

**SALT LAKE CITY CORPORATION**  
**SALT LAKE CITY, UTAH**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED JUNE 30, 2006**  
**With**  
**INDEPENDENT AUDITORS' REPORT**

**Prepared by**  
**Department of Management Services**  
**Rocky J. Fluhart, Chief Administrative Officer**  
**Gordon Hoskins, Finance Director**

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November 18, 2006  
The Honorable Mayor and Members of the City Council  
Salt Lake City Corporation

## Overview

The Comprehensive Annual Financial Report of Salt Lake City Corporation ("the City") for the fiscal year ended June 30, 2006, is submitted herewith.

These financial statements have been prepared by the Salt Lake City Department of Management Services in accordance with Generally Accepted Accounting Principles (GAAP) for local governments as prescribed by the Governmental Accounting Standards Board (GASB). The accuracy of the presented data and the completeness and fairness of the presentations, including all disclosures, are the responsibility of the management of the City.

We believe the data, as presented, is accurate in all material respects and is presented in a manner that fairly sets forth the following aspects of the City: (1) the financial position of the governmental activities; (2) the business-type activities; (3) the discretely presented component unit; (4) each major fund; (5) the aggregate remaining fund information; (6) the respective changes in financial position and (7) applicable cash flows. In order to provide a reasonable basis for making these representations, the management of Salt Lake City has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the Salt Lake City Corporation's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, Salt Lake City Corporation's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that to the best of our knowledge and belief, this report is complete and reliable in all material respects.

Hansen, Barnett & Maxwell, an independent firm of Certified Public Accountants, has audited these basic financial statements and related notes. Their report is included herein. The goal of the independent audit was to provide reasonable assurance that the financial statements of Salt Lake City Corporation for the fiscal year ended June 30, 2006 are free of material misstatements. This independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used, and significant estimates made by management.

Additionally, Hansen, Barnett & Maxwell audited the compliance requirements of the City's federal and state grant programs for the year ended June 30, 2006 as part of the federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. That report is available under a separate cover.

This annual report consists of three parts. The **Introductory Section** includes an organizational chart and this transmittal letter. The **Financial Section** includes the report of independent auditors, management's discussion and analysis, the financial statements and related notes. The management's discussion and analysis is designed to provide a narrative introduction, overview and analysis to accompany the basic financial statements. Also contained in the financial section are the Required Supplementary Information and the Supplementary Information. The Required Supplementary Information includes budgetary information for the City's major governmental funds. The Supplementary Information includes balance sheets and income statements and budgetary information for nonmajor governmental funds, nonmajor proprietary funds, internal service funds, as well as all other budgetary information for major proprietary funds and project schedules. The **Statistical Section** includes several tables of unaudited data depicting the financial history of the City as well as miscellaneous statistics.

## **Profile of Salt Lake City**

Salt Lake City lies between the Wasatch Mountains and the Great Salt Lake at an altitude of 4,200 feet. Permanent settlement of the City began on July 24, 1847, when Brigham Young with a party of 148 Mormon pioneers entered the Salt Lake Valley after a 1,500-mile trek westward. Salt Lake City was incorporated on January 6, 1851 and soon became a major center for trade and commerce with the wagon trains carrying settlers and miners westward. Within a few years of the pioneers' arrival, other communities were settled throughout the Salt Lake Valley. Due to continuous economic and population growth, most of these cities in the valley survived and prospered, and have grown into a single large metropolitan area of over 700,000 people. Salt Lake City is the commercial center of this metropolis.

Salt Lake City is also the center of the scenic intermountain west. Within a day's drive of the City, travelers can visit 70% of the officially designated national parks and monuments of America. The Wasatch Mountains, east of the City, are well known for their ski resorts, which are within a 45-minute drive from downtown Salt Lake City. Over 200,000 out-of-state skiers come to these resorts each year. The scenic Wasatch Front provided an excellent backdrop, as the City hosted the 2002 Winter Olympics.

In 2004, Salt Lake City was chosen by the State of Utah as a Quality Growth Community. This designation shows that the community has completed a comprehensive planning process covering economic development, housing, conservation, and infrastructure efficiency. This further shows that Salt Lake City is a leader in the region.

Salt Lake City is the international headquarters of The Church of Jesus Christ of Latter-day Saints, or "Mormon" Church. At Temple Square in downtown Salt Lake City, 2-1/2 million visitors see the famous Salt Lake Temple, Tabernacle, and visitor centers each year.

The Salt Palace Convention Center (located in downtown Salt Lake City) plays host to many different activities. This facility has a 45,000 square foot ballroom, 365,000 square feet of exhibit space, and a total of 100,000 square feet of meeting space. It is wired with miles of wire and fiber optic cable for up-to-date computer and communications, including satellite uplink capability and includes a wireless network.

Several universities and colleges are located in or near Salt Lake City. The University of Utah is located on the east bench of Salt Lake City. This university was founded in 1850 and is the oldest mainland university west of the Missouri River. Approximately 29,000 full and part-time students are enrolled. The Utah Museum of Fine Arts and the Utah Museum of Natural History are located on the University of Utah campus. The University includes a medical school and hospital.

Westminster College of Salt Lake City, Salt Lake Community College, and LDS Business College are also located in Salt Lake City. Three other universities—Utah State University, Weber State University, and Brigham Young University—as well as Utah Valley State College are all located within a two-hour drive from Salt Lake City. These institutions reflect the community's emphasis and dedication to higher education and job skill development.

Salt Lake City also has many opportunities for recreational and cultural activities. The EnergySolutions Arena, located three blocks directly west of Temple Square, is the home of the Utah Jazz, the 1997 and 1998 Western Conference Champions of the National Basketball Association. Franklin Covey Field, just south of downtown, is the home field of the Salt Lake Stingers, a minor league baseball team. In 2005, the University of Utah Rice-Eccles Stadium hosted the premier season of Real Salt Lake, a Major League Soccer team. Miller Motorsports park in nearby Tooele, opened in April 2006 and hosted AMA Superbike and Supermoto races, an American LeMans race, and Grand America Road Racing, and was named the "Motorsports Facility of the Year by the Professional Motorsport World Expo (*The Enterprise*, Nov 27 – Dec 3, 2006.)

Also downtown, directly north of the Salt Palace, is Symphony Hall, home of the Utah Symphony Orchestra. The Salt Lake Art Center with its gallery and art school facilities is located adjacent to Symphony Hall. A few blocks south of Symphony Hall, Salt Lake's historic Capitol Theater serves as the home of Ballet West, Repertory Dance Theater, Ririe-Woodbury Dance Company, and the Utah Opera Company. Nearby, the John W. Gallivan Utah Center is a gathering place for the business and commercial community. The Center's plaza includes an aviary, a 1,000-seat amphitheater, many unique art pieces, and an outdoor pond, which becomes an ice skating rink during the winter. The City also hosts Theater 138, Pioneer Memorial Theater, Utah Civic Opera Company, Hansen Planetarium, and the Utah Heritage Foundation.

Salt Lake City is a major transportation crossroads in the intermountain west. Three major railroads, nine major airlines, two bus lines and many truck lines serve the area. The City is located at the convergence of four major highways and two interstate highway systems. The Salt Lake International Airport is a major intermountain air transportation hub and a principal hub and reservation center for Delta Air Lines.

The Utah Transit Authority operates an outstanding commuter bus and light rail system in Salt Lake City and throughout neighboring counties. The Utah Transit Authority has been awarded the Outstanding System Achievement Award for being the top transit operation of its size in the country and the John A. Volpe Safety Award for being the safest system in the country. Salt Lake City and the Utah Transit Authority's TRAX light-rail system were also recently honored by *Sierra Magazine* for the "Biggest Transit Turnaround" (*The Salt Lake Tribune*, June 28, 2006).

Ninety percent of Salt Lake City's residents rate their overall quality of life as high or very high (Salt Lake City Resident Survey, 2005). *Outside Magazine* also recognized this high quality of life when they ranked Salt Lake City as one of the ten Best Towns in the U.S. (August 2005). The criteria for these "Dream Towns" were cities that were "cleaner, greener and smarter". Cities that made the list had a commitment to open space, smart solutions to sprawl and gridlock, a can-do community spirit, and an active embrace of the adventurous life. They also looked for cities using green design, green-thinking mayors, thriving farmers' markets and healthy job markets.

The City provides a full range of municipal services including police, fire, recreational activities including eight municipal golf courses, libraries, water, sewer, storm water, airports, public improvements, highways and streets, planning and zoning, and general administrative services.

## **Factors Affecting Financial Condition**

### **Summary of Local Economy**

Salt Lake City is the capital city and commercial and industrial center for the State of Utah. The Department of Community and Economic Development aggressively promotes the City as a location for new businesses. The Salt Lake City-Ogden metropolitan area has been named the number one area for a woman running a business. The National Association of Women Business Owners ranked the Salt Lake metropolitan area first nationally in the percentage of growth of women-owned businesses and for their employment levels and sales over the past five years (*Deseret News*, June 24, 2002).

In addition, Utah has been ranked ninth in a state-by-state comparison study highlighting the states that are best positioned to succeed in the technology-led information age. The study, released by the Milken Institute, concluded that investments in science and technology, from higher education to industry research and development, are crucial factors in deciding the fate of regional economies. Individual measurements include everything from the percentage of state's population with PhD's to research and development expenditures per capita (Milken Institute, August 2002). Utah was also named one of the top ten U.S. regions for medical technology industry expansion in 2003 (*MX magazine*, November/December 2002). The University of Utah, the state's largest public university, and its high technology Research Park are both located in Salt Lake City.

Showing its leadership in preserving the environment, Salt Lake City was chosen as a Green Power Purchaser of the Year by the Environmental Protection Agency and the Department of Energy in 2004. This designation was designed to recognize partner's efforts in purchasing renewable energy.

Additionally, Salt Lake City has been recognized for its smart-growth planning in the Sierra Club's annual "Building Better" report. Salt Lake City is one of 12 American cities the Sierra Club recognized for a "commitment to vibrant development geared towards mass transit instead of urban sprawl" (*The Salt Lake Tribune*, December 1, 2005).

Salt Lake City's workforce is widely known as being "overwhelmingly enthusiastic" and "the model for high productivity". This praise is well earned—Salt Lake City workers have one of the highest literacy rates in the country, and, additionally, many are fluent in multiple languages—a skill increasingly crucial to successful international trade. According to a 2005 U.S. Census Bureau report, in Utah 74% of the households own a computer, higher than any other state in the nation. Sixty-three percent of the households use the Internet, the fifth highest usage in the nation. This wired workforce allows Salt Lake City to continue to be a strong center for technology workers.

Metropolitan Salt Lake City is ranked tenth among the most competitive areas in the world in the global knowledge economy (*The World Knowledge Competitiveness Index 2002* by United Kingdom's Robert Huggins Associates). The Salt Lake City-Ogden metropolitan area is ranked number 28 among today's hottest cities for business expansion (*Expansion Management magazine*, January 2003).

Salt Lake City—as a business, cultural, educational, and religious center—faces a number of challenges common to capital cities nationally. While Salt Lake City continues to be a vibrant city, it has felt the effects of the struggling national economy.

### **Employment Activity**

Salt Lake City is the central city to 1.7 million inhabitants residing in four counties within an hour's drive from downtown. The majority of Utah's 2.4 million people live in the Wasatch Front urban corridor stretching from Ogden to Provo. The City's daytime population increases greatly as a significant portion of the state's total work force commutes to jobs located within the city limits.

Following national trends, Salt Lake City experienced declining employment in the first years of the millennium. While the loss of some jobs can be accounted for by the completion of preparations for the Winter Olympics and the layoffs that occurred after the Olympics, employment also declined in the important sectors of manufacturing, transportation, communications, utilities, finance, insurance, real estate, and professional business services between 2001 and 2002. However, 2003 brought a slight rebound. This rebound gained strength in 2004, 2005 and in the first half of 2006. For the year ending August 31, 2006, Utah posted a job growth rate of 4.4% which placed it in the top five states in the nation. However, the growth has been leveling off due to a shortage of workers. In spite of this, 40% of the respondents in a survey of Salt Lake City area employers said that they planned on hiring more workers in the fourth quarter of 2006 (*The Salt Lake Tribune*, September 12, 2006).

### **Taxable Sales Activity**

Salt Lake City's total taxable sales have reflected both the national and regional economy. From 2001 to 2002, taxable sales in Salt Lake City declined 1.6%, a definite slow down from the robust growth of the mid 1990's. Rebounding slightly in 2003, taxable retail sales in Salt Lake City grew by 1.9%. This modest growth slowed to 1.4% in 2004. In 2005, taxable sales began to show more robust growth of 7% due to increases in construction and car sales and increases in other non-durable goods. In 2006, taxable sales growth continued at 9%. The Utah State Tax Commission expects this trend in taxable sales to moderate in the near future.



### **Other Economic Indicators**

During the 1990s, Salt Lake City experienced a great deal of construction activity. During the early 2000s, the construction industry slowed considerably. In 2002 permit authorized construction declined by 10% and in 2003, permit authorized construction fell by almost 26%. However, in 2004 and 2005, the local construction industry has rebounded greatly showing an 8% growth in building permit fees in 2004 and a 51% growth in 2005. While a portion of the increase in 2005 is due to an increase in the permit fee structure, the majority of the increase is due to increased activity. In 2006, building permit fee growth continued with a strong growth rate of nearly 16%.

Salt Lake City's downtown is projected to see significant growth in the next several years, according to a study commissioned by the Salt Lake City Downtown Alliance (Economic Benchmarks for Salt Lake City's Central Business District, James A Wood, Bureau of Economic and Business Research, University of Utah, June 2005). The study indicated that employers added 1,500 jobs in 2004, and office employment has recovered to 2001 levels. Retail sales, adjusted for inflation, increased by nearly \$84 million in 2004 compared to sales in the year 2000. In the next five years as much as \$1.5 billion in new investment could occur in the downtown area. Projects in the planning stages include at least 13 major office, retail and higher education construction projects.

The study also predicted an increase in the population in the downtown area. By 2010, the Central Business District is expected to have 10,000 residents, compared to 6000 currently. Since 2002, five new housing developments have been completed in the downtown area. The demand for this new housing has been strong, and continues to grow.

### **Summary Outlook**

While Salt Lake City has felt the lingering effects of the national economic slowdown, it continues to be a vibrant city with optimistic forecasts, especially for its downtown area. An economic rebound has begun, and modest growth over the next five years is expected.

### **Economic and Financial Planning**

As part of an overall strategic planning process, Salt Lake City developed several goals and objectives designed to keep the City on a firm financial footing. These goals and objectives include the following. Attract and retain small businesses by increasing the number of small business loans issued by at least five a year. Increase the number of businesses relocating to the City or expanding by at least 10 a year. Increase the number of non-agricultural jobs in Salt Lake City by 2% a year. Ensure that each Salt Lake City fund is financially secure by building and then maintaining a fund balance of 18% in the General Fund, by adding at least 1% of revenues per year to retained earnings in the Internal Service funds, by maintaining cash reserves of 25% of the operating expenses in the Airport Enterprise fund, and by maintain cash reserves of 9-10% in the Utilities Enterprise funds. Maintain Aaa and AAA Moody's and Fitch general obligation bond ratings by maintaining modest debt levels.

### **Internal Control Structure**

The City utilizes a computerized financial accounting system, which includes a system of internal accounting controls. These controls are designed to provide reasonable assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition, and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived, and (2) the evaluation of costs and benefits requires estimates and judgments by management. The City adheres to the above framework for internal controls. We believe that the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

### **Budgetary Control**

The City Council approves all City budgets at a departmental level. The City Council then may amend the budget by motion during the fiscal year. The Mayor may approve transfers of funds from one object or purpose to another within the same department.

Budgetary control is maintained at the department level where expenditures may not legally exceed appropriations. Budgetary control is also maintained in governmental funds by the encumbrance of estimated purchase and construction contract amounts prior to the release of purchase orders or contracts to vendors. Purchase orders which result in an overrun of department appropriations cannot be released until additional appropriations are made available. For purposes of budgetary control, all funds except for the General Fund are considered a department. Open encumbrances are reported as reservations of fund balance at year-end for only the General Fund.

### **Cash Management**

The City's investment of its temporarily idle funds has as its major objectives: safety of principal, need for liquidity, and maximization of the City's investment income opportunities. Investment earnings strengthen the City's overall financial standing and add annually to its revenues. Cash of the various funds is pooled in order to obtain the best interest rates and ensure that all temporarily idle cash is invested.

### **Awards and Acknowledgements**

The Government Finance Officers Association of the United States and Canada (GFOA), awarded a Certificate of Achievement for Excellence in Financial Reporting to Salt Lake City Corporation for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2005. The City has now received this, or an equivalent award for over 20 years.

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

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

The preparation of this report on a timely basis could not have been accomplished without the efficient and dedicated services of the staff of the Department of Management Services. We appreciate Hansen, Barnett & Maxwell, Certified Public Accountants, for the assistance and guidance they have given us. We also thank the members of the City Council and the Mayor for their interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner.

Sincerely,

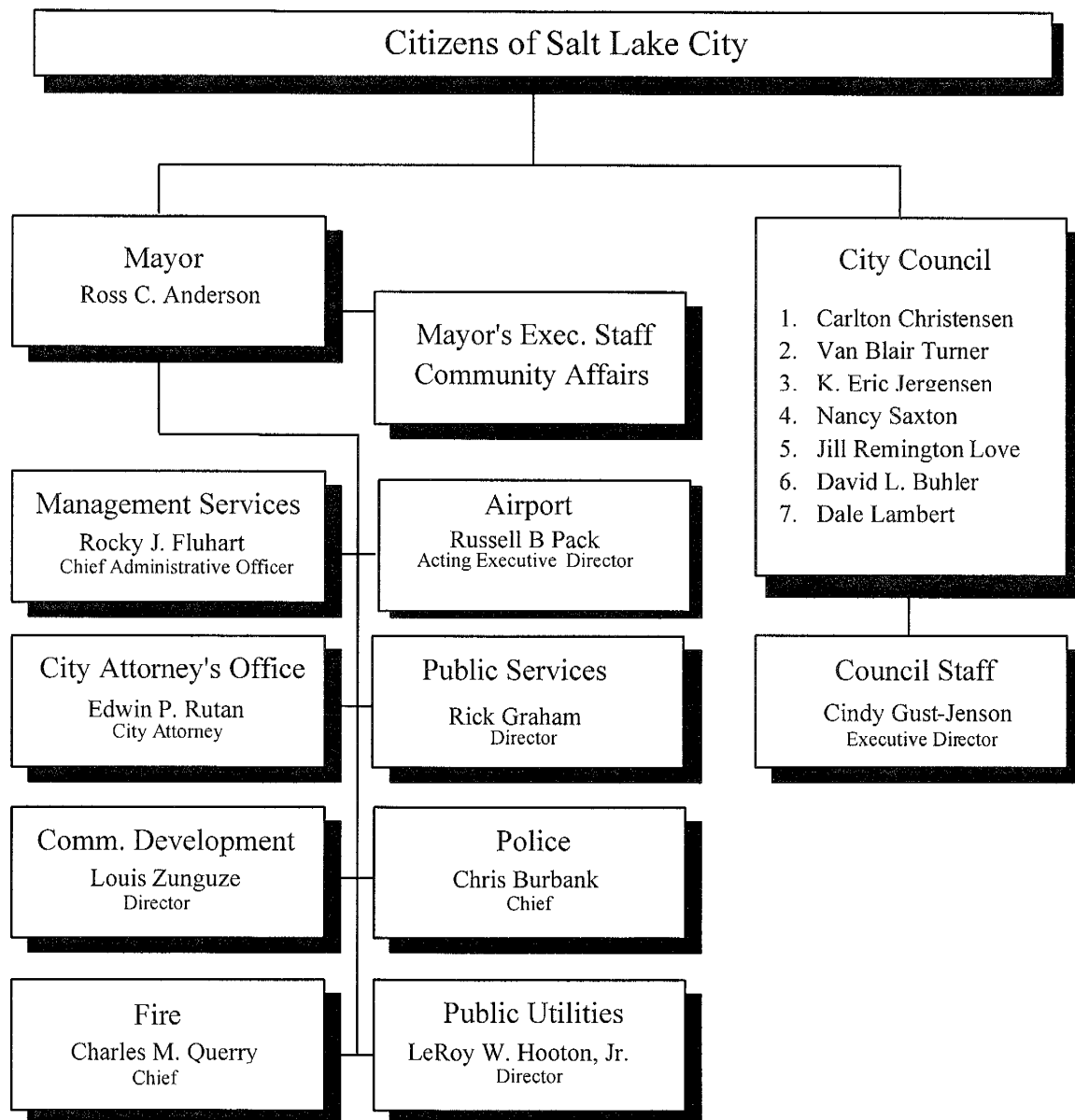


Gordon Hoskins  
Finance Director

# Salt Lake City Corporation

## Organizational Structure

### Fiscal Year 2005-2006



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Salt Lake City  
Corporation, Utah

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2005

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



*Carla E. Perry*

President

*Jeffrey R. Emer*

Executive Director

## Financial Section

# HANSEN, BARNETT & MAXWELL

A Professional Corporation  
CERTIFIED PUBLIC ACCOUNTANTS

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Registered with the Public Company  
Accounting Oversight Board



## REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

The Honorable Mayor and Members of the City Council  
Salt Lake City Corporation

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Salt Lake City Corporation (the "City"), as of and for the year ended June 30, 2006, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of June 30, 2006, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Management's Discussion and Analysis and Required Supplementary Information listed in the table of contents are not a required part of the basic financial statements, but are supplementary information required by the Governmental Accounting Standards Board. This information is the responsibility of management. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The supplementary combining and individual statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. This information is the responsibility of City's management. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 18, 2006 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

A handwritten signature in black ink that reads "Hansen Barnett & Maxwell". The script is cursive and fluid.

HANSEN, BARNETT & MAXWELL

Salt Lake City, Utah  
November 18, 2006

SALT LAKE CITY CORPORATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2006

Salt Lake City Corporation's 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 twelve months ended June 30, 2006. As management of the City, we encourage readers to consider information contained in this discussion along with the transmittal letter on pages vx.

## FINANCIAL HIGHLIGHTS

The assets of Salt Lake City (the City) exceeded its liabilities at the end of the current fiscal year by \$1,871,016,309 (net assets). Of this amount, \$392,311,465 (unrestricted net assets) is available to meet ongoing obligations to citizens and creditors.

Net assets increased by \$91,911,918. This included a decrease in net assets of \$3,515,520 in the Governmental funds and an increase of \$95,427,438. During 2006 assets were transferred from governmental activities to business-type activities. The most substantial portion of these transfers were from the Grants fund to the Housing Fund and from the Municipal Building Fund to the Golf Fund.

The City's Governmental funds reported combined ending fund balance of \$84,776,897, a decrease of \$12,787,631 compared to the prior years' ending amount and a decrease of Fund Balance of \$20,584,904 from the Housing Fund that was reclassified as a Business-type activity in 2006. Of the combined total fund balance, \$47,625,740 is available for spending at the discretion of the City (unreserved and undesignated fund balance).

The unreserved and undesignated fund balance of the General Fund at June 30, 2006 totaled \$28,761,202, is 16 percent of the General Fund total revenues for the year and 60 percent of governmental unreserved and undesignated fund balance. The General Fund, also has approximately \$2,800,000 of fund balance reserved for encumbrances that will be expended in the following fiscal year.

During the year, total bonded debt for Salt Lake City decreased by approximately \$20,831,693. The City issued new Special Assessment Bonds of \$472,000. These funds were used for new lighting in the Rose Park Lighting Construction district.

## OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis serves as an introduction to Salt Lake City's basic financial statements: (1) Government-wide financial statements, (2) Fund financial statements and (3) 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 City.

**Government-wide financial statements** give readers a broad overview of the entire City's financial position and changes in financial position, similar to consolidated financial statements in a private sector business. These statements consist of the Statement of Net Assets and the Statement of Activities

**The Statement of Net Assets** shows Salt Lake City's entire assets and liabilities with the difference shown as net assets. Increases or decreases over time in net assets gives an indicator as to whether the financial condition of Salt Lake City is improving or declining.

**The Statement of Activities** shows the changes to net assets that occurred during the most recent fiscal year. These changes are recorded on an accrual basis when the underlying event that causes the change occurs, regardless of when the cash transaction takes place. One example is the next debt interest payment when the fiscal year ends in between interest payments. The Statement of Activities shows an additional interest expense for the time period between the last interest payment and the end of the fiscal year.

Both of the government-wide financial statements distinguish between activities that are largely supported by taxes and intergovernmental revenues (governmental activities) and those whose operations are entirely or largely financed by user charges and fees (business type-activities). The governmental activities for Salt Lake City include general governmental; (Council, Mayor, Attorney, Management Services and Non-departmental); public safety



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(Police and Fire), streets and recreation (Public Services); and housing and other development (Community and Economic Development). The business-type activities include water, sewer, storm-water, airport, intermodal hub, refuse collection, golf and redevelopment.

The government-wide financial statements include not only Salt Lake City itself (the primary government), but also those of the legally separate Salt Lake City Library. This entity (a component unit) is financially accountable to the City and is presented separately from the primary government itself. Two other entities, the Redevelopment Agency of Salt Lake City and the Municipal Building Authority are also legally separate from the City, but for all practical purposes function as a part of the City and are therefore blended as an integral part of the primary government.

The government-wide financial statements are found immediately following this discussion and analysis.

## **FUND FINANCIAL STATEMENTS**

A fund is a set of closely related accounts that are used to maintain control over resources that have been segregated for specific activities or purposes. Salt Lake City, like other state and local governments, uses fund accounting to demonstrate compliance with finance-related legal requirements. All of the City's funds can be categorized into one of three categories: governmental funds, proprietary funds and fiduciary funds.

**Governmental funds** account for essentially the same activities as the governmental activities in the government-wide financial statements, but with a narrower focus. Governmental funds concentrate on near-term inflows and outflows of financial resources and the balances of spendable resources available to the government at the end of the fiscal year. This information can be useful in evaluating the government's short term financing requirements.

Comparing similar information presented in the government-wide statements for the governmental activities with that presented in governmental funds statements can provide useful information because of the different focus of the two approaches. With the long-term focus of the government-wide statements, a reader may be able to better understand the long-term effects of the near term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balance show reconciliation between the governmental funds statements to the governmental activities in the government-wide statements to aid in the comparison.

Salt Lake City uses ten different individual governmental funds. Of this number, information is shown separately for the General and Capital Projects Funds, all of which are deemed major funds. Information from the other eight funds is presented in a single combined column. Individual presentations for these non-major funds are contained in combining information shown after the notes to the financial statements as listed in the table of contents. The City adopts an annual appropriated budget for all its governmental funds. Budgetary comparison schedules have been provided to demonstrate compliance with these budgets.

Within the Proprietary funds are two types that Salt Lake City utilizes; enterprise and internal service funds. Enterprise funds report the same functions as the business-type activities in the government-wide financial statements. The Enterprise funds maintained by Salt Lake City are: the water, sewer and storm-water utilities; the transportation Intermodal Hub; the Salt Lake City International Airport; housing loans, refuse collection; golf and redevelopment activities. Internal service funds are used as an accounting device to accumulate and allocate costs among the City's various governmental and enterprise activities. Salt Lake City uses internal service funds to account for its vehicle fleet, information technology, risk management and employee benefits, tort liability and central printing activities. Because all of these activities support primarily governmental rather than business-type activities, they have been included within the governmental activities column of the government-wide financial statements.

Proprietary funds present the same information as in the government-wide statements, except in more detail. The fund statements for proprietary funds provide separate information for the Department of Airports, Water Utility, Sewer Utility, Housing Loans and Redevelopment Agency, all of which are considered to be major funds of Salt Lake City. Individual presentations for the remaining enterprise funds are contained in the combining information elsewhere in this report. All internal service funds are shown in one single column in the proprietary fund financial

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statements. Individual fund information can be found in the combining information elsewhere in this report. The City also adopts annual appropriated budgets for all of its proprietary funds. As with the governmental funds, budgetary comparison statements are included to show compliance with these budgets.

The basic proprietary fund financial statements can be found as listed in the table of contents.

Fiduciary funds are used to account for resources held by the City for the benefit of entities outside of the government. Since these resources cannot be used to support the operations of Salt Lake City, they are not shown in the government-wide financial statements. The accounting for fiduciary funds is similar to that of proprietary funds.

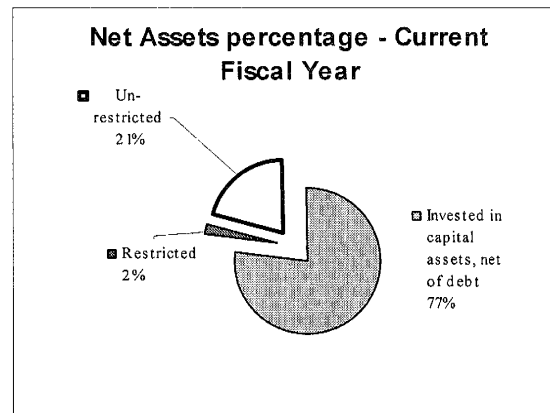
The fiduciary fund financial statements can be found as listed in the table of contents.

**Notes to the financial statements** contain additional information important to a complete understanding of the information contained in the government-wide and fund financial statements. Notes to the financial statements are located after the statements for major funds as listed in the table of contents.

### GOVERNMENT-WIDE FINANCIAL ANALYSIS

SALT LAKE CITY CORPORATION'S NET ASSETS (thousands)						
	Governmental Activities		Business-type Activities		Total	
	2006	2005	2006	2005	2006	2005
Current and other assets	\$ 185,919	\$ 236,086	\$ 465,778	\$ 411,609	\$ 651,697	\$ 647,695
Capital assets	537,595	532,872	1,168,432	1,100,969	1,706,027	1,633,841
Total assets	<u>\$ 723,514</u>	<u>\$ 768,958</u>	<u>\$ 1,634,210</u>	<u>\$ 1,512,578</u>	<u>\$ 2,357,724</u>	<u>\$ 2,281,536</u>
Current and other liabilities	\$ 98,307	\$ 110,307	\$ 53,058	\$ 52,462	\$ 151,365	\$ 162,769
Long term liabilities	157,254	166,597	178,088	173,065	335,342	339,662
Total liabilities	<u>\$ 255,561</u>	<u>\$ 276,904</u>	<u>\$ 231,146</u>	<u>\$ 225,527</u>	<u>\$ 486,707</u>	<u>\$ 502,431</u>
Net assets:						
Invested in capital assets, net of related debt	\$ 382,648	\$ 358,064	\$ 1,049,032	\$ 982,029	\$ 1,431,680	\$ 1,340,093
Restricted	7,730	7,756	39,295	23,327	47,025	31,083
Unrestricted	77,575	126,234	314,737	281,695	392,312	407,929
Total net assets	<u>\$ 467,953</u>	<u>\$ 492,054</u>	<u>\$ 1,403,064</u>	<u>\$ 1,287,051</u>	<u>\$ 1,871,017</u>	<u>\$ 1,779,105</u>

By far the largest component of Salt Lake City's net assets is its investment in capital assets. The 77 percent of total net assets represents the City's investment in land and land improvements, buildings, machinery and equipment, roads, streetlights, signals and bridges, less any related outstanding debt that was used to acquire these assets. Salt Lake City uses these capital assets to provide services to citizens who live, work, pass through or benefit in other ways from the City. By their nature, these assets are not available for future spending. Further, even though these capital assets are reported net of any related debt, resources needed to repay the debt must come from other sources, as the assets themselves cannot be used to satisfy the related obligations.



An additional part of net assets (2 percent) is assets that are subject to external restrictions on how they may be expended (debt reserve funds or unexpended debt proceeds). The remaining 21 percent of net assets (\$392,311,465) can be used to meet the City's ongoing obligations to its creditors and to citizens.

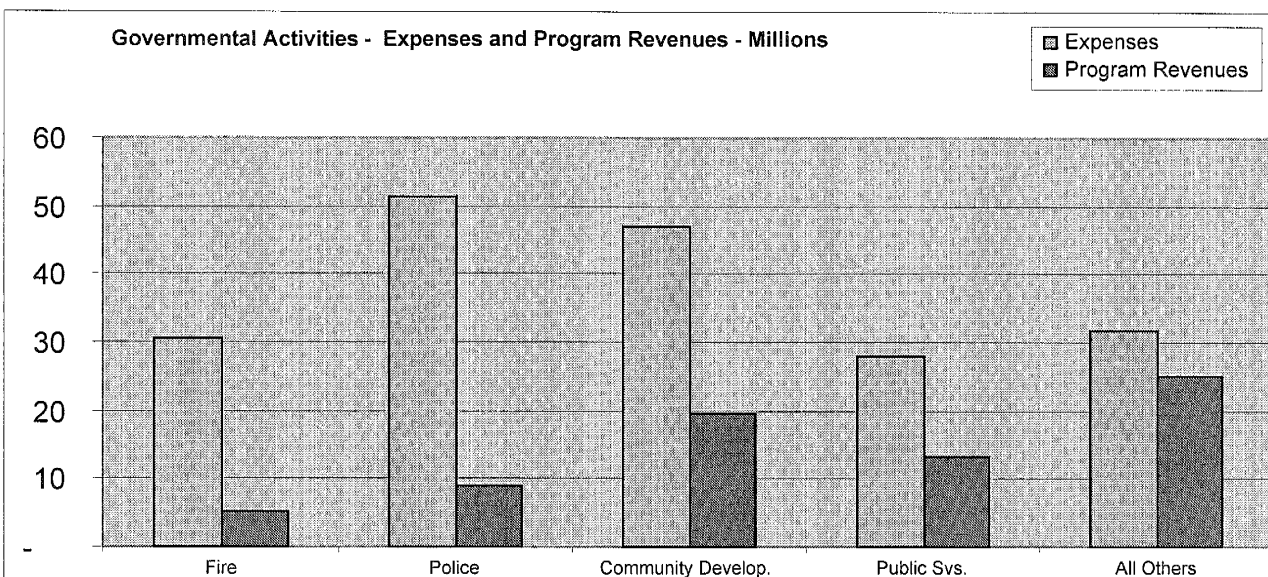
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SALT LAKE CITY CORPORATION'S Changes in Net Assets						
	Governmental Activities		Business-type Activities		Total	
	2006	2005	2006	2005	2006	2005
Revenues						
Program revenues						
Charges for Services	\$ 49,669,403	\$ 61,918,582	\$ 252,453,514	\$ 232,114,923	\$ 302,122,917	\$ 294,033,505
Operating grants and contributions	17,798,035	14,423,739	29,016,887	29,395,312	46,814,922	43,819,051
Capital grants and contributions	4,805,289	5,795,746	-	-	4,805,289	5,795,746
General Revenues						
Property taxes	64,341,469	66,695,537	-	-	64,341,469	66,695,537
Other taxes	72,862,284	68,193,927	-	-	72,862,284	68,193,927
Transfers	(16,313,366)	210,773	16,313,366	(210,773)	-	-
Investment Earnings	5,360,082	5,090,504	12,003,182	6,462,479	17,363,264	11,552,983
Total revenues	198,523,196	222,328,808	309,786,949	267,761,941	508,310,145	490,090,749
Expenses						
General Government	13,425,991	1,821,060			13,425,991	1,821,060
Council	1,604,953	1,546,212	-	-	1,604,953	1,546,212
Mayor	1,694,100	1,470,109	-	-	1,694,100	1,470,109
City Attorney	4,317,765	3,571,933	-	-	4,317,765	3,571,933
Management Services	10,647,297	10,644,233	-	-	10,647,297	10,644,233
Fire	30,687,791	27,893,933	-	-	30,687,791	27,893,933
Police	51,487,268	48,720,463	-	-	51,487,268	48,720,463
Community and Economic Development	28,093,445	17,367,287	-	-	28,093,445	17,367,287
Public Services	47,109,937	38,931,172	-	-	47,109,937	38,931,172
Nondepartmental	-	12,291,477	-	-	-	12,291,477
Infrastructure depreciation	5,116,245	7,031,717	-	-	5,116,245	7,031,717
Interest on long-term debt	7,853,924	11,329,180	-	-	7,853,924	11,329,180
Water	-	-	44,384,195	38,000,843	44,384,195	38,000,843
Department of Airports	-	-	113,981,232	104,371,496	113,981,232	104,371,496
Sewer	-	-	12,645,891	12,640,979	12,645,891	12,640,979
Housing Loans	-	-	1,002,673	-	1,002,673	-
Redevelopment Agency	-	-	15,942,175	17,167,999	15,942,175	17,167,999
Intermodal Hub	-	-	2,116,349	-	2,116,349	-
Storm Water Utility	-	-	4,441,798	-	4,441,798	-
Refuse Collection	-	-	11,321,584	-	11,321,584	-
Golf	-	-	8,475,978	-	8,475,978	-
Other Activities	-	-	-	19,224,796	-	19,224,796
Total Expenses	202,038,716	182,618,776	214,311,875	191,406,113	416,350,591	374,024,889
Increase in net assets	(3,515,520)	39,710,032	95,475,074	76,355,828	91,959,554	116,065,860
Net assets beginning	492,053,446	452,343,414	1,287,050,945	1,210,695,117	1,779,104,391	1,663,038,531
Net Asset beginning as restated	471,468,542	-	1,307,635,849	-	1,779,104,391	-
Net assets ending	\$ 467,953,022	\$ 492,053,446	\$ 1,403,110,923	\$ 1,287,050,945	\$ 1,871,063,945	\$ 1,779,104,391

## ACTIVITIES, GOVERNMENTAL AND BUSINESS-TYPE

Governmental Activities net assets decreased by \$3,515,520 for the year ended June 30, 2006, which is -4% of the total increase in net assets for Salt Lake City Corporation as a whole. The major reasons for the decrease is the transfer of property in the MBA internal service fund (a governmental activity) to the Golf fund (an business-type activity.)

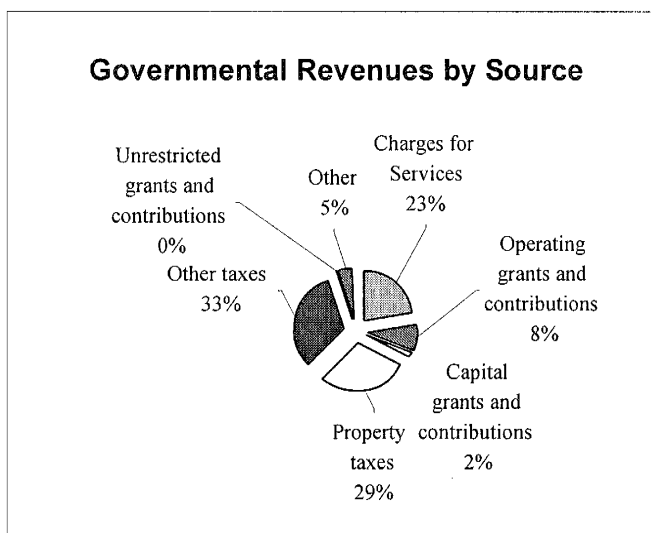
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Business-type activities contributed increased net assets in the amount of \$95,427,438 or 104% of the total increase to net assets. The most significant reason for this increase is the Department of Airports' and the Water's revenues and capital contributions exceeding their expenses. Both entities continue to invest heavily in capital assets. The Airport is continuing its program of expanded and improved facilities while the Water Utility is aggressively replacing the water distribution infrastructure.

#### Financial Analysis of Salt Lake City's Funds

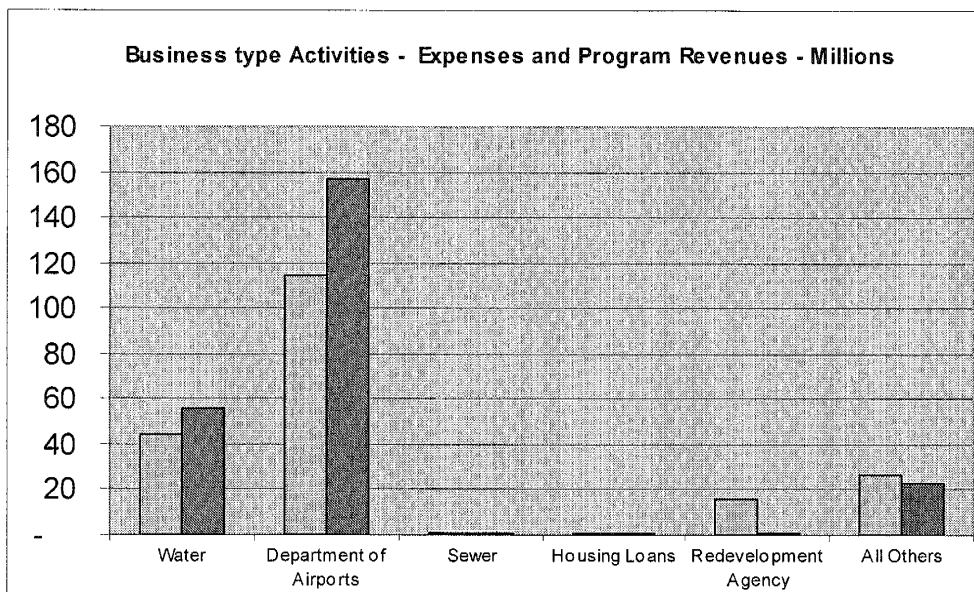
Salt Lake City's governmental funds provide information on the short-term resource inflows and outflows and account balances at the end of the fiscal year. The total fund balance is a measure of total available resources and the unreserved portion of this total fund balance is a measure of the available spendable resources at June 30, 2006.



