Financial Statements
June 30, 2013 and 2012

Redevelopment Agency of Salt Lake City

(An Enterprise Fund of
Salt Lake City Corporation, Utah)

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Independent Auditor's Report

The Board of Directors
Redevelopment Agency of Salt Lake City

Report on the Financial Statements
We have audited the accompanying balance sheet of the Redevelopment Agency of Salt Lake City ("the Agency"), an enterprise fund of Salt Lake City Corporation, as of June 30, 2013 and the related statements of revenues, expenses and changes in net position and cash flows for the year then ended and the related notes to the financial statements.

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

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

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

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

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

Other Matters

Required Supplementary Information
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and Required Supplementary Information on pages 4 through 8 and page 29 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Prior Year (June 30, 2012) Auditor's Report
The financial statements of the Agency as of and for the year ended June 30, 2012, were audited by Hansen Barnett & Maxwell, P.C. who joined Eide Bailly LLP on September 1, 2013, and whose report dated October 4, 2012, expressed an unmodified opinion on those statements.

Eide Bailly LLP

Salt Lake City, Utah
October 4, 2012

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Unaudited)

Redevelopment Agency of Salt Lake City (Agency) management presents to the readers of its financial statements this narrative information. It contains an overview and analysis of the financial position and results of operations as of, and for the twelve months ended, June 30, 2013 and 2012. As management of the Agency, we encourage readers to consider information contained in this discussion.

FINANCIAL HIGHLIGHTS

The assets and deferred outflows of the Agency exceeded its liabilities at the end of the 2013 and 2012 fiscal year by $145,956,000 and $136,307,000 respectively (net position). Of the total amounts, $106,820,000 for fiscal 2013 and $93,589,000 for fiscal 2012 are available to meet ongoing obligations to creditors. The remaining net position amount of $39,137,000 and $42,718,000 for fiscal 2013 and 2012 respectively, are either restricted or invested in capital assets, net of related debt, and therefore not available to meet the Agency's ongoing obligations.

Net position increased by $9,649,000 in fiscal 2013 and $6,926,000 in fiscal 2012. The higher increase in net position results mainly from higher property taxes received, realizing a gain rather than a loss on asset disposition and lower interest on debt. These major increases were partially offset by higher payments to other taxing entities. Total long-term debt decreased by $2,718,000 during fiscal 2013 and $2,640,000 for fiscal 2012. During fiscal 2012, the Agency issued $3,740,000 revenue bonds to refund and fully pay the then outstanding $3,695,000 balance of the 2002 revenue bonds. Although the Agency incurred a deferred loss of $67,000, it saved a difference of $284,000 in future cash flows and realized an economic gain of $275,000.

A significant portion of total assets is the unrestricted cash amounting to $56,391,000 in fiscal 2013 and $56,055,000 in fiscal 2012. Statutorily, the Agency is required to spend the tax increment funds generated in each of its projects area within the boundaries of the project area except for affordable housing projects. No one project or project area has access to all of the unrestricted cash balance shown above. In addition, the Board of the Agency has a budgetary practice to follow a pay-as-you-go funding mechanism. For large projects this means budgeting over multiple years then beginning the project. This allows the Agency to accumulate sufficient funds for the project or projects rather than incurring debt for financing.

Another portion of assets is the loans receivable balance. These loans to individuals and businesses for acquisition, rehabilitation, new construction, or façade renovation continue to be an important aspect of the Agency's blight elimination mission. During fiscal year 2013, new loans totaling $5,522,000 were originated, but not necessarily funded, and principal payments of $5,788,000 were received. For fiscal year 2012, the loan amounts originated, but not necessarily funded, and principal received were $7,592,000 and $5,952,000, respectively. The Agency's loans receivable increased by $4,891,000 in fiscal 2013 and decreased by $2,866,000 in fiscal 2012, which brings the current balance to $26,756,000.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

Notes to the financial statements contain additional information important to a complete understanding of the information contained in the financial statements. Notes to the financial statements begin on page 14 of this report.

OTHER INFORMATION

Legislatively required supplemental schedules containing selected information by project area are contained in this report immediately following the notes to the financial statements and can be found on pages 31-33.

FINANCIAL ANALYSIS

As mentioned earlier, net position may over time indicate the Agency's financial position. The Agency's assets and deferred outflows exceeded its liabilities and deferred inflows by $145,956,000 and $136,307,000 at the close of the fiscal years ended June 30, 2013 and 2012 respectively.

The majority (nearly 100 percent in fiscal 2013 and 99 percent in fiscal 2012) of the Agency's net position is comprised of its un-restricted amounts and amounts invested in capital assets – net of related debt, and results from the Agency's ongoing purpose of eliminating urban blight. The Agency has issued debt to support several large scale economic development and public infrastructure projects. As an incentive to a developer, the Agency may sell land for less than its cost or market value. Newly developed properties generate increased property taxes, a portion of which the Redevelopment Agency receives to pay debt and finance ongoing activities. The other portion (less than one half of one percent in fiscal 2013 and 1 percent in fiscal 2012) of net assets represents resources that have external restrictions on how they can be used.

REDEVELOPMENT AGENCY OF SALT LAKE CITY NET POSITION

	June 30, 2013	June 30, 2012	June 30, 2011
Current and other assets	$ 123,907,490	$ 119,624,069	$ 115,805,726
Capital Assets	38,926,466	40,898,115	45,798,828
Total Assets	162,833,956	160,522,184	161,604,554
Deferred outflows	16,510	51,585	77,272
Liabilities			
Revenue bonds	5,168,696	7,886,899	10,552,494
Other Liabilities	11,725,478	16,379,892	21,748,487
Total Liabilities	16,894,174	24,266,791	32,300,981
Net Position:			
Invested in capital assets - net of related debt	38,926,466	40,898,115	45,798,828
Restricted for debt service, capital construction and undisbursed loan commitments held in escrow	210,193	1,820,182	3,594,195
Unrestricted	106,819,633	93,588,681	79,987,822
Total net position	$ 145,956,292	$ 136,306,978	$ 129,380,845

Agency Activities

As mentioned earlier, the Redevelopment Agency increased its total net position by $9,649,000 in fiscal 2013 and $6,926,000 in fiscal 2012.

