

Financial Statements  
June 30, 2018 and 2017

**Redevelopment Agency of Salt Lake City**  
(A Component Unit of Salt Lake City Corporation, Utah)

Redevelopment Agency of Salt Lake City  
Table of Contents  
June 30, 2018 and 2017

---

INTRODUCTORY SECTION:

Table of Contents	i
-------------------	---

FINANCIAL SECTION:

Independent Auditor's Report	2
Management's Discussion and Analysis	4
Basic Financial Statements	
Financial Statements	
Statements of Net Position	10
Statements of Revenues, Expenses and Changes in Net Position	12
Statements of Cash Flows	13
Notes to the Financial Statements	15
Note 1. Summary of Significant Accounting Policies	16
Note 2. Cash and Cash Equivalents	19
Note 3. Restricted Cash and Cash Equivalents	20
Note 4. Loans and Other Long-Term Receivables	21
Note 5. Capital Assets	22
Note 6. Bonds Payable	23
Note 7. Pension Plans	24
Note 8. Other Post-employment Benefits	32
Note 9. Related Party Deposits	34
Note 10. Commitments and Contingencies	34
Note 11. Subsequent Events	37
Required Supplementary Information	
Schedule of the Proportionate Share of the Net Pension Liability	39
Schedule of Contributions	40
Supplementary Information	
Combining Balance Sheet Information by Project Area	42
Combining Statement of Revenues and Expenses by Project Area	43
Selected Financial Information by Project Area	44

# Financial Section



## Independent Auditor's Report

The Board of Directors  
Redevelopment Agency of Salt Lake City

### Report on the Financial Statements

We have audited the accompanying statements of net position of the Redevelopment Agency of Salt Lake City (the Agency), a component unit of Salt Lake City Corporation, Utah, as of June 30, 2018 and 2017 and the related statements of revenues, expenses and changes in net position and cash flows for the years then ended and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Agency as of June 30, 2018 and 2017 and the respective changes in 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.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and Required Supplementary Information on pages 4 through 8 and pages 38 through 40 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Agency's basic financial statements. The supplementary information on pages 41 through 44 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.



Salt Lake City, Utah  
December 5, 2018

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**(Unaudited)**

Redevelopment Agency of Salt Lake City (Agency) management presents to the readers of its financial statements this narrative information. It contains an overview and analysis of the financial position and results of operations as of, and for the years ended, June 30, 2018 and 2017. As management of the Agency, we encourage readers to consider information contained in this discussion.

**FINANCIAL HIGHLIGHTS**

As of June 30, 2018 and 2017, assets and deferred outflows of the Agency exceeded its liabilities and deferred inflows by \$164,569,666 and \$234,561,701, respectively (net position). Of the total amounts, \$85,627,922 and \$52,968,137, as of June 30, 2018 and 2017, respectively, are available to meet ongoing obligations to creditors. The remaining net position amount of \$78,941,744 and \$181,593,564, as of June 30, 2018 and 2017, respectively, are either restricted or invested in capital assets, net of related debt, and therefore not available to meet the Agency's ongoing obligations.

Net position decreased by \$69,992,040 and increased \$2,864,065 during the years ending June 30, 2018 and 2017, respectively. During 2014, the Agency began construction on a new project, the George S. and Dolores Dore Eccles Performing Arts Center (Eccles Theater) and issued Tax Increment Bonds of \$64,730,000 to partially fund the project. In addition, Salt Lake City Corporation (the City) issued Sales Tax Revenue Bonds and contributed the proceeds to the Agency, resulting in contribution revenue of \$51,270,000. The Agency continued the construction of the Eccles Theater into 2018 and has received \$31,865,795 in donations for the project through June 30, 2018, and promises to give of \$5,909,205 remain uncollected and will be used for the ongoing construction and debt service of the project through 2021.

A significant portion of total assets, as of June 30, 2018 and 2017, is the unrestricted cash amounting to \$43,708,916 and \$73,467,818, respectively. Statutorily, the Agency is required to spend the tax increment funds generated in each of its projects area within the boundaries of the project area except for affordable housing projects or infrastructure that benefits a project area. No one project or project area has access to all of the unrestricted cash balance shown above. Restricted cash of \$27,637,309 and \$2,178,898, as of June 30, 2018 and 2017, respectively, reflects remaining bond proceeds for the Eccles Theater and the Regent Street projects, and funds already committed to specific projects.

Another significant portion of assets is the loans and other receivables balance. Loans are awarded to individuals and businesses for acquisition, rehabilitation, new construction or façade renovation, and continue to be an important aspect of the Agency's blight elimination mission. For fiscal year 2018, the loan amounts originated, but not necessarily funded, and principal received were \$2,885,147 and \$5,169,199, respectively. For fiscal year 2017, the loan amounts originated, but not necessarily funded, and principal received were \$13,610,590 and \$8,072,118, respectively. The Agency also recognized promises to give for the Eccles Theater in the amount of \$5,909,205 and \$9,250,000 as of June 30, 2018 and 2017, respectively, of which \$3,250,000 is a current receivable. The Agency's loans receivable balance as of June 30, 2018 and 2017, including accrued interest was \$16,945,143 and \$15,957,731, respectively, which is an increase and a decrease of \$987,412 and \$968,156, respectively.

## OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis serves as an introduction to the Agency's basic financial statements and the notes to the financial statements. This report also contains information in addition to the basic financial statements that will help the reader to gain a more in-depth understanding of the Agency.

**The statement of net position** shows the Agency's total assets, deferred outflows, liabilities and deferred inflows with the difference shown as net position. Increases or decreases over time in net position gives an indicator as to whether the financial condition of the Agency is improving or declining.

**The statement of revenues, expenses and changes in net position** shows the changes to net position that occurred during the two most recent fiscal years. These changes are recorded when the underlying event that causes the change occurs regardless of when the cash transaction takes place. Therefore revenues and expenses are recorded in the statement of activities for some items that the resulting cash flows occur in a future period. Examples are future debt interest payments, when the fiscal year ends between interest payments, and earned, but not yet received, interest on investments.

**The statement of cash flows** shows the inflows and outflows of cash as a result of transactions in four categories. The categories are operating activities, capital and related financing activities, non-capital and related financing activities and investing activities.

**Notes to the financial statements** contain additional information important to a complete understanding of the information contained in the financial statements. Notes to the financial statements begin on page 15 of this report.

## OTHER INFORMATION

Legislatively required supplemental schedules containing selected information are contained in this report immediately following the notes to the financial statements and can be found on pages 39-44.

## FINANCIAL ANALYSIS

As mentioned earlier, net position may over time indicate the Agency's financial position. The Agency's assets and deferred outflows exceeded its liabilities and deferred inflows by \$164,569,666 and \$234,561,701 at the close of the fiscal years ended June 30, 2018 and 2017, respectively.

A significant portion of the Agency's net position (78.3% in 2018 and 65.6% in 2017) is comprised of its unrestricted amounts and amounts invested in capital assets - net of related debt, and results from the Agency's ongoing purpose of eliminating urban blight. The Agency has issued debt to support several large scale economic development and public infrastructure projects. As an incentive to a developer, the Agency may sell land for less than its cost or market value. Newly developed properties generate increased property taxes, a portion of which the Agency receives to pay debt and finance ongoing activities. The remaining portion (21.7% as of June 30, 2018 and 34.4% as of June 30, 2017) of net position represents resources that have external restrictions on how they can be used.

**REDEVELOPMENT AGENCY OF SALT LAKE CITY**  
Net Position

	Fiscal 2018	Fiscal 2017	Fiscal 2016
Current and other assets	\$ 194,642,652	\$ 139,880,895	\$ 158,484,826
Capital assets	43,249,927	172,805,823	157,999,173
Total assets	\$ 237,892,579	\$ 312,686,718	\$ 316,483,999
Deferred outflow of resources	\$ 188,046	\$ 189,806	\$ 169,021
Bonds payable	\$ 68,450,508	\$ 71,895,671	\$ 74,945,769
Other liabilities	4,916,365	6,391,771	9,976,347
Total liabilities	\$ 73,366,873	\$ 78,287,442	\$ 84,922,116
Deferred inflow of resources	\$ 144,086	\$ 27,380	\$ 33,268
Net position:			
Invested in capital assets - net of related debt	\$ 43,249,927	\$ 100,910,152	\$ 79,211,215
Restricted for capital construction	35,691,817	80,683,412	87,277,120
Unrestricted	85,627,922	52,968,137	65,209,301
Total net position, as restated	\$ 164,569,666	\$ 234,561,701	\$ 231,697,636

**Agency Activities**

The Agency's receipt of incremental property taxes, that portion of property taxes generated from higher property values from earlier redevelopment activities, decreased by \$5,543,901 (15.38%) and increased by \$1,248,305 (3.93%) during fiscal years 2018 and 2017, respectively. Private donations decreased by \$2,350,000 and interest income increased by \$273,467 during the year ended June 30, 2018.

For the year ended June 30, 2018, total operating expenses of the Agency decreased by \$10,118,405 (32.2%). The significant change is mainly due to decreases in Charges and Services of approximately \$7,000,000 and Depreciation Expense of approximately \$2,000,000. The decrease in Charges and Services is mainly due to a reduction in the overall redevelopment activities of the Agency. The decrease in Depreciation is a result of the contribution of the Eccles Theater assets to UPACA.



