

JACKIE BISKUPSKI
MAYOR
EXECUTIVE DIRECTOR, RDA



BEN KOLENDAR
ACTING DIRECTOR

REDEVELOPMENT AGENCY STAFF MEMO

DATE: November 21, 2019

PREPARED BY: Kalli Ruiz

RE: Review and Acceptance of the 2018/2019 Audit

REQUESTED ACTION: Pass a motion accepting the audit and direct staff to distribute the audit as necessary.

POLICY ITEM: The Utah Community Development and Renewal Agencies Act, Section 17C-1-604, requires that an annual independent audit of the Agency's records be conducted.

BUDGET IMPACTS: N/A

EXECUTIVE SUMMARY: Presentation of the 2018/2019 audit to the Board.

ANALYSIS & ISSUES: The audit shows the Agency's financial conditions as of June 30, 2019. The staff and Salt Lake City's Finance Department have worked closely with the auditors on their report and will also be available to address any questions Board members may have.

PREVIOUS BOARD ACTION: N/A

ATTACHMENTS: 2018/2019 Audit



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November 19, 2019

To the Board of Directors and Management
Redevelopment Agency of Salt Lake City
Salt Lake City, Utah

We have audited the financial statements of Redevelopment Agency of Salt Lake City (the Agency) as of and for the year ended June 30, 2019, and have issued our report thereon dated November 19, 2019. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit under Generally Accepted Auditing Standards

As communicated in our letter dated July 15, 2019, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, as part of our audit, we considered the internal control of the Agency solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm, and other firms utilized in the engagement, if applicable, have complied with all relevant ethical requirements regarding independence.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the Agency is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during the fiscal year ending June 30, 2019. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements was management's estimate of the net pension liability. The net pension liability is an actuarially determined by the Utah Retirement Systems (URS) in accordance with the requirements of government accounting standards. The estimate is prepared by the URS for Salt Lake City Corporation, and the City allocates the liability and other related balances to the various funds. We evaluated the report provided by the URS and the key factors and assumptions used by the City in the allocation of the net pension liability to the Agency and determined that the estimated net pension liability is reasonable in relation to the basic financial statements taken as a whole.

Financial Statement Disclosures

The financial statement disclosures are neutral, consistent, and clear.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole. In the current year, there were no uncorrected misstatements.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to Redevelopment Agency's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management that are included in the management representation letter dated November 19, 2019.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the Agency, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, business conditions affecting the entity, and business plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the Agency's auditors.

We will retain our audit documentation or work papers for a period of at least eight years from the date of our report.

This report is intended solely for the information and use of the board of directors and management of the Agency and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "Eide Bailly LLP".

Salt Lake City, Utah

Financial Statements
June 30, 2019 and 2018

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

Redevelopment Agency of Salt Lake City
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June 30, 2019 and 2018

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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, 2019 and 2018 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 financial position of the Agency as of June 30, 2019 and 2018 and the changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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 39 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 42 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.

The image shows a handwritten signature in cursive script that reads "Erik Bailly LLP".

Salt Lake City, Utah
November 19, 2019

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, 2019 and 2018. As management of the Agency, we encourage readers to consider information contained in this discussion.

FINANCIAL HIGHLIGHTS

As of June 30, 2019 and 2018, assets and deferred outflows of the Agency exceeded its liabilities and deferred inflows by \$173,183,680 and \$164,569,666, respectively (net position). Of the total amounts, \$62,439,713 and \$85,627,922, as of June 30, 2019 and 2018, respectively, are available to meet ongoing obligations to creditors. The remaining net position amount of \$110,743,967 and \$78,941,744, as of June 30, 2019 and 2018, 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 increased by \$8,614,014 and decreased \$69,992,040 during the years ending June 30, 2019 and 2018, 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. In addition, the Agency has received \$36,049,109 in donations for the project through June 30, 2019, and promises to give of \$1,725,891 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, 2019 and 2018, is the unrestricted cash amounting to \$26,513,521 and \$43,708,916, respectively. Statutorily, the Agency is required to spend the tax increment funds received within the boundaries of the project area for which it was collected, except for affordable housing projects that benefit any area within the City. No one project or project area has access to all of the unrestricted cash balance shown above. Restricted cash of \$58,672,372 and \$27,637,309, as of June 30, 2019 and 2018, respectively, reflects remaining bond proceeds for the Eccles Theater and the Regent Street projects, and other 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 2019, the Agency did not originate any loans, however, over \$20,000,000 in new loan applications were received and are in process. The amount of principal received on outstanding loans was \$5,510,204. For fiscal year 2018, the loan amounts originated, but not necessarily funded, and principal received were \$2,885,147 and \$5,169,199, respectively. The Agency also recognized promises to give for the Eccles Theater in the amount of \$1,725,891 and \$5,909,205 as of June 30, 2019 and 2018, respectively, of which \$925,890 is a current receivable. The Agency's loans receivable balance as of June 30, 2019 and 2018, including accrued interest was \$11,360,892 and \$16,945,143, respectively, which is a decrease and an increase of \$5,584,251 and \$987,412, 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 Statements of Net Position show the Agency's total assets, deferred outflows, liabilities and deferred inflows with the difference shown as net position for the two most recent fiscal years. Increases or decreases over time in net position give an indicator as to whether the financial condition of the Agency is improving or declining.

The Statements of Revenues, Expenses and Changes in Net Position show 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 this statement 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 loans.

The Statements of Cash Flows show the inflows and outflows of cash for the two most recent fiscal years 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 basic financial statements. Notes to the financial statements begin on page 15 of this report.

OTHER INFORMATION

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 38-44.

FINANCIAL ANALYSIS

As mentioned earlier, changes in net position may over time indicate the Agency's financial position. A significant portion of the Agency's net position (61.4% as of June 30, 2019 and 78.3% as of June 30, 2018) 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 (38.6% as of June 30, 2019 and 21.7% as of June 30, 2018) of net position represents resources that have restrictions on how they can be used.

