Financial Statements
June 30, 2014 and 2013

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

Independent Auditor's Report

The Board of Directors
Redevelopment Agency of Salt Lake City

Report on the Financial Statements
We have audited the accompanying balance sheets of the Redevelopment Agency of Salt Lake City ("the Agency"), a component unit of Salt Lake City Corporation, as of June 30, 2014 and 2013 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 opinion.

Opinion
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Agency as of June 30, 2014 and 2013 and the respective changes in financial position and its cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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 3 through 7 and page 29 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 combining of fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining fund financial statements are the responsibility of management and were derived from and relate 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 combining financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Eide Bailly LLP

Salt Lake City, Utah
November 12, 2014

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 year ended, June 30, 2014 and 2013. As management of the Agency, we encourage readers to consider information contained in this discussion.

FINANCIAL HIGHLIGHTS

As of June 30, 2014 and 2013, assets of the Agency exceeded its liabilities by $212,284,000 and $145,956,000 respectively (net position). Of the total amounts, $82,346,000 and $106,820,000, as of June 30, 2014 and 2013, respectively, are available to meet ongoing obligations to creditors. The remaining net position amount of $129,938,000 and $39,137,000, as of June 30, 2014 and 2013, 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 $66,327,000 and $9,649,000 during the years ending June 30, 2014 and 2013, respectively. During 2014, the Agency began construction on a new project, the Utah Performing Arts Center and issued Tax Increment Bonds of $64,730,000 to partially fund the project. In addition, Salt Lake City Corporation issued Sales Tax Revenue Bonds and contributed the proceeds to the Agency, resulting in contribution revenue of $50,309,000. During the year ended June 30, 2014, in support of this construction project, the Agency received private donations of $17,025,000 (including promises to give of $10,500,000). During 2013, the increase in net position is primarily due to higher property taxes received, realizing a gain on asset disposition and lower interest expense on debt. These major increases were partially offset by higher payments to other taxing entities. Total long-term debt decreased by $2,718,000 during fiscal 2013.

A significant portion of total assets, as of June 30, 2014 and 2013, is the unrestricted cash amounting to $87,597,000 and $56,390,000, respectively. Statutorily, the Agency is required to spend the tax increment funds generated in each of its projects area within the boundaries of the project area except for affordable housing projects or infrastructure that benefits a project area. No one project or project area has access to all of the unrestricted cash balance shown above. In addition, the Board of the Agency has historically had a budgetary practice to follow a pay-as-you-go funding mechanism. For large projects, this means budgeting over multiple years then beginning the project. This allows the Agency to accumulate sufficient funds for the project or projects rather than incurring debt for financing. However, the Agency has issued bonds in order to fund the construction of the Utah Performing Arts Center. Restricted cash of $68,014,000, as of June 30, 2014, reflects bond proceeds received from Salt Lake City Corporation, to be used for the Utah Performing Arts Center project.

Another significant portion of assets is the loans and other receivables balance. Loans are awarded to individuals and businesses for the acquisition, rehabilitation, new construction or façade renovation, and continue to be an important aspect of the Agency's blight elimination mission. For fiscal year 2014, the loan amounts originated, but not necessarily funded, and principal received were $2,065,000 and $8,477,000, respectively. During fiscal year 2013, new loans totaling $5,522,000 were originated, but not necessarily funded, and principal payments of $5,798,000 were received. The Agency's loans receivable decreased by $3,775,000 and increased by $4,891,000 in fiscal years 2014 and 2013, respectively, which brings the current balance to $22,981,000. The Agency also recognized promises to give for the Utah Performing Arts Center in the amount of $10,500,000 as of June 30, 2014, of which, $2,000,000 is a current receivable.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis serves as an introduction to Redevelopment Agency of Salt Lake City'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 balance sheet shows the Agency's total assets and liabilities with the difference shown as net position. Increases or decreases over time in net position gives an indicator as to whether the financial condition of the Agency is improving or declining.

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

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

Notes to the financial statements contain additional information important to a complete understanding of the information contained in the financial statements. Notes to the financial statements begin on page 13 of this report.

OTHER INFORMATION

Legislatively required supplemental schedules containing selected information by project area are contained in this report immediately following the notes to the financial statements and can be found on pages 29-31.

FINANCIAL ANALYSIS

As mentioned earlier, net position may over time indicate the Agency's financial position. The Agency's assets exceeded its liabilities by $212,284,000 and $145,956,000 at the close of the fiscal years ended June 30, 2014 and 2013, respectively.

A significant portion of the Agency's net position (67.7% in 2014 and 99.9% in 2013) is comprised of its un-restricted 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 Redevelopment Agency receives to pay debt and finance ongoing activities. The remaining portion (32.3% as of June 30, 2014 and less than one half of one percent as of June 30, 2013) of net position represents resources that have external restrictions on how they can be used.

REDEVELOPMENT AGENCY OF SALT LAKE CITY NET POSITION

	June 30, 2014	June 30, 2013	June 30, 2012
Current and other assets	$ 229,932,025	$ 123,907,490	$ 119,624,070
Capital Assets	61,460,207	38,926,466	40,898,115
Total Assets	291,392,232	162,833,956	160,522,185
Deferred outflows	-	16,510	51,585
Liabilities			
Revenue bonds	2,538,808	5,168,696	7,886,899
Tax increment bonds	64,662,511	-	-
Other Liabilities	11,907,334	11,725,478	16,379,890
Total Liabilities	79,108,653	16,894,174	24,266,789
Net Position:			
Invested in capital assets - net of related debt	61,460,207	38,926,466	40,898,115
Restricted for debt service, capital construction and undisbursed loan commitments held in escrow	68,014,732	210,193	1,820,181
Restricted	462,492		
Unrestricted	82,346,148	106,819,633	93,588,685
Total net position	$ 212,283,579	$ 145,956,292	$ 136,306,981

Agency Activities

As mentioned earlier, the Redevelopment Agency increased its total net position by $66,327,000 and $9,649,000 during the years ended June 30, 2014 and 2013.

The Agency's receives incremental property taxes, which are the portion of property taxes generated from higher property values from earlier redevelopment activities, and the amount received increased by $2,267,000 (7.5 %) and $3,200,000 (11.79 %) during fiscal years 2014 and 2013, respectively. These property taxes are classified as Transfers in from Salt Lake City Corporation on the Statements of Revenues, Expenses and Changes in Net Position. Miscellaneous income increased by $52,260,000 in fiscal 2014 due to the significant contribution of Sales Tax Revenue Bond proceeds issued by Salt Lake City Corporation to fund the construction of the Utah Performing Arts Center. Miscellaneous income decreased by $251,000 (49%) in fiscal 2013, which is a result of a large contribution from the Gallivan Utah Center Owners Association (GUCOA) during Fiscal 2012 to the Gallivan Center's improvements. This was not recurring in fiscal 2013.