**REDEVELOPMENT AGENCY OF SALT LAKE CITY**

Changes in Net Position

	Fiscal 2018	Fiscal 2017	Fiscal 2016
Revenues			
Program revenues:			
Rental and other income	\$ 2,174,382	\$ 1,718,083	\$ 1,633,638
General revenues			
Transfers in from Salt Lake City Corporation	9,972,553	11,820,407	10,250,971
Interest and investment valuation income	1,328,199	1,054,732	815,486
Gain/(Loss) on sale of capital assets	331,194	(744,373)	39,388
Grants and other contributions	20,749,608	25,720,509	31,546,376
Miscellaneous Income	117,732	27,035	609,804
Total revenues	34,673,668	39,596,393	44,895,663
Expenses			
Personnel Services	1,315,231	1,546,832	1,452,351
Operating and Maintenance	1,389,754	1,746,781	1,115,801
Charges and Services	16,904,901	24,366,372	29,273,073
Depreciation and amortization	1,649,986	3,718,292	2,397,517
Interest and fiscal charges	6,213,521	5,345,144	6,336,520
Change in Equity Interest in Joint Venture	76,463,683	—	—
Total expenses	107,951,086	36,732,328	40,575,262
Increase/(Decrease) in net position	(73,277,418)	2,864,065	4,320,401
Net position, beginning	234,561,701	231,697,636	227,377,235
Net position ending	\$161,284,288	\$234,561,701	\$231,697,636

**Capital Asset and Debt Administration**

**Capital Asset** investments by the Agency consist of land, land improvements, buildings, construction in process and a small amount of equipment. The investment in capital assets, net of accumulated depreciation, decreased by \$129,555,896 and increased by \$14,806,650 in fiscal 2018 and 2017, respectively.

**REDEVELOPMENT AGENCY OF SALT LAKE CITY**

Capital Assets, Net of Depreciation

	Fiscal 2018	Fiscal 2017	Fiscal 2016
Land and easement rights	\$ 21,456,012	\$ 21,456,012	\$ 21,456,012
Parking facilities and plaza	9,719,828	11,463,088	13,746,709
Other buildings	830,797	128,200,544	768,698
Construction in progress	11,145,117	11,278,419	121,857,972
Equipment	98,173	407,759	169,782
Total	\$ 43,249,927	\$ 172,805,822	\$ 157,999,173

Additional information relating to the capital assets of the Agency can be found in Note 5, beginning on page 22 of this report.

**Long-term debt (net)** of the Agency totaled \$68,450,508 and \$71,895,671 as of June 30, 2018 and 2017, respectively. The tax increment bonds require semi-annual interest payments. Principal payments for the 2013 bonds started in April 2016. Principal payments for the 2015 bonds began in April 2018.

**REDEVELOPMENT AGENCY OF SALT LAKE CITY**

Long-Term Debt

	Fiscal 2018	Fiscal 2017	Fiscal 2016
2013 Tax increment bonds, net	55,495,508	58,620,671	61,670,769
2015A and 2015B Tax increment bonds	12,955,000	13,275,000	13,275,000
Total	\$ 68,450,508	\$ 71,895,671	\$ 74,945,769

Additional information on the Agency's long-term debt can be found in Note 6, beginning on page 23 of this report.

***Requests for information***

Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Redevelopment Agency of Salt Lake City, 451 South State Street, Room 418, P.O. Box 145518 Salt Lake City Utah, 84114-5518.

\* \* \* \* \*

# Basic Financial Statements

Redevelopment Agency of Salt Lake City  
Statements of Net Position  
June 30, 2018 and 2017

	2018	2017
Assets		
Current assets		
Unrestricted cash and cash equivalents	\$ 43,708,916	\$ 73,467,818
Restricted cash and cash equivalents	27,637,309	2,178,898
Loans receivable-current portion, including interest receivable of \$195,114 and \$48,277, respectively	801,588	1,156,623
Other current receivables	335,991	—
Other long-term receivables, current portion	3,250,000	4,400,000
Deposits	719,778	719,778
Prepaid expenses	96,392	17,250
Total current assets	76,549,974	81,940,367
Non-current assets		
Capital assets, at cost		
Land and rights	21,456,012	21,456,012
Parking facilities and plaza	55,022,530	55,186,271
Other buildings	1,020,275	129,647,140
Office furniture and equipment	415,529	721,587
Construction in progress	11,145,117	11,278,419
Accumulated depreciation	(45,809,536)	(45,483,606)
Net capital assets	43,249,927	172,805,823
Loans and other long-term receivables, net of current portion	18,765,256	19,651,108
Land and buildings held for resale	46,229,420	38,289,419
Investment in Joint Venture	53,098,002	—
Total non-current assets	161,342,605	230,746,350
Total assets	237,892,579	312,686,717
Deferred Outflows		
Deferred outflows - Pension	188,046	189,806
Total assets and deferred outflows	\$ 238,080,625	\$ 312,876,523

The accompanying notes are an integral part of this statement

Redevelopment Agency of Salt Lake City  
 Statements of Net Position  
 June 30, 2018 and 2017

	2018	2017
Liabilities		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 3,705,099	\$ 4,727,657
Related party deposits and advance rentals	—	275,153
Accrued compensation, current portion	13,032	63,183
Accrued interest payable	793,356	818,666
Bonds payable, current portion	3,750,000	3,450,000
Total current liabilities	8,261,487	9,334,659
Non-current liabilities:		
Accrued compensation, net of current portion	101,702	98,560
Net pension liability	303,176	408,552
Bonds payable, net of discounts and current portion	64,700,508	68,445,671
Total non-current liabilities	65,105,386	68,952,783
Total liabilities	73,366,873	78,287,442
Deferred inflows		
Deferred inflows relating to pensions	144,086	27,380
Net Position		
Net Investment in capital assets	43,249,927	100,910,152
Restricted for construction and loan commitments held in escrow	35,691,817	80,683,412
Unrestricted	85,627,922	52,968,137
Total net position	164,569,666	234,561,701
Total liabilities, deferred inflows and net position	\$ 238,080,625	\$ 312,876,523

The accompanying notes are an integral part of this statement

Redevelopment Agency of Salt Lake City  
 Statements of Revenues, Expenses and Changes in Net Position  
 For the Fiscal Years Ended June 30, 2018 and 2017

	2018	2017
Operating revenues		
Rental and other income	\$ 1,619,971	\$ 1,560,092
Interest income from loans receivable	554,411	157,991
Miscellaneous	117,732	27,035
Reimbursement from State of Utah	3,285,378	—
Total operating revenues	<u>5,577,492</u>	<u>1,745,118</u>
Operating expenses		
Personnel Services	1,315,231	1,546,832
Operating and Maintenance	1,389,754	1,746,781
Charges and Services	16,904,901	24,366,372
Depreciation	1,649,986	3,718,292
Total operating expenses	<u>21,259,872</u>	<u>31,378,277</u>
Operating Loss	<u>(15,682,380)</u>	<u>(29,633,159)</u>
Non-operating revenues (expenses)		
Interest Income	1,328,199	1,054,732
Grants and other contributions	20,749,608	25,720,509
Changes in Equity Interest in Joint Venture	(76,463,683)	—
Gain (loss) on sale of capital assets	331,194	(744,373)
Interest and fiscal charges	(6,213,521)	(5,345,144)
Total non-operating revenues (expenses)	<u>(60,268,203)</u>	<u>20,685,724</u>
Loss before operating transfers	<u>(75,950,583)</u>	<u>(8,947,435)</u>
Transfers In from Salt Lake City Corporation	9,972,553	11,820,407
Transfers Out to Salt Lake City Corporation	(4,014,010)	(8,907)
Change in net position	<u>(69,992,040)</u>	<u>2,864,065</u>
Net position, beginning of year	<u>234,561,701</u>	<u>231,697,636</u>
Net position, end of year	<u>\$ 164,569,666</u>	<u>\$ 234,561,701</u>

The accompanying notes are an integral part of this statement

Redevelopment Agency of Salt Lake City

Statements of Cash Flows

Years Ended June 30, 2018 and 2017

	2018	2017
Cash Flows from Operating Activities		
Cash received from rentals	\$ 1,619,971	\$ 1,560,092
Cash from miscellaneous income	3,403,110	27,035
Cash paid to suppliers	(19,346,355)	(27,526,217)
Cash paid to employees	(1,349,150)	(1,464,001)
Loans disbursed	(8,815,941)	(7,230,994)
Principal collected on loans receivable	7,962,870	8,022,116
Interest collected on loans receivable	407,574	265,022
Net cash used in operating activities	(16,117,921)	(26,346,947)
Cash flows from capital and related financing activities		
Payments for acquisition of land and buildings held for resale	(8,025,000)	(20,305,843)
Proceeds from sale of land and buildings held for resale	549,490	197,388
Private donations	3,340,795	5,350,000
Property and equipment purchased during the year and contributed to UPACA	(2,125,058)	—
Principal payments on bonds payable	(3,450,000)	(3,055,000)
Interest and fiscal charges paid on bonds payable	(6,233,994)	(5,358,765)
Receipts of refundable construction bond	—	85,439
Net cash used in capital and related financing activities	(15,943,767)	(23,086,781)
Cash flows from non-capital and related financing activities		
Transfers in from Salt Lake City Corporation	9,972,553	11,806,508
Contributions from other taxing entities	20,749,608	24,787,208
Contributions to Salt Lake City Corporation	(4,014,010)	(1,402,800)
Cash received on deposit/(Cash deposit refunded) - related party	(275,153)	19,085
Net cash from non-capital and related financing activities	26,432,998	35,210,001
Cash flows from investing activities:		
Interest received from investments and cash and cash equivalents	1,328,199	1,054,732
Net cash provided by investing activities	1,328,199	1,054,732
Net change in cash and cash equivalents	(4,300,491)	(13,168,995)
Cash and cash equivalents, beginning of year	75,646,716	88,815,711
Cash and cash equivalents at end of year	\$ 71,346,225	\$ 75,646,716

