

**COTTONWOOD HEIGHTS (CITY), UTAH
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2020**



Cottonwood Heights (City), Utah
Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2020
With
Independent Auditor's Report

Prepared by

David Muir, MBA, CGFM, CPFA, CPFIM
Treasurer/Financial Reporting Manager

**COTTONWOOD HEIGHTS (CITY), UTAH
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2020**

TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTORY SECTION:	
Certificate of Achievement for Excellence in Financial Reporting	vi
Letter of Transmittal	1-7
Organization Chart with names of Officials	8
 FINANCIAL SECTION:	
Independent Auditor’s Report	9-10
Management’s Discussion and Analysis	11-26
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	28
Statement of Activities	29
Fund Financial Statements:	
Balance Sheet – Governmental Funds	30
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities	31
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	32
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	33
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund	34
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Community Development Renewal Agency Fund	35

Notes to the Financial Statements	
Note 1: Summary of Significant Accounting Policies	
Note 1A – Financial Reporting Entity	38
Note 1B – Basis of Presentation	38
Note 1C – Measurement Focus and Basis of Accounting	39
Note 1D – Assets, Liabilities, and Net Position (Equity)	41
Note 1E – Revenues, Expenditures, and Expenses	44
Note 2: Stewardship, Compliance, and Accountability	
Note 2A – Fund Accounting Requirements	45
Note 2B – Cash Deposits and Investments	46
Note 2C – Revenue Restrictions	47
Note 2D – Debt Restrictions and Covenants	48
Note 2E – Fund Equity Restrictions	48
Note 2F – Budgetary Basis of Accounting	48
Note 3: Detail Notes on Transaction Classes / Accounts	
Note 3A – Cash Deposits and Investments	49
Note 3B – Restricted Assets	50
Note 3C – Accounts Receivable	50
Note 3D – Capital Assets	51
Note 3E – Accounts Payable	52
Note 3F – Long-Term Debt	52
Note 3G – Interfund Transactions and Balances	55
Note 4: Other Information	
Note 4A – Employee Pension and Other Benefit Plans	55
Note 4B – Risk Management	65
Note 4C – Subsequent Events	65
REQUIRED SUPPLEMENTARY INFORMATION:	
Schedule of the Proportionate Share of the Net Pension Liability	68
Schedule of Contributions – Utah Retirement Systems	69
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION:	
Note 1A – Changes in Assumptions	71

SUPPLEMENTARY INFORMATION:

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Capital Projects Fund	73
--	----

STATISTICAL SECTION: (unaudited)

Financial Trends:

Net Position by Component, Chart-1	75
Changes in Net Position, Chart-2	76-77
Fund Balances – Governmental Funds, Chart-3	78
Changes in Fund Balances – Governmental Funds, Chart-4	79

Revenue Capacity:

Assessed Value and Estimated Actual value of Taxable Property, Chart-5	80
Property Tax Rates – Direct and Overlapping Governments, Chart-6	81
Principal Property Taxpayers, Chart-7	82
Property Tax Levies and Collections, Chart-8	83

Debt Capacity:

Ratios of Outstanding Debt by Type, Chart-9	84
Ratios of General Bonded Debt Outstanding, Chart-10	85
Direct and Overlapping Governmental Activities Debt, Chart-11	86
Legal Debt Margin Information, Chart-12	87
Pledged-Revenue Coverage, Chart-13	88

Demographic and Economic Information:

Demographic and Economic Statistics, Chart-14	89
Principal Employers, Chart-15	90

Operation Information:

Full-time Equivalent Employers by Function, Chart-16	91
Operating Indicators by Function, Chart-17	92
Capital Asset Statistics by Function, Chart-18	93

COTTONWOOD HEIGHTS
INTRODUCTORY SECTION



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Cottonwood Heights
Utah**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Morill

Executive Director/CEO

COTTONWOOD HEIGHTS
INTRODUCTORY SECTION



Mayor
Mike Peterson
City Council
Douglas Petersen (1)
Scott Bracken (2)
Tali Bruce (3)
Christine W Mikell (4)
City Manager
B Tim Tingey

December 15, 2020

To the Honorable Mayor, City Council and
Citizens of Cottonwood Heights:

Overview

It is our great pleasure to present the Comprehensive Annual Financial Report (CAFR) for the City of Cottonwood Heights (the City) for the fiscal year ended June 30, 2020. Utah State law requires that all local governments publish, within six months of the close of each fiscal year, the complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the CAFR of Cottonwood Heights for the fiscal year ended June 30, 2020.

This report consists of management’s representations concerning the finances of Cottonwood Heights. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of Cottonwood Heights 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 Cottonwood Height’s financial statements in conformity with generally accepted accounting principles. Since the cost of internal controls should not outweigh their benefits, the 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 aspects. Larson & Company, PC, a firm of certified public accountants, has audited Cottonwood Heights’ financial statements. The independent audit involves examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. The independent auditor’s report is presented as the first component of the financial section of this report.

COTTONWOOD HEIGHTS INTRODUCTORY SECTION

Generally accepted accounting principles require that management 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 can be found immediately following the report of the independent auditors.

Profile of Cottonwood Heights

Cottonwood Heights was incorporated on January 14, 2005, out of the southeastern area of unincorporated Salt Lake County. The current population is estimated at 33,843 residents in an area encompassing 9.24 square miles. It is known as the *City between the Canyons* because it is located at the foot of the Wasatch mountain range between Big and Little Cottonwood canyons. These two canyons are home to Salt Lake Valley's four major ski resorts, Alta, Brighton, Solitude and Snowbird. Each of these ski resorts has an international clientele and reputation.



The quality of life in Cottonwood Heights is very high with many cultural and recreational activities available within the city or in near proximity. Cottonwood Heights highly values its reputation as a well-maintained residential and business community. The preservation of quality of life is of utmost importance to residents and business owners. The City is proud of the stunning scenic background provided by the Wasatch Mountains, and residents place a high value on the natural elements of this area that contains a wide variety of hillsides, streams, natural open spaces and parks. The residents occupy a variety of residential dwellings in harmony with thriving commercial areas.

As the gateway to the valley's major ski resorts and with easy access to valley-wide transportation systems, Cottonwood Heights welcomes many visitors. The City strives to attract businesses that will serve the needs of the residents as well as promote the attractive image and appearance of the community. These businesses support the general income and prosperity of the City, strengthen existing business centers and complement the City's location as the gateway to the canyons.

COTTONWOOD HEIGHTS INTRODUCTORY SECTION



Residents voted to operate Cottonwood Heights from its inception under the “Council – Manager” form of government. Under this form of government, the residents elect a council member from each of four districts and a Mayor is elected at-large from the entire city. The Mayor and Council select a city manager who acts as the chief executive officer of the City. Policy making and legislative authority are vested in the mayor and

council, execution and administration of policies and ordinances is the responsibility of the city manager. The Mayor and Council serve part time. The city manager serves full time.

Local economy

Despite the relatively small size of the City, Cottonwood Heights has 3 million feet of premium high-rise office space in the City. (See table below.) The City is home to corporate leaders such as: Extra Space Storage, Instructure, MasterControl, RizePoint and SoFi. Cottonwood Heights continues to attract quality companies looking for a supportive business environment, access to the canyons and a high quality of service.

Cottonwood Heights has a notable amount of office space including three office parks catering to business of all sizes. The Old Mill Corporate Center and Cottonwood Corporate office complexes house all of the City’s Class A space and 56 percent of the total office space available. Union Park has quality Class B office space and is 41 percent of the total office space available, with Class C office space dispersed throughout the City along major transportation corridors, including Fort Union Boulevard, 1300 East, Highland Drive and 2300 East.

As of June 30, 2020			
	Class A	Class B	Class C
Total SF	1,375,240	1,010,859	61,318
% of Total SF	56.19%	41.30%	2.51%
Average Building SF	137,524	77,758	20,439
Number of Properties	10	13	3
Average Vacancy	8.6%	17.1%	6.4%
Average Lease(\$/SF)	\$31.20	\$23.93	\$16.50
Source: City Community and Economic Development Department from CBRE SLC Research			

COVID-19

It was initially thought that the financial effects of the COVID-19 pandemic were going to be widespread and have impacts on many sectors of the economy and the resulting Sales Taxes collected in the City. Although the pandemic is still a major issue of concern, from a financial

COTTONWOOD HEIGHTS INTRODUCTORY SECTION

perspective our sales tax collections have been stable. That does not mean that some sectors of the economy are not feeling financial strain from the issues surrounding the pandemic. For example, the restaurant sector is particularly hard hit with limitations on dine-in seating and other issues, while other segments of the economy are flourishing including grocery stores and online sales. We are closely monitoring the possible effects the pandemic could have on the City in the future.

Long-term planning and major initiatives

Cottonwood Heights is largely built out and therefore much of the future development options will occur in redevelopment areas along the Fort Union Boulevard corridor and areas of reuse, such as the Wasatch Boulevard gravel pit, which will ultimately offer between 150 and 200 acres for development.

Fort Union Boulevard is a focal point both figuratively and geographically for Cottonwood Heights. It is the major east-west arterial going through the City. It features a mix of retail, restaurants, service and professional offices and residential properties. Fort Union Boulevard serves as a gateway to Big and Little Cottonwood canyons and area resort attractions. This corridor has, since the inception of the City, been identified in the General Plan as a gateway to the canyons and a future Utah Transit Authority transportation corridor.

The Wasatch Boulevard/Gravel Pit Area is the largest undeveloped property in Cottonwood Heights. It is estimated that quarry operations will cease in approximately five to ten years. Therefore, the City is actively involved with property owners to master plan the site for the eventual development. The site presents notable opportunities to provide services and amenities, as well as land use needs that are not being currently met in the City. This landmark property is not only vital to Cottonwood Heights but regionally valuable due to its critical location at the mouth of Big Cottonwood Canyon and proximity to world-class skiing and other related facilities. Development opportunities on site could include full-service hotels, high-density housing, destination retail and Class A office spaces.

Public Works. The Cottonwood Heights Public Works Department has been in operation for the past four years. During that time, successful implementation has occurred with a focus on providing high quality public services to residents, local businesses, and other city departments and they also focus on providing these services in a prompt, courteous, safe, efficient, and cost-effective manner.



The City has accomplished this through recruiting and hiring great employees by offering competitive wages, updated equipment, and quality training to the staff. The staff is responsible

COTTONWOOD HEIGHTS INTRODUCTORY SECTION

for the maintenance of the City rights-of-way which includes snow plowing, tree trimming, street sweeping, storm drain maintenance, street repairs, construction, and engineering.

This past year approximately 76,000 square feet of road re-construction has been completed along with additional surface treatments, with more to come in the spring and summer of 2021. Maintaining these roads saves the City money in the long term by delaying future road reconstruction projects. Some of the major road projects include Scottish Drive, Reindeer Drive, 1950 East, Oak Creek Drive, and Kings Hill areas. This summer, work will commence on many neighborhood streets as part of the 5-year maintenance plan implementation. The Department of Public Works is committed to excellence in maintaining the City's roads and infrastructure.

Services Provided

As a local general-purpose government, Cottonwood Heights provides a full range of municipal services including police and fire protection, construction and maintenance of streets and other infrastructure, planning and zoning, community and economic development, recreational and cultural activities, justice court and animal services. These services are funded primarily from taxes paid by Cottonwood Heights' residents.

Some City services are provided through contractual arrangements with other entities to provide these services. These entities and the service(s) they provide are listed below:

- ❖ **The Cottonwood Heights Parks and Recreation Service Area** was created in June, 1967, and is legally separate and distinct from the City. This special district is contracted to provide City park maintenance and other City recreational services;
- ❖ **Salt Lake County Public Works** provides roadway sign maintenance as well as street light and traffic signal maintenance;
- ❖ **The Unified Fire Authority (UFA)** is a political subdivision organized under an interlocal agreement in the State of Utah. It provides firefighting, rescue and emergency medical services;
- ❖ **Salt Lake City Public Utilities** provides repair and maintenance on City fire hydrants.
- ❖ The City contracts with the law firm of **Jones Waldo Holbrook & McDonough PC** for legal services. **W. Shane Topham**, attorney from the firm, functions as the City's sworn Attorney;
- ❖ The City had contracted with the engineering firm of **Gilson Engineering, Inc.** for engineering services in connection with building and other real property development and public works, with **Brad Gilson** serving as City Engineer prior to October of 2019. At that time, City engineering was taken over by a City employed civil engineer;
- ❖ The City contracts with the engineering firm of **Sunrise Engineering, Inc.** for building services in connection with building and other real property development, and their staff serve as the City Building Official.

Municipal Type Services Not Provided by Cottonwood Heights

Some services typically provided by a municipality are provided through special service districts or Salt Lake County, rather than directly supplied by Cottonwood Heights. These

COTTONWOOD HEIGHTS INTRODUCTORY SECTION

services are provided directly to and paid by the citizens of Cottonwood Heights to these entities. These entities are listed below:

- ❖ **Salt Lake City Public Utilities Department** provides water treatment and distribution;
- ❖ **Jordan Valley Water Conservancy District** provides water distribution services to some areas of the City that are not served by Salt Lake City Public Utilities;
- ❖ **Cottonwood Improvement District** provides wastewater collection services to an area that includes the entire City boundary;
- ❖ **Wasatch Front Waste & Recycling District** provides refuse removal services to all areas of the City;
- ❖ **Cottonwood Heights Parks and Recreation Service Area.** Property owners within the boundaries of this service area pay a dedicated property tax to the Service Area to support recreational facilities available for use by all Area residents, including operating the popular Cottonwood Heights Recreation Center located at 7500 South 2700 East;
- ❖ **The Salt Lake County Library System** provides one library within the Cottonwood Heights boundaries;
- ❖ **Valley Emergency Communications Center (VECC)** provides emergency dispatch services for both the Cottonwood Heights Police Department and Unified Fire Authority.

Financial information and policies

Cottonwood Heights' financial statements reflect moderate growth and conservative budgeting practices. During the year, the general fund balance increased from \$4,283,489 to \$5,480,224, which is 27.4 percent of the budgeted revenues for the 2021 fiscal year. The increase in fund balance was due to a variety of factors including: (1) Federal CARES Act revenues unbudgeted of \$721,517, (2) Sales Tax Collections over budget of \$369,169, (3) Interest revenues exceeded budgeted by \$69,421, (4) Non-Salary and Benefits expenses below budget by \$326,066, (5) wages and benefits expenditures below budget by \$323,097. It was initially thought that Sales Tax revenues would be negatively impacted by the COVID-19 pandemic, however, after a slight flattening in April, the year ended with strong collections with an annual collection of 5.8% over budget.

As a City without significant new development, very little revenue growth is realized from property taxes. Sales tax revenues have increased with the economic growth of the State and the City by \$369,169. The municipal energy sales and use tax, which was implemented Oct 1, 2015, brought in \$1,989,725 during the current fiscal year.

Expenditures over the last five years have increased from \$20,670,587 to \$22,713,044. Included in the current year's expenditures are \$1,126,900 in debt service for the 2014 and 2016 sales tax revenue bonds, which did not exist five years ago. These costs were offset to a degree by eliminating the amount previously paid to lease office space. By department, over the last five years expenditures increased \$324,450 in general government, \$1,090,883 in public safety (fire, code enforcement and police), \$203,862 in public works, an increase of \$1,353,895 in community development which includes an expense of \$1,564,181 related to the Canyon Centre public/private Community Development Renewal Agency (CDRA) parking structure project.

COTTONWOOD HEIGHTS
INTRODUCTORY SECTION

In order to maintain proper management and control of taxpayer funds, Cottonwood Heights has adopted a comprehensive set of financial policies. These policies cover areas such as operating and capital budgeting, debt management, and accounting and financial reporting. Setting and adhering to sound financial policies helped the City receive a strong AA+ as of March 25, 2019 bond rating from Standard and Poor's. A complete list of these policies is included in our annually adopted budget.

Awards and Acknowledgments

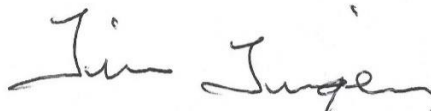
The Government Finance Officers Association of the United States and Canada (GFOA) awards a Certificate of Achievement for Excellence in Financial Reporting to an entity for its Comprehensive Annual Financial Report (CAFR) for a fiscal year period. In order to be awarded a Certificate of Achievement, the government had to publish an easily readable and efficiently organized CAFR that satisfied both generally accepted accounting principles and applicable program requirements.

This is the eighth year the City will complete and submit the CAFR to the GFOA to determine its eligibility for the Certificate of Achievement for Excellence in Financial Reporting. The award was presented for FY 2019 to David Muir, City Treasurer/Financial Reporting Manager, recognizing him as being primarily responsible for preparing an award-winning CAFR. It is valid for a period of one year only. We believe that our current CAFR meets the Certificate of Achievement for Excellence in Financial Reporting requirements.

The preparation of this report could not have been accomplished without the accounting and financial reporting expertise and dedicated service of David Muir, City Treasurer and Financial Reporting Manager of the Finance Department. We appreciate Larson & Company, PC, Certified Public Accountants, for the assistance and guidance they have given us. We also thank the members of the City Council and the Mayor for their interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner.

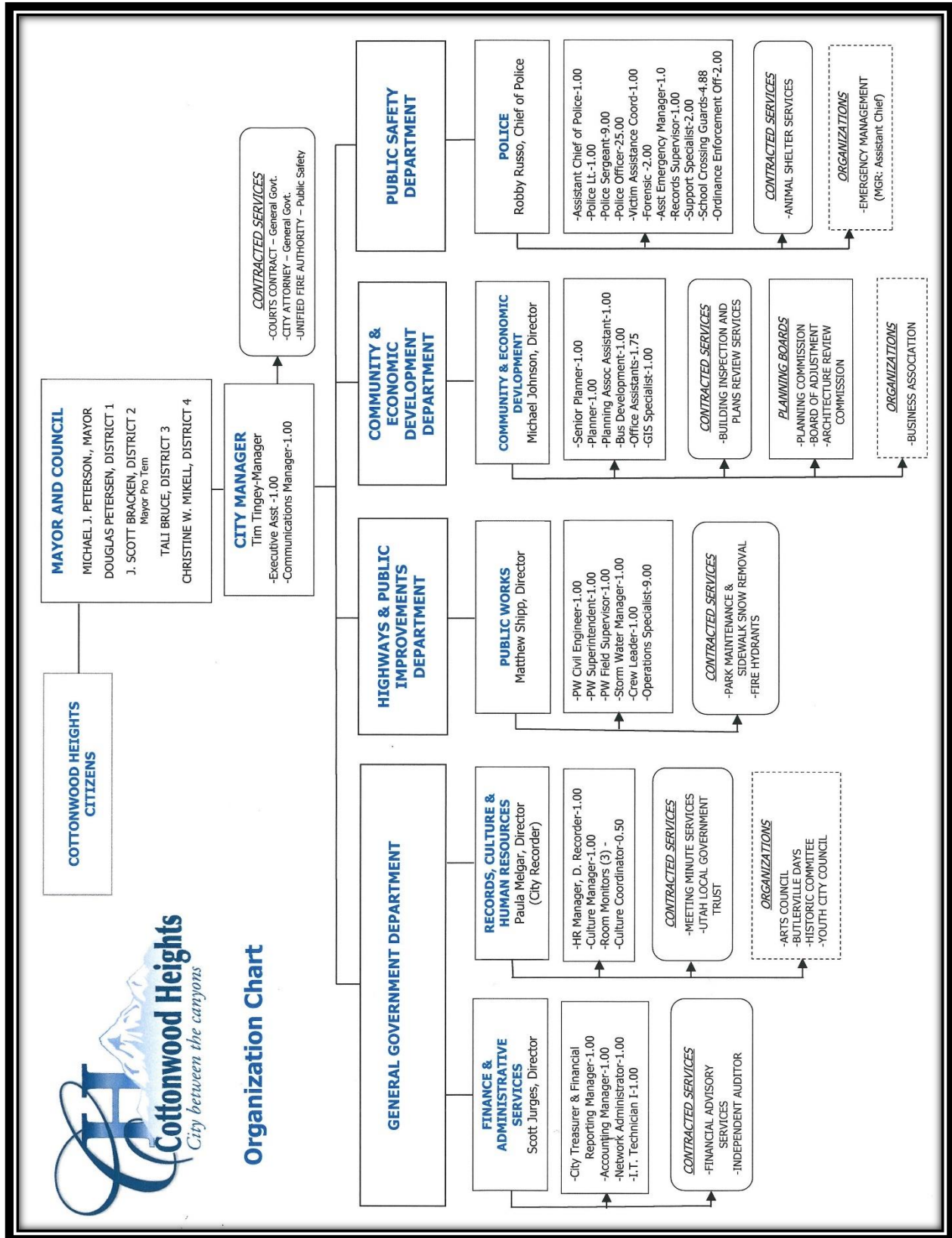


Scott Jorges
Finance and Administrative
Services Director



B Tim Tingey
City Manager

COTTONWOOD HEIGHTS INTRODUCTORY SECTION





INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members of the City Council
Cottonwood Heights, Utah

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Cottonwood Heights (the City), as of and for the year ended June 30, 2020, 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

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

Auditor's Responsibility

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit 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, each major fund, and the aggregate remaining fund information of Cottonwood Heights as of June 30, 2020, and the respective changes in financial position and the respective budgetary comparison for the general and major special revenue funds thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Larson & Company
765 North Main, Spanish Fork, UT 84660
Main: (801) 798-3545 | Fax: (801) 798-3678
www.larsco.com

Member of
CPAmerica
Member  Crowe Global

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information as listed in the table of contents, respectively, 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 introductory section, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Capital Projects Fund is 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 Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Capital Projects Fund is 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 15, 2020, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's 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.