REDEVELOPMENT AGENCY OF SALT LAKE CITY
Net Position

	Fiscal 2019	Fiscal 2018	Fiscal 2017
Current and other assets	\$ 198,023,855	\$ 194,642,652	\$ 139,880,895
Capital assets	43,924,608	43,249,927	172,805,823
Total assets	<u>\$ 241,948,463</u>	<u>\$ 237,892,579</u>	<u>\$ 312,686,718</u>
Deferred outflow of resources	\$ 162,159	\$ 188,046	\$ 189,806
Bonds payable	\$ 64,705,272	\$ 68,450,508	\$ 71,895,671
Other liabilities	4,209,713	4,916,365	6,391,771
Total liabilities	<u>\$ 68,914,985</u>	<u>\$ 73,366,873</u>	<u>\$ 78,287,442</u>
Deferred inflow of resources	<u>\$ 11,957</u>	<u>\$ 144,086</u>	<u>\$ 27,380</u>
Net position:			
Invested in capital assets - net of related debt	\$ 43,924,608	\$ 43,249,927	\$ 100,910,152
Restricted for capital construction	66,819,359	35,691,817	80,683,412
Unrestricted	<u>62,439,713</u>	<u>85,627,922</u>	<u>52,968,137</u>
Total net position, as restated	<u><u>\$ 173,183,680</u></u>	<u><u>\$ 164,569,666</u></u>	<u><u>\$ 234,561,701</u></u>

Agency Activities

The Agency's receipt of incremental property taxes, that portion of property taxes generated from higher property values from earlier redevelopment activities, increased by \$2,019,894 (6.57%) and decreased by \$5,543,901 (15.38%) during fiscal years 2019 and 2018, respectively. Private donations increased by \$842,520 and interest income increased by \$1,073,326 during the year ended June 30, 2019.

For the year ended June 30, 2019, total operating expenses of the Agency increased by \$1,563,430 (7.4%). The change is due to an increase in overall redevelopment activities of the Agency of \$2,435,771 offset by a decrease in Depreciation Expense of \$872,341. The decrease in Depreciation Expense is a result of approximately \$34,000,000 in assets being fully depreciated in the prior year, consisting mainly of Block 56 and Block 57 parking structures.

REDEVELOPMENT AGENCY OF SALT LAKE CITY

Changes in Net Position

	Fiscal 2019	Fiscal 2018	Fiscal 2017
Revenues			
Program revenues:			
Rental and other income	\$ 1,998,889	\$ 2,174,382	\$ 1,718,083
General revenues			
Transfers in from Salt Lake City Corporation	10,401,935	9,972,553	11,820,407
Interest and investment valuation income	2,401,525	1,328,199	1,054,732
Gain/(Loss) on sale of capital assets	1,598,229	331,194	(744,373)
Grants and other contributions	22,340,120	20,749,608	25,720,509
Miscellaneous Income	25,295	3,403,110	27,035
Total revenues	<u>38,765,993</u>	<u>37,959,046</u>	<u>39,596,393</u>
Expenses			
Personnel Services	1,459,843	1,315,231	1,546,832
Operating and Maintenance	1,512,735	1,389,754	1,746,781
Charges and Services	19,073,079	16,904,901	24,366,372
Depreciation and amortization	777,645	1,649,986	3,718,292
Interest and fiscal charges	6,090,465	6,213,521	5,345,144
Contributions to Salt Lake City Corporation	1,417,706	4,014,010	8,907
Change in Equity Interest in Joint Venture	(179,494)	76,463,683	—
Total expenses	<u>30,151,979</u>	<u>107,951,086</u>	<u>36,732,328</u>
Increase/(Decrease) in net position	8,614,014	(69,992,040)	2,864,065
Net position, beginning	<u>164,569,666</u>	<u>234,561,706</u>	<u>231,697,641</u>
Net position ending	<u><u>\$173,183,680</u></u>	<u><u>\$164,569,666</u></u>	<u><u>\$234,561,706</u></u>

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, increased by \$674,681 and decreased by \$129,555,896 in fiscal 2019 and 2018, respectively.

REDEVELOPMENT AGENCY OF SALT LAKE CITY

Capital Assets, Net of Depreciation

	Fiscal 2019	Fiscal 2018	Fiscal 2017
Land and easement rights	\$ 21,456,012	\$ 21,456,012	\$ 21,456,012
Parking facilities and plaza	8,994,308	9,719,828	11,463,088
Other buildings	801,646	830,797	128,200,544
Equipment	75,198	98,173	407,759
Construction in progress	12,597,444	11,145,117	11,278,419
Total	<u><u>\$ 43,924,608</u></u>	<u><u>\$ 43,249,927</u></u>	<u><u>\$ 172,805,822</u></u>

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

Long-term debt (net) of the Agency totaled \$64,705,272 and \$68,450,508 as of June 30, 2019 and 2018, 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

	<u>Fiscal 2019</u>	<u>Fiscal 2018</u>	<u>Fiscal 2017</u>
2013 Tax increment bonds, net	52,280,272	55,495,508	58,620,671
2015A and 2015B Tax increment bonds	12,425,000	12,955,000	13,275,000
Total	<u>\$ 64,705,272</u>	<u>\$ 68,450,508</u>	<u>\$ 71,895,671</u>

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 118, P.O. Box 145518 Salt Lake City Utah, 84114-5518.

