thousand, and U.S. Treasury, Agency, and corporate bonds were increased by \$3.6 million to fair market value at June 30, 2024. The Airport has adjusted investments up or down to reflect fair market value, but when the investments are either called, or mature, they will be readjusted and current gains or losses recorded. At year end FY 2024, \$2.3 million was accrued for interest income earned but not yet paid for investments that are paid on a quarterly basis, rather than monthly. See Note 2 for detailed information.

This year, available operating cash increased by \$81 million (34.6%) based on timing of the Airport using unrestricted cash on The New SLC before reimbursing itself from construction bond proceeds and an increase in non-airline revenue.

Airport cash payments for current year construction and land acquisitions in the amount of \$517.0 million were reimbursed by a combination of federal airport improvement program grants (AIP) and BIL funding of \$63.1 million and proceeds of GARBs in the amount of \$481.5 million. The remainder of cash outflows for construction as well as payments for capital equipment of \$27.6 million was provided by Airport operating cash.

During FY 2024, the lease receivable and deferred inflow for leases decreased \$41.1 million to \$163.3 million, compared to \$204.3 million in FY 2023 and \$214.7 million in FY 2022. There were 11 new leases added during the year, but the overall balance decreased due to regular lease payments received.

For the years ended June 30, 2024 and 2023, the Airport recorded a subscription asset for \$3.8 million and \$3.7 million and a subscription liability for \$1.0 million and \$1.5 million. There was no subscription asset or liability in FY 2022.

Capital assets (net of accumulated depreciation) have increased by \$359.5 million during FY 2024. The Airport completed the east portion of Concourse A, causing the large increase. Buildings, improvements, and equipment increased \$601 million and land purchases were \$225 thousand. The subscription asset

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increased by \$110 thousand. There was a \$88.0 million decrease in construction in progress due to the completion of Concourse A. Depreciation expense was \$162.7 million for FY 2024, \$148.4 million in FY 2023, and \$144.0 million in FY 2022.

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

The Airport recorded an increase in deferred outflows of \$2.3 million in FY 2024, increasing deferred outflows to \$10.3 million compared to \$7.9 million in FY 2023 and \$5.5 million in FY 2022, which represent deferred outflow of resources (expenses) in future periods. The Airport also decreased deferred inflows by \$35.9 million in FY 2024, to \$175.7 million compared to \$211.6 million in FY 2023 and \$237.8 million in FY 2022, which represent resources (revenues) that will be recognized in future periods.

| SUMMARY OF CASH FLOW ACTIVITIES | FY 2024 | FY 2023 | FY 2022 |
|--|----------------|----------------|----------------|
| Cash flow from operating activities | \$ 147,747 | \$ 80,524 | \$ 105,722 |
| Cash flow (used) from investing activities | 19,831 | 34,702 | (87,999) |
| Cash flow from passenger facility charges | 52,527 | 48,273 | 49,695 |
| Cash flow from customer facility charges | 17,689 | 15,583 | 13,794 |
| Cash flow from grants | 92,855 | 54,370 | 96,730 |
| Cash flow from sale of capital assets and equipment | 591 | 99 | 234 |
| Cash flow from revenue bond proceeds | 655,006 | - | 1,139,949 |
| Cash flow from line of credit proceeds | - | - | (267,600) |
| Cash flow from interest received from leases | 5,081 | 5,046 | 4,679 |
| Cash flow (used) for interest paid on subscription liability | (49) | (66) | - |
| Cash flow (used) for contribution of capital assets | (756) | (540) | (648) |
| Cash flow (used) for principal paid on revenue bonds | (25,815) | (21,920) | (1,140) |
| Cash flow (used) for interest paid on bonds | (146,773) | (136,371) | (111,585) |
| Cash flow (used) for bond issuance costs | (1,130) | (264) | (1,418) |
| Cash flow from other financing | - | - | 3,818 |
| Payments for acquisition and construction of property | (522,593) | (475,493) | (470,003) |
| Cash and cash equivalents at beginning of year | 370,964 | 767,021 | 292,793 |
| Net (decrease) in cash | 294,211 | (396,057) | 474,228 |
| Cash and cash equivalents at end of year | \$ 665,175 | \$ 370,964 | \$ 767,021 |

(amounts in thousands)

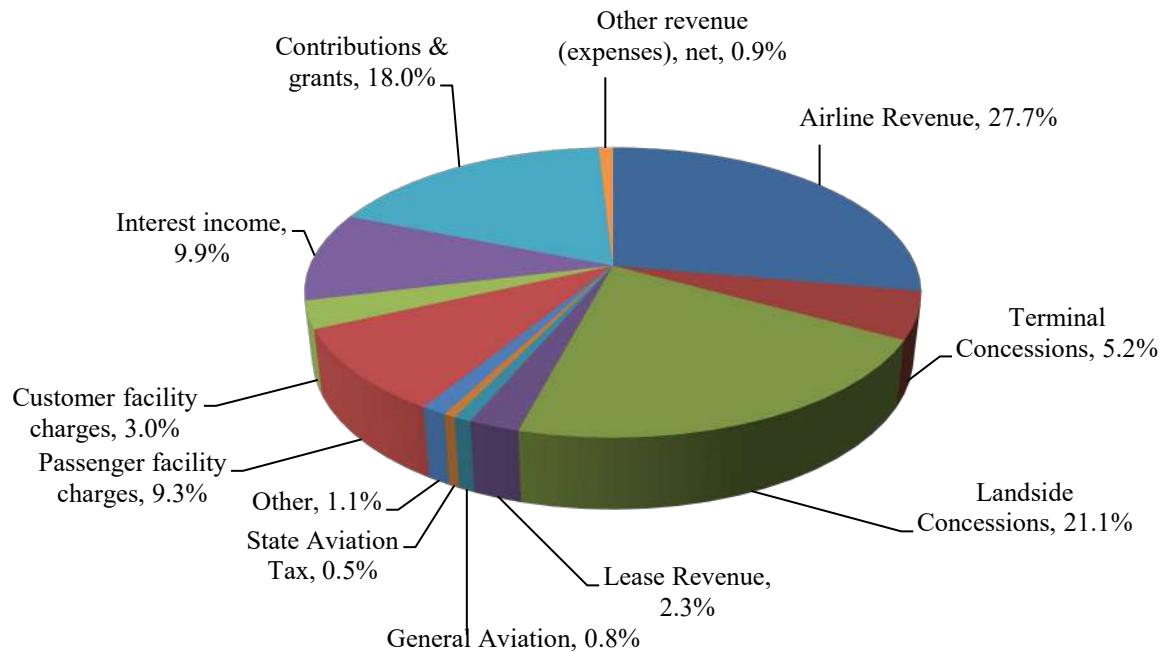
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

Operating income, before depreciation, was \$142.2 million in FY 2024, compared to \$111.2 million in FY 2023 and \$118.3 million in FY 2022. With the inclusion of depreciation and non-operating revenue and expenses, the resulting change in net position was an increase of \$62.6 million in FY 2024, \$3.5 million in FY 2023, and a decrease of \$6.5 million in FY 2022.

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Revenues

The following chart and table shows the major sources of revenues and the percentage to total revenues:
The year ended June 30, 2024:



| (Amounts in thousands) | FY 2024 Amount | Percent of Total | FY 2023 Amount | Percent of Total | FY 2022 Amount | Percent of Total |
|--|-------------------|---------------------|-------------------|---------------------|-------------------|---------------------|
| Operating revenues: | | | | | | |
| Airline revenue | \$ 169,529 | 30.5% | \$ 148,356 | 33.5% | \$ 136,820 | 34.3% |
| Terminal concessions | 29,096 | 5.2% | 14,970 * | 3.4% | 22,757 | 5.7% |
| Landside concessions | 117,296 | 21.1% | 103,903 | 23.5% | 90,597 | 22.7% |
| Lease revenue | 12,526 | 2.3% | 11,364 | 2.6% | 10,525 | 2.6% |
| General aviation | 4,361 | 0.8% | 4,128 | 0.9% | 3,491 | 0.9% |
| State aviation tax | 2,889 | 0.5% | 3,008 | 0.7% | 2,891 | 0.7% |
| Other | 6,258 | 1.1% | 11,442 | 2.6% | 5,430 | 1.4% |
| Operating revenues | 341,955 | | 297,171 | | 272,511 | |
| Less: Airline revenue sharing | (15,297) | -2.8% | (13,844) | -3.1% | (13,566) | -3.4% |
| Total operating revenues | 326,658 | 58.8% | 283,327 | 64.1% | 258,945 | 65.0% |
| Non-operating revenues and capital contributions: | | | | | | |
| Passenger facility charges | 51,933 | 9.3% | 49,282 | 11.1% | 48,759 | 12.2% |
| Customer facility charges | 16,943 | 3.0% | 15,177 | 3.4% | 14,024 | 3.5% |
| Interest income | 55,116 | 9.9% | 30,645 | 6.9% | 11,740 | 2.9% |
| Other revenue (expenses), net | 4,951 | 0.9% | 1,378 | 0.3% | (6,547) | -1.6% |
| Contributions & grants | 100,233 | 18.0% | 62,472 | 14.1% | 71,746 | 18.0% |
| Total non-operating revenues | 229,176 | 41.2% | 158,954 | 35.9% | 139,722 | 35.0% |
| Total revenues | \$ 555,834 | 100.0% | \$ 442,281 | 100.0% | \$ 398,667 | 100.0% |

*Net of \$11.0 million in ARPA concession relief

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Operating Revenues

Salt Lake City International Airport is served by eight domestic carriers: Alaska, American, Delta, Frontier, JetBlue, Southwest, Spirit, and United. On July 1, 2014, all the airlines, except Spirit, entered into a ten-year Airport Use Agreement (AUA) with the Airport. Each AUA terminated on June 30, 2024, unless earlier terminated. Due to a strong passenger recovery and growth in Salt Lake City, the airlines requested that the Airport consider building the remaining 16 gates on Concourse B as part of Phase IV. The Airport renegotiated the Airline Use Agreement (AUA) and as of June 30, 2024, airlines that accounted for over 98% of FY 2022 passengers have executed the revised AUA that began on July 1, 2024. The new agreement goes through June 30, 2034, for all airlines except those that chose to sign a 20-year agreement, which are Delta, Southwest, and Alaska Airlines. Any airline that chose not to sign the updated AUA became a non-signatory on July 1, 2024. Spirit Airlines signed the AUA in May 2023, becoming a signatory airline at that time. Under the AUA, terminal rent calculations are on a compensatory basis, recovering costs allocated to the occupied facilities. Landing fee calculations are residual based, recovering net cost after the credits of nonairline revenue. Revenue sharing is available to Signatory Airlines that are parties to the AUA consisting of one dollar (\$1) per enplaned passenger, not to exceed 30% of net remaining revenue. The Signatory Airline revenue sharing increased by \$1.5 million in FY 2024 to \$15.3 million, compared to \$13.8 million in FY 2023 and \$13.6 million in FY 2022.

Airline revenue, net of airline revenue sharing, has increased \$19.7 million in FY 2024 to \$154.2 million compared to \$134.5 million in FY 2023 and \$123.3 million in FY 2022. The Airport returned to pre-COVID levels of operations in FY 2023 and experienced continued growth in FY 2024. The Airport opened 5 new gates on Concourse A in May of 2023 and the remaining 17 gates on Concourse A opened in October 2023. The new space caused much of the increase in airline revenue. Landing fees increased by \$6.3 million in FY 2024 to \$59.8 million compared to \$53.5 million in FY 2023 and \$45.2 million in FY 2022. Terminal space and other building rentals have increased by \$12.3 million in FY 2024 to \$89.4 million compared to \$77.1 million in FY 2023 and \$74.3 million in FY 2022. As a valuable partner with the airlines, the Airport continues its efforts to keep airline costs low. The Airport cost per enplaned passenger (CPE) for FY 2024 was \$9.97, an increase from the FY 2023 amount of \$8.28 and FY 2022 amount of \$8.11.

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

| | FY 2024 | FY 2023 | FY 2022 |
|---|----------------|----------------|----------------|
| Terminal Rents (annual per square foot) | \$ 158.91 | \$ 135.71 | \$ 136.12 |
| Landing Fees (per 1,000 lbs) | \$ 3.22 | \$ 3.09 | \$ 2.77 |

Non-airline concession revenues are allocated into two major categories: (1) terminal concessions, which include food service, retail, and advertising, and (2) landside concessions, which consist of auto parking, rental car commissions, and ground transportation fees. On the statement of revenues, expenses and changes in net position, terminal concession revenues have increased by \$14.1 million (94.4%) in FY 2024 to \$29.1 million compared to \$15.0 million in FY 2023 and \$22.8 million in FY 2022. This is a result of ARPA concession relief funds awarded to both food and beverage and retail concessions being passed through to concessionaires from the Airport for \$11.0 million in FY 2023. Without the ARPA concession relief, terminal concession revenue increased by \$3.1 million due to the increase in passengers and the amount

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spent per passenger increasing. Landside concessions have increased by \$13.4 million (12.9%) in FY 2024 to \$117.3 million compared to \$103.9 million in FY 2023 and \$90.6 million in FY 2022. Auto parking revenues have increased \$8.5 million (14.1%). Rental car revenues have increased \$3.7 million (10.2%). Ground transportation increased by \$1.4 million (17.7%). Rental cars and parking increased due to growing passenger numbers and additional business travel. Parking revenue also increased due to a \$2 price increase for the daily maximum in the economy lot. A trend in the industry is also longer vacations. The average cost per transaction in the economy lot increased \$7.25 from FY 2023 to FY 2024 and by \$0.38 in the parking garage over the same time.

Non-operating Revenues

The Airport recorded \$100.2 million in grants in FY 2024 compared to \$62.5 million in FY 2023 and \$71.7 million in FY 2022. These funds consisted of \$24.2 million in AIP grants provided by the Federal Aviation Administration, \$38.9 million from the Bipartisan Infrastructure Law (BIL), and \$37.1 million in ARPA Act grants. Airport federal grants increased from the prior year by \$37.8 million (60.4%) based on the BIL funds received. Passenger facility charge revenue increased in FY 2024 by \$2.7 million to \$51.9 million, including \$1.2 million in interest on PFC deposited funds, compared to \$49.3 million in FY 2023 and \$48.8 million in FY 2022. Increases are due to the increase in passengers. Customer facility charge revenue increased in FY 2024 by \$1.8 million to \$16.9 million compared to \$15.2 million in FY 2023 and \$14.0 million in FY 2022. The increase is due to the increase in passengers and more rental vehicles being reserved at the Airport.

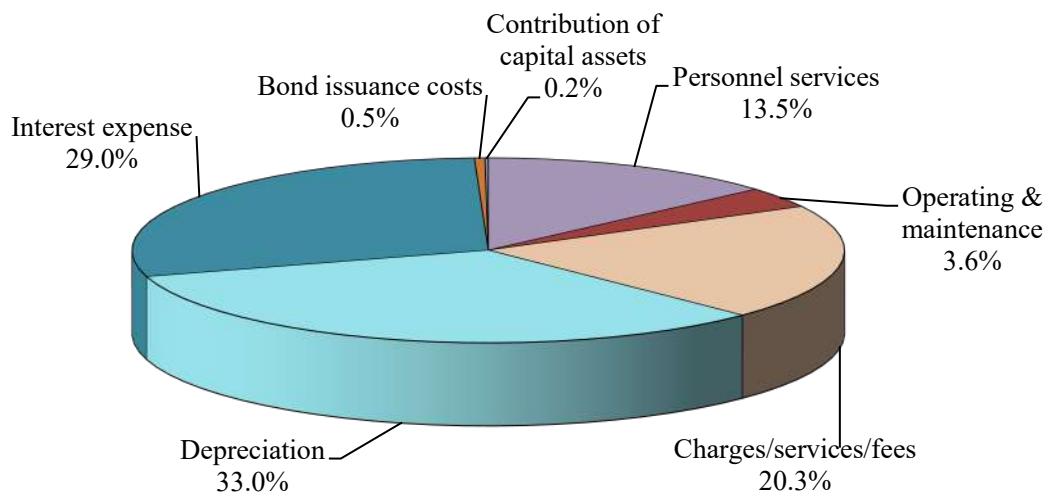
The Airport recorded a gain of \$590.8 thousand on the disposition and sale of property and equipment in FY 2024, a loss of \$7 thousand in FY 2023, and a loss of \$221 thousand in FY 2022.

The average interest rate on investments that are held in the State Treasurer's pool for FY 2024 was 5.4%, compared to 3.8% in FY 2023 and 0.5% in FY 2022. In FY 2024, FY 2023, and FY 2022, interest earned from the State Treasurer's pool and depository accounts totaled \$48.0 million, \$24.8 million, and \$6.5 million, respectively. Interest income increased because of the significant change in interest rates over the last two years and bond proceeds of \$600 million in August 2023. As referred to previously in the discussion on the Airport's cash balances, beginning in FY 2011, the Airport diversified its investments in U.S. Treasury, Agency and Corporate notes to obtain a higher rate of return. Interest earned on these investments was \$8.7 million in FY 2024, \$5.8 million in FY 2023, and \$2.5 million in FY 2022 (after management fees). The weighted average yield, including discounts and premiums included at purchase, was 3.7% in FY 2024, 2.9% in FY 2023, and 1.3% in FY 2022. The investment in these securities increased the balance in the Utah State Treasurer's pool. See Note 2 for cash investment details. The Airport recorded interest income of \$669.9 thousand in FY 2024, \$1.3 million in FY 2023, and \$1.3 million in FY 2022 from financing CFC related projects from Airport reserves that will be paid back to the Airport through future CFC collections. The Airport recorded interest income from leases of \$5.1 million in FY 2024, \$5.1 million in FY 2023, and \$4.7 million in FY 2022.

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Expenses

A chart and summary of expenses for the year ended June 30, 2024, including the amount and percentage of change in relation to prior year amounts, is as follows:



| (Amounts in thousands) | FY 2024 | Percent of Total | FY 2023 | Percent of Total | FY 2022 | Percent of Total |
|---|-------------------|------------------|-------------------|------------------|-------------------|------------------|
| | | | | | | |
| Operating expenses: | | | | | | |
| Personnel services | \$ 66,724 | 13.5% | \$ 58,989 | 13.4% | \$ 47,804 | 11.8% |
| Operating and maintenance | 17,820 | 3.6% | 20,148 | 4.6% | 13,673 | 3.4% |
| Charges/services/fees | 99,900 | 20.3% | 92,943 | 21.2% | 79,142 | 19.5% |
| Total operating expenses before depreciation | 184,444 | 37.4% | 172,080 | 39.2% | 140,619 | 34.7% |
| Depreciation | 162,698 | 33.0% | 148,449 | 33.8% | 144,019 | 35.5% |
| Total operating expenses | 347,142 | 70.4% | 320,529 | 73.0% | 284,638 | 70.2% |
| Non-operating expenses: | | | | | | |
| Interest expense | 143,045 | 29.0% | 117,346 | 26.7% | 116,832 | 28.8% |
| Bond issuance costs | 2,327 | 0.5% | 382 | 0.1% | 3,010 | 0.7% |
| Contribution of capital assets | 756 | 0.2% | 540 | 0.1% | 648 | 0.2% |
| Total non-operating expenses | 146,128 | 29.6% | 118,268 | 27.0% | 120,490 | 29.7% |
| Total expenses | \$ 493,270 | 100.0% | \$ 438,797 | 100.0% | \$ 405,128 | 100.0% |

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Operating Expenses

The Airport has grown and expanded since the first phase opened in 2020. The Airport opened 5 new gates in May 2023 and another 17 gates in October 2023. This caused operating expenses to increase in FY 2024.

Operating expenses before depreciation have increased by \$12.4 million (7.2%) in FY 2024 to \$184.4 million compared to \$172.1 million in FY 2023 and \$140.6 million in FY 2022. Personnel services have increased by \$7.7 million (13.1%) in FY 2024 to \$66.7 million compared to \$59.0 million in FY 2023 and \$47.8 million in FY 2022. Salaries for the year increased, a portion of which is from pension expense related to GASB 68, which is further discussed in Note 6. Salaries and wages increased \$3.3 million in FY 2024 due to an airport wide raise of 5.0% and hiring approximately 20 new full-time employees. The Airport also averaged 15 more full-time employees in FY 2024 compared to FY 2023 due to the new employees and vacant positions being filled.

Operating and maintenance costs have decreased by \$2.3 million (-11.6%) in FY 2024 to \$17.8 million compared to \$20.1 million in FY 2023 and \$13.7 million in FY 2022. The primary cause for the change was a decrease in spending of \$3.5 million for chemicals. Winter in FY 2024 was much lighter than winter in FY 2023, so the Airport required fewer chemicals to keep the runway clear.