Larson & Company, PC

Larson & Company, PC

Spanish Fork, Utah
December 15, 2020

COTTONWOOD HEIGHTS
MANAGEMENT’S DISCUSSION AND ANALYSIS

As management of Cottonwood Heights (the City), we offer readers this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2020. It is also intended to assist the reader in focusing on significant financial issues. These include identifying changes in the City’s financial position (its ability to address the next and subsequent year’s challenges), material deviations from the approved budget, and individual fund issues or concerns. We encourage readers to consider the information presented here in conjunction with the City’s financial statements.

FINANCIAL HIGHLIGHTS

- The City’s total governmental fund balance is \$11,284,402, of which \$7,879,862 of this amount is unrestricted and may be appropriated for any future expenditure. Governmental Funds are shown on page 30 and consist of the following balances as shown below. (See page 20 for a complete discussion of fund balance analysis.)
 - \$5,480,224 fund balance in the General Fund (\$5,393,289 is unrestricted).
 - \$3,838,051 fund balance in the Capital Projects Fund. Of this balance, \$1,146,413 is restricted as bond proceeds in trust for debt service and funds collected as impact fees. The balance of \$2,691,639 is assigned to be used for capital projects.
 - \$374 fund balance exists in the Debt Service Fund.
 - \$1,965,752 fund balance in the Community Development Renewal Agency Fund (CDRA) which is assigned to the specified redevelopment area. \$204,832 is now reserved as Unearned Revenues that were distributed to the District prior to the start of meaningful re-development. Most of these funds were transferred to the CDRA by Salt Lake County Redevelopment Agency for area projects begun prior to the City incorporation, and which were located within the City boundaries.
- In fiscal year 2020, the City’s total net position from governmental activities increased by \$455,634 to \$52,781,054. Total assets increased by \$1,796,181, net of depreciation, and liabilities and deferred inflows or outflows of resources resulting in the net position increase of \$455,634 from operations. See page 15 “City’s Government-wide Financial Analysis” for more details.
- Total net position of \$52,781,054 consists of the amounts below:
 1. \$43,754,779 in capital assets, such as streets, bridges, land, buildings and other infrastructure, net of related debt and depreciation.
 2. Unrestricted net position of \$7,879,862. “Unrestricted net position” is that portion not invested in capital assets and with no external restrictions. A portion of the unrestricted net position will be used to fund future capital projects.
 3. Restricted Bond Debt Service funds of \$921,676 and Impact Fees of \$224,737.
- The City continues its capital lease used to finance the public safety fleet. This financing also provides for a guaranteed buy-back of the fleet by the vendor every other year. The City has also added a Public Works fleet of vehicles through the use of capital leases. See pages 16 and 25 for additional information about the City’s capital vehicle lease program.
- The General Fund balance increased by \$1,196,735, or 27.9 percent of the prior year’s fund balance. The Capital Projects Fund increased by \$1,298,447 from last year’s ending balance. Funding for capital projects often are provided in a previous

COTTONWOOD HEIGHTS
MANAGEMENT’S DISCUSSION AND ANALYSIS

- year’s budget and become part of the beginning Capital Projects fund balance in the next year.
- The City benefits from both operating grants and operating contributions, and capital grants and capital contributions. As a total of the 2020 budget, these funds accounted for 16.0 percent of total revenues. Operating grants totaling \$2,213,878 are comprised of the City’s portion of distributed gas tax revenues as well as other local grants. Capital grants and contributions are typically associated with one-time projects and totaled \$1,479,585 in FY 2020. Included in those grants were contributions of \$589,135 by Salt Lake County, which administers funds as directed by the state Legislature, for significant road projects in the county. Salt Lake County also contributed an additional \$750,000 towards the CDRA fund project for public parking (\$7,000,000 was provided in the prior year for this public parking project). A summary of grant and contribution revenues received by the City are shown on the Statement of Activities (see page 29).

OPERATIONAL HIGHLIGHTS

- The City’s Police Department, now in its twelfth year, responded to 16,917 calls for service during the year with an average response time for priority-one calls of 4:37. The department is comprised of 37 sworn officers and 11.48 civilian staff.
- In addition to numerous street and sidewalk improvement projects, the City completed 76,693 square feet of road reconstruction improvement, along with additional chip seals and slurry seal treatments.
- The Community and Economic Development Department continues implementation of its master plans, including the Fort Union Boulevard Master Plan, Bicycle and Trails Master Plan, and Wasatch Boulevard Master Plan. Subsequent to the adoption of these plans, the city has seen multiple rezones and development applications along the Fort Union Boulevard area and additional reinvestment in the corridor through the redevelopment of various underutilized properties. Additionally, bicycle lanes and facilities have been included in most of the city’s recent road projects and new developments and multiple grants have been awarded for trail projects. Pending grant funding, the department is pursuing a comprehensive General Plan update to incorporate these various planning efforts into one updated and cohesive plan that accurately reflects the community’s values and vision for the future. Finally, the department has completed an affordable housing master plan, and has added sustainability planning as one of its core functions, including the hiring of an assistant planner/sustainability analyst.
- The City, in conjunction with Cottonwood Heights Parks and Recreation Service Area, will continued to promote successful community events enjoyed by residents of the city, including Butlerville Days, Easter Egg Hunt, Monster Mash, Bark in the Park and Movies in the Park as community health and wellness allows.
- During this fiscal year, the City produced “The Little Mermaid”; the community’s tenth theater production. During the holidays, “The Best Christmas Pageant Ever” was also performed. Arts grant revenues and ticket sales paid the entirety of

COTTONWOOD HEIGHTS MANAGEMENT'S DISCUSSION AND ANALYSIS

production costs, thereby allowing the arts council funding to be used for additional arts programs such as contests for drawing, painting and photography competitions.

- The City continues to publish a monthly newsletter that is mailed to over 10,000 households in the city and businesses to improve communications with residents. In addition, the City is working to refine its website to better facilitate interaction with constituents, as well as foster better use of social media including Twitter and Facebook.
- The Cottonwood Heights Business Association was formally started in 2015. It has continued to offer a business development program, an economic development banner and business outreach programs through networking events such as luncheons, open houses, ribbon cuttings and business spotlights.
- The Community and Economic Development Department has created and continues to offer business assistance by hosting training sessions for business owners in the city and has been streamlining business licensing processes while creating connections with new business owners.
- Cottonwood Heights maintains a very strong AA+ bond rating from Standard & Poor's. This strong rating enabled the City to secure low interest rates on bonds issued during the year to finance the completion of the public works facilities.
- The Utah Taxpayers Association ranks Utah's largest 50 cities based on the amount of citizen income is paid in municipal taxes. The city has consistently scored well in these annual rankings.
- The City has been the recipient of the Distinguished Budget Presentation Award from the Government Finance Officers Association for excellence in budgeting, for budgets years 2008 - 2020. This award is the highest form of recognition in governmental budgeting.
- The Finance and Administration Department received the Certificate of Achievement for Excellence in Financial Reporting for the fiscal year ended June 30, 2019. This is the eighth consecutive year this award has been earned by the Finance Department. This certificate is the highest form of recognition in governmental accounting and financial reporting for completion of the comprehensive annual financial report. The City has received this recognition each year it has compiled a CAFR and submitted it for examination. The Finance and Administration Department also has been the recipient of the Award for Outstanding Achievement in Popular Annual Financial Reporting for the fiscal year ended June 30, 2019. This award is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports. This is the sixth year the City has received this award.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to Cottonwood Heights' basic financial statements which consist of four components: 1) government-wide financial statements, 2) fund financial statements, 3) notes to the financial statements and 4) supplementary information.

COTTONWOOD HEIGHTS
MANAGEMENT'S DISCUSSION AND ANALYSIS

Government-wide financial statements (defined)

The government-wide financial statements are designed to provide readers with a broad overview of Cottonwood Heights' finances, in a manner similar to a private-sector business.

- ***The statement of net position*** presents information on all of Cottonwood Heights' assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of Cottonwood Heights is improving or deteriorating. However, the reader also will need to consider other non-financial factors.
- ***The statement of activities*** presents information showing how the City's net position changed during the fiscal year reported. All changes in net position are reported as soon as the underlying event occurs, regardless of the timing of related cash flows. Thus, all of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

The government-wide financial statements distinguish functions of Cottonwood Heights 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**). **Cottonwood Heights currently has no business-type activities.**

Fund financial statements (defined)

A statement of revenue, expenditures and changes in fund balance by fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. Cottonwood Heights also uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of a municipality are divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Cottonwood Heights currently has four major governmental funds (as determined by generally accepted accounting principles), the General Fund, the Debt Service Fund, Community Development Renewal Agency Fund and the Capital Projects Fund. ***Cottonwood Heights currently has no Proprietary or Fiduciary Funds.***

- ***Governmental funds*** – These funds are used to account for the same functions reported as governmental activities in the government-wide financial statements. Their fund statements focus on how money flows into and out of these funds and the balances left at year end that are available for future appropriation. The funds are reported using a modified accrual accounting method, which measures cash and other financial assets that can be readily converted to cash. Governmental fund information helps users determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in a reconciliation included with the fund financial statements.

**COTTONWOOD HEIGHTS
MANAGEMENT’S DISCUSSION AND ANALYSIS**

Notes to the financial statements

The notes provide additional information that is essential to an understanding of the information provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 38-65 of this report.

CITY’S GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government’s financial position. In the case of Cottonwood Heights, assets exceeded liabilities by \$52,781,054 at the close of fiscal year ended June 30, 2020. The following table provides a comparison of the City’s net position year over year:

Cottonwood Heights Net Position As of June 30th Governmental Activities		
	2020	2019
Current and other assets	13,069,513	11,788,381
Capital assets	62,469,555	64,845,203
Total assets	75,539,068	76,633,584
Deferred Pension Contributions	1,560,438	2,533,174
Total deferred outflow of resources	1,560,438	2,533,174
Total assets and deferred outflows	77,099,506	79,166,758
Current and other liabilities	1,612,753	2,078,872
Long-term liabilities outstanding	21,353,884	24,084,943
Total liabilities	22,966,637	26,163,815
Deferred uncollected property taxes	196,009	176,346
Deferred property tax revenue	299,674	373,517
Deferred pension inflows	856,132	127,659
Total deferred inflows of resources	1,351,815	677,522
Net position:		
Net investment in capital assets	43,754,779	45,006,848
Restricted	1,146,413	1,089,772
Unrestricted	7,879,862	6,228,800
Total net position	52,781,054	52,325,420

Assets

The largest portion of Cottonwood Heights’ net position, \$43,754,779, reflects investment in capital assets (e.g., land, buildings, roads and infrastructure assets) net of related debt (if any). The City uses these capital assets to provide services to the citizens; consequently, these assets are not available for future spending. Although the City’s investment in its capital assets is

COTTONWOOD HEIGHTS
MANAGEMENT’S DISCUSSION AND ANALYSIS

reported net of any related debt and depreciation, it should be noted that the resources needed to repay any debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate liabilities.

In addition to the net capital assets mentioned above, the City has restricted and unrestricted assets. The restricted balance of \$1,146,413 includes \$921,676 restricted for the payment of bond debt, along with unspent impact fee funds of \$224,737 which reduces the City’s unrestricted net position. The remaining balance is unrestricted net position totaling \$7,879,862 which may be used to meet the City’s ongoing obligations and objectives by fund type.

Liabilities

In fiscal years 2015 and 2016, the City issued Sales Tax Revenue bonds for the construction of the City’s Municipal Center and for the property to operate the City’s new public works facilities. The fiscal 2020 year-end total principal balances on all sales tax bonds is \$15,290,000 with accrued interest of \$323,325.

The City has capital leases for the purchase of vehicles for both public safety and public works purposes with total principal balances totaling \$3,424,776 as of June 30, 2020. The principal balance of the public safety vehicles portion is \$1,484,827. Cottonwood Heights regularly deploys public safety vehicles with a two-year lease, which includes a guaranteed buy-back with the original dealership. At the end of the two-year lease purchase, the dealer repurchases the vehicles for a previously agreed amount, usually clearing the remaining balance of the lease obligation in full.

The City entered into two capital leases for the public works equipment to be used for snow removal, street repair, and infrastructure maintenance. The principal balance of these two leases as of June 30, 2020 is \$1,939,949. Upon the maturation of the lease, the City will own the related public works equipment. The lease terms range from seven to 10 years. Further details about the City’s long-term debt can be found in the Notes to the Financial Statements, note 3F on page 52.

The City’s government-wide financial statements can be found on pages 28-29 of this report.

Governmental activities analysis

As reported above, governmental activities increased the City’s net position by \$455,634 resulting in a total net position of \$52,781,054. The table below provides a yearly comparative analysis of revenues and summary departmental expenses for all governmental activities and the net change in position. This information is the annual information presented in the Statement of Activities in the basic financial statements.

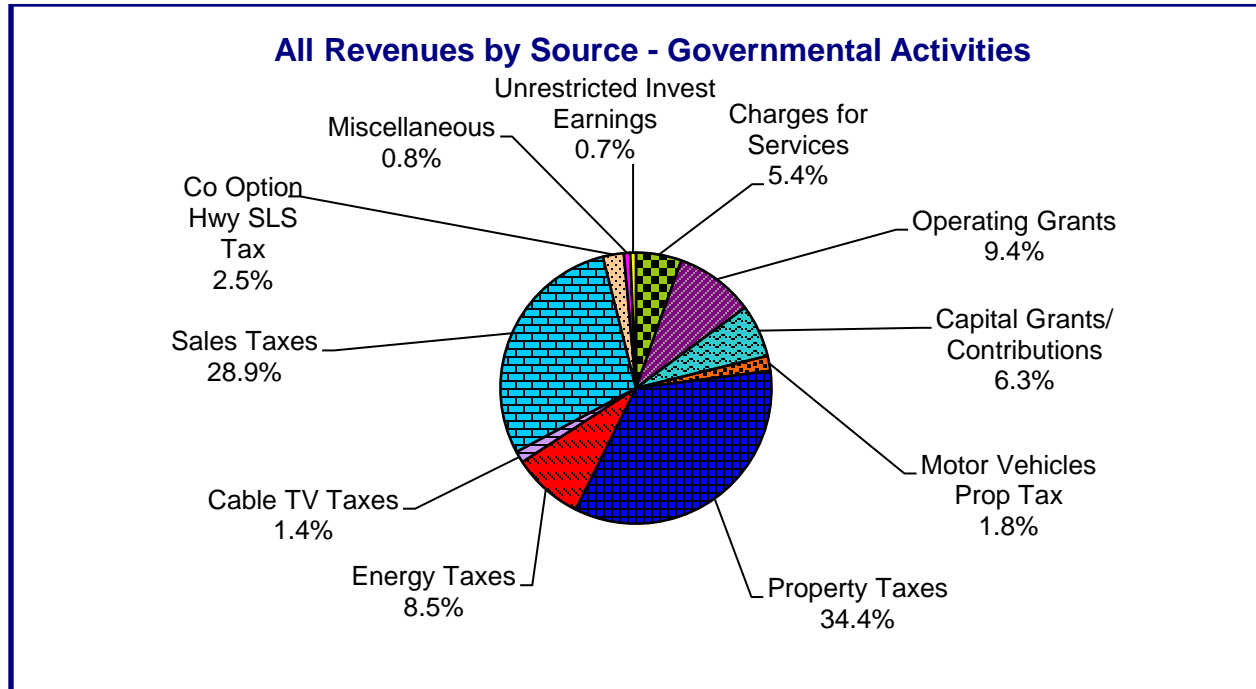
COTTONWOOD HEIGHTS
MANAGEMENT'S DISCUSSION AND ANALYSIS

**Cottonwood Heights
Changes in Net Position**

Governmental Activities		
	FY 2020	FY 2019
Revenues:		
Program revenues:		
Charges for services	1,277,593	1,400,005
Operating grants/contrib	2,213,878	1,417,229
Capital grants/contrib	1,479,585	8,456,439
Total program revenues	4,971,056	11,273,673
General revenues:		
Property taxes	8,483,123	8,326,448
Sales & hotel taxes	6,773,240	6,395,262
Opt Hwy/Trans Sales Tax	586,066	-
Municipal energy taxes	1,989,725	1,993,681
Franchise taxes	323,830	325,048
Unrestricted invest earn	159,277	233,574
Other – Gain (Loss) on surplus	-	508,094
Other – Miscellaneous	176,727	202,772
Total general revenues	18,491,988	17,984,879
Total revenues	23,463,044	29,258,552
Expenses:		
General government	3,798,508	3,893,596
Public safety	11,089,234	10,547,363
Highways-public imprv	4,997,859	5,770,220
Comm & econ dev	2,436,609	7,148,623
Interest long-term debt	685,201	340,990
Total expenses	23,007,410	27,700,792
Change in net position	455,634	1,557,760
Net position – beginning	52,325,420	50,767,659
Net position – ending	52,781,054	52,325,420

As can be seen from the following pie chart, the majority of funding for City programs does not come from program revenues but is made up from allocated general revenues such as Property Tax and Sales Tax revenues. The graphic shows all revenue sources collected by the City during the fiscal 2020 year.

COTTONWOOD HEIGHTS
MANAGEMENT'S DISCUSSION AND ANALYSIS

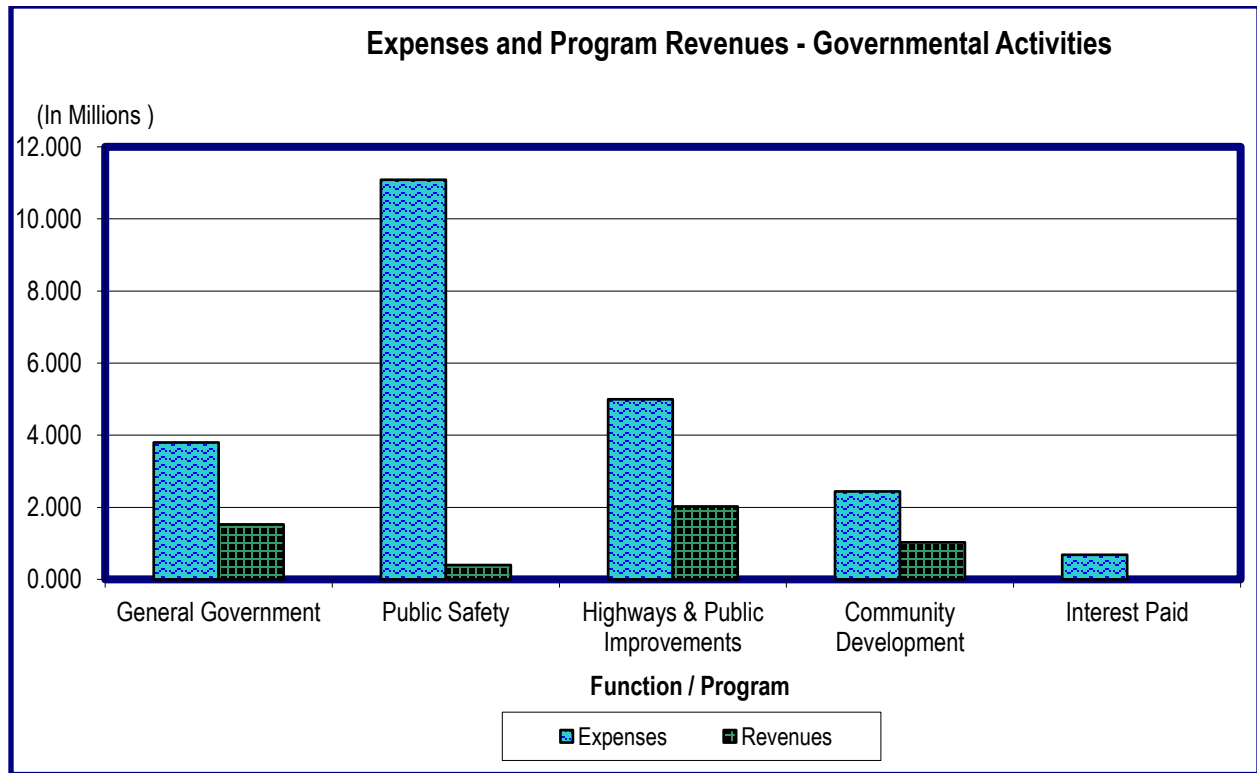


Current year revenue sources were from:

\$8,065,928	Property Tax revenues (34.4%)
\$ 417,195	Motor Vehicle Fee In-Lieu (1.8%)
\$6,773,240	Sales and Transient Room Taxes (28.9%)
\$1,989,725	Municipal Energy Use Taxes (8.5%)
\$ 323,830	Cable TV Franchise tax (1.4%)
\$1,417,229	Operational Grants (9.4%) (Class C road funds (55.2% of category), State Liquor tax, and CDBG funds)
\$2,213,878	Charges for Service (Licenses, Permits and Court fines) (5.4%)
\$1,479,585	Capital Grants for major road projects, trail and park improvements, additional impact fees and local grants (6.3%). This includes both a grant that was received from Salt Lake County from funds allocated by the state Legislature for significant road projects and various additional road grants. Half of this revenue was in the form of a loan to the Community Development Renewal Agency project, to be repaid by the CDRA revenues over 23 years when the project starts generating tax increment. These types of grants are specific and awarded based on the merit of the application submitted. Because they are project specific, they have little effect on the basic operational functions of the City.
\$ 159,277	Investment interest earnings and miscellaneous (0.7%)
\$ 176,727	Miscellaneous Revenues (0.8%)

The following is a graphic presentation of the City's program revenues and corresponding expenses, including calculated annual depreciation on capital assets. (Note: See Statement of Activities on page 29 for detail data.)