For the year ended June 30, 2014, total expenses of the Agency increased by $13,765,000 (57.9%) compared to the year ended June 30, 2013. The most significant increase is due to the Agency's contribution to the Sugar House Streetcar Project, constructed by Utah Transit Authority. The increase in incremental property taxes received enabled the Agency to make additional payments to its related taxing entities by 11%. Total expenses in fiscal 2013 remained fairly close to those incurred in fiscal 2012, increasing a relatively modest $725,000. There were, however, some significant offsetting differences within the various expense categories. Fiscal 2013 did not have a recurrence of the $2,271,000 loss on the disposition of property that occurred in fiscal 2012. The largest offsetting increases were payments to other taxing entities and debt service expenses.

REDEVELOPMENT AGENCY OF SALT LAKE CITY
Changes in net position

	Fiscal 2014	Fiscal 2013	Fiscal 2012
Revenues			
Program revenues:			
Rental and other income	$ 1,355,703	$ 1,322,768	$ 1,235,534
General revenues:			
Transfers in	32,613,910	30,347,209	27,146,847
Interest and investment valuation income	1,848,932	987,907	1,086,686
Private Donations	17,025,000	-	-
Gain on sale of capital assets	232,610	509,969	-
Contributions from Salt Lake City Corporation	50,309,305	257,961	508,711
Miscellaneous income	483,076	-	-
Total revenues	103,868,536	33,425,814	29,977,778
Expenses			
Public Improvements	5,826,985	1,261,926	1,198,794
Grants	467,722	3,363	75,892
Debt service interest and fiscal charges	4,360,657	1,393,973	1,983,071
Payments to other taxing entities	13,130,810	11,832,462	9,471,496
Loss on asset dispositions	-	-	2,270,636
Depreciation and amortization	2,359,990	2,324,059	2,124,079
All other activities	11,395,087	6,960,717	5,927,677
Total expenses	37,541,251	23,776,500	23,051,645
Increase in net position	66,327,285	9,649,314	6,926,133
Net position, beginning	145,956,292	136,306,978	129,380,845
Net position, ending	$ 212,283,577	$ 145,956,292	$ 136,306,978

Capital Asset and Debt Administration

Capital Asset investments by the Redevelopment Agency of Salt Lake City 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 $22,534,000 in fiscal 2014 and decreased by $1,972,000 in fiscal 2013. During the year ended June 30, 2014, the Agency began construction of the Utah Performing Arts Center, which attributes to the significant increase in construction in progress. During fiscal 2013, the Agency added a small amount to work in progress and purchased a small amount of equipment. The depreciation incurred on the depreciable assets far exceeded the modest increases which resulted in the overall decrease.

REDEVELOPMENT AGENCY OF SALT LAKE CITY
Capital Assets, net of depreciation

	Fiscal 2014	Fiscal 2013	Fiscal 2012
Land and easement rights	$ 21,456,012	$ 16,515,446	$ 16,515,446
Land improvements	18,275,834	20,112,563	22,378,770
Buildings	942,147	969,626	1,005,698
Construction in progress	20,587,876	1,217,292	930,126
Equipment	198,338	111,539	68,075
Total	$ 61,460,207	$ 38,926,466	$ 40,898,115

Additional information relating to the capital assets of the Agency can be found in Note 5, beginning on page 18 of this report.

Long-term debt of the Agency totaled $67,201,319 and $5,168,696 as of June 30, 2014 and 2013, respectively. The Agency issued $64,730,000 in tax increment bonds during 2014 and the balance as of June 30, 2013 consisted entirely of revenue bonds which are secured by specified revenue sources. The 1990 Capital Appreciation and 2012A Refunding Bonds will be retired during fiscal 2015, while the 2013 Tax Increment Bonds currently require semi-annual interest payments and principal payments will begin in April 2016.

REDEVELOPMENT AGENCY OF SALT LAKE CITY
Long term debt

	Fiscal 2014	Fiscal 2013	Fiscal 2012
1990 Capital Appreciation Bonds	$ 1,283,808	$ 2,663,696	$ 4,146,899
2012A Refunding Bonds	1,251,438	2,488,490	3,688,415
Tax Increment Bonds	64,666,073	-	-
Total	$ 67,201,319	$ 5,152,186	$ 7,835,314

Additional information on the Redevelopment Agency's long-term debt can be found in Note 6, beginning on page 20 of this report.

Requests for information

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

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	2014	2013
Assets		
Current Assets		
Unrestricted cash and cash equivalents	$ 87,597,480	$ 56,390,830
Restricted cash and cash equivalents, current portion	-	67,801
Loans receivable-current portion, including interest receivable of $258,462 and $151,456, respectively	2,197,458	1,120,907
Other long-term receivables, current portion	2,000,000	-
Deposits	436,802	-
Prepaid expenses	14,850	15,000
Total current assets	92,246,590	57,594,538
Noncurrent Assets		
Capital assets, at cost		
Land and rights	21,456,012	16,515,446
Parking facilities and plaza	55,022,530	54,568,616
Other buildings	1,020,275	1,020,275
Office furniture and equipment	373,851	245,185
Construction in progress	20,587,876	1,217,292
Accumulated depreciation	(37,000,338)	(34,640,348)
Net capital assets	61,460,206	38,926,466
Bond issue costs, net of accumulated amortization of $758,956 and $731,434, respectivley	-	27,522
Loans and other long-term receivables, net of current portion	29,283,950	25,635,516
Restricted cash and cash equivalents, net of current portion	68,014,732	142,392
Land and buildings held for resale	40,386,754	40,507,522
Total noncurrent assets	137,685,436	66,312,952
Total Assets	$ 291,392,232	$ 162,833,956

	2014	2013
Liabilities		
Current Liabilities		
Accounts payable and accrued liabilities	$ 4,766,265	$ 429,371
Related party deposits and advance rentals, current portion	30,010	27,420
Accrued compensation, current portion	51,044	48,392
Accrued interest payable, current portion	6,686,452	5,667,098
Bonds payable, current portion	2,538,808	2,629,887
Total current liabilities	14,072,579	8,802,168
Noncurrent Liabilities		
Accrued compensation, net of current portion	112,034	102,063
Related party deposits and advance rentals, net of current portion	115,529	68,067
Other post-employment benefits	146,000	118,000
Accrued interest payable, net of current portion	-	5,265,067
Bonds payable, net of discounts and current portion	64,662,511	2,522,299
Total noncurrent liabilities	65,036,074	8,075,496
Total Liabilities	79,108,653	16,877,664
Net Position		
Net investment in capital assets	61,460,206	38,926,466
Restricted for construction and undisbursed loan commitment held in escrow	68,477,224	210,193
Unrestricted	82,346,149	106,819,633
Total net position	212,283,579	145,956,292
Total Liabilities and Net Position	$ 291,392,232	$ 162,833,956

See Notes to Financial Statements.