For the period ended June 30, 2006, the City's governmental funds reported a combined fund balance amount of \$84,776,897 with decrease of \$12,787,631 compared to the prior fiscal year. There is an additional decrease of \$20,584,904 from the prior year fund balance as the result of reclassifying the Housing Loans Fund from a governmental fund to a proprietary fund. Of the total balance at year-end, \$47,625,740 is unreserved and undesignated. There is also an amount of \$27,140,166 designated for capital projects which is not considered restricted. The remaining \$10,010,991 combined fund balance total is reserved for the following purposes:

(1) encumbrances; (2) loans receivable; and (3) restricted assets, including an amount for the guarantee of special assessment debt.

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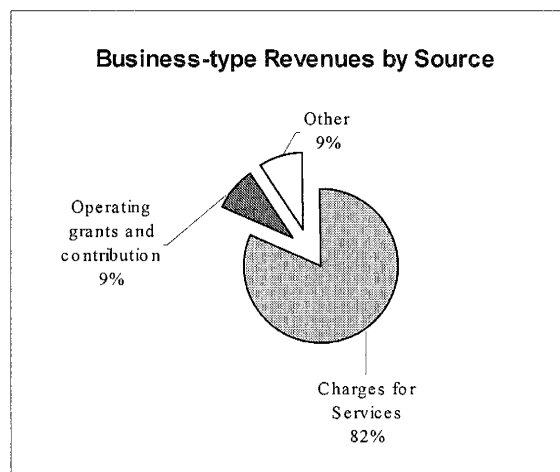
The General Fund is the main operating fund for Salt Lake City Corporation. At June 30, 2006, the General Fund's unreserved fund balance was \$28,761,202 while total fund balance equaled \$31,579,453. A useful measure of liquidity is to compare the unreserved fund balance and the

total fund balance to expenditures (including operating transfers out) for the year. Unreserved fund balance was 16 percent of total expenditures and transfers while total fund balance equaled 18 percent.

The fund balance of the General Fund for Salt Lake City increased by \$2,421,391. Although the initial expectation was that fund balance for the 2006 fiscal year would decrease by approximately \$2,800,000 due to conservative expectations of a rebounding economy, actual revenues exceeded budgeted revenue.

The Capital Projects Fund has a total fund balance of \$28,697,326 at June 30, 2006, all of which is either reserved for restricted assets or designated for unfinished projects. The net decrease in fund balance for the year amounted to \$5,066,664. Bonds were sold in fiscal year 2004 for the construction of Tracey Aviary and Hogle Zoo resulting in an prior year increase to fund balance. In the current year these funds were expended resulting in a decrease in fund balance.

The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net assets of the City's Major proprietary funds totaled \$158,685,046 for the Department of Airports, \$21,799,362 for the Water Fund, \$25,694,063 for the Sewer Fund, \$22,032,920 for the Housing Loan Fund and \$51,495,209 for the Redevelopment Agency Fund. Discussions about the finances of these three funds are addressed in the City's business-type activities.



SALT LAKE CITY CORPORATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
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### General Fund Budgetary Highlights

Differences between the original and final amended budgets amounted to a total increase in appropriations of \$11,513,540. By department, the changes are:

- \$468,283 increase for City Council
- \$36,977 increase for Mayor
- \$16,829 increase for City Attorney
- \$263,050 increase for Management Services
- \$484,219 increase for Fire
- \$525,593 increase for Police
- \$443,208 increase for Community and Economic Development
- \$1,824,481 increase for Public Services
- \$7,450,900 increase for Nondepartmental (including transfers out)

The increases in budget were all funded by Fund Balance. The largest were transfers to the CIP fund of \$4,000,000 for Grant Tower Railroad Realignment and \$1,470,000 for Interoperable Communications. Approximately \$400,000 was for increased fuel costs. Of the amount funded by Fund Balance \$2,526,885 was for encumbrances carryovers.

### Capital Asset and Debt Administration

Salt Lake City's investment in capital assets for its governmental and business type activities combined totaled \$1,706,026,597 (net of \$846,723,186 accumulated depreciation) at June 30, 2006. Types of assets included in this category are land, land improvements, buildings, machinery and equipment, park and other recreation facilities, roads (including curb and gutter), street lights, traffic signals, parking facilities, water and waste water distribution and collection systems, airport runways and taxiways and bridges. The City's investment in capital assets equals more than 91 percent of total net assets. In comparing capital assets to net assets, the percentages for Governmental activities and Business type activities were 115 percent and 83 percent, respectively.

Major capital asset activities that occurred during the past fiscal year include: (1) the Department of Airports placed into service approximately \$62,000,000 of constructed assets related to its development master plan; (2) Water main replacement is a continuing program with the Water Utility Fund as many of the existing main lines near the end of their useful lives; (3) The Water utility is also continuing a five year meter replacement program and major modifications to the City Creek Treatment Plant. (4) The Sewer Utility is in the fourth year of a six-year capital improvement program with a major investment at the Water Reclamation Plant;

Salt Lake City Corporation's Capital Assets						
	Governmental Activities		Business-type Activities		Total	
	2006	2005	2006	2005	2006	2005
Land and water rights	\$ 169,070,674	\$ 165,329,841	\$ 85,651,279	\$ 85,355,450	\$ 254,721,953	\$ 250,685,291
Infrastructure	230,046,330	219,948,512	-	-	230,046,330	219,948,512
Buildings	197,654,596	211,679,858	411,339,788	401,877,800	608,994,384	613,557,658
Improvements other than buildings	26,456,777	37,900,135	1,023,149,440	960,343,694	1,049,606,217	998,243,829
Machinery and equipment	77,087,913	73,910,695	139,626,980	133,034,826	216,714,893	206,945,521
Construction in progress	16,343,572	14,254,627	176,322,434	139,596,273	192,666,006	153,850,900
Accumulated Depreciation	(179,064,918)	(190,151,391)	(667,658,268)	(619,238,925)	(846,723,186)	(809,390,316)
Net book value	<u>\$ 537,594,944</u>	<u>\$ 532,872,277</u>	<u>\$ 1,168,431,653</u>	<u>\$ 1,100,969,118</u>	<u>\$ 1,706,026,597</u>	<u>\$ 1,633,841,395</u>

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MANAGEMENT'S DISCUSSION AND ANALYSIS  
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At June 30, 2006, Salt Lake City's bonded debt amounted to \$287,669,883. The portion that is backed by the full faith and credit of the City amounted to \$85,661,254, and the portion for which the City is liable in case of default by assessed property owners amounted to \$1,565,000. All other bonded debt is known as revenue bonds and is secured by specific revenue sources.

In February 2006 the City issued \$472,000 in Special Assessment Debt. The proceeds were used in lighting construction for the Rose Parking Lighting Construction District.

Salt Lake City's general obligation bonded debt has the following ratings from Moody's Investors Service and Fitch IBCA Inc.; Aaa / AAA, respectively.

General obligation debt of the City is limited by statute to 8 percent of the reasonable fair cash value of property. The debt limit for FY 2006 calculates to approximately \$1.4 billion, which is well in excess of the City's outstanding general obligation debt. Additional information on Salt Lake City's capital assets and debt can be found in Notes 5 and 6.

Salt Lake City Corporation's Outstanding Debt General Obligation and Revenue Bonds						
	Governmental Activities		Business-type Activities		Total	
	2006	2005	2006	2005	2006	2005
General obligation bonds	\$ 85,661,254	\$ 91,755,109	\$ -	\$ -	\$ 85,661,254	\$ 91,755,109
Special assessment debt with governmental commitment	1,565,000	1,404,000	-	-	1,565,000	1,404,000
Revenue bonds	61,877,042	65,499,580	138,566,587	149,842,887	200,443,629	215,342,467
Total	<u>\$ 149,103,296</u>	<u>\$ 158,658,689</u>	<u>\$ 138,566,587</u>	<u>\$ 149,842,887</u>	<u>\$ 287,669,883</u>	<u>\$ 308,501,576</u>

#### Economic factors and next year's budgets and rates

The unemployment rate for the most recent fiscal year available (2005 annual rate) is 4.4 percent, down from 5.4 percent for the previous year. Total employment with the City has increased slightly and taxable sales and permits have increased by 10 percent and 19 percent, respectively. Revenue appears to be increasing and the economic factors indicate improvement in the economy. These static economic factors were considered in preparing and amending the fiscal year 2006 budget.

During the just completed fiscal year, fund balance in the General Fund increased by \$2,421,391. The increase was \$14,000,000 more than originally budgeted. To date for FY 2007, the City has appropriated approximately \$7,000,000 of unreserved fund balance. This includes approximately \$3,000,000 of encumbrances from fiscal year 2006. Currently, Salt Lake City is experiencing positive economic changes.

The rates and fees for most services remained constant for FY 2006 compared with the fiscal year just ended.

#### Requests for information

This financial report is designed to give its readers a general overview of the city of Salt Lake City's finances. Questions regarding any information contained in this report or requests for additional financial information should be addressed to the Office of the Finance Director, 451 South State Street Room 248, Salt Lake City, Utah 84111.

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# Basic Financial Statements

SALT LAKE CITY CORPORATION  
STATEMENT OF NET ASSETS  
June 30, 2006

	Primary Government			Component
	Governmental	Business-type		Unit
	Activities	Activities	Total	Library
<u>ASSETS</u>				
Current assets:				
Cash and cash equivalents (Note 2)				
Unrestricted	\$ 91,726,937	\$ 268,262,492	\$ 359,989,429	\$ 585,233
Restricted (Note 2 & 4)	3,391,095	11,342,936	14,734,031	-
Investments (Note 2)	-	955,068	955,068	5,559,279
Receivables:				
Property, franchise and excise taxes	76,883,419	-	76,883,419	12,003,873
Assessments, including \$275,361 of delinquent assessments	1,511,457	-	1,511,457	-
Loans and other receivables, less allowance for doubtful accounts of \$4,040,726 (Note 3)	6,797,813	5,821,747	12,619,560	66,335
Accounts, less allowance for doubtful accounts of \$112,040	-	28,803,257	28,803,257	-
Due from other governments	2,850,086	1,567,176	4,417,262	-
Other, principally accrued interest	1,092,624	-	1,092,624	-
Prepaid expenses	46,835	67,939	114,774	7,500
Inventories	515,374	3,259,768	3,775,142	-
Internal balances	112,939	(112,939)	-	-
Total current assets	184,928,579	319,967,444	504,896,023	18,222,220
Noncurrent assets:				
Restricted cash and cash equivalents (Note 2)	-	25,010,826	25,010,826	-
Property and equipment, at cost:				
Land and water rights (Note 5)	169,070,674	85,651,279	254,721,953	590,554
Infrastructure (Note 5)	230,046,330	-	230,046,330	-
Buildings (Note 5)	197,654,596	411,339,788	608,994,384	8,266,214
Improvements other than buildings (Note 5)	26,456,777	1,023,149,440	1,049,606,217	317,116
Machinery and equipment (Note 5)	77,087,913	139,626,980	216,714,893	19,437,350
Construction in progress (Note 5)	16,343,572	172,483,348	188,826,920	-
Work in Progress (Note 5)	-	3,839,086	3,839,086	-
Accumulated depreciation (Note 5)	(179,064,918)	(667,658,268)	(846,723,186)	(13,825,475)
Net property and equipment	537,594,944	1,168,431,653	1,706,026,597	14,785,759
Bond issue costs, less accumulated amortization of \$1,424,800	990,541	2,036,587	3,027,128	-
Loans and other long-term receivables	-	59,249,315	59,249,315	-
Land and buildings held for resale	-	15,925,347	15,925,347	-
Investment in joint venture (Note 19)	-	21,612,053	21,612,053	-
Deferred charges	-	18,552,376	18,552,376	-
Other	-	3,423,866	3,423,866	-
Total noncurrent assets	538,585,485	1,314,242,023	1,852,827,508	14,785,759
Total assets	\$ 723,514,064	\$ 1,634,209,467	\$ 2,357,723,531	\$ 33,007,979

The accompanying notes are an integral part of this statement

SALT LAKE CITY CORPORATION  
STATEMENT OF NET ASSETS  
June 30, 2006

	Primary Government			Component
	Governmental	Business-type	Total	Unit
	Activities	Activities		Library
<u>LIABILITIES</u>				
Current liabilities:				
Accounts payable	\$ 5,710,170	\$ 19,529,416	\$ 25,239,586	\$ 670,328
Accrued liabilities	13,612,799	10,806,691	24,419,490	-
Current portion of long-term compensation liability	1,869,362	1,070,277	2,939,639	-
Current portion of long-term debt:				
Payable from unrestricted assets (Note 6)	12,528,870	3,793,690	16,322,560	52,217
Payable from restricted assets (Note 6)	-	8,753,454	8,753,454	-
Special assessment debt with governmental commitment (Note 6)	311,000	-	311,000	-
Deferred revenue	62,554,507	-	62,554,507	13,821,574
Unearned revenue	-	21,468	21,468	-
Accrued interest, payable from restricted assets	-	1,419,363	1,419,363	-
Other liabilities payable from restricted assets	338,774	-	338,774	-
Current deposits and advance rentals	1,381,783	7,663,586	9,045,369	-
Total current liabilities	98,307,265	53,057,945	151,365,210	14,544,119
Noncurrent liabilities:				
Deposits, advance rentals and long term accruals	-	30,487,217	30,487,217	-
Long-term compensation liability	14,156,047	6,687,950	20,843,997	-
Bonds payable	139,122,296	-	139,122,296	244,976
Notes payable	2,931,865	140,913,068	143,844,933	-
Notes payable from restricted assets	1,043,569	-	1,043,569	-
Total noncurrent liabilities	157,253,777	178,088,235	335,342,012	244,976
Total liabilities	255,561,042	231,146,180	486,707,222	14,789,095
<u>NET ASSETS</u>				
Invested in capital assets, net of related debt	382,647,885	1,049,031,883	1,431,679,768	14,785,759
Restricted for:				
Capital projects	7,201,928	-	7,201,928	-
Debt service	528,366	39,294,782	39,823,148	-
Unrestricted	77,574,843	314,736,622	392,311,465	3,433,125
Total net assets	467,953,022	1,403,063,287	1,871,016,309	18,218,884
Total liabilities and net assets	\$ 723,514,064	\$ 1,634,209,467	\$ 2,357,723,531	\$ 33,007,979

The accompanying notes are an integral part of this statement

SALT LAKE CITY CORPORATION  
STATEMENT OF ACTIVITIES  
Year ended June 30, 2006

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General Government	\$ 13,425,991	\$ 9,410,392	\$ 413,991	\$ 4,768,564
City Council	1,604,953	-	-	-
Mayor	1,694,100	214,514	-	-
City Attorney	4,317,765	1,092,171	-	-
Management Services	10,647,297	9,270,747	-	36,725
Fire	30,687,791	5,170,902	107,600	-
Police	51,487,268	4,906,322	4,152,932	-
Community and Economic Development	28,093,445	13,530,897	6,061,756	-
Public Services	47,109,937	6,073,458	7,061,756	-
Unallocated infrastructure depreciation	5,116,245	-	-	-
Interest on long-term debt	7,853,924	-	-	-
Total governmental activities	<u>202,038,716</u>	<u>49,669,403</u>	<u>17,798,035</u>	<u>4,805,289</u>
Business-type activities:				
Water	44,384,195	52,081,860	3,502,226	-
Airport Authority	113,981,232	136,863,294	19,836,783	-
Sewer	12,645,891	16,847,287	3,698,881	-
Housing Loans	1,002,673	1,284,169	-	-
Redevelopment Agency	15,942,175	23,054,885	-	-
Intermodal Hub	2,116,349	1,877,628	-	-
Storm Water Utility	4,441,798	5,439,138	1,978,997	-
Refuse Collection	11,373,673	7,240,841	-	-
Golf	8,500,809	7,793,696	-	-
Total business-type activities	<u>214,388,795</u>	<u>252,482,798</u>	<u>29,016,887</u>	<u>-</u>
Total primary government	<u>\$ 416,427,511</u>	<u>\$ 302,152,201</u>	<u>\$ 46,814,922</u>	<u>\$ 4,805,289</u>
Component unit				
Library	<u>\$ 13,424,462</u>	<u>\$ 543,139</u>	<u>\$ 203,395</u>	<u>\$ 204,458</u>

General revenues:

Taxes:

Property taxes, levied for general purposes

Franchise taxes

Sales tax

Investment earnings

Transfers

Total general revenues and transfers

Change in net assets

Net Assets July 1, 2005

Prior period adjustment (See note 19)

Net Assets as restated July 1, 2005

Net Assets June 30, 2006

The accompanying notes are an integral part of this statement

Net (Expense) Revenue and Changes in Net Assets			
Primary Government			
Governmental Activities	Business-type Activities	Total	Component Units
\$ 1,166,956	\$ -	\$ 1,166,956	\$ -
(1,604,953)	-	(1,604,953)	-
(1,479,586)	-	(1,479,586)	-
(3,225,594)	-	(3,225,594)	-
(1,339,825)	-	(1,339,825)	-
(25,409,289)	-	(25,409,289)	-
(42,428,014)	-	(42,428,014)	-
(8,500,792)	-	(8,500,792)	-
(33,974,723)	-	(33,974,723)	-
(5,116,245)	-	(5,116,245)	-
(7,853,924)	-	(7,853,924)	-
(129,765,989)	-	(129,765,989)	-
-	11,199,891	11,199,891	-
-	42,718,845	42,718,845	-
-	7,900,277	7,900,277	-
-	281,496	281,496	-
-	7,112,710	7,112,710	-
-	(238,721)	(238,721)	-
-	2,976,337	2,976,337	-
-	(4,132,832)	(4,132,832)	-
-	(707,113)	(707,113)	-
-	67,110,890	67,110,890	-
(129,765,989)	67,110,890	(62,655,099)	-
			(12,473,470)
64,341,469	-	64,341,469	11,901,954
23,929,112	-	23,929,112	-
48,933,172	-	48,933,172	-
5,360,082	12,003,182	17,363,264	247,021
(16,313,366)	16,313,366	-	-
126,250,469	28,316,548	154,567,017	12,148,975
(3,515,520)	95,427,438	91,911,918	(324,495)
492,053,446	1,287,050,945	1,779,104,391	18,543,379
(20,584,904)	20,584,904	-	-
471,468,542	1,307,635,849	1,779,104,391	18,543,379
\$ 467,953,022	\$ 1,403,063,287	\$ 1,871,016,309	\$ 18,218,884

The accompanying notes are an integral part of this statement

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# Governmental Fund Financial Statements

**General Fund** - The General Fund is the principal fund of the City and is used to account for resources traditionally associated with governments which are not required to be accounted for in another fund. The General Fund accounts for the normal activities of the City, (i.e. police, fire, public works, parks, community and economic development, general government, etc.). These activities are funded principally by property taxes, sales and use taxes, franchise taxes, licenses and permits.

**Capital Projects Fund** - The City's Capital Projects Fund is used to account for resources designated to construct general capital assets which, by their nature, may require more than one budgetary cycle for completion. Project budgets are adopted for the Capital Projects Fund.

SALT LAKE CITY CORPORATION  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2006

	<u>General</u>
<u>ASSETS</u>	
Assets:	
Cash and cash equivalents (Note 2)	\$ 29,016,359
Receivables:	
Property, franchise and excise taxes	76,586,009
Assessments, including \$277,275 of delinquent assessments	-
Taxes receivable	-
Loans and other receivables, less allowance for doubtful loans of \$3,543,287 (Note 3)	-
Due from other governments	-
Other, principally accrued interest	519,164
Restricted assets:	
Cash and cash equivalents (Notes 2 & 4)	<u>-</u>
Total assets	<u><u>\$ 106,121,532</u></u>

The accompanying notes are an integral part of this statement



Capital Projects	Other Governmental Funds	Total Governmental Funds
\$ 29,055,892	\$ 17,654,301	\$ 75,726,552
-	-	76,586,009
-	1,511,457	1,511,457
-	297,410	297,410
76,774	5,055,630	5,132,404
443,491	1,941,252	2,384,743
-	573,460	1,092,624
1,480,386	867,140	2,347,526
<u>\$ 31,056,543</u>	<u>\$ 27,900,650</u>	<u>\$ 165,078,725</u>

(continued)

The accompanying notes are an integral part of this statement

SALT LAKE CITY CORPORATION  
BALANCE SHEET  
GOVERNMENTAL FUNDS (continued)  
June 30, 2006

	<u>General</u>
<u>LIABILITIES AND FUND BALANCES</u>	
Liabilities:	
Accounts payable	\$ 1,533,685
Accrued liabilities	7,643,370
Current deposits and advance rentals	1,381,783
Other liabilities payable from restricted assets	-
Deferred revenue	63,983,151
Total liabilities	<u>74,541,989</u>
 Fund balances:	
Reserved for encumbrances	2,818,341
Reserved for loans receivable and advances	-
Reserved for restricted assets	-
Unreserved - designated for capital improvements	-
Unreserved and undesignated	28,761,202
Unreserved, reported in nonmajor	
Special Revenue Funds	-
Debt Service Funds	-
Total fund balances	<u>31,579,543</u>
 Total liabilities and fund balances	 <u><u>\$ 106,121,532</u></u>

The accompanying notes are an integral part of this statement

Capital Projects	Other Governmental Funds	Total Governmental Funds
\$ 2,359,217	\$ 802,419	\$ 4,695,321
-	165,919	7,809,289
-	-	1,381,783
-	338,774	338,774
-	2,093,510	66,076,661
<u>2,359,217</u>	<u>3,400,622</u>	<u>80,301,828</u>
-	-	2,818,341
76,774	5,107,124	5,183,898
1,480,386	528,366	2,008,752
27,140,166	-	27,140,166
-	-	28,761,202
-	17,852,003	17,852,003
-	1,012,535	1,012,535
<u>28,697,326</u>	<u>24,500,028</u>	<u>84,776,897</u>
<u>\$ 31,056,543</u>	<u>\$ 27,900,650</u>	<u>\$ 165,078,725</u>

The accompanying notes are an integral part of this statement

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Salt Lake City Corporation  
Reconciliation of the Governmental Funds Balance Sheet  
to the Statements of Net Assets  
Year ended June 30, 2006

Total fund balances for governmental funds \$ 84,776,897

Total net assets reported for governmental activities in the statement of net assets is different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Those assets consist of: (see Note 5)

Land	169,070,674	
Infrastructure	230,046,330	
Buildings	197,654,596	
Improvements other than buildings	26,456,777	
Equipment	77,087,913	
Construction in progress	16,343,572	
Less accumulated depreciation	<u>(179,064,918)</u>	
Total capital assets		537,594,944

Other assets are reported for governmental activities as they are not considered collectible until after year end. These include other receivables that are long-term in nature and bond issue costs less amortization

Other receivables	465,343	
Bond issue costs	990,541	1,455,884

Internal services funds are used by the City to charge the costs of the fleet management system, data processing services, insurance for employee health, accident, long-term disability, unemployment and worker's compensation, general liability claims, acquisition and lease to the City of purchased or constructed property and equipment and photocopying and printing services.

18,110,911

Some of the internal service net income is allocable to business-type activities. These amounts are shown in the internal balances in the governmental activities statement.

112,939

Recognition of income on the accrual basis of accounting that is deferred on the modified accrual basis of accounting.

3,667,966

Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather as an expenditure when due. Obligation for compensation liabilities due within one year are included in the governmental fund statements in accrued liabilities. All liabilities -both current and long-term are reported in the statement of net assets. (See Note 6.)

Accrued liabilities	(7,552,953)	
Obligation for compensation liabilities due after one year	(14,156,047)	
Current portion of long-term debt	(12,839,870)	
Current portion of obligation for compensation liabilities	(119,919)	
Bonds payable	(139,122,296)	
Note payable	<u>(3,975,434)</u>	
Total liabilities		<u>(177,766,519)</u>

Total net assets of governmental activities

\$ 467,953,022

SALT LAKE CITY CORPORATION  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUNDS  
Year ended June 30, 2006

	General	Capital Projects	Other Governmental Funds	Totals
Revenues:				
General property taxes	\$ 63,305,389	\$ -	\$ -	\$ 63,305,389
Sales, use, and excise taxes	47,112,848	-	1,820,324	48,933,172
Franchise taxes	23,929,112	-	-	23,929,112
Licenses	5,778,560	-	-	5,778,560
Permits	7,293,312	2,646,306	-	9,939,618
Fines and forfeitures	6,256,430	-	11,969	6,268,399
Assessments	-	288,162	1,308,995	1,597,157
Interest	3,468,103	484,252	881,989	4,834,344
Intergovernmental	4,146,447	6,060,372	10,968,105	21,174,924
Interfund service charges	8,863,782	-	-	8,863,782
Parking meter	1,453,619	-	-	1,453,619
Parking ticket	3,135,240	-	-	3,135,240
Charges for services	3,471,720	-	102,163	3,573,883
Contributions	19,134	-	3,062,544	3,081,678
Miscellaneous	599,938	47,519	2,678,878	3,326,335
Total revenues	178,833,634	9,526,611	20,834,967	209,195,212
Expenditures:				
Current:				
City Council	1,519,339	-	-	1,519,339
Mayor	1,557,688	-	-	1,557,688
City Attorney	3,285,362	-	-	3,285,362
Management Services	9,571,631	-	17,497	9,589,128
Fire	29,154,366	-	-	29,154,366
Police	47,154,868	-	557,385	47,712,253
Community and Economic Development	7,985,677	-	10,187,834	18,173,511
Public Services	34,912,298	-	1,871,594	36,783,892
Arts Council	-	-	1,225,725	1,225,725
Nondepartmental	12,725,490	-	-	12,725,490
Capital improvements	-	33,274,952	-	33,274,952
Debt service:				
Principal	-	9,908	9,981,000	9,990,908
Interest and other fiscal charges	-	-	7,187,940	7,187,940
Total expenditures	147,866,719	33,284,860	31,028,975	212,180,554
Revenues over (under) expenditures	30,966,915	(23,758,249)	(10,194,008)	(2,985,342)
Other financing sources (uses):				
Issuance of debt	-	472,000	-	472,000
Proceeds from sale of property	423,507	155,166	-	578,673
Transfers in	2,056,962	32,834,367	16,269,162	51,160,491
Transfers out	(31,025,993)	(14,769,948)	(16,217,512)	(62,013,453)
Total other financing sources (uses):	(28,545,524)	18,691,585	51,650	(9,802,289)
Net Change in Fund Balances	2,421,391	(5,066,664)	(10,142,358)	(12,787,631)
Net Assets July 1, 2005 as previously reported	29,158,152	33,763,990	34,642,386	118,149,432
Prior period adjustment (See note 19)	-	-	-	(20,584,904)
Net Assets July 1, 2005 as restated	29,158,152	33,763,990	34,642,386	97,564,528
Fund balance June 30, 2006	\$ 31,579,543	\$ 28,697,326	\$ 24,500,028	\$ 84,776,897

The accompanying notes are an integral part of this statement

Salt Lake City Corporation  
Reconciliation of the Statement of Revenues,  
Expenditures, and Changes in Fund Balances of Governmental Funds  
to the Statement of Activities  
Year ended June 30, 2006

Net change in fund balances - total governmental funds \$ (12,787,631)

The change in net assets reported for governmental activities in the statement of activities is different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay (\$98,851,386) less Work in Process reclassifications included in additions (16,470,845) exceeded depreciation expense (\$11,859,102). (See Note 5.) 70,521,439

Repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of net assets. (See Note 6.) 9,981,000

In governmental funds the proceeds from the bonds and notes are considered a source of financing, but in the statement of net assets, the obligation is reported as a liability. (see Note 6.) (472,000)

Governmental funds do not report infrastructure. Contributions of Infrastructure are reported as contributions in kind in Statement of Activities 3,368,921

Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. This adjustment contains the following:

Deferred revenue recognized as income	1,168,016	
Compensated absences	375,098	
Capitalization of bond issue costs	16,653	
Amortization of bond issue costs	(196,062)	
Deferred loss and amortization of bond premium and deferred loss	46,393	
Accrued interest	(481,047)	
Gain (loss) on sale of capital assets	(217,518)	711,533

Internal services funds are used by the City to charge the costs of the fleet management system, data processing services, insurance for employee health, accident, long-term disability, unemployment and worker's compensation, general liability claims, acquisition and lease to the City of purchased or constructed property and equipment and photocopying and printing services. The net revenue of internal service funds is allocated between governmental activities and business-type activities. Internal service fund net loss of \$75,113,854 plus amount allocated to business-type activities \$275,071. (74,838,782)

Change in net assets of governmental activities. \$ (3,515,520)

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# Proprietary Fund Financial Statements

**Water Utility Fund** - This fund is used to account for the activities related to providing water service to the residents of the City and certain residents of Salt Lake County.

**Airport Authority Fund** - This fund is used to account for the activities related to the operation of City airports.

**Sewer Utility Fund** - This fund is used to account for the activities relating to providing sewer service to the residents of the City.

**Housing Loans Fund** - To account for the loan servicing activities of the City's Governmental Fund Types, except for the Urban Development Action Grant loans.

**Redevelopment Agency Fund** - This fund is used to account for urban redevelopment activities such as acquisition of land sites and sale of such land for development, and loans provided for improvements in existing housing and the repayment of loans and related interest.

SALT LAKE CITY CORPORATION  
STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS  
June 30, 2006

ASSETS	Business-type Activities- Enterprise Funds		
	Water Utility	Department of Airports	Sewer Utility
Current assets:			
Cash and cash equivalents (Note 2)			
Unrestricted	\$ 16,369,450	\$ 147,632,606	\$ 23,002,759
Restricted	-	-	-
Investments (Note 2)	-	-	-
Receivables:			
Accounts, less allowance for doubtful accounts of \$229,827	8,320,962	16,733,175	2,217,139
Current portion of loans receivable	-	-	-
Other	230,524	1,326,209	10,443
Prepaid expenses	-	-	67,939
Inventory of supplies	2,195,947	-	619,084
Total current assets	27,116,883	165,691,990	25,917,364
Noncurrent assets:			
Restricted cash and cash equivalents (Notes 2 & 4)	9,107,069	7,227,729	4,737,872
Property and equipment, at cost:			
Land and water rights (Note 5)	16,503,224	42,331,128	4,187,449
Buildings (Note 5)	31,442,812	325,062,687	45,547,371
Improvements other than buildings (Note 5)	210,381,919	609,615,301	70,304,740
Machinery and equipment (Note 5)	19,808,611	74,770,763	27,583,837
Construction in progress (Note 5)	16,300,925	77,074,071	38,996,548
Work in Progress (Note 5)	-	-	-
Accumulated depreciation (Note 5)	(76,117,025)	(473,607,665)	(56,717,663)
Net property and equipment	218,320,466	655,246,285	129,902,282
Bond issue costs, less accumulated amortization of \$1,420,225	259,185	1,156,495	254,727
Loans and other long-term receivables	-	-	-
Land and buildings held for resale	-	-	-
Investment in joint venture (Note 18)	-	-	-
Deferred Charges	-	18,552,376	-
Other	1,813,686	203,354	1,406,826
Total noncurrent assets	229,500,406	682,386,239	136,301,707
Total assets	\$ 256,617,289	\$ 848,078,229	\$ 162,219,071

The notes accompanying notes are an integral part of this statement

Business-type Activities Enterprise Funds				Governmental Activities- Internal Service Funds
Housing Loans	Redevelopment Agency	Nonmajor Proprietary Funds	Total	
\$ 9,285,664	\$ 57,332,203	\$ 14,639,810	\$ 268,262,492	\$ 16,000,385
-	11,342,936	-	11,342,936	-
-	955,068	-	955,068	-
-	-	1,531,981	28,803,257	1,665,409
1,893,411	3,928,336	-	5,821,747	-
-	-	-	1,567,176	-
-	-	-	67,939	46,835
-	-	444,737	3,259,768	515,374
<u>11,179,075</u>	<u>73,558,543</u>	<u>16,616,528</u>	<u>320,080,383</u>	<u>18,228,003</u>
 110,485	 -	 3,827,671	 25,010,826	 1,043,569
-	16,436,520	6,192,958	85,651,279	62,741
-	-	9,286,918	411,339,788	193,097
-	40,845,458	92,002,022	1,023,149,440	-
-	94,589	17,369,180	139,626,980	49,853,382
-	-	40,111,804	172,483,348	-
-	3,839,086	-	3,839,086	9,808
-	(20,836,872)	(40,379,043)	(667,658,268)	(31,620,986)
-	40,378,781	124,583,839	1,168,431,653	18,498,042
-	285,740	80,440	2,036,587	-
33,946,219	25,303,096	-	59,249,315	-
1,135,957	14,789,390	-	15,925,347	-
-	-	21,612,053	21,612,053	-
-	-	-	18,552,376	-
-	-	-	3,423,866	-
<u>35,192,661</u>	<u>80,757,007</u>	<u>150,104,003</u>	<u>1,314,242,023</u>	<u>19,541,611</u>
<u>\$ 46,371,736</u>	<u>\$ 154,315,550</u>	<u>\$ 166,720,531</u>	<u>\$ 1,634,322,406</u>	<u>\$ 37,769,614</u>

-(continued)-

SALT LAKE CITY CORPORATION  
STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS  
June 30, 2006

	Business-type Activities- Enterprise Funds		
	Water Utility	Department of Airports	Sewer Utility
<u>LIABILITIES</u>			
Current liabilities:			
Accounts payable	\$ 3,517,468	\$ 8,880,093	\$ 2,310,791
Accrued liabilities	567,552	9,707,114	207,270
Current portion of long-term compensation liability (Note 6)	298,997	493,902	58,790
Current portion of long-term debt:			
Payable from unrestricted assets (Note 6)	997,498	697,348	461,067
Payable from restricted assets (Note 6)	712,502	1,952,652	329,333
Deferred revenue	-	-	-
Accrued interest, payable from restricted assets	474,666	40,389	444,960
Current deposits and advance rentals	500,348	6,848,917	-
Total current liabilities	7,069,031	28,620,415	3,812,211
Noncurrent liabilities:			
Deposits, advance rentals and long-term accruals	103,151	102,975	60,195
Other liabilities payable from restricted assets	-	-	-
Bonds, mortgages, and notes payable	21,667,192	46,462,009	22,880,141
Long-term compensation liability	2,169,373	3,409,408	412,485
Total noncurrent liabilities	23,939,716	49,974,392	23,352,821
Total liabilities	31,008,747	78,594,807	27,165,032
<u>NET ASSETS</u>			
Invested in capital assets, net of related debt	195,202,459	606,134,276	107,975,476
Restricted for debt service	8,606,721	4,664,100	1,384,500
Unrestricted	21,799,362	158,685,046	25,694,063
Total net assets	225,608,542	769,483,422	135,054,039
Total liabilities and net assets	\$ 256,617,289	\$ 848,078,229	\$ 162,219,071

The notes accompanying notes are an integral part of this statement

Business-type Activities Enterprise Funds				Governmental Activities- Internal Service Funds
Housing Loans	Redevelopment Agency	Nonmajor Proprietary Funds	Total	
\$ 80,452	\$ 2,372,927	\$ 2,367,685	\$ 19,529,416	\$ 1,014,850
-	19,917	304,838	10,806,691	6,721,727
-	8,442	210,146	1,070,277	119,919
527,004	-	1,110,773	3,793,690	2,858,870
110,485	5,544,482	104,000	8,753,454	-
-	-	21,468	21,468	145,811
-	318,834	140,514	1,419,363	-
-	62,358	251,963	7,663,586	-
717,941	8,326,960	4,511,387	53,057,945	10,861,177
-	30,203,374	17,522	30,487,217	-
-	-	-	-	1,043,569
11,755,195	29,387,455	8,761,076	140,913,068	2,931,865
-	80,650	616,034	6,687,950	1,063,450
11,755,195	59,671,479	9,394,632	178,088,235	5,038,884
12,473,136	67,998,439	13,906,019	231,146,180	15,900,061
-	25,031,242	114,688,430	1,049,031,883	11,663,738
11,865,680	9,790,660	2,983,121	39,294,782	-
22,032,920	51,495,209	35,142,961	314,849,561	10,205,815
33,898,600	86,317,111	152,814,512	1,403,176,226	21,869,553
<u>\$ 46,371,736</u>	<u>\$ 154,315,550</u>	<u>\$ 166,720,531</u>	<u>\$ 1,634,322,406</u>	<u>\$ 37,769,614</u>

The notes accompanying notes are an integral part of this statement

Salt Lake City Corporation  
Reconciliation of the Proprietary Funds Statement of Net Assets to the Primary Government  
business-type Statement of Net Assets  
Year ended June 30, 2006

Total assets for Proprietary Funds	\$ 1,634,322,406
Internal service fund allocation for proprietary funds - prior year	162,132
Internal service fund allocation for proprietary funds - current year	<u>(275,071)</u>
Total assets for Primary government business-type activities	<u><u>\$ 1,634,209,467</u></u>
Total net assets for Proprietary Funds	\$ 1,403,176,226
Internal service fund allocation for proprietary funds - prior year	162,132
Internal service fund allocation for proprietary funds - current year	<u>(275,071)</u>
Total net assets for Primary government business-type activities	<u><u>\$ 1,403,063,287</u></u>

The accompanying notes are an integral part of this statement

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SALT LAKE CITY CORPORATION  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS  
PROPRIETARY FUNDS  
Year ended June 30, 2006

	Business-type Activities Enterprise Funds		
	Water Utility	Department of Airports	Sewer Utility
Operating revenue:			
Sales and charges for services	\$ 50,199,080	\$ 95,032,741	\$ 16,654,164
Rental and other	1,666,760	1,750,358	221,525
Total operating revenue	51,865,840	96,783,099	16,875,689
Operating expenses:			
Personal services	14,056,277	31,855,658	5,763,863
Operating and maintenance	2,660,385	7,427,536	1,074,657
Charges and services	21,410,068	24,413,460	2,267,344
Depreciation and amortization	5,607,564	40,812,398	3,632,759
Participating airline rebate	-	4,981,216	-
Total operating expenses	43,734,294	109,490,268	12,738,623
Operating income (loss)	8,131,546	(12,707,169)	4,137,066
Nonoperating revenues (expenses):			
Interest income	1,289,151	5,868,368	1,082,146
Interest expense (net of amount capitalized of \$2,640,140)	(649,901)	(2,235,115)	92,732
Property taxes	-	-	-
Property tax refunds	-	-	-
Equity in joint venture income	-	-	-
Gain or (loss) on disposition of property and equipment	185,476	(2,255,849)	54,708
Total nonoperating revenues (expenses)	824,726	1,377,404	1,229,586
Capital Contributions			
Grants and other contributions	3,502,226	19,836,783	3,698,881
Passenger facility charges	-	40,386,628	-
Total capital contributions	3,502,226	60,223,411	3,698,881
Income before transfers	12,458,498	48,893,646	9,065,533
Transfers in	-	-	-
Transfers out	(44,806)	(43,615)	(19,235)
Increase in net assets	12,413,692	48,850,031	9,046,298
Net Assets July 1, 2005 as previously reported	213,194,850	720,633,391	126,007,741
Prior period adjustments (See Note 19)	-	-	-
Net Assets July 1, 2005 as restated	213,194,850	720,633,391	126,007,741
Net Assets June 30, 2006	\$ 225,608,542	\$ 769,483,422	\$ 135,054,039