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Basic Financial Statements

Redevelopment Agency of Salt Lake City
Statements of Net Position
June 30, 2019 and 2018

	2019	2018
Assets		
Current assets		
Unrestricted cash and cash equivalents	\$ 26,513,521	\$ 43,708,916
Restricted cash and cash equivalents	58,672,372	27,637,309
Loans receivable-current portion, including interest receivable of \$208,571 and \$195,114, respectively	487,007	801,588
Other current receivables	430,962	335,991
Other long-term receivables, current portion	925,890	3,250,000
Deposits	719,778	719,778
Prepaid expenses	78,620	96,392
Total current assets	87,828,150	76,549,974
Non-current assets		
Capital assets, at cost		
Land and rights	21,456,012	21,456,012
Parking facilities and plaza	55,022,530	55,022,530
Other buildings	1,020,275	1,020,275
Office furniture and equipment	415,529	415,529
Construction in progress	12,597,444	11,145,117
Accumulated depreciation	(46,587,182)	(45,809,536)
Net capital assets	43,924,608	43,249,927
Loans and other long-term receivables, net of current portion	11,673,885	18,765,256
Land and buildings held for resale	45,418,622	46,229,420
Investment in Joint Venture	53,103,198	53,098,002
Total non-current assets	154,120,313	161,342,605
Total assets	241,948,463	237,892,579
Deferred Outflows		
Deferred outflows - Pension	162,159	188,046
Total assets and deferred outflows	\$ 242,110,622	\$ 238,080,625

The accompanying notes are an integral part of this statement

Redevelopment Agency of Salt Lake City
Statements of Net Position
June 30, 2019 and 2018

	2019	2018
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	\$ 2,999,895	\$ 3,705,099
Accrued compensation, current portion	20,031	13,032
Accrued interest payable	762,406	793,356
Bonds payable, current portion	3,850,000	3,750,000
Total current liabilities	<u>7,632,332</u>	<u>8,261,487</u>
Non-current liabilities		
Accrued compensation, net of current portion	132,811	101,702
Net pension liability	294,570	303,176
Bonds payable, net of discounts and current portion	60,855,272	64,700,508
Total non-current liabilities	<u>61,282,653</u>	<u>65,105,386</u>
Total liabilities	<u>68,914,985</u>	<u>73,366,873</u>
Deferred inflows		
Deferred inflows relating to pensions	<u>11,957</u>	<u>144,086</u>
Net Position		
Net Investment in capital assets	43,924,608	43,249,927
Restricted for construction and loan commitments held in escrow	66,819,359	35,691,817
Unrestricted	62,439,713	85,627,922
Total net position	<u>173,183,680</u>	<u>164,569,666</u>
Total liabilities, deferred inflows and net position	<u><u>\$ 242,110,622</u></u>	<u><u>\$ 238,080,625</u></u>

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, 2019 and 2018

	2019	2018
Operating revenues		
Rental and other income	\$ 1,618,108	\$ 1,619,971
Interest income from loans receivable	380,781	554,411
Miscellaneous	25,295	117,732
Reimbursement from State of Utah	—	3,285,378
Total operating revenues	<u>2,024,184</u>	<u>5,577,492</u>
Operating expenses		
Personnel Services	1,459,843	1,315,231
Operating and Maintenance	1,512,735	1,389,754
Charges and Services	19,073,079	16,904,901
Depreciation	777,645	1,649,986
Total operating expenses	<u>22,823,302</u>	<u>21,259,872</u>
Operating Loss	<u>(20,799,118)</u>	<u>(15,682,380)</u>
Non-operating revenues (expenses)		
Interest Income	2,401,525	1,328,199
Grants and other contributions	22,340,120	20,749,608
Changes in Equity Interest in Joint Venture	179,494	(76,463,683)
Gain (loss) on sale of capital assets	1,598,229	331,194
Interest and fiscal charges	(6,090,465)	(6,213,521)
Total non-operating revenues (expenses)	<u>20,428,903</u>	<u>(60,268,203)</u>
Loss before operating transfers	(370,215)	(75,950,583)
Transfers In from Salt Lake City Corporation	10,401,935	9,972,553
Transfers Out to Salt Lake City Corporation	(1,417,706)	(4,014,010)
Change in net position	8,614,014	69,992,040
Net position, beginning of year	164,569,666	234,561,706
Net position, end of year	<u>\$ 173,183,680</u>	<u>\$ 164,569,666</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, 2019 and 2018

	2019	2018
Cash Flows from Operating Activities		
Cash received from rentals	\$ 1,618,108	\$ 1,619,971
Cash from miscellaneous income	25,295	3,403,110
Cash paid to suppliers	(21,300,659)	(19,346,355)
Cash paid to employees	(1,490,120)	(1,349,150)
Loans disbursed	—	(8,815,941)
Principal collected on loans receivable	5,510,204	7,962,870
Interest collected on loans receivable	367,324	407,574
Net cash used in operating activities	<u>(15,269,848)</u>	<u>(16,117,921)</u>
Cash flows from capital and related financing activities		
Payments for acquisition of land and buildings held for resale	(1,452,327)	(8,025,000)
Proceeds from sale of land and buildings held for resale	2,409,027	549,490
Private donations	4,183,315	3,340,795
Property and equipment purchased during the year and contributed to UPACA	(255,911)	(2,125,058)
Principal payments on bonds payable	(3,750,000)	(3,450,000)
Interest and fiscal charges paid on bonds payable	<u>(6,085,700)</u>	<u>(6,233,994)</u>
Net cash used in capital and related financing activities	<u>(4,951,596)</u>	<u>(15,943,767)</u>
Cash flows from non-capital and related financing activities		
Transfers in from Salt Lake City Corporation	10,401,935	9,972,553
Contributions from other taxing entities	22,340,120	20,749,608
Contributions to Salt Lake City Corporation	(1,417,706)	(4,014,010)
Cash received on deposit/(Cash deposit refunded) - related party	<u>—</u>	<u>(275,153)</u>
Net cash from non-capital and related financing activities	<u>31,324,349</u>	<u>26,432,998</u>
Cash flows from investing activities:		
Interest received from investments and cash and cash equivalents	2,401,525	1,328,199
Distributions received from Interest in Joint Venture	<u>335,238</u>	<u>—</u>
Net cash provided by investing activities	<u>2,736,763</u>	<u>1,328,199</u>
Net change in cash and cash equivalents	13,839,668	(4,300,491)
Cash and cash equivalents, beginning of year	71,346,225	75,646,716
Cash and cash equivalents at end of year	<u><u>\$ 85,185,893</u></u>	<u><u>\$ 71,346,225</u></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, 2019 and 2018