	2014	2013
Operating Revenues		
Rental and other income	$ 1,355,703	$ 1,322,768
Interest income from loans receivable	526,957	584,503
Miscellaneous	174,884	257,961
Total operating revenues	2,057,544	2,165,232
Operating Expenses		
Plaza management	808,553	889,776
Public improvements	5,826,989	1,387,172
Property management	703,672	907,660
Acquisition expenses	61,059	479,613
Other projects	2,595,509	2,707,343
Administration	1,964,360	1,851,079
Depreciation	2,359,990	2,324,059
Payments to other taxing agencies	13,255,160	11,832,462
Grants	467,722	3,363
Total operating expenses	28,043,014	22,382,527
Operating Loss	(25,985,470)	(20,217,295)
Nonoperating Revenues (Expenses)		
Private donations	17,025,000	-
Contributions from Salt Lake City Corporation	50,309,305	-
Transfers in from Salt Lake City Corporation	32,613,912	30,347,209
Other contribution revenue	308,192	-
Gain on sale of capital assets	232,608	509,969
Contribution from Salt Lake City Corporation	(5,137,577)	-
Interest income	1,321,975	403,404
Interest and fiscal charges	(4,360,658)	(1,393,973)
Total nonoperating revenues (expenses)	92,312,757	29,866,609
Change in Net Position	66,327,287	9,649,314
Net Position, Beginning of Year	145,956,292	136,306,978
Net Position, End of Year	$ 212,283,579	$ 145,956,292

	2014	2013
Operating Activities		
Cash received from rentals	$ 1,530,587	$ 1,580,729
Cash paid to suppliers	(24,074,408)	(18,957,131)
Cash paid to employees	(1,298,420)	(1,173,609)
Loans disbursed	(4,700,515)	(10,618,045)
Principal collected on loans receivable	8,477,795	5,798,144
Interest collected on loans receivable	419,951	523,494
Net Cash from Operating Activities	(19,645,010)	(22,846,418)
Capital and Related Financing Activities		
Payments for acquisition of capital assets	(9,110,324)	(1,821,444)
Proceeds from sale of capital assets	725,803	1,269,548
Cash proceeds from issuance of bond	64,664,149	-
Cash proceeds from contributions from Salt Lake City	34,349,587	-
Other contributions received	6,833,192	-
Contributions to Salt Lake City	(5,137,577)	-
Prepayment for construction costs	1,618,883	-
Principal payments on bonds payable	(2,616,940)	(2,683,128)
Interest and fiscal charges paid on bonds payable	(6,656,512)	(6,004,226)
Net Cash from Capital and Related Financing Activities	84,670,261	(9,239,250)
Noncapital and Related Financing Activities		
Transfers in from Salt Lake City Corporation	32,613,912	30,347,209
Cash received on deposit/Cash deposit refunded	2,589	(474)
Cash received on deposit/Cash deposit refunded - related party	47,462	61,350
Net Cash from Noncapital and Related Financing Activities	32,663,963	30,408,085
Investing Activities		
Interest received from investments and cash and cash equivalents	1,321,975	403,404
Net Cash from Investing Activities	1,321,975	403,404
Net Change in Cash and Cash Equivalents	99,011,189	(1,274,179)
Cash and Cash Equivalents, Beginning of year	56,601,023	57,875,202
Cash and Cash Equivalents, End of year	$ 155,612,212	$ 56,601,023

See Notes to Financial Statements.

	2014	2013
Balance Sheet Presentation of Cash and Cash Equivalents		
Unrestricted	$ 87,597,480	$ 56,390,830
Restricted, current portion	-	67,801
Restricted	68,014,732	142,392
Total Cash and Cash Equivalents	$ 155,612,212	$ 56,601,023

	2014	2013
Reconciliation of Operating Loss to Net Cash Used in Operating Activities		
Operating loss	$ (25,985,470)	$ (20,217,295)
Adjustments to reconcile operating loss to net cash used in operating activities		
Depreciation	2,359,990	2,324,059
Amortization of bond issue costs		34,497
Accrued interest on notes receivable	(107,006)	(61,009)
Increase (decrease) from changes in:		
Accounts payable and accrued liabilities	269,423	(140,559)
Accrued compensation	12,623	13,523
Other post-employment benefits	28,000	22,000
Prepaid expenses and deposits	150	(1,733)
Total	(23,422,290)	(18,026,517)
Loans disbursed	(4,700,515)	(10,618,045)
Principal collected on loans	8,477,795	5,798,144
Net Cash used for Operating Activities	$ (19,645,010)	$ (22,846,418)
Noncash transactions affecting financial position:		
Assets capitalized from work-in-progress for construction completed on projects	$ 14,039,305	$ -
Equipment acquired through loan forgiveness, net of loan write off	349,173	-

Note 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, 2014 and 2013 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, 2014 and 2013, 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 25 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.

Capitalization of Interest Costs

The Agency capitalizes, as a cost of capital assets that portion of its interest costs (net of any interest earned on related interest bearing investments acquired with proceeds of related tax-exempt borrowings) which represents interest incurred during the construction period on qualifying capital assets.

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.

Transfers in

Transfers in represents property taxes received and collected which represent the portion of the incremental property tax in the designated area attributable to increases over the base year in which the property was designated as a redevelopment area.

Measurement Focus

The Agency follows the accounting principles which are applicable to an enterprise or proprietary fund. Revenues and expenses are recognized with a measurement focus on capital maintenance using the accrual basis of accounting, wherein revenues are recognized in the accounting period in which they are earned and expenses are recognized in the period incurred. Substantially all revenues and expenses are subject to accrual. Enterprise accounting is used to account for operations that are financed and operated in a manner similar to a private business where the intent of the Agency is that the costs of providing goods and services on a continuing basis be financed or recovered primarily from user charges, and where the governing body has decided that periodic determination of revenues earned and expenses incurred is appropriate for capital maintenance, public policy, management control, and accountability.

Revenue Recognition

Revenue for services is recognized at the time the service is performed. 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. All expenses related to operating the Agency are reported as operating expenses. Interest expense and financing costs are reported as non-operating expenses.

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.

Restricted and Unrestricted Resources

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

Subsequent Events

The Agency has evaluated subsequent events through November 12, 2014, the date the financial statements were available to be issued.

Newly Implemented Accounting Pronouncements

In March 2012, the Governmental Accounting Standards Board (GASB) issued *Statement No. 65, Items Previously Reported as Assets and Liabilities*. This standard establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. This standard was effective for financial statements for the Agency as of June 30, 2014. The adoption of this standard did not have a material impact on the financial statements.

In March 2012, the GASB also issued *Statement No. 66, Technical Corrections-2012-an amendment of GASB Statements No. 10 and No. 62*. That Statement resolves conflicting guidance that resulted from the issuance of Statement No. 62. Statement 66 is effective for financial statements for periods beginning after December 15, 2012. This standard was effective for financial statements for the Agency as of June 30, 2014, however, the adoption of this statement did not have a material impact on the financial statements.