The accompanying notes are integral part of this statement



Business-type Activities Enterprise Funds				Governmental Activities- Internal Service Funds
Housing Loans	Redevelopment Agency	Total Nonmajor Funds	Total	
\$ 1,120,865	\$ -	\$ 20,194,866	\$ 183,201,716	\$ 44,232,038
163,304	1,865,015	1,917,042	7,584,004	-
1,284,169	1,865,015	22,111,908	190,785,720	44,232,038
-	557,259	6,635,845	58,868,902	8,562,331
-	778,337	1,366,639	13,307,554	4,530,381
360,610	8,590,675	10,427,500	67,469,657	31,911,844
-	1,731,071	3,262,269	55,046,061	6,002,890
-	-	-	4,981,216	-
360,610	11,657,342	21,692,253	199,673,390	51,007,446
923,559	(9,792,327)	419,655	(8,887,670)	(6,775,408)
301,578	2,786,393	675,546	12,003,182	525,738
(642,063)	(4,174,727)	(47,636)	(7,656,710)	(247,983)
-	21,136,089	-	21,136,089	-
-	(110,106)	-	(110,106)	-
-	-	(4,663,456)	(4,663,456)	-
-	64,489	115,475	(1,835,701)	(63,155,796)
(340,485)	19,702,138	(3,920,071)	18,873,298	(62,878,041)
-	-	1,978,997	29,016,887	-
-	-	-	40,386,628	-
-	-	1,978,997	69,403,515	-
583,074	9,909,811	(1,521,419)	79,389,143	(69,653,449)
14,217,549	-	5,308,617	19,526,166	6,553,542
(1,486,927)	(1,604,251)	(13,966)	(3,212,800)	(12,013,947)
13,313,696	8,305,560	3,773,232	95,702,509	(75,113,854)
-	78,011,551	149,041,280	1,286,888,813	96,983,407
20,584,904	-	-	-	-
20,584,904	78,011,551	149,041,280	1,307,473,717	96,983,407
\$ 33,898,600	\$ 86,317,111	\$ 152,814,512	\$ 1,403,176,226	\$ 21,869,553

The accompanying notes are integral part of this statement

Salt Lake City Corporation  
Reconciliation of the Proprietary Funds Change in Net Assets to the Primary Government  
business-type Changes in Net Assets  
Year ended June 30, 2006

Change in net assets for Proprietary Funds	\$ 95,702,509
Internal service fund allocation for proprietary funds	<u>(275,071)</u>
Change in net assets for Primary government business-type activities	<u><u>\$ 95,427,438</u></u>

The accompanying notes are an integral part of this statement

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SALT LAKE CITY CORPORATION  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
Year ended June 30, 2006

	Water Utility	Department of Airports	Sewer Utility
Cash Flows from Operating Activities			
Receipts from customers and users	\$ 48,540,447	\$ 97,895,363	\$ 16,395,232
Payments to suppliers	(24,075,192)	(36,336,011)	(4,087,657)
Payments to employees	(14,136,705)	(34,350,051)	(5,719,957)
Loans made	-	-	-
Principal received on loans	-	-	-
Other receipts	-	39,860,072	-
	<u>10,328,550</u>	<u>67,069,373</u>	<u>6,587,618</u>
Net cash provided by (used in) operating activities			
	<u>10,328,550</u>	<u>67,069,373</u>	<u>6,587,618</u>
Cash flows from noncapital and related financing activities:			
Property taxes received	-	-	-
Payments received on interfund receivables	-	-	-
Payments made on interfund payables	-	-	-
Cash received on deposit - related parties	-	-	-
Transfers in	-	-	-
Transfers out	(44,806)	(43,615)	(19,235)
	<u>(44,806)</u>	<u>(43,615)</u>	<u>(19,235)</u>
Net cash provided by (used in) noncapital and related financing activities			
	<u>(44,806)</u>	<u>(43,615)</u>	<u>(19,235)</u>
Cash flows from capital and related financing activities:			
Proceeds from issuance of debt			
(net of discount and issuance costs)	-	-	-
Proceeds from sale of capital assets	177,025	783,451	51,356
Contributions for aid in construction	2,359,188	17,163,781	2,082,110
Payments on long-term obligations, net of capitalized interest	(2,712,729)	(5,857,386)	(1,858,304)
Payments for purchase and construction of capital assets, including capitalized interest	(14,131,545)	(72,581,192)	(12,302,872)
	<u>(14,131,545)</u>	<u>(72,581,192)</u>	<u>(12,302,872)</u>
Net cash used in capital and related financing activities			
	<u>(14,308,061)</u>	<u>(60,491,346)</u>	<u>(12,027,710)</u>

The accompanying notes are an integral part of this statement

Housing Loans	Redevelopment Agency	Total Nonmajor Proprietary Funds	Total	Governmental Activities- Internal Service Funds
\$ 2,614,686	\$ 1,865,015	\$ 21,932,553	\$ 189,243,296	\$ 44,510,374
(918,168)	(6,842,478)	(11,012,299)	(83,271,805)	(36,754,491)
-	(550,938)	(6,669,368)	(61,427,019)	(8,662,772)
(10,231,144)	(6,188,700)	-	(16,419,844)	-
1,661,598	2,211,577	-	3,873,175	-
-	-	-	39,860,072	-
<u>(6,873,028)</u>	<u>(9,505,524)</u>	<u>4,250,886</u>	<u>71,857,875</u>	<u>(906,889)</u>
-	21,136,089	-	21,136,089	-
-	-	-	-	-
-	-	-	-	-
-	93,952	-	93,952	-
14,217,549	-	-	14,217,549	6,553,542
<u>(1,486,927)</u>	<u>(1,604,251)</u>	<u>(13,966)</u>	<u>(3,212,800)</u>	<u>(6,705,330)</u>
<u>12,730,622</u>	<u>19,625,790</u>	<u>(13,966)</u>	<u>32,234,790</u>	<u>(151,788)</u>
1,426,560	-	1,411,250	2,837,810	3,744,447
-	120,000	115,475	1,247,307	554,756
-	-	729,506	22,334,585	-
(1,501,066)	(8,239,703)	(1,448,702)	(21,617,890)	(2,729,339)
-	(3,165,175)	(11,625,883)	(113,806,667)	(6,071,887)
<u>(74,506)</u>	<u>(11,284,878)</u>	<u>(10,818,354)</u>	<u>(109,004,855)</u>	<u>(4,502,023)</u>

(continued)

SALT LAKE CITY CORPORATION  
STATEMENT OF CASH FLOWS (continued)  
PROPRIETARY FUNDS  
Year ended June 30, 2006

	Water Utility	Department of Airports	Sewer Utility
Cash flows from investing activities:			
Proceeds from investments	-	-	-
Interest received on investments	1,289,151	6,026,083	1,082,146
Purchases of water stock	(26,882)	-	-
Net cash provided by investing activities	<u>1,262,269</u>	<u>6,026,083</u>	<u>1,082,146</u>
Net increase (decrease) in cash and cash equivalents	(2,762,048)	12,560,495	(4,377,181)
Cash and cash equivalents at beginning of year	<u>28,238,567</u>	<u>142,299,840</u>	<u>32,117,812</u>
Cash and cash equivalents at end of year	<u>\$ 25,476,519</u>	<u>\$ 154,860,335</u>	<u>\$ 27,740,631</u>
Cash and cash equivalent components:			
Unrestricted	\$ 16,369,450	\$ 147,632,606	\$ 23,002,759
Restricted	<u>9,107,069</u>	<u>7,227,729</u>	<u>4,737,872</u>
Cash and cash equivalents at end of year	<u>\$ 25,476,519</u>	<u>\$ 154,860,335</u>	<u>\$ 27,740,631</u>
Cash flows from operating activities -			
Operating income (loss)	<u>\$ 8,131,546</u>	<u>\$ (12,707,169)</u>	<u>\$ 4,137,066</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation and amortization	5,607,564	40,812,398	3,632,759
Increase (decrease) due to changes in:			
Accounts receivable	(3,284,780)	228,064	(433,111)
Inventory	(168,110)	-	(15,618)
Other current assets	13,274	40,949,055	28,223
Due to other funds for cash overdraft	-	-	-
Accounts payable	59,875	(2,039,907)	(667,703)
Accrued liabilities affecting operating activities	23,065	-	(46,651)
Deferred revenue	-	-	-
Other liabilities	(53,884)	(173,068)	(47,347)
Long-term compensation liability	-	-	-
Total adjustments	<u>2,197,004</u>	<u>79,776,542</u>	<u>2,450,552</u>
Loans made to residents and businesses	-	-	-
Principal collected on loans	-	-	-
Net cash provided by (used in) operating activities	<u>\$ 10,328,550</u>	<u>\$ 67,069,373</u>	<u>\$ 6,587,618</u>
Noncash transactions affecting financial position:			
Contributions of capital assets from other entities	\$ 1,143,038	\$ -	\$ 1,616,771

The accompanying notes are an integral part of this statement

Housing Loans	Redevelopment Agency	Total Nonmajor Proprietary Funds	Total	Governmental Activities- Internal Service Funds
-	368,682	-	368,682	-
301,578	3,046,711	675,546	12,421,215	460,330
-	-	-	(26,882)	-
<u>301,578</u>	<u>3,415,393</u>	<u>675,546</u>	<u>12,763,015</u>	<u>460,330</u>
6,084,666	2,250,781	(5,905,888)	7,850,825	(5,100,370)
<u>3,311,483</u>	<u>66,424,358</u>	<u>24,373,369</u>	<u>296,765,429</u>	<u>22,144,324</u>
<u>\$ 9,396,149</u>	<u>\$ 68,675,139</u>	<u>\$ 18,467,481</u>	<u>\$ 304,616,254</u>	<u>\$ 17,043,954</u>
\$ 9,285,664	\$ 57,332,203	\$ 14,639,810	\$ 268,262,492	\$ 16,000,385
<u>110,485</u>	<u>11,342,936</u>	<u>3,827,671</u>	<u>36,353,762</u>	<u>\$ 1,043,569</u>
<u>\$ 9,396,149</u>	<u>\$ 68,675,139</u>	<u>\$ 18,467,481</u>	<u>\$ 304,616,254</u>	<u>\$ 17,043,954</u>
<u>\$ 923,559</u>	<u>\$ (9,792,327)</u>	<u>\$ 419,655</u>	<u>\$ (8,887,670)</u>	<u>\$ (6,775,408)</u>
-	1,764,450	3,262,269	55,079,440	6,002,890
502,421	-	(293,801)	(3,281,207)	-
698,449	-	-	514,721	(90,627)
828,096	-	126,377	41,945,025	(1,153,608)
-	-	-	-	(246,162)
(500,821)	1,954,152	787,652	(406,752)	554,929
(755,186)	542,164	(34,439)	(271,047)	805,071
-	-	-	-	(12,041)
-	-	15,046	(259,253)	-
-	3,160	(31,873)	(28,713)	8,067
<u>772,959</u>	<u>4,263,926</u>	<u>3,831,231</u>	<u>93,292,214</u>	<u>5,868,519</u>
(10,231,144)	(6,188,700)	-	(16,419,844)	-
<u>1,661,598</u>	<u>2,211,577</u>	<u>-</u>	<u>3,873,175</u>	<u>-</u>
<u>\$ (6,873,028)</u>	<u>\$ (9,505,524)</u>	<u>\$ 4,250,886</u>	<u>\$ 71,857,875</u>	<u>\$ (906,889)</u>
\$ -	\$ -	\$ 4,858,641	\$ 7,618,450	\$ -

The accompanying notes are an integral part of this statement

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## Fiduciary Funds

**Deferred Compensation Fund** - This fund is used to account for amounts deferred under the City's employee deferred compensation plan for which the City acts in a fiduciary capacity as trustee.

SALT LAKE CITY CORPORATION  
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES  
FIDUCIARY FUNDS  
June 30, 2006

	Deferred Compensation Trust
<u>ASSETS</u>	
Restricted investments:	
Utah State Treasurer's Pool	<u>\$ 1,146,373</u>
 <u>NET ASSETS</u>	
Held in trust for pension benefits and other purposes	<u>\$ 1,146,373</u>

The accompanying notes are an integral part of this statement

SALT LAKE CITY CORPORATION  
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
Year ended June 30, 2006

	Deferred Compensation Trust
	<u>                    </u>
Additions:	
Investment income	\$      47,646
	<u>                    </u>
Total additions	<u>            47,646</u>
Deductions:	
Investment expenses	-
Benefits	<u>            35,000</u>
Total deductions	<u>            35,000</u>
Changes in Net Assets	12,646
Net Assets July 1, 2005	<u>          1,133,727</u>
Net Assets June 30, 2006	<u><u>      \$   1,146,373</u></u>

The accompanying notes are an integral part of this statement

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## Notes to the Financial Statements

SALT LAKE CITY CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2006

1. Summary of Significant Accounting Policies

Salt Lake City Corporation (the City) was incorporated January 6, 1851. The City operates under a Council-Mayor form of government and provides services to residents and businesses in many areas including police and fire protection, street maintenance, refuse collection, planning and zoning, building construction inspection, parks and recreation, prosecution, water, sewer, storm water, airports, and general administrative services.

Reporting Entity

For financial reporting purposes, the reporting entity includes all funds, agencies and authorities for which the City holds corporate powers and all component units for which the City is financially accountable. The Governmental Accounting Standards Board (GASB) in its Statement No. 14, *The Financial Reporting Entity* and Statement No. 39, *Determining Whether Certain Organizations Are Component Units* has established criteria to consider in determining financial accountability. The criteria are: appointment of a majority of the voting members of an organization's governing board, and either (1) the City has the ability to impose its will on the organization or (2) there is potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the City.

As required by Generally Accepted Accounting Principles (GAAP), these financial statements present the City, the primary government, and its component units. The component units are included in the City's reporting entity because of the significance of their operational or financial relationship with the City. The following funds, all with fiscal years ended June 30, 2006, have separately issued financial statements that can be obtained from their respective administrative offices: (1) The Arts Council (a special revenue fund), (2) the Water, Sewer and Storm Water Utility Funds (enterprise funds) and (3) the Department of Airports (an enterprise fund).

Blended Component Units

The Municipal Building Authority and the Redevelopment Agency of Salt Lake City are legally separate entities from the City, but are part of the City and are blended into the internal service and enterprise funds, respectively. The Redevelopment Agency has separately issued financial statements for the year ended June 30, 2006, which are available at the Agency's administrative office. The sole purpose of the Municipal Building Authority is to serve the City as a financing agency for debt financed projects. The sole purpose of the Redevelopment Agency is the elimination of blight through the process of redevelopment in designated project areas within the boundaries of the City. The Salt Lake City Council serves as the Board of Directors of both the Municipal Building Authority and the Redevelopment Agency.

Discretely Presented Component Unit

The discrete component unit is the Salt Lake City Library. It is legally separate from, but financially accountable to the City, as the City can impose its will on the Library. It provides services to residents rather than to the City and therefore meets the criteria of a discretely presented component unit. The Salt Lake City Library is a governmental fund and has separately issued financial statements for the year ended June 30, 2006, which are available at the administrative offices of the Library.

Joint Venture

The City is a fifty percent partner with Salt Lake County in a joint venture known as the City/County Landfill. The purpose of this joint venture is to provide solid waste management and disposal services (see note 18).

Related Organizations

The City also has activities with three other related organizations, the Metropolitan Water District, the Housing Authority of Salt Lake City and the Salt Lake City Mosquito Abatement District. City officials appoint members of these three boards, but the City's accountability does not extend beyond making the appointments.

SALT LAKE CITY CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2006

Basis of Presentation - Government-wide and fund financial statements

Government-wide statements are comprised of the statement of net assets and the statement of activities. They contain information on all of the activities of the primary government and its component units except for fiduciary activities. Most effects of inter-fund activities have been eliminated from these statements. The exceptions are (1) payments-in-lieu-of-taxes the General Fund charges enterprise funds; (2) charges for water, sewer, storm-water and refuse that all customers pay to these enterprise funds and (3) charges for centrally provided services of the General Fund that benefit the receiving fund. Examples are payroll, purchasing, human resources and legal services. The government-wide statements for the primary government are separated based on the predominance of the type of revenues that support them. Governmental activities are normally supported by taxes and intergovernmental revenues, while business-type activities receive a significant portion of revenues from fees and charges for services. Certain entities that are legally separate, but financially accountable to the primary government are reported separately on the government-wide statements. The City currently has one of these entities, its discretely presented component unit.

The statement of activities is presented to show the extent that program revenues of a given activity support direct expenses. Direct expenses are those that can clearly be associated with a particular activity or program. Program revenues are: (1) charges to customers or others who purchase use or directly benefit from the services or goods provided by a given activity or segment or (2) grants or other contributions that are restricted to operating or capital needs of a specific activity or segment. General revenues are those revenues like taxes and other items that are not properly reported as program revenues.

Separate financial statements are included for governmental funds, proprietary funds and fiduciary funds. Fiduciary funds, however, are not included in the totals for the government-wide financial statements. Major individual governmental funds are reported in separate columns in the governmental funds statements, as are major individual proprietary funds in the proprietary funds statements.

Measurement focus and basis of accounting

Measurement focus refers to the types of assets that appear on the statement of net assets and changes to those same assets that appear on the statement of activities. The flow of financial resources measurement focus shows current assets and liabilities on the statement of net assets and changes to net current assets in the statement of activities. The flow of economic resources measurement focus shows total assets and liabilities on the statement of net assets and changes to net assets on the statement of activities. Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements.

Government-wide, proprietary and fiduciary fund statements use the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized in the accounting period in which they are earned and expenses are recognized in the period incurred, regardless of the timing of the related cash flows. Unbilled fees for proprietary funds are recorded as receivables at year end. Property taxes are recorded as revenues in the year for which they are levied. Grants and similar other contributions are recognized as revenue as soon as the eligibility requirements of the provider have been met.

The City's major enterprise funds are: (1) Water Utility Fund, (2) The Department of Airports, (3) Sewer Utility Fund, (4) Housing Loans Fund and (5) Redevelopment Agency of Salt Lake City, whose purpose is described previously in the section titled "Blended Component Units". The Water Utility collects or purchases fresh water, treats it and delivers potable water to nearly all residents and business located in the City and many residents and business located geographically outside the boundaries of the City. The Department of Airports operates the Salt Lake City International Airport, Airport II and the Tooele Valley Airport, the latter two of which are located outside the boundaries of The City. The Housing Loans Fund provides loans to low and moderate-income families and individuals. Resources for these loans are received from a variety of sources including federal government, state government, financial institutions and internally generated sources. The Housing Loans Fund also services these same loans. The Sewer Utility Fund provides treatment and disposition services for waste water.

In addition to the major enterprise funds, The City also operates four non-major enterprise funds and six internal service funds. The non-major enterprise funds are the Intermodal Hub, Storm Water Utility, Golf and Refuse. The Intermodal Hub is a fund whose purpose is to provide a central connecting point between the City's inter-

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state passenger bus and rail lines to the commuter bus and light rail systems. The Storm Water Utility provides treatment and disposition services for storm runoff. The Golf Fund operates all City owned golf courses, while the Refuse Fund provides refuse collection and recycling services for residences and businesses of the City. Internal service funds provide services to other departments or agencies of the City on a cost reimbursement basis. The internal service funds are Fleet Management, Information Management, Risk Management, Governmental Immunity, Municipal Building Authority and the Copy Center. The Fleet Management fund owns and services all vehicles of the governmental funds and services vehicles owned by many of the enterprise funds. Information Management maintains the infrastructure for the hard-wired telephone system, centralized computer services and the network of personal computers. Risk Management provides centralized services for the employee benefits of health, life, accident, dental, long-term disability as well as unemployment, workers' compensation and property insurance needs. The Governmental Immunity Fund manages the City's general liability activities. The Municipal Building Authority's purpose is discussed previously in the section titled "Blended Component Units", while the Copy Center provides centralized copying, printing and interdepartmental mail services.

The fiduciary fund is the Executive Deferred Compensation Fund. The City is the trustee for this fund and manages it in accordance with provisions of the Utah State Money Management Act and the City's own ordinances, policies and procedures. In the past, city executives could elect to have some or all of their deferred compensation contributed to this fund, but it is now closed to further contributions.

Proprietary funds separate operating and non-operating revenues and expenses. Operating revenues and expenses normally arise from providing goods and services in connection with the fund's normal ongoing operations. The principal source of operating revenues for the proprietary funds and the internal service funds are charges to customers for goods and services. Operating expenses include the cost of sales and services, administrative overhead expenses and depreciation on capital assets. All other revenues or expenses are recorded as non-operating.

The City has adopted GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that use Proprietary Fund Accounting*. Accordingly, the City has elected to apply all applicable GASB pronouncements as well as Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) Opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements. Consequently, the City does not apply FASB pronouncements issued after November 30, 1989.

Governmental fund statements use the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis, revenues are recognized when they become measurable and available. "Measurable" means that amounts can be reasonably determined within the current period. "Available" means that amounts are collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. As a practical matter, the City uses two months as a cutoff for meeting the available criterion. Property taxes are considered "measurable" when levied and available when collected and held by Salt Lake County (the County). Any amounts not available are recorded as deferred revenue. Franchise taxes are considered "measurable" when collected and held by the utility company, and are recognized as revenue at that time. Other revenues that are determined to be susceptible to accrual include grants-in-aid earned and other intergovernmental revenues, charges for services, interest, assessments, inter-fund service charges, permits, fines, forfeitures, parking ticket and meter fees, and sale of property. Property taxes and assessments are recorded as receivables when levied or assessed; however, they are reported as deferred revenue until the "available" criterion has been met. Sales and use taxes collected by the state and remitted to the City within the "available" time period are recognized as revenue. Revenues collected in advance are deferred and recognized in the period to which they apply.

Revenues that are determined to not be susceptible to accrual because they are either not available soon enough to pay liabilities of the current period (two months) or are not objectively measurable include licenses, contributions, and miscellaneous revenues. These revenues are recognized when cash is received.

Expenditures are recognized in the accounting period in which the fund liability is incurred, except for long-term obligations (debt service payments and long term compensated absences) and related interest which are recognized as expenditures when due. Inventories of supplies are expended when purchased.



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The City has two major governmental funds, the General Fund and the Capital Projects Fund. The General Fund is the main operating fund. It accounts for all financial resources of the general government, except for those required to be accounted for in another fund. The Capital Projects Fund accounts for resources dedicated to the construction or improvement of capital assets, which may take more than one budgetary cycle to complete. These constructed or improved capital assets are for the benefit of any or all governmental funds. In addition to the listed major governmental funds, the City also has a total of ten non-major governmental funds: (1) the Arts Council, (2) Downtown Economic Development, (3) Community Development Block Grant (CDBG) Operating, (4) Other Grants Operating, (5) Street Lighting, (6) Demolition, Weed & Forfeiture, (7) Emergency 911 Dispatch, (8) Salt Lake City Donation, (9) Special Improvement Debt Service and (10) Other Improvements Debt Service. As their name implies, the last two are debt service funds while the first eight are special revenue funds.

Budgets and budgetary accounting

Budgets are legally required for governmental funds. The City has a policy of budgeting for proprietary funds. Annual budgets are prepared and adopted by the City Council on or before June 15 for the fiscal year commencing the following July 1, in accordance with Utah State law. The operating budget includes proposed expenditures and the proposed sources of financing for such expenditures. Prior to June 15, a public hearing is conducted to obtain taxpayer input. Budgets are adopted by ordinance in total for each department. Expenditures cannot exceed appropriations at the department level. For budgetary purposes, the City considers each enterprise fund to be a department. Management can move budgeted amounts from one line item to another within a department or decrease appropriations. The City Council can increase appropriations after holding a public hearing. During the year ended June 30, 2006, the City Council passed several supplementary appropriations.

The General Fund budget is prepared using the modified accrual basis of accounting adjusted for encumbrances and changes in compensated absences. Encumbrance accounting is used by the City to assure effective budgetary control and accountability, and to comply with State law. However, only the General Fund budget is prepared under the assumption that actual expenditures will be adjusted for encumbrances. Unencumbered General Fund appropriations lapse at year end. Encumbered amounts carry over to the subsequent year and are shown as a reservation of fund balance. Generally accepted accounting principles require that open encumbrances not be reported with expenditures. However, in the General Fund budget to actual financial statement, the actual amounts are adjusted to include encumbrances. Compensated absences are budgeted on a cash basis. Non-cash changes in the balances of compensated absences are therefore eliminated for budgetary purposes. Capital lease purchases are budgeted in the year payments are due rather than in the year purchased.

Budgets for the Special Revenue Funds, Debt Service Funds and the Capital Projects Fund are also prepared using the modified accrual basis of accounting and are adopted on an annual basis. The budget for the Community Development Operating, Grants Operating (special revenue funds), and the Capital Projects Fund are prepared annually for a specific set of projects. The Debt Service Funds' budgets are not prepared by project. By state law only budgets in the Capital Projects Fund do not lapse at year-end. Therefore, any remaining budget in the Grants Operating Fund and the Community Development Operating Fund are re-appropriated by Council action in the following year. State law also requires a budget comparison for all funds for which an annual budget is adopted. In these three funds, the Council adopts the entire amount of the project, even though the project may not be completed in the first year. As a result, the budget comparisons on an annual basis may show large amounts of unexpended appropriations. Budgets for the Downtown Economic Development Fund, Street Lighting Fund, Demolition, Weed Abatement & Forfeiture Fund, and Emergency 911 Fund (special revenue funds) lapse at year end. Encumbrances are not reported as expenditures, but where necessary, are re-appropriated in the ensuing year's budget.

Budgets for the proprietary funds are prepared using the accrual basis of accounting except for depreciation, lease amortization, and the change in compensated absences, which are not budgeted. Budgets are adopted for the entire amount of estimated proceeds from the sale of property and equipment rather than on the gain or loss from the sale as is reported in the financial statements. Budgets are also adopted for the entire amount of any debt issued to finance multi-year acquisition and construction projects. Budget comparisons in the proprietary funds may therefore show large amounts of unexpended appropriations for construction projects. These unexpended amounts are re-appropriated the following year.

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Cash, Cash Equivalents and Investments

The City complies with GASB Statement No. 31 *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. The statement requires certain investments to be reported at fair value and the change in fair value to be included in revenues or expenses. The City's policy is to report all investments at fair value except for money market investments and interest-earning investment contracts with a remaining maturity at time of purchase of ninety days or less. These are reported at amortized cost. The City's investment in the State Treasurer's Pool has a fair value equivalent to the value of the pool shares. This pool is administered by the State of Utah and is regulated by the Money Management Council under provisions of the Utah State Money Management Act. In all statements, the City considers all highly liquid investments (including restricted assets) that mature within ninety days or less when purchased to be cash equivalents.

Inventories of supplies

Inventories of supplies for the proprietary fund types are stated at the lower of cost (using the first-in first-out method) or market. In the proprietary funds, inventory items are considered expenses when used (consumption method).

Depreciable capital assets

Capital assets are valued at historical cost or estimated historical cost for assets where actual historical cost was not available. Donated capital assets are valued at their estimated fair market value on the date donated. The City has a capitalization threshold of \$100,000 for infrastructure in the public right of way and \$3,000 for all other assets. The City follows GAAP by capitalizing a portion of its interest costs (net of any interest earned on related interest bearing investments acquired with proceeds of related tax-exempt borrowings) as a cost of constructed property and equipment in enterprise funds. Net interest capitalized for the year ended June 30, 2006, was \$2,640,140. Depreciation of capital assets is computed using the straight-line method over the following estimated useful lives:

Buildings	35-60 years
Building improvements	5-40 years
Improvements other than buildings	25-35 years
Machinery and equipment, including leased property under capital leases	3-20 years
Infrastructure in public way; Roads, signals, lights and bridges	20-50 years
Water and sewer lines	13-100 years
Construction in Progress is not depreciated until the asset is placed into service	

Bond Issuance Costs and Amortization

Amortization of bond issue costs and bond premiums or discounts are computed on the effective interest or straight-line method over the life of the related bonds. When the straight-line method is used, it approximates the effective interest method.

Property taxes

Ad valorem (based on value) property taxes constitute a major source of General Fund revenue. Taxes are levied through the passage of an ordinance in June of each year. The levy is applicable to only one year. All taxable property is required to be assessed and taxed at a uniform and equal rate on the basis of its fair market value. The State Tax Commission is required to assess certain statutorily specified types of property including public utilities and mining property. The county assessor is required to assess all other taxable property, and both entities are required to assess the respective types of property as of January 1, the assessment date. The County is then required to complete the tax rolls

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by May 15. By July 21, the county treasurer is to mail assessed value and tax notices to property owners. Then a taxpayer may petition the county board of equalization between August 1 and August 15 for a revision of the assessed value. Approved changes in assessed value are made by the county auditor by November 1 and on this same date the auditor is to deliver the completed assessment rolls to the county treasurer. Tax notices are mailed with a due date of November 30, and delinquent taxes are subject to a penalty. Unless the delinquent taxes and penalties are paid before January 15, a lien is attached to the property, and the amount of taxes and penalties bear interest from January 1 until paid. If after five years delinquent taxes have not been paid, the County sells the property at a tax sale. Tax collections are remitted to the City from the County on a monthly basis. With the July 1, 2000 adoption of Governmental Accounting Standards Board (GASB) Statement No. 33, more fully described below, the City changed its accounting for property taxes.

GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, defines a nonexchange transaction as one in which "a government either gives value to another party without directly receiving equal value in exchange or receives value from another party without directly giving equal value in exchange." For property taxes, at January 1 of each year (the assessment date), The City has the legal right to collect the taxes, and in accordance with the provisions of the new statement, has now recorded a receivable and a corresponding deferred revenue for the assessed amount of those property taxes as of January 1, 2005.

Interfund transactions

In the normal course of its operations, the City has various transactions between funds. Various City funds provide a number of services such as administrative, fleet maintenance, and information processing to certain other City funds. Charges are treated as revenues in the fund providing the service and as operating expenses in the fund receiving the service (see note 9). Transfers are recognized as transfers in and out, respectively, by the funds receiving and providing the transfer. Short-term payables are shown as due to/from other funds. Long-term payables are shown as advances to/from other funds.

Long-term liabilities

Long-term liabilities that will be financed from governmental funds are accounted for in the governmental activities portion of the government-wide statements, while those of proprietary funds are accounted for in their respective fund.

Use of Fund Balance

When both restricted and unrestricted fund balance is available to use for expenditure appropriation, the City's policy is to use restricted fund balance first.

Net Assets

The City's net assets are classified as follows: (1) Invested in capital assets, net of related debt, which consists of the total investment in capital assets, net of accumulated depreciation and reduced by the outstanding debt obligations related to those assets. To the extent debt has been incurred, but not yet expended for capital assets, such amounts are not included as a component of invested in capital assets, net of related debt; (2) Restricted for capital projects are amounts that are restricted by debt covenants to be expended for capital assets; (3) Restricted for debt service consists of that portion of net assets that is restricted by debt covenants for debt service; (4) Unrestricted net assets consist of everything else that does not meet the criteria above.

Land and buildings held for resale

The cost of land and buildings held for resale in the Housing Loans Fund and Redevelopment Agency (enterprise funds) are capitalized until the related property is subsequently sold. Land and buildings held for resale are carried at the lower of cost, market, or committed sales price. Costs of buildings and improvements that management determines are not recoverable are expensed. Gains and losses on dispositions of land and buildings held for resale are included in the operating statement.

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Use of Estimates in Preparing Financial Statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the management of the City to make estimates and assumptions that affect the reported amounts of assets and liabilities. Estimate use also requires the 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 results could differ from these estimates.

Total columns

The total columns shown on the accompanying fund financial statements are mathematical totals only and do not eliminate inter-fund transactions or include other entries required to present consolidated financial statements. The government-wide financial statements do, however, eliminate most inter-fund transactions and the double counting of revenues and expenses. They are therefore much closer to the consolidated financial statements presented in private sector accounting.

2. Cash, Cash Equivalents and Investments

The City maintains a cash pool and an investment pool that are available for use by all funds. Each fund type's portion of these pools is included in the combined balance sheet as "Cash and cash equivalents" and "Investments". Also included are investments separately held by several of the City's funds.

It is the policy of Salt Lake City Corporation to invest public funds in accordance with the principles of sound treasury management and in compliance with state and local laws, regulations, and other policies governing the investment of public funds, specifically, according to the terms and conditions of the Utah State Money Management Act of 1974 and Rules of the State Money Management Council as currently amended (the "Act"), and the City's own written investment policy.

Public Treasurers may use investment advisers to conduct investment transactions on behalf of public treasurers as permitted by statute, Rules of the Money Management Council and local ordinance or policy. Investment advisers must be certified by the Director of the Utah State Division of Securities of the Department of Commerce (the "Director"). Broker/dealers and agents who desire to become certified dealers must be certified by the Director and meet the requirements of the Utah Money Management Council. (Rule 16 of the Act.) Only qualified depositories as certified by Utah's Commissioner of Financial Institutions are eligible to receive and hold deposits of public funds. (Rule 12 of the Act.) The Utah Money Management Council issues a quarterly list of certified investment advisers, certified dealers, and qualified depositories authorized by state statute to conduct transactions with public treasurers. Transactions involving authorized deposits or investments of public funds may be conducted only through issuers of securities authorized by Section 51-7-11(3), qualified depositories included in the current state list, certified dealers included in the current state list, and qualified non-certified dealers conducting transactions through certified investment advisers. All securities purchased through a certified investment adviser or certified dealer are required to be delivered to the custody of the City Treasurer or to the City's safekeeping bank or trust company.

The City may place public money in investments/deposits 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: (1) Obligations of the U.S. Treasury and most Government-Sponsored Agencies; (2) Commercial paper that is classified as "first tier" by two nationally recognized statistical rating organizations, one of which must be Moody's Investors Service or Standard & Poor's; (3) Bankers' Acceptances; (4) Publicly traded fixed rate corporate obligations rated "A" or higher, or the equivalent of "A" or higher, by two nationally recognized statistical rating organizations; (5) Certain variable rate securities and deposits with the same rating requirements as the fixed rate corporate obligations; (6) Deposits with the State Public Treasurer's Investment Pool; (7) Certain fixed rate negotiable deposits with a qualified depository or through a certified dealer; (8) Qualifying repurchase agreements; (9) Open-end managed money market mutual funds; (10) Utah State Treasurer's Investment Pool; (11) Investments with deferred compensation plan administrators.

The City did not enter into any reverse repurchase agreements during the year ended June 30, 2006.

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City policy provides that not more than 25% of 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 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.

The City's deposits are insured up to \$100,000 per account by the Federal Deposit Insurance Corporation. Deposits above the \$100,000 per account are exposed to custodial credit risk. Custodial credit risk for deposits is the risk that in the event of a bank failure, the City's deposits may not be recovered. The bank balance of the Primary Government's deposits totaled \$1,468,629. Of this amount, \$148,319 was insured and the remaining \$1,320,310 was uninsured and uncollateralized. The bank balance of the Library component unit totaled \$66,124, all of it fully insured by federal depository insurance. The City has no formal policy regarding deposit credit risk.

Investments - The City Treasurer may take physical delivery of securities or may use a qualified depository bank for safekeeping securities. An account with a money center bank may be maintained for the purpose of settling investment transactions, safekeeping and collecting those investments. A safekeeping receipt issued by a qualified depository supports repurchase agreements with qualified depositories; otherwise, the securities are held in the custody of the City Treasurer or the City's safekeeping bank or trust company. Deposit receipts issued by the State Treasurer's Office support investments in the State Treasurer's Pool. All funds pledged or otherwise dedicated to the payment of interest and principal of bonds issued by the City are invested in accordance with the terms and borrowing instruments applicable to such bonds. City policy also provides that the remaining term to maturity of an investment may not exceed the period of availability of the funds invested. The investment of City funds cannot be of a speculative nature.

Custodial credit risk for investments is the risk that, in the event of a failure of the counter party, the City will not be able to recover the value of the investment or collateral securities that are in the possession of an outside party. Of the total \$399,638,717 invested by the City, \$57,010,637 was exposed to custodial credit risk. The entire amount exposed was held in the City's name by the counterparty. The Library Component unit had \$518,824 exposed to custodial credit risk with the entire amount held in the Library's name by the counter party. The City has no formal policy with respect to investment custodial credit risk.

Investment interest rate risk is the risk that changes in interest rates of debt investments will adversely affect the fair value of an investment. The City currently has no policy regarding investment interest rate risk. The table on the following page shows the maturities of the City's investments.

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	Fair Value	Investments maturities (in years)			
		Less than 1	1 - 5	6 - 10	More than 10
Primary government:					
Debt Securities					
U.S. Agency Notes	\$ 8,935,180	\$ -	\$ 8,935,180	\$ -	\$ -
U.S. Treasury Bills	955,068	642,646	312,422	-	-
Money market mutual funds	44,335,884	44,335,884	-	-	-
Corporate notes	2,998,740	2,998,740	-	-	-
	<u>57,224,872</u>	<u>\$ 47,977,270</u>	<u>\$ 9,247,602</u>	<u>\$ -</u>	<u>\$ -</u>
Other investments					
Investment in State Treasurer's Pool	342,413,845				
Total investments, primary government	<u>\$ 399,638,717</u>				
Component units:					
Debt Securities -					
Repurchase agreements	\$ 518,824	<u>\$ 518,824</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Other investments					
Investment in State Treasurer's Pool	5,559,279				
Total investments, component units	<u>\$ 6,078,103</u>				

Investment credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Salt Lake City's policy is to follow the previously described Utah Money Management Act to reduce exposure to investment credit risk. The City's rated debt investments are shown in the table below using Standard and Poor's rating scale. The Library Component unit did not have any investments subject to investment credit risk.

	Fair Value	Quality Ratings			
		AAAm	Am	A1m	Unrated
Primary government:					
Debt Securities					
U.S. Agency Notes	\$ 8,935,180	\$ 8,935,180	\$ -	\$ -	\$ -
Money market mutual funds	44,335,884	37,458,568	-	-	6,877,316
Corporate notes	2,998,740	-	2,998,740	-	-
Investment in State Treasurer's Pool	342,413,845	-	-	-	342,413,845

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. Salt Lake City's policy is to follow the Rules of the Money Management Council. Rule 17 of the Money Management Council limits investments in a single issuer of commercial paper and corporate obligations to between 5% and 10% depending upon the total dollar amount held in the portfolio. The City had debt securities investments as June 30, 2006 with more than 5% of total investments at JP MorganChase. The total invested at this institution was 5.85%

A summary of restricted and unrestricted cash, cash equivalents and investments at June 30, 2006 is on the following page.

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	Primary Government	Component Units
Unrestricted cash and cash equivalents	\$ 359,989,429	\$ 585,233
Restricted cash and cash equivalents	39,744,857	-
Unrestricted investments	955,068	5,559,279
Restricted investments	1,146,373	-
Total	\$ 401,835,727	\$ 6,144,512
Deposits	\$ 2,076,592	\$ 65,034
Investments	399,638,717	6,078,103
Cash on hand	120,418	1,375
Total	\$ 401,835,727	\$ 6,144,512

Included in both deposits and investments are cash equivalents with an original maturity of ninety days or less. For statement of cash flows and balance sheet purposes, only those items with maturities of ninety days or less when purchased are considered cash and cash equivalents.

### 3. Loans Receivable

The Housing Loans Fund (an enterprise fund) provides loans to residents for improvements in existing housing within designated project areas. It also provides mortgage loans to residents within the same designated project areas. Some loans are payable in monthly installments, others are due on sale or transfer of ownership of the related property, and other loan payments are deferred. These loans have interest rates ranging from 0% to 7% and are collateralized by property or a letter of credit. Housing loans receivable as of June 30, 2006 were \$35,839,630, net of \$57,988 estimated as uncollectible.

The Grants Operating Fund (a special revenue fund) provides loans for commercial construction. The loans receivable at June 30, 2006 were \$5,055,630 net of an allowance for uncollectible loans of \$4,000,000. Most of these loans are payable in monthly or quarterly installments. One loan has no payment due until the related housing project realizes an operating profit, though interest continues to accrue. These loans have interest rates ranging from 0% to 8.5% and are collateralized by trust deeds on property with the City as a second mortgage holder or by equipment and other assets.

The Redevelopment Agency (RDA - an enterprise fund) provides housing loans to homeowners and construction loans to contractors within a designated area of the City. These loans total \$29,231,432 at June 30, 2006, are payable in monthly installments, bear interest from 0% to 7.0% and are collateralized by property, letters of credit or restricted cash accounts.

### 4. Restricted Assets

The bond resolutions require all bond proceeds and revenue earned on bond proceeds to be restricted to the payment of bond construction projects specified within the resolutions, the payment of bond principal and interest, and the renewal and replacement of specified property and equipment. Certain Water Utility certificates of deposit are also restricted for consumer deposits and for contributions for reservoir and supply line construction.

Restricted assets in the Department of Airports (an enterprise fund) are restricted under the revenue bond resolution for the purpose of paying bond principal and interest and for construction of specific Airport facilities. Also, certain assets are restricted for operating and maintenance costs, and for renewal and replacement of property and equipment.

Restricted assets in the Redevelopment Agency (an enterprise fund) are restricted by provision of bond resolutions.

