



Photo: Courtesy of David Bennett

ANNUAL COMPREHENSIVE
FINANCIAL REPORT (ACFR)
FISCAL YEAR ENDING
JUNE 30, 2022

CITY OF DRAPER

State of Utah

ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2022

**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 20, 2022

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, 2022 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, 2022 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, 2022. 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 auditor's 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 51,749, 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

There are several new economic development projects to report. Cal ranch opened a new store that renovated an empty store space on 12300 South. AutoNation is under construction on Lone Peak Parkway. Trader Joe's began construction on their new store on 11400 South that will open in early 2023. And Lone Peak Hospital completed the expansion of its maternity wing.

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.

Acknowledgements

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
City Manager



Jared Zacharias
Act-In Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Draper
Utah**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

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	Fred Aegerter
Finance Director	Vacant
Human Resources Director.....	Malena Murray
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)

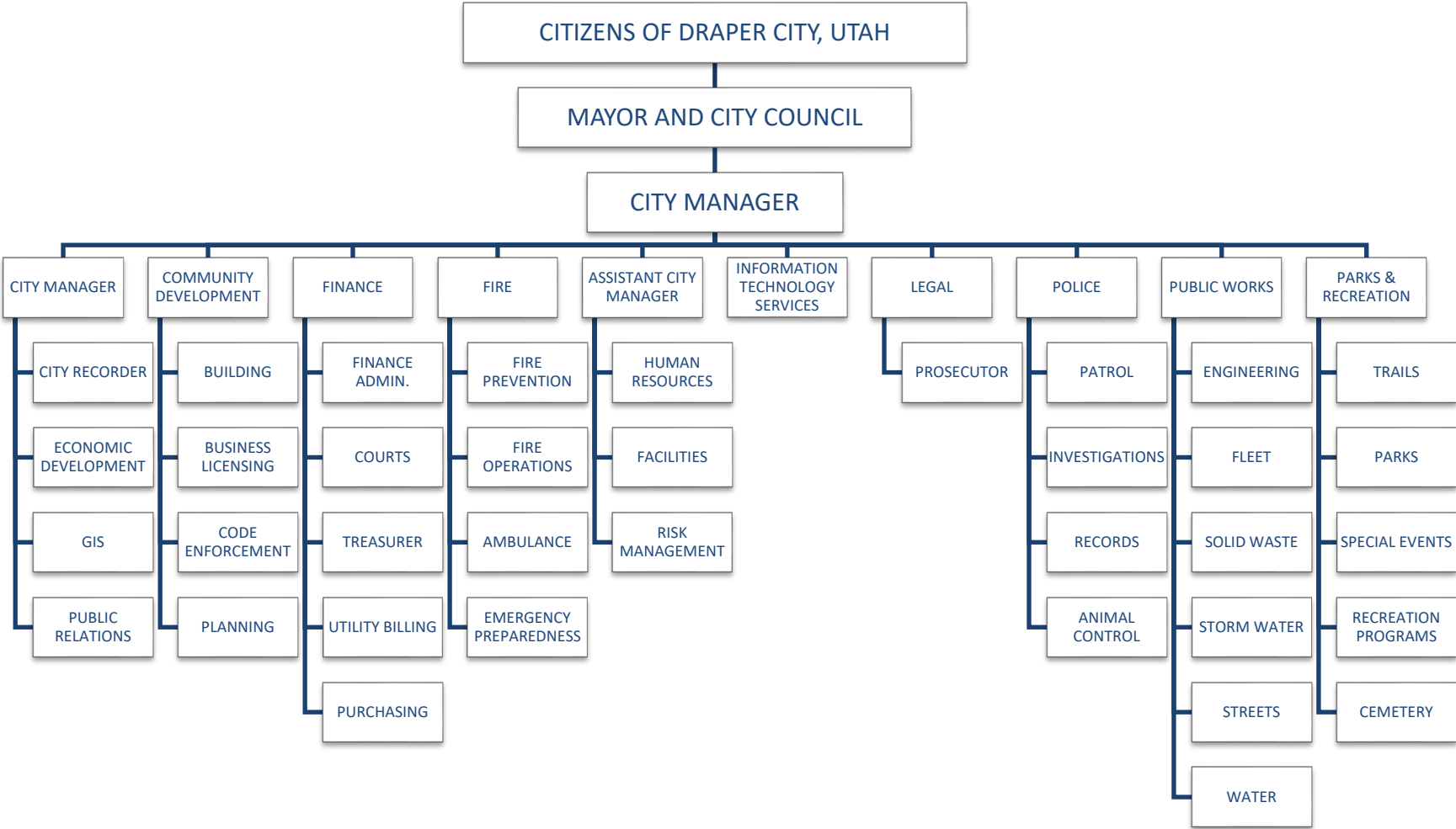
COMMISSIONS

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 9, 2022 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 9, 2022

MANAGEMENT’S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED JUNE 30, 2022

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, 2022. 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 2022 (FY2022) by \$612,973,878 (net position). Of this amount, \$102,888,926 is in unrestricted net position which is available to meet ongoing obligations.
- The City’s net position increased by \$20,080,255. Of this increase, \$15,204,950 is attributable to governmental activities. Business-type activities accounted for \$4,875,305 increase to the City’s net position.
- FY2022 General Fund final revenues before other financing sources was \$48,367,960. This is an increase of \$3,598,086 or 8% over the prior fiscal year. Taxes continued to be the largest source of the revenue, which accounted for \$33,980,282 or 70.25%. Overall, total tax revenues increased by \$2,782,064 or 8.92%.
- Actual expenditures for operations in the General Fund were \$32,886,183 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 \$15,481,777 before other financing sources (uses). The net other financing sources (uses) was \$(14,649,649). This resulted in a net change in fund balance of \$832,128.
- The outstanding bonds at year-end decreased by \$2,284,584 after scheduled bond payments, leaving total bonds payable at \$15,224,939. The City also had outstanding notes payable of \$11,029,582 which is \$228,233 less than FY21.

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 Government-Wide 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 \$612,973,878 at the close of FY2022.

By far, the largest portion of the City’s net position (79.2%) 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>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Current and Other Assets	\$129,689,231	\$110,557,394	\$40,700,229	\$36,247,152	\$170,389,460	\$146,804,546
Capital Assets	453,607,752	454,790,772	57,937,523	56,865,725	511,545,275	511,656,497
Total Assets	583,296,983	565,348,166	98,637,752	93,112,877	681,934,735	658,461,043
Deferred Outflows of Resources						
Deferred loss on refunding	69,691	121,614	-	-	69,691	121,614
Deferred outflows related to pensions	3,021,239	2,353,891	576,041	459,271	3,597,280	2,813,162
Total Deferred Outflows of Resources	3,090,930	2,475,505	576,041	459,271	3,666,971	2,934,776
Current and Other Liabilities	14,302,974	13,044,336	1,423,679	1,186,061	15,726,653	14,230,397
Long Term debt outstanding	26,313,272	29,474,459	2,462,665	2,813,303	28,775,937	32,287,762
Total Liabilities	40,616,246	42,518,795	3,886,344	3,999,364	44,502,590	46,518,159
Deferred inflows of resources						
Deferred revenue-property taxes	17,122,517	16,578,292	-	-	17,122,517	16,578,292
Deferred inflows related to pensions	9,240,832	4,523,216	1,761,889	882,529	11,002,721	5,405,745
Total Deferred Inflows of Resources	26,363,349	21,101,508	1,761,889	882,529	28,125,238	21,984,037
Net Position:						
Net investment in capital assets	429,598,296	428,641,181	55,686,449	54,369,592	485,284,745	483,010,773
Restricted	24,542,905	20,086,020	257,302	257,738	24,800,207	20,343,758
Unrestricted	65,267,117	55,476,167	37,621,809	34,062,925	102,888,926	89,539,092
Total Net Position	\$519,408,318	\$504,203,368	\$93,565,560	\$88,690,255	\$612,973,878	\$592,893,623

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

Net position for governmental activities increased in FY2022. Total revenues for governmental activities, which is made up of both programs revenues and general revenues (taxes and investments) was \$60,583,492 and expenses for the same governmental activities was \$45,378,542 resulting in a change of net position before transfers at \$17,829,950. After transfers out of \$2,625,000 the final increase in net position was \$15,204,950. The overall net change to net position is down by \$4,510,321 when compared to last year’s change in net position. Increases of \$767,873 in general revenues, increased expenses of \$2,825,179 and a decrease of \$2,453,015 to program revenues contributed to the change in net position.

- Significant changes to general revenues included, sales taxes and investment earnings and transfers. Sales taxes increased \$2,427,652, or 14.5% due to increased sales and prices within the City. Investment earnings decreased significantly for a second year by \$1,290,023 due to market rate reductions. Down \$2,834,894 over the past two years. Lastly, transfers increased by \$658,750. This increase represents an increased contribution from the General Fund to support the Ambulance function.
- Major changes to program revenues include \$204,831 increase in revenue related to license and permit fees and \$108,049 for additional passports processed. FY22 had a \$5,397,000 decrease to developer contributions related to the value of donated assets such as sidewalks and roads. It is important to note that Draper received \$2,875,151 for ARPA funds dedicated to public safety. These funds did not contribute to any revenue changes compared to FY21 because in FY21 the City received CARES Act funds for a similar amount.
- The increase in governmental expenses is a direct result of increased spending for maintenance related to both highways and other infrastructure and wages and benefits increases across all governmental functions. In addition, the City added 7 new full-time officers in FY22 contributing \$379,245 increase to public safety.

Because of the negative changes to program revenues, the City’s reliance on general revenues to fund such programs increased. In FY2021, \$11,547,558 of general revenues was needed to subsidize governmental programs. This year \$16,825,752, or 52.5% of the \$32,030,702 of general revenues was needed, netting the \$15,204,950 positive change in governmental net position after transfers.

Business-Type Activities -

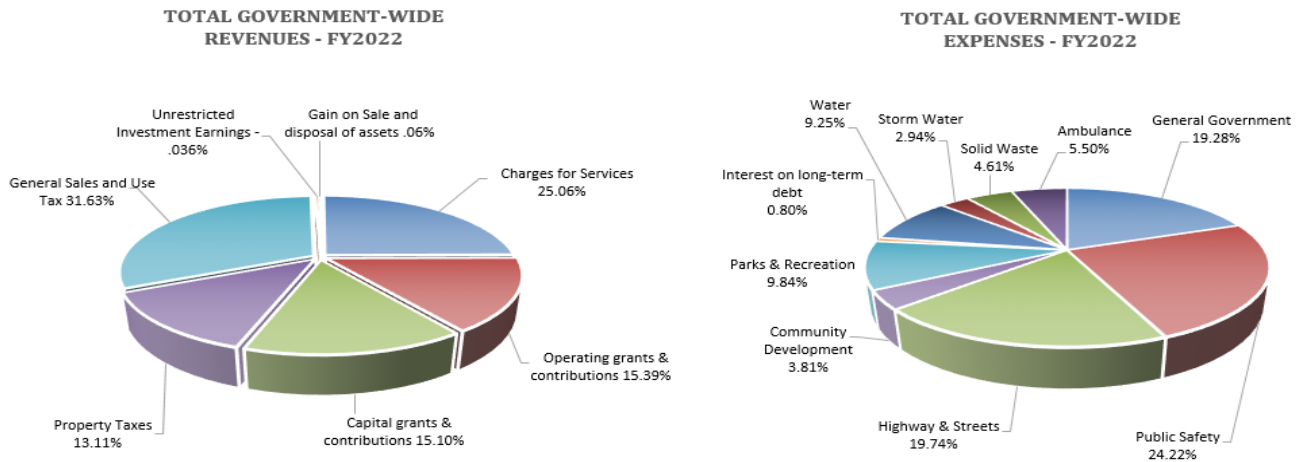
Net position for business-type activities increased \$4,875,305. Revenue for business-type activities totaled \$15,277,667 before transfers and \$17,902,667 after the transfer from the general fund of \$2,625,000. Charges for services had a decrease from the previous year of \$1,009,221. This is mainly because the storm water fund decreased rates by \$2 per ERU in FY22 and water usage decreased during the year due to the drought and conservation efforts by the residents as the average daily consumption dropped 243 million gallons. The charges for services totaled 84% of the total revenues. Expenses for business-type activities totaled \$13,027,362. This is an increase of \$410,198 from the previous year. Ambulance operations had the largest change in operating expenses with an increase of \$441,987. The increase to salaries and benefits in ambulance was \$436,553. The solid waste operations had an increase in expenses of \$269,093. This increase also reflects the increase in costs to provide these services.

When compared to FY2021, changes in the City’s net position for business-type activities resulted in a decrease of \$2,225,118 to program revenues, an increase of \$410,198 to expenses and a \$15,324 increase to general revenues prior to transfers. The largest change to program revenues was a \$1,051,844 decrease to capital contributions in the storm water systems over FY21.

Comparison of Changes in Net Position

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Primary Government</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Revenues:						
Program revenues:						
Charges for services	\$ 7,067,535	\$ 6,552,955	\$ 12,602,412	\$ 13,611,633	\$19,669,947	\$20,164,588
Operating grants & contributions	12,080,745	12,404,716	-	-	12,080,745	12,404,716
Capital grants & contributions	9,404,510	12,048,134	2,448,296	3,664,193	11,852,806	15,712,327
General revenues:						
Property taxes	10,289,429	10,134,491	-	-	10,289,429	10,134,491
General sales and franchise tax	24,827,382	22,265,674	-	-	24,827,382	22,265,674
Unrestricted investment earnings	(461,109)	828,914	179,729	191,302	-281,380	1,020,216
Gain on sale and disposal of assets	-	-	47,230	20,333	47,230	20,333
Total revenues	63,208,492	64,234,884	15,277,667	17,487,461	78,486,159	81,722,345
Expenses:						
General government	11,263,352	11,629,655	-	-	11,263,352	11,629,655
Public safety	14,143,046	13,763,801	-	-	14,143,046	13,763,801
Highway & streets	11,526,831	8,899,167	-	-	11,526,831	8,899,167
Community development	2,226,816	2,274,909	-	-	2,226,816	2,274,909
Parks & recreation	5,749,333	5,484,580	-	-	5,749,333	5,484,580
Interest on long-term debt	469,164	501,251	-	-	469,164	501,251
Water	-	-	5,402,191	5,576,316	5,402,191	5,576,316
Storm drain	-	-	1,719,238	1,845,995	1,719,238	1,845,995
Solid waste	-	-	2,694,021	2,424,928	2,694,021	2,424,928
Ambulance	-	-	3,211,912	2,769,925	3,211,912	2,769,925
Total expenses	45,378,542	42,553,363	13,027,362	12,617,164	58,405,904	55,170,527
Increase in net position before transfers	17,829,950	21,681,521	2,250,305	4,870,297	20,080,255	26,551,818
Transfers - net	(2,625,000)	(1,966,250)	2,625,000	1,966,250	-	-
Increase in net position	15,204,950	19,715,271	4,875,305	6,836,547	20,080,255	26,551,818
Net position - beginning	504,203,368	484,488,097	88,690,255	81,853,708	592,893,623	566,341,805
Net position - ending	\$ 519,408,318	\$ 504,203,368	\$ 93,565,560	\$ 88,690,255	\$612,973,878	\$592,893,623

The following two graphs display the City’s government-wide revenues and expenses for fiscal year FY22



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, 2022.

As the City completed the year, its governmental funds reported a combined fund balance of \$86,377,057, which is an increase of \$12,027,301 compared to the prior fiscal year. Of that available fund balance, \$53,352,751 is available for spending (assigned & unassigned). The remaining balances are non-spendable or restricted. The non-spendable amount is \$8,481,401 which is primarily the note receivable from the Loveland Planet Aquarium for the Series 2012C bond debt service. The restricted amount of \$24,542,905 consist of the following fees: impact fees, B&C road funds, transportation, grants, debt service and perpetual care. The total assigned balance is \$41,009,053. Assigned funds related to capital increased by \$9,266,147 as funds were earmarked for specific projects. The unassigned balance in the general fund is \$12,343,698 or 25.5% of General Fund revenues.

General Fund:

The general fund as reported consists of the general government fund, class B&C roads and highway option tax and highway projects funds. At June 30, 2022, the fund balance of the combined general fund was \$30,986,183 which is an increase of \$832,128.

General Government Fund – The general government fund accounts for all of the general services provided by the City. At June 30, 2022, the unassigned fund balance of the general fund was \$12,343,698. Revenues exceeded expenditures by \$15,481,777 before other financing sources and uses. The current general fund unassigned fund balance is 25.5% 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 2022 with an increase of \$3,598,086 or 8%. Taxes continued to be the largest source of revenue in the general fund and represented 70.2% 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 \$2,782,064 or 8.9% when compared to the prior year.

Sales tax revenues were the largest tax revenue contributor in 2022, and increased by \$2,427,652 or 14.5% as compared to 2021. This increase is the direct result of improved sales across all categories of businesses in the community.

The City is expected to receive an annual appropriation of \$700,000 from the State which is new and will continue for several years. This was the first year the funds were received. In addition, class C road funds increase in correlation with the price of gas. The sum of class C, local highway option and the new highway projects funding saw an increase of \$1,153,482 or 32.5% over last year.

Interest revenue saw the largest decrease. It was down \$1,293,033. Most of this is a direct result of unrealized losses on investments – which is the loss the City would see if all of our investments sold at the market rates on June 30th 2022.

In 2022, the City realized \$4,256,149 in license and permit revenue. License and permit revenues increased by \$204,831 or 5.1% from the previous year. Plan check fees saw the largest increase in this area with a single year increase of \$164,321 from FY2021. Building permit fees decreased \$105,089 in FY2022.

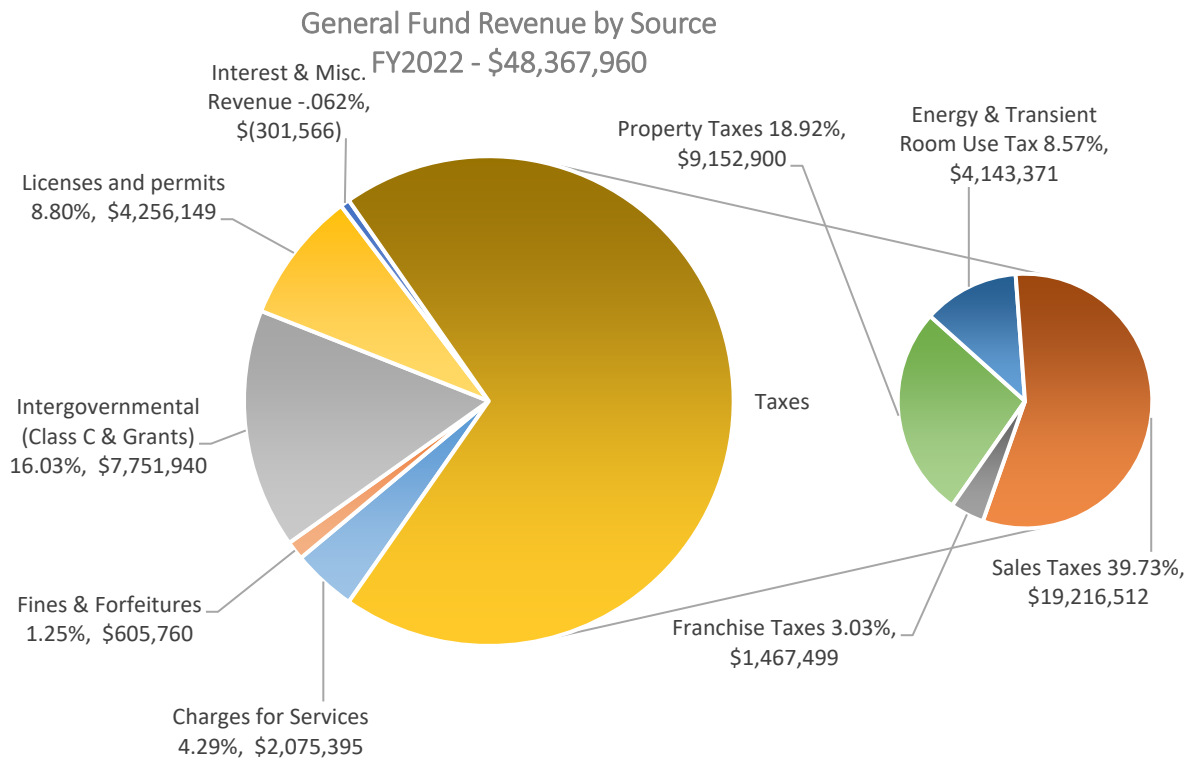
Fines and forfeitures increased \$66,857 or 12.4% for total fines and forfeitures revenues of \$605,760. This increase was largely due to courts ramping back up after the COVID pandemic limited operations.