The Agency's receipt of incremental property taxes, that portion of property taxes generated from higher property values from earlier redevelopment activities, increased by $3,200,000 (11.79 percent) during fiscal 2013, and by $760,000 (2.88 percent) in fiscal 2012. Miscellaneous income dropped by $251,000 (49%) in fiscal 2013 but had increased by $329,000 (182.68 percent) in fiscal 2012. The large change in both years is a result of a large contribution from the Gallivan Utah Center Owners Association (GUCOA) during fiscal 2012 to the Gallivan Center's improvements.

Total expenses in fiscal 2013 remained fairly close to those incurred in fiscal 2012, increasing a relatively modest $725,000. There were, however, some significant offsetting differences within the various expense categories. Fiscal 2013 did not have a recurrence of the $2,271,000 loss on the disposition of property that occurred in fiscal 2012. The largest offsetting increases were payments to other taxing entities and debt service expenses.

Expenses increased by $1,312,000 in fiscal 2012 compared to 2011. The biggest change was a large loss on the disposition of assets during 2012. Offsetting this large increase were some smaller decreases in debt service interest and fiscal charges and well as a decrease in all other activities.

REDEVELOPMENT AGENCY OF SALT LAKE CITY
Changes in net position

	Fiscal 2013	Fiscal 2012	Fiscal 2011
Revenues			
Program revenues:			
Rental and other income	$ 1,322,768	$ 1,235,534	$ 1,153,072
General revenues:			
Property taxes	30,347,209	27,146,847	26,387,257
Interest and investment valuation income	987,907	1,086,686	1,179,508
Miscellaneous income	767,930	508,711	179,959
Total revenues	33,425,814	29,977,778	28,899,796
Expenses			
Public Improvements	1,261,926	1,198,794	1,042,678
Grants	3,363	75,892	38,268
Debt service interest and fiscal charges	1,393,973	1,983,071	2,455,903
Payments to other taxing entities	11,832,462	9,471,496	9,478,725
Loss on asset dispositions	-	2,270,635	-
Depreciation and amortization	2,324,059	2,124,079	1,930,622
All other activities	6,960,717	5,927,678	6,793,849
Total expenses	23,776,500	23,051,645	21,740,045
Increase in net position	9,649,314	6,926,133	7,159,751
Net position, beginning	136,306,978	129,380,845	122,221,094
Net position, ending	$ 145,956,292	$ 136,306,978	$ 129,380,845

Capital Asset and Debt Administration

Capital asset investments by the Redevelopment Agency of Salt Lake City consist of land, land improvements, buildings, construction in process and a small amount of equipment. The investment in capital assets, net of accumulated depreciation, decreased by $1,972,000 in fiscal 2013 and decreased by $4,981,000 in fiscal 2012. During fiscal 2013 the Agency added a small amount to work in progress and purchased a small amount of equipment. The depreciation incurred on the depreciable assets far exceeded the modest increases which resulted in the overall decrease. During fiscal 2012, the Agency amended its plans for the Utah Theater building and the land beneath. A small portion of the building space was improved and rented to retail establishments. The remaining much larger portion was characterized as land and buildings held for resale, which are not capital assets. A much less significant reason was the depreciation of the Gallivan Center and some other buildings put in service during fiscal 2012.

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

	Fiscal 2013	Fiscal 2012	Fiscal 2011
Land and easement rights	$ 16,515,446	$ 16,515,446	$ 16,436,520
Land improvements	20,105,514	22,378,770	15,865,308
Buildings	976,548	1,005,698	-
Construction in progress	1,217,292	930,126	13,496,030
Equipment	111,666	68,075	970
Total	$ 38,926,466	$ 40,898,115	$ 45,798,828

Additional information relating to the capital assets of the Agency can be found in Note 5, beginning on page 20 of this report.

Long-term debt of the Agency totaled $5,169,000 and $7,887,000 at the end of fiscal 2013 and fiscal 2012 respectively. Fiscal 2012 and Fiscal 2011 consist entirely of revenue bonds which are secured by specified revenue sources. All three fiscal years shown in the following table contain amounts that are due to be paid on or before the end of following fiscal year.

REDEVELOPMENT AGENCY OF SALT LAKE CITY
Long term debt

	Fiscal 2013	Fiscal 2012	Fiscal 2011
Revenue bonds	$ 5,168,696	$ 7,886,899	$ 10,552,494

Additional information on the Redevelopment Agency's long-term debt can be found in Note 6, beginning on page 21 of this report.

Requests for information

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

* * * * *

	2013	2012
Assets		
Current Assets		
Unrestricted cash and cash equivalents	$ 56,390,830	$ 56,055,020
Restricted cash and cash equivalents, current portion	67,801	1,807,116
Accounts receivable	-	10,537
Loans receivable-current portion, including interest receivable of $151,456 and $90,447, respectively	1,120,907	981,899
Prepaid expenses	15,000	13,267
Total current assets	57,594,538	58,867,839
Noncurrent Assets		
Capital assets, at cost		
Land and rights	16,515,446	16,515,446
Parking facilities and plaza	54,568,616	54,568,616
Other buildings	1,020,275	1,020,275
Office furniture and equipment	245,185	179,941
Construction in progress	1,217,292	930,126
Accumulated depreciation	(34,640,348)	(32,316,289)
Net capital assets	38,926,466	40,898,115
Bond issue costs, net of accumulated amortization of $731,434 and $696,937, respectively	27,522	62,019
Loans and other long-term receivables,	25,635,516	20,883,077
Restricted cash and cash equivalents, net of current portion	142,392	13,066
Land and buildings held for resale, net	40,507,522	39,798,068
Total noncurrent assets	66,312,952	60,756,230
Total Assets	162,833,956	160,522,184
Deferred Outflows		
Deferred defeasance loss	16,510	51,585
Total Deferred Outflows	16,510	51,585
Total Assets and Deferred Outflows	$ 162,850,466	$ 160,573,769