	2019	2018
Balance sheet presentation of cash and cash equivalents		
Unrestricted	\$ 26,513,521	\$ 43,708,916
Restricted	58,672,372	27,637,309
Total cash and cash equivalents, end of year	<u>85,185,893</u>	<u>71,346,225</u>
Reconciliation of operating loss to net cash used for operating activities		
Operating Loss	(20,799,118)	(15,682,380)
Adjustments to reconcile operating loss to net cash used for operating activities		
Depreciation	777,646	1,649,986
Principal forgiven on loans receivable	50,000	50,000
Increase (decrease) from changes in		
Accounts payable and accrued liabilities	(736,155)	(1,022,558)
Accrued compensation	38,108	(47,009)
Accrued interest on notes receivable	(13,457)	(146,837)
Pension liability	(8,606)	(105,376)
Deferred outflows	25,887	(36,609)
Prepaid expenses and deposits	17,772	(79,142)
Deferred inflows	(132,129)	155,075
Total	(20,780,052)	(15,264,850)
Loans disbursed	—	(8,815,941)
Principal collected on loans	5,510,204	7,962,870
Net cash used for operating activities	<u>\$ (15,269,848)</u>	<u>\$ (16,117,921)</u>
Non-cash transactions affecting financial position		
Contributions of capital assets to Salt Lake City Corporation	\$ (351,348)	\$ (1,150,000)
Recognition of equity interest in joint venture	(5,196)	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, 2019 and 2018, 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, 2019 and 2018, 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.

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:

	2019	2018
Cash and cash equivalents		
Money market accounts	\$ 457,589	\$ 40,604,827
Investments in the pooled investment account of Salt Lake City Corporation	84,728,204	30,741,298
Petty Cash	100	100
	<u>\$ 85,185,893</u>	<u>\$ 71,346,225</u>
Financial statement presentation		
Unrestricted cash and cash equivalents	\$ 26,513,521	\$ 43,708,916
Restricted cash and cash equivalents, current portion	58,672,372	27,637,309
	<u>\$ 85,185,893</u>	<u>\$ 71,346,225</u>

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, 2019 and 2018, 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, 2019 and 2018, none of the Agency's cash balance was covered by federal depository insurance. The Agency's cash balances of \$85,185,893 and \$71,346,225 as of June 30, 2019 and 2018, 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, 2019 and 2018, included in cash and cash equivalents, were \$84,728,204 and \$30,741,298, 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, 2019 and 2018.

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, 2019 and 2018, respectively, the Agency had \$84,728,204 and \$30,741,298 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's Fund at June 30, 2019 and 2018, 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:

	2019	2018
Restricted for construction on Regent Street Improvements under the related bond resolution	\$ 1,303,806	\$ 2,647,921
Restricted for construction by appropriation	54,368,566	24,951,885
Restricted for loan escrows	3,000,000	37,503
Total restricted cash and cash equivalents	<u>\$ 58,672,372</u>	<u>\$ 27,637,309</u>

4. Loans and Other Long-Term Receivables

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

	2019	2018
Tax increment rehabilitation loans bearing interest from 0% to 5%. Principal and interest payable in monthly installments, includes accrued interest of \$21,230 and \$28,773 respectively.	\$ 4,003,463	\$ 9,224,170
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.	507,935	774,770
Housing loans bearing interest from 0% to 3%, with principal and interest due monthly; collateralized by property; includes accrued interest of \$187,341 and \$166,341, respectively.	6,849,494	6,908,700
Pledges from private donors	1,725,890	5,909,204
Total	13,086,782	22,816,844
Less current portion	(1,412,897)	(4,051,588)
Total loans and other long-term receivables	<u>\$ 11,673,885</u>	<u>\$ 18,765,256</u>

As of June 30, 2019 and 2018, the Agency had committed to, and approved funding for, additional loans totaling \$3,000,000 and \$37,503, which funds had not yet been disbursed.

During the years ended June 30, 2019 and 2018, the Agency received no new pledges from private donors. During the years ended June 30, 2019 and 2018, the Agency collected \$4,183,315 and \$3,340,795, 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

2020	\$ 925,890
2021	800,000
Total	<u>\$ 1,725,890</u>

5. Capital Assets

The following is a summary of transactions affecting capital assets for the year ended June 30, 2019:

Description	Balance July 1, 2018	Additions	Transfers	Retirements	Balance June 30, 2019
Office furniture and equipment	\$ 415,529				\$ 415,529
Parking facilities and plaza	55,022,530				55,022,530
Other buildings	1,020,275				1,020,275
Construction in process	11,145,117	1,452,327			12,597,444
Land and rights	21,456,012				21,456,012
Total	89,059,463	1,452,327	—	—	90,511,790
Accumulated depreciation					
Office furniture and equipment	(317,356)	(22,975)			(340,331)
Parking facilities	(45,302,702)	(725,521)			(46,028,223)
Other buildings	(189,478)	(29,150)			(218,628)
Total accumulated depreciation	(45,809,536)	(777,646)	—	—	(46,587,182)
Net capital assets	<u>\$ 43,249,927</u>	<u>\$ 674,681</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 43,924,608</u>

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	\$ 721,588	\$ —	\$ —	\$ (306,059)	\$ 415,529
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
Total	218,289,430	—	—	(129,229,967)	89,059,463
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)
Total accumulated depreciation	(45,483,606)	(1,649,987)	—	1,324,057	(45,809,536)
Net capital assets	<u>\$ 172,805,824</u>	<u>\$ (1,649,987)</u>	<u>\$ —</u>	<u>\$ (127,905,910)</u>	<u>\$ 43,249,927</u>

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:

	<u>2019</u>	<u>2018</u>
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	\$ 52,320,000	\$ 55,540,000
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	210,000	740,000
Less unamortized discount	<u>(39,728)</u>	<u>(44,492)</u>
Total bonds payable	64,705,272	68,450,508
Less amount due within one year	<u>(3,850,000)</u>	<u>(3,750,000)</u>
Total bonds payable less amount due within one year	<u><u>\$ 60,855,272</u></u>	<u><u>\$ 64,700,508</u></u>