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Restricted assets in the Demolition, Weed and Forfeiture special revenue fund are restricted while awaiting the adjudication of Police Department asset seizures related to criminal cases.

Restricted assets in the Housing Loans Fund (an enterprise fund) are restricted for use in accordance with grant or financing provisions.

Restricted assets in the Capital Projects Fund are restricted debt proceeds to be used for capital construction.

Restricted assets in the Water, Sewer and Storm Water Utilities (enterprise funds) are restricted by bond resolution or contractual agreement for debt service.

Restricted assets in the Fleet Management internal service fund are assets held by a trustee and are restricted for the purchase of capital equipment funded by debt proceeds..

Restricted assets in the Other Improvement debt service funds are restricted for debt service.

5. Capital Assets

The following table and the one on the following page summarize the changes in capital assets for governmental and business-type activities during the year ended June 30, 2006:

Primary Government	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 165,329,841	\$ 11,145,679	\$ (7,404,846)	\$ 169,070,674
Construction in progress	14,254,628	9,136,094	(7,047,149)	16,343,573
Total capital assets, not being depreciated	<u>179,584,469</u>	<u>20,281,773</u>	<u>(14,451,995)</u>	<u>185,414,247</u>
Capital assets, being depreciated				
Buildings	211,679,858	52,617,029	(66,642,291)	197,654,596
Improvements other than buildings	37,900,135	4,244,658	(15,688,016)	26,456,777
Machinery and equipment	73,910,695	11,610,109	(8,432,891)	77,087,913
Infrastructure	219,948,512	10,097,818	-	230,046,330
Total capital assets being depreciated	<u>543,439,200</u>	<u>78,569,614</u>	<u>(90,763,198)</u>	<u>531,245,616</u>
Less accumulated depreciation:				
Buildings	35,858,591	4,549,937	(12,201,797)	28,206,731
Improvements other than buildings	13,699,219	1,223,944	(7,916,914)	7,006,249
Machinery and equipment	49,305,691	6,980,028	(8,837,914)	47,447,805
Infrastructure	91,287,891	5,116,245	-	96,404,136
Total accumulated depreciation	<u>190,151,392</u>	<u>17,870,154</u>	<u>(28,956,625)</u>	<u>179,064,921</u>
Total capital assets, being depreciated net	<u>353,287,808</u>	<u>60,699,460</u>	<u>(61,806,573)</u>	<u>352,180,695</u>
Governmental activities capital assets, net	<u>\$ 532,872,277</u>	<u>\$ 80,981,233</u>	<u>\$ (76,258,568)</u>	<u>\$ 537,594,942</u>

(Continued)



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5. Capital Assets - Continued

Business-type activities	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 85,355,450	\$ 2,536,239	\$ (2,240,410)	85,651,279
Construction in progress	139,596,273	45,842,700	(9,116,539)	176,322,434
Total capital assets, not being depreciated	<u>224,951,723</u>	<u>48,378,939</u>	<u>(11,356,949)</u>	<u>261,973,713</u>
Capital assets, being depreciated				
Buildings	401,877,800	10,944,013	(1,482,024)	411,339,789
Improvements other than buildings	960,343,694	63,266,746	(461,001)	1,023,149,439
Machinery and equipment	133,034,826	12,058,280	(5,466,126)	139,626,980
Total capital assets being depreciated	<u>1,495,256,320</u>	<u>86,269,039</u>	<u>(7,409,151)</u>	<u>1,574,116,208</u>
Less accumulated depreciation:				
Buildings	174,075,914	12,325,367	(19,826,871)	166,574,410
Improvements other than buildings	362,415,453	52,699,315	(1,415,922)	413,698,846
Machinery and equipment	82,747,555	9,001,055	(4,363,601)	87,385,009
Total accumulated depreciation	<u>619,238,922</u>	<u>74,025,737</u>	<u>(25,606,394)</u>	<u>667,658,265</u>
Total capital assets, being depreciated net	<u>876,017,398</u>	<u>12,243,302</u>	<u>18,197,243</u>	<u>906,457,943</u>
Business-type activities capital assets, net	<u>\$ 1,100,969,121</u>	<u>\$ 60,622,241</u>	<u>\$ 6,840,294</u>	<u>\$ 1,168,431,656</u>

Depreciation expense for the year ended June 30, 2006 for governmental and business type activities is shown in the table below:

	Depreciation Expense
Governmental activities:	
General Government	
City Council	\$ 5,298
Mayor	4,522
City Attorney	12,456
Management Services	2,929,637
Fire	436,907
Police	1,104,847
Community and Economic Development	39,339
Public Services	2,209,851
Infrastructure Depreciation	5,116,245
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	6,002,890
Total depreciation expense - governmental activities	<u>\$ 17,861,992</u>
Business-type activities:	
Water	\$ 5,583,264
Airport Authority	40,812,399
Sewer	3,618,272
Housing	-
Redevelopment Agency	1,731,071
Other activities	3,251,826
Total depreciation expense - business-type activities	<u>\$ 54,996,832</u>

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Capital asset information for the City's component unit, the Salt Lake City Library shows as follows:

Component Unit - Library	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 590,554	\$ -	\$ -	\$ 590,554
Total capital assets, not being depreciated	590,554	-	-	590,554
Capital assets, being depreciated				
Buildings	8,167,620	98,594	-	8,266,214
Improvements other than buildings	317,116	-	-	317,116
Machinery and equipment	19,120,307	1,720,782	(1,403,740)	19,437,349
Total capital assets being depreciated	27,605,043	1,819,376	(1,403,740)	28,020,679
Less accumulated depreciation:				
Buildings	2,636,395	353,458		2,989,853
Improvements other than buildings	243,340	15,974		259,314
Machinery and equipment	9,399,735	2,580,312	(1,403,740)	10,576,307
Total accumulated depreciation	12,279,470	2,949,744	(1,403,740)	13,825,474
Total capital assets, being depreciated net	15,325,573	(1,130,368)	-	14,195,205
Component unit capital assets, net	\$ 15,916,127	\$ (1,130,368)	\$ -	\$ 14,785,759

6. Long-term obligations

Changes in long-term obligations

Revenue bonds and other long-term liabilities directly related to and intended to be paid from proprietary funds are included in the accounts of such funds. All other long-term obligations of the City are accounted for in the Governmental Activities of the government-wide statements. The table on the following page summarizes changes in long-term obligations for the year ended June 30, 2006.

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Long Term Debt	Amount of Original Issue (bonds only)	Balance June 30, 2005	Additions	Retirements	Balance June 30, 2006	Due Within One Year
<b>Governmental Activities</b>						
General obligation bonds - 1999	\$ 81,000,000	\$ 18,015,000	\$ -	\$ 3,235,000	\$ 14,780,000	\$ 3,385,000
General obligation bonds - 2001	22,650,000	14,975,000	-	2,220,000	12,755,000	2,325,000
General obligation bonds - 2002	48,855,000	47,770,083	-	181,481	47,588,602	160,000
General obligation bonds - 2004	11,300,000	10,995,026	-	457,374	10,537,652	445,000
Special improvement bonds	3,147,000	1,404,000	472,000	311,000	1,565,000	275,000
Sales tax revenue bonds - 2004	17,300,000	15,782,640	-	1,527,461	14,255,179	2,075,000
Sales tax revenue bonds - 2005	47,355,000	47,136,940	-	1,495,077	45,641,863	950,000
Motor Fuel Excise tax revenue bonds - 1999	5,155,000	2,580,000	-	600,000	1,980,000	630,000
General Long-term compensation liability		14,924,671	6,903,400	6,986,032	14,842,039	1,749,442
<b>Internal Service Fund Debt:</b>						
ISF GE Capital Finance Note		5,605,101	3,744,447	2,515,244	6,834,304	2,858,870
ISF Long-term compensation liability		1,218,596	522,548	557,775	1,183,369	119,919
Total Governmental long-term debt		\$ 180,407,057	\$ 11,642,395	\$ 20,086,444	\$ 171,963,008	\$ 14,973,231
<b>Business-type Activities</b>						
Water 1997 Series	24,515,000	13,564,319	-	1,261,769	12,302,550	1,390,000
Sewer 2004 series	23,525,800	24,523,273	-	852,732	23,670,541	790,400
Storm 2004 Series	7,429,200	7,744,191	-	269,283	7,474,908	249,600
Water 2005 Series	11,075,000	11,457,422	-	382,780	11,074,642	320,000
Airport 2004A series	35,000,000	29,337,426	-	1,848,344	27,489,082	1,500,000
Airport 2004B series	26,875,000	22,917,054	-	1,294,127	21,622,927	1,150,000
Redevelopment Agency 1990 tax increment	24,268,008	13,533,008	-	777,585	12,755,423	724,482
Redevelopment Agency 1997A tax increment	16,505,000	6,695,582	-	1,583,086	5,112,496	1,630,000
Redevelopment Agency 1998A tax increment	24,600,000	11,211,179	-	2,623,266	8,587,913	2,715,000
Redevelopment Agency 2002a tax increment	16,190,000	8,859,433	-	383,328	8,476,105	475,000
Enterprise GE Capital Finance Note		1,166,683	1,411,250	566,663	2,011,270	725,022
Loan financing notes		11,714,787	1,426,560	859,148	12,282,199	527,004
Enterprise Notes Payable		720,804	-	231,133	489,671	240,151
Enterprise Long-term compensation liability		7,951,011	4,894,076	5,086,860	7,758,227	1,070,277
Total Business-type long-term debt		171,396,172	7,731,886	18,020,104	161,107,954	13,506,936
Total long-term debt		\$ 351,803,229	\$ 19,374,281	\$ 38,106,548	\$ 333,070,962	\$ 28,480,167

(Continued)

SALT LAKE CITY CORPORATION  
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6. Long-term obligations -- (continued)

	Amount of Original Issue (bonds only)	Balance June 30, 2005	Additions	Retirements	Balance June 30, 2006	Due Within One Year
Long Term Debt						
Component Units						
Library Long-term compensation liability		\$ 330,320	\$ -	\$ 33,127	\$ 297,193	\$ 52,217
Total component unit long-term debt		\$ 330,320	\$ -	\$ 33,127	\$ 297,193	\$ 52,217

The annual debt requirements to maturity, including principal and interest, as of June 30, 2006 are listed in the following tables for debt with regularly scheduled payments:

Year Ending June 30	Revenue Bonds				General Obligation Bonds	
	Governmental Activities		Business Activities		Governmental Activities	
	Principal	Interest	Principal	Interest	Principal	Interest
2007	\$ 3,655,000	\$ 2,708,860	\$ 10,944,482	\$ 5,737,605	\$ 6,315,000	\$ 4,410,081
2008	3,720,000	2,646,744	10,939,414	5,432,744	6,620,000	4,086,343
2009	3,875,000	2,489,812	13,934,776	8,759,664	6,875,000	3,770,257
2010	3,305,000	2,330,325	9,318,952	8,574,309	7,200,000	3,440,043
2011	3,440,000	2,191,550	24,215,305	14,368,408	7,550,000	3,080,274
2012-2016	19,550,000	8,590,038	44,667,494	30,089,990	27,560,000	10,620,647
2017-2021	24,815,000	3,222,875	28,480,000	1,388,201	21,400,000	2,900,281
2022-2026	-	-	-	-	2,305,000	218,312
Subtotal	62,360,000	24,180,204	142,500,423	74,350,921	85,825,000	32,526,238
Less discount and deferred loss	482,958	-	3,933,836	-	163,746	-
Net debt	\$ 61,877,042	\$ 24,180,204	\$ 138,566,587	\$ 74,350,921	\$ 85,661,254	\$ 32,526,238

Year Ending June 30	Special Assessment Bonds		Other Debt			
	Governmental Activities		Governmental Activities		Business Activities	
	Principal	Interest	Principal	Interest	Principal	Interest
2007	\$ 275,000	\$ 55,993	\$ 2,858,870	\$ 238,764	\$ 1,492,177	\$ 778,199
2008	258,000	46,847	2,015,720	138,494	1,370,008	714,348
2009	162,000	39,205	1,315,385	69,800	959,030	651,553
2010	167,000	33,419	644,329	22,320	990,896	601,800
2011	173,000	27,013	-	-	635,431	554,123
2012-2016	530,000	47,719	-	-	3,629,898	2,166,092
2017-2021	-	-	-	-	3,689,214	1,037,689
2022-2026	-	-	-	-	1,741,046	238,550
2027-2031	-	-	-	-	173,260	45,244
2032-2036	-	-	-	-	102,180	7,075
Total	\$ 1,565,000	\$ 250,196	\$ 6,834,304	\$ 469,378	\$ 14,783,140	\$ 6,794,673

Compensation Liabilities (Compensated Absences)

Vacation leave, compensatory leave, and the portion of sick leave that will eventually be paid are recognized as liabilities as they are earned. In the event of termination or retirement, an employee is reimbursed for

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unused accumulated vacation. Employees participating in Plan A are reimbursed for 25% of unused accumulated sick leave upon retirement, while those employees participating in Plan B are reimbursed for 50% of the earned balance of personal leave upon separation or retirement. Upon retirement any unused severance account balance is reimbursed at 100%. The liability for accumulated compensated absences at June 30, 2006 is reported in the individual funds except for the long-term portion relating to the governmental funds, which is recorded in the Governmental Activities column of the Government-wide Statements. Compensated absences have traditionally been liquidated by the fund to which the employee's salary is charged.

General Obligation Bonds

On March 1, 2001, The City issued \$22,650,000 in General Obligation Refunding Bonds Series 2001 with a final maturity in fiscal year 2011 and interest rates of 4.00 to 5.50 percent. The bonds were issued to fully pay all 1986 General Obligation bonds, including accrued interest, with maturity dates after June 15, 2001. The bond proceeds, including premium and accrued interest totaled \$23,770,390. The Series 2001 bonds are not subject to call and redemption prior to maturity.

On October 1, 1999, The City issued general obligation bonds in the amount of \$81,000,000 at interest rates of 5.00 to 5.75 percent and a final maturity date in fiscal 2019. The bonds were issued to demolish vacant courts and jail complexes, construct a new 200,000 square foot main library building, an adjacent plaza and an underground parking garage, make related improvements on the same block and replace a boiler system that serves current and future buildings on the block and on the block directly east. Part of the proceeds were used to defease a portion of the MBA Series 1993A bonds that were used to improve part of the demolished facilities (see below for a more detailed description of the defeasance). The bonds maturing on or prior to June 15, 2010 are not subject to optional redemption prior to maturity, while those maturing on or after June 15, 2011 are subject to redemption at the election of the City on June 15, 2010 and on any date thereafter, prior to maturity. The redemption price is equal to 100% of the principal amount plus accrued interest on the bonds redeemed. As noted below a portion of the 1999 bonds were defeased on August 7, 2002. The remaining balance of the defeased bonds at June 30, 2006 was \$45,355,000.

On August 7, 2002, The City issued General Obligation Bonds, Series 2002 with a par amount of \$48,855,000, an original issue premium amount of \$5,236,688 and issuance cost of \$312,670, netting to \$53,779,018. The proceeds of this bond were used for: (1) \$3,106,376 for City construction and (2) \$50,672,642 deposited in an irrevocable escrow account with an escrow agent to provide for all future debt service payments on the affected \$45,355,000 portion of the 1999 bonds. As a result, \$45,355,000 is considered to be defeased and the liability for those bonds was removed from the balance sheet. The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$5,317,642. This difference, reported as a reduction in bonds payable is charged as interest expense through June 30, 2019 using the effective interest method. The Series 2002 General Obligation Bonds maturing on or prior to June 15, 2017, are not subject to call and redemption prior to maturity. Those maturing on or after June 15, 2018 are subject to redemption at the option of the City on or any date after June 15, 2012. The redemption price is 100% plus accrued interest to the redemption date.

On April 22, 2004, the City issued General Obligation Bonds Series 2004A (Series 2004A) with a par amount of \$11,300,000. The bonds were issued with a premium of \$98,956 and the City paid \$169,463 in issue costs, resulting in net proceeds of \$11,229,493. The purpose of the bonds is to make improvements at Hogle Zoo and Tracey Aviary. The improvements at the zoo include an expansion of the elephant and rhinoceros exhibit along with the expansion and renovation of the feline building. The Tracey Aviary project consists of the acquisition and construction of an outdoor exhibit that includes yards, an enclosed walk-through flight cage, holding spaces and viewing areas. Bonds maturing on or prior to June 15, 2014 are not subject to call and redemption prior to maturity. Bonds maturing on or after June 15, 2015 are subject to redemption at the option of the City on June 15, 2014 or on any date thereafter, in whole or in part, as selected by the City at the redemption price of 100% of the principal amount plus any accrued interest to the redemption date.

Special Improvement Bonds with Governmental Commitment

Principal and interest on special improvement bonds are paid from special assessment collections. A separate fund, the Special Improvement Debt Service Fund, has been established to contain the receipts derived by the

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City from the special assessments levied upon the property included in the special improvement districts together with interest on the assessments and if necessary additional funds transferred by the City to the debt service fund. Under the terms of the special improvement bond resolutions and state law, the City has agreed to maintain a special improvement guaranty account for the benefit of the bondholders. This account is to receive a tax levy of .0002, unless the account is equal to or greater than 10% of all outstanding special improvement bonds issued after April 1, 1990. The special improvement guaranty account is \$315,223 at June 30, 2006. The City is legally obligated to transfer funds from the guaranty account if sufficient debt service funds are not available. The City is also committed to assume responsibility for the debt in the event of default. These bonds bear rates between 1.75 and 5.00 percent and have a final maturity in fiscal year 2016.

Motor Fuel Bonds

On December 1, 1999, the City issued \$5,155,000 Motor Fuel Excise Tax Revenue Bonds that bear interest at 4.45 to 5.15 percent and have a final maturity in fiscal year 2009. The 1999 series bonds, which are not subject to redemption, were issued to finance the construction or repair of streets located within the corporate boundaries of Salt Lake City, Utah. The City has pledged motor and special fuel excise taxes (Class C road funds) as collateral for these revenue bonds.

Sales Tax Revenue Bonds

On September 2, 2004, the City issued the Series 2004 Adjustable Rate Sales Tax Revenue Refunding Bonds in the par amount of \$17,300,000. The bonds have a final maturity date in fiscal 2015 and bear interest at a variable rate with a maximum of 15 percent. There was no original issue premium or discount associated with the sale. The purposes of the sale were to defease and fully refund the then \$16,420,000 outstanding balance of the Series 1993A Municipal Building Authority Lease Revenue Bonds. Proceeds of the Series 2004 sales tax bonds also paid accrued interest on the lease revenue bonds and \$253,222 in costs related to the issuance of the 2004 sales tax bonds. The City incurred a deferred loss of \$380,810 that will be amortized over what would have been the remaining life of the Series 1993 lease revenue bonds.

On June 21, 2005, the City issued the Series 2005A Sales Tax Revenue Refunding Bonds in the par amount of \$47,355,000 with interest rates of 3.00% to 5.00% and a final maturity date in fiscal 2021. The bonds were sold at a premium of \$4,011,338. The proceeds were used to defease the remaining outstanding principal balances of the Series 1999A, 1999B and 2001 Lease Revenue Bonds and to pay issuance costs of \$580,120. The City recognized a deferred loss of \$4,227,826 that will be amortized over the remaining life of the series 2005A bonds. At June 30, 2006, the remaining outstanding balances of the series 1999A, 1999B and 2001 lease revenue bonds are \$10,155,000, \$24,935,000 and \$11,155,000, respectively,

Water and Sewer Utility Bonds

The bond resolution approved in conjunction with the issuance of the Salt Lake City Water and Sewer Revenue Bonds provides, among other things, that certain funds be established and that certain accounting procedures be followed. Under the terms of the resolution, the City irrevocably pledged the net revenues of the Water and Sewer Utilities to the payment of the bonds and covenanted that rates will be established to yield net revenues, as defined, equal to at least 1.25 times the debt service to become due in the next fiscal year.

The Series 1993 Water and Sewer Revenue Refunding Bonds' (rates from 2.90 to 5.70 percent and final maturity in fiscal 2013) principal purpose was to refund a portion of the Series 1986 Bonds in the amount of \$9,635,000, maturing on or after February 1, 2001 through February 1, 2005, with an average interest rate of 7.5%. The series 1993 bonds were defeased on May 1, 2005 (see below). The balance outstanding on June 30, 2006 of these bonds was \$1,042,228.

On July 19, 1994, the Utilities issued \$14,000,000 in Water, Sewer, and Storm Water Improvement Revenue Bonds with interest rates from 3.50% to 3.65 percent and a final maturity in fiscal 2015. The principal purpose of these bonds is to finance construction of Water Utility capital improvement projects. The bonds were discounted by

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\$134,399 and incurred bond issue costs of \$235,634 resulting in net proceeds of \$13,629,967. A portion of the 1994 bonds was defeased on November 1, 1997. The defeased amount of \$7,960,000 was outstanding on June 30, 2006.

On November 1, 1997, the Water Utility issued \$24,515,000 in Revenue Bonds. The principal purpose of the Series 1997 bonds was to defease a portion of the 1991 and 1994 Series Bonds and to finance the acquisition of certain improvements to the water, sewer, and storm water system. The bonds have rates from 4.00 to 5.25 percent and a final maturity during fiscal 2017. Net proceeds (net of discount of \$135,465 and payment of bond issue costs of \$267,188) amounted to \$24,112,347. In addition to the remaining balance of the defeased 1994 bonds noted above, the defeased 1991 bonds had a June 30, 2006 outstanding balance of \$1,780,000. On May 1, 2005, a portion (\$7,805,000) of the 1997 bonds was defeased. On June 30, 2006, \$7,265,000 was outstanding.

On February 1, 2004, the Sewer and Storm-water Utilities issued \$30,955,000 in Revenue Bonds. The principal purpose of the Series 2004 bonds is to finance a major upgrade at the Sewer Treatment Plant and a new storm system trunk line. Net proceeds (after payment of bond issue costs of \$381,233) was \$33,344,480, including a \$2,389,480 premium.

On May 1, 2005, the Water Utility issued \$11,075,000 in revenue bonds that bear interest at 3.50 – 5.00 percent and have a final maturity date in Fiscal 2017. The sole purpose of the Series 2005 bonds is to fully defease the remaining balance of the Series 1993 Water and Sewer bonds and a portion of the Series 1997 Water Utility bonds. The Series 2005 revenue bonds include a deferred loss of \$366,980 on the refunding and an original issue premium of \$752,133.

Department of Airports Bonds

The bond resolution approved in conjunction with the issuance of the Airport revenue bonds provides, among other things, that certain funds be established and certain accounting procedures be followed. Under the terms of this resolution, the City irrevocably pledged the net revenues of the City airports to the payment of the bonds and covenanted that rates will be established to yield net revenues, as defined, equal to at least 1.25 times the debt service to become due in the next fiscal year.

On February 20, 2004, the Airport issued \$35,000,000 in Adjustable Rate Revenue Refunding Bonds, Series 2004A (the Series 2004A Bond). The principal purpose of the Series 2004A Bond was to refund in full the Series 2000A and 2001 bonds. The refunding created a deferred loss of \$1,237,397 due to unamortized issue and discount costs as well as unamortized interest income and expense generated by a terminated interest rate swap arrangement. The deferred loss and the swap income and expense will be amortized using the effective interest rate method over the life of the 2004A Bond. The capitalized issuance costs associated with the issuance of the Series 2004A bonds were \$492,482 and are being amortized over the life of the bond. There was no premium or discount associated with the issuance of the Series 2004A Bond.

On February 20, 2004, the Airport issued \$26,875,000 in Adjustable Rate Airport Revenue Refunding Bonds, Series 2004B (the “Series 2004B Bonds”). The principal purpose of the 2004B Bonds was to refund in full the Series 1993B Revenue Refunding Bonds. This refunding created a deferred loss of \$2,763,856 that will be amortized using the effective interest rate method over the life of the 2004B bonds. The capitalized issuance costs associated with the issuance of the 2004B bonds were \$877,453 and are being amortized over the life of the bonds.

Redevelopment Agency Bonds

The master indenture approved in conjunction with the issuance of Tax Increment Revenue Bonds provides, among other things, that certain funds are established and certain accounting procedures be followed. Under the terms of this indenture, the Redevelopment Agency irrevocably pledged the incremental property tax revenues and investment income of the Agency to the payment of the bonds and covenanted that the estimated annual tax increment revenues will be equal to at least 1.25 times the debt service to become due in the next fiscal year.

In December of 1990, the Redevelopment Agency as a participating member, remarketed \$24,268,008 of Utah Municipal Finance Cooperative Local Government Revenue Bonds (Senior Lien Obligation) at rates from 6.10 to 7.35 percent. The bonds were remarketed as \$10,735,000 current interest serial bonds due between March 1, 1994 and

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March 1, 2005 and \$13,533,008 capital appreciation bonds due March 1, 2006 to March 1, 2015. The bonds are collateralized by and will be repaid with incremental property taxes received by the Redevelopment Agency. The serial bonds are subject to redemption on interest dates beginning March 1, 2001 in inverse order of maturity at 100% of the principal amount plus accrued interest. The capital appreciation bonds are not subject to redemption. On June 3, 2002, the outstanding balance of the serial bonds was fully refunded. The capital appreciation bonds have imputed interest as there was no payment of interest on any of the maturities until March 1, 2006. The amount accreted in Fiscal 2006 totaled \$2,696,094 and the amount paid in fiscal 2006 but formerly accreted amounted to \$1,402,464.

On August 1, 1997, the Redevelopment Agency issued \$16,505,000 of Neighborhood Redevelopment Tax Increment Revenue Refunding Bonds Series 1997A with interest rates of 4.15 to 5.5 percent and a final maturity during fiscal year 2008. The net proceeds along with available reserve funds from the Series 89A Tax Increment bonds were used to fully pay the outstanding \$17,625,000 balance of the Series 89A Tax Increment bonds.

On March 1, 1998, the Redevelopment Agency issued \$24,600,000 of Neighborhood Redevelopment Tax Increment Revenue Bonds Series 1998A with interest rates of 3.8 to 4.65 and final maturity during fiscal year 2008. The Series 1998A Bonds were issued for the purpose of financing all or a portion of the costs of improvements related to the implementation of light rail service to downtown Salt Lake City, street lighting, plaza improvements, and other related costs in the Redevelopment Project Area.

On April 1, 2002 the Redevelopment Agency issued \$16,190,000 principal amount Central Business District Neighborhood Redevelopment Junior Lien Tax Increment Revenue Refunding Bonds Series 2002A at rates of 3.75 to 5.25 percent and a final maturity during fiscal year 2015. The agency received net proceeds of \$16,513,371, including accrued interest, original issue premium and issuance costs. The bonds were issued solely to fully refund the serial portion of the Series 1990 bonds and fully refund the remaining outstanding balance of the Series 1992 bonds.

Other

The various financing notes payable bear interest at 4.82 to 8.27 percent. Tax anticipation notes totaling \$21,000,000 were issued and repaid during fiscal 2006. These notes were issued to provide cash to the General Fund until property taxes were received from Salt Lake County.

7. Reserved Fund Equity

Amounts reserved for restricted assets represent that portion of fund balance or net assets that is legally restricted for the payment of debt service, operations and maintenance, renewal and replacement of property and equipment.

Amounts reserved for encumbrances represent that portion of fund balance that has been segregated pending vendor performance on purchase commitments or contracts outstanding at June 30, 2006.

Amounts reserved for guarantee of special improvement bonds represent that portion of fund balance restricted by state law to guarantee the payment of special improvement bond principal and interest.

Amounts reserved for the retirement of debt represent that portion of fund balance restricted by bond agreements for the payment of debt service requirements.

Amounts reserved for loans receivable represent the unpaid portion of the loan principal that is not related to offsetting obligations.

Amounts reserved for land and buildings held for resale represent the acquisition costs of real property purchased with the intent of reselling rather than holding for use as a capital asset.

8. Deficit Fund Balances/Net Assets, Expenditures and Other Uses that Exceed Appropriations in Individual Funds

Expenditures in the Arts Council Fund exceeded budget by \$46,250. Expenditures for events that occurred too late for any budget adjustments, incurred higher expenditures than budgeted.



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Transfers out exceeded budget in the following funds by the following amounts, CDBG Operating (\$1,554,356), Grants Operating (\$3,438,199), and Donations (\$333,293), special revenue funds, Capital Projects Fund (\$30,862), Water Utility (\$44,806), Sewer Utility (\$19,235), and Storm Water Utility (\$1,214), enterprise funds, Risk Management (\$6,376) internal services fund. These over budget conditions arose because of misclassifications in the budget between expenditures and transfers out.

9. General Fund Interfund Service Charges

The General Fund charges certain proprietary and special revenue funds, the Capital Projects Fund and the Library component unit for various services. These transactions have been recorded as revenue and expenses or expenditures to the funds as if they involved organizations external to the City, which are generally eliminated for the government wide statements. The amounts of the charges to those funds for the year ended June 30, 2006, are as shown on the following table:

	General Fund charges for:				Total
	Administrative services	Fire protection services	Police protection services	Engineering and other services	
Enterprise funds:					
Intermodal Hub	\$ -	\$ -	\$ -	\$ 81,195	\$ 81,195
Water Utility	587,156	-	-	15,862	603,018
Sewer Utility	106,768	-	-	243	107,011
Storm Water Utility	38,212	-	-	180,876	219,088
Airport	1,287,834	3,517,051	96,996	-	4,901,881
Refuse Collection	62,535	-	-	138,214	200,749
Golf	136,692	-	-	201,816	338,508
Redevelopment Agency	181,104	-	-	75,783	256,887
Internal service funds:					
Fleet Management	109,247	-	-	95,419	204,666
Information Management	108,244	-	-	-	108,244
Municipal Building Auth.	-	-	-	-	-
Governmental Immunity	55,528	-	-	-	55,528
Risk Management	176,022	-	-	-	176,022
Special revenue funds					
CDBG Operating Fund	-	-	-	1,118	1,118
Grants Operating Fund	-	-	-	17,972	17,972
E 911 Dispatch	6,669	-	-	-	6,669
Capital Projects Fund	-	-	-	1,569,017	1,569,017
Subtotal, primary government	2,856,011	3,517,051	96,996	2,377,515	8,847,573
Component unit - Library	16,209	-	-	-	16,209
Total reporting entity	<u>\$ 2,872,220</u>	<u>\$ 3,517,051</u>	<u>\$ 96,996</u>	<u>\$ 2,377,515</u>	<u>\$ 8,863,782</u>

10. Transfers

Transfers were made to and from several funds during the course of the year ended June 30, 2006. The principal reason for operating transfers is to provide the receiving fund resources to carry out the activities for which the receiving fund was created. The more significant examples are transfers from the General Fund to the Capital Projects Fund, to Fleet Management for the purchase of governmental fund vehicles, and to Governmental Immunity to pay

SALT LAKE CITY CORPORATION  
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June 30, 2006

general liability claims. Also, transfers from the Capital Projects Fund to Debt Service Funds provide resources to make scheduled principal and interest payments. The following tables show the detail of transfers.

<u>Transfers out from:</u>	Transfers in to:			
	General	Capital Projects	Housing Loans	Nonmajor Proprietary
General Fund	\$ -	\$ 24,454,674	\$ -	\$ -
Capital Projects	205,000	-	-	-
Housing Loans	-	-	-	-
Water	-	-	-	-
Airport	-	-	-	-
Sewer	-	-	-	-
Redevelopment	-	1,600,000	-	-
Nonmajor Governmental	1,699,962	300,000	14,217,549	-
Nonmajor Proprietary	-	-	-	-
Internal Service	152,000	6,479,693	-	5,308,617
	<u>\$ 2,056,962</u>	<u>\$ 32,834,367</u>	<u>\$ 14,217,549</u>	<u>\$ 5,308,617</u>

<u>Transfers out from:</u>	Transfers in to:		
	Nonmajor Governmental	Internal Service	Total
General Fund	\$ 147,287	\$ 6,424,032	\$ 31,025,993
Capital Projects	14,564,948	-	14,769,948
Housing Loans	1,486,927	-	1,486,927
Water	20,000	24,806	44,806
Airport	-	43,615	43,615
Sewer	-	19,235	19,235
Redevelopment	-	4,251	1,604,251
Nonmajor Governmental	-	-	16,217,511
Nonmajor Proprietary	-	13,966	13,966
Internal Service	50,000	23,637	12,013,947
	<u>\$ 16,269,162</u>	<u>\$ 6,553,542</u>	<u>\$ 77,240,199</u>

#### 11. Risk Management

The City is self-insured for general liability claims, except for liability incurred at the Airport. The Airport liability policy has a limit of \$500,000,000 with no deductible. The Governmental Immunity Fund (an internal service fund) has been established to pay liability claims other than those at the Airport along with certain City Attorney expenses. The City has an all risk property insurance policy that has a limit of \$500,000,000 with a \$100,000 deductible. The Policy includes: (1) earthquake coverage of \$100,000,000 at the airport and \$50,000,000 at other locations with a deductible of the higher between 3% of the value or \$100,000, (2) \$100,000,000 in flood coverage for facilities that are located outside the standard report zone, (3) boiler and machine coverage to policy limit with a \$25,000 deductible, (4) fine art coverage of \$100,000,000 with a \$100,000 deductible. The City is self insured for property loss above the limits and below the deductibles. The Treasurer is covered under a \$10,000,000 bond with no deductible.

The City also has: (1) public employee dishonesty insurance (an employee blanket bond) with a \$1,000,000 limit per occurrence and a \$50,000 deductible (2) a forgery or alteration policy with a \$25,000 limit and a deductible of \$250 and (3) a theft, disappearance and destruction policy with a limit of \$25,000 and a \$250 deductible. The City also has excess workers' compensation insurance with a \$25,000,000 limit and a \$1,500,000 self-insured retention. The City is self insured for loss above the limits and below the deductibles. The operating departments of the General Fund or proprietary funds assume financial responsibility for risk retained by the City for property damage.

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Further, the City is self-insured for employee long-term disability, unemployment and \$1,500,000 retention for workers' compensation. The Risk Management Fund (an internal service fund) has been established to pay these claims along with health insurance premiums and certain administrative expenses. During the past three fiscal years, there have been no settlements that exceeded insurance coverage.

Changes in the estimated claims payable liability carried in the accrued liabilities of the Risk Management Fund since July 1, 2003 shows in the table below:

A liability is recorded for any claims or judgments when information available prior to issuance of the financial statements indicates it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Incurred but not reported events, if any, are included in the statements.

	Beginning of fiscal year liability	Current year claims and changes in estimates	Claim payments	Balance at fiscal year end	Estimated due in one year
2004-2005					
Long term disability	\$ 1,023,576	\$ 1,004,144	\$ (565,752)	\$ 1,461,968	
Workers' compensation	1,765,000	1,791,174	(1,558,174)	1,998,000	
Unemployment compensation	55,442	224,309	(245,581)	34,170	
	<u>\$ 2,844,018</u>	<u>\$ 3,019,627</u>	<u>\$ (2,369,507)</u>	<u>\$ 3,494,138</u>	
2005-2006					
Long term disability	\$ 1,461,968	\$ 447,925	\$ (273,243)	\$ 1,636,650	\$ 288,073
Workers' compensation	1,998,000	2,003,012	(1,244,012)	2,757,000	1,113,555
Unemployment compensation	34,170	192,130	(194,350)	31,950	34,170
	<u>\$ 3,494,138</u>	<u>\$ 2,643,067</u>	<u>\$ (1,711,605)</u>	<u>\$ 4,425,600</u>	<u>\$ 1,435,798</u>

## 12. Pension Plans

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

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

SALT LAKE CITY CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2006

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

Cost sharing multiple employer funding policy - The contribution rates, which are actuarially determined at June 30, 2006 are:

	Employee contributions paid by City (100% vested)	City's contribution (vested upon retirement)
Contributory	6.00 %	7.08 %
Noncontributory	-	11.09 %
Firefighters' System	7.83 %	- %

The contributions for the current fiscal year and for that of the two previous fiscal years were equal to the required contributions and are presented on the following page:

System	June 30, 2006	June 30, 2005	June 30, 2004
Local Government Contributory System:			
Employer paid for employee contributions	\$ 502,509	\$ 519,404	\$ 551,763
Employer contributions	592,961	612,901	515,894
Local Government Noncontributory System	8,408,690	8,502,360	7,220,681
Firefighters' system:			
Employer paid for employee contributions	1,464,250	1,410,219	1,389,061

Salt Lake City Public Safety Retirement System - The percent of salary contribution rates for the Contributory system were 4.34% (employee contribution), 9.40% (employer for employee), and 19.96% (employer). The rate for the Noncontributory was 32.52%. The rates are the actuarial determined rates, and are authorized by statute and specified by the Utah State Retirement Board. The combined annual pension cost for the City's contributory and noncontributory public safety systems of \$7,571,152 for the fiscal year ended June 30, 2006 was equal to the City's required and actual contributions.

SALT LAKE CITY CORPORATION  
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The required contribution was determined as part of the January 1, 2005 actuarial valuation using the entry age normal cost method. The actuarial assumptions include: (a) an 8% investment rate of return (net of administrative expenses), (b) projected salary increases at 4.50% (3.50% from inflation, 1.00% from membership growth), and (c) 2.50% cost of living adjustment. Both (a) and (b) include an inflation component of 3.50%. The actuarial value of the Salt Lake City Public Safety Retirement System assets was determined using techniques that smooth the effects of short-term volatility in the fair value of investments over a 5-year period. The Salt Lake City Public Safety Retirement System unfunded actuarial accrued liability is being amortized over an open 20-year amortization period. Amortization payments are designed to remain level as a percent of payroll.

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

Year ending	Annual Pension Cost (APC)	Percentage APC contributed	Net pension obligation
June 30, 2006	\$ 7,571,152	100%	\$ -
June 30, 2005	6,621,604	100%	-
June 30, 2004	6,082,305	100%	-

Actuarial valuation date	Actuarial value of assets	Actuarial Accrued Liability (AAL) entry age	Unfunded AAL (UAAL)	Funding ratios	Covered payroll	UAAL as a % of covered payroll
December 31, 2005	\$ 150,347,000	\$ 197,608,000	\$ 47,261,000	76%	\$ 22,778,000	207%
January 1, 2005	142,134,000	187,740,000	45,606,000	76%	20,672,000	221%
January 1, 2004	138,148,000	176,136,000	37,988,000	78%	20,380,000	186%

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

### 13. Post-Employment Benefits

In addition to providing pension benefits, the City provides health care and life insurance benefits for retired City employees. Substantially all of the City's employees may become eligible for those benefits if they reach normal retirement age while working for the City. Although not statutorily required nor contractually obligated, the City has for many years provided health and life insurance coverage for retired employees. These benefits are expensed when incurred and are financed on a pay as you go basis. There were 627 participants that received benefits during the year ended June 30, 2006.

Depending on the plan, the retired employee contributes 51% to 78% of the cost of the insurance premiums and the City contributes 22% to 49%. Employees can prepay their contribution for a portion of the time or have amounts withheld from their retirement checks by the state retirement system and sent to the City. Any prepaid contribution is recorded as deferred revenue in the Risk Management Fund (an internal service fund). The cost of retiree health care and life insurance benefits for the year ended June 30, 2006 was approximately \$2,976,000, of which the City's expense was \$862,000.

The City also provides health, dental and employee assistance benefits to terminated employees under the federal Consolidated Omnibus Budget Reconciliation Act (COBRA). Substantially all employees are eligible for

SALT LAKE CITY CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2006

these benefits upon termination of employment with the City. Depending upon the qualifying event, former employees are eligible for either 18 or 36 months of benefits under this act. The premiums for this coverage plus a 2% administrative charge are paid 100% by the former employee.

14. Deferred Compensation Plans

457 Deferred Compensation Plan - The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The Plan, available to all City employees, permits them to defer a portion of their salary until future years. Employees are eligible to voluntarily participate from the date of employment and are vested immediately upon participating. The City is not obligated and did not contribute to the plan. The City's total payroll was \$136,311,273 for the fiscal year ended June 30, 2006. Employees contributed \$997,745 to the plan during the fiscal year. All amounts were transferred to the state or administering insurance companies by the due dates.

The 457 deferred monies are not available to the City or its general creditors. The 457 resources for which the City has custody and performs all administrative duties, including investment activities, under the Plan are accounted for in a fiduciary fund. Amounts held by entities other than the City do not appear in these financial statements.