Liabilities		
Current Liabilities		
Accounts payable and accrued liabilities	$ 429,371	$ 569,930
Related party deposits and advance rentals, current portion	27,420	27,895
Accrued compensation, current portion	48,392	39,035
Accrued interest payable, current portion	5,667,098	5,564,417
Bonds payable, current portion	2,629,887	2,718,203
Total current liabilities	8,802,168	8,919,480
Noncurrent Liabilities		
Accrued compensation, net of current portion	102,063	97,897
Related party deposits and advance rentals, net of current portion	68,067	6,717
Other post-employment benefits	118,000	96,000
Accrued interest payable, net of current portion	5,265,067	9,978,001
Bonds payable, net of premiums and current portion	2,538,809	5,168,696
Total noncurrent liabilities	8,092,006	15,347,311
Total Liabilities	16,894,174	24,266,791
Deferred Inflows	-	-
Total Liabilities and Deferred Inflows	16,894,174	24,266,791
Net Position		
Net investement in capital assets	38,926,466	40,898,115
Restricted for debt service and undisbursed loan commitment held in escrow	210,193	1,820,182
Unrestricted	106,819,633	93,588,681
Total net position	145,956,292	136,306,978
Total Liabilities, Deferred Inflows and Net Position	$ 162,850,466	$ 160,573,769

	2013	2012
Operating Revenues		
Rental and other income	$ 1,322,768	$ 1,235,534
Interest income from loans receivable	584,503	679,228
Miscellaneous	257,961	508,711
Total operating revenues	2,165,232	2,423,473
Operating Expenses		
Plaza management	889,776	659,075
Public improvements	1,261,926	1,198,794
Property management	907,660	684,525
Acquisition expenses	604,859	30,845
Other projects	2,707,343	2,434,028
Administration	1,851,079	1,791,005
Depreciation	2,324,059	2,124,079
Payments to other taxing agencies	11,832,462	9,471,496
Grants	3,363	75,892
Total operating expenses	22,382,527	18,469,739
Operating Loss	(20,217,295)	(16,046,266)
Nonoperating Revenues (Expenses)		
Property taxes	30,347,209	27,146,847
Property tax refunds	-	(197,564)
Assessment and collection levies	-	(130,636)
Gain/(loss) on sale of capital assets	509,969	(2,270,635)
Interest income	403,404	407,458
Interest and fiscal charges	(1,393,973)	(1,983,071)
Total nonoperating revenues (expenses)	29,866,609	22,972,399
Change in Net Position	9,649,314	6,926,133
Net Position, Beginning of Year	136,306,978	129,380,845
Net Position, End of Year	$ 145,956,292	$ 136,306,978

	2013	2012
Operating Activities		
Cash received from customers	$ 1,580,729	$ 1,744,245
Cash paid to suppliers	(18,957,131)	(16,046,827)
Cash paid to employees	(1,173,609)	(1,079,076)
Loans disbursed	(10,618,045)	(3,132,479)
Principal collected on loans receivable	5,798,144	5,973,767
Interest collected on loans receivable	523,494	757,671
Net Cash used for Operating Activities	(22,846,418)	(11,782,699)
Capital and Related Financing Activities		
Payments for acquisition of capital assets	(1,821,444)	(5,089,067)
Proceeds from sale of capital assets	1,269,548	2,563,673
Principal payments on bonds payable	(2,683,128)	(6,379,908)
Interest and fiscal charges paid on bonds payable	(6,004,226)	(6,118,601)
Net Cash used for Capital and Related Financing Activities	(9,239,250)	(15,023,903)
Noncapital and Related Financing Activities		
Property taxes received	30,347,209	27,146,847
Cash settlement of property tax refund payable	-	(197,564)
Collection and assessment levies	-	(130,636)
Cash proceeds from issuance of bond	-	3,740,000
Cash paid for bond issue costs	-	(44,750)
Cash received on deposit/Cash deposit refunded	(474)	(15,640)
Cash received on deposit/Cash deposit refunded - related party	61,350	(474,500)
Net Cash from Noncapital and Related Financing Activities	30,408,085	30,023,757
Investing Activities		
Interest received from investments and cash and cash equivalents	403,404	407,458
Net Cash from Investing Activities	403,404	407,458
Net Change in Cash and Cash Equivalents	(1,274,179)	3,624,613
Cash and Cash Equivalents, Beginning of year	57,875,202	54,250,589
Cash and Cash Equivalents, End of year	$ 56,601,023	$ 57,875,202

	2013	2012
Balance Sheet Presentation of Cash and Cash Equivalents		
Unrestricted	$ 56,390,830	$ 56,055,020
Restricted, current portion	67,801	1,807,116
Restricted	142,392	13,066
Total Cash and Cash Equivalents	$ 56,601,023	$ 57,875,202
Reconciliation of Operating Loss to Net Cash Used in Operating Activities		
Operating loss	$ (20,217,295)	$ (16,046,266)
Adjustments to reconcile operating loss to net cash used in operating activities		
Depreciation	2,324,059	2,124,079
Amortization of bond issue costs	34,497	34,189
Recognition of gain on loans	-	(64,240)
Accrued interest on notes receivable	(61,009)	78,443
Increase (decrease) from changes in:		
Accounts payable and accrued liabilities	(140,559)	(800,778)
Accrued compensation	13,523	29,853
Other post-employment benefits	22,000	28,000
Prepaid expenses	(1,733)	(7,267)
Total	(18,026,517)	(14,623,987)
Loans disbursed	(10,618,045)	(3,132,479)
Principal collected on loans	5,798,144	5,973,767
Net Cash used for Operating Activities	$ (22,846,418)	$ (11,782,699)

Note 1 - Summary of Significant Accounting Policies

Organization and History

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

Basis of Presentation

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

Cash and Cash Equivalents

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

Investments

Investments are shown at fair value, based upon quoted market prices. A portion of the Agency's investments at June 30, 2013 and 2012 are deposited in the pooled cash account of the City. The City's pooled cash account is invested primarily in the Public Treasurer's Investment Fund (the "Treasurer's Fund") which is not registered with the Securities and Exchange Commission. Regulatory oversight of the Treasurer's Fund is provided by the Money Management Council, which is subsequently monitored by the State of Utah. The fair market value of the Agency's position in the fund is the same as the value of the fund shares owned by the Agency.