COTTONWOOD HEIGHTS
MANAGEMENT’S DISCUSSION AND ANALYSIS



General Government – The General Government revenue is from charges for services (business licensing and permits and inspections). Expenses are for general governmental operations and overhead from various activities including Legislative, Judicial, Executive and Administrative.

Public Safety – Public Safety revenues \$339,656 from the City’s share of court fines (revenue from citations). Expenses are for Police, Fire, Animal Services and related public safety functions. (Note: Related Court expenses are \$359,929, netting \$20,273 in expenditures, which is equal to 0.18 percent of the Police Department budgeted expenses.)

Highway and Public Improvements – The revenue for Highway and Public Improvements is primarily from Class C Road Funds allocated to the City from the state assessed tax on gasoline sales. Approximately 27.8 percent of the expenses shown for Highways and Public Improvements is attributable to current period depreciation of the City’s infrastructure assets. The balance is for road, sidewalk, storm drain and other infrastructure.

Community Development – Regular revenues come from additional charges for services related to planning and zoning functions and expenses are also directly related to these services. This year there was a large contribution from Salt Lake County to the Community Development Renewal Agency project area, utilized to reimburse development of an approved parking structure.

Interest Paid – \$685,201 interest expense was incurred on outstanding debt.

COTTONWOOD HEIGHTS
MANAGEMENT’S DISCUSSION AND ANALYSIS

CITY’S FUND FINANCIAL STATEMENTS ANALYSIS

As noted earlier, Cottonwood Heights uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements and to track and control financial resources received and expended.

Governmental Funds Analysis

The focus of the City’s governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City’s financing requirements. In particular, unrestricted fund balance may serve as a useful measure of a government’s net resources available for appropriation at the end of the fiscal year.

Governmental fund balance is reported in three major categories resulting in five separate direct categories: Non-spendable, Restricted, Unrestricted (which can be shown as Committed, Assigned and Unassigned). Non-spendable fund balance includes amounts that cannot be spent for legal or practical reasons. Examples include long-term notes receivable, inventory and prepaid expenditures. Restricted fund balance includes amounts restricted to specific purposes by external parties such as amounts restricted for debt service. Committed fund balance includes amounts that have been set aside by the City Council by formal action for a specific purpose prior to the end of the fiscal year being reported. Assigned fund balance includes amounts that have been set aside for intended use by designated officials, governmental body or City Council without formal action. Unassigned fund balance includes all remaining amounts.

At the end of this fiscal year, Cottonwood Heights’ governmental funds reported combined ending fund balances of \$11,284,401 after 15½ years of operation, an increase of \$1,796,181 from the prior year. The increase in fund balance compared to the prior year is attributable primarily to wages and benefits expenditures were below budget by \$323,097 operational expenses below budget by \$326,066, budgeted Capital Projects still in progress of \$2,391,444. Of the total fund balance of \$11,284,402, \$86,936 is non-spendable and represents prepaid expenditures for fiscal year 2021 events, \$921,676 is restricted as Bond Debt Service Funds in Trust, \$224,737 are Impact Fee funds and the remaining \$10,051,053 is unrestricted funds, of which \$513,628 is assigned to fund accrued and vested paid time off, \$2,691,639 is assigned as Capital Project funds and allocated to various specific projects, \$1,965,752 is assigned as Community Development Renewal Agency funds and \$4,879,661 is the remaining unassigned portion of the unrestricted balance in the General Fund.

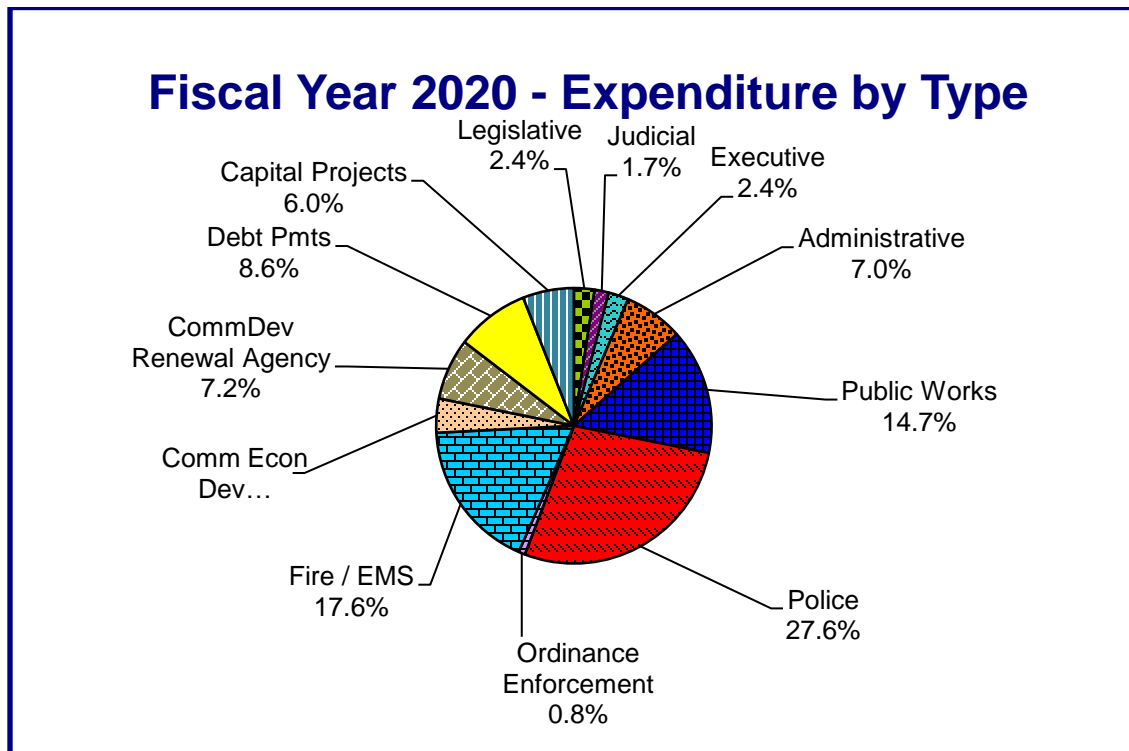
- The **General Fund** is the chief operating fund of the City. As of June 30, 2020, the General Fund had a fund balance of \$5,480,225, of which \$86,936 is restricted for prepaid expenditures and is non-spendable. Unrestricted fund balance totals \$5,393,288 of which \$513,628 is assigned to fund accrued and vested paid time off and \$4,879,661 is classified as unassigned. A useful measure of liquidity is to compare the unrestricted fund balance and the total fund balance to expenditures (including transfers out) for the year. The unrestricted fund balance is 26.1 percent of total expenditures and transfers. The City ordinance chapter 2.150.11 as adopted by the City Council requires a desired target minimum fund balance of 6.0 percent of annual general fund revenues. State law requires a 5 percent minimum balance for restricted use as defined by state statute. State

COTTONWOOD HEIGHTS
MANAGEMENT’S DISCUSSION AND ANALYSIS

law also requires appropriation of any general fund balance in excess of the 25.0 percent maximum allowed. Currently, the calculated 6.0 percent minimum fund balance is \$1,199,153 and the remaining unassigned balance is \$3,680,507.

- Another governmental fund is the **Capital Projects Fund**. This fund is specifically used to budget capital improvements. As of June 30, 2020, the fund balance was \$3,838,051, of which \$921,676 is restricted for debt service related to the issuance of the 2014 and 2016 sales tax bonds and \$224,737 is restricted for Impact Fees charged on development projects. For specific details, see supplementary Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Capital Projects Fund on page 73.
- The **Community Development Renewal Agency (CDRA) Fund** has been established to provide a funding mechanism to participate in developments with approved projects that provide a needed public purpose. The current unrestricted fund balance of \$1,965,752 is the result of a contribution from Salt Lake County redevelopment agency (RDA) funds collected within the boundaries of Cottonwood Heights prior to the City’s incorporation. For specific details see Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Community Development Renewal Agency on page 35.

The following pie chart further details Cottonwood Heights’ expenses at a detailed activity level. This chart does not include annual depreciation on capital assets. (See Governmental Funds statement on page 32 for expenses without depreciation.)



COTTONWOOD HEIGHTS
MANAGEMENT’S DISCUSSION AND ANALYSIS

General Government – includes the activities of Legislative (\$523,656), Judicial (\$359,929), Executive (\$512,884) and Administrative (\$1,511,352) functions.

Public Safety – includes the activities of Police (\$5,985,975), Ordinance Enforcement (\$166,371) and Fire/EMS (\$3,818,822).

Highways and Public Improvements – includes the activities of Public Works (\$3,195,133) function which includes road maintenance, snow removal, signage, and park maintenance.

Community and Economic Development – includes the activities of Engineering, Economic Development and Planning (\$865,396).

Capital Projects Fund – includes all Capital Improvement Projects (\$1,299,715), including road paving and repairs, and purchases of capital equipment; ie: Public Safety vehicles.

Community Development Renewal Agency – includes activities that are funded for community renewal primarily through property tax increment (\$1,564,181).

The City’s basic governmental funds financial statements can be found on pages 28-35 of this report.

GENERAL FUND 2020 BUDGET AMENDMENTS

Original budget compared to final budget

During the fiscal year, the general fund’s original budgeted expenditures increased by \$201,454 from \$17,387,229 to \$17,588,682 as shown in the detail below. See also the Statement of Revenues, Expenditures and Changes in Fund Balance – Budgeted and Actual on page 34.

Several factors created the need to amend the budget. We increased our Mayor and City Council budget by \$5,000 to cover increased cost of bussing in the canyons during winter. We increased the Legislative Committees by \$62,075 for: \$16,995 for Arts Council related grants, \$1,500 for Historic Committee related grants, \$41,750 for Butlerville days as we moved revenue from a direct offset to expenses to actual revenue, and for the Arts Council an additional \$1,830 for a contribution. We decreased our Elections budget by \$20,000 as an expected referendum did not occur.

The Police budget was adjusted by a total of \$154,378 which includes \$80,000 for School Resource officer to the Canyons School District that was unbudgeted, \$14,000 for additional crossing guards needed, \$12,751 for Grants received, \$28,945 for Overtime reimbursement, \$17,457 for Contributions received, and \$1,225 for repurposing revenue from the sale of evidence which is all offset by additional revenues received.

The changes in the fiscal year 2020 budget in individual departmental appropriations were covered through a combination of using previously accrued resources (fund balance) or

COTTONWOOD HEIGHTS
MANAGEMENT’S DISCUSSION AND ANALYSIS

identifying new revenues. The chart below outlines both revenue and expenditure changes made during the fiscal year.

Revenue and Other Sources of Funds were amended for the following:

State Grants	\$628,696
Local Grants	99,262
Other Miscellaneous Revenues	75,000
Total change in budgeted Revenues and Other Sources of Funds	\$802,958

General Government Department:

Mayor & City Council	\$ 5,000
Legislative Committees and Events	62,075
Elections	(20,000)

Public Safety:

Police	154,378
--------	---------

Transfers Out

Transfer to Capital Improvements Funds	600,000
--	---------

Total Change in Departmental Budgets

\$201,453

Net additional use of fund balance

\$566,313

Final budget compared to actual results

Overall, general fund revenues collected were \$1,111,275 more than budgeted. The most significant contributing revenues to this difference were in sales taxes, and federal grants in which collections were, respectively, \$369,169 and \$721,517 higher than budgeted. Most of the unbudgeted federal grants came from the CARES funds to help with COVID-19 associated expenditures.

Actual expenditures during this fiscal year in the General Fund departments were all less than the amended budget appropriation in all departments except for Public Works which was \$31,321 over budget. As noted above, the City’s Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund can be found on page 34 of this report.

COTTONWOOD HEIGHTS
MANAGEMENT’S DISCUSSION AND ANALYSIS

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets

Cottonwood Heights’ investment in capital assets for its governmental activities as of June 30, 2020, amounted to \$43,754,779 (net of related debt and depreciation). This investment in capital assets includes land right-of-way, roads, bridges, parkways (improvements other than buildings), storm drains, land (not road rights-of-way), buildings, equipment and vehicles, net of capital leases.

Cottonwood Heights’ Capital Assets
(Net of related debt)

Governmental Activities		
	FY 2020	FY 2019
Equipment	\$ 715,491	\$ 940,158
Vehicles	2,191,676	3,438,706
Buildings	12,816,685	13,203,297
Land (non-infrastructure)	9,262,154	9,262,154
Infrastructure - Roads	4,568,627	4,897,726
Infrastructure - Bridges	414,776	442,660
Infrastructure - Parkway	6,647,173	6,931,502
Infrastructure - Storm Drains	1,890,506	1,766,531
Infrastructure - Land	23,962,467	23,962,467
Total (net of depreciation)	62,469,554	64,845,201
Less Debt (net of funds in trust)	(18,714,776)	(19,838,354)
Total Capital Assets (net of related debt)	\$ 43,754,777	\$ 45,006,846

Capital asset additions during this fiscal year included the following for a total increase of \$924,600 (see note 3D – Capital Assets):

- \$ 362,851 in infrastructure from road overlay and construction projects
- \$ 172,761 in storm drain repair and installations
- \$ 335,026 in parkway beautification and improvements including crosswalks,
cross-gutters, street lighting
- \$ 21,575 in new equipment
- \$ 32,386 in public safety vehicle purchases

Additional information on assets of the City can be found in the Notes 3D Capital Assets on page 51 of this report.

COTTONWOOD HEIGHTS
MANAGEMENT'S DISCUSSION AND ANALYSIS

Long-term debt

As of June 30, 2020, the City had \$19,653,746 in governmental long-term debt. \$3,424,776 of the long-term debt is a capital lease to fund the purchase of department vehicles. A portion of the vehicles have a fixed buy-back price after two years. Additionally, \$15,290,000 of the governmental long-term debt is related to Sales Tax Revenue Bonds issued to construct the City's Municipal Center and the Public Works facility, along with the unamortized bond premium of \$938,970. These bonds are payable over the next 19 years. The principal payment of \$490,000 was due in July 2019, along with \$328,575 of interest. The second semi-annual payment, \$323,325 interest only, was due January 1, 2020.

Additional information on the outstanding debt obligations of the City can be found in the Notes 3F Long-Term Debt on pages 52-54 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND TAX RATE

- Cottonwood Heights' adopted tax rate for the 2020-21 budget year is .001898. This is the Certified Tax rate calculation defined by the state Legislature. The locally assessed taxable valuation in Cottonwood Heights is \$4,133,233,288, including \$34,057,122 of new growth in valuation. The adopted tax rate should yield approximately \$7,909,517 in 2020 property tax revenue for the coming 2021 fiscal year.
- Sales tax collections in the State of Utah have strengthened and will help contribute support to the City's budget in fiscal year 2021. The original budgeted amount of Sales taxes for fiscal year 2021 is \$5,750,000. This compares to actual total sales tax revenue of \$6,341,451 in fiscal 2020. We initially thought there would be some slowing in sales tax collections due to COVID-19. However, this has not been the case. We are on track to receive more than we did in FY2020 and plan to adjust the budget for this revenue in the future. The City continues to budget sales taxes conservatively as a hedge against any future reversals in the economy. Actual results for the past 4 years have shown year over year increases of 3.31 percent to 5.96 percent. Initial results in the first few months for FY 2021 have shown continued growth sales taxes.
- At the time of preparing the fiscal year 2021 budget, Class C Road Funds budgeted at \$1,210,000, which is approximately a 6.2 percent decrease over the prior year actual.
- Increasing costs for materials and labor continue to put financial pressure on the City budget. Natural revenue increases do not keep pace with increasing costs. This is particularly true for infrastructure maintenance and repairs. It will be necessary in the coming years to find additional sources of revenue to properly deliver services and maintain infrastructure.
- Capital Project Funds are allocated to specific projects that may or may not be expended in the fiscal year. Presently, \$1,730,614 of local government grant revenues budgeted in FY 2020 will be re-budgeted in the current year. Of the Capital Project Fund Balance as of June 30, 2020, \$2,391,444 represents a total of carry forward projects that were re-budgeted on November 17, 2020.

COTTONWOOD HEIGHTS
MANAGEMENT'S DISCUSSION AND ANALYSIS

- The ending fund balance in the Capital Projects Fund from the fiscal year 2020 is \$3,838,051 inclusive of \$921,676 of bond funds held in trust and \$224,737 is reserved impact fees collected in through fiscal year 2020, resulting in \$2,691,639 in unrestricted assigned funds.
- The City uses a brokerage service to negotiate the best rates possible for health coverage. In addition, the City offers a Qualified High Deductible Health Plan along with a Health Savings Account (HSA) in an effort to reduce the escalating increases in health insurance premiums.
- As mandated by the Utah State Legislature, the City will contribute retirement contributions for employees in the Tier I system at the rates approved. There was no overall rate change for the 2021 fiscal year. The City does contribute through the Utah Retirement Systems on behalf of employees who had previously retired from a government position prior to employment with Cottonwood Heights (so-called post-retired employees) prior to July 1, 2010. The City will continue to provide a 401k a contribution equal to the contributions for those City employees as defined by their individual contracts: 11.86 percent for post retired from the public employee system and 25.49 percent for post retired from the public safety employee system.
- As mandated by the Utah State Legislature, the City will also contribute retirement contributions for employees in the Tier II system at the rates approved. There was no overall rate change for non-public safety employees. The stated rates include all required employer contributions, including 401k contributions.
 - All new hires, after July 1, 2011, who were not previously employed with a participating employer and therefore a participant in the Tier I system will be enrolled in the Tier II retirement system.
 - The City has recently chosen to contribute an additional amount of 401k contributions to all Tier II employees, to equalize overall Tier II contributions with contributions made for Tier I employees, but not to exceed 10 percent extra.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of Cottonwood Heights' finances. Questions concerning any information provided in this report or a request for additional financial information should be addressed to: Cottonwood Heights, attn: David Muir, City Treasurer/ Financial Reporting Manager, 2277 Bengal Blvd., Cottonwood Heights, UT 84121.

BASIC FINANCIAL STATEMENTS

Cottonwood Heights, Utah
Statement of Net Position
June 30, 2020

	Primary Government
	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 9,255,955
Receivables (net of allowances)	2,580,210
Prepays	86,936
Restricted Cash and cash equivalents	1,146,412
Capital assets not being depreciated:	
Land and rights of way	33,224,621
Capital assets, net of accumulated depreciation:	
Buildings and systems	12,816,685
Improvements other than buildings	715,491
Vehicles	2,191,676
Infrastructure	13,521,082
Total assets	75,539,069
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Pension	1,560,438
Total deferred outflows of resources	1,560,438
LIABILITIES	
Accounts payable and other current liabilities	263,798
Accrued liabilities	1,164,217
Nonspendable collections	184,738
Non-current liabilities:	
Due within one year	2,252,941
Due in more than one year	17,400,805
Net pension liability	1,700,138
Total liabilities	22,966,638
DEFERRED INFLOWS OF RESOURCES	
Deferred uncollected property tax revenue	196,009
Deferred property tax revenue	299,674
Deferred pension inflows	856,132
Total deferred inflows of resources	1,351,815
NET POSITION	
Net Investment in capital assets	43,754,779
Restricted for:	
Bond Debt Service	921,676
Impact Fees	224,737
Unrestricted	7,879,862
Total net position	\$ 52,781,054

The notes to the financial statements are an integral part of this statement.

Cottonwood Heights, Utah
Statement of Activities
For the Year Ended June 30, 2020

Function / Programs	Expenses	Program Revenues		Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position in Net Position Primary Government Governmental Activities Total
		Charges for Services	Operating Grants and Contributions		
Primary Government					
Governmental activities					
General Government	\$ 3,798,508	\$ 642,630	\$ 883,151	\$ -	\$ (2,272,727)
Public Safety	11,089,234	359,276	40,689	-	(10,689,269)
Highways and Public Improvements	4,997,859	-	1,290,038	729,585	(2,978,236)
Community and Economic Development	2,436,609	275,687	-	750,000	(1,410,922)
Interest on Long-term Debt (net of premium)	685,201	-	-	-	(685,201)
Total governmental activities	\$ 23,007,411	\$ 1,277,593	\$ 2,213,878	\$ 1,479,585	(18,036,355)
General Revenues:					
Property Tax					8,065,928
Sales Taxes					6,773,240
Opt Hwy/Trans SLS Tax					586,066
Municipal Energy Taxes					1,989,725
Motor Vehicle Fee-In-Lieu (of property taxes)					417,195
Franchise Tax					323,830
Unrestricted Investment Earnings					159,277
Miscellaneous					176,727
Total general revenues and transfers					18,491,989
Changes in net position					455,634
Net position - beginning					52,325,420
Net position - ending					\$ 52,781,054

The notes to the financial statements are an integral part of this statement.