The accompanying notes are an integral part of this statement

Redevelopment Agency of Salt Lake City

Statements of Cash Flows

Years Ended June 30, 2018 and 2017

	2018	2017
Balance sheet presentation of cash and cash equivalents		
Unrestricted	\$ 43,708,916	\$ 73,467,818
Restricted, current portion	27,637,309	2,178,898
Total cash and cash equivalents, end of year	\$ 71,346,225	\$ 75,646,716
Reconciliation of operating loss to net cash used for operating activities		
Operating Income (Loss)	\$ (15,682,380)	\$ (29,633,159)
Adjustments to reconcile operating loss to net cash used for operating activities		
Depreciation	1,649,986	3,718,292
Principal forgiven on loans receivable	50,000	70,000
Increase (decrease) from changes in:		
Accounts payable and accrued liabilities	(1,022,558)	(1,485,765)
Accrued compensation	(47,009)	(2,065)
Accrued interest on notes receivable	(146,837)	107,031
Pension assets	—	82
Pension liability	(105,376)	111,488
Deferred outflows	(36,609)	(47,888)
Prepaid expenses and deposits	(79,142)	2,700
Deferred inflows	155,075	21,215
Total	(15,264,850)	(27,138,069)
Loans disbursed	(8,815,941)	(7,230,994)
Principal collected on loans	7,962,870	8,022,116
Net cash used for operating activities	\$ (16,117,921)	\$ (26,346,947)
Non-cash transactions affecting financial position:		
Receivable and accrual satisfied through construction of capital assets	\$ —	\$ 1,780,903
Promises to Give	—	2,350,000
Contributions of capital assets to Salt Lake City Corporation	(1,150,000)	—
Recognition of equity interest in joint venture	53,098,002	—
Net capital assets contributed to Utah Performing Arts Center Agency	(127,772,608)	—

The accompanying notes are an integral part of this statement



# Notes to the Financial Statements

## **1. Summary of Significant Accounting Policies**

### **Organization and History**

The Redevelopment Agency of Salt Lake City (the Agency) was established in 1969 by Salt Lake City Corporation (the City) pursuant to the provisions of the Community Development and Renewal Agencies Act. The Agency is charged with the responsibility for the elimination of blight through the process of redevelopment in designated project areas. This objective is generally accomplished through: installation of public improvements, grants and loans provided to residents and businesses for improvements, and acquisition and preparation of land sites and sale of such land for development by the private or public sector. As an incentive to a developer, the Agency may sell land for less than its cost or market value.

### **Basis of Presentation**

The Agency, a separate legal entity that operates as an enterprise fund, is a blended component unit of the City and is included in the City's comprehensive annual financial report. The accompanying financial statements include certain funds which were established in accordance with bond requirements. The records of the Agency are maintained on the accrual basis of accounting.

### **Cash and Cash Equivalents**

The Agency considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

### **Investments**

Investments are shown at fair value, based upon quoted market prices. A portion of the Agency's investments at June 30, 2018 and 2017, are deposited in the pooled cash account of the City. The City's pooled cash account is invested primarily in the Public Treasurer's Investment Fund (the Treasurer's Fund) which is not registered with the Securities and Exchange Commission. Regulatory oversight of the Treasurer's Fund is provided by the Money Management Council, which is subsequently monitored by the State of Utah. The fair market value of the Agency's position in the fund is the same as the value of the fund shares owned by the Agency.

### **Allowance for Doubtful Receivables**

Historically, the Agency has not experienced any significant losses from bad debts in the past and management does not believe there are any impairments with the loan portfolio at June 30, 2018 and 2017, therefore, no reserve for bad debt expense has been established.

### **Capital Assets**

Property, equipment, and land are carried at cost. Depreciation of equipment and structures is computed using the straight-line method over the estimated useful lives that range from 5 to 35 years. No depreciation is provided on construction in process until the construction project is complete and the asset is placed into service. When assets are retired or otherwise disposed of, costs and related accumulated depreciation, if any, are removed, and any resulting gain or loss is included in revenues or expenses. The capitalization threshold for capital assets is \$5,000.

### **Land and Buildings Held for Resale**

Land and buildings held for resale, purchased as part of the Agency's redevelopment efforts, are carried at the lower of cost or net realizable value. The cost of buildings and improvements that the Agency determines not to be recoverable are expensed. Gains and losses (including impairment) on land and buildings held for resale are included in revenues and expenses.

### **Deferred outflows and deferred inflows of Resources**

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

### **Transfers In and Transfers Out**

Transfers In are property taxes received and collected by the City and transferred to the Agency which are the portion of the incremental property tax in the designated program areas attributable to increases over the base year in which the properties were designated as redevelopment areas.

Transfers Out are expenditures of program funds through another City department or operating expenditures for internal services of the City.

### **Revenue Recognition**

Rental revenue, interest revenue from loans, and miscellaneous revenue are reported as operating revenues. Transactions which are capital, financing or investing related, including transfers in, are reported as non-operating revenues. Revenue for services is recognized at the time the service is performed. Revenue from private donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

### **Operating and Non-Operating Revenue and Expenses**

Operating revenues and expenses result from providing goods and services relating to the primary operations of the Agency. Other revenues and expenses are reported as non-operating. All expenses related to operating the Agency are reported as operating expenses. Interest expense and financing costs are reported as non-operating expenses. During FY18, the Agency received a one-time reimbursement from the State of Utah for program expenditures associated with the Homeless Resource Center property.

### **Restricted and Unrestricted Resources**

Some projects may receive more than one source of funding. The Agency is restricted by some sources to apply funds only to specific approved projects. The Agency priority is to utilize restricted funds, before using unrestricted funds.

### **Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Utah Retirement Systems 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.

### **Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Agency 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.

**2. Cash and Cash Equivalents**

The following is a summary of cash and cash equivalents at June 30:

	2018	2017
Cash and cash equivalents		
Money market accounts	\$ 40,604,827	\$ 13,954,694
Investments in the pooled investment account of Salt Lake City Corporation	30,741,298	61,691,928
Petty Cash	100	94
	\$ 71,346,225	\$ 75,646,716
Financial statement presentation		
Unrestricted cash and cash equivalents	\$ 43,708,916	\$ 73,467,818
Restricted cash and cash equivalents, current portion	27,637,309	2,178,898
	\$ 71,346,225	\$ 75,646,716

The Agency maintains funds in the City’s pooled cash and investment accounts. The Agency pays the City or receives from the City an allocation of interest expense or income based upon its relative balance in the pooled accounts.

**Deposits**

It is the policy of the City to invest public funds in accordance with 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 (the Act) and Rules of the State Money Management Council as currently amended, and the City’s own written investment policy.

City policy provides that not more than 25% of the total City funds or 25% of the Qualified Depository’s allotment, whichever is less can be invested in any one Qualified Depository. Not more than 20% of total City funds may be invested in any one certified out-of-state depository institution. However, there shall be no limitation placed on the amount invested with the Treasurer’s Fund and other money market mutual funds, provided that the overall standards of investments achieve the City’s policy objectives. All of the Agency’s deposits during the years ended June 30, 2018 and 2017, were made with Qualified Depositories.

**Deposit Custodial Credit Risk**

Custodial credit risk is the risk that in the event of a bank failure, the government’s deposits may not be returned to it. The State of Utah does not require collateral on deposits. As of June 30, 2018 and 2017, none of the Agency’s cash balance was covered by federal depository insurance. The Agency’s cash balances of \$71,346,225 and \$75,646,716 as of June 30, 2018 and 2017, respectively, were uninsured and uncollateralized and therefore were exposed to some degree of custodial credit risk.

**Investments**

The Agency’s investment balances as of June 30, 2018 and 2017, included in cash and cash equivalents, were \$30,741,298 and \$61,691,928, respectively.

The City may place public money in investments authorized by the Act (U.C.A 51-7-11). The Utah State Treasurer shall ensure that all purchases and sales of securities are settled within 15 days of the trade date. In general, these investments can be any of the following subject to restrictions specified in the Act: Obligations of the U.S. Treasury and most Government-Sponsored Agencies; Commercial paper; Bankers Acceptances; Publicly traded fixed rate corporate obligations; Certain variable rate securities and deposits; Deposits with the State Public Treasurer’s Investment Pool; Certain fixed rate negotiable deposits with a qualified depository or through a certified dealer; Qualifying repurchase agreements; Open-end managed money market mutual funds; Utah State Treasurer’s Investment Pool; and Investment with deferred compensation plan administrators.

The Agency did not enter into any reverse repurchase agreements during the years ended June 30, 2018 and 2017.

The Agency does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

**Fair Value of Investments**

The Agency measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- *Level 1:* Quoted prices for identical investments in active markets;
- *Level 2:* Observable inputs other than quoted market prices; and,
- *Level 3:* Unobservable inputs.

