

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT (ACFR):
JUNE 30, 2021**

CITY OF DRAPER, UTAH



CITY OF DRAPER

State of Utah

ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2021

**PREPARED BY:
DRAPER CITY FINANCE DEPARTMENT**

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INTRODUCTORY SECTION

Troy Walker, *Mayor*
Mike Green, *Council Member*
Tasha Lowery, *Council Member*
Fred Lowry, *Council Member*
Cal Roberts, *Council Member*
Marsha Vawdrey, *Council Member*



1020 East Pioneer Road Draper, Utah 84020
Phone: (801) 576-6500 Fax: (801) 576-6389
Website: www.draperutah.gov

December 14, 2021

To the Honorable Mayor, Members of the City Council and Citizens of City of Draper:

The Annual Comprehensive Financial Report (ACFR) of the City of Draper, Utah, for the fiscal year ended June 30, 2021 is submitted herewith. This report has been prepared by the City's Finance Department in accordance with generally accepted accounting principles (GAAP) and audited in accordance with government auditing standards by a firm of licensed certified public accountants. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures and supplementary information, rests with the City's management.

State law requires that general-purpose local governments publish a complete set of financial statements in accordance with GAAP within six months of the close of each fiscal year. State law also requires that the report be audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants.

As required by State law, Draper City's financial statements have been audited by HBME LLC, a firm of certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements for the fiscal year ended June 30, 2021 are free of material misstatements. The 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, and evaluating the overall financial statement presentation.

The independent auditors concluded that there was a reasonable basis for rendering an unmodified opinion of the City's financial statements for the fiscal year ended June 30, 2021. Their report is included in the financial section of this report.

GAAP requires management to provide a narrative, introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A immediately follows the independent auditors' report.

To provide a reasonable basis for making these representations, the management of Draper 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 Draper City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, Draper City's 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, this financial report is complete and reliable in all material respects.

City's Profile

The City of Draper, Utah, was incorporated on February 22, 1978. The City has a population of approximately 51,017, making it the 16th largest city in the state and a city of the third class, as defined by the State of Utah. At build-out, the City is projected to have a population of 75,000. Draper City is mainly located within the Salt Lake metropolitan area with a portion overlapping into northern Utah County. The City is approximately 30.12 square miles in size.

The City provides a full range of services to its businesses and residents. These include police and fire protection, culinary water, storm drain, solid waste and recycling collection and disposal, construction and maintenance of roadways, parks and recreation facilities, street lighting, and Draper Days, along with other community and cultural events.

Draper City operates under the council-manager form of municipal government. The City Council is the legislative branch of the city government and is composed of the Mayor and five council members. The term for each of these elected offices is four years. The City Council is responsible for passing ordinances, adopting the budget, appointing the City Manager and other city officials required through state or local policy to be appointed by council. They are also responsible for appointing committees.

The City Manager serves as the chief administrative officer responsible for directing the day-to-day operations of city affairs, and the implementation of City Council ordinances and policies as adopted. As the City Council's chief advisor, the City Manager prepares a recommended budget for Council's consideration and recruits, hires and supervises city staff.

Utah state law requires the City to adopt a budget for all funds on an annual basis, and requires that all funds maintain a balanced budget, with some limited exceptions. State law also requires that departmental expenditures do not exceed appropriate funding levels, except in cases of emergency (such as a natural disaster). Authority to revise the approved budget rests with the City Council, which may be accomplished following the completion of noticing and hearing requirements.

Economic Condition

New growth slowed down over the last year, however there are a couple of significant new developments. The Lone Peak Biotech Business Park added 150,000 square feet of new industrial and manufacturing space that will add a couple hundred new jobs. Lone Peak Hospital expanded its maternity area to accommodate more patients. AutoNation purchased property for an auto dealership in Draper and will start construction in 2021 which will provide additional sales tax to the city.

Relevant Financial Policies

Cash during the year was invested in the Public Treasurer's Investment Fund and with Moreton Asset Management. The City's investment policy is to minimize credit and market risks while maintaining a competitive yield on its portfolio. The City's bank deposits are uncollateralized and insured up to \$250,000 per institution by the FDIC. Utah operates under state statute allowing investments to be uncollateralized if state guidelines are followed.

The City is self-insured for unemployment costs. The City is also self-insured to \$7,500 for general liability. The City is a member of the Utah Risk Management Association, which provides general liability coverage for claims in excess of the self-insured amount up to \$6,000,000.

The City pays unused vacation, holiday, and compensatory time balances at termination.

Long-term Financial Planning

The City has taken and will continue to take significant steps to address long-term financial stability. Some of these are:

- Revenue diversification
- Reviewing fees for service to reflect the cost of that service's delivery
- Continuing the funding of infrastructure maintenance programs
- Continuing the funding of reserve accounts
- Targeting expenditure reductions to match community priorities
- Continuing to follow conservative financial practices and policies
- Supporting innovation to promote continuous improvement

All of these were accomplished while continuing to focus on the City's long-term strategic vision and priorities.

The City has been judicious in the use of debt financing, and as such has positioned itself to be able to take advantage of low interest rates and low construction costs to fund infrastructure and other City facilities if needed.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Report to Draper City for its comprehensive annual financial report for the fiscal year ended June 30, 2020. To be awarded a Certificate of Achievement, the City, must publish an easily readable and efficiently organized annual compressive financial report. The report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year. We believe the current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements.

The preparation of this report on a timely basis could not have been accomplished without the efficient and dedicated service of the entire staff of the Finance Department. Each member of the Department has our sincere appreciation for the contributions made in the preparation of this report. In closing, without the leadership and support of the City Council, preparation of this report would not have been possible.

Respectfully submitted,



David Dobbins



Bob Wylie



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Draper
Utah**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morill

Executive Director/CEO

LIST OF ELECTED AND APPOINTED OFFICIALS

ELECTED OFFICIALS

Mayor.....	Troy Walker
City Council Member	Mike Green
City Council Member	Tasha Lowery
City Council Member	Fred Lowry
City Council Member	Marsha Vawdrey
City Council Member	Cal Roberts

APPOINTED OFFICIALS AND DEPARTMENT HEADS

City Manager	David Dobbins
Assistant City Manager	Bret Millburn
City Attorney	Mike Barker
City Recorder.....	Laura Oscarson
City Treasurer	Lourdes Ramos
Communications Director.....	Linda Peterson
Community Development Director	Vacant
Finance Director	Robert Wylie
Human Resources Director.....	Hazel Dunsmore
Justice Court Judge.....	Daniel Bertch
Police Chief	John Eining
Public Works Director/City Engineer.....	Scott Cooley
Recreation Director.....	Rhett Ogden

OTHER BODIES UNDER THE DIRECTION OF THE CITY COUNCIL

BOARDS

Appeals Board
Board of Adjustment
Emergency Preparedness Executive Committee
Arena Board
Municipal Building Authority Board
Redevelopment Agency Board
Youth Council Advisory Board
Traverse Ridge Special Service District Administrative Control Board (TRSSDACB)

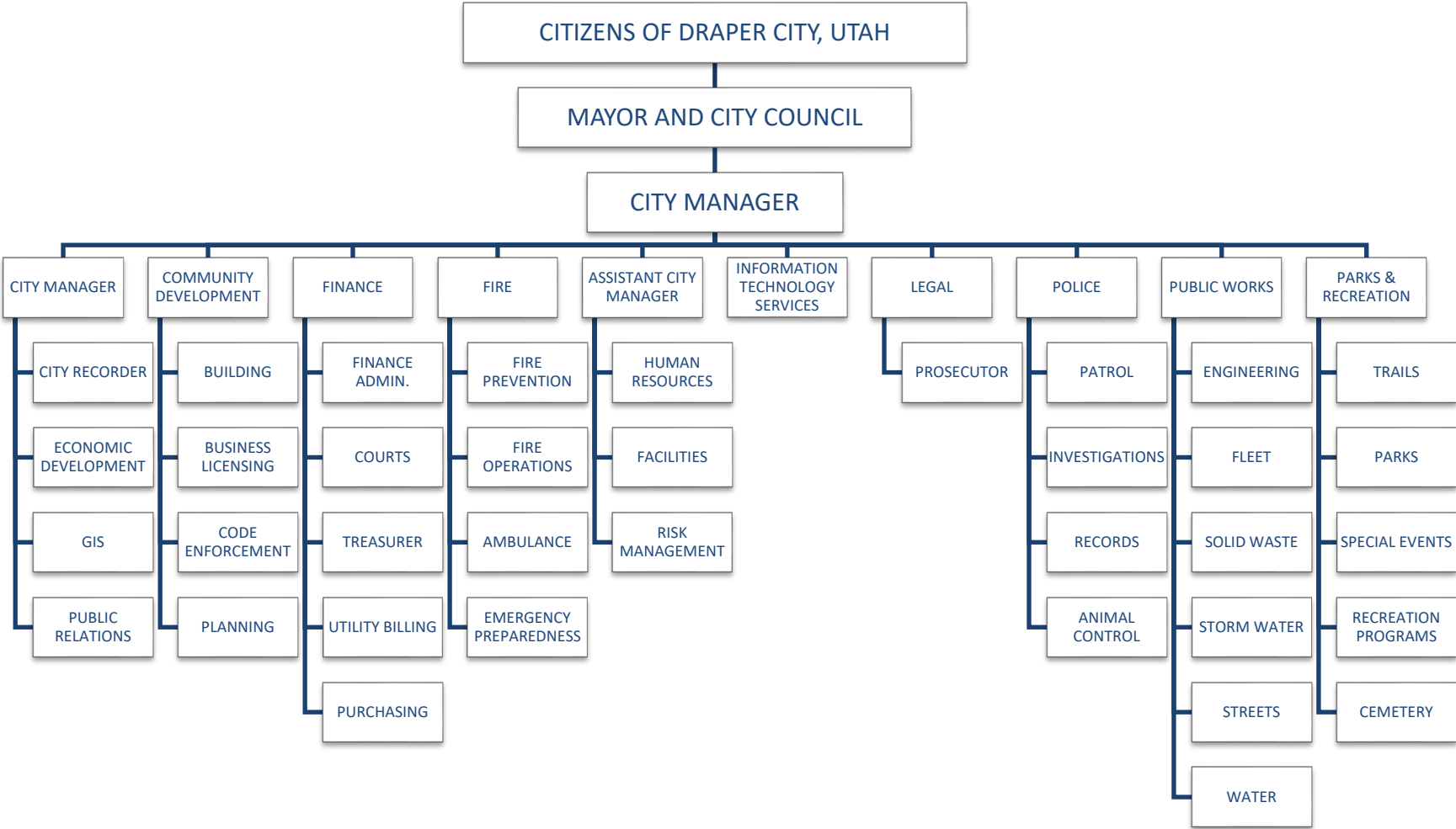
COMMISSIONS

Planning Commission
Tree Commission
Historic Preservation Commission

COMMITTEES

Parks, Trails and Recreation Committee

ORGANIZATIONAL CHART



FINANCIAL SECTION



COMMITTED. EXPERIENCED. TRUSTED

**CERTIFIED PUBLIC
ACCOUNTANTS**

E. LYNN HANSEN, CPA
CLARKE R. BRADSHAW, CPA
GARY E. MALMROSE, CPA
EDWIN L. ERICKSON, CPA
MICHAEL L. SMITH, CPA
JASON L. TANNER, CPA
ROBERT D. WOOD, CPA
AARON R. HIXSON, CPA
TED C. GARDINER, CPA
JEFFREY B. MILES, CPA
SHAWN F. MARTIN, CPA

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members of the City Council
City of Draper, Utah

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Draper, Utah (the City), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Draper, Utah, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

The City's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5-16, the budgetary comparison information on pages 65-68, and the pension schedules on pages 69-71 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements and budgetary comparison schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and budgetary comparison schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and budgetary comparison schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information Included in the Annual Report

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 8, 2021 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

HBMC, LLC

December 8, 2021

MANAGEMENT’S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED JUNE 30, 2021

Draper City Corporation’s (the City) 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, 2021. As management of the City, we encourage readers to consider information contained in this discussion and the City’s financial statements, which follow this section.

Financial Highlights

- The assets and deferred outflows of resources of the City exceeded the liabilities and deferred inflows at the close of Fiscal Year 2021 (FY2021) by \$592,893,623 (net position). Of this amount, \$89,539,092 is in unrestricted net position which is available to meet ongoing obligations.
- The City’s net position increased by \$26,551,818. Of this increase, \$19,715,271 is attributable to governmental activities. Business-type activities accounted for \$6,836,547 increase to the City’s net position.
- FY2021 General Fund final revenues before other financing sources was \$44,769,874. This is an increase of \$6,250,016 or 16.2% over the prior fiscal year. Taxes continued to be the largest source of the revenue, which accounted for \$31,198,218 or 69.7%. Overall, tax revenues increased by \$3,534,918 or 12.8%.
- Actual expenditures for operations in the General Fund were \$33,894,131 before other financing uses. All departments within the general fund came in under budget. The excess of revenues over expenditures within the general fund was \$10,875,743 before other financing sources (uses). The net other financing sources (uses) was \$(9,409,424). This resulted in a net change in fund balance of \$1,466,319.
- The outstanding bonds at year-end decreased by \$6,930,917 after scheduled bond payments and two bond defeasances, leaving total bonds payable at \$17,509,523. The City also had outstanding notes payable of \$11,257,815 which is unchanged from FY2020.

Report Overview

This discussion and analysis is intended to serve as an introduction to the City’s basic financial statements. The City’s basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required supplemental information and other supplementary information in addition to the basic financial statements themselves that will help the reader to gain a more in-depth understanding of the City.

Government-wide financial statements:

The government-wide financial statements are designed to provide readers with a broad overview of the City’s financial position as well as changes in financial position. This is similar to consolidated financial statements in a private sector business. The statements consist of the Statement of Net Position and the Statement of Activities.

The Statement of Net Position presents information on all of the City’s assets and liabilities, with the difference between the two reported as net position. An increase or decrease in net position over time may be used as an indicator of whether the financial condition of the City is improving or declining.

The Statement of Activities presents information on how the City’s net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses reported in this statement for some items will result in cash flows in future fiscal periods (e.g., debt interest payment when the fiscal year ends between interest payments).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety (police & fire), streets, planning, economic development, and parks and recreation. The business-type activities of the City include culinary water, storm drain, sanitation, and ambulance.

The government-wide financial statements include not only the City of Draper (the primary government), but also three legally separate component units, the Municipal Building Authority of the City of Draper, the Redevelopment Agency of the City of Draper and Traverse Ridge Special Service District, for which the City is financially accountable. Financial information for these blended component units are presented with the financial statements for the City. The government-wide financial statements are found immediately following this discussion and analysis.

Fund Financial Statements:

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Some funds are required to be established by State law and/or bond covenants. All of the City’s funds can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds - Most of the City’s basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. The funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental funds statements provide a detailed short- term view to cash, as well as to the basic services and operations of the governmental funds. Governmental fund information helps to determine whether there are changes in the financial resources available to finance the City’s programs in the near future. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds are described in the reconciliations after the fund financial statements.

The City maintains the following ten (10) individual governmental funds:

- General
- Municipal Building Authority
- Capital Improvement Projects
- Fire Impact Fee
- Transportation Impact Fee
- Park Impact Fee
- Police Impact Fee
- Redevelopment Agency
- Cemetery Permanent Fund
- Traverse Ridge Special Service District (special revenue)

Proprietary Funds - When the City charges customers for the services it provides – whether to outside customers or to other units of the City – these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the City’s enterprise funds (a component of proprietary funds) are the same as the business-type activities reported in the government-wide statements but with additional detail, such as cash flows.

The City maintains the following four individual proprietary funds:

- Water (includes Impact Fees)
- Storm Water (includes Impact Fees)
- Solid Waste (Sanitation)
- Ambulance

Notes to the Financial Statements - The notes provide additional information which is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found immediately after the statements for major funds.

Required Supplemental Information - This section contains budget to actual comparison statements for the City’s general fund and major special revenue funds, which include the RDA and MBA funds. It also contains required schedules for the City’s pension program.

Other Information - In addition to the basic financial statements and accompanying notes, this report also presents the combining statements referred to earlier in connection with nonmajor governmental funds. Combining and individual fund statements and schedules can be found after the notes in the financial section.

Financial Analysis of the Government-Wide Financial Statements:

Draper City’s Statement of Net Position:

As noted earlier, net position may serve over time as a useful indicator of a government’s financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$592,893,623 at the close of FY2021.

By far, the largest portion of the City’s net position (81.5%) reflects its investment in capital assets less any related outstanding debt. Capital assets are used to provide services to citizens; and as such, they are not available for future spending. Although the investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities. Unrestricted net position may be used to meet the City’s ongoing obligations to residents and creditors.

The City continues to report positive balances in all three categories of net position - the government as a whole, as well as for its separate governmental activities and business-type activities.

Fiscal Year Comparison of Net Position

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Primary Government</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Current and Other Assets	\$110,557,394	\$107,234,786	\$36,247,152	\$32,231,284	\$146,804,546	\$139,466,070
Capital Assets	454,790,772	448,300,251	56,865,725	54,905,026	511,656,497	503,205,277
Total Assets	565,348,166	555,535,037	93,112,877	87,136,310	658,461,043	642,671,347
Deferred Outflows of Resources						
Deferred loss on refunding	121,614	231,969	-	-	121,614	231,969
Deferred outflows related to pensions	2,353,891	2,292,610	459,271	349,146	2,813,162	2,641,756
Total Deferred Outflows of Resources	2,475,505	2,524,579	459,271	349,146	2,934,776	2,873,725
Current and Other Liabilities	13,044,336	16,139,805	1,186,061	1,815,312	14,230,397	17,955,117
Long Term debt outstanding	29,474,459	38,663,461	2,813,303	3,410,780	32,287,762	42,074,241
Total Liabilities	42,518,795	54,803,266	3,999,364	5,226,092	46,518,159	60,029,358
Deferred inflows of resources						
Deferred revenue-property taxes	16,578,292	16,221,471	-	-	16,578,292	16,221,471
Deferred inflows related to pensions	4,523,216	2,546,782	882,529	405,656	5,405,745	2,952,438
Total Deferred Inflows of Resources	21,101,508	18,768,253	882,529	405,656	21,984,037	19,173,909
Net Position:						
Net investment in capital assets	428,641,181	415,426,098	54,369,592	52,312,893	483,010,773	467,738,991
Restricted	20,086,020	17,571,469	257,738	257,183	20,343,758	17,828,652
Unrestricted	55,476,167	51,490,530	34,062,925	29,283,632	89,539,092	80,774,162
Total Net Position	\$504,203,368	\$484,488,097	\$88,690,255	\$81,853,708	\$592,893,623	\$566,341,805

Draper City’s Statement of Activities:**Governmental Activities -**

Net position for governmental activities increased in FY2021. Total revenues for governmental activities, which is made up of both programs revenues (charges for services) and general revenues (taxes and investments) was \$64,234,884 and expenses for the same governmental activities was \$42,553,363 resulting in a change of net position before transfers at \$21,681,521. After transfers out of \$1,966,250 the final increase in net position was \$19,715,271.

When compared to FY2020, changes in the City’s net position for governmental activities resulted by increases of \$2,025,836 in general revenues, \$10,344,548 to program revenues, and decreased expenses of \$3,295,967.

- Significant changes to general revenues include property taxes, sales taxes and investment earnings. Property taxes increased \$872,651, or 9.4%, which was a result of increased developmental activities and significant new growth. Sales taxes increased \$2,748,236, or 14% due to increased sales within the City. Investment earnings decreased by -\$1,544,871 due to market interest rate reductions.
- Major changes to program revenues include an \$815,499 increase to the incremental property taxes for RDA areas, \$2,854,819 for CARES Act funds dedicated to public safety, and a \$6,569,095 increase to developer contributions related to the value of donated assets such as sidewalks and roads.
- The decrease in governmental expenses is a direct result of decreased spending for capital projects related to both highways and improvements and park and recreation during the year.

Because of the positive changes to program revenues, the City’s reliance on general revenues to fund such programs decreased. In FY2020, \$25,188,073 of general revenues were needed to subsidize governmental programs. This year only \$11,547,558, or 37% of the \$31,262,829 of general revenues was needed, netting the \$19,715,271 positive change in governmental net position after transfers.

Business-Type Activities –

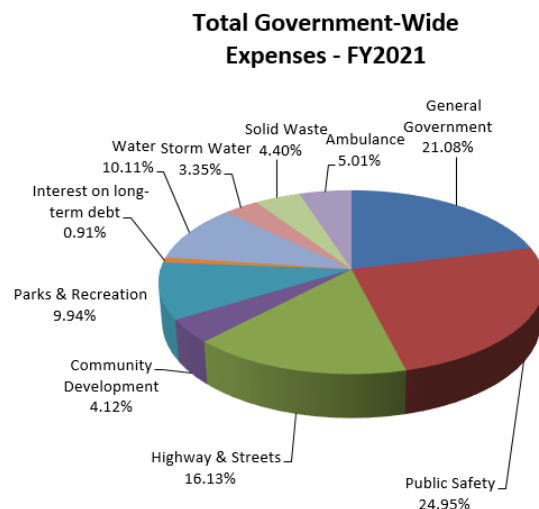
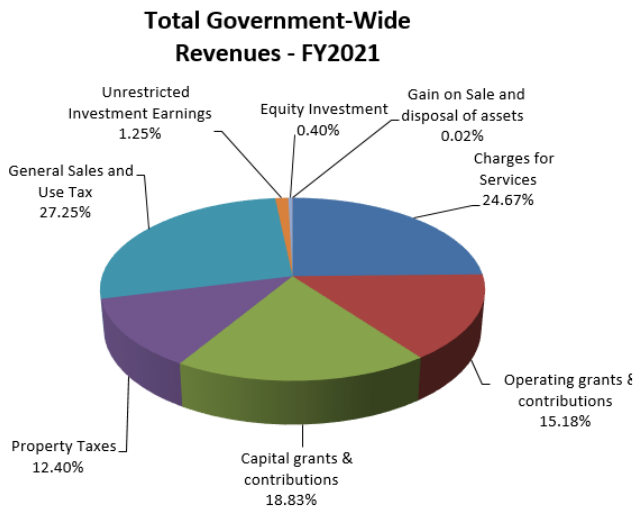
Net position for business-type activities increased \$6,836,547. Revenue for business-type activities totaled \$17,487,461 before transfers and \$19,453,711 after the transfer from the general fund of \$1,966,250. Charges for services had an increase from the previous year of \$921,697. The charges for services totaled 78% of the total revenues. Expenses for business-type activities totaled \$12,617,164. This is an increase of \$232,797 from the previous year. Water operations had the largest increase in operating expenses with an increase of \$346,136 or 6.6%. This increase is reflective of the increased cost to purchase and supply water to the customers. The storm operations had an increase in expenses of \$244,147. This increase also reflects the increase in costs to provide these services.

When compared to FY2020, changes in the City’s net position for business-type activities resulted by an increase of \$1,471,553 to program revenues, an increase of \$232,797 to expenses and a -\$231,998 decrease to general revenues. The largest change to program revenues was a \$1,094,897 increase to developer contributions related to the value of donated assets such as water systems; however, because these contributions have no related expenses, the total developer contribution of \$1,996,686 are treated as an addition to fund balance.

Comparison of Changes in Net Position

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Primary Government</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Revenues:						
Program revenues:						
Charges for services	\$ 6,552,955	\$ 6,068,945	\$ 13,611,633	\$ 12,689,936	\$20,164,588	\$18,758,881
Operating grants & contributions	12,404,716	7,606,653	-	8,161	12,404,716	7,614,814
Capital grants & contributions	12,048,134	6,985,659	3,340,051	2,782,034	15,388,185	9,767,693
General revenues:						
Property taxes	10,134,491	9,261,840	-	-	10,134,491	9,261,840
General sales and franchise tax	22,265,674	19,517,438	-	-	22,265,674	19,517,438
Unrestricted investment earnings	828,914	2,373,785	191,302	510,345	1,020,216	2,884,130
Equity investment	-	-	324,142	254,094	324,142	254,094
Gain on sale and disposal of assets	-	50,180	20,333	3,336	20,333	53,516
Total revenues	64,234,884	51,864,500	17,487,461	16,247,906	81,722,345	68,112,406
Expenses:						
General government	11,629,655	10,379,534	-	-	11,629,655	10,379,534
Public safety	13,763,801	13,066,189	-	-	13,763,801	13,066,189
Highway & streets	8,899,167	12,148,438	-	-	8,899,167	12,148,438
Community development	2,274,909	2,394,847	-	-	2,274,909	2,394,847
Parks & recreation	5,484,580	7,172,495	-	-	5,484,580	7,172,495
Interest on long-term debt	501,251	687,827	-	-	501,251	687,827
Water	-	-	5,576,316	5,230,180	5,576,316	5,230,180
Storm drain	-	-	1,845,995	1,601,848	1,845,995	1,601,848
Solid waste	-	-	2,424,928	2,415,102	2,424,928	2,415,102
Ambulance	-	-	2,769,925	3,137,237	2,769,925	3,137,237
Total expenses	42,553,363	45,849,330	12,617,164	12,384,367	55,170,527	58,233,697
Increase in net position before transfers	21,681,521	6,015,170	4,870,297	3,863,539	26,551,818	9,878,709
Transfers - net	(1,966,250)	(1,766,050)	1,966,250	1,766,050	-	-
Increase in net position	19,715,271	4,249,120	6,836,547	5,629,589	26,551,818	9,878,709
Net position - beginning	484,488,097	480,238,977	81,853,708	76,224,119	566,341,805	556,463,096
Net position - ending	\$ 504,203,368	\$ 484,488,097	\$ 88,690,255	\$ 81,853,708	\$592,893,623	\$566,341,805

The following two graphs display the City’s government-wide revenues and expenses for fiscal year FY21.



Financial Analysis of the Fund Financial Statements:

Governmental Funds:

The City’s governmental funds are accounted for using the modified accrual basis of accounting. The 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 unassigned portion of this total fund balance is a measure of the available resources at June 30, 2021.

As the City completed the year, its governmental funds reported a combined fund balance of \$74,349,756, which is an increase of \$3,193,054 compared to the prior fiscal year. Of that available fund balance, \$44,962,351 is available for spending (assigned & unassigned). The remaining balances are nonspendable or restricted. The nonspendable amount is \$9,301,385 which is primarily the note receivable from the Loveland Planet Aquarium for the Series 2012C bond debt service. The restricted amount of \$20,086,020, which consist of the following fees: impact fees (\$12,472,210), B&C road (\$4,124,655), transportation (\$2,865,310), grants (\$60,790), debt service (\$392,796) and perpetual care (\$170,259). The assigned balance is \$31,399,734. This is the amount assigned by the City Council based on the funds specific purpose for subsequent years’ capital expenditures and other uses, which leaves the unassigned balance of \$13,562,617.

General Fund:

The general fund as reported consists of the general government fund, class B&C roads, and highway option tax funds. At June 30, 2021, the fund balance of the combined general fund was \$30,154,055, which is an increase of \$1,466,319.

General Government Fund – The general government fund accounts for all of the general services provided by the City. At June 30, 2021, the unassigned fund balance of the general fund was \$13,562,617. Revenues exceeded expenditures by \$10,875,743 before other financing sources and uses. The current general fund unassigned fund balance is 30% of general fund revenue, out of the allowable 35% as set by State code.

General Fund Revenues – As a whole, revenue sources recognized growth in 2021 with an increase of \$6,250,016 or 16.2%. Taxes continued to be the largest source of revenue in the general fund and represented 69.7% of total revenues. This category was made up of sales tax, property tax, energy tax, and franchise taxes. Property tax and sales tax rates remained the same for the fiscal year. Tax revenues increased by \$3,534,918 or 12.8% when compared to the prior year.

- Sales tax revenues were the largest tax revenue contributor in 2021, and increased by \$2,532,898 or 17.8% as compared to 2020. This increase is the direct result of improved sales across all categories of businesses in the community.
- Property tax revenues increased by \$786,682 or 9.7% in 2021. The increase of property taxes received from the prior fiscal year was due to the new growth in the City. The City did not increase its property tax rate.
- Interest revenue saw the largest decrease. It was down \$1,053,985 or by 62% due to market rates.

License and permit revenues increased by \$267,441 or 7.1% from the previous year. Plan check fees saw the largest increase in this area with a single year increase of \$284,305 from FY2020. However, building permit fees decreased by \$-30,570 in FY2021. In 2021, the City realized \$4,054,318 in license and permit revenue.

Fines and forfeitures decreased by -\$169,838 or -24% for total fines and forfeitures revenues of \$538,903. This decrease was largely due to the impact that COVID-19 has had on the court system. Beginning in March 2020, the Utah State Court Administrators Office has closed all in person court related items. This has left the Justice Court without holding any jury or small claim cases.

