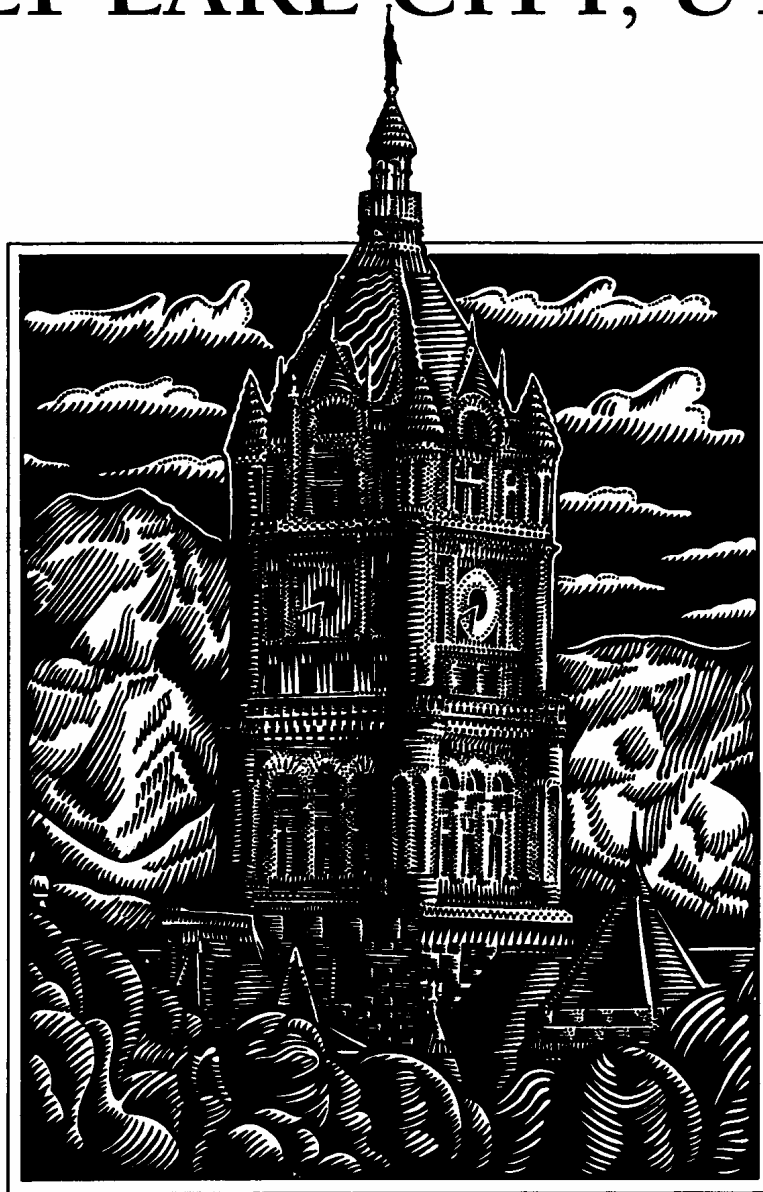


SALT LAKE CITY CORPORATION

SALT LAKE CITY, UTAH



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2003

SALT LAKE CITY CORPORATION
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2003
With
REPORT OF INDEPENDENT ACCOUNTANTS

Prepared by

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

TABLE OF CONTENTS

INTRODUCTORY SECTION:	<u>Page</u>
Title Page	i
Table of Contents	ii
Transmittal Letter	v
Organizational Chart	x
Certificate of Achievement.....	xi
FINANCIAL SECTION:	
Report of Independent Accountants	2
Management's Discussion and Analysis.....	4
Basic Financial Statements	
Government-wide Fund Financial Statements	
Statement of Net Assets.....	14
Statement of Activities.....	16
Governmental Fund Financial Statements	
Balance Sheet.....	20
Reconciliation of the Balance Sheet – Governmental Funds to the	
Statement of Net Assets	25
Statement of Revenues, Expenditures, and Changes in Fund Balances	26
Reconciliation of the Statement of Revenues, Expenditures, and Changes	
In Fund Balances – Governmental Funds to the Statement of Activities	27
Proprietary Fund Financial Statements	
Statement of Net Assets.....	30
Reconciliation of Proprietary Fund Financial Statements	
to the Government-wide Financial Statement business-type activities	34
Statement of Revenues, Expenses, and Changes in Fund Net Asset.....	36
Reconciliation of Proprietary Fund Financial Statements Changes	
in Net Assets to the Government-wide Financial Statement	
business-type activities Changes in Net Assets	38
Statement of Cash Flows	40
Fiduciary Fund Financial Statements	
Statement of Fiduciary Net Assets	46
Statement of Changes in Fiduciary Net Assets	47
Notes to the Financial Statements	50
Note 1 - Summary of Significant Accounting Policies	
Note 2 - Cash, Cash Equivalents and Investments	
Note 3 - Loans Receivable	
Note 4 - Restricted Assets	
Note 5 - Capital Assets	
Note 6 - Long-term Obligations	
Note 7 - Reserved Fund Equity	
Note 8 - Deficit Fund Balances/Retained Earnings, Expenditures and Other Uses	
that Exceed Appropriations in Individual Funds	
Note 9 - General Fund Interfund Service Charges	
Note 10 - Operating Transfers	
Note 11 - Risk Management	
Note 12 - Pension Plans	
Note 13 - Post-Employment Benefits	
Note 14 - Deferred Compensation Plans	
Note 15 - Commitments and Contingencies	
Note 16 - Segments of Enterprise Fund Activities	

TABLE OF CONTENTS

Page

Notes to the Financial Statements (continued)

Note 17 - Related Party Transactions

Note 18 - Interfund Receivables and Payables Including Component Units

Note 19 - Joint Venture

Note 20 - Prior Period Adjustments

Note 21 - Subsequent Events

Required Supplementary Information

Budgetary Comparison Schedule – General Fund..... 86

Budgetary Comparison Schedule – Housing Fund..... 87

Notes to Required Supplementary Information

Budgetary – GAAP Reporting Reconciliation 89

Supplementary Information – Combining Statements and Individual Fund Statements
And Schedules

Governmental Funds

Nonmajor Governmental Funds

Combining Balance Sheet..... SI- 4

Combining Statement of Revenues, Expenditures and Changes in
Fund Balance..... SI- 5

Combining Balance Sheet – Nonmajor Special Revenue Funds..... SI- 6

Combining Statement of Revenues, Expenditures and Changes in
Fund Balance – Nonmajor Special Revenue Funds..... SI- 8

Budgetary Comparison Schedules

Arts Council..... SI-10

Downtown Economic Development..... SI-11

Community Development Operating Fund SI-12

Grants Operating Fund..... SI-13

Street Lighting..... SI-14

Demolition, Weed and Forfeiture SI-15

Emergency 911 Dispatch..... SI-16

Salt Lake City Donation Fund..... SI-17

Combining Balance Sheet – Nonmajor Debt Service Funds SI-18

Combining Statement of Revenues, Expenditures and Changes in
Fund Balance..... SI-19

Budgetary Comparison Schedules

Special Improvement Fund..... SI-20

Other Improvement Fund..... SI-21

Enterprise Funds

Nonmajor Proprietary Funds

Combining Statement of Net Assets SI-24

Combining Statement of Revenues, Expenses and Changes in
Fund Net Assets SI-28

Combining Statement of Cash Flows SI-30

Budgetary Comparison Schedules

Intermodal Hub..... SI-34

Sewer Utility Fund SI-35

Storm Water Utility Fund..... SI-36

Refuse Collection Fund SI-37

Golf Fund..... SI-38

TABLE OF CONTENTS

Page

Supplementary Information – Combining Statements and Individual Fund Statements
And Schedules (continued)

Major Proprietary Funds

Budgetary Comparison Schedules

Water Utility Fund.....	SI-40
Department of Airports	SI-41
Redevelopment Agency Fund.....	SI-42
Capital Projects Fund.....	SI-43

Internal Service Funds

Combining Statement of Net Assets	SI-46
---	-------

Combining Statement of Revenues, Expenses and Changes in

Fund Net Assets	SI-48
-----------------------	-------

Combining Statement of Cash Flows	SI-50
---	-------

Budgetary Comparison Schedules

Fleet Management Fund.....	SI-52
----------------------------	-------

Information Management Services Fund.....	SI-53
---	-------

Risk Management Fund.....	SI-54
---------------------------	-------

Governmental Immunity Fund	SI-55
----------------------------------	-------

Municipal Building Authority Fund.....	SI-56
--	-------

Copy Center Fund.....	SI-57
-----------------------	-------

Project Expenditure Schedules

Capital Projects Fund.....	SI-60
----------------------------	-------

Community Development Operating Fund	SI-62
--	-------

Grants Operating Fund.....	SI-64
----------------------------	-------

STATISTICAL SECTION: (unaudited)

General Fund Expenditures by Function - Budgetary Basis -

Last Ten Fiscal Years	S- 1
-----------------------------	------

General Fund Revenues by Source - Budgetary Basis - Last Ten Fiscal Years	S- 2
---	------

General Fund Property Tax Levies and Collections - Last Ten Fiscal Years	S- 3
--	------

Assessed and Estimated Actual Value of Taxable Property - Last Ten Fiscal Years	S- 4
--	------

Property Tax Rates - Direct and Overlapping Governments - Last Ten Fiscal Years.....	S- 5
--	------

Property Value and Construction - Last Ten Fiscal Years	S- 6
---	------

Principal Property Taxpayers	S- 7
------------------------------------	------

Ratio of Net General Obligation Bonded Debt to Assessed Value

and Net Bonded Debt Per Capita - Last Ten Fiscal Years	S- 8
--	------

Computation of Legal Debt Margin	S- 9
--	------

Computation of Direct and Overlapping Bonded Debt	S-10
---	------

Ratio of Annual Debt Service Expenditures for General Obligation Bonded Debt

to Total General Fund Expenditures -Budgetary Basis - Last Ten Fiscal Years	S-11
--	------

Revenue Bond Coverage - Enterprise Funds – Last Ten Fiscal Years	S-12
--	------

Special Improvement Debt Service Billings and Collections - Last Ten Fiscal Years	S-13
--	------

Demographic Statistics - Last Ten Fiscal Years	S-14
--	------

Miscellaneous Statistics	S-15
--------------------------------	------

General Fund Revenue, Expenditures, Other Financing Sources (Uses)

and Beginning and Ending Fund Balance.....	S-16
--	------

December 5, 2003
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, 2003, 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 aspects.

Deloitte & Touche LLP, an independent firm of Certified Public Accountants, has audited these basic financial statements and related notes. Their report is included herein. The goal of the independent audit was to provide reasonable assurance that the financial statements of Salt Lake City Corporation for the fiscal year ended June 30, 2003 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, Deloitte & Touche LLP audited the compliance requirements of the City’s federal and state grant programs for the year ended June 30, 2003 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. Approximately 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.

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 36,000 square foot ballroom, 256,000 square feet of exhibit space, and 54,000 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.

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 27,000 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 Delta Center, 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.

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. The John W. Gallivan Utah Center, in downtown Salt Lake, 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.

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.

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. 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 is also considered an economic center for the multi-state trading region that extends into Eastern Nevada, Southern Idaho, Southwestern Wyoming, and Western Colorado. The region remained relatively strong during the recent economic downturn, showing general economic fluctuations, which are characteristic of a natural resource based economy.

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 2.2 million people live in the Wasatch Front urban corridor stretching from Ogden to Provo. The City's daytime population increases from 182,000 residents to over 375,000 as 20% of the state's total work force commutes to jobs located within the city limits.

For the second straight year, the total number of people employed in the City decreased. From 2000 to 2001 employment decreased by approximately 1% with a further drop of over 2%, or approximately 5,000 jobs from 2000 to 2002. 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. From 2001 to 2002, the only employment sectors to show growth were education and health services, leisure and hospitality services, other services, and government employment.

Taxable Sales Activity

The softening of the national and regional economy is reflected in Salt Lake City's total taxable sales. From 1998 to 1999, taxable sales in Salt Lake City grew 1.9%, a definite slow down from the robust growth of the mid 1990's. In 2001, taxable retail sales declined by 1.6% and in 2002, total taxable sales in Salt Lake City declined by another 2%. From 2001 to 2002, taxable retail sales grew by 3%, however, taxable business sales declined by over 15%.

Other Economic Indicators

Beginning in calendar year 1992, the local construction industry rebounded significantly from the doldrums of the mid 1980's. License and permit revenue increases reflect a general improvement in the City's construction industry and the continuing strength of the City's business community. As with other economic activity in the City, the construction industry has slowed considerably. In 2001 permit authorized construction grew by only 1% over 2000 and in 2002, permit authorized construction fell by almost 10%.

Summary Outlook

As with other metropolitan areas, the national, state, and regional economies play an increasing role in economic activity in Salt Lake City. Salt Lake City's slowing economy occurred against a backdrop of a soft international economy, a declining national economy, and slowing regional and state economies. The City's economy performed relatively well in early 2002, but with the end of the 2002 Winter Olympics, an expected economic slowdown occurred. As the national and regional economies begin to rebound, state and local economies will follow. However, in the short-term, any rebound in the Salt Lake City economy will be lackluster, with very slow growth.

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, 2002. 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 Deloitte & Touche LLP, 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,

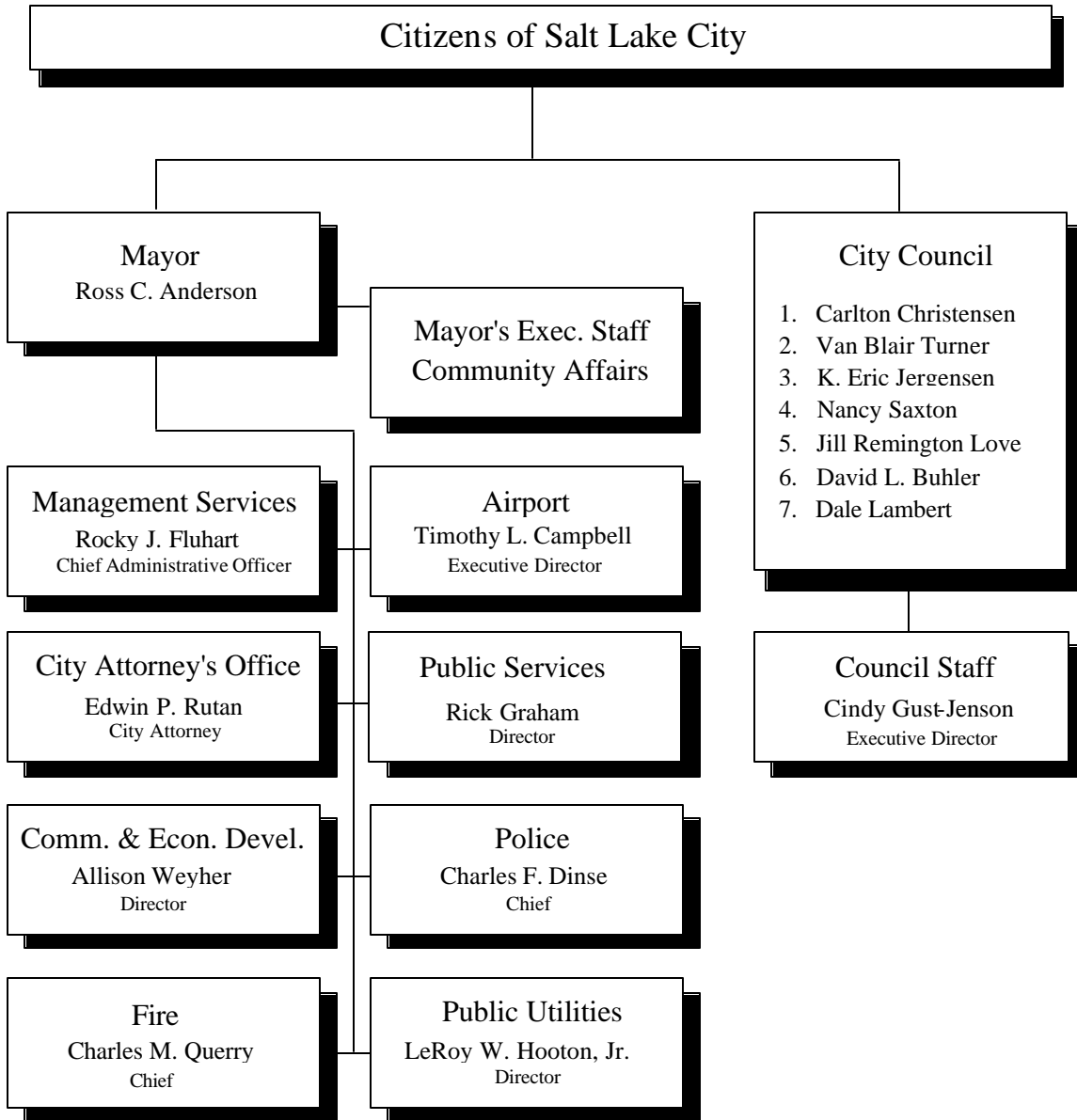


Gordon Hoskins
Finance Director

Salt Lake City Corporation

Organizational Structure

Fiscal Year 2002-2003



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, 2002

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.



President

Executive Director

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Financial Section

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INDEPENDENT AUDITORS' REPORT

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, 2003, which collectively comprise the City's basic financial statements as listed in the foregoing 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, such basic financial statements 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, 2003, 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 Budgetary Comparison Information listed in the foregoing table of contents are not a required part of the basic financial statements, but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

As described in Note 20 to the basic financial statements, the City restated the beginning net assets to correct the deferral of property tax revenue and to correct the recognition of revenue for impact fees, fines, and operating grants.

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 fund statements and schedules described in the foregoing table of contents are presented for purposes of additional analysis

Deloitte
Touche
Tohmatsu

and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in our 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 December 5, 2003, 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 grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Deloitte & Touche LLP

December 5, 2003

SALT LAKE CITY CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2003

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, 2003. As management of the City, we encourage readers to consider information contained in this discussion along with the transmittal letter on pages v-ix.

FINANCIAL HIGHLIGHTS

The assets of Salt Lake City (the City) exceeded its liabilities at the end of the current fiscal year by \$1,577,888,189 (net assets). Of this amount, \$352,213,266 (unrestricted net assets) is available to meet ongoing obligations to citizens and creditors.

Net assets increased by \$67,663,758. Of this amount, 91 percent is a result of business-type activities

The City's Governmental funds reported combined ending fund balance of \$98,482,826, a decrease of \$32,163,246 compared to the prior years' ending amount. Of the combined total fund balance, \$42,862,285 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, 2003 totaled \$22,012,170, is 14 percent of the General Fund total revenues for the year and 51 percent of governmental unreserved and undesignated fund balance. Of this amount in the General Fund, approximately \$1,094,000 is related to encumbrances and will be expended in the following fiscal year.

During the year, total bonded debt for Salt Lake City decreased by approximately \$24,253,000. The City did issue new bonds, but they were issued overwhelmingly to replace then currently outstanding debt. At the same time, the City continued to make the regularly scheduled interest and principal payments.

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 (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.

SALT LAKE CITY CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2003

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.

Prior Period Restatement: In 2003, management determined that a portion of property taxes, operating grant revenues and impact fees should have been accounted for differently in FY 2002 than they were handled. Beginning net assets in the governmental activities should have been \$61,164,593 lower and revenues should have been \$3,515,582 lower. Beginning net assets in the business-type activities should have been \$5,770,183 higher and revenues should have been \$1,307,358 higher. Note 20 in the Notes to the Financial Statements contains a more detailed description of these restatements. All FY 2002 amounts in this discussion and analysis have been changed to reflect these restatements.

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 eleven different individual governmental funds. Of this number, information is shown separately for the General, Housing Loans 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; 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.

SALT LAKE CITY CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2003

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 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 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 is similar to that of proprietary funds.

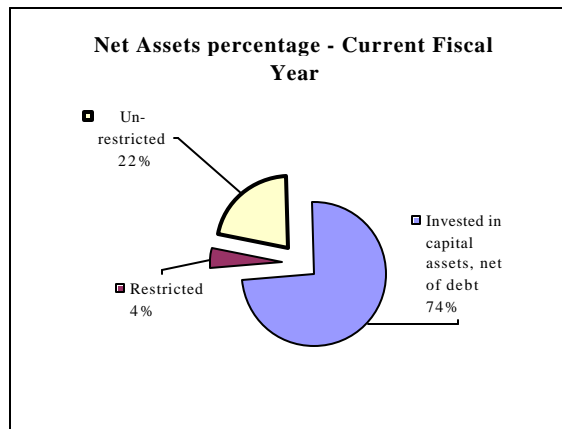
The fiduciary fund financial statements can be found as listed in the table of contents.

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	
	2002, as restated		2002, as restated		2002, as restated	
	2003	2002, as restated	2003	2002, as restated	2003	2002, as restated
Current and other assets	\$ 211,229	\$ 251,490	\$ 402,831	\$ 327,137	\$ 614,060	\$ 578,627
Capital assets	503,371	464,212	1,001,860	1,020,734	1,505,231	1,484,946
Total assets	<u>\$ 714,600</u>	<u>\$ 715,702</u>	<u>\$ 1,404,691</u>	<u>\$ 1,347,871</u>	<u>\$ 2,119,291</u>	<u>\$ 2,063,573</u>
Current and other liabilities	\$ 100,738	\$ 102,464	\$ 48,921	\$ 40,538	\$ 149,659	\$ 143,002
Long term liabilities	182,479	187,840	209,266	222,508	391,745	410,348
Total liabilities	<u>\$ 283,217</u>	<u>\$ 290,304</u>	<u>\$ 258,187</u>	<u>\$ 263,046</u>	<u>\$ 541,404</u>	<u>\$ 553,350</u>
Net assets:						
Invested in capital assets, net of related debt	\$ 335,869	\$ 290,429	\$ 820,939	\$ 828,735	\$ 1,156,808	\$ 1,119,164
Restricted	7,720	5,414	61,146	42,862	68,866	48,276
Unrestricted	87,794	129,555	264,419	213,228	352,213	342,783
Total net assets	<u>\$ 431,383</u>	<u>\$ 425,398</u>	<u>\$ 1,146,504</u>	<u>\$ 1,084,825</u>	<u>\$ 1,577,887</u>	<u>\$ 1,510,223</u>

By far the largest component of Salt Lake City's net assets is its investment in capital assets. The 74 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



SALT LAKE CITY CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2003

come from other sources, as the assets themselves cannot be used to satisfy the related obligations.

An additional part of net assets (4 percent) is assets that are subject to external restrictions on how they may be expended (debt reserve funds or unexpended debt proceeds). The remaining 22 percent of net assets (\$352,213,000) can be used to meet the City's ongoing obligations to its creditors and to citizens.

SALT LAKE CITY CORPORATION'S Changes in Net Assets						
	Governmental		Business-type		Total	
	Activities		Activities			
	2003	2002, as restated	2003	2002, as restated	2003	2002, as restated
Revenues						
Program revenues						
Charges for Services	\$ 36,704,342	\$ 44,160,997	\$ 227,332,775	\$ 233,633,331	\$ 264,037,117	\$ 277,794,328
Operating grants and contributions	10,740,811	9,945,379	18,975,868	24,156,728	29,716,679	34,102,107
Capital grants and contributions	8,075,067	6,487,144	-	-	8,075,067	6,487,144
General Revenues						
Property taxes	59,723,506	58,584,337	-	-	59,723,506	58,584,337
Other taxes	62,567,632	66,434,010	-	-	62,567,632	66,434,010
Grants and contributions not restricted to specific programs	-	3,660,609	-	-	-	3,660,609
Other	4,399,998	8,587,493	5,546,109	6,958,251	9,946,107	15,545,744
Total revenues	182,211,356	197,859,969	251,854,752	264,748,310	434,066,108	462,608,279
Expenses						
General Government						
Council	1,105,291	739,647	-	-	1,105,291	739,647
Mayor	1,563,494	1,310,903	-	-	1,563,494	1,310,903
City Attorney	1,523,810	1,557,256	-	-	1,523,810	1,557,256
Management Services	3,712,632	2,749,053	-	-	3,712,632	2,749,053
Fire	12,997,198	13,358,473	-	-	12,997,198	13,358,473
Police	26,929,828	27,594,069	-	-	26,929,828	27,594,069
Community and Economic	44,768,492	47,058,815	-	-	44,768,492	47,058,815
Development	19,989,439	20,922,501	-	-	19,989,439	20,922,501
Public Services	37,621,964	36,276,863	-	-	37,621,964	36,276,863
Nondepartmental	11,451,375	9,784,341	-	-	11,451,375	9,784,341
Infrastructure depreciation	5,609,948	6,046,936	-	-	5,609,948	6,046,936
Interest on long-term debt	8,953,123	11,204,096	-	-	8,953,123	11,204,096
Water	-	-	34,829,834	35,314,324	34,829,834	35,314,324
Department of Airports	-	-	104,468,258	94,684,060	104,468,258	94,684,060
Redevelopment Agency	-	-	18,340,311	16,496,976	18,340,311	16,496,976
Other business-type activities	-	-	32,537,353	33,046,790	32,537,353	33,046,790
Total Expenses	176,226,594	178,602,953	190,175,756	179,542,150	366,402,350	358,145,103
Increase in net assets	5,984,762	19,257,016	61,678,996	85,206,160	67,663,758	104,463,176
Net assets beginning, as restated	425,398,808	406,141,792	1,084,825,623	999,619,463	1,510,224,431	1,405,761,255
Net assets ending	\$ 431,383,570	\$ 425,398,808	\$ 1,146,504,619	\$ 1,084,825,623	\$ 1,577,888,189	\$ 1,510,224,431

ACTIVITIES, GOVERNMENTAL AND BUSINESS-TYPE

Governmental Activities net assets increased by \$5,984,762 for the year ended June 30, 2003, which is 9% of the total increase in net assets for Salt Lake City Corporation as a whole. The major reasons for the increase are:

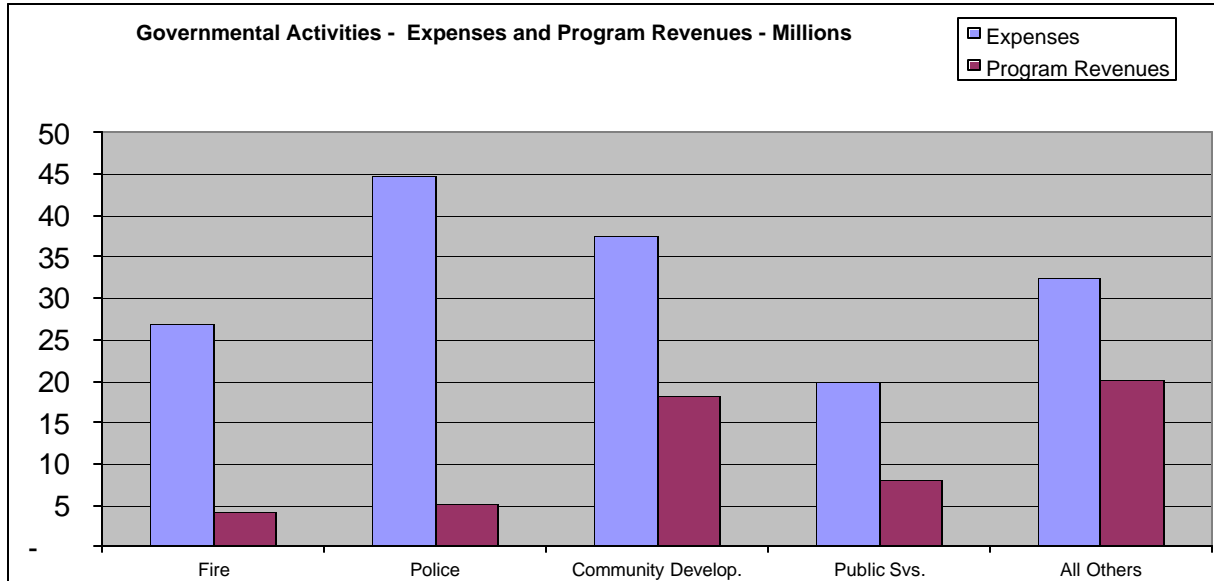
(1) The City Council's commitment to contribute 9 percent of general fund revenues to infrastructure capital assets and the use of intergovernmental funds for infrastructure has exceeded the depreciation on the City's infrastructure;

SALT LAKE CITY CORPORATION
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 JUNE 30, 2003

(2) The City has in recent years used federal revenue to fund loans rather than grants in the Housing Loans Fund. Over time, this approach will significantly increase net assets as loan portfolios are built up and both principal and interest received on these loans are "recycled" into new loans;

(3) A portion of governmental activities resources is dedicated to making debt principal payments, the payment of which does not reduce net assets.

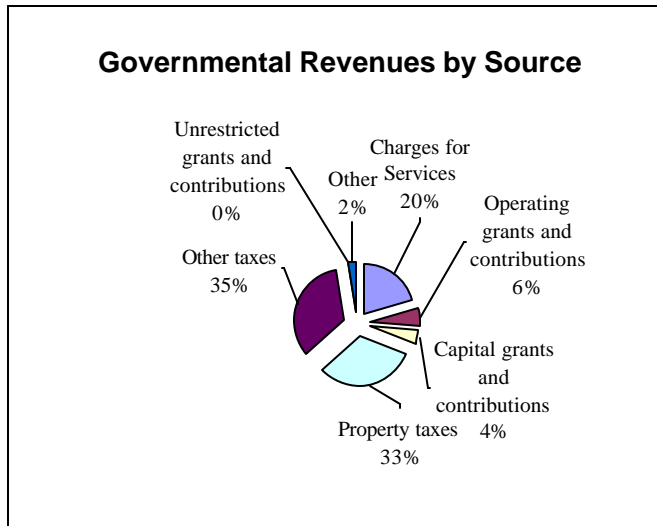
Nearly counteracting the upward movement were the spending down of Olympic surpluses and a general slowdown of the economy.



Business-type activities contributed increased net assets in the amount of \$61,678,996 or 91% 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, 2003.

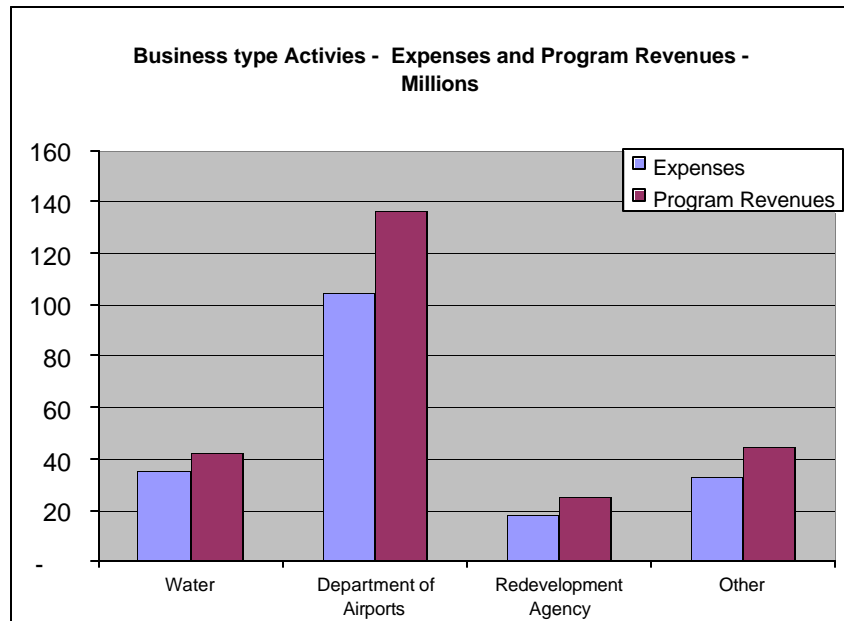


For the period ended June 30, 2003, the City's governmental funds reported a combined fund balance amount of \$98,482,826 with a decrease of \$32,163,246 compared to the prior fiscal year. Of the total balance at year-end, \$42,862,285 is unreserved and undesignated. There is also an amount of \$27,842,263 designated for capital projects. The remaining \$27,778,278 combined fund balance total is reserved for the following purposes: (1) encumbrances; (2)

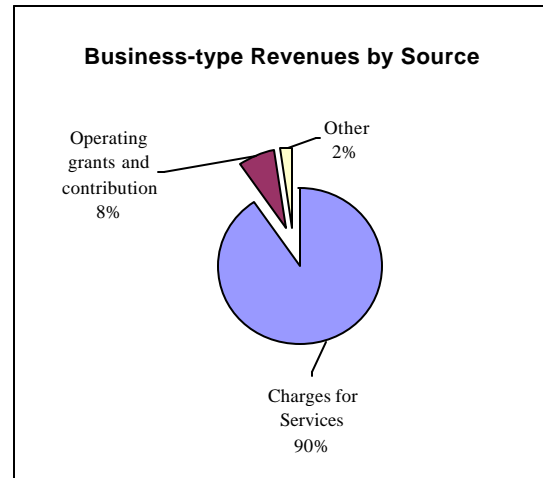
SALT LAKE CITY CORPORATION
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 JUNE 30, 2003

loans receivable; (3) restricted assets, including an amount for the guarantee of special assessment debt and (4) land and buildings held for resale.

The General Fund is the main operating fund for Salt Lake City Corporation. At June 30, 2003, the General Fund's unreserved fund balance was \$22,012,170 while total fund balance equaled \$23,106,981. 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 13 percent of total expenditures and transfers while total fund balance equaled 14 percent.



The fund balance of the General Fund for Salt Lake City decreased by \$8,045,442. The major factors contributing to this change were: (1) Reimbursements from the organizers of the 2002 Winter Olympic Games were spent down on legacy and other projects; (2) the slowdown in the local economy caused revenues to be lower than initially expected (3) expenditures lower than budget for general fund departments buffered the effects of (1) and (2).



The Capital Projects Fund has a total fund balance of \$28,863,214 at June 30, 2003, 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 \$24,414,280. The major factor of the large decrease results from the spending of general obligation bond proceeds for the construction of the new city library. The bonds were sold in fiscal year 2000, while the expenditures for the construction have occurred in subsequent years, including the current fiscal year.