Expenses for charges and services have increased by \$7.0 million (7.5%) in FY 2024 to \$99.9 million compared to \$92.9 million in FY 2023 and \$79.1 million in FY 2022. The largest increases were \$1.3 million for police and \$4.8 million for janitorial costs. Police increased due to higher salaries negotiated with the union. The janitorial contract expenditures increased with wage increases and additional contract scope due to increased Airport square footage.

Depreciation expense increased by \$14.2 million (9.6%) in FY 2024 to \$162.7 million compared to \$148.4 million in FY 2023 and \$144.0 million in FY 2022. The increase in FY 2024 is due to the addition of 22 new gates added to Concourse A in 2023.

NON-OPERATING EXPENSES

Non-operating expenses consist primarily of interest on long-term debt. Interest expense was \$143.0 million in FY 2024, \$117.3 million in FY 2023, and \$116.8 million in FY 2022. The increase in FY 2024 is due to the addition of the 2023 bond series issued in August 2023. The airport recorded \$2.3 million for bond issuance costs in FY 2024 related to the 2023 bond series. The airport incurred an expenditure for \$756 thousand in FY 2024, \$540 thousand in FY 2023, and \$648 thousand in FY 2022 for maintenance of screening lanes and machines donated to the Transportation Security Administration (TSA) for the opening of Phase I of The New SLC.

CAPITAL TRANSACTIONS

The TRP construction activities included opening the last 17 Gates on Concourse A east as well as the Apron Paving associated with those gates. The Central Tunnel interior build-out activities are complete and the High Speed Baggage Conveyor from Concourse A to Concourse B was put into service in May 2024. The NCP construction activities for the 8-Gate Expansion included completion of interior buildout of the entire eight gate expansion as well as the apron paving on the south side. The NCP Phase IV 16-Gate Expansion is nearing completion of Structural Steel.

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At the beginning of the fiscal year, Airport projects totaling \$988.0 million were in the process of construction and an additional \$485.0 million in projects was added during FY 2024. \$522.6 million in construction costs were spent during the year. A total of \$570.6 million in projects and equipment were capitalized and placed in service in FY 2024; \$1.0 million was expensed. \$900.0 million remains as construction in progress. The largest portion of the \$570.6 million of capitalized projects includes 17 gates in the South Concourse East, including associated apron and airfield work, additions to the baggage handling system and hydrant fueling system, Taxiways 20 and 21, and North Cargo apron development.

The phased construction on the \$5.1 billion The New SLC will continue through 2026. Phase I of the TRP went into service on September 15, 2020 with NCP going into service on October 20, 2020. Phase II (South Concourse East) opened 5 gates in May 2023, 4 gates in August 2023, and the remaining 13 gates in October 2023. Phase III (North Concourse East) will open with 5 gates in Fall 2024 and 4 gates in Fall 2025. Phase IV will add 5 gates in Fall 2025 and 11 gates in Fall 2026. Additional information regarding capital assets can be found in Note 4 in the Notes to Financial Statements.

LONG-TERM DEBT

As of June 30, 2024, 2023, and 2022, the Airport had a total of \$3.7 billion, \$3.1 billion, and \$3.2 billion respectively, of outstanding General Airport Revenue Bonds. These bonds mature from July 1, 2024 to July 1, 2053, with an interest rate of 4-5.25%. The bonds do not constitute debt of the City or a pledge of the full faith and credit of the City and are secured by Airport revenues. In August 2023, the airport issued a new bond series for \$600 million to continue funding of The New SLC. Additional information regarding long-term Airport debt can be found in Note 7 in the Notes to Financial Statements.

ECONOMIC OUTLOOK

The fiscal year 2024 financial results reflect economic growth to both operating and non-operating revenues and expenses. The Department continues to work closely with the airlines serving the Airport and other tenants to ensure a safe and pleasant experience for passengers. Projections indicate future passenger growth and new destinations. The Airport's strong financial position allows for flexibility to respond to the short-term problems created by an economic recession and changes in the industry. This financial position will also enable the Airport to plan for long term facility needs and redevelopment programs to meet the future growth in air travel and meet the needs of its airline partners and the Utah community.

CONCLUSION

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

Brian Butler

Brian Butler, CPA
Chief Financial Officer

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

| <i>As of June 30,</i> | 2024 | 2023 |
|--|---------------------|---------------------|
| ASSETS | | |
| Current Assets | | |
| | | |
| Cash and cash equivalents | \$ 318,684 | \$ 236,822 |
| Restricted cash and cash equivalents | 248,763 | 32,946 |
| Restricted investments | 78,814 | 49,406 |
| Airline and rental fees receivable | 70,832 | 61,838 |
| Loans receivable | 5,923 | 5,452 |
| Leases receivable | 45,204 | 41,633 |
| Other assets | 25,560 | 9,492 |
| Total current assets | 793,780 | 437,589 |
| Noncurrent Assets | | |
| | | |
| Restricted cash and cash equivalents | 97,728 | 101,196 |
| Restricted investments | 144,781 | 147,610 |
| Loans receivable - net of current | 11,698 | 15,920 |
| Leases receivable - net of current | 118,057 | 162,620 |
| Other assets | 249 | 1,508 |
| Total noncurrent assets and investments | 372,513 | 428,854 |
| Capital assets | | |
| | | |
| Land | 113,441 | 113,216 |
| Building and improvements | 4,221,587 | 3,695,859 |
| Equipment | 439,110 | 363,918 |
| Leased asset | 504 | 504 |
| Subscription asset | 3,807 | 3,697 |
| Construction in progress | 899,971 | 988,017 |
| Total capital assets - at cost | 5,678,420 | 5,165,211 |
| Less accumulated depreciation and amortization | | |
| | | |
| Net capital assets | 4,423,583 | 4,064,091 |
| Total noncurrent assets | 4,796,096 | 4,492,945 |
| Total Assets | 5,589,876 | 4,930,534 |
| Deferred Outflows of Resources | 10,272 | 7,926 |
| Total Assets and Deferred Outflows of Resources | \$ 5,600,148 | \$ 4,938,460 |

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

| As of June 30, | 2024 | 2023 |
|---|---------------------|---------------------|
| LIABILITIES | | |
| Current Liabilities | | |
| | | |
| Accounts payable | \$ 59,041 | \$ 51,749 |
| Accrued compensation | 1,184 | 2,384 |
| Interest payable | 82,188 | 67,382 |
| Other accrued liabilities | 31,504 | 36,351 |
| Current bonds payable | 25,065 | 25,815 |
| Subscription liability | 544 | 609 |
| Total current liabilities | 199,526 | 184,290 |
| Noncurrent Liabilities | | |
| | | |
| Revenue bonds payable | 3,701,933 | 3,089,772 |
| Noncurrent compensation liability | 4,710 | 5,079 |
| Net pension liability | 5,599 | 4,248 |
| Other accrued liabilities | 36,464 | 29,337 |
| Subscription liability | 408 | 844 |
| Total noncurrent liabilities | 3,749,114 | 3,129,280 |
| Total Liabilities | 3,948,640 | 3,313,570 |
| Deferred Inflows of Resources | | |
| | | |
| Deferred inflows - revenue collected in advance | 12,362 | 7,286 |
| Deferred inflows - leases | 163,261 | 204,253 |
| Deferred inflows - pension | 76 | 106 |
| Total Deferred Inflows of Resources | 175,699 | 211,645 |
| NET POSITION | | |
| | | |
| Net investment in capital assets | 1,037,482 | 1,169,374 |
| Restricted for | | |
| Capital projects | 49,264 | 45,883 |
| Debt service | 139,961 | 126,183 |
| Unrestricted | 249,102 | 71,805 |
| Net Position | 1,475,809 | 1,413,245 |
| Total Liabilities, Deferred Inflows of Resources, and Net Position | \$ 5,600,148 | \$ 4,938,460 |

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

| <i>For the twelve month period ended June 30,</i> | 2024 | 2023 |
|---|--------------|--------------|
| Operating Revenues | | |
| Airline revenue | \$ 169,529 | \$ 148,356 |
| Terminal concessions | 29,096 | 14,970 |
| Landside concessions | 117,296 | 103,903 |
| Lease revenue | 12,526 | 11,364 |
| General aviation | 4,361 | 4,128 |
| State aviation tax | 2,889 | 3,008 |
| Other revenue | 6,258 | 11,442 |
| Operating revenues | 341,955 | 297,171 |
| Less airline revenue sharing | (15,297) | (13,844) |
| Total operating revenues | 326,658 | 283,327 |
| Operating Expenses | | |
| Salaries and benefits | 66,724 | 58,989 |
| Materials and supplies | 17,820 | 20,148 |
| Maintenance contracts | 27,158 | 22,171 |
| Charges and services | 30,087 | 30,906 |
| Utilities | 9,714 | 8,553 |
| Inter-governmental | 26,723 | 24,235 |
| Other expenses | 6,218 | 7,078 |
| Total operating expenses before depreciation | 184,444 | 172,080 |
| Operating Income Before Depreciation | 142,214 | 111,247 |
| Depreciation and Amortization Expense | 162,698 | 148,449 |
| Operating Loss | (20,484) | (37,202) |
| Non-Operating Revenues (Expenses) | | |
| Passenger facility charges | 51,933 | 49,282 |
| Customer facility charges | 16,943 | 15,177 |
| Interest income | 55,116 | 30,645 |
| Interest expense | (143,045) | (117,346) |
| Bond issuance costs | (2,327) | (382) |
| Contribution of capital assets | (756) | (540) |
| Other revenue (expenses), net | 4,951 | 1,378 |
| Net non-operating (expenses) | (17,185) | (21,786) |
| Capital Contributions | | |
| Contributions and grants | 100,233 | 62,472 |
| Total capital contributions | 100,233 | 62,472 |
| Net Position | | |
| Increase in net position | 62,564 | 3,484 |
| Net Position, beginning of period | 1,413,245 | 1,409,761 |
| Net Position, end of period | \$ 1,475,809 | \$ 1,413,245 |

See Notes to Financial Statements

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

| <i>For the year ended June 30,</i> | 2024 | 2023 |
|--|-------------------|-------------------|
| Cash Flows from Operating Activities | | |
| Cash received from providing services | \$ 339,647 | \$ 270,860 |
| Cash paid for services for intra-governmental charges | (26,723) | (31,293) |
| Cash paid to suppliers | (97,851) | (98,825) |
| Cash paid to employees | (67,325) | (60,218) |
| Net cash from operating activities | 147,748 | 80,524 |
| Cash Flows from Investing Activities | | |
| Cash paid for investments | (295,404) | (103,021) |
| Cash proceeds from investments | 255,197 | 109,552 |
| Interest received on investments and concession loans | 55,852 | 24,343 |
| Payments for concession loans | (1,239) | (1,164) |
| Payments received on concession loans | 5,424 | 4,992 |
| Net cash from investing activities | 19,830 | 34,702 |
| Cash Flows from Capital and Related Financing Activities | | |
| Purchase of capital equipment | (5,633) | (8,695) |
| Payments for acquisition and construction of capital assets | (516,960) | (466,798) |
| Principal paid on revenue bonds | (25,815) | (21,920) |
| Proceeds from issuance of revenue bonds payable | 655,006 | - |
| Payment for capital assets contributed to TSA | (756) | (540) |
| Interest paid on bonds and line of credit | (146,773) | (136,371) |
| Bond issuance costs | (1,130) | (264) |
| Interest paid on subscription liability | (49) | (66) |
| Interest received from leases | 5,081 | 5,046 |
| Passenger facility charges | 52,527 | 48,273 |
| Customer facility charges | 17,689 | 15,583 |
| Proceeds from sale of capital assets and equipment | 591 | 99 |
| Contributions and grants | 92,855 | 54,370 |
| Net cash from (used for) capital and related financing activities | 126,633 | (511,283) |
| Net Increase (Decrease) in Cash and Cash Equivalents | 294,211 | (396,057) |
| Cash and Cash Equivalents - Beginning of Year | 370,964 | 767,021 |
| Cash and Cash Equivalents - End of Year | \$ 665,175 | \$ 370,964 |

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

| <i>For the year ended June 30,</i> | 2024 | 2023 |
|---|-----------------|------------------|
| Reconciliation of Operating Income to Net Cash from Operating Activities | | |
| Operating loss | | |
| Operating loss | \$ (20,484) | \$ (37,202) |
| Adjustments to reconcile operating loss to net cash from operating activities | | |
| Depreciation and amortization | 162,698 | 148,449 |
| Pension benefit | 1,024 | (1,887) |
| Changes in assets and liabilities | | |
| Airline and rental fee receivable | (1,564) | (18,083) |
| Other assets | 315 | (2,531) |
| Net pension asset | - | 12,721 |
| Deferred outflows | (2,345) | (2,415) |
| Accounts payable | 4,737 | (1,604) |
| Accrued compensation | (489) | 720 |
| Other accrued liabilities | (2,656) | (6,362) |
| Net pension liability | 1,351 | 4,248 |
| Deferred inflows | 5,077 | 880 |
| Deferred inflows - pension | (30) | (16,441) |
| Deposits and advance rentals | 114 | 31 |
| Net cash from operating activities | 147,748 | 80,524 |
| Schedule of Noncash Activities | | |
| Contributions and grants | 7,378 | 8,065 |
| Passenger facility charges (includes interest) | (594) | 1,009 |
| Customer facility charges (includes interest) | 509 | (406) |
| Bond issuance costs | (1,197) | (118) |
| Contributions of capital assets | (756) | (540) |
| Net change in fair value of investments | (2,710) | 1,385 |
| Gain (loss) on disposition of property | 591 | (7) |
| Lease receivable recognized on lessor lease transaction | 2,060 | 30,183 |
| Subscription asset recognized on SBITA transaction | 109 | 3,478 |
| Subscription liability recognized on SBITA transaction | (109) | (2,018) |
| Total Noncash Activities | \$ 5,281 | \$ 41,031 |

SALT LAKE CITY DEPARTMENT OF AIRPORTS
Notes to the Financial Statements
For the Year Ended June 30, 2024

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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

Capital Assets – Capital assets, which consist of property and equipment, are recorded at cost when purchased. Cash outflows for the acquisition, construction, or equipping of capital projects, together with related design, architectural, and engineering fees, are capitalized with a capitalization threshold of \$20,000.

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

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

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

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

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

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

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

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

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

Accounts Receivable – An allowance for uncollectible accounts receivable is established by charges to operations for amounts required to maintain an adequate allowance, in management's judgment, to cover anticipated losses from customer accounts. Such accounts are charged to the allowance when collection appears doubtful. Any subsequent recoveries are credited to the allowance account. As of June 30, 2024, the Airport does not anticipate any material losses on accounts receivable and no allowance has been established.

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

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

Subscription Asset – The Airport recognizes a subscription asset at the commencement of the subscription term, with certain exceptions for short-term contracts. The subscription asset is measured as the initial measurement of the subscription liability plus the capitalizable initial implementation costs. A subscription asset should be amortized in a systematic and rational manner over the shorter of the subscription term or the useful life of the underlying IT Asset and the Airport uses the straight-line method of amortization.

Subscription Liability – Subscription liabilities represent the Airport’s obligation to make subscription payments arising from the subscription contract. Subscription liabilities are recognized at the subscription commencement date based on the present value of future subscription payments expected to be made during the subscription term. Please see Note 12 for more details.

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

Total interest expense was approximately \$143.0 million and \$117.3 million for the years ended June 30, 2024 and 2023, respectively, while no interest was capitalized as part of the cost of constructed assets in either year.

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

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

Pollution Remediation Obligations – In FY 2010, the Airport recorded operating expense and a future liability obligation of \$191 thousand associated with two pollution remediation sites, both associated with leaking underground fuel tanks from the early 1990s. In FY 2015, the Airport recorded additional operating expenses and future liability obligations of \$112 thousand for some additional leaking underground fuel tanks. Since 2010, the Airport has incurred \$183 thousand in costs for monthly monitoring at both sites. The liability recorded as of June 30, 2024 and 2023 is \$121 thousand. The remainder of the liability is for future years’ ground water monitoring at the sites. Estimates of the expense and liability were based on the cost of the equipment upgrades as well as cost of a contract negotiated with an outside contractor for future monitoring. The potential exists for changes in these estimates, and both costs and future liabilities will be adjusted if necessary in future periods. The Airport is self-insured for incidents of this magnitude, and no insurance or other recoveries are anticipated.

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

Reclassifications – Certain amounts previously reported have been reclassified in order to be consistent with the current year presentation.

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

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

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

Recent Accounting Pronouncements – In June 2022, the GASB issued Statement No. 100 *Accounting Changes and Errors – An Amendment of GASB Statement No. 62*. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this statement are effective for reporting periods beginning after June 15, 2023. Earlier application is encouraged. The adoption of this accounting standard will not have a significant impact on the Airport's financial statements.

In June 2022, the GASB issued Statement No. 101 *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this statement are effective for reporting periods beginning after December 15, 2023. Earlier application is encouraged. The Airport is currently evaluating the impact of this statement on the financial statements when implemented.

In December 2023, the GASB issued Statement No. 102 *Certain Risk Disclosures*. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. The requirements of this statement are effective for reporting periods beginning after June 15, 2024. Earlier application is encouraged. The Airport is currently evaluating the impact of this statement on the financial statements when implemented.

In April 2024, the GASB issued Statement No. 103 *Financial Reporting Model Improvements*. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. The requirements of this statement are effective for reporting periods beginning after June 15, 2025. Earlier application is encouraged. The Airport is currently evaluating the impact of this statement on the financial statements when implemented.

NOTE 2 – DEPOSITS AND INVESTMENTS

Cash and cash equivalents are comprised of the following as of June 30, 2024 and 2023 (amounts in thousands):

| | 2024 | 2023 |
|---|-------------------|-------------------|
| | Fair Value | Fair Value |
| Deposits | | |
| Petty Cash | \$ 1 | \$ 1 |
| Unrestricted cash in the City's pooled cash account | (19,657) | (17,504) |
| Utah State Treasurer's Investments Pool | 562,720 | 382,157 |
| US Bank Account | 119,077 | - |
| <u>Bank operating accounts</u> | <u>3,034</u> | <u>6,310</u> |
| Total | \$ 665,175 | \$ 370,964 |

The Airport maintains funds in the City's pooled cash account. The Airport receives from or pays to the City an allocation of interest income or expense based upon its balance in the pooled cash account. Utah State Treasurer's Investment Pool balances reported in the Airport's Statement of Net Position include a write up of \$4.4 million and \$1.4 million in FY 2024 and 2023, respectively, to the fair market value. The Airport's share of the State's investment pool is based on the amount invested.

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

Deposits

Custodial Credit Risk – As of June 30, 2024 and 2023, the Airport had deposits with qualified depositories in accordance with the Utah Money Management Act totaling \$6.7 and \$6.3 million. Of these amounts, \$500 thousand was covered by federal depository insurance. The remaining balances of \$6.2 and \$5.8 million was uninsured and uncollateralized. The Commissioner of Financial Institutions assigns a public funds allotment to each qualified depository and monitors public funds held monthly. Local government deposits and repurchase agreements up to the allotment are not required by state law to be insured or delivered to the public treasurer. The Airport's deposits do not exceed the public funds allotment.

Investments

Credit Risk – State law requires that City funds, of which the Airport funds are part, be deposited with a “qualified depository” as defined by the Act. “Qualified depository” includes any depository institution which has been certified by the Utah State Commissioner of Financial Institutions as having met the requirements as defined in Rule 11 of the Utah Money Management Act. Rule 11 establishes the formula for determining the amount of public funds which a qualified institution may accept. City policy provides that not more than 25% of total City funds or 25% of the qualified depository's allotment, whichever is less, may be invested in any one qualified depository. No more than 20% of total City funds may be invested in any one certified out-of-state financial institution.

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

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

Custodial Credit Risk – A substantial portion of the Airport's funds were invested in the Utah State Treasurer's Investment Pool, a pooled investments account that does not qualify for any of the above categories. Oversight of the Utah State Treasurers Pool is internally managed by the Utah State Treasury Office, and the Utah Public Treasurer's Investment Fund was unrated as of June 30, 2024, by any outside agency. This amount has been adjusted to fair value and reflects the fair value of the plan assets.

Investments made with unspent PFC revenue are in accordance with FAA guidelines. In addition, the Airport invested funds in U.S. Agency notes and corporate securities. Custodial credit risk for investments is the risk that, in the event of a failure of the counter party, the Airport will not be able to recover the value of the investment or collateral securities that are in the possession of an outside party. Of the \$223.6 million invested by the Airport in FY 2024, the entire amount was held in the Airport's name by the counterparty and was exposed to custodial credit risk. U.S. Agency notes are guaranteed by the federal government but are uninsured investments.