The following is a summary of transactions affecting bonds payable for the year ended June 30, 2019:

	<u>Balance July 1, 2018</u>	<u>Additions</u>	<u>Principal Payments and Reductions</u>	<u>Balance June 30, 2019</u>	<u>Due Within One Year</u>
Federally taxable tax increment revenue bonds Series 2013	\$ 55,540,000	\$ —	\$ (3,220,000)	\$ 52,320,000	\$ 3,335,000
Subordinate tax increment revenue bonds Series 2015A	12,215,000	—	—	12,215,000	305,000
Federally taxable subordinate tax increment revenue Series 2015B	740,000	—	(530,000)	210,000	210,000
Less unamortized discounts	<u>(44,492)</u>	<u>—</u>	<u>4,764</u>	<u>(39,728)</u>	<u>—</u>
Total bond obligations	<u><u>\$ 68,450,508</u></u>	<u><u>\$ —</u></u>	<u><u>\$ (3,745,236)</u></u>	<u><u>\$ 64,705,272</u></u>	<u><u>\$ 3,850,000</u></u>

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	<u>\$ 71,895,671</u>	<u>\$ —</u>	<u>\$ (3,445,163)</u>	<u>\$ 68,450,508</u>	<u>\$ 3,750,000</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
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	4,995,000	2,596,551	7,591,551
2024	5,235,000	2,391,336	7,626,336
2025-2029	30,575,000	9,451,272	40,026,272
2030-2031	11,190,000	2,035,307	13,225,307
Less unamortized discount	(39,728)	—	(39,728)
Total	<u>\$ 64,705,272</u>	<u>\$ 25,291,794</u>	<u>\$ 89,997,066</u>

In August 2019, the Agency began the process for issuance and sale of \$44,610,000 in Taxable Tax Increment Revenue Refunding Bonds, Series 2019 for the purpose of refunding a portion of the Agency's outstanding Taxable Tax Increment Revenue Bonds, Series 2013 (Performing Arts Center Project). The bonds are scheduled to be sold and the transaction completed in December 2019.

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.

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, 2019, are as follows:

	Employee Paid	Employer Paid	Employer 401(k)
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, 2019, the employer and employee contributions to the URS were as follows:

	Employer Contributions	Employee Contributions
Noncontributory System	\$ 56,778	N/A
Tier 2 Public Employees System	5,582	N/A
Total Contributions	<u>\$ 62,360</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, 2019 and 2018, the Agency reported a net pension liability of \$294,570 and \$303,176, respectively.

	Measurement Date: December 31, 2018				
	Net Pension Asset	Net Pension Liability	Proportionate Share	Proportionate Share December 31, 2017	Increase (Decrease)
Noncontributory System	\$ —	\$ 285,453	0.0400%	0.0704%	(0.0304)%
Tier 2 Public Employees System	—	9,117	0.0200%	0.0218%	(0.0018)%
Total	<u>\$ —</u>	<u>\$ 294,570</u>			

The net pension asset and liability was measured as of December 31, 2018, 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, 2019 and 2018, the Agency recognized pension expense of \$100,727 and \$124,806, respectively.

At June 30, 2019, 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	\$ 3,735	\$ 7,208
Changes in assumptions	40,525	164
Net difference between projected and actual earnings on pension plan investments	62,369	
Changes in proportion and differences between contributions and proportionate share of contributions	3,033	4,585
Contributions subsequent to the measurement date	52,497	—
Total	<u>\$ 162,159</u>	<u>\$ 11,957</u>

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	—	107,705
Changes in proportion and differences between contributions and proportionate share of contributions	3,320	8,830
Contributions subsequent to the measurement date	67,053	—
Total	<u>\$ 188,046</u>	<u>\$ 144,086</u>

Contributions made by the Agency prior to fiscal year-end, but subsequent to the measurement date of December 31, 2018, resulted in \$52,497 reported as deferred outflows of resources at June 30, 2019. 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
2019	\$ 42,786
2020	13,872
2021	9,995
2022	30,309
2023	59
Thereafter	683

Actuarial assumptions

The total pension liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	3.25 - 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	—%	—%	—%
Totals	100.00%		4.75%
	Inflation		2.50%
	Expected arithmetic nominal return		7.25%

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 does not use the Municipal Bond Index Rate. The discount rate remains unchanged at 6.95%.

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	\$ 585,024	\$ 285,453	\$ 35,989
Tier 2 Public Employees System	36,524	9,117	(12,035)
Total	<u>\$ 621,548</u>	<u>\$ 294,570</u>	<u>\$ 23,954</u>

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:

	2019	2018	2017
401(k) Plan			
Employer contributions	\$ 25,143	\$ 29,743	\$ 35,600
Employee contributions	31,032	18,304	36,770
457(b) Plan			
Employer contributions	—	—	—
Employee contributions	8,174	5,067	2,742
Roth IRA Plan			
Employer contributions	N/A	N/A	N/A
Employee contributions	6,465	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, 2018 and 2017, was \$53,103,198 and \$53,098,002, respectively.

Summary financial information for UPACA for 2018 is as follows:

Utah Performing Arts Center Agency
Summary Financial Information
As of and for the Year Ended December 31, 2018

Pooled Cash and Investments	\$ 13,528,815
Accounts Receivable and prepaid expenses	668,819
Capital assets, net of accumulated depreciation	<u>125,119,172</u>
Total assets	<u>139,316,806</u>
Accounts payable and accrued expenses	1,873,100
Show proceeds held for others	9,803,242
Payable to Salt Lake County	<u>751,103</u>
Total liabilities	<u>12,427,445</u>
Total net position	<u><u>\$ 126,889,361</u></u>
Charges for services	\$ 6,906,901
Contributions and other revenues	2,793,546
Operating expenses	(5,071,334)
Interest expense	—
Depreciation	<u>(2,679,209)</u>
Net Income	<u><u>\$ 1,949,904</u></u>
Distributions to owners	<u>\$ 1,937,490</u>

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, or by calling 385-468-1020.