The Housing Loans Fund has a total fund balance of \$19,425,377. Most of the total fund balance is reserved for either land and buildings held for resale or for loans receivable net of related debt. The related debt is used to leverage other resources this fund uses to provide financing for loans to low and moderate-income individuals and families. Fund balance increased by \$1,440,836 during the current fiscal year. The majority of the increase results from two factors. First, the Housing Loans Fund has been able to gradually build up resources that are unrelated to either federal grants or financial institutions. Interest received on loans funded by these resources adds permanently to fund balance. Second, federal program income accumulates until periodically transferred back to a grants operating fund for re-appropriation by the City Council. At year-end, the Housing Loans Fund had accumulated program income that will be transferred during the following fiscal year.

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 \$146,869,334 for the Department of Airports, \$12,298,253 for the Water Fund and \$49,007,862 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
JUNE 30, 2003

General Fund Budgetary Highlights

Differences between the original and final amended budgets amounted to a total increase in appropriations of \$8,191,450. By department, the changes are:

- \$290,935 increase for City Council
- \$16,545 increase for Mayor
- \$32,844 decrease for City Attorney
- \$78,559 decrease for Management Services
- \$45,749 increase for Fire
- \$336,173 decrease for Police
- \$429,955 increase for Community and Economic Development
- \$870,363 increase for Public Services
- \$6,985,479 increase for Nondepartmental (including transfers out)

Of the total increase in expenditure budgets, none was funded from increases in revenue estimates. The entire \$8,191,450 was funded from fund balance. By far the largest increase occurred in Nondepartmental (including transfers out). Most of the increase relates to the use of "one-time" money that was generated during the 2002 Winter Olympics, was not appropriated in FY 2002, and therefore increased the FY 2002 General Fund fund balance. Most of this fund balance appropriation during FY 2003 was used for capital improvement projects with a smaller amount dedicated to improving the City's housing stock through the use of grants or low interest loans.

Capital Asset and Debt Administration

Salt Lake City's investment in capital assets for its governmental and business type activities combined totaled \$1,505,230,761 (net of \$693,049,055 accumulated depreciation) at June 30, 2003. 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 95 percent of total net assets. In comparing capital assets to net assets, the percentages for Governmental activities and Business type activities were 117 percent and 87 percent, respectively.

Major capital asset activities that occurred during the past fiscal year include: (1) the Department of Airports placed into service approximately \$17,000,000 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 started the first year of a six-year capital improvement program with a major investment at the Water Reclamation Plant; (5) The construction of the new Salt Lake City Library was completed during this fiscal year.

	Salt Lake City Corporation's Capital Assets					
	Governmental		Business-type		Total	
	Activities		Activities			
	2003	2002	2003	2002	2003	2002
Land and water rights	\$ 160,610,144	\$ 157,354,263	\$ 79,146,163	\$ 78,682,690	\$ 239,756,307	\$ 236,036,953
Infrastructure	198,079,283	201,255,812	-	-	198,079,283	201,255,812
Buildings	176,086,604	110,222,740	392,493,080	382,258,235	568,579,684	492,480,975
Improvements other than buildings	55,519,682	25,958,245	892,512,823	889,698,120	948,032,505	-
Machinery and equipment	65,770,126	64,993,421	116,116,443	115,659,725	181,886,569	180,653,146
Construction in progress	16,405,778	73,834,701	45,539,690	56,136,479	61,945,468	129,971,180
Accumulated Depreciation	(169,100,549)	(169,407,141)	(523,948,506)	(501,701,159)	(693,049,055)	(671,108,300)
Net book value	<u>\$ 503,371,068</u>	<u>\$ 464,212,041</u>	<u>\$ 1,001,859,693</u>	<u>\$ 1,020,734,090</u>	<u>\$ 1,505,230,761</u>	<u>\$ 1,484,946,131</u>

SALT LAKE CITY CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2003

At June 30, 2003, Salt Lake City's bonded debt amounted to \$351,577,177. The portion that is backed by the full faith and credit of the City amounted to \$91,355,339, and the portion for which the City is liable in case of default by assessed property owners amounted to \$808,000. All other bonded debt is known as revenue bonds and is secured by specific revenue sources.

The past fiscal year was relatively inactive compared to several past years. In August 2002, the City issued \$48,855,000 in General Obligation Bonds. The proceeds were used to defease a portion of the Series 1999 General Obligation Bonds and complete the final construction phase of the new Salt Lake City Library. In May, 2003, the Airport terminated the Swap Agreement on the 1993 series bonds. A financial institution agreed to accept a \$1,847,000 lump sum payment to release the Airport from its fixed-interest rate swap obligation.

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 2003 calculates to nearly \$1.5 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	
	2003	2002	2003	2002	2003	2002
	General obligation bonds	\$ 91,355,339	\$ 93,360,000	\$ -	\$ -	\$ 91,355,339
Special assessment debt with governmental commitment	808,000	993,000	-	-	808,000	993,000
Revenue bonds	69,783,893	74,488,411	189,629,945	206,988,539	259,413,838	281,476,950
Total	\$ 161,947,232	\$ 168,841,411	\$ 189,629,945	\$ 206,988,539	\$ 351,577,177	\$ 375,829,950

Economic factors and next year's budgets and rates

The unemployment rate for the most recent fiscal year available (2002) is 7.3 percent, up from 5.0 percent for the previous year. Total employment with the City has decreased slightly and taxable sales declined 2 percent. In addition, construction activity declined from prior years. These slowing economic factors were considered in preparing and amending the fiscal year 2004 budget.

During the just completed fiscal year unreserved fund balance in the General Fund decreased by over \$6,500,000. Much of the decrease is from the appropriation of prior year profits received from the Salt Lake Organizing Committee after the 2002 Winter Olympics ended. To date for FY 2004, the City has appropriated approximately \$2,600,000 of the unreserved fund balance. Currently, Salt Lake City is experiencing an economic slowdown consistent with the rest of the nation.

The rates and fees for most services remained constant for FY 2004 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, 2003

	Primary Government			Component Unit Library
	Governmental Activities	Business-type Activities	Total	
<u>ASSETS</u>				
Current assets:				
Cash and cash equivalents (Note 2)				
Unrestricted	\$ 79,602,052	\$ 224,899,825	\$ 304,501,877	\$ 481,362
Restricted (Note 2 &4)	16,916,062	3,620,203	20,536,265	-
Investments (Note 2)	-	2,868,369	2,868,369	4,240,210
Receivables:				
Property, franchise and excise taxes	70,528,496	-	70,528,496	10,205,643
Assessments, including \$318,620 of delinquent assessments	2,679,135	-	2,679,135	-
Loans and other receivables, less allowance for doubtful accounts of \$4,038,926. (Note 3)	2,923,970	684,695	3,608,665	89,539
Accounts, less allowance for doubtful accounts of \$112,040	-	25,227,620	25,227,620	-
Due from other governments	1,943,636	7,606,249	9,549,885	-
Other, principally accrued interest	2,166,479	-	2,166,479	-
Prepaid Expenses	207,788	-	207,788	147,057
Inventories	535,562	2,723,898	3,259,460	-
Internal balances	(1,835)	1,835	-	-
Total current assets	<u>177,501,345</u>	<u>267,632,694</u>	<u>445,134,039</u>	<u>15,163,811</u>
Noncurrent assets:				
Restricted cash and cash equivalents (Note 2)	-	64,485,147	64,485,147	5,236
Property and equipment, at cost:				
Land and water rights (Note 5)	160,610,144	79,146,163	239,756,307	590,554
Infrastructure (Note 5)	198,079,283	-	198,079,283	-
Buildings (Note 5)	176,086,604	392,493,080	568,579,684	9,900,067
Improvements other than buildings (Note 5)	55,519,682	892,512,823	948,032,505	317,116
Machinery and equipment (Note 5)	65,770,126	116,116,443	181,886,569	18,582,443
Construction in progress (Note 5)	16,405,778	45,539,690	61,945,468	-
Accumulated depreciation (Note 5)	(169,100,549)	(523,948,506)	(693,049,055)	(10,642,795)
Net property and equipment	503,371,068	1,001,859,693	1,505,230,761	18,747,385
Bond issue costs, less accumulated amortization of \$2,455,863	1,123,290	2,763,404	3,886,694	-
Loans and other long-term receivables	31,225,605	14,961,235	46,186,840	-
Land and buildings held for resale	1,379,170	9,508,346	10,887,516	-
Investment in joint venture (Note 19)	-	24,975,009	24,975,009	-
Deferred charges	-	15,819,454	15,819,454	-
Other	-	2,685,840	2,685,840	-
Total noncurrent assets	<u>537,099,133</u>	<u>1,072,572,981</u>	<u>1,609,672,114</u>	<u>18,747,385</u>
Total assets	<u>\$ 714,600,478</u>	<u>\$ 1,404,690,822</u>	<u>\$ 2,119,291,300</u>	<u>\$ 33,916,432</u>

The accompanying notes are an integral part of this statement

SALT LAKE CITY CORPORATION
STATEMENT OF NET ASSETS
June 30, 2003

	Primary Government			Component Unit Library
	Governmental Activities	Business-type Activities	Total	
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 5,492,900	\$ 14,008,634	\$ 19,501,534	\$ 2,148,594
Accrued liabilities	16,335,598	14,155,360	30,490,958	-
Current portion of long-term debt:				
Payable from unrestricted assets (Note 6)	12,494,708	4,262,728	16,757,436	56,088
Payable from restricted assets (Note 6)	-	11,180,526	11,180,526	-
Special assessment debt with governmental commitment (Note 6)	241,000	-	241,000	-
Deferred revenue	65,071,703	36,160	65,107,863	11,740,534
Accrued interest, payable from restricted assets	-	1,677,932	1,677,932	103,057
Other liabilities payable from restricted assets	581,673	-	581,673	-
Current deposits and advance rentals	520,313	3,599,356	4,119,669	-
Total current liabilities	100,737,895	48,920,696	149,658,591	14,048,273
Noncurrent liabilities:				
Deposits, advance rentals and long term accruals	-	22,263,899	22,263,899	-
Other liabilities payable from restricted assets	-	2,956,673	2,956,673	-
Long-term compensation liability	14,410,128	6,812,726	21,222,854	372,470
Bonds payable	152,071,072	-	152,071,072	-
Special assessment debt with governmental commitment	567,000	-	567,000	-
Notes payable	15,332,173	177,232,209	192,564,382	-
Notes payable from restricted assets	98,640	-	98,640	-
Total noncurrent liabilities	182,479,013	209,265,507	391,744,520	372,470
Total liabilities	283,216,908	258,186,203	541,403,111	14,420,743
NET ASSETS				
Invested in capital assets, net of related debt	335,869,183	820,939,286	1,156,808,469	18,747,385
Restricted for:				
Capital projects	7,105,451	-	7,105,451	-
Debt service	614,919	61,146,084	61,761,003	-
Unrestricted	87,794,017	264,419,249	352,213,266	748,304
Total net assets	431,383,570	1,146,504,619	1,577,888,189	19,495,689
Total liabilities and net assets	\$ 714,600,478	\$ 1,404,690,822	\$ 2,119,291,300	\$ 33,916,432

The accompanying notes are an integral part of this statement

SALT LAKE CITY CORPORATION
STATEMENT OF ACTIVITIES
Year ended June 30, 2003

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General Government	\$ 1,105,291	\$ 1,422,230	\$ -	\$ 8,075,067
City Council	1,563,494	81,630	-	-
Mayor	1,523,810	286,113	-	-
City Attorney	3,712,632	400,218	-	-
Management Services	12,997,198	9,162,623	-	-
Fire	26,929,828	4,161,503	-	-
Police	44,768,492	5,000,619	70,111	-
Community and Economic Development	19,989,439	11,451,026	6,727,516	-
Public Services	37,621,964	4,079,050	3,943,184	-
Nondepartmental	11,451,375	659,330	-	-
Unallocated infrastructure depreciation	5,609,948	-	-	-
Interest on long-term debt	8,953,123	-	-	-
Total governmental activities	176,226,594	36,704,342	10,740,811	8,075,067
Business-type activities:				
Water	34,829,834	40,221,900	1,692,296	-
Airport Authority	104,468,258	126,076,331	10,424,858	-
Redevelopment Agency	18,340,311	24,745,565	-	-
Other activities	32,537,353	36,288,979	6,858,714	-
Total business-type activities	190,175,756	227,332,775	18,975,868	-
Total primary government	\$ 366,402,350	\$ 264,037,117	\$ 29,716,679	\$ 8,075,067
Component unit				
Library	\$ 13,298,756	\$ 636,406	\$ 107,123	\$ 4,279,666

General revenues:

Taxes:

- Property taxes, levied for general purposes
- Franchise taxes
- Sales tax
- Grants and contributions not restricted to specific programs
- Investment earnings

Transfers

Total general revenues and transfers

Change in net assets

Beginning Net Assets

Net assets - July 1, 2002 as previously reported

Prior period adjustments (see Note 20)

Net Assets July 1, 2002 as restated (see Note 20)

Net assets - June 30, 2003

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
\$ 8,392,006	\$ -	\$ 8,392,006	\$ -
(1,481,864)	-	(1,481,864)	-
(1,237,697)	-	(1,237,697)	-
(3,312,414)	-	(3,312,414)	-
(3,834,575)	-	(3,834,575)	-
(22,768,325)	-	(22,768,325)	-
(39,697,762)	-	(39,697,762)	-
(1,810,897)	-	(1,810,897)	-
(29,599,730)	-	(29,599,730)	-
(10,792,045)	-	(10,792,045)	-
(5,609,948)	-	(5,609,948)	-
(8,953,123)	-	(8,953,123)	-
<u>(120,706,374)</u>	<u>-</u>	<u>(120,706,374)</u>	<u>-</u>
-	7,084,362	7,084,362	-
-	32,032,931	32,032,931	-
-	6,405,254	6,405,254	-
<u>-</u>	<u>10,610,340</u>	<u>10,610,340</u>	<u>-</u>
<u>-</u>	<u>56,132,887</u>	<u>56,132,887</u>	<u>-</u>
<u>(120,706,374)</u>	<u>56,132,887</u>	<u>(64,573,487)</u>	<u>-</u>
			<u>(8,275,561)</u>
59,723,506		59,723,506	9,993,722
20,678,643		20,678,643	
41,888,989		41,888,989	
-		-	
4,298,346	5,647,761	9,946,107	147,548
101,652	(101,652)	-	
<u>126,691,136</u>	<u>5,546,109</u>	<u>132,237,245</u>	<u>10,141,270</u>
<u>5,984,762</u>	<u>61,678,996</u>	<u>67,663,758</u>	<u>1,865,709</u>
490,078,983	1,077,748,082	1,567,827,065	29,900,281
<u>(64,680,175)</u>	<u>7,077,541</u>	<u>(57,602,634)</u>	<u>(12,270,301)</u>
<u>425,398,808</u>	<u>1,084,825,623</u>	<u>1,510,224,431</u>	<u>17,629,980</u>
<u>\$ 431,383,570</u>	<u>\$ 1,146,504,619</u>	<u>\$ 1,577,888,189</u>	<u>\$ 19,495,689</u>

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 fixed assets which, by their nature, may require more than one budgetary cycle for completion. Project budgets are adopted for the Capital Projects Fund.

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.

SALT LAKE CITY CORPORATION
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2003

	<u>General</u>
<u>ASSETS</u>	
Assets:	
Cash and cash equivalents (Note 2)	\$ 22,348,983
Receivables:	
Property, franchise and excise taxes	70,512,783
Assessments, including \$318,620 of delinquent assessments	-
Taxes receivable	-
Loans and other receivables, less allowance for doubtful loans of \$4,038,926 (Note 3)	-
Due from other funds for cash overdraft (Notes 2 & 19)	-
Due from other funds for other than cash overdraft (Note 18)	-
Due from other governments	-
Other, principally accrued interest	1,604,373
Restricted assets:	
Cash and cash equivalents (Notes 2 & 4)	1,073
Land and buildings held for resale	-
	-
Total assets	\$ 94,467,212

The accompanying notes are an integral part of this statement

<u>Capital Projects</u>	<u>Housing Loans</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 23,884,656	\$ 3,280,132	\$ 17,867,621	\$ 67,381,392
-	-	-	70,512,783
-	-	2,679,135	2,679,135
-	-	15,713	15,713
-	26,885,832	7,258,786	34,144,618
5,246,608	-	-	5,246,608
-	-	1,429,793	1,429,793
-	-	1,337,672	1,337,672
-	-	562,106	2,166,479
1,020,951	73,065	1,030,176	2,125,265
-	1,379,170	-	1,379,170
<u>\$ 30,152,215</u>	<u>\$ 31,618,199</u>	<u>\$ 32,181,002</u>	<u>\$ 188,418,628</u>

(continued)

The accompanying notes are an integral part of this statement

SALT LAKE CITY CORPORATION
BALANCE SHEET
GOVERNMENTAL FUNDS (continued)
June 30, 2003

	General
<u>LIABILITIES AND FUND BALANCES</u>	
Liabilities:	
Due to other funds for other than cash overdraft (Note 18)	\$ -
Accounts payable	334,938
Accrued liabilities	9,283,369
Current deposits and advance rentals	520,313
Other liabilities payable from restricted assets	-
Loan financing notes payable	-
Deferred revenue	61,221,611
Total liabilities	71,360,231
 Fund balances:	
Reserved for encumbrances	1,093,738
Reserved for loans receivable and advances	-
Reserved for restricted assets	1,073
Reserved for land and buildings held for resale	-
Unreserved - designated for capital improvements	-
Unreserved and undesignated	22,012,170
Unreserved, reported in nonmajor	
Special Revenue Funds	-
Debt Service Funds	-
Total fund balances	23,106,981
 Total liabilities and fund balances	\$ 94,467,212

The accompanying notes are an integral part of this statement

Capital Projects	Housing Loans	Other Governmental Funds	Total Governmental Funds
\$ -	\$ 1,429,793	\$ -	\$ 1,429,793
1,289,001	140,708	817,785	2,582,432
-	-	59,010	9,342,379
-	-	-	520,313
-	73,065	508,608	581,673
-	10,549,256	-	10,549,256
-	-	3,708,345	64,929,956
<u>1,289,001</u>	<u>12,192,822</u>	<u>5,093,748</u>	<u>89,935,802</u>
-	-	-	1,093,738
-	16,336,576	7,352,137	23,688,713
1,020,951	73,065	521,568	1,616,657
-	1,379,170	-	1,379,170
27,842,263	-	-	27,842,263
-	1,636,566	-	23,648,736
-	-	18,864,412	18,864,412
-	-	349,137	349,137
<u>28,863,214</u>	<u>19,425,377</u>	<u>27,087,254</u>	<u>98,482,826</u>
<u>\$ 30,152,215</u>	<u>\$ 31,618,199</u>	<u>\$ 32,181,002</u>	<u>\$ 188,418,628</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, 2003

Total fund balances for governmental funds		\$ 98,482,826
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	160,610,144	
Infrastructure	198,079,283	
Buildings	176,086,604	
Improvements other than buildings	55,519,682	
Equipment	65,770,126	
Construction in progress	16,405,778	
Less accumulated depreciation	<u>(169,100,549)</u>	
Total capital assets		503,371,068
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	605,964	
Bond issue costs	292,779	898,743
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.		
		20,256,839
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.		
		32,778
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	(6,993,219)	
Obligation for compensation liabilities due after one year	(14,410,128)	
Current portion of long-term debt	(2,186,452)	
Bonds payable	(152,638,072)	
Note payable	<u>(15,430,813)</u>	
Total liabilities		<u>(191,658,684)</u>
Total net assets of governmental activities		<u>\$ 431,383,570</u>

SALT LAKE CITY CORPORATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
Year ended June 30, 2003

	General	Capital Projects	Housing Loans	Other Governmental Funds	Totals
Revenues:					
General property taxes	\$ 59,723,506	\$ -	\$ -	\$ -	\$ 59,723,506
Sales, use, and excise taxes	39,910,981	-	-	1,978,008	41,888,989
Franchise taxes	20,555,564	-	-	123,079	20,678,643
Licenses	5,430,021	-	-	-	5,430,021
Permits	3,751,273	-	-	-	3,751,273
Fines and forfeitures	5,273,989	-	-	290,405	5,564,394
Assessments	-	94,879	-	1,448,558	1,543,437
Interest	1,667,460	452,066	773,158	940,368	3,833,052
Intergovernmental	3,705,062	11,243,647	381,749	6,395,884	21,726,342
Interfund service charges	8,057,284	-	-	-	8,057,284
Parking meter	1,160,062	-	-	-	1,160,062
Parking ticket	3,444,720	-	-	-	3,444,720
Charges for services	3,940,894	-	23,699	28,795	3,993,388
Contributions	47,435	-	-	1,213,178	1,260,613
Miscellaneous	473,994	460,618	826,785	521,276	2,282,673
Total revenues	<u>157,142,245</u>	<u>12,251,210</u>	<u>2,005,391</u>	<u>12,939,551</u>	<u>184,338,397</u>
Expenditures:					
Current:					
City Council	1,513,092	-	-	-	1,513,092
Mayor	1,485,544	-	-	-	1,485,544
City Attorney	2,564,537	-	-	-	2,564,537
Management Services	8,808,214	-	-	11,602	8,819,816
Fire	26,135,965	-	-	-	26,135,965
Police	41,899,906	-	-	701,971	42,601,877
Community and Economic Development	9,321,982	-	438,716	8,658,498	18,419,196
Public Services	31,618,779	-	-	1,225,215	32,843,994
Arts Council	-	-	-	824,458	824,458
Nondepartmental	11,448,735	-	-	-	11,448,735
Capital outlay	-	52,549,888	-	-	52,549,888
Debt service:					
Principal	-	-	-	58,331,642	58,331,642
Interest and other fiscal charges	-	-	683,061	4,738,490	5,421,551
Total expenditures	<u>134,796,754</u>	<u>52,549,888</u>	<u>1,121,777</u>	<u>74,491,876</u>	<u>262,960,295</u>
Revenues over (under) expenditures	<u>22,345,491</u>	<u>(40,298,678)</u>	<u>883,614</u>	<u>(61,552,325)</u>	<u>(78,621,898)</u>
Other financing sources (uses):					
Proceeds from debt issuance	-	3,543,046	-	50,672,642	54,215,688
Proceeds from sale of property	310,445	609,150	-	-	919,595
Transfers in	3,493,569	26,794,762	1,534,029	13,802,630	45,624,990
Transfers out	(34,194,947)	(15,062,560)	(976,807)	(4,067,307)	(54,301,621)
Total other financing sources (uses):	<u>(30,390,933)</u>	<u>15,884,398</u>	<u>557,222</u>	<u>60,407,965</u>	<u>46,458,652</u>
Revenues and other sources over (under) expenditures and other uses	(8,045,442)	(24,414,280)	1,440,836	(1,144,360)	(32,163,246)
Fund balance July 1, 2002	31,152,423	53,277,494	17,984,541	28,231,614	130,646,072
Fund balance June 30, 2003	<u>\$ 23,106,981</u>	<u>\$ 28,863,214</u>	<u>\$ 19,425,377</u>	<u>\$ 27,087,254</u>	<u>\$ 98,482,826</u>

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, 2003

Net change in fund balances - total governmental funds \$ (32,163,246)

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 (\$44,413,105) exceeded depreciation expense (\$10,863,642). (see Note 5) 33,549,463

Repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of net assets. (See Note 6.) 58,331,642

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.) (54,215,688)

Governmental funds do not report infrastructure. Contributions of Infrastructure are reported as contributions in kind in Statement of Activities 345,605

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:

Compensated absences	(841,118)	
Accrual for landfill income	(269,864)	
Capitalization of bond issue costs	322,156	
Amortization of bond premium, discounts and deferred gain or loss	(10,673)	
Accrued interest	75,198	
Gain (loss) on sale of capital assets	835,252	
	835,252	110,951

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 revenue of \$(64,258) less amount allocated to business-type activities \$90,563 26,035

Change in net assets of governmental activities \$ 5,984,762

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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.

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, 2003

<u>ASSETS</u>	Business-type Activities- Enterprise Funds	
	Water Utility	Department of Airports
Current assets:		
Cash and cash equivalents (Note 2)		
Unrestricted	\$ 14,390,338	\$ 131,618,491
Restricted	-	3,620,203
Investments (Note 2)	-	-
Receivables:		
Accounts, less allowance for doubtful accounts of \$146,195	5,753,882	16,409,254
Current portion of loans receivable	-	-
Due from other funds for other than cash overdraft (Note 18)	23,517	-
Due from other governments	-	-
Other	311,049	1,421,896
Prepaid expenses	-	-
Inventory of supplies	1,610,611	-
	22,089,397	153,069,844
Total current assets		
Noncurrent assets:		
Restricted cash and cash equivalents (Notes 2 & 4)	21,884,424	19,458,956
Property and equipment, at cost:		
Land and water rights (Note 5)	15,941,619	39,861,814
Buildings (Note 5)	27,641,846	315,852,860
Improvements other than buildings (Note 5)	183,529,518	523,424,208
Machinery and equipment (Note 5)	18,359,628	55,294,438
Construction in progress (Note 5)	6,369,158	18,627,772
Work in Progress (Note 5)	-	-
Accumulated depreciation (Note 5)	(64,588,242)	(362,060,510)
	187,253,527	591,000,582
Net property and equipment		
Bond issue costs, less accumulated amortization of \$2,455,863	303,459	1,828,749
Loans and other long-term receivables	-	-
Land and buildings held for resale	-	-
Investment in joint venture (Note 19)	-	-
Deferred Charges	-	15,819,454
Other	1,385,840	-
	210,827,250	628,107,741
Total noncurrent assets		
	\$ 232,916,647	\$ 781,177,585
Total assets		

The notes accompanying notes are an integral part of this statement

Business-type Activities Enterprise Funds				Governmental Activities- Internal Service Funds
Redevelopment Agency	Nonmajor Proprietary Funds	Total		
\$ 54,634,031	\$ 24,256,965	\$ 224,899,825	\$ 12,220,660	
-	-	3,620,203	-	
2,868,369	-	2,868,369	-	
-	3,064,484	25,227,620	-	
684,695	-	684,695	-	
-	11,095	34,612	-	
-	-	-	4,957	
-	5,873,304	7,606,249	-	
-	-	-	207,788	
-	1,113,287	2,723,898	535,562	
<u>58,187,095</u>	<u>34,319,135</u>	<u>267,665,471</u>	<u>12,968,967</u>	
<u>9,767,927</u>	<u>13,373,840</u>	<u>64,485,147</u>	<u>14,790,797</u>	
16,436,520	6,906,210	79,146,163	7,467,587	
-	48,998,374	392,493,080	62,354,834	
40,845,458	144,713,639	892,512,823	13,057,014	
78,943	42,383,434	116,116,443	46,904,289	
-	20,542,760	45,539,690	-	
-	-	-	6,837,494	
(15,641,125)	(81,658,629)	(523,948,506)	(44,876,309)	
<u>41,719,796</u>	<u>181,885,788</u>	<u>1,001,859,693</u>	<u>91,744,909</u>	
608,821	22,375	2,763,404	830,511	
14,961,235	-	14,961,235	-	
9,508,346	-	9,508,346	-	
-	24,975,009	24,975,009	-	
-	-	15,819,454	-	
-	1,300,000	2,685,840	-	
<u>76,566,125</u>	<u>221,557,012</u>	<u>1,137,058,128</u>	<u>107,366,217</u>	
<u>\$ 134,753,220</u>	<u>\$ 255,876,147</u>	<u>\$ 1,404,723,599</u>	<u>\$ 120,335,184</u>	

-(continued)-

SALT LAKE CITY CORPORATION
STATEMENT OF NET ASSETS (continued)
PROPRIETARY FUNDS
June 30, 2003

	Business-type Activities- Enterprise Funds	
LIABILITIES	Water Utility	Department of Airports
Current liabilities:		
Due to other funds for cash overdraft (Notes 2 & 18)	\$ -	\$ -
Due to other funds for other than cash overdraft (Note 18)	-	-
Accounts payable	3,845,650	6,962,320
Accrued liabilities	6,272,528	6,457,938
Current portion of long-term compensation liability (Note 6)	252,465	510,119
Current portion of long-term debt:		
Payable from unrestricted assets (Note 6)	1,859,706	1,160,888
Payable from restricted assets (Note 6)	1,347,804	3,129,112
Deferred revenue	-	-
Accrued interest, payable from restricted assets	627,647	491,091
Current deposits and advance rentals	454,572	2,968,397
	14,660,372	21,679,865
Total current liabilities		
Noncurrent liabilities:		
Deposits, advance rentals and long-term accruals	257,139	217,242
Other liabilities payable from restricted assets	-	2,956,673
Bonds, mortgages, and notes payable	25,629,547	101,853,687
Long-term compensation liability	2,200,465	3,284,933
	28,087,151	108,312,535
Total noncurrent liabilities		
Total liabilities	42,747,523	129,992,400
NET ASSETS		
Invested in capital assets, net of related debt	158,416,470	484,856,895
Restricted for debt service	19,454,401	19,458,956
Unrestricted	12,298,253	146,869,334
	190,169,124	651,185,185
Total net assets		
Total liabilities and net assets	\$ 232,916,647	\$ 781,177,585

The notes accompanying notes are an integral part of this statement

Business-type Activities Enterprise Funds			Governmental Activities- Internal Service Funds
Redevelopment Agency	Nonmajor Proprietary Funds	Total	
\$ -	\$ -	\$ -	\$ 5,246,608
-	-	-	34,613
107,705	3,092,959	14,008,634	2,910,468
15,276	379,136	13,124,878	6,616,813
-	267,898	1,030,482	56,463
-	1,242,134	4,262,728	5,234,313
6,515,000	188,610	11,180,526	-
-	36,160	36,160	141,747
533,548	25,646	1,677,932	-
93,615	82,772	3,599,356	-
7,265,144	5,315,315	48,920,696	20,241,025
21,681,036	108,482	22,263,899	-
-	-	2,956,673	98,640
46,959,853	2,789,122	177,232,209	67,700,391
71,398	1,255,930	6,812,726	1,235,655
68,712,287	4,153,534	209,265,507	69,034,686
75,977,431	9,468,849	258,186,203	89,275,711
-	177,665,921	820,939,286	82,500,458
9,767,927	12,464,800	61,146,084	-
49,007,862	56,276,577	264,452,026	(51,440,985)
58,775,789	246,407,298	1,146,537,396	31,059,473
\$ 134,753,220	\$ 255,876,147	\$ 1,404,723,599	\$ 120,335,184

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, 2003

Total assets for Proprietary Funds	\$ 1,404,723,599
Internal service fund allocation for proprietary funds - prior year	57,785
Internal service fund allocation for proprietary funds - current year	<u>(90,562)</u>
Total assets for Primary government business-type activities	<u><u>\$ 1,404,690,822</u></u>
Total net assets for Proprietary Funds	\$ 1,146,537,396
Internal service fund allocation for proprietary funds - prior year	57,785
Internal service fund allocation for proprietary funds - current year	<u>(90,562)</u>
Total net assets for Primary government business-type activities	<u><u>\$ 1,146,504,619</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, 2003

	Business-type Activities Enterprise Funds	
	Water Utility	Department of Airports
Operating revenue:		
Sales and charges for services	\$ 38,716,823	\$ 89,594,402
Rental and other	1,460,889	2,369,747
	40,177,712	91,964,149
Operating expenses:		
Personal services	12,983,293	29,663,516
Operating and maintenance	1,810,758	4,782,678
Charges and services	13,329,694	21,988,576
Depreciation and amortization	5,079,026	38,270,476
Participating airline rebate	-	1,287,631
	33,202,771	95,992,877
Operating income (loss)	6,974,941	(4,028,728)
Nonoperating revenues (expenses):		
Interest income	606,688	2,680,009
Interest expense (net of amount capitalized of \$195,459)	(1,721,567)	(6,410,823)
Property taxes	-	-
Equity in joint venture income	-	-
Gain (loss) on disposition of property, equipment and investments	44,188	(1,902,034)
Loss on writedown of land/buildings held for resale	-	-
	(1,070,691)	(5,632,848)
Capital Contributions		
Grants and other contributions	1,692,296	10,424,858
Passenger facility charges	-	34,112,182
	1,692,296	44,537,040
Income before transfers	7,596,546	34,875,464
Transfers in	-	-
Transfers out	(22,177)	(38,994)
	7,574,369	34,836,470
Increase in net assets		
Beginning Net Assets		
Net Assets July 1, 2002 as previously reported	180,567,753	616,348,715
Prior period adjustments (see Note 20)	2,027,002	-
	182,594,755	616,348,715
Net Assets July 1, 2002 as restated		
Net Assets June 30, 2003	\$ 190,169,124	\$ 651,185,185

The accompanying notes are integral part of this statement

Business-type Activities
Enterprise Funds

Redevelopment Agency	Total Nonmajor Funds	Total	Governmental Activities- Internal Service Funds
\$ -	\$ 35,025,286	\$ 163,336,511	\$ 40,587,742
990,404	266,781	5,087,821	-
990,404	35,292,067	168,424,332	40,587,742
538,062	12,055,057	55,239,928	7,972,480
1,740,268	1,764,947	10,098,651	2,488,935
8,739,247	10,570,584	54,628,101	28,646,116
1,739,276	6,572,000	51,660,778	6,997,492
-	-	1,287,631	-
12,756,853	30,962,588	172,915,089	46,105,023
(11,766,449)	4,329,479	(4,490,757)	(5,517,281)
1,758,294	602,770	5,647,761	465,294
(4,975,878)	(123,430)	(13,231,698)	(3,943,226)
23,608,688	-	23,608,688	-
-	(1,439,538)	(1,439,538)	-
146,473	996,912	(714,461)	152,403
(596,835)	-	(596,835)	-
19,940,742	36,714	13,273,917	(3,325,529)
-	6,858,714	18,975,868	-
-	-	34,112,182	-
-	6,858,714	53,088,050	-
8,174,293	11,224,907	61,871,210	(8,842,810)
-	-	-	9,332,414
(10,798)	(29,683)	(101,652)	(554,132)
8,163,495	11,195,224	61,769,558	(64,528)
50,612,294	230,161,535	1,077,690,297	31,124,001
-	5,050,539	7,077,541	-
50,612,294	235,212,074	1,084,767,838	31,124,001
\$ 58,775,789	\$ 246,407,298	\$ 1,146,537,396	\$ 31,059,473