Cottonwood Heights, Utah
Balance Sheet
Governmental Funds
June 30, 2020

	General Fund	Capital Projects Fund	Debt Service Fund	Community Dev Renewal Agency Fund	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	\$ 4,598,190	\$ 2,691,639	\$ 374	\$ 1,965,752	\$ 9,255,955
Accounts Receivables (net)	2,580,210	-	-	-	2,580,210
Prepays	86,936	-	-	-	86,936
Restricted Cash and Cash Equivalents	-	1,146,412	-	-	1,146,412
Total assets	7,265,336	3,838,051	374	1,965,752	13,069,513
LIABILITIES AND FUND BALANCES					
LIABILITIES:					
Accounts Payable	263,798	-	-	-	263,798
Accrued Liabilities	840,192	-	-	-	840,192
Nonspendable Collections	185,438	-	-	-	185,438
Total liabilities	1,289,429	-	-	-	1,289,429
DEFERRED INFLOWS OF RESOURCES:					
Deferred Uncollected Property Tax Revenue	196,009	-	-	-	196,009
Deferred Property Tax Revenue	299,674	-	-	-	299,674
Total deferred inflows of resources	495,683	-	-	-	495,683
FUND BALANCES:					
Nonspendable:					
Prepays	86,936	-	-	-	86,936
Restricted for:					
Debt Service Related Funds	-	921,676	-	-	921,676
Unearned Revenues	-	-	-	204,832	204,832
Impact Fees	-	224,737	-	-	224,737
Unrestricted:					
Assigned:					
PTO Vested	513,628	-	-	-	513,628
Capital Improvement	-	2,691,639	-	-	2,691,639
Debt Service	-	-	374	-	374
Community Development Renewal Agency	-	-	-	1,760,921	1,760,921
Unassigned:					
General Fund	4,879,661	-	-	-	4,879,661
Total fund balances	5,480,224	3,838,051	374	1,965,752	11,284,402
Total liabilities, deferred inflows of resources and fund balances	\$ 7,265,336	\$ 3,838,051	\$ 374	\$ 1,965,752	\$ 13,069,513

The notes to the financial statements are an integral part of this statement.

Cottonwood Heights, Utah
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2020

Total fund balances - governmental fund types:	\$	11,284,402
<p>Amounts reported for governmental activities in the Statement of Net Position are different because:</p>		
Capital assets used in governmental activities are not financial resources; therefore, they are not reported in the funds.		62,469,555
Long-term liabilities, including bonds payable and accrued bond interest, are not due and payable in the current period and, therefore are not reported in the funds.		(19,977,071)
Net pension liabilities and assets are not available resources and, therefore are not reported in the funds.		(995,832)
Net position of governmental activities	\$	<u>52,781,054</u>

The notes to the financial statements are an integral part of this statement.

Cottonwood Heights, Utah
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2020

	General Fund	Capital Projects Fund	Debt Service Fund	Community Dev Renewal Agency Fund	Total Governmental Funds
REVENUES					
Taxes:					
Property	\$ 7,985,162	\$ -	\$ -	\$ 80,766	\$ 8,065,928
Sales	6,719,169	-	-	-	6,719,169
Opt Hwy/Trans SLS Tax	586,066	-	-	-	586,066
Municipal Energy	1,989,725	-	-	-	1,989,725
Motor Vehicle Fee-in-lieu (prop. tax)	417,195	-	-	-	417,195
Franchise - Cable TV	323,830	-	-	-	323,830
Transient Room	54,071	-	-	-	54,071
Licenses and Permits	642,630	-	-	-	642,630
Intergovernmental:					
Federal Grant	721,517	-	-	-	721,517
State Grants	57,084	-	-	-	57,084
State Class C Roads	1,290,038	-	-	-	1,290,038
State Liquor Fund Allotment	40,689	-	-	-	40,689
Local Grants	104,550	589,536	-	-	694,086
Impact Fees	-	140,049	-	-	140,049
Charges for Services	275,687	-	-	-	275,687
Fines and Forfeitures	359,276	-	-	-	359,276
Investment Earnings	89,421	35,816	-	34,040	159,277
Miscellaneous	176,727	-	-	-	176,727
Total revenues	21,832,838	765,400	-	114,806	22,713,044
EXPENDITURES					
Current:					
General Government	3,349,704	-	-	-	3,349,704
Public Safety	9,917,207	-	-	-	9,917,207
Highways and Public Improvements	2,753,251	429,076	-	-	3,182,327
Community and Economic Development	865,396	-	-	1,564,181	2,429,577
Debt Service:					
Principal	-	-	1,123,578	-	1,123,578
Interest	-	-	739,870	-	739,870
Capital Outlay:					
General Government	-	-	-	-	-
Public Safety	53,961	-	-	-	53,961
Highways and Public Improvements	-	870,639	-	-	870,639
Community and Economic Development	-	-	-	-	-
Total expenditures	16,939,519	1,299,715	1,863,448	1,564,181	21,666,863
Excess (deficiency) of revenues over (under) expenditures	4,893,319	(534,315)	(1,863,448)	(1,449,375)	1,046,181
OTHER FINANCING SOURCES (USES)					
Sources:					
Issuance of Sales Tax Revenue Bonds	-	-	-	-	-
Issuance of Lease Funds	-	-	-	-	-
Loans-County Prefunding CDRA	-	-	-	750,000	750,000
Transfers In	-	1,832,762	1,863,822	-	3,696,584
Sales of Capital Assets	-	-	-	-	-
(Uses):					
Transfers Out	(3,696,584)	-	-	-	(3,696,584)
Total other financing sources (uses)	(3,696,584)	1,832,762	1,863,822	750,000	750,000
Net change in fund balances	1,196,735	1,298,447	374	(699,375)	1,796,181
Fund balance - beginning of year	4,283,489	2,539,603	-	2,665,128	9,488,220
Fund balance - end of year	\$ 5,480,225	\$ 3,838,051	\$ 374	\$ 1,965,753	11,284,401

The notes to the financial statements are an integral part of this statement.

Cottonwood Heights, Utah
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, 2020

Net changes in fund balances - total governmental funds \$ 1,796,181

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlays	924,600
Depreciation	(3,300,246)

Proceeds from bonds and capital leases provide current financial resources to governmental funds by issuing debt which increases long-term liabilities in the Statement of Net Position. Repayments of bond and capital lease principal are expenditures in the governmental fund, but reduce liabilities in the Statement of Net Position:

Principal payments on bonded debt	475,000	
Principal payments on capital lease	<u>648,578</u>	
Total principal payments		1,123,578

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds:

Pension Net Position Adjustment	(143,149)
Change in accrued interest	5,250
Amortization of bond premium	49,419

Change in net position of governmental activities	\$ 455,634
---	------------

The notes to the financial statements are an integral part of this statement.

Cottonwood Heights, Utah
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
General Fund
For the Year Ended June 30, 2020

	Budgeted Amounts		Fund Actuals	Variance with Final Budget
	Adopted Budget	Final Budget	(Budgetary Basis) (See Notes)	
REVENUES				
Taxes:				
Property	\$ 7,999,995	\$ 7,999,995	\$ 7,985,162	\$ (14,833)
Sales	6,350,000	6,350,000	6,719,169	369,169
Highway Transportation SIs Tax	-	600,000	586,066	(13,934)
Municipal Energy	2,050,000	2,050,000	1,989,725	(60,275)
Motor Vehicle Fee-in-lieu (prop. tax)	425,000	425,000	417,195	(7,805)
Franchise - Cable TV	325,000	325,000	323,830	(1,170)
Transient Room	35,000	35,000	54,071	19,071
Licenses and Permits	738,000	738,000	642,630	(95,370)
Intergovernmental:				
Federal Grant	-	-	721,517	721,517
State Grants	-	28,696	57,084	28,388
State Class C Roads	1,240,000	1,240,000	1,290,038	50,038
State Liquor Fund Allotment	50,000	50,000	40,689	(9,311)
Local Grants	-	94,500	104,550	10,050
Charges for Services	180,000	180,000	275,687	95,687
Fines and Forfeitures	420,000	420,000	359,276	(60,724)
Investment Earnings	20,000	20,000	89,421	69,421
Miscellaneous	83,000	162,762	176,727	13,965
Total revenues	19,915,995	20,718,953	21,832,838	1,113,885
EXPENDITURES				
Current:				
General Government	3,621,822	3,668,897	3,349,704	(319,193)
Public Safety	10,034,120	10,188,498	9,971,168	(217,330)
Highways and Public Improvements	2,721,930	2,721,930	2,753,251	31,321
Community and Economic Development	1,009,357	1,009,357	865,396	(143,961)
Total expenditures	17,387,229	17,588,682	16,939,519	(649,163)
Excess (deficiency) of revenues over (under) expenditures	2,528,766	3,130,271	4,893,319	1,763,048
OTHER FINANCING SOURCES (USES)				
(Uses):				
Transfers to Capital Improvement Fund	(1,232,762)	(1,832,762)	(1,832,762)	-
Transfers to Debt Service Fund	(1,863,822)	(1,863,822)	(1,863,822)	-
Total other financing sources (uses)	(3,096,584)	(3,696,584)	(3,696,584)	-
Net change in fund balances	\$ (567,818)	\$ (566,313)	1,196,735	\$ 1,763,048
Fund balance - beginning of year			4,283,489	
Fund balance - end of year			\$ 5,480,224	

The notes to the financial statements are an integral part of this statement.

Cottonwood Heights, Utah
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Community Development Renewal Agency
For the Year Ended June 30, 2020

	Budgeted Amounts		Fund Actuals	Variance with Final Budget
	Adopted Budget	Final Budget	(Budgetary Basis) (See Notes)	
REVENUES				
Taxes:				
Property Tax	\$ -	\$ -	\$ 80,766	\$ 80,766
Investment Earnings	10,000	10,000	34,040	24,040
Total revenues	10,000	10,000	114,806	104,806
EXPENDITURES				
Current:				
Community and Economic Development	25,000	1,631,758	1,564,181	(67,577)
Total expenditures	25,000	1,631,758	1,564,181	(67,577)
Excess (deficiency) of revenues over (under) expenditures	(15,000)	(1,621,758)	(1,449,375)	172,383
OTHER FINANCING SOURCES (USES)				
Sources/(Uses):				
Funding from Other Governments	-	750,000	750,000	-
Beginning Fund Balance Appropriated	1,840,000	871,758	-	(871,758)
Total other financing sources (uses)	\$ 1,840,000	\$ 1,621,758	750,000	\$ (871,758)
Net change in fund balances			(699,375)	
Fund balance - beginning of year			2,665,128	
Fund balance - end of year			\$ 1,965,753	

The notes to the financial statements are an integral part of this statement.

This page intentionally left blank

NOTES TO THE FINANCIAL STATEMENTS

COTTONWOOD HEIGHTS
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Cottonwood Heights (the City) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to local governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accounting and reporting framework and the more significant accounting policies for the City are discussed in subsequent subsections of this Note.

1A - FINANCIAL REPORTING ENTITY

Cottonwood Heights (the City), incorporated in 2005, is a political subdivision of the State of Utah. The City is governed by a City Council comprised of an elected mayor who serves as Chairman of the City Council and four elected City Council members. The City has determined that there are no separately administered organizations that are controlled by or are dependent upon the City. Control or dependence is determined on the basis of financial interdependence, selection of governing authority, designation of management ability to significantly influence operations and accountability for fiscal matters. Using these criteria, no potential component units are included in the City's financial statements. Blended component units, although legally separate entities are, in substance, part of the government's operations and data from these units are combined with the data of the primary government. The blended component units discussed below are included in the City's reporting entity because of the significance of their operational or financial relationships with the City.

The Community Development Renewal Agency (CDRA) was initiated by the City in 2017 and the governing board is the City's Mayor and Council. The financial statements of the CDRA are included in the accompanying financial statements as a blended component unit as a Special Revenue Fund.

The City's financial reporting entity comprises the following:

Primary Government:	Cottonwood Heights
Component Units:	None

The accounting policies of Cottonwood Heights, Utah, conform to generally accepted accounting principles applicable to governmental units. The following is a summary of the more significant of such policies.

1B - BASIS OF PRESENTATION

Government-wide Financial Statements:

Government-wide Statement of Net Position and Statement of Activities display information on all activities of the reporting government as a whole. Most effects of any inter-fund activities have been eliminated from these statements.

COTTONWOOD HEIGHTS
NOTES TO THE FINANCIAL STATEMENTS

The government-wide statements for the primary government are separated based on the predominance of the type of revenues that support them. Governmental activities are normally supported by taxes and intergovernmental revenues, while business type activities would receive a significant portion of revenues from fees and charges for services.

The statement of activities is presented to show the extent that program revenues of a given activity support direct expenditures of the function. Direct expenses are those that can clearly be associated with a particular activity or program. Program revenues include: (1) charges to customers or privileges provided by a given function and (2) grants and contributions that are restricted to meeting operational or capital requirements of a particular function. Other revenue sources that are not reported as program revenues are reported instead as general revenues.

Fund Financial Statements:

Financial statements of the reporting entity are organized into funds, each of which are considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditure/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. All funds of Cottonwood Heights are considered to be major funds.

Cottonwood Heights has the funds described below:

Governmental Funds:

General Fund

The General Fund is the primary operating fund of the City and always classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in other funds.

Debt Service Fund

The Debt Service Fund is used to account for accumulation of financial resources for the payment of principal and interest on the City's debt payments.

Capital Project Fund

The Capital Project Fund is used to account for resources restricted for the acquisition or construction of specific capital projects or items. The reporting entity includes only one Capital Project Fund and it is used to account for the acquisition of capital assets.

Community Development Renewal Agency Fund

The Community Development Renewal Agency Fund (CDRA) is used to account for resources restricted for use on approved public purpose projects.

1C - MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

COTTONWOOD HEIGHTS
NOTES TO THE FINANCIAL STATEMENTS

Measurement Focus

The government-wide Statement of Net Position and the Statement of Activities are presented using the economic resources measurement focus as defined in item b. below.

In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate:

- a. All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b. Proprietary funds utilize an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or non-current) associated with their activities are reported. Proprietary fund equity is classified as net position. The City no longer has any Proprietary Funds.
- c. Fiduciary funds are not involved in the measurement of results of operations; therefore, measurement focus is not applicable to them. The City has no Fiduciary funds at this time.

Basis of Accounting

The government-wide *Statement of Net Position and Statement of Activities* are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred, or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when “measurable and available.” Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The City includes in available revenue only revenue that will be collected in cash within one year following the close of the fiscal year, and in the case of property tax revenue, only revenue that will be collected within 60 days of the close of the fiscal year. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond and capital lease principal payments which are reported when due.

All proprietary funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred, or economic asset used.

COTTONWOOD HEIGHTS
NOTES TO THE FINANCIAL STATEMENTS

1D - ASSETS, DEFERRED OUTFLOWS, LIABILITIES, DEFERRED INFLOWS AND NET POSITION (EQUITY)

Cash, Deposits and Investments

For the purpose of the Statement of Net Position, “cash, including time deposits” includes all demand, savings accounts, and certificates of deposits of the City. For the purpose of the proprietary fund Statement of Cash Flows, “cash and cash equivalents” include all demand and savings accounts, and certificates of deposit or short-term investments with an original maturity of three months or less.

The City categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset’s fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant other unobservable inputs. The City does not have any investments that are measured using Level 2 or 3 inputs. Additional cash and investment disclosures are presented in Notes 2B and 3A.

Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as “due to and from other funds.” Short-term interfund loans are reported as “interfund receivables and payables.” Long-term interfund loans (non-current portion) are reported as “advances from and to other funds.” Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Position. See Note 3G for details of interfund transactions, including receivables and payables at year-end. The City has no interfund receivables or payables.

Receivables and Payables

In the government-wide statements and the fund financial statements, receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include sales tax, franchise tax, property tax, court fines and road cut permits. Interest and investment earnings are recorded when earned and considered both measurable and available.

Payables are composed of contract payments for public works, permitting and inspections, engineering and the city attorney.

Capital Assets

The accounting treatment for property, plant, and equipment depends on whether the assets are reported in the government-wide or fund financial statements.

○ Government-wide Statement Reporting of Capital Assets

The government-wide financial statements include capital assets on its *Statement of Net Position*. All assets are valued at historical cost or estimated historical cost if actual is unavailable. Donated assets and assets received by a service concession arrangement should be recorded at

COTTONWOOD HEIGHTS
NOTES TO THE FINANCIAL STATEMENTS

Long-term Obligations

The accounting treatment of long-term debt and obligations depends on whether the assets are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental resources is reported as a liability in the government-wide statements. Bond discounts or premiums, and the difference between the reacquisition price and the net carrying value of refunded debt are deferred and amortized over the terms of the respective bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

Long-term debt for governmental funds is not reported as a liability in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principle and interest reported as expenditures in the current period.

Pension Plans

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) including additions to and 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.

Compensated Absences

It is the City's policy to permit employees to accumulate a limited amount of earned but unused Vacation/Sick or PTO benefits. The vested equivalent value for earned compensated absences is calculated and recorded, at fiscal yearend, as an unrestricted assigned fund balance.

Equity Classifications

Government-wide Statements

Equity is classified as net position and displayed in four components:

- a. Net investment in capital assets—Consists of capital assets net of accumulated depreciation and related debt.
- b. Restricted—Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted—All other net position that do not meet the definition of “restricted” or “net investment in capital assets”.

COTTONWOOD HEIGHTS
NOTES TO THE FINANCIAL STATEMENTS

Fund Statements

Governmental fund equity is classified as fund balance. Fund balance is reported in three major categories, comprising five separate definitions: Nonspendable, Restricted and Unrestricted (which can be shown as Committed, Assigned and Unassigned). Each category is defined as follows:

- a) Nonspendable – Prepaid expenditures and other similar assets (a) not in spendable form, or (b) legally or contractually required to be maintained intact.
- b) Restricted – Assets constrained by externally imposed legal restrictions, by law through constitutional provisions or enabling legislation, or restrictions set by creditors, grantors or contributors.
- c) Committed – Formally designated by City Council through ordinance for specific purposes, prior to the end of the fiscal year being reported, that cannot be used for another purpose unless the City Council formally changes the use through a superseding ordinance.
- d) Assigned – Amounts constrained by the City Council or for a specific purpose normally through the appropriations process establishing and amending budgets. Funds in Capital Projects fund or other permanent funds are by their nature assigned to the purpose for which the resources are collected, without extra ordinary formal action.
- e) Unassigned – The General Fund is the only fund that could have a positive unassigned fund balance of funds, not classified in any other classification, which may be used for any governmental purpose.

When both restricted and unrestricted fund balance is available for use, it is the City’s policy to use restricted fund balance first, then committed funds, followed by assigned and then unassigned.

Fund balance may be committed by the City Council through passage of budget resolutions. The City Council has authorized the City Manager to make determinations of assigned fund balance.

1E - REVENUES, EXPENDITURES, AND EXPENSES

Revenue

Property taxes (including Motor Vehicle fee-in-lieu), franchise taxes, licenses, shared revenue, and interest are susceptible to accrual. Sales taxes collected and held by the state at year end on behalf of the City are also recognized as revenue. Other receipts and taxes become measurable and available when cash is received by the City and are recognized as revenue at that time.

Entitlements are recorded at the time of receipt or earlier if the “susceptible to accrual” criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

Property taxes are based on the assessments against property owners. Tax levies on such assessed values are certified to the County Treasurer prior to the commencement of the fiscal year. Property taxes become a lien on January 1 and are levied on the first Monday in August. Taxes are due and payable on November 1 and are delinquent after November 30 of each year. Property

COTTONWOOD HEIGHTS
NOTES TO THE FINANCIAL STATEMENTS

taxes are collected by the Salt Lake County Treasurer and remitted to the City shortly after collections occur.

Sales taxes are collected by the Utah State Tax Commission and are remitted to the City monthly approximately two months after the period in which the taxes are collected by local businesses if all filings are made timely.

Expenditures/Expenses

In the government-wide financial statements, expenditures are classified by function for governmental activities.

In the fund financial statements, expenditures are classified as follows:

Governmental Funds—By Character:

Current (further classified by function and object)

Debt Service

Capital Outlay

In the fund financial statements, governmental funds report expenditures of financial resources.

Interfund Transfers

Permanent reallocation of resources between funds of the reporting entity is classified as interfund transfers. For the purposes of the Statement of Activities, all interfund transfers between individual governmental funds have been eliminated.

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

By its nature as a local government unit, the City is subject to various federal, state, and local laws and contractual obligations. An analysis of the City's compliance with significant laws and regulations and demonstration of its stewardship over City resources follows.