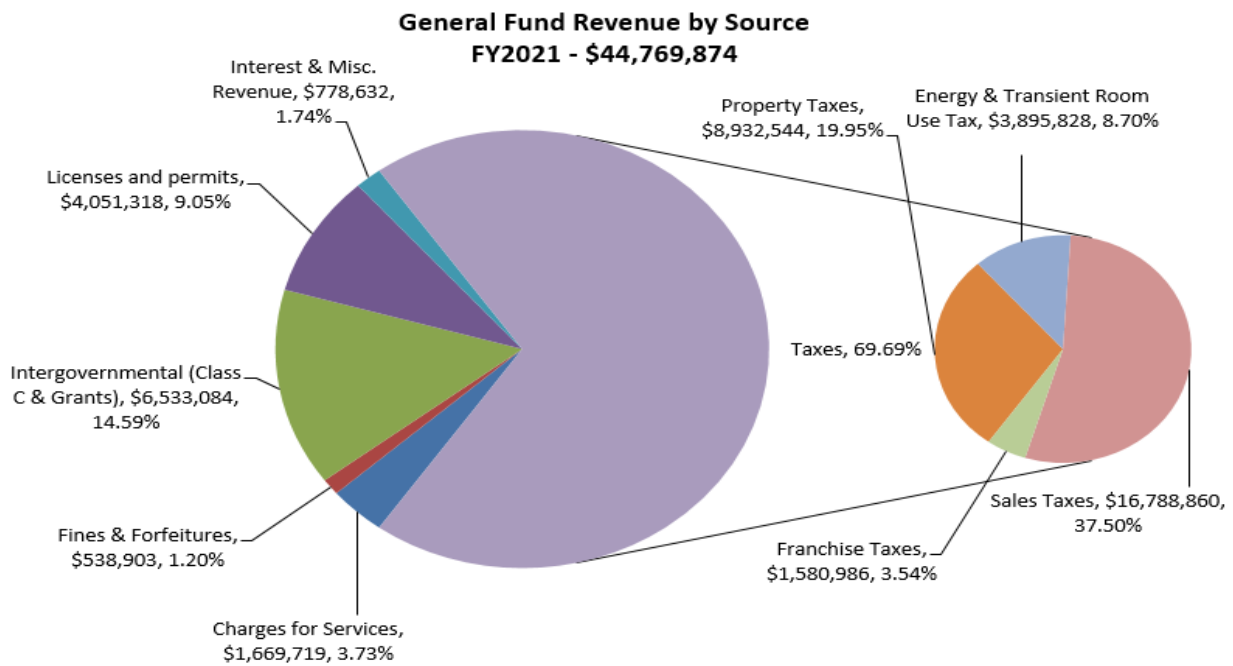
Intergovernmental revenue increased by \$3,284,755 from the prior year for which \$2,854,819 of the increase represents one-time federal funds related to the CARES act. Intergovernmental revenues are from various state and local grants for public safety, class B&C road funds, and transportation funds. Both the B&C funds and the Local Option Tax are restricted and are to be used for transportation projects. Both of these taxes are directly linked to fuel sales (travel) and thus, as sales increase the tax increases as well.

Finally, charges for services recognized an increase of \$365,420 from the prior fiscal year. The fees in this classification includes rents and leases, recreation program fees, park reservation fees, passport fees, and other fees. For FY2021, parks and recreation programs saw a rebound from prior COVID losses. The largest increase was for \$194,182 related to equipment rentals used in fire deployments. Passport revenues saw a decrease of -\$59,065 compared to the prior fiscal year. Passports brought in \$87,328 but are still significantly down from the FY2019 high of \$208,704 and have yet to fully rebound from COVID.

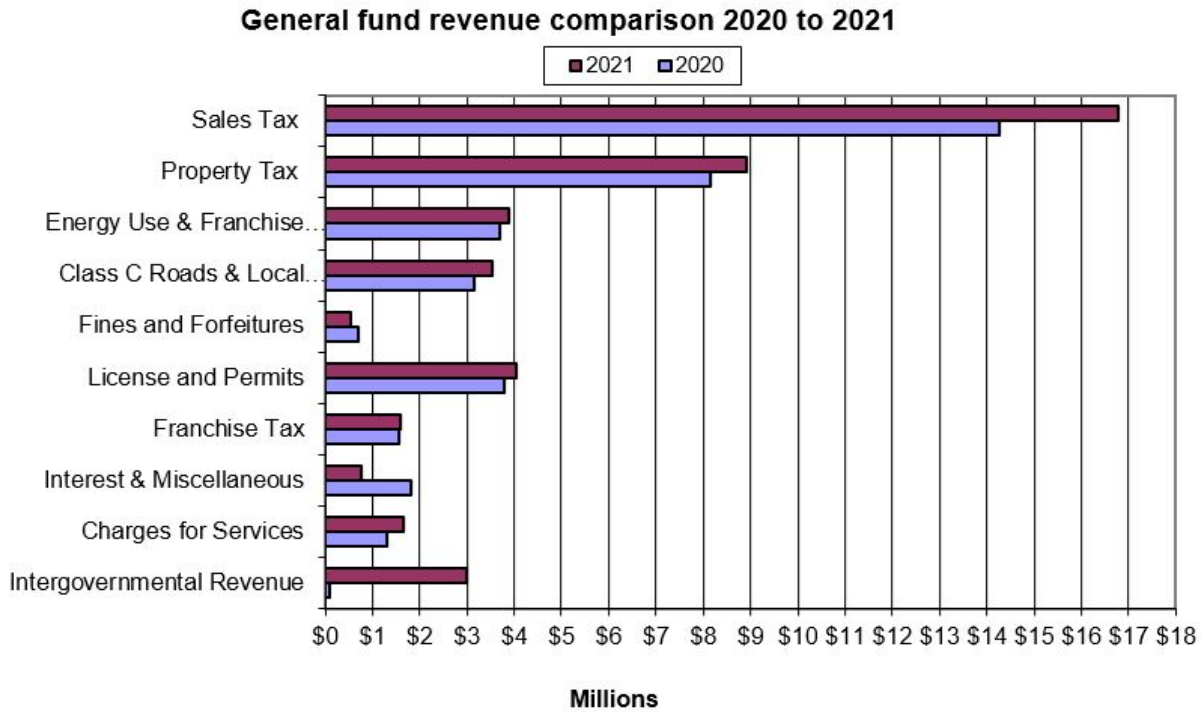
The programs supported by general fund revenues (in order of how much they depend on general revenues to operate, with percentage of funding coming from general fund revenues) are:

Program	Amount of Program funded w/GF	% of Program Funded with General Revenues	
		FY2021	FY2020
1st Public safety	\$ 9,993,526	72.61%	91.80%
2nd General government	4,455,681	38.31%	49.60%
3rd Parks and recreation	3,435,644	62.64%	70.40%
4th Interest on long-term debt	501,251	100.00%	100.00%
5th Community development	(1,731,428)	0.00%	0.00%
6th Highways and public improvements	(5,107,116)	0.00%	30.41%

The following charts illustrate general fund revenues by source and type.



The next chart compares the general fund revenue for Fiscal-Year 2020 and 2021.



General Fund Expenditures – General fund expenditures increased from \$31,213,135 in FY2020 to \$33,894,131 in FY2021, which represents a 8.6% increase or \$2,680,996.

Expenditures for general government activity totaled \$6,546,198 for FY2021, which is a decrease of \$-31,706. The expenditures related to community development activity is \$2,344,293, which is a decrease of \$-52,745. Public safety expenditures totaled \$12,867,701 which increased \$573,268 from the prior year. The majority of this increase within public safety is payroll related. Payrolls for both police and fire increased \$358,667. This increase is from an adjustment in their respective pay step plans and increase staffing levels. The public safety category includes police, fire, courts and animal control.

Highway and public improvements expenditures decreased \$253,069 in FY2021 from the prior year. The majority of the decrease was attributable to the decrease in restricted B&C and highway option road expenditures.

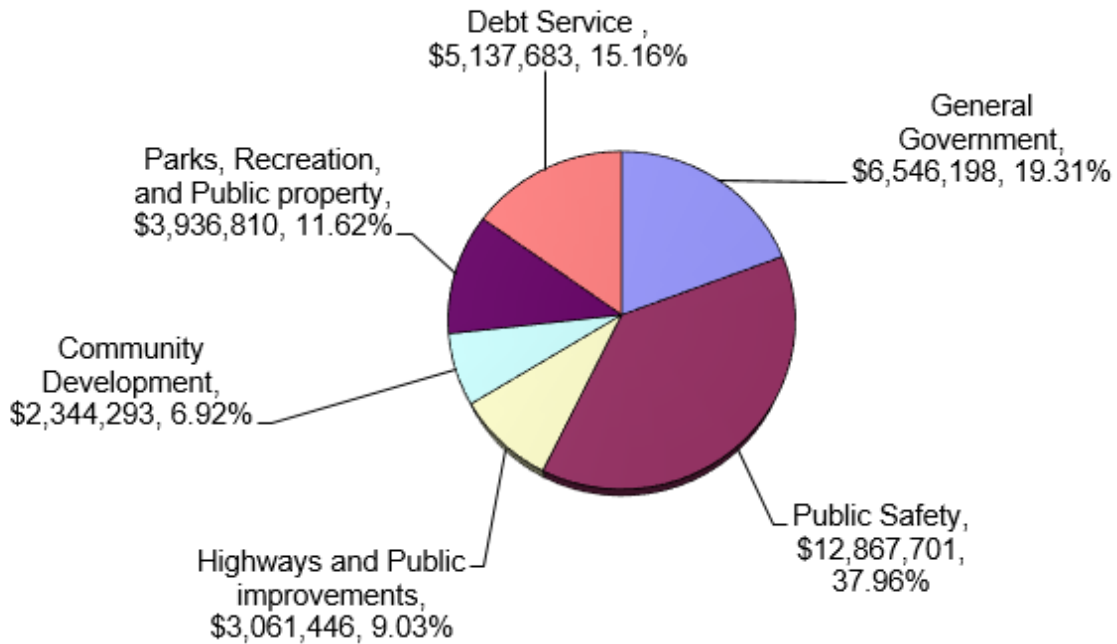
Expenditures in parks and recreation increased \$100,965 or 2.6% as compared to FY2020.

Class B&C Roads & Highway Option Funds – The class B&C roads fund accounts for funds received from the State of Utah that are restricted for use for the construction and maintenance of roads classified as B or C. Highway Option taxes are a quarter of one percent sales tax that is restricted, similar to the B&C funds, for transportation projects.

At June 30, 2021, the restricted fund balance for B&C roads was \$4,124,655 held in the general fund. The amount restricted for the Highway Option Tax (transportation) is \$2,865,310.

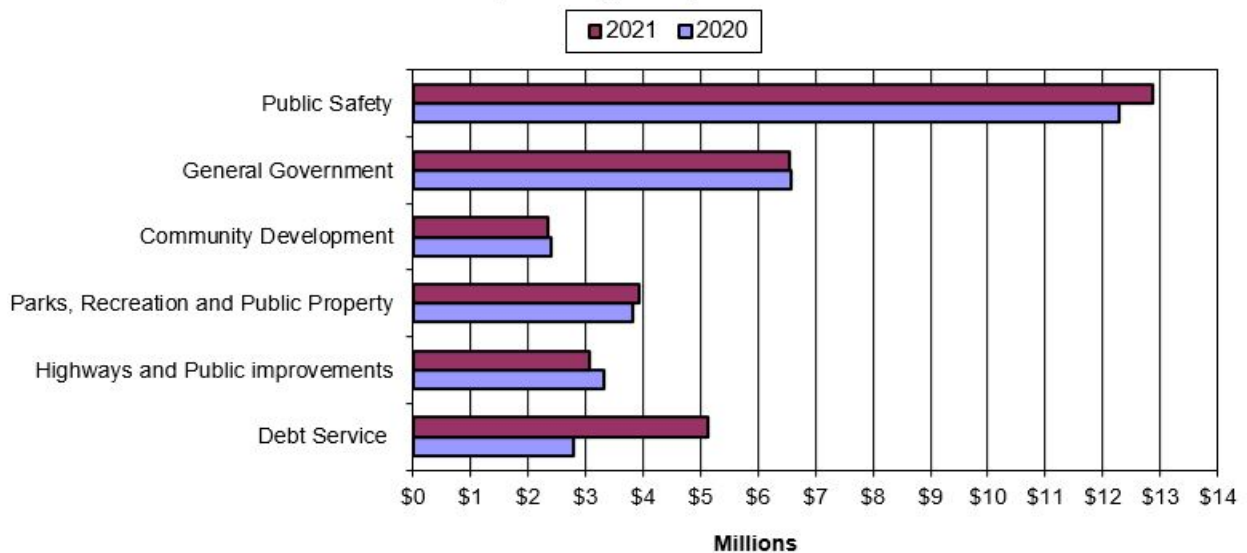
The following chart shows the percentage and amount of general fund spending by broad functions:

\$33,894,131 in General Fund Expenditures 2021



The next chart compares general fund spending for 2020 and 2021 by governmental activity.

General Fund spending comparison 2020 to 2021



General Fund Budgetary Highlights

The fiscal year 2021 originally adopted expenditure budget for the general fund totaled \$33,973,650 before other financing sources (uses). The final adopted budget for the general fund totaled \$36,931,780. Changes include increases of \$1,788,400 for bond defeasances for series 2016 & 2012B, \$816,530 for additional public safety wages and \$1,440,000 for qualified CARES act expenses. The budget was reduced by -\$1,460,900 for interdepartmental reimbursements (a contra expense type account in which various funds pay the general fund for services used). The City Council approved five budget revisions during the year – September 2020, November 2020, January 2021, March 2021 and June 2021.

Other Governmental Funds

Capital Improvement Projects Fund – The capital projects fund has a total fund balance of \$16,810,343 at June 30, 2021, all of which is either externally restricted or assigned for unfinished projects. This is an increase of \$2,967,895 from the prior fiscal year. The majority of this increase is related to capital parks and road projects that were funded in the June 2021 budget amendment.

Redevelopment Fund – Revenue from the four previously established redevelopment areas increased 10.7% from the prior year for a total of \$7,023,218. During FY2021, a new project area was activated; the South Mountain Area. This area brought in \$134,933. Of the five active project areas, four (Fronrunner, Crescent, Sand Hills and South Mountain) had increase of tax increment revenue and one project area (Gateway) had a decrease of tax increment revenue. For more detailed information on the Redevelopment Agency of Draper City, please look at the annual November 1st report that is submitted in compliance with the Utah State Code.

Impact Fee Funds – Impact fee revenues decreased for the year by \$826,240. The total revenue for governmental related impact fees was \$2,515,916. Impact fees are meant to provide the necessary infrastructure to support new development, budgets are developed using current resources. The largest impact fee fund balance is with the park impact fund that ended the year with \$7,025,945. The other impact related fund balances are transportation impact fund with \$5,316,412, fire impact fund \$5,024, and police impact fund with \$124,829. The total restricted impact fee fund balance at the end of the fiscal year is \$12,472,210.

Municipal Building Authority Fund – Lease revenue is intended to offset debt service. Expenses were \$935,824 more than related revenues to bring the fund balance down to \$0. This was done intentionally as there are no active projects or bonds in the fund.

Proprietary (Enterprise) Funds:

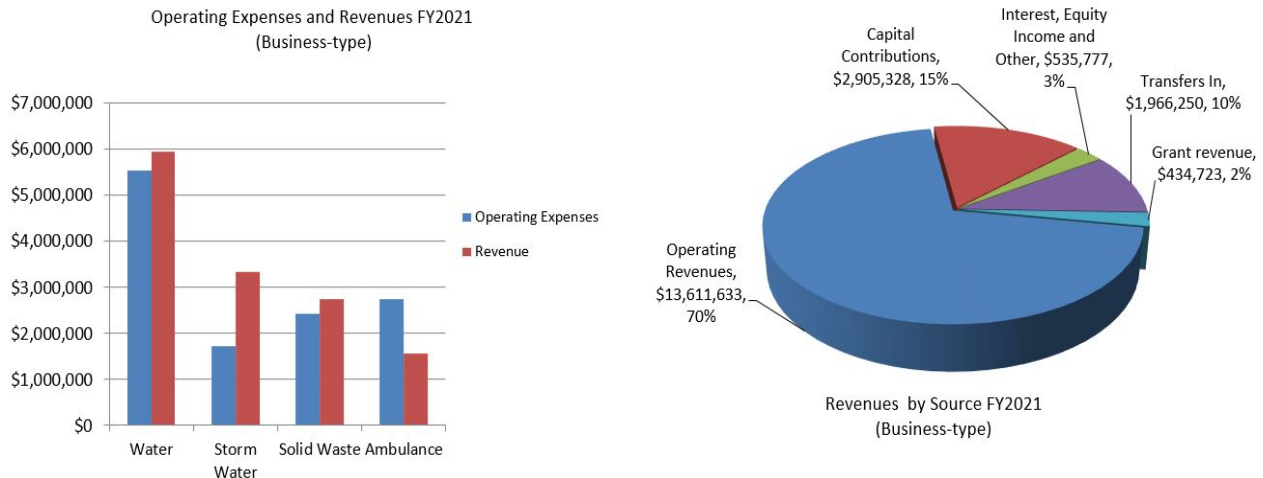
Water Fund – Unrestricted net position in the water fund increased by \$1,009,329 when compared to the previous year, with an ending unrestricted net position at June 30, 2021 of \$10,677,561. Operating revenues from water activities increased \$660,746 as compared to the previous fiscal year 2020. This is due to increased water usage. Operating expenses showed an increase of \$348,507 from \$5,195,826 in FY2020 to \$5,544,333 in FY2021. The water fund recognized \$407,294 operating income before nonoperating revenues/expenses and before capital contributions/transfers. The water fund posted a positive change in net position of \$1,782,130. The majority of this increase was from capital contributions of \$1,328,353.

Storm Water Fund – Unrestricted net position in the storm water fund increased \$2,510,129, which left a balance of \$15,347,288 at June 30, 2021. This increase is the result of increased billing of the storm water utility. Operating revenues from storm water utility fees increased \$44,541 (or 1.4%) as compared to the previous fiscal year 2020. Operating expenses increased \$130,621 from \$1,601,848 in FY2020 to \$1,732,469 in FY2021. The storm water fund recognized an operating income of \$1,609,793 before nonoperating revenues/expenses and before capital contributions. After capital contributions of \$1,576,975 and other nonoperating revenue of \$515,344, the storm sewer fund had a positive change in net position of \$3,588,586.

Solid Waste Fund – Unrestricted net position in the solid waste fund increased \$724,734 leaving a balance of \$8,323,657 at June 30, 2021. Revenues from solid waste utility fees increased \$86,198 as compared to the previous fiscal year 2020. This is due to additional customer billings. Operating expenses showed an increase of \$9,826 from \$2,415,102 in FY2020 to \$2,424,928 in FY2021. The solid waste fund recognized operating income of \$320,014 before nonoperating revenues/expenses and before capital contributions. After nonoperating revenues (expenses) of \$366,029, the solid waste fund had a positive change in net position of \$686,043.

Ambulance Fund – Unrestricted net position in the ambulance fund increased \$535,101 leaving a balance of (\$285,581) at June 30, 2021. Revenues from charges for services was \$1,572,802, while operating expenses were \$2,754,473 in FY2021. The ambulance fund recognized an operating loss of (\$1,181,671) before nonoperating revenues/expenses. After nonoperating revenues (expenses) of (\$4,791), the ambulance fund had a negative change in net position of \$1,186,462. The City’s general fund transferred in \$1,966,250 during the fiscal year to assist in offsetting the cost to administer the medical services.

The first chart illustrates operating program revenues to operating expenses per the Statement of Activities. The second chart illustrates the revenues by source which includes capital contributions from developers.



Capital Assets and Debt Administration

The City’s investment in capital assets for its government and business-type activities totaled \$511.7 million net of combined depreciation and amortization on June 30, 2021. Types of assets included in this category are land, right of ways, land improvements, buildings, machinery and equipment, park and recreation facilities, roads (including curb and gutter), street lights, traffic signals, parking facilities, water distribution system, and storm water collection system. The change for the current year was \$6,490,521 in governmental activities and business-type activities has a net increase of \$1,960,699 for a combine increase of \$8,451,220.

The following chart compares capital assets from FY20 to FY21.

	<u>Governmental Activities 2020</u>	<u>Governmental Activities 2021</u>	<u>Business-type Activities 2020</u>	<u>Business-type Activities 2021</u>
Land and Right of Ways	\$337,063,200	\$338,758,136	\$ -	\$ -
Intangible asset - water tank capacity	-	-	2,000,000	2,000,000
Water Shares	-	-	131,907	131,907
Infrastructure	70,160,903	72,677,122	-	-
Buildings	17,389,832	16,914,092	407,858	376,760
Improvements - other than buildings	12,599,504	11,812,882	46,930,959	47,714,498
Machinery and equipment	6,428,467	6,247,634	4,376,113	4,852,839
Furniture and fixtures	36,741	35,231	123,803	149,138
Construction in progress	4,621,604	8,345,675	934,386	1,640,583
Total Capital Assets	<u>\$448,300,251</u>	<u>\$454,790,772</u>	<u>\$ 54,905,026</u>	<u>\$ 56,865,725</u>

Additional information regarding the City’s capital assets can be found in Note 6.

Long-term Debt

As of June 30, 2021, the City’s outstanding bonds and notes payable amount to \$28,767,338. This is a decrease of \$6,930,917. The City has issued several bonds in previous years to assist in building and acquiring capital assets. The City has one general obligation bond outstanding with an outstanding balance of \$1,940,000. As of June 30, 2021, the City has three sales tax revenue bonds outstanding totaling \$13,006,000.

The City also reported an obligation as a note payable to a developer for infrastructure improvements that were installed and completed in which the City has accepted and is listing them with their capital assets. The portion related to governmental activities is \$9,985,682 (transportation impact fees) and the business-type activities are \$1,272,133 (water impact fees). Remaining outstanding obligations will be paid back to the developer through transportation and water impact fees as they are collected.

The business-type activities have one outstanding water revenue bond for \$1,224,000.

	<u>Governmental Activities 2020</u>	<u>Governmental Activities 2021</u>	<u>Business-type Activities 2020</u>	<u>Business-type Activities 2021</u>
Bonds Payable	\$ 23,120,440	\$ 16,285,523	\$ 1,320,000	\$ 1,224,000
Notes Payable	9,985,682	9,985,682	1,272,133	1,272,133
Total Debt	<u>\$ 33,106,122</u>	<u>\$ 26,271,205</u>	<u>\$ 2,592,133</u>	<u>\$ 2,496,133</u>

Additional information on the City’s long-term debt can be found in Note 9 of the Notes to Financial Statements.

Requests for information:

This financial report is designed to provide our residents, taxpayers, investors and creditors with a general overview of the City’s finances and to show the City’s accountability for the funds and assets it receives. If you have questions about this report, or should you need additional financial information, contact the City’s Finance Department at City of Draper, 1020 East Pioneer Road, Draper, UT 84020, or call (801) 576-6500, or e-mail to bob.wylie@draper.ut.us.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS**STATEMENT OF NET POSITION – JUNE 30, 2021 – CITY OF DRAPER, UTAH**

	Governmental Activities	Business-type Activities	Total
<u>ASSETS</u>			
Cash and cash equivalents	\$ 12,286,585	\$ 30,142,427	\$ 42,429,012
Investments	35,619,473	-	35,619,473
Receivables:			
Accounts, net	5,024,320	1,748,353	6,772,673
Property taxes	16,578,292	-	16,578,292
Inventory	-	125,000	125,000
Prepays	145,697	-	145,697
Notes receivable	9,157,623	-	9,157,623
Restricted cash and cash equivalents	30,442,855	273,738	30,716,593
Other assets	89,584	-	89,584
Equity investments in joint venture	-	3,304,499	3,304,499
Net pension asset	1,212,965	653,135	1,866,100
Capital assets, not being depreciated:			
Land and right of ways	338,758,136	-	338,758,136
Intangible asset - water tank capacity	-	2,000,000	2,000,000
Water shares	-	131,907	131,907
Construction in progress	8,345,675	1,640,583	9,986,258
Capital assets, net of accumulated depreciation:			
Buildings and improvements	16,914,092	376,760	17,290,852
Improvements other than buildings	11,812,882	47,714,498	59,527,380
Machinery and equipment	6,247,634	4,852,839	11,100,473
Furniture and fixtures	35,231	149,138	184,369
Infrastructure	72,677,122	-	72,677,122
Total assets	565,348,166	93,112,877	658,461,043
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred loss on refunding	121,614	-	121,614
Deferred outflows related to pensions	2,353,891	459,271	2,813,162
Total deferred outflows of resources	2,475,505	459,271	2,934,776
<u>LIABILITIES</u>			
Accounts payable	1,487,329	820,871	2,308,200
Accrued liabilities	1,087,033	318,957	1,405,990
Accrued interest payable	113,139	30,233	143,372
Developer and customer deposits	10,356,835	16,000	10,372,835
Noncurrent liabilities:			
Due within one year	2,474,251	140,947	2,615,198
Due in more than one year	25,598,989	2,564,928	28,163,917
Net pension liability	1,401,219	107,428	1,508,647
Total liabilities	42,518,795	3,999,364	46,518,159
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred revenue-property taxes	16,578,292	-	16,578,292
Deferred inflows related to pensions	4,523,216	882,529	5,405,745
Total deferred inflows of resources	21,101,508	882,529	21,984,037
<u>NET POSITION</u>			
Net investment in capital assets	428,641,181	54,369,592	483,010,773
Restricted for:			
Debt service	392,796	257,738	650,534
Impact fees	12,472,210	-	12,472,210
Perpetual care	170,259	-	170,259
Capital projects	6,989,965	-	6,989,965
Grants	60,790	-	60,790
Unrestricted	55,476,167	34,062,925	89,539,092
Total net position	\$ 504,203,368	\$ 88,690,255	\$ 592,893,623

The accompanying notes are an integral part of this financial statement.

STATEMENT OF ACTIVITIES – FOR THE YEAR ENDED JUNE 30, 2021 – CITY OF DRAPER, UTAH

	Program Revenues			Net (Expense) Revenues and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary government:							
Governmental activities							
General government	\$ 11,629,655	\$ 1,177,573	\$ 5,893,671	\$ 102,730	\$ (4,455,681)		\$ (4,455,681)
Public safety	13,763,801	755,070	2,932,343	82,862	(9,993,526)		(9,993,526)
Highways and public improvements	8,899,167	6,988	3,577,655	10,421,640	5,107,116		5,107,116
Community development	2,274,909	4,005,290	1,047	-	1,731,428		1,731,428
Parks and recreation	5,484,580	608,034	-	1,440,902	(3,435,644)		(3,435,644)
Interest on long-term debt	501,251	-	-	-	(501,251)		(501,251)
Total governmental activities	42,553,363	6,552,955	12,404,716	12,048,134	(11,547,558)		(11,547,558)
Business-type activities							
Water	5,576,316	5,951,627	-	1,328,353		\$ 1,703,664	1,703,664
Storm water	1,845,995	3,342,262	-	2,011,698		3,507,965	3,507,965
Solid Waste	2,424,928	2,744,942	-	-		320,014	320,014
Ambulance	2,769,925	1,572,802	-	-		(1,197,123)	(1,197,123)
Total business-type activities	12,617,164	13,611,633	-	3,340,051		4,334,520	4,334,520
Total primary government	\$ 55,170,527	\$ 20,164,588	\$ 12,404,716	\$ 15,388,185	(11,547,558)	4,334,520	(7,213,038)
General Revenues:							
Taxes							
Property					10,134,491	-	10,134,491
Sales					16,788,860	-	16,788,860
Franchise					5,476,814	-	5,476,814
Investment earnings					828,914	191,302	1,020,216
Equity investment income					-	324,142	324,142
Gain on sale and disposal of assets					-	20,333	20,333
Transfers - net					(1,966,250)	1,966,250	-
Total general revenues and transfers					31,262,829	2,502,027	33,764,856
Change in net position					19,715,271	6,836,547	26,551,818
Net position - beginning					484,488,097	81,853,708	566,341,805
Net position - ending					\$ 504,203,368	\$ 88,690,255	\$ 592,893,623

The accompanying notes are an integral part of this financial statement.

BALANCE SHEET – GOVERNMENTAL FUNDS – JUNE 30, 2021 – CITY OF DRAPER, UTAH

	General Fund	Capital Projects Fund	Redevelopment Agency	Municipal Building Authority	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 33,856	\$ 564,022	\$ 5,555,666	\$ -	\$ 643,243	\$ 6,796,787
Investments	35,619,473	-	-	-	-	35,619,473
Receivables:						
Property taxes	8,360,472	-	7,966,538	-	251,282	16,578,292
Other, net	4,923,846	-	-	-	100,474	5,024,320
Due from other funds	279,724	17,000,000	8,505,260	-	35,678	25,820,662
Prepays	52,989	-	-	-	92,708	145,697
Restricted cash and cash equivalents	17,739,596	60,790	-	-	12,642,469	30,442,855
Other assets	-	-	-	-	89,584	89,584
Notes receivable	9,157,623	-	-	-	-	9,157,623
Total assets	\$ 76,167,579	\$ 17,624,812	\$ 22,027,464	\$ -	\$ 13,855,438	\$ 129,675,293
LIABILITIES						
Accounts payable	\$ 670,021	\$ 814,469	\$ -	\$ -	\$ -	\$ 1,484,490
Accrued liabilities	1,083,323	-	-	-	-	1,083,323
Due to other funds	25,540,938	-	-	-	279,724	25,820,662
Developer and customer deposits	10,356,835	-	-	-	-	10,356,835
Total liabilities	37,651,117	814,469	-	-	279,724	38,745,310
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue-property taxes	8,360,472	-	7,966,538	-	251,282	16,578,292
Unavailable revenue-notes receivable	1,935	-	-	-	-	1,935
Total deferred inflows of resources	8,362,407	-	7,966,538	-	251,282	16,580,227
FUND BALANCES						
Nonspendable	9,208,677	-	-	-	92,708	9,301,385
Restricted:						
Debt service	392,796	-	-	-	-	392,796
Perpetual care	-	-	-	-	170,259	170,259
Grants	-	60,790	-	-	-	60,790
B & C roads	4,124,655	-	-	-	-	4,124,655
Transportation	2,865,310	-	-	-	-	2,865,310
Impact fees	-	-	-	-	12,472,210	12,472,210
Assigned:						
Capital projects	-	16,749,553	-	-	-	16,749,553
RDA fund and projects	-	-	14,060,926	-	-	14,060,926
Traverse Ridge fund	-	-	-	-	589,255	589,255
Unassigned	13,562,617	-	-	-	-	13,562,617
Total fund balances	30,154,055	16,810,343	14,060,926	-	13,324,432	74,349,756
Total liabilities, deferred inflows of resources and fund balances	\$ 76,167,579	\$ 17,624,812	\$ 22,027,464	\$ -	\$ 13,855,438	\$ 129,675,293

The accompanying notes are an integral part of this financial statement.

***RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION – JUNE 30, 2021 – CITY OF DRAPER, UTAH***

Amounts reported for governmental activities in the Statement of Net Position are different because:

Total fund balances for governmental funds	\$ 74,349,756
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	454,790,772
Other long-term assets are not available for current period expenditures and, therefore, are not reported in the funds balance sheet.	3,688,470
Accrued interest on long-term debt is not due and payable in the current period and, therefore, is not recorded in the funds.	(113,139)
Long-term liabilities, including bonds, capital leases, compensated absences, and notes are not due and payable in the current period and, therefore, are not reported in the funds.	(28,073,240)
Other long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds balance sheet.	(5,924,435)
Deferred inflows of resources associated with the General Fund's notes receivable are removed in the Statement of Net Position.	1,935
The internal service fund is used by management to charge the cost of insurance and claims to other funds. The assets and liabilities of the internal services fund are included in the governmental activities in the Statement of Net Position.	<u>5,483,249</u>
Net position of governmental activities	<u><u>\$ 504,203,368</u></u>

The accompanying notes are an integral part of this financial statement.