9 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, 2019, anticipated cumulative payments remaining under the agreement were \$843,641. 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
2020	\$ 2,915,585
2021	2,919,475
2022	2,917,491
2023	2,636,303
2024	2,636,303
2025-2029	13,181,517
2030-2034	12,197,852
2035 and beyond	4,148,823
Total	<u>\$ 43,553,349</u>

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 fiscal year 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, 2019 and 2018, the total principal and interest remaining to be paid on all bonds for the Eccles Theater project was \$167,205,016 and \$175,938,213, 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. The Agency is required to commit CBD tax increment in an amount equal to the City allocation under these agreements. During the fiscal year ended June 30, 2019, the Agency transferred \$6,456,711 in CBD incremental property taxes to Block 70 for Eccles debt service per the agreements, and expended \$8,733,198 to cover the principal and interest payments due during the year. During the fiscal year ended June 30, 2018, the Agency transferred \$5,910,496 in CBD incremental property taxes, and expended \$8,737,098 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 the City's and SLCSD's portions 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, 2019, the Agency received an additional \$398,956 in incremental property taxes under these agreements, and expended \$863,610 to cover interest payments during the year. For the year ended June 30, 2018, the Agency received an additional \$957,818 in incremental property taxes under these agreements, and expended \$662,122 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 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 Agency is entitled to retain the County's portion of the CBD tax increment up to a maximum of \$43,000,000. 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.

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, 2019 and 2018, the Agency recorded expenses of \$1,001,997 and \$826,068, 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, 2019 and 2018, the Agency recorded expenses of \$72,554 and \$75,406, 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, 2019 and 2018, the Agency recorded expenses of \$20,523 and \$21,194, 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, 2019 and 2018, the Agency recorded expenses of \$369,510 and \$490,396, 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, 2019 and 2018, the Agency recorded expenses of \$57,140 and \$63,652, 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, 2019 and 2018, was \$155,531 and \$175,468, respectively, which has been recorded as a note receivable.

10 Concentrations

Operating revenues are not adequate to fund operations of the Agency. The Agency received \$32,742,055 and \$30,722,161 of transfers of tax increment from various taxing entities during the years ended June 30, 2019 and 2018, respectively, which were recorded as non-operating revenues of \$22,340,120 in Grants and other contributions, and \$10,401,935 in Transfers In for fiscal year 2019, and \$20,749,608 in Grant and other contributions, and \$9,972,553 in Transfers In for fiscal year 2018. These funds are critical for the continuing operations of the Agency.

Required Supplementary Information
June 30, 2019 and 2018

Redevelopment Agency of Salt Lake City

Redevelopment Agency of Salt Lake City
Schedule of the Proportionate Share of the Net Pension Liability
December 31, 2018
Last 10 Years*

Noncontributory System	2019	2018	2017	2016	2015
Proportion of the net pension liability	0.04%	0.07%	0.06%	0.05%	0.07%
Proportionate share of the net pension liability	\$ 285,453	\$ 301,169	\$ 405,107	\$ 297,064	\$ 317,700
Covered payroll	\$ 312,019	\$ 558,845	\$ 477,356	\$ 432,740	\$ 611,285
Proportionate share of the net pension liability as a percentage of its covered payroll	91.49%	53.89%	84.86%	68.65%	51.97%
Plan fiduciary net position as a percentage of the total pension liability	87.00%	91.90%	87.30%	87.80%	90.20%
Tier 2 Public Employees System	2019	2018	2017	2016	2015
Proportion of the net pension liability	0.02%	0.02%	0.03%	0.04%	0.02%
Proportionate share of the net pension liability/(asset)	\$ 9,117	\$ 2,007	\$ 3,445	\$ (83)	\$ (726)
Covered payroll	\$ 248,511	\$ 222,660	\$ 269,084	\$ 245,666	\$ 117,554
Proportionate share of the net pension liability/(asset) as a percentage of its covered payroll	3.67%	0.09%	1.28%	(0.03)%	(0.62)%
Plan fiduciary net position as a percentage of the total pension liability	90.80%	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 five years currently available.

Redevelopment Agency of Salt Lake City
Schedule of Contributions
June 30, 2019
Last 10 Fiscal Years*

Noncontributory System	2019	2018	2017	2016	2015
Actuarial determined contributions	\$ 56,778	\$ 105,455	\$ 91,614	\$ 140,147	\$ 175,299
Contributions in relation to the contractually required contribution	(56,778)	(105,455)	(91,614)	(140,147)	(175,299)
Contribution deficiency	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
Covered employee payroll	\$ 309,377	\$ 575,011	\$ 499,259	\$ 432,740	\$ 637,982
Contributions as a percentage of covered payroll **	18.35%	18.34%	18.35%	32.39%	27.48%
Tier 2 Public Employee System ***	2019	2018	2017	2016	2015
Actuarial determined contributions	\$ 5,582	\$ 5,169	\$ 40,101	\$ 33,041	\$ 16,040
Contributions in relation to the contractually required contribution	(5,582)	(5,169)	(40,101)	(33,041)	(16,040)
Contribution deficiency	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
Covered employee payroll	\$ 276,833	\$ 204,783	\$ 268,954	\$ 244,828	\$ 122,688
Contributions as a percentage of covered payroll **	2.02%	2.52%	14.91%	13.50%	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 five 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, 2019

Redevelopment Agency of Salt Lake City

Redevelopment Agency of Salt Lake City
Combining Balance Sheet Information by Fund
Fiscal Year Ended June 30, 2019