2A - FUND ACCOUNTING REQUIREMENTS

The City complies with all state and local laws and regulations requiring the use of funds separate from the General Fund. The legally required separate funds used by the City include the following:

Fund
None

Required By

COTTONWOOD HEIGHTS
NOTES TO THE FINANCIAL STATEMENTS

2B - CASH DEPOSITS AND INVESTMENTS

Deposits and investments for Cottonwood Heights are governed by the Utah Money Management Act (*Utah Code Annotated*, Title 51, Chapter 7, “the Act”) and by rules of the Utah Money Management Council (“the Council”). Following are discussions of Cottonwood Heights’ exposure to various risks related to its cash management activities.

Deposit-Custodial Credit Risk

Custodial credit risk for deposits is the risk that in the event of a bank failure, Cottonwood Heights’ deposits may not be recovered. The City’s policy for managing custodial credit risk is to adhere to the Money Management Act. The Act requires all deposits of Cottonwood Heights to be in a qualified depository, defined as any financial institution whose deposits are insured by an agency of the federal government and which has been certified by the Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Utah Money Management Council. The City has no other deposit policy for custodial credit risk.

Investment-Credit Risk

Credit risk is the risk that the counterparty to an investment will not fulfill its obligations. The City’s policy for limiting the credit risk of investments is to comply with the Utah Money Management Act. The City has no other investment policy that would further limit its investment choices.

Cottonwood Heights is authorized to invest in the Utah Public Treasurer’s Investment Fund (PTIF), an external pooled investment fund managed by the Utah State Treasurer and subject to the Act and State Money Management Council regulatory oversight. The PTIF is not registered with the SEC as an investment company, and deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah.

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 based upon the participants’ average daily balances. A copy of the Public Treasurers Investment Fund is available for viewing on the Utah State Treasurer’s website at <http://www.treasurer.state.ut.us>.

The City categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset’s fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant other unobservable inputs. The City does not have any investments that are measured using Level 2 or 3 inputs. Additional cash and investment disclosures are presented in 1D and 3A.

Investments are measured at fair value on a recurring basis. *Recurring* fair value measurements are those that Government Accounting Standards Board (GASB) Statements require or permit in the statement of net position at the end of each period. Investments’ fair value are shown in the table below. All of the City’s investments are categorized as Level 1 Inputs.

COTTONWOOD HEIGHTS
NOTES TO THE FINANCIAL STATEMENTS

As of June 30, 2020, the City had the following investments and maturities:

<u>Investment Type</u>	<u>Total Fair Value</u>	<u>Investment Maturities (in years)</u>			
		<u>Less than 1</u>	<u>1 to 5</u>	<u>6 to 10</u>	<u>More than 10</u>
State of Utah PTIF	\$9,029,532	\$9,029,532	\$ -	\$ -	\$ -
Total	<u>\$9,029,532</u>	<u>\$9,029,532</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Twice a year, at June 30 and December 31, the investments in the PTIF are valued at fair value. As of June 30, 2020, the City had \$9,029,532 invested in the PTIF which had a fair value factor of 1.00244845 making the City investment equal to \$9,051,641 for an unrealized gain of \$22,108. Due to the insignificance of this amount in relation to the funds affected by the unrealized gain, the fair value of investments in this external investment pool is deemed to be the amortized cost of the investment.

Investment-Interest Rate Risk

Interest rate risk is the risk that changes in interest rates of debt investments will adversely affect the fair value of an investment. Cottonwood Heights manages its exposure to declines in fair value by investment only in the PTIF and by adhering to the Utah Money Management Act (Section 51, chapter 7 of the Utah Code) which provides guidance for handling depository and investing transactions in order to minimize interest rate risk. The City has no other formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

2C - REVENUE RESTRICTIONS

The City has various state restrictions placed over certain revenue sources. The primary restricted revenue sources include:

<u>Revenue Source</u>	<u>Legal Restrictions of Use</u>
B & C Road Funds	Eligible B & C Roads
Awarded Asset Seizures	Further Enforcement Actions
Impact Fees	Eligible public improvements

For the period ended June 30, 2020, the City complied, in all material respects, with these revenue restrictions.

COTTONWOOD HEIGHTS
NOTES TO THE FINANCIAL STATEMENTS

2D - DEBT RESTRICTIONS AND COVENANTS

General Obligation Debt

No long-term General Obligation debt shall be created by any city unless the proposition to create such debt shall have been submitted to a vote of qualified electors. Cities shall not contract for debt in an amount exceeding four percent of the fair market value of taxable property in their jurisdictions. For the period ended June 30, 2020, the City had no outstanding General Obligation debt.

Other Long-term Debt

Cities may incur indebtedness for the purpose of supplying such city water, sewer, or electricity when such public works are owned and controlled by the municipality. The additional indebtedness shall not exceed four percent for first and second class cities and eight percent for third class cities of the fair market value of taxable property in their jurisdictions. The City has no such debt at this time.

2E - FUND EQUITY RESTRICTIONS

General Fund Balance Restrictions

Utah Code 10-6-116(4) requires that only the “fund balance in excess of 5 percent of total revenues of the general fund may be utilized for budget purposes.” The remaining 5 percent must be maintained as a minimum fund balance. The maximum in the general fund may not exceed 25 percent of the total actual revenue of the general fund (10-6-116(2)). The City Council has adopted a City code [chapter 2.150.020.11] directing that a minimum 5 percent fund balance, as required by law, with a desired target minimum of 6 percent. Currently the City’s adjusted fund balance is under the maximum allowed by state law.

2F - BUDGETARY BASIS OF ACCOUNTING

In the governmental fund statements the accounting basis and the budgetary basis are the same. The Statement (Schedule) of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual presented for the general fund and the capital projects fund are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget.

Budgets are legally required for governmental funds. Annual budgets are prepared and adopted by the City Council on or before June 22 for the fiscal year commencing the following July 1, in accordance with Utah State law. The operating budget includes proposed expenditures and proposed sources of financing for such expenditures. Prior to June 22nd a public hearing is conducted to obtain taxpayer input. Budgets are adopted by ordinance in total for each department. Management can move budgeted amounts within a department or decrease appropriations. The City Council can increase appropriations after having a public hearing. During the year ended June 30, 2020 the City Council amended the original budget two times.

Budgets for the Capital Projects Fund are also prepared using the modified accrual basis of accounting and are adopted on an annual basis. Project budgets for the Capital Projects fund are

COTTONWOOD HEIGHTS
NOTES TO THE FINANCIAL STATEMENTS

prepared annually and ending balances may be re-appropriated by Council action in the following year.

NOTE 3 - DETAIL NOTES ON TRANSACTION CLASSES / ACCOUNTS

The following notes present detailed information to support the amounts reported in the basic financial statements for its various assets, liabilities, equity, revenues, and expenditures/ expenses.

3A - CASH DEPOSITS AND INVESTMENTS

The City categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset’s fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant other unobservable inputs. The City does not have any investments that are measured using Level 2 or 3 inputs. Additional cash and investment disclosures are presented in 1D and 2B.

Investments are measured at fair value on a recurring basis. *Recurring* fair value measurements are those that Government Accounting Standards Board (GASB) Statements require or permit in the statement of net position at the end of each period. Investments’ fair value are shown in the table below. All of the City’s investments are categorized as Level 1 Inputs.

Below is a reconciliation of the year-end balance invested in the Public Treasurers’ Investment Fund and other cash and investments presented in the statement of net position:

Utah State Public Treasurers’ Investment Fund balance	\$	9,029,532
Reconciliation to Government-wide Statement of Net Position:		
Investments	\$	9,029,532
Cash on Hand		10,768
Held by Trustee		921,676
Deposits		440,392
Total	\$	10,402,368
Per Statement of Net Position:		
Unrestricted Cash	\$	9,255,955
Restricted Cash		1,146,413
Total	\$	10,402,368

COTTONWOOD HEIGHTS
NOTES TO THE FINANCIAL STATEMENTS

3B - RESTRICTED ASSETS

The restricted assets as of June 30, 2020, are as follows:

<u>Type of Restricted Asset</u>	<u>Cash/Time Deposits</u>
<u>Governmental Activities:</u>	
Impact Fees	224,737
Bond Funds held in trust	921,676
Total	<u>\$ 1,146,413</u>

3C - ACCOUNTS RECEIVABLE

Accounts receivable of the governmental activities consists principally of fiscal year accruals of sales taxes, property taxes, court fines and road cut permits receivable.

Receivables details at June 30, 2020, are as follows:

	Governmental Activities
Delinquent Property Taxes Receivable	\$ 196,309
Invoiced Receivables	75,273
Invoiced Business Licensing	17,753
Prior Fiscal Revenues - Sales & Transient Room	1,190,994
Prior Fiscal Revenues - Co Hwy Sales Tax	104,777
Prior Fiscal Revenue - Energy Use Tax	147,366
Prior Fiscal Revenue - Cable Franchise Tax	80,346
Prior Fiscal Revenues - Property Taxes	13,624
Prior Fiscal Revenues - Capital Projects Grant	32,251
Prior Fiscal Revenues - CARES Act	721,517
Net Accounts Receivable	<u>\$ 2,580,210</u>

COTTONWOOD HEIGHTS
NOTES TO THE FINANCIAL STATEMENTS

3D - CAPITAL ASSETS

Capital asset activity for the period ended June 30, 2020, was as follows:

Governmental activities:	Balance at June 30, 2019	Additions	Disposals / Misc Adj	Balance at June 30, 2020
Capital assets, not being depreciated:				
Land (non-infrastructure)	9,262,154	-	-	9,262,154
Land related Infrastructure	23,962,467	-	-	23,962,467
Total assets, not being depreciated	33,224,621	-	-	33,224,621
Capital assets, depreciable:				
Buildings	14,085,934	-	-	14,085,934
Equipment	2,664,737	21,575	-	2,686,312
Vehicles	5,894,185	32,386	-	5,926,571
Infrastructure - Roads	34,232,187	362,852	-	34,595,038
Infrastructure - Bridges	905,375	-	-	905,375
Infrastructure - Parkways	11,261,738	335,026	-	11,596,764
Infrastructure - Storm Drains	2,122,512	172,761	-	2,295,273
Total capital assets, depreciable	71,166,668	924,600	-	72,091,267
Accumulated depreciation				
Buildings	(882,637)	(386,612)		(1,269,249)
Equipment	(1,724,578)	(246,243)		(1,970,821)
Vehicles	(2,455,479)	(1,279,416)	-	(3,734,896)
Infrastructure - Roads	(29,334,460)	(691,952)		(30,026,412)
Infrastructure - Bridges	(462,715)	(27,884)		(490,599)
Infrastructure - Parkways	(4,330,236)	(619,355)		(4,949,591)
Infrastructure - Storm Drains	(355,981)	(48,786)		(404,767)
Total accumulated depreciation	(39,546,087)	(3,300,247)	-	(42,846,334)
Net capital assets	64,845,201	(2,375,647)	-	62,469,554

Depreciation was charged to governmental activities as follows:

Governmental Activities:

General Government	\$ 426,839
Public Safety	1,062,927
Highways & Public Improvements	1,810,481
Total depreciation expense and adjustment	<u>\$ 3,300,247</u>

COTTONWOOD HEIGHTS
NOTES TO THE FINANCIAL STATEMENTS

Capital Assets under Capital Lease

The City has acquired public safety and public works vehicles through capital leases. The amortization of these assets is included in depreciation expense. As of June 30, 2020 the net book values are as follows:

	<u>Governmental Activities</u>
Public Safety Vehicles	\$ 1,859,827
Less Accumulated Depreciation	<u>(1,374,448)</u>
Net Book Value	<u><u>\$ 485,379</u></u>
Public Works Vehicles	\$ 2,747,369
Less Accumulated Depreciation	<u>(920,366)</u>
Net Book Value	<u><u>\$ 1,827,003</u></u>

3E - ACCOUNTS PAYABLE

Payables in the general fund are composed of contract payments for public works, permitting and inspections, engineering and the city attorney.

3F - LONG-TERM DEBT

Cottonwood Heights' long-term debt consists of two sales tax revenue bonds and capital leases as described below:

As of June 30, 2020, the City had long-term debt payable from originating from two issues of sales tax revenue bonds. These bonds are described below:

Sales Tax Revenue Bonds Payable:

Series 2014 - City Municipal Center	
3.695%, (07/2/14 original amount \$13,770,000)	\$ 12,250,000
Less current principal payments	<u>(385,000)</u>
Current Fiscal Year End Balance	<u><u>\$ 11,865,000</u></u>

Proceeds from the 2014 Sales Tax Revenue Bond were used towards the construction of the City Municipal Center.

Sales Tax Revenue Bonds Payable:

Series 2016 - City Municipal Center	
2.686%, (07/12/16 original amount \$3,280,000)	\$ 3,040,000
Less current principal payments	<u>(105,000)</u>
Current Fiscal Year End Balance	<u><u>\$ 2,935,000</u></u>

Proceeds from the 2016 Sales Tax Revenue Bond were used towards the construction of the City Municipal Center as well as the construction of the City's public works facility.

COTTONWOOD HEIGHTS
NOTES TO THE FINANCIAL STATEMENTS

2018 Zions Bank-Police Vehicles	
2.78%, (07/25/18 original amount \$1,859,827)	\$ 1,859,827
Less fiscal year payments	<u>(375,000)</u>
Fiscal Year End Balance	<u><u>\$ 1,484,827</u></u>

The City enters into lease agreements as lessee for the purchase of police vehicles every two years. These lease agreements qualify as a capital lease for accounting purposes and, therefore, have been recorded at the present value of all future lease payments as of the inception date.

Capital Leases Payable:

2016 Zions Bank-Public Works Vehicles	
1.72%, (08/10/16 original amount \$228,126)	\$ 133,682
Less fiscal year payments	<u>(32,570)</u>
Fiscal Year End Balance	<u><u>\$ 101,111</u></u>

2016 JPM Chase-Public Works Vehicles	
1.65%, (09/14/16 original amount \$2,519,243)	\$ 1,806,268
Less fiscal year payments	<u>(245,544)</u>
Fiscal Year End Balance	<u><u>\$ 1,560,724</u></u>

The City has entered into two lease agreements as lessee for the purchase of Public Works vehicles. This lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of all future lease payments as of the inception date.

All outstanding bonds and other direct borrowings are secured with their respective pledged revenues and/or the property and equipment as collateral.

**COTTONWOOD HEIGHTS
NOTES TO THE FINANCIAL STATEMENTS**

Changes in Long-term Debt

The following is a summary of changes in long-term debt for the period ended June 30, 2020:

Type of Debt	Original Principal	% Rate	Balance June 30, 2019	Additions	Reductions	Balance June 30, 2020	Due Within One Year
Direct Borrowings:							
2016 ZionsBank-Public Works Vehicles Matures 8/10/2023	228,126	1.72	165,702		(32,570)	133,131	32,570
2016 JPM Chase-Public Works Vehicles Matures 9/21/2026	2,519,243	1.65	2,047,826		(241,558)	1,806,268	245,544
2018 ZionsBank-Police Vehicle Lease* Matures 7/25/2020	1,859,827	2.78	1,859,827		(375,000)	1,484,827	1,484,827
Total Direct Borrowings	\$ 4,607,196		\$ 4,073,354	\$ -	\$ (649,129)	\$ 3,424,226	\$ 1,762,941
Bonds Payable:							
2014 Sales Tax Revenue Bond Matures 7/1/2039	\$ 13,770,000	3.695	\$ 12,625,000		\$ (375,000)	\$ 12,250,000	\$ 385,000
2016 Sales Tax Revenue Bond Matures 7/1/2039	3,280,000	2.686	3,140,000		(100,000)	3,040,000	105,000
Total Bonds Payable	\$ 17,050,000		\$ 15,765,000	\$ -	\$ (475,000)	\$ 15,290,000	\$ 490,000
Total governmental activity long-term liabilities	\$ 21,657,196		\$ 19,838,354	\$ -	\$ (1,124,129)	\$ 18,714,226	\$ 2,252,941

* Bi-annually, Public Safety vehicle lease is partially paid by dealer buy back. \$1,109,006 in FY 2021.

Annual Debt Service Requirements

The annual debt service requirements to maturity for governmental long-term debt principal and interest as of June 30, 2020, are as follows:

Year Ended June 30	Governmental Activities			
	Bonds		Notes from Direct Borrowings and Direct Placements	
	Principal	Interest	Principal	Interest
2021*	490,000	641,225	1,762,940	73,084
2022	505,000	626,250	282,726	27,491
2023	525,000	606,750	287,414	22,803
2024	545,000	584,325	292,180	18,037
2025	575,000	558,675	262,155	13,192
2026-2030	3,310,000	2,345,875	537,359	13,336
2031-2035	4,190,000	1,463,050		
2034-2040	5,150,000	509,375		
Total	\$ 15,290,000	\$ 7,335,525	\$ 3,424,775	\$ 167,943

* Bi-annually, Police vehicle lease is primarily paid by an additional dealer buy back.

COTTONWOOD HEIGHTS
NOTES TO THE FINANCIAL STATEMENTS

Other long-term liabilities

	Beginning	Accrued FY2020	Used FY2020	Net Change	Ending
Compensated absences:					
Vacation	\$ 205,627	97,555	(80,746)		222,436
PTO	158,894	313,875	(286,008)		186,761
Sick	73,807	26,985	(6,653)		94,138
Comp time	19,424	29,914	(39,044)		10,293
General Fund	\$ 457,751	\$ 468,329	\$ (412,451)	\$ (43,479)	\$ 513,628
Net pension liability:					
General Fund	\$ 3,258,199			(1,558,061)	\$ 1,700,137

3G - INTERFUND TRANSACTIONS AND BALANCES

Transfers

These budgeted transfers are part of the basic funding, budgeted from the General Fund to meet the budgeted needs in these other funds.

	<u>Transfers Out</u>	<u>Transfers In</u>
General Fund	\$3,696,584	
Debt Service Fund		\$1,863,822
Capital Projects Fund		1,832,762

NOTE 4 - OTHER INFORMATION

4A - EMPLOYEE PENSION AND OTHER BENEFIT PLANS

General Information about the Pension Plans

Plans description: Eligible plan participants are provided with pensions through the Utah Retirement Systems. The Utah Retirement Systems are comprised of the following Pension Trust Funds:

Defined Benefit Plans

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

COTTONWOOD HEIGHTS
NOTES TO THE FINANCIAL STATEMENTS

The Tier 2 Public Employees System became effective July 1, 2011. All eligible employees beginning on or after July 1, 2011, who have no previous service credit with any of the Utah Retirement Systems, 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 E. 200 S, Salt Lake City, Utah 84102 or visiting the website: www.urs.org/general/publications .

Summary of Benefits by System

Benefits provided: URS provides retirement, disability, and death benefits.

Retirement benefits are as followings:

System	Final Average Salary	Years of service required and/or age eligible for benefits	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	Up to 2.5% or 4% depending upon employer
Tier 2 Public Employees System	Highest 5 years	35 years any age 20 years age 60* 10 years age 62* 4 years age 65	1.5% per year all years	Up to 2.5%
Tier 2 Public Safety and Firefighter System	Highest 5 years	25 years any age 20 years age 60* 10 years age 62 4 years age 65	1.5% per year all years	Up to 2.5%

*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 may not be carried forward to subsequent years.

Contribution Rate Summary

As a condition of participation in the Systems, employers and/or employees are required to contribute certain percentages of salary and wages as authorized by statute and specified by the

**COTTONWOOD HEIGHTS
NOTES TO THE FINANCIAL STATEMENTS**

Utah State Retirement Board. Contributions are actuarially determined as an amount that, when combined with employee contributions (where applicable) is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability. Contribution rates as of June 30, 2020 are as follows:

<u>Utah Retirement Systems</u>	<u>Employee</u>	<u>Employer Rate</u>	<u>Employer rate 401(k) Plan</u>
Contributory System			
111 Local Governmental Division - Tier 2***	N/A	15.66%	1.03%
Noncontributory System			
15 Local Governmental Division - Tier 1	N/A	18.47%	N/A
Public Safety Retirement System			
Contributory			
122 Tier 2 DB Hybrid Public Safety***	N/A	21.04%	0.70%
Noncontributory			
49 Other Div B Noncontributory - Tier 1	N/A	32.28%	N/A
Tier 2 DC Only ***			
211 Local Government	N/A	6.69%	10.00%
222 Public Safety	N/A	9.74%	12.00%

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

For fiscal year ended June 30, 2020 the employer and employee contributions to the Systems were as follows:

<u>System</u>	<u>Employer Contributions</u>	<u>Employee Contributions</u>
Noncontributory System	\$ 257,711	N/A
Public Safety System	344,581	-
Tier 2 Public Employee System	179,827	-
Tier 2 Public Safety	183,212	-
Tier 2 DC Only System	3,312	N/A
Total Contributions	\$ 968,642	-

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

	<u>(Measurement Date): December 31, 2019</u>				
	<u>Net Pension Asset</u>	<u>Net Pension Liability</u>	<u>Proportionate Share</u>	<u>Proportionate Share December 31, 2018</u>	<u>Change (Decrease)</u>
Noncontributory System	\$0	\$670,097	0.1777980%	0.1772544%	0.0005436 %
Public Safety System	\$0	\$968,784	1.9508345%	2.4270798%	(0.4762453) %
Tier 2 Public Employees System	\$0	\$16,737	0.0744177%	0.0685926%	0.0058251 %
Tier 2 Public Safety & Firefighter Sys	\$0	\$44,519	0.4732837%	0.4406332%	0.0326505 %
Total Net Pension Asset/Liability	\$0	\$1,700,137			

COTTONWOOD HEIGHTS
NOTES TO THE FINANCIAL STATEMENTS

Combined Pension Assets, Liabilities, Expense, and Deferred Outflows and Inflows of Resources Related to Pensions

At June 30, 2020, we reported a net pension asset of \$0 and a net pension liability of \$1,700,137.