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
FOR THE YEAR ENDED JUNE 30, 2021 – CITY OF DRAPER, UTAH**

	General Fund	Capital Projects Fund	Redevelopment Agency	Municipal Building Authority	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES						
Taxes:						
Property	\$ 8,932,544	\$ -	\$ 928,907	\$ -	\$ 273,040	\$ 10,134,491
Sales	16,788,860	-	-	-	-	16,788,860
Franchise	5,476,814	-	-	-	-	5,476,814
Licenses and permits	4,051,318	-	-	-	-	4,051,318
Intergovernmental	6,533,084	952,434	6,229,244	-	35,678	13,750,440
Charges for services	1,669,719	-	-	-	-	1,669,719
Impact fees	-	-	-	-	2,515,916	2,515,916
Fines and forfeitures	538,903	-	-	-	-	538,903
Interest	639,785	-	76,354	-	92,534	808,673
Lease revenue	-	-	-	229,230	-	229,230
Donations and reimbursements	102,730	-	-	-	-	102,730
Miscellaneous	36,117	-	-	-	-	36,117
Total revenues	44,769,874	952,434	7,234,505	229,230	2,917,168	56,103,211
EXPENDITURES						
Current:						
General government	6,546,198	-	-	-	191,788	6,737,986
Public safety	12,867,701	-	-	-	-	12,867,701
Highways and public improvements	3,061,446	-	-	-	1,019,345	4,080,791
Community development	2,344,293	-	-	-	-	2,344,293
Park, recreation, and public property	3,936,810	-	-	-	-	3,936,810
RDA expenditures	-	-	4,493,906	-	-	4,493,906
Capital outlay	-	6,991,367	-	-	-	6,991,367
Debt service:						
Principal	4,340,000	-	558,000	1,482,000	-	6,380,000
Interest	789,883	-	60,412	26,603	-	876,898
Bond issuance costs	7,800	-	-	6,500	-	14,300
Total expenditures	33,894,131	6,991,367	5,112,318	1,515,103	1,211,133	48,724,052
Excess (deficiency) of revenues over (under) expenditures	10,875,743	(6,038,933)	2,122,187	(1,285,873)	1,706,035	7,379,159
OTHER FINANCING SOURCES (USES)						
Sale of capital assets	30,145	-	-	-	-	30,145
Transfers in	1,687,588	9,038,032	31,204	350,049	-	11,106,873
Transfers out	(11,127,157)	(31,204)	(1,989,038)	-	(2,175,724)	(15,323,123)
Total other financing sources (uses)	(9,409,424)	9,006,828	(1,957,834)	350,049	(2,175,724)	(4,186,105)
Net change in fund balances	1,466,319	2,967,895	164,353	(935,824)	(469,689)	3,193,054
Fund balances, beginning	28,687,736	13,842,448	13,896,573	935,824	13,794,121	71,156,702
Fund balances, ending	\$ 30,154,055	\$ 16,810,343	\$ 14,060,926	\$ -	\$ 13,324,432	\$ 74,349,756

The accompanying notes are an integral part of this financial statement.

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES – FOR THE YEAR ENDED JUNE 30, 2021 – CITY OF DRAPER, UTAH

Amounts reported for governmental activities in the Statement of Activities are different because:

Net change in fund balances for governmental funds	\$ 3,193,054
<p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, assets with an initial cost of \$5,000 or more are capitalized and the cost is allocated over the assets estimated useful lives and reported as depreciation expense.</p>	
Capital outlay	6,724,244
Depreciation expense	(8,286,411)
<p>Contributed assets are not recorded in governmental funds because current resources are not expended for acquisition. The Statement of Activities records these contributed assets at their estimated fair value on the date of contribution.</p>	
	8,083,764
<p>Principal payments from recipients on certain notes are recorded as revenue in the governmental funds. However, these payments are recorded as a decrease in the notes receivable in the Statement of Net Position.</p>	
	(1,290)
<p>The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the payment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither type of transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued. These amounts are deferred and amortized in the Statement of Activities. These amounts are the net effect of these differences in the treatment of long-term debt and related items.</p>	
Reduction of long-term liability	6,380,000
Amortization of bond premiums and deferred loss on refunding	344,562
<p>Accrued pension costs are not reported as an expenditure in the current period for governmental funds but are recorded as an expense in the statement of activities.</p>	
	1,175,275
<p>Governmental assets deleted during the year with the respective gain (loss) on disposal are not shown in governmental funds.</p>	
	(31,076)
<p>Expenses are recognized in the governmental funds when paid or due; however, the Statement of Activities is presented on the accrual basis and expenses and liabilities are reported when incurred, regardless of when financial resources are available or expenses are paid or due.</p>	
Accrued interest	45,385
Compensated absences	(109,023)
<p>Internal service fund is used by management to charge the cost of centralized services to individual funds. The net income of the internal service fund is reported with governmental activities.</p>	
	<u>2,196,787</u>
Change in net position of governmental activities	<u>\$ 19,715,271</u>

The accompanying notes are an integral part of this financial statement.

STATEMENT OF NET POSITION – PROPRIETARY FUNDS – JUNE 30, 2021
CITY OF DRAPER, UTAH

	Business-type Activities - Enterprise Funds				Total	Governmental
	Water	Storm Water	Solid Waste	Ambulance		Internal Service Fund
ASSETS						
Current assets:						
Cash and cash equivalents	\$ 9,734,708	\$ 15,396,666	\$ 5,011,053	\$ -	\$ 30,142,427	5,489,798
Accounts receivable, net	852,020	241,296	251,503	403,534	1,748,353	-
Inventory	125,000	-	-	-	125,000	-
Due from other funds	820,257	-	-	-	820,257	-
Total current assets	11,531,985	15,637,962	5,262,556	403,534	32,836,037	5,489,798
Noncurrent assets:						
Restricted cash and cash equivalents	273,738	-	-	-	273,738	-
Capital assets:						
Intangible asset - water tank	2,000,000	-	-	-	2,000,000	-
Water shares	131,907	-	-	-	131,907	-
Construction in progress	1,558,855	81,728	-	-	1,640,583	-
Buildings and improvements	91,972	99,000	345,107	-	536,079	-
Improvements other than buildings	33,986,095	44,226,241	-	-	78,212,336	-
Machinery and equipment	1,205,842	1,956,632	4,233,235	1,518,916	8,914,625	-
Furniture and fixtures	116,933	95,130	95,429	-	307,492	-
Accumulated depreciation	(17,152,483)	(14,600,315)	(2,816,728)	(307,771)	(34,877,297)	-
Net capital assets	21,939,121	31,858,416	1,857,043	1,211,145	56,865,725	-
Other assets:						
Equity investment in joint venture	-	-	3,304,499	-	3,304,499	-
Net pension asset	-	-	-	653,135	653,135	-
Total other assets	-	-	3,304,499	653,135	3,957,634	-
Total noncurrent assets	22,212,859	31,858,416	5,161,542	1,864,280	61,097,097	-
Total assets	33,744,844	47,496,378	10,424,098	2,267,814	93,933,134	5,489,798
DEFERRED OUTFLOWS OF RESOURCES						
Deferred outflows related to pensions	78,762	59,368	79,387	241,754	459,271	-
Total deferred outflows of resources	78,762	59,368	79,387	241,754	459,271	-

(continued)

The accompanying notes are an integral part of this financial statement.

STATEMENT OF NET POSITION – PROPRIETARY FUNDS (continued) – JUNE 30, 2021
CITY OF DRAPER, UTAH

	Business-type Activities - Enterprise Funds					Governmental
	Water	Storm Water	Solid Waste	Ambulance	Total	Activities Internal Service Fund
LIABILITIES						
Current liabilities:						
Accounts payable	\$ 523,578	\$ 192,829	\$ 82,619	\$ 21,845	\$ 820,871	\$ 2,839
Accrued liabilities	161,431	9,425	16,482	131,619	318,957	3,710
Deposits	16,000	-	-	-	16,000	-
Due to other funds	-	-	-	820,257	820,257	-
Accrued interest payable	30,233	-	-	-	30,233	-
Compensated absences	5,612	1,370	5,819	29,146	41,947	428
Bonds payable	99,000	-	-	-	99,000	-
Claims and judgments	-	-	-	-	-	223,222
Total current liabilities	835,854	203,624	104,920	1,002,867	2,147,265	230,199
Noncurrent liabilities:						
Compensated absences	22,449	5,481	23,279	116,586	167,795	1,714
Bonds payable	1,125,000	-	-	-	1,125,000	-
Notes payable	1,272,133	-	-	-	1,272,133	-
Net pension liability	38,534	26,857	42,037	-	107,428	-
Claims and judgments	-	-	-	-	-	478,668
Total noncurrent liabilities	2,458,116	32,338	65,316	116,586	2,672,356	480,382
Total liabilities	3,293,970	235,962	170,236	1,119,453	4,819,621	710,581
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows related to pensions	151,349	114,080	152,549	464,551	882,529	-
Total deferred outflows of resources	151,349	114,080	152,549	464,551	882,529	-
NET POSITION						
Net investment in capital assets	19,442,988	31,858,416	1,857,043	1,211,145	54,369,592	-
Restricted for debt service	257,738	-	-	-	257,738	-
Unrestricted	10,677,561	15,347,288	8,323,657	(285,581)	34,062,925	4,779,217
Total net position	\$ 30,378,287	\$ 47,205,704	\$ 10,180,700	\$ 925,564	\$ 88,690,255	\$ 4,779,217

The accompanying notes are an integral part of this financial statement.

**STATEMENT REVENUES, EXPENSES, AND CHANGES IN NET POSITION – PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021 – CITY OF DRAPER, UTAH**

	Business-type Activities - Enterprise Funds				Total	Governmental
	Water	Storm Water	Solid Waste	Ambulance		Activities Internal Service Fund
OPERATING REVENUES						
Sales and charges for services	\$ 5,824,899	\$ 3,317,154	\$ 2,724,390	\$ 1,572,802	\$ 13,439,245	\$ 730,000
Connection fees	101,505	-	-	-	101,505	-
Miscellaneous income	25,223	25,108	20,552	-	70,883	42,743
Total operating revenues	5,951,627	3,342,262	2,744,942	1,572,802	13,611,633	772,743
OPERATING EXPENSES						
Salaries and benefits	704,890	518,074	676,568	1,474,844	3,374,376	80,167
Utilities	409,993	7,553	8,371	14,738	440,655	231
Water charges	2,578,077	-	-	-	2,578,077	-
Landfill fees	-	-	451,844	-	451,844	-
Supplies and repairs	319,253	162,530	406,925	317,875	1,206,583	306
Claims and insurance	85,800	23,700	43,200	62,700	215,400	734,736
Administrative	368,173	289,353	351,374	784,310	1,793,210	30,757
Depreciation	1,078,147	731,259	486,646	100,006	2,396,058	-
Total operating expenses	5,544,333	1,732,469	2,424,928	2,754,473	12,456,203	846,197
Operating income (loss)	407,294	1,609,793	320,014	(1,181,671)	1,155,430	(73,454)
NONOPERATING REVENUES (EXPENSES)						
Equity income of joint venture	-	-	324,142	-	324,142	-
Grant revenues	-	434,723	-	-	434,723	-
Interest income	73,621	80,621	37,060	-	191,302	20,241
Interest and fiscal expenses	(31,983)	-	-	(15,452)	(47,435)	-
Gain/(loss) on disposal of assets	4,845	(113,526)	4,827	10,661	(93,193)	-
Total nonoperating revenues (expenses)	46,483	401,818	366,029	(4,791)	809,539	20,241
Income (loss) before contributions and transfers	453,777	2,011,611	686,043	(1,186,462)	1,964,969	(53,213)
Capital contributions	1,328,353	1,576,975	-	-	2,905,328	-
Transfers in	-	-	-	1,966,250	1,966,250	2,250,000
Change in net position	1,782,130	3,588,586	686,043	779,788	6,836,547	2,196,787
Total net position, beginning	28,596,157	43,617,118	9,494,657	145,776	81,853,708	2,582,430
Total net position, ending	\$ 30,378,287	\$ 47,205,704	\$ 10,180,700	\$ 925,564	\$ 88,690,255	\$ 4,779,217

The accompanying notes are an integral part of this financial statement.

**STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021 – CITY OF DRAPER, UTAH**

	Enterprise Funds				Total	Governmental
	Water	Storm Water	Solid Waste	Ambulance		Internal Service Fund
Cash flows from operating activities						
Receipts from customers and users	\$ 5,921,403	\$ 3,413,647	\$ 2,739,842	\$ 1,509,872	\$ 13,584,764	\$ 775,716
Payments to suppliers	(4,407,643)	(304,804)	(1,255,767)	(1,371,339)	(7,339,553)	(696,577)
Payments to employees	(737,255)	(534,715)	(704,606)	(2,133,494)	(4,110,070)	(74,315)
Net cash provided (used) by operating activities	776,505	2,574,128	779,469	(1,994,961)	2,135,141	4,824
Cash flows from noncapital financing activities						
Transfers from other funds	-	-	-	1,966,250	1,966,250	2,250,000
Advances to other funds	(378,195)	-	-	-	(378,195)	-
Advances from other funds	-	-	-	378,195	378,195	-
State, county, and local grants	-	434,723	-	-	434,723	-
Net cash provided (used) by noncapital financing activities	(378,195)	434,723	-	2,344,445	2,400,973	2,250,000
Cash flows from capital and related financing activities						
Acquisition of capital assets	(840,470)	(726,771)	(455,288)	(357,945)	(2,380,474)	-
Capital grants	414,430	494,030	-	-	908,460	-
Proceeds from sale of assets	4,845	-	12,160	23,913	40,918	-
Principal paid on capital debt	(96,000)	-	-	-	(96,000)	-
Interest paid	(34,354)	-	-	(15,452)	(49,806)	-
Net cash provided (used) by capital and related financing activities	(551,549)	(232,741)	(443,128)	(349,484)	(1,576,902)	-
Cash flows from investing activities						
Purchase of asset held for sale	-	506,261	-	-	506,261	-
Interest received	73,621	80,621	37,060	-	191,302	20,241
Net cash provided by investing activities	73,621	586,882	37,060	-	697,563	20,241
Net increase (decrease) in cash and cash equivalents	(79,618)	3,362,992	373,401	-	3,656,775	2,275,065
Cash and cash equivalents, beginning of year	10,088,064	12,033,674	4,637,652	-	26,759,390	3,214,733
Cash and cash equivalents, end of year	\$ 10,008,446	\$ 15,396,666	\$ 5,011,053	\$ -	\$ 30,416,165	\$ 5,489,798
Unrestricted cash	\$ 9,734,708	\$ 15,396,666	\$ 5,011,053	\$ -	\$ 30,142,427	\$ 5,489,798
Restricted cash	273,738	-	-	-	273,738	-
Total cash and cash equivalents	\$ 10,008,446	\$ 15,396,666	\$ 5,011,053	\$ -	\$ 30,416,165	\$ 5,489,798

(continued)

The accompanying notes are an integral part of this financial statement.

STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS (continued)
FOR THE YEAR ENDED JUNE 30, 2021 – CITY OF DRAPER, UTAH

	Enterprise Funds					Governmental
	Water	Storm Water	Solid Waste	Ambulance	Total	Internal Service Fund
Reconciliation of operating income (loss) to net cash provided (used) by operating activities						
Operating income (loss)	\$ 407,294	\$ 1,609,793	\$ 320,014	\$ (1,181,671)	\$ 1,155,430	\$ (73,454)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation	1,078,147	731,259	486,646	100,006	2,396,058	-
Changes in assets and liabilities:						
Accounts receivable	(17,224)	71,385	(5,100)	(62,930)	(13,869)	2,973
Inventory	(125,000)	-	-	-	(125,000)	-
Accounts payable	(521,347)	178,332	5,947	(191,716)	(528,784)	(3,082)
Accrued liabilities	(41,870)	(7,984)	(8,558)	(26,684)	(85,096)	3,710
Deposits	(13,000)	-	-	-	(13,000)	-
Compensated absences	1,366	(1,549)	6,228	31,800	37,845	2,142
Net pension liability	8,139	(7,108)	(25,708)	(663,766)	(688,443)	-
Claims and judgments	-	-	-	-	-	72,535
Net cash provided (used) by operating activities	\$ 776,505	\$ 2,574,128	\$ 779,469	\$ (1,994,961)	\$ 2,135,141	\$ 4,824
Noncash investing, capital and financing activities						
Capital contributions - developers	\$ 913,923	\$ 1,082,945	\$ -	\$ -	\$ 1,996,868	\$ -
Equity investment adjustment for net income and ownership changes	\$ -	\$ -	\$ 324,142	\$ -	\$ 324,142	\$ -

The accompanying notes are an integral part of this financial statement.

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NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Draper (the City) was incorporated on February 22, 1978, as a third-class City under the provisions of the State of Utah and operates under a council-city manager form of government. The governing body consists of five elected council members and a mayor, each of which are elected to serve a four-year term. The heads of the various departments, formed to provide various services, are under the direct supervision of the City Manager. The City provides the following services as authorized by its charter: general administrative services, public safety (police and fire), highway and streets, solid waste, water, storm water, recreation and parks, public improvements, and planning and zoning.

The City's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in GAAP and used by the City are discussed below.

REPORTING ENTITY

The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are in substance, part of the primary government's operations. Thus, blended component units are appropriately presented as funds of the primary government.

The City of Draper Redevelopment Agency (RDA) was established to prepare and carry out plans to improve, rehabilitate and redevelop blighted areas within the City. The RDA is governed by a board composed of the members of the City Council. Although it is a legally separate entity from the City, the RDA is reported as if it were part of the primary government because of the City's ability to impose its will upon the operations of the RDA. In conformity with accounting principles generally accepted in the United States of America, the financial statements of the RDA have been included in the financial reporting entity as a blended component unit. The RDA is included in these financial statements as the Redevelopment Agency Special Revenue Fund. Separate financial statements are not issued for the RDA.

The City of Draper Municipal Building Authority (MBA) was established to finance and construct municipal buildings that are then leased to the City. The MBA is governed by a board composed of the members of the City Council. Although it is a legally separate entity from the City, the MBA is reported as if it were part of the primary government because of the City's ability to impose its will upon the operations of the MBA. In conformity with accounting principles generally accepted in the United States of America, the financial statements of the MBA have been included in the financial reporting entity as a blended component unit. The MBA is included in these financial statements as the Municipal Building Authority Special Revenue Fund. Separate financial statements are not issued for the MBA.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

REPORTING ENTITY (continued)

The Traverse Ridge Special Service District (TRSSD) was established to provide highway and transportation services, for the area within the City known as Suncrest. Services provided by the TRSSD include: snow removal, street lighting, road repair and maintenance, sweeping and disposal services. The TRSSD is governed by a board composed of the members appointed solely by the City Council. Although it is a legally separate entity from the City, the TRSSD is reported as if it were part of the primary government because of the City's ability to impose its will upon the operations and Board of the TRSSD. TRSSD provides services that are entirely, or almost entirely, to the primary government or otherwise exclusively, or almost exclusively, benefits the primary government even though it does not provide services directly to it. In addition, there is a financial benefit or burden relationship between the City and TRSSD. In conformity with accounting principles generally accepted in the United States of America, the financial statements of the TRSSD have been included in the financial reporting entity as a blended component unit. The TRSSD is included in these financial statements as the Traverse Ridge Special Service District Special Revenue Fund. Separate financial statements are not issued for the TRSSD.

The City is not a component unit of any other entity. The City's basic financial statements include all City operations.

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The City's basic financial statements include both government-wide (reporting the City as a whole) and fund financial statements (reporting the City's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The City's general administrative services, police and fire protection (public safety), parks and recreation, and highways and public improvements are classified as governmental activities. The City's water, storm water, and solid waste services are classified as business-type activities.

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the activities of the City and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes, charges for services, and intergovernmental revenues, are reported separately from business-type activities, which rely, to a significant extent, on fees and charges for support.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those which are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items properly excluded from program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they become available. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The use of financial resources to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as expenditures. Proceeds of long-term debt are recorded as a liability in the government-wide financial statements, rather than as other financing source. Amounts paid to reduce long-term debt of the City are reported as reductions of the related liability, rather than expenditures in the government-wide financial statements.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectable within the current period or soon enough thereafter to pay liabilities of the current period. The City's policy for revenues to be considered available is if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt-service expenditures, as well as expenditures related to compensated absence and claims and judgments, are recorded only when payment is due.

Property taxes, sales tax, franchise taxes, licenses, interest, and earned but unreimbursed state and federal grants associated with the current fiscal period are all considered to be susceptible to accrual and have been so have been recognized as revenues of the current fiscal period. Property taxes are measurable as of the date levied (assessed) and are recognized as revenues when they become available. Available means when due, or past due, and received within the current period or collected soon enough thereafter (within 60 days) to be used to pay liabilities of the current period. All other revenues are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

The *General Fund* is the City's primary operating fund. It accounts for all financial resources of the general government, except for those required to be accounted for in another fund. Principal sources of revenue are taxes, licenses and permits, and intergovernmental revenues. Primary expenses are for general government, public safety, public works, and parks and recreation.

The *Capital Projects Fund* account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets (other than those financed by Proprietary Funds and Special Revenue Funds).

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION (continued)

The *Redevelopment Agency* is a Special Revenue Fund. Special Revenue Funds are used to account for and report proceeds of specific revenue sources that are restricted or committed to expenditures for specific purposes other than debt service or capital projects. This fund accounts for property tax increment revenues from redevelopment areas within the City, which will be used to revitalize and upgrade these areas with qualifying developments.

The *Municipal Building Authority* is a special revenue fund used to account for lease revenue proceeds which are used to remit payments for the related long-term debt.

The City reports the following major proprietary funds:

The *Water Fund* accounts for the activities of the City's water distribution system including, billing and collection from customers, water purchases, and system repairs and improvements.

The *Storm Water Fund* accounts for the activities of the City's storm drain collection system including, billing customers, collections from customers, and system repairs and improvements.

The *Solid Waste Fund* accounts for the activities of the City's solid waste collection operations including, billing customers, collections from customers, garbage pick-up, and tipping and disposal fees.

The *Ambulance Fund* accounts for the activities of the City's ambulance and paramedic services, including calls for service and transports.

Additionally, the City reports the following fund type:

As previously mentioned, special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. The City reports the following nonmajor special revenue fund:

Traverse Ridge Special Service District (TRSSD) is used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes in the District.

As previously mentioned, capital projects funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets (other than those financed by Proprietary Funds and Special Revenue Funds). The City reports the following nonmajor capital projects funds:

The *Fire Impact Fund* accounts for fire related impact fees derived from new development and the need or related capital assets.

The *Transportation Impact Fund* accounts for road related impact fees derived from new development and the need for related capital assets.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION (continued)

The *Park Impact Fund* accounts for park related system impact fees derived from new development and the need for related capital assets.

The *Police Impact Fund* accounts for police related impact fees derived from new development and the need for related capital assets.

Permanent funds (Cemetery Fund) account for resources that are legally restricted to the extent that only earnings, and not principal, may be used to support the City's maintenance and care of the Cemetery.

Internal service funds are used to account for the central financing of services provided by an internal service fund to various departments of the City on a cost-reimbursement basis. The Risk Management internal service fund accounts for the City's insurance activities.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments to the General Fund by various enterprise funds for providing administrative and billing services for such funds. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. General revenues include all taxes imposed by the City.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of all enterprise funds are charges to customers of the system for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

BUDGETARY DATA

Annual budgets are prepared and adopted, in accordance with State law, by the City Council on or before June 22 for the following fiscal year. Estimated revenues and appropriations may be increased or decreased by resolution of the City Council at any time during the year. A public hearing must be held prior to any proposed increase in a fund's appropriations. Budgets include activities in several different funds, including the General Fund, Special Revenue Funds and Enterprise Funds. The Cemetery Fund (Permanent Fund) does not adopt an annual budget. Annual budgets are also adopted for capital projects which may include activities which overlap several fiscal years. The level of the City's budgetary control (that is, the level at which the City's expenditures cannot legally exceed the appropriated amounts) is established at the department level. Each department head is responsible to the City Manager and City Council for operating within the budget for their departments. All annual budgets lapse at fiscal year-end.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

BUDGETARY DATA (continued)

Utah State law prohibits the appropriation of the sum of unassigned, assigned, and committed General Fund balance until it exceeds 5% of the General Fund revenues. Until the sum of the stated fund balance categories is greater than the above amount, it cannot be budgeted, but is used to provide working capital until tax revenue is received, to meet emergency expenditures, and to cover unanticipated deficits. Utah State law also prohibits the accumulation of the stated fund balance categories (aggregate of committed, assigned, and unassigned) in the General Fund in any amounts greater than 35% of the current year's total actual revenues.

Once adopted, the budget can be amended by subsequent City Council action. The City Council can amend the budget to any extent, provided the budgeted expenditures do not exceed budgeted revenues and appropriated fund balance, in which case a public hearing must be held. With the consent of the City Manager and Finance Director, department heads may reallocate unexpended appropriated balances from one expenditure account to another within that department during the budget year.

Budgets for the General Fund, Special Revenue Funds, and Capital Projects Funds are prepared on the modified accrual method of accounting. Encumbrance accounting is not used by the City. Although Utah State law requires the initial preparation of budgets for all City funds (both governmental and proprietary), it only requires the reporting of budget versus actual for governmental funds.

Expenditures in the Capital Projects Funds are budgeted annually on a project-by-project basis. Although it is the intention of the City for each project be funded by a specific revenue source, the adopted budget reflects only total anticipated revenues by source. Since it is not practicable or appropriate to separate revenues and fund balance on a project-by-project basis, the Capital Projects Fund is reported as individual fund in the accompanying financial statements.

For the year ended June 30, 2021, expenditures exceeded appropriations in the TRSSD special revenue fund by \$346,440, which is deemed a budgetary violation.

TAX REVENUES

On or before June 22 of each year, the City sets the property tax rate for various municipal purposes. If the City intends to increase property tax revenues above the tax rate of the previous year, State law requires the City to provide public notice to property owners and hold public hearings. When these special public hearings are necessary, the adoption of the final budget must be done before August 17. All property taxes levied by the City are assessed and collected by Salt Lake County and Utah County. Taxes are levied as of January 1 and are due November 30; any 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 bears interest from January 1 until paid. Tax liens are placed on a property on the January 1 following the due date of unpaid taxes. 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. An accrual of delinquent current and prior year's property tax beyond that which was received within 60 days after fiscal year end has not been made, as the amounts are not deemed to be material.

Sales tax, 911 taxes, and telecom taxes are collected by the Utah State Tax Commission and remitted to the City monthly. An accrual has been made for all taxes received by the State for the period ended June 30 and, thus, due and payable to the City.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

TAX REVENUES (continued)

Franchise taxes are collected by telephone, mobile phone, natural gas, electric utilities, and cable television companies and remitted to the City periodically. An accrual has been made for fees due and payable to the City at June 30.

ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS AND NET POSITION

Cash and Cash Equivalents, Deposits and Investments: The City considers all cash and investments with original maturities of three months or less to be cash and cash equivalents and includes deposits with financial institutions, money market accounts, bond reserve accounts, and accounts at the Utah Public Treasurer’s Investment Trust (the State Treasurer’s Pool). For the purpose of the statement of cash flows, cash and cash equivalents are defined as the cash and cash equivalent accounts and the restricted cash and cash equivalents accounts. Investments consist of debt securities and term deposits with financial institutions. Investments of the City are recorded at fair value in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*. Accordingly, the change in fair value of investments is recognized as an increase or decrease to investment assets and investment income.

Receivables and Payables: Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as “due to/from other funds” (i.e., the current portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances”.

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate they are not available for appropriation and are not available financial resources.

Other receivables at June 30, 2021, consist of property taxes, franchise taxes, sales tax, grants and accounts (billings for user charged services, including unbilled utility services) and are shown net of an allowance for uncollectibles. The utility billings for charged services are billed to customers on a monthly basis. Ambulance service billings are billed to customers and insurance providers as incurred. Management has estimated the allowance for uncollectibles to be \$438,453 (all funds combined), which is estimated based on historical trends related to collections of accounts receivable.

Restricted Assets: Assets whose use is restricted for construction, debt service or by other independent third parties, enabling legislation, or other laws and statutes. When both restricted and unrestricted resources are available for use, it is the City’s policy to use restricted resources first, then unrestricted resources as they are needed.

Prepays: Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Equity Investment in Joint Venture: The investment in Trans-Jordan Cities Landfill, a 10.30% owned joint venture is accounted for by the equity method of accounting. Under this method, the Solid Waste Fund (enterprise fund) records its share of the joint venture’s net income or loss for each period.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS AND NET POSITION (continued)

Capital Assets: Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. The City reports infrastructure assets on a network and subsystem basis. Accordingly, the amounts spent for the construction or acquisition of infrastructure assets are capitalized and reported in the government-wide financial statements.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets is included as part of the capitalized value of the assets constructed.

Upon retirement or disposition of capital assets, the cost and related accumulated depreciation are removed from the respective accounts. Depreciation of capital assets is computed using the straight-line method over their estimated useful lives as follows:

<u>Assets</u>	<u>Years</u>
Water tanks	100
Infrastructure	10 - 60
Buildings and improvements	7 - 40
Improvements other than buildings	7 - 40
Machinery and equipment	5 - 15
Vehicles	5 - 10
Furniture and equipment	5 - 10
Office equipment	3 - 7

Unearned Revenue: Unearned revenue arises when resources are received by the City before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the City has a legal claim to the resources, the revenue is recognized.