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, 2003

Change in net assets for Proprietary Funds	\$ 61,769,558
Internal service fund allocation for proprietary funds	<u>(90,562)</u>
Change in net assets for Primary government business-type activities	<u><u>\$ 61,678,996</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, 2003

	Water Utility	Department of Airports
Cash Flows from Operating Activities		
Receipts from customers and users	\$ 41,075,920	\$ 88,476,654
Payments to suppliers	(15,331,754)	(26,635,165)
Payments to employees	(12,849,706)	(30,932,413)
Loans made	-	-
Principal received on loans	-	-
Other receipts	-	32,109,725
	<u>12,894,460</u>	<u>63,018,801</u>
Net cash provided by (used in) operating activities		
Cash flows from noncapital and related financing activities:		
Property taxes received	-	-
Payments received on interfund receivables	-	-
Payments made on interfund payables	6,262,514	-
Cash received on deposit - related parties	-	-
Transfers in	-	-
Transfers out	(22,177)	(38,994)
	<u>6,240,337</u>	<u>(38,994)</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	16,093	189,910
Proceeds from sale of land and buildings held for resale	-	-
Contributions for aid in construction	841,405	7,771,054
Payments on long-term obligations, net of capitalized interest	(4,675,278)	(15,244,565)
Payments for purchase and construction of fixed assets, including capitalized interest	(11,312,809)	(19,854,062)
	<u>(15,130,589)</u>	<u>(27,137,663)</u>
Net cash provided by (used in) capital and related financing activities		

The accompanying notes are an integral part of this statement

Redevelopment Agency	Total Nonmajor Proprietary Funds	Total	Governmental Activities- Internal Service Funds
\$ 1,016,002	\$ 35,440,568	\$ 166,009,144	\$ 42,280,307
(10,437,258)	(12,824,482)	(65,228,659)	(28,731,543)
(628,965)	(11,825,947)	(56,237,031)	(7,843,496)
(4,903,070)	-	(4,903,070)	-
758,615	-	758,615	-
-	-	32,109,725	-
<u>(14,194,676)</u>	<u>10,790,139</u>	<u>72,508,724</u>	<u>5,705,268</u>
23,608,688	-	23,608,688	-
-	(6,262,513)	(6,262,513)	-
-	-	6,262,514	-
61,483	-	61,483	-
-	-	-	9,332,414
<u>(10,798)</u>	<u>(29,683)</u>	<u>(101,652)</u>	<u>(554,132)</u>
<u>23,659,373</u>	<u>(6,292,196)</u>	<u>23,568,520</u>	<u>8,778,282</u>
-	1,872,443	1,872,443	2,557,351
-	1,996,828	2,202,831	534,018
608,968	-	608,968	-
-	5,821,192	14,433,651	-
(9,384,345)	(1,691,928)	(30,996,116)	(8,939,202)
-	-	-	-
<u>(2,406,273)</u>	<u>(12,000,202)</u>	<u>(45,573,346)</u>	<u>(12,385,067)</u>
<u>(11,181,650)</u>	<u>(4,001,667)</u>	<u>(57,451,569)</u>	<u>(18,232,900)</u>

The accompanying notes are an integral part of this statement

SALT LAKE CITY CORPORATION
STATEMENT OF CASH FLOWS (continued)
PROPRIETARY FUNDS
Year ended June 30, 2003

	Water Utility	Department of Airports
Cash flows from investing activities:		
Proceeds from investments	-	-
Interest received on investments and loans	606,688	2,760,175
Purchases of water stock	(56,394)	-
	550,294	2,760,175
Net cash provided by investing activities	550,294	2,760,175
Net increase (decrease) in cash and cash equivalents	4,554,502	38,602,319
Cash and cash equivalents at beginning of year	31,720,260	116,095,331
Cash and cash equivalents at end of year	\$ 36,274,762	\$ 154,697,650
Cash and cash equivalent components:		
Unrestricted	\$ 14,390,338	\$ 131,618,491
Restricted	21,884,424	23,079,159
Cash and cash equivalents at end of year	\$ 36,274,762	\$ 154,697,650
Cash flows from operating activities -		
Operating income (loss)	6,974,941	(4,028,728)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Depreciation and amortization	\$ 5,079,026	\$ 38,270,476
Increase (decrease) due to changes in:		
Accounts receivable	706,657	(913,434)
Inventory	36,164	-
Other current assets	191,552	31,471,735
Due to other funds for cash overdraft		-
Accounts payable	(110,933)	(1,677,481)
Accrued liabilities affecting operating activities	17,053	-
Deferred revenue		
Other liabilities		(103,767)
Long-term compensation liability		-
Total adjustments	5,919,519	67,047,529
Loans made to residents	-	-
Principal collected on loans	-	-
Net cash provided by (used in) operating activities	\$ 12,894,460	\$ 63,018,801
Noncash transactions affecting financial position:		
Contributions of fixed assets from other entities	\$ 850,890	\$ -

The accompanying notes are an integral part of this statement

Redevelopment Agency	Total Nonmajor Proprietary Funds	Total	Governmental Activities- Internal Service Funds
545,773	-	545,773	-
1,723,430	602,770	5,693,063	465,294
-	-	(56,394)	-
<u>2,269,203</u>	<u>602,770</u>	<u>6,182,442</u>	<u>465,294</u>
552,250	1,099,046	44,808,117	(3,284,056)
63,849,708	36,531,759	248,197,058	30,295,513
<u>\$ 64,401,958</u>	<u>\$ 37,630,805</u>	<u>\$ 293,005,175</u>	<u>\$ 27,011,457</u>
\$ 54,634,031	\$ 24,256,965	\$ 224,899,825	\$ 12,220,660
<u>9,767,927</u>	<u>13,373,840</u>	<u>\$ 68,105,350</u>	<u>\$ 14,790,797</u>
<u>\$ 64,401,958</u>	<u>\$ 37,630,805</u>	<u>\$ 293,005,175</u>	<u>\$ 27,011,457</u>
(11,766,449)	4,329,479	(4,490,757)	(5,517,281)
\$ 1,739,276	\$ 6,572,000	\$ 51,660,778	\$ 6,997,492
25,598	30,083	(151,096)	-
-	-	36,164	(33,010)
-	169,642	31,832,929	370,983
-	-	-	1,792,238
17,575	(187,466)	(1,958,305)	2,085,052
-	(102,497)	(85,444)	(106,108)
-	9,936	(93,831)	(105,819)
(66,221)	(31,038)	(97,259)	221,721
<u>1,716,228</u>	<u>6,460,660</u>	<u>81,143,936</u>	<u>11,222,549</u>
(4,903,070)	-	(4,903,070)	-
<u>758,615</u>	<u>-</u>	<u>758,615</u>	<u>-</u>
<u>\$ (14,194,676)</u>	<u>\$ 10,790,139</u>	<u>\$ 72,508,724</u>	<u>\$ 5,705,268</u>
\$ -	\$ 1,037,521	\$ 850,890	\$ -

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, 2003

<u>ASSETS</u>	<u>Deferred Compensation Trust</u>
Restricted investments	<u>\$ 1,139,290</u>
 <u>NET ASSETS</u>	
Held in trust for pension benefits and other purposes	<u>\$ 1,139,290</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, 2003

	<u>Deferred Compensation Trust</u>
Additions:	
Investment income	\$ 22,764
Total additions	22,764
Deductions:	
Investment expenses	-
Benefits	24,000
Total deductions	24,000
Changes in Net Assets	(1,236)
Net Assets July 1, 2002	1,140,526
Net Assets June 30, 2003	\$ 1,139,290

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, 2003

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*, 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, 2003, 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, 2003, 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, 2003, 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 19).

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, 2003

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 and (3) The 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.

In addition to the major enterprise funds, The City also operates five non-major enterprise funds and six internal service funds. The non-major enterprise funds are the Intermodal Hub, Sewer Utility, 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-state passenger bus and rail lines to the commuter bus and light rail systems. The Sewer and Storm Water Utilities provide treatment and disposition services for waste water and 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

SALT LAKE CITY CORPORATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2003

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 60 days 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 (60 days) or are not objectively measurable include licenses, contributions, and miscellaneous revenues. Revenue is 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.

The City has three major governmental funds, the General Fund, the Capital Projects Fund and the Housing Loans 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

SALT LAKE CITY CORPORATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2003

to complete. These constructed or improved capital assets are for the benefit of any or all governmental funds. 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. 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, 2003, 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, Emergency 911 Fund, and Housing Loans 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.

SALT LAKE CITY CORPORATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2003

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.

Interest rate swap

Objective of the interest rate swap: The Department of Airports entered into three interest rate swaps on August 5, 1998 as a means to generate cash flows that funded capital programs. The Airport received \$4,606,950 upfront to be amortized as an offset to interest expense over the life of the bonds. The swaps were in connection with the following bonds:

	<u>Aggregate Amount</u>	<u>Notional Amount</u>	<u>Cash Received</u>	<u>Effective Date</u>
1990 Series Revenue Bond	\$19,280,000	\$19,145,000	\$2,691,200	July 2000
1993 HEDRS Revenue Bond	16,460,000	11,300,000	449,000	June 2003
1993A Series Revenue Bond	37,270,000	28,050,000	1,466,750	Dec 2003

The swap underwriter held the option to exercise each swap at its effective date. The 1990 swap was exercised by the underwriter and went live in July 2000 with the issuance of the Series 2000A variable rate bonds. The balance of the deferred interest saving on the 1990 swap is being amortized over the remaining life of the 2000A series bond, and had a balance of \$1,665,890 remaining as of June 30, 2003. The other two swap agreements were scheduled to go live in 2003, however, the Airport elected to terminate the 1993 HEDRS swap in May 2003 at a cost of \$1,847,000. This was being amortized over the life of the bond, and had a balance of \$1,797,348 at June 30, 2003.

Terms: The remaining 2000A series bonds and the related swap agreement mature on July 1, 2020. Under the swap, the Airport pays the counterparty a fixed payment of 6.63 percent and receives a variable payment computed as 73 percent of the London Interbank Offered Rate (LIBOR). Conversely, the bond's variable-rate coupons are based on The Bond Market Association Municipal Swap Index™ (BMA).

Fair value: Because interest rates have declined since execution of the swap, the swap had a negative fair value of approximately \$4,500,000 as of June 30, 2003.

Credit risk: The Airport currently utilizes letters of credit for its variable rates issues from Westdeutsche Landesbank Girozentrale (WestLB). The WestLB Letters of Credit for the Series 2000A Bonds expire in June 2004.

Basis risk: The swap exposes the Airport to basis risk should the relationship between LIBOR and BMA converge, changing the synthetic rate on the bonds. As of June 30, 2003, the BMA rate was 1.5 percent, whereas 73 percent of LIBOR was 1.8 percent.

Termination risk: The airport or the counterparty may terminate the swap if the other party fails to perform under the terms of the contract. The swap may be terminated by the Airport if the counterparty's credit quality rating falls below the highest three categories, without regard to distinctions within categories, from either Moody's or Standard & Poor's. If the swap is terminated, the variable-rate bond would no longer carry a synthetic interest rate. Also, if at the time of termination the swap has a negative fair value, the Airport would be liable to the counterparty for a payment equal to the swap's fair value.

SALT LAKE CITY CORPORATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2003

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, 2003, was \$195,459. 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 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 Statement of Governmental Accounting Standards (SGAS) No. 33, more fully described below, The City changed its accounting for property taxes.

SALT LAKE CITY CORPORATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2003

SGAS 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, 2003.

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). Non-recurring, nonroutine, or residual equity transfers are accounted for as changes in fund balance. Other transfers are recognized as operating 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 funds.

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 Grants Operating Fund, Housing Loans Fund (special revenue funds), and Redevelopment Agency (enterprise fund), 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.

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.

SALT LAKE CITY CORPORATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2003

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.

The City's investments and deposits are governed by applicable City and State ordinances and laws pertaining to investment of public funds in the State of Utah, specifically the Utah Money Management Act and by the City's own written investment policy.

Financial institutions and investment broker/dealers who desire to become qualified bidders or qualified depositories must be certified through the State and meet all requirements imposed by the Utah State Department of Financial Institutions and the requirements of the Utah Money Management Council, and Act (Rule 16). The Utah Money Management Council quarterly issues a list of certified dealers, and a list of 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, or Certified Dealers included in the current state list. All securities purchased from a certified dealer are required to be delivered to the City Treasurer or to the City's safekeeping bank.

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; (3) Bankers Acceptances; (4) Publicly traded fixed rate corporate obligations; (4) Publicly traded fixed rate corporate obligations; (5) Certain variable rate securities and deposits; (6) Deposits with the State Public Treasurer's Investment Pool; (7) Certain fixed rate negotiable deposits with a certified depository; (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, 2003.

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 categorized in the following table to give an indication of the level of risk assumed by the City at year-end. Category 1 includes deposits that are insured or collateralized with securities held by the City or its agent in the City's name. Category 2 includes deposits that are collateralized with securities held by the pledging financial institution's trust department or agent in the City's name. Category 3 are deposits which are uninsured and uncollateralized.

SALT LAKE CITY CORPORATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2003

	Category			Bank Balance	Carrying Amount
	1	2	3		
Primary Government - Bank accounts	\$ 284,193	\$ 10,968,424	\$ -	\$ 11,252,617	\$ 11,284,635
Component units- Bank accounts	\$ 100,000	\$ 32,067	\$ -	\$ 132,067	\$ (532,044)

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.

The City's investments are categorized in the following table to give an indication of the level of risk assumed by the City at year-end. Category 1 includes investments that are insured or registered or for which the securities are held by the City or its agent in the City's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counter party's trust department or agent in the City's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counter party, or by its trust department or agent but not in the City's name.

	Category			Cost	Fair Value
	1	2	3		
Primary government:					
U.S. government securities	\$ -	\$ 16,879,569	\$ -	\$ 15,784,496	\$ 16,879,569
Commercial Paper	-	6,855,102	-	7,040,104	6,855,102
Repurchase agreements	-	2,297,614	-	2,297,614	2,297,614
	<u>\$ -</u>	<u>\$ 26,032,285</u>	<u>\$ -</u>	25,122,214	26,032,285
Money market mutual funds				45,198,225	45,198,225
Investment in State Treasurer's Pool				310,964,701	310,964,701
Total investments, primary government				<u>\$ 381,285,140</u>	<u>\$ 382,195,211</u>
Component units:					
Commercial paper	\$ -	\$ 29,341	-	\$ 29,341	\$ 29,341
Repurchase agreements	-	1,012,031	-	\$ 1,012,031	\$ 1,012,031
	<u>\$ -</u>	<u>\$ 1,041,372</u>	<u>\$ -</u>	1,041,372	1,041,372
Investment in State Treasurer's Pool				4,216,105	4,216,105
Total investments, component units				<u>\$ 5,257,477</u>	<u>\$ 5,257,477</u>

The degree of risk associated with the investments held by the State Treasurer's Pool depends on the underlying portfolio. Therefore, these amounts are not categorized according to risk. The money market mutual funds shown above as investments are not subject to Federal Deposit Insurance Corporation coverage. The City has elected to report essentially all investments at fair value.

SALT LAKE CITY CORPORATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2003

A summary of restricted and unrestricted cash, cash equivalents and investments at June 30, 2003 is as follows:

	Primary Government	Component Units
Unrestricted cash and cash equivalents	\$ 304,501,877	\$ 481,362
Restricted cash and cash equivalents	85,021,412	5,236
Unrestricted investments	2,868,369	4,240,210
Restricted investments	1,139,290	-
Total	\$ 393,530,948	\$ 4,726,808
Deposits	\$ 11,284,635	\$ (532,044)
Investments	382,195,211	5,257,477
Cash on hand	51,102	1,375
Total	\$ 393,530,948	\$ 4,726,808

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. The balance sheet amount for unrestricted cash and cash equivalents has been reduced by a total \$5,246,608 in pooled cash overdraft. The funds with cash overdrafts were Municipal Building Authority (4,990,825) and Information Management Services (255,783), both internal service funds.

3. Loans Receivable

The Housing Loans Fund (a special revenue fund) provides loans to residents for improvements in existing housing within 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, 2003 were \$26,885,832, net of \$38,926 estimated as uncollectible.

The Grants Operating Fund (a special revenue fund) provides loans for commercial construction. The loans receivable at June 30, 2003 were \$7,258,786 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 8.0% 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 \$15,645,930 at June 30, 2003, are payable in monthly installments, bear interest from 0% to 7.5% 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) include unexpended bond proceeds. These assets are restricted under the revenue bond resolution for the purpose of paying bond principal and

SALT LAKE CITY CORPORATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2003

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.

Restricted assets in the Grants Operating Fund (a special revenue fund) are related to Urban Development Action Grant loan repayments or other intergovernmental agreements.

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 (a special revenue 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 Municipal Building Authority (an internal service fund) are restricted by provisions of the bond resolution for debt service or specific construction projects.

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 Refuse Collection enterprise 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.

SALT LAKE CITY CORPORATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2003

5. Capital Assets

The following two tables summarize the changes in capital assets for governmental and business-type activities during the year ended June 30, 2003:

Primary Government	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 157,354,263	\$ 3,321,945	\$ (66,064)	\$ 160,610,144
Construction in progress	73,834,701	42,698,784	(100,127,707)	16,405,778
Total capital assets, not being depreciated	<u>231,188,964</u>	<u>46,020,729</u>	<u>(100,193,771)</u>	<u>177,015,922</u>
Capital assets, being depreciated				
Buildings	110,222,740	95,300,829	(29,436,965)	176,086,604
Improvements other than buildings	25,958,245	29,561,437	-	55,519,682
Machinery and equipment	64,993,421	7,845,927	(7,069,222)	65,770,126
Infrastructure	201,255,812	8,278,352	(11,454,881)	198,079,283
Total capital assets being depreciated	<u>402,430,218</u>	<u>140,986,545</u>	<u>(47,961,068)</u>	<u>495,455,695</u>
Less accumulated depreciation:				
Buildings	23,631,449	2,859,897	(46,857)	26,444,489
Improvements other than buildings	10,471,417	965,730	-	11,437,147
Machinery and equipment	40,488,168	7,862,496	(6,635,130)	41,715,534
Infrastructure	94,816,107	6,142,156	(11,454,884)	89,503,379
Total accumulated depreciation	<u>169,407,141</u>	<u>17,830,279</u>	<u>(18,136,871)</u>	<u>169,100,549</u>
Total capital assets, being depreciated net	<u>233,023,077</u>	<u>123,156,266</u>	<u>(29,824,197)</u>	<u>326,355,146</u>
Governmental activities capital assets, net	<u>\$ 464,212,041</u>	<u>\$ 169,176,995</u>	<u>\$ (130,017,968)</u>	<u>\$ 503,371,068</u>
Business-type activities	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 78,682,690	\$ 547,036	\$ (83,563)	79,146,163
Construction in progress	56,136,479	38,316,715	(48,913,504)	45,539,690
Total capital assets, not being depreciated	<u>134,819,169</u>	<u>38,863,751</u>	<u>(48,997,067)</u>	<u>124,685,853</u>
Capital assets, being depreciated				
Buildings	382,258,235	11,088,846	(854,001)	392,493,080
Improvements other than buildings	889,698,120	32,846,393	(30,031,690)	892,512,823
Machinery and equipment	115,659,725	6,173,970	(5,717,252)	116,116,443
Total capital assets being depreciated	<u>1,387,616,080</u>	<u>50,109,209</u>	<u>(36,602,943)</u>	<u>1,401,122,346</u>
Less accumulated depreciation:				
Buildings	134,539,668	13,438,847	(722,075)	147,256,440
Improvements other than buildings	291,397,123	27,867,486	(22,140,921)	297,123,688
Machinery and equipment	75,764,368	10,234,825	(6,430,815)	79,568,378
Total accumulated depreciation	<u>501,701,159</u>	<u>51,541,158</u>	<u>(29,293,811)</u>	<u>523,948,506</u>
Total capital assets, being depreciated net	<u>885,914,921</u>	<u>(1,431,949)</u>	<u>(7,309,132)</u>	<u>877,173,840</u>
Business-type activities capital assets, net	<u>\$ 1,020,734,090</u>	<u>\$ 37,431,802</u>	<u>\$ (56,306,199)</u>	<u>\$ 1,001,859,693</u>

SALT LAKE CITY CORPORATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2003

5. Capital Assets - Continued

Depreciation expense for the year ended June 30, 2003 for governmental and business type activities are shown in the following table.

	Depreciation Expense
Governmental activities:	
General Government	\$ -
City Council	12,202
Mayor	2,528
City Attorney	23,631
Management Services	1,657,039
Fire	330,776
Police	1,356,876
Community and Economic Development	61,749
Public Services	1,276,685
Infrastructure Depreciation	6,142,156
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	6,966,637
Total depreciation expense - governmental activities	\$ 17,830,279
Business-type activities:	
Water	\$ 5,079,026
Airport Authority	38,150,856
Redevelopment Agency	1,739,276
Other activities	6,572,000
Total depreciation expense - business-type activities	\$ 51,541,158

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

	Beginning Balance	Increases	Decreases	Ending Balance
Component Unit - Library				
Capital assets, not being depreciated:				
Land	\$ 590,554	\$ -	\$ -	\$ 590,554
Construction in progress	264,206	-	(264,206)	-
Total capital assets, not being depreciated	854,760	-	(264,206)	590,554
Capital assets, being depreciated				
Buildings	8,530,258	1,369,809	-	9,900,067
Improvements other than buildings	311,701	5,415	-	317,116
Machinery and equipment	12,418,902	7,998,828	(1,835,287)	18,582,443
Total capital assets being depreciated	21,260,861	9,374,052	(1,835,287)	28,799,626
Less accumulated depreciation:				
Buildings	3,613,314	334,677	-	3,947,991
Improvements other than buildings	179,441	24,889	-	204,330
Machinery and equipment	6,193,154	2,116,439	(1,819,119)	6,490,474
Total accumulated depreciation	9,985,909	2,476,005	(1,819,119)	10,642,795
Total capital assets, being depreciated net	11,274,952	6,898,047	(16,168)	18,156,831
Component unit capital assets, net	\$ 12,129,712	\$ 6,898,047	\$ (280,374)	\$ 18,747,385

SALT LAKE CITY CORPORATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2003

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 following table summarizes changes in long-term obligations for the year ended June 30, 2003.

Long Term Debt	Amount of Original Issue (bonds only)	Balance June 30, 2002	Additions	Retirements	Balance June 30, 2003	Due Within One Year
Governmental Activities						
General obligation bonds	\$ 81,000,000	\$ 72,275,000	\$ -	\$ 48,200,000	\$ 24,075,000	\$ 2,965,000
General obligation bonds	22,650,000	21,085,000	-	1,955,000	19,130,000	2,020,000
General obligation bonds	48,855,000	-	48,774,043	623,704	48,150,339	150,000
Special improvement bonds	2,574,000	993,000	124,000	309,000	808,000	241,000
Motor Fuel Excise tax revenue bonds	7,750,000	1,425,000	-	1,425,000	-	-
Motor Fuel Excise tax revenue bonds	5,155,000	4,215,000	-	520,000	3,695,000	545,000
General GE Capital Finance Note		2,126,245	282,084	1,044,675	1,363,654	1,088,160
General Long-term compensation liability		13,276,625	2,640,620	1,810,073	14,107,172	932,699
Municipal Building Authority - 1993A	29,610,000	20,006,094	-	2,199,034	17,807,060	1,490,000
Municipal Building Authority - 1999A	13,595,000	12,452,232	(13,838) *	546,562	11,891,832	585,000
Municipal Building Authority - 1999B	24,935,000	24,657,629	4,765	-	24,662,394	-
Municipal Building Authority - 2001	11,855,000	11,732,456	(4,849) *	-	11,727,607	225,000
Loan financing notes		10,327,327	947,562	725,633	10,549,256	492,235
Internal Service Fund Debt:						
ISF GE Capital Finance Note		6,514,605	2,681,067	2,251,221	6,944,451	2,934,313
ISF Long-term compensation liability		1,066,340	277,110	51,332	1,292,118	56,463
Total Governmental long-term debt		\$ 202,152,553	\$ 55,712,564	\$ 61,661,234	\$ 196,203,883	\$ 13,724,870
Business-type Activities						
Water 1993 series	\$ 11,110,130	\$ 7,629,027	\$ -	\$ 2,087,129	\$ 5,541,898	\$ 2,182,510
Water 1994 series	14,000,000	1,211,204	-	589,445	621,759	625,000
Water 1997 Series	24,515,000	22,920,779	-	247,379	22,673,400	400,000
Sewer 1993 series	2,389,870	1,601,832	-	427,484	1,174,348	462,490
Airport 1993,1993A,1993B,1993C series	115,645,000	75,395,093	-	5,866,491	69,528,602	3,310,000
Airport 2000A series	19,145,000	18,263,733	-	48,648	18,215,085	280,000
Airport 2001 series	19,200,000	19,200,000	-	800,000	18,400,000	700,000
Redevelopment Agency 1990 tax increment	24,268,008	13,533,008	-	-	13,533,008	-
Redevelopment Agency 1991 tax increment	13,095,000	1,915,000	-	1,915,000	-	-
Redevelopment Agency 1997A tax increment	16,505,000	11,235,598	-	1,470,837	9,764,761	1,525,000
Redevelopment Agency 1998A tax increment	24,600,000	18,438,701	-	2,309,682	16,129,019	2,380,000
Redevelopment Agency 2002a tax increment	16,190,000	15,644,564	-	1,596,499	14,048,065	2,610,000
Enterprise GE Capital Finance Note		2,317,833	720,000	1,144,758	1,893,075	755,703
Enterprise Notes Payable		-	1,152,443	-	1,152,443	212,551
Ent. Long-term compensation liability		8,579,058	1,005,196	1,741,046	7,843,208	1,030,482
Total Business-type long-term debt		217,885,430	2,877,639	20,244,398	200,518,671	16,473,736
Total long-term debt		\$ 420,037,983	\$ 58,590,203	\$ 81,905,632	\$ 396,722,554	\$ 30,198,606

* (amortization of discount/deferred loss)

(Continued)

SALT LAKE CITY CORPORATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2003

6. Long-term obligations – (continued)

Long Term Debt	Amount of	Balance			Balance	394,702,910
	Original Issue (bonds only)	June 30, 2002	Additions	Retirements	June 30, 2003	Due Within One Year
Component Units						
Lib Long-term compensation liability		334,175	94,383	-	428,558	56,088
Total component unit long-term debt		\$ 334,175	\$ 94,383	\$ -	\$ 428,558	\$ 56,088

The annual debt requirements to maturity, including principal and interest, as of June 30, 2003 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
2004	\$ 2,845,000	\$ 3,741,114	\$ 14,475,000	\$ 9,353,209	\$ 5,135,000	\$ 4,775,143
2005	2,985,000	3,597,509	16,465,000	8,532,841	5,380,000	4,521,393
2006	3,140,000	3,443,357	13,717,586	9,234,891	5,610,000	4,255,393
2007	3,300,000	3,278,188	14,704,482	8,658,109	5,870,000	3,977,993
2008	3,470,000	3,101,853	13,934,414	7,976,361	6,170,000	3,667,606
2009-2013	17,140,000	12,726,139	51,027,831	51,748,137	29,430,000	13,536,355
2014-2018	21,505,000	7,479,105	45,938,695	24,127,766	27,510,000	6,244,819
2019-2023	16,000,000	1,316,990	23,915,000	2,488,531	6,350,000	325,657
Subtotal	70,385,000	38,684,255	194,178,008	122,119,845	91,455,000	41,304,358
Less disc (prem) & deferred loss	601,107	-	4,548,063	-	99,661	-
Net debt	\$ 69,783,893	\$ 38,684,255	\$ 189,629,945	\$ 122,119,845	\$ 91,355,339	\$ 41,304,358

Year Ending June 30	Special Assessment Bonds		Other Debt			
	Governmental Activities		Governmental Activities		Business Activities	
	Principal	Interest	Principal	Interest	Principal	Interest
2004	\$ 241,000	\$ 34,943	\$ 4,514,708	\$ 938,640	\$ 968,254	\$ 117,814
2005	179,000	23,770	3,046,065	779,973	798,692	79,857
2006	188,000	15,326	1,402,258	642,857	601,112	45,593
2007	111,000	7,511	1,142,550	576,749	428,306	24,499
2008	89,000	2,225	607,306	527,722	249,154	10,096
2009-2013	-	-	2,896,603	2,100,080	-	-
2014-2018	-	-	3,413,841	1,099,209	-	-
2019-2023	-	-	1,745,342	210,379	-	-
2024-2028	-	-	88,688	9,029	-	-
Total	\$ 808,000	\$ 83,775	\$ 18,857,361	\$ 6,884,638	\$ 3,045,518	\$ 277,859

Swap payments and associated debt

Using rates as of June 30, 2003, debt service requirements of the variable -rate debt and net swap payments, assuming current interest rates remain the same are shown in the table on the following page. As rates vary, variable-rate bond interest payments and net swap payments will vary.

SALT LAKE CITY CORPORATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2003

Variable-Rate Bonds

Fiscal Year Ending June 30	Principal	Interest	Interest rate Swaps, Net	Total
2004	\$ 1,875,000	\$ 467,300	\$ 2,333,569	\$ 4,675,869
2005	1,850,000	448,550	2,228,431	4,526,981
2006	410,000	430,050	2,124,753	2,964,803
2007	85,000	425,950	2,102,147	2,613,097
2008	1,480,000	425,100	2,097,891	4,002,991
2009-2013	11,680,000	1,836,200	9,040,684	22,556,884
2014-2018	16,085,000	1,165,400	5,703,026	22,953,426
2019-2023	13,265,000	307,400	1,455,963	15,028,363
Total	<u>\$ 46,730,000</u>	<u>\$ 5,505,950</u>	<u>\$27,086,463</u>	<u>\$ 79,322,413</u>

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 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, 2003 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.

General Obligation Bonds

On March 1, 2001, The City issued \$22,650,000 in General Obligation Refunding Bonds Series 2001 with a final maturity if fiscal year 2011 and interest rates of 4.00 to 4.50 percent. The bonds were issued to fully pay all 1991 General Obligation bonds, including accrued interest, with maturity dates after June 15, 2001. The balance of the 1991 bonds with maturity dates after June 15, 2001 totaled \$22,935,000 and 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. The 1991 General Obligation Refunding bonds defeased the 1986 General Obligation Building Bonds, which were redeemed on June 15, 1996.

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 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. The redemption price is equal to 100% of the principal amount plus accrued interest. 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, 2003 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 trust 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

SALT LAKE CITY CORPORATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2003

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 will be charged as interest expense through June 30, 2019 using the effective interest method. The City entered into the advance refunding to reduce its total debt service payments by \$3,192,069 and realize an economic gain (difference between the present values of the debt service payments on the old and new debt) of approximately \$1,671,000. 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 12, 2012. The redemption price is 100% plus 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 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 \$491,272 at June 30, 2003. 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 2.20 and 6.75 percent and have a final maturity in fiscal year 2015.

Motor Fuel Bonds

On February 1, 1993 and December 1, 1999, the City issued \$7,750,000 and \$5,155,000 respectively, in Motor Fuel Excise Tax Revenue Bonds. The series 1993 interest rates vary from 3.00 to 5.40 percent and have a final maturity in fiscal year 2003, while the series 1999 bear interest at 4.45 to 5.15 percent and have a final maturity in fiscal year 2009. Both 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.

Water and Sewer Utility Bonds and Debt

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 \$4,900,000 1991 Water and Sewer Revenue Bonds reimbursed the Water and Sewer Utility Funds for capital expenditures. The capital items consisted of water treatment plant expansions, water conduit extensions, deep well improvements, water lines, and other related improvements. These bonds mature in differing amounts every February 1, starting February 1, 1992 and ending February 1, 2011. The bonds maturing on or after February 1, 2002 are subject to redemption at the election of the City on any interest date on or after February 1, 2001. A portion of the 1991 bonds was defeased on November 1, 1997. The defeased amount of \$3,060,000 was outstanding on June 30, 2003.

The Series 1993 Water and Sewer Revenue Refunding Bonds' (rates from 2.90 to 5.70 percent and final maturity in fiscal 2013) principle 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%.

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 principle purpose of these bonds is to finance construction of Water Utility capital improvement projects. The bonds were discounted by \$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 \$8,620,000 was outstanding on June 30, 2003.

SALT LAKE CITY CORPORATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2003

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. As noted above, \$3,060,000 and \$8,620,000 of the 1991 and 1994 bonds, respectively were defeased through the establishment of an irrevocable trust escrow consisting of cash and noncallable direct obligations of the United States Government.

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.

During the year ended June 30, 1999, the Airport entered into an interest rate swap transaction with a major financial institution in order to reduce the fixed interest rate on the 1990, 1993 and 1993A series bonds. Under this interest rate swap agreement, (Swap Agreement), the Airport agreed to pay a fixed interest rate above the current market rate, but less than the stated rate on the Bonds. As a result, the financial institution made a non-refundable \$4,606,950 payment to the Airport, which is recorded as a deferred gain. The deferred gain is to be amortized over the life of the related bonds using the effective interest method.

The 1993 Series Revenue Refunding Bonds are subject to redemption as defined in the Swap Agreement after June 1, 2003, in such order of maturities as shall be directed under the terms of the Swap Agreement at redemption prices equal to the principal amount plus a premium ranging up to 2% of the principal amount.

