

**COMPREHENSIVE
ANNUAL
FINANCIAL
REPORT**



DRAPER CITY

For Fiscal Year Ended June 30, 2015

CITY OF DRAPER

State of Utah

COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2015

**PREPARED BY:
DRAPER CITY FINANCE DEPARTMENT**

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INTRODUCTORY SECTION

Troy Walker, *Mayor*
William Colbert, *Council Member*
William Rappleye, *Council Member*
Jeff Stenquist, *Council Member*
Alan Summerhays, *Council Member*
Marsha Vawdrey, *Council Member*



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Website: www.draper.ut.us

December 15, 2015

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

The Comprehensive Annual Financial Report (CAFR) of the City of Draper, Utah for the fiscal year ended June 30, 2015 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 Hansen, Bradshaw, Malmrose, and Erickson PC, 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, 2015 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 auditor concluded that there was a reasonable basis for rendering an unqualified opinion of the City's financial statements for the fiscal year ended June 30, 2015. Their report is included in the financial section of this report.

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

To provide a reasonable basis for making these representations, the management of Draper City has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of Draper City's financial statements in conformity with GAAP. Because the cost of internal controls should not

outweigh their benefits, Draper City's framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that to the best of our knowledge, this financial report is complete and reliable in all material respects.

City's Profile

The City of Draper, Utah was incorporated on February 22, 1978. The City has a population of approximately 46,202, making it the 15th 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 located within the Salt Lake metropolitan area, and 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

The City has continued to focus its efforts on balanced economic development growth, and recognized the symbiotic relationship between job creation and retail sales. Three companies opened their new buildings this year, including 1-800 Contacts, Progressive Financial and StorageCraft. Lone Peak Hospital completed and opened its second medical office building that will function as its' surgical center. Solar City, Thumbtack and EMC all began construction on their new office buildings that will bring an additional 500,000 square feet of office space and over 1,000 new jobs to the Draper market.

The retail market remains strong as shown in the continued growth of sales tax revenue. Several new restaurants have opened up that will result in the capture of more of the sales tax dollars that have historically leaked out into neighboring cities. And the Living Planet Aquarium continues to be a significant draw for tourists as it has attracted over one million visitors in the first full year of operations.

The long term economic development outlook remains positive as the City has seen continued interest and growth from new businesses, expansion and job growth from current businesses, and an increased investment in opportunities that focus on tourism and recreation.

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 the infrastructure maintenance program
- 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.

Relevant Financial Policies

Cash during the year was invested in the Public Treasurer's Investment Fund and certificates of deposit. 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 Mutual 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.

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



Bob Wylie
Finance Director

LIST OF ELECTED AND APPOINTED OFFICIALS

ELECTED OFFICIALS

Mayor	Troy Walker
City Council Member	William Colbert
City Council Member	William Rappleye
City Council Member	Jeff Stenquist
City Council Member	Alan Summerhays
City Council Member	Marsha Vawdrey

APPOINTED OFFICIALS AND DEPARTMENT HEADS

City Manager	David Dobbins
Assistant City Manager	Russell Fox
City Attorney	Vacant
City Engineer	Scott Cooley
City Recorder	Rachelle Conner
City Treasurer	Steven Guy
Community Development Director	Keith Morey
Finance Director	Robert Wylie
Human Resources Director	Garth Smith
Information Technology Director	Steven Alsop
Justice Court Judge	Daniel Bertch
Police Chief	Bryan Roberts
Public Works Director	Glade Robbins
Recreation Director	Rhett Ogden

OTHER BODIES UNDER THE DIRECTION OF THE CITY COUNCIL

BOARDS

Appeals Board
Board of Adjustment
Community-Oriented Policing Citizens Advisory Board (COPCAB)
Equestrian Center Advisory Board
Historic Preservation Board
Municipal Building Authority Board
Redevelopment Agency Board
Youth Council Advisory Board

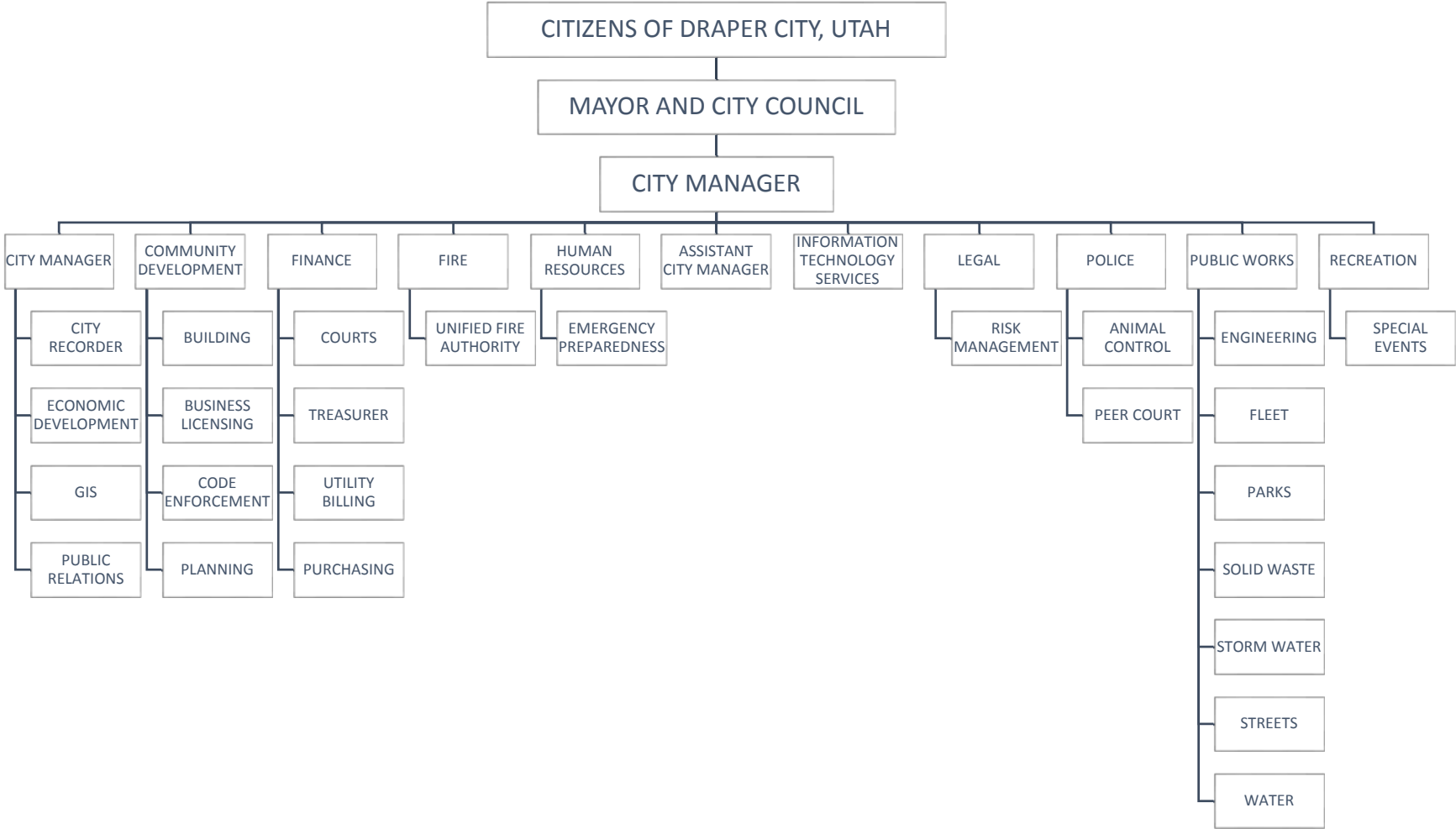
COMMISSIONS

Planning Commission
Tree Commission
Historic Preservation Commission

COMMITTEES

Parks & Trails Committee

ORGANIZATIONAL CHART



FINANCIAL SECTION

Hansen, Bradshaw, Malmrose & Erickson

A Professional Corporation

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Accountants*

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Practice Section*

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying 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, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above 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, 2015, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4-15, budgetary comparison information on pages 62-65, and the pension schedules on page 65-66 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other 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, budgetary comparison information, and the introductory and statistical sections 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 information 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 information are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 11, 2015 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 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 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.

Hansen, Bradshaw, Malmrose & Erickson, P.C.

December 11, 2015

MANAGEMENT’S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED JUNE 30, 2015

Draper City Corporation’s management presents to the readers of its financial statements this narrative information. It contains an overview and analysis of the financial position and results of operations as of and for the twelve months ended June 30, 2015. 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 of the City exceeded the liabilities at the close of Fiscal Year 2015 (FY2015) by \$487 million (net position). This represents an increase of \$12,717,928 in net position over the previous fiscal year 2014. Of the \$487 million, \$47,298,894 is in unrestricted net position which is available to meet ongoing obligations.
- FY2015 actual General Fund revenues were \$1,679,549 above expected or final budgeted numbers before Other Financing Sources. General Fund final budgeted revenues before Other Financing Sources were \$29,318,952 and final actual amounts are \$30,998,501. The largest increase from budgeted numbers came from Sales Taxes at \$1,517,402 over budgeted amount. Licenses and permits were \$1,395,690 above budgeted. Charges for Services were \$364,712 above budgeted. Two revenue categories came in under final budgeted amounts. The largest deficit was for Intergovernmental revenue which came in \$1,868,734 under the budgeted. Overall, General Fund actual revenues before Other Financing Sources increased \$3,113,687 in FY2015 from actual general Fund revenues as compared to the same revenues in FY2014. This represents an increase of 11.1%.
- Expenditures for operations in the General Fund were \$1,228,447 below final budgeted numbers before debt service and other uses. These savings in expenditures came from across the board in all departments. General Government had a savings of \$993,616 or 10.9%, Public Safety had a savings of \$472,423 or 4.7%, Highways and Public Improvements actually was over budget by \$870,132 or 30% and Parks and Recreation had a operational savings of \$632,540 or 19%. The total excess of revenues over expenditures before Other Financing Sources (Uses) was \$4,387,311.
- Other Financing Sources (Uses) had a net increase of \$4,006,404. The primary amount in the sources was a transfer in from the Capital Projects fund of \$4,918,000 into the General Fund. This transfer occurred from a reconciliation and closing of completed capital projects. The total Net Change in the General Fund Balance increased by \$8,393,715.
- The outstanding bonds at year-end decreased by \$1,584,000 after scheduled bond payments and refunding of two bonds, leaving total bonds payable at \$35,334,000.

Report Overview

This discussion and analysis is intended to serve as an introduction to the City of Draper’s basic financial statements. The City of Draper’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 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 of Draper’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 of Draper’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 of Draper’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, and sanitation.

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 an accounting method called modified accrual 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
- Risk Management
- 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 three individual proprietary funds:

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

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.

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 non-major Governmental Funds. Combining and individual fund statements and schedules can be found after the Notes in the financial section.

Draper City’s Statement of Net Position:

As noted earlier, net position may serve over time as a useful indicator of a government’s financial position. In the case of the City of Draper, assets exceeded liabilities by \$486.6 million at the close of 2015.

By far, the largest portion of the City’s net position (85%) 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 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>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Current and Other Assets	\$88,377,424	\$81,419,484	\$15,441,111	\$14,329,339	\$103,818,535	\$95,748,823
Capital Assets	414,606,350	400,089,420	48,113,018	43,114,042	462,719,368	443,203,462
Total Assets	502,983,774	481,508,904	63,554,129	57,443,381	566,537,903	538,952,285
Deferred Outflows of Resources						
Deferred loss on refunding	222,865	-	-	-	222,865	-
Deferred outflows related to pensions	761,210	-	104,754	-	865,964	-
Total Deferred Outflows of Resources	984,075	-	104,754	-	1,088,829	-
Current and Other Liabilities	7,836,269	5,225,550	2,223,918	2,294,437	10,060,187	7,519,987
Long Term debt outstanding	53,206,095	40,462,199	4,686,702	1,971,956	57,892,797	42,434,155
Total Liabilities	61,042,364	45,687,749	6,910,620	4,266,393	67,952,984	49,954,142
Deferred inflows of resources						
Deferred revenue-propoerty taxes	12,411,615	10,775,604	-	-	12,411,615	10,775,604
Deferred inflows related to pensions	587,521	-	80,852	-	668,373	-
Total Deferred Inflows of Resources	12,999,136	10,775,604	80,852	-	13,079,988	10,775,604
Net Position:						
Net investment in capital assets	368,851,874	374,159,100	46,344,018	41,142,086	415,195,892	415,301,186
Restricted	23,906,211	22,865,924	192,763	1,414,702	24,098,974	24,280,626
Unrestricted	37,168,264	28,020,527	10,130,630	10,620,200	47,298,894	38,640,727
Total Net Position	\$429,926,349	\$425,045,551	\$56,667,411	\$53,176,988	486,593,760	478,222,539

Analysis of the City’s Operations – The following table provides a summary of the City’s operations for the year- ended June 30, 2015.

Net position for government activities increased \$8,701,689. This increase is attributable to an increased development activity and capital contributions to the City. Operating grants and contributions increased \$4,542,400. This increase was from a \$1.8 million grant from Salt Lake County for an infrastructure project.

Net position for business-type activities increased \$4,016,239. The change in business-type activities is attributable to increased utility sales \$733,445 which includes a rate increase with culinary water and storm water rates. Also a capital grant was received from the county for \$666,700 for a portion of a capital project. Also a contribution from an earlier settlement was received of \$1,050,000 for a storm detention basin. Also expenses decreased \$356,233 or 4.6% from the previous year. The decrease in expenses were mainly seen with the changing the life of the storm water assets from 30 years to 60 years.

Overall, the City’s revenues of \$55 million exceeded expenses of \$42 million, translating into an increase in net position of \$12,717,928.

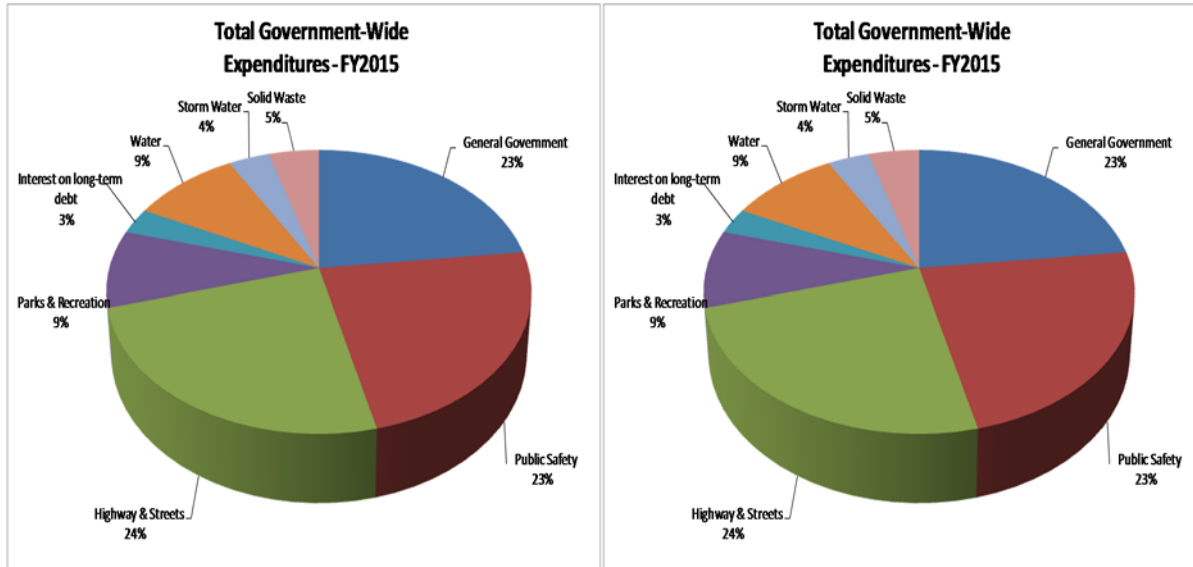
Comparison of Changes in Net Position

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Primary Government</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Revenues:						
Program revenues:						
Charges for Services	\$ 6,298,051	\$ 6,785,739	\$ 8,958,003	\$ 8,224,558	\$ 15,256,054	\$ 15,010,297
Operating grants & contributions	6,140,914	1,598,512			6,140,914	1,598,512
Capital grants & contributions	7,747,155	8,138,397	2,381,080	752,418	10,128,235	8,890,815
General revenues:						
Property Taxes	7,690,018	11,947,977	-	-	7,690,018	11,947,977
General Sales and Use Tax	14,856,027	13,711,652	-	-	14,856,027	13,711,652
Unrestricted Investment Earnings	824,023	330,832	68,602	50,839	892,625	381,671
Equity Investment	-	-	68,384	178,245	68,384	178,245
Total Revenues	43,556,188	42,513,109	11,476,069	9,206,060	55,032,257	51,719,169
Expenses:						
General Government	9,783,775	9,481,731	-	-	9,783,775	9,481,731
Public Safety	9,797,729	9,956,075	-	-	9,797,729	9,956,075
Highway & Streets	10,283,258	6,688,271	-	-	10,283,258	6,688,271
Parks & Recreation	3,728,661	3,827,766	-	-	3,728,661	3,827,766
Interest on long-term debt	1,261,076	1,429,969	-	-	1,261,076	1,429,969
Water	-	-	4,013,873	3,899,803	4,013,873	3,899,803
Storm drain	-	-	1,546,988	2,112,147	1,546,988	2,112,147
Solid Waste	-	-	1,898,969	1,738,238	1,898,969	1,738,238
Total Expenses	34,854,499	31,383,812	7,459,830	7,750,188	42,314,329	39,134,000
Increase in Net Position	8,701,689	11,129,297	4,016,239	1,455,872	12,717,928	12,585,169
Net position - beginning (restated)	421,224,660	413,916,254	52,651,172	51,721,116	473,875,832	465,637,370
Net position, Ending	\$ 429,926,349	\$ 425,045,551	\$ 56,667,411	\$ 53,176,988	\$ 486,593,760	\$ 478,222,539

Capital grants consist primarily of developer-donated infrastructure assets and change from year to year based on acceptance of such infrastructure by the City.

The primary source of charges for services was utility fees in the government-wide revenues, while taxes contributed the majority of general fund revenue.

The following two graphs display Draper City’s government-wide revenues and expenses for the fiscal year-ended June 30, 2015.



Financial Analysis of the Government’s 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, 2015.

As the City completed the year, its Governmental Funds reported a combined fund balance of \$66.6 million, which is an increase of \$1.9 million (after restatement) compared to the prior fiscal year. Of that available fund balance, \$29.9 million is available for spending (assigned & unassigned). The remaining balances are nonspendable or restricted. The nonspendable amount is \$12,856,584 which is primarily the note receivable from the Loveland Planet Aquarium for the Series 2012C bond debt service. The restricted amount is \$23,906,211. This is in the form of Impact Fees (\$12,093,885), B&C Road (\$5,494,372), Grants (\$5,565,010), Debt Service (\$580,185) and Perpetual care (\$172,759). The assigned balance is \$13,479,935. This is the amount assigned by the City Council for subsequent years’ capital expenditures and other uses which leaves the unassigned balance of \$16,374,448.

General Fund:

The General Fund as reported consists of both the General Government Fund and Class B&C Roads Fund. At June 30, 2015, the fund balance of the combined General Fund was \$35,511,676 which is an increase of \$8,393,715. The increase is related to the increase in B&C Road with the remaining amount for Unassigned.

General Government Fund – The General Government Fund accounts for all of the general services provided by the City of Draper. At June 30, 2015, the unassigned fund balance of the General Fund was \$16,374,448. Revenues exceeded expenditures by \$4,387,311, before Other Financing Sources. The current General Fund unassigned fund balance is 52.8% of estimated non-restricted General Fund revenue. The other major factor of the increase in unassigned fund balance was the transfer of \$4,918,520 from the Capital Projects Fund to the general Fund. This amount represents the closed or completed projects that were identified to close.

General Fund Revenues – As a whole, revenue sources recognized growth in 2015 with an increase of \$3,113,687 (or 11%). Taxes continued to be the largest source of revenue in the General Government Fund and represented 74% of total general fund revenues. This category was made up of sales tax, property tax, energy tax, and franchise tax. Tax rates remained constant, but tax revenues increase by \$1,326,023 (or 6.4%) when compared to the prior year.

- Sales tax revenues were the largest tax revenue contributor in 2015, and increased by \$1,177,304 (or 13.4%) as compared to 2014. This increase is the direct result of improved sales across all categories of business in the community.
- Property tax revenues increased by \$181,648 or (2.6%) in 2015. This change was the result of construction of new growth in both residential and commercial property.
- Franchise and energy tax decreased by \$32,929 which is less than 1% from the previous year.

License and permit revenues increased by \$526,891 (or 20.2%) from the previous year. Building Permit fees had the single largest increase with an \$107,471 (or 7.9%) increase over FY2014. In 2015, the City realized \$3.1 million in license and permit revenue.

Fines and forfeitures decreased by \$56,600 (or 8.7%) for total Fines and Forfeitures revenues of \$594,383.

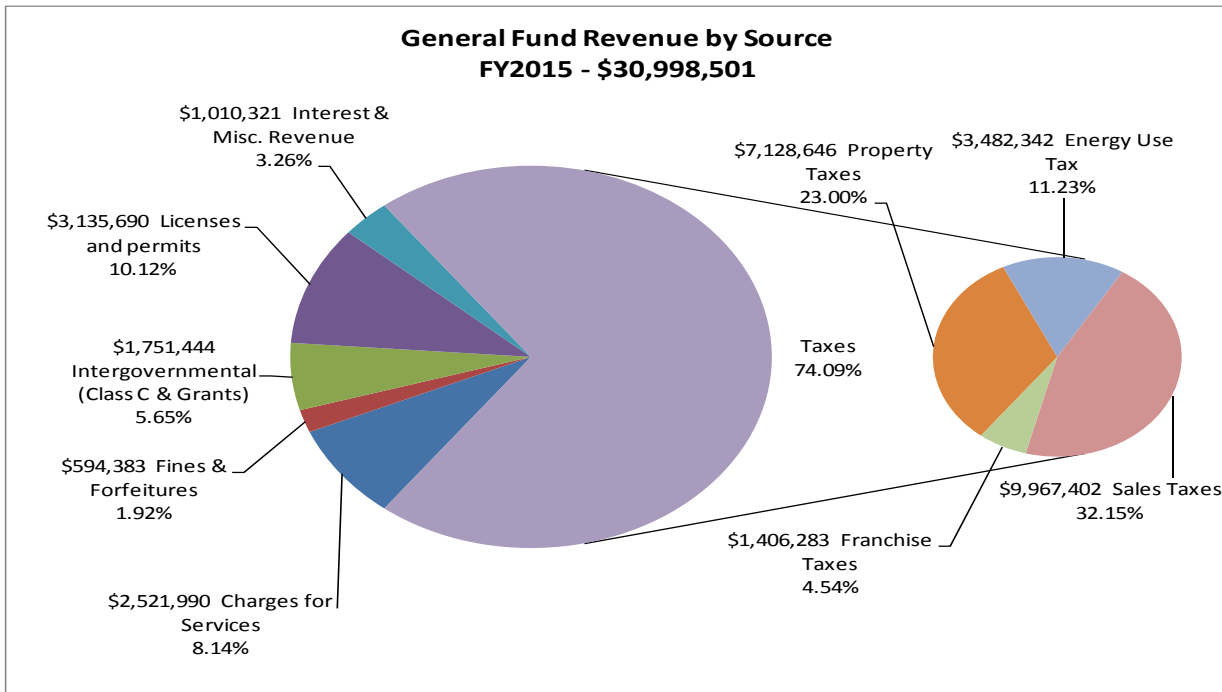
Intergovernmental revenue increased by \$152,932 from the prior year. The majority of the increase came from Class B&C road money (\$84,752). This money is the portion the city receives from the allocation of the state gasoline tax.

Finally, charges for services recognized an increase of \$762,422 which increased from \$1,759,568 for a FY2015 amount of \$2,521,990. This came from the administrative fee charged to other funds of the City based on operational expenditures. This fee is intended to reimburse the cost of providing management, administration, and overhead without allocating actual personnel and facilities to those funds.

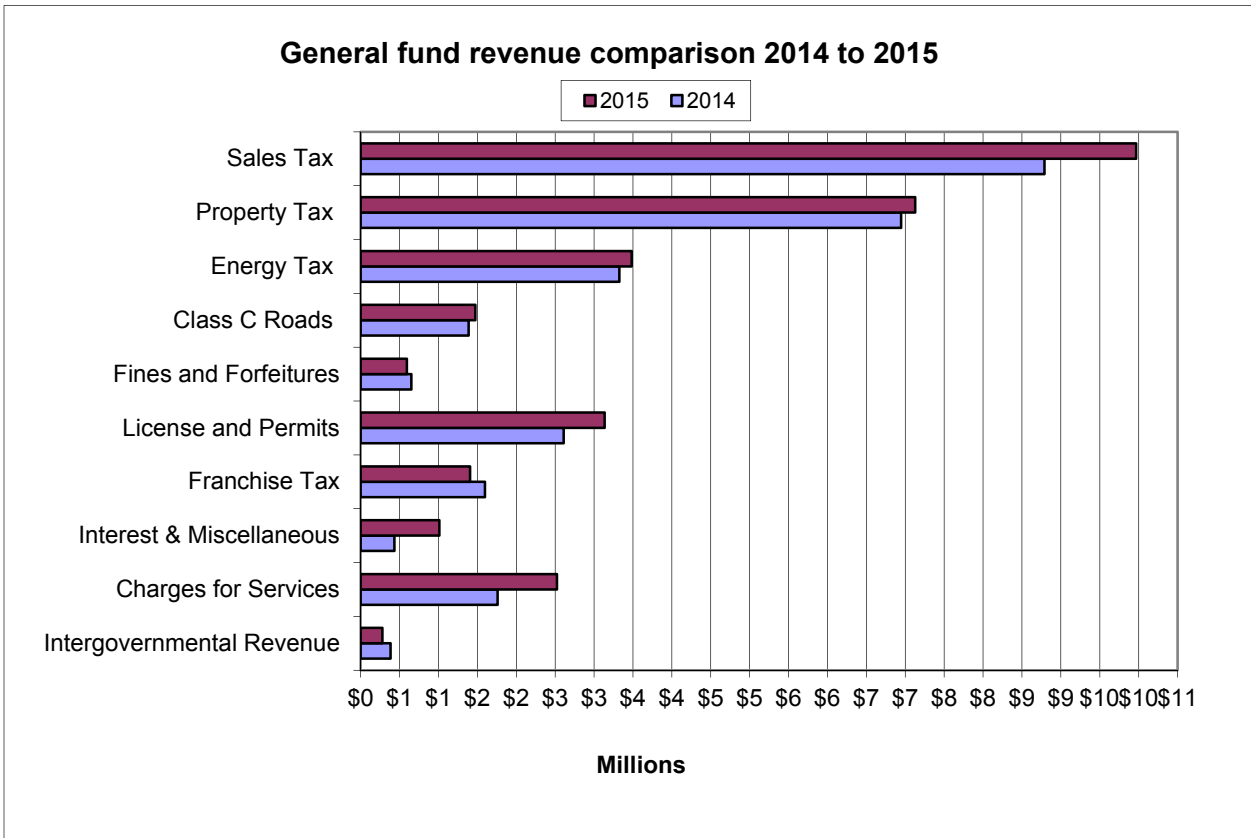
The programs supported by general fund revenues (in order of how much they depend on general revenues to operate, with percentage of funding coming from general fund revenues) are:

		Amount of Program <u>funded w/GF</u>	% of program funded with <u>General revenues</u>
1 st	Public Safety	\$8,331,723	85.0 %
2 nd	Parks and Recreation	\$2,377,860	63.8 %
3 rd	Highways and improvements	\$2,353,015	22.9 %
4 th	Interest on long-term debt	\$1,261,076	100.0 %
5 th	General Government	\$ 344,705	3.5 %

The following charts illustrate General Fund Revenues by Source and Type.



The next chart compares the normal general fund revenue for Fiscal-Year 2014 and 2015.



General Fund Expenditures – General Fund Expenditures increased from \$26,134,887 in 2014 to \$26,611,190 in 2015, which represents a 1.82% increase or \$476,303.

Expenditures for general government activity increased \$1,244,384. Public Safety expenditures increased by \$215,352 from the prior year. The increase came mostly from Police increasing \$263,615 or 5%. The Public Safety category includes Police, Unified Fire Authority, Courts, Animal Control and Code Enforcement. Code Enforcement and Unified Fire Authority had a combined decrease of \$95,629.

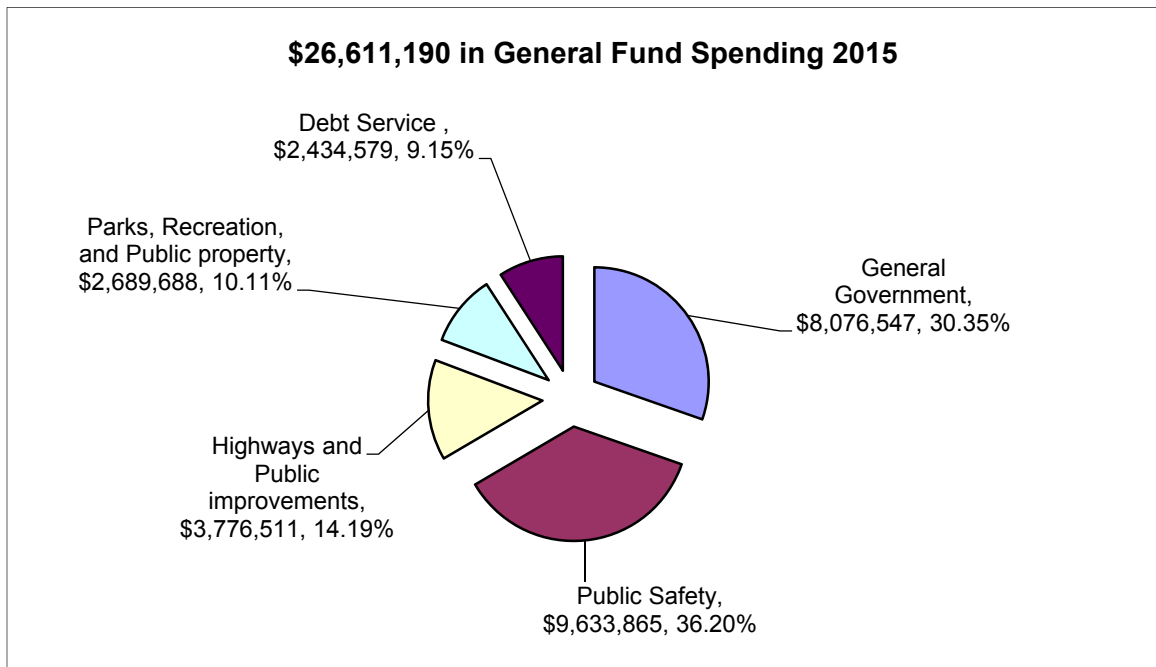
Highway and public improvements expenditures increased by \$1,847,846 in 2015 from the prior year. The City continues to prioritize the repair and maintenance of its roadway system. The amount of the increase all came from additional road repair and maintenance. Class B&C Roads Fund accounted for \$1,361,999 of the increase.

Expenditures in parks and recreation saw a decrease of \$42,309 as compared to 2014. Parks expenditures decreased \$186,953 with Recreation program expenditures increasing by \$144,644, which has resulted in the net decrease of expenditures.

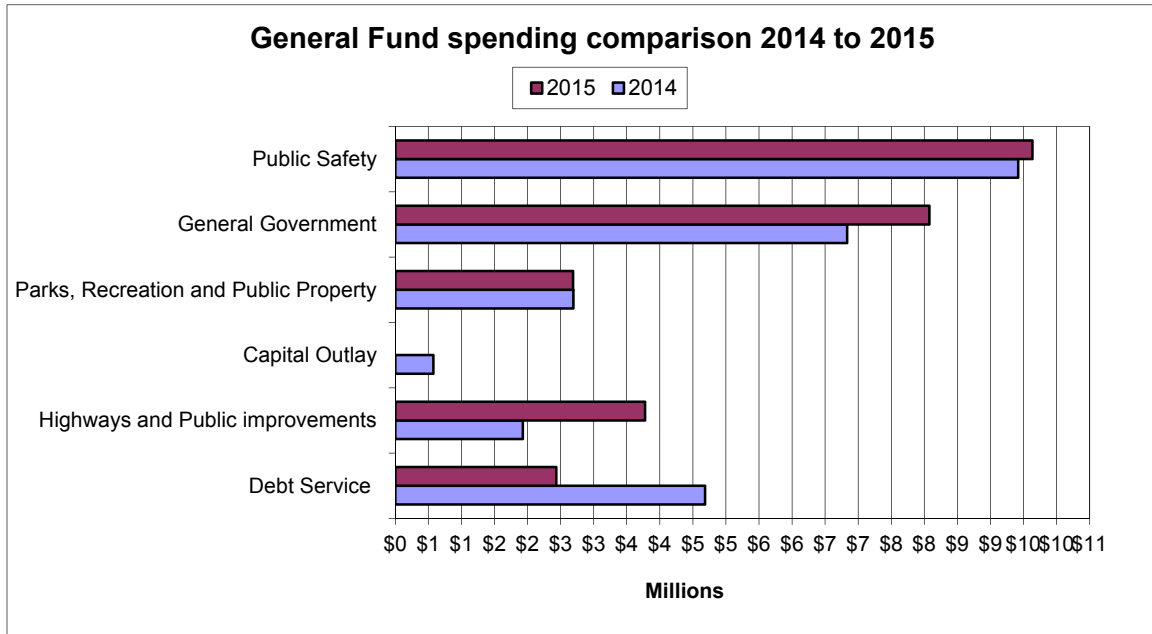
Class B&C Roads Fund – The Class B&C Roads Fund accounts for funds received from the State of Utah which are restricted for use for the construction and maintenance of roads classified as B or C.

At June 30, 2015, the restricted fund balance was \$5,494,372 held in the general fund.

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



The next chart compares General Fund spending for 2014 and 2015 by governmental activity.



General Fund Budgetary Highlights

The fiscal year 2015 originally adopted budget for the General Fund totaled \$27,240,553 before Other Financing Sources (Uses). The City Council approved eight budget revisions during the year – July 2014, October 2014, November 2013, December 2014, February 2015, March 2015, May 2015 and June 2015.

Other governmental Funds

Capital Improvement Projects Fund – The Capital Projects Fund has a total fund balance of \$10,130,363 at June 30, 2015, all of which is either externally restricted or assigned for unfinished projects.

Redevelopment Fund – Property tax collections from the five previously established redevelopment areas increased 7.6% from the prior year to a total of \$4,582,576. Three of the five areas had increased collections reflecting increased property valuations in 2015. This is due in part to the Redevelopment Agency’s continued investment in the areas to maintain value.

Impact Fee Funds – Impact fee revenues increased for the year. The total increase for all impact fee revenue was \$1,096,270 (or 48%). Impact fees are meant to provide the necessary infrastructure to support new development, budgets are developed using current resources. The largest Impact Fee increase came from Transportation Impact Fees of \$508,282. Park Impact fees increase by \$430,379. The increase in revenues is a direct result to the increased building within the city. The fund balance for impact fees in both Capital Projects fund (\$529,979) and their respective funds (\$11,563,906) total \$12,093,885.

Municipal Building Authority Fund – Lease revenue is intended to offset debt service. Revenues and expenditures remained constant in this fund.

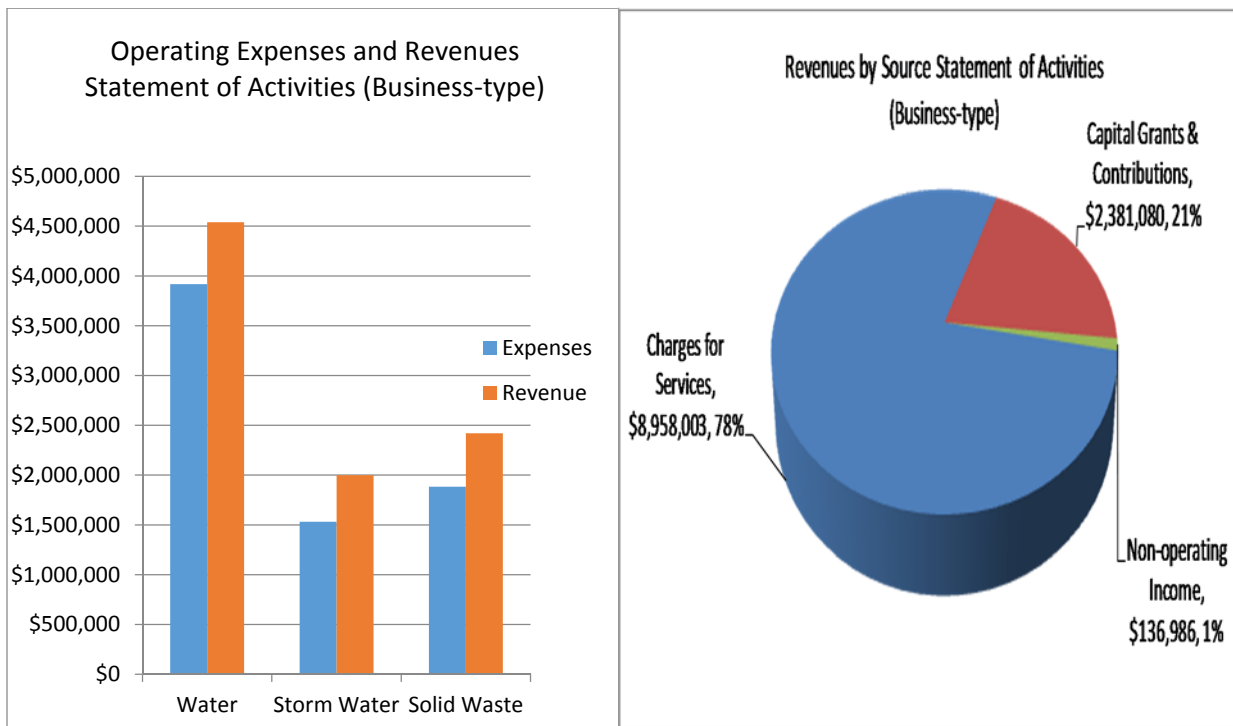
Proprietary (Enterprise) Funds:

Water Fund – Unrestricted net position in the Water Fund decreased by \$2,285,499 when compared to the previous year, with an ending unrestricted net position at June 30, 2015 of \$2,241,358. Operating revenues from water activities increased \$305,985 (or 7.2%) as compared to the previous fiscal year 2014. Operating expenses showed an increase of \$116,145 from \$3,852,434 in FY2014 to \$3,968,579 in FY2015. The Water Fund recognized a \$570,560 Operating Income before Non-operating revenues/expenses and before Capital Contributions/ Transfers. The Water Fund posted a positive change in Net position of \$983,566.

Storm Water Fund – Unrestricted net position in the Storm Water Fund increased \$1,477,064 which left a balance of \$3,964,631 at June 30, 2015. This increase is the result of increased billing of the storm water utility. Revenues from Storm Water utility fees increased \$356,110 (or 22%) as compared to the previous fiscal year 2014. Operating expenses showed a decrease of \$565,159 from \$2,112,147 in FY2014 to \$1,546,988 in FY2015. The city changed the depreciation schedule for the infrastructure to better reflect the useful life from 30 years to 60 years on the assets which reduced the depreciation expense \$593,417. The Storm Water Fund recognized an operating income of \$452,184 before Non-operating revenues/expenses and before Capital Contributions. After Capital Contributions of \$1,501,011 and other non-operating revenue of \$481,908, the Storm Sewer Fund had a positive change in net position of \$2,435,103.