The net pension asset and liability were measured as of December 31, 2019, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2019 and rolled-forward using generally accepted actuarial procedures. The proportion of the net pension asset and liability is equal to the ratio of the employer's actual contributions to the Systems during the plan year over the total of all employer contributions to the System during the plan year.

For the year ended June 30, 2020 we recognized pension expense of \$1,111,887.

As of June 30, 2020, we reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$717,801	\$15,383
Changes in assumptions	284,812	5,291
Net difference between projected and actual earnings on pension plan investments	-	719,632
Changes in proportion and differences between contributions and proportionate share of contributions	61,023	115,827
Contributions subsequent to the measurement date	496,801	-
Total	\$1,560,438	\$856,133

\$496,801 reported as deferred outflows of resources related to pension's results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2019.

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

Year Ended December 31,	Net Deferred Outflows/ (Inflows) of Resources
2020	\$258,472
2021	91,577
2022	95,679
2023	(271,503)
2024	3,628
Thereafter	\$29,650

COTTONWOOD HEIGHTS
NOTES TO THE FINANCIAL STATEMENTS

Noncontributory System Pension Expense, and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2020, we recognized pension expense of \$364,654.

At June 30, 2020, we reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 60,953	\$ 9,625
Changes in assumptions	70,971	-
Net difference between projected and actual earnings on pension plan investments	-	338,874
Changes in proportion and differences between contributions and proportionate share of contributions	19,075	31,929
Contributions subsequent to the measurement date	130,982	-
Total	\$281,981	\$380,428

\$130,982 reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2019.

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

Year Ended December 31,	Net Deferred Outflows/ (Inflows) of Resources
2020	\$ (26,364)
2021	(84,522)
2022	10,291
2023	(128,834)
2024	-
Thereafter	\$ -

COTTONWOOD HEIGHTS
NOTES TO THE FINANCIAL STATEMENTS

Public Safety System Pension Expense, and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2020, we recognized pension expense of \$521,818.

At June 30, 2020, we reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 638,856	\$ -
Changes in assumptions	196,120	4,408
Net difference between projected and actual earnings on pension plan investments	-	356,949
Changes in proportion and differences between contributions and proportionate share of contributions	21,793	82,462
Contributions subsequent to the measurement date	177,598	-
Total	\$1,034,367	\$ 443,819

\$177,598 reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2019.

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

Year Ended December 31,	Net Deferred Outflows/ (Inflows) of Resources
2020	\$ 287,578
2021	178,403
2022	83,809
2023	(136,840)
2024	-
Thereafter	\$ -

COTTONWOOD HEIGHTS
NOTES TO THE FINANCIAL STATEMENTS

Tier 2 Public Employees System Pension Expense, and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2020, we recognized pension expense of \$94,145.

At June 30, 2020, we reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 4,682	\$ 5,744
Changes in assumptions	7,147	481
Net difference between projected and actual earnings on pension plan investments	-	12,866
Changes in proportion and differences between contributions and proportionate share of contributions	13,278	-
Contributions subsequent to the measurement date	93,550	-
Total	\$118,658	\$ 19,091

\$93,550 reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2019.

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

Year Ended December 31,	Net Deferred Outflows/ (Inflows) of Resources
2020	\$(1,736)
2021	(818)
2022	712
2023	(3,411)
2024	1,736
Thereafter	\$10,200

COTTONWOOD HEIGHTS
NOTES TO THE FINANCIAL STATEMENTS

Tier 2 Public Safety and Firefighter Pension Expense, and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2020, we recognized pension expense of \$131,269.

At June 30, 2020, we reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 13,310	\$ 14
Changes in assumptions	10,574	402
Net difference between projected and actual earnings on pension plan investments	-	10,943
Changes in proportion and differences between contributions and proportionate share of contributions	6,877	1,435
Contributions subsequent to the measurement date	94,671	-
Total	\$ 125,432	\$ 12,794

\$94,671 reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2019.

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

Year Ended December 31,	Net Deferred Outflows/ (Inflows) of Resources
2020	\$ (1,007)
2021	(818)
2022	867
2023	(2,418)
2024	1,892
Thereafter	\$ 19,449

Actuarial assumptions

The total pension liability in the December 31, 2019, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

COTTONWOOD HEIGHTS
NOTES TO THE FINANCIAL STATEMENTS

Mortality rates were developed from actual experience and mortality tables, based on gender, occupation and age, as appropriate, with adjustments for future improvement in mortality based on Scale AA, a model developed by the Society of Actuaries.

The actuarial assumptions used in the January 1, 2019, valuations were based on the results of an actuarial experience study for the five year period ending December 31, 2016.

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%	6.15%	2.46%
Debt securities	20%	0.40%	0.08%
Real assets	15%	5.75%	0.86%
Private equity	9%	9.95%	0.89%
Absolute return	16%	2.85%	0.46%
Cash and cash equivalents	0%	0.00%	0.00%
Totals	100%		4.75%
	Inflation		2.50%
	Expected arithmetic nominal return		7.25%

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

Discount rate: The discount rate used to measure the total pension liability was 6.95 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. The discount rate does not use the Municipal Bond Index Rate. The discount rate remained unchanged at 6.95 percent.

COTTONWOOD HEIGHTS
NOTES TO THE FINANCIAL STATEMENTS

Sensitivity of the proportionate share of the net pension asset and liability to changes in the discount rate: The following presents the proportionate share of the net pension liability calculated using the discount rate of 6.95 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 1-percentage-point lower (5.95 percent) or 1-percentage-point higher (7.95 percent) than the current rate:

System	1% Decrease (5.95%)	Discount Rate (6.95%)	1% Increase (7.95%)
Noncontributory System	\$2,092,947	\$670,097	\$(516,545)
Public Safety System	2,675,231	968,784	(423,023)
Tier 2 Public Employees System	144,331	16,737	(81,870)
Tier 2 Public Safety & Firefighter System	157,269	44,519	(39,179)
Total	\$5,069,778	\$1,700,137	\$(1,060,617)

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

Defined Contribution Savings Plans

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

Cottonwood Heights City participates in the following Defined Contribution Savings Plans with Utah Retirement Systems and ICMA-RC:

- 401(k) Plan (URS only)
- 457(b) Plan (URS and ICMA-RC)
- 457(b) Roth Plan (ICMA)
- Roth IRA Plan (URS and ICMA-RC)

**COTTONWOOD HEIGHTS
NOTES TO THE FINANCIAL STATEMENTS**

Employee and employer contributions to the Defined Contribution Savings Plans for fiscal year ended June 30, were as follows:

	2020	2019	2018
401(k) Plan (URS)			
Employer Contributions	\$517,266	\$449,938	\$335,914
Employee Contributions	273,726	258,403	226,119
457 Plan (URS)			
Employer Contributions	67,227	61,884	80,636
Employee Contributions	159,373	134,578	160,849
Roth IRA Plan (URS)			
Employer Contributions	N/A	N/A	N/A
Employee Contributions	2,991	2,836	2,110
457 Plan (ICMA-RC)			
Employer Contributions	68,823	94,614	88,883
Employee Contributions	63,987	102,150	95,634
457 Roth Plan (ICMA-RC)			
Employer Contributions	N/A	N/A	N/A
Employee Contributions	33,090	38,897	46,898
Roth IRA Plan (ICMA-RC)			
Employer Contributions	N/A	N/A	N/A
Employee Contributions	\$ 13,170	\$ 17,815	\$ 10,708

4B - 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. The City has purchased comprehensive general liability insurance through the Utah Local Governments Trust. The City pays premiums to the Trust for its general insurance coverage, automobile liability, and personal injury protection. The Trust is self-sustaining through member premiums. The City is subject to a minimal deductible for claims.

4C – SUBSEQUENT EVENTS

Subsequent events were evaluated through December 15, 2020, which is the date that the financial statements were available to be issued. No subsequent events were reportable.

This page intentionally left blank

REQUIRED SUPPLEMENTARY INFORMATION

(UNAUDITED)

Cottonwood Heights, Utah
Schedule of the Proportionate Share of the Net Pension Liability - Utah Retirement Systems
As Reported December 31, 2019
Last 10 Years *

	Year- end	Noncontributory Retirement System	Public Safety System	Tier 2 Public Employees System	Tier 2 Public Safety & Firefighter System
Proportion of the net pension liability					
	2019	0.1777980%	1.9508345%	0.0744177%	0.4732837%
	2018	0.1772544%	2.4270798%	0.0723742%	0.4406332%
	2017	0.1917693%	2.4454912%	0.0723742%	0.4314339%
	2016	0.1829814%	2.5129097%	0.0545308%	0.3146488%
	2015	0.1556506%	2.3769143%	0.0409095%	0.3793566%
	2014	0.1425470%	2.1737910%	0.3401780%	0.4581430%
Proportionate share of the net pension liability (asset)					
	2019	\$ 670,097	\$ 968,784	\$ 16,737	\$ 44,519
	2018	1,305,252	1,912,529	29,377	11,040
	2017	840,199	1,181,670	6,381	(4,992)
	2016	1,174,965	1,566,289	6,083	(2,731)
	2015	880,747	1,159,818	(89)	(5,543)
	2014	618,973	859,588	(1,031)	(6,777)
Covered payroll					
	2019	\$ 1,454,680	\$ 1,768,551	\$ 1,033,953	\$ 780,049
	2018	1,536,787	1,996,581	800,764	588,579
	2017	1,656,658	2,043,451	708,586	455,286
	2016	1,697,688	2,287,211	447,197	259,971
	2015	1,517,660	2,129,632	264,295	225,749
	2014	1,441,633	2,061,024	167,094	189,494
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll					
	2019	46.06%	54.78%	1.62%	5.71%
	2018	84.93%	95.79%	3.67%	1.88%
	2017	50.72%	57.83%	0.90%	-1.10%
	2016	69.21%	68.48%	1.36%	-1.05%
	2015	58.03%	54.46%	-0.03%	-2.46%
	2014	42.90%	41.70%	-0.06%	-3.60%
Plan fiduciary net position as a percentage of the total pension liability					
	2019	93.7%	91.7%	96.5%	89.6%
	2018	87.0%	85.6%	90.8%	95.6%
	2017	91.9%	90.5%	97.4%	103.0%
	2016	87.3%	86.1%	95.1%	103.6%
	2015	87.8%	87.6%	100.2%	110.7%
	2014	90.2%	89.0%	103.5%	120.5%

* In accordance with paragraph 81.a of GASB 68, employers will need to disclose a 10-year history of their proportionate share of the net pension liability (asset) in their RSI. This schedule will need to be built prospectively. The schedule above is for the 5 years calculated and reported to date.

The notes to the required supplementary information are an integral part of this schedule.

Cottonwood Heights, Utah
Schedule of Contributions - Utah Retirement Systems
As Reported June 30, 2020
Last 10 Fiscal Years **

	As of fiscal year ended June 30,	Actuarial Determined Contributions	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered employee payroll
Noncontributory Retirement System						
	2020	\$ 257,711	\$ 257,711	\$ -	\$ 1,475,246	17.47%
	2019	241,546	241,546	-	1,457,291	16.58%
	2018	271,541	271,541	-	1,625,219	16.71%
	2017	293,806	293,806	-	1,744,071	16.85%
	2016	253,059	253,059	-	1,579,547	16.02%
	2015	223,125	223,125	-	1,459,615	15.29%
	2014	199,098	199,098	-	1,435,183	13.87%
Public Safety System						
	2020	\$ 344,581	\$ 344,581	\$ -	\$ 1,841,421	18.71%
	2019	413,859	413,859	-	1,869,146	22.14%
	2018	481,823	481,823	-	2,040,777	23.61%
	2017	507,270	507,270	-	2,253,825	22.51%
	2016	480,110	480,110	-	2,141,005	22.42%
	2015	442,527	442,527	-	2,084,318	21.23%
	2014	427,269	427,269	-	2,094,198	20.40%
Tier 2 Public Employees System*						
	2020	\$ 179,827	\$ 179,827	\$ -	\$ 1,148,321	15.66%
	2019	139,168	139,168	-	895,569	15.54%
	2018	113,419	113,419	-	750,155	15.12%
	2017	94,722	94,722	-	635,549	14.90%
	2016	43,704	43,704	-	293,118	14.91%
	2015	33,474	33,474	-	224,054	14.94%
	2014	21,173	21,173	-	151,341	13.99%
Tier 2 Public Safety & Firefighter System*						
	2020	\$ 183,212	\$ 183,212	\$ -	\$ 870,601	21.04%
	2019	145,036	145,036	-	690,937	20.99%
	2018	105,808	105,808	-	516,371	20.49%
	2017	69,111	69,111	-	339,223	20.37%
	2016	48,899	48,899	-	240,487	20.33%
	2015	43,078	43,078	-	210,897	20.43%
	2014	21,526	21,526	-	105,205	20.46%
Tier 2 DC Only System*						
	2020	\$ 3,312	\$ 3,312	\$ -	\$ 49,507	6.69%
	2019	3,632	3,632	-	56,773	6.40%
	2018	2,843	2,843	-	42,504	6.69%
	2017	2,319	2,319	-	34,667	6.69%
	2016	1,706	1,706	-	25,505	6.69%
	2015	4,506	4,506	-	68,822	6.55%
	2014	1,553	1,553	-	26,260	5.91%

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

** Paragraph 81.a of GASB 68 requires employers to disclose a 10-year history of contributions in RSI. This schedule will need to be built prospectively. Contributions as a percentage of covered-payroll may be different than the board certified rate due to rounding and other administrative issues.

The notes to the required supplementary information are an integral part of this schedule.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

RSI-NOTE 1

1A CHANGES IN ASSUMPTIONS

As a result of an experience study conducted as of December 31, 2016, the Board adopted recommended changes to several economic and demographic assumptions that are used in the actuarial valuation. The assumption changes that had the largest impact on the Total Pension Liability (and actuarial accrued liability) include a decrease in the investment return assumption from 7.20% to 6.95%, a reduction in the price inflation assumption from 2.60% to 2.50% (which also resulted in a corresponding decrease in the cost-of-living-adjustment assumption for the funds with a 4.00% annual COLA max), and the adoption of an updated retiree mortality table that is developed using URS's actual retiree mortality experience. There were changes to several other demographic assumptions, but those changes had a minimal impact on the Total Pension Liability (and actuarial accrued liability).

SUPPLEMENTARY INFORMATION

**COTTONWOOD HEIGHTS
SUPPLEMENTARY INFORMATION**

**Cottonwood Heights, Utah
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Capital Projects Fund
For the Year Ended June 30, 2020**

	Budgeted Amounts		Fund Actuals	Variance with Final Budget
	Adopted Budget	Final Budget	(Budgetary Basis) (See Notes)	
REVENUES				
Federal Grant	\$ -	\$ -	\$ -	\$ -
State Grants	2,300,000	2,329,587	589,536	(1,740,051)
Impact Fees - Current Collections	92,500	92,500	140,049	47,549
Investment Earnings	-	-	35,816	35,816
Total revenues	2,392,500	2,422,087	765,400	(1,656,687)
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Highways and Public Improvements	4,060,262	5,627,062	1,299,715	(4,327,347)
Community Economic Development	-	-	-	-
Total expenditures	4,060,262	5,627,062	1,299,715	(4,327,347)
Excess (deficiency) of revenues over (under) expenditures	(1,667,762)	(3,204,975)	(534,315)	2,670,660
OTHER FINANCING SOURCES (USES)				
Sources/(Uses):				
Beginning Fund Bal Appropriated	435,000	1,128,813	-	(1,128,813)
Transfers from General Fund	1,232,762	1,832,762	1,832,762	-
Capital Leases	-	-	-	-
Total other financing sources (uses)	\$ 1,667,762	\$ 2,961,575	1,832,762	\$ (1,128,813)
Net change in fund balances			1,298,447	
Fund balance - beginning of year			2,539,604	
Fund balance - end of year			\$ 3,838,051	

The notes to the financial statements are an integral part of this statement.

COTTONWOOD HEIGHTS
STATISTICAL SECTION

**STATISTICAL SECTION
(Unaudited)**

This section of Cottonwood Heights' Comprehensive Annual Financial Report (CAFR) provides detailed information as a context for understanding what the information in the financial statements, note disclosures, and supplementary information says about the City's overall financial health.

The five divisions of the Statistical Section are as follows:

- **Financial Trends:** Included schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.
- **Revenue Capacity:** Included schedules contain information to help the reader assess the City's most significant local revenue sources, property tax, sales tax, and enterprise fund revenues.
- **Debt Capacity:** Included schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the government's ability to issue additional debt in the future.
- **Demographic and Economic Information:** Included schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.
- **Operating information:** Included schedules contain data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the audited financial statements of Cottonwood Heights for the relevant year.

**COTTONWOOD HEIGHTS
STATISTICAL SECTION**

FINANCIAL TRENDS: CHART-1
Cottonwood Heights
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Governmental activities										
Investment in capital assets	\$ 43,754,779	\$ 45,006,848	\$ 45,584,867	\$ 46,202,080	\$ 46,994,169	\$ 46,783,252	\$ 49,739,199	\$ 47,215,683	\$ 49,934,834	\$ 49,425,939
Restricted	1,146,413	1,089,772	909,151	862,883	647,829	57,951	148,081	100,102	165,949	221,078
Unrestricted	7,879,862	6,228,800	4,273,643	3,798,023	3,343,509	4,443,893	4,825,654	7,047,623	6,492,449	8,603,921
Total governmental activities net position	\$ 52,781,054	\$ 52,325,420	\$ 50,767,661	\$ 50,862,986	\$ 50,985,507	\$ 51,285,096	\$ 54,712,934	\$ 54,363,409	\$ 56,593,232	\$ 58,250,938
Primary government										
Investment in capital assets	\$ 43,754,779	\$ 45,006,848	\$ 45,584,867	\$ 46,202,080	\$ 46,994,169	\$ 46,783,252	\$ 49,739,199	\$ 47,215,683	\$ 49,934,834	\$ 49,425,939
Restricted	1,146,413	1,089,772	909,151	862,883	647,829	57,951	148,081	100,102	165,949	221,078
Unrestricted	7,879,862	6,228,800	4,273,643	3,798,023	3,343,509	4,443,893	4,825,654	7,047,623	6,492,449	8,603,921
Total primary government net position	\$ 52,781,054	\$ 52,325,420	\$ 50,767,661	\$ 50,862,986	\$ 50,985,507	\$ 51,285,096	\$ 54,712,934	\$ 54,363,409	\$ 56,593,232	\$ 58,250,938