Allowance for Doubtful Receivables

The Agency has not experienced any significant bad debt expense in the past and as management does not believe there are any impairments with the loan portfolio at June 30, 2013 and 2012, therefore, no reserve for bad debt expense has been established.

Capital Assets

Property, equipment, and land are carried at cost. Depreciation of equipment and structures is computed using the straight-line method over the estimated useful lives that range from 5 to 25 years. No depreciation is provided on construction in process until the construction project is complete and the asset is placed into service. When assets are retired or otherwise disposed of, costs and related accumulated depreciation, if any, are removed, and any resulting gain or loss is included in revenues or expenses. The capitalization threshold for capital assets is $5,000.

Capitalization of Interest Costs

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

Land and Buildings Held for Resale

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

Amortization of Bond Issuance Costs and Bond Discount or Premium

Amortization of bond discount or premium is computed using the effective-interest method over the life of the related bonds. Bond issuance costs are recorded in the balance sheet as a deferred charge and amortized using the straight-line method over the lives of the underlying bonds. Amortization expense is included in interest expense.

Property Taxes

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

Revenue Recognition

Revenue for services is recognized at the time the service is performed. Rental revenue, interest revenue from loans, and miscellaneous revenue are reported as operating revenues. Transactions which are capital, financing or investing related, including property tax revenues, are reported as non-operating revenues. All expenses related to operating the Agency are reported as operating expenses. Interest expense and financing costs are reported as non-operating expenses.

Newly Implemented Accounting Pronouncements

In December 2010, the Governmental Accounting Standards Board (GASB) issued *Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements.* That Statement supersedes *Statement No. 20, Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*. Statement 62 was effective for the Agency's June 30, 2013 financial statements; however, the adoption of this statement did not have a material impact on the financial statements.

In June 2011, the GASB issued *Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. That Statement amends *Statement No. 34, Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments* and other pronouncements by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets. Statement 63 was effective for financial statements for the Agency's June 30, 2013 financial statements; however, the adoption of this statement did not have a material impact.

Accounting Pronouncements Not Yet Implemented

In March 2012, the GASB issued *Statement No. 65, Items Previously Reported as Assets and Liabilities*. This standard establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. This standard will be effective for the Agency during the year ended June 30, 2014 and must be applied retroactively by restating financial statements for all periods presented.

The provisions of GASB 65 require that debt issuance costs (deferred financing costs) be recognized as an expense in the period incurred. The implementation will result in the removal of previously recognized deferred financing costs totaling $27,522 and reduction in net position of $27,522 as of June 30, 2013, and reduction of depreciation and amortization expense and increase in operating income of $34,497 for the year ended June 30, 2013.

In March 2012, the GASB also issued *Statement No. 66, Technical Corrections-2012-an amendment of GASB Statements No. 10 and No. 62*. That Statement resolves conflicting guidance that resulted from the issuance of Statement No. 62. Statement 66 is effective for financial statements for periods beginning after December 15, 2012, with early application encouraged. The Agency has not elected to implement this statement early; however, the adoption of this statement is not expected to have a material impact on the financial statements.

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

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Agency to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual amounts could differ from those estimates.

Note 2 - Cash and Cash Equivalents

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

	2013	2012
Cash and cash equivalents		
Money market accounts	$ 2,704,378	$ 4,245,769
Investments in the pooled investment account of Salt Lake City Corporation	53,896,645	53,629,433
	$ 56,601,023	$ 57,875,202
Financial statement presentation		
Unrestricted cash and cash equivalents	$ 56,390,830	$ 56,055,020
Restricted cash and cash equivalents, current portion	67,801	1,807,116
Restricted cash and cash equivalents	142,392	13,066
	$ 56,601,023	$ 57,875,202

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

Deposits

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

City policy provides that not more than 25 percent of the total City funds or 25 percent of the Qualified Depository's allotment, whichever is less can be invested in any one Qualified Depository. Not more than 20 percent of total City funds may be invested in any one certified out-of-state depository institution. However, there shall be no limitation placed on the amount invested with the Utah State Treasurer's Investment Pool (State Treasurer's Pool) and other money market mutual funds, provided that the overall standards of investments achieve the City's policy objectives. All of the Agency's deposits during the years ended June 30, 2013 and 2012 were made with Qualified Depositories.

Deposit Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The State of Utah does not require collateral on deposits. As of June 30, 2013 and 2012, none of the Agency's cash balance was covered by federal depository insurance. The Agency's cash balances of $56,601,023 and $57,875,202 as of June 30, 2013 and 2012, respectively, were uninsured and uncollateralized and therefore were exposed to some degree of custodial credit risk.

Investments

The Agency's investment balances as of June 30, 2013 and 2012, included in cash and cash equivalents, were $53,896,645 and $53,629,433, respectively.

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

The Agency did not enter into any reverse repurchase agreements during the years ended June 30, 2013 and 2012.

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

Note 3 - Restricted Cash and Cash Equivalents

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

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

	2013	2012
Cash held in escrow for undisbursed loans	$ 67,801	$ 1,807,116
Tax Increment Bond proceeds restricted for debt service under the related bond resolution in the event that no other funds are available	139,152	12,098
Restricted for Tax Increment Bond debt service under the related bond resolution in the event that no other funds are available	3,240	968
Total restricted cash and cash equivalents	$ 210,193	$ 1,820,182

Note 4 - Loans and Other Long-Term Receivables

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

	2013	2012
Tax increment rehabilitation loans bearing interest from 0% to 5%. Principal and interest payable in monthly installments.	17,846,545	13,102,000
Loans bearing interest at 3% to 7%, interest payable monthly; collateralized by property, letters of credit, and restricted cash accounts; includes accrued interest of $43,977 and $2,218, respectively.	4,606,369	4,453,749
Housing loans bearing interest from 0% to 3%, with principal and interest due monthly; collateralized by property; includes accrued interest of $107,479 and $88,229, respectively.	4,303,509	4,309,227
Total	26,756,423	21,864,976
Less current portion	(1,120,907)	(981,899)
Total loans and other long-term receivables	$ 25,635,516	$ 20,883,077

As of June 30, 2013 and 2012, the Agency had committed to, and approved funding for, additional loans totaling $2,905,515 and $8,001,695, which funds have not yet been disbursed. Of this amount, $67,801 had been placed into escrow by the Agency and is included in restricted cash as of June 30, 2013.