Charges for services recognized an increase of \$405,676 or 24.3% 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 FY2022, passports saw a significant rebound from prior COVID losses as revenue increased from \$87,328 up to \$195,377. The largest increase was for \$271,818 related to equipment rentals used in fire deployments.

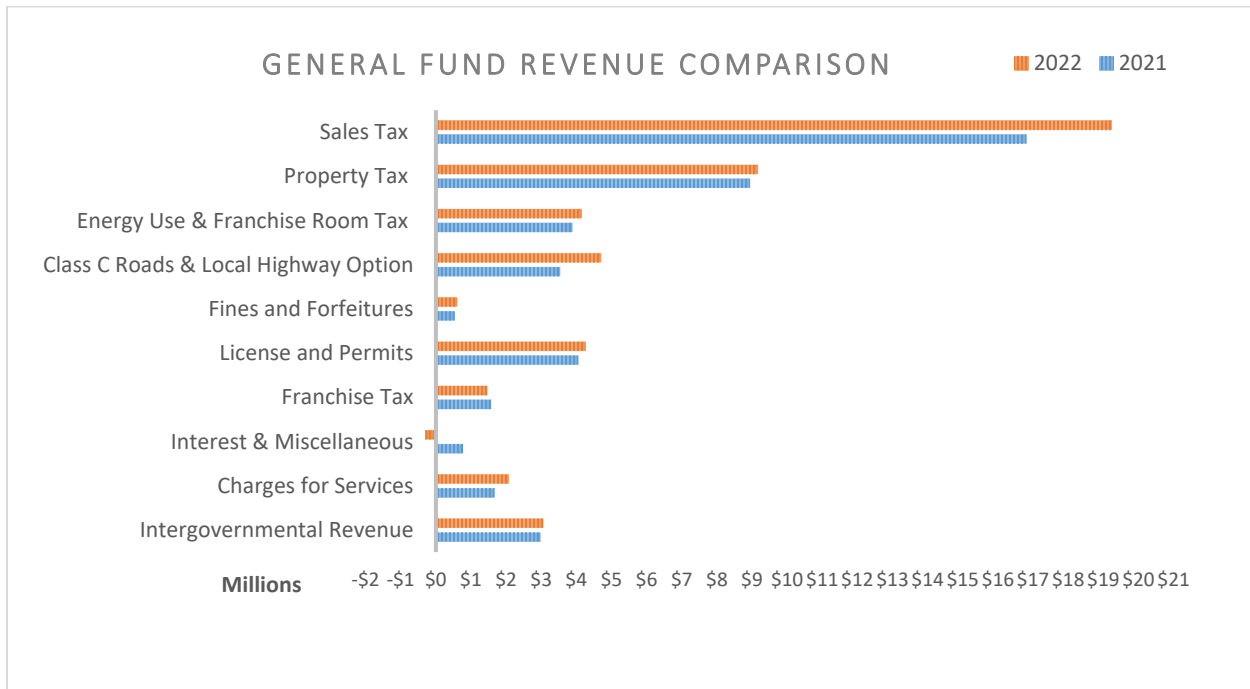
The programs supported by general fund revenues (in order of how much they depend on general revenues to operate, with percentage of funding coming from general fund revenues) are:

Program	Amount of Program funded w/GF	% of Program Funded with General Revenues	
		FY2022	FY2021
1st Public safety	\$ 10,141,263	71.70%	72.61%
2nd Parks and recreation	3,729,782	64.87%	38.31%
3rd General Government	3,660,438	32.50%	62.64%
4th Highways and public improvements	862,579	7.48%	100.00%
5th Interest on long-term debt	469,164	100.00%	0.00%
6th Community development	(2,037,474)	0.00%	0.00%

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



The next chart compares the general fund revenue for Fiscal-Year 2021 and 2022.



General Fund Expenditures – General fund expenditures decreased from \$33,894,131 in FY2021 to \$32,886,183 in FY2022, which represents a 2.97% decrease or \$1,007,948.

Expenditures for general government activity totaled \$6,149,948 for FY2022, which is a decrease of \$396,250. Public safety expenditures totaled \$14,702,870 which increased \$1,835,169 from the prior year. The majority of this increase within public safety is payroll related. Payroll for both police and fire increased \$1,366,263. This is from adjustment in their respective pay step plans as well as police adding 7 full-time officers during the year. The public safety category includes police, fire, courts and animal control. Ambulance is reported separately.

Highway and public improvements expenditures decreased \$660,702 in FY2022 from the prior year. The majority of the decrease was attributable to the decrease in restricted B&C and highway option road expenditures.

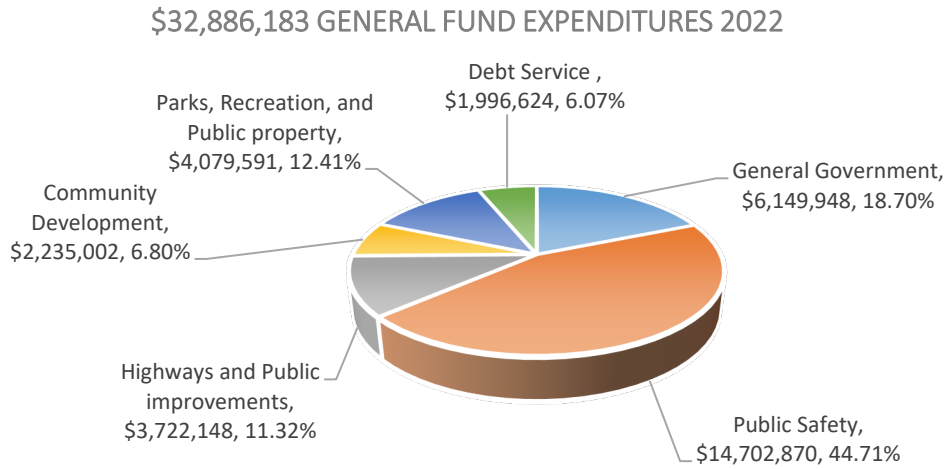
Expenditures in parks and recreation increased \$142,781 or 3.6% as compared to FY2021, which is attributed to payroll increases mainly.

Class B&C Roads, Highway Option & Highway Projects 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. Highways projects funding come from the State of Utah as allocated in SB0051-2022.

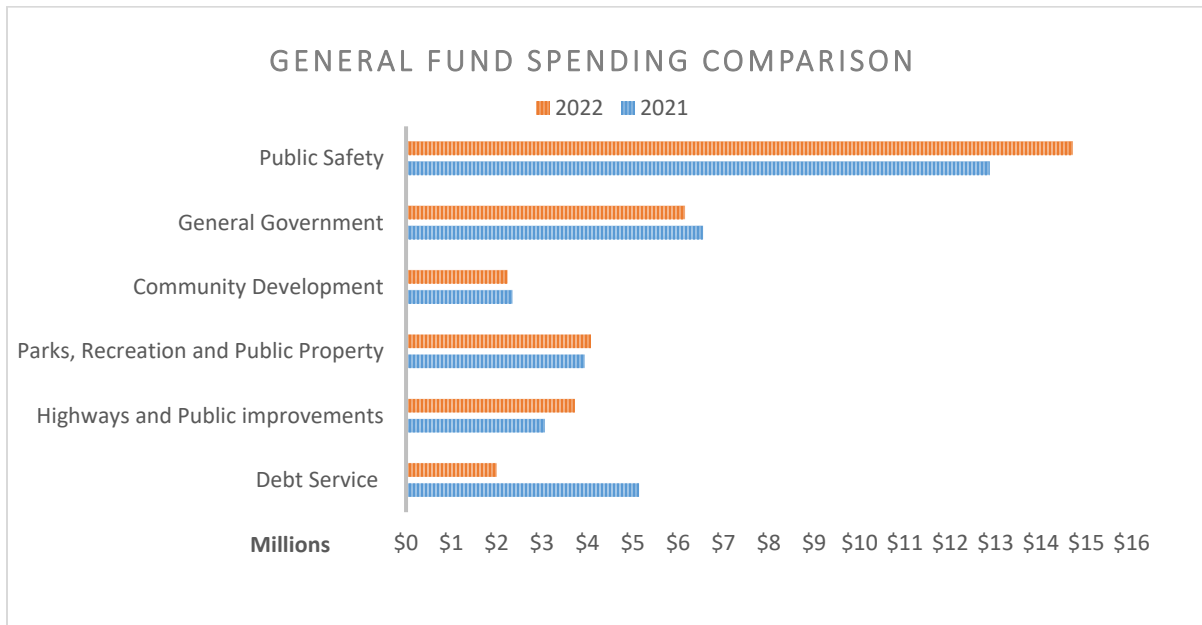
At June 30, 2022, the restricted fund balance for B&C roads was \$5,045,390 held in the general fund. The amount restricted for the Highway Option Tax (transportation) and Highway Projects is a combined \$4,721,185.

Changes to revenues in these funds are tied to either sales tax or the gasoline taxes and are a set percentage so as prices increase so does the revenue. Expenses are restricted to specific transportation related projects. The combined fund balances for these funds increased in FY22 by \$2,776,610 which means that projects were limited during the year.

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



The next chart compares general fund spending for 2021 and 2022 by governmental activity.



General Fund Budgetary Highlights

The fiscal year 2022 originally adopted expenditure budget for the general fund totaled \$33,726,230 before other financing sources (uses). The final adopted budget for the general fund totaled \$35,724,330. Changes included updates to the police step pay plan for \$545,000, a public works module trailer for \$400,000 and a one-time employee incentive program that was used to combat record inflation at \$400,000. The City Council approved six budget revisions during the year – August 2021, September 2021, November 2021, February 2022, April 2022 and June 2022.

Other Governmental Funds

Capital Improvement Projects Fund – The capital projects fund has a total fund balance of \$26,076,490 at June 30, 2022, all of which is either externally restricted or assigned for unfinished projects. This is an increase of \$9,266,147 from the prior fiscal year. The majority of this increase is related to capital parks and road projects that were funded in the June 2022 budget amendment.

Redevelopment Fund – Revenue from the four established redevelopment areas increased 12.6%, or \$909,218 from the prior year for a total of \$8,143,723. Last year was the last active year for the Gateway area. Of the four active project areas, two (Frontrunner and South Mountain) had increase of tax increment revenue and two project areas (Crescent and Sand Hills) had decreases of tax increment revenue. The majority of the increase was in South Mountain as it increased from \$134,933 up to \$1,178,095. For more detailed information on the Redevelopment Agency of Draper City, please refer to the annual November 1st report that is submitted in compliance with the Utah State Code.

Impact Fee Funds – Impact fee revenues increased for the year by \$739,486. The total revenue for governmental related impact fees was \$3,255,402 which is back up to the FY21 levels. 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 \$8,117,509. The other impact related fund balances are transportation impact fund with \$5,772,634, fire impact fund \$42,833, and police impact fund with \$217,796. The total restricted impact fee fund balance at the end of the fiscal year is \$14,150,772. Please see refer to the Impact Fee Report that is uploaded annually to the Utah Office of the State Auditor.

Municipal Building Authority Fund – This fund had no transactions and no fund balance for the year.

Proprietary (Enterprise) Funds:

Water Fund – Unrestricted net position in the water fund increased by \$881,814 when compared to the previous year, with an ending unrestricted net position at June 30, 2022 of \$11,559,375. Operating revenues from water activities decreased \$747,755 as compared to the previous fiscal year 2021. This is due to decreased water usage. Operating expenses showed a decrease of \$171,680 from \$5,544,333 in FY2021 down to \$5,372,653 in FY2022. The decrease was mostly for the reduced water purchases due to decreased usage. The water fund recognized a loss of \$168,781 before non-operating revenues/expenses and before capital contributions/transfers. The loss is a result of the City electing to not increase rates to match costs over the past few years. The water fund posted a positive change in net position of \$2,617,728. The majority of this increase was from capital contributions of \$1,518,227. The general fund also contributed \$1,225,000 for needed infrastructure projects.

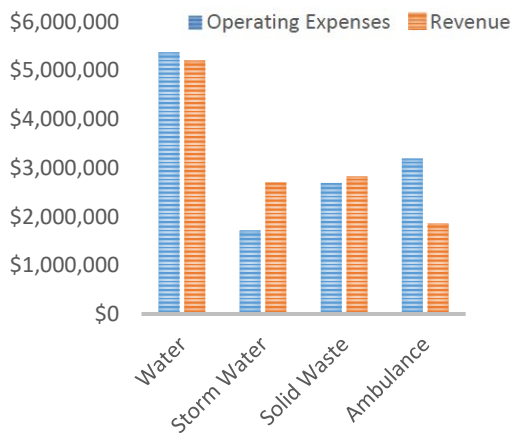
Storm Water Fund – Unrestricted net position in the storm water fund increased \$1,387,581, which left a balance of \$16,734,869 at June 30, 2022. This increase is the result of increased billing of the storm water utility. Operating revenues from storm water utility fees decreased \$636,547 (or 19.1%) as compared to the previous fiscal year 2021. This decrease was a result of the City decreasing the fee May of 2021. Operating expenses decreased \$13,231 driven by a decrease to the amount of repairs done in the year. The storm water fund recognized an operating income of \$986,477 before non-operating revenues/expenses and before capital contributions. After capital contributions of \$525,131 and interest income, the storm sewer fund had a positive change in net position of \$1,591,350.

Solid Waste Fund – Unrestricted net position in the solid waste fund increased \$1,117,103 leaving a balance of \$9,440,760 at June 30, 2022. Revenues from solid waste utility fees increased \$80,825 as compared to the previous fiscal year 2021. This is due to additional customer accounts. Operating expenses showed an increase of \$269,093. This increase in cost is because the City added more services such as an expanded dumpster program. The solid waste fund recognized operating income of \$131,746 before non-operating revenues/expenses and before capital contributions. After non-operating revenues (expenses) of \$488,824, the solid waste fund had a positive change in net position of \$620,570.

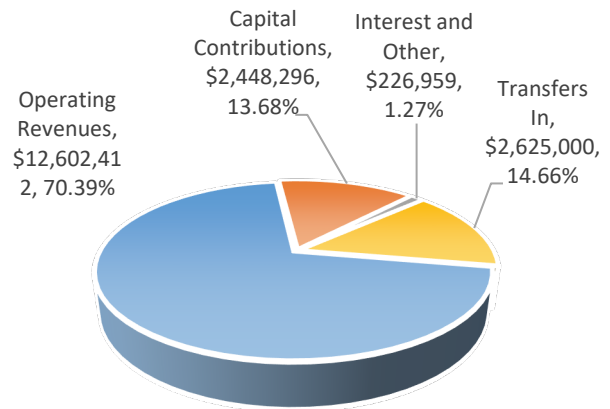
Ambulance Fund – Unrestricted net position in the ambulance fund increased \$172,386 leaving a balance of (\$113,195) at June 30, 2022. Revenues from charges for services was \$1,867,058 which is an increase of \$294,256 that was a result of the number of ambulance transports given. Operating expenses increased by \$441,987 which is a result of higher payroll in order to be competitive. The ambulance fund recognized an operating loss of \$1,329,402 before non-operating revenues/expenses. After non-operating revenues (expenses) of \$(24,941), the total loss was equal to \$1,354,343. The City’s general fund transferred in \$1,400,000 during the fiscal year to assist in offsetting the cost to administer the medical services and to equal a change in net position of \$45,657.

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.

OPERATING EXPENSES AND REVENUES



REVENUE BY SOURCE



Capital Assets and Debt Administration

The City’s investment in capital assets for its government and business-type activities totaled \$511,545,275 net of combined depreciation and amortization on June 30, 2022. 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 (\$1,183,020) in governmental activities and business-type activities has a net increase of \$1,071,798 for a combined decrease of (\$111,222).

Overall depreciation in the governmental funds increased by \$478,837. The business-type funds depreciation increased by \$141,397.

The following chart compares capital assets from FY21 to FY22.

	Governmental Activities 2021	Governmental Activities 2022	Business-type Activities 2021	Business-type Activities 2022
Land and Right of Ways	\$338,758,136	\$340,872,043	\$ -	\$ -
Intangible asset - water tank capacity	-	-	2,000,000	2,000,000
Water Shares	-	-	131,907	131,907
Infrastructure	72,677,122	76,855,645	-	-
Buildings	16,914,092	17,659,694	376,760	362,496
Improvements - other than buildings	11,812,882	10,657,592	47,714,498	48,706,445
Machinery and equipment	6,247,634	5,769,348	4,852,839	4,096,799
Furniture and fixtures	35,231	95,152	149,138	112,735
Construction in progress	8,345,675	1,698,278	1,640,583	2,527,141
Total Capital Assets	\$454,790,772	\$453,607,752	\$ 56,865,725	\$ 57,937,523

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

Long-term Debt

As of June 30, 2022, the City’s outstanding bonds, notes payable and lease payable amount to \$26,330,221. This is a net decrease of \$2,437,117. 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 \$1,475,000. As of June 30, 2022, the City has three sales tax revenue bonds outstanding totaling \$11,440,000, excluding any unamortized premiums.

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 \$9,903,508 (transportation impact fees) and the business-type activities are \$1,126,074 (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 \$1,125,000.