Compensated Absences: Accumulated unpaid vacation is accrued as incurred on the government-wide financial statements, based on the years of service for each employee. Vacation time is accumulated on a biweekly basis and is fully vested when earned. The maximum annual carry-forward of accrued vacation hours is 240 hours plus the current year maximum accrual. When an employee leaves or is terminated they are paid out at their current hourly rate. The General Fund is used for liquidating compensated for governmental fund employees, whereas the proprietary funds fully recognize these benefits as expenses and liabilities as incurred.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS AND NET POSITION (continued)

Deferred Inflows and Outflows of Resources: In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. The City has two types of items that qualify for reporting in this category. The governmental funds report unavailable revenues from two sources: property taxes (property taxes which will be levied and collected more than 60 days after year end) and certain long-term notes receivable (repayments on this note will be collected more than 60 days after year end). These amounts are deferred and recognized as an inflow of resources in the period in which the amounts become available. The City also has deferred inflows relating to pensions as of June 30, 2021.

Deferred outflows of resources represent a consumption of net position that applies to a future period, and is therefore deferred until that time. A deferred loss on refunding results from the difference in the carrying value of the refunded debt and the reacquisition price. The City also has deferred outflows relating to pensions as of June 30, 2021.

Pensions: For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Utah Retirement Systems Pension Plan (URS) and additions to/deductions from URS's fiduciary net position have been determined on the same basis as they are reported by URS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. The General Fund is used for liquidating pension liabilities for governmental fund employees, whereas the proprietary funds would be used for their employees.

Long-term Obligations: In the government-wide financial statements and proprietary funds, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary funds' Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the applicable debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period as other financing sources or uses. The face amount of debt issued is also reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures in the current period.

Fund Balance and Net Position: Net position is classified in the government-wide financial statements in three components:

- (1) *Net investment in capital assets* - consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- (2) *Restricted net position* - consists of net position with constraints placed on the use either by (a) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (b) law through constitutional provisions or enabling legislation.
- (3) *Unrestricted net position* - All other net position that does not meet the definition of "restricted" or "net investment in capital assets".

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS AND NET POSITION (continued)

Fund Balance and Net Position (continued)

GASB Statement No. 54 provided new reporting categories for fund balance in governmental funds. The categories and descriptions are as follows:

- (1) *Nonspendable fund balance* classification includes amounts that cannot be spent because they are either (a) not in spendable form, or (b) legally or contractually required to be maintained intact.
- (2) *Restricted fund balance* classifications are restricted by enabling legislation. Also reported if, (a) externally imposed by creditor, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.
- (3) *Committed fund balance* classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The governing council is the highest level of decision-making authority for the government that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.
- (4) *Assigned fund balance* classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The governing council (council) has by resolution authorized the finance director to assign fund balance. The council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.
- (5) *Unassigned fund balance* classification is the residual classification for the General Fund or funds with deficit fund balances. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund.

Proprietary funds report net position in the same manner as the government-wide statements.

When restricted, committed, assigned, or unassigned resources are available for use, it is the City's policy to use restricted resources first, followed by committed resources, then assigned, and then unassigned as they are needed.

Estimates: The preparation of the financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of certain financial statement balances. Actual results could vary from those estimates.

2. DEPOSITS AND INVESTMENTS

The City maintains a cash and investment pool that is available for use by all funds. Cash includes amounts in demand deposits as well as term deposits. Each fund's portion of this pool is displayed on the combined balance sheet as "cash and cash equivalents" and "restricted cash and cash equivalents," which includes cash accounts that are separately held by several of the City's funds. The State of Utah Money Management Council has the responsibility to advise the State Treasurer about investment policies, promote measures and rules that will assist in strengthening the banking and credit structure of the state, and review the rules adopted under the authority of the State of Utah Money Management Act (UMMA) that relate to the deposit and investment of public funds.

The City follows the requirements of UMMA (*Utah Code*, Title 51, Chapter 7) in handling its depository and investment transactions. The Act requires the depositing of City funds in a qualified depository, which is defined as a financial institution whose deposits are insured by an agency of the Federal Government and which has been certified by the State Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Utah Money Management Council. UMMA defines types of securities authorized as appropriate investments for the City's funds and the conditions for making investment transactions. Investment transactions may be conducted only through qualified depositories, certified dealers, or directly with issuers of the investment securities.

Statutes authorize the City to invest in negotiable or nonnegotiable deposits of qualified depositories and permitted negotiable depositories; repurchase and reverse repurchase agreements; commercial paper that is classified as "first tier" by two nationally recognized statistical rating organizations; bankers' acceptances; obligations of the United States Treasury including bills, notes, and bonds; obligations, other than mortgage derivative products, issued by U.S. government sponsored enterprises (U.S. Agencies) such as the Federal Home Loan Bank System, Federal Home Loan Mortgage Corporation (Freddie Mac), and Federal National Mortgage Association (Fannie Mae); bonds, notes, and other evidence of indebtedness of political subdivisions of the State; fixed rate corporate obligations and variable rate securities rated "A" or higher, or the equivalent of "A" or higher, by two nationally recognized statistical rating organizations; shares or certificates in a money market mutual fund as defined in UMMA; and the Utah State Public Treasurers' Investment Fund. The City has complied with the UMMA and rules of the Money Management Council with regard to deposits and investments. The City does not have a separate deposit and investment policy that addresses specific types of deposit and investment risks to which the City is exposed.

The Utah State Treasurer's Office operates the Public Treasurers' Investment Fund (PTIF). The PTIF is available for investment of funds administered by any Utah public treasurer and is not registered with the SEC as an investment company. The PTIF is authorized and regulated by UMMA. The Act established the Money Management Council which oversees the activities of the State Treasurer and the PTIF and details the types of authorized investments. Deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah, and participants share proportionally in any realized gains or losses on investments.

The PTIF operates and reports to participants on an amortized cost basis. The income, gains, and losses of the PTIF, net of administration fees, are allocated based upon the participant's average daily balance. The fair value of the PTIF investment pool is approximately equal to the value of the pool shares.

2. DEPOSITS AND INVESTMENTS (CONTINUED)

Fair Value of Investments

The City measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- Level 1: Financial instruments with unadjusted, quoted prices listed on active market exchanges.
- Level 2: Financial instruments lacking unadjusted, quoted prices from active market exchanges, including over-the-counter traded financial instruments. The prices for the financial instruments are determined using prices for recently traded financial instruments with similar underlying terms as well as directly or indirectly observable inputs, such as interest rates and yield curves that are observable at commonly quoted intervals.
- Level 3: Financial instruments that are not actively traded on a market exchange. This category includes situations where there is little, if any, market activity for the financial instruments. The prices are determined using significant unobservable inputs or valuation techniques. Quoted prices for identical investments in active markets.

At June 30, 2021, the City had the following recurring fair value measurements.

	06/30/21	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Securities				
PTIF	\$ 71,605,115	\$ -	\$ 71,605,115	\$ -
Certificates of deposit	11,219,164	-	11,219,164	-
Corporate bonds	20,299,600	-	20,299,600	-
Municipal bonds	498,625	498,625	-	-
US Treasuries	2,683,270	2,683,270	-	-
Commercial paper	474,449	-	474,449	-
Money market funds	444,365	-	444,365	-
Total debt securities	<u>\$ 107,224,588</u>	<u>\$ 3,181,895</u>	<u>\$ 104,042,693</u>	<u>\$ -</u>

The City's cash and cash equivalents and investments are exposed to certain risks as outlined below:

Custodial credit risk – deposits is the risk that in the event of a bank failure, the City's deposits may not be returned. As of June 30, 2021, \$1,344,419 of the City's \$2,091,228 bank balance was exposed to custodial credit risk because it was uninsured and uncollateralized. UMMA does not require deposits to be insured or collateralized and the City has no formal policy regarding deposit credit risk. UMMA requires that the City keep deposits in a qualified depository, which the City has done.

Custodial credit risk – investments is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investments that are in the possession of an outside party. Of the City's investment in the Utah Public Treasurer's Investment Fund (PTIF) of \$71,605,115, the government has no custodial credit risk exposure as the PTIF is an external investment pool managed by the Utah State Treasurer and is not categorized as to custodial credit risk.

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City's policy for limiting the credit risks of investments is to comply with UMMA. Securities rated less than "A" met the investment criteria at the time of purchase or are covered by FDIC (CDs).

2. DEPOSITS AND INVESTMENTS (CONTINUED)

As of June 30, 2021, the City had the following investments and quality rating:

Investment Type	06/30/21	Quality Ratings					
		AAA	AA	A	BBB	BB	Unrated
PTIF	\$ 71,605,115	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 71,605,115
Certificates of deposit	11,219,164	-	1,137,000	2,580,006	606,282	248,711	6,647,165
Corporate bonds	20,299,600	752,970	3,215,015	15,365,173	-	-	966,442
Municipal bonds	498,625	-	-	-	-	-	498,625
US Treasuries	2,683,270	2,683,270	-	-	-	-	-
Commercial paper	474,449	-	-	-	-	-	474,449
Money market funds	444,365	444,365	-	-	-	-	-
Total debt securities	<u>\$ 107,224,588</u>	<u>\$ 3,880,605</u>	<u>\$ 4,352,015</u>	<u>\$ 17,945,179</u>	<u>\$ 606,282</u>	<u>\$ 248,711</u>	<u>\$ 80,191,796</u>

Interest rate risk is the risk that changes in the interest rates will adversely affect the fair value of an investment. The City has no formal policy relating to specific investment-related interest rate risk. The City manages its exposure by investing mainly in the PTIF and by adhering to the Money Management Act. The Act requires that the remaining term to maturity may not exceed the period of availability of the funds to be invested. The Act further limits the remaining term to maturity on all investments in commercial paper, bankers’ acceptances, fixed rate negotiable deposits, and fixed rate corporate obligations to 270 days - 15 months or less. The Act further limits the remaining term to maturity on all investments in obligations of the United States Treasury; obligations issued by U.S. government sponsored enterprises; and bonds, notes, and other evidence of indebtedness of political subdivisions of the State to 5 years. In addition, variable rate negotiable deposits and variable rate securities may not have a remaining term to final maturity exceeding 3 years.

As of June 30, 2021, the City’s investments had the following maturities:

Investment Type	Fair Value	Investment Maturities (in Years)	
		Less Than 1	1-5
PTIF	\$ 71,605,115	\$ 71,605,115	\$ -
Certificates of deposit	11,219,164	2,138,535	9,080,629
Corporate bonds	20,299,600	8,665,898	11,633,702
Municipal bonds	498,625	-	498,625
US Treasuries	2,683,270	-	2,683,270
Commercial paper	474,449	474,449	-
Money market funds	444,365	444,365	-
	<u>\$ 107,224,588</u>	<u>\$ 83,328,362</u>	<u>\$ 23,896,226</u>

Concentration of credit risk is the risk of loss attributed to the magnitude of a City’s investment in a single issuer. The City’s policy for reducing this risk of loss is to comply with the rules of the Money Management Council. Rule 17 of the Money Management Council limits investments in a single issuer of commercial paper and corporate obligations to 5-10% depending upon the total dollar amount held in the portfolio. The City’s investment in the PTIF has no concentration of credit risk as the PTIF is an external investment pool managed by the Utah State Treasurer. The City also had no concentration of credit risk in its other investments.

2. DEPOSITS AND INVESTMENTS (CONTINUED)

The PTIF invests in high-grade securities which are delivered to the custody of the Utah State Treasurer, assuring a perfected interest in the securities, and, therefore, there is very little credit risk except in the most unusual and unforeseen circumstances. The maximum weighted average life of the portfolio does not exceed 90 days. Twice a year, at June 30 and December 31, which are the accounting periods for public entities, the investments are valued at fair value and participants are informed of the fair value valuation factor. Additional information is available at the Utah State Treasurer’s Office.

For the year ended June 30, 2021, the City had investments of \$71,605,115 with the PTIF. The fair value of these investments was \$71,845,162 using a fair value factor of 1.00335237.

Following are the City’s cash and investments at June 30, 2021:

	Carrying Value
Cash on hand and on deposit:	
Cash on hand	\$ 2,580
Cash on deposit	1,537,910
PTIF accounts	71,605,115
Total cash on hand and deposit	<u>\$ 73,145,605</u>
 Investments:	
Debt securities	<u>35,619,473</u>
	<u>\$ 35,619,473</u>

3. INTERFUND TRANSFERS

The purpose of the transfers was to provide cash flows, pay operating expenses, and to fund capital projects. Transfers among the funds during the current year were:

	Transfers In	Transfers Out
General Fund	\$ 1,687,588	\$ 11,127,157
MBA Fund	350,049	-
Capital Projects Fund	9,038,032	31,204
Redevelopment Agency	31,204	1,989,038
Nonmajor Governmental Funds	-	2,175,724
Ambulance Fund	1,966,250	-
Internal Service Fund	2,250,000	-
	<u>\$ 15,323,123</u>	<u>\$ 15,323,123</u>

4. RESTRICTED CASH AND CASH EQUIVALENTS

Certain cash and cash equivalents are restricted to use as follows as of June 30, 2021:

	<u>Amount</u>
Governmental activities	
Restricted for debt service	\$ 392,796
Restricted for cemetery	170,259
Restricted for future development - impact fees	12,472,210
Restricted for grants	60,790
Restricted for developer and customer deposits	10,267,251
Restricted for road maintenance in TRSSD boundaries	89,584
Restricted for "C" roads	4,124,655
Restricted for transportation	2,865,310
Total governmental activities	<u>30,442,855</u>
Business-type activities	
Restricted for debt service	257,738
Restricted for developer and customer deposits	16,000
Total business-type activities	<u>273,738</u>
Total restricted cash and cash equivalents	<u>\$ 30,716,593</u>

5. EQUITY INVESTMENT IN JOINT VENTURE

TRANS-JORDAN CITIES LANDFILL

The Solid Waste Fund has a 10.30% ownership in the Trans-Jordan Cities Landfill (Trans-Jordan), which is accounted for using the equity method. In addition to the City, the Trans-Jordan Cities Landfill is owned by the cities of Midvale, Murray, Sandy, South Jordan, West Jordan and Riverton which own 5.17%, 8.04%, 28.76%, 15.21%, 21.33% and 11.19% of the landfill, respectively. Trans-Jordan Cities Landfill is a separate legal entity and political subdivision of the State of Utah and was formed pursuant to the provisions of the Interlocal Cooperation Act in 1968. The City has no firm commitment to make additional equity investments in the Trans-Jordan Cities Landfill. The City's ownership in Trans-Jordan is calculated from the tipping fees for the preceding ten fiscal years. Tipping fees are paid from the solid waste fund and were \$395,386 for fiscal year 2021.

Trans-Jordan Cities Landfill was formed to construct, operate, and maintain a refuse dumping facility. Trans-Jordan is governed by its Board of Directors. Under the organization agreement, the Board of Directors are appointed by the member cities and are composed of the Mayors or their appointed representatives. The Board of Directors appoints the management and staff of the Trans-Jordan association and approves all financial matters such as the operating budget and usage fees.

Annually, the City recognizes its pro-rata share of Trans-Jordan's operating income or loss. For fiscal year 2021, Trans-Jordan reported an increase in net position of \$3,062,487. The City recognized its 10.30% of the landfill's loss, as well as a change in the City's percent of ownership in the landfill, as equity income of a joint venture of \$324,142 in the Solid Waste enterprise fund under the nonoperating revenues heading.

The complete financial statements for Trans-Jordan Cities Landfill for the year ended June 30, 2021, can be obtained from Trans-Jordan Cities, 10873 S 7200 W, South Jordan, UT 84095.

6. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2021, was as follows:

	6/30/2020	Increases	Decreases	06/30/21
<u>Governmental activities</u>				
Capital assets, not being depreciated:				
Land	\$ 97,624,286	\$ 1,683,936	\$ -	\$ 99,308,222
Right of ways - canals	636,300	-	-	636,300
Right of ways - roads	238,802,614	11,000	-	238,813,614
Construction in progress	4,621,604	4,875,208	(1,151,137)	8,345,675
Total capital assets, not being depreciated	341,684,804	6,570,144	(1,151,137)	347,103,811
Capital assets, being depreciated:				
Buildings	22,218,029	112,671	-	22,330,700
Building improvements	2,349,654	45,660	-	2,395,314
Improvements	7,420,774	-	(35,406)	7,385,368
Park assets/sporting fields	15,574,407	375,890	-	15,950,297
Paved trails	2,528,118	-	-	2,528,118
Machinery and equipment	7,309,876	513,845	(10,312)	7,813,409
Vehicles	7,245,589	490,074	(189,028)	7,546,635
Office equipment	1,446,305	79,513	-	1,525,818
Furniture and fixtures	465,050	-	-	465,050
Infrastructure: roadways	123,465,289	6,256,104	(174,971)	129,546,422
Infrastructure: sidewalks	17,077,723	524,891	-	17,602,614
Infrastructure: street lights	1,899,888	-	-	1,899,888
Infrastructure: surfaces - parking lots	2,250,704	990,353	-	3,241,057
Infrastructure: traffic lights	1,131,732	-	(31,204)	1,100,528
Total capital assets, being depreciated	212,383,138	9,389,001	(440,921)	221,331,218
Accumulated depreciation:				
Buildings	(6,107,602)	(569,442)	-	(6,677,044)
Building improvements	(1,070,249)	(64,629)	-	(1,134,878)
Improvements	(6,146,006)	(190,221)	35,406	(6,300,821)
Park assets/sporting fields	(5,725,676)	(862,273)	-	(6,587,949)
Paved trails	(1,052,113)	(110,018)	-	(1,162,131)
Machinery and equipment	(4,601,823)	(446,407)	10,314	(5,037,916)
Vehicles	(4,187,143)	(662,172)	189,028	(4,660,287)
Office equipment	(784,337)	(155,688)	-	(940,025)
Furniture and fixtures	(428,309)	(1,510)	-	(429,819)
Infrastructure: roadways	(64,450,909)	(4,462,813)	174,971	(68,738,751)
Infrastructure: sidewalks	(8,868,694)	(559,587)	-	(9,428,281)
Infrastructure: street lights	(1,580,279)	(49,916)	-	(1,630,195)
Infrastructure: surfaces - parking lots	(596,328)	(98,750)	-	(695,078)
Infrastructure: traffic lights	(168,223)	(52,985)	126	(221,082)
Total accumulated depreciation	(105,767,691)	(8,286,411)	409,845	(113,644,257)
Total capital assets being depreciated, net	106,615,447	1,102,590	(31,076)	107,686,961
Governmental capital assets, net	\$ 448,300,251	\$ 7,672,734	\$ (1,182,213)	\$ 454,790,772

6. CAPITAL ASSETS (CONTINUED)

	6/30/2020	Increases	Decreases	06/30/21
Business-type activities				
Capital assets, not being depreciated:				
Intangible - water tank capacity	\$ 2,000,000	\$ -	\$ -	\$ 2,000,000
Water shares	131,907	-	-	131,907
Construction in progress	934,386	706,197	-	1,640,583
Total capital assets, not being depreciated	3,066,293	706,197	-	3,772,490
Capital assets, being depreciated:				
Buildings and improvements	536,079	-	-	536,079
Water tanks	4,185,508	-	-	4,185,508
Distribution systems	71,672,802	2,354,026	-	74,026,828
Vehicles	4,509,593	511,927	(253,252)	4,768,268
Machinery and equipment	3,461,190	746,392	(61,225)	4,146,357
Office equipment	236,858	58,800	-	295,658
Furniture and fixtures	11,834	-	-	11,834
Total capital assets, depreciated	84,613,864	3,671,145	(314,477)	87,970,532
Accumulated depreciation:				
Buildings and improvements	(145,054)	(14,265)	-	(159,319)
Water tanks	(605,473)	(42,298)	-	(647,771)
Distribution systems	(28,305,045)	(1,545,022)	-	(29,850,067)
Vehicles	(2,160,498)	(503,349)	253,252	(2,410,595)
Machinery and equipment	(1,434,172)	(257,659)	40,640	(1,651,191)
Office equipment	(113,055)	(33,465)	-	(146,520)
Furniture and fixtures	(11,834)	-	-	(11,834)
Total accumulated depreciation	(32,775,131)	(2,396,058)	293,892	(34,877,297)
Total capital assets being depreciated, net	51,838,733	1,275,087	(20,585)	53,093,235
Business-type capital assets, net	\$ 54,905,026	\$ 1,981,284	\$ (20,585)	\$ 56,865,725

In the government-wide financial statements depreciation was charged as follows by program or activity:

Governmental activities:	
General government	\$ 420,694
Public safety	994,979
Highways and public improvements	5,334,701
Parks and recreation	1,536,037
Total depreciation expense - governmental activities	<u>\$ 8,286,411</u>
Business-type activities:	
Water Fund	\$ 1,078,147
Storm Water Fund	731,259
Solid Waste Fund	486,646
Ambulance Fund	100,006
Total depreciation expense - business-type activities	<u>\$ 2,396,058</u>

The City has also purchased five million gallons of water storage capacity in another governmental entity's storage tank. The cost in purchasing this capacity was \$2,000,000. The City reviews this asset on an annual basis to determine if impairment has occurred. No impairment has been recorded in the current year.

7. DEVELOPER AND CUSTOMER DEPOSITS

Developer and customer deposits are principally deposits from customers that are held by the City for water connections or for construction projects and development agreements until such time that refund or forfeiture is warranted.

8. DEFERRED INFLOW OF RESOURCES

In conjunction with GASB pronouncement 33, “Accounting and Financial Reporting for Nonexchange Transactions” the City has accrued property tax receivable and a deferred inflow of resources for unavailable property tax revenue in the General Fund, TRSSD and Redevelopment Agency in the amounts of \$8,360,472, \$251,282, and \$7,966,538, respectively at June 30, 2021.

Property taxes recorded in the governmental funds are recorded using the modified accrual basis of accounting, wherein revenues are recognized when they are both measurable and available (expected to be received within 60 days). Property taxes attach as an enforceable lien on property as of the first day of January. Taxes are levied on October 1, and then are due and payable at November 30. Since the property tax levied on October 1 was not expected to be received within 60 days after the year ended June 30, 2021, the City was required to record a receivable and unearned revenue of the estimated amount of the total property tax to be levied on October 1, 2021.

9. LONG-TERM DEBT

CHANGES IN LONG-TERM LIABILITIES

Long-term debt activity for the year ended June 30, 2021, was as follows:

	6/30/2020	Increases	Decreases	06/30/21	Due in One Year
<u>Governmental activities</u>					
Bonds payable:					
General obligation bonds	\$ 2,390,000	\$ -	\$ (450,000)	\$ 1,940,000	\$ 465,000
Sales tax revenue bonds	17,454,000	-	(4,448,000)	13,006,000	1,566,000
Municipal Building Authority					
lease revenue bonds	1,482,000	-	(1,482,000)	-	-
Plus: unamortized premiums	1,794,440	-	(454,917)	1,339,523	-
Total bonds payable	23,120,440	-	(6,834,917)	16,285,523	2,031,000
Notes payable	9,985,682	-	-	9,985,682	-
Compensated absences	988,980	1,041,187	(930,022)	1,100,145	220,029
Other liabilities - URMA	629,355	322,904	(250,369)	701,890	223,222
Governmental activities, long-term liabilities	<u>\$ 34,724,457</u>	<u>\$ 1,364,091</u>	<u>\$ (8,015,308)</u>	<u>\$ 28,073,240</u>	<u>\$ 2,474,251</u>
<u>Business-type activities</u>					
Water revenue bonds	\$ 1,320,000	\$ -	\$ (96,000)	1,224,000	\$ 99,000
Notes payable	1,272,133	-	-	1,272,133	-
Compensated absences	171,897	200,782	(162,937)	209,742	41,947
Business-type activities, long-term liabilities	<u>\$ 2,764,030</u>	<u>\$ 200,782</u>	<u>\$ (258,937)</u>	<u>\$ 2,705,875</u>	<u>\$ 140,947</u>

9. LONG-TERM DEBT (CONTINUED)

The following is a summary and description of the individual bonds and debt obligations of the City during the year ended June 30, 2021:

GOVERNMENTAL ACTIVITIES:

General Obligation Bonds

Amount

Series 2014 General Obligation Refunding Bonds, original issue of \$4,490,000, principal due in annual installments beginning February 2016, interest at 2.00% to 3.00% due in semi-annual installments beginning February 2015, with the final payment due February 2025. The bonds were issued to finance the refunding of the Series 2006 General Obligation Bonds that were originally used for the acquisition of land in order to preserve open space within the City.

\$ 1,940,000

Total General Obligation Bonds - Governmental Activities

\$ 1,940,000

Sales Tax Revenue Bonds

Series 2014 Sales Tax Revenue Refunding Bonds, original issue of \$3,890,000, principal due in annual installments beginning November 2015, interest at 2.00% to 4.00% due in semi-annual installments beginning May 2015, with the final payment due November 2025. The bonds were issued to finance the refunding of the Series 2005 Municipal Building Authority Lease Revenue and Refunding Bonds that were originally used for the acquisition park and recreation land and related construction.

\$ 1,920,000

Series 2012C Sales Tax Revenue Bonds, original issue of \$12,530,000, principal due in annual installments beginning May 2015, interest at 2.00% to 5.00% due in semi-annual installments beginning May 2013, with the final payment due May 2032. The bonds were issued to finance a non-profit organization's costs of designing and constructing an aquarium within City limits.

8,735,000

Redevelopment Agency Tax Increment and Subordinated Sales Tax Revenue Refunding Bonds Series 2015, original issue of \$5,612,000, principal due in annual installments beginning April 2016, interest at 2.02% due in semi-annual installments beginning April 2016, with the final payment due April 2025. The bonds were issued to payoff three outstanding RDA tax increment agreements.

2,351,000

Total Sales Tax Revenue Bonds - Governmental Activities

\$13,006,000

BUSINESS-TYPE ACTIVITIES:

Revenue Bonds

Amount

Series 2011 Water Revenue Bonds, original issue of \$2,015,000, principal due in annual installments beginning July 2011, interest at 2.47% due in annual installments beginning July 2011, with the final payment due July 2031. The bonds were issued for the purpose of financing the costs of acquiring, constructing, and installing water lines, a storage tank, and related water improvements.

\$ 1,224,000

Total Water Revenue Bonds - Business-type Activities

\$ 1,224,000

-

9. LONG-TERM DEBT (CONTINUED)

GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES:

Notes Payable

Amount

Vista Project Area, original amount of \$14,298,208, payments due from future impact fees City will assess and collect on all development activities within this designated Master Developer Parcel, beginning in fiscal year 2015, with the final payment to be determined based on impact fee collections for transportation, storm water, and culinary water for this specific area. The principal payments are made from the Capital Projects Fund, Water Fund, and Storm Water Fund. The note was used to acquire right of ways, road and underpass construction, and water and storm drain system installations.

\$ 11,257,815

Total Notes Payable - Governmental Activities

\$ 9,985,682

Total Notes Payable - Business-type Activities

\$ 1,272,133

All of the City’s Sales Tax Revenue Bonds, Municipal Building Authority (MBA) Lease Revenue Bonds and Water Revenue Bonds are payable solely by a pledge and assignment of their associated revenue sources. An estimated \$13,565,400 in sales tax has been pledged through 2032. Total future RDA tax increments of \$2,470,867 have been pledged for RDA commitments through 2025. Total future water net revenues of \$1,412,512 have been pledged through 2032. The current revenue recognized during the period for pledged Sales Tax Revenue bonds was \$16,788,860 compared to principal and interest of \$2,267,463, which equals a coverage multiple of 5.93. The current revenue recognized during the period for pledged MBA Lease Revenue bonds was \$579,279 compared to principal and interest of \$1,508,603 which equals a coverage multiple of .38. The excess expenditures were a result of the early bond payoff and retirement of the Series 2016 lease revenue refunding bonds. The MBA fund also had excess cash to cover the difference between revenues and expenses, hence the reason for a coverage ratio of less than 1.0. The current year revenue recognized during the year for pledged Water Revenue was \$5,824,899 compared to principal and interest of \$126,233 which equals a coverage ratio of 46.14.

The annual debt service requirements to maturity are as follows:

Year Ending June 30,	Governmental Activities General Obligation Bonds		
	Principal	Interest	Totals
2022	\$ 465,000	\$ 58,200	\$ 523,200
2023	480,000	44,250	524,250
2024	490,000	29,850	519,850
2025	505,000	15,150	520,150
	<u>\$ 1,940,000</u>	<u>\$ 147,450</u>	<u>\$ 2,087,450</u>

9. LONG-TERM DEBT (CONTINUED)

Year Ending June 30,	Governmental Activities Sales Tax Revenue Bonds		
	Principal	Interest	Totals
2022	\$ 1,566,000	\$ 520,515	\$ 2,086,515
2023	1,607,000	472,756	2,079,756
2024	1,663,000	416,925	2,079,925
2025	1,720,000	357,021	2,077,021
2026	1,155,000	302,700	1,457,700
2027-2031	4,300,000	910,600	5,210,600
2032	995,000	49,750	1,044,750
	<u>\$ 13,006,000</u>	<u>\$ 3,030,267</u>	<u>\$ 16,036,267</u>

Year Ending June 30,	Business-type Activities Water Revenue Bonds		
	Principal	Interest	Totals
2022	\$ 99,000	\$ 30,233	\$ 129,233
2023	101,000	27,788	128,788
2024	103,000	25,293	128,293
2025	106,000	22,749	128,749
2026	108,000	20,131	128,131
2027-2031	582,000	59,230	641,230
2032	125,000	3,088	128,088
	<u>\$ 1,224,000</u>	<u>\$ 188,512</u>	<u>\$ 1,412,512</u>

Year Ending June 30,	Notes Payable
2022 (estimated)	\$ -
To be determined	11,257,815
Total notes payable	<u>\$ 11,257,815</u>

Prior Year Defeasance of Debt

In 2017, the City defeased the Series 2012A Sales Tax Revenue Bonds for \$4,915,000 by depositing \$5,630,205 in cash with an escrow agent for the servicing of these bonds to their full call date. As a result, these bonds are considered defeased and the liability for those bonds has been removed from the City’s financial statements. At June 30, 2021, \$4,915,000 of the defeased bonds remain outstanding until their final call in 2022.

10. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the City carries commercial insurance. This insurance covers all of these risks except natural disasters. The government is self-insured for risk of loss involving employees, which amounts are based on work risk factors and experience as set forth by worker's compensation insurance. Claims and settlements against the City have not exceeded the insurance coverage in each of the past three years.

The City is also a member of the Utah Risk Management Association (URMA) which is an insurance pool of municipalities in the state for liability insurance. The pool purchases umbrella insurance against large claims, and each city has a \$7,500 deductible before the pool pays from its reserves and/or policy.