In June 2012, the GASB issued *Statement No. 67, Financial Reporting for Pension Plans*, which revises existing guidance for the financial reports of most pension plans and *Statement No. 68, Accounting and Financial Reporting for Pensions*, which revises and establishes new financial reporting requirements for most governments that provide their employees with pension benefits. Among other provisions, Statement 68 requires governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. The Statement also enhances accountability and transparency through revised and new note disclosures and required supplementary information (RSI). This Statement calls for immediate recognition of more pension expense than is currently required. The provisions in Statement 67 are effective for financial statements for periods beginning after June 15, 2013. The provisions in Statement 68 are effective for fiscal years beginning after June 15, 2014. The Agency has not elected to implement these statements early. The Agency is currently evaluating the impact of these statements on the financial statements when implemented.

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.

Note 2 - Cash and Cash Equivalents

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

	2014	2013
Cash and cash equivalents		
Money market accounts	$ 69,298,130	$ 2,704,378
Investments in the pooled investment account of Salt Lake City Corporation	86,314,082	53,896,645
	$ 155,612,212	$ 56,601,023
Financial statement presentation		
Unrestricted cash and cash equivalents	$ 87,597,480	$ 56,390,830
Restricted cash and cash equivalents, current portion	-	67,801
Restricted cash and cash equivalents	68,014,732	142,392
	$ 155,612,212	$ 56,601,023

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 Salt Lake City Corporation 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 and Rules of the State Money Management Council as currently amended (the "Act"), and the City's own written investment policy.

City policy provides that not more than 25 percent of the total City funds or 25 percent of the Qualified Depository's allotment, whichever is less can be invested in any one Qualified Depository. Not more than 20 percent 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 Utah State Treasurer's Investment Pool (State Treasurer's Pool) 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, 2014 and 2013 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, 2014 and 2013, none of the Agency's cash balance was covered by federal depository insurance. The Agency's cash balances of $155,612,212 and $56,601,023 as of June 30, 2014 and 2013, 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, 2014 and 2013, included in cash and cash equivalents, were $86,314,082 and $53,896,645, respectively.

The City may place public money in investments authorized by the Money Management Act (U.C.A 51-7-11). The 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, 2014 and 2013.

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.

Note 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:

	2014	2013
Cash held in escrow for undisbursed loans	$ -	$ 67,801
Tax Increment Bond proceeds restricted for debt service under the related bond resolution in the event that no other funds are available	133,402	139,152
Restricted for contruction on Utah Performing Arts Center under the related bond resolution	67,881,330	3,240
Total restricted cash and cash equivalents	$ 68,014,732	$ 210,193

Restricted contributions received during the year in which the restriction are satisfied in the same reporting period are classified as unrestricted support.

Note 4 - Loans and Other Long-Term Receivables

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

	2014	2013
Tax increment rehabilitation loans bearing interest from 0% to 5%. Principal and interest payable in monthly installments.	14,341,611	17,846,545
Loans bearing interest at 3% to 7%, interest payable monthly; collateralized by property, letters of credit, and restricted cash accounts; includes accrued interest of $162,445 and $43,977, respectively.	4,038,459	4,606,369
Housing loans bearing interest from 0% to 3%, with principal and interest due monthly; collateralized by property; includes accrued interest of $96,017 and $107,479, respectively.	4,601,338	4,303,509
Pledges from private donors	10,500,000	-
Total	33,481,408	26,756,423
Less current portion	(4,197,458)	(1,120,907)
Total loans and other long-term receivables	$ 29,283,950	$ 25,635,516

As of June 30, 2014 and 2013, the Agency had committed to, and approved funding for, additional loans totaling $270,000 and $2,905,515, which funds have not yet been disbursed.

During the year ended June 30, 2014, the Agency received pledges from three private donors for $15,000,000, $2,000,000 and $25,000, respectively. The Agency received $5,000,000, $1,500,000 and $25,000, respectively, from the three donors during the year ended June 30, 2014. These pledges were intended for the Naming Rights to the Utah Performing Arts Center that the Agency is constructing. The remaining balance is due to the Agency in periodic payments through 2019, as follows:

Year ending June 30	
2015	$ 2,000,000
2016	2,500,000
2017	2,000,000
2018	2,000,000
2019	2,000,000
Total	$ 10,500,000

Note 5 - Capital Assets

The following is a summary of transactions affecting capital assets for the year ended June 30, 2014:

Description	Balance July 1, 2013	Additions	Reclassification	Retirements	Balance June 30, 2014
Office furniture and equipment	$ 245,185	$ 128,666	$ -	$ -	$ 373,851
Parking facilities	34,031,183	453,914	-	-	34,485,097
Other buildings	1,020,275	-	-	-	1,020,275
Plaza	20,537,433	-	-	-	20,537,433
Construction in process	1,217,292	24,863,395	(5,308,112)	(184,699)	20,587,876
Land and rights	16,515,446	-	4,940,566	-	21,456,012
Total	73,566,814	25,445,975	(367,546)	(184,699)	98,460,544
Accumulated depreciation					
Office furniture and equipment	(133,646)	(34,888)	-	-	(168,534)
Parking facilities	(25,255,163)	(1,639,655)	-	-	(26,894,818)
Other buildings	(50,649)	(51,846)	-	-	(102,495)
Plaza	(9,200,890)	(633,601)	-	-	(9,834,491)
Total accumulated depreciation	(34,640,348)	(2,359,990)	-	-	(37,000,338)
Net capital assets	$ 38,926,466	$ 23,085,985	$ (367,546)	$ (184,699)	$ 61,460,206

The following is a summary of transactions affecting capital assets for the year ended June 30, 2013:

Description	Balance July 1, 2012	Additions	Reclassification	Retirements	Balance June 30, 2013
Office furniture and equipment	$ 179,941	$ 65,244	$ -	$ -	$ 245,185
Parking facilities	34,031,183	-	-	-	34,031,183
Other buildings	1,020,275	-	-	-	1,020,275
Plaza	20,537,433	-	-	-	20,537,433
Construction in process	930,126	287,166	-	-	1,217,292
Land and rights	16,515,446	-	-	-	16,515,446
Total	73,214,404	352,410	-	-	73,566,814
Accumulated depreciation					
Office furniture and equipment	(111,993)	(21,653)	-	-	(133,646)
Parking facilities	(23,615,508)	(1,639,655)	-	-	(25,255,163)
Other buildings	(21,499)	(29,150)	-	-	(50,649)
Plaza	(8,567,289)	(633,601)	-	-	(9,200,890)
Total accumulated depreciation	(32,316,289)	(2,324,059)	-	-	(34,640,348)
Net capital assets	$ 40,898,115	$ (1,971,649)	$ -	$ -	$ 38,926,466

Land and rights includes approximately $10,598,000 for Block 79, site of the Energy Solutions 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.