At June 30, 2018 and 2017, respectively, the Agency had \$30,741,298 and \$61,691,928 in investments in the pooled investment account of the City, which were invested in the State Public Treasurer’s Investment Pool. These investments were valued by applying the fair value factor, as calculated by the Utah State Treasurer, to the Agency’s average daily balance in the Treasurer’ Fund at June 30, 2018 and 2017, respectively. Such valuation is considered a Level 2 valuation for GASB Statement No. 72 purposes.

**3. Restricted Cash and Cash Equivalents**

Certain cash and cash equivalents and investments are restricted by provisions of the applicable bond resolutions adopted and entered into by the Agency (Note 6) and for cash held in escrow for undisbursed loan proceeds.

The following is a summary of restricted cash and cash equivalents and investments at June 30:

	2018	2017
Restricted for construction on Utah Performing Arts Center under the related bond resolution	\$ —	\$ 78,133
Restricted for construction on Regent Street Improvements under the related bond resolution	2,647,921	2,100,765
Restricted for construction by appropriation	24,951,885	—
Restricted for loan escrows	37,503	—
Total restricted cash and cash equivalents	<u>\$ 27,637,309</u>	<u>\$ 2,178,898</u>

#### 4. Loans and Other Long-Term Receivables

The following is a summary of loans and other long-term receivables at June 30:

	2018	2017
Tax increment rehabilitation loans bearing interest from 0% to 5%. Principal and interest payable in monthly installments, includes accrued interest of \$28,773 and \$0 respectively.	\$ 9,224,170	\$ 10,665,352
Loans bearing interest at 2.5% to 3%, interest payable monthly; collateralized by property, letters of credit, and restricted cash accounts; includes accrued interest of \$0 and \$0, respectively.	774,770	877,002
Housing loans bearing interest from 0% to 3%, with principal and interest due monthly; collateralized by property; includes accrued interest of \$166,341 and \$48,277, respectively.	6,908,700	4,415,377
Pledges from private donors	5,909,205	9,250,000
Total	22,816,845	25,207,731
Less current portion	(4,051,558)	(5,556,623)
Total loans and other long-term receivables	\$ 18,765,287	\$ 19,651,108

As of June 30, 2018 and 2017, the Agency had committed to, and approved funding for, additional loans totaling \$37,503 and \$4,775,313, which funds had not yet been disbursed.

During the years ended June 30, 2018 and 2017, the Agency received pledges from private donors of \$0 and \$2,350,000, respectively. During the years ended June 30, 2018 and 2017, the Agency collected \$3,340,795 and \$5,350,000, respectively.

The remaining balance of pledges from private donors is due to the Agency in periodic payments through 2021, as follows:

Year ending June 30

2019	\$ 4,300,000
2020	809,205
2021	800,000
Total	\$ 5,909,205

## 5. Capital Assets

The following is a summary of transactions affecting capital assets for the year ended June 30, 2018:

Description	Balance July 1, 2017	Additions	Transfers	Retirements	Balance June 30, 2018
Office furniture and equipment	\$ 721,587	\$ —	\$ —	\$ (306,059)	\$ 415,528
Parking facilities and plaza	55,186,271	—	—	(163,741)	55,022,530
Other buildings	129,647,140	—	133,302	(128,760,167)	1,020,275
Construction in process	11,278,419	—	(133,302)	—	11,145,117
Land and rights	21,456,012	—	—	—	21,456,012
<b>Total</b>	<b>218,289,429</b>	<b>—</b>	<b>—</b>	<b>(129,229,967)</b>	<b>89,059,462</b>
Accumulated depreciation					
Office furniture and equipment	(313,827)	(33,130)	—	29,601	(317,356)
Parking facilities	(43,723,183)	(1,587,706)	—	8,187	(45,302,702)
Other buildings	(1,446,596)	(29,151)	—	1,286,269	(189,478)
<b>Total accumulated depreciation</b>	<b>(45,483,606)</b>	<b>(1,649,987)</b>	<b>—</b>	<b>1,324,057</b>	<b>(45,809,536)</b>
<b>Net capital assets</b>	<b>\$ 172,805,823</b>	<b>\$ (1,649,987)</b>	<b>\$ —</b>	<b>\$ (127,905,910)</b>	<b>\$ 43,249,926</b>

The following is a summary of transactions affecting capital assets for the year ended June 30, 2017:

Description	Balance July 1, 2016	Additions	Transfers	Retirements	Balance June 30, 2017
Parking facilities and plaza	\$ 55,022,530	\$ —	\$ 163,741	\$ —	\$ 55,186,271
Other buildings	1,020,275	968,342	127,658,523	—	129,647,140
Office furniture and equipment	431,946	7,830	306,059	(24,248)	721,587
Construction in process	121,857,972	17,548,770	(128,128,323)	—	11,278,419
Land and rights	21,456,012	—	—	—	21,456,012
<b>Total</b>	<b>199,788,735</b>	<b>18,524,942</b>	<b>—</b>	<b>(24,248)</b>	<b>218,289,429</b>
Accumulated depreciation					
Office furniture and equipment	(262,038)	(76,037)	—	24,248	(313,827)
Parking facilities and plaza	(41,396,347)	(2,326,836)	—	—	(43,723,183)
Other buildings	(131,177)	(1,315,419)	—	—	(1,446,596)
<b>Total accumulated depreciation</b>	<b>(41,789,562)</b>	<b>(3,718,292)</b>	<b>—</b>	<b>24,248</b>	<b>(45,483,606)</b>
<b>Net capital assets</b>	<b>\$ 157,999,173</b>	<b>\$ 14,806,650</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 172,805,823</b>

Land and rights includes approximately \$10,598,000 for Block 79, site of the Vivint Smart Home Arena sports complex. Block 79 was leased to Larry H. Miller Arena Corporation for 50 years at \$1 per year. The lease will expire on June 7, 2040.



**6. Bonds Payable**

The following is a summary of bonds payable at June 30:

	2018	2017
Bonds collateralized by a first pledge of taxes upon taxable property in the redevelopment project area		
Series 2013 tax increment revenue bonds 3.00% to 6.00%, due 2016 through 2031	\$ 55,540,000	\$ 58,670,000
Series 2015A tax increment revenue bonds 2.57% due 2020 through 2029	12,215,000	12,215,000
Series 2015B taxable subordinate tax increment revenue bonds; 2.66%, due 2018 through 2020	740,000	1,060,000
Less unamortized discount	(44,492)	(49,329)
Total bonds payable	68,450,508	71,895,671
Less amount due within one year	(3,750,000)	(3,450,000)
Total bonds payable less amount due within one year	\$ 64,700,508	\$ 68,445,671

The following is a summary of transactions affecting bonds payable for the year ended June 30, 2018:

	Balance July 1, 2017	Additions	Principal Payments and Reductions	Balance June 30, 2018	Due Within One Year
Federally taxable tax increment revenue bonds Series 2013	\$ 58,670,000	\$ —	\$ (3,130,000)	\$ 55,540,000	\$ 3,220,000
Subordinate tax increment revenue bonds Series 2015A	12,215,000	—	—	12,215,000	—
Federally taxable subordinate tax increment revenue Series 2015B	1,060,000	—	(320,000)	740,000	530,000
Less unamortized discounts	(49,329)	—	4,837	(44,492)	—
Total bond obligations	\$ 71,895,671	\$ —	\$ (3,445,163)	\$ 68,450,508	\$ 3,750,000

The following is a summary of transactions affecting bonds payable for the year ended June 30, 2017:

	Balance July 1, 2016	Additions	Principal Payments and Reductions	Balance June 30, 2017	Due Within One Year
Federally taxable tax increment revenue bonds Series 2013	\$ 61,725,000	\$ —	\$ (3,055,000)	\$ 58,670,000	\$ 3,130,000
Subordinate tax increment revenue bonds Series 2015A	12,215,000	—	—	12,215,000	—
Federally taxable subordinate tax increment revenue Series 2015B	1,060,000	—	—	1,060,000	320,000
Less unamortized discounts	(54,231)	—	4,902	(49,329)	—
Total bond obligations	<u>\$ 74,945,769</u>	<u>\$ —</u>	<u>\$ (3,050,098)</u>	<u>\$ 71,895,671</u>	<u>\$ 3,450,000</u>

On October 30, 2013, the Agency issued \$64,730,000 in federally taxable tax increment revenue bonds, with interest rates ranging from 3.0% to 6.0%. The bond proceeds were used to fund the construction of the Eccles Theater. The Agency received net proceeds of \$63,929,046, including accrued interest of \$1,377,835, and net of issuance costs of \$735,103 (which were expensed on the statement of revenues and expenses and changes in net position), and a discount of \$65,851, which is being amortized over the life of the bonds using the effective interest method.

In May 2015, the Agency issued \$12,215,000 in Series 2015A subordinate tax increment revenue bonds and \$1,060,000 in Series 2015B taxable subordinate tax increment revenue bonds (total of \$13,275,000) for the construction of the Regent Street Improvements. The interest rates on the Series 2015A and 2015B bonds are 2.57% and 2.66%, respectively. The Agency received net proceeds of \$12,543,274, including accrued interest of \$631,975 and issuance costs of \$99,752, which were both expensed as incurred.