The 1993A Series Revenue Bonds are subject to redemption as defined in the Swap Agreement after December 1, 2003, in such order of maturities as shall be directed under the terms of the Swap Agreement at redemption prices equal to the principal amount plus a premium ranging up to 2% of the principal amount.

The 1993B Series Revenue Refunding Bonds are subject to redemption at the election of the City after December 1, 2003, in such order of maturities as shall be directed by the City at redemption prices equal to the principal amount plus a premium ranging up to 2% of the principal amount.

The 1993C Series Revenue Refunding Bonds are not subject to optional redemption prior to maturity. Proceeds of the 1993C bonds, issued on September 1, 1993, were used to refund in full the Series 1978 Bonds in the amount of \$25,070,000 maturing on and after December 1, 1993, with rates from 6.1% to 7.0%. The 1993C Series bonds were fully paid during the year ended June 30, 2003.

All of the Airport bonds issued in 1993 bear interest between 2.50 to 7.75 percent and have a final maturity in fiscal year 2008.

On June 29, 2000, the Airport issued \$19,145,000 in Adjustable Rate Airport Revenue Refunding Bonds, Series 2000A (Series 2000A Bonds) pursuant to the Swap Agreement. Under the Swap Agreement, the Airport will pay a fixed interest rate of 6.63% on the Series 2000A Bonds. The principal purpose of the Series 2000A bonds was to refund all outstanding Series 1990 Revenue Bonds with maturity dates on or after July 1, 2000. The amount subject to refunding was \$18,570,000, with an interest rate of 7.25%. Proceeds were also used to pay certain costs of issuance of the Series 2000A Bonds. In addition, the Airport paid a premium of \$371,400 to redeem the Series 1990 Bonds.

On December 19, 2001, the Airport issued \$19,200,000 in Adjustable Rate Airport Revenue Bonds, Series 2001. The net proceeds, after paying certain issuance costs, were issued to finance the costs of facilities at the Airport for use by SkyWest Airlines.

SALT LAKE CITY CORPORATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2003

Initially, both issues (2000 and 2001) of bonds will bear interest at a weekly rate, but may bear interest at a daily rate, a flexible time period rate between one and 270 days or a long-term rate, which would normally be at least six months. The rates will be set by their respective remarketing agent for each bond issue, Goldman Sachs for the 2000 bonds and Salomon Smith Barney Inc. for the 2001 bonds. The rate for both issues has a maximum of 12 percent and will be set as the minimum rate necessary to have been priced under the then prevailing market conditions at their principal amount. The 2000 and 2001 bonds have final maturities in fiscal 2020 and 2021, respectively.

On May 30, 2003, the Airport terminated the Swap Agreement on the 1993 series bond (the "Swap Termination") with a financial institution. Under the Swap Termination, the financial institution agreed to accept a lump sum payment to release the Airport from its fixed-interest rate swap obligation. The Airport made a payment of \$1,847,000 to the financial institution. The deferred loss will be amortized over the life of the related bond using the effective interest method.

Municipal Building Authority Bonds

In June 1993, the Municipal Building Authority issued \$29,610,000 in Lease Revenue Bonds (1993A) at rates from 2.75 to 6.00 percent with a final maturity date in fiscal 2015. Of the total proceeds, \$6,084,376 was used to partially defease the February 1988 and April 1990 issues. The defeased February 1988 bonds had a maturity date of October 15, 2002 and were paid at that time. The defeased April 1990 bonds had a maturity date of October 15, 2000, and were redeemed at that time. The original bonds were issued to purchase streetlights, garbage trucks and cans, telephone equipment, purchase and renovate a building and parking structures, and construct the Steiner Aquatic Center.

A portion (\$410,000) of the 1993A bonds was defeased with part of the proceeds of the \$81,000,000 1999 General Obligation Bonds. One of the purposes for the issuance of the 1993A bonds was to renovate a parking structure. That parking structure was demolished to make way for a new building and therefore necessitated the defeasance of the affected portion of the 1993A bonds.

On July 1, 1999 the Municipal Building Authority issued \$13,595,000 in Lease Revenue and Refunding Bonds (Series 1999A). The Authority issued the bonds to (1) defease and refund all of the \$4,095,000 outstanding Series 1991A bonds, (2) purchase a City office building, the land on which the building is located, and finance improvements to the building, (3) prepay a lease relating to golf course equipment used at a City golf course and (4) pay costs related to the issuance of the 1999A bonds. They have interest rates from 3.75 to 5.40 percent and a final maturity during fiscal year 2020

On November 1, 1999 the Municipal Building Authority issued \$24,935,000 in Lease Revenue Bonds Series 1999B (Series 1999B) at rates from 5.00 to 5.75 and a final maturity during fiscal year 2020. The principal purpose for issuing these bonds is (1) construct and equip an ice arena facility, the Steiner Ice Sheet, (2) add to and improve an existing fire training facility and (3) acquire and improve the land and facilities of a public park.

On July 1, 2001, The Municipal Building Authority issued \$11,855,000 in Lease Revenue Bonds, Series 2001. The proceeds of the bonds, net of a original issue discount in the amount of \$133,107 are being used to: (1) Purchase and renovate a building to be used as the City's Justice Court Complex; (2) Remodel and refurnish an existing building that will be used as a police precinct; and (3) pay certain costs of issuance, fund a reserve, and make initial debt payments. These bonds were issued at rates from 4.00 to 5.20 percent and have a final maturity in fiscal 2021.

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

SALT LAKE CITY CORPORATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2003

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.

On September 1, 1991, the Redevelopment Agency issued \$13,095,000 of 1991A Central Business District Neighborhood Redevelopment Tax Increment Bonds at rates of 4.90 to 6.70 percent with a final maturity in fiscal year 2004. Incremental tax revenues from the downtown redevelopment area collateralize the bonds. These bonds were full refunded on August 1, 2002.

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

Tax anticipation notes totaling \$25,000,000 were issued and repaid during fiscal 2003.

7. Reserved Fund Equity

Amounts reserved for restricted assets represent that portion of the General Fund's fund balance 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, 2003.

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

Contained within the combined net assets for internal service funds is a deficit \$37,746 in the Governmental Immunity Fund

SALT LAKE CITY CORPORATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2003

Expenditures (including transfers out) in the Risk Management internal service fund exceeded budget by \$68,770. More staff time was needed than originally planned and some premiums were higher than budgeted.

Expenditures (including transfers out) in the Information Management Services internal service fund exceeded appropriations by \$332,775. More capitalized equipment was purchased than budgeted.

Transfers out exceeded budget in the following funds by the following amounts, The CDBG Operating (\$2,409,230), Grants Operating (\$15,151), Donations (\$65,000) special revenue funds, Water Utility (\$22,177), Sewer Utility (\$17,196), Storm Water Utility (\$286), Golf (\$78) enterprise funds, Information Management Services (\$289) and Risk Management (\$1,200) internal services funds. 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, 2003, are as shown below:

	General Fund charges for:				Total
	Administrative services	Fire protection services	Police protection services	Purchasing and Engineering services	
Enterprise funds:					
Intermodal Hub	\$ -	\$ -	\$ -	\$ 63,945	\$ 63,945
Water Utility	530,721	-	-	5,601	536,322
Sewer Utility	132,652	-	-	3,601	136,253
Storm Water Utility	43,671	-	-	29,714	73,385
Airport	1,164,554	3,217,470	185,411	-	4,567,435
Refuse Collection	145,910	-	-	-	145,910
Golf	150,650	-	-	62,056	212,706
Redevelopment Agency	159,071	-	-	-	159,071
Internal service funds:					
Fleet Management	127,720	-	-	-	127,720
Information Management	99,113	-	-	-	99,113
Municipal Building Auth.	-	-	-	117,940	117,940
Governmental Immunity	53,030	-	-	-	53,030
Risk Management	292,083	-	-	-	292,083
Special revenue funds					
CDBG Operating Fund	-	-	-	15,611	15,611
Grants Operating Fund	-	-	-	16,155	16,155
Street Lighting	-	-	-	34,379	34,379
E 911 Dispatch	11,271	-	-	-	11,271
Capital Projects Fund	-	-	-	1,321,248	1,321,248
Subtotal, primary government	2,910,446	3,217,470	185,411	1,670,250	7,983,577
Component unit -					
Library	73,707	-	-	-	73,707
Total reporting entity	<u>\$ 2,984,153</u>	<u>\$ 3,217,470</u>	<u>\$ 185,411</u>	<u>\$ 1,670,250</u>	<u>\$ 8,057,284</u>

SALT LAKE CITY CORPORATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2003

10. Transfers

Transfers were made to and from several funds during the course of the year ended June 30, 2003. 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 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.

	Transfers in to:		
	General	Capital Projects	Housing Loans
<u>Transfers out from:</u>			
General Fund	\$ -	\$ 26,694,762	\$ -
Capital Projects	592,291	-	-
Housing Loans	-	-	-
Water	-	-	-
Airport	-	-	-
Redevelopment	-	-	-
Nonmajor Governmental	2,468,278	-	1,534,029
Nonmajor Proprietary	-	-	-
Internal Service	433,000	100,000	-
	<u>\$ 3,493,569</u>	<u>\$ 26,794,762</u>	<u>\$ 1,534,029</u>

	Transfers in to:		
	Nonmajor Governmental	Internal Service	Total
<u>Transfers out from:</u>			
General Fund	\$ 1,596,913	\$ 5,903,272	\$ 34,194,947
Capital Projects	11,156,912	3,313,357	15,062,560
Housing Loans	976,807	-	976,807
Water	-	22,177	22,177
Airport	-	38,994	38,994
Redevelopment	6,998	3,800	10,798
Nonmajor Governmental	65,000	-	4,067,307
Nonmajor Proprietary	-	29,683	29,683
Internal Service	-	21,132	554,132
	<u>\$ 13,802,630</u>	<u>\$ 9,332,415</u>	<u>\$ 54,957,405</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, (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 \$10,000,000 with a \$25,000 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.

SALT LAKE CITY CORPORATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2003

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 \$25,000,000 limits 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. 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 period of July 1, 2002 through June 30, 2003, the only significant change in the City's insurance program was an increase in the self-insured retention for workers' compensation from \$1,000,000 to \$1,500,000. 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, 1999 shows in the table below:

	Beginning of fiscal year liability	Current year claims and changes in estimates	Claim payments	Balance at fiscal year end
1999-2000				
Long term disability	\$ 921,000	\$ (70,180)	\$ (207,820)	\$ 643,000
Workers' compensation	1,782,798	1,075,975	(1,022,492)	1,836,281
Unemployment compensation	11,330	169,209	(142,657)	37,882
	<u>\$ 2,715,128</u>	<u>\$ 1,175,004</u>	<u>\$ (1,372,969)</u>	<u>\$ 2,517,163</u>
2000-2001				
Long term disability	\$ 643,000	\$ 193,136	\$ (209,136)	\$ 627,000
Workers' compensation	1,836,281	1,344,546	(1,152,827)	2,028,000
Unemployment compensation	37,882	142,093	(168,776)	11,199
	<u>\$ 2,517,163</u>	<u>\$ 1,679,775</u>	<u>\$ (1,530,739)</u>	<u>\$ 2,666,199</u>
2001-2002				
Long term disability	\$ 627,000	\$ 643,205	\$ (258,205)	\$ 1,012,000
Workers' compensation	2,028,000	1,407,652	(1,267,652)	2,168,000
Unemployment compensation	11,199	195,814	(189,154)	17,859
	<u>\$ 2,666,199</u>	<u>\$ 2,246,671</u>	<u>\$ (1,715,011)</u>	<u>\$ 3,197,859</u>
2002-2003				
Long term disability	\$ 1,012,000	\$ 286,619	\$ (320,619)	\$ 978,000
Workers' compensation	2,168,000	1,170,027	(1,026,027)	2,312,000
Unemployment compensation	17,859	318,411	(313,270)	23,000
	<u>\$ 3,197,859</u>	<u>\$ 1,775,057</u>	<u>\$ (1,659,916)</u>	<u>\$ 3,313,000</u>

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.

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.

SALT LAKE CITY CORPORATION
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2003

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 below:

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

Cost sharing multiple employer funding policy - The contribution rates, which are actuarially determined at June 30, 2003 are:

	Employee contributions paid by City (100% vested)	City's contribution (vested upon retirement)
Contributory	6.00 %	4.68 %
Noncontributory	-	8.69 %
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:

SALT LAKE CITY CORPORATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2003

System	June 30, 2003	June 30, 2002	June 30, 2001
Local Government Contributory System:			
Employer paid for employee contributions	\$ 565,935	\$ 618,058	\$ 599,297
Employer contributions	441,422	431,600	630,259
Local Government Noncontributory System	6,277,380	6,264,424	7,045,764
Firefighters' system:			
Employer paid for employee contributions	1,324,652	1,465,489	2,480,860

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 15.50% (employer). The rate for the Noncontributory was 28.27%. 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 \$ 5,484,001 for the fiscal year ended June 30, 2003 was equal to the City's required and actual contributions. The required contribution was determined as part of the January 1, 2002 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 30 years from January 1990 (17 years from January 1, 2003) and is a closed 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, 2003	\$ 5,484,001	100%	\$ -
June 30, 2002	5,987,628	100%	-
June 30, 2001	6,244,580	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, 2002	\$ 129,690,000	\$ 166,273,000	\$ 36,583,000	78%	\$ 19,305,000	190%
January 1, 2002	135,031,000	158,626,000	23,595,000	85%	18,579,000	127%
January 1, 2001	127,803,000	148,910,000	21,107,000	86%	17,883,000	118%

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.

SALT LAKE CITY CORPORATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2003

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 608 participants that received benefits during the year ended June 30, 2003.

Depending on the plan, the retired employee contributes 50% to 74% of the cost of the insurance premiums and the City contributes 26% to 50%. 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, 2003 was approximately \$3,197,000, of which the City's expense was \$892,000.

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 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 does not contribute to the Plan. The City's total payroll was \$128,069,410 for the fiscal year ended June 30, 2003. Employees contributed \$2,287,086 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, 2003 was \$128,069,410. Of that amount, payroll of \$117,983,168 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, 2003, employees contributed \$2,690,295 and the City contributed \$482,498. 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.

SALT LAKE CITY CORPORATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2003

15. Commitments and Contingencies

Commitments for major construction, capital improvement and other projects at June 30, 2003 are as follows:

General Fund	\$	-
Special revenue funds		200,000
Capital Projects Fund		5,621,000
Enterprise funds		39,017,000
Internal service funds		<u>182,000</u>
Total		<u><u>\$ 45,020,000</u></u>

The City is lessee under a number of operating lease agreements, one of which is noncancelable, involving land, buildings and equipment. Rent expense during the fiscal year ended June 30, 2003 approximated \$1,370,000 of which \$700,000 was related to proprietary funds. The following is a schedule of future minimum rental payments required under non-cancellable operating leases as of June 30, 2003:

		<u>General Fund</u>
2004	\$	41,926
2005		41,926
2006		41,926
2007		41,926
2008		41,926
2009-2013		209,630
2014-2018		209,630
2019-2023		209,630
2024-2028		209,630
2029-2033		209,630
Thereafter		<u>1,677,040</u>
Total		<u><u>\$ 2,934,820</u></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, 1999 resulted in the changes shown on the following page:

SALT LAKE CITY CORPORATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2003

	Beginning of fiscal year liability	Current year claims and changes in estimates	Claim payments	Balance at fiscal year end
1999-2000	506,709	654,088	(638,887)	521,910
2000-2001	521,910	1,834,145	(505,510)	1,850,545
2001-2002	1,850,545	1,023,645	(837,948)	2,036,242
2002-2003	2,036,242	906,652	(721,035)	2,221,859

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. Segment information

The one enterprise fund that contains debt funded by operating revenues and is not a major proprietary fund is the Sewer Utility Fund. The key financial data for the year ended June 30, 2003 for the Sewer utility fund is as follows:

	Sewer Utility
Operating revenue	<u>\$ 14,379,694</u>
Operating expenses:	
Depreciation and amortization	3,493,620
Other	<u>7,841,064</u>
Total operating expenses	<u>11,334,684</u>
Operating income (loss)	<u>\$ 3,045,010</u>
Net operating transfers in (out)	\$ (17,196)
Net asset increase (decrease)	6,255,745
Grants and contributions	1,086,926
Total assets	118,352,928
Long term liabilities	1,216,750
Net Assets	114,261,615
Acquisitions of property and equipment	7,891,155
Disposal proceeds of property and equipment	1,959,510
Net working capital	9,608,179

(continued)

SALT LAKE CITY CORPORATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2003

16. Segments of enterprise funds (continued)

Condensed statements of cash flows for the segments of enterprise funds are as follows:

	Sewer Utility
Cash flows from:	
Operating activities	\$ 6,480,047
Non-capital and related financing activities	(4,687,250)
Capital and related financing activities	(5,306,794)
Investing activities	269,145
Net increase (decrease) in cash and cash equivalents	(3,244,852)
Cash and cash equivalents-begin	19,844,506
Cash and cash equivalents-end	\$ 16,599,654

17. Related Party Transactions

During the year ended June 30, 2003, the Water Utility Fund (an enterprise fund) paid \$7,211,405 for water purchased from the Metropolitan Water District of Salt Lake City and Sandy, which is a related entity of the City.

18. Interfund Receivables and Payables

The \$ 1,429,793 due from other funds for other than cash overdraft in the non-major governmental special revenue Grants fund consists of amounts due from the Housing Loans Fund, a major governmental fund. The borrowed funds were used to purchase houses for the First Time Home Buyers Program and will be repaid when the houses are sold to qualifying residents.

The \$23,517 due from other funds in the major business-type Water Utility Fund and the \$11,095 due from other funds in the non-major business-type Sewer Utility (\$10,443) and Storm Water Utility (\$652) funds consists of amounts due to other funds in the Risk Management internal service fund. They result from a refund due from prior year overcharges for workers compensation payments.

19. 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, 2003, was \$24,975,009. This equity interest is shown in the City's Refuse Collection Fund (an enterprise fund).

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.

SALT LAKE CITY CORPORATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2003

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 Postclosure Care Costs*. In compliance with this standard, the Council has established user fees sufficient to cover all operating costs, including postclosure costs that have been mandated by the federal government. For the year ended June 30, 2003, the City paid the landfill approximately \$1,605,391 in user fees. Separately compiled 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.

20. Prior Period adjustments

Subsequent to the issuance of the Utilities' financial statements for the year ended June 30, 2002 the Utilities' management determined that \$7,077,541 of deferred impact fees that were recorded as deferred revenue should have been recorded as capital contributions in the statement of revenues, expenses and changes in net assets in the years the fees were received. The Utilities' accounting policy for impact fees had been to defer the impact fees when received. Revenue was recognized when the cash was used for appropriate capital projects. After the 2001 adoption of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, the impact fees should have been recorded as revenue and as a restricted net asset in the period the cash was received. Accordingly, deferred impact fees totaling \$7,077,541 as of June 30, 2002 should have previously been recorded as revenue. The amount of revenue actually recorded in the year ended June 30, 2002, was \$3,154,189 for the amount of fees spent on capital projects in 2002. However, the 2002 impact fees that should have been recorded as revenue for the year ended June 30, 2002, was \$1,846,831. As a result, in the current year the beginning net assets and restricted net assets have been restated from the amounts previously reported to reflect the deferred impact fee revenue that should have been previously recognized in revenue as capital contributions. These changes are shown for the Sewer Utility and Storm Utility in the Non-major Proprietary Fund Statements and for the Water Utility in the Major Proprietary Fund Statements. These changes are also reflected in total in the Government-wide Statements.

A summary of the effects of the restatement as of and for the year ended June 30, 2002 follows:

	Statement of Net Assets			
	As Previously Reported			
	Business-type Activities	Major Proprietary Fund Water	Non-major Proprietary Funds	
			Sewer	Storm
Non current liabilities				
Deposits, advance rentals and long term accruals	\$ 19,557,702	\$ 76,810	\$ -	\$ -
Other liabilities payable from restricted assets	10,410,225	2,027,002	4,200,164	850,375
Long-term compensation liability	6,757,213	2,179,349	486,469	119,038
Bonds payable	-	-	-	-
Special assessment debt with governmental commitment	-	-	-	-
Notes payable	192,860,330	28,698,560	1,174,282	-
Notes payable from restricted assets	-	-	-	-
Total noncurrent liabilities	<u>\$ 229,585,470</u>	<u>\$ 32,981,721</u>	<u>\$ 5,860,915</u>	<u>\$ 969,413</u>

(Continued)

SALT LAKE CITY CORPORATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2003

20. Prior Period adjustments (continued)

	As Restated			
	Business-type Activities	Major Proprietary Fund	Non-major Proprietary Fund	
		Water	Sewer	Storm
Non current liabilities				
Deposits, advance rentals and long term accruals	\$ 19,557,702	\$ 76,810	\$ -	\$ -
Other liabilities payable from restricted assets	3,332,684	-	-	-
Long-term compensation liability	6,757,213	2,179,349	486,469	119,038
Bonds payable	-	-	-	-
Special assessment debt with governmental commitment	-	-	-	-
Notes payable	192,860,330	28,698,560	1,174,282	-
Notes payable from restricted assets	-	-	-	-
Total noncurrent liabilities	\$ 222,507,929	\$ 30,954,719	\$ 1,660,751	\$ 119,038

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NET ASSETS (Government-Wide Statements)

	As Previously Reported	As Restated
Invested in capital assets, net of related debt	\$ 828,734,737	\$ 828,734,737
Restricted for:		
Capital projects	-	-
Debt service	42,862,584	42,862,584
Unrestricted	206,150,761	213,228,302
Total net assets	\$ 1,077,748,082	\$ 1,084,825,623

NET ASSETS - Fund Statements

	As Previously Reported		
	Major Proprietary Fund	Non-major Proprietary Funds	
	Water	Sewer	Storm
Invested in capital assets, net of related debt	\$ 148,379,748	\$ 87,905,116	\$ 62,803,477
Restricted for debt service	17,098,521	3,044,157	-
Unrestricted	15,089,484	12,856,433	9,905,961
Total net assets	\$ 180,567,753	\$ 103,805,706	\$ 72,709,438

	As Restated		
	Major Proprietary Fund	Non-major Proprietary Fund	
	Water	Sewer	Storm
Invested in capital assets, net of related debt	\$ 148,379,748	\$ 87,905,116	\$ 62,803,477
Restricted for debt service	17,098,521	3,044,157	-
Unrestricted	17,116,486	17,056,597	10,756,336
Total net assets	\$ 182,594,755	\$ 108,005,870	\$ 73,559,813

(continued)

SALT LAKE CITY CORPORATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2003

20. Prior Period adjustments (continued)

Statement of Activities	As Previously Reported			
	Expenses	Charges for Services	Operating Grants and Contributions	Business-type Activities
Business-type activities:				
Water	\$ 35,314,324	\$ 42,733,069	\$ 4,264,681	\$ 11,683,426
Airport Authority	94,684,060	125,701,467	19,772,238	50,789,645
Redevelopment Agency	16,496,976	26,190,055	-	9,693,079
Other activities	33,046,790	39,008,740	1,427,167	7,389,117
Total business-type activities	<u>\$ 179,542,150</u>	<u>\$ 233,633,331</u>	<u>\$ 25,464,086</u>	<u>\$ 79,555,267</u>
Change in Net Assets	<u>\$ 86,513,518</u>			

	As Restated			
	Expenses	Charges for Services	Operating Grants and Contributions	Business-type Activities
Business-type activities:				
Water	\$ 35,314,324	\$ 42,733,069	\$ 2,957,323	\$ 10,376,068
Airport Authority	94,684,060	125,701,467	19,772,238	50,789,645
Redevelopment Agency	16,496,976	26,190,055	-	9,693,079
Other activities	33,046,790	39,008,740	1,427,167	7,389,117
Total business-type activities	<u>\$ 179,542,150</u>	<u>\$ 233,633,331</u>	<u>\$ 24,156,728</u>	<u>\$ 78,247,909</u>
Change in Net Assets	<u>\$ 85,206,160</u>			

Statement of Revenues, Expenses and Changes in Fund Net Assets - Proprietary Funds	As Previously Reported	As Restated
	Major Proprietary Fund Water	Major Proprietary Fund Water
Capital Contributions		
Grants and other contributions	<u>\$ 4,264,681</u>	<u>\$ 2,957,323</u>
Total capital contributions	<u>\$ 4,264,681</u>	<u>\$ 2,957,323</u>
Change in Net Assets	<u>\$ 12,492,899</u>	<u>\$ 11,185,541</u>

Subsequent to the issuance of the City's financial statements for the year ended June 30, 2002, the year of implementation of GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, management decided that Fines Receivables and the corresponding Allowance for doubtful accounts should have been recorded as a receivable net of allowance on the Governmental Fund Financial Statements. In the prior year the receivable had been recorded only on the Government-wide Financial Statements. The net receivable decrease is \$775,586 in Loans and Other Receivables. Additionally, \$238,917 should not have recorded as revenue in Charges for Services for Police activities in the Statement of Activities. The remaining \$536,669 was

SALT LAKE CITY CORPORATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2003

recorded in Beginning Net assets as required during the first year apply the GASB 34 model. As a result the Charges for Services in Police activities and the Beginning Net Assets are reduced accordingly.

Also further interpretation of the coordination of GASB 33 and 34 indicates that Deferred Revenue for non-exchange transactions should not be eliminated in the Government-wide Financial Statements. During the prior year deferred revenue of \$63,904,589 was eliminated to comply with the initial application of GASB 34 and its focus on full accrual accounting for the governmental funds in the government-wide statements. During the current year deferred revenue for the non-exchange transactions defined in GASB 33 will be included in both the Governmental Fund Financial Statements and the Government-wide Financial Statements. For the prior year ended June 30, 2002 the adjustments result in an increase in deferred revenue of \$63,904,589 with the corresponding decrease of \$5,576,222 in property tax revenue, an increase of \$2,299,557 in operating grants and a decrease of \$60,627,924 in beginning net assets.

A summary of these restatement changes as of and for the year ended June 30, 2002 is shown in the following schedules:

Statement of Net Assets	<u>As Previously Reported</u> <u>Governmental Activities</u>	<u>As Restated</u> <u>Governmental Activities</u>
Current assets:		
Cash and cash equivalents (Note 2)		
Unrestricted	\$ 114,774,956	\$ 114,774,956
Restricted (Note 4)	19,107,669	19,107,669
Receivables:		
Property, franchise and excise taxes	67,848,488	67,848,488
Assessments, including \$339,036 of delinquent assessments	2,124,174	2,124,174
Loans and other receivables, less allowance for doubtful accounts of \$10,772,840	34,514,730	33,739,144
Due from other governments	2,468,100	2,468,100
Other, principally accrued interest	4,805,052	4,805,052
Inventories	502,552	502,552
Internal balances	<u>(57,785)</u>	<u>(57,785)</u>
 Total current assets	 <u>\$ 246,087,936</u>	 <u>\$ 245,312,350</u>
Current liabilities:		
Accounts payable	\$ 7,635,399	\$ 7,635,399
Accrued liabilities	16,237,996	16,237,996
Current portion of long-term debt:		
Payable from unrestricted assets (Note 6)	13,033,957	13,033,957
Special assessment debt with governmental commitment (Note 6)	283,000	283,000
Deferred revenue	247,566	64,152,155
Other liabilities payable from restricted assets	361,561	361,561
Current deposits and advance rentals	<u>759,763</u>	<u>759,763</u>
 Total current liabilities	 <u>\$ 38,559,242</u>	 <u>\$ 102,463,831</u>

(Continued)

SALT LAKE CITY CORPORATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2003

20. Prior Period adjustments (continued)

<u>Net Assets</u>	<u>As Previously Reported</u>	<u>As Restated</u>
	<u>Governmental Activities</u>	<u>Governmental Activities</u>
Invested in capital assets, net of related debt	\$ 290,429,410	\$ 290,429,410
Net Income		
Restricted for:		
Capital projects	5,413,831	5,413,831
Unrestricted	<u>194,235,742</u>	<u>129,555,567</u>
Total net assets	<u>\$ 490,078,983</u>	<u>\$ 425,398,808</u>

<u>Statement of Activities</u>	<u>As Previously Reported</u>				
	<u>Program Revenues</u>				<u>Net (Expense)</u>
			<u>Operating</u>	<u>Capital</u>	<u>Revenue and</u>
	<u>Expenses</u>	<u>Charges for</u>	<u>Grants and</u>	<u>Grants and</u>	<u>Changes in Net Assets</u>
Functions/Programs		<u>Services</u>	<u>Contributions</u>	<u>Contributions</u>	<u>Governmental</u>
					<u>Activities</u>
Primary government:					
Governmental activities:					
General Government	\$ 739,647	\$ 1,891,930	\$ 127,439	\$ 6,487,144	\$ 7,766,866
City Council	1,310,903	81,784	-	-	(1,229,119)
Mayor	1,557,256	286,816	-	-	(1,270,440)
City Attorney	2,749,053	570,184	-	-	(2,178,869)
Management Services	13,358,473	289,911	61,849	-	(13,006,713)
Fire	27,594,069	5,734,929	89,482	-	(21,769,658)
Police	47,058,815	12,097,030	1,613,044	-	(33,348,741)
Community and Economic Developm	20,922,501	15,020,587	4,807,241	-	(1,094,673)
Public Services	36,276,863	5,693,850	3,246,324	-	(27,336,689)
Nondepartmental	9,784,341	472,502	-	-	(9,311,839)
Unallocated infrastructure depreciatio	6,046,936	-	-	-	(6,046,936)
Interest on long-term debt	11,204,096	-	-	-	(11,204,096)
Total governmental activities	<u>\$ 178,602,953</u>	<u>\$ 42,139,523</u>	<u>\$ 9,945,379</u>	<u>\$ 6,487,144</u>	<u>\$ (120,030,907)</u>

<u>Statement of Activities</u>	<u>As Restated</u>				
	<u>Program Revenues</u>				<u>Net (Expense)</u>
			<u>Operating</u>	<u>Capital</u>	<u>Revenue and</u>
	<u>Expenses</u>	<u>Charges for</u>	<u>Grants and</u>	<u>Grants and</u>	<u>Changes in Net Assets</u>
Functions/Programs		<u>Services</u>	<u>Contributions</u>	<u>Contributions</u>	<u>Governmental</u>
					<u>Activities</u>
Primary government:					
Governmental activities:					
General Government	\$ 739,647	\$ 1,891,930	\$ 867,694	\$ 6,487,144	\$ 8,507,121
City Council	1,310,903	81,784	-	-	(1,229,119)
Mayor	1,557,256	286,816	-	-	(1,270,440)
City Attorney	2,749,053	570,184	-	-	(2,178,869)
Management Services	13,358,473	289,911	61,849	-	(13,006,713)
Fire	27,594,069	5,734,929	89,482	-	(21,769,658)
Police	47,058,815	11,858,113	1,613,044	-	(33,587,658)
Community and Economic Developm	20,922,501	15,020,587	6,467,919	-	566,005
Public Services	36,276,863	5,693,850	3,144,948	-	(27,438,065)
Nondepartmental	9,784,341	472,502	-	-	(9,311,839)
Unallocated infrastructure depreciatio	6,046,936	-	-	-	(6,046,936)
Interest on long-term debt	11,204,096	-	-	-	(11,204,096)
Total governmental activities	<u>\$ 178,602,953</u>	<u>\$ 41,900,606</u>	<u>\$ 12,244,936</u>	<u>\$ 6,487,144</u>	<u>\$ (117,970,267)</u>

(Continued)

SALT LAKE CITY CORPORATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2003

20. Prior Period adjustments (continued)

Statement of Activities	As Previously Reported	As Restated
General revenues:		
Taxes:		
Property taxes, levied for general purposes	\$ 64,160,559	\$ 58,584,337
Franchise taxes	20,832,246	20,832,246
Sales tax	45,601,764	45,601,764
Grants and contributions not restricted to specific programs	3,660,609	3,660,609
Investment earnings	8,548,327	8,548,327
Total general revenues, special items and transfers	142,803,505	137,227,283
Change in net assets	22,772,598	19,257,016
Net assets - July 1, 2002 (As restated, see note 21)	467,306,385	406,141,792
Net assets - June 30, 2002	\$ 490,078,983	\$ 425,398,808

21. Subsequent Events

Subsequent to June 30, 2003 the following commitments for major projects were made:

General Fund	\$ 10,000
Special revenue funds	60,000
Capital Projects Fund	480,000
Proprietary funds	26,990,000
Total	\$ 27,540,000

The following events occurred subsequent to June 30, 2003:

The City issued \$21,000,000 of tax anticipation notes maturing June 30, 2004. These notes bear interest at 2.00%.

On December 1, 2003, the Department of Airports terminated the Swap Agreement (the "Swap Termination") on the Series 1993A bonds with a financial institution. Under the Swap Termination, the financial institution agreed to accept a lump sum payment to release the Airport from its fixed-interest rate swap obligation. The Airport made a payment of \$5,510,000 to the financial institution and has given notice to the trustee that these bonds will be refunded January 12, 2004.

The Airport refunded the 1993 HEDRS bond in December of 2003 and recorded interest expense to write off the remaining swap interest savings and the remaining cost to terminate the swap.

On December 4, 2003, the City sold \$17,600,000 in special improvement bonds. The purpose of the bonds are to pay for construction of a roadway with sidewalk, curb and gutter in the Gateway development area.