401(k) Deferred Compensation Plan - The City also sponsors a deferred compensation plan under Internal Revenue Code Section 401(k) for City employees covered by any of the state retirement plans. The Utah State Retirement Board administers this Plan. The City's total payroll in the fiscal year ended June 30, 2006 was \$136,311,273. Of that amount, payroll of \$126,178,145 was eligible to participate in this Plan. The City participates at a rate of 2.65% or 1.45% of base payroll only for those current employees who changed from the contributory state retirement plan to the noncontributory retirement plan. The 2.65% applies to current employees who changed at the first opportunity in 1986 and the 1.45% applies to current employees who changed at the second opportunity in 1990. The rate of City participation was established and can be changed by City Council action. During the year ended June 30, 2006, employees contributed \$2,847,041 and the City contributed \$499,611. All contributions were made by the due dates. The 401(k) deferred compensation monies are not available to the City or its general creditors. Therefore, no assets or liabilities of the 401(k) deferred compensation plan are reflected in these financial statements.

IRA (Individual Retirement Accounts) – During fiscal 2006 the City began offering its employees the opportunity to make payroll deductions for contributions to both Traditional and Roth IRA plans. During the year ended June 30, 2006, employees contributed \$550 to the Traditional plan and \$13,536 to the Roth plan.

15. Commitments and Contingencies

Commitments for major construction, capital improvement and other projects at June 30, 2006 are as follows:

General Fund	\$ 1,261,000
Special revenue funds	3,873,000
Capital Projects Fund	13,815,000
Internal service funds	26,000
Enterprise funds	69,304,000
Total	<u>\$ 88,279,000</u>

The City is lessee under a number of operating lease agreements, one of which is non-cancelable, involving land, buildings and equipment. Rent expense during the fiscal year ended June 30, 2006 approximated \$1,061,000 of which \$577,000 was related to proprietary funds. The following page shows a schedule of future minimum rental payments required under non-cancellable operating leases as of June 30, 2006:

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NOTES TO FINANCIAL STATEMENTS  
June 30, 2006

	General Fund
2007	\$ 41,926
2008	41,926
2009	41,926
2010	41,926
2011	41,926
2012-2016	209,630
2017-2021	209,630
2022-2026	209,630
2027-2031	209,630
2032-2036	209,630
Thereafter	1,551,262
Total	<u>\$ 2,809,042</u>

There are sundry claims or lawsuits that have been filed against the City or its employees involving tort and civil rights matters. The City has evaluated those claims and based upon the advice of counsel, has recorded an estimated claims payable liability in the Governmental Immunity Fund (an internal service fund) to cover any expected losses.

Changes in the reported liability carried in the Governmental Immunity Fund since July 1, 2004 resulted in the changes shown in the table on the following page:

	Beginning of fiscal year liability	Current year claims and changes in estimates	Claim payments	Balance at fiscal year end
2004-2005	\$2,025,000	\$ 810,686	\$ (846,686)	\$ 1,989,000
2005-2006	\$1,989,000	\$ 357,731	\$ (425,731)	\$ 1,921,000

In the normal course of operations, the City receives grant funds from various Federal Agencies. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement that may arise as the result of audits of grant funds is not believed to be material.

16. Revenue Supported Debt – Enterprise Fund

The enterprise fund that contains debt funded by operating revenues, is not a major proprietary fund, and does not meet all of the criteria for a segment (it is not externally required to maintain separate accounts) is the Stormwater Utility fund. The key financial data for the year ended June 30, 2006 for the fund are on the following page.

SALT LAKE CITY CORPORATION  
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June 30, 2006

	Stormwater Utility
Operating revenue	\$ 5,340,616
Operating expenses:	
Depreciation and amortization	1,724,324
Other	2,717,474
Total operating expenses	4,441,798
Operating income	\$ 898,818
Net transfers out	\$ (1,214)
Net asset increase	3,392,284
Grants and contributions	1,978,997
Total assets	93,288,035
Long term liabilities	7,354,595
Net Assets	84,301,783
Acquisitions of property and equipment	10,797,065
Disposal proceeds of property and equipment	65,007
Net working capital	6,317,495

Condensed statement of cash flows for the Stormwater Utility fund is as follows page:

	Stormwater Utility
Cash flows from:	
Operating activities	\$ 2,804,525
Non-capital and related financing activities	(1,214)
Capital and related financing activities	(9,339,894)
Investing activities	421,392
Net increase in cash and cash equivalents	(6,115,191)
Cash and cash equivalents-begin	16,628,358
Cash and cash equivalents-end	\$10,513,167

17. Related Party Transactions

During the year ended June 30, 2006, the Water Utility Fund (an enterprise fund) paid \$8,058,034 for water purchased from the Metropolitan Water District of Salt Lake City and Sandy, which is a related entity of the City.

18. Joint Venture

The City is a member of a joint venture known as the City/County landfill in which the City and Salt Lake County (through its Municipal Affairs Fund and the remainder of the County) each have fifty percent interest. The joint venture was created to provide solid waste management and disposal services. The City's equity in the net resources of the landfill at June 30, 2006, was \$21,612,053. This equity interest is shown in the City's Refuse Collection Fund (an enterprise fund).



SALT LAKE CITY CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2006

The interlocal cooperation agreement created the joint venture and established the Salt Lake Valley Solid Waste Management Council (the Council). The Council consists of five members: one of the County Commissioners, the Mayor of the City, an elected official designated by the Salt Lake County Council of Governments, a member of the Salt Lake City/County Board of Health and one member with technical expertise in solid waste disposal. The Council's responsibilities are to: (1) appoint or remove, as needed, a landfill manager who reports to the Council; (2) plan, establish and approve all construction projects for solid waste operations; and (3) prepare an annual operating budget that includes expenditures and the means of financing them.

All actions by the Council are recommendations to the City Council and the County Commission, which have equal power to review, ratify, modify, or veto any action submitted by the Council.

The Council has developed a master plan designed to comply with environmental standards established by the federal government and to meet accounting and financial reporting requirements under GASB Statement No. 18, *Accounting for Municipal Solid Waste Landfill Closure and Post-closure Care Costs*. In compliance with this standard, the Council has established user fees sufficient to cover all operating costs, including post-closure costs that have been mandated by the federal government. For the year ended June 30, 2006, the City paid the landfill approximately \$1,719,000 in user fees. Separately audited financial statements for the City/County landfill may be obtained from Salt Lake County Public Works, 2001 S. State, Room N3300 Salt Lake City, Utah 84190.

19. Change in Accounting Policy

Effective July 1, 2005, the Housing Loans Fund, previously reported as a special revenue governmental fund is now presented as an enterprise fund. The effect of this change is to increase net assets at July 1, 2005 in the Proprietary Funds and Business-type activities by \$20,584,904. The change also decreased fund balance and net assets at July 1, 2005 in the Governmental Funds and Governmental Activities by \$20,584,904. For the year ended June 30, 2006, the effect of this policy change is to increase the change in net assets by \$13,313,696 in the Proprietary Funds and Business-type Activities. For the Governmental Funds and Governmental Activities, the policy change decreased the change in fund balance and net assets by \$13,881,108 and \$13,313,696, respectively.

20. Subsequent Events

Subsequent to June 30, 2006 the following commitments for major projects were made:

General Fund	\$ 143,000
Special revenue funds	2,980,000
Capital Projects Fund	2,552,000
Proprietary funds	3,568,000
Total	<u>\$ 9,243,000</u>

The following event occurred subsequent to June 30, 2006:

The City issued \$20,000,000 of tax anticipation notes maturing June 29, 2007. These notes bear interest at 4.50%. The notes were sold to provide operating cash in the General Fund until December, 2006, at which time a large percentage of property taxes would be received.

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## Required Supplementary Information

SALT LAKE CITY CORPORATION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
Year ended June 30, 2006

General Fund						
	Actual (GAAP basis)	Adjustment to budgetary basis (Note to RSI 1)	Actual on budgetary basis (non-GAAP)	Budgeted Amounts		Variance
				Original Budget	Final Budget	
Revenues:						
General property taxes	\$ 63,305,389	\$ -	\$ 63,305,389	\$ 64,017,229	\$ 64,017,229	\$ (711,840)
Sales, use and excise taxes	47,112,848	-	47,112,848	42,575,972	42,575,979	4,536,869
Franchise taxes	23,929,112	-	23,929,112	22,956,972	22,956,972	972,140
Licenses	5,778,560	-	5,778,560	5,528,338	5,528,338	250,222
Permits	7,293,312	-	7,293,312	4,641,477	4,641,477	2,651,835
Fines and forfeitures	6,256,430	-	6,256,430	5,299,300	5,299,300	957,130
Interest	3,468,103	-	3,468,103	2,235,575	2,235,575	1,232,528
Intergovernmental	4,146,447	-	4,146,447	4,427,960	4,427,960	(281,513)
Interfund service charges	8,863,782	-	8,863,782	9,204,605	9,266,165	(402,383)
Parking meter	1,453,619	-	1,453,619	1,493,000	1,493,000	(39,381)
Parking ticket	3,135,240	-	3,135,240	3,650,000	3,650,000	(514,760)
Charges for services	3,471,720	-	3,471,720	3,127,960	3,178,460	293,260
Contributions	19,134	-	19,134	88,900	118,900	(99,766)
Miscellaneous	599,938	-	599,938	355,663	720,088	(120,150)
Total revenues	178,833,634	-	178,833,634	169,602,951	170,109,443	8,724,191
Expenditures:						
Current:						
City Council	1,519,339	476,735	1,996,074	1,550,473	2,018,756	22,682
Mayor	1,557,688	44,742	1,602,430	1,566,133	1,603,110	680
City Attorney	3,285,362	3,407	3,288,769	3,475,240	3,492,069	203,300
Management Services	9,571,631	211,125	9,782,756	9,634,521	9,897,571	114,815
Fire	29,154,366	(6,017)	29,148,349	28,696,411	29,180,630	32,281
Police	47,154,868	40,361	47,195,229	47,128,460	47,654,053	458,824
Community and Economic Development	7,985,677	374,778	8,360,455	8,304,682	8,747,890	387,435
Public Services	34,912,298	1,340,744	36,253,042	34,609,623	36,434,104	181,062
Nondepartmental	12,725,490	40,000	12,765,490	12,418,984	12,677,884	(87,606)
Total expenditures	147,866,719	2,525,875	150,392,594	147,384,527	151,706,067	1,313,473
Revenues over (under) expenditures	30,966,915	(2,525,875)	28,441,040	22,218,424	18,403,376	10,037,664
Other financing sources (uses):						
Proceeds from sale of property	423,507	-	423,507	297,107	297,100	126,407
Transfers in	2,056,962	-	2,056,962	1,950,300	2,018,504	38,458
Transfers out	(31,025,993)	-	(31,025,993)	(25,353,130)	(32,545,130)	1,519,137
Total other financing sources (uses):	(28,545,524)	-	(28,545,524)	(23,105,723)	(30,229,526)	1,684,002
Net Change in Fund Balance	2,421,391	(2,525,875)	(104,484)	(887,299)	(11,826,150)	11,721,666
Fund balance July 1, 2005	29,158,152	(477,563)	28,680,589	28,680,589	28,680,589	-
Prior year encumbrances appropriated in current year	-	2,526,885	2,526,885	2,526,885	2,526,885	-
Fund balance June 30, 2006	\$ 31,579,543	\$ (476,553)	\$ 31,102,990	\$ 30,320,175	\$ 19,381,324	\$ 11,721,666

See note to Required Supplementary Information.

## Note to Required Supplementary Information

SALT LAKE CITY CORPORATION  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
June 30, 2006

1. Budgetary-GAAP Reporting Reconciliation

The City Council can amend the budget to any extent, provided the budgeted expenditures do not exceed revenues and appropriated fund balance. During the year ended June 30, 2006, General Fund appropriations increased by \$11,514,000. The increases are the results of additional amounts for prior year outstanding encumbrances, two large General Fund funded capital improvement projects, increased street lighting costs, added public safety (police and fire) costs, and increases in the price of fuel and utilities.

The Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual include comparisons of the legally adopted budget (more fully described in Note 1 of the Notes to the Financial Statements) with actual data on a budgetary basis for the General Fund and proprietary funds that have a budgetary basis that differs from GAAP. Accounting principles applied for purposes of developing data on a budgetary basis differ from those used to present financial statements in conformity with GAAP. The difference in expenditures between GAAP and budgetary basis for the General Fund is reconciled in the following table.

	General Fund Expenditures			
	Actual on reporting basis	Plus encumbrances as of June 30, 2006	Change in compensated absences liability	Actual on budgetary basis
City Council	\$ 1,519,339	\$ 480,926	\$ (4,191)	\$ 1,996,074
Mayor	1,557,688	34,019	10,723	1,602,430
City Attorney	3,285,362	9,825	(6,418)	3,288,769
Management Services	9,571,631	247,276	(36,151)	9,782,756
Fire	29,154,366	116,584	(122,601)	29,148,349
Police	47,154,868	138,015	(97,654)	47,195,229
Community and Economic Development	7,985,677	336,010	38,768	8,360,455
Public Services	34,912,298	1,415,686	(74,942)	36,253,042
Nondepartmental	12,725,490	40,000	-	12,765,490
Total expenditures	147,866,719	2,818,341	(292,466)	150,392,594
Transfers out	31,025,993	-	-	31,025,993
Total	<u>\$ 178,892,712</u>	<u>\$ 2,818,341</u>	<u>\$ (292,466)</u>	<u>\$ 181,418,587</u>

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# Supplementary Information

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## Nonmajor Governmental Funds

**Arts Council Fund** - To account for activities of the Arts Council and the purchase or construction of art in City owned facilities.

**Downtown Economic Development Fund** - To account for special assessments which are restricted for downtown projects or improvements.

**Community Development Operating Fund** - To account for monies received by the City as grantee participant in the Community Development Block Grant (CDBG) program, except for CDBG monies to be used for capital improvements which are accounted for in the Capital Projects Fund.

**Grants Operating Fund** - To account for monies received by the City under the Comprehensive Community Program, Community Oriented Policing Services, Home Program, Emergency Medical Services, Emergency Shelter Grants, Local Law Enforcement Block Grants, Salt Lake Area Gang Projects, Historic Resource Grants, and other studies and grants.

**Street Lighting Fund** - To account for the operation of additional street lights, the cost of which is paid by the City and by property owners who benefit from these improvements.

**Demolition, Weed and Forfeiture Fund** - To account for City mandated demolition, weed abatement activities and certain police forfeiture activities.

**Emergency 911 Dispatch Fund** - To account for the City's portion of the County-wide emergency dispatch system.

**Salt Lake Donation Fund** - This fund was established to account for individual private and intergovernmental contributions held in trust by the City for the Tracy Aviary, Late Night Basketball, Bicycle Advisory Committee, Freedom Trail, Indigent Services, and other contributions received to be held for a specific purpose

**Special Improvement Fund** - This fund is used to account for the cost of servicing the debt created by financing the construction of public improvements deemed to benefit the properties against which special assessments are levied.

**Other Improvements Fund** - This fund is used to account for the cost of servicing the debt created by financing projects other than Special Improvements.

SALT LAKE CITY CORPORATION  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
June 30, 2006

	Special Revenue Funds	Debt Service Funds	Total Nonmajor Governmental Funds
<u>ASSETS</u>			
Cash and cash equivalents	\$ 16,630,666	\$ 1,023,635	\$ 17,654,301
Assessments, including \$277,275 of delinquent assessments	191,365	1,320,092	1,511,457
Taxes receivable	297,410	-	297,410
Loans and notes receivable, less allowance for doubtful accounts of \$4,000,000	5,055,630	-	5,055,630
Due from other governments	1,941,252	-	1,941,252
Other receivables	150,826	422,634	573,460
Restricted assets:			
Cash and cash equivalents	338,774	528,366	867,140
Total assets	<u>\$ 24,605,923</u>	<u>\$ 3,294,727</u>	<u>\$ 27,900,650</u>
 <u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 791,319	\$ 11,100	\$ 802,419
Accrued liabilities	165,919	-	165,919
Other liabilities payable from restricted assets	338,774	-	338,774
Deferred revenue	350,784	1,742,726	2,093,510
Total liabilities	<u>1,646,796</u>	<u>1,753,826</u>	<u>3,400,622</u>
Fund balances:			
Reserved for loans and advances	5,107,124	-	5,107,124
Reserved for restricted assets	-	528,366	528,366
Unreserved and undesignated	17,852,003	1,012,535	18,864,538
Total fund balances	<u>22,959,127</u>	<u>1,540,901</u>	<u>24,500,028</u>
Total liabilities and fund balance	<u>\$ 24,605,923</u>	<u>\$ 3,294,727</u>	<u>\$ 27,900,650</u>

SALT LAKE CITY CORPORATION  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 Year ended June 30, 2006

	Special Revenue Funds	Debt Service Funds	Total Nonmajor Governmental Funds
Revenues:			
Sales, use and excise taxes	\$ 1,820,324	\$ -	\$ 1,820,324
Assessments	1,035,979	273,016	1,308,995
Fines and forfeitures	11,969	-	11,969
Interest	777,333	104,656	881,989
Intergovernmental	10,458,362	509,743	10,968,105
Charges for services	102,163	-	102,163
Contributions	3,062,544	-	3,062,544
Miscellaneous	741,259	1,937,619	2,678,878
Total revenues	<u>18,009,933</u>	<u>2,825,034</u>	<u>20,834,967</u>
Expenditures:			
Management Services	-	17,497	17,497
Police	557,385	-	557,385
Community and Economic Development	10,187,834	-	10,187,834
Public Services	1,871,594	-	1,871,594
Arts Council Services	1,225,725	-	1,225,725
Debt Service:			
Principal	-	9,981,000	9,981,000
Interest and other fiscal charges	-	7,187,940	7,187,940
Total expenditures	<u>13,842,538</u>	<u>17,186,437</u>	<u>31,028,975</u>
Revenues over (under) expenditures	<u>4,167,395</u>	<u>(14,361,403)</u>	<u>(10,194,008)</u>
Other financing sources (uses):			
Transfers in	1,740,192	14,528,970	16,269,162
Transfers out	(16,167,512)	(50,000)	(16,217,512)
Total other financing sources (uses):	<u>(14,427,320)</u>	<u>14,478,970</u>	<u>51,650</u>
Net change in fund balance	(10,259,925)	117,567	(10,142,358)
Fund balance July 1, 2005	<u>33,219,052</u>	<u>1,423,334</u>	<u>34,642,386</u>
Fund balance June 30, 2006	<u>\$ 22,959,127</u>	<u>\$ 1,540,901</u>	<u>\$ 24,500,028</u>

SALT LAKE CITY CORPORATION  
COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
June 30, 2006

<u>ASSETS</u>	<u>Arts Council</u>	<u>Downtown Economic Development</u>	<u>Community Development Operating</u>
Cash and cash equivalents	\$ 67,573	\$ 162,435	\$ 14,433
Assessments receivable	-	32,092	-
Taxes receivable	-	-	-
Loans and notes receivable, less allowance for doubtful accounts of \$4,000,000	-	-	-
Due from other governments	-	-	1,199,559
Other receivables	150,826	-	-
Restricted assets:			
Cash and cash equivalents	-	-	-
 Total assets	 \$ 218,399	 \$ 194,527	 \$ 1,213,992
 <u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 31,239	\$ -	\$ 107,196
Accrued liabilities	68,455	-	-
Other liabilities payable from restricted assets	-	-	-
Deferred revenue	53,074	32,092	-
 Total liabilities	 152,768	 32,092	 107,196
Fund balances:			
Reserved for loans and advances	51,494	-	-
Unreserved and undesignated	14,137	162,435	1,106,796
 Total fund balances	 65,631	 162,435	 1,106,796
 Total liabilities and fund balance	 \$ 218,399	 \$ 194,527	 \$ 1,213,992

Grants Operating	Street Lighting	Demolition, Weed and Forfeiture	Emergency 911 Dispatch	Salt Lake City Donations Fund	Nonmajor Special Revenue Total
\$ 5,146,871	\$ 1,554,762	\$ 1,138,582	\$ 2,397,273	\$ 6,148,737	\$ 16,630,666
-	155,618	-	3,655	-	191,365
-	-	-	297,410	-	297,410
5,055,630	-	-	-	-	5,055,630
741,693	-	-	-	-	1,941,252
-	-	-	-	-	150,826
-	-	338,774	-	-	338,774
<u>\$ 10,944,194</u>	<u>\$ 1,710,380</u>	<u>\$ 1,477,356</u>	<u>\$ 2,698,338</u>	<u>\$ 6,148,737</u>	<u>\$ 24,605,923</u>
\$ 130,380	\$ 5,764	\$ 10,788	\$ 362,980	\$ 142,972	\$ 791,319
96,512	-	952	-	-	165,919
-	-	338,774	-	-	338,774
110,000	155,618	-	-	-	350,784
<u>336,892</u>	<u>161,382</u>	<u>350,514</u>	<u>362,980</u>	<u>142,972</u>	<u>1,646,796</u>
5,055,630	-	-	-	-	5,107,124
5,551,672	1,548,998	1,126,842	2,335,358	6,005,765	17,852,003
<u>10,607,302</u>	<u>1,548,998</u>	<u>1,126,842</u>	<u>2,335,358</u>	<u>6,005,765</u>	<u>22,959,127</u>
<u>\$ 10,944,194</u>	<u>\$ 1,710,380</u>	<u>\$ 1,477,356</u>	<u>\$ 2,698,338</u>	<u>\$ 6,148,737</u>	<u>\$ 24,605,923</u>

SALT LAKE CITY CORPORATION  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES  
 NONMAJOR SPECIAL REVENUE FUNDS  
 Year ended June 30, 2006

	Arts Council	Downtown Economic Development	Community Development Operating
Revenues:			
Sales, use and excise taxes	\$ -	\$ -	\$ -
Assessments	-	657,192	-
Fines and forfeitures	-	-	-
Interest	2,512	173	-
Intergovernmental	-	-	3,964,569
Charges for services	-	-	-
Contributions	1,178,910	-	-
Miscellaneous	-	-	-
	<u>1,181,422</u>	<u>657,365</u>	<u>3,964,569</u>
Total revenues	<u>1,181,422</u>	<u>657,365</u>	<u>3,964,569</u>
Expenditures:			
Police	-	-	-
Community and Economic Development	-	700,000	2,989,373
Public Services	-	-	-
Arts Council Services	1,225,725	-	-
	<u>1,225,725</u>	<u>700,000</u>	<u>2,989,373</u>
Total expenditures	<u>1,225,725</u>	<u>700,000</u>	<u>2,989,373</u>
Revenues over (under) expenditures	<u>(44,303)</u>	<u>(42,635)</u>	<u>975,196</u>
Other financing sources (uses):			
Transfers in	-	-	1,486,927
Transfers out	-	-	(2,041,423)
	<u>-</u>	<u>-</u>	<u>(554,496)</u>
Total other financing sources (uses):	<u>-</u>	<u>-</u>	<u>(554,496)</u>
Net change in fund balance	(44,303)	(42,635)	420,700
Fund balance July 1, 2005	<u>109,934</u>	<u>205,070</u>	<u>686,096</u>
Fund balance June 30, 2006	<u>\$ 65,631</u>	<u>\$ 162,435</u>	<u>\$ 1,106,796</u>

Grants Operating	Street Lighting	Demolition, Weed and Forfeiture	Emergency 911 Dispatch	Salt Lake City Donation Fund	Nonmajor Special Revenue Total
\$ -	\$ -	\$ -	\$ 1,820,324	\$ -	\$ 1,820,324
-	375,529	3,258	-	-	1,035,979
-	-	11,969	-	-	11,969
366,663	64,347	22,372	89,865	231,401	777,333
6,493,793	-	-	-	-	10,458,362
48,941	-	43,222	-	10,000	102,163
-	-	-	-	1,883,634	3,062,544
432,493	60	287,918	-	20,788	741,259
<u>7,341,890</u>	<u>439,936</u>	<u>368,739</u>	<u>1,910,189</u>	<u>2,145,823</u>	<u>18,009,933</u>
-	-	-	557,385	-	557,385
6,301,401	-	197,060	-	-	10,187,834
-	556,902	-	-	1,314,692	1,871,594
-	-	-	-	-	1,225,725
<u>6,301,401</u>	<u>556,902</u>	<u>197,060</u>	<u>557,385</u>	<u>1,314,692</u>	<u>13,842,538</u>
<u>1,040,489</u>	<u>(116,966)</u>	<u>171,679</u>	<u>1,352,804</u>	<u>831,131</u>	<u>4,167,395</u>
20,000	206,765	26,500	-	-	1,740,192
(12,301,224)	(32,204)	-	(1,459,368)	(333,293)	(16,167,512)
<u>(12,281,224)</u>	<u>174,561</u>	<u>26,500</u>	<u>(1,459,368)</u>	<u>(333,293)</u>	<u>(14,427,320)</u>
(11,240,735)	57,595	198,179	(106,564)	497,838	(10,259,925)
<u>21,848,037</u>	<u>1,491,403</u>	<u>928,663</u>	<u>2,441,922</u>	<u>5,507,927</u>	<u>33,219,052</u>
<u>\$ 10,607,302</u>	<u>\$ 1,548,998</u>	<u>\$ 1,126,842</u>	<u>\$ 2,335,358</u>	<u>\$ 6,005,765</u>	<u>\$ 22,959,127</u>

SALT LAKE CITY CORPORATION  
BUDGETARY COMPARISON SCHEDULE  
ARTS COUNCIL  
Year ended June 30, 2006

	Actual (GAAP basis)	Budgeted Amounts		Variance
		Original	Final	
Revenues:				
Interest	\$ 2,512	\$ 4,000	2,000	\$ 512
Contributions	1,178,910	978,300	1,182,550	(3,640)
Total revenues	1,181,422	982,300	1,184,550	(3,128)
Expenditures:				
Arts Council	1,225,725	982,300	1,179,475	(46,250)
Total expenditures	1,225,725	982,300	1,179,475	(46,250)
Net change in fund balance	(44,303)	-	5,075	(49,378)
Fund balance July 1, 2005	109,934	109,934	109,934	-
Fund balance June 30, 2006	\$ 65,631	\$ 109,934	\$ 115,009	\$ (49,378)



SALT LAKE CITY CORPORATION  
BUDGETARY COMPARISON SCHEDULE  
DOWNTOWN ECONOMIC DEVELOPMENT  
Year ended June 30, 2006

	Actual (GAAP basis)	Budgeted Amounts		Variance
		Original	Final	
Revenues:				
Assessments	\$ 657,192	\$ 700,000	\$ 700,000	\$ (42,808)
Interest	173	-	-	173
Total revenues	657,365	700,000	700,000	(42,635)
Expenditures:				
Community and Economic Development	700,000	700,000	700,000	-
Total expenditures	700,000	700,000	700,000	-
Revenues under expenditures	(42,635)	-	-	(42,635)
Net change in fund balance	(42,635)	-	-	(42,635)
Fund balance July 1, 2005	205,070	205,070	205,070	-
Fund balance June 30, 2006	<u>\$ 162,435</u>	<u>\$ 205,070</u>	<u>\$ 205,070</u>	<u>\$ (42,635)</u>

SALT LAKE CITY CORPORATION  
BUDGETARY COMPARISON SCHEDULE  
COMMUNITY DEVELOPMENT OPERATING FUND  
Year ended June 30, 2006

	Actual (GAAP basis)	Budgeted Amounts		
		Original	Final	Variance
Revenues:				
Intergovernmental	\$ 3,964,569	\$ 3,273,487	\$ 7,235,181	\$ (3,270,612)
Total revenues	<u>3,964,569</u>	<u>3,273,487</u>	<u>7,235,181</u>	<u>(3,270,612)</u>
Expenditures:				
Community and Economic Development	<u>2,989,373</u>	<u>3,333,487</u>	<u>6,748,114</u>	<u>3,758,741</u>
Total expenditures	<u>2,989,373</u>	<u>3,333,487</u>	<u>6,748,114</u>	<u>3,758,741</u>
Revenues under expenditures	<u>975,196</u>	<u>(60,000)</u>	<u>487,067</u>	<u>488,129</u>
Other financing sources (uses):				
Transfers in	1,486,927	-	-	1,486,927
Transfers out	<u>(2,041,423)</u>	<u>-</u>	<u>(487,067)</u>	<u>(1,554,356)</u>
Total other financing sources:	<u>(554,496)</u>	<u>-</u>	<u>(487,067)</u>	<u>(67,429)</u>
Net change in fund balance	420,700	(60,000)	-	420,700
Fund balance July 1, 2005	<u>686,096</u>	<u>686,096</u>	<u>686,096</u>	<u>-</u>
Fund balance June 30, 2006	<u>\$ 1,106,796</u>	<u>\$ 626,096</u>	<u>\$ 686,096</u>	<u>\$ 420,700</u>

SALT LAKE CITY CORPORATION  
BUDGETARY COMPARISON SCHEDULE  
GRANTS OPERATING FUND  
Year ended June 30, 2006

	Actual (GAAP basis)	Budgeted Amounts		Variance
		Original	Final	
Revenues:				
Interest	\$ 366,663	\$ -	\$ -	\$ 366,663
Intergovernmental	6,493,793	6,091,585	20,960,530	(14,466,737)
Charges for services	48,941	-	-	48,941
Contributions	-	-	3,500	(3,500)
Miscellaneous	432,493	-	825,205	(392,712)
Total revenues	<u>7,341,890</u>	<u>6,091,585</u>	<u>21,789,235</u>	<u>(14,447,345)</u>
Expenditures:				
Community and Economic Development	<u>6,301,401</u>	<u>6,091,585</u>	<u>19,479,004</u>	<u>13,177,603</u>
Total expenditures	<u>6,301,401</u>	<u>6,091,585</u>	<u>19,479,004</u>	<u>13,177,603</u>
Revenues over (under) expenditures	<u>1,040,489</u>	<u>-</u>	<u>2,310,231</u>	<u>(1,269,742)</u>
Other financing sources (uses):				
Transfers in	20,000	-	-	20,000
Transfers out	<u>(12,301,224)</u>	<u>-</u>	<u>(8,843,025)</u>	<u>(3,458,199)</u>
Total other financing sources (uses):	<u>(12,281,224)</u>	<u>-</u>	<u>(8,843,025)</u>	<u>(3,438,199)</u>
Net change in fund balance	(11,240,735)	-	(6,532,794)	(4,707,941)
Fund balance July 1, 2005	<u>21,848,037</u>	<u>21,848,037</u>	<u>21,848,037</u>	<u>-</u>
Fund balance June 30, 2006	<u>\$ 10,607,302</u>	<u>\$ 21,848,037</u>	<u>\$ 15,315,243</u>	<u>\$ (4,707,941)</u>

SALT LAKE CITY CORPORATION  
BUDGETARY COMPARISON SCHEDULE  
STREET LIGHTING  
Year ended June 30, 2006

	Actual (GAAP basis)	Budgeted Amounts		Variance
		Original	Final	
Revenues:				
Assessments	\$ 375,529	\$ 374,340	\$ 378,336	\$ (2,807)
Interest	64,347	-	-	64,347
Miscellaneous	60	-	-	60
Total revenues	439,936	374,340	378,336	61,600
Expenditures:				
Public Services	556,902	2,227,122	2,227,122	1,670,220
Total expenditures	556,902	2,227,122	2,227,122	1,670,220
Revenues over (under) expenditures	(116,966)	(1,852,782)	(1,848,786)	1,731,820
Other financing sources:				
Transfers in	206,765	124,783	120,787	85,978
Transfers out	(32,204)	-	(32,204)	-
Total other financing sources:	174,561	124,783	88,583	85,978
Net change in fund balance	57,595	(1,727,999)	(1,760,203)	1,817,798
Fund balance July 1, 2005	1,491,403	1,491,403	1,491,403	-
Fund balance June 30, 2006	\$ 1,548,998	\$ (236,596)	\$ (268,800)	\$ 1,817,798

SALT LAKE CITY CORPORATION  
BUDGETARY COMPARISON SCHEDULE  
DEMOLITION, WEED AND FORFEITURE  
Year ended June 30, 2006

	Actual	Budgeted Amounts		
	(GAAP basis)	Original	Final	Variance
Revenues:				
Assessments	\$ 3,258	\$ -	\$ -	\$ 3,258
Fines and forfeitures	11,969	-	158,010	\$ (146,041)
Interest	22,372	-	-	22,372
Charges for services	43,222	-	-	43,222
Miscellaneous	287,918	-	489,320	(201,402)
Total revenues	368,739	-	647,330	(278,591)
Expenditures:				
Community and Economic Development	197,060	153,000	1,188,738	991,678
Total expenditures	197,060	153,000	1,188,738	991,678
Revenues over (under) expenditures	171,679	(153,000)	(541,408)	713,087
Other financing sources:				
Transfers in	26,500	26,500	26,500	-
Total other financing sources:	26,500	26,500	26,500	-
Net change in fund balance	198,179	(126,500)	(514,908)	713,087
Fund balance July 1, 2005	928,663	928,663	928,663	-
Fund balance June 30, 2006	\$ 1,126,842	\$ 802,163	\$ 413,755	\$ 713,087

SALT LAKE CITY CORPORATION  
BUDGETARY COMPARISON SCHEDULE  
EMERGENCY 911 DISPATCH  
Year ended June 30, 2006

	Actual (GAAP basis)	Budgeted Amounts		Variance
		Original	Final	
Revenues:				
Sales, use and excise taxes	\$ 1,820,324	\$ 2,170,000	\$ 2,170,000	\$ (349,676)
Interest	89,865	46,000	46,000	43,865
Total revenues	<u>1,910,189</u>	<u>2,216,000</u>	<u>2,216,000</u>	<u>(305,811)</u>
Expenditures:				
Police	<u>557,385</u>	<u>593,100</u>	<u>743,100</u>	<u>185,715</u>
Total expenditures	<u>557,385</u>	<u>593,100</u>	<u>743,100</u>	<u>185,715</u>
Revenues over expenditures	<u>1,352,804</u>	<u>1,622,900</u>	<u>1,472,900</u>	<u>(120,096)</u>
Other financing uses				
Transfers out	<u>(1,459,368)</u>	<u>(1,462,000)</u>	<u>(1,462,000)</u>	<u>2,632</u>
Total other financing uses	<u>(1,459,368)</u>	<u>(1,462,000)</u>	<u>(1,462,000)</u>	<u>2,632</u>
Net change in fund balance	(106,564)	160,900	10,900	(117,464)
Fund balance July 1, 2005	<u>2,441,922</u>	<u>2,441,922</u>	<u>2,441,922</u>	<u>-</u>
Fund balance June 30, 2006	<u>\$ 2,335,358</u>	<u>\$ 2,602,822</u>	<u>\$ 2,452,822</u>	<u>\$ (117,464)</u>

SALT LAKE CITY CORPORATION  
BUDGETARY COMPARISON SCHEDULE  
SALT LAKE CITY DONATION FUND  
Year ended June 30, 2006

	Actual (GAAP basis)	Budgeted Amounts		Variance
		Original	Final	
Revenues:				
Interest	\$ 231,401	\$ -	\$ -	\$ 231,401
Charges for services	10,000	-	-	10,000
Contributions	1,883,634	400,000	2,398,508	(514,874)
Miscellaneous	20,788	-	-	20,788
Total revenues	2,145,823	400,000	2,398,508	(252,685)
Expenditures:				
Public Services	1,314,692	400,000	2,847,754	1,533,062
Total expenditures	1,314,692	400,000	2,847,754	1,533,062
Revenues over (under) expenditures	831,131	-	(449,246)	1,280,377
Other financing sources:				
Transfers in	-	-	-	-
Transfers out	(333,293)	-	-	(333,293)
Total other financing sources:	(333,293)	-	-	(333,293)
Net change in fund balance	497,838	-	(449,246)	947,084
Fund balance July 1, 2005	5,507,927	5,507,927	5,507,927	-
Fund balance June 30, 2006	\$ 6,005,765	\$ 5,507,927	\$ 5,058,681	\$ 947,084

SALT LAKE CITY CORPORATION  
COMBINING BALANCE SHEET  
NONMAJOR DEBT SERVICE FUNDS  
June 30, 2006

<u>ASSETS</u>	Special Improvement	Other Improvement	Debt Service Total
Cash and cash equivalents	\$ 725,012	\$ 298,623	\$ 1,023,635
Assessments, including \$221,501 of delinquent assessments	1,320,092	-	1,320,092
Other receivables	422,634	-	422,634
Restricted assets:			
Cash and cash equivalents	-	528,366	528,366
Total assets	<u>\$ 2,467,738</u>	<u>\$ 826,989</u>	<u>\$ 3,294,727</u>
 <u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ -	\$ 11,100	\$ 11,100
Deferred revenue	1,742,726	-	1,742,726
Total liabilities	<u>1,742,726</u>	<u>11,100</u>	<u>1,753,826</u>
Fund balances:			
Reserved for restricted assets	-	528,366	528,366
Unreserved and undesignated	725,012	287,523	1,012,535
Total fund balances	<u>725,012</u>	<u>815,889</u>	<u>1,540,901</u>
Total liabilities and fund balance	<u>\$ 2,467,738</u>	<u>\$ 826,989</u>	<u>\$ 3,294,727</u>



SALT LAKE CITY CORPORATION  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES  
 NONMAJOR DEBT SERVICE FUNDS  
 Year ended June 30, 2006

	Special Improvement	Other Improvement	Debt Service Total
Revenues:			
Assessments	\$ 273,016	\$ -	\$ 273,016
Intergovernmental	-	509,743	509,743
Interest	80,938	23,718	104,656
Miscellaneous	6,774	1,930,845	1,937,619
	<u>360,728</u>	<u>2,464,306</u>	<u>2,825,034</u>
Total revenues			
	<u>360,728</u>	<u>2,464,306</u>	<u>2,825,034</u>
Expenditures:			
Management Services	5,796	11,701	17,497
Debt Service:			
Principal	311,000	9,670,000	9,981,000
Interest and other fiscal charges	47,602	7,140,338	7,187,940
	<u>364,398</u>	<u>16,822,039</u>	<u>17,186,437</u>
Total expenditures			
	<u>364,398</u>	<u>16,822,039</u>	<u>17,186,437</u>
Expenditures under revenues	<u>(3,670)</u>	<u>(14,357,733)</u>	<u>(14,361,403)</u>
Other financing sources (uses):			
Transfers in	-	14,528,970	14,528,970
Transfers out	(50,000)	-	(50,000)
	<u>(50,000)</u>	<u>14,528,970</u>	<u>14,478,970</u>
Total other financing sources (uses):			
	<u>(50,000)</u>	<u>14,528,970</u>	<u>14,478,970</u>
Net change in fund balance	(53,670)	171,237	117,567
Fund balance July 1, 2005	778,682	644,652	1,423,334
	<u>778,682</u>	<u>644,652</u>	<u>1,423,334</u>
Fund balance June 30, 2006	\$ 725,012	\$ 815,889	\$ 1,540,901
	<u>\$ 725,012</u>	<u>\$ 815,889</u>	<u>\$ 1,540,901</u>

SALT LAKE CITY CORPORATION  
BUDGETARY COMPARISON SCHEDULE  
SPECIAL IMPROVEMENT FUND  
Year ended June 30, 2006

	Actual	Budgeted Amounts		
	(GAAP basis)	Original	Final	Variance
Revenues:				
Assessments	\$ 273,016	\$ 1,680,076	\$ 1,680,076	\$ (1,407,060)
Interest	80,938	150,000	150,000	(69,062)
Miscellaneous	6,774	-	-	6,774
Total revenues	360,728	1,830,076	1,830,076	(1,469,348)
Expenditures:				
Management Services	5,796	64,100	64,100	58,304
Debt service:				
Principal	311,000	861,000	861,000	550,000
Interest	47,602	893,169	893,169	845,567
Total expenditures	364,398	1,818,269	1,818,269	1,453,871
Other financing sources:				
Transfers out	(50,000)	(50,000)	(50,000)	-
Total other financing sources:	(50,000)	(50,000)	(50,000)	-
Net change in fund balance	(53,670)	(38,193)	(38,193)	(15,477)
Fund balance July 1, 2005	778,682	778,682	778,682	-
Fund balance June 30, 2006	\$ 725,012	\$ 740,489	\$ 740,489	\$ (15,477)

SALT LAKE CITY CORPORATION  
BUDGETARY COMPARISON SCHEDULE  
OTHER IMPROVEMENT FUND  
Year ended June 30, 2006

	Actual (GAAP basis)	Budgeted Amounts		Variance
		Original	Final	
Revenues:				
Intergovernmental	\$ 509,743	\$ -	\$ -	\$ 509,743
Interest	23,718	-	-	23,718
Miscellaneous	1,930,845	1,930,695	1,930,695	150
Total revenues	2,464,306	1,930,695	1,930,695	533,611
Expenditures:				
Management Services	11,701	7,950	7,950	(3,751)
Debt service:				
Principal	9,670,000	9,670,000	9,670,000	-
Interest	7,140,338	7,296,138	7,296,138	155,800
Total expenditures	16,822,039	16,974,088	16,974,088	152,049
Revenues under expenditures	(14,357,733)	(15,043,393)	(15,043,393)	685,660
Other financing sources:				
Transfers in	14,528,970	14,523,651	14,523,651	5,319
Total other financing sources:	14,528,970	14,523,651	14,523,651	5,319
Net change in fund balance	171,237	(519,742)	(519,742)	690,979
Fund balance July 1, 2005	644,652	644,652	644,652	-
Fund balance June 30, 2006	\$ 815,889	\$ 124,910	\$ 124,910	\$ 690,979

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Major Governmental Funds  
– Budgetary Comparison Schedule

SALT LAKE CITY CORPORATION  
BUDGETARY COMPARISON SCHEDULE  
CAPITAL PROJECTS FUND  
Year ended June 30, 2006

	Actual (GAAP basis)	Budgeted Amounts		Variance
		Original Budget	Final Budget	
Revenues:				
Permits	\$ 2,646,306	\$ -	\$ -	\$ 2,646,306
Assessments	288,162	-	4,412,408	(4,124,246)
Interest	484,252	-	207,199	277,053
Intergovernmental	6,060,372	5,556,089	18,660,410	(12,600,038)
Contributions	-	-	31,518	(31,518)
Miscellaneous	47,519	450,000	-	47,519
Total revenues	<u>9,526,611</u>	<u>6,006,089</u>	<u>23,311,535</u>	<u>(13,784,924)</u>
Expenditures:				
Capital improvements	<u>33,284,860</u>	<u>19,104,181</u>	<u>88,037,271</u>	<u>54,752,411</u>
Total expenditures	<u>33,284,860</u>	<u>19,104,181</u>	<u>88,037,271</u>	<u>54,752,411</u>
Revenues under expenditures	<u>(23,758,249)</u>	<u>(13,098,092)</u>	<u>(64,725,736)</u>	<u>40,967,487</u>
Other financing sources (uses):				
Proceeds from bond issuance	472,000	-	15,600,000	(15,128,000)
Proceeds from sale of property	155,166	-	-	155,166
Transfers in	32,834,367	26,793,974	34,724,368	(1,890,001)
Transfers out	(14,769,948)	(14,642,650)	(14,739,086)	(30,862)
Total other financing sources (uses):	<u>18,691,585</u>	<u>12,151,324</u>	<u>35,585,282</u>	<u>(16,893,697)</u>
Net Change in Fund Balance	(5,066,664)	(946,768)	(29,140,454)	24,073,790
Fund balance July 1, 2005	33,763,990	33,763,990	33,763,990	-
Fund balance June 30, 2006	<u>\$ 28,697,326</u>	<u>\$ 32,817,222</u>	<u>\$ 4,623,536</u>	<u>\$ 24,073,790</u>

## Nonmajor Enterprise Funds

**Intermodal Hub Fund** - This fund is used to account for the activities related to providing transportation facilities for the light rail, bus system (other than the commuter system), passenger light rail and passenger heavy rail.