Fair Value of Investments

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

The Airport has the following recurring fair value measurements as of June 30, 2024 and 2023;

- U.S. Agency securities of \$90.6 and \$49.6 million are valued using quoted market prices (Level 1 inputs)
- U.S. Treasury securities of \$97.8 and \$99.9 million are valued using quoted market prices (Level 1 inputs)

- Corporate bond securities of \$33.2 and \$47.5 million are valued using quoted market prices (Level 1 inputs)

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

| Debt Securities | Quality | FY 2024 | FY 2023 | Maturities |
|-------------------|---------|-------------------|-------------------|------------|
| | Ratings | Fair Value | Fair Value | (in years) |
| U.S Agency Notes | | | | |
| FNMA | | \$ 9,716 | \$ 5,178 | 1-5 |
| FHLMC | | 80,880 | 44,447 | 1-5 |
| US Treasury Notes | | 97,804 | 99,864 | 1-5 |
| Corporate Bonds | A/BBB+ | 35,195 | 47,527 | 5+ |
| | | <u>\$ 223,595</u> | <u>\$ 197,016</u> | |

NOTE 3 – RESTRICTED OR DESIGNATED CASH AND CASH EQUIVALENTS

Certain cash and cash equivalents are restricted or designated:

- As of June 30, 2024 and 2023, \$5.8 and \$6.7 million of PFC contributions are restricted for construction projects at the Airport under the PFC program requirements.
- As of June 30, 2024 and 2023, \$944 and \$888 thousand of CFC contributions are restricted for rental car construction projects at the Airport under the CFC program requirements.
- As of June 30, 2024 and 2023, \$119.1 and \$15.8 million of cash is restricted for the use of construction of the TRP and NCP projects.
- As of June 30, 2024 and 2023, \$151.5 and \$47.3 million of cash is restricted for debt service and capitalized interest.
- As of June 30, 2024 and 2023, \$26.6 and \$25.2 million of cash is restricted for rolling coverage.
- As of June 30, 2024 and 2023, \$37.5 and \$33.3 million is restricted for an operation and maintenance reserve fund, and \$5 million for a renewal and replacement reserve fund per the Airport Use Agreement effective July 1, 2014.

NOTE 4 – CAPITAL ASSETS

The following is a summary of transactions affecting capital assets for the year ended June 30, 2024 (amounts in thousands):

| | Total | | Total | |
|---|---------------|------------|--------------|---------------|
| | June 30, 2023 | Additions | Deletions | June 30, 2024 |
| Capital Assets that are not depreciated: | | | | |
| Land | \$ 113,216 | \$ 225 | \$ - | \$ 113,441 |
| Construction in Progress | 988,017 | 483,637 | (571,683) | 899,971 |
| Total Capital Assets that are not being depreciated | 1,101,233 | 483,862 | (571,683) | 1,013,412 |
| Capital Assets that are depreciated: | | | | |
| Buildings | 2,177,508 | 368,786 | - | 2,546,294 |
| Leased Buildings | 504 | - | - | 504 |
| Improvements | 1,518,351 | 156,942 | - | 1,675,293 |
| Equipment | 363,918 | 84,218 | (9,026) | 439,110 |
| SBITA | 3,697 | 110 | - | 3,807 |
| Sub-total | 4,063,978 | 610,056 | (9,026) | 4,665,008 |
| Less accumulated depreciation and amortization: | | | | |
| Land | - | - | - | - |
| Buildings | (297,636) | (79,176) | - | (376,812) |
| Leased Building | (216) | (101) | - | (317) |
| Improvements | (687,356) | (61,178) | - | (748,534) |
| Equipment | (114,844) | (21,056) | 8,981 | (126,919) |
| SBITA | (1,068) | (1,187) | - | (2,255) |
| Sub-total | (1,101,120) | (162,698) | 8,981 | (1,254,837) |
| Total Depreciable Capital Assets, net | 2,962,858 | 447,358 | (45) | 3,410,171 |
| Total Capital Assets, net | \$ 4,064,091 | \$ 931,220 | \$ (571,728) | \$ 4,423,583 |

Depreciation and amortization expense for FY 2024 was \$162.7 million.
See Note 11 for more information on the subscription asset.

The following is a summary of transactions affecting capital assets for the year ended June 30, 2023 (amounts in thousands):

| | Total | | | Total |
|---|---------------|------------|--------------|---------------|
| | June 30, 2022 | Additions | Deletions | June 30, 2023 |
| Capital Assets that are not depreciated: | | | | |
| Land | \$ 112,474 | \$ 742 | \$ 113,216 | |
| Construction in Progress | 753,525 | 462,983 | (228,490) | 988,017 |
| Total Capital Assets that are not being depreciated | 865,999 | 463,724 | (228,490) | 1,101,233 |
| Capital Assets that are depreciated: | | | | |
| Buildings | 2,030,749 | 146,802 | (42) | 2,177,508 |
| Leased Buildings | 159 | 345 | - | 504 |
| Improvements | 1,450,869 | 67,696 | (213) | 1,518,351 |
| Equipment | 344,572 | 23,627 | (4,281) | 363,918 |
| SBITA | - | 3,697 | - | 3,697 |
| Sub-total | 3,826,349 | 242,167 | (4,537) | 4,063,978 |
| Less accumulated depreciation and amortization: | | | | |
| Land | - | - | - | - |
| Buildings | (227,273) | (70,405) | 42 | (297,636) |
| Leased Building | (110) | (106) | - | (216) |
| Improvements | (630,519) | (57,051) | 213 | (687,356) |
| Equipment | (99,199) | (19,820) | 4,175 | (114,844) |
| SBITA | - | (1,068) | - | (1,068) |
| Sub-total | (957,101) | (148,449) | 4,430 | (1,101,120) |
| Total Depreciable Capital Assets, net | 2,869,248 | 93,718 | (106) | 2,962,858 |
| Total Capital Assets, net | \$ 3,735,246 | \$ 557,442 | \$ (228,597) | \$ 4,064,091 |

Depreciation and amortization expense for FY 2023 was \$148.5 million.

See Note 11 for more information on the subscription asset.

NOTE 5 – COMMITMENTS AND CONTINGENCIES

At June 30, 2024, the Airport was committed to contractors and vendors for approximately \$795.4 million in conjunction with Airport construction programs.

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

liability of the Airport. In the opinion of management, the potential for a material liability because of future audit disallowance is remote.

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

NOTE 6 – PENSION PLANS

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

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

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

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

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

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

Summary of Benefits by System

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

* with actuarial reductions

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

Contribution Rate Summary

Contributions – As a condition of participation in Systems, employers and/or employees are required to contribute certain percentages of salary and wages as authorized by statute and specified by the Utah State Retirement Board. Contributions are actuarially determined as an amount that, when combined with employee contributions (where applicable) is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability. Contribution rates as of June 30, 2024 are as follows:

Utah Retirement Systems

| | Tier 1 DB System | | | | Tier 2 - DB Hybrid System | | | | Tier 2 - 401(k) Option | | | |
|--|------------------|----------|-----------|--------|---------------------------|----------|-----------|--------|------------------------|----------|-----------|--|
| | Employee | Employer | ER 401(k) | Tier 2 | | | | Tier 2 | | | | |
| | | | | Fund | Employee | Employer | ER 401(k) | Fund | Employee | Employer | ER 401(k) | |
| Contributory System 11 Local Government | 6.00 | 13.96 | - | 111 | - | 17.77 | 0.18 | 211 | - | 7.95 | 10.00 | |
| Noncontributory System 15 Local Government | - | 17.97 | - | 111 | - | 16.01 | 0.18 | 211 | - | 6.19 | 10.00 | |
| Public Safety System Noncontributory 44 Salt Lake City 2.5% Cola | - | 46.71 | - | 122 | 2.59 | 38.28 | - | 222 | - | 24.28 | 14.00 | |
| Firefighters Retirement System 32 Other Division B | 16.71 | 6.34 | - | 132 | 2.59 | 14.08 | - | 232 | - | 0.08 | 14.00 | |

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

Contribution Summary

For fiscal year ended June 30, 2024, the employer and employee contributions for the Airport to the Systems were as follows (amounts in thousands):

| System | Employer Contributions | Employee Contributions |
|--|------------------------|------------------------|
| Noncontributory System | \$ 2,303 | \$ - |
| Contributory System | 66 | 28 |
| Public Safety System | - | - |
| Tier 2 Public Employees System | 3,559 | - |
| Tier 2 Public Safety and Firefighter | - | - |
| Tier 2 Defined Contribution Only System | - | - |
| Tier 2 Defined Contribution Public Safety and Firefighter System | - | - |
| Total Contributions | \$ 5,928 | \$ 28 |

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

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

At June 30, 2024 and 2023, the Airport reported a net pension asset of \$0 and a net pension liability of \$5.6 million and \$4.2 million, respectively. The following table shows the net pension asset and liability:

| (Amounts in thousands) | Net Pension | | | Proportionate Share | | Proportionate Share | |
|---|-------------|-----------------|-------------------|---------------------|--------|---------------------|--|
| | Asset | Liability | December 31, 2023 | December 31, 2022 | Change | | |
| | | | | | | | |
| Noncontributory System | \$ - | \$ 3,771 | 1.63% | 1.80% | -0.18% | | |
| Contributory System | - | 296 | 3.58% | 3.19% | 0.40% | | |
| Public Safety System | - | - | 0.00% | 0.00% | 0.00% | | |
| Tier 2 Public Employees System | - | 1,532 | 0.90% | 0.76% | 0.14% | | |
| Tier 2 Public Safety and Firefighter System | - | - | 0.00% | 0.00% | 0.00% | | |
| | \$ - | \$ 5,599 | | | | | |

| (Amounts in thousands) | Net Pension | | Proportionate Share | | Proportionate Share | |
|---|-------------|-----------------|---------------------|-------------------|---------------------|--|
| | Asset | Liability | December 31, 2022 | December 31, 2021 | Change | |
| | | | | | | |
| Noncontributory System | \$ - | \$ 3,088 | 1.80% | 1.81% | -0.01% | |
| Contributory System | - | 328 | 3.19% | 2.82% | 0.37% | |
| Public Safety System | - | - | 0.00% | 0.00% | 0.00% | |
| Tier 2 Public Employees System | - | 832 | 0.76% | 0.69% | 0.07% | |
| Tier 2 Public Safety and Firefighter System | - | - | 0.00% | 0.00% | 0.00% | |
| | <u>\$ -</u> | <u>\$ 4,248</u> | | | | |

The net pension asset and liability were measured as of December 31, 2023, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2023 and rolled forward using generally accepted actuarial procedures. The proportion of the net pension asset and liability is equal to the ratio of the employer's actual contributions to the Systems during the plan year over the total of all employer contributions to the System during the plan year.

For the years ended June 30, 2024 and 2023, the Airport recognized pension expense of \$4.5 million and \$3.7 million.

At June 30, 2024 and 2023, the Airport reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| (Amounts in thousands) | June 30, 2024 | | |
|--|-------------------|--------------|------------------|
| | Deferred Outflows | | Deferred Inflows |
| | of Resources | of Resources | |
| Differences between expected and actual | \$ 3,131 | \$ 25 | |
| Changes in assumptions | 2,009 | 1 | |
| Net difference between projected and actual earnings on pension plan investment | 1,533 | - | |
| Changes in proportion and differences between contributions and proportionate share of contributions | 195 | 50 | |
| Contributions subsequent to measurement | 3,404 | - | |
| | <u>\$ 10,272</u> | <u>\$ 76</u> | |

| (Amounts in thousands) | June 30, 2023 | | |
|--|-------------------|---------------|------------------|
| | Deferred Outflows | | Deferred Inflows |
| | of Resources | of Resources | |
| Differences between expected and actual | \$ 1,328 | \$ 33 | |
| Changes in assumptions | 776 | 14 | |
| Net difference between projected and actual earnings on pension plan investment | 2,470 | - | |
| Changes in proportion and differences between contributions and proportionate share of contributions | 149 | 59 | |
| Contributions subsequent to measurement | 3,203 | - | |
| | <u>\$ 7,926</u> | <u>\$ 106</u> | |

\$3.4 million and \$3.2 million, respectively, is reported as deferred outflows of resources related to pensions results from contributions made by the Airport prior to our fiscal year end, but subsequent to the measurement date of December 31, 2023 and 2022.

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

| Year ended December 31, | Net Deferred Outflows (Inflows) of Resources | |
|--------------------------------|---|-------|
| 2024 | \$ | 1,714 |
| 2025 | | 1,518 |
| 2026 | | 3,655 |
| 2027 | | (692) |
| 2028 | | 93 |
| Thereafter | | 504 |

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

For the years ended June 30, 2024 and 2023, the Airport recognized pension expense of \$2.6 million and \$1.4 million.

At June 30, 2024 and 2023, the Airport reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| (Amounts in thousands) | June 30, 2024 | | |
|---|-----------------------------------|----------------------------------|-------|
| | Deferred Outflows of Resources | Deferred Inflows of Resources | |
| Differences between expected and actual | \$ 2,641 | \$ - | - |
| Changes in assumptions | | 1,132 | - |
| Net difference between projected and actual earnings on pension plan investment | 1,226 | | - |
| Changes in proportion and differences between contributions and proportionate share of contributions | - | 17 | |
| Contributions subsequent to measurement | 1,520 | | - |
| | <hr/> | <hr/> | <hr/> |
| | \$ 6,519 | \$ 17 | |

| (Amounts in thousands) | June 30, 2023 | | |
|---|-----------------------------------|----------------------------------|-------|
| | Deferred Outflows of Resources | Deferred Inflows of Resources | |
| Differences between expected and actual | \$ 1,047 | \$ - | - |
| Changes in assumptions | | 506 | 12 |
| Net difference between projected and actual earnings on pension plan investment | 2,037 | | - |
| Changes in proportion and differences between contributions and proportionate share of contributions | - | 24 | |
| Contributions subsequent to measurement | 1,538 | | - |
| | <hr/> | <hr/> | <hr/> |
| | \$ 5,128 | \$ 36 | |

\$1.5 million and \$1.5 million, respectively, reported as deferred outflows of resources related to pensions results from contributions made by the Airport prior to fiscal year end, but subsequent to the measurement date of December 31, 2023 and 2022.

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

| Year ended December 31, | Net Deferred Outflows (Inflows) of Resources |
|--------------------------------|---|
| 2024 | \$ 1,257 |
| 2025 | 1,113 |
| 2026 | 2,681 |
| 2027 | (508) |
| 2028 | 68 |
| Thereafter | 370 |

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

For the years ended June 30, 2024 and 2023, the Airport recognized pension expense of (\$22) thousand and \$699 thousand.

At June 30, 2024 and 2023, the Airport reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| (Amounts in thousands) | June 30, 2024 | | |
|---|-----------------------------------|----------------------------------|-------|
| | Deferred Outflows of Resources | Deferred Inflows of Resources | |
| Differences between expected and actual | \$ - | \$ - | - |
| Changes in assumptions | - | - | - |
| Net difference between projected and actual earnings on pension plan investment | 133 | - | - |
| Changes in proportion and differences between contributions and proportionate share of contributions | - | - | - |
| Contributions subsequent to measurement | 42 | - | - |
| | <hr/> | <hr/> | <hr/> |
| | \$ 175 | \$ - | |

| (Amounts in thousands) | June 30, 2023 | | |
|---|-----------------------------------|----------------------------------|-------|
| | Deferred Outflows of Resources | Deferred Inflows of Resources | |
| Differences between expected and actual | \$ - | \$ - | - |
| Changes in assumptions | - | - | - |
| Net difference between projected and actual earnings on pension plan investment | 98 | - | - |
| Changes in proportion and differences between contributions and proportionate share of contributions | - | - | - |
| Contributions subsequent to measurement | 41 | - | - |
| | <hr/> | <hr/> | <hr/> |
| | \$ 139 | \$ - | |

\$42 thousand and \$41 thousand, respectively, reported as deferred outflows of resources related to pensions results from contributions made by the Airport prior to fiscal year end, but subsequent to the measurement date of December 31, 2023 and 2022.

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

| Year ended December 31, | Net Deferred Outflows (Inflows) of Resources |
|--------------------------------|---|
| 2024 | \$ 34 |
| 2025 | 30 |
| 2026 | 72 |
| 2027 | (14) |
| 2028 | 2 |
| Thereafter | 10 |

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

For the years ended June 30, 2024 and 2023, the Airport recognized pension expense of \$2.0 million and \$1.6 million.

At June 30, 2024 and 2023, the Airport reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| (Amounts in thousands) | June 30, 2024 | | |
|---|-----------------------------------|----------------------------------|-------|
| | Deferred Outflows of Resources | Deferred Inflows of Resources | |
| Differences between expected and actual | \$ 491 | \$ 25 | |
| Changes in assumptions | 877 | 1 | |
| Net difference between projected and actual earnings on pension plan investment | 173 | - | |
| Changes in proportion and differences between contributions and proportionate share of contributions | 195 | 33 | |
| Contributions subsequent to measurement | 1,842 | | |
| | <hr/> | <hr/> | <hr/> |
| | \$ 3,578 | \$ 59 | |

| (Amounts in thousands) | June 30, 2023 | | |
|---|-----------------------------------|----------------------------------|-------|
| | Deferred Outflows of Resources | Deferred Inflows of Resources | |
| Differences between expected and actual | \$ 281 | \$ 33 | |
| Changes in assumptions | 270 | 2 | |
| Net difference between projected and actual earnings on pension plan investment | 336 | - | |
| Changes in proportion and differences between contributions and proportionate share of contributions | 149 | 36 | |
| Contributions subsequent to measurement | 1,623 | - | |
| | <hr/> | <hr/> | <hr/> |
| | \$ 2,659 | \$ 71 | |

\$1.8 million and \$1.6 million, respectively, reported as deferred outflows of resources related to pensions results from contributions made by the Airport prior to fiscal year end, but subsequent to the measurement date of December 31, 2023 and 2022.

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

| Year ended December 31, | Net Deferred Outflows (Inflows) of Resources |
|--------------------------------|---|
| 2024 | \$ 423 |
| 2025 | 375 |
| 2026 | 902 |
| 2027 | (171) |
| 2028 | 23 |
| Thereafter | 125 |

Actuarial Assumptions

The total pension liability in the December 31, 2023, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

| | |
|---------------------------|---|
| Inflation | 2.50 percent |
| Salary increases | 3.5 – 9.5 percent, average, including inflation |
| Investment rate of return | 6.85 percent, net of pension plan investment expenses, including inflation. |

Mortality rates were adopted from an actuarial experience study dated January 1, 2023. The retired mortality tables are developed using URS retiree experience and are based upon gender, occupation, and age as appropriate with projected improvement using 80% of the ultimate rates from the MP-2020 improvement assumption using a base year of 2020. The mortality assumption for active members is the PUB-2010 Employees Mortality Table for public employees, teachers, and public safety members, respectively.

The actuarial assumptions used in the January 1, 2023, valuation were based on the results of an actuarial experience study for the period ending December 31, 2022.

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

| Asset class | Expected Return Arithmetic Basis | | |
|---------------------------|------------------------------------|------------------------------|--|
| | Target Asset Allocation | Real Return Arithmetic Basis | Long-Term Expected Portfolio Real Rate of Return |
| Equity securities | 35.00% | 6.87% | 2.40% |
| Debt securities | 20.00% | 1.54% | 0.31% |
| Real assets | 18.00% | 5.43% | 0.98% |
| Private equity | 12.00% | 9.80% | 1.18% |
| Absolute return | 15.00% | 3.86% | 0.58% |
| Cash and cash equivalents | 0.00% | 0.24% | 0.00% |
| Totals | 100% | | 5.45% |
| | Inflation | | 2.50% |
| | Expected Arithmetic Nominal Return | | 7.95% |

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

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

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

| System | 1% Decrease (5.85%) | | Discount Rate (6.85%) | 1% Increase (7.85%) | |
|---|------------------------|-------------------|--------------------------|------------------------|-------------------|
| | Total Assets | Total Liabilities | | Total Assets | Total Liabilities |
| Noncontributory System | \$ 19,573 | \$ 3,771 | \$ (9,461) | | |
| Contributory System | \$ 1,790 | \$ 296 | \$ (976) | | |
| Public Safety System | - | \$ - | \$ - | | |
| Firefighters System | - | \$ - | \$ - | | |
| Tier 2 Public Employees System | \$ 5,264 | \$ 1,532 | \$ (1,362) | | |
| Tier 2 Public Safety and Firefighter System | - | \$ - | \$ - | | |
| Total | \$ 26,627 | \$ 5,599 | \$ (11,799) | | |

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

Defined Contribution Savings Plans

The Defined Contribution Savings Plans are administered by the Utah Retirement Systems Board and are generally supplemental plans to the basic retirement benefits of the Retirement Systems, but may also be

used as a primary retirement plan. These plans are voluntary tax-advantaged retirement savings programs authorized under sections 401(k), 457(b), and 408 of the Internal Revenue code. Detailed information regarding plan provisions is available in the separately issued URS financial report.