Bond principal and interest maturities are as follows:

Year ending June 30	Principal	Interest	Total Obligation
2019	\$ 3,750,000	\$ 3,210,504	\$ 6,960,504
2020	3,850,000	3,085,251	6,935,251
2021	4,135,000	2,946,698	7,081,698
2022	4,765,000	2,785,379	7,550,379
2023-2027	27,670,000	10,704,446	38,374,446
2028-2031	24,325,000	3,378,664	27,703,664
Less unamortized discount	(44,492)	—	(44,492)
Total	<u>\$ 68,450,508</u>	<u>\$ 26,110,942</u>	<u>\$ 94,561,450</u>

## 7. Pension Plans

### General Information about the Plan

#### *Plan Description*

Eligible plan participants are provided with pensions through the Utah Retirement Systems (URS). The URS are comprised of the following pension trust funds:

- Public Employees Noncontributory Retirement System (Noncontributory System)
- Tier 2 Public Employees Contributory Retirement System (Tier 2 Public Employees System), which is a multiple-employer, cost-sharing, public employee retirement system

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 member of the Tier 2 Retirement System.

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

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

#### *Benefits Provided*

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

System	Final Average Salary	Years of Service Required and/or Age Eligible for Benefit	Benefit 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%
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%

\*with actuarial deductions

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

### Contributions

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

Contributions rates as of June 30, 2018, are as follows:

	<u>Employee Paid</u>	<u>Employer Paid</u>	<u>Employer 401(k)</u>
Noncontributory System			
15 Local Government Div - Tier 1	N/A	18.47%	N/A
Tier 2 DC Only			
211 Local Government	N/A	6.69%	10.00%

For the year ended June 30, 2018, the employer and employee contributions to the URS were as follows:

	<u>Employer Contributions</u>	<u>Employee Contributions</u>
Noncontributory System	\$ 105,455	N/A
Tier 2 Public Employees System	5,169	N/A
Total Contributions	<u>\$ 110,624</u>	<u>\$ —</u>

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

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

At June 30, 2018 and 2017, the Agency reported a net pension liability of \$303,176 and \$408,552, respectively.

	Measurement Date: December 31, 2017				
	Net Pension Asset	Net Pension Liability	Proportionate Share	Proportionate Share December 31, 2016	Increase (Decrease)
Noncontributory System	\$ —	\$ 301,169	0.0704%	0.0600%	0.0104 %
Tier 2 Public Employees System	—	2,007	0.0218%	0.0300%	(0.0082)%
<b>Total</b>	<b>\$ —</b>	<b>\$ 303,176</b>			

The net pension asset and liability was measured as of December 31, 2017, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2015 and rolled forward using generally accepted actuarial procedures. The proportion of the net pension asset and liability is equal to the ratio of the employer's actual contributions to the URS' during the plan year over the total of all employer contributions to the URS during the plan year.

For the years ended June 30, 2018 and 2017, the Agency recognized pension expense of \$124,806 and \$161,443, respectively.

At June 30, 2018, the Agency reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 6,793	\$ 20,311
Changes in assumptions	110,880	7,240
Net difference between projected and actual earnings on pension plan investments	—	107,708
Changes in proportion and differences between contributions and proportionate share of contributions	3,321	8,830
Contributions subsequent to the measurement date	67,053	—
<b>Total</b>	<b>\$ 188,046</b>	<b>\$ 144,089</b>

At June 30, 2017, the Agency reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 8,800	\$ 13,881
Changes in assumptions	56,946	13,499
Net difference between projected and actual earnings on pension plan investments	64,229	—
Changes in proportion and differences between contributions and proportionate share of contributions	3,891	—
Contributions subsequent to the measurement date	55,940	—
Total	\$ 189,806	\$ 27,380

Contributions made by the Agency prior to fiscal year-end, but subsequent to the measurement date of December 31, 2017, resulted in \$\$67,053 reported as deferred outflows of resources at June 30, 2018. 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:

Year ended December 31,	Net Deferred Outflows (Inflows) of Resources
2018	\$ 55,877
2019	76,229
2020	671
2021	(84,855)
2022	(36,973)
Thereafter	(34,042)

*Actuarial assumptions*

The total pension liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	3.35 - 9.75%, average, including inflation
Investment rate of return	6.95%, net of pension plan investment expenses, including inflation

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

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

Asset class	Expected Return Arithmetic Basis		
	Target Asset Allocation	Real Return Arithmetic Basis	Long-Term Expected Portfolio Real Rate of Return
Equity securities	40.00%	6.15%	2.46%
Debt securities	20.00%	4.00%	0.08%
Real assets	15.00%	5.75%	0.86%
Private equity	9.00%	9.95%	0.89%
Absolute return	16.00%	2.85%	0.46%
Cash and cash equivalents	—%	—%	—%
<b>Totals</b>	<b>100.00%</b>		<b>4.75%</b>
	Inflation		<u>2.50%</u>
	Expected arithmetic nominal return		<u>7.25%</u>

The 6.95% assumed investment rate of return is comprised of an inflation rate of 2.50% and a real return of 4.45% that is net of investment expense.

#### *Discount Rate*

The discount rate used to measure the total pension liability was 6.95%. 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 was reduced to 7.20% from 7.50% from the prior measurement period.

*Sensitivity of the Proportionate Share of the Net Pension Asset and Liability to Changes in the Discount Rate*

The following presents the proportionate share of the net pension liability/(asset) calculated using the discount rate of 6.95%, 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 (5.95%) or 1-percentage-point higher (7.95%) than the current rate:

	1% Decrease 5.95%	Discount Rate 6.95%	1% Increase 7.95%
Noncontributory System	\$ 814,502	\$ 301,169	\$ (125,642)
Tier 2 Public Employees System	23,636	2,007	(7,725)
Total	\$ 838,138	\$ 303,176	\$ (133,367)

*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 URS Board and are generally supplemental plans to the basic retirement benefits of the URS, 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 Agency participates in the following Defined Contribution Savings Plans with URS:

- 401(k) plan
- 457(b) plan
- Roth IRA plan
- Traditional IRA plan



Employer and employee contributions to the URS Defined Contribution Savings Plans for the years ended June 30, were as follows:

	2018	2017	2016
401(k) Plan			
Employer contributions	\$ 29,743	\$ 35,600	\$ 61,781
Employee contributions	18,304	36,770	59,167
457(b) Plan			
Employer contributions	—	—	—
Employee contributions	5,067	2,742	16,465
Roth IRA Plan			
Employer contributions	N/A	N/A	N/A
Employee contributions	1,200	433	—
Traditional IRA Plan			
Employer contributions	N/A	N/A	N/A
Employee contributions	—	—	—

## **8. Equity Interest in Joint Venture**

### **Formation**

In March 2013, the Agency, along with Salt Lake City (City) and Salt Lake County (County), executed an Interlocal Cooperation Agreement to form and create a separate legal entity, the Utah Performing Arts Center Agency (UPACA), an interlocal entity that will own, operate, maintain and improve the George S. and Dolores Doré Eccles Theater (Theater).

### **Structure**

The Agency owns 41.85% with the City owning 33.15%, and the County owning 25% in UPACA. UPACA is governed by a board of trustees consisting of nine members. Board membership is comprised of three representatives appointed by the County and six representatives appointed by the City/Agency. Each representative has one vote and each representative's term continues until a successor is appointed.

### **Operation**

In March 2013, an Operating Agreement was entered into by UPACA, the Agency, the City and the County assigning responsibility for the operation and management to the County Center for the Arts (CFA) through December 31, 2041. CFA accounts for UPACA on a calendar year. Net operating income will be distributed annually to the partners in amounts outlined in organizational agreements after required contributions to operating and capital reserve accounts. The County is responsible for any operating deficits.

### **Equity**

The Agency began construction on the Theater in 2014. The Theater, which hosts national touring Broadway shows, concerts, comedy and other entertainment events, opened its doors on October 20, 2016. The first full year of operations for UPACA ended December 31, 2017. The Agency formally transferred all assets to UPACA as of July 2017, for accounting purposes. The Agency's equity interest in the net position of UPACA at December 31, 2017, is \$53,098,002.

Summary financial information for UPACA for 2017 is as follows:

**Utah Performing Arts Center Agency**  
Summary Financial Information  
As of and for the Year Ended December 31, 2017

Pooled Cash and Investments	\$	5,932,925
Accounts Receivable and prepaid expenses		475,842
Capital assets, net of accumulated depreciation		<u>126,037,793</u>
Total assets		<u>132,446,560</u>
Accounts payable and accrued expenses		5,230,666
Payable to Salt Lake County		<u>338,947</u>
Total liabilities		<u>5,569,613</u>
Total net position	\$	<u><u>126,876,947</u></u>
Charges for services	\$	5,547,744
Contributions and other revenues		512,771
Operating expenses		(3,456,134)
Interest expense		(9,738)
Depreciation		<u>(2,418,601)</u>
Net Income	\$	<u>176,042</u>
Distributions to owners	\$	(1,358,748)

Audited financial statements for UPACA may be obtained from Salt Lake County Center for the Arts, 50 West 200 South, Salt Lake City, UT 84101.

**9. Related Party Deposits**

The Agency owns parking facilities and a public plaza on Block 57, also known as The John W. Gallivan Utah Center (the Plaza). The Agency, along with other Block 57 property owners, is a member of the Gallivan Utah Center Owners Association (GUCOA), in which all members contribute funds to cover the maintenance costs of the Plaza. As of June 30, 2018 and 2017, funds held by the Agency for use in maintenance costs of the Plaza amounted to \$0 and \$275,153, respectively. These funds are reported as related party deposits and advance rentals.