Note 5 - Capital Assets

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

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

The following is a summary of transactions affecting capital assets for the year ended June 30, 2012:

Description	Balance July 1, 2011	Additions	Reclassification of CIP	Retirements	Balance June 30, 2012
Office furniture and equipment	$ 104,302	$ 75,639	$ -	$ -	$ 179,941
Parking facilities	34,024,833	-	6,350	-	34,031,183
Other buildings	-	1,020,275	-	-	1,020,275
Plaza	11,929,353	-	8,608,080	-	20,537,433
Construction in process	13,496,030	2,553,546	(15,119,450)	-	930,126
Land and rights	16,436,520	78,926	-	-	16,515,446
Total	75,991,038	3,728,386	(6,505,020)	-	73,214,404
Accumulated depreciation					
Office furniture and equipment	(103,332)	(8,661)	-	-	(111,993)
Parking facilities	(21,976,107)	(1,639,401)	-	-	(23,615,508)
Other buildings	-	(21,499)	-	-	(21,499)
Plaza	(8,112,771)	(454,518)	-	-	(8,567,289)
Total accumulated depreciation	(30,192,210)	(2,124,079)	-	-	(32,316,289)
Net capital assets	$ 45,798,828	$ 1,604,307	$ (6,505,020)	$ -	$ 40,898,115

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

Land, parking facilities, construction in progress and plaza include approximately $40,708,000 of costs associated with the acquisition and construction of Block 57, site of a parking facility and a public plaza. During the year ended June 30, 2009, the Agency began renovations on the Block 57 public plaza. Costs for the renovation include architecture and engineering fees totaled $8,343,984. During 2012, these costs were reclassified from construction in progress to Plaza, along with additional construction projects in progress relating to the acquisition of land and buildings on Blocks 62 and 69. Land and parking facilities also include approximately $11,084,000 of costs associated with the acquisition of land and construction of a parking facility and walkway on Blocks 53 and 56.

Note 6 - Bonds Payable

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

	2013	2012
Bonds collateralized by a first pledge of taxes upon taxable property in the redevelopment project area		
Series December 5, 1990—capital appreciation bonds, 7.20% to 7.35%, due 2006 through 2015	$ 2,663,696	$ 4,146,899
Series 2012 A, 0.95% refunding bonds, due 2013 through 2015	2,505,000	3,740,000
Less deferred defeasance	(16,510)	(51,585)
Total bonds payable	5,152,186	7,835,314
Less amount due within one year	(2,629,887)	(2,718,203)
Total bonds payable less amount due within one year	$ 2,522,299	$ 5,117,111

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

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

The following is a summary of transactions affecting bonds payable for the year ended June 30, 2012:

	Balance, July 1, 2011	Additions	Principal Payments and Reductions	Balance, June 30, 2012	Due Within One Year
Serial Bonds Series December 5, 1990 Capital Appreciation Bonds	$ 5,757,494	$ -	$ (1,610,595)	$ 4,146,899	$ 1,483,203
Refunding Bonds Series 2002A	4,795,000	-	(4,795,000)	-	-
Refunding Bonds Series 2012A	-	3,740,000	-	3,740,000	1,235,000
Add unamortized premiums	42,689	-	(42,689)	-	-
Less deferred defeasance	(119,961)	(67,230)	135,606	(51,585)	-
Total Bond Obligations	$ 10,475,222	$ 3,672,770	$ (6,312,678)	$ 7,835,314	$ 2,718,203

The following is a summary of changes in long-term interest payable for the years ended June 30, 2013 and 2012, which includes accreted interest on the 1990 Capital Appreciation Bonds:

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

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

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

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

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

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

Bond issuance costs incurred as a result of the bond issuances are recorded in the balance sheet as a deferred charge and amortized over the lives of the underlying bonds. During the years ended June 30, 2013 and 2012, the Agency expensed $34,497 and $34,189, respectively, of amortization relating to the bond issuance costs.

Bond principal and interest maturities are as follows:

Year ending June 30	Principal	Interest	Total Obligation
2014	$ 2,629,887	$ 6,028,911	$ 8,658,798
2015	2,538,809	6,113,114	8,651,923
Less deferred defeasance loss	(16,510)	-	(16,510)
Total	$ 5,152,186	$ 12,142,025	$ 17,294,211

Note 7 - Pension Plans

Plan Description

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

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

Funding Policy

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

Contributions from all Salt Lake City Corporation entities to the Local Governmental Contributory Retirement System for the years ended June 30, 2013, 2012 and 2011 were $1,507,379, $1,139,709, and $1,030,292 respectively, and for the Local Governmental Noncontributory Retirement System the contributions for the years ended June 30, 2013, 2012 and 2011 were $14,267,085, $12,151,299, and $11,589,370, respectively. The contributions were equal to the required contributions for each year. Assets for the plans are not segregated by entity within the plan. Therefore, it is not possible to determine the portion of contributions applicable to each entity.

The Agency incurred $101,032, $82,125 and $65,208 of expense under the plans for the years ended June 30, 2013, 2012 and 2011, respectively.