**Storm Water Utility** - This fund is used to account for the activities associated with the collection and disposition of storm water runoff.

**Refuse Collection Fund** - This fund is used to account for the operations and activities related to garbage collection and disposal.

**Golf Fund** - This fund is used to account for the operation of golf courses for use by the general public.

SALT LAKE CITY CORPORATION  
 COMBINING STATEMENT OF NET ASSETS - NONMAJOR PROPRIETARY FUNDS  
 June 30, 2006

<u>ASSETS</u>	<u>Intermodal Hub</u>
Current assets:	
Cash and cash equivalents	
Unrestricted	\$ 956,980
Receivables:	
Accounts, less allowance for doubtful accounts of \$178,654	-
Inventory of supplies	-
	<u>956,980</u>
Total current assets	
	<u>956,980</u>
Noncurrent Assets:	
Restricted cash and cash equivalents	-
	<u>-</u>
Property and equipment, at cost:	
Land and water rights	-
Buildings	-
Improvements other than buildings	-
Machinery and equipment	-
Construction in progress	21,528,929
Accumulated depreciation	-
	<u>-</u>
Net property and equipment	
	<u>21,528,929</u>
Bond issue costs, less accumulated amortization of \$4,575	-
Investment in joint venture	-
	<u>-</u>
Total noncurrent assets	
	<u>21,528,929</u>
Total assets	
	<u>\$ 22,485,909</u>



<u>Storm Water Utility</u>	<u>Refuse Collection</u>	<u>Golf</u>	<u>Total</u>
\$ 7,285,532	\$ 5,258,736	\$ 1,138,562	\$ 14,639,810
663,620	859,758	8,603	1,531,981
-	-	444,737	444,737
<u>7,949,152</u>	<u>6,118,494</u>	<u>1,591,902</u>	<u>16,616,528</u>
 3,227,635	 600,036	 -	 3,827,671
1,215,849	-	4,977,109	6,192,958
5,139,443	-	4,147,475	9,286,918
82,447,912	-	9,554,110	92,002,022
2,697,559	9,823,525	4,848,096	17,369,180
18,582,875	-	-	40,111,804
(28,052,830)	(4,743,491)	(7,582,722)	(40,379,043)
<u>82,030,808</u>	<u>5,080,034</u>	<u>15,944,068</u>	<u>124,583,839</u>
80,440	-	-	80,440
-	21,612,053	-	21,612,053
<u>85,338,883</u>	<u>27,292,123</u>	<u>15,944,068</u>	<u>150,104,003</u>
<u>\$ 93,288,035</u>	<u>\$ 33,410,617</u>	<u>\$ 17,535,970</u>	<u>\$ 166,720,531</u>

SALT LAKE CITY CORPORATION  
 COMBINING STATEMENT OF NET ASSETS - NONMAJOR PROPRIETARY FUNDS  
 June 30, 2006

<u>LIABILITIES</u>	<u>Intermodal Hub</u>
Current liabilities:	
Accounts payable	\$ 307,757
Accrued liabilities	3,166
Current portion of long-term compensation liability	-
Current portion of long-term debt:	
Payable from unrestricted assets	-
Payable from restricted assets	-
Deferred revenue	-
Accrued interest, payable from restricted assets	-
Current deposits and advance rentals	-
	<hr/>
Total current liabilities	310,923
Noncurrent liabilities:	
Deposits, advance rentals and long term accruals	-
Bonds, mortgages, and notes payable	-
Long-term compensation liability	-
	<hr/>
Total noncurrent liabilities	-
	<hr/>
Total liabilities	310,923
	<hr/>
NET ASSETS	
Invested in capital assets, net of related debt	21,528,929
Restricted for debt service	-
Unrestricted	646,057
	<hr/>
Total net assets	22,174,986
	<hr/>
Total liabilities and net assets	\$ 22,485,909
	<hr/>

Storm Water Utility	Refuse Collection	Golf	Total
\$ 1,169,826	\$ 655,084	\$ 235,018	\$ 2,367,685
55,377	93,625	152,670	304,838
16,340	19,329	174,477	210,146
145,600	725,022	240,151	1,110,773
104,000	-	-	104,000
-	21,468	-	21,468
140,514	-	-	140,514
-	-	251,963	251,963
1,631,657	1,514,528	1,054,279	4,511,387
17,522	-	-	17,522
7,225,308	1,286,248	249,520	8,761,076
111,765	135,090	369,179	616,034
7,354,595	1,421,338	618,699	9,394,632
8,986,252	2,935,866	1,672,978	13,906,019
74,636,340	3,068,764	15,454,397	114,688,430
2,983,121	-	-	2,983,121
6,682,322	27,405,987	408,595	35,142,961
84,301,783	30,474,751	15,862,992	152,814,512
\$ 93,288,035	\$ 33,410,617	\$ 17,535,970	\$ 166,720,531

SALT LAKE CITY CORPORATION  
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS  
 NONMAJOR PROPRIETARY FUNDS  
 Year ended June 30, 2006

	Intermodal Hub
	<u>                    </u>
Operating revenue:	
Sales and charges for services	\$ -
Rental and other	<u>1,877,628</u>
Total operating revenue	<u>1,877,628</u>
Operating expenses:	
Personal services	93,872
Operating and maintenance	15,057
Charges and services	2,007,420
Depreciation and amortization	<u>-</u>
Total operating expenses	<u>2,116,349</u>
Operating income (loss)	<u>(238,721)</u>
Nonoperating revenues (expenses):	
Interest income	-
Interest expense (net of amount capitalized of \$342,833.	-
Equity in joint venture income	-
Gain (loss) on disposition of property, equipment and investments	<u>-</u>
Total nonoperating revenues (expenses)	<u>-</u>
Capital Contributions	
Grants and other contributions	<u>-</u>
Income before transfers	(238,721)
Transfers in	-
Transfers out	<u>-</u>
Net income (loss)	(238,721)
Net Assets July 1, 2005	<u>22,413,707</u>
Net Assets June 30, 2006	<u><u>\$ 22,174,986</u></u>

Storm Water Utility	Refuse Collection	Golf	Total
\$ 5,329,347	\$ 7,053,060	\$ 7,812,459	\$ 20,194,866
11,269	17,025	11,120	1,917,042
5,340,616	7,070,085	7,823,579	22,111,908
1,357,396	1,631,796	3,552,781	6,635,845
119,711	40,055	1,191,816	1,366,639
1,240,367	4,205,778	2,973,935	10,427,500
1,724,324	780,499	757,446	3,262,269
4,441,798	6,658,128	8,475,978	21,692,253
898,818	411,957	(652,399)	419,655
421,392	213,786	40,368	675,546
29,284	(52,089)	(24,831)	(47,636)
-	(4,663,456)	-	(4,663,456)
65,007	45,901	4,567	115,475
515,683	(4,455,858)	20,104	(3,920,071)
1,978,997	-	-	1,978,997
3,393,498	(4,043,901)	(632,295)	(1,521,419)
-	-	5,308,617	5,308,617
(1,214)	(2,429)	(10,323)	(13,966)
3,392,284	(4,046,330)	4,665,999	3,773,232
80,909,499	34,521,081	11,196,993	149,041,280
\$ 84,301,783	\$ 30,474,751	\$ 15,862,992	\$ 152,814,512

SALT LAKE CITY CORPORATION  
COMBINING STATEMENT OF CASH FLOWS  
NONMAJOR PROPRIETARY FUNDS  
Year ended June 30, 2006

	Intermodal Hub
Cash Flows from Operating Activities	
Receipts from customers and users	\$ 1,877,628
Payments to suppliers	(1,870,675)
Payments to employees	(95,324)
	<u>(88,371)</u>
Net cash provided by (used in) operating activities	<u>(88,371)</u>
Cash flows from noncapital and related financing activities:	
Payments received on interfund receivables	-
Transfers out	-
	<u>-</u>
Net cash used in noncapital and related financing activities	<u>-</u>
Cash flows from capital and related financing activities:	
Proceeds from issuance of debt	
(net of discount and issuance costs)	-
Proceeds from sale of equipment	-
Contributions for aid in construction	-
Payment on long-term obligations, net of capitalized interest	-
Payments for purchase and construction of fixed assets, including capitalized interest	(744,490)
Other receipts	-
	<u>-</u>
Net cash used in capital and related financing activities	<u>(744,490)</u>

Storm Water Utility	Refuse Collection	Golf	Total
\$ 5,232,108	\$ 6,933,228	\$ 7,889,589	\$ 21,932,553
(1,069,896)	(3,863,065)	(4,208,663)	(11,012,299)
(1,357,687)	(1,669,896)	(3,546,461)	(6,669,368)
<u>2,804,525</u>	<u>1,400,267</u>	<u>134,465</u>	<u>4,250,886</u>
-	-	-	-
(1,214)	(2,429)	(10,323)	(13,966)
(1,214)	(2,429)	(10,323)	(13,966)
-	1,411,250	-	1,411,250
65,007	45,901	4,567	115,475
729,506	-	-	729,506
(586,833)	(601,613)	(260,256)	(1,448,702)
(9,547,574)	(1,326,819)	(7,000)	(11,625,883)
-	-	-	-
(9,339,894)	(471,281)	(262,689)	(10,818,354)

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SALT LAKE CITY CORPORATION  
COMBINING STATEMENT OF CASH FLOWS  
NONMAJOR PROPRIETARY FUNDS  
Year ended June 30, 2006

	Intermodal Hub
Cash flows from investing activities:	
Interest received on investments and loans	\$ -
Net cash provided by investing activities	-
Net increase (decrease) in cash and cash equivalents	(832,861)
Cash and cash equivalents at beginning of year	1,789,841
Cash and cash equivalents at end of year	\$ 956,980
Cash and cash equivalent components:	
Unrestricted	\$ 956,980
Restricted	-
Cash and cash equivalents at end of year	\$ 956,980
Cash flows from operating activities -	
Operating income (loss)	\$ (238,721)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:	
Depreciation and amortization	\$ -
Increase (decrease) due to changes in:	
Accounts receivable	-
Other current assets	-
Accounts payable	151,802
Accrued liabilities affecting operating activities	(1,452)
Other liabilities	-
Long-term compensation liability	-
Total adjustments	150,350
Net cash provided by (used in) operating activities	\$ (88,371)
Noncash transactions affecting financial position:	
Contributions of fixed assets from other entities	\$ -



<u>Storm Water Utility</u>	<u>Refuse Collection</u>	<u>Golf</u>	<u>Total</u>
\$ 421,392	\$ 213,786	\$ 40,368	\$ 675,546
<u>421,392</u>	<u>213,786</u>	<u>40,368</u>	<u>675,546</u>
(6,115,191)	1,140,343	(98,179)	(5,905,888)
<u>16,628,358</u>	<u>4,718,429</u>	<u>1,236,741</u>	<u>24,373,369</u>
<u>\$ 10,513,167</u>	<u>\$ 5,858,772</u>	<u>\$ 1,138,562</u>	<u>\$ 18,467,481</u>
\$ 7,285,532	\$ 5,258,736	\$ 1,138,562	\$ 14,639,810
<u>3,227,635</u>	<u>600,036</u>	<u>-</u>	<u>3,827,671</u>
<u>\$ 10,513,167</u>	<u>\$ 5,858,772</u>	<u>\$ 1,138,562</u>	<u>\$ 18,467,481</u>
<u>\$ 898,818</u>	<u>\$ 411,957</u>	<u>\$ (652,399)</u>	<u>\$ 419,655</u>
\$ 1,724,324	\$ 780,499	\$ 757,446	\$ 3,262,269
(90,082)	(218,788)	15,069	(293,801)
-	99,399	26,978	126,377
290,803	382,768	(37,721)	787,652
(911)	(11,667)	(20,409)	(34,439)
(18,427)	(17,468)	50,941	15,046
-	(26,433)	(5,440)	(31,873)
<u>1,905,707</u>	<u>988,310</u>	<u>786,864</u>	<u>3,831,231</u>
<u>\$ 2,804,525</u>	<u>\$ 1,400,267</u>	<u>\$ 134,465</u>	<u>\$ 4,250,886</u>
\$ 1,249,491	\$ -	\$ 3,609,150	\$ 4,858,641

SALT LAKE CITY CORPORATION  
BUDGETARY COMPARISON SCHEDULE  
INTERMODAL HUB FUND  
Year ended June 30, 2006

	Budgetary Basis				
	Actual on GAAP basis	Actual on budgetary basis	Budgeted Amounts		Variance
			Original	Final	
Revenues and other sources:					
Grants and other contributions	\$ -	\$ -	\$ 1,500,000	\$ 1,500,000	\$ (1,500,000)
Donations	-	-	3,000,000	3,000,000	(3,000,000)
Other	1,877,628	1,877,628	146,448	146,448	1,731,180
Debt Proceeds	-	-	3,000,000	3,000,000	(3,000,000)
Transfer in	-	-	1,700,000	1,700,000	(1,700,000)
Total revenues and other sources	<u>1,877,628</u>	<u>1,877,628</u>	<u>9,346,448</u>	<u>9,346,448</u>	<u>(7,468,820)</u>
Expenses and other uses:					
Personal services	93,872	93,872	-	-	(93,872)
Operating and Maintenance	15,057	15,057	17,600	17,600	2,543
Charges and services	<u>2,007,420</u>	<u>2,007,420</u>	<u>244,500</u>	<u>244,500</u>	<u>(1,762,920)</u>
Total expenses before capital outlay	2,116,349	2,116,349	262,100	262,100	(1,854,249)
Capital outlay - Construction and purchase of property	<u>-</u>	<u>744,490</u>	<u>9,084,348</u>	<u>9,084,348</u>	<u>8,339,858</u>
Total expenses and other uses	<u>2,116,349</u>	<u>2,860,839</u>	<u>9,346,448</u>	<u>9,346,448</u>	<u>6,485,609</u>
Change in net assets	<u>\$ (238,721)</u>	<u>\$ (983,211)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (983,211)</u>

SALT LAKE CITY CORPORATION  
BUDGETARY COMPARISON SCHEDULE  
STORM WATER UTILITY FUND  
Year ended June 30, 2006

	Budgetary Basis				
	Actual on GAAP basis	Actual on budgetary basis	Budgeted Amounts		Variance
			Original	Final	
Revenues and other sources:					
Operating revenue - sales and charges for current services	\$ 5,340,616	\$ 5,340,616	\$ 5,245,000	\$ 5,245,000	\$ 95,616
Gain on sale of assets	65,007	-	-	-	-
Equipment disposition proceeds	-	65,007	10,000	10,000	55,007
Interest income	421,392	421,392	200,000	200,000	221,392
Impact fees	760,026	760,026	200,000	200,000	560,026
Contributions and nonoperating grants	1,218,971	1,218,971	716,000	716,000	502,971
Total revenues and other sources	7,806,012	7,806,012	6,371,000	6,371,000	1,435,012
Expenses and other uses:					
Personal services	1,358,062	1,358,062	1,534,983	1,534,983	176,921
Accrued compensated absences	(666)	-	-	-	-
Operating and maintenance	119,711	119,711	126,000	126,000	6,289
Charges and services	1,240,367	1,240,367	1,267,151	1,267,151	26,784
Depreciation and amortization	1,724,324	-	-	-	-
Transfers out	1,214	1,214	-	-	(1,214)
Expenses before debt service and capital outlay	4,443,012	2,719,354	2,928,134	2,928,134	208,780
Debt service:					
Principal	-	240,000	240,000	240,000	-
Interest	313,549	313,549	360,000	360,000	46,451
Capitalized interest	(342,833)	-	-	-	-
Capital outlay:					
Land	-	58,745	-	58,745	-
Buildings	-	598,010	2,986,000	2,987,500	2,389,490
Improvements other than buildings	-	9,821,297	7,888,000	10,184,500	363,203
Equipment	-	498,063	223,000	586,658	88,595
Total expenses and other uses	4,413,728	14,249,018	14,625,134	17,345,537	3,096,519
Change in net assets	\$ 3,392,284	\$ (6,443,006)	\$ (8,254,134)	\$ (10,974,537)	\$ 4,531,531

SALT LAKE CITY CORPORATION  
BUDGETARY COMPARISON SCHEDULE  
REFUSE COLLECTION FUND  
Year ended June 30, 2006

	Actual on GAAP basis	Actual on budgetary basis	Budgetary Basis		
			Budgeted Amounts		Variance
			Original	Final	
Revenues and other sources:					
Refuse collection fees	\$ 7,053,060	\$ 7,053,060	\$ 7,165,891	\$ 7,165,891	\$ (112,831)
Fixed asset disposition proceeds	-	45,901	368,675	368,675	(322,774)
Gain on fixed asset disposition	45,901	-	-	-	-
Rental and other	17,025	17,025	-	-	17,025
Proceeds from debt	-	1,411,250	1,990,825	1,990,825	(579,575)
Interest income	213,786	213,786	80,000	80,000	133,786
Equity in joint venture income	(4,663,456)	-	-	-	-
Total revenues and other sources	2,666,316	8,741,022	9,605,391	9,605,391	(864,369)
Expenses and other uses:					
Personal services	1,618,566	1,618,566	1,880,758	1,880,758	262,192
Accrued compensated absences	13,230	-	-	-	-
Operating and maintenance	40,055	40,055	70,126	70,221	30,166
Charges and services	4,205,778	4,205,778	4,595,324	4,649,294	443,516
Depreciation	780,499	-	-	-	-
Transfers out	2,429	2,429	2,429	2,429	-
Total expenses before debt service and capital outlay	6,660,557	5,866,828	6,548,637	6,602,702	735,874
Debt service:					
Principal	-	549,524	1,062,251	1,062,251	512,727
Interest	52,089	52,089	78,545	78,545	26,456
Capital outlay - purchase of equipment	-	922,768	2,217,823	2,229,173	1,306,405
Total expenses and other uses	6,712,646	7,391,209	9,907,256	9,972,671	2,581,462
Change in net assets	\$ (4,046,330)	\$ 1,349,813	\$ (301,865)	\$ (367,280)	\$ 1,717,093

SALT LAKE CITY CORPORATION  
BUDGETARY COMPARISON SCHEDULE  
GOLF FUND  
Year ended June 30, 2006

	Budgetary Basis				
	Actual on GAAP basis	Actual on budgetary basis	Original	Final	Variance
Revenues and other sources:					
Admissions and fees	\$ 5,066,476	\$ 5,066,476	\$ 5,300,638	\$ 5,178,803	\$ (112,327)
Equipment and facility rental	1,865,281	1,865,281	1,923,253	2,011,714	(146,433)
Retail sales and concessions	890,654	890,654	820,916	854,290	36,364
Interest income	40,368	40,368	33,219	33,219	7,149
Loss on sale of assets	4,567	-	-	-	-
Fixed asset disposition proceeds	-	4,567	-	-	4,567
Other revenue	1,168	1,168	2,394	2,394	(1,226)
Transfers in	5,308,617	5,308,617	-	-	5,308,617
Total revenues and other sources	<u>13,177,131</u>	<u>13,177,131</u>	<u>8,080,420</u>	<u>8,080,420</u>	<u>5,096,711</u>
Expenses and other uses:					
Personal services	3,579,510	3,579,510	3,653,018	3,653,018	73,508
Accrued compensated absences	(26,729)	-	-	-	-
Operating and maintenance	1,191,816	1,191,816	1,131,327	1,131,327	(60,489)
Charges and services	2,973,935	2,973,935	2,917,323	2,956,201	(17,734)
Depreciation	757,446	-	-	-	-
Transfers out	10,323	10,323	10,323	10,323	-
Total expenses before debt service and capital outlay	<u>8,486,301</u>	<u>7,755,584</u>	<u>7,711,991</u>	<u>7,750,869</u>	<u>(4,715)</u>
Debt Service:					
Principal	-	235,425	214,109	214,109	(21,316)
Interest	24,831	24,831	45,138	45,138	20,307
Capital outlay-purchase of equipment	<u>-</u>	<u>260,256</u>	<u>120,800</u>	<u>120,800</u>	<u>(139,456)</u>
Total expenses and other uses	<u>8,511,132</u>	<u>8,276,096</u>	<u>8,092,038</u>	<u>8,130,916</u>	<u>(145,180)</u>
Change in net assets	<u>\$ 4,665,999</u>	<u>\$ 4,901,035</u>	<u>\$ (11,618)</u>	<u>\$ (50,496)</u>	<u>\$ 4,951,531</u>

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Major Enterprise Funds  
– Budgetary Comparison Schedules

SALT LAKE CITY CORPORATION  
BUDGETARY COMPARISON SCHEDULE  
WATER UTILITY FUND  
Year ended June 30, 2006

	Actual on GAAP basis	Actual on budgetary basis	Budgetary Basis		
			Budgeted Amounts		Variance
			Original	Final	
Revenues and other sources:					
Operating revenue - sales and charges					
for current services	\$ 51,865,840	\$ 51,865,840	\$ 49,570,172	\$ 49,570,172	\$ 2,295,668
Equipment disposition proceeds	-	177,025	50,000	50,000	127,025
Gain on sale of assets	185,476	-	-	-	-
Interest income	1,289,151	1,289,151	450,000	450,000	839,151
Contributions and nonoperating grants	1,615,092	1,615,092	855,000	855,000	760,092
Impact fees	1,887,134	1,887,134	1,000,000	1,000,000	887,134
Total revenues and other sources	56,842,693	56,834,242	51,925,172	51,925,172	4,909,070
Expenses and other uses:					
Personal services	14,059,140	14,059,140	14,509,670	14,509,670	450,530
Accrued compensated absences	(2,863)	-	-	-	-
Operating and maintenance	2,660,385	2,660,385	2,370,779	2,370,779	(289,606)
Charges and services	21,410,068	21,410,068	21,826,219	21,826,219	416,151
Depreciation and amortization	5,607,564	-	-	-	-
Transfers out	44,806	44,806	-	-	(44,806)
Expenses before debt service and capital outlay	43,779,100	38,174,399	38,706,668	38,706,668	532,269
Debt service:					
Principal	-	1,680,000	1,440,000	1,440,000	(240,000)
Interest	1,326,550	1,326,550	1,180,000	1,180,000	(146,550)
Capitalized interest	(676,649)	-	-	-	-
Capital outlay:					
Land and water rights	-	111,559	780,000	885,000	773,441
Buildings	-	4,114,501	8,634,000	8,834,000	4,719,499
Improvements other than buildings	-	10,080,241	10,201,735	11,327,735	1,247,494
Equipment	-	1,703,671	2,165,500	2,710,079	1,006,408
Total expenses and other uses	44,429,001	57,190,921	63,107,903	65,083,482	7,892,561
Change in net assets	\$ 12,413,692	\$ (356,679)	\$ (11,182,731)	\$ (13,158,310)	\$ 12,801,631



SALT LAKE CITY CORPORATION  
BUDGETARY COMPARISON SCHEDULE  
DEPARTMENT OF AIRPORTS  
Year ended June 30, 2006

	Budgetary Basis				
	Actual on GAAP basis	Actual on budgetary basis	Budgeted Amounts		
			Original	Final	Variance
Revenues and other sources:					
Airfields	\$ 15,672,079	\$ 15,672,079	\$ 17,672,300	\$ 17,672,300	\$ (2,000,221)
Terminals	35,603,460	35,603,460	31,938,000	31,938,000	3,665,460
Landside	35,443,013	35,443,013	30,899,700	30,899,700	4,543,313
Auxiliary airports	470,001	470,001	411,800	411,800	58,201
General aviation	1,526,029	1,526,029	1,561,600	1,561,600	(35,571)
Support areas	6,318,159	6,318,159	6,372,300	6,372,300	(54,141)
Other revenue	1,750,358	1,750,358	1,692,100	1,692,100	58,258
Loss on sale of property and equipment	(2,255,849)	-	-	-	-
Equipment disposition proceeds	-	783,451	-	-	783,451
Interest income	5,868,368	5,868,368	2,500,000	2,500,000	3,368,368
Passenger facility charges	40,386,628	40,386,628	61,765,600	61,765,600	(21,378,972)
Contributions for aid in construction	19,836,783	19,836,783	44,883,400	44,883,400	(25,046,617)
Total revenues and other sources	160,619,029	163,658,329	199,696,800	199,696,800	(36,038,471)
Expenses and other uses:					
Personal services	34,156,758	34,156,758	36,874,400	36,874,400	2,717,642
Accrued compensated absences	(67,490)	-	-	-	-
Capitalized personal services	(2,233,611)	-	-	-	-
Operating and maintenance	7,427,536	7,427,536	6,904,950	6,904,950	(522,586)
Charges and services	24,413,460	24,413,460	26,668,950	26,668,950	2,255,490
Depreciation and amortization	40,812,399	-	-	-	-
Participating airline rebate	4,981,216	4,981,216	4,840,500	4,840,500	(140,716)
Transfers out	43,615	43,615	350,000	350,000	306,385
Total expenses before debt service and capital outlay	109,533,883	71,022,585	75,638,800	75,638,800	4,616,215
Debt service:					
Principal	-	4,025,000	4,025,000	4,025,000	-
Interest	2,770,135	2,770,135	1,319,000	1,319,000	(1,451,135)
Capitalized interest	(535,020)	-	-	-	-
Capital outlay					
Land	-	1,678,273	2,958,000	2,958,000	1,279,727
Equipment	-	4,152,187	3,076,000	3,076,000	(1,076,187)
Construction, including multi- year projects	-	67,334,929	111,576,000	111,576,000	44,241,071
Total expenses and other uses	111,768,998	150,983,109	198,592,800	198,592,800	47,609,691
Change in net assets	\$ 48,850,031	\$ 12,675,220	\$ 1,104,000	\$ 1,104,000	\$ 11,571,220

SALT LAKE CITY CORPORATION  
BUDGETARY COMPARISON SCHEDULE  
SEWER UTILITY FUND  
Year ended June 30, 2006

	Budgetary Basis				
	Actual on GAAP basis	Actual on budgetary basis	Budgeted Amounts		
			Original	Final	Variance
Revenues and other sources:					
Operating revenue - sales and charges for current services	\$ 16,875,689	\$ 16,875,689	\$ 15,971,000	\$ 15,971,000	\$ 904,689
Equipment disposition proceeds	-	51,356	10,000	10,000	41,356
Gain on sale of assets	54,708	-	-	-	-
Interest income	1,082,146	1,082,146	300,000	300,000	782,146
Impact fees	677,585	677,585	400,000	400,000	277,585
Contributions and non-operating grants	3,021,296	3,021,296	500,000	500,000	2,521,296
Total revenues and other sources	21,711,424	21,708,072	17,181,000	17,181,000	4,527,072
Expenses and other uses:					
Personal services	5,810,757	5,810,757	6,159,932	6,159,932	349,175
Accrued compensated absences	(46,894)	-	-	-	-
Operating and maintenance	1,074,657	1,074,657	1,376,875	1,376,875	302,218
Charges and services	2,267,344	2,267,344	2,165,894	2,165,894	(101,450)
Depreciation and amortization	3,632,759	-	-	-	-
Transfers out	19,235	19,235	-	-	(19,235)
Expenses before debt service and capital outlay	12,757,858	9,171,993	9,702,701	9,702,701	530,708
Debt service:					
Principal	-	760,000	782,100	782,100	22,100
Interest	992,906	992,906	1,152,900	1,152,900	159,994
Capitalized interest	(1,085,638)	-	-	-	-
Capital outlay:					
Land	-	-	1,000,000	1,000,000	1,000,000
Buildings	-	6,367,134	13,685,000	17,075,000	10,707,866
Improvements other than buildings	-	3,824,718	3,990,000	5,189,500	1,364,782
Equipment	-	647,075	1,386,600	1,799,244	1,152,169
Total expenses and other uses	12,665,126	21,763,826	31,699,301	36,701,445	14,937,619
Change in net assets	\$ 9,046,298	\$ (55,754)	\$ (14,518,301)	\$ (19,520,445)	\$ 19,464,691

SALT LAKE CITY CORPORATION  
BUDGETARY COMPARISON SCHEDULE  
HOUSING FUND  
Year ended June 30, 2006

	Actual on GAAP basis	Actual on budgetary basis	Budgetary Basis		
			Budgeted Amounts		Variance
			Original	Final	
Revenues and other sources:					
Operating revenue - sales and charges for current services	\$ 1,284,169	\$ 1,284,169	\$ -	\$ -	\$ 1,284,169
Equipment disposition proceeds	-	-	845,000	845,000	(845,000)
Gain on sale of assets	-	-	-	-	-
Interest income	301,578	301,578	596,000	596,000	(294,422)
Contributions and non-operating grants	-	1,929,222	663,306	3,231,406	(1,302,184)
Transfers in	14,217,549	14,217,549	-	14,783,437	-
Total revenues and other sources	15,803,296	17,732,518	2,104,306	19,455,843	(1,157,437)
Expenses and other uses:					
Operating and maintenance	-	-	-	-	-
Charges and services	360,610	360,610	1,508,306	10,527,367	10,166,757
Depreciation and amortization	-	-	-	-	-
Transfers out	1,486,927	1,486,927	-	1,824,684	337,757
Expenses before debt service and capital outlay	1,847,537	1,847,537	1,508,306	12,352,051	10,504,514
Debt service:					
Principal	-	858,827	-	-	(858,827)
Interest	642,063	642,063	596,000	596,000	(46,063)
Capitalized interest	-	-	-	-	-
Total expenses and other uses	2,489,600	3,348,427	2,104,306	12,948,051	9,599,624
Change in net assets	\$ 13,313,696	\$ 14,384,091	\$ -	\$ 6,507,792	\$ 8,442,187

SALT LAKE CITY CORPORATION  
BUDGETARY COMPARISON SCHEDULE  
REDEVELOPMENT AGENCY FUND  
Year ended June 30, 2006

	Budgetary Basis				
	Actual on GAAP basis	Actual on budgetary basis	Budgeted Amounts		Variance
			Original	Final	
Revenues and other sources:					
Operating income - rental and other	\$ 1,865,015	\$ 1,865,015	\$ 1,291,860	\$ 1,308,410	\$ 556,605
Property taxes	21,136,089	21,136,089	28,622,558	21,136,089	-
Interest income	2,786,393	2,786,393	1,524,500	1,432,500	1,353,893
Property disposition proceeds	-	120,000	-	300,000	(180,000)
Gain on property disposition	64,489	-	-	-	-
Debt Proceeds	-	1,600,000	1,600,000	1,600,000	-
Principal received on loans	-	2,211,577	670,000	1,435,000	776,577
Total revenues and other sources	25,851,986	29,719,074	33,708,918	27,211,999	2,507,075
Expenses and other uses:					
Personal services	554,885	554,885	507,000	507,000	(47,885)
Accrued compensated absences	2,374	-	-	-	-
Operating and maintenance	778,337	778,337	7,155,312	7,155,312	6,376,975
Charges and services	8,590,675	8,590,675	36,480,676	29,622,635	21,031,960
Property tax refund accrual	110,106	-	-	-	-
Property tax refund designation	-	223,500	223,500	223,500	-
Loans made to residents and businesses	-	6,188,700	11,772,869	11,772,869	5,584,169
Depreciation and amortization	1,731,071	-	-	-	-
Loss on writedown of land/buildings held for resale	-	-	-	-	-
Transfers Out	1,604,251	1,604,251	1,604,251	1,604,251	-
Total expenses before debt service	13,371,699	17,940,348	57,743,608	50,885,567	32,945,219
Debt service:					
Principal	-	5,392,586	9,737,586	9,737,586	4,345,000
Interest and fiscal charges	2,815,690	2,847,117	3,444,289	3,444,289	597,172
Accrued interest on capital appreciation bonds	1,359,037	-	-	-	-
Capital outlay- Land purchases	-	3,165,175	4,097,410	4,097,410	932,235
Total expenses and other uses	17,546,426	29,345,226	75,022,893	68,164,852	38,819,626
Change in net assets	\$ 8,305,560	\$ 373,848	\$ (41,313,975)	\$ (40,952,853)	\$ 41,326,701

## **Internal Service Funds**

**Fleet Management Fund** - This fund is used to account for the costs of the fleet management system which provides vehicles for use by City departments, and which provides vehicle maintenance on a cost-reimbursement basis.

**Information Management Services Fund** - This fund is used to account for the costs of providing data processing services to City departments. Costs are recovered by charges to user departments.

**Risk Management Fund** - This fund is used to account for the costs of providing insurance for employee health, accident, long-term disability, unemployment and worker's compensation. It also accounts for costs of the City's property damage insurance.

**Governmental Immunity Fund** - This fund is used to account for payment of general liability claims against the City.

**Municipal Building Authority Fund** - This fund is used to account for the acquisition and lease to the City of purchased or constructed property and equipment. This fund accounts for the bonds which were issued to purchase or construct the property and equipment and also accounts for the retirement of those bonds.