**10. Commitments and Contingencies**

During the year ended June 30, 2008, the City issued \$8,590,000 of Sales Tax Revenue Bonds. A portion of the bond proceeds were used to finance the construction of the Grant Tower project. The Agency entered into an agreement with the City in January 2008, regarding the payment obligations on the bonds. Under the terms of the agreement, the Agency is obligated to remit funds to the City on a semi-annual basis to cover payments the City makes on the bonds. As of June 30, 2018, anticipated cumulative payments remaining under the agreement were \$1,123,154. Anticipated payments are included in the table below.

During the year ended June 30, 2013, the City issued \$15,000,000 of Bond Anticipation Notes (BANS) to begin construction on the Eccles Theater. These bonds were issued in expectation of the issuance of the Tax Increment Bonds (as discussed in Note 6) and the Sales Tax Revenue Bonds issued by the City (as discussed below). The City received the proceeds of the BANS and paid design and pre-construction costs.

During the year ended June 30, 2014, the City issued Sales Tax Revenue Bonds in the amount of \$51,270,000 to aid in financing the construction of the Eccles Theater. With the proceeds of these bonds, the City paid off the BANS and the remaining net proceeds of \$34,349,587 were transferred to the Agency as a contribution from the City. Bond issuance costs and accrued interest of \$1,920,413 were recognized by the Agency as expense. In addition, upon issuance of the bonds, the Agency used private donations of \$2,596,649 and contributed \$1,104,957 of its own funds into an escrow account for capitalized interest on the bonds.

The Agency will remit funds annually to the City as a contribution to the City (expense). Total anticipated payments are as follows:

Year ending June 30,	Annual Obligation
2019	\$ 2,915,997
2020	2,915,585
2021	2,919,475
2022	2,917,491
2023-2027	13,181,517
2028-2032	13,181,517
2033-2037	8,001,980
2038	435,785
Total	\$ 46,469,347

As discussed previously, proceeds from the bonds provided financing for the construction of the Eccles Theater on Block 70 within the Central Business District (CBD). The Tax Increment Bonds are payable through fiscal year 2031. The Sales Tax Revenue Bonds were issued by the City and the Agency will contribute tax increment revenue to the City on an annual basis to cover principal and interest payments due through 2038. The annual debt service will be funded by the incremental property taxes generated from the CBD Project area, Block 70 Community Development Area (CDA) and private donations. Annual principal and interest payments on the bonds are expected to require approximately 30% of tax increment revenues generated from CBD and Block 70, beginning in fiscal year 2016. As of June 30, 2018 and 2017, the total principal and interest remaining to be paid on all bonds for the Eccles Theater project was \$175,938,213 and \$184,675,311, respectively.

The Agency has pledged future tax increment revenues to repay \$116,000,000 in Tax Increment and Sales Tax Revenue Bonds issued during the year ended June 30, 2014. Through inter-local agreements entered into with the City and Salt Lake County (the County), CBD tax increment revenue that would have been remitted to these agencies has been pledged to the Agency through tax year 2040. In December 2011, the Agency entered into an agreement with the City in which the Agency will retain a portion of the City's Taxing Entity Committee (TEC) allocation, in order to pay principal and interest on the Sales Tax Revenue Bond obligations and the Tax Increment Bond obligations. Each year, beginning in tax year 2015 through 2040, the City will continue to receive from the Agency a dollar amount equal to the 2014 TEC allocation. The original inter-local agreement specified that the Agency will retain 80% of the remaining TEC allocation. This inter-local agreement was subsequently amended in May 2013 to provide that the Agency will retain up to 100% of the remaining TEC allocation, as is necessary to fund debt service payments. The Agency is required to reimburse the City for any portion of this additional TEC allocation that is utilized for debt service on the Eccles Theater, with the balance accruing interest at the City's general funds rate. During the year ended June 30, 2018, the Agency received \$5,910,496 in incremental property taxes, and contributed \$8,737,098 to cover the principal and interest payments due during the year. During the year ended June 30, 2017, the Agency received \$7,808,010 in incremental property taxes, and contributed \$8,753,748 to cover the principal and interest payments due during the year.

In addition, the Agency entered into an inter-local agreement with the City and the Salt Lake City School District (SLCSD) wherein the Agency is entitled to receive 70% of the City's and SLCSD's portion of the tax increment from the Block 70 CDA for twenty-five years, beginning in the tax year 2016, for the purpose of funding debt service on the Eccles Theater. The tax increment funds are not limited to funding debt service, but will also be used to fund the creation of a cultural core and for debt service on the Regent Street improvement bonds. During the year ended June 30, 2018, the Agency received \$957,818 in incremental property taxes, and contributed \$662,122 to cover interest payments during the year. For the year ended June 30, 2017, the Agency received \$708,050 in incremental property taxes, and contributed \$342,123 to cover the interest payments due during the year.

In addition, in September 2012, the Agency entered into an agreement with the County wherein the Agency is entitled to receive 70% of the County's portion of the Tax Increment from the Block 70 CDA for 25 years, beginning in tax year 2016, up to a maximum of \$7,000,000 for the purposes of funding debt service on the Eccles Theater. Similarly, in October 2012, the Agency entered into an interlocal agreement with the County wherein the County will continue to receive from the Agency a dollar amount equal to the 2014 TEC allocation each year beginning in tax year 2015 through 2040, and the Agency will retain the remaining TEC allocation to fund debt service on the Eccles Theater project, up to a maximum of \$43,000,000.

During the year ended June 30, 2002, the Agency entered into a reimbursement agreement with Gateway Associates, a developer of a project located within the Agency's Depot District Project Area. Under the agreement, the Agency is obligated to repay to the developers, from the tax increment revenues received from the respective projects, up to \$16,500,000 plus accrued interest, but not in excess of the tax increment revenues received from the individual projects. These obligations are also subject to the developers paying property taxes on a timely basis and the receipts of certificates of project completion. For the years ended June 30, 2018 and 2017, the Agency recorded expenses of \$826,068 and \$1,135,972, respectively.

During the year ended June 30, 2007, the Agency entered into a reimbursement agreement with Rio Grande Development, LLC, a developer of a project within the Agency's Depot District Project Area. Tremonton Hospitality, LLC, dba Urban Suites assumed this agreement through an assignment and assumption agreement signed in June 2016. Under this agreement, the Agency is obligated to repay to the developers, from the tax increment revenues received from the respective project, at the lesser of \$2,020,000 or 37.5% of the Project Tax Increment over the reimbursement term, plus accrued interest, but not in excess of the tax increment revenues received from the individual projects. These obligations are also subject to the developers paying property taxes on a timely basis and the receipts of certificates of project completion. For the years ended June 30, 2018 and 2017, the Agency recorded expenses of \$75,406 and \$113,920, respectively.

In September 2009, the Agency entered into a reimbursement agreement with Scrap, LLC (Scrap) for a mixed-use housing project located at 850 South 400 West, in the Agency's Granary District Project Area. The agreement provides a tax increment reimbursement to the Developer for architectural and engineering fees associated with LEED Gold Standard design improvements incorporated into the project. Under the agreement, the Agency is required to pay the Developer a reimbursement cap that is the lesser of 1) a principal amount equal to 50% of the project architectural and engineering expenses; or 2) \$450,000. These obligations are subject to the Developer paying property taxes on a timely basis, receipts of certificates of project completion, and other annual reporting duties as defined in the reimbursement agreement. For the years ended June 30, 2018 and 2017, the Agency recorded expenses of \$21,194 and \$38,813, respectively.

During the year ended June 30, 2010, the Agency entered into a reimbursement agreement with 222 S. Main Investments, LLC, a developer of a project within the Agency's Central Business District Project Area. Under this agreement, the Agency is obligated to repay to the developers 85% of the tax increment revenues received by the Agency from the respective project up to the lesser of: 1) total developer costs less \$127,300,000 or 2) \$6,000,000, plus accrued interest of 5.9%, over the reimbursement term, which expires in January 2031. These obligations are also subject to the developers paying property taxes on a timely basis, the receipt of certificates of project completion, and annual certificates of compliance with the other terms of the reimbursement agreement. For the years ended June 30, 2018 and 2017, the Agency recorded expenses of \$490,396 and \$768,564, respectively. The developer protested the property tax value and these expenses reflect the reduced value.

During the year ended June 30, 2015, the Agency entered into a reimbursement agreement with Liberty Gateway Properties, L.C. (Liberty) for a mixed-use housing project located on 500 West between South Temple and 100 South, in the Agency's Depot District Project Area. The agreement provides a tax increment reimbursement to the Developer for costs incurred in connection with the associated parking garage component of the project from the tax increment created from the property. Under the agreement, the Agency will pay the Developer a reimbursement amount equal to the sum of 1) \$3,000 multiplied by the actual number of eligible At-Grade Structured Parking Stalls (up to a maximum of 48 stalls), plus 2) \$6,000 multiplied by the actual number of Below-Grade Structured Parking Stalls (up to a maximum of 112), together with simple interest accrued thereon. The maximum that will be reimbursed is \$816,000. The reimbursement term is for the tax years 2015 through 2022. The Agency will make an annual payment to the Developer during the reimbursement term in an amount equal to 72% of the tax increment for such year actually received by the Agency until the earlier to occur of 1) Developer has received an amount equal to the reimbursement amount or 2) the expiration of the reimbursement term. These obligations are subject to the Developer paying property taxes on a timely basis, receipts of certificates of project completion, and other annual reporting duties as defined in the reimbursement agreement. For the years ended June 30, 2018 and 2017, the Agency recorded expenses of \$63,652 and \$81,521, respectively.