Annual OPEB Cost and Net OPEB Obligation

The Agency's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the employer's annual required contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. For the fiscal years ended June 30, 2013 and 2012, the Agency's annual OPEB cost (expense) of $30,000 and $28,000, respectively, was equal to the ARC. The following table shows the components of the Agency's annual OPEB cost for the years ended June 30, 2013 and 2012, the amount actually contributed to the plan, and changes in the Agency's net OPEB obligation:

	2013	2012
OPEB		
Annual required contribution	$ 30,000	$ 28,000
Interest on net OPEB obligation	-	-
Adjustments to annual required contribution	-	-
Annual OPEB cost (expense)	$ 30,000	$ 28,000
Contributions made	$ (8,000)	$ -
Increase in net OPEB obligation	22,000	28,000
Net OPEB Obligations, Beginning of Year	96,000	68,000
Net OPEB Obligations, End of Year	$ 118,000	$ 96,000

The Agency's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the years ended June 30, 2012 and 2013 is as follows:

Fiscal Year Ended	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation Fiscal Year Ended
June 30, 2012	$ 28,000	$ -	0.0%	$ 96,000
June 30, 2013	30,000	8,000	26.7%	118,000

Funded Status and Funding Progress

The funded status of the Agency's portion of the plan as of June 30, 2012 and 2013 was as follows:

Year Ended	Actuarial Value of Assets (a)	Actuarial Accrued Liability (b)	Unfunded Actuarial Liability UAAL (a-b)	Funded Ratio (a) / (b)	Annualized Covered Payroll	UAAL as percent of covered payroll
June 30, 2012	$ -	$ 230,000	$ 230,000	0.00%	$ 589,602	39.01%
June 30, 2013	-	233,000	233,000	0.00%	613,606	37.97%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, shown as required supplementary information following the notes to the financial statements, presents the results of OPEB valuations as of June 30, 2012 and 2013 and looking forward; the schedule will eventually provide multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

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

In the fiscal year 2013 and 2012 actuarial valuations, the unit credit method was used. The actuarial assumptions included a 4.0% investment rate of return (net of administrative expenses) in 2013 and 2012. The valuations used an annual healthcare cost trend rate of 10% initially, reduced by decrements to an ultimate rate of 5.0% after ten years. Covered payroll included a 3.5% inflation assumption. The actuarial value of assets was not determined as the City has not advance funded its obligation. The unfunded actuarial accrued liability (UAAL) is being amortized as a level percentage of payroll over an open thirty year period.

Note 8 - Related Party Note Payable

As discussed in Note 5, the Agency owns parking facilities and a public plaza on Block 57, also known as The John W. Gallivan Utah Center (the Plaza). The Agency, along with other Block 57 property owners, is a member of the Gallivan Utah Center Owners Association, in which all members contribute funds to cover the maintenance costs of the Plaza. As of June 30, 2013 and 2012, funds held by the Agency for use in maintenance costs of the Plaza amounted to $95,487 and $34,612, respectively. These funds are reported as related party deposits and advance rentals.

Note 9 - Commitments and Contingencies

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

The total anticipated payments are as follows:

Year ending June 30	
2014	4,560,925
2015	4,346,448
Total	$ 8,907,373

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

The total anticipated payments are as follows:

2014	3,123,596
2015	3,045,434
Total	$ 6,169,030

During the year ended June 30, 2002, the Agency entered into a reimbursement agreement with Gateway Associates, a developer of a project located within the Agency's Depot District Project Area. Under the agreement, the Agency is obligated to repay to the developers, from the tax increment revenues received from the respective projects, up to $16,500,000 plus accrued interest, but not in excess of the tax increment revenues received from the individual projects. These obligations are also subject to the developers paying property taxes on a timely basis and the receipts of certificates of project completion. For the years ended June 30, 2013 and 2012, the Agency recorded expenses of $1,624,594 and $1,555,675, respectively.

During the year ended June 30, 2007, the Agency entered into a reimbursement agreement with Rio Grande Development, LLC, a developer of a project within the Agency's Depot District Project Area. Under this agreement, the Agency is obligated to repay to the developers, from the tax increment revenues received from the respective project, at the lesser of $2,020,000 or 37.5% of the Project Tax Increment over the reimbursement term, plus accrued interest, but not in excess of the tax increment revenues received from the individual projects. These obligations are also subject to the developers paying property taxes on a timely basis and the receipts of certificates of project completion. For the years ended June 30, 2013 and 2012, the Agency recorded expenses of $132,268 and $129,034, respectively.

In September 2009, the Agency a entered into a reimbursement agreement with Scrap, LLC ("Developer") for a mixed-use housing project located at 850 South 400 West, in the Agency's Granary District Project Area. The agreement provides a tax increment reimbursement to the Developer for architectural and engineering fees associated with LEED Gold Standard design improvements incorporated into the project. Under the agreement, the Agency is required to pay the Developer a reimbursement cap that is the lesser of (i) a principal amount equal to 50% of the project architectural and engineering expenses; or (ii) $450,000. These obligations are subject to the Developer paying property taxes on a timely basis, receipts of certificates of project completion, and other annual reporting duties as defined in the reimbursement agreement. For the years ended June 30, 2013 and 2012, the Agency recorded expenses of $46,990 and $48,880, respectively.

During the year ended June 30, 2010, the Agency entered into a reimbursement agreement with 222 S. Main Investments, LLC, a developer of a project within the Agency's Central Business District Project Area. Under this agreement, the Agency is obligated to repay to the developers 85% of the tax increment revenues received by the RDA from the respective project up to the lesser of: 1) total developer costs less $127,300,000 or 2) $6,000,000, plus accrued interest of 5.9%, over the reimbursement term, which expires in January 2031. These obligations are also subject to the developers paying property taxes on a timely basis, the receipt of certificates of project completion, and annual certificates of compliance with the other terms of the Reimbursement Agreement. For the years ended June 30, 2013 and 2012, the Agency recorded expenses of $386,373 and $403,570, respectively.

In March, 2008, the Agency and the State of Utah entered into a lease agreement for the rental by the State of Utah of 250 parking stalls in a parking structure owned by the Agency. The lease requires monthly payments of $20 per stall, for a total of $5,000 per month. The lease term is 20 years. In addition, the lease includes a provision for the repayment of a portion of the construction costs to be paid by the State of Utah of $350,000 over the term of the parking rental agreement. The repayment terms requires interest of 3% and monthly payments of $2,077, in addition to the monthly rent payments. The balance of the unpaid amount as of June 30, 2013 and 2012 was $266,664 and $283,321, respectively, which has been recorded as a note receivable.

Note 10 - Subsequent Events

Subsequent to June 30, 2013, the Agency approved the issuance of $64,730,000 of taxable tax increment revenue bonds (Performing Arts Center Project) Series 2013. The bonds are being issued for the purpose of providing a portion of the funds to finance the design, construction, acquisition, and related costs of a performing arts center. The bonds are secured solely by such Tax Increment Revenues. There are several issues of this bond that pay interest from 3% to 6% with maturity dates beginning on April 1, 2016 to April 1, 2031.