Solid Waste Fund – Unrestricted net position in the Solid Waste Fund increased \$318,865 leaving a balance of \$3,924,641 at June 30, 2015. Revenues from Solid Waste utility fees increased \$73,224 (or 3%) as compared to the previous fiscal year 2014. Operating expenses showed an increase of \$173,474 from \$1,710,372 in FY2014 to \$1,883,846 in FY2015. The Solid Waste Fund recognized operating income of \$535,846 before Non-operating revenues/expenses and before Capital Contributions. After Non-operating revenues/expenses of \$61,724 the Solid Waste Fund had a positive change in net position of \$597,570. The City began providing collection services in December 2009 in an effort to contain costs. These services were previously contracted to an outside provider.

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



Capital Assets and Debt Administration

The City’s investment in capital assets for its government and business type activities total \$463 million net of combine depreciation and amortization on June 30, 2015. 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 \$14,516,930 in governmental activities and business-type activities has a net increase of \$4,998,976 for a combine increase of \$19,515,906 or 4.4%.

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

	Governmental Activities 2014	Governmental Activities 2015	Business-type Activities 2014	Business-type Activities 2015
Land and Right of Ways	\$311,664,286	\$313,342,924	-	-
Intangible asset - water tank capacity	-	-	2,000,000	2,000,000
Water shares	-	-	131,907	131,907
Infrastructure	54,493,433	60,463,143	-	-
Buildings	13,223,723	12,976,579	383,331	370,023
Improvements - other than buildings	10,298,266	9,608,356	36,905,431	39,901,333
Machinery and equipment	2,450,643	2,448,836	2,388,722	2,295,546
Construction in progress	7,959,069	15,766,512	1,304,651	3,410,209
Total Capital Assets	<u>\$400,089,420</u>	<u>\$414,606,350</u>	<u>\$43,114,042</u>	<u>\$48,113,018</u>

Long-term Debt

As of June 30, 2015, Draper City’s debt amounted to \$48,705,915. This is a increase of \$11,668,959. 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 that was originally issued in fiscal year 2005 for \$7,000,000 and was refunded in September 2014 for \$4,490,000. The purpose of this bond was to finance the acquisition of land in order to preserve open space. The outstanding balance on this bond as of June 30, 2015 was \$4,490,000. In the refunding of this issue, the savings were “front loaded” to make available funds for additional improvements to the original Corner Canyon project area. The Net Present Value Benefit is \$409,918 for the refunding issue or 9.13%.

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 are listing them with their capital assets. The amount of the outstanding note is for \$13,371,915. The portion related to Governmental activities is \$10,992,965 and the Business-type activities are \$2,378,950. The obligation will be paid back to the developer through Transportation, Water and Storm Water Impact fees.

The City also refunded the Municipal Building Authority Lease Revenue Bond Series 2005 and issued a Sales Tax Revenue Bond Series 2014 for \$3,890,000. The refunding had a net present value benefit of \$350,690 or 8.9%.

	Governmental Activities 2014	Governmental Activities 2015	Business-type Activities 2014	Business-type Activities 2015
Bonds Payable	\$35,065,000	\$33,565,000	\$1,853,000	\$1,769,000
Capital Leases	-	-	118,953	-
Notes Payable	-	10,992,965	-	2,378,950
Total Debt	<u>\$35,065,000</u>	<u>\$44,557,965</u>	<u>\$1,971,953</u>	<u>\$4,147,950</u>

Additional information on the City’s long-term debt can be found in Note 10 of the Notes to Financial Statements.

Requests for information:

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

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS**STATEMENT OF NET POSITION – JUNE 30, 2015 – CITY OF DRAPER, UTAH**

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 27,418,130	\$ 11,489,546	\$ 38,907,676
Investments	2,505,201	-	2,505,201
Receivables:			
Accounts, net	5,637,514	1,426,079	7,063,593
Property taxes	12,411,615	-	12,411,615
Other taxes	17,956	-	17,956
Prepays	15,651	-	15,651
Notes receivable	13,009,154	-	13,009,154
Restricted cash and cash equivalents	27,354,147	295,621	27,649,768
Equity investments in joint venture	-	2,228,756	2,228,756
Net pension asset	8,056	1,109	9,165
Capital assets, not being depreciated:			
Land and right of ways	313,342,924	-	313,342,924
Intangible asset - water tank capacity	-	2,000,000	2,000,000
Water shares	-	131,907	131,907
Construction in progress	15,766,512	3,410,209	19,176,721
Capital assets, net of accumulated depreciation:			
Buildings	12,976,579	370,023	13,346,602
Improvements other than buildings	9,608,356	39,901,333	49,509,689
Machinery and equipment	2,448,836	2,299,546	4,748,382
Infrastructure	60,463,143	-	60,463,143
Total assets	502,983,774	63,554,129	566,537,903
DEFERRED OUTFLOWS OF RESOURCES			
Deferred loss on refunding	222,865	-	222,865
Deferred outflows related to pensions	761,210	104,754	865,964
Total deferred outflows of resources	984,075	104,754	1,088,829
LIABILITIES			
Accounts payable	3,708,878	567,347	4,276,225
Accrued liabilities	459,252	44,109	503,361
Accrued interest payable	220,203	43,694	263,897
Developer and customer deposits	3,447,936	102,858	3,550,794
Unearned revenue	-	1,465,910	1,465,910
Noncurrent liabilities:			
Due within one year	2,642,655	135,203	2,777,858
Due in more than one year	47,019,233	4,063,759	51,082,992
Net pension liability	3,544,207	487,740	4,031,947
Total liabilities	61,042,364	6,910,620	67,952,984
DEFERRED INFLOWS OF RESOURCES			
Deferred revenue-property taxes	12,411,615	-	12,411,615
Deferred inflows related to pensions	587,521	80,852	668,373
Total deferred inflows of resources	12,999,136	80,852	13,079,988
NET POSITION			
Net investment in capital assets	368,851,874	46,344,018	415,195,892
Restricted for:			
Debt service	580,185	192,763	772,948
Impact fees	12,093,885	-	12,093,885
Perpetual care	172,759	-	172,759
Capital projects	5,494,372	-	5,494,372
Grants	5,565,010	-	5,565,010
Unrestricted	37,168,264	10,130,630	47,298,894
Total net position	\$ 429,926,349	\$ 56,667,411	\$ 486,593,760

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

STATEMENT OF ACTIVITIES – JUNE 30, 2015 – 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
Governmental activities							
General government	\$ 9,783,775	\$ 5,197,605	\$ 4,093,965	\$ 147,500	\$ (344,705)		\$ (344,705)
Public safety	9,797,729	649,468	234,506	582,032	(8,331,723)		(8,331,723)
Highways and public improvements	10,283,258	7,261	1,812,443	6,110,539	(2,353,015)		(2,353,015)
Parks and recreation	3,728,661	443,717	-	907,084	(2,377,860)		(2,377,860)
Interest on long-term debt	1,261,076	-	-	-	(1,261,076)		(1,261,076)
Total governmental activities	34,854,499	6,298,051	6,140,914	7,747,155	(14,668,379)		(14,668,379)
Business-type activities							
Water	4,013,873	4,539,139	-	433,233		\$ 958,499	958,499
Storm water	1,546,988	1,999,172	-	1,947,847		2,400,031	2,400,031
Solid Waste	1,898,969	2,419,692	-	-		520,723	520,723
Total business-type activities	7,459,830	8,958,003	-	2,381,080		3,879,253	3,879,253
General Revenues:							
Taxes							
Property					7,690,018	-	7,690,018
Sales					9,967,402	-	9,967,402
Franchise					4,888,625	-	4,888,625
Investment earnings					824,023	68,602	892,625
Equity investment income					-	68,384	68,384
Total general revenue					23,370,068	136,986	23,507,054
Change in net position					8,701,689	4,016,239	12,717,928
Net position - beginning as restated					421,224,660	52,651,172	473,875,832
Net position - ending					\$ 429,926,349	\$ 56,667,411	\$ 486,593,760

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

BALANCE SHEET – GOVERNMENTAL FUNDS – JUNE 30, 2015 – CITY OF DRAPER, UTAH

	General Fund	Capital Projects Fund	Redevelopment Agency	Municipal Building Authority	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 13,216,703	\$ 3,384,945	\$ 6,351,980	\$ 727,630	\$ 2,180,584	\$ 25,861,842
Investments	2,505,201	-	-	-	-	2,505,201
Receivables:						
Property taxes	6,397,979	-	5,848,754	-	164,882	12,411,615
Other taxes	17,956	-	-	-	-	17,956
Other, net	3,501,472	2,136,042	-	-	-	5,637,514
Due from other funds	167,557	-	-	-	339,544	507,101
Prepays	15,651	-	-	-	-	15,651
Restricted cash and cash equivalents	9,277,506	6,168,683	-	171,293	11,736,665	27,354,147
Notes receivable	13,009,154	-	-	-	-	13,009,154
Total assets	\$ 48,109,179	\$ 11,689,670	\$ 12,200,734	\$ 898,923	\$ 14,421,675	\$ 87,320,181
LIABILITIES						
Accounts payable	\$ 1,858,265	\$ 1,485,613	\$ 365,000	\$ -	\$ -	\$ 3,708,878
Accrued liabilities	459,252	-	-	-	-	459,252
Due to other funds	339,544	-	-	-	167,557	507,101
Developer and customer deposits	3,374,242	73,694	-	-	-	3,447,936
Total liabilities	6,031,303	1,559,307	365,000	-	167,557	8,123,167
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue-property taxes	6,397,979	-	5,848,754	-	164,882	12,411,615
Unavailable revenue-notes receivable	168,221	-	-	-	-	168,221
Total deferred inflows of resources	6,566,200	-	5,848,754	-	164,882	12,579,836
FUND BALANCES						
Nonspendable	12,856,584	-	-	-	-	12,856,584
Restricted:						
Debt service	408,892	-	-	171,293	-	580,185
Perpetual care	-	-	-	-	172,759	172,759
Grants	-	5,565,010	-	-	-	5,565,010
B & C roads	5,494,372	-	-	-	-	5,494,372
Impact fees	-	529,979	-	-	11,563,906	12,093,885
Assigned:						
Capital projects	377,380	4,035,374	-	-	-	4,412,754
RDA fund and projects	-	-	5,986,980	-	-	5,986,980
MBA fund	-	-	-	727,630	-	727,630
Traverse ridge fund	-	-	-	-	2,352,571	2,352,571
Unassigned	16,374,448	-	-	-	-	16,374,448
Total fund balances	35,511,676	10,130,363	5,986,980	898,923	14,089,236	66,617,178
Total liabilities, deferred inflows of resources and fund balances	\$ 48,109,179	\$ 11,689,670	\$ 12,200,734	\$ 898,923	\$ 14,421,675	\$ 87,320,181

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, 2015 – CITY OF DRAPER, UTAH***

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

Total fund balances for governmental funds (page 17)	\$ 66,617,178
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	414,606,350
Other long-term assets are not available for current period expenditures and, therefore, are not reported in the funds balance sheet.	\$ 992,131
Accrued interest on long-term debt is not due and payable in the current period and, therefore, is not recorded in the funds.	(220,203)
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.	(49,661,888)
Other long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds balance sheet.	(4,131,728)
Deferred inflows of resource associated with the General Fund's notes receivable are removed in the Statement of Net Position.	168,221
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.	1,556,288
Net position of governmental activities (page 15)	<u>\$ 429,926,349</u>

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

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
FOR THE YEAR ENDED JUNE 30, 2015 – CITY OF DRAPER, UTAH**

	General Fund	Capital Projects Fund	Redevelopment Agency	Municipal Building Authority	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES						
Taxes:						
Property	\$ 7,128,646	\$ -	\$ 558,516	\$ -	\$ 2,856	\$ 7,690,018
Sales	9,967,402	-	-	-	-	9,967,402
Franchise	4,888,625	-	-	-	-	4,888,625
Licenses and permits	3,135,690	-	-	-	-	3,135,690
Intergovernmental	1,751,444	2,136,042	3,987,259	-	339,544	8,214,289
Charges for services	2,521,990	-	-	-	-	2,521,990
Impact fees	-	-	-	-	3,285,017	3,285,017
Fines and forfeitures	594,383	-	-	-	-	594,383
Interest	711,733	-	36,801	-	75,489	824,023
Donations and reimbursements	147,500	-	-	-	-	147,500
Miscellaneous	151,088	-	-	-	1,150	152,238
Total revenues	30,998,501	2,136,042	4,582,576	-	3,704,056	41,421,175
EXPENDITURES						
Current:						
General government	8,076,547	500	-	-	1,500	8,078,547
Public safety	9,633,865	-	-	-	-	9,633,865
Highways and public improvements	3,776,511	-	-	-	167,557	3,944,068
Park, recreation, and public property	2,689,688	-	-	-	-	2,689,688
RDA expenditures	-	-	2,083,389	-	-	2,083,389
Capital outlay	-	8,911,500	-	-	-	8,911,500
Debt service:						
Principal	1,045,000	882,252	-	415,000	-	2,342,252
Interest	1,237,764	-	-	198,108	-	1,435,872
Bond issuance costs	151,815	-	-	-	-	151,815
Total expenditures	26,611,190	9,794,252	2,083,389	613,108	169,057	39,270,996
Excess (deficiency) of revenues over (under) expenditures	4,387,311	(7,658,210)	2,499,187	(613,108)	3,534,999	2,150,179
OTHER FINANCING SOURCES (USES)						
Issuance of bonds	8,936,759	-	-	-	-	8,936,759
Payments to bond escrow agent	(8,778,746)	-	-	-	-	(8,778,746)
Sale of capital assets	404,248	-	-	-	-	404,248
Transfers in	5,394,672	2,472,932	-	613,109	-	8,480,713
Transfers out	(1,950,529)	(4,918,520)	(703,540)	-	(1,675,207)	(9,247,796)
Total other financing sources (uses)	4,006,404	(2,445,588)	(703,540)	613,109	(1,675,207)	(204,822)
Net change in fund balances	8,393,715	(10,103,798)	1,795,647	1	1,859,792	1,945,357
Fund balances, beginning as restated	27,117,961	20,234,161	4,191,333	898,922	12,229,444	64,671,821
Fund balances, ending	\$ 35,511,676	\$ 10,130,363	\$ 5,986,980	\$ 898,923	\$ 14,089,236	\$ 66,617,178

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, 2015 – 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 (page 19)	\$ 1,945,357
<p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, assets with an initial cost of \$5,000 or more are capitalized and the cost is allocated over the asset's estimated useful lives and reported as depreciation expense.</p>	
Capital outlay	9,145,645
Depreciation expense	(6,121,010)
<p>Contributed assets are not recorded in governmental funds because current resources are not expended for acquisition. The Statement of Activities records these contributed assets at their estimated fair value on the date of contribution.</p>	
	2,178,521
<p>Principal payments from recipients on certain notes are recorded as revenue in the governmental funds. However, these payments are recorded as a decrease in the notes receivable in the Statement of Net Position.</p>	
	(43,486)
<p>The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the payment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither type of transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued. These amounts are deferred and amortized in the Statement of Activities. These amounts are the net effect of these differences in the treatment of long-term debt and related items.</p>	
Issuance of Bonds	(8,936,759)
Reduction of long-term liability	11,120,976
Amortization of bond premiums	233,348
<p>Accrued pension costs are not reported as an expenditure in the current period for governmental funds but are recorded as an expense in the statement of activities.</p>	
	458,429
<p>Governmental assets deleted during the year with the respective gain (loss) on disposal are not shown in governmental funds.</p>	
	(753,703)
<p>Expenses are recognized in the governmental funds when paid or due; however, the Statement of Activities is presented on the accrual basis and expenses and liabilities are reported when incurred, regardless of when financial resources are available or expenses are paid or due.</p>	
Contribution to other government	(1,807,740)
Accrued interest	93,263
Compensated absences	(26,501)
<p>Internal service fund is used by management to charge the cost of centralized services to individual funds. The net income of the internal service fund is reported with governmental activities.</p>	
	<u>1,215,349</u>
Change in net position of governmental activities (page 16)	<u>\$ 8,701,689</u>

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

STATEMENT OF NET POSITION – PROPRIETARY FUNDS – JUNE 30, 2015
CITY OF DRAPER, UTAH

	Business-type Activities - Enterprise Funds			Total	Governmental
	Water	Storm Water	Solid Waste		Activities Internal Service Fund
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 3,740,881	\$ 5,973,643	\$ 1,775,022	\$ 11,489,546	\$ 1,556,288
Restricted cash and cash equivalents	295,621	-	-	295,621	-
Accounts receivable, net	607,189	637,916	180,974	1,426,079	-
Total current assets	4,643,691	6,611,559	1,955,996	13,211,246	1,556,288
Noncurrent assets:					
Capital assets:					
Intangible asset - water tank	2,000,000	-	-	2,000,000	-
Water shares	131,907	-	-	131,907	-
Construction in progress	2,354,598	1,008,203	47,408	3,410,209	-
Buildings	91,972	-	345,107	437,079	-
Improvements other than buildings	28,825,598	33,776,303	-	62,601,901	-
Machinery and equipment	270,204	851,972	3,375,443	4,497,619	-
Furniture and fixtures	21,303	-	-	21,303	-
Accumulated depreciation	(11,361,099)	(12,134,898)	(1,491,003)	(24,987,000)	-
Net capital assets	22,334,483	23,501,580	2,276,955	48,113,018	-
Other assets:					
Equity investment in joint venture	-	-	2,228,756	2,228,756	-
Net pension asset	398	346	365	1,109	-
Total other assets	398	346	2,229,121	2,229,865	-
Total noncurrent assets	22,334,881	23,501,926	4,506,076	50,342,883	-
Total assets	26,978,572	30,113,485	6,462,072	63,554,129	1,556,288
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows related to pensions	37,633	32,668	34,453	104,754	-
Total deferred outflows of resources	37,633	32,668	34,453	104,754	-

(continued)

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

STATEMENT OF NET POSITION – PROPRIETARY FUNDS (continued) – JUNE 30, 2015
CITY OF DRAPER, UTAH

	Business-type Activities - Enterprise Funds			Total	Governmental
	Water	Storm Water	Solid Waste		Internal Service Fund
LIABILITIES					
Current liabilities:					
Accounts payable	\$ 330,311	\$ 160,894	\$ 76,142	\$ 567,347	\$ -
Accrued liabilities	15,483	13,030	15,596	44,109	-
Deposits	102,858	-	-	102,858	-
Accrued interest payable	43,694	-	-	43,694	-
Unearned revenue	-	1,465,910	-	1,465,910	-
Compensated absences	4,298	2,668	3,237	10,203	-
Bonds payable	85,000	-	-	85,000	-
Notes payable	20,000	20,000	-	40,000	-
Claims and judgments	-	-	-	-	420,049
Total current liabilities	601,644	1,662,502	94,975	2,359,121	420,049
Noncurrent liabilities:					
Compensated absences	17,192	10,670	12,947	40,809	-
Bonds payable	1,684,000	-	-	1,684,000	-
Notes payable	1,509,499	829,451	-	2,338,950	-
Net pension liability	175,220	152,105	160,415	487,740	-
Claims and judgments	-	-	-	-	687,973
Total noncurrent liabilities	3,385,911	992,226	173,362	4,551,499	687,973
Total liabilities	3,987,555	2,654,728	268,337	6,910,620	1,108,022
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows related to pensions	29,046	25,214	26,592	80,852	-
Total deferred outflows of resources	29,046	25,214	26,592	80,852	-
NET POSITION					
Net investment in capital assets	20,565,483	23,501,580	2,276,955	46,344,018	-
Restricted for debt service	192,763	-	-	192,763	-
Unrestricted	2,241,358	3,964,631	3,924,641	10,130,630	448,266
Total net position	\$ 22,999,604	\$ 27,466,211	\$ 6,201,596	\$ 56,667,411	\$ 448,266

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, 2015 – CITY OF DRAPER, UTAH**

	Business-type Activities - Enterprise Funds			Total	Governmental
	Water	Storm Water	Solid Waste		Activities Internal Service Fund
OPERATING REVENUES					
Sales and charges for services	\$ 4,011,480	\$ 1,969,532	\$ 2,393,425	\$ 8,374,437	\$ 682,427
Connection fees	513,135	-	-	513,135	-
Miscellaneous income	14,524	29,640	26,267	70,431	-
Total operating revenues	4,539,139	1,999,172	2,419,692	8,958,003	682,427
OPERATING EXPENSES					
Salaries and benefits	543,487	449,163	500,362	1,493,012	-
Utilities	315,705	2,119	2,450	320,274	-
Water charges	1,538,970	-	-	1,538,970	-
Landfill fees	-	-	250,790	250,790	-
Supplies and repairs	170,838	206,626	217,333	594,797	-
Claims and insurance	112,722	59,088	45,524	217,334	234,161
Administrative	399,569	349,825	554,060	1,303,454	-
Depreciation	887,288	480,167	313,327	1,680,782	-
Total operating expenses	3,968,579	1,546,988	1,883,846	7,399,413	234,161
Operating income	570,560	452,184	535,846	1,558,590	448,266
NONOPERATING REVENUES (EXPENSES)					
Equity income of joint venture	-	-	68,384	68,384	-
Impact fees	140,648	446,836	-	587,484	-
Interest income	25,067	35,072	8,463	68,602	-
Interest and fiscal expenses	(45,294)	-	(702)	(45,996)	-
Gain/(loss) on disposal of assets	-	-	(14,421)	(14,421)	-
Total nonoperating revenues (expenses)	120,421	481,908	61,724	664,053	-
Income (loss) before contributions and transfers	690,981	934,092	597,570	2,222,643	448,266
Capital contributions	292,585	1,501,011	-	1,793,596	-
Transfers in	-	-	-	-	767,083
Change in net position	983,566	2,435,103	597,570	4,016,239	1,215,349
Total net position, beginning as restated	22,016,038	25,031,108	5,604,026	52,651,172	(767,083)
Total net position, ending	\$ 22,999,604	\$ 27,466,211	\$ 6,201,596	\$ 56,667,411	\$ 448,266

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

**STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2015 – CITY OF DRAPER, UTAH**

	Enterprise Funds			Governmental	
				Activities	
	Water	Storm Water	Solid Waste	Total	Internal Service Fund
Cash flows from operating activities					
Receipts from customers and users	\$ 4,559,096	\$ 1,315,215	\$ 2,436,068	\$ 8,310,379	\$ 682,427
Payments to suppliers	(2,590,954)	(537,604)	(1,052,687)	(4,181,245)	(741,490)
Payments to employees	(546,991)	(453,427)	(508,197)	(1,508,615)	-
Net cash provided (used) by operating activities	1,421,151	324,184	875,184	2,620,519	(59,063)
Cash flows from noncapital financing activities					
Transfers from other funds	-	-	-	-	767,083
Net cash provided (used) by noncapital financing activities	-	-	-	-	767,083
Cash flows from capital and related financing activities					
Aquisition of capital assets	(2,265,752)	(771,785)	(314,560)	(3,352,097)	-
Capital grants	216,085	658,419	-	874,504	-
Impact fees received	140,648	446,836	-	587,484	-
Principal paid on capital debt	(84,000)	(44,041)	(118,956)	(246,997)	-
Interest paid on capital debt	(47,369)	-	(702)	(48,071)	-
Net cash provided (used) by capital and related financing activities	(2,040,388)	289,429	(434,218)	(2,185,177)	-
Cash flows from investing activities					
Interest received	25,067	35,072	8,463	68,602	-
Net cash provided by investing activities	25,067	35,072	8,463	68,602	-
Net increase (decrease) in cash and cash equivalents	(594,170)	648,685	449,429	503,944	708,020
Cash and cash equivalents, beginning of year	4,630,672	5,324,958	1,325,593	11,281,223	848,268
Cash and cash equivalents, end of year	\$ 4,036,502	\$ 5,973,643	\$ 1,775,022	\$ 11,785,167	\$ 1,556,288
Unrestricted cash	\$ 3,740,881	\$ 5,973,643	\$ 1,775,022	\$ 11,489,546	\$ 1,556,288
Restricted cash	295,621	-	-	295,621	-
Total cash and cash equivalents	\$ 4,036,502	\$ 5,973,643	\$ 1,775,022	\$ 11,785,167	\$ 1,556,288

(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, 2015 – CITY OF DRAPER, UTAH

	Enterprise Funds			Total	Governmental
	Water	Storm Water	Solid Waste		Internal Service Fund
Reconciliation of operating income to net cash provided (used) by operating activities					
Operating income	\$ 570,560	\$ 452,184	\$ 535,846	\$ 1,558,590	\$ 448,266
Adjustments to reconcile operating income to net cash provided (used) by operating activities:					
Depreciation	887,288	480,167	313,327	1,680,782	-
Changes in assets and liabilities:					
Accounts receivable	(78,451)	(476,260)	16,376	(538,335)	-
Prepays	-	-	-	-	-
Accounts payable	(53,150)	80,054	17,470	44,374	-
Accrued liabilities	6,465	5,801	7,122	19,388	-
Deposits	98,408	-	-	98,408	-
Unearned revenue	-	(207,697)	-	(207,697)	-
Compensated absences	12,696	9,609	5,793	28,098	-
Net pension liability	(22,665)	(19,674)	(20,750)	(63,089)	-
Claims and judgments	-	-	-	-	(507,329)
Net cash provided (used) by operating activities	\$ 1,421,151	\$ 324,184	\$ 875,184	\$ 2,620,519	\$ (59,063)
Noncash investing, capital and financing activities					
Capital contributions - developers	\$ 76,500	\$ 842,592	\$ -	\$ 919,092	\$ -
Purchase of capital assets with note payable	\$ 1,529,499	\$ 893,492	\$ -	\$ 2,422,991	\$ -
Equity investment adjustment for net income and ownership changes	\$ -	\$ -	\$ 68,384	\$ 68,384	\$ -

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

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Draper (the City) was incorporated on April 17, 1978, as a third class City under the provisions of the State of Utah and operates under a council-city manager form of government. The governing body consists of five elected council members and a mayor, each of which are elected to serve a four-year term. The heads of the various departments, formed to provide various services, are under the direct supervision of the City Manager. The City provides the following services as authorized by its charter: general administrative services, public safety (police and fire), highway and streets, solid waste, water, storm water, recreation and parks, public improvements, and planning and zoning.

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

REPORTING ENTITY

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

REPORTING ENTITY (continued)

The Traverse Ridge Special Service District (TRSSD) was established to provide highway and transportation services, for the area within the City known as Suncrest. Services provided by the TRSSD include: snow removal, street lighting, road repair and maintenance, sweeping and disposal services. The TRSSD is governed by a board composed of the members appointed 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 of the TRSSD. In conformity with accounting principles generally accepted in the United States of America, the financial statements of the TRSSD have been included in the financial reporting entity as a blended component unit. The TRSSD is included in these financial statements as the Traverse Ridge Special Service District Special Revenue Fund. Separate financial statements are not issued for the TRSSD.

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

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION

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

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

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

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

The City reports the following major governmental funds:

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

The City reports the following major proprietary funds:

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

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

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

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.

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

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

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

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

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

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

BUDGETARY DATA

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

BUDGETARY DATA (continued)

Utah State law prohibits the appropriation of the sum of unassigned, assigned, and committed General Fund balance until it exceeds 5% of the General Fund revenues. Until the sum of the stated fund balance categories is greater than the above amount, it cannot be budgeted, but is used to provide working capital until tax revenue is received, to meet emergency expenditures, and to cover unanticipated deficits. Utah State law also prohibits the accumulation of the stated fund balance categories in the General Fund in any amounts greater than 25% 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 that 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.

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 stated at cost, which approximates their fair value.

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, 2015, 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. Management has estimated the allowance for uncollectibles to be \$102,930, which is estimated based on historical trends related to collections of accounts receivable.

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

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

Equity Investment in Joint Venture: The investment in Trans-Jordan Cities Landfill, a 10.25% 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 estimated fair market 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 40 hours plus the current year maximum accrual. When an employee leaves or is terminated they are paid out at their current hourly rate.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Deferred Inflows and Outflows of Resources: In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so 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.

Deferred outflows of resources represent a consumption of net position that applies to a future period, and is therefore deferred until that time. A deferred loss on refunding results from the difference in the carrying value of the refunded debt and the reacquisition price. The City also has deferred outflows relating to pensions as of June 30, 2015.

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.

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 be 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.

New Pronouncements: The Governmental Accounting Standards Board issued Statement No. 68, *Accounting and Financial Reporting for Pensions*. The implementation of this statement has resulted in the recording of the net pension assets and liabilities and related deferred inflows and outflows of resources.

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. Investments are stated at cost, which approximate fair value. 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 City's deposit and investment policy is to follow the Utah Money Management Act (UMMA) established by the Money Management Council that promulgates additional rules and determines which financial institutions may qualify to hold deposits and investments for State and local entities. 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 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, 2015, \$1,546,914 of the City's \$2,066,825 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 \$64,999,213, 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. Of the City's investment in certificates of deposit of \$2,505,201, the government has a custodial credit risk exposure of \$2,005,201 because the deposits are uninsured, unregistered, and the issuing bank is also the counterparty for these particular deposits.

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 the Money Management Act. The Act requires investment transactions to be conducted only through qualified depositories, certified dealers, or directly with issuers of the investment securities. Permitted investments include deposits of qualified depositories; repurchase agreements; commercial paper that is classified as "first tier" by two nationally recognized statistical rating organizations, one of which must be Moody's Investor Services or Standard and Poor's; banker acceptance obligations of the U.S. Treasury and U.S. government sponsored enterprises; bonds and notes of political subdivisions of the State of Utah; fixed rate corporate obligations and variable rate securities rated "A" or higher by two nationally recognized statistical rating organizations as defined by the Act.

The City's investments in debt securities were rated AAA by Moody's and AAA by Standard and Poors.

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.

2. DEPOSITS AND INVESTMENTS (CONTINUED)

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 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 remaining investments held by the City at June 30, 2015 are comprised of term deposits with three different financial institutions totaling \$2,505,201.

The City invests in the Public Treasurer's Investment Fund (PTIF) which is a voluntary external Local Governmental Investment Pool managed by the Utah State Treasurer's Office and is audited by the Utah State Auditor. No separate report as an external investment pool has been issued for the PTIF. The PTIF is not registered with the SEC as an investment company and is not rated. The PTIF is authorized and regulated by the Utah Money Management Act, (Utah Code Title 51, Chapter 7). 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.

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, net of administration fees, of the PTIF are allocated to participants on the ratio of the participant's share to the total funds in the PTIF based on the participant's average daily balance. The PTIF allocates income and issues statements on a monthly basis. 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 Treasures' Office.

For the year ended June 30, 2015, the City had investments of \$64,999,213 with the PTIF. The fair value of these investments was \$65,312,767 using a fair value factor of 1.00496043. The PTIF pool has not been rated.

Following are the City's cash and investments at June 30, 2015:

	Carrying Value
Cash on hand and on deposit:	
Cash on hand	\$ 2,795
Cash on deposit	1,553,211
Money market accounts	2,225
PTIF accounts	<u>64,999,213</u>
Total cash on hand and deposit	<u>\$ 66,557,444</u>
Investments:	
Term deposits	<u>\$ 2,505,201</u>

3. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The purpose of the transfers was to provide cash flows, pay operating expenses, and to fund capital projects. During the current year the Capital Projects Fund also returned unexpended amounts back to the original fund after the conclusion of the project. Transfers among the funds during the current year were:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 5,394,672	\$ 1,950,529
MBA Fund	613,109	-
Capital Projects Fund	2,472,932	4,918,520
Redevelopment Agency	-	703,540
Nonmajor Governmental Funds	-	1,675,207
Internal Service Fund	767,083	-
	<u>\$ 9,247,796</u>	<u>\$ 9,247,796</u>

4. RESTRICTED CASH AND CASH EQUIVALENTS

Certain cash and cash equivalents are restricted to use as follows as of June 30, 2015:

	<u>Amount</u>
Governmental activities	
Restricted for debt service	\$ 580,185
Restricted for cemetery	172,759
Restricted for future development - impact fees	12,093,885
Restricted for grants	5,565,010
Restricted for developer and customer deposits	3,447,936
Restricted for "C" roads	5,494,372
Total governmental activities	<u>27,354,147</u>
Business-type activities	
Restricted for debt service	192,763
Restricted for developer and customer deposits	102,858
Total business-type activities	<u>295,621</u>
Total restricted cash and cash equivalents	<u>\$ 27,649,768</u>

5. EQUITY INVESTMENT IN JOINT VENTURE

TRANS–JORDAN CITIES LANDFILL

The Solid Waste Fund has a 10.25% 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 5.16%, 8.42%, 29.95%, 13.77%, 21.70% and 10.75% 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 \$250,790 for fiscal year 2015.

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 2015, Trans–Jordan reported an increase in net position of \$920,222 and a prior period adjustment restating the 2014 financial statements to implement GASB 68 related to pension by recording the net pension liability and associated deferred costs as required. The effect of this prior period adjustment decreased net position by \$629,808 at the beginning of 2015. The City recognized its 10.25% of the landfill's income, the change in net position from prior period adjustments, as well as a change in the City's percent of ownership in the landfill, as equity income of a joint venture of \$68,384 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, 2015, 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, 2015, was as follows:

	6/30/14	Increases	Decreases	06/30/15
<u>Governmental activities</u>				
Capital assets, not being depreciated:				
Land	\$ 81,966,279	\$ 150,000	\$ (712,200)	\$ 81,404,079
Right of ways - canals	636,300	-	-	636,300
Right of ways - roads	229,061,707	2,240,838	-	231,302,545
Construction in progress	7,959,069	8,911,998	(1,104,555)	15,766,512
Total capital assets, not being depreciated	319,623,355	11,302,836	(1,816,755)	329,109,436
Capital assets, being depreciated:				
Buildings	15,516,835	241,239	(110,000)	15,648,074
Building improvements	2,018,617	-	(369,065)	1,649,552
Improvements	7,076,061	18,027	-	7,094,088
Park assets/sporting fields	8,764,866	96,075	(59,837)	8,801,104
Paved trails	1,802,639	73,727	-	1,876,366
Machinery and equipment	3,766,705	78,160	(11,222)	3,833,643
Office equipment	434,382	6,280	(10,442)	430,220
Vehicles	4,236,625	438,032	-	4,674,657
Furniture and fixtures	450,780	-	-	450,780
Infrastructure: roadways	85,252,945	9,625,230	-	94,878,175
Infrastructure: sidewalks	15,134,380	395,330	-	15,529,710
Infrastructure: street lights	1,848,435	73,600	-	1,922,035
Infrastructure: surfaces - parking lots	923,119	147,662	-	1,070,781
Infrastructure: traffic lights	176,312	-	-	176,312
Total capital assets, being depreciated	147,402,701	11,193,362	(560,566)	158,035,497
Accumulated depreciation:				
Buildings	(3,254,180)	(390,835)	87,972	(3,557,043)
Building improvements	(1,057,549)	(59,037)	352,582	(764,004)
Improvements	(4,459,216)	(353,499)	-	(4,812,715)
Park assets/sporting fields	(2,463,180)	(436,262)	59,837	(2,839,605)
Paved trails	(422,904)	(87,978)	-	(510,882)
Machinery and equipment	(2,789,047)	(190,529)	8,230	(2,971,346)
Office equipment	(286,390)	(29,665)	10,442	(305,613)
Vehicles	(2,911,632)	(301,093)	-	(3,212,725)
Furniture and fixtures	(450,780)	-	-	(450,780)
Infrastructure: roadways	(41,308,079)	(3,655,533)	-	(44,963,612)
Infrastructure: sidewalks	(5,894,942)	(506,207)	-	(6,401,149)
Infrastructure: street lights	(1,297,977)	(63,558)	-	(1,361,535)
Infrastructure: surfaces - parking lots	(292,998)	(37,998)	-	(330,996)
Infrastructure: traffic lights	(47,762)	(8,816)	-	(56,578)
Total accumulated depreciation	(66,936,636)	(6,121,010)	519,063	(72,538,583)
Total capital assets being depreciated, net	80,466,065	5,072,352	(41,503)	85,496,914
Governmental capital assets, net	\$ 400,089,420	\$ 16,375,188	\$ (1,858,258)	\$ 414,606,350

6. CAPITAL ASSETS (CONTINUED)

	6/30/14	Increases	Decreases	06/30/15
<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	1,304,651	3,076,294	(970,736)	3,410,209
Total capital assets, not being depreciated	3,436,558	3,076,294	(970,736)	5,542,116
Capital assets, being depreciated:				
Buildings and improvements	437,079	-	-	437,079
Water tanks	4,185,508	-	-	4,185,508
Distribution systems	54,121,502	4,294,891	-	58,416,393
Vehicles	2,167,656	267,152	-	2,434,808
Machinery and equipment	2,059,412	26,578	(23,179)	2,062,811
Office equipment	9,469	-	-	9,469
Furniture and fixtures	11,834	-	-	11,834
Total capital assets, depreciated	62,992,460	4,588,621	(23,179)	67,557,902
Accumulated depreciation:				
Buildings and improvements	(53,748)	(13,308)	-	(67,056)
Water tanks	(351,683)	(42,298)	-	(393,981)
Distribution systems	(21,049,896)	(1,256,691)	-	(22,306,587)
Vehicles	(966,922)	(234,966)	-	(1,201,888)
Machinery and equipment	(871,424)	(133,519)	8,758	(996,185)
Office equipment	(9,469)	-	-	(9,469)
Furniture and fixtures	(11,834)	-	-	(11,834)
Total accumulated depreciation	(23,314,976)	(1,680,782)	8,758	(24,987,000)
Total capital assets being depreciated, net	39,677,484	2,907,839	(14,421)	42,570,902
Business-type capital assets, net	\$ 43,114,042	\$ 5,984,133	\$ (985,157)	\$ 48,113,018

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

Governmental activities:	
General government	\$ 236,234
Public safety	415,161
Highways and public improvements	4,358,698
Parks and recreation	1,110,917
Total depreciation expense - governmental activities	<u>\$ 6,121,010</u>
Business-type activities:	
Water Fund	887,288
Storm Water Fund	480,167
Solid Waste Fund	313,327
Total depreciation expense - business-type activities	<u>\$ 1,680,782</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 \$6,397,979, \$164,882, and \$5,848,754, respectively at June 30, 2015.

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, 2015 was not expected to be received within 60 days after the year ended June 30, 2015, 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, 2015.

9. UNEARNED REVENUE

The City entered into a settlement agreement with a third party during 2013 wherein the third party paid the City \$1,962,000 to complete a storm basin. At June 30, 2015 the City had partially completed the project and recognized \$207,697 of revenue with the remaining \$1,465,910 balance as unearned revenue.

10. LONG-TERM DEBT

CHANGES IN LONG-TERM LIABILITIES

Long-term debt activity for the year ended June 30, 2015, was as follows:

	6/30/14	Increases	Decreases	06/30/15	Due in One Year
<u>Governmental activities</u>					
Bonds payable:					
General obligation bonds	\$ 4,480,000	\$ 4,490,000	(4,480,000)	\$ 4,490,000	\$ 400,000
Sales tax revenue bonds	23,995,000	3,890,000	(1,045,000)	26,840,000	1,385,000
Municipal Building Authority					
lease revenue bonds	6,590,000	-	(4,355,000)	2,235,000	145,000
Plus: unamortized premiums	3,395,320	556,759	(369,207)	3,582,872	-
Total bonds payable	38,460,320	8,936,759	(10,249,207)	37,147,872	1,930,000
Notes payable	-	11,875,217	(882,252)	10,992,965	210,000
Compensated absences	386,528	407,619	(381,118)	413,029	82,606
Other liabilities - URMMA	1,615,351	234,161	(741,490)	1,108,022	420,049
Governmental activities, long-term liabilities	<u>\$ 40,462,199</u>	<u>\$ 21,453,756</u>	<u>\$ (12,254,067)</u>	<u>\$ 49,661,888</u>	<u>\$ 2,642,655</u>
<u>Business-type activities</u>					
Water revenue bonds	\$ 1,853,000	\$ -	\$ (84,000)	1,769,000	\$ 85,000
Capital lease obligation	118,956	-	(118,956)	-	-
Notes payable	-	2,422,991	(44,041)	2,378,950	40,000
Compensated absences	22,914	59,636	(31,538)	51,012	10,203
Business-type activities, long-term liabilities	<u>\$ 1,994,870</u>	<u>\$ 2,482,627</u>	<u>\$ (278,535)</u>	<u>\$ 4,198,962</u>	<u>\$ 135,203</u>

The following is a summary and description of the individual bonds and debt obligations of the City during the year ended June 30, 2015:

GOVERNMENTAL ACTIVITIES:

General Obligation Bonds

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.