11. RETIREMENT PLANS

GENERAL INFORMATION ABOUT THE PENSION PLAN

Plan Description

Eligible plan participants are provided with pensions through the Utah Retirement Systems (URS). URS is comprised of the following pension trust funds:

Defined Benefit Plans

- Public Employees Noncontributory Retirement System (Noncontributory System) and Firefighters Retirement System (Firefighter System); are multiple-employer, cost-sharing, retirement systems.
- The Public Safety Retirement System (Public Safety System) is a mixed agent and cost-sharing, multiple-employer public employee retirement system.
- Tier 2 Public Employees Contributory Retirement System (Tier 2 Public Employees System); is a multiple employer, cost-sharing, public employee retirement systems.
- Tier 2 Public Safety and Firefighter Contributory Retirement System (Tier 2 Public Safety and Firefighters System) is a multiple employer, cost-sharing, public employee retirement systems.

The Tier 2 Public Employees System became effective July 1, 2011. All eligible employees beginning work on or after July 1, 2011, who have no previous service credit with URS, are members of the Tier 2 Retirement System.

11. RETIREMENT PLANS (CONTINUED)

GENERAL INFORMATION ABOUT THE PENSION PLAN (continued)

The Utah Retirement Systems (Systems) are established and governed by the respective sections of Title 49 of the Utah Code Annotated 1953, as amended. The Systems' defined benefit plans are amended statutorily by the State Legislature. The Utah State Retirement Office Act in Title 49 provides for the administration of the Systems under the direction of the Utah State Retirement Board, whose members are appointed by the Governor. The Systems are fiduciary funds defined as pension (and other employee benefit) trust funds. URS is a component unit of the State of Utah. Title 49 of the Utah Code grants the authority to establish and amend the benefit terms. URS issues a publicly available financial report that can be obtained by writing Utah Retirement Systems, 560 East 200 South, Salt Lake City, Utah 84102 or visiting the website: www.urs.org.

Benefits Provided

URS provides retirement, disability, and death benefits. Retirement benefits are as follows:

Summary of Benefits by System

System	Final Average Salary	Years of Service Required and/or Age Eligible for Benefit	Benefit Percent Per Year of Service	COLA**
Noncontributory System	Highest 3 years	30 years any age 25 years any age* 20 years age 60* 10 years age 62* 4 years age 65	2.0% per year all years	Up to 4%
Public Safety System	Highest 3 years	20 years any age 10 years age 60 4 years age 65	2.5% per year up to 20 years; 2.0% per year over 20 years present	Up to 2.5% to 4% depending on employer
Firefighter System	Highest 3 years	20 years any age 10 years age 60 4 years age 65	2.5% per year up to 20 years; 2.0% per year over 20 years present	Up to 4%
Tier 2 Public Employees System	Highest 5 years	35 years any age 20 years any age 60* 10 years age 62* 4 years age 65	1.5% per year all years	Up to 2.50%
Tier 2 Public Safety and Firefighter System	Highest 5 years	25 years any age 20 years any age 60* 10 years age 62* 4 years age 65	1.50% per year all years to June 30, 2020; 2.0% per year July 1, 2020 to present	Up to 2.50%

*with actuarial reductions

**All post-retirement cost-of-living adjustments are non-compounding and are based on the original benefit except for Judges, which is a compounding benefit. The cost-of-living adjustments are also limited to the actual Consumer Price Index (CPI) increase for the year, although unused CPI increases not met may be carried forward to subsequent years.

11. RETIREMENT PLANS (CONTINUED)*GENERAL INFORMATION ABOUT THE PENSION PLAN (continued)**Contribution Rate Summary*

As a condition of participation in the Systems, employers and/or employees are required to contribute certain percentages of salary and wages as authorized by statute and specified by the Utah State Retirement Board. Contributions are actuarially determined as an amount that, when combined with employee contributions (where applicable) is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability. Contribution rates as of June 30, 2021 are as follows:

Utah Retirement Systems

	Employee	Employer	Employer 401(k)
Contributory System			
111 - Local Governmental Division Tier 2	N/A	15.80%	0.89%
Noncontributory System			
15 - Local Governmental Division Tier 1	N/A	18.47%	N/A
Public Safety System			
Contributory			
122 - Tier 2 DB Hybrid Public Safety	2.27%	25.83%	N/A
Noncontributory			
43 - Other Div A with 2.5% COLA	N/A	34.04%	N/A
Firefighters Retirement System			
31 - Other Division A	15.05%	4.61%	N/A
132 Tier 2 DB Hybrid Firefighters	2.27%	14.08%	N/A
Tier 2 DC Only			
211- Local Government	N/A	6.69%	10.00%
222 - Public Safety	N/A	11.83%	14.00%
232 Firefighters	N/A	0.08%	14.00%

Tier 2 rates include a statutory required contribution to finance the unfunded actuarial accrued liability of the Tier 1 plans.

For fiscal year ended June 30, 2021, the employer and employee contributions to the Systems were as follows:

System	Employer Contributions	Employee Contributions
Noncontributory System	\$ 904,813	N/A
Public Safety System	623,923	-
Firefighter System	101,187	330,341
Tier 2 Public Employees System	493,093	-
Tier 2 Public Safety and Firefighter System	386,430	41,648
Tier 2 DC Only System	33,831	N/A
Tier 2 DC Public Safety and Firefighter System	8,526	N/A
Total Contributions	<u>\$ 2,551,803</u>	<u>\$ 371,989</u>

Contributions reported are the URS Board approved required contributions by System. Contribution in Tier 2 Systems are used to finance the unfunded liabilities in the Tier 1 Systems.

11. RETIREMENT PLANS (CONTINUED)***COMBINED PENSION ASSETS, LIABILITIES, EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS***

At June 30, 2021, the City reported a net pension asset of \$1,866,100 and a net pension liability of \$1,508,647.

	(Measurement Date): December 31, 2020				
	Net	Net	Proportionate	Proportionate	Change
	Pension	Pension		Share	
Asset	Liability	Share	December 31, 2019		
Noncontributory System	\$ -	\$ 313,593	0.6113605%	0.6413481%	-0.0299876%
Public Safety System	-	1,094,416	1.3181890%	1.2682877%	0.0499013%
Firefighter System	1,866,100	-	6.6736984%	6.4311250%	0.2425734%
Tier 2 Public Employees System	-	26,846	0.1866508%	0.2041374%	-0.0174866%
Tier 2 Public Safety and Firefighter System	-	73,792	0.8227057%	0.9174606%	-0.0947549%
Total Net Pension Asset / Liability	\$ 1,866,100	\$ 1,508,647			

The net pension asset and liability was measured as of December 31, 2020, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2020 and rolled-forward using generally accepted actuarial procedures. The proportion of the net pension asset and liability is equal to the ratio of the employer's actual contributions to the Systems during the plan year over the total of all employer contributions to the Systems during the plan year.

For the year ended June 30, 2021, the City recognized pension expense of \$685,100. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred	Deferred
	Outflows of	Inflows of
	Resources	Resources
Differences between expected and actual experience	\$ 972,251	\$ 88,605
Changes in assumptions	340,577	114,338
Net difference between projected and actual earnings on pension plan investments	-	4,953,781
Changes in proportion and differences between contributions and proportionate share of contributions	189,372	249,021
Contributions subsequent to the measurement date	1,310,962	-
Total	\$ 2,813,162	\$ 5,405,745

11. RETIREMENT PLANS (CONTINUED)

COMBINED PENSION ASSETS, LIABILITIES, EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS (continued)

The \$1,310,962 reported as deferred outflows of resources related to pensions results from contributions made by the City prior to the fiscal year end, but subsequent to the measurement date of December 31, 2020. These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Net Deferred Outflows (Inflows) of Resources
2021	\$ (1,072,324)
2022	(504,920)
2023	(1,673,062)
2024	(766,886)
2025	40,380
Thereafter	73,267

PENSION EXPENSE, DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES BY SYSTEM

Noncontributory System

For the year ended June 30, 2021, the City recognized pension expense of \$303,319. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 420,707	\$ -
Changes in assumptions	-	41,020
Net difference between projected and actual earnings on pension plan investments	-	2,289,874
Changes in proportion and differences between contributions and proportionate share of contributions	49,400	109,467
Contributions subsequent to the measurement date	455,759	-
Total	<u>\$ 925,866</u>	<u>\$ 2,440,361</u>

11. RETIREMENT PLANS (CONTINUED)

PENSION EXPENSE, DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES BY SYSTEM (continued)

Noncontributory System (continued)

The \$455,759 reported as deferred outflows of resources related to pensions results from contributions made by the City prior to the fiscal year end, but subsequent to the measurement date of December 31, 2020. These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended December 31,</u>	<u>Net Deferred Outflows (Inflows) of Resources</u>
2021	\$ (517,198)
2022	(266,514)
2023	(806,912)
2024	(379,630)

Public Safety System

For the year ended June 30, 2021, the City recognized pension expense of \$434,499. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 201,438	\$ 1,059
Changes in assumptions	-	31,127
Net difference between projected and actual earnings on pension plan investments	-	1,414,219
Changes in proportion and differences between contributions and proportionate share of contributions	91,845	-
Contributions subsequent to the measurement date	314,498	-
Total	<u>\$ 607,781</u>	<u>\$ 1,446,405</u>

11. RETIREMENT PLANS (CONTINUED)

PENSION EXPENSE, DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES BY SYSTEM (continued)

Public Safety System (continued)

The \$314,498 reported as deferred outflows of resources related to pensions results from contributions made by the City prior to the fiscal year end, but subsequent to the measurement date of December 31, 2020. These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended December 31,</u>	<u>Net Deferred Outflows (Inflows) of Resources</u>
2021	\$ (256,727)
2022	(152,944)
2023	(509,030)
2024	(234,421)

Firefighters System

For the year ended June 30, 2021, the City recognized pension expense of (\$539,116). At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 287,238	\$ 75,229
Changes in assumptions	289,473	33,308
Net difference between projected and actual earnings on pension plan investments	-	1,124,059
Changes in proportion and differences between contributions and proportionate share of contributions	666	130,425
Contributions subsequent to the measurement date	51,409	-
Total	<u>\$ 628,786</u>	<u>\$ 1,363,021</u>

11. RETIREMENT PLANS (CONTINUED)

PENSION EXPENSE, DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES BY SYSTEM (continued)

Firefighter System (continued)

The \$51,409 reported as deferred outflows of resources related to pensions results from contributions made by the City prior to the fiscal year end, but subsequent to the measurement date of December 31, 2020. These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended December 31,</u>	<u>Net Deferred Outflows (Inflows) of Resources</u>
2021	\$ (275,005)
2022	(70,511)
2023	(326,115)
2024	(142,233)
2025	28,220

Tier 2 Public Employees System

For the year ended June 30, 2021, the City recognized pension expense of \$262,794. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 24,712	\$ 12,293
Changes in assumptions	33,956	977
Net difference between projected and actual earnings on pension plan investments	-	78,470
Changes in proportion and differences between contributions and proportionate share of contributions	41,497	-
Contributions subsequent to the measurement date	279,486	-
Total	<u>\$ 379,651</u>	<u>\$ 91,740</u>

11. RETIREMENT PLANS (CONTINUED)

PENSION EXPENSE, DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES BY SYSTEM (continued)

Tier 2 Public Employees System (continued)

The \$279,486 reported as deferred outflows of resources related to pensions results from contributions made by the City prior to the fiscal year end, but subsequent to the measurement date of December 31, 2020. These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended December 31,</u>	<u>Net Deferred Outflows (Inflows) of Resources</u>
2021	\$ (13,430)
2022	(7,917)
2023	(18,259)
2024	(5,349)
2025	9,121
Thereafter	44,259

Tier 2 Public Safety and Firefighter System

For the year ended June 30, 2021, the City recognized pension expense of \$223,603. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 38,156	\$ 24
Changes in assumptions	17,148	7,906
Net difference between projected and actual earnings on pension plan investments	-	47,159
Changes in proportion and differences between contributions and proportionate share of contributions	5,964	9,129
Contributions subsequent to the measurement date	209,810	-
Total	<u>\$ 271,078</u>	<u>\$ 64,218</u>

11. RETIREMENT PLANS (CONTINUED)*PENSION EXPENSE, DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES BY SYSTEM (continued)*Tier 2 Public Safety and Firefighters System (continued)

The \$209,810 reported as deferred outflows of resources related to pensions results from contributions made by the City prior to the fiscal year end, but subsequent to the measurement date of December 31, 2020. These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended December 31,</u>	<u>Net Deferred Outflows (Inflows) of Resources</u>
2021	\$ (9,964)
2022	(7,034)
2023	(12,746)
2024	(5,254)
2025	3,040
Thereafter	29,008

ACTUARIAL ASSUMPTIONS

The total pension liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary increases	3.25 - 9.75 percent, average, including inflation
Investment rate of return	6.95 percent, net of pension plan investment expense, including inflation

Mortality rates were adopted from an actuarial experience study dated January 1, 2020. The retired mortality tables are developed using URS retiree experience and are based upon gender, occupation, and age as appropriate with projected improvement using 80% of the ultimate rates from the MP-2019 improvement assumption using a base year of 2020. The mortality assumption for active members is the PUB-2010 Employees Mortality Table for public employees, teachers, and public safety members, respectively.

The actuarial assumptions used in the January 1, 2020 valuation were based on the results of an actuarial experience study for the five-year period ending December 31, 2019.

11. RETIREMENT PLANS (CONTINUED)*ACTUARIAL ASSUMPTIONS (continued)*

The long-term expected rate of return on pension plan investments was determined using a building-block method, in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class and is applied consistently to each defined benefit pension plan. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Expected Return Arithmetic Basis		
	Target Asset Allocation	Real Return Arithmetic Basis	Long-Term Expected Portfolio Real Rate of Return
Equity securities	37%	6.30%	2.33%
Debt securities	20%	0.00%	0.00%
Real assets	15%	6.19%	0.93%
Private equity	12%	9.50%	1.14%
Absolute return	16%	2.75%	0.44%
Cash and cash equivalents	0%	0.00%	0.00%
Totals	100%		4.84%
		Inflation	2.50%
		Expected arithmetic nominal return	7.34%

The 6.95% assumed investment rate of return is comprised of an inflation rate of 2.50% and a real return of 4.45% that is net of investment expense.

Discount Rate

The discount rate used to measure the total pension liability was 6.95%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from all participating employers will be made at contractually required rates that are actuarially determined and certified by the URS Board. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate does not use the Municipal Bond Index Rate. The discount rate was remained unchanged at 6.95%.

11. RETIREMENT PLANS (CONTINUED)*ACTUARIAL ASSUMPTIONS (continued)**Sensitivity of the Proportionate Share of the Net Pension Asset and Liability to Changes in the Discount Rate*

The following table presents the proportionate share of the net pension liability calculated using the discount rate of 6.95%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (5.95%) or one percentage-point higher (7.95%) than the current rate:

System	1% Decrease (5.95%)	Discount Rate (6.95%)	1% Increase (7.95%)
Noncontributory System	\$ 5,436,771	\$ 313,593	\$ (3,957,347)
Public Safety System	4,620,455	1,094,416	(1,768,723)
Firefighters System	847,786	(1,866,100)	(4,061,068)
Tier 2 Public Employees System	451,731	26,846	(298,180)
Tier 2 Public Safety and Firefighter System	347,906	73,792	(144,831)
Total	\$ 11,704,649	\$ (357,453)	\$ (10,230,149)

PENSION PLAN FIDUCIARY NET POSITION

Detailed information about the pension plan's fiduciary net position is available in the separately issued URS financial report.

DEFINED CONTRIBUTION SAVINGS PLANS

The Defined Contribution Savings Plans are administered by the Utah State Retirement Systems Board and are generally supplemental plans to the basic retirement benefits of the Retirement Systems, but may also be used as a primary retirement plan. These plans are voluntary tax-advantaged retirement savings programs authorized under sections 401(k), 457(b) and 408 of the Internal Revenue code. Detailed information regarding plan provisions is available in the separately issued URS financial report.

The City participates in a 401(k), 457(b), and Roth IRA Defined Contribution Savings Plans with URS. Employee and employer contributions to these plans for the year ended June 30, were as follows:

	2021	2020	2019
401(k) Plan*			
Employer contributions	\$ 534,708	\$ 553,201	\$ 499,852
Employee contributions	556,171	543,945	526,546
457 Plan			
Employer contributions	-	-	-
Employee contributions	236,991	214,304	181,312
Roth IRA Plan			
Employer contributions	N/A	N/A	N/A
Employee contributions	57,404	45,181	22,204

* The employer paid 401(k) contributions include the totals paid for employees in the Tier 2 Defined Contribution 401(k) Plan.

12. REDEVELOPMENT AGENCY OF DRAPER CITY

In accordance with Utah State law, the City makes the following disclosures relative to the City of Draper Redevelopment Agency (RDA): The RDA collected \$7,158,151 of tax increment monies for its project areas of which \$6,602,941 was paid for development incentives and bond obligations. The RDA has several commitments for reimbursement to developers associated with the RDA project areas; see Note 13 for terms and schedules on notes. These commitments are contingent on the future collection of tax increments on the associated properties or project areas. The developers also have specific benchmarks written into these agreements that they must meet in order to qualify for the incentives or reimbursements. The RDA nor the City is reducing any amount of the property taxes that are assessed on the property. During 2021, the RDA expended \$453,212 for administrative and other general costs.

13. COMMITMENTS AND AGREEMENTS

RDA COMMITMENTS AND TAX ABATEMENTS

The City may negotiate property, sales, and transient room tax abatement agreements with local businesses primarily through its RDA and under the state Limited Purpose Local Government Entities Act. Under the Act, the City may authorize a rebate of these taxes through a written development improvement agreement between the City and the developer. The amount of the tax rebate is based on the provisions as stated in the written agreement. The City further approves these rebates through its budget process, adopted annually by ordinance. The purpose of the tax abatements is to promote economic growth within the City.

The City, as of June 30, 2021, has entered into three active abatement agreements with developers. The developers met their eligibility requirements in previous years by making all the required project area development improvements outlined in the written agreement.

For the fiscal year ended June 30, 2021, the City abated the following taxes:

Project Area	Developer	Tax Type	FY2021 Payment	Total Paid to Date	Total Maximum Abatement	Purpose	Expiration Year
Sand Hills	Utah Steakburgers	Property Tax	\$ 140,000	\$ 560,000	\$ 700,000	Economic development	FY2022
Frontrunner	BG Vista, L.C	Property Tax	\$ 1,913,004	\$ 7,178,104	\$ 9,382,949	Transit supportive development	FY2035
	Draper Holdings, LLC	Property Tax	\$ 1,933,004	\$ 7,693,387	\$ 9,382,949	Transit supportive development	FY2035
South Mountain	Pluralsight	Property Tax	\$ -	\$ -	\$ 8,098,771	Economic development	FY2041

13. COMMITMENTS AND AGREEMENTS (CONTINUED)

OTHER COMMITMENTS AND AGREEMENTS

The City has entered into an agreement with Jordan Valley Water Conservancy District in January 2011 to purchase a minimum amount of water in perpetuity unless the agreement is terminated or amended by the mutual consent of the two parties. The agreement stipulates a minimum gallon per minute (GPM) water flow annual average of 3,800 with a maximum of 5,665 for calendar year 2015 and thereafter. During the year ended June 30, 2021 the City made water purchases of \$2,578,077 under this agreement.

The City has construction commitments outstanding at year end for projects which have been awarded and construction has begun, but which have not been paid for at year end. Total unpaid construction commitments at June 30, 2021 were \$4,530,930 on original contracts totaling \$6,426,213.

14. ENCROACHMENT AGREEMENTS

Periodically the Draper City Council authorizes the sale of small portions of the City's open space upon which abutting property owners have encroached. After a public hearing is held to declare the property surplus the abutting property owners purchase the encroached portion from the City. The buyers are given the option to either pay the entire sales price to the City upfront or enter into an agreement to make periodic payments with interest over time. Upon payment in full of principal and interest a quitclaim deed is issued by the City to the buyer for the property. Agreements in effect at June 30, 2021 have an interest rate of 4% with original terms ranging from 5 to 30 years. The final agreement is scheduled to end in December 2022. The remaining unpaid principal balance of the agreements due the City at June 30, 2021 was \$1,935.

15. CONDUIT DEBT OBLIGATIONS

In December 2010, the City issued Recovery Zone Facility Revenue Bonds, Series 2010 of \$10,250,000 to provide financial assistance to a private-sector entity for the acquisition, construction, improvement, and equipment of hotel facilities deemed to promote the general welfare of the residents of the state of Utah. The bonds are payable solely and exclusively from the revenues arising from the pledge of a note which the private company has given as security for the bonds. Neither the City, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2021 the outstanding amount of this obligation is \$7,681,884.

16. SUBSEQUENT EVENTS

The City received its first of two \$2,875,150 installments from the American Rescue Plan Act (ARPA) of the 2021 Coronavirus State and Local Fiscal Recovery Fund (CSLFRF) in July 2021. The second installment will be received in July 2022. The City must encumber all CSLFRF funds by December 31, 2024 and spend the funds by December 31, 2026 on qualifying costs and projects.

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REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL – GENERAL FUND – FOR THE YEAR ENDED JUNE 30, 2021 – CITY OF DRAPER, UTAH

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Taxes:				
Property	\$ 8,155,000	\$ 8,155,000	\$ 8,932,544	\$ 777,544
Sales	11,459,500	12,337,620	16,788,860	4,451,240
Franchise	5,348,400	5,348,400	5,476,814	128,414
Licenses and permits	3,333,040	3,333,040	4,051,318	718,278
Intergovernmental	1,901,000	4,054,600	6,533,084	2,478,484
Charges for services	2,832,500	1,506,600	1,669,719	163,119
Fines and forfeitures	723,000	723,000	538,903	(184,097)
Interest	964,900	964,900	639,785	(325,115)
Donations	-	-	102,730	102,730
Miscellaneous	102,200	102,200	36,117	(66,083)
Total revenues	34,819,540	36,525,360	44,769,874	8,244,514
<u>EXPENDITURES</u>				
Current:				
General government:				
Legislative:				
Mayor and city council	351,900	300,200	243,102	57,098
Executive:				
City manager	918,900	736,100	698,405	37,695
Recorder	330,800	281,500	241,933	39,567
Elections	100,000	100,000	-	100,000
Legal services	706,400	606,500	478,788	127,712
Economic development	570,040	2,010,040	880,774	1,129,266
Information systems	864,570	852,670	851,067	1,603
GIS	312,960	269,860	253,598	16,262
Public relations	194,900	224,200	211,292	12,908
Administrative Services:				
Human resources	400,070	339,970	289,012	50,958
Finance	1,014,800	850,500	806,170	44,330
Facilities:				
Facilities maintenance	1,084,450	926,550	763,387	163,163
Fleet management	324,200	270,300	260,544	9,756
Nondepartmental:				
Nondepartmental	691,230	658,630	568,126	90,504
Total general government	7,865,220	8,427,020	6,546,198	1,880,822

(continued)

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL – GENERAL FUND – FOR THE YEAR ENDED JUNE 30, 2021 – CITY OF DRAPER, UTAH (CONTINUED)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Public safety:				
Police	7,372,300	7,645,100	7,284,477	360,623
Fire	4,336,510	4,880,240	4,718,277	161,963
Court	645,700	649,300	597,363	51,937
Animal control	291,800	293,700	267,584	26,116
Total public safety	<u>12,646,310</u>	<u>13,468,340</u>	<u>12,867,701</u>	<u>600,639</u>
Highways and public improvements:				
Public works	719,490	606,390	544,514	61,876
Engineering	1,510,000	1,284,700	1,096,944	187,756
Streets	1,652,650	1,658,150	1,358,831	299,319
B & C road expenditures	91,700	141,700	61,157	80,543
Total highways and public improvements	<u>3,973,840</u>	<u>3,690,940</u>	<u>3,061,446</u>	<u>629,494</u>
Community Development:				
Development services	411,110	412,810	351,353	61,457
Planning	656,030	659,330	643,414	15,916
Ordinance enforcement	109,010	109,010	98,318	10,692
Building	1,307,050	1,312,750	1,251,208	61,542
Total community development	<u>2,483,200</u>	<u>2,493,900</u>	<u>2,344,293</u>	<u>149,607</u>
Parks, recreation, and public property:				
Parks and recreation	4,189,370	4,247,470	3,924,317	323,153
Cemetery	13,250	13,250	12,493	757
Total parks and recreation	<u>4,202,620</u>	<u>4,260,720</u>	<u>3,936,810</u>	<u>323,910</u>
Debt service:				
Principal	2,100,000	4,388,400	4,340,000	48,400
Interest	702,460	802,460	789,883	12,577
Bond issuance costs	-	-	7,800	(7,800)
Total debt service	<u>2,802,460</u>	<u>5,190,860</u>	<u>5,137,683</u>	<u>53,177</u>
Total expenditures	<u>33,973,650</u>	<u>37,531,780</u>	<u>33,894,131</u>	<u>3,637,649</u>
Excess of revenues over expenditures	<u>845,890</u>	<u>(1,006,420)</u>	<u>10,875,743</u>	<u>11,882,163</u>
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	30,145	30,145
Transfers in	709,650	1,730,588	1,687,588	(43,000)
Transfers out	(5,112,100)	(14,853,340)	(11,127,157)	3,726,183
Net other financing sources (uses)	<u>(4,402,450)</u>	<u>(13,122,752)</u>	<u>(9,409,424)</u>	<u>3,713,328</u>
Net change in fund balance	<u>\$ (3,556,560)</u>	<u>\$ (14,129,172)</u>	<u>1,466,319</u>	<u>\$ 15,595,491</u>
Fund balance, beginning of year			<u>28,687,736</u>	
Fund balance, end of year			<u>\$ 30,154,055</u>	

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
– BUDGET AND ACTUAL – REDEVELOPMENT AGENCY –
FOR THE YEAR ENDED JUNE 30, 2021 – CITY OF DRAPER, UTAH

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<u>REVENUES</u>				
Property taxes	\$ 881,329	\$ 881,329	\$ 928,907	\$ 47,578
Intergovernmental	5,908,571	5,908,571	6,229,244	320,673
Interest	175,000	175,000	76,354	(98,646)
Total revenues	6,964,900	6,964,900	7,234,505	269,605
<u>EXPENDITURES</u>				
Current:				
RDA expenditures	4,090,800	4,090,800	4,493,906	(403,106)
Debt service:				
Principal	558,000	558,000	558,000	-
Interest	60,410	60,410	60,412	(2)
Total debt service	618,410	618,410	618,412	(2)
Total expenditures	4,709,210	4,709,210	5,112,318	(403,108)
Excess of revenues over expenditures	2,255,690	2,255,690	2,122,187	(133,503)
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	-	-	31,204	31,204
Transfers out	(4,638,150)	(4,962,188)	(1,989,038)	2,973,150
Net other financing sources (uses)	(4,638,150)	(4,962,188)	(1,957,834)	3,004,354
Net change in fund balance	\$ (2,382,460)	\$ (2,706,498)	164,353	\$ 2,870,851
Fund balance, beginning of year			13,896,573	
Fund balance, end of year			\$ 14,060,926	

***SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
– BUDGET AND ACTUAL – MUNICIPAL BUILDING AUTHORITY –
FOR THE YEAR ENDED JUNE 30, 2021 – CITY OF DRAPER, UTAH***

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Lease revenue	\$ 229,230	\$ 229,230	\$ 229,230	\$ -
Total revenues	229,230	229,230	229,230	-
<u>EXPENDITURES</u>				
Debt service:				
Principal	201,000	1,486,750	1,482,000	4,750
Interest	28,230	28,353	26,603	1,750
Bond issuance costs	-	-	6,500	(6,500)
Total debt service	229,230	1,515,103	1,515,103	-
Total expenditures	229,230	1,515,103	1,515,103	-
Deficiency of revenues under expenditures	-	(1,285,873)	(1,285,873)	-
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	-	1,285,873	350,049	(935,824)
Net other financing sources (uses)	-	1,285,873	350,049	(935,824)
Net change in fund balance	\$ -	\$ -	(935,824)	\$ (935,824)
Fund balance, beginning of year			935,824	
Fund balance, end of year			\$ -	

**SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
LAST 10 FISCAL YEARS* - CITY OF DRAPER, UTAH**

	As of December 31,	Proportion of Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)
Noncontributory System	2014	0.6034745%	\$ 2,620,429	\$ 5,156,357	50.80%	90.20%
	2015	0.5731519%	3,243,172	4,876,729	66.50%	87.80%
	2016	0.6114156%	3,926,036	5,235,985	74.98%	87.30%
	2017	0.6015060%	2,635,378	4,982,691	52.89%	91.90%
	2018	0.6259723%	4,609,487	5,112,638	90.16%	87.00%
	2019	0.6413481%	2,417,157	5,146,848	46.96%	93.70%
	2020	0.6113605%	313,593	4,886,326	6.42%	99.20%
Public Safety System	2014	1.1224055%	\$ 1,411,518	\$ 1,690,840	83.50%	90.50%
	2015	1.1027396%	1,975,284	1,675,921	117.86%	87.10%
	2016	1.1526067%	2,338,957	1,782,314	131.23%	86.50%
	2017	1.1068419%	1,736,257	1,629,380	106.56%	90.20%
	2018	1.2249678%	3,151,334	1,764,096	178.64%	84.70%
	2019	1.2682877%	2,036,385	1,800,757	113.08%	90.90%
	2020	1.3181890%	1,094,416	1,897,917	57.66%	95.50%
Firefighters System	2014	0.0000000%	\$ -	\$ -	0.00%	0.00%
	2015	0.0000000%	-	-	0.00%	0.00%
	2016	0.1098577%	(866)	31,250	-2.77%	100.40%
	2017	4.1858671%	(261,429)	1,220,462	-21.42%	103.00%
	2018	6.2021181%	805,328	1,924,173	41.85%	94.30%
	2019	6.4311250%	(79,758)	2,059,072	-38.74%	105.00%
	2020	6.6736984%	(1,866,100)	2,177,250	-85.71%	110.50%
Tier 2 Public Employees System	2014	0.0992464%	\$ (3,008)	\$ 487,283	-0.60%	103.50%
	2015	0.1147405%	(250)	741,353	-0.03%	100.20%
	2016	0.1490124%	16,622	1,222,020	1.36%	95.10%
	2017	0.1631646%	14,386	1,594,513	0.90%	97.40%
	2018	0.1791831%	76,740	2,091,216	3.67%	90.80%
	2019	0.2041374%	45,912	2,836,498	1.62%	96.50%
	2020	0.1866508%	26,846	2,985,297	0.90%	98.30%
Tier 2 Public Safety and Firefighter System	2014	0.4126129%	\$ (6,157)	\$ 172,172	-3.60%	120.50%
	2015	0.3817202%	(5,577)	227,133	-2.46%	110.70%
	2016	0.3373268%	(2,928)	278,709	-1.05%	103.60%
	2017	0.6712652%	(7,767)	707,681	-1.10%	103.00%
	2018	0.8835336%	22,137	1,180,807	1.87%	95.60%
	2019	0.9174606%	86,300	1,512,122	5.71%	89.60%
	2020	0.8227057%	73,792	1,637,541	4.51%	93.10%

Note:

* This schedule usually covers the 10 most recent fiscal years; however, this is the information available as of the implementation year of GASB 68.