	Governmental Activities 2021	Governmental Activities 2022	Business-type Activities 2021	Business-type Activities 2022
Bonds Payable	\$ 16,285,523	\$ 14,099,939	\$ 1,224,000	\$ 1,125,000
Notes Payable	\$ 9,985,682	\$ 9,903,508	\$ 1,272,133	\$ 1,126,074
Lease Payable	-	75,700	-	-
Total Debt	\$ 26,271,205	\$ 24,079,147	\$ 2,496,133	\$ 2,251,074

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 jared.zacharias@draperutah.gov.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

STATEMENT OF NET POSITION – JUNE 30, 2022 – CITY OF DRAPER, UTAH

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 6,181,551	\$ 33,023,680	\$ 39,205,231
Investments	48,567,373	-	48,567,373
Receivables:			
Accounts, net	5,617,002	1,836,206	7,453,208
Property taxes	17,122,517	-	17,122,517
Inventory	-	125,000	125,000
Prepays	26,456	-	26,456
Notes receivable	8,455,590	-	8,455,590
Restricted cash and cash equivalents	36,534,279	291,302	36,825,581
Other assets	89,584	-	89,584
Equity investments in joint venture	-	3,709,437	3,709,437
Net pension asset	7,094,879	1,714,604	8,809,483
Capital assets, not being depreciated:			
Land and right of ways	340,872,043	-	340,872,043
Intangible asset - water tank capacity	-	2,000,000	2,000,000
Water shares	-	131,907	131,907
Construction in progress	1,698,278	2,527,141	4,225,419
Capital assets, net of accumulated depreciation:			
Buildings and improvements	17,659,694	362,496	18,022,190
Improvements other than buildings	10,657,592	48,706,445	59,364,037
Machinery, equipment, vehicles	5,769,348	4,096,799	9,866,147
Furniture and fixtures	95,152	112,735	207,887
Infrastructure	76,855,645	-	76,855,645
Total assets	583,296,983	98,637,752	681,934,735
DEFERRED OUTFLOWS OF RESOURCES			
Deferred loss on refunding	69,691	-	69,691
Deferred outflows related to pensions	3,021,239	576,041	3,597,280
Total deferred outflows of resources	3,090,930	576,041	3,666,971
LIABILITIES			
Accounts payable	1,265,573	953,325	2,218,898
Accrued liabilities	947,153	408,566	1,355,719
Accrued interest payable	98,874	27,788	126,662
Developer and customer deposits	11,991,374	34,000	12,025,374
Noncurrent liabilities:			
Due within one year	2,604,282	143,318	2,747,600
Due in more than one year	23,708,990	2,319,347	26,028,337
Total liabilities	40,616,246	3,886,344	44,502,590
DEFERRED INFLOWS OF RESOURCES			
Deferred revenue-property taxes	17,122,517	-	17,122,517
Deferred inflows related to pensions	9,240,832	1,761,889	11,002,721
Total deferred inflows of resources	26,363,349	1,761,889	28,125,238
NET POSITION			
Net investment in capital assets	429,598,296	55,686,449	485,284,745
Restricted for:			
Debt service	394,509	257,302	651,811
Impact fees	14,150,772	-	14,150,772
Perpetual care	170,259	-	170,259
Capital projects	9,766,575	-	9,766,575
Grants	60,790	-	60,790
Unrestricted	65,267,117	37,621,809	102,888,926
Total net position	\$ 519,408,318	\$ 93,565,560	\$ 612,973,878

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

STATEMENT OF ACTIVITIES – FOR THE YEAR ENDED JUNE 30, 2022 – 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
Functions/Programs:							
Primary government:							
Governmental activities							
General government	\$ 11,263,352	\$ 1,424,056	\$ 5,885,448	\$ 293,410	\$ (3,660,438)		\$ (3,660,438)
Public safety	14,143,046	782,069	2,989,733	229,981	(10,141,263)		(10,141,263)
Highways and public improvements	11,526,831	33,726	3,205,564	7,424,962	(862,579)		(862,579)
Community development	2,226,816	4,264,290	-	-	2,037,474		2,037,474
Parks and recreation	5,749,333	563,394	-	1,456,157	(3,729,782)		(3,729,782)
Interest on long-term debt	469,164	-	-	-	(469,164)		(469,164)
Total governmental activities	45,378,542	7,067,535	12,080,745	9,404,510	(16,825,752)		(16,825,752)
Business-type activities							
Water	5,402,191	5,203,872	-	1,518,227		\$ 1,319,908	1,319,908
Storm water	1,719,238	2,705,715	-	525,131		1,511,608	1,511,608
Solid Waste	2,694,021	2,825,767	-	404,938		536,684	536,684
Ambulance	3,211,912	1,867,058	-	-		(1,344,854)	(1,344,854)
Total business-type activities	13,027,362	12,602,412	-	2,448,296		2,023,346	2,023,346
Total primary government	\$ 58,405,904	\$ 19,669,947	\$ 12,080,745	\$ 11,852,806	(16,825,752)	2,023,346	(14,802,406)
General revenues and transfers:							
General revenues:							
Taxes							
Property					10,289,429	-	10,289,429
Sales					19,216,512	-	19,216,512
Franchise					5,610,870	-	5,610,870
Investment earnings					(461,109)	179,729	(281,380)
Gain on sale of capital assets					-	47,230	47,230
Transfers - net					(2,625,000)	2,625,000	-
Total general revenues and transfers					32,030,702	2,851,959	34,882,661
Change in net position					15,204,950	4,875,305	20,080,255
Net position - beginning					504,203,368	88,690,255	592,893,623
Net position - ending					\$ 519,408,318	\$ 93,565,560	\$ 612,973,878

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

BALANCE SHEET – GOVERNMENTAL FUNDS – JUNE 30, 2022 – CITY OF DRAPER, UTAH

	General Fund	Capital Projects Fund	Redevelopment Agency	Nonmajor Governmental Funds	Total Governmental Funds
<u>ASSETS</u>					
Cash and cash equivalents	\$ 101,183	\$ 248,283	\$ 627,254	\$ 305,733	\$ 1,282,453
Investments	46,565,746	-	2,001,627	-	48,567,373
Receivables:					
Property taxes	8,518,577	-	8,078,618	525,322	17,122,517
Other, net	5,379,090	-	-	206,284	5,585,374
Due from other funds	298,292	26,000,000	12,400,000	85,542	38,783,834
Prepays	26,456	-	-	-	26,456
Restricted cash and cash equivalents	22,152,458	60,790	-	14,321,031	36,534,279
Other assets	-	-	-	89,584	89,584
Notes receivable	8,455,590	-	-	-	8,455,590
Total assets	\$ 91,497,392	\$ 26,309,073	\$ 23,107,499	\$ 15,533,496	\$ 156,447,460
<u>LIABILITIES</u>					
Accounts payable	\$ 581,681	\$ 232,583	\$ 413,694	\$ 10,685	\$ 1,238,643
Accrued liabilities	933,390	-	-	-	933,390
Due to other funds	38,485,542	-	-	298,292	38,783,834
Developer and customer deposits	11,991,374	-	-	-	11,991,374
Total liabilities	51,991,987	232,583	413,694	308,977	52,947,241
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Unavailable revenue-property taxes	8,518,577	-	8,078,618	525,322	17,122,517
Unavailable revenue-notes receivable	645	-	-	-	645
Total deferred inflows of resources	8,519,222	-	8,078,618	525,322	17,123,162
<u>FUND BALANCES</u>					
Nonspendable	8,481,401	-	-	-	8,481,401
Restricted:					
Debt service	394,509	-	-	-	394,509
Perpetual care	-	-	-	170,259	170,259
Grants	-	60,790	-	-	60,790
B & C roads	5,045,390	-	-	-	5,045,390
Transportation	4,721,185	-	-	-	4,721,185
Impact fees	-	-	-	14,150,772	14,150,772
Assigned:					
Capital projects	-	26,015,700	-	-	26,015,700
RDA fund and projects	-	-	14,615,187	-	14,615,187
Traverse Ridge fund	-	-	-	378,166	378,166
Unassigned	12,343,698	-	-	-	12,343,698
Total fund balances	30,986,183	26,076,490	14,615,187	14,699,197	86,377,057
Total liabilities, deferred inflows of resources and fund balances	\$ 91,497,392	\$ 26,309,073	\$ 23,107,499	\$ 15,533,496	\$ 156,447,460

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, 2022 – CITY OF DRAPER, UTAH***

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

Total fund balances for governmental funds	\$ 86,377,057
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	453,607,752
Other long-term assets are not available for current period expenditures and, therefore, are not reported in the funds balance sheet.	10,185,809
Accrued interest on long-term debt is not due and payable in the current period and, therefore, is not recorded in the funds.	(98,874)
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.	(26,313,272)
Other long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds balance sheet.	(9,240,832)
Deferred inflows of resources associated with the General Fund's notes receivable are removed in the Statement of Net Position.	645
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.	4,890,033
Net position of governmental activities	\$ 519,408,318

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, 2022 – CITY OF DRAPER, UTAH**

	General Fund	Capital Projects Fund	Redevelopment Agency	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES					
Taxes:					
Property	\$ 9,152,900	\$ -	\$ 858,200	\$ 278,329	\$ 10,289,429
Sales	19,216,512	-	-	-	19,216,512
Franchise	5,610,870	-	-	-	5,610,870
Licenses and permits	4,256,149	-	-	-	4,256,149
Intergovernmental	7,751,940	100,000	7,204,325	193,414	15,249,679
Charges for services	2,075,395	-	-	-	2,075,395
Impact fees	-	-	-	3,255,402	3,255,402
Fines and forfeitures	605,760	-	-	-	605,760
Interest and investment earnings	(653,248)	-	81,198	90,921	(481,129)
Donations and reimbursements	293,410	-	-	-	293,410
Miscellaneous	58,272	-	-	-	58,272
Total revenues	48,367,960	100,000	8,143,723	3,818,066	60,429,749
EXPENDITURES					
Current:					
General government	6,149,948	-	-	41,003	6,190,951
Public safety	14,702,870	-	-	-	14,702,870
Highways and public improvements	3,722,148	-	-	747,360	4,469,508
Community development	2,235,002	-	-	-	2,235,002
Park, recreation, and public property	4,079,591	-	-	-	4,079,591
RDA expenditures	-	-	4,956,989	-	4,956,989
Capital outlay	-	6,363,914	-	-	6,363,914
Debt service:					
Principal	1,460,000	82,174	571,000	-	2,113,174
Interest	536,624	-	48,847	-	585,471
Total expenditures	32,886,183	6,446,088	5,576,836	788,363	45,697,470
Excess (deficiency) of revenues over (under) expenditures	15,481,777	(6,346,088)	2,566,887	3,029,703	14,732,279
OTHER FINANCING SOURCES (USES)					
Sale of capital assets	22	-	-	-	22
Transfers in	466,550	15,612,235	-	-	16,078,785
Transfers out	(15,116,221)	-	(2,012,626)	(1,654,938)	(18,783,785)
Total other financing sources (uses)	(14,649,649)	15,612,235	(2,012,626)	(1,654,938)	(2,704,978)
Net change in fund balances	832,128	9,266,147	554,261	1,374,765	12,027,301
Fund balances, beginning	30,154,055	16,810,343	14,060,926	13,324,432	74,349,756
Fund balances, ending	\$ 30,986,183	\$ 26,076,490	\$ 14,615,187	\$ 14,699,197	\$ 86,377,057

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, 2022 – 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	\$ 12,027,301
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.	
Capital outlay	4,271,035
Depreciation expense	(7,850,980)
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.	2,686,764
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.	(1,290)
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.	
Reduction of long-term liability	2,113,174
Amortization of bond premiums and deferred loss on refunding	102,661
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.	3,274,934
Governmental capital assets transferred to internal service funds are not reported in the governmental funds.	(5,156,724)
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.	
Accrued interest	14,265
Compensated absences	(134,743)
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.	<u>3,858,553</u>
Change in net position of governmental activities	<u>\$ 15,204,950</u>

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

STATEMENT OF NET POSITION – PROPRIETARY FUNDS – JUNE 30, 2022
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	\$ 10,475,151	\$ 16,815,497	\$ 5,733,032	\$ -	\$ 33,023,680	4,899,098
Accounts receivable, net	781,181	243,357	280,201	531,467	1,836,206	31,628
Inventory	125,000	-	-	-	125,000	-
Due from other funds	1,136,387	-	-	-	1,136,387	-
Total current assets	12,517,719	17,058,854	6,013,233	531,467	36,121,273	4,930,726
Noncurrent assets:						
Restricted cash and cash equivalents	291,302	-	-	-	291,302	-
Capital assets:						
Intangible asset - water tank	2,000,000	-	-	-	2,000,000	-
Water shares	131,907	-	-	-	131,907	-
Construction in progress	2,286,534	240,607	-	-	2,527,141	69,610
Buildings and improvements	91,972	99,000	345,107	-	536,079	-
Improvements other than buildings	35,874,326	45,020,768	-	-	80,895,094	-
Machinery and equipment	1,246,049	1,956,632	3,972,678	1,518,916	8,694,275	12,765,219
Furniture and fixtures	116,933	95,130	95,429	-	307,492	-
Accumulated depreciation	(18,317,309)	(15,349,952)	(3,052,704)	(434,500)	(37,154,465)	(7,967,944)
Net capital assets	23,430,412	32,062,185	1,360,510	1,084,416	57,937,523	4,866,885
Other assets:						
Equity investment in joint venture	-	-	3,709,437	-	3,709,437	-
Net pension asset	134,654	98,803	137,797	1,343,350	1,714,604	75,450
Total other assets	134,654	98,803	3,847,234	1,343,350	5,424,041	75,450
Total noncurrent assets	23,856,368	32,160,988	5,207,744	2,427,766	63,652,866	4,942,335
Total assets	36,374,087	49,219,842	11,220,977	2,959,233	99,774,139	9,873,061
DEFERRED OUTFLOWS OF RESOURCES						
Deferred outflows related to pensions	101,881	74,756	104,259	295,145	576,041	57,087
Total deferred outflows of resources	101,881	74,756	104,259	295,145	576,041	57,087

(continued)

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

STATEMENT OF NET POSITION – PROPRIETARY FUNDS (continued) – JUNE 30, 2022
CITY OF DRAPER, UTAH

	Business-type Activities - Enterprise Funds				Total	Governmental
	Water	Storm Water	Solid Waste	Ambulance		Internal Service Fund
LIABILITIES						
Current liabilities:						
Accounts payable	\$ 563,673	\$ 238,840	\$ 138,465	\$ 12,347	\$ 953,325	\$ 26,930
Accrued liabilities	264,767	16,519	23,017	104,263	408,566	13,763
Deposits	34,000	-	-	-	34,000	-
Due to other funds	-	-	-	1,136,387	1,136,387	-
Accrued interest payable	27,788	-	-	-	27,788	-
Compensated absences	5,407	2,707	8,719	25,485	42,318	2,003
Bonds payable	101,000	-	-	-	101,000	-
Lease payable, current	-	-	-	-	-	37,105
Claims and judgments	-	-	-	-	-	231,625
Total current liabilities	996,635	258,066	170,201	1,278,482	2,703,384	311,426
Noncurrent liabilities:						
Compensated absences	21,628	10,829	34,877	101,939	169,273	8,011
Bonds payable	1,024,000	-	-	-	1,024,000	-
Lease payable	-	-	-	-	-	38,595
Notes payable	1,126,074	-	-	-	1,126,074	-
Claims and judgments	-	-	-	-	-	759,740
Total noncurrent liabilities	2,171,702	10,829	34,877	101,939	2,319,347	806,346
Total liabilities	3,168,337	268,895	205,078	1,380,421	5,022,731	1,117,772
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows related to pensions	311,616	228,649	318,888	902,736	1,761,889	174,606
Total deferred outflows of resources	311,616	228,649	318,888	902,736	1,761,889	174,606
NET POSITION						
Net investment in capital assets	21,179,338	32,062,185	1,360,510	1,084,416	55,686,449	4,848,272
Restricted for debt service	257,302	-	-	-	257,302	-
Unrestricted	11,559,375	16,734,869	9,440,760	(113,195)	37,621,809	3,789,498
Total net position	\$ 32,996,015	\$ 48,797,054	\$ 10,801,270	\$ 971,221	\$ 93,565,560	\$ 8,637,770

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, 2022 – CITY OF DRAPER, UTAH**

	Business-type Activities - Enterprise Funds				Total	Governmental
	Water	Storm Water	Solid Waste	Ambulance		Internal Service Fund
<u>OPERATING REVENUES</u>						
Sales and charges for services	\$ 5,137,881	\$ 2,682,955	\$ 2,805,360	\$ 1,867,058	\$ 12,493,254	\$ 1,146,000
Connection fees	33,010	-	-	-	33,010	-
Miscellaneous income	32,981	22,760	20,407	-	76,148	79,282
Total operating revenues	5,203,872	2,705,715	2,825,767	1,867,058	12,602,412	1,225,282
<u>OPERATING EXPENSES</u>						
Salaries and benefits	729,184	535,007	744,715	1,911,397	3,920,303	465,036
Utilities	366,737	7,373	9,352	15,607	399,069	65,264
Water charges	2,160,530	-	-	-	2,160,530	-
Landfill fees	-	-	415,483	-	415,483	-
Supplies and repairs	461,601	109,682	618,399	167,828	1,357,510	75,824
Claims and insurance	67,100	19,400	35,200	51,100	172,800	1,061,306
Administrative	422,675	298,139	374,609	923,799	2,019,222	114,383
Depreciation	1,164,826	749,637	496,263	126,729	2,537,455	914,268
Total operating expenses	5,372,653	1,719,238	2,694,021	3,196,460	12,982,372	2,696,081
Operating income (loss)	(168,781)	986,477	131,746	(1,329,402)	(379,960)	(1,470,799)
<u>NONOPERATING REVENUES (EXPENSES)</u>						
Equity income of joint venture	-	-	404,938	-	404,938	-
Interest income	72,820	79,742	36,656	(9,489)	179,729	20,020
Interest and fiscal expenses	(29,538)	-	-	(15,452)	(44,990)	(619)
Gain/(loss) on disposal of assets	-	-	47,230	-	47,230	73,227
Total nonoperating revenues (expenses)	43,282	79,742	488,824	(24,941)	586,907	92,628
Income (loss) before contributions and transfers	(125,499)	1,066,219	620,570	(1,354,343)	206,947	(1,378,171)
Capital contributions	1,518,227	525,131	-	-	2,043,358	5,156,724
Transfers in	1,225,000	-	-	1,400,000	2,625,000	80,000
Change in net position	2,617,728	1,591,350	620,570	45,657	4,875,305	3,858,553
Total net position, beginning	30,378,287	47,205,704	10,180,700	925,564	88,690,255	4,779,217
Total net position, ending	\$ 32,996,015	\$ 48,797,054	\$ 10,801,270	\$ 971,221	\$ 93,565,560	\$ 8,637,770

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

**STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2022 – CITY OF DRAPER, UTAH**

	Enterprise Funds				Total	Governmental Activities
	Water	Storm Water	Solid Waste	Ambulance		Internal Service Funds
Cash flows from operating activities						
Receipts from customers and users	\$ 5,292,711	\$ 2,703,654	\$ 2,797,069	\$ 1,739,125	\$ 12,532,559	\$ 1,193,654
Payments to suppliers	(3,438,548)	(388,583)	(1,397,197)	(1,167,832)	(6,392,160)	(1,003,211)
Payments to employees	(662,914)	(547,707)	(762,049)	(2,262,482)	(4,235,152)	(405,042)
Net cash provided (used) by operating activities	1,191,249	1,767,364	637,823	(1,691,189)	1,905,247	(214,599)
Cash flows from noncapital financing activities						
Transfers from other funds	1,225,000	-	-	1,400,000	2,625,000	80,000
Advances to other funds	(316,130)	-	-	-	(316,130)	-
Advances from other funds	-	-	-	316,130	316,130	-
Net cash provided by noncapital financing activities	908,870	-	-	1,716,130	2,625,000	80,000
Cash flows from capital and related financing activities						
Acquisition of capital assets	(2,122,982)	(428,275)	-	-	(2,551,257)	(641,830)
Capital grants	985,092	-	-	-	985,092	-
Proceeds from sale of assets	-	-	47,500	-	47,500	90,628
Proceeds from issuance of debt	-	-	-	-	-	115,549
Principal paid on capital debt	(245,059)	-	-	-	(245,059)	(39,849)
Interest paid	(31,983)	-	-	(15,452)	(47,435)	(619)
Net cash provided (used) by capital and related financing activities	(1,414,932)	(428,275)	47,500	(15,452)	(1,811,159)	(476,121)
Cash flows from investing activities						
Purchase of asset held for sale	-	-	-	-	-	-
Interest received	72,820	79,742	36,656	(9,489)	179,729	20,020
Net cash provided (used) by investing activities	72,820	79,742	36,656	(9,489)	179,729	20,020
Net increase (decrease) in cash and cash equivalents	758,007	1,418,831	721,979	-	2,898,817	(590,700)
Cash and cash equivalents, beginning of year	10,008,446	15,396,666	5,011,053	-	30,416,165	5,489,798
Cash and cash equivalents, end of year	\$ 10,766,453	\$ 16,815,497	\$ 5,733,032	\$ -	\$ 33,314,982	\$ 4,899,098
Unrestricted cash	\$ 10,475,151	\$ 16,815,497	\$ 5,733,032	\$ -	\$ 33,023,680	\$ 4,899,098
Restricted cash	291,302	-	-	-	291,302	-
Total cash and cash equivalents	\$ 10,766,453	\$ 16,815,497	\$ 5,733,032	\$ -	\$ 33,314,982	\$ 4,899,098