Total General Obligation Bonds - Governmental Activities

<u>Amount</u>
<u>\$ 4,490,000</u>
<u>\$ 4,490,000</u>

10. LONG-TERM DEBT (CONTINUED)**GOVERNMENTAL ACTIVITIES (continued):****Sales Tax Revenue Bonds****Amount**

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.	\$ 3,890,000
Series 2012A Sales Tax Revenue Bonds, original issue of \$4,915,000, principal due in annual installments beginning May 2025, interest at 4.50% to 5.00% due in semi-annual installments beginning May 2013, with the final payment due May 2032. The bonds were issued to finance the costs of purchasing open space land.	4,915,000
Series 2012B Sales Tax Revenue Refunding Bonds (2004 refunding), original issue of \$2,320,000, principal due in annual installments beginning May 2013, interest at 2.00% to 4.00% due in semi-annual installments beginning May 2013, with the final payment due May 2024. The bonds were issued for the crossover advanced refunding of the Series 2004 Sales Tax Revenue Bonds, retired on May 2014.	2,110,000
Series 2012B Sales Tax Revenue Refunding Bonds (2002B refunding), original issue of \$4,795,000, principal due in annual installments beginning May 2013, interest at 2.00% to 4.00% due in semi-annual installments beginning May 2013, with the final payment due May 2024. The bonds were issued for the current refunding of the Series 2002B Municipal Building Authority Lease Revenue Bonds, original issue of \$7,770,000.	3,885,000
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.	<u>12,040,000</u>
Total Sales Tax Revenue Bonds - Governmental Activities	<u>\$ 26,840,000</u>

10. LONG-TERM DEBT (CONTINUED)

GOVERNMENTAL ACTIVITIES (continued):

Municipal Building Authority Lease Revenue Bonds

Amount

Municipal Building Authority Lease Revenue and Refunding Bonds Series 2007, original issue of \$3,355,000, principal due in annual installments beginning March 2008, interest at 4.00% to 5.00% due in semi-annual installments beginning March 2008, with the final payment due March 2027. The bonds were issued to finance construction costs of a new fire station and to refund the MBA Series 2002 Lease Revenue Bonds.

\$ 2,235,000

Total Municipal Building Authority Lease Revenue
Bonds - Governmental Activities

\$ 2,235,000

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.

\$ 1,769,000

Total Water Revenue Bonds - Business-type Activities

\$ 1,769,000

GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES:

Notes Payable

Amount

Vista Project Area, original amount of \$14,298,208, payments due from future impact fees City will assess and collect on all development activities within this designated Master Developer Parcel, including interest at lesser of 2% above prime or 5%, 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 and interest 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.

\$ 13,371,915

Total Notes Payable - Governmental Activities

\$ 10,992,965

Total Notes Payable - Business-type Activities

\$ 2,378,950

10. LONG-TERM DEBT (CONTINUED)

All of the City’s Sales Tax Revenue Bonds, Municipal Building Authority Lease Revenue Bonds and Water Revenue Bonds are payable solely by a pledge and assignment of their associated revenue sources. An estimated \$8,790,000 in annual sales tax has been pledged through 2032. Total future lease revenues of \$2,921,235 have been pledged through 2027. Total future RDA tax increments have been pledged for RDA commitments through 2030. Total future water net revenues of \$2,186,949 have been pledged through 2031. The current revenue recognized during the period for pledged Sales Tax Revenue bonds was \$9,967,402 compared to principal and interest of \$2,082,200, which equals a coverage multiple of 4.79. The current revenue recognized during the period for pledged Municipal Building Authority Lease Revenue bonds was \$603,109 compared to principal and interest of \$613,108 which equals a coverage multiple of 1.00. The current year revenue recognized during the year for pledged Water Revenue was \$4,011,480 compared to principal and interest of \$127,694 which equals a coverage ratio of 31.41.

The annual debt service requirements to maturity are as follows:

Year Ending June 30,	Governmental Activities General Obligation Bonds		
	Principal	Interest	Totals
2016	\$ 400,000	116,975	\$ 516,975
2017	410,000	108,975	518,975
2018	420,000	100,775	520,775
2019	430,000	92,375	522,375
2020	440,000	82,700	522,700
2021-2025	2,390,000	219,150	2,609,150
	<u>\$ 4,490,000</u>	<u>\$ 720,950</u>	<u>\$ 5,210,950</u>

Year Ending June 30,	Governmental Activities Sales Tax Revenue Bonds		
	Principal	Interest	Totals
2016	\$ 1,385,000	\$ 1,121,125	\$ 2,506,125
2017	1,425,000	1,077,675	2,502,675
2018	1,465,000	1,027,075	2,492,075
2019	1,525,000	974,013	2,499,013
2020	1,580,000	916,850	2,496,850
2021-2025	8,620,000	3,612,250	12,232,250
2026-2030	7,495,000	1,901,875	9,396,875
2031-2032	3,345,000	253,000	3,598,000
	<u>\$ 26,840,000</u>	<u>\$ 10,883,863</u>	<u>\$ 37,723,863</u>

10. LONG-TERM DEBT (CONTINUED)

Year Ending June 30,	Governmental Activities MBA Lease Revenue Bonds		
	Principal	Interest	Totals
	2016	\$ 145,000	\$ 98,471
2017	150,000	91,221	241,221
2018	160,000	83,721	243,721
2019	165,000	77,121	242,121
2020	175,000	70,315	245,315
2021-2025	985,000	234,336	1,219,336
2026-2027	455,000	31,050	486,050
	<u>\$ 2,235,000</u>	<u>\$ 686,235</u>	<u>\$ 2,921,235</u>

Year Ending June 30,	Business-type Activities Water Revenue Bonds		
	Principal	Interest	Totals
	2016	\$ 85,000	\$ 43,694
2017	88,000	41,595	129,595
2018	90,000	39,421	129,421
2019	92,000	37,198	129,198
2020	94,000	34,926	128,926
2021-2025	505,000	138,667	643,667
2026-2030	568,000	73,260	641,260
2031-2032	247,000	9,189	256,189
	<u>\$ 1,769,000</u>	<u>\$ 417,950</u>	<u>\$ 2,186,950</u>

Year Ending June 30,	Notes Payable
2016 (estimated)	\$ 250,000
To be determined	13,121,915
Total notes payable	<u>\$ 13,371,915</u>

10. LONG-TERM DEBT (CONTINUED)

The bond sinking fund requirements to maturity for the long-term debt, as of June 30, 2015, are as follows:

Maturity	Bond Sinking Fund	
	Par Amount	
	Series 2012A	Series 2012C
5/1/2025	\$ 525,000	\$ -
5/1/2026	545,000	750,000
5/1/2027	570,000	780,000
5/1/2028	600,000	815,000
5/1/2029	620,000	860,000
5/1/2030	650,000	900,000
5/1/2031	685,000	945,000
5/1/2032	720,000	995,000

Bond Refunding

In September 2014, the City issued \$4,490,000 in General Obligation Refunding Bonds, Series 2014. The proceeds were used to advance refund \$4,480,000 of outstanding Series 2005 General Obligation Bonds plus \$109,598 of bond premium. The net proceeds of \$4,669,439 (including a \$262,564 premium and \$83,147 in underwriting fees and other issuance costs) were deposited in an irrevocable trust with an escrow agent to provide funds for the future debt service payment on the refunded bonds. As a result, the Series 2005 General Obligation Bonds are considered defeased and the liability for those bonds has been removed from the Statement of Net Position. The reacquisition price exceeded the net carrying amount of the old debt by \$79,819. This amount is being amortized over the remaining life of the refunding debt. The City advance refunded the Series 2005 General Obligation Bonds to reduce its total debt service payments by \$414,435 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$409,918.

In December 2014, the City issued \$3,890,000 in Sales Tax Revenue Refunding Bonds, Series 2014. The proceeds were used to refund \$3,940,000 of outstanding Series 2005 Municipal Building Authority Lease Revenue Bonds. The net proceeds of \$4,109,307 (including a \$294,195 premium and \$74,888 in underwriting fees and other issuance costs) were deposited in an irrevocable trust with an escrow agent to provide funds for the future debt service payment on the refunded bonds. As a result, the Series 2005 Municipal Building Authority Lease Revenue Bonds are considered defeased and the liability for those bonds has been removed from the Statement of Net Position. The reacquisition price exceeded the net carrying amount of the old debt by \$157,078. This amount is being amortized over the remaining life of the refunding debt. The City advance refunded the Series 2005 Municipal Building Authority Lease Revenue Bonds to reduce its total debt service payments by \$395,705 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$350,690.

11. 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 (URMMA) 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.

12. 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:

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

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 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.

12. RETIREMENT PLANS (CONTINUED)

GENERAL INFORMATION ABOUT THE PENSION PLAN (continued)

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 the employer
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	1.5% per year all years	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.

Contributions

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 URS 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 are as follows:

12. RETIREMENT PLANS (CONTINUED)*GENERAL INFORMATION ABOUT THE PENSION PLAN (continued)*

<u>Utah Retirement Systems</u>	<u>Employee Paid</u>	<u>Paid by Employer for Employee</u>	<u>Employer Contribution Rates</u>
Contributory System			
111- Local Governmental Division Tier 2	N/A	N/A	14.830%
Noncontributory System			
15- Local Governmental Division Tier 1	N/A	N/A	18.470%
Public Safety Retirement System			
43- Other Division A Noncontributory Tier 1	N/A	N/A	34.040%
122- Other Division A Noncontributory Tier 2	N/A	N/A	22.550%

PENSION ASSETS, LIABILITIES, EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS

At December 31, 2014, the City reported a net pension asset of \$9,165 and a net pension liability of \$4,031,947.

	<u>Proportionate Share</u>	<u>Net Pension Asset</u>	<u>Net Pension Liability</u>
Noncontributory System	0.6034745%	\$ -	\$ 2,620,429
Public Safety System	1.1224055%	-	1,411,518
Tier 2 Public Employees System	0.0992464%	3,008	-
Tier 2 Public Safety and Firefighter System	0.4162129%	6,157	-
Total Net Pension Asset / Liability		<u>\$ 9,165</u>	<u>\$ 4,031,947</u>

The net pension asset and liability was measured as of December 31, 2014, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2014 and rolled-forward using generally accepted actuarial procedures. The proportion of the net pension asset and liability was based upon actual historical employer contributions to the plan from the census data submitted to the plan for pay periods ending in 2014.

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

For the year ended June 30, 2015, the City recognized pension expense of \$1,065,009. At June 30, 2015, the reported deferred outflows of resources and deferred inflows of resources related to pensions are as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 201	\$ 222,119
Changes in assumptions	-	446,254
Net difference between projected and actual earnings on pension plan investments	93,329	-
Changes in proportion and differences between contributions and proportionate share of contributions	-	-
Contributions subsequent to the measurement date	772,434	-
Total	<u>\$ 865,964</u>	<u>\$ 668,373</u>

The \$772,434 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, 2014. These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Deferred Outflows (Inflows) of Resources
2015	\$ (157,103)
2016	(157,103)
2017	(157,103)
2018	(100,017)
2019	(543)
Thereafter	(2,973)

12. RETIREMENT PLANS (CONTINUED)

ACTUARIAL ASSUMPTIONS

The total pension liability in the December 31, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75 percent
Salary increases	3.50 - 10.50 percent, average, including inflation
Investment rate of return	7.50 percent, net of pension plan investment expense, including inflation

Active member mortality rates are a function of the member's gender, occupation, and age and are developed based upon plan experience. Retiree mortality assumptions are highlighted in the following table:

Retired Member Mortality

Class of Member

Educators

Men EDUM (90%)

Women EDUF (100%)

Public Safety and Firefighters

Men RP 2000mWC (100%)

Women EDUF (120%)

Local Government, Public Employees

Men RP 2000mWC (100%)

Women EDUF (120%)

EDUM = Constructed mortality table based on actual experience of male educators multiplied by given percentage

EDUF = Constructed mortality table based on actual experience of female educators multiplied by given percentage

RP 2000mWC = RP 2000 Combined mortality table for males with white collar adjustments multiplied by given percentage

The actuarial assumptions used in the January 1, 2014 valuation were based on the results of an actuarial experience study for the five year period of January 1, 2009 - December 31, 2013.

12. 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. 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	40%	7.06%	2.82%
Debt securities	20%	0.80%	0.16%
Real assets	13%	5.10%	0.66%
Private equity	9%	11.30%	1.02%
Absolute return	18%	3.15%	0.57%
Cash and cash equivalents	0%	0.00%	0.00%
Totals	100%		5.23%
	Inflation		2.75%
	Expected arithmetic nominal return		7.98%

7.50 percent assumed investment rate of return is comprised of an inflation rate of 2.75 percent and a real return of 4.75 percent that is net of investment expense.

Discount Rate

The discount rate used to measure the total pension liability was 7.50 percent. 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.

12. 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 7.50 percent, 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 (6.50 percent) or one percentage-point higher (8.50 percent) than the current rate:

	1% Decrease (6.50%)	Discount Rate (7.50%)	1% Increase (8.50%)
Proportionate share of			
Net pension (asset) / liability	\$ 9,892,866	\$ 4,022,782	\$ (822,419)

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 PENSION PLANS

The City sponsors a defined contribution plan under Internal Revenue Code 401(k) through the Utah State Retirement Systems. Contributions may be withdrawn by the employee upon termination or may be used as supplemental income upon retirement. The 401(k) defined contribution monies are not available to the City or its general creditors. Therefore, no assets or liabilities of the 401(k) defined contribution plan are reflected in the financial statements.

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code 457. The plan, available to all full-time City employees, permits them to defer a portion of their salary until future years. Employees are eligible to voluntarily participate from the date of employment and are vested immediately upon participating. The deferred compensation is not available to employees until termination, retirement, death, or an unforeseeable emergency. The City’s contributions to these plans were as follows:

	Employee Paid Contributions	Employer Paid Contributions
401(k) Plan*	\$ 332,252	\$ 181,880
457 Plan	77,391	9,483

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

13. 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 \$4,545,775 of tax increment monies for its project areas of which \$1,413,588 was paid for development incentives. The RDA has several commitments for reimbursement to developers associated with the RDA project areas; see Note 14 for terms and schedules on notes. These commitments are contingent on the future collection of tax increments on the associated properties or project areas. During 2015, the RDA expended \$669,801 for administrative costs.

14. COMMITMENTS AND AGREEMENTS

RDA COMMITMENTS

The RDA has an agreement to make annual payments of \$223,183 to Kohl's Department Stores, Inc. These payments are to be paid from the tax increment generated from the Kohl's Department Stores, Inc. tract. According to the agreement, payments are required to be paid to Kohl's Department Stores, Inc. "until such point in time as the net present value of the payments received by Kohl's Department Stores, Inc. calculated at a 6% discount rate from the Opening Date equals an aggregate total of \$1,642,648." The Opening Date was November 1, 2004. This tract was put on the tax rolls January 1, 2005. The first payment was made under this agreement during February 2006. Payments under this agreement totaling \$1,347,144 have been made to Kohl's from inception through June 30, 2015. In November 2015, the City of Draper RDA issued a Tax Increment and Subordinate Sales Tax Revenue Refunding Bonds, Series 2015, to retire the remaining balance with the developer.

The RDA has an agreement to make annual payments of \$281,945 to Draper Peaks, LLC. These are based on amortization of the reimbursement amount of \$3,233,894 and based on a 20 year amortization schedule with interest at the rate of 6% per annum. Pursuant to the agreement the only source of funds obligated for payments under this agreement are from the tax increment generated from Draper Peaks LLC's tract. This tract was put on the tax rolls January 1, 2006. The first payment was made under this agreement during February 2007. Payments under this agreement totaling \$2,542,133 have been made to Draper Peaks from inception through June 30, 2015. In November 2015, the City of Draper RDA issued a Tax Increment and Subordinate Sales Tax Revenue Refunding Bonds, Series 2015, to retire the remaining balance with the developer.

The RDA has an agreement to make annual payments of \$215,000 to Draper Peaks, LLC. These are based on amortization of the reimbursement amount of \$2,466,000 (based on a 20 year amortization schedule with interest at the rate of 6% per annum). Pursuant to the agreement the only source of funds obligated for payments under this agreement are from the tax increment generated from Draper Peaks LLC's tract. The first payment was made under this agreement during February 2008. Payments under this agreement totaling \$1,368,683 have been made to Draper Peaks from inception through June 30, 2015. In November 2015, the City of Draper RDA issued a Tax Increment and Subordinate Sales Tax Revenue Refunding Bonds, Series 2015, to retire the remaining balance with the developer.

14. COMMITMENTS AND AGREEMENTS (CONTINUED)

RDA COMMITMENTS

The RDA has an agreement to pay Edwards Lifesciences, LLC \$3,000,000 in annual payments of \$365,000 to \$750,000 as partial reimbursement for improvements in the West Freeway redevelopment area. The payments are to be paid from property tax increment generated within the District. Payments due in 2013 were made upon Edwards Lifesciences submitting requests for reimbursement of expenses incurred for the improvements. Payments due in 2013 through 2016 are contingent upon Edwards Lifesciences creating a certain amount of full time equivalent employee positions each year. The first payment was made under this agreement during January 2010. Payments totaling \$365,000 were made during the year. Payments under this agreement totaling \$2,635,000 have been made to Edwards Lifesciences from inception through June 30, 2015. The final payment will be made in fiscal year 2016.

The RDA has an agreement to pay Egg and I, \$700,000 in annual payments of \$140,000 as reimbursement for tenant improvements for a new restaurant in the Hidden Valley Shopping Center. All reimbursement payments are contingent upon the RDA receiving sufficient tax increment funds from property with the Sand Hills redevelopment area. Two payments of \$140,000 each were made under this agreement during 2015. Payments under this agreement totaling \$280,000 have been made to Egg and I from inception through June 30, 2015.

The RDA has an agreement to reimburse the developer (BG Vista Station, L.C and The Boyer Company, L.C.) an estimated amount equal to \$18,765,898. These payments are to be paid from the tax increment generated in the FrontRunner Project area. This project area was created in 2012 and triggered on October 28, 2014. The project area has a life of 20 years and will expire in 2035. The original purpose of the FrontRunner Project Area was to create a transit supportive development around the FrontRunner station in the City. The initial base year value of the Project Area was \$6,055,340. The current year value (tax year 2014) is \$57,849,782. Tax year 2015 (FY2016) will be the first year tax that increment will be received. The estimated revenue is to be \$645,119.

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 3,450 with a maximum of 5,143 for calendar year 2014 and increasing to 3,800 and 5,665 respectively for 2015 and thereafter. During the year ended June 30, 2015 the City made water purchases of \$1,538,970 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, 2015 were \$3,570,887 on original contracts totaling \$10,466,474.

15. 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, 2015 have an interest rate of 4% with original terms ranging from 5 to 30 years. The final agreement is scheduled to end in December 2038. The remaining unpaid principal balance of the agreements due the City at June 30, 2015 was \$168,221.

16. 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, 2015 the outstanding amount of this obligation is \$9,505,680.

17. OTHER REQUIRED DISCLOSURES

For the year ended June 30, 2015, the following funds had expenditures that exceeded total appropriations:

General Fund	\$ 7,752,612
Fire Impact Fee Capital Project Fund	140,000
Park Impact Fee Capital Project Fund	48,424

18. PRIOR PERIOD ADJUSTMENTS

The Governmental Accounting Standards Board issued Statement No. 68, “Accounting and Financial Reporting for Pensions” resulting in the recognition of assets, liabilities, expenses, and deferred inflows and outflows related to pensions. Prior to this statement, most of this information was either disclosed in the notes to the financial statements or was available in a separate report issued by Utah Retirement Systems. The implementation of this statement resulted in the restatement of net position as of June 30, 2014 as follows:

	<u>Water Fund</u>	<u>Storm Water Fund</u>	<u>Solid Waste Fund</u>	<u>Business-Type Activities</u>	<u>Governmental Activities</u>
Net position, as previously reported	\$ 22,204,937	\$ 25,195,088	\$ 5,776,963	\$ 53,176,988	\$ 425,045,551
Net pension asset	107	93	98	298	2,160
Deferred outflows of resources related to pensions	32,415	28,139	29,676	90,230	655,671
Net pension liability	<u>(221,421)</u>	<u>(192,212)</u>	<u>(202,711)</u>	<u>(616,344)</u>	<u>(4,478,722)</u>
Net position, as restated	<u>\$ 22,016,038</u>	<u>\$ 25,031,108</u>	<u>\$ 5,604,026</u>	<u>\$ 52,651,172</u>	<u>\$ 421,224,660</u>

In addition, the General Fund beginning fund balance was restated by \$13,334,731 at June 30, 2014 to reflect a change in recognition related to the notes receivable with the Aquarium by not deferring this loan in deferred outflows of resources, but recognizing it as a component of fund balance in a nonspendable classification.

19. SUBSEQUENT EVENTS

The City of Draper Redevelopment Agency, in November 2015, issued Series 2015 Tax Increment and Subordinate Sales Tax Revenue Refunding Bonds for \$5,612,000. Principal and interest will be due in annual installments beginning April 2016, with interest at 2.02%, and final maturity due in April 2025. The bonds were issued to refinance various RDA commitments as noted in Note 14.

REQUIRED SUPPLEMENTARY INFORMATION

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL – GENERAL FUND – FOR THE YEAR ENDED JUNE 30, 2015 – CITY OF DRAPER, UTAH

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes:				
Property	\$ 6,796,629	\$ 6,796,629	\$ 7,128,646	\$ 332,017
Sales	8,450,000	8,450,000	9,967,402	1,517,402
Franchise	4,715,500	4,715,500	4,888,625	173,125
Licenses and permits	1,740,000	1,740,000	3,135,690	1,395,690
Intergovernmental	1,594,234	3,620,178	1,751,444	(1,868,734)
Charges for services	2,157,278	2,157,278	2,521,990	364,712
Fines and forfeitures	653,200	653,200	594,383	(58,817)
Interest	1,120,000	1,120,000	711,733	(408,267)
Donations	-	-	147,500	147,500
Miscellaneous	3,500	66,167	151,088	84,921
Total revenues	27,230,341	29,318,952	30,998,501	1,679,549
EXPENDITURES				
Current:				
General government:				
City manager	875,138	888,712	869,674	19,038
Human resources	378,874	380,137	278,157	101,980
Facilities maintenance	627,656	633,020	618,533	14,487
Information systems	564,041	581,551	584,150	(2,599)
Development services	285,495	288,022	267,614	20,408
Building	884,903	896,334	894,399	1,935
Planning	474,196	479,174	387,524	91,650
Recorder	182,077	199,353	185,021	14,332
Economic development	532,450	497,450	353,118	144,332
Engineering	1,276,203	1,342,059	979,282	362,777
Fleet management	722,829	733,107	693,266	39,841
Cemetery	21,635	21,635	8,142	13,493
Mayor and city council	301,251	301,251	238,499	62,752
Finance	641,032	684,216	671,646	12,570
Nondepartmental	317,475	322,475	326,064	(3,589)
GIS	261,940	264,467	234,985	29,482
Legal services	481,734	489,200	486,396	2,804
Elections	68,000	68,000	77	67,923
Total general government	8,896,929	9,070,163	8,076,547	993,616
Public safety:				
Police	5,324,862	5,375,483	5,023,473	352,010
Fire	3,773,000	3,773,000	3,728,136	44,864
Court	588,323	595,787	575,873	19,914
Ordinance enforcement	124,209	125,491	87,869	37,622
Animal control	232,640	236,527	218,514	18,013
Total public safety	10,043,034	10,106,288	9,633,865	472,423

(continued)

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL – GENERAL FUND – FOR THE YEAR ENDED JUNE 30, 2015 – CITY OF DRAPER, UTAH (CONTINUED)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Highways and public improvements:				
Public works	395,118	397,631	295,751	101,880
Streets	1,341,966	1,657,465	1,675,839	(18,374)
B & C road expenditures	1,550,000	851,283	1,804,921	(953,638)
Total highways and public improvements	<u>3,287,084</u>	<u>2,906,379</u>	<u>3,776,511</u>	<u>(870,132)</u>
Parks and recreation:				
Parks	2,574,605	2,588,713	2,044,724	543,989
Recreation	728,281	733,515	644,964	88,551
Total parks and recreation	<u>3,302,886</u>	<u>3,322,228</u>	<u>2,689,688</u>	<u>632,540</u>
Debt service:				
Principal	1,370,000	1,045,000	1,045,000	-
Interest	1,240,650	1,187,266	1,237,764	(50,498)
Bond issuance costs	-	-	151,815	(151,815)
Total debt service	<u>2,610,650</u>	<u>2,232,266</u>	<u>2,434,579</u>	<u>(202,313)</u>
Total expenditures	<u>28,140,583</u>	<u>27,637,324</u>	<u>26,611,190</u>	<u>1,026,134</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(910,242)</u>	<u>1,681,628</u>	<u>4,387,311</u>	<u>2,705,683</u>
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	404,248	404,248
Issuance of bonds	-	-	8,936,759	8,936,759
Payments to bond escrow agent	-	-	(8,778,746)	(8,778,746)
Transfers in	1,172,140	1,504,710	5,394,672	3,889,962
Transfers out	<u>(1,983,270)</u>	<u>(8,436,404)</u>	<u>(1,950,529)</u>	<u>6,485,875</u>
Net other financing sources (uses)	<u>(811,130)</u>	<u>(6,931,694)</u>	<u>4,006,404</u>	<u>10,938,098</u>
Net change in fund balance	<u>\$ (1,721,372)</u>	<u>\$ (5,250,066)</u>	<u>8,393,715</u>	<u>\$ 13,643,781</u>
Fund balance, beginning of year			<u>27,117,961</u>	
Fund balance, end of year			<u>\$ 35,511,676</u>	

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
– BUDGET AND ACTUAL – REDEVELOPMENT AGENCY –
FOR THE YEAR ENDED JUNE 30, 2015 – CITY OF DRAPER, UTAH

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<u>REVENUES</u>				
Property taxes	\$ 500,000	\$ 500,000	\$ 558,516	\$ 58,516
Intergovernmental	3,497,323	3,497,323	3,987,259	489,936
Interest	-	-	36,801	36,801
Total revenues	3,997,323	3,997,323	4,582,576	585,253
<u>EXPENDITURES</u>				
Current:				
RDA expenditures	2,206,113	2,206,113	2,083,389	122,724
Total expenditures	2,206,113	2,206,113	2,083,389	122,724
Excess (deficiency) of revenues over (under) expenditures	1,791,210	1,791,210	2,499,187	707,977
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers out	(1,032,140)	(1,032,140)	(703,540)	328,600
Net other financing sources (uses)	(1,032,140)	(1,032,140)	(703,540)	328,600
Net change in fund balance	\$ 759,070	\$ 759,070	1,795,647	\$ 1,036,577
Fund balance, beginning of year			4,191,333	
Fund balance, end of year			\$ 5,986,980	

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
– BUDGET AND ACTUAL – MUNICIPAL BUILDING AUTHORITY –
FOR THE YEAR ENDED JUNE 30, 2015 – CITY OF DRAPER, UTAH

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Lease revenue	\$ 700,596	\$ 700,596	\$ -	\$ (700,596)
Total revenues	700,596	700,596	-	(700,596)
<u>EXPENDITURES</u>				
Debt service:				
Principal	415,000	415,000	415,000	-
Interest	285,596	285,596	198,108	87,488
Total debt service	700,596	700,596	613,108	87,488
Total expenditures	700,596	700,596	613,108	87,488
Excess (deficiency) of revenues over (under) expenditures	-	-	(613,108)	(613,108)
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	-	-	613,109	613,109
Net other financing sources (uses)	-	-	613,109	613,109
Net change in fund balance	\$ -	\$ -	1	\$ 1
Fund balance, beginning of year			898,922	
Fund balance, end of year			\$ 898,923	

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

	Noncontributory System	Public Safety System	Tier 2 Public Employees System	Tier 2 Public Safety and Firefighter System
	2015			
Proportion of the net pension liability (asset)	0.6034745%	1.1224055%	0.0992464%	0.4162129%
Proportionate share of the net pension liability (asset)	\$ 2,620,429	\$ 1,411,518	\$ (3,008)	\$ (6,157)
Covered employee payroll	\$ 5,156,357	\$ 1,690,840	\$ 487,283	\$ 172,172
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	50.8%	83.5%	-0.6%	-3.6%
Plan fiduciary net position as a percentage of the total pension liability	90.2%	90.5%	103.5%	103.5%

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

	Noncontributory System	Public Safety System	Tier 2 Public Employees System	Tier 2 Public Safety and Firefighter System
	2015			
Contractually required contribution	\$ 948,493	\$ 552,846	\$ 40,946	\$ 18,754
Contributions in relation to the contractually required contribution	(948,493)	(552,846)	(40,946)	(18,754)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Covered employee payroll	5,156,357	1,690,840	487,283	172,172
Contributions as a percentage of covered-employee payroll**	18.39%	32.70%	8.40%	10.89%

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.

***NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2015 - 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. BUDGETARY INFORMATION

See note 1 in the notes to the financial statements.

SUPPLEMENTAL INFORMATION

COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2015 – CITY OF DRAPER, UTAH

	<u>Capital Project Funds</u>				<u>Special Revenue</u>	<u>Permanent</u>	<u>Total Nonmajor Governmental Funds</u>
	<u>Fire Impact Fund</u>	<u>Transportation Impact Fund</u>	<u>Park Impact Fund</u>	<u>Police Impact Fund</u>	<u>Traverse Ridge</u>	<u>Cemetery Fund</u>	
ASSETS							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ 2,180,584	\$ -	\$ 2,180,584
Receivables:							
Property taxes	-	-	-	-	164,882	-	164,882
Due from other funds	-	-	-	-	339,544	-	339,544
Restricted cash and cash equivalents	1,070,647	6,210,697	4,046,178	236,384	-	172,759	11,736,665
Total assets	<u>\$ 1,070,647</u>	<u>\$ 6,210,697</u>	<u>\$ 4,046,178</u>	<u>\$ 236,384</u>	<u>\$ 2,685,010</u>	<u>\$ 172,759</u>	<u>\$ 14,421,675</u>
LIABILITIES							
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ 167,557	\$ -	\$ 167,557
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>167,557</u>	<u>-</u>	<u>167,557</u>
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue-property taxes	-	-	-	-	164,882	-	164,882
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>164,882</u>	<u>-</u>	<u>164,882</u>
FUND BALANCES							
Restricted:							
Impact fees	1,070,647	6,210,697	4,046,178	236,384	-	-	11,563,906
Perpetual care						172,759	172,759
Assigned	-	-	-	-	2,352,571	-	2,352,571
Total fund balances	<u>1,070,647</u>	<u>6,210,697</u>	<u>4,046,178</u>	<u>236,384</u>	<u>2,352,571</u>	<u>172,759</u>	<u>14,089,236</u>
Total liabilities and fund balances	<u>\$ 1,070,647</u>	<u>\$ 6,210,697</u>	<u>\$ 4,046,178</u>	<u>\$ 236,384</u>	<u>\$ 2,685,010</u>	<u>\$ 172,759</u>	<u>\$ 14,421,675</u>

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS – FOR THE YEAR ENDED JUNE 30, 2015 – 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	\$ -	\$ -	\$ -	\$ -	\$ 2,856	\$ -	\$ 2,856
Intergovernmental	-	-	-	-	339,544	-	339,544
Impact fees	452,358	1,795,901	907,084	129,674	-	-	3,285,017
Interest	5,164	33,046	25,474	6,588	5,217	-	75,489
Miscellaneous	-	-	-	-	1,150	-	1,150
Total revenues	457,522	1,828,947	932,558	136,262	348,767	-	3,704,056
EXPENDITURES							
Current:							
General government	-	-	-	-	-	1,500	1,500
Highways and public improvements	-	-	-	-	167,557	-	167,557
Total expenditures	-	-	-	-	167,557	1,500	169,057
Excess of revenues over (under) expenditures	457,522	1,828,947	932,558	136,262	181,210	(1,500)	3,534,999
OTHER FINANCING SOURCES (USES)							
Transfers out	(140,000)	(1,312,583)	(222,624)	-	-	-	(1,675,207)
Total other financing sources (uses)	(140,000)	(1,312,583)	(222,624)	-	-	-	(1,675,207)
Net change in fund balance	317,522	516,364	709,934	136,262	181,210	(1,500)	1,859,792
Fund balance, beginning of year	753,125	5,694,333	3,336,244	100,122	2,171,361	174,259	12,229,444
Fund balance, end of year	\$ 1,070,647	\$ 6,210,697	\$ 4,046,178	\$ 236,384	\$ 2,352,571	\$ 172,759	\$ 14,089,236

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –
MAJOR CAPITAL PROJECTS FUND – BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015 – 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	\$ -	\$ 1,867,918	\$ 2,136,042	\$ 268,124
Total revenues	-	1,867,918	2,136,042	268,124
<u>EXPENDITURES</u>				
Current:				
General government	-	-	500	(500)
Capital outlay	17,287,261	26,852,847	8,911,500	17,941,347
Debt service: principal	900,000	900,000	882,252	17,748
Total expenditures	18,187,261	27,752,847	9,794,252	17,958,595
Excess (deficiency) of revenues over (under) expenditures	(18,187,261)	(25,884,929)	(7,658,210)	18,226,719
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	4,875,927	13,049,671	2,472,932	(10,576,739)
Transfers out	-	-	(4,918,520)	(4,918,520)
Net other financing sources (uses)	4,875,927	13,049,671	(2,445,588)	(15,495,259)
Net change in fund balance	\$ (13,311,334)	\$ (12,835,258)	(10,103,798)	\$ 2,731,460
Fund balance, beginning of year			20,234,161	
Fund balance, end of year			\$ 10,130,363	

**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, 2015 – 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	\$ -	\$ -	\$ 452,358	\$ 452,358
Interest	-	-	5,164	5,164
Total revenues	-	-	457,522	457,522
<u>EXPENDITURES</u>				
Capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	-	457,522	457,522
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers out	-	-	(140,000)	(140,000)
Net other financing sources (uses)	-	-	(140,000)	(140,000)
Net change in fund balance	\$ -	\$ -	317,522	\$ 317,522
Fund balance, beginning of year			753,125	
Fund balance, end of year			\$ 1,070,647	

**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, 2015 – 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	\$ -	\$ -	\$ 1,795,901	\$ 1,795,901
Interest	-	-	33,046	33,046
Total revenues	-	-	1,828,947	1,828,947
<u>EXPENDITURES</u>				
Capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	-	1,828,947	1,828,947
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers out	-	(1,902,252)	(1,312,583)	589,669
Net other financing sources (uses)	-	(1,902,252)	(1,312,583)	589,669
Net change in fund balance	\$ -	\$ (1,902,252)	516,364	\$ 2,418,616
Fund balance, beginning of year			5,694,333	
Fund balance, end of year			\$ 6,210,697	

**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, 2015 – 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	\$ -	\$ -	\$ 907,084	\$ 907,084
Interest	-	-	25,474	25,474
Total revenues	-	-	932,558	932,558
<u>EXPENDITURES</u>				
Capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	-	932,558	932,558
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers out	-	(174,200)	(222,624)	(48,424)
Net other financing sources (uses)	-	(174,200)	(222,624)	(48,424)
Net change in fund balance	\$ -	\$ (174,200)	709,934	\$ 884,134
Fund balance, beginning of year			3,336,244	
Fund balance, end of year			\$ 4,046,178	

**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, 2015 – CITY OF DRAPER, UTAH**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<u>REVENUES</u>				
Impact fees	\$ -	\$ -	\$ 129,674	\$ 129,674
Interest	-	-	6,588	6,588
Total revenues	-	-	136,262	136,262
<u>EXPENDITURES</u>				
Capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Net change in fund balance	\$ -	\$ -	136,262	\$ 136,262
Fund balance, beginning of year			100,122	
Fund balance, end of year			\$ 236,384	

**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, 2015 – CITY OF DRAPER, UTAH**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<u>REVENUES</u>				
Property taxes	\$ 720,797	\$ 720,797	\$ 2,856	\$ (717,941)
Intergovernmental	-	-	339,544	339,544
Interest	-	-	5,217	5,217
Miscellaneous	-	-	1,150	1,150
Total revenues	720,797	720,797	348,767	(372,030)
<u>EXPENDITURES</u>				
Current:				
General government	335,399	335,399	-	335,399
Highways and public improvements	528,326	528,326	167,557	360,769
Total expenditures	863,725	863,725	167,557	696,168
Excess (deficiency) of revenues over (under) expenditures	(142,928)	(142,928)	181,210	324,138
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers out	(1,577,621)	(1,577,621)	-	1,577,621
Net other financing sources (uses)	(1,577,621)	(1,577,621)	-	1,577,621
Net change in fund balance	\$ (1,720,549)	\$ (1,720,549)	181,210	\$ 1,901,759
Fund balance, beginning of year			2,171,361	
Fund balance, end of year			\$ 2,352,571	

STATISTICAL SECTION

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

	2006	2007	2008	2009	2010
Governmental Activities					
Investment in capital assets, net of related debt	\$ 337,535,615	\$ 341,776,835	\$ 347,553,110	\$ 360,289,317	\$ 360,249,757
Restricted	20,281,581	13,144,605	11,692,064	23,506,257	19,761,376
Unrestricted	4,952,903	14,296,227	15,383,284	9,744,796	13,968,806
Total Governmental Activities Net Position	<u>\$ 362,770,099</u>	<u>\$ 369,217,667</u>	<u>\$ 374,628,458</u>	<u>\$ 393,540,370</u>	<u>\$ 393,979,939</u>
Business-Type Activities					
Investment in capital assets, net of related debt	\$ 32,099,866	\$ 29,726,092	\$ 30,503,250	\$ 34,016,586	\$ 35,745,175
Restricted	3,149,936	2,413,556	2,543,174	2,685,650	2,519,275
Unrestricted	1,482,855	6,019,333	6,146,061	4,743,843	5,108,982
Total Business-type Activities Net Position	<u>\$ 36,732,657</u>	<u>\$ 38,158,981</u>	<u>\$ 39,192,485</u>	<u>\$ 41,446,079</u>	<u>\$ 43,373,432</u>
Primary Government					
Investment in capital assets, net of related debt	\$ 369,635,481	\$ 371,502,927	\$ 378,056,360	\$ 394,305,903	\$ 395,994,932
Restricted	23,431,517	15,558,161	14,235,238	26,191,907	22,280,651
Unrestricted	6,435,758	20,315,560	21,529,345	14,488,639	19,077,788
Total Primary Government Net Position	<u>\$ 399,502,756</u>	<u>\$ 407,376,648</u>	<u>\$ 413,820,943</u>	<u>\$ 434,986,449</u>	<u>\$ 437,353,371</u>
Governmental Activities					
	2011	2012	2013	2014	2015
Net investment in capital assets	\$ 366,814,545	\$ 374,636,191	\$ 374,535,703	\$ 374,159,100	\$ 368,851,874
Restricted	24,737,866	12,635,617	19,481,754	22,865,924	23,906,211
Unrestricted	4,704,822	19,191,593	19,898,797	28,020,527	37,168,264
Total Governmental Activities Net Position	<u>\$ 396,257,233</u>	<u>\$ 406,463,401</u>	<u>\$ 413,916,254</u>	<u>\$ 425,045,551</u>	<u>\$ 429,926,349</u>
Business-Type Activities					
Investment in capital assets, net of related debt	\$ 37,879,103	\$ 40,798,373	\$ 40,975,643	\$ 41,142,086	\$ 46,344,018
Restricted	2,868,937	2,994,064	2,224,174	1,414,702	192,763
Unrestricted	5,034,851	6,686,311	8,521,299	10,620,200	10,130,630
Total Business-type Activities Net Position	<u>\$ 45,782,891</u>	<u>\$ 50,478,748</u>	<u>\$ 51,721,116</u>	<u>\$ 53,176,988</u>	<u>\$ 56,667,411</u>
Primary Government					
Investment in capital assets, net of related debt	\$ 404,693,648	\$ 415,434,564	\$ 415,511,346	\$ 415,301,186	\$ 415,195,892
Restricted	27,606,803	15,629,681	21,705,928	24,280,626	24,098,974
Unrestricted	9,739,673	25,877,904	28,420,096	38,640,727	47,298,894
Total Primary Government Net Position	<u>\$ 442,040,124</u>	<u>\$ 456,942,149</u>	<u>\$ 465,637,370</u>	<u>\$ 478,222,539</u>	<u>\$ 486,593,760</u>