In March, 2008, the Agency and the State of Utah (State) entered into a lease agreement for the rental by the State of 250 parking stalls in a parking structure owned by the Agency. The lease requires monthly payments of \$20 per stall, for a total of \$5,000 per month. The lease term is 20 years. In addition, the lease includes a provision for the repayment of a portion of the construction costs to be paid by the State of \$350,000 over the term of the parking rental agreement. The repayment terms requires interest of 3% and monthly payments of \$2,077, in addition to the monthly rent payments. The balance of the unpaid amount as of June 30, 2018 and 2017, was \$175,468 and \$196,403, respectively, which has been recorded as a note receivable.

## **11. Concentrations**

Operating revenues are not adequate to fund operations of the Agency. The Agency received \$30,722,161 and \$37,540,916 of transfers of tax increment from various taxing entities during the years ended June 30, 2018 and 2017, respectively, which were recorded as non-operating revenues of \$20,749,608 in Grants and other contributions, and \$9,972,553 in Transfers In for FY18, and \$25,720,509 in Grant and other contributions, and \$11,820,407 in Transfers In for FY17. These funds are critical for the continuing operations of the Agency.

Required Supplementary Information  
June 30, 2018 and 2017

**Redevelopment Agency of Salt Lake City**



Redevelopment Agency of Salt Lake City  
Schedule of the Proportionate Share of the Net Pension Liability  
December 31, 2017  
Last 10 Fiscal Years\*

<b>Noncontributory System</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Proportion of the net pension liability	0.07%	0.06%	0.05%	0.07%
Proportionate share of the net pension liability	\$ 301,169	\$ 405,107	\$ 297,064	\$ 317,700
Covered payroll	\$ 558,845	\$ 477,356	\$ 432,740	\$ 611,285
Proportionate share of the net pension liability as a percentage of its covered payroll	53.89%	84.86%	68.65%	51.97%
Plan fiduciary net position as a percentage of the total pension liability	91.90%	87.30%	87.80%	90.20%
<b>Tier 2 Public Employees System</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Proportion of the net pension liability	0.02%	0.03%	0.04%	0.02%
Proportionate share of the net pension liability/(asset)	\$ 2,007	\$ 3,445	\$ (83)	\$ (726)
Covered payroll	\$ 222,660	\$ 269,084	\$ 245,666	\$ 117,554
Proportionate share of the net pension liability/(asset) as a percentage of its covered payroll	0.09%	1.28%	(0.03)%	(0.62)%
Plan fiduciary net position as a percentage of the total pension liability	97.40%	95.10%	100.20%	103.50%

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

Redevelopment Agency of Salt Lake City  
Schedule of Contributions  
December 31, 2017  
Last 10 Fiscal Years\*

<b>Noncontributory System</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Actuarial determined contributions	\$ 105,455	\$ 91,614	\$ 140,147	\$ 175,299
Contributions in relation to the contractually required contribution	(105,455)	(91,614)	(140,147)	(175,299)
Contribution deficiency	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
Covered employee payroll	\$ 575,011	\$ 499,259	\$ 432,740	\$ 637,982
Contributions as a percentage of covered payroll **	18.34%	18.35%	32.39%	27.48%
<b>Tier 2 Public Employee System ***</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Actuarial determined contributions	\$ 5,169	\$ 40,101	\$ 33,041	\$ 16,040
Contributions in relation to the contractually required contribution	(5,169)	(40,101)	(33,041)	(16,040)
Contribution deficiency	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
Covered employee payroll	\$ 74,467	\$ 268,954	\$ 245,666	\$ 122,688
Contributions as a percentage of covered payroll **	6.94%	14.91%	13.45%	13.07%

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

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

\*\*\*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.

Supplementary Information

June 30, 2018

Redevelopment Agency of Salt Lake City

Redevelopment Agency of Salt Lake City  
Combining Balance Sheet Information by Project Area  
Year ended June 30, 2018

	Block 70 CDA	Central Business District	Depot District	Granary District	North Temple	North Temple Viaduct CDA	SARR	Sugarhouse	West Capital Hill	West Temple Gateway	Administration	Citywide Housing	Program Income Fund	Project Area Housing	Revolving Loan Fund	Total
<b>Assets</b>																
Cash and cash equivalent (unrestricted)	\$ —	\$ 5,539,973	\$ 7,373,987	\$ 1,726,150	\$ 347,946	\$ 7,042	\$ —	\$ 52,760	\$ 387,806	\$ 1,024,600	\$ 391,029	\$ (2,306,675)	\$ 4,849,298	\$ 1,641,554	\$ 22,673,446	\$ 43,708,916
Loans and other receivable	6,245,196	—	—	—	—	—	—	—	—	—	—	6,908,700	1,494,547	—	9,224,170	23,872,613
Cash and cash equivalent (restricted)	3,655,122	1,125,525	525,119	37,503	126,115	—	—	773,782	1,855,663	—	—	13,825,496	5,357,217	355,767	—	27,637,309
Land and water rights	4,940,566	16,515,446	—	—	—	—	—	—	—	—	—	—	—	—	—	21,456,012
Improvements - other than buildings	—	55,022,530	—	—	—	—	—	—	—	—	—	—	—	—	—	55,022,530
Buildings	—	443,533	—	—	—	—	—	—	—	—	—	—	—	576,742	—	1,020,275
Machinery and equipment	—	366,487	—	—	—	—	—	—	—	—	—	—	49,042	—	—	415,529
Construction in process	10,480,070	665,047	—	—	—	—	—	—	—	—	—	—	—	—	—	11,145,117
Accumulated depreciation	—	(45,675,094)	—	—	—	—	—	—	—	—	—	—	(27,334)	(107,108)	—	(45,809,536)
Land and buildings held for sale	—	12,547,588	14,921,361	194,455	4,000,000	—	—	836,423	88,989	1,730,001	—	—	8,373,834	3,536,769	—	46,229,420
Other assets	53,098,002	42,290	—	813	—	—	—	—	—	4,880	15,065	—	33,344	—	—	53,194,394
<b>Total assets</b>	<b>78,418,956</b>	<b>46,593,325</b>	<b>22,820,467</b>	<b>1,958,921</b>	<b>4,474,061</b>	<b>7,042</b>	<b>—</b>	<b>889,183</b>	<b>1,250,577</b>	<b>4,615,144</b>	<b>406,094</b>	<b>18,427,521</b>	<b>20,129,948</b>	<b>6,003,724</b>	<b>31,897,616</b>	<b>237,892,579</b>
Deferred outflows	—	253,518	—	—	—	—	—	—	—	—	—	—	—	—	—	253,518
<b>Total assets and deferred outflows</b>	<b>\$ 78,418,956</b>	<b>\$ 46,846,843</b>	<b>\$ 22,820,467</b>	<b>\$ 1,958,921</b>	<b>\$ 4,474,061</b>	<b>\$ 7,042</b>	<b>\$ —</b>	<b>\$ 889,183</b>	<b>\$ 1,250,577</b>	<b>\$ 4,615,144</b>	<b>\$ 406,094</b>	<b>\$ 18,427,521</b>	<b>\$ 20,129,948</b>	<b>\$ 6,003,724</b>	<b>\$ 31,897,616</b>	<b>\$ 238,146,097</b>
<b>Liabilities</b>																
Accounts payable and accrued liabilities	\$ 3,360,007	\$ 28,000	\$ 7,868	\$ 20	\$ —	\$ —	\$ —	\$ 63,000	\$ —	\$ 1,999	\$ 6,788	\$ —	\$ 92,322	\$ 5,100	\$ —	\$ 3,565,104
Current deposits and advance rentals	10,000	8,982	104,000	1,000	—	—	—	—	—	3,000	—	—	13,013	—	—	139,995
Accrued compensation - current	—	17,697	—	—	—	—	—	—	—	—	(4,665)	—	—	—	—	13,032
Accrued interest payable - current	793,356	—	—	—	—	—	—	—	—	—	—	—	—	—	—	793,356
Bonds payable - current portion	3,750,000	—	—	—	—	—	—	—	—	—	—	—	—	—	—	3,750,000
Pension liability	—	303,176	—	—	—	—	—	—	—	—	—	—	—	—	—	303,176
Long term compensation liability	—	98,560	—	—	—	—	—	—	—	—	3,142	—	—	—	—	101,702
Advances from (to) other funds	2,050,000	(2,050,000)	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Bonds payable, net	64,700,508	—	—	—	—	—	—	—	—	—	—	—	—	—	—	64,700,508
<b>Total liabilities</b>	<b>74,663,871</b>	<b>(1,593,585)</b>	<b>111,868</b>	<b>1,020</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>63,000</b>	<b>—</b>	<b>4,999</b>	<b>5,265</b>	<b>—</b>	<b>105,335</b>	<b>5,100</b>	<b>—</b>	<b>73,366,873</b>
Deferred inflows	—	209,558	—	—	—	—	—	—	—	—	—	—	—	—	—	209,558
<b>Fund balance</b>																
Net position, beginning	82,652,546	40,083,711	21,180,196	1,574,613	245,969	2,614	12,535	1,352,409	864,656	4,022,354	(50)	33,822,727	18,866,841	5,807,031	24,073,555	234,561,707
Revenues	1,892,423	13,860,435	1,670,092	93,052	25,000	530,446	410	—	162,479	186,202	(9,954,798)	829,361	2,194,804	30,782	8,501,238	20,021,926
Expenses	83,430,168	23,135,281	3,806,559	530,373	294,575	542,952	—	3,593	548,155	703,224	2,709,593	378,169	1,301,934	16,478	4,645,466	122,046,520
Net transfers in (out)	2,640,284	(1,127,688)	(608,063)	(54,033)	3,958,518	(8,078)	(12,945)	(529,818)	245	70,767	13,065,270	(15,846,397)	264,903	177,290	3,968,289	5,958,544
<b>Total net position, ending</b>	<b>3,755,087</b>	<b>48,275,516</b>	<b>22,708,599</b>	<b>1,957,900</b>	<b>4,474,062</b>	<b>7,042</b>	<b>—</b>	<b>826,183</b>	<b>1,250,577</b>	<b>4,610,143</b>	<b>5,864,663</b>	<b>18,427,522</b>	<b>20,024,615</b>	<b>5,998,624</b>	<b>31,897,615</b>	<b>138,495,657</b>
<b>Total net position, liabilities and deferred inflows</b>	<b>\$ 78,418,958</b>	<b>\$ 46,891,489</b>	<b>\$ 22,820,467</b>	<b>\$ 1,958,920</b>	<b>\$ 4,474,062</b>	<b>\$ 7,042</b>	<b>\$ —</b>	<b>\$ 889,183</b>	<b>\$ 1,250,577</b>	<b>\$ 4,615,142</b>	<b>\$ 5,869,928</b>	<b>\$ 18,427,522</b>	<b>\$ 20,129,950</b>	<b>\$ 6,003,724</b>	<b>\$ 31,897,615</b>	<b>\$ 212,072,088</b>