SCHEDULE OF PENSION CONTRIBUTIONS
LAST 10 FISCAL YEARS* - CITY OF DRAPER, UTAH

	As of fiscal year ended June 30,	Actuarial Determined Contributions	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
Noncontributory System	2014	\$ 895,181	\$ 895,181	\$ -	\$ 5,216,025	17.16%
	2015	842,297	842,297	-	4,977,098	16.92%
	2016	909,963	909,963	-	4,996,981	18.21%
	2017	911,224	911,224	-	4,995,879	18.24%
	2018	959,440	959,440	-	5,228,476	18.35%
	2019	955,384	955,384	-	5,196,902	18.38%
	2020	917,153	917,153	-	4,987,274	18.39%
Public Safety System	2021	904,813	904,813	-	4,934,130	18.34%
	2014	\$ 481,149	\$ 481,149	\$ -	\$ 1,653,578	29.10%
	2015	486,933	486,933	-	1,646,941	29.57%
	2016	544,812	544,812	-	1,731,894	31.46%
	2017	526,122	526,122	-	1,689,671	31.14%
	2018	552,005	552,005	-	1,715,420	32.18%
	2019	572,608	572,608	-	1,769,817	32.35%
Firefighters System	2020	606,586	606,586	-	1,882,998	32.21%
	2021	623,923	623,923	-	1,933,097	32.28%
	2014	\$ -	\$ -	\$ -	\$ -	0.00%
	2015	-	-	-	-	0.00%
	2016	-	-	-	-	0.00%
	2017	10,362	10,362	-	220,192	4.71%
	2018	78,267	78,267	-	1,978,289	3.96%
Tier 2 Public Employees System*	2019	90,556	90,556	-	196,439	4.61%
	2020	99,540	99,540	-	2,159,214	4.61%
	2021	101,187	101,187	-	2,194,960	4.61%
	2014	\$ 56,096	\$ 56,096	\$ -	\$ 400,970	13.99%
	2015	84,256	84,256	-	608,819	13.84%
	2016	139,852	139,852	-	938,590	14.90%
	2017	200,932	200,932	-	1,348,783	14.90%
Tier 2 Public Safety and Firefighter System*	2018	291,207	291,207	-	1,924,988	15.13%
	2019	378,617	378,617	-	2,437,135	15.54%
	2020	478,261	478,261	-	3,052,991	15.67%
	2021	493,093	493,093	-	3,121,673	15.80%
	2014	\$ 24,508	\$ 24,508	\$ -	\$ 117,546	20.85%
	2015	42,790	42,790	-	207,208	20.65%
	2016	51,864	51,864	-	230,507	22.50%
Tier 2 DC Only System*	2017	80,715	80,715	-	363,358	22.21%
	2018	181,504	181,504	-	1,040,212	17.45%
	2019	244,279	244,279	-	1,353,184	18.05%
	2020	304,685	304,685	-	1,610,927	18.91%
	2021	386,430	386,430	-	1,834,713	21.06%
	2014	\$ 2,265	\$ 2,265	\$ -	\$ 40,585	5.58%
	2015	4,753	4,753	-	76,026	6.25%
Tier 2 DC Public Safety and Firefighter System*	2016	6,480	6,480	-	96,864	6.69%
	2017	10,928	10,928	-	162,756	6.71%
	2018	15,691	15,691	-	234,544	6.69%
	2019	20,975	20,975	-	313,530	6.69%
	2020	21,934	21,934	-	329,591	6.65%
	2021	33,831	33,831	-	505,694	6.69%
	2014	\$ 8,523	\$ 8,523	\$ -	\$ 85,743	9.94%
Tier 2 DC Public Safety and Firefighter System*	2015	12,291	12,291	-	112,468	10.93%
	2016	13,717	13,717	-	115,818	11.84%
	2017	15,488	15,488	-	130,919	11.83%
	2018	7,209	7,209	-	60,936	11.83%
	2019	6,722	6,722	-	56,820	11.83%
	2020	8,519	8,519	-	72,013	11.83%
	2021	8,526	8,526	-	111,523	7.65%

Note:

This schedule usually covers the 10 most recent fiscal years; however, this is the information available as of the implementation year of GASB 68.

Contributions as a percentage of covered-employee payroll may be different than the Board certified rate due to rounding or other administrative issues.

* Contributions in Tier 2 include an amortization rate to help fund the unfunded liabilities in the Tier 1 systems. Tier 2 systems were created effective July 1, 2011.

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2021 - CITY OF DRAPER, UTAH

1. ACTUARIALLY DETERMINED PENSION CONTRIBUTIONS

Contribution rates include an amount for normal cost, the estimated amount necessary to finance benefits earned by the members during the current year, and an amount for amortization of the unfunded or excess funded actuarial accrued liability over a closed 20-year amortization period. The rates are determined using the entry age actuarial cost method.

Contributions made were in accordance with actuarially computed funding requirements. For contribution rate purposes the actuary evaluates the assets of the plan based on a 5-year smoothed expected return wherein 20 percent of a year's excess or shortfall of expected return is recognized each year for five years.

2. CHANGES IN ASSUMPTIONS

There were a number of demographic assumptions (e.g. rates of termination, disability, retirement, as well as an updated mortality and salary increase assumption) updated for use in the January 1, 2020 actuarial valuation. These assumption updates were adopted by the Utah State Retirement Board as a result of an Actuarial Experience Study performed for the Utah Retirement Systems. In aggregate, those assumption changes resulted in a \$201 million increase in the total pension liability, which is about 0.50% of the Total Pension Liability of as December 31, 2019 for all systems combined. The Actuarial Experience Study report as of December 31, 2019 provides detailed information regarding those assumption changes, which may be accessed online at newsroom.urs.org under the "Retirement Office" column using the "Reports and Stats" tab.

3. BUDGETARY INFORMATION

See note 1 in the notes to the financial statements.

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SUPPLEMENTAL INFORMATION

COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021 – CITY OF DRAPER, UTAH

	<u>Capital Project Funds</u>				<u>Special Revenue</u>	<u>Permanent</u>	<u>Total Nonmajor Governmental Funds</u>
	<u>Fire Impact Fund</u>	<u>Transportation Impact Fund</u>	<u>Park Impact Fund</u>	<u>Police Impact Fund</u>	<u>Traverse Ridge</u>	<u>Cemetery Fund</u>	
<u>ASSETS</u>							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ 643,243	\$ -	\$ 643,243
Receivables:							
Accounts, net	-	-	-	-	100,474	-	100,474
Property taxes	-	-	-	-	251,282	-	251,282
Due from other funds	-	-	-	-	35,678	-	35,678
Prepays	-	-	-	-	92,708	-	92,708
Restricted cash and cash equivalents	5,024	5,316,412	7,025,945	124,829	-	170,259	12,642,469
Other assets	-	-	-	-	89,584	-	89,584
Total assets	\$ 5,024	\$ 5,316,412	\$ 7,025,945	\$ 124,829	\$ 1,212,969	\$ 170,259	\$ 13,855,438
<u>LIABILITIES</u>							
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ 279,724	\$ -	\$ 279,724
Total liabilities	-	-	-	-	279,724	-	279,724
<u>DEFERRED INFLOWS OF RESOURCES</u>							
Unavailable revenue-property taxes	-	-	-	-	251,282	-	251,282
Total deferred inflows of resources	-	-	-	-	251,282	-	251,282
<u>FUND BALANCES</u>							
Nonspendable	-	-	-	-	92,708	-	92,708
Restricted:							
Impact fees	5,024	5,316,412	7,025,945	124,829	-	-	12,472,210
Perpetual care	-	-	-	-	-	170,259	170,259
Assigned	-	-	-	-	589,255	-	589,255
Total fund balances	5,024	5,316,412	7,025,945	124,829	681,963	170,259	13,324,432
Total liabilities and fund balances	\$ 5,024	\$ 5,316,412	\$ 7,025,945	\$ 124,829	\$ 1,212,969	\$ 170,259	\$ 13,855,438

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS – FOR THE YEAR ENDED JUNE 30, 2021 – CITY OF DRAPER, UTAH

	Capital Project Funds				Special Revenue	Permanent	Total Nonmajor Governmental Funds
	Fire Impact Fund	Transportation Impact Fund	Park Impact Fund	Police Impact Fund	Traverse Ridge	Cemetery Fund	
REVENUES							
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 273,040	\$ -	\$ 273,040
Intergovernmental	-	-	-	-	35,678	-	35,678
Impact fees	33,555	992,152	1,440,902	49,307	-	-	2,515,916
Interest	(897)	41,906	46,862	2,416	2,247	-	92,534
Total revenues	32,658	1,034,058	1,487,764	51,723	310,965	-	2,917,168
EXPENDITURES							
Current:							
General government	-	-	-	-	191,788	-	191,788
Highways and public improvements	-	22,816	-	-	996,529	-	1,019,345
Total expenditures	-	22,816	-	-	1,188,317	-	1,211,133
Excess of revenues over (under) expenditures	32,658	1,011,242	1,487,764	51,723	(877,352)	-	1,706,035
OTHER FINANCING SOURCES (USES)							
Transfers out	(90,000)	(1,695,012)	(390,712)	-	-	-	(2,175,724)
Total other financing sources (uses)	(90,000)	(1,695,012)	(390,712)	-	-	-	(2,175,724)
Net change in fund balance	(57,342)	(683,770)	1,097,052	51,723	(877,352)	-	(469,689)
Fund balance, beginning of year	62,366	6,000,182	5,928,893	73,106	1,559,315	170,259	13,794,121
Fund balance, end of year	\$ 5,024	\$ 5,316,412	\$ 7,025,945	\$ 124,829	\$ 681,963	\$ 170,259	\$ 13,324,432

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
MAJOR CAPITAL PROJECTS FUND – BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021 – CITY OF DRAPER, UTAH**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Intergovernmental	\$ 2,589,500	\$ 1,893,400	\$ 952,434	\$ (940,966)
Donations and reimbursements	157,600	157,600	-	(157,600)
Total revenues	2,747,100	2,051,000	952,434	(1,098,566)
<u>EXPENDITURES</u>				
Capital outlay	30,882,200	37,321,200	6,991,367	30,329,833
Total expenditures	30,882,200	37,321,200	6,991,367	30,329,833
Excess (deficiency) of revenues over (under) expenditures	(28,135,100)	(35,270,200)	(6,038,933)	29,231,267
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	14,782,600	21,857,700	9,038,032	(12,819,668)
Transfers out	-	-	(31,204)	(31,204)
Net other financing sources (uses)	14,782,600	21,857,700	9,006,828	(12,850,872)
Net change in fund balance	\$ (13,352,500)	\$ (13,412,500)	2,967,895	\$ 16,380,395
Fund balance, beginning of year			13,842,448	
Fund balance, end of year			\$ 16,810,343	

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – NONMAJOR
FIRE IMPACT FEE CAPITAL PROJECTS FUND – BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021 – CITY OF DRAPER, UTAH**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Impact fees	\$ -	\$ -	\$ 33,555	\$ 33,555
Interest	-	-	(897)	(897)
Total revenues	-	-	32,658	32,658
<u>EXPENDITURES</u>				
Capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Excess of revenues over expenditures	-	-	32,658	32,658
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers out	-	(133,000)	(90,000)	43,000
Net other financing sources (uses)	-	(133,000)	(90,000)	43,000
Net change in fund balance	\$ -	\$ (133,000)	(57,342)	\$ 75,658
Fund balance, beginning of year			62,366	
Fund balance, end of year			\$ 5,024	

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – NONMAJOR
TRANSPORTATION IMPACT FEE CAPITAL PROJECTS FUND – BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021 – CITY OF DRAPER, UTAH**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Impact fees	\$ -	\$ -	\$ 992,152	\$ 992,152
Interest	-	-	41,906	41,906
Total revenues	-	-	1,034,058	1,034,058
<u>EXPENDITURES</u>				
Current:				
Highways and public improvements	-	-	22,816	(22,816)
Total expenditures	-	-	22,816	(22,816)
Excess of revenues over expenditures	-	-	1,011,242	1,011,242
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers out	(4,500,800)	(5,719,000)	(1,695,012)	4,023,988
Net other financing sources (uses)	(4,500,800)	(5,719,000)	(1,695,012)	4,023,988
Net change in fund balance	\$ (4,500,800)	\$ (5,719,000)	(683,770)	\$ 5,035,230
Fund balance, beginning of year			6,000,182	
Fund balance, end of year			\$ 5,316,412	

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – NONMAJOR
PARK IMPACT FEE CAPITAL PROJECTS FUND – BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021 – CITY OF DRAPER, UTAH**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Impact fees	\$ -	\$ -	\$ 1,440,902	\$ 1,440,902
Interest	-	-	46,862	46,862
Total revenues	-	-	1,487,764	1,487,764
<u>EXPENDITURES</u>				
Current:				
Parks	-	-	-	-
Total expenditures	-	-	-	-
Excess of revenues over expenditures	-	-	1,487,764	1,487,764
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers out	(2,610,700)	(2,831,100)	(390,712)	2,440,388
Net other financing sources (uses)	(2,610,700)	(2,831,100)	(390,712)	2,440,388
Net change in fund balance	\$ (2,610,700)	\$ (2,831,100)	1,097,052	\$ 3,928,152
Fund balance, beginning of year			5,928,893	
Fund balance, end of year			\$ 7,025,945	

***SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – NONMAJOR
POLICE IMPACT FEE CAPITAL PROJECTS FUND – BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021 – CITY OF DRAPER, UTAH***

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Impact fees	\$ -	\$ -	\$ 49,307	\$ 49,307
Interest	-	-	2,416	2,416
Total revenues	-	-	51,723	51,723
<u>EXPENDITURES</u>				
Capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Excess of revenues over expenditures	-	-	51,723	51,723
Net change in fund balance	\$ -	\$ -	51,723	\$ 51,723
Fund balance, beginning of year			73,106	
Fund balance, end of year			\$ 124,829	

***SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – NONMAJOR
TRAVERSE RIDGE SPECIAL SERVICE DISTRICT SPECIAL REVENUE FUND – BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021 – CITY OF DRAPER, UTAH***

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Property taxes	\$ 233,000	\$ 233,000	\$ 273,040	\$ 40,040
Intergovernmental	250,000	250,000	35,678	(214,322)
Interest	25,000	25,000	2,247	(22,753)
Total revenues	508,000	508,000	310,965	(197,035)
<u>EXPENDITURES</u>				
Current:				
General government	147,365	147,365	191,788	(44,423)
Highways and public improvements	694,512	694,512	996,529	(302,017)
Total expenditures	841,877	841,877	1,188,317	(346,440)
Net change in fund balance	\$ (333,877)	\$ (333,877)	(877,352)	\$ (543,475)
Fund balance, beginning of year			1,559,315	
Fund balance, end of year			\$ 681,963	

STATISTICAL SECTION

This section presents detailed information as a context for better understanding the government's overall financial health in conjunction with the financial statements, notes, and required supplementary information.

Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess one of the City's most significant local revenue sources – sales tax and property tax.

Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

Schedule 1
CITY OF DRAPER, UTAH
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	2012	2013	2014	2015	2016
Governmental Activities					
Net investment in capital assets	\$ 374,636,191	\$ 374,535,703	\$ 374,159,100	\$ 368,851,874	\$ 364,762,906
Restricted	12,635,617	19,481,754	22,865,924	23,906,211	22,188,324
Unrestricted	19,191,593	19,898,797	28,020,527	37,168,264	45,136,966
Prior Period Adjustment			(3,820,891)	-	9,437,465
Total Governmental Activities					
Net Position	<u>\$ 406,463,401</u>	<u>\$ 413,916,254</u>	<u>\$ 421,224,660</u>	<u>\$ 429,926,349</u>	<u>\$ 441,525,661</u>
Business-Type Activities					
Net investment in capital assets	\$ 40,798,373	\$ 40,975,643	\$ 41,142,086	\$ 46,344,018	\$ 48,593,305
Restricted	2,994,064	2,224,174	1,414,702	192,763	206,470
Unrestricted	6,686,311	8,521,299	10,620,200	10,130,630	12,980,306
Prior Period Adjustment			(525,816)	-	(2,718,983)
Total Business-type Activities					
Net Position	<u>\$ 50,478,748</u>	<u>\$ 51,721,116</u>	<u>\$ 52,651,172</u>	<u>\$ 56,667,411</u>	<u>\$ 59,061,098</u>
Primary Government					
Net investment in capital assets	\$ 415,434,564	\$ 415,511,346	\$ 415,301,186	\$ 415,195,892	\$ 413,356,211
Restricted	15,629,681	21,705,928	24,280,626	24,098,974	22,394,794
Unrestricted	25,877,904	28,420,096	38,640,727	47,298,894	58,117,272
Prior Period Adjustment			(4,346,707)	-	6,718,482
Total Primary Government					
Net Position	<u>\$ 456,942,149</u>	<u>\$ 465,637,370</u>	<u>\$ 473,875,832</u>	<u>\$ 486,593,760</u>	<u>\$ 500,586,759</u>
	2017	2018	2019	2020	2021
Governmental Activities					
Net investment in capital assets	\$ 381,985,718	\$ 398,586,894	\$ 410,564,276	\$ 415,426,098	\$ 428,641,181
Restricted	19,765,746	13,980,259	16,426,406	17,571,469	20,086,020
Unrestricted	55,189,852	48,826,778	53,248,295	51,490,530	55,476,167
Total Governmental Activities					
Net Position	<u>\$ 456,941,316</u>	<u>\$ 461,393,931</u>	<u>\$ 480,238,977</u>	<u>\$ 484,488,097</u>	<u>\$ 504,203,368</u>
Business-Type Activities					
Net investment in capital assets	\$ 47,343,227	\$ 47,752,564	\$ 51,788,368	\$ 52,312,893	\$ 54,369,592
Restricted	219,288	231,942	244,875	257,183	257,738
Unrestricted	15,094,842	19,257,839	24,190,876	29,283,632	34,062,925
Total Business-type Activities					
Net Position	<u>\$ 62,657,357</u>	<u>\$ 67,242,345</u>	<u>\$ 76,224,119</u>	<u>\$ 81,853,708</u>	<u>\$ 88,690,255</u>
Primary Government					
Net investment in capital assets	\$ 429,328,945	\$ 446,339,458	\$ 462,352,644	\$ 467,738,991	\$ 483,010,773
Restricted	19,985,034	14,212,201	16,671,281	17,828,652	20,343,758
Unrestricted	70,284,694	68,084,617	77,439,171	80,774,162	89,539,092
Total Primary Government					
Net Position	<u>\$ 519,598,673</u>	<u>\$ 528,636,276</u>	<u>\$ 556,463,096</u>	<u>\$ 566,341,805</u>	<u>\$ 592,893,623</u>

Notes: Prior period adjustments in FY2014 represent the implementation of GASB 68. Adjustments in FY16 represent corrects to how capital assets were reported for years between 2009 and 2016.

Schedule 2
CITY OF DRAPER, UTAH
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	2012	2013	2014	2015	2016
Expenses					
Governmental activities:					
General government	\$ 10,982,453	\$ 9,280,255	\$ 9,481,731	\$ 9,783,775	\$ 16,920,589
Public safety	8,459,500	8,994,974	9,956,075	9,797,729	10,336,154
Highway and public improvements	8,977,668	7,479,013	6,688,271	10,283,258	9,928,621
Parks and recreation	3,089,016	3,474,203	3,827,766	3,728,661	4,063,272
Interest on long-term debt	1,071,024	1,213,615	1,429,969	1,261,076	1,274,476
Total governmental activities expenses	32,579,661	30,442,060	31,383,812	34,854,499	42,523,112
Business-type activities:					
Water	4,163,414	4,243,935	3,899,803	4,013,873	4,444,945
Storm water	2,261,103	2,014,894	2,112,147	1,546,988	1,509,626
Solid waste	1,702,063	1,706,160	1,738,238	1,898,969	1,869,733
Total business-type activities expenses	8,126,580	7,964,989	7,750,188	7,459,830	7,824,304
Total primary government expenses	\$ 40,706,241	\$ 38,407,049	\$ 39,134,000	\$ 42,314,329	\$ 50,347,416
Program Revenues					
Governmental activities:					
Charges for services					
General government	\$ 3,944,976	\$ 4,099,233	\$ 4,724,132	\$ 5,197,605	\$ 5,777,093
Public safety	667,198	652,287	709,199	649,468	805,876
Highway and public improvements	3,557	19,278	731,699	7,261	6,834
Parks and recreation	285,544	342,050	620,709	443,717	487,515
Operating grants and contributions	1,460,727	1,503,827	1,598,512	6,140,914	7,008,060
Capital grants and contributions	11,915,979	6,908,876	8,138,397	7,747,155	5,665,882
Total governmental activities program rev.	18,277,981	13,525,551	16,522,648	20,186,120	19,751,260
Business-type activities:					
Charges for services:					
Water	4,081,037	4,438,556	4,233,154	4,539,139	4,572,537
Storm water	1,208,062	1,336,765	1,644,936	1,999,172	2,340,590
Solid waste	2,218,451	2,275,899	2,346,468	2,419,692	2,436,564
Capital grants and contributions	5,220,742	922,739	752,418	2,381,080	3,390,299
Total business-type activities program rev.	12,728,292	8,973,959	8,976,976	11,339,083	12,739,990
Total primary government program rev.	\$ 31,006,273	\$ 22,499,510	\$ 25,499,624	\$ 31,525,203	\$ 32,491,250

Schedule 2 (continued)
CITY OF DRAPER, UTAH
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	2017	2018	2019	2020	2021
Expenses					
Governmental activities:					
General government	\$ 8,583,411	\$ 9,056,349	\$ 9,600,137	\$ 10,379,534	\$ 11,629,655
Public safety	12,527,353	11,815,383	12,384,390	13,066,189	13,763,801
Highway and public improvements	10,395,696	15,427,559	10,670,263	12,148,438	8,899,167
Community Development	1,953,945	1,990,225	2,369,139	2,394,847	2,274,909
Parks and recreation	4,687,923	8,382,432	5,332,282	7,172,495	5,484,580
Interest on long-term debt	1,118,392	826,780	769,351	687,827	501,251
Total governmental activities expenses	<u>39,266,720</u>	<u>47,498,728</u>	<u>41,125,562</u>	<u>45,849,330</u>	<u>42,553,363</u>
Business-type activities:					
Water	4,622,995	4,442,047	4,620,864	5,230,180	5,576,316
Storm water	1,732,415	1,592,573	1,530,497	1,601,848	1,845,995
Solid waste	1,858,396	2,088,835	2,278,154	2,415,102	2,424,928
Ambulance	235,224	1,911,914	3,063,948	3,137,237	2,769,925
Total business-type activities expenses	<u>8,449,030</u>	<u>10,035,369</u>	<u>11,493,463</u>	<u>12,384,367</u>	<u>12,617,164</u>
Total primary government expenses	<u>\$ 47,715,750</u>	<u>\$ 57,534,097</u>	<u>\$ 52,619,025</u>	<u>\$ 58,233,697</u>	<u>\$ 55,170,527</u>
Program Revenues					
Governmental activities:					
Charges for services					
General government	\$ 1,617,580	\$ 918,577	\$ 924,127	\$ 1,018,092	\$ 1,177,573
Public safety	982,633	860,433	965,234	854,777	755,070
Highway and public improvements	291,480	60,308	81,984	57,929	6,988
Community Development	3,463,617	4,245,511	4,809,612	3,779,126	4,005,290
Parks and recreation	498,636	505,985	519,049	359,021	608,034
Operating grants and contributions	7,258,729	8,499,074	8,503,426	7,606,653	12,404,716
Capital grants and contributions	5,207,304	9,070,007	15,136,893	6,985,659	12,048,134
Total governmental activities program rev.	<u>19,319,979</u>	<u>24,159,895</u>	<u>30,940,325</u>	<u>20,661,257</u>	<u>31,005,805</u>
Business-type activities:					
Charges for services:					
Water	5,062,507	5,006,641	5,095,170	5,290,881	5,951,627
Storm water	2,752,068	3,174,051	3,244,775	3,297,721	3,342,262
Solid waste	2,480,632	2,531,277	2,603,043	2,658,744	2,744,942
Ambulance	-	1,319,889	1,700,430	1,442,590	1,572,802
Operating grants and contributions	-	-	-	8,161	-
Capital grants and contributions	1,284,316	1,370,964	5,693,598	2,782,034	3,340,051
Total business-type activities program rev.	<u>11,579,523</u>	<u>13,402,822</u>	<u>18,337,016</u>	<u>15,480,131</u>	<u>16,951,684</u>
Total primary government program rev.	<u>\$ 30,899,502</u>	<u>\$ 37,562,717</u>	<u>\$ 49,277,341</u>	<u>\$ 36,141,388</u>	<u>\$ 47,957,489</u>

Schedule 2 (continued)
CITY OF DRAPER, UTAH
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	2012	2013	2014	2015	2016
Net (Expense)/Revenue					
Governmental activities	\$ (14,301,680)	\$ (16,916,509)	\$ (14,861,164)	\$ (14,668,379)	\$ (22,771,852)
Business-type activities	4,601,712	1,008,970	1,226,788	3,879,253	4,915,686
Total primary government net (exp) rev.	<u>\$ (9,699,968)</u>	<u>\$ (15,907,539)</u>	<u>\$ (13,634,376)</u>	<u>\$ (10,789,126)</u>	<u>\$ (17,856,166)</u>
General Revenues and Other Changes in Net Position					
Governmental activities:					
Taxes					
Property taxes	\$ 12,205,223	\$ 11,842,416	\$ 11,947,977	\$ 7,690,018	\$ 8,216,888
Sales taxes	7,434,613	8,009,456	8,790,098	9,967,402	10,561,361
Franchise taxes	4,412,562	4,737,336	4,921,554	4,888,625	5,171,626
Unrestricted investment earnings	302,589	285,538	330,832	824,023	926,815
Gain (loss) on sale of capital assets	152,861	-	-	-	60,209
Total governmental activities	<u>24,507,848</u>	<u>24,874,746</u>	<u>25,990,461</u>	<u>23,370,068</u>	<u>24,933,699</u>
Business-type activities:					
Unrestricted investment earnings	94,145	85,263	50,839	68,602	84,883
Gain (loss) on sale of capital assets	-	-	-	-	2,069
Equity investment income (loss)	-	163,549	178,245	68,384	106,832
Total business-type activities	<u>94,145</u>	<u>248,812</u>	<u>229,084</u>	<u>136,986</u>	<u>196,984</u>
Total primary government	<u>\$ 24,601,993</u>	<u>\$ 25,123,558</u>	<u>\$ 26,219,545</u>	<u>\$ 23,507,054</u>	<u>\$ 25,130,683</u>
Change in Net Position					
Governmental activities	\$ 10,206,168	\$ 7,958,237	\$ 11,129,297	\$ 8,701,689	\$ 2,161,847
Prior Period Adjustment	-	-	(3,820,891)	-	9,437,465
Business-type activities	4,695,857	1,257,782	1,455,872	4,016,239	5,112,670
Prior Period Adjustment	-	-	(525,816)	-	(2,718,983)
Total primary government	<u>\$ 14,902,025</u>	<u>\$ 9,216,019</u>	<u>\$ 8,238,462</u>	<u>\$ 12,717,928</u>	<u>\$ 13,992,999</u>

Schedule 2 (continued)
CITY OF DRAPER, UTAH
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	2017	2018	2019	2020	2021
Net (Expense)/Revenue					
Government activities	\$ (19,946,741)	\$ (23,338,833)	\$ (10,185,237)	\$ (25,188,073)	\$ (11,547,558)
Business-type activities	3,130,493	3,367,453	6,843,553	3,095,764	4,334,520
Total primary government net (expense) revenue	<u>\$ (16,816,248)</u>	<u>\$ (19,971,380)</u>	<u>\$ (3,341,684)</u>	<u>\$ (22,092,309)</u>	<u>\$ (7,213,038)</u>
General Revenues and Other Changes in Net Position					
Governmental activities:					
Taxes					
Property taxes	\$ 8,913,119	\$ 8,746,336	\$ 8,957,745	\$ 9,261,840	\$ 10,134,491
Sales taxes	11,774,335	12,946,117	13,450,317	14,255,962	16,788,860
Franchise taxes	5,329,131	5,333,829	5,269,126	5,261,476	5,476,814
Unrestricted investment earnings	1,179,625	1,418,777	2,233,836	2,373,785	828,914
Gain (loss) on sale of capital assets	8,511,186	10,024	324,949	50,180	-
Transfers	(345,000)	(663,635)	(1,205,690)	(1,766,050)	(1,966,250)
Total governmental activities	<u>35,362,396</u>	<u>27,791,448</u>	<u>29,030,283</u>	<u>29,437,193</u>	<u>31,262,829</u>
Business-type activities:					
Unrestricted investment earnings	159,214	350,607	640,481	510,345	191,302
Gain (loss) on sale of capital assets	-	13,939	52,281	3,336	20,333
Equity investment income (loss)	(38,448)	189,354	239,769	254,094	324,142
Transfers	345,000	663,635	1,205,690	1,766,050	1,966,250
Total business-type activities	<u>465,766</u>	<u>1,217,535</u>	<u>2,138,221</u>	<u>2,533,825</u>	<u>2,502,027</u>
Total primary government	<u>\$ 35,828,162</u>	<u>\$ 29,008,983</u>	<u>\$ 31,168,504</u>	<u>\$ 31,971,018</u>	<u>\$ 33,764,856</u>
Change in Net Position					
Governmental activities	\$ 15,415,655	\$ 4,452,615	\$ 18,845,046	\$ 4,249,120	\$ 19,715,271
Business-type activities	3,596,259	4,584,988	8,981,774	5,629,589	6,836,547
Total primary government	<u>\$ 19,011,914</u>	<u>\$ 9,037,603</u>	<u>\$ 27,826,820</u>	<u>\$ 9,878,709</u>	<u>\$ 26,551,818</u>

Notes: Prior period adjustments in FY2014 represent the implementation of GASB 68. Adjustments in FY16 represent corrects to how capital assets were reported for years between 2009 and 2016.