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

	2006	2007	2008	2009	2010
Expenses					
Governmental activities:					
General government	\$ 11,473,769	\$ 9,904,154	\$ 10,161,544	\$ 8,680,507	\$ 8,236,556
Public safety	3,799,718	7,139,481	8,903,761	8,880,296	9,072,990
Highway and public improvements	6,662,619	4,824,508	5,209,833	6,228,705	8,224,856
Parks and recreation	889,369	1,887,728	2,127,758	2,211,123	2,468,834
Interest on long-term debt	1,174,535	1,038,480	1,134,944	1,163,367	1,079,959
Total governmental activities expenses	<u>24,000,010</u>	<u>24,794,351</u>	<u>27,537,840</u>	<u>27,163,998</u>	<u>29,083,195</u>
Business-type activities:					
Water	2,502,620	2,933,266	2,786,647	3,170,973	3,405,643
Storm water	911,059	1,016,403	1,138,727	1,272,049	1,415,147
Solid waste	1,357,448	1,483,909	1,440,284	1,681,085	1,764,367
Interest on long-term debt					
Total business-type activities expenses	<u>4,771,127</u>	<u>5,433,578</u>	<u>5,365,658</u>	<u>6,124,107</u>	<u>6,585,157</u>
Total primary government expenses	<u>\$ 28,771,137</u>	<u>\$ 30,227,929</u>	<u>\$ 32,903,498</u>	<u>\$ 33,288,105</u>	<u>\$ 35,668,352</u>
Program Revenues					
Governmental activities:					
Charges for services					
General government	\$ 4,795,192	\$ 5,236,215	\$ 4,649,607	\$ 2,271,755	\$ 2,872,279
Public safety	980,616	1,455,226	1,447,803	758,642	880,569
Highway and public improvements	4,496,527	1,880,575	298,605	19,160	11,103
Parks and recreation	1,798,624	1,380,740	13,520	48,214	146,849
Operating grants and contributions	1,307,876	1,447,423	1,532,823	12,569,391	1,793,503
Capital grants and contributions	23,878,264	2,257,309	3,129,781	9,433,281	2,689,054
Total governmental activities program revenues	<u>37,257,099</u>	<u>13,657,488</u>	<u>11,072,139</u>	<u>25,100,443</u>	<u>8,393,357</u>
Business-type activities:					
Charges for services:					
Water	2,865,203	2,676,833	2,594,823	3,055,846	3,461,248
Storm water	1,492,905	1,403,829	1,018,600	847,774	937,853
Solid waste	1,397,005	1,844,417	1,927,638	1,968,513	2,092,800
Operating grants and contributions					
Capital grants and contributions	4,588,323	485,566	536,323	2,404,582	1,975,405
Total business-type activities program revenues	<u>10,343,436.0</u>	<u>6,410,645</u>	<u>6,077,384</u>	<u>8,276,715</u>	<u>8,467,306</u>
Total primary government program revenues	<u>\$ 47,600,535</u>	<u>\$ 20,068,133</u>	<u>\$ 17,149,523</u>	<u>\$ 33,377,158</u>	<u>\$ 16,860,663</u>

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

	2011	2012	2013	2014	2015
Expenses					
Governmental activities:					
General government	\$ 10,248,559	\$ 10,982,453	\$ 9,280,255	\$ 9,481,731	\$ 9,783,775
Public safety	8,596,218	8,459,500	8,994,974	9,956,075	9,797,729
Highway and public improvements	6,539,451	8,977,668	7,479,013	6,688,271	10,283,258
Parks and recreation	2,702,567	3,089,016	3,474,203	3,827,766	3,728,661
Interest on long-term debt	1,040,680	1,071,024	1,213,615	1,429,969	1,261,076
Total governmental activities expenses	<u>29,127,475</u>	<u>32,579,661</u>	<u>30,442,060</u>	<u>31,383,812</u>	<u>34,854,499</u>
Business-type activities:					
Water	3,532,503	4,163,414	4,243,935	\$ 3,899,803	\$ 4,013,873
Storm water	1,704,534	2,261,103	2,014,894	2,112,147	1,546,988
Solid waste	1,620,502	1,702,063	1,706,160	1,738,238	1,898,969
Interest on long-term debt					
Total business-type activities expenses	<u>6,857,539</u>	<u>8,126,580</u>	<u>7,964,989</u>	<u>7,750,188</u>	<u>7,459,830</u>
Total primary government expenses	<u>\$ 35,985,014</u>	<u>\$ 40,706,241</u>	<u>\$ 38,407,049</u>	<u>\$ 39,134,000</u>	<u>\$ 42,314,329</u>
Program Revenues					
Governmental activities:					
Charges for services					
General government	\$ 3,257,719	\$ 3,944,976	\$ 4,099,233	\$ 4,724,132	\$ 5,197,605
Public safety	796,025	667,198	652,287	709,199	649,468
Highway and public improvements	200,239	3,557	19,278	731,699	7,261
Parks and recreation	200,338	285,544	342,050	620,709	443,717
Operating grants and contributions	1,789,624	1,460,727	1,503,827	1,598,512	6,140,914
Capital grants and contributions	3,104,535	11,915,979	6,908,876	8,138,397	7,747,155
Total governmental activities program revenues	<u>9,348,480</u>	<u>18,277,981</u>	<u>13,525,551</u>	<u>16,522,648</u>	<u>20,186,120</u>
Business-type activities:					
Charges for services:					
Water	3,598,694	4,081,037	4,438,556	4,233,154	4,539,139
Storm water	1,022,805	1,208,062	1,336,765	1,644,936	1,999,172
Solid waste	2,194,246	2,218,451	2,275,899	2,346,468	2,419,692
Operating grants and contributions					
Capital grants and contributions	2,381,659	5,220,742	922,739	752,418	2,381,080
Total business-type activities program revenues	<u>9,197,404</u>	<u>12,728,292</u>	<u>8,973,959</u>	<u>8,976,976</u>	<u>11,339,083</u>
Total primary government program revenues	<u>\$ 18,545,884</u>	<u>\$ 31,006,273</u>	<u>\$ 22,499,510</u>	<u>\$ 25,499,624</u>	<u>\$ 31,525,203</u>

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

	2006	2007	2008	2009	2010
Net (Expense)/Revenue					
Governmental activities	\$ 13,257,089	\$ 1,447,423	\$ (16,465,701)	\$ (2,063,555)	\$ (20,689,838)
Business-type activities	5,572,309	977,067	711,726	2,152,608	1,882,149
Total primary government net (expense) revenue	\$ 18,829,398	\$ 2,424,490	\$ (15,753,975)	\$ 89,053	\$ (18,807,689)
General Revenues and Other Changes in Net Position					
Governmental activities:					
Taxes					
Property taxes	\$ 6,675,859	\$ 6,432,573	\$ 9,217,558	\$ 9,737,597	\$ 10,236,923
Sales taxes	5,580,462	6,764,067	7,442,507	6,794,978	6,574,579
Franchise taxes	3,454,213	3,635,183	3,938,830	4,078,070	4,068,090
Special items					
Unrestricted investment earnings	1,098,053	1,336,676	1,277,597	558,617	249,815
Gain (loss) on sale of capital assets	(511,407)	(682,385)		(193,792)	
Equity investment income (loss)					
Transfers	(300,000)				
Total governmental activities	15,997,180	17,486,114	21,876,492	20,975,470	21,129,407
Business-type activities:					
Franchise tax	111,030				
Grants and contributions					
Unrestricted investment earnings	313,414	404,542	249,445	145,107	45,204
Gain (loss) on sale of capital assets		10,621		(44,121)	
Equity investment income (loss)	(19,985)	132,411	72,333		
Transfers	300,000				
Total business-type activities	704,459	547,574	321,778	100,986	45,204
Total primary government	\$ 16,701,639	\$ 18,033,688	\$ 22,198,270	\$ 21,076,456	\$ 21,174,611
Change in Net Position					
Governmental activities	\$ 29,254,269	\$ 18,933,537	\$ 5,410,791	\$ 18,911,915	\$ 439,569
Business-type activities	6,276,768	1,524,641	1,033,504	2,253,594	1,927,353
Total primary government	\$ 35,531,037	\$ 20,458,178	\$ 6,444,295	\$ 21,165,509	\$ 2,366,922

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

	2011	2012	2013	2014	2015
Net (Expense)/Revenue					
Government activities	\$ (19,778,995)	\$ (14,301,680)	\$ (16,916,509)	\$ (14,861,164)	\$ (14,668,379)
Business-type activities	2,339,865	4,601,712	1,008,970	1,226,788	3,879,253
Total primary government net (expense) revenue	<u>\$ (17,439,130)</u>	<u>\$ (9,699,968)</u>	<u>\$ (15,907,539)</u>	<u>\$ (13,634,376)</u>	<u>\$ (10,789,126)</u>
General Revenues and Other Changes in Net Position					
Governmental activities:					
Taxes					
Property taxes	\$ 10,764,481	\$ 12,205,223	\$ 11,842,416	\$ 11,947,977	\$ 7,690,018
Sales taxes	6,815,929	7,434,613	8,009,456	8,790,098	9,967,402
Franchise taxes	4,254,768	4,412,562	4,737,336	4,921,554	4,888,625
Special items					
Unrestricted investment earnings	193,988	302,589	285,538	330,832	824,023
Gain (loss) on sale of capital assets	27,123	152,861			
Equity investment income (loss)					
Transfers					
Total governmental activities	<u>22,056,289</u>	<u>24,507,848</u>	<u>24,874,746</u>	<u>25,990,461</u>	<u>23,370,068</u>
Business-type activities:					
Franchise tax					
Grants and contributions					
Unrestricted investment earnings	69,594	94,145	85,263	50,839	68,602
Gain (loss) on sale of capital assets					
Equity investment income (loss)			163,549	178,245	68,384
Transfers					
Total business-type activities	<u>69,594</u>	<u>94,145</u>	<u>248,812</u>	<u>229,084</u>	<u>136,986</u>
Total primary government	<u>\$ 22,125,883</u>	<u>\$ 24,601,993</u>	<u>\$ 25,123,558</u>	<u>\$ 26,219,545</u>	<u>\$ 23,507,054</u>
Change in Net Position					
Governmental activities	\$ 2,277,294	\$ 10,206,168	\$ 7,958,237	\$ 11,129,297	\$ 8,701,689
Business-type activities	2,409,459	4,695,857	1,257,782	1,455,872	4,016,239
Total primary government	<u>\$ 4,686,753</u>	<u>\$ 14,902,025</u>	<u>\$ 9,216,019</u>	<u>\$ 12,585,169</u>	<u>\$ 12,717,928</u>

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

	2006	2007	2008	2009	2010
General Fund					
Reserved	\$ 188,932	\$ 186,028	\$ 2,077,255	\$ 14,307,798	\$ 10,461,677
Unreserved	3,214,748	3,148,530	3,683,311	3,684,179	4,100,368
Total General Fund	<u>\$ 3,403,680</u>	<u>\$ 3,334,558</u>	<u>\$ 5,760,566</u>	<u>\$ 17,991,977</u>	<u>\$ 14,562,045</u>
All other governmental funds					
Reserved	\$ 14,047,246	\$ 13,065,856	\$ 10,526,248	\$ 9,198,459	\$ 9,299,699
Unreserved, reported in:					
Capital projects funds	5,829,891	8,346,951	6,261,431	3,280,324	7,188,295
Special revenue funds	1,601,399	2,461,483	1,771,149	2,570,508	2,482,020
Debt service funds			1,374,717		
Total all other governmental	<u>\$ 21,478,536</u>	<u>\$ 23,874,290</u>	<u>\$ 19,933,545</u>	<u>\$ 15,049,291</u>	<u>\$ 18,970,014</u>
Total governmental funds	<u><u>\$ 24,882,216</u></u>	<u><u>\$ 27,208,848</u></u>	<u><u>\$ 25,694,111</u></u>	<u><u>\$ 33,041,268</u></u>	<u><u>\$ 33,532,059</u></u>
	2011	2012	2013	2014	2015
General Fund					
Non-spendable	\$ 4,699	\$ 13,538	\$ 13,312	\$ 985,711	\$ 12,856,584
Restricted	5,146,172	3,544,006	17,300,416	4,785,367	5,903,264
Assigned					377,380
Unassigned	3,933,355	4,243,942	5,083,615	8,012,152	16,374,448
Total General Fund	<u>\$ 9,084,226</u>	<u>\$ 7,801,486</u>	<u>\$ 22,397,343</u>	<u>\$ 13,783,230</u>	<u>\$ 35,511,676</u>
All other governmental funds					
Capital projects funds				7,852,043	6,094,989
Special revenue funds				10,228,514	11,907,958
Assigned, reported in:					
Capital projects funds	9,617,956	9,091,608	15,742,080	12,382,118	4,035,374
Special revenue funds	11,362,363	15,575,844	15,936,723	7,091,185	9,067,181
Total all other governmental	<u>\$ 20,980,319</u>	<u>\$ 24,667,452</u>	<u>\$ 31,678,803</u>	<u>\$ 37,553,860</u>	<u>\$ 31,105,502</u>
Total governmental funds	<u><u>\$ 30,064,545</u></u>	<u><u>\$ 32,468,938</u></u>	<u><u>\$ 54,076,146</u></u>	<u><u>\$ 51,337,090</u></u>	<u><u>\$ 66,617,178</u></u>

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

	2006	2007	2008	2009	2010
Revenues:					
Taxes	\$ 15,686,045	\$ 16,796,203	\$ 20,598,893	\$ 20,610,642	\$ 20,876,490
Licenses and permits	3,443,379	3,042,221	2,288,703	1,184,133	1,381,240
Intergovernmental	1,328,584	2,070,924	1,748,356	12,619,889	1,931,459
Charges for services	1,144,261	1,461,927	1,533,260	1,127,309	1,683,917
Impact fees	5,918,021	3,240,283	2,219,567	688,900	612,633
Fines and forfeitures	711,517	966,932	884,808	734,363	744,891
Interest	1,098,204	1,336,682	1,277,602	557,595	249,868
Lease revenue	400,000	1,107,597	1,295,567	1,560,086	1,451,482
Donations and reimbursements		421,645	81,064	48,875	9,000
Proceeds from insurance		658,680	21,947		
Miscellaneous	1,487,219	134,477	555,633	551,234	112,097
Total revenues	31,217,230	31,237,571	32,505,400	39,683,026	29,053,077
Expenditures:					
General government	10,937,485	8,061,902	7,783,482	6,895,011	6,892,421
Public safety	3,472,135	6,857,310	8,631,638	8,937,592	8,757,905
Highways and public improvements	655,250	1,265,167	2,308,445	3,013,282	4,641,992
Parks, recreation and public property	460,241	1,265,430	1,583,271	1,922,880	2,065,936
Redevelopment agency		1,418,148	1,731,547	2,083,308	1,576,807
Capital outlay	23,037,553	7,909,437	12,479,413	7,903,893	2,873,161
Debt service					
Principal	1,181,402	1,188,519	1,285,781	1,271,000	1,210,000
Interest	1,000,074	1,081,946	1,069,277	1,121,966	1,074,848
Bond issuance cost	208,442		91,080		
Total expenditures	40,952,582	29,047,859	36,963,934	33,148,932	29,093,070
Excess (deficiency) of revenues over(under) expenditures	(9,735,352)	2,189,712	(4,458,534)	6,534,094	(39,993)
Other financing sources (uses):					
Operating transfers in	20,914,219	7,461,087	10,679,697	5,268,494	8,174,441
Operating transfers out	(21,214,219)	(7,461,087)	(10,679,697)	(5,268,494)	(8,174,441)
Bond and loan proceeds	6,080,000		3,355,000		
Premium on bond issued			19,438		
Payment to refunding bond escrow agent			(435,141)		
Grants and contributions					
Impact fee reimbursement					
Sale of assets		38,603	4,500	21,996	530,784
Total other financing sources(uses)	5,780,000	38,603	2,943,797	21,996	530,784
Net change in fund balances	\$ (3,955,352)	\$ 2,228,315	\$ (1,514,737)	\$ 6,556,090	\$ 490,791
Debt service as a percentage of non-capital expenditures	13%	11%	10%	9%	9%

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

	2011	2012	2013	2014	2015
Revenues:					
Taxes	\$ 21,835,178	\$ 24,065,089	\$ 24,589,208	\$ 25,659,629	\$ 22,546,045
Licenses and permits	1,620,627	2,100,542	2,753,909	2,608,799	3,135,690
Intergovernmental	1,810,323	1,528,473	1,559,341	7,282,464	8,214,289
Charges for services	1,943,230	2,140,575	2,281,193	1,759,568	2,521,990
Impact fees	981,059	1,814,747	3,151,050	2,197,123	3,285,017
Fines and forfeitures	657,960	632,624	614,663	650,983	594,383
Interest	193,218	303,742	285,908	243,903	824,023
Lease revenue	1,446,147	1,449,031	1,475,494	701,796	-
Donations and reimbursements	186,044	1,074,534	68,706	-	147,500
Proceeds from insurance					
Miscellaneous	275,394	116,563	3,098,844	378,563	152,238
Total revenues	30,949,180	35,225,920	39,878,316	41,482,828	41,421,175
Expenditures:					
General government	7,961,086	8,594,510	7,903,409	7,144,127	8,078,547
Public safety	8,461,058	8,323,122	8,760,349	9,418,513	9,633,865
Highways and public improvements	2,944,482	4,467,542	3,024,464	2,065,900	3,944,068
Parks, recreation and public property	2,247,215	2,573,320	2,659,074	2,693,997	2,689,688
Redevelopment agency	2,731,017	2,887,728	1,861,704	1,600,250	2,083,389
Capital outlay	7,986,583	3,846,843	11,131,675	6,499,274	9,793,752
Debt service					
Principal	1,250,000	1,310,000	6,690,000	3,705,000	1,460,000
Interest	1,028,110	992,618	1,276,035	1,682,033	1,435,872
Bond issuance cost			339,826		151,815
Total expenditures	34,609,551	32,995,683	43,646,536	34,809,094	39,270,996
Excess (deficiency) of revenues over(under) expenditures	(3,660,371)	2,230,237	(3,768,220)	6,673,734	2,150,179
Other financing sources (uses):					
Operating transfers in	9,487,183	6,898,838	18,254,838	8,063,840	8,480,713
Operating transfers out	(9,487,183)	(6,898,838)	(18,254,838)	(8,063,840)	(9,247,796)
Bond and loan proceeds			24,560,000		
Premium on bond issued			3,579,433		8,936,759
Payment to refunding bond escrow agent			(3,045,771)	(10,463,256)	(8,778,746)
Grants and contributions					
Impact fee reimbursement			(450,000)		
Sale of assets	192,857	174,156	661,344	1,050,466	404,248
Total other financing sources(uses)	192,857	174,156	25,305,006	(9,412,790)	(204,822)
Net change in fund balances	\$ (3,467,514)	\$ 2,404,393	\$ 21,536,786	\$ (2,739,056)	\$ 1,945,357
Debt service as a percentage of non-capital expenditures	9%	8%	26%	19%	10%

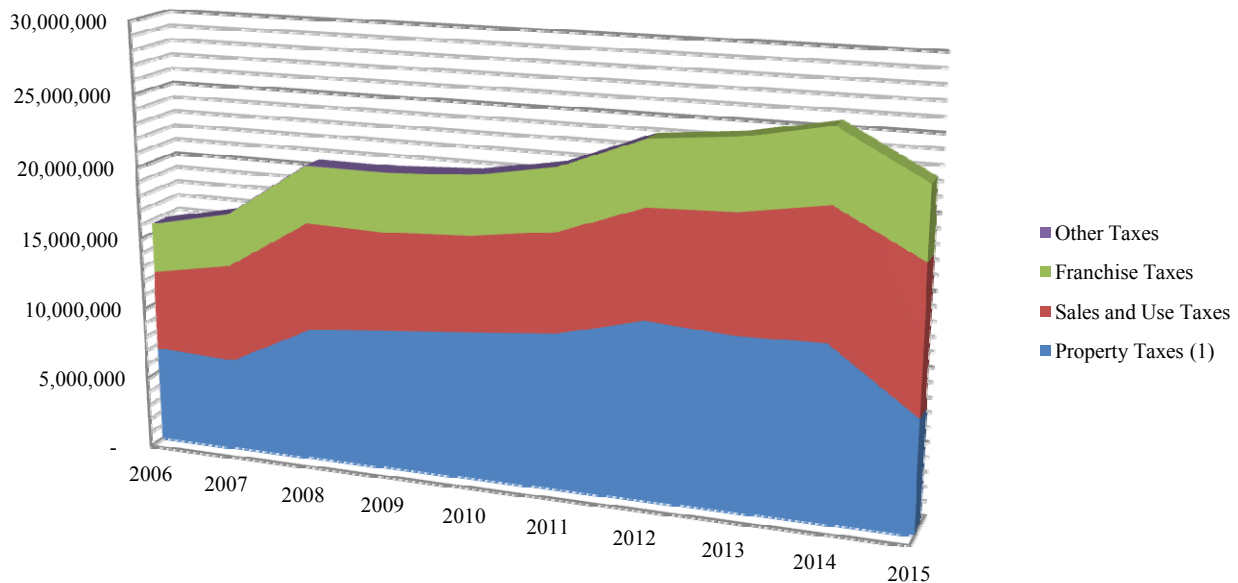
Schedule 5
 CITY OF DRAPER, UTAH
 Tax Revenues by Source, Governmental Funds
 Last Ten Fiscal Years
 (modified accrual basis of accounting)

Fiscal Year	Property Taxes (1)	Sales and Use Taxes	Franchise Taxes	Other Taxes	Total
2006	6,675,858	5,580,462	3,429,725	24,487	15,710,532
2007	6,432,572	6,764,067	3,599,564	35,618	16,831,821
2008	9,217,558	7,442,507	3,938,829	54,649	20,653,543
2009	9,737,594	6,794,978	4,078,070	-	20,610,642
2010	10,236,923	6,574,579	4,068,090	-	20,879,592
2011	10,764,481	6,815,929	4,254,768	-	21,835,178
2012	12,217,914	7,434,613	4,412,562	-	24,065,089
2013	11,842,416	8,009,456	4,737,336	-	24,589,208
2014	11,947,977	8,790,098	4,921,554	-	25,659,629
2015	7,690,018	9,967,402	4,888,625	-	22,546,045
Growth 2006-2015	115%	179%	143%	-	144%

Note: Since 2003, the redevelopment agency 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 not 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

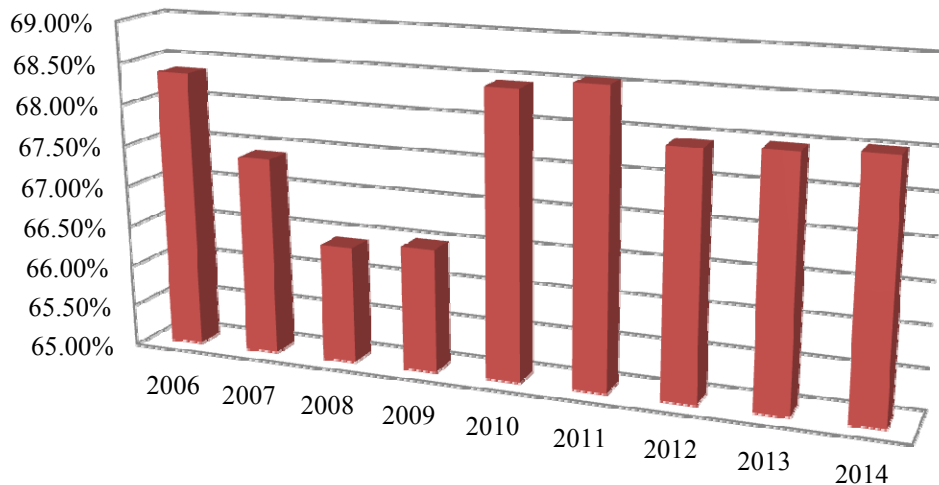
Fiscal Year	Tax Year	Primary Residential Property	Other Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Value (1)	Assessed Value as a Percentage of Actual Value
2006	2005	1,482,152,584	1,138,082,850	2,620,235,434	0.001469	3,832,905,730	68.36%
2007	2006	1,919,868,960	1,327,534,969	3,247,403,929	0.001274	4,818,205,805	67.40%
2008	2007	2,522,056,612	1,557,932,548	4,079,989,160	0.001616	6,143,490,024	66.41%
2009	2008	2,813,106,199	1,754,281,505	4,567,387,704	0.001528	6,869,020,049	66.49%
2010	2009	2,222,092,030	1,721,482,935	3,943,574,965	0.001818	5,761,650,262	68.45%
2011	2010	2,165,506,188	1,696,353,040	3,861,859,228	0.001896	5,633,637,018	68.55%
2012	2011	2,029,669,287	1,488,211,613	3,517,880,900	0.001996	5,178,519,408	67.93%
2013	2012	2,027,602,106	1,493,230,644	3,520,832,750	0.002009	5,179,779,928	67.97%
2014	2013	2,189,569,543	1,620,562,159	3,810,131,702	0.001887	5,601,597,692	68.02%
2015	2014	2,400,626,003	1,674,447,789	4,075,073,792	0.001791	6,039,222,340	67.48%

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					
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										
Tax Area 51B (2013 Tax Year +)										
2014	2013	0.001721	0.000166	0.001887	0.003180			0.007132	0.002087	0.014286
2015	2014	0.001640	0.000151	0.001791	0.003036			0.006700	0.001970	0.013497
Tax Area 051, 051A, 51B (51B through 2012 Tax Year)										
2005	2004	0.001327	0.000000	0.001327	0.002816	0.008856			0.002091	0.015090
2006	2005	0.001204	0.000265	0.001469	0.002682	0.008655			0.002059	0.014865
2007	2006	0.001055	0.000219	0.001274	0.002371	0.007347			0.001810	0.012802
2008	2007	0.001462	0.000154	0.001616	0.001994	0.006617			0.001612	0.011839
2009	2008	0.001374	0.000154	0.001528	0.001934	0.006150			0.001546	0.011158
2010	2009	0.001657	0.000161	0.001818	0.002278	0.005780			0.003211	0.013087
2011	2010	0.001728	0.000168	0.001896	0.002593	0.008060			0.001881	0.014430
2012	2011	0.001819	0.000177	0.001996	0.002696	0.008165			0.001963	0.014820
2013	2012	0.001831	0.000178	0.002009	0.002793	0.007111			0.003308	0.015221
2014	2013	0.001721	0.000166	0.001887	0.00318	0.007016			0.003182	0.015265
2015	2014	0.001640	0.000151	0.001791	0.003036	0.006872			0.002921	0.014620
Tax Area 055, 52A, 55A, 55B, 55C, 55D, 55E, 55F										
2005	2004	0.001327	0.000000	0.001327	0.002816	0.008856			0.002026	0.015025
2006	2005	0.001204	0.000265	0.001469	0.002682	0.008655			0.002000	0.014806
2007	2006	0.001055	0.000219	0.001274	0.002371	0.007347			0.001761	0.012753
2008	2007	0.001462	0.000154	0.001616	0.001994	0.006617			0.001572	0.011799
2009	2008	0.001374	0.000154	0.001528	0.001934	0.006150			0.001510	0.011122
2010	2009	0.001657	0.000161	0.001818	0.002278	0.005780			0.003168	0.013044
2011	2010	0.001728	0.000168	0.001896	0.002593	0.008060			0.001836	0.014385
2012	2011	0.001819	0.000177	0.001996	0.002696	0.008165			0.001915	0.014772
2013	2012	0.001831	0.000178	0.002009	0.002793	0.007111			0.00326	0.015173
2014	2013	0.001721	0.000166	0.001887	0.00318	0.007016			0.003137	0.015220
2015	2014	0.001640	0.000151	0.001791	0.003036	0.006872			0.002878	0.014577
Tax Area 056										
2005	2004	0.001327	0.000000	0.001327	0.002816	0.008856			0.001511	0.014510
2006	2005	0.001204	0.000265	0.001469	0.002682	0.008655			0.001527	0.014333
2007	2006	0.001055	0.000219	0.001274	0.002371	0.007347			0.001354	0.012346
2008	2007	0.001462	0.000154	0.001616	0.001994	0.006617			0.001242	0.011469
2009	2008	0.001374	0.000154	0.001528	0.001934	0.006150			0.001189	0.010801
2010	2009	0.001657	0.000161	0.001818	0.002278	0.005780			0.002789	0.012665
2011	2010	0.001728	0.000168	0.001896	0.002593	0.008060			0.001464	0.014013
2012	2011	0.001819	0.000177	0.001996	0.002696	0.008165			0.001516	0.014373
2013	2012	0.001831	0.000178	0.002009	0.002793	0.007111			0.002853	0.014766
2014	2013	0.001721	0.000166	0.001887	0.00318	0.007016			0.002741	0.014824
2015	2014	0.001640	0.000151	0.001791	0.003036	0.006872			0.002507	0.014206
Tax Area 54B										
2005	2004	0.001327	0.000000	0.001327	0.002816	0.008856	0.003507		0.002026	0.018532
2006	2005	0.001204	0.000265	0.001469	0.002682	0.008655	0.003181		0.002000	0.017987
2007	2006	0.001055	0.000219	0.001274	0.002371	0.007347	0.002389		0.001761	0.015142
2008	2007	0.001462	0.000154	0.001616	0.001994	0.006617	0.001997		0.001572	0.013796
2009	2008	0.001374	0.000154	0.001528	0.001934	0.006150	0.002073		0.001510	0.013195
2010	2009	0.001657	0.000161	0.001818	0.002278	0.005780	0.002635		0.003168	0.015679
2011	2010	0.001728	0.000168	0.001896	0.002593	0.008060	0.003171		0.001836	0.017556
2012	2011	0.001819	0.000177	0.001996	0.002696	0.008165	0.003803		0.001915	0.018575
2013	2012	0.001831	0.000178	0.002009	0.002793	0.007111	0.003773		0.00326	0.018946
2014	2013	0.001721	0.000166	0.001887	0.00318	0.007016	0.003360		0.003137	0.018580
2015	2014	0.001640	0.000151	0.001791	0.003036	0.006872	0.000000		0.002878	0.014577

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

		City Direct Rates			Overlapping Rates					
Fiscal	Tax	General Fund	Debt Service	Total Direct	Utah County	Alpine School District	Traverse Ridge Special District		Other	Total
Year	Year						District	District		
UTAH COUNTY										
Tax Area 014 - New as of 2013										
2013	2012	0.001831	0.000178	0.002009	0.001324	0.008828			0.000891	0.013052
2014	2013	0.001721	0.000166	0.001887	0.001259	0.008699			0.000870	0.012715
2015	2014	0.001640	0.000151	0.001791	0.001149	0.008096			0.000818	0.011854
Tax Area 017										
2006	2005	0.001204	0.000265	0.001469	0.001391	0.008082			0.000433	0.011375
2007	2006	0.001055	0.000219	0.001274	0.001262	0.006883			0.000385	0.009804
2008	2007	0.001462	0.000154	0.001616	0.001000	0.006937			0.000324	0.009877
2009	2008	0.001374	0.000154	0.001528	0.001105	0.007057			0.000308	0.009998
2010	2009	0.001657	0.000161	0.001818	0.001203	0.007541			0.000424	0.010986
2011	2010	0.001728	0.000168	0.001896	0.001294	0.008220			0.000907	0.012317
2012	2011	0.001819	0.000177	0.001996	0.001342	0.008812			0.000464	0.012614
2013	2012	0.001831	0.000178	0.002009	0.001324	0.008828			0.000484	0.012645
2014	2013	0.001721	0.000166	0.001887	0.001259	0.008699			0.000474	0.012319
2015	2014	0.001640	0.000151	0.001791	0.001149	0.008096			0.000447	0.011483
Tax Area 018										
2006	2005	0.001204	0.000265	0.001469	0.001391	0.008082	0.003181		0.000833	0.014956
2007	2006	0.001055	0.000219	0.001274	0.001262	0.006883	0.002389		0.000738	0.012546
2008	2007	0.001462	0.000154	0.001616	0.001000	0.006937	0.001997		0.000724	0.012274
2009	2008	0.001374	0.000154	0.001528	0.001105	0.007057	0.002079		0.000692	0.012461
2010	2009	0.001657	0.000161	0.001818	0.001203	0.007541	0.002635		0.000824	0.014021
2011	2010	0.001728	0.000168	0.001896	0.001294	0.008220	0.003171		0.000857	0.015438
2012	2011	0.001819	0.000177	0.001996	0.001342	0.008812	0.003803		0.000888	0.016841
2013	2012	0.001831	0.000178	0.002009	0.001324	0.008828	0.003773		0.000927	0.016861
2014	2013	0.001721	0.000166	0.001887	0.001259	0.008699	0.003360		0.000898	0.016103
2015	2014	0.001640	0.000151	0.001791	0.001149	0.008096	0.000000		0.000846	0.011882
Tax Area 019										
2006	2005	0.001204	0.000265	0.001469	0.001391	0.008082	0.003181	0.001306		0.015429
2007	2006	0.001055	0.000219	0.001274	0.001262	0.006883	0.002389	0.001145		0.012953
2008	2007	0.001462	0.000154	0.001616	0.001000	0.006937	0.001997	0.001054		0.012604
2009	2008	0.001374	0.000154	0.001528	0.001105	0.007057	0.002079	0.001013		0.012782
2010	2009	0.001657	0.000161	0.001818	0.001203	0.007541	0.002635	0.001209		0.014406
2011	2010	0.001728	0.000168	0.001896	0.001294	0.008220	0.003171	0.001229		0.015810
2012	2011	0.001819	0.000177	0.001996	0.001342	0.008812	0.003803	0.001287		0.017240
2013	2012	0.001831	0.000178	0.002009	0.001324	0.008828	0.003773	0.001334		0.017268
2014	2013	0.001721	0.000166	0.001887	0.001259	0.008699	0.003360	0.001294		0.016499
2015	2014	0.001640	0.000151	0.001791	0.001149	0.008096	0.000000	0.001217		0.012253

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)
2006	2005	0.001469	3,095,307	3,338,358	29,339	6,232	3,373,929	109.00%
2007	2006	0.001274	3,372,712	3,407,936	39,640	13,283	3,460,859	102.61%
2008	2007	0.001616	5,539,745	5,561,848	89,271	15,471	5,666,590	102.29%
2009	2008	0.001528	5,794,633	5,571,342	179,775	40,599	5,791,715	99.95%
2010	2009	0.001818	5,913,950	5,836,173	264,625	42,374	6,143,172	103.88%
2011	2010	0.001896	5,919,243	5,573,285	249,823	17,449	5,840,557	98.67%
2012	2011	0.001996	5,958,651	5,422,478	157,926	236,026	5,816,430	97.61%
2013	2012	0.002009	5,939,100	5,807,825	92,707	27,983	5,928,515	99.82%
2014	2013	0.001887	6,001,948	5,745,558	179,273	42,520	5,967,351	99.42%
2015	2014	0.001791	6,223,079	6,081,526	-	-	6,081,526	97.73%

N/A = Not available

(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 for tax years 2004-2009: In accordance with Utah State law, the tax levy includes an allowance for both the 3-year average Board of Equalization grants or petition and the 5-year average tax collection rate. The intent of these allowances is to cause actual collections to more closely mirror the actual levy; however, these allowances may also enable actual collections to periodically exceed actual levies.

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

Taxpayer	2015			2006		
	Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Pinnacle Reserve Associates, LLC	\$ 63,615,300	1	1.6%			
Women's Hospital Indianapolis LP	63,326,300	2	1.6%			
eBay, Inc	38,407,900	3	0.9%			
Day Dairy Holdings, LLC	37,097,900	4	0.9%			
Liberty Hill Partners, LP	29,664,300	5	0.7%			
Allegro Investors	28,839,600	6	0.7%			
IKEA Property, Inc	24,099,300	7	0.6%			
Inland Diversified Draper Peaks LLC	20,607,700	8	0.5%			
LD Bowerman Investments LLC	20,483,100	9	0.5%			
Inland Diversified Draper Crossing, LLC	19,752,400	10	0.5%			
	N/A			N/A	1	N/A
	N/A			N/A	2	N/A
	N/A			N/A	3	N/A
	N/A			N/A	4	N/A
	N/A			N/A	5	N/A
	N/A			N/A	6	N/A
	N/A			N/A	7	N/A
	N/A			N/A	8	N/A
	N/A			N/A	9	N/A
	\$ 345,893,800		8.5%	\$ -		0.0%
Total City Taxable Assessed Value	\$ 4,048,844,541			N/A		

Source: Salt Lake County Assessor & Draper City's GIS Data - Based on 2014 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
2006	1.000	4.750	0.250	0.500	0.100	6.60
2007	1.000	4.750	0.500	0.500	0.100	6.85
2008	1.000	4.650	0.500	0.550	0.100	6.80
2009	1.000	4.700	0.500	0.550	0.100	6.85
2010	1.000	4.700	0.500	0.550	0.100	6.85
2011	1.000	4.700	0.500	0.550	0.100	6.85
2012	1.000	4.700	0.500	0.550	0.100	6.85
2013	1.000	4.700	0.500	0.550	0.100	6.85
2014	1.000	4.700	0.500	0.550	0.100	6.85
2015	1.000	4.700	0.500	0.550	0.100	6.85

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	2015			2006		
	Sales Tax (1)	Rank	Percentage of Total Sales Tax (1)	Sales Tax (1)	Rank	Percentage of Total Sales Tax (1)
Ikea	N/A	1	N/A			
Karl Malone Toyota	N/A	2	N/A			
RC Willey	N/A	3	N/A			
Velocity Auto Sales	N/A	4	N/A			
General RV	N/A	5	N/A			
Harmon's Bangerter Crossing	N/A	6	N/A			
Geneva Rock	N/A	7	N/A	N/A	1	N/A
Ardell Brown RV Center	N/A	8	N/A			
Harmon's Draper	N/A	9	N/A	N/A	2	N/A
Smith's Grocery	N/A	10	N/A	N/A	6	N/A
Fresh Markets				N/A	3	N/A
Kohls				N/A	4	N/A
Wal-Mart Neighborhood Market				N/A	5	N/A
South Valley Motorsports				N/A	7	N/A
Albertson's 394				N/A	8	N/A
K-Mart				N/A	9	N/A
Quality Mobile Homes Inc.				N/A	10	N/A
	\$4,576,419		38.33%	\$1,531,536		30.55%
Total Sales Tax	\$11,938,216			\$5,013,485		

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

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		
2006	6,670,000	-	6,670,000	0.25%	189
2007	6,430,000	-	6,430,000	0.20%	169
2008	6,180,000	-	6,180,000	0.15%	152
2009	5,925,000	-	5,925,000	0.13%	141
2010	5,660,000	-	5,660,000	0.14%	131
2011	5,385,000	-	5,385,000	0.14%	125
2012	5,095,000	-	5,095,000	0.14%	116
2013	4,795,000	-	4,795,000	0.14%	109
2014	4,480,000	-	4,480,000	0.12%	99
2015	4,490,000	-	4,490,000	0.11%	97

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

(1) See Schedule 6 for property values.