Redevelopment Agency of Salt Lake City  
Combining Statement of Revenues and Expenses by Project Area  
Year ended June 30, 2018

	Block 70	Central Business District	Depot District	Granary District	North Temple	North Temple Viaduct	SARR	Sugarhouse	West Capital Hill	West Temple Gateway	Admin	Citywide Housing	Program Income Fund	Project Area Housing	Revolving Loan Fund	Total
<b>Revenue</b>																
Transfers in from Salt Lake City	\$ 515,256	\$ 7,438,233	\$ 1,197,374	\$ 164,083	\$ 93,349	\$ 174,807	\$ —	\$ —	\$ 173,363	\$ 216,088	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 9,972,553
Grants and other contributions	1,072,079	15,476,519	2,491,342	341,402	194,230	363,717	—	—	360,710	449,609	—	—	—	—	—	20,749,608
Interest on investments	188,240	145,997	117,843	24,888	6,996	4,428	410	3,593	14,082	37,527	17,027	287,964	247,086	30,782	201,336	1,328,199
Rental & other income	—	74,397	—	—	—	—	—	—	—	—	—	166,656	1,564,272	—	369,057	2,174,382
Miscellaneous revenue	116,848	136	—	—	—	—	—	—	—	—	728	—	20	—	3,285,378	3,403,110
Gain (loss) on sale of capital assets	—	—	—	—	—	—	—	—	—	—	—	—	331,194	—	—	331,194
<b>Total revenue</b>	<b>\$ 1,892,423</b>	<b>\$23,135,282</b>	<b>\$ 3,806,559</b>	<b>\$ 530,373</b>	<b>\$ 294,575</b>	<b>\$ 542,952</b>	<b>\$ 410</b>	<b>\$ 3,593</b>	<b>\$ 548,155</b>	<b>\$ 703,224</b>	<b>\$ 17,755</b>	<b>\$ 454,620</b>	<b>\$ 2,142,572</b>	<b>\$ 30,782</b>	<b>\$ 3,855,771</b>	<b>\$ 37,959,046</b>
<b>Expense</b>																
Personal Services	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 1,315,231	\$ —	\$ —	\$ —	\$ —	\$ 1,315,231
Operating & Maintenance	—	—	—	—	—	—	—	—	—	—	1,389,754	—	—	—	—	1,389,754
Charges & Services	1,032,586	12,192,089	1,390,469	93,053	25,000	530,446	—	—	162,479	186,202	49,256	3,428	1,239,893	—	—	16,904,901
Depreciation	—	1,623,700	—	—	—	—	—	—	—	—	—	—	9,808	16,478	—	1,649,986
Interest and fiscal charges	5,933,897	—	279,624	—	—	—	—	—	—	—	—	—	—	—	—	6,213,521
Contributions to Salt Lake City Corporation	—	(10,990)	—	—	—	—	—	—	—	—	—	4,025,000	—	—	—	4,014,010
Changes in Equity Interest in Joint Venture	76,463,683	—	—	—	—	—	—	—	—	—	—	—	—	—	—	76,463,683
<b>Total expense</b>	<b>83,430,166</b>	<b>13,804,799</b>	<b>1,670,093</b>	<b>93,053</b>	<b>25,000</b>	<b>530,446</b>	<b>—</b>	<b>—</b>	<b>162,479</b>	<b>186,202</b>	<b>2,754,241</b>	<b>4,028,428</b>	<b>1,249,701</b>	<b>16,478</b>	<b>—</b>	<b>107,951,086</b>
<b>Net transfers in (out)</b>	<b>2,640,284</b>	<b>(1,138,678)</b>	<b>(608,063)</b>	<b>(54,033)</b>	<b>3,958,518</b>	<b>(8,078)</b>	<b>(12,945)</b>	<b>(529,819)</b>	<b>245</b>	<b>70,767</b>	<b>3,092,717</b>	<b>(11,821,397)</b>	<b>264,903</b>	<b>177,289</b>	<b>3,968,289</b>	<b>—</b>
<b>Changes in net position</b>	<b>\$78,897,459</b>	<b>\$ 8,191,805</b>	<b>\$ 1,528,403</b>	<b>\$ 383,287</b>	<b>\$ 4,228,093</b>	<b>\$ 4,428</b>	<b>\$ (12,535)</b>	<b>\$ (526,226)</b>	<b>\$ 385,921</b>	<b>\$ 587,789</b>	<b>\$ 356,231</b>	<b>\$15,395,205</b>	<b>\$ 1,157,774</b>	<b>\$ 191,593</b>	<b>\$ 7,824,060</b>	<b>\$ (69,992,040)</b>

Redevelopment Agency of Salt Lake City  
Selected Financial Information by Project Area  
Year ended June 30, 2018

	Downtown Projects	Program Income & Revolving Loan	Sugarhouse Project	West Temple Gateway	West Capitol Hill	Depot District	Citywide Housing	Project Area Housing	SARR	Revolving Loan Fund	Granary District	North Temple	Block 70	Total
Tax increment contributions	\$ 22,914,752	\$ —	\$ —	\$ 665,697	\$ 534,073	\$ 3,688,716	\$ —	\$ —	\$ 538,524	\$ —	\$ 505,485	\$ 287,579	\$ 1,587,335	\$ 30,722,161
Loans receivable principal received	—	52,232	—	—	—	—	374,742	—	—	4,645,466	—	—	—	5,072,440
Interest on investments	225,265	247,086	3,592	37,527	14,082	117,843	287,964	30,782	4,428	201,336	24,888	6,996	188,240	1,390,029
Bonds payable	—	—	—	—	—	—	—	—	—	—	—	—	68,450,508	68,450,508
Interest and fiscal charges	—	—	—	—	—	49,624	—	—	—	—	—	—	5,954,370	6,003,994
Debt principal paid	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 230	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 3,450	\$ 3,680
Origination of loans	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 2,750	\$ —	\$ —	\$ —	\$ 135,147	\$ —	\$ —	\$ 2,885,147
Refunds to taxing entities	\$ 10,658,717	\$ —	\$ —	\$ —	\$ 133,518	\$ 1,069,257	\$ —	\$ —	\$ 530,446	\$ —	\$ 21,194	\$ —	\$ 410,494	\$ 12,823,626
Personal Services	\$ 727,295	\$ 231,829	\$ —	\$ 37,021	\$ 3,615	\$ 212,766	\$ 85,106	\$ 5,106	\$ 2,622	\$ —	\$ 8,062	\$ 1,809	\$ —	\$ 1,315,231
Operating & Maintenance	\$ 768,505	\$ 244,965	\$ —	\$ 39,119	\$ 3,82	\$ 224,821	\$ 89,928	\$ 5,396	\$ 2,77	\$ —	\$ 8,519	\$ 1,911	\$ —	\$ 1,389,754
Charges & Services	\$ 12,241,345	\$ 1,239,893	\$ —	\$ 186,202	\$ 162,479	\$ 1,390,469	\$ 3,428	\$ —	\$ 530,446	\$ —	\$ 93,053	\$ 25	\$ 1,032,586	\$ 16,904,901
Budgetary transfers in (out)	\$ (2,640,284)	\$ —	\$ —	\$ —	\$ —	\$ (190)	\$ (3,728,598)	\$ —	\$ —	\$ —	\$ (41.95)	\$ 3,960,548	\$ 2,640,284	\$ —
Depreciation	\$ 1,623.7	\$ 9,809	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 16,478	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 1,649,987