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

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

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

| | 2024 | 2023 | 2022 |
|-----------------------------|-------------|-------------|-------------|
| 401(k) Plan | | | |
| Employer Contributions | \$ 624 | \$ 481 | \$ 421 |
| Employee Contributions | \$ 713 | \$ 883 | \$ 548 |
| 457 Plan | | | |
| Employer Contributions | - | - | - |
| Employee Contributions | 452 | 421 | 333 |
| Roth IRA Plan | | | |
| Employer Contributions | N/A | N/A | N/A |
| Employee Contributions | 84 | 220 | 192 |
| Traditional IRA Plan | | | |
| Employer Contributions | N/A | N/A | N/A |
| Employee Contributions | \$ 3 | \$ 6 | \$ 3 |

NOTE 7 – LONG-TERM DEBT

Changes in long-term debt for the year ended June 30, 2024, were as follows (amounts in thousands):

| | 2024 | | | | Amounts due within one year |
|------------------------------|---------------------|-------------------|--------------------|----------------------|--------------------------------|
| | <u>July 1, 2023</u> | <u>Additions</u> | <u>Retirements</u> | <u>June 30, 2024</u> | |
| Long-term debt | | | | | |
| Series 2017A and 2017B bonds | \$ 978,515 | \$ - | \$ - | \$ 978,515 | \$ 8,020 |
| Series 2018A and 2018B bonds | 850,550 | - | 24,000 | \$ 826,550 | 8,000 |
| Series 2021A and 2021B bonds | 902,995 | - | 1,815 | \$ 901,180 | 9,045 |
| Series 2023 bonds | - | 600,000 | - | \$ 600,000 | - |
| Unamortized net premiums | 383,527 | 56,221 | 18,995 | \$ 420,753 | - |
| Total long-term debt | \$ 3,115,587 | \$ 656,221 | \$ 44,810 | \$ 3,726,998 | \$ 25,065 |
| Less current portion | | | | (25,065) | |
| Noncurrent portion | | | | \$ 3,701,933 | |

Changes in long-term debt for the year ended June 30, 2023 were as follows (amounts in thousands):

| | 2023 | | | | Amounts due within one year |
|------------------------------|---------------------|-------------|------------------|---------------------|--------------------------------|
| | July 1, 2022 | Additions | Retirements | June 30, 2023 | |
| Long-term debt | | | | | |
| Series 2017A and 2017B bonds | \$ 998,860 | \$ - | \$ 20,345 | \$ 978,515 | \$ - |
| Series 2018A and 2018B bonds | 850,550 | - | - | 850,550 | 24,000 |
| Series 2021A and 2021B bonds | 904,570 | - | 1,575 | 902,995 | 1,815 |
| Unamortized net premiums | 401,814 | - | 18,287 | 383,527 | - |
| Total long-term debt | <u>\$ 3,155,794</u> | <u>\$ -</u> | <u>\$ 40,207</u> | <u>3,115,587</u> | <u>\$ 25,815</u> |
| Less current portion | | | | <u>(25,815)</u> | |
| Noncurrent portion | | | | <u>\$ 3,089,772</u> | |

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

On March 1, 2021, the Airport entered into a short-term revolving credit facility in which the Airport can access up to \$300 million (line of credit) secured by one or more notes; which notes constitute subordinate obligations under the Subordinate Obligation Trust Indenture. The line of credit was terminated in September 2023.

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

| Long-term Debt | Maturity | Interest Rate | Amount Outstanding | |
|-------------------------------|----------------------------|---------------|---------------------|---------------------|
| | | | 2024 | 2023 |
| General Airport Revenue Bonds | | | | |
| Series 2017A | Annually July 1, 2023-2047 | 5% | \$ 808,925 | \$ 808,925 |
| Series 2017B | Annually July 1, 2023-2047 | 5% | 169,590 | 169,590 |
| Series 2018A | Annually July 1, 2023-2048 | 5%-5.25% | 729,855 | 753,855 |
| Series 2018B | Annually July 1, 2023-2048 | 5% | 96,695 | 96,695 |
| Series 2021A | Annually July 1, 2023-2051 | 4%-5% | 773,900 | 775,520 |
| Series 2021B | Annually July 1, 2023-2051 | 4%-5% | 127,280 | 127,475 |
| Series 2023 | Annually July 1, 2025-2053 | 5%-5.25% | 600,000 | - |
| Total revenue bonds | | | 3,306,245 | 2,732,060 |
| Net unamortized premiums | | | 420,753 | 383,527 |
| Less current portion | | | <u>(25,065)</u> | <u>(25,815)</u> |
| Total long-term debt | | | <u>\$ 3,701,933</u> | <u>\$ 3,089,772</u> |

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

Bond debt service requirements of the Airport for bonds payable to maturity as of June 30, 2024, are as follows (amounts in thousands):

| Year: | General airport revenue bonds | |
|--------------|--------------------------------------|---------------------|
| | Principal | Interest |
| 2025 | 25,065 | 163,750 |
| 2026 | 53,670 | 161,781 |
| 2027 | 61,170 | 158,910 |
| 2028 | 71,670 | 155,589 |
| 2029 | 77,870 | 151,851 |
| 2030-2034 | 451,525 | 695,664 |
| 2035-2039 | 575,760 | 568,315 |
| 2040-2044 | 740,725 | 408,742 |
| 2045-2049 | 894,010 | 197,762 |
| 2050-2054 | 354,780 | 37,203 |
| Total | \$ 3,306,245 | \$ 2,699,567 |

On August 2, 2023, the Airport issued \$600,000,000 of Series 2023A (AMT) bonds. The proceeds of the bonds are being used to finance portions of the TRP and NCP. As of June 30, 2024, unspent Series 2023 bond proceeds was approximately \$119.1 million.

As of June 30, 2024, all the Series 2017, 2018, and 2021 bond proceeds have been spent.

NOTE 8 – OPERATING REVENUES

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

| | 2024 | | 2023 | |
|--------------------------------------|-------------------|-------------------------|-------------------|-------------------------|
| | Amount | Percent of Total | Amount | Percent of Total |
| Airline revenues | \$ 169,529 | 51.9% | \$ 148,356 | 52.4% |
| Less: Airline revenue sharing | (15,297) | -4.7% | (13,844) | -4.9% |
| Concession and other rental revenues | 169,537 | 51.9% | 145,807 | 51.5% |
| State aviation fuel tax | 2,889 | 0.9% | 3,008 | 1.1% |
| Total operating revenues | \$ 326,658 | 100.0% | \$ 283,327 | 100.0% |

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

| | 2024 | 2023 |
|--------------------------------|----------------|----------------|
| Terminal space rentals | \$ 82,650 | \$ 72,642 |
| Landing fees | 75,114 | 67,341 |
| Aircraft remain overnight fees | 336 | 423 |
| Support buildings | 6,753 | 4,435 |
| Fuel farm | 2,731 | 1,811 |
| Passenger boarding bridge fees | 1,945 | 1,704 |
| Total | \$ 169,529 | \$ 148,356 |

Charges from terminal space rentals and landing fees for most airlines are determined by the Airport Use Agreements that permit the Airport to recover the airlines' share of the operating costs of the terminal and airfield as defined in the agreement. Under the agreement, terminal rent calculations are on a compensatory basis, recovering costs allocated to the occupied facilities. Landing fee calculations are residual based, recovering net cost after the credits of non-airline revenue. Revenue sharing is available to signatory airlines under this new agreement. The Airport provides revenue sharing of one dollar (\$1) per enplaned passenger, not to exceed 30% of net remaining operating revenue.

NOTE 9 – LEASES

Lessor Agreements

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

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

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

GASB No. 87 - Included Leases

In accordance with GASB No. 87, the Airport recognizes a lease receivable and a deferred inflow of resources for leases the Airport categorizes as GASB No. 87 - Included. The Airport has grouped these leases into three categories: Concession Leases, Rental Car Leases, and Other Property Leases. Concession leases are leases for retail and food and beverage tenants at the Airport. Rental Car Leases are rental car agencies located at the Airport. Other Property Leases contain various leases for property and space located around the Airport. For the year ended June 30, 2024, the Airport reported lease revenue of \$43.1 million and interest revenue of \$5.1 million related to lease payments received. For the year ended June 30, 2023, the Airport reported lease revenue of \$40.6 million and interest revenue of \$5.1 million related to lease payments received.

GASB No. 87 - Included Leases for the year ended June 30, 2024, are summarized as follows (amounts in thousands):

| | Beginning | | | | | | | | Ending | |
|-----------------------|---------------------|-------------------------|---------------------|-------------------------|-------------------------|---------------------|--|--|---------------------|--|
| | Lease Receivable | Receivable Additions | Implied Interest | Receivable Deduction | Annual Lease Revenue | Lease Receivable | | | Lease Receivable | |
| Concession Leases | \$ 81,965 | \$ 1,586 | \$ 1,982 | \$ 10,507 | \$ 12,490 | \$ 73,044 | | | | |
| Rental Car Leases | 79,444 | - | 1,681 | 28,624 | 30,305 | 50,820 | | | | |
| Other Property Leases | 42,844 | 473 | 1,418 | 3,920 | 5,338 | 39,397 | | | | |
| | \$ 204,253 | \$ 2,059 | \$ 5,081 | \$ 43,051 | \$ 48,133 | \$ 163,261 | | | | |

As of June 30, 2024, the lease receivable is \$45.2 million and \$118.1 million for current and non-current assets, respectively.

Leases for the year ended June 30, 2023, are summarized as follows (amounts in thousands):

| | Beginning | | | | | | | | Ending | |
|-----------------------|---------------------|-------------------------|---------------------|-------------------------|-------------------------|---------------------|--|--|---------------------|--|
| | Lease Receivable | Receivable Additions | Implied Interest | Receivable Deduction | Annual Lease Revenue | Lease Receivable | | | Lease Receivable | |
| Concession Leases | \$ 92,109 | \$ - | \$ 2,213 | \$ 10,145 | \$ 12,358 | \$ 81,965 | | | | |
| Rental Car Leases | 106,699 | - | 2,387 | 27,255 | 29,642 | 79,444 | | | | |
| Other Property Leases | 15,843 | 30,183 | 493 | 3,183 | 3,675 | 42,844 | | | | |
| | \$ 214,652 | \$ 30,183 | \$ 5,093 | \$ 40,582 | \$ 45,675 | \$ 204,253 | | | | |

As of June 30, 2023, the lease receivable is \$41.6 million and \$162.6 million for current and non-current assets, respectively.

Concession Leases

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

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

During FY 2024, the Airport finished Phase II, which opened 22 additional gates on Concourse A. This new space added 7 retail locations and 12 food and beverage locations. The new retail contracts expire on October 31, 2031, and the food and beverage contracts expire on October 31, 2033. For the new contracts,

a MAG was not established at the beginning of the lease, but will be determined after approximately 2 years, so no lease receivable was recorded at the inception of the lease. The new contracts do contain a portion for support space and this resulted in an addition to the lease receivable of \$1.6 million in FY 2024.

For the year ended June 30, 2024, the lease receivable was reduced, and interest recognized of \$10.5 million and \$2.0 million, respectively. For the year ended June 30, 2023, the lease receivable was reduced, and interest recognized of \$10.1 million and \$2.2 million, respectively. The deferred inflow was also reduced by \$10.5 million and \$10.1 million in FY 2024 and FY 2023. The lease receivable for each contract was discounted to the net present value using the 30-year bond buyer index rate on the date of lease commencement or implementation date of the standard. The Airport uses the 30-year bond buyer index rate in its Airline Use Agreement to record the return on investment on the unamortized portion of capitalized assets received from the signatory airlines. This applies to all assets with any useful life. The Airport considered this rate to be the most appropriate for leases of Airport property to match the return received from the airlines.

For the year ended June 30, 2024 and 2023, the Airport received \$18.0 million and \$15.1 million of revenue from the variable component on top of the lease payments.

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

| | Principal | Interest |
|-----------|-----------|----------|
| 2025 | \$ 10,941 | \$ 1,748 |
| 2026 | 10,864 | 1,468 |
| 2027 | 11,036 | 1,189 |
| 2028 | 11,281 | 903 |
| 2029 | 11,583 | 611 |
| 2030-2034 | 15,689 | 730 |
| 2035-2038 | 1,649 | 77 |

Rental Car Leases

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

For the year ended June 30, 2024, the lease receivable was reduced, and interest recognized of \$28.6 million and \$1.7 million, respectively. For the year ended June 30, 2023, the lease receivable was reduced, and interest recognized of \$27.2 million and \$2.4 million, respectively. The deferred inflow was also reduced by \$28.6 million and \$27.2 million in FY 2024 and FY 2023. The lease receivable was discounted to the net present value using the 30-year bond buyer index rate on July 1, 2021 (implementation date) of 2.53%.

For the year ended June 30, 2024 and 2023, the Airport received \$8.2 million and \$6.8 million of revenue from the variable component on top of the lease payments.

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

| | Principal | Interest |
|------|-----------|----------|
| 2025 | \$ 30,048 | \$ 941 |
| 2026 | 20,772 | 198 |

Other Property Leases

At implementation, the Airport had entered into several agreements to lease space inside the airport or property on airport grounds. These agreements include ground transportation booths, rooms for communication equipment, the weather service building, space to operate the hardstand consortium, land for the post office, land for the Delta MRT Center, land for the Delta Flight Operations Training Center and land for Boeing. The termination dates for these contracts range from May 2023 to May 2055, including all options expected to be exercised. The lease receivable is calculated using the contractual amounts for the space rental.

In FY 2024, the Airport entered into two new lease agreements adding \$473 thousand to the lease receivable. These new agreements expire between April 2026 and November 2044.

For the year ended June 30, 2024, the lease receivable was reduced, and interest recognized of \$3.9 million and \$1.4 million, respectively. For the year ended June 30, 2023, the lease receivable was reduced, and interest recognized of \$3.2 million and \$493 thousand, respectively. The deferred inflow was also reduced by \$3.9 million and \$3.2 million in FY 2024 and FY 2023. The lease receivable for each contract was discounted to the net present value using the 30-year bond buyer index rate on the date of lease commencement or implementation date of the standard.

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

| | Principal | Interest |
|-----------|-----------|----------|
| 2025 | \$ 4,214 | \$ 1,312 |
| 2026 | 2,704 | 1,203 |
| 2027 | 2,217 | 1,124 |
| 2028 | 2,367 | 1,045 |
| 2029 | 2,518 | 960 |
| 2030-2034 | 12,603 | 3,349 |
| 2035-2039 | 2,362 | 2,174 |
| 2040-2044 | 2,414 | 1,771 |
| 2045-2049 | 2,873 | 1,272 |
| 2050-2054 | 4,186 | 608 |
| 2055 | 939 | 18 |

GASB No. 87 Excluded Leases – Regulated

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

Airline Use Agreement Signatory Airlines

The rights, services and privileges, including the lease of preferentially-assigned gates, an airline has in connection with the use of the airport and its facilities is addressed in the Airline Use Agreement (AUA). By definition, the AUA is considered a regulated lease and does not recognize a receivable and corresponded deferred inflow of resources. The Airport and certain airlines entered into the original ten year AUA that became effective July 1, 2014 and expires on June 30, 2024. Please see Management's Discussion and Analysis for more information on the updated Airport Use Agreement.

The Airport has entered into an AUA with eight (8) passenger airlines and recognized terminal, cargo ramp, federal inspection services (FIS) facilities, and passenger boarding bridge lease revenue of \$82.6 million, \$271 thousand, \$3.1 million, and \$1.9 million, respectively, for the year ended June 30, 2024.

Revenue for the same areas for the year ended June 30, 2023, was \$72.6 million, \$260 thousand, \$2.7 million, and \$1.7 million, respectively.

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

Cargo Facilities

The Airport has entered into month-to-month agreements with 7 companies for space in cargo facilities located at the airport. Revenue for FY 2024 and FY 2023 from these companies was \$1.1 million and \$1.0 million, respectively.

The Airport has entered into agreements with 8 additional companies for space in cargo facilities. The termination dates range from February 28, 2023 to November 8, 2045. Only one contract has options to extend. They are on the second of 4 one-year extensions, all of which are anticipated to be used. Revenue for FY 2024 and FY 2023 from these companies was \$903 thousand and \$883 thousand, respectively.

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

| | |
|-----------|--------|
| 2025 | \$ 509 |
| 2026 | 487 |
| 2027 | 487 |
| 2028 | 487 |
| 2029 | 316 |
| 2030-2034 | 1,070 |
| 2035-2039 | 1,070 |
| 2040-2044 | 1,070 |
| 2045-2046 | 114 |

Corporate Hangars

The Airport has entered into several agreements with companies for corporate hangars and the associated ground rent. Termination dates for these contracts range from April 2023 to September 2048. There are no extension options for corporate hangars. Revenue for FY 2024 and FY 2023 from corporate hangars was \$904 thousand and \$808 thousand, respectively.

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

| | | |
|-----------|----|-------|
| 2025 | \$ | 473 |
| 2026 | | 455 |
| 2027 | | 339 |
| 2028 | | 256 |
| 2029 | | 228 |
| 2030-2034 | | 1,025 |
| 2035-2039 | | 1,084 |
| 2040-2044 | | 873 |
| 2045-2049 | | 407 |

Flight School and Skydiving

The Airport has entered into one agreement for skydiving and five agreements with flight schools and training. Termination dates for these contracts range from March 2023 to April 2025. Any options in the contracts are expected to be used. Revenue for FY 2024 and FY 2023 from flight schools and skydiving was \$133 thousand and \$132 thousand, respectively.

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

| | | |
|------|----|----|
| 2025 | \$ | 39 |
|------|----|----|

Fixed Based Operator

The Airport has entered into agreements with two fixed based operators to manage general aviation. Termination dates for these contracts are June 2025 and September 2042. There are no extension options for fixed based operators. Revenue for FY 2024 and FY 2023 from fixed based operators was \$1.7 million and \$1.6 million, respectively.

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

| | | |
|-----------|----|-------|
| 2025 | \$ | 990 |
| 2026 | | 892 |
| 2027 | | 892 |
| 2028 | | 955 |
| 2029 | | 1,044 |
| 2030-2034 | | 4,874 |
| 2035-2039 | | 2,442 |
| 2040-2043 | | 1,135 |

FAA Space Rental

The Airport has entered into an agreement with the FAA for space for equipment. The lease expires on September 30, 2028, and there are no options to extend. Revenue for FY 2024 and FY 2023 from this lease was \$9 thousand.

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

| | | |
|------|----|---|
| 2025 | \$ | 9 |
| 2026 | | 9 |
| 2027 | | 9 |
| 2028 | | 9 |
| 2029 | | 2 |

Fuel System

The Airport has entered into an agreement with a company to lease and operate the fuel system. The lease expires on December 31, 2040, with an option to extend 5 years. The option is expected to be exercised. Revenue for FY 2024 and FY 2023 from the fuel system lease was \$3.7 million and \$2.3 million, respectively.

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

| | |
|-----------|----------|
| 2025 | \$ 3,611 |
| 2026 | 3,620 |
| 2027 | 3,630 |
| 2028 | 3,639 |
| 2029 | 3,649 |
| 2030-2034 | 18,406 |
| 2035-2039 | 18,703 |
| 2040-2041 | 5,674 |

National Guard

The Airport has entered into agreements with the Utah Air National Guard at Salt Lake City International Airport and the Utah National Guard at South Valley Regional Airport. Termination dates for these contracts are December 31, 2028 and December 31, 2045, respectively. There are no extension options. Revenue for FY 2024 and FY 2023 from these contracts was \$157 thousand.

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

| | |
|-----------|--------|
| 2025 | \$ 157 |
| 2026 | 157 |
| 2027 | 157 |
| 2028 | 157 |
| 2029 | 122 |
| 2030-2034 | 431 |
| 2035-2039 | 431 |
| 2040-2044 | 431 |
| 2045-2049 | 129 |

Delta and Skywest Maintenance Hangars

The Airport has entered into agreements with Delta and Skywest for their maintenance hangars and associated ground rent. Delta's agreement expired on May 31, 2023, and a new 10-year agreement was entered into on June 1, 2023, expiring on May 31, 2033, with no option to extend. Skywest's agreement expires on November 18, 2027, with an option to extend 10 years. As of October 16, 2024, it is unknown if Skywest will exercise the option. Revenue for FY 2024 and FY 2023 from the maintenance hangars was \$4.6 million and \$3.1 million, respectively.