(2) See Schedule 17 for population data.

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

Governmental Activities

Fiscal Year	General Obligation Bonds	Sales Tax Revenue Bonds	Lease Revenue Bonds	Capital Leases	Notes Payable
2006	6,670,000	3,805,000	14,761,000	254,323	-
2007	6,430,000	3,650,000	14,093,000	128,804	-
2008	6,180,000	3,495,000	16,266,000	-	-
2009	5,925,000	3,335,000	15,410,000	-	-
2010	5,660,000	3,170,000	14,630,000	-	-
2011	5,385,000	3,000,000	13,825,000	-	-
2012	5,095,000	2,820,000	12,985,000	-	-
2013	4,795,000	26,985,000	12,108,000	-	-
2014	4,480,000	23,995,000	6,590,000	-	-
2015	4,490,000	26,840,000	2,235,000	-	10,992,965

Business-type Activities

Fiscal Year	Revenue Bonds	Capital Leases	Notes Payable	Total Primary Government	Percentage of Personal Income	Personal Income	Per Capita
2006	220,000	190,321	-	25,900,644	3.06%	847,071,782	735
2007	170,000	190,322	-	24,662,126	2.57%	959,501,123	647
2008	115,000	95,277	-	26,151,277	2.38%	1,097,464,410	644
2009	60,000	-	-	24,730,000	2.40%	1,031,038,246	588
2010	-	1,892,871	-	25,352,871	2.37%	1,068,454,838	586
2011	2,015,000	1,471,431	-	25,696,431	2.38%	1,078,537,858	594
2012	1,935,000	1,035,654	-	23,870,654	2.09%	1,140,256,021	541
2013	1,853,000	584,961	-	46,325,961	3.57%	1,297,194,694	1,050
2014	1,769,000	123,195	-	36,957,195	2.76%	1,338,465,812	816
2015	1,684,000	-	2,378,950	48,620,915	3.33%	1,459,559,528	1,052

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

Table 14
CITY OF DRAPER, UTAH
Direct and Overlapping Governmental Activities Debt
As of June 30, 2015

Entity	2014 Taxable Value (1)	Estimated City's Percentage	Entity's General Obligation Debt	City's Portion of G.O. Debt
Direct City Debt				
Draper City General Obligation Bond	\$ 4,048,844,541	100%	\$4,490,000	\$ 4,490,000
Overlapping Debt				
CUWCD (2)	124,020,860,379	3.3%	234,863,768	7,667,475
Salt Lake County	79,024,948,187	5.1%	203,324,397	10,417,329
Canyons School District (3)	16,784,466,563	24.1%	330,766,657	<u>79,789,415</u>
Total Overlapping				<u>97,874,220</u>
Underlying Debt				
Alpine School District (4)	18,252,345,158	22.2%	412,085,000	<u>91,411,163</u>
Total Underlying				<u>91,411,163</u>
Total Overlapping and Underlying General Obligation Debt				\$ 189,285,383
Total Direct General Obligation Bonded Indebtedness				<u>4,490,000</u>
Total Direct and Overlapping General Obligation Debt				<u><u>\$ 193,775,383</u></u>

Notes:

(1) Preliminary; subject to change. 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

(*) 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.

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

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Debt Limit	\$ 153,316,229	\$ 192,728,232	\$ 245,739,601	\$ 274,760,802	\$ 230,466,010
Total debt applicable to limit	<u>6,670,000</u>	<u>6,430,000</u>	<u>6,180,000</u>	<u>5,925,000</u>	<u>5,660,000</u>
Legal debt margin	<u>\$ 146,646,229</u>	<u>\$ 186,298,232</u>	<u>\$ 239,559,601</u>	<u>\$ 268,835,802</u>	<u>\$ 224,806,010</u>
 Total debt applicable to the limit as a percentage of debt limit	 4.35%	 3.34%	 2.51%	 2.16%	 2.46%
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Debt Limit	\$ 225,345,481	\$ 207,140,776	\$ 207,191,197	\$ 224,063,908	\$ 241,568,894
Total debt applicable to limit	<u>5,385,000</u>	<u>5,095,000</u>	<u>4,795,000</u>	<u>4,480,000</u>	<u>4,490,000</u>
Legal debt margin	<u>\$ 219,960,481</u>	<u>\$ 202,045,776</u>	<u>\$ 202,396,197</u>	<u>\$ 219,583,908</u>	<u>\$ 237,078,894</u>
 Total debt applicable to the limit as a percentage of debt limit	 2.39%	 2.46%	 2.31%	 2.00%	 1.86%

Legal Debt Margin Calculation for Fiscal Year 2014

Estimated market value	\$ 6,039,222,340
Debt limit (4% of market value)	\$ 241,568,894
Debt applicable to limit (1)	<u>4,490,000</u>
Legal Debt Margin	<u>\$ 237,078,894</u>

(1) Debt margin applies only to general obligation bonds.

(2) Draper City does not maintain a debt service fund.

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

Sales Tax Revenue Bonds

Fiscal Year	Sales Tax Revenue	Debt Service Requirements			Coverage
		Principal	Interest	Total	
2006	5,580,462	150,000	160,813	310,813	17.95
2007	6,764,067	155,000	157,063	312,063	21.68
2008	7,442,507	155,000	152,800	307,800	24.18
2009	6,794,978	160,000	148,150	308,150	22.05
2010	6,574,579	165,000	142,950	307,950	21.35
2011	6,815,929	170,000	137,175	307,175	22.19
2012	7,434,613	180,000	130,800	310,800	23.92
2013	8,009,456	395,000	597,508	992,508	8.07
2014	8,790,098	355,000	1,106,175	1,461,175	6.02
2015	9,967,402	1,045,000	1,037,200	2,082,200	4.79

Lease Revenue Bonds

Fiscal Year	Lease Revenue	Debt Service Requirements			Coverage
		Principal	Interest	Total	
2006	400,000	446,000	534,735	980,735	0.41
2007	1,107,597	668,000	628,643	1,296,643	0.85
2008	1,295,567	1,182,000	626,020	1,808,020	0.72
2009	1,560,086	856,000	698,086	1,554,086	1.00
2010	1,451,482	780,000	664,982	1,444,982	1.00
2011	1,446,147	805,000	634,647	1,439,647	1.00
2012	1,449,031	840,000	602,531	1,442,531	1.00
2013	1,475,494	877,000	568,395	1,445,395	1.02
2014	701,796	400,000	298,546	698,546	1.00
2015	613,109	415,000	198,108	613,108	1.00

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)
2006	35,231	5.75%	847,071,782	24,043	23,922	2.90%
2007	38,147	8.28%	959,501,123	25,153	25,902	2.60%
2008	40,608	6.45%	1,097,464,410	27,026	27,573	3.40%
2009	42,032	3.51%	1,031,038,246	24,530	28,540	6.30%
2010	43,239	2.87%	1,068,454,838	24,710	29,359	7.50%
2011	43,239	0.00%	1,078,537,858	24,944	29,359	6.40%
2012	44,103	2.00%	1,140,256,021	25,854	29,946	5.20%
2013	44,103	0.00%	1,297,194,694	29,413	29,946	4.50%
2014	45,285	2.68%	1,338,465,812	29,556	30,749	3.68%
2015	46,202	2.02%	1,459,559,528	31,591	31,371	3.50%

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

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

(3) Utah Department of Workforce Services - All rates are annual (Years 2004 - 2011). United States Dept. of Labor - Draper City - Fical Year Avg. unemployment (Years 2013 - 2015).

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

Employer	2015		2006	
	Number of Employees	Rank	Number of Employees	Rank
Utah State Prison	1,000-1,999	1	1,000-1,999	1
Ebay	1,000-1,999	2	250-499	5
1-800 Contacts	500-999	3	500-999	3
EMC Corporation	500-999	4		
Xerox (Affiliated Computer Services)	500-999	5	500-999	2
Edwards Lifesciences	500-999	6		
Coca-Cola	500-999	7	250-499	6
HealthEquity	250-499	8		
O'Curran	250-499	9		
Harmon's	250-499	10	100-249	10
Ballard Medical			500-999	4
Advanta Bank			100-249	9
Investools			249-499	7
Albertson's			249-499	8

Source: Draper City business licensing database and personal communication with entities by Draper City personnel.
Utah Dept of Workforce Services FirmFind

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Fund										
General Government										
Executive	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Administrative	12.00	12.00	11.50	10.50	8.00	9.00	8.00	8.00	8.67	8.00
Legal		1.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	2.00
Finance/Treasurer	6.50	6.50	7.00	6.00	6.25	6.25	5.75	6.25	6.38	6.75
Information Systems				2.00	3.00	3.00	3.00	4.00	4.00	4.00
Facilities Management	7.32	7.75	7.75	7.25	5.50	5.50	5.50	5.50	5.50	5.13
Fleet Management	2.00	2.00	2.00	3.00	2.00	2.00	2.00	2.00	2.00	2.00
Public Safety										
Police	38.79	38.60	42.64	43.64	44.64	44.64	47.80	48.30	50.68	53.31
Fire (1)										
Animal Control	3.00	3.00	3.50	3.50	3.50	3.50	3.00	3.00	3.00	3.38
Courts	6.23	6.23	6.23	6.23	5.60	5.60	6.10	5.60	5.60	5.60
Code Enforcement	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	1.67
Economic and Community Development										
Administrative	4.00	4.00	4.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Building	12.00	12.00	14.00	10.00	8.00	8.00	8.00	8.00	9.00	9.00
Planning	8.50	8.50	9.77	7.00	5.00	5.00	4.00	4.00	4.00	4.00
Engineering	17.50	17.50	17.50	11.50	9.50	8.50	7.50	8.30	8.50	8.50
Public Works										
Administrative	3.00	3.00	3.50	3.75	3.75	3.75	3.75	3.00	3.00	3.00
Parks	15.00	15.00	19.50	19.50	19.50	19.50	19.50	20.00	20.00	20.00
Recreation			2.32	2.32	1.99	1.99	3.19	4.14	4.45	5.45
Streets	4.00	4.00	4.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
General Fund Total	147.84	149.08	167.21	155.19	145.23	145.23	146.09	149.09	153.78	154.79
Enterprise Funds										
Water	5.33	6.33	7.66	8.16	8.16	8.16	8.16	8.49	8.24	8.24
Storm Water	3.33	3.33	4.66	5.16	5.16	5.16	6.16	6.49	6.24	6.24
Solid Waste	0.83	0.83	1.16	6.66	6.66	6.66	8.01	8.54	8.54	8.54
Enterprise Fund Total	9.49	10.49	13.48	19.98	19.98	19.98	22.33	23.52	23.02	23.02
Internal Service Funds										
Class B&C Roads			1.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Traverse Ridge Special Service District	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Internal Service Funds Total	3.00	3.00	4.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Total Positions (2)	160.33	162.57	184.69	180.17	170.21	170.21	173.42	177.61	181.80	182.81

(1) Fire and ambulance operations are contracted through United Fire Authority.
(2) Total FTEs are based upon the original adopted budgets.

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

	2006	2007	2008	2009	2010
Area (Square miles)	30.12	30.12	30.12	30.12	30.12
General Government					
Resolutions adopted	67	77	66	40	58
Fire Protection					
Fire stations	2	2	2	3	3
Full-time firefighters	21.5	21.5	28.5	28.5	28.5
Part-time firefighters	4	4	4	4	1
Police Protection					
Sworn police officers	31	30	34	34	34
Patrol calls for service - Dispatched	22,663	22,125	17,309	31,309	41,671
Public Libraries (1)	1	1	1	1	1
Recreation					
Parks	29	29	34	34	34
Tennis courts	1	1	1	4	4
Swimming pools (1)	1	1	1	1	1
Golf courses (1)	1	1	1	1	1
Soccer fields	0	0	2	10	10
Baseball diamonds	5	5	8	8	8
Trails (in miles)	N/A	N/A	55	55	55
Park Acreage	1,178	1,178	1,318 (2)	1,318 (2)	1,318 (2)
Community Development					
Building permits issued	1,473	1,280	827	512	621
Business licenses issued	1,508	1,718	1,707	2,028	1,958

(1) Owned and operated by Salt Lake County

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

(3) Includes all lane miles (city-owned, private and pending).

N/A = not available as of year end

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

	2011	2012	2013	2014	2015
	30.12	30.12	30.12	30.12	30.12
Area (Square miles)					
General Government					
Resolutions adopted	52	36	85	73	99
Fire Protection					
Fire stations	3	3	3	3	3
Full-time firefighters	28.5	28.5	28.5	N/a	N/a
Part-time firefighters	1	1	0	N/a	N/a
Police Protection					
Sworn police officers	34	34	37	40	40
Patrol calls for service - Dispatched	40,419	22,449	25,484	25,991	23,196
Patrol calls for service - Self Initiated				10,590	5,410
Public Libraries (1)	1	1	1	1	1
Recreation					
Parks	35	36	38	40	40
Tennis courts	4	4	4	4	4
Swimming pools (1)	1	1	1	1	1
Golf courses (1)	1	1	1	1	1
Soccer fields	10	10	10	10	10
Baseball diamonds	9	10	10	10	10
Trails (in miles)	67.89	74.25	79.5	80.17	82.93
Park Acreage	1,318 (2)	1,323(2)	1,323(2)	1216	1216
Community Development					
Building permits issued	587	729	904	734	744
Business licenses issued	1,985	2,074	2,027	2,169	2,298

(1) Owned and operated by Salt Lake County

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

(3) Includes all lane miles (city-owned, private and pending).

N/A = not available as of year end

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

	2006	2007	2008	2009	2010
Public Works					
Street lights	1,118	1,229	1,409	1,965	2,106
Street lane miles (3)	467	467	467	467	469
Traffic lights	12	30	34	58	93
Utility - Solid Waste					
Number of customers	8,007	8,556	8,835	9,122	9,443
Annual waste tonnage	17,207	18,932	17,848	16,467	17,514
Average annual waste per household (in tons)	2.1	2.2	2.0	1.8	1.9
Annual recycling tonnage	N/A	N/A	N/A	N/A	N/A
Average annual recycling per household (in tons)	N/A	N/A	N/A	N/A	N/A
Utility - Storm Water					
Number of customers	8,879	9,549	9,913	10,092	10,315
Storm drain lines (in miles)	98.50	99.07	99.07	102.21	108.91
Utility - Water					
Number of customers	2,917	3,225	3,346	3,386	3,650
Average daily consumption per household (in gallons)	928	994	900	846	758
Gallons consumed (in millions)	988.2	1,169.9	1,098.8	1,045.4	1,009.8
Storage capacity (in millions of gallons)	4.1	9.1	9.1	9.1	9.1
Water lines (in miles)	77.57	77.88	77.88	77.88	77.88

- (1) Owned and operated by Salt Lake County
- (2) Includes parks which are owned and operated by Salt Lake County.
- (3) Includes all lane miles (city-owned, private and pending).

N/A = not available as of year end

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

	2011	2012	2013	2014	2015
Public Works					
Street lights	2,112	2,152	2,196	2,229	2,398
Street lane miles (3)	475	484	491	494	499
Traffic lights	93	95	119	119	127
Utility - Solid Waste					
Number of customers	9,378	9,479	9,646	9,760	9,967
Annual waste tonnage	15,950	16,765	17,306	17,375	17,842
Average annual waste per household (in tons)	1.7	1.8	1.8	1.8	1.8
Annual recycling tonnage	2,218	2,084	2,031	2,076	2,082
Average annual recycling per household (in tons)	0.24	0.22	0.21	0.21	0.21
Utility - Storm Water					
Number of customers	10,403	10,257	10,205	10,369	10,543
Storm drain lines (in miles)	108.91	109.28	111.78	112.81	113.11
Utility - Water					
Number of customers	3674	3708	3778	3832	3940
Average daily consumption per household (in gallons)	766	889	817	755	684
Gallons consumed (in millions)	1,026.7	1,203.5	1,126.9	1,056.5	984.0
Storage capacity (in millions of gallons)	9.1	11.4	11.4	11.4	11.4
Water lines (in miles)	77.88	77.88	77.88	77.88	77.88

- (1) Owned and operated by Salt Lake County
 (2) Includes parks which are owned and operated by Salt Lake County.
 (3) Includes all lane miles (city-owned, private and pending).

N/A = not available as of year end

2015

ANNUAL REPORT

REDEVELOPMENT AGENCY OF DRAPER CITY, UT

IN COMPLIANCE WITH UTAH CODE SECTION 17C-1-603 AND 17C-1-402(9)(b)



LEWIS YOUNG
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EXECUTIVE SUMMARY

INTRODUCTION

Lewis Young Robertson & Burningham, Inc (“LYRB”) has been retained by the Redevelopment Agency of Draper City (the “Agency”) to assist with the management of the Agency’s six project areas (**West Freeway, Sand Hills, Crescent, East Bangerter, Gateway, and FrontRunner**). LYRB has compiled the various creation and related documents associated with the project areas, generated annual and multi-year budgets, and created a proprietary Excel-based software package to manage the Agency’s project areas in the future.

The purpose of this report, in part, is to fulfill the requirements of Utah Code section 17C-1-402(9)(b) and 17C-1-603 – Agency Report. As new reporting requirements were adopted in legislation and became effective in 2011, this report facilitates the RDA’s compliance with the new code, providing the data necessary to fulfill the Agency Report requirements. This section of Utah Code mandates that the Agency provide an annual report to the County Auditor, the State Tax Commission, the State Board of Education, as well as each of the taxing entities that levy a tax on property from which the Agency collects tax increment. The taxing entities involved in the various project areas of the Agency, to which this report is being provided, are summarized in the table below.

Table I.1: RDA Taxing Entities

RDA TAXING ENTITIES	
David Dobbins	Draper City
Bob Wylie	Draper City
Scott Tingley	Salt Lake County
Leon Wilcox	Canyons School District
John Larsen	Jordan School District
JoAnne Dubois	Central Utah Water Conservancy District
Craig White	South Valley Sewer District
Val Bowlden	South Salt Lake Valley Mosquito Abatement District
Mark Minson	Crescent Cemetery Maintenance District
Richard Bay	Jordan Valley Water Conservancy District
Natalie Grange	Utah State Board of Education
Lorraine Austin	Utah State Board of Education
Barry Conover	Utah State Tax Commission

This report also fulfills the reporting requirements described in UC 17C-1-402(9)(b), allowing the report to be used in place of an annual taxing entity committee meeting. This annual report is for informational purposes and is intended to provide an overview of each project area that lies within the boundaries of the RDA, including descriptions of each project area, significant activities, project timelines, actual and estimated tax increment collections, and any other information pertinent to the taxing entities.

Provided in this report is an overview of the following Project Areas:

- ❖ **West Freeway Project Area;**
- ❖ **Sand Hills Project Area;**
- ❖ **Crescent Project Area;**
- ❖ **East Bangerter Project Area;**
- ❖ **Gateway Project Area; and**
- ❖ **FrontRunner Project Area.,**

This report includes summaries of the current and projected budgets, sources and uses of tax increment funds, project area growth statistics, and identification of certain concerns/needs within each Project Area.

OVERVIEW OF THE REDEVELOPMENT AGENCY

The Redevelopment Agency of Draper City was created by the Draper City Council in accordance with the provision of the Utah Neighborhood Development Act, UCA 17A-2-1201, 17A-2-1202, and 17A-2-1203, and continues to operate under Title 17C of Utah Code (UCA 17C).

UCA 17C has expanded the ability of the Redevelopment Agencies, allowing the creation of various types of Project Areas, including Community Development Area (CDA), Urban Renewal Area (URA), and Economic Development Area (EDA). A CDA differs from an Urban Renewal Area (URA) and an Economic Development Area (EDA) in that it is meant to encourage, promote, or provide for development, but does not require the vote, approval, or governance of a taxing entity committee. Various taxing entities can elect to participate on an individual basis through interlocal agreements. In comparison, an EDA is intended to create jobs or economic opportunity and requires a taxing entity committee. A URA is meant to initiate or intensify development of a blighted or under-used area. In the case of a URA, blight finding is required, limited use of eminent domain is allowed, and a taxing entity committee is required. Currently, the Agency has seven active Project Areas.

AUTHORITIES AND POWERS OF THE AGENCY

The authority of the Agency is directed by UCA Title 17C. 17C-1-202

- I. A community development and renewal agency may:
 - ☐ Sue and be sued;
 - ☐ Enter into contracts generally;
 - ☐ Buy, obtain an option upon, or otherwise acquire an interest in real or personal property;
 - ☐ Sell, convey, grant, dispose of by gift, or otherwise dispose of any interest in real or personal property;
 - ☐ Enter into a lease agreement on real or personal property, either as lessee or lessor;
 - ☐ Provide for urban renewal, economic development, and community development as provided in this title;
 - ☐ Receive tax increment as provided in this title;
 - ☐ If disposing of or leasing land, retain controls or establish restrictions and covenants running with the land consistent with the project area plan;

- ☞ Accept financial or other assistance from any public or private source for the agency’s activities, powers, and duties, and expend any funds so received for any of the purposes of this title;
- ☞ Borrow money or accept financial or other assistance from the federal government, a public entity, or any other source for any of the purposes of this title and comply with any conditions of the loan or assistance;
- ☞ Issue bonds to finance the undertaking of any urban renewal, economic development, or community development or for any of the agency’s other purposes, including:
 - Reimbursing an advance made by the agency or by a public entity or the federal government to the agency;
 - Refunding bonds to pay or retire bonds previously issued by the agency; and
 - Refunding bonds to pay or retire bonds previously issued by the community that created the agency for expenses associated with an urban renewal, economic development, or community development project; and
- ☞ Transact other business and exercise all other powers provided for in this title.

GOVERNING BOARD OF TRUSTEES AND STAFF MEMBERS

Table 1.2: Board of Trustees

GOVERNING BOARD OF TRUSTEES		
Bill Colbert	Chair	Draper City Council Member
Jeff Stenquist	Vice-Chair	Draper City Council Member
Troy Walker	Board Member	Draper City Mayor
William Rappleye	Board Member	Draper City Council Member
Marsha Vawdrey	Board Member	Draper City Council Member
Alan Summerhays	Board Member	Draper City Council Member

Table 1.3: Administration & Staff Members

ADMINISTRATION & STAFF MEMBERS		
David Dobbins	Executive Director	Draper City Manager

SUMMARY OF REQUESTED FUNDS

The Agency **requests all funds it is legally entitled to receive**, and estimates those funds according to the chart below. Per UC 17C-1-603(3), these projected figures are provided for informational purposes only, and do not alter the amount of tax increment that this Agency is entitled to collect. **The Agency requests all tax increment legally available from each of the Agency's project areas described below**; however these estimates should in no way be interpreted or applied as a limitation upon the amount the Agency is entitled to receive under applicable statute(s), project area budget(s), and/or interlocal cooperation agreements.

Table I.4: Estimate of Tax Increment

ESTIMATE OF TAX INCREMENT TO BE PAID TO THE AGENCY		
	Tax Year 2015 (Ending Dec. 31, 2015)	Tax Year 2016 (Beginning Jan. 1, 2016)
Property Tax Increment		
West Freeway	\$-	\$-
Sand Hills	\$563,528	\$563,528
Crescent	\$1,307,083	\$1,307,083
East Bangerter	\$1,015,733	\$1,015,733
Gateway	\$254,963	\$254,963
FrontRunner	\$649,119	\$906,231
Total Revenue	\$3,790,426	\$4,047,538

Table I.5: Estimate of Haircut Increment

ESTIMATE OF HAIRCUT TO BE PAID TO THE AGENCY		
	Tax Year 2015 (Ending Dec. 31, 2015)	Tax Year 2016 (Beginning Jan. 1, 2016)
Haircut Increment		
West Freeway	\$1,122,465	\$1,122,465
Sand Hills	\$375,685	\$375,685
Crescent	\$560,178	\$560,178
Total Revenue	\$2,058,328	\$2,058,328

As outlined in Utah State Code Title 17C-1-403, a pre-1993 project area is paid tax increment based on a set schedule. Furthermore, an agency is entitled to 100% of the tax increment from a project area for 32 years. The “additional tax increment” (haircut) is the difference between 100% of the tax increment the agency is to be paid for a tax year and the amount of tax increment an agency is to be paid for the tax year under the percentages and time periods outlined in Table I.6 below.

Table I.6: Tax Increment Levels

TAX INCREMENT LEVELS		
Years	% of Tax Increment	% of Haircut
1-5	100%	0%
6-10	80%	20%
11-15	75%	25%
16-20	70%	30%
21-25	60%	40%
26-32	0%	100%

An agency may use this “haircut” solely to pay for:

1. The costs of the installation and construction of a convention center or sports complex, including any improvement related to the convention center and sports complex that commenced on or before June 30, 2002 that is within or provides a benefit to a project area.
2. The costs of the installation and construction of a recreational or cultural facility, including any improvement related to the recreational or cultural facility that was commenced on or before July 1, 2015.

All taxing entities with the exception of the school district participate in the “haircut” portion of tax increment

GENERAL OVERVIEW OF ALL PROJECT AREAS

Table I.7: Combined Budget

COMBINED BUDGET – ALL PROJECT AREAS		
REVENUES	FY 2015 TOTALS	REMAINING LIFE*
Property Tax Increment		
West Freeway	\$705,279	\$705,279
Sand Hills	\$590,513	\$2,281,096
Crescent	\$1,460,017	\$13,597,215
East Bangerter	\$929,469	\$6,562,793
Gateway	\$234,721	\$1,003,810
FrontRunner	\$-	\$177,324,473
Haircut Increment		
West Freeway	\$470,186	\$8,327,442
Sand Hills	\$393,675	\$8,095,222
Crescent	\$486,672	\$20,092,915



Housing Fund Transfer		
East Bangerter	\$921,406	\$921,406
Total	\$6,191,938	\$238,911,651
EXPENDITURES	FY 2015 TOTALS	REMAINING LIFE*
Project Area Administration		
West Freeway	\$105,792	\$105,792
Sand Hills	\$88,577	\$342,164
Crescent	\$219,003	\$2,039,582
East Bangerter	\$11,154	\$78,754
FrontRunner	\$-	\$3,741,180
Development Incentive Payments		
West Freeway	\$365,000	\$-
Sand Hills	\$260,000	\$820,000
Crescent	\$827,270	\$1,470,128
Affordable Housing		
East Bangerter	\$1,107,300	\$2,233,965
Debt Service Payments		
Crescent	\$453,275	\$11,686,497
East Bangerter	\$686,000	\$5,741,000
Gateway	\$233,006	\$996,950
Canyons School District Haircut Remittance		
West Freeway	\$275,948	\$5,127,264
Sand Hills	\$234,167	\$5,056,687
Crescent	\$243,336	\$10,438,582
Capital Facility Finance Plan Projects		
West Freeway	\$428,725	\$3,434,665
Sand Hills	\$401,444	\$4,157,466
Crescent	\$203,806	\$8,055,341
East Bangerter	\$46,421	(\$47,012)
Infrastructure Improvements		
Gateway	\$1,715	\$6,860
FrontFunner	\$-	\$173,583,294
Total Expenditures	\$6,191,938	\$238,911,651

* Remaining Life includes 2015 totals

SECTION 1: OVERVIEW OF THE WEST FREEWAY AREA

Table 2.1: Project Area Overview

OVERVIEW				
<u>Type</u> RDA	<u>Acreage</u> 88.52	<u>Purpose</u> Commercial Development	<u>Taxing District</u> 52A	<u>Tax Rate</u> 0.014249
<u>Creation Year</u> FY 1989	<u>Base Year</u> FY 1989	<u>Term</u> 32 Years	<u>Trigger Year</u> FY 1991	<u>Expiration Year</u> FY 2022
<u>Base Value</u> \$247,136	<u>TY 2014 Value</u> \$88,184,904	<u>Increase</u> 35,583%	<u>FY 2015 Increment</u> \$1,175,465	<u>Remaining Years</u> 7 Years

The West Freeway Project Area was created in 1989 and is governed by the (“Draper West Freeway Neighborhood Development Plan”). This document defines the duration and use of property tax generated within the Project Area as well as conditions and obligations by the Agency and each participating taxing entity. As the West Freeway Project Area was created prior to 1993 and the existing statute at the time of creation outlined different creation requirements, a taxing entity committee was not established nor required for this Project Area.



The original purpose of the West Freeway Project Area was to stabilize and strengthen the commercial business and economic base of the City. The West Freeway Project Area includes 88.52 acres located in the northwest portion of the City at the intersection of I-15 and I2300 South. The initial base year value of the Project Area was \$247,136.



SOURCES OF FUNDS

Table 2.2: Sources of Funds

2015 SOURCES OF FUNDS	
Property Tax Increment	\$705,279
Haircut Increment	\$470,186
Total Sources of Funds	\$1,175,465

Table 2.3: Tax Increment Levels

TAX INCREMENT LEVELS		
Years	% of Tax Increment	% of Haircut
1991-1995	100%	0%
1996-2000	80%	20%
2001-2005	75%	25%
2006-2010	70%	30%
2011-2015	60%	40%
2016-2022	0%	100%

USES OF FUNDS

Table 2.4: Uses of Funds

2015 USES OF FUNDS	
RDA Administration	\$105,792
Developer Incentive Payments	\$365,000
Canyons School District Haircut Remittance	\$275,948
Capital Facility Finance Plan Projects Fund	\$428,725
Total Uses of Funds	\$1,175,465

DEVELOPER INCENTIVE PAYMENTS

As permitted by the Project Area Plan and creation, the Agency entered into an agreement with Edwards Lifesciences to reimburse them for costs associated with the expansion of their business. The amount of reimbursement is dependent on the amount of new full time employees each year. According to the agreement terms, the total amount of reimbursement is not to exceed \$3 million dollars. The agreement will be fulfilled in FY 2015.

Table 2.5 Developer Incentive Payments

2015 DEVELOPER INCENTIVE PAYMENTS	
Edwards Lifesciences Payment	\$365,000
Total Developer Incentive Payments	\$365,000



PROJECT AREA REPORTING AND ACCOUNTABILITY

COMPARISON OF FORECASTED AND ACTUAL TAX INCREMENT

Table 2.6: Realization of Tax Increment

REALIZATION OF TAX INCREMENT	ACTUAL	FORECASTED	% OF PROJECTION
TAX INCREMENT GENERATED IN PROJECT AREA			
Property Tax Increment – FY 2015	\$1,175,465	\$1,051,093	112%

RELATIVE GROWTH IN ASSESSED VALUE

Table 2.7: Growth in Assessed Value

GROWTH IN ASSESSED VALUE	CURRENT YEAR	COMPARISON YEAR	GROWTH RATE	AAGR
ASSESSED VALUES IN PROJECT AREA				
Annual Growth In Project Area (2014 vs. 2013)	\$88,184,904	\$74,308,425	18.67%	18.67%
Lifetime Growth in Project Area (2014 vs. 1997)	\$88,184,904	\$33,522,115	163%	5.86%
Lifetime Growth in Project Area (2014 vs. Base)	\$88,184,904	\$247,136	35,582%	26.5%
ASSESSED VALUES IN DRAPER CITY				
Annual Growth in Draper City (2014 vs. 2013)	\$3,788,110,387	\$3,558,623,969	6.45%	6.45%
Lifetime Growth in Draper City (2014 vs. 1997)	\$3,788,110,387	\$875,257,353	332%	9%

BENEFITS DERIVED BY PARTICIPATING TAXING ENTITIES

Table 2.8: Benefits to Taxing Entities



BENEFITS TO TAXING ENTITIES
*Job Creation
*Increased Property Tax Revenues - 100% of tax increment received by entities after 2022



Currently the only taxing entity receiving increment is the School District. Annual property tax increment (above the base amount) currently being returned to the School District is 7,837% above what would have been realized if assessed values in the Project Area had remained at base year levels for all the taxing entities. Lifetime property tax increment (above the base amount) received by the School District is 3,071% above what would have been realized based on base year levels for all the taxing entities. This number will increase significantly when the Project Area expires in 2022, and all of the taxing entities receive the benefit of the 19,959% increase in tax increment.

Table 2.9: Growth in Property Tax Increment

GROWTH IN TAX INCREMENT	ORIGINAL BUDGET REVENUES	ACTUAL REVENUES	BASE YEAR VALUE REVENUES	% ABOVE BASE
TAX INCREMENT FROM PROJECT AREA				
Fiscal Year 2015	NA	\$1,175,465	\$3,521	33,380%
Lifetime Revenue (FY 1991-2015)	NA	\$17,905,101	\$89,708	19,959%
PASS THROUGH INCREMENT (ABOVE BASE)				
Fiscal Year 2015	NA	\$275,948	\$3,521	7,837%
Lifetime Revenue (FY 1991-2015)	NA	\$2,754,598	\$89,708	3,071%

NOTABLE DEVELOPMENT AND FUTURE PROJECTS

 Edwards Lifesciences
 Draper Business Park

 Lone Peak Business Park
 Living Planet Aquarium

FORECASTED PROJECT AREA BUDGET UPDATE

The multi-year budget attached to this document and summarized below displays revenue in the fiscal year received rather than the calendar year collected.

Table 2.10: Project Area Budget

PROJECT AREA BUDGET	2016 ¹ -2022	
	TOTALS	NPV @4%
REVENUES		
Haircut Increment	\$7,857,256	\$6,737,097
Total Revenue	\$7,857,256	\$6,737,097
EXPENDITURES		
Canyons School District Haircut Remittance	\$4,851,316	\$4,159,695
Capital Facility Finance Plan Projects Fund	\$3,005,940	\$2,577,402
Total Expenditures	\$7,857,256	\$6,737,097

OTHER ISSUES

The Agency is in the process of adopting a Capital Facility Finance Plan that will use available funds within the West Freeway Project Area to help facilitate economic development within the Project Area and further promote the objectives of the Project Area Plan and creation.

PROJECT AREA ANNUAL AND MULTI-YEAR BUDGETS

The following four sheets represent the FY 2015, FY 2016, FY 2017, and the full multi-year budget from 2006 to 2022 for the West Freeway Project Area.

¹ Prior to FY 2016, the Agency received property tax increment in addition to haircut increment, but the Project Area is in the additional 7 year haircut period for the remaining life of the West Freeway Project Area.