(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, 2022 – CITY OF DRAPER, UTAH

	Enterprise Funds				Total	Governmental
	Water	Storm Water	Solid Waste	Ambulance		Internal Service Funds
Reconciliation of operating income (loss) to net cash provided (used) by operating activities						
Operating income (loss)	\$ (168,781)	\$ 986,477	\$ 131,746	\$ (1,329,402)	\$ (379,960)	\$ (1,470,799)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation	1,164,826	749,637	496,263	126,729	2,537,455	914,268
Changes in assets and liabilities:						
Accounts receivable	70,839	(2,061)	(28,698)	(127,933)	(87,853)	(31,628)
Inventory	-	-	-	-	-	-
Accounts payable	40,095	46,011	55,846	(9,498)	132,454	24,091
Accrued liabilities	103,336	7,094	6,535	(27,356)	89,609	10,053
Deposits	18,000	-	-	-	18,000	-
Compensated absences	(1,026)	6,685	14,498	(18,308)	1,849	7,872
Net pension adjustments	(36,040)	(26,479)	(38,367)	(305,421)	(406,307)	42,069
Claims and judgments	-	-	-	-	-	289,475
Net cash provided (used) by operating activities	\$ 1,191,249	\$ 1,767,364	\$ 637,823	\$ (1,691,189)	\$ 1,905,247	\$ (214,599)
Noncash investing, capital and financing activities						
Capital contributions - developers	\$ 533,135	\$ 525,131	\$ -	\$ -	\$ 1,058,266	\$ -
Equity investment adjustment for net income and ownership changes	\$ -	\$ -	\$ 404,938	\$ -	\$ 404,938	\$ -

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. The MBA did not have any financial activity for the year ended June 30, 2022, nor did they have any reportable assets, liabilities, or fund balance at year-end.

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. This debt was retired in the previous year, so no balances or activity exist for the current year.

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. The Fleet Management Fund accounts for the City's vehicles related to governmental 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, 2022, expenditures exceeded appropriations in the TRSSD special revenue fund by \$777,157, 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, 2022, 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. Prepays are accounted for under the consumption method.

Equity Investment in Joint Venture: The investment in Trans-Jordan Cities Landfill, a 10.40% 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 assets 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, 2022.

Deferred outflows of resources represent a consumption of net assets 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, 2022.

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, 2022, the City had the following recurring fair value measurements.

	06/30/22	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Securities				
PTIF	\$ 74,002,465	\$ -	\$ 74,002,465	\$ -
Certificates of deposit	11,784,724	-	11,784,724	-
Corporate bonds	26,501,869	-	26,501,869	-
Municipal bonds	480,143	480,143	-	-
US Treasuries	8,570,927	8,570,927	-	-
Money market funds	1,229,710	-	1,229,710	-
Total debt securities	<u>\$122,569,838</u>	<u>\$ 9,051,070</u>	<u>\$113,518,768</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, 2022, \$2,777,602 of the City's \$3,473,922 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 \$74,002,465, 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, 2022, the City had the following investments and quality rating:

Investment Type	06/30/22	Quality Ratings					
		AAA	AA	A	BBB	BB	Unrated
PTIF	\$ 74,002,465	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 74,002,465
Certificates of deposit	11,784,724	-	1,092,312	2,684,994	421,702	237,249	7,348,467
Corporate bonds	26,501,869	2,073,147	2,853,845	19,440,100	-	-	2,134,777
Municipal bonds	480,143	-	-	-	-	-	480,143
US Treasuries	8,570,927	8,570,927	-	-	-	-	-
Money market funds	1,229,710	1,229,710	-	-	-	-	-
Total debt securities	<u>\$122,569,838</u>	<u>\$ 11,873,784</u>	<u>\$ 3,946,157</u>	<u>\$ 22,125,094</u>	<u>\$ 421,702</u>	<u>\$ 237,249</u>	<u>\$ 83,965,852</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, 2022, the City’s investments had the following maturities:

Investment Type	Fair Value	Investment Maturities (in Years)	
		Less Than 1	1-5
PTIF	\$ 74,002,465	\$ 74,002,465	\$ -
Certificates of deposit	11,784,724	3,186,015	8,598,709
Corporate bonds	26,501,869	5,721,104	20,780,765
Municipal bonds	480,143	245,814	234,329
US Treasuries	8,570,927	396,078	8,174,849
Money market funds	1,229,710	1,229,710	-
	<u>\$122,569,838</u>	<u>\$ 84,781,186</u>	<u>\$ 37,788,652</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, 2022, the City had investments of \$74,002,465 with the PTIF. The fair value of these investments was \$73,696,730 using a fair value factor of 0.99586858.

Following are the City’s cash and investments at June 30, 2022:

	Carrying Value
Cash on hand and on deposit:	
Cash on hand	\$ 3,580
Cash on deposit	2,024,767
PTIF accounts	74,002,465
Total cash on hand and deposit	\$ 76,030,812
 Investments:	
Debt securities	48,567,373
	\$ 48,567,373

3. INTERFUND TRANSFERS

The purpose of the transfers was to provide support for related capital project expenditures and/or debt service payments. In addition, some transfers (i.e Ambulance Fund) were to support operational and payroll costs for paramedics. Transfers among the funds during the current year were:

	Transfers In	Transfers Out
General Fund	\$ 466,550	\$ 15,116,221
Capital Projects Fund	15,612,235	-
Redevelopment Agency	-	2,012,626
Nonmajor Governmental Funds	-	1,654,938
Water Fund	1,225,000	-
Ambulance Fund	1,400,000	-
Internal Service Fund	80,000	-
	\$ 18,783,785	\$ 18,783,785

4. RESTRICTED CASH AND CASH EQUIVALENTS

Certain cash and cash equivalents are restricted to use as follows as of June 30, 2022:

	<u>Amount</u>
Governmental activities	
Restricted for debt service	\$ 394,509
Restricted for cemetery	170,259
Restricted for future development - impact fees	14,150,772
Restricted for grants	60,790
Restricted for developer and customer deposits	11,901,790
Restricted for road maintenance in TRSSD boundaries	89,584
Restricted for "C" roads	5,045,390
Restricted for transportation	4,721,185
Total governmental activities	<u>36,534,279</u>
Business-type activities	
Restricted for debt service	257,302
Restricted for developer and customer deposits	34,000
Total business-type activities	<u>291,302</u>
Total restricted cash and cash equivalents	<u>\$ 36,825,581</u>

5. EQUITY INVESTMENT IN JOINT VENTURE

TRANS-JORDAN CITIES LANDFILL

The Solid Waste Fund has a 10.40% 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%, 7.90%, 28.28%, 15.69%, 21.36% and 11.20% 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 \$410,564 for fiscal year 2022.

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 2022, Trans-Jordan reported an increase in net position of \$3,585,149. The City recognized its 10.40% 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 \$404,938 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, 2022, 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, 2022, was as follows:

	6/30/2021	Increases	Decreases	06/30/22
<u>Governmental activities</u>				
Capital assets, not being depreciated:				
Land	\$ 99,308,222	\$ 1,631,017	\$ -	\$ 100,939,239
Right of ways - canals	636,300	-	-	636,300
Right of ways - roads	238,813,614	482,890	-	239,296,504
Construction in progress	8,345,675	1,023,705	(7,671,102)	1,698,278
Total capital assets, not being depreciated	347,103,811	3,137,612	(7,671,102)	342,570,321
Capital assets, being depreciated:				
Buildings	22,330,700	791,455	-	23,122,155
Building improvements	2,395,314	627,930	-	3,023,244
Improvements	7,385,368	-	-	7,385,368
Park assets/sporting fields	15,950,297	7,882	-	15,958,179
Paved trails	2,528,118	-	-	2,528,118
Machinery, equipment, vehicles	15,360,044	672,022	(329,172)	15,702,894
Office equipment	1,525,818	75,752	-	1,601,570
Furniture and fixtures	465,050	65,819	-	530,869
Infrastructure: roadways	129,546,422	7,374,029	(54,624)	136,865,827
Infrastructure: sidewalks	17,602,614	318,064	-	17,920,678
Infrastructure: street lights	1,899,888	358,322	(11,418)	2,246,792
Infrastructure: surfaces - parking lots	3,241,057	536,873	-	3,777,930
Infrastructure: traffic lights	1,100,528	1,304,971	-	2,405,499
Total capital assets, being depreciated	221,331,218	12,133,119	(395,214)	233,069,123
Accumulated depreciation:				
Buildings	(6,677,044)	(592,461)	-	(7,269,505)
Building improvements	(1,134,878)	(81,322)	-	(1,216,200)
Improvements	(6,300,821)	(190,220)	-	(6,491,041)
Park assets/sporting fields	(6,587,949)	(862,934)	-	(7,450,883)
Paved trails	(1,162,131)	(110,018)	-	(1,272,149)
Machinery, equipment, vehicles	(9,698,203)	(1,038,811)	311,771	(10,425,243)
Office equipment	(940,025)	(169,848)	-	(1,109,873)
Furniture and fixtures	(429,819)	(5,898)	-	(435,717)
Infrastructure: roadways	(68,738,751)	(4,848,004)	54,624	(73,532,131)
Infrastructure: sidewalks	(9,428,281)	(583,809)	-	(10,012,090)
Infrastructure: street lights	(1,630,195)	(55,321)	11,418	(1,674,098)
Infrastructure: surfaces - parking lots	(695,078)	(134,936)	-	(830,014)
Infrastructure: traffic lights	(221,082)	(91,666)	-	(312,748)
Total accumulated depreciation	(113,644,257)	(8,765,248)	377,813	(122,031,692)
Total capital assets being depreciated, net	107,686,961	3,367,871	(17,401)	111,037,431
Governmental capital assets, net	\$ 454,790,772	\$ 6,505,483	\$ (7,688,503)	\$ 453,607,752

6. CAPITAL ASSETS (CONTINUED)

	6/30/2021	Increases	Decreases	06/30/22
<u>Business-type activities</u>				
Capital assets, not being depreciated:				
Intangible - water tank capacity	\$ 2,000,000	\$ -	\$ -	\$ 2,000,000
Water shares	131,907	-	-	131,907
Construction in progress	1,640,583	2,400,382	(1,513,824)	2,527,141
Total capital assets, not being depreciated	3,772,490	2,400,382	(1,513,824)	4,659,048
Capital assets, being depreciated:				
Buildings and improvements	536,079	-	-	536,079
Water tanks	4,185,508	-	-	4,185,508
Distribution systems	74,026,828	2,682,758	-	76,709,586
Vehicles	4,768,268	40,207	(259,376)	4,549,099
Machinery and equipment	4,146,357	-	(1,181)	4,145,176
Office equipment	295,658	-	-	295,658
Furniture and fixtures	11,834	-	-	11,834
Total capital assets, depreciated	87,970,532	2,722,965	(260,557)	90,432,940
Accumulated depreciation:				
Buildings and improvements	(159,319)	(14,264)	-	(173,583)
Water tanks	(647,771)	(42,298)	-	(690,069)
Distribution systems	(29,850,067)	(1,648,513)	-	(31,498,580)
Vehicles	(2,410,595)	(516,957)	259,376	(2,668,176)
Machinery and equipment	(1,651,191)	(279,020)	911	(1,929,300)
Office equipment	(146,520)	(36,403)	-	(182,923)
Furniture and fixtures	(11,834)	-	-	(11,834)
Total accumulated depreciation	(34,877,297)	(2,537,455)	260,287	(37,154,465)
Total capital assets being depreciated, net	53,093,235	185,510	(270)	53,278,475
Business-type capital assets, net	\$ 56,865,725	\$ 2,585,892	\$ (1,514,094)	\$ 57,937,523

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

Governmental activities:	
General government	\$ 426,806
Public safety	961,664
Highways and public improvements	5,760,378
Parks and recreation	1,616,400
Total depreciation expense - governmental activities	<u>\$ 8,765,248</u>
Business-type activities:	
Water Fund	\$ 1,164,826
Storm Water Fund	749,637
Solid Waste Fund	496,263
Ambulance Fund	126,729
Total depreciation expense - business-type activities	<u>\$ 2,537,455</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 \$8,518,577, \$525,322, and \$8,078,618, respectively at June 30, 2022.

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, 2022, 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, 2022.

9. LONG-TERM DEBT

CHANGES IN LONG-TERM LIABILITIES

Long-term debt activity for the year ended June 30, 2022, was as follows:

	6/30/2021	Increases	Decreases	06/30/22	Due in One Year
<u>Governmental activities</u>					
Bonds payable:					
General obligation bonds	\$ 1,940,000	\$ -	\$ (465,000)	\$ 1,475,000	\$ 480,000
Sales tax revenue bonds	13,006,000	-	(1,566,000)	11,440,000	1,607,000
Plus: unamortized premiums	1,339,523	-	(154,584)	1,184,939	-
Total bonds payable	16,285,523	-	(2,185,584)	14,099,939	2,087,000
Notes payable	9,985,682	-	(82,174)	9,903,508	-
Lease payable	-	115,549	(39,849)	75,700	37,105
Compensated absences	1,100,145	1,358,210	(1,215,595)	1,242,760	248,552
Other liabilities - URMA	701,890	472,658	(183,183)	991,365	231,625
Governmental activities, long-term liabilities	<u>\$28,073,240</u>	<u>\$ 1,946,417</u>	<u>\$ (3,706,385)</u>	<u>\$26,313,272</u>	<u>\$ 2,604,282</u>
<u>Business-type activities</u>					
Water revenue bonds	\$ 1,224,000	\$ -	\$ (99,000)	1,125,000	\$ 101,000
Notes payable	1,272,133	-	(146,059)	1,126,074	-
Compensated absences	211,884	200,782	(162,937)	211,591	42,318
Business-type activities, long-term liabilities	<u>\$ 2,708,017</u>	<u>\$ 200,782</u>	<u>\$ (407,996)</u>	<u>\$ 2,462,665</u>	<u>\$ 143,318</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, 2022:

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.

\$ 1,475,000

Total General Obligation Bonds - Governmental Activities

\$ 1,475,000

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.

\$ 1,555,000

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.

8,105,000

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.

1,780,000

Total Sales Tax Revenue Bonds - Governmental Activities

\$ 11,440,000

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.

\$ 1,125,000

Total Water Revenue Bonds - Business-type Activities

\$ 1,125,000

-

9. LONG-TERM DEBT (CONTINUED)

GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES:

<u>Lease Payable</u>	<u>Amount</u>
2022 Equipment Lease, original amount of \$115,549, lease payments due in annual installments of \$40,468 including interest at 4.75% beginning June 2022, with the final payment due May 2025. The principal and interest payments are made from the Fleet Management Fund. The lease was used to purchase equipment for fire having an original cost of \$115,549 and accumulated depreciation of \$642 as of June 30, 2022.	\$ 75,700
Total Lease Payable	<u>\$ 75,700</u>

<u>Notes Payable</u>	<u>Amount</u>
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.	<u>\$ 11,029,582</u>
Total Notes Payable - Governmental Activities	\$ 9,903,508
Total Notes Payable - Business-type Activities	\$ 1,126,074

All of the City’s Sales Tax Revenue Bonds and Water Revenue Bonds are payable solely by a pledge and assignment of their associated revenue sources. An estimated \$12,097,375 in sales tax has been pledged through 2032. Total future RDA tax increments of \$1,852,377 have been pledged for RDA commitments through 2025. Total future water net revenues of \$1,283,279 have been pledged through 2032. The current revenue recognized during the period for pledged Sales Tax Revenue bonds was \$19,216,512 compared to principal and interest of \$2,086,221, which equals a coverage multiple of 9.21. The current year revenue recognized during the year for pledged Water Revenue was \$5,137,881 compared to principal and interest of \$126,788 which equals a coverage ratio of 40.52.

The annual debt service requirements to maturity are as follows:

Year Ending June 30,	Governmental Activities General Obligation Bonds		
	Principal	Interest	Totals
2023	\$ 480,000	\$ 44,250	\$ 524,250
2024	490,000	29,850	519,850
2025	505,000	15,150	520,150
	<u>\$ 1,475,000</u>	<u>\$ 89,250</u>	<u>\$ 1,564,250</u>

9. LONG-TERM DEBT (CONTINUED)

Year Ending June 30,	Governmental Activities Sales Tax Revenue Bonds		
	Principal	Interest	Totals
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	780,000	260,850	1,040,850
2028-2032	4,515,000	699,500	5,214,500
	<u>\$ 11,440,000</u>	<u>\$ 2,509,752</u>	<u>\$ 13,949,752</u>

Year Ending June 30,	Business-type Activities Water Revenue Bonds		
	Principal	Interest	Totals
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	111,000	17,463	128,463
2028-2032	596,000	44,855	640,855
	<u>\$ 1,125,000</u>	<u>\$ 158,279</u>	<u>\$ 1,283,279</u>

Year Ending June 30,	Governmental Activities Equipment Lease Payable		
	Principal	Interest	Totals
2023	\$ 37,105	\$ 3,515	\$ 40,620
2024	38,594	1,721	40,315
2025	1	-	1
Total future minimum lease payments	<u>\$ 75,700</u>	<u>\$ 5,236</u>	<u>\$ 80,936</u>

Year Ending June 30,	Notes Payable
2023 (estimated)	\$ -
To be determined	<u>11,029,582</u>
Total notes payable	<u>\$ 11,029,582</u>

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, 2022 are as follows:

Utah Retirement Systems

	Employee	Employer	Employer 401(k)
Contributory System			
111 - Local Governmental Division Tier 2	N/A	16.07%	0.62%
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, 2022, the employer and employee contributions to the Systems were as follows:

System	Employer Contributions	Employee Contributions
Noncontributory System	\$ 932,004	N/A
Public Safety System	714,030	-
Firefighter System	101,900	-
Tier 2 Public Employees System	602,370	-
Tier 2 Public Safety and Firefighter System	481,351	-
Tier 2 DC Only System	41,106	N/A
Tier 2 DC Public Safety and Firefighter System	9,854	N/A
Total Contributions	\$ 2,882,615	\$ -

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, 2022, the City reported a net pension asset of \$8,809,483 and a net pension liability of \$0.