In connection with these bonds, the Redevelopment Agency will , on the day after closing, transfer a one- time payment of $1,395,043 to the trustee to be used for future debt service payments on the bonds.

In addition, Salt Lake City Corporation will close on the sale of Sales Tax Revenue Bonds on October 16, 2013. These bonds will also be used finance the design, construction, acquisition, and related costs of the same performing arts center. The Redevelopment Agency will also transfer a one-time payment to the same trustee, Agency funds in the amount of $1,104,957, that will be used for future debt service payments on the Sales Tax Revenue Bonds.

Required Supplementary Information
June 30, 2013 and 2012

Redevelopment Agency of Salt Lake City

SCHEDULE OF FUNDING PROGRESS – RETIREE HEALTHCARE AND LIFE INSURANCE PLAN

Plan Description

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

Funding Policy

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

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

Year Ended	Actuarial Value of Assets (a)	Actuarial Accrued Liability (b)	Unfunded Actuarial Liability UAAL (a-b)	Funded Ratio (a) / (b)	Annualized Covered Payroll	UAAL as percent of covered payroll
June 30, 2012	$ -	$ 230,000	$ 230,000	0.00%	$ 589,602	39.01%
June 30, 2013	-	233,000	233,000	0.00%	613,606	37.97%

Actuarial Assumptions

In the Fiscal 2013 actuarial valuation, the unit credit cost method was used. The actuarial assumptions included a 4.0% investment rate of return (net of administrative expenses) and an annual medical care trend rate of 10% initially for retirees under age 65, reduced by 0.5% per year until a rate of 5.0% is reached for 2019 and later years. For post 65 retirees, a 5.0% medical trend rate was assumed. Payroll costs have an assumed aggregate 3.5% increase per year. Because of the "pay as you go" funding policy, no actuarial value of assets was determined. The unfunded actuarial accrued liability (UAAL) is being amortized as a level percentage of payroll over a closed thirty year period.

Supplementary Information
June 30, 2013 and 2012

Redevelopment Agency of Salt Lake City

Redevelopment Agency of Salt Lake City

Combining Balance Sheet Information by Project Area

Years Ended June 30, 2013 and 2012

	Downtown Projects	Program Income & Revolving Loan	Sugarhouse Project	West Temple Gateway	West Capitol Hill	Depot District	Citywide Housing	Projct Area Housng	SARR	Retail Rebate	Granary District	North Temple	Total
Assets													
Cash & Cash Equiv. (Unrestricted)	$ 11,454,636	$ 19,884,571	$ 5,840,342	$ 1,618,081	$ 2,235,665	$ 5,085,884	$ 1,924,775	$ 2,040,501	$ 4,964,243	$ 1	$ 1,342,082	$ 49	$ 56,390,830
Loans & other receivable	-	22,452,914	-	-	-	-	4,303,509	-	-	-	-	-	26,756,423
Cash & equivalent (restricted)	-	-	-	-	-	-	67,801	-	142,392	-	-	-	210,193
Land & Water Rights	16,515,446	-	-	-	-	-	-	-	-	-	-	-	16,515,446
Improve other than buildings	54,568,616	-	-	-	-	-	-	-	-	-	-	-	54,568,616
Buildings	443,533	-	-	-	-	-	-	576,742	-	-	-	-	1,020,275
Machinery & equipment	245,185	-	-	-	-	-	-	-	-	-	-	-	245,185
Contstruction in progress	665,047	-	-	-	-	-	552,245	-	-	-	-	-	1,217,292
Accumulated deprec. & amort.	(34,615,630)	-	-	-	-	-	-	(24,718)	-	-	-	-	(34,640,348)
Bond issue costs, net	-	-	-	-	-	-	-	-	27,522	-	-	-	27,522
Land & buildings held resale	8,522,588	9,248,776	806,460	2,400,841	79,682	15,830,176	-	3,424,544	-	-	194,455	-	40,507,522
Other assets	15,000	-	-	-	-	-	-	-	-	-	-	-	15,000
Total Assets	$ 57,814,421	$ 51,586,261	$ 6,646,802	$ 4,018,922	$ 2,315,347	$ 20,916,060	$ 6,848,330	$ 6,017,069	$ 5,134,157	$ 1	$ 1,536,537	$ 49	$ 162,833,956
Deferred outflows	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 16,510	$ -	$ -	$ -	$ 16,510
Liabilities													
Accounts payable and accrued liabilities	$ 174,148	$ 95,338	$ 64,777	$ 2,718	$ 50,771	$ 30,241	$ 1,358	$ 5,100	$ -	$ -	$ 4,920	$ -	$ 429,371
Current deposits & advance rentals	27,420	-	-	-	-	-	-	-	-	-	-	-	27,420
Accrued compensation - current	48,392	-	-	-	-	-	-	-	-	-	-	-	48,392
Long term deposits & advance rentals	68,067	-	-	-	-	-	-	-	-	-	-	-	68,067
Accrued Interest payble-Current	-	-	-	-	-	-	-	-	5,667,098	-	-	-	5,667,098
Bonds payable - Current portion	-	-	-	-	-	-	-	-	2,629,887	-	-	-	2,629,887
Long term comp. liability	102,063	-	-	-	-	-	-	-	-	-	-	-	102,063
Other post employment benefits	118,000	-	-	-	-	-	-	-	-	-	-	-	118,000
Accrued interest - long term	-	-	-	-	-	-	-	-	5,265,067	-	-	-	5,265,067
Advances from (to) other funds	2,850,000	(2,850,000)	-	-	-	-	-	-	-	-	-	-	-
Revenue bonds payable	-	-	-	-	-	-	-	-	2,538,809	-	-	-	2,538,809
Total Liabilities	3,388,090	(2,754,662)	64,777	2,718	50,771	30,241	1,358	5,100	16,100,861	-	4,920	-	16,894,174
Net position - Beginning	55,768,313	51,488,421	7,373,456	3,947,303	2,574,276	19,898,491	6,569,903	5,534,380	(18,203,403)	-	1,355,838	-	136,306,978
Revenues	7,130,226	2,037,430	2,046,413	615,342	438,600	4,546,841	42,263	11,348	16,021,695	170,143	268,490	97,023	33,425,814
Expenses	(8,101,734)	815,072	(2,695,024)	(485,525)	(690,800)	(3,114,069)	(318,771)	(87,336)	(8,768,486)	(170,142)	(62,711)	(96,974)	(23,776,500)
Net transfers in (out)	(370,474)	-	(142,820)	(60,916)	(57,500)	(445,444)	553,577	553,577	-	-	(30,000)	-	-
Total net position and liabilities	$ 57,814,421	$ 51,586,261	$ 6,646,802	$ 4,018,922	$ 2,315,347	$ 20,916,060	$ 6,848,330	$ 6,017,069	$ 5,150,667	$ 1	$ 1,536,537	$ 49	$ 162,850,466