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

| | |
|-----------|----------|
| 2025 | \$ 4,058 |
| 2026 | 4,101 |
| 2027 | 4,144 |
| 2028 | 3,814 |
| 2029 | 2,771 |
| 2030-2033 | 8,267 |

GASB No. 87 Excluded Leases – Short-term

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

On various dates, the Airport entered into month-to-month agreements with several offsite rental car agencies. Revenue of \$3.7 million and \$2.8 million was recorded in the year ended June 30, 2024 and 2023, respectively.

On various dates, the Airport entered into several month-to-month agreements for Airport property and land. Revenue of \$4.0 million and \$2.8 million was recorded in the year ended June 30, 2024 and 2023, respectively.

Lessee Agreements

The Airport leases a building near the airport for ground transportation operations and inspections. The lease began on December 1, 2007 and expired December 31, 2022. An amendment to extend the agreement was signed in August 2022 for an additional 5 years, expiring on December 31, 2027. During FY 2024, the Airport paid principal on the lease and reduced the lease liability by \$88 thousand, recorded implied interest expense of \$17 thousand, and recorded depreciation expense of \$101 thousand. During FY 2023, the Airport paid principal on the lease and reduced the lease liability by \$98 thousand, recorded implied interest expense of \$10 thousand, and recorded depreciation expense of \$105 thousand.

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

| | Principal | Interest |
|------|-----------|----------|
| 2025 | \$ 96 | \$ 13 |
| 2026 | 105 | 9 |
| 2027 | 114 | 5 |
| 2028 | 60 | 1 |

NOTE 10 – DEFERRED INFLOWS OF RESOURCES - LEASES

In accordance with GASB No. 87, the Airport recognizes a lease receivable and a deferred inflow of resources for leases the Airport categorizes as GASB No. 87 - Included. For these leases, the Airport is reporting deferred inflows of \$163.3 million as of June 30, 2024 and \$204.3 million as of June 30, 2023, and reported deferred lease revenue of \$43.1 million and \$40.6 million, respectively.

Deferred inflows for leases for the year ended June 30, 2024, are summarized below:

| | Beginning Deferred Inflows | Additional Deferred Inflows | Deferred Revenue Recognized | Ending Deferred Inflows |
|-----------------------|----------------------------------|-----------------------------------|-----------------------------------|-------------------------------|
| Concession Leases | \$ 81,965 | \$ 1,586 | \$ (10,507) | \$ 73,044 |
| Rental Car Leases | 79,444 | - | (28,624) | 50,820 |
| Other Property Leases | 42,844 | 473 | (3,920) | 39,397 |
| | <u>\$ 204,253</u> | <u>\$ 2,059</u> | <u>\$ (43,051)</u> | <u>\$ 163,261</u> |

Deferred inflows for leases for the year ended June 30, 2023, are summarized below:

| | Beginning Deferred Inflows | Additional Deferred Inflows | Deferred Revenue Recognized | Ending Deferred Inflows |
|-----------------------|----------------------------------|-----------------------------------|-----------------------------------|-------------------------------|
| Concession Leases | \$ 92,109 | \$ - | \$ (10,145) | \$ 81,965 |
| Rental Car Leases | 106,699 | - | (27,255) | 79,444 |
| Other Property Leases | 15,843 | 30,183 | (3,183) | 42,844 |
| | <u>\$ 214,652</u> | <u>\$ 30,183</u> | <u>\$ (40,582)</u> | <u>\$ 204,253</u> |

NOTE 11 – SUBSCRIPTION ASSET

During FY 2023, the Airport implemented GASB Statement No. 96 – *Subscription-Based IT Arrangements*. The Airport recognizes a right-to-use asset (subscription asset) at the commencement of the subscription term, with certain exceptions for short-term contracts. The subscription asset is measured as the sum of the following: (a) the amount of the initial measurement of the subscription liability, (b) payment associated with the contract made to the vendor at the commencement of the subscription term, and (c) capitalizable initial implementation costs.

The Airport recognized seven contracts as subscription-based IT arrangements (SBITAs). They include contracts for map solutions in the SLCDA app and website, passenger boarding bridge maintenance systems, a DBE database, an enterprise asset management system, flight data for Airport Operations, and flight information for public viewing. All contracts but one have options to extend, and all are intended to be used. Expiration dates (including anticipated options to extend) range from December 2024 to June 2030. Rates change based on terms in each contract and rate changes are considered in the calculation of the subscription liability. There are no variable components related to any of the contracts. On July 1, 2022 (implementation date), the Airport recognized a subscription asset of \$3.5 million.

For the year ended June 30, 2024, the Airport added \$110 thousand to the subscription asset and recognized amortization expense of \$1.2 million. On June 30, 2024, the subscription asset was \$3.8 million. For the year ended June 30, 2023, the Airport added \$219 thousand to the subscription asset and recognized amortization expense of \$1.1 million. On June 30, 2023, the subscription asset was \$3.7 million.

The subscription asset for the year ended June 30, 2024, is summarized as follows (amounts in thousands):

| | Beginning Subscription Asset | Additions | Deletions | Ending Subscription Asset |
|--------------------------|------------------------------------|-------------------|-------------|---------------------------------|
| Subscription Asset | \$ 3,697 | \$ 110 | \$ - | \$ 3,807 |
| Accumulated Amortization | 1,068 | 1,187 | - | 2,255 |
| Net Subscription Asset | <u>\$ 2,629</u> | <u>\$ (1,077)</u> | <u>\$ -</u> | <u>\$ 1,552</u> |

The subscription asset for the year ended June 30, 2023, is summarized as follows (amounts in thousands):

| | Beginning Subscription Asset | Additions | Deletions | Ending Subscription Asset |
|--------------------------|------------------------------------|-----------------|-------------|---------------------------------|
| Subscription Asset | \$ 3,478 | \$ 219 | \$ - | \$ 3,697 |
| Accumulated Amortization | - | 1,068 | - | 1,068 |
| Net Subscription Asset | <u>\$ 3,478</u> | <u>\$ (849)</u> | <u>\$ -</u> | <u>\$ 2,629</u> |

NOTE 12 – SUBSCRIPTION LIABILITY

In accordance with GASB No. 96, the Airport recognizes a subscription liability at the commencement of the subscription term. The subscription liability is measured at the present value of subscription payments expected to be made during the subscription term.

All contracts with a recognized subscription asset also have a corresponding subscription liability and the same contract terms apply. On July 1, 2022 (implementation date), the Airport recognized a subscription liability of \$2.0 million.

For the year ended June 30, 2024, the subscription liability was reduced, and interest expense recognized of \$610 thousand and \$49 thousand, respectively. For the year ended June 30, 2023, the subscription liability was reduced, and interest expense recognized of \$566 thousand and \$66 thousand, respectively. The subscription liability was discounted to the net present value using the 30-year bond buyer index rate on the date of lease commencement or implementation date of the standard. The Airport uses the 30-year bond buyer index rate in its Airline Use Agreement to record the return on investment on the unamortized portion of capitalized assets received from the signatory airlines. This applies to all assets with any useful life. The Airport considered this rate to be the most appropriate for subscription-based contracts. The other rate available to the Airport is our borrowing rate on bond issuances. Using that rate would yield an immaterial difference from the bond buyer index rate.

The subscription liability for the year ended June 30, 2024, is summarized as follows (amounts in thousands):

| Beginning Subscription Liability | Additions | Implied Interest Expense | Liability Deduction | Annual Subscription Payment | Ending Subscription Liability |
|--|-----------|--------------------------------|------------------------|-----------------------------------|-------------------------------------|
| Subscription Liability | \$ 1,453 | \$ 109 | \$ 49 | \$ 611 | \$ 952 |

The subscription liability for the year ended June 30, 2023, is summarized as follows (amounts in thousands):

| Beginning Subscription Liability | Additions | Implied Interest Expense | Liability Deduction | Annual Subscription Payment | Ending Subscription Liability |
|--|-----------|--------------------------------|------------------------|-----------------------------------|-------------------------------------|
| Subscription Liability | \$ 2,018 | \$ - | \$ 66 | \$ 565 | \$ 1,453 |

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

| | Principal | Interest |
|------|-----------|----------|
| 2025 | \$ 544 | \$ 26 |
| 2026 | 143 | 12 |
| 2027 | 85 | 9 |
| 2028 | 59 | 6 |
| 2029 | 59 | 4 |
| 2030 | 62 | 1 |

NOTE 13 – LONG-TERM LIABILITY ACTIVITY

Long-term liability activity for the year ended June 30, 2024, was as follows (amounts in thousands):

| | Beginning Balance | Additions | Reductions | Ending Balance | Due Within One Year |
|------------------------------------|----------------------|------------------|--------------------|-------------------|------------------------|
| Accrued compensation | \$ 7,463 | \$ 6,463 | \$ (8,032) | \$ 5,894 | \$ 1,184 |
| Net pension liability | 4,248 | 1,351 | - | 5,599 | - |
| Other long-term liabilities | 29,571 | 18,346 | (11,454) | 36,463 | 11,977 |
| Total long-term liabilities | \$ 41,282 | \$ 26,160 | \$ (19,486) | \$ 47,956 | \$ 13,161 |

Long-term liability activity for the year ended June 30, 2023, was as follows (amounts in thousands):

| | Beginning Balance | Additions | Reductions | Ending Balance | Due Within One Year |
|------------------------------------|----------------------|------------------|-------------------|-------------------|------------------------|
| Accrued compensation | \$ 6,403 | \$ 6,966 | \$ (5,906) | \$ 7,463 | \$ 2,384 |
| Net pension liability | - | 4,248 | - | 4,248 | - |
| Other long-term liabilities | 20,809 | 11,470 | (2,708) | 29,571 | 15,007 |
| Total long-term liabilities | \$ 27,212 | \$ 22,684 | \$ (8,614) | \$ 41,282 | \$ 17,391 |

Other long-term liabilities consist of \$120 thousand in FY 2024 and \$120 thousand in FY 2023 for pollution remediation, \$36.2 million in FY 2024 and \$29.3 million in FY 2023 for contract retainage on the Airport's construction contracts for The New SLC, and \$149 thousand in FY 2024 and \$152 thousand in FY 2023 for advance deposits on aircraft hangars. The current portion is the amount due within one year and is estimated by the Airport based on historical collections.

NOTE 14 – INTER-GOVERNMENTAL CHARGES

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

| | 2024 | 2023 |
|--|------------------|------------------|
| General and administrative charges | \$ 7,674 | \$ 6,433 |
| Aircraft rescue and fire fighting services | 7,099 | 7,166 |
| Police services | 11,950 | 10,636 |
| Total | \$ 26,723 | \$ 24,235 |

NOTE 15 – MAJOR CUSTOMER

The Airport received approximately \$86.1 million (26.3%) of its operating revenue during 2024 and \$71.1 million (25.1%) during 2023 from rentals and services provided to one airline.

NOTE 16 – SUBSEQUENT EVENTS

In September 2024, the Airport entered into a short-term revolving credit facility in which the Airport can access up to \$300 million (line of credit) secured by one or more notes, which notes constitute subordinate obligations under the Subordinate Obligation Trust Indenture.

REQUIRED SUPPLEMENTAL INFORMATION



SALT LAKE CITY DEPARTMENT OF AIRPORTS
Schedule of Required Supplementary Information
Schedule of the Proportionate Share of the Net Pension Liability
Utah Retirement Systems
December 31, 2023
Last 10 Fiscal Years *
(Amounts in Thousands)

| Noncontributory System | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Proportion of the net pension liability (asset) | 1.63% | 1.80% | 1.81% | 2.00% | 2.15% | 2.54% | 2.55% | 2.65% | 2.58% | 2.53% |
| Proportionate share of the net pension liability (asset) | \$ 3,771 | \$ 3,088 | \$ (10,386) | \$ 1,028 | \$ 8,097 | \$ 16,534 | \$ 11,188 | \$ 17,029 | \$ 14,586 | \$ 10,985 |
| Covered payroll | 13,458 | 15,093 | 14,863 | 16,395 | 17,436 | 18,072 | 20,761 | 22,028 | 21,247 | 21,137 |
| Proportionate share of the net pension liability (asset) as a percentage of its covered payroll | 28.0% | 20.5% | -69.9% | 6.3% | 46.4% | 91.5% | 53.9% | 77.3% | 68.6% | 52.0% |
| Plan fiduciary net position as a percentage of its covered payroll | 87.0% | 97.5% | 108.7% | 99.2% | 93.7% | 87.0% | 91.9% | 87.3% | 90.2% | 90.2% |
| Contributory Retirement System | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
| Proportion of the net pension liability (asset) | 3.58% | 3.19% | 2.82% | 2.46% | 2.20% | 2.73% | 3.15% | 3.39% | 2.1% | 2.62% |
| Proportionate share of the net pension liability (asset) | \$ 296 | \$ 328 | \$ (2,041) | \$ - | \$ 144 | \$ 857 | \$ 256 | \$ 1,113 | \$ 1,478 | \$ 757 |
| Covered payroll | 733 | 669 | 610 | - | 453 | 395 | 639 | 814 | 896 | 1,405 |
| Proportionate share of the net pension liability (asset) as a percentage of its covered payroll | 40.4% | 49.1% | -334.6% | 0.0% | 31.8% | 216.8% | 40.1% | 136.7% | 165.0% | 53.9% |
| Plan fiduciary net position as a percentage of its covered payroll | 91.2% | 97.7% | 115.9% | 103.9% | 98.6% | 91.2% | 98.2% | 92.9% | 94.0% | 94.0% |
| Public Safety System | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
| Proportion of the net pension liability (asset) | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 10.38% | 10.38% | 10.04% | 11.05% | 11.65% |
| Proportionate share of the net pension liability (asset) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 8,946 | \$ 9,205 | \$ 9,402 | \$ 8,490 | |
| Covered payroll | - | - | - | - | - | - | 3,113 | 3,121 | 3,158 | 3,292 |
| Proportionate share of the net pension liability (asset) as a percentage of its covered payroll | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 287.3% | 294.9% | 297.8% | 257.9% |
| Plan fiduciary net position as a percentage of its covered payroll | 73.7% | 86.2% | 95.5% | 85.9% | 80.4% | 73.7% | 77.3% | 74.0% | 76.7% | 76.7% |

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

SALT LAKE CITY DEPARTMENT OF AIRPORTS
Schedule of Required Supplementary Information
Schedule of the Proportionate Share of the Net Pension Liability
Utah Retirement Systems
December 31, 2022
Last 10 Fiscal Years *
(Amounts in Thousands)

| Tier 2 Public Employees System | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Proportion of the net pension liability (asset) | 0.90% | 0.76% | 0.69% | 0.86% | 0.84% | 0.68% | 0.67% | 0.68% | 0.69% | 0.80% |
| Proportionate share of the net pension liability (asset) | \$ 1,532 | \$ 832 | \$ (294) | \$ 124 | \$ 190 | \$ 347 | \$ 59 | \$ 76 | \$ (2) | \$ (24) |
| Covered payroll | 8,099 | 8,185 | 7,971 | 9,602 | 9,494 | 9,460 | 6,570 | 5,571 | 4,452 | 3,909 |
| Proportionate share of the net pension liability (asset) as a percentage of its covered payroll | 18.9% | 10.2% | -3.7% | 1.3% | 2.0% | 3.7% | 0.9% | 1.4% | 0.0% | -0.6% |
| Plan fiduciary net position as a percentage of its covered payroll | 90.8% | 92.3% | 103.8% | 98.3% | 96.5% | 90.8% | 97.4% | 95.1% | 103.5% | 103.5% |
| Tier 2 Public Safety and Firefighter System | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
| Proportion of the net pension liability (asset) | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.56% | 0.56% | 0.99% | 0.7% | 1.0% |
| Proportionate share of the net pension liability (asset) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ (7) | \$ (9) | \$ (10) | \$ (15) |
| Covered payroll | - | - | - | - | - | - | - | 593 | 815 | 419 |
| Proportionate share of the net pension liability (asset) as a percentage of its covered payroll | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | -1.1% | -1.1% | -2.5% | -3.6% |
| Plan fiduciary net position as a percentage of its covered payroll | 95.6% | 96.4% | 102.8% | 93.1% | 89.6% | 95.6% | 103.0% | 103.6% | 120.5% | 120.5% |

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

SALT LAKE CITY DEPARTMENT OF AIRPORTS
Schedule of Required Supplementary Information
Schedule of Contributions
June 30, 2024
Last 10 Fiscal Years *
(Amounts in Thousands)

| Noncontributory System | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Actuarial determined contributions | \$ 2,671 | \$ 2,808 | \$ 2,666 | \$ 2,941 | \$ 3,153 | \$ 3,226 | \$ 3,864 | \$ 3,883 | \$ 3,867 | \$ 4,073 |
| Contributions in relation to the contractually required contribution | (2,671) | (2,808) | (2,666) | (2,941) | (3,153) | (3,226) | (3,864) | (3,883) | (3,867) | (4,073) |
| Contribution deficiency | - | - | - | - | - | - | - | - | - | - |
| Covered payroll | 19,856 | 20,729 | 20,851 | 20,325 | 20,941 | 21,576 | 22,947 | 22,395 | 22,735 | 21,046 |
| Contributions as a percentage of covered payroll | 13.5% | 13.5% | 12.8% | 14.5% | 15.1% | 15.0% | 16.8% | 17.3% | 17.8% | 19.4% |
| Contributory Retirement System | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
| Actuarial determined contributions | \$ 33 | \$ 31 | \$ 30 | \$ 27 | \$ 27 | \$ 26 | \$ 100 | \$ 121 | \$ 116 | \$ 186 |
| Contributions in relation to the contractually required contribution | (33) | (31) | (30) | (27) | (27) | (26) | (100) | (121) | (116) | (186) |
| Contribution deficiency | - | - | - | - | - | - | - | - | - | - |
| Covered payroll | 1,082 | 918 | 855 | 659 | 545 | 472 | 706 | 827 | 958 | 1,399 |
| Contributions as a percentage of covered payroll | 3.1% | 3.4% | 3.5% | 4.1% | 5.0% | 5.5% | 14.1% | 14.7% | 12.5% | 13.3% |
| Public Safety System | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
| Actuarial determined contributions | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 1,402 | \$ 1,376 | \$ 1,477 | \$ 1,574 |
| Contributions in relation to the contractually required contribution | - | - | - | - | - | - | (1,402) | (1,376) | (1,477) | (1,574) |
| Contribution deficiency | - | - | - | - | - | - | - | - | - | - |
| Covered payroll | - | - | - | - | - | - | 3,441 | 3,173 | 3,379 | 3,277 |
| Contributions as a percentage of covered payroll | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 40.7% | 43.4% | 45.1% | 48.0% |

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

SALT LAKE CITY DEPARTMENT OF AIRPORTS

Schedule of Required Supplementary Information

Schedule of Contributions

June 30, 2024

Last 10 Fiscal Years **

(Amounts in Thousands)

Tier 2 Public Employee System*

| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|--|----------|----------|----------|----------|----------|----------|--------|--------|--------|--------|
| Actuarial determined contributions | \$ 3,676 | \$ 3,314 | \$ 2,772 | \$ 2,870 | \$ 2,392 | \$ 2,431 | \$ 815 | \$ 543 | \$ 671 | \$ 369 |
| Contributions in relation to the contractually required contribution | (3,676) | (3,314) | (2,772) | (2,870) | (2,392) | (2,431) | (815) | (543) | (671) | (369) |
| Contribution deficiency | - | - | - | - | - | - | - | - | - | - |
| Covered payroll | 11,950 | 11,241 | 11,182 | 10,516 | 8,898 | 9,953 | 6,399 | 5,004 | 4,763 | 3,892 |
| Contributions as a percentage of covered payroll | 30.8% | 29.5% | 24.8% | 27.3% | 26.9% | 24.4% | 12.7% | 10.9% | 13.5% | 9.5% |

Tier 2 Public Safety and Firefighter System*

| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|--|------|------|------|------|------|------|--------|--------|--------|-------|
| Actuarial determined contributions | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 112 | \$ 126 | \$ 139 | \$ 54 |
| Contributions in relation to the contractually required contribution | - | - | - | - | - | - | (112) | (126) | (139) | (54) |
| Contribution deficiency | - | - | - | - | - | - | - | - | - | - |
| Covered payroll | - | - | - | - | - | - | 565 | 732 | 448 | 429 |
| Contributions as a percentage of covered payroll | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 19.9% | 17.2% | 24.1% | 12.7% |

Tier 2 Public Employees DC Only System*

| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|--|----------|-------|-------|-------|-------|--------|--------|-------|-------|------|
| Actuarial determined contributions | \$ 3,247 | \$ 72 | \$ 72 | \$ 72 | \$ 72 | \$ 325 | \$ 109 | \$ 72 | \$ 94 | \$ - |
| Contributions in relation to the contractually required contribution | (3,247) | (72) | (72) | (72) | (72) | (325) | (109) | (72) | (94) | - |
| Contribution deficiency | - | - | - | - | - | - | - | - | - | - |
| Covered payroll | 10,556 | 243 | 289 | 263 | 267 | 1,329 | 656 | 829 | 4,763 | - |
| Contributions as a percentage of covered payroll | 30.8% | 29.5% | 24.9% | 27.3% | 26.9% | 24.4% | 16.6% | 8.6% | 13.5% | 0.0% |

Tier 2 Public Safety and Firefighter DC Only System*

| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|--|------|------|------|------|------|------|-------|-------|-------|------|
| Actuarial determined contributions | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 18 | \$ 17 | \$ 21 | \$ - |
| Contributions in relation to the contractually required contribution | - | - | - | - | - | - | (18) | (17) | (21) | - |
| Contribution deficiency | - | - | - | - | - | - | - | - | - | - |
| Covered payroll | - | - | - | - | - | - | 91 | 97 | 448 | - |
| Contributions as a percentage of covered payroll | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 19.9% | 17.2% | 24.1% | 0.0% |

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

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

SALT LAKE CITY DEPARTMENT OF AIRPORTS
Notes to Required Supplementary Information
For Fiscal Year Ended June 30, 2024

Changes in Assumptions:

Changes include updates to the mortality improvement assumption, salary increase assumption, disability incidence assumption, assumed retirement rates, and assumed termination rates, as recommended with the January 1, 2023 actuarial experience study.