Required Supplementary Information

SALT LAKE CITY CORPORATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
Year ended June 30, 2003

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	\$ 59,723,506	\$ -	\$ 59,723,506	\$ 62,584,807	\$ 58,778,807	\$ 944,699
Sales, use and excise taxes	39,910,981	-	39,910,981	41,951,328	40,819,828	(908,847)
Franchise taxes	20,555,564	-	20,555,564	20,794,775	21,326,975	(771,411)
Licenses	5,430,021	-	5,430,021	5,453,541	5,413,541	16,480
Permits	3,751,273	-	3,751,273	4,224,500	4,231,839	(480,566)
Fines and forfeitures	5,273,989	-	5,273,989	4,520,500	5,030,440	243,549
Assessments	-	-	-	-	-	-
Interest	1,667,460	-	1,667,460	2,900,000	2,900,000	(1,232,540)
Intergovernmental	3,705,062	-	3,705,062	3,821,115	3,608,324	96,738
Interfund service charges	8,057,284	-	8,057,284	7,218,300	7,978,300	78,984
Parking meter	1,160,062	-	1,160,062	1,370,000	1,370,000	(209,938)
Parking ticket	3,444,720	-	3,444,720	3,400,000	3,400,000	44,720
Charges for services	3,940,894	-	3,940,894	2,937,127	3,942,107	(1,213)
Contributions	47,435	-	47,435	66,100	250,600	(203,165)
Miscellaneous	473,994	-	473,994	474,911	362,369	111,625
Total revenues	157,142,245	-	157,142,245	161,717,004	159,413,130	(2,270,885)
Expenditures:						
Current:						
City Council	1,513,092	264,496	1,777,588	1,555,426	1,846,361	68,773
Mayor	1,485,544	26,876	1,512,420	1,582,831	1,599,376	86,956
City Attorney	2,564,537	27,139	2,591,676	2,632,715	2,599,871	8,195
Management Services	8,808,214	41,496	8,849,710	8,942,888	8,864,329	14,619
Fire	26,135,965	107,998	26,243,963	26,370,546	26,416,295	172,332
Police	41,899,906	43,230	41,943,136	42,425,069	42,088,896	145,760
Community and Economic Development	9,321,982	240,677	9,562,659	9,502,934	9,932,889	370,230
Public Services	31,618,779	291,477	31,910,256	32,020,276	32,890,639	980,383
Nondepartmental	11,448,735	60,920	11,509,655	10,630,494	11,604,890	95,235
Total expenditures	134,796,754	1,104,309	135,901,063	135,663,179	137,843,546	1,942,483
Revenues over (under) expenditures	22,345,491	(1,104,309)	21,241,182	26,053,825	21,569,584	(328,402)
Other financing sources (uses):						
Proceeds from debt issuance	-	-	-	-	83,000	(83,000)
Proceeds from sale of property	310,445	-	310,445	204,314	307,614	2,831
Transfers in	3,493,569	-	3,493,569	3,065,352	3,704,582	(211,013)
Transfers out	(34,194,947)	-	(34,194,947)	(28,360,302)	(34,371,385)	176,438
Total other financing sources (uses):	(30,390,933)	-	(30,390,933)	(25,090,636)	(30,276,189)	(114,744)
Revenues and other sources over (under) expenditures and other uses	(8,045,442)	(1,104,309)	(9,149,751)	963,189	(8,706,605)	(443,146)
Fund balance July 1, 2002	31,152,423	(838,835)	30,313,588	30,313,588	30,313,588	-
Prior year encumbrances appropriated in current year	-	2,385,021	2,385,021	2,385,021	4,058,267	(1,673,246)
Fund balance June 30, 2003	\$ 23,106,981	\$ 441,877	\$ 23,548,858	\$ 33,661,798	\$ 25,665,250	\$ (2,116,392)

See note to RSI.

SALT LAKE CITY CORPORATION
 BUDGETARY COMPARISON SCHEDULE
 HOUSING FUND
 Year ended June 30, 2003

Housing Fund				
	Actual (GAAP basis)	Budgeted Amounts		Variance
		Original Budget	Final Budget	
Revenues:				
Interest	\$ 773,158	\$ 643,000	\$ 643,000	\$ 130,158
Intergovernmental	381,749	500,000	998,733	(616,984)
Charges for services	23,699	-	-	23,699
Miscellaneous	826,785	-	-	826,785
Total revenues	2,005,391	1,143,000	1,641,733	363,658
Expenditures:				
Community and Economic				
Development	438,716	1,144,507	3,482,345	3,043,629
Debt Service: Interest	683,061	643,000	643,000	(40,061)
Total expenditures	1,121,777	1,787,507	4,125,345	3,003,568
Revenues over (under) expenditures	883,614	(644,507)	(2,483,612)	3,367,226
Other financing sources (uses):				
Proceeds from sale of property	-	500,000	500,000	(500,000)
Transfers in	1,534,029	144,507	2,073,715	(539,686)
Transfers out	(976,807)	-	(1,813,797)	836,990
Total other financing sources (uses):	557,222	644,507	759,918	(202,696)
Revenues and other sources over (under) expenditures and other uses	1,440,836	-	(1,723,694)	3,164,530
Fund balance July 1, 2002	17,984,541	17,984,541	17,984,541	-
Fund balance June 30, 2003	\$ 19,425,377	\$ 17,984,541	\$ 16,260,847	\$ 3,164,530

See note to RSI.

Note to Required Supplementary Information

SALT LAKE CITY CORPORATION
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2003

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, 2003, General Fund appropriations increased by \$ 8,191,450. The increases are the results of additional amounts for prior year outstanding encumbrances, and added transfers to the Capital Projects Fund for new projects. The majority of the new projects were from added revenues received by the General Fund as result of 2002 Winter Olympics. The Capital Improvements Fund increased appropriations by \$86,489,800. The majority of these increases were the results of administrative carryover project budgets, although a significant minority was due to the transfer of General Fund fund balance from the Olympics that were held the prior fiscal year. The Housing Fund increased appropriations by \$ 4,151,635. Most of the increase is due to the re-appropriations of prior year projects

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 is reconciled in the following table.

	<u>General Fund Expenditures</u>			
	Actual on reporting basis	Plus encumbrances as of June 30, 2003	Change in compensated absences liability	Actual on budgetary basis
City Council	\$ 1,513,092	\$ 262,211	\$ 2,285	\$ 1,777,588
Mayor	1,485,544	23,877	2,999	1,512,420
City Attorney	2,564,537	6,440	20,699	2,591,676
Management Services	8,808,214	57,302	(15,806)	8,849,710
Fire	26,135,965	114,688	(6,690)	26,243,963
Police	41,899,906	38,320	4,910	41,943,136
Community and				
Economic Development	9,321,982	239,748	929	9,562,659
Public Services	31,618,779	290,232	1,245	31,910,256
Nondepartmental	<u>11,448,735</u>	<u>60,920</u>	-	<u>11,509,655</u>
Total expenditures	134,796,754	1,093,738	10,571	135,901,063
Transfers out	<u>34,194,947</u>	-	-	<u>34,194,947</u>
Total	<u>\$ 168,991,701</u>	<u>\$ 1,093,738</u>	<u>\$ 10,571</u>	<u>\$ 170,096,010</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, 2003

<u>ASSETS</u>	Special Revenue Funds	Debt Service Funds	Total
	<u> </u>	<u> </u>	<u> </u>
Cash and cash equivalents	\$ 17,421,953	\$ 445,668	\$ 17,867,621
Assessments receivable	733,088	1,946,047	2,679,135
Taxes receivable	15,713	-	15,713
Loans and notes receivable, less allowance for doubtful accounts of \$4,000,000	7,258,786	-	7,258,786
Advances and loans to component units	-	-	-
Due from other funds for other than cash overdraft	1,429,793	-	1,429,793
Due from other governments	1,337,672	-	1,337,672
Other receivables	90,648	471,458	562,106
Restricted assets:			
Cash and cash equivalents	<u>508,608</u>	<u>521,568</u>	<u>1,030,176</u>
 Total assets	 <u>\$ 28,796,261</u>	 <u>\$ 3,384,741</u>	 <u>\$ 32,181,002</u>
 <u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 817,785	\$ -	\$ 817,785
Accrued liabilities	55,830	3,180	59,010
Other liabilities payable from restricted assets	508,608	-	508,608
Deferred revenue	<u>1,290,840</u>	<u>2,417,505</u>	<u>3,708,345</u>
 Total liabilities	 <u>2,673,063</u>	 <u>2,420,685</u>	 <u>5,093,748</u>
Fund balances:			
Reserved for loans and advances	7,258,786	93,351	7,352,137
Reserved for restricted assets	-	521,568	521,568
Unreserved and undesignated	<u>18,864,412</u>	<u>349,137</u>	<u>19,213,549</u>
 Total fund balances	 <u>26,123,198</u>	 <u>964,056</u>	 <u>27,087,254</u>
 Total liabilities and fund balance	 <u>\$ 28,796,261</u>	 <u>\$ 3,384,741</u>	 <u>\$ 32,181,002</u>

SALT LAKE CITY CORPORATION
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 Year ended June 30, 2003

	Special Revenue Funds	Debt Service Funds	Total Nonmajor Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
Revenues:			
Sales, use and excise taxes	\$ 1,978,008	\$ -	\$ 1,978,008
Franchise taxes	123,079		123,079
Fines and forfeitures	290,405	-	290,405
Assessments	935,104	513,454	1,448,558
Interest	747,722	192,646	940,368
Intergovernmental	6,395,884	-	6,395,884
Charges for services	28,795	-	28,795
Contributions	1,213,178	-	1,213,178
Miscellaneous	514,331	6,945	521,276
	<u>12,226,506</u>	<u>713,045</u>	<u>12,939,551</u>
Expenditures:			
Management Services	-	11,602	11,602
Police	701,971	-	701,971
Community and Economic Development	8,658,498	-	8,658,498
Public Services	1,225,215	-	1,225,215
Arts Council Services	824,458	-	824,458
Debt Service:			
Principal	-	58,331,642	58,331,642
Interest and other fiscal charges	-	4,738,490	4,738,490
	<u>11,410,142</u>	<u>63,081,734</u>	<u>74,491,876</u>
Revenues over (under) expenditures	<u>816,364</u>	<u>(62,368,689)</u>	<u>(61,552,325)</u>
Other financing sources (uses):			
Proceeds from debt issuance	-	50,672,642	50,672,642
Transfers in	2,648,718	11,153,912	13,802,630
Transfers out	(3,989,350)	(77,957)	(4,067,307)
	<u>(1,340,632)</u>	<u>61,748,597</u>	<u>60,407,965</u>
Revenues and other sources under expenditures and other uses	(524,268)	(620,092)	(1,144,360)
Fund balance July 1, 2002	<u>26,647,466</u>	<u>1,584,148</u>	<u>28,231,614</u>
Fund balance June 30, 2003	<u>\$ 26,123,198</u>	<u>\$ 964,056</u>	<u>\$ 27,087,254</u>

SALT LAKE CITY CORPORATION
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 June 30, 2003

<u>ASSETS</u>	<u>Arts Council</u>	<u>Downtown Economic Development</u>	<u>Community Development Operating</u>
Cash and cash equivalents	\$ 140,175	\$ 178,867	\$ (117,556)
Assessments receivable	-	63,092	-
Taxes receivable	-	-	-
Loans and notes receivable, less allowance for doubtful accounts of \$4,000,000	-	-	-
Due from other funds for other than cash overdraft	-	-	-
Due from other governments	-	-	1,028,076
Other receivables	90,648	-	-
Restricted assets:			
Cash and cash equivalents	-	-	-
 Total assets	 <u>\$ 230,823</u>	 <u>\$ 241,959</u>	 <u>\$ 910,520</u>
 <u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 8,647	\$ 166,667	\$ 126,130
Accrued liabilities	52,634	-	-
Other liabilities payable from restricted assets	-	-	-
Deferred revenue	35,867	63,092	-
 Total liabilities	 <u>97,148</u>	 <u>229,759</u>	 <u>126,130</u>
Fund balances:			
Reserved for loans and advances	-	-	-
Unreserved and undesignated	133,675	12,200	784,390
 Total fund balances	 <u>133,675</u>	 <u>12,200</u>	 <u>784,390</u>
 Total liabilities and fund balance	 <u>\$ 230,823</u>	 <u>\$ 241,959</u>	 <u>\$ 910,520</u>

<u>Grants Operating</u>	<u>Street Lighting</u>	<u>Demolition, Weed and Forfeiture</u>	<u>Emergency 911 Dispatch</u>	<u>Salt Lake City Donations Fund</u>	<u>Nonmajor Special Revenue Total</u>
\$ 10,367,489	\$ 2,322,227	\$ 640,825	\$ 2,712,193	\$ 1,177,733	\$ 17,421,953
-	176,312	-	493,684	-	733,088
-	-	-	15,713	-	15,713
7,258,786	-	-	-	-	7,258,786
1,429,793	-	-	-	-	1,429,793
309,596	-	-	-	-	1,337,672
-	-	-	-	-	90,648
-	-	508,608	-	-	508,608
<u>\$ 19,365,664</u>	<u>\$ 2,498,539</u>	<u>\$ 1,149,433</u>	<u>\$ 3,221,590</u>	<u>\$ 1,177,733</u>	<u>\$ 28,796,261</u>
\$ 430,596	\$ 20,475	\$ 22,190	\$ 24,248	\$ 18,832	817,785
949	-	1,135	-	1,112	55,830
-	-	508,608	-	-	508,608
1,015,569	176,312	-	-	-	1,290,840
<u>1,447,114</u>	<u>196,787</u>	<u>531,933</u>	<u>24,248</u>	<u>19,944</u>	<u>2,673,063</u>
7,258,786	-	-	-	-	7,258,786
10,659,764	2,301,752	617,500	3,197,342	1,157,789	18,864,412
<u>17,918,550</u>	<u>2,301,752</u>	<u>617,500</u>	<u>3,197,342</u>	<u>1,157,789</u>	<u>26,123,198</u>
<u>\$ 19,365,664</u>	<u>\$ 2,498,539</u>	<u>\$ 1,149,433</u>	<u>\$ 3,221,590</u>	<u>\$ 1,177,733</u>	<u>\$ 28,796,261</u>

SALT LAKE CITY CORPORATION
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 Year ended June 30, 2003

	<u>Arts Council</u>	<u>Downtown Economic Development</u>	<u>Community Development Operating</u>
Revenues:			
Sales, use and excise taxes	\$ -	\$ -	\$ -
Franchise taxes	-	-	-
Fines and forfeitures	-	-	-
Assessments	-	523,713	-
Interest	3,736	5,121	-
Intergovernmental	-	-	3,275,498
Charges for services	-	-	-
Contributions	775,577	-	-
Miscellaneous	-	-	-
	<hr/>	<hr/>	<hr/>
Total revenues	779,313	528,834	3,275,498
	<hr/>	<hr/>	<hr/>
Expenditures:			
Police	-	-	-
Community and Economic Developmen	-	668,019	1,858,685
Public Services	-	-	-
Arts Council Services	824,458	-	-
	<hr/>	<hr/>	<hr/>
Total expenditures	824,458	668,019	1,858,685
	<hr/>	<hr/>	<hr/>
Revenues over (under) expenditures	(45,145)	(139,185)	1,416,813
	<hr/>	<hr/>	<hr/>
Other financing sources (uses):			
Transfers in	-	-	976,807
Transfers out	-	-	(2,409,230)
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses):	-	-	(1,432,423)
	<hr/>	<hr/>	<hr/>
Revenues and other sources over (under) expenditures and other uses	(45,145)	(139,185)	(15,610)
	<hr/>	<hr/>	<hr/>
Fund balance July 1, 2002	178,820	151,385	800,000
	<hr/>	<hr/>	<hr/>
Fund balance June 30, 2003	\$ 133,675	\$ 12,200	\$ 784,390
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

<u>Grants Operating</u>	<u>Street Lighting</u>	<u>Demolition, Weed and Forfeiture</u>	<u>Emergency 911 Dispatch</u>	<u>Salt Lake City Donation Fund</u>	<u>Nonmajor Special Revenue Total</u>
\$ -	\$ -	\$ -	\$ 1,978,008	\$ -	\$ 1,978,008
-	-	-	123,079	-	123,079
-	-	290,405	-	-	290,405
-	411,391	-	-	-	935,104
540,554	66,465	13,172	89,362	29,312	747,722
3,120,386	-	-	-	-	6,395,884
-	-	28,795	-	-	28,795
-	-	19,994	-	417,607	1,213,178
463,267	-	-	3,561	47,503	514,331
<u>4,124,207</u>	<u>477,856</u>	<u>352,366</u>	<u>2,194,010</u>	<u>494,422</u>	<u>12,226,506</u>
-	-	-	701,971	-	701,971
5,395,816	-	735,978	-	-	8,658,498
-	694,331	-	-	530,884	1,225,215
-	-	-	-	-	824,458
<u>5,395,816</u>	<u>694,331</u>	<u>735,978</u>	<u>701,971</u>	<u>530,884</u>	<u>11,410,142</u>
<u>(1,271,609)</u>	<u>(216,475)</u>	<u>(383,612)</u>	<u>1,492,039</u>	<u>(36,462)</u>	<u>816,364</u>
898,353	123,060	493,500	-	156,998	2,648,718
(327,120)	-	-	(1,188,000)	(65,000)	(3,989,350)
<u>571,233</u>	<u>123,060</u>	<u>493,500</u>	<u>(1,188,000)</u>	<u>91,998</u>	<u>(1,340,632)</u>
(700,376)	(93,415)	109,888	304,039	55,536	(524,268)
<u>18,618,926</u>	<u>2,395,167</u>	<u>507,612</u>	<u>2,893,303</u>	<u>1,102,253</u>	<u>26,647,466</u>
<u>\$ 17,918,550</u>	<u>\$ 2,301,752</u>	<u>\$ 617,500</u>	<u>\$ 3,197,342</u>	<u>\$ 1,157,789</u>	<u>\$ 26,123,198</u>

SALT LAKE CITY CORPORATION
 BUDGETARY COMPARISON SCHEDULE
 ARTS COUNCIL
 Year ended June 30, 2003

	Actual (GAAP basis)	Budgeted Amounts		Variance
		Original	Final	
Revenues:				
Interest	\$ 3,736	\$ 8,000	6,400	\$ (2,664)
Contributions	775,577	789,720	797,591	(22,014)
Total revenues	779,313	797,720	803,991	(24,678)
Expenditures:				
Arts Council	824,458	843,375	852,311	27,853
Total expenditures	824,458	843,375	852,311	27,853
Revenues over (under) expenditures	(45,145)	(45,655)	-	3,175
Fund balance July 1, 2002	178,820	178,820	178,820	-
Fund balance June 30, 2003	<u>\$ 133,675</u>	<u>\$ 133,165</u>	<u>\$ 178,820</u>	<u>\$ 3,175</u>

SALT LAKE CITY CORPORATION
 BUDGETARY COMPARISON SCHEDULE
 DOWNTOWN ECONOMIC DEVELOPMENT
 Year ended June 30, 2003

	Actual (GAAP basis)	Budgeted Amounts		Variance
		Original	Final	
Revenues:				
Assessments	\$ 523,713	\$ 666,664	\$ 666,664	\$ (142,951)
Interest	5,121	-	-	5,121
Total revenues	<u>528,834</u>	<u>666,664</u>	<u>666,664</u>	<u>(137,830)</u>
Expenditures:				
Community and Economic Development	<u>668,019</u>	<u>668,664</u>	<u>668,664</u>	<u>645</u>
Total expenditures	<u>668,019</u>	<u>668,664</u>	<u>668,664</u>	<u>645</u>
Revenues under expenditures	<u>(139,185)</u>	<u>(2,000)</u>	<u>(2,000)</u>	<u>(137,185)</u>
Revenues and other sources under expenditures and other uses	(139,185)	(2,000)	(2,000)	(137,185)
Fund balance July 1, 2002	<u>151,385</u>	<u>151,385</u>	<u>151,385</u>	<u>-</u>
Fund balance June 30, 2003	<u>\$ 12,200</u>	<u>\$ 149,385</u>	<u>\$ 149,385</u>	<u>\$ (137,185)</u>

SALT LAKE CITY CORPORATION
 BUDGETARY COMPARISON SCHEDULE
 COMMUNITY DEVELOPMENT OPERATING FUND
 Year ended June 30, 2003

	Actual (GAAP basis)	Budgeted Amounts		Variance
		Original	Final	
Revenues:				
Intergovernmental	\$ 3,275,498	\$ 2,897,542	\$ 5,853,254	\$ (2,577,756)
Total revenues	<u>3,275,498</u>	<u>2,897,542</u>	<u>5,853,254</u>	<u>(2,577,756)</u>
Expenditures:				
Community and Economic Development	<u>1,858,685</u>	<u>2,897,542</u>	<u>6,830,061</u>	<u>4,971,376</u>
Total expenditures	<u>1,858,685</u>	<u>2,897,542</u>	<u>6,830,061</u>	<u>4,971,376</u>
Revenues over (under) expenditures	<u>1,416,813</u>	<u>-</u>	<u>(976,807)</u>	<u>2,393,620</u>
Other financing sources (uses):				
Transfers in	976,807	-	976,807	-
Transfers out	<u>(2,409,230)</u>	<u>-</u>	<u>-</u>	<u>(2,409,230)</u>
Total other financing sources (uses):	<u>(1,432,423)</u>	<u>-</u>	<u>976,807</u>	<u>(2,409,230)</u>
Revenues and other sources under expenditures and other uses	(15,610)	-	-	(15,610)
Fund balance July 1, 2002	<u>800,000</u>	<u>800,000</u>	<u>800,000</u>	<u>-</u>
Fund balance June 30, 2003	<u>\$ 784,390</u>	<u>\$ 800,000</u>	<u>\$ 800,000</u>	<u>\$ (15,610)</u>

SALT LAKE CITY CORPORATION
 BUDGETARY COMPARISON SCHEDULE
 GRANTS OPERATING FUND
 Year ended June 30, 2003

	Actual (GAAP basis)	Budgeted Amounts		Variance
		Original	Final	
Revenues:				
Interest	540,554	-	-	540,554
Intergovernmental	3,120,386	2,056,000	10,122,117	(7,001,731)
Charges for services	-	-	-	-
Contributions	-	-	80,038	(80,038)
Miscellaneous	463,267	-	-	463,267
Total revenues	4,124,207	2,056,000	10,202,155	(6,077,948)
Expenditures:				
Community and Economic Development	5,395,816	2,036,000	22,609,634	17,213,818
Total expenditures	5,395,816	2,036,000	22,609,634	17,213,818
Revenues over (under) expenditures	(1,271,609)	20,000	(12,407,479)	11,135,870
Other financing sources:				
Transfers in	898,353	-	1,125,322	(226,969)
Transfers out	(327,120)	(20,000)	(311,969)	(15,151)
Total other financing sources:	571,233	(20,000)	813,353	(242,120)
Revenues and other sources over (under) expenditures and other uses	(700,376)	-	(11,594,126)	10,893,750
Fund balance July 1, 2002	18,618,926	18,618,926	18,618,926	-
Fund balance June 30, 2003	\$ 17,918,550	\$ 18,618,926	\$ 7,024,800	\$ 10,893,750

SALT LAKE CITY CORPORATION
 BUDGETARY COMPARISON SCHEDULE
 STREET LIGHTING
 Year ended June 30, 2003

	Actual (GAAP basis)	Budgeted Amounts		Variance
		Original	Final	
Revenues:				
Assessments	411,391	369,168	369,168	42,223
Interest	66,465	-	-	66,465
Contributions	-	-	-	-
Total revenues	<u>477,856</u>	<u>369,168</u>	<u>369,168</u>	<u>108,688</u>
Expenditures:				
Public Services	<u>694,331</u>	<u>2,075,417</u>	<u>2,075,417</u>	<u>1,381,086</u>
Total expenditures	<u>694,331</u>	<u>2,075,417</u>	<u>2,075,417</u>	<u>1,381,086</u>
Revenues over (under) expenditures	<u>(216,475)</u>	<u>(1,706,249)</u>	<u>(1,706,249)</u>	<u>1,489,774</u>
Other financing sources:				
Transfers in	<u>123,060</u>	<u>123,060</u>	<u>123,060</u>	<u>-</u>
Total other financing sources:	<u>123,060</u>	<u>123,060</u>	<u>123,060</u>	<u>-</u>
Revenues and other sources over (under) expenditures and other uses	(93,415)	(1,583,189)	(1,583,189)	1,489,774
Fund balance July 1, 2002	<u>2,395,167</u>	<u>2,395,167</u>	<u>2,395,167</u>	<u>-</u>
Fund balance June 30, 2003	<u>\$ 2,301,752</u>	<u>\$ 811,978</u>	<u>\$ 811,978</u>	<u>\$ 1,489,774</u>

SALT LAKE CITY CORPORATION
 BUDGETARY COMPARISON SCHEDULE
 DEMOLITION, WEED AND FORFEITURE
 Year ended June 30, 2003

	Actual (GAAP basis)	Budgeted Amounts		Variance
		Original	Final	
Revenues:				
Fines and forfeitures	290,405	739,500	905,150	(614,745)
Interest	13,172	-	-	13,172
Charges for services	28,795	-	-	28,795
Contributions	19,994	-	-	19,994
Miscellaneous	-	-	-	-
Total revenues	352,366	739,500	905,150	(552,784)
Expenditures:				
Community and Economic Development	735,978	815,800	1,990,261	1,254,283
Total expenditures	735,978	815,800	1,990,261	1,254,283
Revenues over (under) expenditures	(383,612)	(76,300)	(1,085,111)	701,499
Other financing sources:				
Transfers in	493,500	26,500	720,500	(227,000)
Total other financing sources:	493,500	26,500	720,500	(227,000)
Revenues and other sources over (under) expenditures and other use	109,888	(49,800)	(364,611)	474,499
Fund balance July 1, 2002	507,612	507,612	507,612	-
Fund balance June 30, 2003	\$ 617,500	\$ 457,812	\$ 143,001	\$ 474,499

SALT LAKE CITY CORPORATION
 BUDGETARY COMPARISON SCHEDULE
 EMERGENCY 911 DISPATCH
 Year ended June 30, 2003

	Actual (GAAP basis)	Budgeted Amounts		Variance
		Original	Final	
Revenues:				
Sales, use and excise taxes	\$ 1,978,008	\$ 1,435,000	\$ 1,435,000	\$ 543,008
Franchise taxes	123,079	-	-	
Interest	89,362	40,000	40,000	49,362
Miscellaneous	3,561	-	-	3,561
Total revenues	2,194,010	1,475,000	1,475,000	595,931
Expenditures:				
Police	701,971	466,400	1,019,400	317,429
Total expenditures	701,971	466,400	1,019,400	317,429
Revenues over expenditures	1,492,039	1,008,600	455,600	913,360
Other financing sources:				
Transfers out	(1,188,000)	(988,000)	(1,188,000)	-
Total other financing sources:	(1,188,000)	(988,000)	(1,188,000)	-
Revenues and other sources over (under) expenditures and other uses	304,039	20,600	(732,400)	913,360
Fund balance July 1, 2002	2,893,303	2,893,303	2,893,303	-
Fund balance June 30, 2003	\$ 3,197,342	\$ 2,913,903	\$ 2,160,903	\$ 913,360

SALT LAKE CITY CORPORATION
 BUDGETARY COMPARISON SCHEDULE
 SALT LAKE CITY DONATION FUND
 Year ended June 30, 2003

	Actual (GAAP basis)	Budgeted Amounts		Variance
		Original	Final	
Revenues:				
Interest	\$ 29,312	\$ -	\$ -	\$ 29,312
Intergovernmental	-	-	-	-
Contributions	417,607	400,000	600,054	(182,447)
Miscellaneous	47,503	-	-	47,503
Total revenues	494,422	400,000	600,054	(105,632)
Expenditures:				
Public Services	530,884	400,000	1,953,251	1,422,367
Total expenditures	530,884	400,000	1,953,251	1,422,367
Revenues over expenditures	(36,462)	-	(1,353,197)	1,316,735
Other financing sources:				
Proceeds from bond issuance	-	-	-	-
Transfers in	156,998	-	-	(156,998)
Transfers out	(65,000)	-	-	(65,000)
Total other financing sources:	91,998	-	-	(221,998)
Revenues and other sources over expenditures and other uses	55,536	-	(1,353,197)	1,094,737
Fund balance July 1, 2002	1,102,253	1,102,253	1,102,253	-
Fund balance June 30, 2003	\$ 1,157,789	\$ 1,102,253	\$ (250,944)	\$ 1,094,737

SALT LAKE CITY CORPORATION
 COMBINING BALANCE SHEET
 NONMAJOR DEBT SERVICE FUNDS
 June 30, 2003

	Debt Service Funds		
<u>ASSETS</u>	Special Improvement	Other Improvement	Debt Service Total
Cash and cash equivalents	\$ 352,317	\$ 93,351	\$ 445,668
Assessments receivable	1,946,047	-	1,946,047
Other receivables	471,458	-	471,458
Restricted assets:			
Cash and cash equivalents	-	521,568	521,568
Total assets	\$ 2,769,822	\$ 614,919	\$ 3,384,741
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accrued liabilities	\$ 3,180	\$ -	\$ 3,180
Deferred revenue	2,417,505	-	2,417,505
Total liabilities	2,420,685	-	2,420,685
Fund balances:			
Reserved for loans and advances	-	93,351	93,351
Reserved for restricted assets	-	521,568	521,568
Unreserved and undesignated	349,137	-	349,137
Total fund balances	349,137	614,919	964,056
Total liabilities and fund balance	\$ 2,769,822	\$ 614,919	\$ 3,384,741

SALT LAKE CITY CORPORATION
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 NONMAJOR DEBT SERVICE FUNDS
 Year ended June 30, 2003

	Special Improvement	Other Improvement	Debt Service Total
Revenues:			
Assessments	\$ 513,454	\$ -	\$ 513,454
Interest	172,263	20,383	192,646
Miscellaneous	6,945	-	6,945
	<hr/>	<hr/>	<hr/>
Total revenues	692,662	20,383	713,045
	<hr/>	<hr/>	<hr/>
Expenditures:			
Management Services	6,407	5,195	11,602
Debt Service:			
Principal	309,000	58,022,642	58,331,642
Interest and other fiscal charges	46,842	4,691,648	4,738,490
	<hr/>	<hr/>	<hr/>
Total expenditures	362,249	62,719,485	63,081,734
	<hr/>	<hr/>	<hr/>
Revenues over (under) expenditures	330,413	(62,699,102)	(62,368,689)
	<hr/>	<hr/>	<hr/>
Other financing sources (uses):			
Proceeds from debt issuance	-	50,672,642	50,672,642
Transfers in	-	11,153,912	11,153,912
Transfers out	(77,957)	-	(77,957)
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses):	(77,957)	61,826,554	61,748,597
	<hr/>	<hr/>	<hr/>
Revenues and other sources over (under) expenditures and other uses	252,456	(872,548)	(620,092)
	<hr/>	<hr/>	<hr/>
Fund balance July 1, 2002	96,681	1,487,467	1,584,148
	<hr/>	<hr/>	<hr/>
Fund balance June 30, 2003	\$ 349,137	\$ 614,919	\$ 964,056
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

SALT LAKE CITY CORPORATION
 BUDGETARY COMPARISON SCHEDULE
 SPECIAL IMPROVEMENT FUND
 Year ended June 30, 2003

	Actual (GAAP basis)	Budgeted Amounts		Variance
		Original	Final	
Revenues:				
Assessments	\$ 513,454	\$ 518,900	\$ 518,900	\$ (5,446)
Interest	172,263	81,100	145,293	26,970
Miscellaneous	6,945	-	-	6,945
Total revenues	692,662	600,000	664,193	28,469
Expenditures:				
Management Services	6,407	59,250	60,500	54,093
Debt service:				
Principal	309,000	242,000	309,000	-
Interest	46,842	52,420	48,363	1,521
Total expenditures	362,249	353,670	417,863	55,614
Other financing uses:				
Transfers out	(77,957)	-	(77,957)	-
Total other financing uses:	(77,957)	-	(77,957)	-
Revenues over (under) expenditures and other uses	252,456	246,330	168,373	(27,145)
Fund balance July 1, 2002	96,681	96,681	96,681	-
Fund balance June 30, 2003	\$ 349,137	\$ 343,011	\$ 265,054	\$ (27,145)

SALT LAKE CITY CORPORATION
 BUDGETARY COMPARISON SCHEDULE
 OTHER IMPROVEMENT FUND
 Year ended June 30, 2003

	Actual (GAAP basis)	Budgeted Amounts		Variance
		Original	Final	
Revenues:				
Interest	\$ 20,383	\$ -	\$ -	\$ 20,383
Total revenues	20,383	-	-	20,383
Expenditures:				
Management Services	5,195	7,390	7,390	2,195
Debt service:				
Principal	58,022,642	6,745,000	58,022,642	-
Interest	4,691,648	5,299,984	4,691,522	(126)
Total expenditures	62,719,485	12,052,374	62,721,554	2,069
Revenues over (under) expenditures	(62,699,102)	(12,052,374)	(62,721,554)	18,314
Other financing sources:				
Proceeds from bond issuance	50,672,642	-	50,672,642	-
Transfers in	11,153,912	11,277,374	11,153,912	-
Total other financing sources:	61,826,554	11,277,374	61,826,554	-
Revenues and other sources over (under) expenditures and other uses	(872,548)	(775,000)	(895,000)	18,314
Fund balance July 1, 2002	1,487,467	1,487,467	1,487,467	-
Fund balance June 30, 2003	\$ 614,919	\$ 712,467	\$ 592,467	\$ 18,314

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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.