Note: The City has no Business-type activities

**COTTONWOOD HEIGHTS
STATISTICAL SECTION**

**FINANCIAL TRENDS: CHART-2
Cottonwood Heights
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)**

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Expenses										
Governmental Activities										
General Government	\$ 3,798,508	\$ 3,893,596	\$ 3,736,218	\$ 3,505,009	\$ 3,153,137	\$ 2,420,606	\$ 2,902,400	\$ 2,863,918	\$ 2,699,564	\$ 2,094,427
Public Safety	11,089,234	10,547,363	9,910,192	9,830,415	9,370,954	9,025,584	8,932,299	8,760,565	8,360,970	7,685,600
Highways and Streets	4,997,859	5,770,220	4,907,822	5,101,370	5,156,418	6,428,742	5,957,314	5,773,855	4,728,329	4,485,274
Community and Economic Development	2,436,609	7,148,623	1,177,023	1,136,010	1,119,682	1,058,098	970,886	695,759	626,956	602,502
Interest on long term debt	685,201	340,990	954,272	683,616	529,778	547,992	13,788	19,324	18,197	22,003
Total Governmental Activities	<u>23,007,411</u>	<u>27,700,792</u>	<u>20,685,527</u>	<u>20,256,420</u>	<u>19,329,969</u>	<u>19,481,022</u>	<u>18,776,687</u>	<u>18,113,421</u>	<u>16,434,016</u>	<u>14,889,806</u>
Total Expenses	<u>\$ 23,007,411</u>	<u>\$ 27,700,792</u>	<u>\$ 20,685,527</u>	<u>\$ 20,256,420</u>	<u>\$ 19,329,969</u>	<u>\$ 19,481,022</u>	<u>\$ 18,776,687</u>	<u>\$ 18,113,421</u>	<u>\$ 16,434,016</u>	<u>\$ 14,889,806</u>
Program Revenues										
Governmental Activities										
Charges for Services	\$ 642,630	\$ 687,780	\$ 774,331	\$ 654,736	\$ 744,299	\$ 517,531	\$ 601,337	\$ 502,581	\$ 445,692	\$ 555,469
General Government	369,276	391,709	391,549	388,461	530,137	528,102	536,531	528,676	552,220	546,034
Public Safety	275,687	320,515	315,543	272,331	355,582	217,312	232,585	245,326	180,299	203,093
Community and Economic Development	2,213,878	1,417,229	1,480,366	1,784,554	1,709,911	1,543,851	1,563,158	1,611,019	1,504,103	1,638,949
Operating Grants and Contributions	1,479,585	8,456,439	1,410,309	933,686	836,020	1,968,067	3,484,303	231,783	25,185	312,815
Capital Grants and Contributions	4,971,056	11,273,673	4,372,088	4,033,768	4,175,949	4,774,863	6,417,914	3,119,387	2,707,500	3,257,160
Total Governmental Activities	<u>\$ 4,971,056</u>	<u>\$ 11,273,673</u>	<u>\$ 4,372,088</u>	<u>\$ 4,033,768</u>	<u>\$ 4,175,949</u>	<u>\$ 4,774,863</u>	<u>\$ 6,417,914</u>	<u>\$ 3,119,387</u>	<u>\$ 2,707,500</u>	<u>\$ 3,257,160</u>
Total Program Revenues	<u>\$ 4,971,056</u>	<u>\$ 11,273,673</u>	<u>\$ 4,372,088</u>	<u>\$ 4,033,768</u>	<u>\$ 4,175,949</u>	<u>\$ 4,774,863</u>	<u>\$ 6,417,914</u>	<u>\$ 3,119,387</u>	<u>\$ 2,707,500</u>	<u>\$ 3,257,160</u>
Net (Expense)/Revenue	<u>\$(18,036,355)</u>	<u>\$(16,427,119)</u>	<u>\$(16,313,439)</u>	<u>\$(16,222,652)</u>	<u>\$(15,154,020)</u>	<u>\$(14,706,159)</u>	<u>\$(12,358,773)</u>	<u>\$(14,994,034)</u>	<u>\$(13,726,516)</u>	<u>\$(11,632,646)</u>
Governmental Activities	<u>\$(18,036,355)</u>	<u>\$(16,427,119)</u>	<u>\$(16,313,439)</u>	<u>\$(16,222,652)</u>	<u>\$(15,154,020)</u>	<u>\$(14,706,159)</u>	<u>\$(12,358,773)</u>	<u>\$(14,994,034)</u>	<u>\$(13,726,516)</u>	<u>\$(11,632,646)</u>
Total Net Expense	<u>\$(18,036,355)</u>	<u>\$(16,427,119)</u>	<u>\$(16,313,439)</u>	<u>\$(16,222,652)</u>	<u>\$(15,154,020)</u>	<u>\$(14,706,159)</u>	<u>\$(12,358,773)</u>	<u>\$(14,994,034)</u>	<u>\$(13,726,516)</u>	<u>\$(11,632,646)</u>

**COTTONWOOD HEIGHTS
STATISTICAL SECTION**

FINANCIAL TRENDS: CHART-2

Cottonwood Heights

Changes in Net Position

Last Ten Fiscal Years

(accrual basis of accounting)

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
<i>(schedule continued)</i>										
General Revenues										
Governmental Activities:										
Property Taxes	\$ 8,096,928	\$ 7,965,867	\$ 6,964,927	\$ 6,843,782	\$ 6,810,924	\$ 6,646,536	\$ 6,684,948	\$ 6,954,277	\$ 6,594,176	\$ 6,499,957
Sales Taxes	6,773,240	6,395,262	6,176,453	5,855,273	5,657,552	5,342,297	5,231,303	5,030,007	4,749,551	4,588,144
Opt Hwy/Trans SLS Tax	586,066	-	-	-	-	-	-	-	-	-
Energy Use Tax	1,989,725	1,993,681	2,094,365	2,104,686	1,530,067	-	-	-	-	-
Motor Vehicle Fee-In-Lieu	417,195	360,581	387,839	354,472	359,521	366,675	390,535	390,882	400,016	426,149
Franchise Taxes	323,830	325,048	335,910	338,833	320,220	305,641	303,918	296,450	278,444	267,999
State Liquor Fund Allotment	**	**	**	**	**	**	**	**	43,515	46,230
Unrestricted investment earnings	159,277	233,574	103,347	85,570	84,666	91,956	37,394	36,859	53,935	46,773
Gain (Loss) on sale of Capital Assets	-	508,094	3,875	96,926	8,250	18,824	12,000	-	(91,970)	(43,546)
Miscellaneous	176,727	202,772	151,394	420,589	83,228	57,422	48,200	55,735	41,145	55,709
Special Item	-	-	-	-	-	-	-	-	-	3,985,238
Total general revenues, transfers, and special item	18,522,989	17,984,879	16,218,112	16,100,131	14,854,430	12,829,351	12,708,298	12,764,210	12,068,812	15,842,653
Total primary government	\$ 18,522,989	\$ 17,984,879	\$ 16,218,112	\$ 16,100,131	\$ 14,854,430	\$ 12,829,351	\$ 12,708,298	\$ 12,764,210	\$ 12,068,812	\$ 15,842,653
Change in Net Position										
Governmental Activities	\$ 486,634	\$ 1,557,760	\$ (95,327)	\$ (122,521)	\$ (299,590)	\$ (1,876,808)	\$ 349,525	\$ (2,229,824)	\$ (1,657,704)	\$ 4,210,007
Business-type Activity	-	-	-	-	-	-	-	-	-	-
Total Change in Net Position	\$ 486,634	\$ 1,557,760	\$ (95,327)	\$ (122,521)	\$ (299,590)	\$ (1,876,808)	\$ 349,525	\$ (2,229,824)	\$ (1,657,704)	\$ 4,210,007

Note The City has no Business-type activities

** State Liquor Fund Allotment - moved to Operating Grants and Contributions in FY 2013 financials under Public Safety

**COTTONWOOD HEIGHTS
STATISTICAL SECTION**

FINANCIAL TRENDS: CHART-3
Cottonwood Heights
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General Fund										
Nonspendable	\$ 86,936	\$ 15,120	\$ 17,077	\$ 35,274	\$ 273,598	\$ 21,694	\$ 19,609	\$ 22,134	\$ 53,596	\$ 81,132
Restricted	-	-	-	-	-	-	-	68,799	112,353	138,355
Unrestricted:										
Assigned	513,628	557,107	483,105	440,430	-	-	-	-	-	-
Unassigned	4,879,661	3,711,262	3,237,936	3,128,109	2,078,586	2,114,670	2,407,342	2,585,344	2,580,477	2,828,007
Total General Fund	<u>\$ 5,480,224</u>	<u>\$ 4,283,489</u>	<u>\$ 3,738,118</u>	<u>\$ 3,603,813</u>	<u>\$ 2,352,184</u>	<u>\$ 2,136,364</u>	<u>\$ 2,426,951</u>	<u>\$ 2,676,277</u>	<u>\$ 2,746,426</u>	<u>\$ 3,047,494</u>
All other governmental funds										
Restricted:										
Federal Grant	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 23,594
Bond Funds in Trust	921,676	911,389	805,741	862,883	2,788,848	10,619,536	-	-	-	-
Unearned Revenues	204,832	-	-	-	-	-	-	-	-	-
Impact Fees	224,737	178,383	103,410	-	13,079	57,951	128,472	9,169	-	-
Unrestricted:										
Capital Projects	2,691,639	1,449,832	1,063,640	819,901	1,100,977	3,080,257	2,418,312	4,462,279	3,911,972	5,775,914
Debt Service	374	-	618	-	-	-	-	-	-	-
CommDev Renewal Agency	1,760,921	2,665,128	1,802,829	1,802,799	1,822,173	1,845,843	-	-	-	-
Unreserved - Capital Projects	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	<u>\$ 5,804,177</u>	<u>\$ 5,204,731</u>	<u>\$ 3,776,237</u>	<u>\$ 3,485,583</u>	<u>\$ 5,725,077</u>	<u>\$ 15,603,587</u>	<u>\$ 2,546,784</u>	<u>\$ 4,471,448</u>	<u>\$ 3,911,972</u>	<u>\$ 5,799,508</u>

Note: The city implemented the requirements of GASB Statement No. 54 Fund Balance Reporting and Governmental Fund Type Definitions for fiscal year 2011.

COTTONWOOD HEIGHTS STATISTICAL SECTION

FINANCIAL TRENDS: CHART-4 Cottonwood Heights

Changes in Fund Balances of Governmental Funds

Last Ten Fiscal Years
(modified accrual basis of accounting)

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
REVENUES										
Property Taxes	\$ 8,065,928	\$ 7,965,867	\$ 6,964,927	\$ 6,843,782	\$ 6,810,924	\$ 6,646,536	\$ 6,684,948	\$ 6,964,277	\$ 6,594,176	\$ 6,489,967
Sales Taxes	6,719,169	6,341,451	6,138,449	5,816,802	5,622,651	5,319,432	5,203,814	5,011,132	4,725,928	4,531,512
Opt Hwy/Trans Sales Tax	586,066	-	-	-	-	-	-	-	-	-
E-911 Emergency Fees	-	-	-	320,122	313,195	296,984	276,640	321,556	294,517	294,801
Energy Use Tax	1,989,725	1,993,681	2,094,365	2,104,686	1,530,067	-	-	-	-	-
Motor Vehicle Fee-in-lieu	417,195	360,581	387,839	354,472	359,521	366,675	390,535	390,892	400,016	426,149
Franchise Taxes	323,830	323,048	335,910	338,833	320,220	305,641	303,918	296,450	278,444	267,999
Transient Room	54,071	53,810	38,004	38,471	34,901	22,865	27,489	18,875	23,625	26,632
Licenses and Permits	642,630	687,780	774,331	654,736	744,289	517,531	601,337	502,581	445,692	555,469
Intergovernmental	2,803,414	2,798,684	2,787,255	2,345,426	2,138,467	3,172,565	4,651,518	1,488,464	1,253,101	1,536,378
Impact Fees - Current Year Collection *	140,049	74,973	103,410	52,691	94,268	42,369	119,303	31,783	25,185	167,015
Charges for Services	275,687	320,515	315,543	272,331	355,582	217,312	232,585	245,326	180,299	203,083
Fines and Fertilizers	359,276	391,709	391,549	388,461	530,137	528,102	536,531	528,220	552,220	546,634
Investment Earnings	159,277	233,574	103,347	85,570	84,666	91,956	37,394	36,859	53,935	46,773
Miscellaneous	176,727	202,772	151,394	420,589	78,260	57,422	48,200	56,683	41,145	55,709
Total Revenues	22,713,044	21,750,468	20,586,325	20,036,973	19,017,160	17,585,390	19,114,212	15,883,544	14,868,281	15,158,121
EXPENDITURES										
Current										
General Government	3,349,704	3,271,883	3,386,743	3,302,778	3,151,315	3,025,254	2,778,517	2,749,024	2,586,624	2,027,514
Public Safety	9,917,207	9,683,142	9,237,144	9,387,154	9,045,817	8,826,324	8,494,636	8,290,154	7,961,262	6,541,668
Highways and Public Improvements	3,182,327	3,919,794	2,568,521	2,582,975	2,607,607	2,978,465	3,119,574	2,400,004	2,009,533	1,404,726
Community and Economic Development	2,429,577	7,148,623	1,186,229	1,136,010	1,138,028	1,075,682	970,072	690,193	612,898	986,287
Debt Service	-	-	-	-	-	-	-	-	-	-
Principal	1,123,578	1,918,707	937,888	1,168,552	375,545	-	308,185	729,090	226,566	250,000
Interest and fiscal charges	739,870	721,755	795,211	576,150	864,559	13,966	13,788	19,324	18,197	22,003
Capital Outlays	924,600	2,974,766	2,054,005	11,515,988	11,515,479	4,750,896	5,615,428	2,411,983	3,676,584	4,700,145
Total Expenditures	21,666,863	29,638,670	20,165,741	29,690,187	28,688,350	20,670,687	21,300,200	17,289,772	17,071,684	15,532,343
Excess(Deficiency) of Revenues over Expenditures	1,046,181	(7,788,212)	420,583	(9,653,214)	(9,671,190)	(3,085,197)	(2,185,988)	(1,406,228)	(2,203,403)	(374,222)
OTHER FINANCING SOURCES (USES)										
Transfers in	3,686,584	3,045,395	2,612,342	478,625	278,625	-	875,615	1,485,423	1,730,747	669,459
Transfers out	(3,686,584)	(3,045,395)	(2,612,342)	(478,625)	(278,625)	-	(875,615)	(1,485,423)	(1,730,747)	(669,459)
In-Kind Capital Contribution	-	-	-	-	-	-	-	-	-	-
Proceeds from Capital Leases	-	1,859,827	-	4,200,123	-	1,168,247	-	1,142,555	-	-
Proceeds from Revenue Bond	-	-	-	3,593,857	-	14,664,340	-	-	-	-
Loans Other Governments	750,000	7,000,000	4,375	871,368	8,500	18,824	12,000	753,000	14,800	-
Sale of Capital Assets	-	902,250	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	750,000	9,762,078	4,376	8,665,348	8,500	15,861,111	12,000	1,895,555	14,800	-
Net change in fund balances before special item	1,796,181	1,973,866	\$ 424,959	\$ (987,866)	\$ (9,662,690)	\$ 12,766,215	\$ (2,173,988)	\$ 489,327	\$ (2,188,603)	\$ (374,222)
Net change in fund balances	\$ 1,796,181	\$ 1,973,866	\$ 424,959	\$ (987,866)	\$ (9,662,690)	\$ 12,766,215	\$ (2,173,988)	\$ 489,327	\$ (2,188,603)	\$ (374,222)
Debt service as a percentage of Noncapital expenditures	8.98%	9.94%	9.57%	9.61%	7.16%	0.09%	2.05%	5.03%	1.83%	2.51%
Beginning Fund Balance	\$ 9,488,220	\$ 7,514,354	\$ 7,089,396	\$ 8,077,261	\$ 17,739,952	\$ 4,973,737	\$ 7,147,725	\$ 6,658,398	\$ 8,847,002	\$ 9,221,222
Ending Fund Balance	\$ 11,284,401	\$ 9,488,220	\$ 7,514,354	\$ 7,089,396	\$ 8,077,261	\$ 17,739,952	\$ 4,973,737	\$ 7,147,725	\$ 6,658,398	\$ 8,847,002

* Impact Fee Collections moved from Other Sources to Revenues in FY 2016

COTTONWOOD HEIGHTS
STATISTICAL SECTION

REVENUE CAPACITY: CHART-5
Cottonwood Heights
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year Ended June 30	Tax Assessment Year	ASSESSED "MARKET VALUE" OF PROPERTY					Less 100% Tax-Exempt Property (1)	Less Residential Exemption	Total Assessed Taxable Value	Assessed Value as % Fully Assessed	Taxable Total Direct Rate
		Residential	Commercial (1)	Total	Less Residential Exemption	Total Assessed Taxable Value					
2020	2019	\$ 5,066,364,904	\$ 1,477,465,446	\$ 6,543,830,350	\$ 210,000,000	\$ 2,279,864,207	\$ 4,053,966,143	62.0%	0.2088%		
2019	2018	4,754,574,427	1,395,046,123	6,149,620,550	199,500,000	2,139,558,492	3,810,562,058	62.0%	0.2088%		
2018	2017	4,363,396,727	1,268,644,562	5,632,041,289	183,000,000	1,963,528,527	3,485,512,762	61.9%	0.1981%		
2017	2016	4,086,437,958	1,238,190,110	5,324,628,068	173,000,000	1,838,897,081	3,312,730,987	62.2%	0.2064%		
2016	2015	3,843,244,422	1,062,536,446	4,905,780,868	159,000,000	1,729,459,990	3,017,320,878	61.5%	0.2239%		
2015	2014	3,635,290,049	958,078,420	4,593,368,469	149,000,000	1,635,880,522	2,808,487,947	61.1%	0.2386%		
2014	2013	3,393,947,127	947,209,241	4,341,156,368	140,000,000	1,527,276,207	2,673,880,161	61.6%	0.2522%		
2013	2012	3,277,704,426	890,799,802	4,168,504,228	135,000,000	1,474,966,992	2,558,537,236	61.4%	0.2654%		
2012	2011	3,366,962,604	864,180,096	4,231,142,700	130,000,000	1,515,133,172	2,586,009,528	61.1%	0.2586%		
2011	2010	3,462,644,784	868,364,470	4,331,009,254	135,000,000	1,558,190,153	2,637,819,101	60.9%	0.2517%		

Source: Cottonwood Heights Finance Department, SL County Auditor, Utah State Tax Commission
Note: Property in the county is reassessed annually, rates change to yield same revenue as prior year unless tax increase is declared and hearings are held.

(1) Property that is 100% exempt from property taxes is "estimated" and included in Assessed "Market Values" - Commercial (Prior year data recalculated FY 2019.)

COTTONWOOD HEIGHTS STATISTICAL SECTION

REVENUE CAPACITY: CHART-6
Cottonwood Heights
Property Tax Rates
Direct and Overlapping Governments
Last Ten Fiscal Years

Fiscal Year Ended June 30	Cottonwood Heights'				Overlapping Rates									
	Tax Year	Basic Rate	General Obligation Debt Service	Total Direct	Jordan School District (Old Debt)(1)	Salt Lake County (countywide) (2)	Salt Lake County Library	South Salt Lake Valley Mosquito Abatement District	Central Utah Water Conservancy District	Cottonwood Improvement 'Sewer' District (3)	Cottonwood Heights Parks & Recreation Service Area (4)	Jordan Valley Water Conservancy District (5)		
2020	2019	0.2002%	-	0.2002%	0.7019%	0.1933%	0.0536%	0.0014%	0.0400%	0.0162%	0.1205%	0.0383%		
2019	2018	0.2088%	-	0.2088%	0.6435%	0.2025%	0.0559%	0.0015%	0.0400%	0.0176%	0.0965%	0.4000%		
2018	2017	0.1981%	-	0.1981%	0.6439%	0.2471%	0.0605%	0.0017%	0.0400%	0.0189%	0.1065%	0.4000%		
2017	2016	0.2064%	-	0.2064%	0.6463%	0.2371%	0.0639%	0.0018%	0.0400%	0.0199%	0.1117%	0.0372%		
2016	2015	0.2239%	-	0.2239%	0.6997%	0.2531%	0.0683%	0.0019%	0.0405%	0.0215%	0.1198%	0.0400%		
2015	2014	0.2386%	-	0.2386%	0.6872%	0.3036%	0.0715%	0.0020%	0.0422%	0.0226%	0.1253%	0.0399%		
2014	2013	0.2522%	-	0.2522%	0.7016%	0.3180%	0.0755%	0.0021%	0.0446%	0.0236%	0.1185%	0.0424%		
2013	2012	0.2654%	-	0.2654%	0.7111%	0.2793%	0.0627%	0.0021%	0.0455%	0.0244%	0.1203%	0.0443%		
2012	2011	0.2586%	-	0.2586%	0.6546%	0.2696%	0.0604%	0.0052%	0.0436%	0.0237%	0.1217%	0.0424%		
2011	2010	0.2517%	-	0.2517%	0.6540%	0.2593%	0.0583%	0.0050%	0.0421%	0.0229%	0.1058%	0.0410%		

Source: Utah State Tax Commission - Property Tax Division

Note: Property in the county is reassessed annually, rates change to yield same revenue as prior year unless tax increase is declared and hearings are held.

- (1) Local School District - Transitioned from Jordan School District to Canyons School District July 1, 2009. Old Debt from voted General Obligation bonds are being retired as they are paid.
- (2) Salt Lake County - includes Health, Recreation, Flood and general countywide operations
- (3) Cottonwood Improvement 'Sewer' District serves approximately 98% of Cottonwood Heights, SL Suburban District serves the remaining 2%
- (4) Cottonwood Heights Parks & Recreation Service Area overlaps approximately 70% of the city boundary.
- (5) Jordan Valley Water Conservancy District overlaps approximately 8% of the city's boundary.