STATISTICAL SECTION (Unaudited)



STATISTICAL SECTION
(Unaudited)

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

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

SALT LAKE CITY DEPARTMENT OF AIRPORTS

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

| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|--|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| Net Position | | | | | | | | | | |
| Invested in capital assets - net of debt | \$ 1,037,482 | \$ 1,169,374 | \$ 1,252,753 | \$ 1,310,144 | \$ 1,217,266 | \$ 1,121,415 | \$ 1,201,228 | \$ 761,198 | \$ 869,233 | \$ 779,343 |
| Restricted | | | | | | | | | | |
| Capital Projects | 49,264 | 45,883 | 40,565 | 35,106 | 42,818 | 37,202 | 32,693 | 189,115 | 143,297 | 196,439 |
| Debt Service | 139,961 | 126,183 | 337,178 | 180,507 | 221,741 | 315,432 | 200,842 | 240,783 | - | - |
| Unrestricted | <u>249,102</u> | <u>71,805</u> | <u>(220,735)</u> | <u>(109,535)</u> | <u>(51,253)</u> | <u>(56,897)</u> | <u>(80,123)</u> | <u>96,713</u> | <u>209,704</u> | <u>182,199</u> |
| Total Net Position | <u>\$ 1,475,809</u> | <u>\$ 1,413,245</u> | <u>\$ 1,409,761</u> | <u>\$ 1,416,222</u> | <u>\$ 1,430,572</u> | <u>\$ 1,417,152</u> | <u>\$ 1,354,640</u> | <u>\$ 1,287,809</u> | <u>\$ 1,222,234</u> | <u>\$ 1,157,981</u> |

* Balance has not been restated for GASB 68

SALT LAKE CITY DEPARTMENT OF AIRPORTS

TOTAL ANNUAL REVENUES, EXPENSES AND CHANGES IN NET POSITION

| <i>For the twelve month period ended June 30,</i> | <i>Last Ten Fiscal Years (Amounts in Thousands)</i> | | | | |
|---|---|---------------------|---------------------|---------------------|---------------------|
| | 2024 | 2023 | 2022 | 2021 | 2020 |
| Operating Revenues | | | | | |
| Airline revenue | \$ 169,529 | \$ 148,356 | \$ 136,820 | \$ 109,691 | \$ 77,312 |
| Terminal concessions | 29,096 | 14,970 | 22,757 | 12,677 | 16,681 |
| Landside concessions | 117,296 | 103,903 | 90,597 | 50,802 | 58,691 |
| Lease revenue | 12,526 | 11,364 | 10,525 | 8,140 | 8,746 |
| General aviation | 4,361 | 4,128 | 3,491 | 3,579 | 3,009 |
| State aviation tax | 2,889 | 3,008 | 2,891 | 2,258 | 2,344 |
| Other revenue | 6,258 | 11,442 | 5,430 | 5,247 | 4,640 |
| Operating revenues | 341,955 | 297,171 | 272,511 | 192,394 | 171,423 |
| <i>Less: Airline revenue sharing</i> | <i>(15,297)</i> | <i>(13,844)</i> | <i>(13,566)</i> | <i>(7,710)</i> | <i>(10,097)</i> |
| Total operating revenues | 326,658 | 283,327 | 258,945 | 184,684 | 161,326 |
| Operating Expenses | | | | | |
| Salaries and benefits | 66,724 | 58,989 | 47,804 | 46,782 | 48,584 |
| Materials and supplies | 17,820 | 20,148 | 13,673 | 11,041 | 12,381 |
| Maintenance contracts | 27,158 | 22,171 | 19,106 | 12,592 | 11,071 |
| Charges and services | 30,087 | 30,906 | 28,232 | 24,618 | 11,069 |
| Utilities | 9,714 | 8,553 | 7,176 | 6,664 | 5,697 |
| Inter-governmental | 26,723 | 24,235 | 20,243 | 18,427 | 18,123 |
| Other expenses | 6,218 | 7,078 | 4,385 | 3,552 | 2,978 |
| Total operating expenses before depreciation | 184,444 | 172,080 | 140,619 | 123,676 | 109,903 |
| Operating Income Before Depreciation | 142,214 | 111,247 | 118,326 | 61,008 | 51,423 |
| Depreciation | 162,698 | 148,449 | 144,019 | 100,890 | 57,604 |
| Operating Income (Loss) | (20,484) | (37,202) | (25,693) | (39,882) | (6,181) |
| Non-Operating Revenues (Expenses) | | | | | |
| Passenger facility charges | 51,933 | 49,282 | 48,759 | 29,227 | 40,607 |
| Customer facility charges | 16,943 | 15,177 | 14,024 | 9,016 | 12,478 |
| Interest income | 55,116 | 30,645 | 11,740 | 3,944 | 19,361 |
| Net bond interest expense | (143,045) | (117,346) | (116,832) | (86,108) | (85,498) |
| Bond issuance costs | (2,327) | (382) | (3,010) | (506) | - |
| Contribution of capital assets | (756) | (540) | (648) | (9,029) | - |
| Other revenue (expenses), net | 4,951 | 1,378 | (6,547) | (15,943) | 1,528 |
| Net non-operating revenues | (17,185) | (21,786) | (52,513) | (69,397) | (11,524) |
| Capital Contributions | 100,233 | 62,472 | 71,746 | 94,931 | 31,125 |
| Net Position | | | | | |
| Increase (decrease) in net position | 62,564 | 3,484 | (6,461) | (14,350) | 13,420 |
| Net Position, beginning of period | 1,413,245 | 1,409,761 | 1,416,222 | 1,430,572 | 1,417,152 |
| Net Position, end of period | \$ 1,475,809 | \$ 1,413,245 | \$ 1,409,761 | \$ 1,416,222 | \$ 1,430,572 |

Source: Salt Lake City Department of Airports Audited Financial Statements

SALT LAKE CITY DEPARTMENT OF AIRPORTS

TOTAL ANNUAL REVENUES, EXPENSES AND CHANGES IN NET POSITION

| <i>For the twelve month period ended June 30,</i> | Continued Last Ten Fiscal Years | | | | | | |
|---|---------------------------------|---------------------|---------------------|---------------------|---------------------|---|---|
| | (Amounts in Thousands) | | | | | | |
| | 2019 | 2018 | 2017 | 2016 | 2015 | | |
| Operating Revenues | | | | | | | |
| Airline revenue | \$ 75,635 | \$ 70,572 | \$ 66,639 | \$ 62,454 | \$ 59,420 | | |
| Terminal concessions | 20,454 | 19,193 | 18,120 | 16,637 | 16,016 | | |
| Landside concessions | 72,457 | 68,081 | 64,408 | 57,986 | 52,550 | | |
| Lease revenue | 8,084 | 7,539 | 6,927 | 6,185 | 6,093 | | |
| General aviation | 2,990 | 2,661 | 2,334 | 1,785 | 1,691 | | |
| State aviation tax | 2,919 | 3,122 | 2,983 | 2,796 | 2,545 | | |
| Other revenue | 4,999 | 6,245 | 5,564 | 4,131 | 3,894 | | |
| Operating revenues | <u>187,539</u> | <u>177,413</u> | <u>166,975</u> | <u>151,974</u> | <u>142,209</u> | | |
| Less: Airline revenue sharing | <u>(14,077)</u> | <u>(13,007)</u> | <u>(12,169)</u> | <u>(10,941)</u> | <u>(9,939)</u> | | |
| Total operating revenues | <u>173,461</u> | <u>164,406</u> | <u>154,806</u> | <u>141,033</u> | <u>132,270</u> | | |
| Operating Expenses | | | | | | | |
| Salaries and benefits | 40,258 | 50,076 | 49,350 | 45,096 | 33,880 | | |
| Materials and supplies | 12,610 | 11,343 | 11,725 | 10,940 | 9,486 | | |
| Maintenance contracts | 10,538 | 9,034 | 8,399 | 8,202 | 7,827 | | |
| Charges and services | 12,970 | 12,175 | 13,730 | 10,484 | 8,571 | | |
| Utilities | 5,721 | 5,649 | 6,317 | 6,539 | 6,679 | | |
| Inter-governmental | 13,543 | 8,395 | 6,339 | 6,043 | 5,783 | | |
| Other expenses | 2,793 | 3,304 | 3,599 | 2,761 | 3,983 | | |
| Total operating expenses before depreciation | <u>98,433</u> | <u>99,976</u> | <u>99,459</u> | <u>90,065</u> | <u>76,209</u> | | |
| Operating Income Before Depreciation | <u>75,029</u> | <u>64,430</u> | <u>55,347</u> | <u>50,968</u> | <u>56,061</u> | | |
| Depreciation | <u>63,550</u> | <u>63,827</u> | <u>63,665</u> | <u>61,657</u> | <u>59,995</u> | | |
| Operating Loss | <u>11,478</u> | <u>603</u> | <u>(8,318)</u> | <u>(10,689)</u> | <u>(3,934)</u> | | |
| Non-Operating Revenues (Expenses) | | | | | | | |
| Passenger facility charges | 49,721 | 47,739 | 45,750 | 42,804 | 40,976 | | |
| Customer facility charges | 16,012 | 15,740 | 16,157 | 15,613 | 15,607 | | |
| Interest income | 36,964 | 21,783 | 8,006 | 2,783 | 1,789 | | |
| Net bond interest expense | (72,223) | (34,675) | (14,480) | - | - | | |
| Bond issuance costs | (3,130) | - | (3,454) | - | - | | |
| Contribution of capital assets | - | - | - | - | - | | |
| Other revenue (expenses), net | 9,405 | (2,501) | 4,120 | (488) | (276) | | |
| Net non-operating revenues (expenses) | <u>36,749</u> | <u>48,086</u> | <u>56,099</u> | <u>60,712</u> | <u>58,096</u> | | |
| Capital Contributions | <u>14,285</u> | <u>18,142</u> | <u>17,794</u> | <u>14,230</u> | <u>15,148</u> | | |
| Net Position | | | | | | | |
| Increase (decrease) in net position | 62,512 | 66,831 | 65,575 | 64,253 | 69,310 | | |
| Net Assets - Beginning of Year as Previously Reported | | | | | | - | - |
| Net Position, beginning of period | <u>1,354,640</u> | <u>1,287,809</u> | <u>1,222,234</u> | <u>1,157,981</u> | <u>1,088,671</u> | | |
| Net Position, end of period | <u>\$ 1,417,152</u> | <u>\$ 1,354,640</u> | <u>\$ 1,287,809</u> | <u>\$ 1,222,234</u> | <u>\$ 1,157,981</u> | | |

Source: Salt Lake City Department of Airports Audited Financial Statements

SALT LAKE CITY DEPARTMENT OF AIRPORTS

| | CASH FLOW TREND | | | | |
|---|------------------------------|-------------------|-------------------|-------------------|-------------------|
| | Last Ten Fiscal Years | | | | |
| | (Amounts in Thousands) | | | | |
| | 2024 | 2023 | 2022 | 2021 | 2020 |
| Cash Flows from Operating Activities | | | | | |
| Cash received from providing services | \$ 339,646 | \$ 270,860 | \$ 261,707 | \$ 205,068 | \$ 160,183 |
| Cash paid for services by Salt Lake City | (26,723) | (31,293) | (8,694) | (18,427) | (18,123) |
| Cash paid to suppliers | (97,851) | (98,825) | (92,277) | (58,171) | (49,941) |
| Cash paid to employees | (67,325) | (60,218) | (55,014) | (50,474) | (48,728) |
| Net cash from operating activities | <u>147,747</u> | <u>80,524</u> | <u>105,722</u> | <u>77,995</u> | <u>43,391</u> |
| Cash Flows from Investing Activities | | | | | |
| Interest received on investments/Paid for investments | 19,831 | 34,702 | (87,999) | 76,461 | 303,941 |
| Net cash from investing activities | <u>19,831</u> | <u>34,702</u> | <u>(87,999)</u> | <u>76,461</u> | <u>303,941</u> |
| Cash Flows from Capital and Related Financing Activities | | | | | |
| Purchase of capital equipment | (5,633) | (8,695) | (2,716) | (7,591) | (13,763) |
| Payments for acquisition and construction of capital assets | (516,960) | (466,798) | (467,287) | (585,288) | (732,251) |
| Principal paid on revenue bonds | (25,815) | (21,920) | (1,140) | - | - |
| Payment for capital assets contributed to TSA | (756) | (540) | (648) | (9,029) | - |
| Proceeds on line of credit | - | - | - | 267,600 | - |
| Payment on line of credit | - | - | (267,600) | - | - |
| Proceeds from issuance of revenue bonds payable | 655,006 | - | 1,139,949 | - | - |
| Bond issuance costs | (1,130) | (264) | (1,418) | (491) | - |
| Interest paid on bonds and line of credit | (146,773) | (136,371) | (111,585) | (93,738) | (100,026) |
| Interest paid on subscription liability | (49) | (66) | - | - | - |
| Interest received from leases | 5,081 | 5,046 | 4,679 | - | - |
| Passenger Facility Charges | 52,527 | 48,273 | 49,695 | 25,381 | 44,460 |
| Customer Facility Charges | 17,689 | 15,583 | 13,794 | 7,788 | 13,526 |
| Proceeds from sale of property | 591 | 99 | 234 | 150 | 108 |
| Airport improvement grants | 92,855 | 54,370 | 96,730 | 77,982 | 30,056 |
| Other financing | - | - | 3,818 | 97 | 2,166 |
| Net cash from capital and related financing activities | <u>126,633</u> | <u>(511,283)</u> | <u>456,505</u> | <u>(317,140)</u> | <u>(755,724)</u> |
| Net Increase (Decrease) in Cash and Cash Equivalents | 294,211 | (396,057) | 474,228 | (162,684) | (408,392) |
| Cash and Cash Equivalents - Beginning of Year | 370,964 | 767,021 | 292,793 | 455,477 | 863,868 |
| Cash and Cash Equivalents - End of Year | \$ 665,175 | \$ 370,964 | \$ 767,021 | \$ 292,793 | \$ 455,477 |

Source: Salt Lake City Department of Airports Audited Financial Statements

SALT LAKE CITY DEPARTMENT OF AIRPORTS

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

| | 2019 | 2018 | 2017 | 2016 | 2015 |
|--|-------------------|-------------------|---------------------|-------------------|-------------------|
| Cash Flows from Operating Activities | | | | | |
| Cash received from providing services | \$ 178,994 | \$ 169,134 | \$ 156,314 | \$ 145,959 | \$ 139,279 |
| Cash paid for services by Salt Lake City | (13,543) | (8,395) | (7,247) | (7,043) | (6,978) |
| Cash paid to suppliers | (48,326) | (46,948) | (37,228) | (39,744) | (35,717) |
| Cash paid to employees | (49,835) | (53,380) | (48,872) | (46,776) | (45,398) |
| Net cash from operating activities | 67,290 | 60,411 | 62,967 | 52,396 | 51,186 |
| Cash Flows from Investing Activities | | | | | |
| Interest received on investments/Paid for investments | (376,407) | (25,623) | 6,677 | 1,647 | 11,787 |
| Net cash from investing activities | (376,407) | (25,623) | 6,677 | 1,647 | 11,787 |
| Cash Flows from Noncapital and Related Financing Activities | | | | | |
| Cash overdraft with City pooled cash account | - | - | - | (10,043) | 10,043 |
| Net cash from noncapital and related financing activities | - | - | - | (10,043) | 10,043 |
| Cash Flows from Capital and Related Financing Activities | | | | | |
| Purchase of capital equipment | (5,504) | (2,920) | (6,861) | (7,185) | (3,905) |
| Payments for acquisition and construction of capital assets | (688,815) | (501,523) | (271,753) | (146,841) | (126,880) |
| Proceeds from issuance of revenue bonds payable | 931,456 | - | 1,124,493 | - | - |
| Bond issuance costs | (1,468) | - | (1,391) | - | - |
| Interest paid on bonds and line of credit | (50,000) | (42,778) | - | - | - |
| Passenger Facility Charges | 49,571 | 47,474 | 44,932 | 42,454 | 40,955 |
| Customer Facility Charges | 16,720 | 15,656 | 16,129 | 15,850 | 15,673 |
| Interest received on Customer Facility Charges | - | - | - | 333 | 134 |
| Proceeds from sale of property | 159 | 136 | 208 | 15,902 | 9,938 |
| Airport improvement grants | 2,696 | 19,735 | 22,500 | - | - |
| Other financing | 8,043 | 1,142 | - | - | - |
| Net cash from capital and related financing activities | 262,858 | (463,078) | 928,257 | (79,487) | (64,084) |
| Net Increase (Decrease) in Cash and Cash Equivalents | (46,259) | (428,290) | 997,901 | (35,487) | 8,932 |
| Cash and Cash Equivalents - Beginning of Year | 910,127 | 1,338,417 | 340,516 | 376,003 | 367,071 |
| Cash and Cash Equivalents - End of Year | \$ 863,868 | \$ 910,127 | \$ 1,338,417 | \$ 340,516 | \$ 376,003 |

Source: Salt Lake City Department of Airports Audited Financial Statements

SALT LAKE CITY DEPARTMENT OF AIRPORTS

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

Ratio of Bond Debt Service to Total Operating Expenses

| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|---------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|-----------|-----------|
| General Revenue bonds | | | | | | | | | | |
| Principal | \$ 25,815 | \$ 21,920 | \$ 1,140 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Interest | 161,669 | 134,781 | 110,029 | 93,928 | 92,778 | 78,637 | 50,000 | 17,778 | - | - |
| Total Debt Service | \$ 187,484 | \$ 156,701 | \$ 111,169 | \$ 93,928 | \$ 92,778 | \$ 78,637 | \$ 50,000 | \$ 17,778 | \$ - | \$ - |
| Total Operating Expenses | \$ 184,444 | \$ 172,080 | \$ 140,619 | \$ 123,676 | \$ 109,903 | \$ 98,433 | \$ 99,976 | \$ 99,459 | \$ 90,065 | \$ 76,209 |
| Ratio of Bond Debt Service to Total Operating Expenses | 101.6% | 91.1% | 79.1% | 75.9% | 84.4% | 79.9% | 50.0% | 17.9% | 0% | 0% |

Debt Service per Enplaned Passenger

| | | | | | | | | | | |
|--|-----------------|-----------------|----------------|-----------------|----------------|----------------|----------------|----------------|-------------|-------------|
| Total Debt Service | \$ 187,484 | \$ 156,701 | \$ 111,169 | \$ 93,928 | \$ 92,778 | \$ 78,637 | \$ 50,000 | \$ 17,778 | \$ - | \$ - |
| Enplaned passengers | 13,850 | 13,143 | 12,802 | 7,710 | 10,096 | 13,090 | 12,420 | 11,850 | 11,293 | 10,834 |
| Debt Service per Enplaned Passenger | \$ 13.54 | \$ 11.92 | \$ 8.68 | \$ 12.18 | \$ 9.19 | \$ 6.01 | \$ 4.03 | \$ 1.50 | \$ - | \$ - |