	Block 70 CDA	Central Business District	Citywide Housing	Depot District	Granary District	North Temple	North Temple Viaduct CDA	Program Income Fund	Project Area Housing	RDA Administration	Revolving Loan Fund	Sugarhouse Project	West Capital Hill	West Temple Gateway	Total
Assets															
Cash and cash equivalent (unrestricted)	\$ (900,000)	\$ 3,164,265	\$ (2,519,266)	\$ 870,155	\$ 249,946	\$ 194,518	\$ 16,812	\$ 2,497,338	\$ 132,482	\$ 1,001,845	\$ 20,655,316	\$ 53,886	\$ 1,053,297	\$ 42,929	\$ 26,513,523
Loans and other receivable	2,156,852	—	6,849,494	—	—	—	—	1,227,713	—	—	4,003,462	—	—	—	14,237,522
Cash and cash equivalent (restricted)	5,270,878	5,390,968	13,825,496	8,137,124	1,725,130	515,086	—	9,635,907	1,992,222	—	8,000,000	—	1,304,297	2,875,264	58,672,372
Land and water rights	4,940,566	16,515,446	—	—	—	—	—	—	—	—	—	—	—	—	21,456,011
Improvements - other than buildings	—	55,022,531	—	—	—	—	—	—	—	—	—	—	—	—	55,022,531
Buildings	—	443,533	—	—	—	—	—	—	576,742	—	—	—	—	—	1,020,275
Machinery and equipment	—	269,549	—	—	—	—	—	49,042	—	96,938	—	—	—	—	415,529
Construction in process	11,932,398	665,047	—	—	—	—	—	—	—	—	—	—	—	—	12,597,444
Accumulated depreciation	—	(46,334,336)	—	—	—	—	—	(37,143)	(123,587)	(92,116)	—	—	—	—	(46,587,182)
Land and buildings held for sale	—	12,547,588	—	14,921,361	194,455	4,000,000	—	8,056,863	3,454,690	—	—	485,075	28,590	1,730,001	45,418,622
Investment in Joint Venture	53,103,198	—	—	—	—	—	—	—	—	—	—	—	—	—	53,103,198
Other assets	—	31,717	—	—	610	—	—	25,008	—	17,625	—	—	—	3,660	78,620
Total assets	76,503,892	47,716,307	18,155,724	23,928,640	2,170,141	4,709,604	16,812	21,454,729	6,032,549	1,024,292	32,658,778	538,960	2,386,183	4,651,853	241,948,464
Deferred outflows	—	—	—	—	—	—	—	—	—	162,158	—	—	—	—	162,158
Total assets and deferred outflows	\$ 76,503,892	\$ 47,716,307	\$ 18,155,724	\$ 23,928,640	\$ 2,170,141	\$ 4,709,604	\$ 16,812	\$ 21,454,729	\$ 6,032,549	\$ 1,186,450	\$ 32,658,778	\$ 538,960	\$ 2,386,183	\$ 4,651,853	\$ 242,110,622
Liabilities															
Accounts payable and accrued liabilities	\$ 2,561,538	\$ 158,080	\$ —	\$ 3,663	\$ 114	\$ —	\$ —	\$ 45,493	\$ 5,100	\$ 3,561	\$ —	\$ 63,000	\$ 7,985	\$ 1,952	\$ 2,850,486
Current deposits and advance rentals	10,000	8,982	—	104,000	1,000	—	—	13,013	—	—	—	—	5,000	3,000	144,995
Accrued compensation - current	—	—	—	—	—	—	—	—	—	24,444	—	—	—	—	24,444
Accrued interest payable - current	762,406	—	—	—	—	—	—	—	—	—	—	—	—	—	762,406
Bonds payable - current portion	3,850,000	—	—	—	—	—	—	—	—	—	—	—	—	—	3,850,000
Pension liability	—	—	—	—	—	—	—	—	—	294,570	—	—	—	—	294,570
Long term compensation liability	—	—	—	—	—	—	—	—	—	132,811	—	—	—	—	132,811
Advances from (to) other funds	1,150,000	(1,150,000)	—	—	—	—	—	—	—	—	—	—	—	—	—
Bonds payable, net	60,855,272	—	—	—	—	—	—	—	—	—	—	—	—	—	60,855,272
Total liabilities	69,189,215	(982,937)	—	107,663	1,114	—	—	58,506	5,100	455,387	—	63,000	12,985	4,952	68,914,984
Deferred inflows	—	—	—	—	—	—	—	—	—	11,957	—	—	—	—	11,957
Fund balance															
Net position, beginning	3,755,085	48,230,869	18,427,522	22,708,600	1,957,901	4,474,062	7,042	20,024,614	5,998,624	400,829	31,897,616	826,183	1,250,577	4,610,144	164,569,666
Revenues	2,159,178	25,461,421	350,096	3,895,569	625,878	425,243	1,123,104	2,441,059	45,303	47,889	761,162	1,126	1,547,706	60,753	38,945,488
Expenses	6,363,884	14,771,265	1,221,000	1,728,942	210,453	66,630	1,096,634	871,092	16,478	3,193,163	—	351,348	416,589	23,995	30,331,473
Net transfers in (out)	7,764,298	(10,221,782)	599,107	(1,054,250)	(204,299)	(123,071)	(16,700)	(198,358)	—	3,463,551	—	—	(8,496)	—	—
Total net position, ending	7,314,677	48,699,244	18,155,724	23,820,977	2,169,027	4,709,604	16,812	21,396,223	6,027,449	719,106	32,658,778	475,960	2,373,198	4,646,902	173,183,681
Total liabilities, deferred inflows and net position	\$ 76,503,892	\$ 47,716,307	\$ 18,155,724	\$ 23,928,640	\$ 2,170,141	\$ 4,709,604	\$ 16,812	\$ 21,454,729	\$ 6,032,549	\$ 1,186,450	\$ 32,658,778	\$ 538,960	\$ 2,386,183	\$ 4,651,853	\$ 242,110,622

Redevelopment Agency of Salt Lake City
Combining Statement of Revenues and Expenses by Project Area
Fiscal Year Ended June 30, 2019