West Freeway

2015 Annual Budget

2015

Tax Year Payment Year	2014 2015
ASSESED VALUATION	
Draper Tax District 52A	88,184,904
Base Year Value	-
Incremental Value	88,184,904
TAX INCREMENT ANALYSIS	
Incremental Property Tax Rates	
Combined Rate	0.014249
Tax Increment & Participation Rates	
Draper Tax District 52A	1,175,465
Increment Rate	60%
Haircut Rate	40%
Tax Increment Generation	
Property Tax Increment	705,279
Recaptured Increment (Haircut Revenue)	470,186
Total Tax Increment	1,175,465
REVENUES	
Property Tax Increment	705,279
Recapture of Increment	470,186
Total Revenue	1,175,465
EXPENDITURES	
Increment Fund	
Administration	
Administration Fee	105,792
Developer Incentives	
Edward Life Sciences	365,000
Haircut Fund	
Jordan/Canyons School District Payment	275,948
Capital Facility Finance Plan Projects Fund	428,725
Total Expenditures	1,175,465



West Freeway

2016 Annual Budget

2016

Tax Year Payment Year	2015 2016
ASSESSED VALUATION	
Draper Tax District 52A	88,184,904
Base Year Value	-
Incremental Value	88,184,904
TAX INCREMENT ANALYSIS	
Incremental Property Tax Rates	
Combined Rate	0.013673
Tax Increment & Participation Rates	
Draper Tax District 52A	1,122,465
Increment Rate	0%
Haircut Rate	100%
Tax Increment Generation	
Property Tax Increment	-
Recaptured Increment (Haircut Revenue)	1,122,465
Total Tax Increment	1,122,465
REVENUES	
Property Tax Increment	-
Recapture of Increment	1,122,465
Total Revenue	1,122,465
EXPENDITURES	
Increment Fund	
Administration	
Administration Fee	-
Developer Incentives	
Edward Life Sciences	-
Haircut Fund	
Jordan/Canyons School District Payment	693,045
Capital Facility Finance Plan Projects Fund	429,420
Total Expenditures	1,122,465



West Freeway

2017 Annual Budget

2017

Tax Year Payment Year	2016 2017
ASSESSED VALUATION	
Draper Tax District 52A	88,184,904
Base Year Value	-
Incremental Value	88,184,904
TAX INCREMENT ANALYSIS	
Incremental Property Tax Rates	
Combined Rate	0.013673
Tax Increment & Participation Rates	
Draper Tax District 52A	1,122,465
Increment Rate	0%
Haircut Rate	100%
Tax Increment Generation	
Property Tax Increment	-
Recaptured Increment (Haircut Revenue)	1,122,465
Total Tax Increment	1,122,465
REVENUES	
Property Tax Increment	-
Recapture of Increment	1,122,465
Total Revenue	1,122,465
EXPENDITURES	
Increment Fund	
Administration	
Administration Fee	-
Developer Incentives	
Edward Life Sciences	-
Haircut Fund	
Jordan/Canyons School District Payment	693,045
Capital Facility Finance Plan Projects Fund	429,420
Total Expenditures	1,122,465

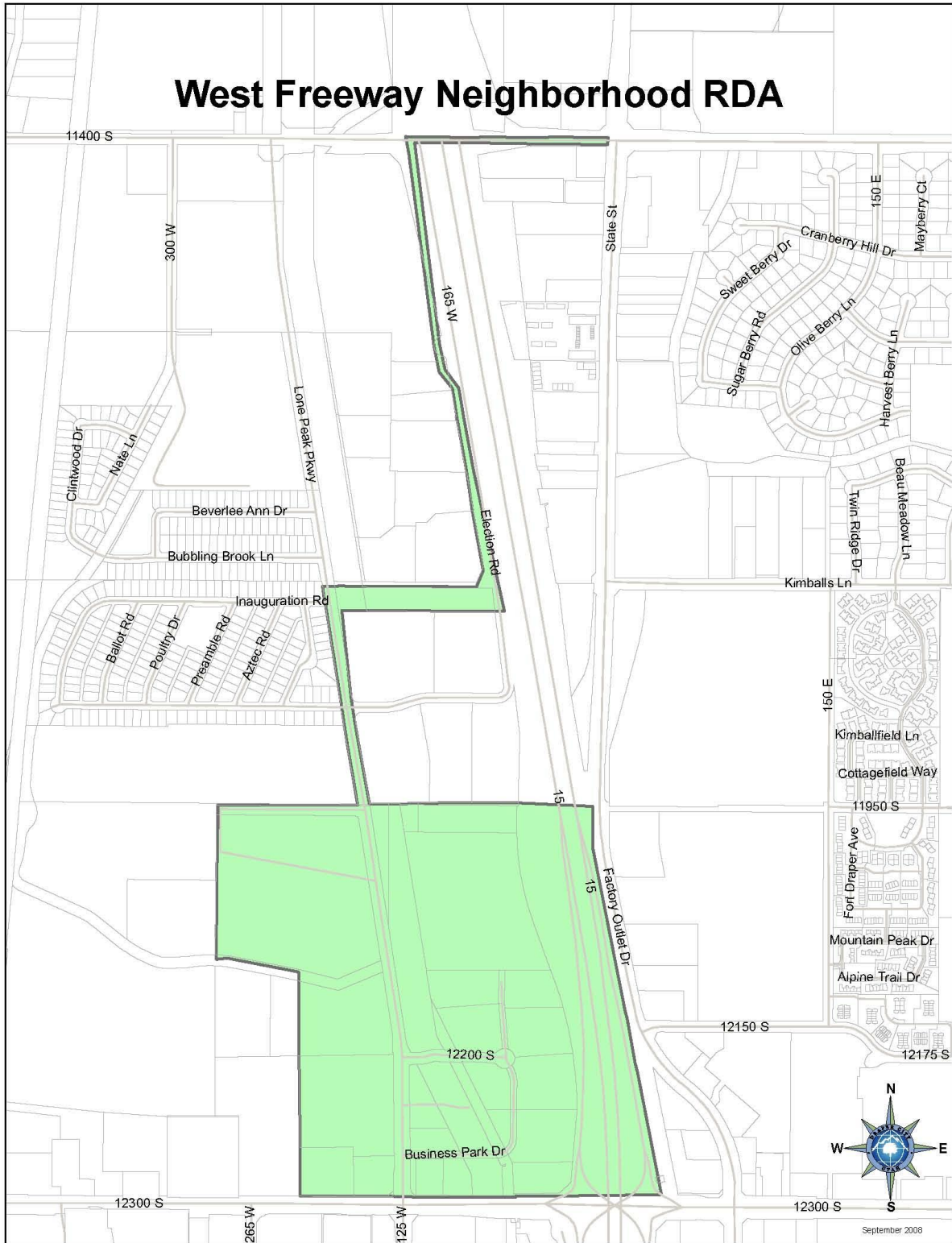


WEST FREEWAY

Ongoing Budget
 Multi-Year Project Area Budget Projections
 October 26, 2015

	<===== Historic Projected =====>																	TOTALS	NPV at 4%		
Tax Year	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022			
Payment Year	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022				
REVENUES																					
TAXABLE VALUATION:																					
West Freeway Property Value	66,039,960	74,545,600	74,165,639	73,500,000	74,545,600	55,767,817	59,885,428	63,696,078	74,308,425	88,184,904	88,184,904	88,184,904	88,184,904	88,184,904	88,184,904	88,184,904	88,184,904	88,184,904	88,184,904		
Total Assesed Value:	66,039,960	74,545,600	74,165,639	73,500,000	74,545,600	55,767,817	59,885,428	63,696,078	74,308,425	88,184,904	88,184,904	88,184,904	88,184,904	88,184,904	88,184,904	88,184,904	88,184,904	88,184,904	88,184,904		
West Freeway Base Year Value (1989)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
West Freeway Incremental Assesed Value	66,039,960	74,545,600	74,165,639	73,500,000	74,545,600	55,767,817	59,885,428	63,696,078	74,308,425	88,184,904	88,184,904	88,184,904	88,184,904	88,184,904	88,184,904	88,184,904	88,184,904	88,184,904	88,184,904		
Tax Rate:																					
Salt Lake County	0.002371	0.001994	0.001934	0.002278	0.002593	0.002696	0.002793	0.003180	0.003180	0.003036	0.002531	0.002531	0.002531	0.002531	0.002531	0.002531	0.002531	0.002531	0.002531		
Canyons School District	0.007347	0.006617	0.006150	0.005780	0.008060	0.008165	0.007111	0.007016	0.007016	0.006872	0.006997	0.006997	0.006997	0.006997	0.006997	0.006997	0.006997	0.006997	0.006997		
Draper City	0.001274	0.001616	0.001528	0.001818	0.001896	0.001996	0.002009	0.001887	0.001887	0.001791	0.001701	0.001701	0.001701	0.001701	0.001701	0.001701	0.001701	0.001701	0.001701		
South Salt Lake Mosquito Abatement District	0.000027	0.000023	0.000022	0.000025	0.000050	0.000052	0.000021	0.000021	0.000021	0.000020	0.000019	0.000019	0.000019	0.000019	0.000019	0.000019	0.000019	0.000019	0.000019		
Jordan Valley Water Conservancy District	0.000353	0.000400	0.000384	0.000400	0.000410	0.000424	0.000443	0.000424	0.000424	0.000399	0.000400	0.000400	0.000400	0.000400	0.000400	0.000400	0.000400	0.000400	0.000400		
South Valley Sewer District	0.000407	0.000330	0.000321	0.000379	0.000372	0.000399	0.000407	0.000396	0.000396	0.000371	0.000354	0.000354	0.000354	0.000354	0.000354	0.000354	0.000354	0.000354	0.000354		
Central Utah Water Conservancy District	0.000357	0.000302	0.000286	0.000400	0.000421	0.000436	0.000455	0.000446	0.000446	0.000422	0.000405	0.000405	0.000405	0.000405	0.000405	0.000405	0.000405	0.000405	0.000405		
Salt Lake County Library	0.000617	0.000517	0.000497	0.000564	0.000583	0.000604	0.000627	0.000755	0.000755	0.000715	0.000683	0.000683	0.000683	0.000683	0.000683	0.000683	0.000683	0.000683	0.000683		
Jordan/Canyon School District Debt Service Area	-	-	-	0.001400	-	-	0.001307	0.001095	0.001095	0.000951	0.000862	0.000862	0.000862	0.000862	0.000862	0.000862	0.000862	0.000862	0.000862		
Less Tax Increase	-	-	-	-	-	-	-	-	(0.000812)	(0.000025)	-	-	-	-	-	-	-	-	-		
Less Local Assessing & Collecting	-	-	-	-	-	-	-	-	(0.000263)	(0.000303)	(0.000279)	(0.000279)	(0.000279)	(0.000279)	(0.000279)	(0.000279)	(0.000279)	(0.000279)	(0.000279)		
Total Combined Rate	0.012753	0.011799	0.011122	0.013044	0.014385	0.014772	0.015173	0.015220	0.014145	0.014249	0.013673	0.013673	0.013673	0.013673	0.013673	0.013673	0.013673	0.013673	0.013673		
PROPERTY TAX INCREMENT REVENUES																					
Total Property Tax Increment	842,208	879,564	824,870	958,734	1,072,338	823,802	908,642	969,454	1,051,093	1,256,547	1,205,752	1,205,752	1,205,752	1,205,752	1,205,752	1,205,752	1,205,752	1,205,752	1,205,752		
Prior Year Tax Increase	-	-	-	-	-	-	-	-	-	(81,082)	(83,287)	(83,287)	(83,287)	(83,287)	(83,287)	(83,287)	(83,287)	(83,287)	(83,287)		
Prior Year Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Incremental Property Tax Increment	842,208	879,564	824,870	958,734	1,072,338	823,802	908,642	969,454	1,038,646	1,175,465	1,122,465	1,122,465	1,122,465	1,122,465	1,122,465	1,122,465	1,122,465	1,122,465	1,122,465	17,350,979	9,125,792
Percent of Tax Increment for Project	70%	70%	70%	70%	70%	60%	60%	60%	60%	60%	0%	0%	0%	0%	0%	0%	0%	0%	0%		
Percent of Haircut for Project	30%	30%	30%	30%	30%	40%	40%	40%	40%	40%	100%	100%	100%	100%	100%	100%	100%	100%	100%		
Tax Increment to RDA	589,545	615,694	577,409	671,114	750,637	494,281	545,185	581,673	623,187	705,279	-	-	-	-	-	-	-	-	-	6,154,005	4,984,329
Haircut Portion to RDA	252,662	263,869	247,461	287,620	321,702	329,521	363,457	387,782	415,458	470,186	1,122,465	1,122,465	1,122,465	1,122,465	1,122,465	1,122,465	1,122,465	1,122,465	1,122,465	11,196,974	7,198,021
Total Revenue	842,208	879,564	824,870	958,734	1,072,338	823,802	908,642	969,454	1,038,646	1,175,465	1,122,465	1,122,465	1,122,465	1,122,465	1,122,465	1,122,465	1,122,465	1,122,465	1,122,465	17,350,979	12,182,350
EXPENDITURES																					
RDA Administration @ 15%	88,432	92,354	86,611	100,667	112,596	74,142	81,778	87,251	93,478	105,792	-	-	-	-	-	-	-	-	-	923,101	747,649
Edwards Life Sciences	-	-	300,000	300,000	300,000	300,000	300,000	300,000	365,000	365,000	-	-	-	-	-	-	-	-	-	2,530,000	1,957,020
School District Haircut Payment	145,559	147,980	136,836	158,319	180,251	182,138	201,646	206,656	241,086	275,948	693,045	693,045	693,045	693,045	693,045	693,045	693,045	693,045	693,045	6,727,735	4,296,035
Amphitheater Bond	137,695	453,038	301,423	399,748	249,420	104,281	72,634	-	-	-	-	-	-	-	-	-	-	-	-	1,718,239	1,503,544
Capital Facility Finance Plan Projects Fund	470,522	186,191	-	-	230,072	163,241	252,584	375,548	339,081	428,725	429,420	429,420	429,420	429,420	429,420	429,420	429,420	429,420	429,420	5,451,904	3,678,101
Total Uses	842,208	879,564	824,870	958,734	1,072,338	823,802	908,642	969,454	1,038,646	1,175,465	1,122,465	1,122,465	1,122,465	1,122,465	1,122,465	1,122,465	1,122,465	1,122,465	1,122,465	17,350,978	12,182,350

EXHIBIT A: WEST FREEWAY RDA MAP



SECTION 2: OVERVIEW OF THE SAND HILLS PROJECT AREA

Table 3.1: Project Area Overview

OVERVIEW				
<u>Type</u> RDA	<u>Acreage</u> 84.5	<u>Purpose</u> Commercial Development	<u>Taxing District</u> 55A	<u>Tax Rate</u> 0.014249
<u>Creation Year</u> FY 1989	<u>Base Year</u> FY 1989	<u>Term</u> 32 Years	<u>Trigger Year</u> FY 1994	<u>Expiration Year</u> FY 2025
<u>Base Value</u> \$609,648	<u>TY 2014 Value</u> \$74,832,957	<u>Increase</u> 12,175%	<u>FY 2015 Increment</u> \$984,188	<u>Remaining Years</u> 10 Years



The Sand Hills Project Area was created in 1989 and is governed by the (“Draper Sand Hills Neighborhood Development Plan”). This document defines the duration and use of property tax generated within the Project Area as well as conditions and obligations by the Agency and each participating taxing entity. As the Sand Hills Project Area was created prior to 1993 and the existing statute at the time of creation outlined different creation requirements, a taxing entity committee was not established nor required for this Project Area.

The original purpose of the Sand Hills Project Area was to stabilize and strengthen the commercial business and economic base of the City. The Sand Hills Project Area includes 84.5 acres located in the northeast portion of the City at 1300 East and along Draper Parkway. The initial base year value of the Project Area was \$609,648.



SOURCES OF FUNDS

Table 3.2: Sources of Funds

2015 SOURCES OF FUNDS	
Property Tax Increment	\$590,513
Haircut Increment	\$393,675
Total Sources of Funds	\$984,188

Table 3.3: Tax Increment Levels

TAX INCREMENT LEVELS		
Years	% of Tax Increment	% of Haircut
1994-1998	100%	0%
1999-2003	80%	20%
2004-2008	75%	25%
2009-2013	70%	30%
2014-2018	60%	40%
2019-2025	0%	100%

USES OF FUNDS

Table 3.4: Uses of Funds

2015 USES OF FUNDS	
RDA Administration	\$88,577
Developer Incentive Payments	\$260,000
Capital Facility Finance Plan Projects Fund	\$401,444
Canyons School District Haircut Remittance	\$234,167
Total Uses of Funds	\$984,188

DEVELOPMENT INCENTIVE PAYMENT

In July 2010, The Agency entered into an agreement with Big Fish Draper, Inc. This agreement is to reimburse the developer for improvements made within the HIDDEN VALLEY SHOPPING CENTER. The agreement is for \$120,000 annually for five years. This is the final year of the agreement.

The Agency also entered into an agreement with The Egg & I restaurant that will reimburse the tenant for infrastructure improvements, site development, and furniture, fixtures and equipment for the new restaurant built by The Egg & I within the HIDDEN VALLEY SHOPPING CENTER. The agreement states that the Agency will reimburse the restaurant up to \$140,000 annually for a period of five years. FY 2015 is the first year of the agreement. This agreement is dependent on the restaurants continued operation during the life of the agreement, the building being within the City's code, and the restaurant paying its property taxes in full each year. If the restaurant closes within five years of their original anniversary



date, the restaurant will be required to repay the Agency the total amount of reimbursement to date they had received,

Table 3.5: Developer Incentive Payment

2015 DEVELOPER INCENTIVE PAYMENT	
Big Fish Draper, Inc.	\$120,000
The Egg & I	\$140,000
Total 2015 Tax Increment to Developer	\$260,000

PROJECT AREA REPORTING AND ACCOUNTABILITY

COMPARISON OF FORECASTED AND ACTUAL TAX INCREMENT

Table 3.6: Realization of Tax Increment

REALIZATION OF TAX INCREMENT	FORECASTED	ACTUAL	% OF PROJECTION
TAX INCREMENT GENERATED IN PROJECT AREA			
Property Tax Increment – FY 2015	\$1,018,172	\$984,188	97%

RELATIVE GROWTH IN ASSESSED VALUE

Table 3.7: Growth in Assessed Value

GROWTH IN ASSESSED VALUE	CURRENT YEAR	COMPARISON YEAR	GROWTH RATE	AAGR
ASSESSED VALUES IN PROJECT AREA				
Annual Growth in Project Area (2014 vs. 2013)	\$74,832,957	\$72,569,139	3.12%	3.12%
Lifetime Growth in Project Area (2014 vs. 1996)	\$74,832,957	\$32,692,711	128%	4.71%
Lifetime Growth in Project Area (2014 vs. Base)	\$74,832,957	\$609,648	12,174%	21.22%
ASSESSED VALUES IN DRAPER CITY				
Annual Growth in Draper City (2014 vs. 2013)	\$3,788,110,387	\$3,558,623,969	6.45%	6.45%
Lifetime Growth in Draper City (2014 vs. 1997)	\$3,788,110,387	\$875,257,353	332%	9.00%

BENEFITS DERIVED BY PARTICIPATING TAXING ENTITIES

Table 3.8: Benefits to Taxing Entities

BENEFITS TO TAXING ENTITIES
*Increased Property Tax Revenues upon expiration of Project Area
*Increased Sales Tax Revenues

Currently the only taxing entity receiving increment is the School District. Annual property tax increment (above the base amount) currently being returned to the School District is 2,695% above what would have been realized if assessed values in the Project Area had remained at base year levels for all the taxing entities. Lifetime property tax increment (above the base amount) received by the





School District is 1,354% above what would have been realized based on base year levels for all the taxing entities. This number will increase significantly when the Project Area expires in 2025, and all of the taxing entities receive the benefit of the 11,329% increase in annual tax increment.

Table 3.9: Growth in Tax Increment

GROWTH IN TAX INCREMENT	ORIGINAL BUDGET	ACTUAL REVENUES	BASE YEAR VALUE REVENUES	% ABOVE BASE
TAX INCREMENT FROM PROJECT AREA				
Fiscal Year 2015	NA	\$984,188	\$8,687	11,329%
Lifetime Revenue (FY 1994-2015)	NA	\$18,842,211	\$189,269	9,955%
PASS THROUGH INCREMENT (ABOVE BASE)				
Fiscal Year 2015	NA	\$234,167	\$8,687	2,695%
Lifetime Revenue (FY 1994-2015)	NA	\$2,564,077	\$189,269	1,354%

NOTABLE DEVELOPMENT AND FUTURE PROJECTS

-  Kmart
-  The Egg & I
-  Afresh Market

-  Treehouse Athletic Club
-  Walgreens

FORECASTED PROJECT AREA BUDGET UPDATE

The multi-year budget attached to this document and summarized below displays revenue in the fiscal year received rather than the calendar year collected.

Table 3.10: Project Area Budget

PROJECT AREA BUDGET	2016-2025	
	TOTALS	NPV @4%
REVENUES		
Property Tax Increment	\$1,690,583	\$1,563,841
Haircut Increment	\$7,701,547	\$6,054,018
Total Revenue	\$9,392,130	\$7,617,859
EXPENDITURES		
RDA Administration	\$253,588	\$234,576
Developer Incentive Payments	\$560,000	\$508,185
Capital Facility Finance Plan Projects Fund	\$3,756,023	\$3,084,220
Canyons School District Haircut Remittance	\$4,822,520	\$3,790,878
Total Expenditures	\$9,392,130	\$7,617,859



OTHER ISSUES

The Agency is in the process of adopting a Capital Facility Finance Plan that will use available funds within the Sand Hills Project Area to help facilitate economic development within the Project Area and further promote the objectives of the Project Area Plan and creation.

PROJECT AREA ANNUAL AND MULTI-YEAR BUDGETS

The following four sheets represent the FY 2015, FY 2016, FY 2017 and multi-year budget from 2006 to 2025.



Sand Hills

2015 Annual Budget

2015

	Tax Year Payment Year	2014 2015
ASSESSED VALUATION		
Draper Tax District 55A		74,832,957
Base Year Value		-
Incremental Value		74,832,957
TAX INCREMENT ANALYSIS		
Incremental Property Tax Rates		
Combined Rate		0.014249
Tax Increment & Participation Rates		
Draper Tax District 55A		984,188
Increment Rate		60%
Haircut Rate		40%
Tax Increment Generation		
Property Tax Increment		590,513
Recaptured Increment (Haircut Revenue)		393,675
Total Tax Increment		984,188
REVENUES		
Property Tax Increment		590,513
Recapture of Increment		393,675
Total Revenue		984,188
EXPENDITURES		
Increment Fund		
Administration		
Administration Fee		88,577
Developer Incentives		
Hidden Valley Renovations		120,000
Big Fish Draper, Inc		-
The Egg & I		140,000
Haircut Fund		
Jordan/Canyons School District Payment		234,167
Obligated Reserves		401,444
Total Expenditures		984,188



Sand Hills

2016 Annual Budget

2016

	Tax Year Payment Year	2015 2016
ASSESSED VALUATION		
Draper Tax District 55A		74,832,957
Base Year Value		-
Incremental Value		74,832,957
TAX INCREMENT ANALYSIS		
Incremental Property Tax Rates		
Combined Rate		0.013673
Tax Increment & Participation Rates		
Draper Tax District 55A		939,213
Increment Rate		60%
Haircut Rate		40%
Tax Increment Generation		
Property Tax Increment		563,528
Recaptured Increment (Haircut Revenue)		375,685
Total Tax Increment		939,213
REVENUES		
Property Tax Increment		563,528
Recapture of Increment		375,685
Total Revenue		939,213
EXPENDITURES		
Increment Fund		
Administration		
Administration Fee		84,529
Developer Incentives		
Hidden Valley Renovations		-
Big Fish Draper, Inc		-
The Egg & I		140,000
Haircut Fund		
Jordan/Canyons School District Payment		235,245
Obligated Reserves		479,439
Total Expenditures		939,213



Sand Hills

2017 Annual Budget

2017

	Tax Year Payment Year	2016 2017
ASSESSED VALUATION		
Draper Tax District 55A		74,832,957
Base Year Value		-
Incremental Value		74,832,957
TAX INCREMENT ANALYSIS		
Incremental Property Tax Rates		
Combined Rate		0.013673
Tax Increment & Participation Rates		
Draper Tax District 55A		939,213
Increment Rate		60%
Haircut Rate		40%
Tax Increment Generation		
Property Tax Increment		563,528
Recaptured Increment (Haircut Revenue)		375,685
Total Tax Increment		939,213
REVENUES		
Property Tax Increment		563,528
Recapture of Increment		375,685
Total Revenue		939,213
EXPENDITURES		
Increment Fund		
Administration		
Administration Fee		84,529
Developer Incentives		
Hidden Valley Renovations		-
Big Fish Draper, Inc		-
The Egg & I		140,000
Haircut Fund		
Jordan/Canyons School District Payment		235,245
Obligated Reserves		479,439
Total Expenditures		939,213

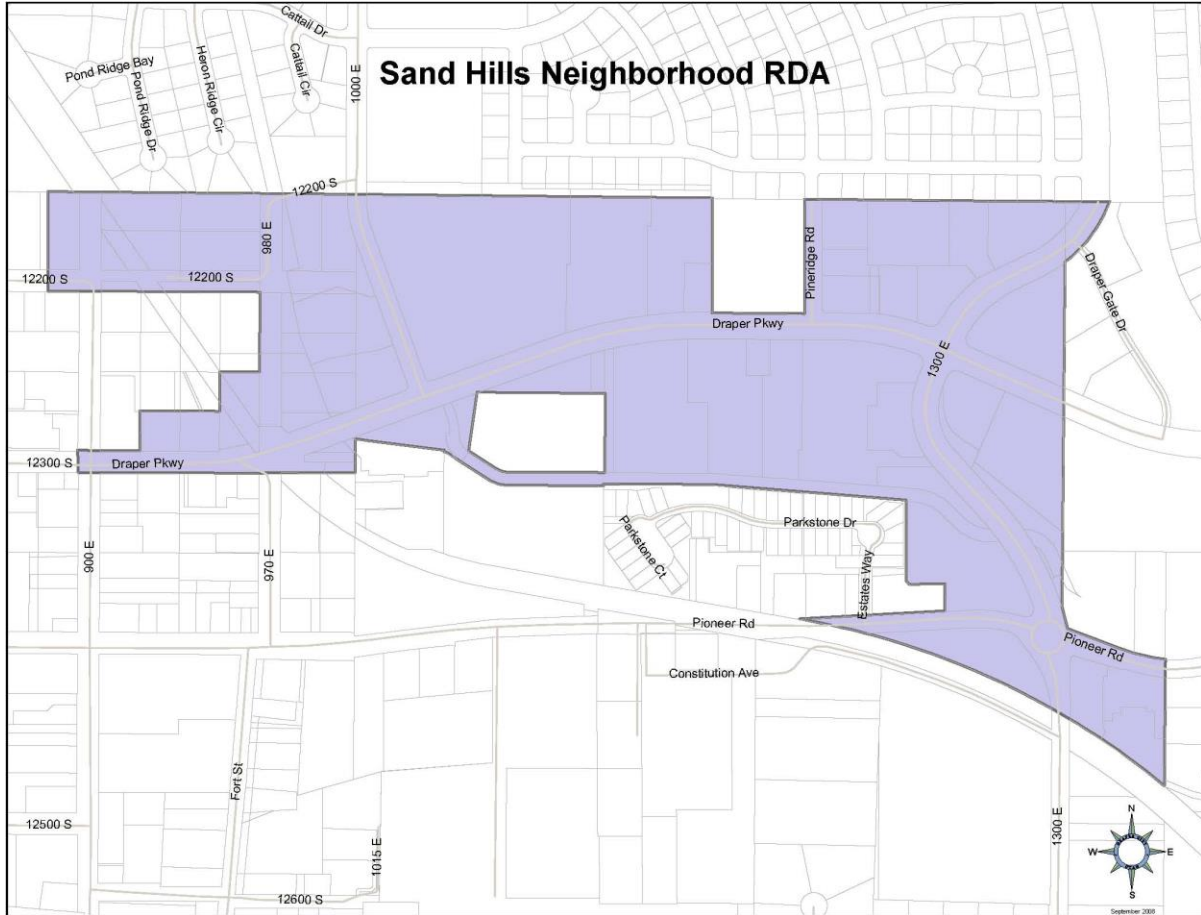


SAND HILLS RDA

Ongoing Budget
 Multi-Year Project Area Budget Projections
 October 26, 2015

	<===== Historic Projected =====>																				TOTALS	NPV at 4%		
Tax Year	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024				
Payment Year	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025				
REVENUES																								
TAXABLE VALUATION:																								
Sand Hills Property Value	\$ 75,612,225	\$ 86,793,181	\$ 85,408,410	\$ 84,500,000	\$ 86,793,181	\$ 86,793,181	\$ 86,793,181	\$ 72,569,139	\$ 71,981,038	\$ 74,832,957	\$ 74,832,957	\$ 74,832,957	\$ 74,832,957	\$ 74,832,957	\$ 74,832,957	\$ 74,832,957	\$ 74,832,957	\$ 74,832,957	\$ 74,832,957	\$ 74,832,957	\$ 74,832,957			
Total Assesed Value:	\$ 75,612,225	\$ 86,793,181	\$ 85,408,410	\$ 84,500,000	\$ 86,793,181	\$ 86,793,181	\$ 86,793,181	\$ 72,569,139	\$ 71,981,038	\$ 74,832,957	\$ 74,832,957	\$ 74,832,957	\$ 74,832,957	\$ 74,832,957	\$ 74,832,957	\$ 74,832,957	\$ 74,832,957	\$ 74,832,957	\$ 74,832,957	\$ 74,832,957	\$ 74,832,957			
Sand Hills Base Year Value (1989)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			
Sand Hills Incremental Assesed Value	\$ 75,612,225	\$ 86,793,181	\$ 85,408,410	\$ 84,500,000	\$ 86,793,181	\$ 86,793,181	\$ 86,793,181	\$ 72,569,139	\$ 71,981,038	\$ 74,832,957	\$ 74,832,957	\$ 74,832,957	\$ 74,832,957	\$ 74,832,957	\$ 74,832,957	\$ 74,832,957	\$ 74,832,957	\$ 74,832,957	\$ 74,832,957	\$ 74,832,957	\$ 74,832,957			
Tax Rate:																								
Salt Lake County	0.002371	0.001994	0.001934	0.002278	0.002593	0.002696	0.002793	0.003180	0.003180	0.003036	0.002531	0.002531	0.002531	0.002531	0.002531	0.002531	0.002531	0.002531	0.002531	0.002531	0.002531			
Canyons School District	0.007347	0.006617	0.006150	0.005780	0.008060	0.008165	0.007111	0.007016	0.007016	0.006872	0.006997	0.006997	0.006997	0.006997	0.006997	0.006997	0.006997	0.006997	0.006997	0.006997	0.006997			
Draper City	0.001274	0.001616	0.001528	0.001818	0.001896	0.001996	0.002009	0.001887	0.001887	0.001791	0.001701	0.001701	0.001701	0.001701	0.001701	0.001701	0.001701	0.001701	0.001701	0.001701	0.001701			
South Salt Lake Mosquito Abatement District	0.000027	0.000023	0.000022	0.000025	0.000050	0.000052	0.000021	0.000021	0.000021	0.000020	0.000019	0.000019	0.000019	0.000019	0.000019	0.000019	0.000019	0.000019	0.000019	0.000019	0.000019			
Jordan Valley Water Conservancy District	0.000353	0.000400	0.000384	0.000400	0.000410	0.000424	0.000443	0.000424	0.000424	0.000399	0.000400	0.000400	0.000400	0.000400	0.000400	0.000400	0.000400	0.000400	0.000400	0.000400	0.000400			
South Valley Sewer District	0.000407	0.000330	0.000321	0.000379	0.000372	0.000399	0.000407	0.000396	0.000396	0.000371	0.000354	0.000354	0.000354	0.000354	0.000354	0.000354	0.000354	0.000354	0.000354	0.000354	0.000354			
Central Utah Water Conservancy District	0.000357	0.000302	0.000286	0.000400	0.000421	0.000436	0.000455	0.000446	0.000446	0.000422	0.000405	0.000405	0.000405	0.000405	0.000405	0.000405	0.000405	0.000405	0.000405	0.000405	0.000405			
Salt Lake County Library	0.000617	0.000517	0.000497	0.000564	0.000583	0.000604	0.000627	0.000755	0.000755	0.000715	0.000683	0.000683	0.000683	0.000683	0.000683	0.000683	0.000683	0.000683	0.000683	0.000683	0.000683			
Jordan/Canyon School District Debt Service Area	-	-	-	0.001400	-	-	0.001307	0.001095	0.001095	0.000951	0.000862	0.000862	0.000862	0.000862	0.000862	0.000862	0.000862	0.000862	0.000862	0.000862	0.000862			
Less Local Assessing & Collecting	-	-	-	-	-	-	-	-	(0.000263)	(0.000303)	(0.000279)	(0.000279)	(0.000279)	(0.000279)	(0.000279)	(0.000279)	(0.000279)	(0.000279)	(0.000279)	(0.000279)	(0.000279)			
Less Tax Increase	-	-	-	-	-	-	-	-	(0.000812)	(0.000025)	-	-	-	-	-	-	-	-	-	-	-			
Total Combined Rate	0.012753	0.011799	0.011122	0.013044	0.014385	0.014772	0.015173	0.015220	0.014145	0.014249	0.013673	0.013673	0.013673	0.013673	0.013673	0.013673	0.013673	0.013673	0.013673	0.013673	0.013673			
PROPERTY TAX INCREMENT REVENUES																								
Total Property Tax Increment	\$ 964,283	\$ 1,024,073	\$ 949,912	\$ 1,102,218	\$ 1,248,520	\$ 1,282,109	\$ 1,316,913	\$ 1,104,502	\$ 1,018,172	\$ 1,066,295	\$ 1,023,191	\$ 1,023,191	\$ 1,023,191	\$ 1,023,191	\$ 1,023,191	\$ 1,023,191	\$ 1,023,191	\$ 1,023,191	\$ 1,023,191	\$ 1,023,191	\$ 1,023,191			
Prior Year Tax Increase	-	-	-	-	-	-	-	-	-	-\$ (82,107)	-\$ (83,978)	-\$ (83,978)	-\$ (83,978)	-\$ (83,978)	-\$ (83,978)	-\$ (83,978)	-\$ (83,978)	-\$ (83,978)	-\$ (83,978)	-\$ (83,978)	-\$ (83,978)			
Prior Year Adjustments	-	-	-	-	-	-	-	-	(16,560)	-	-	-	-	-	-	-	-	-	-	-	-			
Incremental Property Tax Increment	\$ 964,283	\$ 1,024,073	\$ 949,912	\$ 1,102,218	\$ 1,248,520	\$ 1,282,109	\$ 1,316,913	\$ 1,104,502	\$ 1,001,612	\$ 984,188	\$ 939,213	\$ 939,213	\$ 939,213	\$ 939,213	\$ 939,213	\$ 939,213	\$ 939,213	\$ 939,213	\$ 939,213	\$ 939,213	\$ 939,213	\$ 20,370,460	\$ 12,895,220	
Percent of Tax Increment for Project																								
	75%	75%	75%	70%	70%	70%	70%	70%	60%	60%	60%	60%	60%	60%	0%	0%	0%	0%	0%	0%	0%			
Percent of Haircut for Project																								
	25%	25%	25%	30%	30%	30%	30%	30%	40%	40%	40%	40%	40%	40%	100%	100%	100%	100%	100%	100%	100%			
Tax Increment to RDA	\$ 723,212	\$ 768,055	\$ 712,434	\$ 771,553	\$ 873,964	\$ 897,476	\$ 921,839	\$ 773,152	\$ 600,967	\$ 590,513	\$ 563,528	\$ 563,528	\$ 563,528	\$ 563,528	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,323,747	\$ 6,860,564	
Haircut Portion to RDA	\$ 241,071	\$ 256,018	\$ 237,478	\$ 330,665	\$ 374,556	\$ 384,633	\$ 395,074	\$ 331,351	\$ 400,645	\$ 393,675	\$ 375,685	\$ 375,685	\$ 375,685	\$ 375,685	\$ 939,213	\$ 939,213	\$ 939,213	\$ 939,213	\$ 939,213	\$ 939,213	\$ 939,213	\$ 11,046,712	\$ 6,034,655	
Total Revenue	\$ 964,283	\$ 1,024,073	\$ 949,912	\$ 1,102,218	\$ 1,248,520	\$ 1,282,109	\$ 1,316,913	\$ 1,104,502	\$ 1,001,612	\$ 984,188	\$ 939,213	\$ 939,213	\$ 939,213	\$ 939,213	\$ 939,213	\$ 939,213	\$ 939,213	\$ 939,213	\$ 939,213	\$ 939,213	\$ 939,213	\$ 20,370,460	\$ 12,895,220	
EXPENDITURES																								
RDA Administration @ 15%	\$ 108,482	\$ 115,208	\$ 106,865	\$ 115,733	\$ 131,095	\$ 134,621	\$ 138,276	\$ 115,973	\$ 90,145	\$ 88,577	\$ 84,529	\$ 84,529	\$ 84,529	\$ 84,529	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	1,398,562	1,029,085	
Big Fish Draper, Inc	-	-	-	-	-	120,000	120,000	120,000	120,000	120,000	-	-	-	-	-	-	-	-	-	-	-	600,000	407,071	
Hidden Valley	-	-	-	-	600,000	245,537	245,537	245,537	245,537	245,537	-	-	-	-	-	-	-	-	-	-	-	1,582,148	1,152,302	
The Egg & I	-	-	-	-	-	-	-	-	-	140,000	140,000	140,000	140,000	140,000	140,000	-	-	-	-	-	-	700,000	390,715	
School District Payment	138,881	143,578	131,315	182,013	209,866	212,600	219,187	176,582	233,535	234,167	235,245	235,245	235,245	235,245	588,112	588,112	588,112	588,112	588,112	588,112	588,112	6,704,245	3,616,337	
Amphitheater Bond	-	-	137,652	19,336	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	156,988	134,817	
Capital Facility Finance Plan Projects Fund	716,920	765,287	574,080	785,136	307,559	569,351	593,913	446,410	312,394	401,444	479,439	479,439	479,439	479,439	211,101	351,101	351,101	351,101	351,101	351,101	351,101	9,228,516	6,164,893	
Total Uses	\$ 964,283	\$ 1,024,073	\$ 949,912	\$ 1,102,218	\$ 1,248,520	\$ 1,282,109	\$ 1,316,913	\$ 1,104,502	\$ 1,001,612	\$ 984,188	\$ 939,213	\$ 939,213	\$ 939,213	\$ 939,213	\$ 939,213	\$ 939,213	\$ 939,213	\$ 939,213	\$ 939,213	\$ 939,213	\$ 939,213	\$ 20,370,460	\$ 12,895,220	

EXHIBIT B: SAND HILLS RDA MAP



SECTION 3: OVERVIEW OF THE CRESCENT PROJECT AREA

Table 4.1: Project Area Overview

OVERVIEW				
<u>Type</u> RDA	<u>Acreage</u> 85	<u>Purpose</u> Commercial Development	<u>Taxing District</u> 51A & 55B	<u>Tax Rate</u> 51A - 0.014292 55B - 0.014249
<u>Creation Year</u> FY 1993	<u>Base Year</u> FY 1993	<u>Term</u> 32 Years	<u>Trigger Year</u> FY 2001	<u>Expiration Year</u> FY 2032
<u>Base Value</u> \$776,052	<u>TY 2014 Value</u> \$147,359,890	<u>Increase</u> 18,888%	<u>FY 2015 Increment</u> \$1,946,690	<u>Remaining Years</u> 17 Years



The Crescent Project Area was created in 1993 and is governed by the (a) “Draper Crescent Neighborhood Development Plan”, (b) Kohl’s Development Agreement, (c) Draper Peaks I Development Agreement, and (d) Draper Peaks II Development Agreement . This document defines the duration and use of property tax generated within the Project Area as well as conditions and obligations by the Agency and each participating taxing entity. As the Crescent Project Area was created prior to July 1, 1993 and the existing statute at the time of creation outlined different creation requirements, a taxing

entity committee was not established nor required for this Project Area.

The original purpose of the Crescent Project Area was to stabilize and strengthen the commercial business and economic base of the City. The Crescent Project Area lies entirely within Draper City and includes approximately 85 acres located in the northeast portion of the City at I-15 and 12300 South. The initial base year value of the Project Area was \$776,052.





SOURCES OF FUNDS

Table 4.2: Sources of Funds

2015 SOURCES OF FUNDS	
Property Tax Increment	\$1,460,017
Haircut Increment	\$486,672
Total Sources of Funds	\$1,946,690

Table 4.3: Tax Increment Levels

TAX INCREMENT LEVELS		
Years	% of Tax Increment	% of Haircut
2001-2005	100%	0%
2006-2010	80%	20%
2011-2015	75%	25%
2016-2020	70%	30%
2021-2025	60%	40%
2026-2032	0%	100%

USES OF FUNDS

Table 4.4: Uses of Funds

2015 USES OF FUNDS	
RDA Administration	\$219,003
Debt Service Payments	\$453,275
Developer Incentive	\$827,270
Canyons School District Haircut Remittance	\$243,336
Capital Facility Finance Plan Projects Fund	\$203,806
Total Uses of Funds	\$1,946,690

DEBT SERVICE PAYMENTS

In 2005, Draper City issued \$6.08 million Sales Tax Revenue Bonds, Series 2005. These bonds were used to acquire 1,033 acres for the construction of City parks at various locations throughout the City, including the Draper City Amphitheater. The repayment source for these bonds was intended to be the qualified haircut tax increment as outlined in 17C-1-404 (3)(i). The Crescent Project Area paid \$453,275 in FY 2015. The Project Area is scheduled to make debt service payments on through FY 2026.

Table 4.5: Debt Service Payments

2015 DEBT SERVICE PAYMENTS	
Series 2005 Sales Tax Revenue Bond Payment	\$453,275
Total Debt Service Related to Series 2005 Bond	\$453,275



PROJECT AREA REPORTING AND ACCOUNTABILITY

COMPARISON OF FORECASTED AND ACTUAL TAX INCREMENT

Table 4.6: Realization of Tax Increment

REALIZATION OF TAX INCREMENT	FORECASTED	ACTUAL	% OF PROJECTION
TAX INCREMENT GENERATED IN PROJECT AREA			
Property Tax Increment – FY 2015	\$1,939,749	\$1,946,690	101%

RELATIVE GROWTH IN ASSESSED VALUE

Table 4.7: Growth in Assessed Value

GROWTH IN ASSESSED VALUE	CURRENT YEAR	COMPARISON YEAR	GROWTH RATE	AAGR
ASSESSED VALUES IN PROJECT AREA				
Annual Growth in Project Area (2014 vs. 2013)	\$147,359,890	\$130,134,699	13.24%	13.24%
Lifetime Growth in Project Area (2014 vs. 1997)	\$147,359,890	\$2,434,856	5,952%	27.30%
Lifetime Growth in Project Area (2014 vs. Base)	\$147,359,890	\$776,052	18,888%	28.38%
ASSESSED VALUES IN DRAPER CITY				
Annual Growth in Draper City (2014 vs. 2013)	\$3,788,110,387	\$3,558,623,969	6.45%	6.45%
Lifetime Growth in Draper City (2014 vs. 1997)	\$3,788,110,387	\$875,257,353	332%	9%

BENEFITS DERIVED BY PARTICIPATING TAXING ENTITIES

Table 4.8: Benefits to Taxing Entities

BENEFITS TO TAXING ENTITIES
*Increased Property Tax Revenues - 100% of tax increment after 2032
*Increased Sales Tax Revenues

GROWTH IN PROPERTY TAX INCREMENT

Currently the only taxing entity receiving increment is the School District. Annual property tax increment (above the base amount) currently being returned to the School District is 2,200% above what would have been realized if assessed values in the Project Area had remained at base year levels for all the taxing entities. Lifetime property tax increment (above the base amount) received by the School District is 1,011% above what would have been realized based on base year levels for all the taxing entities. This number will increase significantly when the Project Area expires in 2032, and all of the taxing entities receive the benefit of the 17,604% increase in annual tax increment.

Table 4.9: Growth in Property Tax Increment

GROWTH IN TAX INCREMENT	ORIGINAL BUDGET	ACTUAL REVENUES	BASE YEAR VALUE REVENUES	% ABOVE BASE
TAX INCREMENT FROM PROJECT AREA				
Fiscal Year 2015	NA	\$1,946,690	\$11,058	17,604%
Lifetime Revenue (FY 2001-2015)	NA	\$14,486,109	\$159,676	9,072%
PASS THROUGH TAX INCREMENT (ABOVE BASE)				
Fiscal Year 2015	NA	\$243,336	\$11,058	2,200%
Lifetime Revenue (FY 2001-2015)	NA	\$1,615,374	\$159,676	1,011%

NOTABLE DEVELOPMENT AND FUTURE PROJECTS

-  Lone Peak Hospital
-  Kohl's
-  Petco

-  Ross
-  Draper Peaks
-  Michaels

FORECASTED PROJECT AREA BUDGET UPDATE

The multi-year budget attached to this document and summarized below displays revenue in the fiscal year received rather than the calendar year collected.