**Copy Center Fund** - This fund is used to account for centralized photocopying and printing activities.

SALT LAKE CITY CORPORATION  
COMBINING STATEMENT OF NET ASSETS - INTERNAL SERVICE FUNDS  
June 30, 2006

<u>ASSETS</u>	<u>Fleet Management</u>	<u>Information Management Services</u>
Current assets:		
Cash and cash equivalents	\$ 5,204,913	\$ 516,759
Receivables:		
Other receivables	-	-
Other assets		
Prepaid expenses	-	46,835
Inventories of supplies, at cost	479,378	33,404
	<hr/>	<hr/>
Total current assets	5,684,291	596,998
	<hr/>	<hr/>
Restricted assets - cash and cash equivalents	1,043,569	-
	<hr/>	<hr/>
Property and equipment, at cost:		
Land	-	-
Buildings	5,302	60,411
Improvements other than buildings	-	-
Machinery and equipment	43,851,531	5,968,864
Work in progress	9,808	-
Accumulated depreciation and amortization	(27,243,124)	(4,318,127)
	<hr/>	<hr/>
Net property and equipment	16,623,517	1,711,148
	<hr/>	<hr/>
Total assets	\$ 23,351,377	\$ 2,308,146
	<hr/>	<hr/>
<u>LIABILITIES AND NET ASSETS</u>		
Current liabilities:		
Due to other funds for cash overdraft	-	-
Accounts payable	530,428	105,794
Accrued liabilities	154,611	184,145
Deferred revenue	-	118,245
Current portion of long-term compensation liability	33,870	74,785
Current portion of long-term debt	2,858,870	-
	<hr/>	<hr/>
Total current liabilities	3,577,779	482,969
	<hr/>	<hr/>
Long-term liabilities:		
Notes payable	2,931,865	-
Notes payable from restricted assets	1,043,569	-
Obligations for compensation liabilities due after one year	292,443	737,237
	<hr/>	<hr/>
Total long-term liabilities	4,267,877	737,237
	<hr/>	<hr/>
Total liabilities	7,845,656	1,220,206
	<hr/>	<hr/>
Net Assets:		
Invested in capital assets	9,789,213	1,711,148
Unrestricted (deficit)	5,716,508	(623,208)
	<hr/>	<hr/>
Total net assets	15,505,721	1,087,940
	<hr/>	<hr/>
Total liabilities and net assets	\$ 23,351,377	\$ 2,308,146
	<hr/>	<hr/>

Risk Management	Governmental Immunity	Municipal Building Authority	Copy Center	Total
\$ 5,361,700	\$ 3,725,945	\$ 1,179,728	\$ 11,340	\$ 16,000,385
-	-	1,665,409	-	1,665,409
-	-	-	-	46,835
-	-	-	2,592	515,374
5,361,700	3,725,945	2,845,137	13,932	18,228,003
-	-	-	-	1,043,569
62,741	-	-	-	62,741
127,384	-	-	-	193,097
-	-	-	-	-
16,837	-	-	16,150	49,853,382
-	-	-	-	9,808
(48,430)	-	-	(11,305)	(31,620,986)
158,532	-	-	4,845	18,498,042
<u>\$ 5,520,232</u>	<u>\$ 3,725,945</u>	<u>\$ 2,845,137</u>	<u>\$ 18,777</u>	<u>\$ 37,769,614</u>
-	-	-	-	-
345,475	33,153	-	-	1,014,850
4,451,085	1,931,886	-	-	6,721,727
27,566	-	-	-	145,811
11,264	-	-	-	119,919
-	-	-	-	2,858,870
4,835,390	1,965,039	-	-	10,861,177
-	-	-	-	2,931,865
-	-	-	-	1,043,569
32,582	1,188	-	-	1,063,450
32,582	1,188	-	-	5,038,884
4,867,972	1,966,227	-	-	15,900,061
158,532	-	-	4,845	11,663,738
493,728	1,759,718	2,845,137	13,932	10,205,815
652,260	1,759,718	2,845,137	18,777	21,869,553
<u>\$ 5,520,232</u>	<u>\$ 3,725,945</u>	<u>\$ 2,845,137</u>	<u>\$ 18,777</u>	<u>\$ 37,769,614</u>

SALT LAKE CITY CORPORATION  
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS  
INTERNAL SERVICE FUNDS  
Year ended June 30, 2006

	Fleet Management	Information Management Services
Operating revenue - charges for services	<u>\$ 7,428,592</u>	<u>\$ 7,626,003</u>
Operating expenses:		
Personal services	2,520,034	5,210,048
Operating and maintenance	4,370,519	128,986
Charges and services including change in reserves	667,657	1,246,289
Depreciation and amortization	<u>4,170,045</u>	<u>774,160</u>
Total operating expenses	<u>11,728,255</u>	<u>7,359,483</u>
Operating income (loss)	<u>(4,299,663)</u>	<u>266,520</u>
Nonoperating revenues (expenses):		
Interest income	54,038	89,372
Interest expense	(247,983)	-
Gain (loss) on property and equipment disposition	<u>448,052</u>	<u>27,570</u>
Total nonoperating revenues (expenses)	<u>254,107</u>	<u>116,942</u>
Income (loss) before operating transfers	(4,045,556)	383,462
Transfers in	5,135,381	202,161
Transfers out	<u>(17,261)</u>	<u>-</u>
Change in net assets	1,072,564	585,623
Net Assets July 1, 2005	<u>14,433,157</u>	<u>502,317</u>
Net Assets June 30, 2006	<u><u>\$ 15,505,721</u></u>	<u><u>\$ 1,087,940</u></u>



<u>Risk Management</u>	<u>Govern- mental Immunity</u>	<u>Municipal Building Authority</u>	<u>Copy Center</u>	<u>Total</u>
<u>\$ 28,569,794</u>	<u>\$ 307,649</u>	<u>\$ 300,000</u>	<u>\$ -</u>	<u>\$ 44,232,038</u>
628,149	204,100	-	-	8,562,331
8,202	22,674	-	-	4,530,381
29,555,708	442,190	-	-	31,911,844
2,716	-	1,052,739	3,230	6,002,890
<u>30,194,775</u>	<u>668,964</u>	<u>1,052,739</u>	<u>3,230</u>	<u>51,007,446</u>
<u>(1,624,981)</u>	<u>(361,315)</u>	<u>(752,739)</u>	<u>(3,230)</u>	<u>(6,775,408)</u>
177,473	139,447	65,408	-	525,738
-	-	-	-	(247,983)
<u>-</u>	<u>-</u>	<u>(63,631,418)</u>	<u>-</u>	<u>(63,155,796)</u>
<u>177,473</u>	<u>139,447</u>	<u>(63,566,010)</u>	<u>-</u>	<u>(62,878,041)</u>
(1,447,508)	(221,868)	(64,318,749)	(3,230)	(69,653,449)
66,000	1,150,000	-	-	6,553,542
<u>(6,376)</u>	<u>-</u>	<u>(11,990,310)</u>	<u>-</u>	<u>(12,013,947)</u>
(1,387,884)	928,132	(76,309,059)	(3,230)	(75,113,854)
<u>2,040,144</u>	<u>831,586</u>	<u>79,154,196</u>	<u>22,007</u>	<u>96,983,407</u>
<u>\$ 652,260</u>	<u>\$ 1,759,718</u>	<u>\$ 2,845,137</u>	<u>\$ 18,777</u>	<u>\$ 21,869,553</u>

SALT LAKE CITY CORPORATION  
COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
Year ended June 30, 2006

	Fleet Management	Information Management Services
Increase (decrease) in cash and cash equivalents:		
Cash flows from operating activities -		
Receipts from customers and users	\$ 7,428,592	\$ 7,604,339
Payments to suppliers	(4,889,864)	(1,413,463)
Payments to employees	(2,566,550)	(5,192,340)
Net cash provided by (used in) operating activities	(27,822)	998,536
Cash flows from noncapital financing activities:		
Transfers in	5,135,381	202,161
Transfers out	(17,261)	-
Net cash provided by (used in) noncapital financing activities	5,118,120	202,161
Cash flows from capital and related financing activities:		
Proceeds from issuance of debt net of discount and issuance costs	3,744,447	-
Proceeds from sale of equipment	523,616	31,140
Payments on long-term obligations	(2,729,339)	-
Payments for purchase of fixed assets	(5,267,437)	(804,450)
Net cash used in capital financing activities	(3,728,713)	(773,310)
Cash flows from investing activities:		
Interest received on investments	54,038	89,372
Net cash provided by investing activities	54,038	89,372
Net increase (decrease) in cash and cash equivalents	1,415,623	516,759
Cash and cash equivalents at beginning of year	4,832,859	-
Cash and cash equivalents at end of year	<u>\$ 6,248,482</u>	<u>\$ 516,759</u>
Cash and cash equivalent components:		
Unrestricted	\$ 5,204,913	\$ 516,759
Restricted	1,043,569	-
Cash and cash equivalents at end of year	<u>\$ 6,248,482</u>	<u>\$ 516,759</u>
Reconciliation of operating income to net cash provided by (used in) operating activities:		
Operating income (loss)	<u>\$ (4,299,663)</u>	<u>\$ 266,520</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Depreciation and amortization	4,170,045	774,160
Increase (decrease) due to change in:		
Inventories of supplies	(62,255)	(28,372)
Other current assets	-	153,071
Due to other funds for cash overdraft	-	(246,162)
Accounts payable	210,567	83,275
Accrued liabilities affecting operating income	(41,381)	(3,099)
Deferred revenue	-	(21,664)
Long-term compensation liability	(5,135)	20,807
Total adjustments	4,271,841	732,016
Net cash provided by (used in) operating activities	<u>\$ (27,822)</u>	<u>\$ 998,536</u>

<u>Risk Management</u>	<u>Govern- mental Immunity</u>	<u>Municipal Building Authority</u>	<u>Copy Center</u>	<u>Total</u>
\$ 28,569,794	\$ 307,649	\$ 600,000	\$ -	\$ 44,510,374
(28,340,131)	(511,033)	(1,600,000)	-	(36,754,491)
(622,534)	(281,348)	-	-	(8,662,772)
(392,871)	(484,732)	(1,000,000)	-	(906,889)
66,000	1,150,000	-	-	6,553,542
(6,376)	-	(6,681,693)	-	(6,705,330)
59,624	1,150,000	(6,681,693)	-	(151,788)
-	-	-	-	3,744,447
-	-	-	-	554,756
-	-	-	-	(2,729,339)
-	-	-	-	(6,071,887)
-	-	-	-	(4,502,023)
177,473	139,447	-	-	460,330
177,473	139,447	-	-	460,330
(155,774)	804,715	(7,681,693)	-	(5,100,370)
5,517,474	2,921,230	8,861,421	11,340	22,144,324
\$ 5,361,700	\$ 3,725,945	\$ 1,179,728	\$ 11,340	\$ 17,043,954
\$ 5,361,700	\$ 3,725,945	\$ 1,179,728	\$ 11,340	\$ 16,000,385
-	-	-	-	1,043,569
\$ 5,361,700	\$ 3,725,945	\$ 1,179,728	\$ 11,340	\$ 17,043,954
\$ (1,624,981)	\$ (361,315)	\$ (752,739)	\$ (3,230)	\$ (6,775,408)
2,716	-	1,052,739	3,230	6,002,890
-	-	-	-	(90,627)
(6,679)	-	(1,300,000)	-	(1,153,608)
307,256	(46,169)	-	-	(246,162)
916,523	(66,972)	-	-	554,929
9,623	-	-	-	805,071
2,671	(10,276)	-	-	(12,041)
1,232,110	(123,417)	(247,261)	3,230	5,868,519
\$ (392,871)	\$ (484,732)	\$ (1,000,000)	\$ -	\$ (906,889)

SALT LAKE CITY CORPORATION  
BUDGETARY COMPARISON SCHEDULE  
FLEET MANAGEMENT FUND  
Year ended June 30, 2006

	Budgetary Basis				
	Actual on GAAP basis	Actual on budgetary basis	Budgeted Amounts		Variance
			Original	Final	
Revenues and other sources:					
Charges for maintenance	\$ 7,428,592	\$ 7,428,592	\$ 6,654,010	\$ 7,124,010	\$ 304,582
Interest income	54,038	54,038	500	500	53,538
Gain on sale of equipment	448,052	-	-	-	-
Proceeds from note	-	-	3,800,500	3,800,500	(3,800,500)
Proceeds from sale of equipment	-	523,616	450,000	450,000	73,616
Transfers in	5,135,381	5,135,381	5,135,381	5,135,381	-
 Total revenues and other sources	 13,066,063	 13,141,627	 16,040,391	 16,510,391	 (3,368,764)
 Expenses and other uses:					
Personal services	2,531,269	2,531,269	2,571,722	2,571,722	40,453
Accrued compensated absences	(11,235)	-	-	-	-
Operating and maintenance	4,370,519	4,370,519	4,009,150	4,479,150	108,631
Charges and services	667,657	667,657	740,798	749,919	82,262
Depreciation	4,170,045	-	-	-	-
Transfers out	17,261	17,261	17,261	17,261	-
 Total expenses before debt service and capital outlay	 11,745,516	 7,586,706	 7,338,931	 7,818,052	 231,346
 Debt service:					
Principal	-	2,481,356	3,137,843	3,137,843	656,487
Interest	247,983	247,983	281,245	281,245	33,262
 Capital outlay	 -	 5,267,437	 5,512,000	 5,512,000	 244,563
 Total expenses and other uses	 11,993,499	 15,583,482	 16,270,019	 16,749,140	 1,165,658
 Change in net assets	 <u>\$ 1,072,564</u>	 <u>\$ (2,441,855)</u>	 <u>\$ (229,628)</u>	 <u>\$ (238,749)</u>	 <u>\$ (2,203,106)</u>

SALT LAKE CITY CORPORATION  
BUDGETARY COMPARISON SCHEDULE  
INFORMATION MANAGEMENT SERVICES FUND  
Year ended June 30, 2006

	Actual on GAAP basis	Actual on budgetary basis	Budgetary Basis		
			Budgeted Amounts		Variance
			Original	Final	
Revenue:					
Charges for services	\$ 7,626,002	\$ 7,626,002	\$ 7,562,206	\$ 7,633,636	\$ (7,634)
Interest income	89,372	89,372	20,000	26,000	63,372
Proceeds from sale of equipment	-	31,140	35,000	35,000	(3,860)
Loss on equipment disposition	27,570	-	-	-	-
Miscellaneous revenue	1	1	2,077	2,077	(2,076)
Transfers in	202,161	202,161	178,994	180,294	21,867
Total revenues and other sources	7,945,106	7,948,676	7,798,277	7,877,007	71,669
Expenses and other uses:					
Personal services	5,209,486	5,209,486	5,140,922	5,207,922	(1,564)
Accrued compensated absences	562	-	-	-	-
Operating and maintenance	128,986	128,986	159,268	111,768	(17,218)
Charges and services	1,246,289	1,246,289	1,774,511	1,530,177	283,888
Depreciation	774,160	-	-	-	-
Total expenses before capital outlay	7,359,483	6,584,761	7,074,701	6,849,867	265,106
Capital outlay	-	804,450	540,400	843,964	39,514
Total expenses and other uses	7,359,483	7,389,211	7,615,101	7,693,831	304,620
Change in net assets	\$ 585,623	\$ 559,465	\$ 183,176	\$ 183,176	\$ 376,289

SALT LAKE CITY CORPORATION  
BUDGETARY COMPARISON SCHEDULE  
RISK MANAGEMENT FUND  
Year ended June 30, 2006

	Actual on GAAP basis	Actual on budgetary basis	Budgetary Basis		
			Budgeted Amounts		Variance
			Original	Final	
Revenues and other sources:					
Charges for services	\$ 28,522,693	\$ 28,522,693	\$ 29,292,575	\$ 29,769,514	\$ (1,246,821)
Interest income	177,473	177,473	20,000	20,000	157,473
Miscellaneous	47,101	47,101	-	5,424	41,677
Transfers in	66,000	66,000	102,024	96,600	(30,600)
Total revenues and other sources	<u>28,813,267</u>	<u>28,813,267</u>	<u>29,414,599</u>	<u>29,891,538</u>	<u>(1,078,271)</u>
Expenses and other uses:					
Personal services	619,879	619,879	646,231	663,231	43,352
Accrued compensated absences	8,270	-	-	-	-
Operating and maintenance	8,202	8,202	14,564	14,564	6,362
Premiums and other charges for services	28,905,589	28,905,589	28,753,804	29,213,743	308,154
Change in reserves	650,119	-	-	-	-
Depreciation	2,716	-	-	-	-
Transfers out	6,376	6,376	-	-	(6,376)
Total expenses before capital outlay	<u>30,201,151</u>	<u>29,540,046</u>	<u>29,414,599</u>	<u>29,891,538</u>	<u>351,492</u>
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenses and other uses	<u>30,201,151</u>	<u>29,540,046</u>	<u>29,414,599</u>	<u>29,891,538</u>	<u>351,492</u>
Change in net assets	<u>\$ (1,387,884)</u>	<u>\$ (726,779)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (726,779)</u>

SALT LAKE CITY CORPORATION  
BUDGETARY COMPARISON SCHEDULE  
GOVERNMENTAL IMMUNITY FUND  
Year ended June 30, 2006

	Budgetary Basis				
	Actual on GAAP basis	Actual on budgetary basis	Budgeted Amounts		Variance
			Original	Final	
Revenues and other sources -					
Interfund service charges	\$ 307,649	\$ 307,649	\$ 69,276	\$ 69,276	\$ 238,373
Interest income	139,447	139,447	54,000	54,000	85,447
Transfers in	<u>1,150,000</u>	<u>1,150,000</u>	<u>1,150,000</u>	<u>1,150,000</u>	<u>-</u>
Total revenues	<u>1,597,096</u>	<u>1,597,096</u>	<u>1,273,276</u>	<u>1,273,276</u>	<u>323,820</u>
Expenses:					
Personal services	193,824	193,824	214,376	214,376	20,552
Accrued compensated absences	10,276	-	-	-	-
Operating and maintenance	22,674	22,674	17,200	17,200	(5,474)
Claims, charges and services	374,190	374,190	1,041,700	1,041,700	667,510
Change in reserves	<u>68,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenses	<u>668,964</u>	<u>590,688</u>	<u>1,273,276</u>	<u>1,273,276</u>	<u>682,588</u>
Change in net assets	<u>\$ 928,132</u>	<u>\$ 1,006,408</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,006,408</u>

SALT LAKE CITY CORPORATION  
BUDGETARY COMPARISON SCHEDULE  
MUNICIPAL BUILDING AUTHORITY FUND  
Year ended June 30, 2006

	Budgetary Basis				
	Actual on GAAP basis	Actual on budgetary basis	Budgeted Amounts		Variance
			Original	Final	
Revenues and other sources:					
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	300,000	300,000	-	-	300,000
Property sale proceeds	-	-	-	-	-
Interest income	65,408	65,408	-	-	65,408
Transfers in	-	-	-	-	-
Total revenues and other sources	<u>365,408</u>	<u>365,408</u>	<u>-</u>	<u>-</u>	<u>365,408</u>
Expenses and other uses:					
Charges and services	-	-	1,600,000	1,600,000	1,600,000
Depreciation and amortization	<u>1,052,739</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenses before debt service and capital outlay	1,052,739	-	1,600,000	1,600,000	1,600,000
Capital outlay - acquisition & construction	-	-	-	-	-
Loss on property disposition	63,631,418	-	-	-	-
Transfers out	<u>11,990,310</u>	<u>11,990,310</u>	<u>6,602,000</u>	<u>6,681,693</u>	<u>(5,308,617)</u>
Total expenses and other uses	<u>76,674,467</u>	<u>11,990,310</u>	<u>8,202,000</u>	<u>8,281,693</u>	<u>(3,708,617)</u>
Change in net assets	<u>\$ (76,309,059)</u>	<u>\$ (11,624,902)</u>	<u>\$ (8,202,000)</u>	<u>\$ (8,281,693)</u>	<u>\$ (3,343,209)</u>



SALT LAKE CITY CORPORATION  
BUDGETARY COMPARISON SCHEDULE  
COPY CENTER FUND  
Year ended June 30, 2006

	Budgetary Basis			
	Actual on GAAP basis	Actual on budgetary basis	Budgeted Amounts	
			Original	Final
				Variance
Expenses and other uses:				
Charges and services	\$ -	\$ -	\$ -	\$ -
Depreciation	3,230	-	-	-
Transfers out				-
Total expenses and other uses	<u>3,230</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net assets	<u>\$ (3,230)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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## Project Schedules

SALT LAKE CITY CORPORATION  
SCHEDULE OF PROJECT EXPENDITURES  
CAPITAL PROJECTS FUND  
As of June 30, 2006

	Project budget	Prior years' expenditures and transfers	Current year expenditures and transfers	Total project expenditures	Project balance
1000 West Reconstruction	\$ 35,000	\$ 25,829	\$ 5,285	\$ 31,114	\$ 3,886
1300 East Reconstruction	285,652	-	-	-	285,652
1300 South Reconstruction	1,131,974	662,219	31,151	693,370	438,604
1700 East Reconstruction	40,000	-	33,856	33,856	6,144
2100 South Reconstruction	475,850	337,201	33,983	371,184	104,666
500 East Reconstruction	550,000	-	38,894	38,894	511,106
700 East Reconstruction	199,090	168,965	500	169,465	29,625
700 South Reconstruction	455,000	-	33,965	33,965	421,035
800 Radio Communication System	62,000	61,717	5	61,722	278
900 South Reconstruction	9,138,309	1,181,145	4,163,119	5,344,264	3,794,045
ADA Modifications - Parks	972,715	509,235	242,004	751,239	221,476
ADA Modifications - Ramp/Corner Repairs	2,377,410	1,027,072	659,775	1,686,847	690,563
Bonneville Boulevard Salt Dome	1,017,404	637,384	-	637,384	380,020
Bridge Rehabilitation	845,658	292,174	131,966	424,140	421,518
City/County Landfill	6,810,948	2,130,623	699,009	2,829,632	3,981,316
City Facility Improvements	12,907,219	689,766	1,090,135	1,779,901	11,127,318
Community Action Program	10,828	2,022	-	2,022	8,806
Concrete Replacement	7,883,206	4,647,993	1,311,538	5,959,531	1,923,675
Contingency	779,068	-	-	-	779,068
Debt Service - City/County Building	5,264,521	2,308,495	2,956,025	5,264,520	1
Debt Service - Library GO Bond	6,912,319	-	6,912,319	6,912,319	-
Debt Service - Justice Court	150,693	-	-	-	150,693
Debt Service - Motor Fuel Excise Tax Bond	723,255	-	723,255	723,255	-
Debt Service - Pioneer Precinct	53,343	-	-	-	53,343
Debt Service - Sales Tax	3,000,413	-	3,000,413	3,000,413	-
Debt Service - Zoo & Aviary Bond	881,638	-	881,638	881,638	-
Emigration Canyon Improvements	390,518	208,469	75,000	283,469	107,049
Fen way/Strong Court Improvements	454,000	-	16,622	16,622	437,378
Fremont/Remington Way	464,000	29,881	37,321	67,202	396,798
FTZ Warehouse	536,000	266,603	153,089	419,692	116,308
Gateway Reconstruction	4,230,899	3,349,584	5,320	3,354,904	875,995
Gladiola Street Reconstruction	700,000	157,717	95,080	252,797	447,203
Glendale Park	240,000	34,121	205,610	239,731	269
Grant Towers Railroad Realignment	4,000,000	-	49,901	49,901	3,950,099
Guardsman Way Reconstruction	1,366,835	1,351,410	15,425	1,366,835	-
Hogle Zoo	10,550,243	5,478,426	4,839,958	10,318,384	231,859
Human Resource Information System	185,500	168,319	-	168,319	17,181
IFAS Implementation	2,290,906	1,989,887	-	1,989,887	301,019
Impact Fees	2,985,143	30,550	18,569	49,119	2,936,024
Jordan River Parkway	2,452,223	1,222,931	411,635	1,634,566	817,657
Land Acquisition	3,265,400	-	3,244,037	3,244,037	21,363
Leonardo	50,000	25,000	25,000	50,000	-
Liberty Park Improvements	11,118,288	9,024,565	1,721,798	10,746,363	371,925
Liberty Wells	250,000	-	-	-	250,000
Library Block Reconstruction	3,505,563	3,496,031	-	3,496,031	9,532
Local Street Reconstruction	5,793,041	2,912,504	1,218,976	4,131,480	1,661,561
Mitigation - Foothills	28,000	-	-	-	28,000
Neighborhood Legacy Project	819,338	319,302	365,675	684,977	134,361
Open Space	5,707,944	120,668	-	120,668	5,587,276
Park Improvements	4,250,044	2,123,232	675,246	2,798,478	1,451,566
Path Study/Development	294,349	176,185	14,337	190,522	103,827
Percent for Art	315,999	77,013	73,240	150,253	165,746
Pedestrian Safety Devices	300,000	76,027	95,656	171,683	128,317
Physical Access Ramps	500,000	462,540	36,466	499,006	994
Property Management	515,915	480,878	-	480,878	35,037
Public Safety Radio Communication System	3,607,600	605,905	1,695	607,600	3,000,000
Quayle Avenue	120,000	101,437	10,297	111,734	8,266
Quiet Zone	636,609	633,150	3,459	636,609	-
Redwood Road/Dale Street	56,000	-	17,546	17,546	38,454
Riverside Park Improvements	196,500	110,575	17,390	127,965	68,535

SALT LAKE CITY CORPORATION  
SCHEDULE OF PROJECT EXPENDITURES  
CAPITAL PROJECTS FUND (cont.)  
As of June 30, 2006

	Project budget	Prior years' expenditures and transfers	Current year expenditures and transfers	Total project expenditures	Project balance
(continued)					
Rosewood Park Improvements	\$ 860,182	\$ 21,082	\$ 24,640	\$ 45,722	\$ 814,460
Rotary Glen Park Improvements	285,000	15,761	9,266	25,027	259,973
Salt Palace Expansion	8,000,000	-	8,000,000	8,000,000	-
Sidewalk Replacement	5,805,180	1,033,381	1,734,694	2,768,075	3,037,105
South Temple Reconstruction	1,824,429	1,715,701	10,741	1,726,442	97,987
State Street Reconstruction	895,830	868,386	978	869,364	26,466
Street Lighting Improvements	2,916,548	2,224,720	213,190	2,437,910	478,638
SugarHouse Park Master Plan	25,000	-	25,000	25,000	-
Tracy Aviary	1,416,473	1,011,495	324,193	1,335,688	80,785
Traffic Calming	628,951	222,021	184,015	406,036	222,915
Traffic Island Landscaping	123,000	88,710	4,493	93,203	29,797
Traffic Signal Improvements	1,340,000	590,943	587,170	1,178,113	161,887
Tree Utah	5,000	-	-	-	5,000
Unity Center	600,000	126,140	127,870	254,010	345,990
Utahna Drive	900,695	399,240	381,581	780,821	119,874
Wasatch Drive Reconstruction	51,120	49,092	1,878	50,970	150
Wasatch Hollow	40,000	-	31,916	31,916	8,084
Total Projects	\$ 160,857,777	\$ 58,081,422	\$ 48,054,808	\$ 106,136,230	\$ 54,721,547

SALT LAKE CITY CORPORATION  
SCHEDULE OF PROJECT EXPENDITURES  
COMMUNITY DEVELOPMENT OPERATING FUND  
As of June 30, 2006

	Project budget	Prior years' expenditures and transfers	Current year expenditures and transfers	Total project expenditures	Project balance
Administrative Support - 31st Year	\$ 742,721	\$ -	\$ 646,876	\$ 646,876	\$ 95,845
Alliance House	60,000	-	60,000	60,000	-
Capitol Hill Master Plan	70,000	65,838	4,162	70,000	-
Capitol West Boys & Girls Club	125,499	80,499	38,529	119,028	6,471
Central City Community Center Plan	25,000	-	20,000	20,000	5,000
Central Community Development Plan	10,001	722	-	722	9,279
Centro Civico Mexicano	36,100	-	41,564	41,564	(5,464)
Cleaning/Securing Vacant Property	190,072	108,880	8,223	117,103	72,969
Community Health Center	90,000	-	90,000	90,000	-
Community Services Council	70,468	-	7,486	7,486	62,982
Contingency	714,654	8,900	1,100	10,000	704,654
Crossroads Urban Center Food Pantry	16,000	-	16,000	16,000	-
Emergency Home Repair (ASSIST)	1,054,612	695,776	333,124	1,028,900	25,712
Emergency Repair Fund SLC HAND	20,000	-	399	399	19,601
English Skills Learning Center	5,000	-	5,000	5,000	-
Family Support Center Improvements	30,000	17,507	9,993	27,500	2,500
Friendly Neighborhood Center	120,000	-	-	-	120,000
Guadalupe Early Learning Center	45,000	-	45,000	45,000	-
Habitat for Humanity	28,315	-	-	-	28,315
Head Start - Community Action Program	107,400	-	107,400	107,400	-
Housing Match - Capital Planning	559,486	88,447	1,713	90,160	469,326
Housing Outreach Rental Program	30,000	-	30,000	30,000	-
Housing Rehabilitation	2,813,951	532,392	2,547,347	3,079,739	(265,788)
Indian Walk-in Center	18,000	-	-	-	18,000
Kostopulos Dream Foundation	13,349	8,349	5,000	13,349	-
Lead-based Paint Training	15,000	450	-	450	14,550
Legal Aid Society of Utah	10,000	-	10,000	10,000	-
Lifecare Home Improvement Project	204,560	128,560	76,000	204,560	-
Literacy Action Center	2,000	-	2,000	2,000	-
Mobile Neighborhood Watch	9,782	4,782	3,141	7,923	1,861
Multi-Ethnic Development Corp	5,000	-	5,000	5,000	-
Multi-Family Housing	201,422	-	-	-	201,422
Neighborhood House	17,300	-	-	-	17,300
Neighborhood Housing Services					
Revolving Loan	443,382	273,782	169,600	443,382	-
Neighborhood Self-Help Grants	29,999	9,315	264	9,579	20,420
Northwest Food Bank	25,000	-	25,000	25,000	-
Northwest Multipurpose Center Plan	40,000	-	30,000	30,000	10,000
Odessey House	67,375	-	-	-	67,375
People Helping People	23,516	17,266	5,000	22,266	1,250
Rape Crisis Center	101,991	64,338	37,653	101,991	-
Road Home	126,000	-	126,000	126,000	-
Salt Lake Community Development Corp.	490,000	214,167	173,543	387,710	102,290
Salt Lake Donated Dental Program	59,918	29,918	30,000	59,918	-
Salvation Army	60,000	-	-	-	60,000
Sarah Daft House	8,000	-	7,300	7,300	700
Somali Community Development	5,000	-	5,000	5,000	-
Sorenson Computer Clubhouse	11,650	11,625	-	11,625	25
St. Mary's Home for Men	23,036	3,334	-	3,334	19,702
St. Vincent DePaul	79,839	50,339	16,864	67,203	12,636
Sugarhouse Master Plan	86,222	75,967	-	75,967	10,255
Tenant Home Maintenance Training	11,000	-	11,000	11,000	-
TURN Community Services	53,000	17,271	34,832	52,103	897
Utah Alcoholism Foundation	76,098	-	29,107	29,107	46,991
Utah Federation for Youth	5,000	-	5,000	5,000	-
Utah Heritage Foundation	442,515	342,516	-	342,516	99,999
Utah Non-Profit Housing	55,000	30,000	25,000	55,000	-
Valley Mental Health	25,000	-	25,000	25,000	-
Volunteers of America - Detox Center	157,928	39,928	17,630	57,558	100,370

SALT LAKE CITY CORPORATION  
SCHEDULE OF PROJECT EXPENDITURES  
COMMUNITY DEVELOPMENT OPERATING FUND (cont.)  
As of June 30, 2006

	Project budget	Prior years' expenditures and transfers	Current year expenditures and transfers	Total project expenditures	Project balance
(continued)					
Volunteers of America - Literacy	\$ 5,000	\$ 3,846	\$ 1,154	\$ 5,000	\$ -
Wasatch Fish & Garden	25,000	17,500	6,250	23,750	1,250
Wasatch Homeless Health Care	20,000	-	15,000	15,000	5,000
Wasatch Plunge Feasibility Study	25,000	12,000	12,118	24,118	882
Weigand Homeless Day Center	132,588	85,377	44,666	130,043	2,545
Westminster Master Plan	30,000	26,045	-	26,045	3,955
YMCA - After School Project	18,914	6,156	12,758	18,914	-
YWCA - Crisis Shelter	91,000	56,000	35,000	91,000	-
Youth with a Voice	15,000	-	15,000	15,000	-
Total Projects:	<u>\$ 10,329,663</u>	<u>\$ 3,127,792</u>	<u>\$ 5,030,796</u>	<u>\$ 8,158,588</u>	<u>\$ 2,171,077</u>

SALT LAKE CITY CORPORATION  
SCHEDULE OF PROJECT EXPENDITURES  
GRANTS OPERATING FUND  
As of June 30, 2006

	Project budget	Prior years' expenditures and transfers	Current year expenditures and transfers	Total project expenditures	Project balance
Arts in Education	\$ 25,000	\$ 23,451	\$ -	\$ 23,451	\$ 1,549
Boarded Transitional Housing	200,000	161,608	38,392	200,000	-
Buffer Zone Grant	276,417	-	162,424	162,424	113,993
Citizen Corp Council	32,636	6,469	3,028	9,497	23,139
Clean Cities Program	216,601	128,691	61,223	189,914	26,687
Commission on Criminal and Juvenile Justice	6,625	-	6,625	6,625	-
Community Action Program	145,000	18,710	24,562	43,272	101,728
Community Development Corp	575,000	227,535	112,500	340,035	234,965
Community Oriented Policing	420,102	369,158	50,944	420,102	-
Crisis Intervention Training	99,000	26,590	28,279	54,869	44,131
Critical Land Inventory	15,000	-	14,000	14,000	1,000
Dispatch Equipment and Training	63,553	-	-	-	63,553
Drug Free Communities	301,000	102,561	136,678	239,239	61,761
Economic Development Initiative	595,410	-	45,745	45,745	549,665
EDGAR Grant	1,990,751	1,082,492	624,523	1,707,015	283,736
Emergency Medical Services	1,414,213	1,148,162	56,153	1,204,315	209,898
Emergency Preparedness Grant	42,038	-	35,466	35,466	6,572
Emergency Shelter Grant	363,573	174,396	179,643	354,039	9,534
Fire Department Assistance Grant	108,719	-	-	-	108,719
Fire Prevention and Safety Grant	37,612	29,967	-	29,967	7,645
Gateway Brownsfield Grant	299,989	197,276	36,175	233,451	66,538
Grants to Encourage Arrest	500,493	174,208	225,942	400,150	100,343
Hazardous Materials Mitigation Grant	113,931	58,295	6,000	64,295	49,636
Hear Our Voices	26,000	24,588	1,396	25,984	16
HIDTA Grant	419,627	201,409	172,630	374,039	45,588
Historic Planning and Preservation	63,877	37,310	-	37,310	26,567
Home	3,325,415	1,686,150	158,496	1,844,646	1,480,769
Homeland Security Grant	1,336,634	773,641	576,757	1,350,398	(13,764)
Housing Authority	104,765	-	104,765	104,765	-
Housing Opportunities for Persons with AIDS	1,376,210	654,323	433,418	1,087,741	288,469
Housing Trust Fund	13,937,302	3,499,901	10,437,401	13,937,302	-
Imagination Celebration	7,500	-	-	-	7,500
Improving Crime Data Crime Analysis	34,920	-	-	-	34,920
Intel Computer Clubhouse	15,000	12,593	844	13,437	1,563
Justice Assistance Grant	528,048	-	410,398	410,398	117,650
Law Enforcement Technology Grant	493,322	-	299,755	299,755	193,567
Law Enforcement Terrorism Prevention	332,648	126,761	205,887	332,648	-
Lead Based Paint Program	503,300	95,441	83,133	178,574	324,726
Local Law Enforcement Block Grant	672,177	520,584	112,490	633,074	39,103
Metro Fire Investigations Task Force	15,000	-	-	-	15,000
Metropolitan Medical Response System	1,507,593	600,853	491,248	1,092,101	415,492
Microsoft Unlimited Potential	30,000	-	26,130	26,130	3,870
Neighborhood Housing Service	1,954,613	608,252	633,074	1,241,326	713,287
Parley's Tunnel	100,000	-	-	-	100,000
Pedestrian Crossing Design Committee	86,251	53,029	-	53,029	33,222
Pioneer Park Use Plan	60,000	59,108	-	59,108	892
Project Safe Neighborhood	86,000	20,090	28,327	48,417	37,583
Refugee Consortium Grant	532,723	524,252	-	524,252	8,471
Revolving Loan Fund - UDAG	5,137,128	1,908,938	326,711	2,235,649	2,901,479
River Park Program Income	1,683,096	(17,237)	1,700,333	1,683,096	-
Road Home	150,000	49,937	92,563	142,500	7,500
Safe Street Program	50,000	48,833	-	48,833	1,167
Salt Lake City Green	25,000	-	11,239	11,239	13,761
Solar Roof Partnership	90,000	40,285	9,694	49,979	40,021
Traffic Management Grant	45,000	16,000	29,000	45,000	-
Utal Alcoholism Foundation	62,348	699	60,311	61,010	1,338
Utah Non-profit Housing	44,000	12,850	24,043	36,893	7,107
Victim of Crime	154,540	86,872	52,072	138,944	15,596
Violence Against Women	172,483	31,582	51,302	82,884	89,599



SALT LAKE CITY CORPORATION  
SCHEDULE OF PROJECT EXPENDITURES  
GRANTS OPERATING FUND (cont.)  
As of June 30, 2006

	Project budget	Prior years' expenditures and transfers	Current year expenditures and transfers	Total project expenditures	Project balance
(continued)					
Water Efficiency	\$ 530,000	\$ -	\$ -	\$ -	\$ 530,000
Weed and Seed	1,174,999	806,811	220,906	1,027,717	147,282
Workforce Services	2,107	1,834	-	1,834	273
Youth City Employment Program	25,000	-	-	-	25,000
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Total Projects:	\$ 44,737,289	\$ 16,415,258	\$ 18,602,625	\$ 35,017,883	\$ 9,719,406

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## Impact Fee Schedules

General Fund/Capital Improvement Fund Impact Fees  
Revenue and Actual Expenditures  
For the period ending June 30, 2006

	1999	2000	2001	2002	2003	2004	2005	2006	Total
<b>Police</b>									
Fees Collected	\$ -	\$ 1,260	\$ 255,432	\$ 144,755	\$ 210,888	\$ 290,266	\$ 307,607	\$ 547,295	\$ 1,757,503
Interest Income	-	-	5,068	10,474	11,412	6,497	8,548	26,685	68,684
Project Expenditures	-	-	-	(37,263)	-	(434,160)	(14,806)	(191,043)	(677,272)
Impact fee balance	-	1,260	260,500	117,966	222,300	(137,397)	301,349	382,937	1,148,915
<b>Fire</b>									
Fees Collected	-	1,410	277,654	163,730	228,545	305,412	330,093	593,752	1,900,596
Interest Income	-	28	5,512	11,473	(1,515)	770	19,415	59,476	95,159
Project Expenditures	-	-	-	(40,158)	(34,617)	-	(9,106)	(4,642)	(88,523)
Impact fee balance	-	1,438	283,166	135,045	192,413	306,182	340,402	648,586	1,907,232
<b>Parks</b>									
Fees Collected	-	2,670	83,895	186,063	78,765	202,475	81,605	213,778	849,251
Interest Income	-	64	2,011	4,294	6,228	6,646	3,561	10,181	32,985
Project Expenditures	-	-	-	(70,574)	-	-	(23,262)	(113,229)	(207,065)
Impact fee balance	-	2,734	85,906	119,783	84,993	209,121	61,904	110,730	675,171
<b>Parks Surcharge</b>									
Fees Collected	-	-	-	-	-	-	-	-	-
Interest Income	-	-	-	-	-	-	-	-	-
Project Expenditures	-	-	-	-	-	-	-	-	-
Impact fee balance	-	-	-	-	-	-	-	-	-
<b>Streets</b>									
Fees Collected	-	-	365,501	130,583	175,096	266,585	680,409	1,291,481	2,909,655
Interest Income	-	-	6,275	13,036	8,032	12,243	18,545	74,887	133,018
Project Expenditures	-	-	-	(262,005)	-	-	(7,638)	(44,475)	(314,118)
Impact fee balance	-	-	371,776	(118,386)	183,128	278,828	691,316	1,321,893	2,728,555
<b>Streets Surcharge</b>									
Fees Collected	-	-	-	-	-	-	-	-	-
Interest Income	-	-	-	-	-	-	-	-	-
Project Expenditures	-	-	-	-	-	-	-	-	-
Impact fee balance	-	-	-	-	-	-	-	-	-

Total Impact Fees Collected \$ 7,746,851  
Total Spent (1,286,978)  
Remaining Balance \$ 6,459,873

General Fund/Capital Improvement Fund Impact Fees  
Remaining and Projected Project Budgets  
For the period ending June 30, 2006

	Remaining Budget 2006	Budgeted 2007	Projected Budget 2008	Projected Budget 2009	Projected Budget 2010	Projected Budget 2011	Projected Budget 2012	Projected Budget 2013	Total
<b>Police</b>									
Liberty Park Precinct	-	-	870,000	-	-	-	-	-	870,000
Fleet Street Facility	213,000	-	54,180	-	-	-	-	-	267,180
Public Safety Building	61,473	-	4,845,000	-	-	-	-	-	4,906,473
Project balance	274,473	-	5,769,180	-	-	-	-	-	6,043,653
<b>Fire</b>									
Fire Train Facility	-	-	527,025	-	-	-	-	-	527,025
Fleet Street Facility	71,000	-	54,180	-	-	-	-	-	125,180
Project balance	71,000	-	581,205	-	-	-	-	-	652,205
<b>Parks</b>									
Northwest Multicultural Center	-	-	250,000	-	-	-	-	-	250,000
Fleet Street Facility	71,000	-	54,180	-	-	-	-	-	125,180
Splash Parks	-	-	-	-	-	80,000	-	-	80,000
Open Space Acquisition	-	-	250,000	-	-	200,000	-	200,000	650,000
Recreation Center	-	-	-	-	1,000,000	-	-	-	1,000,000
Youth Centers	-	-	-	-	37,500	-	37,500	-	75,000
Jordan River Trail Lighting	21,864	-	65,000	-	-	54,750	-	-	141,614
Jordan River Trailhead	118,998	-	-	-	-	-	-	-	118,998
Jordan River Trailway Improvements	152,917	300,000	212,500	-	-	-	-	-	665,417
Project balance	364,779	300,000	831,680	-	1,037,500	334,750	37,500	200,000	3,106,209
<b>Parks Surcharge</b>									
Project balance	-	-	-	-	-	-	-	-	-
<b>Streets</b>									
Fleet Street Facility	142,000	-	112,230	-	-	-	-	-	254,230
Gladiola Street	86,667	-	-	1,152,000	-	-	-	-	1,238,667
California Avenue	-	1,000,000	-	-	-	-	-	-	1,000,000
700 South Street/Railroad	200,000	-	-	-	-	2,000,000	-	-	2,200,000
Project balance	428,667	1,000,000	112,230	1,152,000	-	2,000,000	-	-	4,692,897
<b>Streets Surcharge</b>									
Project balance	-	-	-	-	-	-	-	-	-

Water Utility Fund Impact Fees  
Revenue and Actual Expenditures  
For the period ending June 30, 2006

Fiscal year Received	Beginning Balance Impact Fee Rev	Collected during Year	Expended on Projects	Interest earned Fiscal year	End of Year Impact Fee Balance
2000	\$ -	\$ 359,674	\$ (21,611)	\$ 177,388	\$ 515,451
2001	515,451	3,557,659	-	266,158	4,339,268
2002	4,339,268	691,203	(3,154,189)	150,720	2,027,002
2003	2,027,002	526,172	-	60,188	2,613,362
2004	2,613,362	902,271	-	64,799	3,580,432
2005	3,580,432	1,134,300	(1,587,142)	104,141	3,231,731
2006	3,231,731	1,714,580	-	172,554	5,118,864
		<u>\$ 8,885,859</u>	<u>\$ (4,762,942)</u>	<u>\$ 995,947</u>	<u>\$ 5,118,864</u>

Year of legislation enacting 6 year rule

Total Impact fees Collected	\$ 9,881,806	Water Master Plan Improvements
Spent	(4,762,942)	New Lines and capacity Increases
Balance	<u>\$ 5,118,864</u>	

Projects	Actual 2006	Budgeted 2007	Budgeted 2008	Budgeted 2009	Total
Millcreek Water System Upgrade	\$ -	\$ 3,239,296	\$ -	\$ -	3,239,296
New 70th South Pump Station	-	565,000	-	-	565,000
New 7800 South Pump Station	-	-	500,000	-	500,000
North Bench Pump Station	-	-	-	814,568	814,568
Total	<u>\$ -</u>	<u>\$ 3,804,296</u>	<u>\$ 500,000</u>	<u>\$ 814,568</u>	<u>\$ 5,118,864</u>

Sewer Utility Fund Impact Fees  
Revenue and Actual Expenditures  
For the period ending June 30, 2006

Fiscal year Received	Beginning Balance Impact Fee Rev	Collected during Year	Expended on Projects	Interest earned Fiscal year	End of Year Impact Fee Balance
2000	\$ -	\$ 2,510,478	\$ -	\$ 142,218	\$ 2,652,695
2001	2,652,695	611,925	-	179,338	3,443,958
2002	3,443,958	640,890	-	115,317	4,200,164
2003	4,200,164	218,305	-	108,461	4,526,930
2004	4,526,930	487,310	-	97,078	5,111,319
2005	5,111,319	368,545	(6,948,063)	131,017	-
2006	-	662,044	-	15,541	677,585
		<u>\$ 5,499,497</u>	<u>\$ (6,948,063)</u>	<u>\$ 788,969</u>	<u>\$ 677,585</u>

Total Impact fees Collected  
Force Main - project \$ 6,288,466  
Congeneration System (2,505,878)  
Balance (4,442,185)  
\$ 677,585

Projects	Actual 2006	Budgeted 2007	Budgeted 2008	Total
Secondary Treatment Plant Upgrade	\$ -	\$ 677,585	\$ -	\$ 677,585
Total	<u>\$ -</u>	<u>\$ 677,585</u>	<u>\$ -</u>	<u>\$ 677,585</u>

Fiscal year Received	Beginning Balance Impact Fee Rev	Collected during Year	Expended on Projects	Interest earned Fiscal year	End of Year Impact Fee Balance
2000	\$ -	\$ 35,610	-	\$ 567	\$ 36,177
2001	36,177	545,428	-	22,517	604,123
2002	604,123	224,276	-	21,976	850,375
2003	850,375	259,725	-	24,264	1,134,364
2004	1,134,364	200,655	-	25,694	1,360,713
2005	1,360,713	821,920	-	40,462	2,223,095
2006	2,223,095	657,417	-	102,609	2,983,121
		<u>\$ 2,745,031</u>	<u>-</u>	<u>\$ 238,090</u>	<u>\$ 2,983,121</u>

Projects	Actual 2006	Budgeted 2007	Budgeted 2008	Total
New 900 South Storm Drain Project	\$ -	\$ 2,983,121	\$ -	\$ 2,983,121
Total	\$ -	\$ 2,983,121	\$ -	\$ 2,983,121



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## STATISTICAL SECTION

(unaudited)

This part of the Salt Lake City Corporation's Comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the city's overall financial health.