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

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, 2003

<u>ASSETS</u>	<u>Intermodal Hub</u>	<u>Sewer Utility</u>
Current assets:		
Cash and cash equivalents		
Unrestricted	\$ 3,931,397	\$ 5,896,428
Restricted	-	-
Receivables:		
Accounts, less allowance for doubtful accounts of \$40,014	-	1,718,124
Due from other funds for other than cash overdraft	-	10,443
Other	-	4,230,380
Inventory of supplies	-	627,367
	<u>3,931,397</u>	<u>12,482,742</u>
Total current assets		
	<u>3,931,397</u>	<u>12,482,742</u>
 Noncurrent Assets:		
Restricted cash and cash equivalents	<u>-</u>	<u>10,703,226</u>
 Property and equipment, at cost:		
Land and water rights	-	4,187,450
Buildings	-	42,297,748
Improvements other than buildings	-	60,713,996
Machinery and equipment	-	27,029,075
Construction in progress	11,418,348	7,873,332
Work in Progress	-	-
Accumulated depreciation	<u>-</u>	<u>(48,257,016)</u>
	<u>11,418,348</u>	<u>93,844,585</u>
Net property and equipment		
	<u>11,418,348</u>	<u>93,844,585</u>
Bond issue costs, less accumulated amortization of \$2,335	-	22,375
Investment in joint venture	-	-
Other	<u>-</u>	<u>1,300,000</u>
	<u>11,418,348</u>	<u>105,870,186</u>
Total noncurrent assets		
	<u>11,418,348</u>	<u>105,870,186</u>
 Total assets	<u>\$ 15,349,745</u>	<u>\$ 118,352,928</u>

<u>Storm Water Utility</u>	<u>Refuse Collection</u>	<u>Golf</u>	<u>Total</u>
\$ 8,505,058	\$ 3,960,946	\$ 1,963,136	\$ 24,256,965
-	-	-	-
620,177	720,448	5,735	3,064,484
652	-	-	11,095
1,642,924	-	-	5,873,304
-	-	485,920	1,113,287
<u>10,768,811</u>	<u>4,681,394</u>	<u>2,454,791</u>	<u>34,319,135</u>
<u>1,975,830</u>	<u>694,784</u>	<u>-</u>	<u>13,373,840</u>
961,601	-	1,757,159	6,906,210
4,589,891	-	2,110,735	48,998,374
78,110,589	-	5,889,054	144,713,639
2,434,620	8,028,751	4,890,988	42,383,434
1,251,080	-	-	20,542,760
-	-	-	-
<u>(24,030,048)</u>	<u>(3,684,212)</u>	<u>(5,687,353)</u>	<u>(81,658,629)</u>
<u>63,317,733</u>	<u>4,344,539</u>	<u>8,960,583</u>	<u>181,885,788</u>
-	-	-	22,375
-	24,975,009	-	24,975,009
-	-	-	1,300,000
<u>65,293,563</u>	<u>30,014,332</u>	<u>8,960,583</u>	<u>221,557,012</u>
<u>\$ 76,062,374</u>	<u>\$ 34,695,726</u>	<u>\$ 11,415,374</u>	<u>\$ 255,876,147</u>

SALT LAKE CITY CORPORATION
 COMBINING STATEMENT OF NET ASSETS - NONMAJOR PROPRIETARY FUNDS
 June 30, 2003

<u>LIABILITIES</u>	<u>Intermodal Hub</u>	<u>Sewer Utility</u>
Current liabilities:		
Accounts payable	\$ 6,617	\$ 2,193,068
Accrued liabilities	5,992	141,443
Current portion of long-term compensation liability	-	51,916
Current portion of long-term debt:		
Payable from unrestricted assets	-	273,880
Payable from restricted assets	-	188,610
Deferred revenue	-	-
Accrued interest, payable from restricted assets	-	25,646
Current deposits and advance rentals	-	-
	<hr/>	<hr/>
Total current liabilities	12,609	2,874,563
Noncurrent liabilities:		
Deposits, advance rentals and long term accruals	-	72,320
Other liabilities payable from restricted assets	-	-
Bonds, mortgages, and notes payable	-	711,858
Long-term compensation liability	-	432,572
	<hr/>	<hr/>
Total noncurrent liabilities	-	1,216,750
	<hr/>	<hr/>
Total liabilities	12,609	4,091,313
	<hr/>	<hr/>
NET ASSETS		
Invested in capital assets, net of related debt	11,418,348	92,670,237
Restricted for debt service	-	10,488,970
Unrestricted	3,918,788	11,102,408
	<hr/>	<hr/>
Total net assets	15,337,136	114,261,615
	<hr/>	<hr/>
Total liabilities and net assets	<u>\$ 15,349,745</u>	<u>\$ 118,352,928</u>

<u>Storm Water Utility</u>	<u>Refuse Collection</u>	<u>Golf</u>	<u>Total</u>
\$ 34,047	\$ 268,524	\$ 590,703	\$ 3,092,959
43,174	62,983	125,544	379,136
10,272	16,107	189,603	267,898
-	547,400	420,854	1,242,134
-	-	-	188,610
-	36,160	-	36,160
-	-	-	25,646
-	-	82,772	82,772
87,493	931,174	1,409,476	5,315,315
36,162	-	-	108,482
-	-	-	-
-	917,613	1,159,651	2,789,122
151,657	209,998	461,703	1,255,930
187,819	1,127,611	1,621,354	4,153,534
275,312	2,058,785	3,030,830	9,468,849
63,317,732	2,879,526	7,380,078	177,665,921
1,975,830	-	-	12,464,800
10,493,500	29,757,415	1,004,466	56,276,577
75,787,062	32,636,941	8,384,544	246,407,298
<u>\$ 76,062,374</u>	<u>\$ 34,695,726</u>	<u>\$11,415,374</u>	<u>\$ 255,876,147</u>

SALT LAKE CITY CORPORATION
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
NONMAJOR PROPRIETARY FUNDS
Year ended June 30, 2003

	<u>Intermodal Hub</u>	<u>Sewer Utility</u>
Operating revenue:		
Sales and charges for services	\$ -	\$ 14,152,370
Rental and other	8,401	227,324
	<u>8,401</u>	<u>227,324</u>
Total operating revenue	<u>8,401</u>	<u>14,379,694</u>
Operating expenses:		
Personal services	89,935	5,504,943
Operating and maintenance	3,701	572,645
Charges and services	145,107	1,763,476
Depreciation and amortization	-	3,493,620
	<u>238,743</u>	<u>11,334,684</u>
Total operating expenses	<u>238,743</u>	<u>11,334,684</u>
Operating income (loss)	<u>(230,342)</u>	<u>3,045,010</u>
Nonoperating revenues (expenses):		
Interest income	866	269,145
Interest expense (net of amount capitalized of \$49,054)	-	(27,751)
Equity in joint venture income	-	-
Gain (loss) on disposition of property, equipment and investments	-	1,899,611
	<u>866</u>	<u>2,141,005</u>
Total nonoperating revenues	<u>866</u>	<u>2,141,005</u>
Capital Contributions		
Grants and other contributions	4,697,095	1,086,926
	<u>4,697,095</u>	<u>1,086,926</u>
Income (loss) before transfers and change	4,467,619	6,272,941
Transfers out	-	(17,196)
	<u>4,467,619</u>	<u>6,255,745</u>
Net income (loss)	<u>4,467,619</u>	<u>6,255,745</u>
Beginning Net Assets		
Net Assets July 1, 2002 as previously reported	10,869,517	103,805,706
Prior period adjustments (see Note 20)	-	4,200,164
	<u>10,869,517</u>	<u>108,005,870</u>
Net Assets July 1, 2002 as restated	<u>10,869,517</u>	<u>108,005,870</u>
Net Assets June 30, 2003	<u>\$ 15,337,136</u>	<u>\$ 114,261,615</u>

<u>Storm Water Utility</u>	<u>Refuse Collection</u>	<u>Golf</u>	<u>Total</u>
\$ 5,210,155	\$ 7,665,731	\$ 7,997,030	\$ 35,025,286
3,202	5,152	22,702	266,781
<u>5,213,357</u>	<u>7,670,883</u>	<u>8,019,732</u>	<u>35,292,067</u>
1,342,158	1,626,086	3,491,935	12,055,057
109,950	84,751	993,900	1,764,947
1,248,923	4,310,978	3,102,100	10,570,584
1,594,114	938,353	545,913	6,572,000
<u>4,295,145</u>	<u>6,960,168</u>	<u>8,133,848</u>	<u>30,962,588</u>
<u>918,212</u>	<u>710,715</u>	<u>(114,116)</u>	<u>4,329,479</u>
198,112	85,766	48,881	602,770
-	(49,019)	(46,660)	(123,430)
-	(1,439,538)	-	(1,439,538)
<u>37,318</u>	<u>(647,787)</u>	<u>(292,230)</u>	<u>996,912</u>
<u>235,430</u>	<u>(2,050,578)</u>	<u>(290,009)</u>	<u>36,714</u>
<u>1,074,693</u>	<u>-</u>	<u>-</u>	<u>6,858,714</u>
2,228,335	(1,339,863)	(404,125)	11,224,907
(1,086)	(2,172)	(9,229)	(29,683)
<u>2,227,249</u>	<u>(1,342,035)</u>	<u>(413,354)</u>	<u>11,195,224</u>
72,709,438	33,978,976	8,797,898	230,161,535
850,375	-	-	5,050,539
<u>73,559,813</u>	<u>33,978,976</u>	<u>8,797,898</u>	<u>235,212,074</u>
<u>\$ 75,787,062</u>	<u>\$ 32,636,941</u>	<u>\$ 8,384,544</u>	<u>\$ 246,407,298</u>

SALT LAKE CITY CORPORATION
 COMBINING STATEMENT OF CASH FLOWS
 NONMAJOR PROPRIETARY FUNDS
 Year ended June 30, 2003

	Intermodal Hub	Sewer Utility
Cash Flows from Operating Activities		
Receipts from customers and users	\$ 8,401	\$ 14,506,284
Payments to suppliers	(209,763)	(2,892,938)
Payments to employees	(83,943)	(5,133,299)
	(285,305)	6,480,047
Net cash provided by (used in) operating activities		
Cash flows from noncapital and related financing activities		
Payments received on interfund receivables	-	(4,670,054)
Transfers out	-	(17,196)
	-	(4,687,250)
Net cash used in noncapital and related financing activities		
Cash flows from capital and related financing activities		
Proceeds from issuance of debt (net of discount and issuance costs)	-	-
Proceeds from sale of equipment	-	1,959,510
Contributions for aid in construction	4,697,095	392,831
Payment on long-term obligations, net of capitalized interest	-	(462,074)
Payments for purchase and construction of fixed assets, including capitalized interest	(1,069,230)	(7,197,061)
Other receipts	-	-
	3,627,865	(5,306,794)
Net cash provided by (used in) capital and related financing activities		

Storm Water Utility	Refuse Collection	Golf	Total
\$ 5,270,697	\$ 7,667,413	\$ 7,987,773	\$ 35,440,568
(1,441,288)	(4,541,687)	(3,738,806)	(12,824,482)
(1,385,188)	(1,761,786)	(3,461,731)	(11,825,947)
2,444,221	1,363,940	787,236	10,790,139
(1,592,459)	-	-	(6,262,513)
(1,086)	(2,172)	(9,229)	(29,683)
(1,593,545)	(2,172)	(9,229)	(6,292,196)
-	720,000	1,152,443	1,872,443
37,318	-	-	1,996,828
731,266	-	-	5,821,192
-	(998,349)	(231,505)	(1,691,928)
(1,764,942)	(322,398)	(1,646,571)	(12,000,202)
-	-	-	-
(996,358)	(600,747)	(725,633)	(4,001,667)

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SALT LAKE CITY CORPORATION
 COMBINING STATEMENT OF CASH FLOWS
 NONMAJOR PROPRIETARY FUNDS
 Year ended June 30, 2003

	Intermodal Hub	Sewer Utility
Cash flows from investing activities:		
Interest received on investments and loans	866	269,145
Net cash provided by investing activities	866	269,145
Net increase (decrease) in cash and cash equivalents	3,343,426	(3,244,852)
Cash and cash equivalents at beginning of year	587,971	19,844,506
Cash and cash equivalents at end of year	\$ 3,931,397	\$ 16,599,654
Cash and cash equivalent components:		
Unrestricted	\$ 3,931,397	\$ 5,896,428
Restricted	-	10,703,226
Cash and cash equivalents at end of year	\$ 3,931,397	\$ 16,599,654
Cash flows from operating activities -		
Operating income (loss)	\$ (230,342)	\$ 3,045,010
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Depreciation and amortization	\$ -	\$ 3,493,620
Increase (decrease) due to changes in:		
Accounts receivable	-	54,267
Other current assets	-	92,278
Accounts payable	(60,955)	(129,723)
Accrued liabilities affecting operating activities	5,992	(75,405)
Other liabilities	-	-
Long-term compensation liability	-	-
Total adjustments	(54,963)	3,435,037
Net cash provided by (used in) operating activities	\$ (285,305)	\$ 6,480,047
Noncash transactions affecting financial position:		
Contributions of fixed assets from other entities	\$ -	\$ 694,094

Storm Water Utility	Refuse Collection	Golf	Total
198,112	85,766	48,881	602,770
198,112	85,766	48,881	602,770
52,430	846,787	101,255	1,099,046
10,428,458	3,808,943	1,861,881	36,531,759
<u>\$ 10,480,888</u>	<u>\$ 4,655,730</u>	<u>\$ 1,963,136</u>	<u>\$ 37,630,805</u>
\$ 8,505,058	\$ 3,960,946	\$ 1,963,136	\$ 24,256,965
1,975,830	694,784	-	13,373,840
<u>\$ 10,480,888</u>	<u>\$ 4,655,730</u>	<u>\$ 1,963,136</u>	<u>\$ 37,630,805</u>
<u>\$ 918,212</u>	<u>\$ 710,715</u>	<u>\$ (114,116)</u>	<u>\$ 4,329,479</u>
\$ 1,594,114	\$ 938,353	\$ 545,913	\$ 6,572,000
21,181	(39,630)	(5,735)	30,083
36,160	-	41,204	169,642
(166,820)	(145,958)	315,990	(187,466)
41,374	(44,179)	(30,279)	(102,497)
-	36,160	(26,224)	9,936
-	(91,521)	60,483	(31,038)
<u>1,526,009</u>	<u>653,225</u>	<u>901,352</u>	<u>6,460,660</u>
<u>\$ 2,444,221</u>	<u>\$ 1,363,940</u>	<u>\$ 787,236</u>	<u>\$ 10,790,139</u>
\$ 343,427	\$ -	\$ -	\$ 1,037,521

SALT LAKE CITY CORPORATION
 BUDGETARY COMPARISON SCHEDULE
 INTERMODAL HUB FUND
 Year ended June 30, 2003

	Budgetary Basis				
	Actual on GAAP basis	Actual on budgetary basis	Budgeted Amounts		Variance
			Original	Final	
Revenues and other sources:					
Grants and other contributions	4,697,095	\$ 4,697,095	\$ 1,500,000	\$ 11,204,335	\$ (6,507,240)
Interest income	866	866	-	-	866
Other	8,401	8,401	97,700	97,700	(89,299)
Total revenues and other sources	4,706,362	4,706,362	1,597,700	11,302,035	(6,595,673)
Expenses and other uses:					
Personal services	89,935	89,935	-	-	(89,935)
Operating and Maintenance	3,701	3,701	-	-	
Charges and services	145,107	145,107	97,700	97,700	(47,407)
Total expenses before capital outlay	238,743	238,743	97,700	97,700	(137,342)
Capital outlay - Construction and purchase of property	-	-	1,500,000	11,204,335	11,204,335
Total expenses and other uses	238,743	238,743	1,597,700	11,302,035	11,066,993
Change in net assets	\$ 4,467,619	\$ 4,467,619	\$ -	\$ -	\$ 4,471,320

SALT LAKE CITY CORPORATION
 BUDGETARY COMPARISON SCHEDULE
 SEWER UTILITY FUND
 Year ended June 30, 2003

	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	\$ 14,379,694	\$ 14,379,694	\$ 15,206,000	\$ 15,206,000	\$ (826,306)
Equipment disposition proceeds	-	1,945,466	10,000	10,000	1,935,466
Gain on sale of assets	1,899,611	-	-	-	-
Interest income	269,145	269,145	800,000	800,000	(530,855)
Impact fees	326,766	758,657	600,000	600,000	158,657
Bond proceeds	-	-	25,000,000	25,000,000	(25,000,000)
Contributions and non-operating grant	760,160	760,160	500,000	500,000	260,160
Total revenues and other sources	17,635,376	18,113,122	42,116,000	42,116,000	(24,002,878)
Expenses and other uses:					
Personal services	5,578,270	5,578,270	5,502,235	5,502,235	(76,035)
Accrued compensated absences	(73,327)	-	-	-	-
Operating and maintenance	572,645	572,645	1,343,620	1,343,620	770,975
Charges and services	1,763,476	1,763,476	2,384,902	2,384,902	621,426
Depreciation and amortization	3,493,620	-	-	-	-
Transfers out	17,196	17,196	-	-	(17,196)
Expenses before debt service and capital outlay	11,351,880	7,931,587	9,230,757	9,230,757	1,299,170
Debt service:					
Principal	-	427,550	381,250	381,250	(46,300)
Interest	76,805	76,805	1,143,750	1,143,750	1,066,945
Capitalized interest	(49,054)	-	-	-	-
Capital outlay:					
Land	-	66,065	-	-	(66,065)
Buildings	-	4,748,006	28,502,000	29,276,381	24,528,375
Improvements other than buildings	-	2,448,018	3,477,100	5,853,176	3,405,158
Equipment	-	639,066	1,040,800	1,308,800	669,734
Total expenses and other uses	11,379,631	16,337,097	43,775,657	47,194,114	30,857,017
Change in net assets	\$ 6,255,745	\$ 1,776,025	\$ (1,659,657)	\$ (5,078,114)	\$ 6,854,139

SALT LAKE CITY CORPORATION
BUDGETARY COMPARISON SCHEDULE
STORM WATER UTILITY FUND
Year ended June 30, 2003

	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	\$ 5,213,357	\$ 5,213,357	\$ 5,335,199	\$ 5,335,199	\$ (121,842)
Gain on sale of assets	37,318	-	-	-	-
Equipment disposition proceeds	-	37,318	-	-	37,318
Interest income	198,112	198,112	300,000	300,000	(101,888)
Bond proceeds	-	-	9,000,000	9,000,000	(9,000,000)
Impact fees	283,989	246,252	250,000	250,000	(3,748)
Contributions and nonoperating grants	790,704	790,704	716,000	716,000	74,704
Total revenues and other sources	6,523,480	6,485,743	15,601,199	15,601,199	(9,115,456)
Expenses and other uses:					
Personal services	1,306,445	1,306,445	1,449,140	1,449,140	142,695
Accrued compensated absences	35,713	-	-	-	-
Operating and maintenance	109,950	109,950	119,150	119,150	9,200
Charges and services	1,248,923	1,248,923	1,288,772	1,288,772	39,849
Depreciation and amortization	1,594,114	-	-	-	-
Transfers out	1,086	1,086	800	800	(286)
Expenses before debt service and capital outlay	4,296,231	2,666,404	2,857,862	2,857,862	191,458
Debt service:					
Principal	-	-	93,750	93,750	93,750
Interest	-	-	281,250	281,250	281,250
Capital outlay:					
Land	-	26,223	-	-	(26,223)
Buildings	-	81,772	290,000	351,858	270,086
Improvements other than buildings	-	1,559,653	5,215,200	6,197,453	4,637,800
Equipment	-	440,722	484,000	740,000	299,278
Total expenses and other uses	4,296,231	4,774,774	9,222,062	10,522,173	5,747,399
Change in net assets	\$ 2,227,249	\$ 1,710,969	\$ 6,379,137	\$ 5,079,026	\$ (3,368,057)

SALT LAKE CITY CORPORATION
 BUDGETARY COMPARISON SCHEDULE
 REFUSE COLLECTION FUND
 Year ended June 30, 2003

	Budgetary Basis				
	Actual on GAAP basis	Actual on budgetary basis	Budgeted Amounts		Variance
			Original	Final	
Revenues and other sources:					
Refuse collection fees	\$ 7,665,731	\$ 7,665,731	\$ 6,480,181	\$ 6,503,581	\$ 1,162,150
Fixed asset disposition proceeds	-	-	264,000	264,000	(264,000)
Loss on fixed asset disposition	(647,787)	-	-	-	-
Grants and other contributions	5,152	5,152	-	-	5,152
Proceeds from debt	-	720,000	-	-	-
Interest income	85,766	85,766	153,000	153,000	(67,234)
Equity in joint venture income	(1,439,538)	-	-	-	-
Total revenues and other sources	5,669,324	8,476,649	6,897,181	6,920,581	836,068
Expenses and other uses:					
Personal services	1,722,735	1,722,735	1,883,212	1,883,212	160,477
Accrued compensated absences	(96,649)	-	-	-	-
Operating and maintenance	84,751	84,751	77,916	79,868	(4,883)
Charges and services	4,310,978	4,310,978	4,529,212	4,690,557	379,579
Depreciation	938,353	-	-	-	-
Transfers out	2,172	2,172	9,935	9,935	7,763
Total expenses before debt service and capital outlay	6,962,340	6,120,636	6,500,275	6,663,572	542,936
Debt service:					
Principal	-	949,330	956,399	956,399	7,069
Interest	49,019	49,019	16,911	16,911	(32,108)
Capital outlay - purchase of equipment	-	322,398	241,230	526,485	204,087
Total expenses and other uses	7,011,359	7,441,383	7,714,815	8,163,367	721,984
Change in net assets	\$ (1,342,035)	\$ 1,035,266	\$ (817,634)	\$ (1,242,786)	\$ 1,558,052

SALT LAKE CITY CORPORATION
 BUDGETARY COMPARISON SCHEDULE
 GOLF FUND
 Year ended June 30, 2003

	Budgetary Basis				
	Actual on GAAP basis	Actual on budgetary basis	Original	Final	Variance
Revenues and other sources:					
Admissions and fees	\$ 5,266,945	\$ 5,266,945	\$ 5,689,814	\$ 5,580,375	\$ (313,430)
Equipment and facility rental	1,850,047	1,850,047	1,796,160	1,907,392	(57,345)
Retail sales and concessions	902,740	902,740	957,778	955,985	(53,245)
Interest income	48,881	48,881	50,000	50,000	(1,119)
Equipment disposition proceeds	-	-	-	-	-
Loss on sale of assets	(292,230)	-	-	-	-
Other revenue	-	-	14,500	14,500	(14,500)
Total revenues and other sources	<u>7,776,383</u>	<u>8,068,613</u>	<u>8,508,252</u>	<u>8,508,252</u>	<u>(439,639)</u>
Expenses and other uses:					
Personal services	3,419,128	3,419,128	3,607,585	3,607,585	188,457
Accrued compensated absences	72,807	-	-	-	-
Operating and maintenance	993,900	993,900	1,297,698	1,385,534	391,634
Charges and services	3,102,100	3,102,100	2,497,130	2,515,965	(586,135)
Depreciation	545,913	-	-	-	-
Transfers out	9,229	9,229	9,151	9,151	(78)
Total expenses before debt service and capital outlay	<u>8,143,077</u>	<u>7,524,357</u>	<u>7,411,564</u>	<u>7,518,235</u>	<u>(6,122)</u>
Debt Service:					
Principal	-	184,845	208,303	208,303	23,458
Interest	46,660	46,660	23,543	23,543	(23,117)
Capital outlay-purchase of equipment	<u>-</u>	<u>494,128</u>	<u>950,197</u>	<u>1,008,760</u>	<u>514,632</u>
Total expenses and other uses	<u>8,189,737</u>	<u>8,249,990</u>	<u>8,593,607</u>	<u>8,758,841</u>	<u>508,851</u>
Change in net assets	<u>\$ (413,354)</u>	<u>\$ (181,377)</u>	<u>\$ (85,355)</u>	<u>\$ (250,589)</u>	<u>\$ 69,212</u>

Major Enterprise Funds and Governmental Funds
– Budgetary Comparison Schedules

SALT LAKE CITY CORPORATION
 BUDGETARY COMPARISON SCHEDULE
 WATER UTILITY FUND
 Year ended June 30, 2003

	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	\$ 40,177,712	\$ 40,177,712	\$ 42,306,020	\$ 42,306,020	\$ (2,128,308)
Equipment disposition proceeds	-	15,308	50,000	50,000	(34,692)
Gain on sale of assets	43,403	-	-	-	-
Interest income	606,688	606,688	1,250,000	1,250,000	(643,312)
Contributions and nonoperating grants	1,105,936	1,105,936	855,000	855,000	250,936
Impact fees	586,360	586,360	250,000	250,000	336,360
Miscellaneous revenue	785	785	-	-	785
Total revenues and other sources	42,520,884	42,492,789	44,711,020	44,711,020	(2,218,231)
Expenses and other uses:					
Personal services	12,909,299	12,909,299	13,075,538	13,075,538	166,239
Accrued compensated absences	73,994	-	-	-	-
Operating and maintenance	1,810,758	1,810,758	2,267,673	2,267,673	456,915
Charges and services	13,329,694	13,329,694	14,105,290	14,105,290	775,596
Depreciation and amortization	5,079,026	-	-	-	-
Transfers out	22,177	22,177	-	-	(22,177)
Expenses before debt service and capital outlay	33,224,948	28,071,928	29,448,501	29,448,501	1,376,573
Debt service:					
Principal	-	3,062,450	3,065,000	3,065,000	2,550
Interest	1,770,555	1,770,555	1,735,000	1,735,000	(35,555)
Capitalized interest	(48,988)	-	-	-	-
Capital outlay:					
Land and water rights	-	58,058	650,000	650,000	591,942
Buildings	-	1,600,291	13,420,495	13,423,993	11,823,702
Improvements other than buildings	-	10,155,583	9,288,525	12,263,440	2,107,857
Equipment	-	520,743	1,901,330	2,358,314	1,837,571
Total expenses and other uses	34,946,515	45,239,608	59,508,851	62,944,248	17,704,640
Change in net assets	\$ 7,574,369	\$ (2,746,819)	\$ (14,797,831)	\$ (18,233,228)	\$ 15,486,409

SALT LAKE CITY CORPORATION
BUDGETARY COMPARISON SCHEDULE
DEPARTMENT OF AIRPORTS
Year ended June 30, 2003

	Budgetary Basis				
	Actual on GAAP basis	Actual on budgetary basis	Budgeted Amounts		Variance
			Original	Final	
Revenues and other sources:					
Airfields	\$ 22,186,104	\$ 22,186,104	\$21,631,779	\$21,631,779	\$ 554,325
Terminals	33,847,103	33,847,103	33,836,796	33,836,796	10,307
Landside	25,510,672	25,510,672	28,623,700	28,623,700	(3,113,028)
Auxiliary airports	386,639	386,639	426,627	426,627	(39,988)
General aviation	1,377,029	1,377,029	1,381,630	1,381,630	(4,601)
Support areas	6,286,855	6,286,855	6,427,567	6,427,567	(140,712)
Other revenue	2,369,747	2,369,747	1,427,200	1,427,200	942,547
Loss on equipment disposition	(1,902,034)	-	-	-	-
Equipment disposition proceeds	-	189,910	-	-	189,910
Interest income	2,680,009	4,004,833	4,000,000	4,000,000	4,833
Passenger facility charges	34,112,182	34,112,182	35,273,700	46,366,500	(12,254,318)
Contributions for aid in construction	10,424,858	10,424,858	31,022,700	31,022,700	(20,597,842)
Total revenues and other sources	<u>137,279,164</u>	<u>140,695,932</u>	<u>164,051,699</u>	<u>175,144,499</u>	<u>(34,448,567)</u>
Expenses and other uses:					
Personal services	31,261,979	31,261,979	31,309,000	31,570,600	308,621
Accrued compensated absences	990	-	-	-	-
Capitalized personal services	(1,599,453)	-	-	-	-
Operating and maintenance	4,782,678	4,782,678	5,224,400	5,254,400	471,722
Charges and services	21,988,576	21,988,576	25,331,600	24,720,160	2,731,584
Depreciation and amortization	38,270,476	-	-	-	-
Participating airline rebate	1,287,631	1,287,631	1,179,300	1,179,300	(108,331)
Transfers out	38,994	38,994	800,000	800,000	761,006
Total expenses before debt service and capital outlay	<u>96,031,871</u>	<u>59,359,858</u>	<u>63,844,300</u>	<u>63,524,460</u>	<u>4,164,602</u>
Debt service:					
Principal	-	7,055,000	7,235,000	6,555,000	(500,000)
Interest	6,508,240	6,508,240	8,432,200	6,792,700	284,460
Capitalized interest	(97,417)	-	-	-	-
Capital outlay					
Land	-	420,601	250,000	3,720,000	3,299,399
Equipment	-	2,293,307	3,517,400	1,891,900	(401,407)
Construction, including multi- year projects	-	21,546,338	64,138,500	74,644,900	53,098,562
Total expenses and other uses	<u>102,442,694</u>	<u>97,183,344</u>	<u>147,417,400</u>	<u>157,128,960</u>	<u>59,945,616</u>
Change in net assets	<u>\$ 34,836,470</u>	<u>\$ 43,512,588</u>	<u>\$16,634,299</u>	<u>\$18,015,539</u>	<u>\$ 25,497,049</u>

SALT LAKE CITY CORPORATION
 BUDGETARY COMPARISON SCHEDULE
 REDEVELOPMENT AGENCY FUND
 Year ended June 30, 2003

	Budgetary Basis				
	Actual on GAAP basis	Actual on budgetary basis	Budgeted Amounts		Variance
			Original	Final	
Revenues and other sources:					
Operating income - rental and other	\$ 990,404	\$ 990,404	\$ 1,377,836	\$ 1,377,836	\$ (387,432)
Property taxes	23,608,688	23,608,688	28,051,579	23,611,688	(3,000)
Interest income	1,758,294	1,758,294	664,116	611,659	1,146,635
Gain on property disposition	146,473	-	-	-	-
Property disposition proceeds	-	608,968	2,245,250	2,245,250	(1,636,282)
Principal received on loans	-	758,615	50,000	50,000	708,615
	<u>26,503,859</u>	<u>27,724,969</u>	<u>32,388,781</u>	<u>27,896,433</u>	<u>(171,464)</u>
Total revenues and other sources					
Expenses and other uses:					
Personal services	529,115	529,115	449,594	449,594	(79,521)
Accrued compensated absences	8,947	-	-	-	-
Operating and maintenance	1,740,268	1,740,268	13,599,177	14,575,877	12,835,609
Charges and services	8,739,247	8,739,247	21,481,447	20,284,789	11,545,542
Property tax refund accrual	-	-	-	-	-
Property tax refund designation	-	-	102,000	102,000	102,000
Loans made to residents and businesses	-	4,903,070	13,975,698	10,598,427	5,695,357
Depreciation and amortization	1,739,276	-	-	-	-
Loss on writedown of land/buildings held for resale	596,835	-	-	-	-
Transfers Out	10,798	10,798	10,798	10,798	-
	<u>13,364,486</u>	<u>15,922,498</u>	<u>49,618,714</u>	<u>46,021,485</u>	<u>30,098,987</u>
Total expenses before debt service					
Debt service:					
Principal	-	7,295,000	9,960,000	9,960,000	2,665,000
Interest and fiscal charges	2,672,388	2,089,345	3,217,118	3,217,118	1,127,773
Accrued interest on capital appreciation bonds	2,303,490	-	-	-	-
Capital outlay- Land purchases	-	2,406,273	10,285,198	10,692,816	8,286,543
	<u>18,340,364</u>	<u>27,713,116</u>	<u>73,081,030</u>	<u>69,891,419</u>	<u>42,178,303</u>
Total expenses and other uses					
Change in net assets	<u>\$ 8,163,495</u>	<u>\$ 11,853</u>	<u>\$ (40,692,249)</u>	<u>\$ (41,994,986)</u>	<u>\$ 42,006,839</u>

SALT LAKE CITY CORPORATION
 BUDGETARY COMPARISON SCHEDULE
 CAPITAL PROJECTS FUND
 Year ended June 30, 2003

	Actual (GAAP basis)	Budgeted Amounts		Variance
		Original Budget	Final Budget	
Revenues:				
Assessments	\$ 94,879	\$ -	\$ 1,583,997	\$ (1,489,118)
Interest	452,066	-	9,434,306	(8,982,240)
Intergovernmental Contributions	11,243,647	4,939,483	29,956,935	(18,713,288)
Miscellaneous	460,618	650,000	650,000	(189,382)
Total revenues	<u>12,251,210</u>	<u>5,589,483</u>	<u>41,720,641</u>	<u>(29,469,431)</u>
Expenditures:				
Capital outlay	52,549,888	23,969,579	95,959,815	43,409,927
Total expenditures	<u>52,549,888</u>	<u>23,969,579</u>	<u>95,959,815</u>	<u>43,409,927</u>
Revenues over (under) expenditures	<u>(40,298,678)</u>	<u>(18,380,096)</u>	<u>(54,239,174)</u>	<u>13,940,496</u>
Other financing sources (uses):				
Proceeds from bond issuance	3,543,046	-	3,419,047	123,999
Proceeds from sale of property	609,150	-	-	609,150
Transfers in	26,794,762	18,949,321	60,457,018	(33,662,256)
Transfers out	(15,062,560)	(569,225)	(15,068,789)	6,229
Total other financing sources (uses):	<u>15,884,398</u>	<u>18,380,096</u>	<u>48,807,276</u>	<u>(32,922,878)</u>
Revenues and other sources under expenditures and other uses	(24,414,280)	-	(5,431,898)	(18,982,382)
Fund balance July 1, 2002	53,277,494	53,277,494	53,277,494	-
Fund balance June 30, 2003	<u>\$ 28,863,214</u>	<u>\$ 53,277,494</u>	<u>\$ 47,845,596</u>	<u>\$ (18,982,382)</u>

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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, 2003