Total Outstanding Debt per Enplaned Passenger

| | | | | | | | | | | |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|-------------|-------------|
| Outstanding debt | | | | | | | | | | |
| 2023 series | \$ 655,625 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 2021A series | 949,262 | 959,445 | 969,275 | - | - | - | - | - | - | - |
| 2021B series | 160,015 | 161,808 | 163,551 | - | - | - | - | - | - | - |
| 2018A series | 785,844 | 812,668 | 815,607 | 818,425 | 821,126 | 823,625 | - | - | - | - |
| 2018B series | 105,302 | 105,736 | 106,188 | 106,621 | 107,036 | 107,420 | - | - | - | - |
| 2017A series | 882,456 | 886,417 | 906,493 | 911,485 | 915,226 | 918,724 | 922,178 | 925,498 | - | - |
| 2017B series | 188,494 | 189,513 | 194,680 | 195,714 | 196,676 | 197,574 | 198,463 | 199,314 | - | - |
| Line of credit | - | - | - | 267,600 | - | - | - | - | - | - |
| Total Outstanding debt | \$ 3,726,998 | \$ 3,115,587 | \$ 3,155,794 | \$ 2,299,845 | \$ 2,040,064 | \$ 2,047,343 | \$ 1,120,641 | \$ 1,124,812 | \$ - | \$ - |
| Enplaned Passengers | 13,850 | 13,143 | 12,802 | 7,710 | 10,096 | 13,090 | 12,420 | 11,850 | 11,293 | 10,834 |
| Outstanding Debt per Enplaned Passenger | \$ 269.10 | \$ 237.05 | \$ 246.51 | \$ 298.29 | \$ 202.07 | \$ 156.41 | \$ 90.23 | \$ 94.92 | \$ - | \$ - |

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

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

| | <u>2024</u> | <u>2023</u> | <u>2022</u> |
|--|------------------|------------------|------------------|
| Revenues | \$326,658 | \$283,327 | \$258,945 |
| Less Operation and Maintenance Expenses of the Airport System* | (147,312) | (134,944) | (100,937) |
| Net Revenues | 179,346 | 148,383 | 158,008 |
| Plus Transfers | - | - | 10,462 |
| Total Available for Debt Service | <u>\$179,346</u> | <u>\$148,383</u> | <u>\$168,470</u> |
| Annual Debt Service on Outstanding Bonds** | <u>\$ 95,194</u> | <u>\$ 69,203</u> | <u>\$ 63,304</u> |
| Annual Debt Service Coverage | 188% | 214% | 266% |

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

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

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

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

Source Airport annual financial reports and management records

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

| Fiscal Year Ended June 30, | Salt Lake City, Utah Population (1) | Personal Income (amounts expressed in thousands) (2) | Per Capita Personal Income (2)(4) | Number of residents 18 years and older (1) | Unemployment Rate (3) |
|----------------------------|-------------------------------------|--|-----------------------------------|--|-----------------------|
| 2024 | est. 209,593 | unavailable | unavailable | unavailable | 3.0% |
| 2023 | 204,657 | 9,613,149 | 46,972 | 167,819 | 2.7% |
| 2022 | 200,478 | 6,962,200 | 34,728 | 161,986 | 2.4% |
| 2021 | 199,723 | 6,609,833 | 33,095 | 159,379 | 3.1% |
| 2020 | 200,567 | 6,961,881 | 34,711 | 160,824 | 8.3% |
| 2019 | 194,188 | 6,399,271 | 32,954 | 153,512 | 2.8% |
| 2018 | 191,446 | 5,970,818 | 31,188 | 150,894 | 3.1% |
| 2017 | 190,679 | 5,420,623 | 28,428 | 149,552 | 3.3% |
| 2016 | 189,267 | 5,640,724 | 29,803 | 147,619 | 3.3% |
| 2015 | 188,141 | 5,844,600 | 31,065 | 145,634 | 3.6% |

Sources:

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

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

June 30, 2024

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

June 30, 2015

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

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

SALT LAKE CITY DEPARTMENT OF AIRPORTS

AIRPORT EMPLOYEE STATISTICS

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

| Fiscal Year | Director's Office | Public Relations | Planning & Capital Programming | Finance & Accounting | Real Estate & Commercial Development | Information Technology | Design & Construction Management | Maintenance | Operations | Police | Total |
|-------------|-------------------|------------------|--------------------------------|----------------------|--------------------------------------|------------------------|----------------------------------|-------------|------------|--------|-------|
| 2024 | 5 | 3 | 13 | 13 | 14 | 31 | 16 | 286 | 192 | ** | 573 |
| 2023 | 5 | 4 | 10 | 13 | 15 | 31 | 15 | 261 | 177 | ** | 531 |
| 2022 | 5 | 4 | 8 | 13 | 14 | 29 | 21 | 262 | 164 | ** | 520 |
| 2021 | 5 | 4 | 8 | 14 | 14 | 29 | 23 | 246 | 155 | ** | 498 |
| 2020 | 5 | 4 | 8 | 14 | 13 | 30 | 23 | 242 | 159 | ** | 498 |
| 2019 | 6 | 3 | 8 | 19 | 13 | 27 | 25 | 223 | 148 | ** | 472 |
| 2018 | 6 | 2 | 8 | 19 | 13 | 23 | 25 | 226 | 142 | 62 | 526 |
| 2017 | 6 | 2 | 8 | 19 | 13 | 25 | 26 | 222 | 142 | 62 | 525 |
| 2016 | 6 | 2 | 8 | 20 | 13 | 25 | 25 | 221 | 191 | * | 511 |
| 2015 | 6 | 2 | 8 | 19 | 13 | 25 | 25 | 215 | 193 | * | 506 |

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

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

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

SALT LAKE CITY DEPARTMENT OF AIRPORTS

SUMMARY OF CAPITAL ASSETS

| | June 30, 2024 | June 30, 2023 | June 30, 2022 | June 30, 2021 | June 30, 2020 | June 30, 2019 | June 30, 2018 | June 30, 2017 | June 30, 2016 | June 30, 2015 |
|---|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Military | | | | | | | | | | |
| Acres of land leased to military | 194 | 194 | 194 | 194 | 135 | 135 | 135 | 135 | 135 | 135 |
| Annual rent from military leases | \$156,794 | \$156,794 | \$156,794 | \$156,794 | \$153,712 | \$153,712 | \$153,712 | \$153,712 | \$150,969 | \$140,144 |
| Terminal - General | | | | | | | | | | |
| Number of passenger terminals | 1 | 1 | 1 | 1 | 3 | 3 | 3 | 3 | 3 | 3 |
| Total square feet | 4,291,586 | 3,987,095 | 3,870,095 | 3,870,095 | 1,060,184 | 1,090,067 | 1,090,067 | 1,090,067 | 1,090,067 | 1,102,400 |
| Non-Retail Space - number of sq. ft. | | | | | | | | | | |
| Counter space | 6,604 | 6,604 | 6,604 | 6,604 | 7,614 | 7,614 | 7,614 | 7,614 | 7,614 | 7,614 |
| Airline office | 222,396 | 91,452 | 91,452 | 91,452 | 42,569 | 42,569 | 42,569 | 42,569 | 42,569 | 42,569 |
| Other office (i.e. TSA, SLCDA, concession offices) | 88,582 | 88,582 | 88,582 | 88,582 | 61,865 | 61,865 | 61,865 | 61,865 | 61,865 | 61,865 |
| Common use areas | 1,364,829 | 1,215,155 | 1,140,560 | 1,140,560 | 584,370 | 584,370 | 584,370 | 584,370 | 584,370 | 584,370 |
| Retail Space - Pre-Security | | | | | | | | | | |
| Food and beverage | 5,095 | 5,095 | 5,164 | 608 | 2,674 | 2,674 | 2,674 | 2,674 | 2,674 | 2,674 |
| Newstands | 1,684 | 1,684 | 1,684 | 1,684 | 184 | 184 | 184 | 184 | 184 | 184 |
| Specialty Retail | - | - | - | - | - | - | - | - | - | - |
| Other concessions (vending) | - | - | - | - | 264 | 264 | 264 | 264 | 264 | 264 |
| Retail Space - Secured Area | | | | | | | | | | |
| Food and beverage | 63,338 | 40,891 | 39,129 | 24,402 | 50,280 | 50,280 | 50,280 | 50,280 | 50,280 | 50,280 |
| Newstands | 7,445 | 7,445 | 9,654 | 9,654 | 7,721 | 7,721 | 7,721 | 7,721 | 7,721 | 7,721 |
| Specialty Retail | 34,174 | 19,525 | 20,295 | 16,133 | 15,019 | 15,019 | 15,019 | 15,019 | 15,019 | 15,001 |
| Other concessions | 2,861 | 1,860 | 721 | 721 | 152 | 152 | 152 | 152 | 152 | 96 |
| Parking | | | | | | | | | | |
| Short-term / 4 Level Parking Garage (Number of spaces) | 3,469 | 3,469 | 3,469 | 3,469 | 1,845 | 1,845 | 1,845 | 1,845 | 1,845 | 1,774 |
| Long-term (Number of spaces) | 10,038 | 10,294 | 10,548 | 10,548 | 10,463 | 10,463 | 10,463 | 9,703 | 9,703 | 10,070 |
| Tenant Employee Lot/ Lot E (Number of spaces) | 4,597 | 4,309 | 4,309 | 4,309 | 2,950 | 2,950 | 2,950 | 2,950 | 2,950 | 2,950 |
| Park and Wait Lot (Number of spaces) | 218 | 132 | 120 | 120 | 120 | 120 | 120 | 120 | 82 | 82 |
| Cargo | | | | | | | | | | |
| Total SF of airport buildings leased for cargo use, including warehouse, office, etc. | 249,674 | 249,674 | 249,674 | 249,674 | 206,620 | 184,592 | 202,896 | 202,896 | 202,896 | 202,896 |
| Total SF of ground leased for cargo, incl. warehousing, office, etc. | 929,211 | 929,211 | 929,211 | 929,211 | 757,939 | 757,939 | 797,939 | 797,939 | 797,939 | 727,939 |
| Runways (feet) | | | | | | | | | | |
| 34L/16R | 150 x 12,000 |
| 34R/16L | 150 x 12,003 |
| 35/17 | 150 x 9,596 |
| 32/14 | 150 x 4,892 |
| Acres | | | | | | | | | | |
| Total Acres Owned by Airport | 9,365 | 9,365 | 9,365 | 9,352 | 9,663 | 9,663 | 9,663 | 9,663 | 9,633 | 9,510 |
| Total AOA Acres | 3,121 | 3,121 | 3,121 | 3,121 | 3,325 | 3,325 | 3,325 | 3,325 | 3,325 | 3,375 |

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

SALT LAKE CITY DEPARTMENT OF AIRPORTS

SCHEDULE OF INSURANCE POLICIES

| Coverage Type | Carrier / Policy # | Policy Limits | Description / Deductibles |
|-----------------------------|---|------------------------------|--|
| Crime and Fidelity | National Union Fire Insurance 013811039 | \$1,000,000 | Employee Theft - Per Loss Coverage, \$20,000 deductible |
| | | \$1,000,000 | Funds Transfer Fraud, \$20,000 deductible |
| | | \$1,000,000 | Computer Fraud, \$20,000 deductible |
| | | \$50,000 | Theft of Money & Securities, \$2,500 deductible |
| | | \$50,000 | Money Orders and Counterfeit Money, \$2,500 deductible |
| | | \$50,000 | Inside or Outside Premises - Robbery or Safe Burglary of Other Property, \$2,500 deductible |
| | | \$25,000 | Forgery or Alteration, \$1,000 deductible |
| Workers' Comp | WCF Mutual Insurance Co. 4062590 | Statutory | Statutory Limits |
| | | | |
| Cyber | Coalition Insurance Solutions C-4LQV-205722-CYBER-2024 | \$5,000,000 | Third-Party Liability: Media, Privacy and Cyber Security, Privacy Regulatory Defense, Awards and Fines, \$500,000 retention First Party Coverage: Data Recovery, Cyber Extortion and Ransomware. Data Breach Response and Crisis Management Coverage, \$500,000 retention |
| General Liability | STARR Dept. of Airports 1000189509-01 | \$500,000,000 | Bodily Injury, Property Damage, Auto Liability on Airport |
| | | \$500,000,000 | Premises, Hangarkeepers Liability |
| | | \$50,000,000 each offense | Personal & Advertising Injury, Incidental Medical Malpractice |
| Property Insurance | Lexington Insurance Co. 014498273 | \$1,000,000,000 | Airport Terminal, Concourses, Buildings, Runways, Taxiways |
| | | Sublimits apply | Equipment, Fuel Farm, Materials, Machinery |
| | | \$100,000,000 | Earth Movement and Flood 2% deductible per location; \$100,000 min. \$5,000,000 max. |
| | | \$500,000,000 | Windstorm or Hail 5% deductible, \$250,000 min. |
| | | \$200,000,000 | Business Interruption 2% deductible per location; \$100,000 min. \$5,000,000 max. |
| Comm. Auto Liability | Granite State Auto Insurance 02-CA-023317118 | Not covered | Terrorism, Certified & Non-Certified Acts |
| | | \$1,000,000 | Scheduled Autos Only |
| Dept. of Airports | | \$0 deductible | |

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

| Fiscal Year | O&D Enplaned Passengers | % Change From Prior FY | Connecting Enplaned Passengers | % Change From Prior FY | Total Enplaned Passengers | % Change From Prior FY |
|--------------------|--|---------------------------------------|---|---------------------------------------|--|---------------------------------------|
| 2015 | 5,748,372 | 8.1 | 5,085,336 | 2.2 | 10,833,708 | 5.2 |
| 2016 | 6,138,625 | 6.8 | 5,154,449 | 1.4 | 11,293,074 | 4.2 |
| 2017 | 6,643,195 | 8.2 | 5,207,025 | 1.0 | 11,850,220 | 4.9 |
| 2018 | 7,201,438 | 8.4 | 5,218,734 | 0.2 | 12,420,172 | 4.8 |
| 2019 | 7,543,142 | 4.7 | 5,546,991 | 6.3 | 13,090,133 | 5.4 |
| 2020 | 5,861,766 | (22.3) | 4,233,966 | (23.7) | 10,095,732 | (22.9) |
| 2021 | 4,353,659 | (25.7) | 3,356,694 | (20.7) | 7,710,353 | (23.6) |
| 2022 | 7,648,356 | 75.7 | 5,153,862 | 53.5 | 12,802,218 | 66.0 |
| 2023 | 8,107,139 | 6.0 | 5,035,971 | (2.3) | 13,143,110 | 2.7 |
| 2024 | 8,688,705 | 7.2 | 5,161,711 | 2.5 | 13,850,416 | 5.4 |

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

**Airlines Operating in FY 2024
At Salt Lake City International Airport**

Signatory Airlines

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

Non-signatory & Affiliate Airlines*

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

All Cargo Airlines

21 Air, LLC
ABX Air
AirNet Express
Alpine Aviation
Ameriflight, LLC
Amerijet International
Ameristar Air Cargo
Atlas Air
Corporate Air
Empire Airlines
FedEx
Gem Air
Global Crossing Airlines
Kalitta Air
Northern Air Cargo
Sun Country Airlines
Swift Air
United Parcel Service
Western Air Express

Foreign Flag Airlines*

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

* Affiliated Signatory Airlines shown in parentheses.

** As of July 1, 2024, JetBlue is a non-signatory airline

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

| Airline | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 | FY 2024 | Market Share FY 2015 | Market Share FY 2024 |
|---------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|----------------------|----------------------|
| Delta Air Lines | 5,170 | 5,597 | 6,097 | 6,431 | 6,869 | 5,587 | 4,172 | 7,364 | 7,716 | 8,039 | 70.2% | 70.1% |
| Delta Connection* | 2,440 | 2,329 | 2,184 | 2,298 | 2,563 | 1,778 | 1,420 | 2,039 | 1,715 | 1,674 | 0.0% * | 0.0% * |
| Southwest Airlines | 1,162 | 1,214 | 1,216 | 1,310 | 1,300 | 982 | 758 | 1,327 | 1,405 | 1,501 | 10.7% | 10.8% |
| American Airlines** | 713 | 752 | 747 | 775 | 740 | 555 | 520 | 688 | 641 | 721 | 6.6% | 5.2% |
| United Airlines | 491 | 552 | 596 | 608 | 663 | 475 | 350 | 596 | 617 | 741 | 4.5% | 5.4% |
| JetBlue Airways | 202 | 232 | 296 | 363 | 358 | 274 | 113 | 249 | 307 | 288 | 1.9% | 2.1% |
| Alaska Air | 407 | 409 | 421 | 379 | 333 | 253 | 182 | 295 | 289 | 280 | 3.8% | 2.0% |
| Frontier | 238 | 198 | 246 | 243 | 263 | 191 | 194 | 217 | 222 | 361 | 2.2% | 2.6% |
| Spirit | - | - | - | - | - | - | - | 21 | 209 | 217 | 0.0% | 1.6% |
| Other | 10 | 10 | 47 | 13 | 2 | 1 | 0 | 6 | 22 | 27 | 0.1% | 0.2% |
| Total | 10,834 | 11,293 | 11,850 | 12,420 | 13,090 | 10,096 | 7,710 | 12,802 | 13,143 | 13,850 | | |

*Percentage included with Delta

**Including US Airways

Note: Amounts may not add due to rounding.