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<b>Financial Trends</b>	S-1
These schedules contain trend information to help the reader understand how the city's financial performance and well-being have changed over time.	
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<b>Debt Capacity</b>	S-13
These schedules present information to help the reader assess the Affordability of the city's current levels of outstanding debt and the City's ability to issue additional debt in the future	
<b>Demographic and Economic Information</b>	S-18
This schedule offers demographic and economic indicators to help the Reader understand the environment within which the city's financial activities take place.	
<b>Operating Information</b>	S-19
These schedules contain service and infrastructure data to help the reader understand how the information in the city's financial report relates to the services the city provides and the activities it performs.	

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The city implemented GASB 34 in 2002; schedules presenting government-wide information include information beginning in that year.

Salt Lake City Corporation  
Net Assets by Component  
Last Five Fiscal Years  
(accrual basis of accounting)  
(amounts expressed in thousands)

	Fiscal Year				
	2002	2003	2004	2005	2006
<b>Governmental Activities</b>					
Investment in capital assets, net of related debt	\$ 290,429	\$ 335,869	\$ 323,869	\$ 358,064	\$ 382,648
Restricted	5,414	7,720	9,194	7,756	7,730
Unrestricted	194,236	87,794	119,281	126,234	77,575
Total governmental activities net assets	<u>\$ 490,079</u>	<u>\$ 431,383</u>	<u>\$ 452,344</u>	<u>\$ 492,054</u>	<u>\$ 467,953</u>
<b>Business-type activities</b>					
Invested in capital assets, net of related debt	\$ 828,734	\$ 820,939	\$ 907,775	\$ 982,029	\$ 1,049,032
Restricted	42,863	61,146	54,288	23,327	39,295
Unrestricted	206,151	264,419	248,632	281,695	314,737
Total business-type activities net assets	<u>\$ 1,077,748</u>	<u>\$ 1,146,504</u>	<u>\$ 1,210,695</u>	<u>\$ 1,287,051</u>	<u>\$ 1,403,063</u>
<b>Primary Government</b>					
Invested in capital assets, net of related debt	\$ 1,119,163	\$ 1,156,808	\$ 1,231,644	\$ 1,340,093	\$ 1,431,680
Restricted	48,277	68,866	63,482	31,083	47,025
Unrestricted	400,387	352,213	367,913	407,929	392,311
Total primary government net assets	<u>\$ 1,567,827</u>	<u>\$ 1,577,887</u>	<u>\$ 1,663,039</u>	<u>\$ 1,779,105</u>	<u>\$ 1,871,016</u>

Salt Lake City Corporation  
Change in Net Assets  
Last Five Fiscal Years  
(accrual basis of accounting)  
(amounts expressed in thousands)

	Fiscal Year				
	2002	2003	2004	2005	2006
Expenses					
Governmental Activities:					
General Government					
City Council	\$ 740	\$ 1,105	\$ 2,013	\$ 1,821	\$ 13,426
Mayor	1,311	1,563	1,338	1,546	1,605
City Attorney	1,557	1,524	1,408	1,470	1,694
Management Services	2,749	3,713	3,441	3,572	4,318
Fire	13,358	12,997	11,020	10,644	10,647
Police	27,594	26,930	27,506	27,894	30,688
Community and Economic Development	47,059	44,768	46,482	48,720	51,487
Public Services	20,923	19,990	17,910	17,367	28,093
Nondepartmental	36,277	37,622	33,500	38,931	47,110
Unallocated infrastructure depreciation	9,784	11,451	10,504	12,291	-
Interest on long-term debt	6,047	5,610	6,461	7,032	5,116
Total governmental activities expenses	11,205	8,953	10,618	11,329	7,854
Business-type activities:	\$ 178,604	\$ 176,226	\$ 172,201	\$ 182,617	\$ 202,039
Water	\$ 35,314	\$ 34,830	\$ 35,574	\$ 38,001	\$ 44,384
Airport Authority	94,684	104,468	110,013	104,371	113,981
Sewer (2)	-	-	-	12,641	12,646
Housing (3)	-	-	-	-	1,003
Redevelopment Agency	16,497	18,340	13,403	17,168	15,942
Intermodal Hub (4)	-	-	-	-	2,116
Storm Water (4)	-	-	-	-	4,442
Refuse (4)	-	-	-	-	11,322
Golf (4)	-	-	-	-	8,476
Other activities (4)	33,047	32,538	31,357	19,221	-
Total business-type activities expenses	179,542	190,176	190,347	191,402	214,312
Total primary government expenses	\$ 358,146	\$ 366,402	\$ 362,548	\$ 374,019	\$ 416,351
Program Revenues					
Charges for Services	\$ 42,140	\$ 36,704	\$ 38,368	\$ 61,919	\$ 49,669
Operating Grants and Contributions	9,945	10,741	17,492	14,424	17,798
Capital Grants and Contributions	6,487	8,075	7,724	5,796	4,805
Total governmental activities program revenues	\$ 58,572	\$ 55,520	\$ 63,584	\$ 82,139	\$ 72,273

<b>Business-type activities:</b>						
<b>Charges for Services:</b>						
Water	\$	42,733	\$	40,222	\$	46,137
Airport Authority		125,702		126,076		115,954
Sewer (2)	-	-	-	-	-	-
Housing (3)	-	-	-	-	-	-
Redevelopment Agency		26,190		24,746		24,093
Intermodal Hub (4)	-	-	-	-	-	-
Storm Water (4)	-	-	-	-	-	-
Refuse (4)	-	-	-	-	-	-
Golf (4)	-	-	-	-	-	-
Other activities (4)		39,009		36,289		34,850
Operating grants and contributions		25,464		18,976		28,928
Capital grants and contributions		-		-		-
Total business-type activities program revenues		<u>259,098</u>		<u>246,309</u>		<u>249,962</u>
Total primary government program revenues	\$	<u>317,670</u>	\$	<u>301,829</u>	\$	<u>313,546</u>
Net (expense)/revenue						
Governmental activities	\$	(120,032)	\$	(120,706)	\$	(108,617)
Business-type activities		79,556		56,133		59,615
Total primary government net expense	\$	<u>(40,476)</u>	\$	<u>(64,573)</u>	\$	<u>(49,002)</u>

General Revenues and Other Changes in Net Assets										
Governmental activities										
Taxes										
Property taxes, levied for general purposes	\$	64,161	\$	59,723	\$	63,243	\$	66,696	\$	64,341
Franchise taxes		20,832		20,679		21,532		23,194		23,929
Sales tax		45,602		41,889		41,097		44,999		48,933
Grants and contributions not restricted to specific programs		3,661 (1)		-		-		-		-
Investment earnings		8,548		4,298		3,608		5,091		5,360
Transfers		-		102		96		211		(16,313)
Total governmental activities		142,804		126,691		129,576		140,191		126,250
Business-type activities:										
Investment earnings	\$	6,958	\$	5,648	\$	4,673	\$	6,462	\$	12,003
Transfers		-		(102)		(96)		(211)		16,313
Total business-type activities:		6,958		5,546		4,577		6,251		28,317
Total primary government	\$	149,762	\$	132,237	\$	134,153	\$	146,442	\$	154,567

Change in Net Assets					
Governmental activities	\$ 22,772	\$ 5,985	\$ 20,959	\$ 39,710	\$ (3,516)
Business-type activities	86,514	61,679	64,192	76,356	95,475
Total primary government	<u>\$ 109,286</u>	<u>\$ 67,664</u>	<u>\$ 85,151</u>	<u>\$ 116,066</u>	<u>\$ 91,960</u>

- (1) Grants received for the 2002 Winter Olympics
- (2) The Sewer Utility became a major fund in 2005
- (3) The Housing Fund was classified as a business-type activity in 2006
- (4) The nonmajor business-type activities were shown in detail rather than in total in 2006

Salt Lake City Corporation  
Fund Balances of Governmental Funds  
Last Ten Years  
(modified accrual basis of accounting)  
(amounts expressed in thousands)

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
General Fund										
Reserved	\$ 1,752	\$ 1,746	\$ 7,280	\$ 9,129	\$ 4,058	\$ 2,552	\$ 1,095	\$ 1,443	\$ 2,527	\$ 2,818
Unreserved	15,965	15,368	13,119	17,569	21,431	28,600	22,012	19,972	26,631	28,761
Total General Fund	<u>\$ 17,717</u>	<u>\$ 17,114</u>	<u>\$ 20,399</u>	<u>\$ 26,698</u>	<u>\$ 25,489</u>	<u>\$ 31,152</u>	<u>\$ 23,107</u>	<u>\$ 21,415</u>	<u>\$ 29,158</u>	<u>\$ 31,580</u>
All other governmental funds										
Reserved	\$ 22,697	\$ 22,282	\$ 20,829	\$ 105,648 (2)	\$ 28,339	\$ 28,101	\$ 26,683	\$ 41,830	\$ 37,444	\$ 7,193
Unreserved, reported in:										
Capital projects funds	9,274	11,476	19,997	22,635	90,163 (2)	50,554	27,842	29,642	27,234	27,140
Special revenue funds	8,495	11,597	13,939	16,858	18,239	20,742	20,501	23,795	23,444	17,852
Debt service funds		-	-	-	-	97	349	341	869	1,013
Total all other governmental funds	<u>\$ 40,466</u>	<u>\$ 45,355</u>	<u>\$ 54,765</u>	<u>\$ 145,141</u>	<u>\$ 136,741</u>	<u>\$ 99,494</u>	<u>\$ 75,375</u>	<u>\$ 95,608</u>	<u>\$ 88,991</u>	<u>\$ 53,197</u>

(1) - Increase due to 2002 Winter Olympics

(2) - Increase due to bonding for new Downtown Library

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Salt Lake City Corporation  
Changes in Fund Balances of Governmental Funds  
Last Ten Years  
(modified accrual basis of accounting)  
(amounts expressed in thousands)

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>Revenues:</b>										
General property taxes	\$ 38,687	\$ 40,414	\$ 43,042	\$ 53,452	\$ 56,262	\$ 58,584	\$ 59,724	\$ 63,243	\$ 64,473	\$ 63,305
Sales, Use and excise taxes	34,495	37,939	39,212	40,320	42,731	45,602	41,889	41,097	44,999	48,933
Franchise taxes	16,763	15,465	16,360	16,426	19,432	20,832	20,679	21,532	23,194	23,929
Licenses	4,564	4,580	4,696	4,943	5,327	5,969	5,430	5,540	5,505	5,779
Permits	3,642	4,551	3,987	4,645	6,347	4,395	3,751	4,460	6,881	9,940
Fines and forfeitures	929	1,053	1,669	2,610	3,885	3,447	5,564	5,744	5,656	6,268
Assessments	1,867	1,748	1,441	1,193	1,453	1,266	1,543	2,100	19,046	1,597
Interest	4,189	4,679	4,724	9,521	9,892	7,720	3,833	3,296	4,685	4,834
Intergovernmental	16,795	22,444	23,377	23,064	25,733	22,130	21,726	20,326	20,479	21,175
Interfund service charges	5,954	6,223	6,532	6,658	6,761	9,053	8,057	8,158	8,689	8,864
Parking meter	1,204	1,092	1,069	1,231	1,257	1,171	1,160	1,197	1,288	1,454
Parking ticket	3,408	3,529	3,359	3,526	3,374	2,813	3,445	3,913	3,669	3,135
Charges for services	4,841	5,270	3,996	3,765	3,160	6,105	3,993	3,710	3,633	3,574
Contributions	320	383	522	390	367	4,899	1,261	5,732	1,502	3,082
Miscellaneous	880	1,277	1,916	2,870	1,632	2,462	2,283	2,361	1,560	3,326
<b>Total Revenues</b>	<b>138,538</b>	<b>150,647</b>	<b>155,902</b>	<b>174,614</b>	<b>187,613</b>	<b>196,448</b>	<b>184,338</b>	<b>192,409</b>	<b>215,259</b>	<b>209,195</b>
<b>Expenditures</b>										
City Council	1,206	1,315	1,374	1,467	1,220	1,289	1,513	1,328	1,541	1,519
Mayor	1,225	1,325	1,259	1,385	1,443	1,549	1,486	1,414	1,460	1,558
City Attorney	1,708	1,922	1,894	2,156	2,082	2,500	2,565	2,757	2,925	3,285
Management Services	5,802	6,501	5,691	6,152	7,453	13,400	8,820	8,920	9,278	9,589
Fire	21,895	22,918	23,816	23,820	24,962	26,924	26,136	27,526	27,322	29,154
Police	34,541	36,448	36,630	39,663	40,144	44,051	42,602	44,055	46,057	47,712
Community and Economic Development	8,978	17,073	22,622	21,506	16,705	19,854	18,419	17,101	16,197	18,174
Public Services	27,361	22,310	22,473	23,969	28,060	31,975	32,844	34,610	34,902	36,784
Internal Audit	183	256	288	296	281	-	-	-	-	-
Arts Council	333	365	420	285	287	813	824	840	1,052	1,226
Nondepartmental	8,142	8,728	9,512	9,433	8,782	9,787	11,449	10,509	12,291	12,725
Capital outlay	15,897	20,827	24,289	24,035	37,760	58,292	52,550	32,858	22,847	33,275
Debt service:										
Principal	2,547	2,668	2,713	6,133	5,718	5,686	58,332	6,313	29,829	9,991
Interest and other fiscal charges	2,337	2,217	2,084	5,037	5,641	6,613	5,421	6,602	8,332	7,188
<b>Total expenditures</b>	<b>132,155</b>	<b>144,873</b>	<b>155,065</b>	<b>165,337</b>	<b>180,538</b>	<b>222,733</b>	<b>262,961</b>	<b>194,833</b>	<b>214,033</b>	<b>212,181</b>
Excess of revenues over (under) expenditures	6,383	5,774	837	9,277	7,075	(26,285)	(78,623)	(2,424)	1,226	(2,985)



	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>Other financing sources (uses):</b>										
Issuance of debt	372	726	-	86,334	65	705	54,216	30,179	68,666	472
Premiums from issuance of debt	-	-	-	-	-	-	-	99	-	-
Proceeds fro sale of property	670	1,262	15,644	7,119	723	982	920	561	1,705	579
Operating transfers in	15,764	20,309	19,101	30,967	38,696	37,454	45,625	36,616	35,844	51,160
Operating transfers out	(18,969)	(23,532)	(22,885)	(37,021)	(56,168)	(45,474)	(54,302)	(46,492)	(106,314)	(62,013)
Total other financing sources (uses)	(2,163)	(1,235)	11,860	87,399	(16,684)	(6,333)	46,459	20,963	(99)	(9,802)
Net change in fund balances	\$ 4,220	\$ 4,539	\$ 12,697	\$ 96,676	\$ (9,609)	\$ (32,618)	\$ (32,164)	\$ 18,539	\$ 1,127	\$ (12,788)

Debt service as a percentage of noncapital expenditures	4.39%	4.10%	3.81%	8.58%	8.64%	5.84%	43.47%	8.66%	24.94%	10.62%
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Salt Lake City Corporation  
Governmental Activities Tax Revenues By Source  
Last Four Fiscal Years  
(accrual basis of accounting)  
(amounts expressed in thousands)

<b>Fiscal Year</b>	<b>Property Tax</b>	<b>Franchise Tax</b>	<b>Sales Tax</b>	<b>Total</b>
2002	\$ 59,724	\$ 20,678	\$ 41,889	\$ 122,291
2003	59,724	20,678	41,899	122,301
2004	63,243	21,533	41,097	125,873
2005	66,696	23,194	44,999	134,889
2006	64,341	23,929	48,933	137,204

Salt Lake City Corporation  
**ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY**  
 Last ten fiscal years  
 (dollars are expressed in thousands)  
 (unaudited)

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Taxable value *	\$9,884,430	\$11,058,957	\$11,673,642	\$12,818,430	\$12,130,282	\$12,654,482	\$12,726,186	\$12,561,679	\$12,543,350	\$13,302,064
Estimated actual value	\$10,765,856	\$13,928,157	\$16,449,222	\$15,425,555	\$17,356,457	\$18,075,984	\$18,480,005	\$17,945,256	\$17,996,198	\$17,516,077
Ratio of assessed value to estimated actual value	91.8%	79.4%	71.0%	83.1%	69.9%	70.0%	68.9%	70.0%	69.7%	75.9%
Total Direct Tax Rate	0.003854	0.003627	0.003802	0.004126	0.004131	0.004296	0.004457	0.004681	0.004681	0.004488

\* Note:  
 All taxable property is assessed and taxed on the basis of its fair market value. Utah law requires that the fair market value of property that is assessed by county assessors using a comparable sales or a cost appraisal method exclude expenses related to property sales transactions. For tax purposes, the fair market value of primary residential property is reduced by 45% under present law. Taxable value is net of Redevelopment Agency value

Salt Lake City Corporation  
Direct and Overlapping Property Tax Rates  
Last Ten Fiscal Years  
(rates per \$1 of assessed value)

Fiscal Year	Total Direct	Overlapping Rates					
		Salt Lake City Library	Salt Lake City Schools	Salt Lake County	Mosquito Abatement District	Central Utah Water Conservation	Metropolitan Water District
1997	0.003854	0.000808	0.006268	0.003782	0.000082	0.000342	0.000312
1998	0.003627	0.000760	0.005907	0.003551	0.000077	0.000400	0.000294
1999	0.003802	0.000749	0.005907	0.002805	0.000080	0.000397	0.000289
2000	0.004126	0.000829	0.005859	0.003246	0.000076	0.000396	0.000286
2001	0.004131	0.000785	0.005741	0.002904	0.000073	0.000377	0.000271
2002	0.004296	0.000773	0.005585	0.003025	0.000072	0.003690	0.000267
2003	0.004457	0.000755	0.005528	0.002939	0.000070	0.000358	0.000261
2004	0.004681	0.000777	0.006018	0.002868	0.000072	0.000358	0.000269
2005	0.004580	0.000887	0.005992	0.002816	0.000138	0.000353	0.000264
2006	0.004488	0.000869	0.006040	0.002682	0.000060	0.000400	-

Source: Salt Lake County Comprehensive Annual Financial Report

Salt Lake City Corporation  
Principal Property Tax Payers  
Current Year and Nine Years Ago

	December 31, 2005 taxable valuation			December 31, 1997 taxable value		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
<u>Taxpayer</u>						
Sky West Airlines	\$ 431,100,985	1	4.4	\$ -		
LDS Church (Deseret Title, Etc.)	396,100,360	2	4.0	355,985,790	2	3.6
Delta Air Lines	297,702,376	3	3.0			
Pacificorp	297,200,825	4	3.0	298,308,040	3	3.0
Qwest Corporation	193,391,510	5	2.0	370,620,640	1	
Inland Western Salt City Gateway	146,415,000	6	1.5			
Wasatch Plaza Holding	121,113,300	7	1.2			
Miller Family Real Estate	97,106,500	8	1.0			
Questar Gas	82,009,416	9	0.8	79,401,010	6	0.8
Grand America Hotel Company	81,397,400	10	0.8			
Crossroads Plaza				170,216,100	4	1.7
American Telephone and Telegraph				155,248,400	5	1.6
Little America Hotel Corporation				76,909,500	7	0.8
Salt Lake Regional Medical Center				66,227,050	8	0.7
Boyer Block 57 Associates				54,267,700	9	0.5
Marriot Hotel				48,937,800	10	0.5
	<u>\$ 2,143,537,672</u>			<u>\$ 1,676,122,030</u>		

Taxable Value

\$ 13,302,063,828

\$ 9,880,178,756

Salt Lake City Corporation  
Property Tax Levies and Collections  
Last Ten Years  
(amounts expressed in thousands)

Fiscal Year Ended June 30,	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collection in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
1997	\$ 36,372	\$ 35,596	97.9 %	389	\$ 35,985	98.9 %
1998	40,300	39,515	98.1	572	40,087	99.5
1999	41,962	41,017	97.7	698	41,715	99.4
2000	51,394	50,316	97.9	811	51,127	99.5
2001	54,743	53,375	97.5	1,123	54,498	99.6
2002	61,395	59,350	96.7	1,735	61,085	99.5
2003	58,779	57,626	98.0	638	58,264	99.1
2004	61,434	60,549	98.6	569	61,118	99.5
2005	63,401	61,403	96.8	-	61,403	96.8
2006	64,017	- (1)	-	- (1)	-	-

1 - Property taxes are levied January 1 and received on November 30.  
Payments are not considered delinquent until after November 30.

Salt Lake City Corporation  
Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years

(amounts expressed in thousands except per capita amount)

Fiscal Year Ended June 30,	Governmental Activities				Business-type Activities				Total Primary Government	Percentage of Personal Income	Personal Income	Per Capita							
	General		Special		Revenue		Notes												
	Obligation Bonds		Assessment Bonds		Bonds		Payable												
1997	\$	29,115	\$	2,847	\$	40,186	\$	-	\$	341,549	\$	811	\$	414,508	6.40%	\$	6,481,034	\$	2,407
1998		27,685		2,840		36,704		1,837		346,606		666		416,338	6.10%		6,830,184		2,408
1999		26,185		2,157		33,731		6,135		313,443		2,078		383,729	5.52%		6,948,667		2,207
2000		102,260		1,501		69,796		11,903		276,805		5,049		467,314	6.28%		7,445,136		2,682
2001		97,660		1,095		66,340		12,104		208,017		2,968		388,184	5.52%		7,027,043		2,136
2002		93,360		993		74,488		18,968		206,988		2,318		397,115	5.89%		6,741,062		2,169
2003		91,355		808		69,784		18,857		189,630		3,046		373,480	5.51%		6,775,885		2,063
2004		97,561		19,054		66,985		18,213		161,604		2,915		366,332	5.18%		7,075,096		2,036
2005		91,755		1,404		65,500		17,320		149,843		1,887		327,709	4.44%		7,387,520		1,835
2006		85,661		1,565		61,877		6,834		137,771		13,372		307,080	3.98%		7,713,740		1,724

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

Salt Lake City Corporation  
Ratios of General Bonded Debt Outstanding  
Last Ten Fiscal Years

(amounts expressed in thousands except per capita amount)

<b>Fiscal Year Ended June 30,</b>	<b>General Obligation Bonds</b>	<b>Less: Amounts Available In Debt Service Fund</b>	<b>Total</b>	<b>Percentage of Estimated Actual Taxable Value of Property</b>	<b>Per Capita</b>
1997	\$ 29,115	\$ 988	\$ 28,127	0.26%	\$ 163
1998	27,685	843	26,842	0.19%	155
1999	26,185	837	25,348	0.15%	146
2000	102,260	1,600	100,660	0.65%	578
2001	97,660	1,758	95,902	0.55%	528
2002	93,360	1,487	91,873	0.51%	502
2003	91,355	615	90,740	0.49%	501
2004	97,561	612	96,949	0.54%	533
2005	91,755	644	91,111	0.51%	510
2006	85,661	816	84,845	0.48%	476



Salt Lake City Corporation  
COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT  
June 30, 2006  
(unaudited)

	Total debt	Applicable to City		Debt ratios		
		Percentage	Amount	To taxable value of	To fair market value of	Per capita - population of
Direct general obligation debt	\$ 85,661,254	100.00%	\$ 85,661,254	\$ 13,302,063,828	\$ 17,516,076,858	178,097 (est.)
Overlapping debt:						
Salt Lake County	191,570,000	32.50%	62,260,250			
Salt Lake City School District	164,012,722	100.00%	164,012,722			
Total Overlapping debt	355,582,722		226,272,972			
Total applicable to the City	<u>\$ 441,243,976</u>		<u>\$ 311,934,226</u>	2.35%	1.78%	\$ 1,751.49

Note:

The State of Utah general obligation debt is not included in the debt ratios because the State of Utah currently levies no ad valorem tax for payment of general obligation bonds.

Source: Salt Lake City Management Services Department

Salt Lake City Corporation  
Legal Debt Margin Information  
Last Ten Fiscal Years  
(amounts expressed in thousands)

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>General Purposes - 4%</b>										
Debt Limit	\$ 430,634	\$ 557,126	\$ 657,969	\$ 617,022	\$ 694,258	\$ 723,039	\$ 739,200	\$ 717,810	\$ 718,648	\$ 700,643
Total net debt applicable to limit	(29,115)	(27,685)	(26,185)	(102,260)	(97,660)	(93,360)	(91,355)	(97,561)	(91,111)	86,477 (1)
Legal Debt Margin	<u>\$ 401,519</u>	<u>\$ 529,441</u>	<u>\$ 631,784</u>	<u>\$ 514,762</u>	<u>\$ 596,598</u>	<u>\$ 629,679</u>	<u>\$ 647,845</u>	<u>\$ 620,249</u>	<u>\$ 627,537</u>	<u>\$ 787,120</u>
Total net debt applicable to the limit as a percentage of debt limit										
<b>Water, sewer and lighting 4%</b>										
Debt Limit	\$ 430,634	\$ 557,126	\$ 657,969	\$ 617,022	\$ 694,258	\$ 723,039	\$ 739,200	\$ 717,810	\$ 718,648	\$ 700,643
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal Debt Margin	<u>\$ 430,634</u>	<u>\$ 557,126</u>	<u>\$ 657,969</u>	<u>\$ 617,022</u>	<u>\$ 694,258</u>	<u>\$ 723,039</u>	<u>\$ 739,200</u>	<u>\$ 717,810</u>	<u>\$ 718,648</u>	<u>\$ 700,643</u>
Total net debt applicable to the limit as a percentage of debt limit										
<b>Totals 8%</b>										
Debt Limit	\$ 861,268	\$ 1,114,252	\$ 1,315,938	\$ 1,234,044	\$ 1,388,516	\$ 1,446,078	\$ 1,478,400	\$ 1,435,620	\$ 1,437,296	\$ 1,401,286
Total net debt applicable to limit	(29,115)	(27,685)	(26,185)	(102,260)	(97,660)	(93,360)	(91,355)	(97,561)	(91,111)	86,477
Legal Debt Margin	<u>\$ 832,153</u>	<u>\$ 1,086,567</u>	<u>\$ 1,289,753</u>	<u>\$ 1,131,784</u>	<u>\$ 1,290,856</u>	<u>\$ 1,352,718</u>	<u>\$ 1,387,045</u>	<u>\$ 1,338,059</u>	<u>\$ 1,346,185</u>	<u>\$ 1,487,763</u>
Total net debt applicable to the limit as a percentage of debt limit										
<b>Legal Debt Margin Calculation for Fiscal Year 2006</b>										
Total assessed value										\$ 17,516,077
Debt limit (8% of total assessed value)										<u>1,401,286</u>
Debt applicable to limit:										
General obligation bonds										85,661
Less: Amount set aside for repayment of general obligation debt										<u>(816)</u>
Total net debt applicable to limit										<u>84,845</u>
Legal debt margin										<u>\$ 1,316,441</u>

The general obligation bonded debt of the City is limited by statute to 8% of the "reasonable fair cash value" of property. Of this amount, a maximum of 4% may be used for general purposes. The remaining 4% and any unused portion of the 4% available for general purposes up to the maximum 8% may be utilized for sewer and/or water purposes.

(1) - Starting in 2005 the total net debt applicable to limit is netted with the Fund Balance in the Debt Service Fund

Salt Lake City Corporation  
Pledged-Revenue Coverage  
Last Ten Fiscal Years  
(amounts expressed in thousands)

Fiscal Year Ended June 30,	Revenue Bonds					Special Assessment Bonds				
	Gross Revenues (1)	Less: Operating Expenses (3)	Net Available Revenues	Debt Service (6)		Special Assessments Collections	Debt Service		Coverage	
				Principal	Interest		Principal	Interest		
Revenue Bonds - Governmental Activities										
1997	\$ 8,661	\$ 10	\$ 8,651	\$ 3,792	\$ 2,326	\$ 1,091	\$ 702	\$ 201	1.21%	
1998	10,091	11	10,080	3,502	2,257	683	733	178	0.75%	
1999	7,906	108	7,798	3,032	2,090	578	683	150	0.69%	
2000	8,435	63	8,372	8,605	3,019	355	658	105	0.47%	
2001	8,014	-	8,014	3,257	3,074	400	408	70	0.84%	
2002	8,356	43	8,313	612	3,899	302	276	58	0.90%	
2003	9,029	467	8,562	4,719	3,670	1,060	309	47	2.98%	
2004	9,257	14	9,243	2,807	3,778	1,765	633	987	1.09%	
2005	50,790 (2)	3	50,787	65,577 (2)	2,869	17,741 (7)	17,650	1397	0.93%	
2006	53,094 (2)	-	53,094	3,625	2,303	1,547	311	47	4.32%	

Fiscal Year Ended June 30,	Revenue Bonds - Business-type activities				Debt Service			
	Gross Revenues (4)	Less: Operating Expenses (5)	Net Available Revenues	Coverage	Principal	Interest	Coverage	
1997	\$ 182,035	\$ 88,923	\$ 93,112	1.73%	\$ 36,265	\$ 17,445	1.73%	
1998	193,056	97,335	95,721	1.41%	50,272	17,395	1.41%	
1999	200,405	103,059	97,346	1.97%	34,594	14,940	1.97%	
2000 (3)	211,600	104,046	107,554	1.99%	36,820	17,154	1.99%	
2001	216,997	115,398	101,599	1.66%	46,926	14,224	1.66%	
2002	226,833	(31,207)	258,040	5.30%	36,204	12,440	5.30%	
2003	225,431	121,254	104,177	3.71%	17,840	10,242	3.71%	
2004	223,047	119,891	103,156	4.10%	15,445	9,695	4.10%	
2005	233,447	133,622	99,825	5.12%	14,564	4,950	5.12%	
2006	229,337	144,627	84,709	4.57%	12,397	6,157	4.57%	

- (1) Gross revenue includes rental income from MBA fund, Class C Funds
- (2) In 2005 all MBA fund revenue bonds were repaid and new Sales tax revenue bonds were issued. Sales tax is included in gross income.
- (3) Excludes depreciation and amortization
- (4) Gross revenues include operating revenues, property taxes, and gain on sale of property and equipment.
- (5) Beginning in fiscal 1997, gross revenues also includes passenger facility charges at the airport.
- (6) Excludes depreciation and amortization
- (7) Beginning in fiscal 2000, principal payments are net of any defeased or refinanced amounts
- Special Assessment of \$17,350 was refunded in the fiscal year 2005

Salt Lake City Corporation  
Demographic and Economic Statistics  
Last Ten Fiscal Years

<b>Fiscal Year Ended June 30,</b>	<b>Population (1)</b>	<b>Personal Income (amounts expressed in thousands) (2)</b>	<b>Per Capita Personal Income</b>	<b>Number of residents 18 years and older (1)</b>	<b>High School Graduates (3)</b>	<b>Average Daily School Membership (3)</b>	<b>Unemployment Rate (4)</b>
1997	172,178	\$ 6,481,034	\$ 37,641	120,012	1,207	25,400	3.2%
1998	172,880	6,830,184	39,508	120,012	1,164	25,454	3.9%
1999	173,858	6,948,667	39,967	120,012	1,334	25,011	4.0%
2000	174,264	7,445,136	42,723	120,012	1,310	24,823	3.5%
2001	181,743	7,027,043	38,665	138,773	1,277	24,696	5.0%
2002	183,056	6,741,062	36,825	138,773	1,202	23,976	7.3%
2003	181,027	6,775,808	37,430	138,773	1,368	24,190	6.7%
2004	179,894	6,841,042	38,028	138,773	1,176	23,623	5.4%
2005	178,605	6,906,825	38,671	138,773	1,288	23,310	4.9%
2006	178,097	7,075,096	39,726	138,773	1,015	23,283	4.4%

(1) U.S. Census Bureau

(2) Utah State Tax Commission

(3) Salt Lake City School District

(4) U.S. Department of Labor -All rates are annual except for the final year which is rate at June 30, 2005

Salt Lake City Corporation  
Full-time Equivalent City Government by Functions  
Last Ten Fiscal Years

Department	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>General Fund</b>										
Attorney's Office	24.35	24.85	25.55	26.85	28.59	30.29	30.29	34.29	36.29	41.22
City Council	16.00	20.20	20.80	19.20	18.60	19.00	19.00	18.60	18.60	18.60
Community and Economic Development	105.00	109.00	197.25	195.00	192.00	130.00	129.00	118.40	116.00	121.00
Fire	337.00	355.00	357.00	354.00	366.00	366.00	365.00	359.00	359.00	362.00
Management Services	83.45	88.95	86.90	85.79	90.39	126.81	119.81	118.96	117.46	119.46
Mayor's Office	19.75	19.00	19.00	19.00	20.00	21.00	21.00	19.00	17.00	17.00
Office of Internal Audit	4.00		4.00	4.00	4.00	2.00				
Police	557.89	573.75	581.15	578.15	578.78	581.28	586.65	577.18	574.57	585.07
Public Services	448.32	469.11	399.19	363.64	355.47	427.68	429.04	451.01	448.83	435.29
<b>General Fund Total</b>	<b>1,595.76</b>	<b>1,659.86</b>	<b>1,690.84</b>	<b>1,645.63</b>	<b>1,653.83</b>	<b>1,704.06</b>	<b>1,699.79</b>	<b>1,696.44</b>	<b>1,687.75</b>	<b>1,699.64</b>
<b>Enterprise Funds</b>										
Airport	483.65	506.15	527.00	526.80	529.80	559.80	563.80	575.80	575.80	575.80
Golf	95.13	94.31	91.73	91.87	89.59	90.92	90.92	94.50	96.93	94.92
Public Utilities	400.00	410.50	406.50	405.80	401.80	400.10	400.10	397.60	395.70	394.70
Refuse	52.33	56.09	58.09	61.95	59.86	60.88	60.88	42.16	39.72	39.72
<b>Enterprise Fund Total</b>	<b>1,031.11</b>	<b>1,067.05</b>	<b>1,083.32</b>	<b>1,086.42</b>	<b>1,081.05</b>	<b>1,111.70</b>	<b>1,115.70</b>	<b>1,110.06</b>	<b>1,108.15</b>	<b>1,105.14</b>
<b>Internal Service Funds</b>										
Information Management Services	49.90	51.65	53.65	54.90	55.90	57.90	57.90	59.00	59.00	60.00
Fleet Management	52.00	51.00	52.00	52.00	50.00	41.00	40.00	42.90	42.90	43.00
Risk Management	8.19	8.19	8.19	6.19	6.09	6.09	6.09	6.34	6.34	6.64
Governmental Immunity	4.65	5.15	5.15	5.15	5.35	4.65	4.65	4.65	4.65	2.17
<b>Internal Service Fund Total</b>	<b>114.74</b>	<b>115.99</b>	<b>118.99</b>	<b>118.24</b>	<b>117.34</b>	<b>109.64</b>	<b>108.64</b>	<b>112.89</b>	<b>112.89</b>	<b>111.81</b>
<b>Weed Abatement Special Revenue Fund Total</b>	<b>1.08</b>	<b>1.08</b>	<b>1.08</b>	<b>1.08</b>	<b>1.08</b>	<b>1.08</b>	<b>1.08</b>	<b>1.08</b>	<b>1.08</b>	<b>1.08</b>
<b>Total Positions</b>	<b>2,742.69</b>	<b>2,843.98</b>	<b>2,894.23</b>	<b>2,851.37</b>	<b>2,853.30</b>	<b>2,926.48</b>	<b>2,925.21</b>	<b>2,920.47</b>	<b>2,909.87</b>	<b>2,917.67</b>

Salt Lake City Corporation  
Principal Employers  
June 30, 2006

<b><u>Employer (*)</u></b>
University of Utah
Intermountain Health Care
State of Utah
Delta Airlines
Salt Lake City Corporation
U.S. Post Office
Zions Bank
Qwest Corporation
Skywest Airlines
Wells Fargo Bank
VA Medical Center
Little American Grand America Hotel
Church of Jesus Christ of Latterday Saints

(\*) Estimates based on County Rankings from Utah Workforce Services  
City rankings unavailable

Salt Lake City Corporation  
Capital Asset Statistics by Function  
Last Ten Fiscal Years

Function	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>Fire protection</b>										
Number of stations	13	13	13	13	14	14	14	14	14	14
Sworn/fire fighters	335	329	307	319	331	331	312	322	323	330
Non-sworn civilian employees.	20	28	36	32	31	31	28	37	39	32
<b>Police protection:</b>										
Number of officers with power of arrest	404	413	414	409	415	415	399	409	409	424
Number of other police employees	166	164	160	157	165	165	151	158	158	173
<b>Community Development</b>										
Number of Street Lights	10,700	10,696	10,900	13,068	11,818	12,545	13,899	12,931	14,590	14,377
<b>Public Services</b>										
<b>Recreation and culture:</b>										
Number of municipal parks	126	126	126	126	126	126	134	80	80	80
Number of municipal playgrounds	58	58	58	58	58	58	50	59	59	59
Number of municipal golf courses	8	8	8	8	8	8	8	9	9	9
Number of municipal swimming pools (1)	4	4	4	4	4	4	0	4	4	4
Lane miles of city owned streets	1,785	1,785	1,770	1,787	1,743	1,741	1,754	1,770	1,776	1,776
<b>Municipal water plants:</b>										
Number of service connections	89,191	89,531	90,393	90,393	90,766	91,283	91,751	92,055	92,344	77,817
City	55,016	55,225	55,859	55,859	56,699	57,078	57,355	57,492	57,646	52,991
County	34,175	34,306	34,534	34,534	34,067	34,205	34,396	34,563	34,698	24,826
Water supplied to conduits (gallons/year)	33,484,300	32,417,000	32,968,200	32,968,200	35,868,100	34,072,720	30,078,800	31,149,640	28,774,670	31,812,140
per thousand	186	186	186	190	250	190	190	190	190	190
Water shed managed (square miles)	8,572	8,572	8,487	8,487	8,972	8,903	8,967	9,044	9,143	9,351
Number of fire hydrants	5,946	5,946	5,576	5,576	5,983	5,925	5,885	5,935	5,912	6,029
City	2,626	2,626	2,911	2,911	2,989	2,978	3,082	3,109	3,231	3,322
County										
<b>Sewer Utility</b>										
Number of sewer connections	47,799	47,799	48,359	48,359	48,019	48,192	48,325	48,421	48,466	49,191
Miles of sanitary sewer lines	600	602	602	616	627	633	634	636	636	636
<b>Storm Water Utility:</b>										
Miles of storm water lines	429	430	430	433	434	437	444	441	445	445
<b>Public Libraries</b>										
	6	6	6	6	6	6	6	6	6	6

(1) City owns 4 but they are operated by County

**Miscellaneous Statistics - Most current information only**

Date of Incorporation	January 5, 1851
Form of government (adopted January 7, 1980)	Council/Mayor
Area (square miles)	111
Election data:	
Registered (active voters), November 2003	86,332
Number of votes cast in 2003 local election	41,844
Percentage of registered voters voting	48.00%

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