	Block 70 CDA	Central Business District	Citywide Housing	Depot District	Granary District	North Temple	North Temple Viaduct CDA	Program Income Fund	Project Area Housing	RDA Administration	Revolving Loan Fund	Sugarhouse Project	West Capital Hill	West Temple Gateway	Total
Revenue															
Transfers in from Salt Lake City	\$ 575,485	\$ 7,807,265	\$ —	\$ 1,175,213	\$ 185,946	\$ 130,329	\$ 353,699	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 173,998	\$ —	\$10,401,935
Grants and other contributions	1,235,963	16,767,575	—	2,523,993	399,354	279,907	759,636	—	—	—	—	—	373,692	—	22,340,120
Interest on investments	138,236	800,864	246,528	196,363	40,578	15,007	9,769	232,461	45,303	52,619	498,729	1,126	63,191	60,753	2,401,526
Rental & other income	—	85,694	103,568	—	—	—	—	1,547,194	—	—	262,433	—	—	—	1,998,888
Miscellaneous revenue	30,000	24	—	—	—	—	—	—	—	(4,729)	—	—	—	—	25,295
Changes in Equity Interest in Joint Venture	179,494	—	—	—	—	—	—	—	—	—	—	—	—	—	179,494
Gain (loss) on sale of capital assets	—	—	—	—	—	—	—	661,404	—	—	—	—	936,825	—	1,598,229
Total revenue	\$ 2,159,178	\$25,461,421	\$ 350,096	\$ 3,895,569	\$ 625,878	\$ 425,243	\$ 1,123,104	\$ 2,441,059	\$ 45,303	\$ 47,889	\$ 761,162	\$ 1,126	\$ 1,547,706	\$ 60,753	\$38,945,488
Expense															
Personal Services	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 1,459,843	\$ —	\$ —	\$ —	\$ —	\$ 1,459,843
Operating & Maintenance	—	—	—	—	—	—	—	—	—	1,512,733	—	—	—	—	1,512,733
Charges & Services	553,113	14,023,282	—	1,449,248	210,453	66,630	1,096,634	861,284	—	20,503	—	351,348	416,589	23,995	19,073,079
Depreciation	—	747,982	—	—	—	—	—	9,808	16,478	3,377	—	—	—	—	777,646
Interest and fiscal charges	5,810,771	—	—	279,694	—	—	—	—	—	—	—	—	—	—	6,090,465
Contributions to Salt Lake City Corporation	—	—	1,221,000	—	—	—	—	—	—	196,707	—	—	—	—	1,417,707
Total expense	6,363,884	14,771,265	1,221,000	1,728,942	210,453	66,630	1,096,634	871,092	16,478	3,193,163	—	351,348	416,589	23,995	30,331,473
Net transfers in (out)	7,764,298	(10,221,782)	599,107	(1,054,250)	(204,299)	(123,071)	(16,700)	(198,358)	—	3,463,551	—	—	(8,496)	—	—
Changes in net position	\$ 3,559,591	\$ 468,375	\$ (271,797)	\$ 1,112,377	\$ 211,126	\$ 235,542	\$ 9,770	\$ 1,371,609	\$ 28,825	\$ 318,278	\$ 761,162	\$ (350,223)	\$ 1,122,621	\$ 36,758	\$ 8,614,015

Redevelopment Agency of Salt Lake City
Selected Financial Information by Project Area
Fiscal Year Ended June 30, 2019

	Block 70 CDA	Central Business District	Citywide Housing	Depot District	Granary District	North Temple	North Temple Viaduct CDA	Program Income Fund	Project Area Housing	RDA Administ ration	Revolving Loan Fund	Sugarho use Project	West Capital Hill	West Temple Gateway	Total
Tax increment contributions	\$ 1,811,448	\$ 24,574,840	\$ —	\$ 3,699,206	\$ 585,300	\$ 410,236	\$ 1,113,335	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 547,690	\$ —	\$ 32,742,055
Loans receivable principal received	\$ —	\$ —	\$ 80,205	\$ —	\$ —	\$ —	\$ —	\$ 216,835	\$ —	\$ —	\$ 5,213,164	\$ —	\$ —	\$ —	\$ 5,510,204
Interest on investments	\$ 138,236	\$ 800,862	\$ 246,528	\$ 196,363	\$ 40,578	\$ 15,007	\$ 9,769	\$ 232,461	\$ 45,303	\$ 52,619	\$ 498,729	\$ 1,126	\$ 63,191	\$ 60,753	\$ 2,401,527
Bonds payable	\$ 64,705,272	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 64,705,272
Interest and fiscal charges	\$ 5,810,771	\$ —	\$ —	\$ 279,694	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 6,090,465
Debt principal paid	\$ 3,750,000	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 3,750,000
Origination of loans	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Refunds to taxing entities	\$ 398,956	\$ 11,831,739	\$ —	\$ 1,282,469	\$ 20,523	\$ —	\$ 1,096,634	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 136,922	\$ —	\$ 14,767,243
Personal Services	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 1,459,843	\$ —	\$ —	\$ —	\$ —	\$ 1,459,843
Operating & Maintenance	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 1,512,733	\$ —	\$ —	\$ —	\$ —	\$ 1,512,733
Charges & Services	\$ 553,113	\$ 14,023,282	\$ —	\$ 1,449,248	\$ 210,453	\$ 66,630	\$ 1,096,634	\$ 861,284	\$ —	\$ 20,503	\$ —	\$ 351,348	\$ 416,589	\$ 23,995	\$ 19,073,079
Budgetary transfers in (out)	\$ 7,764,298	\$ (10,221,782)	\$ 599,107	\$ (1,054,250)	\$ (204,299)	\$ (123,071)	\$ (16,700)	\$ (198,358)	\$ —	\$ 3,463,551	\$ —	\$ —	\$ (8,496)	\$ —	\$ —
Depreciation	\$ —	\$ 747,982	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 9,808	\$ 16,478	\$ 3,377	\$ —	\$ —	\$ —	\$ —	\$ 777,646