Note 6 - Bonds Payable

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

	2014	2013
Bonds collateralized by a first pledge of taxes upon taxable property in the redevelopment project area		
Series December 5, 1990—capital appreciation bonds, 7.20% to 7.35%, due 2006 through 2015	$ 1,283,808	$ 2,663,696
Series 2012 A, 0.95% refunding bonds, due 2013 through 2015	1,255,000	2,505,000
Series 2013 tax increment revenue bonds 3.00% to 6.00%, due 2016 through 2031	64,730,000	-
Less unamortized discount	(63,927)	-
Less deferred defeasance	(3,562)	(16,510)
Total bonds payable	67,201,319	5,152,186
Less amount due within one year	(2,538,808)	(2,629,887)
Total bonds payable less amount due within one year	$ 64,662,511	$ 2,522,299

The following is a summary of transactions affecting bonds payable for the year ended June 30, 2014:

	Balance, July 1, 2013	Additions	Principal Payments and Reductions	Balance, June 30, 2014	Due Within One Year
Serial Bonds Series December 5, 1990 Capital Appreciation Bonds	$ 2,663,696	$ -	$ (1,379,888)	$ 1,283,808	$ 1,283,808
Refunding Bonds Series 2012A	2,505,000	-	(1,250,000)	1,255,000	1,255,000
Federally Taxable Tax Increment Revenue Bonds Series 2013	-	64,730,000	-	64,730,000	-
Less unamortized discounts		(65,851)	1,924	(63,927)	-
Less deferred defeasance	(16,510)	-	12,948	(3,562)	-
Total Bond Obligations	$ 5,152,186	$ 64,664,149	$ (2,615,016)	$ 67,201,319	$ 2,538,808

The following is a summary of transactions affecting bonds payable for the year ended June 30, 2013:

	Balance, July 1, 2012	Additions	Principal Payments and Reductions	Balance, June 30, 2013	Due Within One Year
Serial Bonds Series December 5, 1990 Capital Appreciation Bonds	$ 4,146,899	$ -	$ (1,483,203)	$ 2,663,696	$ 1,379,887
Refunding Bonds Series 2012A	3,740,000	-	(1,235,000)	2,505,000	1,250,000
Less deferred defeasance	(51,585)	-	35,075	(16,510)	-
Total Bond Obligations	$ 7,835,314	$ -	$ (2,683,128)	$ 5,152,186	$ 2,629,887

The following is a summary of changes in long-term interest payable for the years ended June 30, 2014 and 2013, which includes accreted interest on the 1990 Capital Appreciation Bonds:

	Beginning Balance	Additions	Payments and Reductions	Year End Balance	Due Within One Year
2014	$ 10,932,165	$ -	$ 4,245,713	$ 6,686,452	$ 6,686,452
2013	$ 15,542,418	$ -	$ 4,610,253	$ 10,932,165	$ 5,667,098

Several of the outstanding bonds are subject to redemption at the option of the Agency at specified dates after March 1, 2001, at redemption prices ranging from the principal amount up to the principal amount plus a premium, depending upon the specific terms of the Bond Series.

On April 1, 2002, the Agency issued $16,190,000 in revenue refunding bonds, with an average interest rate of 4.49 percent. The bond proceeds are being used to refund 2002 to 2015 principal payments of Revenue Bonds, Series 1992A and a portion of the 1990A used to finance the Agency activities. The Agency received net proceeds of $16,513,371, including an original issue premium of $407,235 and accrued interest to delivery of $57,164 (after payment of approximately $83,864 in underwriting fees and other issuance costs). These proceeds were deposited in an irrevocable trust with an escrow agent to provide for future debt service payments on the portion of the 1992A and 1990A Series bonds that were advance refunded.

On June 3, 2002, all the remaining principal 1992A and the serial portion of the 1990A bonds were redeemed.

The remainder of the Series December 5, 1990 bonds are a result of a financing agreement with the Utah Municipal Finance Cooperative ("MFA") in issuing the Utah Municipal Finance Cooperative Local Government Revenue Bonds ("Project Bonds"). The Project Bonds are special limited obligations of the MFA payable solely from amounts derived by the Agency under the financing agreement.

On May 1, 2012, the Agency issued $3,740,000 in revenue refunding bonds, with an interest rate of 0.95% percent. The bond proceeds are being used to refund the remaining principal payments of Refunding Bonds, Series 2002A to take advantage of lower interest rates. The Agency received net proceeds of $3,727,332, and accrued interest to delivery of $32,331 (after payment of approximately $12,668 in underwriting fees and other issuance costs). On May 1, 2012, these proceeds were used to pay principal of $3,695,000 and accrued interest of $32,331. A deferred loss of $67,320 was recognized, which will be accreted over the life of the bond using the effective interest method.

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 will be used to fund the construction of the Utah Performing Arts Center (UPAC). 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 will be amortized over the life of the bonds using the effective interest method. In addition, the Agency used private donations of $3,278,351 and contributed $1,395,043 for capitalized interest and will be expensed as incurred.

Bond principal and interest maturities are as follows:

Year ending June 30	Principal	Interest	Total Obligation
2015	$ 2,538,808	$ 9,265,708	$ 11,804,516
2016	3,005,000	3,152,594	6,157,594
2017	3,055,000	3,062,444	6,117,444
2018	3,130,000	2,970,794	6,100,794
2019	3,220,000	2,876,894	6,096,894
2020-2024	18,100,000	12,404,633	30,504,633
2025-2029	23,030,000	7,483,974	30,513,974
2030-2031	11,190,000	1,016,700	12,206,700
Less unamortized discount	(63,927)	-	(63,927)
Less deferred defeasance loss	(3,562)	-	(3,562)
Total	$ 67,201,319	$ 42,233,741	$109,435,060

Note 7 - Pension Plans

Plan Description

The Agency contributes to the Local Governmental Contributory Retirement System and Local Governmental Noncontributory Retirement System (“Systems”). The Utah Retirement Systems provide refunds, retirement benefits, annual cost of living adjustments and death benefits to plan members and beneficiaries in accordance with retirement statutes.

The Systems are established and governed by the respective sections of Chapter 49 of the Utah Code Annotated 1953 as amended. The Utah State Retirement Office Act in Chapter 49 provides for the administration of the Utah Retirement Systems and Plans under the direction of the Utah State Retirement Board (“Board”) whose members are appointed by the Governor. The Systems issue a publicly available financial report that includes financial statements and required supplementary information for the Local Governmental Contributory Retirement System and the Local Governmental Noncontributory Retirement System. A copy of the report may be obtained by writing to the Utah Retirement Systems, 540 East 200 South, Salt Lake City, Utah 84102 or by calling 1-800-365-8772.

Funding Policy

Plan members in the Local Governmental Contributory Retirement system are required to contribute 6.0 percent of their annual covered salary (all or part may be paid by the employer for the employee) and the Agency is required to contribute 9.76 percent of their annual covered salary. In the Local Governmental Noncontributory Retirement System, the Agency is required to contribute 13.77 percent of their annual covered salary. The contribution rates are the actuarially determined rates. The contribution requirements of the Systems are authorized by statute and specified by the Board.