	(Measurement Date): December 31, 2021				
	Net Pension Asset	Net Pension Liability	Proportionate Share	Proportionate Share December 31, 2020	Change
Noncontributory System	\$ 3,602,907	\$ -	0.6290973%	0.6113605%	0.0177368%
Public Safety System	1,162,092	-	1.4308970%	1.3181890%	0.1127080%
Firefighter System	3,920,277	-	6.7218232%	6.6736984%	0.0481248%
Tier 2 Public Employees System	78,878	-	0.1863683%	0.1866508%	-0.0002825%
Tier 2 Public Safety and Firefighter System	45,329	-	0.8968447%	0.8227057%	0.0741390%
Total Net Pension Asset / Liability	<u>\$ 8,809,483</u>	<u>\$ -</u>			

The net pension asset and liability was measured as of December 31, 2021, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2021 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, 2022, the City recognized pension expense of (\$757,097). At June 30, 2022, 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	\$ 828,841	\$ 52,677
Changes in assumptions	1,051,685	44,145
Net difference between projected and actual earnings on pension plan investments	-	10,745,547
Changes in proportion and differences between contributions and proportionate share of contributions	249,465	160,352
Contributions subsequent to the measurement date	<u>1,467,289</u>	<u>-</u>
Total	<u>\$ 3,597,280</u>	<u>\$ 11,002,721</u>

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

The \$1,467,289 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, 2021. 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>
2022	\$ (1,727,355)
2023	(3,119,698)
2024	(2,499,007)
2025	(1,683,250)
2026	32,891
Thereafter	123,689

*PENSION EXPENSE, DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES BY SYSTEM*Noncontributory System

For the year ended June 30, 2022, the City recognized pension expense of (\$536,780). At June 30, 2022, 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	\$ 377,366	\$ -
Changes in assumptions	338,146	23,256
Net difference between projected and actual earnings on pension plan investments	-	4,850,831
Changes in proportion and differences between contributions and proportionate share of contributions	52,558	60,311
Contributions subsequent to the measurement date	468,946	-
Total	<u>\$ 1,237,016</u>	<u>\$ 4,934,398</u>

11. RETIREMENT PLANS (CONTINUED)

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

Noncontributory System (continued)

The \$468,946 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, 2021. 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>
2022	\$ (815,653)
2023	(1,372,565)
2024	(1,172,129)
2025	(805,981)

Public Safety System

For the year ended June 30, 2022, the City recognized pension expense of \$117,808. At June 30, 2022, 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	\$ 98,907	\$ -
Changes in assumptions	203,740	12,087
Net difference between projected and actual earnings on pension plan investments	-	3,141,091
Changes in proportion and differences between contributions and proportionate share of contributions	137,094	-
Contributions subsequent to the measurement date	362,181	-
Total	<u>\$ 801,922</u>	<u>\$ 3,153,178</u>

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

The \$362,181 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, 2021. 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>
2022	\$ (428,072)
2023	(989,375)
2024	(775,227)
2025	(520,763)

Firefighters System

For the year ended June 30, 2022, the City recognized pension expense of (\$851,027). At June 30, 2022, 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	\$ 275,404	\$ 35,067
Changes in assumptions	385,385	-
Net difference between projected and actual earnings on pension plan investments	-	2,420,178
Changes in proportion and differences between contributions and proportionate share of contributions	500	91,529
Contributions subsequent to the measurement date	49,997	-
Total	<u>\$ 711,286</u>	<u>\$ 2,546,774</u>

11. RETIREMENT PLANS (CONTINUED)

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

Firefighter System (continued)

The \$49,997 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, 2021. 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>
2022	\$ (416,557)
2023	(674,132)
2024	(489,084)
2025	(317,428)
2026	11,716

Tier 2 Public Employees System

For the year ended June 30, 2022, the City recognized pension expense of \$274,149. At June 30, 2022, 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	\$ 38,321	\$ 10,163
Changes in assumptions	73,548	746
Net difference between projected and actual earnings on pension plan investments	-	194,897
Changes in proportion and differences between contributions and proportionate share of contributions	45,308	-
Contributions subsequent to the measurement date	334,888	-
Total	<u>\$ 492,065</u>	<u>\$ 205,806</u>

11. RETIREMENT PLANS (CONTINUED)

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

Tier 2 Public Employees System (continued)

The \$334,888 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, 2021. 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>
2022	\$ (36,367)
2023	(46,694)
2024	(33,803)
2025	(19,355)
2026	15,569
Thereafter	72,021

Tier 2 Public Safety and Firefighter System

For the year ended June 30, 2022, the City recognized pension expense of \$238,753. At June 30, 2022, 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	\$ 38,843	\$ 7,447
Changes in assumptions	50,866	8,056
Net difference between projected and actual earnings on pension plan investments	-	138,551
Changes in proportion and differences between contributions and proportionate share of contributions	14,004	8,511
Contributions subsequent to the measurement date	251,278	-
Total	<u>\$ 354,991</u>	<u>\$ 162,565</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 \$251,278 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, 2021. 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>
2022	\$ (30,706)
2023	(36,932)
2024	(28,764)
2025	(19,723)
2026	5,607
Thereafter	51,666

ACTUARIAL ASSUMPTIONS

The total pension liability in the December 31, 2021 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 - 9.25 percent, average, including inflation
Investment rate of return	6.85 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, 2021 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%	6.58%	2.43%
Debt securities	20%	-0.28%	-0.06%
Real assets	15%	5.77%	0.87%
Private equity	12%	9.85%	1.18%
Absolute return	16%	2.91%	0.47%
Cash and cash equivalents	0%	-1.01%	0.00%
Totals	100%		4.89%
		Inflation	2.50%
		Expected arithmetic nominal return	7.39%

The 6.85% assumed investment rate of return is comprised of an inflation rate of 2.50% and a real return of 4.35% that is net of investment expense.

Discount Rate

The discount rate used to measure the total pension liability was 6.85%. 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 reduced from 6.95% to 6.85% from the prior measurement date.

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 6.85%, 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 (5.85%) or one percentage-point higher (7.85%) than the current rate:

System	1% Decrease (5.85%)	Discount Rate (6.85%)	1% Increase (7.85%)
Noncontributory System	\$ 1,937,392	\$ (3,602,907)	\$ (8,225,208)
Public Safety System	2,866,102	(1,162,092)	(4,433,265)
Firefighters System	(959,987)	(3,920,277)	(6,319,692)
Tier 2 Public Employees System	469,973	(78,878)	(500,281)
Tier 2 Public Safety and Firefighter System	363,649	(45,329)	(370,001)
Total	\$ 4,677,129	\$ (8,809,483)	\$ (19,848,447)

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:

	2022	2021	2020
401(k) Plan*			
Employer contributions	\$ 597,113	\$ 534,708	\$ 553,201
Employee contributions	655,645	556,171	543,945
457 Plan			
Employer contributions	-	-	-
Employee contributions	238,138	236,991	214,304
Roth IRA Plan			
Employer contributions	N/A	N/A	N/A
Employee contributions	64,431	57,404	45,181

* 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 \$8,062,525 of tax increment monies for its project areas of which \$7,091,517 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 2022, the RDA expended \$497,945 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, 2022, 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, 2022, the City abated the following taxes:

Project Area	Developer	Tax Type	FY2022 Payment	Total Paid to Date	Total Maximum Abatement	Purpose	Expiration Year
Sand Hills	Utah Steakburgers	Property Tax	\$ 140,000	\$ 700,000	\$ 700,000	Economic development	FY2022
Fronrunner	BG Vista, L.C	Property Tax	\$1,947,675	\$ 9,125,779	\$58,820,533	Transit supportive development	FY2035
	Draper Holdings, LLC	Property Tax	\$1,967,675	\$ 9,661,062	\$18,637,006	Transit supportive development	FY2035
South Mountain	Pluralsight	Property Tax	\$ 403,694	\$ 448,897	\$24,047,647	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, 2022 the City made water purchases of \$2,160,530 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, 2022 were \$7,633,010 on original contracts totaling \$9,752,533.

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, 2022 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, 2022 was \$645.

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, 2022 the outstanding amount of this obligation is \$7,336,945.

16. SUBSEQUENT EVENTS

The City received its second 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 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. The City intends to use the optional governmental services revenue loss standard, as it did with the first installment, which allows the City to recognize and report the revenue in support of its governmental programs and services as the qualifying costs.

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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, 2022 – 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	\$ 8,511,000	\$ 8,511,000	\$ 9,152,900	\$ 641,900
Sales	15,200,000	16,807,300	19,216,512	2,409,212
Franchise	5,295,000	5,295,000	5,610,870	315,870
Licenses and permits	3,232,600	3,232,600	4,256,149	1,023,549
Intergovernmental	3,165,000	9,117,001	7,751,940	(1,365,061)
Charges for services	1,236,400	1,236,400	2,075,395	838,995
Fines and forfeitures	652,800	652,800	605,760	(47,040)
Interest	656,400	656,400	(653,248)	(1,309,648)
Donations	-	-	293,410	293,410
Miscellaneous	82,200	82,200	58,272	(23,928)
Total revenues	38,031,400	45,590,701	48,367,960	2,777,259
<u>EXPENDITURES</u>				
Current:				
General government:				
Legislative:				
Mayor and city council	296,900	296,900	246,932	49,968
Executive:				
City manager	869,500	884,500	802,649	81,851
Recorder	297,200	297,200	250,113	47,087
Elections	100,000	100,000	42,368	57,632
Legal services	539,300	542,800	480,078	62,722
Economic development	679,000	679,000	539,890	139,110
Information systems	726,600	777,600	775,569	2,031
GIS	271,200	273,200	258,610	14,590
Public relations	241,800	252,300	251,717	583
Community events	-	227,900	201,707	26,193
Administrative Services:				
Human resources	331,300	331,800	297,514	34,286
Finance	884,600	896,600	866,230	30,370
Facilities:				
Facilities maintenance	904,500	912,000	787,383	124,617
Fleet management	4,000	4,000	-	4,000
Nondepartmental:				
Nondepartmental	624,530	634,530	349,188	285,342

(continued)

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL – GENERAL FUND – FOR THE YEAR ENDED JUNE 30, 2022 – CITY OF DRAPER, UTAH (CONTINUED)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Public safety:				
Police	7,938,600	8,862,600	8,673,976	188,624
Fire	4,873,000	5,159,700	5,094,731	64,969
Court	677,700	679,700	617,758	61,942
Animal control	331,500	331,500	316,405	15,095
Total public safety	<u>13,820,800</u>	<u>15,033,500</u>	<u>14,702,870</u>	<u>330,630</u>
Highways and public improvements:				
Public works	560,700	571,200	552,167	19,033
Engineering	1,314,000	1,317,000	1,206,724	110,276
Streets	1,843,300	1,910,300	1,909,457	843
B & C road expenditures	267,400	267,400	53,800	213,600
Total highways and public improvements	<u>3,985,400</u>	<u>4,065,900</u>	<u>3,722,148</u>	<u>343,752</u>
Community Development:				
Development services	425,600	425,600	248,239	177,361
Planning	734,500	734,500	595,129	139,371
Ordinance enforcement	117,200	117,200	105,715	11,485
Building	1,415,300	1,417,300	1,285,919	131,381
Total community development	<u>2,692,600</u>	<u>2,694,600</u>	<u>2,235,002</u>	<u>459,598</u>
Parks, recreation, and public property:				
Parks and recreation	4,451,900	4,174,500	4,072,338	102,162
Cemetery	13,800	13,800	7,253	6,547
Total parks and recreation	<u>4,465,700</u>	<u>4,188,300</u>	<u>4,079,591</u>	<u>108,709</u>
Debt service:				
Principal	1,460,000	1,960,000	1,460,000	500,000
Interest	531,300	671,700	536,624	135,076
Total debt service	<u>1,991,300</u>	<u>2,631,700</u>	<u>1,996,624</u>	<u>635,076</u>
Total expenditures	<u>33,726,230</u>	<u>35,724,330</u>	<u>32,886,183</u>	<u>2,838,147</u>
Excess of revenues over expenditures	<u>4,305,170</u>	<u>9,866,371</u>	<u>15,481,777</u>	<u>5,615,406</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Sale of capital assets	-	-	22	22
Transfers in	466,800	466,800	466,550	(250)
Transfers out	(5,912,870)	(22,765,371)	(15,116,221)	7,649,150
Net other financing sources (uses)	<u>(5,446,070)</u>	<u>(22,298,571)</u>	<u>(14,649,649)</u>	<u>7,648,922</u>
Net change in fund balance	<u>\$ (1,140,900)</u>	<u>\$ (12,432,200)</u>	<u>832,128</u>	<u>\$ 13,264,328</u>
Fund balance, beginning of year			<u>30,154,055</u>	
Fund balance, end of year			<u>\$ 30,986,183</u>	

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
– BUDGET AND ACTUAL – REDEVELOPMENT AGENCY –
FOR THE YEAR ENDED JUNE 30, 2022 – 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	\$ 1,943,729	\$ 1,943,729	\$ 858,200	\$ (1,085,529)
Intergovernmental	5,908,571	5,908,571	7,204,325	1,295,754
Interest	80,000	80,000	81,198	1,198
Total revenues	7,932,300	7,932,300	8,143,723	211,423
<u>EXPENDITURES</u>				
Current:				
RDA expenditures	4,909,600	4,959,600	4,956,989	2,611
Debt service:				
Principal	571,000	571,000	571,000	-
Interest	49,200	49,200	48,847	353
Total debt service	620,200	620,200	619,847	353
Total expenditures	5,529,800	5,579,800	5,576,836	2,964
Excess of revenues over expenditures	2,402,500	2,352,500	2,566,887	214,387
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers out	(3,754,900)	(3,382,000)	(2,012,626)	1,369,374
Net other financing sources (uses)	(3,754,900)	(3,382,000)	(2,012,626)	1,369,374
Net change in fund balance	\$ (1,352,400)	\$ (1,029,500)	554,261	\$ 1,583,761
Fund balance, beginning of year			14,060,926	
Fund balance, end of year			\$ 14,615,187	

**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%
	2021	0.6290973%	(3,602,908)	5,023,659	-71.72%	108.70%
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%
	2021	1.4308970%	(1,162,092)	2,067,063	-56.22%	104.20%
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%
	2021	6.7218232%	(3,920,277)	2,241,018	-174.93%	120.10%
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%
	2021	0.1863683%	(78,878)	3,459,785	-2.28%	103.80%
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%
	2021	0.8968447%	(45,329)	2,144,697	-2.11%	102.80%

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%
	2021	904,813	904,813	-	4,934,130	18.34%
	2022	932,004	932,004	-	5,092,853	18.30%
Public Safety System	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%
	2020	606,586	606,586	-	1,882,998	32.21%
	2021	623,923	623,923	-	1,933,097	32.28%
	2022	714,030	714,030	-	2,216,542	32.21%
Firefighters System	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%
	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%
	2022	101,900	101,900	-	2,210,386	4.61%
Tier 2 Public Employees System*	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%
	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%
	2022	602,370	602,370	-	3,748,608	16.07%
Tier 2 Public Safety and Firefighter System*	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%
	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%
	2022	481,351	481,351	-	2,360,568	20.39%
Tier 2 DC Only System*	2014	\$ 2,265	\$ 2,265	\$ -	\$ 40,585	5.58%
	2015	4,753	4,753	-	76,026	6.25%
	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%
	2022	41,106	41,106	-	614,436	6.69%
Tier 2 DC Public Safety and Firefighter System*	2014	\$ 8,523	\$ 8,523	\$ -	\$ 85,743	9.94%
	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%
	2022	9,854	9,854	-	179,866	5.48%

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, 2022 - 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

The investment return assumption was decreased by 0.10% to 6.85% for use in the January 1, 2021 actuarial valuation. This assumption change was based on analysis performed by the actuary and adopted by the Utah State Retirement Board. In aggregate, this assumption change resulted in a \$509 million increase in the Total Pension Liability, which is about 1.3% of the Total Pension Liability of as December 31, 2020 for all systems combined. The demographic assumptions were reviewed and updated in the January 1, 2020 actuarial valuation and are currently scheduled to be reviewed in the year 2023.

3. BUDGETARY INFORMATION

See note 1 in the notes to the financial statements.

SUPPLEMENTAL INFORMATION

COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022 – 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	
ASSETS							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ 305,733	\$ -	\$ 305,733
Receivables:							
Accounts, net	-	-	-	-	206,284	-	206,284
Property taxes	-	-	-	-	525,322	-	525,322
Due from other funds	-	-	-	-	85,542	-	85,542
Restricted cash and cash equivalents	42,833	5,772,634	8,117,509	217,796	-	170,259	14,321,031
Other assets	-	-	-	-	89,584	-	89,584
Total assets	\$ 42,833	\$ 5,772,634	\$ 8,117,509	\$ 217,796	\$ 1,212,465	\$ 170,259	\$ 15,533,496
LIABILITIES							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 10,685	\$ -	\$ 10,685
Due to other funds	-	-	-	-	298,292	-	298,292
Total liabilities	-	-	-	-	308,977	-	308,977
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue-property taxes	-	-	-	-	525,322	-	525,322
Total deferred inflows of resources	-	-	-	-	525,322	-	525,322
FUND BALANCES							
Nonspendable	-	-	-	-	-	-	-
Restricted:							
Impact fees	42,833	5,772,634	8,117,509	217,796	-	-	14,150,772
Perpetual care	-	-	-	-	-	170,259	170,259
Assigned	-	-	-	-	378,166	-	378,166
Total fund balances	42,833	5,772,634	8,117,509	217,796	378,166	170,259	14,699,197
Total liabilities and fund balances	\$ 42,833	\$ 5,772,634	\$ 8,117,509	\$ 217,796	\$ 1,212,465	\$ 170,259	\$ 15,533,496

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS – FOR THE YEAR ENDED JUNE 30, 2022 – 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	\$ -	\$ -	\$ -	\$ -	\$ 278,329	\$ -	\$ 278,329
Intergovernmental	-	-	-	-	193,414	-	193,414
Impact fees	76,695	1,631,973	1,456,157	90,577	-	-	3,255,402
Interest	(886)	41,448	46,352	2,390	1,617	-	90,921
Total revenues	75,809	1,673,421	1,502,509	92,967	473,360	-	3,818,066
EXPENDITURES							
Current:							
General government	-	-	-	-	41,003	-	41,003
Highways and public improvements	-	11,206	-	-	736,154	-	747,360
Total expenditures	-	11,206	-	-	777,157	-	788,363
Excess of revenues over (under) expenditures	75,809	1,662,215	1,502,509	92,967	(303,797)	-	3,029,703
OTHER FINANCING SOURCES (USES)							
Transfers out	(38,000)	(1,205,993)	(410,945)	-	-	-	(1,654,938)
Total other financing sources (uses)	(38,000)	(1,205,993)	(410,945)	-	-	-	(1,654,938)
Net change in fund balances	37,809	456,222	1,091,564	92,967	(303,797)	-	1,374,765
Fund balances, beginning of year	5,024	5,316,412	7,025,945	124,829	681,963	170,259	13,324,432
Fund balances, end of year	\$ 42,833	\$ 5,772,634	\$ 8,117,509	\$ 217,796	\$ 378,166	\$ 170,259	\$ 14,699,197

***SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
MAJOR CAPITAL PROJECTS FUND – BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022 – 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	\$ -	\$ -	\$ 100,000	\$ 100,000
Total revenues	<u>-</u>	<u>-</u>	<u>100,000</u>	<u>100,000</u>
<u>EXPENDITURES</u>				
Capital outlay	31,798,800	48,270,001	6,363,914	41,906,087
Debt service: principal	-	-	82,174	(82,174)
Total expenditures	<u>31,798,800</u>	<u>48,270,001</u>	<u>6,446,088</u>	<u>41,823,913</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(31,798,800)</u>	<u>(48,270,001)</u>	<u>(6,346,088)</u>	<u>41,923,913</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	14,764,900	31,236,101	15,612,235	(15,623,866)
Net other financing sources (uses)	<u>14,764,900</u>	<u>31,236,101</u>	<u>15,612,235</u>	<u>(15,623,866)</u>
Net change in fund balance	<u>\$ (17,033,900)</u>	<u>\$ (17,033,900)</u>	<u>9,266,147</u>	<u>\$ 26,300,047</u>
Fund balance, beginning of year			<u>16,810,343</u>	
Fund balance, end of year			<u>\$ 26,076,490</u>	

***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, 2022 – 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	\$ -	\$ -	\$ 76,695	\$ 76,695
Interest	-	-	(886)	(886)
Total revenues	-	-	75,809	75,809
<u>EXPENDITURES</u>				
Capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Excess of revenues over expenditures	-	-	75,809	75,809
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers out	(40,000)	(40,000)	(38,000)	2,000
Net other financing sources (uses)	(40,000)	(40,000)	(38,000)	2,000
Net change in fund balance	\$ (40,000)	\$ (40,000)	37,809	\$ 77,809
Fund balance, beginning of year			<u>5,024</u>	
Fund balance, end of year			<u>\$ 42,833</u>	

***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, 2022 – 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	\$ -	\$ -	\$ 1,631,973	\$ 1,631,973
Interest	-	-	41,448	41,448
Total revenues	-	-	1,673,421	1,673,421
<u>EXPENDITURES</u>				
Current:				
Highways and public improvements	-	12,000	11,206	794
Total expenditures	-	12,000	11,206	794
Excess of revenues over expenditures	-	(12,000)	1,662,215	1,674,215
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers out	(4,755,700)	(5,210,200)	(1,205,993)	4,004,207
Net other financing sources (uses)	(4,755,700)	(5,210,200)	(1,205,993)	4,004,207
Net change in fund balance	\$ (4,755,700)	\$ (5,222,200)	456,222	\$ 5,678,422
Fund balance, beginning of year			5,316,412	
Fund balance, end of year			\$ 5,772,634	

**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, 2022 – 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	\$ -	\$ -	\$ 1,456,157	\$ 1,456,157
Interest	-	-	46,352	46,352
Total revenues	-	-	1,502,509	1,502,509
<u>EXPENDITURES</u>				
Current:				
Parks	-	-	-	-
Total expenditures	-	-	-	-
Excess of revenues over expenditures	-	-	1,502,509	1,502,509
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers out	(2,679,600)	(2,887,200)	(410,945)	2,476,255
Net other financing sources (uses)	(2,679,600)	(2,887,200)	(410,945)	2,476,255
Net change in fund balance	\$ (2,679,600)	\$ (2,887,200)	1,091,564	\$ 3,978,764
Fund balance, beginning of year			7,025,945	
Fund balance, end of year			\$ 8,117,509	

***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, 2022 – 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	\$ -	\$ -	\$ 90,577	\$ 90,577
Interest	-	-	2,390	2,390
Total revenues	-	-	92,967	92,967
<u>EXPENDITURES</u>				
Capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Excess of revenues over expenditures	-	-	92,967	92,967
Net change in fund balance	\$ -	\$ -	92,967	\$ 92,967
Fund balance, beginning of year			124,829	
Fund balance, end of year			\$ 217,796	

***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, 2022 – 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	\$ -	\$ -	\$ 278,329	\$ 278,329
Intergovernmental	-	-	193,414	193,414
Interest	-	-	1,617	1,617
Total revenues	-	-	473,360	473,360
<u>EXPENDITURES</u>				
Current:				
General government	-	-	41,003	(41,003)
Highways and public improvements	-	-	736,154	(736,154)
Total expenditures	-	-	777,157	(777,157)
Net change in fund balance	\$ -	\$ -	(303,797)	\$ (303,797)
Fund balance, beginning of year			<u>681,963</u>	
Fund balance, end of year			<u>\$ 378,166</u>	

STATEMENT OF NET POSITION – INTERNAL SERVICE FUNDS
JUNE 30, 2022 – CITY OF DRAPER, UTAH

	Risk Management Fund	Fleet Management Fund	Total
<u>ASSETS</u>			
Current assets:			
Cash and cash equivalents	3,019,643	1,879,455	\$ 4,899,098
Accounts receivable, net	7,728	23,900	31,628
Total current assets	3,027,371	1,903,355	4,930,726
Noncurrent assets:			
Capital assets:			
Construction in progress	-	69,610	69,610
Machinery, equipment, vehicles	-	12,765,219	12,765,219
Accumulated depreciation	-	(7,967,944)	(7,967,944)
Net capital assets	-	4,866,885	4,866,885
Other assets:			
Net pension asset	16,755	58,695	75,450
Total other assets	16,755	58,695	75,450
Total noncurrent assets	16,755	4,925,580	4,942,335
Total assets	3,044,126	6,828,935	9,873,061
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred outflows related to pensions	12,677	44,410	57,087
Total deferred outflows of resources	12,677	44,410	57,087
<u>LIABILITIES</u>			
Current liabilities:			
Accounts payable	\$ 9,737	\$ 17,193	\$ 26,930
Accrued liabilities	5,948	7,815	13,763
Compensated absences	326	1,677	2,003
Lease payable, current	-	37,105	37,105
Claims and judgments	231,625	-	231,625
Total current liabilities	247,636	63,790	311,426
Noncurrent liabilities:			
Compensated absences	1,303	6,708	8,011
Lease payable	-	38,595	38,595
Claims and judgments	759,740	-	759,740
Total noncurrent liabilities	761,043	45,303	806,346
Total liabilities	1,008,679	109,093	1,117,772
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred inflows related to pensions	38,774	135,832	174,606
Total deferred outflows of resources	38,774	135,832	174,606
<u>NET POSITION</u>			
Net investment in capital assets	-	4,791,185	4,791,185
Unrestricted	2,009,350	1,837,235	3,846,585
Total net position	\$ 2,009,350	\$ 6,628,420	\$ 8,637,770

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2022 – CITY OF DRAPER, UTAH

	Risk Management Fund	Fleet Management Fund	Total
<u>OPERATING REVENUES</u>			
Sales and charges for services	\$ 620,800	\$ 525,200	\$ 1,146,000
Miscellaneous income	79,282	-	79,282
Total operating revenues	700,082	525,200	1,225,282
<u>OPERATING EXPENSES</u>			
Salaries and benefits	104,557	360,479	465,036
Utilities	507	64,757	65,264
Supplies and repairs	38,550	37,274	75,824
Claims and insurance	1,057,306	4,000	1,061,306
Administrative	39,049	75,334	114,383
Depreciation	-	914,268	914,268
Total operating expenses	1,239,969	1,456,112	2,696,081
Operating loss	(539,887)	(930,912)	(1,470,799)
<u>NONOPERATING REVENUES (EXPENSES)</u>			
Interest income	20,020	-	20,020
Interest and fiscal expenses	-	(619)	(619)
Gain/(loss) on disposal of assets	-	73,227	73,227
Total nonoperating revenues (expenses)	20,020	72,608	92,628
Income (loss) before contributions and transfers	(519,867)	(858,304)	(1,378,171)
Capital contributions	-	5,156,724	5,156,724
Transfers in	-	80,000	80,000
Change in net position	(519,867)	4,378,420	3,858,553
Total net position, beginning	2,529,217	2,250,000	4,779,217
Total net position, ending	\$ 2,009,350	\$ 6,628,420	\$ 8,637,770

STATEMENT OF CASH FLOWS - INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2022 – CITY OF DRAPER, UTAH

	Risk Management Fund	Fleet Management Fund	Total
Cash flows from operating activities			
Receipts from customers and users	\$ 692,354	\$ 501,300	\$ 1,193,654
Payments to suppliers	(839,039)	(164,172)	(1,003,211)
Payments to employees	(93,490)	(311,552)	(405,042)
Net cash provided (used) by operating activities	(240,175)	25,576	(214,599)
Cash flows from noncapital financing activities			
Transfers from other funds	-	80,000	80,000
Net cash provided by noncapital financing activities	-	80,000	80,000
Cash flows from capital and related financing activities			
Acquisition of capital assets	-	(641,830)	(641,830)
Proceeds from sale of assets	-	90,628	90,628
Proceeds from issuance of debt	-	115,549	115,549
Principal paid on capital debt	-	(39,849)	(39,849)
Interest paid	-	(619)	(619)
Net cash used by capital and related financing activities	-	(476,121)	(476,121)
Cash flows from investing activities			
Interest received	20,020	-	20,020
Net cash provided by investing activities	20,020	-	20,020
Net decrease in cash and cash equivalents	(220,155)	(370,545)	(590,700)
Cash and cash equivalents, beginning of year	3,239,798	2,250,000	5,489,798
Cash and cash equivalents, end of year	\$ 3,019,643	\$ 1,879,455	\$ 4,899,098
Total cash and cash equivalents	\$ 3,019,643	\$ 1,879,455	\$ 4,899,098
Reconciliation of operating loss to net used by operating activities			
Operating loss	\$ (539,887)	\$ (930,912)	\$ (1,470,799)
Adjustments to reconcile operating loss to net cash used by operating activities			
Depreciation	-	914,268	914,268
Changes in assets and liabilities:			
Accounts receivable	(7,728)	(23,900)	(31,628)
Accounts payable	6,898	17,193	24,091
Accrued liabilities	2,238	7,815	10,053
Compensated absences	(513)	8,385	7,872
Net pension adjustments	9,342	32,727	42,069
Claims and judgments	289,475	-	289,475
Net cash used by operating activities	\$ (240,175)	\$ 25,576	\$ (214,599)

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.

Schedules 1- 4

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.

Schedules 5 - 11

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.

Schedules 12 - 16

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.

Schedules 17 - 18

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.

Schedules 19 - 20

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

	2013	2014	2015	2016	2017
Governmental Activities					
Net investment in capital assets	\$ 374,535,703	\$ 374,159,100	\$ 368,851,874	\$ 364,762,906	\$ 381,985,718
Restricted	19,481,754	22,865,924	23,906,211	22,188,324	19,765,746
Unrestricted	19,898,797	28,020,527	37,168,264	45,136,966	55,189,852
Prior Period Adjustment		(3,820,891)	-	9,437,465	
Total Governmental Activities					
Net Position	<u>\$ 413,916,254</u>	<u>\$ 421,224,660</u>	<u>\$ 429,926,349</u>	<u>\$ 441,525,661</u>	<u>\$ 456,941,316</u>
Business-Type Activities					
Net investment in capital assets	\$ 40,975,643	\$ 41,142,086	\$ 46,344,018	\$ 48,593,305	\$ 47,343,227
Restricted	2,224,174	1,414,702	192,763	206,470	219,288
Unrestricted	8,521,299	10,620,200	10,130,630	12,980,306	15,094,842
Prior Period Adjustment		(525,816)	-	(2,718,983)	
Total Business-type Activities					
Net Position	<u>\$ 51,721,116</u>	<u>\$ 52,651,172</u>	<u>\$ 56,667,411</u>	<u>\$ 59,061,098</u>	<u>\$ 62,657,357</u>
Primary Government					
Net investment in capital assets	\$ 415,511,346	\$ 415,301,186	\$ 415,195,892	\$ 413,356,211	\$ 429,328,945
Restricted	21,705,928	24,280,626	24,098,974	22,394,794	19,985,034
Unrestricted	28,420,096	38,640,727	47,298,894	58,117,272	70,284,694
Prior Period Adjustment		(4,346,707)	-	6,718,482	
Total Primary Government					
Net Position	<u>\$ 465,637,370</u>	<u>\$ 473,875,832</u>	<u>\$ 486,593,760</u>	<u>\$ 500,586,759</u>	<u>\$ 519,598,673</u>
	2018	2019	2020	2021	2022
Governmental Activities					
Net investment in capital assets	\$ 398,586,894	\$ 410,564,276	\$ 415,426,098	\$ 428,641,181	\$ 429,598,296
Restricted	13,980,259	16,426,406	17,571,469	20,086,020	24,542,905
Unrestricted	48,826,778	53,248,295	51,490,530	55,476,167	65,267,117
Total Governmental Activities					
Net Position	<u>\$ 461,393,931</u>	<u>\$ 480,238,977</u>	<u>\$ 484,488,097</u>	<u>\$ 504,203,368</u>	<u>\$ 519,408,318</u>
Business-Type Activities					
Net investment in capital assets	\$ 47,752,564	\$ 51,788,368	\$ 52,312,893	\$ 54,369,592	\$ 55,686,449
Restricted	231,942	244,875	257,183	257,738	257,302
Unrestricted	19,257,839	24,190,876	29,283,632	34,062,925	37,621,809
Total Business-type Activities					
Net Position	<u>\$ 67,242,345</u>	<u>\$ 76,224,119</u>	<u>\$ 81,853,708</u>	<u>\$ 88,690,255</u>	<u>\$ 93,565,560</u>
Primary Government					
Net investment in capital assets	\$ 446,339,458	\$ 462,352,644	\$ 467,738,991	\$ 483,010,773	\$ 485,284,745
Restricted	14,212,201	16,671,281	17,828,652	20,343,758	24,800,207
Unrestricted	68,084,617	77,439,171	80,774,162	89,539,092	102,888,926
Total Primary Government					
Net Position	<u>\$ 528,636,276</u>	<u>\$ 556,463,096</u>	<u>\$ 566,341,805</u>	<u>\$ 592,893,623</u>	<u>\$ 612,973,878</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)

	2013	2014	2015	2016	2017
Expenses					
Governmental activities:					
General government	\$ 9,280,255	\$ 9,481,731	\$ 9,783,775	\$ 16,920,589	\$ 8,583,411
Public safety	8,994,974	9,956,075	9,797,729	10,336,154	12,527,353
Highway and public improvements	7,479,013	6,688,271	10,283,258	9,928,621	10,395,696
Community Development	-	-	-	-	1,953,945
Parks and recreation	3,474,203	3,827,766	3,728,661	4,063,272	4,687,923
Interest on long-term debt	1,213,615	1,429,969	1,261,076	1,274,476	1,118,392
Total governmental activities expenses	30,442,060	31,383,812	34,854,499	42,523,112	39,266,720
Business-type activities:					
Water	4,243,935	3,899,803	4,013,873	4,444,945	4,622,995
Storm water	2,014,894	2,112,147	1,546,988	1,509,626	1,732,415
Solid waste	1,706,160	1,738,238	1,898,969	1,869,733	1,858,396
Ambulance	-	-	-	-	235,224
Total business-type activities expenses	7,964,989	7,750,188	7,459,830	7,824,304	8,449,030
Total primary government expenses	\$ 38,407,049	\$ 39,134,000	\$ 42,314,329	\$ 50,347,416	\$ 47,715,750
Program Revenues					
Governmental activities:					
Charges for services					
General government	\$ 4,099,233	\$ 4,724,132	\$ 5,197,605	\$ 5,777,093	\$ 1,617,580
Public safety	652,287	709,199	649,468	805,876	982,633
Highway and public improvements	19,278	731,699	7,261	6,834	291,480
Community Development	-	-	-	-	3,463,617
Parks and recreation	342,050	620,709	443,717	487,515	498,636
Operating grants and contributions	1,503,827	1,598,512	6,140,914	7,008,060	7,258,729
Capital grants and contributions	6,908,876	8,138,397	7,747,155	5,665,882	5,207,304
Total governmental activities program rev.	13,525,551	16,522,648	20,186,120	19,751,260	19,319,979
Business-type activities:					
Charges for services:					
Water	4,438,556	4,233,154	4,539,139	4,572,537	5,062,507
Storm water	1,336,765	1,644,936	1,999,172	2,340,590	2,752,068
Solid waste	2,275,899	2,346,468	2,419,692	2,436,564	2,480,632
Capital grants and contributions	1,086,288	930,663	2,449,464	3,497,131	1,245,868
Total business-type activities program rev.	9,137,508	9,155,221	11,407,467	12,846,822	11,541,075
Total primary government program rev.	\$ 22,663,059	\$ 25,677,869	\$ 31,593,587	\$ 32,598,082	\$ 30,861,054

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

	2018	2019	2020	2021	2022
Expenses					
Governmental activities:					
General government	\$ 9,056,349	\$ 9,600,137	\$ 10,379,534	\$ 11,629,655	\$ 11,263,352
Public safety	11,815,383	12,384,390	13,066,189	13,763,801	14,143,046
Highway and public improvements	15,427,559	10,670,263	12,148,438	8,899,167	11,526,831
Community Development	1,990,225	2,369,139	2,394,847	2,274,909	2,226,816
Parks and recreation	8,382,432	5,332,282	7,172,495	5,484,580	5,749,333
Interest on long-term debt	826,780	769,351	687,827	501,251	469,164
Total governmental activities expenses	<u>47,498,728</u>	<u>41,125,562</u>	<u>45,849,330</u>	<u>42,553,363</u>	<u>45,378,542</u>
Business-type activities:					
Water	4,442,047	4,620,864	5,230,180	5,576,316	5,402,191
Storm water	1,592,573	1,530,497	1,601,848	1,845,995	1,719,238
Solid waste	2,088,835	2,278,154	2,415,102	2,424,928	2,694,021
Ambulance	1,911,914	3,063,948	3,137,237	2,769,925	3,211,912
Total business-type activities expenses	<u>10,035,369</u>	<u>11,493,463</u>	<u>12,384,367</u>	<u>12,617,164</u>	<u>13,027,362</u>
Total primary government expenses	<u>\$ 57,534,097</u>	<u>\$ 52,619,025</u>	<u>\$ 58,233,697</u>	<u>\$ 55,170,527</u>	<u>\$ 58,405,904</u>
Program Revenues					
Governmental activities:					
Charges for services					
General government	\$ 918,577	\$ 924,127	\$ 1,018,092	\$ 1,177,573	\$ 1,424,056
Public safety	860,433	965,234	854,777	755,070	782,069
Highway and public improvements	60,308	81,984	57,929	6,988	33,726
Community Development	4,245,511	4,809,612	3,779,126	4,005,290	4,264,290
Parks and recreation	505,985	519,049	359,021	608,034	563,394
Operating grants and contributions	8,499,074	8,503,426	7,606,653	12,404,716	12,080,745
Capital grants and contributions	9,070,007	15,136,893	6,985,659	12,048,134	9,404,510
Total governmental activities program rev.	<u>24,159,895</u>	<u>30,940,325</u>	<u>20,661,257</u>	<u>31,005,805</u>	<u>28,552,790</u>
Business-type activities:					
Charges for services:					
Water	5,006,641	5,095,170	5,290,881	5,951,627	5,203,872
Storm water	3,174,051	3,244,775	3,297,721	3,342,262	2,705,715
Solid waste	2,531,277	2,603,043	2,658,744	2,744,942	2,825,767
Ambulance	1,319,889	1,700,430	1,442,590	1,572,802	1,867,058
Operating grants and contributions	-	-	8,161	-	-
Capital grants and contributions	1,560,318	5,933,367	3,036,128	3,664,193	2,448,296
Total business-type activities program rev.	<u>13,592,176</u>	<u>18,576,785</u>	<u>15,734,225</u>	<u>17,275,826</u>	<u>15,050,708</u>
Total primary government program rev.	<u>\$ 37,752,071</u>	<u>\$ 49,517,110</u>	<u>\$ 36,395,482</u>	<u>\$ 48,281,631</u>	<u>\$ 43,603,498</u>