<u>ASSETS</u>	Fleet Management	Information Management Services
Current assets:		
Cash and cash equivalents	\$ 3,690,939	\$ -
Receivables:		
Other receivables	-	-
Other assets		
Prepaid expenses	-	205,515
Inventories of supplies, at cost	438,831	96,731
	4,129,770	302,246
Total current assets		
Restricted assets - cash and cash equivalents	98,640	-
Property and equipment, at cost:		
Land	-	-
Buildings	5,302	-
Improvements other than buildings	-	-
Machinery and equipment	37,909,887	4,753,710
Leased property under capital leases	58,000	-
Work in progress	175,917	-
Accumulated depreciation and amortization	(21,942,390)	(3,081,726)
	16,206,716	1,671,984
Net property and equipment		
Bond issue costs, less accumulated amortization of \$656,609	-	-
	\$ 20,435,126	\$ 1,974,230
Total assets		
<u>LIABILITIES AND NET ASSETS</u>		
Current liabilities:		
Accounts payable	\$ 185,484	\$ 234,548
Due to other funds for cash overdraft	-	255,783
Due to other funds for other than cash overdraft	-	-
Accrued liabilities	138,161	155,091
Deferred revenue	-	114,015
Current portion of long-term debt	2,828,665	105,648
	3,152,310	865,085
Total current liabilities		
Long-term liabilities:		
Obligations for compensation liabilities due after one year	297,081	703,266
Bonds payable	-	-
Notes payable	3,911,498	-
Notes payable from restricted assets	98,640	-
	4,307,219	703,266
Total long-term liabilities		
Total liabilities	7,459,529	1,568,351
Net Assets:		
Invested in capital assets	9,367,913	1,566,336
Unrestricted (deficit)	3,607,684	(1,160,457)
	12,975,597	405,879
Total net assets		
Total liabilities and net assets	\$ 20,435,126	\$ 1,974,230

<u>Risk Management</u>	<u>Governmental Immunity</u>	<u>Municipal Building Authority</u>	<u>Copy Center</u>	<u>Total</u>
\$ 6,055,513	\$ 2,337,756	\$ -	\$ 136,452	\$ 12,220,660
4,957	-	-	-	4,957
-	-	-	2,273	207,788
-	-	-	-	535,562
<u>6,060,470</u>	<u>2,337,756</u>	<u>-</u>	<u>138,725</u>	<u>12,968,967</u>
-	-	14,692,157	-	14,790,797
62,741	-	7,404,846	-	7,467,587
127,384	-	62,222,148	-	62,354,834
-	-	13,057,014	-	13,057,014
21,619	-	4,130,546	30,527	46,846,289
-	-	-	-	58,000
-	-	6,661,577	-	6,837,494
<u>(45,064)</u>	<u>-</u>	<u>(19,791,137)</u>	<u>(15,992)</u>	<u>(44,876,309)</u>
<u>166,680</u>	<u>-</u>	<u>73,684,994</u>	<u>14,535</u>	<u>91,744,909</u>
-	-	830,511	-	830,511
<u>\$ 6,227,150</u>	<u>\$ 2,337,756</u>	<u>\$ 89,207,662</u>	<u>\$ 153,260</u>	<u>\$ 120,335,184</u>
\$ 1,756,934	\$ 20,184	\$ 666,697	\$ 46,621	\$ 2,910,468
-	-	4,990,825	-	5,246,608
34,613	-	-	-	34,613
3,335,326	2,237,664	807,034	-	6,673,276
27,732	-	-	-	141,747
-	-	2,300,000	-	5,234,313
<u>5,154,605</u>	<u>2,257,848</u>	<u>8,764,556</u>	<u>46,621</u>	<u>20,241,025</u>
117,654	117,654	-	-	1,235,655
-	-	63,788,893	-	63,788,893
-	-	-	-	3,911,498
-	-	-	-	98,640
<u>117,654</u>	<u>117,654</u>	<u>63,788,893</u>	<u>-</u>	<u>69,034,686</u>
<u>5,272,259</u>	<u>2,375,502</u>	<u>72,553,449</u>	<u>46,621</u>	<u>89,275,711</u>
166,680	-	71,384,994	14,535	82,500,458
788,211	(37,746)	(54,730,781)	92,104	(51,440,985)
<u>954,891</u>	<u>(37,746)</u>	<u>16,654,213</u>	<u>106,639</u>	<u>31,059,473</u>
<u>\$ 6,227,150</u>	<u>\$ 2,337,756</u>	<u>\$ 89,207,662</u>	<u>\$ 153,260</u>	<u>\$ 120,335,184</u>

SALT LAKE CITY CORPORATION
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
 INTERNAL SERVICE FUNDS
 Year ended June 30, 2003

	<u>Fleet Management</u>	<u>Information Management Services</u>
Operating revenue - charges for services	\$ 5,454,847	\$ 7,142,844
Operating expenses:		
Personal services	2,153,014	4,817,120
Operating and maintenance	1,899,858	260,190
Charges and services including change in reserves	641,635	1,638,140
Depreciation and amortization	<u>4,319,723</u>	<u>655,363</u>
Total operating expenses	<u>9,014,230</u>	<u>7,370,813</u>
Operating income (loss)	<u>(3,559,383)</u>	<u>(227,969)</u>
Nonoperating revenues (expenses):		
Interest income	3,515	67,712
Interest expense	(340,312)	(9,488)
Gain (loss) on property and equipment disposition	<u>164,683</u>	<u>(12,280)</u>
Total nonoperating revenues (expenses)	<u>(172,114)</u>	<u>45,944</u>
Loss before operating transfers	(3,731,497)	(182,025)
Transfers in	4,278,481	179,577
Transfers out	<u>(15,432)</u>	<u>(100,000)</u>
Change in net assets	531,552	(102,448)
Net assets - July 1, 2001	<u>12,444,045</u>	<u>508,327</u>
Net assets - June 30, 2002	<u>\$ 12,975,597</u>	<u>\$ 405,879</u>

<u>Risk Management</u>	<u>Governmental Immunity</u>	<u>Municipal Building Authority</u>	<u>Copy Center</u>	<u>Total</u>
<u>\$ 24,464,797</u>	<u>\$ 66,852</u>	<u>\$ 2,792,975</u>	<u>\$ 665,427</u>	<u>\$ 40,587,742</u>
555,268	447,078	-	-	7,972,480
10,362	34,047	-	284,478	2,488,935
24,497,145	1,010,425	466,383	392,388	28,646,116
<u>3,051</u>	<u>-</u>	<u>2,017,740</u>	<u>1,615</u>	<u>6,997,492</u>
<u>25,065,826</u>	<u>1,491,550</u>	<u>2,484,123</u>	<u>678,481</u>	<u>46,105,023</u>
<u>(601,029)</u>	<u>(1,424,698)</u>	<u>308,852</u>	<u>(13,054)</u>	<u>(5,517,281)</u>
99,480	62,509	232,078	-	465,294
-	-	(3,593,426)	-	(3,943,226)
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>152,403</u>
<u>99,480</u>	<u>62,509</u>	<u>(3,361,348)</u>	<u>-</u>	<u>(3,325,529)</u>
<u>(501,549)</u>	<u>(1,362,189)</u>	<u>(3,052,496)</u>	<u>(13,054)</u>	<u>(8,842,810)</u>
61,000	1,500,000	3,313,356	-	9,332,414
<u>(438,700)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(554,132)</u>
<u>(879,249)</u>	<u>137,811</u>	<u>260,860</u>	<u>(13,054)</u>	<u>(64,528)</u>
<u>1,834,140</u>	<u>(175,557)</u>	<u>16,393,353</u>	<u>119,693</u>	<u>31,124,001</u>
<u>\$ 954,891</u>	<u>\$ (37,746)</u>	<u>\$ 16,654,213</u>	<u>\$ 106,639</u>	<u>\$ 31,059,473</u>

SALT LAKE CITY CORPORATION
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
Year ended June 30, 2003

	Fleet Management	Information Management Services
Increase (decrease) in cash and cash equivalents:		
Cash flows from operating activities -		
Receipts from customers and users	5,454,847	7,041,062
Payments to suppliers	(2,537,820)	(1,610,031)
Payments to employees	(2,194,585)	(4,733,713)
	722,442	697,318
Net cash provided by (used in) operating activities		
Cash flows from noncapital financing activities:		
Transfers in	4,278,481	179,577
Transfers out	(15,432)	(100,000)
	4,263,049	79,577
Net cash provided by (used in) noncapital financing activities		
Cash flows from capital and related financing activities:		
Proceeds from issuance of debt net of discount and issuance costs	2,557,351	-
Proceeds from sale of equipment	513,446	20,572
Payments on long-term obligations	(2,321,433)	(250,275)
Payments for purchase of fixed assets	(5,531,409)	(1,179,924)
	(4,782,045)	(1,409,627)
Net cash used in capital financing activities		
Cash flows from investing activities:		
Interest received on investments	3,515	67,712
	3,515	67,712
Net cash provided by investing activities		
Net increase (decrease) in cash and cash equivalents	206,961	(565,020)
Cash and cash equivalents at beginning of year	3,582,618	565,020
Cash and cash equivalents at end of year	\$ 3,789,579	\$ -
Cash and cash equivalent components:		
Unrestricted	\$ 3,690,939	\$ -
Restricted	98,640	-
Cash and cash equivalents at end of year	\$ 3,789,579	\$ -
Reconciliation of operating income to net cash provided by (used in) operating activities:		
Operating income (loss)	\$ (3,559,383)	\$ (227,969)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Depreciation and amortization	4,319,723	655,363
Increase (decrease) due to change in:		
Inventories of supplies	245	(33,255)
Other current assets	-	74,714
Due to other funds for cash overdraft	-	255,783
Accounts payable	3,428	(8,943)
Accrued liabilities affecting operating income	(46,267)	(37,847)
Deferred revenue	-	(101,782)
Long-term compensation liability	4,696	121,254
	4,281,825	925,287
Total adjustments		
Net cash provided by (used in) operating activities	\$ 722,442	\$ 697,318

<u>Risk Management</u>	<u>Governmental Immunity</u>	<u>Municipal Building Authority</u>	<u>Copy Center</u>	<u>Total</u>
24,455,802 (22,829,156) (670,011)	66,852 (1,032,413) (245,187)	4,596,317 (45,625) -	665,427 (676,498)	42,280,307 (28,731,543) (7,843,496)
956,635	(1,210,748)	4,550,692	(11,071)	5,705,268
61,000 (438,700)	1,500,000 -	3,313,356 -	- -	9,332,414 (554,132)
(377,700)	1,500,000	3,313,356	-	8,778,282
-	-	-	-	2,557,351
-	-	-	-	534,018
-	-	(6,367,494)	-	(8,939,202)
(842)	-	(5,656,742)	(16,150)	(12,385,067)
(842)	-	(12,024,236)	(16,150)	(18,232,900)
99,480	62,509	232,078	-	465,294
99,480	62,509	232,078	-	465,294
677,573	351,761	(3,928,110)	(27,221)	(3,284,056)
5,377,940	1,985,995	18,620,267	163,673	30,295,513
<u>\$ 6,055,513</u>	<u>\$ 2,337,756</u>	<u>\$ 14,692,157</u>	<u>\$ 136,452</u>	<u>\$ 27,011,457</u>
\$ 6,055,513 -	\$ 2,337,756 -	\$ - 14,692,157	\$ 136,452 -	\$ 12,220,660 14,790,797
<u>\$ 6,055,513</u>	<u>\$ 2,337,756</u>	<u>\$ 14,692,157</u>	<u>\$ 136,452</u>	<u>\$ 27,011,457</u>
\$ (601,029)	\$ (1,424,698)	\$ 308,852	\$ (13,054)	\$ (5,517,281)
3,051	-	2,017,740	1,615	6,997,492
-	-	-	-	(33,010)
(4,958)	-	301,500	(273)	370,983
34,613	-	1,501,842	-	1,792,238
1,643,738	12,059	434,129	641	2,085,052
(195,297)	186,674	(13,371)	-	(106,108)
(4,037)	-	-	-	(105,819)
80,554	15,217	-	-	221,721
1,557,664	213,950	4,241,840	1,983	11,222,549
<u>\$ 956,635</u>	<u>\$ (1,210,748)</u>	<u>\$ 4,550,692</u>	<u>\$ (11,071)</u>	<u>\$ 5,705,268</u>

SALT LAKE CITY CORPORATION
 BUDGETARY COMPARISON SCHEDULE
 FLEET MANAGEMENT FUND
 Year ended June 30, 2003

	Budgetary Basis				
	Actual on GAAP basis	Actual on budgetary basis	Budgeted Amounts		Variance
			Original	Final	
Revenues and other sources:					
Charges for maintenance	\$ 5,454,847	\$ 5,454,847	\$ 6,379,434	\$ 6,379,434	\$ (924,587)
Interest income	3,515	3,515	-	-	3,515
Gain (loss) on sale of equipment	164,683	-	-	-	-
Proceeds from sale of equipment	-	513,446	624,600	624,600	(111,154)
Transfers in	4,278,481	4,278,481	3,949,537	4,518,481	(240,000)
Total revenues and other sources	<u>9,901,526</u>	<u>10,250,289</u>	<u>10,953,571</u>	<u>11,522,515</u>	<u>(1,272,226)</u>
Expenses and other uses:					
Personal services	2,152,567	2,152,567	2,252,954	2,252,954	100,387
Accrued compensated absences	447	-	-	-	-
Operating and maintenance	1,899,858	1,899,858	3,889,621	3,979,240	2,079,382
Charges and services	641,635	641,635	648,450	667,069	25,434
Depreciation	4,319,723	-	-	-	-
Transfers out	15,432	15,432	15,759	15,759	327
Total expenses before debt service and capital outlay	<u>9,029,662</u>	<u>4,709,492</u>	<u>6,806,784</u>	<u>6,915,022</u>	<u>2,205,530</u>
Debt service:					
Principal	-	1,981,121	2,854,771	3,020,197	1,039,076
Interest	340,312	340,312	430,681	472,038	131,726
Capital outlay	<u>-</u>	<u>5,531,409</u>	<u>1,081,600</u>	<u>2,246,739</u>	<u>(3,284,670)</u>
Total expenses and other uses	<u>9,369,974</u>	<u>12,562,334</u>	<u>11,173,836</u>	<u>12,653,996</u>	<u>91,662</u>
Change in net assets	<u>\$ 531,552</u>	<u>\$ (2,312,045)</u>	<u>\$ (220,265)</u>	<u>\$ (1,131,481)</u>	<u>\$ (1,180,564)</u>

SALT LAKE CITY CORPORATION
 BUDGETARY COMPARISON SCHEDULE
 INFORMATION MANAGEMENT SERVICES FUND
 Year ended June 30, 2003

	Budgetary Basis				
	Actual on GAAP basis	Actual on budgetary basis	Budgeted Amounts		Variance
			Original	Final	
Revenue:					
Charges for services	\$ 7,136,577	\$ 7,136,577	\$ 7,241,574	\$ 7,350,594	\$ (214,017)
Interest income	67,712	67,712	36,367	36,367	31,345
Proceeds from sale of equipment	-	20,572	-	-	20,572
Gain (loss) on equipment disposition	(12,280)	-	-	-	-
Miscellaneous revenue	6,267	6,267	55,186	55,186	(48,919)
Transfers in	179,577	179,577	179,577	179,577	-
Total revenues and other sources	<u>7,377,853</u>	<u>7,410,705</u>	<u>7,512,704</u>	<u>7,621,724</u>	<u>(211,019)</u>
Expenses and other uses:					
Personal services	4,688,350	4,688,350	4,617,426	4,617,426	(70,924)
Accrued compensated absences	128,770	-	-	-	-
Operating and maintenance	260,190	260,190	307,425	251,678	(8,512)
Charges and services	1,638,140	1,638,140	2,173,618	1,754,428	116,288
Depreciation	655,363	-	-	-	-
Transfers out	100,000	100,000	(289)	99,711	(289)
Total expenses before debt service and capital outlay	<u>7,470,813</u>	<u>6,686,680</u>	<u>7,098,180</u>	<u>6,723,243</u>	<u>36,563</u>
Debt service:					
Principal	-	240,787	240,787	240,787	-
Interest	9,488	9,488	-	12,937	3,449
Capital outlay	<u>-</u>	<u>1,179,924</u>	<u>175,037</u>	<u>807,137</u>	<u>(372,787)</u>
Total expenses and other uses	<u>7,480,301</u>	<u>8,116,879</u>	<u>7,514,004</u>	<u>7,784,104</u>	<u>(332,775)</u>
Change in net assets	<u>\$ (102,448)</u>	<u>\$ (706,174)</u>	<u>\$ (1,300)</u>	<u>\$ (162,380)</u>	<u>\$ (543,794)</u>

SALT LAKE CITY CORPORATION
 BUDGETARY COMPARISON SCHEDULE
 RISK MANAGEMENT FUND
 Year ended June 30, 2003

	Budgetary Basis				
	Actual on GAAP basis	Actual on budgetary basis	Budgeted Amounts		Variance
			Original	Final	
Revenues and other sources:					
Charges for services	\$ 24,458,766	\$ 24,458,766	\$ 22,037,682	\$ 24,717,382	\$ (258,616)
Interest income	99,480	99,480	39,600	39,600	59,880
Miscellaneous	6,031	6,031	210,000	210,000	(203,969)
Transfers in	61,000	61,000	41,000	108,600	(47,600)
Total revenues and other sources	24,625,277	24,625,277	22,328,282	25,075,582	(450,305)
Expenses and other uses:					
Personal services	543,944	543,944	509,988	509,988	(33,956)
Accrued compensated absences	11,324	-	-	-	-
Operating and maintenance	10,362	10,362	14,050	14,050	3,688
Premiums and other charges for services	24,382,067	24,382,067	21,586,807	24,340,607	(41,460)
Change in reserves	115,078	-	-	-	-
Depreciation	3,051	-	-	-	-
Transfers out	438,700	438,700	4,500	437,500	(1,200)
Total expenses before capital outlay	25,504,526	25,375,073	22,115,345	25,302,145	(72,928)
Capital outlay	-	842	5,000	5,000	4,158
Total expenses and other uses	25,504,526	25,375,915	22,120,345	25,307,145	(68,770)
Change in net assets	\$ (879,249)	\$ (750,638)	\$ 207,937	\$ (231,563)	\$ (519,075)

SALT LAKE CITY CORPORATION
 BUDGETARY COMPARISON SCHEDULE
 GOVERNMENTAL IMMUNITY FUND
 Year ended June 30, 2003

	Budgetary Basis				
	Actual on GAAP basis	Actual on budgetary basis	Budgeted Amounts		Variance
			Original	Final	
Revenues and other sources -					
Interfund service charges	\$ 66,852	\$ 66,852	\$ -	\$ -	\$ 66,852
Interest income	62,509	62,509	107,300	107,300	(44,791)
Transfers in	<u>1,500,000</u>	<u>1,500,000</u>	<u>1,332,000</u>	<u>1,532,000</u>	<u>(32,000)</u>
 Total revenues	 <u>1,629,361</u>	 <u>1,629,361</u>	 <u>1,439,300</u>	 <u>1,639,300</u>	 <u>(9,939)</u>
 Expenses:					
Personal services	431,758	431,758	425,765	425,765	(5,993)
Accrued compensated absences	15,320	-	-	-	-
Operating and maintenance	34,047	34,047	17,200	17,200	(16,847)
Claims, charges and services	824,728	824,728	996,335	1,226,398	401,670
Change in reserves	<u>185,697</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Total expenses	 <u>1,491,550</u>	 <u>1,290,533</u>	 <u>1,439,300</u>	 <u>1,669,363</u>	 <u>378,830</u>
 Change in net assets	 <u>\$ 137,811</u>	 <u>\$ 338,828</u>	 <u>\$ -</u>	 <u>\$ (30,063)</u>	 <u>\$ 368,891</u>

SALT LAKE CITY CORPORATION
 BUDGETARY COMPARISON SCHEDULE
 MUNICIPAL BUILDING AUTHORITY FUND
 Year ended June 30, 2003

	Budgetary Basis				
	Actual on GAAP basis	Actual on budgetary basis	Budgeted Amounts		Variance
			Original	Final	
Revenues and other sources:					
Charges for services	\$ 2,492,975	\$ 2,492,975	\$ 2,242,989	\$ 2,492,266	\$ 709
Intergovernmental	300,000	300,000		-	300,000
Property sale proceeds	-	-	-	500,000	(500,000)
Interest income	232,078	232,078	-	-	232,078
Transfers in	3,313,356	3,313,356	3,313,356	3,313,356	-
Total revenues and other sources	<u>6,338,409</u>	<u>6,338,409</u>	<u>5,556,345</u>	<u>6,305,622</u>	<u>32,787</u>
Expenses and other uses:					
Charges and services	466,383	466,383	10,000	10,000	(456,383)
Depreciation and amortization	<u>2,017,740</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenses before debt service and capital outlay	2,484,123	466,383	10,000	10,000	(456,383)
Debt service:					
Principal	-	2,774,068	2,685,000	2,685,000	(89,068)
Interest	3,593,426	3,593,426	3,697,296	3,697,296	103,870
Capital outlay - acquisition & construction	<u>-</u>	<u>5,656,742</u>	<u>-</u>	<u>7,266,437</u>	<u>1,609,695</u>
Total expenses and other uses	<u>6,077,549</u>	<u>12,490,619</u>	<u>6,392,296</u>	<u>13,658,733</u>	<u>1,168,114</u>
Change in net assets	<u>\$ 260,860</u>	<u>\$ (6,152,210)</u>	<u>\$ (835,951)</u>	<u>\$ (7,353,111)</u>	<u>\$ 1,200,901</u>

SALT LAKE CITY CORPORATION
 BUDGETARY COMPARISON SCHEDULE
 COPY CENTER FUND
 Year ended June 30, 2003

	Budgetary Basis				
	Actual on GAAP basis	Actual on budgetary basis	Budgeted Amounts		Variance
			Original	Final	
Revenue:					
Charges for services	\$ 449,701	\$ 449,701	\$ 462,897	\$ 462,897	\$ (13,196)
Miscellaneous	215,726	215,726	214,500	214,500	1,226
Total revenues	665,427	665,427	677,397	677,397	(11,970)
Expenses and other uses:					
Operating and maintenance	284,478	284,478	289,500	289,500	5,022
Charges and services	392,388	392,388	387,897	387,897	(4,491)
Depreciation	1,615	-	-	-	-
Total expenses before capital outlay	678,481	676,866	677,397	677,397	531
Capital outlay	-	16,150	-	-	(16,150)
Total expenses and other uses	678,481	693,016	677,397	677,397	(15,619)
Change in net assets	\$ (13,054)	\$ (27,589)	\$ -	\$ -	\$ (27,589)

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Project Schedules

SALT LAKE CITY CORPORATION
SCHEDULE OF PROJECT EXPENDITURES
CAPITAL PROJECTS FUND
As of June 30, 2003

	Project budget	Prior years' expenditures and transfers	Current year expenditures and transfers	Total project expenditures	Project balance
1200 East Reconstruction	\$ 25,000	\$ 15,505	\$ -	\$ 15,505	\$ 9,495
1300 East Reconstruction	110,000	30,437	-	30,437	79,563
1300 South Reconstruction	346,405	216,110	37,813	253,923	92,482
2100 South Reconstruction	1,509,615	913,915	53,030	966,945	542,670
500 East Reconstruction	120,000	90,241	-	90,241	29,759
500 West Reconstruction	1,185,300	224,822	527,098	751,920	433,380
5500 West Reconstruction	335,000	384	232,836	233,220	101,780
600 West Reconstruction	373,844	62,694	246,249	308,943	64,901
700 East Reconstruction	158,590	88,965	13,610	102,575	56,015
800 Radio Communication System	850,000	846,598	3,402	850,000	-
800 South Reconstruction	34,000	4,961	-	4,961	29,039
800 West Reconstruction	78,725	33,111	-	33,111	45,614
900 South Reconstruction	3,398,309	13,954	27,804	41,758	3,356,551
ADA Modifications - Parks	631,478	462,380	28,271	490,651	140,827
ADA Modifications - Ramp/Corner Repairs	1,504,271	830,089	456,487	1,286,576	217,695
Automated Parking Enforcement	75,000	72,000	-	72,000	3,000
Bonneville Boulevard Salt Dome	1,017,405	531,741	105,643	637,384	380,021
Bridge Rehabilitation	1,489,363	1,218,167	94,914	1,313,081	176,282
California Avenue Reconstruction	774,000	710,456	-	710,456	63,544
Chase Home Renovation	1,073,914	823,914	250,000	1,073,914	-
City/County Landfill	17,167,047	6,803,157	4,091,901	10,895,058	6,271,989
City Facility Improvements	1,729,791	969,127	361,745	1,330,872	398,919
Concrete Replacement	9,551,874	5,173,841	1,720,813	6,894,654	2,657,220
Contingency	2,105,607	-	3,000	3,000	2,102,607
Debt Service - CIP Bond	8,647,683	3,872,557	4,775,126	8,647,683	-
Debt Service - City/County Building	8,943,787	5,473,776	3,470,011	8,943,787	-
Debt Service - Library GO Bond	13,454,054	6,639,633	6,814,421	13,454,054	-
Debt Service - Justice Court	150,693	-	-	-	150,693
Egli Court Street Improvements	115,292	107,158	8,134	115,292	-
Emigration Canyon Improvements	437,109	56,022	38,527	94,549	342,560
Engineering	100,000	-	-	-	100,000
Fire Training Center	2,394,500	1,644,500	34,617	1,679,117	715,383
Foothill Drive Improvements	100,000	49,050	-	49,050	50,950
Gateway Reconstruction	10,104,762	7,670,982	567,285	8,238,267	1,866,495
Gladiola Street Reconstruction	394,116	323,362	10,095	333,457	60,659
Glendale Area Street Reconstruction	1,186,734	600,020	18,957	618,977	567,757
Gravel Pits Plan	150,000	149,800	-	149,800	200
Guardsman Way Reconstruction	1,900,000	274,695	1,160,675	1,435,370	464,630
Harmony Court Block Reconstruction	82,396	77,402	4,994	82,396	-
Hogle Zoo Salt Dome	12,000	10,400	-	10,400	1,600
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	1,524,073	410,000	-	410,000	1,114,073
Jordan River Parkway	2,917,071	1,400,424	671,437	2,071,861	845,210
Land Acquisition	3,265,400	-	-	-	3,265,400
Liberty Park Improvements	10,711,127	5,745,319	1,852,925	7,598,244	3,112,883
Library Block Reconstruction	97,363,565	60,759,052	34,064,126	94,823,178	2,540,387
Light Rail Corridor Construction	18,801,600	17,293,496	-	17,293,496	1,508,104
Lindsey Garden Improvements	193,985	192,605	1,380	193,985	-
Local Street Reconstruction	8,701,191	5,041,461	1,875,272	6,916,733	1,784,458
Memory Grove Improvements	1,226,643	1,134,959	91,684	1,226,643	-
Military Drive	85,000	-	3,391	3,391	81,609
Mitigation - Foothills	28,000	-	-	-	28,000
Montrolse Avenue Reconstruction	95,000	8,000	84,835	92,835	2,165
Mt. Dell Park Improvements	224,385	170,572	41,552	212,124	12,261
Neighborhood Improvement	436,534	341,892	38,711	380,603	55,931
Neighborhood Legacy Project	700,000	-	-	-	700,000
Open Space	295,600	68,474	39,850	108,324	187,276
Overflow Shelter	75,000	64,172	-	64,172	10,828

SALT LAKE CITY CORPORATION
SCHEDULE OF PROJECT EXPENDITURES
CAPITAL PROJECTS FUND (cont.)
As of June 30, 2003

(continued)	Project budget	Prior years' expenditures and transfers	Current year expenditures and transfers	Total project expenditures	Project balance
Park Improvements	\$ 5,546,073	\$ 3,126,271	\$ 1,003,499	\$ 4,129,770	\$ 1,416,303
Parley's Crossing	1,002,065	227,065	-	227,065	775,000
Path Study/Development	200,000	88,163	30,145	118,308	81,692
Percent for Art	409,310	142,303	72,731	215,034	194,276
Pedestrian Safety Devices	150,000	57,872	82,840	140,712	9,288
Physical Access Ramps	539,604	199,186	162,512	361,698	177,906
Pioneer Park Improvements	10,000	1,940	-	1,940	8,060
Police Precinct Improvements	315,000	54,767	235,000	289,767	25,233
Property Management	515,914	439,280	30,606	469,886	46,028
Public Safety Radio Communication System	2,387,160	1,783,787	603,373	2,387,160	-
Railroad Safety Improvements	450,000	106,185	246,278	352,463	97,537
Research Park Street Reconstruction	90,000	70,912	1,242	72,154	17,846
Riverpark Community Garden	19,999	816	4,931	5,747	14,252
Riverside Drive	150,000	-	75,493	75,493	74,507
Riverside Park Improvements	368,250	201,064	152,628	353,692	14,558
Rosewood Park Improvements	889,100	22,404	-	22,404	866,696
Rotary Glen Park Improvements	285,000	7,297	7,424	14,721	270,279
Salt Domes	40,000	22,100	3,900	26,000	14,000
Salt Lake City Transit	328,401	295,482	5	295,487	32,914
Senior Center Property	850,000	798,444	-	798,444	51,556
Seven Canyon Fountain	149,400	144,281	3,118	147,399	2,001
Sidewalk Replacement	1,116,050	522,608	367,455	890,063	225,987
South Temple Reconstruction	1,830,000	1,009,091	160,027	1,169,118	660,882
State Street Reconstruction	895,830	864,048	4,338	868,386	27,444
Street Lighting Improvements	1,058,219	805,188	57,336	862,524	195,695
Street Restoration Fee Study	50,000	49,507	-	49,507	493
SugarHouse Business District	119,900	-	23,074	23,074	96,826
Traffic Calming	1,499,893	640,382	187,771	828,153	671,740
Traffic Signal Installation	1,977,171	1,804,943	49,259	1,854,202	122,969
Urban Design Study	75,000	-	-	-	75,000
Urban Forestry Program	72,500	60,806	11,339	72,145	355
Utahna Drive	30,000	-	30,000	30,000	-
West Temple Park	99,999	8,733	83,503	92,236	7,763
Total Projects	\$ 266,458,082	\$ 155,429,483	\$ 67,612,448	\$ 223,041,931	\$ 43,416,151

SALT LAKE CITY CORPORATION
SCHEDULE OF PROJECT EXPENDITURES
COMMUNITY DEVELOPMENT OPERATING FUND
As of June 30, 2003

	Project budget	Prior years' expenditures and transfers	Current year expenditures and transfers	Total project expenditures	Project balance
Administrative Support - 28th Year	\$ 792,442	\$ -	\$ 759,042	\$ 759,042	\$ 33,400
Capitol Hill Master Plan	70,000	65,838	-	65,838	4,162
Central Community Development Plan	32,501	23,222	-	23,222	9,279
Cleaning/Securing Vacant Property	165,166	82,051	12,851	94,902	70,264
Community Health Center	170,000	85,000	84,970	169,970	30
Community Shelter & Resource Center Operations	126,000	-	126,000	126,000	-
Contingency	439,526	7,000	4,750	11,750	427,776
Crossroads Urban Center Food Pantry	14,000	-	14,000	14,000	-
"Drug Free Zone" Signs	4,000	-	414	414	3,586
Emergency Home Repair (ASSIST)	1,025,000	644,147	360,185	1,004,332	20,668
Family Support Center Improvements	22,900	17,900	5,000	22,900	-
First Step House	5,000	-	3,614	3,614	1,386
Fourth Street Clinic	100,000	7,166	92,834	100,000	-
Good Touch/Bad Touch Program	24,400	16,400	6,102	22,502	1,898
Guadalupe Early Learning Center	122,075	79,119	40,000	119,119	2,956
Housing Match - Capital Planning	654,584	324,999	12,592	337,591	316,993
Housing Outreach Rental Program	70,000	35,000	33,596	68,596	1,404
Housing Rehabilitation	3,767,347	1,535,431	1,722,524	3,257,955	509,392
Lead-based Paint Training	15,000	-	-	-	15,000
Lifecare Home Improvement Project	30,000	-	30,000	30,000	-
Marrillac House	23,500	1,000	10,442	11,442	12,058
Mobile Neighborhood Watch	27,197	7,958	2,935	10,893	16,307
Multi-Ethnic Housing	10,000	-	10,000	10,000	-
Multi-Family Housing	201,422	-	-	-	201,422
Neighborhood House	90,000	-	90,000	90,000	-
Neighborhood Housing Services Administration	78,110	74,001	1,163	75,164	2,946
Neighborhood Housing Services Revolving Loan	475,001	312,797	38,550	351,347	123,654
Neighborhood Self-Help Grants	20,000	14,236	2,853	17,089	2,911
Nettie Gregory Center	71,623	67,482	-	67,482	4,141
Northwest Food Bank	52,500	14,534	34,393	48,927	3,573
Odessey House	110,000	-	105,376	105,376	4,624
Operation Paintbrush	30,000	6,400	-	6,400	23,600
Our House Daycare	137,554	72,347	45,667	118,014	19,540
People Helping People	51,361	36,351	3,265	39,616	11,745
Poplar Boys & Girls Club	105,448	75,526	27,638	103,164	2,284
Prevent Child Abuse	8,000	-	4,088	4,088	3,912
Rape Crisis Center	118,946	50,060	58,914	108,974	9,972
Salt Lake Community Development Corp.	320,000	150,000	169,798	319,798	202
Salt Lake Donated Dental Program	66,016	36,014	29,955	65,969	47
Salvation Army	40,000	-	40,000	40,000	-
Security Lock Program, SLPD	30,001	11,950	18,023	29,973	28
St. Mary's Home for Men	50,000	315	-	315	49,685
Sugarhouse Historic Nomination	10,000	-	10,000	10,000	-
Sugarhouse Master Plan	66,367	41,681	1,931	43,612	22,755
Tenant Home Maintenance Training	22,500	12,500	10,000	22,500	-
Tenth East Senior Center	50,000	-	4,860	4,860	45,140
Utah Alcoholism Foundation	116,340	98,340	-	98,340	18,000
Utah Food Bank	59,000	29,000	30,000	59,000	-
Utah Heritage Foundation	815,105	275,124	-	275,124	539,981
Utah Issues	5,000	-	2,537	2,537	2,463
Utah Non-Profit Housing	70,000	40,000	30,000	70,000	-
Utah Peace Institute	7,500	-	-	-	7,500
Volunteers of America - Detox Center	118,505	57,751	15,505	73,256	45,249
Volunteers of America - Literacy	10,000	5,000	5,000	10,000	-
Wasatch Fish & Garden	10,000	-	10,000	10,000	-
Weigand Homeless Day Center	125,416	74,991	45,000	119,991	5,425