Schedule 3
CITY OF DRAPER, UTAH
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2012	2013	2014	2015	2016
General fund					
Nonspendable	13,538	13,312	985,711	12,856,584	\$ 13,347,903
Restricted	3,544,006	17,300,416	4,785,367	5,903,264	3,802,273
Assigned	-	-	-	377,380	-
Unassigned	4,243,942	5,083,615	8,012,152	16,374,448	12,784,627
Total general fund	\$ 7,801,486	\$ 22,397,343	\$ 13,783,230	\$ 35,511,676	\$ 29,934,803

All other governmental funds

Nonspendable, reported in:

 Special revenue funds

Restricted, reported in:

 Capital projects funds

 Special revenue funds

Assigned, reported in:

 Capital projects funds

 Special revenue funds

Capital projects funds	-	-	7,852,043	6,094,989	5,387,731
Special revenue funds	-	-	10,228,514	11,907,958	12,998,320
Total all other gov. funds	\$ 24,667,452	\$ 31,678,803	\$ 37,553,860	\$ 31,105,502	\$ 39,178,901

Total governmental funds	\$ 32,468,938	\$ 54,076,146	\$ 51,337,090	\$ 66,617,178	\$ 69,113,704
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	2017	2018	2019	2020	2021
General fund					
Nonspendable	\$ 13,391,514	\$ 11,127,060	\$ 10,521,574	\$ 9,844,768	\$ 9,208,677
Restricted	3,740,654	2,937,133	4,313,504	4,906,715	7,382,761
Assigned	-	-	-	-	-
Unassigned	16,334,304	8,183,435	12,857,711	13,936,253	13,562,617
Total general fund	\$ 33,466,472	\$ 22,247,628	\$ 27,692,789	\$ 28,687,736	\$ 30,154,055

All other governmental funds

Nonspendable, reported in:

 Special revenue funds

Restricted, reported in:

 Capital projects funds

 Special revenue funds

Assigned, reported in:

 Capital projects funds

 Special revenue funds

Special revenue funds	-	120,154	247,854	228,269	92,708
Capital projects funds	4,122,428	329,631	1,329,631	429,948	60,790
Special revenue funds	11,902,664	10,713,495	10,783,271	12,234,806	12,642,469
Capital projects funds	15,580,334	16,426,939	14,895,362	13,412,500	16,749,553
Special revenue funds	12,520,797	15,268,267	17,118,956	16,163,443	14,650,181
Total all other gov. funds	\$ 44,126,223	\$ 42,858,486	\$ 44,375,074	\$ 42,468,966	\$ 44,195,701

Total governmental funds	\$ 77,592,695	\$ 65,106,114	\$ 72,067,863	\$ 71,156,702	\$ 74,349,756
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Schedule 4
CITY OF DRAPER, UTAH
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2012	2013	2014	2015	2016
Revenues:					
Taxes	\$ 24,065,089	\$ 24,589,208	\$ 25,659,629	\$ 22,546,045	\$ 23,949,875
Licenses and permits	2,100,542	2,753,909	2,608,799	3,135,690	3,944,808
Intergovernmental	1,528,473	1,559,341	7,282,464	8,214,289	7,056,946
Charges for services	2,140,575	2,281,193	1,759,568	2,521,990	2,270,778
Impact fees	1,814,747	3,151,050	2,197,123	3,285,017	4,579,545
Fines and forfeitures	632,624	614,663	650,983	594,383	748,234
Interest	303,742	285,908	243,903	824,023	926,815
Lease revenue	1,449,031	1,475,494	701,796	369,037	245,131
Donations and reimbursements	1,074,534	68,706	-	147,500	134,387
Miscellaneous	116,563	3,098,844	378,563	152,238	127,342
Total revenues	35,225,920	39,878,316	41,482,828	41,790,212	43,983,861
Expenditures:					
General government	8,594,510	7,903,409	7,144,127	8,447,584	8,835,135
Public safety	8,323,122	8,760,349	9,418,513	9,633,865	10,165,655
Highways and public improvements	4,467,542	3,024,464	2,065,900	3,944,068	5,515,786
Community development	-	-	-	-	-
Parks, recreation and public property	2,573,320	2,659,074	2,693,997	2,689,688	3,009,632
Redevelopment agency	2,887,728	1,861,704	1,600,250	2,083,389	8,926,596
Capital outlay	3,846,843	11,131,675	6,499,274	9,793,752	5,178,629
Debt service					
Principal	1,310,000	6,690,000	3,705,000	1,460,000	3,114,789
Interest	992,618	1,276,035	1,682,033	1,435,872	1,375,710
Bond issuance cost	-	339,826	-	151,815	60,985
Total expenditures	32,995,683	43,646,536	34,809,094	39,640,033	46,182,917
Excess (deficiency) of revenues over (under) expenditures	2,230,237	(3,768,220)	6,673,734	2,150,179	(2,199,056)
Other financing sources (uses):					
Transfers in	6,898,838	18,254,838	8,063,840	8,111,676	13,058,217
Transfers out	(6,898,838)	(18,254,838)	(8,063,840)	(8,878,759)	(14,061,417)
Bond and loan proceeds	-	24,560,000	-	8,936,759	5,612,000
Premium on bond issued	-	3,579,433	-	-	-
Pmt. to refunding bond escrow agent	-	(3,045,771)	(10,463,256)	(8,778,746)	-
Impact fee reimbursement	-	(450,000)	-	-	-
Sale of assets	174,156	661,344	1,050,466	404,248	86,782
Total other financing sources (uses)	174,156	25,305,006	(9,412,790)	(204,822)	4,695,582
Net change in fund balances	\$ 2,404,393	\$ 21,536,786	\$ (2,739,056)	\$ 1,945,357	\$ 2,496,526
Debt service as a percentage of non-capital expenditures	8%	26%	19%	10%	11%

Schedule 4 (continued)
CITY OF DRAPER, UTAH
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

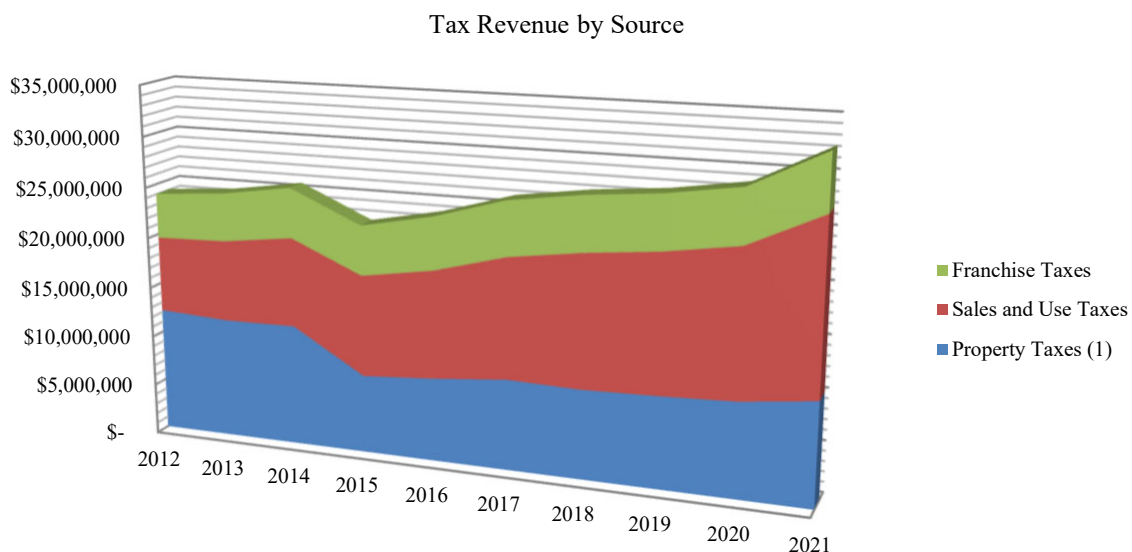
	2017	2018	2019	2020	2021
Revenues:					
Taxes	\$ 26,016,585	\$ 27,026,282	\$ 27,677,188	\$ 28,779,278	\$ 32,400,165
Licenses and permits	3,483,912	4,281,729	4,832,300	3,783,877	4,051,318
Intergovernmental	7,903,771	13,407,860	12,440,066	9,672,491	13,750,440
Charges for services	1,960,286	1,526,418	1,625,856	1,304,299	1,669,719
Impact fees	2,463,363	3,759,029	4,767,585	3,342,156	2,515,916
Fines and forfeitures	842,952	734,373	826,774	708,741	538,903
Interest	1,159,284	1,376,215	2,164,757	2,318,840	808,673
Lease revenue	227,248	231,666	229,071	231,491	229,230
Donations and reimbursements	1,344,194	357,306	166,768	62,996	102,730
Miscellaneous	544,286	177,045	33,971	54,546	36,117
Total revenues	45,945,881	52,877,923	54,764,336	50,258,715	56,103,211
Expenditures:					
General government	6,727,072	6,394,954	6,626,593	6,669,758	6,737,986
Public safety	12,578,561	13,078,171	11,122,962	12,294,433	12,867,701
Highways and public improvements	5,153,195	5,853,710	4,112,082	4,755,868	4,080,791
Community development	1,902,542	2,011,041	2,317,925	2,397,038	2,344,293
Parks, recreation and public property	3,452,201	3,896,494	3,703,991	3,835,845	3,936,810
Redevelopment agency	2,100,264	3,157,620	3,462,583	3,934,448	4,493,906
Capital outlay	10,262,592	20,211,097	11,263,861	11,942,344	6,991,367
Debt service					
Principal	2,720,161	2,601,000	2,877,333	2,769,000	6,380,000
Interest	1,362,315	1,035,876	955,628	875,372	876,898
Bond issuance cost	32,502	15,950	-	-	14,300
Total expenditures	46,291,405	58,255,913	46,442,958	49,474,106	48,724,052
Excess (deficiency) of revenues over (under) expenditures	(345,524)	(5,377,990)	8,321,378	784,609	7,379,159
Other financing sources (uses):					
Transfers in	13,756,788	14,342,038	7,813,765	9,487,395	11,106,873
Transfers out	(14,101,788)	(15,855,673)	(9,530,155)	(11,253,445)	(15,323,123)
Bond and loan proceeds	1,919,000	-	-	-	-
Premium on bond issued	-	-	-	-	-
Pmt. to refunding bond escrow agent	(1,879,149)	(5,630,205)	-	-	-
Impact fee reimbursement	-	-	-	-	-
Sale of assets	9,129,664	35,249	356,761	70,280	30,145
Total other financing sources (uses)	8,824,515	(7,108,591)	(1,359,629)	(1,695,770)	(4,186,105)
Net change in fund balances	\$ 8,478,991	\$ (12,486,581)	\$ 6,961,749	\$ (911,161)	\$ 3,193,054
Debt service as a percentage of non-capital expenditures	11%	10%	11%	10%	17%

Schedule 5
CITY OF DRAPER, UTAH
Tax Revenues by Source, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

Fiscal Year	Property Taxes (1)	Sales and Use Taxes	Franchise Taxes	Total
2012	\$ 12,217,914	\$ 7,434,613	\$ 4,412,562	\$ 24,065,089
2013	11,842,416	8,009,456	4,737,336	24,589,208
2014	11,947,977	8,790,098	4,921,554	25,659,629
2015	7,690,018	9,967,402	4,888,625	22,546,045
2016	8,216,888	10,561,361	5,171,626	23,949,875
2017	8,913,119	11,774,335	5,329,131	26,016,585
2018	8,746,336	12,946,117	5,333,829	27,026,282
2019	8,957,745	13,450,317	5,269,126	27,677,188
2020	9,261,840	14,255,962	5,261,477	28,779,279
2021	10,134,491	16,788,860	5,476,814	32,400,165
Growth				
2012-2021	(2,083,423)	9,354,247	1,064,252	8,335,076

Note: Since 2003, the Redevelopment Agency (CDRA) is included with the governmental funds per generally accepted accounting principles; however, beginning in 2015 only the property tax that is levied by Draper City is reported here. All Non-Draper levied taxes are now reported as intergovernmental revenues.

(1) Property tax includes current and delinquent property tax, motor vehicle in-lieu tax, and special assessment tax for the Traverse Ridge Special Service District.



Schedule 6
CITY OF DRAPER, UTAH
Assessed Value and Estimate Actual Value of Taxable Property
Last Ten Fiscal Years

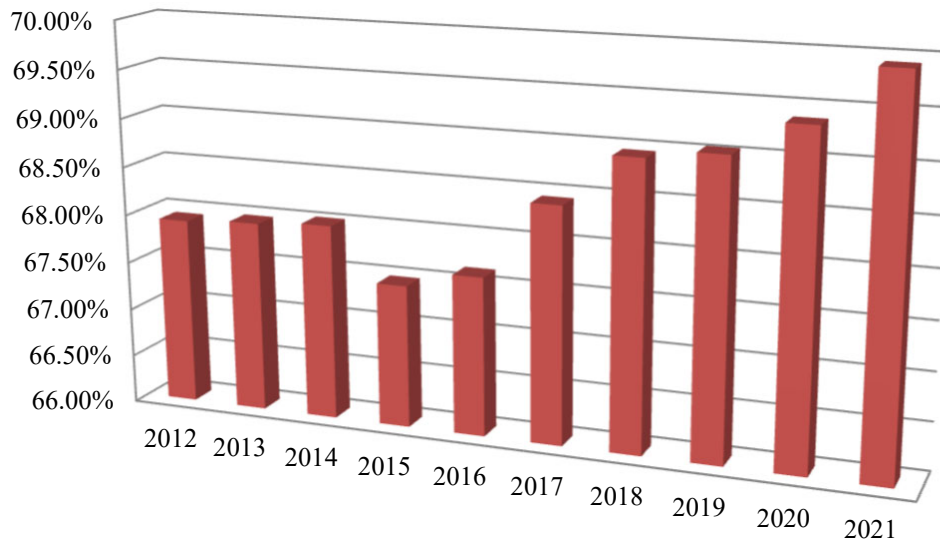
Fiscal Year	Tax Year	Primary Residential Property	Other Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Value (1)	Assessed Value as a Percentage of Actual Value
2012	2011	\$2,029,669,287	\$1,488,211,613	\$ 3,517,880,900	0.001996	\$ 5,178,519,408	67.93%
2013	2012	2,027,602,106	1,493,230,644	3,520,832,750	0.002009	5,179,779,928	67.97%
2014	2013	2,189,569,543	1,620,562,159	3,810,131,702	0.001887	5,601,597,692	68.02%
2015	2014	2,400,626,003	1,674,447,789	4,075,073,792	0.001791	6,039,222,340	67.48%
2016	2015	2,621,176,154	1,862,255,732	4,483,431,886	0.001701	6,628,030,557	67.64%
2017	2016	2,862,871,812	2,214,897,547	5,077,769,359	0.001560	7,420,119,023	68.43%
2018	2017	3,098,543,121	2,531,775,067	5,630,318,188	0.001460	8,165,489,832	68.95%
2019	2018	3,430,253,818	2,828,383,895	6,258,637,713	0.001352	9,065,209,019	69.04%
2020	2019	3,721,628,462	3,174,565,273	6,896,193,735	0.001268	9,941,162,477	69.37%
2021	2020	4,002,191,217	3,611,451,697	7,613,642,914	0.001227	10,888,163,001	69.93%

Source: Utah State Tax Commission

Note: Property in Draper City is reassessed once every five years on average. The City assess property at approximately 55 percent of actual value for residential property and 100 percent of actual value for all other categories. Estimated actual taxable value is calculated by dividing taxable assessed value by those percentages.

(1) Assessed values are reported by the County on a calendar year basis rather than July 1 to June 30 fiscal year.

Assessed Value as a Percentage of Actual Value



Schedule 7
CITY OF DRAPER, UTAH
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years

Fiscal Year	Tax Year	City Direct Rates			Overlapping Rates					
		Operating	Debt Service	Total Direct	Salt Lake County	Canyons School District	Traverse Ridge Special District	Jordan School District	Other	Total
SALT LAKE COUNTY										
Tax Area 51B (2013 Tax Year +)										
2014	2013	0.001721	0.000166	0.001887	0.003180			0.007132	0.002087	0.014286
2015	2014	0.001640	0.000151	0.001791	0.003036			0.006700	0.001970	0.013497
2016	2015	0.001558	0.000143	0.001701	0.002819			0.006872	0.001904	0.013296
2017	2016	0.001438	0.000122	0.001560	0.002371			0.006906	0.002066	0.012903
2018	2017	0.001350	0.000110	0.001460	0.002238			0.006424	0.002034	0.012156
2019	2018	0.001253	0.000099	0.001352	0.002025			0.006501	0.001938	0.011816
2020	2019	0.001180	0.000088	0.001268	0.001933			0.006676	0.001871	0.011748
2021	2020	0.001148	0.000079	0.001227	0.001948			0.006567	0.001818	0.011560
Tax Area 051, 051A, 51B (51B through 2012 Tax Year)										
2012	2011	0.001819	0.000177	0.001996	0.002696	0.008165			0.001963	0.014820
2013	2012	0.001831	0.000178	0.002009	0.002793	0.007111			0.003308	0.015221
2014	2013	0.001721	0.000166	0.001887	0.00318	0.007016			0.003182	0.015265
2015	2014	0.001640	0.000151	0.001791	0.003036	0.006872			0.002921	0.014620
2016	2015	0.001558	0.000143	0.001701	0.002819	0.006997			0.002766	0.014283
2017	2016	0.001438	0.000122	0.001560	0.002371	0.006463			0.002830	0.013224
2018	2017	0.001350	0.000110	0.001460	0.002238	0.006439			0.002712	0.012849
2019	2018	0.001253	0.000099	0.001352	0.002025	0.006435			0.002498	0.012310
2020	2019	0.001180	0.000088	0.001268	0.001933	0.007019			0.002359	0.012579
2021	2020	0.001148	0.000079	0.001227	0.001948	0.006894			0.002221	0.012290
Tax Area 055, 52A, 55A, 55B, 55C, 55D, 55E, 55F, 55G										
2012	2011	0.001819	0.000177	0.001996	0.002696	0.008165			0.001915	0.014772
2013	2012	0.001831	0.000178	0.002009	0.002793	0.007111			0.00326	0.015173
2014	2013	0.001721	0.000166	0.001887	0.00318	0.007016			0.003137	0.015220
2015	2014	0.001640	0.000151	0.001791	0.003036	0.006872			0.002878	0.014577
2016	2015	0.001558	0.000143	0.001701	0.002819	0.006997			0.002723	0.014240
2017	2016	0.001438	0.000122	0.001560	0.002371	0.006463			0.002792	0.013186
2018	2017	0.001350	0.000110	0.001460	0.002238	0.006439			0.002677	0.012814
2019	2018	0.001253	0.000099	0.001352	0.002025	0.006435			0.002464	0.012276
2020	2019	0.001180	0.000088	0.001268	0.001933	0.007019			0.002326	0.012546
2021	2020	0.001148	0.000079	0.001227	0.001948	0.006894			0.002190	0.012259
Tax Area 056										
2012	2011	0.001819	0.000177	0.001996	0.002696	0.008165			0.001516	0.014373
2013	2012	0.001831	0.000178	0.002009	0.002793	0.007111			0.002853	0.014766
2014	2013	0.001721	0.000166	0.001887	0.00318	0.007016			0.002741	0.014824
2015	2014	0.001640	0.000151	0.001791	0.003036	0.006872			0.002507	0.014206
2016	2015	0.001558	0.000143	0.001701	0.002819	0.006997			0.002513	0.014030
2017	2016	0.001438	0.000122	0.001560	0.002371	0.006463			0.002461	0.012855
2018	2017	0.001350	0.000110	0.001460	0.002238	0.006439			0.002361	0.012498
2019	2018	0.001253	0.000099	0.001352	0.002025	0.006435			0.002168	0.011980
2020	2019	0.001180	0.000088	0.001268	0.001933	0.007019			0.002046	0.012266
2021	2020	0.001148	0.000079	0.001227	0.001948	0.006894			0.001919	0.011988
Tax Area 54B										
2012	2011	0.001819	0.000177	0.001996	0.002696	0.008165	0.003803		0.001915	0.018575
2013	2012	0.001831	0.000178	0.002009	0.002793	0.007111	0.003773		0.00326	0.018946
2014	2013	0.001721	0.000166	0.001887	0.00318	0.007016	0.003360		0.003137	0.018580
2015	2014	0.001640	0.000151	0.001791	0.003036	0.006872	0.000000		0.002878	0.014577
2016	2015	0.001558	0.000143	0.001701	0.002819	0.006997	0.000652		0.002723	0.014892
2017	2016	0.001438	0.000122	0.001560	0.002371	0.006463	0.000622		0.002792	0.013808
2018	2017	0.001350	0.000110	0.001460	0.002238	0.006439	0.000585		0.002677	0.013399
2019	2018	0.001253	0.000099	0.001352	0.002025	0.006435	0.000540		0.002464	0.012816
2020	2019	0.001180	0.000088	0.001268	0.001933	0.007019	0.000510		0.002326	0.013056
2021	2020	0.001148	0.000079	0.001227	0.001948	0.006894	0.000501		0.00219	0.012760

Schedule 7 (continued)
 CITY OF DRAPER, UTAH
 Direct and Overlapping Property Tax Rates
 Last Ten Fiscal Years

Fiscal Year	Tax Year	City Direct Rates			Overlapping Rates				
		General Fund	Debt Service	Total Direct	Utah County	Alpine School District	Ridge Special District	Other	Total
UTAH COUNTY									
Tax Area 013 - New as of 2020									
2020	2021	0.001148	0.000079	0.001227	0.001041	0.006800		0.001214	0.010282
Tax Area 014 - New as of 2013									
2013	2012	0.001831	0.000178	0.002009	0.001324	0.008828		0.000891	0.013052
2014	2013	0.001721	0.000166	0.001887	0.001259	0.008699		0.000870	0.012715
2015	2014	0.001640	0.000151	0.001791	0.001149	0.008096		0.000818	0.011854
2016	2015	0.001558	0.000143	0.001701	0.001098	0.008177		0.000783	0.011759
2017	2016	0.001438	0.000122	0.001560	0.000834	0.007718		0.000969	0.011081
2018	2017	0.001350	0.000110	0.001460	0.000779	0.007167		0.000927	0.010333
2019	2018	0.001253	0.000099	0.001352	0.000732	0.007033		0.000894	0.010011
2020	2019	0.001180	0.000088	0.001268	0.000672	0.006699		0.000864	0.009503
2021	2020	0.001148	0.000079	0.001227	0.001041	0.006800		0.000848	0.009916
Tax Area 017									
2012	2011	0.001819	0.000177	0.001996	0.001342	0.008812		0.000464	0.012614
2013	2012	0.001831	0.000178	0.002009	0.001324	0.008828		0.000484	0.012645
2014	2013	0.001721	0.000166	0.001887	0.001259	0.008699		0.000474	0.012319
2015	2014	0.001640	0.000151	0.001791	0.001149	0.008096		0.000447	0.011483
2016	2015	0.001558	0.000143	0.001701	0.001098	0.008177		0.000429	0.011405
2017	2016	0.001438	0.000122	0.001560	0.000834	0.007718		0.000638	0.010750
2018	2017	0.001350	0.000110	0.001460	0.000779	0.007167		0.000611	0.010017
2019	2018	0.001253	0.000099	0.001352	0.000732	0.007033		0.000598	0.009715
2020	2019	0.001180	0.000088	0.001268	0.000672	0.006699		0.000584	0.009223
2021	2020	0.001148	0.000079	0.001227	0.001041	0.006800		0.000577	0.009645
Tax Area 018									
2012	2011	0.001819	0.000177	0.001996	0.001342	0.008812	0.003803	0.000888	0.016841
2013	2012	0.001831	0.000178	0.002009	0.001324	0.008828	0.003773	0.000927	0.016861
2014	2013	0.001721	0.000166	0.001887	0.001259	0.008699	0.003360	0.000898	0.016103
2015	2014	0.001640	0.000151	0.001791	0.001149	0.008096	0.000000	0.000846	0.011882
2016	2015	0.001558	0.000143	0.001701	0.001098	0.008177	0.000652	0.000829	0.012457
2017	2016	0.001438	0.000122	0.001560	0.000834	0.007718	0.000622	N/A	N/A
2018	2017	0.001350	0.000110	0.001460	0.000779	0.007167	0.000000	0.001596	0.011002
2019	2018	0.001253	0.000099	0.001352	0.000732	0.007033	0.000540	0.000998	0.010655
2020	2019	0.001180	0.000088	0.001268	0.000672	0.006699	0.000510	0.000967	0.010116
2021	2020	0.001148	0.000079	0.001227	0.001041	0.006800	0.000501	0.000943	0.010512
Tax Area 019									
2012	2011	0.001819	0.000177	0.001996	0.001342	0.008812	0.003803	0.001287	0.017240
2013	2012	0.001831	0.000178	0.002009	0.001324	0.008828	0.003773	0.001334	0.017268
2014	2013	0.001721	0.000166	0.001887	0.001259	0.008699	0.003360	0.001294	0.016499
2015	2014	0.001640	0.000151	0.001791	0.001149	0.008096	0.000000	0.001217	0.012253
2016	2015	0.001558	0.000143	0.001701	0.001098	0.008177	0.000652	0.001183	0.012811
2017	2016	0.001438	0.000122	0.001560	0.000834	0.007718	0.000622	0.001341	0.012075
2018	2017	0.001350	0.000110	0.001460	0.000779	0.007167	0.000585	0.001327	0.011318
2019	2018	0.001253	0.000099	0.001352	0.000732	0.007033	0.00054	0.001294	0.010951
2020	2019	0.001180	0.000088	0.001268	0.000672	0.006699	0.00051	0.001247	0.010396
2021	2020	0.001148	0.000079	0.001227	0.001041	0.006800	0.000501	0.001214	0.010783

Schedule 8
 CITY OF DRAPER, UTAH
 Property Tax Levied and Collections
 Last Ten Fiscal Years

Fiscal Year	Tax Year	Property Tax Rate	Property Tax Levied	Amount of Levy Collected within Fiscal Year	Collection in Subsequent Years-SLCO	Collection in Subsequent Years-UTCO	Total Collected	Percentage of Levy (1)
2012	2011	0.001996	\$ 5,958,651	\$ 5,455,236	\$ 190,727	\$ 236,026	\$ 5,881,990	98.71%
2013	2012	0.002009	5,939,100	5,798,825	127,451	27,983	5,954,259	100.26%
2014	2013	0.001887	6,001,948	5,745,558	280,110	26,364	6,052,032	100.83%
2015	2014	0.001791	6,222,460	5,992,490	242,273	31,429	6,266,192	100.70%
2016	2015	0.001701	6,397,979	6,195,174	156,755	13,474	6,365,403	99.49%
2017	2016	0.001560	6,645,322	6,822,665	141,833	20,880	6,985,378	105.12%
2018	2017	0.001460	6,906,340	6,574,243	152,215	18,249	6,744,707	97.66%
2019	2018	0.001352	7,125,264	6,636,110	126,769	20,711	6,783,590	95.20%
2020	2019	0.001268	7,554,106	6,996,615	73,359	23,911	7,093,885	93.91%
2021	2020	0.001227	8,129,046	7,567,160			7,567,160	93.09%

(1) Taxes levied by Draper City and amounts collected by Salt Lake and Utah Counties and subsequently distributed to Draper City in that year for that levy.

Note 1 - Due to new growth and collections of personal property taxes which is not included in the Levied tax; property tax collections can be higher than the levy.

Note 2 - FY17 is the first year in which haircut provisions for several CDRA areas no longer applied and those tax revenues were included as part of the City's property tax which were not included in the initial levy. This is a one-time increase that is not expected in future years.

Schedule 9
CITY OF DRAPER, UTAH
Principal Property Tax Payers
Current Year and Nine Years Prior

Taxpayer	2021			2012		
	*Assessed Taxable Valuation	Rank	Percentage of Total Assessed Valuation	Assessed Taxable Valuation	Rank	Percentage of Total Assessed Valuation
LD Bowerman Investments LLC	\$ 99,094,300	1	1.29%	\$ 19,647,300	10	0.6%
Harbert MSB Lone Peak Campus	83,230,000	2	1.08%			
eBay, Inc.	77,419,800	3	1.01%			
Highland Office 1, LC	76,011,200	4	0.99%			
Swire Pacific Holdings Inc	74,559,600	5	0.97%	22,513,600	6	0.6%
Women's Hospital Indianapolis LP	71,026,800	6	0.93%			
Miller Family Real Estate, LLC	68,464,100	7	0.89%			
Pinnacle Reserve Associates, LLC	55,988,845	8	0.73%	51,241,600	1	1.5%
Inland Diversified Draper Peaks LLC	55,349,700	9	0.72%	22,993,800	5	0.7%
WSL - White Mountain 2346, LLC	52,174,100	10	0.68%			
Draper Peaks, LLC						
Ikea Property, INC				28,716,600	2	0.8%
Miller-Draper, LLC				25,089,800	3	0.7%
Liberty Hill Partners, LP				23,710,100	4	0.7%
Sorenson Associates The Pointe, LLC				22,431,400	7	0.6%
Inland Diversified Draper Crossing, LLC				21,423,300	8	0.6%
Allegro Investors, LLC				20,785,800	9	0.6%
	\$ 713,318,445		9.3%	\$ 237,767,500		7.4%
Total City Taxable Assessed Value	\$ 7,675,027,622			\$3,517,800,900		

* The City reports assessed values net of exempt amounts.