Contributions from all Salt Lake City Corporation entities to the Local Governmental Contributory Retirement System for the years ended June 30, 2014, 2013 and 2012 were $1,852,520, $1,507,379, and $1,139,709 respectively, and for the Local Governmental Noncontributory Retirement System the contributions for the years ended June 30, 2014, 2013 and 2012 were $15,460,122, $14,267,085, and $12,151,299, respectively. The contributions were equal to the required contributions for each year. Assets for the plans are not segregated by entity within the plan. Therefore, it is not possible to determine the portion of contributions applicable to each entity.

The Agency incurred $114,174, $101,032 and $82,125 of expense under the plans for the years ended June 30, 2014, 2013 and 2012, respectively.

Note 8 - Other Postemployment Benefits

Annual OPEB Cost and Net OPEB Obligation

The Agency’s annual other postemployment benefit (OPEB) cost (expense) is calculated based on the employer’s annual required contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. For the fiscal years ended June 30, 2014 and 2013, the Agency’s annual OPEB cost (expense) of $35,000 and $30,000, respectively, was equal to the ARC. The following table shows the components of the Agency’s annual OPEB cost for the years ended June 30, 2014 and 2013, the amount actually contributed to the plan, and changes in the Agency’s net OPEB obligation:

	2014	2013
OPEB		
Annual required contribution	$ 35,000	$ 30,000
Interest on net OPEB obligation	-	-
Adjustments to annual required contribution	-	-
Annual OPEB cost (expense)	$ 35,000	$ 30,000
Contributions made	$ (7,000)	$ (8,000)
Increase in net OPEB obligation	28,000	22,000
Net OPEB Obligations, Beginning of Year	118,000	96,000
Net OPEB Obligations, End of Year	$ 146,000	$ 118,000

The Agency's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the years ended June 30, 2013 and 2014 is as follows:

Fiscal Year Ended	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation Fiscal Year Ended
June 30, 2013	$ 30,000	$ 8,000	26.7%	$ 118,000
June 30, 2014	35,000	7,000	20.0%	146,000

Funded Status and Funding Progress

The funded status of the Agency’s portion of the plan as of June 30, 2013 and 2014 was as follows:

Year Ended	Actuarial Value of Assets (a)	Actuarial Accrued Liability (b)	Unfunded Actuarial Liability UAAL (a-b)	Funded Ratio (a) / (b)	Annualized Covered Payroll	UAAL as percent of covered payroll
June 30, 2013	$ -	$ 233,000	$ 233,000	0.00%	$ 613,606	37.97%
June 30, 2014	-	278,000	278,000	0.00%	615,720	45.15%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, shown as required supplementary information following the notes to the financial statements, presents the results of OPEB valuations as of June 30, 2013 and 2014 and looking forward; the schedule will eventually provide multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

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

In the fiscal year 2014 and 2013 actuarial valuations, the unit credit method was used. The actuarial assumptions included a 3.5% investment rate of return (net of administrative expenses) in 2014 and 3.5% investment rate of return in 2013. The valuations used an annual healthcare cost trend rate of 10% initially, reduced by decrements to an ultimate rate of 5.0% after ten years. Covered payroll included a 3.5% inflation assumption. The actuarial value of assets was not determined as the City has not advance funded its obligation. The unfunded actuarial accrued liability (UAAL) is being amortized as a level percentage of payroll over an open thirty year period.

Note 9 - Related Party Deposits

As discussed in Note 5, the Agency owns parking facilities and a public plaza on Block 57, also known as The John W. Gallivan Utah Center (the Plaza). The Agency, along with other Block 57 property owners, is a member of the Gallivan Utah Center Owners Association, in which all members contribute funds to cover the maintenance costs of the Plaza. As of June 30, 2014 and 2013, funds held by the Agency for use in maintenance costs of the Plaza amounted to $145,539 and $95,487, respectively. These funds are reported as related party deposits and advance rentals.

Note 10 - Commitments and Contingencies

The Agency has committed to assist Salt Lake City with debt service payments on various Sales Tax Revenue Bonds issued by the City, to the extent that funds from the Statutory Allocation Reduction Revenue are available.

The total anticipated payments are as follows:

Year ending June 30	
2015	$ 4,560,925

The Agency has committed to pay (to the extent that Agency tax increment funds are available from its Central Business District (CBD) project area) the Salt Lake City School District (“SLCSD”) a portion of the CBD tax increment earned by the Agency on various Agency projects within the SLCSD boundaries.

The total anticipated payments are as follows:

Year ending June 30	
2015	$ 3,045,434

During the year ended June 30, 2013, Salt Lake City Corporation issued $15,000,000 of Bond Anticipation Notes (BANS) to begin construction on the UPAC. 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 Salt Lake City Corporation (as discussed below). The City received the proceeds of the BANS and paid designed and pre-construction costs. During the year ended June 30, 2014, the City contributed $14,039,306 in construction in progress to the RDA. Once the remaining $960,695 is spent on the project, the City will contribute this construction in progress to the RDA. This contribution during the year ended June 30, 2014 is shown as non-operating revenue statement of revenues, expenses and changes in net position.

During the year ended June 30, 2014, Salt Lake City Corporation issued Sales Tax Revenue Bonds in the amount of $51,270,000 to aid in the financing of the construction of the Utah Performing Arts Center. 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 Agenccy 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. This interest will be expensed as accrued.

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
2015	$ 2,636,303
2016	2,636,303
2017	2,636,303
2018	2,636,303
2019	2,636,303
2020-2024	13,181,517
2025-2029	13,181,517
2030-2034	31,987,852
2035-2038	35,628,823
Total	$ 107,161,224

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. As discussed previously, proceeds from the bonds provided financing for the construction of the Utah Performing Arts Center on Block 70 within the Central Business District. The Tax Increment Bonds are payable through fiscal year 2031. The Sales Tax Revenue Bonds were issued by Salt Lake City Corporation and the Agency will contribute tax increment revenue to the City on an annual basis to cover the principal and interest payments, due through 2038. The annual debt service will be funded by the incremental property taxes generated from the CBD Project area and Block 70, as estimated based on projected future taxable values of the Block 70 construction project.

Through inter-local agreements entered into with Salt Lake County, Salt Lake City and Salt Lake City School District, tax increment revenue that would have been remitted to these agencies has been pledged to the RDA through tax year 2040. Annual principal and interest payments on the Bonds are expected to require approximately 45% of tax increment revenues generated from the CBD and Block 70, beginning in fiscal year 2016. The total principal and interest remaining to be paid on all bonds is $208,011,851.

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 receive a dollar amount equal to the 2014 TEC allocation and the Agency will retain the remaining TEC allocation.

In addition, in September 2012, the Agency entered into an agreement with Salt Lake County (the County) wherein the Agency is entitled to receive 70% of the County's portion of the Tax Increment from the Block 70 (Utah Performing Arts Center) Project Area for 25 years, beginning in tax year 2016, up to a maximum of $7,000,000.