Redevelopment Agency of Salt Lake City

Combining Statement of Revenues and Expenses by Project Area

Years Ended June 30, 2013 and 2012

	Downtown Projects	Program Income & Revolving Loan	Sugarhouse Project	West Temple Gateway	West Capitol Hill	Depot District	Citywide Housing	Projct Area Housng	SARR	Retail Rebate	Granary District	North Temple	Total
Revenue													
Property taxes	$ 7,104,745	$ -	$ 1,428,207	$ 609,153	$ 422,184	$ 4,454,445	$ -	$ -	$ 15,971,655	$ -	$ 259,878	$ 96,942	$ 30,347,209
Interest income	8,607	765,840	35,321	10,996	16,416	38,383	42,263	11,348	50,040	-	8,612	81	987,907
Rental & other income	-	1,271,590	2,000	2,402	-	46,776	-	-	-	-	-	-	1,322,768
Miscellaneous revenue	16,874	-	70,914	30	-	-	-	-	-	170,143	-	-	257,961
Gain on sale of capital assets	-	-	509,971	(7,239)	-	7,237	-	-	-	-	-	-	509,969
Total Revenue	7,130,226	2,037,430	2,046,413	615,342	438,600	4,546,841	42,263	11,348	16,021,695	170,143	268,490	97,023	33,425,814
Expense													
Administration	451,594	222,351	400,000	-	105,000	400,000	80,000	80,000	110,000	1,684	-	450	1,851,079
Plaza Management	26,630	863,146	-	-	-	-	-	-	-	-	-	-	889,776
Acquistion expenses	82,938	-	317,507	23,720	17,068	174,459	-	(10,833)	-	-	-	-	604,859
Public Improvements	67,207	2,990	290,725	61,961	325,784	500,804	8,668	1,691	-	-	2,096	-	1,261,926
Property Management	-	526,723	20,548	52,221	45,146	239,272	21,525	-	-	-	2,225	-	907,660
Housing initiatives	-	-	-	-	-	-	208,578	-	-	-	-	-	208,578
Grants	284,064	(2,433,229)	1,643,978	330,000	178,539	11	-	-	-	-	-	-	3,363
Interest and fiscal charges	-	-	-	-	-	-	-	-	1,393,973	-	-	-	1,393,973
Payments to other taxing agencies	4,262,847	-	-	-	-	-	-	-	7,264,513	-	-	96,524	11,623,884
Depreciation	2,307,581	-	-	-	-	-	-	16,478	-	-	-	-	2,324,059
Other Projects	618,873	2,947	22,266	17,623	19,263	1,799,523	-	-	-	168,458	58,390	-	2,707,343
Total Expense	8,101,734	(815,072)	2,695,024	485,525	690,800	3,114,069	318,771	87,336	8,768,486	170,142	62,711	96,974	23,776,500
Net transfers in (out)	(370,474)	-	(142,820)	(60,916)	(57,500)	(445,444)	553,577	553,577	-	-	(30,000)	-	-
Change in net position	$ (230,560)	$ 2,852,502	$ (362,971)	$ 251,649	$ (137,200)	$ 2,323,660	$ (1,383,662)	$ (1,183,142)	$ 7,253,209	$ 1	$ 265,779	$ 49	$ 9,649,314

Redevelopment Agency of Salt Lake City
Selected Budgetary Information by Project Area
Years Ended June 30, 2013 and 2012

	Downtown Projects	Program Income and Revolving loan	Sugarhouse Project	West Temple Gateway	West Capitol Hill	Depot District	Citywide Housing	Projct Area Housng	SARR	Retail Rebate	Granary District	North Temple	Total
Tax increment collected	$ 7,104,745	$ -	$ 1,428,207	$ 609,153	$ 422,184	$ 4,454,445	$ -	$ -	$ 15,971,655	$ -	$ 259,878	$ 96,942	$ 30,347,209
Loan principal received	-	5,762,638	-	-	-	-	24,968	-	-	-	-	-	5,787,606
Bonds payable	-	-	-	-	-	-	-	-	5,168,696	-	-	-	5,168,696
Interest and fiscal charges	-	-	-	-	-	-	-	-	1,393,973	-	-	-	1,393,973
debt principal paid	-	-	-	-	-	-	-	-	2,718,203	-	-	-	2,718,203
Origination of loans	-	7,021,865	-	-	-	-	-	-	-	-	-	-	7,021,865
Payments to other taxing entities	4,262,847	-	-	-	-	-	-	-	7,264,513	-	-	96,524	11,623,884
Public improvements	67,207	2,990	290,725	61,961	325,784	500,804	8,668	1,691	-	-	2,096	-	1,261,926
Plaza management	26,630	863,156	-	-	-	-	-	-	-	-	-	-	889,786
Property management	-	526,723	20,548	52,221	45,146	239,272	21,525	-	-	-	2,225	-	907,660
Budgetary transfers in (out)	(370,474)	-	(142,820)	(60,916)	(57,500)	(445,444)	553,577	553,577	-	-	(30,000)	-	-
Administration expense	451,594	222,351	400,000	-	105,000	400,000	80,000	80,000	110,000	1,684	-	450	1,851,079
Other redevelopment costs	618,873	2,947	22,266	17,623	19,263	1,799,523	-	-	-	168,458	58,390	-	2,707,343