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

| | Fiscal Year Ended June 30 | | | | | | | | | |
|-------------------------|----------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
| Passenger Aircraft | 237,948 | 237,294 | 247,150 | 250,904 | 253,578 | 216,320 | 219,808 | 245,840 | 232,416 | 244,188 |
| Cargo | 18,484 | 19,434 | 20,240 | 20,382 | 20,618 | 20,604 | 20,672 | 20,296 | 17,082 | 15,834 |
| General Aviation | 60,824 | 50,879 | 48,843 | 53,695 | 61,117 | 63,326 | 68,469 | 69,370 | 66,339 | 61,485 |
| Military | 2,738 | 7,978 | 7,202 | 7,037 | 5,751 | 2,792 | 3,190 | 3,001 | 4,156 | 3,279 |
| Total Operations | <u>319,994</u> | <u>315,585</u> | <u>323,435</u> | <u>332,018</u> | <u>341,064</u> | <u>303,042</u> | <u>312,139</u> | <u>338,507</u> | <u>319,993</u> | <u>324,786</u> |
| Annual Change | (-1.4%) | (-1.4%) | 2.5% | 2.7% | 2.7% | (-11.1%) | 3.0% | 8.4% | (-5.5%) | 1.5% |

Source: Department Records

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

| | Fiscal Year Ended June 30 | | | | | | | | | |
|---------------|----------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
| Airlines | 12,202,986 | 12,511,833 | 13,303,497 | 13,737,381 | 14,263,691 | 12,315,209 | 12,631,435 | 14,668,929 | 14,432,456 | 15,549,839 |
| Cargo | 997,992 | 1,069,830 | 1,106,147 | 1,171,564 | 1,201,369 | 1,246,304 | 1,356,217 | 1,320,235 | 1,165,877 | 1,023,299 |
| Total | 13,200,978 | 13,581,663 | 14,409,644 | 14,908,945 | 15,465,060 | 13,561,513 | 13,987,652 | 15,989,164 | 15,598,332 | 16,573,137 |
| Annual Change | 4.1% | 2.9% | 6.1% | 3.5% | 3.7% | (-12.3%) | 3.1% | 14.3% | (-2.4%) | 6.2% |

Source: Department Records

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

| | Fiscal Year Ended June 30 | | | | | | | | | |
|---------------|----------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
| Cargo | 165,356 | 175,453 | 183,525 | 190,143 | 203,950 | 199,985 | 212,260 | 202,246 | 179,715 | 166,204 |
| Mail | 15,773 | 16,420 | 17,020 | 20,712 | 20,293 | 21,400 | 27,865 | 25,109 | 21,305 | 7,183 |
| Total | 181,129 | 191,873 | 200,545 | 210,855 | 224,243 | 221,385 | 240,125 | 227,355 | 201,021 | 173,388 |
| Annual Change | 2.1% | 5.9% | 4.5% | 5.1% | 6.3% | (-1.3%) | 8.5% | (-5.3%) | (-11.6%) | (-13.7%) |

Source: Department Records

SALT LAKE CITY DEPARTMENT OF AIRPORTS
TOTAL ANNUAL REVENUES AND EXPENSES

| | Fiscal Year Ended June 30 | | | | |
|---|----------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| | 2020 | 2021 | 2022 | 2023 | 2024 |
| Operating Revenues | | | | | |
| Airfield | \$ 40,689,749 | \$ 40,792,381 | \$ 51,530,131 | \$ 60,502,141 | \$ 66,717,192 |
| Terminals | 58,015,237 | 84,092,806 | 111,698,594 | 109,869,990 | 136,446,665 |
| Landside | 58,885,211 | 51,311,766 | 90,523,390 | 103,971,398 | 117,916,455 |
| Auxiliary Airports | 2,138,371 | 2,106,100 | 2,492,699 | 3,174,953 | 3,570,575 |
| General Aviation | 2,568,559 | 3,381,032 | 3,260,293 | 3,465,024 | 3,556,677 |
| Support Areas | 5,957,045 | 6,319,366 | 5,161,656 | 5,965,097 | 8,724,854 |
| Other | 3,169,004 | 4,390,798 | 7,843,314 | 10,222,660 | 5,021,565 |
| Operating revenues | 171,423,176 | 192,394,249 | 272,510,077 | 297,171,263 | 341,953,983 |
| Less: Airline revenue sharing | (10,096,880) | (7,710,155) | (13,566,127) | (13,844,449) | (15,296,928) |
| Total operating revenues | 161,326,296 | 184,684,094 | 258,943,950 | 283,326,814 | 326,657,055 |
| Operating Expenses | | | | | |
| Airfield | 32,866,248 | 31,303,986 | 39,396,566 | 53,036,267 | 53,812,200 |
| Terminals | 47,183,508 | 65,663,460 | 73,755,975 | 81,137,468 | 87,634,807 |
| Landside | 11,223,893 | 12,704,070 | 15,075,369 | 20,402,261 | 24,250,354 |
| Auxiliary Airports | 4,534,580 | 4,386,332 | 4,292,035 | 5,898,905 | 6,951,829 |
| General Aviation | 892,387 | 747,824 | 39,952 | 373,746 | 1,345,639 |
| Support Areas | 1,600,159 | 1,644,206 | 1,562,360 | 2,604,651 | 2,952,116 |
| Roads and Grounds | 8,516,862 | 5,108,025 | 4,599,614 | 5,422,850 | 4,617,052 |
| Other | 3,085,500 | 2,118,334 | 1,897,243 | 3,204,291 | 2,879,515 |
| Total operating expenses before depreciation | 109,903,136 | 123,676,237 | 140,619,114 | 172,080,439 | 184,443,512 |
| Operating Income Before Depreciation | 51,423,160 | 61,007,857 | 118,324,836 | 111,246,375 | 142,213,543 |
| Depreciation | 57,604,443 | 100,890,159 | 144,018,609 | 148,449,313 | 162,698,321 |
| Operating Income/(Loss) | (6,181,283) | (39,882,302) | (25,693,773) | (37,202,938) | (20,484,778) |
| Non-operating Revenues (Expenses) | | | | | |
| Passenger Facility Charges | 40,607,278 | 29,227,051 | 48,759,002 | 49,282,454 | 51,933,241 |
| Customer Facility Charges | 12,477,986 | 9,015,981 | 14,024,129 | 15,177,082 | 16,942,812 |
| Net Bond interest expense | (85,497,741) | (86,108,427) | (116,831,638) | (117,346,361) | (143,045,260) |
| Bond issuance costs | - | (506,009) | (3,010,366) | (381,981) | (2,327,123) |
| Interest Income | 19,360,991 | 3,944,378 | 11,740,156 | 30,645,108 | 55,116,019 |
| Contribution of capital assets | - | (9,028,611) | (647,664) | (539,720) | (755,608) |
| Other revenue (expenses), net | 1,527,746 | (15,942,595) | (6,546,909) | 1,377,677 | 4,951,389 |
| Net non-operating revenues (expenses) | (11,523,740) | (69,398,232) | (52,513,290) | (21,785,741) | (17,184,530) |
| Capital Contributions | 31,124,710 | 94,930,936 | 71,745,501 | 62,471,709 | 100,232,925 |
| Net Position | | | | | |
| Increase (decrease) in Net Position | 13,419,687 | (14,349,598) | (6,461,562) | 3,483,030 | 62,563,617 |
| Net Position, Beginning of Period | 1,417,154,716 | 1,430,574,403 | 1,416,224,805 | 1,409,763,243 | 1,413,246,273 |
| Net Position, End of Period | \$ 1,430,574,403 | \$ 1,416,224,805 | \$ 1,409,763,243 | \$ 1,413,246,273 | \$ 1,475,809,890 |

Source: Salt Lake City Department of Airports Audited Financial Statements

SALT LAKE CITY DEPARTMENT OF AIRPORTS

TOTAL ANNUAL REVENUES AND EXPENSES

Fiscal Year Ended June 30

| Operating Revenues | 2015 | 2016 | 2017 | 2018 | 2019 |
|---|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Airfield | \$ 27,688,088 | \$ 31,809,896 | \$ 35,333,251 | \$ 37,850,416 | \$ 40,799,238 |
| Terminals | 49,165,208 | 50,070,474 | 52,951,540 | 56,371,640 | 60,286,589 |
| Landside | 52,477,405 | 57,912,911 | 64,364,602 | 68,304,466 | 72,852,990 |
| Auxiliary Airports | 852,204 | 939,098 | 1,523,721 | 1,782,152 | 2,031,742 |
| General Aviation | 2,223,159 | 2,056,534 | 2,262,353 | 2,526,808 | 2,392,266 |
| Support Areas | 7,484,591 | 7,149,854 | 7,449,642 | 7,662,008 | 6,437,741 |
| Other | 2,318,083 | 2,035,050 | 3,090,190 | 2,915,551 | 2,739,183 |
| Operating revenues | 142,208,738 | 151,973,817 | 166,975,299 | 177,413,041 | 187,539,749 |
| Less: Airline revenue sharing | (9,938,626) | (10,941,229) | (12,169,163) | (13,007,308) | (14,076,885) |
| Total operating revenues | 132,270,112 | 141,032,588 | 154,806,136 | 164,405,733 | 173,462,864 |
| Operating Expenses | | | | | |
| Airfield | 22,546,161 | 28,358,533 | 30,038,981 | 31,484,601 | 31,305,225 |
| Terminals | 32,598,386 | 37,150,225 | 40,038,056 | 41,079,201 | 40,435,158 |
| Landside | 9,788,597 | 11,237,669 | 12,336,435 | 12,522,236 | 10,081,900 |
| Auxiliary Airports | 1,370,456 | 1,746,575 | 3,054,345 | 3,253,108 | 4,241,437 |
| General Aviation | 1,112,793 | 996,707 | 2,890,348 | 995,461 | 877,645 |
| Support Areas | 958,611 | 1,130,272 | 1,347,481 | 1,235,761 | 1,661,436 |
| Roads and Grounds | 5,736,332 | 6,991,987 | 7,165,486 | 6,876,733 | 7,670,463 |
| Other | 2,097,347 | 2,453,128 | 2,588,726 | 2,529,250 | 2,161,008 |
| Total operating expenses before depreciation | 76,208,683 | 90,065,096 | 99,459,858 | 99,976,351 | 98,434,272 |
| Operating Income Before Depreciation | 56,061,429 | 50,967,492 | 55,346,278 | 64,429,382 | 75,028,592 |
| Depreciation | 59,995,105 | 61,656,896 | 63,664,986 | 63,826,718 | 63,549,763 |
| Operating Loss | (3,933,676) | (10,689,404) | (8,318,708) | 602,664 | 11,478,829 |
| Non-operating Revenues (Expenses) | | | | | |
| Passenger Facility Charges | 40,976,537 | 42,805,519 | 45,750,397 | 47,739,461 | 49,720,539 |
| Customer Facility Charges | 15,606,695 | 15,613,155 | 16,157,076 | 15,740,068 | 16,012,445 |
| Net Bond interest expense | - | | (14,479,594) | (34,674,629) | (72,222,513) |
| Bond issuance costs | - | - | 4,551,541 | 21,782,631 | (3,129,538) |
| Interest Income | 1,788,695 | 2,782,668 | - | - | 36,964,373 |
| Other revenue (expenses), net | (275,668) | (488,665) | 4,120,819 | (2,501,999) | 9,405,217 |
| Net non-operating revenues (expenses) | 58,096,259 | 60,712,677 | 56,100,239 | 48,085,532 | 36,750,523 |
| Capital Contributions | 15,148,122 | 14,230,033 | 17,793,909 | 18,142,126 | 14,284,968 |
| Net Position | | | | | |
| Increase in Net Position | 69,310,705 | 64,253,306 | 65,575,440 | 66,830,322 | 62,514,320 |
| Net Position, Beginning of Period | 1,088,670,623 | 1,157,981,328 | 1,222,234,634 | 1,287,810,074 | 1,354,640,396 |
| Net Position, End of Period | \$ 1,157,981,328 | \$ 1,222,234,634 | \$ 1,287,810,074 | \$ 1,354,640,396 | \$ 1,417,154,716 |

Source: Salt Lake City Department of Airports Audited Financial Statements

SALT LAKE CITY DEPARTMENT OF AIRPORTS
SUMMARY OF OPERATING REVENUES

(Amounts in Thousands)

Fiscal Year Ended June 30,

| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|---------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Landing Fees | \$ 23,199 | \$ 27,023 | \$ 30,020 | \$ 32,742 | \$ 35,434 | \$ 35,638 | \$ 35,996 | \$ 45,158 | \$ 53,497 | \$ 59,818 |
| Airline Terminal Space Rentals | 29,019 | 28,500 | 29,775 | 31,028 | 33,432 | 34,645 | 66,680 | 83,480 | 86,486 | 97,945 |
| Other Airline Revenues | 7,201 | 6,931 | 6,844 | 6,799 | 6,769 | 7,031 | 7,015 | 8,182 | 8,373 | 11,765 |
| Car Rental | 19,341 | 22,142 | 27,186 | 29,181 | 29,856 | 25,372 | 24,317 | 35,378 | 36,053 | 39,723 |
| Auto Parking Facilities | 31,117 | 33,409 | 34,297 | 35,323 | 36,297 | 27,974 | 23,491 | 48,813 | 60,140 | 68,596 |
| Other Terminal Rentals | 29,467 | 30,859 | 35,042 | 39,041 | 42,046 | 37,634 | 31,608 | 48,015 | 49,286 | 61,032 |
| Other Revenues | 2,864 | 3,110 | 3,811 | 4,441 | 3,704 | 3,129 | 3,287 | 3,485 | 3,336 | 3,076 |
| Credit Revenue Sharing | (9,938) | (10,941) | (12,169) | (13,007) | (14,077) | (10,097) | (7,710) | (13,566) | (13,844) | (15,297) |
| Total Operating Revenues | \$ 132,270 | \$ 141,033 | \$ 154,806 | \$ 165,548 | \$ 173,461 | \$ 161,326 | \$ 184,684 | \$ 258,945 | \$ 283,327 | \$ 326,658 |

Source: Department Records

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

| Airline (includes affiliates) | FY 2022 | | | FY 2023 | | | FY 2024 | | | | | |
|-------------------------------|------------------|---------------|------------------|---------------|------------------|---------------|------------------|---------------|------------------|---------------|------------------|---------------|
| | Landing Fees | % of Total | Rents | % of Total | Landing Fees | % of Total | Rents | % of Total | Landing Fees | % of Total | Rents | % of Total |
| Alaska | \$ 960 | 2.1% | \$ 2,333 | 3.0% | \$ 1,079 | 2.0% | \$ 2,535 | 3.3% | \$ 1,132 | 1.9% | \$ 2,839 | 3.0% |
| American* | 2,037 | 4.5% | 4,832 | 6.2% | 2,137 | 4.0% | 5,193 | 6.7% | 2,775 | 4.6% | 5,571 | 5.9% |
| Delta | 29,909 | 66.2% | 54,593 | 70.0% | 36,884 | 68.9% | 52,640 | 67.5% | 39,746 | 66.4% | 65,318 | 68.6% |
| Frontier | 622 | 1.4% | 2,114 | 2.7% | 666 | 1.2% | 2,307 | 3.0% | 1,192 | 2.0% | 2,418 | 2.5% |
| JetBlue | 750 | 1.7% | 2,347 | 3.0% | 954 | 1.8% | 2,467 | 3.2% | 1,114 | 1.9% | 2,608 | 2.7% |
| Southwest | 4,053 | 9.0% | 7,181 | 9.2% | 5,061 | 9.5% | 3,636 | 4.7% | 6,034 | 10.1% | 8,670 | 9.1% |
| Spirit | - | 0.0% | - | 0.0% | 548 | 1.0% | 4,144 | 5.3% | 688 | 1.2% | 1,992 | 2.1% |
| United | 1,867 | 4.1% | 4,578 | 5.9% | 2,158 | 4.0% | 5,075 | 6.5% | 2,922 | 4.9% | 5,807 | 6.1% |
| Other (1) | 4,960 | 11.0% | - | 0.0% | 4,010 | 7.5% | - | 0.0% | 4,215 | 7.0% | - | 0.0% |
| Totals: | \$ 45,158 | 100.0% | \$ 77,978 | 100.0% | \$ 53,497 | 100.0% | \$ 77,997 | 100.0% | \$ 59,818 | 100.0% | \$ 95,223 | 100.0% |

| Airline (includes affiliates) | FY 2020 | | | FY 2021 | | |
|-------------------------------|------------------|---------------|------------------|---------------|------------------|---------------|
| | Landing Fees | % of Total | Rents | % of Total | Landing Fees | % of Total |
| Alaska | \$ 826 | 2.3% | \$ 984 | 2.8% | \$ 687 | 1.9% |
| American | 1,646 | 4.6% | 1,959 | 5.7% | 1,507 | 4.2% |
| Delta | 23,850 | 66.9% | 25,431 | 73.6% | 24,625 | 68.4% |
| Frontier | 484 | 1.4% | 548 | 1.6% | 513 | 1.4% |
| JetBlue | 796 | 2.2% | 664 | 1.9% | 406 | 1.1% |
| SkyWest | - | 0.0% | - | 0.0% | - | 0.0% |
| Southwest | 3,078 | 8.6% | 3,357 | 9.7% | 2,388 | 6.6% |
| Spirit | - | 0.0% | - | 0.0% | - | 0.0% |
| United | 1,451 | 4.1% | 1,632 | 4.7% | 1,155 | 3.2% |
| Other (1) | 3,507 | 9.8% | - | 0.0% | 4,715 | 13.1% |
| Totals: | \$ 35,638 | 100.0% | \$ 34,575 | 100.0% | \$ 35,996 | 100.0% |
| | | | | | \$ 62,465 | 100.0% |

Source: Department Records

(1) Includes charter, cargo, and commuter

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

| Airline (includes affiliates) | FY 2017 | | | FY 2018 | | | FY 2019 | | | | | |
|-----------------------------------|------------------|---------------|------------------|---------------|------------------|---------------|------------------|---------------|------------------|---------------|------------------|---------------|
| | Landing Fees | % of Total | Rents | % of Total | Landing Fees | % of Total | Rents | % of Total | Landing Fees | % of Total | Rents | % of Total |
| Alaska | \$ 1,053 | 3.5% | \$ 957 | 3.3% | \$ 973 | 3.0% | \$ 1,025 | 3.3% | \$ 851 | 2.4% | \$ 819 | 2.5% |
| American | 1,537 | 5.1% | 1,239 | 4.3% | 1,727 | 5.3% | 1,250 | 4.0% | 1,858 | 5.2% | 1,300 | 4.0% |
| Delta | 19,438 | 64.9% | 21,831 | 74.8% | 21,136 | 64.7% | 23,227 | 74.8% | 23,534 | 66.5% | 24,671 | 75.8% |
| Frontier | 483 | 1.6% | 449 | 1.5% | 480 | 1.5% | 483 | 1.6% | 540 | 1.5% | 494 | 1.5% |
| JetBlue | 631 | 2.1% | 435 | 1.5% | 854 | 2.6% | 478 | 1.5% | 875 | 2.5% | 508 | 1.6% |
| Southwest | 2,832 | 9.4% | 2,882 | 9.9% | 3,219 | 9.8% | 3,056 | 9.9% | 3,250 | 9.2% | 3,225 | 9.9% |
| United | 1,342 | 4.5% | 1,348 | 4.6% | 1,483 | 4.5% | 1,396 | 4.5% | 1,655 | 4.7% | 1,501 | 4.6% |
| US Airways | - | 0.0% | - | 0.0% | - | 0.0% | - | 0.0% | - | 0.0% | - | 0.0% |
| Other (1) | 2,704 | 9.0% | - | 0.0% | 2,870 | 8.8% | 84 | 0.3% | 2,871 | 8.1% | - | 0.0% |
| Totals: | \$ 30,020 | 100.0% | \$ 29,141 | 100.0% | \$ 32,742 | 100.0% | \$ 30,999 | 100.0% | \$ 35,434 | 100.0% | \$ 32,518 | 100.0% |
| FY 2015 | | | | | | | | | | | | |
| Airline (includes affiliates) | FY 2015 | | | FY 2016 | | | FY 2019 | | | FY 2019 | | |
| | Landing Fees | % of Total | Rents | % of Total | Landing Fees | % of Total | Rents | % of Total | Landing Fees | % of Total | Rents | % of Total |
| Alaska | \$ 883 | 3.8% | \$ 714 | 2.4% | \$ 965 | 3.6% | \$ 1,067 | 3.8% | - | - | - | - |
| American | 815 | 3.5% | 873 | 3.0% | 1,713 | 6.3% | 1,333 | 4.8% | - | - | - | - |
| Delta | 14,786 | 63.7% | 22,153 | 75.5% | 17,577 | 65.1% | 21,242 | 76.2% | - | - | - | - |
| Frontier | 420 | 1.8% | 428 | 1.5% | 377 | 1.4% | 352 | 1.3% | - | - | - | - |
| JetBlue | 393 | 1.7% | 368 | 1.3% | 472 | 1.7% | 301 | 1.1% | - | - | - | - |
| Southwest | 2,105 | 9.1% | 2,792 | 9.5% | 2,435 | 9.0% | 2,454 | 8.8% | - | - | - | - |
| United | 944 | 4.1% | 1,242 | 4.2% | 1,205 | 4.5% | 1,103 | 4.0% | - | - | - | - |
| US Airways | 747 | 3.2% | 759 | 2.6% | - | 0.0% | - | 0.0% | - | - | - | - |
| Other (Charter, Cargo & Commuter) | 2,105 | 9.1% | - | 0.0% | 2,279 | 8.4% | - | 0.0% | - | - | - | - |
| Totals: | \$ 23,199 | 100.0% | \$ 29,328 | 100.0% | \$ 27,023 | 100.0% | \$ 27,852 | 100.0% | - | - | - | - |

Source: Department Records

(1) During FY2016, US Airways merged with American Airlines

(2) Includes charter, cargo, and commuter

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

Fiscal Year Ended June 30,

| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|----------------------------------|------------------|------------------|------------------|------------------|------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Personnel Services | \$ 33,880 | \$ 45,096 | \$ 49,350 | \$ 50,076 | \$ 40,258 | \$ 48,584 | \$ 46,782 | \$ 47,804 | \$ 58,989 | \$ 66,724 |
| Charges/Services/Fees | 19,785 | 20,811 | 24,901 | 23,996 | 26,300 | 25,118 | 40,762 | 51,723 | 60,154 | 63,463 |
| Operational Maintenance Supplies | 9,487 | 10,940 | 11,725 | 11,343 | 12,610 | 12,381 | 11,041 | 13,673 | 20,148 | 17,820 |
| Utilities | 6,313 | 6,175 | 5,946 | 6,166 | 5,721 | 5,697 | 6,664 | 7,176 | 8,553 | 9,714 |
| Fire Services | 4,314 | 4,597 | 4,886 | 5,130 | 5,364 | 5,587 | 5,262 | 5,890 | 7,166 | 7,099 |
| Police Services | - | - | - | - | 3,891 * | 8,332 | 8,717 | 9,173 | 10,636 | 11,950 |
| Salt Lake City Administration | 2,430 | 2,446 | 2,651 | 3,265 | 4,288 | 4,204 | 4,448 | 5,180 | 6,434 | 7,674 |
| Total Operating Expenses | \$ 76,209 | \$ 90,065 | \$ 99,459 | \$ 99,976 | \$ 98,433 | \$ 109,903 | \$ 123,676 | \$ 140,619 | \$ 172,080 | \$ 184,444 |

Source: Department Records

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