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

	2013	2014	2015	2016	2017
Net (Expense)/Revenue					
Governmental activities	\$ (16,916,509)	\$ (14,861,164)	\$ (14,668,379)	\$ (22,771,852)	\$ (19,946,741)
Business-type activities	1,172,519	1,405,033	3,947,637	5,022,518	3,092,045
Total primary government net (exp) rev.	<u>\$ (15,743,990)</u>	<u>\$ (13,456,131)</u>	<u>\$ (10,720,742)</u>	<u>\$ (17,749,334)</u>	<u>\$ (16,854,696)</u>
General Revenues and Other Changes in Net Position					
Governmental activities:					
Taxes					
Property taxes	\$ 11,842,416	\$ 11,947,977	\$ 7,690,018	\$ 8,216,888	\$ 8,913,119
Sales taxes	8,009,456	8,790,098	9,967,402	10,561,361	11,774,335
Franchise taxes	4,737,336	4,921,554	4,888,625	5,171,626	5,329,131
Unrestricted investment earnings	285,538	330,832	824,023	926,815	1,179,625
Gain (loss) on sale of capital assets	-	-	-	60,209	8,511,186
Total governmental activities	<u>24,874,746</u>	<u>25,990,461</u>	<u>23,370,068</u>	<u>24,933,699</u>	<u>35,362,396</u>
Unrestricted investment earnings	85,263	50,839	68,602	84,883	159,214
(2) Gain (loss) on sale of capital assets	-	-	-	2,069	-
Transfers	-	-	-	3,200	345,000
Total Business-Type Activities	<u>85,263</u>	<u>50,839</u>	<u>68,602</u>	<u>90,152</u>	<u>504,214</u>
Total primary government	<u>\$ 24,960,009</u>	<u>\$ 26,041,300</u>	<u>\$ 23,438,670</u>	<u>\$ 25,023,851</u>	<u>\$ 35,866,610</u>
Change in Net Position					
Governmental activities	\$ 7,958,237	\$ 11,129,297	\$ 8,701,689	\$ 2,161,847	\$ 15,415,655
Prior Period Adjustment	-	(3,820,891)	-	9,437,465	-
Business-type activities	1,257,782	1,455,872	4,016,239	5,112,670	3,596,259
Prior Period Adjustment	-	(525,816)	-	(2,718,983)	-
Total primary government	<u>\$ 9,216,019</u>	<u>\$ 8,238,462</u>	<u>\$ 12,717,928</u>	<u>\$ 13,992,999</u>	<u>\$ 19,011,914</u>

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

	2018	2019	2020	2021	2022
Net (Expense)/Revenue					
Government activities	\$ (23,338,833)	\$ (10,185,237)	\$ (25,188,073)	\$ (11,547,558)	\$ (16,825,752)
Business-type activities	3,556,807	7,083,322	3,349,858	4,658,662	2,023,346
Total primary government net (expense) revenue	<u>\$ (19,782,026)</u>	<u>\$ (3,101,915)</u>	<u>\$ (21,838,215)</u>	<u>\$ (6,888,896)</u>	<u>\$ (14,802,406)</u>
General Revenues and Other Changes in Net Position					
Governmental activities:					
Taxes					
Property taxes	\$ 8,746,336	\$ 8,957,745	\$ 9,261,840	\$ 10,134,491	\$ 10,289,429
Sales taxes	12,946,117	13,450,317	14,255,962	16,788,860	19,216,512
Franchise taxes	5,333,829	5,269,126	5,261,476	5,476,814	5,610,870
Unrestricted investment earnings	1,418,777	2,233,836	2,373,785	828,914	(461,109)
Gain (loss) on sale of capital assets	10,024	324,949	50,180	-	-
Transfers	(663,635)	(1,205,690)	(1,766,050)	(1,966,250)	(2,625,000)
Total Governmental Activities	<u>27,791,448</u>	<u>29,030,283</u>	<u>29,437,193</u>	<u>31,262,829</u>	<u>32,030,702</u>
Business-type activities:					
Unrestricted investment earnings	350,607	640,481	510,345	191,302	179,729
Gain (loss) on sale of capital assets	13,939	52,281	3,336	20,333	47,230
Transfers	663,635	1,205,690	1,766,050	1,966,250	2,625,000
Total business-type activities	<u>1,028,181</u>	<u>1,898,452</u>	<u>2,279,731</u>	<u>2,177,885</u>	<u>2,851,959</u>
Total primary government	<u>\$ 28,819,629</u>	<u>\$ 30,928,735</u>	<u>\$ 31,716,924</u>	<u>\$ 33,440,714</u>	<u>\$ 34,882,661</u>
Change in Net Position					
Governmental activities	\$ 4,452,615	\$ 18,845,046	\$ 4,249,120	\$ 19,715,271	\$ 15,204,950
Business-type activities	4,584,988	8,981,774	5,629,589	6,836,547	4,875,305
Total primary government	<u>\$ 9,037,603</u>	<u>\$ 27,826,820</u>	<u>\$ 9,878,709</u>	<u>\$ 26,551,818</u>	<u>\$ 20,080,255</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.

Notes: 2013 - 2021 net investment in joint venture income/loss was changed in the FY22 ACFR to be reported with business-type capital grants and contributions rather than with other changes to net position.

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

	2013	2014	2015	2016	2017
General fund					
Nonspendable	\$ 13,312	\$ 985,711	\$ 12,856,584	\$ 13,347,903	\$ 13,391,514
Restricted	17,300,416	4,785,367	5,903,264	3,802,273	3,740,654
Assigned	-	-	377,380	-	-
Unassigned	5,083,615	8,012,152	16,374,448	12,784,627	16,334,304
Total general fund	22,397,343	13,783,230	35,511,676	29,934,803	33,466,472
All other governmental funds					
Nonspendable, reported in:					
Restricted, reported in:					
Capital projects funds	-	7,852,043	6,094,989	5,387,731	4,122,428
Special revenue funds	-	10,228,514	11,907,958	12,998,320	11,902,664
Assigned, reported in:					
Capital projects funds	15,742,080	12,382,118	4,035,374	10,874,201	15,580,334
Special revenue funds	15,936,723	7,091,185	9,067,181	9,918,649	12,520,797
Total all other gov. funds	31,678,803	37,553,860	31,105,502	39,178,901	44,126,223
Total governmental funds	<u>\$ 54,076,146</u>	<u>\$ 51,337,090</u>	<u>\$ 66,617,178</u>	<u>\$ 69,113,704</u>	<u>\$ 77,592,695</u>

	2018	2019	2020	2021	2022
General fund					
Nonspendable	\$ 11,127,060	\$ 10,521,574	\$ 9,844,768	\$ 9,208,677	\$ 8,481,401
Restricted	2,937,133	4,313,504	4,906,715	7,382,761	10,161,084
Assigned	-	-	-	-	-
Unassigned	8,183,435	12,857,711	13,936,253	13,562,617	12,343,698
Total general fund	22,247,628	27,692,789	28,687,736	30,154,055	30,986,183
All other governmental funds					
Nonspendable, reported in:					
Special revenue funds	120,154	247,854	228,269	92,708	-
Restricted, reported in:					
Capital projects funds	329,631	1,329,631	429,948	60,790	60,790
Special revenue funds	10,713,495	10,783,271	12,234,806	12,642,469	14,321,031
Assigned, reported in:					
Capital projects funds	16,426,939	14,895,362	13,412,500	16,749,553	26,015,700
Special revenue funds	15,268,267	17,118,956	16,163,443	14,650,181	14,993,353
Total all other gov. funds	<u>\$ 42,858,486</u>	<u>\$ 44,375,074</u>	<u>\$ 42,468,966</u>	<u>\$ 44,195,701</u>	<u>\$ 55,390,874</u>
Total governmental funds	<u>\$ 65,106,114</u>	<u>\$ 72,067,863</u>	<u>\$ 71,156,702</u>	<u>\$ 74,349,756</u>	<u>\$ 86,377,057</u>

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

	2013	2014	2015	2016	2017
Revenues:					
Taxes	\$ 24,589,208	\$ 25,659,629	\$ 22,546,045	\$ 23,949,875	\$ 26,016,585
Licenses and permits	2,753,909	2,608,799	3,135,690	3,944,808	3,483,912
Intergovernmental	1,559,341	7,282,464	8,214,289	7,056,946	7,903,771
Charges for services	2,281,193	1,759,568	2,521,990	2,270,778	1,960,286
Impact fees	3,151,050	2,197,123	3,285,017	4,579,545	2,463,363
Fines and forfeitures	614,663	650,983	594,383	748,234	842,952
Interest and Investment Earnings	285,908	243,903	824,023	926,815	1,159,284
Lease revenue	1,475,494	701,796	369,037	245,131	227,248
Donations and reimbursements	68,706	-	147,500	134,387	1,344,194
Miscellaneous	3,098,844	378,563	152,238	127,342	544,286
Total revenues	39,878,316	41,482,828	41,790,212	43,983,861	45,945,881
Expenditures:					
General government	7,903,409	7,144,127	8,447,584	8,835,135	6,727,072
Public safety	8,760,349	9,418,513	9,633,865	10,165,655	12,578,561
Highways and public improvements	3,024,464	2,065,900	3,944,068	5,515,786	5,153,195
Community development	-	-	-	-	1,902,542
Parks, recreation and public property	2,659,074	2,693,997	2,689,688	3,009,632	3,452,201
Redevelopment agency	1,861,704	1,600,250	2,083,389	8,926,596	2,100,264
Capital outlay	11,131,675	6,499,274	9,793,752	5,178,629	10,262,592
Debt service					
Principal	6,690,000	3,705,000	1,460,000	3,114,789	2,720,161
Interest	1,276,035	1,682,033	1,435,872	1,375,710	1,362,315
Bond issuance cost	339,826	-	151,815	60,985	32,502
Total expenditures	43,646,536	34,809,094	39,640,033	46,182,917	46,291,405
Excess (deficiency) of revenues over (under) expenditures	(3,768,220)	6,673,734	2,150,179	(2,199,056)	(345,524)
Other financing sources (uses):					
Transfers in	18,254,838	8,063,840	8,111,676	13,058,217	13,756,788
Transfers out	(18,254,838)	(8,063,840)	(8,878,759)	(14,061,417)	(14,101,788)
Bond and loan proceeds	24,560,000	-	8,936,759	5,612,000	1,919,000
Premium on bond issued	3,579,433	-	-	-	-
Pmt. to refunding bond escrow agent	(3,045,771)	(10,463,256)	(8,778,746)	-	(1,879,149)
Impact fee reimbursement	(450,000)	-	-	-	-
Sale of assets	661,344	1,050,466	404,248	86,782	9,129,664
Total other financing sources (uses)	25,305,006	(9,412,790)	(204,822)	4,695,582	8,824,515
Net change in fund balances	\$ 21,536,786	\$ (2,739,056)	\$ 1,945,357	\$ 2,496,526	\$ 8,478,991
Debt service as a percentage of non-capital expenditures	26%	19%	10%	11%	11%

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

	2018	2019	2020	2021	2022
Revenues:					
Taxes	\$ 27,026,282	\$ 27,677,188	\$ 28,779,278	\$ 32,400,165	\$ 35,116,811
Licenses and permits	4,281,729	4,832,300	3,783,877	4,051,318	4,256,149
Intergovernmental	13,407,860	12,440,066	9,672,491	13,750,440	15,249,679
Charges for services	1,526,418	1,625,856	1,304,299	1,669,719	2,075,395
Impact fees	3,759,029	4,767,585	3,342,156	2,515,916	3,255,402
Fines and forfeitures	734,373	826,774	708,741	538,903	605,760
Interest and Investment Earnings	1,376,215	2,164,757	2,318,840	808,673	(481,129)
Lease revenue	231,666	229,071	231,491	229,230	-
Donations and reimbursements	357,306	166,768	62,996	102,730	293,410
Miscellaneous	177,045	33,971	54,546	36,117	58,272
Total revenues	52,877,923	54,764,336	50,258,715	56,103,211	60,429,749
Expenditures:					
General government	6,394,954	6,626,593	6,669,758	6,737,986	6,190,951
Public safety	13,078,171	11,122,962	12,294,433	12,867,701	14,702,870
Highways and public improvements	5,853,710	4,112,082	4,755,868	4,080,791	4,469,508
Community development	2,011,041	2,317,925	2,397,038	2,344,293	2,235,002
Parks, recreation and public property	3,896,494	3,703,991	3,835,845	3,936,810	4,079,591
Redevelopment agency	3,157,620	3,462,583	3,934,448	4,493,906	4,956,989
Capital outlay	20,211,097	11,263,861	11,942,344	6,991,367	6,363,914
Debt service					
Principal	2,601,000	2,877,333	2,769,000	6,380,000	2,113,174
Interest	1,035,876	955,628	875,372	876,898	585,471
Bond issuance cost	15,950	-	-	14,300	-
Total expenditures	58,255,913	46,442,958	49,474,106	48,724,052	45,697,470
Excess (deficiency) of revenues over (under) expenditures	(5,377,990)	8,321,378	784,609	7,379,159	14,732,279
Other financing sources (uses):					
Transfers in	14,342,038	7,813,765	9,487,395	11,106,873	16,078,785
Transfers out	(15,855,673)	(9,530,155)	(11,253,445)	(15,323,123)	(18,783,785)
Bond and loan proceeds	-	-	-	-	-
Premium on bond issued	-	-	-	-	-
Pmt. to refunding bond escrow agent	(5,630,205)	-	-	-	-
Impact fee reimbursement	-	-	-	-	-
Sale of assets	35,249	356,761	70,280	30,145	22
Total other financing sources (uses)	(7,108,591)	(1,359,629)	(1,695,770)	(4,186,105)	(2,704,978)
Net change in fund balances	\$ (12,486,581)	\$ 6,961,749	\$ (911,161)	\$ 3,193,054	\$ 12,027,301
Debt service as a percentage of non-capital expenditures	10%	11%	10%	17%	7%

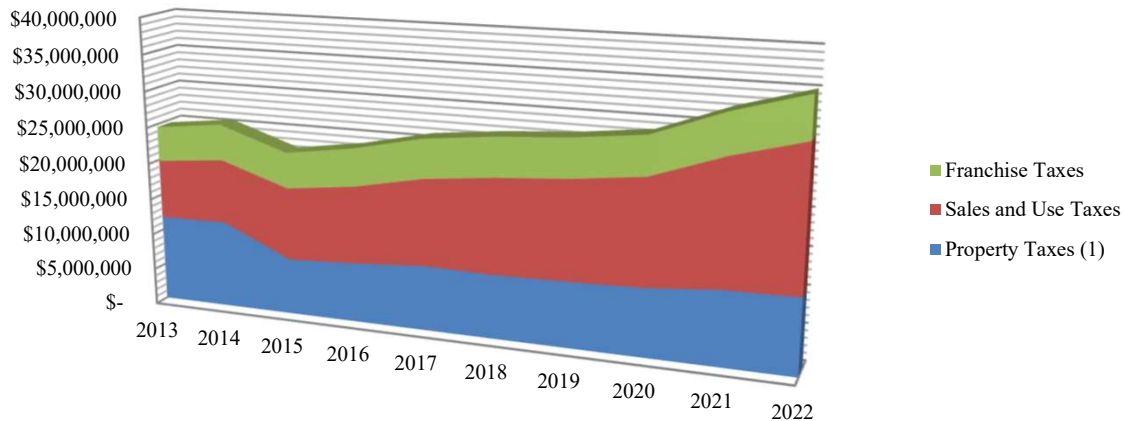
Schedule 5
CITY OF DRAPER, UTAH
Tax Revenues by Source, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

Fiscal Year	Property Taxes (1)	Sales and Use Taxes	Franchise Taxes	Total
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
2022	10,289,429	19,216,512	5,610,870	35,116,811
Growth 2013-2022	(1,552,987)	11,207,056	873,534	10,527,603

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.

Tax Revenue by Source



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

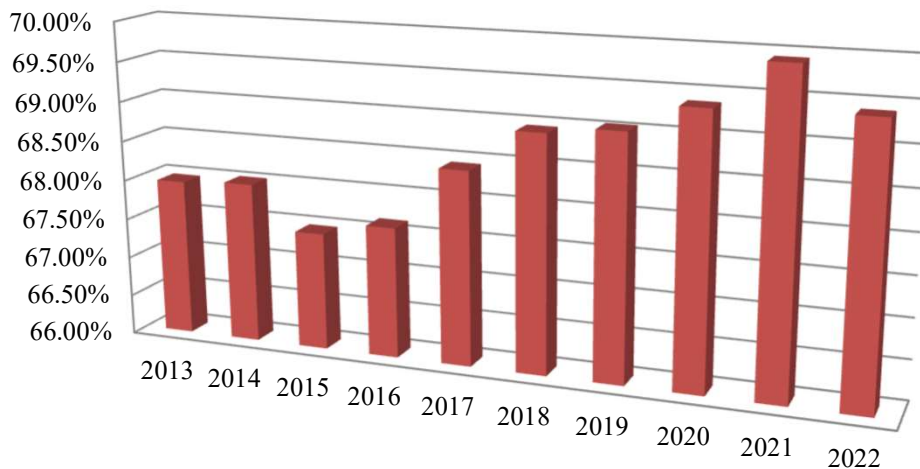
Fiscal Year	Tax Year	Primary Residential Property	Other Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Value (1)	Assessed Value as a Percentage of Actual Value
2013	2012	\$2,027,602,106	\$1,493,230,644	\$ 3,520,832,750	0.002009	\$ 5,179,779,928	67.97%
2014	2013	2,189,569,543	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%
2022	2021	4,544,684,934	3,889,400,097	8,434,085,031	0.001141	12,152,463,613	69.40%

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

		City Direct Rates			Overlapping Rates					
					Traverse					
Fiscal Year	Tax Year	Operating	Debt Service	Total Direct	Salt Lake County	Canyons School District	Ridge Special District	Jordan School District	Other	Total
SALT LAKE COUNTY										
Tax Area 51B (Beginning 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
2022	2021	0.001070	0.000071	0.001141	0.001777			0.006168	0.001743	0.010829
Tax Area 051, 051A, 51B										
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
2022	2021	0.001070	0.000071	0.001141	0.001777	0.006643			0.002090	0.011651
Tax Area 055, 52A, 55A, 55B, 55C, 55D, 55E, 55F, 55G										
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
2022	2021	0.001070	0.000071	0.001141	0.001777	0.006643			0.002060	0.011621

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

City Direct Rates					Overlapping Rates					
Fiscal Year	Tax Year	Operating	Debt Service	Total Direct	Salt Lake County	Canyons School District	Traverse Ridge Special District	Jordan School District	Other	Total
SALT LAKE COUNTY - CONTINUED										
Tax Area 056										
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
2022	2021	0.001070	0.000071	0.001141	0.001777	0.006643			0.00181	0.011371
Tax Area 54B										
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
2022	2021	0.001070	0.000071	0.001141	0.001777	0.006643	0.000447		0.00206	0.012068