Source: Salt Lake & Utah County Assessor & Draper City's GIS Data - Based on 2021 Tax Year

Schedule 10
 CITY OF DRAPER, UTAH
 Direct and Overlapping Sales Tax Rates
 Last Ten Fiscal Years

Fiscal Year	City Direct Rate (1)	State of Utah	Salt Lake County	Mass Transit	Botanical, Cultural, Zoo	Total
2012	1.00	4.70	0.50	0.55	0.10	6.85
2013	1.00	4.70	0.50	0.55	0.10	6.85
2014	1.00	4.70	0.50	0.55	0.10	6.85
2015	1.00	4.70	0.50	0.55	0.10	6.85
2016	1.00	4.70	0.50	0.55	0.10	6.85
2017	1.00	4.70	0.50	0.55	0.10	6.85
2018	1.00	4.70	0.75	0.55	0.10	7.10
2019	1.00	4.85	0.75	0.55	0.10	7.25
2020	1.00	4.85	0.75	0.55	0.10	7.25
2021	1.00	4.85	0.75	0.55	0.10	7.25

Note: Overlapping rates are those of other governments and agencies that apply to taxable sales within the City.

(1) Of the total sales taxes assessed by municipalities within the state, 50 percent is distributed based on point of sale and 50 percent is pooled and distributed based on population.

Source: Utah State Tax Commission

Schedule 11
CITY OF DRAPER, UTAH
Principal Sales Tax Payers
Current Year and Nine Years Ago

Taxpayer	2021			2012		
	Sales Tax (1)	Rank	Percentage of Total Sales Tax (1)	Sales Tax (1)	Rank	Percentage of Total Sales Tax (1)
Larry H. Miller Ford Lincoln	N/A	1	N/A			
Karl Malone Toyota	N/A	2	N/A	N/A	2	N/A
RC Willey	N/A	3	N/A			
Ikea	N/A	4	N/A	N/A	1	N/A
General RV	N/A	5	N/A	N/A	6	N/A
Amazon.com	N/A	6	N/A			
Geneva Rock	N/A	8	N/A	N/A	4	N/A
Mercedes Benz of Draper	N/A	7	N/A			
Harmon's Bangerter Crossing	N/A	9	N/A	N/A	3	N/A
Camping World RV	N/A	10	N/A			
Harmon's Draper				N/A	5	N/A
Kohl's				N/A	8	N/A
Smith's Food & Drug				N/A	7	N/A
Ardell Brown RV				N/A	9	N/A
Wal-Mart Neighborhood Market				N/A	10	N/A
	\$7,619,300		35.94%	\$2,656,400		35.73%
Total Sales Tax (2)	\$21,200,000			\$7,434,600		

(1) Sales tax information is considered proprietary and cannot be shown by individual payer, so the group is shown in the aggregate.

(2) Total sales tax figures represent the total local option tax collected by the tax commission at the point of sale, or 1% of taxable goods or services. Actual tax distribution to Draper City from the tax commission is based on a population based formula and is different from these figures. See Schedule 5 for actual distribution.

N/A = Not applicable

Source: Utah State Tax Commission

Schedule 12
 CITY OF DRAPER, UTAH
 Ratios of General Bonded Debt Outstanding
 Last Ten Fiscal Years

Fiscal Year	General Bonded Debt Outstanding			Percentage of Actual Taxable Value of Property (1)	Per Capita (2)
	General Obligation Bonds	Other Bonds	Total		
2012	\$ 5,095,000	\$ -	\$ 5,095,000	0.14%	116
2013	4,916,401	-	4,916,401	0.14%	111
2014	4,853,848	-	4,853,848	0.12%	107
2015	4,733,809	-	4,733,809	0.12%	102
2016	4,315,054	-	4,315,054	0.09%	92
2017	3,880,048	-	3,880,048	0.08%	82
2018	3,435,042	-	3,435,042	0.06%	72
2019	2,980,036	-	2,980,036	0.05%	62
2020	2,515,030	-	2,515,030	0.04%	52
2021	2,040,024	-	2,040,024	0.03%	40

(1) See Schedule 6 for property values.

(2) See Schedule 17 for population data.

Schedule 13
CITY OF DRAPER, UTAH
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Governmental Activities					
Fiscal Year	General Obligation Bonds	Sales Tax Revenue Bonds	Lease Revenue Bonds	Capital Leases	Notes Payable (2)
2012	\$ 5,095,000	\$ 2,820,000	\$ 12,985,000	\$ -	\$ -
2013	4,916,401	30,442,656	12,146,285	-	-
2014	4,853,848	27,537,919	6,625,312	-	-
2015	4,733,809	30,158,386	2,255,677	-	10,992,965
2016	4,315,054	33,584,853	2,108,676	-	10,384,176
2017	3,880,048	31,406,868	2,071,001	-	10,175,015
2018	3,435,042	23,722,732	1,879,000	-	10,175,015
2019	2,980,036	21,456,071	1,683,000	-	9,985,682
2020	2,515,030	19,123,410	1,482,000	-	9,985,682
2021	2,040,024	14,245,499	-	-	9,985,682

Business-type Activities							
Fiscal Year	Revenue Bonds	Capital Leases	Notes Payable (2)	Total Primary Government	Percentage of Personal Income (1)	Personal Income (1)	Per Capita
2012	\$ 1,935,000	\$ 1,035,654	\$ -	\$23,870,654	2.09%	\$1,140,256,021	541
2013	1,935,000	584,961	-	50,025,303	3.86%	1,297,194,694	1,134
2014	1,853,000	123,195	-	40,993,274	3.06%	1,338,465,812	905
2015	1,769,000	-	2,378,950	52,288,787	3.58%	1,459,559,528	1,132
2016	1,684,000	-	1,982,840	54,059,599	3.43%	1,576,036,339	1,156
2017	1,596,000	-	1,727,302	50,856,234	2.97%	1,713,242,393	1,075
2018	1,506,000	-	1,335,012	42,052,801	2.42%	1,737,987,862	889
2019	1,414,000	-	1,272,133	38,790,922	2.04%	1,904,714,522	813
2020	1,320,000	-	1,272,133	35,698,255	1.76%	2,026,398,299	739
2021	1,224,000	-	1,272,133	28,767,338	1.26%	2,279,156,248	564

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

(1) See Schedule 17 for personal income and population data.

(2) Notes payable amounts are contingent upon the collection of future impact fees only.

Schedule 14
CITY OF DRAPER, UTAH
Direct and Overlapping Governmental Activities Debt
As of June 30, 2021

Entity	2020 Taxable Value (1)	Estimated City's Percentage	Entity's General Obligation Debt	City's Portion of G.O. Debt
Direct City Debt				
Draper City General Obligation Bond	\$ 7,588,834,392	100%	\$1,940,000	\$ 1,940,000
Overlapping Debt				
CUWCD (2)	184,173,663,831	4.1%	167,587,665	6,905,412
Salt Lake County	129,217,418,831	5.9%	147,110,000	8,639,651
Canyons School District (3)	27,119,424,820	28.0%	457,765,000	128,096,477
Total Overlapping				<u>143,641,540</u>
Underlying Debt				
Alpine School District (4)	36,144,546,491	21.0%	508,880,000	106,843,395
Total Underlying				<u>106,843,395</u>
Total Overlapping and Underlying General Obligation Debt				\$ 250,484,935
Total Direct General Obligation Bonded Indebtedness				<u>16,285,523</u>
Total Direct and Overlapping General Obligation Debt				<u><u>\$ 266,770,458</u></u>

Notes:

- (1)USTC List of final values. Taxable value used in this table *excludes* the taxable value used to determine uniform fees on tangible personal property.
- (2) Central Utah Water Conservancy District (CUWCD) outstanding general obligation bonds are limited *ad valorem* tax bonds. Certain portions of the principal of and interest on CUWCD's general obligation bonds are paid from sales of water. Includes taxable valuation from Salt Lake and Utah counties.
- (3) This is the portion of the City within Salt Lake County.
- (4) This is the portion of the City within Alpine School District, Utah County
- (5) The State's general obligation debt is not included in overlapping debt because the State currently levies no property tax for payment of general obligation bonds.

Schedule 15
CITY OF DRAPER, UTAH
Legal Debt Margin Information
Last Ten Fiscal Years

	2012	2013	2014	2015	2016
Debt Limit	\$ 207,140,776	\$ 207,191,197	\$ 224,063,908	\$ 241,568,894	\$ 265,121,222
Total debt applicable to limit	5,095,000	4,795,000	4,480,000	4,490,000	4,090,000
Legal debt margin	<u>\$ 202,045,776</u>	<u>\$ 202,396,197</u>	<u>\$ 219,583,908</u>	<u>\$ 237,078,894</u>	<u>\$ 261,031,222</u>
 Total debt applicable to the limit as a percentage of debt limit	 2.46%	 2.31%	 2.00%	 1.86%	 1.54%
	2017	2018	2019	2020	2021
Debt Limit	\$ 296,804,761	\$ 326,619,593	\$ 362,608,361	\$ 395,256,499	\$ 433,586,520
Total debt applicable to limit	3,680,000	3,260,000	2,830,000	2,390,000	1,940,000
Legal debt margin	<u>\$ 293,124,761</u>	<u>\$ 323,359,593</u>	<u>\$ 359,778,361</u>	<u>\$ 392,866,499</u>	<u>\$ 431,646,520</u>
 Total debt applicable to the limit as a percentage of debt limit	 1.24%	 1.00%	 0.78%	 0.60%	 0.45%

Legal Debt Margin Calculation for Fiscal Year 2019

Estimated Taxable value	\$ 10,888,163,001
Debt Limit (4% of Taxable Value)	\$ 435,526,520
Debt Applicable to Limit	<u>1,940,000</u>
Legal Debt Margin	<u>\$ 433,586,520</u>

Notes:

Debt margin / limit applies only to outstanding general obligation bonds. The City does not maintain a debt service fund.

Schedule 16
CITY OF DRAPER, UTAH
Pledged-Revenue Coverage
Revenue Bonds by Type
Last Ten Fiscal Years

Sales Tax Revenue Bonds

Fiscal Year	Sales Tax Revenue	Debt Service Requirements			Coverage
		Principal (1)	Interest (1)	Total	
2012	\$ 7,434,613	\$ 180,000	\$ 130,800	\$ 310,800	23.92
2013	8,009,456	395,000	597,508	992,508	8.07
2014	8,790,098	355,000	1,106,175	1,461,175	6.02
2015	9,967,402	1,045,000	1,037,200	2,082,200	4.79
2016	10,561,361	1,961,000	1,163,006	3,124,006	3.38
2017	11,774,335	1,941,000	1,179,402	3,120,402	3.77
2018	12,946,117	1,991,000	1,118,379	3,109,379	4.16
2019	13,450,317	2,062,000	823,141	2,885,141	4.66
2020	14,255,962	2,128,000	755,131	2,883,131	4.94
2021	16,788,860	4,448,000	771,574	5,219,574	3.22

Lease Revenue Bonds

Fiscal Year	Lease Revenue	Debt Service Requirements			Coverage
		Principal	Interest	Total	
2011	\$ 1,446,147	\$ 805,000	\$ 634,647	\$ 1,439,647	1.00
2012	1,449,031	840,000	602,531	1,442,531	1.00
2013	1,475,494	877,000	568,395	1,445,395	1.02
2014	701,796	400,000	298,546	698,546	1.00
2015	613,109	415,000	198,108	613,108	1.00
2016	245,131	145,000	98,471	243,471	1.01
2017	265,799	160,000	65,588	225,588	1.18
2018	231,666	190,000	38,366	228,366	1.01
2019	227,421	196,000	31,421	227,421	1.00
2020	231,491	201,000	28,841	229,841	1.01
2021	579,156	1,482,000	24,830	1,506,830	0.38

(1) Includes the RDA Series 2015 Tax Increment and Subordinate Sales Tax Revenue Bonds.

Note: Amounts shown do not include deferred amounts related to discounts, premiums, or refunding activities.

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

Schedule 17
CITY OF DRAPER, UTAH
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population (1)	Population Percentage Growth	Personal Income (2)	Per Capita Personal Income	Number of residents 18 years and older (1)	Unemployment Rate (3)
2012	44,103	2.00%	\$1,140,256,021	\$ 25,854	29,946	5.20%
2013	44,103	0.00%	1,297,194,694	29,413	29,946	4.50%
2014	45,285	2.68%	1,338,465,812	29,556	30,205	3.68%
2015	46,202	2.02%	1,459,559,528	31,591	30,817	3.50%
2016	46,774	1.24%	1,576,036,339	33,695	31,198	3.30%
2017	47,328	1.18%	1,713,242,393	36,199	31,568	3.10%
2018	47,710	0.81%	1,737,987,862	36,428	31,823	3.10%
2019	48,319	2.09%	1,904,714,522	39,420	32,422	3.01%
2020	48,587	2.66%	2,026,398,299	41,707	33,136	4.00%
2021	51,017	6.93%	2,279,156,248	44,674	34,794	3.58%

(1) Source: U.S. Census Bureau, Draper City, Utah

(2) Utah State Tax Commission - Federal Return Data by City (AGI)

(3) United States Dept. of Labor - Local Area Unemployment Statistics - Data Finder - Draper City Monthly Unemployment Rate - Fiscal Year Avg.

Schedule 18
CITY OF DRAPER, UTAH
Principal Employers
Current Year and Nine Years Ago

Employer	2021		2012	
	Number of Employees	Rank	Number of Employees	Rank
Health Equity	1,000-1,999	1		
Utah State Prison (Dept of Corrections)	500-999	2	1,000-1,999	1
Prog Finance, LLC	500-999	3		
Coca-Cola	500-999	4	500-999	4
Pluralsight LLC	500-999	5		
Ebay	500-999	6	1,000-1,999	2
Edwards Lifesciences	500-999	7		
Dealertrack Systems Inc	500-999	8		
1-800 Contacts	500-999	9	500-999	3
Varo Money Inc	500-999	10		
Affiliated Computer Services (ACS)			250-499	5
Geneva Rock Products			250-499	6
Investools			250-499	7
Harmon's			250-499	8
Musician's Friend			250-499	9
Ikea			250-499	10

Source: Draper City business licensing database. Only employees who directly report to the Draper location are included. There are several other corporate offices located in Draper that have employees spread to areas outside of Draper that are not reflected in the table. Other supporting data is found from Utah Dept. of Workforce Services/Firm Find.

Schedule 19
CITY OF DRAPER, UTAH
Full-time Equivalent City Government Employees by Function/Program
Last Ten Fiscal Years

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund										
General Government										
Legislative	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Executive	13.00	14.00	14.52	11.85	12.87	14.87	15.49	15.79	16.79	16.79
Finance/Treasurer	5.75	6.25	6.38	6.75	7.75	7.88	8.25	8.25	8.25	8.25
Human Resources	2.00	2.00	2.15	2.15	2.15	2.50	2.50	2.50	2.00	2.00
Facilities Management	5.50	5.50	5.50	5.13	6.13	6.13	7.25	7.25	7.25	7.25
Non-Departmental							0.63	0.63		
Fleet Management	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Public Safety										
Police	47.80	48.30	50.68	53.31	54.29	54.16	57.16	58.66	59.01	59.01
Fire (1)							36.50	38.50	31.72	31.72
Animal Control	3.00	3.00	3.00	3.38	3.38	3.63	3.63	3.38	3.38	3.38
Courts	6.10	5.60	5.60	5.60	5.60	5.60	5.60	5.60	5.60	5.60
Economic and Community Development										
Administrative	2.00	2.00	2.00	2.00	2.00	2.67	3.00	4.00	4.00	4.00
Building	8.00	8.00	9.00	9.00	9.00	10.00	10.00	10.00	10.00	10.00
Planning	4.00	4.00	4.00	4.00	4.00	5.00	5.00	5.00	5.00	5.00
Code Enforcement	2.00	2.00	2.00	1.67	1.67	1.00	1.00	1.00	1.00	1.00
Highways & Public Improvements										
Public Works Admin	3.75	3.00	3.00	3.00	2.00	4.00	4.00	4.00	5.00	5.00
Engineering (2)	7.50	8.30	8.50	8.50	7.50	12.13	11.63	13.13	12.13	12.13
Streets	5.00	5.00	5.00	5.00	7.00	7.00	8.00	8.00	8.00	8.00
Parks & Recreation										
Parks & Recreation Admin	2.19	1.94	2.25	3.25	5.25	5.25	5.25	5.25	5.19	5.19
Parks & Trails	19.50	20.00	20.00	20.00	20.00	23.00	27.00	28.00	28.00	28.00
Recreation	1.00	2.20	2.20	2.20	2.20	3.20	3.20	3.20	3.20	3.20
General Fund Total	146.09	149.09	153.78	154.79	160.79	176.02	223.09	230.14	223.52	223.52
Enterprise Funds										
Utility Admin						2.00	2.00	3.00	3.00	3.00
Water	8.16	8.49	8.24	8.24	9.24	6.00	6.00	7.00	7.00	7.00
Storm Water	6.16	6.49	6.24	6.24	8.00	5.00	5.50	5.50	6.50	6.50
Solid Waste	8.01	8.54	8.54	8.54	8.49	7.00	8.00	8.00	9.00	9.00
Ambulance							14.50	12.50	20.00	20.00
Enterprise Fund Total (2)	22.33	23.52	23.02	23.02	25.73	20.00	36.00	36.00	45.50	45.50
Internal Service Funds										
Class B&C Roads	2.00	2.00	2.00	2.00	1.25	1.00	1.00	1.00	1.00	1.00
Risk Management						0.63	0.63	0.63	1.00	1.00
Traverse Ridge Special Service District	3.00	3.00	3.00	3.00						
Internal Service Funds Total	5.00	5.00	5.00	5.00	1.25	1.63	1.63	1.63	2.00	2.00
Total Positions	173.42	177.61	181.80	182.81	187.77	197.65	260.72	267.77	271.02	271.02

(1) Fire and ambulance operations are contracted through United Fire Authority through 6-30-2017.

(2) Beginning in FY17 the engineering division is paid directly from the general fund instead of being allocated across the enterprise funds.

Source: Draper's payroll system & beginning adopted annual budget

Schedule 20
CITY OF DRAPER, UTAH
Operating Indicators by Function/Program
Last Ten Fiscal Years

	2012	2013	2014	2015	2016
Area (Square miles)	30.12	30.12	30.12	30.12	30.03
General Government					
Resolutions adopted	36	85	73	99	63
Public Safety					
Sworn police officers	34	37	40	40	40
Other police personnel (FTE)		7.50	7.50	8.13	8.76
Patrol calls for service	22,449	22,449	25,991	23,196	23,840
Records calls for service		14,098	12,029	11,948	14,200
Citations written	6,398	7,719	N/A	4,176	4,284
Fire Protection (UFA Contract 2008 - 2017)					
Fire stations	3	3	3	3	3
Firefighters (FTE)	29	29	29	29	29
Paramedics (FTE)	1	1			
Medical Calls					
Fire Calls					
Other fire personnel (FTE)					
Parks and Recreation					
Park reservations processed					
Recreation participants			5,605	6,185	6,712
Recreation registrations processed			4,635	4,684	5,102
Parks (1)	36	38	40	40	42
Tennis courts	4	4	4	4	4
Soccer fields	10	10	10	10	10
Pickleball courts					
Baseball diamonds	10	10	10	10	11
Trails (in miles)	74.25	80.00	80.17	82.93	89.63
Park Acreage	1,323(1)	1,323(1)	1,216	1,216	1,229
Community Development					
Building permits issued	729	904	734	744	981
Business licenses issued	2,074	2,027	2,169	2,298	2,286

(1) Includes parks which are owned and operated by Salt Lake County.

Source: Fire and Police call statistics are reported by the City's contract dispatch center.
All other data is included in the City's financial reporting software systems.

Schedule 20 (continued)
 CITY OF DRAPER, UTAH
 Operating Indicators by Function/Program
 Last Ten Fiscal Years

	2017	2018	2019	2020	2021
Area (Square miles)	30.03	30.03	30.03	30.03	30.03
General Government					
Resolutions adopted	82	94	91	71	64
Public Safety					
Sworn police officers	40	43	44	44	44
Other police personnel (FTE)	8.63	8.63	9.37	9.13	9.13
Patrol calls for service	25,687	25,011	26,823	26,729	27,774
Records calls for service	15,782	15,339	17,703	N/a	N/a
Citations written	6,424	4,395	5,233	2,656	2,087
Fire Protection (UFA Contract 2008 - 2017)					
Fire stations	3	3	3	3	3
Firefighters (FTE) (3)	29	27	27	28	28
Paramedics (FTE)		20	20	20	20
Medical Calls		2,890	2,895	2,871	2,972
Fire Calls		832	798	763	733
Ambulance Transports				1,573	1,571
Parks and Recreation					
Park reservations processed	1,949	2,036	2,474	1,720	2,345
Recreation participants	6,519	6,789	7,656	5,402	7,157
Recreation registrations processed	4,967	5,017	5,775	5,325	5,450
Parks (1)	42	44	44	45	45
Tennis courts	4	4	4	4	4
Soccer fields	10	10	10	10	10
Pickleball Courts		6	6	8	8
Baseball diamonds	11	11	12	12	12
Trails (in miles)	103.63	116.00	121.63	124.14	145.96
Park Acreage	1,229	1,238	1,238	1,235	1,232
Community Development					
Building permits issued	1,054	1,337	1,692	1,784	1,955
Business licenses issued (2)	2,333	1,943	1,792	1,329	1,594

(1) Includes parks which are owned and operated by Salt Lake County.

(2) State law no longer allows the City to require certain business licenses for in-home businesses beginning FY18.

(3) Draper City contracted with United Fire Authority through FY17.

Source: Fire and Police call statistics are reported by the City's contract dispatch center.

All other data is included in the City's financial reporting software systems.

Schedule 20 (continued)
 CITY OF DRAPER, UTAH
 Operating Indicators by Function/Program
 Last Ten Fiscal Years

	2012	2013	2014	2015	2016
Public Works					
Tons of salt spread	5,828	11,230	5,991	2,801	7,316
Snow Plow Hours	1,953	3,897	2,258	1,548	4,335
Street lights (1)	2,152	2,196	2,229	2,398	1,577
Street lane miles (2)	484	491	494	499	410
Traffic lights (3)	95	119	119	127	40
Utility - Solid Waste					
Number of customers	9,479	9,646	9,760	9,967	10,091
Annual waste tonnage	16,765	17,306	17,375	17,842	15,664
Average annual waste per household (in tons)	1.8	1.8	1.8	1.8	1.6
Annual recycling tonnage	2,084	2,031	2,076	2,082	2,073
Average annual recycling per household (in tons)	0.22	0.21	0.21	0.21	0.21
Dumpsters rented out	326	341	349	390	382
Utility - Storm Water					
Number of customers	10,257	10,205	10,369	10,543	10,668
Storm drain lines (in miles)	109.28	111.78	112.81	113.11	111.28
Utility - Water					
Number of customers	3,708	3,778	3,832	3,940	3,967
Average daily consumption per household (in gallons)	889	817	755	684	736
Gallons consumed (in millions)	1,204	1,127	1,057	984	1,066
Storage capacity (in millions of gallons)	11.4	11.4	11.4	11.4	11.4
Water lines (in miles)	77.9	77.9	77.9	77.9	72.9

(1) 2012 - 2015 Includes all street lights (city-owned and private). 2016 forward includes City owned and maintained street lights only.

(2) 2012 -2015 Included all lane miles (city-owned and private; excluding UDOT). 2016 forward includes only City owned and maintained lane miles.

(3) 2012 - 2015 included all traffic lights. 2016 forward includes only City owned and maintained traffic lights.

N/A = not available as of year end

Source: All data was collected by the City's software programs.

Schedule 20 (continued)
 CITY OF DRAPER, UTAH
 Operating Indicators by Function/Program
 Last Ten Fiscal Years

	2017	2018	2019	2020	2021
Public Works					
Tons of salt spread	8,220	4,505	9,538	6,314	4,418
Snow Plow Hours	4,241	2,457	4,955	4,311	3,192
Gallons of brine spread			50,599	78,868	89,483
Street lights (1)	1,599	1,608	1,675	1,707	1,717
Street lane miles (2)	418	422	440	437	441
Traffic lights (3)	40	50	55	58	70
Utility - Solid Waste					
Number of customers	10,119	10,314	10,522	10,633	10,814
Annual residential waste tonnage	15,845	17,749	17,054	17,920	18,350
Average annual waste per household (in tons)	1.6	1.7	1.6	1.7	1.7
Annual residential recycling tonnage	2,110	2,201	1,889	1,811	1,526
Average annual recycling per household (in tons)	0.21	0.21	0.18	0.17	0.14
Dumpsters rented out	391	404	406	468	463
Utility - Storm Water					
Number of customers	10,730	10,927	11,127	11,284	11,424
Storm drain lines (in miles) (4)	111.64	113.05	115.06	115.19	124.37
Utility - Water					
Number of customers	3,982	4,062	4,168	4,302	4,409
Average daily consumption per household (in gallons)	832	809	811	846	903
Gallons consumed (in millions)	1,209	1,200	1,234	1,328	1,453
Storage capacity (in millions of gallons)	11.4	11.4	11.4	11.4	11.4
Water lines (in miles) (4)	73.2	75.3	76.4	81.7	84.8

(1) 2012 - 2015 Includes all street lights (city-owned and private). 2016 forward includes City owned and maintained street lights only.

(2) 2012 -2015 Included all lane miles (city-owned and private; excluding UDOT). 2016 forward includes only City owned and maintained lane miles.

(3) 2012 - 2015 included all traffic lights. 2016 forward includes only City owned and maintained traffic lights.

(4) 2012 - 2015 Included all water and storm drain lines in miles. 2016 forward includes only City owned lines.

Source: All data was collected by the City's software programs.

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COMMITTED. EXPERIENCED. TRUSTED

CERTIFIED PUBLIC ACCOUNTANTS

- E. LYNN HANSEN, CPA
- CLARKE R. BRADSHAW, CPA
- GARY E. MALMROSE, CPA
- EDWIN L. ERICKSON, CPA
- MICHAEL L. SMITH, CPA
- JASON L. TANNER, CPA
- ROBERT D. WOOD, CPA
- AARON R. HIXSON, CPA
- TED C. GARDINER, CPA
- JEFFREY B. MILES, CPA
- SHAWN F. MARTIN, CPA

INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Honorable Mayor and Members of City Council
City of Draper, Utah

We have audited, 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Draper, Utah (the City), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements, and have issued our report thereon dated December 8, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City’s internal control. Accordingly, we do not express an opinion on the effectiveness of the City’s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City’s financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statement. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards*., and which is described in the accompanying Schedule of Findings and Responses as item 2021-1.

Management's Response to Finding

The City's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Responses. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

HBMC, LLC

December 8, 2021



COMMITTED. EXPERIENCED. TRUSTED

CERTIFIED PUBLIC ACCOUNTANTS

- E. LYNN HANSEN, CPA
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**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE AND
REPORT ON INTERNAL CONTROL OVER COMPLIANCE
AS REQUIRED BY THE *STATE COMPLIANCE AUDIT GUIDE***

Honorable Mayor and Members of the City Council
City of Draper, Utah

Report On Compliance

We have audited City of Draper’s (the City) compliance with the applicable state compliance requirements described in the *State Compliance Audit Guide*, issued by the Office of the Utah State Auditor, for the year ended June 30, 2020.

State compliance requirements were tested for the year ended June 30, 2020 in the following areas:

- Budgetary Compliance
- Fund Balance
- Justice Courts
- Restricted Taxes and Related Restricted Revenues
- Fraud risk Assessment
- Government Fees
- Enterprise Fund Transfers, Reimbursements, Loans, and Services

Management’s Responsibility

Management is responsible for compliance with the state requirements referred to above.

Auditor’s Responsibility

Our responsibility is to express an opinion on the City’s compliance based on our audit of the state compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the *State Compliance Audit Guide*. Those standards and the *State Compliance Audit Guide* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the state compliance requirements referred to above that could have a direct and material effect on a state compliance requirement occurred. An audit includes examining, on a test basis, evidence about the City’s compliance with those

requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each state compliance requirement referred to above. However, our audit does not provide a legal determination of the City's compliance with those requirements.

Opinion on Compliance

In our opinion, City of Draper complied, in all material respects, with the state compliance requirements referred for the year ended June 30, 2020.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance or other matters, which is required to be reported in accordance with the *State Compliance Audit Guide* and which is described in the accompanying Schedule of Findings and Responses as item 2021-1. Our opinion on compliance is not modified with respect to this matter.

The City's responses to the noncompliance findings identified in our audit is described in the accompanying Schedule of Findings and Responses. The City's responses was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report On Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the state compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the state compliance requirements referred to above to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance with those state compliance requirements and to test and report on internal control over compliance in accordance with the *State Compliance Audit Guide*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct noncompliance with a state compliance requirement on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a state compliance requirement will not be prevented, or detected and corrected on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a state compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Purpose of This Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control and compliance and the results of that testing based on the requirements of the *State Compliance Audit Guide*. Accordingly, this report is not suitable for any other purpose.

HBMC, LLC

December 8, 2021

CITY OF DRAPER, UTAH
Schedule of Findings and Responses
For the Year Ended June 30, 2021

State Compliance Finding

2021-1 Justice Court Costs

Condition: For the fiscal year ended June 30, 2021, we noted 8 of 8 sampled items, in addition to others noted on the report, that were inappropriately categorized as court costs.

Criteria: The Administrative Office of the Courts (AOC) has issued guidance that court costs should be restricted to investigator fees and specially incurred costs according to Utah Code 77-32a-107.

Cause: Court Clerks were trained incorrectly in properly coding court costs. When payments are receipted to court costs in error, trust funds are not properly accounted for and revenue is not correctly categorized.

Effect: The City is not in compliance with AOC guidance for properly coding court costs, which could result in potential misstatements on the financial statements.

Recommendation: Court Clerks should set up trust and revenue account receivables per established AOC accounting policies and procedures, so payments are properly receipted and court costs are properly reported.

Management's Response: Management concurs and will properly review inappropriately coded court costs for proper categorization in CORIS.