During the year ended June 30, 2002, the Agency entered into a reimbursement agreement with Gateway Associates, a developer of a project located within the Agency's Depot District Project Area. Under the agreement, the Agency is obligated to repay to the developers, from the tax increment revenues received from the respective projects, up to $16,500,000 plus accrued interest, but not in excess of the tax increment revenues received from the individual projects. These obligations are also subject to the developers paying property taxes on a timely basis and the receipts of certificates of project completion. For the years ended June 30, 2014 and 2013, the Agency recorded expenses of $1,659,956 and $1,624,594, 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. 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, 2014 and 2013, the Agency recorded expenses of $125,176 and $132,268, respectively.

In September 2009, the Agency a entered into a reimbursement agreement with Scrap, LLC ("Developer") 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 (i) a principal amount equal to 50% of the project architectural and engineering expenses; or (ii) $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, 2014 and 2013, the Agency recorded expenses of $36,237 and $46,990, 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 RDA 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, 2014 and 2013, the Agency recorded expenses of $428,641 and $386,373, respectively.

In March, 2008, the Agency and the State of Utah entered into a lease agreement for the rental by the State of Utah 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 Utah 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, 2014 and 2013 was $249,501 and $266,664, respectively, which has been recorded as a note receivable.

Required Supplementary Information
June 30, 2014 and 2013

Redevelopment Agency of Salt Lake City

Schedule of Funding Progress – Retiree Healthcare and Life Insurance Plan

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

Funding Policy

The Redevelopment Agency currently pays for postemployment benefits on a "pay-as-you-go" basis and these financial statements assume that "pay-as-you-go" funding will continue.

Schedule of Funding Progress for the Agency's Portion of the plan

Year Ended	Actuarial Value of Assets (a)	Actuarial Accrued Liability (b)	Unfunded Actuarial Liability UAAL (a-b)	Funded Ratio (a) / (b)	Annualized Covered Payroll	UAAL as percent of covered payroll
June 30, 2013	$ -	$ 233,000	$ 233,000	0.00%	$ 613,606	37.97%
June 30, 2014	-	278,000	278,000	0.00%	615,720	45.15%

Actuarial Assumptions

In the Fiscal 2014 actuarial valuation, the unit credit cost method was used. The actuarial assumptions included a 3.5% investment rate of return (net of administrative expenses) and an annual medical care trend rate of 10% initially for retirees under age 65, reduced by 0.5% per year until a rate of 5.0% is reached for 2019 and later years. For post 65 retirees, a 5.0% medical trend rate was assumed. Payroll costs have an assumed aggregate 3.5% increase per year. Because of the "pay as you go" funding policy, no actuarial value of assets was determined. The unfunded actuarial accrued liability (UAAL) is being amortized as a level percentage of payroll over a closed thirty year period.

Supplementary Information
June 30, 2014 and 2013

Redevelopment Agency of Salt Lake City

Redevelopment Agency of Salt Lake City
Combining Balance Sheet Information by Project Area
Year Ended June 30, 2014

	Downtown Projects	Program Income & Revolving Loan	Sugarhouse Project	West Temple Gateway	West Capitol Hill	Depot District	Citywide Housing	Projct Area Housng	SARR	Retail Rebate	Granary District	North Temple	Utah Performing Arts Center	Total
Assets														
Cash and cash equiv. (unrestricted)	$ 10,678,926	$ 24,673,223	$ 4,254,331	$ 1,729,317	$ 1,674,871	$ 6,216,791	$ 2,544,527	$ 1,931,548	$ 5,438,292	$ 35,892	$ 1,349,252	$ 40,853	$ 27,029,657	$ 87,597,480
Loans and other receivable	-	18,380,071	-	-	-	-	4,601,337	-	-	-	-	-	10,500,000	33,481,408
Cash and cash equivalent (restricted)	-	-	-	-	-	-	-	-	137,086	-	-	-	67,877,646	68,014,732
Land and water rights	16,515,446	-	-	-	-	-	-	-	-	-	-	-	4,940,566	21,456,012
Improvements other than buildings	55,022,530	-	-	-	-	-	-	-	-	-	-	-	-	55,022,530
Buildings	443,533	-	-	-	-	-	-	576,742	-	-	-	-	-	1,020,275
Machinery and equipment	373,851	-	-	-	-	-	-	-	-	-	-	-	-	373,851
Construction in progress	665,047	-	-	-	-	-	-	-	-	-	-	-	19,922,829	20,587,876
Accumulated depreciation	(36,959,142)	-	-	-	-	-	-	(41,196)	-	-	-	-	-	(37,000,338)
Land and buildings held for sale	8,522,588	8,591,109	836,423	2,530,924	88,989	15,830,176	367,546	3,424,544	-	-	194,455	-	-	40,386,754
Other assets	14,850	-	-	-	-	-	-	-	-	-	-	-	436,802	451,652
Total Assets	$ 55,277,629	$ 51,644,403	$ 5,090,754	$ 4,260,241	$ 1,763,860	$ 22,046,967	$ 7,513,410	$ 5,891,638	$ 5,575,378	$ 35,892	$ 1,543,707	$ 40,853	$ 130,707,500	$ 291,392,232
Liabilities														
Accounts payable and accrued liabilities	$ 79,980	$ 50,425	$ 72,748	$ 25,487	$ 26,683	$ 6,719	$ 1,526	$ 5,100	$ -	$ 35,892	$ 20	$ -	$ 2,380,311	$ 2,684,891
Current deposits and advance rentals	43,699	2,000	-	5,000	-	4,000	1,000	-	-	-	-	-	2,055,685	2,111,384
Accrued compensation - current	51,044	-	-	-	-	-	-	-	-	-	-	-	-	51,044
Long term deposits and advance rentals	115,529	-	-	-	-	-	-	-	-	-	-	-	-	115,529
Accrued interest payble - current	-	-	-	-	-	-	-	-	5,759,218	-	-	-	927,234	6,686,452
Bonds payable - current portion	-	-	-	-	-	-	-	-	2,538,808	-	-	-	-	2,538,808
Long term compensation liability	112,034	-	-	-	-	-	-	-	-	-	-	-	-	112,034
Other post employment benefits	146,000	-	-	-	-	-	-	-	-	-	-	-	-	146,000
Advances from (to) other funds	2,100,000	(2,100,000)	-	-	-	-	-	-	-	-	-	-	-	-
Tax increment bonds payable, net	-	-	-	-	-	-	-	-	(3,562)	-	-	-	64,666,073	64,662,511
Total Liabilities	2,648,286	(2,047,575)	72,748	30,487	26,683	10,719	2,526	5,100	8,294,464	35,892	20	-	70,029,303	79,108,653
Fund Balance														
Net position - Beginning	54,890,791	53,413,963	6,582,027	4,016,205	2,727,071	20,885,822	6,846,972	6,011,968	(10,950,194)	-	1,531,618	49	-	145,956,292
Revenues	10,030,129	2,221,310	1,773,096	509,255	9,916	4,355,330	(153,154)	9,613	16,668,189	163,925	230,109	183,283	67,867,535	103,868,536
Expenses	11,135,203	1,193,294	3,129,523	223,406	999,810	2,772,772	(94,132)	650,478	8,437,832	163,925	193,040	137,546	8,598,552	37,541,249
Net transfers in (out)	1,156,374	750,001	207,594	72,300	-	432,132	(722,934)	(515,435)	(751)	-	25,000	4,933	(1,409,214)	-
Total Net position - Ending	52,629,343	53,691,978	5,018,006	4,229,754	1,737,177	22,036,248	7,510,884	5,886,538	(2,719,086)	-	1,543,687	40,853	60,678,197	212,283,579
Total Net Position and Liabilities	$ 55,277,629	$ 51,644,403	$ 5,090,754	$ 4,260,241	$ 1,763,860	$ 22,046,967	$ 7,513,410	$ 5,891,638	$ 5,575,378	$ 35,892	$ 1,543,707	$ 40,853	$ 130,707,500	$ 291,392,232