Table 4.10: Project Area Budget

PROJECT AREA BUDGET	2016-2032	
	TOTALS	NPV @4%
REVENUES		
Property Tax Increment	\$12,137,198	\$9,918,368
Haircut Increment	\$19,606,243	\$12,798,113
Total Revenue	\$31,743,441	\$22,716,113
EXPENDITURES		
RDA Administration	\$1,820,580	\$1,487,755
Debt Service Payments	\$11,232,222	\$9,038,344
Developer Incentive Payments	\$642,858	\$561,658
Canyons School District Haircut Remittance	\$10,195,246	\$6,626,196
Capital Facility Finance Plan Projects Fund	\$7,851,535	\$5,002,528
Total Expenditures	\$31,743,441	\$22,716,113

OTHER ISSUES

The Agency is in the process of adopting a Capital Facility Finance Plan that will use available funds within the Crescent Project Area to help facilitate economic development within the Project Area and further promote the objectives of the Project Area Plan and creation.



PROJECT AREA ANNUAL AND MULTI-YEAR BUDGETS

The following four sheets represent the FY 2015, FY 2016, FY 2017 and full multi-year budgets from 2006 to 2026.



Crescent

2015 Annual Budget

2015

Tax Year Payment Year	2014 2015
ASSESSED VALUATION 51A	
Incremental Value	4,962,841
TAX INCREMENT ANALYSIS 51A	
Incremental Property Tax Rates	
Combined Rate	0.014292
ASSESSED VALUATION 55B	
Incremental Value	141,620,997
TAX INCREMENT ANALYSIS 55B	
Incremental Property Tax Rates	
Combined Rate	0.014249
Tax Increment & Participation Rates	
Draper Tax Districts 51A & 55B	1,946,690
Increment Rate	75%
Haircut Rate	25%
REVENUES	
Property Tax Increment	1,460,017
Recapture of Increment	486,672
Total Revenue	1,946,690
EXPENDITURES	
Increment Fund	
Administration	
Administration Fee	219,003
Developer Incentives	
Kohl's	223,183
Draper Peaks I	281,945
Draper Peaks II	215,000
Lone Peak Hospital	107,142
Debt Service	
Park (Amphitheater) Bonds	453,275
Haircut Fund	
Jordan/Canyons School District Payment	243,336
Capital Facility Finance Plan Projects Fund	203,806
Total Expenditures	1,946,690



Crescent

2016 Annual Budget

2016

	Tax Year Payment Year	2015 2016
ASSESSED VALUATION 51A		
Incremental Value		4,962,841
TAX INCREMENT ANALYSIS 51A		
Incremental Property Tax Rates		
Combined Rate		0.013716
ASSESSED VALUATION 55B		
Incremental Value		141,620,997
TAX INCREMENT ANALYSIS 55B		
Incremental Property Tax Rates		
Combined Rate		0.013673
Tax Increment & Participation Rates		
Draper Tax Districts 51A & 55B		1,867,261
Increment Rate		70%
Haircut Rate		30%
REVENUES		
Property Tax Increment		1,307,083
Recapture of Increment		560,178
Total Revenue		1,867,261
EXPENDITURES		
Increment Fund		
Administration		
Administration Fee		196,062
Developer Incentives		
Kohl's		-
Draper Peaks I		-
Draper Peaks II		-
Lone Peak Hospital		107,143
Debt Service		
Park (Amphitheater) Bonds		452,075
Haircut Fund		
Jordan/Canyons School District Payment		280,089
Capital Facility Finance Plan Projects Fund		206,468
Total Expenditures		1,867,261



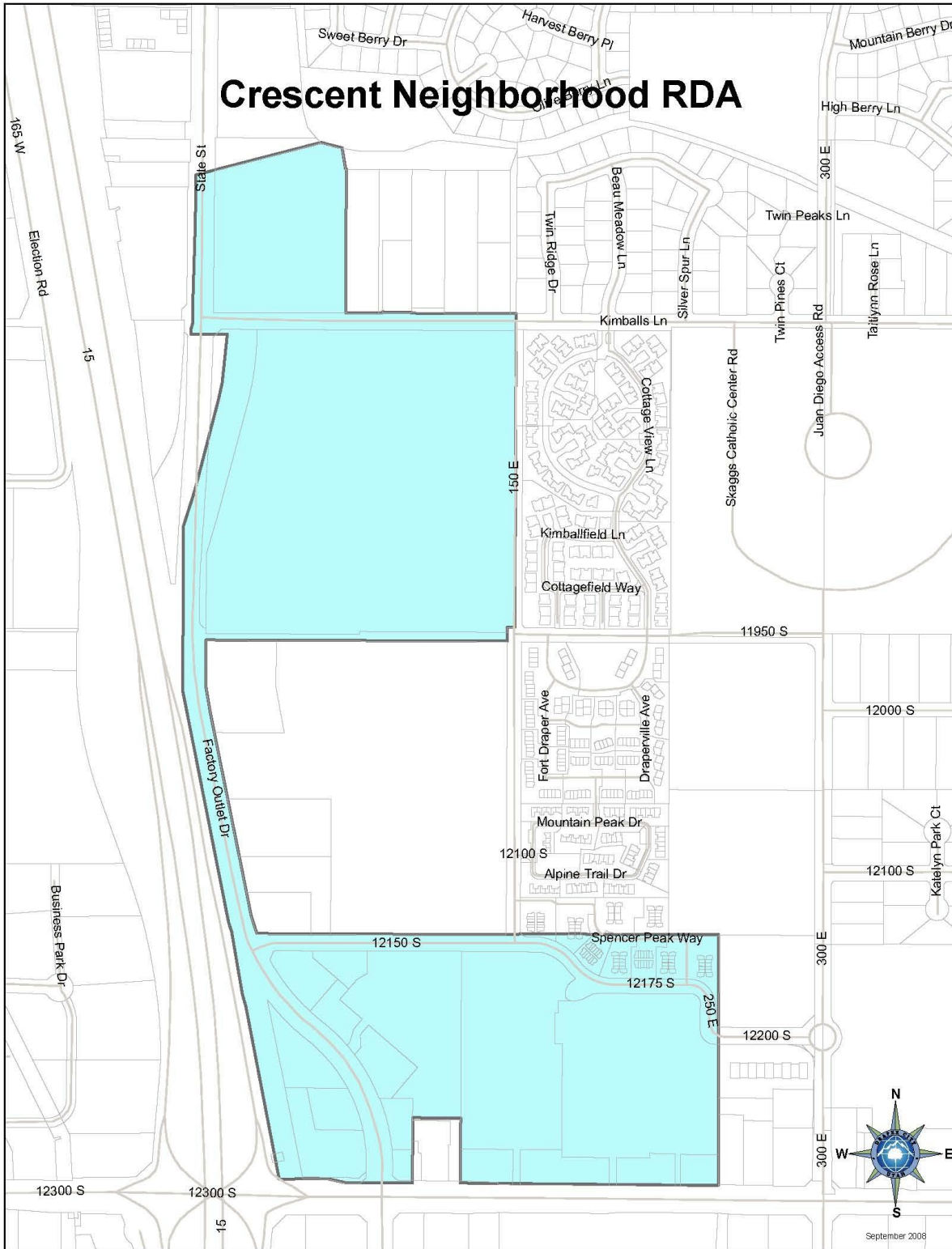
Crescent

2017 Annual Budget

2017

	Tax Year Payment Year	2016 2017
ASSESSED VALUATION 51A		
Incremental Value		4,962,841
TAX INCREMENT ANALYSIS 51A		
Incremental Property Tax Rates		
Combined Rate		0.013716
ASSESSED VALUATION 55B		
Incremental Value		141,620,997
TAX INCREMENT ANALYSIS 55B		
Incremental Property Tax Rates		
Combined Rate		0.013673
Tax Increment & Participation Rates		
Draper Tax Districts 51A & 55B		1,867,261
Increment Rate		70%
Haircut Rate		30%
REVENUES		
Property Tax Increment		1,307,083
Recapture of Increment		560,178
Total Revenue		1,867,261
EXPENDITURES		
Increment Fund		
Administration		
Administration Fee		196,062
Developer Incentives		
Kohl's		-
Draper Peaks I		-
Draper Peaks II		-
Lone Peak Hospital		107,143
Debt Service		
Park (Amphitheater) Bonds		455,375
Haircut Fund		
Jordan/Canyons School District Payment		280,089
Capital Facility Finance Plan Projects Fund		203,496
Total Expenditures		1,867,261

EXHIBIT C: CRESCENT RDA MAP



SECTION 4: OVERVIEW OF THE EAST BANGERTER PROJECT AREA

Table 5.1: Project Area Overview

OVERVIEW				
<u>Type</u> EDA	<u>Acreage</u> 91.84	<u>Purpose</u> Commercial Development	<u>Taxing District</u> 55C	<u>Tax Rate</u> 0.014249
<u>Creation Year</u> FY 2001	<u>Base Year</u> FY 2001	<u>Term</u> 15 Years	<u>Trigger Year</u> FY 2008	<u>Expiration Year</u> FY 2022
<u>Base Value</u> \$9,644,820	<u>TY 2014 Value</u> \$80,929,320	<u>Increase</u> 739%	<u>FY 2015 Increment</u> \$929,469	<u>Remaining Life</u> 7 Years

The East Bangarter Project Area was created in 2001 and is governed by the (a) “East Bangarter Neighborhood Development Plan”, (b) Resolution No. 02-03 - Housing Plan for uses of tax increment housing funds, and (c) TEC Resolution 03-07 – Resolution approving the East Bangarter Neighborhood Development Project Area Budget. These documents define the duration and use of property tax increment generated within the Project Area as well as conditions and obligations by the Agency and each participating taxing entity.

The original purpose of the East Bangarter Project Area was to provide funding for the construction of Bangarter Parkway. The East Bangarter Project Area includes 91.84 acres located in the southern portion of the City it lies between 13700 South and 14200 South. The initial base year value of the Project Area was \$9,644,820.



SOURCES OF FUNDS

Table 5.2: Sources of Funds

2015 SOURCES OF FUNDS	
Property Tax Increment	\$929,469
Housing Fund Transfer	\$921,406
Total Sources of Funds	\$1,850,875

Per the creation documents, the Agency will receive tax increment generated by the various parcels in the Project Area according to the following schedule:

Table 5.3: Tax Increment Levels

TAX INCREMENT LEVEL	
Years	%
1 – 15	80% Tax Increment 20% Housing Increment

USES OF FUNDS

Table 5.4: Uses of Funds

2015 USES OF FUNDS	
EDA Administration	\$11,154
Debt Service	\$686,000
Capital Facility Finance Project Fund	\$46,421
Housing	\$1,107,300
Total Uses of Funds	\$1,850,875

DEBT SERVICE PAYMENTS

In 2004, Draper City issued bonds to help with the construction of the Bangerter Parkway. These bonds were later refunded as the Sales Tax Revenue Refunding Bonds, Series 2012B. The repayment source for these bonds was intended to be the tax increment generated in the Project Area. The East Bangerter Project Area paid \$686,000 in annual debt service for the 2004 Sales Tax Bonds in FY 2015. The Project Area is scheduled to make debt service payments on the Bonds through FY 2022.

Table 5.5: Debt Service Payments

2015 DEBT SERVICE PAYMENTS	
Series 2007 Road Bonds	\$686,000
Total Debt Service Payment	\$686,000

HOUSING FUND

Since the initial year of tax increment collection, the Agency has been putting the 20% housing portion of tax increment into the Housing Fund, to be spent on low income housing at a later date. In August of 2015, the Agency entered an interlocal agreement with the Salt Lake County Housing Authority in which the Agency paid the Housing Authority the current Housing Fund balance of \$1,107,300. The Housing Authority will use these funds exclusively to: (1) acquire and construct a homeless shelter at a location in Salt Lake County, or (2) acquiring, constructing or rehabilitating any other income targeted housing located in the County.

Table 5.7: Housing Fund

2015 Housing Fund	
Housing Fund Transfer to Salt Lake County Housing Authority	\$1,107,300
Total 2015 Tax Increment to Housing	\$1,107,300

PROJECT AREA REPORTING AND ACCOUNTABILITY

COMPARISON OF FORECASTED AND ACTUAL TAX INCREMENT

Table 5.8: Realization of Tax Increment

REALIZATION OF TAX INCREMENT	FORECASTED	ACTUAL	% OF PROJECTION
TAX INCREMENT GENERATED IN PROJECT AREA			
Property Tax Increment – FY 2015	\$905,562	\$929,469	103%

RELATIVE GROWTH IN ASSESSED VALUE

Table 5.9: Growth in Assessed Value

GROWTH IN ASSESSED VALUE	CURRENT YEAR	COMPARISON YEAR	GROWTH RATE	AAGR
ASSESSED VALUES IN PROJECT AREA				
Annual Growth in Project Area (2014 vs. 2013)	\$80,929,320	\$72,496,160	11.63%	11.63%
Lifetime Growth in Project Area (2014 vs. 2001)	\$80,929,320	\$9,644,820	739%	17.78%
ASSESSED VALUES IN DRAPER CITY				
Annual Growth in Draper City (2014 vs. 2013)	\$3,788,110,387	\$3,558,623,969	6.45%	6.45%
Lifetime Growth in Draper City (2014 vs. 2001)	\$3,788,110,387	\$1,649,041,335	129%	6.61%

BENEFITS DERIVED BY PARTICIPATING TAXING ENTITIES

Table 5.10: Benefits to Taxing Entities

BENEFITS TO TAXING ENTITIES

*Increased Property Tax Revenues
- 100% of tax increment after 2022

*Increased Sales Tax Revenues

GROWTH IN PROPERTY TAX INCREMENT



As shown below, because the Agency is scheduled to receive 100% of the annual tax increment (above the base amount), the taxing entities are currently receiving tax increment based solely upon the base value of the Project Area. However, as assessed values continue to increase over the life of the Project Area, the taxing entities will experience a dramatic increase in property tax revenues when the Project Area expires in 2022.

Table 5.11: Growth in Property Tax Increment

GROWTH IN TAX INCREMENT	ORIGINAL BUDGET	ACTUAL REVENUES	BASE YEAR VALUE REVENUES	% ABOVE BASE
TAX INCREMENT FROM PROJECT AREA				
Fiscal Year 2015	NA	\$929,469	\$137,429	676%
Lifetime Revenue (FY 2008-2015)	NA	\$5,560,417	\$1,048,286	530%
PASS THROUGH TAX INCREMENT (ABOVE BASE)				
Fiscal Year 2015	NA	\$-	\$137,429	0%
Lifetime Revenue (FY 2008-2015)	NA	\$-	\$1,048,286	0%

NOTABLE DEVELOPMENT AND FUTURE PROJECTS

The East Bangerter Project Area houses the Bangerter Crossing Shopping Center. Some of the key tenants within this Center include:

 Harmons
 Kneaders

 Chase Bank
 Dickey's

FORECASTED PROJECT AREA BUDGET UPDATE

The multi-year budget attached to this document and summarized below displays revenue in the fiscal year received rather than the calendar year collected.



Table 5.12: Project Area Budget

FORECASTED PROJECT AREA BUDGET		2016-2022	
REVENUES		TOTALS	NPV @4%
Property Tax Increment		\$5,633,324	\$4,960,218
Total Revenue		\$5,633,324	\$4,960,218
EXPENDITURES		TOTALS	NPV @4%
EDA Administration		\$67,600	\$59,523
Debt Service Payments		\$5,055,000	\$4,145,477
Capital Facility Finance Plan Projects		\$-	\$-
Housing		\$1,126,665	\$814,741
Total Expenditures		\$6,249,265	\$5,019,741

OTHER ISSUES

TEC Resolution 03-07 states that the Agency is only eligible to receive \$13,977,132 in tax increment. This cap amount shall be reduced by the amount of the increase (over a 2002 base year) in the City's direct point-of-sale sales tax revenue generated in the Project Area. With input and analysis from Draper City, LYRB estimated that this combined cap amount will be reached in FY 2021. As noted in the forecasted budget above, this deduction in tax increment will lead to a deficit in revenues needed to satisfy the Agency's obligations within the East Bangerter Project Area. The Agency may need to amend the TEC Resolution to allow for sufficient tax increment to satisfy the debt service.

PROJECT AREA ANNUAL AND MULTI-YEAR BUDGETS

The following four sheets represent the FY 2015, FY 2016, FY 2017 and projected multi-year budgets from 2013 to 2019.



East Bangerter

2015 Annual Budget

2015

	Tax Year Payment Year	2014 2015
ASSESSED VALUATION		
Draper Tax District 55C		80,929,320
Base Year Value		(9,644,820)
Incremental Value		71,284,500
TAX INCREMENT ANALYSIS		
Incremental Property Tax Rates		
Combined Rate		0.014249
Tax Increment & Participation Rates		
Draper Tax District 55C		1,015,733
Increment Rate		80%
Housing Rate		20%
Tax Increment Generation		
Property Tax Increment		743,575
Housing Increment		185,894
Total Tax Increment		1,850,875
REVENUES		
Property Tax Increment		743,575
Housing Increment		185,894
Total Revenue		1,850,875
EXPENDITURES		
Increment Fund		
Debt Service		
Sales Tax Bonds		686,000
Administration Fee		11,154
Capital Facility Finance Plan Projects Fund		46,421
Housing Fund		
Affordable Housing Fund		1,107,300
Total Expenditures		1,850,875



East Bangerter

2016 Annual Budget

2016

	Tax Year Payment Year	2015 2016
ASSESSED VALUATION		
Draper Tax District 55C		80,929,320
Base Year Value		(9,644,820)
Incremental Value		71,284,500
TAX INCREMENT ANALYSIS		
Incremental Property Tax Rates		
Combined Rate		0.013952
Tax Increment & Participation Rates		
Draper Tax District 55C		1,015,733
Increment Rate		80%
Housing Rate		20%
Tax Increment Generation		
Property Tax Increment		812,586
Housing Increment		203,147
Total Tax Increment		1,015,733
REVENUES		
Property Tax Increment		812,586
Housing Increment		203,147
Total Revenue		1,015,733
EXPENDITURES		
Increment Fund		
Debt Service		
Sales Tax Bonds		689,900
Administration Fee		12,189
Capital Facility Finance Plan Projects Fund		110,497
Housing Fund		
Affordable Housing Fund		203,147
Total Expenditures		1,015,733



East Bangerter

2017 Annual Budget

2017

	Tax Year Payment Year	2016 2017
ASSESED VALUATION		
Draper Tax District 55C		80,929,320
Base Year Value		(9,644,820)
Incremental Value		71,284,500
TAX INCREMENT ANALYSIS		
Incremental Property Tax Rates		
Combined Rate		0.013952
Tax Increment & Participation Rates		
Draper Tax District 55C		1,015,733
Increment Rate		80%
Housing Rate		20%
Tax Increment Generation		
Property Tax Increment		812,586
Housing Increment		203,147
Total Tax Increment		1,015,733
REVENUES		
Property Tax Increment		812,586
Housing Increment		203,147
Total Revenue		1,015,733
EXPENDITURES		
Increment Fund		
Debt Service		
Sales Tax Bonds		693,500
Administration Fee		12,189
Capital Facility Finance Plan Projects Fund		106,897
Housing Fund		
Affordable Housing Fund		203,147
Total Expenditures		1,015,733

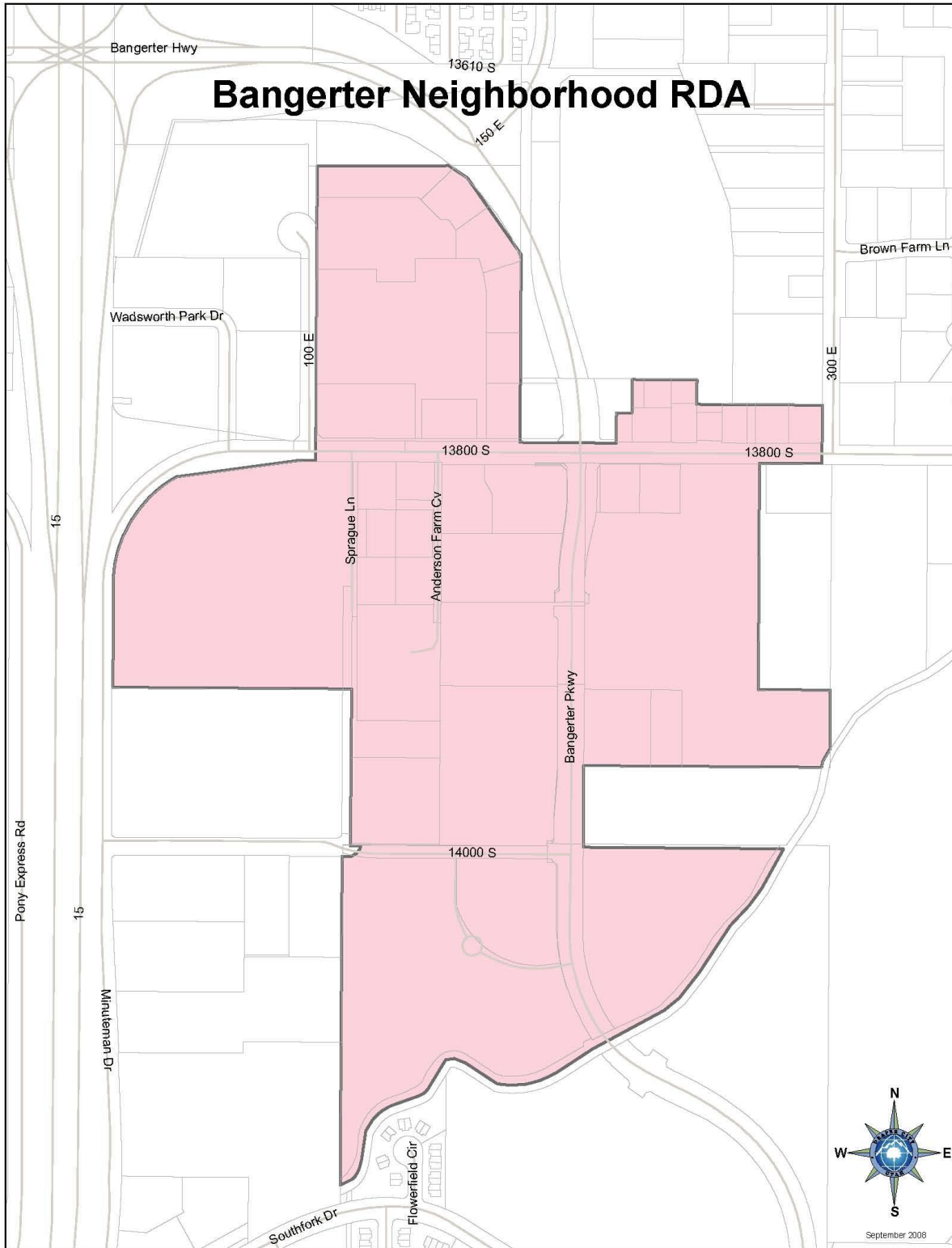


East Bangerter

Ongoing Budget
Multi-Year Project Area Budget Projections
October 29, 2015

	<===== Historic Projected =====>															TOTALS	NPV at 4%
Tax Year	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021		
Payment Year	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022		
REVENUES																	
TAXABLE VALUATION:																	
East Bangerter Property Value	\$ 22,335,942	\$ 33,508,503	\$ 54,126,584	\$ 70,846,013	\$ 74,220,074	\$ 71,088,600	\$ 72,496,160	\$ 80,929,320	\$ 80,929,320	\$ 80,929,320	\$ 80,929,320	\$ 80,929,320	\$ 80,929,320	\$ 80,929,320	\$ 80,929,320	\$ 80,929,320	\$ 80,929,320
Total Assesed Value:	\$ 22,335,942	\$ 33,508,503	\$ 54,126,584	\$ 70,846,013	\$ 74,220,074	\$ 71,088,600	\$ 72,496,160	\$ 80,929,320	\$ 80,929,320	\$ 80,929,320	\$ 80,929,320	\$ 80,929,320	\$ 80,929,320	\$ 80,929,320	\$ 80,929,320	\$ 80,929,320	\$ 80,929,320
East Bangerter Base Year Value (2001)	\$ (9,644,820)	\$ (9,644,820)	\$ (9,644,820)	\$ (9,644,820)	\$ (9,644,820)	\$ (9,644,820)	\$ (9,644,820)	\$ (9,644,820)	\$ (9,644,820)	\$ (9,644,820)	\$ (9,644,820)	\$ (9,644,820)	\$ (9,644,820)	\$ (9,644,820)	\$ (9,644,820)	\$ (9,644,820)	\$ (9,644,820)
Total East Bangerter Incremental Assesed Value	\$ 12,691,122	\$ 23,863,683	\$ 44,481,764	\$ 61,201,193	\$ 64,575,254	\$ 61,443,780	\$ 62,851,340	\$ 71,284,500	\$ 71,284,500	\$ 71,284,500	\$ 71,284,500	\$ 71,284,500	\$ 71,284,500	\$ 71,284,500	\$ 71,284,500	\$ 71,284,500	\$ 71,284,500
Tax Rate: 55C																	
Salt Lake County	0.001994	0.001934	0.002278	0.002593	0.002696	0.002793	0.003180	0.003036	0.002531	0.002531	0.002531	0.002531	0.002531	0.002531	0.002531	0.002531	0.002531
Canyons School District	0.006617	0.006150	0.005780	0.008060	0.008165	0.007111	0.007016	0.006872	0.006997	0.006997	0.006997	0.006997	0.006997	0.006997	0.006997	0.006997	0.006997
Draper City	0.001616	0.001528	0.001818	0.001896	0.001996	0.002009	0.001887	0.001791	0.001701	0.001701	0.001701	0.001701	0.001701	0.001701	0.001701	0.001701	0.001701
South Salt Lake Mosquito Abatement District	0.000023	0.000022	0.000025	0.000050	0.000052	0.000021	0.000021	0.000020	0.000019	0.000019	0.000019	0.000019	0.000019	0.000019	0.000019	0.000019	0.000019
Jordan Valley Water Conservancy District	0.000400	0.000384	0.000400	0.000410	0.000424	0.000443	0.000424	0.000399	0.000400	0.000400	0.000400	0.000400	0.000400	0.000400	0.000400	0.000400	0.000400
South Valley Sewer District	0.000330	0.000321	0.000379	0.000372	0.000399	0.000407	0.000396	0.000371	0.000354	0.000354	0.000354	0.000354	0.000354	0.000354	0.000354	0.000354	0.000354
Central Utah Water Conservancy District	0.000302	0.000286	0.000400	0.000421	0.000436	0.000455	0.000446	0.000422	0.000405	0.000405	0.000405	0.000405	0.000405	0.000405	0.000405	0.000405	0.000405
Salt Lake County Library	0.000517	0.000497	0.000564	0.000583	0.000604	0.000627	0.000755	0.000715	0.000683	0.000683	0.000683	0.000683	0.000683	0.000683	0.000683	0.000683	0.000683
Jordan/Canyon School District Debt Service Area	-	-	0.001400	-	-	0.001307	0.001095	0.000951	0.000862	0.000862	0.000862	0.000862	0.000862	0.000862	0.000862	0.000862	0.000862
Less Assessing & Collecting	-	-	-	-	-	-	(0.000263)	(0.000303)	-	-	-	-	-	-	-	-	-
Less Tax Increase	-	-	-	-	-	-	(0.000812)	(0.000025)	-	-	-	-	-	-	-	-	-
Total Combined Rate	0.011799	0.011122	0.013044	0.014385	0.014772	0.015173	0.014145	0.014249	0.013952	0.013952	0.013952	0.013952	0.013952	0.013952	0.013952	0.013952	0.013952
Property Tax Increment	\$ 149,743	\$ 265,412	\$ 580,220	\$ 880,379	\$ 953,906	\$ 932,286	\$ 869,001	\$ 1,015,733	\$ 1,015,733	\$ 1,015,733	\$ 1,015,733	\$ 1,015,733	\$ 1,015,733	\$ 1,015,733	\$ 554,660	\$ -	\$ 11,280,004
Less Prior Year Tax Increase	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (71,066)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Less Prio Year Adjustments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (15,198)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Property Tax Increment	\$ 149,743	\$ 265,412	\$ 580,220	\$ 880,379	\$ 953,906	\$ 932,286	\$ 869,001	\$ 929,469	\$ 1,015,733	\$ 1,015,733	\$ 1,015,733	\$ 1,015,733	\$ 1,015,733	\$ 1,015,733	\$ 554,660	\$ -	\$ 11,280,004
Percent of Tax Increment for Project	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%
Percent of Tax Increment for Housing	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%	20%
Tax Increment to RDA	\$ 119,794	\$ 212,330	\$ 464,176	\$ 704,303	\$ 763,125	\$ 745,829	\$ 695,202	\$ 743,575	\$ 812,586	\$ 812,586	\$ 812,586	\$ 812,586	\$ 812,586	\$ 812,586	\$ 443,728	\$ -	\$ 8,954,993
Housing Funds	\$ 29,949	\$ 53,082	\$ 116,044	\$ 176,076	\$ 190,781	\$ 186,457	\$ 173,800	\$ 185,894	\$ 203,147	\$ 203,147	\$ 203,147	\$ 203,147	\$ 203,147	\$ 203,147	\$ 110,932	\$ -	\$ 2,238,748
Housing Fund Transfer	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 921,406	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 921,406
Total Revenue	\$ 149,743	\$ 265,412	\$ 580,220	\$ 880,379	\$ 953,906	\$ 932,286	\$ 869,002	\$ 1,850,875	\$ 1,015,733	\$ 1,015,733	\$ 1,015,733	\$ 1,015,733	\$ 1,015,733	\$ 1,015,733	\$ 554,660	\$ -	\$ 12,115,147
EXPENDITURES																	
Administration Fee	\$ 1,797	\$ 3,185	\$ 6,963	\$ 10,565	\$ 11,447	\$ 11,187	\$ 10,428	\$ 11,154	\$ 12,189	\$ 12,189	\$ 12,189	\$ 12,189	\$ 12,189	\$ 12,189	\$ 6,656	\$ -	\$ 134,325
Debt Service	\$ 117,997	\$ 212,330	\$ 464,176	\$ 704,303	\$ 763,125	\$ 352,300	\$ 493,100	\$ 686,000	\$ 689,900	\$ 693,500	\$ 706,800	\$ 724,600	\$ 731,800	\$ 748,600	\$ 759,800	\$ -	\$ 8,848,331
Housing Fund	29,949	53,082	116,044	176,076	190,781	186,457	173,800	1,107,300	203,147	203,147	203,147	203,147	203,147	203,147	110,932	\$ -	3,160,154
Capital Facility Finance Plan Projects Fund	-	(3,185)	(6,963)	(10,565)	(11,447)	382,342	191,674	46,421	110,497	106,897	93,597	75,797	68,597	(311,528)	(759,800)	\$ -	(27,662)
Total Uses	\$ 149,743	\$ 265,412	\$ 580,220	\$ 880,379	\$ 953,906	\$ 932,286	\$ 869,002	\$ 1,850,875	\$ 1,015,733	\$ 1,015,733	\$ 1,015,733	\$ 1,015,733	\$ 1,015,733	\$ 1,015,733	\$ 554,660	\$ -	\$ 12,115,147

EXHIBIT D: EAST BANGERTER EDA MAP



SECTION 5: OVERVIEW OF THE GATEWAY PROJECT AREA

Table 6.1: Project Area Overview

OVERVIEW				
<u>Type</u> CDA	<u>Acreage</u> 24.4	<u>Purpose</u> Commercial Development	<u>Taxing District</u> 55D	<u>Tax Rate</u> 0.012588
<u>Creation Year</u> FY 2009	<u>Base Year</u> FY 2009	<u>Term</u> 8 Years	<u>Trigger Year</u> FY 2012	<u>Expiration Year</u> FY 2019
<u>Base Value</u> \$35,074,900	<u>TY 2014 Value</u> \$56,724,269	<u>Increase</u> 61.72%	<u>FY 2015 Increment</u> \$234,721	<u>Remaining Life</u> 4 Years



The Gateway Project Area was created in 2009 and is governed by the (a) Gateway Community Development Plan, (b) Interlocal Agreement between the Redevelopment Agency of Draper City and Salt Lake County, (c) Interlocal Agreement between the Redevelopment Agency of Draper City and Draper City, (d) Interlocal Agreement between the Redevelopment Agency of Draper City and Canyons School District, (e) Interlocal Agreement between the Redevelopment Agency of Draper City and Central

Utah Water Conservancy District, (f) Interlocal Agreement between the Redevelopment Agency of Draper City and Jordan Valley Water Conservancy District, and (g) Interlocal Agreement between the Redevelopment Agency of Draper City and South Valley Sewer. These documents define the duration and use of property tax increment generated within the Project Area as well as conditions and obligations by the Agency and each participating taxing entity.

The original purpose of the Gateway Project Area was to improve an under-utilized commercial area of the City. The Gateway Project Area includes 24.4 acres located in the northeast portion of the City at I-15 and 12150 South. The initial base year value of the Project Area was \$35,074,900.





SOURCES OF FUNDS

Table 6.2: Sources of Funds

2015 SOURCES OF FUNDS	
Property Tax Increment	\$234,721
Total Sources of Funds	\$234,721

Table 6.3: Tax Increment Levels

TAX INCREMENT LEVEL	
Years	%
1 – 7	100% Draper City 100% Salt Lake County 100% Canyons School District 100% South Valley Sewer District
1 – 8	100% Central Utah Water Conservancy District 100% Jordan Valley Water Conservancy District

USES OF FUNDS

Table 6.4: Uses of Funds

2015 USES OF FUNDS	
Cinemark Loan Reimbursement	\$233,006
South Valley Sewer Payment	\$1,715
Total Uses of Funds	\$234,721

LOAN REIMBURSEMENT

The Agency entered into an agreement with Cinemark USA, Inc., regarding the development of their movie theater within the Project Area. According to the agreement, the Agency made a lump sum payment of \$1,200,000 to Cinemark as reimbursement for a portion of the costs to construct the theater. The Agency took out a loan to satisfy this obligation, with the intention of repaying the loan with future tax increment. The Agency will continue to make payments towards the loan until 2019, the final year of the Project Area.

Table 6.5: Loan Reimbursement Payment

LOAN REIMBURSEMENT PAYMENT	
2015 Loan Reimbursement Contribution	\$233,006
Total Loan Reimbursement to Date	\$555,808



PROJECT AREA REPORTING AND ACCOUNTABILITY

COMPARISON OF FORECASTED AND ACTUAL TAX INCREMENT

Table 6.6: Realization of Tax Increment

REALIZATION OF TAX INCREMENT	FORECASTED	ACTUAL	% OF PROJECTION
TAX INCREMENT GENERATED IN PROJECT AREA			
Property Tax Increment – FY 2015	\$193,850	\$234,721	121%

RELATIVE GROWTH IN ASSESSED VALUE

Table 6.7: Growth in Assessed Value

GROWTH IN ASSESSED VALUE	CURRENT YEAR	COMPARISON YEAR	GROWTH RATE	AAGR
ASSESSED VALUES IN PROJECT AREA				
Annual Growth in Project Area (2014 vs. 2013)	\$56,724,269	\$48,819,194	16.19%	16.19%
Lifetime Growth in Project Area (2014 vs. 2009)	\$56,724,269	\$35,074,900	61.72%	8.34%
ASSESSED VALUES IN DRAPER CITY				
Annual Growth in Draper City (2014 vs. 2013)	\$3,788,110,387	\$3,558,623,969	6.45%	6.45%
Lifetime Growth in Draper City (2014 vs. 2009)	\$3,788,110,387	\$3,273,243,567	15.73%	2.46%

BENEFITS DERIVED BY PARTICIPATING TAXING ENTITIES

Table 6.8: Benefits to Taxing Entities

BENEFITS TO TAXING ENTITIES

*Increased Property Tax Revenues
 - 100% of tax increment after 2019

*Increased Sales Tax Revenues



GROWTH IN PROPERTY TAX INCREMENT

As shown below, because the Agency is scheduled to receive 100% of the annual tax increment (above the base amount), the taxing entities are currently receiving tax increment based solely upon the base value of the Project Area. However, as assessed values continue to increase over the life of the Project Area, the taxing entities will experience a dramatic increase in property tax revenues when the Project Area expires in 2019.

Table 6.9: Growth in Property Tax Increment

GROWTH IN TAX INCREMENT	ORIGINAL BUDGET	ACTUAL REVENUES	BASE YEAR VALUE REVENUES	% ABOVE BASE
TAX INCREMENT FROM PROJECT AREA				
Fiscal Year 2015	\$230,014	\$234,721	\$434,508	54%
Lifetime Revenue (FY 2012-2015)	\$974,107	\$604,291	\$2,302,983	26%
PASS THROUGH TAX INCREMENT (ABOVE BASE)				
Fiscal Year 2015	\$-	\$-	\$434,508	0%
Lifetime Revenue (FY 2012-2015)	\$-	\$-	\$2,302,983	0%

NOTABLE DEVELOPMENT AND FUTURE PROJECTS

 Cinemark Theater
 Cowabunga Bay

 Floor & Décor
 Springhill Suites

FORECASTED PROJECT AREA BUDGET UPDATE

The multi-year budget attached to this document and summarized below displays revenue in the fiscal year received rather than the calendar year collected.

Table 6.10: Project Area Budget

FORECASTED PROJECT AREA BUDGET	2016-2019	
	TOTALS	NPV @4%
REVENUES		
Property Tax Increment	\$769,089	\$711,135
Total Revenue	\$769,089	\$711,135
EXPENDITURES		
Loan Reimbursement Payment	\$763,944	\$706,376
South Valley Sewer Payment	\$5,145	\$4,759
Total Expenditures	\$769,089	\$711,135

OTHER ISSUES

The Agency is currently in negotiations with a developer who has and will continue to make improvements to the VF Outlet Mall within the Project Area. If approved the Agency may request additional participation from Draper City within the Gateway CDA. LYRB has not identified any other major areas of concern with the Gateway Project Area and believes that, according to the records reviewed, all parties are meeting their respective obligations related to this Project Area.

PROJECT AREA ANNUAL AND MULTI-YEAR BUDGETS

The following four sheets represent the FY 2015, FY 2016, FY 2017 and projected multi-year budgets from 2012 to 2019.