COTTONWOOD HEIGHTS
STATISTICAL SECTION

REVENUE CAPACITY: CHART-7
Cottonwood Heights
Principal Property Taxpayers
Current Year and Five Years Ago

Taxpayer	FY 2020			FY 2015		
	2019 Taxable Assessed Value	Rank	Percentage of Total Taxable Value	2014 Taxable Assessed Value	Rank	Percentage of Total Taxable Value
Old Mill Corporate Center (Offices)	169,549,200	1	4.62%	\$ 115,996,300	1	4.32%
HGREIT II (Cottonwood Center)	132,702,100	2	3.62%	97,343,900	2	3.62%
CornerStone Title Holder	78,573,900	3	2.14%			
RBCSU Realty, Inc. / Regence BlueCross/BlueShield	47,091,600	4	1.28%	36,561,600	5	1.36%
Fourels Investment Co. (Shopping area)	46,628,700	5	1.27%	39,398,100	3	1.47%
Pinnacle Highland Apartments	50,165,500	6	1.37%	37,837,525	4	1.41%
Santa Fe Apartments, LLC. (KW Cottonwood)	41,551,015	7	1.13%	29,204,890	6	1.09%
James Campbell Company, LLC.	34,602,920	8	0.94%	22,909,520	7	0.85%
JSP Farms II, LLC	31,132,145	9	0.85%	20,613,010	8	0.77%
Park Centre I, LLC	24,329,600	10	0.66%	16,138,600	10	0.60%
Reef Union Park				18,098,300	9	0.67%
	<u>656,326,680</u>		<u>17.90%</u>	<u>434,101,745</u>		<u>16.15%</u>
Total City Certified Taxable Assessed Value	\$ 3,667,234,098			\$ 2,687,778,232		

Source: Salt Lake County Treasurer

COTTONWOOD HEIGHTS
STATISTICAL SECTION

REVENUE CAPACITY: CHART-8
Cottonwood Heights
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year Ended June 30	Total Tax Levy for Fiscal Year		Collected within the Fiscal Year of the Levy		Total Delinquent Collections in Subsequent Years Classified in Tax YR		Total Collections to Date		Total Year-end Assessed Taxable Value	Assessed % of Market Value	Total Direct Rate	Original Budget Used to Set Tax Rate
	Fiscal Year	Levy for Fiscal Year	Amount Collected	Percentage of Levy	Amount Collected	Percentage of Levy	Amount Collected	Percentage of Levy				
2020	\$8,067,623	\$7,880,168	97.7%	\$159,911	8,040,079	99.7%	4,030,228,123	65.5%	0.2002%	\$7,846,375		
2019	7,967,299	7,742,626	97.2%	97,965	7,840,591	98.4%	3,810,562,058	62.2%	0.2088%	7,784,801		
2018	6,914,242	6,767,944	97.9%	94,669	6,862,613	99.3%	3,485,512,762	62.1%	0.1981%	6,750,134		
2017	6,883,512	6,747,221	98.0%	126,349	6,873,570	99.9%	3,289,724,113	62.1%	0.2064%	6,648,354		
2016	6,828,225	6,692,242	98.0%	105,363	6,797,625	99.6%	3,024,301,732	61.6%	0.2239%	6,600,465		
2015	6,710,628	6,568,976	97.9%	56,688	6,625,664	98.7%	2,785,001,746	60.9%	0.2386%	6,435,856		
2014	6,778,261	6,563,243	96.7%	118,607	6,671,850	98.4%	2,649,474,294	61.4%	0.2522%	6,465,048		
2013	6,778,261	6,554,349	96.7%	160,125	6,714,474	99.1%	2,533,213,963	61.1%	0.2654%	6,431,714		
2012	6,681,842	6,420,677	96.1%	213,781	6,634,458	99.3%	2,560,292,893	60.9%	0.2586%	6,437,173		
2011	6,618,763	6,374,612	96.3%	200,475	6,575,087	99.3%	2,610,979,435	60.7%	0.2517%	6,445,912		
2010	6,522,478	6,216,140	95.3%	235,771	6,451,912	98.9%	2,703,077,534	60.9%	0.2399%	6,423,917		

Source: Cottonwood Heights Finance Department, SL County Auditor, Utah State Tax Commission

COTTONWOOD HEIGHTS
STATISTICAL SECTION

DEBT CAPACITY: CHART-9
Cottonwood Heights
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year Ended June 30	Governmental Activities			Sales Tax Revenue Bonds (1)	Total Outstanding Debt	Percentage of Personal Income (2)	State Committee Calculated Population (3)	Debt Per Capita
	General Obligation Bonds	Capital Leases	Special Assessment Bonds					
2020	\$ -	\$ 3,424,776	\$ -	\$ 15,290,000	\$ 18,714,776	1.140%	33,843	552.99
2019	-	4,073,354	-	15,765,000	19,838,354	1.217%	34,117	581.48
2018	-	3,662,235	-	16,235,000	19,897,235	1.263%	33,996	585.28
2017	-	4,200,123	-	16,635,000	20,835,123	1.353%	34,285	607.70
2016	-	818,552	-	13,705,000	14,523,552	0.979%	34,343	422.90
2015	-	1,134,065	-	13,770,000	14,904,065	1.062%	34,166	436.23
2014	-	834,317	-	-	834,317	0.064%	34,017	24.53
2013	-	1,142,503	-	-	1,142,503	0.092%	34,017	33.59
2012	-	729,090	-	-	729,090	0.058%	34,068	21.40
2011	-	955,676	-	-	955,676	0.079%	33,433	28.58

Note: The City has no Business-type activities
Prior year balances corrected

(1) Bonds, without amortized premium

(2) Personal income is disclosed on Chart 14

(3) Utah State Population Committee, US Census

COTTONWOOD HEIGHTS
STATISTICAL SECTION

DEBT CAPACITY: CHART-10
Cottonwood Heights
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year Ended June 30	General	Less: Amounts	Total	Percentage of	Per
	Obligation Bonds (1)	Available in Debt Service Funds (2)		Estimated Actual Taxable Value of Property (3)	Capita (4)
	\$	\$	\$	-%	\$
2020	-	-	-	-	-
2019	-	-	-	-	-
2018	-	-	-	-	-
2017	-	-	-	-	-
2016	-	-	-	-	-
2015	-	-	-	-	-
2014	-	-	-	-	-
2013	-	-	-	-	-
2012	-	-	-	-	-
2011	-	-	-	-	-

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements

- (1) This is the general bonded debt of both governmental and business-type activities, net of original issuance discounts and premiums
- (2) This is the amount restricted for general obligation debt service principal payments
- (3) See the Schedule of Assessed Value and the Estimated Actual Value of Taxable Property on Chart 5 for property value data.
- (4) Population data can be found on the Schedule of Demographic and Economic Statistics on Chart 14

COTTONWOOD HEIGHTS
STATISTICAL SECTION

DEBT CAPACITY: CHART-11
Cottonwood Heights
Direct and Overlapping Governmental Activities Debt
As of June 30, 2020

Overlapping Government Unit	2020 Debt Outstanding	Estimated Percentage Applicable	Amount Applicable to Cottonwood Heights
	\$		\$
Central Utah Water Conservancy District	193,540,000	3.47%	6,722,612
Jordan School District (old debt)	29,540,000	16.67%	4,925,309
Canyons School District	325,170,000	16.18%	52,623,862
Salt Lake County - General & Library	190,233,893	3.48%	6,626,492
South Salt Lake Valley Mosquito District	-	5.17%	-
Cottonwood Improvement "Sewer" District	-	44.82%	-
Cottonwood Heights Parks & Recreation Service Area	2,525,000	98.00%	2,474,500
Jordan Valley Water Conservancy District	322,177,000	0.12%	401,569
Subtotal, overlapping governmental activity debt	<u>1,063,185,893</u>		<u>73,774,345</u>
City direct debt	18,714,776	100.00%	18,714,776
Total direct and overlapping debt	<u>\$ 1,081,900,669</u>		<u>\$ 92,489,121</u>

Sources: Salt Lake County - Comprehensive Annual Financial Report for 2019, and other entities CAFR.

Note: Overlapping governments are those that coincide, at least in part, with geographic boundaries of the city. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the property taxpayers of Cottonwood Heights. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the property taxpayers should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt of each overlapping government.

**COTTONWOOD HEIGHTS
STATISTICAL SECTION**

**DEBT CAPACITY: CHART-12
Cottonwood Heights
Legal Debt Margin Information
June 30, 2019**

	Fiscal Years									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Debt Constitutional Limit										
General (4% Fair Cash Value)	\$ 253,353,214	\$ 239,064,822	\$ 217,961,652	\$ 206,065,123	\$ 189,871,235	\$ 171,490,788	\$ 168,046,255	\$ 161,340,169	\$ 164,045,708	\$ 167,840,370
Sewer, Water (4% Fair Cash Value)	253,353,214	239,064,822	217,961,652	206,065,123	189,871,235	171,490,788	168,046,255	161,340,169	164,045,708	167,840,370
Total 8% Debt Constitutional Limit	506,706,428	478,129,644	435,923,303	412,130,245	379,742,469	342,981,577	336,092,509	322,680,338	328,091,416	335,680,740
Total Net Debt Applicable to Limit	15,765,000	15,765,000	16,235,000	16,635,000	13,705,000	13,770,000	-	-	-	-
Legal Debt Margin	\$ 490,941,428	\$ 462,364,644	\$ 419,688,303	\$ 395,495,245	\$ 366,037,469	\$ 329,211,577	\$ 336,092,509	\$ 322,680,338	\$ 328,091,416	\$ 335,680,740
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	3.111%	3.297%	3.724%	4.036%	3.609%	4.015%	0.000%	0.000%	0.000%	0.000%
Legal Debt Margin Calculations										
Assessed Valuation:										
Reasonable Fair Cash Value	\$ 6,333,830,350	\$ 5,976,620,550	\$ 5,449,041,289	\$ 5,151,628,088	\$ 4,746,780,868	\$ 4,287,269,711	\$ 4,201,156,368	\$ 4,033,504,228	\$ 4,101,142,700	\$ 4,196,009,254
Debt Limit (8% of reasonable Fair Cash Value)	506,706,428	478,129,644	435,923,303	412,130,245	379,742,469	342,981,577	336,092,509	322,680,338	328,091,416	335,680,740
Debt Applicable to Limit:										
General Obligation Bonds	15,765,000	15,765,000	16,235,000	16,635,000	13,705,000	13,770,000	-	-	-	-
Less: Amount Set Aside for Repayment of General Obligation Debt	-	-	-	-	-	-	-	-	-	-
Total Net Debt Applicable to Limit	15,765,000	15,765,000	16,235,000	16,635,000	13,705,000	13,770,000	-	-	-	-
Legal Debt Margin	\$ 490,941,428	\$ 462,364,644	\$ 419,688,303	\$ 395,495,245	\$ 366,037,469	\$ 329,211,577	\$ 336,092,509	\$ 322,680,338	\$ 328,091,416	\$ 335,680,740

Source: Finance Department

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements. Currently water and sewer services are provided by other special service districts.

COTTONWOOD HEIGHTS
STATISTICAL SECTION

DEBT CAPACITY: CHART-13
Cottonwood Heights
Pledged-Revenue Coverage
June 30, 2019

Fiscal Year	Sales Tax Revenues	Debt Service *		Coverage
		Principal	Interest	
2020	\$ 6,719,169	\$ 475,000	\$ 597,231	6.27
2019	6,341,451	470,000	607,730	5.88
2018	6,138,449	400,000	618,130	6.03
2017	5,816,802	350,000	626,166	5.96
2016	5,622,651	65,000	533,726	9.39
2015	5,319,432	-	533,441	9.97
2014	-	-	-	-
2013	-	-	-	-
2012	-	-	-	-
2011	-	-	-	-
2010	-	-	-	-
2009	-	-	-	-

* Debt Service - Interest net of amortized Bond Premium

COTTONWOOD HEIGHTS
STATISTICAL SECTION

DEMOGRAPHIC AND ECONOMIC: CHART-14
Cottonwood Heights
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	State Committee Calculated Population (1)	Median Age (1)	Per Capita Income (1)	Personal Income (in '000)	Education			Metro SLC, UT Unemployment Rate (3)
					Age 25+ Avg Yrs of Formal Schooling (2)	K-12 School Enrollment (2)		
2020	33,843	36.70	\$ 48,500 *	1,641,386	14.7 *	5,575 *	5.1%	
2019	34,117	36.90	47,796 *	1,630,642	14.8 *	5,473 *	2.8%	
2018	33,996	37.10	46,336 *	1,575,239	14.8 *	5,393 *	3.1%	
2017	34,285	37.50	44,921	1,540,116	14.8	5,261	3.4%	
2016	34,343	35.70	43,206	1,483,824	14.8	5,327	3.3%	
2015	34,166	36.00	41,089	1,403,847	14.7	5,462	3.3%	
2014	34,017	35.60	38,477	1,308,872	14.6	5,642	3.5%	
2013	34,017	35.20	36,668	1,247,335	14.6	5,524	5.0%	
2012	34,068	36.50	36,850	1,255,406	14.6	5,750	6.0%	
2011	33,433	35.90	36,127	1,207,834	14.6	6,038	7.6%	

Note: Prior years data updated

(1) Utah State Population Committee, US Census Bureau, 2006-2010 American Community Survey 5 yr estimates (* City Finance Estimate)

(2) US Census Bureau, 2006-2010 American Community Survey 5 yr estimates (* City Finance Estimate)

(3) Bureau of Labor Statistics - June FY

COTTONWOOD HEIGHTS STATISTICAL SECTION

DEMOGRAPHIC AND ECONOMIC: CHART-15
Cottonwood Heights
Principal Employers in City Boundaries
Current Year and Nine Years Ago

2020				2011			
Rank	Employer	Employees	Percentage of Total Employment	Employer	Employees	Rank	Percentage of Total Employment
1	Jet Blue Airways Corporation	1000-1999	5.86%	Jet Blue Airways Corporation	1000-1999	1	7.62%
3	Instructure, Inc	500-999	2.93%				
3	Canyons School District	500-999	2.93%	Canyons School District	500-999	3	3.81%
8	Extra Space Management Inc	250-499	1.46%	Extra Space Management Inc	100-249	10	0.86%
8	Mastercontrol Inc (EBR Labs)	250-499	1.46%	Mastercontrol Inc (EBR Labs)	100-249	10	0.86%
8	Regence BlueCross BlueShield of Utah	250-499	1.46%	Regence BlueCross BlueShield of Utah	500-999	3	3.81%
8	SoFi Lending Corp	250-499	1.46%				
8	Target Corporation	250-499	1.46%	Target Corporation	250-499	6	1.90%
10	APEX Systems	100-249	0.66%				
10	AVID Acceptance, LLC	100-249	0.66%				
10	Canyon Culinary Inc (Porcupine Grill)	100-249	0.66%	Canyon Culinary Inc (Porcupine Grill)	100-249	10	0.86%
10	Cerner Health Services	100-249	0.66%				
10	Cisco Systems Inc	100-249	0.66%	Cisco Systems Inc	100-249		0.86%
10	Collective Medical Technologies, Inc	100-249	0.66%				
10	Cottonwood Heights Parks & Recreation Service Area	100-249	0.66%	Cottonwood Heights Parks & Recreation Service Area	100-249	10	0.86%
10	Danville Support Services	100-249	0.66%	Danville Support Services	100-249	10	0.86%
10	Dyno Nobel Inc	100-249	0.66%	Dyno Nobel Inc	100-249	10	0.86%
10	EBR Labs LLC	100-249	0.66%				
10	Forcepoint LLC (Raytheon Oakley Sys)	100-249	0.66%	Forcepoint LLC (Raytheon Oakley Sys)	100-249	10	0.86%
10	Market Street Grill Cottonwood	100-249	0.66%				
10	KR Acquisitions 1 LLC ET AL (Kern River Gas)	100-249	0.66%	KR Acquisitions 1 LLC ET AL (Kern River Gas)	100-249	10	0.86%
10	Kroger Group Cooperative Inc (Smiths Food)	100-249	0.66%	Kroger Group Cooperative Inc (Smiths Food)	100-249	10	0.86%
10	Navitaire Inc	100-249	0.66%	Navitaire Inc	100-249	10	0.86%
10	Staffing Solutions Southwest (Real Time Staffing)	100-249	0.66%	Real Time Staffing Services, Inc	100-249	10	0.86%
10	The Home Depot USA Inc	100-249	0.66%	The Home Depot USA Inc	100-249	10	0.86%
10	Upwell Health Services	100-249	0.66%				
10	Peis' RX Inc (VCA / Vicar Operating)	100-249	0.66%	Peis' RX Inc (VCA / Vicar Operating)	100-249		0.86%
10	Vista Staffing Solutions	100-249	0.66%				
		5,250 - 11,472	32.32%			1	42.13%
Top Ten Principal Employers							
		19,000 - 31,000					
All Reported Employers in City							
		13,500 - 25,500					

Source: Utah Department of Workforce Services
Cottonwood Heights does not maintain employer - employee data

COTTONWOOD HEIGHTS
STATISTICAL SECTION

OPERATING INFORMATION: CHART-16
Cottonwood Heights
Full-time Equivalent Employees by Function
Last Ten Fiscal Years

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Function										
General Government	16.50	16.50	18.00	18.00	17.75	17.50	16.23	16.64	16.11	15.11
Public Safety										
Police										
Sworn Officers	37.00	37.50	39.50	39.50	39.50	38.50	36.50	36.50	36.25	35.25
Non-Sworn	11.48	11.48	11.48	11.46	11.46	11.46	11.46	10.96	10.20	10.00
Ordinance Enforcement	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Highways and streets										
Maintenance	15.00	14.00	14.00	14.00	4.65	4.65	4.65	4.65	4.00	4.20
Community & Economic Development	7.75	7.75	6.50	6.50	6.04	5.54	5.17	4.54	4.54	4.00
Total	89.73	89.23	91.48	91.46	81.40	79.65	76.01	75.29	73.10	70.56

Source: City Finance / Budget department

COTTONWOOD HEIGHTS STATISTICAL SECTION

OPERATING INFORMATION: CHART-17
Cottonwood Heights
Operating Indicators by Function
Last Ten Years

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Public Safety										
Police:										
Total calls for service	16,917	19,009	19,041	18,463	18,210	22,949	21,666	25,614	25,379	22,316
Homicide, Armed Robbery, Assaults w/Weapons	35	37	44	51	38	25	34	26	30	12
Clearance Rates	71%	86%	65%	70%	64%	76%	82%	-	90%	92%
Assault, Burglary, Larceny, Vehicle Thefts & Rap	1,002	971	1,014	1,170	1,101	1,022	983	1,020	995	966
Clearance Rates	35%	37%	31%	29%	29%	33%	20%	-	73%	55%
Number of arrests	1,026	1,385	1,458	1,204	1,393	1,228	1,185	1,329	1,270	1,015
Number of DUI arrests	111	156	168	118	166	165	127	308	307	135
Avg. Priority 1 calls response times	4:37	4:10	4:10	4:36	4:19	4:57	5:09	4:28	4:40	4:51
Ordinance Enforcement:										
Animal involved calls for service	637	844	860	854	932	1,382	1,171	1,373	1,362	1,188
Ordinance violation citations issued	164	203	221	126	166	172	118	127	92	108
Fire:										
Number of fire calls	481	610	460	633	531	709	822	881	946	959
Number of medical calls	1,454	1,358	1,755	2,081	1,843	2,596	2,477	2,224	2,520	2,363
Public Works										
Number of issued excavation permits closed	257	337	300	285	332	341	72	223	229	274
Square feet of chip seal applied	-	367,500	1,729,600	78,090	198,900	-	237,650	556,500	476,050	651,489
Square feet of slurry seal / reclaimer applied	4,011,000	2,100,000	-	-	-	-	759,310	1,696,665	411,865	1,052,379
Square feet of overlay completed	76,000	74,500	283,500	-	715,397	496,145	236,280	541,755	477,367	524,549
Community and Economic Development										
Number of business licenses renewed	1,533	1,555	1,464	1,302	1,259	1,454	1,421	1,291	1,269	1,388
Number of new business licenses issued	118	217	208	198	244	192	180	154	167	163
Building permits issued	682	669	691	591	402	536	486	408	382	372
Number of building inspections	2,175	2,164	1,926	1,389	1,403	1,680	1,234	1,102	1,149	1,149
Square footage of new office space	2,175	33,885	39,515	23,540	158,000	33,500	150,000	-	232,000	-
Total square footage of office space	2,726,457	2,724,282	2,690,397	2,650,882	2,627,342	2,469,342	2,435,842	2,285,842	2,285,842	2,053,842

Source: Various City departments

COTTONWOOD HEIGHTS
STATISTICAL SECTION

OPERATING INFORMATION: CHART-18
Cottonwood Heights
Capital Asset Statistics by Function
Last Ten Years

Function	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General Government										
Number of general governmental buildings (owned / leased)	1/0	1/0	1/0	1/0	0/1	0/1	0/1	0/1	0/1	0/1
Number of storage buildings (owned / leased)	0/4	0/4	0/4	0/4	0/4	0/4	0/4	0/4	1/1	1/1
Public Safety										
Number of Police stations (owned / leased)	1/0	1/0	1/0	1/0	0/1	0/1	0/1	0/1	0/1	0/1
Number of Police substations (County owned) (1)	1	1	1	1	1	1	1	1	1	1
Number of Fire stations (1)	2	2	2	2	2	2	2	2	2	2
Fire Hydrants	1261	1258	1212	1212	1197	1195	1080	1,080	1,123	1,123
Library (1)	1	1	1	1	1	1	1	1	1	1
Public Works										
Number of Public Works buildings / Yards	1/1	1/1	1/1	1/1	0/1	0/1	0/1	0/1	0/1	0/1
Number of Street Lights	1,141	1,136	1,135	1,115	1,100	1,092	1,090	870	868	868
Number of Lane Miles of Road	270	270	265	253	253	250	250	250	250	250
Number of intersections with Traffic Signals	32	32	32	32	32	32	32	32	32	32
Miles of Storm drains	92	92	90	86	86	72	72	72	72	72
Number of issued excavation permits closed	257	337	300	285	332	341	72	223	229	274
Recreations and Parks										
Number of full service Recreation Facilities (1)	1	1	1	1	1	1	1	1	1	1
Acres of City owned Parks	18.96	18.96	18.96	18.96	18.96	18.96	18.96	18.96	18.96	9.53
Acres of non-City owned Parks (1)	117.25	117.25	117.25	117.25	117.25	117.25	117.25	117.25	117.25	117.25

Source: City Finance / Budget department
(1) Owned by Salt Lake County or a Special District