Redevelopment Agency of Salt Lake City

Combining Statement of Revenues and Expenses by Project Area

Year Ended June 30, 2014

	Downtown Projects	Program Income and Revolving Loan	Sugarhouse Project	West Temple Gateway	West Capitol Hill	Depot District	Citywide Housing	Projct Area Housng	SARR	Retail Rebate	Granary District	North Temple	Utah Performing Arts Center	Total
Revenue														
Property taxes	$ 9,285,196	$ -	$ 1,475,945	$ 498,065	$ -	$ 4,321,319	$ -	$ -	$ 16,627,408	$ -	$ 223,068	$ 182,909	$ -	$ 32,613,910
Interest income	615,696	721,609	25,997	9,190	9,916	34,011	31,545	9,613	40,781	-	7,041	374	343,159	1,848,932
Rental & other income	-	1,355,703	-	-	-	-	-	-	-	-	-	-	-	1,355,703
Private donations	-	-	-	-	-	-	-	-	-	-	-	-	17,025,000	17,025,000
Miscellaneous revenue	129,237	(10,000)	7,843	2,000	-	-	-	-	-	163,925	-	-	190,071	483,076
Contribution from SLC Corp	-	-	-	-	-	-	-	-	-	-	-	-	50,309,305	50,309,305
Gain (loss) on sale of capital assets	-	153,998	263,311	-	-	-	(184,699)	-	-	-	-	-	-	232,610
Total Revenue	10,030,129	2,221,310	1,773,096	509,255	9,916	4,355,330	(153,154)	9,613	16,668,189	163,925	230,109	183,283	67,867,535	103,868,536
Expense														
Administration	376,201	386,533	420,000	75,000	-	400,000	84,000	84,000	110,000	1,623	21,000	6,003	-	1,964,360
Plaza Management	662,420	146,133	-	-	-	-	-	-	-	-	-	-	-	808,553
Acquistion expenses	8,113	(7,138)	3,150	12,453	9,926	36,638	-	-	-	-	(2,083)	-	-	61,059
Public Improvements	1,409,934	748,851	2,654,941	43,905	514,740	314,283	8,132	-	-	-	132,203	-	-	5,826,989
Property Management	20,453	280,793	40,442	72,507	31,521	227,887	24,386	-	-	-	5,683	-	-	703,672
Housing initiatives	-	-	-	-	-	-	124,350	-	-	-	-	-	-	124,350
Grants and loans	249,088	(399,954)	-	-	399,954	3,634	(335,000)	550,000	-	-	-	-	-	467,722
Interest and fiscal charges	-	-	-	-	-	-	-	-	899,684	-	-	-	3,460,974	4,360,658
Payments to other taxing agencies	5,571,118	-	-	-	-	-	-	-	7,428,149	-	-	131,543	-	13,130,810
Depreciation	2,343,512	-	-	-	-	-	-	16,478	-	-	-	-	-	2,359,990
Contribution to SLC Corp	-	-	-	-	-	-	-	-	-	-	-	-	5,137,577	5,137,577
Other Projects	494,364	38,076	10,990	19,541	43,669	1,790,330	-	-	-	162,302	36,237	-	-	2,595,509
Total Expense	11,135,203	1,193,294	3,129,523	223,406	999,810	2,772,772	(94,132)	650,478	8,437,833	163,925	193,040	137,546	8,598,551	37,541,249
Net transfers in (out)	1,156,370	750,000	207,594	72,300	-	432,132	(722,935)	(515,435)	(751)	-	25,000	4,936	(1,409,211)	-
Change in net position	$ 51,296	$ 1,778,016	$ (1,148,833)	$ 358,149	$ (989,894)	$ 2,014,690	$ (781,957)	$ (1,156,300)	$ 8,229,605	$ -	$ 62,069	$ 50,673	$ 57,859,773	$ 66,327,287

Redevelopment Agency of Salt Lake City
Selected Financial Information by Project Area
Year Ended June 30, 2014

	Downtown Projects	Program Income and Revolving Loan	Sugarhouse Project	West Temple Gateway	West Capitol Hill	Depot District	Citywide Housing	Projct Area Housing	SARR	Retail Rebate	Granary District	North Temple	Utah Performing Arts Center	Total
Tax increment collected	$ 9,285,196	$ -	$ 1,475,945	$ 498,065	$ -	$ 4,321,319	$ -	$ -	$ 16,627,408	$ -	$ 223,068	$ 182,909	$ -	$ 32,613,910
Loans receivable principal received	-	8,556,827	-	-	-	-	25,709	-	-	-	-	-	-	8,582,536
Bond procceds received	-	-	-	-	-	-	-	-	-	-	-	-	64,730,000	64,730,000
Bonds payable	-	-	-	-	-	-	-	-	2,538,808	-	-	-	64,666,073	67,204,881
Interest and fiscal charges	-	-	-	-	-	-	-	-	872,161	-	-	-	3,460,975	4,333,136
Debt principal paid	-	-	-	-	-	-	-	-	2,629,887	-	-	-	-	2,629,887
Origination of loans	-	1,730,000	-	-	-	-	335,000	-	-	-	-	-	-	2,065,000
Payments to other taxing entities	5,571,118	-	-	-	-	-	-	-	7,428,149	-	-	131,543	-	13,130,810
Public improvements	1,409,934	748,851	2,654,941	43,905	514,740	314,283	8,132	-	-	-	132,203	-	-	5,826,989
Plaza management	662,420	146,133	-	-	-	-	-	-	-	-	-	-	-	808,553
Property management	20,453	280,793	40,442	72,507	31,521	227,887	24,386	-	-	-	5,683	-	-	703,672
Budgetary transfers in (out)	1,156,370	750,000	207,594	72,300	-	432,132	(722,935)	(515,435)	(751)	-	25,000	4,936	(1,409,211)	-
Administration expense	376,201	386,533	420,000	75,000	-	400,000	84,000	84,000	110,000	1,623	21,000	6,003	-	1,964,360
Other redevelopment costs	494,364	38,076	10,990	19,541	43,669	1,790,330	-	-	-	162,302	36,237	-	-	2,595,509