SALT LAKE CITY CORPORATION
SCHEDULE OF PROJECT EXPENDITURES
COMMUNITY DEVELOPMENT OPERATING FUND
As of June 30, 2003

	Project budget	Prior years' expenditures and transfers	Current year expenditures and transfers	Total project expenditures	Project balance
(continued)					
West Capitol Hill Boys & Girls Club	\$ 68,000	\$ 34,000	\$ 34,000	\$ 68,000	\$ -
Westminster Master Plan	30,000	24,875	1,170	26,045	3,955
YMCA - After School Project	10,600	5,000	5,600	10,600	-
YMCA - Homeless Youth Program	41,438	40,118	-	40,118	1,320
Youth with a Voice	45,001	24,707	20,000	44,707	294
Total Projects:	<u>11,447,392</u>	<u>4,617,331</u>	4,227,137	<u>8,844,468</u>	<u>2,602,927</u>
GAAP Adjustments			40,778		
Total			<u>4,267,915</u>		

SALT LAKE CITY CORPORATION
SCHEDULE OF PROJECT EXPENDITURES
GRANTS OPERATING FUND
Year ended June 30, 2003

	Project budget	Prior years' expenditures	Current year expenditures and transfers	Total project expenditures	Project balance
ALSAM Foundation	\$ 25,000	\$ 18,530	\$ 6,470	\$ 25,000	\$ -
Boarded Transitional Housing	200,000	161,608	-	161,608	38,392
Citizen Corp Council	14,636	-	-	-	14,636
City Center Loan Fund	-	-	5,591	5,591	(5,591)
Clean Cities Program - Dept. of Energy	2,000	1,486	-	1,486	514
Clean Cities Program - Dept. of Energy	60,000	-	31,139	31,139	28,861
Clean Cities Program - State	79,174	73,884	-	73,884	5,290
Clean Cities Program - State	60,000	-	18,717	18,717	41,283
Clean Cities Program - State	2,000	-	342	342	1,658
Community Action Program	160,000	125,993	34,007	160,000	-
Community Development Corp. - 26th Year	100,000	78,043	21,957	100,000	-
Community Development Corp. - 27th Year	75,000	61,500	13,500	75,000	-
Community Development Corp. - 27th Year	192,500	5,994	151,058	157,052	35,448
Community Development Corp. - 28th Year	50,000	-	39,000	39,000	11,000
Community Development Corp. - 28th Year	135,000	-	-	-	135,000
Community Prosecution Grant	150,000	102,951	47,049	150,000	-
Computer Clubhouse Security	5,000	-	5,000	5,000	-
Computer Grant	8,054	4,554	-	4,554	3,500
COPS Communications	640,000	-	-	-	640,000
COPS Demonstration Center	996,582	923,360	21,581	944,941	51,641
COPS Early Intervention	125,000	-	2,129	2,129	122,871
COPS in SHOPS	10,000	-	10,000	10,000	-
COPS Methamphetamine - Supplemental	295,103	-	108,245	108,245	186,858
COPS School Based Partners	128,631	79,796	-	79,796	48,835
Crisis Intervention	13,788	-	13,788	13,788	-
Disabled Housing Rental	125,000	100,000	-	100,000	25,000
EDGAR Grant	1,200,000	-	117,913	117,913	1,082,087
Emergency Medical Service	1,183,159	935,039	36,792	971,831	211,328
Emergency Medical Services	127,650	-	35,346	35,346	92,304
Emergency Medical Services	5,239	-	5,239	5,239	-
Emergency Shelter Grant - 27th year	169,000	153,911	13,274	167,185	1,815
Emergency Shelter Grant - 28th year	171,000	-	171,000	171,000	-
Family Support Center	50,000	49,000	-	49,000	1,000
Firefighter Safety Grant	72,709	-	-	-	72,709
Friends of Memory Grove Grant	125,000	102,386	23,239	125,625	(625)
Gateway Brownsfield Grant	200,000	46,031	49,039	95,070	104,930
Gateway Brownsfield Grant - IPA Position	99,989	89,328	6,214	95,542	4,447
Hazardous Materials Mitigation Grant	20,000	-	5,750	5,750	14,250
Hazardous Materials Mitigation Grant	20,000	-	-	-	20,000
Hazardous Materials Mitigation Grant	30,000	-	2,958	2,958	27,042
Hear out Voices	18,000	-	4,805	4,805	13,195
Heartland HODAG Loan Fund	-	-	23,600	23,600	(23,600)
HIDTA Grant	84,824	-	31,230	31,230	53,594
HIDTA Grant	83,172	-	43,221	43,221	39,951
Historic Planning Survey	18,164	125	1,355	1,480	16,684
Historic Preservation - SugarHouse	5,000	-	4,500	4,500	500
Historic Property PR Campaign	1,483	-	-	-	1,483
Home Administration - 24th year	112,200	51,656	58,329	109,985	2,215
Home Administration - 25th year	120,900	-	75,720	75,720	45,180

SALT LAKE CITY CORPORATION
SCHEDULE OF PROJECT EXPENDITURES
GRANTS OPERATING FUND
Year ended June 30, 2003

	Project budget	Prior years' expenditures	Current year expenditures and transfers	Total project expenditures	Project balance
Home Administration - 26th year	\$ 121,500	\$ -	\$ 60,795	\$ 60,795	\$ 60,705
Home Administration - 27th year	135,400	-	-	-	135,400
Home Administration - 28th year	135,400	-	-	-	135,400
Home Program Income	1,483,615	1,363,472	-	1,363,472	120,143
Home Program Income Receipts	-	-	125,240	125,240	(125,240)
Housing and Neighborhood Development	269,501	-	-	-	269,501
Housing and Neighborhood Development	570,000	-	-	-	570,000
Housing Authority - 26th Year	50,000	49,000	1,000	50,000	-
Housing Authority - 27th Year	116,000	96,078	19,922	116,000	-
Housing Opportunities for Persons With AID	385,683	354,122	24,788	378,910	6,773
Housing Opportunities for Persons With AID	80,000	35,885	44,115	80,000	-
Housing Opportunities for Persons With AID	421,000	-	335,782	335,782	85,218
Housing Trust Fund	5,659,563	1,215,102	410,000	1,625,102	4,034,461
Housing Trust Fund - RDA grant	1,449,633	589,564	376,909	966,473	483,160
Intel Computer Clubhouse	60,000	53,234	6,766	60,000	-
Intel Computer Clubhouse	60,000	-	52,917	52,917	7,083
International Rescue Committee	2,000	-	-	-	2,000
International Rescue Committee Youth Film	-	-	1,996	1,996	(1,996)
Internet Crimes Against Children	79,008	69,505	-	69,505	9,503
Internet Crimes Against Children	58,000	52,751	-	52,751	5,249
Landmark Web Design	3,500	1,500	2,000	3,500	-
Local Law Enforcement Block Grant '00	365,432	315,139	50,210	365,349	83
Local Law Enforcement Block Grant '01	402,956	107,581	117,013	224,594	178,362
Local Law Enforcement Block Grant '02	303,534	-	85,028	85,028	218,506
Metropolitan Medical Response System	400,000	256,260	102,540	358,800	41,200
Metropolitan Medical Response System	200,000	-	-	-	200,000
National Incident Based Reporting	15,493	10,379	5,114	15,493	-
Neighborhood Housing Association	50,000	-	50,000	50,000	-
Neighborhood Housing Service - 25th Year	181,350	155,274	26,076	181,350	-
Neighborhood Housing Service - 26th Year	384,950	154,755	103,068	257,823	127,127
Neighborhood Housing Service - 27th Year	175,000	46,550	29,761	76,311	98,689
Neighborhood Housing Service - 27th Year	202,500	-	-	-	202,500
Neighborhood Housing Service - 28th Year	150,000	-	-	-	150,000
Neighborhood Housing Service - 28th Year	163,600	-	-	-	163,600
Odessey House	65,000	-	65,000	65,000	-
Parkview Plaza	-	-	3,485	3,485	(3,485)
Parley's Tunnel	100,000	-	-	-	100,000
Pedestrian Crossing Design Committee	86,250	-	14,801	14,801	71,449
Pioneer Park Use Plan	60,000	-	-	-	60,000
Project Impact Grant	301,100	294,983	-	294,983	6,117
Quality Growth Planning	20,000	-	20,000	20,000	-
Rape Recovery Center	46,021	21,644	3,218	24,862	21,159
Refugee Consortium Grant	200,639	190,720	-	190,720	9,919
Refugee Youth & Family Consortium	182,503	153,641	-	153,641	28,862
Refugee Youth & Family Consortium	344,725	246,848	87,015	333,863	10,862
Refugee Youth & Family Consortium	344,725	-	226,195	226,195	118,530
Renter Rehabilitation	2,583,633	2,291,664	216,998	2,508,662	74,971
Revolving Loan Fund - UDAG	7,425,536	1,190,475	1,433,518	2,623,993	4,801,543
River Park Program Income	979,334	121,800	(110,589)	11,211	968,123

SALT LAKE CITY CORPORATION
SCHEDULE OF PROJECT EXPENDITURES
GRANTS OPERATING FUND
Year ended June 30, 2003

	Project budget	Prior years' expenditures	Current year expenditures and transfers	Total project expenditures	Project balance
Safe Street Program	\$ 50,000	\$ -	\$ -	\$ -	\$ 50,000
Solar Roof Partnership	50,000	-	9,890	9,890	40,110
Traffic Control Center Operator	90,000	38,392	51,608	90,000	-
Traffic Control Center Operator	90,000	-	43,272	43,272	46,728
Utah AIDS Foundation	10,000	2,295	7,705	10,000	-
Utah Highway Safety	10,000	-	3,185	3,185	6,815
Utah Non-profit Housing	14,000	-	12,850	12,850	1,150
Utah Non-profit Housing	150,000	-	45,898	45,898	104,102
Utah Police Corporation	59,000	44,076	-	44,076	14,924
Victim Advocate Program	20,295	18,732	-	18,732	1,563
Victim Advocate Program	62,291	2,547	-	2,547	59,744
Victim of Crime State grant	62,265	62,091	(632)	61,459	806
Victim of Crime State grant	55,183	-	21,573	21,573	33,610
Violence Against Women	20,000	10,932	9,068	20,000	-
Violence Against Women	21,854	13,732	2,813	16,545	5,309
Violence Against Women	26,537	-	9,640	9,640	16,897
Violence Against Women	21,854	-	-	-	21,854
Violence Against Women	10,989	-	2,025	2,025	8,964
Weapons of Mass Destruction	20,000	17,085	2,946	20,031	(31)
Weapons of Mass Destruction	51,700	18,666	4,320	22,986	28,714
Weed & Seed	175,000	74,347	93,986	168,333	6,667
Weed & Seed	275,000	-	147,273	147,273	127,727
Weed & Seed Enforcement '97-'98	154,000	117,557	25,738	143,295	10,705
Wild Fire Training Grant	5,000	-	-	-	5,000
Youth City Employment Program	25,000	-	-	-	25,000
Total Projects	\$ 35,974,009	\$ 13,023,553	5,722,936	\$ 18,746,489	\$ 17,227,520

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STATISTICAL SECTION
(unaudited)

The Statistical Section presents comparative data for expenditures, revenues, property tax levies and collections, assessed and estimated actual value of taxable property, property tax rates and levies, property value and construction, principal property taxpayers, ratio of net general obligation bonded debt to assessed value and net bonded debt per capita, computation of legal debt margin, computation of direct and overlapping bonded debt, ratio of annual debt service expenditures for general obligation bonded debt to total general fund expenditures, revenue and general obligation bond coverage for the enterprise funds, special improvement billings and collections, demographic statistics and miscellaneous statistics.

Salt Lake City Corporation
GENERAL FUND EXPENDITURES BY FUNCTION -
BUDGETARY BASIS

Last ten fiscal years
Years ended June 30, 1994 through 2003
(dollars are expressed in thousands)
(unaudited)

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
City Council	\$ 799	\$ 856	\$ 1,005	\$ 1,451	\$ 1,525	\$ 1,730	\$ 1,588	\$ 1,334	\$ 1,608	\$ 1,778
Mayor	960	1,075	1,178	1,239	1,249	1,290	1,409	1,445	1,557	1,512
City Attorney	1,311	1,524	1,664	1,782	1,902	1,991	2,211	2,144	2,501	2,592
Management Services	4,696	4,866	5,291	5,852	6,417	5,804	6,322	8,777	13,360	8,850
Fire	20,114	18,534	19,085	21,274	22,891	23,393	23,731	25,311	26,570	26,244
Police	24,133	29,737	31,014	34,116	35,624	36,682	39,444	39,811	43,337	41,943
Community and Economic Development (1)	4,481	4,749	4,967	5,630	12,822	13,758	14,019	9,501	9,994	9,562
Public Services (1)	23,064	25,300	25,833	27,813	22,808	24,092	24,974	29,157	31,767	31,910
Internal Audit (2)	201	228	242	186	257	285	301	281	103	0
Nondepartmental and other	6,233	7,022	7,817	8,299	8,880	9,663	9,662	9,067	9,853	11,510
Total	\$ 85,992	\$ 93,891	\$ 98,096	\$ 107,642	\$ 114,375	\$ 118,688	\$ 123,661	\$ 126,828	\$ 140,650	\$ 135,901

Notes:

- (1) Beginning with fiscal year 2001, the Engineering division moved from Community and Economic Development to Public Services.
(2) In fiscal year 2003, the Internal Audit division was dissolved.

Salt Lake City Corporation
GENERAL FUND REVENUES BY SOURCE -
BUDGETARY BASIS
Last ten fiscal years
Years ended June 30, 1994 through 2003
(dollars are expressed in thousands)
(unaudited)

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Taxes										
General fund property taxes *	\$ 31,385	\$ 33,129	\$ 34,695	\$ 38,686	\$ 40,414	\$ 43,042	\$ 53,452	\$ 56,262	\$ 58,584	\$ 59,724
General sales, use , and excise taxes	25,933	32,228	31,460	33,497	36,640	37,689	38,588	40,686	43,614	39,911
Franchise taxes	14,686	15,380	16,526	16,763	15,465	16,360	16,425	19,432	20,832	20,556
Total taxes	72,004	80,737	82,681	88,946	92,519	97,091	108,465	116,380	123,030	120,191
Licenses	3,344	3,830	4,096	4,564	4,580	4,696	4,943	5,327	5,969	5,430
Permits	2,248	2,295	3,732	3,642	4,551	3,987	4,645	6,347	4,394	3,751
Parking tickets, fines, and forfeitures	3,390	3,670	3,816	4,337	4,582	5,028	5,888	7,021	6,258	8,719
Interest	549	1,721	1,783	2,469	2,602	2,544	3,830	2,655	4,324	1,667
Intergovernmental	2,527	3,604	4,142	4,798	4,181	3,628	3,418	3,315	3,600	3,705
Interfund service charges	6,303	5,644	4,949	5,954	6,223	6,531	6,658	6,761	9,053	8,057
Parking meter	1,259	1,204	1,172	1,204	1,092	1,069	1,231	1,257	1,170	1,161
Charges for services	2,600	4,073	3,854	4,811	4,556	3,967	3,735	3,104	6,053	3,941
Contributions and miscellaneous	385	282	218	280	281	340	1,963	466	4,258	520
Total general fund revenues	\$ 94,609	\$ 107,060	\$ 110,443	\$ 121,005	\$ 125,167	\$ 128,881	\$ 144,776	\$ 152,633	\$ 168,109	\$ 157,142

* Includes interest on tax collections

Source: Department of Management Services

Salt Lake City Corporation
GENERAL FUND PROPERTY TAX LEVIES AND COLLECTIONS
Last ten fiscal years
Years ended June 30, 1994 through 2003
(dollars are expressed in thousands)
(unaudited)

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Tax levy and collections:										
Property tax levy (1)	\$28,210	\$31,217	\$32,669	\$34,352	\$38,428	\$39,958	\$49,852	\$53,045	\$53,045	\$56,517
Current property tax collections	\$ 29,561	\$ 31,454	\$ 32,878	\$ 37,204	\$ 38,830	\$ 41,379	\$ 51,680	\$ 54,074	\$ 56,270	\$ 56,713
Delinquent property tax collections	1,279	1,349	1,174	960	987	1,159	1,216	1,497	1,538	2,139
Total collections (2)	\$ 30,840	\$ 32,803	\$ 34,052	\$ 38,164	\$ 39,817	\$ 42,538	\$ 52,896	\$ 55,571	\$ 57,808	\$ 58,852
Delinquent property taxes outstanding	\$ 2,625	\$ 2,418	\$ 1,918	\$ 2,010	\$ 2,282	\$ 1,649	\$ 1,986	\$ 2,356	\$ 2,356	\$ 2,356
Ratios:										
Percentage of current levy collected	104.8%	100.8%	100.6%	108.3%	101.0%	103.6%	103.7%	101.9%	106.1%	100.3%
Ratio of total property tax collections to levy	109.3%	105.1%	104.2%	111.1%	103.6%	106.5%	106.1%	104.8%	109.0%	104.1%
Ratio of delinquent taxes outstanding to levy	9.3%	7.7%	5.9%	5.9%	5.9%	4.1%	4.0%	4.4%	4.4%	4.2%

Notes:

(1) Includes real property, personal property and motor vehicles. Excludes abatements, board letter, pumping plant exemptions and assessor's refunds.

(2) Includes interest, sales of real and personal property and miscellaneous delinquent collections.

Source: Taken from tax collection summary records of the Salt Lake County Treasurer's office and Management Services Department.

Salt Lake City Corporation
 ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 Last ten fiscal years
 Years ended June 30, 1994 through 2003
 (dollars are expressed in thousands)
 (unaudited)

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Taxable value *	\$7,080,196	\$7,574,294	\$8,834,660	\$9,884,430	\$11,058,957	\$11,673,642	\$12,818,430	\$12,130,282	\$12,654,482	\$12,726,186
Estimated actual value	8,800,000	8,252,520	9,625,742	10,765,856	13,928,157	16,449,222	15,425,555	17,356,457	18,075,984	18,480,005
Ratio of assessed value to estimated actual value	80.5%	91.8%	91.8%	91.8%	79.4%	71.0%	83.1%	69.9%	70.0%	68.9%

* 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.

Salt Lake City Corporation
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
Last ten fiscal years
Years ended June 30, 1994 through 2003
(per \$1 of assessed/taxable value)
(unaudited)

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Salt Lake City Corporation	.004455	.004454	.003944	.003854	.003627	.003802	.004126	.004131	.004296	.004457
Salt Lake City Library	.000934	.000934	.000827	.000808	.000760	.000749	.000829	.000785	.000773	.000755
Salt Lake City Schools	.008732	.008677	.007029	.006268	.005907	.005907	.005859	.005741	.005585	.005528
Salt Lake County	.004436	.004386	.003831	.003782	.003551	.002805	.003246	.002904	.003025	.002939
Mosquito Abatement District	.000100	.000100	.000088	.000082	.000077	.000080	.000076	.000073	.000072	.000070
Central Utah Water Conservation	.000365	.000396	.000349	.000342	.000400	.000397	.000396	.000377	.000369	.000358
Metropolitan Water District	.000361	.000361	.000319	.000312	.000294	.000289	.000286	.000271	.000267	.000261
Total	.019383	.019308	.016387	.015448	.014616	.014029	.014818	.014282	.014387	.014368

Source: Salt Lake County Comprehensive Annual Financial Report, annual report

Salt Lake City Corporation
PROPERTY VALUE AND CONSTRUCTION
Last ten fiscal years
Years ended June 30, 1994 through 2003
(dollar amounts are expressed in thousands)
(unaudited)

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
<u>Commercial construction (1)</u>										
Number of permits	1,317	1,177	1,297	1,384	1,286	1,370	1,440	1,161	892	790
Estimated value	\$162,275	\$256,686	\$263,962	\$224,351	\$379,468	\$261,778	\$337,925	\$315,914	\$191,953	\$130,061
<u>Residential construction (2)</u>										
Number of units	603	840	860	318	501	385	381	823	523	209
Estimated value	\$55,179	\$50,689	\$72,854	\$34,460	\$56,872	\$49,174	\$59,061	\$75,001	\$75,001	\$75,218
Estimated property value (3)	\$8,328,264	\$8,252,520	\$9,625,742	\$10,765,856	\$13,928,157	\$16,449,222	\$15,425,555	\$17,356,457	\$18,075,984	\$18,480,005

Notes:

- (1) Source: Building permits issued by the City Building Services and Licensing. Includes alterations.
- (2) Number of dwelling units from building permits issued by the City Building Services and Licensing. Does not include alterations.
- (3) Source: Economic and Demographic Resource Center.

Salt Lake City Corporation
 PRINCIPAL PROPERTY TAXPAYERS
 June 30, 2003
 (unaudited)

<u>Taxpayer</u>	<u>Type of business</u>	<u>December 31, 2002 taxable valuation</u>	<u>Percentage of total taxable valuation (1)</u>
Qwest Communications	Communications	\$ 339,128,077	2.7 %
Church of Jesus Christ of Latter Day Saints	Religious	333,036,250	2.6
Pacificorp	Electric Utility	271,080,985	2.1
A T & T (including wireless)	Communications	217,341,958	1.7
Delta Air Lines	Air transportation	215,020,770	1.7
Sky West Airlines	Air transportation	188,560,170	1.5
Sinclair Oil	Petroleum	110,906,380	0.9
Boyer Companies	Real Estate Holding	100,441,800	0.8
Gateway associates	Real Estate Holding	92,218,200	0.7
Wasatch Plaza Holdings	Real Estate Holding	79,760,200	0.6
		<u>\$ 1,947,494,790</u>	<u>15.3 %</u>

(1) Total taxable value \$12,726,186,000

Salt Lake City Corporation
RATIO OF NET GENERAL OBLIGATION BONDED DEBT
TO ASSESSED VALUE AND NET BONDED DEBT PER CAPITA
Last ten fiscal years
Years ended June 30, 1994 through 2003
(dollars are expressed in thousands)
(unaudited)

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Population estimates (1)	171,190	170,782	171,478	172,178	172,880	173,858	181,743	181,509	181,266	181,027
Taxable value	\$ 7,678,641	\$ 7,574,294	\$ 8,834,660	\$ 9,880,179	\$ 11,058,957	\$ 11,673,642	\$ 12,818,430	\$ 12,130,282	\$ 12,654,482	\$ 12,726,186
Gross general obligation bonded debt	\$ 39,570	\$ 36,640	\$ 33,555	\$ 30,285	\$ 27,685	\$ 26,185	\$ 102,260	\$ 97,660	\$ 93,360	\$ 91,355
Debt service monies available for retirement of general obligation debt	\$ 826	\$ 1,203	\$ 812	\$ 988	\$ 842	\$ 837	\$ 1,600	\$ 1,757	\$ 1,487	\$ 615
General obligation debt payable from enterprise fund revenues	\$ 6,560	\$ 4,875	\$ 3,080	\$ 1,170	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net bonded debt payable from general operations	\$ 32,184	\$ 30,562	\$ 29,663	\$ 28,127	\$ 26,843	\$ 25,348	\$ 100,660	\$ 95,903	\$ 91,873	\$ 90,740
Ratio of net bonded debt to assessed / taxable value	0.419%	0.403%	0.336%	0.285%	0.243%	0.217%	0.785%	0.791%	0.726%	0.713%
Net bonded debt per capita	\$ 188.00	\$ 178.95	\$ 172.98	\$ 163.36	\$ 155.27	\$ 145.80	\$ 553.86	\$ 528.36	\$ 506.84	\$ 501.25

(1) Estimates are for July 1 of each year. The 2000-2002 figures are issued by the Census Bureau. The 1994-1999, 2003 figures are estimates prepared by the the City's Economic and Demographic Resource Center.

Salt Lake City Corporation
 COMPUTATION OF LEGAL DEBT MARGIN
 June 30, 2003
 (unaudited)

	General purposes 4%	Water, sewer, and lighting 4%	Total 8%
Legal debt margin:			
General obligation debt limitation	\$ 739,200,191	\$ 739,200,191	\$ 1,478,400,382
Less outstanding general obligation bonds	(91,355,339)	-	(91,355,339)
Legal debt margin	\$ 647,844,852	\$ 739,200,191	\$ 1,387,045,043
Fair market value of property			\$ 18,480,004,781

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.

Source: Fair market value of property - Salt Lake City Communication and Information Resource Center

Salt Lake City Corporation
 COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT
 June 30, 2003
 (unaudited)

	Total debt	Applicable to City		Debt ratios		
		Percentage	Amount	To taxable value of \$ 12,726,186,000	To fair market value of \$ 1,848,000,481	Per capita - population of 181,027 (est.)
Direct general obligation debt	<u>\$ 91,355,339</u>	100.00%	<u>\$ 91,355,339</u>	0.72%	4.94%	\$ 504.65
Overlapping debt:						
Salt Lake County	118,505,000	32.50%	38,514,125			
Salt Lake City School District	<u>118,077,722</u>	100.00%	<u>118,077,722</u>			
Total Overlapping debt	<u>236,582,722</u>		<u>156,591,847</u>			
Total applicable to the City	<u><u>\$ 327,938,061</u></u>		<u><u>\$ 247,947,186</u></u>	1.95%	13.42%	\$ 1,369.67

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
 RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR
 GENERAL OBLIGATION BONDED DEBT TO
 TOTAL GENERAL FUND EXPENDITURES - BUDGETARY BASIS

Last ten fiscal years
 Years ended June 30, 1994 through 2003
 (dollars are expressed in thousands)
 (unaudited)

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Principal	\$ 1,540	\$ 1,595	\$ 1,290	\$ 1,360	\$ 1,430	\$ 1,500	\$ 6,131	\$ 3,653	\$ 5,410	\$ 50,760 (1)
Interest and fiscal charges	2,250	2,080	2,229	1,896	1,821	1,739	5,032	6,231	5,924	4,402
Total debt service	<u>\$ 3,790</u>	<u>\$ 3,675</u>	<u>\$ 3,519</u>	<u>\$ 3,256</u>	<u>\$ 3,251</u>	<u>\$ 3,239</u>	<u>\$ 11,163</u>	<u>\$ 9,884</u>	<u>\$ 11,334</u>	<u>\$ 55,162</u>
Total general fund expenditures	<u>\$ 85,992</u>	<u>\$ 93,891</u>	<u>\$ 98,096</u>	<u>\$ 107,642</u>	<u>\$ 114,375</u>	<u>\$ 118,688</u>	<u>\$ 123,661</u>	<u>\$ 126,828</u>	<u>\$ 140,651</u>	<u>\$ 135,901</u>
Ratio of debt service to general fund expenditures (percentage)	4.4%	3.9%	3.6%	3.0%	2.8%	2.7%	9.0%	7.8%	8.1%	40.6%

(1) This includes \$48,200 of principal paid in refunding the 1999 General Obligation Bond

Note:

This schedule includes only debt service for general obligation bonded debt to be paid by general operations of the City rather than from special assessment or enterprise operations.

Source: Salt Lake City Management Services Department

Salt Lake City Corporation
REVENUE BOND COVERAGE - ENTERPRISE FUNDS
Last ten fiscal years
Years ended June 30, 1994 through 2003
(dollars are expressed in thousands)
(unaudited)

	1994	1995	1996	1997	1998	1999	2000 (4)	2001	2002	2003
Gross revenues (1)	\$ 126,014	\$ 122,080	\$ 143,324	\$ 182,035	\$ 193,056	\$ 200,405	\$ 211,600	\$ 216,997	\$ 226,833	\$ 225,431
Less direct operating expenses (2)	(71,556)	(73,387)	(79,765)	(88,923)	(97,335)	(103,059)	(104,046)	(115,398)	31,207	(121,254)
Net revenue available for debt service	\$ 54,458	\$ 48,693	\$ 63,559	\$ 93,112	\$ 95,721	\$ 97,346	\$ 107,554	\$ 101,599	\$ 258,040	\$ 104,177
Principal	\$ 7,430	\$ 10,145	\$ 19,615	\$ 36,265	\$ 50,272	\$ 34,594	\$ 36,820	\$ 46,926	\$ 36,204	\$ 17,840
Interest	16,464	18,246	18,331	17,445	17,395	14,940	17,154	14,224	12,440	10,242
Total debt service requirement	\$ 23,894	\$ 28,391	\$ 37,946	\$ 53,710	\$ 67,667	\$ 49,534	\$ 53,974	\$ 61,150	\$ 48,644	\$ 28,082
Coverage	2.28	1.72	1.67	1.73	1.41	1.97	1.99	1.66	5.30	3.71

- (1) Gross revenues include operating revenues, property taxes, and gain on sale of property and equipment.
Beginning in fiscal 1997, gross revenues also includes passenger facility charges at the airport.
- (2) Excludes depreciation and amortization
- (3) Last year for Housing Authority fund
- (4) Beginning in fiscal 2000, principal payments are net of any defeased amounts.

Source: Salt Lake City Management Services Department

Salt Lake City Corporation
SPECIAL IMPROVEMENT DEBT SERVICE BILLINGS AND COLLECTIONS
Last ten fiscal years
Years ended June 30, 1994 through 2003
(dollars are expressed in thousands)
(unaudited)

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Assessments outstanding at beginning of year	\$ 4,306	\$ 4,218	\$ 3,623	\$ 3,180	\$ 2,855	\$ 2,172	\$ 1,594	\$ 1,239	\$ 1,180	\$ 878
Additional assessments made during year	957	482	383	766	-	-	-	341	-	2,128
Less assessments collected during year	(1,045)	(1,077)	(826)	(1,091)	(683)	(578)	(355)	(400)	(302)	(1,060)
Assessments outstanding at end of year	\$ 4,218	\$ 3,623	\$ 3,180	\$ 2,855	\$ 2,172	\$ 1,594	\$ 1,239	\$ 1,180	\$ 878	\$ 1,946
Collections as a percentage of assessments outstanding during the year	24.8%	29.7%	26.0%	38.2%	31.4%	36.3%	28.7%	33.9%	34.4%	54.5%

Source: Salt Lake City Management Services Department

Salt Lake City Corporation
 DEMOGRAPHIC STATISTICS
 Last ten fiscal years
 Years ended June 30, 1994 through 2003
 (dollar amounts expressed in millions)
 (unaudited)

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Average daily school membership (1)	25,410	25,083	25,309	25,400	25,454	25,011	24,823	24,696	23,976	24,190
High school graduates (1)	1,483	1,540	1,738	1,207	1,164	1,334	1,310	1,277	1,202	1,368
Unemployment rate (2)	3.8%	3.6%	3.5%	3.2%	3.9%	4.0%	3.5%	5.0%	7.3%	(note 3)
Average monthly non-agricultural wages in Salt Lake City (3)	\$ 2,259	\$ 2,363	\$ 2,485	\$ 2,627	\$ 2,753	\$ 2,902	\$ 3,067	\$ 3,113	\$ 3,169	(note 3)

Notes:

(1) Source: Salt Lake City School District.

(2) Source: Utah Department of Workforce Services, Workforce Information.

(3) Not yet available.

Salt Lake City Corporation
 MISCELLANEOUS STATISTICS
 June 30, 2003
 (unaudited)

Date of incorporation	January 6, 1851	Municipal water plants:	
		Number of service connections	91,751
Form of government (adopted January 7, 1980)	Council / Mayor	City	57,355
		County	34,396
Census 2000 population	181,743		
Number of residents 18 years and older (2000)	138,773	Water supplied to conduits (gallons / year)	30,078,800,000
Census Bureau 2002 population estimate	181,266	Water shed managed (square miles)	190
Area (square miles)	111	Number of fire hydrants	8,967
Lane miles of city owned streets	1,754	City	5,885
Number of street lights	13,899	County	3,082
Fire protection:		Sewer Utility:	
Number of stations	14	Number of sewer connections	48,325
Sworn / fire fighters	312	Miles of sanitary sewer lines	634
Non-sworn / civilian employees	28		
Police protection:		Storm Water Utility:	
Number of officers with power of arrest	399	Miles of storm water lines	441
Number of other police employees	151	City employees (full-time positions)	2,685
Recreation and culture:		Election data:	
Number of municipal parks	134	Registered (active) voters, November 2003	86,332
Number of municipal playgrounds	50	Number of votes cast in 2003 local election	41,844
Number of municipal golf courses	8	Percentage of registered voters voting	48%
Number of municipal swimming pools	0		
Public libraries	6		

Salt Lake City Corporation
 General Fund Revenue, Expenditures, Other Financing Sources (Uses) and Beginning and Ending Fund Balance
 Last ten fiscal years
 Years ended June 30, 1994 through 2003
 (dollars are expressed in thousands)
 (unaudited)

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Beginning Fund Balance	\$ 10,249	\$ 14,365	\$ 12,889	\$ 12,197	\$ 17,465	\$ 17,114	\$ 20,399	\$ 26,698	\$ 25,489	\$ 31,152
Revenues	94,609	104,478	110,443	121,005	125,207	128,882	144,776	152,633	168,109	157,142
Expenditures	(84,983)	(93,117)	(97,849)	(107,130)	(113,989)	(115,824)	(121,289)	(122,643)	(139,271)	(134,797)
Other financing sources (uses)	(8,092)	(12,837)	(13,286)	(8,355)	(11,569)	(9,773)	(17,188)	(31,199)	(23,175)	(30,390)
Revenues and other sources over (under) expenditures and other uses	1,534	(1,476)	(692)	5,520	(351)	3,285	6,299	(1,209)	5,663	(8,045)
Ending Fund Balance	11,783	12,889	12,197	17,717	17,114	20,399	26,698	25,489	31,152	23,107

Source: Salt Lake City Management Services Department