Draper Gateway

2015 Annual Budget

2015

Tax Year Payment Year	2014 2015
ASSESSED VALUATION	
Draper Tax District 55D	56,724,269
Base Year Value	(35,074,900)
Incremental Value	21,649,369
TAX INCREMENT ANALYSIS	
Incremental Property Tax Rates	
Combined Rate	0.012588
Tax Increment & Participation Rates	
Draper Tax District 55D	234,721
Increment Rate	100%
Tax Increment Generation	
Property Tax Increment	234,721
Total Tax Increment	234,721
REVENUES	
Property Tax Increment	234,721
Total Revenue	234,721
EXPENDITURES	
Increment Fund	
Developer Incentives	
Cinemark	233,006
South Valley Sewer Payment	
South Valley Sewer District	1,715
Total Expenditures	234,721



Draper Gateway

2016 Annual Budget

2016

Tax Year Payment Year	2015 2016
ASSESSED VALUATION	
Draper Tax District 55D	56,724,269
Base Year Value	(35,074,900)
Incremental Value	21,649,369
TAX INCREMENT ANALYSIS	
Incremental Property Tax Rates	
Combined Rate	0.012388
Tax Increment & Participation Rates	
Draper Tax District 55D	254,963
Increment Rate	100%
Tax Increment Generation	
Property Tax Increment	254,963
Total Tax Increment	254,963
REVENUES	
Property Tax Increment	254,963
Total Revenue	254,963
EXPENDITURES	
Increment Fund	
Developer Incentives	
Cinemark	253,248
South Valley Sewer Payment	
South Valley Sewer District	1,715
Total Expenditures	254,963



Draper Gateway

2017 Annual Budget

2017

Tax Year Payment Year	2016	2017
ASSESSED VALUATION		
Draper Tax District 55D		56,724,269
Base Year Value		(35,074,900)
Incremental Value		21,649,369
TAX INCREMENT ANALYSIS		
Incremental Property Tax Rates		
Combined Rate		0.012388
Tax Increment & Participation Rates		
Draper Tax District 55D		254,963
Increment Rate		100%
Tax Increment Generation		
Property Tax Increment		254,963
Total Tax Increment		254,963
REVENUES		
Property Tax Increment		254,963
Total Revenue		254,963
EXPENDITURES		
Increment Fund		
Developer Incentives		
Cinemark		253,248
South Valley Sewer Payment		
South Valley Sewer District		1,715
Total Expenditures		254,963

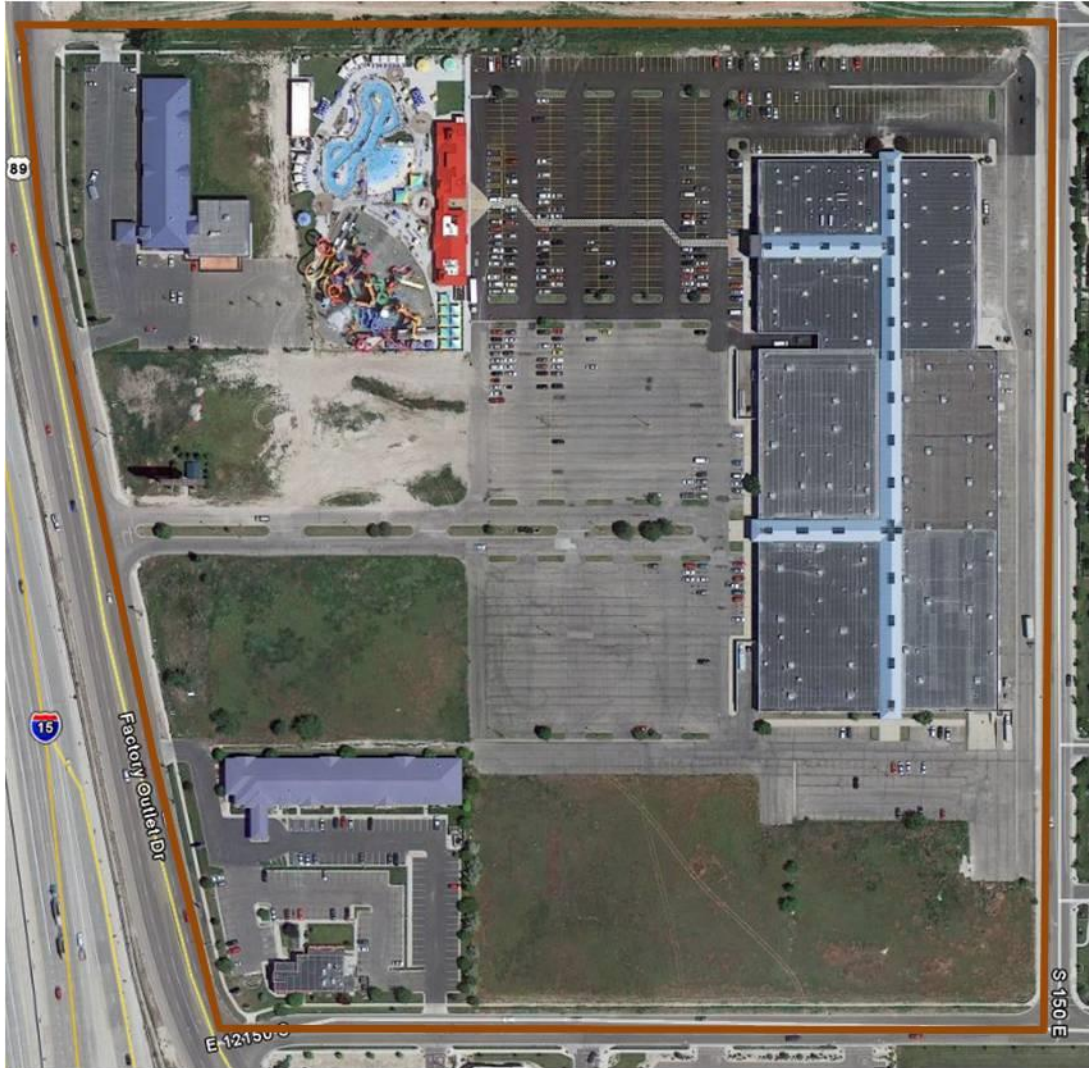


Draper Gateway

Ongoing Budget
 Multi-Year Project Area Budget Projections
 October 27, 2015

	←===== Historic Projected =====>										
Tax Year	2011	2012	2013	2014	2015	2016	2017	2018	TOTALS	NPV at 4%	
Payment Year	2012	2013	2014	2015	2016	2017	2018	2019			
REVENUES											
TAXABLE VALUATION:											
Gateway Property Value	\$ 37,114,592	\$ 49,431,992	\$ 48,819,194	\$ 56,724,269	\$ 56,724,269	\$ 56,724,269	\$ 56,724,269	\$ 56,724,269			
Total Assesed Value:	\$ 37,114,592	\$ 49,431,992	\$ 48,819,194	\$ 56,724,269	\$ 56,724,269	\$ 56,724,269	\$ 56,724,269	\$ 56,724,269			
Gateway Base Year Value (2009)	\$ (35,074,900)	\$ (35,074,900)	\$ (35,074,900)	\$ (35,074,900)	\$ (35,074,900)	\$ (35,074,900)	\$ (35,074,900)	\$ (35,074,900)			
Total Gateway Incremental Assesed Value	\$ 2,039,692	\$ 14,357,092	\$ 13,744,294	\$ 21,649,369	\$ 21,649,369	\$ 21,649,369	\$ 21,649,369	\$ 21,649,369			
Tax Rate: 55C											
Salt Lake County	0.002696	0.002793	0.003180	0.003036	0.002531	0.002531	0.002531	-			
Canyons School District	0.008165	0.007111	0.007016	0.006872	0.006997	0.006997	0.006997	-			
Draper City	0.001996	0.002009	0.001887	0.001791	0.001701	0.001701	0.001701	-			
South Salt Lake Mosquito Abatement District	-	-	-	-	-	-	-	-			
Jordan Valley Water Conservancy District	0.000424	0.000443	0.000424	0.000399	0.000400	0.000400	0.000400	0.000400			
South Valley Sewer District	0.000399	0.000407	0.000396	0.000371	0.000354	0.000354	0.000354	-			
Central Utah Water Conservancy District	0.000436	0.000455	0.000446	0.000422	0.000405	0.000405	0.000405	0.000405			
Salt Lake County Library	-	-	-	-	-	-	-	-			
Jordan/Canyon School District Debt Service Area	-	-	-	-	-	-	-	-			
Less Tax Rate Increase	-	-	-	-	-	-	-	-			
Less Local Assessing & Collecting	-	-	-	(0.000303)	-	-	-	-			
Total Combined Rate	0.014116	0.013218	0.013349	0.012588	0.012388	0.012388	0.012388	0.000805			
Total Combined Rate		0.013218	0.013349	0.012588	0.012388	0.012388	0.012388	0.000805			
Property Tax Increment	\$ 28,792	\$ 189,772	\$ 151,006	\$ 272,522	\$ 268,192	\$ 268,192	\$ 268,192	\$ 17,428	\$ 1,464,097	\$ 1,166,859	
Less Prior Year Tax Increase				\$ (13,229)	\$ (13,229)	\$ (13,229)	\$ (13,229)	\$ (13,229)			
Less Prior Year Adjustment				\$ (24,572)							
Total Property Tax Increment	\$ 28,792	\$ 189,772	\$ 151,006	\$ 234,721	\$ 254,963	\$ 254,963	\$ 254,963	\$ 4,199			
Percent of Tax Increment for Project	100%	100%	100%	100%	100%	100%	100%	100%			
Tax Increment to RDA	\$ 28,792	\$ 189,772	\$ 151,006	\$ 234,721	\$ 254,963	\$ 254,963	\$ 254,963	\$ 4,199	\$ 1,373,380	\$ 1,145,906	
		\$ 160,377							\$ 160,377	\$ 154,209	
Total Revenue	\$ 28,792	\$ 350,149	\$ 151,006	\$ 234,721	\$ 254,963	\$ 254,963	\$ 254,963	\$ 4,199	\$ 1,533,757	\$ 1,145,906	
EXPENDITURES											
Cinemark Incentive		\$ 173,511	\$ 149,291	\$ 233,006	\$ 253,248	\$ 253,248	\$ 253,248	\$ 4,199	1,319,752	1,025,783	
South Valley Sewer Payment	\$ 1,715	\$ 1,715	\$ 1,715	\$ 1,715	\$ 1,715	\$ 1,715	\$ 1,715		12,005	10,294	
Traffic Impact Fee		\$ 202,000							202,000	109,830	
Total Uses	\$ 1,715	\$ 377,226	\$ 151,006	\$ 234,721	\$ 254,963	\$ 254,963	\$ 254,963	\$ 4,199	\$ 1,533,757	\$ 1,145,906	

Exhibit E: GATEWAY CDA MAP



SECTION 6: OVERVIEW OF THE FRONTRUNNER PROJECT AREA

Table 7.1: Project Area Overview

OVERVIEW				
<u>Type</u> CDA	<u>Acres</u> 353.5	<u>Purpose</u> Transit Oriented Development	<u>Taxing District</u> 55E	<u>Tax Rate</u> 0.013626
<u>Creation Year</u> FY 2012	<u>Base Year</u> FY 2012	<u>Term</u> 20 Years	<u>Trigger Year</u> FY 2016	<u>Expiration Year</u> FY 2035
<u>Base Value</u> \$6,055,340	<u>TY 2014 Value</u> \$57,849,782	<u>Increase</u> 855%	<u>FY 2015 Increment</u> \$-	<u>Remaining Life</u> 20 Years



The FrontRunner Project Area was created in 2012 and is governed by the (a) FrontRunner Community Development Plan, (b) Interlocal Agreement between the Redevelopment Agency of Draper City and Salt Lake County, (c) Interlocal Agreement between the Redevelopment Agency of Draper City and Draper City, (d) Interlocal Agreement between the Redevelopment Agency of Draper City and Canyons School District, (e) Interlocal Agreement between the Redevelopment Agency of Draper City and Central Utah Water Conservancy District, (f)

Interlocal Agreement between the Redevelopment Agency of Draper City and Jordan Valley Water Conservancy District, (g) Interlocal Agreement between the Redevelopment Agency of Draper City and South Valley Sewer, and (h) Interlocal Agreement between the Redevelopment Agency of Draper City and The South Salt Lake Valley Mosquito Abatement District. These documents define the duration and use of property tax increment generated within the Project Area as well as conditions and obligations by the Agency and each participating taxing entity.

The original purpose of the FrontRunner Project Area was to create a transit supportive development around the FrontRunner station in the City. The FrontRunner Project Area includes 353.5 acres located in the southwest portion of the City at I-15 around the FrontRunner Station and track. The initial base year value of the Project Area was \$6,055,340. The land use within the project area is envisioned to be a high density residential mixed-use pedestrian friendly development. The FrontRunner Project Area will begin receiving increment in FY 2016 and is scheduled to run through FY 2035.



Table 7.2: Tax Increment Levels

TAX INCREMENT LEVEL	
Years	%
1 – 20	70% Salt Lake County (& Library) 70% Canyons School District
1 – 20	75% All other Taxing Entities

PROJECT AREA REPORTING AND ACCOUNTABILITY

RELATIVE GROWTH IN ASSESSED VALUE

Table 7.3: Growth in Assessed Value

GROWTH IN ASSESSED VALUE	CURRENT YEAR	COMPARISON YEAR	GROWTH RATE	AAGR
ASSESSED VALUES IN PROJECT AREA				
Annual Growth in Project Area (2014 vs. 2013)	\$57,849,782	\$48,057,627	20.38%	20.38%
Lifetime Growth in Project Area (2014 vs. 2012)	\$57,849,782	\$6,055,340	855%	112%
ASSESSED VALUES IN DRAPER CITY				
Annual Growth in Draper City (2014 vs. 2013)	\$3,788,110,387	\$3,558,623,969	6.45%	6.45%
Lifetime Growth in Draper City (2014 vs. 2012)	\$3,788,110,387	\$3,304,652,592	14.63%	4.66%

BENEFITS DERIVED BY PARTICIPATING TAXING ENTITIES

Table 7.4: Benefits to Taxing Entities

BENEFITS TO TAXING ENTITIES
*Increased Property Tax Revenues
*Increased Jobs

NOTABLE DEVELOPMENT AND FUTURE PROJECTS

-  Ebay
-  StorageCraft
-  Vista Station

FORECASTED PROJECT AREA BUDGET UPDATE

The multi-year budget attached to this document and summarized below displays revenue in the fiscal year received rather than the calendar year collected.

Table 7.10: Project Area Budget

PROJECT AREA BUDGET	2016-2035	
	TOTALS	NPV @4%
REVENUES		
Property Tax Increment	\$177,324,743	\$104,744,152
Total Revenue	\$177,324,743	\$104,744,152
EXPENDITURES		
CDA Administration	\$3,741,180	\$2,209,885
Infrastructure (Parking Structures, Roads, Sewer, etc.)	\$173,583,294	\$102,534,267
Total Expenditures	\$177,324,743	\$104,744,152

OTHER ISSUES

The Agency submitted a tax increment trigger request with the County on October 28, 2014. It is the Agency's desire to begin the tax increment financing period beginning in Tax Year 2015. LYRB has not identified any other major areas of concern with the FrontRunner Project Area and believes that, according to the records reviewed, all parties are meeting their respective obligations related to this Project Area.

PROJECT AREA ANNUAL AND MULTI-YEAR BUDGETS

The following three sheets represent the FY 2016, FY 2017 and full multi-year budgets from 2015 to 2035.



FrontRunner

2016 Annual Budget

2016

Tax Year Payment Year	2015 2016
ASSESSED VALUATION	
Draper Tax District 55E	75,204,717
Base Year Value	(6,055,340)
Incremental Value	69,149,377
TAX INCREMENT ANALYSIS	
Incremental Property Tax Rates	
Combined Rate	0.013122
Tax Increment & Participation Rates	
Property Tax Increment	907,378
Salt Lake County	70%
Canyons School District	70%
Draper City	75%
South Salt Lake Mosquito Abatement District	75%
Jordan Valley Water Conservancy District	75%
South Valley Sewer District	75%
Central Utah Water Conservancy District	75%
Salt Lake County Library	70%
Tax Increment Generation	
Property Tax Increment	645,119
REVENUES	
Property Tax Increment	645,119
Total Revenue	645,119
EXPENDITURES	
Increment Fund	
RDA Administration	
1.50%	13,611
Public Infrastructure Improvements	
Infrastructure	631,508
Total Expenditures	645,119



FrontRunner

2017 Annual Budget

2017

	Tax Year Payment Year	2016 2017
ASSESSED VALUATION		
Draper Tax District 55E		105,286,603
Base Year Value		(6,055,340)
Incremental Value		99,231,263
TAX INCREMENT ANALYSIS		
Incremental Property Tax Rates		
Combined Rate		0.013122
Tax Increment & Participation Rates		
Property Tax Increment		1,302,113
Salt Lake County		70%
Canyons School District		70%
Draper City		75%
South Salt Lake Mosquito Abatement District		75%
Jordan Valley Water Conservancy District		75%
South Valley Sewer District		75%
Central Utah Water Conservancy District		75%
Salt Lake County Library		70%
Tax Increment Generation		
Property Tax Increment		925,763
REVENUES		
Property Tax Increment		925,763
Total Revenue		925,763
EXPENDITURES		
Increment Fund		
RDA Administration		
1.50%		19,532
Public Infrastructure Improvements		
Infrastructure		906,231
Total Expenditures		925,763

EXHIBIT F: FRONTRUNNER CDA MAP

APPENDIX A

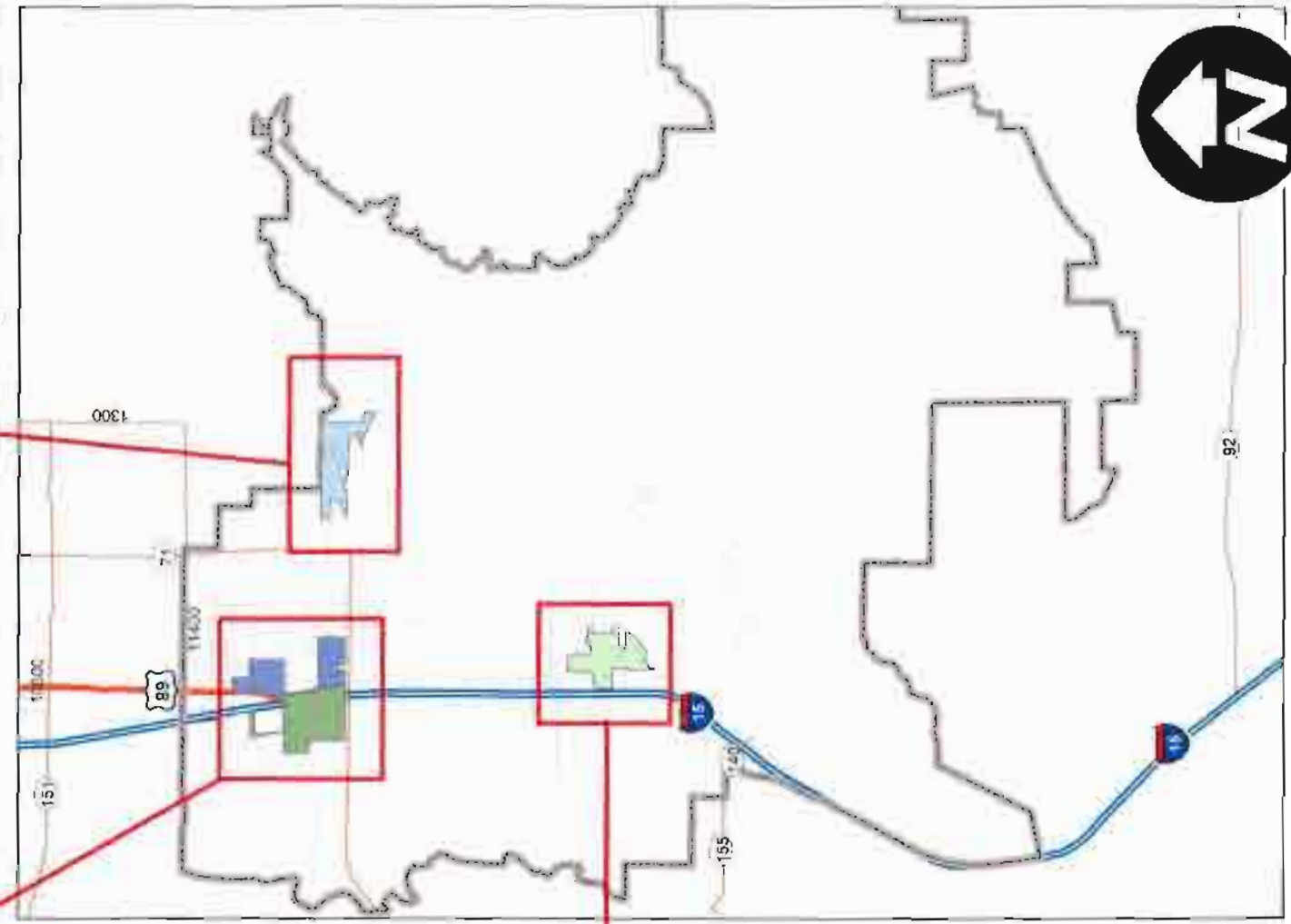
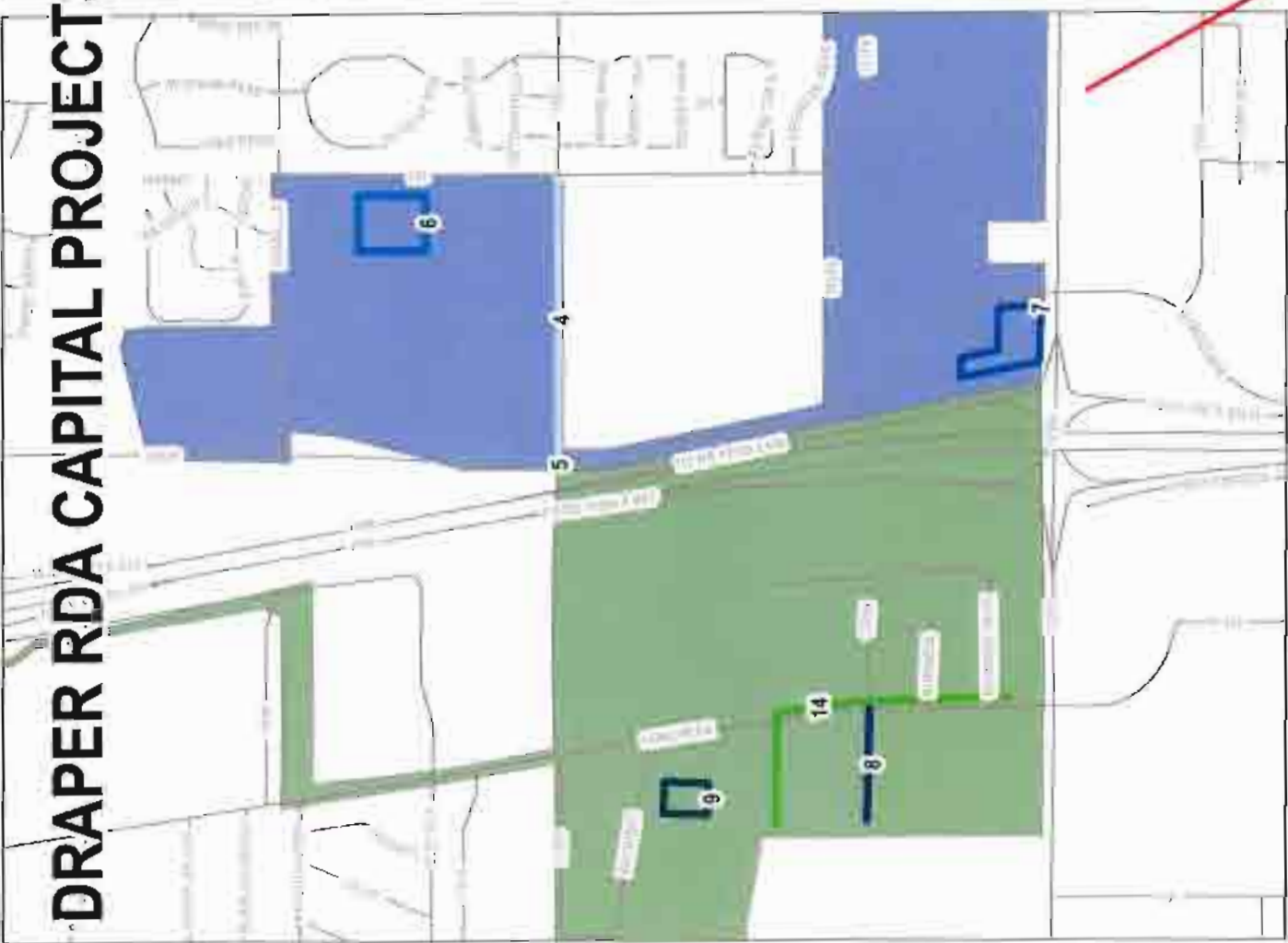
PROJECT AREA BOUNDARY MAP



DRAPER RDA CAPITAL PROJECTS



**LEWIS YOUNG
ROBERTSON & BURNINGHAM, INC.**
AN INDEPENDENT MUNICIPAL FINANCIAL ADVISORY
AND CONSULTING FIRM



- | DRAPER RDA BOUNDARIES | CFFP PUBLIC WORKS PROJECTS | CFFP PARKS & REC PROJECTS |
|-------------------------------|--|-------------------------------------|
| BANGERTE NEIGHBORHOOD RDA | (1) PW #1 - ROUND-ABOUT IMPROVEMENTS | (11) P&R #1 - DRAPER CANAL TRAIL #1 |
| CRESENT NEIGHBORHOOD RDA | (2) PW #2 - PIONEER ROAD STREETSCAPE | (12) P&R #2 - PORTER ROCKWELL TRAIL |
| SAND HILLS NEIGHBORHOOD RDA | (3) PW #3 - KMART REPURPOSING | (13) P&R #3 - ORAPER CANAL TRAIL #2 |
| WEST FREEWAY NEIGHBORHOOD RDA | (4) PW #4 - 11950 SOUTH EXTENSION | (14) P&R #4 - SALT LAKE CANAL TRAIL |
| DRAPER CITY BOUNDARY | (5) PW #5 - 11950 SOUTH - FACTORY OUTLET SIGNALIZATION | |
| | (6) PW #6 - LONE PEAK DETENTION BASIN | |
| | (7) PW #7 - PROJECT AREA REVITALIZATION | |
| | (8) PW #8 - 12200 SOUTH ROAD EXTENSION | |
| | (9) PW #9 - 5 MILLION GALLON WATER TANK | |
| | (10) PW #10 - 13800 SOUTH LANE IMPROVEMENTS | |

FY 14/15 SALES TAX STUDY



Prepared by Jared Zacharias
Assistant Finance Director
December 2015

INFORMATION ABOUT THE SALES TAX DATA

Key points to consider in regards to the data in this report.

- The amounts for each month in our reporting software does not include any amount reported that is less than \$50.00. This excludes less than 1% of the total amount and nearly 1/3 of all reports filed. For example: June 2014 had 2,440 reports and \$1,109,131 before the exclusion and afterwards had only 781 reports totaling \$1,104,702.
- Re-running the same reports at a future date will not yield the same data. This is because monthly reports include data from past periods filed late. Thus, as time goes on the amount in a given period usually increases.
- The state does not list payer type in the monthly sales tax report. Payer type is a manual process by which City staff researches and assigns a type for the purposes of reporting only.
- Amounts in this report do not reflect the amounts Draper City received in distributions. The amounts shown reflect 1% of actual sales. The amount Draper receives varies but is usually around 80% of the total.



UTAH STATE TAX COMMISSION
DIVISION OF REVENUE ACCOUNTING
LOCAL SALES AND USE TAX DISTRIBUTION
JUNE 2015

June 22, 2015
81.000

2015-12

18039 Draper

(A) Direct Point of Sale + Motor Vehicle		\$1,010,655.72
(B) Indirect Point of Sale		\$82.88
(C) Total Point of Sale (POS)		\$1,010,738.61
(D) Statewide Local POS	\$42,136,474.90	
(E) Local Population / Population Factor	45,285 / 0.01560593	
(F) Share of 50% Statewide POS/POP Pool		\$328,789.39
(G) Remainder of POS (C * 50%)		\$505,369.31
(H) Pop plus POS		\$834,158.70
(I) Non-Nexus		\$178.05
(J) Total Distribution		\$834,336.75
(K) Percent of Statewide Local Distribution	0.01980082	
LESS:		
(L) Administrative Fee (J * 0.95%)		\$7,926.20
(M) Sports/Recreation		\$0.00
(N) Charitable Refund/Third Party Collector Fee		\$1,381.50
(O) Emergency Food Agencies		\$503.17
Discount/Total Fees		\$9,810.87
(P) Final Distribution		\$824,525.88
(Q) Prior Distribution Periods Adjustment		-\$40,431.57
(R) Balance Owing From Prior Periods		\$0.00
(S) Total Paid		\$784,094.31
(T) Balance Forward		\$0.00

DEFINITIONS

DIRECT SALES:

Total direct sales from Schedule A as filed by taxpayer, including motor vehicle casual sales.

INDIRECT SALES:

Total of indirect sales from all other schedules.

ADMIN. FEE:

0.95% of local sales tax due to the Tax Commission for administration of local taxes.

SPORTS/REC:

Equal to the revenues generated by a 154% tax rate on taxable items and services.

POPULATION FACTOR:

Percentage of local population to the state population.

PRIOR PER. ADJUST:

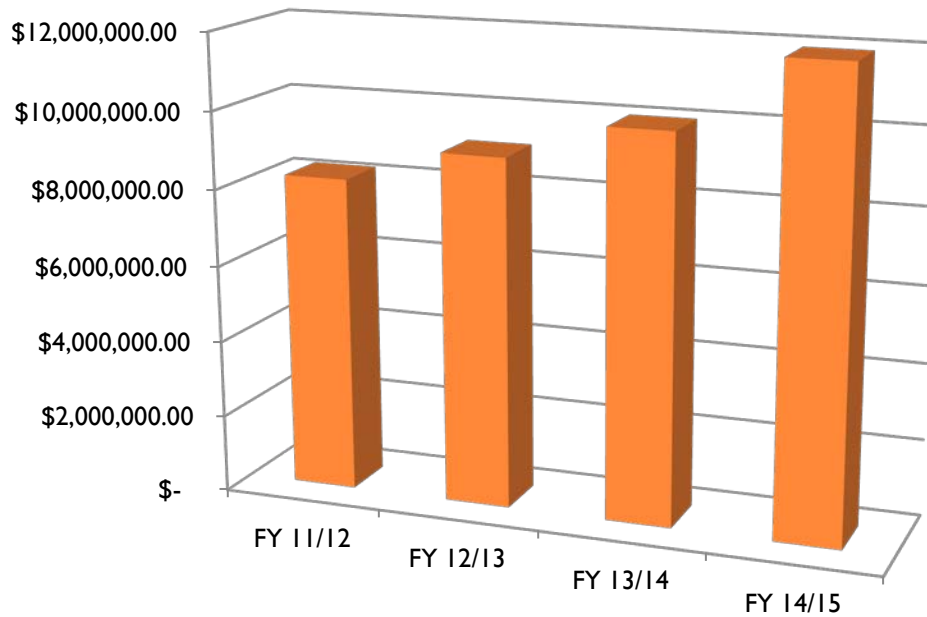
Overpayment or underpayment to municipality from prior distribution period(s).

CHARITABLE REFUND:

Refund of sales or use taxes paid at the point of sale by charitable institutions.

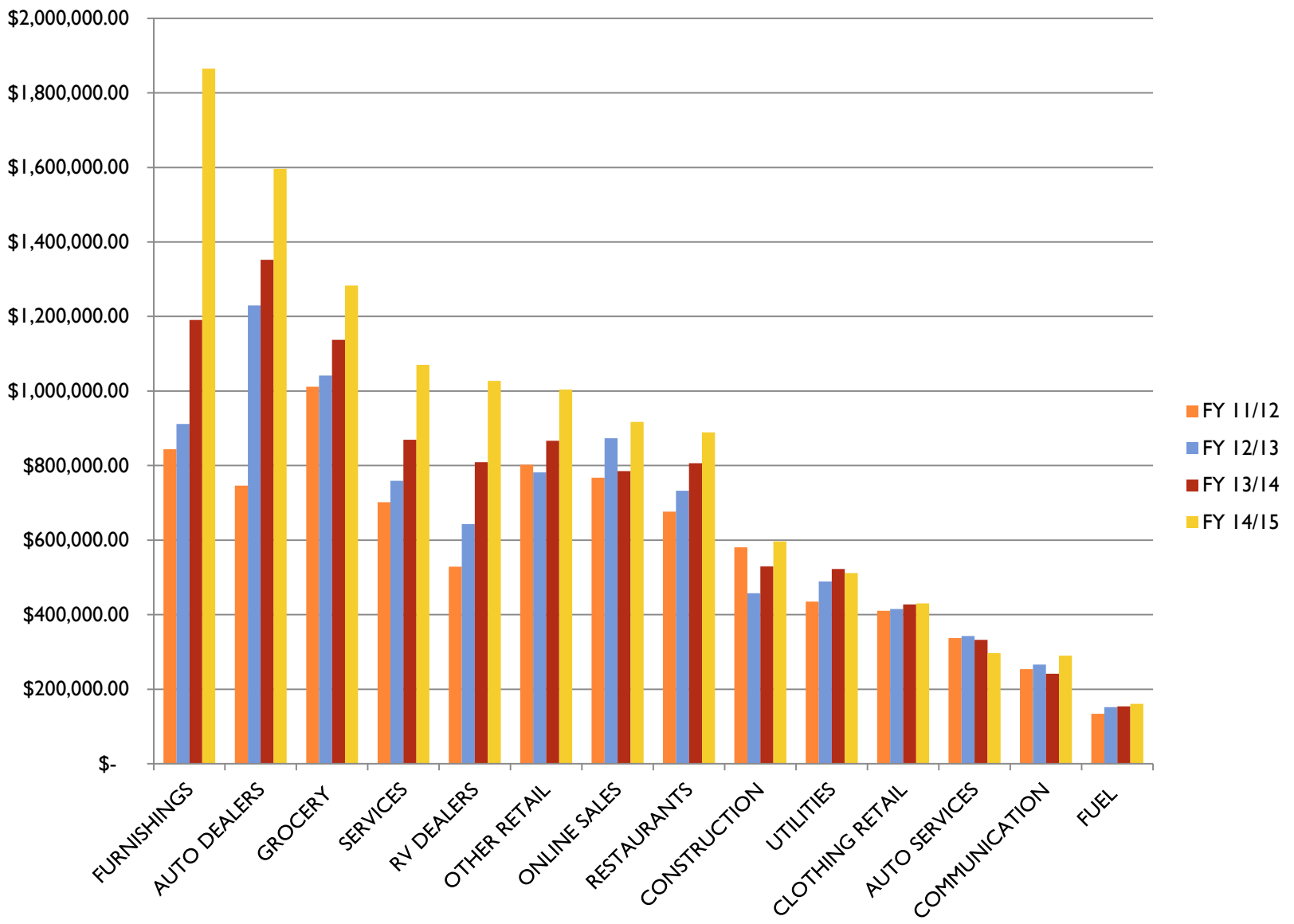


Total Sales Tax by Fiscal Year



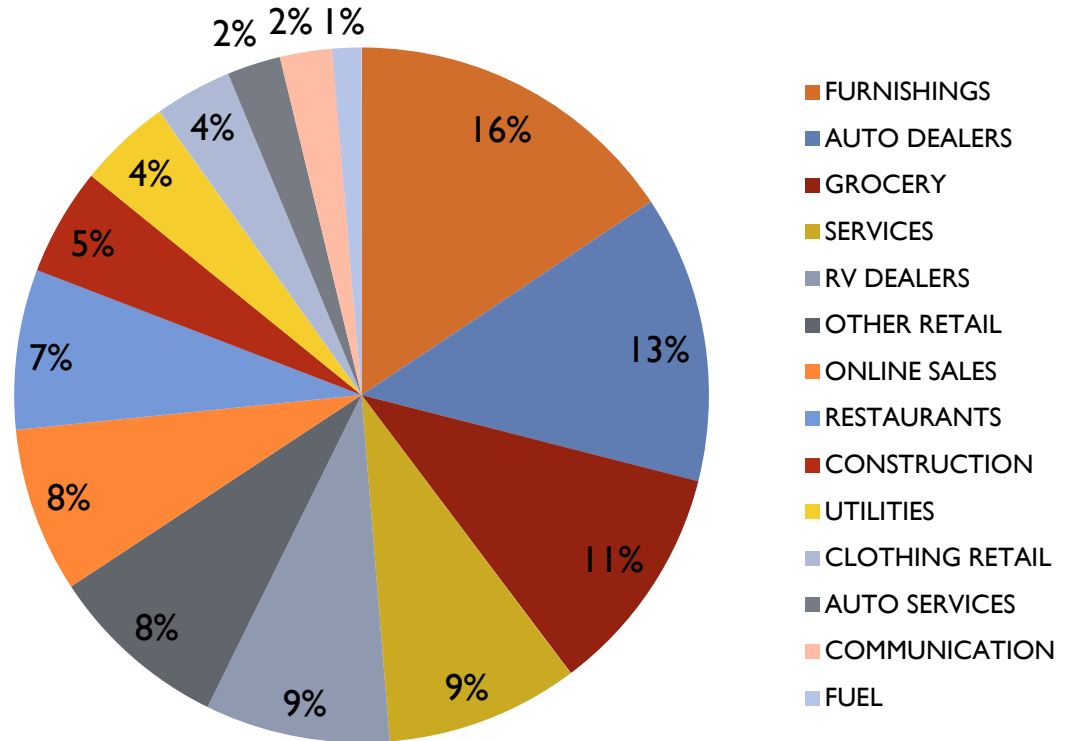
SALES TAX INCREASE BY YEAR				
YEAR	TOTALS	CHANGE	AMOUNT	
FY 11/12	\$ 8,230,685	10.15%	\$	359,986
FY 12/13	\$ 9,095,994	10.51%	\$	865,309
FY 13/14	\$ 10,026,875	10.23%	\$	930,882
FY 14/15	\$ 11,938,275	19.06%	\$	1,911,399
FIVE YEAR CHANGE		59.77%		

Sales Tax Payer Types by Amount & Year



Top Sales Tax Payers by Type for FY 14 - 15

FIRST FIVE PAYER TYPES
ACCOUNT FOR 58% OF ALL
SALES TAXES COLLECTED



Actual Sales Transaction by Millions by Year (Not the 1%)



TYPE	FY 11/12	FY 12/13	FY 13/14	FY 14/15
FURNISHINGS	84.4	91.2	119.1	186.5
AUTO DEALERS	74.7	122.9	135.2	159.6
GROCERY	101.2	104.2	113.7	128.3
SERVICES	70.2	75.9	87.0	107.0
RV DEALERS	52.9	64.3	80.9	102.7
OTHER RETAIL	80.2	78.2	86.7	100.4
ONLINE SALES	76.8	87.4	78.6	91.7
RESTAURANTS	67.6	73.2	80.7	89.0
CONSTRUCTION	58.1	45.8	53.0	59.6
UTILITIES	43.5	48.9	52.3	51.2
CLOTHING RETAIL	41.1	41.5	42.8	43.0
AUTO SERVICES	33.7	34.3	33.3	29.7
COMMUNICATION	25.4	26.6	24.2	29.0
FUEL	13.4	15.2	15.4	16.1
TOTAL IN MILLIONS	823.1	909.6	1002.7	1193.8

New Growth Data by Year

SALES TAX NEW FILERS - TOTALS BY YEAR*				
YEAR	TOTAL SALES	INCREASE FROM PRIOR YEAR	TOTAL NEW FILERS	NATURAL GROWTH
FY 12/13	\$ 9,095,994.00	\$ 865,309.00	\$ 303,590.00	\$ 561,719.00
FY 13/14	\$ 10,026,875.00	\$ 930,882.00	\$ 542,265.00	\$ 388,617.00
FY 14/15	\$ 11,938,275.00	\$ 1,911,399.00	\$ 346,194.00	\$ 1,565,205.00

*Note: New filers enter the data pool at different times throughout the year. This causes amounts from new filers who first file near the end of a fiscal year to potentially understate the total amount for new filers and overstate new growth. Changes to the reporting period start and end times will result in slightly different results.

NEW SALES TAX FILERS FOR ONLINE AND LOCAL				
YEAR	NEW ONLINE SALES	# OF NEW ONLINE FILERS	NEW LOCAL SALES	# OF NEW LOCAL FILERS
FY 12/13	\$ 176,570.00	326	\$ 127,020.00	125
FY 13/14	\$ 90,565.00	204	\$ 451,700.00	107
FY 14/15	\$ 78,511.00	184	\$ 267,683.00	107



OF FILINGS BY TYPE AND YEAR

TYPE	FY 11/12	FY 12/13	FY 13/14	FY 14/15
AUTO DEALERS	93	103	105	102
AUTO SERVICES	354	347	341	325
CLOTHING RETAIL	200	199	211	239
COMMUNICATION	508	458	366	400
CONSTRUCTION	241	214	203	209
FUEL	114	138	132	135
FURNISHINGS	141	120	124	137
GROCERY	168	152	151	162
ONLINE SALES	4250	3842	2621	3018
OTHER RETAIL	992	920	820	865
RESTAURANTS	865	886	887	964
RV DEALERS	90	89	98	118
SERVICES	1033	929	847	916
UTILITIES	123	119	102	98
GRAND TOTAL	9172	8516	7008	7688

THE END



QUESTIONS OR COMMENTS?