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

		City Direct Rates			Overlapping Rates				
		General	Debt	Total	Traverse				
Fiscal Year	Tax Year	Fund	Service	Direct	Utah County	Alpine School District	Ridge Special District	Other	Total
UTAH COUNTY									
Tax Area 013 - New as of 2020									
2021	2020	0.001148	0.000079	0.001227	0.001041	0.006800		0.001214	0.010282
2022	2021	0.001070	0.000071	0.001141	0.000853	0.006904		0.001188	0.010086
Tax Area 014									
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
2022	2021	0.001070	0.000071	0.001141	0.000853	0.006904		0.000819	0.009717
Tax Area 017									
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
2022	2021	0.001070	0.000071	0.001141	0.000853	0.006904		0.000569	0.009467

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

City Direct Rates					Overlapping Rates					
Fiscal Year	Tax Year	General Fund	Debt Service	Total Direct	Utah County	Alpine School District	Traverse Ridge Special District		Other	Total
UTAH COUNTY - CONTINUED										
Tax Area 018										
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	
2022	2021	0.001070	0.000071	0.001141	0.000853	0.006904	0.000447	0.002079	0.011424	
Tax Area 019										
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	
2022	2021	0.001070	0.000071	0.001141	0.000853	0.006904	0.000447	0.001188	0.010533	

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)
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	157,368	13,474	6,366,016	99.50%
2017	2016	0.001560	6,645,322	6,822,665	143,019	20,880	6,986,564	105.14%
2018	2017	0.001460	6,906,340	6,574,243	156,580	18,249	6,749,072	97.72%
2019	2018	0.001352	7,125,264	6,636,110	138,844.58	20,711	6,795,666	95.37%
2020	2019	0.001268	7,554,106	6,996,615	121,256	23,911	7,141,782	94.54%
2021	2020	0.001227	8,129,046	7,567,160	95,362	36,067	7,698,589	94.70%
2022	2021	0.001141	8,360,472	7,857,572	-	-	7,857,572	93.98%

(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	2022			2013		
	*Assessed Taxable Valuation	Rank	Percentage of Total Assessed Valuation	Assessed Taxable Valuation	Rank	Percentage of Total Assessed Valuation
DR Horton INC	\$ 105,510,700	1	1.09%			
LD Bowerman Investments LLC	103,380,100	2	1.07%			
Swire Pacific Holdings Inc	100,868,600	3	1.03%	\$ 37,730,600	3	1.0%
Women's Hospital Indianapolis LP	87,287,800	4	0.89%			
Harbert MSB Lone Peak Campus	86,239,800	5	0.88%			
ArepIII DD Office Owner, LLC	80,080,100	6	0.82%			
eBay, Inc.	77,703,300	7	0.79%			
Highland Office 1, LC	77,176,600	8	0.79%			
WSL - White Mountain 2346, LLC	69,574,500	9	0.71%			
Pinnacle Reserve Associates, LLC	66,835,230	10	0.68%	52,681,100	1	1.4%
Inland Diversified Draper Peaks, LLC				39,895,700	2	1.1%
Liberty Hill Partners, LP				26,201,300	4	0.7%
Ikea Property, INC				25,730,100	5	0.7%
Allegro Investors, LLC				25,195,300	6	0.7%
Miller-Draper, LLC				24,065,900	7	0.6%
Inland Diversified Draper Crossing, LLC				21,416,800	8	0.6%
Sorenson Associates The Pointe, LLC				11,250,500	9	0.3%
N/a				N/a	10	N/a
	\$ 854,656,730		9.41%	\$ 264,167,300		7.10%
Total City Taxable Assessed Value	\$ 9,795,468,994			\$3,784,885,000		

* The City reports assessed values net of exempt amounts.

Source: Salt Lake & Utah County Assessor & Draper City's GIS Data - Based on 2022 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
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
2022	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	2022			2013		
	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			
RC Willey	N/A	2	N/A			
Karl Malone Toyota	N/A	3	N/A	N/A	1	N/A
Ikea	N/A	4	N/A	N/A	2	N/A
General RV	N/A	5	N/A	N/A	5	N/A
Amazon.com	N/A	6	N/A			
Mercedes Benz of Draper	N/A	7	N/A			
Geneva Rock	N/A	8	N/A	N/A	7	N/A
Harmon's Bangerter Crossing	N/A	9	N/A	N/A	4	N/A
Camping World RV	N/A	10	N/A			
Velocity Auto Sales				N/A	3	N/A
Harmon's Draper				N/A	6	N/A
Ardell Brown RV				N/A	8	N/A
Smith's Food & Drug				N/A	9	N/A
Kohl's				N/A	10	N/A
	\$8,190,049		34.56%	\$3,148,107		34.73%
Total Sales Tax (2)	\$23,697,266			\$9,064,405		

(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 revenue 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		
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%	42
2022	1,550,018	-	1,550,018	0.02%	30

(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	Leases	Notes Payable (2)
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
2022	1,475,000	11,440,000	-	75,700	9,903,508

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
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	592
2022	1,125,000	-	1,126,074	25,145,282	1.01%	2,495,220,260 (3)	486

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.

(3) Estimated personal income for 2022 based on the average growth of the prior three years.

Schedule 14
CITY OF DRAPER, UTAH
Direct and Overlapping Governmental Activities Debt
As of June 30, 2022

Entity	2021 Taxable Value (1)	Estimated City's Percentage	Entity's General Obligation Debt	City's Portion of G.O. Debt / Other Direct Debt
Direct City Debt				
Draper City General Obligation Bond	\$ 8,406,702,318	100%	\$1,475,000	\$ 1,475,000
Sales Tax Rev. Bonds				\$ 11,440,000
Unamortized Premiums				\$ 1,184,939
Notes Payable and Leases				\$ 9,979,208
Overlapping Debt				
CUWCD (2)	202,817,114,404	4.1%	161,310,372	6,686,262
Salt Lake County	142,564,942,406	5.9%	132,100,100	7,789,616
Canyons School District (3)	29,636,759,973	28.4%	422,205,000	119,761,801
Total Overlapping				<u>134,237,679</u>
Underlying Debt				
Alpine School District (4)	39,673,922,601	21.2%	443,770	94,033
Total Underlying				<u>94,033</u>
Total Overlapping and Underlying General Obligation Debt				\$ 134,331,712
Total Direct General Obligation Bonded Indebtedness				<u>24,079,147</u>
Total Direct and Overlapping General Obligation Debt				<u><u>\$ 158,410,859</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

	2013	2014	2015	2016	2017
Debt Limit	\$ 207,191,197	\$ 224,063,908	\$ 241,568,894	\$ 265,121,222	\$ 296,804,761
Total debt applicable to limit	4,795,000	4,480,000	4,490,000	4,090,000	3,680,000
Legal debt margin	<u>\$ 202,396,197</u>	<u>\$ 219,583,908</u>	<u>\$ 237,078,894</u>	<u>\$ 261,031,222</u>	<u>\$ 293,124,761</u>
Total debt applicable to the limit as a percentage of debt limit	2.31%	2.00%	1.86%	1.54%	1.24%
	2018	2019	2020	2021	2022
Debt Limit	\$ 326,619,593	\$ 362,608,361	\$ 395,256,499	\$ 433,586,520	\$ 486,098,545
Total debt applicable to limit	3,260,000	2,830,000	2,390,000	1,940,000	1,475,000
Legal debt margin	<u>\$ 323,359,593</u>	<u>\$ 359,778,361</u>	<u>\$ 392,866,499</u>	<u>\$ 431,646,520</u>	<u>\$ 484,623,545</u>
Total debt applicable to the limit as a percentage of debt limit	1.00%	0.78%	0.60%	0.45%	0.30%

Legal Debt Margin Calculation for Fiscal Year 2022

Estimated Taxable value (1)	\$ 12,152,463,613
Debt Limit (4% of Taxable Value)	\$ 486,098,545
Debt Applicable to Limit	<u>1,475,000</u>
Legal Debt Margin	<u>\$ 484,623,545</u>

Notes:

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

(1) Source: Utah Property Tax Division/Certified Tax Rates/Final Year End Values. Estimated to actual real taxable value.

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	
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
2022	19,216,512	1,566,000	520,221	2,086,221	9.21

Lease Revenue Bonds

Fiscal Year	Lease Revenue	Debt Service Requirements			Coverage
		Principal	Interest	Total	
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
2022	-	-	-	-	0.00

(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)
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	1.28%	1,904,714,522	39,420	32,422	3.01%
2020	48,587	0.55%	2,026,398,299	41,707	33,136	4.00%
2021	51,017	5.00%	2,279,156,248	44,674	34,794	3.58%
2022	51,749	1.43%	2,495,220,260 (4)	48,218	35,345	2.30%

(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.

(4) Estimated personal income for 2022 based on the average growth of the prior three years.

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

Employer	2022		2013	
	Number of Employees	Rank	Number of Employees	Rank
Edwards Lifesciences	1,000-1,999	1	250-499	6
1-800 Contacts	500-999	2	500-999	3
Ebay	500-999	3	1,000-1,999	2
Health Equity	500-999	4		
Coca-Cola (Swire Pacific Holdings)	500-999	5	500-999	5
Progressive Leasing	500-999	6		
Tesla Energy Operations	500-999	7		
Acima Credit	500-999	8		
Divvy	500-999	9		
Pluralsight	500-999	10		
Utah State Prison			1,000-1,999	1
Affiliated Computer Services (ACS)			500-999	4
O'Curran			250-499	7
Harmon's			250-499	8
EMC Corporation			250-499	9
Musician's Friend			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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
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
Excecutive	14.00	14.52	11.85	12.87	14.87	15.49	15.79	16.79	16.79	17.39
Finance/Treasurer	6.25	6.38	6.75	7.75	7.88	8.25	8.25	8.25	8.25	8.25
Human Resources	2.00	2.15	2.15	2.15	2.50	2.50	2.50	2.00	2.00	2.00
Facilities Management	5.50	5.50	5.13	6.13	6.13	7.25	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	0.00
Public Safety										
Police	48.30	50.68	53.31	54.29	54.16	57.16	58.66	59.01	59.01	59.74
Fire (1)						36.50	38.50	31.72	31.72	34.22
Animal Control	3.00	3.00	3.38	3.38	3.63	3.63	3.38	3.38	3.38	3.38
Courts	5.60	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	2.67	3.00	4.00	4.00	4.00	4.00
Building	8.00	9.00	9.00	9.00	10.00	10.00	10.00	10.00	10.00	10.00
Planning	4.00	4.00	4.00	4.00	5.00	5.00	5.00	5.00	5.00	5.00
Code Enforcement	2.00	2.00	1.67	1.67	1.00	1.00	1.00	1.00	1.00	1.00
Highways & Public Improvements										
Public Works Admin	3.00	3.00	3.00	2.00	4.00	4.00	4.00	5.00	5.00	5.00
Engineering (2)	8.30	8.50	8.50	7.50	12.13	11.63	13.13	12.13	12.13	12.13
Streets	5.00	5.00	5.00	7.00	7.00	8.00	8.00	8.00	8.00	8.00
Parks & Recreation										
Parks & Recreation Admin	1.94	2.25	3.25	5.25	5.25	5.25	5.25	5.19	5.19	5.19
Parks & Trails	20.00	20.00	20.00	20.00	23.00	27.00	28.00	28.00	28.00	31.00
Recreation	2.20	2.20	2.20	2.20	3.20	3.20	3.20	3.20	3.20	3.20
General Fund Total	149.09	153.78	154.79	160.79	176.02	223.09	230.14	223.52	223.52	228.35
Enterprise Funds										
Utility Admin					2.00	2.00	3.00	3.00	3.00	3.63
Water	8.49	8.24	8.24	9.24	6.00	6.00	7.00	7.00	7.00	7.00
Storm Water	6.49	6.24	6.24	8.00	5.00	5.50	5.50	6.50	6.50	6.50
Solid Waste	8.54	8.54	8.54	8.49	7.00	8.00	8.00	9.00	9.00	8.00
Ambulance						14.50	12.50	20.00	20.00	22.00
Enterprise Fund Total (2)	23.52	23.02	23.02	25.73	20.00	36.00	36.00	45.50	45.50	47.13
Internal Service Funds										
Class B&C Roads	2.00	2.00	2.00	1.25	1.00	1.00	1.00	1.00	1.00	1.00
Risk Management					0.63	0.63	0.63	1.00	1.00	1.00
Fleet Management										3.00
Traverse Ridge Special Service District	3.00	3.00	3.00							
Internal Service Funds Total	5.00	5.00	5.00	1.25	1.63	1.63	1.63	2.00	2.00	5.00
Total Positions	177.61	181.80	182.81	187.77	197.65	260.72	267.77	271.02	271.02	280.48

(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

	2013	2014	2015	2016	2017
Area (Square miles)	30.12	30.12	30.12	30.03	30.03
General Government					
Resolutions adopted	85	73	99	63	82
Public Safety					
Sworn police officers	37	40	40	40	40
Other police personnel (FTE)	7.50	7.50	8.13	8.76	8.63
Patrol calls for service	22,449	25,991	23,196	23,840	25,687
Records calls for service	14,098	12,029	11,948	14,200	15,782
Citations written	7,719	N/A	4,176	4,284	6,424
Fire Protection (UFA Contract 2008 - 2017)					
Fire stations	3	3	3	3	3
Firefighters (FTE)	29	29	29	29	29
Paramedics (FTE)	1				
Medical Calls					
Fire Calls					
Other fire personnel (FTE)					
Parks and Recreation					
Park reservations processed					1,949
Recreation participants		5,605	6,185	6,712	6,519
Recreation registrations processed		4,635	4,684	5,102	4,967
Parks (1)	38	40	40	42	42
Tennis courts	4	4	4	4	4
Soccer fields	10	10	10	10	10
Pickleball courts					
Baseball diamonds	10	10	10	11	11
Trails (in miles)	80.00	80.17	82.93	89.63	103.63
Park Acreage	1,323(1)	1,216	1,216	1,229	1,229
Community Development					
Building permits issued	904	734	744	981	1,054
Business licenses issued	2,027	2,169	2,298	2,286	2,333

(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

	2018	2019	2020	2021	2022
Area (Square miles)	30.03	30.03	30.03	30.03	30.03
General Government					
Resolutions adopted	94	91	71	64	76
Public Safety					
Sworn police officers	43	44	44	44	44
Other police personnel (FTE)	8.63	9.37	9.13	9.13	9.74
Patrol calls for service	25,011	26,823	26,729	27,774	26,959
Records calls for service	15,339	17,703	N/a	N/a	N/a
Citations written	4,395	5,233	2,656	2,087	2,082
Fire Protection (UFA Contract 2008 - 2017)					
Fire stations	3	3	3	3	3
Firefighters (FTE) (3)	27	27	28	28	33.5
Paramedics (FTE)	20	20	20	20	22
Medical Calls	2,890	2,895	2,871	2,972	3,206
Fire Calls	832	798	763	733	772
Ambulance Transports			1,573	1,571	1,626
Parks and Recreation					
Park reservations processed	2,036	2,474	1,720	2,345	1,411
Recreation participants	6,789	7,656	5,402	7,157	6,611
Recreation registrations processed	5,017	5,775	5,325	5,450	5,793
Parks (1)	44	44	45	45	45
Tennis courts	4	4	4	4	4
Soccer fields	10	10	10	10	11
Pickleball Courts	6	6	8	8	8
Baseball diamonds	11	12	12	12	13
Trails (in miles)	116.00	121.63	124.14	145.96	146.47
Park Acreage	1,238	1,238	1,235	1,232	1,232
Community Development					
Building permits issued	1,337	1,692	1,784	1,955	1,662
Business licenses issued (2)	1,943	1,792	1,329	1,594	2,174

(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

	2013	2014	2015	2016	2017
Public Works					
Tons of salt spread	11,230	5,991	2,801	7,316	8,220
Snow Plow Hours	3,897	2,258	1,548	4,335	4,241
Street lights (1)	2,196	2,229	2,398	1,577	1,599
Street lane miles (2)	491	494	499	410	418
Traffic lights (3)	119	119	127	40	40
Utility - Solid Waste					
Number of customers	9,646	9,760	9,967	10,091	10,119
Annual waste tonnage	17,306	17,375	17,842	15,664	15,845
Average annual waste per household (in tons)	1.8	1.8	1.8	1.6	1.6
Annual recycling tonnage	2,031	2,076	2,082	2,073	2,110
Average annual recycling per household (in tons)	0.21	0.21	0.21	0.21	0.21
Dumpsters rented out	341	349	390	382	391
Utility - Storm Water					
Number of customers	10,205	10,369	10,543	10,668	10,730
Storm drain lines (in miles)	111.78	112.81	113.11	111.28	111.64
Utility - Water					
Number of customers	3,778	3,832	3,940	3,967	3,982
Average daily consumption per household (in gallons)	817	755	684	736	832
Gallons consumed (in millions)	1,127	1,057	984	1,066	1,209
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	72.9	73.2

(1) 2013 - 2015 Includes all street lights (city-owned and private). 2016 forward includes City owned and maintained street lights only.

(2) 2013 -2015 Included all lane miles (city-owned and private; excluding UDOT). 2016 forward includes only City owned and maintained lane miles.

(3) 2013 - 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

	2018	2019	2020	2021	2022
Public Works					
Tons of salt spread	4,505	9,538	6,314	4,418	4,373
Snow Plow Hours	2,457	4,955	4,311	3,192	3,751
Gallons of brine spread		50,599	78,868	89,483	134,804
Street lights (1)	1,608	1,675	1,707	1,717	1,764
Street lane miles (2)	422	440	437	441	443
Traffic lights (3)	50	55	58	70	83
Utility - Solid Waste					
Number of customers	10,314	10,522	10,633	10,814	11,018
Annual residential waste tonnage	17,749	17,054	17,920	18,350	17,859
Average annual waste per household (in tons)	1.7	1.6	1.7	1.7	1.6
Annual residential recycling tonnage	2,201	1,889	1,811	1,526	1,642
Average annual recycling per household (in tons)	0.21	0.18	0.17	0.14	0.15
Dumpsters rented out	404	406	468	463	451
Utility - Storm Water					
Number of customers	10,927	11,127	11,284	11,424	11,614
Storm drain lines (in miles) (4)	113.05	115.06	115.19	124.37	128.99
Utility - Water					
Number of customers	4,062	4,168	4,302	4,409	4,545
Average daily consumption per household (in gallons)	809	811	846	903	729
Gallons consumed (in millions)	1,200	1,234	1,328	1,453	1,210
Storage capacity (in millions of gallons)	11.4	11.4	11.4	11.4	11.4
Water lines (in miles) (4)	75.3	76.4	81.7	84.8	84.5

(1) 2013 - 2015 Includes all street lights (city-owned and private). 2016 forward includes City owned and maintained street lights only.

(2) 2013 -2015 Included all lane miles (city-owned and private; excluding UDOT). 2016 forward includes only City owned and maintained lane miles.

(3) 2013 - 2015 included all traffic lights. 2016 forward includes only City owned and maintained traffic lights.

(4) 2013 - 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
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- AARON R. HIXSON, CPA
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- 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, 2022, 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 9, 2022.

Report on 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.

Report on 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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 9, 2022



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, 2022.

State compliance requirements were tested for the year ended June 30, 2022 in the following areas:

- Budgetary Compliance
- Fund Balance
- Justice Courts
- Restricted Taxes and Related Restricted Revenues
- Fraud risk Assessment
- Government Fees
- Cash Management
- Tax Levy Revenue Recognition
- Utah Retirement Systems
- Public Treasurer’s Bond

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, 2022.

Other Matters

The results of our auditing procedures disclosed no instances of noncompliance or other matters, which are required to be reported in accordance with the *State Compliance Audit Guide*.

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.

HBME, LLC

December 9, 2022